Economic Research

بنك أبوظبي التجاري
ADCB

Global Data Watch 6-10 February 6 February 2017

The Week Ahead: RBI expected to cut given prudent budget and soft inflation dynamics

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India: RBI to cut policy rates by 25 bps

We expect the RBI to cut its policy rate by 25 bps to 6% on 8 February. We believe that fiscal prudence, an RBI prerequisite for further monetary easing, has been demonstrated by the government in its FY18 (April 2017 – March 2018) budget. The budget aims to further reduce its fiscal deficit to -3.2% in FY218, from -3.5% in FY17. Furthermore, underlying aggregate demand has remained weak following demonetisation, which should cause inflation to undershoot the RBI's target of 5% y-o-y for March 2017, despite the higher oil price. That said, we expect the central bank to also highlight upside risks to inflation in 2H2017, once the impact of demonetisation dissipates. The implementation of the Goods and Services Tax and public sector wage hikes by some state governments will also add to upside pressure. State elections in five provinces are due over the next week, with poll predictions currently showing a close contest for the ruling NDA in four of these states. A victory in the state polls would boost the government's mandate, allowing it to undertake more contentious economic reforms (public sector banks clean-up and the Real Estate Transactions Act).

China: Monetary data likely to remain buoyant

Data wise the week will be relatively quiet, with PMI and trade data (China, Germany and UK) to be released. China's monetary data for January due this week are likely to remain buoyant ahead of the festive season (Lunar New Year). Specifically, consensus forecasts aggregate lending at RMB3,100 billion (December: RMB1,626 billion), on seasonal loan demand and increasing leveraged bond buying by asset managers. Aggregate lending numbers could decelerate later this year, with the PBoC hinting that it is considering imposing punitive rates for speculation in bond markets. Indeed, rates for interbank borrowing were hiked by 10 bps by the central bank last week, increasing the refinancing costs for non-bank participants in the money market. Nevertheless, lending support for the real economy should be maintained.

MENA: Oil output data and Egypt's FX reserves in focus

The International Energy Administration (IEA) is due to publish its Oil Market Report on 6 February. Markets will focus on the magnitude of joint OPEC and non-OPEC output cuts, and the degree to which this is being undermined by higher US production. So far, GCC countries are likely to have been most proactive in meeting commitments to lower production, including Saudi Arabia cutting more than required. Meanwhile, the new sanctions imposed on Iran by the US (on 13 individuals and 12 entities) last week will not impact Tehran's ability to export crude. However, the harder line from the new US administration towards Iran provided support for the oil price last week. In Egypt, January inflation and FX reserves data are due to be released. FX reserves (USD24.3 billion in December) will be boosted by the USD4 billion sovereign bond issued in January and likely higher portfolio inflows. This should more than compensate for a USD700 million repayment of Paris Club debt in January.

I. Recent Events and Data Releases

A. MENA Economies

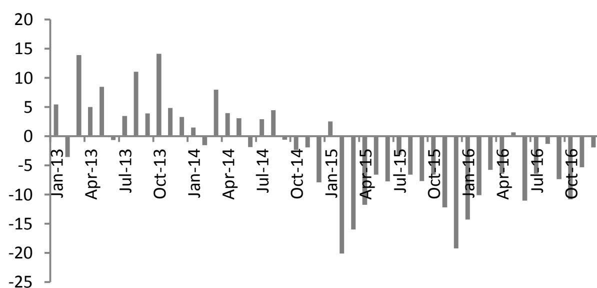
Saudi Arabia: SAMA data point to weaker contractor payments in December, further improvement in liquidity

SAMA's NFAs and government deposits in banking sector fell in December

Monetary data for December continued to show an easing of liquidity conditions, though indicating a weaker pace of government spending and payments to contractors versus October and November levels. NFAs held by SAMA fell by -USD1.9 billion in December to USD528.6 billion after drops of -USD10.8 billion in October and -USD5.3 billion in November. Nevertheless, the data suggest that further payments to contractors and suppliers were made, with the December fall in government deposits held with SAMA largely due to the allocations to the government projects component. Meanwhile, the contraction in government deposits in the banking system also moderated again, to -2.3% m-o-m in December (October: -5.3%; November: -9.2%), implying the pace of spending continued to ease. We believe that the more moderate drop in SAMA's NFAs and government deposits in the banking sector also partly reflects the higher oil price in December after the OPEC agreement to cut production. Overall, SAMA's NFAs dropped by -USD80.2 billion in 2016, less than the -USD115.4 billion fall in 2015. The commencement of foreign borrowing was likely a key factor in the smaller drop in FX reserves in 2016 (prior to 2016 Saudi Arabia only held SAR debt). SAMA's FX reserves had fallen by USD208.5 billion in December from the August 2014 peak.

