The Week Ahead: Brexit vote the main event; close call but we expect Remain win

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UK: Global risk sentiment to hinge on EU referendum result

The UK votes on whether or not it wants to remain part of the EU on Thursday (23 June). We continue to expect voters to opt for the status quo, despite opinion polls indicating that the result will be a close call. We believe that undecided voters, around 10% of the total currently, are more likely to prefer to stay than to opt out of the EU. We expect a rebound in the GBP in the event of a Remain vote. That said, a Remain win will likely not fully end the political instability, especially if the victory is by a thin margin. The extremely divergent stances on immigration may begin to affect Conservative Party legislators' positions on fiscal and economic matters and hinder any moves towards future EU reform. This could mean slower economic recovery and a delay in the timing and pace of policy rate hikes by the BoE.

UK: Brexit could impact major central bank decisions

In the event of Brexit, we expect a significant reversal in the BoE's monetary policy stance. The BoE is likely to put off monetary tightening at least until 2019, when the formalities of exit are likely to be completed. Further, if financial market volatility rises in the immediate aftermath, the BoE may even have to cut rates and temporarily suspend its inflation targets until liquidity constraints ease. Politically, a change in leadership of the UK is highly likely, with current PM David Cameron potentially stepping down in favour of an appointee from the Leave camp within the Conservative Party. In Europe, Brexit could further compound worries about the stability and future of the EU, particularly if it is accompanied by a fragmented result in the Spanish general election (26 June). Therefore, we assign a higher probability to the ECB expanding the quantum of its asset purchases to limit a rise in sovereign bond yields (particularly for Italy and Spain) and prop up inflation expectations. Brexit might also delay a policy rate hike by the Fed if it leads to a significant jump in financial market risk aversion.

US: Yellen to testify on monetary policy to Senate

The key US event this week will be Fed Chair Janet Yellen's monetary policy testimony to the Senate Banking Panel (21 June). Markets will look for further details on the Fed's assessment of the economy and monetary conditions. We expect the tone and evaluation to be in line with her conference following the FOMC's 15 June meeting. Our key takeaway from last week's FOMC meeting was that the Fed has become less confident in the medium-term economic outlook, alongside a short-term tactical delay following the weak May NFP data. The more cautious tone raises the risk that the Fed may require more time to assess underlying growth and inflation trends, increasing the possibility of a hike being delayed to September. June labour data and the Brexit vote will be critical for the timing of the next rate hike.

I. Recent Data and Events

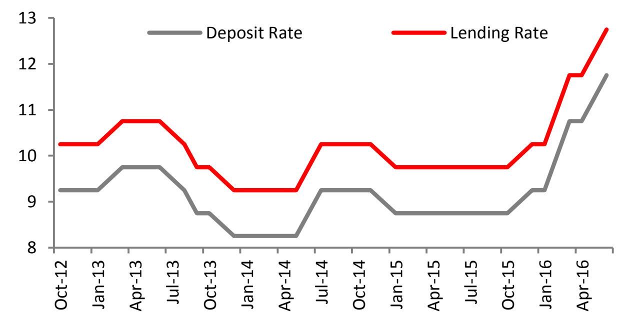
A. MENA Economies

Egypt: Interest rates raised to anchor inflation expectations

Benchmark rates increased by 100 bps in a surprise move

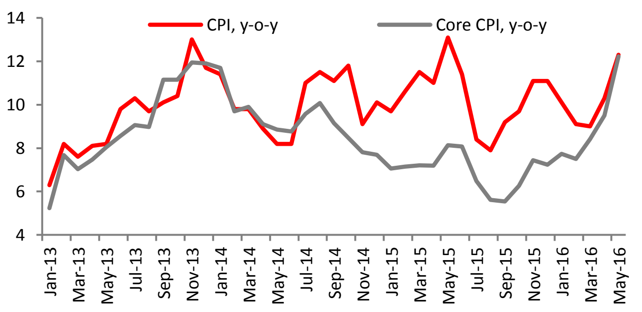
The CBE increased benchmark rates by 100 bps on 16 June, in a move to anchor inflation expectations and reduce downward pressure on the EGP (by attracting capital inflows). The lending rate stands at 12.75% and the deposit rate at 11.75%; the discount rate was also increased by 100 bps to 12.25%. We had expected a rise of 50 bps, thus the magnitude was a surprise. The CBE has now raised rates by 300 bps since December 2015, with 250 bps coming after the March EGP devaluation of around 13%. Inflation has accelerated with the weakening of the EGP, which is increasingly feeding into core inflation. Recent adjustments to regulated prices (such as medicines) have also resulted in an acceleration in core inflation.

