

Our view on next week's key events

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Key events in developed markets and EMEA next week

Next week in the US, we'll see the Fed's favoured measure of inflation, the core PCE deflator. Here, we expect to see a few signs of weakness in real consumer spending. Over in Hungary, our view is that the NBH will deliver a 75bp cut, accompanied by some hawkish guidance on monetary policy strategy in the second quarter of 2024



US: Potential for a second consecutive real consumer spending number

Having started to waver on the back of hotter-than-expected inflation prints, the March FOMC meeting and a relatively dovish assessment from Federal Reserve Chair Jerome Powell have reinvigorated the market's belief that the Fed will deliver meaningful interest rate cuts this year, most likely starting at the June FOMC meeting. We will no doubt hear more from individual FOMC members on how they see the risks surrounding the central case view from the Fed of three 25bp rate cuts this year and three in 2025.

In terms of data, the main focus will be on the personal spending and income report. This also includes the Fed's favoured measure of inflation, which is the core personal consumer expenditure deflator. In January, it rose 0.4% month-on-month, more than double the 0.17% MoM rate we need to consistently hit to bring the annual rate back to 2% over time. Given the CPI and PPI numbers that have already been released, the consensus is firmly backing a 0.3% outcome, which – while not ideal – is progress. Given that this is published on Good Friday when many offices

will be closed, thin market conditions could mean outsized market moves on any data surprise. There is also potential for the report to signal the second consecutive negative MoM reading for real consumer spending.

Other numbers include new home sales and durable goods orders. Mortgage rates dropped in early February, and this has already lifted existing home sales. We expect new home sales to repeat this story. However, mortgage application numbers have subsequently dropped back, and actual transactions will do the same in March. Meanwhile, Boeing aircraft orders remain weak and will be something of a drag on overall durable goods orders growth.

Hungary: 75bp cut and hawkish guidance expected

The highlight in Hungary next week is the National Bank of Hungary's rate-setting meeting. February was a good opportunity for the NBH to accelerate easing, but we can't say the same this time. Developments since the last meeting have been mixed and could again, in our view, justify a more cautious approach. We expect the central bank to deliver a 75bp cut, accompanied by some hawkish guidance on monetary policy strategy in the second quarter of 2024. The current account balance will deteriorate in the fourth quarter based on monthly statistics, possibly turning into a small deficit due to the slump in goods exports in December. The latest set of labour market data will be challenging to read. We expect strong wage growth to continue, with some deceleration due to base effects. On the other hand, we forecast employment data to deteriorate and the unemployment rate to rise, suggesting a further easing of labour market tightness.

Key events in developed markets next week

Country	Time	Data/event	ING	Survey	Prev.
Monday 25 March					
US	1400 Feb	New Home Sales-Units	0.68	0.675	0.661
UK	0700 Q4	GDP (QoQ%/YoY%)	-/-	/	-0.3/-0.2
Spain	0800 Q4	GDP (QoQ%/YoY%)	-/-	/	0.6/2
Eurozone	0900 Feb	Broad Money	-		16092777
Tuesday 26 March					
US	1230 Feb	Durable Goods	1.0	0.8	-6.2
	1300 Jan	CaseShiller 20 (MoM%/YoY%)	0.2/6.3	/	0.2/6.1
	1400 Mar	Consumer Confidence	107.5	107	106.7
Germany	0700 Apr	GfK Consumer Sentiment	-27		-29
Wednesday 27 March					
Spain	0800 Mar	CPI (YoY%)	-		2.8
	0800 Mar	CPI (MoM%)	-/-	/	0.4
Sweden	0730	Riksbank Rate	-		4
Eurozone	1000 Mar	Business Climate	-		-0.42
	1000 Mar	Economic Sentiment	-		95.4
	1000 Mar	Consumer Confidence Final	-		
Thursday 28 March					
US	1230 Q4	GDP Final	3.2	3.2	3.2
	1345 Mar	Chicago PMI	48	-	44
	1400 Mar	U Mich Sentiment Final	76.5	76.5	76.5
	1230	Initial Jobless Claims	215	-	210
	1230	Continuing Jobless Claims	1820	-	1807
Germany	0700 Feb	Retail Sales (MoM%/YoY%)	0.4/-0.8	/	-0.4/-1.4
	0855 Mar	Unemployment Rate	5.9		5.9
UK	0700 Q4	Current Account GBP	-		-17.175
Italy	0900 Mar	Consumer Confidence	97.6		97
Canada	1230 Jan	GDP (MoM%)	-		0
Portugal	0930 Mar	CPI Flash (YoY%)	-		2.1
Eurozone	0900 Feb	Money-M3 Annual Grwth	-		0.1
Friday 29 March					
US	1230 Feb	Personal Income (MoM%)	0.4	0.4	1
	1230 Feb	Personal Consumption Real (MoM%)	0.1		-0.1
	1230 Feb	Consumption, Adjusted (MoM%)	0.5	0.5	0.2
	1230 Feb	Core PCE Price Index (MoM%)	0.3	0.3	0.4
France	0745 Mar	CPI Prelim (YoY%)	-		3.2
	0745 Mar	CPI (EU Norm) Prelim (MoM%)	-		0.9
Italy	1000 Mar	CPI Prelim (MoM%/YoY%)	0.3/1.5	/	0/0.8

