

17 December 2021
Bundle

Our view on next week's key events

Discover what ING economists are looking for in our global economic calendars

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Article

Key events in developed markets next week

In the US, the view is that Omicron is manageable, and the Federal Reserve will remain on its policy path for now. However, in the UK, the surge in cases has thrown rate hike decisions into the air

US: Omicron and inflation seem under control as we approach 2022

The US economy has performed admirably in 2021, recovering all of the lost output due to the pandemic with employment less than four million shy of the pre-pandemic level. Inflation is a concern though and the Federal Reserve is now indicating it is going to be taking action with the prospect of three interest rate hikes next year despite ongoing uncertainty about the path of Covid. The last couple of weeks of 2021 will see the release of durable goods orders, which are rebounding impressively. The core figure, which strips out volatile defence and aircraft orders, points to a very positive outlook for capital expenditure in the first half of 2022 while robust personal income numbers should allow consumers to continue spending aggressively. Other data includes regional manufacturing figures, which should continue to highlight the strength of demand though production bottlenecks remain an issue, meaning that prices should continue to grind higher (although there is evidence that some of the heat is coming out of the housing market). All in, we remain of the view that the threat from Omicron is manageable and that the economy will expand by around 4.5% next year with inflation likely to average something similar. The odds are growing that our call for two Fed rate hikes in 2022 will be increased to three.

UK: Omicron turbulence reduces chances of second BoE hike in February

The extremely rapid spread of Omicron in the UK looks set to hit social spending and worker availability over the festive period. Further restrictions of some form look increasingly likely, though perhaps not until after Christmas itself. One of the main remaining questions for the

return of the furlough scheme in some form shouldn't be ruled out.

Modelling the impact of all of this on GDP numbers is tricky, but as a rule of thumb a return of some modest restrictions – school holidays extended, hospitality constrained etc – would probably shave 1-1.5% off January GDP. A full lockdown perhaps would increase the hit to around 5%.

All of this will help determine whether the Bank of England hikes for a second time in February. Policymakers are clearly worried about inflation, and they are probably right to say that Omicron is unlikely to materially change the outlook in 12-18 months. But the current direction of Omicron and the ensuing turbulence suggests policymakers might hold fire in February, and instead wait until March or May before hiking again. In total we're looking for two rate rises next year.

Developed Markets Economic Calendar

Country	Time	Data/event	ING	Survey	Prev.
Tuesday 21 December					
US	1330	Q3 Current Account	-200	-203	-190.3
Germany	0700	Jan GfK Consumer Sentiment	-		-1.6
Canada	1330	Oct Retail Sales (MoM%)	0.8		-0.6
Euro Zone	1500	Dec Consumer Confidence Flash	-		-6.8
Wednesday 22 December					
US	1330	Q3 GDP Final	2.1	2.1	2.1
	1500	Dec Consumer Confidence	111	112.0	109.5
UK	0700	Q3 GDP (QoQ%/YoY%)	1.3/6.6		1.3/6.6
	0930	Q3 Current Account GBP	-		-8.6
Sweden	0830	Nov Retail Sales (MoM%/YoY%)	-/-		0.4/5.2
Portugal	-	Oct Current Account Balance	-		-1.722
Thursday 23 December					
US	1330	Nov Personal Income (MoM%)	0.4	0.4	0.5
	1330	Nov Personal Consump Real (MoM%)	0.2		0.7
	1330	Nov Consumption, Adjusted (MoM%)	0.6	0.5	1.3
	1330	Nov Core PCE Price Index (MoM%)	0.5	0.4	0.4
	1330	Nov Durable Goods	2.2	2	-0.4
	1330	Initial Jobless Claims	-		-
	1330	Cont Jobless Claims	-		-
	1500	Dec University of Michigan Sentiment Final	70.4	70.4	70.4
	1500	Nov New Home Sales-Units	775	769	745
Italy	0900	Dec Consumer Confidence	-		117.5
Spain	0800	Q3 GDP (QoQ%/YoY%)	-/-	2.0/2.7	2.0/2.7
Canada	1330	Oct GDP (MoM%)	-		0.1
Tuesday 28 December					
US	1400	Oct CaseShiller 20 (MoM%/YoY%)	0.9/18.5		1.0/19.1
Spain	0800	Nov Retail Sales (YoY%)	-		-0.7
Sweden	0830	Nov Trade Balance	-		0.8
Wednesday 29 December					
Austria	0900	Dec Purchasing Managers Idx	-		58.1
Euro Zone	0900	Nov Money-M3 Annual Grwth	-		7.7
	0900	Nov Broad Money	-		15331705
Thursday 30 December					
US	1445	Dec Chicago PMI	60		61.8
Spain	0800	Dec CPI (MoM%/YoY%) Flash	-		-
Switzerland	0800	Dec KOF Indicator	-		108.5
Friday 31 December					
Switzerland	0800	Nov Official Reserves Assets CHF	-		990882.9
Portugal	0930	Dec CPI Flash (MoM%/YoY%)	-/-		0.4/2.6

Source: Refinitiv, ING, *GMT

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Key events in EMEA next week

