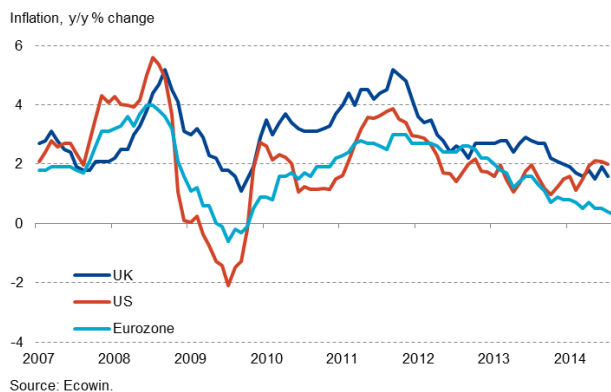


Week Ahead Economic Overview

- **UK consumer prices, earnings data and labour market updates plus BoE minutes**
- **Monetary policy announcement, industrial production numbers and inflation in the US**
- **Eurozone inflation plus sentiment data**

A vast amount of economic data are released during the week, including updates on inflation and the labour market in the UK and minutes from the latest Bank of England meeting. In the US, the Federal Reserve Bank announces their latest monetary policy decision, while industrial production and inflation data are also out. Meanwhile, data releases in the euro area include consumer price numbers and sentiment data.

Inflation in Eurozone, UK and US

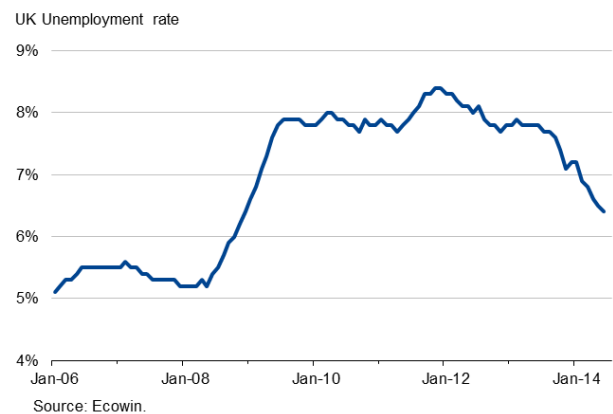


In the **UK**, markets will be dominated by the referendum on Scottish independence, but there are also some key economic releases. The Bank of England issues minutes from its September Monetary Policy Committee meeting while the ONS publishes latest inflation numbers. The Bank of England [kept rates on hold at 0.5%](#), but the possibility of the Bank of England being the first major central bank to hike rates has increased after minutes from the previous meeting revealed two members had voted for a quarter point rate rise.

UK policymakers will also keep their eyes on the latest labour market update. Recent data have been confusing, with [unemployment dropping but pay growth slowing](#). [Survey data](#) suggest that unemployment should continue to fall from the 6.4% rate recorded for the three months to June. A jobless

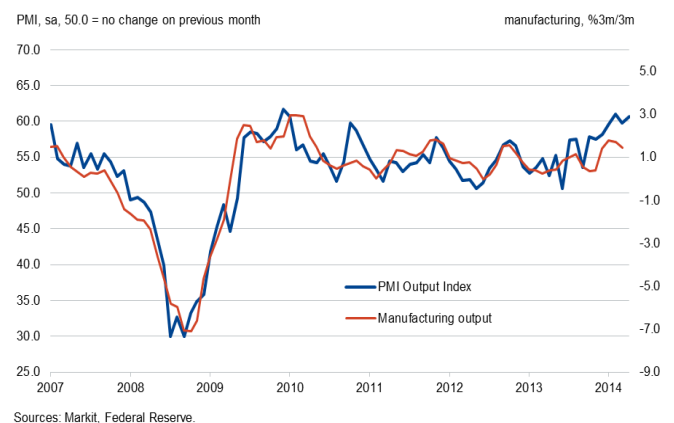
rate below 6% is achievable by the end of the year if anything like the current pace of job creation is sustained in coming months. However, weak pay growth remains the Achilles Heel of the economic recovery and policymakers have made it clear they want to be sure that pay growth is picking up substantially from the current record low before making the first move in tightening policy.

UK unemployment rate



Industrial production numbers and inflation data are meanwhile released in the **US**. Analysts will be looking for confirmation that the underlying trend production remains healthy, after [August's PMI results](#) showed business conditions in the US goods-producing sector improving to the greatest extent in four years. The survey data bode well for another quarter of solid GDP growth after GDP rose at an annualised rate of 4.2% in the second quarter.

US manufacturing production and the PMI



Such economic strength adds to the case for the FOMC to start raising interest rates earlier than the current expectation of a first rate rise in the middle of next year. However, no change in monetary policy is the most likely outcome at Wednesday's Fed meeting.

Inflation numbers and sentiment data are the key highlights in the **eurozone**. A 'flash' estimate from Eurostat showed that consumer price inflation fell to 0.3% in August, the lowest in nearly five years, encouraging the [European Central Bank to take further steps](#) to bolster the faltering eurozone economic recovery. The ECB is especially concerned that inflation expectations in the euro area are turning down alongside the surprising weakness of the economy so far this year.

Monday 15 September

The Bank of Scotland Report on Jobs is published by Markit.

Wholesale price numbers are out in India.

Rightmove publish their UK House Price Index for September.

Trade balance data are meanwhile issued in the eurozone.

Russia sees the release of industrial production numbers.

Payroll job creation data are issued in Brazil.

In the US, industrial output figures, capacity utilization data and the NY Empire State Manufacturing Index are published.

Tuesday 16 September

Labour cost information is issued in the euro area, while ZEW publish latest sentiment data for the currency union and Germany.

In the UK, inflation numbers are out and the Bank of England publish their third quarterly bulletin of the year.

Manufacturing sales figures are meanwhile issued in Canada.

The release of producer price information is the highlight for US data watchers on Tuesday.

Wednesday 17 September

M3 money supply data are out in India.

Markit publishes the latest UK Household Finance Index, while claimant counts, average earnings data, the ILO unemployment rate and minutes from the latest Bank of England meeting are also out in the UK.

Trade balance data are meanwhile issued in Italy.

Inflation figures are published for the Eurozone, while producer price numbers and unemployment figures are released in Russia

The European Central Bank's Governing Council holds a meeting, but no interest rate decision is scheduled.

The Federal Reserve Bank announces their latest monetary policy decision for the US, while other highlights in the world's largest economy include inflation numbers, earnings data and current account information.

Thursday 18 September

The Reserve Bank of Australia publishes its latest quarterly bulletin, containing articles and speeches that discuss economic and financial developments.

Trade data are issued in Japan, while China sees the release of house price data.

Retail sales numbers and CBI industrial orders trends are published in the UK.

The Swiss National Bank and Norwegian Central Bank announce their latest interest rate decisions.

In the US, initial claims and housing starts numbers are highlights of the day.

Friday 19 September

In Germany, producer price numbers are released.

The eurozone sees the release of current account data.

Meanwhile, Canadian inflation figures are released alongside wholesales sales numbers.

The US Conference Board publishes the latest leading indicator.

Oliver Kolodseike

Economist

Markit

Tel: +44 149 1461 003

Email: oliver.kolodseike@markit.com

For further information, please visit 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.