

Key events in developed markets next week

Manufacturing and services data dominate next week, giving us an insight into how businesses are coping with trade concerns and weakening economic momentum in Europe



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US: Weather takes its toll?

We get a raft of key September data next week, but there is a lot of uncertainty over the numbers given the potential for distortions related to hurricane Florence. Economic activity will undoubtedly have been impacted in the US East Coast region given evacuations and subsequent disruption, but the extent of the impact is also dependent on when the data was collected, adding to the level of uncertainty.

As such, we feel it makes sense to prepare for soft figures, but to “look through” them, given the underlying strength of the US economy. Indeed, any weakness is likely to be followed by a sharp rebound – similar to what we saw in jobs data, retail sales and industrial activity following Hurricanes Irma and Harvey last year.

The key data will be the jobs data, and the ISM reports. Wages will be in focus with another strong month-on-month rise likely. We probably won't get a break above 3% year-on-year growth this month, but we certainly expect it next month. Meanwhile, the ISM reports should continue to indicate that business activity remains very robust. We will also hear from several Federal Reserve

officials. They may provide more colour on why the Fed is looking for four more rate rises over the next twelve months and evaluating the risks to their predictions.

✓ **UK: Focus on PMIs as no deal risks increase**

While we may see a slight improvement in the UK manufacturing PMI next week, it's clear firms are beginning to struggle from the weaker momentum in Europe, while concerns surrounding trade may be starting to bite at the margin. The service sector appears to be in slightly better shape, but as the day-to-day realities of what 'no deal' might involve become more evident to consumers and businesses, we think there's a risk activity begins to slow as we head into the winter. For that reason, we don't expect any further Bank of England tightening before the UK leaves the EU next year.

✓ **Germany: Will trade tensions impact industrial data?**

Germany will celebrate reunification day on Wednesday, which should bring a relatively quiet week, with many people taking half a week off. On Friday, industrial orders data will provide more evidence of any possible impact from ongoing trade tensions on German industry.

✓ **Sweden: PMIs in focus as political stalemate continues**

PMI surveys for September in Sweden, Norway, and Denmark provide an early read on economic momentum going into autumn. We expect another soft figure in Sweden; 51 – just slightly above the 50 level that indicates growth. In Norway, the survey should return to trend around 55 – suggesting a solid expansion, after a couple of erratic readings over the summer.

Meanwhile, negotiations on forming a new government in Sweden will kick off, as Parliament's speaker will decide whether to give the first chance to form a government. The situation remains muddled, and we expect a compromise could take weeks, or even months, to hammer out.

✓ **Canada: Job market still shows signs of slack**

With the Canadian jobs report somewhat disappointing in August, we hope to see a minor pick up in September given that business confidence is holding up - despite Nafta insecurities. Nonetheless, August wage growth (2.9% YoY) was the third month we've seen a slowdown; an indication that there is still slack in the jobs market.

Developed Markets Economic Calendar

Country	Time	Data/event	ING	Survey	Prev.
Sunday 30 September					
Japan	2350	Large Manufacturing Tankan Index	-	21.0	21.0
	2350	Sep Nikkei Manufacturing PMI	-	-	52.9
	2350	Sep Monetary Base (JPY tr)	-	-	502.0
Monday 1 October					
US	1400	Fed's Bostic Speaks on Economic Development			
	1500	Sep ISM Manufacturing	59.8	60.1	61.3
	1715	Fed's Rosengren Speaks on the U.S. Outlook and Monetary Policy			
Japan	0050	3Q Tankan Manufacturing Index	-	21	21
	0050	3Q Tankan Non-manufacturing Index	-	23	24
Eurozone	0900	Sep F Market Manufacturing PMI	-	-	53.3
	1000	Aug Unemployment Rate (%)	-	-	8.2
UK	0930	Sep Market/CIPS Manufacturing PMI	53	-	52.8
	1550	BOE's Tenreyro Speaks in London			
^{new} Zealand	0200	Treasury Publishes Monthly Economic Indicators			
Sweden	0730	Sep Swedbank/Silf Manufacturing PMI	51	-	52.5
Norway	0800	Sep DNB/NIMA Manufacturing PMI	55	-	60.5
Tuesday 2 October					
US	1500	Fed's Quarles Testifies to Senate Banking Committee			
	1700	Fed's Chairman Powell Speaks at NABE Conference in Boston			
Japan	0050	Sep Monetary Base (JPY tr)	-	-	502.0
	0600	Sep Consumer Confidence Index	-	-	43.3
UK	0945	BOE Chief Economist Haldane (0945), Haskel (1135) Speaks in London			
Australia	0530	RBA Cash Rate Target	1.5	1.5	1.5
Sweden	-	Danske Bank Publishes Nordic Outlook			
Wednesday 3 October					
US	1130	Fed's Evans Speaks in London			
	1305	Fed's Barkin Speaks at Economic Conference in West Virginia			
	1315	Sep ADP Employment Change (000's)	170	184.5	162.8
	1500	Sep ISM Non-manufacturing	58	58	58.5
Eurozone	0900	Sep F Market Services PMI	-	-	54.7
	0900	Sep F Market Composite PMI	-	-	54.2
	1000	Aug Retail Sales (MoM/YoY%)	-/-	-/-	-0.2/1.1
UK	0930	Sep Market/CIPS Services PMI	54	-	54.3
	0930	Sep Market/CIPS Composite PMI	53.9	-	54.2
Sweden	0730	Sep Swedbank/Silf Services PMI	-	-	57.1
Thursday 4 October					
Australia	0230	Aug Trade balance (A\$m)	-	-	1551
Friday 5 October					
US	1330	Aug Trade Balance (US\$bn)	-53	-48.5	-50.1
	1330	Sep Change in Nonfarm Payrolls ('000s)	160	188	201
	1330	Sep Unemployment Rate (%)	3.8	3.8	3.9
	1330	Sep Average Hourly Earnings (MoM/YoY%)	0.3/2.8	0.3/-	0.4/2.9
	1330	Sep Participation Rate	62.7	-	62.7
Japan	0100	Aug Labour Cash Earnings (YoY%)	-	-	1.6
	0500	Aug Household Spending (YoY%)	-	-	0.1
	0500	Aug Leading Economic Index	-	-	103.9
Germany	0700	Aug New Orders (YoY%)	-1.2	-	-0.9
France	-	France Sovereign Debt to be Rated by S&P			
Spain	-	Spain Sovereign Debt to Be Rated by Moody's			
Canada	1330	Sep Net Change in Employment	-	-	-51.6
	1330	Sep Unemployment Rate (%)	6	-	6
Australia	0230	Aug Retail sales (MoM%)	-	-	0
Ireland	-	Ireland Sovereign Debt to Be Rated by Moody's			
Sweden	0830	Aug Industrial Production (YoY%)	-	-	2.2

Source: ING, Bloomberg

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