The Week Ahead: US labour and PCE data in focus ahead of Fed's June meeting

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US: Solid labour data would likely result in June rate hike

US labour data for May (2 June) and April personal spending and PCE data (30 May) will dominate the releases this week. Upcoming data will be particularly closely watched ahead of the FOMC's 13-14 June meeting and solid jobs data will likely result in the Fed raising the FFTR by a further 25 bps at this meeting. We had expected that the next rate hike would take place in September, providing the Fed time to digest the impact of the two consecutive quarters of rate hikes on the economy. However, we now see a rising probability of a June rate hike if the data ahead of the meeting remains respectable. The May FOMC minutes and the recent Fed comments continue to indicate that the recent soft data has been transitory and that they plan to start balance-sheet reduction at the end of 2017 (see page 5). We have highlighted the possibility of rate hikes being brought forward to June and September, if the Fed is looking to start unwinding its balance sheet at end 2017 (please see our **Global Data Watch 10-14 April 2017**). Moreover, over the last week the Fed has not provided any guidance to dispel market expectations of a June rate hike. There are a number of Fed speaking engagements this week, which will be the last opportunity for policy makers to guide the market ahead of the blackout period. Consensus expects healthy jobs growth of 185K in May, resulting in a six-month average of c. 180K. Unemployment is forecast to remain steady at 4.4% with wage growth rising to 2.6% y-o-y from 2.5% in April. However, the April core PCE deflator is expected to remain soft – in line with the core CPI reading. Consensus expects just a 0.1% m-o-m rise in core PCE, resulting in a deceleration in the y-o-y rate to 1.5% from 1.6% in March.

India: Moderate acceleration in 1Q GDP growth expected

We expect India's 1Q GDP growth (31 May) to accelerate moderately to 7.2% y-o-y (consensus: 7.1%; 4Q: 7%) led mainly by a rebound in consumption and stronger exports. Leading indicators of household spending (vehicle sales, consumer credit) have markedly strengthened in 1Q, after being adversely impacted by demonetisation in 4Q2016. A significant contribution is also expected from exports, which have risen by double digits since February this year. However, capex growth is likely to decelerate, given the low appetite recently seen for investment credit by highly leveraged corporates. Markets will also look at the revisions made to GDP data in the previous quarters.

Eurozone: Inflation to soften in May as Easter effects wane

Inflation is likely to decelerate in May in the Eurozone (consensus: 1.5% y-o-y; April: 1.9%), as the one-off impact of Easter holidays on services inflation fades. The disinflation is also likely to be aided by a stronger EUR and relatively muted energy prices. We expect Eurozone inflation to remain well below the 2% y-o-y mark in the near term. Prices are likely to start moving towards the ECB's 2% target sustainably only in end 2017. This should encourage the central bank to announce a scale back in its asset purchases from 1Q2018 onwards, possibly in its December meeting.

I. Recent Events and Data Releases

A. MENA Economies

OPEC: Extends oil output curbs for nine months

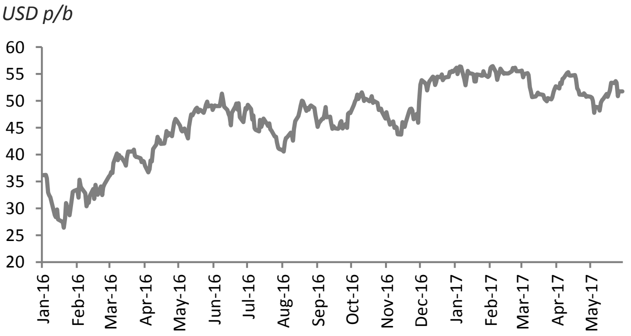
Quota levels kept steady – compliance of non-OPEC members weaker than OPEC

There were no major surprises from the joint OPEC and non-OPEC (led by Russia) meeting on 25 May. The group of 24 countries agreed to extend the oil production cuts (effective from 1 January 2017) for nine months until end-March 2018, with output targets remaining steady. There was some fall in the oil price following the announcement, suggesting that some market participants were looking for a deeper cut. The extension was necessary as the initial six-month agreement failed to remove the global oil oversupply. We believe that one factor that could have been behind the decision to keep the quota levels steady was the weaker compliance of some non-OPEC members. Thus, with OPEC compliance strong, its members have continued to shoulder most of the production cuts.

