Key events in developed markets next week

The main focus in the US next week will be the Federal Reserve policy meeting, where we aren't expecting any change to policy rates. The ECB will be eagerly awaiting inflation and GDP releases in the eurozone, while over in the UK, all eyes will be on Thursday's Bank of England meeting

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US: Federal Reserve policy meeting in focus

It's a busy week ahead in the US next week, and the Federal Reserve's upcoming meeting will be the main focus. We don't expect any change to policy rates after the recent spike in Treasury yields prompted a tightening of financial conditions throughout the economy. The market seems to be doing the heavy lifting, so there isn't any need for the Fed to do much more – despite growth and the jobs market remaining hot and inflation still well above target. Fed Chair Jerome Powell has also acknowledged that long and variable lags between the implementation of rate hikes and the real-world impact point to the possibility that the full impact of policy tightening could still be yet to take full effect.

The key data report to keep an eye out for will be jobs numbers. Following September's leap of 336,000, the market is expecting a much weaker outcome of 175,000 in October. Recent jobless claims numbers have suggested that while firing remains historically low, the rise in continuing claims hints at increasing difficulties with finding new work. We expect unemployment to remain at 3.8%, but wage growth could slow to 4% year-on-year, which would mark a post-pandemic period low. This should offer encouragement to the Fed that pipeline price pressures are easing and that it doesn't need to raise interest rates any further.

Lastly, watch out for the quarterly refunding statement from the US Treasury, which will outline plans for forthcoming debt issuance – and in an environment of 6% of GDP deficits, it's expected to be significant.

Eurozone: Inflation and GDP figures

The European Central Bank (ECB) decided to hold on Thursday and will eagerly look out for new numbers about GDP and inflation ahead of the December meeting. It won't have to wait long, as Tuesday's inflation and GDP figures will provide key information about current performance. Inflation is expected to drop further on base effects, while month-on-month developments are also set to move more favourably in the final months of the year. GDP will be interesting to watch, as the question now remains whether or not it has turned negative. To us, a small negative print won't make for a materially different environment; the eurozone is in broad stagnation. But still, if the economy has gone into reverse in the third quarter, it'll add to caution from the ECB as the first data for the fourth quarter still looks bleak.

UK: Bank of England set for second consecutive pause

Famous last words, but next week's Bank of England meeting looks set to be among the least unpredictable since the current tightening cycle began in late 2021. That's certainly true when compared to the last decision taken in September which ended up on a knife-edge, and ultimately the committee opted to keep rates on hold in an unusually tight 5-4 vote. But we've had very little data since that September meeting, and what we have had is unlikely to have moved the needle.

If you are a committee member who voted for a hike in September, you're likely to do so again, and vice versa. Add in the fact that one of those voting for a hike last time – Jon Cunliffe – has since left the committee, and the general sense is that his successor Sarah Breeden is less likely to go against the consensus (and Governor) in her first meeting. A 6-3 vote in favour of keeping rates on hold is the base case next week. Still, it's unlikely the committee will want to close the door to further tightening, and we'd expect policymakers to hammer home the Bank's central message that rates need to stay at these levels for quite some time. Expect repeated references to rates needing to stay "sufficiently high" for "sufficiently long".

That said, we think the Bank will be in a position by next summer to begin the process of taking rates back towards a more neutral setting. We expect rate cuts to start in August, ultimately taking Bank Rate back to the 3% area by mid-2025.

Norway: Norges Bank to pause, but December rate hike remains the base case

Norway's central bank told us back in September that it expected to hike rates again in December, and for now, we think that remains the base case. NOK is currently running roughly 3% weaker on a trade-weighted basis than Norges Bank had assumed in its September projections. But inflation has come in lower than expected, and oil prices are a touch lower than at the time of the September meeting too. Unless we get any more dovish surprises on the data, we expect a

December hike – and either way, we'd expect the central bank to reiterate that expectation in the otherwise fairly brief policy statement we'll get next Thursday.

