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 in developed markets next week

Persistent inflation is hurting consumer confidence across developed markets. In the US, buyers face affordability issues in the housing market, and...

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US: Housing demand may start to falter with higher mortgage rates

Housing data will be the key story in the US next week. Mortgage rates have surged in response to higher market interest rates, with the average 30Y fixed rate now above 5% having started the year at 3.3%. Coupled with the fact that house prices have risen more than 30% nationally since the start of the pandemic there are clear affordability issues for new potential buyers. Consequently, we suspect that home sales will soon start to top out and with construction having surged over the past 18 months, we sense that the housing market could soon switch from excess demand to one that is experiencing excess supply. With the Federal Reserve only now starting to raise rates and with consumer confidence being hurt by high inflation the risk of this sector experiencing price falls over the next year and becoming a drag on economic activity are undoubtedly growing.

Canada: More rate hikes to follow

In Canada, inflation is set to move even higher on rising energy costs and given the positive growth outlook from the Bank of Canada following its recent 50bp rate hike, we strongly suspect there will be another 50bp interest rate increase at the June 1st policy meeting.

UK: Watch out for another slide in retail sales as cost of living crunch begins

UK retail sales slipped in February and we could see a further decline for March. The outlook for retailers is undoubtedly challenging, not least because consumer spending on services is essentially back to pre-virus levels, drawing resources away from goods after two years of high demand. At the same time, the sharp rise in household energy and petrol costs suggests consumer appetite for non-essentials will fall. Consumer confidence has already fallen close to the lows of March 2020 and the financial crisis. Taken together with the likely decline in health output now free Covid-19 testing has finished, we suspect second-quarter growth will come in modestly negative. The jury's out on whether the economy will endure a technical recession, given that the large pool of household savings in UK bank accounts (and perhaps an increase in credit card borrowing) will dampen the fall in consumer spending.

Developed Markets Economic Calendar

Country	Time	Data/event	ING	Survey	Prev.
		Tuesday 19 April			
US	1330	Mar housing starts (000)	1760	1748	1769
Eurozone	1200	Mar Reserve Assets Total	-		1091.8
		Wednesday 20 April			
Italy	0900	Feb Global Trade Balance	-		-5.1
Canada	1330	Mar CPI Inflation (MoM%/YoY%)	1.1/6.3		1.0/5.7
Eurozone	1000	Feb Industrial Production (MoM%/YoY%)	-	0.2/0.8	0.0/-1.3
	1000	Feb Total Trade Balance	-		-7.7
		Thursday 21 April			
Eurozone	1000	Mar CPI Final (YoY%)	-	7.5	7.5
	1600	Apr Consumer Confidence Flash	-		-18.7
US	1330	Cont Jobless Claims	1450	-	1475
	1330	Initial Jobless Claims	180	-	185
		Friday 22 April			
US	1445	Apr Markit Composite Flash PMI	-		57.7
	1445	Apr Markit Services PMI Flash	-		58.0
	1445	Apr Markit Manufacturing PMI Flash	-		58.8
Germany	0830	Apr Markit Composite Flash PMI	-		55.1
	0830	Apr Markit Service Flash PMI	-		56.1
	0830	Apr Markit Manufacturing Flash PMI	-		56.9
France	0815	Apr Markit Composite Flash PMI	-		56.3
UK	0800	Mar Retail Sales (MoM%/YoY%)	-0.2/2.8		-0.3/7.0
	0930	Apr Flash Services PMI	61		62.6
	0930	Apr Flash Manufacturing PMI	55		55.2
Canada	1330	Feb Retail Sales (MoM%)	0.4		3.2
Eurozone	0900	Apr Markit Composite Flash PMI	-		54.9
	0900	Apr Markit Services Flash PMI	-		55.6
	0900	Apr Markit Manufacturing Flash PMI	-		56.5

Source: Refinitiv, ING, *GMT

Authors

James Knightley
Chief International Economist
james.knightley@ing.com

James Smith
Developed Markets Economist
james.smith@ing.com

Asia week ahead: China data releases and trade reports up ahead

Next week features several reports out of China, regional trade data and a central bank decision

Bank Indonesia Governor Perry Warjiyo has hinted that he will consider tightening policy if inflation becomes a problem

Flurry of data reports out of China

A flurry of data reports from China are due on Monday, including first quarter GDP, industrial production, retail sales and fixed asset investments. We don't expect the full impact of the current lockdown in Shanghai will be reflected in this set of March data. However, we do expect retail sales to be in contraction on a yearly basis.

