

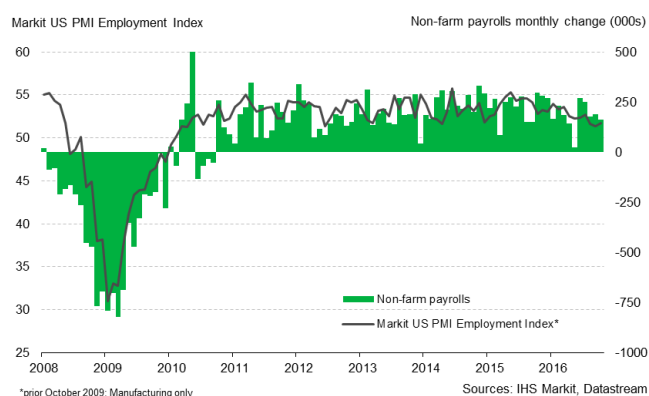
Week Ahead Economic Overview

- **Manufacturing PMI results to provide information on global economic trends in November**
- **US non-farm payrolls**
- **Eurozone inflation and unemployment updates**
- **Monetary policy announcement and third quarter GDP results in Brazil**

The release of worldwide manufacturing PMI results will provide data watchers with the first available information on global economic trends in November. Meanwhile the Fed will be monitoring non-farm payroll numbers in the US and ECB policymakers await inflation and unemployment figures. There's also a focus on Brazil during week, with the Banco Central do Brasil announcing its latest monetary policy decision.

A rate hike in the **US** on December 14th seems almost certain given recent comments from policymakers at the Fed and the minutes of the last FOMC meeting. Although it is unlikely that even disappointing non-farm payroll numbers will dissuade Fed officials from tightening monetary policy, the release of the latest labour market report will be important for the Fed's policy course over 2017 and will therefore be scrutinised by analysts and financial markets. [The US economy added 161k jobs in October](#) and the jobless rate fell back to 4.9%, but it is unlikely that this solid trend of hiring will continue for much longer as the US moves closer to full employment.

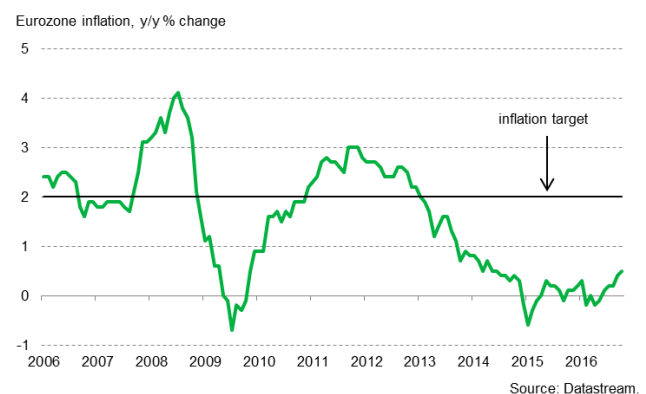
US non-farm payrolls and the PMI



The US also sees the release of consumer confidence figures, updated third quarter GDP results, plus final manufacturing PMI and ISM numbers for November. [A flash estimate of the PMI signalled accelerating growth in the goods-producing sector](#), with output rising at the fastest pace since March 2015.

ECB rate setters in Frankfurt will meanwhile keep a close eye on latest inflation numbers in the **euro area**, after consumer prices rose to the greatest extent in two years in October. Meanwhile, latest flash PMI results signalled that inflationary pressures are at their highest for over five years. Official CPI data for November are released by Eurostat on Wednesday. However, although rising, at 0.5% inflation remained well below the bank's target of below but close to 2%. ECB boss Mario Draghi also told the European Parliament that the bank remains *"committed to preserving the very substantial degree of monetary accommodation necessary to secure a sustained convergence of inflation towards levels below, but close to, 2 percent over the medium term."* It is therefore likely that the ECB will announce an extension of its bond-buying programme beyond March 2017 at its next meeting.

