

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

Data flow from the US is unlikely to change the Fed's lax attitude towards inflation which has shaken markets recently. Across the pond, Eurozone...

By James Knightley and Bert Colijn



Asia week ahead

Asia week ahead: Central bankers get busy

South Korea, Indonesia and New Zealand's central bank hold policy meetings next week, alongside data shedding light on Asia's growth-inflation...



Key Events

Key events in EMEA next week

In addition to Croatian GDP, expect Hungary's central bank meeting next week to be an uneventful occasion while the Russian central bank will maintain...

By Peter Virovacz and Dmitry Dolgin

Key events in developed markets next week

Data flow from the US is unlikely to change the Fed's lax attitude towards inflation which has shaken markets recently. Across the pond, Eurozone...



Source: Shutterstock

US: Data flow to support the Fed's relaxed approach to inflation

Since the last Federal Reserve policy decision meeting, the data flow has pointed to ongoing strong economic activity, rising inflation pressures, and somewhat disappointing employment numbers. In general, Fed officials remain relaxed about the situation as they believe the recovery still has a long way to go and that by adopting an average inflation target, they have room to allow the economy to run hotter for longer than in previous cycles, ensuring as many people in society feel the benefits of economic growth. Nonetheless, should inflation become more of an issue, they “have the tools” to deal with the problem.

The upcoming data flow is unlikely to nudge the Fed away from this position. Durable goods orders may disappoint a touch given a big drag from the transportation sector thanks to weaker Boeing aircraft orders, coupled with supply chain strains in the auto sector that are cutting output there. Ex-transport should be better, but the global shortage of semi-conductor chips could remain a hindrance. Home sales should also be somewhat subdued, but this is due primarily to a lack of supply and high prices rather than any significant drop off in demand.

The first-quarter GDP growth numbers could potentially be revised higher on the back of stronger consumer spending after upward revisions for March. 2Q will start on a strong footing, as underscored by next Friday's personal income and spending report. Admittedly headline incomes will plunge following the \$1400 stimulus payment surge in March, but incomes from private sector sources should post another decent gain, which will reinforce the message of a strengthening economy.

Eurozone: Economic sentiment data to reinforce optimism

We're looking forward to Economic Sentiment data to be released next Friday, which is likely going to confirm continued optimism among businesses and consumers as reopenings get underway and vaccination programs pick up speed. The strong surge in April reveals a somewhat limited upside considering historical highs, but real-time data already shows quite a surge in activity over recent months. That warrants improving sentiment, which will likely result in quite a positive GDP figure for the second quarter as the rebound gets going.

Developed Markets Economic Calendar

Country	Time	Data/event	ING	Survey	Prev.
Monday 24 May					
Tuesday 25 May					
US	1400	Mar CaseShiller 20 (MoM/YoY%)	1.5/13.0	1.3/-	1.2/11.9
	1500	May Consumer Confidence	119.5	120.0	121.7
	1500	Apr New Home Sales-Units	0.99	0.998	1.021
Germany	0700	Q1 GDP Detailed (QoQ/YoY%)	-1.7/-3.3		-1.7/-3.3
	0900	May Ifo Business Climate New	98.0		96.8
	0900	May Ifo Curr Conditions New	95.0		94.1
	0900	May Ifo Expectations New	101.0		99.5
New Zealand	2345	Apr Imports	-		5.65
	2345	Apr Trade Balance	-		33.00
	2345	Apr Exports	-		5.68
Wednesday 26 May					
Japan	0600	Mar Leading Indicator Revised	-		4.3
France	0745	May Consumer Confidence	-		94
New Zealand	0300	Cash Rate	0.25		0.25
Sweden	0830	Apr Unemployment Rate	-		10
Thursday 27 May					
US	1330	Apr Durable Goods	0.5	0.8	0.8
	1330	Q1 GDP 2nd Estimate	6.6	6.5	6.4
	1330	Q1 GDP Deflator Prelim	4.1	4.1	4.1
Japan	0030	May CPI, Overall Tokyo	-		-0.6
	0030	Apr Unemployment Rate	2.7		2.6
Germany	0700	Jun GfK Consumer Sentiment	-7.5		-8.8
Italy	0900	May Consumer Confidence	106.5		102.3
Sweden	0830	Apr Trade Balance	-		4.1
Eurozone	1000	May Business Climate	-		1.13
Friday 28 May					
US	1330	Apr Personal Income (MoM%)	-14.5	-15	21.1
	1330	Apr Personal Consump Real (MoM%)	0.1		3.6
	1330	Apr Core PCE Price Index (MoM%)	0.6	0.6	0.4
	1445	May Chicago PMI	67.0	69.5	72.1
	1500	May U Mich Sentiment Final	83.0	83.0	82.8
France	0745	Apr Consumer Spending (MoM%)	-		-1.1
	0745	Q1 GDP (QoQ/YoY%)	-/-		0.4/1.5
	0745	May CPI (EU Norm) Prelim (MoM/YoY%)	-		0.2/1.6
Spain	0800	Apr Retail Sales (YoY%)	-		14.9
Sweden	0830	Q1 GDP Final (QoQ/YoY%)	-		1.1/0.0
	0830	Apr Retail Sales (MoM/YoY%)	-/-		2.6/9.1
Eurozone	1000	May Economic Sentiment	112.5		110.3
	1000	May Consumer Confidence Final	-		

