

## Key events in developed markets next week

Next week's European Central Bank meeting is the highlight, with a change in monetary policy on the cards following a new strategy announcement. In the US, macro newsflow is unlikely to cause major market moves in the near-term, until the Federal Reserve meeting



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### **US: No major market moves expected**

We are building up to the 28 July Federal Reserve meeting, but Chair Jerome Powell has clearly indicated that there is not going to be any movement in the central bank's position. He suggested we are still some way off from seeing the winding down of the vast stimulus measures implemented over the past 16 months, but with the economy booming and inflation well above target, we continue to expect a tapering of QE to start this year. We also expect the Fed to follow the lead of the Reserve Bank of New Zealand and Bank of Canada in raising interest rates next year.

We are now entering the Fed's "quiet period" where senior officials avoid talking about the monetary policy outlook, while the data calendar is relatively thin so we are not expecting major market moves to be driven from the US macro newsflow over the coming week. Nonetheless, it still paints a positive picture of US economic prospects with housing activity picking up after a recent quiet patch with a lack of housing supply continuing to support house price growth.

## ✔ Eurozone: Clarification of the ECB monetary policy strategy following positive sentiment

Next week's ECB meeting should shed more light on whether the new strategy is just window-dressing and a formalisation of the well-known monetary policy stance or actually a shift towards more dovishness and even more determined monetary policy easing to achieve what the ECB hasn't achieved for a decade: inflation back to target.

Survey indicators will also give a sense of what is happening to economic sentiment at the moment. June figures were just shy of euphoric and the question is whether the extremely positive outlook on the economy has been maintained despite the Delta variant taking hold in the eurozone, restrictive measures being reinstated and supply side problems continuing for manufacturing.

### Developed Markets Economic Calendar

Country	Time	Data/event	ING	Survey	Prev.
<b>Tuesday 20 July</b>					
US	1330	Jun housing starts (000)	1580	1590	1572
Portugal	-	May Current Account Balance	-	-	-1.05
Eurozone	0900	May Current Account SA, EUR	-	-	22.84
<b>Thursday 22 July</b>					
US	1330	W 1 Initial Jobless Claims	-	-	-
	1330	W 0 Cont Jobless Claims	-	-	-
	1500	Jun existing home sales (mn)	5.95	5.93	5.9
Eurozone	1245	Jul ECB Refinancing rate	0.0	0.0	0.0
	1245	Jul ECB Deposit rate	-0.5	-0.5	-0.5
	1500	Jul Consumer Confidence Flash	-3.8	-	-3.3
<b>Friday 23 July</b>					
US	1445	Jul Markit Composite Flash PMI	-	-	63.7
	1445	Jul Markit Manufacturing PMI Flash	-	-	62.1
	1445	Jul Markit Services PMI Flash	-	-	64.6
Germany	0830	Jul Markit Manufacturing Flash PMI	64	-	65.1
	0830	Jul Markit Service Flash PMI	59.5	-	57.5
	0830	Jul Markit Composite Flash PMI	60.8	-	60.1
France	0815	Jul Markit Manufacturing Flash PMI	-	-	59
	0815	Jul Markit Services Flash PMI	-	-	57.8
	0815	Jul Markit Composite Flash PMI	-	-	57.4
UK	0700	Jun Retail Sales (MoM/YoY%)	-/-	-	-1.4/24.6
	0930	Jul Flash Composite PMI	-	-	62.2
	0930	Jul Flash Manufacturing PMI	-	-	63.9
	0930	Jul Flash Services PMI	-	-	62.4
Canada	1330	May Retail Sales (MoM%)	5.9	-	-5.7
Eurozone	0900	Jul Markit Manufacturing Flash PMI	63.0	-	63.4
	0900	Jul Markit Services Flash PMI	58.1	-	58.3
	0900	Jul Markit Composite Flash PMI	59.3	-	59.5

Source: Refinitiv, ING, \*GMT

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