

# Week Ahead Economic Preview

- The Fed, BOJ and BOE decide on monetary policy
- Worldwide PMI survey releases to provide insights into global growth trends at start of Q4
- Euro area GDP, inflation and unemployment
- US nonfarm payrolls and wage data

The Federal Reserve, Bank of Japan and Bank of England will be in particular focus, with markets eagerly awaiting fresh signals of tighter monetary policy. Elsewhere, third-quarter GDP estimates are released for the eurozone and several member countries, while worldwide PMI surveys will offer all-important steers on how the global economy has fared at the start of the fourth quarter.

US nonfarm payrolls and the PCE price index will provide insights into post-hurricane stateside economic trends, while the euro area also sees the release of inflation and employment data.

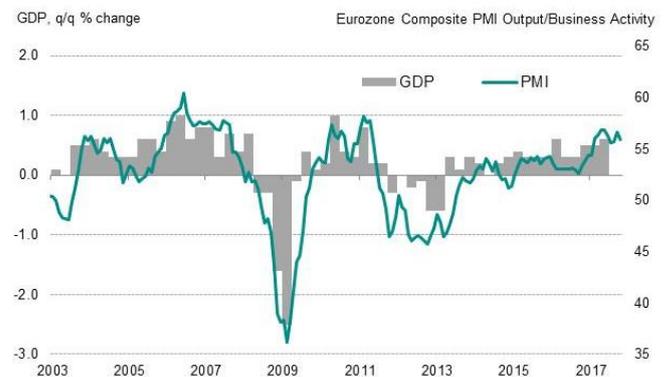
## No action expected at FOMC

The Fed policy meeting next week is unlikely to see any action, but analysts will closely monitor the policy statement for clues as to the timing of the next rate hike. The US central bank is widely expected to raise the Fed Funds rate at the December meeting, with [markets highly confident of a rate move](#).

Recent economic data support the case for a December policy move. [Flash US survey data](#) indicated that the US economy made a strong start to the final quarter, supported by an encouraging rebound in manufacturing production.

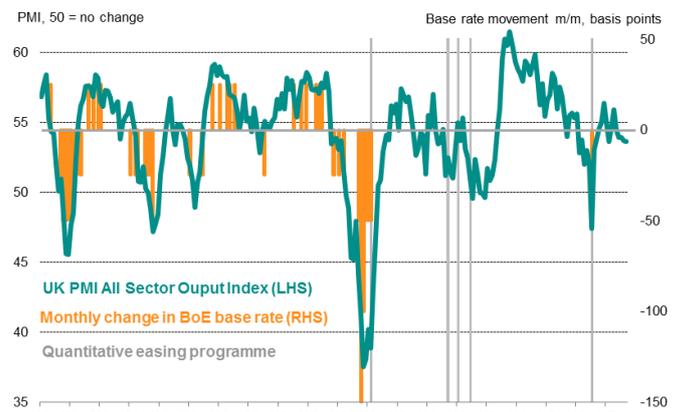
Policy watchers will therefore be eager for further signs of the economy being back on track for tighter policy and another rate hike, following the hurricane-related disruptions in the third quarter. Key economic data releases include the employment report, which details nonfarm payrolls and wage growth, as well as PCE price data and the final October PMI numbers from IHS Markit.

## Eurozone PMI and economic growth



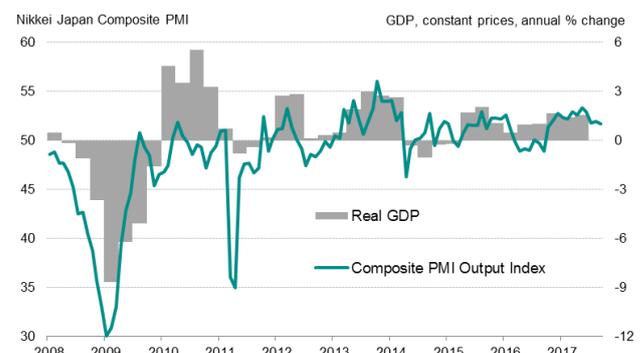
Sources: IHS Markit, Eurostat

## Bank of England policy decisions and the PMI



Sources: IHS Markit, BoE

## Japan PMI and economic growth



Sources: IHS Markit, Nikkei, Japan Cabinet Office

## Euro area GDP and jobs

Eurostat will announce its preliminary estimate of third quarter eurozone GDP, where historical comparisons with PMI data indicate a quarterly growth rate of 0.7%. Analysts are also anticipating a drop in the unemployment rate, reflecting a strong trend of job creation as signalled by recent PMI surveys. At the recent ECB policy meeting, the central bank's decision to scale down its asset purchase programme, starting next year, signals its growing confidence that inflation will reach its 2% target. October inflation data will therefore be another key data highlight.

## BoE rate hike likely after GDP data

In the UK, a slightly stronger-than-expected flash estimate of third quarter GDP has likely bolstered the views of the hawks on the Monetary Policy Committee, thus raising the likelihood of interest rates increasing for the first time in a decade next week. Other key data highlights include housing prices, mortgage data and consumer confidence.

## Bank of Japan

The Bank of Japan is deciding on monetary policy, but expectations are for an unchanged decision as underlying inflation remains low and well below the 2% target. At the same time, the BOJ will release its quarterly outlook report. The Japanese economy continued to enjoy a solid pace of growth at the start of the fourth quarter, with [flash Japan manufacturing PMI](#) signalling another robust improvement in the sector during October. Attention next week will be on retail sales, housing spending and housing statistics.

## Monday 30 October

Japan retail sales (Sep)

Germany retail sales (Sep) and flash inflation (Oct)

UK Nationwide House Price Index (Oct), mortgage data (Sep)

Spain GDP (Q3)

Euro area business confidence (Oct)

US core PCE price index, personal income and spending (Sep)

Brazil consumer confidence (Oct)

## Tuesday 31 October

South Korea business confidence (Oct), industrial production and retail sales (Sep)

Japan household spending, unemployment rate, industrial production (Sep)

BOJ monetary policy decision and quarterly outlook report

Australia private sector credit (Sep)

Taiwan GDP (Q3)

UK consumer confidence (Oct)

France GDP (Q3) and inflation (Oct)

Euro area GDP (Q3), inflation (Oct) and unemployment rate (Sep)

US home prices (Aug) and Chicago PMI (Oct)

## Wednesday 1 November

IHS Markit Manufacturing PMI surveys (Oct)

South Korea, Thailand and Indonesia inflation (Oct)

Brazil industrial production (Sep) and balance of trade (Oct)

US ADP employment (Oct)

US FOMC monetary policy decision

## Thursday 2 November

IHS Markit Manufacturing PMI for Germany, Italy, France, Spain, eurozone, ASEAN and Global (Oct)

Australia balance of trade and building permits (Sep)

Germany unemployment rate (Oct)

BoE monetary policy decision and quarterly inflation report

## Friday 3 November

IHS Markit Services and Whole Economy PMI surveys (Oct)

Malaysia balance of trade (Sep)

Russia inflation (Oct)

US trade (Sep), nonfarm payrolls and average earnings (Oct)

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