Euro wrap-up

Overview

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- Bunds ended the day little changed as weak euro area retail sales data were offset by a further strong rise in German factory orders.
- Gilts followed USTs lower after a BoE survey showed a modest uptick in firms' inflation expectations, although price- and wage-setting behaviour appeared to remain broadly stable.
- The ECB will raise rates by 25bps on Thursday with updated staff projections to keep the door open to further policy tightening. Updates on euro area and UK GDP, as well as German IP are also due.

Daily bond market movements

Bond	Yield	Change
BKO 2.7 09/28	2.943	-0.003
OBL 2.9 10/31	3.078	-0.002
DBR 3 08/36	3.337	-0.003
UKT 4 05/29	4.528	+0.012
UKT 4⅛ 03/31	4.630	+0.010
UKT 4⅞ 07/36	5.133	-0.001

*Change from close as at 5:00pm BST.
Source: Bloomberg

Euro area

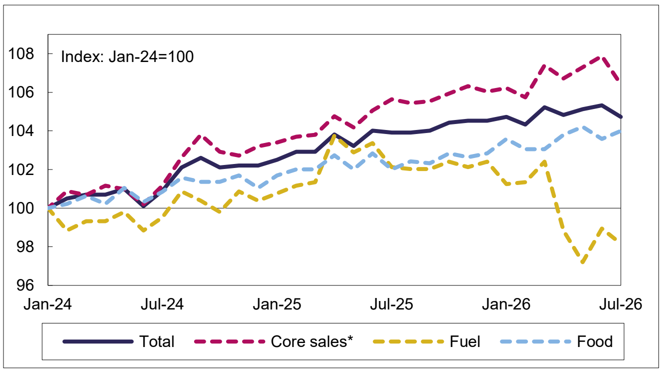
Euro area retail sales fall sharply as fuel support measures fade & uncertainty persists

As expected, following Tuesday's disappointingly weak German data, euro area retail sales began Q3 on the back foot, declining 0.6%M/M in July, matching the steepest monthly decline in more than two years. So, despite being revised higher in June, sales dropped to the lowest level in five months and left annual growth up just 0.5%Y/Y, the softest rate in almost two years. Admittedly, some of the weakness reflected sharp declines in Germany and Spain, where changes to national fuel support measures and the resulting rise in petrol prices weighed on fuel purchases. Indeed, sales at regional petrol stations fell 0.8%M/M. However, the softness was not confined to energy-related spending. While food sales rose for a third month in four (0.4%M/M), core sales (i.e. excluding food & fuel) fell sharply in July, by 1.4%M/M, the steepest decline in almost three years. That suggests consumers remain cautious about discretionary spending amid elevated uncertainty and ongoing pressure on real incomes. Online sales led the decline, down a chunky 3.9%M/M from June's record high despite seasonal discounting, particularly in clothing. The July figures leave retail activity facing an uphill struggle to avoid its first quarterly contraction since Q323. However, survey evidence suggests the weakness may prove temporary. Consumer confidence improved in August to its highest level since February, while households' willingness to make major purchases over the coming 12 months remained close to the upper end of the range of the past five years. Retailers have also become increasingly optimistic, last month reporting the strongest assessment of recent sales trends since early 2025, which hopefully implies that the decline in July was merely a temporary blip.

German factory orders jump to 7-month high on strong demand for defence, rail & ICT equipment

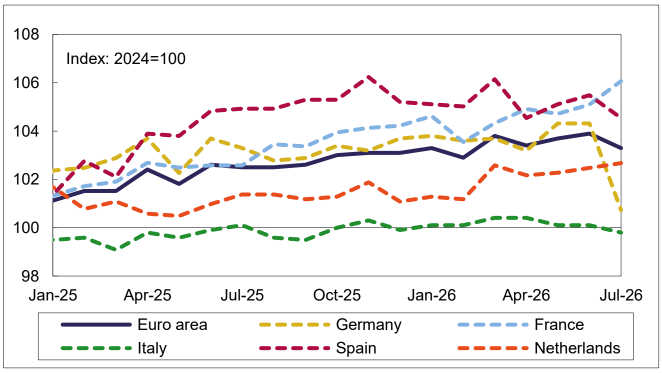
Contrasting with the disappointing start to Q3 for German retailing, today's factory orders data suggest that the recovery in German manufacturing momentum remains firmly on track, supported by robust domestic demand linked to defence and infrastructure projects. In particular, new factory orders rose in July for a third successive month and by a stronger-than-expected 2.5%M/M. Together with a modest upwards revision to the June data, this took new orders to their highest level since December, up a chunky 13.1%Y/Y, with domestic orders surging 27.4%Y/Y. The monthly increase in July was driven by bulk domestic orders for non-autos transport equipment. Indeed, new orders for railway stock jumped to the highest level in 15 years, while shipbuilding orders reached the strongest level since late 2024. At the same time, demand for ICT equipment continued to strengthen, with orders of computers and batteries rising to fresh series highs. So, while surveys suggest that supply constraints continue to bind in some sectors, aggregate demand appears to remain firm. And the steady rise in order backlogs over recent quarters suggests that production across a range of subsectors will be well maintained through the second half of the year.

