

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\$m) | 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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