Substantial structural challenges remain for global rebalancing – resulting in greater GCC fiscal reforms

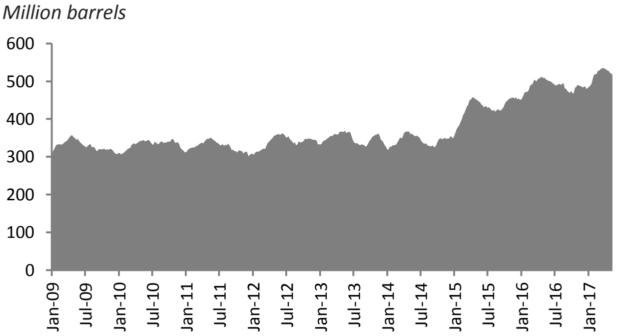
We still expect some reduction in global crude inventory levels in 2Q2017 as seasonal demand increases. Nevertheless, the pace of global rebalancing of the oil market will be gradual given the rising supply from the US. Saudi Arabia highlighted after the meeting that it intends to "markedly" reduce exports to the US in the coming weeks as it looks to reduce crude inventories. This is a notable shift in policy stance towards targeting exports, rather than just lowering overall production levels. There are no indications to the extent that other countries will follow this new direction. Saudi Arabia has exported 1.2 million b/d of crude to the US so far in 2017, according to Bloomberg data. However, more accelerated declines in US stockpiles in the coming quarters are only likely to boost domestic shale production. Currently, OPEC members seem to be comfortable targeting the oil price at or just above the USD50 p/b/ level. This should continue to allow a more gradual pace of fiscal reforms from the GCC countries in 2017, versus 2016. Nevertheless, with the structural challenges to the oil price, GCC countries will still need to reduce fiscal breakeven oil prices, especially in Bahrain, Oman and Saudi Arabia.

Fig. 1. Oil: Brent crude fell moderately following deal extension as some traders expected deeper cut



Source: Bloomberg

Fig. 2. US crude inventories: Saudi Arabia looking to export less to US to lower crude inventories



Source: US Department of Energy

GCC: Moody's upgrades Abu Dhabi's and Kuwait's outlooks to stable, lowers Qatar's rating by one notch

Abu Dhabi's proactive approach to fiscal reforms highlighted

Moody's Investors Service upgraded Abu Dhabi's credit outlook to stable from negative at the end of last week. Concurrently, the long and short-term issuer ratings were reaffirmed at Aa2/P-1. The key drivers of the change were: i) an effective and broad policy response to the lower oil price environment via an acceleration in the reform agenda; ii) the economy's growth prospects, supported by a healthy banking system; and ii) an easing of contingent liability risk. We have repeatedly highlighted in our research that Abu Dhabi has been one of the most proactive in the GCC in responding to the lower oil price and has frontloaded much of the reforms. These have included subsidy reforms and retrenching government expenditure. As a result of the reform programme and stabilising oil prices, Moody's expects Abu Dhabi's fiscal deficit to narrow to 2% of GDP in 2017. We see the potential for a slightly narrower deficit in 2017. Kuwait's outlook was also raised to stable from negative, with its rating remaining steady at Aa2.

Qatar sovereign rating downgraded

Meanwhile, Moody's downgraded Qatar's long-term issuer and sovereign debt ratings to Aa3 from Aa2. Key factors behind the downgrade included the weakening of Qatar's external position and uncertainty over the sustainability of the country's growth model beyond the next few years. However, Moody's changed the outlook to stable from negative, citing optimism around the implementation of fiscal and economic reforms.

Oman: Issues USD2 billion in international sukuk; demand remains strong

Some rise in pricing following downgrade to sub-investment grade by S&P

Oman returned to the international debt market last week, raising USD2 billion through a seven-year sukuk. Demand for the debt remained robust, despite S&P downgrading Oman's sovereign credit rating to sub-investment grade earlier this month. Market indications suggest that the order book was over USD6.9 billion, with the strong interest helping to compress the pricing from the initial guidance to midswap+270 bps (coupon of c.4.397%). The initial guidance was at c.midswap+235 bps. Nevertheless, there was some upward pressure on pricing from the downgrade and the relatively larger size of the issue (versus the mid-2016 sukuk). As we highlighted in a recent Global Data Watch (15-19 May 2017), we had expected to see a contained rise in the cost of borrowing as Oman's relatively weaker fundamentals in the GCC have already been reflected in its debt pricing.

