

# 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

All eyes will be on Fed officials as they explain what they need to see in order to hike rates again this year

By James Knightley and Bert Colijn



### Asia week ahead | Australia | China...

#### Asia week ahead: Flurry of data from Japan and Korea

Next week's data calendar features several reports from Japan plus inflation from Singapore and Australia

By Min Joo Kang



### Key Events

#### Key events in EMEA next week

The Czech National Bank will hold its monetary policy meeting next week, while in Hungary we expect the central bank to merge the key and effective rates at 13%

By Frantisek Taborsky, Peter Virovacz and Adam Antoniak

## Key events in developed markets

All eyes will be on Fed officials as they explain what they need to see in order to hike rates again this year



Source: Shutterstock

### ✓ US: August personal income and spending report release

The Fed's higher-for-longer interest rate message, combined with upgraded growth forecasts and lowered unemployment projections, has gained more market traction with the 10Y Treasury yield up at 4.5% – the highest since 2007 – and the dollar continuing to strengthen.

The coming week will see several Fed officials hitting the airwaves to explain their thinking and what they need to see in order to justify hiking rates again this year and what they see as the most likely scenario for next year. At the moment, the market is split on whether there will be a final hike and it will be down to the data and general newsflow to determine what will happen at the November and December FOMC meetings. Jobs, consumer spending and inflation will be the key figures to watch while strike action in the auto sector and the prospect of a government shutdown will also factor into the thinking of officials.

The key release to watch will be Friday's August personal income and spending report. After a strong July, we expect to see weaker spending coming through, especially in real terms, with higher gasoline prices responsible for much of the increase in nominal spending on goods, based on what we saw in the retail sales report. With regard to services, the Federal Reserve Beige Book indicated that "consumer spending on tourism was stronger than expected, surging during what most contacts considered the last stage of pent-up demand for leisure travel from the pandemic era". This should help to mitigate some of the weakness in goods, hence our slightly above-consensus forecasts.

We are also aware that the Fed's favoured measure of inflation, the core PCE deflator, could come in a little higher than the market is forecasting. We look for a 0.3% month-on-month increase in prices, similar to the CPI report, whereas the consensus is for a more benign 0.2%MoM print.

We will also get durable goods orders, new home sales and consumer confidence readings. Again we expect to see slightly higher numbers than the market is pricing, with a lack of available existing homes supporting new home transactions while better numbers from Boeing should help lift orders. The Conference Board measure of consumer confidence is more influenced by labour market responses, which should be good given low unemployment and a strong sense of job security. The University of Michigan measure, which is more reflective of concerns about the cost of living, is consequently likely to be a lot weaker.

### **Eurozone: Expect a drop in both headline and core inflation**

Next week will be all about eurozone inflation. After [this week's PMI](#), which confirmed that the eurozone remains in a weak economic environment, the focus will shift towards inflation progress. Expect a drop both in headline and core on the back of base effects, but the higher oil price will have a limiting effect on energy inflation.

