

22 May 2020  
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

US initial claims data is the data point to watch but given the grim backdrop, the case for additional fiscal support is strong and we'll be looking if any progress can be made on this. In Europe, the IFOs are likely to still show some pessimism from German firms, along with subdued inflation numbers

### US: The news remains grim for weekly initial claims data

Weekly initial claims data continue to be the main data point to watch given its timeliness, but the news remains grim.

Companies are still laying off staff in massive numbers, highlighting the economic dislocation from the Covid-19 pandemic and the fact that even with the re-opening of the economy, firms continue to struggle. Social distancing constraints, consumer caution and the legacy of 40 million Americans out of work presents massive headwinds for growth.

Durable goods orders will fall sharply given the declines in ISM new orders while 1Q GDP could be revised slightly lower from the -4.8% annualised initially reported. Personal spending will also post a hefty fall given that retail sales collapsed and they make up just over 40% total consumer spending.

Given this backdrop the case for additional fiscal support is strong and we will be looking to see if progress can be made on this in the weeks ahead.

## Developed Markets Economic Calendar

Country	Time	Data/event	ING	Survey	Prev.
<b>Monday 25 May</b>					
Japan	0600	Mar F Leading economic index	-	-	83.8
Germany	0700	1Q F GDP (QoQ/YoY%)	-/-	-/-	-2.2/-2.3
	0900	May IFO Business Climate	76.3	-	74.3
	0900	May IFO Expectations	72.4	-	69.4
	0900	May IFO Current Assessment	78.5	-	79.5
Sweden	0830	Apr Unemployment Rate (%)	-	-	7.1
<b>Tuesday 26 May</b>					
US	1500	May Consumer Confidence	90.0	87.0	86.9
Japan	0050	Apr PPI services (YoY%)	1.0	-	1.6
	0530	Mar All industry activity index (MoM%)	-2.3	-	-0.6
Eurozone	1345	ECB's Lane Speaks at IIF Virtual Conference			
<b>Wednesday 27 May</b>					
US	1730	Fed's Bullard Discusses Economy During the Pandemic			
	1900	U.S. Federal Reserve Releases Beige Book			
Norway	0700	Mar Unemployment Rate AKU	-	-	3.5
	0700	Apr Retail Sales (Ex. Motor Vehicles, SA, MoM%)	-	-	-0.9
<b>Thursday 28 May</b>					
US	1330	1Q S GDP (QoQ Annualised %)	-5.0	-4.8	-4.8
	1330	Apr P Durable Goods Orders (MoM%)	-24.0	-18.0	-15.3
	1330	Apr P Durable Goods Orders (ex. Transport, MoM%)	-17.0	-15.0	-0.6
	1600	Fed's Williams Takes Part in Moderated Virtual Discussion			
Eurozone	1000	May Economic Confidence	69.0	-	67.0
	2300	ECB's Visco Speaks in Rome			
Germany	1300	May P CPI (MoM/YoY%)	-/0.5	-/0.7	0.4/0.9
Spain	0800	May P HICP (MoM/YoY%)	-/-	-/-	0.4/-0.7
	800	April Retail Sales (YoY%)	-	-	-14.4
Sweden	0800	May Economic Tendency Indicator	-	-	58.6
	0830	Apr Retail sales (Ex. Fuel, MoM/YoY%)	-	-	-1.7
<b>Friday 29 May</b>					
US	1500	May F U. of Mich. Sentiment Index	74.0	-	73.7
Japan	0050	Apr Retail trade (YoY%)	-9.1	-/-	-4.6
	0050	Apr Jobless rate (%)	2.7	-	2.5
	0050	Apr Industrial production (MoM/YoY%)	-15.6/-12.0	-	-3.7/-5.2
	0600	May Consumer confidence index	-	-	21.6
Eurozone	0900	Apr M3 Money Supply (YoY%)	-	-	7.5
	1000	May Flash CPI (YoY%)	0.3	-	0.4
Italy	0900	1Q F GDP (QoQ/YoY%)	-/-	-/-	-4.7/-4.8
Canada	1330	Mar GDP (MoM/YoY%)	-4.0/-2.3	-/-	0.0/2.1
	1330	1Q GDP (Annualised, QoQ%)	-7.5	-	0.3
Norway	0700	Apr Credit Indicator (YoY%)	-	-	4.7
	0900	May Unemployment Rate	-	-	9.6
Sweden	0830	Apr Household Lending (YoY%)	-	-	5.2
	0830	1Q GDP (QoQ%)	-0.3	-	0.2
	1440	Riksbank Governor Stefan Ingves Gives Speech			

Source: ING, Bloomberg

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## Asia week ahead: Manufacturing to nosedive

Lots of manufacturing data for April out from Asia next week, giving us an indication of where 2Q GDP growth is headed. The Bank of Korea policy meeting and India's 1Q20 GDP report card will be the other main highlights

### A big manufacturing data week

Japan, Korea, Taiwan, Singapore and Thailand's April manufacturing production data is due next week – all informing where GDP growth is headed in these countries this quarter. Likewise, China's industrial production data is due, with persistently large profits decline potentially weighing down investment and GDP growth.

