

The outlook is anything but clear

Today's Brexit vote could provide a glimmer of clarity, at least on this one issue and before the UK descends into the murk of actual trade negotiations. But on all other fronts, the outlook remains clouded.



Source: Shutterstock

Brexit - today's the day, maybe...

You just have to admire his tenacity. Despite most of his notes having a shelf life that can be measured in hours, James Smith (JS) is at it again, with another look at [what could go wrong in today's "second reading" of the Brexit bill](#). Since writing, option 1 - the "meaningful vote" has already dropped by the wayside, being deemed too repetitive by Speaker of the House, John Bercow.

So it is all the other points that now matter, most notably the second reading of the Brexit bill and the programme motion that will follow it. As JS notes, on paper, Boris Johnson appears to have the votes he needs. But only by a handful. And it would likely need some opposition Labour Party votes, defying their own party whip which wants an amendment to include a referendum on the Johnson plan. There is also a move by Labour to try to form a working alliance with the Democratic Unionist Party (DUP) and others to try to thwart the Johnson plan. They fear that if the Johnson bill passes, he will then seek to secure a "Canada style" loose trading-arrangement with the EU. It is possible that Conservative MPs favouring a softer form of Brexit may be persuaded to side with that. We will hopefully know one way or the other by this time tomorrow.

There is still so much that can go wrong/right, depending on your viewpoint. [This article by the Guardian is also extremely good on these areas if you want a further read.](#)

Market outlook - ask the experts

I chaired the sell-side panel of the Emerging Market Traders Association (EMTA) yesterday here in Singapore. It was the third year I have done this, and I have to say, it is a lot harder chairing a panel than being on one. Hong Kong EMTA on Thursday.

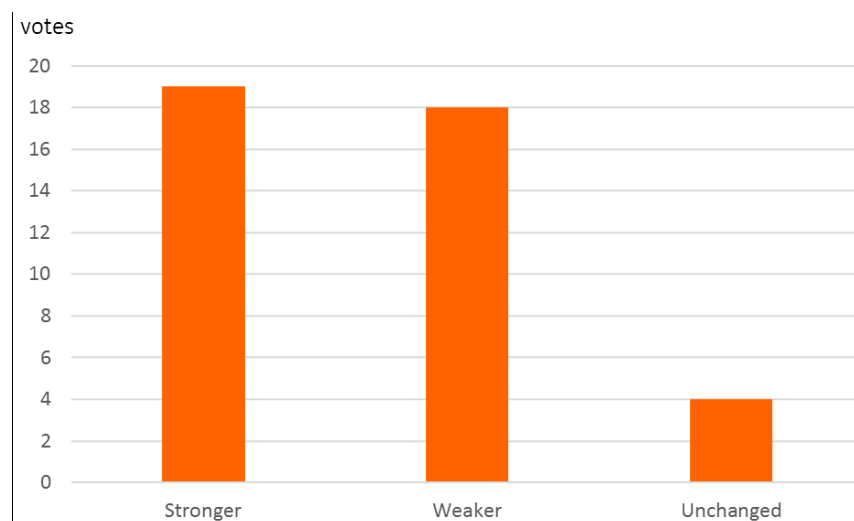
My panelists were, as ever, excellent. Thanks to all of them. I started with a quick poll of the audience's views on the outlook for Emerging markets between now and the next EMTA meeting in 12 months' time. The result was virtually a tie between stronger, and weaker, with a handful of "about the same". (See chart below)

To be fair to the audience, the panelists also expressed views that tended to match this impasse, with strident and well-argued cases for each wing of the outcome, as well as a kind of lingering stagnation that probably best reflects the third option. it was a similar outlook for the USDCNY rate.

In a similar vein, Bloomberg's Cameron Crise' always excellent daily commentary strikes a similar tone.

It's hard to pick the direction right now.

EMTA Singapore views on EM Market outlook in 12M



Source: EMTA, ING

Asia / G7 today

It's quiet - too quiet! There is virtually nothing on the calendar for today in Asia. We already got the Korean September PPI figures, and they were soft at -0.7%YoY. Taiwan unemployment and Philippine budget balance are about the only other notable calendar releases.

The last 24 hours has also seen some new cabinet appointments in Indonesia. An unusually (these days) inclusive decision has seen President Joko Widodo appoint the opposition leader, Prabowo

Subianto to the cabinet in charge of defense. This augurs well for political cooperation and progress.

