# Economic Weekly

25 October 2011


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# RBNZ sidelined as Eurozone plays out

- **Pre-election Economic and Fiscal update will highlight challenging fiscal outlook as the global economic outlook deteriorates.**
- **Inflation pressures subdued over Q3, reducing urgency for OCR increases.**
- **RBNZ to leave OCR on hold due to weaker domestic back drop and ongoing uncertainty stemming from Eurozone.**

For the past 6 weeks most of NZ has been gripped by Rugby World Cup fever. It has been one of drama, with emotional highs and lows – particularly in the last 40 minutes of game time. But it was also one of success: the trophy is headed for the cabinet and, as at the end of September, 80,000 RWC visitors came to NZ with more yet to be tallied up over October.

This week the focus turns quickly away from Rugby to economics and politics. The November 26 election is now just one month away. In preparation for it the Treasury's Pre-Election Economic and Fiscal Update due this afternoon will likely be a little sobering. The $18.4 billion deficit for the 2010/11 year, partly as a result of the earthquakes, was already announced a couple of weeks ago. Beyond this, the deterioration in the global economic outlook and ongoing economic uncertainty will also weigh on the Treasury's economic and fiscal projections. Overall, the update will serve as a reminder of the ongoing challenges on the fiscal front, particularly in the wake of NZ's recent credit rating downgrade.

Meanwhile, inflation pressures proved surprisingly subdued over Q3, largely due to weaker-than-expected housing-related inflation pressures. Construction costs had previously showed concerning signs of a post-earthquake lift. However, the September quarter figures were comparatively contained. Given the still-low level of new building activity, including in Canterbury, the RBNZ will be more confident that the pick-up in construction cost inflation will be delayed until sometime next year.

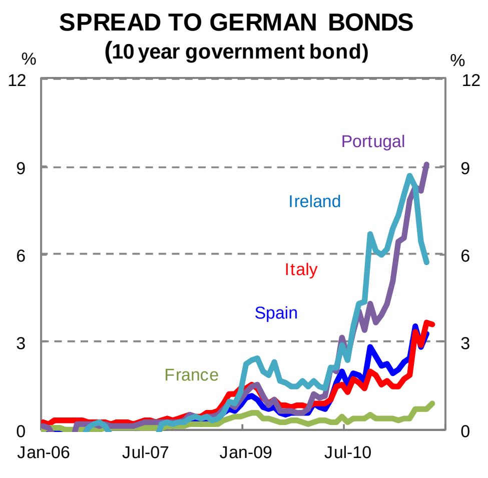
The Eurozone sovereign debt crisis will be the key issue weighing on the RBNZ at Thursday's OCR decision, although the weaker Q3 inflation figures reinforce the case for the RBNZ to leave the OCR unchanged at 2.5%. Uncertainty around the global outlook stemming from the Eurozone sovereign debt crisis continues to dominate the economic outlook. The European summit started over the weekend failed to provide any concrete conclusions and key issues are yet to be decided on. European officials have warned there is no silver bullet to resolve the situation, and the crisis is likely to continue through to next year. The risk the Eurozone situation could deteriorate and spark a second major financial crisis remains unacceptably high.

While the Eurozone will remain the central focus, domestic developments have also been less rosy in recent weeks. Along with Q3's weaker inflation result, economic growth was weaker than expected over Q2, and indicators highlight a still-fragile recovery. Weaker growth outlook and subdued inflation pressures highlight there is less urgency for the RBNZ to increase interest rates in the coming months than perceived back in July. Assuming crisis risks recede in the coming months, we expect the RBNZ to lift the OCR by 25 basis points in March. However, the risks are skewed to a slightly later and/or more staggered tightening cycle.

## Click here for:


| | |
|---|---|
| Foreign Exchange | • The NZD edges higher on improved market sentiment. |
| Interest Rates | • NZ yield curve flattens, with short end interest rates up on increased optimism. |
| Week Ahead | • Pre-election Economic and Fiscal update from the Treasury, RBNZ OCR announcement. |
| Week in Review | • Short-term visitor arrivals boosted by Rugby World Cup tourists. |
| Global Calendars | • Australian CPI seen as critical to RBA decision next week, US Q3 GDP also due. |


## Chart of the Week




Europe's leaders indicated they were getting closer to announcing further measures to help stem Europe's debt crisis. However, a final announcement is not expected before Wednesday's summit (26 October).

"The technical complexities are significant," said French President Sarkozy, while German Chancellor Angela Merkel commented finance ministers had made progress on a solution to recapitalise banks.

