

Week Ahead Economic Overview

- **US industrial production, retail sales and inflation data**
- **Policy decisions in the US, Japan and India**
- **Manufacturing PMIs to show first glimpse of global business conditions in October**

Worldwide manufacturing PMI releases accompany monetary policy decisions in the US, Japan and India. The week is also scattered with rescheduled US data releases, notably industrial production, retail sales and inflation, as well as inflation and unemployment numbers for the eurozone. Japan also sees key economic data updates.

The manufacturing PMIs will be closely watched for indications of how global business has fared at the start of the fourth quarter. [Recent data](#) have shown a pick up in global trade flows in September, but while the developed markets have enjoyed expansion, emerging markets have seen activity levels fall or stagnate. After the [flash PMIs](#) for October showed slight improvements in China and the eurozone, but a steep easing in the US, perhaps most eagerly awaited will be the UK manufacturing PMI, which has led the global growth rankings in the previous four months.

It is a particularly busy week for the US, as many delayed publications owing to the partial government shutdown are released. These include industrial production, retail sales, housing starts and inflation numbers.

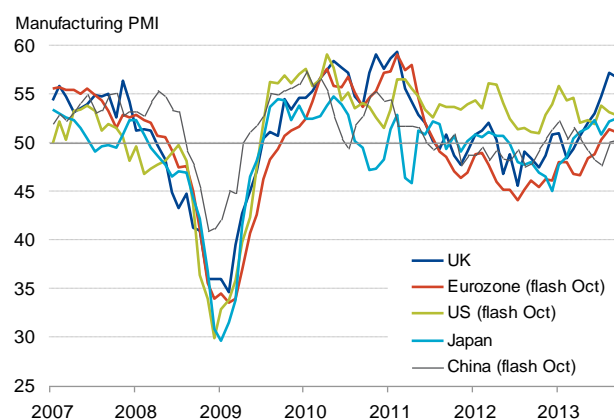
No change is expected at the FOMC meeting on Wednesday. The Fed is likely to hold off until they have evaluated the impact of the shutdown on the economy. Flash US PMI data already hinted that businesses were hit hard by the uncertainty caused by the crisis, falling to a one-year low. The [unemployment rate](#), although down to 7.2%, also remains higher than the threshold of 6.5% set by the Fed as when it may consider an interest rate hike.

Unemployment and inflation data for the eurozone (with specific numbers for Germany and Italy out beforehand) will provide further indication on the strength of the region's economic recovery. The

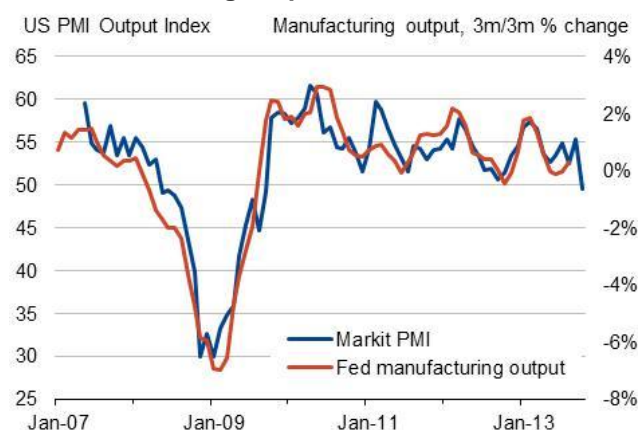
inflation rate previously eased to a three-and-a-half year low and the October flash PMI fell from September's 27-month high of 52.2 to 51.5, both suggesting that the eurozone recovery remains weak.

In the UK, latest house prices and mortgage approval numbers will provide an update on the property market. Meanwhile, in Asia, retail sales, unemployment and industrial output data for September are published in Japan, amid policy announcements at the Bank of Japan and Reserve Bank of India.

Manufacturing PMIs



US manufacturing output*



*contains October flash PMI. Sources: Markit, EcoWin.

Monday 28 October

Retail sales and import prices numbers are released in Germany, and followed by Italian business sentiment indicators from ISTAT.

Nationwide provides an update on UK house prices, while CBI publishes their latest distributive trades report.

Building permits and housing starts data are published over the weekend in the US. Pending home sales numbers are meanwhile out on Monday.

The delayed industrial production and capacity utilisation release is also published in the US.

Tuesday 29 October

Real household spending, unemployment and retail sales data are published in Japan.

The Reserve Bank of India announces their latest monetary policy decision.

Consumer confidence data are published in both Germany (GfK) and France (INSEE). Spanish retail sales numbers follow.

Mortgage approvals, consumer credit and money supply data are out in the UK.

Producer prices, retail sales and business inventories figures are published in the US. Case-Shiller house prices and Conference Board consumer confidence data are also released.

Wednesday 30 October

Industrial production figures are out in Japan.

The preliminary estimate of GDP in the third quarter is published in Spain.

German unemployment numbers are out in advance of sentiment indicators for the eurozone (European Commission).

Eurozone retail PMIs are published by Markit.

Germany, Spain and the US see inflation data. The latter also sees the latest ADP employment report.

The US Federal Reserve announces their latest policy decision.

Thursday 31 October

Japan sees the latest manufacturing PMI, construction orders and housing starts data, as well as the latest monetary policy decision from the Bank of Japan.

Both Germany and the UK see consumer confidence indicators from GfK.

Consumer spending and producer prices figures are released in France, followed by Spanish current account numbers.

Italy and the eurozone both see flash inflation and unemployment data.

Initial jobless claims numbers and the Chicago PMI are the highlights in the US.

Friday 1 November

Manufacturing PMI data are released worldwide.

Vehicle sales numbers are issued in both Japan and the US.

Eurozone GDP with the PMI*



*contains October flash PMI. Sources: Markit, EcoWin.

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