

Week Ahead Economic Overview

- Flash US, China and eurozone PMIs
- UK and Germany inflation data
- FOMC and MPC minutes

The flash PMIs from Markit will provide guidance on the health of the world's three largest economies in May. Recent PMI data have indicated that [global manufacturing has moved down a gear](#), almost stagnating in April. A weakening of global trade will affect all major nations, meaning trends in China, the US and the eurozone will have widespread implications for policymakers around the world and not just at the PBoC, Fed and ECB.

The [Markit US PMI](#) had slumped to a six-month low of 52.1 in April, indicating that manufacturing growth has slowed sharply. Official data have recently followed suit, showing a weakening trend.

China's manufacturing sector also saw growth slow to near stagnation in April, with the [PMI falling to 50.4](#).

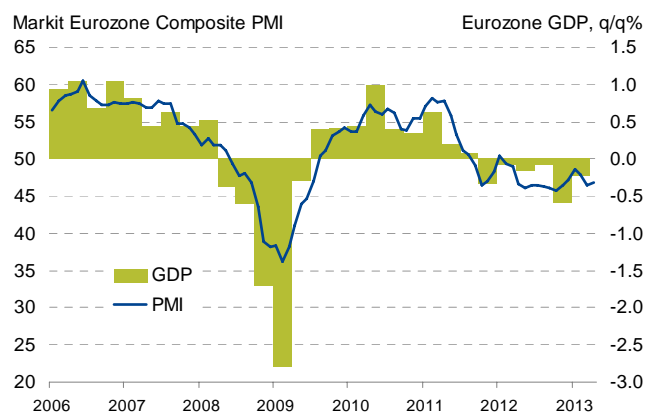
Both the US and China continue to fare better than the eurozone, however, where the [manufacturing PMI](#) remained well below the 50.0 no change level at 46.7 in April, a four-month low. The eurozone also sees the publication of the services flash PMI alongside manufacturing, which at 47.0 likewise remained firmly in contraction territory in April and added to the need for the [ECB to cut rates to a record low](#). May data will provide clues as to whether the [region's recession](#) persisted into the second quarter.

Other data releases include UK and German inflation numbers, as well as second estimates of GDP in the first quarter for both countries. The UK also releases retail sales and public sector borrowing data, while the [IFO survey](#) gives further insight into German business conditions.

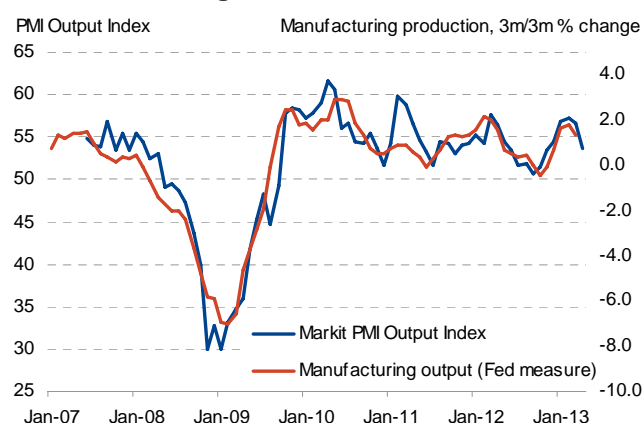
The US meanwhile gets updates to durable goods orders and existing home sales data.

As far as central banks are concerned, the Bank of Japan holds its regular policy meeting, although no change is likely after [first quarter GDP data](#) showed existing policy to be having a significant impact on boosting growth, albeit with no signs of prices starting to rise.

Eurozone PMI



US manufacturing PMI



The minutes are also published from the previous [US Fed](#) and [Bank of England](#) policy meetings. The former will be scoured for clues as to the extent to which policymakers see scope for easing back on the Fed's \$85bn per month asset purchase programme.

The Bank of England MPC minutes are likely to show policymakers more reassured about the UK economy after better-than-expected [first quarter growth figures](#), more upbeat [PMI surveys](#) and signs that the Funding for Lending Scheme is having a positive impact, suggesting the committee will have seen a reduced need for further stimulus.

Monday 20 May

The final estimate of Japan's leading indicator from the Cabinet Office is released on Monday.

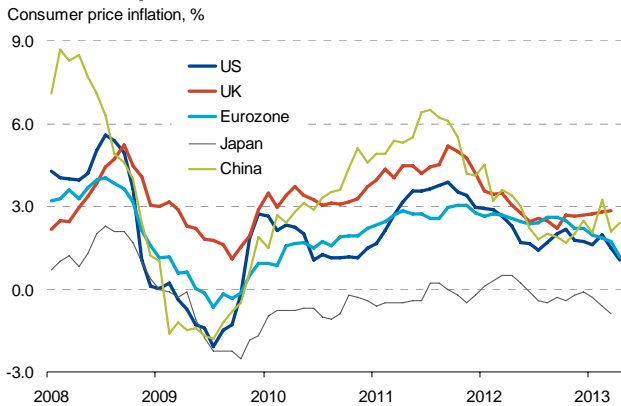
Italian industrial order numbers are also published.

Tuesday 21 May

Minutes from the previous monetary policy meeting in Australia are published on Tuesday. The all-industry activity index for Japan follows.