Euro area: Retail sales volumes



*Excluding food and fuel. Source: Macrobond and Daiwa Capital Markets Europe Ltd.

Euro area member states: Retail sales volumes

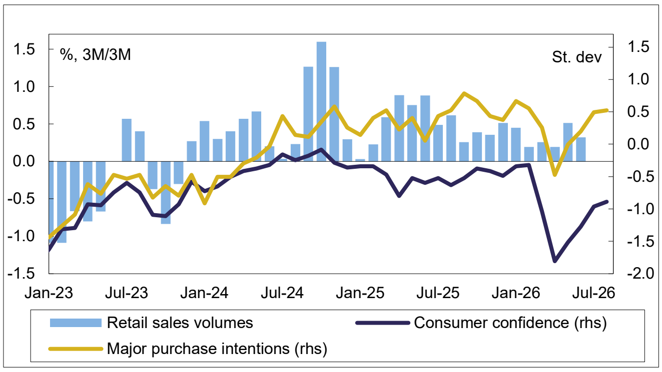


Source: Macrobond and Daiwa Capital Markets Europe Ltd.

German auto sector challenges continue as orders drop to multi-year low

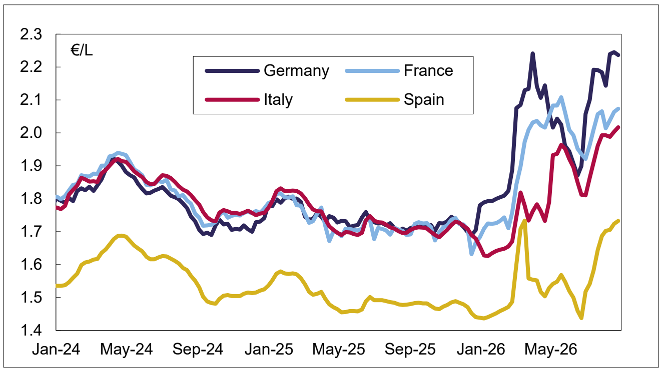
Admittedly, today's orders data suggested that underlying demand is still being flattered to some extent by certain bulk orders related to government policy initiatives. Excluding large-scale items, core orders fell for a fourth consecutive month in July (-1.4%M/M), leaving the level almost 2% below the Q2 average and up just 1.7%Y/Y. That weakness in part reflected ongoing subdued demand in energy-intensive industries such as chemicals and paper. And today's data again highlighted the persistent structural challenges facing German autos manufacturing. New orders fell a striking 12.5%M/M in July, the steepest decline since 2009 outside of the first Covid lockdown period. While weaker foreign demand played a role, domestic orders also dropped to their lowest level since 2002 when excluding the global financial crisis and pandemic periods, underscoring the pressure from intensifying Chinese competition and the ongoing transition towards electric vehicles.

Euro area: Retail sales & consumer confidence



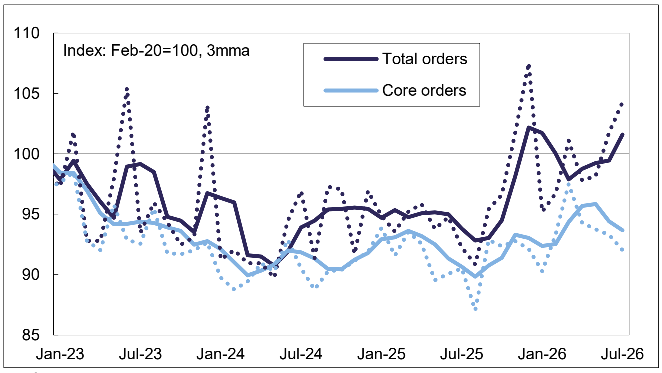
Source: EC, Macrobond and Daiwa Capital Markets Europe Ltd.

Euro area member states: Weekly petrol prices



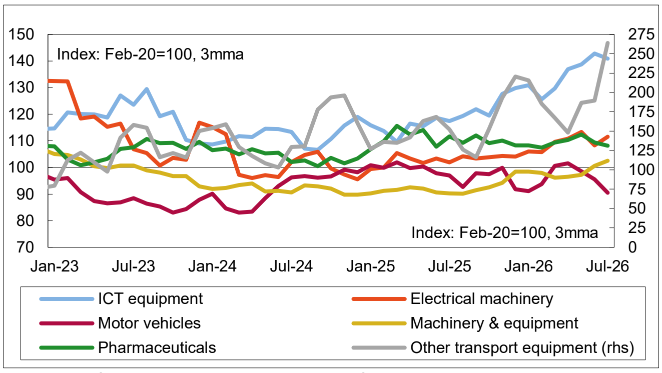
Source: Macrobond and Daiwa Capital Markets Europe Ltd.

