

Our view on next week's key events

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

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US: Back in the groove

The US economy clearly felt a little broader impact from the government shutdown, but the data calendar remains in a state of flux as statisticians work to clear the backlog of their number crunching. We will finally get the December retail sales and durable goods order numbers, but 4Q GDP won't still be released for another couple of weeks.

The numbers should in general be supportive of the Federal Reserve's decision to indicate a prolonged pause for monetary policy. Lower gasoline prices will drag headline inflation down to just 1.5% YoY, while core inflation should remain in line with the target at 2% YoY. Lower fuel costs will also weight down on the value of retail sales, but excluding this, the story looks good with a strong jobs market and rising pay giving consumers the cash and the confidence to spend. Decent manufacturing surveys suggest industrial production should remain firm, so the Goldilocks scenario of healthy activity with a benign inflation backdrop continues.

We will also be looking for news on trade-related issues, especially the build-up to whether the US determines the car industry is a national security issue. If this is decreed by February 17, this could see tariffs eventually applied to imports, which would heighten fears of escalating protectionism.

✔ Eurozone: Slowdown - how deep and how long?

Eurozone industrial figures will be watched anxiously as German data has already been poorer-than-expected. The slowdown in Eurozone industry has been at the top of everybody's mind, but the question remains how deep it is and how long it will last.

That said, although German data has been weaker than expected, domestic demand should have prevented the economy from falling into a technical recession.

✔ Another week, another Brexit vote

British Prime Minister Theresa May has said she would update parliament on Brexit progress, which will be done in the form of another amendable motion next Thursday. Like a couple of weeks ago, this means lawmakers can put forward their proposals, and one focus for markets will be whether we get a re-run of the so-called 'Cooper amendment'.

This proposal would have given MPs a vote on applying for an extension to the Article 50 negotiating period if the government fails to get a deal approved by the end of this month. Given that MPs rejected this last month, it's hard to see any such proposal gaining enough support this time. We think it's also unlikely that we'll get indicative votes on a second referendum to an alternative Brexit stance on Thursday.

All the while, the economy continues to struggle. UK fourth-quarter GDP is likely to be pretty disappointing in light of increased uncertainty surrounding Brexit and renewed consumer caution.

✔ Scandi's: Riksbank meeting and Norwegian inflation

Expect next week's Riksbank meeting to be largely a non-event. Having delivered a very dovish rate hike in December, the Riksbank is unlikely to change much at the February meeting. The data so far this year shows the Swedish economy is now clearly slowing down, and the global outlook continues to worsen as well. But the Swedish central bank is likely to balance this against the positives – decent inflation reading for December and a solid labour market – and leave the policy stance largely unchanged. We expect the policy statement to continue to indicate the next rate hike is likely to come in the second half of 2019.

In Norway, January inflation is likely to show a continued pick up in core inflation, while headline inflation is likely to fall back as the drop in oil prices since last autumn weigh on the energy component. But the core figures is what matters for the central bank, and a strong reading would strengthen the case for Norges Bank (NB) to stick to its plan to raise rates in March despite the increasingly dovish tilt among developed market central banks – the NB could well be the only G10 central bank raising rates in the first quarter.

