

# Week Ahead Economic Preview

Services PMI, RBA, RBI meetings, China trade and inflation data

2 August 2024

**Worldwide services, composite and detailed sector PMI data are expected to trickle in across the fresh week where we are also looking forward to central bank meetings in Australia and India. Other key data releases due in the week include US ISM services PMI, mainland China trade and inflation data, as well as inflation figures from various other economies around the world.**

US PMI data, including the ISM services and detailed sector PMI data from S&P Global, will be in focus in the fresh week providing further insights into US economic conditions after the Fed hinted at a potential September rate cut. Specifically, further confirmation of easing inflationary pressures, especially in the service sector will be crucial to cement the Fed's intent for lowering interest rates, with [flash PMI so far having indicated a further encouraging moderation of service sector inflation in July](#).

More broadly, services and sector PMI data from around the world will offer deeper insights into growth, inflation and outlook across regions and detailed sectors. These will be crucial data amidst the Fed's latest pivot towards greater dovishness. As far as prices data are concerned, flash PMI data for India and Australia both alluded to rising cost pressures which may well keep the Reserve Bank of Australia and Reserve Bank of India firmer on hold at their upcoming monetary policy meetings. The Summary of Opinions from the Bank of Japan's latest meeting, where a second rate hike of the years was implemented, will also be released.

On the official data front, the eurozone releases retail sales data while Germany's final July inflation update and trade and industrial production figures are also anticipated. Following the [stalling of the eurozone economy signalled in the July flash reading](#), detailed sector data for Europe are expected to shed light on where the main pockets of weakness were in July.

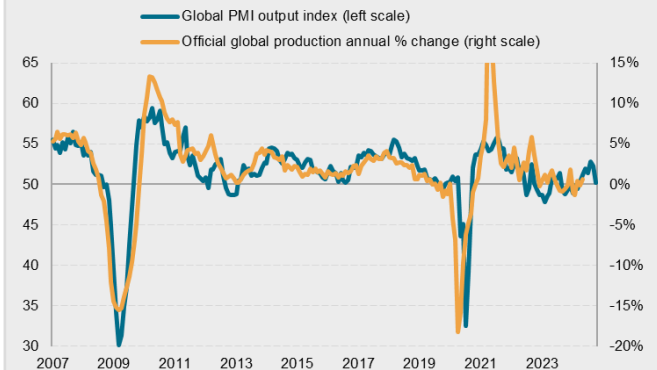
Other key data releases include mainland China's trade and inflation figures after the Caixin China General Manufacturing PMI revealed that operating conditions deteriorated amid a renewed fall in new orders. This also led to average selling prices coming under pressure, though manufacturers' confidence rose in the latest survey period.

## Global manufacturing stalls

At 49.7, down from 50.8 in June, the Global Manufacturing PMI, sponsored by J.P.Morgan and compiled by S&P Global Market Intelligence, signalled a deterioration of business conditions for the first time in seven months in July.

The deterioration points to a worrying halting of the manufacturing recovery seen in the first half of the year, which had seen the sector's best performance for two years.

### Global manufacturing output



Data compiled August 2024 using PMI data updated to July 2024.

PMI (Purchasing Managers' Index) value of 50 = no change on prior month, advanced three months.

Source: S&P Global PMI with J.P. Morgan, S&P Global Market Intelligence.

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The PMI survey's sub-index of production, which tracks actual month-on-month factory output changes, signalled a near-stalling of production in July. Output fell in 16 of the 31 economies for which manufacturing S&P Global's PMIs are available, which is the highest proportion for six months.

Global output growth was subdued by new orders for goods falling in July for the first time since January, in part fuelled by the second successive monthly decline in worldwide new export orders. These exports were hit in part by intensifying trade disruptions emanating from shipping delays, often linked to the diversion of ships from the Red Sea.

Shipping issues also led to higher shipping rates, which contributed to higher production costs in July. Measured overall, worldwide factory input cost inflation slowed only marginally from June's 16-month high, serving as a reminder that inflation-watchers eyes should not be solely limited to analysing service sector price trends.

## Key diary events

### Monday 5 Aug

Canada Market Holiday  
 Worldwide Services, Composite PMIs, inc. global PMI\* (Jul)  
 Japan BoJ Meeting Minutes (Jun)  
 Indonesia GDP (Q2)  
 Thailand Inflation (Jul)  
 Singapore Retail Sales (Jun)  
 Turkey Inflation (Jul)  
 Eurozone PPI (Jun)  
 United States ISM Services PMI (Jul)

### Tuesday 6 Aug

Japan Household Spending (Jun)  
 Philippines Inflation (Jul)  
 Australia RBA Interest Rate Decision  
 Switzerland Unemployment Rate (Jul)  
 Germany Factory Orders (Jun)  
 Switzerland Retail Sales (Jun)  
 Taiwan Inflation (Jul)  
 Eurozone Retail Sales (Jun)  
 United States Trade (Jun)

### Wednesday 7 Aug

New Zealand Employment (Q2)  
 Germany Trade and Industrial Production (Jun)  
 United Kingdom Halifax House Price Index\* (Jul)  
 Canada BoC Summary of Deliberations

