

Our view on next week's key events

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Key events in the developed markets next week

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Source: Shutterstock

US: Expect a sizable increase in payrolls, even if demand continues to outstrip worker supply

The key report to watch next week will be the US jobs release. Nonfarm payrolls are expected to post another sizeable increase of over 500,000 given that we know there is unsatiated demand out there for workers and we are hopeful that the supply of potential staff is increasing.

On the demand side, the economy is growing strongly and there are already more than 10 million vacancies right now. Supply has been the big problem with labour force participation the lowest since the 1970s. Now that schools are back to in-person tuition and extended unemployment benefits have ended, we should be seeing more and more people coming back to search for work. However, with household wealth having increased substantially through the pandemic due to government income support programmes and surging equity markets, there may be a financial buffer that some individuals are running down rather than choosing to find work at this time. Consequently, we continue to expect demand to outstrip supply for workers which will keep upside pressure on wages.

We will also see the ISM manufacturing and service sector reports, which should confirm the

strength in the economy while also highlighting the intensity of price pressures in the economy. With the economy likely to grow in excess of 6% annualised in the current quarter and inflation to average around 6.5%, the case for a swifter path to policy “normalisation” is strong. This raises the prospect that the Federal Reserve accelerates QE tapering, which could be announced as soon as the 15 December FOMC meeting.

Key events in the developed markets next week

Country	Time	Data/event	ING	Survey	Prev.
Monday 29 November					
Germany	1300	Nov CPI Prelim (MoM%/YoY%)	0.6/5.3		0.5/4.5
Spain	0800	Nov CPI (MoM%/YoY%) Flash	-		1.8/5.4
Sweden	0830	Q3 GDP Revised (QoQ%/YoY%)	1.8/4.7		1.8/4.7
	0830	Oct Trade Balance	-		6.3
Eurozone	1000	Nov Business Climate	-		-
	1000	Nov Economic Sentiment	118.0		118.6
	1000	Nov Consumer Confidence Final	-6.8		-6.8
Tuesday 30 November					
US	1400	Sep CaseShiller 20 (MoM%/YoY%)	-/-		1.2/19.7
	1500	Nov Consumer Confidence	-	111.8	113.8
Germany	0855	Nov Unemployment Rate	5.3		5.4
France	0745	Q3 GDP (QoQ%/YoY%)	-/-		3/3.3
	0745	Nov CPI Prelim (MoM%/YoY%)	-		0.4/3.2
Italy	0800	Q3 GDP Final (QoQ%/YoY%)	-/-		2.6/3.8
	1000	Nov CPI Prelim (MoM%/YoY%)	-/-		0.9/3.2
Canada	1330	Q3 GDP (YoY%)	-		12.7
Eurozone	1000	Nov CPI Flash (YoY%)	4.3		4.1
	1000	Nov Core CPI Flash (YoY%)	2.2		2.1
Wednesday 1 December					
US	1315	Nov ADP National Employment	-	460	571
	1500	Nov Manufacturing ISM index	61.5	61	60.8
Germany	0700	Oct Retail Sales (MoM%/YoY%)	1.5/1.5		-2.5/-0.9
Switzerland	0730	Nov CPI (MoM%/YoY%)	-/-		0.3/1.2
Thursday 2 December					
US	1330	Initial Jobless Claims	-		119
	1330	Continuing Jobless Claims	-		2049.0
Italy	0900	Oct Unemployment Rate	-		9.2
Eurozone	1000	Oct Unemployment Rate	7.4		7.4
Friday 3 December					
US	1330	Nov Non-Farm Payrolls	550	550	531
	1330	Nov Unemployment Rate	4.5	4.5	4.6
	1330	Nov Avg Hourly Earnings (MoM/YoY%)	0.4/5.0		0.4/4.9
	1500	Oct Factory Orders (MoM%)	-	0.5	0.2
	1500	Nov Non-manufacturing ISM index	65	65	66.7
France	0745	Oct Industrial Output (MoM%)	-		-1.3
Canada	1330	Nov Unemployment Rate	-		6.7
Eurozone	1000	Oct Retail Sales (MoM%/YoY%)	0.5/1.40		-0.3/2.5

Source: Refinitiv, ING

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Key events in emerging markets next week

It's a big data week, with key jobs and wage data in Hungary, and GDP figures across the region



Source: Shutterstock

Hungary: Labour shortages remain prominent

There's plenty of data to watch in Hungary next week. The unemployment rate probably decreased somewhat in October, though the three-month average will remain unchanged given worker shortages are making hiring tougher for corporates. Indeed, labour shortages are also impacting wage growth, and we expect an acceleration in the September wages data.

