

**NEW YEAR  
2018**

## UK INFLATION/ WAGE GROWTH

UK inflation hit 3.0% in December 2017 from 3.1% the month before. It was the first drop in the consumer price index since June 2017 and narrowed the gap between the cost of living and wage growth. Many analysts are predicting inflation will fall further this year. If true, then the question is by how much and how quickly?

**- FEB -  
03**

## NEW FED CHAIR

Janet Yellen will be replaced as the head of the Federal Reserve by Jerome 'Jay' Powell. She is the first Chair since the second world war not to be nominated for a second term after completing a first. Powell has consistently voted with Yellen to keep interest rates low. Could that mindset change in the future?

**- FEB -  
12**

## GERMAN COALITION TALKS

Formal negotiations between the CDU/CSU and the SPD began last week and Angela Merkel has said she wants an agreement in place by Rose Monday (12 February). If a deal is reached (by no means certain), Merkel could be appointed German Chancellor in the week beginning 12 March.

**- MAR -  
04**

## ITALIAN ELECTION

The Italian general election will be held in March following the dissolution of the Italian Parliament on 28 December 2017. The latest polls show that the pre-election coalition between Silvio Berlusconi's centre-right party Forza Italia, the xenophobic Northern League, and the far-right Brothers of Italy has a chance of victory. Worrying.

**- MAR -  
22/23**

## EUROPEAN COUNCIL SUMMIT

The European Council summit will take place in Brussels in March 2018. The meeting between the 30 members will likely shed some light on the kind of future UK-EU trade deal we can expect.

**- MAY -  
03**

## UK LOCAL ELECTIONS

The 2018 UK local elections will give us a real indication of what the British public think of the government. It will be the first widespread electoral test Prime Minister Theresa May has faced since the snap election in June 2017.

**- SEP -  
13**

## ECB'S FISCAL STIMULUS

On 26 October 2017, the European Central Bank announced it would halve its bond-buying programme from €60 billion to €30 billion from January 2018. President Mario Draghi stated that this new commitment would continue until at least the end of September 2018 and possibly beyond that. It will be fascinating to see whether that commitment changes.

**OCT**

## BREXIT TREATY

Although not definite, it is reasonable to think that a final treaty on withdrawal and transition will be ready by October 2018. This should allow enough time for ratification before the two-year Article 50 deadline ends. Once done, a free trade deal can be properly negotiated.

**- NOV -  
06**

## MIDTERM ELECTIONS

The United States midterm elections will take place later this year and will provide us with a real sense of how Donald Trump's presidency has fared to date. A December 2017 CNN poll found that the Democrats held a double-digit advantage over the Republicans, although a poll conducted in January found this has now slipped to five points.

## KEY DATES IN 2018

**BOE MPC MEETINGS:** 8 Feb / 22 Mar / 10 May / 21 Jun / 2 Aug / 13 Sep / 1 or 8 Nov / 20 Dec

**ECB MPC MEETINGS:** 25 Jan / 8 Mar / 26 Apr / 14 Jun / 26 Jul / 13 Sep / 25 Oct / 13 Dec

**US FOMC MEETINGS:** 30-31 Jan / 20-21 Mar / 1-2 May / 12-13 Jun / 31-1 Jul-Aug / 25-26 Sep / 7-8 Nov / 18-19 Dec

**UK QUARTERLY INFLATION REPORT:** 8 Feb / 10 May / 2 Aug / 1 or 8 Nov

**US NON-FARM PAYROLLS:** 5 Jan / 2 Feb / 9 Mar / 6 April / 4 May / 1 Jun / 6 Jul / 3 Aug / 7 Sep / 5 Oct / 2 Nov / 7 Dec