

## 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 in developed markets

An exciting week ahead in the aftermath of the ECB meeting with not one but four central bank meetings. Expect the Fed to steal the spotlight, but the...



Source: Shutterstock

### ✓ All eyes on the Fed

The Federal Reserve policy meeting will dominate the agenda next week with another 25bp rate cut looking probable. The headwinds facing the US economy have been intensifying with trade tensions, a global slowdown and a strong dollar all taking their toll on the US economic outlook. Investment is weakening and the latest jobs report hinted at a deceleration in hiring. For now, the domestically focused, consumer-orientated parts of the economy are holding up, but with inflation looking non-threatening the Federal Reserve has scope to offer support to the economy. After all, Fed Chair Jerome Powell recently commented that while he didn't expect a recession, there are risks facing the US economy and stated that "we're conducting policy in a way that we'll address them".

### ✓ Brexit drama to put pressure on the Bank of England

Political uncertainty continues to weigh on UK sentiment and activity and in this environment, the Bank of England appears to be increasingly inclined to offer some support to the economy should fears of a no deal Brexit materialise.

Next week's inflation numbers are set to show a further moderation in price pressures, suggesting the BoE has room to act, but they are unlikely to waste their ammunition in this current period of limbo now that parliament is suspended.

## ✓ Norges Bank unlikely to hike

We expect the Norges Bank to remain on hold at 1.25% during next week's meeting. It is a close call given the oil investment boom going on, but with central banks all in an easing mode around the world, we see a hike as unlikely.

## Developed Markets Economic Calendar

Country	Time	Data/event	ING	Survey	Prev.
<b>Monday 16 September</b>					
Italy	0900	Aug F HICP (YoY%)	0.5	-	0.5
<b>Tuesday 17 September</b>					
US	1415	Aug Industrial Production (MoM%)	0.0	0.2	-0.2
Germany	1000	Sep ZEW Current Situation Index	-13	-	-13.5
Australia	0230	RBA Minutes			
Sweden	0830	Unemployment rate (%)	-	-	6.9
	0830	Unemployment rate (SA %)	-	-	7.1
Canada	1330	Manufacturing Sales (MoM%)	-	-	-1.2
<b>Wednesday 18 September</b>					
Japan	0050	Aug Exports (YoY%)	-	-	-1.5
	0050	Aug Imports (YoY%)	-	-	-1.2
UK	0930	Aug CPI (MoM%/YoY%)	0.4/1.8	-/-	0/2.1
	0930	Aug Core CPI (YoY%)	1.8	-	1.9
Eurozone	1000	Aug F Core CPI (YoY%)	-	-	0.9
	1000	Aug CPI (MoM%/YoY%)	-/-	-/-	-0.5/1.0
Canada	1330	Aug CPI (MoM/YoY%)	0.0/2.1	-/-	0.5/2
US	1900	FOMC Rate Decision (Upper bound)	2.00	2.00	2.25
	1930	Powell Holds Post-FOMC Meeting Press Conference			
New Zealand	2345	2Q GDP (SA QoQ/ YoY%)	-/2.3	-/-	0.6/2.5
<b>Thursday 19 September</b>					
US	1500	Aug Existing Home Sales	5.3	5.4	5.4
Japan	0530	Jul All industry activity index (MoM%)	-	-	-0.8
	-	Policy Rate	-0.2	-	-0.1
UK	0930	Aug Retail Sales ex Auto Fuel (MoM/YoY%)	-/-	-/-	0.2/2.9
	0930	Aug Retail Sales (MoM/YoY%)	-/-	-/-	0.2/3.3
	1200	BoE Policy Rate	0.75	0.75	0.75
Canada	1330	ADP Canada Releases Aug. Payroll Estimates			
Australia	0230	Aug Employment change ('000)	-	-	41.1
	0230	Aug Unemployment rate (%)	-	-	5.2
Norway	0900	Deposit rates	1.25	-	1.25
<b>Friday 20 September</b>					
Japan	0030	Aug CPI (YoY%)	-	-	0.5
	0030	Aug CPI ex-food, energy (YoY%)	-	-	0.6
Eurozone	1500	Sep A Consumer Confidence	-	-	-7.1
Germany	0700	PPI (MoM/YoY%)	-0.1/0.9	-/-	0.1/1.1

Source: ING, Bloomberg

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## Author

**James Knightley**

Chief International Economist, US

[james.knightley@ing.com](mailto:james.knightley@ing.com)

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## Asia week ahead: Will the BoJ follow the Fed's footsteps?