Developed Markets Economic Calendar

Country	Time	Data/event	ING	Survey	Prev.
Monday 11 February					
US	-	Dec P Durable Goods Orders (MoM%)	1.5	1.7	0.7
	-	Dec P Durable Goods Orders ex. Transport (MoM%)	0.4	0.2	-0.4
	1330	Revisions: Consumer Price Index			
UK	0930	4Q P GDP (QoQ/YoY%)	0.2/1.5	-/-	0.6/1.5
	0930	Dec Trade Balance (£m)	-	-	-2904.0
	0930	Dec Industrial Production (MoM/YoY%)	-/-	-/-	-0.4/-1.5
Norway	0700	Jan CPI (MoM/YoY%)	-0.5/3.2	-/-	0.0/3.5
	0700	Jan CPI - ATE (MoM/YoY%)	-0.6/2.2	-/-	0.0/2.1
Sweden	0730	SEB Swedish Housing-Price Indicator			
Portugal	1100	Portugal Releases Construction Output, Employment Report			
Tuesday 12 February					
US	1100	Jan NFIB Small Business Optimism	-	-	104.4
	2330	Fed's Mester Speaks on Economic Outlook and Monetary Policy			
	-	Revisions: Producer Price Index			
Japan	0430	Dec Tertiary Industry Index (MoM/YoY%)	-/-	-/-	-0.3/1.5
	2350	Jan PPI (MoM%)	-	-	-0.6
Australia	0030	Dec Home Loans (MoM%)	-	-	-0.9
	2050	RBA's Heath Speaks in Sydney			
Sweden	0500	Jan PES Unemployment Rate	-	-	3.8
	0900	Swedish FSA Publishes Bank Mortgage Margin Report for 4Q			
Portugal	1100	Portugal Releases Services Sales, Employment Report			
	1100	Portugal Releases Consumer Price Inflation Report			
	-	Bank of Portugal Releases Data on Banks			
Wednesday 13 February					
US	0030	Fed's George Speaks on Economy			
	1330	Jan CPI (MoM/YoY%)	0.1/1.5	0.1/1.5	-0.1/1.9
	1330	Jan CPI ex. Food & Energy (MoM/YoY%)	0.2/2.0	0.2/2.0	0.2/2.2
	1350	Fed's Mester Speaks on Economic Outlook and Monetary Policy			
	1350	Fed's Bostic Speaks to European Financial Forum in Dublin			
Japan	2350	4Q P GDP (Annualised, QoQ%)	-	1.4	-2.5
	2350	4Q P GDP Deflator, Advance (Q) (YoY%)	-	-0.4	-0.3
Eurozone	1000	Dec Industrial Production, WDA (YoY%)	-3.0	-	-3.3
UK	0930	Jan CPI (MoM/YoY%)	-0.7/1.9	-/-	0.2/2.1
	0930	Jan Core CPI (YoY%)	2.0	-	1.9
N Zealand	0100	RBNZ OCR Decision - mps			
Sweden	0830	Riksbank Interest Rate	-0.25	-0.25	-0.25
	1000	Riksbank's Ingves Holds Press Conference			
Thursday 14 February					
US	-	Dec Advance Retail Sales (MoM%)	0.2	0.1	0.2
	-	Dec Retail Sales ex. Auto and Gas (MoM%)	0.5	0.4	0.5
Eurozone	1000	4Q P GDP (QoQ/YoY%)	0.2/1.2	-/-	0.2/1.2
Germany	0700	4Q P GDP (QoQ/YoY%)	0.2/0.8	-/-	-0.2/1.1
Australia	0000	Feb CPI Expectations (YoY%)	-	-	3.5
	2045	RBA's Kent Gives Speaks in Melbourne			
Sweden	0830	Jan Unemployment Rate (%)	-	-	6.0
Netherlands	0830	4Q P GDP (QoQ%)	0.4	-	0.2
Friday 15 February					
US	1415	Jan Industrial Production (MoM%)	0.2	0.2	0.4
	1500	Feb P U. of Mich. Sentiment Index	95.0	-	91.2
Japan	0430	Dec F Industrial Production, Prel (MoM/YoY%)	-/-	-/-	-0.1/-1.9
Eurozone	1000	Dec Trade Balance (€bn)	-	-	15112.3
UK	0930	Jan Retail Sales ex. Auto Fuel (MoM/YoY%)	0.0/2.8	-/-	-1.3/2.6
	0930	Jan Retail Sales (MoM/YoY%)	0.0/3.2	-/-	-0.9/3.0
Spain	0800	Jan F HICP (MoM/YoY%)	-/-	-/-	-1.7/1.0

Source: ING, Bloomberg

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Asia week ahead: China back in limelight

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Source: Shutterstock

Next round of China-US trade talks

The Chinese markets will be back from the 'Golden Week' Lunar New Year holiday, though players are likely to tread a cautious path, taking cues from the January economic data and progress on the US-China trade talks.