Fig. 1. Saudi Arabia: Monthly fall in SAMA's net foreign assets moderated in December to -USD1.9 billion

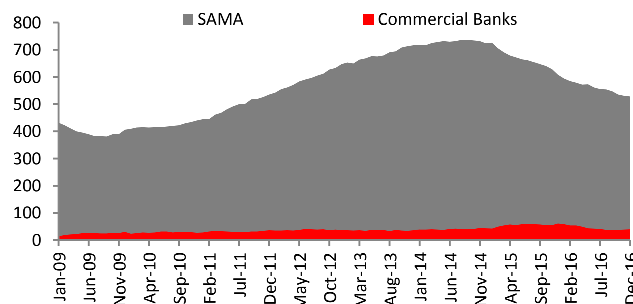
Monthly change, USD billion



Source: SAMA

Fig. 2. Saudi Arabia: SAMA's NFAs fell by total of -USD80.2 billion in 2016

USD billion



Source: SAMA

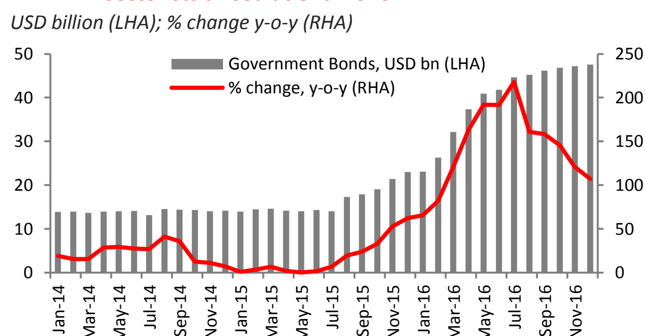
Liquidity improves on lower credit demand from both government and private sector

Banking sector liquidity conditions have improved with the payment of contractors, reflected in moderating interbank rates. Moreover, money supply growth (M2) has been in positive territory since October (rising by 3.5% y-o-y in December) after having contracted since February. Private sector demand for credit moderated in December due to the contractor payments, thereby reducing the requirement for borrowing to cover working capital. Private sector credit growth slowed to 2.5% y-o-y in December after seeing monthly contractions in November and December. The government did not issue local government bonds in 4Q2016, thereby further reducing liquidity tightening pressure. Media reports indicate that Saudi Arabia again did not issue domestic debt in January. The system-wide loan-to-deposit (L-to-D) ratio moderated in December to 87.9% (down from 91.1% in August) as credit growth (-1.1% m-o-m) saw a greater drop than deposit growth (-0.4% m-o-m). Separately, wider data continued to show that the domestic demand environment remained weak (imports and proxies for consumer

spending. Consumer spending indicators remained negative, with point-of-sale transactions down 5.9% y-o-y.

Fig. 3. Saudi Arabia: Government borrowing from banking sector stabilised at end-2016

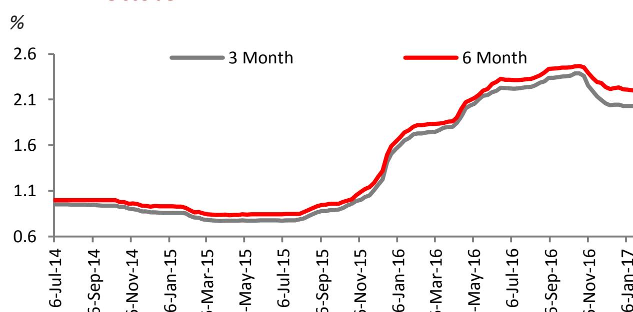
USD billion (LHA); % change y-o-y (RHA)



Source: SAMA

Fig. 4. Saudi Arabia: Interbank rates moderating since end-October

%



Source: Bloomberg

Kuwait: New Kuwait 2035 strategy and expansionary fiscal budget

Medium-term objectives are to diversify the economy and increase the economic base

Kuwait announced a new development plan last week called New Kuwait 2035. The key objectives are to boost GDP growth, diversify the economy and progress with economic and fiscal reforms. Critical to achieving these objectives is advance mega projects, specifically Silk City, Subbiya Causeway and Boubian Island. Kuwait is looking to become a global hub for the petrochemical industry while also developing the tourism and transportation sector (aimed at creating new jobs). The government is also looking to make further progress with upgrading the urban infrastructure. Other objectives include reducing the expatriate population (60% of the total by 2030 from c.70% currently) and increasing government revenues. On the revenue front, the plan looks to increase government income to KWD50 billion from KWD13.3 billion in the upcoming fiscal year. As a potential step to increase government revenues in 2017, Kuwait is looking to sell a 50% stake in the Al-Zour North Independent Water & Power Project to nationals. We believe that the government will look to raise both hydrocarbon and non-oil revenue to meet its medium-term fiscal objectives.

