

Key events in developed markets next week

A quiet week in developed markets next week on the data front. PMI data from the Eurozone and the US, as well as ISM data will be the main one's on the watchlist



Source: Shutterstock

US: Potential fiscal stimulus incoming, ISM index and trade balance data

There are several Federal Reserve speakers due to speak next week along with the publication of the minutes to the September FOMC meeting.

All will reinforce the message that there is little prospect of an interest rate hike in the next couple of years with officials and the FOMC “dot plot” diagram suggesting it could be 2024 before we see an interest rate hike. There is a significant output gap that will keep medium-term pressures subdued while high unemployment levels and ongoing economic uncertainty relating to the path of Covid-19 and a potential vaccine are set to keep wage pressures subdued.

Fed officials are likely to suggest that the case for additional fiscal stimulus remains strong and we will be closely watching for any signs of an agreement after encouraging comments from Treasury Secretary Steve Mnuchin and House Speaker Nancy Pelosi of the prospect of a deal to boost the growth outlook.

As for the data, we have the non-manufacturing ISM index and it will drop marginally, but remain in positive territory, which is similar to the manufacturing report. The trade balance is likely to deteriorate though given the worsening goods figures that have already been published. Nonetheless, the US is still likely to post 30%+ GDP growth in 3Q 2020.

Developed Markets Economic Calendar

Country	Time Data/event	ING	Survey	Prev.
Monday 5 October				
US	1500 Sep ISM Non-manufacturing	55.6	56.1	56.9
	1545 Fed's Evans Gives Luncheon Speech at NABE Meeting in Chicago			
Eurozone	0900 Sep F Markit Services PMI	-	-	47.6
	0900 Sep F Markit Composite PMI	-	-	50.1
	1000 Aug Retail Sales (MoM/YoY%)	-/-	-/-	-1.3/0.4
UK	0930 Sep F Markit/CIPS Services PMI	55.1	-	55.1
	0930 Sep F Markit/CIPS Composite PMI	55.7	-	55.7
Sweden	0730 Sep Swedbank/Silf Services PMI	-	-	56.6
Finland	- Finnish Finance Ministry Publishes Economic Forecasts			
Tuesday 6 October				
US	1330 Aug Trade Balance (US\$bn)	-65.5	-64.9	-63.6
	1645 Fed's Harker Discusses Machine Learning			
	1750 Fed Chair Powell Addresses NABE Conference in Chicago			
	2300 Fed's Kaplan Takes Part in Talk with Bank of Mexico's Diaz			
Eurozone	1400 ECB President Lagarde Speaks in Video Conference			
	1630 ECB Chief Economist Lane Speaks at Event			
Germany	0700 Aug New Orders (MoM/YoY%)	6.0/-6.1	-/-	2.8/-7.3
Australia	0130 Aug Trade balance (A\$mn)	5154	-	4607
	0430 RBA Cash Rate Target	0.25	-	0.25
Wednesday 7 October				
US	1900 Sep 16 FOMC Meeting Minutes			
	1800 Fed's Rosengren, Bostic, Kashkari Host Even on Racism and Econ			
	1900 Fed's Williams Moderates Henry Kissinger Discussion			
	1915 Fed's Kashkari, Bostic, Rosengren to Speak on Racism			
	2000 Fed's Williams Speaks on Flexible Average Inflation Targeting			
	2130 Fed's Evans Discusses the U.S. Economy and Monetary Policy			
Germany	0700 Aug Industrial Production (MoM/YoY%)	2.0/-8.0	-/-	1.2/-10.0
Italy	1000 Istat Releases the Monthly Economic Note			
	- Bank of Italy Report on Balance-Sheet Aggregates			
Norway	0700 Aug Industrial Production (MoM/YoY%)	-/-	-/-	2.5/7.4
Sweden	1300 Riksbank's Skingsley Gives Speech			
Thursday 8 October				
Japan	0050 Aug C/A Balance, adjusted (Yen bn)	1200	-	964.2
Eurozone	0825 BOE's Bailey, ECB's Schnabel in Panel Discussion			
	0920 ECB's De Cos Speaks at Conference			
Germany	0700 Aug Trade Balance (€bn)	20	-	19.2
Norway	0700 Aug GDP Mainland (MoM%)	-	-	1.1
Friday 9 October				
Japan	0030 Aug Labor cash earnings (YoY%)	-1.2	-	-1.5
	0030 Aug Household spending (YoY%)	-2.5	-	-7.6
UK	0700 Aug Monthly GDP (MoM%)	3.0	-	6.6
Italy	1000 Bank of Italy Publishes Monthly Report 'Money and Banks'			
Canada	1330 Sep Net Change in Employment	175	-	245.8
	1330 Sep Unemployment Rate (%)	9.4	-	10.2
Australia	0130 RBA Financial Stability Review			
Norway	0700 Sept CPI (YoY%)	2.0	-	1.7
Austria	0930 WIFO Quarterly Economic Forecasts			

Source: ING, Bloomberg

Author

James Knightley

Chief International Economist, US

james.knightley@ing.com

Disclaimer

This publication has been prepared by the Economic and Financial Analysis Division of ING Bank N.V. ("ING") solely for information purposes without regard to any particular user's investment objectives, financial situation, or means. *ING forms part of ING Group (being for this purpose ING Group N.V. and its subsidiary and affiliated companies)*. The information in the publication is not an investment recommendation and it is not investment, legal or tax advice or an offer or solicitation to purchase or sell any financial instrument. Reasonable care has been taken to ensure that this publication is not untrue or misleading when published, but ING does not represent that it is accurate or complete. ING does not accept any liability for any direct, indirect or consequential loss arising from any use of this publication. Unless otherwise stated, any views, forecasts, or estimates are solely those of the author(s), as of the date of the publication and are subject to change without notice.

The distribution of this publication may be restricted by law or regulation in different jurisdictions and persons into whose possession this publication comes should inform themselves about, and observe, such restrictions.

Copyright and database rights protection exists in this report and it may not be reproduced, distributed or published by any person for any purpose without the prior express consent of ING. All rights are reserved. ING Bank N.V. is authorised by the Dutch Central Bank and supervised by the European Central Bank (ECB), the Dutch Central Bank (DNB) and the Dutch Authority for the Financial Markets (AFM). ING Bank N.V. is incorporated in the Netherlands (Trade Register no. 33031431 Amsterdam). In the United Kingdom this information is approved and/or communicated by ING Bank N.V., London Branch. ING Bank N.V., London Branch is authorised by the Prudential Regulation Authority and is subject to regulation by the Financial Conduct Authority and limited regulation by the Prudential Regulation Authority. ING Bank N.V., London branch is registered in England (Registration number BR000341) at 8-10 Moorgate, London EC2 6DA. For US Investors: Any person wishing to discuss this report or effect transactions in any security discussed herein should contact ING Financial Markets LLC, which is a member of the NYSE, FINRA and SIPC and part of ING, and which has accepted responsibility for the distribution of this report in the United States under applicable requirements.

Additional information is available on request. For more information about ING Group, please visit <http://www.ing.com>.