

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: Fed vigorously watched after inflation reading, and Biden's spending plans remain a hot topic

The US macro story remains positive with the economy posting vigorous growth, but the recent jobs numbers have highlighted supply constraints in the economy while inflation numbers continue to surprise on the upside. The data calendar is light this week so there is little to add to the debate other than to reinforce the message that the property market is red hot and regional manufacturing is performing well, albeit having to deal with supply shortages. Consequently, the focus is likely to be on Federal Reserve policy and whether President Biden can get traction in Congress with his spending plans. There are four Fed speakers currently scheduled and the minutes to the April FOMC meeting. Officials continue to indicate they think inflation is “transitory”, but rising price pressures are proving increasingly difficult to dismiss completely.

In Canada, CPI readings for April are likely to jump, similar to what we saw in the US. Certainly, part of this is down to comparing prices from lockdown last year to prices today in a reopening economy, but there are also other frictions, and given strong demand we could see more evidence of corporate pricing power emerging.

UK: Positive UK data and further reopenings overshadowed by new Covid-19 variant

It's a hectic week in the UK next week, and here are our four things to look out for:

- Reopenings and variants: Monday's reopening of indoor hospitality is being overshadowed by rising rates of the India-originating Covid-19 variant in parts of the UK. The more positive news is that the vaccines do appear to be working against this strain - so far, prevalence has not really increased among the predominantly-vaccinated over-50s in affected areas.
- Employment (Tues): The jobs market has turned a slight corner since the start of the year: the furlough scheme has shielded the hardest-hit sectors against further redundancies, while hiring has picked up elsewhere. Expect another slight decline in unemployment this time. More importantly, the buoyant reopening means that most firms should be financially able to bring back most of their staff from furlough, before wage support ends in September. While unemployment is still likely to rise to around 6% when this happens, we think it could be falling again by year-end.
- Inflation (Weds): April data means we're now comparing prices to the lows of the pandemic last year. Throw in a 9% rise in household energy bills in April, and the rate of headline inflation is likely to increase considerably from March. We expect headline CPI to exceed the 2% target later in the year, before drifting back below that level in 2022. For that reason, the Bank of England is unlikely to be in a rush to tighten before 2023.
- Retail sales and PMIs (Fri): More timely spending data points to another decent rise in retail sales, linked to the reopening of shops in April. And the broader economic outlook is aided by rising consumer and business confidence, as the vaccination programme offers greater optimism about the durability of the emerging recovery. This is likely to be main message from next week's PMIs.

Developed Markets Economic Calendar

Country	Time	Data/event	ING	Survey	Prev.
Monday 17 May					
US	1500	May NAHB index	84.0	83.0	83.0
Japan	0050	Q1 GDP (ann. QoQ%)	-1.2	-4.5	11.7
Eurozone	1100	Apr Reserve Assets Total	-		849.37
Tuesday 18 May					
UK	0700	Mar ILO Unemployment Rate	4.8		4.9
	0700	Mar Employment Change	50		-73.0
Italy	0900	Mar Global Trade Balance	-		4.754
Norway	0700	Apr Trade Balance	-		25.4
Netherlands	0530	Mar Trade Balance	-		5.433
	0830	Q1 GDP Prelim SA (QoQ/YoY%)	-/-		-0.1/-2.8
Eurozone	1000	Mar Total Trade Balance SA	18.7		18.4
	1000	Q1 GDP Flash Estimate (QoQ/YoY%)	-0.6/-1.8	-0.6/-1.8	-0.6/-1.8
Wednesday 19 May					
US	1400	Apr 28 FOMC minutes			
Japan	0050	Apr Exports (YoY%)	29.0		16.1
	0050	Apr Imports (YoY%)	4.0		5.8
	0050	Apr Trade Balance (Yen bn, adjusted)	557		297
	0050	Mar Core machine orders (MoM/YoY%)	-1.4/-9.7		-8.5/-7.1
UK	0700	Apr Core CPI (MoM/YoY%)	0.3/1.2		0.4/1.1
	0700	Apr CPI (MoM/YoY%)	0.6/1.5		0.3/0.7
Canada	1330	Apr CPI Inflation (MoM/YoY%)	0.5/3.1		0.5/2.2
Portugal	-	Mar Current Account Balance	-		-0.335
Thursday 20 May					
Japan	0030	Apr CPI (YoY%) NSA	-0.5		-0.2
	0030	Apr Core CPI (YoY%) NSA	0.2		0.3
Australia	0230	Apr Unemployment Rate	5.4		5.6
	0230	Apr Employment change ('000)	45.0		70.7
	0230	Apr Participation rate (%)	66.3		66.3
	0000	May Manufacturing PMI Flash	-		59.7
	0000	May Services PMI Flash	-		58.8
	0000	May Composite PMI Flash	-		58.9
Eurozone	1000	Mar Current Account SA, EUR	-		25.88
Friday 21 May					
US	1445	May Markit Composite Flash PMI	-		63.5
	1445	May Markit Manufacturing PMI Flash	-		60.5
	1445	May Markit Services PMI Flash	-		64.7
	1500	Apr existing home sales (mn)	6.1	6.05	6.01
Germany	0830	May Markit Manufacturing Flash PMI	65.6		66.2
	0830	May Markit Service Flash PMI	50.6		49.9
	0830	May Markit Composite Flash PMI	55.6		55.8
France	0815	May Markit Manufacturing Flash PMI	-		58.9
	0815	May Markit Services Flash PMI	-		50.3
	0815	May Markit Composite Flash PMI	-		51.6
UK	0700	Apr Retail Sales (MoM/YoY%)	4.0/36		5.4/7.2
	0930	May Flash Composite PMI	62.7		60.7
	0930	May Flash Manufacturing PMI	60.0		58.9
	0930	May Flash Services PMI	63.0		61
Canada	1330	Mar Retail Sales (MoM%)	-		4.8
Australia	0230	Apr Retail Sales (MoM%) Pre	-		-0.8
Eurozone	0900	May Markit Manufacturing Flash PMI	63.3		62.9
	0900	May Markit Services Flash PMI	52.5		50.5
	0900	May Markit Composite Flash PMI	55.9		53.8
	1500	May Consumer Confidence Flash	-		-8.1

