

Week Ahead Economic Preview

Flash PMIs updated alongside US inflation and GDP for mainland China

16 January 2026

In addition to flash PMI updates (see box), GDP data for mainland China are accompanied by inflation numbers for the US and UK, the latter also seeing new job market statistics. The Bank of Japan meets to set interest rates.

China will release its mainland GDP data for the fourth quarter, which we anticipate will show a 4.5% annual increase. This would be the lowest rate since the start of 2023, although it concludes a year in which the Chinese economy grew by 5%, matching the forecast for 2024. While growth is expected to slow to 4.6% in 2026, it is likely to become better balanced. In particular, sustained stimulus measures—including further interest rate cuts, fiscal spending, and industrial policies—are anticipated to help drive stronger growth contributions from domestic demand in the coming year. Updates to industrial production, retail sales, and investment data will provide insights into how this economic rebalancing is unfolding.

Meanwhile, the Bank of Japan meets to set interest rates, having previously raised its policy rate to 0.75% in December. Although this marked a 30-year high, the rate remains low by international standards, keeping the currency under pressure. With signs of strengthening growth and inflation, as indicated by [PMI surveys](#), the BOJ appears poised for further tightening but will likely adopt a cautious approach, weighing risks from geopolitics and trade. As a result, many economists expect no change in policy at the January meeting but will be watching for future guidance.

In the US, a further estimate of third-quarter GDP growth is likely to be overshadowed by PCE inflation numbers for November. After the consumer price index indicated inflation remained subdued at 2.7% (with core inflation unchanged at 2.6%) despite tariffs, analysts will be eager to get a check on these figures. The latest available PCE inflation rate (core and headline) for September was 2.8%.

In Europe, the main economic news comes from the UK, with updates to labour market, retail sales, and inflation statistics. These data follow a stronger-than-expected GDP reading for November, which aligned with the sluggish growth trend [signalled by the PMI late last year](#), and a marked slowdown in inflation to 3.2% in November. A further drop in inflation will increase calls for further rate cuts from the Bank of England, especially if labour market data continue to disappoint. Recent months have seen sharp job losses, which survey data indicate persisted through to the year-end.

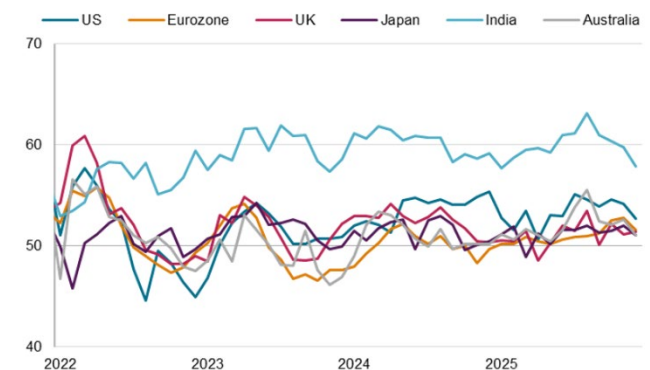
Flash PMI data for the US, eurozone, Japan, UK, India, and Australia will be updated on Friday, 23 January. The surveys will provide the first internationally comparable insights into economic growth, inflation, and labour market trends for January.

The January flash PMI data will be closely analysed to determine whether the generally slower growth trends observed in December—linked to subdued business confidence—have persisted at the start of 2026, particularly given heightened geopolitical tensions in the opening weeks of the year.

Selling price and input cost data will also provide key insights into inflation trends, notably regarding the US tariff pass-through, but also in the UK, eurozone, and Japan, where inflation will play a crucial role in policymaking in the coming months.

Job markets have disappointed in recent months, reflecting subdued business confidence, although Japan has bucked this trend. [Read more here.](#)

Major economies, PMI output index



Data compiled January 2026.

PMI index value of 50 = no change on prior month, covers manufacturing and services.

Sources: S&P Global PMI, S&P Global Market Intelligence, HCOB, HSBC.

