

## Key events in developed markets next week

The eurozone's weak performance will be seen through the lens of PMIs next week. We also have some US second-tier releases but nothing which will stop the Fed hiking in December



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### **US: On course for a December hike**

We get a few second tier US data releases over the coming week, but none of them are likely to alter the outlook for the December FOMC meeting, where we have a high conviction call that the Federal Reserve will raise its main policy rate by 25 basis points for the fourth time this year.

The economy is growing strongly, inflation is above the Federal Reserve's 2% target and the jobs market is robust, with wage pressures on the rise. Given good momentum we expect the Fed to continue hiking interest rates next year. However, they are likely to be less aggressive than in 2018 – we expect three rate moves next year. The economy is facing more headwinds with the lagged effects of higher interest rates and a strong dollar set to slow growth, while trade tensions and weaker external demand are also a threat.

Furthermore, there are some tentative signs of softness in real data, particularly the housing market and investment. The durable goods orders report is already pointing to a slower path ahead for corporate investment while higher mortgage rates are resulting in a slowdown in the housing market. Next week's data is likely to give us more information on whether this is

something that is becoming more troubling.

### **Eurozone weakness through the lens of confidence data**

In the eurozone, confidence data will be released. After the dismal third quarter, PMIs will be closely watched to get a sense of economic performance in November. With downside risks ever present, a strong bounce back from the weak 3Q performance seems unlikely.

### **Canada: Energy will put upward pressure on prices**

Canada's inflation in September was -0.4% month-on-month, largely undershooting expectations. But we're unlikely to see a similar figure in October; we forecast 0.2% MoM, with the main contributor likely to be energy prices.

The oil price rally started at the back-end of September, meaning price gains only made a mild impact and were actually down on the month; the majority of the gains will be seen in October gasoline prices. And despite a high base, there should be an uptick in energy prices on the year too – though more moderate than expected; the heavy WCS discount to WTI and Brent crude will likely add some negative impetus. This should keep the headline print sitting above the Bank of Canada's 2% inflation target; we forecast a healthy 2.3% YoY.

## **Developed Markets Economic Calendar**

Country	Time	Data/event	ING	Survey	Prev.
<b>Sunday 18 November</b>					
Japan	2350	Oct Exports (YoY%)	2.2	-	-1.3
	2350	Oct Imports (YoY%)	11.9	-	7.0
	2350	Oct Trade Balance (JPY bn)	-334.0	-	139.6
<b>Monday 19 November</b>					
US	1545	Fed's Williams Speaks in Moderated Q&A in the Bronx			
Japan	0330	BOJ Kuroda Speaks at EuroPlus in Tokyo			
Norway	1400	Norges Bank Deputy Governor Nicolaisen Speaks in Oslo			
Sweden	1030	Riksbank's af Jochnick Speaks in Copenhagen			
Portugal	0900	Bank of Portugal Governor at Conference on Portuguese Economy			
<b>Tuesday 20 November</b>					
Canada	1745	Bank of Canada's Carolyn Wilkins Speaks In Montreal			
Australia	0030	RBA Nov Meeting Minutes			
	0820	RBA's Lowe Gives Speech in Melbourne			
Austria	0900	ECB's Nowotny Presents Austrian Financial Stability Report			
<b>Wednesday 21 November</b>					
US	1330	Oct P Durable Goods Orders (MoM%)	-2.2	-2.0	0.7
	1330	Oct P Durable Goods Orders (ex. Trans, MoM%)	0.3	0.4	0.0
	1500	Oct Existing Home Sales	5.15	5.2	5.2
	1500	Nov F U. of Mich. Sentiment Index	98.3	98.3	98.3
Japan	0430	Sep All Industry Activity Index (MoM/YoY%)	-0.8/-	-/-	0.5/1.2
	2330	Oct CPI (YoY%)	1.4	-	1.2
	2330	Oct CPI ex. Food, Energy (YoY%)	0.4	-	0.4
Eurozone	1000	OECD Economic Forecasts			
UK	0930	Oct PSNB ex. Banks (£bn)	-	-	4.1
	0930	Oct Public Finances (PSNCR)	-	-	15.8
Norway	0700	Sep Unemployment Rate AKU	-	-	4.0
Sweden	0830	Riksbank Financial Stability Report			
<b>Thursday 22 November</b>					
Eurozone	1500	Nov A Consumer Confidence	-3.0	-	-2.7
Sweden	0700	Riksbank Deputy Governor Skingsley Gives Speech			
<b>Friday 23 November</b>					
Eurozone	0900	Nov P Market Manufacturing PMI	51.8	-	52.0
	0900	Nov P Market Services PMI	53.6	-	53.7
	0900	Nov P Market Composite PMI	53	-	53.1
Canada	1330	Oct CPI (MoM/YoY%)	0.2/2.3	-/-	-0.4/2.2
Portugal	0000	Angolan President Joao Lourenco in Portugal For Two-day Visit			
	0830	Portugal's Centeno, ESMA's Majoor Speak at Finance Conference			

Source: ING, Bloomberg

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