

Week Ahead Economic Preview

- **IHS Markit Services PMI surveys for eurozone, Japan and Brazil**
- **A number of APAC central banks decide on monetary policy, including RBA, RBNZ, Malaysia, Thailand and the Philippines**
- **China trade and inflation numbers**
- **Hong Kong and Indonesia announce Q3 GDP**
- **UK production and trade data**

A number of central banks across Asia will decide on monetary policy, while IHS Markit Services PMI™ data for the eurozone, Japan and Brazil will provide further clues as to the health of these major economies at the start of the fourth quarter. Other key data highlights include China trade and inflation figures as well as UK housing and industrial output statistics. Elsewhere, Indonesia and Hong Kong will publish third quarter GDP figures.

The release of detailed global and regional sector PMI data and eurozone retail PMI surveys by IHS Markit will offer more nuanced insights into recent economic trends.

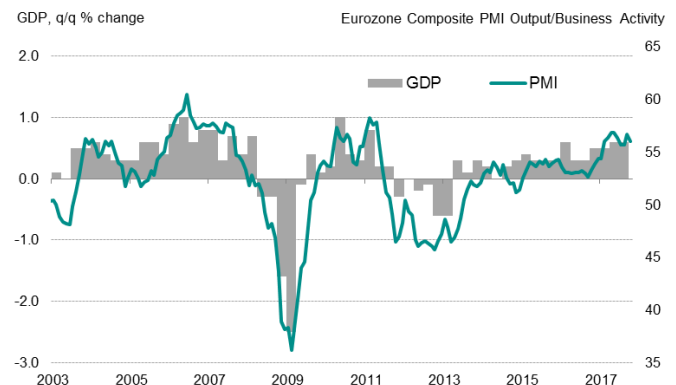
Eurozone Composite PMI

Final eurozone PMI data next week will give further insights into economic and price trends in the final quarter 2017. The [flash data](#) has signalled a strong start to the quarter, but perhaps more important is the extent to which inflationary pressures will continue to develop in coming months, which will in turn have a strong bearing on future central bank policy. The European Central Bank recently announced its decision to cut back on stimulus next year, and further tightening rhetoric may follow if the PMI surveys continue to show a strong set of data with rising price pressures.

Japan service sector

In Japan, an updated Nikkei Service PMI will be gleaned for clues as to how the Japanese economy fared at the start of the closing quarter of 2017, to gauge future Bank of Japan policy. The latest BoJ meeting minutes, released on Monday, will likewise be scoured for indications of how robust the authorities see the current economic climate.

