

Key events in developed markets next week

Inflation data is at the forefront of developed markets next week, as US core measures could show signs of rising at the fastest rate in over ten years. We'll also be keep an eye on German macro data as well as Scandi inflation



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US: Balancing the risks

The US economy continues to grow strongly, and there is evidence of rising inflationary pressures. Wages are ticking higher, while higher oil prices and tariffs also suggest inflation is likely to persist above the Federal Reserve's 2% target for longer than what we thought just a few months ago. This week we expect to see core consumer price inflation rise to 2.3%, and then break above 2.5% in the next couple of months – the fastest rate of inflation for over ten years.

Unsurprisingly, the Fed is forecasting three interest rate rises next year after one final move for 2018 in December. There are a number of Fed officials scheduled to speak this coming week, and we will be looking to see whether the risks appear skewed to the upside or the downside in terms of Fed policy. For now, we think the risks are balanced, given some uncertainty is likely following the mid-term elections.

✔ Germany: Moment of truth

It will be the first moment of truth for the German economy, with hard macro data for July showing whether the rebound, which was suggested by confidence indicators, actually materialised. Elsewhere, the minutes of the European Central Bank's September meeting should shed some light on the ECB's current thoughts on their path.

✔ Sweden and Norway's inflation data

Inflation data will be key in Sweden and Norway this week. We expect headline measures to remain elevated, and also see somewhat higher core inflation in Sweden.

The new monthly GDP indicator in Norway will also be published (for August) – it's hard to tell with such a new data series, especially over the summer months, but we think the data will show continued solid expansion.

And of course, the slow-motion political drama in Sweden continues as the leader of the Conservative Party, Ulf Kristersson, has now received the mandate to propose a new government, but cobbling together a workable governing coalition still looks like a daunting task.

Developed markets calendar

Country	Time	Data/event	ING	Survey	Prev.
Monday 8 October					
Germany	0700	Aug Industrial Production (MoM%)	0.8	-	-1.1
Sweden	0730	SEB Swedish Monthly Housing-Price Indicator			
Norway	0700	Aug Industrial Production (MoM%)	-	-	-2.4
Tuesday 9 October					
US	1100	Sep NFIB Small Business Optimism	108.5	-	108.8
	1535	Fed's Williams, Indonesia Cen. Bank's Warjiyo Speak to Press			
Japan	0050	Aug C/A Balance, Adjusted (Yen bn)	1280	-	1484.7
Germany	0700	Aug Trade Balance (€bn)	18	-	16.5
Sweden	0800	Riksbank's Skingsley Speaks in Stockholm			
	0945	Riksbank's Ingves Gives Speech in Bangkok			
Portugal	-	Bank of Portugal Releases Data on Banks			
Norway	0700	Aug GDP Mainland (MoM%)	-	-	0.2
Wednesday 10 October					
US	0215	Fed's Williams Speaks on Recent Monetary Policy Developments			
	1715	Fed's Evans Speaks on Economy and Monetary Policy			
	2300	Fed's Bostic Speaks on Economic Outlook			
Japan	0050	Aug Core Machine Orders (MoM/YoY%)	0.2/3.1	-/-	11.0/13.9
UK	0930	Aug Trade Balance (£m)	-1000	-	-111
	0930	Aug Industrial Production (MoM/YoY%)	0.2/1.1	-/-	0.1/0.9
Australia	2330	RBA's Ellis Gives Speech in Melbourne			
Norway	0700	Sep CPI (MoM/YoY%)	0.4/3.3	-/-	-0.4/3.4
	0700	Sep CPI - ATE (MoM/YoY%)	0.3/1.7	-/-	-0.5/1.9
Sweden	0500	Sep PES Unemployment Rate	-	-	3.9
	-	Riksbank's Ohlsson Gives Speech			
Thursday 11 October					
US	1330	Sep CPI (MoM/YoY%)	0.2/2.5	0.2/2.5	0.2/2.7
	1330	Sep CPI ex. Food & Energy (MoM/YoY%)	0.2/2.3	0.2/2.3	0.1/2.2
Japan	0050	Sep PPI (MoM/YoY%)	0.2/3.0	-/-	0.0/3.0
Spain	0800	Sep F HICP (MoM/YoY%)	-/-	-/-	0.6/2.2
Australia	0100	Oct CPI Expectations (YoY%)	-	-	4.0
Sweden	0830	Sep CPI (MoM/YoY%)	0.2/2.2	-/-	-0.2/2.0
	0830	Sep CPIF (MoM/YoY%)	0.4/2.4	-/-	-0.2/2.2
	0830	Sep CPIF Core (MoM/YoY%)	0.3/1.5	-/-	-0.4/1.2
Portugal	-	Bank of Portugal Releases October Economic Bulletin			
Friday 12 October					
US	1500	Oct P.U. of Mich. Sentiment Index	99.5	99.6	100.1
	1430	Fed's Evans Takes Part in Moderated Discussion on Economy			
	-	US of America Sovereign Debt to Be Rated by Moody's			
Japan	0530	Aug Tertiary Industry Index (MoM%)	0.1	-	0.1
Eurozone	1000	Aug Industrial Production (WDA, YoY%)	-	-	-0.1
Germany	0700	Sep F CPI (MoM/YoY%)	0.4/2.3	-/-	0.4/2.3
Australia	0130	Aug Home loans (MoM%)	-	-	0.4
	0130	RBA Financial Stability Review			

Source: ING, Bloomberg

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