Expansionary fiscal budget announced for FY2017-18, with spending slated to increase by 5.3%

Overall, these medium-term goals are consistent with the aims of the previous development plans. However, progress towards these aims has been slow given the political backdrop (especially pre-2013) and delays in implementing projects. We have seen some momentum with the investment programme since 2014, though the election of an opposition dominated parliament at end-2016 is a risk. Concurrently with the new development plan, Kuwait announced a moderately expansionary fiscal budget for FY2017-18 (April - March). Total government expenditure is slated to rise by 5.3% versus the budgeted spending for FY2016-17. This is a loosening of the fiscal stance given that the current FY2016-17 budget looks to reduce spending by -1.5%. Despite the higher spending, the fiscal deficit is projected to narrow to KWD6.6 billion in FY2017-18 (official) from KWD8.7 billion in the FY2016-17 budget. However, we see scope for a narrower deficit on strong government revenue. The FY2017-18 budget assumes an oil price of USD45 p/b, which is conservative in our view.

B. G4 Economies

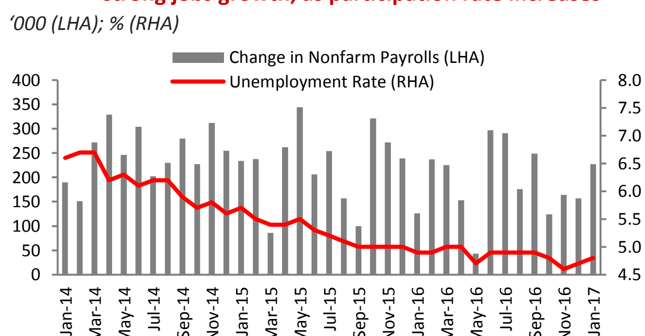
US: Surge in January jobs creation, though wage growth disappointing

NFPs grew by robust 22K in January

The US economy added 227K jobs in January, substantially beating consensus expectations of 175K. This was the strongest pace of jobs growth in four months, and was largely driven by the service sector (retail trade, food services, health care, and professional services). Employment growth in the construction industry also picked up. The robust January jobs growth means that the three-month moving average stood at a healthy 183K, despite the November and December NFP numbers being revised down by -39K. The unemployment rate ticked up to 4.8% in January, from 4.7% in the previous month. However, this was due to a rise in the participation rate to 62.9% in January (December: 62.7%), the highest level since September.

Fig. 5. US: Unemployment rises to 4.8% in January, despite strong jobs growth, as participation rate increases

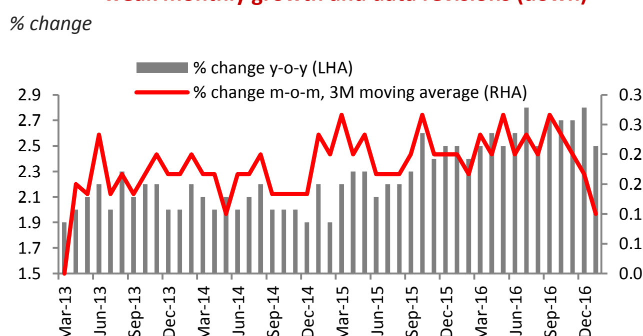
'000 (LHA); % (RHA)



Source: Bureau of Labor Statistics

Fig. 6. US: Wage growth softens to 2.5% y-o-y in January, on weak monthly growth and data revisions (down)

% change



Source: Bureau of Labor Statistics

Wages rose by tepid 0.1% m-o-m in January

However, wage growth was the weak part of the employment report. Wages expanded by a soft 0.1% m-o-m in January, and the December growth was revised down to 0.2% m-o-m (from 0.4% initially). This resulted in the annual wage growth decelerating to 2.5% y-o-y in January, down from 2.8% previously. However, there were revisions to the underlying employment data and household surveys, which resulted in some data volatility. The wage data shows there is no need for the Fed to move immediately or aggressively. Nevertheless, the ongoing tightening in the labour market should still result in two rate hikes of 25 bps this year.

US: FOMC stays on hold, only subtle changes to statement

Only moderate changes to post-meeting statement; less hawkish than recent comments by FOMC members

The Fed remained on hold at its 31 January - 1 February meeting, as widely expected by the market and ourselves. There were only subtle changes to the wording of the post-meeting statement (versus December), making the overall tone only moderately more hawkish. The Fed added a sentence noting that "Measures of consumer and business sentiment have improved of late". The statement also changed its forward-looking assessment for inflation, stating that "inflation will rise to 2% over the medium term". The earlier December statement said that "Inflation is expected to rise to 2% over the medium term as the transitory effects of past declines in energy and import prices dissipate". The change in wording reflects the rise in energy prices from end-2016.