### Thursday 8 Aug

Japan BoJ Summary of Opinions (Jul)  
 Japan Current Account (Jun)  
 Australia NAB Business Confidence (Jul)  
 Philippines GDP (Q2)  
 China (Mainland) Trade (Jul)  
 India RBI Interest Rate Decision  
 France Trade (Jun)  
 Taiwan Trade (Jul)  
 Mexico Inflation (Jul)  
 Canada Balance of Trade (Jun)  
 United States Wholesale Inventories (Jun)  
 Mexico Banxico Interest Rate Decision

### Friday 9 Aug

Singapore, South Africa Market Holiday  
 China (Mainland) Inflation (Jul)  
 Indonesia Retail Sales (Jun)  
 Malaysia Industrial Production (Jun)  
 Germany Inflation (Jul, final)  
 Switzerland Consumer Confidence (Jul)  
 Turkey Industrial Production (Jun)  
 Italy Inflation (Jul, final)  
 China (Mainland) Current Account (Jul, prelim)  
 Italy Trade (Jun)  
 Brazil Inflation (Jul)  
 Mexico Industrial Production (Jun)  
 Canada Employment (Jul)

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

## What to watch in the coming week

### Worldwide services and sector PMI data

Services, composite and detailed sector PMI data will be updated in the coming week following the release of July worldwide manufacturing figures, where we have observed [shipping delays being prominent in impacting global supply chains and exports](#), with geopolitical uncertainty also tempering demand. The headline PMI consequently fell back into contraction territory. Key affected areas will be explored with more detailed sector data in the fresh week, including insights into developing service sector trends.

### Americas: US trade, ISM services PMI, Canada employment and trade data, Brazil and Mexico inflation

Other notable US data updates in the coming week include ISM services PMI plus official trade and inventories data. This follows the release of S&P Global Flash US PMI for July, showing the [US leading the developed world expansion, powered by resurgent service sector activity as manufacturing growth weakened](#). This was while service sector inflation rates moderated in July, further supporting convictions of an imminent Fed cut.

Canada employment and trade data will also be released, and inflation data will be updated in Brazil and Mexico. The monetary policy meeting will also take place in Mexico.

### EMEA: Eurozone retail sales, Germany inflation, trade, industrial production, France trade and Turkey inflation

Besides PMI data, Europe see Germany update its final inflation figures for July alongside trade and industrial production numbers, all of which will be eagerly watched following the surprise decline for Q2 GDP. Eurozone retail sales will meanwhile provide guidance on consumer health.

### APAC: RBA, RBI meetings, BoJ meeting summary of opinions, China trade and inflation data, Indonesia GDP, Taiwan, Thailand, Philippines inflation figures

The Reserve Bank of Australia and Reserve Bank of India will convene with no changes to policy rates expected from either central bank according to the market. Separately, the Summary of Opinions from the Bank of Japan's latest monetary policy meeting, where a rate hike was implemented amid mixed market views, will also provide insights into the BoJ's latest considerations.

Key APAC data releases include trade and inflation data from mainland China. According to the latest [Caixin China General Manufacturing PMI](#), goods export orders rose at the slowest pace in seven months. Meanwhile factory gate inflation may ease further after the latest PMI goods selling prices showed a falling trend in the latest survey period. Inflation data will also be updated from Taiwan, Thailand and Philippines, while Q2 GDP will be due from Indonesia.

## Email us

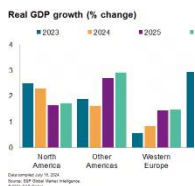
Have a PMI related question or want to receive this in your inbox weekly? Send us an email at [PMI@spglobal.com](mailto:PMI@spglobal.com).

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

Global	<a href="#">Top five takeaways from July's PMI survey data as global manufacturing falls into decline</a>	2-Aug	Chris Williamson
	<a href="#">Shipping delays impact global supply chains and exports</a>	2-Aug	Chris Williamson
	<a href="#">Flash PMIs show the US leading developed world expansion in July as eurozone lags</a>	24-Jul	Chris Williamson
	<a href="#">Global consumer spending shows resilience in second quarter</a>	19-Jul	Chris Williamson
	<a href="#">Basic Materials jumps up growth rankings, but firms continue to cut employment</a>	18-Jul	Sian Jones
	<a href="#">Rising costs and gloomier prospects cast shadow over emerging market outlook</a>	17-Jul	Jingyi Pan
	<a href="#">Monthly PMI Bulletin: July 2024</a>	16-Jul	Jingyi Pan
EMEA	<a href="#">Flash PMI shows UK businesses gaining confidence as selling prices rise at slowest rate for 3½ years</a>	24-Jul	Chris Williamson
	<a href="#">Flash PMI signals stalling of eurozone economy</a>	24-Jul	Chris Williamson
Americas	<a href="#">Using PMI indices to nowcast eurozone and US consumer price inflation</a>	20-Jun	Eleanor, Dennison, Sian Jones and Paul Smith
Asia-Pacific	<a href="#">Japan's private sector growth renews while price pressures intensify</a>	24-Jul	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](#)

### The Decisive | Ep. 5 - PMI in Focus: Midyear pulse check, reshoring, outlook survey



In this podcast, economists Paul Smith and Andrew Harker use data from our Purchasing Managers Index surveys to provide insights and analysis on the performance of the global economy at the midpoint of 2024 and the outlook for the coming months. They discuss the impact of factors such as investment in new technologies and inflation trends on economic growth. The economists also delve into reshoring and how supply chain realignments have been influenced by factors like the pandemic, geopolitics, and domestic policies.

[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](#)
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