

# Week Ahead Economic Preview

Service sector PMIs, trade data and the Bank of England in focus

1 August 2025

**Service sector PMI surveys will provide an assessment of global economic trends in the face of ongoing tariff-related uncertainty, as will trade data from the US and mainland China. The Bank of England meanwhile meets to set interest rates amid mixed policy signals from recent economic data.**

After manufacturing PMI surveys showed worldwide factory conditions deteriorating in July, linked in part to the fading boost from tariff front-loading, attention turns to the services economies in the coming week.

Being typically more domestically focused than manufacturing, as well as usually accounting for a far greater share of GDP, services PMIs are key determinants of monetary policy settings. [Earlier flash PMI data](#) for major developed economies showed some encouraging signals in terms of economic resilience in these tertiary sectors, helping offset some of the weaker trends evident in manufacturing. Most pronounced was a rise in US services output, in part linked to improving financial conditions: as stock markets rise, businesses and households often feel more confident. This should bode well for the ISM non-manufacturing/services survey.

After stronger than expected GDP growth in the second quarter, the market will be viewing any robust July services PMI and ISM readings as further diminishing FOMC rate cut hopes after US policymakers chose once again to hold rates steady at their July meeting.

The market is, however, looking for the Bank of England to trim its policy rate by a further 25 basis points at its meeting on Thursday. That would be a fifth cut to take the Bank rate to 4.0%, its lowest since early 2023. However, the decision may not be unanimous. Despite economic growth remaining lacklustre in recent months, and steep job losses persisting into July according to the [flash PMI](#), inflation has risen to 3.7%, well above the Bank of England's 2.0% target. Hawkish members of the Monetary Policy Committee will want to see that the recent uplift in inflation, linked in part to recent government policy changes which have increased wage costs, will prove transitory and not lead to persistent above-target inflation.

In APAC, the key data releases, besides the PMIs, are trade and inflation data from mainland China, as analysts wait to assess the impact of tariff-related pressures on manufacturing against domestic stimulus.

Worldwide service sector PMI numbers will help assess broader global economic resilience after manufacturing business conditions deteriorated in July.

**Global manufacturing PMI**



Data compiled August 2025.

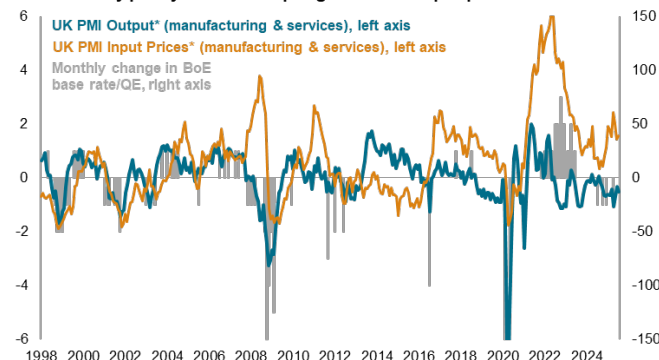
PMI (Purchasing Managers' Index) 50 = no change on prior month

Source: S&P Global PMI with J.P. Morgan, S&P Global Market Intelligence.

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Policymakers at the Bank of England will need to decide if sluggish growth warrants another rate cut despite signs of persistent inflation

**UK monetary policy vs. PMI output growth and input prices**



Data compiled August 1, 2025.

\* PMI rebased to standard deviations from mean. Bank of England £25bn QE shown as equal to 25 basis points.

Source: S&P Global PMI, S&P Global Market Intelligence, Bank of England.

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**S&P Global Market Intelligence**

## Key diary events

### Monday 4 Aug

Canada, United Kingdom Market Holiday  
Switzerland Inflation (Jul)  
Türkiye Inflation (Jul)  
United States Factory Orders (Jun)

### Tuesday 5 Aug

Worldwide Services, Composite PMIs, inc. global PMI\* (Jul)  
South Korea Inflation (Jul)  
Japan BoJ Meeting Minutes (Jun)  
Philippines Inflation (Jul)  
Indonesia GDP (Q2)  
France Industrial Production (Jun)  
Canada Trade (Jun)  
United States Trade (Jun)  
United States ISM Services PMI (Jul)

### Wednesday 6 Aug

New Zealand Employment Change (Q2)  
India RBI Interest Rate Decision  
Germany Factory Orders (Jun)  
Eurozone HCOB Construction PMI\* (Jul)  
France HCOB Construction PMI\* (Jul)  
Germany HCOB Construction PMI\* (Jul)  
Italy HCOB Construction PMI\* (Jul)  
Italy Industrial Production (Jun)  
Taiwan Inflation (Jul)  
United States S&P Global Construction PMI\* (Jul)  
Eurozone Retail Sales (Jun)  
Canada S&P Global Services PMI\* (Jul)  
Brazil Trade (Jul)

### Thursday 7 Aug

Australia Trade (Jun)  
Philippines GDP (Q2)  
China (Mainland) Trade (Jul)  
Germany Trade (Jun)  
Germany Industrial Production (Jun)  
Sweden Inflation (Jul, prelim)  
United Kingdom Halifax House Price Index\* (Jul)  
France Trade (Jun)  
United Kingdom BoE Interest Rate Decision  
Mexico Inflation (Jul)  
Mexico Banxico Interest Rate Decision

### Friday 8 Aug

Japan Household Spending (Jun)  
Japan BoJ Summary of Opinions (Jul)  
Japan Current Account (Jun)  
France Unemployment Rate (Q2)  
Taiwan Trade (Jul)  
Canada Employment (Jul)

### Saturday 9 Aug

China (Mainland) CPI, PPI (Jul)

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

## What to watch in the coming week

### Worldwide services and composite PMI plus detailed sector PMI data

Global services and composite PMI will be released on Tuesday. Additionally, detailed sector PMI data will provide valuable insights into how performance varied across industries in July in the face of latest tariff updates.

