In this bundle

THINK economic and financial analysis

missed it: Finding the silver

With under five weeks to go until the US mid-term elections and the Republicans under pressure, will President Trump double down on his

Europe is battling its own problems too, with the and "no-deal" Brexit noise growing. Emerging e also feeling the pain as the rupee and Taiwan dollar take a hit

United States...

The China-US trade war is hurting the Taiwan dollar

The ongoing trade war between the US and China has led to a sell-off in the equities market by foreign investors weakening the Taiwan dollar. The...

Car sharing unlocked

The number of cars in Europe is set to decline as car sharing triggers a 'peak car' moment. Platforms and technology developments are encouraging...

Think Forward Initiative

Robo-advice: A revolution with risks

Are the machines really taking over? In the world of financial planning, they've been quietly replacing humans for the past 10 years. And while...

Article | 1 November 2018 **United States**

US mid-term elections: Feeling Blue?

The mid-term elections are less than a week away and opinion polls continue to suggest the Republicans are under pressure. The loss of Congressional control would make life increasingly difficult for President Trump and have major implications for policy. Here we revisit the possible election scenarios and assess their market implications

Scenarios and market implications

We see four broad scenarios for the post-November landscape and it is through a prism of fiscal, monetary and protectionist policy that we should view the market impact.

Election result	Political outcomes	Policy implications	Probability & market implication
1 Republicans keep majority in both House and Senate.	**Trump unbound** Vindicated by election win, Trump doubles down on 'America First' policies	More hard-line immigration and trade policies. Potential for further tax cuts and fiscal spending	**Medium probability**. Equity markets supported initially, dollar likely gains, but worries about Fed rate hikes and fiscal sustainability could hurt bond markets and ultimately equities.
2 Democrats win narrow House majority, Senate still in Republican hands	**Trump tapered** Trump increasingly limited by congressional deadlock and must rely on executive powers	Limited scope for new legislation; occasional stand-offs on budget and immigration. Uses executive powers on trade	**High probability**. Less chance of further fiscal stimulus and due to current long positioning we could see mild sell-off in risk assets & dollar. Growth set to moderate.
	Grand Bargain Trump and Democrats reach a compromise, reducing tension and allowing legislative progress	Less hard-line stance on trade and immigration, more fiscal stimulus focused on lower income households plus infrastructure	**Low probability**. Politics is too polarised, but would be positive for risk assets and dollar with Fed rate hikes being stepped up.
3 Democrats sweep mid-terms, taking both House and Senate	**All-out war in D.C.** Buoyed by mid-term win, Democrats set out to block Trump's agenda, and may even look to impeach the president	Complete gridlock; potential impeachment; government shutdown a real risk; Trump resorts to executive powers as pressure rises ahead of 2020 Presidential election	**Medium probability**. Potentially a highly divisive and volatile environment. Not helpful for risk – dollar negative. Economic activity could slow more significantly as political worries weigh.

Source: ING

Setting the scene

The 6 November mid-term election offers the electorate the opportunity to give their assessment on the first two years of Donald Trump's presidency. Does the "Make America Great Again" policy thrust continue to resonate to the same degree, have legal issues taken their toll, or is it still all down to "the economy, stupid"? The outcome will have major ramifications for economic and trade policy, which will set the battleground for the 2020 presidential election.

Currently, the Republicans hold the Presidency and majorities in both the House of Representatives and the Senate, but Democrats will be looking to break this stranglehold. All 435 House of Representative seats are up for grabs along with 35 of the 100 Senate seats[1].

The Republicans hold 235 seats in the House of Representatives versus the Democrats' 193 while there are seven vacant positions. This means the Democrats need to make a net gain of 25 seats to wrestle control of the House from the Republicans

In the Senate, the Republicans have a wafer-thin majority. They currently hold 51 of the 100 seats (plus the Vice President's vote if needed in a tied vote) while the Democrats have 47 and there are two independents, who vote with the Democrats. However, of the 35 seats being contested in November, the Democrats have 24 up for election along with the two independents, while the Republicans only have nine. As such, the Democrats need to win two of the nine Republican-controlled Senate seats, while holding on to all of the seats they currently occupy to gain control of the Senate.

National polls have remained broadly stable over the last month or so, showing Democrats ahead

by 8-9%, though President Trump's approval rating has improved slightly (but his net approval remains negative). This points to a solid but not insurmountable advantage for Democrats in the House race, while Republicans remain favoured in the Senate thanks to the advantageous map.

Betting odds and polling analysts continue to believe the most likely outcome is that the Democrats will win control of the House of Representatives, but fall short in their quest for the Senate. The odds of a Democratic Senate majority have lengthened materially, with no more than a 10-15% probability now ascribed to that outcome. Democrats would need to win every close race in the Senate to make it to 51 seats (or perhaps score a surprise win in Texas or Tenessee).

Betting odds and polling analysts believe the most likely outcome is that the Democrats will win control of the House of Representatives, but fall short in their quest for the Senate

Still, even if the most likely outcome is a Democratic House and a Republican Senate, there is a fairly large chance of a surprise outcome. That's because there is virtually no chance of a Democratic Senate and a Republican House, so the probability of the two less likely outcomes (Democrats win the Senate, or Republicans hold the House) are cumulative. That means there is a 30-40% chance of a different outcome from the central expectation. To the extent that markets are expecting a Democratic House/Republican Senate, there may be scope for a sudden adjustment on the morning of November 7th if there is a different outcome.

Odds of Democratic control of Congress after 2018 Mid-terms

(Figures as of 1 November in BOLD, and as of 26 September IN BRACKETS)

	FiveThirtyEight	PaddyPower	PredictIt
House of Representatives	85% (80%)	4/9 ~69% (4/11 ~64%)	70% (66%)
Senate	15% (31%)	12/1~ 8% 5/1 (~17%)	12% (31%)

[1] Members of the House of Representatives serve two-year terms whereas the President has a four-year term and a Senator has a six-year term. Senators terms are staggered so one-third of the 100-member Senate are up for re-election every two years. This year there are 33 Senate seats being voted on in regular elections with two additional special elections due to Senators resigning before their term ended.

Read about the current standing and what could still influence the result?

Key issues for the next two years

Donald Trump's first two years as President have seen a big win for him on tax reform, but a defeat on healthcare. He is fully immersed in trade right now and can also celebrate a strong jobs market, but he has made little progress on his infrastructure spending plan. Certainly, the economy is performing very well, and interest rates continue to rise in a "gradual" fashion.

In the run-up to mid-term elections, global investors are quite heavily positioned; long dollars, long US equities and short US Treasuries even after recent market wobbles. The context here is a pump-primed US economy, whose loose fiscal and tight monetary settings have driven US rates and the dollar higher, while at the same time pressure testing the external balance sheets of some of the largest emerging market economies. Trade and infrastructure plus further tax and healthcare reform are likely to be his key policy thrusts in the second half of his term, but he will need support from Congress. This underlines the significance of these mid-term elections.

In this regard, we feel that there are three major issues we should focus on before diving into the scenarios since they will have a major influence on the likely successes and the market reaction.

1) What happens to fiscal policy and fiscal sustainability?

Historically the trend has been Federal budget deficits widens out during Republican presidencies and narrows under Democrat Presidents. President Trump has not bucked that trend with the Federal fiscal deficit approaching 4% of GDP despite the economy growing 3% this year. Even without any further fiscal boost, the Congressional Budget Office believes the Deficit will hit 4.6% of GDP in 2019 at a time when unemployment is approaching 50-year lows.

US Federal deficits: Republicans vs Democrats
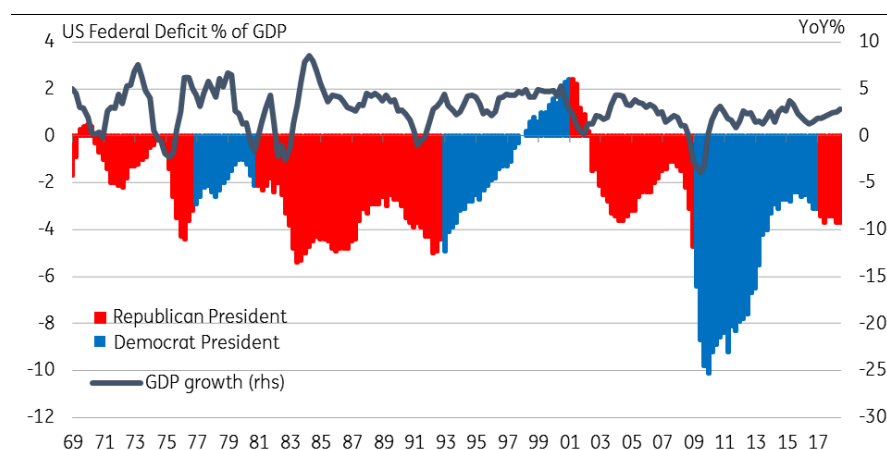
Source: Bloomberg, ING

As the chart below shows, the last time this divergence between a strong economy and weak government finances existed was 1968 when the US was spending nearly 10% of GDP on the Vietnam War – a very different situation to how the US finds itself today. If for whatever reason, growth starts to disappoint, questions about US government debt sustainability may start to adversely affect financial markets and feed into economic sentiment, possibly creating a vicious downward cycle.

The Federal Deficit and unemployment 1956-2018

Source: Macrobond, CBO, ING

Loss of Republican control of Congress would limit Trump's ability to pass legislation, making further fiscal stimulus such as his $1.5 trillion infrastructure spending plan or changes to the US healthcare system less likely. However, if the Republicans retain control of Congress (both the House and the Senate), then there is scope for further fiscal expansion, which could put an additional strain on the medium- and longer-term government finances.

2)   What happens to trade policy?

President Trump has been very vocal on trade, calling out what he believes are unfair practices and levying significant tariffs. China has received much of his ire, with a demand to more than half the current bi-lateral deficit of $370 billion, but the EU and Nafta partners are not immune.

The latest round of tariffs on $200bn of Chinese imports, combined with the threat that tariffs could be extended to all Chinese imports, reinforces the message that he will not back down until China changes its position. But this doesn't look its happening anytime soon with China's retaliation measures already coming into force.

The Democrats have a history of being more protectionist and may well back President Trump to some degree on his attitude toward China

Though, after the mid-term elections, pro-trade Republican politicians and corporates, who have been quiet in the lead up to polling, may be prepared to make a more forceful stand against protectionist measures. The President may well listen if there is growing evidence of a negative impact on the economy – so long as he can still portray the result as a "big win". However, Democrats have a history of being more protectionist and may well back the President to some degree on his attitude toward China. They are likely to advocate a softer approach to US allies such as Canada, Mexico and the EU though.

The alternative argument is that Trump instead chooses to double down and implement further protectionist measures. In the near term at least he may feel that a strong economy and buoyant asset prices will act as a backstop to becoming more aggressive on trade and protecting intellectual property. But if concessions are not forthcoming and the trade war intensifies this would risk hurting growth and also equity markets, which he often views as a key barometer of his performance. A weaker economy and falling US household wealth would not stand him in good stead for a defence of his presidency in 2020.

3)   Could the President be impeached?

This is a topic that is never far from the lips of media commentators. The most plausible scenario is if the investigation of Russian interference in the 2016 election by special Counsel Robert Mueller shows direct and incontrovertible evidence to support impeachment.

Even with a Republican electoral "win", President Trump would, of course, remain vulnerable to new evidence from the Mueller investigation

A simple majority in the House in favour of starting proceedings would result in a Senate trial. Given this would require a supermajority of 67 out of 100 Senators who are likely to vote on party lines largely, Trump would survive unless a substantial number of Republican senators turn on him. If the Democrats were to fail to make any gains in the Senate, it would require 18 Republican Senators to cross the floor and vote with the Democrats. This sounds unlikely, especially if they believe President Trump can pardon himself - as he has stated.

