

Week Ahead Economic Preview

BoC meeting and flash October PMI offering early insights

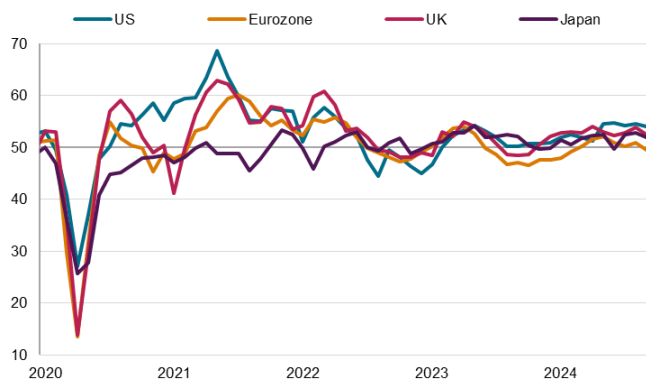
18 October 2024

Flash PMI for October is set to offer the first look into fourth quarter economic conditions across major developed economies and provide valuable insights into the interest rate outlooks.

Meanwhile, the Bank of Canada convenes for their October meeting with another rate cut expected while comments from US Fed officials will also be among the central bank highlights in the week.

Additionally, the US releases durable goods orders and existing home sales data in another week filled with company earnings to watch, while eurozone consumer confidence data will be observed amidst flash PMI releases. Tier-1 data updates also include South Korea GDP and inflation data across several Asian economies.

Major developed economies, output

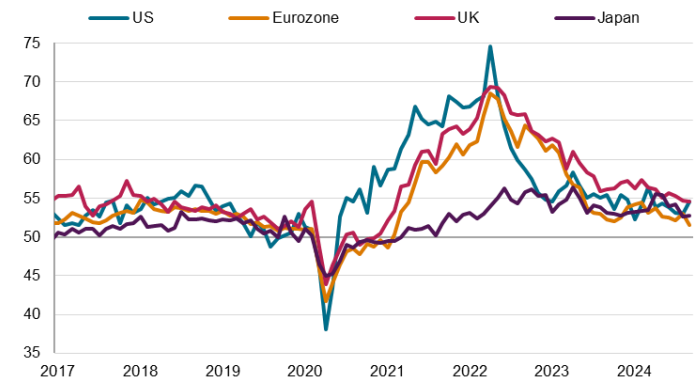


Data compiled October 2024 including PMI data to September 2024.
PMI index value of 50 = no change on prior month, covers manufacturing and services.
Source: S&P Global PMI, S&P Global Market Intelligence, HCOB, au Jibun Bank.
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The latest [October S&P Global Investment Manager Index](#) survey showed that US equity investors continue to count primarily on central bank policy to support equity returns in the near-term, but remain very much cautious, as seen via the overall risk appetite gauge and also in their defensive sector preferences. As such, we will be looking closely to the incoming October flash PMI data for reassurance that the Fed and other central banks will remain on their rate cut path, particularly given the Fed's data-dependency.

Specifically, PMI selling price inflation will be in focus having [remained close to four-year lows globally in September](#). The interests will be to see US selling price inflation, which precedes the trend for core PCE inflation, to continue indicating that the Fed's preferred gauge will point towards the target 2% level in the coming months and therefore keep interest rates on the decline. This is likewise the case for the eurozone, particularly as PMI output indicators have so far outlined the fact that [eurozone economies registered some of the most pronounced contractions around the globe at the end of the third quarter](#). Further lowering of interest rates post the October European Central Bank (ECB) meeting is widely expected, albeit with some uncertainties regarding timing.

PMI prices charged (goods & services)



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PMI index value of 50 = no change on prior month, covers manufacturing and services.
Source: S&P Global PMI, S&P Global Market Intelligence, HCOB, au Jibun Bank.
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Meanwhile the Bank of Canada (BoC) will be in the spotlight with speculations that a 'jumbo' size rate cut at 50 basis points, could unfold in the upcoming October meeting given current economic conditions.

Finally, besides the series of tier-1 data, general election in Japan will be held on Sunday while the countdown towards the November US presidential election continues.

Jingyi Pan, Economics Associate Director
S&P Global Market Intelligence

Key diary events

Monday 21 Oct

China (Mainland) Loan Prime Rate 1Y and 5Y (Oct)
Germany PPI (Sep)
Taiwan Export Orders (Sep)
United Kingdom S&P Global CSI* (Oct)
IMF Meetings (Oct 21-26)

Tuesday 22 Oct

South Korea PPI (Sep)
New Zealand Trade (Sep)
Hong Kong SAR Inflation (Sep)
Canada PPI (Sep)
United States Richmond Fed Manufacturing Index (Oct)

Wednesday 23 Oct

Singapore Inflation (Sep)
Taiwan Industrial Production (Sep)
Taiwan Retail Sales (Sep)
Canada BoC Interest Rate Decision
Eurozone Consumer Confidence (Oct, flash)
United States Existing Home Sales (Sep)
United States Fed Beige Book

Thursday 24 Oct

Australia Judo Bank Flash PMI, Manufacturing & Services*
Japan au Jibun Bank Flash PMI, Manufacturing & Services*
India HSBC Flash PMI, Manufacturing & Services*
Germany HCOB Flash PMI, Manufacturing & Services*
France HCOB Flash PMI, Manufacturing & Services*
Eurozone HCOB Flash PMI, Manufacturing & Services*
UK S&P Global Flash PMI, Manufacturing & Services*
US S&P Global Flash PMI, Manufacturing & Services*
South Korea Business Confidence (Oct)
South Korea GDP (Q3, adv)
Thailand Exports and Imports (Sep)
Malaysia Inflation (Sep)
France Business Confidence (Oct)
Taiwan Unemployment (Sep)
Canada New Housing Starts (Sep)
United States New Home Sales (Sep)

