Opinion | 14 August 2026

UNITED KINGDOM

THINK Ahead: UK inflation and labour market data plus July Fed minutes

Markets will be watching UK inflation and labour market data next week, while US industrial production and the July FOMC minutes should provide fresh insight into the strength of activity and the Federal Reserve's policy outlook

UK headline inflation is expected to have picked back up to 3% in July, though the increase may be dampened by a fall in diesel and petrol costs

THINK Ahead in developed markets

United States (James Knightley)

- **Industrial production (Tue)**: Market expectations regarding potential Federal Reserve interest rate hikes have diminished in the wake of poor jobs numbers and benign inflation prints. Three weeks ago, a 25bp rate hike on 16 September was fully expected, but that has since dropped to less than a 50% chance. The data calendar is light for the coming week, with industrial production expected to rise perhaps 0.3% month-on-month based on the strength of the ISM index. It arguably could be even stronger, but a dip in hours worked led us to be somewhat cautious in our prediction.
- **FOMC minutes (Wed)**: The release of the July FOMC minutes will also be closely followed given the muddled messaging from new Fed Chair Kevin Warsh at the press conference.

We will hear whether there is any shift in thinking within the broader Fed after the June summary of economic projections showed a 9-9 forecast split on whether they predicted a rate hike this year.

UK (James Smith)

- **Jobs/wages (Tue):** Expect the jobs market to remain fragile; private-sector hiring, particularly in consumer services, remains weak. Surveys don't point to an imminent improvement. Private sector wage growth is biased lower in the near term, and is set to remain below the level the Bank of England views as consistent with its medium-term 2% inflation target.
- **Inflation (Wed):** A 13% rise in the household energy price cap is likely to have dragged headline inflation back up to 3% in July, though the pickup is dampened by a circa 3% fall in diesel/petrol costs through July. Services inflation is likely to fall further, despite the usual July bounce in social rents. Though headline inflation is likely to rise towards 3.5% later this year, we see little reason for the Bank of England to hike rates through 2026. We expect cuts to resume in 2027.

Key events in developed markets

Country	Time	Data/event	ING	Prev.
		Monday 17 August		
Canada	1330	Jul CPI (MoM%/YoY%)	0.2/2.7	-0.4/2.8
	1330	Jul Core CPI (MoM%/YoY%)	-	0.1/2.1
		Tuesday 18 August		
US	1415	Jul Industrial Production (MoM%)	0.3	0.1
UK	0700	Jun ILO Unemployment Rate	4.7	4.9
	0700	Jun Employment Change (000s)	180	148
	0700	Jun Average Weekly Earnings (3M YoY%)	4.2	4.3
	0700	Jun Average Weekly Earnings ex Bonus (3M YoY%)	3.3	3.4
	0700	Jun Private Earnings ex Bonus (3M YoY%)	2.8	2.9
	0700	Jul Payrolled Employees Monthly Change (000s)	-5	-4
		Wednesday 19 August		
US	1900	Jul 29 FOMC meeting minutes	-	-
Eurozone	0900	Jun Current Account SA (EUR bn)	-	25.1
	1000	Jul CPI Final (MoM%/YoY%)	-/-	0.2/2.9
	1000	Jul Core CPI Final (YoY%)	-	2.5
UK	0700	Jul Core CPI (YoY%)	2.6	2.6
	0700	Jul CPI (MoM%/YoY%)	0.1/3	0.1/2.6
	0700	Jul CPI Services (YoY%)	3.5	3.6
		Thursday 20 August		
US	1330	Initial Jobless Claims (000s)	215	209
Sweden	0830	Rate Decision (%)	-	1.75
		Friday 21 August		
US	1445	Aug S&P Global Manufacturing PMI Flash	-	53.9
	1445	Aug S&P Global Services PMI Flash	-	54.6
	1445	Aug S&P Global Composite PMI Flash	-	54.5
Eurozone	0900	Aug HCOB Manufacturing PMI Flash	-	51.9
	0900	Aug HCOB Services PMI Flash	-	51.7
	0900	Aug HCOB Composite PMI Flash	-	52
	1500	Aug Consumer Confidence Flash	-	-15.9
Germany	0830	Aug HCOB Manufacturing PMI Flash	-	52.2
	0830	Aug HCOB Service PMI Flash	-	49.8
	0830	Aug HCOB Composite PMI Flash	-	51.3
France	0815	Aug HCOB Composite PMI Flash	-	49.4
UK	0700	Jul Retail Sales (MoM%/YoY%)	-/-	1/4.2
	0930	Aug S&P Global Composite PMI Flash	-	52.2
	0930	Aug S&P Global Manufacturing PMI Flash	-	51.9
	0930	Aug S&P Global Services PMI Flash	-	52.1
Canada	1330	Jun Retail Sales (MoM%)	-	1
Sweden	0700	Jul Unemployment Rate (%)	-	9.9

Source: Refinitiv, ING

Author

James Smith
Developed Markets Economist, UK
james.smith@ing.com

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