

Key events in developed markets

Next week's data should confirm some weakness in the US and Canada - and could give us more insight into future rate cuts from both central banks. Also, there's more Brexit news on the way though we believe the chances of a deal being approved by Parliament are still low



Source: Shutterstock

US: Slowdown signals

We have regularly talked of the headwinds facing the US economy and particularly its manufacturing sector. Weak global growth in an environment of dollar strength is creating a tough environment to export into and a long and fraught trade battle is amplifying the downside risks for growth. This was clearly evident in the ISM manufacturing survey, which posted its weakest reading for 10 years. The direct implication is that profitability is under threat and businesses are becoming more nervous about the economic outlook and are pulling back on investment and hiring. The upcoming data is likely to highlight that the small business sector is not immune, with the National Federation of Independent Businesses' survey set to edge lower while the University of Michigan confidence index is also expected to see some softening. Inflation is broadly in line with the target so we expect to hear Federal Reserve officials indicate a willingness to offer more stimulus in the coming months. We continue to look for further 25 basis point rate cuts in December and in 1Q20.

✓ Canada: Focus on jobs report

In Canada, the jobs report will be in focus and any softness here amid the pessimism on global growth could reignite the prospects of an interest rate cut. Nothing is expected in October given the proximity to Federal elections, but we continue to see the potential of a rate cut before year-end.

✓ UK's Brexit proposals in focus as time runs out for a deal

The UK's Brexit proposals have been met with scepticism by the EU, and as things stand, the chances of a deal being agreed and approved by Parliament appear low. Talks are ongoing between both sides, and it is possible the UK is willing to make concessions to make its plan more palatable to EU leaders - perhaps by reverting to asking for a time limit on the existing Irish backstop. However, it's not clear that this approach would succeed, or that any middle ground exists between what is acceptable for the EU, the Prime Minister, and the UK Parliament. Our base case remains that we are heading for another Brexit delay and late-2019 election.

Developed Markets Economic Calendar

Country	Time	Data/event	ING	Survey	Prev.
Sunday 6 October					
Australia	2345	Fed's George Speaks at NABE Conference in Denver			
Portugal	-	Portugal Holds General Election			
Monday 7 October					
Japan	0600	Aug P Leading economic index	-	-	93.7
Germany	0700	Aug New Orders (MoM/YoY%)	2.0/-4.7	-/-	-2.7/-5.6
Italy	-	Bank of Italy Report on Balance-Sheet Aggregates			
Norway	0700	Aug Industrial Production (MoM/YoY%)	-/-	-/-	0.5/-5.7
	0700	Norway Presents 2020 Budget			
Tuesday 8 October					
US	1100	Sep NFIB Small Business Optimism	102.0	102.5	103.1
	-	Fed's Evans (1835) and Kashkari (2200) Speaks			
Japan	0030	Aug Labor cash earnings (YoY%)	-1.4	-	-1.0
	0050	Aug C/A Balance, adjusted (Yen bn)	1550	-	1647
Eurozone	1030	BOE's Tenreyro Speaks and ECB's Hernandez de Cos speaks on a Panel in Frankfurt			
Germany	0700	Aug Industrial Production (MoM/YoY%)	0.8/-3.0	-/-	-0.6/-4.2
Wednesday 9 October					
US	1900	FOMC Meeting Minutes			
Norway	0700	Aug GDP Mainland (MoM%)	-	-	1.0
US	1530	Powell Takes Part in Fed Listens Event in Kansas City			
Thursday 10 October					
US	1330	Sep CPI (MoM/YoY%)	0.1/1.8	0.1/1.8	0.1/1.7
	1330	Sep CPI ex. food and energy (MoM/YoY%)	0.2/2.4	0.2/2.4	0.3/2.4
	2230	Fed's Mesters Speaks at John Carroll University			
Japan	0050	Sep PPI (MoM/YoY%)	0.2/-0.9	-/-	-0.3/-0.9
	0050	Aug Core machine orders (MoM/YoY%)	1.1/-7.0	-/-	-6.6/0.3
	0100	BOJ Deputy Governor Amamiya Speech			
Germany	0700	Aug Trade Balance (€bn)	19.8	-	21.6
UK	0930	Aug GDP (MoM%)	0.0	-0.1	0.0
	0930	Aug Industrial Production (MoM/YoY%)	0.0/0.9	-/-	0.1/-0.9
	0930	Aug UK Services Index (MoM%)	0.0	-	0.3
	0930	Aug Trade Balance (£mn)	-	-	-219
Australia	0200	Oct CPI expectations (YoY%)	3.2	-	3.1
Norway	0700	Sep CPI (MoM/YoY%)	-/-	-/-	-0.7/1.6
	0700	Sep CPI - ATE (MoM/YoY%)	-/-	-/-	-0.6/2.1
Sweden	0830	Sep CPI (MoM/YoY%)	0.3/1.3	-/-	-0.4/1.4
	0830	Sep CPIF (MoM/YoY%)	0.2/1.0	-/-	-0.4/1.3
Friday 11 October					
US	1500	Oct P U. of Mich. Sentiment Index	91.5	92.0	93.2
	1300	Fed's Kashkari Speaks in Moderated Q&A on Economy			
	1815	Fed's Rosengren (1815) and Kaplan (2000) Speaks			
Germany	0700	Sep F CPI (MoM/YoY%)	-/-	-/-	0/1.2
Spain	0800	Sep F HICP (MoM/YoY%)	-/-	-/-	0.4/0.2
Canada	1330	Sep Net Change in Employment	15.0	-	81.1
	1330	Sep Unemployment Rate (%)	5.7	-	5.7

