

Week ahead economic calendar [29 Aug – 02 Sept]

Manufacturing PMIs to provide snapshot of global economic conditions in August

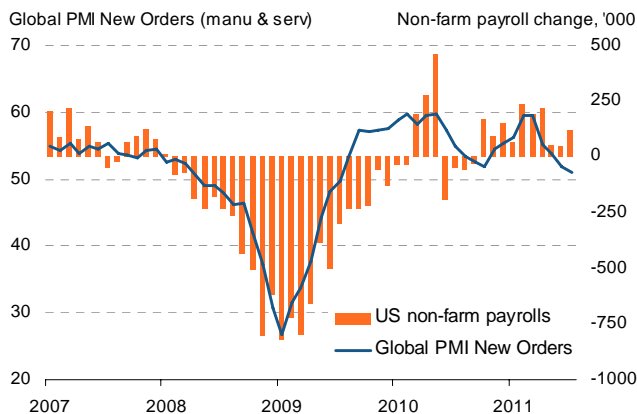
- **Big week for economic data, with manufacturing PMIs released around the world plus US payrolls**
- **FOMC minutes to provide hint of Fed appetite for further stimulus**

A short week in the UK due to a public holiday will do little to detract from what is usually the most interesting week of the monthly economic calendar, including worldwide manufacturing PMIs, US non-farm payrolls and FOMC minutes.

Markets are likely to be initially focused on any news from Jackson Hole over the weekend in relation to central banks' response to growing signs of [global economic weakness](#). The minutes from the US Fed's August FOMC meeting will also be watched closely for clues as to whether the Fed has appetite (and scope) for more stimulus.

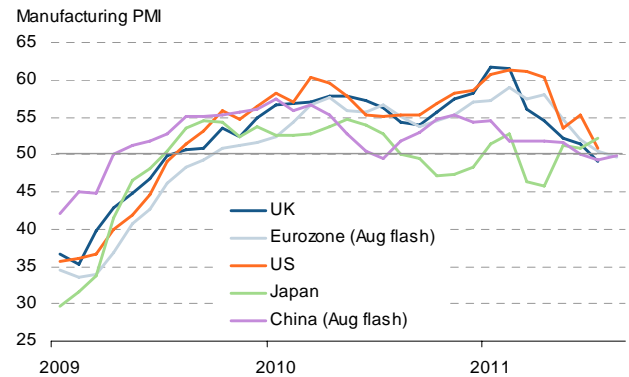
Important updates on the resilience of the US recovery will meanwhile be provided by two of the most market-moving economic indicators in the monthly calendar: the ISM manufacturing survey and non-farm payrolls. Payrolls increased by 117,000 in July, a surprise uplift from the average 50,000 seen in the previous two months. However, weak global growth suggests last month's surprise will not be repeated.

US Non-farm Payrolls



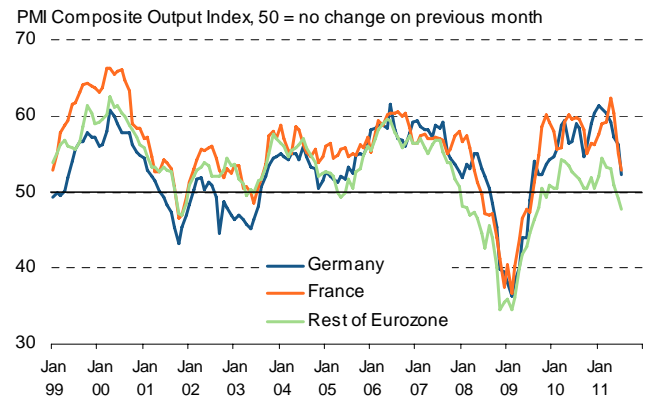
Markit's flash manufacturing PMIs for [China](#) and the [Eurozone](#) had both shown marginal contraction in August, and additional PMIs for the US and UK will be watched particularly closely. Manufacturing PMIs for Taiwan, South Korea, Brazil, Russia and India will also highlight global trade trends and emerging market growth.

Markit flash PMIs



The Eurozone PMIs will also provide more detail on the performance of member states, with [flash data](#) showing the periphery contacting again as growth slowed in the core.

Eurozone Composite PMI



The weak flash PMI™ data were followed by disappointing Eurozone consumer confidence numbers. Whether the ECB will reverse the two rate hikes earlier this year in the light of the sudden deterioration in economic growth indicators may well depend on the inflation numbers, flash data for which are also due this week.

The current state of the UK economy will also be reflected in the publication of the Markit Construction PMI™ plus money supply and mortgage lending data from the Bank of England.

Monday

Monday is the quietest day in terms of economic data releases next week, in part due to a market holiday in the United Kingdom. Nonetheless, the start of the week sees

some important numbers, starting with flash **consumer price** inflation for Germany.

Italian **consumer confidence** figures are released ahead of **personal income & outlays** and **pending home sales** numbers for the US.

Tuesday

Japan publishes a host of economic data on Tuesday, namely **household spending**, **retail sales** and the **unemployment rate**.

