

# Week Ahead Economic Preview

Global PMI data, US payrolls, eurozone inflation and RBI meeting

28 March 2024

Worldwide PMI data, including detailed sector data, will be released at the start of April, while US payrolls data will be closely watched alongside eurozone inflation figures to provide plenty of fresh insights on economic conditions for policymakers in the coming week. A central bank meeting also unfolds in India.

The start of a new month brings a slew of updates including global PMI figures. The upcoming release may be timely update of global growth conditions with equity markets, including the US, taking a breather into the end of March, though month-end effect may be at play as well ahead of the Good Friday holiday. This is especially given the fact that global and US macroeconomic environments are viewed to be bullish for equity performance, according to the [S&P Global Investment Manager Index \(IMI\)](#).

That said, March nonfarm payroll data may bring about a mixed bag of slowing US job additions and rising wage growth, according to consensus expectations. Although a slightly uptick in wage inflation is unlikely to derail the Fed from its rate cut plans as of yet, we are nevertheless watching the trajectory for US inflation closely via PMI price indications, which have [so far pointed to rising price pressures in the coming months](#).

Preliminary March inflation figures out of the eurozone on Wednesday should meanwhile help to confirm the easing inflation trend and add to speculation of a June rate cut by the ECB. Price pressures look set to remain still-elevated by pre-pandemic standards, however, according to the flash PMI numbers for March. Importantly, European recession risks have abated, with [businesses having grown more optimistic into the end of the first quarter of 2024](#) amid hopes of lower interest rates and moderating inflationary pressures.

Finally in APAC, the Reserve Bank of India convenes but with no changes to rates expected. The focus may be with data releases such as the Q1 Tankan survey released by the Bank of Japan. The [au Jibun Bank Flash Japan Composite PMI Future Output Index rose in March](#), hinting at sustained optimism among Japanese businesses so far into the year and is likewise supportive of Japanese equity market gains observed since the start of 2024.

## US manufacturing: a tale of two surveys

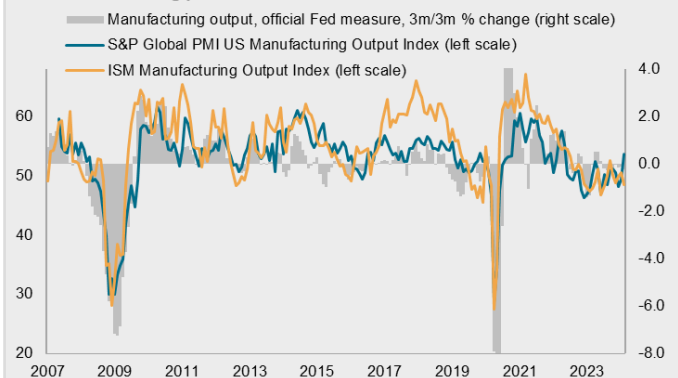
The two major surveys of US national manufacturing business conditions have diverged, sending contrasting signals as to the health of the goods producing sector. Updates to the two surveys in the coming week will therefore be eagerly assessed for clues as which survey is correct.

The ISM survey signalled a renewed fall in factory output in February after a marginal return to growth in January. The S&P Global PMI, on the other hand, indicated that output growth gained further momentum from a similar return to growth at the start of the year. Official data have meanwhile shown 0.8% production growth in February, adding weight to the more upbeat S&P Global PMI signal, though the monthly official data are volatile.

As to what may have caused the surveys to diverge, there are many potential factors to consider. For those interested, we have compiled a detailed [analysis of the differences between the ISM and S&P Global PMI surveys which is available here](#).

Meanwhile, preliminary 'flash' data for the S&P Global survey have already shown a further acceleration of output growth in March. The upturn is encouraging, as the S&P Global manufacturing PMI output index has exhibited a correlation of 73% against the official measure of manufacturing production over the past 14 years. By comparison, the ISM output index exhibits a lower 64% correlation over this same period.

### US manufacturing production



Data compiled March 2024.

PMI and ISM based on 50 = no change on prior month.

Source: S&P Global PMI, ISM via Datastream, US Federal Reserve via S&P Global Market Intelligence.

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## Key diary events

### Monday 1 Apr

UK, Eurozone, Switzerland, Norway, Australia, New Zealand,  
Hong Kong SAR, South Africa Market Holiday

Japan Tankan Survey (Q1)  
South Korea Trade (Mar)  
China (Mainland) Caixin Manufacturing PMI\* (Mar)  
Indonesia Inflation (Mar)  
United Kingdom Nationwide Housing Prices (Mar)  
United States S&P Global Manufacturing PMI\* (Mar)  
United States ISM Manufacturing PMI (Mar)

### Tuesday 2 Apr

Worldwide Manufacturing PMIs, incl. global PMI\* released  
across April 1-2 (Mar)  
South Korea CPI (Mar)  
Australia RBA Meeting Minutes (Mar)  
Switzerland Retail Sales (Feb)  
United Kingdom Mortgage Lending and Approvals (Feb)  
Germany Inflation (Mar, prelim)  
United States JOLTs Job Openings (Feb)  
United States Factory Orders (Feb)

### Wednesday 3 Apr

China (Mainland) Services, Composite PMI\* (Mar)  
Turkey Inflation (Mar)  
Eurozone Inflation (Mar, flash)  
Brazil Industrial Production (Feb)  
United States ADP Employment Change (Mar)  
United States S&P Global Services, Composite PMI\* (Mar)  
United States ISM Services PMI\* (Mar)

