

Week Ahead Economic Preview

- US GDP and price data updates
- Italy, France, India and Brazil GDP releases
- Eurozone inflation and unemployment
- Japan's production, retail and jobless data
- Bank of Korea policy meeting

The coming week sees US second quarter GDP and consumer expenditure numbers, including closely-watched price indices, with France, Italy, India, Brazil and Canada likewise publishing second quarter GDP. Japan also updates a host of official indicators, including manufacturing output and retail sales.

Eurozone business and consumer sentiment surveys are meanwhile accompanied by unemployment and inflation numbers, the latter being especially important to gauge the ECB's appetite to rein-in its stimulus.

In the UK, mortgage lending data will meanwhile provide an updated insight into property demand in the environment of higher interest rates.

Monetary policy action comes from South Korea.

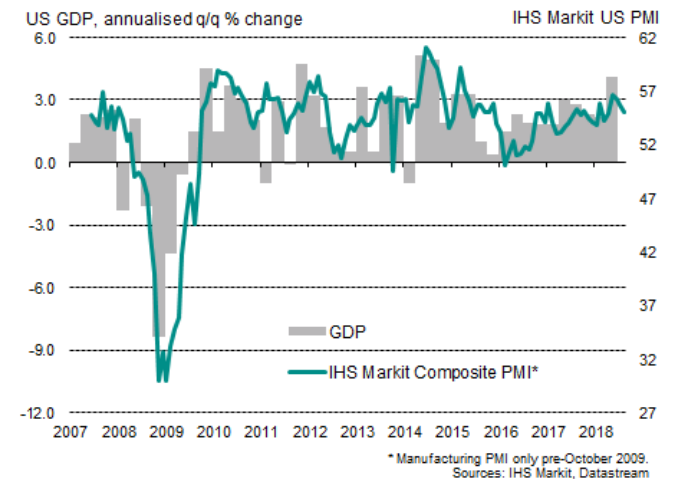
Robust US growth, and higher inflation, to be confirmed

Second quarter US GDP growth is likely to be confirmed at a similar rate to the first 4.1% estimate, with price pressures also likely to have picked up. However, recent survey data suggest both growth and price pressures have since shown signs of cooling as we move through the third quarter, albeit remaining elevated in both cases. The [flash IHS Markit PMI](#) surveys showed growth slipping to a four-month low in August but remaining consistent with 2.5% annualised GDP growth. The survey's price gauge meanwhile indicated core PCE price pressures will have lifted higher in July, but could soon start to moderate.

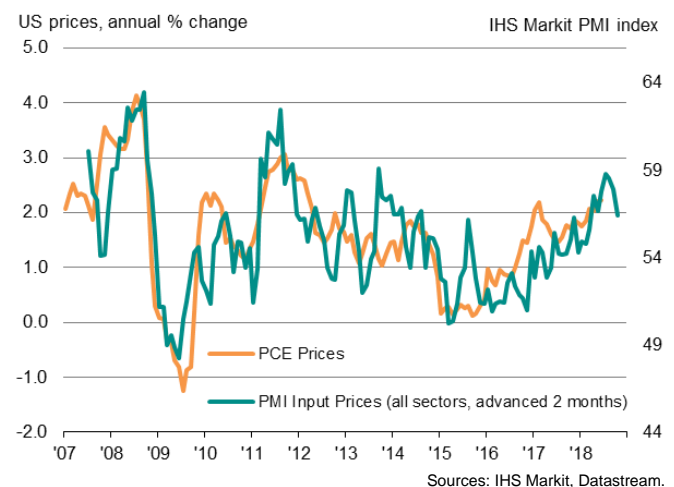
Eurozone jobless rate to fall to new post-crisis low

ECB watchers will be eying unemployment and inflation numbers, with the jobless rate widely expected to dip down to 8.2% from 8.3%, its lowest since December 2008. Inflation is meanwhile expected to hold steady at 2.1%, though some acceleration is likely in Germany, where latest survey data showed businesses raising prices at a faster rate in August.

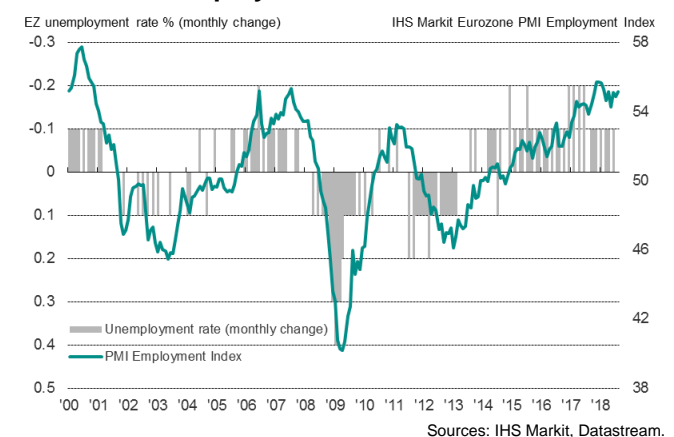
US GDP



US PCE inflation



Eurozone unemployment



Recent Eurozone [PMI survey data](#) indicated a steady pace of economic expansion and near-record jobs growth so far in the third quarter, as well as elevated price pressures.