Germany: New factory orders*



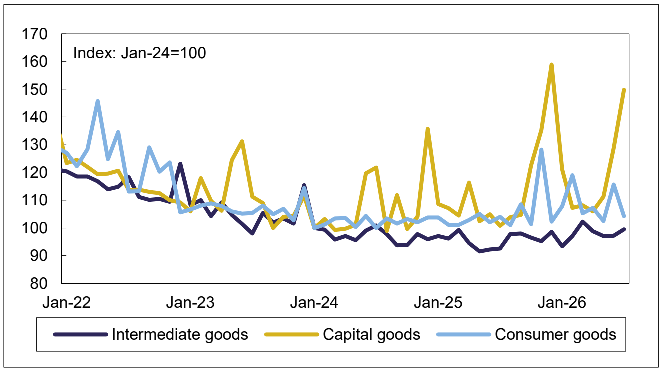
**Core orders exclude large-scale orders. Dotted lines represent single-month data. Source: Macrobond and Daiwa Capital Markets Europe Ltd.*

Germany: New factory orders by sector



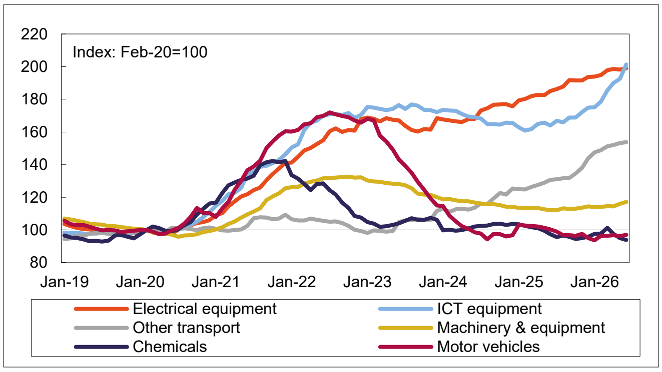
Source: Macrobond and Daiwa Capital Markets Europe Ltd.

Germany: Domestic factory orders



Source: Macrobond and Daiwa Capital Markets Europe Ltd.

Germany: Manufacturing order backlogs



Source: Macrobond and Daiwa Capital Markets Europe Ltd.

ECB will raise interest rates on Thursday as upside risks to the inflation outlook mount

While signs of deescalation in the Middle East likely simplified the ECB's decision to hold rates in July, there will be no such excuses available when Governing Council members convene in Berlin on Wednesday and Thursday. Indeed, with more than one influential policymaker having praised the markets' 'understanding' of the ECB's reaction function, policymakers seem bound to validate their pricing of a 25bps hike. Such a move – the second this cycle since June – will take the deposit rate to 2.50%, its highest since April 2025. But, critically for decisions thereafter, that will merely represent the upper bound of the ECB's recent estimates for neutral policy. Looking at recent developments, the brief lull in energy prices around midsummer and surprising softness in food inflation means that headline inflation remains on track to undershoot the Eurosystem's June baseline projection again this quarter. But hopes for imminent peace in the Middle East have waned since and energy prices rebounded, pushing inflation to a near-three-year high of 3.3%Y/Y in August, a level near which it is likely to hover through to year-end before hopefully softening gradually. But inflation is likely to remain above target throughout 2027 too, tracking above the ECB's projection which had been conditioned on as many as two further interest rate hikes. Natural gas futures, at a time when storage levels are still below par, have risen aggressively ahead of winter and food inflation is likely to emerge as a further driver when rising input costs and extreme weather events feed into prices next year. Moreover, economic activity has proved surprisingly resilient. GDP growth rebounded considerably in Q2 (see below) and sentiment surveys point towards a pickup in momentum thereafter, which has amplified concerns among the ECB hawks about potential second-round effects that might emerge via pay settlements.

Selected recent quotes from ECB policymakers*

Isabel Schnabel *(26 August)*	"At the current policy rate, inflation is unlikely to return to target over the medium term, and therefore further tightening will be necessary… in the current environment of resilient aggregate demand, it is critical to prevent occurrence of second-round effects early on because acting late could necessitate more tightening." "[Markets] seem to understand our reaction function very well… the economy continues to be stronger than expected… [compared with June's projections] I see risks to economic growth tilted somewhat to the upside." "How much further tightening is needed will depend on incoming data."
Chief Economist Philip Lane *(18 August)*	"[Inflation around 3%Y/Y] is probably what people are looking at for the rest of this year, but that very much depends on whether there is a resolution [in the Middle East]." "[Weather events will] lead to more upward pressure on [food] inflation… this is something that in summer 2027 will be most visible… we do think that food inflation is going to be one of the drivers of overall inflation over the next year." "…what we're committed to is […] not trying to spend time talking about what future rate increases might happen."
Piero Cipollone *(10 August)*	"…I think that [risks of stagnation are] rather remote… although the European economy is slowing, it is proving to be more resilient than expected, while inflation remains in line with the baseline scenario […] and seems to be a long way from the adverse and severe scenarios."
Joachim Nagel *(2 September)*	"According to the June projections, inflation will only return to 2% over the medium term with higher interest rates. [So] markets are pricing in a probability of more than 95% that we'll raise interest rates [in] September, and I'd say that the markets have a rather good understanding of how we're likely to respond at this stage." "Beyond this […] meeting, however, I am cautious about giving any guidance... there is a great deal of uncertainty."
Gabriel Makhlouf *(2 September)*	"The decision we're going to make next week will not be a surprise… [restrictive policy starts] roughly speaking, once we get above 2.75%... if inflation starts moving in the wrong direction, then we're going to have to move in that direction."
Martin Kocher *(1 Sept & 28 Aug)*	"Upside risks to inflation have increased again recently. If this picture is confirmed in the ECB's new forecast, I believe another interest rate hike will be necessary in the near future". *(1 September)* "The European economy is more resilient than many people think it is…there is not clear evidence yet [of second-round effects], but this will become much clearer during autumn and that will determine the rate path in the future." *(28 August)*
Gediminas Šimkus *(31 August)*	"[The data] lead me to think that it's very likely that we will hike, and that this September hike is not going to be enough… the inflationary environment has strengthened, making the case for a hike pretty clear."
Primož Dolenc *(28 August)*	"The arguments are there for a hike in September.... by December, we'll have another set of projections for the next 3 years and clarity about other developments… second-round effects are not visible yet [but] we shouldn't wait for them to materialise."
Dimitar Radev *(26 August)*	"September remains open, but based on what we know today, another measured step deserves serious consideration… the evidence is not yet sufficiently broad-based to conclude that the risks to growth are clearly to the upside."
Mārtiņš Kazāks *(21 August)*	"We are well positioned to move if necessary to push inflation back to 2% in a reasonable period of time… Given the current situation, there are pros and cons of further hikes."
Olli Rehn *(19 August)*	"So far, wage growth and the wage outlook have remained moderate, with no clear signs of second-round effects. Keeping inflation expectations anchored will be essential to ensure this remains the case."

