

Our view on next week's key events

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✓ US: Upcoming data won't dissuade the Fed from hiking rates

The calming of bank stresses and the combination of reasonable activity numbers but persistently high core inflation has allowed the Fed to stick with the message that another 25bp interest rate hike is the most likely outcome for the 3 May FOMC meeting. The upcoming data won't change that view.

First quarter GDP is the highlight of the data releases and we look for a slightly sub-consensus 1.5% annualised growth rate. Consumer spending will be strong given the blowout retail sales report for January which was boosted by unseasonably warm weather after a cold and wintry December. However, weaker net trade and inventory performance will go some way to offsetting that story. We will also be closely watching the Fed's favoured measure of inflation, the core personal consumer expenditure deflator. It is expected to rise 0.3% MoM and 4.5% YoY, which won't dissuade the Fed from hiking rates. We will also see a fair amount of housing data and consumer confidence numbers, but these are likely to remain subdued.

✓ Sweden: The Riksbank to hike by 50bp next Wednesday

We are expecting a 50bp hike by the Riksbank next week, and we think the updated rate projections could go beyond what markets are pricing and signal a peak rate of roughly 4%, up from just below 3.5% last time. Core inflation is still well above the Riksbank's February forecast, though activity data is looking bleak. Given the Riksbank meets only five times a year, it has to

make each meeting count. Policymakers have emphasised in the past that staying out in front of the European Central Bank is a priority.

In practice though, taking rates much higher could prove challenging given the economic and housing backdrop, and we'd argue that even another 25bp hike in June is not guaranteed (though it's our base case for now).

[You can read our full preview here](#)

Key events in developed markets next week

Country	Time	Data/event	ING	Survey	Prev.
Monday 24 April					
Germany	0900	Apr Ifo Business Climate	94		93.3
	0900	Apr Ifo Current Conditions	93.5		95.4
	0900	Apr Ifo Expectations	92		91.2
Tuesday 25 April					
US	1400	Feb CaseShiller 20 (MoM%/YoY%)	-0.4/-0.1		-0.4/2.5
	1500	Apr Consumer Confidence	104.5	104.1	104.2
	1500	Mar New Home Sales-Units	0.63	0.635	0.64
Wednesday 26 April					
US	1330	Mar Durable Goods	0.7	0.9	-1
Germany	0700	May GfK Consumer Sentiment	-26		-29.5
Sweden	0700	Mar Unemployment Rate	-		8.2
	0830	Riksbank Rate	3.50		3.00
Thursday 27 April					
US	1330	Initial Jobless Claim	250		245
	1330	Continue Jobless Claim	1895		1865
	1330	1Q GDP (QoQ% ann)	1.5	2.0	2.6
Italy	0900	Apr Consumer Confidence	106		105.1
Spain	0800	Mar Retail Sales (YoY%)	-		4
Sweden	0700	Q1 GDP (QoQ%/YoY%)	-/-		-0.5/-0.2
Eurozone	1000	Apr Business Climate	-		0.7
	1000	Apr Economic Sentiment	-		99.3
	1000	Apr Consumer Confidence Final	-		
Friday 28 April					
US	1330	Mar Personal Income (MoM%)	0.2	0.2	0.3
	1330	Mar Personal Consump Real (MoM%)	-0.3	-	-0.1
	1330	Mar Consumption, Adjusted (MoM%)	-0.1	-0.1	0.2
	1330	Mar Core PCE Price Index (MoM%)	0.3	0.3	0.3
	1445	Apr Chicago PMI	43.5	42.8	43.8
	1500	Apr U Mich Sentiment Final	63.5	63.5	63.5
Germany	0700	Q1 GDP Flash (QoQ%/YoY%) SA	0.2/0.1		-0.4/0.3
	0855	Apr Unemployment Rate SA	5.6		5.6
	1300	Apr CPI Prelim (MoM%/YoY%)	0.5/7.2		0.8/7.4
France	0630	Q1 GDP Preliminary (QoQ%/YoY%)	-/-		0.1/0.5
	0745	Apr CPI Prelim (YoY%)	-		6.7
Italy	0900	Q1 GDP Prelim (QoQ%/YoY%)	0.1/1.4		-0.1/1.4
Canada	1330	Feb GDP (MoM%)	-		0.5
Eurozone	1000	Q1 GDP Flash Prelim (QoQ%/YoY%)	0.1/1.4		0/1.8

