

WEEKLY ECONOMIC CALENDAR AHEAD

Here is what you need to know about the important news between **December 13th 2021 and December 18th 2021**, where we take a look at the economic data, market news and headlines likely to have the biggest impact on the market prices this week and beyond, as well as the US Dollar, and other key correlated assets.

In the markets last week, Inflation rose 6.8% from a year ago in November, slightly higher than estimates according to the consumer price index released Friday. Near-four-decade high inflation showed the largest annual gain for US CPI since 1982, the central bank will have to speed up its tightening efforts.

The dollar dipped on Friday after an inflation reading was largely in-line with expectations. Also, With preliminary indications that the new COVID variant may not be as severe as previous versions, the combination resulted in a good week for equities.

In the oil market, WTI crude seems to be following U.S. stocks more so than stockpile data. This is ending up being a rather good week for crude prices as the crude demand outlook hit from Omicron might be limited. OPEC+ continues to have a firm handle on the direction of prices and can disrupt any selloffs with a quick reverse of their output increase.

In the week ahead, the big market event will be the last Federal Reserve meeting of the year. Investors are also keen to learn the central bank's view on the Omicron variant's potential impact on economic growth or inflation.

Central Bank

Just last month, **the Federal Reserve** announced it would reduce its \$120bn bond-buying programme at a pace of \$15bn per month. That suggested the stimulus would cease by the end of June. Now that the latest inflation report showed inflation remains stubbornly high, the focus shifts completely on the FOMC policy decision.

With market participants hungry to learn how quickly the central bank plans to finish unwinding its bond-buying program and pick up signs of when it may start to raise rates in 2022. Expectations are growing that the Fed will double the pace of its bond purchase taper, but if they only deliver a modest increase, the Fed's credibility will take a hit.

The **European Central Bank** may exit its pandemic emergency program while boosting its regular asset purchase program. After eurozone inflation shot up faster than expected to hit 4.9 per cent in November, the highest level since the single currency was launched more than 20 years ago, the ECB is expected to raise its forecast for price growth to exceed its 2 per cent target both this year and next year. This question could be answered this week.

The BoE will need to raise rates soon, but it may hold off until the new year. In a November poll a slim majority of economists expected a rise from 0.10% to 0.25% on Dec. 16. But since then, policymaker who voted for an interest rate hike last month, said he wanted more details about the new variant before deciding how to vote this month.



The BoE decision on Thursday that will draw the most attention, with the MPC now expected to hold off on raising rates due to the uncertainty around Omicron. It's not certain that this will happen, with markets still pricing in around a decent chance of a 15-basis point increase but it's no longer the most likely outcome.

EU, PMI European Market Composite Purchasing Managers Index (PMI) and inflation data will be released on Thursday and Friday, which should make for a blockbuster week ahead of the holiday season. A big week for the U.K. as we get a raft of economic data, including the jobs report, inflation, PMIs and retail sales.

Other important economic data is as follows: (All times listed are GMT+0)

Monday, December 13, 2021

No Major events are scheduled for release

OPEC Monthly Oil Market Report 2021 (MOMR)

Tuesday, December 14, 2021

07:00: UK – Average Earnings Index + Bonus

07:00: UK – Claimant Count Change

13:30: US – PPI

Wednesday, December 15, 2021

02:00: China – Industrial Production

07:00: UK – CPI

13:30: US – Core Retail Sales

13:30: US – Retail Sales

15:30: US – Crude Oil Inventories

19:00: US – FOMC Interest Rate Decision

Thursday, December 16, 2021

12:30: Australia – Employment Change

08:30: Switzerland – SNB Interest Rate Decision

08:30: Germany – Manufacturing PMI
09:30: UK – Manufacturing and Services PMI
12:00: UK – BoE Interest Rate Decision
12:45: Eurozone – ECB Interest Rate Decision
13:30: US – Building Permits
13:30: US – Initial Jobless Claims
13:30: US – Philadelphia Fed Manufacturing Index

Friday, December 17,2021

05:30: Japan – BoJ Monetary Policy Statement
07:00: UK – Retail Sales
09:00: Germany – Ifo Business Climate Index
10:00: Eurozone – CPI

Thanks for reading! Have a great week!

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