

## Our view on next week's key events

Discover what ING analysts are looking for next week in our global economic calendars

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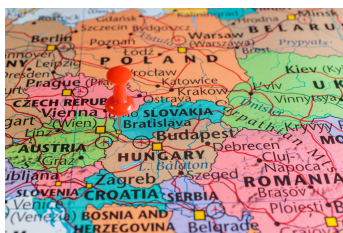


#### Key Events

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# Key events in developed markets next week

US housing numbers will be the main focus next week. The Federal Reserve's aggressive hiking cycle has already sent the market into recession and more pain lies ahead. In the eurozone, we expect higher inflation at 9.6% while unemployment should remain unchanged



Source: Shutterstock

## ✓ US: Housing numbers in focus after Fed's 75bp hike

After the Federal Reserve's 75bp rate hike this week and Jerome Powell's commentary that the Fed is prepared to sacrifice growth and jobs to ensure inflation comes back to target, we will be hearing from many more officials over the coming week. Given the strong clustering of near-term forecasts for rates and the economy, the hawkish comments hinting at another 75bp hike in November are likely to come thick and fast.

The data calendar is fairly light with housing numbers the main focus. With mortgage rates now firmly above 6%, more pain is coming in the housing market where a recession is already underway.

## ✓ Eurozone: Higher inflation and unemployment rate expect to remain at 6.6%

Inflation figures will be the main focus in the eurozone. Expect higher prices partly due to Germany's decision to [end cheap public transport tickets as of 31 August](#). The key will be to see

how much other categories have continued to rise. Separately, unemployment data is out on Friday. We expect the labour market to have remained very tight with the unemployment rate stable at a historic low of 6.6% despite business hiring expectations sliding in recent months.

## 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%)	9.6	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

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## Key events in EMEA next week

As the latest inflation numbers were well below the Czech National Bank's forecasts, we believe the CNB repo rate will remain unchanged at 7%. For Hungary, although another 100bp increase is on the table, we favour a 75bp hike right now due to the combination of a lower CPI peak and worse GDP outlook



Source: Shutterstock

### ✓ Czech Republic: Rates should remain unchanged again

Next Thursday, the second monetary policy meeting will be held under the leadership of the new CNB board. Nothing has changed in our forecast since the last meeting and we expect rates to remain unchanged this time, too. This is indicated by both the statements of the board members and the latest inflation numbers, which were well below the CNB's forecasts in July and August. The same result can be expected from the September number (our preliminary forecast is for 17.6% year-on-year). On the other hand, the GDP and wage numbers were higher than the CNB's forecast, but we still believe that lower-than-expected inflation provides an ample buffer for the current board. Thus, we do not see a significant risk of a change in the current CNB view for the coming months, which means that this hiking cycle is done. [Read our full CNB preview here.](#)

### ✓ Hungary: A 75bp hike is expected on Tuesday

The main event of next week in Hungary is the rate-setting meeting of the National Bank of Hungary. We narrowly favour a 75bp hike on Tuesday, taking the Bank Rate to 12.50%, although

another 100bp is clearly on the table. The government's decision to prolong price cap measures for basic food and fuel will lower the near-term CPI peak, somewhat limiting concerns about consumer inflation expectations becoming extreme. Moreover, the introduction of liquidity draining measures and the expected improvement in the monetary transmission mechanism reduce the urgency to continue tightening in 100bp increments. The latest official communication, which pointed out that the CPI peak might be near - a milestone in this tightening cycle - could also be a sign of a possible slowdown in the pace of hiking. We also see the central bank revising its GDP outlook significantly downward in 2022 and 2023, providing another talking point for reducing the size of rate increases. However, decision-makers might be worried about the vulnerability of the forint, and will also argue that the government's latest support package (prolonged mortgage rate freeze, energy bill and investment support to energy-intensive SMEs, investment support to large energy-intensive factories and a job protection action plan) could increase medium-term inflation given it reduces the risk of recession. If these latter arguments are taken into account with greater weight, we see a chance for a 100bp hike next week. That means it's a close meeting to call. [Read our full NBH Preview here.](#)

