

Week Ahead Economic Overview

- **BoE and ECB policy announcements**
- **Worldwide manufacturing and services PMI™ data for August**
- **Us non-farm payrolls and factory orders**

Policy decisions at the Bank of England and the European Central Bank plus worldwide manufacturing and service sector PMI releases are the highlights of a busy week for economy watchers. Other important releases include US non-farm payrolls and factory orders.

A first glance at how the **UK** economy is performing in August will be given by construction, manufacturing and services PMI releases. The [July results](#) pointed to a strong start to the third quarter, with output rising sharply and employment growth at a near-record high. The sustained strength of growth and the ongoing improvement in the labour market will add to calls for interest rates to start rising later this year.

However, with interest rate decisions tied to wage growth, and the official measure of pay unlikely to pick up in coming months, the first rise in interest rates is widely expected to be delayed until next year. No change is therefore the most likely outcome of the Bank of England's meeting on Thursday.

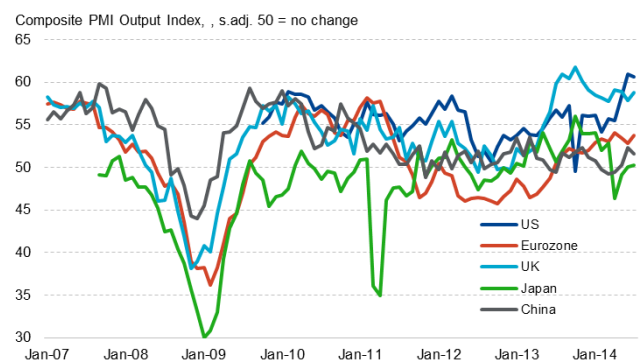
Markit's **Eurozone PMI™** will give more national detail about the performance of the currency union in the third quarter, after the flash results suggested that [growth slowed slightly in August](#), despite a further solid expansion in Germany and a stabilisation in France. The data may also give clues as to whether the ECB will need to step up its discussions on whether to embark on full-scale quantitative easing in its policy meeting on Thursday. Additional monetary stimulus has become more likely after Mario Draghi hinted at a major shift in monetary policy, moving more towards growth.

Second quarter GDP numbers are meanwhile updated for the eurozone, after a first estimate showed stagnation in the currency union. Moreover, data watchers will be interested in industrial production data for Germany, which are out on Friday. The largest eurozone economy surprisingly contracted 0.2% in the

second quarter and industrial production data have been weak in recent months. [August's flash PMI](#) furthermore signalled a weakening in manufacturing and final data with more detail will be eagerly awaited by data watchers.

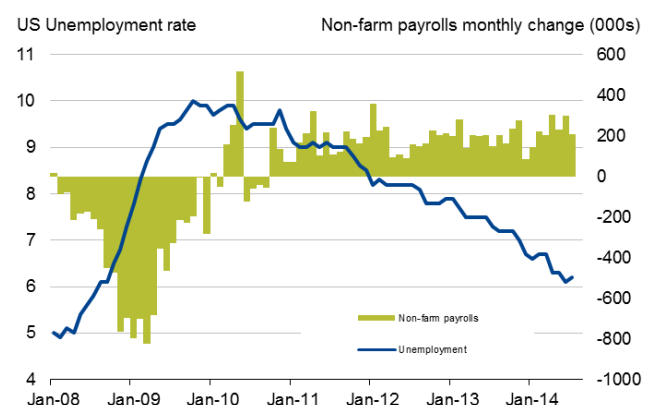
Early indications of how the **US** is performing in August are meanwhile provided by the final manufacturing and services PMI releases and a labour market update, which includes non-farm payroll numbers. In July, [non-farm payrolls rose by 209,000](#), falling below expectations of a 233,000 rise but nevertheless building on an upwardly revised 298,000 growth surge in June. August's [Flash PMI surveys](#) meanwhile indicated that strong second quarter economic growth persisted into the third quarter but the rate of job creation cooled. Factory orders data for July will give further insights into how the world's largest economy is performing in the third quarter.

Composite PMI Output Index



Sources: Markit, CIPS, HSBC, JMMA.

US unemployment and non-farm payrolls



Source: Ecowin.

Monday 1 September

Manufacturing PMI results are released worldwide.

A detailed breakdown of second quarter GDP numbers is released in Germany.

UK house price data are meanwhile issued by Halifax, alongside mortgage approvals.

Building permits figures for May are released for the Eurozone.

Trade balance numbers are published in Brazil.

Tuesday 2 September

The Reserve Bank of Australia holds its latest interest rate meeting.

A number of manufacturing PMI surveys and the CIPS UK Construction PMI are published by Markit.

Industrial producer prices are out in the euro area.

In Brazil, industrial production numbers are the highlight of the day.

Construction spending data and the ISM Manufacturing PMI are issued in the US.

Wednesday 3 September

The Bank of Japan holds its latest monetary policy meeting.

Services and whole economy PMI results are published worldwide.

Retail trade numbers are meanwhile out in the eurozone.

The OECD launches its Employment Outlook 2014.

Factory orders numbers are issued in the US.

The Bank of Canada announces its latest key policy interest rate.

Thursday 4 September

Further PMI results are published by Markit on Thursday, including the US Services PMI.

Unemployment data are out in France.

Industrial orders numbers are released in Germany.

The Bank of England and the European Central Bank announce their latest rate decisions.

ADP labour market data, initial claims and international trade numbers are issued for the US.

Trade balance data are also published in Canada.

The Central Bank of Brazil holds its latest policy meeting.

Friday 5 September

The leading indicator for July is issued in Japan.

Germany sees the release of industrial production data.

Consumer price numbers are meanwhile published in Russia.

In France, consumer confidence data are out on Friday.

Second quarter GDP numbers are updated for the Eurozone.

Labour market data and the Ivey PMI are out in Canada.

In the US, nonfarm payroll numbers and an update on unemployment are out.

Consumer price information are released in Brazil.

Oliver Kolodseike

Economist

Markit

Tel: +44 149 1461 003

Email: oliver.kolodseike@markit.com

For further information, please visit www.markit.com. The intellectual property rights to the report provided herein are owned by or licensed to Markit Economics Limited. Any unauthorised use, including but not limited to copying, distributing, transmitting or otherwise of any data appearing is not permitted without Markit's prior consent. Markit shall not have any liability, duty or obligation for or relating to the content or information ("data") contained herein, any errors, inaccuracies, omissions or delays in the data, or for any actions taken in reliance thereon. In no event shall Markit be liable for any special, incidental, or consequential damages, arising out of the use of the data. *Purchasing Managers' Index™* and *PMI™* are either trade marks of Markit Economics Limited or are licensed to Markit Economics Limited. Markit is a registered trade mark of Markit Group Limited.