

WEEKLY OUTLOOK

09.01.2023-13.01.2023



The first week of 2023 came with the usual slew of major economic data points, which on net point to the curious post-pandemic era combination of a resilient labour market set against eroding business confidence across the US economy. And if this trend keeps up, it will likely make for a highly bumpy trading landscape in the months ahead, with investors getting yanked in multiple directions.

Mixed US economic data helped fuel a large rally in USTs last week. Both employment measures—nonfarm payrolls and the household survey—were robust, though average hourly earnings rose by less than expected, with October and November readings revised lower. By itself, the jobs report suggested a potential cooling of wage pressures without a significant increase in unemployment.

As far as events are concerned, on Monday both BoC Gov Macklem and Fed Chair Powell will be participating in a panel discussion titled "Central bank independence and new risks" in Stockholm. The US Bureau of Labor Statistics will release the Core CPI data for December on Thursday while on Friday the UK Office for National Statistics will announce the monthly GDP.

Starting from January 8, 2023, China no longer requires people arriving in the country to undergo a quarantine with negative Covid test results being enough to enter the country now. Moreover, Chinese authorities expect traffic during the upcoming Chinese New Year holiday to double from 2022 levels and after several years of serious limitations placed on the world's second largest economy.

Oil prices started the new week on a positive note with Brent and WTI trading almost 3% higher on the day as the removal of significant restrictions in China along with a major reopening appear to be the main causes of this move. EUR/USD gained more than 100 pips on Friday and continued to stretch higher toward 1.0700 while Gold price capitalized on falling US T-bond yields and registered impressive gains ahead of the weekend. XAU/USD preserved its bullish momentum early Monday and was last seen trading at its highest level since early May near \$1,880.

Tuesday 10 January

Time CET	Cur.	Event	Forecast	Previous
14:30	CAD	BOC Gov Macklem Speaks		
16:00	USD	Fed Chair Powell Speaks		

Wednesday 11 December

Time CET	Cur.	Event	Forecast	Previous
14:30	AUD	CPI y/y	-1,0%	-4,6%
20:00	USD	10-y Bond Auction		

Thursday 12 December

Time CET	Val.	Event	Forecast	Previous
15:30	USD	CPI y/y	6.5%	7.1%
15:30	USD	Core CPI m/m	0.3%	0.2%
13:30	USD	Unemployment Claims	215K	204K

Friday 13 December

Time CET	Cur.	Event	Forecast	Previous
09:00	GBP	GDP m/m	-0.3%	0.5%
17:00	USD	Prelim UoM Consumer Sentiment	60.6	59.7
17:00	USD	Prelim UoM Inflation Expectations		622
16:00	USD	Baker Hughes US OIL Rig Count		