Source: Refinitiv, ING

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Key events in EMEA next week

EMEA week ahead



Source: Shutterstock

Poland: Expect core inflation to remain persistent

Retail sales: -6.2% YoY (March)

After a 5% year-on-year decline in February, the fall in retail sales most likely deepened in March. From a purely statistical point of view, this reflects the high reference base from March 2022, when the first wave of refugees from war-troubled Ukraine boosted purchases of pharmaceuticals, clothing and footwear. The broader economic picture is not pretty either. The drop in purchases of goods in recent months is a result of high inflation that has hit the real disposable incomes of households. The annual drop in household consumption in the first quarter is expected to be even deeper than observed in the fourth quarter of 2022 and consumption is projected to start recovering gradually, but not earlier than in the second half of the year.

Industrial production: -1.5% YoY (March)

Industrial output is also in negative territory as manufacturing activity eased amid softer external demand. Even though the 2022/23 winter energy crisis turned out to be less profound than feared, the turmoil in the US banking sector brought new risks (potential credit crunch) that may weigh on the outlook for global manufacturing. Annual declines in energy production in Poland are also associated with a high reference base as coal-based energy production and exports in Poland soared when natural gas became more expensive due to hostile Russian measures.

PPI inflation: 10.8% YoY (March)

Producers' inflation peaked in mid-2022, but the pace of PPI disinflation has been relatively moderate so far – from 25.6% YoY in June 2022 to 18.4% YoY in February 2023. The decline in PPI inflation will gain momentum in the near term and already in March, producer price growth is projected to have nose-dived to c.11% YoY amid the strong base effect. In March 2022, the PPI index soared 6.6% month-on-month as a spike in wholesale gasoline prices pushed prices in the manufacture of coke and refined petroleum products up by 31.4% MoM.

Registered unemployment: 5.4% (March)

The slowing economy will eventually make its mark on the labour market, but it remains tight so far. Even though some initial signs of softening emerged recently (decline in enterprise sector employment and increase in the number of unemployed in February 2022), we do not expect any sharp deterioration in the near term. Demographic trends led to a scarcity of workers and the gap has been filled by immigrants so far. We forecast that in March, the unemployment rate inched down to 5.4% from 5.5% in February – in line with seasonal patterns.

CPI (flash): 14.8% (Apr)

Disinflation of headline CPI is expected to continue in April on the back of the reversal in the energy shock but core inflation will likely remain close to the March reading of 12.4% YoY as an upswing in costs is still feeding into a broader array of goods and services prices.

☑ Turkey: Central bank set to keep rates unchanged

At the March Monetary Policy Committee meeting, the forward guidance remained unchanged as the Central Bank of Turkey repeated that the current policy rate is adequate to support the recovery in the wake of recent earthquakes. This implies that it will not make any rate move and remains in a wait-and-see mode in the near term. Given this backdrop, we expect the bank to remain on hold at the April meeting.

☑ Hungary: Possibility of a bold 700bp cut in overnight repo rate

The National Bank of Hungary's latest remarks made next week's rate-setting meeting pretty very interesting. We see the central bank cutting the overnight repo rate from 25% in a significant manner. The size of the cut could be dependent on the behaviour of the forint. Should we see stability in the currency after the sell-off ignited by the dovish remarks, we might see a bold move of a 700bp cut. With that, the overnight repo rate would match the 18% effective rate, suggesting that from now on, the only way is down for effective rates. No other rates are expected to be changed; thus the effective rate will remain at 18% at least until the May meeting, while the base rate will remain at 13% for a longer period. With the rate setting behind us, the focus will be on the labour market. The unemployment rate is expected to inch higher, while wage growth could be a shocker. This is due to last year's one-off wage increase for the armed forces in February, which pushed wages higher by 31.1% YoY.

