Week Ahead Economic Preview

- **US GDP and FOMC meeting**
- **European GDP data updates for Germany, France and Spain plus UK labour market update**
- **Fourth quarter GDP releases for Taiwan, Hong Kong SAR, South Korea and the Philippines**

A busy week of fourth quarter GDP releases also includes the first FOMC meeting of the year. The GDP data will be scoured for clues as to how much economic growth momentum has been sustained among the further virus waves, while the FOMC meeting will be eyed for any changes to the Fed's outlook.

US policymakers showed signs of becoming more upbeat at the last FOMC meeting, and recent news of the growing prospect of additional fiscal stimulus and vaccine roll-outs could see some Committee members even more bullish, fueling more discussion in the markets of when asset purchases could start to be tapered. However, the focus is likely to remain on the need for policy to stay accommodative at least into 2022. A near-term test will be the extent to which GDP growth was sustained in the fourth quarter. Surveys such as the PMI had been relatively buoyant in the closing months of 2020, but the rate of expansion will have slowed markedly from the third quarter, when the economy rebounded from the lockdowns seen in the first wave of the pandemic (page 3).

In Europe, fourth quarter GDP are also released for Germany, Spain, France, Austria and Belgium. Survey data have shown the eurozone succumbing to renewed virus-fighting measures, though the economy looks to have fared better than during the second quarter thanks to manufacturing resilience and the lockdowns not having been as severe as earlier in the year. Germany appears to have fared especially well, though even here a slight downturn may well have been seen. In the UK, the labour market is in focus, with jobless data in particular eyed for clues as to the long-term pandemic impact (page 4).

A range of key indicator for Japan will be assessed for the impact of rising virus cases, while GDP releases from Asia will provide fourth quarter economic insights into Taiwan, South Korea, Hong Kong SAR and the Philippines. All look to have seen growth slow compared to the third quarter, with the possible exception of a more resilient Philippines, but importantly renewed downturns look likely to have been avoided thanks in part to resurgent growth of manufacturing and trade (more on page 5).

Special Reports

Singapore economic outlook: A strong recovery is projected for 2021, but uncertainty remains elevated (page 6)

Brexit: UK hit by double whammy of Brexit and COVID: In-depth analysis of the latest PMI surveys (page 9)

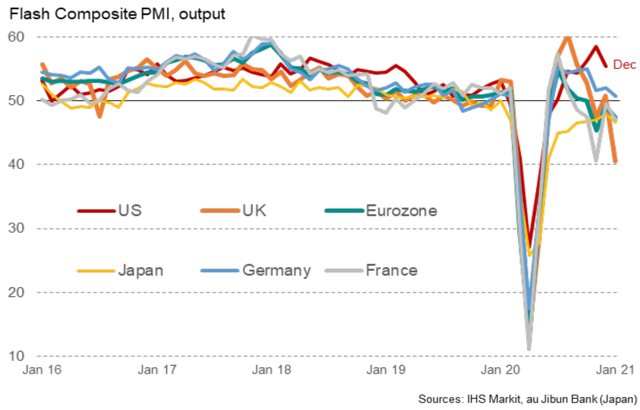
Upcoming PMI releases

1st February: Final Worldwide Manufacturing PMIs

3rd February: Final Worldwide Services PMIs

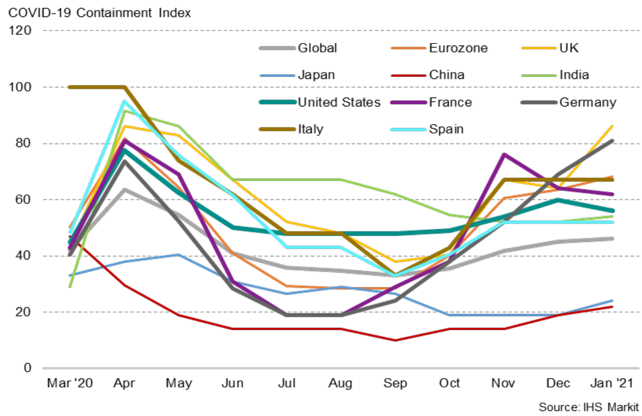
4th February: Detailed Global Sector PMIs

Markets were hit hard last week after disappointing European PMI surveys, with the UK faring especially badly. See special report on page 9)



Sources: IHS Markit, au Jibun Bank (Japan)

IHS Markit COVID-19 Containment Indices*



Source: IHS Markit

* IHS Markit's COVID-19 Containment Index is based on a basket of measures applied by governments to control the spread of the pandemic, such as non-essential business closures, school closures and travel and mobility restrictions linked to social distancing policies. As these measures are tightened, the index rises towards 100 and a relaxation of measures causes the index to fall towards zero.

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Economic Preview: Week of 25 January 2021

Publication date: 22 January 2021

Key diary events

Monday 25 January

Germany Ifo survey (Jan)
US Chicago Fed National Activity index (Dec)
US Dallas Fed survey (Dec)

Tuesday 26 January

South Korea GDP (Q4)
Japan BoJ monetary policy meeting minutes
UK labour market report including unemployment, vacancies & wage growth (Nov)
Hungarian National Bank interest rate decision
US FHFA house price index (Nov)
US Conference Board consumer confidence (Jan)

Wednesday 27 January

Australia consumer price inflation (Q4)
Japan leading economic index (Nov)
China industrial profits (Dec)
Germany Gfk consumer confidence (Jan)
France INSEE consumer confidence (Jan)
Italy trade balance (Dec)
US MBA mortgage applications
US durable goods orders (Dec)
US FOMC rate decision plus press conference

