

## 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 Muhammet Mercan

## Key events in developed markets

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### **US: Data to support a December hold**

Next week's data should confirm that the Federal Reserve will be on hold in December.

Officials had already indicated that they wanted to take stock after three rate cuts implemented since July and with third-quarter GDP being revised higher and the jobs report likely showing a strong rebound in employment (admittedly thanks in large part to the ending of the strike at General Motors) they will have plenty to justify a pause. Nonetheless, we remain cautious on the outlook given weak global demand, the strong dollar and lingering trade tensions. The ISM indices are likely to remind us that growth has slowed and the manufacturing sector, in particular, is struggling.

We still see a strong chance of further rate cuts in early 2020.

### **Bank of Canada to remain on hold**

The bank of Canada will probably leave interest rates unchanged but there is a growing chance of a rate cut given the recent stated concern about the global backdrop and the vulnerability of Canada to global demand and commodity price moves.

## Developed Markets Economic Calendar

Country	Time	Data/event	ING	Survey	Prev.
<b>Monday 2 December</b>					
United States	1445	Nov ISM Manufacturing	49	49.5	48.3
Eurozone	0900	Nov F Markit Manufacturing PMI	46.6	-	46.6
	1400	ECB President Lagarde Testifies at European Parliament			
United Kingdom	0930	Nov F Markit/CIPS Manufacturing PMI	-	-	48.3
Norway	0800	Nov DNB/NIMA Manufacturing PMI	-	-	54.87
Sweden	0730	Nov Manufacturing PMI	-	-	46
Japan	2350	Nov Monetary base (JPY tr)	519	-	523
<b>Tuesday 3 December</b>					
Australia	0330	RBA Cash Rate Target	0.75	0.75	0.75
<b>Wednesday 4 December</b>					
United States	1315	Nov ADP Employment Change ('000's)	-	155	125
	1500	Nov ISM Non-manufacturing	54	54.5	54.7
Eurozone	0900	Nov F Markit Services PMI	51.5	-	51.5
	0900	Nov F Markit Composite PMI	50.3	-	50.3
United Kingdom	0930	Nov F Markit/CIPS Services PMI	-	-	48.6
	0930	Nov F Markit/CIPS Composite PMI	-	-	48.5
Canada	1500	Bank of Canada Policy Rate	1.75	1.75	1.75
Australia	0030	3Q GDP (SA QoQ/ YoY%)	0.5/1.6	-/-	0.5/1.4
Norway	0700	3Q Current Account Balance (NOKbn)	-	-	30.587
Sweden	0730	Nov Swedbank/Silf Services PMI	-	-	49.50
	0830	3Q Current Account Balance (SEKbn)	-	-	37
New Zealand	2300	RBNZ Announces Bank Capital Review Decisions			
<b>Thursday 5 December</b>					
United States	1330	Oct Trade Balance (US\$bn)	-54	-53.4	-52.45
Eurozone	1000	Oct Retail Sales (MoM/YoY%)	0.2/2.5	-/-	0.1/3.1
	1000	3Q F GDP (MoM/YoY%)	0.2/1.2	-	0.2/1.2
Germany	0700	Oct New Orders (MoM/YoY%)	0.5/-4.9	2.2/-2.2	1.3/-5.4
Australia	0030	Oct Trade balance (A\$mn)	7612	-	7180
	0030	Oct Retail sales (MoM%)	0.3	-	0.2
Japan	2330	Oct Labor cash earnings (YoY%)	0.6	-	0.5
	2330	Oct Household spending (YoY%)	-5.1	-	9.5
<b>Friday 6 December</b>					
United States	1330	Nov Change in Nonfarm Payrolls ('000s)	210	195	128
	1330	Nov Unemployment Rate (%)	3.6	3.6	3.6
	1330	Nov Average Hourly Earnings (MoM/YoY%)	0.3/3.1	0.3/3.1	0.2/3.0
	1330	Nov Participation Rate	-	-	63.3
	1500	Dec P U. of Mich. Sentiment Index	95.8	96	96.8
Germany	0700	Oct Industrial Production (MoM/YoY%)	-0.2/-3.8	-/-	-0.6/-4.3
	0700	Oct Industrial Production (YoY%)	-	-	-4.3
Canada	1330	Nov Net Change in Employment	-	-	-1.8
	1330	Nov Unemployment Rate (%)	-	-	5.5
Norway	0700	Oct Industrial Production (MoM/YoY%)	-/-	-/-	-0.5/-8.1