Key events in EMEA next week

Country	Time	Data/event	ING	Survey	Prev.
Monday 24 April					
Poland	0900 Mar	Industrial Output YY	-1.5	-1.9	-1.2
	0900 Mar	PPI (YoY%)	10.8	11.2	18.4
	0900 Mar	Retail Sales (YoY%)	-6.2	-5.9	-5
Brazil	- Mar	Current Account	-	-	-2.815
	- Mar	Foreign Direct Investment	-	-	6.451
Mexico	1200 Apr	1st Half-Month Core Inflation (MoM%)	-	-	0.3
	1200 Apr	1st Half-Month Inflation (MoM%)	-	-	0.15
Tuesday 25 April					
Poland	1300 Mar	M3 Money Supply (YoY%)	7.2	7.2	7.4
Hungary	1300 Apr	Hungary Base Rate	13.00	-	13.00
Brazil	1300 Feb	Retail sales (MoM%/YoY%)	-/-	/	3.8/2.6
Mexico	1200 Feb	IGAE Econ Activity (YoY%)	-	-	4.4
Wednesday 26 April					
Russia	1600 Mar	Industrial Output	-1.8	-1.6	-1.7
Poland	0900 Mar	Unemployment Rate	5.4	5.4	5.5
Hungary	0730 Feb	Average Gross Wages (YoY%)	1.2	-	16.1
South Africa	1030 Mar	PPI (MoM%/YoY%)	-/-	/	0.6/12.2
Brazil	1300 Apr	IPCA-15 Mid-Month CPI	-	-	0.69
	1300 Apr	IPCA-15 Mid-Month CPI (YoY%)	-	-	5.36
Thursday 27 April					
Turkey	1200 Apr	CBT Weekly Repo Rate	8.5	-	8.5
	1200 Apr	O/N Lending Rate	10	-	10
	1200 Apr	O/N Borrowing Rate	7	-	7
Ukraine	1200	Central bank interest rate	-	-	25
Brazil	1200 Apr	IGP-M Inflation Index	-	-	0.05
	1830 Mar	Central Government Balance	-	-	-40.989
Mexico	1300 Mar	Trade Balance SA	-	-	-3.537
Friday 28 April					
Russia	1030 Apr	Central bank key rate	7.5	7.5	7.5
Poland	0900 Apr	Flash CPI (YoY%)	14.8	-	16.1
Turkey	0800 Mar	Trade Balance	8.6	-	-12.08
Hungary	0730 Mar	Unemployment Rate 3M	4.2	-	4.1
South Africa	0700 Mar	M3 Money Supply (YoY%)	-	-	10.81
	0700 Mar	Private Sector Credit Extension	-	-	8.28
	1300 Mar	Trade Balance (Incl. Region)	-	-	16.13

Source: Refinitiv, ING

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Asia week ahead: Bank of Japan's first meeting with new governor

Review of data reports for the coming week in Asia



Inflationary pressures expected to ease in Australia

March inflation will probably fall substantially on base effects alone, as last March witnessed a 1.1%MoM increase following Russia's invasion of Ukraine and the resulting spike in energy and agriculture prices. But we may also have some additional help from volatile food prices, which rose 1.0%MoM in February, but will probably ease back to something closer to 0.3 to 0.4% in March. Some additional decline in alcohol and tobacco prices may provide a further push down, and offset slightly higher gasoline prices for the month, resulting in a total CPI index increase of 0.3%MoM, and 5.9%YoY, down from 6.8% in February. This should be enough to at least put the Reserve Bank of Australia on hold at the April meeting. And may be enough to draw a line under this entire rate tightening cycle.

Weak semiconductor demand could hinder Korea's economy

We expect 1Q23 GDP to post a mild contraction of -0.1%QoQ sa (vs -0.4% in 4Q22) mainly due to sluggish exports and investment. Weak global demand for semiconductors is a major reason behind this development. However, private consumption and construction are expected to hold up

relatively well despite higher borrowing costs and a sharp decline in real estate, while inventory also to contribute positively to growth.

We believe March industrial production will contract again as we expect that chipmakers cut production further in March to unload inventory. Meanwhile, the increase in auto sector activity should partially offset the overall decline.

Meanwhile, sentiment survey data is expected to improve as the Bank of Korea maintained its policy rates and the market rates have fallen gently. Also, China's reopening and financial market jitters triggered by banking sector calmed down, which probably helped to boost consumer and business sentiment.

