

Our view on next week's key events

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

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By Peter Virovacz and Valentin Tataru

Key events in developed markets

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Source: Shutterstock

✓ US: It's not all good yet

Three interest rate cuts and an easing of US-China trade tensions have calmed fears about a potential US recession, but we think the financial market reaction may be excessive. The yield curve has re-steepened and equities are at all-time highs yet the manufacturing sector is contracting and there are signs of slowdown elsewhere. With politics likely to remain a source of uncertainty, we believe the Federal Reserve has more work to do to ensure a slowdown doesn't become more severe.

Nonetheless, the narrative from Fed officials this week is likely to remain that they have a preference to pause at the December FOMC meeting in order to take stock of the impact of their actions so far. Data wise, we will be looking at how the small business sector is feeling – the NFIB index is currently at its lowest level since Donald Trump became President – and whether there is any let-up in the pain for the manufacturing sector. We doubt it. With the ISM production component at its weakest level for 10 years, the risks are skewed towards a weaker number. Retail sales will also be published and are likely to show another soft reading given weak auto sales numbers. Finally, inflation data should be little changed. As such, we have a US economy that is decelerating with a benign inflation backdrop. The Fed has the scope to loosen policy further and we think they will in early 2020.

✓ UK jobs market key as Bank of England split emerges on rate cut

The Bank of England caught markets slightly off-guard this month when two policymakers voted for an immediate 25 basis point rate cut. While we still think policy easing is unlikely to materialise in the short-term, it's pretty clear that a lot hinges on the jobs market – especially given that the growth figures are so volatile at the moment. So while we're likely to see a solid 0.4% rebound in growth next week, another sharp fall in the level of employment will emphasise that the jobs market is no longer tightening. Hiring indicators point to deteriorating demand for staff amid Brexit and global uncertainty.

✓ Sweden: Nothing to stop the Riksbank

Despite a deteriorating growth backdrop, the Riksbank looks determined to exit negative rates in December. Next week's two key data releases - unemployment and inflation - are unlikely to change that. Policymakers have dismissed recent jobs data given recent quality issues (it's not clear whether this will get cleared up next week). The Swedish stats agency found that the unemployment rate has been slightly overestimated over the past six months, and underestimated before that, resulting in a flatter path. Inflation-wise, don't expect any large surprise, with CPIF broadly around the Riksbank's forecast.