Source: ING, Refinitiv

Authors

James Knightley

Chief International Economist, US

james.knightley@ing.com

Bert Colijn

Chief Economist, Netherlands

bert.colijn@ing.com

Asia week ahead: Central bankers get busy

South Korea, Indonesia and New Zealand's central bank hold policy meetings next week, alongside data shedding light on Asia's growth-inflation...



Source: Shutterstock

➔ Three central bank meetings

Central banks of South Korea, Indonesia and New Zealand meet next week. We share the market consensus of all three leaving their current policy settings unchanged.

Although inflation has started to accelerate, the threat from Covid-19 is far from over. Central bank policies around the region remain focused on supporting growth rather than curbing inflation given that the latter is pretty much a transitory phenomenon, which likely warrants policy status quo throughout the year.

Yes, the increasing noise about the timing of tapering from the Federal Reserve may get Asian central bankers thinking about eventual dialling down of policy support, though that's not something we foresee happening in Asia at least until 2022.

➔ And lots of activity data for April

In the barrage of economic data for April, industrial production and trade releases standouts as they shed light on GDP growth coming into 2Q20. The recovery from last year's record slump is taking place. However, it's nothing more than the base effects flattering the year-on-year activity growth while the pandemic continues to weigh down underlying recovery in demand.

There are also a couple of price indicators on the way to reinforce the accelerating inflation trend. However, as noted earlier, this is just a passing phase, driven by the base effects rather than any demand-pull pressure on inflation. The forward-looking data on consumer and business confidences will inform where these growth and inflation trends are headed.

Asia Economic Calendar

Country	Time	Data/event	ING Survey	Prev.
Monday 24 May				
Singapore	0600	Apr Core CPI (YoY%)	0.8	0.5
	0600	Apr CPI (YoY%)	1.9	1.3
Taiwan	0900	Apr Industrial Output (YoY%)	26	16.78
	0900	Apr Unemployment rate (%)	3.7	3.72
	0920	Apr Money Supply - M2 (YoY%)	8.9	8.91
Thailand	0500	Apr Manufacturing Prod (YoY%)	14.00	4.12
South Korea	2200	May BoK Consumer Sentiment Index	102.5	102.2
Tuesday 25 May				
Indonesia	0800	May 7-Day Reverse Repo	3.5	3.5
Philippines	-	Apr Budget Balance	-24.3	-191.4
Singapore	0100	Q1 GDP Final (QoQ/YoY%)	2.7/0.9	2.0/0.2
	0600	Apr Manufacturing Output (MoM/YoY%)	-0.6/2.1	-1.7/7.6
South Korea	2200	Jun BOK Manufacturing BSI	99.0	98.0
	2200	Jun BOK Non-Manufacturing BSI	84.0	82.0
Wednesday 26 May				
Malaysia	0500	Apr CPI (YoY%)	4.8	1.7
Thursday 27 May				
China	0230	Apr Industrial Profit (YoY%)	71.8	92.3
Hong Kong	0930	Apr Imports (YoY%)	31.0	21.7
	0930	Apr Exports (YoY%)	64.5	26.4
	0930	Apr Trade balance (HK\$bn)	-26.0	-27.0
South Korea	0200	May Bank of Korea Base Rate	0.5	0.5
Friday 28 May				
Malaysia	0500	Apr Trade Balance (MYR bn)	16.7	24.2
	0500	Apr Exports (YoY%)	44.0	31.0
	0500	Apr Imports (YoY%)	12.0	19.2

