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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: On course for a December hike

We get a few second tier US data releases over the coming week, but none of them are likely to alter the outlook for the December FOMC meeting, where we have a high conviction call that the Federal Reserve will raise its main policy rate by 25 basis points for the fourth time this year.

The economy is growing strongly, inflation is above the Federal Reserve's 2% target and the jobs market is robust, with wage pressures on the rise. Given good momentum we expect the Fed to continue hiking interest rates next year. However, they are likely to be less aggressive than in 2018 – we expect three rate moves next year. The economy is facing more headwinds with the lagged effects of higher interest rates and a strong dollar set to slow growth, while trade tensions and weaker external demand are also a threat.

Furthermore, there are some tentative signs of softness in real data, particularly the housing market and investment. The durable goods orders report is already pointing to a slower path ahead for corporate investment while higher mortgage rates are resulting in a slowdown in the housing market. Next week's data is likely to give us more information on whether this is something that is becoming more troubling.

Eurozone weakness through the lens of confidence data

In the eurozone, confidence data will be released. After the dismal third quarter, PMIs will be closely watched to get a sense of economic performance in November. With downside risks ever present, a strong bounce back from the weak 3Q performance seems unlikely.

Canada: Energy will put upward pressure on prices

Canada's inflation in September was -0.4% month-on-month, largely undershooting expectations. But we're unlikely to see a similar figure in October; we forecast 0.2% MoM, with the main contributor likely to be energy prices.

The oil price rally started at the back-end of September, meaning price gains only made a mild impact and were actually down on the month; the majority of the gains will be seen in October gasoline prices. And despite a high base, there should be an uptick in energy prices on the year too – though more moderate than expected; the heavy WCS discount to WTI and Brent crude will likely add some negative impetus. This should keep the headline print sitting above the Bank of Canada's 2% inflation target; we forecast a healthy 2.3% YoY.

Developed Markets Economic Calendar

Country	Time	Data/event	ING	Survey	Prev.
		Sunday 18 November			
Japan	2350	Oct Exports (YoY%)	2.2	-	-1.3
	2350	Oct Imports (YoY%)	11.9	-	7.0
	2350	Oct Trade Balance (JPY bn)	-334.0	-	139.6
		Monday 19 November			
US	1545	Fed's Williams Speaks in Moderated Q&A in the Bronx			
Japan	0330	BOJ Kuroda Speaks at EuroPlus in Tokyo			
Norway	1400	Norges Bank Deputy Governor Nicolaisen Speaks in Oslo			
Sweden	1030	Riksbank's af Jochnick Speaks in Copenhagen			
Portugal	0900	Bank of Portugal Governor at Conference on Portuguese Economy			
		Tuesday 20 November			
Canada	1745	Bank of Canada's Carolyn Wilkins Speaks In Montreal			
Australia	0030	RBA Nov Meeting Minutes			
	0820	RBA's Lowe Gives Speech in Melbourne			
Austria	0900	ECB's Nowotny Presents Austrian Financial Stability Report			
		Wednesday 21 November			
US	1330	Oct P Durable Goods Orders (MoM%)	-2.2	-2.0	0.7
	1330	Oct P Durable Goods Orders (ex. Trans, MoM%)	0.3	0.4	0.0
	1500	Oct Existing Home Sales	5.15	5.2	5.2
	1500	Nov F U. of Mich. Sentiment Index	98.3	98.3	98.3
Japan	0430	Sep All Industry Activity Index (MoM/YoY%)	-0.8/-	-/-	0.5/1.2
	2330	Oct CPI (YoY%)	1.4	-	1.2
	2330	Oct CPI ex. Food, Energy (YoY%)	0.4	-	0.4
Eurozone	1000	OECD Economic Forecasts			
UK	0930	Oct PSNB ex. Banks (£bn)	-	-	4.1
	0930	Oct Public Finances (PSNCR)	-	-	15.8
Norway	0700	Sep Unemployment Rate AKU	-	-	4.0
Sweden	0830	Riksbank Financial Stability Report			
		Thursday 22 November			
Eurozone	1500	Nov A Consumer Confidence	-3.0	-	-2.7
Sweden	0700	Riksbank Deputy Governor Skingsley Gives Speech			
		Friday 23 November			
Eurozone	0900	Nov P Market Manufacturing PMI	51.8	-	52.0
	0900	Nov P Market Services PMI	53.6	-	53.7
	0900	Nov P Market Composite PMI	53	-	53.1
Canada	1330	Oct CPI (MoM/YoY%)	0.2/2.3	-/-	-0.4/2.2
Portugal	0000	Angolan President Joao Lourenco in Portugal For Two-day Visit			
	0830	Portugal's Centeno, ESMA's Maijoor Speak at Finance Conference			

