

Week Ahead Economic Overview

- **Manufacturing and services PMIs**
- **ECB and BoJ policy announcements**
- **US non-farm payrolls report**

The week is scattered with manufacturing and services PMI releases, plus monetary policy announcements from the ECB and the Bank of Japan and the all-important US non-farm payrolls report.

In China, the [flash manufacturing PMI](#) rose to a six-month high in September, indicating that economic growth has picked up after a disappointing 7.5% annual rate in the second quarter. Final manufacturing and services PMI data will be watched in the hope that this upward trajectory will be confirmed.

The [eurozone recovery](#) similarly gathered pace in September, with the flash composite PMI rising to its highest for over two years. The ECB is nevertheless unlikely to change its guidance of rates being on hold for an “extended period”, given the fragile nature of the upturn and record high unemployment. Updated official data are set to show little or no improvement on the record 12.1% jobless rate seen in July.

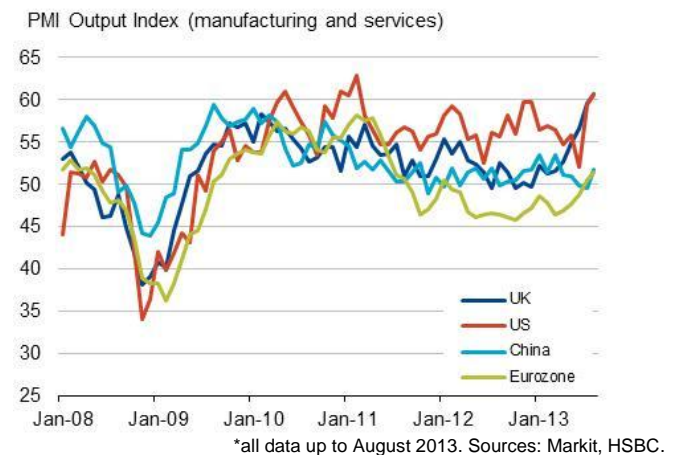
Meanwhile, growth of the [US manufacturing sector](#) eased in September, vindicating the Fed’s decision not to start tapering its asset purchases. The consensus is for non-farm payrolls to have grown by just 177,000 in August, which would further add to the view that the Fed may hold off from tapering until next year. However, recent improvements in new jobless claims, which have hit the lowest since mid-2007 recently, suggest some upside risk to this downbeat outlook.

A host of data are out in Japan, including industrial production, retail sales, household spending and unemployment numbers. Along with the September PMI data, these may provide further evidence that the economy grew robustly in the third quarter after a [0.9% expansion](#) in the second quarter. The central bank is therefore not expected to see the need for any more stimulus on Friday.

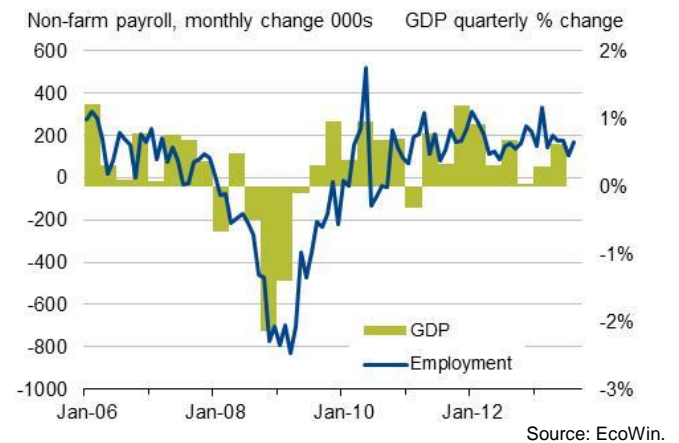
Finally, after the [PMIs collectively reached a new record-high](#) for the second month running in the UK during August, it remains to be seen whether another

stellar performance will be recorded in September. Nevertheless, the economy is likely to have grown by [at least 1.0% in the third quarter](#), up from the final estimate of 0.7% in the second quarter.

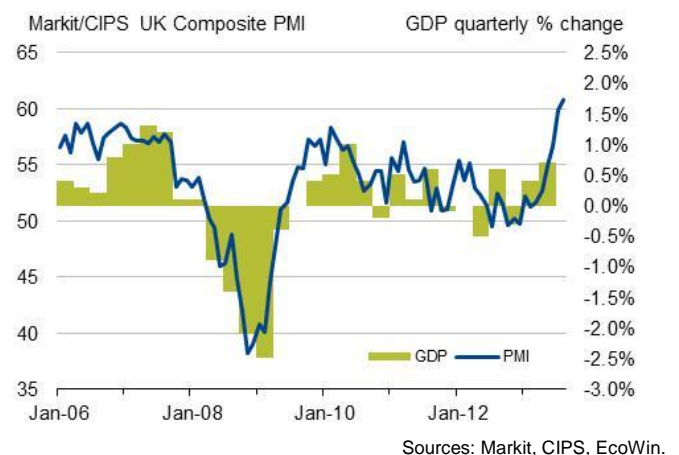
Composite PMIs*



US GDP and the labour market



UK GDP and the PMIs



Monday 30 September

Industrial production and retail sales data for August are published in Japan, followed by construction orders and housing starts numbers.

Manufacturing PMI reports for Japan and China are out.

German retail sales numbers are published in advance of French producer prices figures. The flash estimate of consumer prices for Italy and the wider eurozone follow.

UK consumer credit and money supply data are published by the Bank of England.

The Chicago PMI index is released in the US.

Tuesday 1 October

Manufacturing PMIs are published worldwide.

Real household spending, vehicle sales and unemployment data are released in Japan. The latest Tankan results follow.

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

Unemployment data are out in Germany and the euro area as a whole.

The US sees construction spending and vehicle sales numbers.

Wednesday 2 October

The construction PMI report is out in the UK.

The ECB concludes their monetary policy meeting.

Producer prices numbers are published for the eurozone.

The latest results from the ADP employment survey are released in the US.

Thursday 3 October

Services and whole economy PMI data are released worldwide.

Retail sales numbers are issued for the eurozone.

In the US, initial jobless claims, durable goods orders and the ISM non-manufacturing PMI data are the highlights.

Friday 4 October

India services and Hong Kong whole economy PMI data are published.

The Bank of Japan announces their latest monetary policy decision.

Producer prices numbers are released in Germany.

Non-farm payrolls and unemployment data are released in the US.

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