Thursday 28 January

Philippines GDP (Q4)
New Zealand trade balance (Dec)
Japan retail trade (Dec)
Singapore unemployment (Q4)
Spain unemployment (Q4)
Norway unemployment (Dec)
Sweden unemployment (Dec)
Italy consumer confidence (Jan)
Eurozone consumer confidence (Jan)
Germany consumer price inflation (Jan)
Brazil unemployment (Dec)
US GDP (Q4)
Canada building permits (Dec)
US new home sales (Dec)

Friday 29 January

Japan Tokyo consumer prices inflation (Jan)
Japan unemployment (Dec)
Japan industrial production (Dec)
Japan construction orders (Dec)
Japan housing starts (Dec)
Japan Cabinet Office consumer confidence (Jan)
France GDP (Q4)
Switzerland retail sales (Dec)
France producer prices (Dec)
Spain retail sales (Dec)
Spain consumer price inflation (Dec)
Spain GDP (Q4)
Austria GDP (Q4)
Taiwan GDP (Q4)
Hong Kong GDP (Q4)
Germany GDP (Q4)
Belgium GDP (Q4)
Germany unemployment (Dec)
Eurozone money supply (Dec)
US personal consumer expenditure (Q4)
US employment cost (Q4)
Canada GDP (Nov)
US Uni. Michigan consumer sentiment (Jan)

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United States Week Ahead

Fourth quarter GDP, FOMC meeting, PCE Prices

By Siân Jones

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The economic release calendar is packed with crucial data publications, as the first estimate of GDP in the fourth quarter and PCE prices updates are released, all amid the backdrop of President Biden's first full week in office. Alongside these key data points, the FOMC will meet for the first time in 2021. Although policy is expected to remain unchanged, markets will be seeking guidance on the timing of asset purchase tapering as the vaccination roll-out continues.

FY 2020 & Q4 GDP

Following the rebound seen in during the third quarter, economic growth is expected to have slowed in the final three months of 2020. That said, the expansion is anticipated to have been buoyant, as survey and official data signalled further increases in economic activity. The consensus is for the advance GDP numbers to show annualised growth of 4.4% (though IHS Markit's tracker points to a rise of just below 3%). Although the expansion is expected to be much weaker than the 33.1% seen in the third quarter, the anticipated solid gain GDP is encouraging given the challenging demand conditions following tighter COVID-19 restrictions and a marked rise in virus cases.

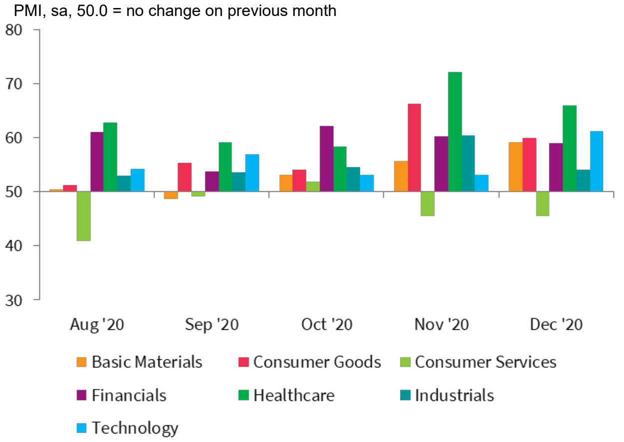
FOMC meeting

During their first meeting of 2021, the FOMC is not anticipated to make great changes to monetary policy as economic conditions remain subdued and the outlook uncertain. The committee is expected to continue in their more lenient views on inflation targets but may give some forward guidance on asset purchasing as the vaccination roll-out progresses further and hopes of relaxation of restrictions in 2021 emerge. That said, labour market struggles and challenges facing vaccine programmes elsewhere may delay any such announcement.

PCE prices

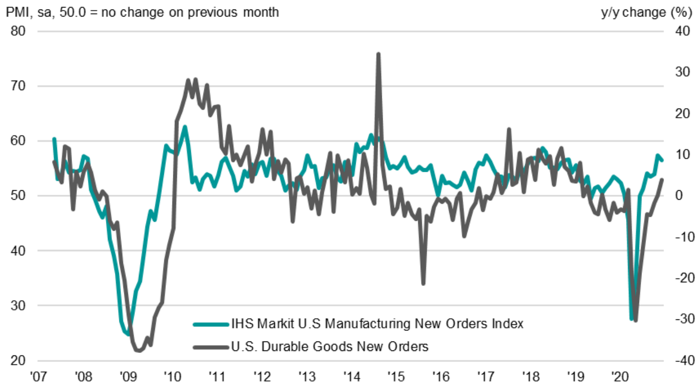
The pace of increase in core PCE prices looks set to be subdued again, and well below the Fed target. Following a slight uptick in price rises in November, the rate of inflation slowed in December, according to PMI data, as firms remained reluctant to pass on higher input costs to clients in order to drive sales.

Fourth quarter remained in expansionary territory despite challenging demand conditions, especially for consumer-facing industries



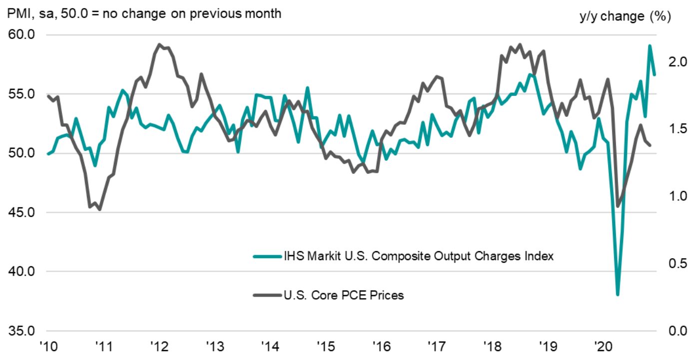
Source: IHS Markit

Durable goods orders continue to rise as demand for manufactured goods picks up



Sources: IHS Markit, US Census Bureau

PCE prices rise at softer pace at the end of 2020



Sources: IHS Markit, Bureau of Economic Analysis, U.S Department of Commerce

Europe Week Ahead

Euro area national fourth quarter GDP data, UK labour market

By Paul Smith

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Following on from the release of the January flash PMIs, which showed a sharper contraction in Eurozone economic activity compared to December, consumer sentiment is provided next week. There is also a look back at the end of last year, with first estimates of GDP numbers for several Eurozone major nations released. In the UK, focus is on labour market data.

