

Highlights include Potential US CPI and Retail Sales data, start of earnings season, China inflation and trade, UK GDP

- **MON:** US Columbus Day, Canadian Thanksgiving, Japanese Holiday (Sports Day), OPEC MOMR, Chinese Trade Balance (Oct)
- **TUE:** RBA Minutes (Sep), IEA OMR, UK Unemployment/Wages (Aug), German ZEW (Oct), US NFIB (Sep)
- **WED:** Chinese CPI/PPI (Sep), EZ Industrial Production (Aug), US CPI (Sep), NY Fed Manufacturing (Oct)
- **THU:** Australian Employment (Sep), UK GDP (Aug), EZ Trade Balance (Aug), US Weekly Claims, Philly Fed (Oct), PPI (Sep), Retail Sales (Sep)
- **FRI:** EZ HICP Final (Sep), US Building Permits/Housing Starts (Sep), Industrial Production (Sep)

US EARNINGS SEASON: The Q3 reporting will pick up from next week; 68% of companies covering 72% of market capitalisation expected to report by month-end. Goldman Sachs notes that the consensus expects S&P 500 earnings growth to slow to 6% Y/Y (vs 11% in Q2), though stronger sales and contributions from the Mag 7 could drive higher-than-expected results. GS says EPS growth is likely to moderate due to reduced FX benefits, higher tariffs, and one-time Q2 charges. But GS thinks sales growth will exceed the consensus projection of 4%. The bank points out that tariffs, up 33% from Q2 to USD 93bln, were a larger headwind, limiting potential margin expansion. The Magnificent 7 are projected to see EPS growth of 14%, half the pace of earlier quarters. AI-related capex remains a focal point, with hyperscaler capex expected to grow 75% Y/Y in Q3, although estimates anticipate slower growth in subsequent quarters. GS adds that, historically, AI capex has consistently exceeded expectations, highlighting the sector's ongoing investment momentum. Meanwhile, major banks will report next week (JPM, WFC, C, GS all on October 14th); Barclays says that its recent conference, which was attended by 21 of 22 large-cap banks, suggested a generally constructive tone, pointing to solid Q3 results and outlook. Barclays says net interest income, net interest margins (reflecting ~50% beta on the latest Fed cut), and fee income (supported by capital markets) appear in line or above expectations. Barclays adds that higher expenses from compensation, volume, and currency effects are expected to be offset by stronger revenues, supporting pre-provision net revenue. Asset quality remains stable aside from a few one-offs, and share repurchases are expected to continue, with trends likely extending into Q4 and 2026. Outside of the US, TSMC (TSM) and Samsung (SSNLF) are set to report earnings next week, drawing attention amid the global AI boom; following heavy investment from US tech firms like NVIDIA (NVDA) and OpenAI, their results may provide insight into the potential for an AI-driven market bubble.

CHINESE TRADE BALANCE (MON): There are currently no expectations for September's Chinese Trade Balance. ING forecasts exports to rebound 7.6% Y/Y, supported by resilient external demand, while imports are seen rising a modest 2.3% Y/Y, yielding a trade surplus of roughly USD 99.7bln. ING notes that while Golden Week travel figures were solid, weaker box office and retail spending point to continued softness in household demand, suggesting scope for further targeted policy support.

RBA MINUTES: The RBA will release the minutes from its September 30th meeting next week, where it kept the Cash Rate unchanged at 3.60%, as expected, with the decision made unanimously. While the statement noted that though inflation has fallen substantially from its 2022 peak, the decline in underlying inflation has slowed, and recent data suggest Q3 CPI may be higher than anticipated at the time of the August Statement on Monetary Policy. The Bank reiterated its focus on quarterly trimmed mean inflation as the primary guide, although Governor Bullock acknowledged that monthly CPI still provides some information. Furthermore, the Board judged that risks are now "broadly balanced," noting both upside risks from stronger domestic demand and downside risks if households become more cautious in response to external developments. The statement underlined that the Bank remains "alert to the heightened level of uncertainty" and will continue to update its assessment as data evolves. ING suggested that the RBA's tone had turned less dovish, with the August CPI upside surprise diminishing the probability of a near-term cut. The desk also argued that the Bank will require clearer evidence of inflation sustainably tracking toward the 2.5% midpoint before considering further easing, with the October 29th Q3 CPI release flagged as pivotal. Furthermore, ING saw the likelihood of a November cut as having "diminished meaningfully," though it still expects that policy need not remain restrictive for an extended period.

UK JOBS/WAGES (TUE): August's unemployment rate is expected to remain at 4.7%, average earnings are also seen at 4.7% once again, while the ex-bonus figure is forecast to moderate slightly to 4.7% from 4.8%. The last release came in broadly as expected, and while it showed a labour market that continues to weaken, the magnitude of the move did not at the time change the narrative for the BoE, particularly with wages still elevated. Within the most recent BoE statement, the MPC highlighted that there is less of an immediate risk that the labour market would loosen very rapidly. Overall, if the consensus proves correct, then the release is unlikely to have near-term implications for the BoE. The scenario of an acceleration in the ongoing labour market weakening is also unlikely to have much bearing on the November meeting, with a hold all but certain; however, it may factor in favour of the slim implied chance of a December cut, though on that we await the Autumn Budget and details on inflation.

