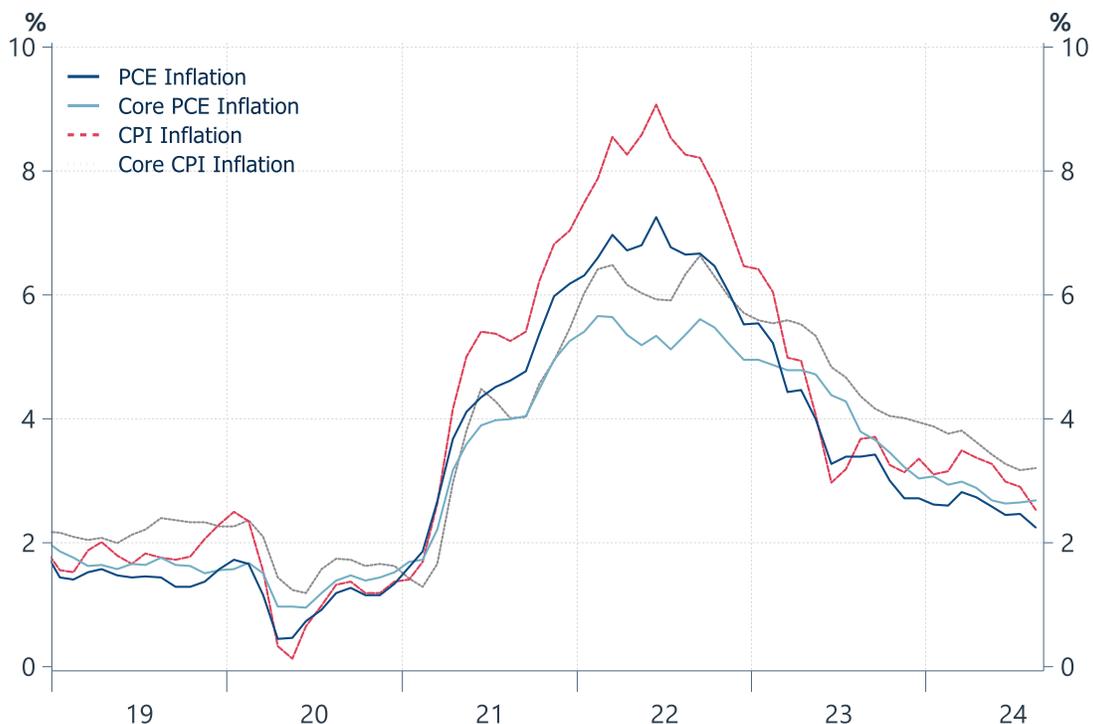


The week ahead

The focus shifts back to CPI inflation this week in the US, with September readings set to be released. In August, both headline CPI and PCE price inflation indicators resumed their recent downtrend, while core measures remained largely unchanged. This trend was primarily driven by a decline in energy prices, attributed in part to weakened global demand. Should the disinflation trend continue in September, it is likely to reinforce expectations for a more measured and gradual pace of policy easing in the US. Fed Chair Powell has indicated that the central bank is not in a hurry to cut rates quickly, aligning with this outlook.

1.

US Inflation Measures

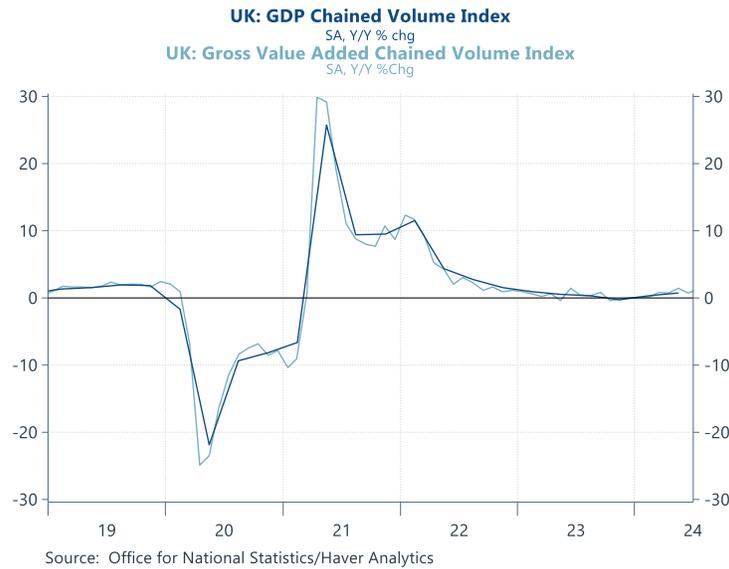


Sources: BEA, BLS/Haver

This week, growth-related measures will take center stage in Europe, with August GDP readings from the UK and Sweden, as well as Germany's industrial production data for the month. Observers will be eager to determine if the UK's economic momentum is sustainable, following a 1.2% y/y growth in July and a downward revision of Q2 GDP