Reports indicated that around €100 billion will be required to recapitalise banks, someway short of recent reports by the IMF and market participants that some €200-250bn may be required. Sarkozy and Merkel continue to reiterate that banks should first raise capital in the private sector, before seeking assistance from governments and then the European Financial Stability Facility (EFSF). No specifics on how the EFSF may be leveraged to increase its firepower have been released.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# Foreign Exchange Market

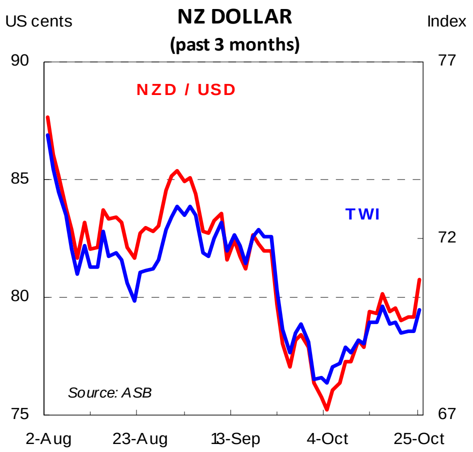
| FX Rates | Current* | Week ago | Month ago | 6 mths ago | Year ago | ST Bias | Support^ | Resistance^ |
|---|---|---|---|---|---|---|---|---|
| NZD/USD | 0.8072 | 0.8016 | 0.7803 | 0.7993 | 0.7476 | FLAT | 0.7950 | 0.8200 |
| NZD/AUD | 0.7707 | 0.7783 | 0.7965 | 0.7455 | 0.7621 | FLAT | 0.7650 | 0.7800 |
| NZD/JPY | 61.43 | 61.87 | 59.54 | 65.40 | 60.66 | FLAT | 60.50 | 62.50 |
| NZD/EUR | 0.5797 | 0.5791 | 0.5773 | 0.5484 | 0.5364 | FLAT | 0.5725 | 0.5900 |
| NZD/GBP | 0.5057 | 0.5076 | 0.5066 | 0.4845 | 0.4754 | FLAT | 0.5000 | 0.5100 |
| TWI | 70.0 | 70.1 | 69.4 | 68.9 | 66.4 | FLAT | 69.00 | 71.00 |

^Weekly support and resistance levels * Current is as at 10.00 am Tuesday; week ago as at Monday 5pm.

The NZD dipped over the early part of last week, only to strengthen again over the second half of the week. Improved sentiment has pushed both the NZD and AUD higher against the USD. However, this could easily reverse if the European governments do not deliver a large and credible set of policies to tackle Europe's public debt-banking crisis. A period of USD strength is likely to prevail until it becomes clear how, the Europeans deal with their crisis. The European leaders' summit on Wednesday 26 October will be critical for market sentiment, and the direction of currencies over the coming weeks.

While the NZD is subject to similar downside risk as the AUD, market positioning suggests greater downside risk to the AUD compared to the NZD during periods of risk aversion. For the same reason, the AUD has outperformed the NZD over the past three weeks as risk appetites have improved. AUD has lifted 3% against the NZD since 4 October, and NZD/AUD started the week trading near the low point for the month, around 0.7750.

## Short-term outlook:




| Key data | Date | Time (NZT) | Market |
|---|---|---|---|
| Pre-election Economic and Fiscal Update | 25/10 | 2.30 pm | - |
| NBNZ Business Outlook | 26/10 | 1.00 pm | - |
| RBNZ OCR Announcement | 27/10 | 9.00 am | 2.5% |
| NZ Trade Balance | 27/10 | 10.45 am | -$440M |

**Potential local currency movers this week:** US house prices, US consumer confidence (25th); AU CPI, US Durable Goods, US New Home Sales (26th); EU Leaders' meeting on debt crisis, EU confidence indicators, US GDP (27th); UK CBI business survey (26-27th), UK consumer confidence, JP Industrial Production, US Consumer Confidence (28th).

**Speakers:** Fed's Dudley, Fisher (24th); RBA's Battellino (25th); and ECB's Draghi, Juncker, as well as Germany's Merkel (26th).

## Medium-term outlook:

Last Quarterly Economic Forecasts

The global demand for USD funding is escalating as the Eurozone sovereign crisis continues and the threat of a US recession rises. The USD tends to rise whenever the US enters recession, or the threat of a US recession significantly rises. The combination of a downward revision to US and Eurozone GDP forecasts is generating a period of softer global growth. We have recently adjusted our FX forecasts to account for these developments.

In addition to rising USD demand, our revised currency forecasts reflect a host of local and global factors: (1) the lower EUR and GBP forecasts are a function of weaker euro zone and UK economic growth as well as an easing in the European Central Bank (ECB) and Bank of England's (BoE) monetary policy stance; (2) a weaker CHF is a result of the interventionalist policy measures undertaken by the Swiss National Bank (SNB); (3) the downward revision to the AUD and NZD forecasts reflect a period of softer global economic growth in the world economy; and (4) lower CAD forecasts reflect the softer global economy, the softer US economy, and a shift by the Bank of Canada to a neutral stance following an unexpected Q2 contraction in the Canadian economy

An extended period of "temporary" USD strength and softer global growth are the two main factors behind the trimming of our AUD and NZD forecasts. However, the bulk of downward revisions to GDP growth are coming from outside non-Japan Asia, meaning the net impact on the AUD and NZD is somewhat insulated. The net modest downward revision to global economic growth suggests to us that the commodity currencies of the NZD, AUD (and CAD) therefore only need to be revised modestly lower. We expect the NZD to peak around 0.84 and the AUD to peak around 1.08 against the USD over 2012, lower than our previous forecasts of 0.88 and 1.10.

