

Week Ahead Economic Overview

- Flash PMI surveys to give early clues as to economic performance at start of Q2
- China publishes Q1 GDP, IP and retail data
- UK retail sales numbers and Markit HFI to gauge consumer trends
- Bank Indonesia sets policy

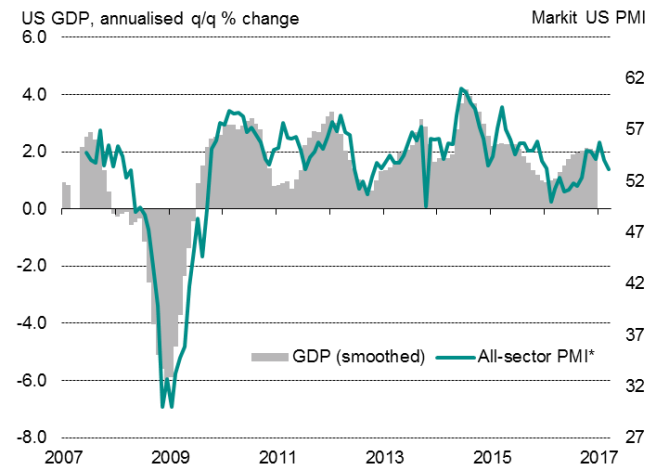
Flash PMI data for the US, the eurozone and Japan will provide early insights into the health of global economies at the start of the second quarter. Other key data highlights include China's GDP for Q1, UK retail sales as well as euro area inflation.

With [March PMI data](#) adding to the picture of a slowdown in **US** GDP growth from the 2.1% seen at the end of last year, focus now shifts to economic trends at the start of the second quarter. Alongside flash PMI results for April, data on the housing market and initial claims will provide analysts with clues as to the direction of growth and future monetary policy.

The **eurozone** economy gained momentum at the end of the first quarter, with March PMI data signalling a broad-based upturn among the euro's largest members, accompanied by the highest jobs growth for nearly a decade. The strong start to the year has raised expectations for the ECB to turn increasingly hawkish if the trend continues, although ECB president Mario Draghi is wary of the longevity of recent inflationary pressures, highlighting the need for further evidence to show that higher prices are sustainable. [PMI data have already moved into territory that is historically consistent with a tightening bias at the ECB](#), thus increasing the focus on the release of flash PMI data for April.

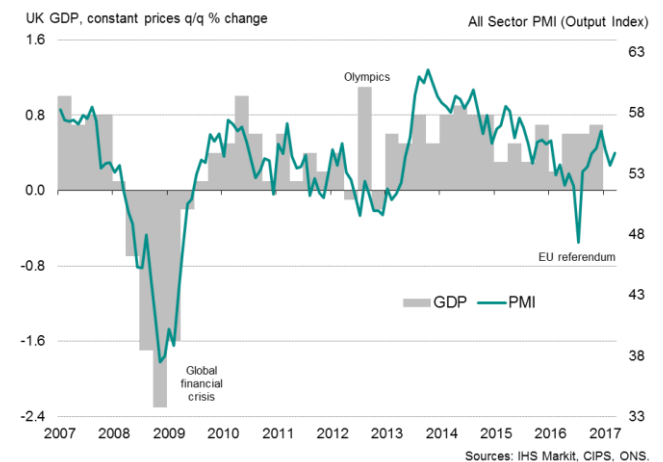
China's GDP figures for the first quarter are released next week, where expectations are for an annual GDP growth rate of 6.8%, unchanged from Q4 2016. [Recent PMI data](#) showed that expansion in the three months to March was the second-fastest in four years and a significant improvement on the same period the year before, highlighting how China's economy has picked up momentum. Analysts will look to data on investment, retail sales and industrial production for signs of the