Fig. 3. Oman: Foreign debt issuance

Type of Issuance	Time of issue	Size, USD bn	Pricing	Maturity, years
Syndicated Loan	Jan-16	1	LIBOR+120 bps	5
Eurobond	Jun-16	1	Midswap + 245 bps	5
Eurobond	Jun-16	1.5	Midswap + 320 bps	10
Sukuk	Jul-16	0.5	3.5% (Coupon)	6
Eurobond	Mar-17	1	Midswap + 190 bps	5
Eurobond	Mar-17	2	Midswap + 300 bps	10
Eurobond	Mar-17	2	Midswap + 387.5 bps	30
Sukuk	May-17	2	Midswap + 235 bps	7

Source: Reuters, Bloomberg, various media sources

We believe that Oman was likely front-loading its funding requirements as the government had already raised USD5 billion in March. We believe that the timing of last week's issue was positive, ahead of further rate hikes by the Fed. Moreover, global liquidity and emerging market risk sentiment were supportive. We believe that the bonds issued by Oman so far in 2017 cover around 85% of the forecast fiscal deficit. The focus on foreign borrowing to cover the fiscal deficit will help to limit drawdowns from the government's FX reserve position. However, Oman's gross government debt is forecast to rise to 35% of GDP in 2017, up from 29.8% of GDP in 2016.

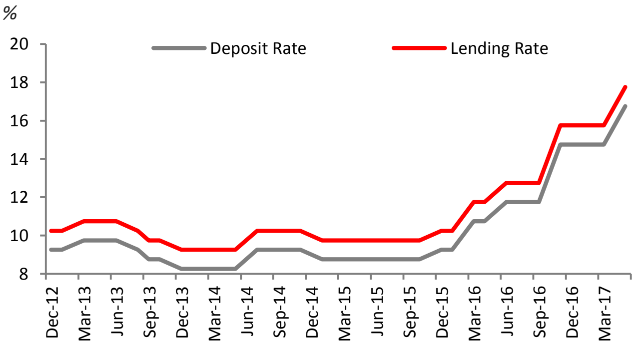
Some 85% of Oman's forecast fiscal deficit to be covered by international debt raised

Egypt: CBE surprises with 200 bps rate hike citing rising demand pressures

IMF had recently indicated that higher rates were required to stem inflationary pressure

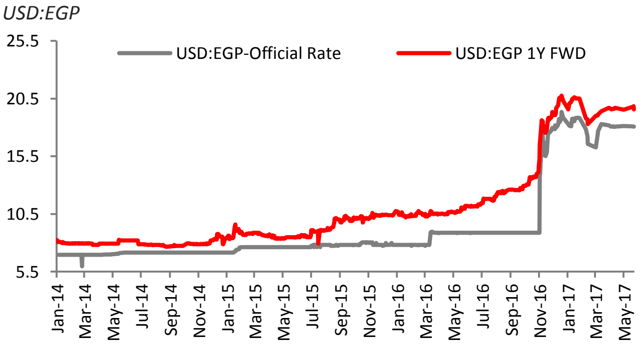
The CBE surprised the market by raising benchmark interest rates by 200 bps at its 21 May meeting. The rise was especially unexpected as the recent communication by the central bank continued to highlight that the rise in inflation was transitory (linked to the weakening of the EGP in November 2016) and that upside cost-price pressures were moderating. Following the increase, the CBE's main operating rate and the discount rate are now 17.25%, with the overnight deposit rate at 16.75% and the lending rate at 17.75%. We believe that a recent comment by the IMF indicating that higher interest rates were needed to curb inflationary pressures could have partly been behind the hike. Moreover, we believe that the CBE could be moving ahead of further fiscal reforms being introduced, which we highlighted previously as a potential catalyst for further rate hikes. The MPC statement highlighted that the rate hike was needed to anchor inflationary expectations, with signs of strengthening in demand and improving economic activity.

Fig. 4. Egypt: CBE raises benchmark interest rates by 200 bps at 21 May meeting



Source: Central Bank of Egypt

Fig. 5. Egypt: EGP stability will be central to meeting CBE's end-2018 inflation target



Source: Bloomberg

Inflation target of 13% announced for end-2017

We do not expect this hike to have a marked impact on reducing the inflation rate given the weak monetary transmission channels. Thus, the impact on economic activity is also expected to be limited. We see the potential for inflation to rise further with the introduction of further fiscal reforms, including reducing fuel subsidies. We do not expect further rate hikes until there are signs of a build-up in inflation expectations following the next round of reforms. Meanwhile, the CBE also announced an inflation target of 13% (+/-3%) for end-2018, with single digits subsequently. Headline inflation stood at 31.5% y-o-y in April. We believe that EGP stability and the front-loading of fiscal reforms will be central in meeting this target. The interest rate hike will be positive for capital inflows and should support the EGP. Separately, Egypt raised USD3 billion in a Eurobond sale last week – around twice the targeted level and at a lower cost than when the same bonds were first sold in January. Much of the demand for the paper was from North America and Europe, and the funds will be used to help cover the fiscal deficit.