## Key events in developing markets next week

Country	Time	Data/event	ING	Survey	Prev.
<b>Monday 26 September</b>					
Brazil	1330	Jun Current Account	-		-3.5
	1330	Jun Foreign Direct Investment	-		4.5
Mexico	1200	Jul IGAE Econ Activity (YoY%)	-		1.6
<b>Tuesday 27 September</b>					
Hungary	1300	Sep Hungary Base Rate	12.50		11.75
Brazil	1300	Sep IPCA-15 Mid-Month CPI	-		-0.73
	1300	Sep IPCA-15 Mid-Month CPI (YoY%)	-		9.6
Mexico	1200	Aug Trade Balance SA	-		-4.401
	1200	Aug Jobless Rate	-		3.4
<b>Wednesday 28 September</b>					
Russia	1700	Aug Industrial Output	-1.0	-0.9	-0.5
	1700	Aug Retail Sales (YoY%)	-10.0	-8.5	-8.8
	1700	Aug Unemployment Rate	4.2	4.1	3.9
		- Aug GDP (YoY%) Monthly	-	-4.8	-4.3
<b>Thursday 29 September</b>					
Turkey	1200	Aug Bank NPL Ratio	-		2.42
Czech Rep	1330	CNB Repo Rate	7.0		7.0
Hungary	0800	One-Week Deposit Rate	12.50		11.75
South Africa	0700	Aug M3 Money Supply (YoY%)	-		8.15
	0700	Aug Private Sector Credit Ext.	-		7.09
	1030	Aug PPI (MoM%/YoY%)	-/-		2.2/18.0
Brazil	-	Aug Central Government Balance	-		19.3
	1300	Sep IGP-M Inflation Index	-		-0.7
Mexico	1900	Sep Interest Rate	-		8.5
<b>Friday 30 September</b>					
Turkey	0800	Aug Trade Balance	-7.2		-10.7
Czech Rep	0800	Q2 Revised GDP (QoQ%/YoY%)	-		0.5/3.7
Poland	0900	Sep flash CPI (YoY%)	16.6		16.1
South Africa	1300	Aug Trade Balance (Incl. Region)	-		24.8

Source: Refinitiv, ING

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# Asia week ahead: Regional PMI reports and industrial output data

Regional PMI reports and industrial output data are the highlights of the coming week



## Regional PMI readings: weak manufacturing PMI is expected

China's PMI is expected to follow the declining trajectory of the previous months. The worrying amount of Covid cases in China led to the tightening of measures in multiple cities including in the tech hub of Shenzhen, as well as a weeks-long lockdown in Chengdu. This could contribute to falls in orders, employment and business confidence, leading to the Caixin Manufacturing PMI and NBS non-manufacturing PMI falling for the fourth straight month. The impact of the economy might be cushioned for large-scale and state-owned firms surveyed in the NBS manufacturing PMI as orders and input costs for these companies are stable and business sentiment is less affected, contrary to that of private companies.

In Japan, we believe that the reopening of the economy is likely to support service sector activity. Thus, the composite PMI is expected to rebound mainly on a rise in the services PMI while the manufacturing PMI continues to fall.

In Korea, local business surveys are due to be released next week, and these are expected to

deteriorate amid several headwinds, such as high interest rates both at home and abroad, production disruptions at major steel factories due to typhoons, and poor performance expectations in the semiconductor sector. The recent depreciation of the Korean won probably played a role in worsening the sentiment as well.

## Regional industrial production data points to a slowdown

Japan, Korea, and Singapore will release their August industrial production data next week which will suggest a slowdown in manufacturing activity throughout the Asian region. In Japan, despite a boost from the reopening, industrial production in August is expected to take a breather and decline moderately after a strong gain over the past two months. South Korea's industrial production is expected to contract more intensely on the back of weak output from automobiles and IT/semiconductors. In Singapore, we also expect a modest monthly decline as the manufacturing PMI fell in August. However, as the material shortage situation has improved since June, the magnitude of the decline should be smaller than in the previous month.

## India's repo rate

The Reserve Bank of India will meet on 30 September to discuss interest rates. It is likely the Bank will hike its key repo rate by 30bp to 5.7%. As inflation rose from 6.7% in July to 7% in August, policymakers should continue to feel the pressure and increase repo rates in an attempt to cool the economy.

## Asia Economic Calendar

Country	Time	Data/event	ING	Survey	Prev.
<b>Monday 26 September</b>					
Japan	0130	Jibun Bank PMI Manufacturing	50.5		51.5
	0130	Jibun Bank PMI Services	50.5		49.5
Singapore	0600	Aug Manufacturing Output (MoM%/YoY%)	-1.1/0.1		-2.3/0.6
South Korea	2200	Sep BoK Consumer Sentiment Index	86		88.8
<b>Tuesday 27 September</b>					
China	0230	Aug Industrial Profit (YoY%)	1.3		0.8
<b>Wednesday 28 September</b>					
Japan	0600	Jul Leading Indicator Revised	-		-0.7
South Korea	2200	Oct BOK Manufacturing BSI	80		82
<b>Friday 30 September</b>					
Japan	0600	Aug Housing Starts (YoY%)	-		-5.4
	0030	Aug Unemployment Rate	2.5		2.6
	0050	Aug Industrial O/P Prelim (MoM%/YoY%)	-0.3/1.0		0.8/-1.2
	0050	Aug Retail Sales (YoY%)	-		2.4
South Korea	0000	Aug Industrial Output (YoY%)	1.7		1.5
	0000	Aug Industrial Output Growth	-1.0		-1.3
China	0230	Sep NBS Manufacturing PMI	49.3		49.4
	0230	Sep NBS Non-Manufacturing PMI	52.3		52.6
	0245	Sep Caixin Manufacturing PMI Final	49.2		49.5
India	0530	Repo Rate	5.7		5.4
	0530	Reverse Repo Rate	-		3.35
	0530	Cash Reserve Ratio	-		4.5

Source: Refinitiv, ING

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