

Week Ahead Economic Overview

- **Manufacturing PMIs to give update on health of global economy in February**
- **Markit/CIPS PMI to add insight into prospect of triple-dip recession in the UK**
- **US and UK fourth quarter GDP updates**
- **Italian general election**

The week starts with the release of the flash manufacturing PMI for China on Monday and ends with worldwide final PMI releases on Friday. However, the week also sees the results of the Italian general election, which also has the potential to alter market sentiment if opinion polls of a centre-left coalition victory involving Mario Monti prove wrong.

The election will also bring the impact of austerity measures in the eurozone's 'periphery' into focus, to which the manufacturing PMIs for Italy and Spain will provide additional insight. The [flash eurozone PMI](#) disappointed, showing an increased rate of decline and challenging the expectation that the region could return to growth by the middle of the year. The PMIs also showed a worrying record divergence between the expanding German economy and the rapid contraction seen in France.

The UK manufacturing PMI will be watched for signs that the upturn seen in January persisted into February. Any set-back will set alarm bells ringing about the possibility of a triple-dip recession.

Final PMI data for the US, with indicators published by Markit and the ISM, are meanwhile likely to confirm the solid industrial upturn signalled by [Markit's flash PMI](#).

Japan's February manufacturing PMI release will be accompanied by official industrial production data for January. The data will form an important insight into whether the world's third largest economy will finally pull out of recession.

PMIs for the key emerging markets of China, India, Brazil, Mexico, Taiwan, South Korea and Russia will complete the global picture of manufacturing and trade.

In addition to the PMIs, fourth quarter GDP estimates are updated for the US and UK. It is possible that both will get revised higher. However, while this may

change the picture from contraction to expansion in the US, the UK is likely to have merely seen an easing in the rate of decline.

Other notable data releases include durable goods orders and new home sales and Case-Shiller house price data for the US, as well as fourth quarter GDP data for India.

Monday 25 February

Japan sees the release of consumer services prices on Monday. Markit's HSBC flash manufacturing PMI data for China follow.

Nationwide and BBA respectively provide an update on house prices and mortgage approvals in the UK.

The results from the general election are announced in Italy. Trade balance data are also released.

Tuesday 26 February

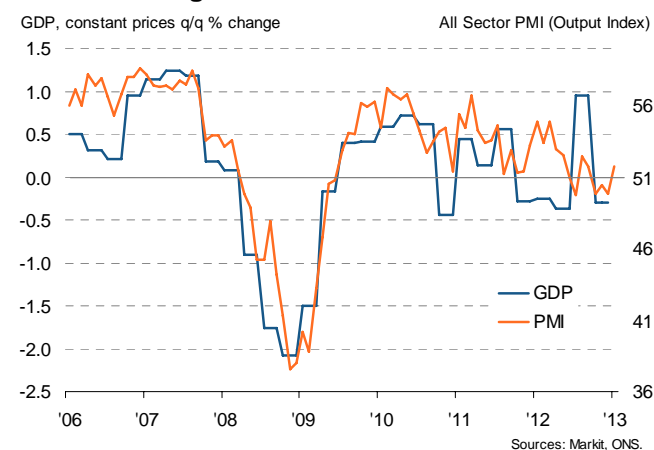
The CBI releases the latest (February) results from the distributive trades survey in the UK.

US house prices data from FHFA and S&P Case-Shiller are released before new home sales numbers. Consumer confidence indicators from the Conference Board follow.

Wednesday 27 February

Retail sales data are published in Japan on Wednesday.