Fig. 1. Egypt: CBE has raised benchmark interest rates by 250 bps since the March EGP devaluation



Source: Central Bank of Egypt

Fig. 2. Egypt: Inflation has accelerated since March; CBE statement indicates further need for vigilance



Source: Bloomberg

FX policy remains key concern and drag on economic activity

The CBE statement indicates that the bank remains concerned over inflation. The sentence "key policy rates are appropriate given the balance of risks surrounding the inflation and GDP outlooks" was removed from the statement. Nevertheless, we believe that a 100 bps rate increase front loads most of the hikes for this year. However, there could be further increases if the government introduces VAT in the upcoming fiscal year. The budget is currently being discussed in parliament. We see the main economic impact of the rate hikes as increasing deficit funding costs for the government. We still believe that a further devaluation of the EGP and a move to a more flexible exchange rate is required to remove the parallel market. Until then, concerns over FX policy and an overvalued EGP remain, hindering capital inflows. FX shortages remain a key drag on economic growth, especially investments.

Saudi Arabia: Passes tax on undeveloped urban land

Further clarity needed on timing of tax implementation

Saudi Arabia's cabinet last week approved a tax on undeveloped urban land, which had been under discussion for over a year. A 2.5% tax will be levied on plots exceeding 10K sqm. We await further details to gauge the impact of this tax on government revenues, including the amount of land eligible and the timing of implementation. The Ministry of Housing will specify which land falls under the new tax law, and a fair value for the land will be determined by a committee. The ministry has announced the launch of a new website dedicated to the 'white-land' tax. Land owners are required to register their plots within six months of the release of the final regulations of the tax. The law aims to increase non-oil revenues and to boost housing investment. Landowners are likely either to look to sell their land to avoid the tax, making land cheaper for developers to purchase, or to start building on their land. We do not expect the tax to boost government revenues in 2016 due to the six-month registration period.

B. G4 Economies

US: Fed remains on hold, strikes a cautious tone

Uncertainty over US labour market and Brexit vote central to decision to hold rates

The Fed kept interest rates on hold at its 14-15 June meeting, as we and the market had expected. The statement, economic projections, and post-meeting conference all had a dovish tilt, though the statement differed somewhat from the previous one. Both domestic and external factors were highlighted as the reasons for remaining on hold, including uncertainty over the UK's vote on EU membership. Domestically, low inflation expectations, weak productivity, and uncertainties regarding the labour market (especially in light of the weak May payroll data) were cited. However, the statement also indicated some areas of robustness in the labour market, including low jobless claims, stronger private employment survey results, and an acceleration in wage growth. The strength of recent consumer spending data was also acknowledged, as was the pickup in economic activity.

Fig. 3. US: Summary of FOMC's median economic projections, %

	2016	2017	2018	Longer run
Real GDP growth, 4Q y-o-y				
June	2	2	2	2
March	2.2	2.1	2	2
Unemployment rate, 4Q average				
June	4.7	4.6	4.6	4.8
March	4.7	4.6	4.5	4.8
PCE inflation, 4Q y-o-y				
June	1.4	1.9	2	2
March	1.2	1.9	2	2
Core PCE inflation, 4Q y-o-y				
June	1.7	1.9	2	--
March	1.6	1.8	2	--
Median FFTR, year end				
June	0.875	1.625	2.375	3
March	0.875	1.875	3	3.25

Source: Federal Reserve

Six FOMC members now see only one rate hike as appropriate - up from one in March

The average FFTR projection dropped -19 bps for 2016, though the implied median projection of two rate increases for the year remained unchanged. Six FOMC members (of 17 members, of which 12 are able to vote) now see just one rate hike in 2016 as appropriate, up from only one at the March meeting. The dot plot is also pointing to more gradual tightening in 2017 and 2018, with three hikes each year, down from four in the March projections. The longer-run funds rate expectation was also reduced by -25 bps to 3%. The shift in medium-term policy projections came despite limited adjustments to the FOMC's growth and inflation forecasts (Fig. 1). This implies a lower underlying natural rate of interest, i.e. the rate compatible with steady economic growth and stable inflation. Fed Chair Janet Yellen highlighted low domestic productivity, household formation, and global growth as reasons for the lower equilibrium interest rate.

