

Week Ahead Economic Overview

- **Flash PMI™ data for the US, China, Japan and the Eurozone**
- **US durable goods orders and GDP update**
- **Third estimate for first quarter GDP in the UK, plus new housing market data**

Monday's Flash PMI™ data from Markit will provide the first insights into the health of the world's largest economies in June. Other standouts are updates on first quarter GDP for the UK and the US, with the latter also seeing the release of durable goods orders.

Flash Manufacturing PMI data for **China** will give new insights into whether the government will meet its 7.5% growth target for the year. The PMI for May had signalled contraction for a fifth successive month in May, though worries about a 'hard-landing' had been allayed by the rate of decline easing markedly.

In **Japan**, the flash manufacturing PMI will meanwhile be eyed for signs that the slowdown since the April sales tax rise will prove only temporary and that the economy will revive in the second half of the year.

Will the recent ECB action have provided an instant lift to growth in the euro area? The **Eurozone** PMI fell in May, though had signalled that the region remained on course to record its [best calendar quarter of economic growth for three years](#), consistent with GDP rising by approximately 0.4-0.5% in the second quarter. Other important releases in the currency union include sentiment data, an update on French GDP and inflation numbers for Spain and Germany.

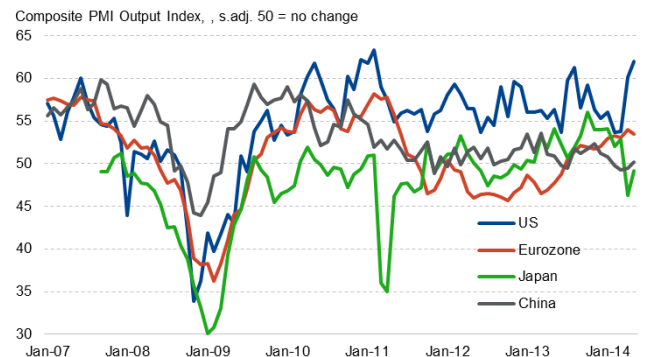
The **US** flash PMI data for manufacturing and services will meanwhile provide further insights into the extent to which the economy rebounded in the second quarter after [shrinking due to adverse weather at the start of the year](#). May's PMI data had pointed to the [sharpest rise in production levels in over three years](#). A solid second quarter is necessary for the Fed to meet even its new lowered growth forecast for 2014 (down from 2.8-3.0% in March to 2.1-2.3%). The US will also update its first quarter GDP numbers, which may show an even steeper than previously thought contraction. An update on durable goods orders will meanwhile

give further clues as to whether the US economy has picked up in the second quarter.

First quarter GDP is also updated in the **UK**. Better than previously thought construction output bodes well for an upward revision from 0.8% to 0.9%. [Strong survey data for the second quarter so far](#) suggest that another strong expansion of the UK economy is on the cards in the three months to June, which would take GDP above its pre-crisis peak.

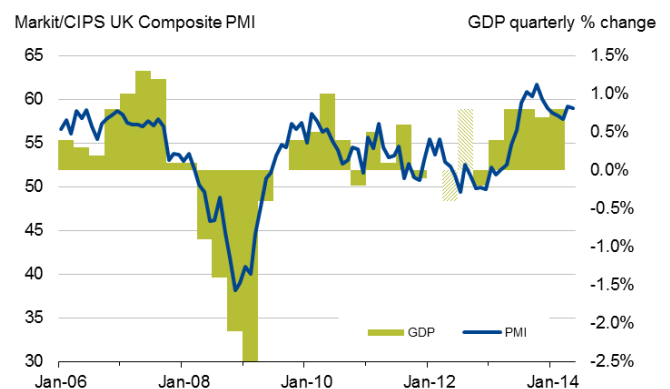
Other releases in the UK include mortgage approvals numbers and house price data, which will be scoured for signs that the housing market may be cooling. Approvals had already fallen for a third month running in April.

Composite PMI™ Output Index



Sources: Markit, JMMA, HSBC.

UK GDP and the PMI



Sources: Markit, Office for National Statistics.

Monday 23 June

Flash PMI results are released for Japan, China, the Eurozone and the US.

Nationwide publishes its latest house prices data.

In the US, existing home sales numbers are updated on Monday.

Tuesday 24 June

Import price figures and the Ifo Business Climate Index are published in Germany.

Italy sees the release of hourly wages data.

BBA mortgage approval numbers are meanwhile out in the UK.

In the US, the FHFA House Price Index, the S&P Case-Shiller Home Price Index, consumer confidence data and new home sales numbers are released.

Current account data are issued in Brazil.

Wednesday 25 June

Gfk consumer sentiment data are issued in Germany, while France sees the release of business confidence numbers.

Producer price figures are meanwhile out in Spain.

Retail sales numbers and ISAE consumer confidence data are published in Italy.

CBI distributive trades data are issued in the UK.

The US sees a fleet of data releases on Wednesday, including durable goods orders, the third estimate of first quarter GDP, the Flash US Services PMI and the Core PCE Price Index.

Thursday 26 June

Consumer confidence data are issued by INSEE for France.

Initial claims are released alongside personal income and personal spending data in the US.

Brazil updates its unemployment rate.

Friday 27 June

Retail sales data are released Friday morning in Germany, followed by inflation numbers.

The Bank of Austria Manufacturing PMI™ is published by Markit.

In France, consumer spending data, the final estimate for first quarter GDP and producer price numbers are out.

Flash inflation numbers and retail sales figures are highlights in Spain.

Business sentiment data are issued by ISAE in Italy.

Current account numbers, the third estimate of first quarter GDP and the Index of Services are published in the UK on Friday.

Meanwhile, sentiment data are also out for the Eurozone.

FGV inflation data are issued in Brazil, followed by manufacturing producer prices and consumer confidence information.

Canada sees the release of industrial product price data and the Raw Materials Price Index.

The University of Michigan Sentiment Index is meanwhile updated in the US.

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