Fed did not signal near-term rate hike

However, the Fed continued to highlight that it will only gradually increase rates and that it will maintain its balance sheet policy until interest rate normalisation is well under way. The Fed also continues to see the risks to the economy as being "roughly balanced". Importantly, the statement did not highlight that the economy was approaching full employment, which has been suggested by a number of FOMC members recently, including Fed Chair Janet Yellen. Neither was there any mention of potentially looser fiscal policy. With Fed communication not suggesting any greater urgency to raise rates, we maintain our outlook for two rate hikes in 2017 (June and December). Fed Chair Janet Yellen will deliver her semi-annual Monetary Policy Testimony to Congress on 15 February, where she could give more indication on the Fed's assessment of the economy and the outlook for monetary policy.

Personal spending and PCE data: December personal spending was strong, which was expected following the robust retail sales data. Personal spending increased by 0.5% m-o-m in December, in line with consensus expectations and boosted by spending on energy and autos. However, the headline PCE deflator came in slightly weaker at 1.6% y-o-y against the 1.7% rise forecast by consensus. The energy price was the main driver of the acceleration from 1.4% y-o-y in November, with core inflation steady at 1.7%. Headline PCE inflation is expected to strengthen further in 1Q2017 on the low energy price base effects before starting to recede. Core inflation is expected to gradually tick up in 2017, driven by rent and the healthcare sector.

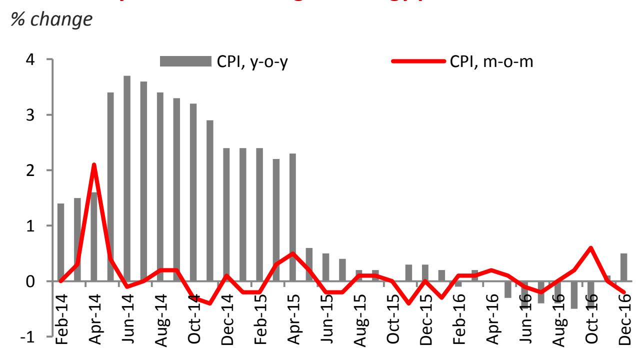
Japan: No change to BoJ's policy targets

BoJ revises up growth forecasts but highlights downside risks from overseas economies

The BoJ made no changes to its monetary policy stance in its meeting last week. Furthermore, it allayed any concerns about an exit from its "yield curve control" programme this year, stating that it will continue to target the steepness of the JGB yield curve for as long as it takes CPI inflation to reach its 2% target. The central bank revised up its growth forecasts for FY2017-18 (1.5% vs 1.3%) and FY2018-19 (1.1% vs 0.9%). These changes incorporate a better outlook for exports since the bank's last forecasts in October on the back of a weaker JPY. Furthermore, the BoJ expects some support for investment from 2018 onwards due to expenditure related to the Tokyo Olympics. That said, the BoJ still saw downside risks to both its growth and inflation outlook, particularly due to uncertainty around the lingering macro-financial risks in overseas economies (US trade policy, EU politics, Brexit negotiations, and Chinese financial sector).

Fig. 7. Japan: Inflation has picked up since November, lifted by weak JPY and higher energy prices

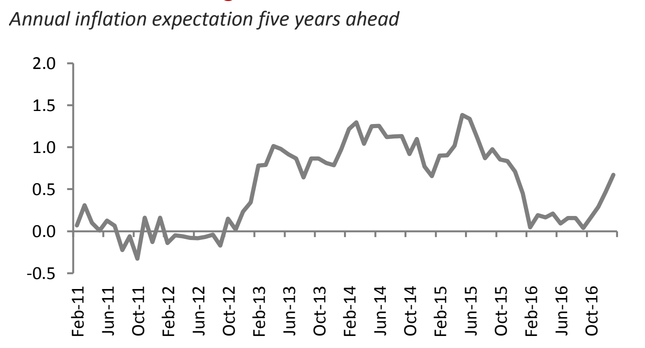
% change



Source: Statistics Japan

Fig. 8. Japan: Long-term inflation expectations remain below BoJ's 2% target

Annual inflation expectation five years ahead



Source: Bloomberg

In our view, the BoJ is justifiably downbeat in its growth and inflation outlook. We see substantial downside risks to its core CPI forecasts of 1.5% and 1.7% for FY2017-18 and FY2018-19 respectively. Barring the uplift from higher energy prices and a weaker JPY, the underlying inflation dynamics remain subdued despite a tight labour market. Leading surveys of employers in early January revealed that a majority of them are unlikely to increase workers' wages during the annual wage negotiations this spring. Prospects of weak wage growth could offset the impact of higher fiscal spending, keeping core inflation well below the BoJ's 2% target. We expect the central bank to keep its policy on hold over the next two years.

