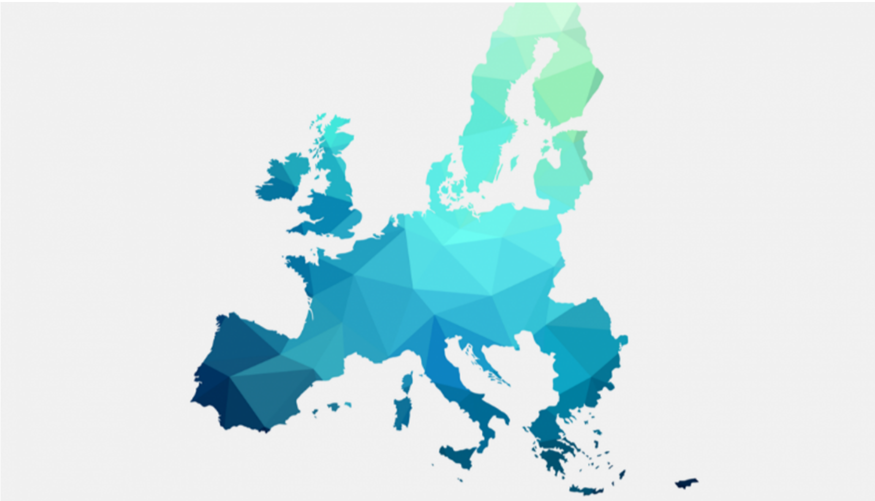
Key events in developed markets

A batch of sentiment indicators in Europe and the US this week are likely to paint the picture of a struggling manufacturing sector. We'll also see two central bank meetings from Australia and Canada - both expected to hold. Add US non-farm payrolls to the mix on Friday, should all make for an interesting week ahead



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US: Data to support a December hold

Next week's data should confirm that the Federal Reserve will be on hold in December.

Officials had already indicated that they wanted to take stock after three rate cuts implemented since July and with third-quarter GDP being revised higher and the jobs report likely showing a strong rebound in employment (admittedly thanks in large part to the ending of the strike at General Motors) they will have plenty to justify a pause. Nonetheless, we remain cautious on the outlook given weak global demand, the strong dollar and lingering trade tensions. The ISM indices are likely to remind us that growth has slowed and the manufacturing sector, in particular, is struggling.

We still see a strong chance of further rate cuts in early 2020.

Bank of Canada to remain on hold

The bank of Canada will probably leave interest rates unchanged but there is a growing chance of a rate cut given the recent stated concern about the global backdrop and the vulnerability of Canada to global demand and commodity price moves.

Developed Markets Economic Calendar

Country	Time	Data/event	ING	Survey	Prev.
		Monday 2 December			
United States	1445	Nov ISM Manufacturing	49	49.5	48.3
Eurozone	0900	Nov F Markit Manufacturing PMI	46.6	-	46.6
	1400	ECB President Lagarde Testifies at European Parliament			
United Kingdom	0930	Nov F Markit/CIPS Manufacturing PMI	-	-	48.3
Norway	0800	Nov DNB/NIMA Manufacturing PMI	-	-	54.87
Sweden	0730	Nov Manufacturing PMI	-	-	46
Japan	2350	Nov Monetary base (JPY tr)	519	-	523
		Tuesday 3 December			
Australia	0330	RBA Cash Rate Target	0.75	0.75	0.75
		Wednesday 4 December			
United States	1315	Nov ADP Employment Change (000's)	-	155	125
	1500	Nov ISM Non-manufacturing	54	54.5	54.7
Eurozone	0900	Nov F Markit Services PMI	51.5	-	51.5
	0900	Nov F Markit Composite PMI	50.3	-	50.3
United Kingdom	0930	Nov F Markit/CIPS Services PMI	-	-	48.6
	0930	Nov F Markit/CIPS Composite PMI	-	-	48.5
Canada	1500	Bank of Canada Policy Rate	1.75	1.75	1.75
Australia	0030	3Q GDP (SA QoQ/ YoY%)	0.5/1.6	-/-	0.5/1.4
Norway	0700	3Q Current Account Balance (NOKbn)	-	-	30.587
Sweden	0730	Nov Swedbank/Silf Services PMI	-	-	49.50
	0830	3Q Current Account Balance (SEKbn)	-	-	37
New Zealand	2300	RBNZ Announces Bank Capital Review Decisions			
		Thursday 5 December			
United States	1330	Oct Trade Balance (US$bn)	-54	-53.4	-52.45
Eurozone	1000	Oct Retail Sales (MoM/YoY%)	0.2/2.5	-/-	0.1/3.1
	1000	3Q F GDP (MoM/YoY%)	0.2/1.2	-	0.2/1.2
Germany	0700	Oct New Orders (MoM/YoY%)	0.5/-4.9	2.2/-2.2	1.3/-5.4
Australia	0030	Oct Trade balance (A$mn)	7612	-	7180
	0030	Oct Retail sales (MoM%)	0.3	-	0.2
Japan	2330	Oct Labor cash earnings (YoY%)	0.6	-	0.5
	2330	Oct Household spending (YoY%)	-5.1	-	9.5
		Friday 6 December			
United States	1330	Nov Change in Nonfarm Payrolls ('000s)	210	195	128
	1330	Nov Unemployment Rate (%)	3.6	3.6	3.6
	1330	Nov Average Hourly Earnings (MoM/YoY%)	0.3/3.1	0.3/3.1	0.2/3.0
	1330	Nov Participation Rate	-	-	63.3
	1500	Dec P U. of Mich. Sentiment Index	95.8	96	96.8
Germany	0700	Oct Industrial Production (MoM/YoY%)	-0.2/-3.8	-/-	-0.6/-4.3
	0700	Oct Industrial Production (YoY%)	-	-	-4.3
Canada	1330	Nov Net Change in Employment	-	-	-1.8
	1330	Nov Unemployment Rate (%)	-	-	5.5
Norway	0700	Oct Industrial Production (MoM/YoY%)	-/-	-/-	-0.5/-8.1

Source: ING, Bloomberg

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