Inflation data are meanwhile published in both Germany and the UK.

Consumer price inflation



Wednesday 22 May

The Bank of Japan announces their latest monetary policy decision on Wednesday.

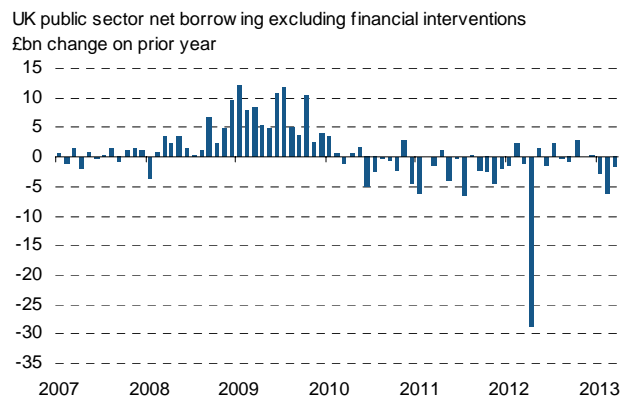
Minutes from the previous Bank of England and the US Federal Reserve monetary policy meetings are meanwhile published.

The UK sees public sector net borrowing figures and the latest results from the CBI's industrial trends survey.

Current account numbers for the euro area as a whole are also released.

Existing home sales and MBA mortgage statistics are issued in the US.

UK government deficit



Thursday 23 May

Markit releases flash PMI data for China, the eurozone and the US on Thursday, providing one of the earliest indications of business trends in May.

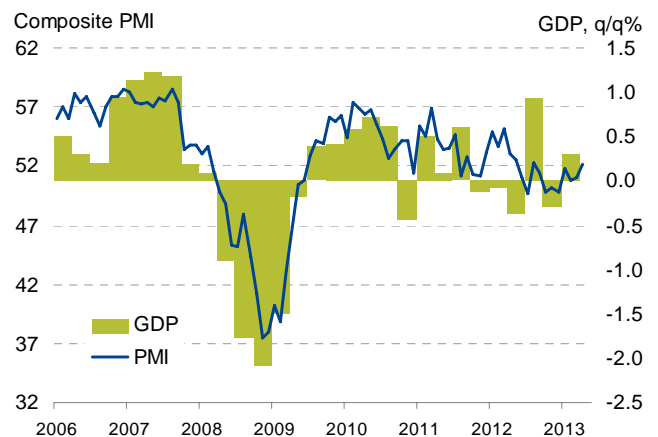
Italian retail sales and international trade data are also published.

The eurozone as a whole meanwhile sees flash consumer sentiment indicators from the European Commission.

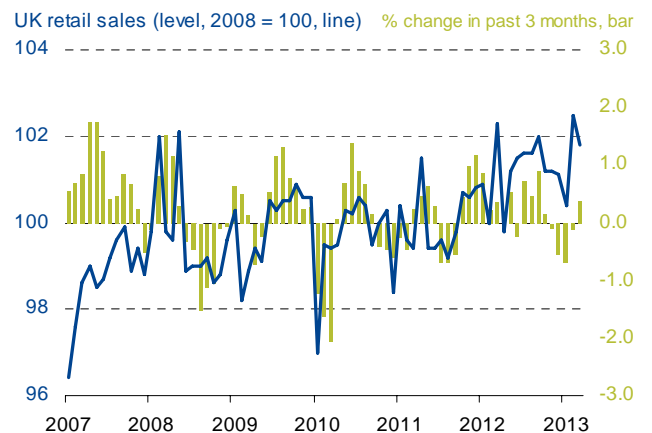
The second estimate of GDP in the first quarter is released in the UK, alongside retail sales numbers for April.

New home sales and (FHFA) house prices data are published in the US, as well as the latest results from the Kentucky Fed surveys.

UK GDP (and the PMI)



UK retail sales



Friday 24 May

An update on first quarter GDP is available in Germany, followed by the latest IFO business sentiment indicators.

Business and consumer confidence data are released in France (INSEE) and Italy (ISTAT) respectively.

Spanish producer prices numbers and Italian hourly wage figures are also published.

In the UK, BBA mortgage approval numbers are the only notable economic release.

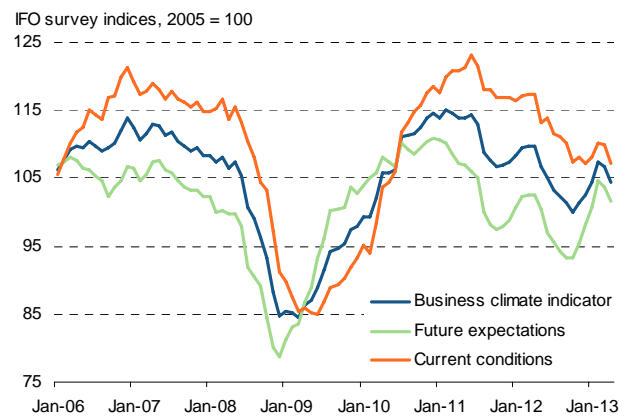
Durable goods orders and building permits data are meanwhile issued in the US.

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

German GDP



German IFO survey



Chris Williamson

Chief Economist

Markit

Tel: +44 207 260 2329

Email: chris.williamson@markit.com

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