

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

Key events in developed markets next week

Key policy rate decisions in the US, Sweden, Norway, and Switzerland dominate this week's calendar. Most developed markets are expected to hold off...

By James Knightley



Key Events

Key events in EMEA next week

Hungary's central bank is set to continue its hawkish tone after the reopening boom pushed inflation higher, whereas Turkey is maintaining a more...

By Peter Virovacz and Muhammet Mercan



FX | Asia week ahead | United States

Asia week ahead: Central bank policymakers get busy

Asian central banks will be taking cues from the US Federal Reserve in a week packed with monetary policy meetings, while economic activity data should...

By Robert Carnell

Key events in developed markets next week

Key policy rate decisions in the US, Sweden, Norway, and Switzerland dominate this week's calendar. Most developed markets are expected to hold off...



Source: Shutterstock

US: Federal funds target rate to remain the same

This coming week's highlight will be the Federal Reserve monetary policy decision. A no change decision is widely expected with asset purchases maintained at \$120bn per month despite decent activity data and elevated inflation readings that are currently running at double the Fed's 2% target. Instead, the Fed is likely to retain a cautious stance with the resurgence of Covid a clear concern while Fed Chair Jerome Powell has made it clear he wants to see more progress on the employment aspect of their mandate.

At the Jackson Hole Symposium he argued that "we have much ground to cover to reach maximum employment" and with August payrolls clearly disappointing (235k versus the 733k consensus) he is going to be minded to delay the taper decision until there is better news. We think this announcement will come in November, but for now the most we can expect is cautious optimism with a bit more explicit support for tapering this year. Nonetheless, it should be emphasised that this decision is completely separate from any decision to hike rates – there is no automatic path to higher interest rates.

New forecasts will show a slight growth downward revision with an upward inflation revision. The big story could be the Fed individual dot forecasts for interest rate increases. Currently 7 out of 18

officials are going for 2022 as the starting point for increases and we could conceivably see one or two more bring their forecast forward to 2022. We suspect the median stays at 2023 for now, but it will be a close call.

The data calendar is centred on housing figures, which are set to stabilise after a slight pick-up in mortgage approvals for home purchases in recent weeks.

In Canada, the Federal election results will be of huge significance. Prime Minister Justin Trudeau called a snap election in order to try and take advantage of strong poll numbers and gain an outright majority in parliament. However, things do not appear to be going to plan with Trudeau's Liberal Party now neck-and-neck in opinion polls with the opposition Conservatives. This means that the New Democratic party could hold the balance of power, which would imply a higher chance of increased taxes and spending.

Developed Markets Economic Calendar

| Country | Time | Data/event | ING | Survey | Prev. |
|-------------------------------|------|------------------------------------|----------|--------|----------|
| Monday 20 September | | | | | |
| Portugal | - | Jul Current Account Balance | - | | -1.937 |
| Tuesday 21 September | | | | | |
| US | 1330 | Q2 Current Account | -193 | -190 | -195.7 |
| Sweden | 0830 | Riksbank Rate | - | | 0.0 |
| | 0830 | Aug Unemployment Rate | - | | 8 |
| Wednesday 22 September | | | | | |
| US | 1900 | Fed Funds Target Rate | 0.0-0.25 | 0-0.25 | 0-0.25 |
| | 1900 | Fed Interest On Excess Reserves | 0.15 | 0.15 | 0.15 |
| Euro Zone | 1500 | Sep Consumer Confidence Flash | - | | -5.3 |
| Thursday 23 September | | | | | |
| US | 1330 | Initial Jobless Claims | 335 | | 332 |
| | 1330 | Cont Jobless Claims | 2600 | | 2665 |
| | 1445 | Sep Markit Manufacturing PMI Flash | 60.4 | 60 | 61.1 |
| | 1445 | Sep Markit Services PMI Flash | 55.8 | | 55.1 |
| | 1445 | Sep Markit Composite Flash PMI | 55.5 | | 55.4 |
| Germany | 0830 | Sep Markit Manufacturing Flash PMI | 61.0 | | 62.6 |
| | 0830 | Sep Markit Service Flash PMI | 61.0 | | 60.8 |
| | 0830 | Sep Markit Composite Flash PMI | 59.5 | | 60.0 |
| France | 0815 | Sep Markit Manufacturing Flash PMI | - | | 57.5 |
| | 0815 | Sep Markit Services Flash PMI | - | | 56.3 |
| | 0815 | Sep Markit Composite Flash PMI | - | | 55.9 |
| UK | 0930 | Sep Flash Composite PMI | - | | 54.8 |
| | 0930 | Sep Flash Manufacturing PMI | - | | 60.3 |
| | 0930 | Sep Flash Services PMI | - | | 55.0 |
| | 1200 | Sep BOE Bank Rate | - | 0.1 | 0.1 |
| | 1200 | Sep Asset Purchase Prog | - | 895 | 895 |
| Spain | 0800 | Q2 GDP (QoQ%/YoY%) | -/- | | 2.8/19.8 |
| Canada | 1330 | Jul Retail Sales (MoM%) | 0.5 | | 4.2 |
| Norway | 0700 | Jul Labour Force Survey | - | | 4.8 |
| | 0900 | Key Policy Rate | - | | 0.0 |
| Switzerland | 0830 | Q3 SNB Policy Rate | - | | -0.75 |
| Euro Zone | 0900 | Sep Markit Manufacturing Flash PMI | - | | 61.4 |
| | 0900 | Sep Markit Services Flash PMI | - | | 59.0 |
| | 0900 | Sep Markit Composite Flash PMI | - | | 59.0 |
| Friday 24 September | | | | | |
| US | 1500 | Aug New Home Sales-Units | 0.70 | 0.72 | 0.71 |
| Germany | 0900 | Sep Ifo Business Climate | 99.1 | | 99.4 |
| | 0900 | Sep Ifo Current Conditions | 102.0 | | 101.4 |
| | 0900 | Sep Ifo Expectations | 97.0 | | 97.5 |
| Italy | 0900 | Sep Consumer Confidence | 118.3 | | 116.2 |

