

The Week Ahead

Group Economics | 28 June 2024

Key Macro Events 1 – 5 July 2024

- **United States** – Friday sees the release of May labor figures. We expect the non-farm payroll to come in at 215k, on the back of job growth in various services industries. The household survey will likely show unemployment rate unchanged at 4.0%.

Earlier in the week, we get the ISM manufacturing and services indices. The manufacturing index has been conflicting with the S&P PMI, generally being more negative. The PMI rose again earlier this month, we expect the ISMs to converge upwards. Wednesday also marks the release of the June FOMC meeting minutes. We will be looking for discussions on the recent inflation figures, the dot plot, and in particular the labor market.

- **Eurozone** – German factory orders and German industrial production figures for May are published next week. The May data likely show small increases on a monthly basis for both new factory orders as well as industrial production as was already reflected in the May manufacturing PMI data. Both series however are highly volatile on a monthly basis. Zooming out, the German industrial sector is still in contractionary territory but is slowly bottoming out. Demand for the sector is still weak, preventing a strong recovery in the coming months.

June HICP inflation out on Tuesday will be the main focus for markets. The data already released for France, Spain and Italy suggests a resumption in disinflation for the eurozone aggregate following the strength May, with the headline HICP expected to fall to 2.4% from 2.6%. This will be driven by a renewed drag from energy, reflecting the recent falls in the PPI. We also expect a softening in the important services component of inflation, which would bring core inflation down to 2.7% from 2.9%. A report like this would give comfort to the ECB, though we still expect the Governing Council to wait for Q2 wage data out in late July and August before it proceeds with another rate cut in September.

For unemployment, we expect a slight rise to 6.5% in May, driven by weakness in the German labour market. Finally, the ECB's Sintra conference will be worth watching for further clues on the path of rates. Of particular note is a panel chaired by Chief Economist Philip Lane on Wednesday on the neutral rate. The minutes of the June GC meeting will also be released on Thursday.

- **The Netherlands** – The flash CPI estimate for June is expected to slightly edge up compared to the May figure, coming in at 2.9% (May: 2.7%). This small uptick will mostly be driven by a less negative contribution of industrial goods prices in the inflation figure. The energy and food components are expected to contribute roughly the same as for the May figure, while the services inflation contribution is expected to edge down marginally. Generally speaking, inflation is continuing its downward trend, although prices of products with a large wage component (such as labour-intensive services), cause the downward path to take longer.
- **China** – China's June PMIs due next week are generally expected to show ongoing divergence between 1) the two manufacturing PMIs and 2) manufacturing and services. On the manufacturing side,

consensus expectation is for the official one (due Sunday) to stay below the neutral 50 mark separating expansion from contraction, while Caixin's equivalent (Monday) - which focuses more on export-oriented, and private firms - is expected to remain in expansion territory. On the services side, consensus expectation is for quite a stable official index (Sunday), while Caixin's services PMI (Wednesday) is foreseen to come down but to remain well above the neutral mark.

- **France & UK elections** – The first round French assembly election takes place on Sunday, with the second round on 7 July. Polls suggest the far right RN party will gain enough seats to form the next government, but that it is unlikely to get an absolute majority (see our [preview](#)). In the UK election on Thursday, polls suggest the centre-left Labour party will win by a landslide (see our newest [monthly](#)).

