

Highlights include US CPI, BLS revisions, ECB, OPEC, French No Confidence Vote, Chinese Inflation & Trade, Japanese GDP, Apple Event

- **MON:** Japanese GDP (Q2), German Industrial Output (Jul), EZ Sentix Index (Sep), US Employment Trends (Aug), Chinese Trade Balance (Aug), French no-confidence vote
- **TUE:** UN General Assembly (Iran focus likely), Apple Event, BLS Prelim Benchmark Revisions
- **WED:** Chinese Inflation (Aug), Swedish Monthly GDP (Jul), Norwegian CPI (Aug), US PPI (Aug)
- **THU:** ECB Announcement, CBRT Announcement, Swedish CPIF (Aug), US CPI (Aug)
- **FRI:** CBR Announcement, Japanese Industrial Output (Jul), German CPI Final (Aug), UK GDP (Jul), French Final CPI (Aug), Spanish Final CPI (Aug), US University of Michigan Prelim (Sep)

OPEC (SUN): OPEC-8 will meet on Sunday, 7th September, to possibly discuss starting the unwind of the 1.65mBPD tranche of cuts, marking a shift from plans to keep these specific curbs until end-2026. Sources on September 3rd suggested OPEC+ is reportedly mulling another oil production hike at Sunday's meeting. This is in contrast to initial expectations that the group of eight will maintain its production policy. Russian Deputy PM Novak clarified that OPEC-8 are not discussing production increase now, and no agenda has been set for the upcoming OPEC+ meeting yet. Novak added that current market conditions and forecasts are to be considered. According to delegates cited by Bloomberg, the group would consider all output options. Bloomberg since reported that Saudi Arabia wants OPEC+ to speed up its next oil production increase. No decision has been made, and it's not clear whether any increase would be agreed as soon as Sunday or only in later months, but a range of options remains possible, including a pause for a period. Delegates cited by Argus suggest that if a hike were to go ahead, "they expect a cautious approach, maintaining the flexibility to increase, pause, reduce or even reverse policy on a month-to-month basis." It's worth noting that members are to conduct a call on Saturday to discuss options; thus, all sources beforehand are to be taken with a pinch of salt. Furthermore, doubts remain over some countries' ability to raise production further, such as Kazakhstan, which has been producing near maximum capacity. Argus Media, citing delegates, floated a potential plan for the unwind of the 1.65mBPD tranche of production cuts: A 12-month phased unwinding is being considered, which would imply ~137,000 BPD added each month. Actual monthly increments may be as low as 60,000–70,000 BPD, per delegate sources, amid some countries' ability to raise production further. "The impact will be minimal," said a delegate, estimating actual additions at 700,000–800,000 BPD at best.

JAPANESE GDP (MON): GDP Q/Q is expected to be unrevised at 0.3% (prev. 0.3%). The growth seen in the flash release was primarily driven by strong business investment and a significant rebound in net exports, which countered a negative contribution from inventories. However, the data may prove to be stale amid the ongoing impact of US tariffs. This month, US President Trump signed an Executive Order to officially implement the US-Japan trade deal in which the US will apply a baseline 15% tariff on nearly all Japanese imports, although Japan's top trade negotiator, Akazawa, noted the amended executive order does not mention most-favoured-nation treatment for pharma and chips, and will continue to push for the treatment. Analysts at ING suggest "Japan's second-quarter GDP likely remained near the flash estimate of 0.3% quarter-on-quarter growth. Meanwhile, the August producer price index is projected to rise to 2.7% YoY, indicating continued pipeline price pressures."

CHINESE TRADE BALANCE (MON): There are currently no forecasts for the trade balance data. Analysts at ING "don't expect major surprises from China's August trade data in light of the extension of the US-China trade war truce, which kept tariffs at the status quo. Export growth could slow to around 3.8% year on year, while imports could continue to pick up to around 6.2% YoY, thanks to base effects from 2024." Note, there have been no significant US-China trade developments since last month.