Even with a Republican electoral "win", President Trump would, of course, remain vulnerable to new evidence from the Mueller investigation. And the campaign for 2020 will in effect start as soon as the mid-terms end. That suggests political tension will remain high in the US.

☐ Republicans control both the House and the Senate: Trump Unbound (medium probability)

If the Republicans maintain control of both the House and the Senate, this will be seen as a major victory and would be taken as an explanation of President Trump's current policies. The President would push on with the 'America First' policy-mix, and with another electoral win under his belt could well get stronger support from the Republican party. This may lead to further tax cuts and deregulation, a more hard-line stance on immigration and trade, and a generally a more aggressive approach to politics both at home and abroad.

Under this scenario, President Trump is likely to push on with the 'America First' policy-mix, and with another electoral win under his belt could well get stronger support from the Republican party

In the near term, this could provide a renewed boost to equity markets and domestic demand, but concerns will likely increase around the US fiscal deficit, the impact from trade wars, and perhaps around the geopolitical environment and the role America chooses to play. As such we see this as something of a boom-bust story, which risks an increasingly aggressive response from the Federal Reserve in the form of higher interest rates, which could put Fed Chair Jerome Powell on a collision course with the President.

Longer-dated yields will also rise in response to wage gains and higher inflation resulting from stronger growth, while the question of longer-term fiscal sustainability could add further upward pressure. This will be a tricky situation to manage before the inevitable bust when we see longer-dated yields drop on expectations of a policy reversal from the Fed. Likewise, the dollar could strengthen further into 2019 under this scenario. However, investors will become increasingly concerned by growing twin deficits and will be looking to sell dollars at the first signs that the fiscal stimulus is wearing off and the US is left with the baggage of higher deficits. Putting timings on this is difficult, but if the economy holds up until 2020, it may be enough to secure a second term for President Trump.

Democrats win control of the House but fall short in Senate: Trump tapered (high probability)

In this scenario – which betting markets and pollsters suggest is the most probable outcome - Democrats win control of the House with a modest majority but fall just short in the Senate. President Trump was already somewhat limited by congressional deadlock, but this situation becomes even more challenging for him, and he struggles to pass major legislation. Bi-partisan action may be possible in areas such as infrastructure spending, but for the most part divisions between and within the two parties remain material. Faced with this President Trump focuses on areas executive powers give him more leeway to set the agenda, such as trade policy.

This makes the outlook for trade policy difficult to call. If trade is the only real source of authority the President has, he could continue pushing hard for China to make concessions to get the bi-lateral deficit lower. Given China's response so far, this is unlikely to happen quickly. While trade is not necessarily a critical issue for the Democrats, it is unlikely they will support a trade war with traditional allies like the EU.

Likewise, withdrawal from the WTO is unlikely to get a lot of support from Democrats, so overall Congress is likely to put up more resistance regarding trade policy than it did previously. Our trade team believes that if Trump does attempt to pull out of the WTO, this will be challenged in court by Congress with the decision potentially settled by the Supreme Court.

This scenario will probably make things more challenging for President Trump as he'd struggle to pass major legislation. Faced with this, he's likely to focus on areas executive powers give him more leeway to set the agenda, such as trade policy

Given there is a reduced prospect of additional fiscal expansionary policy in a split Congress, the

fears on debt sustainability may subside. We are also likely to hear more Trump criticism of the Federal Reserve if the central bank continues raising interest rates, but given the strong growth environment and with inflation above target we expect the Fed to continue with their "gradual" policy hikes. We think this scenario will be fairly neutral for the economy, but there is the risk of government shutdowns given differences of opinion on government funding.

In terms of financial markets, there is heavy long positioning regarding the US right now even after recent volatility. This means that perceptions of a more limited room for fiscal manoeuvre might trigger some mild profit-taking on the dollar and US equities, but probably not a sharp sell-off. Rest of the World economies do not have particularly compelling growth stories right now and unless Trump surprises by scaling down protectionism it is hard to see a dramatic rotation into overseas asset markets.

If the Democrat-controlled House were to vote in favour of impeachment, there would likely need to be overwhelming evidence from the Robert Mueller investigation to get the required number of Republican Senators to cross the floor and vote to impeach their President. Given this challenge, the Democrat leadership may be reluctant to act quickly, and if they do pull the trigger, there is a strong likelihood Trump would be found not guilty.

Democrats win control of at least the House: Grand Bargain (low probability)

If the Democrats win control of at least the House, their position will strengthen considerably. One possibility, though an unlikely result, could be that President Trump and his Democratic opponents choose to bury the hatchet and work together. Further fiscal spending (including infrastructure and potentially more tax cuts targeted at lower-income household) is at least in theory appealing to both sides. Compromise on trade (where Democrats are not necessarily opposed to some of Trump's ideas) is also plausible.

This scenario is likely to be positive for the domestic growth story with political risks dramatically scaled back - and little likelihood of impeachment

Further fiscal loosening with a benign backdrop may also lead to a slightly more aggressive Federal Reserve interest rate tightening cycle. Together with congressional consensus on the pursuit of the trade war with China, this should be a mild positive for US asset markets, but positioning probably restrains bigger moves. Worries about the medium-term fiscal sustainability could come more to the fore too with longer-dated yields pushing higher. Given these compromises, there would be little likelihood of impeachment.

Democrats win big in the House and Senate: All-out war in D.C. (medium probability)

If the Democrats win big in the House and the Senate, Trump's legislative position is in tatters as they can block the majority of the President's agenda. This means complete gridlock, frequent risk

of government shutdowns, and an even more volatile political environment ahead of the 2020 presidential campaign, which in effect begins as soon as the mid-terms are over. President Trump would be limited to Executive Powers only.

This scenario is not necessarily negative for growth but could pose major headwinds for risk assets given greater political uncertainty. If Robert Mueller does find evidence of a Russian link, the Democrats may use the resulting political momentum to start impeachment proceedings against the President. A strong Democrat majority in the House would likely vote in favour, but it would still need several Republican Senators to vote against the President to reach the 67 votes required to force him out.

This scenario could leave President Trump's legislative position in tatters as the Democrats could block the majority of the President's agenda. This might not necessarily be negative for growth but could pose major headwinds for risk assets given greater political uncertainty

The Federal Reserve may at the margin take a more cautious approach to policy tightening, particularly if the threat of shutdowns and impeachment are realised. Trump would also likely push his executive powers on trade, which may add to the headwinds for growth. However, he would likely be more restricted under this scenario.

Complete gridlock in Washington and a higher risk of government shutdowns and impeachment proceedings argue that the correction in US asset markets is more aggressive than under the Trump-tapered scenario. Impeachment may be more an issue of noise for the dollar (Clinton's impeachment process took over a year before being dismissed), but more impact would be felt were the Fed to acknowledge these headwinds and go slow/re-assess the need for future policy tightening.

An additional point to consider is that if Republicans lose their majority in the Senate as well as the House, Democrats will be able to block Trump's appointments to federal courts or any new cabinet members. Further appointments to the Federal Reserve would also be at risk, though historically Fed appointments have been less of a partisan issue.

Final thoughts

President Trump has primarily targeted healthcare, taxation and trade in the first half of his Presidential term. January's State of the Union address suggested infrastructure and further tax reform would be the main thrust of the second half. The upcoming mid-terms could easily scupper that plan assuming the Democrats perform as well as pollsters expect.

Our base case is that a split Congress will mean his legislative agenda is curtailed, but not completely blocked though this will require working with the Democrats, such as on infrastructure. Trade policy will remain in focus, but if he can forge a united front with the EU, Canada and other key partners regarding China, there are more likely to be concession he can label a "win" for his stance. Further tax reform is possible, but new initiatives would

need to be focused at the lower end of the income distribution to get Congressional support.

This is a relatively benign story for the economy and asset markets. However, the challenges the US economy faces will intensify. The fading support from the fiscal stimulus, the strong dollar and higher interest rates together with growing concerns about the prospects for emerging markets are all likely to weigh on activity. An all-out trade war would compound these problems and risk a downturn in US growth prospects and asset markets. Such a situation would pose even bigger challenges for President Trump if, as most analysts expect, he seeks re-election in 2020.

Author

James Knightley
Chief International Economist, US
james.knightley@ing.com

Chris Turner
Global Head of Markets and Regional Head of Research for UK & CEE
chris.turner@ing.com

Article | 3 October 2018

Crude oil: Iranian flows spook the market

Falling Iranian exports have been the key driver for crude oil prices, whilst the lack of action from OPEC to counter falling Iranian supply has only added to the bullish sentiment. As a result of this, we expect prices to remain well supported for the rest of the year and have raised our 4Q18 Brent forecast. Demand risks will likely play out more over 2019

Where next for prices?

Oil prices are likely to remain well supported for the remainder of this year, the market is set to be in deficit over 4Q18, while Iranian exports have fallen more than expected. There is also the uncertainty over whether OPEC has the capability to make up for any shortfalls in the short term. We struggle to identify a catalyst that would put significant downward pressure on the market in the short term, and as a result, we have revised higher our 4Q18 Brent forecast from $75 per barrel to $85 per barrel. However, we still foresee weaker prices moving into 2019, with downside risks to oil demand growth, driven by the ongoing trade war, and the current strength in oil prices coupled with emerging market currency weakness.

Iranian flows falling quicker than expected

Tightness has stemmed from falling Iranian flows, with the latest ship tracking data continuing to show exports trending lower. Data from Bloomberg shows that shipments in September fell to

1.6MMbbls/d, down from 1.83MMbbls/d in the previous month, and almost 900Mbbls/d lower than the highs seen in April. These large declines have occurred even before sanctions come into force on 4 November, so this does suggest that there is further downside post November.

While it is widely accepted that the EU will likely fall away altogether as a buyer of Iranian crude oil, there is still plenty of uncertainty around China and India. India is the second largest buyer of Iranian crude oil, importing around 580Mbbls/d so far in 2018, which is equivalent to around 28% of total Iranian crude oil exports. India will be keen to secure waivers which would allow them to continue purchasing discounted Iranian oil, although likely at reduced volumes.

Meanwhile China, the largest buyer of Iranian crude oil has also seen reduced imports over the past couple of months- flows fell from a record 806Mbbls/d in July, to just 500Mbbls/d in September- the lowest level since January. There have also been media reports that Chinese buyer Sinopec will halve loadings this month, as a result of pressure from the US. However, we continue to hold the view that China will at least try to maintain purchases, with discounted Iranian crude oil just too tempting.

However, the ability to track Iranian shipments accurately is a growing issue, and this will only increase as we move closer towards the official start of sanctions. There have been reports of tankers switching off transponders, making it more difficult to track, and therefore actual flows are likely higher than what AIS vessel tracking shows.

Iranian crude oil exports fall as sanctions approach (Mbbls/d)
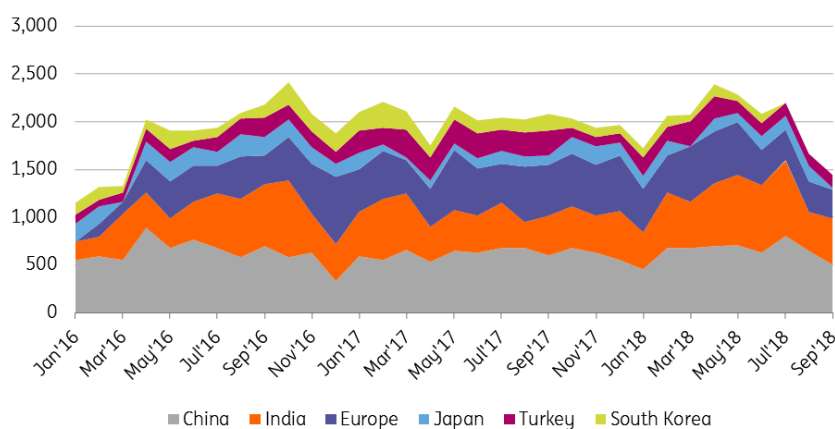
Source: Bloomberg, ING Research

Will OPEC+ make up for Iranian shortfalls?

