

Week Ahead Economic Preview

- UK GDP and wage data updated in lead up to Bank of England meeting
- ECB meeting accompanied by industrial production and job market numbers
- China and US issue industrial production, retail sales and inflation releases
- Japan Q2 GDP re-estimated

Highlights of the week include European Central Bank and Bank of England monetary policy meetings, the latter coming on the heels of updated GDP and labour market numbers while the ECB meeting is presaged by employment and industrial production updates.

US economic data releases include industrial production, retail sales and inflation, while analysts will also eagerly await similar data out of China for insights into the impact of new tariffs. In Japan, updated GDP, industrial production and producer price numbers will provide clues on growth and inflation developments.

IHS Markit detailed sector PMI releases will meanwhile offer a view into the performance of various industries across the world, including detailed data for Asia.

Bank of England on hold

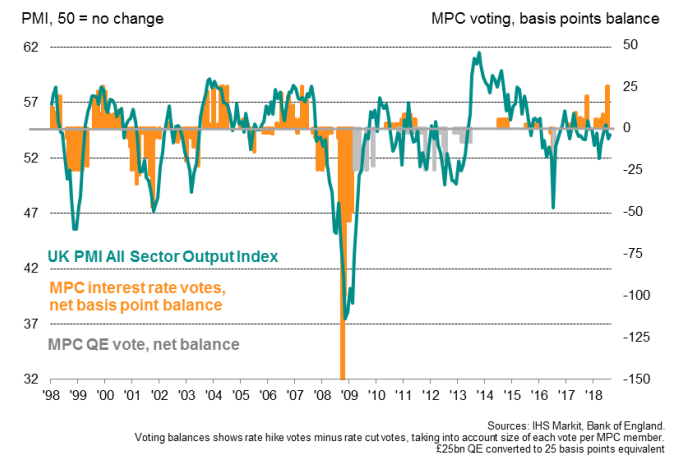
No change is expected at Threadneedle Street on Thursday when the Bank of England meets to set interest rates. The resilient pace of growth signalled by [recent PMI surveys](#) will have come as some relief after the August rate hike, but it seems likely that the Monetary Policy Committee will await further news on the economy amid the intensifying Brexit process before tightening again. Rates could rise sooner than March of next year if clarity on the Brexit deal comes earlier, however this seems an unlikely scenario.

Updated UK job market and GDP data will also be important in gauging the appetite for the next rate hike, with survey data pointing to a 0.4% 3m/3m GDP rise and earnings growth widely expected to tick higher.

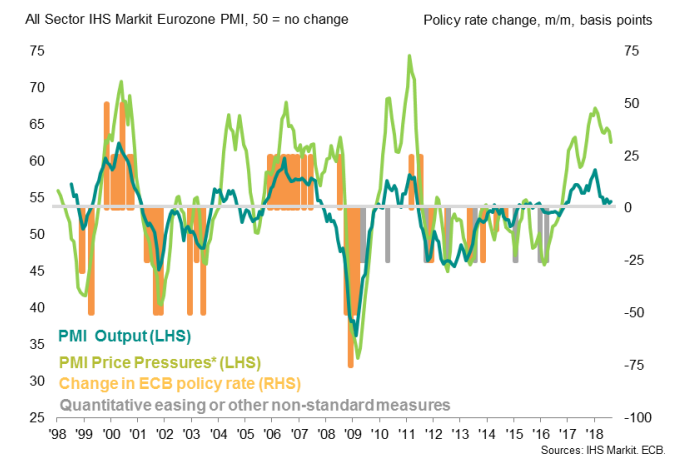
ECB to signal end to asset purchases

No change is also anticipated when the European Central Bank's Governing Council meets on Thursday, though guidance is expected to signal that policymakers remain keen to start reining-in asset purchases in October.

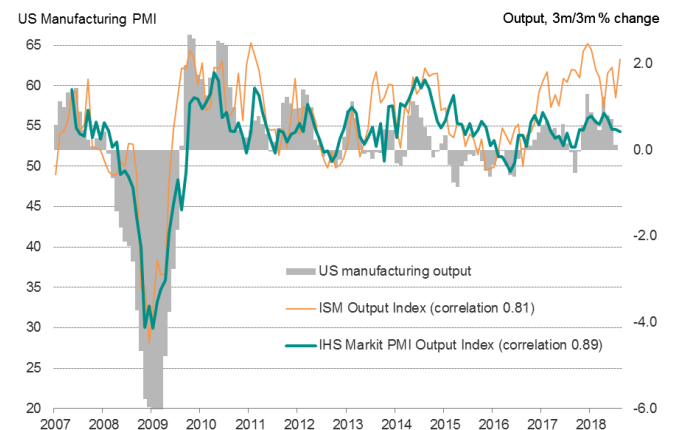
UK PMI v Bank of England MPC voting



Eurozone PMI v ECB monetary policy changes



US manufacturing



An ECB rate hike, starting with a shift to a less negative deposit rate, is still not generally expected until September of next year, and remains data dependent. [Recent PMI survey](#) data have hinted at steady economic growth being sustained into August but also showed signs of growth faltering in some countries and manufacturing coming under increasing pressure from trade worries.