Eurozone national GDP (Q4 2020)

The resurgence of COVID-19 infections and associated tightening of restrictions on economic activity dominated the final weeks of 2019 and has led to widespread expectations of a contraction in Eurozone Q4 GDP.

The size of the anticipated fall remains hard to estimate given the paucity of data on the especially hard-hit services economy, but given trends in PMI figures – which averaged higher in Q4 than during the first and second quarters of the year – the overall drop could turn out to be lower than previously seen in 2020.

That will in no small part due to relative strength in Germany's industrial base which helped to support a near zero fourth quarter GDP outturn indicated by the full-year preliminary data for 2020.

In contrast, nations dependent a little more on services activity such as Spain and France – Q4 GDP data for which are also due next week – are likely to experience notably weaker performances than seen in Germany.

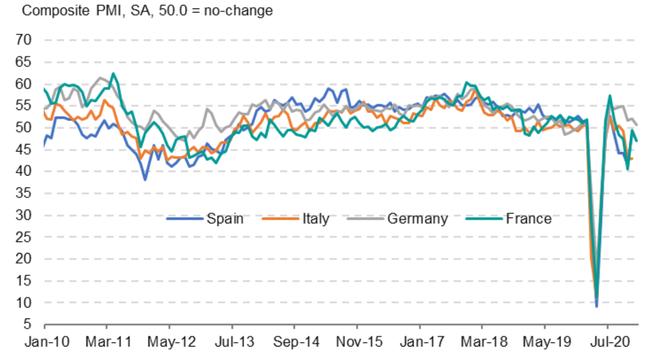
UK labour market

In the UK, worries persist over the longer-term scarring on the labour market from the ongoing pandemic.

Whilst recent updates from both official and survey data have been relatively positive in showing a stabilisation in joblessness, albeit at historically high levels, a noticeable strengthening in economic activity is required for unemployment to turn downwards.

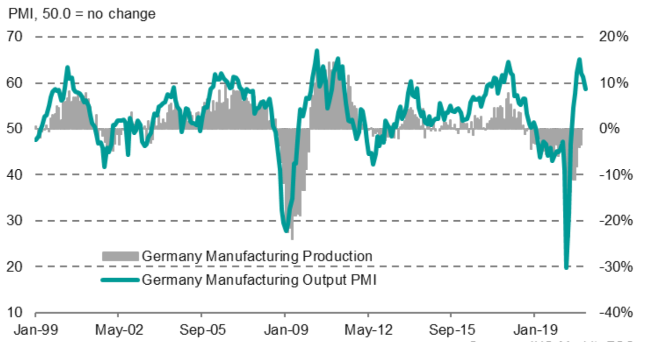
But with the country remaining stuck in lockdown as efforts to contain COVID-19 continue, and PMI data showing a fall in economic activity to the greatest degree since last May during January – as well as an acceleration in job cutting – the country remains some way off in being able to turn the unemployment tide.

Germany has outperformed other nations in recent months and is expected to do so again when fourth quarter GDP are released



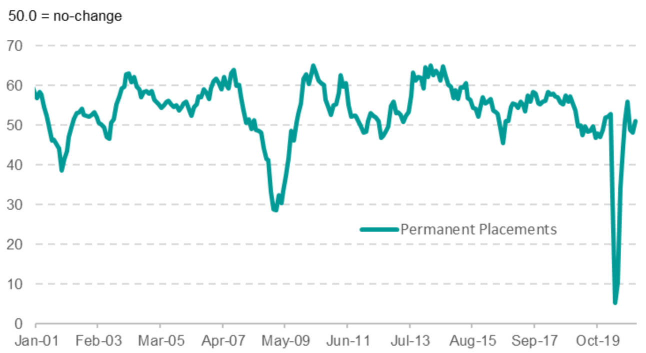
Source: IHS Markit

Germany's relative strength has been rooted in a considerable improvement in its industrial base



Sources: IHS Markit, FSO

The UK labour market has shown signs of stabilisation but with the country remaining in lockdown, joblessness will remain high for some time to come



Source: KMPG/REC

Asia Pacific Week Ahead

Focus on China and Japan, including monetary policy decisions

By Chris Williamson

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The key releases from Asia Pacific include fourth quarter GDP reports from Taiwan, South Korea, Hong Kong SAR and the Philippines, as well as a slew of data out of Japan and industrial profits from China. Japan meanwhile releases a range of important data as well as the minutes from its latest monetary policy meeting.

Japan BoJ minutes and key indicators

In Japan, official data for December are released covering retail sales, industrial production, unemployment, inflation, housing, construction orders and consumer confidence.

