

## Our view on next week's key events

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### In this bundle



#### Key Events

#### Key events in developed markets and EMEA next week

The market is firmly backing a 50bp hike from the Fed in December, and with US economic data so far proving to be resilient, all eyes are on next...

By James Knightley, Bert Colijn and Peter Virovacz



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

#### Asia week ahead: PMI reports to show impact of China restrictions

Regional PMI readings and inflation reports will be the highlight for the coming week

By Min Joo Kang and Robert Carnell

# Key events in developed markets and EMEA next week

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## ✓ US: Fed may need to toughen its stance

The market remains firmly behind the view that the Federal Reserve will raise interest rates by 50bp on 14 December given Fed speakers have indicated the likelihood of less aggressive step increases in interest rates after four consecutive 75bp hikes. However, the economic data is proving to be pretty resilient and we are a little nervous that a 7% fall in the US dollar against the currencies of its main trading partners, and the 45bp drop in the 10Y Treasury yield, is leading to a significant loosening of financial conditions – the exact opposite of what the Fed wants to see as it battles inflation. Consequently, we wouldn't be surprised to see the Fed language become more aggressive over the coming week, talking about higher terminal interest rates – with some of the more hawkish members perhaps even opening the door to a potential fifth consecutive 75bp hike in December (although we don't think they would actually do it) to ensure the market gets the message. Currently, only three officials are scheduled to speak, but we wouldn't be surprised to see more make sudden appearances in the media.

Data-wise, the jobs report on Friday will be the focus, but there will also be interest in the ISM manufacturing index and the Fed's favoured measure of inflation – the core personal consumer expenditure deflator – both of which are published on Thursday. The ISM is likely to drift just below

the break-even 50 level given the softening trend seen in regional manufacturing indicators. The PCE deflator could be interesting too since it doesn't always match what happens in core CPI. If you remember, that rose "only" 0.3% month-on-month versus expectations of a 0.5% increase and was the catalyst for the recent drop in Treasury yields, as expectations for Fed rate hikes were scaled back. A 0.4%+ print for MoM core PCE deflator could generate quite a sizeable reverse reaction. Meanwhile, the jobs numbers should hold around 200,000 given the number of vacancies continues to exceed the number of unemployed people by a ratio of 1.9:1. Nonetheless, there are more firings going on in the tech sector and the increase in initial claims also points to softer employment growth in the coming months.

### Eurozone: All eyes on inflation

Has a eurozone inflation figure ever been more important than the November reading that is due out on Wednesday? With the ECB focusing more on current inflation developments for determining when to move to smaller rate hikes, the November inflation figure will be very relevant for the December rate hike decision. While energy prices have been moderating and other supply shocks are fading, the question is how quickly this impacts consumer prices. Also keep an eye out for unemployment on Thursday. Any sign of the labour market slowing will also be taken into account at the next policy meeting.

### Hungary: Third-quarter GDP supported by industrial and services sectors

Next week's events calendar for Hungary is focused on one day. On the first day of December, we are going to see detailed GDP data from the third quarter. Here we expect that industrial production will show a better-than-expected performance, giving support to the net export which has suffered under the pressure of the energy crisis. Along with industry, the services sector is expected to be a key driver, which was able to limit the quarter-on-quarter drop in GDP. The manufacturing PMI has shown significant monthly volatility recently thus we see a down month in November after a significant upside surprise in October.

