

# Our view on next week's key events

Discover what ING analysts are looking for next week in our global economic calendars

## In this bundle



Key Events | Canada | United States

### Key events in developed markets next week

Bank of Canada is announcing its latest monetary policy decision next Wednesday. We favour a hawkish hold

By James Knightley



Asia week ahead | Australia | Indonesia...

### Asia week ahead: Reserve Bank of Australia to decide on policy rate

Preview of data releases from the Asia Pacific region for the coming week

By Robert Carnell



Key Events | Hungary | Turkey

### Key events in EMEA next week

Annual inflation in Turkey will likely decline further in May, while Hungary's May core inflation should be coming in at around 0.8% on a monthly basis

By Muhammet Mercan and Peter Virovacz

# Key events in developed markets next week

Bank of Canada is announcing its latest monetary policy decision next Wednesday. We favour a hawkish hold



Source: Shutterstock

## ✓ US: All eyes on May core inflation

Market expectations for whether the Federal Reserve will hike interest rates again have swung wildly over recent weeks. Currently, the favoured narrative is that the Fed has raised interest rates significantly and tighter lending conditions will act as a brake so it may be best to hold rates unchanged at the June FOMC and re-evaluate the situation in July. If the jobs market is still hot and inflation continues to track well above target, they can then hike again. Nonetheless, there are hawks on the FOMC and if May core inflation, released 13 June, comes in at 0.4% or higher, the decision could become a very close call. With the Fed entering its quiet period ahead of the decision, there will be no officials discussing the outlook for monetary policy over the coming week. The data flow includes the ISM services index, inventory numbers, the trade balance and consumer credit together with an update on the state of household and corporate balance sheets in 1Q, published by the Federal Reserve. While interesting, they are not going to move markets much given the importance of CPI the following week.

## ✓ Canada: A hawkish hold

The Bank of Canada is set to announce its latest monetary policy decision. The consensus is for no change, but after stronger than expected consumer price inflation and GDP and with the labour data remaining robust the market is pricing a 25% chance of a hike on 7 June with a 25bp hike

fully discounted by the 6 September policy meeting. The BoC last raised rates on 25 January and has held them at 4.5% since then. The last statement warned that they were prepared to raise the policy rate further to ensure inflation returns to 2% and Governor Tiff Macklem stated that the bank remains concerned about upside inflation risks. Nonetheless, they also accept that monetary policy operates with long and varied lags. Consequently, we favour a hawkish hold, signalling that unless there is evidence of softening in price pressures very soon, they could raise rates again in July.

## Key events in developed markets next week

Country	Time	Data/event	ING	Survey	Prev.
<b>Monday 5 June</b>					
US	1445	May S&P Global Composite Final PMI	-		54.5
	1445	May S&P Global Services PMI Final	-		55.1
	1500	Apr Factory Orders (MoM%)	0.7	0.8	0.9
	1500	May ISM N-Manufacturing PMI	52	52.5	51.9
Germany	0700	Apr Imports/Exports	2.5/3.0		-6.4/-5.2
	0700	Apr Trade Balance	17		16.7
	0855	May S&P Global Services PMI	57.8		57.8
	0855	May S&P Global Composite Final PMI	54.3		54.3
France	0850	May S&P Global Composite PMI	-		51.4
UK	0930	May S&P Global/CIPS Services PMI Final	-		55.1
	0930	May Composite PMI Final	-		53.9
Italy	0845	May Composite PMI	-		55.3
Spain	0815	May Services PMI	-		57.9
Switzerland	0730	May CPI (MoM%/YoY%)	-/-		0/2.6
Eurozone	0900	May S&P Global Services Final PMI	-		55.9
	0900	May S&P Global Composite Final PMI	-		53.3
<b>Tuesday 6 June</b>					
Germany	0700	Apr Industrial Orders (MoM%)	4.6		-10.7
UK	0930	May All-Sector PMI	-		54.6
	0930	May S&P Global/CIPS Cons PMI	-		51.1
Netherlands	0530	May CPI (YoY% NSA)	-		5.2
Euro Zone	1000	Apr Retail Sales (MoM%/YoY%)	-/-		-1.2/-3.8
<b>Wednesday 7 June</b>					
US	2000	Apr Consumer Credit	22	21.2	26.51
	1330	Apr International Trade (USD bn)	-77	-75	-64.2
Germany	0700	Apr Industrial Output (MoM%/YoY%)	2.0/1.8		-3.4/1.56
France	0745	May Reserve Assets Total	-		216264
	0745	Apr Trade Balance	-		-8.023
Canada	1330	Apr Trade Balance (CAD bn)	-		0.97
	1500	BoC Rate Decision	4.5	4.5	4.5
Switzerland	0645	May Unemployment Rate Adjusted	-		1.9
<b>Thursday 8 June</b>					
Eurozone	1000	Q1 Employment Final (QoQ%/YoY%)	-		0.6/1.7
	1000	Q1 GDP Revised (QoQ%/YoY%)	-/-		0.1/1.3
US	1330	Initial Jobless Claim (000s)	240		232
	1330	Continue Jobless Claim (000s)	1810		1795
	1700	1Q Change in household wealth (\$bn)	3300		2927
<b>Friday 9 June</b>					
Italy	0900	Apr Industrial Output (MoM%/YoY%)	-/-		-0.6/-3.2
Canada	1330	May Unemployment Rate	-		5
Norway	0700	May CPI (MoM%/YoY%)	-/-		1.1/6.4
	0700	May Core Inflation (MoM%/YoY%)	-/-		1/6.3
Netherlands	0530	Apr Manufacturing Output (MoM%)	-		-2
Greece	1000	Apr Industrial Output (YoY%)	-		-0.2
	1000	May CPI (YoY%)	-		3

