

## #Ringthebell Week 31 (August 5th-9th, 2019) - RBNZ Rate, Service PMI and GDP

### What will happen during week 31, 2019? Everything Investors Will Be Watching in the Coming Week before the Bell rings

This coming week will come a few days after the **Federal Reserve** [disappointed the market](#). In the monetary policy statement released on Wednesday, the Federal Reserve **lowered interest rates for the first time since 2008** (we [just talk about it](#)).

While this was welcomed by the market, the disappointment came after the Fed said that the rate cut was **part of the cyclical adjustment**. In other words, it was not a start of a longer easing cycle.

The following will be the key things investors will be watching in the coming week.

#### Monday

On Monday, the market will receive the **service PMI** data from a number of countries. This data will be released by IHSMarkit, which is one of the leading data companies in the world.

- **Japan:** investors will want to see the performance of the services sector. This is after the June PMI data came in at 51.9.
- **China:** the services PMI was 52.0 in June while in Sweden, it was 49.9 in the month.
- **United Kingdom:** investors expect the services PMI to increase from 50.2 to 51.
- **United States:** investors expect the **ISM non-manufacturing** PMI for July to be at 55.5, which is much better than the previous 55.1. The ISM non-manufacturing business activity is expected to increase slightly from 58.2 to 58.3.

→ Economic Data, [6 key that matter to investors](#)

#### Tuesday

On Tuesday, investors will receive the **employment data from Australia**. The unemployment rate is expected to remain unchanged at 4.2% while the participation rate is expected to increase slightly from 70.40% to 70.90%.

**The labor cost index** is expected to increase slightly from 2.0% to 2.1% while the employment change in the second quarter is expected to have increased by 0.5%. This data will come a few hours before the RBA is scheduled to leave interest rates unchanged at 1.0%.

In **Japan**, the **household spending data** is expected to have increased by 1.6% in June. This will be lower than the 4.0% gain in May. On a MoM basis, the household spending is expected to have increased by 1.2%.

In the **United States**, the **JOLTS job openings data** is expected to show a slight decline from 7.32 million in May to 7.268 million in June.

## Wednesday

On Wednesday, the **Reserve Bank of New Zealand (RBNZ)** is expected to release its **interest rates decision**. Investors expect that the central bank will **lower interest rates by 25 basis points** from the current 1.50% to 1.25%.

→ [New Zealand Stock Exchange](#)

Moving to Europe, the German industrial production data is expected to increase slightly from 0.3% to 0.4%. In the UK, the **Halifax** house price index for July is expected to have risen slightly from -0.3% to -0.2%.

In **India**, the central bank is expected to lower interest rates from 5.50% to 5.25% while in **Canada**, the Ivey PMI is expected to increase slightly from 52.4 to 55.0.

## Thursday

On Thursday, **Japan will release its current account**. This data is expected to show that the account declined from Y1.595 trillion in May to Y1.385 trillion in June.

In the EU, the **European Commission will publish its economic bulletin**, which is a document that details the economic situation of the region.

In **South Africa**, the mining department will release the gold production and mining production data while Mexico will release its wholesale trade data.

## Friday

On Friday, **Japan will release the preliminary GDP** data for the second quarter. Investors expect the data to show that the **economy contracted by -0.2% in the quarter**. This will be lower than the first quarter's growth of 2.2%. The GDP external demand is expected to have declined slightly from 0.4% to 0.3%.

In **China**, the **headline CPI** is expected to remain unchanged at 2.7% while in Switzerland, the unemployment rate is expected to have increased slightly from 2.3% to 2.4%. In **Germany**, the **exports** are expected to have declined slightly from 1.1% in May to 0.5% in June.

The **UK preliminary GDP data** for the second quarter is expected to show that the **growth remained unchanged at 1.8%** while the manufacturing production is expected to have increased by 2.1% in June.

In **Canada**, the country will release the employment data. The unemployment rate is expected to have remained unchanged at 5.5% while the employment change for July is expected to be at 10k.

## Other useful resources

[Economic bulletin](#) - European Central Bank

Gross Domestic Product - [Investopedia](#)