B. G4 Economies

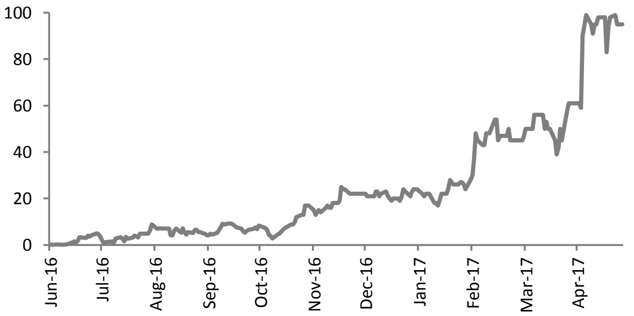
US: Fed looks past soft data; support for proposal for balance sheet reduction

Fed has not provided any guidance against market expectations of June rate hike

The minutes of the Fed's 2-3 May meeting remained consistent on the economic outlook. FOMC members continue to see the softness in 1Q GDP growth and inflation data as transitory. Most FOMC members wanted to see further information regarding the nature of the slowdown before hiking policy rates again. Nevertheless, the majority of participants still thought it would "soon" be appropriate to "take another step in removing some policy accommodation". We believe that the recent economic data and indications do not warrant a June rate hike. However, the fact that the Fed has not provided any guidance to dispel market expectations of a June rate hike makes us increasingly believe that the Fed is looking to again hike the FFTR by 25 bps in June. Last week saw a heavy schedule of speaking engagements for FOMC members, with the blackout period for the June meeting at the end of this upcoming week. As a result, we now see a rising probability of a June rate hike, as long as the upcoming data ahead of the meeting remains respectable. There now remains a narrow window for the Fed to change expectations, with markets seeing a 95% probability of a 25 bps rate hike in June.

Fig. 6. US: Markets now see 95% probability of 25 bps hike in FFTR in June

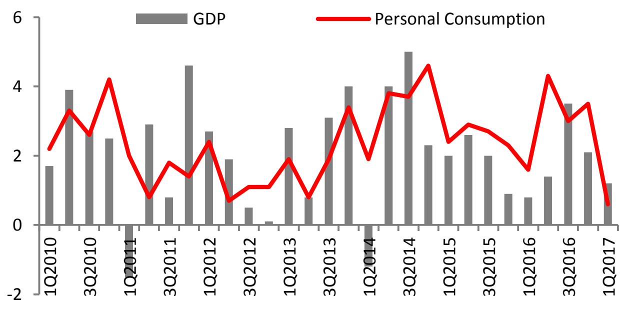
Market expectations of 25 bps rate hike



Source: Bloomberg

Fig. 7. US: 1Q GDP growth revised up, albeit to still weak 1.2% q-o-q SAAR

% change q-o-q SAAR



Source: Bureau of Economic Analysis

Most FOMC members favourable towards proposal to gradually increase caps for balance sheet runoffs

The greatest area of interest in the minutes was related to proposals on balance sheet reduction. The minutes noted that "nearly all policymakers" were favourable towards a proposal that would gradually increase caps for balance sheet runoff. This would include caps on the amount of Treasuries and agency securities, with an amount above the caps still being reinvested. The caps would start off at a low level and be raised gradually every three months over a "set period of time" until they reached a fully phased-in level. FOMC members were in consensus that the balance sheet normalisation could begin in 2017, as long as the path of the economy and rate hikes progressed in line with expectations. More discussions on balance sheet reductions are expected at the June meeting.

1Q GDP data (second print): GDP growth for 1Q2017 was revised up to 1.2% q-o-q SAAR in the second reading, up from 0.7% in the preliminary estimate. The upward revision was on the back of stronger consumer spending and fixed non-residential investment. A major driver of the investment pickup has been a rebound in domestic energy production.

