

The Week Ahead

Group Economics | 24 January 2025

Key Macro Events 27 - 31 January 2025

- **United States** – On Wednesday evening the Fed meets for the first time this year. We, and consensus, expect them to hold rates at their current level for this meeting. The most exciting part of the press conference will likely revolve around Donald Trump's recent statements that he would ask Chair Powell to lower rates. The decision is followed the next day by Q4 GDP on Thursday and the PCE report on Friday.

We estimate a modest slowdown in q/q GDP growth at 2.8% SAAR down from 3.1% last quarter. Consumption is anticipated to be the primary driver, with an estimated growth of 3.6%. Investment is likely to have contributed only marginally, given the prevailing uncertainty. However, trade data for the first two months indicate that net exports might have had a positive impact this quarter.

We expect core PCE to come in as a low 0.2%, consistent with the 2% annual target, a good way to end the year. The y/y rate would then stay at 2.8%. Headline PCE comes in higher at 0.3% m/m due to a rise in fuel prices, raising the y/y rate to 2.5%. Personal spending likely grew by 0.5%, on the back of strong wage growth, with personal income increasing by 0.5%.

- **Eurozone** – Despite weakness in Germany, France (Olympics payback), and more broadly in industry, eurozone aggregate activity data has come in on the firmer side in October and November, particularly consumption but also construction. As such, while we agree with consensus that growth will slow from Q3, we think the slowdown may be more shallow, to 0.2% q/q from 0.4% in Q3. For the ECB, the Governing Council is widely expected to lower the deposit rate by 25bp, to 2.75%. The ECB seems to have shifted its view more recently on tariffs towards the dovish side, and it will be interesting to see if this is expanded on in Lagarde's press conference remarks. See our [preview](#) for more.
- **Germany** - Q4 GDP growth is released coming Thursday and is expected to show a small contraction of 0.1% in the final quarter of 2024. A preliminary estimate for annual growth for 2024 was already released last week amounting to -0.2% for the year, from which the small contraction in Q4 follows. Looking forward to 2025, the outlook for the German economy remains bleak with structural challenges, especially for industry continue to weigh on the outlook. We do expect a small cyclical improvement as rising purchasing power and rate cuts feeding through to the economy should increase demand slightly.
- **China** – On Monday, the official PMIs for January - published earlier than usual due to the Lunar New Year break starting on Tuesday – are expected to be stable compared to December, with the divergence between manufacturing (close to the neutral mark separating expansion from contraction) and services (well in expansion territory) continuing.

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	Date	Time	Country	Market indicator	Period	Latest outcome	Expectation consensus	ABN AMRO
	18/1-30/1		US	Fed's External Communications Blackout				
Monday	27/01/2025	02:30:00	CN	PMI manufacturing - index (official)	Jan	50.1	50.1	
Monday	27/01/2025	02:30:00	CN	PMI non-manufacturing - index (official)	Jan	52.2	52.2	
Monday	27/01/2025	10:00:00	DE	Ifo - business climate - index	Jan	84.7		
Monday	27/01/2025	15:00:00	BE	Business confidence - index	Jan	-13.8		
Monday	27/01/2025	16:00:00	US	New homes sold - % mom	Dec	5.9	6.9	
Tuesday	28/01/2025	08:45:00	FR	Consumer confidence - index	Jan	89.0		
	28/01/2025	10:30:00	EZ	ECB's Villeroy speaks in Paris				
Tuesday	28/01/2025	14:00:00	HU	Base rate - %	Jan 28	6.5		
Tuesday	28/01/2025	14:30:00	US	New durable goods orders - % mom	Dec P	-1.2	-0.1	
Tuesday	28/01/2025	15:00:00	US	FHFA house price index - % mom	Nov	0.4		
Tuesday	28/01/2025	15:00:00	US	S&P/Case Shiller house price index	Nov	0.3		
Tuesday	28/01/2025	16:00:00	US	Conference Board cons. confidence - index	Jan	104.7	106.2	
Wednesday	29/01/2025	09:30:00	SE	Policy rate - %	Jan 29	2.5		
Wednesday	29/01/2025	10:00:00	EZ	M3 growth - % yoy	Dec	3.8		
Wednesday	29/01/2025	11:00:00	BE	GDP - % qoq	4Q P	0.3		
Wednesday	29/01/2025	15:45:00	CA	Policy rate - %	Jan 29	3.3	3.0	
Wednesday	29/01/2025	20:00:00	US	FOMC Rate decision upper bound - %	Jan 29	4.50	4.50	4.50
Wednesday	29/01/2025	22:30:00	BR	Policy rate - %	Jan 29	12.3	13.3	
Thursday	30/01/2025	06:30:00	NL	Producer confidence manufacturing - index	Jan	-1.6		
Thursday	30/01/2025	07:30:00	FR	Consumer spending - % mom	Dec	0.3		
Thursday	30/01/2025	07:30:00	FR	GDP - % qoq	4Q P	0.4	-0.1	0.1
Thursday	30/01/2025	10:00:00	DE	GDP - % qoq	4Q P	0.1	-0.1	-0.1
Thursday	30/01/2025	11:00:00	EZ	Unemployment - %	Dec	6.3		6.3
Thursday	30/01/2025	11:00:00	EZ	GDP - % qoq	4Q A	0.4	0.1	0.2
Thursday	30/01/2025	11:00:00	EZ	Economic sentiment monitor - index	Jan	93.7		
Thursday	30/01/2025	14:15:00	EZ	ECB Deposit rate - %	Jan 30	3.00	2.75	2.75
Thursday	30/01/2025	14:30:00	US	GDP - % qoq annualised	4Q A	3.1	2.6	2.8
Thursday	30/01/2025	14:45:00	EZ	ECB President Christine Lagarde Holds Press Conference				
Thursday	30/01/2025	16:00:00	US	Pending home sales - % mom	Dec	2.2		
Thursday	30/01/2025		ZA	Policy rate - %	Jan 30	7.8		
Thursday	30/01/2025		BE	CPI - % yoy	Jan	3.2		
Friday	31/01/2025	00:30:00	JP	Unemployment - %	Dec	2.5	2.5	
Friday	31/01/2025	00:50:00	JP	Industrial production - % mom	Dec P	-2.2	-0.1	
Friday	31/01/2025	08:45:00	FR	CPI - % yoy	Jan P	1.3		
Friday	31/01/2025	09:55:00	DE	Unemployment - %	Jan	6.1		
Friday	31/01/2025	09:55:00	DE	Unemployment change - thousands	Jan	10.0		
Friday	31/01/2025	14:00:00	DE	CPI - % yoy	Jan P	2.6		
Friday	31/01/2025	14:30:00	US	Personal Income - % mom	Dec	0.3	0.4	0.5
Friday	31/01/2025	14:30:00	US	Personal Spending - % mom	Dec	0.4	0.5	0.5
Friday	31/01/2025	14:30:00	US	PCE inflation - % mom	Dec	0.1	0.3	0.3
Friday	31/01/2025	14:30:00	US	PCE inflation - % yoy	Dec	2.4	2.5	2.5
Friday	31/01/2025	14:30:00	US	Core PCE inflation - % mom	Dec	0.1	0.2	0.2
Friday	31/01/2025	14:30:00	US	Core PCE inflation - % yoy	Dec	2.8	2.8	2.8
Friday	31/01/2025	14:30:00	US	Employment Cost Index	4Q	0.8	1.0	
Friday	31/01/2025	15:45:00	US	Chicago PMI - index	Jan	36.9	39.7	

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

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