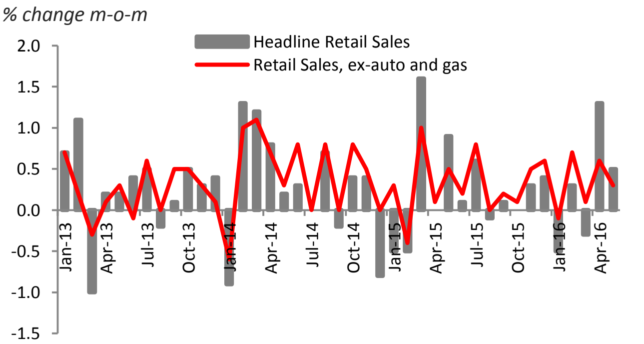
Clarity on labour market and inflation conditions required for decision on hike

In her post-meeting conference, Yellen indicated that a rate hike was possible at the July meeting if the labour data show healthy momentum and the result of the UK's referendum on EU membership does not lead to global market volatility. However, the more cautious tone implied that the Fed may require further confirmation from the data on the labour market, growth momentum, and inflation. This increases the possibility of a hike being delayed to September, which would likely result in just one 25 bps increase in 2016. We reiterate our view that the June NFP data and the Brexit referendum outcome will be central to the timing of the next rate hike.

May retail spending remains healthy, beats market expectations

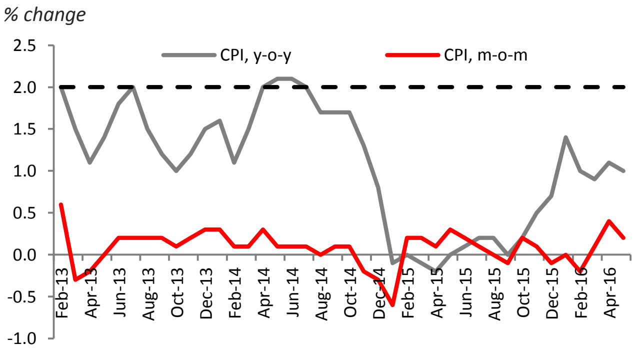
Retail sales: Retail sales remained strong in May, beating market expectations and pointing to a rebound in consumer spending in 2Q. Headline sales rose 0.5% m-o-m in May (consensus: 0.3% rise), which was particularly notable given the robust growth of 1.3% in April. The headline growth was supported by higher gasoline prices in May, though the increases in expenditure were broad-based. The control group, which eliminates volatile components and feeds into GDP data, increased 0.4% m-o-m (consensus: 0.3%); while the data for April were revised up to 1% m-o-m growth. Overall, the sales data indicated healthy consumer spending and suggested that the weak May NFP numbers were an outlier.

Fig. 4. US: Retail sales remained strong in May, following robust April growth



Source: Bloomberg

Fig. 5. US: Headline inflation moderates in May with weaker rise in gasoline prices



Source: Bloomberg

Core inflation being driven by services – particularly rents

US inflation: May data came in broadly in line with expectations, with both headline and core inflation rising by 0.2% m-o-m. A key driver of core inflation was rents, with owners' equivalent rents rising by 0.3% m-o-m and primary residence rents accelerating by 0.4%. Other service components also continued to rise (healthcare and education), though there was continued downward pressure on core goods prices (-0.2% m-o-m). However, the magnitude of the contraction is down from an average of -0.5% over the 12 months, which we believe is due to a weaker drag from the strong USD. The monthly rise in core inflation took the yearly rate to 2.2% y-o-y (from 2.1% in April). Headline inflation is forecast to rise from 1% y-o-y in May to around 2% in 1Q2017, largely due to higher fuel prices. Nevertheless, the inflation developments are not placing pressure on the Fed to raise rates in the near term. We believe that the FOMC will place greater emphasis on its assessment of the underlying health of the economy and GDP growth momentum when making its decision in July.