While falling Iranian exports have been a bullish factor for the market, this has been exacerbated by the perception that OPEC+ have not done enough to compensate for Iranian losses. Expectations heading into the recent OPEC meeting in Algiers were high, with President Trump calling on OPEC- through a tweet- to lower prices, whilst there were also media reports that the group would look to increase output by an additional 500Mbbls/d. OPEC ignored Trump and decided against any production increases.

This has called into question the capability of OPEC to make up for supply shortfalls, not just from Iran, but also for the continual declines that we are seeing from Venezuela. OPEC production is estimated to have averaged 32.57MMbbls/d in August, up from 32.13MMbbls/d in May and

32.28MMbbls/d in June. Back at the OPEC+ meeting in June, the group decided to increase production by 1MMbbls/d, which would bring compliance for the group back to 100%. However, so far they have failed to achieve this, with the Joint Ministerial Monitoring Committee actually reporting that over compliance in August increased from 109% to 129%. While part of this might come down to whether OPEC has the ability to respond quickly to falling output of certain members, there may also be a reluctance to do so, particularly following the pressure seen on the market over the summer, when certain OPEC+ members started to respond with higher output.

What will cap the oil rally?

At the moment it is difficult to identify a near-term catalyst for weaker prices. Speculative positioning in ICE Brent has increased significantly over recent weeks, with the net long position growing from 324,431 lots at the end of August to 496,343 lots in the last reporting period. However looking at historical positioning, they could still have some way to go, having held a record net long of 632,454 lots back in April. If we look at the net long in US dollar value, again it suggests that speculators do have some room to increase their positioning further- currently the spec net long is worth $42 billion, compared to $46.3 billion back in April.

However, the one measure which does suggest that speculative longs may be overextended is the long/short ratio. As of the last reporting period, there were 19.2 longs for every short position, this compares to 20.8 back in April. In reality, the current ratio is likely to be even higher, given that since last Tuesday the market has rallied more than 4%.

But in order to see speculators reduce their positioning, there needs to be a catalyst. The most likely would have been a release from the US Strategic Petroleum Reserve (SPR), however recently the US Energy Secretary, Rick Perry, ruled out such action. Still, with prices having rallied even further since he made that comment, the US may have no choice but to tap into its SPR, if it wants to attempt to rein in prices. Taking such action would likely mean relatively more pressure for WTI, and so further pressure for the WTI/Brent spread.

In the longer run, concerns over demand growth and continued non-OPEC supply growth are factors we believe will weigh on the market over 2019.

ICE Brent speculative long/short ratio approaching recent highs once again
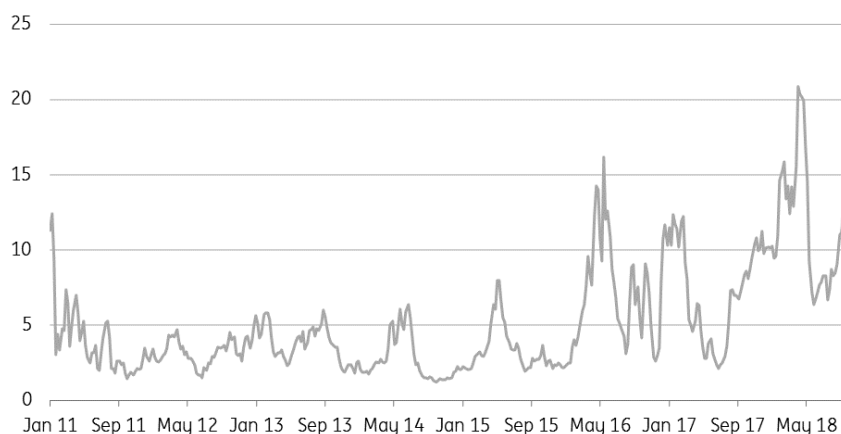
Source: ICE, ING Research

Demand growth risks

The clear downside risk for the market remains demand growth. Trade tensions, along with concerns over emerging markets are a real risk for the market. Emerging markets make up almost 90% of the total 1.4MMbbls/d expected demand growth in 2019.

Concerns about trade are largely centred on China. The government has announced/brought forward a number of stimulus programmes with the hope of maintaining growth rates, and offsetting the impact from US tariffs on Chinese goods. It is yet to be seen how effective this will be, however China's official manufacturing PMI for September came in below market expectations, and in fact was the lowest monthly number seen since February. Meanwhile, industrial profit growth for manufacturers in August slowed to 9.2% year-on-year, compared to 16.2% in July. These weaker numbers suggest we are already seeing an impact from tariffs. As a result of concerns over the trade war, our Chinese economist has revised lower GDP growth expectations for both 2018 and 2019. For 2018, we now expect GDP growth of 6.6% (vs. 6.7% previously), and 6.3% in 2019 (vs. 6.5% previously).

Turning to other emerging markets, the real risk comes down to the current strength in oil prices and depreciating currencies, which is having an impact on a number of key importers' current account balances. We have also seen over the last year a number of governments introduce or increase fuel subsidies, and while this does help limit the potential impact on demand, there are also likely limits to how much governments are willing to subsidise, as a number of them are grappling with widening fiscal deficits.

US still growing...just not as quickly as initially expected

There is no denying that US production growth has been quite amazing. Looking at monthly production data from the Energy Information Administration, output over July averaged 10.96MMbbls/d- an increase of 1.7MMbbls/d YoY. Production is expected to average 10.66MMbbls/d over 2018, and 11.5MMbbls/d over 2019. However it has not been plain sailing for the industry, with the rig count largely stagnant since the start of the summer, whilst weekly production estimates from the EIA have fallen short of actual production numbers highlighted by monthly data for several months so far this year.

The key issue for the US industry continues to be takeaway capacity, specifically from the Permian region. Infrastructure has not been able to keep up with the pace of production growth, and this has been reflected in differentials- with Midland trading to almost an $18/bbl discount to WTI in early September. However more recently it has narrowed significantly to around a $7/bbl discount, driven by the expected startup of Plains All American's 360Mbbls/d Sunrise pipeline by the 1 November. The industry will then have to wait until the 2H19 for further capacity, with an additional 1.4MMbbls/d of pipeline capacity expected to start up, until then though we would expect to see further pressure on the Midland/WTI spread.

Permian pipeline capacity constraints set to remain a theme through until 2H19 (Mbbls/d)
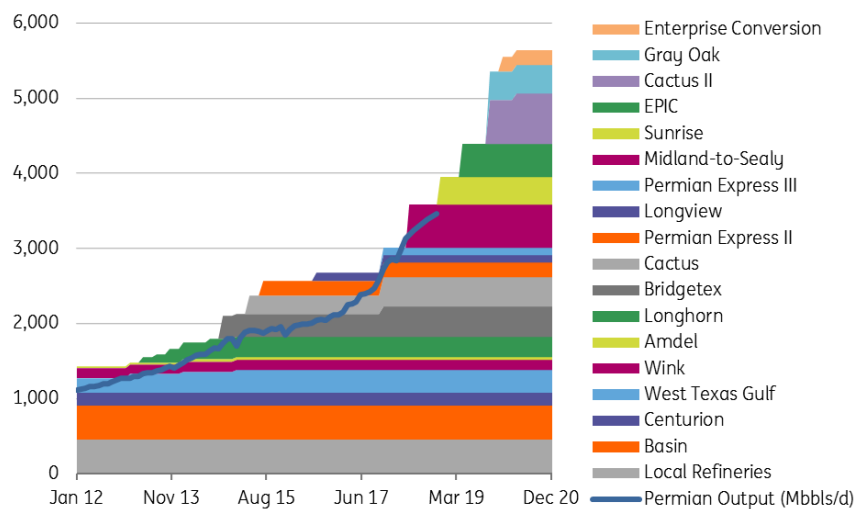
Source: EIA, ING Research

Author

Warren Patterson
Head of Commodities Strategy
Warren.Patterson@asia.ing.com

Brexit blog: Finally, a fudge?

Reports suggest UK Prime Minister Theresa May is inching towards a compromise on the Irish border issue, which could help break the deadlock in Brexit negotiations. But will it fly with the DUP and Conservative Brexiteers, or even the EU?

Source: Shutterstock

Headlines suggest possible UK compromise on Irish backstop

Away from the noise of the Conservative Party Conference, the big story of the week is that Theresa May could be gearing up to propose a compromise with Europe on the contentious Irish border issue. So what does this mean in practice, and crucially, will it be enough to convince UK lawmakers?

The Irish backstop - a quick refresher

First off, a quick recap of why the Irish backstop came about. The UK's long-stated intention to leave the single market and customs union would require new border infrastructure at UK ports - including along the Northern Irish land border. Exiting the single market would mean goods would need to be checked against EU rules, while sitting outside a customs union would require tariff collection and rules of origin checks.

But for a range of political and practical reasons, introducing these processes on the border between Ireland and Northern Ireland is not plausible. For this reason, the EU has proposed a backstop solution that would see Northern Ireland effectively remain in a customs union and the single market for goods, if the rest of the UK does indeed push ahead and leave these arrangements.

That would avoid a hard border within Ireland, but the UK government – which relies on the Northern Irish DUP for its parliamentary majority – has long been concerned this backstop solution would instead simply create a customs and regulatory barrier between Northern Ireland and the rest of the UK. Theresa May has said in the past that "no prime minister" could ever accept this arrangement.

Squaring the circle - the Irish border challenge
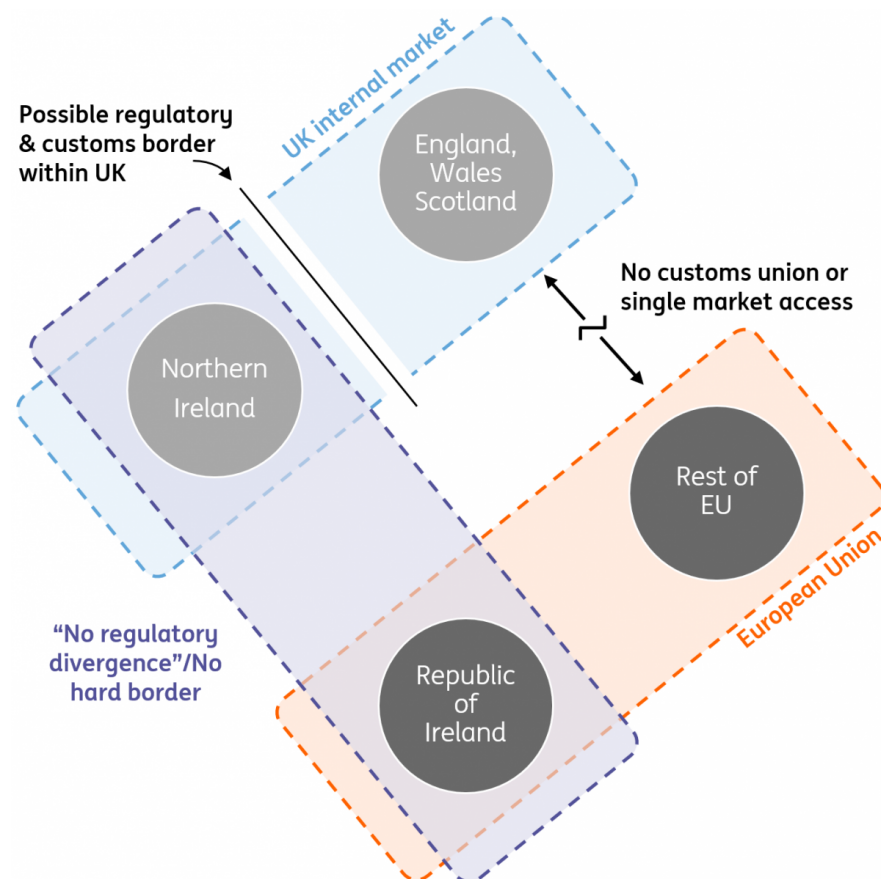
Source: ING

But with time running out, the Prime Minister appears to be preparing to blur that particular red line - partially.

