

# Week Ahead Economic Preview

- **Worldwide manufacturing PMI surveys to be eyed for global growth and trade trends**
- **US employment report to add to Fed rate hike projections**
- **ECB watchers await eurozone inflation and jobless numbers**
- **Emerging markets in focus with release of PMI data as well as GDP for India and Brazil**

Upcoming manufacturing PMI surveys will give a guide to global economic trends halfway through the second quarter, while the US employment report and inflation data will add to the debate on the pace of Fed tightening. A host of GDP releases will meanwhile provide updated insights to economic growth trends at the start of the year, including key emerging markets.

## Manufacturing PMI updates

May's worldwide PMI surveys will be closely watched after [recent surveys](#) have indicated that the pace of industrial expansion has shifted in a lower gear, led by a marked slowing in global export flows. Weaker eurozone and UK growth has contrasted with [improving trends in the US](#), while emerging markets (notably China) have looked particularly susceptible to the waning of global trade. The surveys will also be scrutinised for signs of higher oil prices feeding through to manufacturing costs and dampening consumer spending.

## US employment report

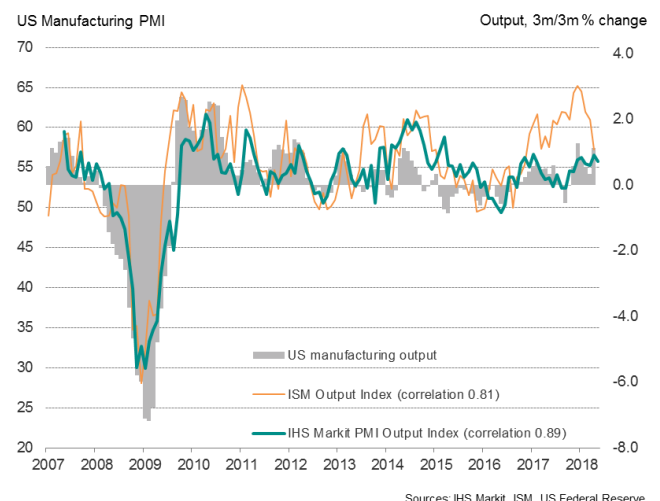
Views on the pace of Fed tightening will meanwhile be influenced by personal consumption expenditure price data and the May employment report. The former looks likely to accelerate, given recent strong survey data, while the latter will include data on non-farm payrolls, wage growth and unemployment. IHS Markit's [flash PMI survey data for May](#) point to a jobs gain slightly in excess of 200,000, a number which would fuel further expectations of up to three further rate hikes in 2018. Markets are pencilling-in a 185,000 gain. However, the central bank will also like to see wage growth accelerating after somewhat mixed data in recent months. The US will also likely see a modest upgrade to first quarter GDP.

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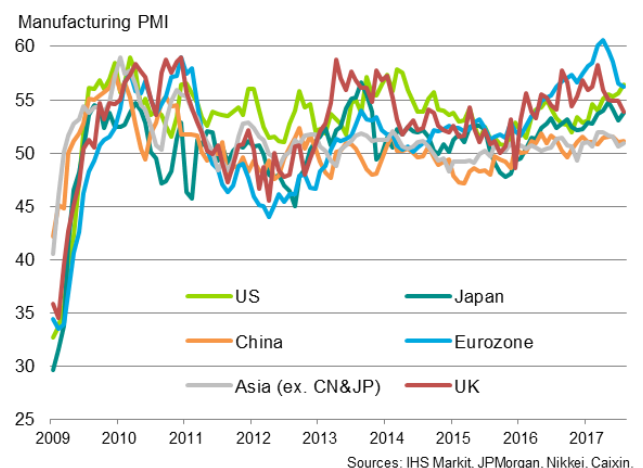
## JPMorgan Global Manufacturing PMI\*



## US manufacturing surveys



## Manufacturing PMI surveys\*



\*Up to April 2018

## Eurozone inflation numbers

The eurozone sees new official data which are likely to show an upturn in inflation alongside a drop in unemployment, corroborating recent survey findings. GDP releases for Italy and France will also be eyed for updated views on first quarter economic growth, while the final manufacturing PMI surveys will add detail on second quarter trends.

## Emerging markets

The week also sees GDP releases for Brazil and India, which will give a renewed insight into trends, with both expected to show further modest improvements in economic performance, the former continuing to pull out of its longest recession in recent history, while the latter shows further recovery from policy disruptions, notably the higher sales tax.

### Monday 28 May

Taiwan consumer confidence (May)

France unemployment benefit claims (Apr)

### Tuesday 29 May

South Korea consumer confidence (May)

Japan unemployment rate (Apr)

UK Nationwide housing prices (May)

France consumer confidence (May)

Italy consumer and business confidence (May)

Brazil unemployment rate (Apr) and consumer confidence (May)

US S&P/Case-Shiller home price index (Mar)

### Wednesday 30 May

RBNZ financial stability report

Japan retail sales (Apr) and consumer confidence (May)

Germany retail sales and harmonised unemployment rate (Apr)

Germany unemployment change and inflation (flash, May)

France GDP (2<sup>nd</sup> est, Q1)

Spain retail sales (Apr) and inflation (flash, May)

Euro area business confidence and consumer inflation expectations (May)

Brazil GDP (Q1)

US ADP employment (May) and wholesale inventories (Apr)

US GDP and core PCE prices (2<sup>nd</sup> est, Q1)

Bank of Canada interest rate decision

### Thursday 31 May

South Korea business confidence (May)

UK consumer confidence (May)

Japan industrial production (flash, Apr), construction orders and housing starts (Apr)

Australia private capital expenditure (Q1)

India GDP (Q1) and infrastructure output (Apr)

France inflation (flash, May)

Spain GDP (final, Q1)

Euro area inflation (flash, May) and unemployment rate (Apr)

Canada GDP (Q1)

US PCE price index, personal income and spending (Apr)

US pending home sales (Apr)

### Friday 1 June

Worldwide release of IHS Markit manufacturing PMI surveys (May)

South Korea GDP (Q1), trade and inflation (May)

Japan capital spending (Q1)

Australia new home sales and retail sales (Apr)

Italy GDP (final, Q1)

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

US construction spending (Apr)

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