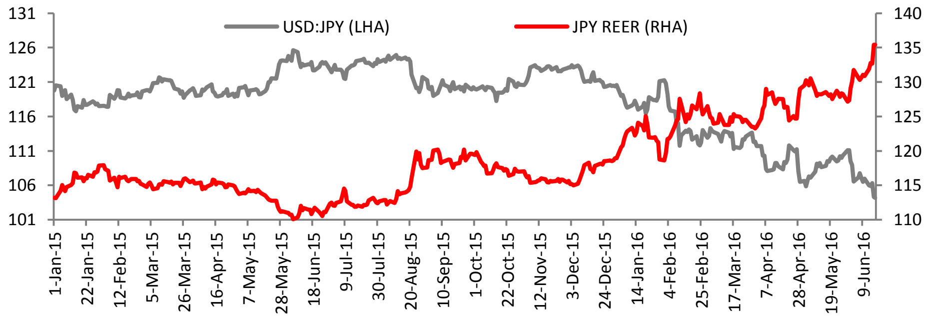
Japan: BoJ remains on hold, JPY strengthening key economic risk

Brexit uncertainty likely impacted the decision

The BoJ kept rates on hold at its 15-16 June meeting. We had expected further loosening by the BoJ at either its June or July (28-29) meeting given the fall in inflation expectations, softening corporate sentiment, and the JPY's strength. The decision to maintain the negative interest rate policy was made by a 7-2 vote and to keep the asset purchase programme steady by 8-1. The decision not to move in June was likely to keep its easing tools available in case they are needed following the Brexit referendum. Indeed, in a "leave" scenario, the impact of an easing on the JPY might be reversed as global volatility drives safe-haven demand. The JPY rose sharply on the back of the decision.

Fig. 6. Japan: JPY strengthening a key risk for inflation and export outlook

USD:JPY (LHA); index (RHA)



Source: Bloomberg

New economic forecasts could prompt the BoJ to loosen in July

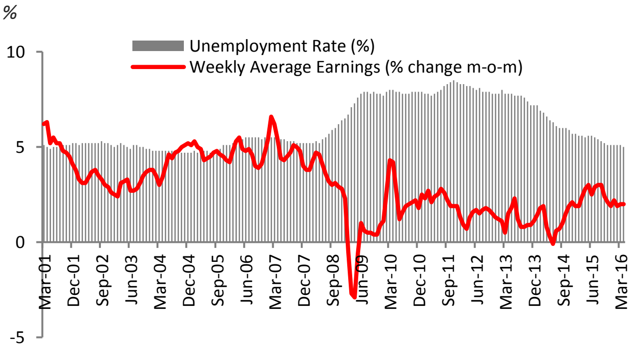
The BoJ's inaction is increasingly feeding into market suspicions that the BoJ is running out of policy options especially as the Fed becomes more dovish. The BoJ and Governor Haruhiko Kuroda reiterated their commitment to ease further if deemed necessary to meet their inflation targets. The strengthening of the JPY will place further downward pressure on inflation and the competitiveness of exports. These factors will likely be reflected in the new growth and inflation forecasts for the July meeting, increasing the chances of further easing being adopted then.

UK: Solid consumption growth despite Brexit-related uncertainty

Unemployment touches 10-year low, even as wages rise

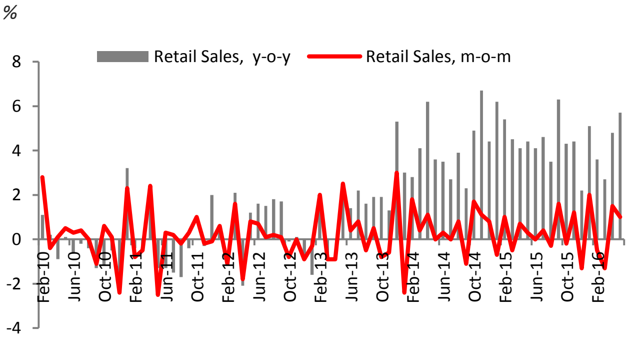
Economic data released in the UK over the past week have suggested that consumer spending remains buoyant despite investor uncertainty ahead of next week's EU referendum. Unemployment fell to a decade low of 5% in April, even following the introduction of the minimum National Living Wage in April. Wage growth, adjusted for this effect, was stronger than expected (2% 3m/y-o-y versus 1.7% expected), indicating tight labour market conditions. We believe that the data could point to stronger private consumption and GDP growth in 2Q than assumed by consensus.

