

Key events in developed markets

A quiet week ahead in developed markets with the exception of the US ISM non-manufacturing index, which is expected to bounce back after aggressive re-openings. However, the rising number of Covid cases in some US states and developments in Brexit talks should continue to be watched, as uncertainty continues



Source: Shutterstock

US: Aggressive reopening of some states proving problematic as cases rise

The US economy has bounced strongly in the wake of the economic reopening and that story should be reinforced by a move into positive territory for the ISM non-manufacturing index. However, the rising number of Covid-19 cases is threatening the story, particularly in southern and western states that opted for an early, aggressive reopening schedule. This is starting to put a strain on hospitals. In response, some state governors are reinstating containment restrictions while other states that are further behind in the reopening process are becoming more hesitant to push on with their phased programmes. If renewed containment measures make it unviable for businesses to operate then it will only add to the problems in the jobs market, which is why we should continue to closely follow the jobless claims numbers published each Thursday.



UK: Brexit rollercoaster set to rumble on as talks continue

Brexit talks have always been a bit of a rollercoaster, and the latest developments are no different. Two weeks on from the UK and EU's commitment to 'intensify' talks, the latest round of talks have ended a day early. It's unlikely that discussions in London next week will yield any more success, although we (like many commentators) still feel a deal is ultimately possible. It is admittedly unlikely we'll see any major breakthroughs until much closer to the October unofficial deadline, and in the end it'll boil down to whether the UK is willing to accept some alignment to EU state aid rules. The jury is still out on that one, but either way, we'd reiterate that the economic differences between a free-trade agreement and 'no trade deal' are limited – at least compared from the current starting point of full alignment.

Developed Markets Calendar

Country	Time	Data/event	ING Survey		Prev.
Monday 6 July					
US	1500	Jun ISM Non-manufacturing	52.0	48.2	45.4
Japan	0210	BOJ Outright Bond Purchase 5~10 Years			
Eurozone	1000	May Retail Sales (MoM/YoY%)	-/-	-/-	-11.7/-19.6
Germany	0700	May New Orders (MoM/YoY%)	19.0/-15.0	-/-	-25.8/-36.6
Tuesday 7 July					
Japan	0030	May Labor cash earnings (YoY%)	-0.5	-	-0.7
	0030	May Household spending (YoY%)	-9.6	-	-11.1
	0600	May P Leading economic index	-	-	77.7
Germany	0700	May Industrial Production (MoM/YoY%)	6.0/-20.0	-/-	-17.9/-25.3
Australia	0530	RBA Cash Rate Target	0.25	-	0.25
Norway	0700	May Industrial Production (MoM/YoY%)	-/-	-/-	-0.8/5.4
Wednesday 8 July					
Japan	0050	May C/A Balance, adjusted (Yen bn)	-	-	252.4
Norway	0700	May GDP Mainland (MoM%)	-	-	-4.7
Thursday 9 July					
Japan	0050	May Core machine orders (MoM/YoY%)	6.9/-10.4	-/-	-12.0/-17.7
Germany	0700	May Trade Balance (€bn)	14.0	-	3.6
Sweden	0900	SCB Economic Activity Indicator (May)			
Friday 10 July					
Japan	0050	Jun PPI (YoY%)	-2.2	-	-2.7
	0050	Jun PPI (MoM%)	-0.1	-	-0.4
Italy	-	Italy Sovereign Debt to be rated by Fitch			
Canada	1330	Jun Net Change in Employment	-	-	289.6
	1330	Jun Unemployment Rate (%)	-	-	13.7
Norway	0700	Jun CPI (MoM/YoY%)	-/-	-/-	0.2/1.3
	0700	Jun CPI - ATE (MoM/YoY%)	-/-	-/-	0.1/3
Sweden	0830	Riksbank Publishes Minutes From June 30 Meeting			

Source: ING, Bloomberg

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