

Cheatsheet - G10 & EM Week Ahead: Mid-autumn festivities



CitiFX Wire - Cheatsheet

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Cheatsheet - G10 & EM Week Ahead: Mid-autumn festivities

September 22, 2023

Mid-autumn festivities leave many Asia markets on holiday this week. Month- and quarter- end dynamics will add to global market choppiness.

BoT (+25bps) and NBH (-100bps) will be more exciting than Banxico (no change) and Banrep (no change). CNB's hawkish stance will be reinforced Wed. BoJ minutes from July (Wed) will be stale and Tokyo CPI (Fri) likely ignored after Ueda's dovish commitments.

US core PCE (Fri) is expected to soften, while Australia CPI (Wed) has upside risks. Euro Area monthly inflation reports kick-off, and Germany IFO (Mon) will get plenty of attention. Listen to ECB speakers, alongside Fed speak, Riksbank officials, and other CBs, over the week.

UK Q2 GDP, income, and credit revisions (Fri) will be monitored after disappointing Sept PMI. Caixin China PMI Composite (Fri) may spur last minute position readjustments ahead of China's Golden week (Oct 1). Markets may react to UAW strike updates, too.

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HIGHLIGHTS BY DATE

Over the week

United Auto Workers. The union expanded its strike to 38 additional facilities run by General Motors Co. and Stellantis NV as of Friday, 22 Sept. While reports suggest there won't be prolonged escalation, uncertainty remains. Note that the UAW strike is just 1 of [3 rising risks in the US](#).

Treasury auctions in 2s, 5s, and 7s this week, according to [our rates' desk strategist](#). ITC expects ~\$18bn of USD IG supply, center of its range of estimates.

Monday, September 25

AUD: RBA's Jones panel at 05:00 BST. Expect this to be non-market moving, given unchanged September RBA minutes and our expectations of no hikes until December.

EUR: ECB Lagarde speaks with Schnabel at 14:00 BST, while ECB's Villeroy speaks on monetary policy and macroeconomics at 08:00 BST. Doves and hawks continue to diverge, though regardless of what the council say, it's hard to be bullish EURUSD given growth risks.

Germany IFO Business Climate at 09:00 BST for September could potentially underline such weaknesses. Our economists [see](#) Business Climate stable at 85.6.

SEK: Riksbank begins FX currency hedging program. Results will be published with a two-week delay but markets will be watching for details around the mechanics/frequency.

USD: Regional Fed surveys are worth monitoring, given current focus on economic resilience. Chicago Fed Nat Activity Index is released 13:30 BST for August, and Dallas Fed Manf. Activity is due 15:30 BST for September. Consensus expects slight rebound in manf activity to -15.7 vs -17.2 prior.

Fed's Kashkari participates in a Q&A at 23:00 BST. Watch him live at [minneapolisfed.org/live](#) and remember that he tends to lean hawkish.

SGD: CPI YoY at 06:00 BST for August. Citi economics [forecasts](#) 4.0%, vs 4.1% prior. MAS is expected to continue a hawkish hold at its next meet in October, as long as core momentum continues to slow.

BRL: BCB Focus Survey at 12:25 BST. BCB slightly increased its inflation forecasts on 20 Sept, which may reflect in the weekly survey. Otherwise, the survey shouldn't change by much. Copom remains committed to easing gradually.

BCB - Current Account Balance at 13:30 BST for AUg. Our economists [expect](#) the current account at -BRL0.5bn, which would bring the 12-month print to -BRL44.5bn from -BRL51.1bn. Note that direct investments are released at the same time and should be healthy.

ILS/ZAR: Local holidays.

Tuesday, September 26

EUR: ECB's Lane speaks at 08:00 BST. Recent comments from Lane retain a lean for further hikes, if required. However, comments after EZ CPI holds more value given data dependence.

USD: Conf. Board Consumer Confidence at 15:00 BST for September. Bloomberg consensus expects a stable 105.9. Current situation details may reflect higher energy prices, but six month ahead sentiments will be more important to the "higher for longer" outlook.

In background, New Home Sales are released at 15:00 BST for August. Bloomberg consensus expects 700k vs 714k. Richmond Fed Manf. Index at 15:00 BST and Dallas Fed Services Activity at 15:30 BST may speak to economic sentiment.

Fed's Bowman Delivers Welcoming Remarks at 18:30 BST. Brief remarks carry limited headline risks, but we'll be monitoring headlines just in case.

