

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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Source: Shutterstock

US: Consumer and manufacturing sectors to stall after the reopening rebound

After the initial bounce in activity in the wake of the reopening of the economy, we are now in the second phase of the recovery where underlying economic fundamentals matter much more. In the case of the US, the second spike in Covid-19 cases led to many states scaling back their reopening strategies and the combination of renewed health and economic concerns pushed confidence lower in July. We expect it to stay subdued in August, especially with employment growth showing signs of stalling and incomes being squeezed for millions of people due to the \$600/week Federal unemployment benefit boost having ended. It is being replaced by a new \$400 payment, but even so the combination of weaker confidence, employment and incomes means that the consumer sector is going to struggle to maintain its recent run of strong performance.

Meanwhile, durable goods orders should continue to post a solid growth rate on the reopening story. Like the consumer sector, gains after the July report will be tougher to come by with leading surveys for August already indicating a slowing in the pace of manufacturing activity.

✓ Canada: Slow recovery expected

Canada will likely post a record plunge in GDP of around 40% annualised for 2Q. Following the already announced 1Q contraction this would bring the peak-to-trough fall in Canadian GDP in the first half of 2020 to 13.8% - more than the US's 10.6% decline, but nowhere near as bad as the 20%+ falls experienced by the UK and Spain. Monthly data is now pointing to growth, but with Canada dependent much more on commodities and trade than the US it is likely to experience a slower rebound versus its economically larger neighbour.

✓ Bank of England speakers in focus as negative rates debate rages on

With unemployment set to rise over the remainder of the year, there's going to be growing pressure on policymakers in the UK to increase support. How the Chancellor responds as the Job Retention scheme (furlough) is unwound will be particularly key. But the Bank of England is also increasingly likely to add stimulus - and the bigger question is whether a new package of support will include negative rates.

We think it's fair to say the Bank is still on the fence on this one. There was a detailed box in the latest Monetary Policy Report that went into some of the evidence on how negative rates affect bank lending - but policymakers were careful not to formally lean in one direction or another. The policy remains 'in the toolbox' according to Governor Andrew Bailey, and we'll be listening out for any further hints when he and Chief Economist Andy Haldane speak next week.

At the moment, we think QE will remain the preferred avenue of stimulus with a further expansion likely in November. Policymakers might also opt to initially move to a negative rate on the bank's targeted lending schemes, while keeping Bank rate at or above zero.

Developed Markets Economic Calendar

Country	Time Data/event	ING	Survey	Prev.
Tuesday 25 August				
US	1500 Aug Consumer Confidence	94.0	93.2	92.6
	2025 Fed's Daly Takes Part in a Panel on Inequity and Covid-19			
Australia	0230 ABS Australia Preliminary July Merchandise Trade			
Germany	0700 2Q F GDP (QoQ/YoY%)	-10.1/-11.7	-/-	-10.1/-11.7
	0900 Aug IFO Business Climate	92.0	-	90.5
	0900 Aug IFO Expectations	98.0	-	97.0
	0900 Aug IFO Current Assessment	87.5	-	84.5
Norway	0700 Jun GDP Mainland (MoM%)	-	-	2.4
Wednesday 26 August				
US	1330 Jul P Durable Goods Orders (MoM%)	4.5	4.0	7.6
	1330 Jul P Durable Goods Orders (ex. Transport, MoM%)	3.3	2.7	3.6
Eurozone	1230 ECB's Schnabel Participates in Online Discussion			
UK	1700 BOE's Haldane speaks in Edinburgh.			
Norway	0700 Jun Unemployment Rate AKU	-	-	4.6
Portugal	- Portugal Releases Year-to-Date Budget Report			
Thursday 27 August				
US	1330 2Q S GDP (QoQ Annualised %)	-32.9	-32.5	-32.9
	- Kansas City Fed Holds Annual Policy Symposium			
Japan	0530 Jun All industry activity index (MoM%)	-	-	-3.5
Eurozone	0900 Jul M3 Money Supply (YoY%)	-	-	9.2
France	0745 Survey of Industrial Investment			
Norway	0700 Jul Retail Sales (Ex. Motor Vehicles, SA, MoM%)	-	-	5.7
	- Norway Wealth Fund Financial Research Conference			
Sweden	0800 Aug Economic Tendency Indicator	-	-	83.4
	0830 Jul Household Lending (YoY%)	-	-	5.1
	0830 Jul Retail sales (Ex. Fuel, MoM/YoY%)	-	-	1.17/3.90
Switzerland	0645 2Q GDP (QoQ/YoY%)	-/-	-/-	-2.6/-1.3
Friday 28 August				
US	1500 Aug F.U. of Mich. Sentiment Index	72.8	72.8	72.8
	- Kansas City Fed Holds Annual Policy Symposium			
Eurozone	1000 Aug Economic Confidence	-	-	82.3
UK	1405 BOE Governor Bailey speaks.			
Canada	1330 Jun GDP (MoM/YoY%)	-/-	4.9/-	4.5/-13.8
	1330 2Q GDP (Annualised, QoQ%)	-40.0	-37.8	-8.2
Norway	0900 Aug Unemployment Rate	-	-	4.9
Sweden	0830 2Q GDP (QoQ%)	-8.6	-	0.1