FRENCH NO CONFIDENCE VOTE (MON): French PM Bayrou will be subject to a confidence vote in relation to his fiscal plans. A vote he is, barring an 11th-hour update, almost certain to lose. Thereafter, President Macron has a handful of options open to him. Firstly, and his clear preference, he could appoint a new PM who would need to retain support from the central bloc and court parties on the Left. A potential candidate for this would be Finance Minister Lombard, given his relations with the Socialists; though, it remains to be seen if the groups can work together and pass meaningful fiscal change. Alternatively, or if this option fails, Macron could call fresh legislative elections. However, polling suggests the fractured political landscape would not change significantly, and this option runs the risk of a strong National Rally (RN) showing, which would leave Macron as President over an RN PM, likely Bardella. Given all of this, the outcome of the confidence vote is likely to be a continuation or extension of the current political uncertainty. As such, the bias for OAT-Bund 10yr yield spread is for further widening, though the fall of Bayrou himself is likely priced at this point. The major catalysts post-vote will be Macron's next PM candidate and then Fitch on Friday. Currently, Fitch has France at AA-, negative. Note, while Macron has made clear he has no intention of resigning ahead of his term ending around April 2027, further failed PM appointments and new legislative elections will increase the pressure on him to do so, and any movement towards an early exit would undoubtedly push spreads significantly wider.

UN GENERAL ASSEMBLY (TUE): At the 80th UN General Assembly on 9th September, Iran will face heightened diplomatic scrutiny amid renewed tensions over its nuclear programme. In late August, the UK, France, and Germany (E3) initiated the "snapback" mechanism to reinstate all UN sanctions within 30 days, citing Iran's non-compliance with the 2015 nuclear deal and IAEA access restrictions. Tehran has called the move "illegal and unjustified," while signalling a conditional willingness to resume "fair and balanced" talks—provided the West shows good faith. On July 21st, A senior Iranian lawmaker warned that Tehran could halt its regional maritime security cooperation, including in the Strait of Hormuz, if European powers move to reimpose UN sanctions through the so-called snapback mechanism. On the Israel-Palestine situation, several countries have signalled their intention to

recognise a Palestinian state at the UN General Assembly. This momentum, which includes prominent Western nations, is a response to the ongoing conflict in Gaza and aims to pressure Israel to commit to a peace process and de-escalate the humanitarian crisis. It is important to remember that it does not grant Palestine full UN membership. That would require approval from the Security Council, where the US has previously used its veto power to block the measure.

APPLE EVENT (TUES): Apple's latest iPhone event is on Tuesday, September 9th, with JPMorgan noting that expectations have historically been for limited surprises from the fall iPhone launch event. Regarding Apple itself, expectations around the big-tech behemoth have been limited recently as it continues to seemingly fall behind in the AI race, with Meta continuing to nick some of its top AI talent. Highlighting the underwhelming expectations surrounding Apple this year, only Tesla in the mag-7 is performing worse, with Apple down 4.3% YTD. Back to the iPhone launch event, Morgan Stanley expects them to modestly hike iPhone 17 prices, its first hike since 2017. The iPhone 17 Air will debut with a thinner design, C1 modem, and a USD 100 premium over the iPhone 16 Plus, while the Pro will start at USD 1,099 for 256GB as lower-storage options are dropped. A new 1TB Air will launch at USD 1,399. Morgan Stanley sees the changes boosting average selling prices 5% in FY26, well above consensus, and does not expect demand to be impacted. MS adds that the event will also unveil new Apple Watches and AirPods, though no major Apple Intelligence updates are anticipated, which is something investors are closely watching. In relation to the opportunity for surprises from the event, JPM sees two key aspects that could set up for upsides through the next FY, including: 1) The launch of iPhone Air could appeal to a broader than anticipated consumer demographic. 2) Pricing for iPhone Air as well as the rest of the lineup; JPM believes pricing will play a particularly strong role in demand in the China market, where smartphones priced under CNY 6,000 (~USD 840) qualify for a 15% discount. Finally, while expectations for iPhone Air volumes have diminished in recent months with the feedback from the supply chain that Apple is largely planning for ~10-15mln units in H2, but JPM adds there remains room for surprises from better consumer reception.

