

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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US: Jobs data highlights the challenges ahead

The US economy lost 22 million jobs between February and April as lockdowns forced businesses to close and lay off workers while the reopening through May and June has allowed nearly 8 million of those jobs come back. Nonetheless, there is still an almighty jobs deficit and with the renewed spike in cases leading many states to reverse course and reintroduce Covid-19 containment measures, we are seeing rising joblessness once again. This has been clearly highlighted by the recent initial and continuing claims numbers and the Homebase daily data on employment in the small business sector.

With respect to Friday's US jobs report the timing of the data collection for payrolls is the week of the 12th of July so we still expect to see an increase given employment was rising in the second half of June and the first half of July - most of the job losses occurred in the second half of the month. We are more cautious than the market though and look for a figure closer to 750,000 versus the current consensus of 1.5 million. We wouldn't rule out a negative number for August given the recent developments.

At the same time, the US\$600 a week unemployment benefit boost to 30 million plus claimants has effectively ended and will be replaced with something much smaller in size. So with virus fears

on the rise, jobs being lost and incomes being squeezed, we feel the recovery could be much bumpier than markets seemingly do.

Other data releases through the week include the ISM manufacturing and non-manufacturing reports, which should show another gain as larger firms start to see a pick-up in activity, but it is important to remember that these surveys don't tell us much about the magnitude of improvements, merely that a growing number of companies are experiencing stronger activity. Renewed shutdowns could weigh on the ISM readings again from August.

✔ Eurozone: Spike in retail sales expected

Next week will be slow in terms of macro data for the eurozone, but retail sales for June will be out and provide some interesting insight into how the recovery of consumer spending has fared in the second month after lockdowns. A sharp rise is still to be expected before things start to level off.

Developed Markets Economic Calendar

Country	Time	Data/event	ING	Survey	Prev.
Monday 3 August					
US	1500	Jul ISM Manufacturing	55.0	53.7	52.6
	1730	Fed's Bullard takes Part in Virtual Discussion on Economy			
	1900	Fed's Evans Holds Media Roundtable on the Economic Outlook			
Norway	0900	Jul DNB/NIMA Manufacturing PMI	-	-	48.94
Tuesday 4 August					
Japan	0050	Jul Monetary base (JPY tr)	-	-	565.2
Australia	0230	Jun Trade balance (A\$m)	-	-	8025
	0230	Jun Retail sales (MoM%)	-	-	16.9
	0530	RBA Cash Rate Target	0.25	-	0.25
Wednesday 5 August					
US	1315	Jul ADP Employment Change ('000's)	750.0	1100.0	2368.6
	1330	Jun Trade Balance (US\$bn)	-50.0	-50.3	-54.6
	1500	Jul ISM Non-manufacturing	54.0	55.0	57.1
	2200	Fed's Mester Discusses the Economic Outlook			
Eurozone	1000	Jun Retail Sales (MoM/YoY%)	2.9/-2.6	-/-	17.8/-5.1
Sweden	0730	Jul Swedbank/Silf Services PMI	-	-	49.2
Thursday 6 August					
US	1500	Fed's Kaplan Discusses U.S. Economy at OMFIF Event			
Germany	0700	Jun New Orders (MoM/YoY%)	-/-	-/-	10.4/-29.3
UK	1200	BoE Policy Rate	0.1	-	0.1
	1230	BOE Governor Speaks at Press Conference in London			
Italy	1000	Istat Releases the Monthly Economic Note			
Norway	0900	Norges Bank 2Q Survey of Bank Lending			
Sweden	0900	SCB Economic Activity Indicator (June)			
Friday 7 August					
US	1330	Jul Change in Nonfarm Payrolls ('000s)	750.0	1520	4800
	1330	Jul Unemployment Rate (%)	11.2	10.5	11.1
	1330	Jul Average Hourly Earnings (YoY%)	4.5	4.5	5.0
	1330	Jul Average Hourly Earnings (MoM%)	-0.3	-0.5	-1.2
	1330	Jul Participation Rate	61.8	-	61.5
Japan	0030	Jun Labor cash earnings (YoY%)	-	-	-2.3
Germany	0700	Jun Trade Balance (€bn)	-	-	7.0
	0700	Jun Industrial Production (MoM/YoY%)	-/-	-/-	7.8/-19.3
Italy		- Bank of Italy Report on Balance-Sheet Aggregates			
Canada	1330	Jul Net Change in Employment	550.00	-	952.9
	1330	Jul Unemployment Rate (%)	10.5	-	12.3
Australia	0230	RBA Statement on Monetary Policy			
	0245	RBA's Ellis Gives Speech Online			
Norway	0700	Jun Credit Indicator (YoY%)	-	-	4.6
	0700	Jun Industrial Production (MoM/YoY%)	-/-	-/-	-1.0/3.0

