

## Our view on this week's key events

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

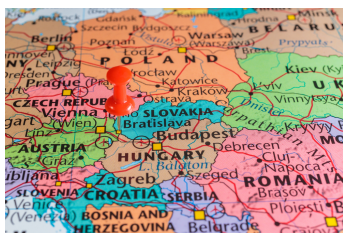
### In this bundle



#### Key events in developed markets this week

'Sticky' inflation data will keep the Federal Reserve on track for 50bp rate hikes in June and July, while in Europe, the only real question is...

By James Knightley and Carsten Brzeski



#### Key events in EMEA this week

Poland's central bank meeting is the key event and rates are expected to be increased further

By Rafal Benecki



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

#### Asia week ahead: Central bank meetings and inflation readings

This week features key central bank decisions, trade and inflation readings

---

Article | 6 June 2022

## Key events in developed markets this week

'Sticky' inflation data will keep the Federal Reserve on track for 50bp rate hikes in June and July, while in Europe, the only real question is why the European Central Bank isn't hiking at its meeting this Thursday



Source: Shutterstock

### US inflation set to keep Fed on track for 50bp hikes in June and July

US inflation will be a key indicator to watch. With gasoline prices hitting new highs and food prices under upward pressure we expect the annual rate to remain above 8%. Core inflation may slow marginally, but remain close to 6% given decent corporate pricing power allowing businesses to pass cost increases onto customers. Inflation is unlikely to fall quickly in the near term unless the geopolitical backdrop improves and energy prices fall back, supply chains show improvement, and labour supply rises to mitigate against rising wage pressure. Unfortunately, none of this seems set to happen in the near term and that will keep the Fed in policy tightening mode with 50bp rate hikes at the June and July FOMC meetings.

### Why isn't the ECB hiking rates this week?

With headline and core inflation still on the rise, and 2024 inflation very close to the ECB's definition of price stability, the only real question for Thursday's meeting is why not hike rates now?

In fact, since the start of the year, ECB meetings and press conferences have always surprised on the hawkish side. At the current juncture, and given recent comments, the only way for this to happen again would be to actually hike rates this week. And in all honesty, the case for such a move is very clear. The only argument against not hiking is the ECB's own 'sequencing', ie first, stop net asset purchases before hiking rates. A rate hike this week would undermine the ECB's credibility and forward guidance.

Following the logic of the ECB, a hawkish surprise this week would weaken the de facto pre-commitment by Chief Economist Philip Lane and President Christine Lagarde, and keep a 50bp rate hike on the table for July. [Read our full preview here.](#)

## Key events next week

Country	Time	Data/event	ING	Survey	Prev.
<b>Tuesday 7 June</b>					
US	1330	Apr International Trade \$	-91	-93	-109.8
	2000	Apr Consumer Credit	33	30	52.4
Germany	0700	Apr Industrial Orders (MoM%)	-2.0		-4.7
UK	0930	May Markit/CIPS Services PMI Final	51.8		51.8
	0930	May Composite PMI Final	51.8		51.8
Canada	1330	Apr Trade Balance C\$	-		2.5
<b>Wednesday 8 June</b>					
Germany	0700	Apr Industrial Output (MoM%/YoY%)	-1.0		-3.9/-3.4
France	0745	Apr Trade Balance	-		-12.4
Switzerland	0645	May Unemployment Rate Adjusted	-		2.2
Eurozone	1000	Q1 Employment Final (QoQ%/YoY%)	-		0.5/2.6
	1000	Q1 GDP Revised (QoQ%/YoY%)	-/-		0.3/5.1
<b>Thursday 9 June</b>					
US	1330	Initial Jobless Claims	215		-
	1330	Cont Jobless Claims	1350		-
Netherlands	0530	May CPI (MoM%/YoY%)	-0.6/8.8		0.3/9.6
Greece	1000	May CPI (YoY%)	-		10.2
Eurozone	1245	Jun ECB Refinancing rate	0.0		0.0
	1245	Jun ECB Deposit rate	-0.5		-0.5
<b>Friday 10 June</b>					
US	1330	May Core CPI (MoM%/YoY%)	0.5/5.9	0.5/5.9	0.6/6.2
	1330	May CPI (MoM%/YoY%)	0.7/8.2	0.7/8.2	0.3/8.3
	1500	Jun U. of Mich. Sentiment Prelim	59		58.4
	1500	Jun U. of Mich. Conditions Prelim	64.5		63.3
	1500	Jun U. of Mich. Expectations Prelim	55.6		55.2
Italy	0900	Apr Industrial Output (MoM%/YoY%)	-/-		0/3
Spain	0800	May CPI (MoM%/YoY%)	-/-		0.8/8.7
Canada	1330	May Unemployment Rate	5.1		5.2
Norway	0700	May CPI (MoM%/YoY%)	-/-		1.2/5.4
	0700	May Core Inflation (MoM%/YoY%)	-/-		0.9/2.6
Netherlands	0530	Apr Manufacturing Output (MoM%)	0		-0.2
Greece	1000	Apr Industrial Output (YoY%)	-		7.9

