

March 20, 2025

## Investor Signposts: Week beginning March 23, 2025

### Upcoming economic and financial market events

#### Australia

Monday March 24	◆ S&P Global purchasing managers' indexes (PMI, Mar.)	<i>The services and factory sectors are expanding</i>
Tuesday March 25	◆ Federal budget 2025/26	<i>A 2024/25 budget deficit of \$22.5bn is expected</i>
Tuesday March 25	◆ Reserve Bank (RBA) official Brad Jones speaks	<i>At the Australian Payments Plus Beyond Tomorrow</i>
Wednesday March 26	◆ Monthly consumer price index indicator (CPI, Feb.)	<i>Higher education fees are a key upside risk to CPI</i>
Wednesday March 26	◆ Engineering construction activity (December quarter)	<i>Update on infrastructure construction activity</i>
Thursday March 27	◆ National accounts: Finance and wealth (Dec. qtr.)	<i>Household wealth is at record highs</i>

#### Overseas

Monday March 24	◆ China 1-year medium-term lending facility rate	<i>MLF rate is expected to remain steady at 2%</i>
Monday March 24	◆ US Chicago Fed national activity index (February)	<i>Tipped to fall from -0.03 to -0.14</i>
Monday March 24	◆ US S&P Global PMIs (March)	<i>Services PMI could fall from 51 to 49.5</i>
Tuesday March 25	◆ US home prices (January)	<i>From FHFA and S&amp;P CoreLogic Case-Shiller</i>
Tuesday March 25	◆ US new home sales (February)	<i>Sales could lift 3.5%</i>
Tuesday March 25	◆ US Conference Board consumer confidence (March)	<i>Index could dip from 98.3 to 94</i>
Tuesday March 25	◆ US Richmond Fed manufacturing index (March)	<i>Expected to decrease from 6 to 3</i>
Wednesday March 26	◆ US durable goods orders (February)	<i>Proxy for business investment could fall 0.7%</i>
Thursday March 27	◆ China industrial profits (February)	<i>Industrial profits decreased 3.3% in 2024</i>
Thursday March 27	◆ US economic (GDP) growth (December quarter)	<i>Annualised rate tipped to lift from 2.3% to 2.5%</i>
Thursday March 27	◆ US wholesale inventories (February)	<i>Stocks increased 0.8% in January</i>
Thursday March 27	◆ US advance goods trade balance (February)	<i>A deficit of US\$133.5 billion is expected</i>
Thursday March 27	◆ US pending home sales (February)	<i>Sales could lift 2.9%</i>
Thursday March 27	◆ US Kansas City Fed manufacturing index (March)	<i>Tipped to edge lower from -13 to -14</i>
Friday March 28	◆ US personal income and spending (February)	<i>Income could lift 0.4% with spending up 0.6%</i>
Friday March 28	◆ US core PCE price index (February)	<i>Annual growth rate may lift from 2.6% to 2.7%</i>

*Please note that forecasts are from Bloomberg and Refinitiv unless otherwise stated.*

### Australian Federal Budget is handed down as investors receive huge dividends payouts

- In **Australia**, Commonwealth Bank (CBA) Group economists expect the Federal Government to announce an underlying cash deficit of \$22.5 billion for financial year 2024/25, compared to a \$26.9 billion deficit forecast in December, when Treasurer Jim Chalmers hands down the Federal Budget on **Tuesday** evening.
- **On Wednesday**, we expect the annual growth rate of the February headline consumer price index (CPI) indicator to be steady at 2.5%. We also pencil in an unchanged outcome for the annual trimmed mean measure at 2.8% last month. The CPI indicator will likely be impacted by the ongoing unwind of electricity rebates. And once-a-year price updates for education fees are expected to show large lifts, in-part because of very lagged CPI indexation.
- The **US** Federal Reserve's preferred measure of inflation - the personal consumption expenditures (PCE) price index - is issued **on Friday**. The annual growth rate of the core PCE price index could lift from 2.6% in January to 2.7% in February, further away from the Fed's 2% inflation target. We expect 75 basis points worth of rate cuts in 2025.
- Almost 30 **ASX-listed** companies trade without entitlement to their dividend payout in the coming week. In the biggest week of payouts so far, we estimate that a bumper \$13.6 billion worth of dividends will be paid to investors.

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