	Date	Time	Country	Market indicator	Period	Latest outcome	Expectation consensus	ABN AMRO
Sunday	30/06/2024	03:30:00	CN	PMI manufacturing - index (official)	Jun	49.5	49.5	
Sunday	30/06/2024	03:30:00	CN	PMI non-manufacturing - index (official)	Jun	51.1	51.0	
Sunday	30/06/2024	15:00:00	US	Fed's Williams Speaks at Bank for International Settlements				
	01/07 - 03/07		EZ	ECB Forum on Central Banking in Sintra				
Monday	01/07/2024	01:50:00	JP	Tankan business conditions large enterprises	2Q	11	11	
Monday	01/07/2024	03:45:00	CN	PMI manufacturing - index (Caixin)	Jun	51.7	51.5	
Monday	01/07/2024	08:00:00	GB	Nationwide house prices - % mom	Jun	0.4	-0.1	
Monday	01/07/2024	10:00:00	EZ	PMI manufacturing - index	Jun F	45.6		
Monday	01/07/2024	10:30:00	GB	PMI manufacturing - index	Jun F	51.4		
Monday	01/07/2024	14:00:00	DE	CPI - % yoy	Jun P	2.4		
Monday	01/07/2024	16:00:00	US	Construction spending - % mom	May	-0.1	0.2	
Monday	01/07/2024	16:00:00	US	ISM manufacturing - index	Jun	48.7	49.2	49.5
Monday	01/07/2024	21:00:00	EZ	ECB's Lagarde Speaks in Sintra				
Tuesday	02/07/2024	06:30:00	NL	CPI - % yoy	Jun P	2.7		2.9
Tuesday	02/07/2024	9:30:00	EZ	ECB's Guindos Chairs Sintra Discussion				
Tuesday	02/07/2024	10:30:00	EZ	ECB's Elderson Chairs Sintra Discussion				
Tuesday	02/07/2024	11:00:00	EZ	Unemployment - %	May	6.4		6.5
Tuesday	02/07/2024	11:00:00	EZ	HICP Core inflation - % yoy	Jun P	2.9	2.8	2.7
Tuesday	02/07/2024	11:00:00	EZ	HICP - % yoy	Jun	2.6	2.5	2.4
Tuesday	02/07/2024	12:30:00	EZ	ECB's Schnabel Chairs Sintra Panel				
Tuesday	02/07/2024	15:30:00	US/EZ	Powell, Lagarde, Campos Neto Speak in Sintra				
Tuesday	02/07/2024	16:00:00	US	US Job Openings by Industry	May	8,059.0		
Tuesday	02/07/2024		US	Auto sales total - millions annualised	Jun	15.9	15.9	
Wednesday	03/07/2024	03:45:00	CN	PMI services - index (Caixin)	Jun	54.0	53.4	
Wednesday	03/07/2024	10:00:00	EZ	Composite PMI output	Jun F	50.8		
Wednesday	03/07/2024	10:00:00	EZ	PMI services - index	Jun F	52.6		
Wednesday	03/07/2024	10:00:00	EZ	ECB's Guindos Chairs Sintra Panel				
Wednesday	03/07/2024	11:00:00	EZ	ECB's Cipollone Chairs Sintra Panel				
Wednesday	03/07/2024	12:30:00	EZ	ECB's Lane Chairs Sintra Panel				
Wednesday	03/07/2024	13:00:00	US	Fed's Williams Speaks on Panel at ECB Forum				
Wednesday	03/07/2024	14:15:00	US	ADP nat. employment report - thousands	Jun	152	163	
Wednesday	03/07/2024	14:30:00	US	Trade balance - USD bn	May	-74.6	-72.2	
Wednesday	03/07/2024	16:00:00	US	Factory orders - % mom	May	0.7	0.3	
Wednesday	03/07/2024	16:00:00	US	ISM Services - index	Jun	53.8	52.5	53.5
Wednesday	03/07/2024	16:15:00	EZ	ECB'S Lagarde Speaks				
Wednesday	03/07/2024	20:00:00	US	Fed minutes	Jun 12			
Wednesday	03/07/2024		PL	Reference rate - %	Jul 3	5.75		
Thursday	04/07/2024		EZ	ECB's Cipollone speaks at Istat event in Rome				
Thursday	04/07/2024	08:00:00	DE	Manufacturing orders - % mom	May	-0.2		
Thursday	04/07/2024	13:30:00	EZ	ECB Publishes Account of June Policy Meeting				
Friday	05/07/2024	08:00:00	DE	Industrial production - % mom	May	-0.1		
Friday	05/07/2024	09:00:00	CH	Foreign currency reserves - CHF mln	Jun	717,575		
Friday	05/07/2024	11:00:00	EZ	Retail sales - % mom	May	-0.5		
Friday	05/07/2024	11:40:00	US	Fed's Williams Gives Keynote Remarks				
Friday	05/07/2024	14:30:00	US	Change in employment total - thousands	Jun	272	188	215
Friday	05/07/2024	14:30:00	US	Unemployment - %	Jun	4.0	4.0	4.0
Friday	05/07/2024	14:30:00	US	Hourly earnings - % mom	Jun	0.4	0.3	
Friday	05/07/2024	14:30:00	US	Labour Force participation rate	Jun	62.5		
Friday	05/07/2024	19:15:00	EZ	ECB's Lagarde Speaks in Aix				

Source: Bloomberg, ABN AMRO Group Economics (we provide own forecasts only for selected key variables and events)

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