

The Week Ahead

Group Economics | 13 December 2024

Key Macro Events 16 – 20 December 2024

- **United States** – On Wednesday evening the Fed meets for the final time this year. We expect them to cut by 25 bps to an upper rate of 4.50. As of this Friday, markets have priced in 24 bps, and the Fed is unlikely to surprise. We expect the dot plot to take a hawkish turn compared to September. Before the meeting decision, Tuesday has retail sales and industrial production. We expect headline retail sales to have grown by 0.6% m/m in November, predominantly from higher car sales. Industrial production likely increased by 0.3%, with some rebound effects from the hurricanes and strikes. Friday sees the consumption report. Our nowcast for core PCE inflation puts it at 0.1%, with some upside risk. The year over year will stay at 2.8%, again with upside risk. Headline likely increased by 0.2%, raising the y/y to 2.5% from 2.3% last month. We expect personal income to have risen by 0.6%, on the back of higher hourly wages and longer workweeks. Personal spending followed suit at 0.6% m/m.
- **Eurozone** – Next Monday, eurozone PMIs for December will be released as well as German and French PMIs. The eurozone composite PMI is expected to slip slightly further into contractionary territory to 47.9, down from 48.3 in November, primarily due to increased political uncertainty following the collapse of the French government. An offsetting factor is expected to be further increases in consumer demand following rising real incomes. The usual difference between manufacturing and services is visible again. The Manufacturing PMI is expected to remain stable at deep contractionary levels, while the services PMI is expected to remain near neutral but to show a slight decline in activity.
- **UK** – We expect the Bank of England to keep policy on hold. Underlying inflation is sticky, and wage growth is still well above levels consistent with the 2% target. We expect the next rate cut to come in February, when the Bank next updates its forecasts.
- **The Netherlands** – Thursday the Dutch unemployment rate for November will be published. Unemployment is expected to tick up to 3.8% from 3.7% in October. While we see the unemployment rate marginally increasing in the coming months, the labour market is expected to remain tight by historical standards. As a result, lack of (skilled) labour remains the key constraining factor for businesses in the Netherlands.
- **Asia** – November activity data for **China** (Monday) are expected to show a further improvement in growth momentum, on the back of Beijing's pivot to more policy support in September. On the policy front, the authorities switched to a 'moderately loose' monetary stance this week while the annual Central Economic Work Conference reiterated Beijing's commitment to step up fiscal support, in line with our views laid out in the 2025 China Outlook. A bank RRR cut may be imminent, and we expect further policy rate cuts to follow soon as well (in line with consensus). Meanwhile in **Japan**, we expect the Bank of Japan to wait with a 25bp rate hike (to 0.50%) until early 2025, in line with consensus and market pricing, although it is a 'close call'. Following the market turmoil over the summer, pressure on the BoJ to improve communication before hiking policy rates increased, while recent BoJ communication has been quite mixed. Swap traders currently price in only a ±15% probability of a December hike.