## **Key events in developed markets next week**

Country	Time	Data/event	ING	Survey	Prev.
<b>Monday 26 September</b>					
Germany	0900	Sep Ifo Business Climate	87.2		88.5
	0900	Sep Ifo Current Conditions	96.0		97.5
	0900	Sep Ifo Expectations	79.5		80.3
<b>Tuesday 27 September</b>					
US	1400	Jul CaseShiller 20 (MoM%/YoY%)	-		0.4/18.6
	1500	Sep Consumer Confidence	-	104	103.2
	1500	Aug New Home Sales-Units	0.4	0.5	0.5
	1330	Aug Durable Goods	-0.8	-1.1	-0.1
Eurozone	0900	Aug Money-M3 Annual Grwth	-		5.5
	0900	Aug Broad Money	-		15936911
<b>Wednesday 28 September</b>					
Germany	0700	Oct GfK Consumer Sentiment	-38.0		-36.5
Italy	0900	Sep Consumer Confidence	95.1		98.3
<b>Thursday 29 September</b>					
US	1330	Q2 GDP Final	-	-0.6	-0.6
	1330	Initial Jobless Claim	220		213
	1330	Continue Jobless Claim	1440		1379
Germany	1300	Sep CPI Prelim (MoM%/YoY%)	0.6/8.5		0.3/7.9
UK	0700	Q2 GDP (QoQ%/YoY%)	-/-		-0.1/2.9
Spain	0800	Sep CPI (MoM%/YoY%) Flash NSA	-		0.3/10.5
Canada	1330	Jul GDP (MoM%)	-		0.1
Eurozone	1000	Sep Business Climate	-		0.83
	1000	Sep Economic Sentiment	97.2		97.6
	1000	Sep Consumer Confidence Final	-		-
<b>Friday 30 September</b>					
US	1330	Aug Personal Income (MoM%)	-	0.3	0.2
	1330	Aug Personal Consump Real (MoM%)	-		0.2
	1330	Aug Consumption, Adjusted (MoM%)	-	0.2	0.1
	1330	Aug Core PCE Price Index (MoM%)	-		0.1
	1445	Sep Chicago PMI	-		52.2
	1500	Sep U Mich Sentiment Final	-	59.5	59.5
Germany	0700	Aug Retail Sales (MoM%/YoY%)	-/-		1.9/-2.6
	0855	Sep Unemployment Rate SA	5.5		5.5
France	0745	Sep CPI Prelim (YoY%)	-		6.6
	0745	Sep CPI (EU Norm) Prelim (MoM%)	-		0.5
UK	0700	Q2 Current Account GBP	-		-51.7
Italy	0900	Aug Unemployment Rate	7.9		7.9
	1000	Sep CPI Prelim (MoM%/YoY%)	1.2/9.0		0.9/9.1
Spain	0800	Aug Retail Sales (YoY%)	-		-0.5
Portugal	0930	Sep CPI Flash (YoY%)	-		8.9
Eurozone	1000	Sep CPI Flash (YoY%)	9.3	9.1	9.1
	1000	Sep Core CPI Flash (YoY%)	4.6		5.5
	1000	Aug Unemployment Rate	6.6		6.6

Source: Refinitiv, ING

## Authors

### **James Knightley**

Chief International Economist, US

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

### **Bert Colijn**

Chief Economist, Netherlands

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

# Asia week ahead: Flurry of data from Japan and Korea

Next week's data calendar features several reports from Japan plus inflation from Singapore and Australia



## Inflation in Australia to accelerate?

Next week Australia will release its CPI data and we should see a bounceback in consumer prices. Based on our data, we expect to see a moderate increase in food, alcohol and tobacco prices last month. Rising oil prices add to the mix. The only good news is probably on holidays, where we expect a dip in flight costs and hotel prices. Overall, we expect inflation to rise from 4.9% to 5.2% year-on-year.

## Caixin China PMI

The Caixin Manufacturing PMI for China beat expectations last month and came in at 51.0 – just above the threshold that indicates expansion rather than contraction. This was due to an upturn in overall sales despite a further drop in business abroad. With no concrete fiscal stimulus boosting the economy and the end of the summer holidays, but some slightly better indications from the latest month's data deluge, it is likely that this number will remain close to, or perhaps creep a little higher from last month's figure.

## Flurry of data out from Japan

In Japan, we think solid consumption and service activity will likely support inflation staying above the 3% range. We believe that core inflation excluding fresh food and energy is expected to accelerate further in September with private service prices rising.

Meanwhile, thanks to strong activity in services, the jobless rate is expected to edge down in August. Industrial production in Japan will also likely rebound from the previous month's decline mainly due to a pick-up in motor vehicle production.