Source: Refinitiv, ING

Key events in EMEA next week

Country	Time	Data/event	ING	Survey	Prev.
Tuesday 26 March					
Hungary	1300 Mar	Hungary Base Rate	8.25		9.00
Wednesday 27 March					
Russia	- Feb	GDP (YoY%) Monthly	-		4.6
	1600 Feb	Industrial Output	8.0	4.0	4.6
Hungary	0730 Q4	C/A Balance QQ	-0.07	-0.07	0.41
	0730 Feb	Unemployment Rate 3M	4.7		4.6
Thursday 28 March					
Czech Rep	0800 Q4	Revised GDP (YoY%)	-		-0.2
	0800 Q4	Revised GDP (QoQ%)	-		0.2
Hungary	0730 Jan	Average Gross Wages (YoY%)	14.9		16.4
South Africa	0600 Feb	M3 Money Supply (YoY%)	-		6.58
	0600 Feb	Pvt Sector Credit Ext.	-		3.16
	0930 Feb	PPI (MoM%/YoY%)	-/-	/	0.1/4.7
	1200 Feb	Trade Balance (Incl. Region)	-		-9.44
Friday 29 March					
Poland	0900	CPI (MoM%/YoY%) Prelim	0.3/2.0		0.3/2.8
Turkey	0700 Feb	Trade Balance	-7		-6.23
	1100 Feb	Bank NPL Ratio	-		1.6

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Asia week ahead: Activity data from Japan and Korea in focus

The coming week in Asia features activity data from Japan and Korea. Elsewhere, Hong Kong reports trade figures, Taiwan releases industrial production, and Australia and Singapore report inflation



Data deluge from Japan

Given the production interruption of car manufacturers in January and solid February exports, we expect industrial production to rebound strongly to offset the previous month's decline. Retail sales also are expected to improve further, along with an increase in inbound foreign tourists during the Lunar New Year holiday. Labour market conditions are likely remain tight, with the jobless rate staying at 2.4%.

Lastly, Tokyo CPI inflation will be key to watch. The government's energy support programme has been a key reason for the monthly swing in inflation data, and we expect Tokyo CPI to moderate to 2.4% year-on-year from the previous month's 2.6%.

Australia inflation could inch higher

Australian CPI inflation for February may push slightly higher after remaining at 3.4% YoY in December. The February 2023 index rose only 0.2% month-on-month, making this month difficult to undershoot and bring inflation lower, unless we see a continuation of January's price declines. We think it's more likely that there is a slight correction upwards. We forecast inflation to come in at 3.5% YoY, following a 0.3% MoM increase.

A busy week ahead for Korea

Survey data in Korea is expected to show few changes. Consumer sentiment is expected to retreat as equity and housing markets weakened during the month, but is still likely to remain above the 100 level. The manufacturing business survey (BSI) should improve on the back of a strong performance for the IT sector. Non-manufacturing BSI is expected to slide, reflecting weakness in consumer spending and the construction sector.

Meanwhile, monthly industrial production data is expected to contract in February. Chip production should see some gains, but auto exports and early auto sales data are signalling a contraction in production. Retail sales are expected to rebound with inflows of foreign tourists during the Lunar New Year holiday, along with various sales promotions.

China industrial profits to sustain recovery

A quiet week ahead for China sees industrial profits data as the only indicator of note to be released. After a stronger-than-expected start to the year for industrial production, we expect industrial profits to continue to recover. After remaining in negative growth since July 2022, markets will watch to see if we finally witness a return to positive growth in early 2024.

Taiwan industrial production to slow on seasonal factors

Industrial production data will be published next Monday, and we expect seasonal effects to cause a sharp deceleration on both a monthly and yearly basis. With headline growth numbers likely to be skewed, it may be more valuable to gauge if there are any changes to sector level trends. Recent data showed a recovery trend in electrical equipment, auto, and mining sectors.

Hong Kong trade numbers to be impacted by the Lunar New Year effect

February trade data will be released next week, where the Lunar New Year effect is expected to cause a significant slowdown in the YoY growth numbers from January. However, trade growth is expected to have recovered slightly year to date in the first two months of 2024. Hong Kong will also publish its money supply growth data, where markets will look to see if it can snap a three-month streak of declines.

Singapore inflation to show core inflation still elevated

Singapore reports February inflation next week. We expect headline inflation to inch down to 2.8% YoY from 2.9% YoY previously, which would mark a 0.5% increase from the previous month. Meanwhile core inflation, which is the measure more closely watched by the Monetary Authority of Singapore (MAS), should stay elevated at 3.2% YoY. This will likely keep the MAS on

guard for at least the first half of the year.

Key events in Asia next week

Country	Time (GMT+8)	Data/event	ING Survey	Prev.
Monday 25 March				
Singapore	0500	Feb Core CPI (YoY%)	3.2	3.1
	0500	Feb CPI (YoY%)	2.8	2.9
	0500	Feb CPI (MoM%)	0.5	-0.7
Taiwan	0800	Feb Industrial Output (YoY%)	-	15.98
South Korea	2100	Mar BoK Consumer Sentiment Index	-	101.9
Tuesday 26 March				
Singapore	0500	Feb Industrial production (MoM%/YoY%)	0.4/14.2	/ -5.7/1.1
South Korea	2100	Apr BOK Manufacturing BSI	-	76
Wednesday 27 March				
Australia		Feb CPI (YoY%)	0.3/3.5	3.4
Thursday 28 March				
Japan	2330	Feb Unemployment Rate	-	2.4
	2350	Feb Industrial O/P Prelim (MoM%/YoY%)	-/-	/ -6.7/-3.1
	2350	Feb Retail Sales (YoY%)	-	2.3
South Korea	2300	Feb Industrial Output (YoY%)	-	12.9
	2300	Feb Industrial Output Growth	-	-1.3
Friday 29 March				
Japan	0500	Feb Housing Starts (YoY%)	-	-7.5

Source: Refinitiv, ING

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