Meanwhile, third-quarter GDP will give us a chance to dig into the details behind the downside surprise. We think net exports were the big underperformer. We are also getting the first data covering the fourth quarter, with retail sales showing further improvement in non-food and fuel.

Turkey: Recovery continues but downside risks are imminent

Following the strong performance in the first half of the year, GDP in the third quarter will likely have continued its recovery. We expect 7.7% YoY growth on the back of continuing support from external demand and resilient domestic demand. We expect 9.5% growth for this year, and a possibility of an even higher figure, while downside risks are accumulating for the next year after the recent currency movements.

Key events next week

Country	Time	Data/event	ING Survey	Prev.
Monday 29 November				
Turkey	0700	Oct Trade Balance	-	-2.55
	1100	Oct Bank NPL Ratio	-	3.54
Hungary	0800	Oct Unemployment Rate 3M	4.0	3.9
South Africa	0600	Oct M3 Money Supply (YoY%)	-	4.0
	0600	Oct Pvt Sector Credit Ext.	-	1.6
Brazil	1100	Nov IGP-M Inflation Index	-	0.64
	1200	Oct Central Government Balance	-	0.30
Mexico	1200	Oct Jobless Rate	-	4.2
Tuesday 30 November				
Turkey	0700	Q3 GDP Quarterly (YoY%)	7.7	21.7
Poland	0900	Q3 GDP (QoQ%/YoY%)	-/-	2.1/5.1
Czech Rep	0800	Q3 GDP (QoQ%/YoY%)	-	1.4/2.8
Hungary	0800	Sep Average Gross Wages (YoY%)	9.3	9.1
South Africa	1200	Oct Trade Bal (Incl. Region)	-	22.24
Wednesday 1 December				
Czech Rep	1300	Nov Budget Balance	-	-335
Hungary	0800	Q3 GDP Final (YoY%)	6.1	6.1
Thursday 2 December				
Hungary	0800	Sep Trade Balance Final	1.0	1.0
	0830	One-Week Deposit Rate	3.10	2.90
Brazil	0800	Nov IPC-Fipe Inflation Idx	-	1.0
	1200	Q3 GDP (QoQ%/YoY%)	-/-	-0.1/12.4
Friday 3 December				
Russia	1600	Oct Retail Sales (YoY%)	5.0	5.6
	1600	Oct Unemployment Rate	4.3	4.3
Turkey	0700	Nov CPI (MoM%/YoY%)	2.8/20.5	2.4/19.9
Hungary	0800	Oct Retail Sales (YoY%)	6.1	5.8
Brazil	1200	Oct Industrial Output (MoM%/YoY%)	-/-	-0.4/-3.9

Source: Refinitiv, ING

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Asia week ahead: Data centres on growth and production

GDP and production readings will be the highlights next week



GDP may be impacted by shutdowns and reopening

A couple of themes present themselves in the coming week, namely GDP and production. In terms of GDP, the first relevant data point is the contribution to third quarter GDP from net trade in Australia, which comes out a day ahead of the Australian 3Q GDP figure. India also releases 3Q GDP data on the 30th and like Australia, its GDP report will be heavily affected by Covid and the timing of lockdowns and reopening. Base effects drop out sharply from India's 3Q21 annual comparison, which will bring the year-on-year growth rate down, but this is partially offset by a strong bounce back from the Delta wave which ravaged India's economy in 2Q21. What this does is pitch two huge and offsetting swing factors against each other, and the scope for forecasting errors is huge. Not only that, but interpreting what any forecasting "miss" actually means for India will be problematic. Australia's GDP release faces almost exactly the opposite issues. 3Q21 marked a period of widespread lockdown in Australia, and there will undoubtedly be a significant hit to economic activity – just how large is a matter of guesswork though, and with a strong bounce likely in 4Q21, markets may be inclined to ignore any forecasting data surprises here.