## Sentiment in Korea likely on the downtrend

We think both consumer and business sentiment indices in Korea could deteriorate. Business confidence should weaken on the back of sluggish exports and growing uncertainty over the near-term economic outlook. For consumers, weak domestic equity performance and the recent tightening of mortgage measures might have hurt sentiment.

## Singapore inflation to edge lower

Singapore reports August inflation next week. We expect headline inflation to dip to 3.9% year-on-year, down from 4.1%YoY from the previous month. Favourable base effects and softer growth momentum will likely translate to a dip in CPI inflation. Core inflation will likely be flat at 3.8%YoY.

Meanwhile, industrial production will likely still be in the red. We could see the tenth consecutive month of contraction for industrial production, tracking the sustained weakness of non-oil domestic exports (NODX). NODX recently posted another month of contraction as global trade grinds lower. Industrial production should stay challenged for as long as NODX is in contraction, with weaker industrial activity seen to weigh on GDP growth.

## Key events in Asia next week

Country	Time Data/event	ING	Survey	Prev.
<b>Monday 25 September</b>				
Indonesia	0500 Aug M2 Money Supply (YoY%)	-		6.4
Singapore	0600 Aug Core CPI (YoY%)	3.8		3.8
	0600 Aug CPI (YoY%)	4.0		4.1
	0600 Aug CPI (MoM%) NSA	0.6		-0.2
South Korea	2200 Sep BoK Consumer Sentiment Index	102		103.1
<b>Tuesday 26 September</b>				
Philippines	- Aug Budget Balance	-		-47.8
Singapore	0600 Aug Manufacturing Output (MoM%/YoY%)	-1.8/-2.5	/	4.1/-0.9
South Korea	2200 Oct BOK Manufacturing BSI	65		67
<b>Wednesday 27 September</b>				
Japan	0600 Jul Leading Indicator Revised	-		-1.2
<b>Friday 29 September</b>				
Japan	0030 Aug Unemployment Rate	2.5		2.7
	- Sep Tokyo CPI (YoY %)	3		2.9
	- Sep Tokyo CPI ex Fresh Food, Energy (YoY %)	4.1		4
	0050 Aug Industrial O/P Prelim (MoM%/YoY%)	1.0 / -2.6	/	-1.8/-2.4
	0050 Aug Retail Sales (MoM%/YoY%)	1.5 / 8.5		2.1/6.8
Japan	0600 Aug Housing Starts (YoY%)	-		-6.7
China	0245 Sep Caixin Manufacturing PMI Final	-		51
	0245 Sep Caixin Services PMI	-		51.8

Source: Refinitiv, ING

## Author

**Min Joo Kang**

Senior Economist, South Korea and Japan

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



## Key events in EMEA next week

The Czech National Bank will hold its monetary policy meeting next week, while in Hungary we expect the central bank to merge the key and effective rates at 13%



Source: Shutterstock

### ✓ Czech Republic: the debate on rate cuts begins

The Czech National Bank (CNB) will hold its monetary policy meeting next Wednesday, which we believe will be the last meeting before it begins to discuss the real possibility of rate cuts. This time there will be no new central bank forecast and the board will only discuss an internal update on the situation. For now, it seems that the CNB may be happy with the numbers coming out of the economy. Board members have already indicated that the September meeting will be used to discuss the rate-cutting strategy, so we could see some details from this discussion. In any case, the CNB will try to sell future rate cuts with a hawkish and cautious tone.

Our forecast remains unchanged – a first 25bp rate cut in November alongside a new central bank forecast. Of course, the risks here are clear. The central bank could wait for the January inflation number and cut rates at the start of next year. However, we believe that the combination of faster-falling inflation, weak economic numbers and FX at current or stronger levels will be a reason for the board to cut rates in November and avoid too much monetary tightening and inflation near the target in January.

