

Week Ahead Economic Overview

- **Chinese GDP figures for second quarter**
- **UK unemployment and BoE minutes under new governor**
- **US industrial production and retail sales to give guidance on Fed 'tapering'**
- **Inflation data for the US, UK and eurozone**

A busy week of economic releases starts with the eagerly anticipated Chinese GDP data for the second quarter. Analysts are also keen to see the minutes from the Bank of England's first monetary policy meeting under new governor, Mark Carney, while key data releases will also give guidance on future US and UK policymaking.

China releases a vast amount of data on Monday that includes latest industrial production, retail sales, fixed asset investment and GDP numbers. The most important of these will be the latter and is likely to have shown China's economy slowing further from the already-disappointing 7.7% annual rate of growth in the first quarter to a possible 7.5% expansion. The Chinese economy has been suffering a slowdown in domestic demand as well as weaker global demand. Official data showed [exports](#) to have fallen at the sharpest rate since late-2009, confirming the downbeat signals from the [PMI surveys](#).

The minutes from the July Bank of England monetary policy meeting are published in the UK. Although the arrival of Mark Carney did not change the Bank's policy stance this time around, a rare statement which suggested that interest rates will remain historically low in the near-future sent the pound down. The minutes could give further insight into the new governor's approach to UK monetary policy.

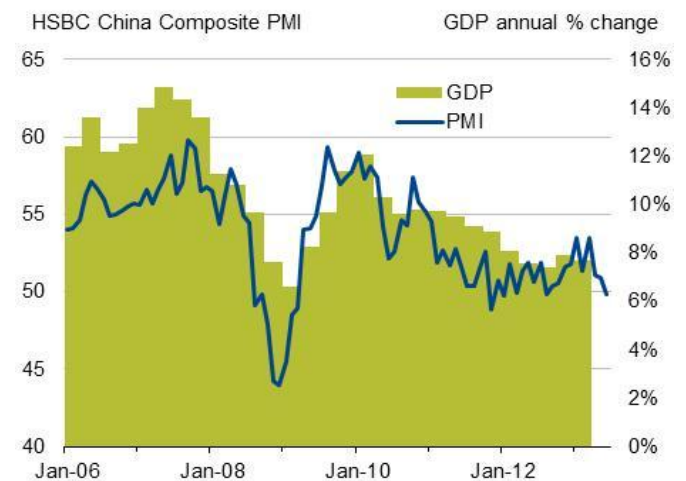
UK unemployment numbers are also out and are likely to show a further improvement in job market conditions in May. Notably, [recruitment agencies](#) in June reported the strongest increase in demand for staff in three years. Data are also likely to show that the improving labour market and better weather may have supported a further rise in [retail sales](#) in June.

Public sector net borrowing figures are also published in the UK.

With recent minutes from the Fed's latest FOMC meeting showing Bernanke to be less bullish than previously thought on the economy, causing analysts to ponder just how soon US stimulus may be tapered, industrial production and retail sales data will be keenly watched.

Although [Markit's US manufacturing PMI](#) data suggested an uptick in June, the overall rate of growth in the goods-producing sector is likely to be only marginal and much slower than earlier in the year. Retail sales will meanwhile shed light on consumer spending, and some payback may be in store after a better than expected rise of 0.6% in May, mainly due to a jump in car sales.

Chinese economic growth



Sources: Markit, HSBC, EcoWin.

US manufacturing production with PMI



Sources: Markit, EcoWin.

Monday 15 July

Industrial production, retail sales, fixed asset investment data and GDP data are all released in China.

An update on UK house prices from Rightmove is also published.

The latest results from the Empire State manufacturing survey, retail sales numbers and business inventories data are released in the US.

Tuesday 16 July

Trade balance data are released in Italy and the eurozone, with the latter also seeing final figures for consumer prices.

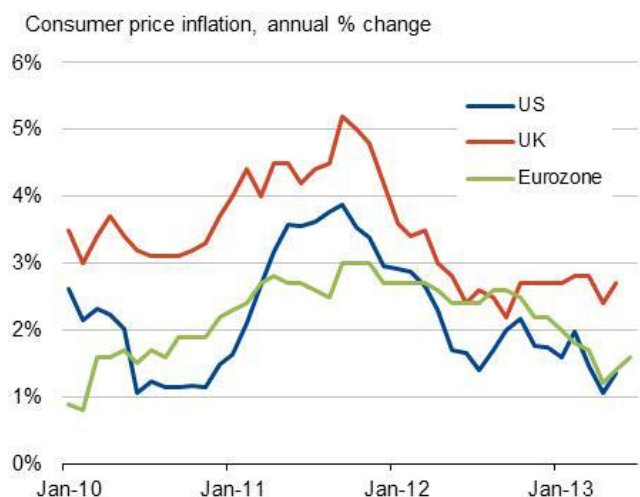
Economic sentiment figures are also published by ZEW for the eurozone and Germany.

Meanwhile, the UK sees the publication of inflation data as well as an update on house prices.

In the US, consumer prices, industrial production and capacity utilisation data and the results from the NAHB builders survey are reported on Tuesday.

Manufacturing sales figures are meanwhile released in Canada.

Consumer price inflation rates



Source: EcoWin.

Wednesday 17 July

Minutes from the previous Bank of England monetary policy committee meeting is published in the UK.

Unemployment and average earnings figures are also released in the UK.

Building permits, housing starts and MBA mortgage data, as well as the latest edition of the Fed's beige book are published in the US.

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

Thursday 18 July

Current account data for the euro area is issued on Thursday.

Meanwhile, retail sales figures are published in the UK.

Initial claims data is released in the US alongside the leading indicator from the Conference Board and results from the Philadelphia Fed business survey.

Friday 19 July

In Japan, the all industry activity index and the leading indicator from the Cabinet office are published.

Producer prices numbers are released in Germany alongside industrial orders figures for Italy.

Public sector net borrowing figures are meanwhile released in the UK.

Consumer prices data are published by the Bank of Canada.

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

Chris Williamson

Chief Economist

Markit

Tel: +44 207 260 2329

Email: chris.williamson@markit.com

For further information, please visit www.markit.com. The intellectual property rights to the report provided herein is owned by 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 trade marks of Markit Economics Limited. Markit and the Markit logo are registered trade marks of Markit Group Limited.