

Week Ahead Economic Preview

- **UK employment, wage, house price and output data**
- **FOMC minutes and inflation update**
- **Eurozone industrial production and inflation numbers**
- **South Korea policy decision**

The week sees economic news that should provide insights into central bank thinking in the US, UK and eurozone, as well as Asian trade and price trends.

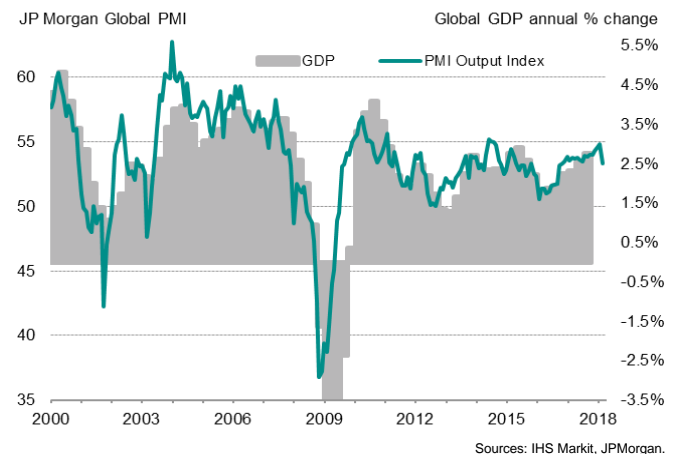
With March PMI survey data signalling the slowest increase in global business activity for 16 months, the release of detailed sector PMI numbers will add important colour to individual industry trends, which will in turn help identify where the slowdown is most pronounced and evaluate the quality of the ongoing expansion. In particular, prior months had shown a welcome upturn in sectors such as business machinery and tech equipment, pointing to increased global business investment.

In some countries, notably the UK, March's PMI data had been adversely affected by bad weather, blurring the picture for policymakers. With the Bank of England having laid the ground for a May rate hike, the focus will therefore fall heavily on pay trends. In that respect, the REC recruitment industry survey will give an update on new starter and temp/contract staff pay rates, both of which tend to move in advance of pay growth in the wider economy.

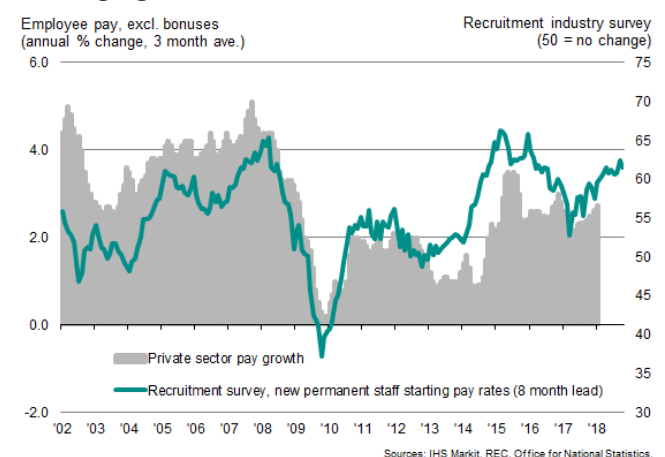
Official data on UK industrial production, construction and trade will also be published, which will provide further clues as to GDP growth in the first quarter. Survey data suggest the pace of economic growth has slowed from 0.4% at the end of last year to 0.3%. UK house price data from lender Halifax will meanwhile provide a steer on the housing market, which in the past has proven a useful indicator for consumer sentiment and spending.

The minutes from the March FOMC meeting will meanwhile be scoured for clues as to the speed and extent of future rate hikes in the United States. Policymakers, chaired by Jerome Powell in his first meeting, hiked rates in March for the sixth time since the global financial crisis, with two more hikes widely expected in 2018.

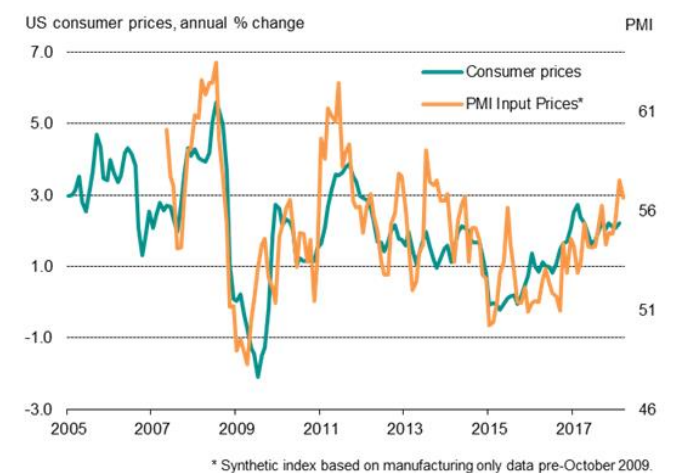
Global economic growth



UK wage growth



US inflation



Updated US inflation data will also generate much market interest, and could provide important guidance on the path of policy tightening. Recent data, such as personal consumer expenditure prices and survey data, have indicated that inflationary pressures are building. Many economists are also concerned that recent policy measures, including fiscal stimulus and tariffs, could push US inflation higher this year.

Eurozone policymaking also remains under the spotlight. PMI survey data showed the economic expansion losing some steam so far this year, but growth remains encouragingly solid and price pressures elevated. Official data on inflation and industrial production will therefore be gleaned to add further colour to the economic picture and help gauge the ECB's appetite to start reining in its stimulus.

In Asia, trade data for China and Taiwan will be widely watched, alongside inflation data for China and GDP numbers for Singapore. The only main policy decision comes from South Korea, where recent [Nikkei PMI](#) data have indicated that the economy is struggling.

Monday 9 April

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

Japan consumer confidence (Mar)

UK Halifax House Price Index (Mar)

Taiwan trade (Mar)

Germany trade (Feb)

US consumer inflation expectations (Mar)

Tuesday 10 April

IHS Markit/REC UK Report on Jobs (Mar)

Australia business confidence (Mar)

France and Italy industrial production (Feb)

Brazil inflation (Mar)

US PPI (Mar) and wholesale inventories (Feb)

Wednesday 11 April

Japan machinery orders (Feb) and machine tool orders (Mar)

Australia consumer confidence (Apr)

China inflation (Mar)

Malaysia industrial production (Feb)

UK trade balance, industrial production and construction output (Feb)

Italy retail sales (Feb)

ECB non-monetary policy meeting

US inflation (Mar)

FOMC minutes (20-21 Mar)

Thursday 12 April

Australia consumer inflation expectations (Apr) and home loans (Feb)

China new yuan loans, total social financing, FDI and M2 money supply (Mar)

South Korea monetary policy decision

India industrial production (Feb) and inflation (Mar)

France inflation (final, Mar)

Euro area industrial production (Feb)

Friday 13 April

RBA financial stability review

Singapore GDP (adv, Q1) and MAS policy meeting

China trade (Mar)

India trade balance (Mar)

Germany inflation (final, Mar)

Euro area trade balance (Feb)

US Michigan consumer surveys (Apr) and JOLTS job openings (Feb)

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