

Week Ahead Economic Overview

- Q2 US GDP, non-farm payrolls and FOMC meeting
- Worldwide manufacturing PMI™ data for July
- Eurozone unemployment and inflation data
- Japanese unemployment and industrial production

Worldwide PMI™ reports are accompanied by second quarter US GDP, US non-farm payrolls and the Fed interest rate decision, plus unemployment and inflation numbers for the Eurozone.

The first estimate of second quarter GDP in the **US** looks set to show the economy rebounding after [contracting in the first quarter](#). [Survey data](#) are consistent with annualised growth of up to 4%.

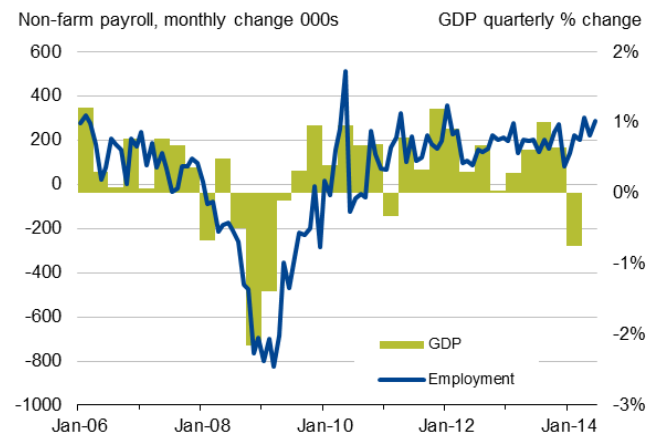
Early indications of how the US is performing in July are meanwhile provided by the Markit Flash US Services PMI and a labour market update, which includes non-farm payroll numbers. With new jobless claims having fallen to their lowest since 2006, another strong monthly gain in the payroll count is likely, though less than the [288,000 surge seen in June](#).

In addition, the Board of Governors of the Federal Reserve will announce its latest interest rate decision. Although GDP is set to rebound in the second quarter, with the economy having contracted sharply in the first quarter of the year, growth for 2014 as a whole is likely to disappoint, adding to the belief that the Fed will be in no rush to hike interest rates.

Markit's **Eurozone** PMI™ will give more national detail about the performance of the currency union, after the [flash results](#) suggested that growth has picked up at the start of the third quarter despite an ongoing downturn in France.

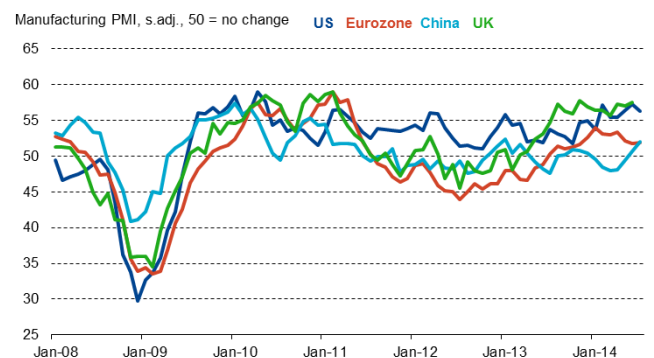
ECB watchers will also be eager to see flash inflation and unemployment numbers for the eurozone. June data showed that inflation held steady at a four-and-a-half year low of 0.5%. Last month, the [ECB cut interest rates and introduced a negative deposit rate](#) for the first time ever, in an attempt to fight any potential threat of deflation. With survey data pointing to increased

US GDP and non-farm payrolls



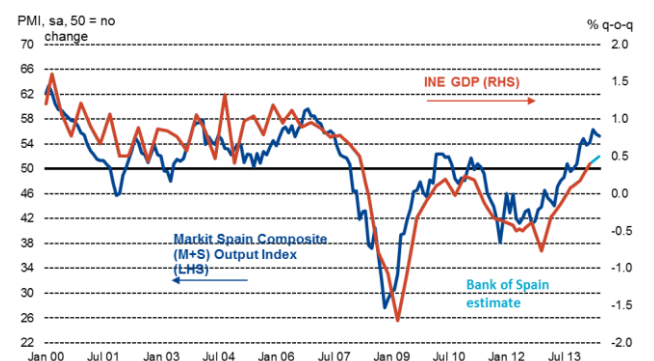
Source: Ecwin.