### Thursday 4 Apr

China (Mainland), Hong Kong SAR, Taiwan Market Holiday  
Worldwide Services, Composite PMIs, inc. global PMI\*  
released across April 3-4 (Mar)  
Australia Building Permits (Feb, prelim)  
Switzerland Inflation (Mar)  
Canada Trade (Feb)  
United States Trade (Feb)

### Friday 5 Apr

China (Mainland) Taiwan Market Holiday  
Australia Trade (Feb)  
Philippines Inflation (Mar)  
India RBI Interest Rate Decision  
Singapore Retail Sales (Feb)  
Germany Factory Orders (Feb)  
United Kingdom Halifax House Price Index\* (Mar)  
France Industrial Production (Feb)  
Eurozone Construction PMI\* (Mar)  
United Kingdom Construction PMI\* (Mar)  
Eurozone Retail Sales (Feb)  
Canada Unemployment Rate (Mar)  
United States Non-farm Payrolls, Unemployment Rate,  
Average Hourly Earnings (Mar)  
S&P Global Sector PMI\* (Mar)

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

## What to watch in the coming week

### Worldwide manufacturing, services and sector PMI

Following the release of [March flash PMI, which revealed a further easing of recession worries across major developed economies](#), we will be analysing final worldwide manufacturing, services and composite PMI releases for insights into whether growth sustained across the globe and if [emerging markets continued to outperform the developed world](#) at the end of the first quarter. Price trends will also be key after flash PMI data indicated stubborn inflationary pressures in March. Additionally, sector PMI data will be updated for more detailed insights into conditions across different sectors and regions.

### Americas: US labour market report, ISM PMI, Canada trade, employment change

March's US labour market report will be due at the start of April for an important update of labour market conditions for policymakers. According to consensus indications at the point of writing, non-farm payroll additions in March are expected at around 200k, but wage growth may have accelerated to 0.3% month-on-month. This is in line with recent flash US PMI indications, which showed relatively unchanged employment growth and [rising price pressures](#).

Additionally, ISM PMI data will be due alongside final PMI numbers for both US manufacturing and services and JOLTs (job openings) data will add extra labour market color.

### EMEA: Eurozone and Germany inflation

Besides PMI data, the highlights out of Europe in the week will be official inflation figures for both the Eurozone and Germany as well as eurozone retail sales and Germany's factory orders. The UK also see fresh house price data.

Professional forecasters have pencilled in a slight slowdown for March's flash CPI reading in the Eurozone, which is aligned with [flash PMI indications from March showing that inflation is expected to continue easing](#) but at a slower pace in the coming months.

### APAC: RBI meeting, Australia RBA minutes and trade, Japan Tankan survey, Indonesia, South Korea inflation

The Reserve Bank of India makes its monetary policy decision though no changes are expected in April amid lingering inflation risks in India. The latest March [HSBC Flash India PMI](#) revealed rising input cost and output price inflation rates with some softening of composite margins observed.

In Australia, RBA minutes from the March central bank meeting will be monitored alongside trade figures. Japan's Q1 Tankan survey from the Bank of Japan will also be a highlight of the week while inflation figures are updated in several APAC economies.

## Email us

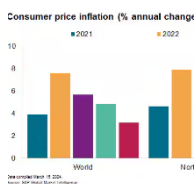
Have a PMI related question or want to receive this in your inbox weekly? Send us an email at [PMI@spgobal.com](mailto:PMI@spgobal.com).

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

Global	<a href="#">Flash PMIs further ease recession worries, but also signal stubborn price pressures</a>	25-Mar	Chris Williamson
	<a href="#">S&amp;P Global PMI® and ISM survey comparisons</a>	21-Mar	Chris Williamson
	<a href="#">Global PMI signals faster economic growth amid steady price gains</a>	15-Mar	Chris Williamson
	<a href="#">Emerging markets growth remains solid amid intensifying inflationary pressures</a>	13-Mar	Jingyi Pan
	<a href="#">Monthly PMI Bulletin: March 2024</a>	12-Mar	Jingyi Pan
	<a href="#">Trade downturn continues to ease in February</a>	7-Mar	Jingyi Pan
	<a href="#">Worldwide manufacturing returns to growth</a>	1-Mar	Chris Williamson
EMEA	<a href="#">Eurozone flash PMI shows economy close to stabilising in March, price pressures ease</a>	21-Mar	Chris Williamson
	<a href="#">Flash PMI shows strong end to first quarter for UK economy, but inflation still looks sticky</a>	21-Mar	Chris Williamson
	<a href="#">Egyptian business activity drops sharply in February amid currency crisis, leading to emergency interest rate hike and floating of pound</a>	18-Mar	David Owen
Americas	<a href="#">News of further solid economic growth from US flash PMI tainted by rise in price pressures</a>	21-Mar	Chris Williamson
Asia-Pacific	<a href="#">Japan flash PMI signals accelerating growth momentum and rising inflation in March</a>	21-Mar	Jingyi Pan

## S&P Global Market Intelligence highlights

### Global economic outlook: March 2024



S&P Global Market Intelligence's global growth forecast for 2024 has again been revised upward in March. Annual real GDP growth is now projected at 2.6%, up from 2.3% at the start of the year. The upward revision reflects somewhat higher forecasts for growth in several countries, including the US, the UK, and India.

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

### 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](#)

## 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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