Source: ING, Bloomberg

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Key events in EMEA and Latam next week

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Source: Shutterstock

National Bank of Hungary: Don't hold your breath

The National Bank of Hungary (NBH) meets next week to decide monetary policy - but don't expect any change. Despite the October CPI figure being surprisingly high (3.8% year-on-year), the NBH has signalled that this was driven by temporary factors and it plans to evaluate the situation in detail in December - when it prepares the next inflation report. The bottom line is, don't hold your breath for a change in policy at this meeting.

There's one other key event to watch; Moody's plans to review its sovereign debt rating. This is the only rating agency which does not have a positive outlook on the country.

Russia: Easier on the budget policy?

Russian activity data for October should show a further post-electoral deceleration in household income and consumption growth.

The weakness in consumption is driven by the low-income segment, which is dependent on the budget policy. Declining consumer optimism, combined with overall weakness in economic activity (GDP growth decelerated to 1.3% YoY in 3Q from 1.9% YoY in 2Q) as well as lower popular support in the regions, could strengthen calls in favour of easing in the budget policy in 2019-21. This is relative to a very tight draft.

EMEA and Latam Economic Calendar

Country	Time	Data/event	ING	Survey	Prev.
		Sunday 18 November			
Israel	1100	3Q A GDP (QoQ Annualised %)	-	-	1.8
		Monday 19 November			
Poland	0900	Oct Avg Gross Wages (MoM/YoY%)	-/-	-/-	-0.6/6.7
	0900	Oct Employment (MoM/YoY%)	-/-	-/-	-0.1/3.2
		Tuesday 20 November			
Russia	1300	Oct Retail Sales (YoY%)	2.0	2.4	2.2
	1300	Oct Real Wages (YoY%)	6.0	6.9	7.2
	-	Oct PPI (MoM/YoY%)	-/-	1.7/14.5	1.3/14.4
Poland	0900	Oct Industrial Output (MoM/YoY%)	-/-	-/-	3.5/2.8
	0900	Oct PPI (MoM/YoY%)	-/-	-/-	0.4/2.9
Hungary	1300	Policy Rate (%)	0.9	-	0.9
Serbia	1100	3Q F GDP (YoY%)	-	-	3.7
Croatia	-	Oct Unemployment Rate (%)	-	-	8.4
South Africa	0700	Sep Leading Indicator	-	-	104.9
Israel	1100	Sep Industrial Production (SA, MoM%)	-	-	7.2
	-	Nov 12Mth Inflation Forecast (%)	-	-	1.1
		Wednesday 21 November			
South Africa	0800	Oct CPI (MoM/YoY%)	-/-	-/-	0.5/4.9
	0800	Oct Core CPI (MoM%, NSA)	-	-	0.5
Israel	-	Oct Leading 'S' Indicator (MoM%)	-	-	0.3
		Thursday 22 November			
Turkey	0700	Nov Consumer Confidence	-	-	57.3
Poland	0900	Oct Retail Sales (MoM/YoY%)	-/-	-/-	-3.4/5.6
	1300	National Bank of Poland Publishes Minutes of Rate Meeting			
Hungary	0800	Sep Avg Gross Wages (YoY%)	9.8	-	10.1
South Africa	-	Repo Rate (%)	-	-	6.5
		Friday 23 November			
Poland	1300	Oct M3 Money Supply (MoM/YoY%)	-/-	-/-	0.8/7.9
Hungary	-	Hungary Sovereign Debt to be Rated by Moody's			
South Africa	-	South Africa Sovereign Debt to be Rated by S&P			
Mexico	1400	3Q F GDP (YoY%)	2.6	-	2.6

Source: ING, Bloomberg

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Public holidays will keep the Asian calendar relatively quiet for the week ahead, with markets closed in India, Indonesia, Japan and Malaysia. There are...

