

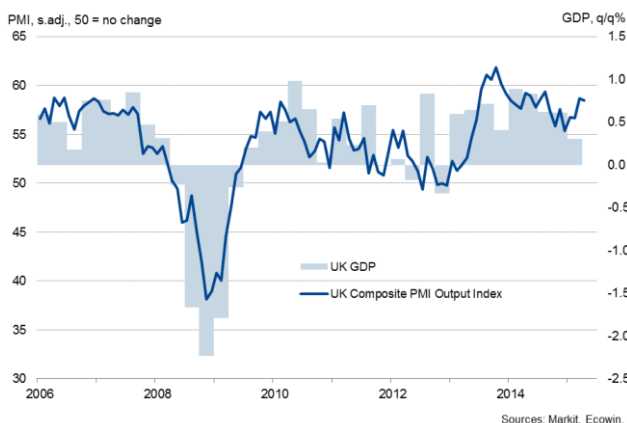
Week Ahead Economic Overview

- GDP updates for UK, US, India and Brazil
- US durable goods orders and consumer confidence data plus flash Services PMI
- Industrial output and inflation data in Japan

The week sees updated GDP numbers for the US and the UK, while India and Brazil release their initial estimates of economic growth for the first quarter. Furthermore, durable goods orders and flash services PMI data are out in the US, while industrial output and inflation numbers are issued in Japan.

The **UK's** impressive run of solid economic growth [stuttered at the start of the year](#), with the Office for National Statistics reporting a mere 0.3% rise in their first GDP estimate for Q1. However, the second estimate, released on Thursday, is likely to show a small upward revision to the initial estimate. The preliminary GDP reading was based on only partial information for the quarter, and in particular a lack of hard data for March, for which [PMI survey data](#) signalled an acceleration in economic growth and official industrial production and construction data have rebounded from earlier weakness.

UK GDP and the PMI



Data revisions are likely to move in the other direction in the **US**. Updated GDP data look likely to show the US contracting slightly in the first quarter instead of the marginal growth [signalled by the first estimate](#). The weak data rule out any imminent hiking of interest rates by the Fed, with September now the first realistic possibility of any policy tightening. More data are

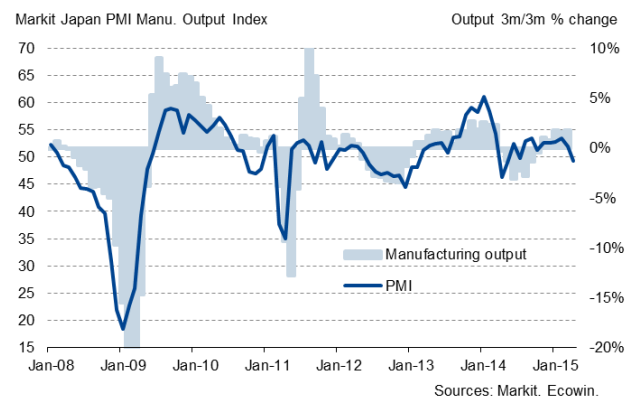
needed to assess whether the slowdown is likely to prove temporary. [April's PMI surveys signalled reassuringly solid growth](#), but the flash Services PMI, durable goods orders, consumer confidence and house price data will all provide valuable insights into just how healthy the US economy remains.

US GDP and the PMI



In **Japan**, GDP surprised on the upside in the first quarter but [May's flash PMI](#) data raise question marks over how sustainable the upturn is, with weak inflationary pressures in particular meaning further stimulus should not be ruled out. More insight will be provided by the release of industrial production, unemployment and inflation numbers.

Japan manufacturing output and the PMI



First quarter GDP numbers are also published in **Brazil** and **India** during the week. Latin America's largest economy expanded 0.3% in the final quarter of last year, but PMI data have been weak in recent months with [April's Composite PMI Output Index](#) signalling the sharpest decline in private sector activity

since March 2009. With firms cutting payrolls and new business declining, there appears to be little hope of a meaningful recovery in coming months.

India's GDP rose at an annualised rate of 7.5% in the final three months of 2014 and first quarter numbers are released on Friday. The [PMI surveys](#) signalled a slowing of private sector output growth in recent months with the Composite PMI Output Index at a six-month low in April. The IMF predicted 7.2% growth for the current fiscal year, which runs until the end of March, and 7.5% for the coming fiscal year.

Monday 25 May

Trade balance data are released in Japan and Italy.

Tuesday 26 May

Import price numbers are issued in Germany.

The Confederation of British Industry releases latest retail sales data.

GDP and unemployment numbers are meanwhile published in South Africa.

Brazil updates consumer confidence and current account data.

In the US, durable goods orders and consumer confidence figures are issued alongside the S&P/Case-Shiller Home Price Index. Moreover, Markit releases its flash US Services PMI.

Wednesday 27 May

M3 money supply information are issued in India.

Consumer confidence data are released in France and Germany, with the latter also seeing the publication of retail sales numbers.

The Bank of Canada announces its latest interest rate decision.

Building permit figures are meanwhile updated in the US.

Thursday 28 May

In Japan, retail sales figures are published.

The Bank Austria Manufacturing PMI is released.

Business climate data are out in the eurozone.

First quarter GDP numbers are meanwhile updated in Spain and the UK, with the latter also seeing the release of house price information.

Inflation figures are issued in Brazil, while Canada sees the release of producer price data.

Friday 29 May

In Australia, new home sales numbers and private sector credit information are issued.

Japan sees the release of consumer price, unemployment and industrial output data.

First quarter GDP data are released in India, Brazil and Canada.

M3 money supply information are published in the eurozone and South Africa

GDP data are updated in the US, Greece and Italy, with the latter also seeing the publication of inflation numbers. Producer price and retail sales figures are meanwhile out in Greece.

Consumer spending data and producer price numbers are issued in France, while Spain sees the release of inflation data.

Gfk consumer confidence numbers are out in the UK.

Oliver Kolodseike

Economist

Markit

Tel: +44 149 1461 003

Email: oliver.kolodseike@markit.com

For further information, please visit www.markit.com. The intellectual property rights to the report provided herein are owned by or licensed to Markit Economics Limited. Any unauthorised use, including but not limited to copying, distributing, transmitting or otherwise of any data appearing is not permitted without Markit's prior consent. Markit shall not have any liability, duty or obligation for or relating to the content or information ("data") contained herein, any errors, inaccuracies, omissions or delays in the data, or for any actions taken in reliance thereon. In no event shall Markit be liable for any special, incidental, or consequential damages, arising out of the use of the data. *Purchasing Managers' Index*[™] and *PMI*[™] are either trade marks of Markit Economics Limited or are licensed to Markit Economics Limited. Markit is a registered trade mark of Markit Group Limited.