BLS PRELIM BENCHMARK REVISIONS (TUE): The BLS will release the preliminary 2025 benchmark revisions to the establishment survey at 10:00EDT/15:00BST on September 9th, 2025. The final revisions will follow in February 2026, alongside the January employment situation report. Each year, establishment survey estimates are benchmarked to comprehensive counts of employment from the Quarterly Census of Employment and Wages (QCEW) for the month of March, derived from state unemployment insurance (UI) tax records that nearly all employers are required to file. Bank of America notes that the preliminary estimate is based on QCEW data covering April 2024–March 2025. Importantly, the September release will provide only the implied revision to the March 2025 level of payrolls, with no historical data yet updated. The desk expects a downward revision of 500k to 1mln, implying that payrolls as of March 2025 may have been overstated by 40k–85k per month on average over the April 2024–March 2025 period. BofA also highlights that revisions for April–December 2025, which matter most for the Fed, will only be available with the final benchmark in February 2026. For context, the March 2024 nonfarm employment level was ultimately revised down by –598k in the final benchmark, compared with a preliminary estimate of –818k.

CHINESE INFLATION (WED): There are currently no forecasts for the upcoming Chinese inflation report. July's CPI registered flat year-on-year, slightly better than the –0.1% drop in June, while core inflation (excluding food and fuel) rose to 0.8%, its highest in 17 months. Analysts suggest structural headwinds, such as the prolonged property downturn and subdued consumer confidence, are restraining any meaningful inflation rebound. While authorities have stepped up targeted stimulus, there is a view among desks that inflationary momentum is likely to stay muted, with risks tilted towards persistent disinflation through year-end. Analysts at ING suggest "August inflation data, to be released on Wednesday, could show price pressures dipped back into negative territory at around –0.1% YoY after coming in at zero in July."

NORWEGIAN CPI (WED): There is currently no newswire consensus for the upcoming August inflation report, but taking a look at SEB's predictions, the bank sees CPI-ATE to remain stable at 3.1%, citing higher food prices. As a reminder, the last inflation report mostly printed just above expectations; CPI-ATE Y/Y came in at 3.1% (exp. 3%) but in line with Norges Bank's own forecast. As such, Norges Bank opted to keep its rates steady at 4.25%, and highlighted that it will likely be appropriate to continue with a cautious normalisation of the policy rate ahead. Nonetheless, the Bank remained cautious, suggesting that if the rate is lowered too quickly, inflation could remain above target for too long. Into the next meeting, should the August report continue to show inflation moderating, then Norges Bank may opt to cut rates by 25bps in September; As it stands, SEB, ING and GS all see Norges Bank delivering a quarter-point reduction at that meeting.

ECB ANNOUNCEMENT (THU): 66/69 of those surveyed by Reuters expect the ECB to hold the Deposit Rate at 2.0% with markets assigning a 99% chance of such an outcome. As a reminder, the prior meeting saw the ECB stand pat on rates with President Lagarde reiterating that policy remains in a good place, suggesting that policymakers are not in a rush to adjust policy. Since July's confab, the EU and US have formalised their trade agreement, which will see most EU goods subject to a 15% tariff vs. the initially threatened 30% level. On the data slate, Q2 growth was resilient in the face of trade tensions. More timely survey data from S&P Global saw the composite PMI metric move further into expansionary territory with the pace of expansion ticking up to a one-year high. On the inflation front, August Y/Y HICP rose to 2.1% from 2.0% and the super-core metric held steady at 2.3%. As such, there is little cause for policymakers to loosen policy at this meeting. Moving forward, there is clearly a split of views on the Governing Council, with the doves on the board, such as Finland's Rehn, flagging the likelihood of greater downside risks to inflation. However, the hawks on the GC, such as Germany's Schnabel, are of the view that rates are already mildly accommodative, and do not see a reason for a further rate cut, adding that global rate hikes may come earlier than people think. Market pricing sees a roughly 50% chance of a rate cut by March next year. Given the lack of fireworks expected within the policy statement, markets may be guided more by the accompanying macro projections, with focus on the 2026 inflation forecast, which is currently expected to come in materially below the Bank's 2% target at 1.6%. On the projections, consensus looks for an upgrade to the 2026 inflation view to 1.9% with growth to be held at 1.1%. During the press conference, President Lagarde will likely be asked about any potential backstops for French debt depending on the outcome of Monday's confidence vote. The Transmission Protection Instrument (TPI) is the main tool at the ECB's disposal. However, deployment appears to be some way off yet, absent a material rise in spreads.