Source: Refinitiv, ING

## Author

### **James Knightley**

Chief International Economist, US

[james.knightley@ing.com](mailto:james.knightley@ing.com)

### **Carsten Brzeski**

Global Head of Macro

[carsten.brzeski@ing.de](mailto:carsten.brzeski@ing.de)

---

Article | 6 June 2022

## Key events in EMEA this week

Poland's central bank meeting is the key event and rates are expected to be increased further



Source: Shutterstock

### Poland's central bank to keep hiking

The negative short-term impact on GDP from the war in Ukraine is limited. With a high level of production backlogs, output growth remains high, but the contraction in new orders is significant, which bodes ill for the rest of 2022. Meanwhile, CPI is sticky and may be persistent, requiring further rate hikes to offset the fiscal expansion (c.3% GDP).

We believe the MPC will continue to raise rates, bringing the reference rate to the target level of 8.5% in late 2022/early 2023. With expansionary fiscal policy, we see rate cuts no sooner than 2024.

[Read our full preview here](#)

## Key events next week

Country	Time	Data/event	ING Survey	Prev.
<b>Monday 6 June</b>				
Czech Rep	0800	Apr Industrial Output (YoY%)	-	0.4
	0800	Apr Trade Balance	-	-13.8
Kazakhstan	1000	Jun Base Interest Rate	-	14.0
<b>Tuesday 7 June</b>				
Czech Rep	0800	Apr Retail Sales (YoY%)	-	5.5
	0800	Q1 Gross wages (YoY%)	-	-2.0
South Africa	1030	Q1 GDP (YoY%)	-	1.7
<b>Wednesday 8 June</b>				
Russia	1700	May CPI (MoM%/YoY%)	0.2/17.1	1.6/17.8
Poland	-	Jun NBP Base Rate	6.25	5.3
Czech Rep	0900	May Unemployment Rate	-	3.3
Hungary	0800	May Core CPI (YoY%)	11.1	10.3
	0800	Apr Industrial Output (YoY%)	9.9	3.6
	0800	May CPI (MoM%/YoY%)	1.3/10.4	1.6/9.5
<b>Thursday 9 June</b>				
Hungary	1000	May Budget Balance	-315	-326.6
Ukraine	-	May CPI (MoM%/YoY%)	-/-	3.1/16.4
Serbia	1100	Jun Benchmark Interest rate	2.5	2.0
South Africa	1000	Q1 Current Account	-	120
Brazil	-	May IPCA Inflation Index (MoM%/YoY%)	-/-	1.1/12.1
Mexico	1200	May Headline Inflation	-	0.5
<b>Friday 10 June</b>				
Russia	1130	Jun Central Bank Key Rate	10.0	11.0
Czech Rep	0800	May CPI (MoM%/YoY%)	-/-	1.8/14.2
Romania	0700	May CPI (YoY%)	14.4	13.8
Kazakhstan	-	May Industrial Production (YoY%)	-	4.7
Brazil	1300	Apr Retail sales (MoM%/YoY%)	-/-	-
Mexico	1200	Apr Industrial Output (YoY%)	-	2.6
	1200	Apr Industrial Output (MoM%)	-	0.4