Source: ING, Bloomberg

### Author

**James Knightley**

Chief International Economist, US

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

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## Asia week ahead: RBA to stay on hold, RBI to cut again

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Source: Shutterstock

### ➔ A mix bag of central bank policy

The Reserve Bank of Australia and the Reserve Bank of India meet next week. Australia's exceptionally [weak labour report](#) for October made a case for more RBA easing. Adding to the pressure was Governor Philip Lowe's reluctance for quantitative easing, expressed in his speech earlier this week, which now has markets pricing in more interest rate cuts. However, many (including us) are sceptical we will get a rate cut next week; the implied market probability of a 25 basis point rate cut next week is only 12%.

Supporting the stable RBA policy call would be the third-quarter GDP data showing firmer growth. But, the release comes a day after the central bank meeting, which doesn't make it a timely input for policymakers.

Staying ahead in the global easing cycle, India's central bank looks poised to cut rates again by 25 basis point next week given that growth continues to be on a steady downward path. Governor Shaktikanta Das is determined to ease for as long as it takes. However, aggressive policy stimulus on both monetary and fiscal sides has started stoking inflation, pushing it above the RBI's 4% comfort level in recent months, which means this could be the last cut of this easing cycle.

## And a data-packed calendar

Trade, purchasing manager index (PMI), and inflation figures dominate the data calendar.

Korea's trade data for November will serve as a guide to the rest of Asia's exports this month. Even if the uncertainty on the US-China trade front continues, exports have at least stopped getting worse, including electronics exports, the mainstay of some Asian countries. Albeit ongoing trade noise, we expect the Asian trade picture to be clearer, and better too going into 2020, at least from a statistical perspective as the base effects will normalise, if not fundamentally. The export order components of manufacturing PMIs will be an interesting watch from this perspective.

Inflation remains benign throughout the region (spare India, as mentioned earlier). Low inflation and continued weak growth outlook suggest central bank policy should remain accommodative at least through 2020, though the current easing cycle has almost drawn to a close.