Source: Refinitiv, ING, *GMT

Author

James Knightley

Chief International Economist, US

james.knightley@ing.com

Key events in EMEA next week

Hungary's central bank is set to continue its hawkish tone after the reopening boom pushed inflation higher, whereas Turkey is maintaining a more...



Source: Shutterstock

✓ Hungary: Hawkish tone remains, and current account deficit expected to continue

As the Hungarian economy reopened, consumption and investment activity boomed. This generated a significant import flow, while on the export side, supply chain issues provided some bottlenecks. Income balances also turned more negative, resulting in a current account deficit in 2Q21. We see this deficit remaining with us in 2021 as a whole. We also see the National Bank of Hungary continuing its rate hike cycle, moving to a more conformist pace of 25bp. The tone should remain hawkish as we see the central bank reviewing its GDP and CPI forecasts upward for at least 2021, and probably in 2022 as well. When it comes to the inflation outlook risk assessment, we see the same outcome as before: upside risks remaining, which will indicate further tightening steps in the months ahead and probably point to a further cut in the size of the QE programme.

✓ Turkey: Still too early for a policy rate easing

While August inflation exceeded the key rate, the Central Bank of Turkey has signalled a change to its earlier guidance to keep the policy rate “at a level above inflation”. It plans to switch its target to core inflation, given the growing divergence between the headline rate and non-food inflation due

to ongoing pressure in food prices. Despite increasing market concerns for an early easing this month after these comments from the CBT, we are sticking to the view that the first easing will occur in November or December when “the significant fall in the Inflation Report’s forecast path is achieved”, as promised by the Bank earlier.

✓ Poland: Industry recovering but retail sales expected to be lower than consensus

Industry in Poland is doing quite well, despite supply side constraints. A diversified structure of production is helping, and August should add a favourable calendar. Hence our forecast is a little higher than anticipated by the market consensus. The outlook for retail sales may be less positive. Although consumer demand rebounded strongly in 2Q21, with no signs of cooling down, we think that it shifted towards services, which finally became available after the easing of restrictions. Those services, unfortunately, are not part of retail sales, results of which will be published by the Central Statistical Office on Tuesday.

