

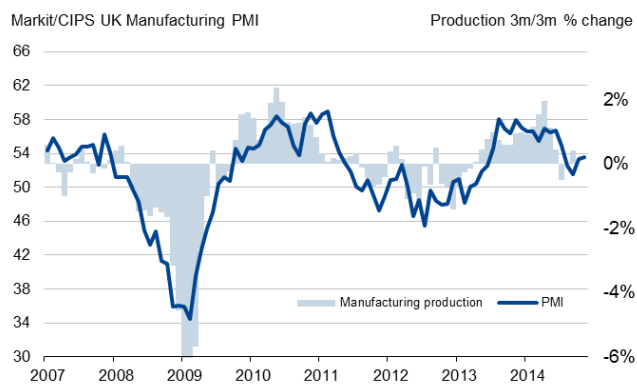
# Week Ahead Economic Overview

- Industrial production numbers across Asia and Europe
- Eurozone unemployment update
- US retail sales data

The week sees the release of industrial production figures for a number of countries across the globe, including China, Japan, the UK and the euro area. The currency union also updates its unemployment data, while retail sales figures are out in the US.

Industrial production numbers and trade data are updated in the **UK**. The [UK industrial sector rebounded in September](#) after a disappointing August, but the pace of expansion has slowed discernibly since earlier in the year. Survey data had indicated a slump in manufacturing output growth to a 17-month low in September, but encouragingly the PMI has also indicated a revival of growth in October and [November](#).

## UK industrial production and the PMI



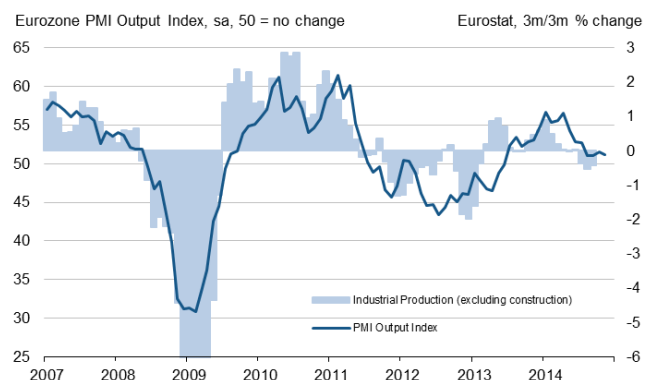
Sources: Markit, ONS.

The [UK's trade deficit widened in September](#), hit by weak exports to the European Union and rising imports of oil, and survey data suggest there is little scope of significant improvement in the updated numbers for October. [PMI data](#) have signalled a continuation of the weak trend in new export orders, with client demand from foreign markets decreasing for the third month in a row.

Further insight into how the UK economy is performing in the fourth quarter is also provided by construction output data for October.

The **eurozone** likewise sees the release of industrial output numbers for October. [September data showed a 0.6% rise](#), representing a disappointing rebound following a 1.4% decline in August. Production was down 0.4% in the third quarter as a whole and further disappointing data are expected for the fourth quarter. [Markit's PMI data showed eurozone manufacturing stagnating in November](#), with France, Italy and Germany all contracting. The renewed weakness has been a key factor behind the European Central Bank's decision to take further action to stimulate the region's economy.

## Eurozone industrial production and the PMI



Sources: Markit, Eurostat.

Unemployment numbers are also updated in the currency union. In October, the jobless rate held steady at 11.5%, but unemployment remains worryingly high in the South of the eurozone, with the jobless rate in Italy hitting a record high. [PMI data signal a relatively muted trend for employment](#) in November, with marginal job growth reported for the region as a whole.

Other important releases in the euro area include inflation numbers and trade balance data for France and Germany.

Industrial production numbers for November are released in **China**, and policymakers will be looking for signs that growth has picked up further since hitting a [post-crisis low in August](#). While the rate of industrial output growth accelerated from August's low of 6.9%, the [7.7% increase in October](#) was still the second-

weakest since 2009. The HSBC China Manufacturing PMI™ fell to a six-month low of 50.0 in November, suggesting that industrial output growth is likely to slow again towards the end of the year.

