

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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Source: Shutterstock

✓ US: Fed to give more inflation insights but no QE tapering yet, and watch for retail/industry data

The upcoming week will be dominated by the Federal Reserve policy meeting. No changes are expected, but we will be getting updated forecasts. It will be interesting to see if there are any signs of cracks in the Fed's stance that elevated inflation readings are "transitory".

With headline inflation at a 13 year high and core inflation at a near 30 year high, we suspect they will be a little more balanced on their assessment, especially given evidence that labour costs are starting to pick up and inflation expectations series are also clearly on the rise.

Nonetheless, the disappointing jobs numbers are likely to mean the Fed continues to believe it is too early to discuss QE tapering. Some Fed officials are tentatively moving in this direction. Still, it is likely to take another couple of months of strong activity, elevated inflation and rising employment costs for it to actually happen.

We think the Federal Reserve's Jackson Hole conference in late August will fire the starting gun. This will be formally acknowledged at the September FOMC (the next forecast update from the Fed)

with a QE tapering announcement at the December FOMC.

In terms of the data, we will be closely following retail sales and industrial production. The former could print a negative number given the slowdown in auto sales after a strong run. Vehicle prices are surging, and output is lacking, given automaker supply chain issues.

Outside of autos, the spending numbers should remain firm given healthy confidence, strong income growth and rising employment. However, people are increasingly moving away from buying physical things and instead are spending a greater proportion on services, such as travel, hotels and entertainment, which are not included within retail sales.

Industrial production should be firmly based on surveys such as the ISM report. New orders are strong, and the backlog of orders are at record highs. The question is, can the supply capacity of the economy meet that demand given current supply chain bottlenecks and labour market issues? Consequently, we expect this to translate into higher prices, which will be highlighted by rising producer price inflation.

Developed Markets Economic Calendar

Country	Time	Data/event	ING	Survey	Prev.
Monday 14 June					
Portugal	1100	May CPI (MoM/YoY%)	-/-		0.2/1.2
Eurozone	1000	Apr Industrial Production (MoM/YoY%)	-0.1/36.2		0.1/10.9
Tuesday 15 June					
US	1330	May Retail Sales (MoM%)	-0.5	-0.4	0.0
	1415	May Industrial Production (MoM%)	0.7	0.6	0.7
Germany	0700	May CPI Final (MoM/YoY%)	5.0/2.5		0.5/2.5
France	0745	May CPI (MoM/YoY%) NSA	-		0.3/1.4
UK	0700	Apr ILO Unemployment Rate	4.6		4.8
	0700	Apr Employment Change	140		84.0
Norway	0700	May Trade Balance	-		17.0
Sweden	0600	May Unemployment Rate	-		8.2
Netherlands	0530	Apr Trade Balance	-		6.54
Eurozone	1000	Apr Total Trade Balance SA	-		13.0
	1100	May Reserve Assets Total	-		852.14
Wednesday 16 June					
US	1900	Fed Funds Target Rate	0.125		0.125
	1900	Fed Interest On Excess Reserves	-		0.1
UK	0700	May Core CPI (MoM/YoY%)	0.3/1.6		0.3/1.3
	0700	May CPI (MoM/YoY%)	0.3/1.8		0.6/1.5
Canada	1330	May CPI Inflation (MoM/YoY%)	0.6/3.8		0.5/3.4
Thursday 17 June					
Italy	0900	Apr Global Trade Balance	-		5.19
Norway	0900	Key Policy Rate	0.0		0.0
Friday 18 June					
UK	0700	May Retail Sales (MoM/YoY%)	2.0/30		9.2/42.4
Eurozone	0900	Apr Current Account SA, EUR	-		17.8

Source: ING, Refinitiv

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Key events in EMEA next week

No changes expected from Turkey's central bank meanwhile inflation, current account and employment data from Poland are key releases to watch



Source: Shutterstock

✓ Turkey: Little change expected

According to Turkey's central bank its forecast path in the inflation report show end of the third quarter or the beginning of the last quarter for “the significant fall” in the headline inflation. Given that currently low ex-post real rates and ongoing risks to outlook leave little room to act, we do not expect any rate change from the CBT in the June meeting.

However, improvement in inflation should allow the bank to come up with a moderate easing with a likely first move in October

✓ Poland: Continued inflation pressure, higher CA surplus, and employment boost all incoming

On Monday the Polish central bank will publish the April balance on the current account. We expect an increase of the surplus to €1.3bn, from €0.9bn in March (consensus at €1.2bn). On Tuesday the final print should confirm May CPI at 4.8% (as in the flash estimate), indicating continued strong pressure from the core and the low base for fuel prices.

