

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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In the midst of heightened worries about coronavirus and the global state of the economy, confidence numbers will be key next week

By James Knightley and Bert Colijn



Asia week ahead

Asia week ahead: Hong Kong to roll out big stimulus

Hong Kong looks set to follow Singapore's footsteps as it unveils a big stimulus to combat the impact of the epidemic. India may come out with yet...



Key Events

Key events in EMEA and Latam next week

A barrage of growth and sentiment data this week in EMEA and Latam - we'll also be keeping an eye out for some hawkish-like hints from the National...

By Peter Virovacz

Article | 21 February 2020

Key events in developed markets next week

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Source: Shutterstock

✓ US: Confidence is key

Next week, consumer confidence will be the most interesting releases in the US to see if global coronavirus worries are having any influence on sentiment. At this stage, we suspect the impact will be limited given the strong jobs market and the strong performance of asset prices.

Durable goods orders are likely to be weaker as supply chains are increasingly disrupted by the slowdown in factory production in Asia. The cessation of Boeing 737 Max production in mid-January is also likely to exert a toll. GDP is unlikely to be revised significantly.

✓ Eurozone: Keep an eye out for economic sentiment

The economic sentiment indicator should provide some interesting early data on the impact of the virus on confidence and Eurozone production in different sectors.

Developed Markets Economic Calendar

*Updated 21/02/2020 to reflect typo with Eurozone inflation and Sweden GDP

| Country | Time | Data/event | ING | Survey | Prev. |
|------------------------------|------|---|-----------|--------|----------|
| Saturday 22 February | | | | | |
| US | - | Nevada caucuses | | | |
| Monday 24 February | | | | | |
| US | 2000 | Fed's Mester Speaks on Economy at NABE Conference | | | |
| Eurozone | 0820 | ECB's Lagarde Speaks at ECB and Its Watchers Conference | | | |
| Germany | 0900 | Feb IFO Business Climate | 94.9 | - | 95.9 |
| | 0900 | Feb IFO Expectations | 91.4 | - | 92.9 |
| | 0900 | Feb IFO Current Assessment | 98.8 | - | 99.1 |
| Japan | 2350 | Jan PPI Services (YoY%) | 2.1 | -/- | 2.1 |
| UK | 1830 | BOE Chief Economist Haldane Speaks in London | | | |
| Tuesday 25 February | | | | | |
| US | 1500 | Feb Consumer Confidence | 131.6 | 132.3 | 131.6 |
| | 2015 | Fed's Clarida Speaks at NABE Conference in Washington | | | |
| Japan | 0500 | Dec F Leading economic index | - | - | 91.6 |
| Germany | 0700 | 4Q F GDP (QoQ%/YoY%) | 0.0/0.4 | -/- | 0.0/0.4 |
| Wednesday 26 February | | | | | |
| Norway | 0700 | Dec Unemployment Rate AKU | - | - | 4.0 |
| Thursday 27 February | | | | | |
| US | 1330 | 4Q S GDP (QoQ Annualised %) | 2.2 | 2.2 | 2.1 |
| | 1330 | Jan P Durable Goods Orders (MoM%) | -2 | -1.5 | 2.4 |
| | 1330 | Jan P Durable Goods Orders (ex. Transport, MoM%) | 0.1 | 0.2 | -0.1 |
| | 1630 | Fed's Evans Speaks in Mexico City | | | |
| Japan | 2350 | Jan Retail trade (MoM/YoY%) | -/-0.9 | -/- | 0.2/-2.6 |
| | 2350 | Jan P Industrial production - Prel (MoM/YoY%) | -9.9/-5.1 | -/- | 1.2/-3.1 |
| | 2350 | Jan P Unemployment rate (%) | 2.2 | - | 2.2 |
| Eurozone | 0900 | Jan M3 Money Supply (YoY%) | 4.9 | - | 5.0 |
| | 1000 | Feb Economic Confidence | 101.6 | - | 102.8 |
| UK | 1030 | BOE's Cunliffe Speaks on a Panel in London | | | |
| Italy | 0900 | Feb Mfg Business Confidence | 99.2 | | 99.9 |
| | 0900 | Feb Consumer Confidence | 109.8 | | 111.8 |
| Spain | 0800 | Feb P HICP (MoM/YoY%) | -/- | -/- | -1.4/1.1 |
| Norway | 0700 | Jan Retail Sales (Ex. Motor Vehicles, SA, MoM%) | - | - | -2.0 |
| Sweden | 0800 | Feb Economic Tendency Indicator | - | - | 97.1 |
| | 0830 | Jan Household Lending (YoY%) | - | - | 5.0 |
| | 0830 | Jan Retail sales (Ex. Fuel, MoM%) | - | - | 0.5 |
| | 0830 | Jan Retail Sales (Ex. Fuel, YoY%) | - | - | 3.4 |
| Friday 28 February | | | | | |
| US | 1500 | Feb F.U. of Mich. Sentiment Index | - | 100.7 | 100.9 |
| | | Fed's Bullard Discusses the Economy and Monetary Policy | | | |
| Germany | 0855 | Feb Unemployment Change (000's) | - | - | -2.0 |
| | 0855 | Feb Unemployment Rate (%) | 5.0 | - | 5.0 |
| | 1300 | Feb P CPI (MoM/YoY%) | -1.5 | -/- | -0.6/1.7 |
| Italy | 1000 | Feb P HICP (MoM/YoY%) | -0.4/0.4 | - | 0.2/0.5 |
| UK | 1115 | BOE Chief Economist Haldane Speaks in Oxford | | | |
| Canada | 1330 | 4Q GDP (Annualised, QoQ%) | 0.1 | - | 1.3 |
| | 1330 | Dec GDP (MoM/YoY%) | -/- | -/- | 0.1/1.5 |
| Norway | 0700 | Jan Credit Indicator (YoY%) | - | - | 5.1 |
| | 0900 | Feb Unemployment Rate | - | - | 2.4 |
| Sweden | 0830 | 4Q GDP (YoY%) | 0.9 | - | 1.6 |