Source: ING, Bloomberg

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Asia week ahead: Bank of Korea in the spotlight

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Source: Shutterstock

➔ Korea: Central bank stays on hold

The Bank of Korea meets on Thursday, 27 August. After cutting interest rates by a total of 125 basis points, to 0.50%, in the year through May, the BoK paused at the last meeting held in July. We don't think they will move next week either, which is also the broad consensus.

Just days ahead of this decision are the central bank's monthly confidence indicators. Both consumer and business confidence indices may exhibit some weakness amid resurgent Covid-19 cases since the previous week. A possible second wave outbreak may tip the balance towards

easier macro policy, though our house view remains that the BoK easing cycle has run its course.

➔ Rest of Asia: Manufacturing data dominates

Industrial production and trade releases dominate the calendar for the rest of Asia.

China's industrial profits growth might have softened a bit in July, though the markets should take some comfort from the fact that it remained positive for a third straight month, signalling firming activity and the improved prospect of investment spending. In Hong Kong, trade figures should reveal the pinch from the escalation of US-China tensions over the territory's autonomy.

Taiwan's industrial production should have benefited from firmer exports in July, though that might not be the case in other countries reporting their IP data next week. We see continued negative year-on-year IP growth in Singapore and Thailand, though some of this is also due to the base effect.

Malaysia and Thailand report trade figures for July. We believe a surprising bounce in Malaysia's exports in June was reversed in July, though, as elsewhere, some of this is the base effect noise. In Thailand, we see nothing in the trade data to ease the authorities' discomfort about the strong currency potentially threatening the recovery in exports and tourism. July was another month with a big trade surplus, as import weakness outweighed export weakness.

