May 29 – June 02

**Important Economic Events**

By Nicolas Awlime

30 May - US consumer confidence fell in May. The consumer confidence index fell to 102.3 in May compared to the revised April data (103.7). However, the current data are above consensus expectations. The current economic outlook (with a looming credit risk due to the debt ceiling debate) has clearly affected Americans' consumption plans.

31 May - Japanese industrial production. Japanese industrial production O/P Prelim MoM unexpectedly fell by -0.4%. The consensus was for an increase of around 1.5%. This slowdown can be explained by the drop in machinery orders. Japan has remained unaffected by the poor global economic conditions, but these data may suggest that the impact of the global economy could be starting to take its toll on the Japanese economy.

31 May - Canada back. Canada's Q1 GDP was released with an increase of 3.1% compared to Q4 2022. GDP growth shows that demand remains high in the country. With this in mind, we expect more inflation, and therefore more hikes from the central bank. Bull on the CAD in June.

1 June - Tensions prevail in the UK property market. UK house prices continue to fall, down 0.1% in May compared with April. The housing market is often used as a leading indicator of the economy. As such, the current housing market can have an impact on the overall economy. YoY, May saw the biggest fall since 2009. If the UK economy goes into recession, it means that we have passed the inflation threshold and that the Bank of England should no longer raise interest rates.

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2 June - The US unemployment rate reached 3.7% in May. The current unemployment rate is back to its pre-pandemic level. However, these numbers represent the highest level in 7 months, which could indicate the start of a recession in the labour market. This relatively high unemployment rate may mitigate wage inflation (demand-led inflation).

**Interesting Charts**

**Negative Correlation between USD (1/ EUR=)and Oil Price**

