

# Week Ahead Economic Overview

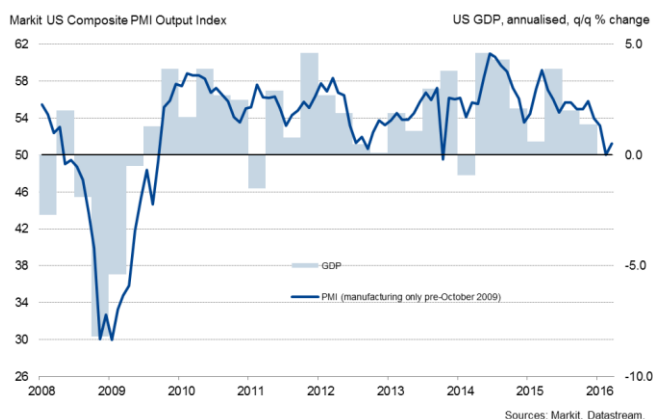
- **First quarter GDP numbers out in France, Spain, the UK and the US**
- **Monetary policy announcements in Brazil, Japan, Russia and the US**
- **Eurozone inflation and unemployment figures**
- **Industrial production and retail sales data updated in Japan**

Not only does the week see a number of central banks (including the US Fed) announce their latest monetary policy decisions, but first quarter GDP results are out in France, the UK and the US. Moreover, a raft of data is released in Japan, while Eurostat issues updates on inflation and unemployment.

The **US** Fed is not expected to raise interest rates at its April meeting, but the monetary policy announcement should give clues as to when the bank is likely to tighten monetary policy further.

US rate hike expectations will most likely also be set back after the preliminary first quarter GDP results are published towards the end of the week. Economists polled by Thomson Reuters expect annualised economic growth of 1.2%, but the Atlanta Fed's GDPNow model and [Markit's PMI results](#) suggest that growth could be weaker than that. Although the [labour market](#) goes from strength to strength, recently weak industrial production, retail sales and trade data highlight how the world's largest economy is struggling to shake off political risks and [global economic headwinds](#).

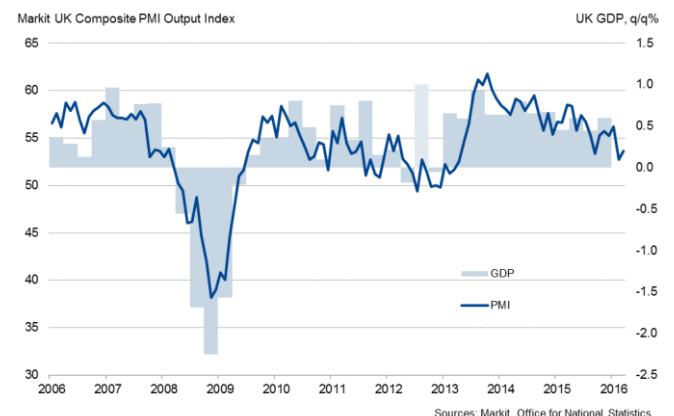
## US GDP and the PMI



Over in the **UK**, the Office for National Statistics releases preliminary first quarter GDP results on Wednesday. [Business survey data point to a 0.4% rise in GDP](#), down from 0.6% in the closing quarter of last year. The survey data highlight how business confidence has been unsettled by the Brexit vote and the prospect of further spending cuts announced in the Budget.

More information on the health of the UK housing market will meanwhile be provided by mortgage approval numbers (issued by the British Bankers' Association) and Nationwide house price data.

## UK GDP and the PMI



On the other side of the English Channel, **eurozone** inflation and unemployment numbers plus GDP estimates in France and Spain will dominate the agenda during the week.

Although some countries within the single currency area are still struggling with high unemployment (notably Greece and Spain), the jobless rate for the region as a whole fell to 10.3% in February, its lowest since August 2011. However, [recent business survey data](#) have signalled a slowing in the rate of job creation, so any improvement in the jobless rate is likely to be minimal. Meanwhile, consumer prices were flat in March, following a brief slip into deflation in February. Preliminary CPI results for April will be out on Friday.

