

6 May 2022  
Bundle

## 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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Article

### Key events in developed markets next week

The Fed will continue with 50bp rate hikes throughout this year despite the fall in CPI figures expected next week. However, the lack of activity in the UK may put a dent in the Bank of England's plans



We expect further rate increases from the Bank of England in June and August before the committee presses the pause button

#### US: Inflation may be past its peak

Consumer price inflation is the key number out of the US next week and it should hopefully show inflation has passed the peak with the year-on-year rate slowing from 8.5% to 8.3%, and core inflation edging down to 6.1% from 6.5%. Lower gasoline prices will be a big help, as will a drop in second-hand car prices as heralded by data from the Mannheim car auctions. However, it will be a long slow descent to get to the 2% target. China's zero-Covid strategy will continue to pressure supply chains as production and distribution of inputs remain disrupted. Geopolitical tensions add to the problems, while the incredibly tight labour market is also putting upward pressure on wages and labour costs more broadly. In an environment of strong corporate pricing power, these costs are being passed onto customers, meaning inflation will be sticky and slow to fall. As such, the Fed will continue to hike rates swiftly with 50bp rate hikes expected in June, July and September.

Consumer confidence will also be published by the University of Michigan and equity market weakness coupled with anxiety over the rising cost of living looks set to keep sentiment subdued.

## UK first quarter bounce to mask weaker performance in March

A strong bounce in UK activity during January should be enough to put in a quarterly growth figure just shy of 1%. But this masks less exciting performance as the quarter went on, and we expect the monthly GDP figure for March to show no growth in economic activity overall. Retail sales fell for the second consecutive month, while health output probably fell again ahead of the end of free Covid testing at the end of that month. That latter factor, combined with early signs of the cost of living squeeze, as well as an extra bank holiday, suggest we should brace for a negative second-quarter GDP figure and indeed weak activity for the rest of 2022. Increasing concerns surrounding growth likely means the Bank of England will hike fewer times than markets expect this year. We expect further increases in June and August before the committee presses the pause button.

### Developed Markets Economic Calendar

Country	Time	Data/event	ING	Survey	Prev.
<b>Monday 9 May</b>					
France	0745	Mar Trade Balance	-		-10.3
<b>Tuesday 10 May</b>					
Italy	0900	Mar Industrial Output (MoM%/YoY%)	-/-		4/3.3
Norway	0700	Apr CPI (MoM%/YoY%)	-/-		0.6/4.5
Netherlands	0530	Apr CPI (MoM%/YoY%)	-		3.6/9.7
	0530	Mar Manufacturing Output (MoM%)	-		-0.4
Greece	1000	Apr CPI (YoY%)	-		8.9
<b>Wednesday 11 May</b>					
US	1330	Apr Core CPI (MoM%/YoY%)	0.5/6.1	0.4/6.1	0.3/6.5
	1330	Apr CPI (MoM%/YoY%)	0.4/8.3	0.2/8.1	1.2/8.5
Germany	0700	Apr CPI Final (MoM%/YoY%)	0.8/7.4		0.8/7.4
<b>Thursday 12 May</b>					
UK	0700	Mar GDP Estimate (MoM%)	0.0		0.1
	0700	Q1 GDP Prelim (QoQ%/YoY%)	0.9/8.9		-
Sweden	0700	Apr CPIF (YoY%)	6.1		6.1
<b>Friday 13 May</b>					
US	1500	May U. of Mich. Sentiment Prelim	64.1	63.7	65.2
	1500	May U. of Mich. Conditions Prelim	66.5	68.1	69.4
	1500	May U. of Mich. Expectations Prelim	63.0	64.0	62.5
France	0745	Apr CPI (MoM%/YoY%)	-		0.4/4.8
Spain	0800	Apr CPI (MoM%/YoY%)	-/-		-0.1/8.4
Norway	0700	Q1 GDP Growth Mainland	-0.7		1.4
	0700	Mar GDP Month Mainland	0.6		0.5
Eurozone	1000	Mar Industrial Production (MoM%/YoY%)	-		0.7/2.0

Source: Refinitiv, ING, \*GMT

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## Key events in EMEA next week

CPI readings across emerging markets will show fresh increases in prices due to ongoing supply-side shocks



Despite anti-inflationary measures in place in Hungary, we expect a further acceleration in headline inflation

### Hungary: Further acceleration in price pressures expected

The highlight of the week in Hungary is the release of the April inflation print, although we don't think we will have too much to cheer about. Despite the anti-inflationary measures in place, we expect a further acceleration in headline inflation as supply-side shocks and the impact of a weaker forint spill over. Food, durables and services will be the main drivers of the pick up in price pressure. Core inflation is expected to show an even stronger acceleration (here the anti-inflationary measures are having a more muted impact), moving close to the double-digit territory already in April. Based on seasonal patterns, the budget balance could show some improvement in April, but we won't rule out another downside surprise as the expenditure side remains under pressure.

