

Economics | January 13, 2022

## Investor Signposts: Week beginning January 16, 2022

### Upcoming economic and financial market events

#### Australia

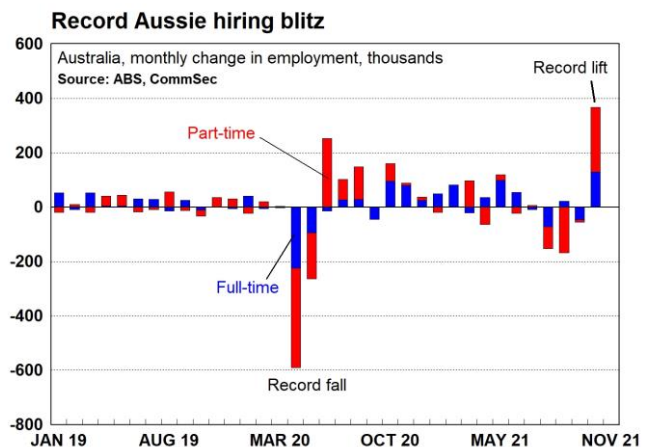
Tuesday January 18	◆ Weekly consumer confidence (January 16)	<i>From ANZ and Roy Morgan</i>
Tuesday January 18	◆ Overseas arrivals/departures (November)	<i>December data will be of more interest</i>
Wednesday January 19	◆ Dwelling starts (September quarter)	<i>Contained in 'Building Activity' release</i>
Wednesday January 19	◆ Monthly consumer confidence (January)	<i>From Westpac and Melbourne Institute</i>
Wednesday January 19	◆ Weekly payroll jobs & wages	<i>Data for week to December 18, 2021</i>
Wednesday January 19	◆ Skilled job vacancies (December)	<i>Preliminary job vacancies fell by 2.5%</i>
Thursday January 20	◆ Employment/unemployment (December)	<i>Jobs rose by a record 366,100 in November</i>
Friday January 21	◆ Business turnover (November)	<i>Experimental indicator</i>

#### Overseas

Monday January 17	◆ China Economic (GDP) growth (December qtr.)	<i>Annual GDP growth of 8% is tipped in 2021</i>
Monday January 17	◆ China retail sales/production/investment (Dec.)	<i>Tipped to lift 3.8%/3.8%/4.8% on a year ago</i>
Monday January 17	◆ US financial markets closed	<i>In observance of Martin Luther King Jr. Day</i>
Tuesday January 18	◆ US Empire State manufacturing index (Jan.)	<i>Tipped to ease from 31.9 to 26</i>
Tuesday January 18	◆ US NAHB Housing market index (January)	<i>At 11-month high in December</i>
Wednesday January 19	◆ US Housing starts/building permits (Dec.)	<i>Starts were at 8-month highs in November</i>
Thursday January 20	◆ US Philadelphia Federal Reserve index (Jan.)	<i>Expected to increase from 15.4 to 21</i>
Thursday January 20	◆ US Existing home sales (December)	<i>At 10-month high in November</i>
Thursday January 20	◆ China Loan Prime Rate setting	<i>1-year and 5-year loans</i>
Friday January 21	◆ US Leading index (December)	<i>From the Conference Board; a 0.8% rise is expected</i>

### Australia: Employment data is the highlight

- The December labour force estimates are the highlight in the coming week.
- But **the week kicks off on Tuesday** when the Australian Bureau of Statistics (ABS) releases November data on overseas arrivals and departures.
- And also on Tuesday, Roy Morgan and ANZ jointly release the weekly reading of consumer confidence.
- On Wednesday, the ABS releases the *Building Activity* publication for the September quarter. Of most interest is the data on dwelling starts or commencements as well as the 'work yet to be done' estimates.
- Also on Wednesday, Westpac and Melbourne Institute both issue the January consumer confidence survey. And the National Skills Commission issues its detailed job vacancies report for December.
- And a duo of job market publications are released from the ABS to round-out Wednesday. The timeliest indicator is the *Weekly Payrolls, Jobs and Wages* report



