

WEEKLY OUTLOOK

23.01.2023-28.01.2023



Good morning traders.

The week kicked off with the WEF annual meetings in Davos. Central bankers, prime ministers, finance ministers and business leaders from 90 countries attended the meetings. In summary all attendees agreed that Russia's invasion and Covid-19 pandemic drove energy prices up and made households around the world poorer.

China reported on Tuesday weaker than expected GDP ratings which drove Asian shares lower while Eurozone's economic sentiment turned positive after the German ZEW numbers arrived at 16.9 beating the market expectations of -15.5.

On Wednesday at the first board meeting of the year, BOJ decided to leave thinks unchanged regarding their monetary policy sending JPY thought the roof over the 130.00 level. Later in the day US Bureau of Labor Statistics released their Core PPI and Retail sales data which came lower than expected and drove the US dollar near a multi-month low.

ECB's President Christine Lagarde noted in Davos on Thursday that Europe's job market has never been as vibrant as now and that the central bank will stay on course with rate hikes.

Traders will be orphaned next week with most of the Asian markets closed for Lunar New Year celebrations. So, the focus will be mainly on the US and the Eurozone.

The first day of the week begins with the BoJ Minutes looking for clues of the next move of the central bank in one of the last appearances of Kuroda. On Monday evening, however, it will be the turn of the ECB President Lagarde's speech in anticipation of the monetary policy meeting on 2 February.

On Tuesday morning, the United Kingdom's "purchasing" package will attract the operator's attention in a delicate moment in the country. The day will finish with the inflation on the consumer side (IPC) of New Zealand followed at short timeframe from the Australian one in the early morning of Wednesday. Still on Wednesday the Bank of Canada will announce its rate decision with forecasts showing a 0.25% rate hike. After that Macklem did not hide a mild optimism commenting on the latest data on inflation slowing in the country. German Ifo Business Climate data will be released in the Eurozone in the late morning. This is a leading indicator of economic health and tends to create a strong market impact upon release.

Towards the end of the week most of the economic news comes from the US. This includes advanced GDP, initial jobless claims, new home sales and the Core PCE Price Index.

Monday 23 January

Time CET	Cur.	Event	Forecast	Previous
00:50	JPY	Monetary Policy Meeting Minutes		
14:30	CAD	New Housing Price Index (MoM)		-0.2%
	CNY	Chinese New Year		

Tuesday 24 January

Time CET	Cur.	Event	Forecast	Previous
09:30	EUR	German Manufacturing PMI		47.1
15:45	USD	Manufacturing PMI (Jan)	47.7	46.2
22:45	NZD	CPI (QoQ) (Q4)	1.6%	2.2%

Wednesday 25 January

Time CET	Cur.	Event	Forecast	Previous
01:30	AUD	CPI (QoQ) (Q4)		1.8%
10:00	EUR	German Ifo Business Climate Index (Jan)	87.4	88.6
16:00	CAD	BoC Interest Rate Decision	4.25%	4.25%

Thursday 26 January

Time CET	Val.	Event	Forecast	Previous
14:30	USD	Core Durable Goods Orders (MoM) (Dec)		0.1%
14:30	USD	GDP (QoQ) (Q4)	2.8%	3.2%
14:30	USD	New Home Sales (Dec)	618K	640K

Friday 27 January

Time CET	Cur.	Event	Forecast	Previous
00:30	JPY	Tokyo Core CPI (YoY) (Jan)		4.0%
14:30	USD	Core PCE Price Index (MoM) (Dec)	0.2%	0.2%
14:30	USD	Pending Home Sales (MoM) (Dec)		-4.0%

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