Source: Refinitiv, ING

## Author

**James Knightley**

Chief International Economist, US

[james.knightley@ing.com](mailto:james.knightley@ing.com)

# Asia week ahead: Reserve Bank of Australia to decide on policy rate

Preview of data releases from the Asia Pacific region for the coming week



## Persistent inflation could prompt RBA to hike again

The June Reserve Bank of Australia (RBA) meeting is a tough one to call. The RBA recently confused markets with its reversion to a more hawkish stance, even as inflation was weakening, and now the fall in inflation has reversed, there is a reasonable argument for it to hike again this month. However, the quarterly CPI data still seem to carry more weight than the monthly series at the moment, so some forecasters expect the RBA to wait until the August meeting when it will be able to respond to second-quarter CPI inflation.

Our forecasts are for inflation in July to have fallen to 5.2% year-on-year, but the second-quarter rate will still probably be in excess of 6%, so the RBA could well argue a further hike was needed then to ensure that inflation was falling fast enough. But with inflation rising again in April, it is going to be very hard for the RBA to sit on the sidelines in June, so a low conviction 25bp hike is our call this month, but we wouldn't be shocked if the central bank decides to pause.

## Philippine trade balance to stay in deficit on soft electronics exports

April export data is set for release next week and we could see both imports and exports remain in negative territory. Imports are expected to drop on a year-on-year basis on shrinking energy imports, while exports could face another month of contraction due to soft demand for electronics. The Philippine export sector is dominated largely by electronics, and weak global demand for smartphones and gadgets will likely impact the overall Philippine export sector. The trade gap is forecast to remain in deep shortfall (\$5.1bn) which points to pressure on the Philippine peso in the near term.

## Inflation readings from Indonesia and the Philippines

Headline inflation numbers for both Indonesia and the Philippines will be reported next week. We believe headline inflation will continue to cool on a year-on-year basis as favourable base effects help push the headline number back toward target. Core inflation, on the other hand, could prove to be tricky as domestic demand for both countries remains robust. Core inflation in the Philippines may inch lower to 7.5%YoY (down from 7.9%) while Indonesia may even see core inflation inch up to 2.9% from 2.8% previously. Moderating headline inflation gives both Bank Indonesia and the Banko Sentral ng Pilipinas space to maintain policy settings, however, we don't expect central banks to consider cutting rates just yet given the pressure on their respective currencies.

## Singapore retail sales could manage to post growth

Singapore retail sales are expected to remain in expansion, although slowing from the pace reported in March. Elevated inflation is likely sapping some consumption momentum. The sustained increase in visitor arrivals however may be helping to provide retail sales a decent lift, especially for department store sales and services related to recreation. We expect retail sales to be subdued in the near term with a potential rebound should inflation decelerate towards year-end.

