

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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By James Knightley, Bert Colijn and James Smith



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Key events in developed markets next week

US jobs, Eurozone inflation and UK PMIs will be in focus in what is a jam-packed week for data

US: Jobs report in focus with markets on the lookout for wage pressures

It's fair to say the past couple of jobs reports have been pretty rosy. Employment has soared since the start of the year, and according to the household survey, well over a million new workers have entered the labour force. While this undoubtedly good news, it has led to questions about whether there is in fact more slack in the economy than thought - and by extension, whether a larger pool of workers will keep a lid on wage growth.

However, we don't think this is the case. Surveys are increasingly pointing to labour shortages; a measure of vacancy length shows that it's taking firms almost twice as long to fill posts as it did during the depths of the crisis. And according to the NFIB small business survey, the proportion of firms planning to raise compensation is the highest since the early-2000s. This is also what we are hearing from our own US corporate clients, many of whom are worried about not being able to fill posts at all should employees quit.

With this in mind, we expect a modest recovery in wage growth next week and look for it to test 3% again later this year. This is one of the main reasons why we expect four hikes from the Federal Reserve this year.

[Read more about the discussions James Knightley had on his recent US/LatAm trip](#)

Eurozone: Expect the recent slide in headline inflation to come to a halt

Inflation will be the release to watch in the Eurozone next week. The recent slide we've seen in the headline rate should come to a halt this month, although the disappointing pickup in Spanish CPI indicates that we shouldn't expect too much.

The latest unemployment rate will also be announced, and even though the direct market impact could be pretty limited, it will provide an insight into the domestic engine of the Eurozone upswing. Slower declines in unemployment are likely to translate into slower household consumption growth and the limit the prospect of an acceleration in wage growth.

✓ UK: Is the lagging service-sector coming back to life?

After a tough twelve months, last month's services PMI were a little more upbeat - new work is rising at the fastest pace in just under a year, which is pushing up demand for labour. We expect a similar story this month, although there's a risk the PMIs suffer from the recent bouts of cold weather. And despite the more encouraging news coming from the service sector as a whole, the consumer-facing sector is still struggling, and this looks set to keep a lid on overall economic growth in 2018.

That said, the manufacturing sector continues to be a relative bright spot. With global growth momentum continuing to drive new orders, we expect another solid manufacturing PMI next week.

Key events next week

Country	Time	Data/event	ING	Survey	Prev.
Monday 2 April					
US	1500	Mar ISM Manufacturing	59.5	60	60.8
Japan	0050	1Q Tankan Manufacturing Index	-	25	25
	0050	1Q Tankan Non-manufacturing Index	-	24	23
Tuesday 3 April					
Japan	0050	Mar Monetary base (JPY tr)	-	-	475.18
UK	0930	Mar Markit/CIPS Manufacturing PMI	55	55	55.2
Australia	0530	RBA Cash Rate Target	1.5	1.5	1.5
N Zealand	0300	Treasury Publishes Monthly Economic Indicators			
	2300	N.Z. Government 8-Month Financial Statements			
Spain	0815	Markit Manufacturing PMI	55	56	
Sweden	0730	Mar Swedbank/Silf PMI Manufacturing	-	-	59.9
Norway	0800	Mar DNB/NIMA PMI Manufacturing	-	-	57.5
Wednesday 4 April					
US	1315	Mar ADP Employment Change ('000's)	210	205	234.7
	1500	Mar ISM Non-manufacturing	58.7	59.0	59.5
	1600	Fed's Mester speaks on diversity in economics			
Eurozone	1000	Feb Unemployment Rate (%)	8.6	8.5	8.6
	1000	Mar A Core CPI (YoY%)	1.0	1.1	1.0
	1000	Mar Flash CPI (YoY%)	1.3	1.4	1.2
Australia	0230	Feb Retail sales (MoM%)	-	-	0.1
Sweden	0700	Swedish FSA Publishes Mortgage Market Report			
Thursday 5 April					
US	1330	Feb Trade Balance (US\$bn)	-56.0	-55.8	-56.6
Eurozone	1000	Feb Retail Sales (MoM/YoY%)	0.7/2.5	-/-	-0.1/2.3
Germany	0700	Feb New Orders (YoY%)	-	-	8.2
UK	0930	Mar Markit/CIPS Services PMI	54.3	54.2	54.5
Australia	0230	Feb Trade balance (A\$mn)	-	-	1055
Spain	0815	Markit Services PMI	-	56.5	57.3
Sweden	0900	ESV Publishes Swedish Budget Forecasts			
Switzerland	1700	SNB's Maechler, Dewet Moser Speak in Zurich			
Friday 6 April					
US	1330	Mar Change in Nonfarm Payrolls ('000s)	180	195	313
	1330	Mar Unemployment Rate (%)	4.0	4.0	4.1
	1330	Mar Average Hourly Earnings (MoM/YoY%)	0.3/2.7	0.2/2.7	0.1/2.6
Japan	0100	Feb Labor cash earnings (YoY%)	-	-	0.7
	0600	Feb P Leading economic index	-	-	105.6
Germany	0700	Feb Industrial Production (MoM%)	-	-	-0.1
Canada	1330	Mar Net Change in Employment	30	-	15.4
	1330	Mar Unemployment Rate (%)	5.8	-	5.8
Spain	0800	Industrial Production (MoM%)`	-	-	-2.6