SEK: Riksbank's Jansson speech at Unga Aktiesparare at 17:00 BST. Reiteration of the Riksbank's hawkish intention, and their focus on SEK strength will be likely. Details of the FX hedging program will be notable.

HUF: Central Bank Rate Decision at 13:00 BST. Citi Economics [expects](#) a 100bps cut in the quick tender deposit rate, making it equal to base rates at 13%. This opens the path to monetary easing from October, bringing the base rate towards 10.75% to year-end. Any commentary on rate cuts will be interesting.

Finance Minister Mihaly Varga speaks ahead at 07:50 BST. Varga's latest comments [hinted](#) on potential taxes and spending cuts to limit deficit overshoots. While other government officials have rebuked the claim, we remain on headline watch.

HKD: Trade Balance HKD at 09:30 BST for August. Citi Economics [forecasts](#) trade balance to recover towards HKD -16.3bn vs HKD -30bn. Exports and imports are expected to improve, as China data and the tech trade starts bottoming out.

BRL: Central Bank Meeting Minutes at 12:30 BST. [Citi Economics](#) is curious why inflation forecasts were revised slightly upward. The team also thinks minutes may discuss the implications that "higher for longer" Fed rate and slowing China GDP have on domestic inflation.

IBGE Inflation IPCA-15 MoM at 13:00 BST for September. Our economists think mid-month inflation likely gained momentum on base effects and transportation prices. They forecast 5.0% YoY vs 4.2% prior.

Wednesday, September 27

JPY: BoJ Minutes of July Meeting at 00:50 BST. Though minutes may be too backwards looking (July minutes, not September), given the YCC tweaks, details could still be interesting.

AUD: CPI YoY at 02:30 BST for August. The market forecasts a print of 5.2% vs 4.9% prior. Key here will be [upside](#) risks, which have been flagged by our economists for some time.

SEK: Economic Tendency Survey and Consumer Confidence at 08:00 BST for September. While not market moving, any notable downsides are worth monitoring, given weak domestic trends.

EUR: Euro Area M3 Money Supply at 09:00 BST for August. Citi Economics expects money growth to slow further towards -1.4% YoY from -0.4% MoM. Signs of a potential credit crunch are worth monitoring.

Italy Updated Deficit Target for 2023. Citi Economics [expects](#) upwards revisions to the 2023 and 2025 deficit forecasts, from 4.5% to 5% in 2023, and 3.7% to 4% in 2024. BTP-Bund spreads will be sensitive - our rates strategists [flag](#) 180bp for the 10y BTP-Bund spread as support.

USD: Cap Goods Orders Nondef Ex Air at 13:30 BST for August. Bloomberg consensus expects stable core capital goods orders at 0.1% MoM and some improvement in core capital goods shipments (-0.1% MoM vs -0.3% p.). Durable goods are expected to rebound from July but still contract by -0.5% in August. Durables ex transportation likely softened, too.

THB: BoT Benchmark Interest Rate at 08:00 BST. Citi Economics [forecasts](#) a 25bps hike to 2.50%, expecting a continued normalization of policy with a focus on inflation outlook rather than past data points.

MXN: Trade Balance at 13:00 BST for August. Citi Economics [expects](#) -0.9% MoM total exports (vs 1.0% prior) and +0.6% MoM total imports (vs -2.0% prior). Imports of intermediate goods excluding oil rebounded in Aug. Trade deficit should post USD 2.6bn vs 0.9bn prior.

CZK: Repurchase Rate decision at 13:30 BST. CNB officials have remained [firmly hawkish](#), so we are unlikely to see rate cuts in the near-term. Citi Economics [expects](#) policy rates to hold this meeting at 7.0%.

Thursday, September 28

AUD: Retail Sales MoM at 02:30 BST for August. Retail sales may not be as market relevant as CPI, but still be informative on consumer health. Bloomberg consensus expects slight easing towards 0.4% vs 0.5% prior.

EUR: Spain CPI YoY at 08:00 BST. Our economists [expect](#) a slight pick-up in the headline measure to 3.1% YoY from 2.4% prior. Core CPI should remain at 6.1% YoY.

Eurozone Economic and industrial Confidence at 10:00 BST for September. Citi Economics [expects](#) the measure to remain in recession territory at 92.5 vs 93.3 prior.

Germany CPI YoY at 13:00 BST for September P. Citi Economics [expects](#) easing led by base effects in the headline measure, towards 4.6% YoY vs 6.1% YoY. Note state-level prints such as NRW, Hesse and Bavaria will provide hints ahead of the national print.