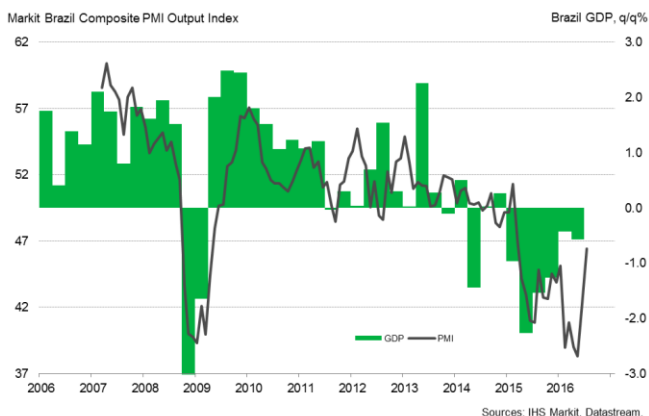
Eurozone inflation



Other important releases in the currency union include economic sentiment data, unemployment figures and final manufacturing PMI results. [Flash PMI results pointed to accelerated growth in November](#), with GDP growth likely to reach 0.4% over the fourth quarter.

There will also be a big focus on **Brazil**, a country that has been stuck in economic recession since 2014. The Banco Central do Brasil will announce its latest monetary policy stance, while IBGE releases third quarter GDP results. Although the introduction of the new government helped boost business and consumer confidence, both the PMI and the central bank's Index of Economic Activity suggest that the economy remained in recession in the third quarter, with the data pointing to a 0.8% decline in GDP. However, IHS Markit currently anticipates a stabilisation of the Brazilian economy in the first half of 2017.

Brazil economic growth and the PMI



Brazil's central bank cut interest rates for the first time in four years amid weakening inflation and a shrinking economy. At 14%, Brazil's policy rate is still one of the highest in the world, so it is likely that the bank will continue to cut rates in coming months. However, a further cut as soon as November seems unlikely as policymakers had signalled that the easing cycle will be *"moderate and gradual"*.

Worldwide manufacturing PMI results are released on Thursday and will provide important information on global industry trends in November. October saw goods-producers spring back into life, with the [PMI reaching a two-year high](#). Especially encouraging were improvements in China, the eurozone and the US. However a number of countries remained in contraction, notably in Asia and it will be interesting to see if conditions have improved since October.

Monday 28 November

Economic sentiment and M3 money supply data are published in the eurozone.

Germany sees the release of import price and retail sales numbers.

Tuesday 29 November

Household spending, unemployment and retail sales numbers are issued in Japan.

M3 money supply information is published in South Africa.

In Germany, consumer price figures are updated.

France releases its second estimate of third quarter GDP and monthly consumer spending numbers.

The Bank of England publishes mortgage approval figures.

Unemployment and producer price data are out in Brazil.

The US sees the release of updated third quarter GDP results, consumer confidence numbers and Case-Shiller home price figures.

Wednesday 30 November

Private sector credit and building permit data are released in Australia.

Japan sees the publication of industrial output, construction orders and housing starts numbers.

Infrastructure output figures and third quarter GDP results are out in India.

In South Africa, trade balance data are updated.

Eurostat releases inflation figures for the currency union.

Meanwhile, unemployment numbers are published in Germany.

GfK consumer confidence data are out in the UK.

Third quarter GDP results are issued in Brazil and Canada.

Mortgage and personal income data are released in the US.

Thursday 1 December

Manufacturing PMI results are released worldwide.

The AIG Manufacturing Index is published in Australia.

The eurozone sees the release of updated unemployment numbers.

Final third quarter GDP results are meanwhile out in Italy.

Brazil's central bank announces its latest monetary policy decision. Moreover, the country sees the publication of trade data.

Initial jobless claims and construction spending numbers are released in the US.

Friday 2 December

Australia sees the release of retail sales figures.

Producer price data are issued in Germany.

The UK Construction PMI is published.

Industrial output numbers are meanwhile out in Brazil.

In Canada, labour market data are updated.

Non-farm payroll numbers are released in the US.

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