

THINK Ahead: Five ways autumn could surprise us

The rain has arrived and nature is gearing up for winter. The birds are migrating, the squirrels are stockpiling, and London's finance bros are back in their Patagonia gilets. So as the daylight fades and the economic chill creeps in, James Smith explores five ways we could be caught off guard this autumn. Happy Friday!



As leaves start to fall, nature – and the economy – are preparing for a seasonal shift

1 A tariff resurgence

Does anyone really think we've heard the last word on tariffs? I doubt it – and tariffs have certainly moved around a lot this year. I put the average US import tariff at 18% now – down from April's post-'Liberation Day' 28% peak, but up from the 12% low after May's US-China détente. These are the highest tariffs since the 1930s.

Several short-term questions loom: Will the US impose the threatened tariffs on pharmaceuticals, pending the outcome of a national security investigation? My gut feeling is no, or not without significant exemptions. Will India's 50% tariff be cut back? And can Switzerland negotiate down its eye-watering 39% rate to something closer to the EU's 15%? People I spoke to in Zurich this week were optimistic.

But there are more fundamental issues too, like whether the EU's tariff deal stands the test of time. There are still details to be worked through and a fresh flare-up later this year certainly can't be ruled out. Some fear impatience in Washington over Europe's stance on Ukraine's peace process could be a potential tariff flashpoint.

The direction for tariffs is up, not down, if anything, not least because the pressure on the White House from financial markets has diminished since April. Instead, the challenge is now a legal one. The big wildcard this autumn would be if the Supreme Court strikes down Trump's country-specific tariffs. There would be chaos, no doubt, even if there are [plenty of other powers](#) at the president's disposal to impose tariffs through other means.

2 A negative US payrolls reading

The thing about [Powell's speech](#) at Jackson Hole the other day was that it actually wasn't that dovish. Not if you ignored the line about rate cuts getting more likely, anyway. He said there's no "large margin of slack" in the jobs market. There are also upside risks associated with inflation. Not the words of a man wholeheartedly endorsing a rapid string of rate cuts...

The problem with the jobs data, though, is that it has a tendency to produce unusual results. What if we get a negative payroll print? That's not something you tend to see outside of recessions. Yet May and June came close, and probably will end up negative once the data is eventually revised.

The surveys don't look great either; neither consumers nor businesses are particularly upbeat about the jobs market.

Powell's admission that the Fed "may" cut rates sets a pretty high bar for not doing so in September. But further shock jobs data next week would bolster [James Knightley's view](#) that a cut next month will be quickly followed by moves in October and December, something markets aren't currently pricing.

3 A full Fed shake up

Speaking of the Fed, if Lisa Cook is ousted – as our [US team expects](#), despite legal hurdles – it paves the way for another pro-Trump appointee. They would join Stephen Miran (or his replacement), Michelle Bowman, and Christopher Waller, leaving a majority of Fed Governors either allied to Trump or minded to cut rates. Four could become five, if Jerome Powell leaves the board once his term as chair ends.

Four or five votes would still fall short of the seven needed for majority decisions on the FOMC. Governors do approve the 12 regional Fed presidents – five of whom vote on a rotational basis. With all 12 up for reappointment in February 2026, there's a tail risk of serious shake-ups, were Trump to wield enough influence over the governors for them to reject appointees.

Do the governors really have that much sway? And will Bowman and Waller – respected members of the committee – toe the political line as much as some fear? For all the pressure from the White House, Waller was still pitching for a modest 25bp cut in a speech this week.

It's a nuanced story, and that probably helps explain the relatively restrained market reaction so far. The US Treasury curve has unsurprisingly steepened though: lower rates today risk inflaming inflation further ahead, which is bad news for bonds.

It may not stop here. [Padhraic Garvey sees](#) the US 10-year yield hitting 4.5%. It's a [dollar negative](#), too, backing our call for 1.20 on EUR/USD by year-end. The battle for Fed independence feels like it's only just getting started...

4 A euro crisis

A [confidence vote](#) on 8 September is highly likely to result in the fall of the French government. Spreads between French and German bonds [are likely to widen further](#), our team thinks, given the risk of renewed parliamentary elections.

Whenever this happens, memories of the infamous euro crisis in the early 2010s inevitably resurface. Yet times have changed. The rise in French spreads is contained; Italy and Spain look healthier. And the ECB has credible means of tackling excessive sell-offs in one or more European bond markets, via its Transmission Protection Instrument (TPI). The risk of another full-blown crisis is low, which, as our FX team points out, is why the impact on the euro so far has been pretty minimal.

Yet government deficits are going to become a growing issue in Europe. NATO defence commitments will require tough choices on other areas of spending, despite the European Commission easing its fiscal rules. France won't be the only country to face thorny budget choices over the coming years.

