

Week Ahead Economic Overview

- Bank of England rate decision
- Euro area countries and UK industrial production and trade data
- RBA rate cut will be a close call

An improvement in the UK PMI surveys in April raised the bar to more stimulus from the Bank of England at its May Monetary Policy Committee meeting, the decision for which is announced on Thursday. Together with the [upturn in GDP in the first quarter](#), the MPC will likely take the view that the economy is gaining momentum and more time is needed to see the impact of its revamped Funding for Lending Scheme.

[Trade and industrial production](#) data for March are also published for the UK. The PMI survey has shown an improving trend, with the UK even leading the global PMI ranking for export growth in April. Markit's [recruitment agency survey](#) will also give the first guidance on UK employment trends in April.

Industrial production data for Germany, France, Italy and Spain are also likely to make for gloomy reading, with [survey data](#) suggesting downward trends are now evident in all four of the euro area's largest members. Final PMI data for the eurozone's service sector are also published, providing fresh insights into domestic demand in Germany, France, Spain and Italy.

Services PMI data are also published for China, India and Brazil, which will be closely watched after manufacturing data showed [production stalling](#) in the world's largest emerging markets.

China also releases trade, money supply and inflation numbers. The former were a big disappointment in March and the PMI suggests little scope for a positive surprise in April. Weaker commodity prices and spare capacity, on the other hand, are likely to have helped push inflation down.

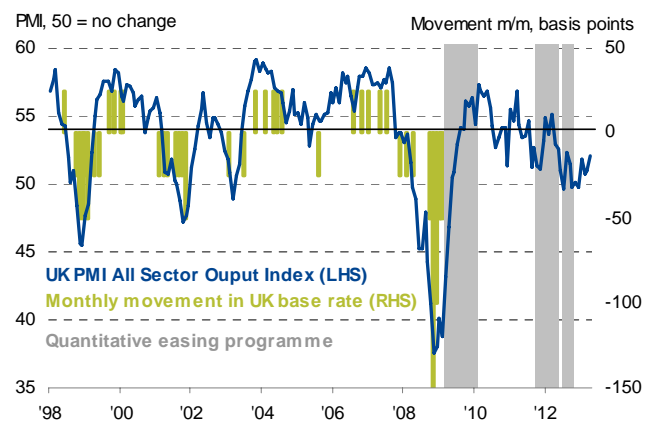
The gloomy global picture has lifted the likelihood of the Reserve Bank of Australia cutting its main policy rate, though the consensus is currently for no change.

In Japan, the services PMI will add further indications of the extent to which 'Abenomics' is helping to revive

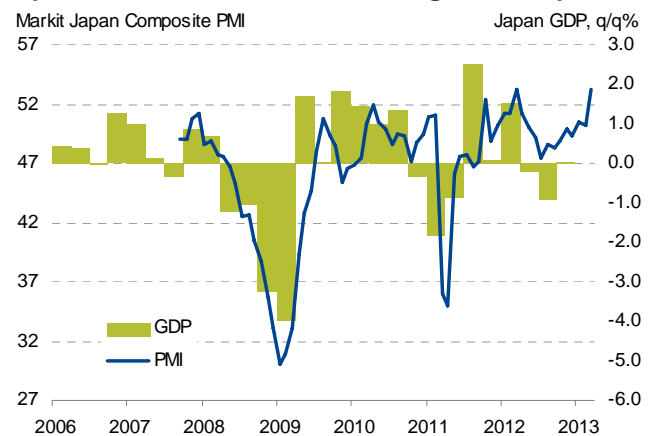
the world's third largest economy. March data had shown business growth hitting a [post-crisis high](#).

The only key data out of the US are the Federal budget, consumer credit and usual weekly jobless claims numbers.

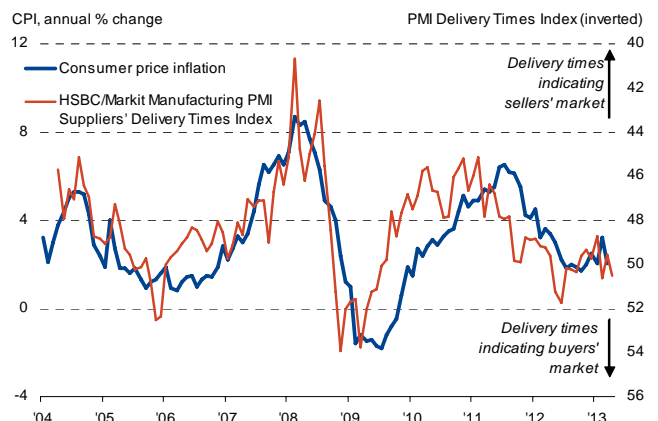
Bank of England policy and the PMI



Japan services PMI has added to growth hopes



China inflation



Monday 6 May

Services PMI data are published by Markit for the eurozone and emerging market economies, including China, India and Brazil.

