

# Week Ahead Economic Preview

- Japan inflation, unemployment and housing starts
- Germany inflation
- US wholesale inventories and housing data
- China industrial profits

As the final week of 2017 arrives, analysts will assess updated Japanese and German inflation data for clues on future policy moves. Other key data releases are US housing statistics and wholesale inventories, as well as China's industrial profits figures.

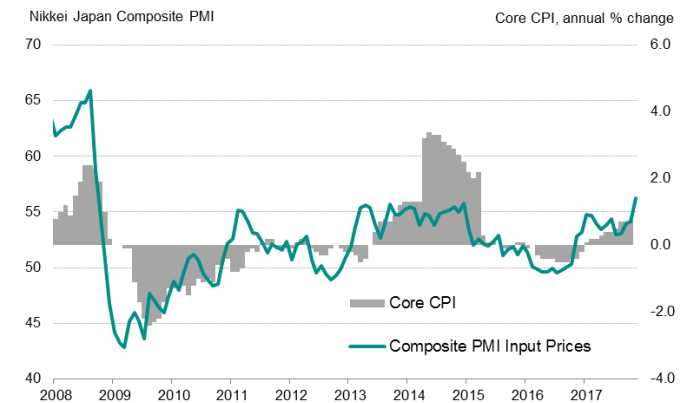
## Japan and Germany inflation

Japan watchers will monitor the inflation data next week to gauge the extent to which prices have moved in the fourth quarter. Consensus expectations are for annual growth of 0.8% in November, still far below the Bank of Japan's target of 2%. The BOJ held monetary policy unchanged at its latest meeting, as widely expected, but sounded upbeat on the economic recovery and expressed confidence that inflation will return to target.

The BOJ's upbeat mood was reflected in business survey data. [Flash Nikkei PMI data](#) signalled that Japanese manufacturing sector is enjoying the best quarter in nearly four years. However, while the survey data indicated another steep rise in cost pressures, goods producers remained reluctant to pass on most of the higher costs to customers, underlining the difficulty faced by the central bank to meet its inflation target.

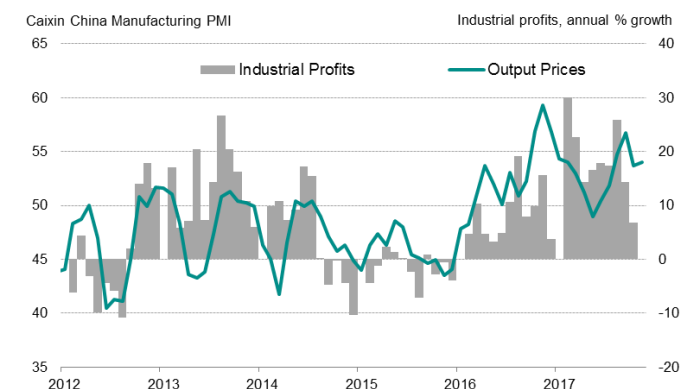
Meanwhile, Germany sees the release of preliminary inflation data, which will give hints as to broader price trends in the euro area. November figures showed an annual rate of 1.8%. [Flash Eurozone PMI](#) also hinted at rising core inflationary pressures as we move into 2018, which should continue to add to expectations of a tighter monetary policy.

## Japan PMI\* and inflation



Sources: IHS Markit, Nikkei, MIAC

## China PMI\* and industrial profits



Sources: IHS Markit, Nikkei, NBS

\* Up to November

## China industrial profits

Industrial profits data for China are a focal point next week, given a broad government crackdown on financial risks. [November PMI data](#) indicated a faster rate of increase in output prices, which portends a slight pickup in industrial profits.

Meanwhile, the first batch of IHS Markit manufacturing PMI surveys will be released for Russia and Austria next week, with the bulk of the 40-plus countries covered to be published from January 2<sup>nd</sup> onwards.

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## Monday 25 December

Christmas Day

## Tuesday 26 December

Japan inflation, unemployment rate and household spending (Nov)

BOJ meeting minutes

Singapore inflation and industrial production (Nov)

US Case-Shiller home price index (Oct)

US Richmond and Dallas Fed manufacturing indexes (Dec)

## Wednesday 27 December

South Korea consumer confidence (Dec)

Japan housing starts and construction orders (Nov)

China industrial profits (Nov)

Mexico balance of trade (Nov)

US pending home sales (Nov)

## Thursday 28 December

Manufacturing PMI surveys for Russia and Austria (Dec)

South Korea business confidence (Dec), retail sales and industrial production (Nov)

Japan retail sales and industrial production (Nov)

UK Nationwide housing prices (Dec)

US wholesale inventories (Nov) and Chicago PMI (Dec)

Brazil consumer confidence (Dec)

## Friday 29 December

IHS Markit Services PMI for Russia (Dec)

South Korea inflation (Dec)

Australia private sector credit and new home sales (Nov)

India infrastructure output (Nov)

Germany and Spain inflation (Dec flash)

UK consumer confidence (Dec)

Brazil consumer confidence (Dec)

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