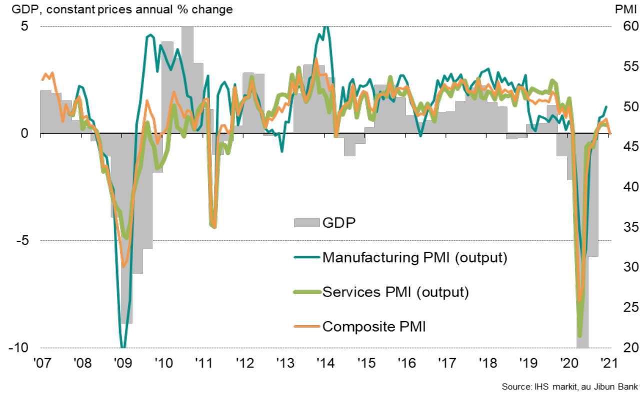
Markets are expecting some downbeat numbers. Retail sales are expected to have fallen for the first time since September, according to consensus polling, and the monthly rate of loss of industrial production is expected to have deepened. The jobless rate is also expected to have risen as the economy continues to be damaged by rising COVID-19 infections. This weakness looks set to have persisted into January, with the Japanese government having declared a state of emergency commencing 8th January and the flash au Jibun Bank PMI sliding to its lowest since September. Service sector growth was especially badly affected by the upturn in virus numbers and associated restrictions, with activity falling at the sharpest rate since August. Manufacturing fared better, but even here the sector showed renewed weakness.

The softer-looking economic data has been factored in by the Bank of Japan, which has lowered its growth projections due to the escalating COVID-19 crisis but retains a relatively bullish stance. However, the monetary policy meeting minutes will be keenly eyed for any signs that confidence in a swift return to normal for the economy may be ebbing.

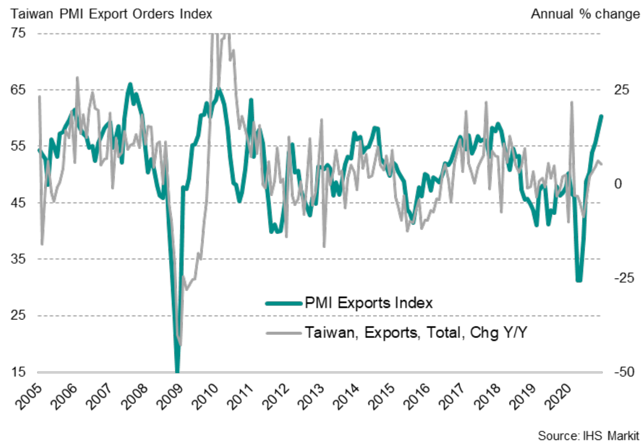
GDP updates

GDP releases will provide economic insights into how Taiwan, South Korea, Hong Kong SAR and the Philippines closed off 2020. All look to have seen growth slow compared to the third quarter, with the possible exception of a more resilient Philippines, but renewed downturns may have been avoided due to better virus containment than Europe and resurgent growth of manufacturing and trade.

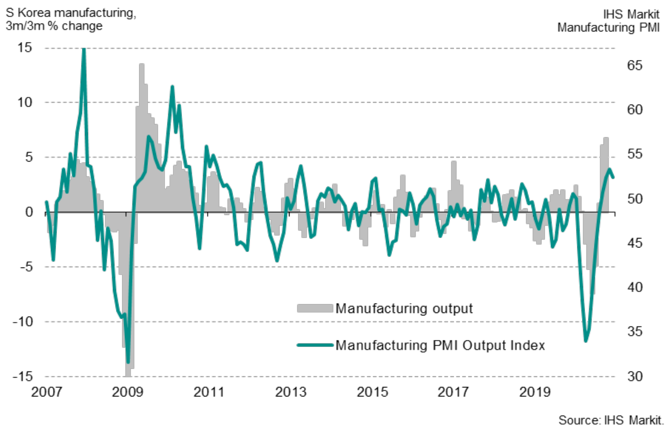
Markets will also be watching the minutes from the last Bank of Japan monetary policy meeting as well as a wealth of official data releases



Taiwan's economy continues to be supported by improving manufacturing and exports, but it seems inevitable that some of these gains will have been offset in Q4 by service sector malaise due to the pandemic



South Korea also sees Q4 GDP data updated, but there are signs that growth peaked in the third quarter



APAC
Special Focus

Singapore Economic Outlook for 2021

By Rajiv Biswas

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The Singapore economy suffered a severe recession in 2020, with GDP contracting by 5.8% year-on-year. This reflected the extreme negative shock to domestic demand due to pandemic lockdown measures as well the collapse in international tourism and air travel due to international travel bans.

With lockdown measures having eased considerably since mid-2020 and the COVID-19 vaccine rollout having commenced in Singapore, prospects for 2021 are for a strong economic recovery. Singapore's GDP growth rate is expected to rebound in 2021, growing at a pace of 4.8 per cent. This rebound will be helped by expected improving economic conditions in key global markets where vaccine rollouts are progressing rapidly, notably the US, China and EU.

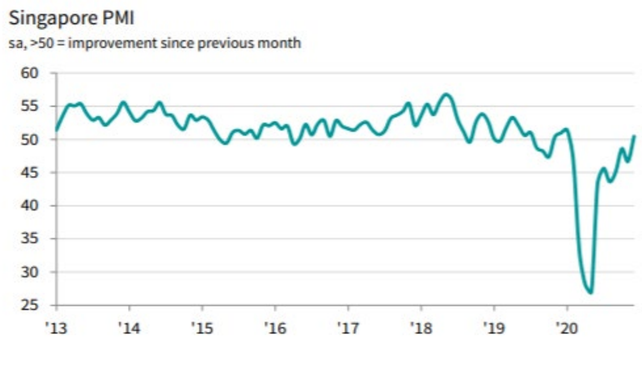
Nevertheless, with severe international travel restrictions expected to remain in place in many countries, some segments of Singapore's economy such as international tourism and commercial aviation will face a more protracted recovery path. With large new waves of COVID-19 cases having engulfed many countries in recent months, including the EU, UK, Japan and Malaysia, downside risks to the global outlook still remain high. Consequently, this year is likely to be characterized as a "Year of Uncertainty", with considerable risks around how quickly vaccines can be deployed and how rapidly the pandemic will be brought under control in different countries.

