

Our view on next week's key events

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Key events in developed markets and EMEA next week

All eyes will be on the November jobs report in the US, with the trend expected to point towards weaker hiring. Over in Hungary, a busy week ahead sees the release of headline and core inflation numbers. We're expecting both to fall by around 2ppt



✓ US: trend towards weaker hiring in November jobs report expected

We are building up to the Federal Reserve's 13 December FOMC meeting, where the widely held view is that the central bank will leave its policy rate unchanged at 5.25-5.5% and will remove the final rate hike it had pencilled into its forecasts. Whether it chooses to formally signal we are at the peak for the policy rate is uncertain – but the market is convinced, with more than 100bp of rate cuts now priced for 2024. We are looking for 150bp of cuts next year on the basis that consumer weakness will drag the US growth story much lower, given stagnant real household disposable incomes, diminished household savings and reduced access to consumer credit via bank caution and painful borrowing costs.

Next week's data highlight will be the November jobs report. October's was much softer than expected, so there is hope for a bit of a recovery, but the trend is towards weaker hiring, as signalled in the recent Fed Beige Book and the rise in continuing jobless claims. The unemployment rate is expected to stay at 3.9%, but we soon expect it to break above 4%. Subdued wage growth should reaffirm the market's view that the inflation pressures from the jobs market are weakening

fast, aided by improving productivity growth.

Hungary: Headline and core inflation will show lack of repricing power

We're looking forward to an action-packed, heavy calendar in Hungary next week. The first batch of data comes on Wednesday with October industrial and retail performance. With new capacity coming on stream in the export sector, we expect an improvement on a monthly basis. Thanks to the base effect, the year-on-year reading will be close to zero. Fuel prices are falling, supporting the recovery of retail sales. Disinflation will also improve food sales, while non-food retailers will continue to face a lack of demand. As a result, after a strong month-on-month performance, we see a marked improvement in the annual index – although a full recovery is still a long way off.

Friday will bring us another set of important data. First and foremost, both the headline and core inflation figures will show the lack of repricing power, and due to the base effect, both readings will fall by around 2ppt compared to the October figures. A strong export performance in industry will keep the trade balance in a large surplus. Speaking of surpluses, November could also be a strong month for the budget, thanks to recent one-off receipts from the sale of state stakes in some companies and dividend prepayments from state-owned utility company MVM.

Key events in developed markets next week

Country	Time Data/event	ING	Survey	Prev.
Monday 4 December				
US	1500 Oct Factory Orders (MoM%)	-3	-2.6	2.8
Germany	0700 Oct Exports	1.5		-2.4
	0700 Oct Imports	1.2		-1.7
	0700 Oct Trade Balance	18		16.5
Switzerland	0730 Nov CPI (MoM%/YoY%)	-/-	/	0.1/1.7
Tuesday 5 December				
US	1445 Nov S&P Global Composite Final PMI	-		50.7
	1445 Nov S&P Global Services PMI Final	-		50.8
	1500 Nov ISM Non-Manufacturing PMI	52	52.5	51.8
Germany	0855 Nov S&P Global Services PMI	48.7		48.7
	0855 Nov S&P Global Composite Final PMI	47.1		47.1
France	0745 Oct Industrial Output (MoM%)	-		-0.5
	0850 Nov S&P Global Composite PMI	-		44.5
UK	0930 Nov S&P Global/CIPS Serv PMI Final	50.5		50.5
	0930 Nov Composite PMI Final	50.1		50.1
Italy	0845 Nov Composite PMI	-		47
Spain	0815 Nov Services PMI	-		51.1
Eurozone	0900 Nov S&P Global Services Final PMI	48.2		48.2
	0900 Nov S&P Global Composite Final PMI	47.1		47.1
Wednesday 6 December				
US	1315 Nov ADP National Employment	150	120	113
	1330 Oct International Trade \$	-62.5	-63	-61.5
	1330 W 2 Initial Jobless Claims	225	-	218
	1330 W 1 Continuing Jobless Claims	1900	-	1927
Germany	0700 Oct Industrial Orders (MoM%)	0.6		0.2
Canada	1330 Oct Trade Balance C\$	-		2.04
	1500 BoC Rate Decision	5	5	5.00
Eurozone	1000 Oct Retail Sales (MoM%/YoY%)	0/-1.2	/	-0.3/-2.9
Thursday 7 December				
US	2000 Oct Consumer Credit	8.5	9	9.06
Germany	0700 Oct Industrial Output (MoM%/YoY%)	0.5	/	-1.4/-3.86
France	0745 Nov Reserve Assets Total	-2.7		224598
	0745 Oct Trade Balance	-		-8.917
Italy	0900 Oct Industrial Output (MoM%/YoY%)	-0.4/-	/	0/-2
Switzerland	0645 Nov Unemployment Rate Adjusted	-		2.1
Eurozone	1000 Q3 Employment Final (YoY%)	1.4		1.4
	1000 Q3 Employment Final (QoQ%)	0.3		0.3
	1000 Q3 GDP Revised (QoQ%/YoY%)	-0.1/0.1	/	-0.1/0.1
Friday 8 December				
US	1330 Nov Non-Farm Payrolls	180	200	150
	1330 Nov Private Payrolls	150	158	99
	1330 Nov Unemployment Rate	3.9	3.9	3.9
	1500 Dec University of Michigan Sentiment Prelim	61.6		61.3
	1500 Dec University of Michigan Conditions Prelim	-		68.3
	1500 Dec University of Michigan Expectations Prelim	-		56.8
Germany	0700 Nov CPI Final (MoM%/YoY%)	-/-	/	/
Netherlands	0530 Oct Manufacturing Output (MoM%)	-		-0.9

