

Week Ahead Economic Preview

- **Services and composite PMI numbers updated worldwide**
- **Bank of England policy under scrutiny amid survey releases**
- **Policy meetings at reserve banks of India and Australia**

Business survey data for May will provide indications of global and national economic trends midway through the second quarter, with UK data being watched especially closely for signs of a growth rebound. Meanwhile central bank meetings in Australia and India will form the main monetary policy focus.

Business surveys in focus

The release of service sector PMI data will add to insight from the sister manufacturing surveys, providing steers on second quarter growth for major economies including the US, eurozone, Japan and China. However, it's the UK surveys, which will also encompass the construction sector as well as the REC recruitment industry survey, that are perhaps the most eagerly awaited.

Bank of England governor Mark Carney has stressed that the [central bank will be eyeing the survey data](#) in the hope that an expected second quarter economic rebound will be confirmed. Anything less than a solid recovery in the surveys from weather-related weakness earlier in the year will reduce the chances of the Monetary Policy Committee voting to hike rates again as soon as August.

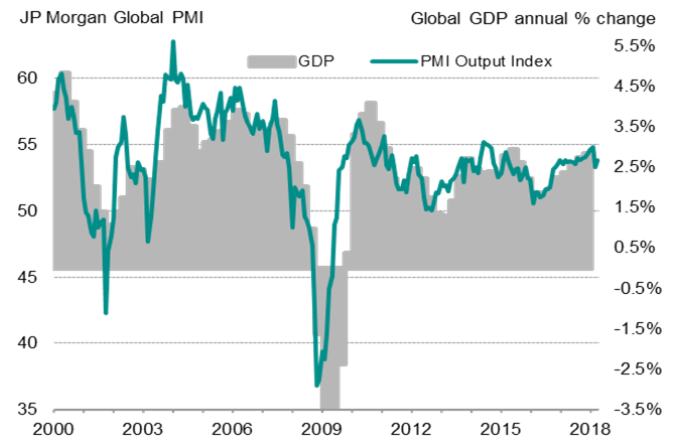
The headline worldwide PMI numbers will also be closely monitored by policymakers all over, amid recent signs that the global upturn has lost steam. A full overview of the latest global PMI data is available for download [here](#).

Central bank meetings

The week also sees two notable central bank meetings, with investors eyeing both the Reserve Bank of Australia and Reserve Bank of India for indications of when interest rates will rise. India is widely expected to see a policy tightening in coming months, with August pencilled-in by many analysts.

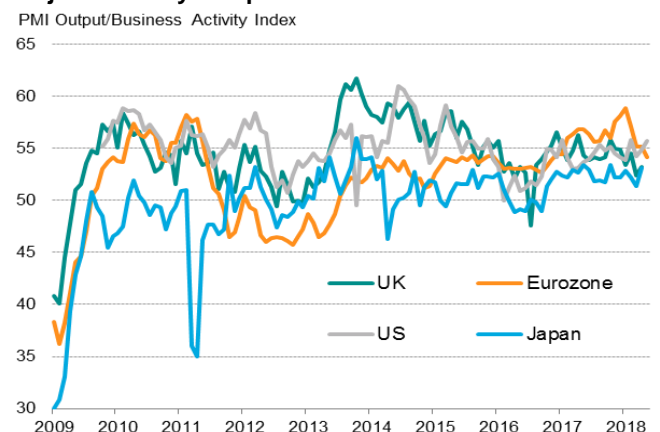
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Global economic growth and the PMI



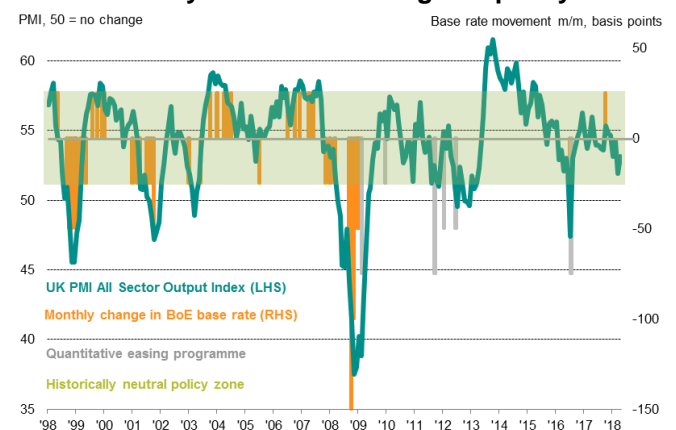
Sources: IHS Markit, JPMorgan, Nikkei, Caixin, CIPS.

Major economy composite PMI*



* includes May flash readings for US and Eurozone

UK PMI surveys and Bank of England policy



Sources: IHS Markit, Bank of England.

In Australia, in contrast, the central bank has shown signs of becoming more cautious, meaning 2018 rate hike expectations have faded.

PMI data for both countries released during the week will provide extra guidance for policy, as will GDP numbers for Australia.

Monday 4 June

IHS Markit Manufacturing PMI surveys for ASEAN, Indonesia and Malaysia (May)

UK Construction PMI (May)

Australia retail sales (Apr)

Indonesia inflation (May)

Greece GDP (Q1)

US factory orders (Apr).

Tuesday 5 June

Worldwide release of IHS Markit Services and Whole Economy PMI surveys (May)

Japan household spending (Apr)

Malaysia trade (Apr)

RBA monetary policy decision

Euro area retail sales (Apr)

Taiwan, Philippines and Russia inflation (May)

US JOLTs job openings (Apr)

ISM Non-Manufacturing Report on Business (May)

Wednesday 6 June

IHS Markit Retail PMI surveys for eurozone, France, Germany and Italy (May)

Australia GDP (Q1)

Germany Construction PMI (May)

RBI monetary policy decision

US and Canada trade (Apr)

US unit labour costs (final, Q1)

Thursday 7 June

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

Australia trade (Apr)

Germany factory orders (Apr)

UK Halifax House Price Index (May)

Italy retail sales (Apr)

Euro area GDP (3rd est, Q1)

Friday 8 June

IHS Markit UK Report on Jobs (May)

Japan GDP (final, Q1)

China trade (May)

Taiwan trade (May)

Germany trade and industrial production (Apr)

France industrial production (Apr)

Canada unemployment rate (May)

US wholesale inventories (Apr)

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