# Interest Rate Market

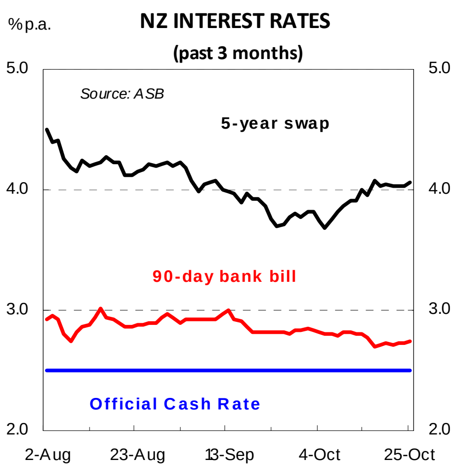
| Wholesale interest rates | Current | Week ago | Month ago | 6 mths ago | Year ago | ST Bias |
|---|---|---|---|---|---|---|
| Cash rate | 2.50 | 2.50 | 2.50 | 2.50 | 3.00 | FLAT |
| 90-day bank bill | 2.74 | 2.70 | 2.82 | 2.65 | 3.19 | FLAT |
| 2-year swap | 3.24 | 3.23 | 3.09 | 3.40 | 3.81 | UP |
| 5-year swap | 4.06 | 4.08 | 3.70 | 4.67 | 4.38 | UP |
| 5-year benchmark gov't stock | 4.16 | 4.21 | 3.30 | 4.48 | 4.42 | UP |
| NZSX 50 | 3281 | 3317 | 3283 | 3492 | 3284 | UP |

* Current is as at 10.00 am Tuesday; week ago is as at Monday at 5pm. Please note there are currently no NZ govt bonds on issue that are close to a 5-year maturity. As a result, we are currently using the Dec 2017 maturity, which is technically a 6-year maturity. Please be very careful with comparisons of govt bond yields and swap rates.

Local interest rates were mixed last week, with short-term swap rates edging up but the 10-year government bond yield eased lower. This contrasted to the movement in US long-term Treasuries, which usually set the direction.

US long-term Treasuries fell over the long weekend (yields higher) as equities and commodities rallied on hopes for a solution to the Euro debt crisis. Over the week, US 10-year yields rose by 6 points, to yield around 2.21%

## Short-term outlook:

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**Comment:** Focus this week will be split between important local data, and developments in Europe. With no firm plans announced following meetings over the weekend, the European leaders' summit on Wednesday 26 October will be critical for market sentiment. Concern about the escalating debt crisis in the Eurozone has dominated the RBNZ's outlook, and we expect the RBNZ will leave the OCR on hold until March next year. Nonetheless, the OCR announcement still has plenty of potential to influence market sentiment. We believe the market is under pricing the extent of policy normalisation by the RBNZ next year, but the timing of rate increases remains uncertain, given the global backdrop.

## Medium-term outlook:

Last Quarterly Economic Forecasts

The RBNZ left the OCR on hold at 2.5% at the September MPS, as widely expected. The accompanying Statement indicated the recent escalation in global uncertainty has increased the downside risks to its domestic growth outlook. Partly as a result of the weaker global growth outlook, the RBNZ has revised down its medium-term growth forecasts.

The RBNZ has highlighted its concern at the flow-on effects of the recent tightening in funding markets on NZ bank funding costs. Partly as a result of its expectations that bank funding costs will remain high, the RBNZ has lowered its medium-term outlook for the 90-day bank bill to 4.3%. This outlook implies the RBNZ expects the OCR will level off at 4% - in line with our own expectations.

In regards to the domestic economy, the RBNZ remains optimistic. It expects recent global developments will have a relatively mild impact on NZ. For now, the RBNZ remains upbeat that continued strength in NZ export commodity prices will underpin a continued recovery in the NZ economy.

The RBNZ has also revised down its CPI forecasts as a result of its downward revisions to growth and its expectations of a higher NZ dollar over the coming years. We see its inflation forecast of annual CPI inflation quickly stabilising close to the mid-point of its target band of 2% as optimistic. While recent inflation indicators suggest there is breathing space for the RBNZ on the inflation front at the moment, the fact medium-term inflation expectations remain close to the top of the RBNZ's target band is of concern.

With concern about the escalating debt crisis in the Eurozone dominating RBNZ's outlook, we expect the RBNZ will leave the OCR on hold until March next year. We expect the RBNZ to lift the OCR by 25 basis points in March and at each consecutive meeting, bringing the OCR to a peak of 4%. Given the likelihood of ongoing global uncertainty and increased NZ household sensitivity to interest rate increases, the risk is the increases in the OCR will be more drawn out, with the RBNZ pausing at some point along the way.