Despite short-term pick-up in prices, underlying inflation dynamics are subdued

UK: BoE keeps rates on hold, revises up 2017 GDP forecast

The BoE made no changes to its monetary policy stance in its meeting last week, voting unanimously to keep its policy rate on hold at 0.25% and its quantum of QE purchases at GBP435 billion. The statement following the meeting was fairly neutral, with the bank observing that its monetary policy stance was appropriately balanced. This is in line with our view that the bank is likely to keep its policy rates on hold this year, considering that underlying inflation drivers remain benign and that consumer spending and wage growth are likely to slow. The BoE's Inflation Report supported our assessment of muted core inflationary pressure, observing that the natural rate of unemployment had fallen to 4.5% (5% previously) and that there remained a greater margin of slack in the economy compared to its previous assessment.

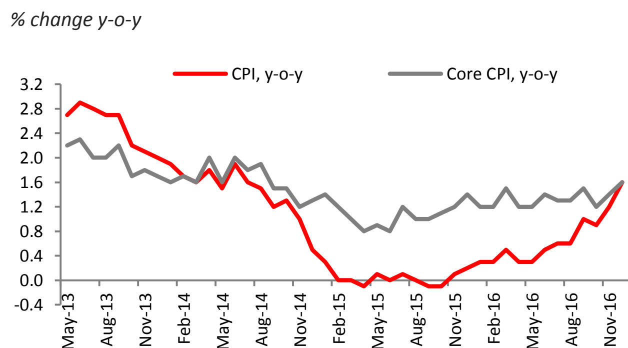
BoE's post-meeting statement fairly neutral

That said, it expected headline inflation to overshoot its 2% target as soon as 1Q2017, and remain above this target at least until 2019. Notably, the BoE termed its decision to keep policy rates on hold despite its higher assessment of the inflation trajectory as "exceptional". It observed that given the overshoot of inflation was largely driven by a necessary one-off adjustment in the GBP following the UK's decision to leave the EU, it sought to return inflation to its appropriate target "over a somewhat longer period than usual". This would avoid the adverse impact of a tighter monetary policy on corporates and households, as domestic inflationary pressures remain modest. We believe these comments set a high bar for interest rate hikes by the BoE in the medium term.

BoE expects inflation to return to target over longer time horizon

Fig. 9. UK: Headline inflation likely to break above 2% in 1Q2017; BoE should still remain on hold

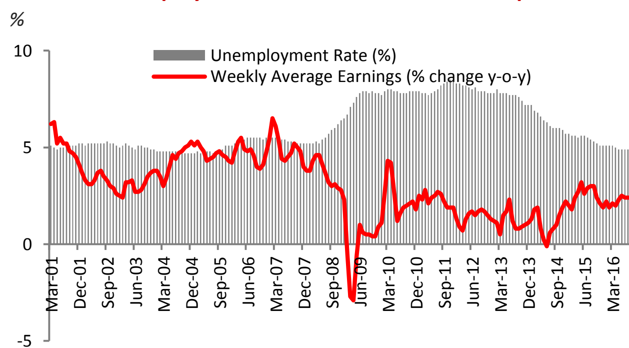
% change y-o-y



Source: Office for National Statistics

Fig. 10. UK: Wages haven't accelerated in line with fall in unemployment rate, labour market slack persists

%



Source: Office for National Statistics

Meanwhile, the central bank revised up its GDP growth forecast for 2017 to 2% (1.4% previously), though it remained cautious on the medium-term growth outlook.

2017 GDP forecasts revised up, we see downside risks

Specifically it mentioned the fiscal stimulus announced in November, improving global growth and supportive credit conditions for households as the key reasons behind this upgrade. However, we see downside risks to this forecast, as we expect a slowdown in economic momentum in 2H2017. Private firms are likely to slow investment spending after Brexit talks begin, until greater clarity emerges around an EU-UK trade deal.

Brexit talks likely to begin in March 2017

Article 50 Bill: The UK government won clear approval from the House of Commons for its EU Notification of Withdrawal Bill, which will allow it to trigger Article 50 and commence Brexit negotiations with the EU. The Bill still has to be approved in the House of Lords, though it is likely to agree with the opinion of the lower house and clear the bill. This should allow the government to present its Brexit proposals to the EU before the end of March 2017, as it expected.

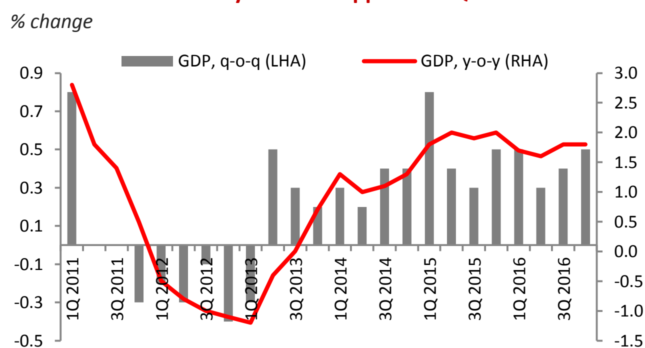
Europe: Economic data show signs of soft recovery

