

Key events in developed markets next week

Busy week of data releases for developed markets next week with PMI readings, some 3Q GDP releases and CPI. Developments on containment measures and vaccine news will be in the spotlight once again



Source: Shutterstock

US: Will more fiscal stimulus be needed after a tightening of containment measures?

It is a big week for US data given the release of the November jobs report and the ISM indices, but market sentiment will be more likely influenced by news on the timing of a vaccine and concerns about a near-term intensification of Covid containment measures in the wake of Thanksgiving gatherings. The number of cases was rising sharply before last week but holiday travel and socialising could see an acceleration that necessitates aggressive action to prevent healthcare systems buckling under the pressure of hospitalisations. Already we can see the jobs markets is suffering as curfews and restrictions kick in across more parts of the United States so the jobs report is already old news before it is even published – remember the data is collected the week of 12 November.

Consequently, we will be looking to see if there are any signs of movement on the fiscal side to provide support to an economy that is going to be experiencing more pain in the weeks ahead.

Should politicians fail to step up, then expectations will build that the Federal Reserve will feel compelled to try and offer some support through extra liquidity injections and potentially more quantitative easing. Nonetheless, the Fed will again emphasise this is not going to generate meaningful demand. It is more about trying to shore up confidence until the Covid vaccines are released.

Canada: Strong GDP and jobs data to come, but recovery is still a long way off

Canada's third quarter GDP is expected to show a robust rebound in excess of 45% annualised growth. Nonetheless this would still leave output nearly 5% below the level of the fourth quarter 2019. The jobs report should also show robust gains, but there would still be around 600,000 fewer people in work than February. As such, both reports will underline the point that there is still a long way to go in terms of recovery and unfortunately, we could see more bad news in the near term given rising Covid cases and the threat of more restrictions.

Eurozone: Inflation release and retail sales will further show the effect of the second lockdown

For the eurozone, the inflation rate for November will be key to watch as it will be the last important figure to come out ahead of the European Central Bank's December meeting. Not that it will sway the ECB much at this point of course, particularly as it's unlikely that the figure will move much from the October reading of -0.3%. Also interesting is whether retail sales have held up in October ahead of the November closures in some countries.

Developed Markets Economic Calendar

Country	Time	Data/event	ING	Survey	Prev.
Sunday 29 November					
Japan	2350	Oct Retail trade (YoY%)	7.0	-	-8.7
	2350	Oct Industrial O/P Prelim (MoM/YoY%)	-1.2/-6.2	-	3.9/-8.7
Monday 30 November					
US	1445	Nov Chicago PMI	59.0		61.1
Japan	2330	Oct Unemployment Rate	3.1		3.0
Germany	1300	Nov CPI Prelim (MoM/YoY%)	-0.3/-0.3	-	0.1/-0.2
	1300	Nov HICP Prelim (MoM/YoY%)	-0.3/-0.5	-	0.0/-0.5
Italy	1000	Nov CPI (EU Norm) Prelim (MoM/YoY%)	-		0.6/-0.6
Spain	0800	Nov HICP Flash (YoY%)	-		-0.9
Canada	1330	Q3 Current Account C\$	-		-8.63
Switzerland	0730	Oct Retail Sales (YoY%)	-		0.3
Portugal	1100	Q3 GDP (QoQ/YoY%)	-/-	-	13.3/-5.7
Tuesday 1 December					
US	1500	Nov ISM Manufacturing PMI	57.0	57.8	59.3
Japan	0030	Nov Jibun Bank Manufacturing PMI	-		48.3
	2350	Nov Monetary base (JPY tr)	620.0	-	608.3
Germany	0855	Nov Markit/BME Manufacturing PMI	57.9		57.9
		- Nov unemployment rate (%)	6.3		6.2
France	0850	Nov Markit Manufacturing PMI	-		49.1
UK	0930	Nov Markit/CIPS Manufacturing PMI Final	55.2		55.2
Italy	0845	Nov Markit/IHS Manufacturing PMI	-		53.8
	0900	Q3 GDP Final (QoQ/YoY%)	-/-	-	16.1/-4.7
Spain	0815	Nov Manufacturing PMI	-		52.5
Canada	1330	Q3 GDP (QoQ%) Annualized	45.5	47.0	-38.7
	1430	Nov Markit Manufacturing PMI SA	55.0		55.5
Australia	0030	Q3 Current Account Balance SA	-		17.7
	0330	Dec RBA Cash Rate	0.1		0.1
New Zealand	2145	Q3 Terms of Trade (QoQ%)	-		2.5
Switzerland	0645	Q3 GDP (QoQ/YoY%)	-/-	-	-7.3/-8.3
	0830	Nov Manufacturing PMI	-		52.3
Netherlands	0800	Nov PMI - Manufacturing	-		50.4
Greece	0900	Nov PMI Manufacturing	-		48.7
Eurozone	0900	Nov Markit Manufacturing Final PMI	53.6		53.6
	1000	Nov HICP Flash (YoY%)	-0.3		-0.3
Wednesday 2 December					
US	1315	Nov ADP National Employment	-	500.0	365.0
	1900	FED issues the beige book on economic conditions			
Germany	0700	Oct Retail Sales (MoM/YoY%)	1.5/7.2	-	-2.2/6.5
Italy	0900	Oct Unemployment Rate	-		9.6
Australia	0030	Q3 Real GDP (QoQ/YoY%)	2.5/-4.4	-	-7.0/-6.3
	0000	RBA Governor Philip Lowe speaks			
Switzerland	0730	Nov CPI (MoM/YoY%)	-/-	-	0.0/-0.6
Eurozone	1000	Oct Unemployment Rate	8.4		8.3
Thursday 3 December					
US	1445	Nov Markit Composite Final PMI	-		57.9
	1445	Nov Markit Services PMI Final	-		57.7
	1500	Nov ISM Non-manufacturing PMI	55.8	56.4	56.6
Japan	0030	Nov Consumer Confidence Index	32.4		33.6
Germany	0855	Nov Markit Services PMI	-46.2		46.2
	0855	Nov Markit Composite Final PMI	52.0		52.0
France	0850	Nov Markit Services PMI	-		38.0
	0850	Nov Markit Comp PMI	-		39.9
UK	0700	Nov Reserve Assets Total	-		177702.46
	0930	Nov Markit/CIPS Services PMI Final	45.8		45.8
Italy	0845	Nov Markit/IHS Services PMI	-		46.7
Spain	0815	Nov Services PMI	-		41.4
Eurozone	0900	Nov Markit Services Final PMI	41.3		41.3
	0900	Nov Markit Composite Final PMI	45.1		45.1
	1000	Oct Retail Sales (MoM/YoY%)	-0.2/2.4	/	-2.0/2.2
Australia	0030	Oct Trade balance (A\$bn)	2.1		5.6
Friday 4 December					
US	1330	Nov Non-Farm Payrolls	540	500	638
	1330	Nov Private Payrolls	600	590	906
	1330	Nov Unemployment Rate	6.7	6.8	6.9
Germany	0700	Oct Industrial Orders (MoM%)	-0.4		0.5
UK	0930	Nov Markit/CIPS Cons PMI	-		53.1
Canada	1330	Nov Employment Change	70.0		83.6
	1330	Nov Unemployment Rate	8.6		8.9
	1330	Oct Trade Balance C\$	-		-3.25
Australia	0030	Oct Retail Sales (MoM%)	0.0		-1.1