Alongside the Fed and the Bank of England are policy decisions by three Asian central banks next week. The key question is will the Bank of Japan follow...



Source: Shutterstock

### ➔ The decision week for the Bank of Japan

The central bank of Japan, Taiwan, and Indonesia all meet next week on Thursday, 19 September, immediately after the US Fed's decision the same day.

Monetary easing is gaining traction in developed markets with the ECB lowering rates and restarting quantitative easing this week and the Fed cutting rates again next week. We don't think the BoJ wants to fall behind and risk further economic weakness as the continued safe-haven appreciation of the currency (JPY) dampen exports and GDP growth ahead. Japan's growth has

been anaemic and inflation is nowhere close to the BoJ's 2% target, nor is likely to get there in the distant future. Making matters worse will be the consumption tax hike looming next month. The hike may add a few points to inflation but history is a guide to how disruptive these tax hikes have been for the economy.

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*The evidence for a front-loaded boost to consumption and investment is looking very hard to locate, though that doesn't necessarily rule out a post-tax slump - ING Asia Chief Economist.*

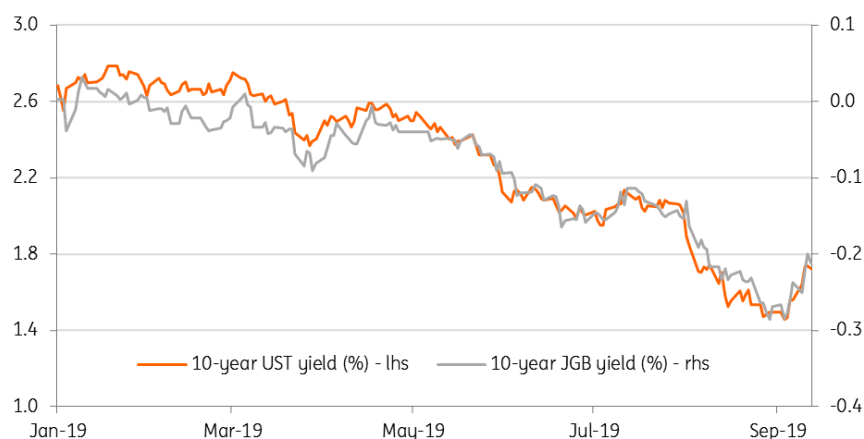
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Taking rates deeper into the negative territory remains an option, as Governor Kuroda pointed out earlier this month, though the adverse impact on consumer sentiment through more negative returns on saving remains a policy dilemma. The recent sell-off in JGBs (less negative yields with the 10-year up from -0.28% in late August to -0.21% currently) and weaker JPY should be a relief for the BoJ but again that's a reflection of what's happened to the US Treasury yield, while the thawing US-China trade relations sapped the safe-haven demand for the JPY.

Even so, a rate cut shouldn't come as a complete surprise for the markets. What good that does to the economy will remain a question absent any effective policy tools to address the perennial problem of sub-target inflation (or is it the target that's rather unrealistic?).

Japan: Toxic trade trouble

## Recent rise in JGB yields reflects rise in UST yields



Source: Bloomberg, ING

## ➔ Mixed expectations about BI and CBC

The other two Asian central banks meet next week may pass as non-events given our forecasts of no policy changes by them. However, the acceleration of global easing cycle tips the balance in favour of more central bank rate cuts in the region.

There is a solid consensus on Taiwan's central bank (Central Bank of China) leaving the policy on

hold. Indeed, the economy has gained some traction lately as new smartphone launches are aiding in export recovery. But, just as our Greater China expert, Iris Pang, pointed out, the uncertainty continues ahead of the 5G launch next year.

