

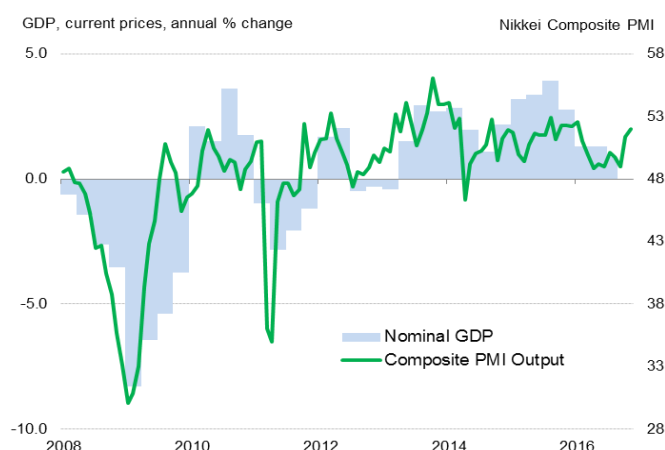
Week Ahead Economic Overview

- Japanese inflation, retail sales, unemployment and industrial production figures
- December PMI data for Russia, Austria and Thailand are released
- Spanish retail sales numbers

The final week of 2016 is filled with some key economic data releases. Japan will be the main focus, as a clutch of key economic indicators are updated. PMI results for December will provide early insights into economic trends for Russia, Austria and Thailand, as well as completing the economic picture for 2016 and the fourth quarter. Finally, Spanish retail sales will deliver an additional diagnosis on the health of one of the eurozone's leading economies.

Despite members from the Policy Board of the Bank of Japan voting to maintain monetary policy at its current level, brighter economic data over the previous few months led the central bank to [upgrade their assessment](#) on the health of the economy. Flash PMI results for December also highlighted a [strong end to 2016 for manufacturers](#), as production, new order and employment growth all picked up. When combined with Japanese [services PMI data](#), then GDP looks set to grow 1.0% during the fourth quarter.

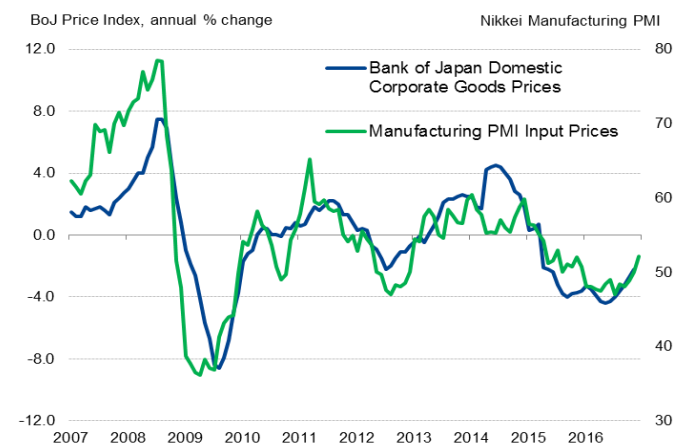
Nikkei Japan PMI vs GDP



Sources: IHS Markit, Nikkei, Datastream.

However, the BoJ is still waiting for inflation to revive from its current below-par level. Consumer prices in Japan rose only 0.1% on an annual basis in October. Consequently, the November CPI update will be assessed for signs of further increases, with policymakers hoping the recent slide in the yen has led to a renewal in inflation towards the bank's 2.0% target.

Nikkei Manufacturing PMI Prices Index vs Bank of Japan Price Index



Sources: IHS Markit, Nikkei, Datastream.

The release of retail sales numbers, latest industrial production figures and the unemployment rate will also offer further indications if the Japanese central bank's more optimistic economic outlook for 2017 is vindicated.

Russian PMI results for December will be eyed for signs that the strong upturn shown during the second half of 2016 has been sustained. November survey data saw output growth quickening to a [four-year high in the services sector](#), while in the manufacturing economy, the [headline PMI climbed to a 68-month high](#). The December PMI data will give an important steer on the next batch of monetary policy, with the Bank of Russia outlining a cut to lending rates during early-2017. Moreover, CPI figures published on Friday will also be carefully scrutinised for signs of weakening inflation.

December manufacturing PMI data for **Thailand** and **Austria** will also be released. PMI survey data for November showed [a downturn in Thailand's goods producing sector](#), while Austrian manufacturers reported the [sharpest improvement in operating conditions for five-and-a-half years](#).

Meanwhile, **Spain** continues to be a key contributor to **eurozone** economic growth at present, with the economy showing robust [manufacturing](#) and [services](#) sector expansions. Retail sales for October were also solid, with data signalling a 2.2% annual increase. Subsequently, the latest announcement will offer data watchers another clue to the economic trends of one of the currency bloc's main performers.

Monday 26 December

The latest CPI numbers for Japan are out, while the Japan Statistics Bureau issues an update on the unemployment rate.

Tuesday 27 December

In Japan, household spending figures, housing starts data and unemployment rates are out.

An update on the Case-Shiller Home Prices for the US are released, as well as the US consumer confidence index.

Wednesday 28 December

Japan publishes preliminary industrial output numbers for November, along with latest retail sales data.

In Thailand, manufacturing output numbers for November are issued.

Italian business and consumer confidence indicators are released.

In Spain, an update on latest retail sales data is provided.

The UK publishes mortgage approval figures.

Thursday 29 December

The Bank of Japan announces its Summary of Opinions report.

The Statistics South Africa Head Office publishes its consumer price index, while trade balance numbers are also made available.

Markit's manufacturing PMI results are released for Russia and Austria.

Money supply data for the Eurozone is updated.

In Brazil, the national jobless rate is released alongside latest IGP-M market price index.

Initial jobless claims figures in the US are out, while an updated US mortgage applications is also made available.

Friday 30 December

In Australia, private sector credit data is made available.

Thailand's manufacturing PMI data is updated for December, while a release of service sector PMI results for Russia is made.

Indian foreign reserve and external debt numbers are published.

Updated Russian CPI figures are released.

Italy issues its latest producer prices data.

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