

Key events in developed markets next week

In developed markets next week, we are looking for strong US data releases to cement expectations for the Fed to hike rates again in September. Industrial production in Germany may shed some light on the ongoing trade tensions and we expect subdued core inflation readings from Norway and Sweden



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Spotlight on September

The forthcoming data is likely to cement expectations for the Federal Reserve to raise interest rates again at the 26 September FOMC meeting. With the economy having expanded 4.1% in 2Q and this week's inflation report set to show headline CPI ticking up to 3%, with core CPI (excl. food and energy) remaining at 2.3%, the case for higher interest rates is robust.

At the same time, the jobs market is going from strength to strength with payrolls set to rise by close to 200,000 yet again. Wages should also move higher and unemployment could drop back below 4%, which should help underpin consumer spending growth in the second half of the year.



Trade war impact on Germany may be revealed through industrial data

The entire batch of industrial data for June should not only shed some light on the possible impact from current trade tensions on the German economy but will also provide the last pieces of evidence for 2Q GDP growth, which is to be released on 14 August.

Scandi inflation in focus

Inflation figures for Norway and Sweden are due next week. We expect high energy prices, especially rising electricity costs due to the extremely hot summer weather which has depleted hydro power reservoirs, to keep headline inflation above 2% in both countries. But core inflation, which is more important to central bank policy, still looks subdued at 1.3% and 1.2% respectively.

Developed Markets Economic Calendar

Country	Time	Data/event	ING	Survey	Prev.
Friday 3 August					
US	1330	Jun Trade Balance (US\$bn)	-43.5	-46.5	-43.053
	1330	Jul Change in Nonfarm Payrolls ('000s)	190	190	213
	1330	Jul Unemployment Rate (%)	3.9	3.9	4
	1330	Jul Average Hourly Earnings (MoM%/YoY%)	0.3/2.7	0.3/2.7	0.2/2.7
	1330	Jul Participation Rate	62.9	-	62.9
Japan	1500	Jul ISM Non-manufacturing	58.5	58.6	59.1
Eurozone	0600	BOJ Holds FinTeck Forum			
	0900	Jul F Market Services PMI	-	54.4	54.4
	0900	Jul F Market Composite PMI	-	54.3	54.3
	1000	Jun Retail Sales (MoM/YoY%)	-/-	0.4/1.4	0/1.4
Germany	-	Germany Sovereign Debt to be Rated by Fitch			
UK	0930	Jul Market/CIPS Services PMI	54.7	54.7	55.1
	0930	Jul Market/CIPS Composite PMI	54.8	54.9	55.2
Australia	0230	Jun Retail sales (MoM%)	0.7	0.3	0.4
Norway	1000	Norway July House Prices			
Monday 6 August					
Germany	0700	Jun New Orders (YoY%)	-0.5/3.3	-	4.4
Sweden	0815	NIER Publishes Swedish Economic Forecasts			
Tuesday 7 August					
Japan	0100	Jun Labor Cash Earnings (YoY%)	-	-	2.1
	0600	Jun P Leading Economic Index	-	-	106.9
Germany	0700	Jun Trade Balance (€bn)	20.4	-	19.6
	0700	Jun Industrial Production (MoM%)	-1/2.6	-	2.6
Australia	0530	RBA Cash Rate Target	-	1.5	1.5
Norway	700	Jun Industrial Production (MoM%)	-	-	-0.9
Sweden	830	Jun Industrial Orders (MoM%)	-	-	-1.8
Wednesday 8 August					
US	1345	Fed's Barkin Speaks in Roanoke, Virginia			
Japan	0150	Jun C/A Balance, Adjusted (Yen bn)	-	-	1850
Australia	0230	Jun Home Loans (MoM%)	-	-	1.1
	0405	RBA Governor Lowe Speech in Sydney			
New Zealand	2200	RBNZ OCR Decision - mps			
Thursday 9 August					
Eurozone	0900	ECB Publishes Economic Bulletin			
Friday 10 August					
US	1330	Jul CPI (MoM/YoY%)	0.2/3.0	0.2/3.0	0.1/2.9
	1330	Jul CPI ex. Food and Energy (MoM/YoY%)	0.2/2.3	0.2/2.3	0.2/2.3
Japan	0050	Jul PPI (MoM/YoY%)	-/-	-/-	0.2/2.8
	0050	2Q P GDP (Annualised, QoQ%)	-	-	-0.6
	0050	2Q P GDP Deflator - Advance (Q) (YoY%)	-	-	0.5
UK	0530	Jun Tertiary Industry Index (MoM%)	-	-	0.1
	0930	Jun Trade Balance (£m)	-2500	-	-2790
	0930	2Q P GDP (QoQ/YoY%)	0.4/1.4	-/-	0.2/1.2
Canada	0930	Jun Industrial Production (MoM/YoY%)	0.5/0.8	-/-	-0.4/0.8
	1330	Jul Net Change in Employment	-	-	31.8
	1330	Jul Unemployment Rate (%)	-	-	6
Australia	0230	RBA Statement on Monetary Policy			
Norway	0700	Jul CPI (MoM/YoY%)	0.5/2.6	-/-	0.6/2.6
	0700	Jul Core CPI-ATE (MoM/YoY%)	0.4/1.3	-/-	0.4/1.1
Sweden	0830	Jul CPI (MoM/YoY%)	0.5/2.0	-/-	0.2/2.1
	0830	Jul CPIX (MoM/YoY%)	0.5/2.2	-/-	0.3/2.2
	0830	Jul Core CPIX ex-energy (MoM/YoY%)	0.3/1.2	-/-	0.1/1.4

Source: ING, Bloomberg

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