Japan data updates

A busy week of data releases for Japan includes industrial production, manufacturing output, unemployment and retail sales. The official data come on the heels of [August Nikkei flash PMI data](#), which acts as a reliable advance indicator of official production and shipment data. The survey indicated that manufacturing output and order books continued to expand, boosting hopes of a further GDP rise in the third quarter. However, the survey also brought further signs of falling exports and sharply higher input prices.

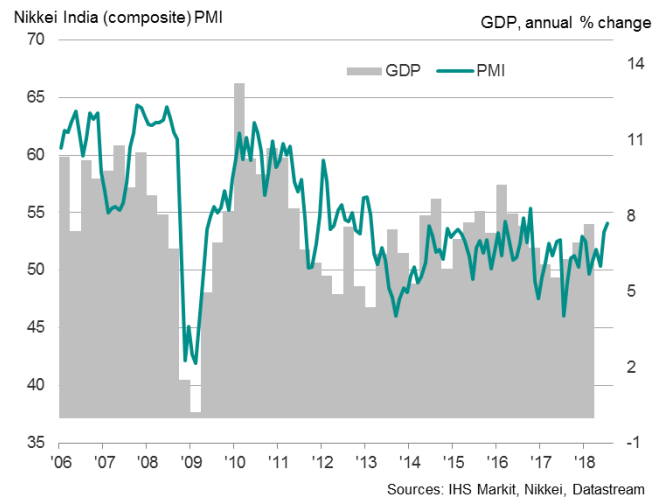
India's economy expected to slow

Second quarter GDP numbers are expected to show India's economy slowing to a 7.3% annual growth rate, down from 7.7% in the opening months of 2018. Better prospects could be in store for the third quarter. The Nikkei PMI surveys indicated that India enjoyed its strongest expansion for over one-and-a-half years during July, particularly supported by the [service sector](#).

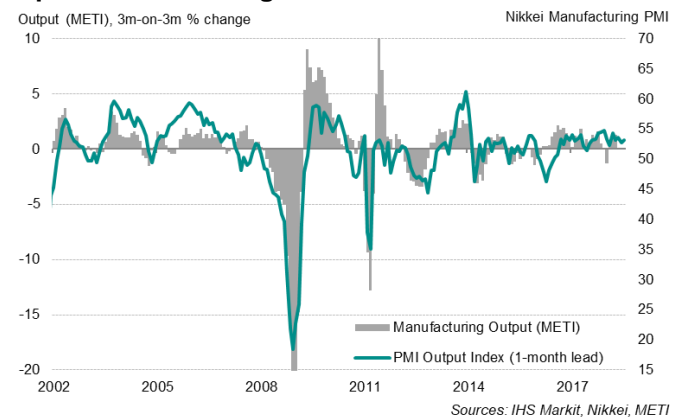
Bank of Korea faces close policy call

The Bank of Korea meets to decide on monetary policy, with analysts expecting a close call. The central bank has frequently leaned towards a hawkish stance, but signs of manufacturing weakness and a softening job market could delay a rate hike. According to [Nikkei PMI data](#), South Korea's manufacturing sector business conditions deteriorated to the greatest extent for over one-and-a-half years in July.

India GDP



Japan manufacturing



Monday 27 August

- China industrial profits (YTD, Jul)
- Hong Kong trade (Jul)
- Germany IFO surveys (Aug)
- Turkey business confidence and capacity utilisation (Aug)
- US Chicago Fed national activity Index (Jul)
- Dallas Fed manufacturing index (Aug)

Tuesday 28 August

- South Korea and Taiwan consumer confidence (Aug)
- Thailand industrial production (Jul)
- France consumer confidence (Aug)
- Italy business and consumer confidence (Aug)
- US wholesale inventories (Jul)
- S&P/Case-Shiller home price (Jun)

Wednesday 29 August

- Japan consumer confidence (Aug)
- Germany consumer confidence (Sep)
- UK Nationwide housing prices (Aug)

France GDP (2nd est, Q2)
Turkey trade balance (Jul)
US GDP and PCE prices (2nd est, Q2)
US pending home sales (Jul)
Brazil consumer confidence (Aug)

Thursday 30 August

South Korea business confidence (Aug)
Japan household spending and retail sales (Jul)
Australia building permits (Jul) and private capex (Q2)
Germany and Spain inflation (flash, Aug)
Germany unemployment rate (Aug)
UK mortgage lending and BoE consumer credit (Jul)
Euro area business and economic confidence (Aug)
Brazil unemployment rate (Jul)
US PCE price index and personal income and spending (Jul)
Canada GDP (Q2)

Friday 31 August

China NBS PMI (August)
South Korea industrial production and retail sales (Jul)
South Korea monetary policy decision
Japan unemployment rate and housing starts (Jul)
Japan industrial production (adv, Jul)
Australia private sector credit (Jul)
India GDP (Q2)
UK consumer confidence (Aug)
Germany retail sales (Jul)
France and Italy inflation (flash, Aug)
Euro area inflation (flash, Aug) and unemployment rate (Jul)
Denmark GDP (Q2)
Poland GDP (Q2)
Finland GDP (Q2)
Czech Republic GDP (Q2)
Italy GDP (final, Q2)
Brazil GDP (Q2)
US Michigan consumer surveys and Chicago PMI (Aug)

Chris Williamson

Chief Business Economist

IHS Markit

Tel: +44 207 260 2329

Email: chris.williamson@ihsmarkit.com

[Click here](#) for more PMI and economic commentary.

For further information, please visit www.ihsmarkit.com