newsquawk

Week Ahead: 12th-16th January 2026

Highlights include Start of US earnings, US CPI, US Retail Sales, UK GDP, and China Trade

- **MON**: Japanese Holiday (Coming of Age Day); M2 & New Yuan Loans (Dec)
- **TUE**: EIA STEO; US NFIB (Dec), CPI (Dec)
- **WED**: NBP Policy Announcement; US PPI (Nov; Oct-cancelled), US Retail Sales (Nov)
- **THU**: UK GDP Estimate (Nov), EZ Trade (Nov), US Export/Import Prices (Dec; Nov-cancelled), NY Fed Mfg survey (Jan), Weekly Claims (w/e 3rd Jan), Chinese House Prices (Dec)
- **FRI**: US Industrial Production (Dec)

US EARNINGS SEASON: Writing at the end of Q4, FactSet said the earnings season is expected to show continued, albeit moderating, growth. S&P 500 earnings are forecast to rise 8.3% Y/Y, marking a tenth straight quarter of expansion, while revenues are seen up 7.6% Y/Y, among the strongest growth rates since 2022. Estimates have been revised higher through the quarter, an atypical pattern reflecting firmer demand and less negative corporate guidance. Technology is expected to lead earnings and revenue growth, driven by semiconductors and software, with Materials also among the stronger performers. Communication Services and Health Care are forecast to post solid revenue growth. By contrast, Consumer Discretionary is expected to deliver the weakest earnings performance, weighed down by sharp declines in automobiles and household durables, while Energy revenues are projected to fall due to lower oil prices. Financials will begin reporting next week, and earnings growth expectations for the sector have improved modestly. Large banks are likely to point to stable credit quality, resilient net interest income and continued strength in capital markets activity, with insurers and brokers also contributing positively to sector results, FactSet said. In the week, numbers are due from banks including JPM, BK, BAC, WFC, C, BLK, GS, MS.

US CPI (TUE): Wells Fargo expects US CPI to rebound on a monthly basis in December after November's unusually soft reading, with headline CPI seen rising 0.35% M/M and core CPI 0.36% M/M. It expects the annual rates to hold at 2.7% Y/Y for headline inflation and 2.8% Y/Y for core, remaining below September levels and signalling a continued disinflationary trend. Wells said the December pickup largely reflects the unwinding of distortions from data-collection disruptions during the government shutdown, which amplified seasonal discounting in November. Goods prices are expected to rebound more sharply than services on holiday discount payback, while tariff pass-through appears to be moderating. Services inflation should also firm, notably in travel-related categories, while shelter inflation is seen following its pre-shutdown trend. Statistical quirks persist, particularly in housing, where CPI sampling rotations mean shutdown-related softness in shelter inflation may linger until April. Health and motor vehicle insurance prices are also expected to restrain CPI in the coming months. Among other inflation gauges, the New York Fed's monthly survey of consumer expectations rose in December, with consumers expecting 3.4% price growth over the next year, up from 3.2% in November, while longer-term expectations were steady. In December, ISM data, manufacturing prices remained in expansion, matching November, while the services prices index fell to its lowest since March 2025, though it has still exceeded 60 for 13 straight months. Looking ahead, Wells sees inflation continuing to ease, supporting a patient Fed stance.

CHINESE TRADE BALANCE (WED): China's December trade data are expected to cap a historically strong year after the trade surplus surpassed USD 1tn by November, underpinned by resilient exports and softer imports. Analysts at ING expect export growth to slow modestly to about 3.0% Y/Y in December, from 5.9% in November, reflecting earlier front-loading, while imports are seen rising about 1.6% Y/Y, versus 1.9% previously. ING forecasts a December surplus of about USD 118.9bn, taking the full-year 2025 surplus close to USD 1.2tn.

US RETAIL SALES (WED): The November retail sales data are due on Wednesday. Bank of America's monthly consumer checkpoint data showed seasonally adjusted spending growth per household was flat M/M, while the annual rate of total credit and debit card spending per household slowed to 1.3% Y/Y, which the bank said points to solid growth but at a less robust pace than in October. Holiday item spending was strong in October and November but slowed around Black Friday and Cyber Monday, according to the data, suggesting some consumers shopped earlier for deals. The bank said consumer finances appear healthy, with little reliance on credit or buy now, pay later, although card data showed a small but rising BNPL share. It added that large gaps persist between higher- and lower-income households in spending and wage growth, with higher-income households lifting spending by 2.6% Y/Y, while lower-income groups lagged with a gain of just 0.6% Y/Y. After-tax wage growth edged up to 4% Y/Y for higher-income households and to 1.4% Y/Y for lower-income households.

UK GDP (WED): The November print follows on from a softer than expected October series, which saw the economy begin Q4 in contractionary territory at -0.1% M/M vs a 0.1% Q/Q Q3 print. A release that weighed on Sterling at the time. For Q4, the BoE expects zero growth in headline GDP, as per the December statement; note, a fuller assessment of the economy accounting for the November Budget will be provided by the BoE in the February MPR. In the context of this, the data may well be looked through to a degree, as the economy's performance was subject to uncertainty in the pre-budget window. A point highlighted by the S&P PMI series at the time, "Survey respondents widely commented on business challenges linked to fragile client confidence, heightened risk aversion and elevated policy uncertainty in the run-up to the Budget. Many firms noted that major spending decisions had been delayed, while some also cited long-term growth headwinds from subdued investment spending".