

Global Economic Calendar

10 – 16 October 2022
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Key economic data highlights of the week

Location/Indicator	Prior	HSBC Consensus
Tuesday, 11 October		
00:50 BST Japan Current account balance (Aug, JPYbn)	229.0	-170.0
00:50 BST Japan Trade balance, BOP basis (Aug, JPYbn)	-1212.2	-2540.0
07:00 BST ★ UK ILO unemployment rate (%)	3.6	3.6
07:00 BST ★ UK Average weekly earnings (Aug, %3M/y-o-y)	5.5	5.9
Wednesday, 12 October		
00:50 BST ★ Japan Core machine orders (Aug, % m-o-m/y-o-y)	5.3/12.8	-2.6/8.3
07:00 BST ★ UK GDP (Aug, % m-o-m/3M/3M)	0.2/0.0	-0.1/-0.1
07:00 BST ★ UK Industrial production (Aug, % m-o-m/y-o-y)	-0.3/1.1	-0.1/0.7
07:00 BST ★ UK Trade balance (Aug, GBPm)	-7793	-8300
10:00 BST ★ Eurozone Industrial production (Aug, % m-o-m/y-o-y)	-2.3/-2.4	0.2/0.7
12:00 BST Mexico Industrial production (Aug, % m-o-m s.a/y-o-y)	0.4/2.6	-0.3/2.4
13:00 BST India Industrial production (Aug, % y-o-y)	2.4	1.4
13:00 BST ★ India CPI (Sep, % y-o-y)	7.0	7.3
13:30 BST ★ US PPI final demand (Sep, % m-o-m/y-o-y)	-0.1/8.7	0.1/8.3
Thursday, 13 October		
00:01 BST UK RICS house price balance (Sep, Net balance)	53	44
07:00 BST Germany HICP (Sep, final, % m-o-m/y-o-y)	2.2/10.9	2.2/10.9
07:00 BST Germany CPI (Sep, final, % m-o-m/y-o-y)	1.9/10.0	1.9/10.0
13:30 BST ★ US CPI (Sep, % m-o-m/y-o-y)	0.1/8.3	0.3/8.1
13:30 BST ★ US CPI, ex food and energy (Sep, % m-o-m/y-o-y)	0.6/6.3	0.5/6.5
13:30 BST ★ US Initial jobless claims (Week 08 Oct, 000s)	219	-
Friday, 14 October		
02:30 BST ★ Mainland China PPI (Sep, % y-o-y)	2.3	1.0
02:30 BST ★ Mainland China CPI (Sep, % y-o-y)	2.5	2.7
07:45 BST France HICP (Sep, final, % m-o-m/y-o-y)	-0.5/6.2	-0.5/6.2
07:45 BST France CPI (Sep, final, % m-o-m/y-o-y)	-0.5/5.6	-0.5/5.6
13:30 BST ★ US Retail sales advance (Sep, % m-o-m)	0.3	0.1
15:00 BST ★ US University of Michigan sentiment (Oct, flash, Index)	58.6	58.7
- ★ Mainland China Trade balance (Sep, USDbn)	79.4	73.7
- Mainland China Exports (Sep, % y-o-y)	7.1	3.8
- Mainland China Imports (Sep, % y-o-y)	0.3	2.5
During the week		
- ★ Mainland China Aggregate financing (Sep, RMBbn)	2432.2	2673.0
- ★ Mainland China New yuan loans (Sep, RMBbn)	1254.2	1817.9
- ★ Mainland China M2 (Sep, % y-o-y)	12.2	12.2
- US Monthly Treasury budget (Sep, USDbn)	-219.6	-

Source: All forecasts are HSBC; all historical data are from Bloomberg. Note: ★ shows key indicators.

CENTRAL BANKS / KEY EVENTS

	Prior	Consensus	HSBC
Wednesday, 12 October			
Hungary			
NBH publishes rate meeting minutes	-	-	-
13:00 BST			
★ US			
FOMC meeting minutes	-	-	-
19:00 BST			
Chile			
Overnight rate target (%)	10.75		▶ 10.75
22:00 BST			
Korea			
7-Day repo rate (%)	2.50		▲ 3.00

Source: Refinitiv Datastream, HSBC estimates

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What to watch out for

Next week, it is likely that markets will pay close attention to the September inflation data from the US. In August, headline CPI remained broadly unchanged for a second month, increasing just 0.1% m-o-m, as gasoline prices continued to moderate. Meanwhile, core inflation pressures persisted, increasing 0.6% m-o-m. In September, we expect CPI rose 0.3% m-o-m, with the y-o-y rate falling to 8.1%, and it is likely that core CPI jumped 0.5% m-o-m, with the y-o-y rate increasing to 6.5%. Rising rental inflation remains a key upside risk and we now see this peaking at around 9% y-o-y in the spring of 2023 (based on a weighted average of the rent of primary residence and owners' equivalent rent indexes), whereas falling vehicle prices continue to pose a potential downside risk.