Friday 25 Oct

Japan Tokyo CPI (Oct)
Singapore Unemployment (Q3, prelim)
Singapore Industrial Production (Sep)
Spain Unemployment Rate (Q3)
France Business Confidence (Oct)
Germany Ifo Business Climate
Italy Business Confidence (Oct)
Canada Retail Sales (Aug)
United States Durable Goods Orders (Sep)
United States UoM Sentiment (Oct, final)

Sunday 27 Oct

China (Mainland) Industrial Profits (Sep)
Japan General Elections

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

What to watch in the coming week

Flash PMI for October

The earliest insights into economic conditions across major developed economies – including the US, UK, Eurozone, Japan and Australia – and also India will be sought with the release of October flash PMI data on Thursday, October 24. Amid lingering uncertainties over the extend and speed in which major central banks would continue lowering rates, both PMI output and price indices will be closely scrutinised. Manufacturing sector conditions will also be in the spotlight, having been the [key area of weakness in September globally](#).

Americas: BoC meeting, Fed speeches, US durable goods orders, existing home sales

The Bank of Canada (BoC) convenes for their October meeting in the fresh week with another rate cut on the table. Slowing growth in Canada, as shown by [early PMI indications](#), calls for the BoC to proceed with lowering rates. This is while inflation remains relatively subdued according to September's [S&P Global Canada PMI](#) prices data. At the same time, market expectations have been building for the BoC to cruise faster towards neutral settings for interest rates compared with the Fed, whom we will also be watching closely for comments in the incoming week.

On the data front, US durable goods orders and existing home sales data will be the highlights in the week.

EMEA: Germany Ifo business climate, PPI; Eurozone consumer confidence, France and Italy business confidence

Besides October flash PMI data, a series of economic data will be anticipated including Germany's Ifo business climate survey and PPI readings. Additionally, business confidence data out of France and Italy will join eurozone consumer confidence to provide an early sense of any sentiment changes in the euro area.

APAC: China loan prime rate, New Zealand trade, South Korea GDP, Singapore, Malaysia, Hong Kong SAR inflation

In APAC, October flash PMI data will be due for both Japan and also India, the latter offering a first look into conditions for [emerging markets, which expanded at the slowest pace in nearly a year at the end of the third quarter](#). On the data front, South Korea releases first quarter GDP, while inflation data will be due from Singapore, Malaysia and Hong Kong SAR. Japan's general election will also be held at the end of the week on Sunday.

Email us

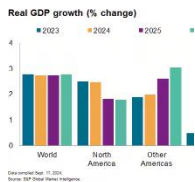
Have a PMI related question or want to receive this in your inbox weekly? Send us an email at PMI@spglobal.com.

Recent PMI and economic analysis from S&P Global

Global	Emerging market economies expand at slowest pace in nearly a year	14-Oct	Jingyi Pan
	Monthly PMI Bulletin: October 2024	11-Oct	Jingyi Pan
	Trade conditions deteriorate for fourth straight month in September	11-Oct	Jingyi Pan
	Global PMI selling price inflation holds close to four-year low in September	7-Oct	Chris Williamson
	PMI signals slowest global expansion since January and optimism hits near two-year low	4-Oct	Chris Williamson
	Top five economic takeaways from September's PMI as global manufacturing deteriorates	2-Oct	Chris Williamson
	Flash PMIs point to diverging growth and inflation trends across major developed economies	24-Sep	Chris Williamson
EMEA	Private sector growth strengthens in South Africa at end of third quarter, as cost pressures cool	9-Oct	David Owen
	Flash PMIs point to diverging growth and inflation trends across major developed economies	23-Sep	Chris Williamson
Americas	US manufacturing PMI sends warning signals on economic conditions	3-Sep	Chris Williamson
Asia-Pacific	Typhoon Yagi causes steep drop in Vietnamese manufacturing production in September	1-Oct	Andrew Harker
	Reshoring Special Report: Vietnam sees strongest reshoring-related growth over past year	27-Sep	Andrew Harker, Pollyanna De Lima

S&P Global Market Intelligence highlights

Global economic outlook: September 2024



The US Federal Reserve started its long-awaited easing cycle with a bang. The initial rate cut of 50 basis points was larger than we had forecast, while the Fed's communication was also more dovish. As a result, we now expect cuts of 25 basis points in both November and December this year, with a series of cuts in 2025-26 returning the policy rate to neutral. Given the size of the Fed's move, along with its signals of more easing to follow, rate cuts elsewhere will become more widespread as concerns of currency depreciation recede.

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

The Decisive | Ep. 15 - PMI in Focus: Trade trends and political uncertainty



In this episode of The Decisive Podcast, host Paul Smith is joined by senior economists Andrew Harker and Tim Moore to explore the latest trends in global trade and the impact of recent geopolitical events. They discuss the fragility of export order volumes and the significance of Purchasing Managers Indices (PMIs) as early indicators of economic health. The conversation also delves into the effects of political uncertainty on PMI surveys, particularly in the context of the recent election in U.K. and the upcoming election in the U.S.

[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
- [PMI podcasts](#)
- [How to subscribe](#) to PMI data

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