

# The Week Ahead

## Week Ahead June 21-25

**It should be a relatively quiet macro week with a focus** on BOE Rates, and plenty of Fed speak (Bullard, Kaplan, Williams, Mester & Powell). With the US\$ now uncharacteristically volatile post FOMC, the markets are going to be more sensitive for further Fed messaging around tapering/hikes/inflation. The week ends with the Fed's favored inflation gauge (PCE report on Friday), which should show the deflator accelerating to 3.9% in May (from 3.6%), and core picking up to 3.4% (from 3.1%). The large moves have been had, so its also about how price action trades and the technicals this week across the US\$, breakevens/FI and precious metals. **See Fridays report outlining our macro thinking post FOMC. Full report: [MKS Macro Report\\_the post Fed thinking for metals](#)**

### Monday, June 21

- St. Louis Fed President Bullard and Dallas Fed President Kaplan participate in a virtual Fed Week event. New York Fed President Williams gives a virtual keynote
- ECB President Christine Lagarde addresses the European Parliament.
- Biden will review a \$579bn infrastructure plan from a bipartisan group of senators today as talks drag on before the extended July 4 recesses.
- Jerome Powell and Treasury Secretary Janet Yellen will join Biden's meeting Monday with top financial regulators

### Tuesday, June 22

- Fed Chair Powell testifies at a House Subcommittee hearing on the Fed's pandemic emergency lending and its asset purchase programs where he'll also face inquiries from lawmakers to get a read on the central bank's support for the economy/new inflation concerns.
- U.S. Secretary of State Blinken travels to Europe where he'll meet Chancellor Merkel, President Macron
- SF Fed President Daly and Cleveland Fed President Mester speak
- New Yorkers Vote in Mayoral Elections
- Economic data: Consumer confidence (Eurozone), U.S. existing home sales

### Wednesday, June 23

- Markit manufacturing PMI: France, U.S., U.K., Eurozone, Germany, Australia. The Euro areas composite PMI should be strong reflecting the easing of government restrictions & a further decline in Covid infections.
- Japan Jibun Bank PMIs. U.S. new home sales, current account balance

### Thursday, June 24

- BOE rate decision & announcement on its quantitative easing program. The committee is set to vote unanimously to keep rates on hold, and most will not be favor of reducing the asset purchase target. Watch for clues that they reiterate the (now global?) view that inflation is transitory.
- The Fed releases the results of stress tests on the largest U.S. banks (banks who pass with sufficient capital will be freed from pandemic dividend limits)
- EU leaders meet in Brussels to discuss COVID/vaccines, migration, economic recovery and foreign relations, including those against Russia and Turkey. Through June 25
- Fed speakers includes Patrick Harker Raphael Bostic, James Bullard, John Williams
- France manufacturing confidence; Eurozone ECB Economic Bulletin
- U.S. wholesale inventories, initial jobless claims, GDP, durable goods trade

### Friday, June 25

- Cleveland Fed President Mester speaks at the virtual Policy Summit 2021 on economic resilience. Boston Fed President Eric Rosengren discusses financial stability at Fed Week event.
- U.S. personal income/spending & Uni of Michigan sentiment: good read into the US consumers spending shift to services post vaccination, and some color on the Fed's preferred

inflation metric.

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