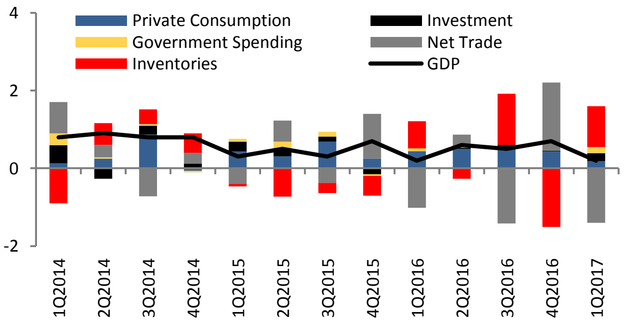
UK: 1Q GDP growth revised downward, as household spending and net trade weigh on growth

Households sharply cut discretionary purchases in 1Q2017

1Q GDP growth was revised down to 0.2% q-o-q (consensus: 0.3%; 4Q:0.7%) in its second estimate from 0.3%. The release also provided details of growth by expenditure component, which showed a weakening household spending and net exports detracting, even as investment activity rebounded sharply. The slowdown in household spending to 0.3% q-o-q (4Q2016: 0.7%) was in line with our expectation, given the sharp deceleration in spending on discretionary purchases (hotels, retail and air travel) in 1Q2017 that we had noted earlier. Additionally, net trade subtracted 1.4pp (+1.8pp in 4Q2016) from GDP, likely reflecting a surge in imports for inventory build-up prior to the triggering of Brexit. The jump in investment activity to 1.2% q-o-q (4Q 2016: -0.2%) was more surprising, though we note that capex growth data in the UK tend to be volatile.

Fig. 8. UK: GDP decelerated sharply in 1Q; we expect it to remain subdued through 2017

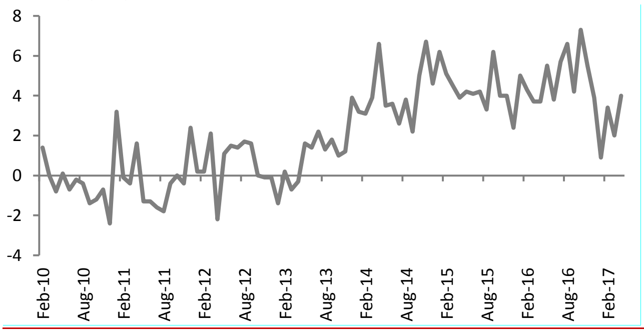
Pp contribution to q-o-q GDP growth



Source: Office for National Statistics, ADCB calculations

Fig. 9. UK: Consumers sharply cut their discretionary purchases in 1Q as real wage growth weakened

% change y-o-y



Source: Office for National Statistics

BoE likely to stay on hold until 2Q2019

The 1Q GDP numbers provide further support to the BoE's dovish outlook on growth and inflation in its May Inflation Report. Nevertheless, 1Q growth numbers were even lower than BoE estimate released in mid-May of 0.4% q-o-q. Forward looking consumption indicators (wage growth and inflation) point towards the recent softening in GDP data persisting through 2017. Moreover, the slowdown in housing sales and construction activity suggests that the sluggishness in household spending may also weigh on investment demand in the future. We expect GDP growth to slow to 1.5% y-o-y in 2017 (consensus: 1.7%; 2016: 1.8%). Subdued economic activity alongside weak domestic inflation pressures is likely to prompt the BoE to keep its policy rates on hold at least until 2Q2019 (until Brexit commences), in our view.

Japan: Modest rise in inflation in April, but price dynamics remain weak

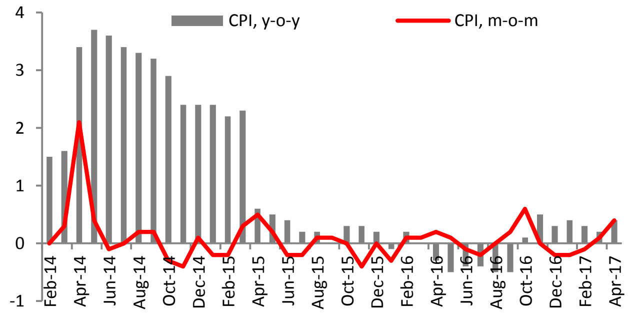
Weak wages and relatively stronger JPY could be headwinds in the near term

Inflation accelerated to 0.4% y-o-y in April (consensus: 0.4%; March: 0.2%), in line with market expectations. The pick-up largely reflected a jump in food (+1.8% y-o-y after -

0.4% y-o-y) and energy prices (4.5% y-o-y after 3.9% y-o-y). Stripping out these two factors, inflation (ex-food and energy) remained flat (March: -0.1% y-o-y). Looking ahead, we see two headwinds to inflation in the near term. First, the upside pressure on inflation from a tight labour market is likely to be low given the muted wage increases. Spring wage negotiations for 2017 were settled for just a 2.1% y-o-y increase in wages for workers (2% in 2016), despite a significant acceleration in GDP growth and corporate profits. Furthermore, JPY is likely to appreciate in the near term against the USD, given the sell-off in DXY as market expectations of a US fiscal stimulus wane. A stronger JPY could further drag down prices, particularly for energy. Consequently, we expect no change in the BoJ's policy stance or inflation outlook in its 16 June meeting, with the central bank continuing to highlight downside risks to inflation.