### Eurozone inflation



The Bank of **Spain** predicts first quarter GDP to be up by 0.7%, roughly in line with signals sent by the PMI and down only marginally from 0.8% in the previous quarter. Meanwhile, the **French** economy remains stuck in a low gear, according to business survey results. This was signalled by the country's Composite PMI dropping to the stagnation level of 50.0. Any GDP growth is therefore expected to be fractional.

### Spain GDP and the PMI



There's a raft of economic data out in **Japan** during the week, including industrial production and retail sales numbers. Analysts and policy makers (who meet on Thursday) will be scrutinising the data flow for information on the health of Asia's second-largest economy. [Business survey results](#) and official economic figures have disappointed recently and the yen has strengthened by roughly 10% against the dollar since late-January, holding down inflation through downward pressure on import prices while also hurting exports. Signs are therefore intensifying that the Bank of Japan will introduce more stimulus, with the bank's governor Haruhiko Kuroda stating that *"without hesitation we would adopt additional monetary*

*easing by way of quantity, quality and interest rate, individually or collectively"*.

Monetary policy will also be the focus in Brazil and Russia. The next policy move by the Bank of **Russia** [could be a rate cut](#), as the Russian economy shrank 3.7% in 2015 and the IMF predicts an ongoing contraction (-1.8%) in 2016. The economic downturn paired with volatile oil prices could encourage policy makers to intervene. The bank announces its latest decision on Friday.

The outlook for **Brazil** looks even darker, with South America's largest economy expected to contract by 3.8% this year, according to the IMF's World Economic Outlook. Despite the substantial downturn Brazil is currently facing, it is unlikely that the bank will cut interest rates as the inflation forecast has recently been raised.

### Monday 25 April

Ifo releases its latest Business Climate Index in Germany.

The Confederation of British Industry publishes orders numbers.

### Tuesday 26 April

Import price and retail sales numbers are out in Germany.

Meanwhile, Italy sees the publication of trade data.

BBA mortgage approval figures are released in the UK.

In Brazil, consumer confidence numbers are issued.

Durable goods orders and building permit numbers are published in the US alongside latest flash services PMI results from Markit.

### Wednesday 27 April

Consumer price numbers are updated in Australia, while trade figures are issued in New Zealand.

M3 money supply information are released in India and the eurozone.

Germany sees the publication of GfK consumer confidence data.

Consumer confidence numbers are also updated in France, while business sentiment figures are out in Italy.

Meanwhile, retail sales data are issued in Spain.

Preliminary first quarter GDP results are published by the Office for National Statistics in the UK.

The US Federal Open Market Committee announces its latest monetary policy decision.

### Thursday 28 April

Australia sees the release of trade price data.

The Reserve Bank of New Zealand, the Bank of Japan and the Central Bank of Brazil announce their latest monetary policy decisions.

Moreover, consumer price, household spending, industrial production, retail sales and unemployment numbers are all out in Japan.

Producer price figures are meanwhile issued in South Africa.

Economic sentiment data are published by the European Commission.

In Germany and Spain, consumer price inflation and unemployment numbers are released, while Italy sees the publication of wage growth figures.

Producer price and retail sales data are out in Greece.

The Bank Austria Manufacturing PMI for April is issued.

Nationwide house price information are published in the UK.

The US sees the release of initial jobless claims and first quarter GDP numbers.

### Friday 29 April

The Australian Bureau of Statistics issues producer price figures, while the Reserve Bank of Australia releases private sector credit data.

Business confidence and building permit numbers are updated in New Zealand.

India sees the publication of infrastructure output figures.

The Bank of Russia announces its latest monetary policy decision, while Markit releases manufacturing PMI results for April.

Inflation and unemployment figures are meanwhile updated in the eurozone.

Preliminary first quarter GDP numbers are released in France and Spain, with the latter also seeing the publication of current account data.

GfK consumer confidence data are out in the UK.

Monthly GDP numbers and producer price figures are issued in Canada.

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