

## Key events in developed markets next week

A third-quarter reading on US GDP and a flurry of central bank policy meetings top the agenda next week. The European Central Bank is not expected to deviate from its plan to unwind quantitative easing by the end of the year and we're not expecting any big moves from the Scandi banks. But Canada will likely raise rates and could signal more to come



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### **US: Still going strong**

The US data highlight will be 3Q GDP, with another strong outcome looking likely. Consumer spending continues to be supported by massive tax cuts and a robust jobs market, whilst healthy corporate profitability and a positive economic outlook are encouraging investment. Net trade is likely to swing back sharply after providing huge support to growth in 2Q, but this will at least be partially offset by some rebuilding of inventories. As such, we look for US growth to come in at an annualised 3.6% rate versus the 3.2% consensus and the 4.2% outcome from 2Q18.

Durable goods orders for September should also be good once the volatile aircraft component is stripped out, so this should be more than enough to keep the Federal Reserve in tightening mode. We continue to look for a December interest rate rise followed by three more in each of the first

three quarters of 2019.

### ✔ ECB still set to end QE by December

Despite increased downside risks to the eurozone's growth outlook, [the ECB will not divert from its chosen course](#) to bring QE to an end in December. Expect a slightly more dovish, but still highly determined Mario Draghi at next week's ECB meeting.

Eurozone confidence data should also prove to be interesting. Readings on consumer confidence and PMI surveys for October may offer clues about the impact of political uncertainty over the Italian budget and Brexit.

### ✔ Scandi central bank meetings in focus

Both the Riksbank (Wednesday) and Norges Bank (Thursday) hold policy meetings next week. With both having delivered material policy shifts in September, we don't expect all that much news from either this time around. The Riksbank is likely to confirm its intention to hike rates in either December or February. The improvement in core inflation in September could shift the balance of probability in favour of December. The NB is not delivering new forecasts or holding a press conference, and its statement is likely to remain largely unchanged. But the continued solid price pressure evident in the September figures, combined with a weaker than expected exchange rate and rising oil prices, suggest upside risk to the NB policy stance.

### ✔ All German Ifo figures are expected to weaken

Given the latest market turmoil and political uncertainty in Germany, it's difficult not to expect a weakening of all three October Ifo measures released next week.

### ✔ Little reason for the Bank of Canada to keep tightening on hold

The Bank of Canada is likely to continue its gradual tightening path and provide a 25 basis point rate hike when it meets on 24 October. This should be no surprise, as headline inflation has been out of the BoC's comfort zone for some time now, hitting what it sees as its upper threshold of 3% YoY in July. And with all three of the main core measures floating around the 2% target, there is little reason for the BoC to hold off on pushing policy rates higher.

## Developed Markets Economic Calendar

Country	Time	Data/event	ING	Survey	Prev.
<b>Saturday 20 October</b>					
US	1700	Fed's Bostic Speaks in Atlanta			
Japan	0750	BOJ Amamiya Speech in Nagoya			
<b>Monday 22 October</b>					
Japan	0530	Aug All Industry Activity Index (MoM%)	-	-	0.0
Australia	0200, 23:35	Remarks by RBA's Debelle in Sydney			
<b>Tuesday 23 October</b>					
Eurozone	1500	Oct A Consumer Confidence	-2.8	-	-2.9
UK	1130	BOE Chief Economist Haldane Speaks in Paris			
	1620	Carney Speaks at a Conference in Toronto			
Australia	-	RBA's Bullock (0400) and Debelle (0530) Speak on Panel in Sydney			
Portugal	-	Bank of Portugal Releases Bank Lending Survey			
<b>Wednesday 24 October</b>					
US	1810	Fed's Mester Speaks at Forecasters Club in New York			
	1900	U.S. Federal Reserve Releases Beige Book			
Japan	0600	Aug F Leading Economic Index	-	-	104.4
Eurozone	0900	Oct P Market Manufacturing PMI	53	-	53.2
	0900	Sep M3 Money Supply (YoY%)	3.5	-	3.5
	0900	Oct P Market Services PMI	54.9	-	54.7
	0900	Oct P Market Composite PMI	54.1	-	54.1
Canada	1500	Bank of Canada Policy Rate	1.75	1.75	1.5
Sweden	0830	Riksbank Interest Rate	-0.5	-	-0.5
	1000	Riksbank's Ingves Holds Press Conference			
<b>Thursday 25 October</b>					
US	1330	Sep P Durable Goods Orders (MoM%)	-2.2	-1	4.4
	1330	Sep P Durable Goods Orders (ex. Trans, MoM%)	0.5	0.4	0.0
Eurozone	1245	ECB Main Refinancing Rate	0.0	-	0.0
	1245	ECB Marginal Lending Facility	0.25	-	0.25
	1245	ECB Deposit Facility Rate	-0.4	-	-0.4
	-	European Commission Updates Its Economic Forecasts			
Germany	0900	Oct IFO Business Climate	103.3	-	103.7
	0900	Oct IFO Expectations	100.5	-	101
	0900	Oct IFO Current Assessment	106.0	-	106.4
Norway	0700	Aug Unemployment Rate AKU	-	-	4.0
	0900	Deposit Rates	-	-	0.75
Sweden	0800	Oct Economic Tendency Indicator	0.75	0.75	111.7
	0830	Sep Household Lending (YoY%)	111	-	6.1
	0830	Swedish National Debt Office Forecast			
Portugal	-	Portugal Releases Year-to-Date Budget Report			
<b>Friday 26 October</b>					
US	1330	3Q A GDP (QoQ Annualised %)	3.6	3.2	4.2
	1500	Oct F U. of Mich. Sentiment Index	97.5	98.2	99.0
Germany	-	Germany Sovereign Debt to be Rated by S&P			
France	-	France Sovereign Debt to Be Rated by Moody's			
UK	-	UK Sovereign Debt to be Rated by S&P and Fitch			
Italy	-	Italy Sovereign Debt to be Rated by S&P			
Norway	0715	Norges Bank Governor Olsen Speaks in Trondheim			
	0835	Norges Bank Deputy Governors Speak in Sandefjord			
Sweden	0830	Sep Retail Ssales (Ex. Fuel, MoM%)	-	-	0.8
	0830	Sep Retail Sales (Ex. Fuel, YoY%)	-	-	2.0
Netherlands	-	Netherlands Sovereign Debt to be Rated by Fitch			

Source: ING, Bloomberg

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