

## Our view on next week's events

Discover what ING analysts are looking for next week in our global economic calendars

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By Peter Virovacz and Piotr Poplawski

# Key events in developed markets next week

Industry, confidence, labour market and retail sales data in developed markets next week suggest a slow recovery ahead for both the US and the Eurozone



Source: Shutterstock

## ✓ US: Growing impatient

This coming week's data is for July and the story should remain fairly positive with industrial production and retail sales continuing to recover from the lockdown measures.

The ISM survey posted decent gains while strong auto sales and higher gasoline prices are providing solid bedrock for the retail sales number. Inflation should also pick-up a little further given rising gasoline and food prices in particular. However, high-frequency data suggests that the US recovery story is showing signs of stalling as a rising number of Covid-19 led to reintroduced containment measures.

Confidence has taken a massive hit while the employment situation is looking more challenging as many businesses that had re-opened are forced to close due to restrictions. This is leading to job losses in many areas while the deadlock in Washington over another fiscal support package means that 30 million-plus people that had been receiving the \$600 per week additional Federal unemployment benefit will no longer do so.

The combination of weaker confidence, a tougher jobs market and a squeeze on household income means that the outlook for August and September activity data isn't great.

## ✓ Eurozone: Industry slow to recover

After this week's encouraging retail sales figures, the Eurozone focus will be on how industrial production and exports recovery is shaping up. Hopes for a 'V' outside retail are smaller, so expect a slower recovery in production and exports.

## Developed Markets Economic Calendar

Country	Time Data/event	ING	Survey	Prev.
<b>Monday 10 August</b>				
Italy	1000 Bank of Italy Publishes Monthly Report 'Money and Banks'			
Norway	0700 Jul CPI (MoM/YoY%)	-/-	-/-	0.2/1.4
	0700 Jul CPI - ATE (MoM/YoY%)	-/-	-/-	0.4/3.1
Portugal	1100 Portugal Releases Industrial Sales, Services Sales and Employment Report			
<b>Tuesday 11 August</b>				
US	1100 Jul NFIB Small Business Optimism	105	-	100.6
Japan	0050 Jun C/A Balance, adjusted (Yen bn)	-	-	821.1
Germany	1000 Aug ZEW Current Situation Index	-65	-	-80.9
UK	0700 Jun Weekly Earnings (3M avg)	-1.1	-	-0.3
	0700 Jun Weekly Earnings ex Bonus (3M avg)	0	-	0.7
	0700 Jun ILO Unemployment Rate (3M avg.)	4	-	3.9
	0930 Jun Employment Change (3M/3M)	-220	-	-125.0
Sweden	0500 Jul PES Unemployment Rate	-	-	5.5
Portugal	- Bank of Portugal Releases Data on Banks			
<b>Wednesday 12 August</b>				
US	1330 Jul CPI (MoM/YoY%)	0.4/0.9	0.3/0.7	0.6/0.6
	1330 Jul CPI ex. food and energy (MoM/YoY%)	0.2/1.2	0.2/1.1	0.2/1.2
	1600 Fed's Kaplan Speaks to Lubbock Chamber of Commerce			
Eurozone	1000 Jun Industrial Production (WDA, YoY%)	-14.8	-	-20.9
UK	0700 Jun Industrial Production (MoM/YoY%)	-/-	-/-	6.0/-20
	0700 Jun UK Services Index (MoM%)	-	-	0.9
	0700 Jun Trade Balance (€bn)	-	-	4296
	0700 2Q P GDP (QoQ/YoY%)	-20.5/-22.0	-/-	-2.2/-1.7
Italy	0900 Jul F HICP (YoY%)	-	-	0.9
New Zealand	0300 RBNZ cash rate (%)	0.25	-	0.25
Sweden	0830 Jul CPI (MoM/YoY%)	-/-	-/-	0.6/0.7
	0830 Jul CPIF (MoM/YoY%)	-/-	-/-	0.6/0.7
Portugal	1100 Portugal Releases Consumer Price Inflation Report			
<b>Thursday 13 August</b>				
Japan	0050 Jul PPI (MoM/YoY%)	0.1/-1.4	-	0.6/-1.6
Germany	0700 Jul F CPI (MoM/YoY%)	5	-/-	-0.5/-0.1
Spain	0800 Jul F HICP (MoM/YoY%)	-/-	-/-	-1.6/-0.7
Australia	0200 Aug CPI expectations (YoY%)	-	-	3.2
	0230 Jul Employment change ('000)	62.5	-	210.8
	0230 Jul Unemployment rate (%)	7.3	-	7.4
Sweden	- 2Q Current Account Balance (SEKbn)	-	-	80.6
	0815 NIER Forecast Update			
Portugal	1100 Portugal Reports Second-Quarter Labor Cost Index			
<b>Friday 14 August</b>				
US	1330 Jul Advance Retail Sales (MoM%)	1.8	1.6	7.5
	1330 Jul Retail Sales ex. Auto and Gas (MoM%)	1.0	-	6.7
	1415 Jul Industrial Production (MoM%)	3.5	3.0	5.4
	1500 Aug P U. of Mich. Sentiment Index	70.0	71.0	72.5
Japan	0530 Jun Tertiary industry index (MoM%)	-	-	-2.1
Eurozone	1000 Jun Trade Balance (€bn)	13000	-	8019
	1000 2Q P GDP (QoQ/YoY%)	-12.1/-15.0	-/-	-12.1/-15.0
Netherlands	0830 2Q P GDP (QoQ%)	-	-	-1.5
Portugal	0930 Portugal Reports Second-Quarter GDP Estimate			