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Key diary events

Monday 19 Jan	Tuesday 20 Jan	Wednesday 21 Jan	Thursday 22 Jan	Friday 23 Jan
Americas <i>US Market Holiday</i> <ul style="list-style-type: none"> - Canada Inflation (Dec) - Canada BoC Business Outlook Survey EMEA <ul style="list-style-type: none"> - Eurozone Inflation (Dec, final) APAC <ul style="list-style-type: none"> - China (Mainland) GDP (Q4) - China (Mainland) Industrial Production, Retail Sales, Fixed Asset Investment (Dec) - China (Mainland) Unemployment Rate (Dec) - Japan Industrial Production (Nov, final) 	Americas <ul style="list-style-type: none"> - US ADP Weekly Employment Change EMEA <ul style="list-style-type: none"> - Germany PPI (Dec) - UK Labour Market Report (Dec) - Eurozone Current Account (Nov) - Eurozone ZEW Economic Sentiment Index (Jan) - Germany ZEW Economic Sentiment Index (Jan) APAC <ul style="list-style-type: none"> - China (Mainland) Loan Prime Rate (Jan) - Malaysia Inflation (Dec) - Malaysia Trade (Dec) - Taiwan Export Orders (Dec) - Hong Kong SAR Unemployment Rate (Dec) 	Americas <ul style="list-style-type: none"> - Canada PPI (Dec) - US Pending Home Sales (Dec) EMEA <ul style="list-style-type: none"> - UK Inflation (Dec) - UK CBI Business Optimism Index (Q1) - South Africa Inflation (Dec) APAC <ul style="list-style-type: none"> - Indonesia BI Interest Rate Decision - Indonesia Loan Growth (Dec) 	Americas <ul style="list-style-type: none"> - Canada New Housing Price Index (Dec) - US GDP (Q3, final) - US core PCE (Nov) - US Personal Income and Spending (Nov) EMEA <ul style="list-style-type: none"> - Norway Norges Bank Interest Rate Decision - Türkiye TCMB Interest Rate Decision - Eurozone ECB Monetary Policy Meeting Accounts - Eurozone Consumer Confidence (Jan, flash) APAC <ul style="list-style-type: none"> - South Korea GDP (Q4, adv) - Japan Trade (Dec) - Australia Employment Change (Dec) - Malaysia BNM Interest Rate Decision - Taiwan Unemployment Rate (Dec) - Hong Kong SAR Inflation (Dec) 	<ul style="list-style-type: none"> Australia S&P Global Flash PMI, Manufacturing & Services* Japan S&P Global Flash PMI, Manufacturing & Services* India HSBC Flash PMI, Manufacturing & Services* UK S&P Global Flash PMI, Manufacturing & Services* Germany HCOB Flash PMI, Manufacturing & Services* France HCOB Flash PMI, Manufacturing & Services* Eurozone HCOB Flash PMI, Manufacturing & Services* US S&P Global Flash PMI, Manufacturing & Services* Americas <ul style="list-style-type: none"> - Canada Retail Sales (Dec, prelim) - US UoM Sentiment (Jan, final) EMEA <ul style="list-style-type: none"> - UK Retail Sales (Dec) APAC <ul style="list-style-type: none"> - South Korea Consumer Confidence (Jan) - New Zealand Inflation (Q4) - Japan Inflation (Dec) - Japan BoJ Interest Rate Decision - Thailand Trade (Dec) - Singapore Inflation (Dec) - Taiwan Industrial Production (Dec)

* Access press releases of indices produced by S&P Global and relevant sponsors [here](#).

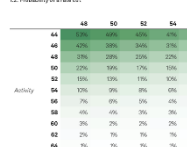
Recent PMI and economic analysis from S&P Global

Global	Key PMI survey business insights from 2025 and lessons for 2026	16-Jan	Jingyi Pan
	Global PMI signals stalled worldwide employment amid low business confidence	16-Jan	Chris Williamson
	Monthly PMI Bulletin: January 2026	14-Jan	Jingyi Pan
	Global economic upturn subdued at year end by financial services slowdown	13-Jan	Chris Williamson
	Global PMI ends 2025 at six-month low amid subdued business confidence	12-Jan	Chris Williamson
	Emerging markets business confidence remains subdued heading into 2026	12-Jan	Andrew Harker
EMEA	Employment intentions diverge among eurozone member states	13-Jan	Maryam Baluch, Phil Smith
	December flash PMI rounds off eurozone's best quarter for two and a half years	16-Dec	Chris Williamson
	UK flash PMI signals higher growth and optimism post-Budget, but inflation also lifts higher	16-Dec	Chris Williamson
Americas	US manufacturers report weak end to 2025 with first drop in orders for a year	9-Jan	Chris Williamson
	Flash US PMI signals slower business growth in December as prices spike higher	17-Dec	Chris Williamson
Asia-Pacific	Inflationary pressures intensify in December amid a fresh rise in new orders for Japanese firms	16-Dec	Jingyi Pan

S&P Global Market Intelligence highlights

Using PMI data to better understand monetary policy decisions

U.S. Probability of a rate cut



As of March 2025
Source: S&P Global Market Intelligence
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In this paper, we use Purchasing Managers' Index™ (PMI®) data from S&P Global to calculate the likelihood of changes in monetary policy at the world's major central banks. PMI data are advantageous as a tool for central banks, providing timely sets of macroeconomic information that are released monthly and not revised. This contrasts with official data, such as GDP, employment or the Consumer Price Index (CPI), which have a longer publication lead times and are often subject to revision.

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The Decisive | PMI in Focus: Global Business Outlook and AI Sentiment



Host Paul Smith is joined by senior economists Pollyanna de Lima and Andrew Harker to explore the latest trends in Purchasing Managers' Indices (PMI) and their implications for the global economy. They discuss the resilience of global economic growth in 2025 in the face of challenges such as low business confidence, tariffs, and trade uncertainties

[Click here to listen to this podcast by S&P Global Market Intelligence](#)

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Links to more resources

- [Sign up to receive updated commentary in your inbox here.](#)
- [Calendar of upcoming PMI releases](#)
- [Running commentary on the PMI survey findings](#)
- [PMI Frequently Asked Questions](#)
- [Background to the PMIs \(video\)](#)
- [Understanding the headline PMI and its various subindices](#)
- [PMI data use-case illustrations](#), from nowcasting to investment strategy
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