

Week Ahead Economic Overview

- **ECB and BOJ to decide on monetary policy**
- **Q1 GDP releases for US, UK, Spain, France, Russia, South Korea and Taiwan**
- **Eyes on durable goods orders amid slowing US growth**

The European Central Bank (ECB) and the Bank of Japan (BOJ) announce their decisions on policy and interest rates. Meanwhile, first quarter GDP data releases for a number of countries will add official updates to what PMI surveys have indicated so far. Other key data highlights include US durable goods orders and home prices.

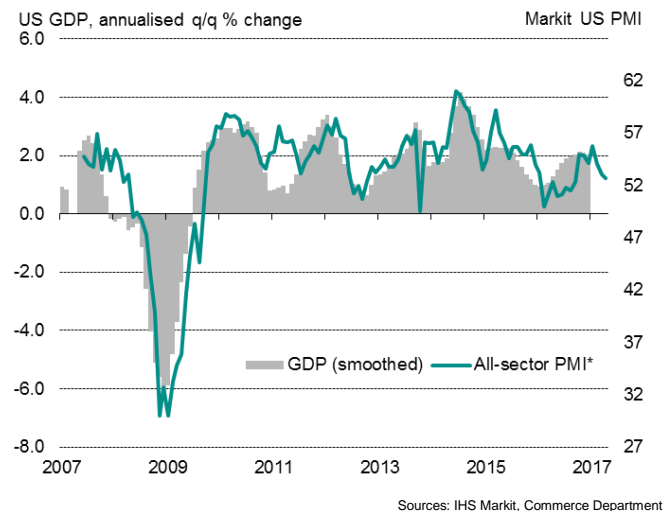
With [April Flash PMI](#) data painting a picture of sustained growth and higher prices in the eurozone economy at the start of the second quarter, attention now shifts to the ECB policy meeting next week. The PMI data should help convince, to some extent, ECB president Mario Draghi of the sustainability of the recent upturn and, notwithstanding the French elections, alleviation of downside risks.

Moreover, the PMI surveys continue to show that the data are in territory consistent with a tightening bias at the ECB, which would add to expectations for the ECB to turn increasingly hawkish in months ahead. Alongside the ECB monetary policy meeting are data releases for inflation and business confidence surveys, which will provide more clues for analysts regarding the direction of growth and future monetary policy.

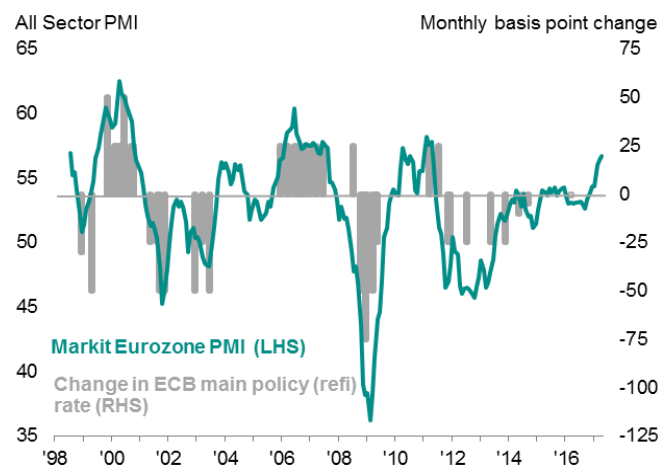
There are signs that slowdown in the US economy continued into the second quarter. Flash PMI surveys signalled the slowest expansion in output since September 2016. The surveys add to recent economic signals that have raised some doubts on the Fed's ability to raise interest rates twice more this year, especially if the slowing trend persists. Apart from first quarter GDP figures, analysts will look to data on durable goods orders, housing and several regional Fed manufacturing indexes for signs of key growth drivers.

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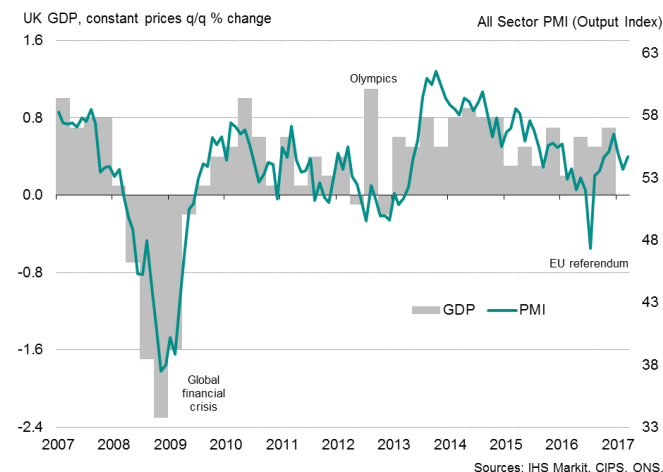
Markit US PMI and smoothed GDP