The euro area also sees March retail sales data and the May sentix investor confidence indicator.

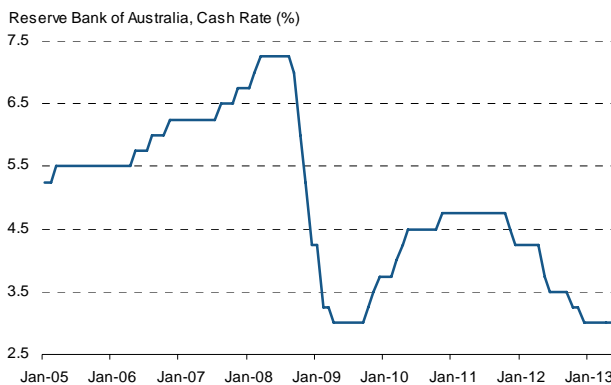
US employment trends are meanwhile published by the Conference Board.

Tuesday 7 May

A second batch of PMI data, including the Japan and global services surveys, are released by Markit on Tuesday.

The Reserve Bank of Australia meanwhile announces their latest monetary policy decision.

Reserve Bank of Australia policy rate



Source: RBA.

Industrial production figures are published in France, alongside German factory order numbers.

International trade data are also released in France, as well as in Taiwan.

In the US, IBD consumer sentiment indicators and the latest consumer credit numbers are issued.

Wednesday 8 May

Chinese international trade data are published on Wednesday.

The BRC meanwhile releases its latest retail sales monitor in the UK.

French business sentiment indicators are issued by the Bank of France, followed by German industrial production numbers.

Weekly mortgage numbers are the only notable economic release in the US.

Thursday 9 May

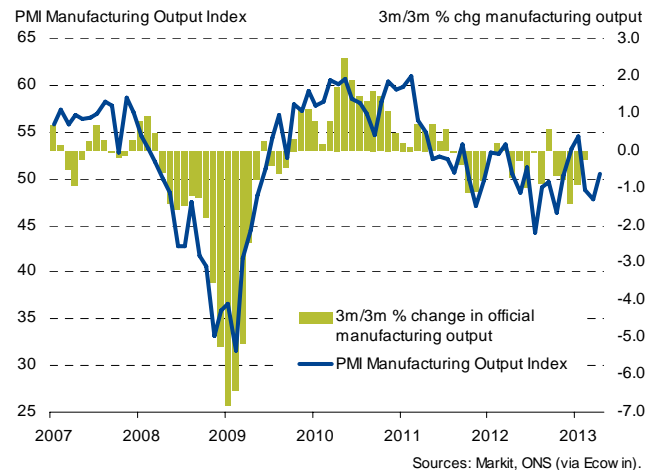
Both consumer and producer prices numbers are released in China, followed by the March preliminary estimate of the Cabinet Office's leading indicator for Japan.

Industrial output numbers are released in both Spain and the UK. The latter also sees an update on labour market conditions with the publication of the KPMG/REC report on jobs.

The Bank of England announces their latest monetary policy, as does the Bank of Korea.

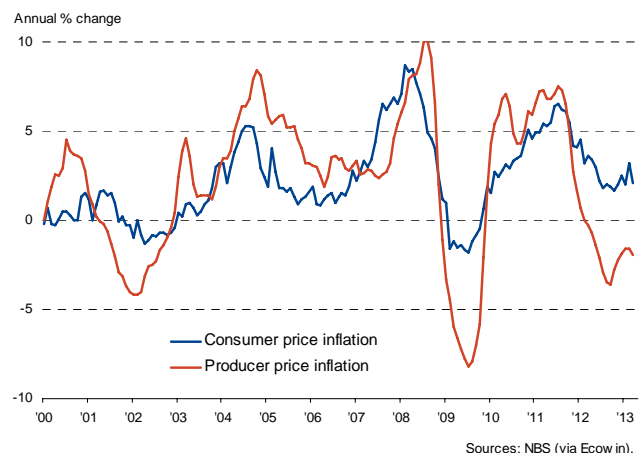
Initial jobless claims numbers and wholesale inventory figures are the main highlights in the US.

UK manufacturing output



Sources: Markit, ONS (via Ecow in).

Prices in China



Sources: NBS (via Ecow in).

Friday 10 May

Bank lending and current account data, as well as the economy watchers survey results, are all published in Japan.

Money supply figures are meanwhile issued in China.

Industrial production numbers are released in both Italy and India on Friday.

International trade data are published in both Germany and the UK.

The federal budget is released in the US, alongside Canadian unemployment data.

Markit's [commentary notes](#) and [press releases](#) can be accessed online, as can a diary of [forthcoming Markit release dates](#).

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