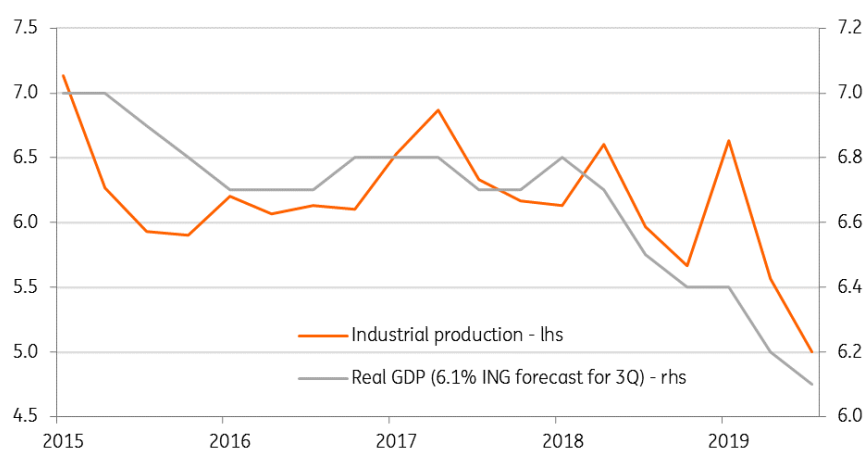
Bank Indonesia (BI) cut rates in the last two meetings in July and August. With the focus continued on the currency stability in setting the monetary policy, an opportunistic move of yet another cut at the forthcoming meeting cannot be ruled out despite latest data showing a slight uptick in inflation. The consensus appears to be split though on a 25bp rate cut and an on-hold decision.

[Taiwan's industrial production surprises us all](#)

## ➔ China's remaining activity data for August

The remaining August data on industrial production, fixed-asset investment, retail sales, and new home prices will make into headlines. In fact, the average July-August industrial production growth will provide a good sense about GDP growth in the current quarter. A surprising drop in exports imparts downside risk to the consensus view of a pick-up in IP growth in the last month to 5.2% year-on-year from over a decade-low of 4.8% in July (Iris forecasts 4.5%). Our 6.1% GDP growth forecast for the current quarter is on track.

## China's industrial production growth points to further GDP slowdown



Source: Bloomberg, ING

## ➔ Finally, has electronics downturn troughed?

The calendar is also packed with trade data releases for August from Indonesia, Singapore, and Thailand – all likely showing persistent export weakness.

Singapore's non-oil domestic exports figure will be an interesting watch for trends in the country's electronics sector, which has been underperforming its Asian counterparts. Underlying our -14.0% YoY NODX growth forecast is continued electronics weakness despite some green shoots of the sector's recovery evident elsewhere in the region (Taiwan and Malaysia). Taiwan's export orders data may provide further insight into this.

## Asia Economic Calendar

Country	Time	Data/event	ING	Survey	Prev.
<b>Monday 16 September</b>					
China	0300	Aug Industrial Production (YoY%)	4.5	5.2	4.8
	0300	Aug Fixed asset investment (YTD YoY%)	5.7	-	5.7
	0300	Aug Retail Sales (YoY%)	7.2	8.0	7.6
India	0730	Aug WPI (YoY%)	1.2	1.0	1.1
Indonesia	0500	Aug Exports (YoY%)	-6	-	-5.1
	0500	Aug Imports (YoY%)	-8.2	-	-15.2
	0500	Aug Trade balance (US\$m)	-527.8	-	-60.0
Philippines	-	Jul OCW remittances (YoY%)	2.6	-	-2.9
<b>Tuesday 17 September</b>					
China	0300	Aug New home prices (MoM/YoY%)	0.3/10.4	-	0.6/10.1
Hong Kong	0900	Aug Unemployment rate (%)	3.1	-	2.9
Singapore	0130	Aug NODX (MoM/YoY%)	0.5/-14.0	-	3.7/-11.2
South Korea	2200	PPI (MoM/YoY%)	-	-	0.0/-0.3
<b>Wednesday 18 September</b>					
Japan	1250	Exports (YoY%)	-	-	-1.6
	1250	Imports (YoY%)	-	-	-1.2
<b>Thursday 19 September</b>					
Indonesia	-	BI policy decision (7-day reverse repo, %)	5.5	-	5.5
Philippines	-	Aug Balance of payments (\$m)	-580	-	248.0
Taiwan	0900	Interest Rate Decision	-	-	1.375
<b>Friday 20 September</b>					
Thailand	0400	Exports (YoY%)	-4.5	-	4.3
	0400	Imports (YoY%)	-10	-	1.7
	0400	Trade balance (\$m)	862	-	110.0
Hong Kong	0900	Aug CPI (YoY%)	3.8	-	3.3