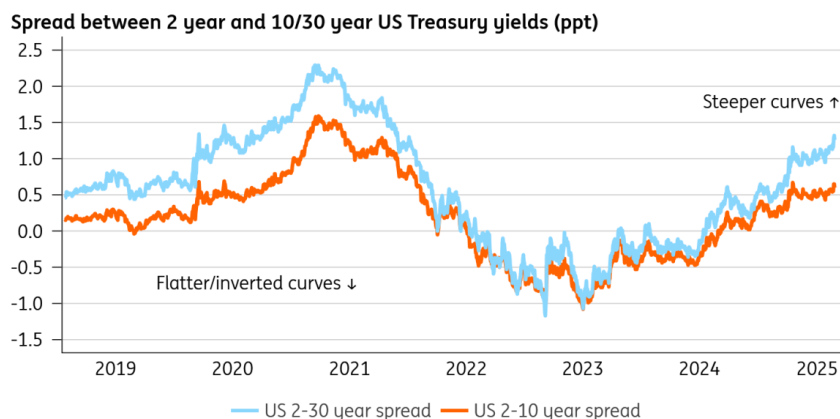
5 A 2026 ECB rate hike

This week's ECB minutes had a hint of an easing bias, even if officials seem fairly content with the level of rates so far. [Carsten Brzeski writes](#) that another cut is still possible, given the downside risks to inflation.

But the debate on cuts is nearing its conclusion, and soon enough we'll be talking about rate hikes. And what if the true surprise this autumn is if markets start pricing one in 2026?

Next week's eurozone inflation is an unlikely catalyst, as Bert Colijn writes below. But German fiscal stimulus is coming, and according to Carsten, it pits the country as a potential outperformer on growth next year. Signs of that boost coming through earlier than expected are a potential wildcard for the final months of 2025.

Chart of the week: The US Treasury curve has steepened amid Fed independence threat



Source: Macrobond, ING

THINK Ahead in developed markets

Eurozone (Bert Colijn)

- **Unemployment (Mon):** While the US has seen some downside surprises to the labour market recently, the eurozone unemployment rate continues to hold steady around historically low levels. While northern eurozone countries like Germany have experienced softening, the strength in Southern Europe is keeping overall unemployment in the eurozone below 6.5%, which supports further domestic economic strength if – and that’s a big if – consumers get confident enough to spend.
- **Inflation (Tue):** Inflation has been comfortably around the ECB’s target for some time now. In fact, it was bang on at 2% for two months in a row and is expected not to show large moves in the months ahead. Then again, core inflation is still a tad too high at the moment, and recent survey data continues to suggest that services inflation will trend above target for some time to come.

United Kingdom (James Smith):

- **Budget date?** Except for a delayed retail sales report, there's not much data next week. Instead, we'll be watching to see if the government announces the Autumn Budget date. To hold it before the 6 November Bank of England meeting, it must be announced by Wednesday to meet the Office for Budget Responsibility’s 10-week notice requirement. It matters because in theory, the budget, which is likely to see tax hikes dominate, could be another factor that pushes the BoE towards further rate cuts. If it comes before November's meeting, then the Bank would have to take it into account, even if in practice it's probably not the main determinant of whether we get another cut before year-end.

THINK Ahead in Central and Eastern Europe

Poland (Adam Antoniak)

- **2Q25 GDP (Mon):** We expect the flash estimate of 2Q25 GDP growth to be confirmed at

3.4%YoY. In terms of value added, we believe that the services sector drove economic expansion as manufacturing was nearly stagnant and construction was in contraction in 2Q25. With respect to the expenditure side of GDP, we estimate that growth was mainly underpinned by private consumption (up by 4.0%YoY vs. 2.5%YoY in the previous quarter), and fixed investment growth was slightly slower than in 1Q25. A negative contribution from net exports was partially compensated by the positive impact of the change in inventories.

- **NBP rate** (Wed): We share the market view that the National Bank of Poland will cut interest rates by 25bp next week. In the summer months, headline inflation declined towards 3% and is within the range of acceptable deviations from the central bank target (2.5%; +/- 1pp) and is projected to remain close to the target in the medium term. Core inflation is also moderating. Wage growth is slowing this year and the trend should continue in 2026 as minimum wage and public sector compensations are planned to increase by only 3.0%. With nominal rates at 5.00%, the Polish central bank still has room for trimming real rates amid lower inflation. Policymakers still refrain from declaring a cycle and communicate recent moves as “policy adjustment. The NBP Governor Adam Glapiński's press conference on Thursday should allow for a better assessment of whether or not rate setters are prepared to deliver another cut in the coming months.

Hungary (Peter Virovacz)

- **GDP** (Tue): The Statistical Office is finally revealing the details behind 2Q GDP data. While the flash estimate caused a positive surprise, there is not much to be cheerful about. We expect agriculture and industry to be shown as major drags on growth, with only a small positive contribution from construction and a relatively healthy performance in the services sector.
- **Retail/Industry** (Thu/Fri): In our view, the first set of hard data regarding the third quarter will not be particularly optimistic. A lack of consumer confidence will keep retail sales turnover growth relatively moderate, and order books and soft indicators suggest that the industry will continue to struggle due to a lack of external demand.