Ueda's first meeting as BoJ governor

The Bank of Japan (BoJ) will hold its monetary policy meeting on 27th and 28th, the first time under Governor Kazuo Ueda, amid speculation about the timing of the monetary policy adjustment. We believe that the BoJ will opt to keep all settings untouched shortly after the banking sector jitters in the US and Europe. Yet, it is still worth watching how the new Governor will shape his views on monetary policy and macroeconomic conditions. Also, the BoJ will release its latest macro-outlook report on that day. The key takeaway will be the inflation forecasts and whether the BoJ sees inflation undershooting its 2% target in near future, which will give us more hints to the BoJ's reaction to the CPI in coming meetings.

Other than that, Tokyo CPI inflation is expected to cool down further in April while the labour market conditions are expected to remain solid mainly led by service sector. March industrial production is expected to slow on back of the weak global demand on IT products.

Gloomy economic outlook for Taiwan

Taiwan will release its first quarter GDP report next Friday, and we expect a mild contraction of 0.5%YoY from 0.41%YoY contraction in 4Q22. This would mean that Taiwan will fall into a recession by 1Q. The dip in semiconductor demand has hurt economy in terms of production and exports. We will wait to see negative impact on industrial production in March and we expect another contraction of around 8%YoY in March after an 8.7% contraction in February. The unemployment rate should therefore edge up to 3.6% in March from 3.58% in February. All these point to a gloomy outlook for Taiwan. However, there is a low base effect by the second quarter, which should help GDP growth turn positive again. This technical rebound may not imply improvements in global demand for semiconductors as the US economy is slowing.

Upcoming PMI data from China

China will release official manufacturing and non-manufacturing PMIs on 29th April (Sunday). We expect services should grow faster than manufacturing activities as there was a short holiday in April, and tourism-related activities increased. Meanwhile, manufacturing activities could grow slightly slower in April due to the short month.

Inflation to trend lower in Singapore

Singapore reports March inflation next week and we expect both headline and core inflation to moderate from the previous month. Headline inflation could settle at 5.7%YoY from 6.3% while

core inflation could dip to 5.2% from 5.5%. Slowing inflation could be one of the reasons why the Monetary Authority of Singapore (MAS) opted to retain policy settings last week after growth disappointed. We can expect inflation to grind lower in the coming months but given that it remains well-above the central bank's target, the MAS may be limited in its ability to ease settings to help support sagging growth momentum.

Key events in Asia next week

Country	Time	Data/event	ING	Survey	Prev.
Monday 24 April					
Singapore	0600	Mar Core CPI (YoY%)	5.2		5.5
	0600	Mar CPI (YoY%)	5.7		6.3
Taiwan	0900	Mar Industrial Output (YoY%)	-8.16		-8.68
	0900	Mar Unemployment rate (%)	3.6		3.58
	0920	Mar Money Supply - M2 (YoY%)	6.8		6.8
Tuesday 25 April					
South Korea	0000	Q1 GDP Growth (QoQ%/YoY%)	-0.1/0.6		-0.4/1.3
South Korea	2200	Apr BoK Consumer Sentiment Index	94		92
Wednesday 26 April					
Australia	0230	Q1 CPI (QoQ%/YoY%)	0.3/5.9		1.9/7.8
Singapore	0600	Mar Manufacturing Output (MoM%/YoY%)	-10.9/-11.9		-11.7/-8.9
South Korea	2200	May BOK Manufacturing BSI	70		67
Thursday 27 April					
Japan	0600	Feb Leading Indicator Revised	-		1.1
Singapore	0330	Q1 Unemployment Rate Prelim SA	-		2
South Korea	0000	Mar Industrial Output (YoY%)	-10		-8.1
	0000	Mar Industrial Output Growth	-0.2		-3.2
Friday 28 April					
Japan	0030	Mar Unemployment Rate	2.6		2.6
	0030	Tokyo CPI	3.2		3.3
	0050	Mar Industrial O/P Prelim (MoM%/YoY%)	0.7/-0.5		4.6/-0.5
	0600	Mar Housing Starts (YoY%)	-		-0.3
		- BOJ Rate Decision	-0.1		-0.1
Philippines		- Mar Budget Balance	-		-106.4
Taiwan	0900	Q1 GDP (YoY%) Prelim	-0.5		-0.41
Sunday 30 April					
China	0230	Official manufacturing PMI	51.7		51.9
	0230	official non-manufacturing PMI	59.0		58.2

Source: Refinitiv, ING

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