## Key events in developed markets next week

Country	Time	Data/event	ING	Survey	Prev.
<b>Monday 28 November</b>					
Eurozone	0900	Oct Money-M3 Annual Grwth	6.1	6.1	6.3
	0900	Oct Broad Money	-		16174444
<b>Tuesday 29 November</b>					
US	1400	Sep CaseShiller 20 (MoM%/YoY%)	-/-		-1.3/13.1
	1500	Nov Consumer Confidence	100	100.3	102.5
Germany	1300	Nov CPI Prelim (MoM%/YoY%)	1.0/10.9		0.9/10.4
Spain	0800	Nov CPI (MoM%/YoY%) Flash NSA	-		0.3/7.3
Canada	1330	Q3 GDP (YoY%)	3.6		4
	1330	Sep GDP (MoM%)	0.1		0.1
Sweden	0700	Q3 GDP Final (QoQ%/YoY%)	-		0.7/2.6
Switzerland	0800	Q3 GDP (QoQ%/YoY%)	-/-		0.3/2.4
Eurozone	1000	Nov Business Climate	-		0.76
	1000	Nov Economic Sentiment	91		92.5
	1000	Nov Consumer Confidence Final	-		
<b>Wednesday 30 November</b>					
US	1315	Nov ADP National Employment	200	203	239
	1330	Q3 GDP 2nd Estimate	2.7	2.8	2.6
	1330	Q3 GDP Deflator Prelim	4.1		4.1
	1330	Q3 Core PCE Prices Prelim	4.5		4.5
	1445	Nov Chicago PMI	48	47.3	45.2
	1330	Initial Jobless Claims	250		240
	1330	Continue Jobless Claims	1570		1551
Germany	0855	Nov Unemployment Rate SA	5.6		5.5
France	0745	Q3 GDP (QoQ%/YoY%)	-/-		0.2/1
	0745	Nov CPI Prelim (YoY%)	-		7.1
	0745	Nov CPI (EU Norm) Prelim (MoM%)	-		1.2
Italy	0900	Q3 GDP Final (QoQ%/YoY%)	-/-		0.5/2.6
	1000	Nov CPI Prelim (MoM%/YoY%)	-/-		3.8/12.6
Spain	0800	Oct Retail Sales (YoY%)	-		0.1
Portugal	0930	Nov CPI Flash (YoY%)	-		10.1
	1100	Q3 GDP (QoQ%/YoY%)	-/-		0.4/4.9
Austria	0800	Q3 GDP Growth (QoQ%) Final	-		-0.1
Eurozone	1000	Nov CPI Flash (YoY%)	10.5		10.6
	1000	Nov Core CPI Flash (YoY%)	5		5
<b>Thursday 1 December</b>					
US	1330	Oct Personal Income (MoM%)	0.4	0.4	0.4
	1330	Oct Personal Consump Real (MoM%)	0.3		0.3
	1330	Oct Consumption, Adjusted (MoM%)	0.7	0.7	0.6
	1330	Oct Core PCE Price Index (MoM%)	0.3	0.3	0.5
	1500	Nov ISM Manufacturing PMI	49.5	50	50.2
	1500	Nov ISM Manufacturing Prices Paid	48		46.6
Germany	0700	Oct Retail Sales (MoM%/YoY%)	-1/-2		0.9/-0.9
	0855	Nov S&P Global/BME Manufacturing PMI	-		
UK	0930	Nov S&P Global/CIPS Manufacturing PMI Final	46.2		46.2
	0930	Nov S&P Global/CIPS Services PMI Final	48.8		48.8
Italy	0845	Nov S&P Global/IHS Manufacturing PMI	-		46.5
	0900	Oct Unemployment Rate	-		7.9
Switzerland	0730	Nov CPI (MoM%/YoY%)	-/-		0.1/3
Eurozone	0900	Nov S&P Global Manufacturing Final PMI	-		
	1000	Oct Unemployment Rate	6.6		6.6
<b>Friday 2 December</b>					
US	1330	Nov Non-Farm Payrolls	220	200	261
	1330	Nov Private Payrolls	200	190	233
	1330	Nov Unemployment Rate	3.7	3.8	3.7
Germany	0700	Oct Imports/Exports	1.0/0.5		-2.3/-0.5
	0700	Oct Trade Balance	2.7		3.7
Canada	1330	Nov Unemployment Rate	5.3		5.2