Source: ING, Bloomberg

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Asia week ahead: Hong Kong to roll out big stimulus

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Source: Shutterstock

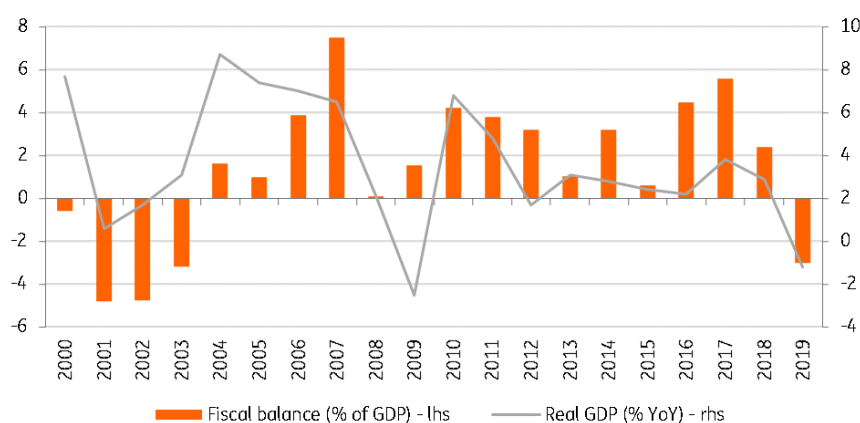
➔ Hong Kong SAR 2020 Budget – how big a stimulus?

Hong Kong's Financial Secretary Paul Chan will announce the budget for the fiscal year 2020 on 26 February. The pro-independence protests have already pushed the economy into a recession - GDP contracted for three consecutive quarters through the fourth quarter of 2019 (the final estimate of 4Q19 GDP is due on the same day as the budget) - and now there is Covid-19 dampening prospects further in 2020.