Developed Markets Economic Calendar

Country	Time	Data/event	ING	Survey	Prev.
Saturday 9 November					
US	0100	Fed's Williams in Q&A on Global Financial Vulnerabilities			
Sunday 10 November					
Japan	2350	Sep Core machine orders (MoM/YoY%)	8.0/21.0	-/-	-2.4/-14.5
	2350	Sep C/A Balance, adjusted (Yen bn)	1750	-	1720
	2350	BOJ Summary of Opinions			
Monday 11 November					
UK	0930	3Q P GDP (QoQ%)	0.4	-	-0.20
	0930	Sep UK Services Index (MoM%)	-	-	0.00
	0930	Sep Industrial Production (MoM/YoY%)	-/-	-/-	-0.6/-1.8
	0930	Sep Trade Balance (€m)	-	-	-1546
Norway	0700	Oct CPI (MoM/YoY%)	-/-	-/-	0.5/1.5
	0700	Oct CPI - ATE (MoM/YoY%)	-/-	-/-	0.6/2.2
Tuesday 12 November					
US	1100	Oct NFIB Small Business Optimism	101	102	102
	2300	Fed's Kashkari Speaks in Madison, Wisconsin			
Japan	2350	Oct PPI (MoM%/YoY%)	1.5/0.0	-/-	0/-1.1
Germany	1000	Nov ZEW Current Situation Index	-20.0	-	-25.3
UK	0930	Sep Weekly Earnings (3M avg)	3.8	-	3.8
	0930	Sep Weekly Earnings ex Bonus (3M avg)	3.8	-	3.8
	0930	Sep ILO Unemployment Rate (3M avg.)	3.9	-	3.9
	0930	Sep Employment Change (3M/3M)	-70	-	-56.0
Norway	0700	3Q GDP (QoQ%)	-	-	0.3
	0700	Sep GDP Mainland (MoM%)	-	-	-0.2
Sweden	0500	Oct PES Unemployment Rate	-	-	3.8
	0700	Prospera Swedish Inflation Expectations Survey			
Wednesday 13 November					
US	1330	Oct CPI (MoM%)	0.3/1.7	0.3	0
	1330	Oct CPI ex. food and energy (MoM%/YoY%)	0.2/2.4	0.2/2.4	0.1/2.4
	1600	Powell Addresses Joint Economic Committee Of Congress			
	1830	Fed's Kashkari Speaks in La Crosse, Wisconsin			
Japan	2350	3Q P GDP (Annualised, QoQ%)	2.0	0.9	1.3
	2350	3Q P GDP deflator - advance (Q) (YoY%)	-	0.5	0.4
Eurozone	1000	Sep Industrial Production (WDA, (YoY%)%)	-2.3	-	-2.8
Germany	0700	Oct F CPI (MoM/YoY%)	0.1/1.1	-/-	0.1/1.1
UK	0930	Oct CPI (MoM/YoY%)	-0.1/1.5	-/-	0.1/1.7
	0930	Oct Core CPI (YoY%)	1.7	-	1.7
Sweden	0830	Oct CPIX (MoM/YoY%)	0.2/1.6	-/-	0.5/1.3
New Zealand	0100	RBNZ Official Cash rate	1.00	0.75	1.00
Thursday 14 November					
US	-	Fed's Evans (1410), Daly (1645), Williams (1700) and Bullard (1720) Speak			
Japan	0430	Sep Tertiary industry index (MoM%)	0.1	-	0.4
Eurozone	1000	3Q P GDP (QoQ%/YoY%)	0.2/1.1	-/-	0.2/1.1
Germany	0700	3Q P GDP (QoQ%/YoY%)	-0.1/0.2	-/-	-0.1/0.4
UK	0930	Oct Retail Sales ex Auto Fuel (MoM/YoY%)	-0.2/3.0	-/-	0.2/3.0
	0930	Oct Retail Sales (MoM/YoY%)	-0.2/3.3	-/-	0.0/3.1
Spain	0800	Oct F HICP (MoM/YoY%)	-/-	-/-	0.6/0.2
Australia	0000	Nov CPI expectations (YoY%)	3.4	-	3.6
	0030	Oct Employment change ('000)	30.0	-	14.7
	0030	Oct Unemployment rate (%)	5.2	-	5.2
	0030	Oct Participation rate (%)	66.2	-	66.1
Sweden	0830	Oct Unemployment Rate (%)	-	-	7.1
Netherlands	0830	3Q P GDP (QoQ%)	0.3	-	0.4
Friday 15 November					
US	1330	Oct Advance Retail Sales (MoM%)	0.1	0.1	-0.3
	1330	Oct Retail Sales ex. Auto and Gas (MoM%)	0.3	-	0.0
	1415	Oct Industrial Production (MoM%)	-0.4	-0.3	-0.39
Japan	0430	Sep F Industrial production - Prel (MoM/YoY%)	-/-	-/-	1.4/1.1
Eurozone	1000	Sep Trade Balance (€bn)	-	-	20296
	1000	Oct F CPI (MoM%/YoY%)	0.2/0.7	-/-	0.2/0.7
	0800	ECB's Mersch Speaks at Event in Paris			
Italy	1000	Oct F HICP (YoY%)	-	-	0.2

Source: ING, Bloomberg

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Asia week ahead: Towards the end of monetary easing cycles

Central bank meetings, third-quarter GDP releases and October data releases from China and India – all make it a pretty busy week in Asia



Source: Shutterstock

➔ More central bank meetings

Among the Asian central banks, Thailand's central bank finally gave in to easing pressure this week with a rate cut, but the Malaysian central bank continues to defy easing despite the increasingly weak state of the economy. Then there is New Zealand's central bank and the Philippines too, which both meet next week and both arguably near the end of their respective easing cycles. Perhaps 'pause' would be a better description than 'end' for these cycles, as both central banks may need to reassess the effects of their easing so far, while external uncertainty from the trade war between China and the US continues to linger.

For now, the policy pause may be justified on prospects for a Phase one of the trade deal, though that signing has now been pushed out to December from the much-touted mid-November schedule, reducing future certainty still further.