Markit US PMI and smoothed GDP



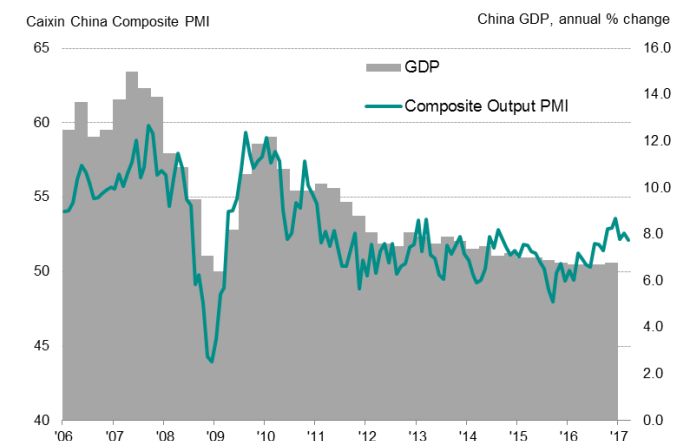
Sources: IHS Markit, Commerce Department

UK economic growth and the PMI



Sources: IHS Markit, CIPS, ONS.

China Composite PMI and GDP



Sources: IHS Markit, Caixin, NBS.

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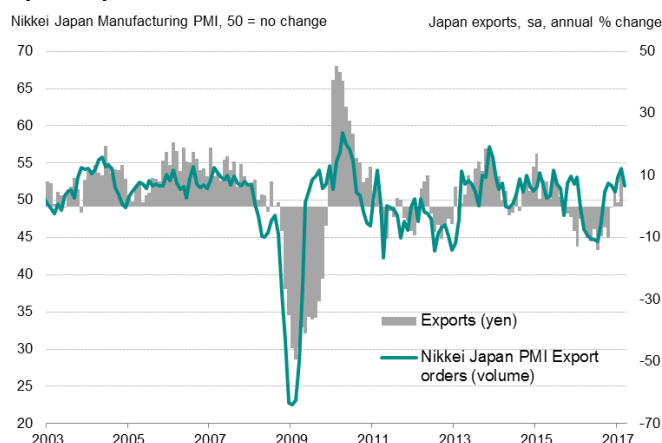
key growth drivers.

UK inflation surpassed the Bank of England's 2.0% target for the second month running in March and real wages grew at the slowest since 2014, underlying how consumer spending is being squeezed by higher prices. While the policymakers at the Bank of England may still look through the upturn in inflation and underlying wage trends, much will depend on the extent to which consumer spending will be dampened in 2017. Traders' focus will be on retail sales and the Markit HFI to gauge the health of household spending, which has provided the main engine of growth to the UK economy in recent years.

Japan's trade balance figures are updated and will be scoured for signs of export strength, as too will the flash PMI results for April. The latter offers an early insight to the performance of the economy at the start of the second quarter. [Recent data](#) indicated that the Japanese economy shifted to a higher gear in the first quarter, driven not only by an expanding manufacturing sector but also faster service sector growth.

Bank Indonesia will meet to set its latest key reverse repo rate, which currently stands at 4.75%. Forecasters are anticipating no change. Recent data showed an improvement in the manufacturing sector in the opening quarter of 2017 compared to Q4 last year, though strong input price increases point to the build-up of inflationary pressures.

Japan exports



Sources: IHS Markit, Nikkei, Japan Ministry of Finance

Monday 17 April

Singapore releases latest trade data.

China issues GDP figures for the first quarter, along with investment, industrial production and retail sales data.

In the US, the New York Empire State manufacturing index is published.

Tuesday 18 April

Reserve Bank of Australia meeting minutes are published.

Chinese house price data are made available.

US industrial production and housing starts data are out.

Wednesday 19 April

Producer prices data for South Korea are announced.

Malaysia updates its inflation figures.

In the euro area, final inflation figures and balance of trade data are out.

US mortgage applications and crude oil inventory numbers are released.

Thursday 20 April

Japan's balance of trade results are updated.

Bank Indonesia announces its latest policy interest rate.

The euro area releases its latest consumer confidence indicator.

In the US, the Philadelphia Fed National Activity Index is published.

Friday 21 April

Flash PMI data are released in Japan, France, Germany, the Eurozone and the US.

Industrial production and current account numbers are updated in Italy.

UK retail sales data are announced.

US existing home sales data are out.

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