

Week Ahead Economic Preview

- **US inflation and retail sales to provide further insights of post-hurricane consumption trends**
- **Analysts eye Caixin China Services PMI for clues as to economic growth at end of Q3, alongside Chinese trade and foreign investment data**
- **UK industrial production, construction and trade**
- **Singapore Flash Q3 GDP and monetary policy**

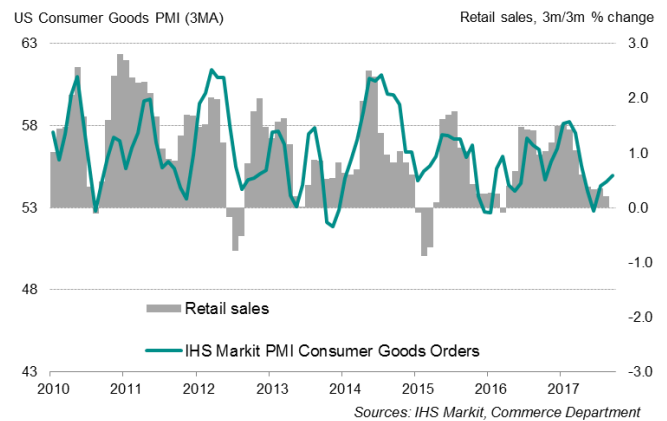
US inflation and retail sales data will help gauge consumer resilience in a month of hurricanes, and therefore influence future Fed policy. The release of FOMC minutes will also be eyed for details of the Fed's plan to unwind its asset purchases. Other key highlights include key UK output indicators as well as China services PMI, trade and foreign investment.

US retail sales will be eagerly awaited for clues as to whether Hurricanes Harvey and Irma had dented consumption trends. August's figures saw the largest monthly drop since February, primarily due to a decline in auto sales, while July data were revised significantly downwards. While the latest [PMI surveys](#) indicated that the US economy showed encouraging resilience, the data suggest that growth could come in just above 2% in the third quarter.

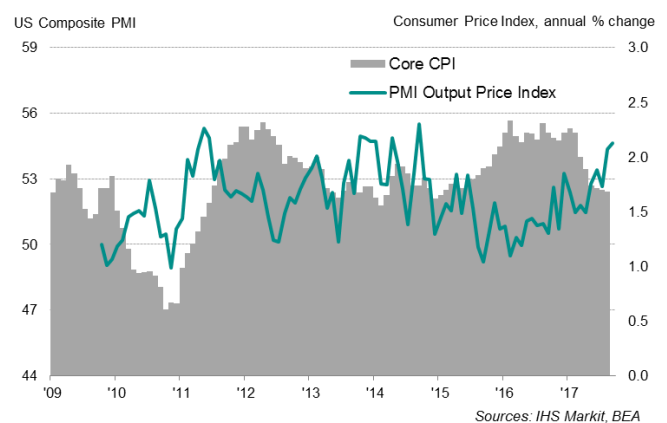
The effects of the hurricanes were most evident in supply chains, where PMI surveys showed that resultant supply shortages were a key driver of higher prices. A key data to watch therefore will be consumer inflation. However, any upticks in consumer prices are unlikely to launch the Fed into stepping up its tightening stance, as such price hikes are perceived as one-off. Meanwhile, the release of FOMC minutes will be parsed by analysts for further insights into announcements during the September meeting to start trimming its \$4.5 trillion stimulus scheme this month.

China analysts will be eyeing fresh economic data on return from the Golden Week holiday, to assess the health of the economy in September. Updated Caixin China Services PMI will provide important clues as to how the economy fared at the end of the third quarter. Survey data earlier indicated that [Chinese manufacturing conditions](#) improved at a weaker rate in September, amid moderating output and sales trends.