Source: Bloomberg, ING

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Asia week ahead: First test of US protectionism

Korea's trade data is the first test of increased US trade protectionism. Improving growth may lead India's central bank to step up the anti-inflation rhetoric, while inflation in the region except the Philippines continues to be benign



10%

Korea's total export growth

YoY in Jan-Feb 2018

First test of US trade protectionism

Korea's trade data for March released over the weekend was the first test of the impact of increasing US protectionist policies on Asian exports. Data has yet to capture the full impact; 6.1% year-on-year export growth in March was slightly below consensus yet a pick up from 3.9% in the previous month.

Korea is the world's fourth-largest steel exporter, and one of Asia's biggest and the US is its top destination with 12.5% of total steel exported in 2017. However, tensions have eased with talks of the free-trade deal between two countries.

Korea's total exports grew by a respectable 10.3% year-on-year in the first quarter of 2018, led by a sustained strong growth in semiconductor exports by 46% and strong demand from China and Europe. Absent a significant tariff shock trade should continue to be the key driver of Korea's GDP growth this year.

6% RBI policy rate

More hawkish Indian central bank

The Reserve Bank of India's monetary policy announcement on Thursday (April 5), is another standout event of the week with the broad consensus forecast of no change to the policy throughout 2018.

The most significant development since the last RBI meeting in early February is evidence of economic growth gathering pace and seasonally low food prices dragging inflation lower, both arguing for the RBI maintaining a neutral policy stance at the upcoming meeting. However, we don't expect policymakers to let their guard down against future inflation risks stemming from the higher cost of food, housing and fuel, a wider fiscal deficit, and a weak currency. On the contrary, with growth now back in the 7 - 8% potential range (7.2% in 3Q FY18), which is where it's widely expected to stay throughout FY2019, the odds of the RBI tightening policy have increased.

If not an outright tightening, we anticipate more members of the RBI's six-member policy committee favouring a tightening at this meeting. In the last few meetings, only one member voted for a 25bp rate hike, while the rest including Governor Patel, opted for a continued neutral stance. We recently abandoned our view of an on-hold policy this year to a forecast of two rate hikes in the second and fourth quarters of FY19.

Expect no respite from the sell-off in Indian government bonds or the Rupee in the near term.

4.7% Consensus forecast of Philippines inflation
In March

A raft of inflation data

Inflation data is set to dominate the calendar for the rest of Asia.

Korea, Indonesia, Philippines and Thailand will release CPI inflation for March. Inflation isn't a problem in Korea, Thailand or Indonesia, but Philippines' inflation has spiked above the policy

target of 2-4% in recent months and is likely to remain above that target in March too. ING and consensus forecast is 4.7%.

Philippines central bank (BSP) has been resisting policy tightening because it expects inflation to return to the target zone within the next 12 months and given that policy changes kick in 12-18 months later, any tightening now would be ineffective in curbing inflation right away.

