

## Key events in developed markets this week

Developed markets pick up the pace in the week ahead. US retail sales and inflation data will provide further clues about future Fed policy while in Sweden, investors will focus on the result of Sunday's general election



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### **US: spend, spend, spend**

US consumer sentiment continues to be boosted by tax cuts, a strong jobs market and rising asset prices. This suggests that retail sales should continue to grow strongly with already released auto sales number offering support for a robust 0.6% month-on-month number. Gasoline price edged lower through the month so there is perhaps a little downside risk from gasoline station sales. This also means that consumer price inflation may be more muted than the consensus expects. We look for both headline and core inflation to rise 0.2%. This would see headline annual inflation slip to 2.7%, but given the risks from an ever tightening labour market, the Fed looks set to hike rates again in both September and December.

### **Election fallout looms**

The Swedish elections on 9 September are likely to return a hung parliament. Negotiations (and posturing) will begin this week, though we don't expect a new government to be settled for some

time. A strong result for the far-right populists would make the task harder for the mainstream parties, and could weigh on the krona.

On the economic front, inflation figures in Norway (Monday) and Sweden (Friday) are the key data to watch. We see continued high headline inflation, as energy prices remain elevated, but core inflation remains some way below 2%.

### **End in sight for the ECB's QE programme**

The main item in the eurozone will be the European Central Bank meeting on Thursday. ECB President Mario Draghi will, in our view, announce the already anticipated next step in the tapering process, reducing monthly quantitative easing purchases from €30 billion to €15 billion, with the goal of ending QE by year-end.

## **Developed Markets Economic Calendar**

Country	Time	Data/event	ING	Survey	Prev.
<b>Monday 10 September</b>					
US	1700	Fed's Bostic Discusses Economic Outlook			
Japan	0050	2Q F GDP (Annualised, QoQ%)	2.4	2.7	1.9
	0050	2Q F GDP Deflator - Advance (Q) (YoY%)	-	0.1	0.1
	0050	Jul C/A Balance - Adjusted (Yen bn)	-	-	1762.4
UK	0930	Jul Trade Balance (£m)	-	-	-1861
	0930	Jul Industrial Production (MoM/YoY%)	0.3/1.2	-/-	0.4/1.1
	0930	Jul GDP (MoM%)	0.2	-	0.1
Australia	-	RBA's Bullock Speech in Albury			
Norway	0700	Aug CPI (MoM/YoY%)	-/-	-/-	0.7/3
	700	Aug CPI-ATE (MoM/YoY%)	-/-	-/-	0.6/1.4
Sweden	0730	SEB Swedish Monthly Housing-Price Indicator			
Portugal	1100	Portugal Releases Industrial Sales, Employment Report			
	1100	Portugal Reports International Trade Figures for July			
<b>Tuesday 11 September</b>					
US	1100	Aug NFIB Small Business Optimism	108.1	108.2	107.9
Japan	0530	Jul Tertiary Industry Index (MoM%)	0.2	-	-0.5
Eurozone	1300	ECB's Nouy Speaks in Strasbourg, France			
Germany	1000	Sep ZEW Current Situation Index	73	-	72.6
UK	0930	Aug Claimant Count Rate (%)	-	-	2.5
	0930	Jul Weekly Earnings (3M avg)	2.4	-	2.4
	0930	Jul Weekly Earnings ex. Bonus (3M avg)	2.8	-	2.7
	0930	Jul ILO Unemployment Rate (3M avg.)	4	-	4
	0930	Jul Employment Change (3M/3M)	36	-	42
Sweden	0810	Riksbank First Deputy Governor Af Jochnick Gives Speech			
	0815	Riksbank's Ingves in London Roundtable			
<b>Wednesday 12 September</b>					
US	1900	U.S. Federal Reserve Releases Beige Book			
Japan	0050	3Q BSI - All Industry (QoQ%)	5.1	-	-2
	0050	3Q BSI - Large Manufacturing (QoQ%)	9.3	-	-3.2
Eurozone	1000	Jul Industrial Production (WDA, YoY%)	-	-	2.5
Spain	0800	Aug F HICP (MoM/YoY%)	-/-	-/-	0.1/2.2
Australia	0200	RBA's Thompson Speech in Sydney			
Sweden	0500	Aug PES registered unemployment rate (%)	-	-	3.8
	0700	Prospera Inflation expectations survey			
<b>Thursday 13 September</b>					
US	1330	Aug CPI (MoM/YoY%)	0.2/2.7	0.3/-	0.2/2.9
	1330	Aug CPI ex. Food and Energy (MoM/YoY%)	0.2/2.4	0.2/-	0.2/2.4
	1815	Fed's Bostic Gives Speech on Economy and Monetary Policy			
Japan	0050	Aug PPI (MoM/YoY%)	0.2/3.1	-/-	0.5/3.1
	0050	Jul Core machine orders (MoM/YoY%)	9.0/7.3	-/-	-8.8/0.3
Eurozone	1245	ECB Main Refinancing Rate	0	-	0
	1245	ECB Marginal Lending Facility	0.25	-	0.25
	1245	ECB Deposit Facility Rate	-0.4	-	-0.4
	1330	ECB President Draghi Holds Press Conference in Frankfurt			
	1430	ECB Publishes Macroeconomic Projections			
Germany	0700	Aug F CPI (MoM/YoY%)	0.1/2	-/-	0.1/2
UK	1200	BoE Policy Rate	0.75	-	0.75
	1200	BoE's Agents Summary of Business Conditions			
Australia	0200	Sep CPI expectations (YoY%)	4	-	4
	0230	Aug Employment Change ('000)	35	-	-3.9
	0230	Aug Unemployment Rate (%)	5.3	-	5.3
	0010	RBA's Holloway Speech in Sydney			
Sweden	0830	2Q F GDP (QoQ%)	-	-	1
<b>Friday 14 September</b>					
US	1330	Aug Advance Retail Sales (MoM%)	0.6	0.6	0.5
	1330	Aug Retail Sales ex. Auto and Gas (MoM%)	0.4	-	0.6
	1415	Aug Industrial Production (MoM%)	0.3	0.3	0.11
	1500	Sep P U. of Mich. Sentiment Index	97.0	-	96.2
Japan	0530	Jul F Industrial production - Prel (MoM/YoY%)	-/-	-/-	-0.1/2.3
Eurozone	1000	Jul Trade Balance (€bn)	-	-	16717.6
UK	1100	BOE's Carney speaks in Dublin			
Italy	0900	Aug F HICP (YoY%)	1.7	-	1.7
Sweden	0830	Aug CPI (MoM/YoY%)	-/-	-/-	0.5/2.1
	830	Aug CPIF (MoM/YoY%)	0.0/2.4	-/-	0.5/2.2
	830	Aug Core CPIF (MoM/YoY%)	0.0/1.5	-/-	0.4/1.3
Portugal	-	Portugal Sovereign Debt to be Rated by S&P			
Austria	-	Austria Sovereign Debt to be Rated by S&P			

Source: ING, Bloomberg

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