

Week Ahead Economic Overview

- **China GDP growth to have gained pace in Q4**
- **2012 GDP data for Germany to have indicated Q4 downturn**
- **US industrial production and retail sales data to give guidance on GDP**
- **UK retail sales update for December**

A busy week for economic data includes two particularly important releases for China and German GDP.

China provides the first estimate of GDP of all countries, and the monthly data available so far suggest that economic growth picked up in the final quarter of last year from the three-and-a-half year low of 7.4% seen in the third quarter. However, [judging by the survey evidence](#), the rate of expansion is set to have remained only modest, restrained in particular by weak export demand from Europe.

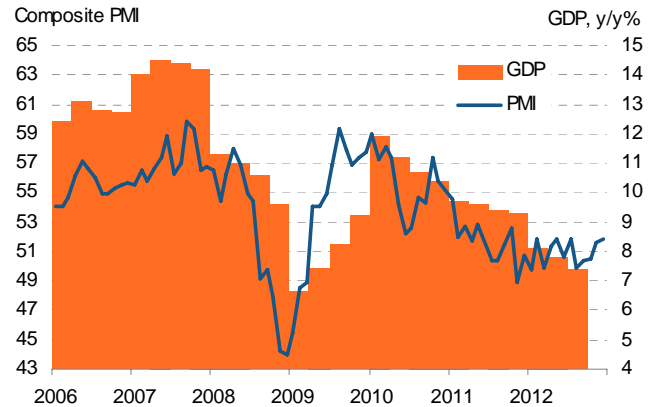
The weakness of European demand is likely to be highlighted by the release of a first estimate of 2012 GDP data for Germany. An increase of 0.8% has been indicated in advance, which would confirm [worries of a steep fall in GDP in the final three months of the year](#).

November industrial production and trade data for the Eurozone are also published, which are likewise likely to add to fears that the [region's economic downturn intensified in the fourth quarter](#).

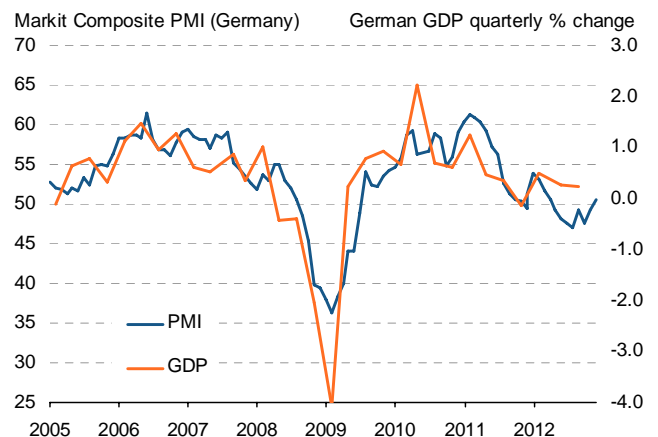
Further clues as to the health of the UK economy in the final quarter will also be provided by retail sales data for December. The [Visa Expenditure Index](#) has pointed to a fall in sales compared to a year ago. Inflation figures are also updated, with this expected to have remained unchanged at 2.7%.

US inflation is also expected to have held steady at 1.8%, meaning the more interesting releases are likely to be industrial production and retail sales data for November. Sales are expected to have risen a modest 0.2%, but a stronger rate of increase has been signalled for manufacturing output, with [Markit's PMI](#) rising throughout the fourth quarter to reach a seven-month high in December.

China GDP and the PMI



German GDP and the PMI



Monday 14 January

Industrial production numbers for Italy and the Eurozone are the only notable economic releases on Monday.

Tuesday 15 January

The latest findings from RICS provide an update on UK house prices in December. An official estimate for November follows.

Trade balance data for the Eurozone is meanwhile released alongside annual gross domestic product figures for Germany.

Consumer prices are published in Germany, Italy, Spain and the UK, as well as producer prices in the US.

Retail sales, business inventories and the latest results from the Empire State survey are also issued in the US.

Wednesday 16 January

Corporate goods prices, key machinery orders and consumer confidence from the Cabinet Office are all published in Japan.

Italian trade numbers are released in advance of consumer price figures for the wider euro area.

Consumer price data are also released in the US, as well as industrial production and capacity utilisation numbers. Results from the NAHB's builders survey and the Federal Reserve's beige book follow.

Thursday 17 January

The METI tertiary activity index is released in Japan on Thursday.

Building permits and housing starts, initial jobless claims and the Philadelphia Fed's survey results are the main highlights in the US.

Friday 18 January

Industrial production and capacity utilisation data are released in Japan.

Meanwhile, industrial production, retail sales, fixed asset investment and Q4 2012 gross domestic product data are all published in China.

Italian industrial orders for November are released in advance of UK retail sales in December.

The preliminary estimate of consumer sentiment from the University of Michigan is issued in the US.

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

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