

Week Ahead Economic Overview

- Industrial production updates for four of the world's largest economies
- UK labour market data
- Japan GDP revision possible and BoJ meeting

The week sees important releases of official data for the US, China, eurozone and the UK, which will show how four of the world's largest economies are faring in the second quarter.

The week starts with China's inflation, industrial production, retail sales, trade and investment data being released over the weekend. Prior data showed China's industrial production growth slowing to one of its weakest rates for four years in March, and picked up only slightly in April. Retail sales growth had meanwhile been running at one of the lowest rates since 2006. Despite weak demand, inflation had picked up to 2.4%. However, falling producer prices suggest inflation could have weakened again in May.

The US also sees the publication of industrial production and retail sales numbers, which are likely to show a two-speed economy in May. [Markit's PMI](#) survey data suggest that industrial production has been on a slowing trend since the start of the year, but recent surveys of consumer confidence suggest that household spending is on the rise. An update to consumer sentiment will be provided by the preliminary reading of the University of Michigan survey for June.

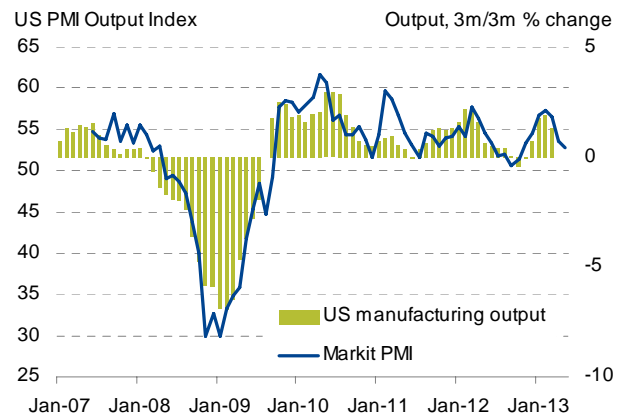
Industrial production data are also issued for the euro area, including releases for Italy and France. The [Eurozone PMI](#) has indicated an easing in the region's manufacturing downturn, though suggest that the increase in production seen in [March's official data](#) will prove short-lived, and that the underlying trend remains one of contraction.

UK industrial production data are set to show the sector stabilising, in line with recent improvements in the [PMI](#). Official UK [labour market](#) data are meanwhile likely to show modest employment growth and a drop in unemployment, but also persistent weak pay growth.

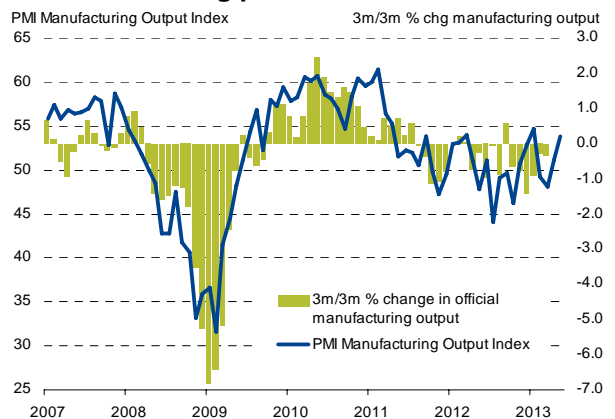
The main events in Japan are a possible revision to Japan's first quarter growth, which initial estimates showed to have [expanded 0.9%](#), as well as the Bank

of Japan's monetary policy decision. [Recent PMI](#) data have hit record highs as current policy initiatives have fed through rapidly to faster growth. The BoJ is therefore unlikely to make changes to policy.

