

Week Ahead Economic Preview

July flash PMI, BoC meeting, plus US GDP and prices data in focus

19 July 2024

Flash PMI releases for July offer the earliest insights into growth and inflation conditions across major developed nations, while a barrage of US economic data, including GDP and core PCE figures, will also be highlights in the new week. On the central bank front, the Bank of Canada will be in the spotlight amid rising expectations that the Canadian central bank might lower rates in their July meeting. All of these are set to unfold in another week watching US second-quarter earnings, including from major US tech firms.

US flash PMI data will be closely eyed after the [June figures provided evidence of resilient growth and easing inflation](#) in the world's largest economy. This goldilocks environment will be essential to sustain the enthusiasm that we have observed in the equity market midway into July, especially against a backdrop of broad-based sector growth, according to the [S&P Global US Sector PMI](#).

Insights into the US growth environment will also be provided the advance release of Q2 GDP for the US, which is expected to show growth accelerating from the 1.4% annualized rate seen in Q1 to 2.1%. The US Federal Reserve's preferred inflation gauge, the core PCE reading, will also be updated on Friday and watched for clues on the monetary policy outlook. Following recent inflation updates, including softer PMI price index and CPI readings, expectations have built for a September rate cut. As such, both the core June PCE and the more up-to-date July PMI prices data will provide policy guidance ahead of the end-July Federal Open Market Committee (FOMC) meeting.

The Bank of Canada's monetary policy committee will update interest rates on Wednesday with the consensus leaning towards the lowering of rates at the July meeting. This has been fuelled by softening economic conditions and easing inflationary pressures within Canada. Whether the BoC chooses to act at the start of the second half of 2024 will fuel expectations for other major developed central banks.

Finally, a series of key economic releases are also due from the APAC region, including South Korea GDP and inflation readings from Singapore, Hong Kong SAR and Malaysia. Industrial production will also be closely watched, with [Asia having been a key driver for manufacturing growth in June](#).

Inflation pressures rotate back to manufacturing

Flash PMI data released in the coming week will be scoured for inflation signals, especially amid recent signs that upward price pressures have rotated back to manufacturing from services.

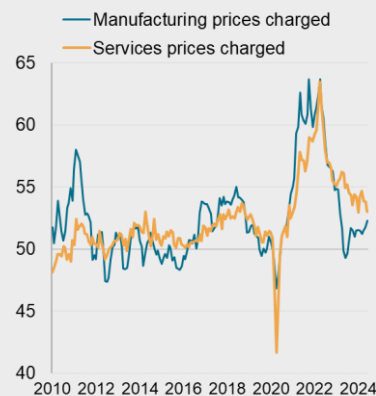
A major feature of the post-pandemic economic picture was the swing in inflation drivers from goods to services, in turn driven by the switch in demand away from goods once vaccines enabled many services activities, such as tourism and travel, to flourish. This service sector price surge caused a stickiness to inflation which is only recently showing signs of moderating. [The global PMI data compiled by S&P Global](#), showed average prices charged for services rising worldwide at the joint-lowest rate seen over the past three and a half years. This is partly due to wage negotiations adjusting to lower headline inflation in many countries.

However, just as these stubborn wage-related price pressures in the service sector are subsiding, price growth is picking up again in manufacturing. Average prices charged for goods by manufacturers rose in June at the sharpest rate for 15 months, according to the PMI.

Various factors are pushing goods prices higher again. These include a global shift away from inventory reduction, which dampened demand in the 2022-23 post-pandemic period, towards inventory building. Shipping prices are also back on the rise, likely linked to Red Sea and Panama Canal issues and advanced buying of goods ahead of the holiday season and concerns over possible tariffs.

The price data for the July flash PMIs, which includes the tracking of charges for both goods and services as well as input price growth for these sectors, could therefore provide policymakers with valuable insights into inflation developments in the coming months.

Global PMI price indices



Data compiled July 2024.
PMI (Purchasing Managers' Index) value of 50 = no change on prior month.
Sources: S&P Global PMI with J.P. Morgan, S&P Global Market Intelligence.
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Key diary events

Monday 22 Jul

Thailand Market Holiday

China (Mainland) Loan Prime Rate (Jul)
Taiwan Export Orders (Jun)
Hong Kong SAR Inflation (Jun)
Mexico Retail Sales (May)
United States Chicago Fed National Activity (Jun)
Germany Retail Sales (May)

Tuesday 23 Jul

South Korea PPI (Jun)
Singapore Inflation (Jun)
Turkey Consumer Confidence (Jul)
Taiwan Industrial Production (Jun)
Taiwan Retail Sales (Jun)
Canada New Housing Price Index (Jun)
Eurozone Consumer Confidence (Jul, flash)
United States Existing Home Sales (Jun)

Wednesday 24 Jul

Australia Judo Bank Flash PMI, Manufacturing & Services*
Japan au Jibun Bank Flash PMI, Manufacturing & Services*
India HSBC Flash PMI, Manufacturing & Services*
UK S&P Global Flash PMI, Manufacturing & Services*
Germany HCOB Flash PMI, Manufacturing & Services*
France HCOB Flash PMI, Manufacturing & Services*
Eurozone HCOB Flash PMI, Manufacturing & Services*
US S&P Global Flash PMI, Manufacturing & Services*
South Korea Consumer Confidence (Jul)
New Zealand Trade (Jun)
Malaysia Inflation (Jun)
Germany GfK Consumer Confidence (Aug)
South Africa Inflation (Jun)
Taiwan Unemployment (Jun)
Canada BoC Interest Rate Decision
United States New Home Sales (Jun)