Asia Economic Calendar

Country	Time Data/event	ING	Survey	Prev.
Monday 24 August				
Singapore	0600 Jul CPI (YoY%)	-0.7	-0.5	-0.5
	0600 Jul CPI core (YoY%)	-0.3	-	-0.2
Taiwan	0900 Jul Industrial production (YoY%)	3.8	-	7.3
	0900 Jul Unemployment rate (%)	3.8	-	4.0
	0920 Jul Money supply (M2) (YoY%)	5.1	-	5.4
Thailand	0430 Jul Exports (Cust est, YoY%)	-	-	-23.2
	0430 Jul Imports (Cust est, YoY%)	-	-	-18.1
	0430 Jul Trade balance (US\$bn)	2.39	-	1.61
South Korea	2200 Aug BOK Consumer Sentiment Index	83.0	-	84.2
Tuesday 25 August				
Philippines	- Jul Budget balance (PHP bn)	-91.3	-	1.77
Thailand	- Jul Manufacturing index (YoY%)	-13.9	-	-17.7
South Korea	2200 Sep BOK Business Survey Index, mfg	59.0	-	57.0
	2200 Sep BOK Business Survey Index, non-mfg	60	-	60.0
Wednesday 26 August				
Hong Kong	0930 Jul Exports (YoY%)	-5.3	-	-1.3
	0930 Jul Imports (YoY%)	-6.7	-	-7.1
	0930 Jul Trade balance (HK\$ bn)	-25.2	-	-33.34
Singapore	0600 Jul Industrial production (MoM/YoY%)	6.1/-5.0	-/-	0.2/-6.7
Thursday 27 August				
China	0230 Jul Industrial profits (YoY%)	7.3	-	11.5
South Korea	- 7-Day Repo Rate	0.5	-	0.5
Friday 28 August				
Malaysia	0500 Jul Exports (YoY%)	-15.0	-	8.83
	0500 Jul Imports (YoY%)	-12.0	-	-5.57
	0500 Jul Trade balance (RM bn)	9.9	-	20.89

Source: ING, Bloomberg, *GMT

Key events in EMEA and Latam next week

We're looking at a relatively quiet week ahead for the EMEA region. The key event is a central bank meeting in Hungary, where rates are likely to...



Source: Shutterstock

EMEALatam Economic Calendar

Country	Time	Data/event	ING	Survey	Prev.
Sunday 23 August					
Hungary	2300	Aug Economic Sentiment	-	-	-18.2
	2300	Aug Business Confidence	-	-	-15.2
Israel	-	Jul Leading 'S' Indicator (MoM%)	-	-	0.03
Monday 24 August					
Turkey	0900	Jul Foreign Tourist Arrivals (YoY%)	-	-	-96.0
Poland	1300	Jul M3 Money Supply (MoM/YoY%)	-18.5	-18.1	1.6/18.1
	-	Jul Budget Level (YTD)	-	-	-17118
Czech Rep	0800	Aug Business Confidence	-	-	-3.7
	0800	Aug Consumer Confidence	-	-	-10.5
South Africa	-	2Q Unemployment Rate (%)	-	34.9	30.1
Israel	1100	Jul Monthly Unemployment Rate (%)	-	-	4.5
Tuesday 25 August					
Turkey	0800	Aug Real Sector Confidence Index SA	-	-	99.4
	0800	Aug Capacity Utilization (%)	-	-	70.7
Poland	0900	Jul Unemployment Rate (%)	6.1	6.2	6.1
Hungary	1300	Policy Rate (%)	0.6	-	0.6
	1300	Aug 25 Overnight Deposit Rate (%)	-	-	-0.05
Kazakhstan	-	Jul M3 Money Supply (MoM%)	-	-	1.2
Serbia	1100	Jun Real Wages (YoY%)	-	-	6.5
South Africa	0800	Jun Leading Indicator	-	-	95.7
Brazil	1330	Jul C/A Balance (\$mn)	2500	-	2235
Wednesday 26 August					
Croatia	1000	2Q P GDP (YoY%)	-16.8	-	0.41
South Africa	0900	Jul CPI (MoM/YoY%)	-/-	-/-	0.5/3
	0900	Jul Core CPI (MoM%, NSA)	-	-	0.3
Mexico	1200	2Q F GDP (YoY%)	-19.0	-	-18.92
	1800	Mexican Central Bank Releases Inflation Report			
Thursday 27 August					
Poland	1300	National Bank of Poland Publishes Minutes of Rate Meeting			
South Africa	1030	Jul PPI (MoM/YoY%)	-	-	0.5/0.5
Mexico	1500	Central Bank Monetary Policy Minutes			
Friday 28 August					
Croatia	1000	Jul Retail Sales (YoY%)	-	-	-6.2
South Africa	1300	Jul National Budget Balance (ZARbn)	-	-	-22.3
Brazil	1300	Jul Unemployment Rate (%)	13.8	13.6	13.3

Source: ING, Bloomberg

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