

## 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 and EMEA next week

The key event next week is the Jackson Hole policy symposium, which should give a clearer view of the Fed's rate hike decisions. We expect 2Q GDP to...

By James Knightley and Bert Colijn



#### Asia week ahead | China | Indonesia...

#### Asia week ahead: Key central bank moves and inflation reports

The coming week features key central bank decisions from the Bank of Korea and Bank Indonesia, plus inflation data from Japan and Singapore

By Min Joo Kang and Nicholas Mapa

## Key events in developed markets and EMEA next week

The key event next week is the Jackson Hole policy symposium, which should give a clearer view of the Fed's rate hike decisions. We expect 2Q GDP to...



Source: Shutterstock

### ✓ US: Second-quarter GDP expected to be revised modestly higher to -0.8%

The market remains split as to whether the Federal Reserve will hike rates by 50bp or 75bp on 21 September, but things may become clearer after the annual Jackson Hole policy symposium begins next Thursday which will see Fed officials and other global central bankers, finance ministers and academics converge in Wyoming. Fed chair Jerome Powell will give the keynote speech. However, even after this event it is all to play for with the August jobs report to be published on 2 September and the August inflation report on 13 September. We currently favour 50bp moves in September and November with a final 25bp hike in December, but should payrolls rise strongly yet again (350k+) and inflation move upwards, then we would likely switch to a 75bp hike on 21 September.

The data calendar includes revisions to 2Q GDP, which was initially reported as -0.9%. We suspect that consumer spending could be revised modestly higher following the revisions in the retail sales report so are tentatively suggesting -0.8%. We will also get July consumer spending numbers, which should be OK with lower gasoline prices boosting household spending power, supporting consumption elsewhere. Durable goods should also hold up, buoyed by robust Boeing aircraft order

numbers.

## ✓ Eurozone: The PMIs are expected to deteriorate further in August

Next week Tuesday will give a sense of where the eurozone economy is headed in August as both PMI and consumer confidence data will be out. The PMIs will be especially closely watched as the composite PMI dipped below 50 in July, indicating a contraction in economic activity. We expect a further deterioration for August as businesses and consumers struggle with even higher energy prices, and drought is adding to production problems in Germany. This will also impact consumer confidence, which had already dropped to an all-time low in July. Don't rule out another new record for August.

## Developed Markets Economic Calendar

Country	Time	Data/event	ING	Survey	Prev.
<b>Tuesday 23 August</b>					
US	1445	Aug S&P Global Manufacturing PMI Flash	-		52.2
	1445	Aug S&P Global Services PMI Flash	-		47.3
	1500	Jul New Home Sales-Units	0.57	0.59	0.59
Germany	0830	Aug S&P Global Manufacturing Flash PMI	48.5		49.3
	0830	Aug S&P Global Service Flash PMI	48.8		49.7
	0830	Aug S&P Global Composite Flash PMI	47.3		48.1
France	0815	Aug S&P Global Composite Flash PMI	-		51.7
UK	0930	Aug Flash Manufacturing PMI	50.5		52.1
	0930	Aug Flash Services PMI	52		52.6
Eurozone	0900	Aug S&P Global Manufacturing Flash PMI	48.6		49.8
	0900	Aug S&P Global Services Flash PMI	50.2		51.2
	0900	Aug S&P Global Composite Flash PMI	49.0		49.9
	1500	Aug Consumer Confidence Flash	-27.5		-27.0
<b>Wednesday 24 August</b>					
US	1330	Jul Durable Goods	1.0	0.7	2.0
<b>Thursday 25 August</b>					
US		- Fed's annual Jackson Hole Forum starts			
	1330	Q2 GDP 2nd Estimate	-0.8	-0.9	-0.9
	1330	Initial Jobless Claims	255		250
	1330	Continue Jobless Claims	1440		1437
Germany	0700	Q2 GDP Detailed (QoQ%/YoY%)	-0.1/1.4		0/1.5
	0900	Aug Ifo Business Climate	87.9		88.6
	0900	Aug Ifo Current Conditions	96.5		97.7
	0900	Aug Ifo Expectations	79.5		80.3
<b>Friday 26 August</b>					
US	1330	Jul Personal Income (MoM%)	0.6	0.6	0.6
	1330	Jul Personal Consumption Real (MoM%)	0.3		0.1
	1330	Jul Consumption, Adjusted (MoM%)	0.5	0.3	1.1
	1330	Jul Core PCE Price Index (MoM%)	0.3	0.3	0.6
	1500	Aug U Mich Sentiment Final	55.5	55.1	55.1
	1500	Fed Chair Powell speaks at Jackson Hole forum			
Germany	0700	Sep GfK Consumer Sentiment	-31.0		-30.6
Sweden	0700	Jul Unemployment Rate	-		8.6
Eurozone	0900	Jul Money-M3 Annual Grwth	-		5.7
	0900	Jul Broad Money	-		15850535