Singapore's economic recovery in 2021

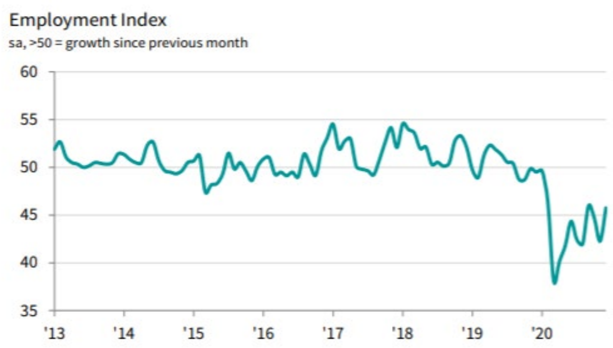
Singapore's GDP contracted by 5.8% in 2020, according to the Advance Estimate of GDP released by Singapore's Ministry of Trade and Industry. Manufacturing output showed an increase of 7.1% for the calendar year, helped by strong growth in electronics and biomedical manufacturing output. However, service sector output contracted by 7.8% in 2020 due to the impact of the protracted pandemic lockdown on the retail, transportation and food services industries, with international travel bans resulting in a severe negative impact on the tourism sector. Construction output was severely disrupted by the impact of the pandemic on construction workers, resulting in a 33.7% y/y contraction in construction output.

Manufacturing output has shown a strong rebound in the second half of 2020, helped by the recovery in export orders in key global markets. Although service sector output has shown an improvement in momentum during the second half of 2020 as lockdown restrictions were eased, service sector output was still down 6.8% y/y by the fourth quarter of 2020.

The IHS Markit Singapore Purchasing Managers' Index (PMI) has signaled a significant recovery in economic output since mid-2020, rising from 46.7 in November to 50.5 in December, indicating a slight positive expansion in the private sector. New orders increased for the first times since January 2020, with companies mentioning stronger demand, a rise in e-commerce sales and promotional activity. New orders from export markets also rose at the strongest rate since November 2018.



Source: IHS Markit.



Source: IHS Markit.

Despite the rise in economic activity, job shedding persisted in the final month of 2020 and at a marked rate. Firms mentioned that voluntary resignations and forced redundancies drove the downturn. Workforce numbers have now been cut in each month since September

2019, although the latest decline eased to the slowest in three months.

The path of recovery during 2021 is expected to be uneven across different industry sectors, with industries like electronics manufacturing, household consumer products, financial services and information technology likely to be leading the recovery, while tourism and transportation sectors are expected to have a more gradual recovery path.

Despite the COVID-19 pandemic, Singapore continued to attract strong new fixed asset investment commitments in 2020 into key industry sectors. Total fixed asset investments committed in 2020 rose to SGD 17.2 billion, compared with SGD 15.2 billion in 2019, according to investment data from the Singapore Government Economic Development Board. The largest new investment commitments were in the electronics and chemicals industries, although significant new inflows were also committed for R&D, communications and media, transport engineering and logistics.

Electronics sector output rebounds after COVID-19 related disruptions

The electronics manufacturing industry is an important part of the manufacturing export sector of Singapore, accounting for 39.3% of the total output of Singapore's manufacturing sector. With the electronics supply chain highly integrated across different East Asian economies, Singapore exports electronics products to a number of other Asian electronics sectors as well as to the US and EU, with semiconductors being the dominant segment of total electronics output.

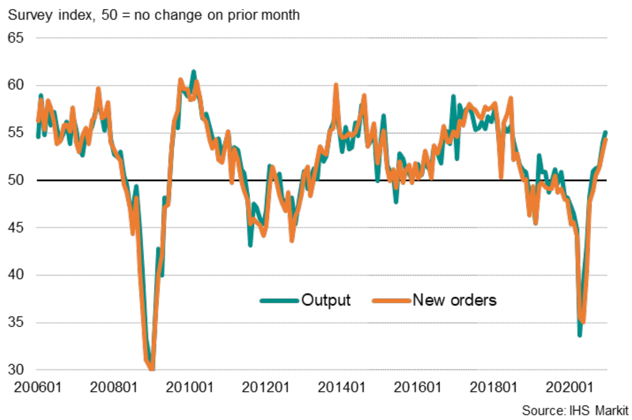
Singapore's electronics sector has benefited from a strong rebound in global electronics orders since the middle of 2020. Despite severe disruptions to Asian electronics production and to global demand due to the pandemic during the first half of 2020, the IHS Markit Global Electronics PMI has signaled a significant rebound since mid-2020. The headline seasonally adjusted PMI rose to 55.2 in December 2020, up from 53.5 in November. The latest reading pointed to the quickest improvement in the health of the global electronics sector for two and a half years, amid stronger increases in both output and new orders.

The global electronics PMI new orders index rose from a calendar year-to-date low of 35.0 in May to a level of 54.3 by December, reflecting a significant recovery in new orders. The electronics sector rebound is making an important contribution to the recovery of manufacturing exports and industrial production in many ASEAN industrial economies.