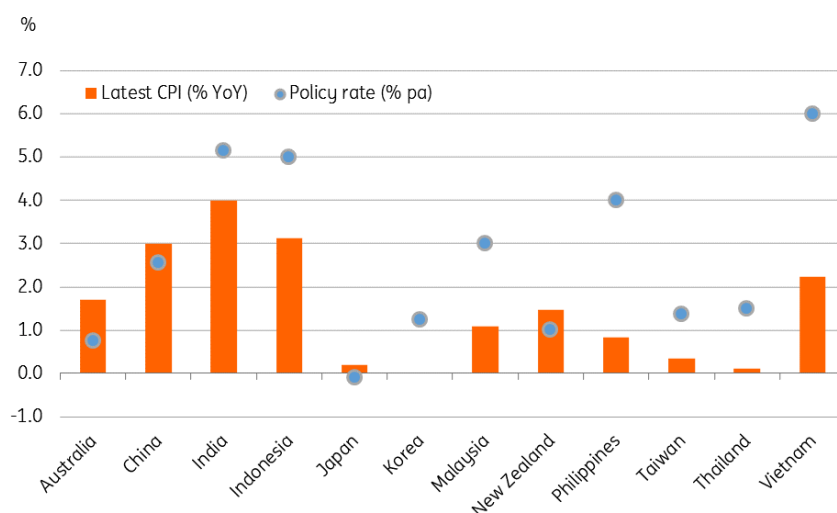
➔ Pause, or out of policy space?

The key question is whether Asian central banks are left with any policy space in the event things really go south again.

Some of them have that space as reflected by their still-high real interest rates (Indonesia, Malaysia, Philippines, or Vietnam), while others have nearly exhausted it and, barring a significant economic deterioration ahead, are likely to stay on hold.

However, as our Asia Chief Economist Rob Carnell [opines](#) today, "... if we have learned anything from the period running up to and following the global financial crisis, it is that what we may have considered barriers to policy in the past no longer apply. Perhaps we should no longer consider negative real rates the "floor" to policy in Asia."

Any more space for monetary easing?



Source: Bloomberg, CEIC, ING

➔ But, where is growth?

While it may be fair to say that the Asian central banks easing cycle has almost troughed, for now, there is little evidence of whatever easing they have implemented so far, actually has helped growth.

As the noise around a trade deal continues, Chinese data will be gleaned for the economy's growth prospects in the current quarter. Our Greater China economist, Iris Pang, sees some pick-up in momentum and has recently [revised the 4Q growth forecast higher](#), but it all depends on a trade deal materialising.

Lots of data from India will likely bear out the continued weak growth trend, while inflation rising past the central bank's 4% target reduces room for easing. Does the inflation target matter? We don't think so. We see one more 25bp RBI rate cut in December.

Indonesia's GDP growth remains stuck at the 5% rate it's been on since 2014. This is despite 100 basis points of central bank rate cuts. The October trade figures are unlikely to display any vigour coming into the final quarter of the year. In the Philippines, growth gained some traction in the third quarter, though that was all about pent-up government spending (due to the delayed budget) rather than monetary easing which, in fact, failed to pull investment growth out of the negative territory. Still, that's enough of a reason for the BSP to pause for now.

Japan and Malaysia report their 3Q GDP figures. Japan's growth probably got a boost from the front-loading of spending before the consumption tax hike in October. That's indeed going to be transitory. In Malaysia, an accelerated export decline probably dragged GDP growth lower, ending the economy's relative outperformance in the first half of the year. We think this is a good enough trigger for the central bank to utilise some of the policy space it has at the next meeting in January.

