

The Week Ahead

Group Economics | 25 October 2024

Key Macro Events 28 October – 1 November 2024

- **United States** – We start the week on Tuesday with JOLTS job openings which will likely stay in the 8000k range. We expect Wednesday's Q3 real GDP growth estimate to come in at 3.0% SAAR again, on the back of strong consumer spending (3.2%), predominantly on services. Investment, particularly residential, will be a relative drag on growth, due to high interest rates, and economic policy uncertainty in the face of the US elections.
Our nowcasts for Thursday's PCE inflation put both headline and core at 0.2% m/m. The CPI report showed higher healthcare costs and higher airfares, which are likely to boost the core measure, despite the softening of shelter inflation. Personal income is up 0.3% m/m on the back of higher hourly wages but lower hours. Consistent with the headline quarterly figure, we expect spending to grow by 0.5% m/m.
Friday sees the labour market report. After last month's large 254k increase, we expect no change in nonfarm payrolls (+0k) this month. Partly this is due to the impact of the hurricanes, which will unwind in the coming months, but it also reflects the more fundamental cooling of the labour market, with layoffs by manufacturers and a slowdown in education sector hiring after last month's strong figure. The unemployment rate will stay at 4.1%. Friday also sees the ISM manufacturing reading, which may see a slight uptick - consistent with a less pessimistic beige book - but will remain in contractionary territory.
- **Eurozone** – Inflation is expected to move higher, with energy picking up again on higher gas & electricity tariffs (petrol prices were flat overall in October), while goods inflation is also expected to edge higher from low levels. This will offset a continued slow easing in services inflation, which itself should help to bring core inflation down a touch, to 2.6%. Q3 GDP growth is expected to hold steady at 0.2% q/q, as continued strength in the periphery – and an Olympics bump in France – helps offset ongoing weakness in Germany.
- **Germany** – On Wednesday German GDP data for the third quarter is released which might tip the eurozone's largest economy in recession. Indeed consensus expectations (-0.1% qoq) as well as the German Bundesbank expect a small contraction for the quarter. This would come after the -0.1% contraction in Q2. Our expectations is that German GDP will be stagnant (0.0% qoq), with risks clearly to the downside.
- **The Netherlands** – CPI inflation for October is expected to come in at 3.4% y/y, a marginal decline from the 3.5% in September. Compared to last year, food prices are elevated mainly due to the excise duty on tobacco implemented from 1 April 2024. Similarly, a higher housing rent indexation in combination with still elevated wage growth means inflation remains largely a services story. Prices for industrial goods and energy are expected to exert downward pressure on the inflation figure, although energy prices rose again compared to the previous month.

{Asia & Table on the next page}

- Asia** – Following some improvement in the September activity data, the October PMIs for China are expected to show some pick-up as well. This partly reflects the fact that Beijing decided in late September to pay more focus on demand management. Meanwhile in Japan, we expect the Bank of Japan to keep its policy rate unchanged at 0.25% on Thursday, in line with consensus. When speaking in Washington this week, BoJ Governor Ueda indicated that the BoJ will have time to consider its next policy steps, pointing to the need to assess the impact from recent yen weakening and risks from the US economy/elections. Going forward, we expect the BoJ to continue with a gradual, modest hiking path.

