

Week Ahead Economic Preview

- Flash PMI surveys for the US, eurozone and Japan
- UK unemployment and earnings
- Japan inflation figures

Flash February PMI releases will provide all-important insights into first quarter economic growth and price trends of major economies. UK labour market data will be keenly watched for clues of reviving wage growth. Other key data highlights include Japan's inflation figures, UK business investment and US existing home sales.

The [global economy](#) started 2018 with accelerating momentum. All major advanced economies remained firmly in expansion mode, with the eurozone extending its lead as growth rates eased in both the US and the UK. Analysts will keenly watch the flash February PMI data for further clues of first quarter economic performance.

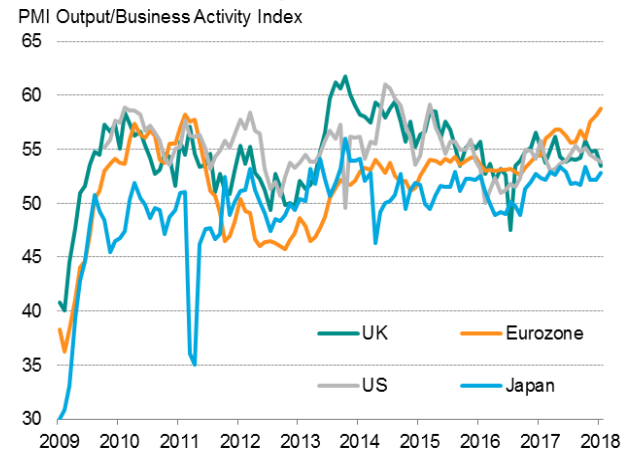
UK labour market update

In the UK, wage data will be a big influence on future monetary policy as policymakers remain concerned about the extent to which [higher prices](#) and falling real pay will continue to erode consumer spending power. At the same time, the IHS Markit UK Household Finance Index will provide an indication of consumer spending patterns and finances. [January HFI figures](#) revealed that pressures on UK household finances intensified at the fastest pace in four months. Other key data releases include business investment for the fourth quarter of 2017, which could signal the degree to which Brexit uncertainty has held back capital spending.

Japan inflation

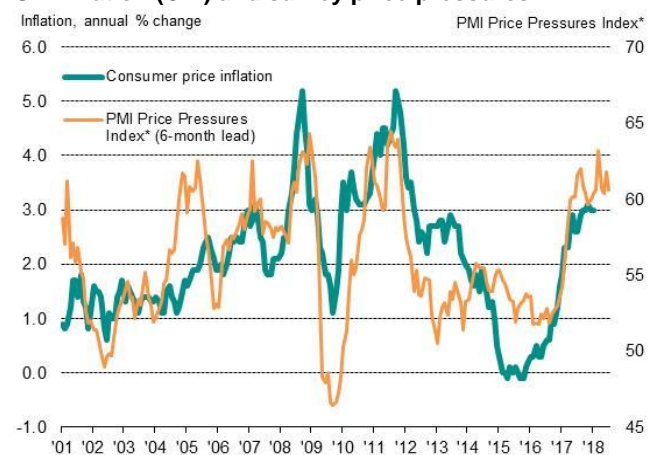
In Japan, the Nikkei Flash Manufacturing PMI for February will provide an important lead as to first quarter GDP. In the same week, inflation figures will also be released. [January PMI data](#) showed firms' cost pressures running at their highest for over nine years, which pushed them to raise selling prices to the greatest extent since the sales tax hike in 2014, suggesting that headline inflation will likely move higher in 2018. Rising inflationary pressures will add to expectations that the Bank of Japan could soon start to adopt a more hawkish tone.

PMI performance of major developed markets



Sources: IHS Markit, CIPS, Nikkei

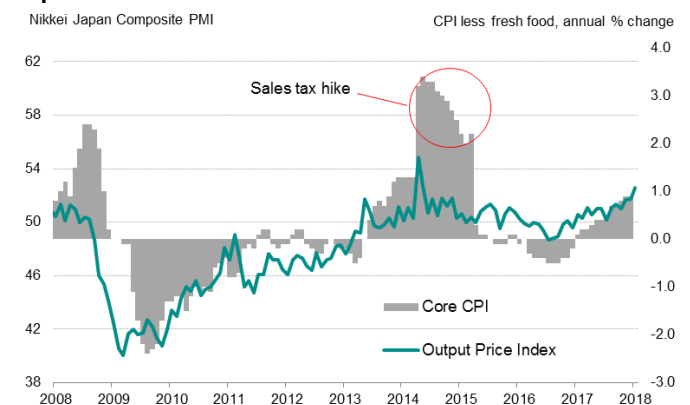
UK inflation (CPI) and survey price pressures*



*A PMI index of price pressures constructed from indicators of input costs in manufacturing, services and construction, blended with the manufacturing PMI suppliers' delivery times index (which acts as a proxy for the amount of spare capacity in the economy).

Sources: ONS, IHS Markit

Japan PMI and inflation



Sources: IHS Markit, Nikkei, MIAC

Continued...

Monday 19 February

IHS Markit UK Household Finance Index (Feb)
Japan trade (Jan)
Thailand GDP (Q4)
Euro area current account and construction output (Dec)
Brazil business confidence (Feb)
Russia unemployment rate, retail sales and real wage growth (Jan)

Tuesday 20 February

RBA meeting minutes
Germany PPI (Jan), ZEW surveys (Feb) and consumer confidence (Mar)
Euro area ZEW surveys and consumer confidence (Feb)

Wednesday 21 February

IHS Markit flash PMI surveys for Japan, US, Eurozone, Germany and France (Feb)
Australia wage price index and construction work done (Q4)
UK unemployment rate and average earnings (Dec), and claimant count change (Jan)
ECB non-monetary policy meeting
US existing home sales (Jan)

Thursday 22 February

Australia private capital expenditure (Q4)
Thailand trade (Jan)
UK GDP (Q4 2nd est)
UK business investment (Q4 preliminary)
Germany IFO surveys (Feb)
France and Italy inflation (Jan final)
US Kansas Feb manufacturing index (Feb)

Friday 23 February

Japan inflation (Jan)
Taiwan industrial production and retail sales (Jan), and current account (Q4)
Germany GDP (Q4 final)
Euro area inflation (Jan final)

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