

Our view on next week's key events

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Key Events

Key events in developed markets and EMEA next week

Data releases over the week ahead are unlikely to deter the Fed and BoC from hiking interest rates again in July. In Poland, keep an eye out for June's CPI figures

By James Knightley and Adam Antoniak



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Inflation to decline in Australia while Japan's recovery continues

By Min Joo Kang

Key events in developed markets and EMEA next week

Expect hawkish messaging from the Fed to continue over the coming week as the case for another 25p hike in July continues to gather momentum. While we remain hopeful on the inflation front for Canada, key data releases are still unlikely to deter the BoC from a similar move next month. In Poland, keep an eye out for a decline in June's CPI inflation figures



✓ US: The Fed likely to hike 25bp in July

Hawkish messaging from the Fed continued last week, and we'll likely see more of the same over the coming week with several officials scheduled to speak. The no-change interest rate decision has been characterised as a slowdown in the policy tightening path rather than a "pause" and as such, we would likely need to see weakness in job creation and a sub 0.2% month-on-month increase in inflation to deter the Fed from hiking rates by 25bp in July.

The data calendar includes durable goods orders and housing numbers, which are likely to remain relatively firm. The highlight, however, will be the Fed's favoured measure of inflation, the core personal consumer expenditure deflator. Unfortunately, we don't expect to see any real slowdown and the pricing for a July hike is likely to build.



Canada: Bank of Canada restarted rate hikes this month

In Canada, we will see inflation and GDP numbers. The Bank of Canada restarted its rate hikes this month having paused since January. We remain hopeful that inflation will moderate to some extent, with core CPI potentially dropping below 4%. However, as with the Fed, this probably won't be enough to prevent a final 25bp hike in July

Poland: CPI (June flash): 11.7% YoY

Our initial estimate – which may be slightly fine-tuned in the coming days – points to a decline in CPI inflation to 11.7% year-on-year in June from 13.0% YoY in May. We expect the annual growth of food prices will be similar to that observed in May, with core inflation close to the May reading of 11.5% YoY. A further sharp decline was observed in gasoline prices in year-on-year terms, and energy for housing also posted lower annual growth this month.

We are still on track for single-digit CPI inflation in September, which the National Bank of Poland signals as a precondition for a potential rate cut this year. At the end of 2023, we see consumer inflation slightly above 8% YoY. In August, headline inflation may fall below core inflation, which in our view will be moderating visibly slower than the headline rate.

Key evens in developed markets next week

Country	Time	Data/event	ING	Survey	Prev.
Monday 26 June					
Germany	0900 Jun	Ifo Business Climate	92		91.7
	0900 Jun	Ifo Current Conditions	93.5		94.8
	0900 Jun	Ifo Expectations	89.9		88.6
Tuesday 27 June					
US	1330 May	Durable Goods	1.0	-1.2	1.1
	1400 Apr	CaseShiller 20 (MoM%/YoY%)	-/-	/	0.5/-1.1
	1500 Jun	Consumer Confidence	105.5	104	102.3
	1500 May	New Home Sales-Units ('0000)	0.68	0.66	0.68
Italy	0900 Jun	Consumer Confidence	-105.6		105.1
Canada	1330 May	CPI Inflation (MoM%/YoY%)	0.3/3.3	0.5/3.4	0.7/4.4
	1330 May	CPI BoC Core (YoY%)	4.0	4.0	4.2
Wednesday 28 June					
Germany	0700 Jul	GfK Consumer Sentiment	-22		-24.2
Italy	1000 Jun	CPI Prelim (MoM%/YoY%)	-/-	/	0.3/8
Spain	0800 May	Retail Sales (YoY%)	-		5.5
Eurozone	0900 May	Money-M3 Annual Growth	1.5		1.9
Thursday 29 June					
US	1330 Initial	Jobless Claims	270		264
	1330 Continuing	Jobless Claims	1780		1759
	1330 Q1	GDP Final (USD bn)	1.5	1.5	1.3
Germany	1300 Jun	CPI Prelim (MoM%/YoY%)	0.4/6.7	/	-0.1/6.1
Sweden	0830	Riksbank Rate	3.75		3.50
Eurozone	1000 Jun	Business Climate	-		0.19
	1000 Jun	Economic Sentiment	94.5		96.5
	1000 Jun	Consumer Confidence Final	-		
Friday 30 June					
US	1330 May	Personal Income (MoM%)	0.4	0.4	0.4
	1330 May	Personal Consumption Real (MoM%)	0	0	0.5
	1330 May	Consumption, Adjusted (MoM%)	0.2	0.2	0.8
	1330 May	Core PCE Price Index (MoM%/YoY%)	0.4/4.7	0.3/4.7	0.4/4.7
	1445 Jun	Chicago PMI	45	44.4	40.4
	1500 Jun	U Mich Sentiment Final	63.9	63.9	63.9
Germany	0700 May	Retail Sales (MoM%/YoY%)	0.05	/	0.8/-4.3
	0855 Jun	Unemployment Rate SA	5.6		5.6
France	0745 Jun	CPI Prelim (YoY%)	-		6
UK	0700 Q1	GDP (QoQ%/YoY%)	0.1/0.2	/	0.1/0.2
Italy	0900 May	Unemployment Rate	7.9		7.8
Canada	1330 Apr	GDP (MoM%)	0.2		0
Eurozone	1000 Jun	CPI Flash (YoY%)	5.7		6.1
	1000 Jun	Core CPI Flash (YoY%)	5.3		5.3
	1000 May	Unemployment Rate	6.5		6.5

