

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 | United Kingdom...

Key events in developed markets and EMEA next week

We'll be keeping an eye out for retail data in the US and inflation figures in the UK next week

By James Knightley and James Smith



Asia week ahead | China | Japan

Asia week ahead: China data deluge and Japan's inflation report

Next week, China reports GDP while Japan releases inflation numbers

By Lynn Song and Min Joo Kang

Key events in developed markets and EMEA next week

Retail sales and production data are next week's focus in the US after unexpectedly strong inflation data pushed back the anticipated start date of the Fed easing cycle. We'll also get services inflation and wage growth in the UK, which will help shape the debate on whether the BoE cuts rates in June or August



Retail sales in focus after sticky inflation data

With inflation and strong jobs confirming little prospect of an interest rate cut from the Federal Reserve before September, we expect a calmer period for markets over the coming week. The highlights in the US will be retail sales, industrial production and housing data. Retail sales is a nominal figure, so with inflation running hot our 0.3% month-on-month forecast implies that volumes will remain subdued. We have already had auto volume figures, which disappointed, while the weekly credit card numbers from the Bureau for Economic Analysis have been subdued and data from Opentable suggests restaurant dining has been weak. With loan delinquency rates on the rise and an increasing number of people making only the minimum payment on their loans, there is evidence of increased stress and this is likely to get worse in the near term with inflation running hotter than income growth, especially for those on social security.

An improvement in the ISM index suggests we should look for a decent increase in industrial production, but the rise in mortgage rates means that we expect weakness in housing transaction numbers. This feeds into retail sales given the strong correlation with home sales and retail activity

tied to household appliances, furniture and furnishings and building supplies – when moving home people often want new items in their new property.

UK inflation and wage data in focus as investors weigh June rate cut

In contrast to the Federal Reserve, the Bank of England looks like it's still on track for a rate cut either in late spring or summer. The Bank has told us that the timing hinges on the next few releases of services inflation and wage growth, both of which we get next week and are set to show some further limited progress. Headline inflation should tick lower too, although this will be tempered by the recent rise in petrol prices.

Irrespective of the outcome, we think May's meeting is too early for a cut. However, a material downside surprise to next week's data – which we stress is not our base case – might convince the Bank to use that meeting as an opportunity to signal its preference for cutting rates in June.

For the time being though, we think an August start date is narrowly more likely, and that's because we think both the March and April services inflation figures could come in a little above BoE forecasts. Our new Fed call for a September rate cut also adds weight to the idea the BoE will wait slightly longer before cutting for the first time.

Key events in developed markets next week

| Country | Time | Data/event | ING | Survey | Prev. |
|---------------------------|------|---|---------|---------|-----------|
| Monday 15 April | | | | | |
| US | 1330 | Mar Retail Sales (MoM%) | 0.3 | 0.4 | 0.6 |
| | 1500 | Apr NAHB home builder sentiment | 50 | 51 | 51 |
| Eurozone | 1000 | Feb Industrial Production (MoM%/YoY%) | -/- | | -3.2/-6.7 |
| | 1100 | Mar Reserve Assets Total | - | | 1156.11 |
| Tuesday 16 April | | | | | |
| US | 1330 | Mar Housing Starts (000) | 1490 | 1480 | 1521 |
| | 1415 | Mar Industrial Production (MoM%) | 0.3 | 0.4 | 0.1 |
| UK | 0800 | Feb ILO Unemployment Rate | 3.9 | | 3.9 |
| | 0800 | Avg. Weekly Earnings ex bonus (3M/YoY%) | 5.8 | | 6.1 |
| Italy | 1000 | Feb Global Trade Balance | - | | 2.655 |
| Canada | 1330 | Mar CPI Inflation (MoM%/YoY%) | 0.5/2.7 | 0.7/2.9 | 0.3/2.8 |
| Eurozone | 1000 | Feb Total Trade Balance | - | | 28 |
| Wednesday 17 April | | | | | |
| US | 1900 | Federal Reserve Beige Book | - | | - |
| UK | 0700 | Mar Core CPI (MoM%/YoY%) | 4.1 | | 4.5 |
| | 0700 | Mar CPI (MoM%/YoY%) | 0.4/3.1 | | 0.6/3.4 |
| | 0700 | Mar Services CPI (YoY%) | 5.9 | | 6.1 |
| Eurozone | 1000 | Mar CPI (YoY%) | - | | - |
| Thursday 18 April | | | | | |
| US | 1330 | Initial Jobless Claims | 215 | - | 211 |
| | 1330 | Continuing Jobless Claims | 1830 | - | 1817 |
| | 1500 | Mar existing home sales (mn) | 4.05 | 4.09 | 4.38 |
| Eurozone | 0900 | Feb Current Account, EUR | - | | 39.35 |
| Friday 19 April | | | | | |
| UK | 0700 | Mar Retail Sales (MoM%/YoY%) | 0.5/1.2 | | 0.0/-0.4 |
| | 0700 | Mar Retail Sales ex fuel (MoM%/YoY%) | 0.4/1.0 | | 0.0/-0.4 |