This rebound in global electronics demand has been reflected in Singapore's electronics manufacturing output. Recent data on manufacturing output from the Singapore Government's Economic Development Board shows that rose by 34.9% year-on-year in November 2020, with semiconductors output up by 40.9% year-on-year due to strong demand from 5G markets. As a result of the strong rebound in electronics production during the second half of 2020, Singapore's electronics output rose by 9.3% year-on-year in the first eleven months of 2020 compared to the same period a year ago.

Singapore's domestic electronics exports rose by 13.7% y/y in December 2020, with electronics exports to the US up 20.4% y/y while exports to the EU rose by 17.5% y/y.

IHS Markit Global Electronics PMI, output and new orders



Singapore economic outlook

The central case economic scenario for 2021 is positive, with the world economy expected to be gradually emerging from the pandemic as COVID-19 vaccines are progressively deployed through the course of 2021. While the pace of immunization programs will vary considerably across different countries, the world's largest economies, notably the US, EU, China and Japan, are expected to make considerable progress towards immunizing a large share of their populations during 2021. This should allow improving economic recovery momentum in the world's largest consumer markets during 2021.

With Singapore also expected to be among the global leaders in terms of timing of COVID-19 immunization deployment, this is expected to support a gradual normalization of domestic demand as 2021 progresses. However, the reopening of key sectors of the economy, notably international tourism and business travel, is expected to be more gradual. The establishment of travel bubbles with other advanced economies which have strong immunization programs should allow some scope for reopening of these key industries during 2021.

The ASEAN region is expected to show an economic rebound in 2021 with strong growth continuing in 2022, which will also help to support Singapore's trade and investment flows with the rest of the ASEAN region.

Over the long-term, despite the severe recession caused by the COVID-19 pandemic, the ASEAN region is expected to continue to be one of the fastest growing regions of the world economy, creating a strong export market for a wide range of Singapore's key exports in wide range of manufacturing and services sector industries. Total ASEAN GDP is forecast to more than double over the next decade, increasing from USD 3 trillion in 2020 to USD 6.8 trillion by 2030. Over the next decade, the ASEAN region will be one of the three main growth engines of the APAC region, together with China and India, helping to support the long-term expansion of Singapore's economy.

Over the next decade, Singapore is expected to continue to develop its position as a leading Asia-Pacific hub for key services sector industries, notably regional headquartering of multinationals, as well as a key international hub for shipping, commercial aviation, tourism, information services and financial services. In the manufacturing sector, Singapore will continue to develop its competitive advantage as a high value-added manufacturing location for segments such as advanced electronics, aerospace engineering and biomedical manufacturing of pharmaceuticals and advanced medical equipment.

Brexit
Special Focus

UK hit by double-whammy of COVID-19 and Brexit

By Chris Williamson

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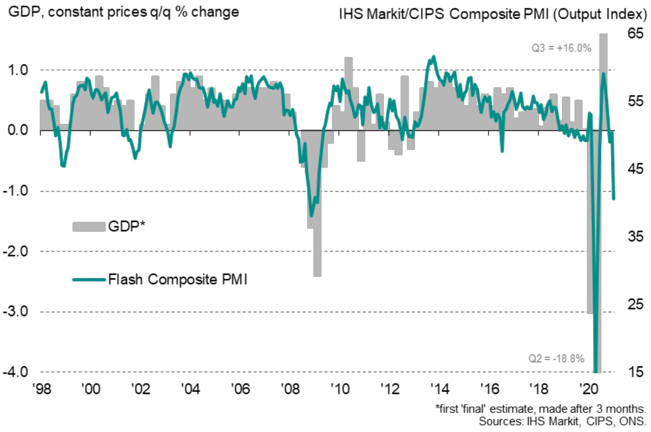
The UK economy is on course to contract sharply in the first quarter of 2021 as the country struggles through a third national lockdown, meaning a double-dip recession is on the cards. Services have once again been especially hard hit, but manufacturing has seen growth almost stall, blamed on a cocktail of coronavirus disease 2019 (COVID-19) and Brexit, which have led to increasingly widespread supply delays, rising costs and falling exports.

Encouragingly, the current downturn looks far less severe than that seen during the first national lockdown, and businesses have become increasingly optimistic about the outlook, thanks mainly to progress in rolling out COVID-19 vaccines. Business hopes for the year ahead have risen to the highest for over six and a half years, boding well for the economy to return to solid growth once virus restrictions ease.

UK flash PMI and GDP



*first 'final' estimate, made after 3 months.
Sources: IHS Markit, CIPS, ONS.

PMI signals steep decline

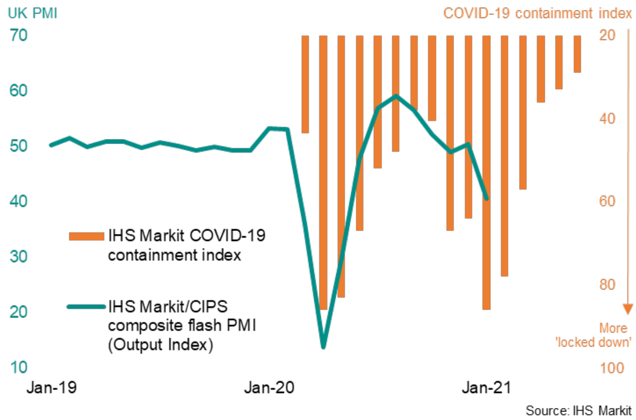
The headline index from the survey, the seasonally adjusted IHS Markit/CIPS Flash UK Composite PMI – based on approximately 85% of usual monthly replies, slumped from 50.4 in December to 40.6 in January, its lowest since May of last year and falling below the 50.0 no-change mark to indicate a renewed, steep, contraction of business activity. With the exception of the March through to May period of last year, the latest reading was the lowest since February 2009.