GDP growth picked up in 4Q2016; we expect some moderation this year

Eurozone GDP grew by 0.5% q-o-q in 4Q2016 (consensus: 0.5%; 3Q: 0.4%), with interim data (retail sales, industrial production) pointing to a broad-based pickup in economic activity. A detailed breakdown of GDP by component will be available in mid-February. We expect economic growth in 4Q2016 to have been underpinned by a weaker EUR, a pick-up in consumer loans and steadily falling funding costs for corporates due to the ECB's QE programme. Nevertheless, we expect GDP to grow to slow to 1.5% y-o-y in 2017 (2016: 1.7%), with political events (French, German or Dutch elections) posing further downside risks to our growth forecasts.

Fig. 11. Eurozone: Weaker EUR and reviving consumer demand likely to have supported 4Q GDP

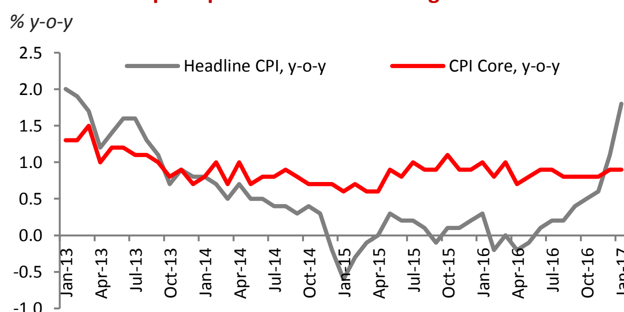
% change



Source: Euro Stat

Fig. 12. Eurozone: Headline CPI sees fuel-price-driven jump; core price pressures remain benign

% y-o-y



Source: Euro Stat

Headline inflation picked up in January, largely driven by higher energy prices

Meanwhile, the flash estimate for January CPI rose by 1.8% y-o-y (consensus: 1.5%; December: 1.1%), significantly above market expectations. However, much of the increase was driven by higher energy (8.1% vs 2.6%) and food prices. Notably, core inflation remained stable at 0.9% y-o-y, hinting at subdued underlying price pressures. We think the rise in Eurozone inflation over the past few months will be insufficient to convince the ECB to taper its QE purchases this year. First, we expect the impact of higher energy prices on headline inflation to wane from 2Q2017 onwards due to unfavourable base effects. Core inflation is likely to remain range-bound around 0.8-1.2% y-o-y, likely reflecting the still-elevated unemployment rate and spare capacity. Second, there is little evidence so far of price pressure building up uniformly across the Eurozone, which the ECB considers a prerequisite for tapering QE purchases. The pick-up in inflation in the

region, adjusting for the impact of higher energy prices, is far from reassuring outside of Germany. Third, the ECB will also want to keep monetary policy accommodative, in our view, to keep a lid on sovereign yields in peripheral countries, specifically Italy, Portugal and Greece. Yields in Portugal and Italy have risen to pre-QE levels, reflecting the growing concerns about the integrity of Eurozone in the run-up to parliamentary elections in Germany and France.

C. Emerging Market Economies

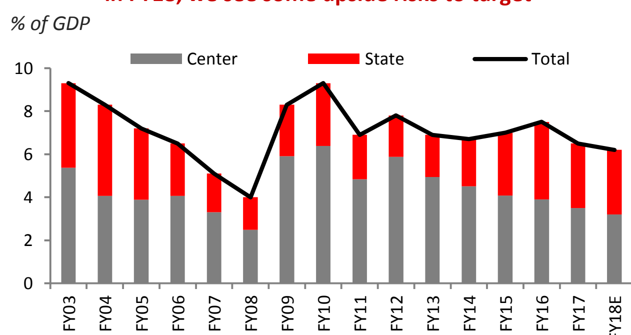
India: Weak fiscal stimulus in FY18 budget

Fiscal spending growth more modest; but pace of capital spending steady

The Indian government's budget for FY18 (April 2017-March 2018) reflected a preference for fiscal restraint despite the short-term costs to the economy from its demonetisation programme. Total budgeted expenditure is expected to rise by a modest 6.6% (consensus: 13.3%; FY17: 12.5%), with a sharp moderation in current expenditure growth. Encouragingly, the pace of capital expenditure was maintained at 10.7% (10.6% in FY17), with an increased focus on rural and social housing, agriculture and infrastructure. The government continued its progress towards fiscal consolidation, with the fiscal deficit targeted at -3.2% of GDP (-3.5% in FY17). However, this is still higher than the -3% fiscal target for FY18 that the government had set for itself prior to the release of this budget. We expect the fiscal deficit to slightly overshoot to -3.3%, albeit we still consider the government's measures to slow its spending growth and shift it towards capital outlays as a positive. Higher crude oil prices this year, lower receipts from disinvestment (privatisation) of state assets and a higher pay-out to the state governments for the loss of indirect tax revenue are the upside risks we see to the government's fiscal targets.

