The Week Ahead Global Economy

Brexit vote, US budget, BoJ sets rates

Your FT guide to this week's big events

YESTERDAY

Brexit

UK prime minister Theresa May faces a crunch week on Brexit, with as many as three key votes in the House of Commons. Following last-ditch negotiations with Brussels, Mrs May has promised to put a revised Brexit deal to a vote by MPs by the end of Tuesday. If it is defeated, she is then committed to holding a vote on Wednesday on whether or not the UK should leave the EU without a deal. With a majority of MPs likely to vote against such a no-deal Brexit, Mrs May would then offer a third vote on Thursday on delaying the Brexit date, currently March 29.

- Can Theresa May finally get her Brexit deal through parliament?

US budget

US president Donald Trump will release the first tranche of his fiscal 2020 budget plan to Congress on Monday, a month later than usual due to the partial government shutdown. His plan for deep cuts to non-defence programmes such as foreign aid, education and the environment, coupled with proposed off-budget spending increases for the military are expected to face fierce opposition in the Democratic House. A second tranche is due to be released next week.

Chancellor's Spring Statement

UK chancellor Philip Hammond will outline a multibillion annual improvement in the public finances in his Spring Statement on Wednesday. The buoyant public finance figures come as economists are paring back their forecasts for economic performance as Brexit uncertainty takes its toll on corporate spending. Office for National Statistics figures show borrowing for the year to date is at its lowest levels since the 2008 financial crisis, with income tax revenues boosted by a rise in the pay of the highest earners who pay the most tax. However, the economy remains constrained by tight family finances, Brexit concerns and a weaker global economy than seemed likely six months ago.

- UK public finances set for windfall in spring statement

CERAWeek conference

The world's top energy executives, Opec officials, US shale company heads and high-ranking politicians will gather in Houston, Texas, on Monday for CERAWeek, an annual five-day conference that sets the tone for the sector for the coming year. The meeting comes as the US shale sector is facing questions over how much it can grow. Climate change and how to curb emissions, and digitalisation and the role of advanced technologies in improving productivity and saving costs in the energy sector will be on the agenda.

- Wary shale investors warn against drilling at all costs

Iran-Iraq ties

Iranian president Hassan Rouhani travels to Baghdad on Monday for talks with Iraqi officials to boost bilateral ties. Annual trade between the neighbours is currently $12bn, and Mr Rouhani hopes it can grow to $20bn. Iraq is still trading with Iran under a 90-day waiver granted on December 20 after the US reimposed sanctions on Iran. The Islamic republic supplies gas and energy to Iraq with reciprocal trade in food items.

- Oil flows again from Iraq's Kirkuk thanks to US intervention

Bank of Japan

With inflation of 0.2 per cent still far from its 2 per cent target and growing worries over slowing demand from China and global trade tensions, the Bank of Japan appears a long way from exiting its ultra-loose monetary policy. The central bank is expected to maintain its short-term interest rate target at minus 0.1 per cent and 10-year bond yield around zero per cent at the end of its two-day monetary policy meeting starting in Tokyo on Friday.

- Mizuho Bank chief calls on BoJ to reconsider monetary easing

Slovakia elections

The first round of Slovakia presidential elections takes place on Saturday. The incumbent, Andrej Kiska, who has said he will not stand for a second term, has thrown his weight behind pro-EU lawyer Zuzana Caputova, who is backed by former rival Robert Mistrik and a number of opposition parties. Other candidates are Maros Sefcovic, current vice-president of the European Commission, for the ruling Smer-SD, and independent Stefan Harabin. A second round is due on March 30, if necessary.

Slovakia's former PM raises concerns with judicial court bid

Macron in Kenya

French president Emmanuel Macron begins a two-day state visit to Kenya on Wednesday where he and President Uhuru Kenyatta are expected to sign several agreements and memoranda of understanding on subjects of mutual interest. Mr Macron will attend the fourth session of the UN Environment Assembly and is set to open the third One Planet Summit, a French initiative to encourage states and ministers to implement climate policies, in Nairobi.

- The scramble for business in Africa

Corporate earnings

Clothing industry watchers turn their attention on Wednesday to fourth-quarter and full-year results from Inditex, the world's largest retailer. Online sales climbed 41 per cent in 2017 to reach 10 per cent of group net sales, leaving it behind some rivals, such as Sweden's H&M at nearly 12 per cent. Also out on Wednesday are fourth-quarter and full-year financial results for 2018 for Germany-based sports apparel manufacturer Adidas

Insurer and investment management company Old Mutual releases its preliminary results on Monday, while fellow insurer Prudential Financial reports its full-year results on Wednesday.

Edinburgh-based oil, gas exploration and production company Cairn Energy reports its preliminary final results on Tuesday, German energy corporation Eon's fourth-quarter results are out on Wednesday and German power utility RWE is reporting its full-year results on Thursday.

Security services provider G4S, which issued a profit warning in November, releases its preliminary results on Tuesday, while Capita Group, the UK's biggest outsourcer, releases its full-year financial results on Thursday.

Supermarket chain Wm Morrison releases its preliminary results on Wednesday, US software company Adobe Systems publishes first-quarter results on Thursday, Hong Kong's Cathay Pacific announces full-year final results on Wednesday and German flag carrier Deutsche Lufthansa releases fourth-quarter and 2018 full-year results on Thursday.

Economic data

The German economy ministry releases the **industrial production and trade balance** figures for January on Monday. Industrial output fell 0.4 per cent month on month for December and 1.9 per cent in November in the latest sign of a slowdown in Europe's biggest economy.

The ONS will publish its January **estimate of UK GDP** on Tuesday. The economy grew 0.2 per cent in the fourth quarter of 2018, but contracted 0.4 per cent in December, which helped push growth for the year down to 1.4 per cent, the lowest since 2009. UK **industrial production**, **construction output** and **trade** figures are also out on the same day.

The US Bureau of Labor Statistics publishes the **producer price indices** for February on Tuesday and the **industrial production** report on Friday.

Analysts will be watching **eurozone industrial production** figures for January on Wednesday. Last month's release saw production slide for the second month in a row in December, highlighting the effect of sluggish global demand and political uncertainty.

China's **industrial production figures**, which are published on Thursday, will give an indication of how the world's second-largest economy is being affected by its trade war with the US. The January and February data are expected to be slightly weaker at 5.5 per cent year on year, down from December's 5.7 per cent.

Cheltenham Festival

The Cheltenham Festival, one of the highest profile National Hunt horseracing events in the country, starts at Cheltenham Racecourse on Tuesday. The four-day event, attended by about 233,000 people, had been in doubt after six days' of fixtures were cancelled last month in an attempt to contain an outbreak of equine influenza. The horseracing industry is worth more than £1bn to Britain's economy.

- UK horseracing to restart on Wednesday as it fights flu outbreak

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