The fall in the headline output index was accompanied by a similar sharp drop in new orders, which deteriorated in January at the fastest rate since last May, and also prompted firms to cut jobs at an increased rate. The pace of job losses had eased in December to the lowest since the pandemic struck, but January saw companies reduce headcounts at a quicker rate – albeit less so than seen between March and November. The steepest loss of jobs was recorded in the hotels, restaurants, travel and leisure sectors.

Lockdown restrictions bite, but less than before

Lower demand was widely blamed on rising virus infections and a tightening of COVID-19 lockdown measures. Recent days have seen daily COVID-19 deaths rise to the highest yet recorded in the UK, and January saw a new national lockdown introduced in England, accompanying similar strict measures in the rest of the UK. This lockdown replaced a tiered system of local containment measures that had been in place in December, and now includes school closures.

UK flash PMI v Covid-19 Containment*



Source: IHS Markit

* IHS Markit's COVID-19 Containment Index is based on a basket of measures applied by governments to control the spread of the pandemic, such as non-essential business closures, school closures and travel and mobility restrictions linked to social distancing policies. As these measures are tightened, the index rises towards 100 and a relaxation of measures causes the index to fall towards zero.

Manufacturing resilience

Importantly, unlike during the first wave of the pandemic in the spring of 2020, many parts of the economy have remained open, notably manufacturing and construction. Hence business activity has not fallen as sharply as seen during the first lockdown. The manufacturing output index in particular merely fell from 55.9 in December to 50.3 in January, remaining marginally in expansion territory. Although indicating a near-stalling of production growth, and the weakest expansion since the recovery began in June, this index remains far above the all-time low of 16.3 seen back in April.

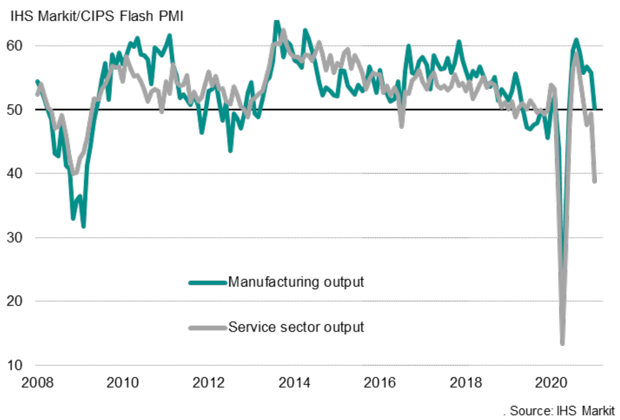
Strong manufacturing growth continued to be reported in mechanical engineering, while electrical & electronic goods producers and food & drink manufacturers also managed to sustain growth. However, all other broad manufacturing sectors suffered falling output, led by especially steep downturns for textiles & clothing and timber & paper products.

Service sector hard hit, but less so than during first lockdown

There is also evidence to suggest that some companies – and households – have adapted their behaviour to better cope with COVID-19 restrictions, meaning the recent impact on the service sector has also so far been more muted than seen during the first lockdown. The service sector activity index fell from 49.4 in December to 38.8 in January, indicating the steepest contraction since last May, but the current reading is considerably higher than the low of 13.4 seen back in April 2020.

Some of the service sectors hardest hit by the lockdown in early 2020, such as hotels, restaurants and other consumer-facing services, again reported especially steep downturns in January, but to lesser degrees than last April. Similarly, output fell sharply in transport services and financial services, and – to a lesser extent – business-to-business services, though in all cases less so than last April.

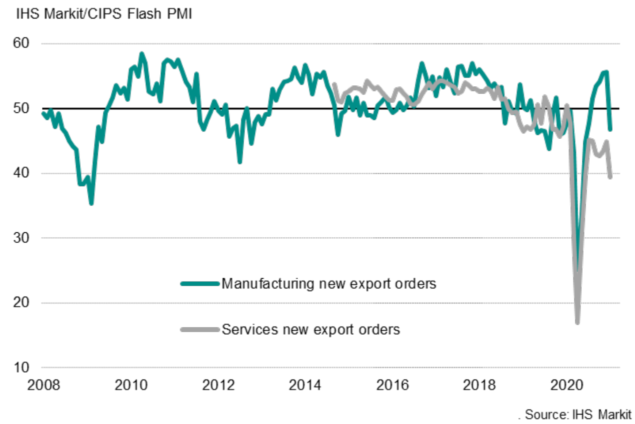
UK PMI manufacturing and services output



Export downturn exacerbates domestic slump

In addition to domestic demand being hit by new lockdown measures, both manufacturing and service sector companies saw exports fall in January, the former suffering the first such decline since July while service sector exports fell for the twelfth successive month, deteriorating at the fastest rate since last May.

UK PMI manufacturing and services exports



Export woes in part reflected falling demand overseas, in turn often linked to further virus infection waves, though also reflected a pay-back after pre-Brexit deal ordering boosted overseas sales in the lead up to the end of the Brexit transition period on 31st December, notably in manufacturing.

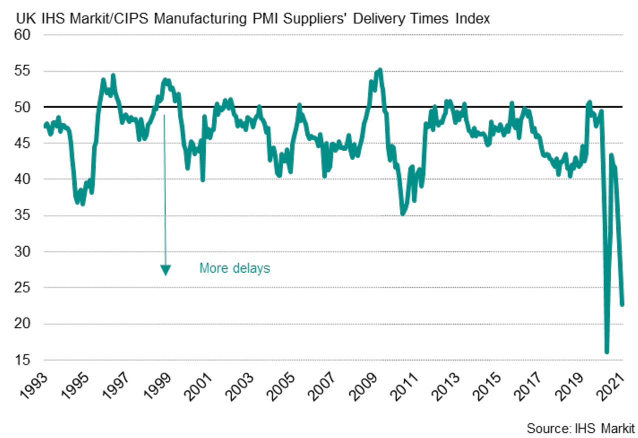
While 33% of manufacturers reporting a drop in exports linked the decline directly to COVID-19, some 60% linked the decline to Brexit.

