

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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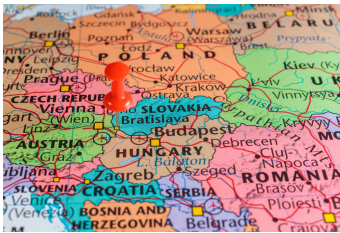


Key Events

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Key Events

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Key events in developed markets next week

Despite a lot of tightening priced into the swaps market, we believe it is unlikely that the Bank of England will hike rates before the scheduled November meeting. In the US, unemployment remains stable at 3.7% and with wage growth staying elevated, we see few signs that the pace of tightening will slow



Source: Shutterstock

US: Inflation is sticky as unemployment remains low and wage growth remains elevated

Financial markets are currently favouring the Federal Reserve implementing a fourth consecutive 75bp rate hike on 2 November and we agree. Inflation is sticky while the near-term growth story is looking OK and the economy continues to add jobs in significant numbers. That message should be reinforced by the upcoming labour report with unemployment staying at just 3.7%, payrolls increasing by around 200,000 and wage growth staying elevated. There are also plenty of Federal Reserve officials scheduled to speak and so far there is little sign of any inclination to slow the pace of policy tightening. The ISM business activity report should remain firmly in growth territory as well with the trade balance making further improvements. As such, we are expecting 3Q GDP to come in at close to 2%.



UK: Intermeeting Bank of England hike looks unlikely despite ongoing turmoil

UK markets remain volatile, and sensitive to further headlines over the coming week. We remain sceptical that the Bank of England will hike rates before its scheduled November meeting, despite a lot of tightening priced into swaps markets. Instead, we'll be watching for any update on the Bank's bond strategy. The BoE was forced to start buying long-dated gilts amid concerns about the stability of UK pension funds, but this is for a limited period and the Bank has said it plans to plough on with gilt sales from the end of the month. We think that's likely to get pushed back, however, given the strains in the gilt market. Markets will also remain hyper-sensitive to any headlines related to the government's controversial growth plan. In the first instance, press reports suggest the focus will be on spending cuts to offset some of the planned tax cuts, though this could be both practically and politically challenging. The Office for Budget Responsibility is due to provide a first draft of its post-Budget forecasts to the Chancellor privately on Friday.

Canada: Hopeful for a stabilisation in the jobs market

In Canada, the jobs market has wobbled of late with employment falling for three consecutive months after some very vigorous increases earlier in the year. We are hopeful of stabilisation in Friday's September report given the economy is still performing relatively well, but if we are wrong and we get a fourth consecutive fall then expectations for Bank of Canada tightening could be scaled back somewhat – especially after some softer than anticipated CPI prints. We are currently forecasting a 50bp rate hike at the October BoC policy meeting with a final 25bp hike in December.

Eurozone: Expecting declining trend in retail sales

For the eurozone, it's a pretty light week in terms of data. Retail sales on Thursday catch the eye as we'll get more information on consumer spending in the eurozone, as purchasing power remains under severe pressure. We've seen a declining trend in spending since last November and have little indication that August data will have shown a big turnaround. Continued declines would fuel our view that the eurozone economy could have already tipped into contraction in the third quarter.