### Americas: US ISM services PMI; Canada employment and trade data; Banxico meeting and Mexico inflation

Following the release of final manufacturing PMI data, both S&P Global and ISM Services PMI data will be published in the new week for insights into non-manufacturing performance. Early [S&P Global Flash US PMI data pointed to a strengthening of the services economy in July](#), contrasting with deteriorating conditions in the goods-producing sector. Intensifying price pressures in the service sector will also be an area to monitor given its implications for monetary policy. Watch out also for US factory orders and trade data for further clues on tariff impact.

Meanwhile Canada publishes employment and trade data for July for the latest update on economic conditions following the spate of weakness seen so far with early PMI releases. Inflation data will also be due from Mexico on the same day that the Mexican central bank is set to update their monetary policy settings. The market anticipates another cut.

### EMEA: BoE meeting, UK Halifax house prices; Germany trade; Eurozone retail sales

The Bank of England (BoE) convenes for their August meeting with the market expecting the policy rate to be further lowered at the upcoming meeting. The most up-to-date [July S&P Global Flash UK PMI data showed that output growth slowed alongside job cuts at the start of the third quarter](#). While price pressures intensified, survey data has also suggested that the peak of recent inflationary pressures has passed, supporting a cut in rates.

Trade numbers from Germany will meanwhile be the data highlight in the week in Europe. According to the [HCOB Flash Germany PMI](#), rising goods trade had helped to offset a slowdown in the service sector.

### APAC: China trade and inflation data; RBI meeting, BoJ meeting materials; Australia trade; Indonesia and Philippines GDP; South Korea, Taiwan, Thailand, Philippines inflation

Trade and inflation data will be in focus from mainland China in the coming week, while a central bank meeting unfolds in India albeit with no change to the repo rate expected. Tier-1 data are also anticipated from various economies around the region.

## Email us

Have a PMI related question or want to receive this in your inbox weekly? Send us an email at [PMI@spglobal.com](mailto:PMI@spglobal.com).

## Recent PMI and economic analysis from S&P Global

Global	<a href="#">Flash PMIs show US outperformance gaining ground in July</a>	24-Jul	Chris Williamson
	<a href="#">Using PMI® data to rebalance a portfolio of Asia sector equity indices</a>	23-Jul	Jingyi Pan, Joe Hayes
	<a href="#">Using PMI® data to gauge the direction of the US dollar index</a>	23-Jul	Jingyi Pan
	<a href="#">Global trade deterioration eases in June</a>	9-Jul	Jingyi Pan
	<a href="#">Assessing outlook risks as PMI surveys send warning signals</a>	16-Jul	Chris Williamson
	<a href="#">Monthly PMI Bulletin: July 2025</a>	11-Jul	Jingyi Pan
	<a href="#">Emerging market confidence wanes despite a faster rise in output</a>	10-Jul	Jingyi Pan
EMEA	<a href="#">PMIs and monetary policy: South Africa</a>	30-Jul	
	<a href="#">July UK flash PMI signals further job cuts amid rising costs and slower output growth</a>	24-Jul	Chris Williamson
	<a href="#">Eurozone business activity grinds higher as flash PMI hits 11-month high in July</a>	24-Jul	Chris Williamson
Americas	<a href="#">Growth in the US accelerates in July as rising demand for services offsets manufacturing dip</a>	24-Jul	Chris Williamson
Asia-Pacific	<a href="#">Japan's flash PMI points to manufacturing acting as drag on economy in July as business confidence wanes</a>	24-Jul	Jingyi Pan

## S&P Global Market Intelligence highlights

### Using PMI data to better understand monetary policy decisions

U.S. Probability of a rate cut

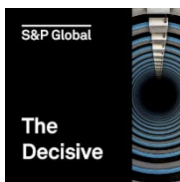


As of March 2025  
Source: S&P Global Market Intelligence  
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In this paper, we use Purchasing Managers' Index™ (PMI®) data from S&P Global to calculate the likelihood of changes in monetary policy at the world's major central banks. PMI data are advantageous 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: Inflation Insights and Expectations for 2026



In this episode of The Decisive Podcast, S&P Global Market Intelligence's team of Purchasing Managers' Index economists decodes inflation, highlighting the stark differences between the US and Eurozone. Join host Paul Smith and fellow economists Andrew Harker and Phil Smith as they explore the underlying factors driving these trends, including tariffs and exchange rate movements.

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

## For further information:

For more information on our products, including economic forecasting and industry research, please visit <https://www.spglobal.com/>. For more information on our PMI business surveys, please visit [here](#).

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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](#)
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