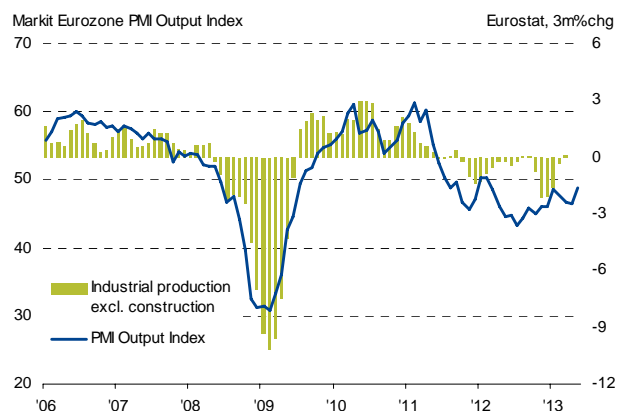
US manufacturing production and the PMI



UK manufacturing production and the PMI



Eurozone industrial production and the PMI



Monday 10 June

International trade, inflation, money supply, industrial production, retail sales and investment data are all published in China over the weekend.

The KPMG/REC report on jobs provides an update on UK labour market conditions during May.

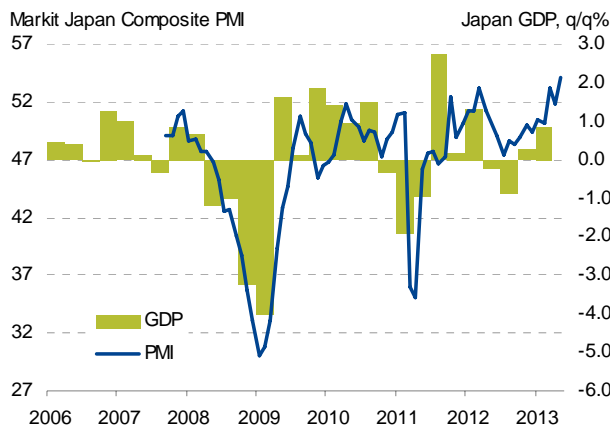
In Japan, bank lending and current account figures are published alongside consumer confidence indicators from the Cabinet Office.

The latest results from the economy watchers survey are also released in Japan, as well as the latest estimate of GDP in the first quarter.

The eurozone sentix indicator is published in advance of final Italian GDP. Italy also sees industrial production data, as does France.

French business sentiment numbers are meanwhile issued by the Bank of France.

Japanese GDP



Tuesday 11 June

The Bank of Japan announces their latest monetary policy decision on Tuesday.

Industrial output figures are published in the UK on Tuesday.

In the US, wholesale inventory numbers are released alongside the business optimism index from NFIB.

Wednesday 12 June

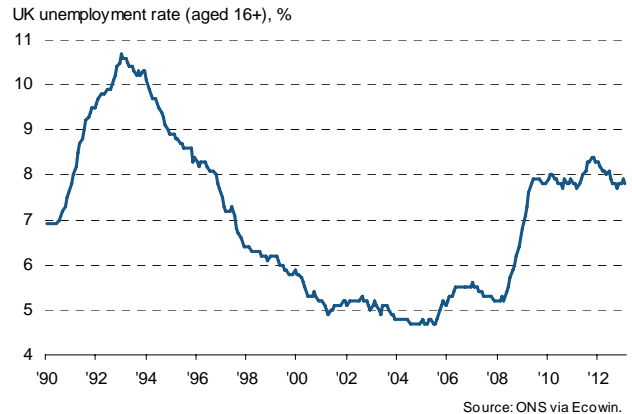
Machinery orders and corporate goods prices data are released in Japan.

Inflation data are published in Germany, France, Italy and Spain. Industrial production numbers are meanwhile issued for the euro area as a whole.

Unemployment and average earnings figures are released in the UK.

In the US, mortgage data from MBA are released in advance of the federal budget.

UK unemployment

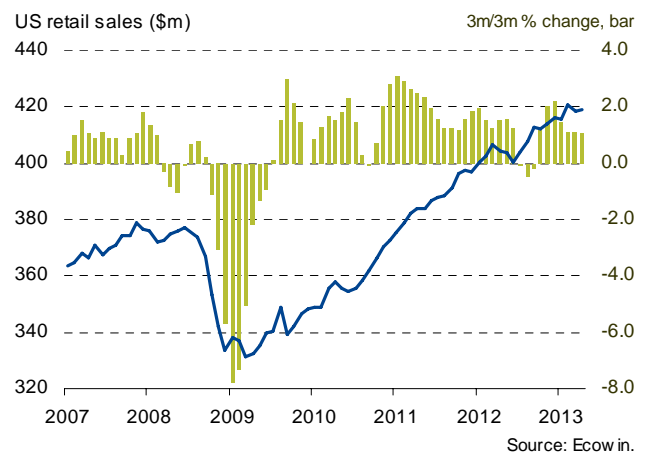


Thursday 13 June

The latest interest rate decision is announced by the Bank of Korea.

