

Week Ahead Economic Overview

- Industrial production and labour market updates for UK and Eurozone
- US retail sales
- Inflation, retail sales and industrial production data in China

Next week sees a busy economic calendar. In the UK labour markets data are the highlight, providing important clues into the timing of the first rate hike. Meanwhile, official data updates will be scoured for evidence that the US, Chinese and Eurozone economies are reviving after disappointing first quarter growth.

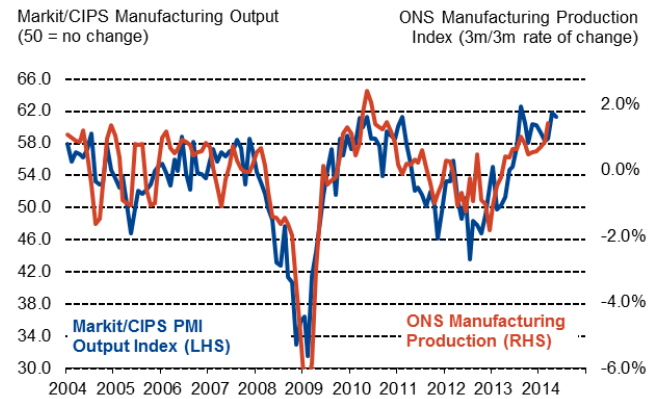
The UK jobless rate looks set to drop to 6.7%, its lowest since January 2009, after [survey data point to further solid employment growth](#) in recent months. Most eagerly watched by policymakers, however, will be the wages data, as an upturn in pay pressures is likely to hold the key to whether rates will need to rise earlier than the Bank of England is currently projecting.

Markets will also be looking for official data to confirm the upbeat growth signals from surveys in the UK, as industry data are published. Official data showed that industrial production rose 0.7% in the first quarter of 2014, with manufacturing output increasing 1.4%. [May's Markit/CIPS UK Manufacturing PMI®](#) points to ongoing solid growth in the second quarter of 1.5%.

Industrial production numbers are also out in the **eurozone** and will provide clues as to whether economic growth in the region picked up at the start of the second quarter of 2014. GDP across the single currency area rose by a lacklustre 0.2% in the first quarter, but [latest survey data](#) suggest that the economy is set to expand by 0.5% in the second quarter. Other important releases for the currency union include first quarter employment growth, an update on trade balance data and inflation figures for a number of countries.

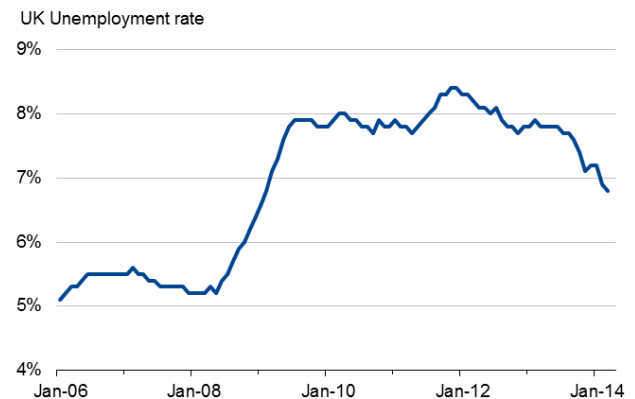
Policymakers will also be interested to see whether retail sales growth in the **US** has picked up again in May, having risen a marginal 0.1% in April. The US economy [contracted in the first quarter of 2014](#), largely driven by adverse weather conditions, but [survey data](#)

UK industrial production and the PMI



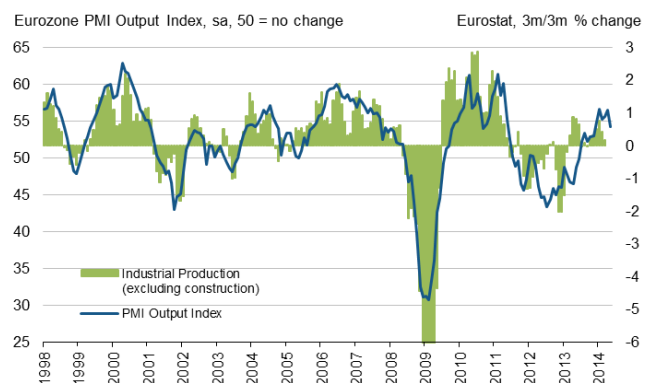
Sources: Markit, ONS.

UK unemployment rate



Source: Ecowin.

Eurozone industrial production and the PMI



Sources: Markit, Ecowin.

available for the second quarter so far point to a robust rebound. Import and producer price numbers and the University of Michigan Consumer Sentiment Index are other economic data highlights in the US.

Further insights about the health of **China's** economy are provided by retail sales numbers and industrial production figures for May. Official data signalled that the Chinese economy is currently in its worst growth patch since early-2009, with [GDP growth slowing to 7.4%](#). Meanwhile, retail sales were up 11.9% on an annual basis in April, which is an impressive rate of growth by developed world standards, but one of the weakest seen in China over the past decade. [Survey data for May](#), however, point to the first expansion in Chinese business activity in four months. China also sees an update on consumer prices.

Monday 9 June

England and Wales regional PMI reports and the Ulster Bank Ireland Construction PMI are released by Markit.

Final GDP numbers for the first quarter and consumer confidence data are published in Japan.

The Sentix Indicator is updated for the euro zone.

In Canada, housing starts figures are issued.

Foreign trade data are meanwhile published in Russia.

Tuesday 10 June

BRC retail sales data and the NFIB Small Business Optimism Index are released in the UK.

Industrial production numbers are issued for France, Italy and the UK.

Inflation data are out in China on Tuesday.

The BoF Business Sentiment Index is published in France.

Italy sees an update on first quarter GDP growth.

In the US, wholesale inventories data are issued.

Wednesday 11 June

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

Wholesale prices data are meanwhile issued in Germany.

The UK sees a labour market update, including the ILO unemployment rate.

The US Treasury releases its monthly account update.

Thursday 12 June

Consumer price numbers and current account data are issued in France.

In the euro area, industrial production figures are issued.

Retail sales data are a highlight in Brazil on Thursday.

India also sees the release of industrial production data.

Capacity utilisation data and house price information are issued in Canada.

Import price numbers, initial claims, retail sales figures and business inventories data are all out in the US.

Friday 13 June

Capacity utilisation data and industrial production numbers are released in Japan.

Industrial production figures are also issued in China, alongside an update on retail sales.

Inflation numbers are out in Germany, Italy and Spain.

Employment numbers and trade balance data are released for the euro area.

In Canada, manufacturing sales numbers are published.

Producer price data and the University of Michigan Consumer Sentiment Index are the closing highlights of the week.

Oliver Kolodseike

Economist

Markit

Tel: +44 149 1461 003

Email: oliver.kolodseike@markit.com

For further information, please visit www.markit.com. The intellectual property rights to the report provided herein are owned by or licensed to Markit Economics Limited. Any unauthorised use, including but not limited to copying, distributing, transmitting or otherwise of any data appearing is not permitted without Markit's prior consent. Markit shall not have any liability, duty or obligation for or relating to the content or information ("data") contained herein, any errors, inaccuracies, omissions or delays in the data, or for any actions taken in reliance thereon. In no event shall Markit be liable for any special, incidental, or consequential damages, arising out of the use of the data. *Purchasing Managers' Index™* and *PMI™* are either trade marks of Markit Economics Limited or are licensed to Markit Economics Limited. Markit is a registered trade mark of Markit Group Limited.