Eurozone PMI and ECB decisions



UK PMI and GDP compared

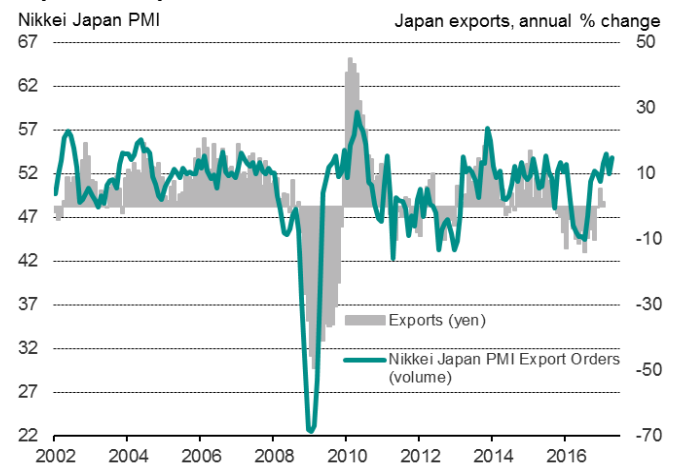


Preliminary estimates of UK GDP numbers for the first quarter are released next week, where [PMI data suggest a quarterly GDP growth rate of 0.4%](#), marking a significant slowdown in the UK economy in the opening three months of the year. Household spending, a key driver for UK growth, remains under pressure. The [April Markit HFI](#) showed that weak wage growth and rising costs of living have squeezed UK household finances by one of the greatest extents in over two-and-a-half years, while retail sales suffered the largest quarterly drop in seven years.

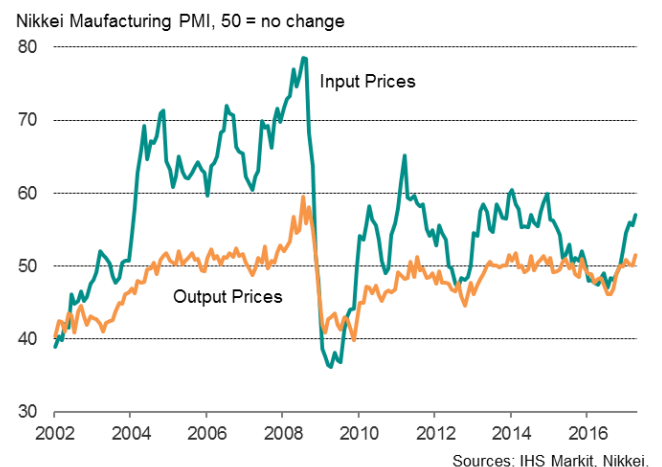
In Japan, the BOJ meeting takes place amid a strengthening economic growth and higher prices. [Flash Manufacturing PMI](#) data indicated that the robust expansion of the goods-producing sector seen in the opening quarter of 2017 has been sustained into the start of the second quarter. The news of an expanding manufacturing sector and rising prices will be welcomed by the central bank ahead of next week's policy meeting, although changes to monetary settings are not expected.

BOJ governor Haruhiko Kuroda has recently acknowledged brightening prospects of Japan's economy, but he noted that consumer inflation was lacking momentum, which justified maintaining an accommodative monetary policy. Other key data highlights in Japan include figures on inflation, employment and industrial production.

Japanese exports



Japan manufacturing prices



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Monday 24 April

Thailand reports latest trade figures.

Singapore updates its inflation data.

Taiwan's industrial production and retail sales are published.

Germany's latest Ifo survey results are published.

In the US, the Chicago Fed National Activity Index, Dallas Fed Manufacturing Index and home prices are updated.

Tuesday 25 April

South Korea updates its consumer confidence index.

France releases its business confidence index.

US new home sales are released, along with the Richmond Fed Manufacturing Index.

Wednesday 26 April

Australian inflation numbers are made available.

Singapore updates industrial production figures.

US mortgage applications are announced.

Thursday 27 April

South Korea publishes GDP data for first quarter.

BOJ sets interest rates and updates quarterly outlook.

Business confidence indexes in Germany, Italy and Spain are updated.

Germany and Spain issue latest inflation data.

In the euro area, business and consumer confidence figures are published.

The ECB sets the key policy interest rate.

In the UK, the Nationwide House Price Index is updated.

US durable goods orders and home sales are issued.

Friday 28 April

Industrial production, retail sales and business confidence data are updated in South Korea.

In Japan, inflation, industrial production, retail sales, employment and housing starts figures are published.

Q1 GDP numbers are released in the US, UK, Spain, France, Russia and Taiwan.

Singapore and Thailand release employment data.

Updated inflation figures are released for the euro area, France and Italy.

The UK issues updated consumer confidence data.

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