

Week Ahead Economic Preview

US CPI, UK, Eurozone and Japan Q2 GDP updates and China data

9 August 2024

US CPI will be the key data release in the fresh week in addition to a series of GDP updates including across major developed economies such as the UK, Eurozone and Japan. A central bank meeting also unfolds in New Zealand. Meanwhile, key data updates will be due from APAC economies such as mainland China and India.

The highlight in the fresh week will be US CPI data as the market await further indications that rate cuts will be coming along into the end of 2024 (see box). That said, with the monetary policy decision watch shifting focus towards the labour market and other high frequency data, the focus may instead be with updates such as US retail sales and industrial production numbers in the absence of any surprise on the CPI end.

Additionally, we will also be anticipating the August [S&P Global Investment Manager Index \(IMI\)](#) for a sense of how risk sentiment has changed especially after the latest market turmoil. The survey will also shed light on the expected drivers for US equity returns and sector preference among investors, while also providing insights into sentiment around earnings after the second quarter releases.

Amidst rising concerns over recession in the US, we will also be studying growth conditions via the release of second quarter GDP readings, including preliminary updates in the UK and eurozone. Improvements in growth conditions from the first quarter are expected for both the UK and Eurozone and even Japan based on PMI data.

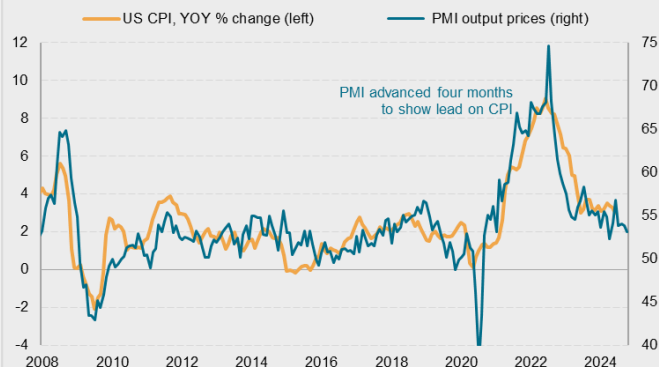
Meanwhile the Reserve Bank of New Zealand convene mid-August with speculations of a rate cut starting to gather just ahead of the meeting. This takes place amidst rising concerns surrounding economic growth around the world, though the RBNZ's stance earlier in May had clearly been nowhere near dovish.

Other noteworthy releases in the week include activity data from Mainland China with the release of industrial production and retail sales to be released on Thursday. Official industrial production figures will be scrutinised after PMI data, including both the NBS and Caixin survey, having pointed to a relatively weaker manufacturing sector as compared with services.

US inflation moving towards target

July's US CPI data will be watched for official confirmation that inflation is moving further in the right direction especially amidst widespread expectations for the US Fed to lower rates into the latter half of the year. According to the [S&P Global US PMI data, selling price inflation further eased in July](#), giving clear indications that CPI will be moving closer to the Fed's target.

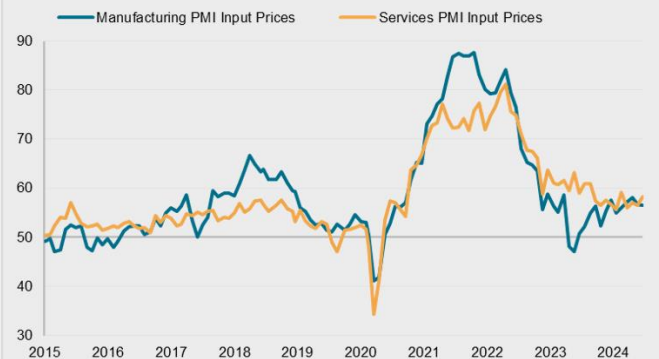
US inflation and the PMI output prices index



Data compiled August 4, 2024.
PMI covers manufacturing only prior to 2009 but manufacturing & services thereafter.
Source: S&P Global PMI, BEA via S&P Global Market Intelligence.
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That said, risks remain on the cost side with still-elevated input price inflation, and this should not be overlooked. Policymakers are likely eager to see these cost pressures soften in the near-term before gaining greater confidence of falling inflation.

US PMI survey price indices



Data compiled August 4, 2024.
PMI (Purchasing Managers' Index) diffusion index, 50 = no change on prior month, seasonally adjusted.
Source: S&P Global PMI.
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Key diary events

Monday 12 Aug

Japan, Thailand Market Holiday
Singapore GDP (Q2, final)
India Industrial Production (Jun)
India Inflation (Jul)
China (Mainland) New Yuan Loans, M2, Loan Growth (Jul)
United States Monthly Budget Statement (Jul)
United Kingdom Regional Growth Tracker* (Jul)

Tuesday 13 Aug

Japan PPI (Jul)
United Kingdom Labour Market Report (Jun)
Spain Inflation (Jul, final)
Eurozone ZEW Economic Sentiment (Aug)
Germany ZEW Economic Sentiment (Aug)
United States PPI (Jul)
S&P Global Investment Manager Index* (Aug)
GEP Global Supply Chain Volatility Index* (Jul)

Wednesday 14 Aug

New Zealand RBNZ Interest Rate Decision
United Kingdom Inflation (Jul)
India WPI (Jul)
France Inflation (Jul, final)
Eurozone GDP (Q2, prelim)
Eurozone Industrial Production (Jun)
United States CPI (Jul)