It is likely that the budget deficit for the new financial year [2020-21] will be the biggest ever – Financial Secretary Paul Chan

The markets are looking for a big, rather unprecedented, stimulus resulting in a very high fiscal deficit. Indeed, the Secretary has signalled a record deficit for 2020 on top of his estimate of about 3% of GDP deficit in the current fiscal year ending in March. Will this be enough to fix the economy's woes still remains to be seen.

Hong Kong: How big could the fiscal deficit be?



Source: CEIC, ING

➔ Korea central bank policy meeting – cut or no cut?

The key question of the week will be whether the Bank of Korea gets back on the easing path as the central bank easing in Asia gathered pace coming into 2020. Our house view is that the BoK stays on hold this year, assuming that fading trade war and improving tech demand makes it a more positive economic story this year than last.

An emergency situation warrants an emergency prescription – President Moon Jae-in

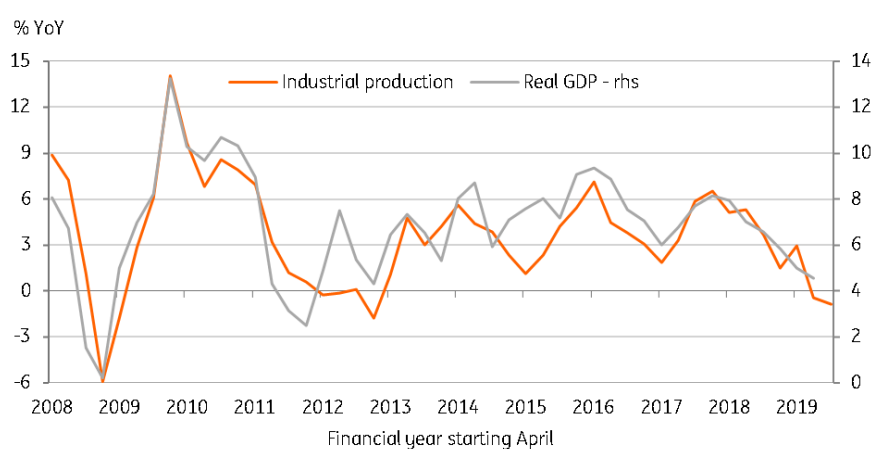
Of course, Korea isn't immune to the virus that's undoubtedly going to hinder the recovery from a sharp growth slowdown last year. And just as I was writing this note, there were reports of the country moving up to the rank of most affected one outside China, overtaking Japan (excluding Diamond Princess), as the number of infections more than doubled to over 100 in just one day with first death in the country. President Moon has declared the spread of the virus as an emergency demanding extraordinary steps to minimise the impact. All this could tip the balance of risk for the BoK policy towards easing next week.

➔ India 4Q19 GDP report – has growth bottomed?

We expect India's GDP report for the October-December 2019 quarter to show improvement in growth over the 4.5% year-on-year rate posted in the previous quarter. The consensus view about a month ago was 4.9% 4Q19 growth in the last quarter. And our bit longer-held than consensus view is 5.2% assuming a massive fiscal and monetary stimulus of in the early parts of 2019 would have started to revive demand, while the low base year effects also drove it higher.

The high-frequency data hasn't been fully supportive of acceleration in GDP growth though, imparting a downside risk to our GDP forecast. That said, we believe the expansionary macro policy in India has run its course amid imminent inflation risk ahead.

India: Persistent slowdown



Source: CEIC, ING

➔ Lots of manufacturing data

The economic data has been overshadowed by the Covid-19 outbreak and the barrage of manufacturing data coming out next week will be no exception either.

Moreover, January data is also distorted by the timing of the Lunar New Year (which in 2019 fell in February but this year was in January), which makes the usual year-on-year growth rates more of a noise rather than a clear trend. The tendency is to read combined January-February growth, though now these will also be impacted adversely by an extended slump in the economic activity due to the virus outbreak after the new year.

We believe economic data will remain just a watching brief for at least a couple more months before it provides a good gauge of the economic impact of evolving developments on the Covid-19 front.

