

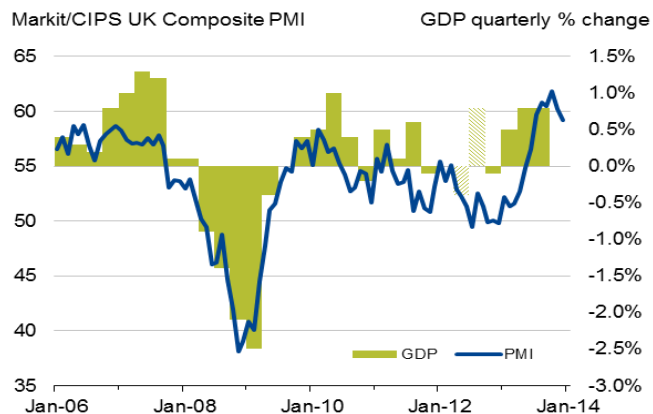
## Week Ahead Economic Overview

- Manufacturing PMI for Austria, China and Japan and US Flash Services PMI
- GDP estimates for Canada, Russia, Spain, the UK and the US
- Eurozone unemployment

Next week sees a busy economic calendar, including fourth quarter GDP estimates for the UK and the US, Eurozone unemployment plus PMI results for Austria, China, Japan and the flash PMI for US services.

[Official UK economic data on output, retail sales and trade](#) have disappointed so far for the fourth quarter. We therefore expect the initial estimate of GDP to show a slowing of quarterly growth to 0.7%, but this estimate is likely to eventually get revised up to 1%, in line with [strong survey results](#) and [labour market data](#).

### UK GDP growth and the PMI



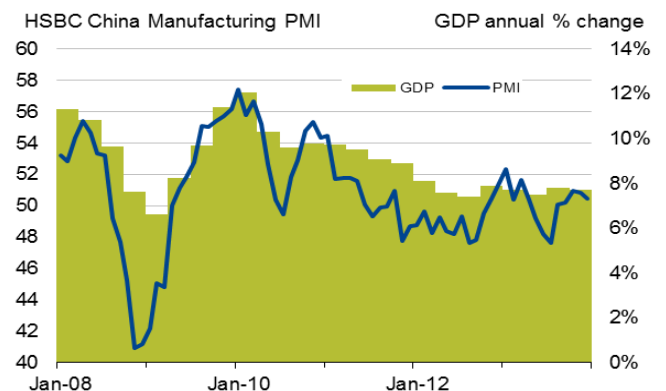
Sources: Markit/CIPS, EcoWin

In the US, GDP grew at an annualised rate of 4.1% in the third quarter of 2013 but it seems unlikely that such strong growth momentum was fully sustained in the final quarter of the year, given the government shutdown in October. PMI data signalled a [drop in business activity at service providers in October](#). However, the growth rate may not have slowed as sharply as many have been suspecting, given signs of continued robust growth in [spending](#) and manufacturing output, suggesting annualised growth of at least 3% may have been achieved.

The US flash Services PMI will meanwhile give an important clue as to growth momentum in the first

quarter. [Markit's US Services PMI](#) registered 55.7 at the end of the year, down only marginally from November's 55.9. Importantly, the survey signalled faster payroll growth, boding well for the labour market.

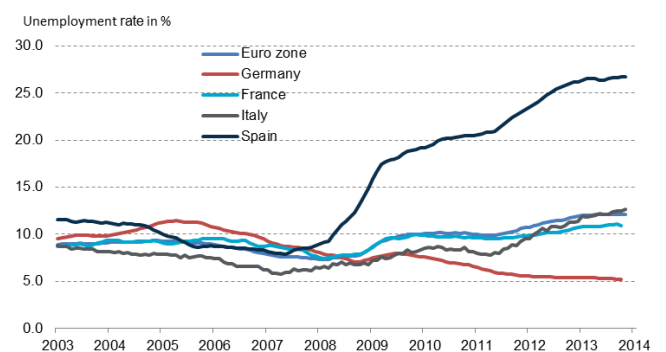
### China GDP and the manufacturing PMI



Sources: Markit, HSBC, EcoWin.

Other PMI releases include manufacturing PMIs for China, Austria and Japan. The [flash China PMI](#) showed a surprise contraction for the first time in six months. [Austrian manufacturers](#) have meanwhile recently enjoyed solid growth in output and new orders and Japanese goods producing companies reported the [sharpest improvement in operating conditions in nearly seven-and-a-half years](#) in December.

### Eurozone unemployment



Source: Eurostat.

An update on the health of the eurozone's labour market will be provided by unemployment data. In recent months, the jobless rate kept steady at its record high of 12.1% and the data will show if unemployment has dropped at the end of 2013. The

latest [Markit Flash Eurozone PMI](#) signalled further job cuts in the currency union, though the rate of job losses has eased considerably over the past year. The Eurozone also sees a first estimate of January inflation.

### Monday 27 January

Germany releases its latest retail sales figures and Import Price Index, followed by an update on the IFO indicators.

Nationwide publishes house price information for the UK, while Markit publishes the latest UK Household Finance Index.

The January US Flash Services PMI is published by Markit. New home sales figures are also issued in the US.

The Bank of Japan releases minutes from its December meeting.

### Tuesday 28 January

The Reserve Bank of India announces the latest Repo rate.

Consumer confidence figures are issued by INSEE for France and by ISAE for Italy. Italy also sees an update on hourly wages.

A first estimate of Q4 GDP is published in the UK, alongside an update on the Index of Services.

Brazil issues the latest construction costs, followed by an update on its net debt.

Meanwhile, retail sales figures and unemployment numbers are released in Russia.

In the US, durable goods orders data, the S&P Case-Shiller Home Price Index and an update on consumer confidence are published.

### Wednesday 29 January

ISAE publishes business confidence data for Italy.

In Germany, consumer confidence information are released by GfK.

Retail sales figures are released in Spain and Japan.

The Bank of Canada announces its latest interest rate and publishes the Monetary Policy Report.

The FOMC provides an update on the Fed Funds rate.

### Thursday 30 January

The HSBC China Manufacturing PMI for January is released by Markit, followed by the Bank Austria Manufacturing PMI and the Markit/ JMMA Japan Manufacturing PMI.

A preliminary estimate of Spanish GDP is published on Thursday, while Russia issues its third estimate on GDP.

GDP data are also issued in the US, alongside initial claims information.

Unemployment figures are released in Brazil and Germany, with the latter also seeing the publication of latest CPI data.

In the Eurozone, economic and consumer sentiment data are released alongside an update on the business climate.

The Bank of England releases its latest data on mortgage approvals and money supply.

Inflation, unemployment and industrial production data are issued in Japan.

### Friday 31 January

Consumer confidence data for the UK are released.

Japan sees the release of construction orders figures and housing starts numbers.

Consumer spending data and the latest PPI are released in France. PPI data are also issued in Italy.

Flash inflation data and unemployment numbers are issued for the Eurozone.

In the US, the employment cost index is released alongside the University of Michigan sentiment data and updates on personal spending.

Finally, Canada publishes its latest monthly GDP data.

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

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