Several press reports on Monday indicated that the UK is now prepared to accept that goods flowing to Northern Ireland from the British mainland may need to be checked against EU standards. While this is unlikely to be popular among UK lawmakers, it is not entirely unprecedented. Even now, cattle imports into Northern Ireland from Great Britain must go through the Port of Larne, where they are checked and various certificates must be presented before animals are granted entry. The EU has signalled these checks could be "de-dramatised" further, by moving them away from ports to the farms they originate from to reduce border frictions.

In exchange, the Prime Minister is adamant that the UK as a whole - not only Northern Ireland - must be allowed to remain in a customs union for an extended period, or at least until an alternative technology-based solution comes along. That would prevent the UK being divided into two customs territories, avoiding the need for tariff/rules of origin barriers.

Will this be accepted by lawmakers?

As ever, the big question is whether whatever is agreed between the UK and EU will be voted through by Parliament - and the short answer is that this is not guaranteed.

Conservative Brexiteers are likely to be vehemently against the UK remaining in a customs union for years to come. That would prevent Britain from striking its own trade deals. And given that any technological alternative is likely to take years to develop in reality, it may prompt concerns amongst MPs that the government is trying to keep the UK closer to the EU via a backdoor route. Incidentally, the EU shares a similar concern, in that the UK may be trying to achieve long-term access to the customs union without accepting all of the wider commitments that this normally would come with.

The DUP has also made it clear it won't accept a backstop where there are regulatory checks between Northern Ireland and the rest of the UK - de-dramatised or otherwise. Theresa May could offer them some assurances that the backstop won't actually ever be needed, by indicating that she would be prepared to sign up to the common rulebook for goods - effectively what is contained in the Chequers plan. If the rules are the same in the UK as the EU, then that would rule out the need for most regulatory checks at the border.

We think some kind of mutually acceptable fudge can be found, although it won't be easy

While this would likely enrage Brexiteers further – who are pushing for the UK to ditch EU rules altogether – it may attract some Labour MPs to back the government, given that it is closer to the terms the opposition party set out at its conference last month.

But even if it would secure the critical votes to get through parliament, the EU would likely be reluctant to agree to the UK's common rulebook plan. Remember, Brussels is chiefly concerned about cherrypicking elements from the single market. Other commentators have suggested May would at the very least need to sign up to a wider range of regulations on goods, as well as give ground on other commitments, for EU leaders to take the proposal more seriously.

A deal is still more likely than not - but the road will be bumpy

In the end, we think some kind of mutually acceptable fudge can still be found, although it won't be easy. After all, the bulk of trade negotiations will be left until after March 2019, so at this stage it will be case of giving MPs enough reassurance in the political declaration that the direction for trade discussions is acceptable. We also suspect Theresa May may try to leave agreeing a deal until as late as possible, in order to focus minds in parliament and make the 'meaningful vote' a much more binary choice between her deal, and an economically risky 'no deal' scenario.

This means we're unlikely to know for sure that 'no deal' has been avoided until early next year. Until then, the road to Brexit is only likely to get bumpier.

Read more about the economic impact 'no deal' could have

Other things to watch - a new fiscal direction?

In her conference speech, Theresa May announced that the government will end its long-established policy of austerity, hinting that the government will look to boost public spending as part of a spending review next year. Aside from the already-announced NHS spending boost, there are few details of what this will involve. In the short-term, focus will switch to the annual budget in a few weeks time where the Chancellor is unlikely to make any drastic changes

Even before the conference, there were some suggestions that Chancellor Philip Hammond doesn't entirely agree with May's fiscal direction. The Prime Minister has announced that fuel duty will be frozen again, despite Hammond indicating that this would come at a "significant cost". This more cautious approach suggests there are unlikely to be any big policy twists in the budget on 29 October, with the Treasury likely to opt to take a wait-and-see stance given the elevated risk of a 'no deal' scenario.

The decision to hold the budget on a Monday in October - rather than the usual Wednesday slot in November - also suggests that we shouldn't expect too many fireworks.

Key UK forecasts

1.2% 2018 GDP growth

1.6% 2019 GDP growth

2.5% 2018 inflation

2.0% 2019 inflation

Source: ING
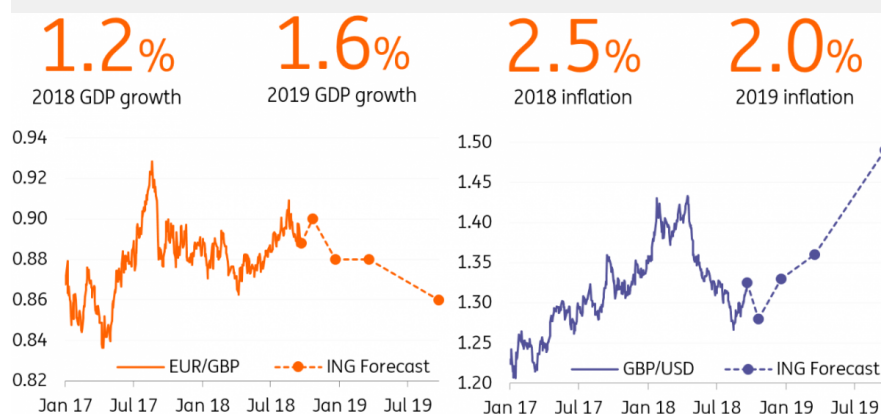
Author

James Smith
Developed Markets Economist, UK
james.smith@ing.com

Article | 3 October 2018   **United States**

US Mid-terms: What could swing it?

In our mid-term preview note, we set out the potential scenarios for the post-election period and outlined what we thought the likely market reaction would be. In this second note, we look at the current standings and what could yet influence the result

Current state of play

The Republicans hold the Presidency and majorities in both the House of Representatives and the Senate, but Democrats will be looking to break this stranglehold at the 6 November mid-term elections. All 435 House of Representative seats are up for grabs along with 35 of the 100 Senate seats[1].

By gaining control of either the House or the Senate (or both), the Democrats would have the ability to severely restrict President Trump's policy agenda while increasing the possibility of impeachment proceedings being initiated against the president. However, if the Republicans retain control of Congress, this could inject a new impetus into President Trump's legislative plans with more fiscal stimulus, more protectionism and potentially an even more belligerent approach to politics both at home and abroad as we've detailed here previously.

In the House of Representatives, the Republicans have a majority of 24, holding 237 seats versus the Democrat's 193 seats with five vacancies. As such, the Democrats need to make a net gain of 25 seats to win control of the House. In the Senate, it is closer with the Republicans holding a majority of just 51-49 in the 100 seat chamber – although they can rely on the Vice President's

deciding vote in the event of a tie.

However, of the 35 seats being contested in November, the Democrats have 24 up for election along with the two independents, while the Republicans only have nine seats. As such, the Democrats need to win two of the nine Republican-controlled Senate seats, while holding on to all of the seats they currently occupy to gain control of the Senate.

[1] Members of the House of Representatives serve two-year terms where-as the President has a four-year term and a Senator has a six-year term. Senators terms are staggered so one-third of the 100-member Senate are up for re-election every two years. This year there are 33 Senate seats being voted on in regular elections with two an additional two special elections due to Senators resigning before their term ended.

For more details on election scenarios and potential economic and market implications, read our earlier note: US mid-term election preview: Feeling Blue?

History offers bad news for the President

It is important to bear in mind that the President's party typically loses House seats at mid-term elections – only three out of the last 21 mid-term elections going back to Franklin D Roosevelt's presidency in 1934 have seen gains (nine seats for Roosevelt in 1934, five seats for Clinton in 1998 and eight seats for George W Bush in 2002). Moreover, the 25 seat turnover the Democrats need this time has been achieved on 11 occasions since 1934 and in two out of the last three mid-terms. The median loss of House seats since 1934 has been 26, one more than the Democrats need to win control of the House.

As for the Senate, the Democrats will have their work cut out to win, not least, as 10 Democratic senators are running in states that President Trump won in 2016, while only one Republican is defending a seat in a state (Nevada) that Hilary Clinton won. To gain a majority in the Senate, the Democrats will need to win races in the traditionally Republican territory but will point to their victory at the Alabama special election last December as a source for optimism.

In the Senate, the incumbent President's party has gained seats on five occasions and lost them 15 times with one no change outcome since 1934. The median change in the past 21 occasions has been a loss of five seats, which would see the Democrats gain a majority. However, given the map heavily favours Republicans this time around with only nine of their Senate seats up for a vote, the odds suggest the President's party will hold on to a slim majority.

Loss of House and Senate seats for a President's party at mid-term elections (1934-2014)
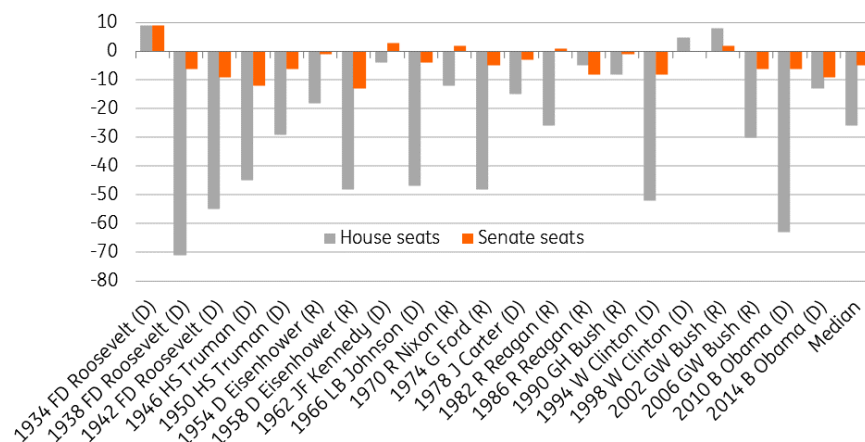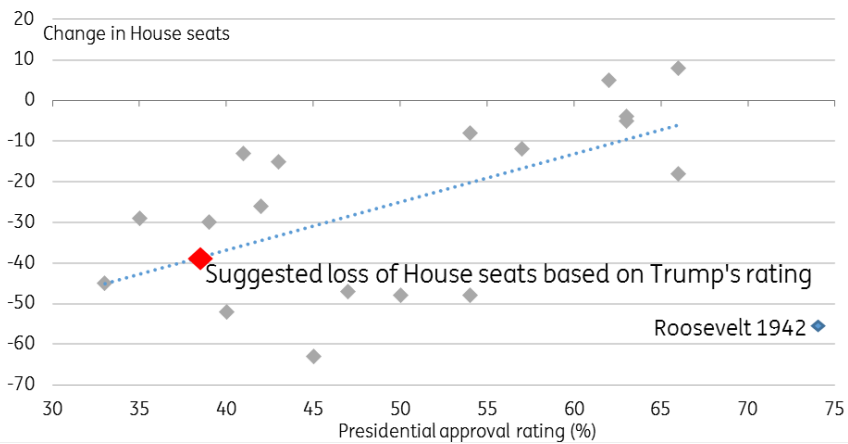

Source: The American Presidency Project

Four factors that could determine the outcome of mid-term elections

The four key factors include: the President's personal approval rating, the generic polling of the parties, the health of the economy and campaign financing. The concern for Republicans is they only really have the economy going for them right now.

