

## 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



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### 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.
<b>Sunday 6 October</b>					
Australia	2345	Fed's George Speaks at NABE Conference in Denver			
Portugal	-	Portugal Holds General Election			
<b>Monday 7 October</b>					
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			
<b>Tuesday 8 October</b>					
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
<b>Wednesday 9 October</b>					
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			
<b>Thursday 10 October</b>					
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
<b>Friday 11 October</b>					
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

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