In the service sector, of those companies reporting lower overseas sales, 57% attributed the loss to COVID-19 while 40% blamed Brexit.

UK supply chain delays second-highest on record

Brexit was also associated with a further lengthening of suppliers' delivery times, which exacerbated broader supply chain issues, including a worldwide shortage of shipping containers. January consequently saw the second-greatest lengthening of suppliers' delivery times since the manufacturing PMI survey began almost 30 years ago, with the incidence of delays exceeded only by those seen last April, at the height of pandemic-related global factory closures.

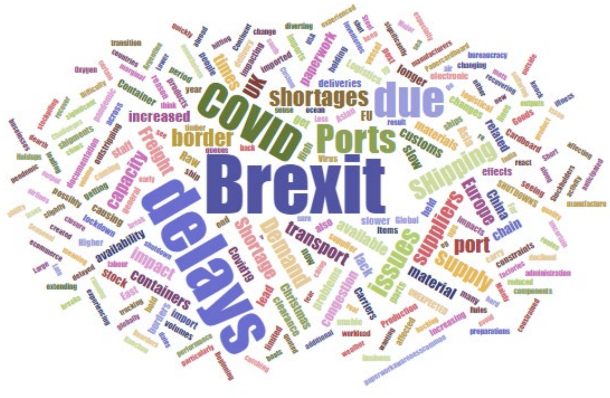
Supplier delivery times



Economic Preview: Week of 25 January 2021

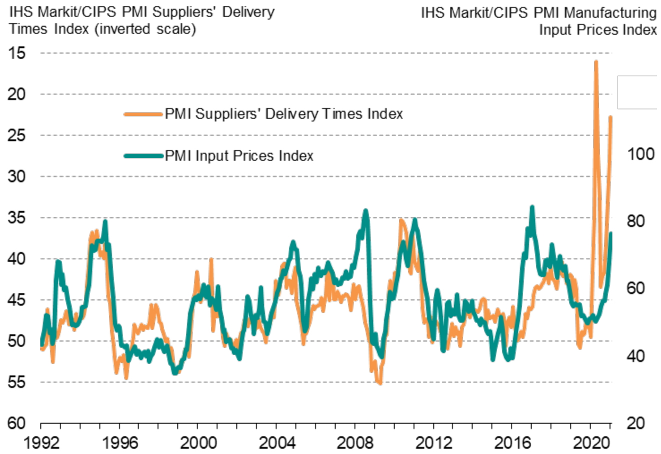
Publication date: 22 January 2021

Analysis of reasons cited for longer delivery times



Source: IHS Markit.

Supplier delays and manufacturing input prices

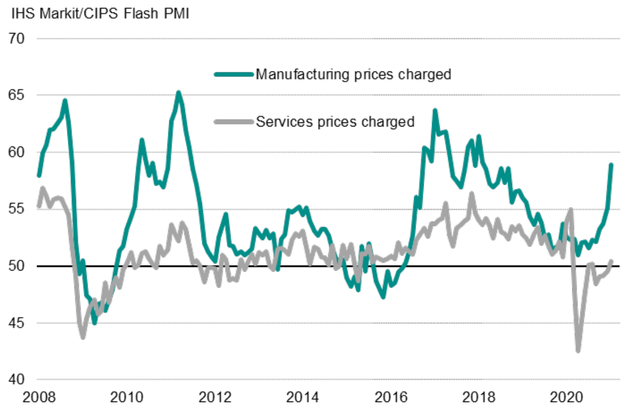


Source: IHS Markit

Prices rise at increased rate

Supplier price hikes and additional shipping fees led to further upward pressure on manufacturers' input prices, which rose in January at the sharpest rate for almost four years. Input costs in the service sector rose at a slower rate, however, mainly reflecting lower staff costs. However, both sectors saw prices charged rise, with goods prices rising at the steepest rate since February 2018 as higher costs were passed on to customers, while a far more modest rise in service sector charges was nonetheless significant in being the quickest increase since the start of the pandemic.

Prices charged

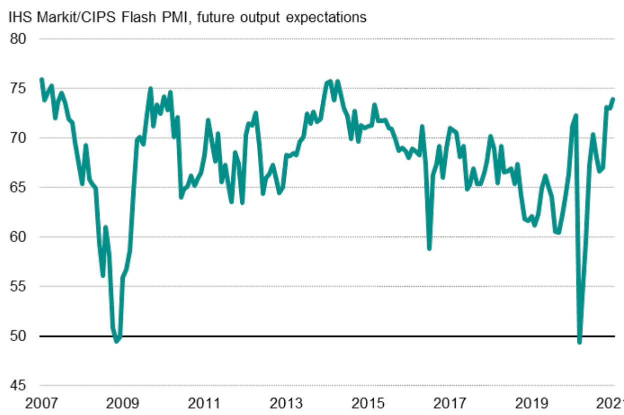


Source: IHS Markit

Future looks brighter

Finally, although businesses face a tough first quarter, prospects have brightened. The flash PMI index measuring business expectations for the next 12 months rose in January to the highest since May 2014. Continuing the trend seen in recent months, survey respondents overwhelmingly attributed their positive business expectations to a successful vaccine roll-out during 2021.

Future output expectations



* Coverage limited to services pre-July 2012. Source: IHS Markit