

# Week Ahead Economic Overview

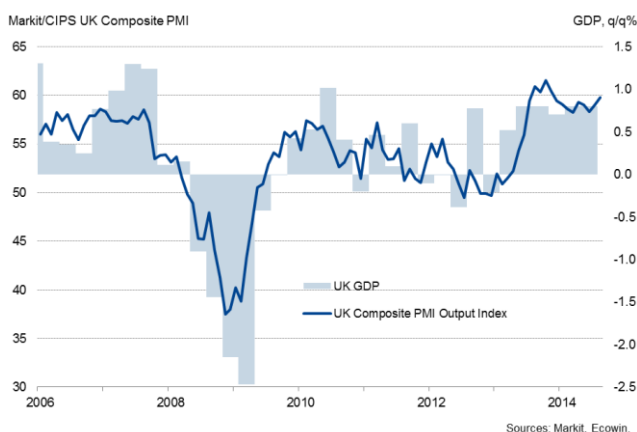
- **PMI™ releases to give insight into worldwide economic trends at the end of the third quarter**
- **US labour market update and factory orders**
- **Unemployment and inflation updates for eurozone plus ECB decision**

Worldwide manufacturing and service PMI releases plus updates on the US labour market and factory orders are highlights of the week. Other standouts are unemployment numbers and inflation data for the euro area plus the latest ECB policy decision.

An update on how the **UK** economy is performing at the end of the third quarter is given by construction, manufacturing and services PMI releases. [August data](#) signalled an acceleration of economic growth, but the upturn became ever more dependent on the domestically-oriented services and construction sectors as growth in the goods-producing sector slowed further. Policymakers were concerned by the extent of the slowdown in manufacturing and will be eager to see whether the sector picked up again in September, or whether the slowdown has spread to the services and construction sectors.

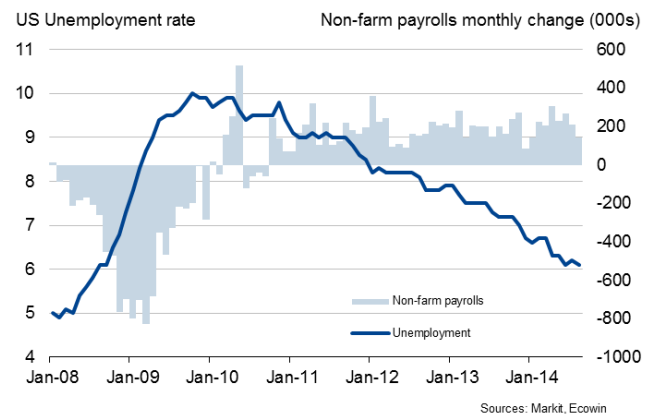
UK economy watchers will also be poring over the final GDP data for the second quarter, [growth for which may be revised up from the current estimate of 0.8%](#). However, the release will also include eagerly-awaited revisions to back data, which are expected to show the recovery has been stronger than previously thought.

## UK economic growth and the PMI



Early indications of how the **US** is performing in September are meanwhile provided by the final manufacturing and services PMI releases and the monthly employment report, which includes non-farm payroll numbers. In August, [US jobs growth weakened to an eight-month low](#), providing US policymakers with food for thought about when the economy might be capable of withstanding higher interest rates. Flash PMI data meanwhile pointed to further robust economic growth in September, with the US currently enjoying its strongest spell of growth since the financial crisis. Payroll numbers therefore look likely to rebound from the weakness seen in September. Factory orders data for August are also published.

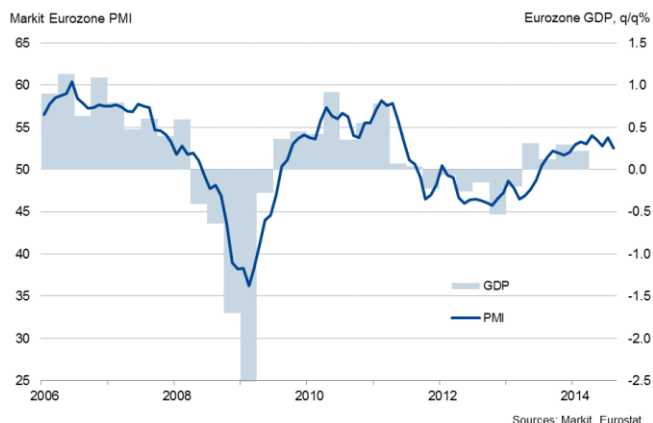
## US unemployment and non-farm payrolls



In the **eurozone**, final PMI data for September will give further insights into whether the recent ECB actions have provided a lift to growth in the region, or whether discussions about further stimulus such as full-scale quantitative easing will intensify in the coming months. [September's 'flash' PMI](#) signalled a further slowing of economic growth to the slowest seen so far this year.

