

Week Ahead Economic Preview

US core PCE, final Q4 GDP readings and China NBS PMI

22 March 2024

Following the past week's central bank meetings, the attention turns to economic releases in the week ahead with US core PCE, personal income and spending figures among noteworthy key data releases. This is in addition to inflation readings for France and Spain and final Q4 GDP readings from the US and UK. Besides which, the Bank of Japan's post-meeting summary will also be watched alongside Japanese retail sales and industrial production numbers.

February's US core PCE prices data will be due at the end of the week with the consensus pointing to a lower reading from January. That said, any surprises on the upside may well be overlooked by the market after the Fed reiterated their intent to lower rates by 25 basis points three times in 2024 at the March Federal Open Market Committee (FOMC) meeting. This was despite higher-than-expected inflation readings of late. [Flash PMI readings for March also revealed that inflationary pressures have gathered pace again in US](#), now hinting at stubbornly above-target inflation mid-2024.

Meanwhile in Japan, the [au Jibun Bank Flash Japan PMI revealed that business activity grew at a quicker pace in March though cost pressures also intensified](#). The rise in PMI input price inflation, which precludes the trend for CPI, nevertheless suggests that price pressures are still expected to be subdued in the coming months and are supportive of market expectations for the BoJ to stay put after exiting the negative interest rate regime. The summary of opinions from the March meeting will therefore be keenly watched.

In Europe, the Bank of England adopted a more dovish stance than expected as two of the Monetary Policy Committee members withdrew their prior votes to hike rates. However, as with the Fed, the Bank of England remains data dependent, though the week merely sees updated fourth quarter GDP. The European Central Bank, seemingly keen to cut rates in June, will meanwhile be fed fresh inflation numbers for Spain and Italy, as well as consumer and business confidence surveys.

Finally, mainland China's NBS PMI figures will be due over the weekend ahead of worldwide manufacturing and services PMI releases in the following week. Consensus expectations at the time of writing suggest that the market is anticipating improvements in March.

Central banks: wait and see

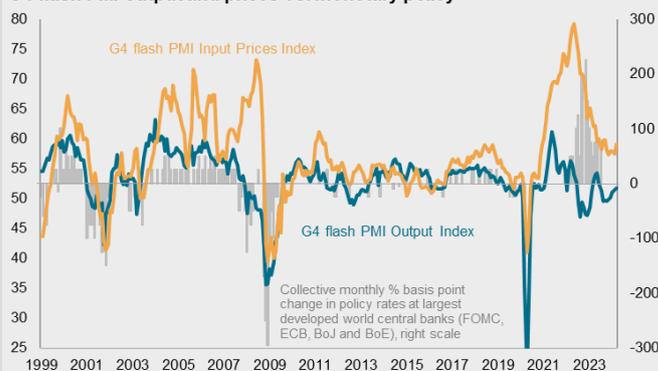
The latest policy meetings at the US FOMC, Bank of England and ECB have been characterised by a guarded optimism that interest rates will start to fall in 2024, the questions focused on 'when' not 'if' it might be appropriate to start loosening monetary policy. The flash PMI data released for March support the view that there is no need to rush.

In the first instance, recession worries continued to be quashed by the flash PMIs. The US and [UK flash PMIs](#) signalled solid ends to the first quarter, and the [eurozone PMI came close to stabilising](#), hinting at an imminent end to the region's recession. In fact, output growth measured across the world's four largest economies, the US, eurozone, Japan and UK, accelerated in March to its fastest since last June. There therefore appears to be no need to loosen policy to stave off recession.

Second, price pressures – both in terms of input costs and selling prices across goods and services – remained elevated by pre-pandemic standards across the board, and even intensified in the US. Stubborn inflation was often linked to upward wage pressures amid tight labour markets, exacerbated by recent energy price hikes.

In short, the survey data suggest that the US and European central banks have time to monitor the data follow over the spring to assess the inflation trend, with the expectation that lower headline inflation readings will eventually erode wage bargaining power.

G4 flash PMI output and prices vs. monetary policy



Data compiled March 21, 2024.

PMI (50 = no change on prior month) covers manufacturing and services in the US, Eurozone, UK and Japan.