# Data Preview: a look at the week ahead

| Data | Date | Time (NZT) | Previous | Market expects | ASB expects |
|---|---|---|---|---|---|
| Pre-election Economic and Fiscal Update (OBEGAL 2012) | 25/10 | 2.30 pm | -$9.7 b | - | -$10.7 b |
| NBNZ Business Outlook | 26/10 | 1.00 pm | 30.3 | - | - |
| AU CPI – Q3 | 26/10 | 1.30 pm | 0.9% | 0.6% | 0.6% |
| RBNZ OCR Announcement | 27/10 | 9.00 am | 2.5% | 2.5% | 2.5% |
| NZ Trade Balance | 27/10 | 10.45 am | -$641 m | -$440m | -$550m |
| US GDP – Q3 | 28/10 | 1.30 am | 1.3% | 2.3% | 2.3 % |
| NZ Building Consents | 31/10 | 10.45 am | +12.5% | - | - |
| RBNZ Credit Aggregates (household lending mom) | 31/10 | 3.00 pm | +0.1% | - | - |

## New Zealand Data Previews

**Tuesday 25 October**

**Pre-election Economic and Fiscal Update**

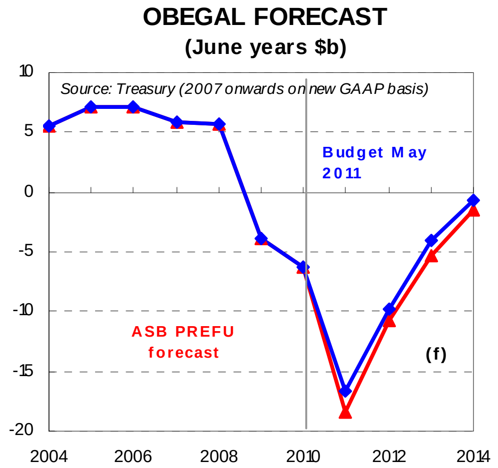
**2012 Op Bal (ex gains/loses) – previous: -$9.7bn; f/c -$10.7bn**

The PREFU updates the Budget forecasts to take into account changes in the underlying economic assumptions. It is intended to give political parties a clear picture of the Crown accounts ahead of the November 26 General Election.

Delays in rebuilding Canterbury after the earthquakes means the Treasury is likely to moderate its March 2013 year growth outlook though build in a greater extent of reconstruction in following years. The Treasury forecasts will also take into account the weaker global outlook since the Budget was released. $1.2bn of earthquake expenses, previously budgeted for the 2011 June fiscal year, will likely be deferred to the June 2012 year.

Consequently, we expect the Crown accounts will show a slightly larger OBEGAL (operating balance ex-gains and losses) deficit in the 2012 year, of $10.7bn. We expect the accounts will still show a return to an operating surplus in the June 2015 year, though likely a smaller one than the $1.3bn forecast in the Budget.

The 2011 OBEGAL deficit of $18.4bn was larger than the Budget forecast, primarily due to higher than anticipated costs from the Canterbury earthquakes.

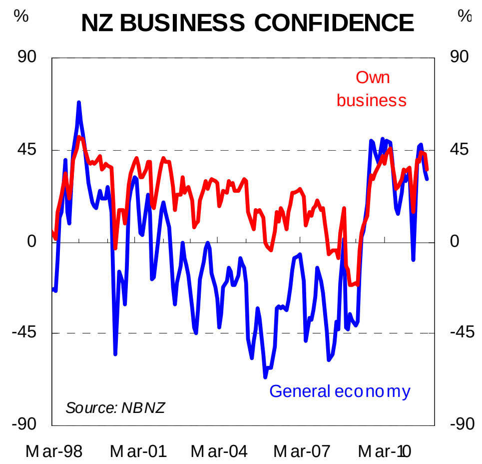



**Wednesday 26 October**

**NBNZ Business Outlook - October**

**Previous: Headline: 30.3   Own Activity: 35.4**

Headline business confidence declined in September, due to the recent deterioration in global financial market confidence. While a decline in firms' assessment of own activity was also seen, the measure remains above its long-term average, suggesting a continued recovery in underlying activity in the NZ economy over the remainder of 2011. The broad range of activity indicators held up reasonably well in September, with a net number of businesses continuing to indicate they expect to increase investment and staff numbers over the coming months. This suggests businesses remain positive enough about the growth outlook to continue to put in place expansion plans.