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	Date	Time	Country	Market indicator	Period	Latest outcome	Expectation consensus	ABN AMRO
Monday	16/12/2024	00:50:00	JP	Machinery orders private sector - % mom	Oct	-0.7	1.0	
Monday	16/12/2024	03:00:00	CN	Industrial production - % yoy	Nov	5.3	5.4	
Monday	16/12/2024	03:00:00	CN	Retail sales - % yoy	Nov	4.8	5.0	
Monday	16/12/2024	03:00:00	CN	Fixed investment - % yoy ytd	Nov	3.4	3.5	
Monday	16/12/2024	08:15:00	EZ	ECB's Simkus Speaks				
Monday	16/12/2024	08:30:00	EZ	ECB's Lagarde Speaks				
Monday	16/12/2024	09:10:00	EZ	ECB's Lagarde, Simkus Speak				
Monday	16/12/2024	09:45:00	EZ	ECB's Guindos Speaks in Madrid				
Monday	16/12/2024	10:00:00	EZ	PMI manufacturing - index	Dec P	45.2	46.0	
Monday	16/12/2024	10:00:00	EZ	Composite PMI output	Dec P	48.3		47.9
Monday	16/12/2024	10:00:00	EZ	PMI services - index	Dec P	49.5	49.5	
Monday	16/12/2024	10:30:00	GB	PMI manufacturing - index	Dec P	48.0		
Monday	16/12/2024	13:00:00	EZ	ECB's Wunsch Speaks in Brussels				
Monday	16/12/2024	14:30:00	US	Empire State PMI - Manuf. general business conditions - index	Dec	31.2	5.3	
Monday	16/12/2024	15:45:00	US	S&P Manufacturing PMI	Dec P	49.7		
Monday	16/12/2024	15:45:00	US	S&P Services PMI	Dec P	56.1		
Monday	16/12/2024	15:45:00	US	S&P Composite PMI	Dec P	54.9		
Monday	16/12/2024	17:30:00	EZ	ECB's Schnabel Speaks in Paris				
Monday	16/12/2024		CN	1-yr Medium-term lending facility rate - %	Dec 25	2.00	2.00	2.00
Tuesday	17/12/2024	08:00:00	GB	Claimant count unemployment rate - %	Nov	4.7		
Tuesday	17/12/2024	10:00:00	DE	Ifo - business climate - index	Dec	85.7		
Tuesday	17/12/2024	10:00:00	EZ	ECB's Kazimir Gives Press Conference in Bratislava				
Tuesday	17/12/2025	10:00:00	EZ	ECB's Rehn Speaks at Bank of Finland Event in Helsinki				
Tuesday	17/12/2024	11:00:00	DE	ZEW index (expectation economic growth)	Dec	7.4		
Tuesday	17/12/2026	11:00:00	EZ	Trade balance external EU - EUR bn	Oct	13,551		
Tuesday	17/12/2024	14:00:00	HU	Base rate - %	Dec 17	6.5	6.5	
Tuesday	17/12/2024	14:30:00	US	Retail sales - % mom	Nov	0.1	0.5	0.6
Tuesday	17/12/2024	14:30:00	US	Retail sales less food and services - % mom	Nov	-0.1	0.4	
Tuesday	17/12/2024	15:15:00	US	Industrial production - % mom	Nov	-0.3	0.2	0.3
Tuesday	17/12/2024	16:00:00	EC	Business inventories - % mom	Oct	0.1	0.2	
Tuesday	17/12/2024	16:00:00	US	NAHB home builders' confidence index	Dec	46.0	47.0	
Wednesday	18/12/2024	00:50:00	JP	Merchandise trade exports - % yoy	Nov	3.1	2.5	
Wednesday	18/12/2024	08:00:00	GB	CPI - % yoy	Nov	2.3	2.5	
Wednesday	18/12/2024	08:35:00	EZ	ECB's Muller Speaks in Tallinn				
Wednesday	18/12/2024	10:00:00	EZ	ECB's Lane Speaks in MNI Webcast				
Wednesday	18/12/2024	11:00:00	EZ	HICP Core inflation - % yoy	Nov F	2.7	2.7	
Wednesday	18/12/2024	14:30:00	US	Housing starts - % mom	Nov	-3.1	2.4	
Wednesday	18/12/2024	20:00:00	EC	FOMC Rate decision upper bound - %	Dec 18	4.75	4.52	
Wednesday	18/12/2024	20:00:00	US	FOMC Rate decision lower bound - %	Dec 18	4.50	4.27	4.25
Thursday	19/12/2024	06:30:00	NL	Unemployment - %	Nov	3.7		3.8
Thursday	19/12/2024	08:45:00	FR	Business confidence manuf. - index	Dec	96.7		
Thursday	19/12/2024	09:30:00	SE	Policy rate - %	Dec 19	2.8		
Thursday	19/12/2024	10:00:00	NO	Policy rate - %	Dec 19	4.5	4.5	
Thursday	19/12/2024	13:00:00	GB	Policy rate - %	Dec 19	4.75	4.75	4.75
Thursday	19/12/2024	14:30:00	CZ	Repo rate - %	Dec 19	4.0	4.0	
Thursday	19/12/2024	14:30:00	US	Philadelphia Fed - business confidence - index	Dec	-5.5	0.4	
Thursday	19/12/2024	14:30:00	US	GDP - % qoq annualised	3Q T	2.8	2.9	
Thursday	19/12/2024	16:00:00	US	Existing home sales - % mom	Nov	3.4	1.7	
Thursday	19/12/2024	20:00:00	MX	Policy rate - %	Dec 19	10.3	9.9	
Thursday	19/12/2024	22:00:00	US	Trade balance - USD bn	Oct	398.4		
Thursday	19/12/2024		JP	Policy rate - %	Dec 19	0.25	0.25	0.25
Friday	20/12/2024	00:30:00	JP	CPI - % yoy	Nov	2.3	2.9	
Friday	20/12/2024	02:00:00	CN	1-yr loan prime rate - %	Dec 20	3.10	3.10	3.10
Friday	20/12/2024	06:30:00	NL	Consumer confidence - index	Dec	-25.0		
Friday	20/12/2024	08:00:00	GB	Public sector net borrowing - GBP mln	Nov	17.4		
Friday	20/12/2024	08:00:00	GB	Retail sales - % mom	Nov	-0.7		
Friday	20/12/2024	14:30:00	US	Personal income - % mom	Nov	0.6	0.4	0.6
Friday	20/12/2024	14:30:00	US	Personal spending - % mom	Nov	0.4	0.5	0.6
Friday	20/12/2024	14:30:00	US	PCE inflation - % mom	Nov	0.2	0.2	0.2
Friday	20/12/2024	14:30:00	US	PCE inflation - % yoy	Nov	2.3	2.5	2.5
Friday	20/12/2024	14:30:00	US	Core PCE inflation - % mom	Nov	0.3	0.2	0.1
Friday	20/12/2024	14:30:00	US	Core PCE inflation - % yoy	Nov	2.8	2.9	2.8
Friday	20/12/2024	15:00:00	BE	Business confidence - index	Dec	-11.1		
Friday	20/12/2024	16:00:00	US	Univ. of Michigan cons. confidence - index	Dec F	74.0		
Friday	20/12/2024	16:00:00	EZ	Consumer confidence - index	Dec P	-13.7	-13.3	

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

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