

## 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.
<b>Sunday 15 November</b>				
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
<b>Monday 16 November</b>				
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			
<b>Tuesday 17 November</b>				
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			
<b>Wednesday 18 November</b>				
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			
<b>Thursday 19 November</b>				
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
<b>Friday 20 November</b>				
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

## Authors

### James Knightley

Chief International Economist, US

[james.knightley@ing.com](mailto:james.knightley@ing.com)

### James Smith

Developed Markets Economist, UK

[james.smith@ing.com](mailto:james.smith@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>.