Source: Refinitiv, ING

## Key events in EMEA next week

Country	Time	Data/event	ING	Survey	Prev.
<b>Monday 28 November</b>					
Russia	-	Oct GDP (YoY%) Monthly	-		-5
Mexico	1200	Oct Trade Balance SA	-		-0.233
<b>Tuesday 29 November</b>					
Turkey	0700	Oct Trade Balance	-8.0		-9.6
	1100	Oct Bank NPL Ratio	-		2.28
South Africa	0600	Oct M3 Money Supply (YoY%)	-		8.75
	0600	Oct Private Sector Credit Extension	-		9.74
Brazil	-	Oct Central Govt Balance	-		10.954
	1200	Nov IGP-M Inflation Index	-		-0.97
Mexico	1200	Oct Jobless Rate	-		3.3
<b>Wednesday 30 November</b>					
Russia	1600	Oct Retail Sales (YoY%)	-12.0	-9.8	-9.8
	1600	Oct Unemployment Rate	4.2	4.1	3.9
Turkey	0700	Q3 GDP Quarterly (YoY%)	4.5		7.6
Poland	0900	Q3 GDP (QoQ%/YoY%)	-/-		0.9/3.5
	0900	Nov Flash CPI (%YoY)	17.9		17.9
South Africa	1200	Oct Trade Balance (Incl. Region)	-		19.7
<b>Thursday 1 December</b>					
Russia	0600	Nov S&P Global Manufacturing PMI	-		50.7
Turkey	0700	Nov Manufacturing PMI	-		46.4
Poland	0800	Nov S&P Global Manufacturing PMI	42.6		42
Czech Rep	0830	Nov S&P Global PMI	43.7		41.7
	1300	Nov Budget Balance	-		-286.7
Hungary	0800	Q3 GDP Final (YoY%)	4.0		4.0
	0800	Nov Manufacturing PMI	49.9		56.4
	0800	Sep Trade Balance Final	-652		-652
Brazil	1200	Q3 GDP (QoQ%/YoY%)	-/-		1.2/3.2
	1300	Nov S&P Global Manufacturing PMI	-		50.8
Mexico	1530	Nov S&P Global Manufacturing PMI	-		50.3
<b>Friday 2 December</b>					
Czech Rep	0800	Q3 Final GDP (QoQ%/YoY%)	-0.4/1.6		-0.4/1.6
Brazil	0800	Nov IPC-Fipe Inflation Index	-		0.45
	1200	Oct Industrial Output (MoM%/YoY%)	-/-		-0.7/0.4

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)

### **Peter Virovacz**

Senior Economist, Hungary

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

# Asia week ahead: PMI reports to show impact of China restrictions

Regional PMI readings and inflation reports will be the highlight for the coming week



## Regional PMIs

Both official manufacturing and non-manufacturing PMIs for China should be in deeper contraction in October as the number of Covid cases increased, affecting both factory and retail activities. This should also be reflected in the Caixin manufacturing PMI numbers which could show a bigger contraction, as smaller factories are more adversely affected given the challenging logistical situation.

Meanwhile, PMI indices for both South Korea and Taiwan should edge lower due to stalling demand for semiconductors from the US, Europe and China.

## Inflation from Australia, Indonesia and South Korea

Next week we have Australia's October CPI inflation. Inflation data has typically only been released quarterly so this provides us with much more insight into the evolution of prices and provides much more timely updates than we have been used to. Floods in parts of Australia will have put up

fresh food prices and rising gasoline prices should also lift the month-on-month price level increase to almost a full percentage point, which would lift the inflation rate to 7.8%YoY. That ought to be close to the peak for inflation, though there are still higher gasoline prices in November to factor in, and there could still be a little further to go before peak inflation is reached.

Inflation in Indonesia will likely pick up further, with core inflation likely accelerating to 3.5% year-on-year while headline inflation should settle at 5.9% YoY. Elevated price pressures have kept Bank Indonesia busy lately with the central bank recently tightening by 50bp. We expect inflation to inch higher in the coming months which could ensure that BI will stay hawkish going into 2023.