Source: ING, Bloomberg

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# Asia week ahead: Lots of Chinese and Indian data

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Source: Shutterstock

## ➔ China: More momentum

China's July data pipeline started this week and will continue throughout next week with figures on industrial production, fixed investment, retail sales, consumer and home price inflation, and monetary and lending indicators.

We think most indicators will post better readings than they did in June, suggesting that the third quarter is off on a firmer start.

## ➔ India: Not looking any better

Unlike China, the economic slump in India seems to be far from over, while resurgent inflation has closed the door on central bank monetary easing this week. We don't think forthcoming data will alter this either.

We see July CPI inflation to be steady above the Reserve Bank of India's 6% policy limit. Food remained a dominant inflation driver but high utility and transport costs also contributed. Real economic activity may have seen some pick up in recent months following the relaxation of the Covid-19 lockdowns, though it still remains way below the level that was seen just a year ago, as will be reflected by persistently big declines in exports and manufacturing.

## ➔ Malaysia: The worst may be over

Malaysia's 2Q20 GDP is out next week too. We forecast an 8.3% year-on-year contraction - the steepest since the 1998 Asian crisis. We think markets have almost become indifferent to downside GDP growth surprises from around the region and they are unlikely to be perturbed if Malaysia's growth numbers follow a similar path.

With key drivers of exports and tourism missing, the negative GDP trend will remain over the second half of the year. And, with inflation continuing to be negative, the doors remain open for some more monetary easing from the central bank.

## ➔ Rest of Asia: Looks pretty slow

Other things on the calendar include July labour report in Australia, a central bank meeting in New Zealand, a couple of activity releases in Japan, and revised 2Q GDP in Singapore.

We share the consensus view of a sharp slowdown in Australia's jobs growth (ING forecast 62.5k vs. 210.8k in June). There is unlikely to be much happening at New Zealand's central bank meeting with rates remaining on hold.

Singapore's 2Q GDP might as well go unnoticed despite a likely downward revision from the -12.6% YoY first print on the back of weak June manufacturing.

