

Week Ahead Economic Preview

- **Flash PMI data to provide economic health updates for the US, euro area, Germany, France and Japan**
- **UK Budget and GDP**
- **EU leaders to mull Brexit divorce progress ahead of December summit**

The week sees flash PMI data releases plus the UK's Autumn Budget and ongoing Brexit discussions.

The main data releases include flash PMI survey data for the US, eurozone and Japan, providing insights into economic health mid-way through the fourth quarter (a free-to-read full round-up of October's PMI results is available [here](#)).

US PMI and FOMC minutes to guide Fed policy

October PMI data had shown the US economy reviving after hurricane-related disruptions in prior months, with growth accelerating in manufacturing and remaining strong in services. Cost pressures cooled, however, as supply chain disruptions eased. The November readings will provide a clearer picture of the health of the US economy in terms of underlying output growth, employment and inflationary pressures.

Strong PMI readings will help guide expectations as to when the Fed could hike interest rates again, as will the publication of the FOMC minutes. The FOMC has previously indicated that it is actively mulling a December rate hike but markets currently assign less than a 10% probability to such a hike.

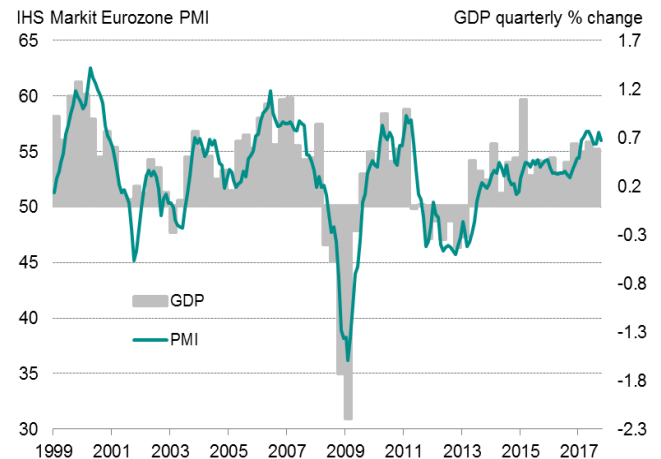
Other notable US economic data releases include October durable goods orders, consumer sentiment and existing home sales.

Has the euro-boom persisted into Q4?

In Europe, the surprising strength of the Eurozone PMI data has been gradually confirmed by official data, and flash November PMI numbers will provide a reliable guide to whether the recent growth surge has persisted into the fourth quarter. The October PMI reading pointed to another quarter of 0.6-0.7% growth.

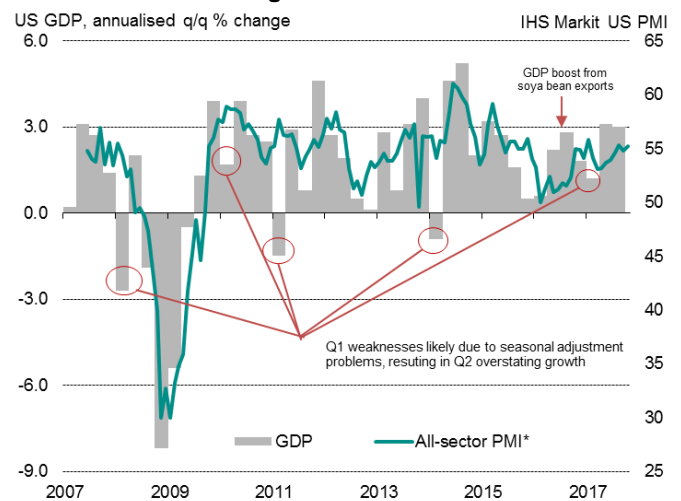
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Eurozone PMI and economic growth



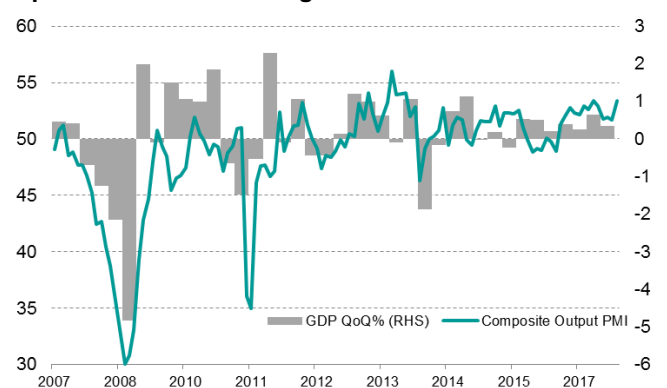
Sources: IHS Markit, Eurostat

US PMI and economic growth



Sources: IHS Markit, Datastream.

