

Our view on next week's key events

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✓ US: Ongoing weakness in housing data

Thanksgiving means a holiday-shortened week in the US with the focus set to remain on the outlook for Federal Reserve policy. Market pricing has switched markedly since the surprisingly soft October CPI print but Federal Reserve officials continue to suggest there is more work to be done to ensure the inflation front is defeated. Indeed, we continue to hear comments suggesting the risk of doing too little outweighs the consequences of doing too much in terms of interest rate increases. Expect more next week.

Data-wise we are looking at ongoing weakness in housing data, but durable goods orders should rise given firm Boeing aircraft orders. Nonetheless, it is doubtful this will be market moving in a meaningful way. The November jobs report on 2 December and the November CPI print on 13 December are the big releases to watch.

✓ UK: Focus switches back to the data and Bank of England

The key takeaway from the UK's Autumn Statement was that much of the anticipated fiscal pain has been pushed back until after the next election. Chancellor Jeremy Hunt has calculated that calmer financial markets and the announcement of certain tax rises today means he can push back some of the tougher spending decisions, without sparking a fresh crisis of confidence in UK

assets. No doubt the Treasury is banking on less aggressive Bank of England rate hikes to lower future debt interest projections, giving scope to water down some of the cuts further down the line. [Read more about the Budget announcements here.](#)

With the fiscal event out of the way, attention turns back to the economic data which is clearly deteriorating. Next week's PMIs are likely to re-emphasise that more companies are seeing conditions worsen than improve right now, the latest sign that a recession is coming. There's also the question of whether the Bank of England will pivot back to a 50bp rate hike in December, and we think it will, despite some mildly hawkish inflation data in recent days. We'll hear from a couple of rate-setters next week to help shape expectations ahead of that meeting in a few weeks' time.

Sweden: Riksbank expected to hike by 75bp

Back in September, the Riksbank hiked the policy rate by a full percentage point but signalled that it expected to pivot back to a 50bp rate hike in November. Since then, core inflation has exceeded the central bank's forecasts by half a percentage point, while the jobs market has remained relatively tight. Given that the ECB has continued with its 75bp rate hikes – and the Riksbank has been vocal about staying out in front of the eurozone's interest rate policy – we expect further aggressive tightening by Swedish policymakers next week. Remember this is the Riksbank's last meeting before February, and we therefore expect a 75bp hike on Thursday. We'd expect the new interest rate projection published alongside the decision to pencil in at least another 25bp worth of tightening early next year, but ultimately there are limits to how far it can go given the fragile housing market.

Key events in developed markets next week

| Country | Time | Data/event | ING | Survey | Prev. |
|------------------------------|------|--|---------|--------|---------|
| Tuesday 22 November | | | | | |
| Canada | 1330 | Sep Retail Sales (MoM%) | - | | 0.7 |
| Eurozone | 1500 | Nov Consumer Confidence Flash | - | | -27.6 |
| | 0900 | Sep Current Account SA (EUR bn) | - | | -26.32 |
| Wednesday 23 November | | | | | |
| US | 1330 | Oct Durable Goods | 0.4 | 0.3 | 0.4 |
| | 1445 | Nov S&P Global Composite Flash PMI | - | | 48.2 |
| | 1500 | Nov U Mich Sentiment Final | 54.7 | | 54.7 |
| | 1500 | Oct New Home Sales-Units | 0.55 | 0.578 | 0.603 |
| | 1330 | Initial Jobless Claims (000s) | 230 | | 222 |
| Germany | 1330 | Continue Jobless Claims (000s) | 1520 | | 1507 |
| | 0830 | Nov S&P Global Manufacturing Flash PMI | 44.7 | | 45.1 |
| | 0830 | Nov S&P Global Service Flash PMI | 46.0 | | 46.5 |
| France | 0830 | Nov S&P Global Composite Flash PMI | 44.7 | | 45.1 |
| | 0815 | Nov S&P Global Composite Flash PMI | - | | 50.2 |
| UK | 0930 | Nov Flash Composite PMI | 48.3 | | 48.2 |
| | 0930 | Nov Flash Manufacturing PMI | 46 | | 46.2 |
| | 0930 | Nov Flash Services PMI | 49 | | 48.8 |
| Eurozone | 0900 | Nov S&P Global Manufacturing Flash PMI | - | | 46.4 |
| | 0900 | Nov S&P Global Services Flash PMI | - | | 48.6 |
| | 0900 | Nov S&P Global Composite Flash PMI | - | | 47.3 |
| Thursday 24 November | | | | | |
| Germany | 0900 | Nov Ifo Business Climate | 84.5 | | 84.3 |
| | 0900 | Nov Ifo Current Conditions | 93.8 | | 94.1 |
| | 0900 | Nov Ifo Expectations | 76 | | 75.6 |
| Sweden | 0830 | Riksbank Rate | 2.50 | | 1.75 |
| Friday 25 November | | | | | |
| Germany | 0700 | Q3 GDP Detailed (QoQ%/YoY%) | 0.3/1.1 | | 0.3/1.1 |
| | 0700 | Dec GfK Consumer Sentiment | -39 | | -41.9 |
| Italy | 0800 | Nov Consumer Confidence | 91.6 | | 90.1 |

Source: Refinitiv, ING

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Key events in EMEA next week

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Source: Shutterstock

✓ Poland: Wage growth is no longer keeping up with rising prices

Industrial output (October forecast: 8.8% year-on-year):

Industrial production is benefiting from an improvement in supply chain functioning, which supports exports-oriented industries, including automotive and electric products. When the backlog of work is unloaded and re-stocking is finished, domestic manufacturing is expected to slow over the medium term.