## ✔ Hungary: September rate-setting meeting

The key event in Hungary next week is the National Bank of Hungary's (NBH's) September rate-setting meeting. We expect the central bank to merge the key and effective rates at 13%, ending phase one of normalisation. We don't expect any groundbreaking changes in the forward guidance. This means that the tone will remain generally hawkish, leaving all options open; from a pause to a 100bp cut at the upcoming meetings, as the decision-making process is now agile and data-driven.

We can expect a lot of market volatility as the markets may feel some disappointment, but to be fair, this September meeting won't be able to bring any more hawkish action to the table and words alone won't be enough for the markets to rethink their rate cut expectations, which were deemed excessive by the NBH last time.

Besides the monetary policy event, we will see the latest labour market data, where the big picture will remain unchanged, showing strong nominal wage growth and a relatively low unemployment rate despite the four-quarter technical recession. The current account will move into surplus on the basis of preliminary monthly data, showing a marked improvement in external balances.

## ✔ Poland: further sharp declines expected in annual inflation

### **Unemployment (August): 5.0%**

Data from the Ministry of Family and Social Policy indicate that the number of registered unemployed barely changed in August versus July. That confirms our estimate that the unemployment rate remained unchanged at 5.0%. The labour market remains tight due to unfavourable demographics.

### **Flash CPI (September): 8.6% YoY**

A further sharp decline in annual inflation is expected in Poland in September – to 8.6% year-on-year from 10.1%YoY in August. Several factors are expected to contribute to disinflation in September apart from the high reference base from September 2022, when prices went up by 1.6% month-on-month.

First, we expect further month-on-month declines in food prices. Second, the government lifted the limit on electricity consumption which qualifies for a price freeze for households. Third, the price policy of the main national supplier of gasoline and diesel has resulted in lower prices at the pumps, despite mounting crude oil prices and a weaker zloty versus the US dollar.

## Key events in EMEA next week

Country	Time	Data/event	ING	Survey	Prev.
<b>Monday 25 September</b>					
Poland	0900	Aug Unemployment Rate	-	5.00	5.00
Hungary	0730	Jul Average Gross Wages (YoY%)	16.0		16.0
<b>Tuesday 26 September</b>					
Hungary	0730	Q2 C/A Balance QQ	0.94	0.94	-0.774
	1300	Sep Hungary Base Rate	13.00		13.00
<b>Wednesday 27 September</b>					
Russia	1700	Aug Industrial Output	4.0	4.3	4.9
	1700	Aug Retail Sales (YoY%)	10.0	10	10.5
	1700	Aug Unemployment Rate	3.0	3.0	3.0
Czech Rep	1330	CNB Repo Rate	7.00	7.00	7.00
<b>Thursday 28 September</b>					
South Africa	1030	Aug PPI (MoM%/YoY%)	-/-	/	0.2/2.7
<b>Friday 29 September</b>					
Russia	-	Aug GDP (YoY%) Monthly	-	4	5
Turkey	0800	Aug Trade Balance	-8.9		-12.22
	1200	Aug Bank NPL Ratio	-		1.6
Poland	0900	Sep Flash CPI (YoY%)	8.6		10.1
Czech Rep	0800	Q2 Revised GDP (YoY%)	-		-0.4
	0800	Q2 Revised GDP (QoQ%)	-		0.1
Hungary	0730	Aug Unemployment Rate 3M	4.0		4.0
South Africa	0700	Aug M3 Money Supply (YoY%)	-		9.3
	0700	Aug Pvt Sector Credit Ext.	-		5.87
	1300	Aug Trade Balance (Incl. Region)	-		15.96

Source: Refinitiv, ING

## Authors

### Frantisek Taborsky

EMEA FX & FI Strategist

[frantisek.taborsky@ing.com](mailto:frantisek.taborsky@ing.com)

### Peter Virovacz

Senior Economist, Hungary

[peter.virovacz@ing.com](mailto:peter.virovacz@ing.com)

### Adam Antoniak

Senior Economist, Poland

[adam.antoniak@ing.pl](mailto:adam.antoniak@ing.pl)

## 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>.