

Week Ahead Economic Overview

- **US GDP and non-farm payroll data**
- **Fed, BoE and ECB policy announcements**
- **Eurozone unemployment and inflation figures**
- **Worldwide manufacturing PMIs**

A bumper week of economic releases includes worldwide manufacturing PMIs, US, eurozone and UK central bank decisions, plus US GDP and non-farm payroll numbers.

The Federal Reserve will no doubt read the GDP report for the second quarter with great interest. The US economy is likely to have slowed from an annualised 1.8% pace of growth in the first three months of the year to 1.4%, according to a Reuters poll. However, [Markit's flash PMI](#) indicates a re-acceleration of growth at the start of the third quarter.

It is the [non-farm payroll](#) numbers which will provide the key guide for Fed policy, with tapering of QE linked to unemployment. Payrolls rose a better-than-expected 195,000 in June, fuelling expectations that the Fed could start to taper in September. A further rise in payrolls in July may reduce the unemployment rate, which has remained stuck at 7.6%.

Monetary policy announcements are also expected for the Bank of England and the European Central Bank on Thursday. The latter will be encouraged by signs that the euro area is pulling out of its recession, with the [flash PMI hitting a one-and-a-half year high in July](#).

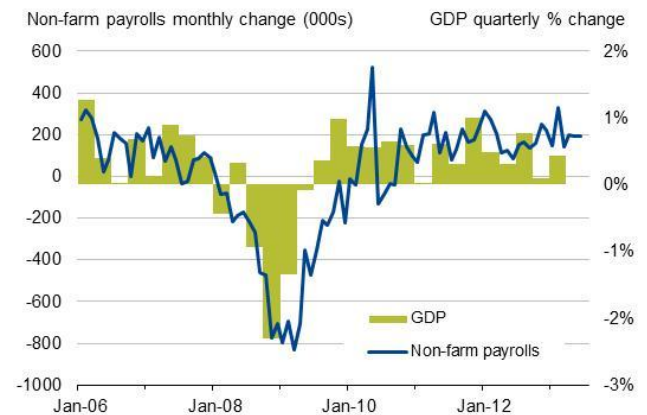
Unemployment, inflation and sentiment indicators from the European Commission are also published for the eurozone, and Spain sees the first estimate of GDP.

No further stimulus is expected at the [Bank of England's](#) MPC meeting, especially after news that UK GDP rose 0.6% in the second quarter. Instead, all eyes are on 7 August with the presentation of the Inflation Report and news of how the Bank will operate policy under new governor Mark Carney.

The July [manufacturing and construction PMIs](#) will meanwhile provide the first indications as to whether the UK growth spurt can be sustained into the second half of the year, having previously risen to 25- and 13-month highs respectively in June.

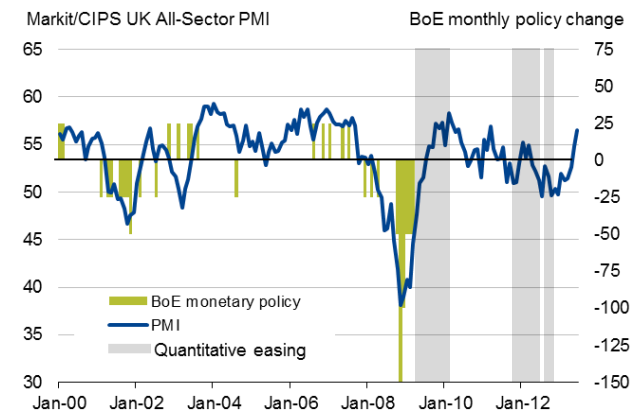
Finally, Japan sees a host of data releases including industrial production, unemployment, household spending, retail sales and the manufacturing PMI.

