

Week ahead economic calendar [27 June – 1 July]

Surveys to provide policymakers with first insight into global growth and prices trends in June

- **PMI surveys will indicate whether global soft-patch continued into June.**
- **Week also sees a raft of data on inflation, the US housing market and consumer trends, plus business conditions in Japan.**

The publication of manufacturing PMI™ data for nearly all of the world's major developed and emerging countries will be the highlight of the week in terms of economic data.

The numbers are likely to fuel debate about policy. Central banks in the West have grown increasingly concerned about softer-than-expected growth so far this year. However, the Fed, the Bank of England and the ECB expect growth to pick up in the second half of 2011 as the headwinds of high oil prices, supply chain disruptions and unplanned inventory build all fade. Inflation should likewise prove transitory. However, flash PMIs for the [Eurozone](#) and [China](#) suggested that, although price pressures appear to be easing, slowdowns showed no sign of reversing in June. The final PMI™ data will provide a comprehensive picture of global trends.

Before the PMIs are released, however, attention is likely to remain focused on Greece, with any worsening of the Eurozone's financial crisis seen by central banks as a major threat to global economic growth in the coming year. The Greek parliament starts to vote on the new austerity package on Tuesday, and the government faces the task of convincing the public of the necessity of the cuts.

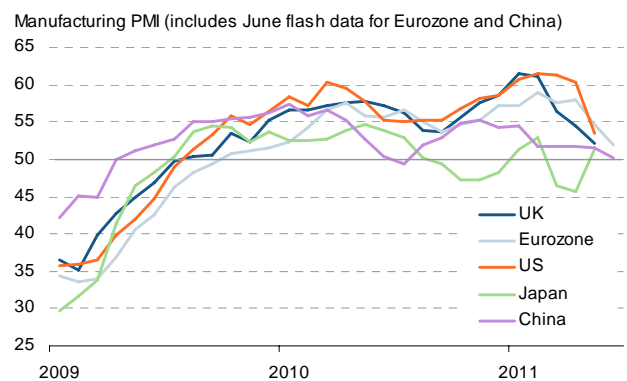
A raft of data will meanwhile provide an important update on the health of the US housing market and consumer sector, including Case-Shiller house price numbers for April and the June Conference Board consumer confidence survey.

Inflation numbers will also be updated for the Eurozone, Germany, Italy and Japan, alongside producer prices data for France and Italy. June unemployment numbers for Germany are also updated next week.

Meanwhile, retail sales, unemployment, household spending and industrial production data for Japan should provide further insight into how the country is recovering from the devastation caused by the March earthquake and tsunami.

The week also sees final estimates of UK and French first quarter GDP, plus UK current account and Eurozone unemployment data.

Manufacturing PMIs



Source: Markit, ISM, HSBC.

Monday

A week in which market attention will remain firmly set on Greece starts with the publication of Italian wages data before attention shifts across the Atlantic to the US, where personal income and outlays numbers will be used to gauge the strength of the consumer sector.

Tuesday

Greece's Parliament is scheduled to vote on its new package of austerity measures on Tuesday. The reforms are a requirement for the next tranche of the IMF/EU loans to be released in time for the funding of bonds in mid-July.

The day also features a number of key data releases, starting with Japanese retail sales numbers for May, GfK consumer confidence in Germany, plus business confidence and producer price numbers for Italy.

In the UK, final gross domestic product (GDP) numbers for Q1 are released, as well as current account data. According to official estimates, the UK economy expanded at only a modest rate of 0.5% in the first quarter of 2011.

After cooling in May, German consumer price inflation is expected to quicken from an annual rate of 2.4% to 2.6%.

Weekly US Redbook store chain sales are published before the release of the S&P Case-Shiller home price index takes centre stage. The index of home prices in the nation's largest cities fell below its April 2009 low towards the end of Q1, raising worries about a double-dip in house prices.

The US Conference Board publishes its June barometer of consumer sentiment. Confidence waned in May amid rising fuel and oil prices and concerns about the employment situation. This apprehension among consumers likely continued in June.

Wednesday

Preliminary industrial production numbers for Japan will be eagerly anticipated after trade data showed exports falling at a faster-than-expected rate.

French GDP data (final) for Q1 are released in advance of UK consumer credit, mortgage lending/applications and money supply numbers.

European Commission economic sentiment figures for June follow.

Weekly US mortgage applications data are released, as well as pending homes sales numbers, which plunged in April. However, there is evidence to suggest that temporary factors, such as bad weather, were behind the severity of the decline.

Thursday

The Gfk consumer confidence survey for the UK is published ahead of the [Markit/JMMA Manufacturing PMI™](#) for June. The PMI™ pointed to renewed output growth in May, as easing supply chain pressures enabled firms to restart production lines.

Eurozone inflation comes under the spotlight with producer price data for France and the preliminary estimate of consumer price inflation for the single currency area as a whole. After dipping unexpectedly in May, a further easing in the rate of inflation will make a rate hike later in the year less likely. German unemployment numbers are also published for June.

The usual US weekly jobless claims date are accompanied by the Chicago PMI, which will be watched closely due to its good track record with the ISM manufacturing index, published Friday.

Friday

Friday starts with the release of unemployment, consumer price inflation and household spending numbers for Japan, plus the Bank of Japan's quarterly survey of business conditions.

Markit's release of Manufacturing PMIs for Asia follow, notably final data for China, where the [flash HSBC PMI™](#) survey pointed to a stagnation of output and easing price pressures across the sector. 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 showed the region's economic growth surge losing momentum at a worrying rate.

The publication of the Markit/CIPS UK Manufacturing PMI™ follows shortly after. May data signalled that manufacturing moved from rapid expansion to near-stagnation.

Italy publishes jobs numbers before the unemployment rate for the Eurozone is released.

The week ends in the US, where the University of Michigan consumer confidence index will shed light on consumer spending patterns. Construction spending numbers follow. However, the ISM Manufacturing PMI will be the key release in the US; the headline index posted its lowest reading for 12-months in May, reflecting a marked slowdown in output and new order growth.

Markit's [commentary notes](#) and [press releases](#) can be accessed online, as can a diary of [forthcoming Markit release dates](#).

Chris Williamson

Chief Economist

Markit

Tel: +44 20 7260 2329

Email: chris.williamson@markit.com

For further information, please visit www.markit.com

The intellectual property rights to the report provided herein is owned by Markit Economics Limited. Any unauthorised use, including but not limited to copying, distributing, transmitting or otherwise of any data appearing is not permitted without Markit's prior consent. Markit shall not have any liability, duty or obligation for or relating to the content or information ("data") contained herein, any errors, inaccuracies, omissions or delays in the data, or for any actions taken in reliance thereon. In no event shall Markit be liable for any special, incidental, or consequential damages, arising out of the use of the data. *Purchasing Managers' Index™* and *PMI™* are trade marks of Markit Economics Limited. Markit and the Markit logo are registered trade marks of Markit Group Limited.

Alex Hamilton

Economist

Markit

Tel: +44 1491 461 076

Email: alex.hamilton@markit.com