

# Week Ahead Economic Overview

- Eurozone consumer and business sentiment under the spotlight as Cypriot crisis plays out
- Fourth quarter GDP final estimates for the US, UK and France
- January UK service sector output
- Japanese manufacturing updates

With Cyprus adding to uncertainty caused by the Italian elections, analysts will be watching the European Commission consumer and business sentiment indicators for the main eurozone countries to see how confidence has been holding up in March. Markit's [Flash Eurozone PMI](#) has already signalled an increased rate of decline of business activity in March, suggesting the economy was already turning down before the Cypriot crisis took hold.

The week also sees German unemployment data and the final estimate of fourth quarter French GDP.

The final estimate of [fourth quarter GDP is also published for the US](#), which looks likely to be revised up marginally, taking the annualised rate of growth up from 0.1% to 0.4%. However, final sales (which grew at a rate of 1.7%) are the more interesting guide to the underlying health of the economy, as they exclude inventory changes.

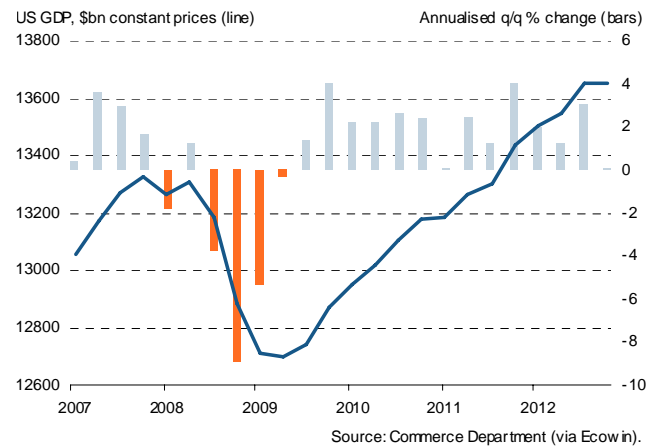
Updated data on personal income and spending, together with consumer confidence indicators, will also give a guide as to how US households are faring so far this year in the face of fiscal headwinds. A suggestion of consumer retrenchment has already been indicated by the University of Michigan preliminary confidence index falling sharply to a 15-month low in March.

The US also sees the publication of Case-Shiller house price, pending home sales and building permit data, which are expected to show an ongoing modest recovery of the housing market.

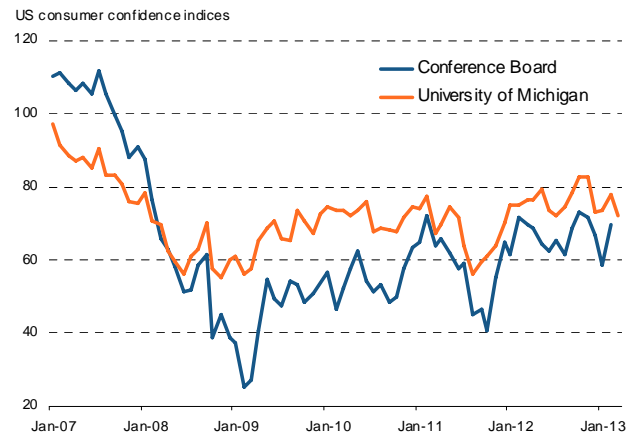
In the UK, the final estimate of [fourth quarter GDP](#) is not expected to be revised from -0.3%, while the output of the service sector in January will be closely watched for signs of a triple-dip recession after manufacturing data disappointed at the start of the year.

In Japan, the [manufacturing PMI](#) release for March is accompanied by official industrial production data for February, which will both be watched for further signs that the weakened yen is helping exporters.

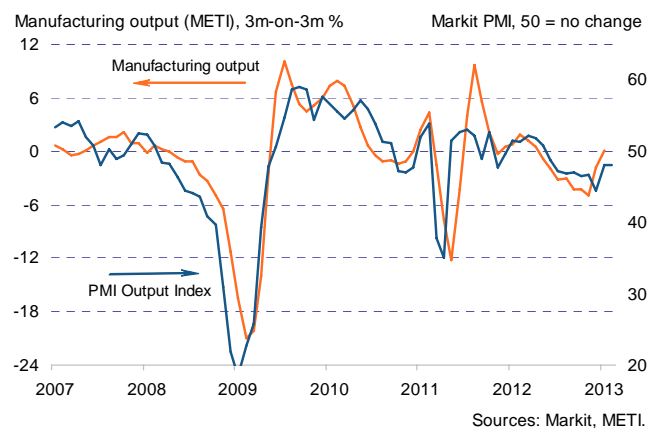
## US GDP



## US consumer confidence



## Japanese manufacturing



**Monday 25 March**

German retail sales numbers for February are published on Monday.

Nationwide meanwhile provides an update on UK house prices, followed by mortgage approval figures from BBA.

Italian consumer confidence data (ISTAT) are released alongside producer price numbers for Spain.

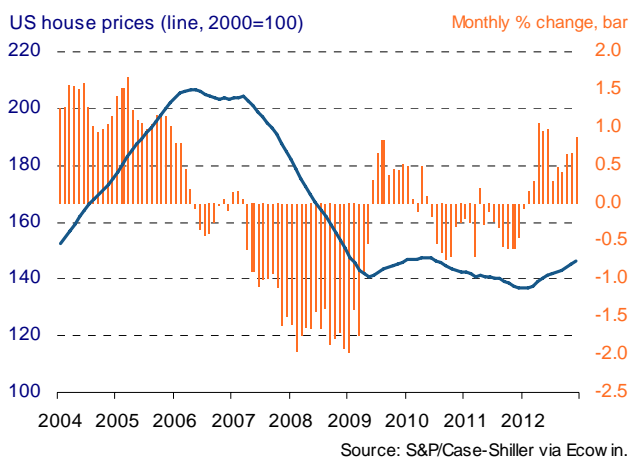
**Tuesday 26 March**

Corporate services price data are published in Japan on Tuesday.

