

Week Ahead Economic Overview

- **BoE, RBNZ and BSP to set monetary policy**
- **Eyes on US inflation data as well as China trade**
- **Q1 GDP releases for Germany and Hong Kong**
- **Global Sector PMI data to provide clues on global investment and consumption trends**

A highlight of the coming week will be the Bank of England's Monetary Policy Committee meeting and updated forecasts, while US inflation and retail sales data will play a key role in determining the timing of the next policy move by the Federal Reserve. Other key data highlights include China's data releases on inflation, credit and loans, as well as first quarter GDP numbers for Germany and Hong Kong.

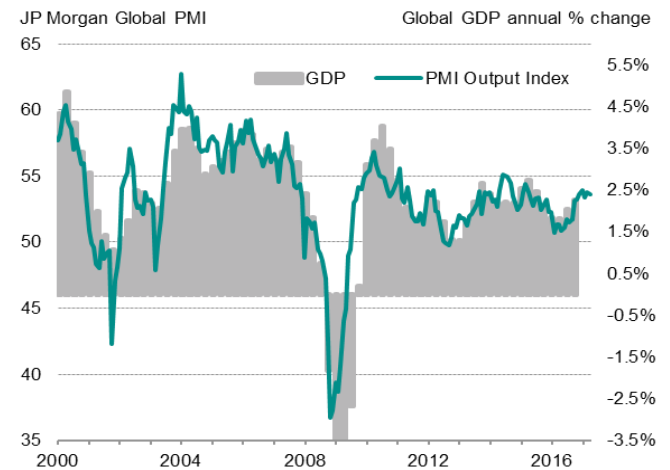
The focus shifts to the UK as the Bank of England reveals its latest quarterly *Inflation Report*, containing new projections for economic growth and inflation, and simultaneously announces its policy decision. The expectation is for interest rates to remain on hold, but some policymakers have started to make a case for higher interest rates.

The UK economy expanded at the weakest rate in a year during the first quarter as rising prices hit consumer spending, adding to the case for policy to remain on hold. However, [recent strong PMI survey data](#) will bolster the arguments of the hawks. Official updates to industrial production, construction output and trade data will also give further guidance on economic growth momentum.

Analysts will meanwhile digest the Fed officials' speeches over the weekend before looking to updated data on inflation and retail sales next week to confirm signs of building inflationary pressures and the resilience of the consumer.

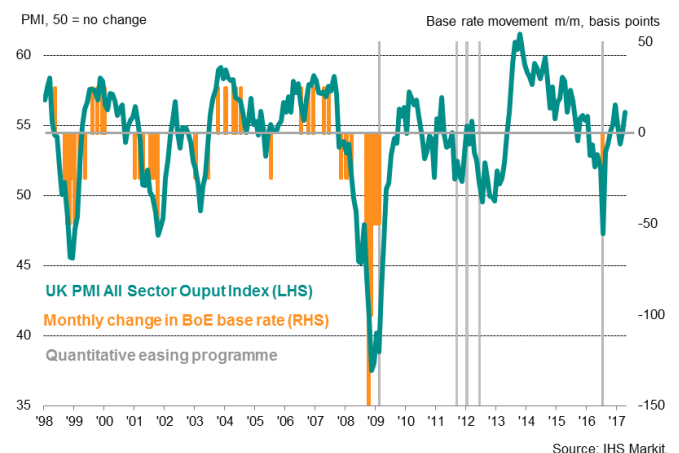
There have been signs of a slowdown in the US economy since the post-election bounce seen at the end of last year. PMI surveys signalled further subdued growth in April while the initial estimate of first quarter GDP was weaker than expected. However, we expect GDP to rebound in the second quarter, with annualised growth up from 0.7% to around 3.3%, led by a revival in consumer spending.

Global economic growth



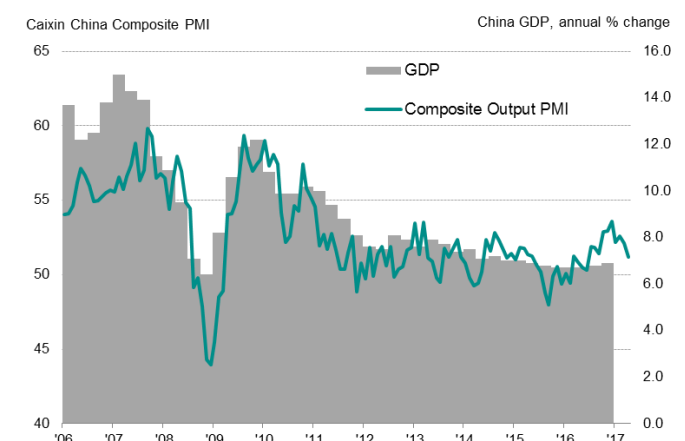
Sources: IHS Markit, Commerce Department

Bank of England policy decisions and the PMI



Source: IHS Markit.

Caixin China PMI and GDP



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China watchers will meanwhile be eyeing data on trade, inflation as well as credit and money supply. [Caixin China PMI surveys](#) indicated a moderation in the pace of growth during April, with a further loss of momentum seen across both manufacturing and service sectors. Trade figures will be scrutinised for signs of waning external demand, especially as a softer expansion of new export orders contributed to slower production growth across the manufacturing economy.

Meanwhile, Philippines' central bank will decide on policy interest rates, which are widely expected to remain unchanged despite rising inflation. The [Nikkei Philippines PMI survey](#) continued to show robust trends in the manufacturing sector, supported by increased construction activity and greater public infrastructure spending.

Monday 8 May

Worldwide Sector PMI results are published by IHS Markit.

China updates its trade numbers.

Latest consumer confidence is released in Japan.

In the UK, the Halifax House Price Index is published.

Germany's factory orders are updated.

US Fed Labour Market Conditions Index is issued.

Tuesday 9 May

South Korea holds its presidential election.

In Germany, latest data on industrial production, the current account and trade balance are issued.

Italy sees latest data on retail sales.

US wholesale inventories and job openings data are out.

Wednesday 10 May

In China, inflation data are published.

French industrial production, current account and trade balance figures are released.

Brazil issues latest inflation data.

Thursday 11 May

Central banks in New Zealand, the Philippines and UK set monetary policy.

Japan issues latest current account figures.

Malaysia announces industrial production and retail sales data.

UK trade balance and industrial production are out.

Friday 12 May

Singapore's retail sales data are made available.

Chinese credit, loan and FDI figures are published.

Bank Negara Malaysia sets key interest rate.

Germany and Hong Kong release Q1 GDP figures.

India updates industrial production and inflation data.

Eurostat publishes industrial production data.

US inflation and retail sales data are out, along with the Michigan Consumer Sentiment Index.

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