President Trump's personal approval ratings are just 38%, which is the lowest of any President in the September of their second year of a term since Harry Truman (in both 1950 and 1946 when he lost 29 and 45 House seats respectively). Approval ratings of less than 50% at this stage of the election cycle typically see a loss of Congressional control for the President's party, as seen with Reagan in 1982, Clinton in 1994, George W Bush in 2006 and Obama in 2010. However, amongst Republican voters, Trump has an 85% approval rating, so to have a chance of success, the Republicans need to use this to generate a high turnout from their base and hope complacency depresses the Democrat vote.

President Trump's approval rating is a headwind for the Republicans

Source: Gallup, The American presidency Project

The additional problem is that polling for the Republican Party isn't great. Opinion polls generally suggest the Democrats are around 7-8 percentage points ahead of the Republicans across the nation. But Republicans have something of a built-in advantage because their voters appear more optimally distributed across House districts. That's partly because Democrat voters tend to be concentrated in cities. But also because Republicans controlled a majority of state governments at the time of the last redistricting in 2010, which they used to increase their advantage by through a redrawing of several constituency maps.

Indeed, several statisticians, including Nate Silver, founder and editor in chief of FiveThirtyEight, believe that even a five percentage point win in the popular vote for the Democrats would only give them a slight advantage in House seats, so the race is perhaps closer than the polls alone suggest. Also, note that there is a fairly high 15% of voters polled that are undecided.

Party polling
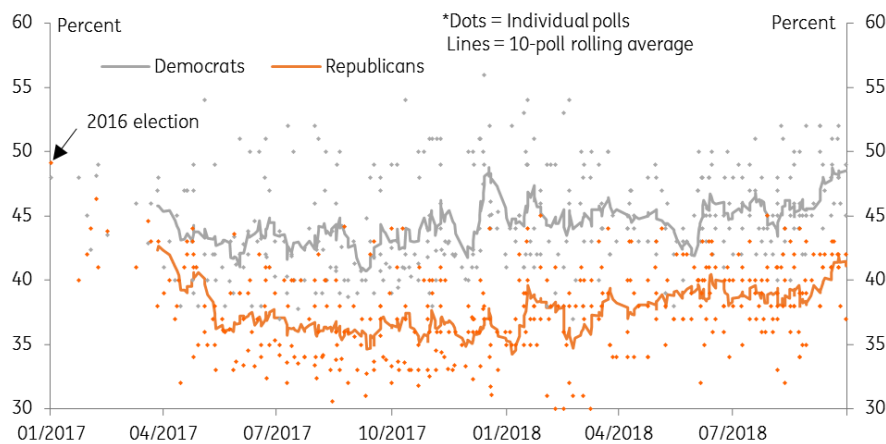
Source: Various polling agencies

At the same time, there has been a wave of Republican politicians who are not going to contest

their seats, the most notable being House speaker Paul Ryan and the senators from Arizona and Tennessee (who have both conflicted with President Trump).

These "open seats" have historically been more difficult to defend because incumbents often have a significant advantage over challengers due to better name recognition, stronger fundraising networks, and experience of campaigning. The electorate may also see a high number of resignations as a sign that all is not well within a party, which can influence swing voters.

As for fundraising, Federal Election Commission data as of June shows between January 2017 and June 2018, House and Senate candidates running this year had raised US$1.7bn and spent US$1.1bn. According to an analysis by Politico, 56 incumbent Republicans have raised less money than their Democrat challenger in the three months to July. Money doesn't guarantee anything, but money together with an engaged and active local support network is certainly a clear advantage.

What could influence the outcome?

We have just under five weeks to go in the campaign and the polling outlook could still change. Factors worth bearing in mind include:

It turns into a referendum on impeachment

President Trump remains incredibly popular with Republican voters (85% approval according to Gallup) so getting them to turn up will be key to defending many seats. If Democrats vow to impeach the President this could motivate Trump supporters to vote for Republican candidates. If there is complacency amongst Democrat supporters this could see the Republicans hold onto a majority.

Court cases

 An increasing number of associates of Donald Trump have become embroiled in legal cases with convictions against Paul Manafort, his former campaign manager and Michael Cohen, his former personal lawyer the latest headache. Further trials are in the pipeline and there is the faint possibility Trump is called to testify. If evidence emerges linking President Trump and Russia the situation would likely be detrimental to the Republican cause.

Robert Mueller and the Russia investigation

Hillary Clinton supporters argue that the FBI's decision, under James Comey, to reopen the investigation into her emails just days before the 2016 Presidential election damaged her and handed the Presidency to Donald Trump. There is the possibility an announcement from Robert Mueller, either way, could have an impact on this election. Likewise, President Trump firing Mueller, which he has apparently been talked out of doing before, or the replacement of Jeff Sessions as Attorney General could have implications.

The economy

The economy continues to perform very well, but this doesn't appear to have boosted the

prospects for the Republicans. Even President Trump's tax cuts – his signature domestic legislation achievement – have provided less traction with the electorate than Republicans hoped. Instead, the worries about protectionism and emerging market woes could intensify. Unchecked, risk aversion could become more evident and equity markets come under pressure. A market correction could have negative consequences for the Republicans.

The Supreme Court

Few political decisions have more far-reaching effects than appointments to the US Supreme Court, where judges serve for life. So the Senate's decision whether to approve Trump nominee Brett Kavanaugh matters enormously to both parties. Allegations of misconduct against Kavanaugh may have a negative impact on Republican candidates who have backed his nomination. But it is also possible that if his nomination is delayed or withdrawn, the prospect of a Democratic Senate majority blocking Kavanaugh (or another Trump nominee) increases Republican voters' motivation in the mid-terms.

The points above on balance pose more threats than positives for the Republicans. Given the state of current polling, it's therefore not surprising that most professional political forecasters consider the Democrats favourites to win a majority in the House.

However, virtually all see continued Republican control of the Senate as the most likely outcome. Betting market prices also indicate this combination – Democrat-controlled House and Republican-controlled Senate - as the most likely. However, we must also warn that electorates can spring surprises. A strong poll lead now doesn't mean victory is assured, just ask Hillary Clinton or Theresa May in the UK.

Odds of Democratic control of Congress after 2018 Mid-terms (updated October 3rd)

	FiveThirtyEight	PaddyPower	PredictIt
House of Representatives	77%	4/9 (~66%)	69%
Senate	28%	4/7 (~32%)	31%

- The chance that the Democrats win the Senate but not the House is considered negligible.

Author

James Knightley
Chief International Economist, US
james.knightley@ing.com

Article | 3 October 2018   **Canada | United States**

Canada: The return of Nafta

Nafta is back - and it even has a new name. On the back of this we saw positive CAD news - lifted 0.5%, after one of the many, and most important, deadlines was finally reached to finalise 'USMCA'; a big sigh of relief for the Canadian economy. But has the negotiating process done any damage?

Source: Shutterstock

A new Nafta deal, or should we say United-States-Mexico-Canada-Agreement (USMCA), was agreed by the US and Canada in the late hours of Sunday, 30 September. The deadline was met with a few hours to spare, enabling Mexican President, Enrique Pena Nieto, and his Congress enough time to sign off on the new trade deal before the new Mexican President takes over at the beginning of December.

The US Congress will have until 30 December to review and sign the deal, but, still pivotal for the new trilateral agreement to be effective is the Congressional vote of approval on legislation underpinning the deal, which won't take place until next year, post-mid-term elections. The latter seems likely that the Democrats will take control of Congress, and although chances of approval have been heightened, given Canada has been included in USMCA, there's no guarantee; an assessment of the new terms of trade still needs to be completed, which may prove an obstacle for Trump administration.

## A deal is reached, but did the process harm the Canadian economy?

Surprisingly, for now, the current steel and aluminium tariffs the US imposed on Canada – a hefty 25% and 10% respectively, remain in place despite the newly agreed trade deal, and so will Canada's tit-for-tat countermeasures; 25% tariffs on various US metal products and 10% tariffs on an assortment on consumer goods. But is it an issue that tariffs aren't dropped?

Based on the latest Canadian inflation data, although we experienced bumper inflation (3% YoY) in July, when looking into the details we reported no observable impacts from tariffs – and this was the first month where full effects of the trade spat between the US and Canada, namely Canada's retaliatory tariffs, could have been reflected in prices. August proved a moderate slowdown (2.8% YoY), aligned with our expectations that July brought this year's peak price growth. We predict headline inflation to drift back towards the 2% target come 2019.

Canadian growth tells a similar story

And the run of healthy domestic data continued, with business confidence appearing to have held up well; underlying a disappointing headline in the August job's report was a 40,000 increase in full-time employment, suggesting firms weren't wary about extending hiring plans, predominantly down to strong foreign demand (particularly in the US).

Canadian full-time employment
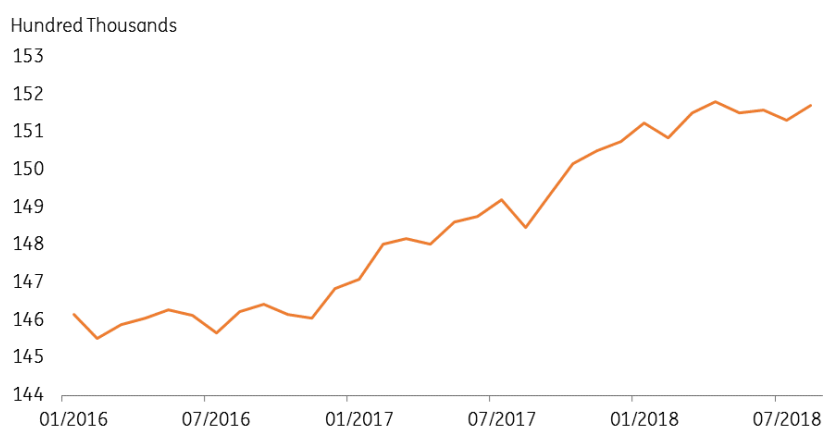
Source: Macrobond

Seemingly, Canadian exporters have sucked up US demand regardless of the trade tensions that existed between the two countries, contributing to July's trade deficit, which narrowed to the smallest level observed since December 2016. We predict the Canadian growth story to be aligned with our forecast of a modest US slowdown, gradually easing off into 2019.

Five things you need to know about USMCA

Our trade team touched upon some of the key points from the final stage of the negotiations - here are our top five takeaways from USMCA...

1) Less threats on Canada's autos

Well, unless production surpasses 2.6 million units annually, which is unlikely given they currently stand at (roughly) 1.8 million units. The dynamics of the auto industry concerning the three participating countries of USMCA will also change; to qualify for tariff-free entrance into the US, 75% of automobile content is now required to be produced in the NAFTA-region, up from 62.5%, and 40% of the input into making automobiles must come from factories paying workers at least US$16 per hour.

2) Tariffs aren't gone completely

Quite surprisingly, Canada agreed to finalise the deal with the steel and aluminium tariffs still in place. This was an important factor Canada said they needed to see gone before they could reach an agreement with the US, but it seems negotiators changed their minds.

3) Chapter 19 isn't going to budge

The dispute settlement system, particularly Nafta's Chapter 19 which was concerned with anti-dumping and countervailing duties, was one of the major sticking points in the negotiations. Canada battled hard to keep this, often stating it was a red line they wouldn't cross.

4) Canada's dairy industry was likely used as a negotiating tactic

Canada has agreed to allow US expansion into their protected dairy market, likely a concession offered to the US with hope to fudge their way to the final deal.

5) Good day, sunshine

USMCA will have a 16-year term, with a review every 6 years. Canada will see this as an improvement to the 'sunset clause'; a Nafta expiration date of every 5 years, initially proposed by the US.