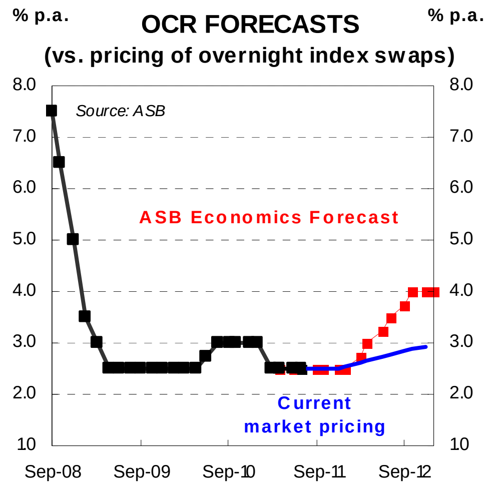
**Thursday 27 October**

**RBNZ OCR Announcement**

**Previous: 2.5% ASB(f) 2.5%**

We expect the RBNZ to leave the OCR unchanged at 2.5% at the October OCR review. Uncertainty around the global outlook stemming from the Eurozone sovereign debt crisis continues to dominate the economic outlook. The risk the Eurozone situation could deteriorate and spark a second major financial crisis remains unacceptably high.

Domestic developments have also been less rosy in recent weeks, with economic growth weaker than expected over Q2, and indicators highlighting a still-fragile recovery. Overall, there is no urgency for the RBNZ to increase interest rates in the coming months. The RBNZ will remain on the sidelines until confidence in Europe returns. Assuming some resolution is found in the coming months, we expect the RBNZ to lift the OCR by 25 basis points in March and at each consecutive meeting, bringing the OCR to a peak of 4%.




**Thursday 27 October**

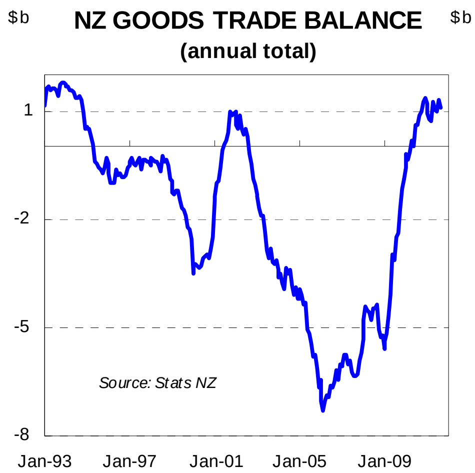
**Trade Balance - September**

**Previous: -$641million ASB(f) -$550m**

The previous trade balance resulted in a larger-than-expected deficit, largely due to stronger imports. The increase in imports was led by relatively lumpy items, and is likely to be temporary. On a seasonally-adjusted basis, the trade balance remained in surplus, reflecting the strength in dairy and meat exports.

We expect a trade deficit of $550 million in September. Current deficits are largely seasonal, due to the decline in agricultural exports. Once seasonally adjusted, we expect September will show a very slight trade surplus.

For the time being, NZ export commodity prices have held up relatively well. However, over the coming months, the underlying strength in export receipts may start to decline as overseas demand starts to ease.



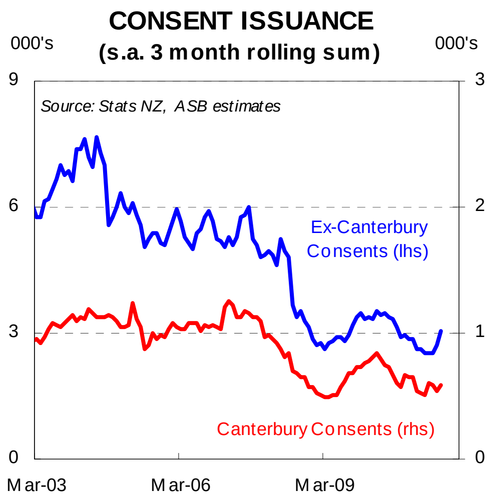

**Monday 31 October**

**Building Consents - September**

**Previous: +12.5% mom, +22.8% yoy**

There was further improvement in residential consent issuance over August. Excluding apartments, which tend to be volatile, core residential consent issuance increased by a robust 16.9%. The increase in residential consent issuance was seen in both Christchurch and the rest of NZ. This suggests an underlying improvement in construction demand, beyond the rebuilding in Christchurch. Meanwhile, residential consent issuance in Christchurch has risen to above pre-quake levels.

The improvement over July and August follows a sustained period of weak consent issuance since 2009. Construction activity is currently at extremely weak levels. However, we expect to see a pick up in construction activity over the coming year, due to earthquake rebuilding in Canterbury and an increase in underlying demand elsewhere.