**Light blue shading shows ECB Executive Board members and gold shading for Governing Council members.*
Sources: ECB, National central banks, Bloomberg, Econostream & Daiwa Capital Markets Europe Ltd.

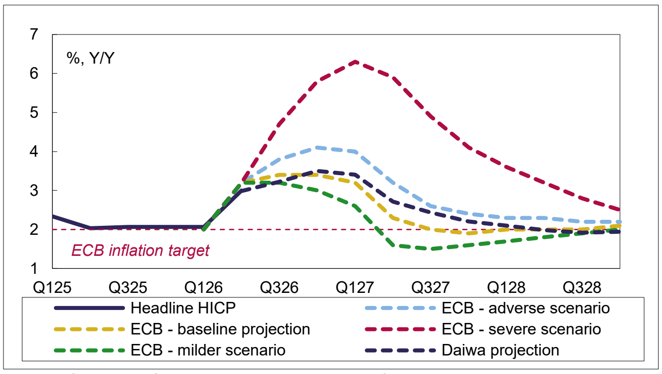
Without pre-committing, Lagarde will leave door open to further tightening before year-end

Considering those risks, a few policymakers have appeared to question whether a restrictive monetary policy stance – that is, at least one more 25bps hike after September – might be warranted. But, at least for now, there doesn't appear to be a consensus on the Governing Council. Indirect effects have remained relatively well contained in the inflation data while evidence of second-round effects via forward-looking pay indicators remains moderate. A few policymakers have also questioned the sustainability of present resilience in activity. Financial conditions have also tightened in recent weeks, which should buy policymakers some time to evaluate the incoming data, including autumn's wage settlements, as well as developments in commodity markets. Indeed, influential policymakers – including Executive Board members Lane and Schnabel, as well as Bundesbank Governor Nagel – have been reluctant to speculate on decisions beyond September. In our view, should a further rate hike be necessary, December's forecast update will provide the justification. And for her part, President Lagarde will avoid any precommitment on the future rate path, reiterating her commitment to a meeting-by-meeting and data dependent approach. Since the risks to inflation have shifted further to the upside, and those for activity less to the downside, it would be surprising if Lagarde's tone was not at least slightly more hawkish, implicitly suggesting that the Governing Council's forthcoming meetings in October and December will be 'live'.

Updated projections to show weaker disinflation next year & potentially returning to 2% only in 2028

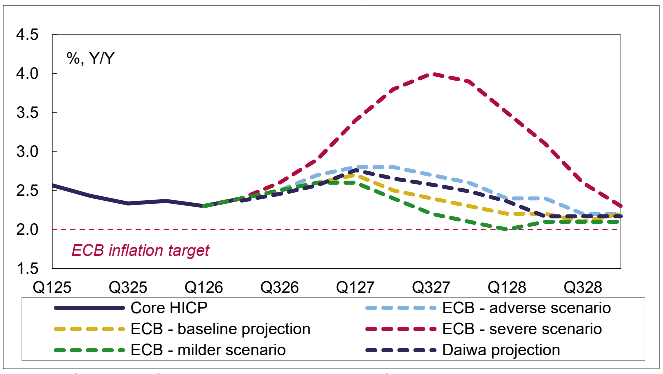
The decision to tighten in September, as well as expectations for future meetings, will also be informed by an updated set of macroeconomic projections from ECB staff. The broad outlook for inflation is unlikely to be dramatically different from that published in June. The projections are likely to be conditioned on a slightly lower oil futures curve, which alongside weaker food inflation, should shed a tenth or so from headline inflation across the final quarters of 2026. Inflation will also keep its gradual downtrend thereafter, as the rise in energy inflation this year falls out of the annual rate. But the much steeper rise in gas futures prices suggests that the profile of the decline will be shallower. And the risks to the GDP forecast are to the upside, with 2026 growth at least likely to be revised closer to 1%Y/Y, which could have implications for the ECB's assumptions for labour costs and core inflation next year. So, the ECB's projections are likely to show inflation returning to the 2%Y/Y target under its baseline assumptions only by 2028 rather than Q327, if at all. And to the extent that the baseline will be conditioned on at least one more hike in Q4, adherence to it could be interpreted as consistent with further tightening unless the balance of risks materially shifts. Assuming that the ECB continues to provide a menu of possible scenarios, an updated 'milder' scenario – likely conditioned on a quicker decline in energy prices and weaker indirect- and second-round effects by extension – could be seen as conveying a more dovish outlook under which the ECB would not necessarily need to raise rates again. But an 'adverse' scenario of higher energy prices would likely necessitate it. Whether or not the ECB will choose to keep producing its more extreme 'severe' scenario at this stage remains unclear.

