

## 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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## ✓ Eurozone: Key data releases to see the speed of recovery

For the eurozone, next week will be all about the speed of the recovery. The German Ifo, eurozone PMIs and eurozone consumer confidence will all give a bit more direction on the current speed of growth. August surveys showed signs of a significant slowdown, which makes sense after the fast recovery of the reopening months. September data should provide some guidance on whether the momentum has slowed further or whether it has stabilised.

## Developed markets economic calendar

Country	Time	Data/event	ING	Survey	Prev.
<b>Monday 21 September</b>					
US	1500	Fed Board Holds Open Meeting on Community Reinvestment Act			
Austria	1500	ECB's Holzmann Chairs Workshop in Vienna			
<b>Tuesday 22 September</b>					
US	1500	Aug Existing Home Sales	-	5.95	5.86
	1500	Fed's Evans Discusses the U.S. Economy and Monetary Policy			
Eurozone	1500	Sep A Consumer Confidence	-14.0	-	-14.7
UK	0700	Aug Public Finances (PSNCR)	-	-	16.49
	0700	Aug PSNB ex Banks (Ebn)	-	-	26.67
	0830	BOE's Bailey Speaks on BCC Webinar			
Australia	0130	RBA's Debelle Gives Speech			
Sweden	0830	Riksbank Interest Rate	-	-	0.00
	0900	Sales indicator			
<b>Wednesday 23 September</b>					
US	1400	Fed's Mester Discusses Payments and the Pandemic			
	1600	Fed's Evans Discusses the U.S. Economy and Monetary Policy			
Japan	0530	Jul All industry activity index (MoM%)	-	-	6.1
Eurozone	0900	Sep P Markit Manufacturing PMI	51.0	-	51.7
	0900	Sep P Markit Services PMI	50.5	-	50.5
	0900	Sep P Markit Composite PMI	51.6	-	51.9
UK	0930	Sep P Markit/CIPS Manufacturing PMI	-	-	55.2
	0930	Sep P Markit/CIPS Services PMI	-	-	58.8
	0930	Sep P Markit/CIPS Composite PMI	-	-	59.1
Australia	0230	ABS Australia Preliminary August Retail Sales			
New Zealand	0300	RBNZ Monetary Policy Review (cash rate, %)	0.25		0.25
Norway	0700	Jul Unemployment Rate AKU	-	-	5.2
Netherlands	0530	2Q F GDP (QoQ%)	-8.5	-	-8.5
<b>Thursday 24 September</b>					
US	1500	Powell, Mnuchin Testify Before Senate Banking Committee			
	1800	Fed's Evans Discusses the U.S. Economy and Monetary Policy			
Japan	0050	BOJ Minutes of July Meeting			
Eurozone	0900	ECB Publishes Economic Bulletin			
Germany	0900	Sep IFO Business Climate	93.0	-	92.6
	0900	Sep IFO Expectations	97.6	-	97.5
	0900	Sep IFO Current Assessment	88.8	-	87.9
UK	1500	BOE's Bailey Speaks at Chamber of Commerce Event			
Norway	0900	Deposit Rates	-	-	0.00
Switzerland	0830	SNB Sight Deposit Interest Rate	-	-	-0.75
<b>Friday 25 September</b>					
US	1330	Aug P Durable Goods Orders (MoM%)	-	1.0	11.4
	1330	Aug P Durable Goods Orders (ex. Transport, MoM%)	-	1.1	2.6
Eurozone	0900	Aug M3 Money Supply (YoY%)	-	-	10.2
Australia	0230	ABS Australia Preliminary August Merchandise Trade			
Sweden	0830	Aug Household Lending (YoY%)	-	-	5.2
Portugal	-	Portugal Releases Year-to-Date Budget Report			

Source: ING, Bloomberg

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# Key events in EMEA and Latam next week

Turkey, Hungary and the Czech Republic are all set to keep rates on hold next week, however we may see a 25 basis point rate cut in Mexico. Most central...