In the UK, **mortgage applications/lending** data are published alongside **money supply** and **consumer credit** numbers for July.

The Eurozone sees the publication of European Commission **economic sentiment** figures. Meanwhile, Italy publishes **business confidence** and **retail sales** numbers.

A batch of market moving economic data are released in the US, where Conference Board **consumer confidence** data will be watched closely after sentiment among consumers unexpectedly rose in July from an eight-month low. A poll conducted by Reuters, however, suggests that a slump in the index is on the cards for August.

The **S&P/Case-Shiller** 20-city index will provide an update on the health of the US housing market. House prices have risen for the past two months on a month-on-month basis, but this in part reflected seasonal buying.

Weekly **Redbook store chain sales** are published before the **Federal Open Market Committee (FOMC) minutes** of its August meeting will be eyed for any discussion of a new bout of asset purchases, coined QE3, among FOMC members.

Wednesday

UK **consumer confidence** data are published before the Japan Manufacturing PMI™ for August. July's survey had shown the manufacturing recovery continuing apace, as supply chain pressures eased and new business returned to growth. **Preliminary industrial production**, **construction orders** and **housing starts** numbers are also published.

Unemployment numbers for Germany, Italy and the single currency area as a whole follow, as does the flash estimate of Eurozone **consumer price inflation**. July numbers had shown the headline rate of inflation, calculated using a harmonized European Union method, easing from 2.7% to 2.5%. Italy also publishes both **consumer** and **producer prices** data.

In the US, meanwhile, weekly **MBA mortgage applications** data are published before **Challenger** and **ADP employment** reports. Both will be watched closely ahead of Friday's non-farm payroll number. Next up, the **Chicago PMI** will be used as a gauge to Thursday's ISM numbers. The release of **factory orders** data rounds off a busy day of

releases for the US. Elsewhere in North America, second quarter **economic growth** numbers for Canada, as measured by Gross Domestic Product (GDP), are published.

Thursday

US **vehicle sales** and **ILO unemployment** data for France start a day in which **Manufacturing PMI** numbers will provide insight into the global economic situation.

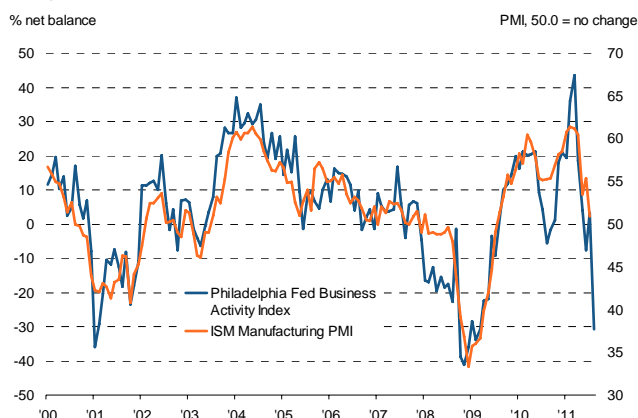
Markit's release of Manufacturing PMIs for Asia follow, notably final data for **China**, where the **flash HSBC PMI™** showed the manufacturing slowdown continuing in August. HSBC PMI™ releases for **South Korea** and **Taiwan** will be monitored for trends in global trade flows.

The Markit **Eurozone** Manufacturing PMI™ data follow last week's flash estimate, which raised the prospect that economic growth in the third quarter could be even slower than the disappointing 0.2% rise seen in the three months to June.

The publication of the Markit/CIPS **UK** Manufacturing PMI™ follows shortly after. July data showed the manufacturing sector retreating into contraction territory.

Initial jobless claims, **productivity** and **labour costs** (Q2, revised), **construction spending** and the **ISM Manufacturing PMI** are all released for the US. The latter dropped to a two-year low in July, as new orders fell for the first time in 25-months. A poll conducted by Reuters suggests that the headline number could dip below the 50.0 line that separates expansion from contraction. The Philly Fed business activity index, which normally receives little attention, sparked fears of a double dip recession last week after it plunged to its lowest since March 2009. Will the ISM number follow suit?

Philly Fed and ISM PMI



Friday

The week draws to a crescendo with the publication of the **US employment report**, which includes the market moving **non-farm payrolls** number. A 100k increase is forecast, according to a poll conducted by Reuters. There are downside risks to this number, however, with recent ISM PMI

data a case in point. **Private sector payrolls, average earnings** and the **unemployment rate** add to the swathe of labour market indicators.

Other notable data releases include Eurozone **producer prices** data, as well as the **UK Markit/CIPS Construction PMI™**, which showed activity growth remaining solid in July.

All sources: ISM, Markit, HSBC, JP Morgan, Bureau of Labor Statistics, Philadelphia Federal Reserve, Ecwin.

Markit's [commentary notes](#) and [press releases](#) can be accessed online, as can a diary of [forthcoming Markit release dates](#). For extra insight into the PMIs follow us on Twitter <http://twitter.com/MarkitEconomics>

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