ING's Philippines economist, Joey Cuyegkeng expects inflation to peak within the next three to six months and expects the BSP to keep policy on hold throughout 2018.

Next week's Asia calendar

Country	Time	Data/event	ING	Survey	Prev.
Friday 30 March					
South Korea	0000	Feb Industrial production (MoM/YoY%)	-0.5	-/-	0.98/4.59
Saturday 31 March					
China	0200	Mar Non-manufacturing PMI	54.5	-	54.4
	0200	Mar Manufacturing PMI	51.5	-	50.3
Sunday 1 April					
South Korea	0100	Mar Exports (YoY%)	7.0	-	4.0
	0100	Mar Trade balance (US\$m)	2750	-	3311
	0100	Mar Imports (YoY%)	6.8	-	14.8
Monday 2 April					
China	0245	Mar Caixin Manufacturing PMI	51.8	-	51.6
India	0600	Mar Nikkei Manufacturing PMI	52.5	-	52.1
Indonesia	0500	Mar CPI core (YoY%)	-	-	2.58
	0500	Mar CPI (YoY%)	3.3	-	3.18
Singapore	1400	Mar Purchasing Managers Index	52.6	-	52.7
Taiwan	0130	Mar Nikkei Manufacturing PMI	56.5	-	56
Thailand	0400	Mar CPI (YoY%)	0.9	-	0.42
	0400	Mar Core-CPI (YoY%)	0.7	-	0.63
South Korea	0130	Mar Nikkei Manufacturing PMI	50.6	-	50.3
Tuesday 3 April					
South Korea	0000	Mar CPI (MoM/YoY%)	0.8/1.4	-/-	0.8/1.4
Hong Kong	0815	Feb Retail sales value (YoY%)	8.0		4.1
	0815	Feb Retail sales volume (YoY%)	5.0		2.2
Wednesday 4 April					
India	0600	Mar Nikkei Services PMI	-	-	47.8
Korea	2300	Feb Current A/C Balance (US\$m)	1.8/0.2		2680.4
Thursday 5 April					
India	1000	Apr 5 RBI policy decision (repo rate, %)	6.0	-	6.0
Malaysia	0500	Feb Trade balance (RM bn)	7.5	-	9.71
	0500	Feb Imports (YoY%)	11	-	11.63
	0500	Feb Exports (YoY%)	8.0	-	17.92
Philippines	0200	Mar CPI (YoY%)	4.7	-	4.5
Friday 6 April					
Philippines	-	Mar Forex reserves (US\$bn)	-	-	80431.59
Singapore	-	1Q A GDP (Q) (YoY%)	-	-	3.6
	-	1Q A GDP (QoQ Annualised %)	-	-	2.1

Source: Bloomberg, ING

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Key events in EMEA and LATAM next week

It's a big week for EMEA data ahead of a general election in Hungary next weekend

Hungary: Expect mixed economic data ahead of the general election

In Hungary, we expect the manufacturing PMI to head south, in line with the recent moves all across Europe. The latest hard data could also be mixed. We think industrial production could disappoint, having come to a temporary halt in February, while retail sales may soar further given increasing real disposable incomes.

There is also a general election set to take place on 8 April, where our base case is for a Fidesz/KDNP win with a simple majority. From a market perspective, this should be a fairly neutral/slightly positive outcome.

Poland: Soft CPI to support a dovish MPC

We expect Polish CPI to remain soft next week, which will support the MPC's dovish rhetoric. Elsewhere, manufacturing sentiment should remain stable, despite drops in other Eurozone countries.

Turkey: Inflation to slip despite recent TRY weakening

Thanks to supportive base effects, we expect inflation to decline to 10.1% in March (from 10.26% previously), despite the recent weakening in the TRY which has been the main factor keeping core inflation sticky. However, there are upside risks given an ongoing deterioration in pricing behaviour.