Thursday 25 Jul

South Korea GDP (Q2, adv)
Germany Ifo Business Climate (Jul)
Hong Kong SAR Trade (Jun)
Turkey TCMB Interest Rate Decision
United States Durable Goods Orders (Jun)
United States GDP (Q2, adv)
United States Wholesale Inventories (Jun, adv)

Friday 26 Jul

Thailand Industrial Production (Jun)
Singapore Industrial Production (Jun)
Thailand Trade (Jun)
United States Core PCE Price Index (Jun)
United States Personal Income and Spending (un)
United States UoM Sentiment (Jul, final)

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

What to watch in the coming week

Flash PMI data release for July

The first set of flash PMI data going into the second half of 2024 will be released on Wednesday, July 24, for major developed economies including the US, UK, Eurozone, Japan and Australia. Additionally, early PMI data for India will also be due for insights into how this outperformer has fared in July.

Slower developed market output growth was observed with last month's release, though the US had been an exception, further indicating a 'goldilocks' scenario of solid economic growth and softer price increases. Both growth and price trends will be key to watch with implications for monetary policy going forward.

Americas: BoC meeting, US Q2 GDP, core PCE, personal income, spending, durable goods orders, existing and new home sales data

The Bank of Canada convenes in the coming week with the potential for a rate cut to unfold in the July meeting.

Expectations have risen for the BoC to lower rates amid the softening of economic conditions and easing inflationary pressures, [which has also been shown by the latest PMI data](#).

A busy data week is meanwhile set to unfold in the US as we find a barrage of releases lined up, with the highlights being advance Q2 GDP and core PCE figures for June, as well as durable goods orders, consumer sentiment, home sales and inventories.

EMEA: Germany GfK, Ifo data, Eurozone consumer confidence, Turkey TCMB meeting

The focus in the coming week is expected to be with the flash PMI releases across the euro area and UK. Besides which, sentiment data in the form of Germany's GfK and Ifo survey data will also be released, in addition to the July flash reading of eurozone consumer confidence.

APAC: China Loan Prime Rate, South Korea GDP, Singapore, Hong Kong SAR, Malaysia inflation, Taiwan industrial production

In APAC, the week ahead sees mainland China updating the Loan Prime Rate for July. Additionally, several tier-1 data releases are anticipated in the region including the advance reading of South Korea's Q2 GDP. This follows indication of a subdued start to the quarter for the manufacturing sector, according to the [South Korea Manufacturing PMI](#), though the latest June figures showed solid expansions in production. Separately, inflation readings are also anticipated from Singapore, Malaysia and Hong Kong SAR.

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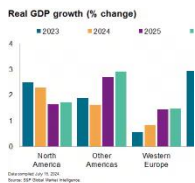
Have a PMI related question or want to receive this in your inbox weekly? Send us an email at PMI@spgobal.com.

Recent PMI and economic analysis from S&P Global

Global	Basic Materials jumps up growth rankings, but firms continue to cut employment	18-Jul	Sian Jones
	Rising costs and gloomier prospects cast shadow over emerging market outlook	17-Jul	Jingyi Pan
	Monthly PMI Bulletin: July 2024	16-Jul	Jingyi Pan
	Global PMI upturn cools from one year high as outlook darkens	5-Jul	Chris Williamson
	Global PMI signals cooler services inflation in June, but goods prices show further rise	5-Jul	Chris Williamson
	Global trade conditions deteriorate marginally in June	5-Jul	Jingyi Pan
	Top five takeaways from June's global survey data as manufacturing price inflation accelerates	1-Jul	Chris Williamson
EMEA	Inflation slows further as economic growth wanes: our key takeaways from the Eurozone flash PMI	21-Jun	Chris Williamson
	UK flash PMI signals further economic slowdown at end of second quarter, price rises intensify	21-Jun	Chris Williamson
Americas	Using PMI indices to nowcast eurozone and US consumer price inflation	20-Jun	Eleanor, Dennison, Sian Jones and Paul Smith
Asia-Pacific	Japan's private sector growth stalls amid fall in services activity	21-Jun	Jingyi Pan

S&P Global Market Intelligence highlights

Global economic outlook: July 2024



Global growth is being supported by moderating inflation, more accommodative financial conditions and a pickup in global trade. Still, growth rates are not forecast to reach the heights of prior expansions owing to a combination of headwinds including elevated debt burdens, higher interest rates and various geopolitical uncertainties.

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

PMI in Focus: Update on inflation and a new PMI survey



In this podcast, our expert economists dive into the world of Purchasing Managers' Index (PMI) data and its impact on global markets. We kick off with a reassessment of central bank policies, implications for financial markets, in addition to key drivers of inflation, such as rising wages and material costs, and analyse the pricing power of firms in various sectors. The conversation also touches on the newly launched PMI survey for the Kuwait economy and widens to the Middle East and North Africa economies including Egypt and the UAE.

[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
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