

Week Ahead Economic Preview

FOMC meets to set US interest rates while Europe awaits GDP data

23 January 2026

Rate setters meet at the US Federal Reserve amid a slew of fresh economic indicators and alongside other central bank policy meetings in Canada, Sweden and Brazil. The eurozone, Mexico, Taiwan and the Philippines meanwhile all report GDP numbers, leading up to China's mainland PMI data the following weekend.

No change is expected as the Federal Open Markets Committee meets to set US interest rates. Having already cut three times late last year, there's a widespread expectation that policymakers will err toward caution and hold rates steady at 3.5-3.75% as they assess the outlooks for growth, inflation and employment.

US economic growth has proven resilient in recent months, albeit with signs of some momentum being lost at the turn of the year according to [flash PMI numbers](#). And, while official inflation data have been encouragingly muted compared to the hawkish expectations of some policymakers, the survey data point to tariff-related price pressures persisting down supply chains. However, the job market remains a key concern, with low job creation evident despite the ongoing economic expansion, likely resulting in a bias toward further rate cuts. Hence the rhetoric from the Fed will be closely monitored to weigh up the outlook for rates. Our experts in fact expect the Fed to hold rates steady through the first half of 2026 before reaching a neutral range of 3.00% to 3.25% by the end of 2026.

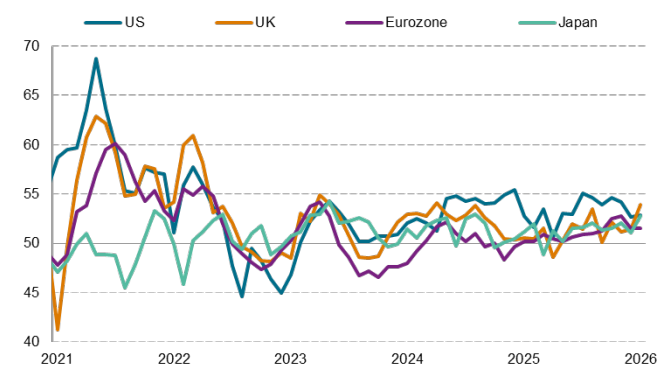
US economic data on durable goods orders, factors orders, consumer sentiment, the housing market and producer prices, as well as several regional manufacturing surveys, will also provide insights into US economic trends.

Meanwhile, eurozone GDP growth is released for the fourth quarter, which flash PMI survey data hint at showing a modest expansion of approximately 0.3%. While a slightly more sluggish pace was indicated for January by the [flash eurozone PMI](#), the survey has signalled a welcome resurgence in business optimism about the year ahead.

In Asia, fourth quarter GDP data are released for both Taiwan and Indonesia, and government-compiled PMI data will also be released for mainland China. The latter will be monitored for clues as to whether the economy shows signs of rebalancing away from trade toward domestic consumption. Japan's central bank minutes and industrial production data also come under the spotlight as [survey data hint at a growing likelihood of further rate hikes](#).

Flash PMIs show UK leading G4 economies in terms of business growth in January

Flash PMI output indicators of 'G4' economies



Data compiled Jan. 23, 2026.

PMI covers manufacturing and services. 50 = no change on prior month.

Sources: S&P Global PMI with HCOB (Eurozone).

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As US business output growth remained stuck in a lower gear in January, an acceleration of growth reported by UK firms meant the UK knocked the US off the top of the G4 growth rankings.

Having led the developed world expansion over much of the past two years, US businesses have reported weaker demand growth and subdued confidence around the turn of the year, as well as higher prices, in contrast to accelerating growth and rising confidence in the UK and Japan. While the eurozone's expansion remained subdued, it nevertheless reported a surge in business confidence about the year ahead, adding further to signs that the US's outperformance may be waning.

