The Week Ahead **Companies**

Brexit deal vote, ECB meeting, Inditex results

Your FT guide to this week's big events

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YESTERDAY

The big Brexit vote finally arrives for British MPs, who are set to decide whether to accept or reject Theresa May's withdrawal agreement with the EU on Tuesday. The prime minister is likely to be defeated, with many so-called Brexiters within Mrs May's own party, as well as the Democratic Unionist party that is propping up her minority government, vowing to vote against the deal. Their main concerns centre around a backstop in the agreement, designed to avoid a hard border between Ireland and Northern Ireland — which critics believe will force Britain into close ties with the EU for the foreseeable future.

It's also a big week for the euro, with the monetary guardians of the single currency area set to explain how they plan to support the region's economy without one of the most crucial elements of their crisis-era stimulus when they give their decision on Thursday. Mario Draghi, president of the European Central Bank, is likely to say in the afternoon that while investors in the region's bond markets will have to manage with less of policymakers' support, credit will remain much cheaper than in other parts of the world such as the US. The expected decision to halt the expansion of the €2.6tn bond buying quantitative easing plan comes as growth across the 19 member states that use the currency is faltering. Growth was at its lowest level in four years in the fourth quarter and many economists think that the region's third-largest economy, Italy, is now heading for a recession.

Markets Questions

Currency traders brace for more Brexit volatility

Comparative advantage — your weekly briefing on the UK economy

How is Brexit uncertainty affecting the UK economy?

Economic calendar

A comprehensive guide to the week's economic events

Monday

ARTICLE 50 VERDICT

The European Court of Justice is set to rule on whether Article 50 — the mechanism by which a country gives notice of its intention to leave the EU — can be unilaterally revoked. The ECJ's advocate general has already argued that judges should allow for the unilateral revocation of the Article 50 exit clause, which was invoked by the UK in 2017, rather than see it as a request subject to EU approval. While non-binding, the views of advocates general are followed in most ECJ rulings. Such a ruling would mean the British parliament could in effect prevent a no-deal Brexit by ordering the government to revoke Article 50, opening a way for MPs who are against a no-deal Brexit to impose their will on negotiations.

- ECJ's top legal adviser says UK can unilaterally end Brexit

CORPORATE NEWS

SoftBank is set to price its domestic telecoms unit's initial public offering. The company is also expected to announce the sale of additional shares in an over-allotment because of solid retail investor demand.

- Banks agree cut-price fees for SoftBank mobile IPO

Tokyo prosecutors plan to indict former Nissan Motor chairman **Carlos Ghosn** and representative director **Greg Kelly** for alleged financial misconduct.

- Carlos Ghosn exit

ECONOMIC DATA

UK: GDP, Index of Services, Production and Construction The amount of goods and services produced in Britain grew 0.6 per cent in the third quarter of the year, following 0.4 per cent in the previous three months, and considerably higher than the recent trend. But the economy lost momentum towards the end of the third quarter: growth in gross domestic product fell to zero in August and September. Expectations are that it has continued to slow in the fourth quarter and analysts forecast 0.1 per cent monthly growth, giving a quarterly rate of 0.4 per cent.

Services and manufacturing PMIs both fell in October, amid political uncertainty and slowing growth elsewhere in Europe. Analysts expect a slight uptick in services growth but this largely reflects the partial reversal in car sales, after a big fall in September on the back of new regulatory changes. Despite this, retail sales volumes fell in October, and the broader picture is one of slowing growth.

- UK economy grows at fastest rate since 2016

Tuesday

CORPORATE NEWS

Sundar Pichai, **Google** chief executive, testifies before the US House judiciary committee. The wide-ranging hearing is likely to see Google criticised for working on a censored search engine for China and face allegations that it suppresses certain results for political reasons. Mr Pichai had refused to testify alongside Twitter's Jack Dorsey and Facebook's Sheryl Sandberg in front of the Senate intelligence committee in September, with the search engine giant trying to distance itself from the scandals surrounding Facebook. The hearing was originally scheduled for Wednesday but was delayed as it conflicted with a day of mourning for former president George HW Bush.

- Google chief prepares to testify before Congress

ECONOMIC DATA

Germany: ZEW Survey German analysts' assessment of the current economic situation in the country, which has been on a downward trajectory since the beginning of the year, recorded a further decline of nearly 12 points, from 70.1 to 58.2, in October, the lowest level since September 2016. But the headline indicator of economic sentiment improved marginally by 0.6 points and now stands at -24.1, above the -25 forecast by analysts. For December, the expectations index is forecast to fall slightly to -24.0. The measure of current conditions, which is still way above its long-term average, is expected to fall from 58.2 to 55.6.

- German economy

Wednesday

COHEN SENTENCING

Michael Cohen, US president Donald Trump's former attorney, is scheduled to be sentenced in federal court for tax fraud, making false statements to a financial institution, wilfully causing an illegal campaign contribution and making an excessive campaign contribution.

- Prosecutors call for 'substantial' prison term for Michael Cohen

CORPORATE NEWS

Recommended

Spanish fashion conglomerate **Inditex (Q3)** reports after a tough 18 months, with margin worries and weak emerging market currencies sending shares down some 25 per cent. But business results at the

world's largest apparel retailer, best known for its Zara brand, seem to have shrugged off the gloom and the company is predicting a third consecutive jump in margins.

Thursday

EUROPEAN COUNCIL MEETS

EU leaders are set to hold a two-day meeting where there will be the "first substantial exchange of views" on the EU budget to cover 2021-2027, which is due to be agreed next year. The €12bn-a-year gap in the budget the UK's departure will bring is no doubt up for discussion, as will the European Commission's proposals to shift spending away from the Common Agricultural Policy and the Cohesion Policy towards research and development. Talks are also likely to cover deepening the monetary union, including plans to beef up the European stability mechanism, which could move it towards becoming a true lender of last resort. Brexit negotiations are not on the formal agenda, but discussions on whether talks on the Brexit deal can be reopened would be likely if the UK government loses its December 11 vote.

- Eurozone reform deal: what was agreed and what was put on hold

Friday

ECONOMIC DATA

US retail sales US consumers reopened their wallets in October, helping retail sales bounce back from two consecutive months of soft and sliding readings. For this release investors will watch how key categories such as online shopping, general merchandise stores and food services fared. November's total retail sales are forecast to rise 0.2 per cent and ex-autos sales to rise 0.3 per cent.

- US retail sales bounce back in October

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