Source: Shutterstock

## ✓ Turkey: Widening in the corridor structure possible

The Central Bank of Turkey has started gradually hiking the effective cost of funding - up by 300bp since mid-July to 10.3% now - by changing the composition of funding. In the current scheme, the CBT could push the effective cost of funding up to the late liquidity window rate of 11.25%, implying relatively lower flexibility in comparison to the latest inflation number of close to 12%. So given the CBT's stance of not changing the policy rate due to Covid-19 related uncertainties, we could see an adjustment and widening in the corridor structure at the September MPC meeting through changes in the late liquidity window and overnight lending rates.

## ✓ Hungary: Rates to remain unchanged but with a hawkish tone

We see a significant deterioration in the Hungarian current account balance in the second quarter of 2020. The collapse of international travel and trade left a huge mark on the data, in our view. Other than this, the calendar will be light on data, so all eyes will be on the National Bank of Hungary on Tuesday. Inflation surprised on the upside recently, while growth surprised on the downside. We think the NBH will focus on the inflation story, but just by using words rather

than action. Rates and unconventional tools should remain unchanged, but the press conference's tone could be a bit more hawkish than it used to be. The central bank will also reveal its main forecast figures before it releases its full Inflation Report on Thursday. We expect a major downgrade in GDP growth (from 0.3–2.0% growth to a 5–7% decline) with the inflation forecast to remain broadly unchanged.

## ✓ Czech Republic: CNB set to keep rates on hold

The Czech National Bank is set to stay on hold next Wednesday as the current monetary setting seems to be optimal from the perspective of the CNB's Board. The latest economic data was slightly better than the CNB expected, though the recent sharp surge in Covid cases is a clear downside risk.

## EMEA Latam Economic Calendar

Country	Time	Data/event	ING	Survey	Prev.
<b>Monday 21 September</b>					
Poland	0900	Aug Retail Sales (MoM/YoY%)	-/-	-/-	6.4/2.7
Hungary	0730	2Q C/A (€mn)	-1241	-	2.4
<b>Tuesday 22 September</b>					
Poland	1300	Aug M3 Money Supply (MoM/YoY%)	-/-	-/-	-0.3/16.8
Hungary	1300	Policy Rate (%)	0.6	-	0.6
	1300	Overnight Deposit Rate (%)	-0.05	-	-0.05
South Africa	0800	Jul Leading Indicator	-	-	94.1
Israel	-	12Mth Inflation Forecast (%)	-	-	0.4
Brazil	1200	Central Bank Meeting Minutes			
<b>Wednesday 23 September</b>					
Poland	0900	Aug Unemployment Rate (%)	-	-	6.1
	-	Aug Budget Level (YTD)	-	-	-16294.3
Czech Rep	1330	Repo Rate	0.25	-	0.25
	1445	CNB news conference			
Israel	1100	Jul Industrial Production (SA, MoM%)	-	-	0.2
	1100	Aug Monthly Unemployment Rate (%)	-	-	4.6
Mexico	1200	Jul Retail Sales (YoY%)	-11.0	-	-16.6
<b>Thursday 24 September</b>					
Turkey	0800	Sep Real Sector Confidence Index SA	-	-	105.2
	0800	Sep Capacity Utilization (%)	-	-	73.3
	1200	Benchmark Repurchase Rate	8.25	-	8.25
Poland	1300	National Bank of Poland Publishes Minutes of Rate Meeting			
Czech Rep	0800	Sep Business Confidence	-	-	-2.8
	0800	Sep Consumer & Business Confidence	-	-	-4.7
	0800	Sep Consumer Confidence	-	-	-12.0
Hungary	-	Annual Conference of Hungarian Economic Association			
Israel	-	Aug Leading 'S' Indicator (MoM%)	-	-	0.15
Brazil	1200	Central Bank Quarterly Inflation Report			
Mexico	1900	Overnight Rate	4.25	4.5	4.5
<b>Friday 25 September</b>					
Turkey	0900	Aug Foreign Tourist Arrivals (YoY%)	-	-	-85.9
Kazakhstan	-	Aug M3 Money Supply (MoM%)	-	-	4.1
Serbia	1100	Jul Real Wages (YoY%)	-	-	9.8
Brazil	1330	Aug C/A Balance (\$mn)	2400	-	1627.7

Source: ING, Bloomberg

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# Asia week ahead: Nothing as boring as central bank meetings these days

There was nothing exciting about the three Asian central bank meetings this week, and we think the same goes for the three meetings in China, Thailand and...