ECB's Holzmann Speaks at 15:00 BST. Remarks will be on "China's Overseas Lending: From Boom to Bust", so comments shouldn't be market-moving.

CAD: CFIB Business Barometer at 11:00 BST for September. The CFIB is our economists' [preferred monthly indicator](#) in Canada, and it continues to show easing inflationary pressures by year-end.

Payroll Employment Change - SEPH at 13:30 BST for July. Prior (June) surprised significantly to the downside at 47.7k. There is no median consensus estimate for July.

USD: Weekly jobless claims at 13:30 BST remain top of mind. Claims aren't showing evidence that labor markets are loosening, but they remain the best forward-looking indicator here.

Fedspeak trio ahead, but Goolsbee (dove) is the only one discussing policy at 14:00 BST. Cook (dovish) speaks at Banking Forum at 18:00 BST, and Powell (neutral/hawkish) hosts a Town Hall with Educators at 21:00 BST.

In backdrop, Q2 GDP Annualized and GDP/National Economic Accounts at 13:30 BST. The tertiary report shouldn't be market moving unless it's revised even higher than consensus already expects (2.3% BBG e. vs 2.1% p.).

Pending Home Sales MoM at 15:00 BST for Aug. The report doesn't move markets but does give a 2-3 mo lead for housing activity.

BRL: BCB - Quarterly Inflation Report at 12:00 BST for Q3. Citi Economics [focuses](#) on Q3 inflation forecasts. They will inform whether the current policy strategy is good enough to anchor long-run inflation (>2025). Copom will likely increase 2023 growth estimate to ~3.0% from 2.0%.

FGV Inflation IGPM MoM at 12:00 BST for Sep. Our economists expect -5.9% YoY vs -7.2% prior, as FGV continues to gradually rebound from negative territory.

National Treasury - Primary Result at 20:00 BST for August. Our economists expect 12-month primary fiscal result at -0.6% of GDP vs -0.9% prior. Base effects are only driver, and fiscal results are weakening otherwise.

MXN: Overnight Rate at 20:00 BST. Consensus agrees that Banxico will leave rates unchanged at 11.3%. Banxico's "higher for longer" intentions have been well telegraphed. Risks are limited unless the Bank hints at earlier easing or makes dovish forecast revisions.

KRW/MYR/IDR/CZK/PKR: Local holidays.

Friday, September 29

USD: Fed's Barkin gives a speech on Monetary Policy Outlook at 00:00 BST. Press will be in attendance, so there are some headline risks here. Barkin has a hawkish bias.

JPY: Tokyo CPI YoY at 00:30 BST for September. Citi Economics [forecasts](#) core CPI to moderate to 2.6% YoY in September, in line with BoJ expectations.

Jobless Rate at 00:30 BST and Retail Sales YoY at 00:50 BST for August. Citi Economics expects an unchanged 2.6% print for the former. For the latter, they expect a 7.4% YoY print.

CNY: Caixin China PMI Composite at 02:45 BST for September. Watch out for surprises - our economists [expect](#) a return towards expansionary territory in the official print, to 50.3 from 49.7. Recent Chinese data prints have suggested that we have seen a 'floor' in data weakness.

GBP: UK Q2 GDP revisions at 07:00 BST. Citi Economics see a slight upside revision towards 0.2% QoQ, though wouldn't rule out downward revisions from 0.1% prior. Growth risks should support our bearish GBP case.

UK income and credit data (Q2) is released. Our economists expect the household savings rate to fall to 8.3% from 8.8% in Q1. In credit data, mortgage approvals should slow, as credit conditions continue to tighten.

EUR: France CPI YoY at 07:45 BST for September P. Citi Economics expects a slight uptick towards 5.2% YoY from 4.3%, citing rising energy and tourism inflation.

Eurozone CPI Estimate follows YoY at 10:00 BST for September. Base effects should drive an overall drop in the headline print towards 4.5% YoY from 5.2% last, core easing towards 4.8% YoY from 5.3%. In Euro inflation, our strategists [hold](#) shorts in 5y5y HICP swaps.

ECB's Lagarde speaks at 08:40 BST, but on energy transition, while Kazak's presentation on the Latvian economy at 10:00 is unlikely to be market relevant.