Undoubtedly, the Covid-19 movement restrictions have dampened activity across the spectrum, let alone manufacturing. Singapore may emerge as a bright spot given continued strong gains in non-oil domestic exports in April. Taiwan's exports weren't that bad with relatively firmer exports.

Factories in Korea are gradually returning to operation as the Covid-19 spread subsides. However, a 24% year on year fall in exports in April wasn't very promising for manufacturing and GDP growth, making a strong case for another 25 basis point rate cut from Bank of Korea next week (28 May).

Weak exports also weigh on manufacturing in Japan and Thailand, both expected to report steep production declines in April.

Finally, markets are eagerly waiting for India's 1Q20 GDP report card, now Asia's epicentre of Covid-19 pandemic. Our 1.1% YoY growth forecast is in line with the consensus. The risk is clearly on the downside judging from the sharp fall in activity in March as reflected by the 35% YoY plunge in exports and 17% manufacturing fall. A much weaker than expected GDP result should put the central bank on course to more policy easing at the next meeting on 5 June.

## Asia Economic Calendar

Country	Time Data/event	ING	Survey	Prev.
<b>Monday 25 May</b>				
Hong Kong	0930 Apr Exports (YoY%)	-1.4	-	-5.8
	0930 Apr Imports (YoY%)	-10	-	-11.1
	0930 Apr Trade balance (HK\$ bn)	-35.7	-	-34.7
Philippines	- Apr Budget balance (PHP bn)	-	-	-59.5
	- Mar OCW remittances (YoY%)	-	-	2.5
Taiwan	0900 Apr Industrial production (YoY%)	-0.5	-	10.4
	0920 Apr Money supply (M2) (YoY%)	4.5	-	4.4
Thailand	- Apr Manufacturing index (YoY%)	-23.5	-	-11.2
South Korea	2200 May BOK Consumer Sentiment Index	72.3	-	70.8
<b>Tuesday 26 May</b>				
Singapore	0100 1Q F GDP (QoQ /YoY%)	-5.4/-0.8	-8.2/-1.8	-10.6/-2.2
	0600 Apr Industrial production (MoM/YoY%)	-11.0/-3.5	-/-	21.7/16.5
	0600 Apr CPI (YoY%)	-1.6	-	0.0
	0600 Apr CPI core (YoY%)	-1	-	-0.2
South Korea	2200 Jun BOK Business Survey Index, mfg	52	-	50.0
	2200 Jun BOK Business Survey Index, non-mfg	50	-	50.0
<b>Wednesday 27 May</b>				
China	0230 Apr Industrial profits (YTD, YoY%)	-25	-	-34.9
<b>Thursday 28 May</b>				
Taiwan	0900 1Q F GDP (YoY%)	1.54	-	1.5
South Korea	- 7-Day Repo Rate	0.5	-	0.75
<b>Friday 29 May</b>				
India	1300 1Q GDP (Q) (YoY%)	1.1	-	4.7
	- Mar Fiscal deficit (INR crore)	-	-	51013
South Korea	0000 Apr Industrial production (MoM/YoY%)	3.1/6.4	-/-	4.6/7.1

Source: ING, Bloomberg, \*GMT

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## Key events in EMEA and Latam next week

Two central bank meetings in EMEA this week - both in Poland and in Hungary and both are expected to remain on hold. Also keep an eye out for Russian retail trade data where we see a slump coming, although maybe not as bad as the consensus thinks



## Polish central bank meeting

In Poland, the major event next week is the central bank meeting. Recent industrial production data showed much greater depression of the Polish economy than was widely anticipated, but support our below-consensus GDP forecast of -4.5%YoY for 2020. But we don't expect this to change the MPC stance. In our opinion, the central bank would probably like to wait-and-see whether the fiscal stimulus is working or not.



### Hungary: An uneventful rate meeting

The highlight of the week in Hungary is the central bank meeting too. But this is likely to be pretty uneventful, as the central bank is unlikely to change rates. The Bank might express concerns about the economic impact of Covid-19, doing some groundwork ahead of the June inflation report which will likely see a major downward revision to its economic outlook which seems far too optimistic now. Wage growth might surprise on the upside due to the composition effect as the majority of lay-offs took place in the underpaid services sectors (e.g. restaurants, accommodation, personal services). Detailed GDP might reveal which sectors were able to save the first quarter due to a flying start in January-February. Our bet is on industry and construction.