Japan PMI and economic growth



Sources: IHS Markit, Datastream.

UK Budget and Brexit

The UK Chancellor of the Exchequer delivers the Autumn Budget the day after government borrowing numbers for October are published. The Chancellor has come under increasing pressure to deliver a popular 'big and bold' budget that includes increased spending as a means of reviving spirits in the struggling and divided government.

Brexit will no doubt meanwhile continue to provide a near-constant news flow of chatter and speculation in Europe. The week sees EU leaders convene to assess the progress made with the UK's divorce negotiations and prepare the ground for December's crucial summit. The UK waits to see if Brussels deems enough progress has been made on the terms of the divorce to allow discussions to move on to the all-important future trade relationship. The size of the divorce bill remains a key sticking point.

The ONS will also have another stab at estimating third quarter GDP, with no signs that the current estimate of 0.4% will be revised.

Asian focus on manufacturing

Over in Asia, the flash Nikkei manufacturing PMI for Japan will meanwhile be eyed for signs as to whether the Japanese economy can regain speed after PMI surveys and GDP growth both lost some momentum in the third quarter. October's PMI pointed to faster fourth quarter growth, fuelled in part by rising exports.

Other key Asia releases will provide further insights into industrial trends in the region. Trade data for Japan, Thailand and Taiwan are accompanied by industrial production numbers for Singapore and Taiwan. Singapore also releases final third quarter GDP numbers.

Sunday 19 November

Japan balance of trade, imports and exports (Oct)

Monday 20 November

Thailand GDP (Q3)

Germany producer prices (Oct)

Taiwan exports (Oct)

Russia retail sales, wages and unemployment (Oct)

US Conference Board Leading Indicator (Oct)

Tuesday 21 November

Australia RBA meeting minutes

Spain industrial orders (Sep)

Hong Kong inflation (Oct)

Spain trade balance (Sep)

UK public sector borrowing (Oct)

US existing home sales (Oct)

Wednesday 22 November

Malaysia inflation (Oct)

South Africa inflation (Oct)

Taiwan unemployment (Oct)

Denmark retail sales (Oct)

Norway unemployment (Sep)

Eurozone consumer confidence (Nov)

UK Bank of England FPC meeting

UK Budget

Russia GDP (Oct)

US MBA mortgage applications

US jobless claims

US durable goods orders (Oct)

US Uni. Michigan Consumer Sentiment (Nov)

Canada budget balance (Sep)

US FOMC minutes

Thursday 23 November

Singapore inflation (Oct)

Taiwan industrial production (Oct)

Taiwan retail sales (Oct)

Germany GDP (Q3 final)

Eurozone IHS Markit Flash composite, manufacturing & services PMI (Nov)

Germany IHS Markit Flash composite, manufacturing & services PMI (Nov)

France IHS Markit Flash composite, manufacturing & services PMI (Nov)

UK GDP (Q3 3rd estimate)

Canada retail sales (Sep)

Mexico retail sales (Sep)

Friday 24 November

Singapore GDP (Q3 final)

Japan Nikkei Manufacturing PMI flash (Nov)

Thailand trade, imports and exports (Oct)

Singapore industrial production (Oct)

Taiwan GDP (Q3 final)

Germany IFO survey (Nov)

Italy industrial orders (Sep)

UK mortgage approvals (Oct)

Mexico GDP (Q3 final)

US IHS Markit Flash composite, manufacturing & services PMI (Nov)

Chris Williamson

Chief Business Economist

IHS Markit

Tel: +44 207 260 2329

Email: chris.williamson@ihsmarkit.com

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