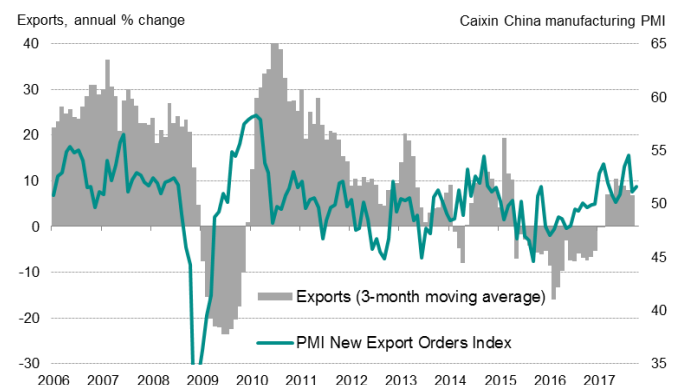
Eurozone PMI* and economic growth



*October data = Flash Eurozone Composite PMI

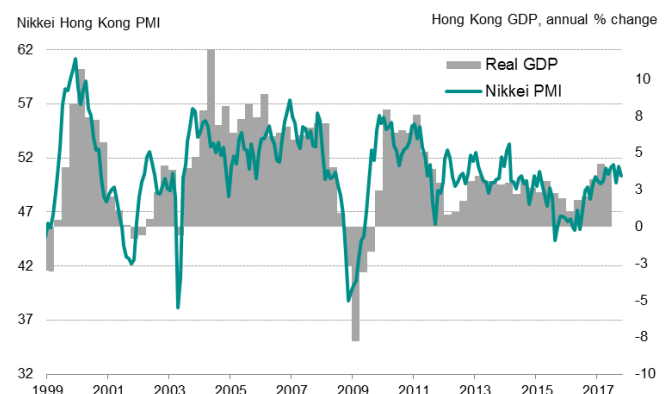
Sources: IHS Markit, Eurostat

China PMI and exports



Sources: IHS Markit, Caixin, China Customs

Hong Kong PMI and economic growth



Sources: IHS Markit, Nikkei, C&SD

Survey data earlier indicated that [Japanese manufacturing sector](#) growth remained robust, accompanied by rising cost pressures. Both represent welcome news for the central bank.

Chinese trade and inflation

China analysts will be eyeing trade and inflation data, which will give indications of demand in the Chinese economy. The [Caixin China Manufacturing PMI](#) signalled a marginal improvement in the health of the sector in October amid a modest expansion in sales. Growth in new export orders was noticeably lower compared to the third quarter average, posing some downside risk to the official export figures.

Hong Kong and Indonesia GDP

Third quarter GDP numbers for Hong Kong and Indonesia will be released next week. The Nikkei Hong Kong PMI showed that the pace of economic expansion during the three months to September was similar to the previous quarter, when annual GDP growth of 3.8% was recorded. Meanwhile, market expectations are for the Indonesian economy to grow by an annual rate of 5.1% during the third quarter.

Meanwhile, the Reserve Bank of Australia is widely tipped to keep rates on hold, though signs of stronger growth from [recent PMI surveys](#) suggest a tightening bias may lead to higher rates next year.

UK data to help guide future policy

After the Bank of England raised interest rates for the first time in a decade, analysts will be eyeing the incoming data flow for the timing of the next rise. Official industrial production, construction output and trade data for September will therefore add to the picture of the economy's health in the lead up to the next rate decision (and also indicate if any revision to the current estimate of 0.4% third quarter GDP growth is likely). Recent PMI data showed manufacturing continuing to fare well up to October, but construction continues to struggle, with business hit by weak business confidence in the economic outlook.

Monday 6 November

IHS Markit Services PMI surveys (Global, eurozone, Japan, Germany, France, Italy, Spain and Brazil) (Oct)

BOJ meeting minutes

Indonesia GDP and business confidence (Q3)

Germany factory orders (Sep)

Euro area PPI (Sep)

Tuesday 7 November

IHS Markit Retail PMI surveys (eurozone, Germany, France and Italy) and Germany Construction PMI (Oct)

RBA interest rate decision

Taiwan trade and inflation (Oct)

Germany industrial production (Sep)

Euro area, France and Italy retail sales (Sep)

UK Halifax House Price Index (Oct)

US JOLTs job openings (Sep)

Wednesday 8 November

IHS Markit Sector PMI (Asia, Europe, US, Global) (Oct)

Australia business confidence (Oct)

China trade (Oct)

Bank of Thailand monetary policy decision

France balance of trade (Sep)

ECB non-monetary policy meeting

New Zealand interest rate decision

Thursday 9 November

Philippines and Malaysia monetary policy meetings

Japan current account and machinery orders (Sep)

Australia home loans (Sep)

China CPI and PPI (Oct)

Malaysia industrial production and retail sales (Sep)

Germany trade and current account (Sep)

US wholesale inventories (Sep)

Friday 10 November

Japan machine tools orders (Oct)

RBA statement on monetary policy

Singapore retail sales (Sep)

Hong Kong GDP (Q3)

France and Italy industrial production (Sep)

UK balance of trade, industrial production and manufacturing output (Sep)

Brazil inflation (Oct)

US Michigan consumer and inflation expectations surveys (Nov)

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