

Week Ahead Economic Overview

- **US durable goods orders rebound**
- **Japan's inflation rate accelerates further**
- **French GDP contracts in third quarter**

A shortened week due to holidays nevertheless features some interesting data releases.

After having fallen 1.6% in October, durable goods data for the US will likely show a bounce back in November, perhaps rising 1.1%. The surprise fall could have been linked to the government shutdown, as suggested by the [Markit US Manufacturing PMI™](#), and will likely prove to be a temporary dip.

The US also sees the final estimate of consumer confidence from the University of Michigan. The index had already jumped to 82.5 in the early estimate for December, largely due to the improved economic outlook. Following the recent announcement that a two-year government budget deal is very likely to be passed, this may further boost consumer sentiment in the final reading.

The Bank of Japan is likely to keep policy unchanged at its December meeting (announced 20 December), but the minutes may provide insight into whether more accommodative policy is on the cards.

Both monetary and fiscal policy has been kept loose in a bid to boost the economy and raise inflation to a new 2.0% target. October data showed consumer prices rising 1.1% and, although still quite far off from target, was the highest in five years. Meanwhile, the [economy is set to grow at a faster rate](#) in the fourth quarter (revised 0.3% expansion in the third quarter).

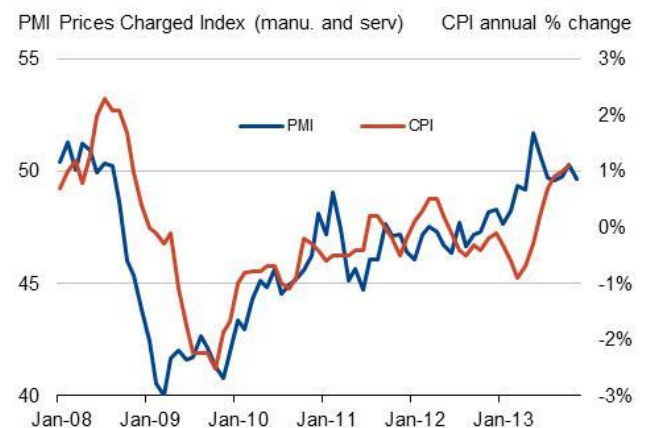
The other main economic highlight of the week is the final estimate of third quarter GDP for France, which is likely to confirm a 0.1% contraction. With flash PMI data pointing to the [sharpest fall in output for seven months](#) in December, this may translate into a further GDP downturn in the fourth quarter, putting France back into technical recession.

US durable goods orders*



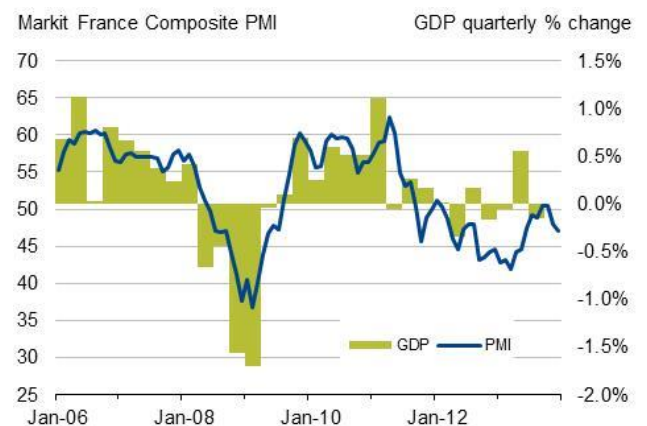
*with December Markit flash PMI. Sources: Markit, EcoWin.

Japanese inflation



Sources: Markit, EcoWin.

France GDP and the PMI*



*with December Markit flash PMI. Sources: Markit, EcoWin.

Monday 23 December

Producer prices numbers are published in Spain.

Italy sees consumer confidence indicators from ISTAT.

An update on GDP is released in Canada.

Personal income and spending data, as well as the final estimate of consumer sentiment from the University of Michigan are the highlights in the US.

Tuesday 24 December

The final estimate of GDP in the third quarter is published in France. Consumer spending numbers follow.

In the UK, mortgage approval figures are released by BBA.

Durable goods orders, house prices (FHFA) and new home sales data are all published in the US.

Wednesday 25 December

Corporate service prices numbers are released in Japan.

Thursday 26 December

The Bank of Japan publishes the minutes from their December meeting. Construction orders and housing starts data follow.

Friday 27 December

Consumer prices, household spending, retail sales, unemployment and industrial production data are released in Japan.

Manufacturing PMI™ data for December are published in Japan and Russia.

French producer prices numbers are also published.

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