Asia Economic Calendar

| Country | Time Data/event | ING | Survey | Prev. |
|------------------------------|---|-----------|--------|----------|
| Monday 24 February | | | | |
| Singapore | 0500 Jan CPI (YoY%) | 0.8 | - | 0.8 |
| | 0500 Jan CPI core (YoY%) | 0.8 | - | 0.7 |
| Taiwan | 0800 Jan Industrial production (YoY%) | -4.9 | -3.2 | 6.0 |
| | 0820 Jan Money supply (M2) (YoY%) | 4.2 | - | 4.1 |
| Thailand | 0330 Jan Exports (Cust est, YoY%) | -4.5 | - | -1.3 |
| | 0330 Jan Imports (Cust est, YoY%) | -20 | - | 2.5 |
| | 0330 Jan Trade balance (\$m) | -255 | - | 596 |
| South Korea | 2100 Feb BOK Consumer Sentiment Index | 100.3 | - | 104.2 |
| Tuesday 25 February | | | | |
| Hong Kong | 0830 Jan Trade balance (HK\$ bn) | -12.5 | - | -32.5 |
| | 0830 Jan Imports (YoY%) | -15.4 | - | -1.9 |
| | 0830 Jan Exports (YoY%) | -16.4 | - | 3.3 |
| Philippines | - Dec Budget balance (PHP bn) | -144.2 | - | -60.9 |
| Thailand | - Jan Manufacturing index (YoY%) | -4.8 | - | -4.3 |
| South Korea | 2100 Mar BOK Business Survey Index, non-mfg | 72.9 | - | 74 |
| | 2100 Mar BOK Business Survey Index, mfg | 74.2 | - | 77 |
| Wednesday 26 February | | | | |
| Hong Kong | 0830 4Q F GDP (Q) (YoY%) | -3.0 | - | -2.9 |
| | 0830 4Q F GDP (Q) (QoQ% SA) | - | - | -0.4 |
| Singapore | 0500 Jan Industrial production (MoM%/YoY%) | -3.7/-8.5 | -/- | 4.1/-0.7 |
| Thursday 27 February | | | | |
| South Korea | 2300 Jan Industrial production (MoM%/YoY%) | 0.0/6.7 | -/- | 3.5/4.2 |
| | - 7-Day Repo Rate | 1.25 | - | 1.25 |
| Friday 28 February | | | | |
| India | 1200 4Q GDP (Q) (YoY%) | 5.2 | - | 4.5 |
| | 1200 2020 GDP annual (YoY%) | - | - | 6.1 |
| | - Jan Fiscal deficit (INR crore bn) | - | - | 1.2 |
| Thailand | - Jan Current account balance (\$bn) | 1.1 | - | 4.1 |

Source: ING, Bloomberg, *GMT

Key events in EMEA and Latam next week

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Source: Shutterstock

✓ Hungary central bank meets on Friday

We expect the coronavirus story to affect business confidence considerably and eight-year high inflation won't sit well with consumers, pushing their confidence significantly lower. The really strong wage growth won't help in this case, as the expected 13.6% December wage growth will be highly affected by one-off payments and bonuses.

On Friday, we will see the details behind the surprisingly strong GDP growth, where we expect a strong contribution by services and construction. The most important event of the week will be the central bank meeting.

In line with Vice Governor's words, we don't expect any type of material change as the next meeting will be in March with a new inflation forecast. However, the statement might point out to the elevated upside risk related to the inflation outlook and will make it clear if incoming data and its new forecast warrants the central bank to intervene to preserve price stability over the six to eight quarter horizon.

So what we are likely to see are some hawkish-like hints without any clear commitment.