UK economic growth



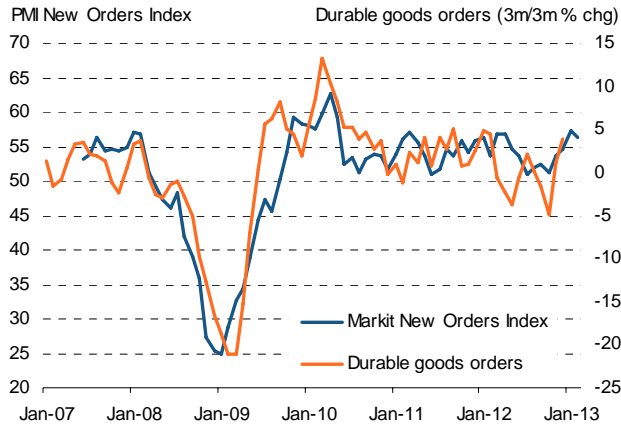
Sentiment indicators are issued for Germany (GfK), France (INSEE), Italy (ISTAT) and the wider euro area

(European Commission). The eurozone also see money supply numbers.

The second estimate of gross domestic product during the final three months of last year is meanwhile released in the UK.

Durable goods orders, pending home sales and weekly mortgage data are published in the US.

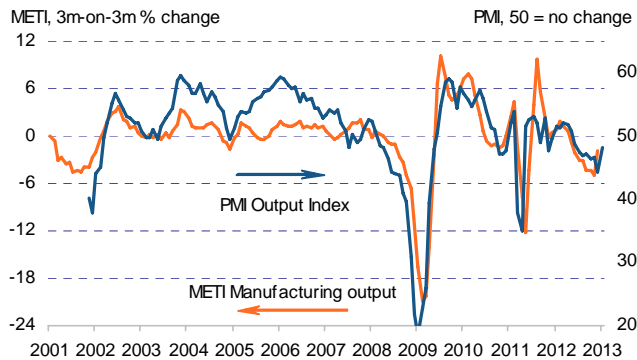
US durable goods orders



Thursday 28 February

The preliminary estimate of industrial production, as well as construction orders and housing starts figures all for January are published in Japan on Thursday. February manufacturing PMI data follow.

Japanese manufacturing



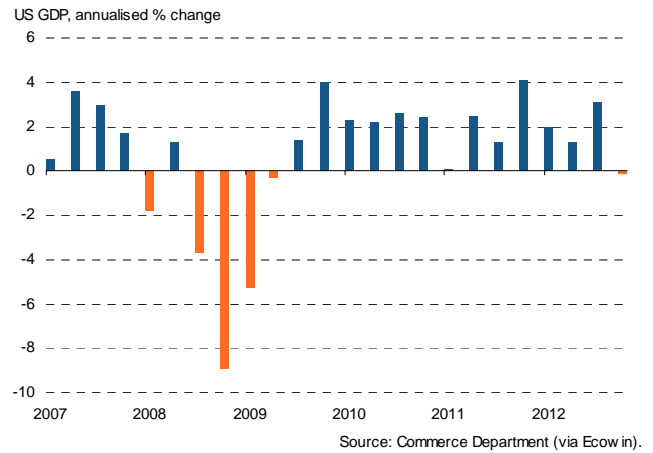
Gross domestic product (GDP) data for the fourth quarter of last year is meanwhile published in India.

GfK provides an update on consumer confidence in the UK during February.

French consumer spending and German unemployment figures are released in advance of producer and consumer prices numbers respectively. Inflation data for January are also issued for the eurozone as a whole.

The second estimate of GDP in the last three months of 2012 is issued in the US. Weekly jobless claims numbers are also published, as well as the Chicago PMI.

US GDP



Friday 1 March

February manufacturing PMI data are published worldwide on Friday.

Household spending, consumer prices, employment and business capital expenditure data are all released in Japan.

Mortgage statistics from the Bank of England and money supply numbers are meanwhile issued in the UK.

February consumer prices numbers are published in Italy, with preliminary figures also released for the wider euro area. The eurozone also sees unemployment data.

Fourth quarter gross domestic product data are published in Canada.

Personal income and spending, construction spending and vehicle sales figures are released in the US, as well as final consumer sentiment numbers from the University of Michigan.

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

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