Source: ING, Refinitiv

Authors

James Knightley

Chief International Economist

james.knightley@ing.com

Bert Colijn

Senior Economist, Eurozone

bert.colijn@ing.com

Disclaimer

This publication has been prepared by the Economic and Financial Analysis Division of ING Bank N.V. ("ING") solely for information purposes without regard to any particular user's investment objectives, financial situation, or means. *ING forms part of ING Group (being for this purpose ING Group N.V. and its subsidiary and affiliated companies).* The information in the publication is not an investment recommendation and it is not investment, legal or tax advice or an offer or solicitation to purchase or sell any financial instrument. Reasonable care has been taken to ensure that this publication is not untrue or misleading when published, but ING does not represent that it is accurate or complete. ING does not accept any liability for any direct, indirect or consequential loss arising from any use of this publication. Unless otherwise stated, any views, forecasts, or estimates are solely those of the author(s), as of the date of the publication and are subject to change without notice.

The distribution of this publication may be restricted by law or regulation in different jurisdictions and persons into whose possession this publication comes should inform themselves about, and observe, such restrictions.

Copyright and database rights protection exists in this report and it may not be reproduced, distributed or published by any person for any purpose without the prior express consent of ING. All rights are reserved. ING Bank N.V. is authorised by the Dutch Central Bank and supervised by the European Central Bank (ECB), the Dutch Central Bank (DNB) and the Dutch Authority for the Financial Markets (AFM). ING Bank N.V. is incorporated in the Netherlands (Trade Register no. 33031431 Amsterdam). In the United Kingdom this information is approved and/or communicated by ING Bank N.V., London Branch. ING Bank N.V., London Branch is authorised by the Prudential Regulation Authority and is subject to regulation by the Financial Conduct Authority and limited regulation by the Prudential Regulation Authority. ING Bank N.V., London branch is registered in England (Registration number BR000341) at 8-10 Moorgate, London EC2 6DA. For US Investors: Any person wishing to discuss this report or effect transactions in any security discussed herein should contact ING Financial Markets LLC, which is a member of the NYSE, FINRA and SIPC and part of ING, and which has accepted responsibility for the distribution of this report in the United States under applicable requirements.

Additional information is available on request. For more information about ING Group, please visit <http://www.ing.com>.