Source: ING, Bloomberg

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Key events in EMEA and Latam next week

Industry data releases next week are unlikely to show a pronounced change from last month as the recovery continues at a steady pace



Source: Shutterstock

✓ Hungary: Manufacturing PMI and retail sales to show continued rebound

We expect Hungary's manufacturing PMI to improve further, reaching the break-even point in July, following a rebound in June. We expect industry to post another strong increase in output. Nonetheless, the sector's performance will still significantly lag behind the levels seen in the previous year.

Retail sales might show an increase in year-on-year terms again in June, based on the weekly monitor data published by the Statistical Office.

Meanwhile, we expect deficit-related problems to mount. After Hungary's deficit reached 97% of the full-year target in June, we will definitely go above 100% in July, pushing the Ministry of Finance closer to an official target review yet again.

✓ Czech Republic: Unemployment rate, industry data and repo rate unlikely to see much change

July's Manufacturing PMI might move back to the 50-point threshold, given the July increase in industrial confidence and PMI surveys in Germany. However, June industrial production likely saw

a double-digit contraction. June retail sales (supported by the calendar bias) might point to modest year-on-year growth as already indicated by solid figures in May. The July unemployment rate is likely to increase slightly. Government measures to support the job market have been prolonged until August. The Czech National Bank's monetary meeting should not bring about any changes to the current monetary setting, but it will introduce a new forecast. This will update some figures such as the inflationary outlook, but broadly, it should paint a similar picture to that seen in May. Right now, the longer-term stability of rates seems to be the most likely scenario.

