

Week Ahead Economic Overview

- **Flash PMIs for the US, the eurozone and China**
- **Final GDP estimates for the UK and the US**
- **Japan CPI**
- **US durable goods and personal spending data**

In a week that sees potential revisions to second quarter GDP in the UK, US and France, flash PMIs will provide early insights into business trends at the end of the third quarter. Sentiment indicators across Europe, including the German IFO index, the inflation rate for Japan and US durable goods order numbers are also among the week's highlights.

The week starts with the publication of the flash PMI for China, which may shed light on whether the Chinese economy is heading for a 'hard landing'. The economy already grew at one of the weakest rates for four years in the second quarter and PMI data for the third quarter has yet to show a significant pick up.

Amid the backdrop of the German government elections, flash PMI data will also show how economic trends in Germany and the wider eurozone are faring in September. Previously, the PMI showed the [German economy](#) growing at the fastest pace in seven months in August, with firms increasingly confident about the business outlook. The PMI data were later confirmed by the IFO index, which similarly rose for the fourth month running.

The [Eurozone PMI](#) meanwhile showed the region enjoying the strongest expansion for over two years. Italy and Spain joined Germany in growth territory, while the rate of contraction in France has recently eased sharply.

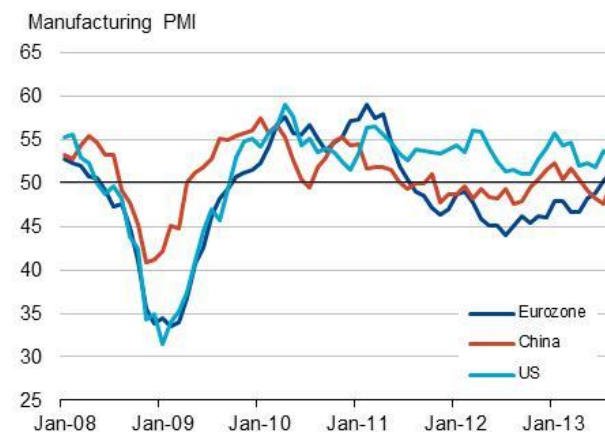
An update on second quarter GDP in the UK is not expected to show any revision from the 0.7% growth currently estimated. This solid rate of expansion is likely to be sustained in the third quarter, according to survey data like [the PMI](#), and was a factor behind the lack of appetite for more stimulus at the [Bank of England](#).

In the US, an increase in exports led to a [faster than originally thought 2.5% annualised rise in GDP](#) during the second quarter. A further slight acceleration may

be on the cards in the final estimate. Updated flash manufacturing PMI, durable goods and personal spending data will meanwhile provide further indications of growth in the third quarter.

After consumer price inflation in Japan reached a near five-year high in July, policies to support economic growth and beat deflation, dubbed 'Abenomics' seem to be working. However, the 0.7% rise in prices partly reflected the weak yen and a more established demand-driven recovery remains elusive. August inflation data will therefore be closely watched for further signs of deflationary pressures easing.

Manufacturing PMIs



Source: Markit.

US GDP and the labour market



Source: EcoWin.

Monday 23 September

Flash PMI data for September are published by Markit for China, the US, France, Germany and the eurozone.

Markit also releases the latest UK Household Finances survey results.

The results of the German federal government elections are announced.

Nationwide provides an update on UK house prices.

Tuesday 24 September

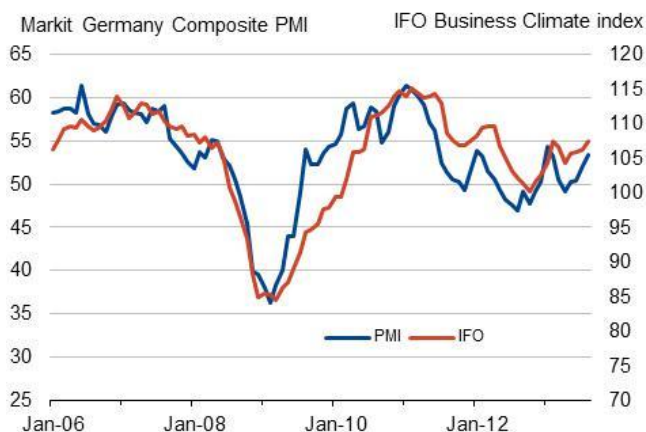
IFO business sentiment indicators are released in Germany.

Italian international trade figures are also out.

Mortgage approval numbers from the BBA are published in the UK.

Both FHFA and S&P Case-Shiller releases updates on US house prices. Consumer confidence indicators (Conference Board) and the results from the Richmond Fed surveys are also published.

Germany business indicators



Sources: Markit, EcoWin.

Wednesday 25 September

Consumer and business sentiment indicators are published in Germany (GfK) and France (INSEE) respectively.

Italian consumer confidence data are also out (ISTAT), alongside hourly wages numbers.

Producer prices numbers are released in Spain.

In the UK, the results from the latest CBI distributive trades survey are published.

Durable goods order numbers and new home sales figures are issued in the US.

Thursday 26 September

French consumer confidence data are published by INSEE.

Italian retail sales numbers are released alongside money supply figures for the wider euro area.

The third estimate of GDP in the second quarter and the latest current account data are published in the UK.

The US also sees the final estimate of GDP, as well as initial jobless claims, building permits and pending home sales numbers.

Brazilian unemployment data are also out.

Friday 27 September

Inflation data are released in Japan.

The flash inflation estimates are similarly published in Germany and Spain. Both also see retail sales figures.

France sees consumer spending numbers and the final estimate of GDP in the second quarter.

Sentiment indicators are published in Italy (ISTAT), the UK (GfK) and the eurozone (European Commission).

Services activity data are also out in the UK.

Personal income and spending figures are released in the US, followed by the consumer confidence indicators from the University of Michigan.

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