Will the forthcoming round of the US-China trade negotiations bear out President Trump's recent positive rhetoric on a trade deal?

The delegation led by US Treasury Secretary Steven Mnuchin and Trade Representative Robert Lighthizer will hold trade negotiations with their counterparts in Beijing next week. As in the last high-level meeting in late January (attended by China's Vice Premier Liu He), we may hear about some more trade concessions from the Chinese side, though the most contentious issue about technology theft and intellectual property rights will continue to linger. Moreover, any major announcements, positive or negative, might well be withheld until after the Trump-Xi meeting in Vietnam at the end of the month.

Meanwhile, China's January data calendar is shortened as the National Bureau of Statistics holds back the release of some indicators (industrial production, fixed asset investment, retail sales) deemed to be distorted by the timing of the Lunar New Year holiday, which either falls in January or in February. So far, signals have been mixed – the manufacturing economy continues to be weak while services are holding up. We will be watching the trade and monetary data to see the impact of the trade war and for signs of stimulus.

More trade releases elsewhere

India, Indonesia, the Philippines and Taiwan also report their trade figures next week. All will be scrutinised for clues about the impact of the trade war. But it's not just the trade war. The ongoing downturn in global electronics demand has already started to depress regional exports. A steeper decline in Korea's exports in January suggests we can expect the same from Taiwan.

India, Indonesia, and the Philippines are all suffering from a rising trade deficit, a trend that's likely to continue due to strong domestic demand and firmer oil prices, while exports continue to be subdued.

On the other end of the spectrum are countries like Malaysia, where electronics exports are still holding up. This, together with the recent strengthening of global oil prices, has supported exports and the trade surplus. Malaysia's current account and GDP data for the fourth quarter of 2018 are due next week and we estimate a wider current surplus and pick up in GDP growth. Both are positive for the Malaysian ringgit.

India's consumer price inflation data will be viewed in the context of the Reserve Bank of India's latest move to cut interest rates by 25 basis points. Inflation is unlikely to hit the RBI's 4% policy mid-point anytime soon but we expect the underlying pressure to remain upward. As such, we consider the decision to [cut interest rates premature](#).

[India: RBI's surprise rate cut appears premature](#)

