

Week Ahead Economic Preview

- **Worldwide release of manufacturing and services PMI surveys**
- **US non-farm payrolls and trade**
- **Euro area retail sales and employment**

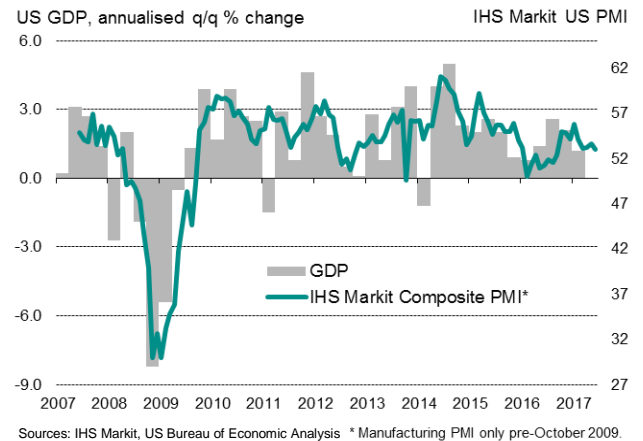
Worldwide releases of manufacturing and services PMI surveys will provide all-important steers on global growth and inflation trends for the second quarter. Other key highlights include US non-farm payrolls and trade figures, eurozone retail sales and labour market data, as well as Japan's Tankan surveys.

While US GDP data are expected to turn higher in the second quarter after a weak start to the year, relatively subdued readings from the [flash PMI surveys](#) are suggesting some downside risks to the extent to which GDP will rebound. Updated data from IHS Markit's PMI surveys alongside the ISM will provide further clues ahead of the next FOMC meeting in July. The US also sees the release of non-farm payroll data. May figures surprised on the downside, showing a gain of 138,000, but flash PMI data point to growth of approximately 170,000 in June. US trade figures will also be monitored for indications as to the trends in domestic demand and global trade.

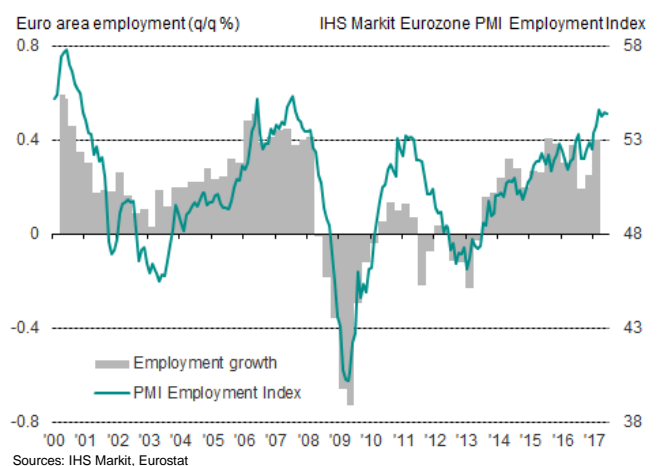
The final Eurozone PMI figures will be published together with a host of data for producer prices, retail sales and employment. [Flash June PMI data](#) signalled that eurozone economic growth rounded off the strongest quarter for over six years, accompanied by one of the best rates of job creation over the past decade. Recent PMI readings are historically consistent with the ECB taking a hawkish stance and were soon followed by an upbeat speech by ECB president Draghi, highlighting how deflationary pressures were being replaced by reflationary forces. Figures on retail sales and the labour market next week could provide signs as to euro area domestic demand.

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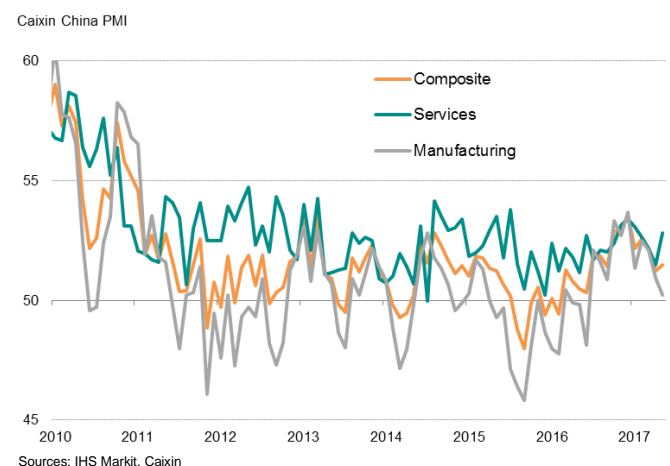
US GDP and the PMI



Eurozone employment



China PMI: manufacturing and service sectors



In China, Caixin PMI surveys for manufacturing and service sectors will meanwhile provide an important lead as to second quarter GDP. Softer Q2 GDP growth is widely anticipated after the strength of China's first-quarter expansion took analysts by surprise, even though it had been flagged in advance by the PMI.

Elsewhere, the Reserve Bank of Australia (RBA) will set monetary policy next week, where expectations are for an unchanged decision. Low interest rates have contributed to a housing boom, but weak consumption with high indebtedness makes it challenging for the RBA to raise rates.

Monday 3 July

Worldwide release of Manufacturing PMI data (June)
 Japan Tankan surveys (Q2) and consumer confidence (June)
 Euro area unemployment rate (May)
 Spain consumer confidence (June)
 US construction spending (May) and total vehicle sales (June)
 Brazil balance of trade (June)

Tuesday 4 July

RBA monetary policy decision
 South Korea inflation (June)
 Euro area producer prices (May)
 Spain unemployment change (June)
 UK Construction PMI (June)
 Brazil industrial production (May)

Wednesday 5 July

Worldwide release of Services PMI data (June)
 Bank of Thailand monetary policy decision
 Philippines and Taiwan inflation (June)
 Euro area and France retail sales (May)
 ECB non-monetary policy meeting
 US factory orders (May)
 FOMC minutes for June 13-14 meeting

Thursday 6 July

Germany factory orders (May) and Construction PMI (June)
 Russia inflation (June)
 US ADP employment change data (June)
 US trade figures (May)

Friday 7 July

Taiwan trade numbers (June)
 Industrial production (May) for Germany, France and Spain
 Italy retail sales (May)
 UK Halifax House Price Index (June), industrial production (May) and balance of trade (May)
 Brazil inflation (June)
 US non-farm payrolls and average earnings (June)

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