Manufacturing PMI™ surveys



Sources: Markit, CIPS, HSBC.

Spanish GDP and the PMI



Sources: Markit, INE, Bank of Spain.

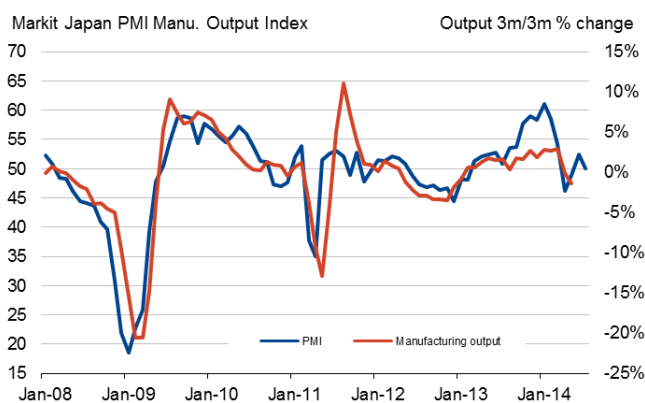
hiring, the region's jobless rate may meanwhile fall slightly from the near-record 11.6%. Elsewhere in the Eurozone, **Spain** will publish its first estimate of second quarter GDP growth, with [survey data](#) suggesting that growth has picked up from the [0.4% rate seen in the first three months of the year](#).

Final manufacturing PMI data for **Japan** will be scrutinised for signs that the economy is withstanding April's sales tax hike. [The flash PMI](#) pointed to subdued growth, but suggests that the economy looks set to avoid a downturn.

Industrial production data for June will meanwhile give further clues about Japan's manufacturing performance in the second quarter, with [survey data](#) suggesting that manufacturing output merely stagnated in July after a revival in June. Other important releases in Japan include unemployment numbers and retail trade data.

In a relatively quiet week for **UK** data watchers, the most important release is the Markit/CIPS UK Manufacturing PMI®. [June data](#) signalled solid output growth and strong employment growth, suggesting that official manufacturing production will have expanded in the second quarter at a pace above the 1.5% registered in the opening three months of the year. Mortgage approval numbers and GfK consumer confidence data are also out in the UK.

Japanese industrial production and the PMI



Sources: Markit, Ecwin.

Monday 28 July

Business confidence data for July are published in Italy.

Markit publish the Flash US Services PMI. Other releases in the US include pending home sales numbers and the Dallas Fed Manufacturing Business Index.

Tuesday 29 July

Retail trade numbers and unemployment data are released in Japan in the early hours of Tuesday.

Import price figures are meanwhile out in Germany, while producer price numbers are published in Greece.

In the UK, money supply data are issued alongside mortgage approvals numbers.

Retail sales figures are published in Spain.

The S & P Case-Shiller Home Price Index is released in the US, followed by consumer confidence data.

Consumer price indices are released by the OECD.

Wednesday 30 July

In Japan, industrial production numbers are published, followed by earnings data.

The Bank Austria Manufacturing PMI is released by Markit.

The European Commission release economic sentiment data, while INSEE issue consumer confidence numbers.

In Spain, the first estimate of second quarter GDP is the data highlight of the day.

Inflation numbers are meanwhile out in Germany.

Employment information and second quarter GDP numbers are issued in the US, followed by the latest interest rate announcement from the Fed.

Industrial producer price numbers and the Raw Material Price Index are out in Canada.

Thursday 31 July

GfK publish an update on consumer confidence data for the UK.

In Japan, housing starts numbers and construction orders figures are issued.

Retail sales figures and unemployment data are published in Germany.

Unemployment numbers are also out in Italy, followed by inflation data.

Current account balance data are meanwhile issued in Spain.

Eurostat update their inflation numbers and unemployment data.

Initial claims, the Chicago PMI and the Employment Cost Index are the data highlights in the US on Thursday.

GDP data for May are published in Canada.

Friday 1 August

Manufacturing PMI™ data are released worldwide by Markit.

Unemployment numbers for July are issued by the Spanish government.

Earnings data, non-farm payrolls numbers, an update on unemployment and the Reuters/Michigan Consumer Sentiment Index are all out in the US.

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