

Week Ahead Economic Preview

- **Global PMI surveys to add insight to growth, hiring and price trends at end of second quarter**
- **UK PMI surveys to give guidance to Bank of England policy stance**
- **US non-farm payrolls to follow PMI surveys and FOMC minutes**
- **Australia's policy meeting in spotlight**

The coming week sees important data releases which include worldwide PMI surveys and US employment numbers. Policy highlights include the Reserve Bank of Australia's monthly meeting and the release of FOMC minutes.

Global PMI updates

Key business survey data will be eyed for any signs that escalating trade wars and rising uncertainty are dampening growth. The global economic expansion picked up in May, [according to the PMI surveys](#), but remained weaker than seen at the start of the year. Flash surveys for the US, Eurozone and Japan have meanwhile indicated that growth looks to have become increasingly dependent on service sectors in June, with manufacturing seeing downside risks as export trends deteriorated.

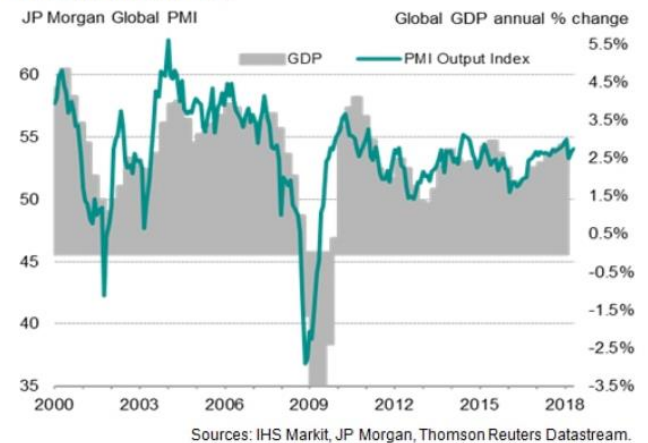
UK interest rate guidance

In the UK, [the PMI data](#) will be especially important in terms of guiding Bank of England policy. Rate setters will be hoping to see growth strengthen to justify an increasingly hawkish stance. Three of the nine Monetary Policy Committee members voted to hike interest rates at the June meeting. The next meeting is scheduled for 2nd August, meaning the June data will be the latest available services PMI at that gathering.

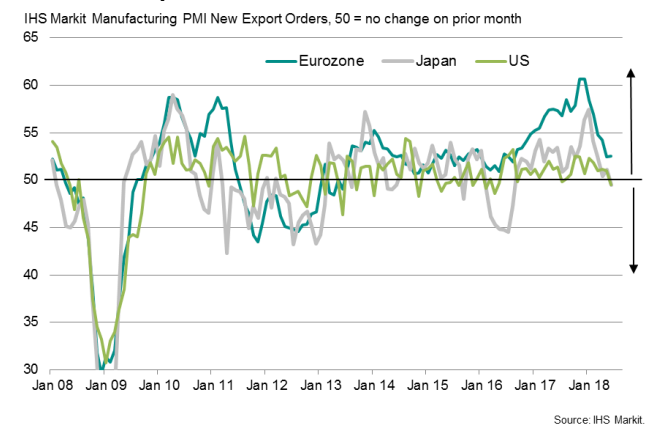
US PMI surveys and employment report

Markets will also receive some guidance on the likely trajectory of US interest rates amid a flurry of news updates. The minutes of the June FOMC meeting will add colour to the recent rate hike decision and outlook for rates, while PMI survey updates from IHS Markit and the ISM will provide new information for policymakers, as will the June employment report. The flash PMI survey's employment index, which [acts as a reliable guide to non-farm payroll data](#), pointed to another healthy 190k rise in June.

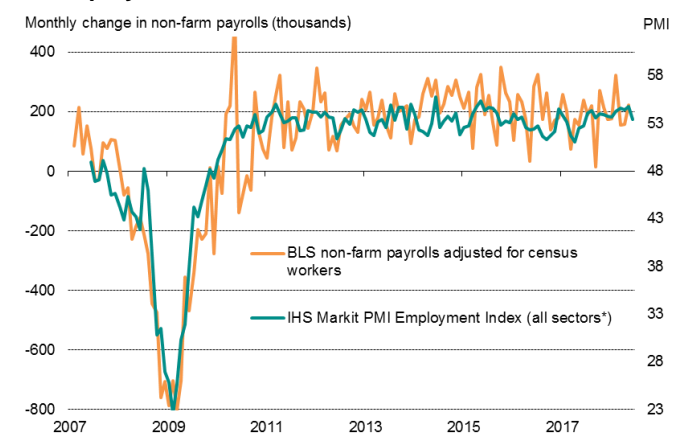
Global PMI and GDP



Flash PMI export orders*



US employment*

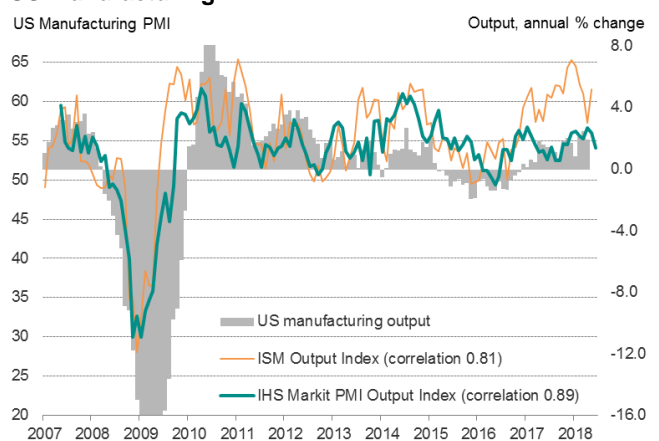


* Manufacturing PMI only pre-October 2009.

Australia policy meeting

The Reserve Bank of Australia meets to set policy at a time when expectations of a hike have been pushed back into 2019, though an imminent rate rise has by no means been discounted by many. Economic growth accelerated to 3.1% in the first quarter and [CBA PMI surveys](#) have been resilient so far in the second quarter. However, while price pressures have also picked up, wage growth remains subdued and uncertainty about the global economic environment has intensified, suggesting policymakers will err on the side of caution and hold rates.

US manufacturing*



* Includes June flash data.

Monday 2 July

Worldwide release of IHS Markit Manufacturing PMI surveys (Jun)

Japan Tankan surveys (Q2)

Indonesia inflation (Jun)

Euro area unemployment rate (May)

US construction spending (May)

Brazil trade balance (Jun)

Tuesday 3 July

Australia building permits (May)

RBA monetary policy decision

South Korea inflation (Jun)

Spain consumer confidence (Jun)

UK Construction PMI (Jun)

Euro area retail sales and producer inflation (May)

US factory orders (May) and total vehicle sales (Jun)

Wednesday 4 July

Worldwide release of IHS Markit Services PMI surveys (Jun)

Australia trade and retail sales (May)

Brazil industrial production (May)

Thursday 5 July

Philippines and Taiwan inflation (Jun)

Malaysia trade (May)

Germany factory orders (May) and Construction PMI (Jun)

Spain industrial production (May)

Euro area Retail PMI (Jun)

US ADP employment (Jun)

IHS Markit US Services PMI (Jun)

Brazil consumer confidence (Jun)

FOMC minutes

Friday 6 July

Japan household spending (May)

France trade balance (May)

UK Halifax House Price Index (Jun)

Italy retail sales (May)

Russia and Brazil inflation (Jun)

Canada trade (May) and unemployment rate (Jun)

US average earnings, unemployment rate and non-farm payrolls (Jun)

US trade (May)

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