An October hike is almost a done deal

An October hike from the Bank of Canada (BoC) is all but certified, and the positive USMCA news, coupled with solid domestic data, should help to keep the BoC on their gradual tightening path. We're keeping a close watch on the September jobs report this Friday, as the BoC's intentions now will hinge on pure economic activity, although trade insecurities didn't necessarily knock them off course. Our FX team see USD/CAD moving down towards the 1.27/1.28 region on the back of a confirmed trade deal, likely moving further if it weren't for caution in global risk aversion.

Author

James Knightley
Chief International Economist, US
james.knightley@ing.com

India

India's central bank leaves rupee on the path to free fall

By keeping the policy on hold, it seems the central bank of India has dumped the rupee, which leaves the ball in the government's court for more substantial currency stabilisation measures. We just revised our year-end USD/INR forecast to 75.0 from 73.5, though now it seems, maybe it wasn't enough

Source: Shutterstock

6.50% RBI repurchase rate, unchanged

Worse than expected

RBI surprises by keeping rates unchanged

The Reserve Bank of India's monetary policy committee voted 5-1 to keep the repurchase and reverse repurchase rates unchanged at 6.50% and 6.25% respectively at today's meeting. One dissenter vote was in favour of a 25bp rate hike. Even as most MPC members voted to change the stance to a calibrated tightening, there was an evident lack of action on their part despite time running out to stop the rupee's worst fall in last five years.

The decision was surprising for us and many others as only nine out of 49 participants in the Bloomberg poll had predicted no change, which seemed to be impacted by domestic liquidity concerns rather than currency weakness, even as a depreciating rupee remains a constant threat to the RBI's inflation target. We thought the RBI would give some thought to supporting the rupee in a pre-emptive move to curb future inflationary pressures, however, in the end, we and many others were wrong.

The stable policy might be consistent with inflation within the policy target of 2-6%, however, as we have noted earlier this is more of a transitory low inflation phase rather than an ever-lasting trend. And we don't have to wait for too long to see the recent dip in inflation being reversed. We anticipate a bounce back in inflation above the 4% mid-point of the policy target next Friday, thanks to the double whammy of rising oil prices and the weak currency.

After a moderate slippage in July and August, oil has caught up with the steady upward momentum, and this will eventually come through in domestic fuel prices. Even the move earlier this week to cut retail fuel prices (1 rupee per litter) appears too small to make an impact on overall inflation, let alone satisfy consumer or the markets.

Ball is now firmly in the government's court

Not only the central bank, but the government also appears to have taken a backseat on the currency. And today's decision shifts the onus to the government for substantial currency stabilisation measures.

While the measures announced by the government so far have proved to be insufficient, the authorities seem to be dragging their feet on the other required actions. Such a policy backdrop leaves the rupee on the path to a free fall, the first test of which came as the USD/INR spiked above the 74 level in a knee-jerk reaction to the RBI announcement, although it retraced to 73.8 as of this writing.

Ahead of the RBI meeting, we revised our end-2018 USD/INR forecast from 73.5 to 75.0 based on the view that even if the central bank tightened by a 50bp rate hike, it wouldn't be enough to support Asia's most stressed currency. We now feel that wasn't enough of a push and are now looking to downgrade further.

Meanwhile, we continue to expect an RBI rate hike at the December policy meeting.

USD/INR spikes above 74 in a knee-jerk reaction to RBI decision

Source: Bloomberg

Author

Alissa Lefebre
Economist
alissa.lefebre@ing.com

Deepali Bhargava
Regional Head of Research, Asia-Pacific
Deepali.Bhargava@ing.com

Ruben Dewitte
Economist
+32495364780
ruben.dewitte@ing.com

Kinga Havasi
Economic research trainee
kinga.havasi@ing.com

Marten van Garderen
Consumer Economist, Netherlands
marten.van.garderen@ing.com

David Havrlant
Chief Economist, Czech Republic
420 770 321 486
david.havrlant@ing.com

Sander Burgers
Senior Economist, Dutch Housing
sander.burgers@ing.com

Lynn Song
Chief Economist, Greater China
lynn.song@asia.ing.com

Michiel Tukker
Senior European Rates Strategist
michiel.tukker@ing.com

Michal Rubaszek
Senior Economist, Poland
michal.rubaszek@ing.pl

This is a test author

Stefan Posea
Economist, Romania
tiberiu-stefan.posea@ing.com

Marine Leleux
Sector Strategist, Financials
marine.leleux2@ing.com

Jesse Norcross
Senior Sector Strategist, Real Estate
jesse.norcross@ing.com

Teise Stellema
Research Assistant, Energy Transition
teise.stellema@ing.com

Diederik Stadig
Sector Economist, TMT & Healthcare
diederik.stadig@ing.com

Diogo Gouveia
Sector Economist
diogo.duarte.vieira.de.gouveia@ing.com

Marine Leleux
Sector Strategist, Financials
marine.leleux2@ing.com

Ewa Manthey

Commodities Strategist
ewa.manthey@ing.com

ING Analysts

James Wilson
EM Sovereign Strategist
James.wilson@ing.com

Sophie Smith
Digital Editor
sophie.smith@ing.com

Frantisek Taborsky
EMEA FX & FI Strategist
frantisek.taborsky@ing.com

Adam Antoniak
Senior Economist, Poland
adam.antoniak@ing.pl

Min Joo Kang
Senior Economist, South Korea and Japan
min.joo.kang@asia.ing.com

Coco Zhang
ESG Research
coco.zhang@ing.com

Jan Frederik Slijkerman
Senior Sector Strategist, TMT
jan.frederik.slijkerman@ing.com

Katinka Jongkind
Senior Economist, Services and Leisure
Katinka.Jongkind@ing.com

Marina Le Blanc
Sector Strategist, Financials
Marina.Le.Blanc@ing.com

Samuel Abettan
Junior Economist
samuel.abettan@ing.com

Franziska Biehl
Economist, Germany

Franziska.Marie.Biehl@ing.de

Rebecca Byrne
Senior Editor and Supervisory Analyst
rebecca.byrne@ing.com

Mirjam Bani
Sector Economist, Commercial Real Estate & Public Sector (Netherlands)
mirjam.bani@ing.com

Timothy Rahill
Credit Strategist
timothy.rahill@ing.com

Leszek Kasek
Senior Economist, Poland
leszek.kasek@ing.pl

Oleksiy Soroka, CFA
Senior High Yield Credit Strategist
oleksiy.soroka@ing.com

Antoine Bouvet
Head of European Rates Strategy
antoine.bouvet@ing.com

Jeroen van den Broek
Global Head of Sector Research
jeroen.van.den.broek@ing.com

Edse Dantuma
Senior Sector Economist, Industry and Healthcare
edse.dantuma@ing.com

Francesco Pesole
FX Strategist
francesco.pesole@ing.com

Rico Luman
Senior Sector Economist, Transport and Logistics
Rico.Luman@ing.com

Jurjen Witteveen
Sector Economist
jurjen.witteveen@ing.com

Dmitry Dolgin
Chief Economist, CIS

dmitry.dolgin@ing.de

Nicholas Mapa
Senior Economist, Philippines
nicholas.antonio.mapa@asia.ing.com

Egor Fedorov
Senior Credit Analyst
egor.fedorov@ing.com

Sebastian Franke
Consumer Economist
sebastian.franke@ing.de

Gerben Hieminga
Senior Sector Economist, Energy
gerben.hieminga@ing.com

Nadège Tillier
Head of Corporates Sector Strategy
nadege.tillier@ing.com

Charlotte de Montpellier
Senior Economist, France and Switzerland
charlotte.de.montpellier@ing.com

Laura Straeter
Behavioural Scientist
+31(0)611172684
laura.Straeter@ing.com

Valentin Tataru
Chief Economist, Romania
valentin.tataru@ing.com

James Smith
Developed Markets Economist, UK
james.smith@ing.com

Suvi Platerink Kosonen
Senior Sector Strategist, Financials
suvi.platerink-kosonen@ing.com

Thijs Geijer
Senior Sector Economist, Food & Agri
thijs.geijer@ing.com

Maurice van Sante

Senior Economist Construction & Team Lead Sectors
maurice.van.sante@ing.com

Marcel Klok
Senior Economist, Netherlands
marcel.klok@ing.com

Piotr Poplawski
Senior Economist, Poland
piotr.poplawski@ing.pl

Paolo Pizzoli
Senior Economist, Italy, Greece
paolo.pizzoli@ing.com

Marieke Blom
Chief Economist and Global Head of Research
marieke.blom@ing.com

Raoul Leering
Senior Macro Economist
raoul.leering@ing.com

Maarten Leen
Head of Global IFRS9 ME Scenarios
maarten.leen@ing.com

Maureen Schuller
Head of Financials Sector Strategy
Maureen.Schuller@ing.com

Warren Patterson
Head of Commodities Strategy
Warren.Patterson@asia.ing.com

Rafal Benecki
Chief Economist, Poland
rafal.benecki@ing.pl

Philippe Ledent
Senior Economist, Belgium, Luxembourg
philippe.ledent@ing.com

Peter Virovacz
Senior Economist, Hungary
peter.virovacz@ing.com

Inga Fechner

Senior Economist, Germany, Global Trade
inga.fechner@ing.de

Dimitry Fleming
Senior Data Analyst, Netherlands
Dimitry.Fleming@ing.com

Ciprian Dascalu
Chief Economist, Romania
+40 31 406 8990
ciprian.dascalu@ing.com

Muhammet Mercan
Chief Economist, Turkey
muhammet.mercan@ingbank.com.tr

Iris Pang
Chief Economist, Greater China
iris.pang@asia.ing.com

Sophie Freeman
Writer, Group Research
+44 20 7767 6209
Sophie.Freeman@uk.ing.com

Padhraic Garvey, CFA
Regional Head of Research, Americas
padhraic.garvey@ing.com

James Knightley
Chief International Economist, US
james.knightley@ing.com

Tim Condon
Asia Chief Economist
+65 6232-6020

Martin van Vliet
Senior Interest Rate Strategist
+31 20 563 8801
martin.van.vliet@ing.com

Robert Carnell
Regional Head of Research, Asia-Pacific
robert.carnell@asia.ing.com

Karol Pogorzelski
Senior Economist, Poland

Karol.Pogorzelski@ing.pl

Carsten Brzeski
Global Head of Macro
carsten.brzeski@ing.de

Viraj Patel
Foreign Exchange Strategist
+44 20 7767 6405
viraj.patel@ing.com

Owen Thomas
Global Head of Editorial Content
+44 (0) 207 767 5331
owen.thomas@ing.com

Bert Colijn
Chief Economist, Netherlands
bert.colijn@ing.com

Peter Vanden Houte
Chief Economist, Belgium, Luxembourg, Eurozone
peter.vandenhoute@ing.com

Benjamin Schroeder
Senior Rates Strategist
benjamin.schroder@ing.com

Chris Turner
Global Head of Markets and Regional Head of Research for UK & CEE
chris.turner@ing.com

Gustavo Rangel
Chief Economist, LATAM
+1 646 424 6464
gustavo.rangel@ing.com

Carlo Cocuzzo
Economist, Digital Finance
+44 20 7767 5306
carlo.cocuzzo@ing.com

The China-US trade war is hurting the Taiwan dollar

The ongoing trade war between the US and China has led to a sell-off in the equities market by foreign investors weakening the Taiwan dollar. The inflation release today won't lead to a central bank hike, but combining the two factors means the currency is likely to weaken further to 31.0 by the end of the year

Source: Shutterstock

Trade war woes

Taiwan's exports grew at a mere 1.9% year on year, and electronic parts were even slower at 1.3% - and this could potentially be a direct result of the supply chain damage caused by the bilateral trade war between the US and China. This has led to a sell of equities (as Taiwan's stock market has fallen by 4.84% since 1 October) by foreign investors and pushed the Taiwan dollar against the USD weaker by 0.96% since the end of September 2018 (Spot 30.835).