Euro area: Headline inflation projections



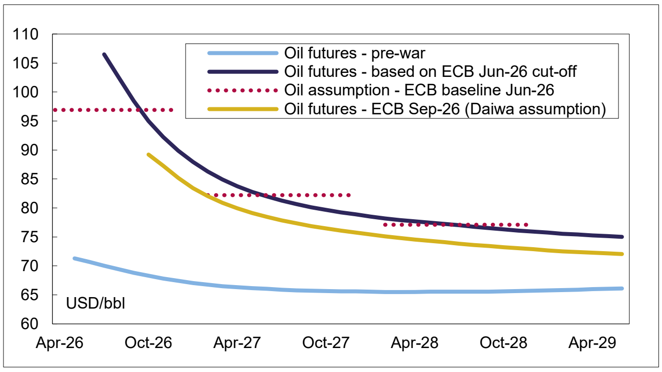
Source: ECB, Macrobond and Daiwa Capital Markets Europe Ltd.

Euro area: Core inflation projections



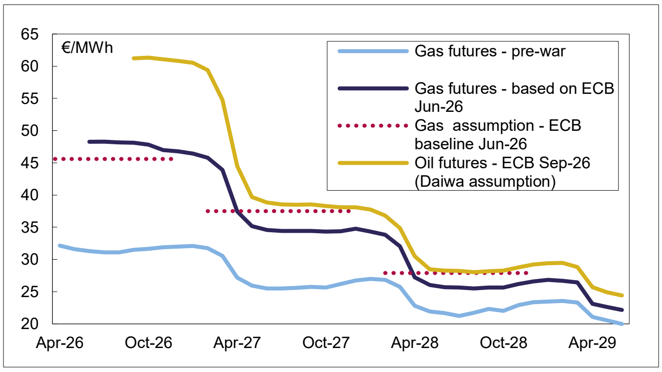
Source: ECB, Macrobond and Daiwa Capital Markets Europe Ltd.

Euro area: Brent oil futures & ECB assumption



Source: ECB, Bloomberg and Daiwa Capital Markets Europe Ltd.

Euro area: Natural gas futures & ECB assumption



Source: ECB, Bloomberg and Daiwa Capital Markets Europe Ltd.

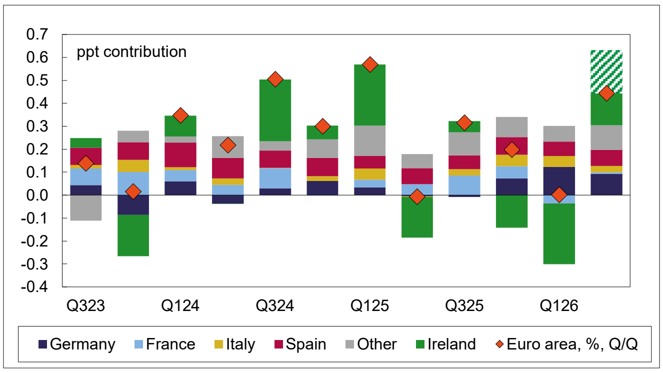
The data week ahead in the euro area

While the data will play second fiddle to Thursday's announcement, the week ahead will still bring some noteworthy releases. The recurring theme will be activity in July, including industrial production in Germany (Monday), France (Wednesday), Italy and Spain (Thursday), as well as German and French goods trade (Tuesday). IP experienced a broad-based rebound in Q2 following a disappointing start to the year, more than fully reversing declines in most of those member states and only narrowly falling short of doing likewise in Germany. Nonetheless, IP was still up there too (0.6%3M/3M), as certain manufacturing subsectors and construction activity benefitted from stockpiling efforts, rising defence spending and infrastructure investment. And Germany has subsequently been the main source of the exuberance in the euro manufacturing PMI survey, with its respective output index reporting its firmest expansion for 4½ years across July and August. July's IP data appear well placed to verify that signal. Today's factory orders data appeared to verify an uptrend in order books. And while manufacturing turnover declined for a second straight month (-1.5%M/M) and low Rhine water levels later in the month could have been a headwind, the former has not been an accurate guide to production of late, while truck tolls picked up (0.9%M/M).