Asia Economic Calendar

Country	Time	Data/event	ING	Survey	Prev.
Saturday 9 November					
China	0130	Oct CPI (YoY%)	3.0	3.4	3
	0130	Oct PPI (YoY%)	-1.0	-1.5	-1.2
		Oct Money supply (M2) (YoY%)	8.2	8.4	8.4
		Oct Aggregate finance (CNY bn)	1135.0	-	2272.5
-		Oct New Yuan loans (CNY bn)	845.0	-	1691
Monday 11 November					
Malaysia	0400	Sep Industrial production (YoY%)	1.0	-	1.9
Tuesday 12 November					
India	1200	Sep Industrial production (YoY%)	-4.5	-1.2	-1.1
Singapore	0500	Sep Retail sales value (MoM SA/YoY%)	0.5/-3.6	-/-	-1.3/-4.1
South Korea	2300	Oct Unemployment rate (% SA)	3.5	-	3.4
Wednesday 13 November					
India	1200	Oct CPI (YoY%)	4.3	-	4.0
Thursday 14 November					
China	0200	Oct Fixed asset investment (YTD, YoY%)	5.4	5.4	5.4
	0200	Oct Industrial Production (YoY%)	5.8	5.4	5.8
	0200	Oct Retail Sales (YoY%)	8.00	7.8	7.8
Philippines	0800	Overnight Borrowing Rate	4.00	-	4.00
Friday 15 November					
India	-	Oct Imports (YoY%)	-17.8	-	-13.9
	-	Oct Exports (YoY%)	-8.1	-	-6.6
	-	Oct Trade deficit (US\$bn)	-12.2	-	-10.9
Hong Kong	0830	3Q F GDP (Q) (QoQ SA/ YoY%)	-/-2.9	-/-	-3.2/-2.9
Malaysia	0400	3Q GDP (QoQ SA/YoY%)	1.0/4.4	-/-	1.0/4.9
	0400	3Q Current account (Q) (MYR bn)	15.1	-	14300
Indonesia	0400	Oct Exports (YoY%)	-2.1	-	-5.7
	0400	Oct Imports (YoY%)	-9.2	-	-2.4
	0400	Oct Trade balance (US\$mn)	-496	-	-160.5
Philippines	-	Sep OCW remittances (YoY%)	3.9	-	4.6

Source: ING, Bloomberg, *GMT

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Key events in EMEA and Latam next week

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Source: Shutterstock

✓ Czech: Inflation to remain at 2.7%

Czech October CPI will very likely stagnate at 2.7%. The highest uncertainty is concentrated in food prices. The Czech Statistical Office's preliminary figures show that food prices might accelerate relatively strongly in October, even though typical seasonality would suggest soft monthly growth. As such, we expect 1.5% month-on-month growth in food prices in October. Taking into account the typical average seasonal increase of 0.3%, year-on-year CPI should slow to 2.5%. Flash GDP growth will likely point to an economic slowdown, with quarterly growth probably slowing from 0.7% to 0.4%, in our view. However, on an annual basis, growth should remain close to 2.7%, just slightly below the 2Q figure of 2.8%.

✓ Hungary: Still top of its class for now

We expect Hungary to remain among the top performers in the EU as we are forecasting 4.8% year-on-year GDP growth in 3Q19. However, the raw data will be skewed due to a higher number of working days, so the adjusted figure could be roughly 0.2 percentage points lower. We don't see any major change to the growth structure based on high frequency data. Services should remain the main contributor on the back of a strong labour market, industry could result in a positive surprise and the contribution of the construction sector might remain strong but somewhat lower

than in previous quarters. Looking forward, this reading might be the last one for a while showing a rate of more than 4% growth, as soft indicators suggest a further slowdown while calendar and base effects will drag down growth significantly.

Poland: Growth to slow down

We expect 3Q GDP growth to decelerate from 4.5% to 3.9% YoY due to weaker investments and a negative contribution from net exports. The fiscal impulse likely increased private consumption from 4.4% to 4.8% YoY, but this probably wasn't enough to push growth above 4% YoY. The moderation should continue in the coming quarters given decelerating consumption and a slowdown in the eurozone.

Final CPI inflation data should confirm a reading of 2.5% YoY with core inflation stable at 2.4%. This should be a non-event for the market – inflation should accelerate in 1Q of 2020 and reach the upper bound of the central bank's target (3.5% YoY). The Monetary Policy Council's reaction will be dependent on the outlook for the rest of the year – the central bank's staff so far is forecasting a return to the inflation target in the coming quarters.

Romania: Inflation to inch lower

We expect annual inflation to have inched lower towards 3.40% in October, just below the 3.50% upper bound of the central bank's 2.5%±1 ppt target band, driven by a relatively strong base effect, which will offset the fairly robust 0.4% month-on-month increase. The monthly acceleration should come mainly from food items, though the other components – non-food and services are likely to have seen marginal advances as well.

The economic growth story seems to have continued into the third quarter as well. Retail sales have accelerated by 1.8% versus the previous quarter while the widening trend of the trade balance seems to have moderated slightly. The construction sector has remained vibrant, offsetting to some extent the industrial contraction. We therefore maintain our 0.5% quarter-on-quarter GDP growth forecast for the third quarter.