Fig. 7. UK: Wage growth holds up as unemployment falls to 10-year low



Source: Bloomberg

Fig. 8. UK: Labour-market strength drives retail sales to nine-month high



Source: Bloomberg

Retail sales track labour-market strength; inflation remains muted

The improvement in the labour market over recent quarters was also visible in retail sales, which rose 1% m-o-m (consensus: 0.2%; previous: 0.3%) in May. With consumer sentiment improving and wages on the rise, we expect household spending to remain a key driver of growth in 2H2016. However, the pass-through from labour markets to inflation still seems weak. Inflation remained unchanged at 0.3% y-o-y in May (consensus: 0.4%), as an increase in services inflation was more than offset by a contraction in goods prices. We expect inflation to rise only gradually towards 0.7% y-o-y by year end, supported by higher services prices. Thus we only see the BoE raising rates in 1Q2017 if there is no Brexit. However, if political uncertainty continues, linked to the mandate of the ruling Conservative party, we see a risk of a later lift off.

BoE's policy to depend on EU referendum results

BoE meeting: Questions regarding the EU referendum dominated the discussion at the BoE's MPC meeting last week. The bank refrained from making any commitment to cutting policy rates in the event of a Brexit, though it gave assurances that additional liquidity could be injected into money markets to limit volatility in the coming months. While still not our base scenario, we believe that a Brexit would push the UK economy into a short-term recession, possibly prompting the BoE to delay any rate hike beyond 2019. An immediate cut in interest rates cannot be ruled out in a Brexit scenario, in our view.

C. EM Economies

India: Jump in inflation in May lowers probability of rate cuts in 2H2016

Inflation jumps in May, driven by food prices

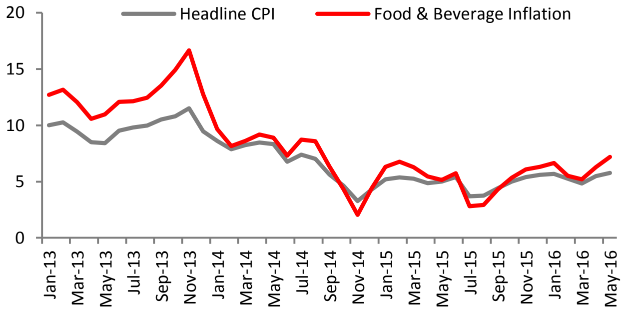
CPI rose 5.8% y-o-y in May (consensus: 5.6%; April: 5.5%), in line with our view that prices would accelerate towards the RBI's inflation ceiling of 6% by end-2016. Much of the increase in inflation came from food prices jumping 7.2% y-o-y (6.2% in April), even as the RBI's preferred measure of core inflation remained stable at 5.6% y-o-y. We believe that the recent acceleration in inflation, particularly in fruit, vegetables, and animal products, has resulted partly from the strong consumption demand seen YTD. However, the increase in food prices also partly reflected the impact of crop damage caused by the extreme heat wave in northern and central India.

We see lower probability that RBI will cut rates in August

The two consecutive monthly upside surprises to inflation in 2Q2016 further diminish the likelihood of additional monetary easing by the RBI this year. Moreover, the bank cutting rates by another -25 bps in August (our core scenario) has become contingent on ample rainfall in the coming 8-10 weeks. We currently see greater upside to food inflation than we did previously due to the monsoons having been delayed thus far and aggregate national irrigation reservoir capacity having fallen sharply to 17%. Beyond 3Q2016, higher energy prices and stronger core inflation driven by an increase in middle-class wages could keep headline inflation close to its 6% upper bound. These factors could prompt the RBI to keep rates on hold until at least 1Q2017.

