

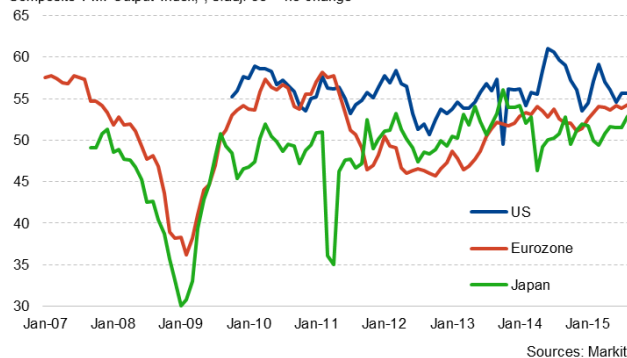
Week Ahead Economic Overview

- Flash PMI results to provide first insights into worldwide economic trends in September
- US durable goods and revised second quarter GDP data
- Eurozone consumer confidence

Flash PMI results for September will provide data watchers and policy makers with insights into global economic trends at the end of the third quarter. Moreover, durable goods orders and revised second quarter GDP number are expected to add to the policy debate in the US.

Composite PMI Output Index

Composite PMI Output Index, s.adj. 50 = no change



The health of China's economy will remain firmly in focus, with PMI data for the US, Eurozone and Japan highlighting the potential spill-over of slower Chinese growth on the global economy. August's [Caixin PMI data](#) signalled the steepest economic downturn for over six years.

Data watchers will therefore keep their eyes on the **US** market during the week, with flash PMI results providing further insight into the health of the world's largest economy in the third quarter. The survey data available for Q3 so far point to 2.5% annualised GDP growth, despite the manufacturing sector struggling in the face of weak overseas demand and the strong dollar. September PMI data for the goods-producing sector are released on Wednesday, with services results following on Friday. US durable goods orders numbers for August are also released during the week. In July, orders rose by 2.0% and markets are currently pencilling in a 1.8% decline for August.

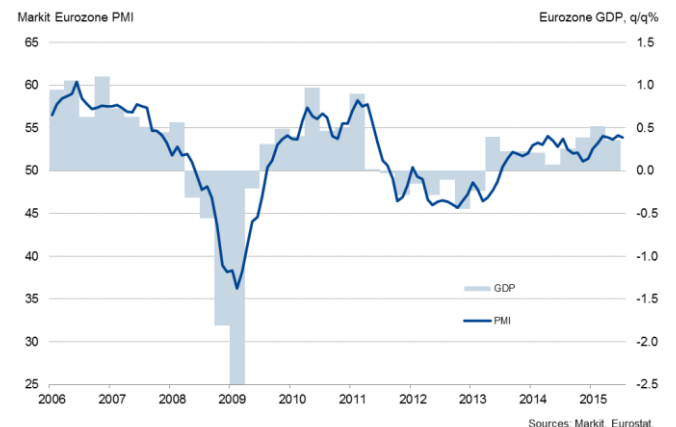
With business survey data providing policy makers with insights into the strength of the US economy in the third quarter, revised second quarter GDP numbers will meanwhile be eyed for affirmation that the economy grew strongly in the spring.

US GDP and the PMI



Flash PMI and consumer confidence data will be important signals for the ECB as it mulls over the possible need for further stimulus. The Markit **Eurozone PMI** rose to its [highest level since May 2011](#) in August, signalling that the pace of economic growth in the region accelerated despite global economic worries and the concerns around China. If the PMI remains close to August's level, we should expect the eurozone economy to expand by approximately 0.4% in the third quarter. Flash PMI data will therefore provide data watchers with important information on economic conditions in the region in September.

Eurozone GDP and the PMI

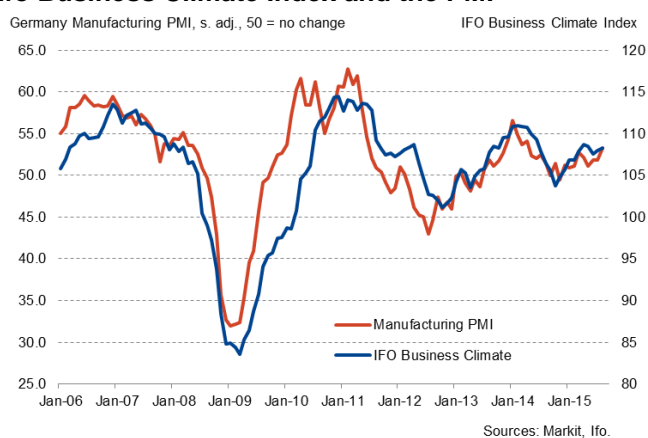


Before the release of PMI results, the European Commission releases consumer confidence data on

Tuesday. In August, the index rose to dovetail nicely with [Markit's Retail PMI](#), which held close to July's 54-month high in August to suggest that retail sales are reviving in the euro area on the back of low inflation and low oil prices, although high unemployment continues to keep a lid on spending.

Other important releases in the currency union include the latest Ifo Business Climate Index and GfK consumer confidence data for **Germany**, revised second quarter GDP numbers in **France** plus retail sales, trade and industrial orders figures in **Italy**.

Ifo Business Climate Index and the PMI



Other key releases include flash manufacturing PMI and inflation data for **Japan**. In August, the Nikkei Japan Manufacturing PMI reached a seven-month high and the weak yen should support export demand and therefore help the goods-producing sector to expand further in coming months.

There will also be a big focus on inflation data. In July, Japan's consumer prices rose a mere 0.2%, down from 0.4% in the previous month and well below the Bank of Japan's target of 2%. While Governor Haruhiko Kuroda said that the current level of monetary stimulus is sufficient to achieve the inflation target, he added that 'if necessary, we will certainly make necessary adjustment'.

Monday 21 September

- Monthly GDP numbers are published in Russia.
- Germany sees the release of producer price figures.
- Current account data are meanwhile issued in Greece.
- Payroll job growth figures are out in Brazil.
- In Canada, wholesale trade numbers are published.
- The US sees the release of existing home sales data.

Tuesday 22 September

- In Australia, house price data are released.
- Consumer confidence numbers are meanwhile issued in the eurozone.
- Public sector net borrowing and CBI industrial orders data are issued in the UK.
- In the US, home price figures are released.

Wednesday 23 September

- Flash PMI results for manufacturing are issued.
- In South Africa, inflation figures are released.
- Revised second quarter GDP numbers are out in France.
- Brazil sees the publication of current account data.
- Retail sales figures are issued in Canada.

Thursday 24 September

- Trade data are issued in New Zealand.
- Flash manufacturing PMI results are issued in Japan.
- Germany sees the release of GfK consumer confidence data, import price numbers and the latest Ifo Business Climate Index.
- INSEE releases business climate data for France.
- In Italy, industrial orders data are published alongside retail sales and trade numbers.
- Unemployment and consumer confidence numbers are issued in Brazil.
- The US sees the release of durable goods orders and initial jobless claims data.

Friday 25 September

- Inflation data are out in Japan.
- The South African Reserve Bank announces its latest interest rate decision.
- M3 money supply information are meanwhile published in the eurozone.
- In Italy, wage inflation data are issued.
- The US sees the release of the latest Reuters/Michigan Consumer Sentiment Index and revised second quarter GDP numbers. Moreover, Markit releases its latest flash US Services PMI results.

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