Turkey (Muhammet Mercan)

- The first week of September is quite important for markets, with major data releases and the announcement of the Medium-Term Plan (MTP) for 2026-28. While MTP will shed some light on the policy outlook for 2026, we expect 2Q GDP to be at 3.8% YoY, showing an acceleration compared to 1Q with base effects. However, sequential growth will lose momentum given the tightening in financial conditions following the March volatility. We see below-consensus monthly inflation for August at 1.5% MoM, pulling the annual figure down to 32.2% from 33.5% a month ago. Given this backdrop, we expect the central bank to cut rates by another 300bp at the September meeting.

Key events in developed markets next week

Country	Time Data/event	ING	Prev.
Monday 1 September			
Eurozone	0900 HCOB Manufacturing PMI Final	50.5	50.5
	1000 Unemployment Rate	6.2	6.2
Germany	0855 HCOB Manufacturing PMI Final	49.9	49.9
UK	0930 S&P Global/CIPS Manufacturing PMI Final	47.3	47.3
Italy	0845 S&P Global/IHS Manufacturing PMI	-	49.8
	0900 Unemployment Rate	-	6.3
Tuesday 2 September			
US	1500 ISM Manufacturing PMI	-	48
	1500 ISM Manufacturing Prices Paid	-	64.8
Eurozone	1000 CPI Flash (YoY%)	2.1	2
	1000 Core CPI Flash (YoY%)	2.4	2.3
Wednesday 3 September			
US	1500 Factory Orders (MoM%)	-	-4.8
Eurozone	0900 HCOB Services PMI Final	50.7	50.7
	0900 HCOB Composite PMI Final	51.1	51.1
Germany	0855 HCOB Services PMI Final	50.1	50.1
	0855 HCOB Composite PMI Final	50.9	50.9
France	0850 HCOB Composite PMI	-	49.8
UK	0930 S&P Global/CIPS Serv PMI Final	53.6	53.6
	0930 S&P Global Composite PMI Final	53	53
Italy	0845 Composite PMI	-	51.5
Spain	0815 Services PMI	-	55.1
Thursday 4 September			
US	1315 ADP National Employment	-	104
	1330 International Trade (USD bn)	-	-60.2
	1445 S&P Global Composite PMI Final	-	55.4
	1445 S&P Global Services PMI Final	-	55.4
	1500 ISM Non-Manufacturing PMI	-	50.1
	1330 Initial Jobless Claims (000s)	-	235
Eurozone	1000 Retail Sales (MoM%/YoY%)	-/-	0.3/3.1
Canada	1330 Trade Balance (CAD bn)	-	-5.9
Switzerland	0730 CPI (MoM%/YoY%)	-/-	0/0.2
	0800 Unemployment Rate	-	2.9
Friday 5 September			
US	1330 Non-Farm Payrolls	-	73
	1330 Private Payrolls	-	83
	1330 Unemployment Rate	-	4.2
Eurozone	1000 GDP Revised (QoQ%/YoY%)	0.1/1.4	0.1/1.4
Germany	0700 Industrial Orders (MoM%)	1.5	-1
France	0745 Reserve Assets Total (EUR bn)	-	303
	0745 Trade Balance (EUR bn)	-	-7.6
UK	0700 Retail Sales (MoM%/YoY%)	0.0/0.8	0.9/1.7
	0700 Retail Sales ex fuel (MoM%/YoY%)	0.0/0.7	0.6/1.8
Canada	1330 Unemployment Rate	-	6.9
Austria	0800 GDP Final (QoQ%)	-	0.1

Source: Refinitiv, ING

Key events in EMEA next week

Country	Time (BST)	Data/event	ING	Prev.
Monday 1 September				
Russia	0700	S&P Global Manufacturing PMI	-	47
Turkey	0800	GDP (QoQ%/YoY%)	-/3.8	1/2
	0800	Manufacturing PMI	-	45.9
Poland	0800	S&P Global Manufacturing PMI	46.5	45.9
	0900	GDP (QoQ%/YoY%)	0.8/3.4	0.8/3.4
Czech Rep	0830	S&P Global PMI	-	49.7
	1300	Budget Balance (CZK bn)	-	-168.2
Hungary	0800	Manufacturing PMI	49.1	50.7
Tuesday 2 September				
Hungary	0730	GDP Final (QoQ%/YoY%)	0.4/0.1	0.4/0.1
Kazakhstan	-	Aug CPI (MoM%/YoY%)	-/-	0.7/11.8
Wednesday 3 September				
Russia	0700	S&P Global Services PMI	-	48.6
Turkey	0800	CPI (MoM%/YoY%)	1.5/32.2	2.1/33.5
Poland	1300	NBP Base Rate	4.75	5.00
Czech Rep	0800	Gross wages (YoY%)	-	3.9
Thursday 4 September				
Hungary	0730	Jul Retail Sales (YoY%)	2.6	3
Turkey	1230	FX Reserves (USD bn)	-	90.9
Friday 5 September				
Russia	0700	FX Reserves (USD bn)	-	681
Czech Rep	0800	Jul Retail Sales (MoM%/YoY%)	-/-	0.3/5.5
Hungary	0730	Jul Industrial Output (YoY%)	-3.5	-4.9

Source: Refinitiv, ING

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