EMEA and Latam Economic Calendar

| Country | Time Data/event | ING | Survey | Prev. |
|------------------------------|---|----------|--------|----------|
| Sunday 23 February | | | | |
| Hungary | 2300 Feb Economic Sentiment | -4.6 | - | -2.5 |
| | 2300 Feb Business Confidence | -0.1 | - | 1 |
| | 2300 Feb Consumer Confidence | -17.5 | - | -12.5 |
| Israel | - Jan Leading 'S' Indicator (MoM%) | - | - | 0.26 |
| Monday 24 February | | | | |
| Turkey | 0700 Feb Real Sector Confidence Index SA | - | - | 106.4 |
| | 0700 Feb Capacity Utilization (%) | - | - | 75.5 |
| | 0800 Jan Foreign Tourist Arrivals (YoY%) | - | - | 10.1 |
| Poland | 1300 Jan M3 Money Supply (MoM/YoY%) | -/- | -/- | 1.5/8.3 |
| Czech Rep | 0800 Jan PPI (Industrial) (MoM/YoY%) | -0.3/0.8 | -/- | 0.1/2.1 |
| | 0800 Feb Business Confidence | - | - | 9.8 |
| | 0800 Feb Consumer & Business Confidence | - | - | 7.4 |
| | 0800 Feb Consumer Confidence | - | - | -2.3 |
| Israel | 1100 Jan Monthly Unemployment Rate (%) | - | - | 3.4 |
| Tuesday 25 February | | | | |
| Poland | 0900 Jan Unemployment Rate (%) | - | - | 5.2 |
| Hungary | 1300 Policy Rate (%) | 0.9 | - | 0.9 |
| | 1300 Overnight Deposit Rate (%) | -0.05 | - | -0.05 |
| Kazakhstan | - Jan M3 Money Supply (MoM%) | - | - | 4.1 |
| Serbia | 1100 Jan PPI (MoM/YoY%) | -/- | -/- | 0.0/0.9 |
| | 1100 Jan Wages Growth (YoY%) | - | - | 3.6 |
| Croatia | 1000 Jan PPI (MoM/YoY%) | -/- | -/- | -0.2/1 |
| South Africa | 0700 Dec Leading Indicator | - | - | 104.4 |
| Mexico | 1200 4Q F GDP (YoY%) | -0.3 | - | -0.31 |
| Wednesday 26 February | | | | |
| Hungary | 0800 Dec Avg Gross Wages (YoY%) | 13.6 | - | 13.9 |
| Croatia | 1000 4Q P GDP (YoY%) | 3.5 | - | 2.92 |
| Mexico | 1200 Dec Retail Sales (YoY%) | 2.7 | - | 2.1 |
| | 1800 Mexican Central Bank Releases Inflation Report | | | |
| Thursday 27 February | | | | |
| South Africa | 0930 Jan PPI (MoM/YoY%) | -/- | -/- | 0.2/3.4 |
| Mexico | 1200 Jan Unemployment Rate SA (%) | 3.2 | - | 3.13 |
| | 1500 Central Bank Monetary Policy Minutes | | | |
| Friday 28 February | | | | |
| Turkey | 0700 Jan Trade Balance (US\$bn) | -4.6 | - | -4.33 |
| Poland | 0900 4Q F GDP (QoQ/YoY%) | -/- | -/- | 0.2/3.1 |
| Hungary | 0800 4Q F GDP (SWDA, QoQ/ NSA, YoY%) | 1.0/4.5 | -/- | 1.0/4.5 |
| Serbia | 1100 Jan Retail Sales (YoY%) | - | - | 13.1 |
| | 1100 Jan Industrial Production (YoY%) | - | - | 8.3 |
| Croatia | - Jan M1 Money Supply (HRKmn) | - | - | 137156.7 |
| South Africa | 0600 Jan M3 Money Supply (YoY%) | - | - | 6.19 |
| | 0600 Jan Private Sector Credit (YoY%) | - | - | 6.14 |
| | 1200 Jan National Budget Balance (ZARbn) | - | - | -2.17 |
| | 1200 Jan Trade Balance (ZARbn) | - | - | 14.85 |
| Brazil | 1200 Jan Unemployment Rate (%) | 11.4 | - | 11 |

Source: ING, Bloomberg

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