CAD: GDP YoY at 13:30 BST for July. Citi Economics [expects](#) -0.1% in July GDP, driven by -0.1% declines in both services and goods-producing industries. It's not clear whether more recent demand is slowing, so we wouldn't read into the report. Note Citi now expects +25bp hike Oct.

USD: PCE Core Deflator YoY at 13:30 BST for August. Bloomberg consensus expects core to soften to 3.9% vs 4.2% prior. Other inflation measures have been softening, so this shouldn't be surprising. Fed's Williams speaks thereafter will be more important: Fed's Williams speaks on monetary policy at 17:45 BST.

THB: Trade Balance at 08:30 BST for Aug. Citi Economics [forecasts](#) USD -1913mn. They expect exports to remain soft in Aug. Imports likely eased more in YoY terms due to relatively large imports of gold back during Aug'22, keeping trade deficit little changed from July.

PLN: CPI YoY at 09:00 BST for September P. Citi Economics [expects](#) slight easing toward 8.1% YoY from 10.1%. Given the MPC have already started cutting rates, this print may be of less significance for monetary policy. Magnitude of cuts in October will remain flexible, for now we expect a 25bps cut.

CLP: Industrial Production and Retail Sales YoY at 13:00 BST for August. While we typically look through this data, markets may respond to surprises, given the BCCh's strong commitment to easing. Bloomberg consensus expects a slight improvement in retail sales (-9% YoY vs -10.1% p.). There is no median consensus in IP, but the prior was at -1.7% YoY.

COP: Overnight Lending Rate at 19:00 BST. Central bank co-director Steiner said on 22 September that Colombia still needs contractionary monetary policy. He noted that his comments may not reflect the board's overall view. However, consensus doesn't expect a rate change in this meeting. The press statement - compiled by all board members - will be more telling on the Bank's future policy intentions.

HIGHLIGHTS BY CURRENCIES

G10

USD: Chicago Fed Nat Activity Index at 13:30 BST for Aug. (September 25); Dallas Fed Manf. Activity at 15:30 BST for Sep. (September 25); Fed's Kashkari Speaks at 23:00 BST. (September 25); New Home Sales at 15:00 BST for Aug. (September 26); Conf. Board Consumer Confidence at 15:00 BST for Sep. (September 26); Richmond Fed Manufact. Index at 15:00 BST for Sep. (September 26); Richmond Fed Business Conditions at 15:00 BST for Sep. (September 26); Dallas Fed Services Activity at 15:30 BST for Sep. (September 26); Fed's Bowman Delivers Welcoming Remarks at 18:30 BST. (September 26); Cap Goods Orders Nondef Ex Air at 13:30 BST for Aug P. (September 27); Revisions: GDP/National Economic Accounts at 13:30 BST. (September 28); GDP Annualized QoQ at 13:30 BST for 2Q T. (September 28); Weekly Jobless Claims at 13:30 BST. (September 28); Fed's Goolsbee Speaks at Peterson Institute in Washington at 14:00 BST. (September 28); Pending Home Sales MoM at 15:00 BST for Aug. (September 28); Kansas City Fed Manf. Activity at 16:00 BST for Sep. (September 28); Fed's Cook Speaks at Minorities in Banking Forum at 18:00 BST. (September 28); Fed's Powell Hosts Town Hall With Educators at 21:00 BST. (September 28); Fed's Barkin Gives Speech on Monetary Policy Outlook at 00:00 BST. (September 29); PCE Core Deflator YoY at 13:30 BST for Aug. (September 29); MNI Chicago PMI at 14:45 BST for Sep. (September 29); Kansas City Fed Services Activity at 16:00 BST for Sep. (September 29); Fed's Williams to Speak on Monetary Policy at 17:45 BST. (September 29)

EUR: ECB's Villeroy speaks at 08:00 BST. (September 25); Germany IFO Business Climate, Current Assessment, Expectations at 09:00 BST for Sep. (September 25); ECB's Lane speaks at 08:00 BST. (September 26); France Consumer Confidence at 07:45 BST for Sep. (September 27); Italy Consumer Confidence Index at 09:00 BST for Sep. (September 28); Italy Economic Sentiment at 09:00 BST for Sep. (September 28); ECB Publishes Economic Bulletin at 09:00 BST. (September 28); Economic Confidence at 10:00 BST for Sep. (September 28); Industrial Confidence at 10:00 BST for Sep. (September 28); Germany CPI YoY at 13:00 BST for Sep P. (September 28); ECB's Holzmann Speaks at 15:00 BST. (September 28); France CPI YoY at 07:45 BST for Sep P. (September 29); CPI Estimate YoY at 10:00 BST for Sep. (September 29); ECB's Lagarde Speaks. (September 29)