EMEALatam Economic Calendar

Country	Time Data/event	ING	Survey	Prev.
Monday 3 August				
Russia	0700 Jul Markit Manufacturing PMI	-	-	49.4
	- Bank of Russia releases quarterly monetary report			
Poland	0800 Jul Markit Manufacturing PMI	49.0	-	47.2
Czech Rep	0830 Jul Markit Manufacturing PMI	49.5	-	44.9
	1300 Jul Budget Balance (CZKbn)	-	-	-195.2
Hungary	0800 Jul Manufacturing PMI	50.0	-	47.0
Ukraine	- National Bank of Ukraine Publishes Minutes of Rate Meeting			
Romania	- Jul FX Reserves (€bn, Net)	-	-	40269
Kazakhstan	- Jul CPI (MoM/YoY%)	-/-	-/-	0.4/7.0
	- Jul PPI (MoM/YoY%)	-/-	-/-	1.7/-20.2
South Africa	1000 Jul Kagiso PMI	-	-	53.9
	- Jul NAAMSA Vehicle Sales (YoY%)	-	-	-30.7
Tuesday 4 August				
Turkey	0800 Jul Markit/ISO Manufacturing PMI	-	-	53.9
	0800 Jul CPI (MoM/YoY%)	-/-	-/-	1.13/11.64
	0800 Jul Domestic PPI (MoM/YoY%)	-/-	-/-	0.69/6.17
Hungary	0800 Jun PPI (MoM/YoY%)	0.2/2.5	-/-	-1.4/1.7
Romania	0700 Jun PPI (MoM/YoY%)	-/-	-/-	-0.28/-2.01
Brazil	1300 Jun Industrial Production (YoY%)	-10.0	-	-21.9
Wednesday 5 August				
Russia	1700 Jul CPI (MoM/YoY%)	0.3/3.3	-/-	0.2/3.2
	1700 Jul CPI Core (YoY%)	-	-	2.9
Czech Rep	0800 Jun Retail Sales (YoY%)	0.0	-	-12.2
	0800 Jun Retail Sales Excl. Motor Vehicles (YoY%)	2.7	-	-0.7
Hungary	0800 Jun Retail Sales (YoY%)	1.6	-	-2.1
	1300 Hungarian Central Bank's Minutes			
	1700 Magyar Telekom 2Q Earnings Report			
Romania	0700 Jun Retail Sales (MoM/YoY%)	-/-	-/-	20.2/-1.2
South Africa	0815 Jul HSBC PMI SA	-	-	42.5
Brazil	- Selic Rate	2.0	-	2.25
Thursday 6 August				
Czech Rep	0800 Jun Construction Output (YoY%)	-	-	-7.6
	0800 Jun Trade Balance (CZKmn)	6.0	-	1.32
	0800 Jun Industrial Output (YoY%)	-14.0	-	-29.4
	1330 Repo Rate	0.25	-	0.25
	1445 CNB news conference			
Hungary	0800 Jun Industrial Production (MoM/YoY%)	8.5/-20.0	-/-	15.6/-27.6
	2300 OTP Bank 2Q Earnings Report			
	2300 Mol 2Q Earnings Report			
Kazakhstan	- Jul International Reserves (US\$bn)	-	-	32.9
Croatia	1000 Jul PPI (MoM/YoY%)	-/-	-/-	1.2/-4.2
South Africa	1200 Jun Electricity Production (YoY%)	-	-	-13.2
	1200 Jun Electricity Consumption (YoY%)	-	-	-13.6
	- Jul SACCI Business Confidence	-	-	77.8
Friday 7 August				
Poland	1300 Jul Official Reserves Total	-	-	129088
Czech Rep	0900 Jul International Reserves (US\$bn)	-	-	150.9
Hungary	1000 Jul Budget Balance (YTD)	-2000	-	-1837
Serbia	1100 Jul HPMI (MoM/YoY%)	-	-	0.5/-2.3
Croatia	1000 May Trade Balance (HRK m)	-	-	-3701
South Africa	0700 Jul Gross Reserves (US\$bn)	-	-	52.32
	0700 Jul Net Open Foreign Currency Position (US\$bn)	-	-	45.74
Brazil	1300 Jul Inflation (IPCA) (MoM/YoY%)	0.35/2.3	-	0.26/2.13
Mexico	1200 Jul CPI (MoM/YoY%)	0.35/3.3	-	0.55/3.33

Source: ING, Bloomberg

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Asia week ahead: Beginning of a new month

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Source: Shutterstock

➔ Start-of-the-month activity data

Next week's Asian economic calendar is rammed with the usual start-of-the-month activity data and much more.

The week will kick-off with July manufacturing purchasing manager index releases, which may show some pick-up in manufacturing around the region. As of June, PMIs of the most Asian economies were below 50, indicating a contraction.

July exports figures from China, Korea, and Taiwan will shed light on how global demand is behaving as the second wave of Covid-19 pandemic gains traction. On a positive note, [Korea's business survey indicator](#) for August this week revealed exports are recovering. We expect hard data to show export gains on a monthly basis but year-on-year growth rates continuing in the negative region.

A slew of countries will report consumer price data for July. Low-to-negative inflation has been the order of the day amid weak demand as will be underpinned by consumer confidence and retail sales figures from some countries.

Lastly, on the data front, Indonesia and the Philippines will report GDP for 2Q20. No prizes for guessing the numbers will be worse than 1Q - most likely the worst-ever.

➔ And some central bank noise

Three Asian central banks are meeting next week – the Reserve Bank of Australia, the Reserve Bank of India, and the Bank of Thailand.

With their policy rates at all-time lows and focus on monetary easing working its way into the real economy, Australia and Thailand's central bank meetings in all likelihood will pass as non-events. We aren't expecting either Bank to alter policy next week. Meanwhile, the RBA's policy minutes may provide some insights about the future policy course.