Fig. 10. Japan: Consumer prices increase in April, largely due to higher food and energy prices

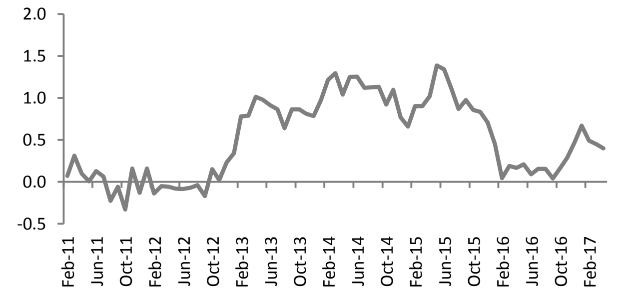
% change



Source: Ministry of Internal Affairs and Communication

Fig. 11. Japan: Market expectations for inflation have fallen recently, as wage growth remains fragile

5 year inflation expectations, % change y-o-y



Source: Bloomberg

Greece: EU leaders fail to reach agreement on Greek bailout

IMF insisting on easier fiscal targets for Greece

Eurozone finance ministers failed to reach an agreement on two necessary aspects for disbursal of the next tranche of Greek bailout funds: the participation of the IMF in the bailout and debt relief for Greece. Specifically, the IMF continued to insist on two important pre-conditions for its participation: a reduction in interest payments by the Greek government to its bailout creditors, and a less demanding primary surplus target (3.5% currently). These measures would require approval from national parliaments in Europe, which looks difficult given the public opposition to further debt relief for Greece in the Netherlands and Germany.

We expect EU to release bailout funds in June

Yields on Greek government bonds rose steeply following the meeting, though the market's pricing of risk remains substantially below the levels seen before the announcement of the third Greek bailout in July 2015. Comments from Eurozone finance ministers have suggested that an agreement on payments to Greece in July could be reached at the next EU meeting on 15 June. Indeed, statements from the German foreign minister after the meeting suggested a softer stance on the Greek bailout; he reiterated Germany's commitment to the Greek bailout in exchange for fiscal reforms enacted by the Greek government on 18 May. In our view, Germany and other EU members are likely to extend bailout payments to Greece next month, even without the IMF's contribution, while postponing the discussions on debt relief (likely until mid-2018) until elections are out of the way in Germany.

C. Emerging Market Economies

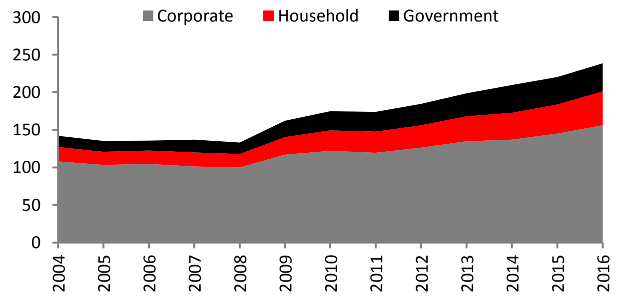
China: Moody's downgrades China's sovereign debt rating on rising leverage concerns

Short-term impact limited but setback to long-term financial reform

Moody's cut China's sovereign credit rating by one notch last week to Aa3 (A1 previously), on concerns over rising economy-wide debt. The downgrade came after Moody's (along with S&P) put China's sovereign rating on negative watch in March 2016. In our view, the downgrade was not unexpected. China's aggregate debt-to-GDP ratio since March 2016 has risen from 239% to 257% of GDP (end-2016). In particular, while the government share of this debt remains limited (37% of GDP), much of the private and SoE sector debt carries contingent guarantees from the government. The short-term impact of the ratings downgrade was limited as the risks flagged by Moody's over China have already been discounted in Chinese asset prices since 2016. Furthermore, the government has also tightened its capital controls and market oversight since July 2015's stock-market rout, which makes a speculative sell-off difficult. That said, we still believe that this downgrade could have a material impact on medium and long-term funding conditions. First, it reduces private and foreign players' appetite for the debt-to-equity swap and other asset-restructuring programmes that China announced in 4Q2016. Second, it creates further uncertainty over the timing of China's inclusion in global corporate bond (EMBI Index) and stock (MSCI EM) indices, which the government considers vital to its financial market reform agenda.

