

Week Ahead Economic Overview

- **UK Budget and labour market update**
- **US industrial production**
- **Eurozone and US inflation**

Next week's economic calendar features the publication of the 2014 UK Budget, alongside unemployment figures and the minutes from the latest Bank of England meeting. The US sees the release of industrial production data and inflation numbers, while the Eurozone also issues an update on consumer prices.

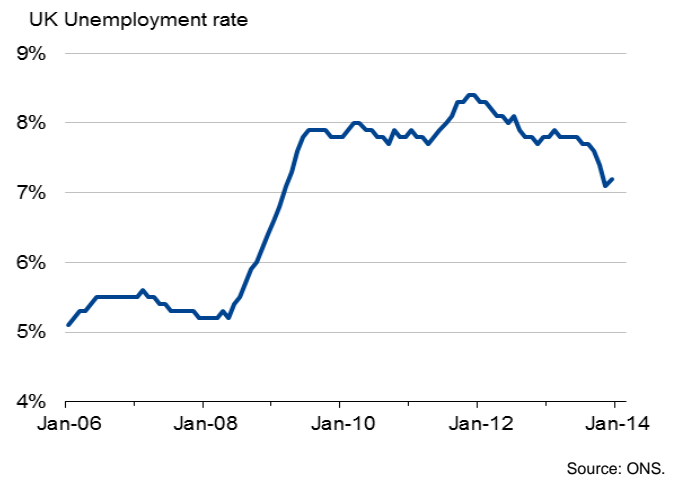
The release of the latest UK labour market data will be closely watched by policy makers. There's a strong chance that the unemployment rate will hold steady after [nudging up slightly](#) to 7.2% in the three months to December, rather than fall again, but this will mask wider improvements in the labour market, notably in relation to the claimant count and job vacancies, after [latest PMI data](#) and recruitment industry survey signalled record increases in job creation in February. Most importantly, however, the data should show wage pressures starting to rise as the labour market tightens.

The week also sees Chancellor George Osborne present his first Budget against a backdrop of strong economic growth. However, there's unlikely to be any let-up on austerity and the need to reduce the deficit, despite the Office for Budget Responsibility upgrading its forecasts to show growth in 2014 of at least 2.7%, with a similar pace of expansion next year.

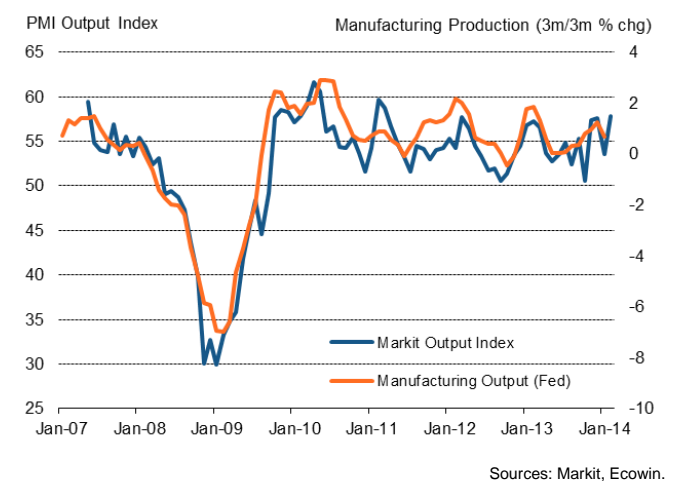
Industrial production data for February will meanwhile be released in the US. [A 0.3% surprise fall in industrial output](#) in January provided further signs that the US economy is going through a tough spot as severe weather conditions caused widespread disruptions. The big question will therefore be if the US economy is slowing significantly or whether it is merely going through a soft patch caused by extreme weather. February's [Markit U.S. Manufacturing PMI™](#) signalled the sharpest improvement in business conditions since May 2010. Output growth picked up sharply, as manufacturers started to overcome the weather related disruptions.

The US and Eurozone also see updates to consumer price inflation which, at 1.6% and 0.8% respectively, remained well below targets, especially in the single currency area. Any further falls, although unlikely, would add to worries that the central banks would need to step up their vigilance in averting the possibility of deflation.

UK unemployment rate



US manufacturing production and the PMI



Monday 17 March

The Bank of Scotland Report on Jobs is published Monday morning.

Wholesale prices are released in Germany.

In the eurozone, inflation data are published.

The latest results of the Empire State Survey are released in the US, alongside capacity utilisation data, industrial production numbers and the NAHB Builders Survey.

Tuesday 18 March

Trade balance data are released for the euro area.

Economic sentiment and current conditions data are released for the eurozone and Germany by ZEW.

In Russia, an update on industrial output numbers is issued.

Manufacturing sales figures are published in Canada.

In the US, building permits, consumer prices and housing starts data are released.

Wednesday 19 March

The UK Household Finance Index is published by Markit.

Japan sees the release of the All Industry Activity Index and its leading indicator.

Claimant count numbers and the ILO unemployment rate are issued in the UK, while the Bank of England publishes minutes from its latest MPC meeting.

The Chancellor of the Exchequer will give his Budget to Parliament.

Current account data are issued in France.

The Eurozone sees an update on its Labour Cost Index.

Wholesale sales numbers are meanwhile released in Canada.

In the US, the Federal Open Market Committee publishes minutes from its latest meeting, while current account numbers are also issued

Thursday 20 March

Producer prices are issued in Germany.

Italy sees an update on its current account numbers.

In the UK, CBI Industrial Trends data are released.

Initial claims, existing home sales data, the leading indicator and the Philadelphia Fed Survey Index are all published in the US.

Retail sales, real wages, producer prices and unemployment data are all issued in Russia.

In the US, import prices, initial claims and business inventories data are issued.

Friday 21 March

Current account numbers are issued for the euro area, followed by flash consumer confidence data.

Italy sees updates on hourly wages and industrial orders.

In the UK, public borrowing data are released.

In Canada, consumer price numbers and retail sales data are published alongside the Bank of Canada core rate.

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