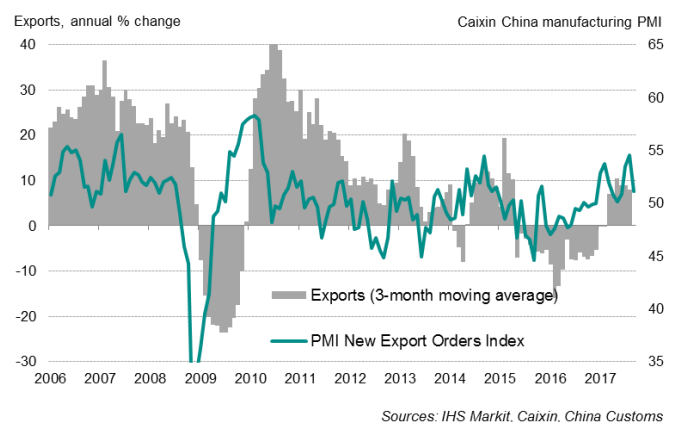
US PMI consumer goods orders and retail sales



US PMI and consumer inflation



China PMI and exports



Continued...

Notably, new export sales increased the least for three months. As such, Chinese trade figures for September will be closely monitored.

Official UK industrial production, construction and trade data will meanwhile be gleaned for signs that the weaker pound is helping boost manufacturing and the trade balance, as indicated by [recent survey data](#). However, construction may well disappoint, after [PMI data](#) signalled a renewed downturn of the sector in September.

Also in the UK, house price statistics will provide clues on consumer spending power, amid increasing pressure on household expenditure. The recent squeeze on households' spending power remains a risk to future growth, with the latest [UK HFI report](#) showing a renewed downward lurch in household finances. And real earnings are likely to continue falling for some time as inflation exceeds pay growth.

Singapore will release its advance estimate of third quarter GDP while the Monetary Authority of Singapore will decide on monetary policy during the second semi-annual meeting of this year. [PMI survey data](#) points to annual GDP growth of around 3% for the third quarter, in line with the consensus forecast of 3.1% from a MAS poll of private-sector economists. Meanwhile, no change in monetary policy is expected.

Monday 9 October

IHS Markit/Caixin China Services PMI

PMI releases for Ireland Construction PMI, England & Wales Regional PMI, Scotland PMI, and Northern Ireland PMI

Germany industrial production (August)

Tuesday 10 October

Japan machinery orders (August)

Germany trade (August)

France industrial production (August)

UK industrial production and trade balance (August)

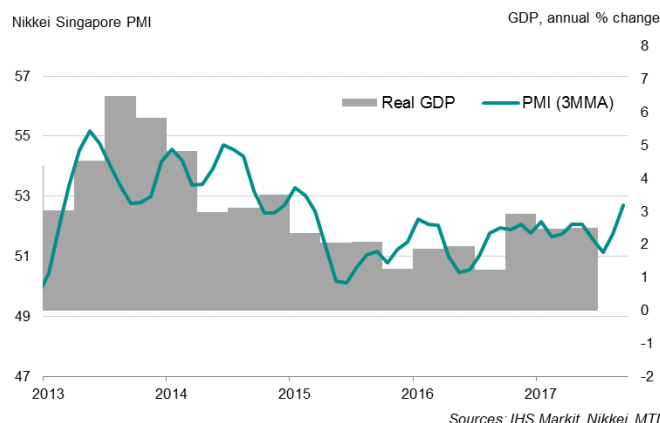
Wednesday 11 October

Halifax House Price Index

Australia consumer confidence (October) and business confidence (September)

Japan PPI (September)

Singapore PMI and economic growth



Brazil retail sales (August)

US JOLTS job openings (August)

Thursday 12 October

Australia home loans (August)

India industrial production (August) and inflation (September)

France inflation (final, September)

Euro area industrial production (August)

US FOMC minutes for 19–20 Sep

US PPI (September)

Friday 13 October

Australia consumer inflation expectations (October)

RBA Financial Stability Review

Singapore flash Q3 GDP and monetary policy decision

China trade and FDI (September)

Germany inflation (final, September)

US inflation and retail sales (September)

US business inventories (August) and Michigan consumer surveys (October)

Bernard Aw

Principal Economist

IHS Markit

Tel: +65 6922 4226

Email: bernard.aw@ihsmarkit.com

[Click here](#) for more PMI and economic commentary.

For further information, please visit www.ihsmarkit.com