Industrial output and retail sales figures will illustrate the effect of Omicron across emerging markets as the year comes to a close

EMEA Economic Calendar

Country	Time	Data/event	ING	Survey	Prev.
Monday 20 December					
Poland	0900	Nov Industrial Output (YoY%)	-	8.4	7.8
Tuesday 21 December					
Poland	0900	Nov Retail Sales (YoY%)	-	16.8	14.4
Hungary	0730	Q3 C/A Balance (QoQ%)	-2.0	-1.7	-0.775
Wednesday 22 December					
Russia	1600	Nov Industrial Output	4.7	5.0	7.1
	1600	Nov PPI (MoM%/YoY%)	-/-		0.4/27.5
Poland	1300	Nov M3 Money Supply (YoY%)	-	9.0	8.6
Hungary	0800	Oct Trade Balance Final	-335		-335
Mexico	1200	Oct Retail Sales (MoM%/YoY%)	-		0.2/5.9
Thursday 23 December					
Poland	0900	Nov Unemployment Rate	-	5.4	5.5
Hungary	0830	One-Week Deposit Rate	3.80		3.60
Brazil	1230	Nov Current Account	-		-4.464
	1230	Nov Foreign Direct Investment	-		2.493
	1300	Dec IPCA-15 Mid-Month CPI	-		1.17
	1300	Dec IPCA-15 Mid-Month CPI (YoY%)	-		10.73
Mexico	1200	Dec 1st Half-Month Core Infl (MoM%)	-		0.15
	1200	Dec 1st Half-Month Infl (MoM%)	-		0.69
	1200	Nov Jobless Rate	-		3.9
Friday 24 December					
Mexico	1200	Oct IGAE Econ Activity (YoY%)	-		0.9
	1200	Nov Trade Balance SA	-		-2.088
Monday 27 December					
Russia	-	Nov GDP (YoY%) Monthly	-		4.9
Tuesday 28 December					
South Africa	1200	Nov Trade Bal (Incl. Region)	-	19.0	19.8
Wednesday 29 December					
Russia	0600	Dec Markit Mfg PMI	-		51.7
	1600	Nov Retail Sales (YoY%)	-		4.1
	1600	Nov Unemployment Rate	-		4.3
Turkey	1100	Nov Bank NPL Ratio	-		3.5
Brazil	1100	Dec IGP-M Inflation Index	-		0.02
	1200	Nov Central Govt Balance	-		28.195
Thursday 30 December					
Russia	0600	Dec Markit Services PMI	-		47.1
Friday 31 December					
Turkey	0700	Nov Trade Balance	-5.3		-1.44
South Africa	0600	Nov M3 Money Supply (YoY%)	-	3.85	3.19
	0600	Nov Private Sector Credit Ext.	-	1.4	1.29

Source: Refinitiv, ING, *GMT

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Asia Week Ahead

CPI figures, PMIs and unemployment rates will dominate the Asian calendar in the final two weeks of 2022

Asia Economic Calendar

Country	Time	Data/event	ING Survey	Prev.
Monday 20 December				
China	0130	Dec Loan Prime Rate 1Y	-	3.9
	0130	Dec Loan Prime Rate 5Y	-	4.7
Wednesday 22 December				
Taiwan	0800	Nov Unemployment Rate (%)	-	3.8
Thursday 23 December				
Japan	2330	Nov CPI (YoY%)	0.5	0.1
Philippines	-	Nov Budget Balance	-	-64.3
Singapore	0500	Nov Core CPI (YoY%)	-	1.5
	0500	Nov CPI (MoM%/YoY%)	-	0.3/3.2
Taiwan	0800	Nov Industrial Output (YoY%)	11.19	11.3
Friday 24 December				
Japan	0500	Nov Housing Starts (YoY%)	10.7	10.4
Singapore	0500	Nov Manufacturing Output (MoM%/YoY%)	-/-	2.4/16.9
Taiwan	0820	Nov Money Supply - M2 (YoY%)	8.55	8.5
Sunday 26 December				
Japan	2350	Nov Retail Sales (YoY%)	1.1	0.9
Monday 27 December				
Japan	2330	Nov Unemployment Rate	2.6	2.7
	2350	Nov Industrial O/P Prelim (MoM%/YoY%)	-0.2/-2.2	1.8/-2.6
China	0130	Nov Industrial Profit (YoY%)	18.0	24.6
South Korea	2100	Dec BoK Consumer Sentiment Index	107.4	107.6
Tuesday 28 December				
South Korea	2200	Jan BOK Manufacturing BSI	87	88
Wednesday 29 December				
South Korea	2300	Nov Industrial Output (YoY%)	3	4.5
	2300	Nov Industrial Output Growth (MoM%)	2.4	-3.0
Friday 31 December				
China	0100	Dec NBS Manufacturing PMI	50.1	50.1
	0100	Dec NBS Non-Manufacturing PMI	51.8	52.3
Indonesia	0400	Nov M2 Money Supply (YoY%)	-	10.4

Source: Refinitiv, ING, *GMT

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