Initial jobless claims, import prices, business inventories and retail sales data are meanwhile released in the US.

US retail sales



Friday 14 June

The minutes from May's monetary policy meeting in Japan are published on Friday.

Consumer prices and employment data for the eurozone are also released.

Producer prices numbers are meanwhile issued in the US, as well as current account, industrial production and capacity utilisation figures. The preliminary

estimate of consumer sentiment from the University of Michigan follows.

Chris Williamson

Chief Economist

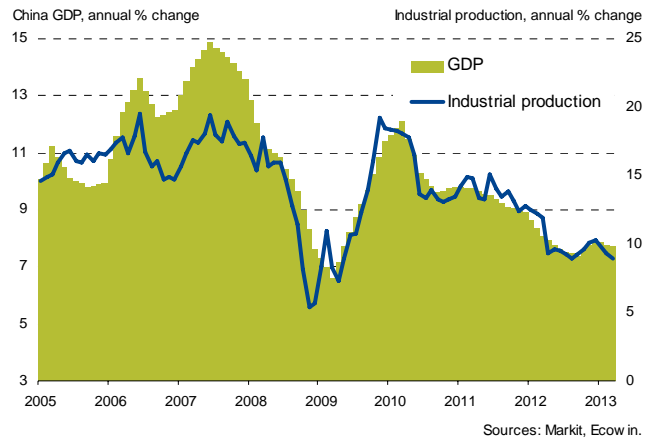
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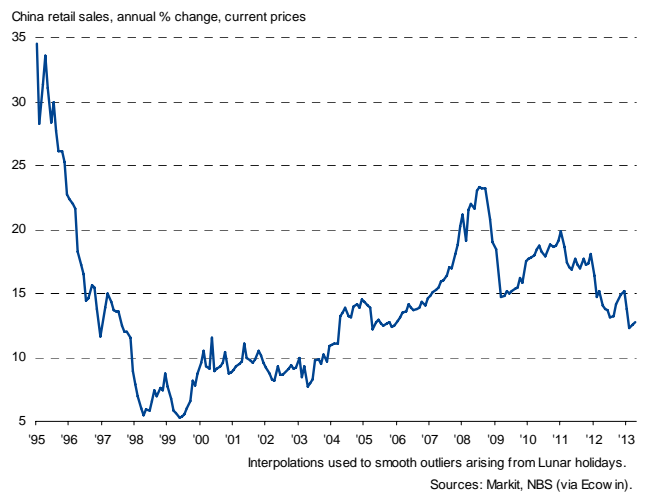
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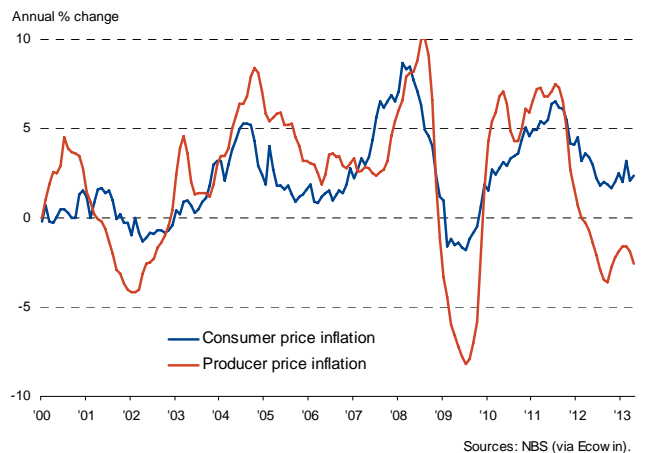
China's industrial production and GDP



China retail sales



China price pressures



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