Retail sales (October forecast: 3.8% YoY):

Retail sales growth has slowed to low single-digit growth as wages are no longer keeping up with rising prices. We forecast growth of 3.8% YoY as high inflation is undermining consumers' purchasing power to such an extent that they are more cautious in their purchasing decisions. Household consumption growth is slowing.

Unemployment rate (October forecast: 5.1%):

A recent data revision lifted the registered unemployment rate toward a higher level, but the number of unemployed remains unchanged (lower denominator). Nevertheless, the trend remains positive and we forecast that in October the number of unemployed and the unemployment rate were broadly unchanged vs. in September. The Polish labour market remains resilient to softer economic conditions.

✓ Turkey: Easing cycle to be concluded with a 9% policy rate

While inflationary pressures remained broad-based in October as all 12 main CPI categories contributed positively to the increase in inflation, the Central Bank of Turkey has signalled that it intends to conclude the easing cycle with another 150bp rate cut in November. This will bring the policy rate to 9.0%.

✓ Hungary: Base rate set to remain unchanged

We do not expect any fireworks from the National Bank of Hungary at its November rate-setting meeting. The latest data regarding inflation and GDP were broadly in line with the central bank's expectations and the next staff projection update is only due in December. Against this backdrop, we don't see any game-changing moves. When it comes to the risk environment, we haven't seen a material improvement in domestic or external risk factors, which were flagged by the central bank as triggers to consider changes in its monetary stance.

By the time the National Bank of Hungary's (NBH's) rate-setting meeting takes place, we might see some positive headlines coming from the European Commission regarding the Rule-of-Law procedure. With a green(ish) light, Hungary will be able to secure the Recovery and Resilience Facility (RRF) plan signature just in time to not lose €4.6bn of the €5.8bn RRF grant which is at stake should Hungary miss the year-end deadline to have an accepted plan. But no matter how green this light is, we don't expect the central bank to make a policy change so quickly and we see the NBH underscoring its hawkish "whatever it takes" approach again.

Though the EU fund story and the monetary policy decision will give plenty to talk about, we are going to see the latest labour market data as well. Here we expect wage growth to remain strong, reflecting the fact that companies made mid-year wage increases and one-off payments as inflation bit workers' disposable income. Regarding the unemployment rate, we expect it to continue its gradual rise, as other employers are unable to remain in business without a reduction in their labour costs. In general, it will be quite a mixed picture of the state of the Hungarian labour market.

Key events in EMEA next week

| Country | Time | Data/event | ING | Survey | Prev. |
|------------------------------|------|-------------------------------------|-------|--------|----------|
| Tuesday 22 November | | | | | |
| Poland | 0900 | Oct Industrial Output (YoY%) | 8.8 | 7.8 | 9.8 |
| Hungary | 1300 | Nov Hungary Base Rate | 13.00 | | 13.00 |
| Mexico | 1200 | Sep Retail Sales (MoM%/YoY%) | - | | -0.4/4.7 |
| Wednesday 23 November | | | | | |
| Russia | 1600 | Oct Industrial Output | -4.5 | -3.8 | -3.1 |
| | 1600 | Oct PPI (MoM%/YoY%) | -/- | | -0.8/3.8 |
| Poland | 0900 | Oct Retail Sales (YoY%) | 3.8 | | 4.1 |
| South Africa | 0800 | Oct CPI (MoM%/YoY%) | -/- | | 0.1/7.5 |
| | 0800 | Oct Core inflation (MoM%/YoY%) | -/- | | 0.5/4.7 |
| Thursday 24 November | | | | | |
| Turkey | 1100 | Nov CBT Weekly Repo Rate | 9.0 | | 10.5 |
| | 1100 | Nov O/N Lending Rate | 11 | | 12 |
| | 1100 | Nov O/N Borrowing Rate | 7.5 | | 9.0 |
| Poland | 1300 | Oct M3 Money Supply (YoY%) | 7.5 | 7.5 | 7.7 |
| Hungary | 0800 | Sep Average Gross Wages (YoY%) | 16.7 | | 16.5 |
| South Africa | 0930 | Oct PPI (MoM%/YoY%) | -/- | | 0.7/16.3 |
| Brazil | 1200 | Nov IPCA-15 Mid-Month CPI | - | | 0.16 |
| | 1200 | Nov IPCA-15 Mid-Month CPI (YoY%) | - | | 6.85 |
| Mexico | 1200 | Nov 1st Half-Month Core Infl (MoM%) | - | | 0.42 |
| | 1200 | Nov 1st Half-Month Infl (MoM%) | - | | 0.44 |
| Friday 25 November | | | | | |
| Poland | 0900 | Oct Unemployment Rate | 5.1 | 5.1 | 5.1 |
| Hungary | 0800 | Oct Unemployment Rate 3M | 3.8 | | 3.7 |
| Croatia | 1000 | Q3 GDP (YoY%) | 6.2 | | 7.7 |
| Brazil | 1230 | Oct Current Account | - | | -5.678 |
| | 1230 | Oct Foreign Direct Investm't | - | | 9.185 |
| Mexico | 1200 | Q3 GDP (YoY%) Final | - | | 4.2 |
| | 1200 | Q3 GDP (QoQ%/YoY%) | -/- | | 1/5.7 |

