

# Week Ahead Economic Preview

- Q2 GDP for Germany, Italy, Japan and Philippines
- US retail sales to gauge the resilience of consumer spending
- UK wage growth, inflation and retail sales
- China credit, investment, retail sales and industrial production data

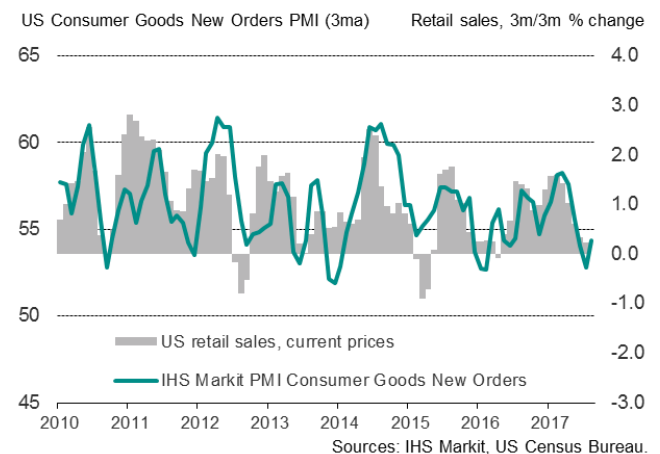
A number of countries see second-quarter GDP data releases, while retail sales and housing statistics will help gauge consumer resilience in the US, and therefore future Fed policy. Other key highlights include UK employment, retail sales and inflation – which could influence the timing of the first rate hike by the Bank of England – as well as China’s credit, fixed investment and industrial output data.

US retail sales will be eagerly awaited for clues as to whether the [recent signs of strain on consumers](#) have continued into the second half of the year. The decreases in retail sales in May and June had tempered expectations of a significant rebound in GDP during the second quarter; however, recent non-farm payrolls have surprised on the upside and July’s [IHS Markit PMI showed an economy gaining growth momentum](#). Other key highlights include the FOMC minutes, housing data and industrial output numbers, which will provide signals as to the overall health of the US economy.

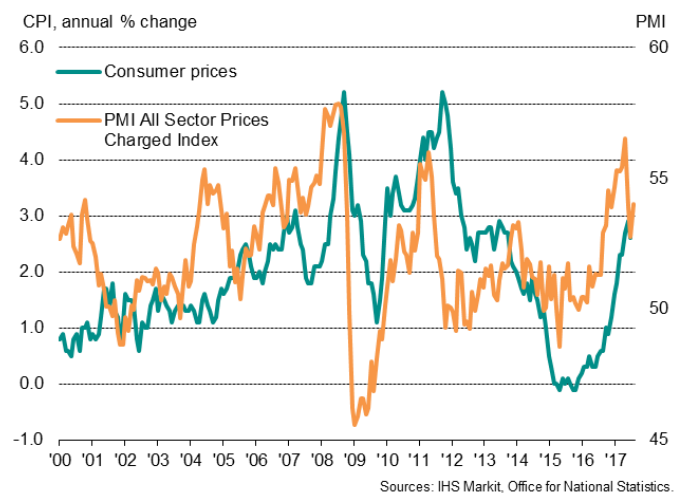
In the UK, the focus is on labour market and wage data, alongside inflation numbers, for further guidance on consumption trends and future monetary policy. Earnings growth slowed to the lowest seen since late-2014 in May, falling further behind inflation. [Recent recruitment survey data](#), however, has shown a combination of demand for staff and deteriorating candidate available leading to stronger pay growth. Overall [price pressures also picked up in July](#) alongside an increase in the rate of job creation, according to the latest PMI data.

Meanwhile, second-quarter GDP numbers are released for several developed countries: Germany, Italy and Japan. Expectations are for Germany and Italy to show quarterly growth of 0.6% and 0.3% respectively. [More recent PMI data](#) indicated that Italy

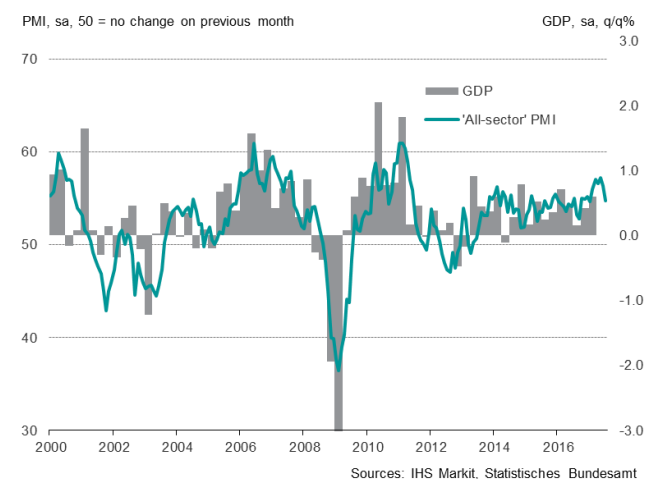
## US retail sales and US consumer goods new orders



## UK inflation



## Germany PMI and economic growth



recorded faster growth in July, while a slowdown was seen in Germany. Japan watchers are expecting GDP growth to pick up from the annualised rate of 1% in the first quarter to 2.5%. However, the [latest survey data](#) indicated signs of slowing momentum at the start of the third quarter, in part due to slower export growth.

Finally, in China attention will be on investment, retail sales and industrial production for trends in key growth drivers. [Recent Caixin PMI](#) data showed that the Chinese economy started the third quarter on a firm footing, led by a pick-up in manufacturing activity.

### Monday 14 August

PMI releases for England, Wales, Northern Ireland and Scotland (July)

Ireland Construction PMI (July)

Japan GDP (Q2 flash)

China industrial production, fixed asset investment and retail sales (July)

China FDI and credit and money supply (July)

Euro area industrial production (June)

India inflation (July)

### Tuesday 15 August

RBA meeting minutes

Indonesia trade figures (July)

Germany GDP (Q2 flash)

UK inflation (July)

US retail sales (July) and business inventories (June)

Brazil retail sales (June) and business confidence (August)

### Wednesday 16 August

Bank of Thailand interest rate decision

GDP for Italy (Q2 flash) and euro area (Q2 second estimate)

UK unemployment rate and earnings (June)

US building permits and housing starts (July)

FOMC minutes for July 25-26 meeting

### Thursday 17 August

Japan trade figures (July)

Australia labour market data (July)

Singapore trade figures (July)

Philippines GDP (Q2)

UK retail sales (July)

Euro area inflation (final July)

US industrial production (July) and Philadelphia Fed Manufacturing Index (August)

### Friday 18 August

China house price index (July)

Taiwan and Malaysia GDP (Q2)

Germany PPI (July)

Euro area construction output (June)

Canada inflation (July)

US Michigan consumer sentiment and inflation expectations (August)

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