## EMEA Economic Calendar

Country	Time	Data/event	ING Survey	Prev.
<b>Monday 9 May</b>				
Czech Rep	0800	Mar Industrial Output (YoY%)	-	-0.3
	0800	Mar Trade Balance	-	-4.4
	0900	Apr Unemployment Rate	-	3.4
Hungary	1000	Apr Budget Balance	110	-875.7
Mexico	1300	Apr Headline Inflation	-	1.0
	1300	Apr Core inflation	-	0.7
<b>Tuesday 10 May</b>				
Czech Rep	0800	Apr CPI (MoM%/YoY%)	-/-	1.7/12.7
	0800	Mar Retail Sales (YoY%)	-	4.6
Hungary	0800	Apr Core CPI (YoY%)	9.7	9.4
	0800	Apr CPI (MoM%/YoY%)	1.3/9.0	-/9.0
Ukraine	-	Apr CPI (MoM%/YoY%)	-/-	4.5/13.7
Romania	1300	Mon Policy Rate	-	3.0
Kazakhstan	-	Apr Industrial Production (YoY%)	-	5.8
Brazil	1300	Mar Retail sales (MoM%/YoY%)	-/-	1.1/11.3
<b>Wednesday 11 May</b>				
Romania	0700	Apr CPI (YoY%)	-	10.2
Brazil	-	Apr IPCA Inflation Index (MoM%/YoY%)	-/-	1.6/11.3
<b>Thursday 12 May</b>				
Serbia	1100	Apr CPI (MoM%/YoY%)	-/-	0.8/9.1
	1100	May Benchmark Interest rate	-	1.5
Mexico	1200	Mar Industrial Output (MoM%/YoY%)	-	-1.0/2.5
	1900	May Interest Rate	-	6.5
<b>Friday 13 May</b>				
Russia	1700	Apr CPI (MoM%/YoY%)	1.5/17.8	7.6/16.7
Poland	0900	Apr CPI (MoM%/YoY%)	-/-	2/12.3
	1300	Mar Current Account	-2767	-2496
Czech Rep	0900	Mar Current Account Balance	-	-5.8

Source: Refinitiv, ING, \*GMT

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# Asia week ahead: inflation and trade data out of India and China

The coming week features inflation and trade data from the two biggest regional economies, and GDP readings from Indonesia and the Philippines



Relatively subdued inflation in China persists given recent lockdowns

## Trade data to show impact of ongoing Ukraine war?

The Asia data release calendar is heavy on trade reports with China, India and Taiwan all reporting their latest figures. Slowing global demand and potential supply chain bottlenecks due to Covid-related movement restrictions may surface in the April numbers.

## China and India inflation

The coming week also features inflation readings from India and China. Inflation could pick up for both India and China although price conditions for these two countries vary significantly. Accelerating inflation in India, which is expected to hit 7.3%, has already induced a rate increase from the central bank, while relatively subdued inflation in China persists given recent lockdowns.

## GDP from Indonesia and the Philippines

Lastly, the region reports first quarter GDP readings from Indonesia and the Philippines. After dealing with respective Covid-induced lockdowns early in the quarter, both economies managed to reopen quickly and post respectable growth for the quarter. Indonesia likely grew 5.1% while the Philippine economy expanded by 6.1%, boosted by election-related spending.

## Asia Economic Calendar

Country	Time	Data/event	ING	Survey	Prev.
<b>Monday 9 May</b>					
Japan	0130	Apr Services PMI	51		50.5
China	0400	Apr Exports	-		14.7
	0400	Apr Imports	-		-0.1
	0400	Apr Trade Balance	-		47.4
Indonesia	0500	Apr Inflation (MoM%/YoY%)	-3.5	0.8/2.6	0.7/2.4
		- Q1 Balance of Payments	-		-0.8
		- Q1 Current Account/GDP	-		0.4
		- Q1 GDP (QoQ%/YoY%)	-5.1		1.1/5.0
Singapore	1000	Apr Foreign Reserves USD	-		381
Taiwan	0900	Apr Imports	-		20.3
	0900	Apr Exports	-		21.3
	0900	Apr Trade Balance	-		4.7
South Korea	0000	Mar Current Account Balance	5.0		6.4
<b>Tuesday 10 May</b>					
China		- Apr M2 Money Supply (YoY)	-		9.7
		- Apr FDI (YTD)	-		25.6
Indonesia	0500	Apr Forex Reserves	-		139.1
South Korea	0000	Apr Unemployment Rate	2.8		2.7
<b>Wednesday 11 May</b>					
China	0230	Apr CPI (MoM%/YoY%)	-		0.0/1.5
Indonesia	0400	Apr Consumer Confidence Index	-		111
	0500	Mar Retail Sales Index (YoY%)	-		12.9
<b>Thursday 12 May</b>					
India	1300	Apr CPI Inflation (YoY%)	7.3		7.0
	1300	Mar Industrial Output (YoY%)	-8.3		1.7
Philippines	0300	Q1 GDP (QoQ%/YoY%)	-6.1		3.1/7.7
<b>Friday 13 May</b>					
India	1230	Apr Fiscal Deficit - USD	-		20.1
	1230	Apr Imports (YoY%)	39.9		24.2
	1230	Apr Exports (YoY%)	44.1		19.8

Source: Refinitiv, ING, \*GMT

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