Source: Refinitiv, ING

## EMEA Economic Calendar

Country	Time	Data/event	ING	Survey	Prev.
<b>Monday 22 August</b>					
Poland	0900	Jul Retail Sales (YoY%)	-	18.7	19.9
<b>Tuesday 23 August</b>					
Poland	1300	Jul M3 Money Supply (YoY%)	-	5.7	6.5
<b>Wednesday 24 August</b>					
Russia	1700	Jul Industrial Output	-2.4	-2.4	-1.8
Poland	0900	Jul Unemployment Rate	-	4.8	4.9
Hungary	0800	Jun Average Gross Wages (YoY%)	-		14.9
South Africa	0900	Jul CPI (MoM%/YoY%)	-/-		1.1/7.4
	0900	Jul Core inflation (MoM%/YoY%)	-/-		0.6/4.4
Brazil	1300	Aug IPCA-15 Mid-Month CPI	-		0.13
	1300	Aug IPCA-15 Mid-Month CPI (YoY%)	-		11.4
Mexico	1200	Aug 1st Half-Month Core Inflation (MoM%)	-		0.34
	1200	Aug 1st Half-Month Inflation (MoM%)	-		0.43
<b>Thursday 25 August</b>					
Hungary	0800	Jul Unemployment Rate 3M	-		3.2
South Africa	1030	Jul PPI (MoM%/YoY%)	-/-		2.1/16.2
Mexico	1200	Q2 GDP (YoY%) Final	-		2.1
	1200	Q2 GDP (QoQ%/YoY%)	-/-		1.0/2.1
<b>Friday 26 August</b>					
Croatia	1000	Q2 GDP (YoY%)	-		7.0
Brazil	1330	Apr Current Account	-	0.671	-2.8
	1330	Apr Foreign Direct Investm't	-	6.327	7.6
Mexico	1200	Jul Trade Balance SA	-		-6.4

Source: Refinitiv, ING

## Authors

### James Knightley

Chief International Economist

[james.knightley@ing.com](mailto:james.knightley@ing.com)

### Bert Colijn

Senior Economist, Eurozone

[bert.colijn@ing.com](mailto:bert.colijn@ing.com)

# Asia week ahead: Key central bank moves and inflation reports

The coming week features key central bank decisions from the Bank of Korea and Bank Indonesia, plus inflation data from Japan and Singapore



Source: Shutterstock

## (Central bank) decisions decisions decisions...

Next week's Asia calendar features key central bank decisions. We expect the Bank of Korea (BoK) to raise rates by 25bp on 25 August. On the same day, the BoK will release its latest economic outlook. The 2022 GDP outlook could be downgraded slightly to 2.6% from the current 2.7%, while the CPI inflation outlook should rise sharply to 5.3% from 4.5%. Surveys for consumers and businesses are also likely to worsen as the recent nationwide floods will likely take a toll on sentiment.

