

### Highlights include FOMC, RBA, BoC, SNB, UK GDP, Aussie Jobs, Chinese Trade and Inflation

- **MON:** Chinese Trade Balance (Nov)
- **TUE:** RBA Announcement, EIA STEO, German Trade Balance (Oct), US JOLTS (Oct)
- **WED:** FOMC Announcement, BoC Announcement, Chinese Inflation (Nov), Swedish GDP (Oct), Norwegian CPI (Nov), US Employment Cost Index (Q3)
- **THU:** SNB Announcement, CBRT Announcement, OPEC MOMR, IEA OMR, Australian Jobs Report (Nov), Swedish CPIF (Nov)
- **FRI:** UK GDP (Oct), German/French/Spanish Final CPI (Nov)

**CHINESE TRADE BALANCE (MON):** Note, the data will encapsulate the first full period since the Trump-Xi meeting at the end of October, in which the sides agreed to extend their truce. The US decided to cut the "fentanyl tariff" on Chinese goods entering the US from 20% to 10%, while in return, China will start "the purchase of massive amounts of soybeans" and other farm products. Recently, US Trade Representative Greer emphasised Washington's focus on maintaining "stability in the relationship" with Beijing, noting that President Trump has opted for restraint over escalation in trade measures despite pressure from allies for coordinated action. In October, exports unexpectedly fell 1.1% Y/Y, marking the first contraction in nearly two years, as US-bound shipments plunged 25%, according to CNBC. Imports rose just 1%. Analysts said front-loaded shipments ahead of the Trump-Xi meeting had distorted prior data. Analysts at ING, regarding the upcoming release, posit "While the trade truce and the US's tariff reductions should be a positive for Chinese exports, we are now entering a period of unfavourable base effects." China's Commerce Minister on Friday said China will ramp up efforts to expand imports, via Xinhua.

**RBA ANNOUNCEMENT (TUE):** The RBA will decide on rates next week, with money markets assigning a 94% probability that the central bank will keep the Cash Rate at 3.60% and a 6% chance of a 25bps cut. The RBA left the Cash Rate unchanged at its November meeting, as expected, with a unanimous decision. It said inflation had recently picked up, and domestic economic activity was recovering, but the outlook remained uncertain. The board judged it appropriate to stay cautious and remained alert to heightened uncertainty in both directions. The RBA also released its Quarterly Statement on Monetary Policy, which showed it had sharply raised its core inflation forecasts through Q2 2026, with June 2026 Trimmed Mean inflation now seen at 3.2% (previously 2.6%) and June 2026 CPI at 3.7% (previously 3.1%). It added that recent data suggested more excess demand in the economy than previously thought, while its forecasts assumed a cash rate of 3.6% through end-2025, 3.4% in June 2026 and 3.3% thereafter. RBA Governor Michelle Bullock said at the post-meeting press conference that the board had not considered rate cuts and that less easing might be needed this cycle than in the past. She said it was possible there would be no further cuts, and possible there would be some. She added that the board viewed policy as close to neutral, would proceed meeting by meeting, had no policy bias and believed it was in the right place for now. The central bank's language signals continued uncertainty over future policy and a willingness to keep options open, with no urgency for an immediate adjustment. The tone aligns with comments from Deputy Governor Andrew Hauser, who said their best guess was that monetary policy remained restrictive and that the committee was debating this. He said it was not unreasonable to think future rate cuts could come and that the RBA would feel its way on the neutral rate, assessing how tight or loose policy was through macroeconomic data. Participants will therefore scrutinise the RBA's language at the upcoming meeting for policy clues, especially as money markets currently price no further rate cuts and see the next move as more likely a hike, but not until the second half of next year.

**FOMC ANNOUNCEMENT (WED):** Most economists expect the FOMC to cut its key interest rate by 25bps at its 10th December meeting to support a cooling labour market, despite widening divisions among policymakers, a Reuters poll showed. The view matches market pricing, which at the time of writing implied an 87% chance of a 25bps cut. The move would follow October's reduction, although Chair Powell cautioned then that a December cut was far from assured given inflation risks. A prolonged government shutdown that delayed key data has added to uncertainty, and the October minutes signalled a sharply split Committee. Still, economists' calls for further reductions have been underpinned by backing from several Fed officials, including key remarks from NY Fed President Williams, who said a near-term cut could be appropriate. Newsquawk analysis indicates that among voting members, four have explicitly supported cuts (Bowman, Waller, Miran, Williams), one is seen leaning towards a cut (Cook), two have been unclear (Powell, Jefferson), while five are leaning towards a hold (Barr, Schmid, Collins, Musalem, Goolsbee). The divisions mean the meeting could produce the highest number of dissents since the early 1990s, with four or more opposing any reduction. Updated economic projections are also due; the Reuters poll points to a lack of consensus in the 2026 dot plot, with medians showing two further cuts but significant disagreement driven by fiscal risks, tariff effects and concerns over Fed independence. Conflicting policymaker signals have also heightened uncertainty. Analysts highlight that there is a wide gap between consumer and market inflation expectations, complicating the Fed's task, and PCE inflation is expected to stay above 2% through 2027. The US economy likely grew 3.0% in Q3, slowing to 0.8% this quarter, and is forecast to average 2.0% in 2026, the poll found. Wells Fargo expects only minor adjustments to the 2026 outlook, with slightly higher GDP and unemployment and marginally lower inflation. It sees the 2026 median dot staying at 3.375%, although one lower dot could pull it down, with risks tilted slightly to the downside. Meanwhile, the 2026 rate outlook is further clouded by President Trump's imminent choice for Fed chair (which is likely to come in early January). A strongly dovish pick such as NEC Director Kevin Hassett, who is closely aligned with Trump's policy stance, would increase the likelihood of additional cuts in 2026. The FT reported that bond investors have warned the US Treasury that Hassett may prioritise Trump's preferences and push for aggressive easing, raising the risk of higher inflation and a Treasury sell-off. Concerns focus on his perceived lack of independence, limited market focus and ability to manage a

divided Fed, raising questions over credibility.

