

# Week Ahead Economic Overview

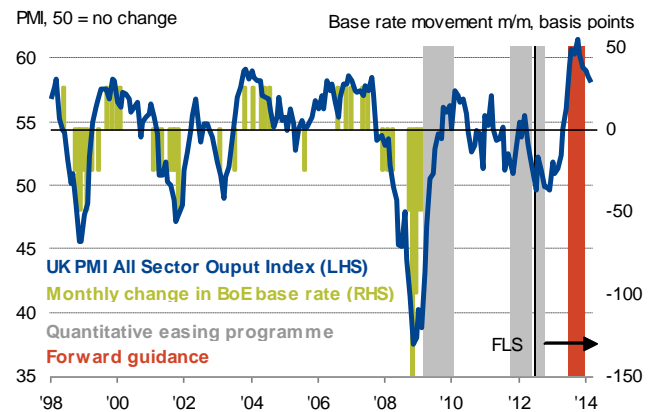
- **Manufacturing and services PMI™ releases to add insights into global economic trends**
- **No change expected in BoE and ECB policy announcements**
- **Industrial production data for Germany and UK**

The week sees key PMI reports released amid policy announcements from the Bank of England and the European Central Bank. Industrial production numbers are meanwhile updated for a number of European countries, including Germany and the UK.

In the **UK**, a shortened week kicks off with the UK services PMI release, a key number watched by the Bank of England's Monetary Policy Committee, which also makes its latest decision on Thursday. No change is the expected outcome, but the debate is likely to have heated up after the unanimous decision to leave policy on hold in March. Since then, [unemployment has fallen below 7%](#), wage growth is showing signs of picking up and the economy is showing no signs of slowing after [GDP rose 0.8% in Q1](#) and the [manufacturing PMI lifted higher](#) again in April. The MPC will also have updates on official data on manufacturing in March (note that the ONS had estimated a -0.2% fall in the wider measure of industrial production in its first quarter GDP estimate). Markit's recruitment industry survey is also published, which will provide the first insights in labour market trends for April. The main concern is house prices, which pose the greatest risk to stability, but the Bank is likely to use other more targeted measures rather than higher interest rates to dampen any signs of a bubble.

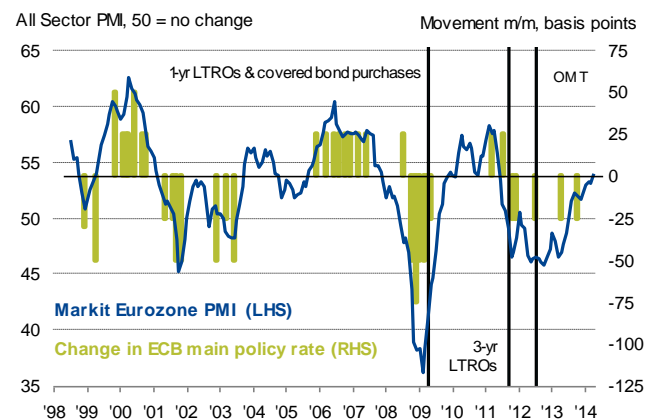
No action is also the most likely outcome of this month's **ECB** policy meeting on Thursday after economic data showed the [region's recovery gaining momentum](#). Markit's Eurozone PMI hit a near three-year high, according to April's flash estimate. Pressure was taken off the ECB to counter any threat of deflation via QE after a flash estimate for April inflation showed that consumer prices increased by 0.7% up from 0.5% in March.

## UK PMI and BoE base rate



Sources: Markit, BoE.

## Eurozone PMI and ECB policy rate



Sources: Markit, ECB.

## China Manufacturing PMI

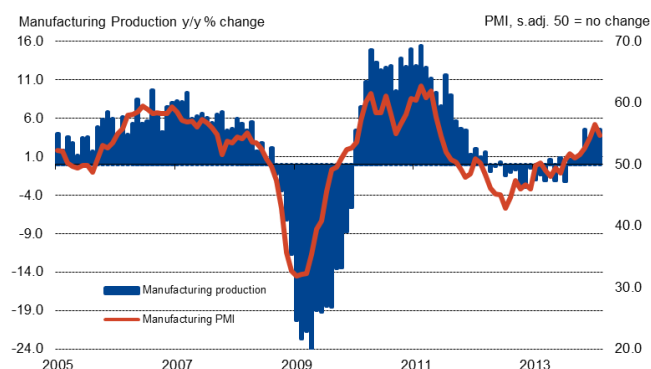


Sources: Markit, HSBC.

The J.P.Morgan Global Manufacturing PMI™ is released on Monday and will show if economic growth has picked up again in April, after the [index dipped to a five-month low of 52.4 in March](#). More detailed survey data are meanwhile released for **China's** manufacturing sector. A [flash estimate](#) showed that output and new orders declined further, although at slightly weaker rates.

Industrial production data are also released in **Germany**. February data showed industrial output growing 0.4% on a month ago and a further expansion is expected in March, especially given [survey evidence](#), which suggests that the German manufacturing sector is enjoying its best spell of growth since 2010. Other important releases in Germany include factory orders and trade balance data.

### German manufacturing production and the PMI



Sources: Markit, Statistisches Bundesamt

### Monday 5 May

Markit releases a number of reports, including the Global Manufacturing PMI™ and the US Services PMI™.

The Halifax House Price Index is issued in the UK.

In the Eurozone, the Sentix indicator is published, followed by an update on producer prices.

Brazil updates its weekly trade balance.

### Tuesday 6 May

Services and whole economy PMI data are released worldwide.

Retail trade data are published for the euro area.

Manufacturing producer prices are issued in Brazil.

Canada issues an update on its merchandise trade data.

The US updates its trade balance numbers and releases the IBD Consumer Optimism Index.

### Wednesday 7 May

A number of services PMI reports and retail PMI data are released by Markit.

The Bank of Japan releases minutes from its latest meeting.

Germany sees the release of factory orders numbers.

Industrial production figures and trade balance numbers are highlights in France.

Brazil also issues an update on industrial production data.

Building permits figures are issued in Canada.

Preliminary non-farm productivity and unit labour costs data plus consumer credit numbers are published in the US.

### Thursday 8 May

The Emerging Markets Index is released overnight by Markit.

Germany and Spain see publications of industrial production data.

The Bank of England and the European Central Bank announce their latest rate decisions.

In the US, initial claims are issued.

Housing starts and the House Price Index are meanwhile highlights in Canada.

Trade balance data are released in China.

### Friday 9 May

UK and English regions Reports on Jobs are released by KPMG/REC in association with Markit.

Consumer and producer prices are published in China.

Trade balance and current account data are meanwhile issued in Germany.

Italy and the UK update their industrial production figures, with the latter also seeing the release of trade balance data.

Trade balance data are also released in India.

Canada issues updates on its labour market.

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