Alongside the German IP, the Sentix survey (Monday) will provide a first view of investor sentiment in September. And final euro area GDP estimates (also Monday) will more than confirm for policymakers the resilience of economic activity last quarter. Preliminary estimates suggested that GDP growth rebounded to 0.4%Q/Q, following a flat reading in Q1 which was distorted by a contraction in Ireland (-7.8%Q/Q). But given the extreme revisions to the Irish estimates today – up 6.3ppts to 10.2%Q/Q – euro area GDP growth looks set to be revised up, and likely to a six-quarter high of 0.6%Q/Q. In any case, the ECB will be more encouraged by the ongoing resilience (0.3%Q/Q) across the other member states. And the first breakdown by expenditure components should signal that growth was relatively broad-based. Private and public consumption should be the main drivers of domestic demand, though fixed investment was probably more subdued by the oil shock. And while inventories were likely a modest drag, solid export growth points towards a positive contribution from net trade too. Meanwhile, final German inflation estimates (Thursday) will provide the first insights into the softer-than-expected rise in August's headline rate. Despite a jump in energy, the flash estimate of HICP inflation rose a mere 0.1ppt to 2.9%Y/Y, aided by continued softness in food and moderating services inflation. The detail will be of particular interest in identifying the sources of that downwards pressure, and whether they might be reflective of fading indirect effects from the energy price shock.

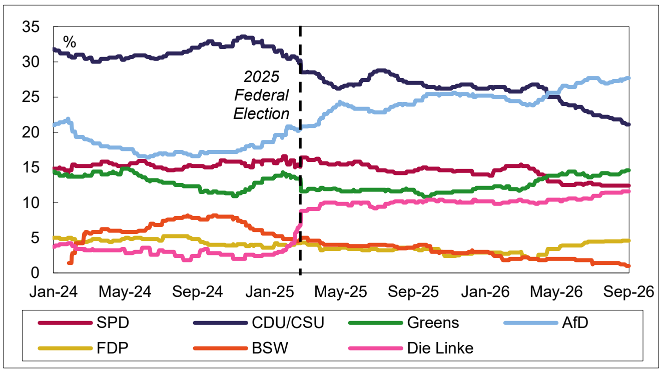
In terms of politics, state elections in the German state of Saxony-Anhalt on Sunday – the first of three across *Länder* this month – could also provoke a market reaction. Though coalition talks typically follow, the result of Sunday's vote are likely to be known before markets open on Monday. And admittedly, with bigger state elections to come next year, neither they nor the results in Berlin or the SPD-leaning state of Mecklenburg-Vorpommern (both on 20 September) should be critical for either Chancellor Merz or his 'Grand Coalition'. But sizable losses could reignite speculation about that Merz's future as Chancellor is in doubt, just as May's local elections in England acted as the catalyst for the resignation of Keir Starmer as UK PM. Sunday's election is attracting particular focus since it could be the best chance for the far-right AfD to take control of a German state for the first time, breaching the political 'firewall' erected by the other main parties. Saxony-Anhalt is currently governed by a CDU-led coalition, as it has been in some form since 2002. But the AfD won the most votes in the region at last year's federal election and its lead in national polls has since risen at the CDU's expense. So, it seems inevitable that they will be the largest party this time or even could win a rare outright majority. There are also questions as to whether the CDU would be able to form a coalition to lock out the AfD too, given its refusal of some to work with certain parties like the far-left Die Linke who also poll well in the Eastern state.

Euro area: GDP contributions by member state*



Striped area shows the impact of Ireland's GDP revision on euro area GDP growth. Diamond for Q226 shows preliminary estimate for euro area GDP growth. Source: Macrobond and Daiwa Capital Markets Europe Ltd.

Germany: National political polling*



Moving averages based on the latest polls from major national polls. Source: Macrobond and Daiwa Capital Markets Europe Ltd.

UK

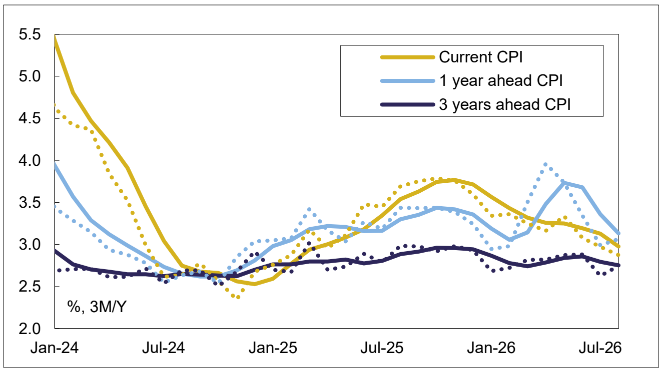
Modest uptick in inflation expectations but price- and wage-setting decisions remain steady

Given the ongoing rise in wholesale energy prices and tentative warnings of underlying price pressures in this week's surveys, the findings of today's DMP survey should have offered considerable comfort for most BoE policymakers. Indeed, despite escalating tensions in the Middle East, DMP firms' inflation expectations ticked up only modestly in August. Expectations rose just 0.1ppt at both one- (3.1%Y/Y) and three-year (2.8%Y/Y) horizons, failing to fully reverse July's decline. And any upwards impulse from that change on firms' pricing strategies, and discernibly in wages, was also absent. Output price growth in the three months to August eased back to 3.7%3M/Y, still around its mark at the start of the year. On a single-month basis, output price inflation moderated to a nine-month low, indicative of continued disinflation. And crucially, year-ahead price expectations also continued to ease (3.8%3M/Y), contrasting the mixed signals of yesterday's final PMIs. Employment expectations, on the other hand, were their best for six months, which does align with other signals of stabilisation in the labour market. But hiring intentions remain subdued, and with the labour market in slack, forward-looking wage intentions were largely unperturbed, moving sideways in the three-months to August (3.4%3M/Y). As such, the DMP would appear to suggest that the likelihood of second-round effects via wages remains well contained. Alongside still tight financial conditions, that should provide sufficient cause for the MPC to leave policy unchanged, at the very least in September. However, like the ECB, the BoE too will have to acknowledge that the upside risks to the inflation outlook have become more acute in recent weeks, which may at least be reflected by a hawkish tone.

