

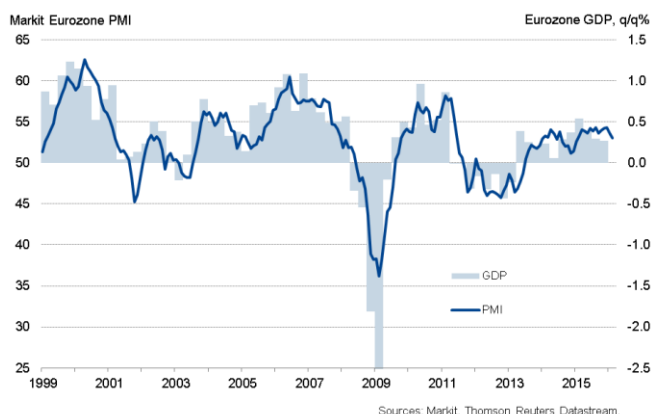
Week Ahead Economic Overview

- Revised fourth quarter GDP figures for the eurozone and Japan
- ECB monetary policy announcement
- Industrial production updates in the UK, Germany, Italy and Spain
- CPI data for China are released

All eyes will be directed towards Frankfurt next Thursday as markets await the latest ECB monetary policy decision. Beforehand, revised eurozone GDP figures are released alongside an announcement on industrial production figures for a handful of euro area economies and the UK. Finally, Chinese inflation figures are issued, providing an insight into demand conditions within the world's second-largest economy.

Eurozone policymakers will be looking for positive news from revised GDP figures to soothe the disappointment from recent data releases. Initial estimates showed a 0.3% expansion in the region for the fourth quarter, indicating underwhelming growth of 1.5% over 2015 as a whole. Meanwhile, February PMI results also looked gloomy. Markit's [Eurozone PMI fell to a 13-month low](#), signalling both a slowdown in the region and intensifying deflationary forces.

Eurozone economic growth and the PMI



Despite recent best efforts by ECB president Mario Draghi to resuscitate the sluggish eurozone economy, there have been few encouraging signs that headwinds have eased. In addition to the weak PMI data, deflation has returned with consumer prices falling 0.2% on a year ago in February. Analysts

therefore widely expect further monetary stimulus by the ECB. As a result, next Thursday's policy meeting will be one of the most important in the bank's history, with the outcome likely to prove pivotal to the health of the region over the remainder of the year.

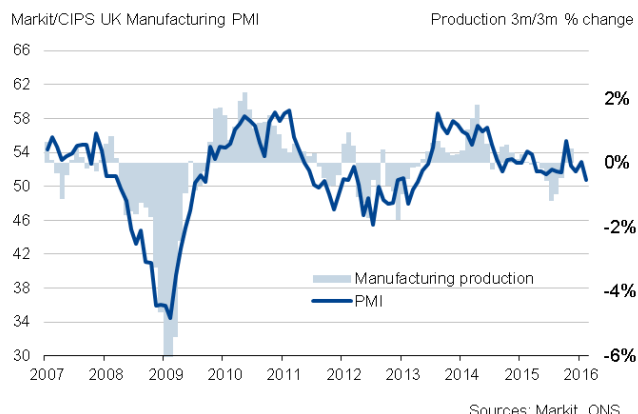
The release of latest industrial production figures for Germany and Spain will also be scrutinized by the ECB ahead of next Thursday's meeting. [Both of these economies have enjoyed contrasting success of late](#). A solid 3.7% increase in Spanish industrial production outshone the -1.2% contraction reported for Germany. Better than expected results could soften the extent of possible ECB action.

In Japan, analysts are predicting that revised fourth quarter GDP figures will slip from the initial -1.4% annualised contraction reported, dealing a further blow to policymaker's attempts at reviving the economy. The current combination of monetary easing and fiscal stimulus, implemented to shake the deflation in the economy, appears to have been ineffective. The unexpected appreciation of the yen has stifled prices and exports are suffering. If the GDP figure turns out worse than anticipated, expectations could grow that the authorities will seek other options to resuscitate the flagging economy.

The announcement of China's latest consumer price figures will be carefully analysed, with data watchers looking for signs of improving demand conditions. The National Bureau of Statistics of China announced a modest 0.5% monthly increase in consumer prices for January, lower than originally expected. [China's headline PMI fell to a five-month low](#) in February, highlighting waning demand and continued deflationary pressures. Next week's updated inflation figure is anticipated to remain weak, highlighting the struggles currently facing the Chinese economy.

The UK also sees updated industrial production and construction data for January, both of which will be eyed for potential weakness after [disappointing PMI survey data](#) have signalled a slowing in the economy in the first quarter.

UK manufacturing output and the PMI



Monday 7 March

In the early hours, the AIG Construction Index is published in Australia.

An update on the Eurozone-Sentix Index is issued.

Latest German industrial orders data are out.

Italian producer prices data are released.

Tuesday 8 March

Business confidence data for Australia are made released.

In Japan, revised GDP figures are published alongside bank lending data and its Consumer Confidence Index.

Data on China's trade balance are announced.

Eurostat updates fourth quarter GDP numbers for the currency union.

Meanwhile, Germany and Spain release their latest industrial output numbers.

The US publishes its NFIB Business Optimism Index.

Wednesday 9 March

In Brazil, inflation numbers and foreign capital flows data are published.

Industrial output figures are updated in the UK.

Thursday 10 March

Inflation figures and money lending data are out in China.

Meanwhile, an update on South African and French manufacturing output is issued.

The ECB announces its latest monetary policy decision.

Trade data for Germany are published.

In Spain, retail sales figures are released.

Greece publishes credit expansion data alongside updated inflation numbers.

Friday 11 March

Industrial production and trade data are out in India..

An announcement on Russia's budget is delivered.

German and Spanish inflation figures are updated.

Meanwhile, industrial output data are issued in Italy and Greece.

In Canada, updated labour market data are released.

Latest construction output figures and trade data are issued in the UK.

Finally, the week culminates with an announcement on the US Federal Reserve budget.

Samuel Agass

Economist

Markit

Tel: +44 1491 461 006

Email: samuel.agass@markit.com

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