Commentary from Chris Williamson
Chief Business Economist
S&P Global Market Intelligence

All other content from Jingyi Pan
Economics Associate Director
S&P Global Market Intelligence

Key diary events

Monday 26 Jan	Tuesday 27 Jan	Wednesday 28 Jan	Thursday 29 Jan	Friday 30 Jan	Saturday 31 Jan
Americas <ul style="list-style-type: none"> - US Durable Goods Orders (Nov) - US Chicago Fed National Activity Index (Dec) - US Dallas Fed Manufacturing Index (Jan) EMEA <ul style="list-style-type: none"> - Germany Ifo Business Climate (Jan) APAC <p><i>Australia, India Market Holiday</i></p> <ul style="list-style-type: none"> - Singapore Industrial Production (Dec) 	Americas <ul style="list-style-type: none"> - Mexico Balance of Trade (Dec) - US ADP Weekly Employment Change - US S&P/Case-Shiller Home Price (Nov) - US CB Consumer Confidence (Jan) - US New Home Sales (Dec) - US Richmond Fed Manufacturing Index (Jan) EMEA <ul style="list-style-type: none"> - France Consumer Confidence (Jan) - Spain Unemployment Rate (Q4) APAC <ul style="list-style-type: none"> - Australia NAB Business Confidence (Dec) - Philippines Trade (Dec) - China (Mainland) Industrial Profits (Dec) - Hong Kong SAR Balance of Trade (Dec) 	Americas <ul style="list-style-type: none"> - US Durable Goods Orders (Dec) - Canada BoC Interest Rate Decision - US EIA Crude Oil Stocks Change - US Fed FOMC Interest Rate Decision - Brazil BCB Interest Rate Decision EMEA <ul style="list-style-type: none"> - Austria Manufacturing PMI* (Jan) - Germany GfK Consumer Confidence (Feb) - Italy Business Confidence (Jan) APAC <p><i>Malaysia Market Holiday</i></p> <ul style="list-style-type: none"> - Japan BoJ Monetary Policy Meeting Minutes (Dec) - Australia Inflation (Dec) - India Industrial Production (Dec) 	Americas <ul style="list-style-type: none"> - Canada Balance of Trade (Nov) - US Balance of Trade (Nov) - US Factory Orders (Nov) EMEA <ul style="list-style-type: none"> - Sweden GDP (Q4, flash) - Switzerland Balance of Trade (Dec) - Türkiye Unemployment Rate (Dec) - Sweden Riksbank Rate Decision - Eurozone Economic Sentiment (Jan) - Eurozone Consumer Confidence (Jan, final) - Italy Industrial Sales (Nov) - Spain Business Confidence (Jan) - South Africa SARB Interest Rate Decision APAC <p><i>Malaysia Market Holiday</i></p> <ul style="list-style-type: none"> - New Zealand Balance of Trade (Dec) - Philippines GDP (Q4) - Japan Consumer Confidence (Jan) 	Americas <ul style="list-style-type: none"> - Mexico GDP (Q4, prelim) - Canada GDP (Dec, prelim) - US PPI (Dec) - US Chicago PMI (Jan) EMEA <ul style="list-style-type: none"> - France GDP (Q4, prelim) - UK Nationwide Housing Prices (Jan) - Spain GDP (Q4, flash) - Spain Inflation (Jan, prelim) - Germany GDP (Q4, flash) - Italy GDP (Q4, adv) - UK Mortgage Lending and Approval (Dec) - Eurozone GDP (Q4, flash) - Germany Inflation (Jan, prelim) APAC <ul style="list-style-type: none"> - South Korea Industrial Production (Dec) - Japan Unemployment Rate (Dec) - Japan Industrial Production (Dec, prelim) - Australia PPI (Q4) - Taiwan GDP (Q4, adv) 	APAC <ul style="list-style-type: none"> - China (Mainland) NBS PMI (Jan)

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

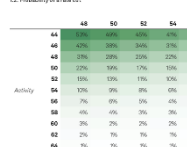
Recent PMI and economic analysis from S&P Global

Global	Flash PMI shows UK business growth at 21-month high in January as optimism builds	23-Jan	Chris Williamson
	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
EMEA	Eurozone flash PMI sees steady growth and resurgent optimism at start of 2026	23-Jan	Chris Williamson
	Flash PMI shows UK business growth at 21-month high in January as optimism builds	23-Jan	Chris Williamson
	Employment intentions diverge among eurozone member states	13-Jan	Maryam Baluch, Phil Smith
Americas	Flash US PMI signals business growth in lower gear at start of 2026	23-Jan	Chris Williamson
	US manufacturers report weak end to 2025 with first drop in orders for a year	9-Jan	Chris Williamson
Asia-Pacific	Japan's inflationary pressures intensify alongside faster output growth	23-Jan	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.

[Click here to access our research and analysis](#)

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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- [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](#)
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