Thailand's central bank has been saving available policy space for a worst-case scenario, as Assistant Governor, Titanun Mallikamas, indicated recently. With the policy rate of 0.5%, there isn't much left. However, speculation about quantitative easing is likely to gain traction amid a change of reign at the central bank.

This means all action is likely to be saved for India's central bank meeting. We have been calling for one more 25bp cut in this cycle. However, a spike in CPI inflation during the pandemic above the RBI's 6% policy limit has taken the steam out of this forecast. Still, we are keeping our rate cut forecast for next week.

The consensus is almost evenly split on a '25bp rate cut' and an 'on-hold' outcome.

Asia Economic Calendar

Country	Time Data/event	ING	Survey	Prev.
Saturday 1 August				
South Korea	0100 Jul Imports (YoY%)	-	-12.2	-11.2
	0100 Jul Exports (YoY%)	-	-11.1	-10.9
	0100 Jul Trade balance (US\$mn)	-	3700	3632
Monday 3 August				
China	0245 Jul Caixin Manufacturing PMI	51.2	51	51.2
India	0600 Jul Nikkei Manufacturing PMI	-	-	47.2
Indonesia	0500 Jul CPI core (YoY%)	-	-	2.26
	0500 Jul CPI (YoY%)	1.6	-	1.96
Philippines	0130 Jul Nikkei Manufacturing PMI	-	-	49.7
Singapore	1400 Jul Purchasing Managers Index	-	-	48.0
Taiwan	0130 Jul Nikkei Manufacturing PMI	47.3	-	46.2
South Korea	0130 Jul Nikkei Manufacturing PMI	-	-	43.4
Tuesday 4 August				
South Korea	0000 Jul CPI (MoM/YoY%)	-/-	-/-	0.2/0.0
Wednesday 5 August				
India	0600 Jul Nikkei Services PMI	-	-	33.7
Hong Kong	0130 Jul Nikkei PMI	-	-	49.6
Indonesia	0500 2Q GDP (YoY%)	-5.1	-	2.97
	0500 2Q GDP (QoQ%)	-	-	-2.41
Philippines	0200 Jun Trade balance (US\$mn)	-1573.6	-	-1865
	0200 Jun Exports (YoY%)	-24	-	-35.6
	0200 Jun Imports (YoY%)	-27.6	-	-40.6
	0200 Jul CPI (YoY%)	2.6	-	2.5
Singapore	0600 Jun Retail sales value (MoM/YoY%)	-/-32.0	-/-	-21.5/-52.1
Thailand	0430 Jul CPI (YoY%)	-	-	-1.57
	0430 Jul Core-CPI (YoY%)	-	-	-0.05
	0805 Benchmark Interest Rate	-	-	0.5
Thursday 6 August				
India	0715 Aug 6 RBI policy decision (repo rate, %)	3.75	-	4.0
Philippines	0300 2Q GDP (YoY%)	-	-	-0.2
	0300 2Q GDP (Q) (QoQ% SA)	-	-	-5.1
Taiwan	0900 Jul WPI (YoY%)	-8.9	-	-10.36
	0900 Jul CPI (YoY%)	-0.2	-	-0.76
Friday 7 August				
China	- Jul Exports (YoY%)	-0.5	-	0.5
	- Jul Imports (YoY%)	8.8	-	2.7
	- Jul Trade Balance (US\$bn)	43.4	-	46.4
	- Jul Forex Reserves (US\$bn)	3122.8	-	3112.3
Hong Kong	- Jul Forex Reserves (US\$bn)	-	-	445.9
Malaysia	0500 Jun Industrial production (YoY%)	-9.5	-	-22.1
	0800 Jul 30 Forex reserves- Month end (US\$bn)	-	-	104.0
Indonesia	- Jul Forex reserves (US\$bn)	130.1	-	131.7
Philippines	- Jul Forex reserves (US\$bn)	93.9	-	93.3
Taiwan	0900 Jul Exports (YoY%)	-3.4	-	-3.8
	0900 Jul Imports (YoY%)	-7.5	-	-8.6
	0900 Jul Trade Balance (US\$bn)	4.3	-	4.8

Source: ING, Bloomberg, *GMT

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