Some respite from **Japan's** flow of downbeat economic data may come in the form of an upward revision to third quarter GDP when a second estimate is released by the Cabinet Office. The initial estimate showed Japan falling into a [renewed recession in the third quarter, with GDP down 0.4%](#), but PMI survey data have been more upbeat, suggesting the economy returned to growth.

Japan also sees the release of industrial production data for October, which will provide an insight into fourth quarter growth trends. [Latest PMI data](#) have been reasonably buoyant, showing manufacturing production rising further in November on the back of improved export performance, in turn linked to the falling yen.

Retail sales numbers for November are released in the **US** and will give further insights into the health of the US economy moving towards the end of the year. Extreme weather and signs of slower growth in the [PMI business surveys](#) suggest spending may have slowed, after [US retail sales had picked up in October](#).

### Monday 8 December

The UK & English Regions Report on Jobs and global sector PMI data are released by Markit.

In Japan, current account numbers and the Reuters Tankan Index are out alongside a second estimate of third quarter GDP.

Trade data are meanwhile issued in China.

South Africa sees the release of current account data.

Industrial production numbers are out in Germany, while Sentix investor confidence data are issued for the eurozone.

The Bank of England publishes its final Quarterly Bulletin for 2014.

In Canada, building permit figures are issued.

The Labor Market Conditions Index is out in the US.

### Tuesday 9 December

The National Australia Bank releases data on business confidence.

Trade balance data are meanwhile out in Germany and France with the latter also seeing the release of budget balance information.

Inflation numbers are published in Greece.

The British Retail Consortium issues retail sales numbers for the UK, while the ONS publishes industrial production data.

Manufacturing output figures are out in South Africa.

In the US, wholesale sales numbers, the NFIB Business Optimism Index and the IBD/TIPP Economic Optimism Index are issued.

### Wednesday 10 December

The latest UK Commercial Development Activity Report is released by Markit and Savills.

Consumer sentiment data are issued in Australia, while Japan sees the release of business confidence numbers.

Inflation numbers are published in China and South Africa.

Trade data are meanwhile out in India, Russia and the UK.

Iceland's Central Bank announces its latest interest rate decision.

Industrial production numbers are released in Greece and France, with the latter also seeing the publication of non-farm payroll data.

### Thursday 11 December

The Reserve Bank of New Zealand announces its latest interest rate decision.

Australia sees an update on employment numbers.

Machinery order figures are meanwhile out in Japan.

Revised third quarter GDP data are released in Russia.

In South Africa, producer price figures are issued.

The Royal Institution of Chartered Surveyors publishes housing price balance data.

Inflation numbers are published in Germany and France, while Greece sees an update on its unemployment rate and industrial output data are out in Italy.

The European Central Bank publishes its Monthly Bulletin.

---

The Swiss National Bank releases its latest monetary policy assessment, and the Norwegian Central Bank's policy-setting executive board holds an interest rate meeting.

Import and export price numbers, retail sales figures and initial jobless claims are all out in the US.

Statistics Canada meanwhile update their New Housing Price Index.

## Friday 12 December

Industrial output figures are out in Japan, India and China, with the latter also seeing the release of retail sales numbers.

France sees the release of current account data.

Inflation numbers are meanwhile issued in Italy and Spain, while wholesale price data are published in Germany.

In the eurozone, industrial output numbers and employment data are released.

Construction output figures are issued in the UK.

Producer price data are out in the US.

---

## Oliver Kolodseike

### Economist

Markit

Tel: +44 149 1461 003

Email: [oliver.kolodseike@markit.com](mailto:oliver.kolodseike@markit.com)

For further information, please visit [www.markit.com](http://www.markit.com). The intellectual property rights to the report provided herein are owned by or licensed to Markit Economics Limited. Any unauthorised use, including but not limited to copying, distributing, transmitting or otherwise of any data appearing is not permitted without Markit's prior consent. Markit shall not have any liability, duty or obligation for or relating to the content or information ("data") contained herein, any errors, inaccuracies, omissions or delays in the data, or for any actions taken in reliance thereon. In no event shall Markit be liable for any special, incidental, or consequential damages, arising out of the use of the data. *Purchasing Managers' Index*™ and *PMI*™ are either trade marks of Markit Economics Limited or are licensed to Markit Economics Limited. Markit is a registered trade mark of Markit Group Limited.