

Our view on next week's key events

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Key events in developed markets next week

Next week's CPI report will play a big part in whether the Fed will hike rates much further. We expect it will prefer to raise rates at least one more time, however, we also see a strong probability of rates being cut later in the year given the circumstances. For the Bank of Canada, expect rates to remain unchanged as we are likely to be at the peak



Source: Shutterstock

✓ US: Strong probability of the Fed reversing course

Markets are increasingly doubtful that the Fed will be able to hike rates much further, but that could yet change after the upcoming CPI report. Another 0.4% month-on-month figure on core CPI, more than double the rate required over time to take the US back to the 2% year-on-year inflation rate target, could nudge expectations for the upcoming FOMC meeting higher.

We still think the Fed would prefer to raise rates at least once more should financial conditions allow, but we see a strong probability that it reverses course and cuts rates by 100bp later in the year as ever-tighter lending conditions, high borrowing costs, weak business sentiment and a deteriorating housing market all weigh on growth and rapidly dampen price pressures.

✓ Canada: Rates to remain at 4.5%

The Bank of Canada is widely expected to leave rates unchanged next week having signalled that rates are already likely at the peak. The downside risks for global growth in the wake of recent

banking turmoil only make it more likely that the next move from the central bank will be an interest rate cut.

✔ Eurozone: February data will be key

For the eurozone, it's an important week to get a sense of how GDP has developed over the first quarter. Industrial production and retail sales figures are both up for February, following a rise in January. They were up only moderately though and given how volatile these numbers are, February data will be key to determining whether we will see quarterly growth for the most timely consumption and production figures.

Key events in developed markets next week

Country	Time Data/event	ING	Survey	Prev.
Monday 10 April				
Greece	1000 Feb Industrial Output (YoY%)	-		0.5
	1000 Mar CPI (YoY%)	-		6.1
Tuesday 11 April				
Norway	0700 Mar CPI (MoM%/YoY%)	-/-		0.4/6.3
	0700 Mar Core Inflation (MoM%/YoY%)	-/-		0.7/5.9
Eurozone	1000 Feb Retail Sales (MoM%/YoY%)	-0.7/-3.4		0.3/-2.3
Wednesday 12 April				
US	1330 Mar Core CPI (MoM%/YoY%)	0.4/-	0.4/-	0.5/5.5
	1330 Mar CPI (MoM%/YoY%)	0.3/-	0.3/-	0.4/6
Canada	1500 BoC Rate Decision	4.5		4.5
Norway	0700 Feb GDP Month	-		-0.2
	0700 Feb GDP Month Mainland	-		-0.2
Thursday 13 April				
Germany	0700 Mar CPI Final (MoM%/YoY%)	0.8/7.4		0.8/7.4
UK	0700 Feb GDP Estimate (MoM%/YoY%)	-/-		0.3/0
Italy	0900 Feb Industrial Output (MoM%/YoY%)	-/-		-0.7/1.4
Netherlands	0530 Mar CPI (YoY% NSA)	-		8
Eurozone	1000 Feb Industrial Production (MoM%/YoY%)	-0.8/-0.5		0.7/0.9
Friday 14 April				
US	1330 Mar Retail Sales MM	-0.5		-0.4
	1415 Mar Industrial Production (MoM%)	0.3	0	0
	1500 Apr University of Michigan Sentiment Prelim	-		62
	1500 Apr University of Michigan Conditions Prelim	-		66.3
	1500 Apr University of Michigan Expectations Prelim	-		59.2
Spain	0800 Mar CPI (MoM%/YoY%)	-/-		0.4/3.3
Sweden	0700 Mar CPI (MoM%/YoY%)	-/-		1.1/12
	0700 Mar CPI (MoM%/YoY%)	-/-		0.9/9.4

Source: Refinitiv, ING

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Asia week ahead: China's growth momentum to pick up despite sluggish exports

Next week's data calendar features China's loan data, inflation and trade from China and Taiwan, Singapore GDP, and the Bank of Korea's policy rate decision



China's loan growth will continue while exports is expected to contract

China will announce loan data next week, which should be market-moving. We expect the new yuan loan could increase to CNY4000 billion in March compared to CNY1810 billion in February. This is hinted at by the PBoC RRR cut and a significant amount of liquidity injection in the last two weeks of March. Loan growth in the second quarter should be a lot smaller unless the economy needs extra support.

Inflation in China and Taiwan should be mild. This should be a backdrop for starting to pause policy rate hikes for Taiwan. But the worry of a bigger interest rate differential with the US should

continue to be the key factor for the central bank to consider one more hike in the second quarter.

China and Taiwan will release international trade data. Both should show continuous yearly contraction in exports, especially in electronic exports. China's imports should keep their strength from the recovery of domestic demand.

Singapore growth to moderate in 1Q23

Singapore GDP will likely moderate to expand 2.4% YoY, up from the 2.1% posted in the last quarter but much slower than the 4.0% gain recorded in 1Q22. The economy is facing several challenges, namely high domestic inflation and slowing global demand. Both exports and industrial output reported contractions for the quarter, while retail sales were soft.

Bank of Korea watch : Wait and see approach

The Bank of Korea will meet next Tuesday and no action is expected as inflation is slowing while underlying growth conditions remained weak. The uncertainty surrounding the recent oil price pick-up will strengthen hawkish comments though.