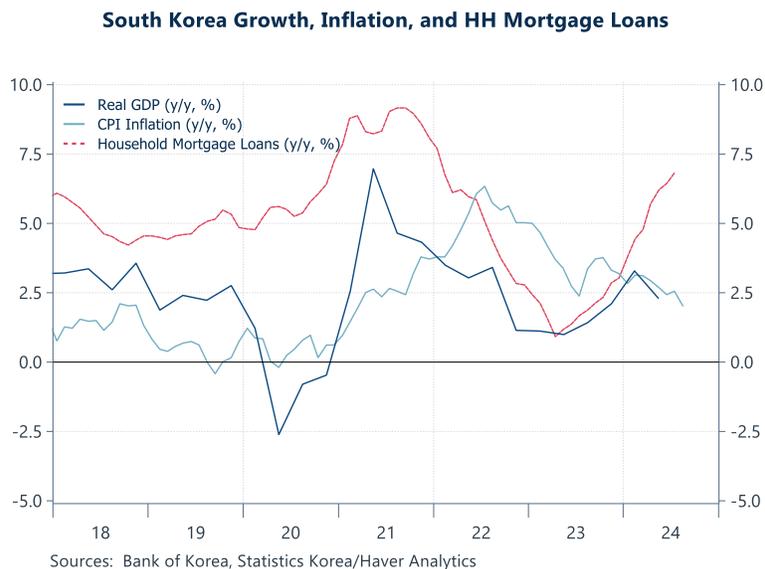
performance to 0.7% y/y, down from the initially estimated 0.9%. In Germany, attention will focus on whether the industrial sector's weakness continues, as it has reported negative y/y growth since May 2023.

2.



Next week, more interest rate decisions are anticipated in Asia, with the central banks of New Zealand (RBNZ), India (RBI), and South Korea (BoK) set to meet. Market pricing indicates expectations for at least a 25 bps rate cut from the RBNZ's October meeting, with some analysts even predicting a 50 bps reduction, particularly following New Zealand's q/q GDP contraction in Q2. In India, no rate changes are expected from the RBI this week, as inflation remains stable, economic growth is strong, and the rupee is steady. In South Korea, the argument for an October rate cut is strengthened by easing inflation and concerns about slowing growth. However, worries about elevated housing prices and household debt persist, which may lead the central bank to refrain from further tightening until clearer signals emerge.

3.



Data featured in the charts:

Chart 1

Series 1: [yryr%\(JCBM@USECON\)](#)

JCBM@USECON [PCE: Chain Price Index (SA, 2017=100)]

Series 2: [yryr%\(JCXFEBM@USECON\)](#)

JCXFEBM@USECON [PCE less Food & Energy: Chain Price Index (SA, 2017=100)]

Series 3: [yryr%\(PCUN@USECON\)](#)

PCUN@USECON [CPI-U: All Items (NSA, 1982-84=100)]

Series 4: [yryr%\(PCUSLFEN@USECON\)](#)

PCUSLFEN@USECON [CPI-U: All Items Less Food and Energy (NSA, 1982-84=100)]

Chart 2

Series 1: [IHYRQ@UK](#)

IHYRQ@UK [UK: GDP Chained Volume Index (SA, Y/Y % chg)]

Series 2: [ED2R@UK](#)

ED2R@UK [UK: Gross Value Added Chained Volume Index (SA, Y/Y %Chg)]

Chart 3

Series 1: [yryr%\(N542NGPC@EMERGEPR\)](#)

N542NGPC@EMERGEPR [South Korea: Gross Domestic Product (NSA, Bil.Ch.2020.Won)]

Series 2: [yryr%\(N542PC@EMERGEPR\)](#)

N542PC@EMERGEPR [South Korea: CPI: All Items (NSA, 2020=100)]

Series 3: [yryr%\(N542FHDM@EMERGEPR\)](#)

N542FHDM@EMERGEPR [S Korea: Loans to Households: Dep Corporations: Mortgage (EOP, NSA, Bil.Won)]

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