

Week Ahead Economic Overview

- Manufacturing and services PMIs
- US non-farm payrolls
- ECB governing council and FOMC meetings

Monetary policy meetings at the Fed and ECB are scheduled for a busy week which also features Markit's worldwide manufacturing and service sector PMIs, the ISM surveys and culminates with US non-farm payrolls.

[Markit's flash PMIs](#) showed an ongoing steep downturn in the eurozone accompanied by weakening rates of growth in the US and Chinese manufacturing economies in April. The disappointing data suggest that the global economy could be entering another soft patch after a promising start to the year.

ISM surveys and Markit's final [US Manufacturing PMI](#) give an up-to-date guide as to the health of the world's largest economy in April, but Friday's non-farm payroll numbers will be seen as the most important guide to Fed policy. Some bounce back from [March's disappointing 88,000 rise](#) is likely, though few analysts think April's count is likely to come in much above 150,000. Better-than-expected jobless claims have meanwhile raised the likelihood that the unemployment rate will have fallen further from March's four-year low of 7.6%, which would in turn fuel talk of when the Fed may begin to withdraw some of its stimulus.

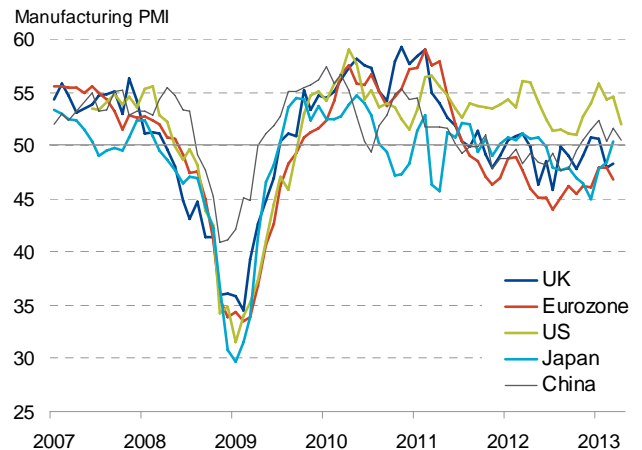
In the eurozone, the ECB's governing council is widely expected to deliver a quarter-point cut in its main policy rate from 0.75% after [disappointing survey data](#) highlighted the spreading of the region's downturn to Germany. Analysts are also hoping to see the ECB discuss non-standard measures, notably to help lift bank lending in the region's struggling periphery.

The UK PMIs will also be closely watched as the first indication of how the country is faring after the resurgent [0.3% GDP growth](#) seen in the first quarter. Robust surveys will be seen as killing off hopes of imminent action by the Bank of England, while weak numbers could reignite the possibility of extra QE.

The April [Japan manufacturing PMI](#), which previously hit a ten-month high, and official industrial production data for March will also be eyed closely for signs that the aggressive stimulus from the Bank of Japan is

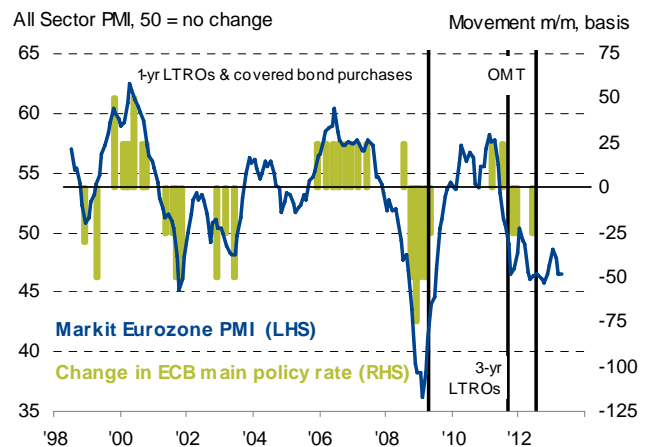
working, and in particular how exporters might be benefitting from the weakened yen.

Markit-produced manufacturing PMIs*

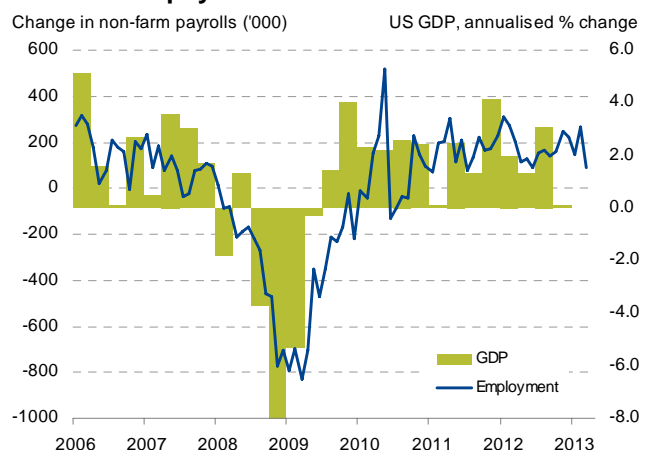


* includes US, eurozone and China flash PMIs for April.

ECB policy and the (flash) PMI



US non-farm payrolls and GDP



Monday 29 April

An update on UK house prices is provided by Nationwide on Monday.

Both Germany and Spain publish latest consumer prices and retail sales data.

Meanwhile, Italy and the euro area as a whole see sentiment indicators from ISTAT and the European Commission respectively. Italian hourly wage numbers are also published.

Personal income and spending data, as well as pending home sales numbers are issued in the US.

Tuesday 30 April

March unemployment, industrial production, retail sales, housing starts and real household spending data are published in Japan.

Markit meanwhile provides an update on both Japanese and Russian manufacturing trends during April.

Consumer confidence updates are provided by GfK in both Germany and the UK.

Mortgage approvals, consumer credit and money supply statistics are also released in the UK.

Unemployment data are meanwhile published for Germany, Italy and the eurozone.

French producer prices figures are released in advance of consumer prices numbers for Italy and the euro area as a whole. France also sees consumer spending data.

Gross domestic product data are published in Spain (Q1) and Canada (February).

Employment costs, S&P Case-Shiller house prices, Conference Board consumer confidence and Chicago PMI data are the main highlights in the US.

Wednesday 1 May

A staggered two-day release of worldwide manufacturing PMI data starts on Wednesday.

South Korean international trade data are published in advance of Japanese vehicle sales numbers.

ADP provides an update on US employment trends. Construction spending and vehicle sales data follow.

The Federal Reserve meanwhile holds its monthly monetary policy meeting.

Thursday 2 May

A whole host of PMI data are released on Thursday, including the second-wave of worldwide manufacturing and the UK construction surveys.

Producer prices numbers are meanwhile published in Italy. The interest rate decision from the European Central Bank follows.

An update on the US labour market is provided with the release of initial claims, productivity and unit labour cost data.

Friday 3 May

PMI data for the Irish and UK service sectors are published on Friday.

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

The eurozone sees the release of latest producer prices figures.

In the US, non-farm payroll and unemployment data are published in advance of factory orders and the results of the ISM's non-manufacturing survey.

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

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