Source: Refinitiv, ING

Key events in EMEA next week

Country	Time	Data/event	ING	Survey	Prev.
Monday 26 June					
Poland	0900	May Unemployment Rate	5.1	5.1	5.2
Tuesday 27 June					
Hungary	0730	Q1 C/A Balance QQ	-0.5	-0.5	-4.34
Wednesday 28 June					
Russia	1700	May Industrial Output	5.6	5.8	5.2
	1700	May Retail Sales (YoY%)	7.5	7.8	7.4
	1700	May Unemployment Rate	3.3	3.5	3.3
		- May GDP (YoY%) Monthly	-		3.3
Thursday 29 June					
South Africa	1030	May PPI (MoM%/YoY%)	-/-	/	0/8.6
Turkey	1230	Gross FX Reserves	-		57.79
Friday 30 June					
Poland	0900	June flash CPI (YoY%)	11.7		13
Czech Rep	0800	Q1 Revised GDP (QoQ%/YoY%)	0/-0.4		0/-0.4
South Africa	0700	May M3 Money Supply (YoY%)	-		10.14
	0700	May Private Sector Credit Ext.	-		7.07
	1300	May Trade Balance (Incl. Region)	-		3.54

Source: Refinitiv, ING

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Asia week ahead: Australia's inflation plus regional industrial output

Regional industrial production to show mixed trends while Australia's inflation could decline further



Inflation in Australia to dip further

May inflation should show a further decline after it jumped in April. We estimate the CPI index rose 0.2% month-on-month, which will result in a fall in annual inflation from 6.8% to 6.3%. Following the guidance from the Reserve Bank of Australia's (RBA) minutes from June, where the decision to hike was a very finely balanced one, this improvement in inflation suggests that July could well provide the bank with a chance to pause.

Korean output likely to slip but sentiment to rebound

Industrial production is likely to fall in May mainly due to a reduction in semiconductor production. Two major chipmakers announced plans to cut production in early 2023, a process which generally takes about six months to hit target levels. Thus, weak chip manufacturing activity is expected to have led to a decline in overall IP in May.

Meanwhile, survey results will likely show that consumer and business sentiment has improved.

Equity markets rebounded on the back of the AI hype, and interest rates did not change much as the BoK paused for two meetings.

Japan's manufacturing activity and labour market upbeat while inflation likely to heat up

Based on the recent strong PMI readings, we believe that Japan has continued its gradual recovery. Industrial production should show another monthly gain on the back of solid domestic demand and car production. The golden week holiday in May should probably boost service job hiring, and thus labour market conditions are expected to remain healthy.

On the inflation front, Tokyo consumer prices are the key input to the Bank of Japan's policy decision. We think July Tokyo consumer inflation should reaccelerate with both commodity and services prices rising.

China's industrial profits to remain in the red

May industrial profits are likely to remain very negative. Following a year-to-date year-on-year decline of 18.2% in April, we look for a 21% decline in May.

Singapore's industrial production to track soft NODX

Industrial production will likely remain in contraction, mirroring weakness reported in the recent non-oil domestic exports figures. While we could see output increase on a monthly basis (1.7%), the overall YoY reading should stay negative (-3.9% YoY). We expect industrial production to struggle in the near term, given our outlook for NODX.

Asia Economic Calendar

Country	Time (GMT+8)	Data/event	ING	Survey	Prev.
Monday 26 June					
Japan	0600	Apr Leading Indicator Revised	-		0.7
Indonesia	0500	May M2 Money Supply (YoY%)	-		5.5
Singapore	0600	May Manufacturing Output (MoM%/YoY%)	1.7/-3.9		-1.9/-6.9
Taiwan	0900	May Industrial Output (YoY%)	-		-22.86
	0920	May Money Supply - M2 (YoY%)	-		6.7
Tuesday 27 June					
Philippines	-	May Budget Balance (PHP bn)	-		66.8
Taiwan	0900	May Unemployment rate (%)	-		3.56
South Korea	2200	Jun BoK Consumer Sentiment Index	100		98
Wednesday 28 June					
Japan	0050	May Retail Sales (YoY%)	-		5
Australia	930	Inflation (MoM%/YoY%)	0.2/6.3		-/6.8
China	930	Industrial profits (YoY%)	-21		-18.2
South Korea	2200	Jul BOK Manufacturing BSI	72		70
Friday 30 June					
Japan	0030	May Unemployment Rate	2.6		2.6
	0030	June Tokyo CPI (YoY%)	3.4		3.2
	0050	May Industrial O/P Prelim (MoM%) SA	0.6		0.7
	0600	May Housing Starts (YoY%)	-		-11.9
China	0230	Jun NBS Manufacturing PMI	-		48.8
	0230	Jun NBS Non-Mfg PMI	-		54.5
South Korea	0000	May Industrial Output (YoY%)	-11.0		-8.9
	0000	May Industrial Output Growth	-1.0		-1.2

Source: Refinitiv, ING

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