On Friday, we'll get labour market data and we think we'll get higher employment in May as

restrictions were eased, transferring to acceleration of the YoY growth to 2.5% from 0.9% the previous month (market consensus at 2.4%). The wage growth should be at 10% YoY compared to 9.9% in April and the consensus at 10.2%.

EMEA Economic Calendar

Country	Time	Data/event	ING	Survey	Prev.
Monday 14 June					
Turkey	0800	Apr Current Account Balance	-2.0		-3.33
Poland	1300	Apr Current Account	1291.0	1203.0	938.0
Czech Rep	0900	Apr Current Account Balance	-		11.81
Ukraine	-	Apr Trade Balance YTD	-		-1.32
Tuesday 15 June					
Turkey	0900	May Budget Balance	-		-16.9
Poland	0900	May CPI (MoM/YoY%)	-/-		0.3/4.8
Wednesday 16 June					
Poland	1300	May Net Inflation (YoY%)	4.0		3.9
Croatia	1000	May CPI (MoM/YoY%) NSA	-		0.7/2.1
Brazil	2200	Selic Interest Rate	-		3.5
Thursday 17 June					
Russia	1700	May PPI (MoM/YoY%)	-/-		2.7/27.6
Turkey	1200	Jun CBT Weekly Repo Rate	19.0		19.0
	1200	Jun O/N Lending Rate	20.5		20.5
	1200	Jun O/N Borrowing Rate	17.5		17.5
Ukraine	1200	Central bank interest rate	-		7.5
Friday 18 June					
Hungary	0730	Q1 C/A Balance (QoQ%)	0.446		0.184
Poland	0900	May Employment (YoY%)	2.5	2.4	0.9
	0900	May Wages (YoY%)	10.0	10.2	9.9

Source: ING, Refinitiv

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Asia week ahead: Central banks to take cue from the Fed

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Asia Economic Calendar

Country	Time	Data/event	ING	Survey	Prev.
Monday 14 June					
India	0730	May WPI Inflation (YoY%)	12.6		10.49
	1300	May CPI Inflation (YoY%)	5.4		4.29
Philippines	-	Apr OCW remittances (% YoY)	7.5		4.9
Tuesday 15 June					
Japan	0050	May Exports (YoY%)	50.4		38.0
	0050	May Imports (YoY%)	26.3		12.8
	0050	May Trade Balance Total (Yen bn)	50.0		65.2
	0050	Apr Core machine orders (MoM/YoY%)	7.5/-6.4		3.7/-2.0
Australia	0330	1Q House price index (% YoY/QoQ)	8.0/5.5		3.6/3.0
New Zealand	2345	Q1 Current Account - Qtrly	-		-2.695
	2345	Q1 Current Account- Annual	-		-2.549
India	1230	Q1 C/A Bal. \$	-		-1.7
	1230	Q1 Balance Payments \$	-		32.5
	1230	May Trade Deficit Govt -USD bn	6.5		15.1
	1230	May Imports (YoY%)	67.0		195.7
	1230	May Exports (YoY%)	69.0		167.1
Indonesia	0500	May Consumer Confidence Index	-		101.5
	0500	May Trade Balance (Bln of \$)	1.7		2.19
	0500	May Exports Growth (YoY%)	54.8		51.94
	0500	May Imports Growth (YoY%)	73.1		29.93
Wednesday 16 June					
New Zealand	2345	Q1 GDP Prod Based (QoQ/YoY%)	-		-1.0// -0.9
China	0300	May Industrial Output (YoY%)	10.1	8.9	9.8
	0300	May Retail Sales (YoY%)	16.2	14	17.7
	0300	May Fixed asset investment (YTD, %YoY)	17.4		19.9
Thursday 17 June					
Japan	0030	May CPI (YoY%) NSA	-		-0.3
	0030	May CPI ex-food, energy (YoY%) NSA	-		-0.3
Singapore	0130	May Non-oil dom exports (MoM/YoY% SA)	4.5/19.9		-8.8/6
Australia	0230	May Employment change ('000)	45.0		-30.6
	0230	May Unemployment rate (%)	5.4		5.5
	0230	May Participation rate (%)	66		66
China	0230	May New home prices (% MoM)	0.4		0.5
Indonesia	0800	Bank Indonesia policy rate (%)	3.5		3.5
Taiwan	0900	CBC policy rate (%)	1.125		1.125
Hong Kong	0930	May Unemployment rate (%)	6.2		6.4
Friday 18 June					
Japan	- 1	JP BOJ Rate Decision	-0.1		-0.1

Source: ING, Refinitiv, *GMT

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