Source: ING, Bloomberg

[Click here to download a printer-friendly version of this table](#)

Authors

James Knightley

Chief International Economist, US

james.knightley@ing.com

James Smith

Developed Markets Economist, UK

james.smith@ing.com

Disclaimer

This publication has been prepared by the Economic and Financial Analysis Division of ING Bank N.V. ("ING") solely for information purposes without regard to any particular user's investment objectives, financial situation, or means. *ING forms part of ING Group (being for this purpose ING Group N.V. and its subsidiary and affiliated companies)*. The information in the publication is not an investment recommendation and it is not investment, legal or tax advice or an offer or solicitation to purchase or sell any financial instrument. Reasonable care has been taken to ensure that this publication is not untrue or misleading when published, but ING does not represent that it is accurate or complete. ING does not accept any liability for any direct, indirect or consequential loss arising from any use of this publication. Unless otherwise stated, any views, forecasts, or estimates are solely those of the author(s), as of the date of the publication and are subject to change without notice.

The distribution of this publication may be restricted by law or regulation in different jurisdictions and persons into whose possession this publication comes should inform themselves about, and observe, such restrictions.

Copyright and database rights protection exists in this report and it may not be reproduced, distributed or published by any person for any purpose without the prior express consent of ING. All rights are reserved. ING Bank N.V. is authorised by the Dutch Central Bank and supervised by the European Central Bank (ECB), the Dutch Central Bank (DNB) and the Dutch Authority for the Financial Markets (AFM). ING Bank N.V. is incorporated in the Netherlands (Trade Register no. 33031431 Amsterdam). In the United Kingdom this information is approved and/or communicated by ING Bank N.V., London Branch. ING Bank N.V., London Branch is authorised by the Prudential Regulation Authority and is subject to regulation by the Financial Conduct Authority and limited regulation by the Prudential Regulation Authority. ING Bank N.V., London branch is registered in England (Registration number BR000341) at 8-10 Moorgate, London EC2 6DA. For US Investors: Any person wishing to discuss this report or effect transactions in any security discussed herein should contact ING Financial Markets LLC, which is a member of the NYSE, FINRA and SIPC and part of ING, and which has accepted responsibility for the distribution of this report in the United States under applicable requirements.

Additional information is available on request. For more information about ING Group, please visit <http://www.ing.com>.