Fig. 13. India: Central government targets lower fiscal deficit in FY18, we see some upside risks to target

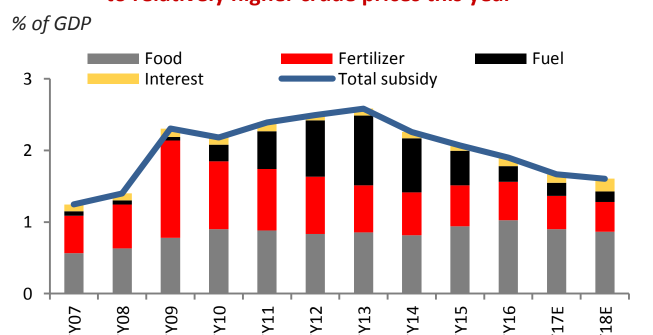
% of GDP



Source: Budget Documents, RBI, ADCB calculations

Fig. 14. India: Oil subsidies could be higher than budgeted, due to relatively higher crude prices this year

% of GDP



Source: Budget documents, ADCB estimates

Tax relief for individuals, SMEs and real estate developers

Among specifics, the FY18 budget attempted to provide a significant boost to consumption by lower income households and SME activity. Income tax rates were reduced to 5% (10% previously) for taxpayers in the lowest bracket (INR250K-500K), and corporate tax rates for SMEs were lowered to 25% (30% previously). In addition, tax incentives were provided to real estate developers of low cost housing. Foreign investment norms, particularly for large FDI investors, were eased. Important steps were also taken to increase transparency in political donations; cash donations above INR2,000 were banned.

II. Economic Calendar

Fig. 15. Upcoming events and data releases

Time*	Country	Event	Period	Prior	Consensus
Expected this week					
	UAE	CPI, y-o-y	Dec	--	--
	Kuwait	M2 Money Supply, y-o-y	Dec	6.5%	--
	Qatar	CPI, y-o-y	Jan	1.8%	--
	Oman	CPI, y-o-y	Jan	1.1%	--
	Bahrain	M2 Money Supply, y-o-y	Nov	2.4%	--
	China	Exports, y-o-y	Jan	-6.2%	3%
	China	Trade Balance	Jan	$40.71B	$48.85B
	China	Money Supply M2, y-o-y	Jan	11.3%	11.3%
	China	Aggregate Financing CNY	Jan	1626B	3085B
	India	Exports, y-o-y	Jan	5.7%	--
Monday, 6 Feb					
4:00	Japan	Labor Cash Earnings, y-o-y	Dec	0.5%	0.4%
Tuesday, 7 Feb					
	Egypt	Gross Official Reserves	Jan	24.3B	--
	China	Foreign Reserves	Jan	$3010.5B	$3000B
1:30	US	Fed's Harker Speaks About Payment Systems in San Diego			
17:30	US	Trade Balance	Dec	-$45.2B	-$45B
19:00	US	JOLTS Job Openings	Dec	5522	5569
Wednesday, 8 Feb					
0:00	US	Consumer Credit	Dec	$24.5B	$20B
3:50	Japan	BOJ Summary of Opinions at Jan. 30-31 Meeting			
3:50	Japan	BoP Current Account Adjusted	Dec	¥1799.6B	¥1695.7B
11:00	Turkey	Industrial Production, y-o-y	Dec	2.7%	2%
13:00	India	RBI Repurchase Rate	8-Feb	6.25%	6%
13:00	India	RBI Reverse Repo Rate	8-Feb	5.75%	5.5%
13:00	India	RBI Cash Reserve Ratio	8-Feb	4%	4%
16:00	US	MBA Mortgage Applications	3-Feb	-3.2%	--
Thursday, 9 Feb					
	Egypt	Urban CPI, y-o-y	Jan	23.3%	--
	Egypt	CPI Core, y-o-y	Jan	25.9%	--
4:01	UK	RICS House Price Balance	Jan	24%	22%
8:15	UAE	Dubai Economy Tracker SA	Jan	55.9	--
11:00	Germany	Exports SA, m-o-m	Dec	3.9%	-1.3%
17:30	US	Initial Jobless Claims	4-Feb	246K	--
18:10	US	Fed's Bullard Speaks in St. Louis			
19:00	US	Wholesale Inventories, m-o-m	Dec F	1%	1%
22:10	US	Fed's Evans Speaks on Economy and Policy in Chicago			
Friday, 10 Feb					
8:30	Japan	Tertiary Industry Index, m-o-m	Dec	0.2%	-0.3%
13:30	UK	Industrial Production, y-o-y	Dec	2%	0.2%
13:30	UK	Manufacturing Production, y-o-y	Dec	1.3%	0.5%
16:00	India	Industrial Production, y-o-y	Dec	5.7%	1.4%
19:00	US	U. of Mich. Sentiment	Feb P	98.5	97.8