On 20 April, the Loan Prime rate is scheduled for release. It is highly expected that the loan prime rate will be trimmed by 10bps as authorities bank on the easing of monetary policy to help drive the economic recovery from Covid.

Trade reports from the region

In the coming week, a number of trade figures from the region will be published, and will likely showcase the impact of the ongoing conflict in Ukraine. Indonesia is scheduled to release trade data on 18 April and we expect both exports and imports to sustain double-digit gains. Indonesia's export sector benefits from the pickup in commodity prices, however imports are also likely to bloat given the country's reliance on imported crude oil. Indonesia's overall trade balance should remain in surplus, although we do expect this to narrow.

Japan trade data will be released next week, and the overall balance of trade is expected to widen its deficit. Given import price surges in energy and other commodities, import growth should outpace the growth of exports.

Korea's early trade report will be out on 21 April. We expect that IT and petrochemical exports will continue to be strong, while weakness in auto and machinery exports will deepen. It will be worth closely monitoring this data point to monitor how the Ukraine war and China lockdowns are impacting regional/global trade in real time.

Lastly, Singapore's March non-oil domestic exports are set to reverse into contraction, largely due to base effects but we cannot rule out the impact of the conflict on global demand.

Bank Indonesia to shift hawkish?

Bank Indonesia (BI) has kept policy rates at accommodative levels to support the economy's recovery from the fallout from Covid. BI Governor Perry Warjiyo hinted that he would consider tightening policy should core inflation become a problem. With recent inflation reports showing a pickup both in headline and core inflation, we can expect Warjiyo to signal a potential rate hike in the near term, contingent on further acceleration in price pressures.

Asia Economic Calendar

Country	Time	Data/event	ING	Survey	Prev.
		Monday 18 April			
China	0300	Q1 GDP (YoY%)	2.3		4.0
	0300	Mar Retail Sales (YoY%)	-6.0		1.7
	0300	Mar Industrial Output (YoY%)	4.0		7.5
	300	Mar Fixed Asset Investments (YTD YoY%)	9.0		12.2
Indonesia	0500	Mar Imports Growth (YoY%)	19.9		25.4
	0500	Mar Exports Growth (YoY%)	21.1		34.1
	0500	Mar Trade Balance (Bln of $)	2.1		3.8
		Tuesday 19 April			
Japan	0050	Mar Trade Balance Total Yen	-		-668
	0050	Mar Imports (YoY%)	-		34.0
	0050	Mar Exports (YoY%)	-		19.1
Indonesia	-	Apr 7-Day Reverse Repo	3.5		3.5
		Wednesday 20 April			
China	0215	Apr Loan Prime Rate 5Y	4.6		4.6
	0215	Apr Loan Prime Rate 1Y	3.6		3.7
Taiwan		Export orders (YoY%)	12.4		21.1
		Thursday 21 April			
Japan	0030	Mar CPI (YoY%)	-		0.9
Australia	0230	Mar Reserve Assets Total	-		82768
	0000	Apr Composite PMI Flash	55.5		55.1
	0000	Apr Services PMI Flash	56.1		55.6
	0000	Apr Manufacturing PMI Flash	58.1		57.7
		Friday 22 April			
Taiwan	0900	Mar Unemployment rate (%)	3.8		3.7

Source: Refinitiv, ING, *GMT

Authors

Min Joo Kang
Senior Economist, South Korea and Japan
min.joo.kang@asia.ing.com

Nicholas Mapa
Senior Economist, Philippines
nicholas.antonio.mapa@asia.ing.com