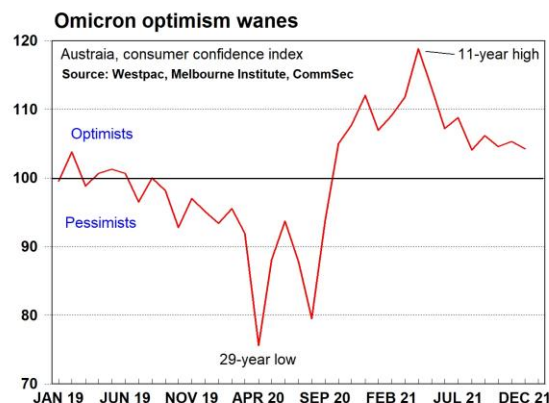
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for the week to December 18, 2021. The other publication is *Employee Earnings & Hours* with the reference date being May 2021.

- **On Thursday**, the December Labour Force publication is issued, containing the estimates of employment, unemployment, hours worked and job market participation. Data remains volatile on a monthly basis, reflecting the timing of lockdowns and the impact of virus outbreaks. In November, employment rose by a record 366,100; the jobless rate fell from 5.2 per cent to 4.6 per cent; hours worked rose 4.5 per cent; and the participation rate lifted 1.4 percentage points.
- A more modest 30,000 lift in jobs is tipped for December with the jobless rate likely down from 4.6 per cent to 4.5 per cent.
- **On Friday**, the ABS releases the experimental *Monthly Business Turnover* figures for November. In October, it was found that turnover had risen in nine of 13 industries as the economy re-opened in the south-east after Delta virus restrictions were lifted.



### Overseas: Chinese economic figures hog the limelight

- All eyes are on Chinese economic data early in the week. A bevy of US housing market activity indicators are due over the week following the Martin Luther King Jr. public holiday **on Monday**.
- The week kicks off **in China on Monday** with the December quarter estimates of gross domestic product (GDP) or economic growth. The Chinese economy, as measured by GDP, is expected to grow at an 8 per cent annual rate in 2021. Also released are the December monthly estimates for retail sales, industrial production, investment and unemployment. A steady unemployment rate of 5 per cent is also tipped by economists in December.
- **On Tuesday in the US**, the influential New York Empire State Manufacturing index is issued for January together with the National Association of Home Builders (NAHB) index. The Empire State index stands at a 3-month high with the NAHB index at an 11-month high. **Also on Tuesday** is the US data on net capital flows for November.
- **On Wednesday in the US** is the December data on housing starts and building permits. Housing starts were at 8-month highs in November. But permits and starts are both expected to ease at the end of 2021.
- **Also on Wednesday in the US**, the weekly Johnson Redbook chain store sales report is issued with the weekly results of US mortgage applications from the Mortgage Bankers Association (MBA).
- **In China on Thursday**, the interest rate setting for 1-year and 5-year prime loan rates occurs.
- **In the US on Thursday**, the influential regional Philadelphia Federal Reserve manufacturing index is issued with December data on existing home sales. The Philly Fed reading fell from a seven-month high of +39 to a 13-month low of +15.4 in December. Existing home sales stand at 10-month highs.
- **Also on Thursday** in the US is the usual weekly data on jobless claims (claims for unemployment benefits).
- **On Friday in the US**, is the Conference Board leading index, with a 0.8 per cent increase tipped for December.

### US earnings or profit-reporting season

- According to FactSet, fourth quarter earnings, 2021 for S&P 500 companies are expected to be up 21.7 per cent on the year after recording growth of 52.8 per cent in the first quarter, 92.4 per cent in the second quarter and 39.9 per cent in the third quarter.

- Amongst companies reporting in the coming week:

**Tuesday:** BNY Mellon; Charles Schwab; Goldman Sachs.

**Wednesday:** Alcoa, United Airlines; Bank of America; Procter & Gamble; Intel; State Street; UnitedHealth; Morgan Stanley.

**Thursday:** American Airlines; Citrix Systems; Baker Hughes; Travelers; Netflix.

**Friday:** Honeywell; Schlumberger.

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