

# Week Ahead Economic Overview

- **Worldwide PMI surveys to provide clues on global economic growth and inflation trends**
- **Q1 GDP releases for euro area and Indonesia**
- **The Fed and RBA set monetary policy**

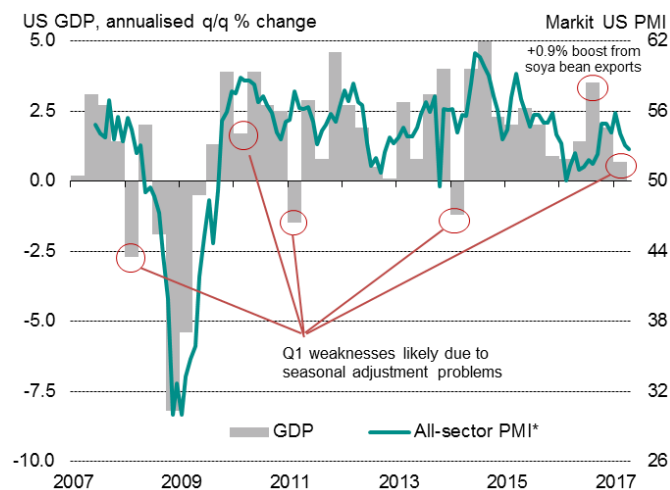
Worldwide PMI survey releases will provide important signals on global economic and inflation trends at the start of the second quarter, thereby giving an early indication for the direction of growth and future central bank policy. The Federal Reserve and the Reserve Bank of Australia will also set monetary policy next week. Other key data highlights include Indonesia's first quarter GDP numbers and US nonfarm payrolls data.

Second quarter economic growth figures are likely to be key to future policy decisions at major central banks, notably the US, UK and eurozone, so PMI signals for April will be closely watched. US GDP is widely expected to rebound in the second quarter, but there are signs of further slowdown in April which muddies the picture. [Flash PMI surveys](#) signalled the slowest expansion in output since September 2016. Updated data from IHS Markit's PMI surveys and the ISM on the health of the US economy, as well as nonfarm payroll data will offer important clues to policymakers and the markets. The flash surveys and recent economic signals, including US first quarter GDP, have casted some doubts on the Fed's ability to raise interest rates twice more this year. The US central bank will decide on monetary policy next week.

ECB watchers will meanwhile be eyeing the final PMI data as well as first quarter euro area GDP, retail sales, producer prices and employment data.

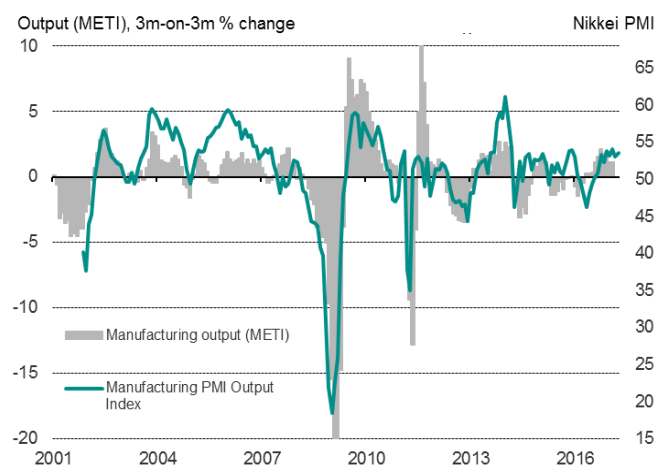
GDP data are expected to show euro area growth accelerating (the PMI points to a 0.6% expansion), and if flash April PMI results are confirmed by the final numbers, the increasingly strong growth rates and inflation trends may add to calls for the ECB to start adopting a hawkish stance, especially after the French elections.

## Markit US PMI and GDP

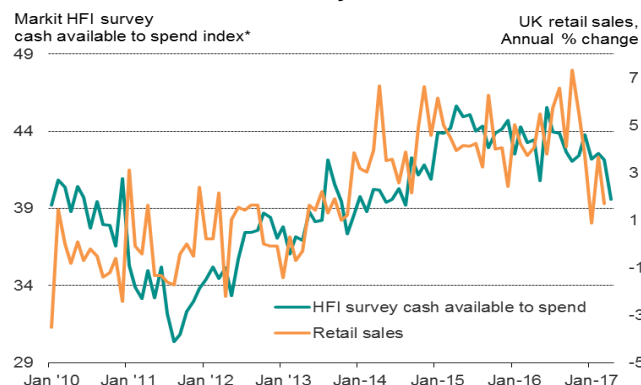


Sources: IHS Markit, Commerce Department

## Japan manufacturing output and PMI



## UK Household finance survey



Based on monthly survey of 1500 households. Seasonally adjusted index, 50 = no change  
\* Compared to one month ago how has the amount of cash your household has available to spend changed?

While the European Central Bank (ECB) kept monetary policy unchanged this week, ECB president Mario Draghi acknowledged that downside risks were now less severe. However, the ECB continued to hold back from signalling a tightening bias, remaining unconvinced of the durability of the upward price trend.

Updated UK PMI data will also provide an early look into where growth and inflation are heading. The UK economy grew a sluggish 0.3% in the first quarter, as the [downturn in the retail spending](#) acted as a drag on growth. Consumption is increasingly under pressure as rising prices and weak pay growth squeeze spending power, a trend which looks to have continued into the second quarter. However, a strengthening of the March services PMI suggested that a further slowdown in the second quarter is by no means a sure thing.

PMI data will also be scrutinised for signs that prospects of the Japanese economy have continued to brighten. [Flash Manufacturing PMI](#) data indicated that the robust expansion of the sector seen so far this year has been sustained into the opening month of the second quarter, which justified recent upgrades to the Bank of Japan's growth forecasts.

China PMI data will also be updated and gleaned for indications as to whether the uptick in economic growth in the first quarter has rolled over into April.

The ASEAN manufacturing economy gained momentum in the first quarter, supported primarily by domestic demand. Updates to the Nikkei ASEAN PMI will indicate whether the region will build on the first quarter growth in April.

### Monday 1 May

PMI results for Canada, Japan, the Netherlands and US are published by IHS Markit.

South Korea updates trade figures.

Thailand releases its latest inflation data.

US issues latest PCE price indexes, construction spending, and personal income and spending numbers.

### Tuesday 2 May

Worldwide manufacturing PMI results are published by IHS Markit.

Latest inflation numbers for South Korea and Indonesia are issued.

Reserve Bank of Australia sets key interest rate.

BOJ March monetary policy meeting minutes are published.

Eurostat issues latest employment data.

Germany's employment data are updated.

### Wednesday 3 May

PMI data for Vietnam, UAE, Egypt, Saudi Arabia and Egypt are released.

Markit/CIPS UK Construction PMI results are published.

In Spain, consumer confidence data are out.

Eurozone flash Q1 GDP figures and producer price data are released.

US services PMI and mortgages data are made available.

The Federal Reserve decides on monetary policy.

### Thursday 4 May

IHS Markit releases its latest set of worldwide services data for April.

Latest retail sales figures for euro area and France are out.

Italian industrial production data are updated.

Latest UK mortgage and consumer credit data are released.

US sees latest figures on trade and factory orders.

### Friday 5 May

Hong Kong PMI is published alongside manufacturing PMI for Myanmar and ASEAN.

Taiwan and the Philippines update inflation numbers.

Indonesia announces GDP data for first quarter.

Malaysia's trade data for March are released.

Spain issues latest industrial production numbers.

US nonfarm payrolls data and wage figures are announced.

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