

## WEEKLY ECONOMIC CALENDAR AHEAD

Here is what you need to know about the important news between **December 20<sup>th</sup> 2021 and December 24<sup>th</sup> 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.

The market was action-packed in the past week, dominated by major central bank announcements, some of that could spill into the coming week as investors continue to weigh the Federal Reserve's plan to raise interest rates and the spread of the omicron Covid variant.

The USD weakened after the Federal Reserve projected three rate hikes next year. The Fed announced on December 15<sup>th</sup> that it would speed up the end of its bond-buying. The central bank also provided a new interest rate forecast which showed members expect as many as three hikes next year, when previously they did not forecast any.

Sterling shot higher after the Bank of England surprised the market with its first-rate hike in three years. Britain became the first G7 economy to hike interest rates to 0.25% from 0.1% on Thursday, Dec 16. The BoE said inflation was set to hit 6% in April, three times the BoE's target level.

EUR strengthened after the European Central Bank said a rate hike in 2022, ECB cuts stimulus but maintains support, the ECB, which has undershot its inflation target for most of the past decade, kept interest rates on hold and announced the end of its pandemic emergency asset-buying scheme next March.

The Bank of Japan kept monetary policy ultra-loose at its meeting on Friday, no change from the Bank of Japan policy meeting and only tinkering with QE programs leave USD/JPY back at the mercy of the US/Japan rate differential.

### Central Bank

Now the Federal Reserve's hawkish reset is complete, the Fed brought no major surprises. As expected, it announced it will wind down bond purchases at a faster rate, acknowledging the elevated consumer price pressures that have persisted through the back half of the year. The Fed is done with speaking appearances for the year, so thin trading conditions should settle in once we get past Thursday's economic data.

There are some economic reports to watch, including consumer confidence on Wednesday that will show if the US consumer remains strong. Another round of housing data On Thursday should show existing home and new home sales remain hot. The Fed's preferred inflation gauge will show pricing pressures continued to surge in November.

These final weeks of 2021 could be challenging for investors who were hoping for a quiet and positive end of the year. The calendar is looking a little thin, with policymakers now in holiday mode, and many in the markets likely also. The biggest risk to the short-term outlook remains COVID, and whether this Omicron wave leads to significant school closures and cancellation of holiday travel plans.

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

**Monday, December 20, 2021**

17:00 : US – CB Leading indicators

**Tuesday, December 21, 2021**

02:30: AUS – Monetary Policy Meeting - RBA minutes of its December interest rate meeting

15:30: CAD – Retail Sales

17:00: EUR – Consumer Confidence

**Wednesday, December 22, 2021**

09:00 : UK – Final GDP

15:30 : US – Final GDP

17:00 : US – CB Consumer confidence

17:00 : US – Existing home sales

17:30 : US – Crude Oil Inventories

**Thursday, December 23, 2021**

15:30: CAD – GDP

15:30: US – Durable goods

17:30: US – New home sales

**Friday, December 24, 2021**

US Markets closed for Christmas holiday

European markets close earlier

**Thanks for reading! Have a great week!**

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