

## Key events in developed markets next week

'Brink of recession and trade tensions mount' are both phrases we've used time and time again over the past few months' and next week isn't going to change. The US and China could be inching closer to a deal, but Trump's threats of European auto tariffs remains a concern. And with many floating the r-word in the Eurozone, PMI's will be watched closely



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### US: Tracking trade

Trade news will be the main focus next week. Recent comments have suggested the US and China may be inching closer to a deal that can prevent (or at least delay) additional tariffs on \$200 billion of imports from China. President Trump has signalled a desire to do a deal and has proposed a summit in March, but this will require China making concessions on intellectual property and technology sharing in addition to simply buying more American products.

However, there is a clear concern in Europe that President Trump could be pivoting his attention towards them. We are awaiting the Department for Commerce's Section 232 decision on whether importing cars is a national security issue (by harming the US auto industry). If so this could lead to additional tariffs on car imports, which would clearly hurt European automakers.

Such a development would likely be taken negatively by markets as it would risk a direct response of tariffs from the EU and a step up in tensions. Businesses and consumers will face higher prices in such a scenario along with the likely disruption to supply chains - and all of this could see a repeat of the steep equity market falls which were seen in late 2018.

### **Eurozone: Floating with the r-word**

The Eurozone PMI will be among the most closely watched figures next week. The r-word has been used out loud already as the January PMI dropped to just 51 (anything below 50 signals contracting activity). The February PMI will give a sense of if we're going to see a turnaround in growth figures, or whether we will move even closer to stagnation halfway through the first quarter.

Over in Germany, the narrative is that confidence indicators should bring the first tentative signs of a bottoming out after the recent stretch of disappointing macro data.

## **Developed Markets Economic Calendar**

Country	Time	Data/event	ING	Survey	Prev.
<b>Sunday 17 February</b>					
Japan	2350	Dec Core Machine Orders (MoM/YoY%)	-2.6/1.4	-/-	0.0/0.8
<b>Monday 18 February</b>					
Sweden	0500	Valueguard Swedish Home-Price Data			
<b>Tuesday 19 February</b>					
US	1350	Fed's Mester Speaks on Economic Outlook and Monetary Policy			
Japan	2350	Jan Exports (YoY%)	4.6	-	-3.9
	2350	Jan Imports (YoY%)	3.3	-	1.9
	2350	Jan Trade Balance (JPY bn)	-1146.0	-	-55.3
Eurozone	1500	ECB's Praet Participates in Panel Discussion in Berlin			
Germany	1000	Feb ZEW Current Situation Index	29.0	-	27.6
UK	0930	Dec Weekly Earnings (3M avg)	3.3	-	3.4
	0930	Dec Weekly Earnings Ex. Bonus (3M avg)	3.4	-	3.3
	0930	Dec ILO Unemployment Rate (3M avg)	4.0	-	4.0
	0930	Dec Employment Change (3M/3M)	140.0	-	141.0
Australia	0030	RBA Minutes of Feb. Policy Meeting			
Sweden	0830	Jan CPI (MoM/YoY%)	-/-	-/-	0.4/2.0
	0830	Jan CPIF (MoM/YoY%)	-0.9/2.1	-/-	0.4/2.2
	0830	Swedish Housing Construction Data for 4Q			
Portugal	1430	Bank of Portugal's Costa Speaks at Capital Markets Event			
<b>Wednesday 20 February</b>					
Eurozone	1500	Feb A Consumer Confidence	-7.7	-	-7.9
Sweden	0830	Swedish Debt Office Forecasts			
<b>Thursday 21 February</b>					
US	1250	Fed's Bostic Speaks on Economy and Monetary Policy			
	1330	Dec P Durable Goods Orders (MoM%)	2.4	1.7	0.7
	1330	Dec P Durable Goods Orders Ex. Transport (MoM%)	0.4	0.2	-0.4
	1500	Jan Existing Home Sales	5.2	5.0	5.0
Japan	0430	Dec All Industry Activity Index (MoM/YoY%)	-/-	-/-	-0.3/0.3
	2330	Jan CPI (YoY%)	0.1	-	0.3
	2330	Jan CPI Ex. Food & Energy (YoY%)	0.3	-	0.3
Eurozone	0900	Feb P Markit Manufacturing PMI	50.5	-	50.5
	0900	Feb P Markit Services PMI	50.9	-	51.2
	0900	Feb P Markit Composite PMI	50.8	-	51.0
	0800	ECB's Praet Speaks in Luxembourg			
Germany	0700	Jan F CPI (MoM/YoY%)	-0.8/1.4	-/-	-0.8/1.4
UK	0930	Jan Public Finances (PSNCR)	-	-	21.3
	0930	Jan PSNB Ex. Banks (£bn)	-	-	3.0
Italy	0900	Jan F HICP (YoY%)	-	-	0.9
Canada	1735	Bank of Canada Governor Stephen Poloz Speaks			
Australia	0030	Jan Employment Change ('000)	15.0	-	21.6
	0030	Jan Unemployment Rate (%)	4.9	-	5.0
	2230	RBA's Lowe Parliamentary Testimony			
<b>Friday 22 February</b>					
US	1515	Fed NY Event, Williams Discusses Inflation			
	1830	Fed NY Event, Bullard Speaks & Harker in Panel Discussion on Balance Sheet			
	2230	Fed NY Event, Williams Gives Closing Remarks			
Eurozone	1000	Jan F Core CPI (YoY%)	1.1	-	1.1
	1000	Jan CPI (MoM/YoY%)	-1.1/1.4	-/-	-1.1/1.4
Germany	0900	Feb IFO Business Climate	99.3	-	99.1
	0900	Feb IFO Expectations	94.6	-	94.2
	0900	Feb IFO Current Assessment	104.3	-	104.3
Italy	1000	Finance Minister Tria Speaks At Universita Tor Vergata Event			
Sweden	0830	Riksbank Publishes Minutes of Feb Meeting			

Source: ING, Bloomberg

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