JPY: PPI Services YoY at 00:50 BST for Aug. (September 26); BOJ Minutes of July Meeting at 00:50 BST. (September 27); Tokyo CPI Ex-Fresh Food, Energy YoY at 00:30 BST for Sep. (September 29); Jobless Rate at 00:30 BST for Aug. (September 29); Retail Sales YoY at 00:50 BST for Aug. (September 29)

GBP: Current Account Balance at 07:00 BST for 2Q. (September 29)

CAD: Payroll Employment Change - SEPH at 13:30 BST for Jul. (September 28); GDP YoY at 13:30 BST for Jul. (September 29)

AUD: RBA's Jones-Panel at 05:00 BST. (September 25); CPI YoY at 02:30 BST for Aug. (September 27); Retail Sales MoM at 02:30 BST for Aug. (September 28)

SEK: Riksbank's Jansson speech at Unga Aktiesparare at 17:00 BST. (September 26); Trade Balance at 07:00 BST for Aug. (September 27); Economic Tendency Survey at

08:00 BST for Sep. (September 27); Consumer Confidence at 08:00 BST for Sep. (September 27); Riksbank's Floden speech at Kreditföreningen at 09:15 BST. (September 28); Riksbank's Breman on panel about climate change at 15:45 BST. (September 28); Retail Sales MoM at 07:00 BST for Aug. (September 29)

NOK: Unemployment Rate Trend at 07:00 BST for Aug. (September 27)

ASIA

CNY: Caixin China PMI at 02:45 BST for Sep. (September 29); Mid-autumn Festival. (September 29)

KRW: Consumer Confidence at 22:00 BST for Sep. (September 25); Harvest Moon Day (chusok). (September 28); Harvest Moon Day (chusok). (September 29)

THB: BoT Benchmark Interest Rate at 08:00 BST. (September 27); Trade Balance at 08:30 BST for Aug. (September 29)

MYR: Prophets Birthday. (September 28)

HKD: Trade Balance HKD at 09:30 BST for Aug. (September 26)

TWD: Mid-autumn Festival. (September 29)

SGD: CPI YoY at 06:00 BST for Aug. (September 25)

IDR: Maulid Nabi Muhammad S.a.w. (September 28)

LATAM

BRL: FGV Consumer Confidence at 12:00 BST for Sep. (September 25); Central Bank Weekly Economist Survey at 12:25 BST. (September 25); Central Bank Meeting Minutes at 12:30 BST. (September 26); IBGE Inflation IPCA-15 MoM at 13:00 BST for Sep. (September 26); FGV Inflation IGPM MoM at 12:00 BST for Sep. (September 28)

MXN: Trade Balance at 13:00 BST for Aug. (September 27); Overnight Rate at 20:00 BST. (September 28)

COP: National Unemployment Rate at 16:00 BST for Aug. (September 29); Overnight Lending Rate at 19:00 BST. (September 29)

CLP: Industrial Production YoY at 13:00 BST for Aug. (September 29); Unemployment Rate at 13:00 BST for Aug. (September 29); Retail Sales YoY at 13:00 BST for Aug. (September 29)

ARS: Economic Activity Index YoY at 20:00 BST for Jul. (September 26)

CEEMEA

ZAR: Heritage Day (obs). (September 25); Trade Balance Rand at 13:00 BST for Aug. (September 29)

TRY: Trade Balance at 08:00 BST for Aug. (September 29)

ILS: Yom Kippur. (September 25)

HUF: Current Account NSA at 07:30 BST for 2Q. (September 26); Finance Minister Mihaly Varga speaks at 07:50 BST. (September 26); Central Bank Rate Decision at 13:00 BST. (September 26)

CZK: Business Confidence at 08:00 BST for Sep. (September 25); Repurchase Rate at 13:30 BST. (September 27); Czech Statehood Day. (September 28)

PLN: Unemployment Rate at 09:00 BST for Aug. (September 25); CPI YoY at 09:00 BST for Sep P. (September 29)

UAH: National Bank of Ukraine Publishes Minutes of Rate Meeting. (September 25)

PKR: Prophet's Birthday. (September 28)

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Global FX Wire - Market Commentary

Rui Ding
London

Stephen Spratt
Hong Kong

Naveen Nair
Singapore

Varshi Karamsetty
London

Val Berenshtein
New York