Key events in Asia next week

Country	Time	Data/event	ING	Survey	Prev.
Monday 10 April					
China	-	Mar M2 Money Supply (YoY)	13,2		12,9
		Mar New Yuan Loan (CNY bn)	4000		1810
India	-	Mar Fiscal Deficit (USD bn)	-		-
		Mar Imports/Exports (USD bn)	-		-
Indonesia	0500	Feb Retail Sales Index (YoY)	-		-0,6
Taiwan	0920	Mar Foreign Exchange Reserve (USD bn)	556		558,4
Tuesday 11 April					
China	0230	Mar CPI /PPI (YoY%)	1.5/-2.2		1.0/-1.4
Indonesia	0400	Mar Consumer Confidence Index	-		122,4
Philippines	0200	Feb Imports/Exports (YoY%)	5.0/10		3.9/-13.5
	0200	Feb Trade Balance	-5200		-5738
Taiwan	0900	Mar CPI (YoY% NSA)	1,9		2,43
	0900	Mar Imports/Exports	-10.6/-10.2		-9.4/-17.1
	0900	Mar Trade Balance	4,4		2,35
South Korea	0200	Apr Bank of Korea Base Rate	3,5		3,5
	0000	Mar Unemployment Rate	2,9		2,6
Wednesday 12 April					
Japan	0050	Feb Core Machine Orders (MoM%)	1.0		9.5
India	1300	Mar CPI Inflation (YoY%)	-		6,44
	1300	Feb Industrial Output (YoY%)	-		5,2
Thursday 13 April					
Japan	0050	Mar M2 Money Supply (YoY%)	-		12185598
Australia	0230	Mar Unemployment Rate	-		3,5
China	0200	1Y Medium Lending Facility rate	2,75		2,75
China	0400	Mar Imports/Exports	7.2/-7.6		-10.2/-6.8
	0400	Mar Trade Balance (USD bn)	105		116,88
Friday 14 April					
India	0730	Mar WPI Inflation (YoY%)	-		3,85
Singapore	0100	Q1 GDP Flash (QoQ%/YoY%)	-/2.4		0.3/2.1
Saturday 15 April					
China		New home price (MoM%)	0,5		0,3

Source: Refinitiv, ING

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Key events in EMEA next week

Inflation data will be released next week for both Poland and Hungary. In Poland, we expect the flash estimate of March CPI to be confirmed at 16.2% year-on-year. For Hungary, we expect both core and headline inflation to continue their retreat, given food, fuel and energy disinflation



Source: Shutterstock

✓ Poland: Core inflation remains sticky

Current account balance (February): €637m

We forecast another month of current account surplus, albeit at a smaller scale than in January. The trade balance was in surplus again as exports in EUR jumped by 11.0% year-on-year, while imports virtually stalled (+1.9% YoY). Export industries are still catching up to their backlog of work (e.g. the automotive sector), while nominal import growth is being dampened by moderating prices of imported energy.

CPI inflation (March, final): 16.2%YoY

We expect the Central Statistical Office of Poland to confirm its flash estimate of March CPI inflation at 16.2% YoY. The collapse in annual fuel price dynamics was linked to the high reference base from March 2022, when gasoline prices soared as Russia invaded Ukraine. Food price growth remains elevated and our estimates indicate that core inflation, excluding food and energy prices,

increased to 12.3% YoY last month. In the coming months, declining headline inflation is likely to be accompanied by 'sticky' core inflation.

✔ Hungary: Expect improvements in both core and headline inflation

The only data-related excitement for Hungary is the March inflation print. We expect the headline reading to retreat further. The expected 0.5% month-on-month inflation will translate into a 24.8% year-on-year reading. The slowdown will be driven by fuel, energy and food prices. Regarding the latter, grocery stores last month attempted to raise customers' attention with bigger and flashier sales of processed food products. As a result, headline and core inflation should continue their retreat, matching the headline rate at 24.8% YoY.

The reason food, fuel and energy disinflation won't cause a bigger drop in the readings lies with services. For example, we see rising price pressure on services as a result of a 10% increase in taxi fares, and continued price adjustments in telephone and internet services (matching last year's average inflation). From April onward, we expect a more marked reduction in inflation due to base effects.

Key events in EMEA next week

Country	Time	Data/event	ING	Survey	Prev.
Monday 10 April					
Turkey	0800 Feb	Current Account Balance	-9.0		-9.849
	0800 Feb	Unemployment Rate	-		10.3
Ukraine	1430 Mar	CPI (MoM%/YoY%)	-/-		0.7/24.9
Tuesday 11 April					
Turkey	0700 Feb	Industrial Production (MoM/YoY%)	-		*1.88/4.48
Brazil	1300 Mar	IPCA Inflation Index (MoM%/YoY%)	-/-		0.84/5.6
Mexico	1200 Feb	Industrial Output (MoM%/YoY%)	-		0/2.8
Wednesday 12 April					
Russia	1700 Mar	CPI (MoM%/YoY%)	-/-	0.2/3.4	0.5/11
Czech Rep	0800 Mar	Unemployment Rate	-		3.9
Hungary	0730 Mar	Core CPI (YoY%)	24.8	24.7	25.2
	0730 Mar	CPI (YoY%)	24.8	24.8	25.4
Serbia	1100 Mar	CPI (MoM%/YoY%)	15.7		1.4/16.1
Brazil	1300 Jan	Retail sales (MoM%/YoY%)	-/-		-2.6/0.4
Thursday 13 April					
Poland	1300 Feb	Current Account	637		1429
Czech Rep	0800 Mar	CPI (MoM%/YoY%)	-/-		0.6/16.7
	0900 Feb	Current Account Balance	-		12.73
Romania	0700 Mar	CPI (YoY%)	14.2	14.2	15.52
Friday 14 April					
Poland	0900 Mar	CPI (MoM%/YoY%)	-/16.2		1.1/16.2
Ukraine	- Feb	Trade Balance YTD	-		-1.91

Source: Refinitiv, ING

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