## Key events in Asia next week

All times are Singapore time

Country	Time Data/event	ING	Survey	Prev.
<b>Monday 5 June</b>				
Japan	0130 May Services PMI	-		56.3
	0030 Apr All Household Spending (MoM%/YoY%)	-		-0.8/-1.9
China	0245 May Caixin Services PMI	-		56.4
India	0600 May IHS S&P Global Services PMI	-		62
Indonesia	0130 May IHS S&P Global PMI	-		52.7
	0500 May Core Inflation (YoY%)	2.9		2.83
	0500 May Inflation (MoM%/YoY%)	-/4.3		0.33/4.33
Singapore	0600 Apr Retail Sales (MoM%/YoY%)	-7.0/0.2		2.2/4.5
Taiwan	0920 May Foreign Exchange Reserve	-		561.116
<b>Tuesday 6 June</b>				
Australia	0230 Q1 Current Account Balance SA	-		14.1
	0530 Jun RBA Cash Rate	4.1	3.85	3.85
Philippines	0200 May CPI (MoM%/YoY%)	-0.1/6.0		-0.2/6.6
	0200 May Core CPI (YoY%)	7.5		7.9
Taiwan	0900 May CPI (YoY% NSA)	-		2.35
<b>Wednesday 7 June</b>				
Japan	0050 Q1 GDP Revised (QoQ% ann)	-		1.6
	0050 Q1 GDP Revised (QoQ%)	-		0.4
Australia	0230 Q1 Real GDP (QoQ%/YoY%)	0.4/2.5		0.5/2.7
China	- May FX Reserves (Monthly)	-		3.205
	0400 May Imports/Exports	-		-7.9/8.5
	0400 May Trade Balance	-		90.21
Indonesia	0500 May Forex Reserves	143.5		144.2
Philippines	- May Forex Reserves (USD bn)	101.10		101.51
Singapore	1000 May Foreign Reserves (USD bn)	-		312
Taiwan	0900 May Imports/Exports	-		-20.2/-13.3
	0900 May Trade Balance	-		6.71
<b>Thursday 8 June</b>				
Japan	0050 May M2 Money Supply (YoY%)	-		12255505
Australia	0230 Apr Trade Balance (AUD bn)	-		15269
India	0530 Repo Rate	6.5	6.5	6.5
	0530 Reverse Repo Rate	3.35		3.35
	0530 Cash Reserve Ratio	4.5		4.5
South Korea	0000 Apr Current Account Balance NSA	-		0.27
<b>Friday 9 June</b>				
China	0230 May PPI (YoY%)	-		-3.6
	0230 May CPI (MoM%/YoY%)	-/-		0.1/-0.1
Indonesia	0500 Apr Retail Sales Index (YoY)	3.5		4.9
Philippines	0200 Apr Imports/Exports (YoY%)	-5.3/-10.2		-2.7/-9.1
	0200 Apr Trade Balance	-5300		-4927

Source: Refinitiv, ING

## Author

### Robert Carnell

Regional Head of Research, Asia-Pacific

[robert.carnell@asia.ing.com](mailto:robert.carnell@asia.ing.com)



## Key events in EMEA next week

Annual inflation in Turkey will likely decline further in May, while Hungary's May core inflation should be coming in at around 0.8% on a monthly basis



Source: Shutterstock

### ✓ Turkey: Inflation trending downwards due to election policy

Annual inflation, which maintained its downtrend to 43.7% in April with large base effects, is likely to decline further in May to 39.3% (-0.1% on a monthly basis). This is because the Turkish Statistical Institute (TurkStat) said it would reflect the impact of the government's decision to provide natural gas free of charge to households in May in its inflation calculations. TurkStat's practice is in line with Eurostat guidelines, according to its statement.

However, the outlook is quite uncertain for the rest of 2023, as a lira adjustment post-election and potential adjustments in wages and administered prices are likely to weigh on the inflation momentum.

### ✓ Hungary: Annual headline and core readings flirting with 22% and 23% levels

Next week is set to be a busy one in Hungary. We are going to see the first set of hard data regarding second-quarter economic activity. We expect both retail sales and industrial production to contract on a yearly basis as high inflation and high interest rates are suffocating domestic



demand. The only silver lining in industry is the export-oriented sectors like car and battery manufacturing.

We see some better budgetary figures in May as the heating season has ended and this might reduce the expenditure side pressure arising from energy bills. The relatively small monthly deficit would mean that this year's budget moves roughly in parallel with last year's deficit accumulation. The even better news could be if the trade balance posts yet another monthly surplus in April, as we expect.

The highlight of the busy week will be the May inflation print. Seeing the downside surprises across Europe, we wouldn't be shocked to see something similar in Hungary. We expect the month-on-month headline inflation to come in at around 0.1% mainly on easing price pressures in food, fuel and durables. Services inflation, however, will remain strong, thus core inflation on a monthly basis will stay high around 0.8%. But thanks to base effects, the headline and core readings will flirt with 22% and 23% levels, respectively, a significant detachment from the peak reached in the first quarter.

