

# Week Ahead Economic Overview

- Flash US, China and eurozone PMIs
- UK GDP estimate
- US durable goods orders and University of Michigan consumer confidence data

The main economic releases of the week are flash PMI data, published by Markit on Wednesday. The surveys will provide the first indications of economic trends in the US, eurozone and China at the start of the third quarter. The week also sees the first estimate of UK GDP in the second quarter.

News of the disappointing, but widely anticipated, [slowdown of China's economy in the second quarter](#) to 7.5% year-on-year GDP growth confirmed gloomy survey data – the [manufacturing PMI](#) having fallen to its lowest level in nine months in June. The flash PMI estimate for July will give guidance on whether the slowdown will continue in the third quarter, with current indicators, particularly from the [Markit Business Outlook Survey](#), already pointing downwards.

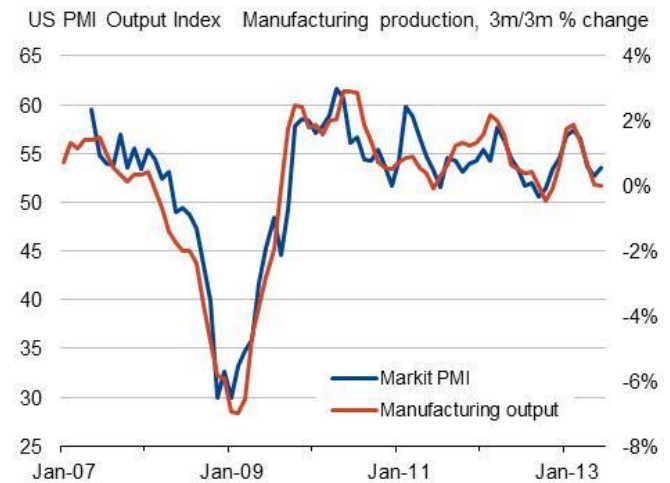
Survey data for the [eurozone](#) meanwhile suggest that the region remained stuck in recession for a record seventh quarter, with a rate of contraction of 0.2% in GDP expected for the second quarter. However, there was at least better news in June, with the economic downturns easing in France, Italy and Spain. The flash PMI for July and European Commission consumer confidence surveys, plus the IFO survey for Germany, will all provide valuable guidance as to whether the region is on course to stabilise in the second half of the year.

The US economy looks to have slowed in the second quarter. The underlying trend for [goods output](#) was broadly flat in the three months to June, while retail sales grew at half the pace that was expected by analysts. [Markit's flash PMI](#), durable goods orders and University of Michigan consumer confidence indicators will provide insight into trends at the start of the third quarter.

The UK seems to be bucking a wider global slowdown. The first estimate of GDP for the second quarter looks set to be stronger than the 0.3% expansion seen in the first quarter, with the [UK PMIs](#) collectively indicating 0.6% growth. The [labour market](#) also continued to

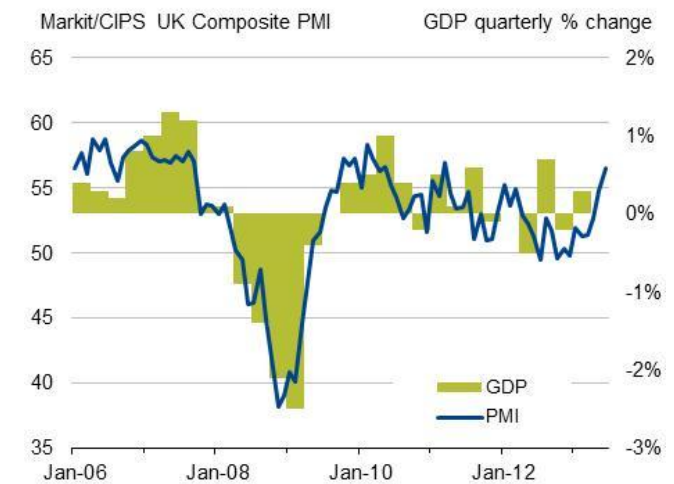
show signs of improving, [retail sales](#) have picked up and [goods exports](#) are rising at the fastest trend rate since late-2011. Even the [Bank of England](#) monetary policy committee seemed buoyed by growing economic momentum, deciding to keep interest rates and quantitative easing unchanged at its latest meeting. Other economic highlights include Japanese inflation figures and German and Italian retail sales numbers.

## US manufacturing PMI



Sources: Markit, Federal Reserve.

## UK GDP and the PMI



Sources: Markit, CIPS, ONS.

## Monday 22 July

US existing home sales statistics are the only notable economic release on Monday.

### Tuesday 23 July

The eurozone sees flash consumer sentiment indicators from the European Commission.

Meanwhile, French business confidence figures are released by INSEE.

In the UK, mortgage approvals numbers from BBA are issued.

An update on US house prices from FHFA is published in the US.

### Wednesday 24 July

Markit releases flash PMI data for China, the eurozone and the US on Wednesday, providing one of the earliest insights into economic trends in July.

Trade balance figures are announced in Japan.

Meanwhile, import prices figures are reported in Germany alongside producer prices numbers in Spain.

Italian retail sales figures are also published.

The UK sees the latest results from the CBI's industrial trends survey.

New home sales statistics are issued in the US, as well as MBA mortgage numbers.

### Thursday 25 July

The first estimates of GDP in the second quarter are released in South Korea and the UK, with the latter also seeing services output figures.

Corporate services prices numbers are meanwhile issued in Japan.

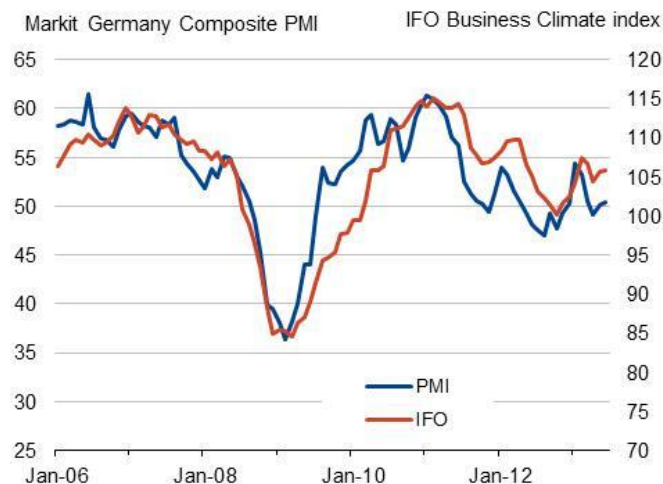
Money supply statistics are published for the euro area as a whole.

Business and consumer confidence data are also released in Germany (IFO) and Italy (ISTAT), followed by Spanish unemployment data.

Initial jobless claims, durable goods orders and building permits data are released in the US.

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

### Germany business surveys



Sources: Markit, IFO.

### Friday 26 July

Japan releases an update on consumer prices numbers on Friday.

Producer prices and consumer confidence statistics are both released by INSEE in France.

Germany meanwhile publishes retail sales figures.

The final July sentiment indicators from the University of Michigan are issued in the US.

### US consumer sentiment



Source: University of Michigan.

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