EMEA and Latam Economic Calendar

Country	Time	Data/event	ING	Survey	Prev.
Monday 11 November					
Mexico	1200	Sep Industrial Production (YoY%)	-0.5	-	-1.3
Russia	1300	Sep Trade Balance (US\$bn)	-	13.8	12.0
Czech Rep	0800	Oct CPI (MoM/YoY%)	0.5/2.7	-/-	-0.6/2.7
	0800	Sep Export Price Index (YoY%)	-	-	0.4
	0800	Sep Import Price Index (YoY%)	-	-	-1.1
Hungary	0800	Sep P Trade Balance (€mn)	365	-	60.2
Romania	0700	Sep Trade Balance (€m)	-	-	-1365.4
Kazakhstan	-	Oct Industrial Production Yearly	-	-	3.7
Tuesday 12 November					
Turkey	0700	Sep C/A (US\$bn)	2.3	-	2.6
Poland	0900	National Bank of Poland Publishes Inflation Report			
Romania	0700	Oct CPI (MoM/YoY%)	0.4/3.4	-/-	0.09/3.49
Romania	0700	Sep Industrial Sales (MoM/YoY%)	-/-	-/-	-13.5/1.3
Serbia	1100	Oct CPI (MoM/YoY%)	0.2/1.0	-/-	-0.5/1.1
Croatia	1000	Sep Tourism arrivals (YoY%)	-	-	7.85
Wednesday 13 November					
Brazil	1200	Sep Retail Sales (YoY%)	2.5	-	1.3
Russia	1300	3Q A GDP (YoY%)	1.2	1.6	0.9
Poland	1300	Sep C/A (€mn)	-96	-302	-606
	1300	Sep Trade Balance (€mn)	207	82	-55
	1300	Sep Exports (€mn)	19437	19437	17646
	1300	Sep Imports (€mn)	19230	19355	17701
Czech Rep	0900	Sep C/A (CZKbn)	-	-	-10.7
Romania	0700	Sep Industrial Production (MoM/YoY%)	-	-/-	0.1/-6.7
	-	Sep C/A YTD (€m)	-7900	-	-7080
	1300	National Bank of Romania Publishes Minutes of Rate Meeting			
Bulgaria	0900	Oct CPI (MoM/YoY%)	-/-	-/-	-0.3/2.3
South Africa	1100	Sep Retail Sales (MoM/YoY%)	-/-	-/-	-0.9/1.1
Israel	1100	Oct Trade Balance (US\$m)	-	-	-1919
Thursday 14 November					
Mexico	1900	Overnight Rate	7.50	7.50	7.75
Turkey	0700	Sep Industrial Production (MoM/YoY%)	-1.0	-/-	-2.8/-3.6
Poland	0900	3Q P GDP (YoY%)	3.9	4.1	4.5
	0900	Oct F CPI (MoM/YoY%)	2.5	2.5	2.5
Czech Rep	0800	3Q A GDP (QoQ/YoY%)	0.4/2.7	-/-	0.7/2.8
Hungary	0800	3Q P GDP (SA QoQ/ NSA YoY)	0.9/4.8	-/-	1.1/4.9
Ukraine	-	3Q P GDP (YoY%)	-	-	4.6
Romania	0700	3Q A GDP (SA QoQ/YoY%)	0.5/3.8	-/-	1.0/4.4
Bulgaria	0900	3Q P GDP (QoQ/YoY%)	-/-	-/-	0.9/3.8
Serbia	-	Sep C/A (€mn)	-	-	-137.9
South Africa	0930	Sep Mining Production (MoM/YoY%)	-/-	-/-	0.3/-3.2
	0930	Sep Mining Gold Production (YoY%)	-	-	-5.4
	0930	Sep Mining Production Volume Index YoY	-	-	-12.5
Friday 15 November					
Turkey	0700	Aug Unemployment Rate (%)	-	-	13.9
Poland	1300	Oct Core Inflation (MoM/YoY%)	2.4	2.4	2.4
Kazakhstan	-	3Q P GDP YTD YoY	-	-	4.1
Israel	1200	Oct CPI (MoM/YoY%)	-/-	-/-	-0.2/0.3

Source: ING, Bloomberg

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