Source: ING, Refinitiv

Authors

James Knightley

Chief International Economist, US

james.knightley@ing.com

James Smith

Developed Markets Economist, UK

james.smith@ing.com

Key events in EMEA next week

Hungary's GDP data next week may confirm a W-shaped recovery while Russia's balance of payments could be important for the ruble



Source: Shutterstock

✓ Hungary: W-shaped recovery?

Hungary reports first quarter GDP figures on Tuesday. Looking back, this period was quite a mixed bag with significant upside and downside surprises in construction and industry, and a series of disappointments in retail sales. The new round of stricter lockdown measures introduced in March didn't help the recovery either. All things considered, we think that Hungary was unable to avoid a W-shaped recovery. We see a 0.8% quarter-on-quarter drop in 1Q21 but the risks are skewed to the upside.

✓ Russia: Mixed risks and support for ruble, and industrial output should spike

The Russian balance of payments data for April, to be released next Wednesday, could be an important data point for ruble watchers. We believe the strong oil price environment, some recovery in oil production volumes, and the extended ban of foreign tourism to Turkey, one of the most popular resort destinations, should be supportive, but signs of a fast recovery in imports and continued private capital outflows are risk factors. In other news, industrial output for April, also due to be released on Wednesday, should point to a spike in the annual growth rate to around 5% or higher, but that's mostly due to the low base effect, as April 2020 was the first month of strict Covid-19 lockdowns, with IP dropping by 4.7% YoY.

EMEA Economic Calendar

Country	Time	Data/event	ING	Survey	Prev.
Monday 17 May					
Turkey	0900	Apr Budget Balance	-		23.8
Poland	1300	Apr Net Inflation (YoY%)	-		3.9
Tuesday 18 May					
Russia	1700	Apr PPI (MoM/YoY%)	-/-		3.6/16
Hungary	0800	Q1 GDP (QoQ/YoY%) Prelim	-0.8/-4.8	-4.0	1.4/-3.6
Romania	0700	Q1 GDP Flash (YoY%)	-1.8	-1.7	-1.4
Wednesday 19 May					
Russia	1700	Apr Industrial Output	5.2	6.5	1.1
		- Apr GDP (YoY%) Monthly	-		0.5
Thursday 20 May					
Friday 21 May					
Mexico	1200	Mar Retail Sales (MoM/YoY%)	-		1.6/-6.3

Source: ING, Refinitiv

Authors

Peter Virovacz

Senior Economist, Hungary

peter.virovacz@ing.com

Dmitry Dolgin

Chief Economist, CIS

dmitry.dolgin@ing.de

Asia week ahead: More 1Q GDP figures on the way

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Asia Economic Calendar

Country	Time	Data/event	ING	Survey	Prev.
Monday 17 May					
Singapore	0030	Apr NODX (MoM/YoY%)	-2.8/10.6		1.2/12.1
China	0300	Apr Industrial Output (YoY%)	-	9.8	14.1
	0300	Apr Retail Sales (YoY%)	-	24.9	34.2
	0300	Apr Fixed asset investment (YTD, %YoY)	18.9		25.6
	0300	Apr New home prices (% MoM)	0.5		0.4
Indonesia	0500	Apr Consumer Confidence Index	-		93.4
Thailand	0330	Q1 GDP Growth (QoQ/YoY%, SA)	-0.3/-2.8		1.3/-4.2
Tuesday 18 May					
Wednesday 19 May					
Singapore	0000	1Q21 GDP - revised (QoQ/YoY%)	2.7/0.9		2.0/0.2
Korea	2100	Apr PPI (%YoY)	5.2		3.9
Thursday 20 May					
China	0230	May Loan Prime Rate 1Y	3.85		3.85
	0230	May Loan Prime Rate 5Y	4.65		4.65
Indonesia	0500	Apr Trade Balance (Bln of \$)	0.30		1.56
	0500	Apr Exports Growth (YoY%)	38.2		30.47
	0500	Apr Imports Growth (YoY%)	19.8		25.73
Taiwan	0800	Apr Export orders (%YoY)	38.0		33.3
	0800	1Q21 Current account balance (US\$bn)	18.7		27.3
Friday 21 May					
Hong Kong	0730	Apr CPI (YoY%)	1.00		0.50
Thailand	0430	Apr Exports (YoY%)	5.00		8.47
	0430	Apr Imports (YoY%)	20.00		14.12
	0430	Apr Trade balance (\$ mn)	253		711

Source: ING, Refinitiv, *GMT

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