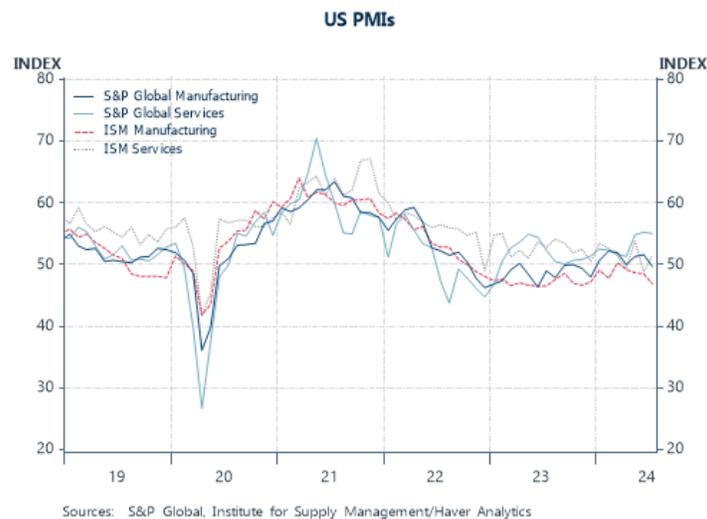


The week ahead

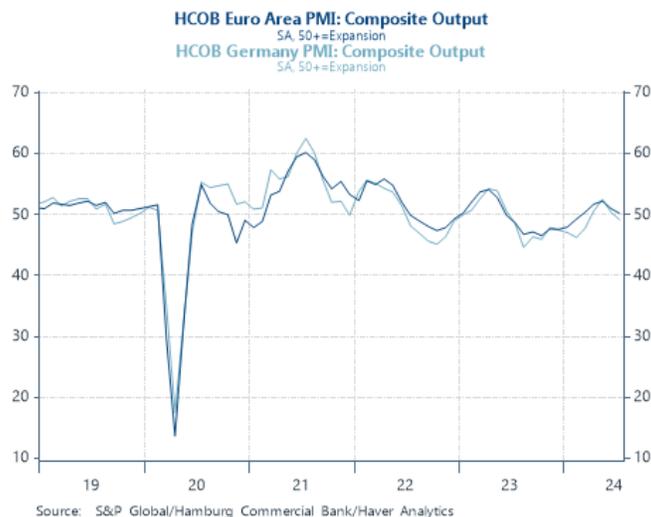
United States

The US is set for a relatively quiet week in terms of economic data, with only a few housing-related data releases and the flash S&P Global PMIs for August of note. The S&P Global gauges signaled a slowdown in economic activity in July, with both the manufacturing and services PMIs showing moderation. However, this trend was somewhat at odds with the ISM indices, which reported a rebound in US services sector activity during the same period..

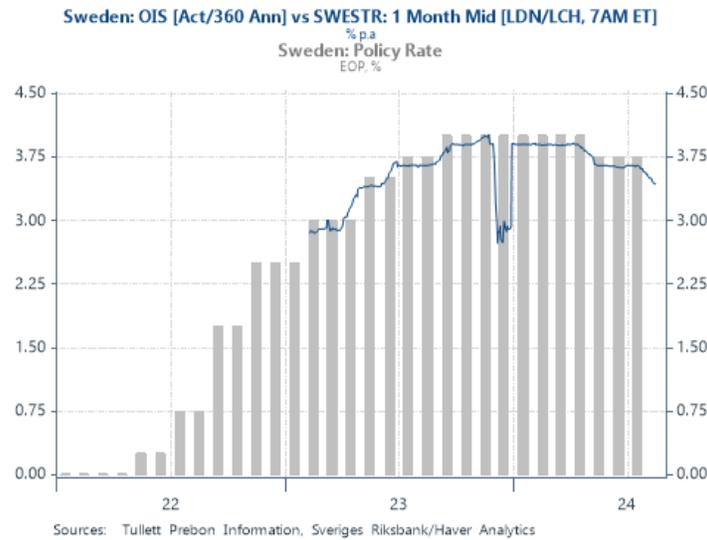


Euro Area

Attention in Europe will also likely be focused on the upcoming flash PMI readings for August. Germany, in particular, is expected to attract significant scrutiny, as it has been a drag on the broader Euro area and continues to struggle with economic performance. The PMI data from July indicated a worsening economic situation in Germany, with its manufacturing sector sinking deeper into contraction and the services sector experiencing a deceleration in growth.



In addition to the PMI readings, investors will be keenly watching Sweden’s interest rate decision, which is scheduled for Tuesday. The Riksbank has faced increasing pressure to implement additional easing measures due to an underperforming Swedish economy. Market expectations now suggest a notable possibility of a rate cut larger than 25 bps during this August meeting.



Asia Pacific

A series of interest rate decisions are scheduled next week in Asia, with China, Indonesia, Thailand, and South Korea all set to announce their latest monetary policy moves. The key question for China is whether it will cut its Loan Prime Rates (LPR) further, following the unexpected rate reductions in July. However, it remains uncertain whether such cuts will effectively address ongoing weaknesses in the Chinese economy, particularly in the property sector. In Indonesia, the central bank may consider rate cuts once the Fed begins its easing cycle, with the Governor having previously indicated that rate reductions are likely to start in Q4 of this year. In Thailand, it remains unclear how the central bank will act in the immediate future, especially given the fresh political uncertainties highlighted earlier. In South Korea, the potential for rate cuts is overshadowed by concerns over rising house prices. In addition to these rate decisions, investors will also be closely watching the flash PMI readings for August.