Bank Indonesia (BI) is also meeting next Thursday and we could see BI Governor Perry Warjiyo whipping out a surprise 25bp rate increase after staying on hold for all of 2022. BI has held firm despite tightening from regional players, indicating that inflation has stayed "manageable". Recently, however, plans to decrease the energy subsidy, floated by President Joko

Widodo, suggest that the price of subsidised fuel could increase in the near term. A jump in fuel prices could be enough to nudge core inflation past the target and this could be reason enough for BI to hike rates as early as next week.

Meanwhile, we expect banks in China to cut the Loan Prime Rate for 1Y to 3.6% from 3.7%, and 5Y to 4.3% from 4.45%. The market consensus points to banks cutting both the 1Y and 5Y by only 10bp, however. Our more aggressive projection of the 5Y rate cut comes from the government's request to support economic growth and a larger 5Y cut should help existing mortgagors lower their interest cost burden.

## **Inflation from Tokyo and Singapore**

Inflation reports are also the highlight for next week and Tokyo CPI inflation is expected to stabilise with lower global oil prices and a weaker yen.

For Singapore, both headline and core inflation are expected to heat up further. This should keep the Monetary Authority of Singapore (MAS) on notice for additional tightening with a move likely at the October meeting. Headline inflation could heat up to roughly 7% while core inflation could pick up further to 4.5%.

## **Other key reports out next week: Key Taiwan data and Japan's PMI**

Other key data reports in the coming week are from Taiwan, which releases export orders, industrial production, and unemployment figures in the coming days. We expect that global demand for semiconductors will slide and therefore put downward pressure on export orders and industrial production. As such, we also expect that the unemployment rate could edge up as economic activity slows. Lastly, we round the week off with Japan's preliminary manufacturing PMI data, which is likely to drop below 50 on concerns about slowing growth from developed markets and China.

## Asia Economic Calendar

Country	Time	Data/event	ING	Survey	Prev.
<b>Monday 22 August</b>					
China	0215	Aug Loan Prime Rate (1Y/5Y)	3.6/4.3		3.70/4.45
Philippines	-	Jul Budget Balance	-		-215.5
Taiwan	0900	Jul Unemployment rate (%)	3.74		3.73
	0900	Jul Export Orders (YoY%)	7.5		9.49
South Korea	2200	Aug BoK Consumer Sentiment Index	84		86
<b>Tuesday 23 August</b>					
Australia	0000	Aug Manufacturing PMI Flash	-		55.7
	0000	Aug Services PMI Flash	-		50.9
	0000	Aug Composite PMI Flash	-		51.1
Japan	0130	Aug Manufacturing PMI Flash	49.5		52.1
Singapore	0600	Jul Core CPI (YoY%)	4.6		4.4
	0600	Jul CPI (YoY%)	6.8		6.7
	0600	Jul CPI (MoM%) NSA	-		1.0
Indonesia	-	Bank Indonesia policy rate	3.75		3.5
Taiwan	0900	Jul Industrial Output (YoY%)	0.86		0.73
South Korea	2200	Sep BOK Manufacturing BSI	78		80
<b>Wednesday 24 August</b>					
Indonesia	0400	Jul M2 Money Supply (YoY%)	-		10.6
Taiwan	0920	Jul Money Supply - M2 (YoY%)	7.20		7.65
<b>Thursday 25 August</b>					
South Korea	0200	Aug Bank of Korea Base Rate	2.50		2.25
<b>Friday 26 August</b>					
Japan	0030	Tokyo CPI	2.5		2.5
Singapore	0600	Jul Manufacturing Output (MoM%/YoY%)	-/-		-8.5/2.2

Source: Refinitiv, ING

## Authors

### Min Joo Kang

Senior Economist, South Korea and Japan

[min.joo.kang@asia.ing.com](mailto:min.joo.kang@asia.ing.com)

### Nicholas Mapa

Senior Economist, Philippines

[nicholas.antonio.mapa@asia.ing.com](mailto:nicholas.antonio.mapa@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>.