

# Week Ahead Economic Overview

- **Flash PMI for Japan, eurozone and the US**
- **US durable goods orders, trade data and revised GDP numbers**
- **Final detailed GDP updates for Germany, Spain and the UK**
- **Latest eurozone and Japan inflation figures**

Markit's Flash PMI data will provide the first available information on the health of some of the world's largest economies in February. Data watchers will also be keeping an eye on inflation figures for the eurozone and Japan, alongside updated fourth quarter GDP numbers for the UK and some eurozone countries.

Eurozone Flash PMI results for February will be closely watched by policymakers, after official GDP data showed the [region's sluggish economy expanding a mere 0.3%](#) in the closing quarter of 2015. The weak growth rate increased expectations towards further stimulus from the ECB.

Mario Draghi, president of the ECB, recently announced that the bank *"would not hesitate to act"* and is *"ready to do its part"* in supporting the eurozone, enjoying unanimous support from the governing council in considering it important to review the current package. If the release of Flash PMI data for France, Germany and the eurozone signal a wilting in business activity, then talk will focus on the size of additional stimulus in March rather than whether or not the ECB will act.

The final detail on German and Spanish fourth quarter GDP will also give insights into the health of the eurozone bloc. Germany, the largest of the region's economies [ended 2015 in unspectacular fashion](#), in contrast to Spain's economy which remained [the region's star performer](#).

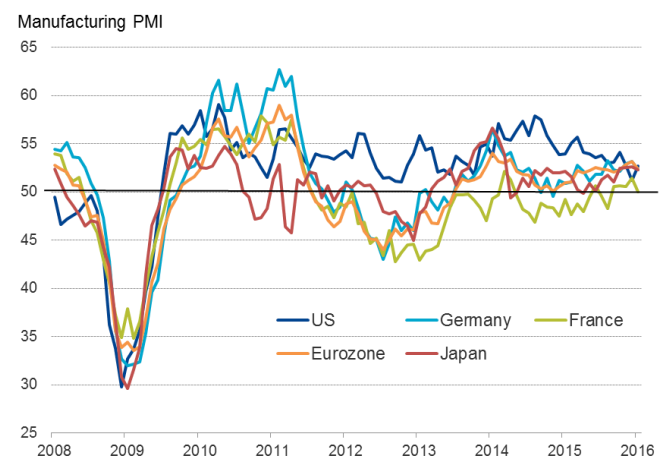
The Office for National Statistics will make their second estimate of UK fourth quarter GDP for 2015 on Thursday, after the initial figure rose marginally to 0.5%. Downward revisions to construction output and industrial production have fuelled speculation that growth could be revised down to 0.4%. Some pick up was signalled in January, as the ['all-sector' PMI hit a six-month high of 56.0 in January](#). However, growing

uncertainty around 'Brexit' and volatile financial markets have weighed on firms' expectations of stronger future growth.

Data watchers will be scrutinising the release of Markit's Flash US PMI data after the Federal Reserve hinted at growing concerns towards the current economic environment. This pessimism has occurred despite latest unemployment figures falling below 5% for the first time in eight years and [core retail sales rebounding](#) during January. Forecasters anticipate that a rate rise will be postponed unless apparent signs of an improvement are evident in the release of revised GDP numbers, durable goods orders and trade data next week.

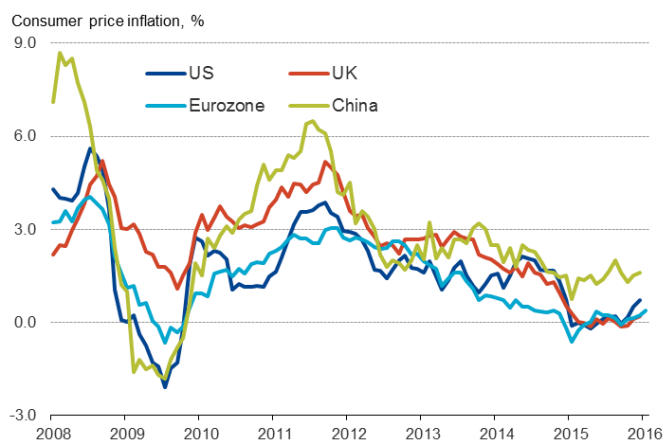
In Japan, consumer price numbers are expected to remain in negative territory, mounting further pressure on policymakers to step up the fight against deflation. With the release of Nikkei's Flash Japan Manufacturing PMI for February providing the first available insight in to the economy's performance, policymakers will be hopeful the economy can rebound after GDP declined by 1.4% in 2015.

## Manufacturing activity



Sources: Markit, Nikkei.

## Inflation rates



### Monday 22 February

In Russia, Monthly GDP numbers are issued.

February's flash PMI results are published by Markit for Japan, France, Germany, the eurozone and the US.

Italian inflation figures are updated.

### Tuesday 23 February

In Germany, a detailed breakdown of fourth quarter GDP figures is provided alongside the IFO's announcement of latest business climate data.

France's Business Confidence Index is published.

### Wednesday 24 February

In Australia, an update on latest wage inflation data is provided.

Industrial orders and sales for Italy are announced.

Markit publishes latest flash US Services PMI results.

### Thursday 25 February

An update on Japanese capital flows data.

The Central Bank of Russia publishes figures on its reserves.

In South Africa, inflation and unemployment numbers are out.

Retail sales, consumer sentiment and import price figures are meanwhile issued in Germany.

In the eurozone, latest inflation and money supply figures are published.

In Italy, the National Institute of Statistics releases latest retail sales data alongside business and consumer confidence numbers.

Final fourth quarter GDP figures for Spain are issued.

The Office for National Statistics releases its second update of UK GDP data as well as latest business investment figures.

Brazil updates unemployment and consumer confidence data.

### Friday 26 February

Japan sees the release of January consumer price numbers while preliminary inflation data for February are out in Germany and Spain.

Meanwhile, China publishes house price figures.

India makes an announcement on its foreign reserves.

Economic sentiment data are published in the euro area.

February's Bank Austria Manufacturing PMI results are released.

In France, consumer spending, producer price and CPI numbers are out.

Meanwhile, wage inflation figures for Italy are published.

An update on Brazil's budget is announced.

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