

## Key events in developed markets next week

US housing data will be the focus next week, as it continues to be a key growth driver. Across the Atlantic, all eyes will be on what emerges from the Brexit talks



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### **US: Housing market continues to drive growth**

The data focus next week will be US housing numbers which will continue to show this sector as a key growth driver. Record low mortgage rates are driving the recovery while the prospect of a structural shift towards more homeworking is also helping to fuel buyer interest, particularly for second homes or vacation homes. After all, the average age of a US homebuyer is late 40s so they have good employment records and decent credit history. This is positive for other sectors in that it typically correlates with stronger spending on home furnishings and furniture/garden equipment and building supplies as buyers look to kit out their new property.

Other than that we will be looking at the number of Covid cases given rising anxiety at what is happening in Europe – more hospitalisations forcing the reintroduction of Covid containment measures – could happen on this side of the Atlantic too. We will also be listening for positive news on another fiscal stimulus, but given the proximity to the elections that isn't looking probable right now.

Initial claims numbers will also be a focus given the surprise rise last week, which underlines

concerns about ongoing strains in the jobs market.

## UK: Brexit and inflation back in focus

The European Council, as well as the UK's mid-October deal deadline, have now both been and gone.

But despite plenty of noise emerging (expect more next week...) from negotiations, the general feeling is that a deal is still more likely than not, albeit perhaps we might not see it until early-mid November. None of the core issues look totally insurmountable, but as ever it comes back to the politics, and in particular whether prime minister Boris Johnson can gain approval within his party for a compromise. The answer is most likely 'yes', although, despite the government's strong majority in the House of Commons, there have been increasing signs of dissent among Conservative MPs.

Separately, next week we'll get the latest inflation numbers which should bounce-back after the figures were distorted by the 'Eat Out to Help Out' discount scheme in August. Volatility aside, inflationary pressures are unlikely to grow over coming months given the deteriorating jobs market backdrop.

## Developed Markets Economic Calendar

Country	Time Data/event	ING	Survey	Prev.
<b>Sunday 18 October</b>				
Eurozone	1405 ECB President Lagarde Speaks in a IMF Panel			
<b>Monday 19 October</b>				
Japan	0050 Sep Exports (YoY%)	-	-	-14.8
	0050 Sep Imports (YoY%)	-	-	-20.8
Eurozone	1345 ECB President Lagarde Gives Opening Remarks			
Sweden	0500 Valueguard HOX Sweden Home-Price Index			
<b>Tuesday 20 October</b>				
US	1400 Fed's Williams Makes Opening Remarks at Culture Event			
	1800 Fed's Evans Speaks to Detroit Economic Club			
Australia	0000 RBA's Kent Gives Online Speech			
	0130 RBA Minutes of Oct. Policy Meeting			
<b>Wednesday 21 October</b>				
US	1500 Fed's Mester Discusses Monetary Policy at Virtual Event			
	1830 New York Fed's Singh Discusses Fed Corporate Credit...			
	1900 U.S. Federal Reserve Releases Beige Book			
UK	0700 Sep CPI (MoM/YoY%)	0.4/0.5	-/-	-0.4/0.2
	0700 Sep Core CPI (YoY%)	1.1	-	0.9
	0700 Sep Public Finances (PSNCR)	-	-	25.7
	0700 Sep PSNB ex Banks (Ebn)	-	-	35.9
Canada	1330 Sep CPI (MoM/YoY%)	-/-	-/-	-0.1/0.1
Australia	2330 RBA's Debelle Gives Speech and Participates in Panel			
<b>Thursday 22 October</b>				
US	1500 Sep Existing Home Sales	6.4	6.2	6.0
Eurozone	1500 Oct A Consumer Confidence	-15.9	-	-13.9
New Zealand	2245 3Q CPI (Q) (QoQ/YoY%)	-	-	-0.5/1.5
Norway	0700 Aug Unemployment Rate AKU	-	-	5.2
<b>Friday 23 October</b>				
Japan	0030 Sep National CPI (YoY%)	-	-	0.2
	0030 Sep CPI ex-food, energy (YoY%)	-	-	-0.1
Eurozone	0900 Oct P Markit Manufacturing PMI	53.1	-	53.7
	0900 Oct P Markit Services PMI	47.8	-	48.0
	0900 Oct P Markit Composite PMI	50.1	-	50.4
UK	0700 Sep Retail Sales ex Auto Fuel (MoM%)	0.2	-	0.6
	0700 Sep Retail Sales (MoM%)	0.2	-/-	0.8
	0930 Oct P Markit/CIPS Manufacturing PMI	53.5	-	54.1
	0930 Oct P Markit/CIPS Services PMI	54	-	56.1
	0930 Oct P Markit/CIPS Composite PMI	54	-	56.5
Germany	- GfK Consumer Sentiment	-1.2	-	-1.6
	- Markit Mfg Flash PMI	55.8	-	56.4
	- Markit Service Flash PMI	49.5	-	50.6
	- Markit Comp Flash PMI	53.8	-	54.7

Source: ING, Bloomberg

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