* UAE time
Source: Bloomberg

Fig. 16. Last week's data

Time*	Country	Event	Period	Prior	Consensus	Actual
MENA Data						
	UAE	Central Bank Foreign Assets	Dec	285.2B	--	310.9B
	UAE	UAE PMI	Jan	55		55.3
	Saudi Arabia	M2 Money Supply, y-o-y	Dec	1.6%	--	3.5%
	Saudi Arabia	SAMA Net Foreign Assets, SAR	Dec	1989.5B	--	1982.3B
	Saudi Arabia	Saudi Arabia PMI	Jan	55.5		56.7
	Egypt	Egypt PMI	Jan	42.8		43.3
Monday, 30 Jan						
3:50	Japan	Retail Trade, y-o-y	Dec	1.7%	1.8%	0.6%
14:00	Eurozone	Consumer Confidence	Jan F	-4.9	-4.9	-4.9
17:30	US	Personal Income	Dec	0.1%	0.4%	0.3%
17:30	US	Personal Spending	Dec	0.2%	0.5%	0.5%
17:30	US	PCE Deflator, y-o-y	Dec	1.4%	1.7%	1.6%
17:30	US	PCE Core, y-o-y	Dec	1.7%	1.7%	1.7%
Tuesday, 30 Jan						
	Japan	BOJ Short-Term Policy Rate	31-Jan	-0.1%	--	-0.1%
	Japan	BOJ Long-Term Policy Rate	31-Jan	0%	--	0%
3:30	Japan	Jobless Rate	Dec	3.1%	3.1%	3.1%
3:50	Japan	Industrial Production, m-o-m	Dec P	1.5%	0.3%	0.5%
3:50	Japan	Industrial Production, y-o-y	Dec P	4.6%	3%	3%
14:00	Eurozone	Unemployment Rate	Dec	9.7%	9.8%	9.6%
14:00	Eurozone	GDP SA, q-o-q	4Q A	0.4%	0.4%	0.5%
14:00	Eurozone	GDP SA, y-o-y	4Q A	1.8%	1.7%	1.8%
14:00	Eurozone	CPI Estimate, y-o-y	Jan	1.1%	1.5%	1.8%
14:00	Eurozone	CPI Core, y-o-y	Jan A	0.9%	0.9%	0.9%
16:00	India	GDP Annual Estimate, y-o-y	2016	7.2%	--	7.9%
17:30	US	Employment Cost Index	4Q	0.6%	0.6%	0.5%
19:00	US	Conf. Board Consumer Confidence	Jan	113.3	112.9	111.8%
Wednesday, 1 Feb						
5:00	China	Non-manufacturing PMI	Jan	54.5	--	54.6
5:00	China	Manufacturing PMI	Jan	51.4	51.2	51.3
9:00	India	Nikkei India PMI Mfg	Jan	49.6	--	50.4
13:30	UK	Markit UK PMI Manufacturing SA	Jan	56.1	55.9	55.9
16:00	US	MBA Mortgage Applications	27-Jan	4%	--	-3.2%
17:15	US	ADP Employment Change	Jan	151K	170K	246K
19:00	US	ISM Manufacturing	Jan	54.5	55	56
23:00	US	FOMC Rate Decision (Upper Bound)	1-Feb	0.75%	0.75%	0.75%
23:00	US	FOMC Rate Decision (Lower Bound)	1-Feb	0.5%	0.5%	0.5%
Thursday, 2 Feb						
16:00	UK	Bank of England Bank Rate	2-Feb	0.25%	0.25%	0.25%
16:00	UK	BOE Asset Purchase Target	Feb	435B	435B	435B
16:00	UK	BOE Corporate Bond Target	Feb	10B	10B	10B
17:30	US	Initial Jobless Claims	28-Jan	260K	250K	246K
Friday, 3 Feb						
13:30	UK	UK Services PMI	Jan	56.2	55.8	54.5
14:00	Eurozone	Retail Sales, m-o-m	Dec	-0.6%	0.3%	-0.3%
17:30	US	Change in Nonfarm Payrolls	Jan	157K	175K	227K
17:30	US	Average Hourly Earnings, m-o-m	Jan	0.2%	0.3%	0.1%
17:30	US	Unemployment Rate	Jan	4.7%	4.7%	4.8%
17:30	US	Labor Force Participation Rate	Jan	62.7%	--	62.9%
19:00	US	ISM Non-Manf. Composite	Jan	56.6	57	57.2%
19:00	US	Factory Orders	Dec	-2.3%	1.5%	1.3%

* UAE time
Source: Bloomberg

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