### Russia: First retail trade data since lockdown

After the 5.6% year on year spike in retail trade in March, Russia is likely to see a major slump in April, which the analyst community sees at 15% YoY. We are slightly more optimistic than consensus expecting 'just' a 10% drop, assuming the negative effect of the likely drop in the overall household income has been partially offset by higher household borrowing in the previous month, as well as local substitution of international travel by middle to high-income households. Nevertheless, the scope of the income drop and subsequent recovery remains one of the key factors of uncertainty going forward both for the activity indicators and the budget policy. In the case of further disappointment at the household level, we're not ruling out the fiscal stimulus, currently announced at 3.5% of GDP, could potentially be expanded further by up to 1% of GDP.

## EMEA and Latam Economic Calendar

Country	Time Data/event	ING	Survey	Prev.
<b>Monday 25 May</b>				
Poland	1300 Apr M3 Money Supply (YoY%)	11.7	12.3	11.8
Czech Rep	0800 May Business Confidence	-	-	-16.2
	0800 May Consumer & Business Confidence	-	-	-18.0
	0800 May Consumer Confidence	-	-	-25.3
Kazakhstan	- Apr M3 Money Supply (MoM%)	-	-	8.6
Serbia	1100 Mar Real Wages (YoY%)	-	-	8.9
Israel	1100 Apr Monthly Unemployment Rate (%)	-	-	3.4
	1100 1Q A GDP (QoQ Annualised %)	-	-14.2	4.6
<b>Tuesday 26 May</b>				
Russia	1400 Apr Retail Sales (YoY%)	-10	-15.0	5.6
	1400 Mar Real wages (YoY%)	1.5	3.2	5.7
Poland	0900 Apr Unemployment Rate (%)	5.6	5.7	5.4
Hungary	1300 Policy Rate (%)	0.90	-	0.90
	1300 Overnight Deposit Rate (%)	-0.05	-	-0.05
South Africa	0800 Mar Leading Indicator	-	-	103
Brazil	1330 Apr C/A Balance (\$mn)	1500	-	868
Mexico	1200 1Q F GDP (YoY%)	-1.6	-	-1.6
<b>Wednesday 27 May</b>				
South Africa	0900 Apr CPI (MoM/YoY%)	-/-	-/-	0.3/4.1
	0900 Apr Core CPI (MoM%, NSA)	-	-	0.6
Mexico	1800 Mexican Central Bank Releases Inflation Report			
<b>Thursday 28 May</b>				
Poland	- Base Rate (%)	0.50	0.50	0.50
Hungary	0800 Mar Avg Gross Wages (YoY%)	9.5	-	9.1
South Africa	1030 Apr PPI (MoM/YoY%)	-/-	-/-	0.3/4.5
Brazil	1300 Apr Unemployment Rate (%)	13.0	-	12.2
Mexico	1500 Central Bank Monetary Policy Minutes			
<b>Friday 29 May</b>				
Turkey	0800 Apr Trade Balance (US\$bn)	-4.0	-	-5.4
Poland	0900 1Q F GDP (YoY%)	-/-	1.9	1.9
	0900 May P CPI (YoY%)	-/-	-/-	3.4
Hungary	0800 1Q F GDP (SWDA, QoQ%)	-0.4	-	-0.4
	0800 1Q F GDP (NSA, YoY%)	2.2	-	2.2
Serbia	1100 Apr Retail Sales (YoY%)	-	-	4.4
	1100 Apr Industrial Production (YoY%)	-	-	-0.1
	1100 Apr Trade Balance (€m)	-	-	-738.5
Croatia	1000 Apr Retail Sales (YoY%)	-	-	-7.0
	1000 Apr Industrial Production (SA, YoY%)	-	-	-4.9
	1000 1Q F GDP (YoY%)	-2.5	-	2.5
	- Apr M1 Money Supply (HRKmn)	-	-	140131
South Africa	0700 Apr M3 Money Supply (YoY%)	-	-	9.5
	0700 Apr Private Sector Credit (YoY%)	-	-	7.8
	1300 Apr Trade Balance (ZARbn)	-	-	24.3
	1300 Apr National Budget Balance (ZARbn)	-	-	-51.2
Brazil	1300 1Q GDP (QoQ/YoY%)	-1.5/0.1	-/-	0.5/1.7

Source: ING, Bloomberg

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