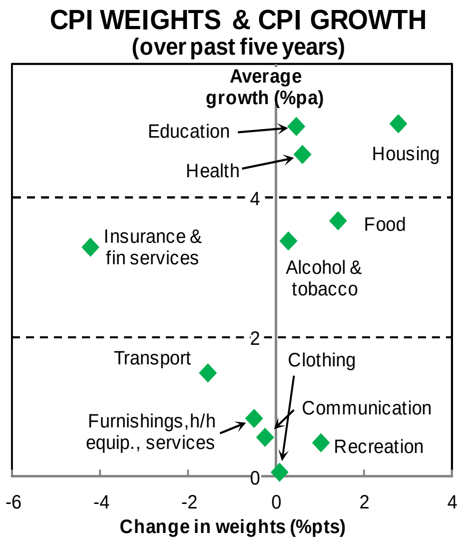
## International Data Previews

### Wednesday 26 October

### AU CPI – Q3

**Previous: 0.9% qoq, 3.6% yoy  Forecast 0.6% qoq 3.5% yoy**

The Q3 CPI data will reflect a new seasonality adjustment to components of the CPI as well as a new weighting scheme to be applied by the ABS going forward.  As per the October RBA Board Minutes, the seasonal adjustment lowered the underlying CPI for the June quarter from 0.9% to 0.7%, which brought down the year-ended rate from 2.7% to 2.5%. However, for the nine years of revised CPI data, the seasonal adjustment caused upward revisions to 67% of the quarters.  The major change of the weighting scheme will see weights increased for housing rents, household services, health services and education and decline the most for the insurance and financial services sector (a volatile and somewhat unpredictable element of the CPI).  The minutes also pointed to the fact that these revisions and downward wage pressure make the inflation outlook "less concerning".  These changing ABS estimation methods mean that the CPI forecasts for Q3 are more uncertain than usual.  We forecast a headline increase of CPI for Q3 at 0.6%, up 3.5% a year earlier, which is little changed from Q2.

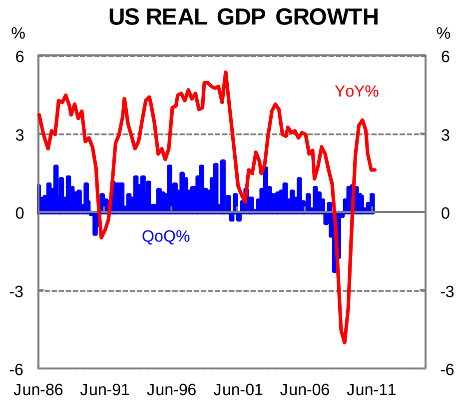



### Thursday 27 October

### US GDP – Q3

**Previous: 1.3% (seasonally-adjusted annualised rate),  Forecast 2.5%**

Economists' estimates are centred on 2.5% saar increase in GDP for the September quarter.  This rate of growth is weak by US standards, particularly following a recession.  However, 2.5% saar would represent acceleration from the less than 1% saar experienced in the first half of 2011.  The retail trade reports suggest a modest contribution to US GDP from consumer spending.   Net exports are likely to be close to neutral for GDP growth.   The main positive contributor to economic growth is likely to be business spending.

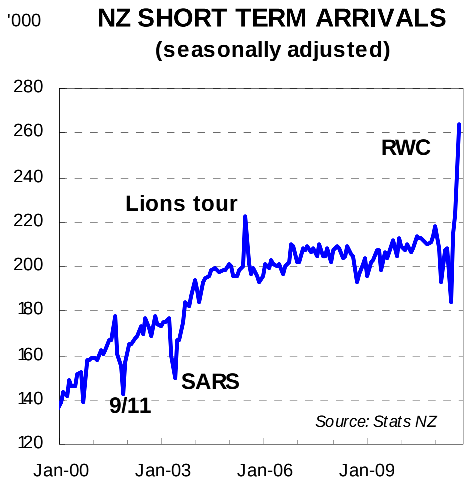


# Data Recap: weekly recap

**NZ International Travel and Migration**

Short-term visitor arrivals spiked 18% in September as Rugby World Cup fans started to arrive. StatsNZ recorded 74,400 RWC-related arrivals in September, and a total of 80,000 since July. However, visitor arrivals are only up 45,800 from year-ago levels. The weakness is likely related to the decline in visitor arrivals observed since the February earthquakes as well as some visitor displacement, with RWC visitors replacing regular tourists over the tournament period. The visitor numbers stack up well compared to forecasts for total RWC visitors of 85,000 – 100,000.

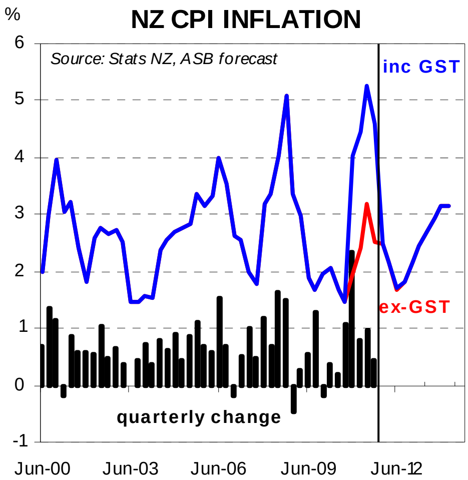
Net migration plunged through September, reverting to a trend of steady outflows seen since March (August recorded a small positive inflow, although this looks to be a one off). Permanent departures increased in September, while arrivals fell. Departures to Australia remained elevated, despite anecdotes of weakening in the Australian labour market over recent months.