## Key events in EMEA next week

Country	Time	Data/event	ING	Survey	Prev.
<b>Monday 5 June</b>					
Russia	0700	May S&P Global Services PMI	-		55.9
Turkey	0800	May CPI (MoM%/YoY%)	-0.1/39.3		2.39/43.68
South Africa	0815	May Std Bank Whole Econ PMI	-		49.6
Brazil	1400	May S&P Global Services PMI	-		54.5
	1400	May S&P Global Composite PMI	-		51.8
<b>Tuesday 6 June</b>					
Poland	1300	Jun NBP Base Rate	6.75		6.75
Czech Rep	0800	Apr Industrial Output (YoY%)	-		2.2
	0800	Apr Trade Balance	-		15.9
Hungary	0730	Apr Retail Sales (YoY%)	-11.8		-13.1
South Africa	1030	Q1 GDP (YoY%)	-		0.9
<b>Wednesday 7 June</b>					
Czech Rep	0800	Apr Retail Sales (YoY%)	-		-7.8
Hungary	0730	Apr Industrial Output (MoM%/YoY%)	-2.2/-6.5		0.2/-4.1
Brazil	1300	May IPCA Inflation Index (MoM%/YoY%)	-/-		0.61/4.18
<b>Thursday 8 June</b>					
Czech Rep	0800	May Unemployment Rate	-		3.6
Hungary	0730	May Core CPI (YoY%)	23.3		24.8
	0730	May CPI (MoM%/YoY%)	0.1/22.1		0.7/24.0
	0730	Apr P Trade Balance (EUR mn)	500		886
	1000	May Budget Balance	-100		-620
Serbia	1100	Jun Benchmark Interest rate	6		6
South Africa	1000	Q1 Current Account	-		-174
Mexico	1300	May Headline Inflation	-		-0.02
	1300	May Core inflation	-		0.39
<b>Friday 9 June</b>					
Russia	1130	May Central bank key rate	7.5		7.5
	1700	May CPI (MoM%/YoY%)	0.2/2.4		0.4/2.3
Ukraine	1430	May CPI (MoM%/YoY%)	-/-		0.2/17.9
Mexico	1300	Apr Industrial Output (MoM%/YoY%)	-		-0.9/1.6

Source: Refinitiv, ING

## Authors

### Muhammet Mercan

Chief Economist, Turkey

[muhammet.mercan@ingbank.com.tr](mailto:muhammet.mercan@ingbank.com.tr)

### Peter Virovacz

Senior Economist, Hungary

[peter.virovacz@ing.com](mailto:peter.virovacz@ing.com)

## Disclaimer

This publication has been prepared by the Economic and Financial Analysis Division of ING Bank N.V. ("ING") solely for information purposes without regard to any particular user's investment objectives, financial situation, or means. *ING forms part of ING Group (being for this purpose ING Group N.V. and its subsidiary and affiliated companies)*. The information in the publication is not an investment recommendation and it is not investment, legal or tax advice or an offer or solicitation to purchase or sell any financial instrument. Reasonable care has been taken to ensure that this publication is not untrue or misleading when published, but ING does not represent that it is accurate or complete. ING does not accept any liability for any direct, indirect or consequential loss arising from any use of this publication. Unless otherwise stated, any views, forecasts, or estimates are solely those of the author(s), as of the date of the publication and are subject to change without notice.

The distribution of this publication may be restricted by law or regulation in different jurisdictions and persons into whose possession this publication comes should inform themselves about, and observe, such restrictions.

Copyright and database rights protection exists in this report and it may not be reproduced, distributed or published by any person for any purpose without the prior express consent of ING. All rights are reserved. ING Bank N.V. is authorised by the Dutch Central Bank and supervised by the European Central Bank (ECB), the Dutch Central Bank (DNB) and the Dutch Authority for the Financial Markets (AFM). ING Bank N.V. is incorporated in the Netherlands (Trade Register no. 33031431 Amsterdam). In the United Kingdom this information is approved and/or communicated by ING Bank N.V., London Branch. ING Bank N.V., London Branch is authorised by the Prudential Regulation Authority and is subject to regulation by the Financial Conduct Authority and limited regulation by the Prudential Regulation Authority. ING Bank N.V., London branch is registered in England (Registration number BR000341) at 8-10 Moorgate, London EC2 6DA. For US Investors: Any person wishing to discuss this report or effect transactions in any security discussed herein should contact ING Financial Markets LLC, which is a member of the NYSE, FINRA and SIPC and part of ING, and which has accepted responsibility for the distribution of this report in the United States under applicable requirements.

Additional information is available on request. For more information about ING Group, please visit <http://www.ing.com>.