

Week ahead economic calendar [21 - 25 Nov]

Eurozone business surveys to shed light on impact of debt crisis

- **Bank of England minutes to reveal appetite for more QE**
- **Flash PMIs for Eurozone and China to provide update on impact of debt crisis on real economy**

Minutes from the Bank of England's November Monetary Policy Committee (MPC) meeting will be scoured for signs that policymakers have merely been waiting for the bank's updated forecasts before deciding whether to crank up the printing presses again. Expectations have risen following the new lower inflation report forecasts that the MPC could vote to step up its asset purchases as soon as December. Most telling was the Bank's projection that inflation would fall below target in two years time if policy remained unchanged, opening the door for more stimulus.

The Bank dismissed a robust 0.5% rise in UK GDP in the third quarter as merely a rebound from a weak second quarter. A new estimate for Q3 will be published on Thursday which may shed more light on the extent to which growth was exaggerated. New GDP estimates are also available for the US and Germany.

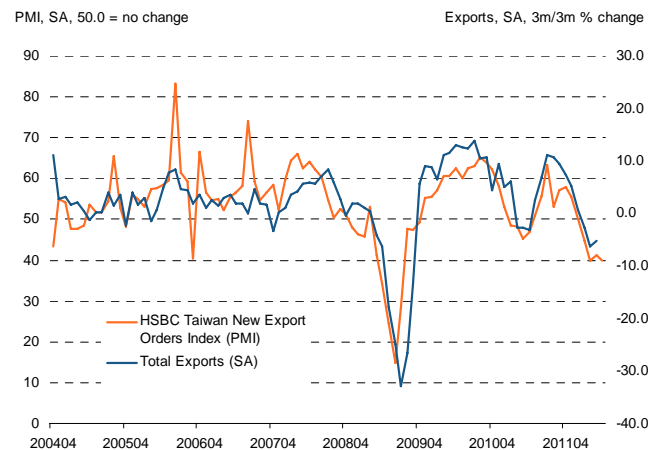
However, concerns have really moved on from what's happened in the past to how the worsening Eurozone debt crisis may affect growth around the world. The flash PMIs for the Eurozone and China could therefore prove instrumental in forthcoming policy decisions around the world. Previous data showed the Eurozone contracting at the fastest rate in two-and-a-half years in October. China's manufacturing sector meanwhile saw only very modest growth. INSEE and IFO surveys for France and Germany, plus consumer confidence surveys, will also help to provide insight into how the region's core is being affected by the debt crisis.

The UK deficit will come under scrutiny with the publication of October public sector borrowing data. Borrowing was on target up to September, but the ability to cut the deficit looks set to get tougher in coming months, as high unemployment will increase the welfare spending bill and slow economic growth will reduce tax revenues. The combined effect is likely to be one where the government could miss its deficit reduction targets this year and next.

Monday

Japan publishes trade data ahead of the minutes of the Bank of Japan's monthly monetary policy meeting. In its latest economic report, the central bank noted that export growth will likely remain flat in the coming months. Elsewhere in Asia, trade statistics for Taiwan are expected to show underlying external demand weakness.

Taiwanese exports



Sources: HSBC, Markit, Ecowin.

In the euro area, Italian non-EU trade data are released, as well as current account numbers for the monetary union. Meanwhile, the US sees the publication of existing home sales.

Tuesday

UK public sector borrowing data will be watched to see if the government is on track to meet its deficit reduction target.

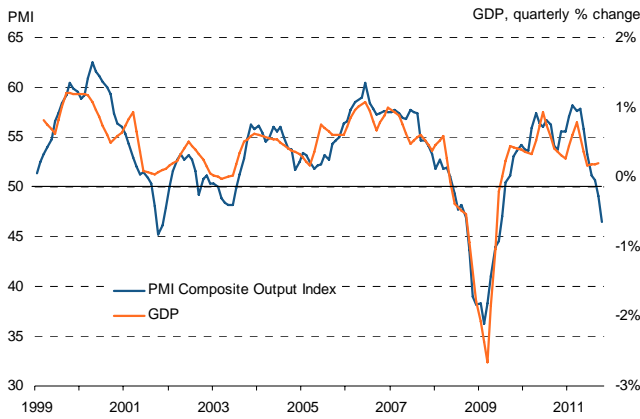
The second estimate of economic growth for the third quarter and the minutes of the latest Federal Reserve Open Market Committee meeting are the main highlights in the US. Weekly Redbook and ICSC store chain sales will provide a snapshot of consumer spending trends in the lead up to Christmas.

Wednesday

The busiest day of the week in terms of economic data starts with the publication of the flash manufacturing PMI for China, compiled by Markit on behalf of HSBC. Next up, flash PMIs for France, Germany and the single currency area will

provide insight into euro area growth trends during November. Industrial orders data for the Eurozone are published at 10am GMT.

Eurozone teetering on the brink



Sources: Markit, Ecwin.

The Bank of England (BoE) publishes the minutes of its latest Monetary Policy Committee meeting. Analysts will pore over the minutes for any talk among committee members of further quantitative easing.

A host of US data will be used to gauge the health of the wider economy, namely durable goods orders, personal income & outlays and weekly jobless claims. These numbers are released ahead of the final estimate of consumer sentiment from the University of Michigan.

Thursday

Thanksgiving Day means that markets are closed in the United States.

In the Eurozone, detailed third quarter economic growth data are published for Germany after the preliminary numbers released this week showed the economy expanding at a quarterly rate of 0.5%. Italian consumer confidence and German IFO survey data are also published.

The UK sees the second estimate of UK economic growth for the third quarter, as well as CBI industrial trends data.

Japan consumer price inflation numbers are published just before midnight and draw the day to a close.

Friday

French consumer confidence and Italian retail sales data are the most noteworthy data releases on Friday.

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