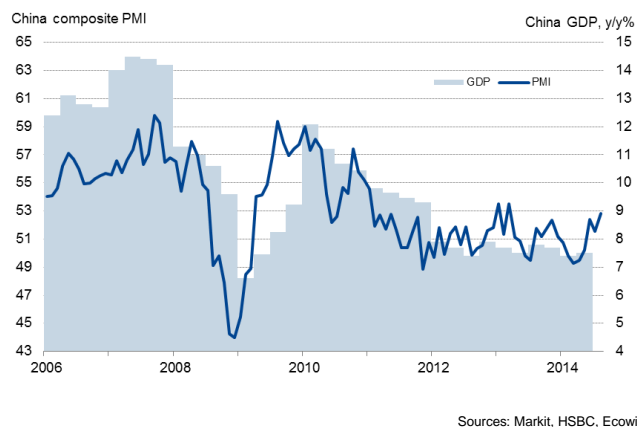
Inflation and unemployment numbers are also updated in the currency union and the ECB announces its latest interest rate decision. No change is expected after the ECB took further steps to bolster the faltering eurozone economic recovery in its [September meeting](#), which included cutting its main policy rate from 0.1% to a new low of 0.05% and announcing the start of asset purchases in a form of "QE-lite".

### Eurozone economic growth and the PMI



The release of flash PMI data for **China** will indicate whether manufacturing growth continued to slow at the end of the third quarter. Last month, [survey data](#) disappointed and [official data](#) showed industrial output growth slipping to a post-crisis low. Any positive signals from the survey data would represent welcome news to the Chinese authorities, who launched a mini-stimulus plan earlier in the year and took measures to boost banking sector liquidity in September in an attempt to meet their 7.5% growth target for the year.

### Chinese economic growth and the PMI



The manufacturing PMI data for **Japan** will also be eagerly awaited by policymakers for signs that the economy is regaining momentum after [GDP dropped 1.7%](#) in the second quarter. However, [September's](#) 'flash' estimate showed an easing in the rate of improvement in manufacturing operating conditions. Further updates on the health of the Japanese economy are provided by updates on industrial production, retail sales and unemployment

### Monday 29 September

The Bank Austria Manufacturing PMI for September is released by Markit.

Inflation numbers are meanwhile out in Germany and Spain, with the latter also seeing the publication of retail sales figures.

In the eurozone, sentiment data are issued by the European Commission.

Net lending and M4 money supply information are released by the Bank of England.

In the US, spending data and pending home sales information are highlights of the day.

### Tuesday 30 September

The HSBC China Manufacturing PMI is released by Markit.

Unemployment data, industrial production numbers and retail trade figures are all issued in Japan.

India's Central Bank announces its latest rate decision.

Retail sales numbers are published in Germany, while consumer spending data and producer prices are highlights in France.

Eurostat release inflation numbers alongside unemployment data for the currency union.

In Greece, producer price data and retail sales numbers are issued.

Gfk consumer confidence data and the final estimate for second quarter GDP are published in the UK.

Monthly GDP data and producer price information are out in Canada.

The US sees the release of S&P/Case-Shiller home prices for July, followed by consumer confidence data.

The OECD publishes a statistical release on consumer prices.

### Wednesday 1 October

Manufacturing PMI data are released worldwide by Markit.

The Bank of Japan Tankan survey results are published.

M3 money supply information are meanwhile issued in India.

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Retail sales numbers are out in Australia, while Brazil sees the release of trade data.

ADP employment information and construction spending data are highlights in the US.

### Thursday 2 October

Trade data are issued in Australia.

The Markit/CIPS UK Construction PMI is released.

The European Central Bank announces its latest interest rate decision, while producer price data are also out in the euro area.

Initial job claims and factory order numbers are published in the US.

In Brazil, industrial production figures are released.

### Friday 3 October

Services and composite PMI results are published worldwide by Markit.

Retail sales numbers are meanwhile released by Eurostat for the euro area.

In Canada, trade balance data are out.

The US Department of Labour publishes earnings data, non-farm payroll numbers and an update on the unemployment rate, while trade balance information are also released in the US.

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## Oliver Kolodseike

### Economist

Markit

Tel: +44 149 1461 003

Email: [oliver.kolodseike@markit.com](mailto:oliver.kolodseike@markit.com)

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