Source: ING, Bloomberg, \*GMT

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## Key events in EMEA and Latam next week

Data from Poland next week will likely show that the economy has cooled slightly while readings from Russia should remain subdued though we could see a...



Source: Shutterstock

### ✓ Poland: A slight deceleration

We expect industrial production to decelerate from 5.8% to 2.3% year-on-year, reflecting negative calendar effects. Seasonally-adjusted figures should be similar to the previous month's. Recent data suggests export-oriented sectors are still performing well despite the slowdown in the eurozone. Some support from non-durable consumer goods producers is very likely as well, given the expansion of child benefits.

Retail sales should rise by 6.6% YoY despite negative car sales. Consumer confidence is at a historic high and there are no imminent threats to suggest this will change.

Wages should moderate from 7.4% to 6.8% YoY. We expect a stabilisation in the coming months while a sharp rise in the minimum wage should significantly increase the 2020 figures. More information is available in our [report here](#).

### ✓ Russia: Expect mixed data

Russian consumer and producer activity indicators for August are likely to remain subdued in August. Poor weather conditions at the end of the summer likely limited consumer spending, as

well as demand for electricity (air conditioning), while adverse calendar effects may have reduced output in the manufacturing sector.

At the same time, we will be looking for subtle signs of a pick up in industrial and construction activity along with an acceleration in budget spending growth. The recent budget statistics show an acceleration in state expenditure growth from 3% YoY in 7M19 to 19% YoY in August. This will likely be downgraded somewhat but may go up further to 30% YoY for September-December, if the budget plan is executed in full.

Country	Time	Data/event	ING	Survey	Prev.
<b>Monday 16 September</b>					
Russia	1400	Aug Industrial Production (YoY%)	2.0	2.2	2.8
Turkey	0800	Jun Unemployment Rate (%)	-	-	12.8
	0800	Retail Sales (MoM/YoY%)	-	-	2.3/-1.2
Bulgaria	0900	Aug CPI (YoY%)	-	-	2.9
Czech	0800	Aug PPI (MoM/YoY%)	-	-	-0.1/2.1
Croatia	1000	Aug CPI (MoM/YoY%)	0.0/1.1	-	-0.5/1.1
Poland	1300	Core Inflation Rate (YoY%)	2.0	-	2.2
<b>Tuesday 17 September</b>					
Russia	1400	Aug PPI (MoM/YoY%)	-/-	-0.1/-0.2	2.7/1.1
Kazakhstan	1000	GDP (YoY%)	-	-	5.1
<b>Wednesday 18 September</b>					
Russia	1400	Aug Real wages (YoY%)	2.9	3.0	3.5
	1400	Aug Retail Sales (YoY%)	1.0	0.9	1.0
	1400	Unemployment Rate (%)	-	-	4.5
South Africa	0900	Aug CPI (YoY%)	-	-	4.0
	0900	Aug CPI (MoM/YoY%)	-/-	-/-	0.4/4.2
	0900	Aug Core CPI (MoM/YoY%)	-/-	-/-	0.4/2.4
	1200	Jul Retail Sales (MoM%)	-	-	0.3
Brazil	-	Selic Rate	5.50	5.50	6.00
<b>Thursday 19 September</b>					
South Africa	-	Repo rate (%)	-	-	6.50
Poland	0900	Aug Industrial Production (YoY%)	2.3	1.6	5.8
	0900	PPI (YoY%)	1.0	0.8	0.6
<b>Friday 20 September</b>					
Poland	0900	Retail Sales (YoY%)	6.6	6.4	7.4

Source: ING, Bloomberg

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## Author

### Dmitry Dolgin

Chief Economist, CIS

[dmitry.dolgin@ing.de](mailto:dmitry.dolgin@ing.de)

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