Fig. 9. India: Inflation jumps significantly in May as food prices rebound

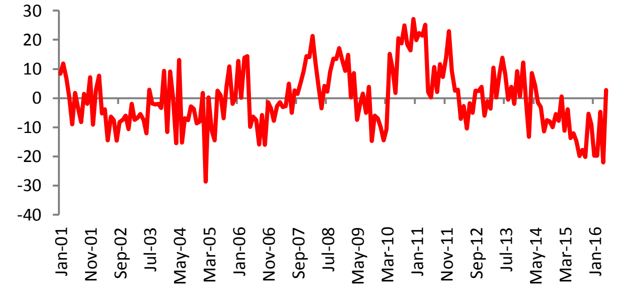
% y-o-y



Source: Bloomberg

Fig. 10. Global: El Nino Index indicates delay in onset of monsoons in 2016

Index (Higher value = greater probability of onset)



Source: Bloomberg

RBI leadership changes: RBI's Governor Raghuram Rajan announced that he would not seek a second term once his tenure ends in September. We believe the immediate impact of this decision on Indian financial markets and the INR is likely to be negative given the high credibility and success he has enjoyed in moderating inflation and stabilising the currency. The appointment of a new governor from within the current Economic Policy team (RBI Deputy Governor, SEBI Chief or Chief Economic Advisor to the PM) would be positive in the medium term, though the government has made no comments yet about Rajan's replacement. In the coming months, foreign investor sentiment towards India is likely to remain sensitive to the new governor's commitment to the ongoing banking sector reform and inflation targets.

Rajan's retirement could be near-term negative for markets

China: Fiscal policy supportive, though further downside to growth in 2H2016

Chinese economic data for May supported our overall outlook that the drag from the manufacturing and property sectors is likely to intensify this year, outweighing the increased government spending on infrastructure. Nevertheless, we see some downside to our 2Q2016 growth forecast of 6.5% y-o-y based on the 2Q data released thus far. Particularly notable was a sharp monthly decline in long-term corporate borrowing in May. Aggregate financing rose by RMB660 billion m-o-m, undershooting our expectations, due mainly to a -RMB250 billion m-o-m decline in net corporate bond issuances in May.

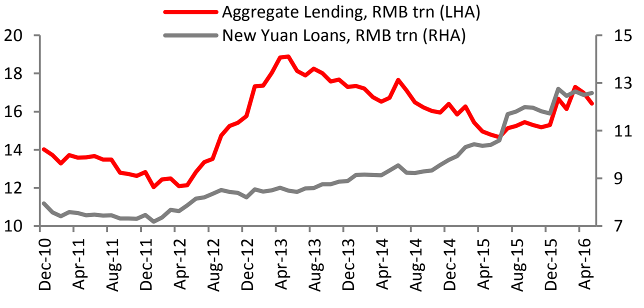
We see stronger drag on growth from manufacturing and property sectors

We expect corporate credit demand to remain tepid in 2H2016, with the risk of defaults in the industrial sector increasing given the government's unwillingness to support excessively leveraged manufacturing firms. The recent tightening of regulations on banks issuing overnight drafts (bankers' acceptances) could weigh on aggregate corporate credit growth, though it could also reduce financial-sector speculation in the long term. We also expect household credit demand to ease, particularly in big cities, reflecting the

Credit growth likely to slow in 2H2016 lagged impact of the tightening of mortgage-lending requirements announced in April. Mortgage lending to households remained robust in May.

Fig. 11. China: Aggregate lending falls on weaker corporate credit demand; household credit remains stable

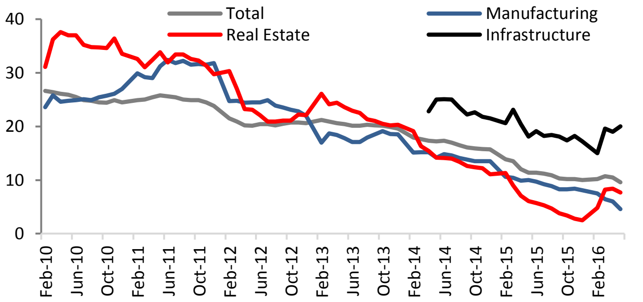
12m-rolling sum



Source: Bloomberg

Fig. 12. China: Investment growth falls to record low, though infrastructure spending remains strong

% YTD y-o-y



Source: Bloomberg

Infrastructure investment to support growth even as manufacturing and property investment decline

