The Week Ahead World

Sweden votes, Pompeo visits Pakistan, China-Africa forum

Your FT guide to this week's big events



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Monday

ARGENTINA

Argentina's treasury minister Nicolás Dujovne is expected to announce a set of economic measures to reduce the 2019 fiscal deficit to below the current target of 1.3 per cent of gross domestic product. Mr Dujovne then plans to travel to Washington on Monday evening ahead of talks scheduled for Tuesday with International Monetary Fund chief Christine Lagarde and technical staff to discuss changes to a $50bn financing deal reached earlier this year, after a 20 per cent drop in the peso's currency against the dollar last week.

- Why currency markets are so worried about Argentina

CHINA-AFRICA FORUM

Chinese president Xi Jinping is expected to greet African leaders and deliver a keynote speech at the opening ceremony of the two-day Beijing Summit of the Forum on China-Africa Cooperation. Beijing will host about 30 African leaders at the summit, a triennial event that typically sees China allocate large loan packages to Africa. China in the past three years has invested about $3bn annually in the continent. Africa is also an important part of Mr Xi's Belt and Road Initiative, a plan to bolster a network of infrastructure connecting China by land and sea to south-east Asia, Central Asia, the Middle East, Europe and Africa.

- Africa seeks China deals that will bring jobs and skills

TURKEY CPI

Investors and analysts will scrutinise the release of Turkish inflation figures for signs of how much the lira's tumble has fuelled price growth that was already running at a nearly 16 per cent year-on-year rate. The lira fell by about 25 per cent against the dollar in August — by far the worst month on record for the "new lira", which was created in 2005 after a redenomination of the "old lira". Turkey has not faced such a substantial fall in its national currency since the economic crisis of

Feedback

2001. There were also a number of one-off price rises in August, including an 18 per cent increase in the price of milk, a 9 per cent rise in natural gas prices and a 9.6 per cent increase in the cost of electricity.

- Turkey braced for further turmoil amid signs of corporate distress

UK MANUFACTURING PMI

The IHS Markit manufacturing purchasing managers' index reading for August is set to be released. UK manufacturing activity dropped to its lowest level for three months in July as domestic demand slowed, and the future expectations index also fell back, leading HSBC Global Research to forecast another fall in August, to 53.8 from 54. A reading above 50 indicates growth while anything below points to contraction.

- UK factory activity at lowest level in 3 months, PMI survey shows

Tuesday

BANK OF ENGLAND REPORTS

The House of Commons Treasury Committee is scheduled to hear a session of Bank of England inflation reports from Bank of England governor Mark Carney and Monetary Policy Committee members Andy Haldane, Silvana Tenreyro and Michael Saunders. The policymakers will explain the reasoning that led the BoE to raise interest rates to their highest level in almost a decade in August, with an uncertain Brexit approaching and little clear sign of inflation pressure building in Britain. Mr Carney is also likely to be asked whether he is sticking to his plan to leave the BoE next June.

- Carney needs to be clear about his future at the Bank of England

SCOTLAND ECONOMIC POLICY

Scotland's first minister Nicola Sturgeon sets out the devolved government's economic programme for the next year. Her Scottish National party will be keen to draw attention away from allegations of sexual misconduct against former first minister Alex Salmond, who denies the claims and is pursuing a judicial review against the SNP government — a dispute that has divided party members. Ms Sturgeon is expected to cover the economy, mental health and social security, and emphasise that Brexit uncertainty must not distract from improving public services.

- Scottish fiscal gap narrows but still at 8% of GDP

CORPORATE EARNINGS

Housebuilder **Redrow** is expected to report higher full-year revenue and profit, helped by more home completions. Investors will look at whether the UK government's commitment to increase the supply of new homes has helped improve Redrow's order book and reservations. **WPP**, the world's biggest advertising agency, reports first-half results and is also expected to announce the appointment of joint chief operating officer Mark Read as its new chief executive.