Asia Economic Calendar

Country	Time*	Data/event	ING	Survey	Prev.
Monday 11 February					
China	-	Jan Forex Reserves (US\$bn)	3082.0	3081.85	3072.7
Malaysia	0400	Dec Industrial Production (YoY%)	3.5	-	-0.5
Tuesday 12 February					
China	-	Jan Aggregate Finance (Yuan bn)	2989.0	-	1589.8
	-	Jan Financial Institution Loans (Yuan bn)	2030.0	-	1080.0
	-	Jan Money Supply (M2) (%YoY)	8.1	-	8.1
India	1200	Jan CPI (YoY%)	2.4	-	2.2
	1200	Dec Industrial Production (YoY%)	2.1	-	0.5
Malaysia	0700	Jan Forex reserves, Month-end (US\$bn)	-	-	101.7
Philippines	0100	Dec Imports (YoY%)	4.9	-	6.8
	0100	Dec Trade Balance (US\$m)	-4055.4	-	-3901.0
	0100	Dec Exports (YoY%)	3.3	-	-0.3
Singapore	0500	Dec Retail Sales Value (MoM/YoY%)	-0.1/-3.5	-/-	0.2/-3.0
Taiwan	0800	Jan CPI (YoY%)	2.0	-	-0.1
	0800	Jan WPI (YoY%)	-2.0	-	0.8
South Korea	2300	Jan Unemployment Rate (% SA)	3.8	-	3.8
Wednesday 13 February					
Taiwan	0800	4Q F GDP (YoY%)	-	-	1.8
Thursday 14 February					
China	-	Jan Imports (YoY%)	-6.5	-11.0	-7.6
	-	Jan Exports (YoY%)	-4.1	-2.7	-4.4
	-	Jan Trade Balance (US\$bn)	22.0	32.0	57.1
India	0630	Jan WPI (YoY%)	3.5	-	3.8
Malaysia	0400	4Q GDP (SA, QoQ/YoY%)	1.2/4.6	-/-	1.6/4.4
	0400	4Q Current Account (Q) (MYR bn)	12.4	-	3.8
South Korea	2300	Dec Current A/c Balance (US\$bn)	4.1	-	5.1
Friday 15 February					
China	0130	Jan CPI (YoY%)	2.0	-	1.9
	0130	Jan PPI (YoY%)	-2.0	-	0.9
	0730	4Q18 Current Account Balance (US\$ bn)	23.0	-	23.3
India	-	Jan Imports (YoY%)	-5.0	-	-2.4
	-	Jan Trade Deficit (US\$bn)	-13.8	-	-13.1
	-	Jan Exports (YoY%)	2.0	-	0.3
Indonesia	0400	Jan Trade Balance (US\$m)	-600.0	-	-1102.0
	0400	Jan Imports (YoY%)	2.1	-	1.2
	0400	Jan Exports (YoY%)	3.9	-	-4.6
Philippines	-	Dec OCW Remittances (YoY%)	-	-	2.8
Taiwan	0800	Jan Exports (YoY%)	-3.9	-	-3.0
	0800	Jan Imports (YoY%)	-5.7	-	2.2
	0800	Jan Trade Balance (US\$bn)	1.8	-	4.7

Source: ING, Bloomberg, *GMT

Key events in EMEA and Latam next week

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Source: Shutterstock

✓ Poland: Core inflation likely to be stable, but is exposed to surprises

We expect GDP in the fourth quarter to slow down from 5.1% to 4.8% year-on-year. The annual 2018 reading, which was published last week, suggests a moderation of both private consumption and investment. Some major revisions to the historical data are likely, given the annual net export contribution was neutral (contrary to the outcome of the quarterly figures published so far).

Inflation should fall further in January from 1.1% YoY to 0.8% YoY due to energy prices, as well as government lowered interim fees, subtracting 0.2 percentage points from the headline index. Core inflation is likely to remain soft – we expect a stable 0.6% YoY reading. The January reading is more uncertain than normal due to increases in local government fees and household maintenance costs (+) and changes to some VAT tax rates (-).

✓ Czech Republic: 4Q18 annual growth to edge down slightly

January CPI is always more difficult to estimate as many contracts are repriced at the beginning of the year. The Czech statistical office has started to use a new method for gathering food prices, so

uncertainty about this part of the consumer basket is higher still. We believe food prices might increase on a monthly basis above 1%, and core prices should go up around 0.8%. On the other hand, fuel prices will fall by 3.8% due to oil prices developments. This should all bring the annual headline figure to 2.1% after 2.0% in December 2018.

Flash GDP for 4Q18 is expected to reach 0.6% quarter-on-quarter, which is the same as the previous quarter, pushing annual growth down slightly to 2.3% for 4Q18 and 2.8% for the full-year.

Hungary: Headline inflation to tick higher

The main event next week is the January inflation reading. We see headline CPI edging higher as the annual change in fuel prices will roughly counterbalance the strengthening inflation in services. However, core readings - including the tax adjusted indicator - will pick up much more, overshooting the target. We see core CPI (excluding tax) above 3% in January.

The Hungarian central bank might wait until March to adjust both the FX swaps and the interest rate corridor simultaneously. Our 4Q18 GDP forecast is subject to upside risk due to the particularly strong industrial performance at the end of the year.

