

# Week Ahead Economic Preview

- **Japan, Taiwan and Thailand decide on monetary policy**
- **Final updates to Q3 GDP for the US, UK and France**
- **US PCE prices, durable goods orders and housing**
- **UK Household Finance Index and Taiwan's export orders**

A number of major economies are releasing updated third quarter GDP numbers while markets will keenly watch the Bank of Japan's meeting next week for signals as to future policy moves. US data on personal consumption expenditure, housing and durable goods orders will be scoured for clues on underlying economic and price trends, while the IHS Markit survey of UK household finances will also provide the first insights into consumer wellbeing in December.

Other key data highlights include Taiwan's export orders and China's house price index.

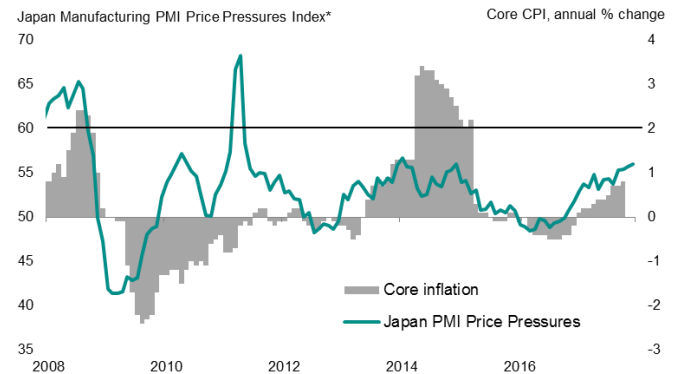
## Bank of Japan

Although expectations are for the Bank of Japan to keep its monetary policy unchanged, analysts are focusing on any signs of concerns over the impact of low interest rates on the profitability of banks, which could affect future policy moves. Moreover, the Japanese economy has continued to strengthen, with the recent upward revision to third quarter GDP bringing the official data more into line with encouragingly robust PMI survey data in recent months. [Flash Manufacturing PMI data](#) indicated that the robust expansion of the goods-producing sector has been sustained at the end of the year, supported by strong export growth.

## US data

A fresh batch of US economic data, including durable goods orders and housing statistics, will provide details on economic activity and price trends in the fourth quarter. Strong data will add fuel to expectations that the Fed will be on course for at least three more rate hikes next year. A fly in the ointment could be the PCE Price Index, which has shown price pressures to have remained subdued.

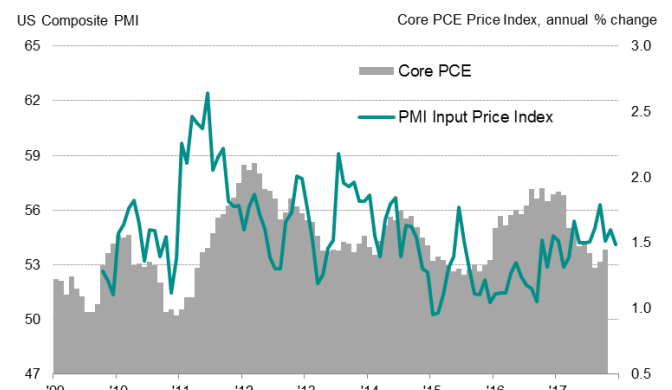
## Japan price pressures



\*Blended index of price and supply chain pressures

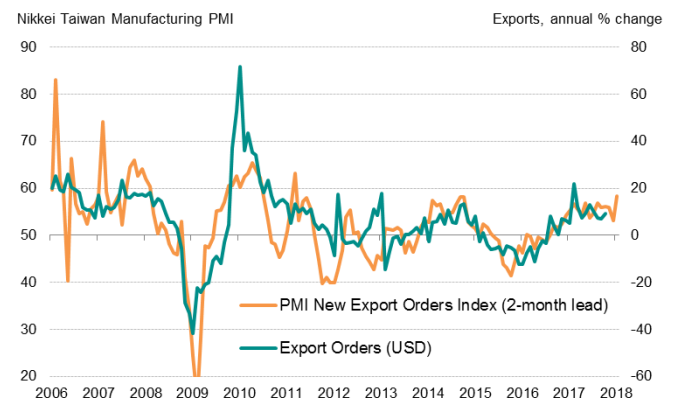
Sources: IHS Markit, Nikkei, MIAC

## US PMI and inflation



Sources: IHS Markit, BEA

## Taiwan PMI\* and export orders



\* up to November

Sources: IHS Markit, Nikkei, DGBAS

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## UK household finances

The release of the UK Household Finance Index next week will provide further evidence as to the extent of how the combination of high inflation and low wage growth has weighed on household finances at the end of the year. [UK inflation](#) rose to a near six-year high in November, with expectations that it could rise further before easing later in 2018.

## Taiwan export orders

In Taiwan, updated data for export orders will be keenly watched for fresh signs of the health of regional trade in the fourth quarter. The PMI survey's gauge of new export orders, which exhibits a good advance-correlation with official export data, [showed the recent expansion in foreign sales accelerating in November](#), resulting in the largest monthly increase for over three years. Taiwan's central bank is also deciding on monetary policy next week, where the policy rate has been kept at 1.375% since July last year.

## Monday 18 December

IHS Markit UK Household Finance Index

Japan trade (Nov)

China house price index (Nov)

Singapore non-oil domestic exports (Nov)

Italy balance of trade (Oct)

Euro area inflation (Nov, final)

Brazil business confidence (Dec)

## Tuesday 19 December

RBA meeting minutes

Germany Ifo surveys (Dec)

Euro area construction output (Oct) and wage growth (Q3)

US housing starts (Nov)

## Wednesday 20 December

Malaysia inflation (Nov)

Thailand interest rate decision

Taiwan export orders (Nov)

Germany PPI (Nov)

US existing home sales (Nov)

## Thursday 21 December

BOJ and Taiwan monetary policy decisions

France business confidence (Dec)

Euro area consumer confidence (Dec flash)

US GDP and core PCE prices (Q3 final est)

US Chicago Fed national activity index (Nov) and Philadelphia Fed manufacturing index (Dec)

US S&P/Case-Shiller home price index (Oct)

## Friday 22 December

Germany consumer confidence (Jan)

France GDP (Q3 final est)

Italy business and consumer confidence (Dec)

UK GDP (Q3 final est)

US PCE price index, durable goods orders, new home sales, personal income and spending (Nov)

US Michigan consumer surveys (Dec)

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