Production matters

As well as GDP, two of North Asia's big exporters, Japan and South Korea will release production data for October. Base effects from the big output contractions in 2020 have fully worked through the data, so what we are seeing now is more representative of the trend growth rate of production in both countries. The short story is that production growth isn't very impressive in either economy. Both Japan and Korea registered small declines in annual output growth in September. However, this is volatile data and it would probably be fairer to describe growth as approximately flat at present.

We also get production numbers out from China with official manufacturing PMI for November expected to edge up from October and move from contraction to expansion on a monthly basis. The increase likely came about after electricity outages were solved by November compared to several days of sudden outage in October. Despite the projected improvement, manufacturing activity should be at a subdued level as export orders slow towards the close of the year and as construction activity faces delays given the sudden cold weather. Meanwhile, the non-manufacturing PMI should fall from October, having enjoyed a temporary boost due to the extended holiday. We expect a slight dip for services although the PMI should remain in expansion due to increased financial activity in November.

The rest of the field

Meanwhile, South Korea reports November inflation data at the end of next week. The report comes a week after the Bank of Korea rate setting meeting so the relevance will be more in terms of vindication of the BoK's rate hike. Inflation could also provide clues about the extent to which the BoK will have to tighten in 2022. Indonesia also reports inflation next week although price pressures remain subdued due to relatively soft domestic activity. Soft inflation in Indonesia has allowed Bank Indonesia to retain its pro-growth stance in the near term to help support the economic recovery.

India also releases some fiscal deficit figures for October on 30 November. Progress on deficit reduction and meeting budget targets will be important for India if it is to avoid ratings downgrades next year. India is currently right at the cusp of investment grade, and Fitch has the country on negative outlook. So these numbers will become increasingly important over the coming months.

Asia Economic Calendar

Country	Time	Data/event	ING	Survey	Prev.
Monday 29 November					
Japan	2330	Oct Unemployment Rate	2.7		2.8
	2350	Oct Industrial O/P Prelim (MoM%/YoY%)	-1/0.3		-5.4/-2.3
South Korea	2300	Oct Industrial Output (YoY%)	2.3		-1.8
	2300	Oct Industrial Output Growth	-0.4		-0.8
Tuesday 30 November					
Japan	0500	Oct Housing Starts (YoY%)	3.6		4.3
Australia	0030	Q3 Current Account Balance SA	21.5		20.5
India	1200	Q2 GDP Quarterly (YoY%)	9.2		20.1
China	0100	Official manufacturing PMI	50.0		49.2
China	0100	Official non-manufacturing PMI	51.5		52.4
Wednesday 1 December					
Japan	2350	Nov Monetary Base (YoY%)	10.4		9.66
Australia	0030	Q3 GDP (QoQ%/YoY%)	-2.5/3.2		0.7/9.6
India	-	Nov Fiscal Deficit - INR Crore	52795		58842.0
Indonesia	0400	Nov Inflation (YoY%)	1.7		1.7
	0400	Nov Inflation (MoM%/YoY%)	0.1/1.7		0.1/1.3
South Korea	0000	Nov Export Growth Prelim	28		24.1
	0000	Nov Import Growth Prelim	42		37.7
	0000	Nov Trade Balance Prelim	1.8		1.78
	2300	Nov CPI (MoM%/YoY%)	0.2/3.5		0.1/3.2
	2300	Q3 GDP Final (QoQ%/YoY%)	0.3/4.0		0.3/4
Taiwan	0030	Markit PMI	55.1		55.2
China	0145	CAIXIN manufacturing PMI	50.5		50.6
Thursday 2 December					
Australia	0030	Oct Trade Balance (A \$bn)	13089		12243
Friday 3 December					
Singapore	0500	Oct Retail Sales (MoM%/YoY%)	-/-		6.0/6.6

Source: Refinitiv, ING, *GMT

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