**NZ Q3 CPI**

The 0.4% increase in Q3 CPI was below our, the RBNZ's and market expectations. Importantly, there was little sign of a pick-up in non-tradable inflation, which increased only 0.6% in the quarter. This suggests domestic inflation pressures are contained for now. The surprise largely reflected weaker than expected housing and utilities costs, with construction cost inflation relatively muted and property maintenance costs actually declining a fraction. Given the still-low level of new building activity, including in Canterbury, the RBNZ may get a little more confidence that the pick-up in construction cost inflation will be delayed until sometime next year. A fall in international airfares also contributed to the muted result.

There are signs insurance costs are picking up, reflecting the effects of the Christchurch earthquakes. Dwelling insurance premiums increased 12.3% in Q3 and home contents premiums increased 5.6% as insurers passed on higher reinsurance costs in the wake of the earthquakes earlier this year. The RBNZ has noted it will overlook the impact of higher insurance costs.

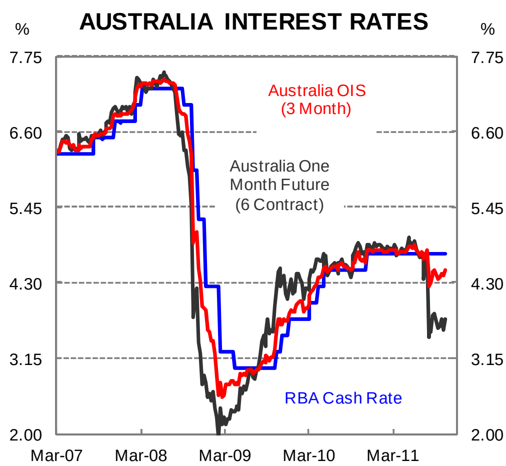



**RBA Meeting Minutes**

October's RBA Board minutes reveal a marked shift in their views on the downside risks to world growth. Ongoing volatility in world financial markets was negative for advanced economies, particularly the EU.

Domestically, the revisions to the CPI, along with a weaker economic outlook, have provided the RBA with a "less concerning" domestic inflation outlook "than was the case a few months ago".

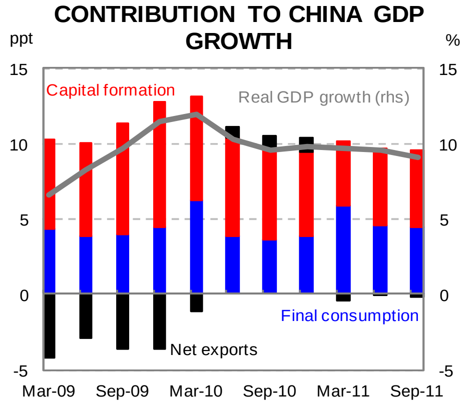
The RBA noted it would reassess the inflation outlook at the November meeting, following the release of the Q3 CPI (due 26 October). A weaker result would increase the scope for monetary policy to provide some support to demand, should that prove necessary.



**China GDP**

The Chinese economy expanded by 9.1% (yoy) in Q3, somewhat weaker than market had expected. Nevertheless, the real GDP growth was still an impressive 9.4% year to date. The more marked moderation in Q3 appears to have been driven mainly by falling net exports, as domestic demand stayed robust. On that note, our expenditure-based estimates show that domestic demand contributed roughly 9.2 percentage points to headline growth year to date, compared to the average of 9.33 ppt in 2000 – 07.

The continued resilience in domestic demand was further illustrated by the better than expected data releases on industrial production and retail sales in September. In particular, industrial production grew by 13.8% (yoy), reflecting a tentative recovery in the automobile sector.



# Global Data Calendars

## Calendar - Australasia, Japan and China

| | Time | | | | | | Forecast | |
|---|---|---|---|---|---|---|---|---|
| **Date** | **(NZT)** | **Eco** | **Event** | **Period** | **Unit** | **Last** | **Market** | **ASB** |
| Wed 26 Oct | 13:00 | NZ | NBNZ activity outlook | Oct | Index | 35.4 | ~ | ~ |
| | 13:00 | NZ | NBNZ business confidence | Oct | Index | 30.3 | ~ | ~ |
| | 13:30 | AU | CPI | QIII | q%ch | 0.9 | ~ | 0.6 |
| | 13:30 | AU | RBA trimmed mean | QIII | q%ch | 0.7 | ~ | 0.8 |
| | 13:30 | AU | RBA weighted median | QIII | q%ch | 0.5 | ~ | 0.8 |
| Thu 27 Oct | ~ | JN | BoJ target rate | Oct | % | 0.1 | 0.1 | 0.1 |
| | 09:00 | NZ | RBNZ official cash rate | Oct | % | 2.5 | 2.5 | 2.5 |
| | 10:45 | NZ | Trade balance | Sep | NZD | -641 | ~ | ~ |
| | 10:45 | NZ | Exports | Sep | NZD | 3.4 | ~ | ~ |
| | 10:45 | NZ | Imports | Sep | NZD | 4.1 | ~ | ~ |
| | 12:50 | JN | Retail trade | Sep | m%ch | -1.7 | ~ | ~ |
| | 15:00 | CH | Industrial profits | Sep | ytd | 28.2 | ~ | ~ |
| Fri 28 Oct | 12:30 | JN | Job-to-applicant ratio | Sep | ratio | 0.66 | 0.66 | ~ |
| | 12:30 | JN | Overall household spending | Sep | y%ch | -4.1 | -3.7 | ~ |
| | 12:30 | JN | Jobless rate | Sep | % | 4.3 | 4.5 | ~ |
| | 12:30 | JN | National CPI | Sep | y%ch | 0.2 | 0.2 | ~ |
| | 12:30 | JN | National CPI ex-fresh food | Sep | y%ch | 0.2 | 0.2 | ~ |
| | 12:30 | JN | National CPI ex food, energy | Sep | y%ch | -0.5 | -0.3 | ~ |
| | 12:50 | JN | Industrial production | Sep P | m%ch | 0.8 | -2.8 | ~ |

