

# The Week Ahead

Group Economics | 23 August 2024

## Key Macro Events 26 – 30 August 2024

- **United States** – Core PCE likely increased by a low 0.2%, consistent with the Fed's 2% target. Due to base effects the y/y inflation rate will edge up to 2.7%. A similar m/m reading for headline PCE inflation leads to a 2.6% y/y figure. A weaker jobs report in July likely leads to slightly lower income growth at 0.1% m/m, while strong retail sales suggest personal spending increased relatively strongly by 0.5% m/m.
- **Eurozone** – We expect headline inflation to fall to within touching distance of the 2% target, helped by a drop in petrol prices and a relatively high base for energy in August. Services inflation is expected to moderate slightly but to remain elevated, meaning a much smaller fall in core inflation. Eurozone unemployment is expected to hold near historic lows, as continued solid employment growth in southern Europe is offset by rising unemployment in Germany. Also look out for the German IFO, which is likely to confirm the faltering recovery signalled by the flash PMIs, and a number of ECB Governing Council members are due to speak for the first time after the summer break.
- **The Netherlands** – Inflation (CPI) is expected to come in at 3.6% for August. Thereby marginally declining from the elevated July figure (3.7% yoy), which was mainly driven by higher housing rent indexation and the delayed transmission of the excise tax on tobacco. The former leads to an upward adjustment of our services inflation forecasts for the coming 11 months. Additionally, wage growth is still elevated which puts upward pressure on inflation, particularly in labour-intensive services. Industrial good prices are expected to put downward pressure on inflation. All in all, we have raised our inflation forecasts to 3.2% in 2024 and 2.9% in 2025 (CPI).
- **China** – Following a 20bp cut in July, we expect the PBoC to keep the 1-year medium-term lending facility rate unchanged at 2.30% on Tuesday, in line with consensus. Still, amidst weak demand, low inflation and with the Fed foreseen to start cutting policy rates from September, we expect further cuts in RRRs and mini rate cuts going forward. Meanwhile, the PBoC is tweaking its monetary policy toolkit to make it more market-oriented, with a greater role for the 7-day reverse repo rate, and introduced a form of (inverse) 'yield curve control' in an aim to put a floor under bond yields.

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	Date	Time	Country	Market indicator	Period	Latest outcome	Expectation consensus	ABN AMRO
Monday	26/08/2024	03:20:00	CN	1-yr Medium-term lending facility rate - %	Aug 26	2.30	2.29	<b>2.30</b>
Monday	26/08/2024	10:00:00	DE	Ifo - business climate - index	Aug	87.0		<b>85.0</b>
Monday	26/08/2024	14:30:00	US	New durable goods orders - % mom	Jul P	-6.7	2.2	
Monday	26/08/2024	15:00:00	BE	Business confidence - index	Aug	-12.3		
Tuesday	27/08/2024	08:00:00	DE	GDP - % yoy	2Q F	0.3		
Tuesday	27-8-2024	12:45:00	EZ	ECB's Knot Speaks				
Tuesday	27/08/2024	14:00:00	HU	Base rate -%	Aug 27	6.8	6.6	
Tuesday	27/08/2024	15:00:00	US	FHFA house price index - % mom	Jun	0.0		
Tuesday	27/08/2024	15:00:00	US	S&P/Case Shiller house price index	Jun	0.3		
Tuesday	27/08/2024	16:00:00	US	Conference Board cons. confidence - index	Aug	100.3	99.8	
Tuesday	27-8-2024	16:00:00	EZ	ECB's Nagel Speaks				
Wednesday	28/08/2024	08:45:00	FR	Consumer confidence - index	Aug	91.0		
Wednesday	28/08/2024	10:00:00	EZ	M3 growth - % yoy	Jul	2.2		
Thursday	29/08/2024	06:30:00	NL	Producer confidence manufacturing - index	Aug	-2.7		
Thursday	29/08/2024	08:00:00	SE	GDP - % qoq	2Q	0.7		
Thursday	29/08/2024	11:00:00	EZ	Economic sentiment monitor - index	Aug	95.8		
Thursday	29-8-2024	11:15:00	EZ	ECB's Lane Speaks on Panel in Frankfurt				
Thursday	29/08/2024	14:00:00	DE	CPI - % yoy	Aug P	2.3		
Thursday	29/08/2024	14:30:00	US	GDP - % qoq annualised	2Q S	2.8	2.8	
Thursday	29/08/2024	16:00:00	US	Pending home sales - % mom	Jul	4.8		
Thursday	29-8-2024	19:00:00	EZ	ECB's Nagel Speaks in Frankfurt				
Thursday	29-8-2024	21:30:00	US	Fed's Bostic Gives Intro to Fed, Economic Outlook				
Thursday	29/08/2024		BE	CPI - % yoy	Aug	3.6		
Friday	30/08/2024	01:50:00	JP	Industrial production - % mom	Jul P	-4.2	3.6	
Friday	30/08/2024	06:30:00	NL	CPI - % yoy	Aug P	3.7		<b>3.6</b>
Friday	30/08/2024	08:45:00	FR	CPI - % yoy	Aug P	2.3		
Friday	30/08/2024	08:45:00	FR	Consumer spending - % mom	Jul	-0.5		
Friday	30/08/2024	08:45:00	FR	GDP - % qoq	2Q F	0.3		
Friday	30-8-2024	9:05:00	EZ	ECB's Schnabel Speaks in Tallinn				
Friday	30-8-2024	9:35:00	EZ	ECB's Schnabel, Rehn, Kazaks, Simkus, Muller on Panel				
Friday	30/08/2024	09:55:00	DE	Unemployment - %	Aug	6.0		<b>6.1</b>
Friday	30/08/2024	11:00:00	EZ	HICP Core inflation - % yoy	Aug P	2.9	2.8	<b>2.7</b>
Friday	30/08/2024	11:00:00	EZ	HICP - % yoy	Aug	2.6	2.2	<b>2.1</b>
Friday	30/08/2024	11:00:00	EZ	Unemployment - %	Jul	6.5		<b>6.5</b>
Friday	30/08/2024	11:00:00	BE	GDP - % qoq	2Q F	0.2		
Friday	30/08/2024	14:30:00	US	Personal Income - %mom	Jul	0.2	0.2	<b>0.1</b>
Friday	30/08/2024	14:30:00	US	Personal Spending - %mom	Jul	0.3	0.5	<b>0.5</b>
Friday	30/08/2024	14:30:00	US	PCE inflation - % mom	Jul	0.1	0.2	<b>0.2</b>
Friday	30/08/2024	14:30:00	US	PCE inflation - % yoy	Jul	2.5	2.6	<b>2.6</b>
Friday	30/08/2024	14:30:00	US	Core PCE inflation - % mom	Jul	0.2	0.2	<b>0.2</b>
Friday	30/08/2024	14:30:00	US	Core PCE inflation - % yoy	Jul	2.6	2.7	<b>2.7</b>
Friday	30/08/2024	15:45:00	US	Chicago PMI - index	Aug	45.3		
Friday	30/08/2024	16:00:00	US	Univ. of Michigan cons. confidence - index	Aug F	67.8		

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

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