Trade war losers: Taiwan's exports
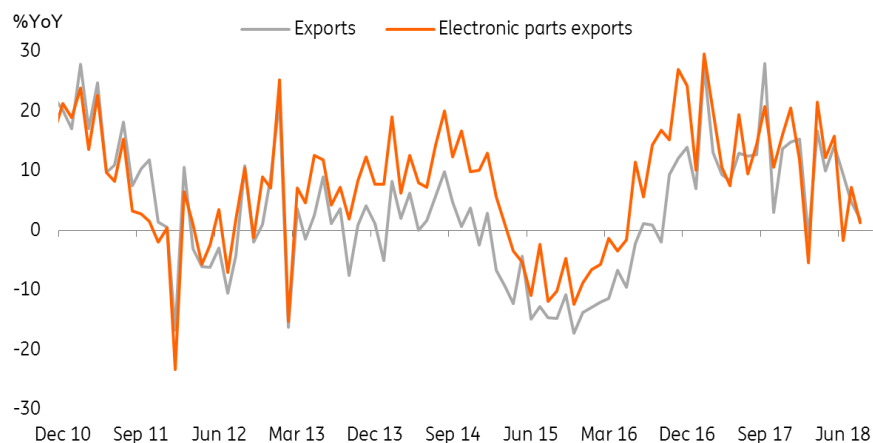
Source: ING, Bloomberg

The central bank won't help

The central bank of Taiwan can do very little to help the currency. Inflation in terms of CPI was mild at 1.72%YoY but higher from last month's 1.5% - mainly a result of higher energy prices. The same was the case for wholesale price index but manufacturing fatigue lead WPI inflation lower to 6.55%YoY from 6.83%.

The chance of a rate hike is small with such mild consumer inflation, which means the currency is likely to continue to weaken against the US dollar.

The policy rate at 1.375% and it would be too early to slash rates just yet. The central bank needs to save that option in case the economy weakens further.

Our USD/TWD forecast remains unchanged

This is only the beginning of the China-US trade war, and as we can see, Taiwanese companies providing supply chain products and services are likely to get hurt, and the Taiwan dollar could continue to weaken. Taking into account the trade war impact, we maintain our forecast of 31.0 by the end of the year.

Sell off in the stock exchange has caused currency depreciation
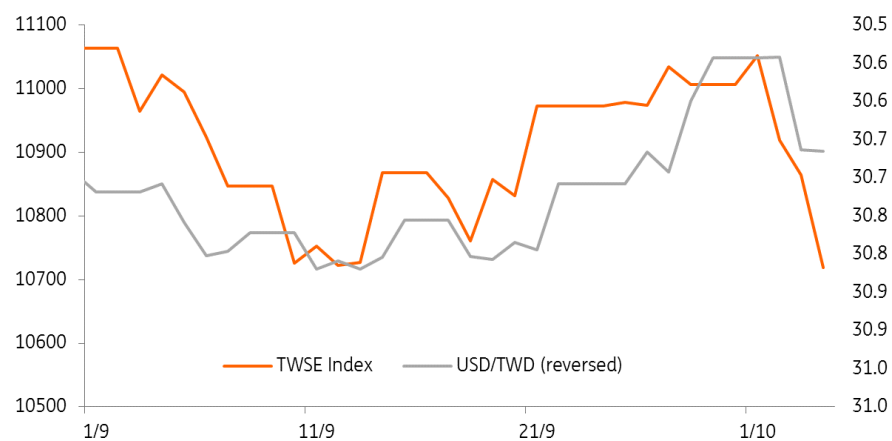
Source: ING, Bloomberg

Author

Iris Pang
Chief Economist, Greater China
iris.pang@asia.ing.com

Car sharing unlocked

The number of cars in Europe is set to decline as car sharing triggers a 'peak car' moment. Platforms and technology developments are encouraging more people to see car sharing as a viable option, but there are still substantial barriers to growth

Author

Alissa Lefebre
Economist
alissa.lefebre@ing.com

Deepali Bhargava
Regional Head of Research, Asia-Pacific
Deepali.Bhargava@ing.com

Ruben Dewitte
Economist
+32495364780
ruben.dewitte@ing.com

Kinga Havasi

Economic research trainee
kinga.havasi@ing.com

Marten van Garderen
Consumer Economist, Netherlands
marten.van.garderen@ing.com

David Havrlant
Chief Economist, Czech Republic
420 770 321 486
david.havrlant@ing.com

Sander Burgers
Senior Economist, Dutch Housing
sander.burgers@ing.com

Lynn Song
Chief Economist, Greater China
lynn.song@asia.ing.com

Michiel Tukker
Senior European Rates Strategist
michiel.tukker@ing.com

Michal Rubaszek
Senior Economist, Poland
michal.rubaszek@ing.pl

This is a test author

Stefan Posea
Economist, Romania
tiberiu-stefan.posea@ing.com

Marine Leleux
Sector Strategist, Financials
marine.leleux2@ing.com

Jesse Norcross
Senior Sector Strategist, Real Estate
jesse.norcross@ing.com

Teise Stellema
Research Assistant, Energy Transition
teise.stellema@ing.com

Diederik Stadig

Sector Economist, TMT & Healthcare
diederik.stadig@ing.com

Diogo Gouveia
Sector Economist
diogo.duarte.vieira.de.gouveia@ing.com

Marine Leleux
Sector Strategist, Financials
marine.leleux2@ing.com

Ewa Manthey
Commodities Strategist
ewa.manthey@ing.com

ING Analysts

James Wilson
EM Sovereign Strategist
James.wilson@ing.com

Sophie Smith
Digital Editor
sophie.smith@ing.com

Frantisek Taborsky
EMEA FX & FI Strategist
frantisek.taborsky@ing.com

Adam Antoniak
Senior Economist, Poland
adam.antoniak@ing.pl

Min Joo Kang
Senior Economist, South Korea and Japan
min.joo.kang@asia.ing.com

Coco Zhang
ESG Research
coco.zhang@ing.com

Jan Frederik Slijkerman
Senior Sector Strategist, TMT
jan.frederik.slijkerman@ing.com

Katinka Jongkind
Senior Economist, Services and Leisure

Katinka.Jongkind@ing.com

Marina Le Blanc
Sector Strategist, Financials
Marina.Le.Blanc@ing.com

Samuel Abettan
Junior Economist
samuel.abettan@ing.com

Franziska Biehl
Economist, Germany
Franziska.Marie.Biehl@ing.de

Rebecca Byrne
Senior Editor and Supervisory Analyst
rebecca.byrne@ing.com

Mirjam Bani
Sector Economist, Commercial Real Estate & Public Sector (Netherlands)
mirjam.bani@ing.com

Timothy Rahill
Credit Strategist
timothy.rahill@ing.com

Leszek Kasek
Senior Economist, Poland
leszek.kasek@ing.pl

Oleksiy Soroka, CFA
Senior High Yield Credit Strategist
oleksiy.soroka@ing.com

Antoine Bouvet
Head of European Rates Strategy
antoine.bouvet@ing.com

Jeroen van den Broek
Global Head of Sector Research
jeroen.van.den.broek@ing.com

Edse Dantuma
Senior Sector Economist, Industry and Healthcare
edse.dantuma@ing.com

Francesco Pesole
FX Strategist

francesco.pesole@ing.com

Rico Luman
Senior Sector Economist, Transport and Logistics
Rico.Luman@ing.com

Jurjen Witteveen
Sector Economist
jurjen.witteveen@ing.com

Dmitry Dolgin
Chief Economist, CIS
dmitry.dolgin@ing.de

Nicholas Mapa
Senior Economist, Philippines
nicholas.antonio.mapa@asia.ing.com

Egor Fedorov
Senior Credit Analyst
egor.fedorov@ing.com

Sebastian Franke
Consumer Economist
sebastian.franke@ing.de

Gerben Hieminga
Senior Sector Economist, Energy
gerben.hieminga@ing.com

Nadège Tillier
Head of Corporates Sector Strategy
nadege.tillier@ing.com

Charlotte de Montpellier
Senior Economist, France and Switzerland
charlotte.de.montpellier@ing.com

Laura Straeter
Behavioural Scientist
+31(0)611172684
laura.Straeter@ing.com

Valentin Tataru
Chief Economist, Romania
valentin.tataru@ing.com

James Smith

Developed Markets Economist, UK
james.smith@ing.com

Suvi Platerink Kosonen
Senior Sector Strategist, Financials
suvi.platerink-kosonen@ing.com

Thijs Geijer
Senior Sector Economist, Food & Agri
thijs.geijer@ing.com

Maurice van Sante
Senior Economist Construction & Team Lead Sectors
maurice.van.sante@ing.com

Marcel Klok
Senior Economist, Netherlands
marcel.klok@ing.com

Piotr Poplawski
Senior Economist, Poland
piotr.poplawski@ing.pl

Paolo Pizzoli
Senior Economist, Italy, Greece
paolo.pizzoli@ing.com

Marieke Blom
Chief Economist and Global Head of Research
marieke.blom@ing.com

Raoul Leering
Senior Macro Economist
raoul.leering@ing.com

Maarten Leen
Head of Global IFRS9 ME Scenarios
maarten.leen@ing.com

Maureen Schuller
Head of Financials Sector Strategy
Maureen.Schuller@ing.com

Warren Patterson
Head of Commodities Strategy
Warren.Patterson@asia.ing.com

Rafal Benecki

Chief Economist, Poland
rafal.benecki@ing.pl

Philippe Ledent
Senior Economist, Belgium, Luxembourg
philippe.ledent@ing.com

Peter Virovacz
Senior Economist, Hungary
peter.virovacz@ing.com

Inga Fechner
Senior Economist, Germany, Global Trade
inga.fechner@ing.de

Dimitry Fleming
Senior Data Analyst, Netherlands
Dimitry.Fleming@ing.com

Ciprian Dascalu
Chief Economist, Romania
+40 31 406 8990
ciprian.dascalu@ing.com

Muhammet Mercan
Chief Economist, Turkey
muhammet.mercan@ingbank.com.tr

Iris Pang
Chief Economist, Greater China
iris.pang@asia.ing.com

Sophie Freeman
Writer, Group Research
+44 20 7767 6209
Sophie.Freeman@uk.ing.com

Padhraic Garvey, CFA
Regional Head of Research, Americas
padhraic.garvey@ing.com

James Knightley
Chief International Economist, US
james.knightley@ing.com

Tim Condon
Asia Chief Economist
+65 6232-6020

Martin van Vliet
Senior Interest Rate Strategist
+31 20 563 8801
martin.van.vliet@ing.com

Robert Carnell
Regional Head of Research, Asia-Pacific
robert.carnell@asia.ing.com

Karol Pogorzelski
Senior Economist, Poland
Karol.Pogorzelski@ing.pl

Carsten Brzeski
Global Head of Macro
carsten.brzeski@ing.de

Viraj Patel
Foreign Exchange Strategist
+44 20 7767 6405
viraj.patel@ing.com

Owen Thomas
Global Head of Editorial Content
+44 (0) 207 767 5331
owen.thomas@ing.com

Bert Colijn
Chief Economist, Netherlands
bert.colijn@ing.com

Peter Vanden Houte
Chief Economist, Belgium, Luxembourg, Eurozone
peter.vandenhoute@ing.com

Benjamin Schroeder
Senior Rates Strategist
benjamin.schroder@ing.com

Chris Turner
Global Head of Markets and Regional Head of Research for UK & CEE
chris.turner@ing.com

Gustavo Rangel
Chief Economist, LATAM
+1 646 424 6464
gustavo.rangel@ing.com

Carlo Cocuzzo
Economist, Digital Finance
+44 20 7767 5306
carlo.cocuzzo@ing.com

Robo-advice: A revolution with risks

Are the machines really taking over? In the world of financial planning, they've been quietly replacing humans for the past 10 years. And while experts say the revolution has brought many positive changes to the industry, there are risks as well, writes Jeremy Gaunt

Risks and benefits

Using machines to give financial advice can make investing and other financial decisions cheaper, turn swathes of left-out consumers into new savers and investors and remove human bias in deciding where and when assets should be bought or sold.

