

# Week Ahead Economic Overview

- **BoE policy decision and FOMC meeting minutes**
- **European industrial production numbers**
- **Chinese trade data**

The Bank of England's monetary policy decision, FOMC meeting minutes and a host of industrial production data across Europe are highlights of the week for the developed world, while in the emerging markets a relatively quiet week sees trade and inflation data for China plus industrial production in India.

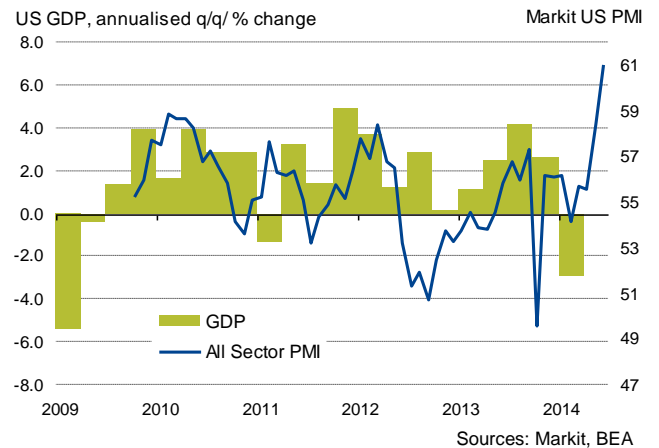
No change in monetary policy is again expected at the Bank of England, but the speed with which the economy continues to grow, and unemployment fall, has led to increasing expectations that the first hike in interest rates will take place later this year and the policy debate looks likely to have intensified. [PMI survey data](#) signalled another strong GDP rise in the second quarter alongside record job creation.

Updates on UK [industrial production](#), [trade](#) and [recruitment industry trends](#), including pay growth, will add to the policy debate. However, analysts will need to wait for the publication of the meeting's minutes in two weeks time to gauge whether the [Monetary Policy Committee's appetite is growing for a 2014 rate hike](#), and whether the existing unanimity on the need for rates to remain on hold has been broken.

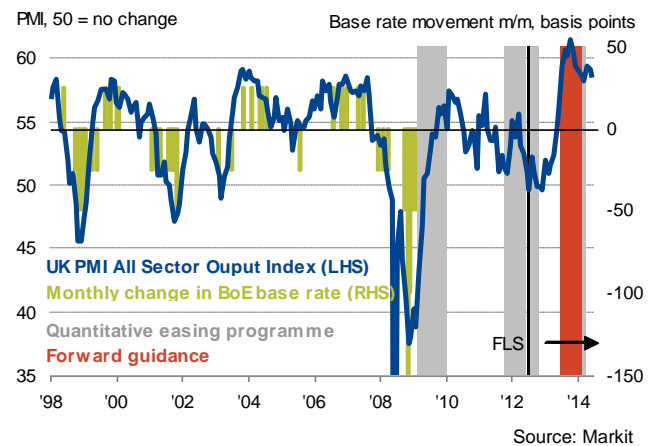
It's the minutes of the US Federal Open Market Committee's policy meeting that may therefore prove more interesting than the BoE's meeting. Although [surveys point to a growth surge](#), Fed Chair Janet Yellen has recently spoken of the lack of any perceived need for higher interest rates when macroprudential tools can be used to deal with worries about financial instability arising from asset price bubbles. This suggests the UK will be the first major developed economy to see higher interest rates, though the FOMC minutes should give insight into how unanimous this view is among the rate setting committee.

The ECB will meanwhile get some further insight into inflation and growth trends. A number of countries, including Germany, France and Spain, issue final inflation numbers for June. Preliminary CPI data for the

## US economic growth



## Bank of England monetary policy and the PMI



## UK recruitment industry survey



region as a whole showed inflation holding at just 0.5%, well below the central bank's 2.0% target. However, the core figure had edged up to 0.8%. Industrial production data for Germany, France, Italy and Spain are likely to highlight a developing but uncertain recovery, and a shift from core to periphery, as indicated by the business surveys.

### Monday 7 July

Latest industrial production numbers are published for Germany.

Elsewhere in the eurozone, the Sentix Index is released.

In Canada, an update on building permits is issued by Statistics Canada.

### Tuesday 8 July

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

Trade figures are out in France and Germany.

Latest UK industrial production numbers are announced.

Stateside, the Redbook is issued after an update on business optimism.

### Wednesday 9 July

Wednesday begins with the release of Chinese inflation numbers.

FOMC publishes the minutes from its latest meeting, with consumer credit data also out in the US before an update on latest mortgage figures.

### Thursday 10 July

Chinese trade data are a highlight on Thursday, with similar numbers for the UK issued later in the day.

Also in the UK, BoE announces its latest monetary policy decisions.

The UK Commercial Development Activity Report is published by Savills and Markit.

France and Italy both have industrial output numbers out, with the former also seeing the release of final consumer price inflation figures for June.

Initial claims data are the standout data release in the US.

### Friday 11 July

Inflation numbers are published in both Germany and Spain.

Indian industrial output figures are issued.

Canada sees the release of a host of labour market data.

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