

## 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



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### **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.
<b>Monday 6 July</b>				
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
<b>Tuesday 7 July</b>				
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
<b>Wednesday 8 July</b>				
Japan	0050 May C/A Balance, adjusted (Yen bn)	-	-	252.4
Norway	0700 May GDP Mainland (MoM%)	-	-	-4.7
<b>Thursday 9 July</b>				
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)			
<b>Friday 10 July</b>				
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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