Next week's EMEA and LATAM calendar

Country	Time	Data/event	ING	Survey	Prev.
Friday 30 March					
Russia	1400	4Q F C/A (US\$mn)	-	-	17800
Turkey	0800	Feb Trade Balance (US\$mn)	-5.75	-	-9.07
	0900	Feb Foreign Tourist Arrivals (YoY%)	-	-	38.5
Serbia	1100	Feb Industrial Production (YoY%)	-	-	10.6
	1100	Feb Trade Balance (€m)	-	-	-336.4
	1100	Feb Retail Sales (YoY%)	-	-	7.1
Croatia	1000	Feb Industrial Production (SA, YoY%)	-	-	-0.4
	-	4Q C/A balance	-	-	3868.19
	-	Feb M1 Money Supply (HRKmn)	-	-	97132.02
Monday 2 April					
Russia	0700	Mar Markit Manufacturing PMI	-	-	50.2
Turkey	0800	Mar Markit/ISO Manufacturing PMI	-	-	55.6
Romania	-	Mar FX Reserves (€bn, Net)	-	-	38672.8
South Africa	1000	Mar Kagiso PMI	-	-	50.8
Tuesday 3 April					
Russia	-	4Q GDP (YoY%)	-	1.9	1.8
Turkey	0800	Mar CPI (MoM/YoY%)	0.9/10.1	-/-	0.73/10.26
	0800	Mar Domestic PPI (MoM/YoY%)	-/-	-/-	2.68/13.71
	0800	Mar Core CPI (YoY%)	-	-	11.94
Poland	0800	Mar Markit Manufacturing PMI	54.0	-	53.7
Czech Rep	0800	4Q F GDP (QoQ/YoY%)	-/-	-/-	0.5/5.2
	0930	Mar Markit Manufacturing PMI	58.5	-	58.8
	1300	Mar Budget Balance (CZKbn)	-	-	25.75
Hungary	0800	Mar Manufacturing PMI	54.6	-	57.4
Romania	0700	Feb PPI (MoM/YoY%)	-/-	-/-	1.07/3.7
Kazakhstan	-	Mar CPI (MoM/YoY%)	-/-	-/-	0.7/6.5
	-	Mar PPI (MoM/YoY%)	-/-	-/-	1.8/13.7
South Africa	-	Mar NAAMSA Vehicle Sales (YoY%)	-	-	-3.8
Israel	-	Mar Foreign Currency Balance (US\$bn)	-	-	116.3
Brazil	1300	Feb Industrial Production (YoY%)	-	-	5.7
Wednesday 4 April					
Poland	0900	Mar P CPI (MoM/YoY%)	0.0/1.4	-1.7	-0.2/1.4
Hungary	0700	Hungary's C. Bank Publishes Update on Mortgage-Note Purchases			
Romania	0700	Feb Unemployment Rate Total SA	-	-	4.6
	-	Repo rate (%)	-	-	2.25
Thursday 5 April					
Hungary	0800	Feb Retail Sales (YoY%)	8.0	-	7.8
Romania	0700	Feb Retail Sales (MoM/YoY%)	-/-	-/-	-0.9/11.4
South Africa	0815	Mar HSBC PMI SA	-	-	51.4
	1030	Mar SACC Business Confidence	-	-	98.9
	1200	Feb Electricity Consumption (YoY%)	-	-	1.2
	1200	Feb Electricity Production (YoY%)	-	-	2.4
Friday 6 April					
Russia	-	Mar CPI (MoM/YoY%)	-/-	-/-	0.2/2.2
Poland	1300	Mar Official Reserves Total	-	-	116050.2
Czech Rep	0800	Feb Construction Output (YoY%)	-	-	33.6
	0800	Feb Industrial Output (YoY%)	-	-	5.5
	0800	Feb Retail Sales (YoY%)	-	-	5.7
	0800	Feb Retail Sales Excl. Motor Vehicles (YoY%)	-	-	8.2
	0900	Mar International Reserves (US\$bn)	-	-	150.9
	0800	Czech National Bank Publishes Minutes From Board Meeting			
Hungary	0800	Feb Industrial Production (MoM/YoY%)	-0.3/3.0	-/-	1.5/6.7
Romania	0700	4Q F GDP (SA, QoQ/YoY%)	-/-	-/-	0.62/6.9
Bulgaria	-	Bulgaria Sovereign Debt to Be Rated by Moody's			
Croatia	1000	Feb F Retail Sales (YoY%)	-	-	6.1

Source: Bloomberg, ING

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