

Key events in developed markets next week

The US is edging closer to a decision on fiscal stimulus, and time is fast running out for a Brexit deal to be agreed



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US: all eyes on Washington

There are signs of movement on a potential fiscal support package in the US that could be critical in tiding over the economy as a renewed wave of Covid-19 cases prompts life-saving, but economically damaging, containment measures. House majority leader Nancy Pelosi has dropped her demands for a \$2 trillion+ fiscal programme and is now backing the \$908 package proposed by a bi-partisan group of lawmakers. There also appear to be signs of movement from Republican Senators, but there is still a lot of work to be done before it gets signed-off.

While a vaccine is on the horizon, restrictions will remain in place until there is a critical mass of the population inoculated and this could take several months. Consequently if we don't see more fiscal support we could see businesses fail and unemployment start to rise. At a minimum, we are likely to see an extension to unemployment benefit payments that were scheduled to end this month. Remember too that we have recess coming up and an 11 December deadline on a funding bill that could in fact lead to a partial government shutdown. Consequently, developments in Washington will be the main focus for the week ahead.

In terms of upcoming data we have inflation and consumer credit. Credit growth is likely to have

picked up marginally based on high frequency spending data while inflation pressures clearly remain contained. Looking towards the 16 December Federal Reserve's monetary policy announcement, policymakers seem reluctant to do anything more, but if fiscal support is not forthcoming and markets start to get anxious, the Fed could still step in with additional quantitative easing and/or liquidity injections.

Brexit talks to finally reach a conclusion?

It goes without saying that time is running out on Brexit talks. While on the continent, the EU Parliament could meet as late as 28 December to ratify a deal, they do need some time to actually read it before then. That puts an enormous amount of pressure on negotiations at the start of next week (assuming that, as reports indicate, a deal is not agreed over the weekend).

Ultimately a deal is still probably likely, and for all the talk of fishing, this is likely solvable. It was always likely to be the last issue to be unlocked, and instead both sides reportedly need to firm up the details on how the agreement will be governed.

If any more pressure were needed, the UK government has indicated it will bring back the Internal Markets Bill to the House of Commons on Monday, with controversial clauses reinserted. There is also a Taxation Bill due on Tuesday, which reportedly could include further clauses that seek to override parts of the Withdrawal Agreement. The EU will want these clauses removed as the price of a deal, but should either bill go to a vote and pass through both the House of Commons and Lords (in a process known as 'ping pong'), then that would presumably mark the end of talks.

Developed Markets Economic Calendar

Country	Time	Data/event	ING	Survey	Prev.
Monday 7 December					
US	2000	Oct Consumer Credit	18.0	17.0	16.21
Japan	2330	Oct All Household Spending (MoM/YoY%)	-		3.8/-10.2
	2350	Oct Current Account NSA	-		1660.2
	2350	Q3 GDP Revised (QoQ% ann)	-		21.4
	2350	Q3 GDP Revised (QoQ%)	-		5.0
Germany	0700	Oct Industrial Output (MoM/YoY%)	1.0/-6.5	-	1.6/-7.19
France	0745	Nov Reserve Assets Total	-		196617
New Zealand	0200	Nov Reserve Assets Total	-		20097
Tuesday 8 December					
Japan	2350	Nov M2 Money Supply (YoY%)	-		11281080
France	0745	Oct Trade Balance	-		-5.75
	0745	Oct Imports	-		43.31
	0745	Oct Exports	-		37.56
Switzerland	0645	Nov Unemployment Rate Adjusted	-		3.3
Netherlands	0530	Nov CPI (YoY% NSA)	-		1.2
Eurozone	1000	Q3 Employment Final (QoQ/YoY%)	0.9/-2.0		0.9/-2.0
	1000	Q3 GDP Revised (QoQ/YoY%)	12.6/-4.4	-	12.6/-4.4
Sweden	1300	Riksbank Governor Ingves gives speech			
Wednesday 9 December					
Germany	0700	Oct Exports	1.0		2.3
	0700	Oct Imports	0.5		-0.1
	0700	Oct Trade Balance	19		17.8
Canada	1500	BoC Rate Decision	-		0.25
Norway	0700	Oct GDP Month Mainland	-		0.6
Thursday 10 December					
US	1330	Nov Core CPI (MoM/YoY%)	0.1/1.1	0.1/1.1	0.0/1.6
	1330	Nov CPI (MoM/YoY%)	0.1/1.5	0.2/1.5	0.0/1.2
France	0745	Oct Industrial Output (MoM%)	-		1.4
UK	0700	Oct GDP Estimate (MoM%)	-0.6	-	1.1
Norway	0700	Nov CPI (YoY%)	-		1.7
	0700	Nov Core Inflation (MoM/YoY%)	-/-	-	0.1/3.4
Sweden	0830	Nov CPI (MoM/YoY%)	-/-	-	-0.1/0.3
	0830	Nov CPIF (MoM/YoY%)	-/-	-	0/0.3
Netherlands	0530	Oct Manufacturing Output (MoM%)	-		-1.0
Greece	1000	Oct Industrial Output (YoY%)	-		-2.4
	1000	Nov CPI (YoY%)	-		-1.8
	1000	Sep Unemployment rate	-		16.8
Eurozone	1245	Dec ECB Refinancing rate	0.00		0.00
	1245	Dec ECB Deposit rate	-0.5		-0.5
Friday 11 December					
Germany	0700	Nov CPI Final (MoM/YoY%)	-0.8/-0.3	-	-0.8/-0.3
Italy	0900	Oct Industrial Output (MoM/YoY%)	-/-	-	-5.6/-5.1
Spain	0800	Nov CPI (MoM/YoY%)	-/-	-	0.2/-0.8

Source: ING, Refinitiv

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