Fig. 12. China: Aggregate debt burden expanded in 2016 despite PBoC's monetary tightening since 2H2016

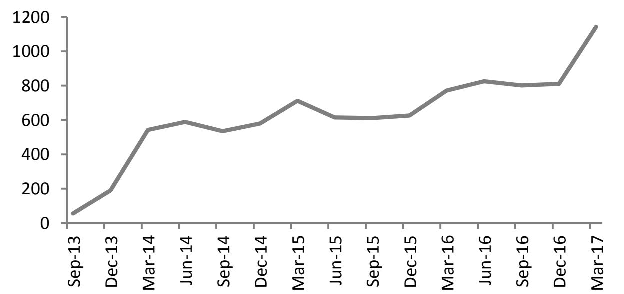
Share of GDP at current prices



Source: Bloomberg

Fig. 13. Assets managed by online money market funds rose in 1Q2017; much of it lies outside banking system

Yue Bao money market fund, China's first online MMF (AUM in billions)*



* Yue Bao is China's biggest online money market fund

Source: Bloomberg

Government needs to resolve debts of highly leveraged SoEs and private firms with guarantees

Looking ahead, we believe that the more interesting aspect to watch out for is the Chinese policy response to the downgrade. The PBoC and China's banking regulator recently expressed the need for striking a balance between systemic risk mitigation and maintaining supportive liquidity conditions. In our view, the PBoC has nimbly balanced these imperatives since the beginning of this year. Loan supply to households and businesses has been solid; off-balance-sheet lending by banks has fallen steadily. However, the policy measures taken so far will only slow the accumulation of debt but not bring down the stock of debt. Indeed, measures towards shutting down and resolving highly indebted firms (private and SoE) in the mining and heavy manufacturing sectors are vital to sustained deleveraging and better capital allocation. Progress on these fronts has so far been meagre. Furthermore, better regulation is also needed of the online lending industry (comprised mainly of online money market funds) in China, which largely lies outside the purview of the banking system and could emerge as a source of credit risk. It has proliferated in recent years (owning c.5-8% of credit stock) and has seen a rapid rise in credit growth in 2H2016, even as monetary conditions have remained tight.

II. Economic Calendar

Fig. 14. The week ahead

Time*	Country	Event	Period	Prior	Consensus
Expected this week					
	UAE	Dubai Airport Cargo Volume, y-o-y	Apr	8.4%	--
	Saudi Arabia	Current Account Balance	1Q	-1197M	--
	Saudi Arabia	M2 Money Supply, y-o-y	Apr	4%	--
	Saudi Arabia	SAMA Net Foreign Assets, SAR	Apr	1880.3B	--
	Qatar	M2 Money Supply, y-o-y	Apr	2.4%	--
Monday, 29 May					
2:15	US	Fed's Williams Speaks in Singapore			
12:00	Eurozone	M3 Money Supply, y-o-y	Apr	5.3%	5.2%
Tuesday, 30 May					
3:30	Japan	Jobless Rate	Apr	2.8%	2.8%
3:30	Japan	Job-To-Applicant Ratio	Apr	1.45	1.46
3:30	Japan	Overall Household Spending, y-o-y	Apr	-1.3%	-0.7%
3:50	Japan	Retail Sales, m-o-m	Apr	0.2%	-0.1%
13:00	Eurozone	Economic Confidence	May	109.6	110
13:00	Eurozone	Consumer Confidence	May F	-3.3	-3.3
16:30	US	Personal Income, m-o-m	Apr	0.2%	0.4%
16:30	US	Personal Spending, m-o-m	Apr	0%	0.4%
16:30	US	PCE Deflator, y-o-y	Apr	1.8%	1.7%
16:30	US	PCE Core, m-o-m	Apr	-0.1%	0.1%
16:30	US	PCE Core, y-o-y	Apr	1.6%	1.5%
18:00	US	Conf. Board Consumer Confidence	May	120.3	119.8
Wednesday, 31 May					
3:50	Japan	Industrial Production, m-o-m	Apr P	-1.9%	4.1%
13:00	Eurozone	Unemployment Rate	Apr	9.5%	9.4%
13:00	Eurozone	CPI Estimate, y-o-y	May	1.9%	1.5%
13:00	Eurozone	CPI Core, y-o-y	May A	1.2%	1%
15:00	US	MBA Mortgage Applications	26-May	4.4%	--
16:00	India	GVA, y-o-y	1Q	6.6%	6.9%
16:00	India	GDP, y-o-y	1Q	7%	7.1%
16:00	US	Fed's Kaplan Speaks in New York			
22:00	US	U.S. Federal Reserve Releases Beige Book			
Thursday, 1 Jun					
4:10	US	Fed's Williams Speaks in Seoul			
11:15	Eurozone	ECB's Villeroy Speaks at Brussels Economic Forum in Brussels			
12:30	UK	Markit UK PMI Manufacturing SA	May	57.3	56.5
13:00	Eurozone	ECB's Hakkarainen, Costa, EBA's Enria Speak in Lisbon			
16:15	US	ADP Employment Change	May	177K	180K
16:30	US	Initial Jobless Claims	27-May	234K	239K
18:00	US	ISM Manufacturing	May	54.8	54.6
Friday, 2 Jun					
16:30	US	Change in Nonfarm Payrolls	May	211K	185K
16:30	US	Unemployment Rate	May	4.4%	4.4%
16:30	US	Average Hourly Earnings, y-o-y	May	2.5%	2.6%
16:30	US	Underemployment Rate	May	8.6%	--