## Asia Economic Calendar

Country	Time	Data/event	ING	Survey	Prev.
<b>Monday 10 August</b>					
China	0230	Jul PPI (YoY%)	-3.6	-2.5	-3.0
	0230	Jul CPI (YoY%)	2.7	2.6	2.5
		- Jul Money supply (M2) (YoY%)	11.1	11.2	11.1
		- Jul Aggregate finance (Yuan bn)	2799		3430
		- Jul Financial institution loans (Yuan bn)	1317		1810
<b>Tuesday 11 August</b>					
India	1300	Jun Industrial production (YoY%)	-18.0	-17.5	-34.7
Singapore	0100	2Q F GDP (Q) (YoY%)	-13.2	-	-12.6
	0100	2Q F GDP (QoQ Annualised %)	-42.9	-	-41.2
<b>Wednesday 12 August</b>					
India		- Jul Trade deficit (US\$bn)	-465.0	-	790.0
		- Jul Exports (YoY%)	-17.0	-	-12.4
		- Jul Imports (YoY%)	-45.0	-	-47.6
South Korea	0000	Jul Unemployment rate (% SA)	-	-	4.3
<b>Thursday 13 August</b>					
India	1300	Jul CPI (YoY%)	6.1	-	6.1
<b>Friday 14 August</b>					
China	0230	Jul New home prices (YoY%)	5.0	-	4.9
	0300	Jul Industrial Production (YoY%)	5.1	5.1	4.8
	0300	Jul Retail Sales (YoY%)	-2.0	0.2	-1.8
	0300	Jul Fixed asset investment (YTD, YoY%)	-0.1	-1.6	-3.1
India	0730	Jul WPI (YoY%)	-1.3	-	-1.8
Hong Kong	0930	2Q F GDP (Q) (YoY%)	-9.0	-	-9.0
	0930	2Q F GDP (Q) (QoQ% SA)	-	-	-0.1
Malaysia	0500	2Q GDP (YoY%)	-8.3	-	0.7
	0500	2Q Current account (Q) (MYR bn)	2800.0	-	9500.0
	0500	2Q GDP (Q) (QoQ% SA)	-7.7	-	-2.0

Source: ING, Bloomberg, \*GMT

## Key events in EMEA and Latam next week

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Source: Shutterstock

### ✓ Hungary: Expect a large drop in 2Q GDP

Like others in Europe, Hungary won't have much to cheer about next week as second-quarter GDP numbers are released

We expect a 10.5% year-on-year drop in GDP, posting a new record after the collapse in mid-2009. Unfortunately, the preliminary data release won't include details about the structure of the collapse. To see this we must wait another two weeks.

Our best guess is that only government spending might contribute positively to the economic activity while other areas on the final use side (mainly consumption and investments) will provide a huge drag on growth.

Before GDP data, July inflation numbers will be released. Excise duty increased on tobacco, end of free public parking, fuel prices increased, draught and a weaker HUF. These are the factors which we see contributing in accelerating headline and core inflation figures.





## Poland: Optimism from CA data may be weakened by negative GDP reading

This week we expect another stellar current account reading, for June. Polish exporters were relatively resilient to the pandemic, partially down to their lower share of automobiles in the industry compared to CEE counterparts. Also, investment activity is most likely weak, keeping imports subdued. A lasting improvement in trade balance is one of the key reasons behind the zloty remaining stable despite a very dovish central bank.

Next week, we're also expecting a terrible (but close to the local consensus) flash GDP reading for 2Q20: -9% YoY. This largely reflects the lockdown in Poland, affecting consumption and investment.

The ongoing recovery is likely to prove slow due to worsening labour conditions.

### Czech Republic: Inflation to slow down

July CPI is likely to slow down close to 3%, but uncertainty remains elevated. Not only due to food prices, that have developed recently against a typical seasonal path, but also due to many other prices that might have been impacted by the Covid-crisis.

Prices of holiday packages have been increasing substantially during July, and this year might be less pronounced, at least for some types of holidays.

As such, we expect slightly weaker than usual MoM increase this July, leading to some slow-down in YoY CPI, despite the fact that inflation has been surprising on the upside in recent months.