Source: ING, Refinitiv, *GMT

Key events in EMEA next week

In addition to Croatian GDP, expect Hungary's central bank meeting next week to be an uneventful occasion while the Russian central bank will maintain...



Source: Shutterstock

✓ Hungary: Waiting for June

After the Hungarian central bank's announcement that a rate hike cycle is about to start in June, we don't expect any change at the rate-setting meeting in May.

Given that the forint now hovers around 350, we don't see any reason to front-run the announced starting point of the hawkish cycle. Other than the meeting, labour market data could bring some action. We see the three-month moving average of the unemployment rate moving down, while public sector wage growth is likely to remain elevated.

✓ Russia: Economic data to show strength and reinforce the hawkish stance

Russian activity numbers for April are likely to be strong, mostly on the back of low base effects, as April - May 2020 were the only two months of strict lockdowns in Russia.

We also expect retail trade, which may show at least 24% YoY growth, to have benefitted from lack of foreign tourism, as well as higher leverage and a splurge of savings, likely to be confirmed by the banking statistics also to be released next week. We expect industrial output to at least rise by 5%

YoY on the back off base effects, higher oil exports which have already translated into strong current account numbers in April, and support from positive spending growth.

The central bank is likely to see the activity data as confirmation of its upbeat economic growth expectations for this year, reinforcing the hawkish monetary stance for the upcoming meeting.

EMEA Economic Calendar

Country	Time	Data/event	ING	Survey	Prev.
Monday 24 May					
Russia	1700 Apr	Retail Sales (YoY%)	24.0	24.5	-3.4
	1700 Apr	Unemployment Rate	-	5.4	5.4
Poland	0900 Apr	Industrial Output (YoY%)	-	44.5	18.9
	0900 Apr	Retail Sales (YoY%)	-	27.2	17.1
Mexico	1200 May	1st Half-Motnh Core Infl (MoM%)	-		0.18
	1200 May	1st Half-Month Infl (MoM%)	-		0.06
Tuesday 25 May					
Poland	1300 Apr	M3 Money Supply (YoY%)	-	12.6	14.4
Hungary	1300 May	Hungary Base Rate	0.6		0.6
	1300 May	O/N Deposit Rate	-0.05		-0.05
Brazil	1300 May	IPCA-15 Mid-Month CPI	-		0.6
	1300 May	IPCA-15 Mid-Month CPI (YoY%)	-		6.17
Mexico	1200 Apr	Trade Balance SA	-		-2.906
Russia	1700 Apr	Industrial production (YoY%)	5.2	6.5	1.1
Wednesday 26 May					
Poland	0900 Apr	Unemployment Rate	-	6.3	6.4
Brazil	1330 Apr	Current Account	-		-4.00
	1330 Apr	Foreign Direct Investm't	-		6.864
Mexico	1300 Q1	GDP (QoQ/YoY%)	-/-		/ 0.4/-5.1
Thursday 27 May					
Hungary	0800 Apr	Unemployment Rate 3M	4.2		4.5
Brazil	1300 Apr	Central Govt Balance	-		2.101
Mexico	1200 Apr	Jobless Rate	-		3.9
Friday 28 May					
Turkey	0800 Apr	Trade Balance	-3.1		-4.65
Hungary	0800 Mar	Average Gross Wages (YoY%)	9.6		9.6
Croatia	1000 Q1	GDP (YoY%)	-5.3		-7.00
Brazil	1200 May	IGP-M Inflation Index	-		1.51

Source: ING, Refinitiv

Authors

Peter Virovacz

Senior Economist, Hungary

peter.virovacz@ing.com

Dmitry Dolgin

Chief Economist, CIS

dmitry.dolgin@ing.de

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>.