

## Key events in developed markets next week

US jobs numbers will help determine whether the Fed hikes by 50bp or 75bp in September – for now, we favour the former. Eurozone inflation data will also be closely scrutinised ahead of a fast-approaching ECB meeting



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### US payrolls number to help determine scale of September Fed hike

The August jobs report is the focus of attention this week. Despite the US having been in technical recession through the first half of the year, the economy has created 3.2 million jobs year-to-date with 528k of them coming in July alone. We don't expect anything like that for August though given vacancies have started to fall off and business surveys have suggested more caution on the economic outlook.

Nonetheless, a 250k would still be very respectable and will certainly keep the Fed in hiking mode. With the unemployment rate set to remain at 3.5% and wages continuing to push higher we favour a 50bp hike on 21 September rather than 75bp. However, should the economy add substantially more jobs, say 350k+, and the wage number posts a second consecutive 0.5% month-on-month increase, or higher, then it could swing the argument in favour of 75bp.

Other numbers will include the ISM manufacturing report and construction spending, while August auto sales numbers will give us an early indication of consumer spending. Also, watch out for a number of Federal Reserve speakers.

## Eurozone data to provide key input into September ECB decision

It's a big week for eurozone data with the August inflation reading out on Wednesday and unemployment due on Thursday. With the September ECB meeting coming up, the debate between hawks and doves has become more heated again as governing council members are returning from their holidays. These figures will be key inputs for the meeting. While some supply-side factors are currently bringing relief as input costs fade, the gas crisis continues to push prices for consumers up at a fast pace. Expect another increase in the eurozone inflation reading for August. The unemployment rate will give a sense of whether the labour market is responding to the weaker economic circumstances.

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Country	Time	Data/event	ING	Survey	Prev.
<b>Monday 29 August</b>					
Sweden	0700	Q2 GDP Final (QoQ%/YoY%)	1.4/4.2		1.4/4.2
<b>Tuesday 30 August</b>					
US	1400	Jun CaseShiller House Price (MoM%/YoY%)	-/-		1.3/20.5
	1500	Aug Consumer Confidence	-		95.7
Germany	1300	Aug CPI Prelim (MoM%/YoY%)	0.4/8.0		0.9/7.5
Spain	0800	Aug CPI (YoY%) Flash	-		10.8
Eurozone	1000	Aug Business Climate	-		1.14
	1000	Aug Economic Sentiment	97.1		99
	1000	Aug Consumer Confidence Final	-24.9		
<b>Wednesday 31 August</b>					
US	1315	Jun ADP National Employment	-	200	128
Germany	0855	Aug Unemployment Rate SA	5.4		5.4
France	0745	Q2 GDP (QoQ%/YoY%)	-/-		0.5/4.2
	0745	Aug CPI Prelim (YoY%)	-		6.8
Italy	1000	Aug CPI Prelim (MoM%/YoY%)	0.1/8.3		-1.1/8.4
Canada	1330	Q2 GDP (YoY%)	-		2.89
	1330	Jun GDP (MoM%)	-		0
Eurozone	1000	Aug CPI Flash (YoY%)	9.2		
	1000	Aug Core CPI Flash (YoY%)	4.1		
<b>Thursday 1 September</b>					
US	1500	Aug ISM Manufacturing PMI	53		52.8
	1330	Initial Jobless Claim 000s	-		243
	1330	Continue Jobless Claim 000s	-		1415
Germany	0700	Jul Retail Sales (MoM%/YoY%)	0.5		-1.6/-8.8
	0855	Aug S&P Global/BME Manufacturing PMI	-		
UK	0930	Aug S&P Global/CIPS Manufacturing PMI Final	46		46
Italy	0845	Aug S&P Global/IHS Manufacturing PMI	48.3		48.5
	0900	Jul Unemployment Rate	-		8.1
	1000	Q2 GDP Final (QoQ%/YoY%)	-/-		1/4.6
Switzerland	0730	Aug CPI (MoM%/YoY%)	-/-		0/3.4
Eurozone	0900	Aug S&P Global Manufacturing Final PMI	-		
	1000	Jul Unemployment Rate	6.6		6.6
<b>Friday 2 September</b>					
US	1330	Aug Non-Farm Payrolls	250		528
	1330	Aug Unemployment Rate	3.5		3.5
Germany	0700	Jul Imports/Exports	-0.4/-2.0		0.2/4.5
	0700	Jul Trade Balance	-		6.4

Source: Refinitiv, ING

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