CBRT ANNOUNCEMENT (THU): The CBRT is expected to lower rates by 200bps at its September meeting, according to analysts at both JPMorgan and Goldman Sachs. This follows on from a hotter-than-expected inflation report in August, which saw the headline M/M rise 2.04% (exp. 1.79%); Y/Y printed at 32.95% (exp. 32.60%) – nonetheless, metrics did cool from the prior. Inflation aside, GDP metrics for Q2 were resilient, and continued TRY depreciation will further complicate things at the Bank. On the latter, Turkish assets were slapped after a court in Istanbul ruled to remove local officials of the Republican People's Party, which is the main opposition party to the current government. Bloomberg economist Baziki said that given the weakening TRY and rising energy

costs, risks to inflation are "tilted to the upside". Analysts at JPMorgan echo this. As such, the bank sees the CBRT cutting rates by 200bps at the September meeting (prev. saw 300bps cut); JPM then see a further 200bps reduction in both October and November, taking the policy rate down to 37% by year-end (prev. saw 36%). Analysts conclude that the policy rate will be kept above headline CPI to "prevent dollarisation among Turkish residents". GS writes that "With Q2 GDP growth far surpassing expectations— despite weaker domestic demand—and August inflation coming in higher than forecast", they see a smaller cut than that delivered at the prior meeting.

US CPI (THU): The consensus expects US headline CPI to rise by +0.3% M/M in August (prev. +0.2%), while the core rate is also seen rising by +0.3% M/M (prev. +0.3%); analysts think the data will be driven by higher goods prices. Analysts will be watching the data for signs of any further tariff pass-through; Barclays expects core goods prices to entirely drive the upside acceleration, stating that "a widespread boost to core goods prices has not been borne out in the data as of yet, but there are clear signs of upward price pressures across categories," and the bank looks for this to become more evident in coming months as firms increase imports amid falling inventories. In terms of the policy implications, Barclays is in line with market pricing, expecting the Fed to lower rates by 25bps at its September 17th confab, particularly after Fed Chair Powell's dovish pivot at Jackson Hole in July. The CPI data and the August jobs data will be used to refine expectations. The August NFP report ultimately was soft, falling to 22k from an upwardly revised 79k, well below the 75k forecast and even beneath the lowest breakeven estimate members at the Fed have provided (Musalem suggested it is between 30-80k). Including revisions, three of the last four months have been below the breakeven rate, with the June print falling into negative territory. The unemployment rate also ticked up to 4.3% from 4.2% (in line with expectations). The report has cemented expectations for a 25bps rate cut, with money markets fully pricing in such a move. Barclays wrote before the jobs report that "absent firm employment numbers, an acceleration in core inflation alone would likely not make the bar for a hold".

UK GDP (FRI): Expectations are for M/M GDP growth in July of 0.1% vs. the June print of 0.4%, leaving the Q2 Q/Q outturn at 0.3% vs. the 0.7% pace seen in Q1. At the time, ING judged that when you dig through the data, it wasn't as impressive as it first appeared, noting that "much of the growth was generated by government consumption, which the ONS puts down to a greater number of vaccinations, something that isn't indicative of underlying economic performance". ING added that "it's worth not reading too much into these figures – and the Bank of England certainly isn't doing that". For the upcoming report, Investec expects momentum to have carried through into July, but at a lesser rate. The desk adds that the service sector is likely to have been bolstered by sunny weather and the Oasis tour, although the impact of the doctors' strike could act as an offsetting force. Elsewhere, the desk is optimistic on manufacturing output, which is the dominant input into industrial production. Investec notes that a consensus outcome would "set the stage for a fairly solid Q3 for GDP growth". The desk has pencilled in a 0.4% Q/Q forecast. From a policy perspective, such an outcome would provide some respite for the Treasury and more reason for caution on the MPC.

Copyright © 2025 Newsquawk Voice Limited. All rights reserved.

Registered Office One Love Lane, London, EC2V 7JN, United Kingdom · Registered Number 12020774 · Registered in England and Wales.

newsquawk.com · +44 20 3582 2778 · info@newsquawk.com