Source: Shutterstock

## ➔ Nothing as boring as central bank meetings these days

With the Federal Reserve going into policy inactivity territory for the next three years, there will be no motive whatsoever for Asian central banks to change their policies either. As such, there was nothing exciting about the three regional central bank meetings this week in Japan, Taiwan or Indonesia. And, we think it will be the same case for the next three meetings in China, Thailand and New Zealand next week.

The People's Bank of China has held the 1-year and 5-year loan prime rates at their current levels -



3.85% and 4.65% respectively, since April. The last 25 basis point cut in the Reserve Bank of New Zealand's cash rate was in March and for the Bank of Thailand, that occurred in May, bringing rates down to their all-time lows of 0.25% to 0.50% respectively.

While we anticipate all three central banks keeping rates on hold next week, New Zealand's 12% 2Q20 GDP contraction - the sharpest fall in developed markets, may raise some interest in the RBNZ meeting as the speculation about negative interest rates is on the rise there.

## ➔ And a busy data week

Inflation, trade, and manufacturing releases pack the Asian economic data calendar next week.

Korea reports PPI inflation for August and Hong Kong, Malaysia and Singapore will release CPI inflation data - all likely to be showing continued negative inflation.

Hong Kong and Thailand will release trade data. We expect export growth to stay in the negative territory. Taiwan's export orders figures will indicate where growth is headed over the coming months.

Lastly, industrial production numbers from Taiwan and Singapore, combined with July readings, will shed light on their third-quarter GDP performance. Indeed, firmer exports are supporting manufacturing, and therefore GDP growth.

## Asia Economic Calendar

Country	Time	Data/event	ING	Survey	Prev.
<b>Monday 21 September</b>					
China	-	1-year Loan Prime Rate (%)	3.85	3.85	3.9
	-	5-year Loan Prime Rate (%)	4.65	4.65	4.7
Hong Kong	-	Aug Composite CPI (YoY%)	-2.6	-	-2.3
Taiwan	0900	Aug Export orders (YoY%)	11.3	-	12.4
	-	Aug Money supply (M2) (YoY%)	5.9	-	5.89
South Korea	2200	Aug PPI (YoY%)	-0.8	-	-0.8
<b>Tuesday 22 September</b>					
Philippines	-	Aug Budget balance (PHP bn)	-	-	-140.2
Taiwan	0900	Aug Unemployment rate (%)	3.9	-	3.9
<b>Wednesday 23 September</b>					
Malaysia	0500	Aug CPI (YoY%)	-1.2	-	-1.3
	0800	Sep 15 Forex reserves- Month end (US\$bn)	-	-	104.4
Singapore	0600	Aug CPI (YoY%)	-0.5	-	-0.4
	0600	Aug CPI core (YoY%)	-0.4	-	-0.4
Taiwan	0900	Aug Industrial production (YoY%)	-	-	2.65
Thailand	0430	Aug Exports (Cust est, YoY%)	-10.0	-	-11.37
	0430	Aug Imports (Cust est, YoY%)	-18.0	-	-26.4
	0430	Aug Trade balance (US\$m)	3565	-	3343
	0805	Benchmark Interest Rate	0.5	-	0.5
<b>Thursday 24 September</b>					
Hong Kong	0930	Aug Exports (YoY%)	-4.0	-	-3.0
	0930	Aug Imports (YoY%)	-5.9	-	-3.4
	0930	Aug Trade balance (HK\$ bn)	-20.0	-	-29.82
South Korea	2200	Sep BOK Consumer Sentiment Index	91.5	-	88.2
<b>Friday 25 September</b>					
Singapore	0600	Aug Industrial production (MoM/YoY%)	6.8/7.9	-/-	1.6/-8.4

Source: ING, Bloomberg, \*GMT



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