Key events in developed markets next week

| Country | Time | Data/event | ING | Survey | Prev. |
|----------------------------|------|---|----------|--------|------------|
| Monday 3 October | | | | | |
| US | 1500 | Sep ISM Manufacturing PMI | 52.5 | 52.8 | 52.8 |
| | 1500 | Sep ISM Manufacturing Prices Paid | 51 | | 52.5 |
| Germany | 0855 | Sep S&P Global/BME Manufacturing PMI | 48.3 | | 48.3 |
| UK | 0930 | Sep S&P Global/CIPS Manufacturing PMI Final | 48.5 | | 48.5 |
| Italy | 0845 | Sep S&P Global/IHS Manufacturing PMI | 47.4 | | 48 |
| Switzerland | 0730 | Sep CPI (MoM%/YoY%) | -/- | | 0.3/3.5 |
| Eurozone | 0900 | Sep S&P Global Manufacturing Final PMI | 48.5 | | 48.5 |
| Tuesday 4 October | | | | | |
| US | 1500 | Aug Factory Orders (MoM%) | 0.3 | 0.4 | -1 |
| Wednesday 5 October | | | | | |
| US | 1315 | Sep ADP National Employment (000s) | 250 | 200 | 132 |
| | 1330 | Aug International Trade (USD bn) | -67.5 | -68.1 | -70.7 |
| | 1445 | Sep S&P Global Composite Final PMI | - | | 49.3 |
| | 1445 | Sep S&P Global Services PMI Final | - | | 49.2 |
| | 1500 | Sep ISM N-Manufacturing PMI | 56.0 | 56.5 | 56.9 |
| Germany | 0700 | Aug Imports/Exports | -5 | | -1.5/-2.1 |
| | 0700 | Aug Trade Balance | 4 | | 5.4 |
| | 0855 | Sep S&P Global Services PMI | - | | 45.4 |
| | 0855 | Sep S&P Global Composite Final PMI | - | | 45.9 |
| France | 0745 | Aug Industrial Output (MoM%) | - | | -1.6 |
| | 0850 | Sep S&P Global Composite PMI | - | | 51.2 |
| UK | 0930 | Sep S&P Global/CIPS Services PMI Final | 49.2 | | 49.2 |
| | 0930 | Sep Composite PMI Final | 48.4 | | 48.4 |
| Italy | 0845 | Sep Composite PMI | - | | 49.6 |
| Spain | 0815 | Sep Services PMI | - | | 50.6 |
| Canada | 1330 | Aug Trade Balance (CAD bn) | 3.8 | | 4.05 |
| Eurozone | 0900 | Sep S&P Global Services Final PMI | 48.9 | | 48.9 |
| | 0900 | Sep S&P Global Composite Final PMI | 48.2 | | 48.2 |
| Thursday 6 October | | | | | |
| US | 1330 | Initial Jobless Claim (000s) | 220 | 215 | 213 |
| | 1330 | Continue Jobless Claim (mn) | 1.4 | 1.39 | 1.38 |
| Germany | 0700 | Aug Industrial Orders (MoM%) | -0.5 | | -1.1 |
| Netherlands | 0530 | Sep CPI (MoM%/YoY% NSA) | - | | 2/12 |
| Eurozone | 1000 | Aug Retail Sales (MoM%/YoY%) | 0.5/-1.7 | | 0.3/-0.9 |
| Friday 7 October | | | | | |
| US | 1330 | Sep Non-Farm Payrolls (000s) | 220 | 250 | 315 |
| | 1330 | Sep Private Payrolls (000s) | 200 | 225 | 308 |
| | 1330 | Sep Unemployment Rate (%) | 3.7 | 3.7 | 3.7 |
| | 2000 | Aug Consumer Credit (\$bn) | 25 | 25 | 23.81 |
| Germany | 0700 | Aug Industrial Output (MoM%/YoY%) | 0.5 | | -0.3/-1.11 |
| France | 0745 | Sep Reserve Assets Total | - | | 242728 |
| | 0745 | Aug Trade Balance | - | | -14.54 |
| Canada | 1330 | Sep Change in employment (000s) | 0.0 | -5.0 | -39.7 |
| | 1330 | Sep Unemployment Rate | - | | 5.4 |
| Norway | 0700 | Aug GDP Month | - | | 0.3 |
| | 0700 | Aug GDP Month Mainland | - | | -0.3 |
| Switzerland | 0645 | Sep Unemployment Rate Adjusted | - | | 2.1 |

Source: Refinitiv, ING

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Key events in EMEA next week

Turkish inflation is expected to increase to 83.5% in September due to significant price hikes in electricity and natural gas fees. In Hungary, we see the manufacturing PMI jumping to 58.2, as order books remain filled and supply chain issues have gradually recovered



Source: Shutterstock

☑ Turkey: Annual inflation to increase further

In September, we expect annual inflation to increase to 83.5% (3.1% on monthly basis) from 80.2% a month ago, given significant administrative price hikes in electricity and natural gas fees. Pricing pressures will likely remain broad-based on the back of a largely supportive policy framework along with a less supportive global backdrop leading to currency weakness.

☑ Hungary: Retail sales to slow, industrial production to jump

The calendar for Hungary contains some activity data from August. We see retail sales slowing as prices rise quickly and households are increasingly conscious about their spending. On the other hand, industrial production will jump as the month of August this year contained two more working days than in the last year, boosting the unadjusted growth figure. When it comes to the September outlook for industry, the manufacturing PMI will give us some clues and we expect this to suggest expansion as orders books remain filled and supply chain issues have become less severe.

