

Week ahead economic calendar [30 Jan – 03 Feb]

PMIs, payrolls and bank lending provide focal points to the week ahead

- **Worldwide PMI™ reports to provide first glimpse of January business conditions**
- **US non-farm payrolls expected to show further robust gain**
- **ECB lending survey to be scrutinised for pass through of cheap liquidity to real economy**

The weekend events at Davos and Monday's EU summit will no doubt provide headlines for a week where minds will be focused on the Eurozone debt crisis. But the week also sees a flurry of major economic data releases that will help determine the health of the world's major economies at the start of 2012.

January global PMI data for manufacturing are released on Wednesday, followed by services (or non-manufacturing, in the case of the US) on Friday. The releases follow stronger than expected 'flash' numbers for the Eurozone, especially Germany, and will provide the first reliable gauge of business conditions at the start of the year. The UK data will be particularly closely watched, as a contraction in the first quarter would send the country back into a technical recession.

The US PMIs are likely to show ongoing economic growth, building on an improved data flow in recent months, and will be accompanied by non-farm payroll and unemployment data on Friday. Payrolls are expected to have risen by 150-200k, though the rate of unemployment is unlikely to have fallen further from the near three-year low of 8.5% seen in December. Case-Shiller house price data numbers and the Conference Board's consumer confidence survey will also add to the overall picture of US economic health.

The final Eurozone PMIs will add detail of business conditions in the periphery, as will the first release of GDP data for Spain and the European Commission business and consumer confidence surveys. Also eagerly awaited will be the publication of bank lending data by the ECB, which will provide an insight into whether the ECB provision of ultra-cheap three-year liquidity to the banking sector is helping to boost loans to businesses and consumers. Similar data from the Bank of England will also be published. Finally, Eurozone inflation and unemployment numbers will provide a steer to future ECB policy decisions.

Monday

The latest summit of European leaders gets underway in Brussels on Monday, with any key announcements on labour market reform and fiscal consolidation likely to dominate the headlines.

Italian business confidence and producer prices data are published mid-morning, the former alongside a host of business and consumer sentiment numbers for the single currency area as a whole. Meanwhile, the preliminary estimate of German consumer price inflation is pencilled in, as well as the first cut of Q4 economic growth for Spain.

The United States sees personal income and outlays data.

Tuesday

A swathe of economic data for Japan are published just before midnight on Monday, with the initial estimate of industrial production perhaps the main attraction. December updates on labour market conditions and household spending are also published, while the Markit/JMMA Manufacturing PMI will provide insight into operating conditions at the start of 2012. Housing starts and construction orders follow later in the morning.

In the UK, GfK consumer confidence data are published ahead of numbers on money supply, consumer credit and mortgage applications/lending.

The December estimate of unemployment across the euro area is published, with the jobless rate currently standing at 10.3%. Meanwhile, French producer prices and consumer spending figures are also released.

The US sees the release of data on weekly store chain sales (Redbook and ICSC), employment costs, house prices (Case-Shiller), consumer confidence (Conference Board) and manufacturing sector operating conditions in the Chicago area (Chicago PMI).

Other major data releases include Q4 economic growth statistics for Taiwan, industrial production figures for both South Korea and Brazil, and Thailand's latest trade report.

Wednesday

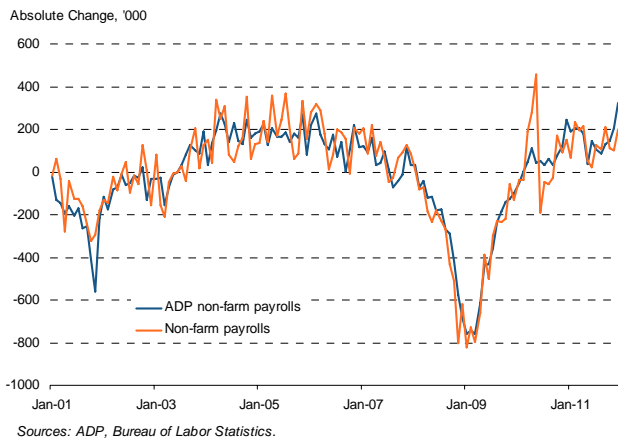
A host of manufacturing PMI releases will provide insight into global business conditions at the start of 2012. Taiwan numbers will be used as a gauge of global trade flows, while survey findings for India and Russia are also published.

Attention then shifts to Europe, where final manufacturing PMI data for Italy, France, Germany and the single currency area as a whole are published in quick succession. The first estimate of consumer price inflation (Jan) for the Eurozone is also published.

The Markit/CIPS UK Manufacturing PMI™ is published mid-morning. December's survey showed signs of stabilisation across the sector. Meanwhile, manufacturing PMI data for Canada and Brazil are released ahead of the Global Manufacturing PMI.

In the US, construction spending and vehicle sales data are published ahead of the ISM Manufacturing PMI. Weekly MBA mortgage applications and the ADP employment report are also released on a busy day for economic data.

ADP Employment Report



Thursday

The Markit/CIPS UK Construction PMI, a key gauge of construction industry health, is released in advance of producer prices numbers for the Eurozone.

Notable data releases in the United States include usual jobless claims, labour costs and productivity numbers.

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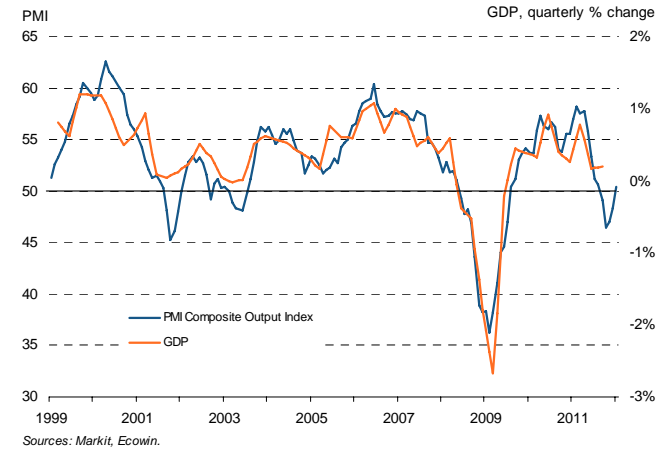
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Friday

Markit releases Services PMIs around the world on Friday.

Final Markit Eurozone Services PMI™ data follow last week's flash estimate. Euro area retail sales are also published.

Markit Eurozone PMI™ (flash) and GDP



The publication of the Markit/CIPS UK Services PMI™ will be seen by many as a key gauge of the country's economic performance in January.

The US labour report will hog the limelight on Friday, with the headline-grabbing US non-farm payrolls number the main highlight. A 167k increase is forecast. Average earnings, private sector payrolls, working hours and the unemployment rate are also published. The US also sees the release of the ISM Non-Manufacturing PMI data and numbers for factory orders.

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