## EMEALatam Economic Calendar

Country	Time Data/event	ING	Survey	Prev.
<b>Sunday 9 August</b>				
Israel	- Jul Foreign Currency Balance (US\$bn)	-	-	147.3
<b>Monday 10 August</b>				
Turkey	0800 May Unemployment Rate (%)	-	-	12.8
Ukraine	- Jul CPI (MoM/YoY%)	-0.1/3	-/-	0.2/2.4
Romania	0700 Jun Trade Balance (€m)	-	-	-1251
Kazakhstan	- 2Q E C/A (US\$m)	-	-	2024
Bulgaria	0900 Jun Industrial Production (MoM/YoY%)	-	-	-0.1/-16.13
	0900 Jun Retail Sales (MoM/YoY%)	-/-	-/-	0.0/-20.4
South Africa	- 3Q Consumer Confidence	-	-	-33.0
<b>Tuesday 11 August</b>				
Russia	1400 Jun Trade Balance (US\$bn)	-	4.15	3.673
	1700 2Q A GDP (YoY%)	-7.5	-9.6	1.6
Hungary	0800 Jul CPI (MoM/YoY%)	0.6/3.3	-/-	0.4/2.9
Romania	0700 Jun Avg Net Wages (YoY%)	-	-	2.52
Kazakhstan	- Jul International Reserves (US\$bn)	-	-	32.9
South Africa	1030 2Q Unemployment Rate (%)	-	-	30.1
	1200 Jun Manufacturing Prod. (MoM%)	-	-	-49.4
	1200 Jun Manufacturing Production (SA, MoM%)	-	-	-44.3
Brazil	1200 Central Bank Meeting Minutes			
Mexico	1200 Jun Industrial Production (YoY%)	-22	-	-30.7
<b>Wednesday 12 August</b>				
Romania	0700 Jul CPI (MoM/YoY%)	-0.1/2.7	-/-	0.08/2.58
	0700 Jun Industrial Production (MoM/YoY%)	-/-	-/-	15.1/-28.0
	0700 Jun Industrial Sales (MoM/YoY%)	-/-	-/-	26.89/-30.93
Serbia	1100 Jul CPI (MoM/YoY%)	-0.2/1.6	-	0.6/1.6
Croatia	1000 Jun Tourism arrivals (YoY%)	-	-	-96.1
South Africa	1200 Jun Retail Sales (YoY%)	-	-	74.2/-12.0
Israel	1100 Jul Trade Balance (US\$m)	-	-	-1529
Brazil	1300 Jun Retail Sales (YoY%)	0	-	-7.2
<b>Thursday 13 August</b>				
Poland	1300 Jun C/A (€m)	1936	1599	2455
Czech Rep	0800 Jul CPI (MoM/YoY%)	0.2/3.1	-/-	0.6/3.3
	0800 Jun Export Price Index (YoY%)	-	-	2.8
	0800 Jun Import Price Index (YoY%)	-	-	-0.7
	0900 Jun C/A (CZKbn)	-	-	4.24
Romania	- Jun C/A YTD (€m)	-	-	-2881
Serbia	1100 Repo rate (%)	1.25	-	1.25
Mexico	1900 Overnight Rate	4.75	-	5.0
<b>Friday 14 August</b>				
Turkey	0800 Jun C/A (US\$m)	-	-	-3.76
	0800 Jun Industrial Production (MoM/YoY%)	-/-	-/-	17.4/-19.9
Poland	0900 2Q P GDP (QoQ/YoY%)	-9	-8.8	-0.4/2
	0900 Jul F CPI (MoM/YoY%)	-/-	-/-	-0.1/3.1
Czech Rep	0800 CNB minutes			
Hungary	0800 2Q P GDP (SWDA, QoQ%)	-11.6	-	-0.4
	0800 2Q P GDP (NSA, YoY%)	-10.5	-	2.2
Ukraine	- 2Q P GDP (YoY%)	-11	-	-1.3
Romania	0700 2Q A GDP (SA, QoQ%)	-14.6	-	0.3
	0700 2Q A GDP (YoY%)	-12.9	-	2.38
Kazakhstan	- Jul Industrial Production Yearly	-	-	-5.6
	- 2Q P GDP YTD YoY	-	-	2.7
Bulgaria	0900 2Q P GDP (QoQ/YoY%)	1.12	-	0.29/2.4
Israel	1200 Jul CPI (MoM/YoY%)	-/-	-/-	-0.1/-1.09

Source: ING, Bloomberg

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