EMEA Economic Calendar

| Country | Time | Data/event | ING | Survey | Prev. |
|-------------------------------|------|-----------------------------------|-------|--------|-----------|
| Monday 20 September | | | | | |
| Russia | - | Aug GDP (YoY%) Monthly | - | | 4.7 |
| Poland | 0900 | Aug Industrial Output (YoY%) | 14.6 | 13.8 | 9.8 |
| Hungary | 0730 | Q2 C/A Balance (QoQ%) | -0.47 | | 0.54 |
| Tuesday 21 September | | | | | |
| Poland | 0900 | Aug Retail Sales (YoY%) | 5.0 | 5.7 | 3.9 |
| Hungary | 1300 | Sep Hungary Base Rate | 1.75 | | 1.5 |
| | 1300 | Sep O/N Deposit Rate | 0.80 | | 0.55 |
| Wednesday 22 September | | | | | |
| Russia | 1700 | Aug Industrial Output | 7.1 | 5.8 | 6.8 |
| | 1700 | Aug PPI (MoM%/YoY%) | -/- | | 2.6/28.1 |
| Poland | 1300 | Aug M3 Money Supply (YoY%) | 9.2 | 9.2 | 8.8 |
| South Africa | 0900 | Aug CPI (MoM%/YoY%) | -/- | | 1.1/4.6 |
| | 0900 | Aug Core inflation (MoM%/YoY%) | -/- | | 0.5/3 |
| Brazil | 2200 | Selic Interest Rate | - | | 5.25 |
| Thursday 23 September | | | | | |
| Turkey | 1200 | Sep CBT Weekly Repo Rate | 19.0 | 19.0 | 19.0 |
| | 1200 | Sep O/N Lending Rate | - | | 20.5 |
| | 1200 | Sep O/N Borrowing Rate | - | | 17.5 |
| Poland | 0900 | Aug Unemployment Rate | 5.7 | 5.8 | 5.8 |
| Mexico | 1200 | Sep 1st Half-MoM Core Infl (MoM%) | - | | 0.28 |
| | 1200 | Sep 1st Half-Month Infl (MoM%) | - | | -0.02 |
| Friday 24 September | | | | | |
| Brazil | 1100 | Aug Current Account | - | | -1.58 |
| | 1100 | Aug Foreign Direct Investm't | - | | 6.10 |
| | 1300 | Sep IPCA-15 Mid-Month CPI | - | | 0.89 |
| | 1300 | Sep IPCA-15 Mid-Month CPI (YoY%) | - | | 9.3 |
| Mexico | 1200 | Jul Retail Sales (MoM%/YoY%) | - | | -0.6/17.7 |

Source: Refinitiv, ING, *GMT

Authors

Peter Virovacz

Senior Economist, Hungary

peter.virovacz@ing.com

Muhammet Mercan

Chief Economist, Turkey

muhammet.mercan@ingbank.com.tr

Asia week ahead: Central bank policymakers get busy

Asian central banks will be taking cues from the US Federal Reserve in a week packed with monetary policy meetings, while economic activity data should...



Source: Shutterstock

➔ Busy policy week but nothing really happening

Five Asian central banks will review their monetary policy settings in light of the latest economic developments. But none are expected to alter their current accommodative policy stances given that the Covid-19 Delta variant continues to threaten the economic recovery ahead.

In China, weak activity growth in August may nudge the People's Bank of China towards easing, though we don't anticipate any easing via cuts to the Loan Prime Rate next week. The PBoC's preferred tool for easing seems to be the reserve requirement ratio (RRR) as reflected by a

surprising 50bp broad-based RRR cut in July. We believe the doors are open for further 50bp of RRR cuts - most likely in October ([here](#) is more on this by Iris Pang).

Just like the mainland, Taiwan's economy is also reeling under the adverse effects of Covid-19 as well as chip shortages. However, the Central Bank of the Republic of China (Taiwan) left policy rates unchanged through the worst of the economic weakness last year and is expected to give it a miss this time, too.

There is nothing noteworthy about the Bank of Japan policy meeting as the central bank persists with its ongoing struggle to achieve its 2% inflation target. The CPI inflation figures for August won't alter this state of affairs as the negative inflation streak since last October stretched into another month.

In Southeast Asia, central banks in Indonesia and the Philippines are also expected to leave their rate policies on hold. Bank Indonesia's Governor, Perry Warjiyo, recently indicated a sustained "pro-growth" policy stance over the rest of this year as inflation has been below the central bank's 2-4% policy target (1.6% YoY in August). In the Philippines, Bangko Sentral ng Pilipinas Governor, Benjamin Diokno, has also vowed to retain accommodative policy settings as the latest Covid-19 wave and multiple lockdowns have been weakening the economy. Even so, the odds of additional BSP easing are very slim given the current unfriendly inflation backdrop - inflation pushed above the BSP's 2-4% policy target to 4.9% YoY in August (read Nicky Mapa's latest [Indonesia](#) and [Philippines](#) notes for more).

The Reserve Bank of Australia's policy minutes of the September meeting are probably the least dull central bank event of the bunch, given that the resurgent pandemic forced the RBA to embrace flexibility on its asset purchase programme. Moreover, the dismal Australian August labour report just released warns against any imminent unwinding (read Rob Carnell's recent pieces on the [RBA policy](#) and [jobs data](#)).

[Covid, chips shortages and government policies hit China's economy](#)

[Indonesia's central bank remains on hold for the sixth consecutive time](#)

[Food price spike pushes Philippine headline inflation above target](#)

[RBA embraces flexibility](#)

[Lockdowns hit Australia's employment](#)

➔ As risks shift back towards growth from inflation

Inflation, manufacturing and trade releases dominate the data pipeline next week. These should reinforce the balance of economic risks shifting back towards growth from inflation.

As well as Japan, Singapore and Malaysia will both report their inflation rates for August and are both likely to see inflation continuing to slow from recent highs.

