

Week Ahead Economic Overview

- **Flash PMI™ data for the US, China, Japan and the Eurozone**
- **BoE and FOMC minutes**
- **Inflation numbers for UK and US**

Thursday's Flash PMI™ data from Markit will provide the first insights into the health of the world's largest economies in August. Other standouts are inflation numbers for the UK and the US, plus the minutes from the latest MPC and FOMC meetings.

In the **UK**, the Bank of England issues minutes from its August Monetary Policy Committee meeting while the ONS publishes latest inflation numbers. [Inflation rose to 1.9% in June](#) with house prices across the UK up 10.5% on a year ago. However, inflation should cool slightly going forward, opening the door for interest rates to stay on hold until next year. [Policymakers will also be reluctant to pull the brakes on the economic boom](#), fearing weak pay growth means households will struggle to service higher borrowing costs if interest rates rise. The Bank of England's Inflation Report and recent rhetoric from policymakers gives the firm impression that rates will not rise until wage growth is showing clear signs of picking up, but the minutes from the August MPC meeting will reveal just how unanimous this view is.

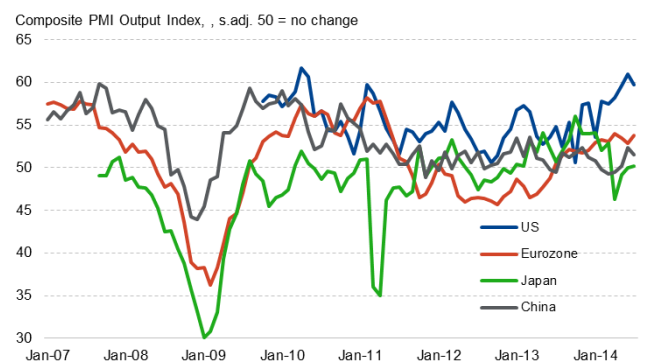
The **US** flash PMI data for manufacturing will be keenly watched for signs that the rebound in growth signalled by the surveys for the second quarter persisted into August. [July's PMI results](#) pointed to continued strong growth of production levels, although the latest survey indicated some loss of momentum since the previous month. Retail sales data for July also disappointed.

Inflation numbers are also released in the US and will be watched closely by policymakers for guidance on when interest rates are likely to start rising. With inflation running at 2.1% in June, we could start seeing those expectations being pulled forward if growth and price data continue to surprise to the upside. Further insight will also be sought after the Board of Governors of the Federal Reserve System releases the minutes from its July meeting.

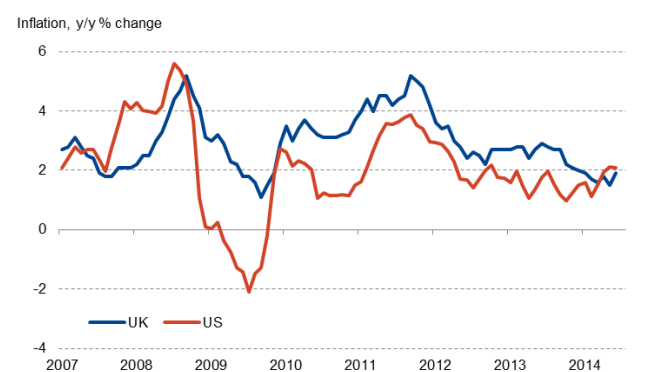
In the **eurozone**, the flash PMI for August will give insights into whether the recent ECB actions have provided a lift to growth in the region and whether the crisis in Ukraine has weighed on economic performance. In [July](#), a lacklustre eurozone manufacturing sector was offset by faster growth in the services economy, resulting in a sharper increase in overall activity in the region.

The flash manufacturing PMI data for **Japan** will be eagerly awaited by policymakers for signs that the economy is regaining momentum, after [GDP dropped 1.7%](#) in the second quarter. [July's survey results](#) showed manufacturing operating conditions improving in June and July after two months of deterioration in April and May, although the rate of growth faltered in July to near-stagnation.

Composite PMI Output Index



UK and US inflation



Monday 18 August

The latest House Price Index is released in the UK by Rightmove.

Russia sees the release of inflation figures.

Trade balance data are published for the eurozone.

The National Association of Home Builders issues its latest Housing Market Index in the US.

Tuesday 19 August

Current account numbers are out in the euro area.

In the UK, inflation numbers are released.

Unemployment numbers are issued in Russia.

Building permits and housing starts figures, real earnings data plus inflation figures are all issued in the US on Tuesday.

Wednesday 20 August

Trade data for July are issued in Japan.

Markit updates its UK Household Finance index.

In Germany, producer price numbers are published on Wednesday.

Current account numbers are out in Greece.

Russia updates its monthly GDP numbers.

The Bank of England published minutes from its latest Monetary Policy Committee meeting.

Wholesale sales numbers are out in Canada.

The Federal Open Market Committee issues minutes from its latest meeting.

Thursday 21 August

Flash PMI results are released for Japan, China, the Eurozone and the US.

Retail sales data are meanwhile out in the UK.

Initial jobless claims, the CB Leading Indicator, existing home sales numbers and the Philadelphia Fed Manufacturing Survey are all released in the US.

The European Commission publishes an update on consumer confidence.

Brazil sees the release of unemployment data.

Friday 22 August

The UK House Price Sentiment Index is released by Markit and Knight Frank.

Inflation numbers and retail sales data are published in Canada.

Current account numbers are out in Brazil.

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