Source: Refinitiv, ING

## Author

**Rafal Benecki**

Chief Economist, Poland

[rafal.benecki@ing.pl](mailto:rafal.benecki@ing.pl)

# Asia week ahead: Central bank meetings and inflation readings

This week features key central bank decisions, trade and inflation readings



## RBA and RBI meetings next week

We have two central bank decisions in the coming week, and both are likely to include rate increases. The Reserve Bank of Australia (RBA) on 7 June will follow up its 25bp hike to the cash rate target on 3 May. A pick-up in the pace of tightening looks probable. We anticipate a 50bp increase to 0.85% at this meeting. Although, the RBA could lean to the dovish side of the US Fed, so there is a chance that it comes in with only a 40bp hike.

The Reserve Bank of India (RBI) is also likely to raise rates in the coming week. At its meeting on 8 June, we expect a 50bp rate hike, too. Having thrown in the towel on its previously dovish stance, the RBI has turned more hawkish recently. The RBI doesn't always hike/cut in 25bp increments, so the risk for the bank may be for a slightly bigger 60bp hike, which would take the repo rate to a nice round 5.0%. But our base expectation is for the repo rate to be raised to 4.9%.



## Inflation reports from China and the Philippines

Inflation in China remains quite low, and we expect CPI inflation to be around 2.4% year-on-year, with food prices slightly above the previous month and PPI at around 7.9% year-on-year, about the same as the previous month, with the recent fall in metal prices offsetting some of the increase in coal prices.

Meanwhile, price pressures continue to mount in the Philippines as supply chain constraints disrupt food supplies. Inflation will likely accelerate to 5.5% (from 4.9%) driven by faster food, transport and utility costs. Bangko Sentral ng Pilipinas started its rate hike cycle last month with a 25bp rate increase. We expect a follow-up rate hike at the June policy meeting.

## Trade activity improves in China

China's exports and imports should have grown faster in May than in April because of the slight recovery in port operations and factory deliveries in Shanghai during the month.

The government has urged banks to increase lending to small and medium-sized enterprises and infrastructure projects as part of the overall stimulus package. We expect total new yuan loans and financing to climb in May from the low levels seen in April.

In Taiwan, previously announced export orders show a decline in demand for consumer electronics in mainland China, which will lead to a slowdown in exports. We expect growth in both exports and imports to slow from now on. May trade figures should still show 15-25% growth, but June figures are likely to reflect slower growth.

Lastly, recent trends for Philippine trade are likely to continue with both exports and imports up by double digits. Imports will likely be bloated by expensive energy prices while exports may still eke out double-digit gains, boosted by the electronics components sector. The overall trade balance will stay deep in the red with the trade deficit likely settling at \$5bn.

## Singapore retail sales

The coming week also features Singapore retail sales. We expect retail sales to sustain their recent run of gains, rising by 5.8% as domestic demand improves after quarantine restrictions were relaxed further. April's growth will be a moderation from the previous month as faster inflation saps some momentum.



