

Key events in developed markets next week

Next week will be on the quieter side in the US. The main focus will be on Fed Chair Jerome Powell, who will be appearing on a panel at the upcoming IMF conference. In the UK, all eyes will be on the release of third-quarter GDP data, which we're expecting to come in fractionally negative after a weak July



Source: Shutterstock

US: Chair Powell to appear on a panel at the upcoming IMF conference

It is a very quiet week for US data with more interest likely generated by a number of Federal Reserve officials who are scheduled to speak, including Chair Powell, who is appearing on a panel at the upcoming IMF conference. Seven other officials are also speaking and we are likely to hear how much weighting each official puts on the recent tightening of financial conditions brought about by the sharp rise in Treasury yields. In terms of the data we will be looking at the jobless claims numbers, which have been ticking higher latterly. Initial claims remain low, indicating firms are not feeling the pressure to fire people, but with continuing jobless claims now up 160k in the past month and a half it appears that if you do lose your job it is becoming more difficult to find a new one. Meanwhile the hefty falls seen in gasoline prices should prompt a decent bounce in University of Michigan confidence given this measure of sentiment appears to be far more

sensitive to cost of living related concerns relative to the Conference Board which appears more influenced by labour market conditions.

✓ UK: third quarter GDP to come in fractionally negative after weak July

July's monthly GDP came in at -0.6%, and we saw only a partial rebound in August's figures. Purely mechanically, barring a big rebound in the September growth figures due next week, we suspect that overall third quarter GDP will come in fractionally negative. None of that tells us a huge amount, other than that these figures have been pretty volatile recently. Strike activity seems to offer part of the explanation, but a lot of recent moves in GDP seem to be more noise than signal. Bigger picture, the level of GDP has barely changed since the start of this year and the Bank of England has been clear it expects this stagnation to persist for the next couple of years. While our own forecasts aren't far off that, and we don't rule out a recession next year, we're minded to say the economy is more likely to grow a touch faster over the coming quarters. The average rate on mortgages will climb over coming months as more homeowners refinance. But equally the real wage story is improving, and while the jobs market is cooling, the aggregate impact on consumer spending from what we've seen so far is unlikely to be huge. A lot will hinge on whether the deterioration in hiring conditions accelerates over coming months.

Key events in developed markets next week

| Country | Time | Data/event | ING | Survey | Prev. |
|-----------------------------|------|--|----------|--------|------------|
| Monday 6 November | | | | | |
| Germany | 0700 | Sep Industrial Orders (MoM%) | -2 | | 3.9 |
| | 0855 | Oct S&P Global Services PMI | 48 | | 48 |
| | 0855 | Oct S&P Global Composite Final PMI | 45.8 | | 45.8 |
| France | 0850 | Oct S&P Global Composite PMI | - | | 45.3 |
| Italy | 0845 | Oct Composite PMI | - | | 49.2 |
| Spain | 0815 | Oct Services PMI | - | | 50.5 |
| Eurozone | 0900 | Oct S&P Global Services Final PMI | - | | 47.8 |
| | 0900 | Oct S&P Global Composite Final PMI | - | | 46.5 |
| Tuesday 7 November | | | | | |
| US | 1330 | Sep International Trade \$ | -60 | -60.5 | -58.3 |
| | 2000 | Sep Consumer Credit | -10 | 10 | -15.63 |
| Germany | 0700 | Sep Industrial Output (MoM%/YoY%) | 0.3/-1.2 | 0.1/ | -0.2/-1.75 |
| Canada | 1330 | Sep Trade Balance C\$ | - | | 0.72 |
| Switzerland | 0645 | Oct Unemployment Rate Adjusted | - | | 2.1 |
| Netherlands | 0530 | Oct CPI (YoY% NSA) | - | | 0.2 |
| | 0530 | Oct CPI (MoM%, NSA) | - | | -0.4 |
| Wednesday 8 November | | | | | |
| Germany | 0700 | Oct CPI Final (MoM%/YoY%) | 0/3.8 | / | 0/3.8 |
| France | 0745 | Oct Reserve Assets Total | - | | 214351 |
| | 0745 | Sep Trade Balance | - | | -8.202 |
| Eurozone | 1000 | Sep Retail Sales (MoM%/YoY%) | -/- | / | -1.2/-2.1 |
| Thursday 9 November | | | | | |
| US | 1230 | Continuing Jobless Claims (000) | 1835 | - | 1818 |
| | 1230 | Initial Jobless Claims (000) | 215 | - | 217 |
| Friday 10 November | | | | | |
| US | 1500 | Nov University of Michigan Sentiment Prelim | 66 | 65 | 63.8 |
| | 1500 | Nov University of Michigan Conditions Prelim | 74 | | 70.6 |
| | 1500 | Nov University of Michigan Expectations Prelim | 61 | | 59.3 |
| UK | 0700 | Sep GDP Estimate (MoM%/YoY%) | 0.1/1.1 | / | 0.2/0.5 |
| | 0700 | Q3 GDP Prelim (QoQ%/YoY%) | -0.1/0.5 | / | 0.2/0.6 |
| Italy | 0900 | Sep Industrial Output (MoM%/YoY%) | -/- | / | 0.2/-4.2 |
| Norway | 0700 | Oct CPI (MoM%/YoY%) | -/- | / | -0.1/3.3 |
| | 0700 | Oct Core Inflation (MoM%/YoY%) | -/- | / | 0.4/5.7 |
| Netherlands | 0530 | Sep Manufacturing Output (MoM%) | - | | -0.7 |
| Greece | 1000 | Sep Industrial Output (YoY%) | - | | -0.5 |
| | 1000 | Oct CPI (YoY%) | - | | 1.6 |

Source: Refinitiv, ING

Authors

James Knightley

Chief International Economist

james.knightley@ing.com

James Smith

Developed Markets Economist

james.smith@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>.