Key events in EMEA next week

| Country | Time | Data/event | ING | Survey | Prev. |
|----------------------------|------|-----------------------------------|----------|--------|-----------|
| Monday 3 October | | | | | |
| Russia | 0700 | Sep S&P Global Manufacturing PMI | - | | 51.7 |
| Turkey | 0800 | Sep CPI (MoM%/YoY%) | 3.1/83.5 | | 1.5/80.2 |
| | 0800 | Sep Manufacturing PMI | - | | 47.4 |
| Poland | 0800 | Sep S&P Global Manufacturing PMI | 40.1 | | 40.9 |
| Czech Rep | 0830 | Sep S&P Global PMI | 46.1 | | 46.8 |
| | 1300 | Sep Budget Balance | - | | -231.1 |
| Hungary | 0800 | Sep Manufacturing PMI | 58.2 | | 57.8 |
| | 0800 | Jul Trade Balance Final | -1150 | | -1150 |
| Brazil | 1400 | Sep S&P Global Manufacturing PMI | - | | 51.9 |
| Mexico | 1530 | Sep S&P Global Manufacturing PMI | - | | 48.5 |
| Tuesday 4 October | | | | | |
| Brazil | 0900 | Sep IPC-Fipe Inflation Index | - | | 0.12 |
| Wednesday 5 October | | | | | |
| Russia | 0700 | Sep S&P Global Services PMI | - | | 49.9 |
| Romania | 1300 | Policy Rate | 6.0 | 6.0 | 5.5 |
| Poland | - | Policy Rate | 7.00 | | 6.75 |
| South Africa | 0815 | Sep Std Bank Whole Econ PMI | - | | 51.7 |
| Brazil | 1300 | Aug Industrial Output (MoM%/YoY%) | -/- | | 0.6/-0.5 |
| | 1400 | Sep S&P Global Services PMI | - | | 53.9 |
| | 1400 | Sep S&P Global Composite PMI | - | | 53.2 |
| Thursday 6 October | | | | | |
| Czech Rep | 0800 | Aug Retail Sales (YoY%) | - | | -8.5 |
| Hungary | 0800 | Aug Industrial Output (YoY%) | 9.5 | | 4 |
| | 0800 | Aug Retail Sales (YoY%) | 2.4 | | 4.3 |
| Friday 7 October | | | | | |
| Russia | 1700 | Sep CPI (MoM%/YoY%) | 0.0/13.6 | | -0.5/14.3 |
| Czech Rep | 0800 | Aug Industrial Output (YoY%) | - | | 0.8 |
| | 0800 | Aug Trade Balance | - | | -22.8 |
| Brazil | 1300 | Aug Retail sales (MoM%/YoY%) | -/- | | -0.8/-5.2 |
| Mexico | 1200 | Sep Headline Inflation | - | | 0.7 |
| | 1200 | Sep Core inflation | - | | 0.8 |

Source: Refinitiv, ING

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Asia week ahead: RBA meeting plus regional trade and inflation data

A key central bank meeting and regional inflation and trade figures are in focus next week



The week ahead

In the coming week, we'll get readings on inflation, trade and PMI reports from the region. Also, with FX markets battered, data on dollar reserves will be in focus. Lastly, the Reserve Bank of Australia (RBA) meets to discuss policy, with the chance of a 50bp hike increasing.

RBA meets to discuss policy

Following some reasonable August labour market data, and stronger-than-expected retail sales figures, recent hints from the Reserve Bank of Australia that it may soon start to tighten rates at a slower pace are looking a bit less credible right now. With a strong and unified hawkish chorus from US Fed officials, the apparent ruling out by the US White House of a plaza-style currency agreement, and a further sliding of the Australian dollar, the odds are swinging back towards another 50bp RBA move at the coming meeting.

Most regional inflation readings to accelerate

Price pressures are likely to kick into high gear for both the Philippines and Indonesia which should keep their respective central banks on notice.

Indonesia's inflation has remained relatively subdued of late, but a recent price hike for subsidised fuel should push headline inflation past 6% year-on-year. Philippine inflation should also edge higher after a brief pause.

Meanwhile, the sharp depreciation of the Japanese yen should add pressure to inflation, with Tokyo CPI inflation expected to rise to 2.9%YoY in September. Inflation in Korea will also likely move higher, up 5.7%. Gasoline prices may have declined but food prices climbed quite sharply for the month.

Lastly, Taiwan's inflation should have a strong correlation with its trade data. Our outlook is for a slowdown in trade due to fading purchasing power for US and European markets. The weakness in the trade sector suggests softer demand in Taiwan given its dependence on external trade. Thus we expect lower CPI and WPI inflation for Taiwan.