Source: Refinitiv, ING

Key events in EMEA next week

Country	Time	Data/event	ING	Survey	Prev.
Monday 4 December					
Turkey	0700	Nov CPI (MoM%/YoY%)	3.8/62.8	/	3.43/61.36
Czech Rep	0800	Q3 Gross wages (YoY%)	-		-3.1
Tuesday 5 December					
Russia	0600	Nov S&P Global Services PMI	-		53.6
Kazakhstan	1300	Dec Base Interest Rate	-		15.75
South Africa	0715	Nov Std Bank Whole Econ PMI	-		48.9
	0930	Q3 GDP (YoY%)	-		1.6
Wednesday 6 December					
Poland	1300	Dec NBP Base Rate	5.75		5.75
Czech Rep	0800	Oct Retail Sales (YoY%)	-		-5.1
Hungary	0730	Oct Industrial Output (YoY%)	-0.2		-7.3
	0730	Oct Retail Sales (YoY%)	-5.9		-7.3
Thursday 7 December					
Czech Rep	0800	Oct Industrial Output (YoY%)	-		-5
	0800	Oct Trade Balance	-		12.8
Serbia	1100	Dec Benchmark Interest rate	-		6.5
South Africa	0900	Q3 Current Account	-		-160.7
Friday 8 December					
Russia	1600	Nov CPI (MoM%/YoY%)	1.3/7.6	/	0.8/6.7
Czech Rep	0800	Nov Unemployment Rate	-		3.5
Hungary	0730	Nov Core CPI (YoY%)	8.8		10.9
	0730	Nov CPI (YoY%)	7.9		9.9
	0730	Nov CPI MM NSA	-0.1		-0.1
	0730	Oct P Trade Balance (mEUR)	1075		1263
	1000	Nov Budget Balance (bn HUF)	95		-222.7
Ukraine	1330	Nov CPI (MoM%/YoY%)	-/-	/	0.8/5.3

Source: Refinitiv, ING

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Asia week ahead: China trade figures, the RBI decision and regional inflation

The coming week features China's trade report, growth figures from Australia, India's central bank meeting and regional inflation readings



China's trade data to reflect weakness in the economy

China will release its trade numbers as well as the Caixin Service sector PMI next week. The official PMIs released recently were weaker than expected. That weakness is likely to be reflected in the trade data, too. Exports are likely to edge up a little due to seasonal factors but will remain negative on a year-on-year basis at -3.9%. For imports, these are likely to be affected by weak demand due to the end of the holiday period, and growth should be modest at 0.9% YoY.

China's official service sector PMI indicated that growth of service activity has slowed. We expect the Caixin Service PMI to remain at 50.3.

Australia third-quarter GDP growth to moderate and RBA to hold rates steady

For the Reserve Bank of Australia, following the recently much lower-than-expected inflation

figures for October, there is surely no chance that the RBA will increase rates again following its November 25bp hike in the cash rate target. While we have probably already seen peak rates in Australia, there is still a chance of a final rate hike at the end of first quarter of 2024, when base effects could make it hard for inflation to continue to decline unless the monthly run rate moderates a lot by then.