More from the US includes data on retail sales for September which will shed further light on the momentum of consumer spending. We forecast m-o-m growth of 0.1% in September, down from 0.3% m-o-m in August. Additionally, the University of Michigan sentiment October flash release is out on Friday; we expect a slight uptick to 58.7. Aside from data releases, the FOMC meeting minutes will be of interest to provide indications of what the FOMC is closely monitoring and offer guidance on how this will likely feed through to impact future monetary policy decisions.

We also have lots of key data releases from the UK to look out for. On Tuesday, labour market data is to be released. After falling to a new multi-decade low of 3.6% in July, we anticipate no change in the unemployment rate in August. Moreover, we expect nominal wage growth to push higher to 5.9% 3m/yr, up from 5.5% 3m/yr, as the labour market remains tight. On Wednesday, monthly GDP data for August will likely show a 0.1% m-o-m contraction with declines across industrial production, manufacturing and services. Finally, the RICS house price balance for September will be key in assessing the state of the UK housing market amid rising rates and the onset of a recession. We forecast a fall to 44 in September as housing demand rapidly cools.

Moving to mainland Europe, we have the final September inflation releases from France and Germany. We forecast these to be in line with the flash estimates which saw HICP in Germany surging into double digits, beyond consensus expectations, while in France, it surprised to the downside and dropped by 0.4pt to 6.2% y-o-y. Additionally, the eurozone will release data on industrial production for August which we expect to have ticked up 0.2% m-o-m, returning the annual rate to positive territory at 0.7% y-o-y.

Turning to Asia, we will see PPI and CPI data from mainland China for September. We forecast CPI inflation to have ticked up further to 2.7% y-o-y, from 2.5% y-o-y, while PPI likely dropped sharply to 1.0% y-o-y, down from 2.3% y-o-y, due to falling commodity prices, a weaker economic recovery and the impact of a higher base. Furthermore, we will see data on Mainland China's trade balance for September, which we anticipate to come in lower at USD73.7bn, and the September money supply release is likely to show an increase in total social financing to CNY2.7 trillion in September.

Elsewhere in Asia, India will release September inflation data too, along with industrial production data for August. We forecast CPI to have edged up further to 7.3% in September as food inflation persists higher, and expect industrial production to fall to 1.4% y-o-y in August.

It is a pretty quiet week for central banks. In Chile, we expect the overnight rate target to remain unchanged at 10.75%, while in Korea we see a 50bp rate rise to 3.00% – both on Wednesday, 12 October.

Key market views

Policy rates

Key economic forecasts

%	GDP			Inflation		
	2022f	2023f	2024f	2022f	2023f	2024f
World	2.9	1.8	2.2	8.4	6.7	4.6
Developed	2.4	0.3	1.0	7.4	5.2	2.9
Emerging	3.6	3.8	3.9	9.1	7.7	5.7
US	1.7	0.4	0.9	8.0	5.0	3.6
Eurozone	3.1	-0.2	0.9	8.4	7.0	2.8
UK	4.3	-0.2	1.3	8.7	5.9	3.2
Japan	1.2	0.9	0.5	2.2	1.0	0.3
Mainland China	3.5	5.2	4.8	2.2	2.6	2.4
India	6.7	5.3	6.0	6.9	5.5	5.0
Brazil	2.9	0.7	1.9	9.4	4.5	4.2

Source: HSBC. Note: India inflation forecasts are fiscal year.

Global policy rates

	Current	Q4 2022f	Q4 2023f
US	3.00-3.25%	4.25-4.50%	4.50-4.75%
Eurozone	1.25/0.75%	2.50/2.00%	3.50/3.00%
UK	2.25%	3.50%	4.25%
Japan	-0.10%	-0.10%	-0.10%
Australia	2.60%	3.10%	3.10%
New Zealand	3.50%	4.00%	3.50%
Sweden	1.75%	2.25%	2.50%
Mainland China	3.65%	3.60%	3.60%
India	5.90%	6.40%	6.40%
Korea	2.50%	3.00%	3.00%
Mexico	9.25%	10.25%	9.25%
Brazil	13.75%	13.75%	9.75%

Source: HSBC, Bloomberg. Note: *Turkey is one-week repo rate.

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