

# Week Ahead Economic Overview

- Service sector PMIs to give guidance ahead of monetary policy meetings at the Bank of England and ECB
- US non-farm payrolls and unemployment updates
- Further insight from China's 'data dump'

A crowded week for economy watchers includes the worldwide service sector PMIs, US non-farm payrolls, a wealth of indicators for China, fourth quarter GDP updates for the Eurozone, Japan and Australia (first estimate), not to mention policy decision meetings at the ECB, Bank of England and Bank of Japan.

The publication of the Markit/CIPS Services PMI will provide the background to the Bank of England's Monetary Policy Committee meeting on Thursday, where the possibility of further QE is a close call. After analysts were taken by surprise with three of the nine MPC members voting for additional QE at the February meeting, including Bank Governor Sir Mervyn King, expectations have risen that more stimulus will be sanctioned, especially if the PMI disappoints. However, a firm number could discourage more members voting for extra QE.

The ECB also considers monetary policy on Thursday. Little action is expected, but the big question is how the ECB will respond to the worsening political situation in Italy. The fact that governments need to ask for assistance before bond buying under the OMT can be activated means the ECB's main policy weapon has been made useless in the case of Italy due to political stalemate following the inconclusive election. Expectations have risen that the ECB could cut its main policy rate, but such a move still looks unlikely.

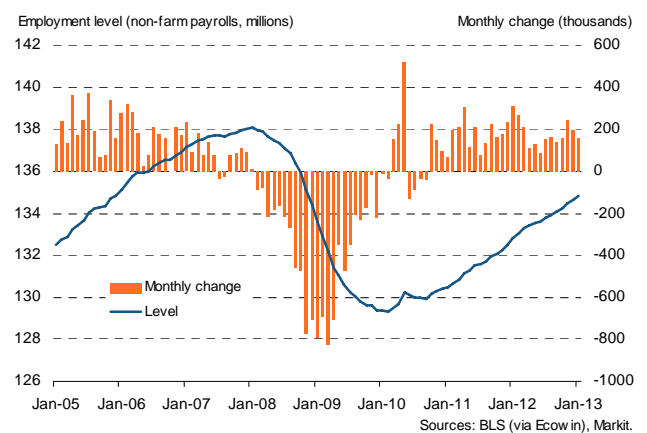
Over in Asia, the Bank of Japan's policy meeting is the last before new governor Haruhiko Kuroda takes the helm, and little new action there is anticipated.

US non-farm payrolls are likely to show another month of reasonable but, in the eyes of Fed policymakers, unsatisfactory job creation.

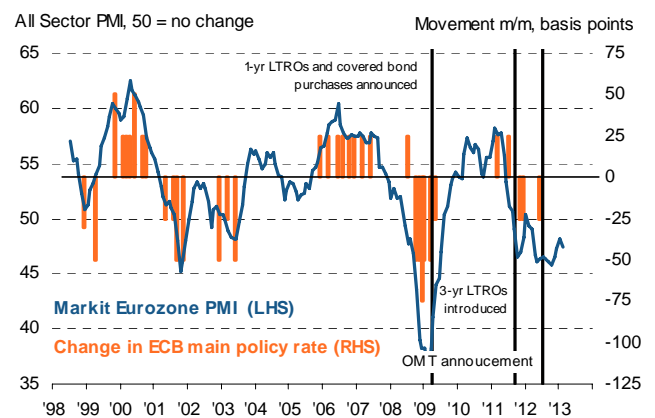
China meanwhile sees the publication of industrial production, consumer prices, retail sales, trade and

fixed asset investment data, which will provide an insight into the health of the economy in February. Recent official data have indicated that China's growth rate is picking up from the lows seen late last year, but the picture is by no means conclusive.

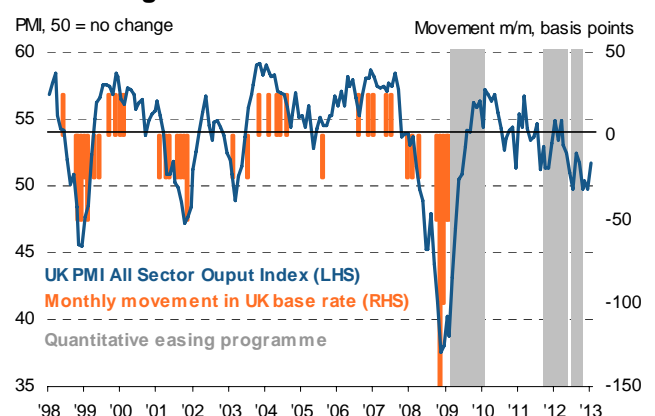
## US non-farm payrolls



## ECB policy and the PMI



## Bank of England and the PMI



### Monday 4 March

The Sentix indicator is published for the eurozone on Monday. Producer prices figures follow.

Markit/CIPS release the latest UK construction PMI data.

### Tuesday 5 March

Services and composite PMI data are released worldwide on Tuesday.

The British Retail Consortium provides an update on UK retail sales during February, while official data for the eurozone are also released for January.

Consumer sentiment indicators from IBD are meanwhile published in the US.

### Wednesday 6 March

Gross domestic product data for the final quarter of last year are released in both Australia and the eurozone (second estimate).

Employment numbers from ADP and durable goods order figures are meanwhile issued in the US. The Federal Reserve also publishes the latest Beige Book.

Monetary policy decisions are announced in both Brazil and Canada.

### Thursday 7 March

The Bank of Japan announces their latest monetary policy decision on Thursday. The leading indicator from the Cabinet Office is also released.

Unemployment data are published in France, alongside international trade numbers.

Italian producer prices figures are released in advance of German industrial order numbers.

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

Initial jobless claims, productivity and unit labour cost data are published in the US. Trade balance data are also released, as well as for Canada.

### Friday 8 March

Bank lending, current account and gross domestic product data are published in Japan on Friday. Results from the economy watchers survey are also released.

The KPMG/REC Report on Jobs, produced by Markit, provides an update on UK labour market conditions during February. Producer prices numbers follow.

Industrial production figures are released in both Germany and Spain.

Non-farm payroll numbers are published in the US, alongside similar employment figures for Canada. The US also sees wholesale inventories data.

International trade, consumer and producer prices, industrial production, retail sales and fixed asset investment data are meanwhile published in China.

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