After the 0.4% quarter-on-quarter growth in the second quarter, we think Australia's growth will moderate to 0.3% in the third quarter, which is consistent with a 1.2% YoY growth rate but a little stronger than the consensus view. Net exports will probably be a drag on growth in this quarter, though that may be partly offset by a higher inventory build.

Private investment will likely post a modest growth rate, and construction has also been quite good. Meanwhile, consumer spending – which has been slowing quite consistently – may be a little stronger than expected following some positive retail sales for the third quarter.

Reserve Bank of India to keep repo rates the same for now

There is very little chance that the Reserve Bank of India will alter its policy repo rate from the current rate of 6.5% at its forthcoming meeting, and that is even though India's inflation rate has surprised on the downside recently.

Much of the downswing owes to erratic food price movements, and there is a good chance that the inflation rate edges back into the upper end of the RBI's 2-6% range over the coming months.

South Korean data set to show faster inflation and GDP

November CPI inflation and third-quarter GDP revision data will be released next week. Consumer inflation is likely to accelerate further to about 4% YoY. Gasoline prices are expected to drop substantially but likely be offset by rising prices of fresh and manufactured foods.

Third-quarter GDP (0.6% QoQ sa) is not expected to be revised from the updated results.

Philippine CPI to edge lower

Stabilising prices for the all-important staple of rice should help bring headline inflation down to 4.4% YoY (from 4.9%). Declining gasoline and diesel prices should also help inflation edge closer to the central bank's 2-4% inflation target band.

This could give the previously hawkish BSP Governor some reason to consider extending his current pause, although his comments from last week suggest that Governor Remolona is open to tightening further should inflation flare up again.

Key events in Asia next week

Country	Time (GMT+8)	Data/event	ING	Survey	Prev.
Saturday 2 December					
Singapore	1300	Nov Manufacturing PMI	50.5		50.2
Sunday 3 December					
Japan	2350	Nov Monetary Base (YoY%)	-		9.49
Monday 4 December					
South Korea	2300	Nov CPI Growth (MoM%/YoY%)	0.0/4.0	-0.1/3.7	0.3/3.8
	2300	Q3 GDP Growth (QoQ%/YoY%)	0.6/1.4	/	0.6/1.4
Tuesday 5 December					
Japan	0030	Nov Services PMI	51.7		51.7
Australia	0030	Q3 Current Account Balance SA	8.5		7.7
	0330	Dec RBA Cash Rate	4.35	4.35	4.35
China	0145	Nov Caixin Services PMI	50.3	50.7	50.4
India	0500	Nov IHS S&P Global Services PMI	58		58.4
Philippines	0100	Nov CPI (MoM%/YoY%)	0.4/4.4	/	-0.2/4.9
	0100	Nov Core CPI (YoY%)	5		5.3
Singapore	0500	Oct Retail Sales (MoM%/YoY%)	-1.2/-3.5	/	-1.6/0.6
Taiwan	0820	Nov Foreign Exchange Reserve	560.29		561.079
Wednesday 6 December					
Australia	0030	Q3 Real GDP (QoQ%/YoY%)	0.3/1.2	0.2/0.16	0.4/2.1
Taiwan	0800	Nov CPI (YoY% NSA)	2.9		3.05
Thursday 7 December					
Japan	2330	Oct All Household Spending (YoY%)	-		-2.8
	2330	Oct All Household Spending (MoM%)	-		0.3
	2350	Q3 GDP Revised (QoQ% ann)	-2.1		-2.1
	2350	Q3 GDP Revised (QoQ%)	-0.5		-0.5
Australia	0030	Oct Trade Balance (A\$bn)	7000		6786
China	0300	Nov Exports	-3.9		-6.4
	0300	Nov Imports	0.9		3
	0300	Nov Trade Balance	52.1		56.53
		: Nov FX Reserves (Monthly)	3.127		3.101
Indonesia	0400	Nov Forex Reserves	-		133.1
Philippines		: Nov Forex Reserves USD	-		101.1
Singapore	0900	Nov Foreign Reserves USD	-		338.2
South Korea	2300	Oct Current Account Balance NSA	6		5.42
Friday 8 December					
India	0430	0 Repo Rate	-	6.5	6.5
	0430	0 Reverse Repo Rate	-		3.35
	0430	0 Cash Reserve Ratio	-	4.5	4.5
Indonesia	0300	Nov Consumer Confidence Index	-		124.3
Taiwan	0800	Nov Imports	-4.2		-12.3
	0800	Nov Exports	-11.7		-4.5
	0800	Nov Trade Balance	6.75		5.77

Source: Refinitiv, ING

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