US growth and inflation updates

US data updates are meanwhile widely anticipated to show inflation continuing to run at just under 3% amid a buoyant consumer market. Some signs of slower growth are likely to be seen in the manufacturing sector, however, amid rising trade tensions.

US consumer prices are expected to have risen 0.2% in August, but the annual rate could weaken slightly from 2.9%. Core inflation is expected to hold at 2.4%.

Retail sales growth is meanwhile expected to show a solid 0.4% gain. Monthly manufacturing output growth is also expected to weaken, down to 0.2% according to consensus estimates. A slowing in the goods-producing sector would confirm the slowdown picture presented by recent PMI survey numbers, and contrast with the booming ISM survey (see charts).

China data updates

A busy week of data releases for China includes industrial production, fixed asset and foreign direct investment, retail sales, inflation and credit growth. The official statistics come on the heels of the [August PMI survey](#), which showed economic growth losing some momentum midway through the third quarter. New business growth fell to the lowest in over two years. The survey also brought further signs that rising trade tensions had weighed on demand, particularly in the manufacturing sector.

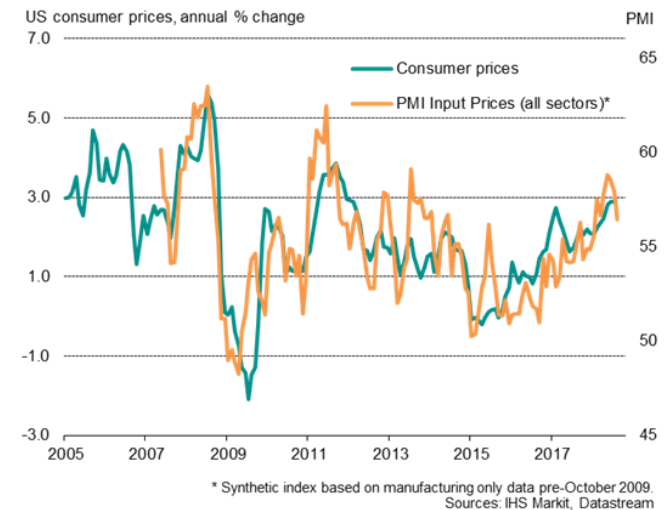
Japan's GDP and producer prices

Of all the GDP numbers produced in the world, Japan's are possibly the most heavily criticised for revisions which re-tell history. It's a reasonable assumption, therefore, that the current estimate of second quarter growth of 0.5% will be revised. [Nikkei PMI survey data](#) suggest it will get tweaked slightly higher rather than lower, indicating a stronger rebound from an odd-looking contraction in the first quarter, which had not been reflected in the surveys.

Japan's industrial production and manufacturing output numbers are also updated up to July, which will add

colour to the health of the goods-producing sector in the third quarter. The official data follow survey evidence indicating robust output growth despite signs of sluggish exports.

US inflation



Monday 10 September

IHS Markit Sector PMI for Global, US, Europe, Asia (Aug)

Japan GDP (final, Q2) and machine tool orders (Aug)

China inflation (Aug)

Turkey GDP (Q2)

Indonesia retail sales (Jul)

UK GDP, trade balance, construction output and industrial production (Jul)

Russia GDP (final, Q2)

Tuesday 11 September

Philippines trade (Jul)

Australia business confidence (Aug)

Euro area employment change (Q2)

UK employment change (Jun), jobless rate and average earnings (Jul) and claimant count change (Aug)

Euro area ZEW economic sentiment index (Sep)

Germany ZEW surveys (Sep)

Russia trade balance (Jul)

US JOLTs job openings and wholesale inventories (Jul)

Wednesday 12 September

South Korea unemployment rate (Aug)

Japan BSI large manufacturing (Q3)

Australia consumer confidence index (Sep)

China FDI (Aug)

India industrial production (Jul) and inflation (Aug)

Spain inflation (final, Aug)

Euro area and Italy industrial production (Jul)

US PPI (Aug)

OPEC monthly report

Thursday 13 September

Japan machinery orders (Jul) and PPI (Aug)

China total social financing and new yuan loans (Aug)

Australia jobless rate and employment change (Aug)

Malaysia retail sales (Jul)

India current account (Q2)

Germany and France inflation (final, Aug)

BoE monetary policy decision

ECB monetary policy decision

US inflation (Aug)

Friday 14 September

China fixed asset investment, industrial production and retail sales (Aug)

Malaysia unemployment rate (Jul)

Japan industrial production (final, Jul)

India WPI inflation and trade balance (Aug)

Italy inflation (final, Aug)

Euro area trade balance (Jul), labour cost index and wage growth (Q2)

Russia interest rate decision

US retail sales and industrial production (Aug)

US business inventories (Jul) and Michigan sentiment surveys (Sep)

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