Meanwhile, inflation in Korea is expected to decelerate quite sharply to 5.1% YoY, mainly due to base effects. Fresh food and gasoline prices stabilised during the month while pipeline prices suggest a further deceleration in the coming months.

## Growth numbers from India

India releases 3Q22 GDP data next week. The 2Q figure was buoyed by base effects and came in at 13.51%, which although admittedly very high, was a disappointment, and led us to downgrade our GDP forecasts. We have 6.3% YoY pencilled in for the third quarter, as well as for the full calendar year 2023. Deficit data for October is also due, and will likely show that a modest improvement in India's debt to GDP in 2022/23 remains on track. Something in the region of INR40,000 crore would be in line with recent deficit trends.

## Other key data releases

In Korea, November exports will likely be disappointing as suggested by preliminary data reports. We expect a contraction of 10.5% YoY in November as semiconductor exports and exports to China remain sluggish. Slowing export activity should translate to industrial production contracting for a fourth straight month. Semiconductor and steel production will likely be a drag, but auto production should rebound.

In Japan, the jobless rate may edge up to 2.7% (vs 2.6% in September), but overall labour market conditions remain healthy. However, given the disappointing 3Q GDP report, September industrial production is expected to drop 1.0% MoM, seasonally adjusted, with weak external demand pressuring manufacturing activity.



## Asia Economic Calendar

Country	Time	Data/event	ING	Survey	Prev.
<b>Monday 28 November</b>					
Japan	2330	Oct Unemployment Rate	2.7		2.6
	2350	Oct Retail Sales (YoY%)	-		4.5
<b>Tuesday 29 November</b>					
Japan	2350	Oct Industrial O/P Prelim (MoM%/YoY%)	-1.0/6.2		-1.7/9.6
Taiwan	0830	Q3 GDP Final (YoY%)	4.1		4.1
South Korea	2300	Oct Industrial Output (YoY%)	0.2		0.8
	2300	Oct Industrial Output Growth	-0.5		-1.8
<b>Wednesday 30 November</b>					
China	0130	Nov NBS Manufacturing PMI	48.7		49.2
	0130	Nov NBS Non-Manufacturing PMI	48.0		48.7
India	1200	Q2 GDP Quarterly (YoY%)	-		13.5
South Korea	2300	Q3 GDP Growth (QoQ%/YoY%)	0.3/3.1		0.3/3.1
<b>Thursday 1 December</b>					
Japan	0030	Nov Jibun Bank Manufacturing PMI	49.4		49.4
China	0145	Nov Caixin Manufacturing PMI Final	48.4		49.2
India	0500	Nov IHS S&P Global Manufacturing PMI	-		55.3
Indonesia	0030	Nov IHS S&P Global PMI	-		51.8
	0400	Nov Core Inflation (YoY%)	3.5		3.31
	0400	Nov Inflation (MoM%/YoY%)	-0.15/5.9		-0.11/5.7
Philippines	0030	Nov Manufacturing PMI SA	-		52.6
Taiwan	0030	Nov IHS S&P Global Manufacturing PMI	40.2		41.5
South Korea	0000	Nov Import/Export Growth Prelim	2.5/-10.5		9.9/-5.7
	0000	Nov Trade Balance Prelim	-5		-6.7
	0030	Nov IHS S&P Global Manufacturing PMI	47.5		48.2
	2300	Nov CPI Growth (MoM%/YoY%)	0.1/5.1		0.3/5.7
<b>Friday 2 December</b>					
Singapore	1300	Nov Manufacturing PMI	-		49.7

Source: Refinitiv, ING

### Authors

#### Min Joo Kang

Senior Economist, South Korea and Japan

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

#### Robert Carnell

Regional Head of Research, Asia-Pacific

[robert.carnell@asia.ing.com](mailto:robert.carnell@asia.ing.com)

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