## Asia Economic Calendar

Country	Time	Data/event	ING	Survey	Prev.
<b>Saturday 30 November</b>					
China	0100	Nov Manufacturing PMI	49.5	49.5	49.3
	0100	Nov Non-manufacturing PMI	52.5	53.1	52.8
South Korea	0000	Nov Trade balance (US\$m)	5.5	4950	5341
	0000	Nov Exports (YoY%)	-6.1	-9.7	-14.8
	0000	Nov Imports (YoY%)	-8.4	-12.1	-14.6
<b>Sunday 1 December</b>					
South Korea	2300	Nov CPI (YoY%)	0.9	0.7	0.2/0.0
	2300	Nov Core CPI (YoY%)	0.7	0.8	0.8
<b>Monday 2 December</b>					
South Korea	2300	3Q F GDP (QoQ/YoY%)	0.5/2.1	-/-	0.4/2.0
	0030	Markit South Korea PMI mfg	48.7	-	48.4
India	0500	Markit India PMI Mfg	51	-	50.6
Hong Kong	0830	Oct Retail sales value (YoY%)	-24.9	-	-18.3
	0830	Oct Retail sales volume (YoY%)	-26	-	-20.4
Indonesia	-	Nov CPI (YoY%)	3.1	3.1	3.13
	-	Nov CPI core (YoY%)	-	3.1	3.2
Thailand	0030	Nov Markit PMI mfg	50.2	-	50
	0330	Nov CPI (YoY%)	0.3	0.36	0.11
	0330	Nov Core-CPI (YoY%)	0.5	0.5	0.44
Malaysia	0030	Nov Nikkei Manufacturing PMI	48.8	-	49.3
Taiwan	0030	Nov Nikkei Manufacturing PMI	49.8	-	49.8
<b>Tuesday 3 December</b>					
Singapore	1300	Nov Purchasing Managers Index	49.8	-	49.6
<b>Wednesday 4 December</b>					
South Korea	2300	Oct Current account balance (US\$bn)	7.6	-/-	7.5
Hong Kong	0030	Nov Markit PMI	-	-	39.3
Malaysia	0400	Oct Exports (YoY%)	-12.5	-	-6.8
	0400	Oct Imports (YoY%)	-9	-	2.4
	0400	Oct Trade balance (RM bn)	11.9	-	8.3
India	0500	Markit India PMI Services	-	-	49.2
China	0145	Nov Caixin Manufacturing PMI	51	51.3	51.7
<b>Thursday 5 December</b>					
Philippines	0100	Nov CPI (YoY%)	1.3	-	0.8
India	-	3Q Current account balance (Q) (US\$bn)	-	-	-14.3
	0615	RBI policy decision (repo rate, %)	4.9	-	5.15
Taiwan	0800	Nov WPI (YoY%)	-4.9	-	-6.2
	0800	Nov CPI (YoY%)	0.7	0.7	0.4
<b>Friday 6 December</b>					
Hong Kong	-	Nov Forex Reserves (US\$bn)	-	-	440.6
Malaysia	0700	Nov 29 Forex reserves- Month end (US\$bn)	-	-	103.2
Philippines	-	Nov Forex reserves (US\$bn)	86.5	-	85.8

Source: ING, Bloomberg, \*GMT

## Key events in EMEA and Latam

A busy calendar next week in EMEA. While we believe that the Turkish economy could be improving, we are likely in for some disappointing figures in Czech....



Source: Shutterstock

### ✓ Poland central bank meeting likely to be a non-event

We expect the MPC meeting to be a non-event – the committee should reiterate its guidance on flat rates. There may be a motion for a cut, but only one member, Eryk Lon is expected to support it. The PMI manufacturing index is expected to increase towards 46pt following better readings in Germany.

### ✓ Hungary: Positive momentum goes on

After a surprisingly strong 3Q, we expect the positive momentum to continue in October. Manufacturing PMI will rebound in line with the business confidence indicator, while the new capacities which has just entered production will be able to maintain an above-average growth in industry. Retail sales turnover growth to remain firm, reflecting the combination of the tight labour market and strong wage growth. The only caveat here could be (to some extent) the withheld purchases due to the Black Friday sales throughout November.

### ✓ Turkey: Improving conditions

Following a sharp disinflation trend in recent months thanks to weak domestic demand, stable

currency and the downward adjustment in food prices, we expect annual inflation to change course in November and rise to 10.7% (0.5% MoM) mainly on the back of the unsupportive base. GDP growth, as evidenced by high-frequency data is likely to turn positive on a YoY basis in the third quarter at 0.5% with improving private consumption due to stable currency, sharp fall in interest rates, better consumer sentiment, and accelerated bank lending, as well as base effects, kicking in.

### **Czech: Some disappointing figures to come**

3Q19 wage growth might disappoint the Czech central bank estimate of 7.2% YoY nominal growth, the same as the previous quarter, as data from tax collection signals slowdown in wage dynamics in 3Q. We expect 6.6% nominal growth, being transmitted into 3.7% YoY real wage growth as inflation reached 2.8% on average in 3Q. Retail sales are likely to decelerate after strong September figures, but mainly on the back of calendar bias (two days more in September, one less in October, in YoY terms)

