

Week Ahead Economic Preview

- **Worldwide PMI release gives early indications of global growth and inflation trends at end of Q3**
- **US nonfarm payrolls**
- **Australia and India decide on interest rates**

Worldwide PMI survey releases next week will provide all-important signals on global growth and inflation trends at the end of the third quarter, thereby giving clues for future central bank policy. US nonfarm payrolls will likewise provide insights into Fed policy while central banks of both Australia and India will decide on monetary policy.

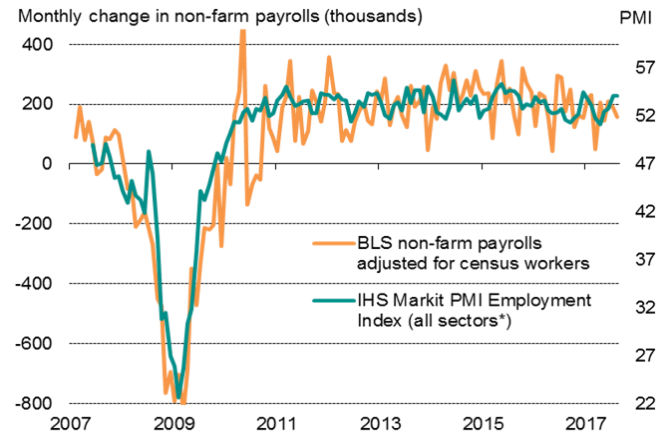
Recent PMI releases showed global growth strengthened midway through the third quarter, with signs that the upturn has further room to run. Analysts will monitor September's data for clues as to whether higher global growth and rising inflationary pressures will extend into the fourth quarter. Worldwide manufacturing PMI data are published on Monday followed by services on Wednesday.

With the US Fed set to start reducing its \$4.5 trillion balance sheet next month, policy watchers will be eager for signs of the economy being on track for tighter policy and another rate hike. A key economic data release will therefore be the employment report, which will include nonfarm payrolls and wage growth. August numbers were underwhelming, showing a jobs gain of only 156,000 and wage growth stuck at 2.5%. [Flash PMI data](#) suggest that a stronger monthly job gains in September may be expected, with a projection running at 180,000.

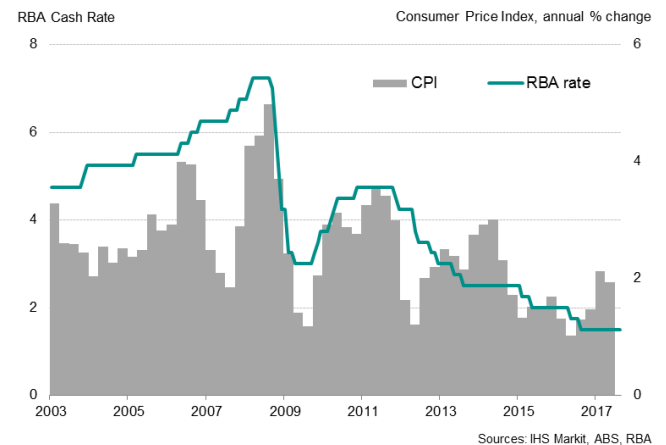
Final US PMI figures will also be published next week, alongside ISM numbers and other US data for trade, factory orders, and construction spending. Flash September PMI data signalled that US economic growth remained resilient in a month of hurricane disruption, though signs of uncertainty over the business outlook emerged.

Labour statistics in the euro area will meanwhile be monitored for confirmation of the solid recovery seen across the region. [Flash Eurozone PMI surveys](#) signalled a pickup in economic growth momentum in September, with job creation one of the strongest seen over the past decade. Updated IHS Markit PMI surveys will also provide further clues.

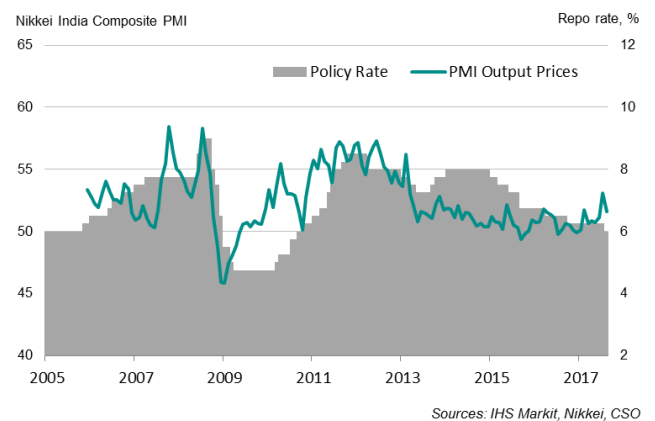
US PMI and employment



Australia CPI and monetary policy



India PMI and monetary policy



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In Australia, the Reserve Bank of Australia decides on monetary policy. While recent rhetoric suggests that the central bank is leaning towards a hawkish stance, expectations are for interest rates to be left unchanged at the October meeting. RBA Governor Phil Lowe noted that, even though a rate hike may not be 'for some time', there is a need to 'prepare for higher rates'. Subdued inflation has so far been a problem for the RBA. But recent [PMI surveys](#) indicated that higher costs have been feeding through to higher selling prices, particularly in the service sector, potentially opening the door for tighter policy.

In India, a highlight of the coming week will be the Reserve Bank of India's policy meeting, where the central bank is expected to hold its key interest rate at a seven-year low of 6% despite signs of rising consumer inflation. The RBI is likely to cut its growth forecasts as the economy shows signs of disruption caused by the new sales tax, as indicated by recent [PMI survey](#) data. September PMI data will provide further insights into underlying inflation and growth trends.

Monday 2 October

Worldwide release of IHS Markit Manufacturing PMI

Indonesia and Thailand inflation (September)

Euro area unemployment rate (August)

US construction spending (August)

Tuesday 3 October

Japan consumer confidence (September)

Australia new home sales and building permits (August)

RBA interest rate decision

Hong Kong retail sales (August)

Euro area PPI (August)

UK Construction PMI

Brazil trade balance (September) and industrial production (August)

Wednesday 4 October

Worldwide release of IHS Markit Services PMI

Nikkei Singapore PMI

Reserve Bank of India (RBI) policy meeting

Euro area and France retail sales (August)

ECB non-monetary policy meeting

US ADP employment (September)

Thursday 5 October

Australia trade and retail sales (August)

Germany Construction PMI and Euro area Retail PMI

US trade and factory orders (August)

Russia inflation (September)

Friday 6 October

Nikkei Hong Kong PMI

Malaysia trade (August)

Germany factory orders (August)

UK Halifax House Price Index (September) and industrial production (August)

US nonfarm payrolls, unemployment rate and average earnings (September)

US wholesale inventories (August)

Brazil inflation (September)

Bernard Aw

Principal Economist

IHS Markit

Tel: +65 6922 4226

Email: bernard.aw@ihsmarkit.com

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