Comments on the US-China trade negotiations are looking a bit more positive. Iris Pang in HK writes, "The SCMP reports that "...White House economic adviser says 15 percent US tariffs on many consumer goods from China could be withdrawn if negotiations continue to go well". But how well are the negotiations going? We still haven't even seen the texts of the agreement. China has requested the US to roll back all the tariffs in order to buy an annual amount of \$50 bn agricultural produce. But so far, what is really being talked about is deferring some tariffs that have not yet been implemented. Actually rolling back some tariffs that are currently being levied would, of course, be great news. So even though both sides so far say there has been progress in the draft deal expected to be released in November, there remains considerable uncertainty about this trade negotiation".

There isn't much going on in the G-7, with UK public finances and business trends vying with Canadian retail sales and business outlook for attention. Keep an eye on September US existing home sales though. The US housing market has been buoyed by lower bond yields and hence mortgage yields. But it is about the only part of the US economy that looks in decent shape right now and is providing a lot of support to the consumer sector. If residential housing begins to lose steam, although it is small in its own right, it could bring large parts of the rest of GDP with it. That would change the picture. With US Treasury yields now back up at about 1.80%, a lot of the refinancing activity that spurred this housing pick-up will have been choked off.

Author

Amrita Naik Nimbalkar

Junior Economist, Global Macro

amrita.naik.nimbalkar@ing.com

Mateusz Sutowicz

Senior Economist, Poland

mateusz.sutowicz@ing.pl

Alissa Lefebvre

Economist

alissa.lefebvre@ing.com

Deepali Bhargava

Regional Head of Research, Asia-Pacific

Deepali.Bhargava@ing.com

Ruben Dewitte

Economist

+32495364780

ruben.dewitte@ing.com

Kinga Havasi

Economic research trainee

kinga.havasi@ing.com

Marten van Garderen

Consumer Economist, Netherlands

marten.van.garderen@ing.com

David Havrlant

Chief Economist, Czech Republic

420 770 321 486

david.havrlant@ing.com

Sander Burgers

Senior Economist, Dutch Housing

sander.burgers@ing.com

Lynn Song

Chief Economist, Greater China

lynn.song@asia.ing.com

Michiel Tukker

Senior European Rates Strategist

michiel.tukker@ing.com

Michal Rubaszek

Senior Economist, Poland

michal.rubaszek@ing.pl

This is a test author

Stefan Posea

Economist, Romania

tiberiu-stefan.posea@ing.com

Marine Leleux

Sector Strategist, Financials

marine.leleux2@ing.com

Jesse Norcross

Senior Sector Strategist, Real Estate

jesse.norcross@ing.com

Teise Stellema

Research Assistant, Energy Transition

teise.stellema@ing.com

Diederik Stadig

Sector Economist, TMT & Healthcare

diederik.stadig@ing.com

Diogo Gouveia

Sector Economist

diogo.duarte.vieira.de.gouveia@ing.com

Marine Leleux

Sector Strategist, Financials

marine.leleux2@ing.com

Ewa Manthey

Commodities Strategist

ewa.manthey@ing.com

ING Analysts

James Wilson

EM Sovereign Strategist

James.wilson@ing.com

Sophie Smith

Digital Editor

sophie.smith@ing.com

Frantisek Taborsky

EMEA FX & FI Strategist

frantisek.taborsky@ing.com

Adam Antoniak

Senior Economist, Poland

adam.antoniak@ing.pl

Min Joo Kang

Senior Economist, South Korea and Japan

min.joo.kang@asia.ing.com

Coco Zhang

ESG Research

coco.zhang@ing.com

Jan Frederik Slijkerman

Senior Sector Strategist, TMT

jan.frederik.slijkerman@ing.com

Katinka Jongkind

Senior Economist, Services and Leisure

Katinka.Jongkind@ing.com

Marina Le Blanc

Sector Strategist, Financials

Marina.Le.Blanc@ing.com

Samuel Abettan

Junior Economist

samuel.abettan@ing.com

Franziska Biehl

Senior Economist, Germany

Franziska.Marie.Biehl@ing.de

Rebecca Byrne

Senior Editor and Supervisory Analyst

rebecca.byrne@ing.com

Mirjam Bani

Sector Economist, Commercial Real Estate & Public Sector (Netherlands)