## **EMEA and Latam Economic Calendar**



Country	Time	Data/event	ING	Survey	Prev.
<b>Monday 2 December</b>					
Russia	0600	Nov Markit Manufacturing PMI	-	-	47.2
Turkey	0700	3Q GDP (YoY%)	0.5	0.6	-1.5
	0700	Nov Markit/ISO Manufacturing PMI	-	-	49
Hungary	0800	Nov Manufacturing PMI	55	-	51.9
	0800	Oct PPI (MoM/YoY%)	1.5/3.1	-/-	1.2/2.2
	0800	Sep F Trade Balance (€mn)	566	-	566.16
Poland	0800	Nov Markit Manufacturing PMI	46.0	46.2	45.6
Czech Republic	0830	Nov Markit Manufacturing PMI	46.2	45.8	45.0
	1300	Nov Budget Balance (CZKbn)	-	-	-19.57
South Africa	0900	Nov Absa PMI	-	-	48.1
Serbia	1100	3Q GDP (YoY%)	3.9	-	2.9
Romania	-	Nov FX Reserves (€bn, Net)	-	-	39.4
Brazil	1100	3Q GDP (QoQ/YoY%)	0.3/0.8	0.5/1.2	0.4/1.0
<b>Tuesday 3 December</b>					
Romania	0700	Oct PPI (MoM/YoY%)	-/-	-/-	0.1/3.1
Turkey	0700	Nov CPI (MoM/YoY%)	0.5/10.7	-/-	2.0/8.6
	0700	Nov Core CPI (YoY%)	9.4	-	6.7
	0700	Nov Domestic PPI (MoM/YoY%)	-/-	-/-	0.2/1.7
South Africa	0930	3Q GDP (SAAR-QoQ/YoY%)	-/-	-/-	3.1/0.9
Poland	-	Monetary Policy Council Rate Meeting			
Kazakhstan	-	Nov CPI (MoM/YoY%)	-/-	-/-	0.6/5.5
<b>Wednesday 4 December</b>					
Poland	-	Base Rate (%)	1.50	1.50	1.50
Czech Republic	0800	Average Real Monthly Wages (YoY%)	3.7	-	4.3
Hungary	1300	Hungarian Central Bank's Minutes			
Brazil	1400	Oct Industrial Production (YoY%)	1	1.2	1.1
<b>Thursday 5 December</b>					
Romania	0700	Oct Retail Sales (MoM/YoY%)	-/-	-/-	0.7/7.0
	0700	3Q P GDP (SA, QoQ/YoY%)	0.6/3.0	-/-	0.6/3.0
Bulgaria	1000	3Q F GDP (QoQ/YoY%)	0.7/3.7	-/-	0.7/3.7
Hungary	0800	Oct Retail Sales (YoY%)	5.4	-	5.8
Israel	-	Nov Foreign Currency Balance (US\$bn)	-	-	121.4
<b>Friday 6 December</b>					
Russia	1300	CPI (MoM/YoY%)	0.3/3.6	-/-	0.1/3.8
	1300	Official Reserves Assets (bn)	-	-	540.9
Czech Republic	0800	Oct Retail Sales (YoY%)	2.6	-	8.2
	0800	Oct Retail Sales Excl. Motor Vehicles (YoY%)	3.1	-	7.3
Hungary	0800	Oct Industrial Production (MoM/YoY%)	-0.2/6.7	-/-	3.1/9.0
Poland	1400	Nov Official Reserves Total ('000)	-	-	121900.7
Croatia	100	Nov PPI (MoM/YoY%)	-/-	-/-	0.3/-0.5
Serbia	1100	Nov HPPI (MoM/YoY%)	-/-	-/-	0.1/-0.5
South Africa	0600	Nov Gross Reserves (US\$bn)	-	-	54.5
	0600	Nov Net Open Foreign Currency Position	-	-	44.61
Brazil	1200	Nov Inflation (IPCA) (MoM/YoY%)	0.4/3.16	0.4/3.1	0.1/2.5

Source: ING, Bloomberg

## Authors

### Peter Virovacz

Senior Economist, Hungary

[peter.virovacz@ing.com](mailto:peter.virovacz@ing.com)

### Muhammet Mercan

Chief Economist, Turkey

[muhammet.mercan@ingbank.com.tr](mailto:muhammet.mercan@ingbank.com.tr)

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