Japan - back in the red

Japan will likely report a trade deficit next week but we don't think this will have any strong implications for the currency. The country essentially operates a balance on trade these days and drifts in and out of deficit with little impact on the yen.

Japanese CPI will rise a little further – in line with the earlier Tokyo release, but core inflation will remain anchored a little above zero. Nothing to excite the Bank of Japan here.

Singapore's core inflation - reassurance for the central bank

Singapore's 3Q GDP might well be revised slightly lower than the initial 2.6% year-on-year figure, based on weaker industrial production data for September. On the expenditure side, retail sales point to slower consumer spending growth, though this may be offset by strength in investment.

Singapore also releases October inflation figures which shouldn't unduly change the prevailing picture, namely a weak headline rate. But stripping out private accommodation and transport, we could see a much higher core figure, allowing the Monetary Authority of Singapore to feel vindicated in their decision to tighten last month. So long as the core rate remains below 2.0%, a subsequent April tightening will hang in the balance.

Bank of Thailand - hawkish tone could be subdued

Thai GDP for 3Q18 will likely deliver a weak 3.7% YoY growth rate, following soft manufacturing data released late last month. Weak service sector indicators may also reflect declining tourism inflows from China. Despite this, the Bank of Thailand has been sounding increasingly hawkish. So it's possible that the run of next week's data will curb their enthusiasm for hikes a little.

South east Asia picks - Taiwanese export numbers up from 2Q18

Other south-east Asian releases include the Philippine's October balance of payments data. This should improve as we move into year-end on lower oil prices and rising remittances.

The pick of the Taiwanese data next week is probably 3Q18 export orders. Weakness in electronics demand across the region and especially from key economies like Korea, and a generally downbeat mood in the tech sector may be outweighed this quarter by attempts to front-run incoming and rising tariff rates, so the 7.0% forecast would be an improvement from 2Q18.

Asia Economic Calendar

Country	Time	Data/event	ING	Survey	Prev.
		Monday 19 November			
Thailand	0230	3Q GDP (QoQ, SA/YoY%)	0.2/3.7	-/-	1.0/4.6
South Korea	2100	Oct PPI (MoM/YoY%)	-/2.5	-/-	0.3/2.7
Philippines	0845	Oct Balance of Payments (US$m)	-	-	-2696.0
		Tuesday 20 November			
Taiwan	0800	Oct Export orders (YoY%)	7.0	-	4.2
	0820	3Q Current Account Balance (US$bn)	20.5	-	17.8
Hong Kong	0815	Oct Composite CPI (YoY%)	2.8	-	2.7
		Wednesday 21 November			
Thailand	0330	Oct Exports (Cust est, YoY%)	3.0	-	-5.2
	0330	Oct Imports (Cust est, YoY%)	5.0	-	9.9
	0330	Oct Trade Balance (Cust est, US$m)	-186.0	-	487.0
		Thursday 22 November			
Malaysia	0700	Nov 15 Forex Eeserves-Month End (US$bn)	-	-	101.7
Taiwan	0800	Unemployment Rate	3.7	-	3.7
		Friday 23 November			
Malaysia	0400	Oct CPI (YoY%)	0.5	-	0.3
Singapore	0000	3Q Revised GDP (QoQ/YoY%)	3.9/2.4	-/-	4.7/2.6
	0500	Oct CPI (YoY%)	0.8	-	0.7
	0500	Oct CPI Core (YoY%)	1.8	-	1.8
Taiwan	0800	Oct Industrial Production (YoY%)	4.0	-	1.5
	0820	Oct Money Supply (M2) (YoY%)	3.4	-	3.3
	0820	3Q GDP F (YoY%)	2.3	-	2.3

Source: ING, Bloomberg

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