

Week Ahead Economic Preview

Fed, BoE, BoJ, RBA meetings and flash PMI data in focus

15 March 2024

Central bank meetings across the US, UK, Japan, Australia, Brazil and various other economies unfold in the week, in addition to the highly anticipated flash PMI releases for March. At the same time, inflation figures due from the UK, Canada and Japan will offer hints on the latest price developments. Mainland China's January to February activity data will also be due while the US updates key housing market figures.

The March Federal Open Market Committee (FOMC) meeting will play a key role in guiding market rates expectations after US equities indices climbed despite higher-than-expected CPI readings for February. These market gains have been driven by brighter economic prospects, according to the latest [S&P Global Investment Manager Index](#), which further revealed that money managers are expecting the S&P 500 index to have risen further by the end of 2024 compared to the recent record. However, central bank policy is still regarded a drag on the market according to investors, hinting at the potential for further Fed-induced volatility in the near-term. As such, the Fed's post-meeting rhetoric will be closely watched for indications on the timings for rate cuts.

Flash PMI data will meanwhile provide insights into whether inflation is likely to further ease via the prices sub-indices. As far as the US is concerned, February's PMI data pointed to US CPI lowering to around the 2% level in the coming months and March's flash PMI update will therefore be tracked to ascertain if things will stay that way.

Besides the Fed, the Bank of England and Reserve Bank of Australia meetings will also be tracked to gauge how soon rates cuts may come. In contrast, the Bank of Japan will be scrutinised on their readiness in exiting its negative interest rate policy regime, though a March move has not been ruled out by the market. Official CPI readings out of the UK and Japan will come in handy to assess rates expectations.

Finally, activity data out of mainland China including industrial production and retail sales figures for the opening months of 2024, will inform the market on growth conditions amid a 5% growth target set for the year. The latest [S&P Global China Business Outlook](#) has meanwhile showed that business confidence moderated at the start of the year.

Tracking inflation through the flash PMIs

Flash PMI data will be updated for the world largest developed economies as well as India in the coming week, and will be keenly eyed for both economic growth and inflation trends. The latter will be also assessed via supply chain disruptions.

Recent PMI data have shown global economic growth accelerating in the four months to February, reflecting faster rates of expansion in the US and UK alongside an easing of the downturn in the eurozone. [Emerging markets have also sustained solid growth](#), led by India. Collectively, the data therefore help further allay recession worries, at least for the very near-term. Questions remain, however, as the sub-sector PMI data reveal that a key driving force of the upturn has been looser financial conditions. These are linked both to recent market highs, notably for equities, as well as expectations of lower interest rates later in 2024. If these financial conditions tighten, say on a further pull-back in rate cut expectations, the upturn could lose momentum.

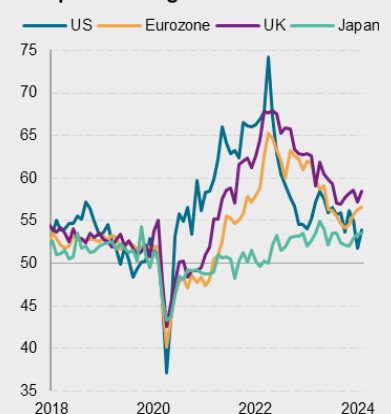
What might cause such a reassessment of the rates outlook is the inflation picture. Here the PMIs brought mixed news. The good news is that [disruptions to shipping in the Red Sea appear to have only had a short-lived and modest impact](#) on supply chains, albeit generating some uplift to manufacturing prices on average via higher shipping rates. Overall good price inflation nonetheless remains very subdued by pandemic standards.

A more worrying inflation picture comes from service sector price, which the PMIs showed to have remained stubbornly elevated globally, and in fact

accelerated in February amid faster rates of increase in the US, UK and eurozone. Rising wages have played a major role in lifting rates charged by service providers.

Central bankers hoping to cut rates soon will be wanting to see that these price pressures are reverting their cooling trends in the March flash PMIs as, so far this year, the surveys have generally supported the views of the hawks.

PMI prices charged for services



Data compiled March 2024 including PMI data to Feb. 2024.
PMI 50 = no change on prior month.
Sources: S&P Global PMI with HCOB, Caixin, au Jibun Bank.
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Key diary events

Monday 18 Mar

Japan Machinery Orders (Jan)
Singapore Non-oil Domestic Exports (Feb)
China (Mainland) Industrial Production, Retail Sales and Fixed Asset Investment (Jan-Feb)
China (Mainland) Unemployment Rate (Feb)
Malaysia Trade (Feb)
Hong Kong SAR Unemployment Rate (Feb)
Eurozone Balance of Trade (Jan)
Eurozone Inflation (Feb, final)
Canada PPI (Feb)

Tuesday 19 Mar

Japan BoJ Interest Rate Decision
Australia RBA Interest Rate Decision
Japan Industrial Production (Jan, final)
Germany ZEW Economic Sentiment (Mar)
Canada Inflation (Feb)
United States Building Permits (Feb, prelim)
United States Housing Starts (Feb)

Wednesday 20 Mar

Japan Market Holiday
China (Mainland) Loan Prime Rate (Mar)
Germany PPI (Feb)
United Kingdom Inflation (Feb)
Indonesia BI Interest Rate Decision
South Africa Inflation (Feb)
Italy Industrial Production (Jan)
United States FOMC Interest Rate Decision
Brazil BCB Interest Rate Decision