Source: Refinitiv, ING

Key events in EMEA next week

| Country | Time | Data/event | ING | Survey | Prev. |
|---------------------------|------|----------------------------------|---------|--------|----------|
| Friday 12 April | | | | | |
| Ukraine | 1430 | Feb Trade Balance YTD | - | | -1.68 |
| Monday 15 April | | | | | |
| Turkey | 0800 | Unemployment Rate % | - | | 9.8 |
| | 0900 | Mar Budget Balance | - | | -153.8 |
| Bulgaria | 1000 | Mar CPI (MoM%/YoY%) | 0.1/2.9 | | 0.3/3.3 |
| Poland | 0900 | Mar CPI (MoM%/YoY%) | 0.2/1.9 | -/- | 0.2/1.9 |
| Kazakhstan | 1200 | Mar Industrial Production (YoY%) | - | | 4.6 |
| | 1000 | Apr Industrial Production (MoM%) | - | | 3.8 |
| Tuesday 16 April | | | | | |
| Poland | 1300 | Mar Core Inflation (YoY%) | 4.6 | 4.7 | 5.4 |
| Croatia | 1000 | Mar CPI (YoY%) NSA | 4.1 | | 4.1 |
| | 1000 | Mar CPI (MoM%) NSA | 0.9 | | 0.2 |
| Wednesday 17 April | | | | | |
| Russia | 1700 | Mar PPI (MoM%/YoY%) | -/- | / | 0.9/19.5 |
| Turkey | 0800 | Feb Current Account Balance | -4.0 | | -2.556 |
| South Africa | 0900 | Mar CPI (MoM%/YoY%) | -/- | / | 1/5.6 |
| | 0900 | Mar Core inflation (MoM%/YoY%) | 0.9/4.1 | / | 1.2/5 |
| | 1200 | Feb Retail Sales (YoY%) | - | | -2.1 |

Source: Refinitiv, ING

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Asia week ahead: China data deluge and Japan's inflation report

Key data releases from China are out next week alongside Japan's latest inflation reading



String of reports out from China in the coming week

The National Bureau of Statistics will release a major data dump next Tuesday, including 2024's first quarter GDP, March key economic activity indicators, and the 70-city housing price data next Tuesday. First quarter growth forecasts have largely been revised higher after stronger-than-expected data in the first two months of the year, and markets are now looking for 5% year-on-year GDP growth.

The credit data will also be published sometime in the next few days, where aggregate financing and new loans are likely to pick up from February levels in a typical end of quarter spike. Overall, aggregate financing could remain in negative YoY growth in the first quarter of this year.

Lastly, the People's Bank of China will make its decision on the 1-year MLF rate next Monday, which we expect to remain unchanged as policymakers prioritise exchange rate stability.

Japan inflation likely steady at 2.8%

We are optimistic about Japan's cyclical recovery in the near term, and next week's data releases will support our view. Consumer price inflation is expected to stay at 2.8% YoY for a second month in March, while core inflation (excluding fresh food) should ease to 2.6% from the previous month's 2.8% due to a high base last year. Higher commodity prices and the weak JPY are likely to have pushed up headline inflation, while hotel/other service prices also should have risen meaningfully.

Meanwhile, the tertiary industry index is expected to advance as survey data indicates an optimistic outlook for services activity. On the other hand, core machinery orders have been choppy on a monthly basis. However, we expect orders to rebound on the back of high demand on semiconductors and electrical machineries.

Key events next week

| Country | Time (GMT+8) | Data/event | ING | Survey | Prev. |
|---------------------------|--------------|--|-----|--------|--------|
| Monday 15 April | | | | | |
| Japan | 0050 | Feb Core Machinery Orders (MoM%) | 2 | | -1.7 |
| India | 0730 | Mar WPI Inflation (YoY%) | - | | 0.2 |
| China | 0220 | Medium-term lending facility | 2.5 | | 2.5 |
| Tuesday 16 April | | | | | |
| China | 0300 | Mar Industrial Output (YoY%) | - | | 7 |
| | 0300 | Mar Retail Sales (YoY%) | - | | 5.5 |
| | 0300 | Q1 GDP (YoY%) | 4.7 | 5 | 5.2 |
| Indonesia | 0500 | Mar Consumer Confidence Index | 123 | | 123.1 |
| Wednesday 17 April | | | | | |
| Japan | 0050 | Mar Exports (YoY%) | 7.7 | | 7.8 |
| | 0050 | Mar Imports (YoY%) | -6 | | 0.5 |
| | 0050 | Mar Trade Balance Total Yen | 500 | | -379.4 |
| Indonesia | 0500 | Feb Retail Sales Index (YoY%) | 2 | | 1.1 |
| Thursday 18 April | | | | | |
| Japan | 0050 | Feb Tertiary Industry Index (MoM%) | 0.5 | | 0.3 |
| Australia | 0230 | Mar Unemployment Rate | 3.9 | | 3.7 |
| | 0230 | Mar Reserve Assets Total | - | | 92605 |
| Friday 19 April | | | | | |
| Japan | 0030 | Mar CPI (MoM%) | 0.4 | | 0 |
| | 0030 | Mar CPI (YoY%) | 2.8 | | 2.8 |
| | 0030 | Mar Core CPI excluding Fresh food (YoY%) | 2.6 | | 2.8 |

Source: Refinitiv, ING

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