	Date	Time	Country	Market indicator	Period	Latest outcome	Expectation consensus	ABN AMRO
Monday	28/10/2024	10:00:00	EZ	ECB's Wunsch Speaks				
Tuesday	29/10/2024	00:30:00	JP	Unemployment - %	Sep	2.50	2.50	
Tuesday	29/10/2024	11:00:00	BE	GDP - % qoq	3Q P	0.2		
Tuesday	29/10/2024	14:00:00	US	FHFA house price index - % mom	Aug	0.1		
Tuesday	29/10/2024	14:00:00	US	S&P/Case Shiller house price index	Aug	0.3		
Tuesday	29/10/2024	15:00:00	US	US JOLTS Job openings	Sep	8,040	7,900	8,000
Tuesday	29/10/2024	15:00:00	US	Conference Board cons. confidence - index	Oct	98.7	99.5	
Wednesday	30/10/2024	06:30:00	NL	Producer confidence manufacturing - index	Oct	-1.7		
Wednesday	30/10/2024	07:30:00	FR	Consumer spending - % mom	Sep	0.2		
Wednesday	30/10/2024	07:30:00	FR	GDP - % qoq	3Q P	0.2	0.2	0.3
Wednesday	30/10/2024	09:55:00	DE	Unemployment - %	Oct	6.0	6.1	6.1
Wednesday	30/10/2024	10:00:00	DE	GDP - % qoq	3Q P	-0.1	-0.1	0.0
Wednesday	30/10/2024	11:00:00	EZ	Consumer confidence - index	Oct F	-12.5		
Wednesday	30/10/2024	11:00:00	EZ	Economic sentiment monitor - index	Oct	96.2		
Wednesday	30/10/2024	11:00:00	EZ	GDP - % qoq	3Q A	0.2	0.2	0.2
Wednesday	30/10/2024	13:15:00	US	ADP nat. employment report - thousands	Oct	143.0	102.5	
Wednesday	30/10/2024	13:30:00	US	GDP - % qoq annualised	3Q A	3.0	3.0	3.1
Wednesday	30/10/2024	13:30:00	US	Personal Consumption - %qoq annualised	3Q A	3.0	3.3	3.2
Wednesday	30/10/2024	14:00:00	DE	CPI - % yoy	Oct P	1.6		
Wednesday	30/10/2024	15:00:00	US	Pending home sales - % mom	Sep	0.6		
Wednesday	30/10/2024	16:00:00	EZ	ECB's Schnabel Speaks in Frankfurt				
Wednesday	30/10/2024	19:00:00	EZ	ECB's Nagel Speaks				
Wednesday	30/10/2024		BE	CPI - % yoy	Oct	3.1		
Thursday	31/10/2024	00:50:00	JP	Industrial production - % mom	Sep P	-3.3	0.8	
Thursday	31/10/2024	02:30:00	CN	PMI manufacturing - index (official)	Oct	49.8	50.0	
Thursday	31/10/2024	02:30:00	CN	PMI services - index (official)	Oct	50.0	50.5	
Thursday	31/10/2024	06:30:00	NL	CPI - % yoy	Oct P	3.5		3.4
Thursday	31/10/2024	08:45:00	FR	CPI - % yoy	Oct P	1.1		
Thursday	31/10/2024	10:00:00	EZ	ECB's Panetta speaks in Rome				
Thursday	31/10/2024	11:00:00	EZ	HICP Core inflation - % yoy	Oct P	2.7	2.6	2.6
Thursday	31/10/2024	11:00:00	EZ	HICP - % yoy	Oct	1.8	1.9	1.9
Thursday	31/10/2024	11:00:00	EZ	Unemployment - %	Sep	6.4		6.4
Thursday	31/10/2024	13:30:00	US	Consumer spending - % mom	Sep	0.2	0.4	0.5
Thursday	31/10/2024	13:30:00	US	PCE inflation - % mom	Sep	0.1	0.2	0.2
Thursday	31/10/2024	13:30:00	US	PCE inflation - % yoy	Sep	2.2	2.1	2.1
Thursday	31/10/2024	13:30:00	US	Core PCE inflation - % mom	Sep	0.1	0.3	0.2
Thursday	31/10/2024	13:30:00	US	Core PCE inflation - % yoy	Sep	2.7	2.6	2.6
Thursday	31/10/2024	13:30:00	US	Employment Cost Index	3Q	0.9	0.9	
Thursday	31/10/2024	14:45:00	US	Chicago PMI - index	Oct	46.6		
Thursday	31/10/2024		JP	Policy rate - %	Oct 31	0.25	0.25	0.25
Friday	01/11/2024	02:45:00	CN	PMI manufacturing - index (Caixin)	Oct	49.3		
Friday	01/11/2024	08:00:00	GB	Nationwide house prices - % mom	Oct	0.7		
Friday	01/11/2024	13:30:00	US	Change in employment total - thousands	Oct	254.0	126.0	0.0
Friday	01/11/2024	13:30:00	US	Unemployment - %	Oct	4.1	4.1	4.1
Friday	01/11/2024	13:30:00	US	Hourly earnings - % mom	Oct	0.4	0.3	
Friday	01/11/2024	13:30:00	US	Labour Force participation rate	Oct	62.7		
Friday	01/11/2024	15:00:00	US	Construction spending - % mom	Sep	-0.1	0.0	
Friday	01/11/2024	15:00:00	US	ISM manufacturing - index	Oct	47.2	47.8	47.5
Friday	01/11/2024		US	Auto sales total - millions annualised	Oct	15.8	15.5	

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

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