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

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Key diary events

Monday 25 Mar

India Market Holiday
Japan BoJ Meeting Minutes (Jan)
Thailand Trade (Feb)
Malaysia Inflation (Feb)
Singapore Inflation (Feb)
Taiwan Industrial Production (Feb)
United States New Home Sales (Feb)

Tuesday 26 Mar

Australia Westpac Consumer Confidence (Mar)
Japan Consumer Confidence (Mar)
Singapore Industrial Production (Feb)
Germany GfK Consumer Confidence (Apr)
Spain GDP (Q4, final)
Hong Kong SAR Trade (Feb)
United States Durable Goods Orders (Feb)
United States S&P/Case-Shiller Home Price (Jan)
United States CB Consumer Confidence (Mar)

Wednesday 27 Mar

South Korea Business Confidence (Mar)
China (Mainland) Industrial Profits (Feb)
Spain Inflation (Mar, prelim)
France Consumer Confidence (Mar)
Eurozone Economic Sentiment (Mar)
Mexico Trade (Feb)
Spain Business Confidence (Mar)
South Africa SARB Interest Rate Decision

Thursday 28 Mar

Japan BoJ Summary of Opinions (Mar)
Australia Retail Sales (Feb, prelim)
United Kingdom GDP (Q4, final)
Germany Retail Sales (Feb)
Germany Unemployment Rate (Mar)
Italy Business Confidence (Mar)
Brazil Unemployment Rate (Feb)
India Current Account (Q4)
Canada GDP (Jan)
United States GDP (Q4, final)
United States UoM Sentiment (Mar, final)
United States Pending Home Sales (Feb)

Friday 29 Mar

US, UK, Eurozone, Switzerland, Norway, Australia, Singapore, Hong Kong SAR, South Africa, India, Brazil, Canada, New Zealand Market Holiday
South Korea Industrial Production (Feb)
Japan Unemployment Rate (Feb)
Japan Industrial Production (Feb)
Japan Retail Sales (Feb)
France Inflation (Mar, prelim)
Italy Inflation (Mar, prelim)
United States Core PCE (Feb)

United States Personal Income and Spending (Feb)
United States Wholesale Inventories (Feb, adv)

Sunday 31 Mar

China (Mainland) NBS PMI (Mar)

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

What to watch in the coming week

Americas: US core PCE, Q4 GDP, personal income and spending, durable goods orders and home sales data

Following the Fed's March meeting, the focus shifts to a slew of data releases including the final Q4 GDP release, monthly core PCE, home prices and durable goods orders.

The March Fed meeting underscored the Fed's commitment to lower interest rates in 2024 though remaining data dependent. As such, the Fed's preferred gauge of inflation, core PCE, will be a highlight in the coming week. Consensus expectations indicate a softer reading in February, supportive of the Fed lowering rates in the coming months.

Additionally, monthly activity data will be closely watched including personal income and spending figures for insights into consumer activity. Durable goods orders will also shed light on business investment trends, especially after manufacturing sector conditions were shown to have improved at the fastest pace since July 2022 according to the [S&P Global US Manufacturing PMI](#).

EMEA: Eurozone economic sentiment, UK final Q4 GDP, Germany GfK consumer confidence, France, Italy CPI

A series of economic releases out of the eurozone will be watched post the flash PMI releases. These include consumer and business sentiment data across the eurozone. The UK also updates final Q4 GDP while preliminary March inflation readings out of France and Italy will give an early sense of price trends in the eurozone.

APAC: China NBS PMI, industrial profits, Japan industrial production and retail sales, Australia retail sales, Singapore and Malaysia CPI

Ahead of worldwide manufacturing and services PMI releases at the start of April, key releases out of APAC include Japanese industrial production and retail sales figures, inflation figures from Singapore and Malaysia and retail sales data for Australia. Mainland China's National Bureau of Statistics also update manufacturing and non-manufacturing PMI figures over the weekend.

Meeting minutes from the January Bank of Japan meeting, and the summary of opinions from the latest March meeting, will also be due in the week.

Email us

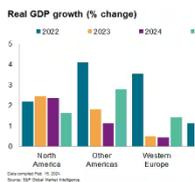
Have a PMI related question or want to receive this in your inbox weekly? Send us an email at PMI@spglobal.com.

Recent PMI and economic analysis from S&P Global

Global	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 flash PMI shows economy close to stabilising in March, price pressures ease	21-Mar	Chris Williamson
	Flash PMI shows strong end to first quarter for UK economy, but inflation still looks sticky	21-Mar	Chris Williamson
	Egyptian business activity drops sharply in February amid currency crisis, leading to emergency interest rate hike and floating of pound	18-Mar	David Owen
Americas	News of further solid economic growth from US flash PMI tainted by rise in price pressures	21-Mar	Chris Williamson
Asia-Pacific	Japan flash PMI signals accelerating growth momentum and rising inflation in March	21-Mar	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.

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PMI in Focus: Insights on Romania, supply chain, and more



In their first podcast of the year, our Purchasing Managers' Index team of economists provide insights on the impact of Red Sea shipping disruptions on supplier delivery times and where those effects are being felt the most. They also discuss the latest data on manufacturing and construction in the eurozone, through the prism of Greece and Italy.

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

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- [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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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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