Thursday 21 Mar

Australia Judo Bank Flash PMI, Manufacturing & Services*
Japan au Jibun Bank Flash PMI, Manufacturing & Services*
India HSBC Flash PMI, Manufacturing & Services*
France HCOB Flash PMI, Manufacturing & Services*
Germany 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*
New Zealand GDP (Q4)
Japan Trade (Feb)
Australia Employment (Feb)
Taiwan CBC Interest Rate Decision
Hong Kong SAR Inflation (Feb)
Switzerland SNB Interest Rate Decision
Turkey TCMB Interest Rate Decision
United Kingdom BoE Interest Rate Decision
United States Existing Home Sales (Feb)

Friday 22 Mar

Japan Inflation (Feb)
United Kingdom Retail Sales (Feb)
Germany Ifo Business Climate (Mar)
Canada Retail Sales (Jan)

What to watch in the coming week

Flash PMI for March due Thursday

March flash PMI data will be due on Thursday for major economies including the US, Eurozone, UK, Japan, Australia and India. The flash figures will be closely watched for the earliest indications of economic conditions in the final month of first quarter. Furthermore, these data will be assessed for inflation conditions after the [global economic expansion acceleration was found to have been accompanied by rising selling price inflation](#) in February, according to PMI indications.

Americas: Fed meeting, Canada inflation and US building permits, housing starts and home sales data

The March 19-20 Federal Open Market Committee (FOMC) meeting unfolds in the week with the focus on the Fed's rhetoric. No change in rates is expected according to consensus. This comes after Fed chair Jerome Powell stated that the Fed is "not far" from evidence showing that inflation is headed towards the 2% target, though the latest February CPI came in above consensus. Exactly how far away, and the qualifying factors needed for the Fed to move, will be in question. As far as March's [S&P Global Investment Manager Index](#) has shown, central bank policy is expected to remain a drag for US equities in the near term.

EMEA: BoE meeting, UK inflation and retail sales, German ZEW survey

Besides flash PMI data, the European focus will be on the Bank of England's rate setting meeting, which is preceded by UK inflation figures and followed by updated retail sales.

In line with the Fed, guidance from central bankers in the UK will be watched on when rate cuts will commence, with economists largely looking to mid-2024 as most likely. Inflation data will also help guide monetary policy expectations after PMI prices data precluded the likelihood for sticky-inflation in the near-term for the UK.

APAC: RBA, BoJ, BI, CBC meetings, Japan inflation, China industrial production and retail sales data

In APAC, central bank meetings will be in abundance with the focus on the Reserve Bank of Australia and Bank of Japan. The RBA is likewise expected to stay on hold, watching inflation as the market await the lowering of rates. Meanwhile March BoJ meeting could be the final meeting before the BoJ exit their negative interest rate policy regime, though reports have also pointed to a potential March move.

A series of data releases will also be keenly watched including Japan's inflation, as well as industrial production, retail sales and fixed asset investment data for mainland China for the January to February period.

Email us

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

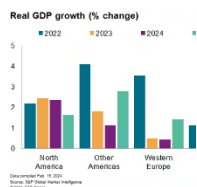
* Access press releases of indices produced by S&P Global and relevant sponsors [here](#).

Recent PMI and economic analysis from S&P Global

Global	Global PMI signals faster economic growth amid steady price gains	15-Mar	Chris Williamson
	Emerging markets growth remains solid amid intensifying inflationary pressures	13-Mar	Jingyi Pan
	Monthly PMI Bulletin: March 2024	12-Mar	Jingyi Pan
	Trade downturn continues to ease in February	7-Mar	Jingyi Pan
	Worldwide manufacturing returns to growth	1-Mar	Chris Williamson
	US inflation descent outpacing that of Europe according to flash PMIs	23-Feb	Chris Williamson
	Emerging markets growth accelerates at the start of 2024	8-Feb	Jingyi Pan
EMEA	Eurozone downturn moderates as service sector steadies, but price rises cloud rate cut outlook	22-Feb	Chris Williamson
	UK economy gains further growth momentum in February, but price pressures also rise	22-Feb	Chris Williamson
Americas	US flash PMI indicates steady growth in February as price pressures cool further	22-Feb	Chris Williamson
	US flash PMI signals steep fall in inflation at start of 2024	25-Jan	Chris Williamson
Asia-Pacific	Flash PMI signal cooling inflation and stagnating private sector activity in Japan	22-Feb	Jingyi Pan

S&P Global Market Intelligence highlights

Global economic outlook: Growth prospects brighten, inflation outlook more cloudy



Our annual global real GDP forecast for 2024 has been revised up from 2.3% to 2.5%. This primarily reflects a significant upward revision to our US forecast, related to unexpectedly strong growth in the final quarter of 2023. Some of that strength is also expected to persist in early 2024.

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

PMI Insights: A look at the Americas



The economists see quite a subdued picture in Canada from their latest survey results. Firms are concerned about high interest rates and how they may squeeze clients' budgets. The newly launched PMI for the Canadian service sector, which covers private sector services accounting for about half of the country's GDP, offers additional insights into business activity, new orders, employment and more.

[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](#)
- [PMI data use-case illustrations](#), from nowcasting to investment strategy
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CONTACT US

Chris Williamson

Chief Business Economist
S&P Global Market Intelligence
London

T: +44 779 5555 061
chris.williamson@spglobal.com

Jingyi Pan

Economics Associate Director
S&P Global Market Intelligence
Singapore

T : +65 6439 6022
jingyi.pan@spglobal.com

The Americas

+1-877-863-1306

EMEA

+44-20-7176-1234

Asia-Pacific

+852-2533-3565

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