**BOC ANNOUNCEMENT (WED):** The BoC is expected to maintain rates, with markets viewing the current 2.25% rate as the terminal rate. Since the last meeting, views on policy direction have been little swayed, as October data (jobs & CPI) were hotter-than-expected, as they were in September, and as such paved the way for the BoC to pause and await the impact of the recent easing. The BoC did point towards a hold in its last statement, "The current policy rate is at about the right level to keep inflation close to 2% while helping the economy through this period of structural adjustment". Growth data since the October meeting has likely been welcomed by the BoC, with September GDP metrics matching expectations, while the Q3 reading annualised figure was notably above forecasts. Money markets are largely pricing in a hold at next week's meeting, almost fully pricing in such a decision. Looking into 2026, since the November jobs report, market pricing has shifted hawkish with 15bps of rate hikes now priced in following a notable drop in the unemployment rate to 6.5% from 6.9%. Before the data, some easing was still priced by mid-year, albeit this has completely reversed.

**CHINESE INFLATION (WED):** In the prior report, CPI rose 0.2% Y/Y in October, with the M/M also at 0.2%, and while Y/Y PPI printed -2.1%. The prior release showed factory-gate deflation easing and consumer prices turning positive for the first time in three months. ING expects CPI to edge higher to 0.5% Y/Y in November, driven by fading food price declines and modest gains in non-food prices, while PPI deflation is likely to narrow further. The desk continues to see inflationary pressures as subdued, with low but positive price growth viewed as key to preventing a deflationary mindset, and expects the PBoC to keep monetary policy steady, as marginal price improvements alone are unlikely to prompt immediate policy action.

**NORWEGIAN CPI (WED):** Figures will likely have little impact on policy implications in the immediacy, given the Bank's current rate path does not point towards a cut until Q2'26, with the first full rate cut indicated in Q4'26 (3.74%). As a reminder, the prior report saw headline Y/Y, and CPI-ATE printed hotter than the consensus and core Y/Y at 3.4% (exp. 3%, Norges Bank 3.2%). An outturn which played in favour of holding rates at the November meeting, whereby the Norges Bank said, "the job of tackling inflation has not been fully completed".

**SNB ANNOUNCEMENT (THU):** Expected to maintain the policy rate at 0.00%. While unlikely, the recent cooler-than-forecast inflation prints mean a move into negative rates cannot be ruled out. But, such a move is unlikely as the SNB still has room to guide policy via its forecasts and FX action. Furthermore, SNB officials have made clear that a return to NIRP is subject to a higher bar than a normal cut.

**CBRT ANNOUNCEMENT (THU):** There are currently no expectations as to what the CBRT may opt to do at the upcoming meeting. At the prior meeting, the CBRT cut its headline rate by 100bps to 39.50% (exp. 39.50%, prev. 40.50%). The CBRT noted that while demand conditions remain consistent with disinflation, risks from food prices and inflation expectations have become more pronounced. The move follows a 250bps cut in September and a 300bps cut in July. Policymakers reiterated that future adjustments would depend on the inflation outlook and that policy may be tightened if deviations from interim targets occur. Economists broadly expect a continued but cautious easing bias into the year-end. The moderation in inflation has strengthened expectations for another rate cut, as the CBRT continues its easing cycle amid a slower economy. Recent data showed GDP growth of 3.7% Y/Y in Q3 (vs. 4.2% expected), suggesting momentum is cooling. Analysts cited by Bloomberg believe the central bank will interpret the slowdown as justification for further monetary easing, even as the lira remains under pressure.

**AUSTRALIAN JOBS REPORT (THU):** The October Employment Change printed at 42.2k, Participation rate at 67%, and Unemployment Rate at 4.3%. Westpac forecasts a more modest +20k gain in employment for November, noting that the jobs market is gradually cooling following strong growth in the care sector and a steady recovery in market industries. The bank expects the unemployment rate to rise slightly to 4.4%, consistent with a gradual uptrend in the three-month average. Youth unemployment has shown more volatility in recent months, often leading to broader labour softening. Overall, conditions remain solid but continue to normalise as the economy rebalances under restrictive policy settings.

**UK GDP (FRI):** October's GDP is expected to pick up to 0.2% M/M (prev. -0.1%). In short, the rebound is unlikely to have much bearing on the BoE's deliberations around December. The recent inflation prints and downgraded growth assessment from the budget have likely cemented a cut, barring a shock in the November CPI release due on the eve of the December announcement. October's PMIs were indicative of "sluggish" growth of around 0.1%, with firms cautious pre-budget. The growth outlook will come into more focus next year when the BoE gets closer to terminal, with deliberations on the MPC already as finely balanced as possible, evidenced by the tie-breaking role Governor Bailey took last time.

Copyright © 2025 Newsquawk Voice Limited. All rights reserved.

Registered Office One Love Lane, London, EC2V 7JN, United Kingdom · Registered Number 12020774 · Registered in England and Wales.

newsquawk.com · +44 20 3582 2778 · info@newsquawk.com