Investment data for May revealed an increasing reliance on public infrastructure spending to prop up the investment cycle, with fixed-asset investment growth falling to a five-year low of 9.6% YTD y-o-y (consensus: 10.5%; April: 10.5%). The sharpest deceleration was in housing investment by construction firms (7.7% y-o-y in May versus 8.4% in April), following the measures announced in April to cool property markets. Investment in manufacturing, which is dominated by private firms, remained hamstrung by excess capacity, increasing funding constraints, and weak investment sentiment. We expect construction investment growth to decelerate further in 2H2016 due to the substantial slowdown in leading indicators such as housing starts and floor area under construction. However, the positive trend in public-infrastructure spending (up by around 20% YTD y-o-y in May) is likely to persist, supported by investments in areas such as transport and environmental efficiency.

II. Economic Calendar

Fig. 13. Upcoming events and data releases

Time*	Country	Data point	Period	Prior	Consensus
Expected this week					
	Saudi Arabia	CPI, y-o-y	May	4.2%	--
	Saudi Arabia	Non-Oil Exports, y-o-y	Apr	--	--
	Saudi Arabia	GDP, y-o-y	1Q	3.6%	--
	Saudi Arabia	GDP, q-o-q	1Q	3.7%	--
	UAE	Central Bank Foreign Assets	May	323.8B	--
	UAE	CPI, y-o-y	May	1.6%	--
	UAE	M2 Money Supply, m-o-m	May	-1.3%	--
	Bahrain	CPI, y-o-y	May	3.8%	--
	Bahrain	GDP, y-o-y	1Q	2.8%	--
	Bahrain	GDP, q-o-q	1Q	0.1%	--
	Kuwait	CPI, y-o-y	May	2.9%	--
Monday 20 June					
	Saudi Arabia	April Crude Oil Exports			
	Eurozone	EU Summit			
	Saudi Arabia	April Refined Oil Balance			
03:50	Japan	Trade Balance	May	¥823.2B	¥70B
03:50	Japan	Exports, y-o-y	May	-10.1%	-10%
03:50	Japan	Imports, y-o-y	May	-23.3%	-13.8%
17:00	Eurozone	ECB's Yves Mersch speaks at conference in Brussels			
Tuesday 21 June					
	Eurozone	EU Summit			
10:00	Germany	German Constitutional Court verdict on ECB's OMT program			
13:00	Germany	ZEW Survey Expectations	Jun	6.4	4.8
18:00	US	Yellen Testifies on Monetary Policy to Senate Banking Panel			
Wednesday 22 June					
15:00	US	MBA Mortgage Applications	17-Jun	-2.4%	--
17:00	US	FHFA House Price Index, m-o-m	Apr	0.7%	0.6%
18:00	Eurozone	Consumer Confidence	Jun A	-7	-7
18:00	US	Existing Home Sales	May	5.45M	5.55M
Thursday 23 June					
	UK	EU Referendum			
06:00	Japan	Nikkei Japan PMI Mfg	Jun P	47.7	--
12:00	Eurozone	Markit Eurozone Manufacturing PMI	Jun P	51.5	51.4
12:00	Eurozone	Markit Eurozone Services PMI	Jun P	53.3	53.2
12:00	Eurozone	Markit Eurozone Composite PMI	Jun P	53.1	53
16:30	US	Initial Jobless Claims	18-Jun	277K	270K
17:45	US	Markit US Manufacturing PMI	Jun P	50.7	50.9
18:00	US	New Home Sales	May	619K	560K
18:00	US	Leading Index, m-o-m	May	0.6%	0.1%
Friday 24 June					
03:00	US	Fed's Kaplan Speaks in New York			
12:00	Germany	IFO Business Climate	Jun	107.7	107.4
16:30	US	Durable Goods Orders, m-o-m	May P	3.4%	-0.4%
16:30	US	Durables ex-Transportation, m-o-m	May P	0.5%	0.1%
18:00	US	U. of Mich. Sentiment	Jun F	94.3	94.1