Key events in developed markets next week

Country	Time	Data/event	ING	Survey	Prev.
		Monday 30 October			
Germany	1400	Oct CPI Prelim (MoM%/YoY%)	0/3.3	/	0.3/4.5
Spain	0900	Oct CPI (YoY%) Flash NSA	-		3.5
	0900	Oct CPI (MoM%) Flash NSA	-		0.2
Sweden	0800	Q3 GDP (QoQ%/YoY%)	-/-	/	-0.8/-1
Eurozone	1100	Oct Business Climate	-		-0.36
	1100	Oct Economic Sentiment	92.7		93.3
	1100	Oct Consumer Confidence Final	-17.9		-17.9
		Tuesday 31 October			
US	1400	Aug CaseShiller 20 (MoM%/YoY%)	0.6	0.7	0.9/0.1
	1445	Oct Chicago PMI	46.0	44.6	44.1
	1500	Oct Consumer Confidence	101	100.3	103
Germany	0800	Q3 GDP Flash (QoQ/YoY%)	-0.2/-1		0.0/-0.6
	0800	Sep Retail Sales (MoM%/YoY%)	0.5/-2.0	/	-1.2/-2.3
France	0730	Q3 GDP Preliminary (QoQ%/YoY%)	-/-	/	0.5/1
	0845	Oct CPI Prelim (YoY%)	-		5.7
Italy	1000	Q3 GDP Prelim (QoQ%/YoY%)	0.1/0.2	/	-0.4/0.3
	1100	Oct CPI Prelim (MoM%/YoY%)	1.1/3.0	/	1.7/5.6
Canada	1330	Aug GDP (MoM%)	-		0
Portugal	1030	Oct CPI Flash (YoY%)	-		3.6
Eurozone	1100	Oct CPI Flash (YoY%)	3.4		4.3
	1100	Oct Core CPI Flash (YoY%)	4.1		4.5
	1100	Q3 GDP Flash Prelim (YoY%)	0.2		0.5
	1100	Q3 GDP Flash Prelim (QoQ%)	0		0.1
		Wednesday 1 November			
US	1315	Oct ADP National Employment	200	135	89
	1500	Oct ISM Manufacturing PMI	48.5	49	49
	1500	Oct ISM Manufacturing Prices Paid	45		43.8
	1900	Fed Funds Target Rate range (%)	5.25-5.5	5.25-5.5	5.25-5.5
	1900	Fed Interest On Excess Reserves	5.4	5.4	5.4
UK	1030	Oct S&P Global/CIPS Manufacturing PMI Final	-		
		Thursday 2 November			
US	1500	Sep Factory Orders (MoM%)	1.6	1.1	1.2
	1330	Initial Jobless Claims	215	210	210
	1330	Continuing Jobless Claims	1780	-	1790
Germany	0955	Oct S&P Global/BME Manufacturing PMI	40.7		40.7
	0955	Oct Unemployment Rate SA	5.7		5.7
UK	1300	Nov BOE Bank Rate	5.25	5.25	5.25
Italy	0945	Oct S&P Global/IHS Manufacturing PMI	46.5		46.8
Norway	1000	Key Policy Rate	4.25		4.25
Switzerland	0830	Oct CPI (MoM%/YoY%)	-/-	/	-0.1/1.7
Eurozone	1000	Oct S&P Global Manufacturing Final PMI	43		43
		Friday 3 November			
US	1330	Oct Non-Farm Payrolls	200	175	336
	1330	Oct Private Payrolls	160	140	263
	1330	Oct Unemployment Rate	3.8	3.8	3.8
	1445	Oct S&P Global Composite Final PMI	-		
	1445	Oct S&P Global Services PMI Final	-		
	1500	Oct ISM N-Manufacturing PMI	52.8	53	53.6
Germany	0800	Sep Exports	1		-1.2
	0800	Sep Imports	0.5		-0.4
	0800	Sep Trade Balance	18		16.6
UK	1030	Oct S&P Global/CIPS Serv PMI Final	-		

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