

Week ahead economic calendar [05 – 09 Sept]

Services PMI data to provide further insight into business trends during August

- Both services and composite PMI data will provide additional information on the global economy in August

- Central banks to discuss the current economic climate and announce their policy decisions

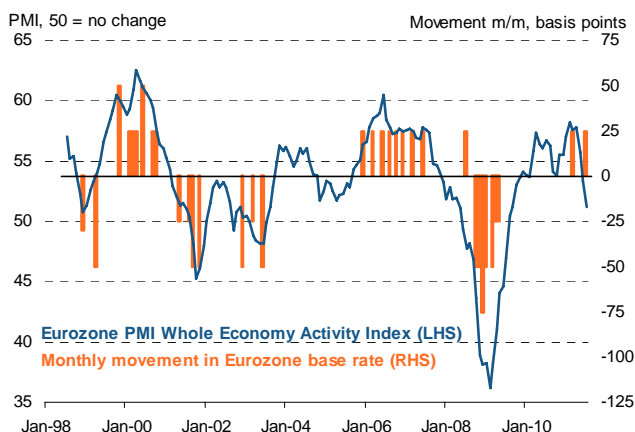
After the publication of manufacturing PMI surveys on 01 September that, on the whole, indicated a slowdown in August, the financial markets will be focussed on the release of services and composite PMI data on Monday.

The [Markit Eurozone Manufacturing PMI](#) has already signalled a deterioration in business conditions during August. The latest headline index fell below the 50.0 no-change mark that separates growth from contraction for the first time since September 2009, with lower levels of output and new orders reported by surveyed firms.

Other important data releases include inflation numbers from China, and industrial production figures for Germany, France and the UK.

Towards the end of the week, both the European Central Bank and Bank of England will announce their latest interest rate decisions. It is widely believed by economists that both central banks will keep interest rates unchanged. Meanwhile, in the US, Bernanke is due to give a speech on Thursday that may provide further insight into future Fed policy stance and whether this includes another round of quantitative easing.

European Central Bank Policy Movements



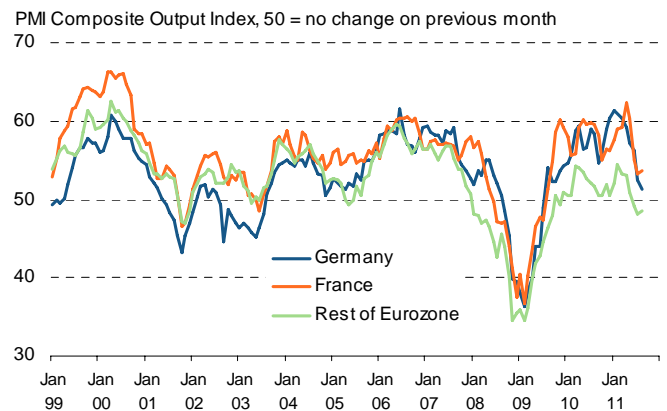
Sources: Markit, ECB.

Monday

Monday sees the publication of **services and composite PMI** surveys across Asia and Europe (the US markets are closed, so the ISM NMI is released on Tuesday). Starting with **Japan**, the PMI survey will signal whether or not the recovery following the earthquake has resumed after the [slight pause](#) in July. Shortly afterwards, PMI data for **China** and **India** will also be released.

Moving into Europe, PMI surveys for six countries will be released, including **Germany** and **France**. This will be closely followed with the publication of the final **Markit Eurozone Composite PMI** report that may revise the earlier [flash estimate](#) released last Tuesday.

Eurozone PMI Output Indexes (with Flash)



Source: Markit.

Future indications of the strength of economic growth across the Eurozone will further be highlighted with the release of **retail sales** and **consumer sentiment** data.

Tuesday

In the UK, the **BRC Retail Sales Monitor** will be published, and signal the latest trading conditions on the high street.

China releases the latest batch of **inflation** data for August, including the consumer price (CPI) and producer price indexes (PPI). CPI registered 6.5% in July, despite numerous attempts by the government to cool inflationary pressures.

The Eurozone sees the revised estimate of **gross domestic product (GDP)** for Q2. Currently, the preliminary figure puts quarter-on-quarter growth at 0.2%. **Industrial orders** for Germany, meanwhile, will also be released on Tuesday.

The closely watched **ISM non-manufacturing PMI** survey is published on Tuesday, completing the overall picture of business conditions across the US in August. The manufacturing equivalent has already indicated a slight expansion in the US manufacturing sector. At 50.6 in August, the headline manufacturing PMI was above economists' expectations of 48.5.

Wednesday

The KPMG/REC Report on Jobs is published on Wednesday, providing insight into **UK labour market** conditions. Meanwhile, in **Japan**, the leading indicator for July is made public, and the central bank announces its latest interest rate decision.

Official **industrial production** data for July will also be published on Wednesday in [Germany](#) and the [UK](#). PMI surveys have indicated that manufacturing output has slowed over recent months.

Across the Atlantic, weekly data for **mortgage applications** and **store sales** will reflect the current consumer attitude in the US. Also, the Federal Reserve **Beige Book** that provides anecdotal evidence alongside current economic data will be released ahead of the FOMC conference held later in September.

Wednesday concludes with the Bank of Canada announcing their interest rate decision, as well as the IVEY PMI indicating the direction of **Canadian economic growth**. Canadian GDP contracted 0.1% during the second quarter.

Thursday

The main highlight of Thursday revolves around monetary policy announcements in the Eurozone, UK and US. Notably, **Chairman Bernanke** will deliver a speech at the Economic Club in Minnesota that will provide further insight into the future policy stance of the Fed and whether this includes QE3.

The publication of **trade balances** across the Eurozone will identify the extent of an export-led recovery in the euro area. This is particularly the case for Germany, where exports have been key to its economic recovery. In June, German

exports fell 1.2% compared with May, and are expected to fall further according to a recent Reuters' poll.

Other notable releases are **international trade**, **initial jobless claims** and **consumer credit** data for the US.

Friday

The week draws to a close with both **Japan** and **Italy** releasing latest estimates for Q2 GDP. Moreover, inflation data in the **UK** and **Germany** will be published, while **France** releases industrial production data for July. Details surrounding the French government budget will also be released and signal the effects of recent austerity measures.

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