US GDP and the labour market



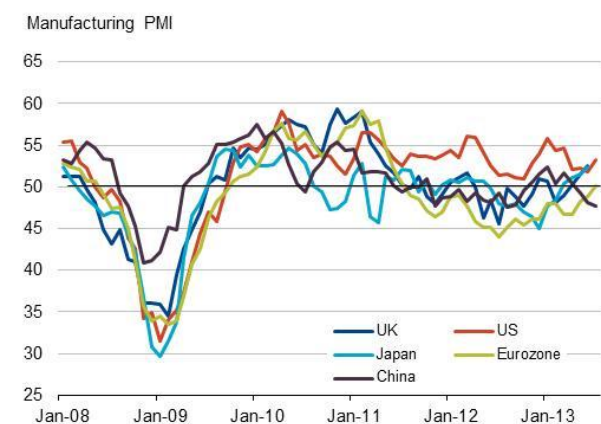
Source: EcoWin.

UK PMIs and Bank of England policy



Source: Markit, CIPS, Bank of England.

Markit's manufacturing PMIs *



* flash July data for the eurozone, US and China. Sources: Markit, HSBC.

Monday 29 July

Japan and Germany both issue retail sales figures on Monday.

Business sentiment indicators (ISTAT) are published for Italy, alongside hourly wages data.

In the UK, Nationwide provides an update on house prices ahead of the CBI's distributive trade survey results.

Data on mortgage approvals, consumer credit and money supply are also issued by the Bank of England.

Meanwhile, pending home sales figures are released in the US.

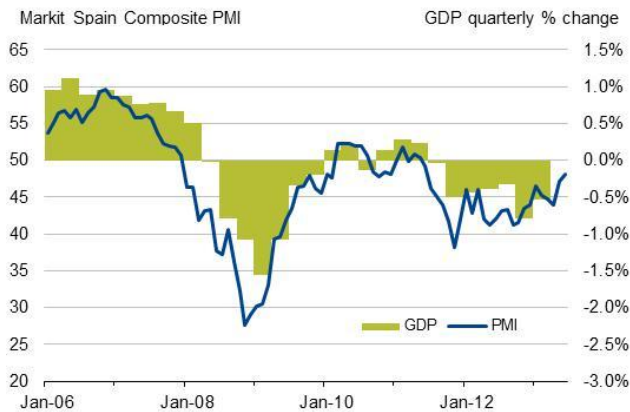
Tuesday 30 July

Industrial production, household spending and unemployment figures are all released in Japan.

The eurozone sees consumer and business confidence figures from the European Commission. Germany also gets a separate update on the latter from GfK.

Meanwhile, preliminary readings of consumer price inflation are published for Germany and Spain, with the latter also releasing the first estimate of GDP.

Spain GDP and the PMI



Sources: Markit, EcoWin.

The UK sees the release of data on consumer confidence and shop prices by GfK and BRC respectively.

An update on consumer confidence from the Conference Board is released in the US, as well as home price figures by S&P Case-Shiller.

Wednesday 31 July

Figures on housing starts and construction orders are published in Japan, alongside the July manufacturing PMI from Markit.

The eurozone publishes its flash inflation report for July and latest unemployment figures. Germany also releases unemployment data separately.

Italy similarly publishes preliminary readings of consumer and producer prices numbers.

France issues an update on consumer spending and producer prices ahead of retail sales figures for Spain.

In the US, the first estimate of GDP in the second quarter is published, alongside employment data from ADP and weekly MBA mortgage numbers.

Thursday 1 August

PMI manufacturing data are released worldwide on Thursday.

Vehicle sales data are released in Japan.

Both the Bank of England and European Central Bank announce their latest monetary policy decisions.

Italy meanwhile publishes its latest budget.

The US issues data on initial jobless claims, construction spending and vehicle sales.

Friday 2 August

The latest Markit/CIPS UK Construction PMI report is released on Friday.

Meanwhile, the eurozone issues producer prices figures for June.

The US publishes non-farm payrolls, durable goods orders and personal income and expenditure data.

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

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