

Global

Economic diary for week commencing 21 March 2011

A week likely to be dominated by ongoing events in Japan and the Middle East also contains a busy economic diary.

- **Markit's Flash PMIs will provide an early snapshot of business conditions in the Eurozone and China.**
- **The Bank of England minutes will be eyed for signs of Monetary Policy Committee members becoming increasingly hawkish.**
- **Markit's household finance survey to provide insight into consumer sentiment in the lead up to the UK Budget on Wednesday.**

Monday

Monday starts off with the publication of the [UK household finance survey](#), compiled by Markit, which will provide an insight into consumer spending, savings and debt trends, as well as inflation expectations, house prices and job security. February data had signalled that households were pessimistic about their financial outlook to the greatest extent since the worst part of the recession in early 2009.

The US sees the release of existing home sales data for February, which will be closely monitored for any signs of an improvement in the housing market after the Federal Market Open Committee (FMOC) noted that the sector "continues to be depressed" in a [statement released 15 March](#).

Tuesday

The UK takes centre stage on Tuesday, with the publication of consumer price inflation data for February. After hitting an annual rate of 4% at the beginning of the year, double the official target, the release will be keenly anticipated. Any further pick up

looks likely to bolster the position of the three hawks on the Bank of England's Monetary Policy Committee.

UK public debt figures for February will meanwhile provide insight into whether the government is still on course to meeting its spending targets after debt fell more than expected in January.

Wednesday

The publication of the minutes from the March meeting of the Bank of England's Monetary Policy Committee, where interest rates were left unchanged at a record low of 0.5%, will be eyed to see if the Bank has grown more hawkish. It is likely that the Committee, split four-ways in February, is becoming increasingly in favour of a rate rise, with a May hike still the widely held view among analysts. However, the March minutes need to be considered in the light of recent events in Japan, which may encourage MPC members to delay any hike in interest rates until the full impact on the economy is revealed.

The Bank of England minutes will be followed by Chancellor George Osborne's 2011 Budget. No major concessions are expected to the Coalition's deficit-busting austerity programme, despite GDP data showing the economy contracted again at the end of last year.

Japan is scheduled to release trade data for February, but this has no doubt been overshadowed by the country's ongoing crisis.

Thursday

Markit and HSBC publish the second release of the [Flash China Manufacturing PMI](#), which signalled a steep slowdown in manufacturing output growth in February. Analysts will be eyeing these data closely for signs of a rebound in growth and the extent to which the events in Japan have rippled across Asia.

Attention then shifts to the Eurozone, where Markit's Flash PMIs are released mid-morning, which are forecast to show stronger growth across both manufacturing and service sectors according to a

Reuter's poll. February's PMIs had shown an acceleration in overall growth to the [fastest since July 2006](#). Encouragingly, surging output growth in [manufacturing](#) was accompanied by faster expansion in the [service sector](#), while there were continued signs of life in the 'peripheral' nations.

The PMI price indices will also be watched closely for signs that inflationary pressures are building beyond a level that the ECB will tolerate.

Friday

Friday starts with IFO business survey data for Germany and ends in the US, where final Gross Domestic Product (GDP) figures are expected to show an upward revision of growth from an annualised rate of 2.8% to 3.0%.

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

To find out how to receive PMI data, please contact economics@markit.com

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