

Week Ahead Economic Preview

- Release of sector PMI surveys for US, Europe and Asia
- US retail sales and inflation
- UK wage growth and employment
- China trade and credit figures

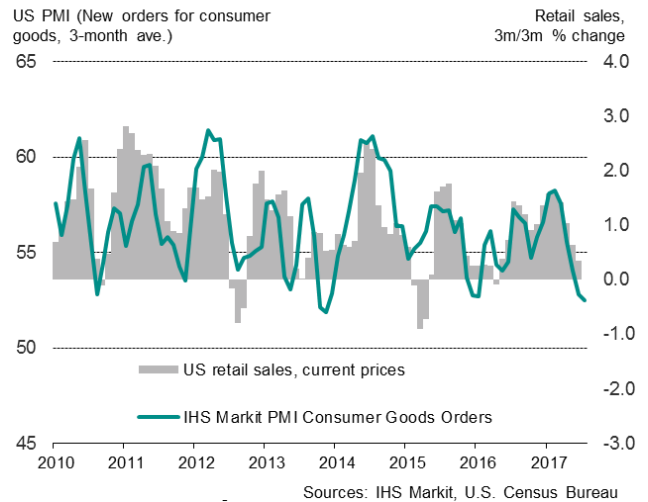
US inflation and retail sales will help gauge the future course of Fed policy and whether consumer spending has remained under strain. Other key data highlights include UK wage growth and employment, which could be key to the timing of the first rate hike by the Bank of England in a decade, as well as China's trade and credit data.

Worldwide release of sector PMI surveys will meanwhile provide important clues as to industry trends in June. The latest national PMI surveys have shown the global economy enjoying a solid second quarter, although growth in China has weakened along with several other Asian economies. Detailed sector PMI data for the US, Europe and Asia will add to insights into consumption and investment developments.

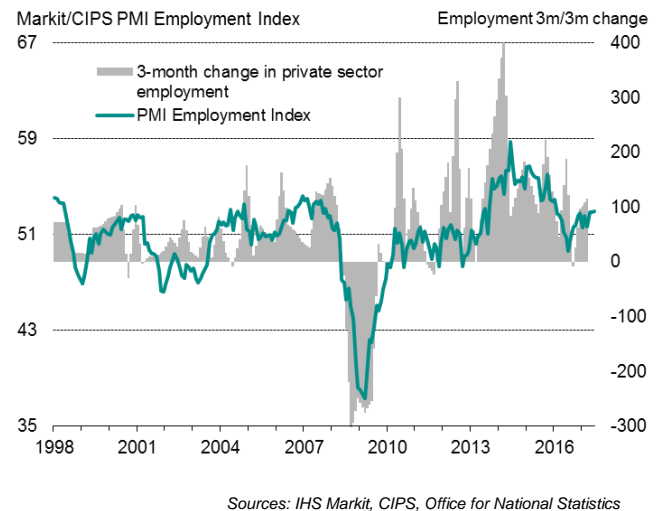
US retail sales figures will be eagerly awaited for signs of how resilient the consumer has been in June, especially after an unexpected fall (month-on-month) in May. The sales data will be a key indicator of whether household spending has boosted second quarter GDP. While there are widespread expectations for higher Q2 GDP growth, the relatively subdued PMI readings suggest there are some limits to the extent to which GDP might rebound.

Updated US inflation figures will also be a highlight, particularly as the Fed's plans for the second half of the year remained uncertain amid subdued inflationary pressures, according to minutes of the FOMC meeting in June. Other key US data releases include the Fed Labour Market Conditions Index and JOLTS job openings, which will also provide signals as to the health of the US labour market. Non-farm payrolls beat expectations in June, with 222,000 jobs being added after an upwardly revised gain of 152,000 in May.

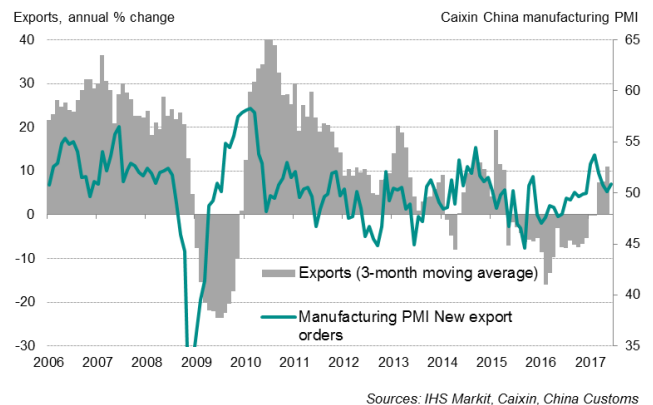
US retail sales



UK employment



China PMI and exports



In the UK, labour market and wage growth data will be watched for further guidance on consumption growth. Households are being squeezed by falling real pay and rising inflation, but any signs of pay growth picking up will add fuel to an increasingly hawkish policy stance at the Bank of England. Doubts about the appropriateness of hiking rates were raised, however, as the latest [PMI survey data](#) signalled weaker growth and lower optimism at the end of the second quarter. UK business optimism hit the lowest since last July (the month after the Brexit vote) amid heightened political uncertainty. Further signs of subdued pay growth could therefore curb market expectations of higher rates.

China watchers will meanwhile be eyeing the June data for updates on trade performance. Exports boosted GDP growth in the first quarter, a development which had been signalled in advance by the Caixin Manufacturing PMI survey's New Export Orders Index rising markedly at the start of the year. But a renewed weakening of growth in new export sales signalled by [recent PMI surveys](#) suggests that external demand may not contribute as much to second quarter economic growth as in the first quarter. Updates to credit data will also be monitored.

Singapore also releases advance estimates of Q2 GDP next week, where analysts are expecting annual growth of 2.6%, slightly lower than the 2.7% recorded in the first quarter. The [Nikkei Singapore PMI](#) has indicated a loss of growth momentum in Singapore's private sector, although business confidence improved in June.

Monday 10 July

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

UK Regional PMI surveys (June)

Japan current account and machinery orders (May)

China CPI and PPI (June)

Germany current account and balance of trade (May)

US Fed Labor Market Conditions Index

Tuesday 11 July

Australia business confidence (June) and home loans (May)

Philippines trade and industry production (May)

Italy industrial production (May)

US wholesale inventories and JOLTS (May)

Wednesday 12 July

Australia consumer confidence (July)

Malaysia industrial production (May)

India industrial production (May) and inflation (June)

Euro area industrial production (May)

UK average earnings and unemployment (May), claimant count (June)

UK Halifax House Price Index: Regions (June)

Brazil retail sales (May)

Thursday 13 July

BOK and BNM interest rate decision

China trade (June)

Inflation rate for Germany, France and Spain (final, June)

US PPI (June)

Friday 14 July

Singapore GDP (advance, Q2)

India WPI (June)

China new yuan loans, total social financing, and M2 supply (June)

Italy inflation (final, June) and trade balance (May)

Euro area trade balance (May)

US business inventories (May) and Michigan consumer surveys (July)

US inflation, retail sales and industrial production (June)

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