

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



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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

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