

Week Ahead Economic Overview

- Flash PMIs updated for the US, China and the eurozone
- Fed policy and BoE minutes under the spotlight
- Japanese industrial production data

We calculate the **flash PMI data** for June next week, publishing the results on Thursday for China, the eurozone and the US. May data showed [China's manufacturing PMI](#) slipping below the 50.0 no-change level for the first time in seven months, but the [eurozone's downturn showed signs of easing](#). The region's recession, nevertheless, looks likely to have dragged on for a seventh successive quarter. In the US, the [manufacturing sector](#) has meanwhile seen growth slow sharply compared to the strong growth seen in the first quarter.

The flash PMIs will be accompanied by an update of Japan's official industrial production figures. [PMI data suggest that the country's upturn has gathered momentum](#) after an encouraging 1.0% expansion of GDP in the first quarter, with manufacturing providing a key impetus to stronger growth.

Other key releases include inflation data for the UK and US, as well as both retail sales and public sector borrowing updates for the UK.

The eurozone also sees employment, consumer confidence and trade statistics, with trade data for Italy and the ZEW survey for Germany also published.

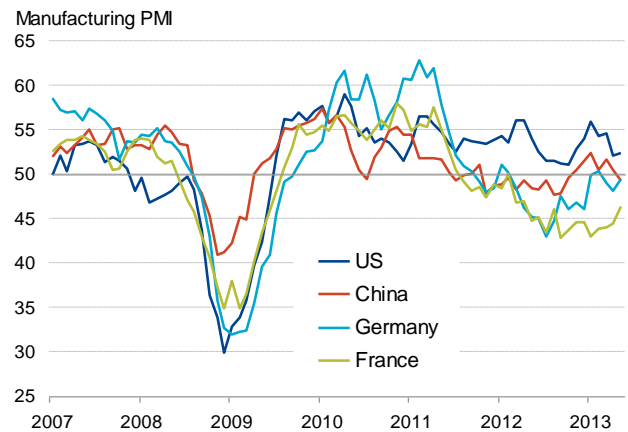
The week is also a busy one for **central bank policy**. The US Fed is under the spotlight with its policy decision under scrutiny for hints as to when it might start to cut back on its asset purchases. Better than expected job market data have added to signs that the Fed might look to taper policy towards the end of the year.

The minutes from the [Bank of England's last MPC meeting](#) will also provide important clues as to whether more quantitative easing is on the cards. We believe that robust recent survey data have effectively killed off the likelihood of further asset purchases in the near future.

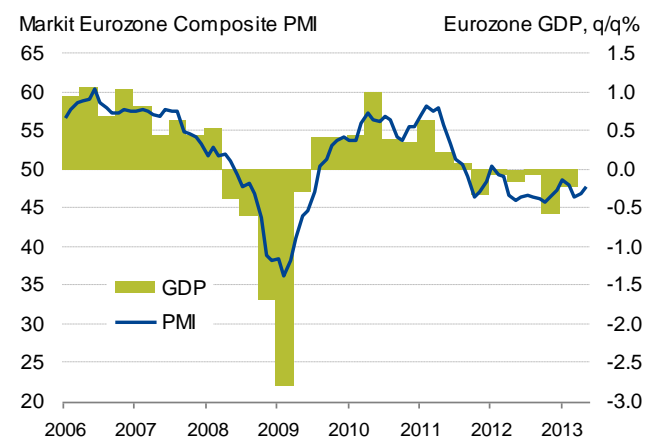
The Reserve Bank of India also sets interest rates, caught in a juggling act of managing a weakened

rupee against the need to cut rates to bolster a struggling economy.

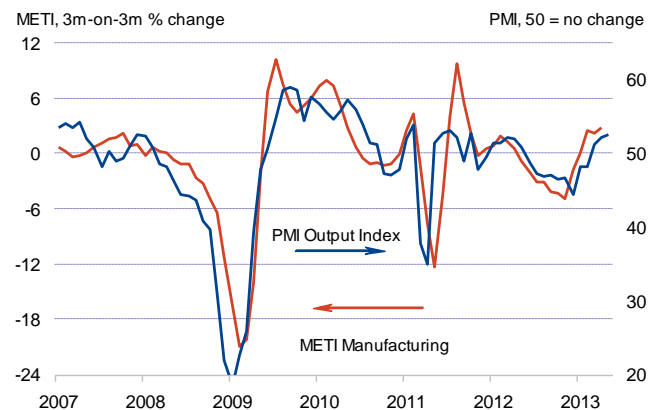
Markit PMIs (manufacturing)



Economic growth in the eurozone



Japanese manufacturing



Monday 17 June

The Reserve Bank of India announces their latest monetary policy decision on Monday.

Italian international trade numbers are published in advance of similar figures for the eurozone as a whole. The euro area also sees employment and labour costs data.

The latest results from the Empire State manufacturing and NAHB builders surveys are released in the US.

Tuesday 18 June

Japanese industrial output and capacity utilisation data are released on Tuesday.

The minutes from the previous monetary policy meeting are published in Australia.

Sentiment indicators from ZEW are meanwhile issued in Germany.

Inflation data are released in both the UK and the US. The US also sees building permits and housing starts figures.

Wednesday 19 June

Current account data are released in Japan on Wednesday.

The minutes from the previous Bank of England monetary policy committee meeting are published.

Meanwhile, the latest interest rate decision is announced by the US Federal Reserve. The US also sees weekly mortgage numbers from MBA.

Thursday 20 June

Flash PMI data for China, the eurozone and the US are released on Thursday, providing insight into business trends during June.

The final estimate of the Cabinet Office's leading indicator is published in Japan, alongside the latest Reuters tankan index.

Producer prices numbers are issued in Germany and followed by Italian industrial orders figures. Consumer sentiment indicators from the European Commission for the euro area as a whole are also published.

Retail sales and the results from the CBI industrial trends survey are the main highlights in the UK.

Initial jobless claims numbers, existing home sales figures and the Conference Board's leading indicator are all published in the US. The latest results from the Philadelphia Fed's survey are also released.

Friday 21 June

Current account data for the euro area as a whole are issued on Friday, alongside Italian wage inflation data.

Public sector borrowing figures are meanwhile released in the UK.

In Canada, consumer prices and retail sales data are published.

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

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