Wednesday

POMPEO VISITS PAKISTAN

US secretary of state Mike Pompeo is expected to visit Islamabad for talks with the newly elected prime minister of Pakistan, Imran Khan. It is likely to be a difficult meeting after the US government cancelled $300m in military aid to Pakistan at the weekend. Pakistani officials are reported to be preparing for some tough talk while the Pentagon said at the weekend that it continued "to press Pakistan to indiscriminately target all terrorist groups".

- US cancels $300m military aid to Pakistan

Feedback

CORPORATE EARNINGS

The UK's biggest housebuilder **Barratt Developments** is expected to post full-year earnings of 66.3p per share for the year, up 8.2 per cent over the past 12 months, while revenue is forecast to rise 4.9 per cent to £4.9bn. The low overall cost of borrowing should benefit Barratt while a strong balance sheet will provide a cushion against any Brexit-related volatility. Fellow UK housebuilder **Berkeley** reports first-quarter results. There was caution around the key London market last time it reported and investors will look for updates on this as Brexit approaches. German pharmaceuticals and chemicals group **Bayer**, which is still reeling from a US jury's verdict linking the Roundup weedkiller to cancer, posts second-quarter earnings that will include a three-week contribution from newly acquired Monsanto. Investors will focus on a recovery in demand for farming supplies, sluggish consumer health sales, and the fallout from a rebuke by US regulators on drug production practices.

Thursday

US-INDIA TALKS

US secretary of state Mike Pompeo and defence secretary Jim Mattis hold talks with Indian foreign minister Sushma Swaraj and defence minister Nirmala Sitharaman to discuss the two nation's close political and military ties. These so-called two-plus-two talks are the highest level of dialogue between the US and India and were agreed by US president Donald Trump and Indian prime minister Narendra Modi last year. They are likely to cover US sanctions against Russia and Iran, arms sales and trade, and take place after being postponed twice this year.

- Battle stations: Asia's arms race hots up

CORPORATE EARNINGS

UK electricals and mobile phone retailer **Dixons Carphone** posts first-quarter results. The company issued a profit warning in May and has also revealed a big data breach. **Broadcom** reports third-quarter results. The chipmaker is expected to report a rise in revenue and profit, helped by demand for its networking chips and data centre storage solutions. US truckmaker **Navistar** is expected to report a rise in profit and revenue, boosted by higher demand for its trucks, which hauliers are updating after the implementation of electronic logging devices aimed at reducing long driver hours. Investors will look for updates on its financial forecasts and comments on demand trends.

Friday

US JOBS DATA

The US Labor Department is expected to report that non-farm payrolls increased by 190,000 jobs in August after rising 157,000 in July. The unemployment rate is forecast to stay at 3.8 per cent and average hourly earnings are expected to rise 0.2 per cent after a similar gain in July.

- Student loan woes ease as US jobs market improves

SYRIA SUMMIT

Turkish president Recep Tayyip Erdogan is scheduled to visit Iran, on a trip expected to include a three-way summit with Russian and Iranian leaders. The Kremlin confirmed last week that Russian president Vladimir Putin would take part in a meeting with Mr Erdogan and Iranian president Hassan Rouhani. The three leaders met in April in Ankara to discuss developments in Syria. A key item of the talks is likely to be the rebel-held northwestern Syrian province of Idlib which Syria's President Bashar al-Assad wants to retake.

- Last Syrian rebel stronghold Idlib digs in for battle

Sunday

SWEDEN ELECTION

Feedback

Sweden votes in its most crucial election in decades with the results wide open amid a fierce debate over the future of the Scandinavian country and its welfare state. The ruling centre-left Social Democrats are set for their worst score in more than a century, but may still cling to power thanks to a poor expected showing from the main centre-right opposition party, the Moderates. Instead, the main winners are expected to be the populist anti-immigration Sweden Democrats who could become the second-largest party in parliament. The ex-communists of the Left party are also due to get a big boost, according to opinion polls. Debate ahead of the elections has been dominated by immigration after Sweden took in more asylum seekers per head than almost any other European country as well as by violent crime after a series of arson attacks and shootings in its suburbs.

- Why Sweden faces its most important election in decades

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