EMEA and Latam Economic Calendar

Country	Time	Data/event	ING	Survey	Prev.
Monday 11 February					
Russia	1300	Dec Trade Balance (US\$bn)	-	18.2	19.0
Ukraine	-	National Bank of Ukraine Publishes Minutes of Rate Meeting			
Romania	0700	Dec Av. Net Wages (YoY%)	-	-	13.3
	0700	Dec Trade Balance (€m)	-	-	-1567.4
Kazakhstan	-	Jan Industrial Production (YoY%)	-	-	0.1
Mexico	1400	Dec Industrial Production (YoY%)	-0.5	-	-1.3
Tuesday 12 February					
Hungary	0800	Jan CPI (MoM/YoY%)	0.4/2.8	-/-	-0.3/2.7
Romania	0700	Dec Industrial Sales (MoM/YoY%)	-/-	-/-	-4.0/9.3
South Africa	0930	4Q Unemployment Rate (%)	-	-	27.5
	1100	Dec Manufacturing Production (MoM%)	-	-	1.6
	1100	Dec Manufacturing Production (SA, MoM%)	-	-	0.7
Wednesday 13 February					
Poland	1300	Dec C/A (€mn)	-1420.0	-	-221.0
	1300	Dec Trade Balance (€mn)	-1624.0	-	-229.0
	1300	Dec Exports (€)	16713.0	-	20025.0
	1300	Dec Imports (€)	18338.0	-	20254.0
Czech Rep	0800	Jan CPI (MoM/YoY%)	0.7/2.1	-/-	0.1/2.0
	0900	Dec C/A (CZKbn)	-3.0	-	8.7
Hungary	1300	Hungarian Central Bank's Minutes			
Romania	0700	Jan CPI (MoM/YoY%)	1.0/3.5	-/-	0.2/3.3
	0700	Dec Industrial Production (MoM/YoY%)	-/-	-/-	0.8/5.2
	-	Dec C/A YTD (€m)	-	-	-8730.0
South Africa	1100	Dec Retail Sales (MoM/YoY%)	-/-	-/-	3.3/3.1
Israel	1100	Jan Trade Balance (US\$mn)	-	-	-2169.2
Brazil	1100	Dec Retail Sales (YoY%)	2.1	-	4.4
Thursday 14 February					
Turkey	0700	Dec C/A (US\$mn)	-1.5	-	1.0
	0700	Dec Industrial Production (MoM/YoY%)	-/-2.5	-/-	-0.3/-6.5
Poland	0900	4Q P GDP (QoQ/YoY%)	0.4/4.8	-/-	1.7/5.1
Hungary	0800	4Q P GDP (SWDA, QoQ/YoY%)	0.5/4.5	-/-	1.3/4.9
Ukraine	-	4Q P GDP (YoY%)	-	-	2.8
Romania	0700	4Q A GDP (SA, QoQ/YoY%)	0.9/4.5	-/-	1.9/4.4
	1300	National Bank of Romania Publishes Minutes of Rate Meeting			
Bulgaria	0900	4Q P GDP (QoQ/YoY%)	0.9/3.3	-/-	0.7/3.1
Serbia	-	Dec C/A (€mn)	-	-	-200.9
Friday 15 February					
Russia	-	Jan Industrial Production (YoY%)	2.1	1.8	2.0
Turkey	0700	Nov Unemployment Rate (%)	11.7	-	11.6
Poland	0900	Jan CPI (MoM/YoY%)	-0.1/0.8	-/-	0.0/1.1
Czech Rep	0800	4Q A GDP (QoQ/YoY%)	0.6/2.3	-/-	0.6/2.4
Kazakhstan	-	4Q P GDP YTD (YoY%)	-	-	4.1
Bulgaria	0900	Jan CPI (MoM/YoY%)	0.3/2.7	-/-	0.0/2.7
Israel	1200	Jan CPI (MoM/YoY%)	-/-	-/-	-0.3/0.8

Source: ING, Bloomberg

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