

## Key events in developed markets next week

German's Ifo survey should provide some insight into whether the dismal third quarter was an aberration or something more deep-rooted. And it might be worth prepping for positive Brexit news (again) if Sunday's summit goes to plan



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### Eurozone: Fall in oil prices will be a drag on inflation

Inflation data will be a key highlight in the eurozone next week. Now above the central bank target at 2.2%, the drop in oil prices will no doubt have an effect, although this has not worked through to prices at the pump one-for-one.

### German Ifo to shed light on whether economy will regain momentum

The prominent Ifo index of business sentiment should shed some light on whether the German economy is likely to regain momentum in the final quarter of the year or whether a disappointing third-quarter performance was more than just a soft patch.

At the same time, headline inflation should drop somewhat but not as much as the latest drop in crude oil prices might suggest. The dry summer weather and low water levels in many rivers have

led to transportation bottlenecks, pushing up gasoline prices. The price difference between crude oil prices and gasoline prices has widened significantly.

## ✓ Riksbank December hike on tenterhooks

After a strong first half of the year, we expect a very weak 3Q GDP report from Sweden on Thursday. We expect only 0.2% quarter-on-quarter growth, and the risks to that are mainly to the downside.

Some of this weakness is temporary – a new tax on cars came into force in July, which caused significant front-loading of car sales (boosting 2Q GDP at the expense of a weaker 3Q). But near-term indicators point to a broader slowdown over the autumn, with the rapid contraction of new construction, in particular, likely to weigh on growth. In that context, the November Economic Sentiment Indicator (on Wednesday) will also be an important data release, as it speaks to the current momentum in the economy. If both the 3Q figure and the November ESI disappoint this would reduce the chance of a Riksbank hike in December.

## ✓ Canada: Slowing housing market will prevent any 'super growth' story

There was good news for Canadian growth in September. The trade deficit was squeezed further, manufacturing sales saw an uptick on the month and we expect the same for retail trade. All of which contribute to our forecast of 0.3% growth month-on-month.

We also expect healthy growth for the third quarter overall though it won't be as strong as the 2.9% posted in 2Q – we're looking for 2.2%. Dips in construction starts typically precede an economic slowdown, and that's exactly what we've got here (for clarity, construction starts fell 23% QoQ). But it's not as if this was unexpected. The housing market is in a difficult situation. Factors such as excess supply (linked to affordability issues), higher borrowing costs and tighter mortgage rules are holding back residential investment, and we see this lower trajectory sticking around for a while.

## Developed Markets Economic Calendar

Country	Time	Data/event	ING	Survey	Prev.
<b>Sunday 25 November</b>					
Australia	2215	RBA's Lowe Gives Speech in Sydney			
UK	-	Special European Council to Endorse Brexit Agreement			
<b>Monday 26 November</b>					
Japan	0500	Sep F Leading Economic Index	-	-	103.9
Eurozone	1200	ECB's Nowotny, Coeure at Central Bank Conference in Vienna			
Germany	0900	Nov IFO Business Climate	103.0	-	102.8
	0900	Nov IFO Expectations	100.4	-	99.8
	0900	Nov IFO Current Assessment	105.3	-	105.9
UK	1830	BOE Governor Carney, Former Fed Chairman Greenspan Speak			
Australia	0300	RBA's Kent Gives Speech in Sydney			
<b>Tuesday 27 November</b>					
US	1500	Nov Consumer Confidence	-	136.1	137.9
	1245	Fed Vice Chairman Clarida Speaks in New York			
	1930	Fed's Bostic, Evan and George Speak on Panel			
Eurozone	1500	ECB's Nouy, Bank of Portugal's Ferreira Speak in Lisbon			
new Zealand	2000	RBNZ Financial Stability Report			
Sweden	0830	Oct Household Lending (YoY%)	-	-	5.9
Portugal	-	Portugal Releases Year-to-Date Budget Report			
<b>Wednesday 28 November</b>					
US	1330	3Q S GDP (QoQ Annualised %)	-	3.6	3.5
	1700	Fed's Powell Speaks to Economic Club of New York			
Japan	2350	Oct Retail Trade (MoM, SA/YoY%)	-/-	-/-	0.1/2.2
Eurozone	0900	Oct M3 Money Supply (YoY%)	3.5	-	3.5
UK	0700	BOE Financial Stability Report and Stress Test Results			
Sweden	0800	Nov Economic Tendency Indicator	107	-	108.0
	0830	Oct Retail sales (Ex. Fuel, MoM/YoY%)	-/-	-/-	0.5/2.1
<b>Thursday 29 November</b>					
Japan	2350	Oct P Industrial Production - Prel (MoM/YoY%)	-/-	-/-	-0.4/-2.5
	0130	BOJ Masai Speaks in Fukuoka			
Germany	0855	Nov Unemployment Change (000's)	-	-	-12.0
	0855	Nov Unemployment Rate (%)	5.1	-	5.1
	1300	Nov P CPI (MoM/YoY%)	-0.1/2.2	-/-	0.2/2.5
Spain	0800	Nov P HICP (MoM/YoY%)	-/-	-/-	0.7/2.3
Norway	0700	Oct Credit Indicator (YoY%)	-	-	5.6
	-	Norges Bank Dep. Gov. Matsen (0800), Gov. Olsen (1730) Speak in Oslo			
Sweden	0830	3Q GDP (QoQ%)	0.2	-	0.8
Portugal	-	Portuguese Parliament Holds Final Vote on 2019 Budget			
<b>Friday 30 November</b>					
US	1400	Fed's Williams Speaks on Global Economy at G30 in New York			
Japan	0500	Nov Consumer Confidence Index	-	-	43.0
Eurozone	1000	Oct Unemployment Rate (%)	8.1	-	8.1
	1000	Nov A Core CPI (YoY%)	1.1	-	1.1
	1000	Nov Flash CPI (YoY%)	2.0	-	2.2
Italy	1000	Nov P HICP (YoY%)	1.8	-	1.7
	1100	3Q F GDP (QoQ/YoY%)	0.0/0.8	-/-	0.0/0.8
Canada	1330	3Q GDP (Annualised, QoQ%)	2.2	-	2.9
	1330	Sep GDP (MoM/YoY%)	0.3/2.5	-/-	0.1/2.5
Sweden	830	Sep Non-Manual Workers Wage growth (YoY%)	-	-	2.6
Norway	0700	Oct Retail Sales (Ex. Motor Vehicles, SA, MoM%)	-	-	-0.7
	0900	Nov Unemployment Rate	-	-	2.2
Belgium	-	Belgium Sovereign Debt to be Rated by Fitch			
Portugal	-	Portugal Sovereign Debt to be Rated by Fitch			
Ireland	-	Ireland Sovereign Debt to be Rated by S&P			

Source: ING, Bloomberg

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