

## Week Ahead Economic Overview

- **First quarter GDP for the UK and the US**
- **Manufacturing PMI™ releases to add insights into global economic trends**
- **FOMC rate decision and non-farm payrolls in US**
- **Unemployment and flash inflation for Eurozone**

In a week that sees manufacturing PMI™ results provide early insights into industry trends at the beginning of the second quarter, we also see initial estimates of first quarter GDP growth in the UK and the US. Non-farm payrolls and the latest FOMC rate decision in the US plus unemployment and inflation data in the Eurozone are also among the week's highlights.

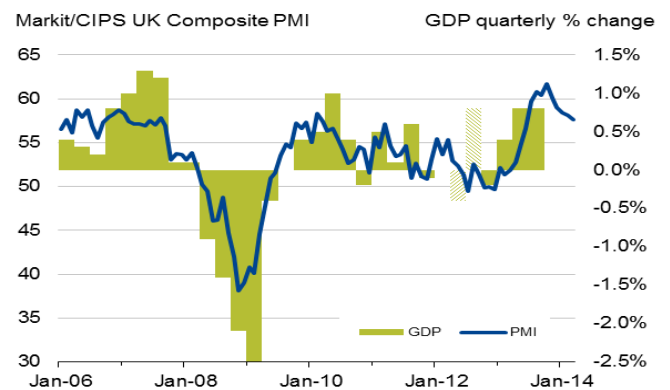
The preliminary estimate of first quarter gross domestic product (GDP) on Tuesday will reveal whether the **UK** has built on the foundation of last quarter's solid growth. The [data](#) available so far point to an increase of 1.0%. PMI data for April will also be a highlight in the UK and will give first insights into the sustainability of the growth spurt at the start of the second quarter.

The **US** also sees a first estimate of GDP growth for the first three months of the year. The US economy [grew at an annualised rate of 2.6%](#) in the final quarter of last year and the survey data collectively signal [growth of approximately 2.5%](#) in the first quarter.

Non-farm payroll numbers and unemployment data are of course the other main highlights in the US. [Non-farm payrolls rose by 192,000 in March](#) but the unemployment rate held steady at 6.7%. The [U.S. Services PMI™ for March](#) is signalling private sector payroll growth of a mere 130,000 per month. The Fed is meanwhile widely expected to keep asset purchase tapering in place in the belief that severe cold weather lies behind the weakness of recent data. Attention will focus on the timing of the first rate hike.

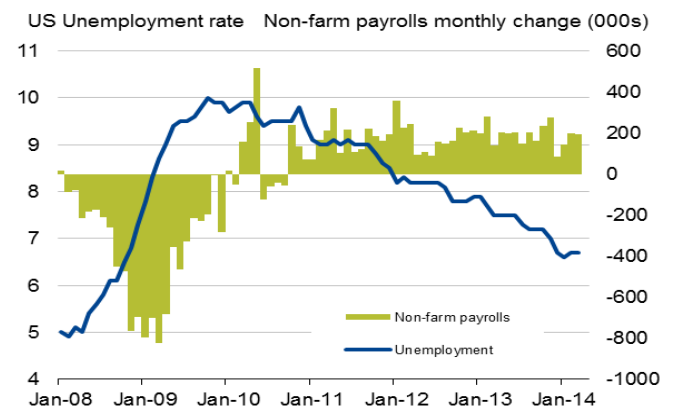
In **Europe**, the highlights of the week are manufacturing PMI releases for April, unemployment data and inflation numbers. The [Markit Flash Eurozone PMI® for April](#) signalled the strongest rate of output

### UK GDP and the PMI



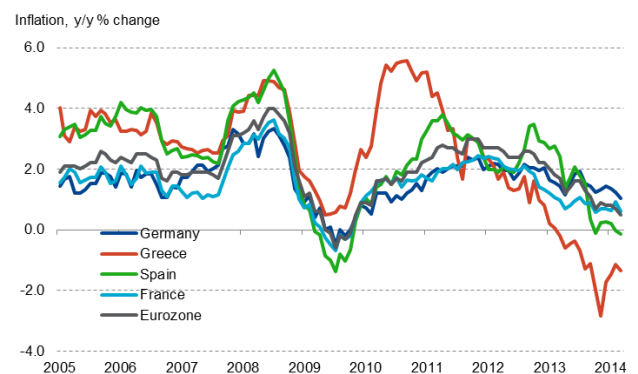
Sources: Markit, U.S. Bureau of Economic Analysis.

### US labour market



Source: U.S. Bureau of Economic Analysis.

### Eurozone inflation



Source: Eurostat.

growth since May 2011. Final manufacturing data, released next week, will include more national detail and in particular will provide updates on the extent to which the recovery is broadening out to the periphery.

Unemployment in the single currency area remains politically sensitive, having merely fallen from a record high of 12.0% to 11.9% in February. It is perhaps the inflation data that will be most eagerly eyed by central bank watchers. Inflation dropped to 0.5%, the lowest level since late-2009, according to the flash release. With inflation well below the Bank's target of 2.0%, the likelihood of the ECB adding stimulus in coming months to ward off the deflationary threat has undoubtedly grown, but the strengthening rate of economic growth signalled by the [PMIs](#) may be enough to stay the ECB's hand.

### Monday 28 April

Retail sales numbers are released in Japan and Germany, with the latter also seeing an update on import prices.

Nationwide house prices are meanwhile published in the UK.

ISAE issues an update on consumer confidence in Italy.

In the US, pending home sales data are released.

### Tuesday 29 April

INSEE publishes an update on consumer confidence in France.

The Bank of Austria manufacturing PMI is released by Markit.

Unemployment numbers are published in Spain.

The UK sees its first estimate of GDP growth for the first quarter, followed by an update on GfK consumer confidence data.

In the Eurozone, money supply and sentiment data are released.

Retail sales numbers and business sentiment data are meanwhile issued in Italy.

Preliminary inflation figures are a key release in Germany.

In the US, the S&P Case-Shiller Home Price Index is published, followed by consumer confidence data.

### Wednesday 30 April

The Markit/JMMA Manufacturing PMI, industrial production numbers, construction orders and housing starts data are all released in Japan.

GfK releases an update on consumer sentiment in Germany, while the eurozone's largest economy also sees unemployment data.

Consumer spending numbers and producer prices are meanwhile key releases in France.

Retail sales figures and GDP data are issued in Spain.

Italy sees an update on unemployment figures.

Flash inflation numbers are meanwhile issued for the euro area.

The results of the latest ADP Employment Survey, employment costs, the first estimate of GDP growth for the first quarter and the latest FOMC rate decision are key releases in the US.

In Canada, monthly GDP numbers and industrial producer prices are issued.

### Thursday 1 May

Manufacturing PMI data are released for a number of countries including the Markit U.S. Manufacturing PMI™.

Mortgage approvals, lending data and money supply numbers are released in the UK.

Initial claims and spending data are key releases in the US.

### Friday 2 May

Further manufacturing PMI data are released including the Markit Eurozone Manufacturing PMI®.

Unemployment numbers are issued in Japan and the eurozone.

Labour market updates and factory orders numbers are published in the US.

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### Chris Williamson

#### Chief Economist

Markit

Tel: +44 207 260 2329

Email: [chris.williamson@markit.com](mailto:chris.williamson@markit.com)

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**Oliver Kolodseike**

**Economist**

Markit

Tel: +44 149 1461 001

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

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