## Key events next week

Country	Time	Data/event	ING	Survey	Prev.
Monday 6 June					
Japan	0030	Apr All Household Spending (MoM%/YoY%)	-		4.1/-2.3
China	0245	May Caixin Services PMI	46		36.2
Philippines	-	May Forex Reserves USD	106.4		106.8
Singapore	0600	Apr Retail Sales (MoM%/YoY%)	5.8		7.5/8.7
Taiwan	0920	May Foreign Exchange Reserve	548		545.1
Tuesday 7 June					
Japan	0050	Q1 GDP Revised (QoQ%)	-		-0.2
Australia	0530	Jun RBA Cash Rate	0.85		0.35
China	-	May FX Reserves (Monthly)	3.01		3.1
Philippines	0200	May CPI (MoM%/YoY%)	0.57/5.5		0.8/4.9
Singapore	1000	May Foreign Reserves USD	-		365.2
Taiwan	0900	May CPI (YoY%)	3.5		3.4
	0900	May WPI (YoY%)	16.2		15.1
South Korea	0000	Q1 GDP Growth (QoQ%/YoY%)	-/-		0.7/3.1
Wednesday 8 June					
Japan	0050	May M2 Money Supply (YoY%)	-		11975680
India	0530	Repo Rate	4.9	4.8	4.4
	0530	Reverse Repo Rate	-	3.5	3.4
	0530	Cash Reserve Ratio	-	4.5	4.5
Indonesia	0500	May Forex Reserves	134.1		135.7
Taiwan	0900	May Imports	23.4		26.7
	0900	May Exports	17.5		18.8
	0900	May Trade Balance	5.46		4.9
Thursday 9 June					
China	0400	May Exports	8.9		3.9
	0400	May Imports	5.4		0.0
	0400	May Trade Balance	61		51.1
Indonesia	0400	May Consumer Confidence Index	119.6		113.1
Philippines	0200	Apr Exports (YoY%)	15.6		5.9
	0200	Apr Imports (YoY%)	28.6		27.7
	0200	Apr Trade Balance	-4733		-5003
South Korea	0000	Apr Current Account Balance	-		6.7
Friday 10 June					
China	0230	May CPI (YoY%)	2.4		2.1
	-	May FDI (YTD)	21.3		20.5

Source: Refinitiv, ING

## Author

### Iris Pang

Chief Economist, Greater China

[iris.pang@asia.ing.com](mailto:iris.pang@asia.ing.com)

### Nicholas Mapa

Senior Economist, Philippines

[nicholas.antonio.mapa@asia.ing.com](mailto:nicholas.antonio.mapa@asia.ing.com)

## Disclaimer

This publication has been prepared by the Economic and Financial Analysis Division of ING Bank N.V. ("ING") solely for information purposes without regard to any particular user's investment objectives, financial situation, or means. *ING forms part of ING Group (being for this purpose ING Group N.V. and its subsidiary and affiliated companies)*. The information in the publication is not an investment recommendation and it is not investment, legal or tax advice or an offer or solicitation to purchase or sell any financial instrument. Reasonable care has been taken to ensure that this publication is not untrue or misleading when published, but ING does not represent that it is accurate or complete. ING does not accept any liability for any direct, indirect or consequential loss arising from any use of this publication. Unless otherwise stated, any views, forecasts, or estimates are solely those of the author(s), as of the date of the publication and are subject to change without notice.

The distribution of this publication may be restricted by law or regulation in different jurisdictions and persons into whose possession this publication comes should inform themselves about, and observe, such restrictions.

Copyright and database rights protection exists in this report and it may not be reproduced, distributed or published by any person for any purpose without the prior express consent of ING. All rights are reserved. ING Bank N.V. is authorised by the Dutch Central Bank and supervised by the European Central Bank (ECB), the Dutch Central Bank (DNB) and the Dutch Authority for the Financial Markets (AFM). ING Bank N.V. is incorporated in the Netherlands (Trade Register no. 33031431 Amsterdam). In the United Kingdom this information is approved and/or communicated by ING Bank N.V., London Branch. ING Bank N.V., London Branch is authorised by the Prudential Regulation Authority and is subject to regulation by the Financial Conduct Authority and limited regulation by the Prudential Regulation Authority. ING Bank N.V., London branch is registered in England (Registration number BR000341) at 8-10 Moorgate, London EC2 6DA. For US Investors: Any person wishing to discuss this report or effect transactions in any security discussed herein should contact ING Financial Markets LLC, which is a member of the NYSE, FINRA and SIPC and part of ING, and which has accepted responsibility for the distribution of this report in the United States under applicable requirements.

Additional information is available on request. For more information about ING Group, please visit [www.ing.com](http://www.ing.com).