Korea and Taiwan trade data

Korea's September trade data will also be in focus for the coming week. Set for release over the weekend, we expect export growth to slow to 2%YoY given the unfavourable calendar day effect. Semiconductors exports should rebound marginally after a sudden drop in August, but automobile exports are likely to turn negative as suggested by a recent industry report. Import growth is also expected to decelerate as the drop in oil prices overwhelms the weak Korean won.

Taiwan will also release trade figures in the coming days. Both exports and imports should be softer than in August, as high inflation in the US and Europe has led to a fall in purchasing power and thus weaker demand for Taiwan's exports.

PMI readings from Indonesia, Philippines and Singapore

Next week will feature the latest readings for PMI manufacturing. We can expect declines in PMI indices for both the Philippines and Singapore due to slower export demand although both indices are likely to remain in expansion. Indonesia on the other hand should see a modest improvement in activity tracking surging exports.

All about reserves

The ongoing rout in currency markets has central banks dipping into reserves to slow the depreciation of their currencies. Reserve levels are likely to fall in the coming months and both the Philippines and Indonesia could see lower levels given depreciation pressure for their respective currencies.

Asia Economic Calendar

| Country | Time Data/event | ING Survey | Prev. |
|----------------------------|---|------------|------------|
| Saturday 1 October | | | |
| South Korea | 0100 Sep Import/Export Growth Prelim | 15.0/2.0 | 28.2/6.6 |
| | 0100 Sep Trade Balance Prelim | -2.0 | -9.5 |
| Monday 3 October | | | |
| Japan | 0050 Tankan Large Manufacturing Outlook | 12 | 10 |
| | - Tanakn Large Non-Manufacturing Outlook | 15 | 13 |
| | 0130 Sep Jibun Bank Manufacturing PMI | 51 | 51 |
| India | 0600 Sep IHS S&P Global Manufacturing PMI | 55.7 | 56.2 |
| Indonesia | 0130 Sep IHS S&P Global PMI | 51.9 | 51.7 |
| | 0500 Sep Inflation (YoY%) | 6.1 | 4.69 |
| | 0500 Sep Inflation (MoM%/YoY%) | 1.2/3.6 | -0.21/3.04 |
| Philippines | 0130 Sep Manufacturing PMI SA | 51.1 | 51.2 |
| Singapore | 1400 Sep Manufacturing PMI | 50 | 50 |
| Taiwan | 0130 Sep IHS S&P Global Manufacturing PMI | 42.5 | 42.7 |
| Tuesday 4 October | | | |
| Japan | Tokyo CPI (%YoY) | - | 2.9 |
| Australia | 0430 Oct RBA Cash Rate | 2.85 | 2.35 |
| South Korea | 0130 Sep IHS S&P Global Manufacturing PMI | 47.0 | 47.6 |
| Wednesday 5 October | | | |
| Japan | 0130 Sep Services PMI | 51.9 | 51.9 |
| Philippines | 0200 Sep CPI (MoM%/YoY%) | 0.2/6/6 | 0.4/6.3 |
| | 0200 Sep Core CPI (YoY%) | 4.8 | 4.6 |
| Singapore | 0600 Aug Retail Sales (MoM%/YoY%) | -/- | 0.6/13.7 |
| Taiwan | 0920 Sep Foreign Exchange Reserve (USD bn) | 543 | 545.5 |
| South Korea | 0000 Sep CPI Growth (MoM%/YoY%) | 0.3/5.6 | -0.1/5.7 |
| Thursday 6 October | | | |
| Australia | 0130 Aug Trade Balance (AUD bn) | - | 8733 |
| India | 0600 Sep IHS S&P Global Svcs PMI | - | 57.2 |
| Taiwan | 0900 Sep WPI (YoY% NSA) | 11.25 | 11.54 |
| Taiwan | 0900 Sep CPI (YoY% NSA) | 2.4 | 2.66 |
| Friday 7 October | | | |
| China | - Sep FX Reserves (USD tr) | 3.004 | 3.055 |
| Indonesia | 0500 Sep Forex Reserves | 130.1 | 132.2 |
| Japan | 0030 Aug All Household Spending (MoM%/YoY%) | - | -1.4/3.4 |
| Philippines | - Sep Forex Reserves (USD bn) | 98.1 | 99 |
| Singapore | 1000 Sep Foreign Reserves (USD bn) | - | 289.4 |
| Taiwan | 0900 Sep Imports/Exports | 2.83/-5.85 | 3.5/2.0 |
| | 0900 Sep Trade Balance | 3.19 | 3.0 |
| South Korea | 0000 Aug Current Account Balance NSA | - | 1.1 |

Source: Refinitiv, ING

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