The week ahead in the UK

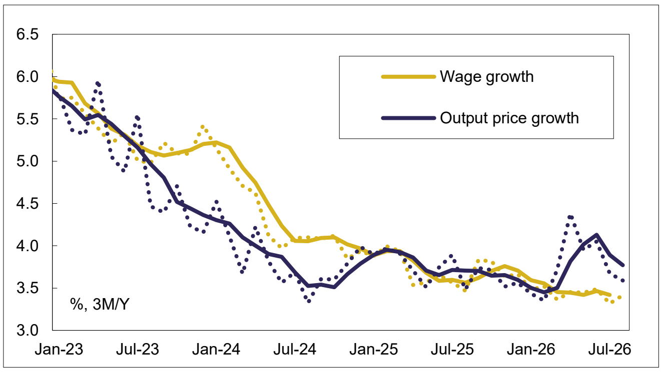
July's monthly GDP report (Friday) will provide the most thorough opportunity to scrutinise the burgeoning optimism of recent sentiment surveys. Although GDP predictably slowed last quarter, it finished Q2 on a strong footing. Quarterly growth amounted to 0.4%Q/Q, above the BoE's projection. And thanks to a surprisingly strong pickup of 0.3%M/M in June, it looks poised to beat the BoE's expectation in Q3 too, with carryover alone consistent with growth as high as 0.2%Q/Q this quarter even as most indicators point to a positive start. June's strength reflected sustained momentum in the services sector, particularly within the ICT, professional, transport and storage services. And there was also evidence of a 'World Cup boost' for some media subsectors, food and beverage producers. Given England's extended participation in the competition and July's record-breaking sunshine, those drivers could have been sustained into July. And the PMIs were wholly more upbeat, with improving domestic confidence – potentially helped by a 'Burnham bounce' – and the less uncertain geopolitical situation supporting an upturn in activity. Of course, that survey wasn't a particularly good guide to GDP in Q2. And a further weather-related boost for consumer-facing services isn't guaranteed. Indeed, despite lower fuel prices, retail sales fell back quite sharply as relentless heat dampened footfall in stores. Construction might also struggle to achieve a material rebound, which contributes to our tempered forecast for monthly GDP growth of 0.1%M/M in July. Otherwise, looking further ahead, surveys from the BRC (Tuesday) and RICS (Thursday) will provide respective signals for retail and housing market activity in August. While both may share the improved sentiment of the PMIs and consumer confidence notably rose to a two-year high, rising shop prices, tight financial conditions and reescalation in the Middle East pose are sure to remain headwinds.

UK: DMP – firms' CPI inflation expectations*



*Dotted lines show single-month figures.
Source: BoE, Macrobond and Daiwa Capital Markets Europe Ltd.

UK: DMP – firms' price & wage-setting expectations*



*1Y-ahead; dotted lines show single-month figures.
Source: BoE, Macrobond and Daiwa Capital Markets Europe Ltd.

Daiwa economic forecast

	2026				2027		2026	2027	2028
	Q1	Q2	Q3	Q4	Q1	Q2			
GDP	%, Q/Q						%, Y/Y		
Euro area	0.0	0.6	0.2	0.2	0.3	0.4	0.9	1.1	1.4
UK	0.6	0.4	0.2	0.2	0.5	0.3	1.2	1.2	1.4
Inflation, %, Y/Y									
Euro area									
Headline HICP	2.0	3.0	3.2	3.5	3.4	2.7	2.9	2.7	2.0
Core HICP	2.3	2.4	2.5	2.6	2.8	2.7	2.4	2.6	2.2
UK									
Headline CPI	3.1	2.8	3.2	3.4	3.6	3.0	3.1	2.9	1.9
Core CPI	3.2	2.5	2.8	3.0	3.1	3.1	2.9	3.0	2.5
Monetary policy, %									
ECB									
Deposit Rate	2.00	2.25	2.50	2.50	2.50	2.50	2.50	2.25	2.25
Refi Rate	2.15	2.40	2.65	2.65	2.65	2.65	2.65	2.40	2.40
BoE									
Bank Rate	3.75	3.75	3.75	3.75	3.75	3.75	3.75	3.50	3.25

Source: Bloomberg, ECB, BoE and Daiwa Capital Markets Europe Ltd.