French consumer confidence indicators are released by INSEE in advance of the latest findings from the CBI distributive trades survey in the UK.

Durable goods orders, consumer confidence (Conference Board), new home sales and house prices (S&P Case-Shiller) data are meanwhile all published in the US.

**US house prices (S&P Case-Shiller)**



**Wednesday 27 March**

Consumer confidence data from GfK are released in Germany.

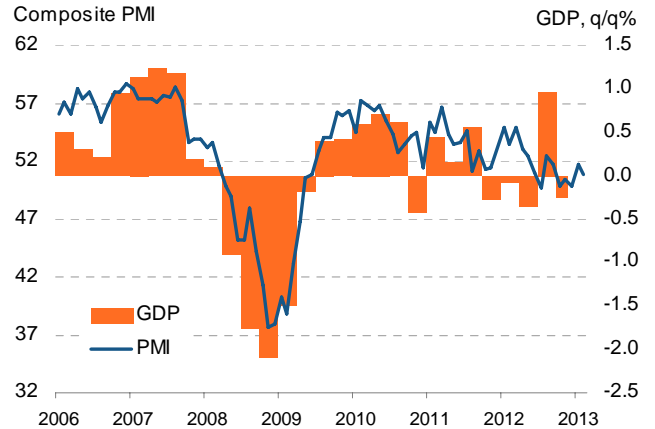
Industrial orders and retail sales numbers are meanwhile published in Italy, with Spain also seeing retail figures.

Updates on gross domestic product in the final three months of 2012 are issued in France and the UK.

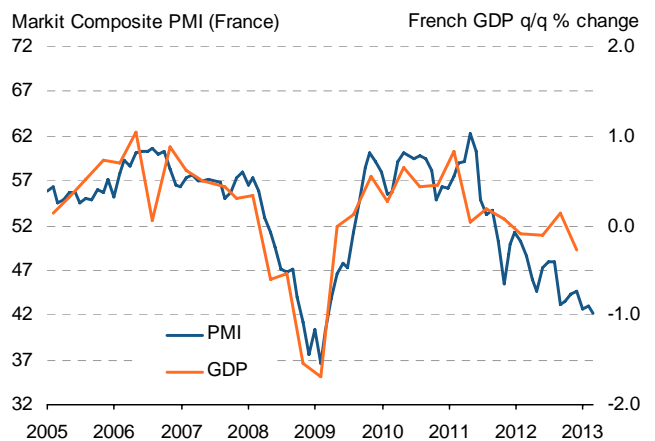
The eurozone sees a host of sentiment indicators published by the European Commission on Wednesday. The flash estimate of consumer prices in March follows.

In the US, pending home sales numbers and weekly mortgage data are published.

**UK GDP (and the PMI)**



**France GDP (and the PMI with March flash)**



**Thursday 28 March**

Japanese retail sales numbers are published on Thursday.

Consumer confidence data from GfK are released for the UK, followed by ISTAT business confidence indicators for Italy.

German unemployment numbers are published alongside money supply figures for the euro area as a whole. UK services output data follow.

Markit meanwhile provides an update on retail business conditions in the eurozone during March.

An update on gross domestic product in the final quarter of 2012 is issued in the US. Initial jobless claims figures and Chicago PMI numbers are also published.

## Friday 29 March

Consumer prices, household spending, unemployment, construction orders, housing starts and industrial production data are all published in Japan.

Japan manufacturing PMI data for March are meanwhile released by Markit.

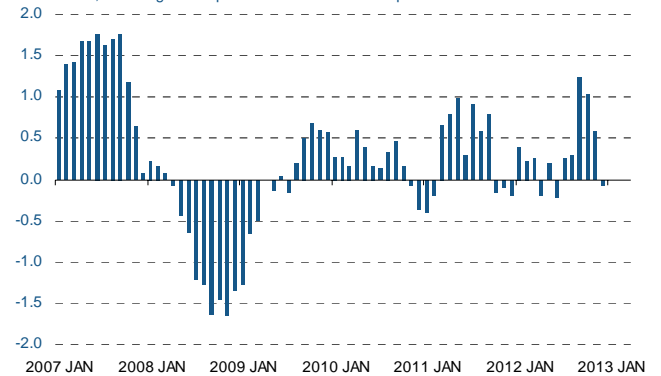
French consumer spending figures and producer price numbers are released in advance of similar inflation data for Italy.

Personal income and spending data are published in the US. The University of Michigan meanwhile releases the final estimate of consumer confidence during March.

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

## UK service sector output

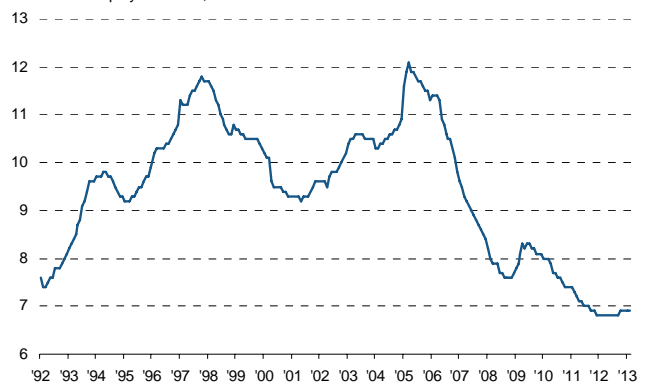
UK services, % change in output latest three months v. prior three months



Source:ONS.

## Unemployment in Germany

German unemployment rate, %



Source: FSO via Ecwin.

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