

# Week Ahead Economic Overview

- UK first quarter GDP to reveal triple-dip fate
- US GDP set for upturn after Q4 weakness
- Flash PMIs to provide guidance on Q2 trends

The preliminary estimate of first quarter gross domestic product (GDP) on Thursday will reveal whether the UK has slipped into a triple-dip recession. We estimate that the currently available data point to a [modest 0.1% expansion](#) at best, after GDP fell 0.3% in the fourth quarter of last year, although a further decline would not be a surprise.

From a central bank perspective, whether the UK grew marginally or not would normally be of little importance, especially as the average error in first releases of GDP data is +/- 0.4%. However, in the current situation, the detrimental impact of the news of a return to recession on confidence would add to pressure on the Bank of England to take further action to revitalise the economy.

First quarter GDP data are also published for the US, which is [expected to show growth picking up sharply](#) from the 0.4% annualised pace seen at the end of last year. Anything less than 3% would be a disappointment, especially as recent indicators have pointed to the possibility of growth slowing again in the second quarter as budget cuts and higher taxes take their toll.

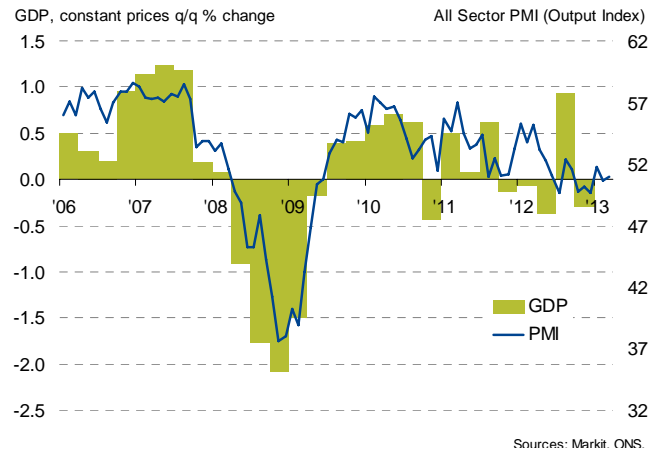
The week also sees the release of flash PMIs for the US, China and the eurozone, which will provide the first indications of economic trends at the start of the second quarter. March's PMIs had shown the [eurozone's recession deepening](#), though manufacturing upturns gained momentum in [China](#) and [the US](#).

The flash PMI for China will be closely watched to see if the reported slowdown in first quarter GDP looks likely to have been a temporary blip in an upward trend, as prior PMI data have suggested. The Eurozone PMI will meanwhile be eagerly watched after ECB chief Mario Draghi noted that the bank is ["ready to act"](#) on signs of further disappointing economic data.

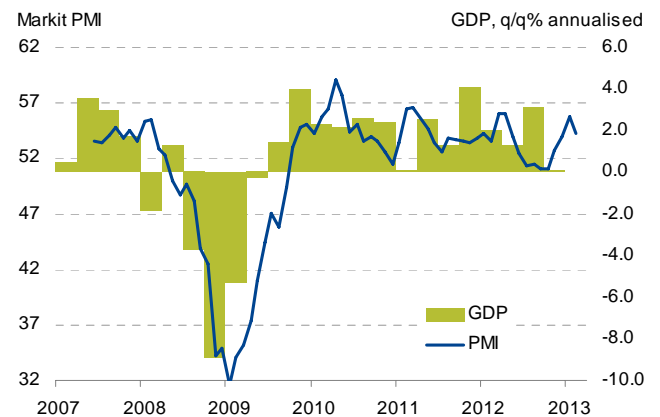
In Asia, the monthly monetary policy meeting at the Bank of Japan follows the Bank's announcement of more aggressive stimulus to end deflation on 4 April.

[March's PMIs](#) showed business activity already rising on the back of promised policy action.

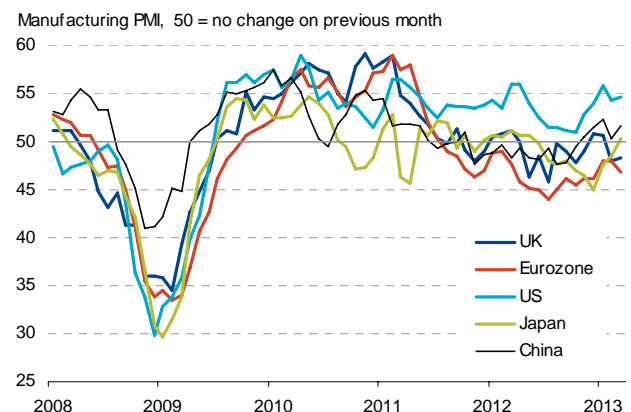
## UK GDP



## US GDP



## Manufacturing PMIs



## Monday 22 April

Unemployment and export orders data are published in Taiwan on Monday, as well as flash consumer sentiment estimates for the eurozone.

Existing home sales numbers are the only notable economic release in the US.

## Tuesday 23 April

Markit releases flash PMI data for China, France, Germany, the eurozone and the US on Tuesday, providing one of the earliest indications of economic trends in April.

Business confidence numbers are issued in France (INSEE), before consumer sentiment figures for Italy (ISTAT). Italy also sees non-EU trade data.

CBI's industrial trends survey results and the public sector net borrowing requirement are the highlights in the UK.

US house prices and new home sales data are meanwhile published by FHFA.

## Wednesday 24 April

Italian retail sales numbers are published alongside Spanish producer prices figures on Wednesday.

Germany meanwhile sees import prices data and the latest sentiment indicators from IFO.

BBA mortgage approval numbers are released in the UK, as well as the latest results from the CBI distributive trades survey.

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

## Thursday 25 April

The first estimate of gross domestic product (GDP) in the first quarter is published in the UK on Thursday, alongside services output data for March.

Unemployment data are meanwhile issued in Spain, Brazil and the US (initial claims).

## Friday 26 April

Gross domestic product (GDP) data for the first three months of the year are published in South Korea and the US on Friday.

The US also sees consumer sentiment indicators from the University of Michigan, as does France from INSEE.

Consumer prices data are released in Japan. The Bank of Japan meanwhile meets for its latest monetary policy meeting.

Money supply numbers are meanwhile published for the euro area as a whole.

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

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## Chris Williamson

### Chief Economist

Markit

Tel: +44 207 260 2329

Email: [chris.williamson@markit.com](mailto:chris.williamson@markit.com)

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