* UAE time
Source: Bloomberg

Fig. 15. Last week's data

Time*	Country	Event	Period	Prior	Consensus	Actual
MENA Data						
	UAE	M2 Money Supply, y-o-y	Apr	2.3%	--	0.1%
	UAE	CPI, y-o-y	Apr	3%	--	2.2%
	Kuwait	CPI, y-o-y	Apr	2.6%	--	2.6%
	Bahrain	CPI, y-o-y	Apr	0.8%	--	0.9%
	Egypt	Deposit Rate	21-May	14.75%	14.75%	16.75%
	Egypt	Lending Rate	21-May	15.75%	--	17.75%
Monday, 22 May						
3:01	UK	Rightmove House Prices, m-o-m	May	1.1%	--	1.2%
3:01	UK	Rightmove House Prices, y-o-y	May	2.2%	2%	3%
3:50	Japan	Trade Balance Adjusted	Apr	¥106.4B	¥259.6B	¥97.6B
3:50	Japan	Exports, y-o-y	Apr	12%	8%	7.5%
Tuesday, 23 May						
12:00	Germany	IFO Business Climate	May	113	113.1	114.6
18:00	US	New Home Sales	Apr	642K	610K	569K
Wednesday, 24 May						
4:30	Japan	Nikkei Japan PMI Mfg	May P	52.7	--	52
15:00	US	MBA Mortgage Applications	19-May	-4.1%	--	4.4%
17:45	US	Markit US Manufacturing PMI	May P	52.8	53.1	52.5
18:00	US	Existing Home Sales	Apr	5.7M	5.65M	5.57M
22:00	US	FOMC Meeting Minutes	3-May	--	--	
Thursday, 25 May						
12:30	UK	GDP, q-o-q	1Q P	0.7%	0.3%	0.2%
12:30	UK	GDP, y-o-y	1Q P	1.9%	2.1%	2%
12:30	UK	Private Consumption, q-o-q	1Q P	0.7%	0.3%	0.3%
12:30	UK	Government Spending, q-o-q	1Q P	0%	0.4%	0.8%
12:30	UK	Gross Fixed Capital Formation, q-o-q	1Q P	0.1%	-0.2%	1.2%
12:30	UK	Exports, q-o-q	1Q P	4.6%	0.5%	-1.6%
16:30	US	Initial Jobless Claims	20-May	233K	238K	234K
Friday, 26 May						
3:30	Japan	CPI, y-o-y	Apr	0.2%	0.4%	0.4%
3:30	Japan	CPI ex-Fresh Food, y-o-y	Apr	0.2%	0.4%	0.3%
3:30	Japan	CPI, ex-Fresh Food, Energy, y-o-y	Apr	-0.1%	0%	0.0%
16:30	US	GDP Annualized, q-o-q	1Q S	0.7%	0.9%	1.2%
16:30	US	Personal Consumption, q-o-q	1Q S	0.3%	0.4%	0.6%
16:30	US	GDP Price Index	1Q S	2.3%	2.3%	2.2%
16:30	US	Durable Goods Orders, m-o-m	Apr P	2.3%	-1.5%	-0.7%
16:30	US	Core PCE, q-o-q	1Q S	2%	2%	2.1%
16:30	US	Durables, ex-Transportation, m-o-m	Apr P	0.8%	0.4%	-0.4%

* UAE time
Source: Bloomberg

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