

## Key events in developed markets

A decisive week for UK politics as British lawmakers return from their summer recess and race against the clock before parliament is suspended. Midweek, all eyes will be on the Canadian and Swedish central banks, as both are expected to remain on hold but with a softer tone compared to previous meetings as trade tensions grow



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### UK MPs in race against the clock as Parliament suspension looms

British lawmakers will have to hit the ground running when they return to the House of Commons on Tuesday. MPs will have just five sitting days to put the wheels in motion to try and stop a 'no deal' exit on 31 October, before Parliament is suspended until 14 October.

There is talk that MPs may try to convene over the weekend of 7/8 September – something that has only happened a handful of times since World War II. Even so, the chances of a successful early strike by lawmakers seem low as things stand. Most MPs who are opposed to 'no deal' would prefer to legislate to force Prime Minister Boris Johnson to ask for another Article 50 extension. But the UK leader's decision to suspend Parliament makes an already difficult task much harder, and press reports suggest the government is considering [other radical measures](#) to disrupt legislative efforts further if necessary.

If legislative attempts fail, opposition MPs may be left with little choice but to back a motion of no-

confidence if they want to stop a 'no deal' Brexit. But given that the government is still officially targeting a deal with the EU, some lawmakers may be reluctant to back such a motion this early on. In the end though, if the government either fails to bring a revamped deal back from the EU, or cannot gain enough support from Parliament, then this route may ultimately gain traction among lawmakers. One thing looks increasingly assured – all of this may well go down to the wire in the final weeks of October.

### **Bank of Canada on hold with some dovish twist**

The Canadian economy has been performing very well of late, rebounding from commodity and trade-related weakness in late 2018/early 2019. As such the Bank of Canada has so far not felt the need to follow the crowd of other central banks signalling dovish intentions. However, the latest escalation in trade tensions, plus the global slowdown and softening tone to US data suggests momentum may start to slow. The Canadian economy is relatively open and is dependent on commodities for a significant proportion of its output so we suspect the BoC may lay the groundwork for a potential rate cut in 4Q19.

### **Swedish Riksbank set to lower rate profile amid global uncertainty**

In times gone by, the prospect of European Central Bank easing would see the Swedish Riksbank swiftly follow suit. But this time, things look different – in particular, the Swedish krona has weakened substantially, and according to our FX team, has further to run. That said, we could see the Riksbank lower its rate profile once again at next week's meeting.

Global growth risks are mounting, while next year's crucial wage negotiation round in early 2020 may end with a fairly subdued result. So while the Riksbank's forecasts may still point to rate hikes in the future (albeit a little later), we think these are unlikely to materialise. That said, it also seems too early to be talking about rate cuts in Sweden.

## **Developed Markets Economic Calendar**

Country	Time	Data/event	ING	Survey	Prev.
<b>Monday 2 September</b>					
Eurozone	0900	Aug F Markit Manufacturing PMI	47.0	-	47.0
UK	0930	Aug Markit/CIPS Manufacturing PMI	48.5	-	48.0
Australia	0200	Sep CPI expectations (YoY%)	-	-	3.5
Norway	0800	Aug DNB/NIMA Manufacturing PMI	-	-	48.4
<b>Tuesday 3 September</b>					
US	1500	Aug ISM Manufacturing	51.0	51.3	51.2
	2200	Fed's Rosengren Speaks in Easton, Massachusetts			
Japan	0050	Aug Monetary base (JPY tr)	-	-	518.1
Australia	0230	Jul Retail sales (MoM%)	-	-	0.4
	0530	RBA Cash Rate Target	1.00	1.00	1.00
Sweden	0830	2Q Current Account Balance (SEKbn)	-	-	62.7
<b>Wednesday 4 September</b>					
US	1330	Jul Trade Balance (US\$bn)	-	-54.3	-55.2
	-	Fed's Bowman (1730), Bullard (1730), Kashkari (1800) and Evans (2015) speaks			
	1900	U.S. Federal Reserve Releases Beige Book			
Japan	0230	BOJ Goshi Kataoka speaks in Hakodate			
Eurozone	0900	Aug F Markit Services PMI	53.4	-	53.4
	0900	Aug F Markit Composite PMI	51.8	-	51.8
	1000	Jul Retail Sales (MoM/YoY%)	-/-	-/-	1.1/2.6
UK	0930	Aug Markit/CIPS Services PMI	50.8	-	51.4
	0930	Aug Markit/CIPS Composite PMI	50.2	-	50.7
Canada	1500	Bank of Canada Policy Rate	1.75	1.75	1.75
Australia	0230	2Q GDP (QoQ/YoY%)	0.6/1.5	-/-	0.4/1.8
Norway	0700	2Q Current Account Balance (NOKbn)	-	-	67779
Sweden	0730	Aug Swedbank/Silf Services PMI	-	-	52.3
<b>Thursday 5 September</b>					
US	1315	Aug ADP Employment Change ('000's)	170.0	147.5	155.6
	1500	Jul F Durable Goods Orders (MoM%)	2.1	-	2.1
	1500	Jul F Durable Goods Orders (ex. Transport, MoM%)	-0.4	-	-0.4
	1500	Aug ISM Non-manufacturing	54.0	54.1	53.7
Germany	0700	Jul New Orders (MoM/YoY%)	-1.0/-3.8	-/-	2.5/-3.6
Australia	0230	Jul Trade balance (A\$mn)	-	-	8036
Sweden	0830	Riksbank Interest Rate	-0.25	-	-0.25
Switzerland	0645	2Q GDP (QoQ/YoY%)	-/-	-/-	0.6/1.7
<b>Friday 6 September</b>					
US	1330	Aug Change in Nonfarm Payrolls ('000s)	170	159	164
	1330	Aug Unemployment Rate (%)	3.6	3.6	3.7
	1330	Aug Average Hourly Earnings (MoM/YoY%)	0.3/3.0	0.3/3.0	0.3/3.2
	1330	Aug Participation Rate	-	-	63.0
Japan	0030	Jul Labor cash earnings (YoY%)	-	-	0.4
	0600	Jul P Leading economic index	-	-	93.3
Eurozone	1000	2Q F GDP (QoQ/YoY%)	0.2/1.1	-/-	0.2/1.1
Germany	0700	Jul Industrial Production (MoM/YoY%)	0.5/-3.5	-/-	-1.5/-5.2
Canada	1330	Aug Net Change in Employment	-	-	-24.2
	1330	Aug Unemployment Rate (%)	-	-	5.7
Norway	0700	Jul Industrial Production (MoM/YoY%)	-/-	-/-	-1.4/-8.6

Source: ING, Bloomberg

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