Source: Refinitiv, ING

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Asia week ahead: Bank of Korea likely to hike rates next week

A rate hike by the Bank of Korea, and inflation data from Tokyo and Singapore are just some of the highlights in the region next week



BoK to hike rates but expect a slower pace of tightening

The Bank of Korea (BoK) will meet next Thursday and we expect it to carry out a 25bp hike. Consumer prices edged up in October but inflation appears to have passed its peak. The recent FX market move probably would be one factor for BoK to adjust its pace of tightening after its recent jumbo increase. However, given that financial market stresses remain high, the BoK will need to consider market stability for its policy decision.

Inflation remains elevated in Japan and Singapore

Next week, Japan will release November CPI inflation for Tokyo. We expect Tokyo inflation to accelerate to 3.6% year-on-year, from 3.5% in October. The travel voucher programme probably cooled down some of the service price pressures although other commodity prices rose to offset this decline.

In Singapore, inflation is expected to remain elevated for both headline and core, although the

headline number may dip from last month. Evident price pressure should keep the Monetary Authority of Singapore hawkish to close out the year as it monitors the impact of recent tightening.

Export and manufacturing data for Taiwan

Taiwan will release data on export orders and industrial production. We project both figures to post a YoY contraction due to softer demand for semiconductors. Demand for electronics has been dampened by a mix of high inflation data in some economies and slower growth for others. More upside however could be anticipated in next month's data as China's Covid-19 measures have been eased.

Other important data reports: Loan rates in China steady and growth downgraded in Singapore

China will release its Loan Prime Rate next Monday and we expect no change from the current 3.65% for 1Y and 4.3% for 5Y. Loan prime rates will likely be untouched as the Medium Lending Facility Rate was put on hold by the People's Bank of China.

Lastly, Singapore will report revised third-quarter GDP figures and we expect a downward revision to the earlier report. Both retail sales and non-oil domestic exports have shown signs of moderation as higher inflation and slowing global trade appear to be taking their toll on the growth momentum.

Asia Economic Calendar

| Country | Time | Data/event | ING Survey | Prev. |
|------------------------------|----------|----------------------------------|------------|----------|
| Monday 21 November | | | | |
| China | 0115 Nov | Loan Prime Rate 1Y/5Y | 3.65/4.30 | 3.65/4.3 |
| South Korea | 2100 Nov | BoK Consumer Sentiment Index | 85 | 88.8 |
| Taiwan | 0800 | Export orders (YoY%) | -5.4 | -3.1 |
| Tuesday 22 November | | | | |
| Australia | 2200 Nov | Manufacturing PMI Flash | - | 52.7 |
| | 2200 Nov | Services PMI Flash | - | 49.3 |
| | 2200 Nov | Composite PMI Flash | - | 49.8 |
| Taiwan | 0800 Oct | Unemployment rate (%) | 3.64 | 3.64 |
| South Korea | 2000 Dec | BOK Manufacturing BSI | 72 | 75 |
| Wednesday 23 November | | | | |
| Indonesia | 0300 Oct | M2 Money Supply (YoY%) | - | 9.1 |
| Philippines | - Oct | Budget Balance | - | -179.8 |
| Singapore | 0500 Oct | Core CPI (YoY%) | 5.3 | 5.3 |
| | 0500 Oct | CPI (YoY%) | 7.2 | 7.5 |
| | 0500 Oct | CPI (MoM%) NSA | 0.3 | 0.4 |
| Taiwan | 0800 Oct | Industrial Output (YoY%) | -8.5 | -4.8 |
| Thursday 24 November | | | | |
| Taiwan | 0820 Oct | Money Supply - M2 (YoY%) | 6.8 | 6.83 |
| South Korea | 0100 Nov | Bank of Korea Base Rate | 3.25 | 3 |
| Friday 25 November | | | | |
| Singapore | 0000 Q3 | GDP Final (QoQ%/YoY%) | 1.3/4.2 | 6.3/4.4 |
| | 0500 Oct | Manufacturing Output (MoM%/YoY%) | -/- | 0/0.9 |

Source: Refinitiv, ING

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