

# Week Ahead Economic Overview

- Industrial production and FOMC decision in US
- UK inflation and retail sales data
- Eurozone inflation update

The week sees a vast amount of economic news, including industrial production and inflation data for the US, UK inflation and retail sales numbers and eurozone inflation. The FOMC also announces its latest monetary policy decision and the Bank of England releases minutes from its most recent MPC meeting.

The Fed is widely expected to keep asset purchase tapering in place in the belief that the **US** economy will rebound after [shrinking due to adverse weather](#) in the first quarter of the year. Analysts will therefore be watching the industrial production data for May for signs that the underlying trend has resumed after output fell unexpectedly in April. [Survey data for May](#) signalled the sharpest rise in manufacturing production levels in over three years, adding to signals that the US economy is enjoying a strong revival. The press conference following the FOMC announcement will be eyed for further guidance on when policymakers believe the first US rate hike will be warranted. The current consensus is for mid-2015.

Other important data releases in the US include consumer prices, housing starts and capacity utilisation numbers.

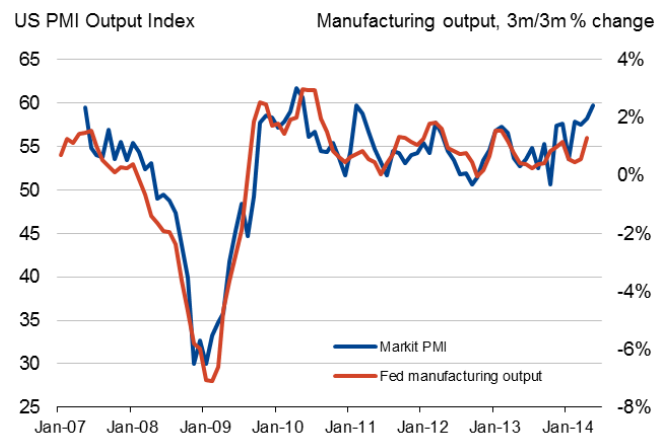
The Bank of England issues minutes from its latest Monetary Policy Committee meeting, which will be gleaned for signs that some committee members are edging closer to calling for an earlier rate hike than the current guidance of spring 2015. Policy makers in the **UK** will also be looking closely at the latest inflation numbers. Consumer prices rose at an annual rate of 1.8% in April, up from 1.6% in the previous month due mainly to Easter-related higher travel costs. Inflation is therefore likely to have cooled again in May.

Meanwhile, Markit publishes its latest UK HFI survey, which will provide the first indication of consumer well-being in June. Retail sales numbers for May will also give further clues as to whether the UK economy is on track to expand sharply again in the second quarter of

the year, with [survey data](#) pointing to GDP growth of up to 0.8%.

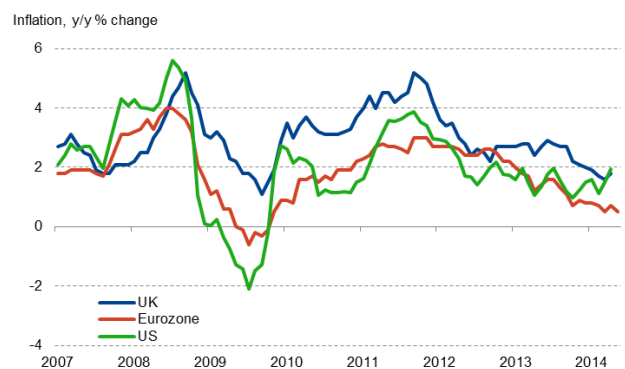
In the **eurozone**, final inflation numbers for May are published. An initial flash estimate showed that consumer prices rose just 0.5% on a year ago, down from 0.7% in April. Earlier in the month, the [ECB cut interest rates and introduced a negative deposit rate](#) for the first time ever, in an attempt to fight any potential threat of deflation. The single currency area also sees the release of economic and consumer sentiment data.

## US manufacturing output vs Markit Manufacturing PMI™



Sources: Markit, Ecowin.

## Inflation comparisons



Source: Ecowin.

## Monday 16 June

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

Rightmove publish their house price index for the UK.

Inflation numbers are issued for the eurozone.

In the US, the results of the latest Empire State Survey are published, followed by industrial production numbers, capacity utilisation data and the NAHB Builders Survey Index.

The CNI Industrial Confidence Index is released for Brazil.

The Bank of Japan issues its latest monthly report.

## Tuesday 17 June

Trade balance data are released in Italy.

Inflation numbers and house price data are meanwhile out in the UK.

In the Eurozone, labour cost information and the ZEW economic sentiment index are published.

Industrial production figures and producer price information are highlights in Russia.

Building permits, consumer price numbers and housing starts data are issued in the US.

## Wednesday 18 June

The UK Household Finance Index is released by Markit on Wednesday morning.

Inflation numbers are published in Russia.

The latest FOMC decision and current account data are highlights in the US.

Wholesale sales numbers are issued in Canada.

The Bank of Japan and Bank of England publish minutes from their latest meetings.

House price data are meanwhile released in China.

## Thursday 19 June

In Japan, the All Industry Activity Index and the leading indicator are released.

Retail sales numbers and CBI industrial trends data are out in the UK.

Italy updates its current account numbers.

Initial claims, the leading indicator and results from the latest Philadelphia Fed survey are all published in the US.

Capacity utilisation data and house price information are issued in Canada.

Import price numbers, initial claims, retail sales figures and business inventories data are all out in the US.

## Friday 20 June

Producer price information are out in Germany on Friday morning.

The eurozone meanwhile sees the release of current account data, followed by the flash Consumer Sentiment Index.

Industrial orders numbers are published in Italy.

Public borrowing data are issued in the UK.

Retail sales numbers and unemployment data are data highlights in Russia.

Inflation figures and retail sales data are released in Canada.

---

## Oliver Kolodseike

### Economist

Markit

Tel: +44 149 1461 003

Email: [oliver.kolodseike@markit.com](mailto:oliver.kolodseike@markit.com)

For further information, please visit [www.markit.com](http://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.