

# Week Ahead Economic Overview

- **Flash PMIs released for US and eurozone**
- **UK labour market, government borrowing and MPC minutes released**
- **US inflation and property market updates**

The health of the global economy in February will come into focus with the publication of the flash PMIs on Thursday. The Markit-produced business surveys have picked up in recent months, showing accelerating growth of the US and German manufacturing economies in January, with the latter helping ease the overall rate of decline in the eurozone to the weakest for ten months.

The week also sees the publication of the minutes from the latest Bank of England Monetary Policy Committee meeting, at which policymakers decided to hold policy unchanged, but also to re-invest the proceeds from maturing asset purchases. By taking the unusual step of releasing a [statement immediately after the meeting](#), there is perhaps less new to learn from the minutes than normally would be the case, though the extent to which views may have diverged within the Committee will be important to ascertain in relation to appetite for further quantitative easing.

The publication of labour market data will also provide clues as to future Bank of England policy, and any signs that the labour market continues to improve will significantly reduce the likelihood of imminent policy easing. The previous release showed the rate of unemployment falling to 7.7%, down from a peak of 8.4% a year ago.

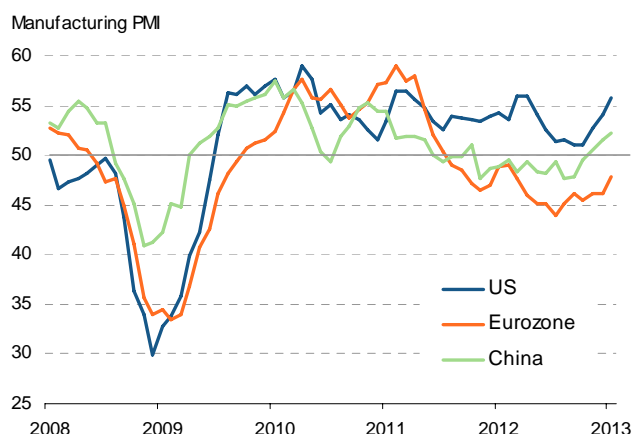
While the labour market data may bring some good news for the UK government, public sector borrowing data look set to disappoint again. Tax revenues have fallen short of expectations due to weak economic growth, and any further set-back to the government deficit reduction targets will be seen as another hit to the country's chance of retaining its AAA credit rating.

US inflation data is likely to show consumer prices rising at a rate of 1.7%, unchanged in December, presenting no cause for concern to Fed policymakers that are in any case more fixated on boosting employment than short-term price developments.

Updates on existing home sales, housing starts and building permits will meanwhile give a useful update on the health of the US residential property market, which looks to have continued to slowly recover in January.

In the eurozone, European confidence surveys, including updates on Germany from IFO and France from INSEE, may throw further light on the growing divergence between the euro area's two largest economies that has been indicated by the PMIs.

## Markit's flash Manufacturing PMI surveys



## Monday 18 February

Current account data for the euro area are released on Monday, as well as an update on UK house prices from Rightmove.

Gross domestic product numbers for Mexico are also published.

The US markets are closed for Presidents Day.

## Tuesday 19 February

The Bank of Japan publishes the minutes from its previous monetary policy meeting. The leading indicator from the Cabinet Office follows.

Economic sentiment indicators from ZEW are released for Germany and the wider euro area.

Wholesale trade figures are issued in Canada alongside the latest results from the NAHB's builders survey in the US.

### Wednesday 20 February

Japanese trade data are released on Wednesday, as well as the all industry activity index.

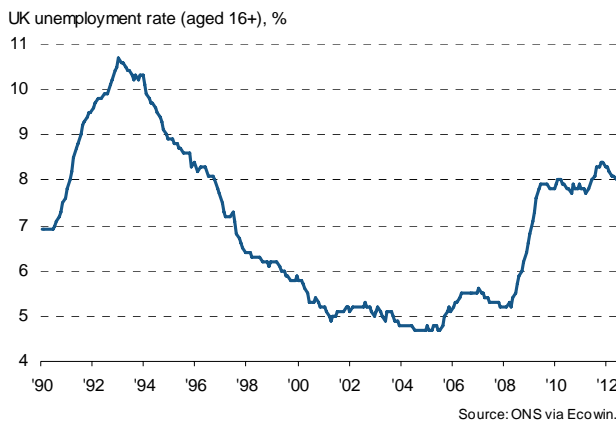
Consumer prices numbers are published in France and Germany, with the latter also seeing producer prices figures.

Business confidence indicators from INSEE are meanwhile issued in France, with preliminary consumer confidence readings from the European Commission also released for the wider euro area. Italian industrial orders numbers follow.

Employment and average earnings data are released in the UK, as well as the minutes from the previous Bank of England monetary policy meeting.

Housing starts, building permits, producer prices and mortgage data are all published in the US.

#### UK unemployment



### Thursday 21 February

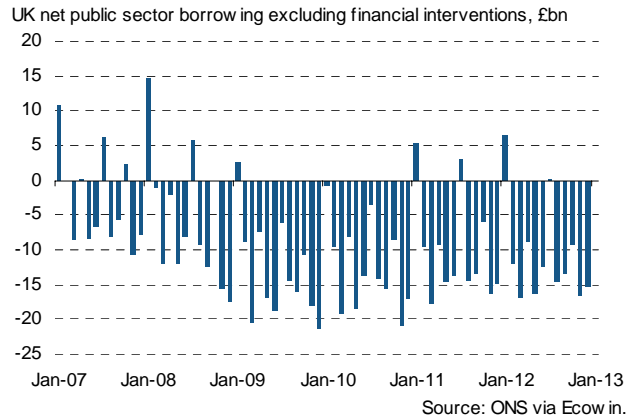
The Reuters tankan index is released in Japan on Thursday.

Markit provides an update on business conditions in the US and eurozone with the publication of its February flash PMIs.

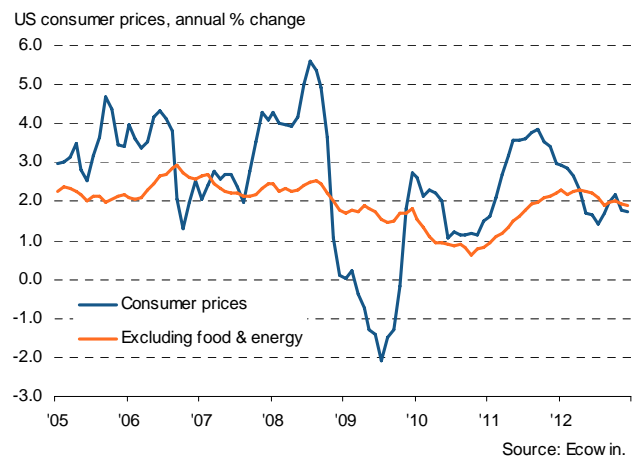
Public sector net borrowing numbers and the latest results from the CBI industrial trends survey are meanwhile released in the UK.

Consumer prices, initial claims, real earnings and existing home sales data are published in the US. The leading indicator from the Conference Board and the latest results from the Philadelphia Fed's survey follow.

### UK government deficit



### US consumer prices



### Friday 22 February

Detailed gross domestic product data for the final three months of 2012 are released in Germany. Sentiment indicators from the IFO follow.

Consumer prices numbers are published in Italy on Friday, alongside retail sales figures and consumer confidence data from ISTAT.

Canada similarly sees the publication of consumer prices and retail sales data.

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

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