CHINESE INFLATION (WED): CPI Y/Y for September is forecast at -0.1% (prev. -0.4%), M/M expected at +0.2% (prev. 0.0%), and PPI Y/Y expected at -2.3% (prev. -2.9%). Using the RatingDog PMIs (formerly Caixin) as a proxy for the upcoming release, it suggested "cost pressures intensified for manufacturers in September, but firms opted to cut their selling prices amid intense competition", whilst for services "input prices continued to rise moderately." In terms of last month's release, CPI fell more than expected while deflation in wholesale prices persisted, as Beijing faces mounting calls to ramp up measures to bolster domestic demand and weakening exports growth.

US CPI (WED; LIKELY DELAYED): The BLS has recalled staff to finalise the September Consumer Price Index report, essential for calculating next year's Social Security payments, Bloomberg reported. The White House Office of Management and Budget directed the move, aiming for publication by the end of October, vs the original release date of October 15th. The consensus looks for headline CPI to rise +0.3% M/M (prev. 0.4%), while the core rate is expected to rise by +0.3% M/M (prev. 0.3%). Citigroup is in line with the consensus and sees US core CPI rising 0.28% M/M in September (vs 0.35% M/M in August), as softer housing inflation offsets tariff-driven price pressures; the bank said weaker labour and housing markets are seen as reducing inflation risks, supporting expectations of further Fed easing. The FOMC meeting minutes released this week revealed that officials are split over monetary policy due to differing views on inflation and the labour market; most see employment weakening, justifying further rate cuts, but some have noted inflation risks. Still, officials generally see the inflation impact diminishing and expect a return to the 2% target. Analysts have said that the split reflects contrasting assessments on whether current policy is already accommodative or whether additional easing is needed to support jobs. External factors, such as tariffs and the government shutdown limiting economic data, add uncertainty, contributing to a cautious but generally easing stance. Money markets are currently pricing 44bps of easing by the end of this year, signalling one fully discounted 25bps reduction, with a high chance of another (in line with the Fed's updated projections).

AUSTRALIAN EMPLOYMENT (THU): There are currently no median forecasts for the release. Westpac expects employment to rise by 15k in September (prev. -5.4k), which would keep the employment-to-population ratio broadly steady near 64%. The prior month's decline brought annual jobs growth down to 1.8% Y/Y from 2.5% in February, reflecting a softening trend amid an industry rebalancing — with the "care economy" contribution halving while the market sector shows tentative improvement. The unemployment rate is forecast to edge up to 4.3% (prev. 4.2%), with participation seen holding at 66.8%. Westpac notes that easing cost-of-living pressures and cooling labour demand are contributing to a modest cyclical easing in participation, though longer-term structural factors are expected to keep participation elevated.

UK GDP (THU): The July series was as expected for the headline M/M and 3M/3M figures, though the Y/Y was slightly softer than consensus and remained at the prior level. Internals of the data showed particular pressure stemming from production, while services and construction saw growth; production was primarily hit by a decline in manufacturing output. For August, consensus looks for an uptick to 0.2% M/M from 0.0%. However, Pantheon Macroeconomics looks for another 0.0% M/M print with industrial production set to weigh once again. Pantheon attributes this to a sharp fall in North Sea oil flows. A narrative that offsets the upward skew presented by the month's PMIs where services came in stronger than expected for August, lifting the composite measure and offsetting the larger contraction seen in manufacturing. Within that release, S&P wrote that "economic growth has continued to accelerate over the summer...". However, September's PMIs saw further manufacturing pressure and a pullback in both services and the composite components, with the outlook deteriorating ahead of the budget and deteriorating foreign trade. Overall, the August release should not have much bearing on the BoE's near-term trajectory, with just 5bps of easing implied by end-2025. However, if the hard data does deteriorate as the PMIs suggest it might into September and beyond, then, depending to a degree on the Autumn Budget, the odds of a cut at the December meeting could climb.

US RETAIL SALES (THU; LIKELY DELAYED): The data's release is likely to be delayed. Still, the consensus looks for headline retail sales to rise +0.4% M/M in September (prev. +0.6%). Core retail sales are seen rising +0.4% M/M (prev. +0.7%). According to Bank of America's monthly consumer checkpoint report, total credit and debit card spending per household +2.0% Y/Y in September (prev. +1.7% Y/Y); seasonally adjusted spending growth per household +0.2% M/M (prev. 0.4% M/M), the fourth straight monthly gain. Analysts are also beginning to look at projections for the holiday spending season; online sales are expected to grow more slowly in 2025 due to economic uncertainty, according to Adobe Analytics. Online sales (between November and December) are projected to rise 5.3% Y/Y to USD 253.4bln (vs 8.7% last year). Cyber Monday is forecast as the biggest day, with USD 14.2bln in sales. Mobile shopping is expected to account for 56.1% of online spending, and BNPL purchases are set to increase by USD 2bln. Elsewhere, Salesforce forecasts slower growth for US online holiday sales in 2025, as consumers tighten budgets amid rising living costs. It sees spending in November-December rising 2.1% Y/Y to USD 288bln (vs its data, which showed 4% last year); it added that AI-driven recommendations and agent-assisted shopping could drive USD 51bln, or 18% of total sales.

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