Thursday 15 Aug

India, Italy, South Africa Market Holiday
Japan GDP (Q2, prelim)
Australia Employment Change (Jul)
China (Mainland) Industrial Production, Retail Sales, Fixed Asset Investment (Jul)
Indonesia Trade (Jul)
Japan Industrial Production (Jun, final)
United Kingdom monthly GDP, incl. Manufacturing, Services and Construction Output (Jun)
United Kingdom GDP (Q2, prelim)
Philippines BSP Interest Rate Decision
United States Retail Sales, Industrial Production (Jul)
United States Business Inventories (Jun)

Friday 16 Aug

Singapore Non-oil Domestic Exports (Jul)
Malaysia GDP (Q2)
Germany Wholesales Prices (Jul)
United Kingdom Retail Sales (Jul)
Switzerland Industrial Production (Q2)
Hong Kong SAR GDP (Q2, final)
Eurozone Balance of Trade (Jun)
Canada Housing Starts (Jul)
United States Building Permits (Jul, prelim)
United States Michigan Consumer Sentiment (Aug, prelim)

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

What to watch in the coming week

Americas: US CPI, PPI, retail sales, industrial production, building permits and UoM sentiment data

The key data to watch in the coming week will be US inflation figures after the Fed signalled that interest rate cuts are coming at their end-July meeting. According to the latest S&P Global US PMI data, a further cooling of selling price inflation in July is [indicative of consumer price inflation moving closer towards the Fed's 2% target](#), supporting the Fed in their endeavour to lower rates.

Additional data to observe in the week include retail sales, industrial production, building permits and UoM sentiment figures, with the latest [S&P Global US Manufacturing PMI](#) indicating that the expansion in production softened in July.

EMEA: UK GDP, labour, inflation reports and retail sales data, Eurozone Q2 GDP, German ZEW survey

The UK releases a series of tier-1 data including the preliminary Q2 GDP reading and July payrolls and inflation updates. Recent PMI data have pointed to the easing of inflationary pressures in the UK. The latest [composite PMI price charged index further pointed to CPI easing to around 2.5%](#) as services selling price inflation fell. Meanwhile a slightly stronger Q2 expansion is expected for the UK based on PMI data while jobs growth conditions improved at the start of the second half of 2024.

A positive GDP print is also expected for the eurozone in Q2, though the more up-to-date July [HCOB Eurozone PMI](#) data pointed to the eurozone economy stalling at the start of the second half of 2024.

APAC: RBNZ meeting, Japan, Singapore, Malaysia GDP, India Inflation, China industrial production, retail sales data, Australia employment

The Reserve Bank of New Zealand (RBNZ) convenes in the new week amid rising expectations for rate cuts from major central banks around the world. The focus will also be with data releases including Japan's Q2 GDP, which is forecasted to show improved performance in the second quarter. Meanwhile Mainland China's industrial production will be closely watched after latest PMI data indicated that [manufacturing output growth slowed](#) in July.

S&P Global Investment Manager Index and GEP Global Supply Chain Volatility Index

Following the latest market turmoil, the S&P Global Investment Manger Index will provide insights into investor sentiment and key market drivers. Additionally, the GEP Global Supply Chain Volatility Index will shed light on supply conditions amidst [increased reports of shipping delays impacting global supply chains and exports in July](#).

Email us

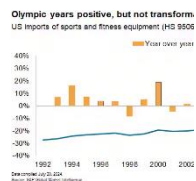
Have a PMI related question or want to receive this in your inbox weekly? Send us an email at PMI@spgobal.com.

Recent PMI and economic analysis from S&P Global

Global	Global trade conditions continue to deteriorate in July	6-Aug	Jingyi Pan
	Detailed PMI sector data show global economic growth led by financial services as growth disparities widen	6-Aug	Chris Williamson
	Global PMI surveys show selling price inflation at joint-lowest since October 2020	5-Aug	Chris Williamson
	Global PMI upturn remains robust in July but pace wanes for second month running	5-Aug	Chris Williamson
	Top five takeaways from July's PMI survey data as global manufacturing falls into decline	2-Aug	Chris Williamson
	Shipping delays impact global supply chains and exports	2-Aug	Chris Williamson
	Flash PMIs show the US leading developed world expansion in July as eurozone lags	24-Jul	Chris Williamson
EMEA	Flash PMI shows UK businesses gaining confidence as selling prices rise at slowest rate for 3½ years	24-Jul	Chris Williamson
	Flash PMI signals stalling of eurozone economy	24-Jul	Chris Williamson
Americas	US economy grows strongly in July as service sector resilience offsets manufacturing malaise	6-Aug	Chris Williamson
Asia-Pacific	Japan's private sector growth renews while price pressures intensify	24-Jul	Jingyi Pan

S&P Global Market Intelligence highlights

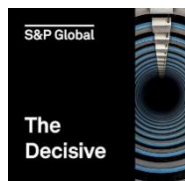
Paris Olympics and the changing landscape of sports supply chains



The Olympic and Paralympic Games Paris 2024 from July 26 onward represent the peak of a four-yearly cycle of sports promotion, with the Olympic organization's charter including the promotion of sports for all. A general downturn in global trade in sports goods suggests a new round of inspiration for sports and fitness activities is needed. From a peak of \$20.97 billion in 2021, US imports of sports products fell to \$14.85 billion in 2023.

[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
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