* UAE time
Source: Bloomberg

Fig. 14. Last week's data

Time*	Country	Data point	Period	Prior	Consensus	Actual
Released last week						
	Qatar	CPI, y-o-y	May	3.4%	--	2.6%
	Oman	CPI, y-o-y	May	1.1%	--	1.1%
	India	BoP Current Account Balance	1Q	-$7.1B	$1.8B	-$0.3B
	India	Exports, y-o-y	May	-6.7%	--	-0.8%
	China	Aggregate Financing CNY	May	751B	1000B	660B
	China	New Yuan Loans, CNY	May	555.6B	750B	986B
	China	Money Supply M2, y-o-y	May	12.8%	12.5%	11.8%
Monday 13 June						
06:00	China	Industrial Production, y-o-y	May	6%	6%	6%
06:00	China	Retail Sales, y-o-y	May	10.1%	10.1%	10%
06:00	China	Fixed Assets Ex Rural YTD, y-o-y	May	10.5%	10.5%	9.6%
16:00	India	CPI, y-o-y	May	5.5%	5.6%	5.8%
Tuesday 14 June						
08:30	Japan	Industrial Production, m-o-m	Apr F	0.3%	--	0.5%
08:30	Japan	Industrial Production, y-o-y	Apr F	-3.5%	--	-3.3%
12:30	UK	CPI, m-o-m	May	0.1%	0.3%	0.2%
12:30	UK	CPI, y-o-y	May	0.3%	0.4%	0.3%
12:30	UK	CPI Core, y-o-y	May	1.2%	1.3%	1.2%
13:00	Eurozone	Industrial Production SA, m-o-m	Apr	-0.7%	0.8%	1.1%
13:00	Eurozone	Industrial Production WDA, y-o-y	Apr	0.2%	1.4%	2%
16:30	US	Retail Sales Advance, m-o-m	May	1.3%	0.3%	0.5%
16:30	US	Retail Sales, ex-Auto and Gas, m-o-m	May	0.6%	0.3%	0.3%
16:30	US	Retail Sales Control Group, m-o-m	May	1%	0.3%	0.4%
Wednesday 15 June						
10:00	Japan	Machine Tool Orders, y-o-y	May F	-25%	--	-24.7%
12:30	UK	Jobless Claims Change	May	6.4K	0K	-0.4K
12:30	UK	Average Weekly Earnings, 3M/y-o-y	Apr	2%	1.7%	2%
12:30	UK	ILO Unemployment Rate 3Mths	Apr	5.1%	5.1%	5%
12:30	UK	Employment Change 3M/3M	Apr	44K	60K	55K
15:00	US	MBA Mortgage Applications	10-Jun	9.3%	--	-2.4%
16:30	US	Empire Manufacturing	Jun	-9	-4	6
17:15	US	Industrial Production, m-o-m	May	0.6%	-0.2%	-0.4%
22:00	US	FOMC Rate Decision (Upper Bound)	15-Jun	0.5%	0.5%	0.5%
22:00	US	FOMC Rate Decision (Lower Bound)	15-Jun	0.25%	0.25%	0.25%
Thursday 16 June						
	Japan	BOJ Annual Rise in Monetary Base	16-Jun	¥80T	¥80T	¥80T
	Japan	BOJ Monetary Policy Statement				
	Japan	BOJ Policy Rate	16-Jun	-0.1%	-0.1%	-0.1%
	Egypt	Deposit Rate	16-Jun	10.75%	10.88%	11.75%
12:30	UK	Retail Sales, ex-Auto & Fuel, m-o-m	May	2%	0.3%	1%
12:30	UK	Retail Sales, ex-Auto & Fuel, y-o-y	May	4.8%	3.8%	5.7%
15:00	UK	Bank of England Bank Rate	16-Jun	0.5%	0.5%	0.5%
15:00	UK	BOE Asset Purchase Target	Jun	375B	375B	375B
16:30	US	Initial Jobless Claims	11-Jun	264K	270K	277K
16:30	US	CPI, m-o-m	May	0.4%	0.3%	0.2%
16:30	US	CPI ex-Food and Energy, m-o-m	May	0.2%	0.2%	0.2%
16:30	US	CPI, y-o-y	May	1.1%	1.1%	1%
16:30	US	CPI ex-Food and Energy, y-o-y	May	2.1%	2.2%	2.2%
16:30	US	Real Avg Weekly Earnings, y-o-y	May	1.1%	--	1.1%
Friday 17 June						
16:30	US	Housing Starts	May	1167K	1150K	1164K
16:30	US	Building Permits	May	1130K	1145K	1138K

* UAE time
Source: Bloomberg

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