Korea's trade figures for the first 20 days of September and advanced manufacturing and services PMIs from Japan and Australia will shed light on how 3Q21 is finishing up for growth. A key question for the Korean data is whether the year-to-date semiconductor export surge is running

out of steam. This is because continuing global chip shortages have been pushing the limits on production capacity.

We may also get more evidence of this from Singapore's August manufacturing data, which may show semiconductor output falling further after a 0.4% YoY drop in July.

Asia Economic Calendar

| Country | Time | Data/event | ING Survey | Prev. |
|-------------------------------|------|--------------------------------------|------------|-----------|
| Tuesday 21 September | | | | |
| Indonesia | 0800 | Sep 7-Day Reverse Repo | 3.50 | 3.50 |
| Wednesday 22 September | | | | |
| Japan | - | JP BOJ Rate Decision | - | -0.10 |
| Australia | 0000 | Sep Manufacturing PMI Flash | - | 52.0 |
| | 0000 | Sep Services PMI Flash | - | 42.9 |
| China | 0230 | Sep Loan Prime Rate 1Y | 3.9 | 3.85 |
| | 0230 | Sep Loan Prime Rate 5Y | 4.7 | 4.65 |
| Philippines | - | Aug Budget Balance | - | -121.0 |
| Taiwan | 0900 | Aug Unemployment rate (%) | 4.3 | 4.4 |
| Thursday 23 September | | | | |
| Japan | 0030 | Aug CPI (MoM%) NSA | - | 0.2 |
| | 0030 | Aug CPI NSA | - | 99.7 |
| Philippines | 0900 | Policy Interest Rate | 2.00 | 2.00 |
| Singapore | 0600 | Aug Core CPI (YoY%) | 1.0 | 1.0 |
| | 0600 | Aug CPI (YoY%) | 2.3 | 2.5 |
| Taiwan | 0900 | Q3 Discount Rate | 1.125 | 1.125 |
| Thailand | 0430 | Aug Exports (YoY%) | 14.0 | 20.3 |
| | 0430 | Aug Import (YoY%) | 41.0 | 45.9 |
| | 0430 | Aug Trade balance (\$mn) | 893.0 | 183.0 |
| Friday 24 September | | | | |
| Malaysia | 0500 | Aug CPI (YoY%) | 2.2 | 2.2 |
| Singapore | 0600 | Aug Manufacturing Output (MoM%/YoY%) | 3.8/9.3 | -2.6/16.3 |

Source: Refinitiv, ING, *GMT

Author

Robert Carnell

Regional Head of Research, Asia-Pacific

robert.carnell@asia.ing.com

Disclaimer

This publication has been prepared by the Economic and Financial Analysis Division of ING Bank N.V. (“ING”) solely for information purposes without regard to any particular user’s investment objectives, financial situation, or means. *ING forms part of ING Group (being for this purpose ING Group N.V. and its subsidiary and affiliated companies)*. The information in the publication is not an investment recommendation and it is not investment, legal or tax advice or an offer or solicitation to purchase or sell any financial instrument. Reasonable care has been taken to ensure that this publication is not untrue or misleading when published, but ING does not represent that it is accurate or complete. ING does not accept any liability for any direct, indirect or consequential loss arising from any use of this publication. Unless otherwise stated, any views, forecasts, or estimates are solely those of the author(s), as of the date of the publication and are subject to change without notice.

The distribution of this publication may be restricted by law or regulation in different jurisdictions and persons into whose possession this publication comes should inform themselves about, and observe, such restrictions.

Copyright and database rights protection exists in this report and it may not be reproduced, distributed or published by any person for any purpose without the prior express consent of ING. All rights are reserved. ING Bank N.V. is authorised by the Dutch Central Bank and supervised by the European Central Bank (ECB), the Dutch Central Bank (DNB) and the Dutch Authority for the Financial Markets (AFM). ING Bank N.V. is incorporated in the Netherlands (Trade Register no. 33031431 Amsterdam). In the United Kingdom this information is approved and/or communicated by ING Bank N.V., London Branch. ING Bank N.V., London Branch is authorised by the Prudential Regulation Authority and is subject to regulation by the Financial Conduct Authority and limited regulation by the Prudential Regulation Authority. ING Bank N.V., London branch is registered in England (Registration number BR000341) at 8-10 Moorgate, London EC2 6DA. For US Investors: Any person wishing to discuss this report or effect transactions in any security discussed herein should contact ING Financial Markets LLC, which is a member of the NYSE, FINRA and SIPC and part of ING, and which has accepted responsibility for the distribution of this report in the United States under applicable requirements.

Additional information is available on request. For more information about ING Group, please visit <http://www.ing.com>.