## Calendar - North America & Europe

Please note all days and times are UK time.  Add 12 hours for NZ times.

| Date | Time (UK) | Eco | Event | Period | Unit | Last | Forecast Market | Forecast ASB |
|---|---|---|---|---|---|---|---|---|
| Tue 25 Oct | 07:00 | GE | GfK consumer confidence survey | Nov | Index | 5.2 | 5.1 | |
| | 07:00 | SZ | UBS consumption indicator | Sep | Index | 0.79 | ~ | ~ |
| | 13:30 | CA | Retail sales | Aug | m%ch | -0.6 | 0.4 | ~ |
| | 13:30 | CA | Retail sales less autos | Aug | m%ch | 0.0 | 0.4 | ~ |
| | 14:00 | CA | Bank of Canada rate | Oct | % | 1.0 | 1.0 | 1.0 |
| | 14:00 | US | S&P/CS composite-20 city home price index | Aug | y%ch | -4.1 | -3.7 | |
| | 15:00 | US | Consumer confidence | Oct | Index | 45.4 | 46.0 | |
| Wed 26 Oct | ~ | EC | EU leaders hold summit in Brussels | | | | | |
| | 08:30 | EC | Draghi, Tremonti Speak at World Saving Day | | | | | |
| | 11:00 | UK | CBI trends total orders | Oct | Index | -9 | -7 | ~ |
| | 11:00 | UK | CBI business optimism | Oct | Index | -16 | ~ | ~ |
| | 11.02 | GE | Retail Sales | Sep | m%ch | -2.7 | 1.0 | ~ |
| | 13:30 | US | Durables Ex Transportation | Sep | % | -0.1 | 0.5 | |
| | 13:30 | US | Cap goods orders non-defence ex air | Sep | % | 1.1 | 0.3 | ~ |
| | 14:30 | EC | ECB's Coene speaks at Belgian Parliament on | | | | | |
| | 15:00 | EC | ECB's Stark speaks in Dortmund, Germany | | | | | |
| | 15:00 | US | New home sales | Sep | m%ch | -2.3 | 1.7 | ~ |
| | 15:30 | CA | Bank of Canada publishes its Monetary Policy Report | | | | | |
| Thu 27 Oct | 10:00 | EC | Eurozone economic confidence | Oct | Index | 95.0 | 94.1 | ~ |
| | 10:00 | EC | Eurozone industry confidence | Oct | Index | -5.9 | -6.5 | ~ |
| | 10:00 | EC | Eurozone services confidence | Oct | Index | 0.0 | -1.3 | ~ |
| | 11:00 | UK | CBI reported sales | Oct | Index | -15 | ~ | ~ |
| | 13:30 | US | GDP (annualized) | QIII A | q%ch | 1.3 | 2.3 | ~ |
| | 13:30 | US | Personal consumption | QIII A | q%ch | 0.7 | 1.9 | ~ |
| | 13:30 | US | Core PCE | QIII A | q%ch | 2.3 | 2.3 | ~ |
| | 13:30 | US | Initial jobless and continuing claims | Oct | '000 | ~ | ~ | ~ |
| | 15:00 | US | Pending home sales | Sep | m%ch | -1.2 | 0.1 | ~ |
| | 22:00 | CA | Bank of Canada Governor Carney speaks in | | | | | |
| Fri 28 Oct | 00:01 | UK | GfK consumer confidence survey | Oct | Index | -30 | -30 | ~ |
| | 10:30 | SZ | KOF Swiss leading indicator | Oct | Index | 1.21 | 1.00 | ~ |
| | 13:30 | US | Personal income | QIII | m%ch | -0.1 | 0.3 | ~ |
| | 13:30 | US | Personal spending | Sep | m%ch | 0.2 | 0.6 | ~ |
| | 13:30 | US | PCE Core | Sep | m%ch | 0.1 | 0.2 | ~ |
| | 14:55 | US | University of Michigan confidence | Oct | Index | 57.5 | 58.0 | ~ |

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