But so-called robo-advisors also bring new risks, ranging from technological glitches to making mistakes by misinterpreting what a consumer or investor really want and, perhaps more importantly, need.

This was the message from US and European experts brought together to discuss the rise of machines using algorithms rather than humans to give advice on investment decisions and other relevant choices related to retirement, pensions, mortgages and debt management. It is a fast-growing trend that is bound to increase in size and scope as automation swallows up a broad range of human activity.

The discussion – on October 4 in Syracuse, Italy -- was part of ING's Think Forward Initiative,

which together with the London-based Centre for Economic Policy Research seeks to bring together global experts to find out how and why people make financial decisions. The initiative's goal is to inspire solutions to everyday money problems and future financial challenges. The Think Forward Initiative's goal is to find out how people make certain choices, and help them make better ones. It was initiated by ING, Dell EMC, Deloitte, Dimension Data and the Centre for Economic Policy Research. The wider TFI network consists of more than 200 different organisations (including universities, NGOs, companies, etc.) and more than 1,200 individuals, of which approximately half are researchers.

The case of robo-advising goes straight to the heart of the matter – essentially, can ordinary investors now and in the future rely on technological systems that cut way back on direct human interaction?

As chief executive of Betterment, a New York-based online investment house that uses tech to decide portfolios, Dan Egan clearly thinks so. He told the group that investing properly is time-consuming and complex. Robo-advising is a way of pushing that to one side. "We…try to make (clients) spend as little of their life as possible worrying about money," Egan said.

Betterment has also shown the growth potential of robo-advising. Egan said that when he joined the company five years ago it had around 15,000 customers and just less than $100 million in assets under management. Today's equivalent figures are 400,000 and $15 billion.

Karen Croxson, head of research and deputy chief economist at Britain's Financial Conduct Authority (FCA), also saw great potential in robo-advising as a way of ensuring that financial advice is suitable, consumers are protected and more people are brought into the investment world. Indeed, the FCA supports the concept of robo-advising to help financial markets work for consumers, and particularly to safeguard the vulnerable.

Croxson said robo-advisors can close what she called the "advice gap" which exists between sophisticated, often wealthy, investors and those who are poorer with less knowledge of financial systems. We see evidence of poor decisions in many areas of personal finance, she said, so robo-advising can help to lower costs, provide 24/7 tailored advice, make faster and less human-biased decisions, and provide regulators such as the FCA with an easily auditable trail for accountability.

Is widespread robo-advice really a panacea?

But there are pitfalls, particularly in mismatching individuals' risk preferences. Algorithms, for example, may be fine for people fitting a specific profile, but not good at handling outliers. Similarly, Croxson said studies have shown that the surveys or questionnaires that robo-advisors require from clients in order to make decisions are not always as good as humans at picking up biases, such as over-confidence. "There have been some suggestions that human advisors can consider a broader range of variables, soft variables that are harder to capture with automated tools," she said.

Similar risks were highlighted by Francesco D'Acunto, assistant professor of finance at Boston College, who presented some academic research into robo-advising. Like the others, D'Acunto said machines could broaden the investor base by cutting costs, particularly given that affordability is

often a reason given by people for not investing.

But he noted that using robo-advising tended to lead to the investor's disengagement – that is, they leave it to the machine. This may be fine when it comes to accumulating wealth, he said, but not at, say, retirement when a person needs to decumulate it.

In the meantime, D'Acunto also cited evidence that people were more likely to use automation if they are asked to approve the machine's decision beforehand. In other words, they wanted to maintain some control.

This gelled with Croxson's view that a human may need to be involved to ensure that automation does not create too much risk for people.

So robo-advising is clearly on its way to becoming a big player in the world's financial system, but it is perhaps not yet time that the machines take over completely.

Author

Alissa Lefebre
Economist
alissa.lefebre@ing.com

Deepali Bhargava
Regional Head of Research, Asia-Pacific
Deepali.Bhargava@ing.com

Ruben Dewitte
Economist
+32495364780
ruben.dewitte@ing.com

Kinga Havasi
Economic research trainee
kinga.havasi@ing.com

Marten van Garderen
Consumer Economist, Netherlands
marten.van.garderen@ing.com

David Havrlant
Chief Economist, Czech Republic
420 770 321 486
david.havrlant@ing.com

Sander Burgers
Senior Economist, Dutch Housing
sander.burgers@ing.com

Lynn Song

Chief Economist, Greater China
lynn.song@asia.ing.com

Michiel Tukker
Senior European Rates Strategist
michiel.tukker@ing.com

Michal Rubaszek
Senior Economist, Poland
michal.rubaszek@ing.pl

This is a test author

Stefan Posea
Economist, Romania
tiberiu-stefan.posea@ing.com

Marine Leleux
Sector Strategist, Financials
marine.leleux2@ing.com

Jesse Norcross
Senior Sector Strategist, Real Estate
jesse.norcross@ing.com

Teise Stellema
Research Assistant, Energy Transition
teise.stellema@ing.com

Diederik Stadig
Sector Economist, TMT & Healthcare
diederik.stadig@ing.com

Diogo Gouveia
Sector Economist
diogo.duarte.vieira.de.gouveia@ing.com

Marine Leleux
Sector Strategist, Financials
marine.leleux2@ing.com

Ewa Manthey
Commodities Strategist
ewa.manthey@ing.com

ING Analysts

James Wilson
EM Sovereign Strategist
James.wilson@ing.com

Sophie Smith
Digital Editor
sophie.smith@ing.com

Frantisek Taborsky
EMEA FX & FI Strategist
frantisek.taborsky@ing.com

Adam Antoniak
Senior Economist, Poland
adam.antoniak@ing.pl

Min Joo Kang
Senior Economist, South Korea and Japan
min.joo.kang@asia.ing.com

Coco Zhang
ESG Research
coco.zhang@ing.com

Jan Frederik Slijkerman
Senior Sector Strategist, TMT
jan.frederik.slijkerman@ing.com

Katinka Jongkind
Senior Economist, Services and Leisure
Katinka.Jongkind@ing.com

Marina Le Blanc
Sector Strategist, Financials
Marina.Le.Blanc@ing.com

Samuel Abettan
Junior Economist
samuel.abettan@ing.com

Franziska Biehl
Economist, Germany
Franziska.Marie.Biehl@ing.de

Rebecca Byrne
Senior Editor and Supervisory Analyst
rebecca.byrne@ing.com

Mirjam Bani
Sector Economist, Commercial Real Estate & Public Sector (Netherlands)
mirjam.bani@ing.com

Timothy Rahill
Credit Strategist
timothy.rahill@ing.com

Leszek Kasek
Senior Economist, Poland
leszek.kasek@ing.pl

Oleksiy Soroka, CFA
Senior High Yield Credit Strategist
oleksiy.soroka@ing.com

Antoine Bouvet
Head of European Rates Strategy
antoine.bouvet@ing.com

Jeroen van den Broek
Global Head of Sector Research
jeroen.van.den.broek@ing.com

Edse Dantuma
Senior Sector Economist, Industry and Healthcare
edse.dantuma@ing.com

Francesco Pesole
FX Strategist
francesco.pesole@ing.com

Rico Luman
Senior Sector Economist, Transport and Logistics
Rico.Luman@ing.com

Jurjen Witteveen
Sector Economist
jurjen.witteveen@ing.com

Dmitry Dolgin
Chief Economist, CIS
dmitry.dolgin@ing.de

Nicholas Mapa
Senior Economist, Philippines
nicholas.antonio.mapa@asia.ing.com

Egor Fedorov
Senior Credit Analyst
egor.fedorov@ing.com

Sebastian Franke
Consumer Economist
sebastian.franke@ing.de

Gerben Hieminga
Senior Sector Economist, Energy
gerben.hieminga@ing.com

Nadège Tillier
Head of Corporates Sector Strategy
nadege.tillier@ing.com

Charlotte de Montpellier
Senior Economist, France and Switzerland
charlotte.de.montpellier@ing.com

Laura Straeter
Behavioural Scientist
+31(0)611172684
laura.Straeter@ing.com

Valentin Tataru
Chief Economist, Romania
valentin.tataru@ing.com

James Smith
Developed Markets Economist, UK
james.smith@ing.com

Suvi Platerink Kosonen
Senior Sector Strategist, Financials
suvi.platerink-kosonen@ing.com

Thijs Geijer
Senior Sector Economist, Food & Agri
thijs.geijer@ing.com

Maurice van Sante
Senior Economist Construction & Team Lead Sectors
maurice.van.sante@ing.com

Marcel Klok
Senior Economist, Netherlands
marcel.klok@ing.com

Piotr Poplawski
Senior Economist, Poland
piotr.poplawski@ing.pl

Paolo Pizzoli
Senior Economist, Italy, Greece
paolo.pizzoli@ing.com

Marieke Blom
Chief Economist and Global Head of Research
marieke.blom@ing.com

Raoul Leering
Senior Macro Economist
raoul.leering@ing.com

Maarten Leen
Head of Global IFRS9 ME Scenarios
maarten.leen@ing.com

Maureen Schuller
Head of Financials Sector Strategy
Maureen.Schuller@ing.com

Warren Patterson
Head of Commodities Strategy
Warren.Patterson@asia.ing.com

Rafal Benecki
Chief Economist, Poland
rafal.benecki@ing.pl

Philippe Ledent
Senior Economist, Belgium, Luxembourg
philippe.ledent@ing.com

Peter Virovacz
Senior Economist, Hungary
peter.virovacz@ing.com

Inga Fechner
Senior Economist, Germany, Global Trade
inga.fechner@ing.de

Dimitry Fleming
Senior Data Analyst, Netherlands
Dimitry.Fleming@ing.com

Ciprian Dascalu
Chief Economist, Romania
+40 31 406 8990
ciprian.dascalu@ing.com

Muhammet Mercan
Chief Economist, Turkey
muhammet.mercan@ingbank.com.tr

Iris Pang
Chief Economist, Greater China
iris.pang@asia.ing.com

Sophie Freeman
Writer, Group Research
+44 20 7767 6209
Sophie.Freeman@uk.ing.com

Padhraic Garvey, CFA
Regional Head of Research, Americas
padhraic.garvey@ing.com

James Knightley
Chief International Economist, US
james.knightley@ing.com

Tim Condon
Asia Chief Economist
+65 6232-6020

Martin van Vliet
Senior Interest Rate Strategist
+31 20 563 8801
martin.van.vliet@ing.com

Robert Carnell
Regional Head of Research, Asia-Pacific
robert.carnell@asia.ing.com

Karol Pogorzelski
Senior Economist, Poland
Karol.Pogorzelski@ing.pl

Carsten Brzeski
Global Head of Macro
carsten.brzeski@ing.de

Viraj Patel

Foreign Exchange Strategist
+44 20 7767 6405
viraj.patel@ing.com

Owen Thomas
Global Head of Editorial Content
+44 (0) 207 767 5331
owen.thomas@ing.com

Bert Colijn
Chief Economist, Netherlands
bert.colijn@ing.com

Peter Vanden Houte
Chief Economist, Belgium, Luxembourg, Eurozone
peter.vandenhoute@ing.com

Benjamin Schroeder
Senior Rates Strategist
benjamin.schroder@ing.com

Chris Turner
Global Head of Markets and Regional Head of Research for UK & CEE
chris.turner@ing.com

Gustavo Rangel
Chief Economist, LATAM
+1 646 424 6464
gustavo.rangel@ing.com

Carlo Cocuzzo
Economist, Digital Finance
+44 20 7767 5306
carlo.cocuzzo@ing.com