

## Key events in developed markets next week

A fairly quiet week in developed markets. Sentiment data from the eurozone and UK should point to rising consumer confidence, however, a return to pre-virus levels of economic activity is still some way off



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### Eurozone: It's all about the surveys

For the eurozone, next week will be all about June surveys. Consumer confidence on Monday will provide a good sense of how quickly sentiment is recovering as economies gradually reopen. This will be key for a recovery in domestic demand. PMIs will also be important. The May readings, while better than in April, were still well below the key 50 level, signalling contraction in both manufacturing and services.

### Rebounding UK PMIs won't tell us much about the recovery

The UK PMIs look set to rebound next week, although we suspect they'll remain in deep contractionary territory. It's worth remembering though that the PMI is only a diffusion index, so while it might point to more firms saying things are getting better, it's a) off a low base and b) it doesn't tell us by how much things are improving.

In other words, we could feasibly see a sizable rebound in the PMIs, but we should be careful in interpreting this as a sign of a V-shaped recovery. Looking at other data, including Google's mobility index, the economy still appears to be operating well below its pre-virus level. And amid growing concerns about the job market outlook, we suspect the economy will struggle to regain the lost ground until 2022 at the earliest.

### **US: A quiet week on the data front**

It is a fairly quiet week in the US with the data flow mainly focused on housing reports and durable goods orders. Mortgage applications continue to surge thanks to low borrowing costs and ample credit availability, and this offers a positive outlook for the housing market. It is already translating into rising housing starts and home builder confidence. However, given the length of time it takes to conclude a home purchase we are not expecting much from this week's transaction data for May. June and July housing figures should be incredibly strong.

As for durable goods orders, we should see a rebound of sorts, but it is unlikely to be as vigorous as in the consumer sector. Manufacturing remains weak as supply bottlenecks and subdued final demand squeeze the sector. This means new orders are likely to remain well down on pre-Covid-19 levels, which in turn implies lacklustre investment spending and the risk of further job losses over coming months.

## **Developed Markets Economic Calendar**

Country	Time Data/event	ING Survey	Prev.
<b>Monday 22 June</b>			
US	1500 May Existing Home Sales	4.2	4.1 4.3
Eurozone	1500 Jun A Consumer Confidence	-15.5	- -18.8
Australia	0000 RBA's Lowe Participates in Panel		
<b>Tuesday 23 June</b>			
Eurozone	0900 Jun P Markit Manufacturing PMI	50.0	- 39.4
	0900 Jun P Markit Services PMI	44.0	- 30.5
	0900 Jun P Markit Composite PMI	45.0	- 31.9
UK	0930 Jun P Markit/CIPS Manufacturing PMI	45.0	- 40.7
	0930 Jun P Markit/CIPS Services PMI	38.0	- 29.0
	0930 Jun P Markit/CIPS Composite PMI	39.5	- 30.0
<b>Wednesday 24 June</b>			
US	- Fed's Evans (1730) and Bullard (2000) speak		
Japan	0600 Apr F Leading economic index	-	- 76.2
	0050 BOJ Summary of Opinions		
New Zealand	- RBNZ Official cash rate (%)	0.25	- 0.25
Germany	0900 Jun IFO Business Climate	84.0	- 79.5
	0900 Jun IFO Expectations	83.0	- 80.1
	0900 Jun IFO Current Assessment	84.0	- 78.9
Norway	0700 Apr Unemployment Rate AKU	-	- 3.6
Sweden	0800 Jun Economic Tendency Indicator	-	- 64.1
Netherlands	0530 1Q F GDP (QoQ%)	-1.7	- -1.7
<b>Thursday 25 June</b>			
US	1330 May P Durable Goods Orders (MoM%)	9.0	10.0 -17.7
	1330 May P Durable Goods Orders (ex. Transport, MoM%)	2.5	- -7.7
	1330 1Q T GDP (QoQ Annualised %)	-5.0	-5.0 -5.0
Japan	0530 Apr All industry activity index (MoM%)	-	- -3.8
UK	1800 BOE's Haldane Speaks at TEDxGlasgow		
<b>Friday 26 June</b>			
US	1500 Jun F U. of Mich. Sentiment Index	84.0	- 78.9
Eurozone	0900 May M3 Money Supply (YoY%)	8.5	- 8.3
Norway	0700 May Retail Sales (Ex. Motor Vehicles, SA, MoM%)	-	- 4.8
Sweden	0830 May Household Lending (YoY%)	-	- 5.2
	0830 May Retail sales (Ex. Fuel, MoM/YoY%)	-/-	-/- 0.2/-1.3
Portugal	- Portugal Releases Year-to-Date Budget Report		
Austria	0930 WIFO Quarterly Economic Forecasts		

Source: ING, Bloomberg

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