mirjam.bani@ing.com

Timothy Rahill

Credit Strategist

timothy.rahill@ing.com

Leszek Kasek

Senior Economist, Poland

leszek.kasek@ing.pl

Oleksiy Soroka, CFA

Senior High Yield Credit Strategist

oleksiy.soroka@ing.com

Antoine Bouvet

Head of European Rates Strategy

antoine.bouvet@ing.com

Jeroen van den Broek

Global Head of Sector Research

jeroen.van.den.broek@ing.com

Edse Dantuma

Senior Sector Economist, Industry and Healthcare

edse.dantuma@ing.com

Francesco Pesole

FX Strategist

francesco.pesole@ing.com

Rico Luman

Senior Sector Economist, Transport and Logistics

Rico.Luman@ing.com

Jurjen Witteveen

Sector Economist

jurjen.witteveen@ing.com

Dmitry Dolgin

Chief Economist, CIS

dmitry.dolgin@ing.de

Nicholas Mapa

Senior Economist, Philippines

nicholas.antonio.mapa@asia.ing.com

Egor Fedorov

Senior Credit Analyst

egor.fedorov@ing.com

Sebastian Franke

Consumer Economist

sebastian.franke@ing.de

Gerben Hieminga

Senior Sector Economist, Energy

gerben.hieminga@ing.com

Nadège Tillier

Head of Corporates Sector Strategy

nadege.tillier@ing.com

Charlotte de Montpellier

Senior Economist, France and Switzerland

charlotte.de.montpellier@ing.com

Laura Straeter

Behavioural Scientist

+31(0)611172684

laura.Straeter@ing.com

Valentin Tataru

Chief Economist, Romania

valentin.tataru@ing.com

James Smith

Developed Markets Economist, UK

james.smith@ing.com

Suvi Platerink Kosonen

Senior Sector Strategist, Financials

suvi.platerink-kosonen@ing.com

Thijs Geijer

Senior Sector Economist, Food & Agri

thijs.geijer@ing.com

Maurice van Sante

Senior Economist Construction & Team Lead Sectors

maurice.van.sante@ing.com

Marcel Klok

Senior Economist, Netherlands

marcel.klok@ing.com

Piotr Poplawski

Senior Economist, Poland

piotr.poplawski@ing.pl

Paolo Pizzoli

Senior Economist, Italy, Greece

paolo.pizzoli@ing.com

Marieke Blom

Chief Economist and Global Head of Research

marieke.blom@ing.com

Raoul Leering

Senior Macro Economist

raoul.leering@ing.com

Maarten Leen

Head of Global IFRS9 ME Scenarios

maarten.leen@ing.com

Maureen Schuller

Head of Financials Sector Strategy

Maureen.Schuller@ing.com

Warren Patterson

Head of Commodities Strategy

Warren.Patterson@asia.ing.com

Rafal Benecki

Chief Economist, Poland

rafal.benecki@ing.pl

Philippe Ledent

Senior Economist, Belgium, Luxembourg

philippe.ledent@ing.com

Peter Virovacz

Senior Economist, Hungary

peter.virovacz@ing.com

Inga Fechner

Senior Economist, Germany, Global Trade

inga.fechner@ing.de

Dimitry Fleming

Senior Data Analyst, Netherlands

Dimitry.Fleming@ing.com

Ciprian Dascalu

Chief Economist, Romania

+40 31 406 8990

ciprian.dascalu@ing.com

Muhammet Mercan

Chief Economist, Turkey

muhammet.mercan@ingbank.com.tr

Iris Pang

Chief Economist, Greater China

iris.pang@asia.ing.com

Sophie Freeman

Writer, Group Research

+44 20 7767 6209

Sophie.Freeman@uk.ing.com

Padhraic Garvey, CFA

Regional Head of Research, Americas

padhraic.garvey@ing.com

James Knightley

Chief International Economist, US

james.knightley@ing.com

Tim Condon

Asia Chief Economist

+65 6232-6020

Martin van Vliet

Senior Interest Rate Strategist

+31 20 563 8801

martin.van.vliet@ing.com

Karol Pogorzelski

Senior Economist, Poland

Karol.Pogorzelski@ing.pl

Carsten Brzeski

Global Head of Macro

carsten.brzeski@ing.de

Viraj Patel

Foreign Exchange Strategist

+44 20 7767 6405

viraj.patel@ing.com

Owen Thomas

Global Head of Editorial Content

+44 (0) 207 767 5331

owen.thomas@ing.com

Bert Colijn

Chief Economist, Netherlands

bert.colijn@ing.com

Peter Vanden Houte

Chief Economist, Belgium, Luxembourg, Eurozone

peter.vandenhoute@ing.com

Benjamin Schroeder

Senior Rates Strategist

benjamin.schroeder@ing.com

Chris Turner

Global Head of Markets and Regional Head of Research for UK & CEE

chris.turner@ing.com

Gustavo Rangel

Chief Economist, LATAM

+1 646 424 6464

gustavo.rangel@ing.com

Carlo Cocuzzo

Economist, Digital Finance

+44 20 7767 5306

carlo.cocuzzo@ing.com