

Key events in developed markets next week

Busy week of data coming up with inflation from the eurozone, UK and Japan, 3Q GDP data from Japan, as well as retail sales and industrial production from the UK and US. However, as always keep an eye on Brexit developments, the aftermath of the US election, and the unveiling story of the vaccine breakthrough



Source: Shutterstock

US: Vaccine optimism may be overshadowed by political tension, and will the Fed step in?

There is clearly optimism that a vaccine is firmly on the horizon, but that leaves potentially quite a long window before there is an inoculation programme and the economy can be fully reopened. Moreover, with Covid cases spiking higher in the US there is a sense that it won't be long before stricter containment measures are re-introduced – most likely soon after Thanksgiving. At the same time, the political backdrop remains a source of uncertainty with vote recounts, legal cases and claims of fraud bubbling away in the background. This is fuel[ling] political animosity and we are concerned that any fiscal support to help mitigate some of the economic damage from restrictions may be slow in coming as a result. As such, the Federal Reserve could yet be forced to step in and shore up confidence with more asset purchases.

Data wise, industrial production and retail sales numbers for October should post decent gains. However the clear risk is that both reverse again in December if we do see Covid containment return. We are now forecasting negative 1Q 2021 GDP growth.

Brexit: Could this be the week of a deal?

We've been writing for weeks in our weekly calendar that things have been looking a bit bright for Brexit. But as another week of negotiations has come and gone, it's clear we're not there yet, and the same set of core issues that have divided talks for much of this year remain, for the time being, unresolved.

But the odds still appear stacked in favour of a deal being done, although there are no guarantees. As we wrote separately in more detail, the compromises involved in securing a free trade agreement will not be popular among some Conservative MPs.

Time is not on anyone's side either, and the feeling is a deal needs to come in days, not weeks, if it's going to be ratified in time by Parliaments in both London and Brussels.

Developed Markets Economic Calendar

Country	Time Data/event	ING	Survey	Prev.
Sunday 15 November				
Japan	2350 3Q P GDP (Annualised, QoQ%)	18.6	18.8	-28.1
	2350 3Q P GDP deflator - advance (Q) (YoY%)	-	1.0	1.3
Monday 16 November				
Japan	0430 Sep F Industrial production - Prel (MoM/YoY%)	-/-	-/-	4.0/-9.0
Italy	0900 Oct F HICP (YoY%)	-	-	-0.6
Sweden	1225 Riksbank's Skingsley Gives Speech			
Portugal	0940 Bank of Portugal's Centeno Speaks at Conference in Lisbon			
Australia	0840 RBA's Lowe Gives Speech in Sydney			
Tuesday 17 November				
US	1330 Oct Advance Retail Sales (MoM%)	0.6	0.5	1.9
	1330 Oct Retail Sales ex. Auto and Gas (MoM%)	0.8	0.7	1.5
	1415 Oct Industrial Production (MoM%)	1.2	1.0	-0.6
	2000 Four Fed Presidents Discuss Racism and the Economy			
Japan	2350 Oct Imports (YoY%)	-16.7	-	-17.4
	2350 Oct Exports (YoY%)	-5.0	-	-4.9
	2350 Oct Adjusted trade balance (JPY bn)	735.0	-	475.8
UK	1400 BOE Governor Andrew Bailey speaks.			
	1700 BOE's Dave Ramsden speaks.			
Australia	2200 RBA's Lowe Participates in Panel			
Wednesday 18 November				
US	1715 Fed's Williams Takes Part in Webinar Discussion			
	1820 Fed's Bullard Discusses Economic Outlook			
	2300 Fed's Kaplan Moderates Panel Discussion			
Eurozone	1000 Oct F CPI (MoM/YoY%)	0.2/-0.3	-/-	0.2/-0.3
	1000 Oct F Core CPI (YoY%)	0.2	-	0.2
UK	0700 Oct CPI (MoM/YoY%)	-0.1/0.6	-/-	0.4/0.5
	0700 Oct Core CPI (YoY%)	1.1	-	1.3
	1030 BOE's Andy Haldane speaks.			
Canada	1330 Oct CPI (MoM/YoY%)	-/-	-/-	-0.1/0.5
Sweden	0500 Valueguard HOX Sweden Home-Price Index			
Thursday 19 November				
US	1500 Oct Existing Home Sales	6.4	6.5	6.5
	0000 Fed's Bostic Takes Part in Fed Education Event			
Japan	2330 Oct National CPI (YoY%)	-0.4	-	0.0
	2330 Oct CPI ex-food, energy (YoY%)	-0.3	-	0.0
Canada	1330 ADP Releases Payroll Data			
Australia	0030 Oct Employment change ('000)	19.0	-	-29.5
	0030 Oct Unemployment rate (%)	6.7	-	6.9
	0030 Oct Participation rate (%)	64.7	-	64.8
Sweden	0830 Oct Unemployment Rate (%)	-	-	8.3
Friday 20 November				
Eurozone	1500 Nov A Consumer Confidence	-19.0	-	-15.5
UK	0700 Oct Public Finances (PSNCR)	-	-	31.5
	0700 Oct PSNB ex Banks (Ebn)	-	-	36.1
	0700 Oct Retail Sales ex Auto Fuel (MoM/YoY%)	0.0/6.2	-/-	1.6/6.4
	0700 Oct Retail Sales (MoM/YoY%)	0.0/4.4	-/-	1.5/4.7
Australia	0030 ABS Australia Preliminary October Retail Sales			
Sweden	0830 Sweden 3Q Residential Construction			

Source: ING, Bloomberg

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