European calendar

Today's results

Economic data

Country	Release	Period	**Actual**	Market consensus/ *Daiwa forecast*	Previous	Revised
Euro area	Retail sales M/M% (Y/Y%)	Jul	**-0.6 (0.6)**	0.3 (1.1)	-0.3 (0.7)	0.2 (1.4)
	Construction PMI	Aug	**43.0**	-	44.3	-
Germany	Factory orders M/M% (Y/Y%)	Jul	**2.5 (13.1)**	0.3 (10.5)	3.1 (6.5)	3.7 (7.2)
	Construction PMI	Aug	**48.7**	-	42.1	-
France	Construction PMI	Aug	**37.3**	-	41.5	-
Italy	Retail sales M/M% (Y/Y%)	Jul	**-0.4 (0.8)**	-	-0.1 (3.1)	-0.2 (-)
	Construction PMI	Aug	**41.7**	-	49.1	-
UK	DMP – 1Y ahead output price (CPI) expectations 3M/Y%	Aug	**3.8 (3.1)**	-	3.9 (3.4)	-
	Construction PMI	Aug	**44.3**	46.0	44.7	-
	New car registrations Y/Y%	Aug	**13.7**	-	11.7	-

Auctions

Country	Auction
- Nothing to report -	

Source: Bloomberg and Daiwa Capital Markets Europe Ltd.

The coming week's data calendar

The coming week's key data releases

Country	BST	Release	Period	Market consensus/ *Daiwa forecast*	Previous
		Monday 7 September 2026			
Euro area	09.30	Sentix investor confidence indicator	Sep	-	0.9
	10.00	GDP - third estimate Q/Q% (Y/Y%)	Q2	*0.6 (1.1)*	0.0 (0.5)
	10.00	GDP - government expenditure Q/Q%	Q2	0.3	0.6
	10.00	GDP - fixed investment Q/Q%	Q2	0.0	-0.3
	10.00	GDP - household consumption Q/Q%	Q2	0.3	0.3
	10.00	Employment - second estimate Q/Q% (Y/Y%)	Q2	*0.1 (0.5)*	0.1 (0.5)
Germany	07.00	Industrial production M/M% (Y/Y%)	Jul	0.4 (0.2)	0.2 (-0.1)
Spain	08.00	INE house price index Q/Q% (Y/Y%)	Q2	-	3.5 (12.9)
		Tuesday 8 September 2026			
Germany	07.00	Trade balance €bn	Jul	15.6	15.3
France	07.45	Trade balance €bn	Jul	-	-5.8
UK	00.01	BRC retail monitor - like-for-like sales Y/Y%	Aug	-	1.0
		Wednesday 9 September 2026			
France	07.45	Industrial production M/M% (Y/Y%)	Jul	0.2 (0.4)	0.1 (-0.1)
		Thursday 10 September 2026			
Euro area	13.15	ECB Deposit (Refinancing) Rate %	Sep	*2.50 (2.65)*	2.25 (2.40)
Germany	07.00	Final HICP (CPI) Y/Y%	Aug	*2.9 (2.9)*	2.8 (2.8)
Italy	09.00	Industrial production M/M% (Y/Y%)	Jul	-	-1.0 (-0.6)
Spain	08.00	Industrial production M/M% (Y/Y%)	Jul	-	-0.7 (1.1)
UK	00.01	RICS house price balance %	Aug	-32	-30
		Friday 11 September 2026			
Italy	09.00	Unemployment rate %	Q2	-	5.3
UK	07.00	Monthly GDP M/M% (3M/3M%)	Jul	*0.1 (0.3)*	0.3 (0.7)
	07.00	Services output M/M% (3M/3M%)	Jul	0.0 (0.5)	0.4 (0.5)
	07.00	Industrial output M/M% (Y/Y%)	Jul	-0.2 (0.2)	-0.2 (-0.2)
	07.00	Construction output M/M% (Y/Y%)	Jul	0.1 (-2.2)	-0.1 (-2.3)
	07.00	Trade (goods trade) balance £bn	Jul	-5.2 (-22.3)	-5.5 (-23.0)
	09.30	BoE/Ipsos inflation attitudes survey - 1Y ahead CPI Y/Y%	Aug	-	4.0

Source: Bloomberg and Daiwa Capital Markets Europe Ltd.

The coming week's key events & auctions

Country	BST	Event / Auction
		Monday 7 September 2026
UK	00.01	REC, KPMG and S&P Global UK to publish UK Report on Jobs for September
		Tuesday 8 September 2026
Germany	10.30	Auction: to sell up to €750mn of 2.3% 2033 green bonds
	10.30	Auction: to sell up to €750mn of 2.6% 2041 green bonds
UK	14.15	BoE Governor Bailey & Ramsden, Greene & Taylor to testify on July MPR before Treasury Select Committee
		Wednesday 9 September 2026
Germany	10.30	Auction: to sell up to €5.5bn of 3% 2036 bonds
		Thursday 10 September 2026
Euro area	13.15	ECB monetary policy announcement
	13.45	ECB President Lagarde holds post-Governing Council meeting press conference
	14.45	ECB to publish updated staff macroeconomic projections
Italy	10.00	Auction: to sell bonds*
UK	10.00	Auction: to sell £5bn 4.625% 2030 bonds
		Friday 11 September 2026
Euro area	18.00	ECB Chief Economist Lane to give speech in Ireland

**Details to be announced. Source: Bloomberg and Daiwa Capital Markets Europe Ltd.*

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