

Week Ahead Economic Overview

- **US GDP growth expected to have slowed in Q4**
- **Durable goods and non-farm payrolls also released in the US**
- **Global manufacturing PMIs to provide insight into business trends at start of 2013**

The most important economic releases will come out of the US. The first estimate of US GDP in the final quarter of last year is expected to show the annualised rate of growth slowing from 3.1% in the third quarter to just 1.3%, according to a Reuters poll. However, such a weak number would provide a misleading guide to the underlying health of the US economy, with much of the deterioration due to weakness in the inventories and government spending components. Private sector growth, on the other hand, looks to have possibly accelerated, according to the [business surveys](#), painting a promising picture of a return to faster growth in the first quarter.

An update on the health of the all-important US labour market will also be provided by non-farm payroll and unemployment data. The labour market holds the key to Fed policy, and analysts are expecting a further reasonable month of payroll growth of 160-170k, though the unemployment rate looks set to hold steady at 7.8%.

Other US releases include durable goods orders for December, which are likely to have grown at a stronger rate than the 0.8% rise seen in November, and the S&P Case-Shiller house price index, which is expected to show an ongoing modest house price recovery.

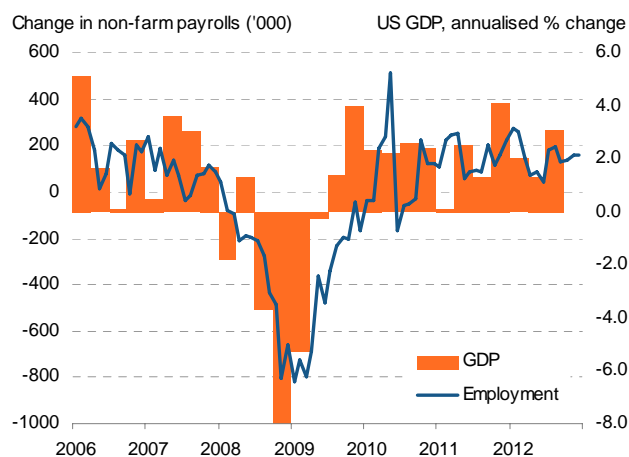
The week also sees January's global manufacturing PMI data published on Friday. [Markit's flash US PMI](#) has signalled further expansion of the manufacturing sector, and flash data have likewise showed improving trends in the [Eurozone](#) and [China](#). The [UK](#) will perhaps be one of the most closely watched numbers, after December's data had shown a welcome return to growth in the manufacturing sector.

As well as watching the PMIs closely, markets will also be eyeing the lending and mortgage application data from the Bank of England to gauge the impact of the Funding for Lending Scheme.

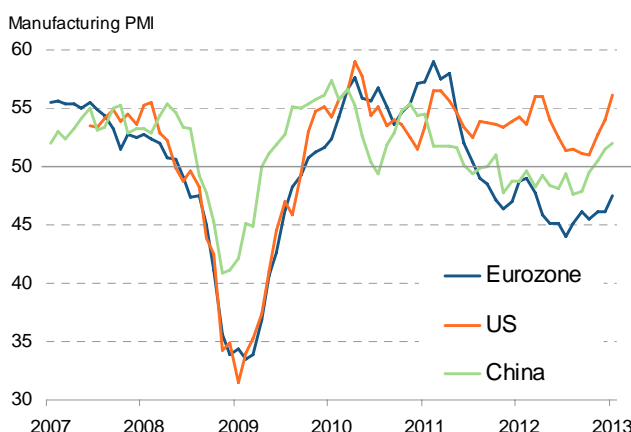
[Japan's manufacturing PMI](#) release will be accompanied by official industrial production data for December, the latter likely to have shown ongoing export-led weakness.

Other notable data releases include inflation and unemployment data for Germany, the latter expected to show the jobless rate holding at a record low, creating tensions as unemployment rates continue to climb in the austerity-hit Eurozone periphery.

US GDP and non-farm payrolls



Markit's flash manufacturing PMIs



Monday 28 January

Retail sales for Germany are released before Italian wage data and ISTAT consumer confidence indicators.

Money supply figures are meanwhile issued for the Eurozone as a whole.

In the US, durable goods orders and pending home sales data are published.

Tuesday 29 January

The Reserve Bank of India announces their latest interest rate decision on Tuesday.

German consumer sentiment data from GfK are published before similar figures for France from INSEE.

An update on US house prices is provided by S&P Case-Shiller. US consumer confidence data from the Conference Board follow.

Wednesday 30 January

December retail sales figures are published in Japan on Wednesday.

The preliminary estimate of gross domestic product (GDP) in Q4 2012 is meanwhile issued in Spain, alongside business and consumer sentiment indicators for Italy (ISTAT) and the wider Eurozone (European Commission).

In the UK, mortgage approvals, consumer credit and money supply figures are the main economic releases.

GDP data for the final three months of 2012 are also released in the US. The latest results from the ADP employment survey and the interest rate announcement from the Federal Reserve follow.

Thursday 31 January

Industrial production numbers are published in Japan, as well as construction orders and housing starts data.

Consumer prices figures are released in Germany and Spain on Thursday. Producer prices numbers are similarly issued in France and Italy.

GfK meanwhile provide an update on consumer confidence in the UK during January.

French consumer spending and German unemployment data are also released.

Initial jobless claims, employment cost and personal income and spending numbers are issued in the US, as well as the latest findings from the Chicago PMI survey.

Friday 1 February

Real household spending and unemployment figures are released in Japan on Friday.

PMIs are released globally and provide insight into manufacturing business conditions during January.

Italian unemployment numbers are released in advance of similar figures for the wider euro area. The Eurozone also sees consumer prices data.

Non-farm payrolls, unemployment, construction spending, vehicle sales and consumer confidence from the University of Michigan are the main economic releases in the US.

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

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