

Week Ahead Economic Overview

- Flash PMIs for the US, eurozone and China
- GDP second estimates for the UK and Germany
- US FOMC minutes

Flash PMIs for the US, the eurozone and China are published by Markit, providing the earliest indications of business trends during August. The week also sees the second estimates of GDP for the UK and Germany, as well as the minutes from the US Fed policy meeting.

The PMI for [China](#) will be one of the main events of the week, with analysts looking for clues as to just how severe and entrenched the country's slowdown is after [July data](#) signalled an increased rate of contraction of the world's largest manufacturing economy.

In marked contrast to the downturn in China, eurozone newsflow is improving. The region exited recession in the second quarter, with GDP rising 0.3% and [PMI data have surprised on the upside](#). The flash August PMI and EC consumer confidence figures will provide further insight into whether expansion continued into the third quarter.

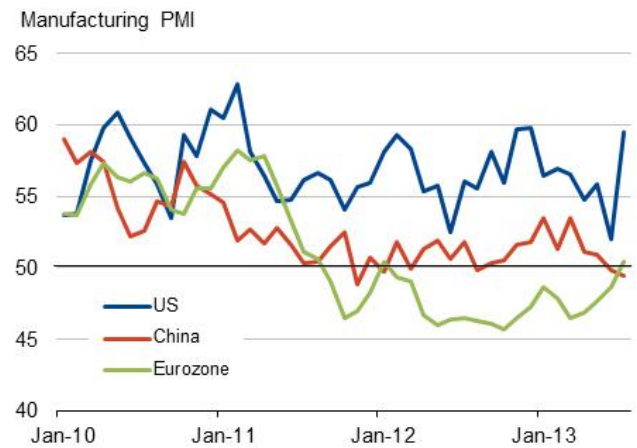
Germany was the main powerhouse behind second quarter growth in the eurozone, with GDP rising 0.7%. The second estimate of GDP on Friday is unlikely to contain revisions but will provide more detail on the growth drivers and how sustainable the upturn is.

The UK likewise sees the second [estimate of GDP](#), as well as the latest public sector borrowing numbers. [Markit's Household Finance Index](#) for August is also out. Households were the least downbeat about their incomes since the crisis struck in July. The survey will add insight into whether forward guidance from the Bank of England has boosted confidence, with households having already [pushed back their expectations of interest rate rises](#).

[US](#) manufacturing flash PMI data are accompanied by existing home sales data and the minutes from the Federal Reserve's policy meeting. A more dovish statement appeared after the meeting, and the minutes will be scoured for how this may affect the timing of when bond buying will start to be tapered.

In Japan, international trade data is the major release.

Markit Manufacturing PMI surveys



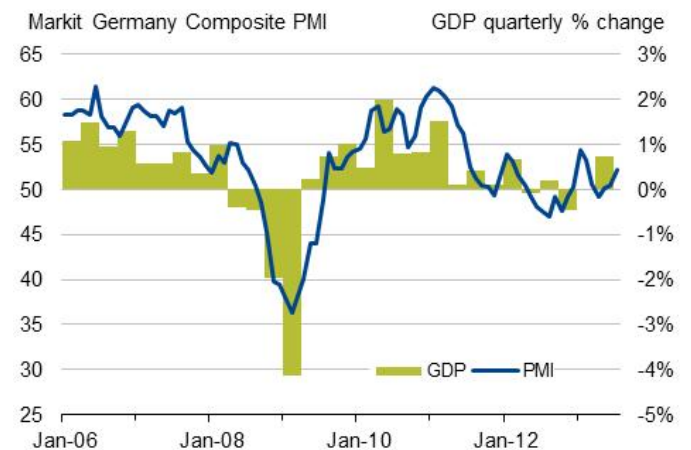
Sources: Markit, HSBC.

Eurozone GDP and the PMI



Sources: Markit, EcoWin.

Germany GDP and the PMI



Sources: Markit, EcoWin.

Monday 19 August

Trade balance data for Japan are released alongside the leading indicator from the Cabinet Office on Monday.

The UK sees an update on house prices from Rightmove, as well as the latest findings from the Markit Household Finance Index.

Tuesday 20 August

The Japanese all industry activity index for June is released by METI.

Producer prices numbers are issued in Germany alongside business sentiment indicators from IFO.

An update on national activity is provided by the Chicago Fed in the US.

Wednesday 21 August

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

The US Fed publishes the minutes from its previous monetary policy meeting.

Existing home sales and mortgage data are also released in the US.

Thursday 22 August

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

The Reuters tankan index is meanwhile released in Japan.

Initial jobless claims data are published in the US. House prices figures from FHFA and the leading indicator from the Conference Board follow.

Friday 23 August

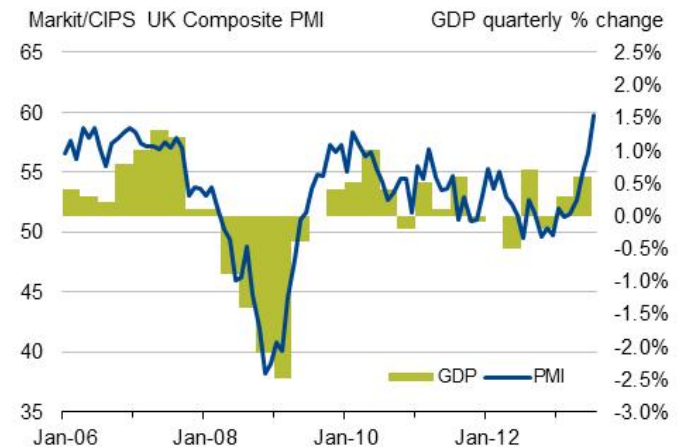
The European Commission publishes August flash consumer confidence readings for the euro area.

The second estimates of GDP are released in Germany and the UK.

Mortgage data provided by BBA are also published in the UK.

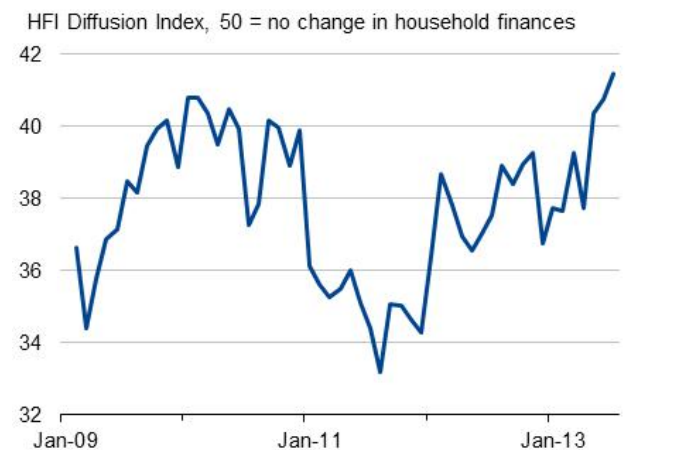
Consumer prices numbers are released in Canada alongside new home sales figures in the US.

UK GDP and the PMI



Sources: Markit, CIPS, EcoWin.

Markit UK Household Finance Index



Source: Markit.

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