

Week Ahead Economic Preview

US payrolls, BoC meeting and worldwide PMI releases for August

30 August 2024

August US labour market report will be the data highlight in the lead up to the September FOMC meeting, while the Bank of Canada may lower rates again ahead of the Fed meeting. Additionally, worldwide manufacturing and services PMI will shed light on growth, inflation and supply chain conditions following the flash PMI update.

US employment market data for August will be eagerly anticipated at the start of September for clues regarding the interest rate path. The data follow Jackson Hole comments from Fed chair Jerome Powell that interest rates are expected to be lowered from September if the data come in as expected. With the Fed's focus on supporting the job market, any surprises on the downside may spur the market to speculate for a bigger September cut or extended rate reductions in the months to follow. As far as [US flash PMI](#) data have shown, a decline in the employment index in August hints at a lower reading for payrolls, while softening price pressures also suggest an absence of further wage pressures, which is in line with the latest estimates.

Meanwhile central bank monetary policy meetings are expected to unfold in Canada and Malaysia, with the Bank of Canada (BoC) expected to lower rates again in September as inflationary pressures eased. Furthermore, with the Fed looking set to commence their rate cut cycle in September, the BoC may well proceed with lessened risk of rates moving too far ahead of the US.

Worldwide releases of August manufacturing, services and detailed sector data will also be closely watched for insights into growth trends, assessing if the [uneven sectoral growth pattern seen across developed nations in flash data](#) extends to the rest of world. More importantly, inflation trends will be key to watch being the determinants of global interest rates. Additionally, supply chain conditions will be scrutinised amid sustained disruptions in the Red Sea, [which contributed to a worsening of trade conditions earlier in July](#).

In APAC, besides tracking regional performance in August via the PMI data, key official data releases include Australia's Q2 GDP and mainland China's trade data over the weekend.

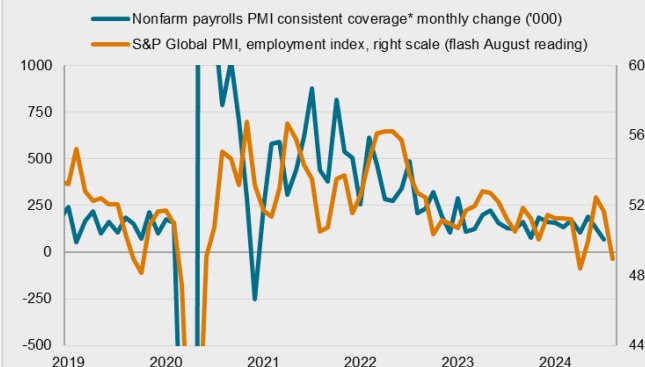
Nonfarm payroll report in spotlight

With markets eager to assess scope for the FOMC to cut US interest rates at its September meeting, the monthly nonfarm payroll report for August will provide a major clue. The Fed has clearly signalled a shift in its policy stance towards supporting the employment aspect of its remit, bringing heightened focus to the job market data.

This policy focus pivot is supported by the [recent PMI data](#), which showed inflation pressures further abating. Most notably, barring only a blip lower in January, flash PMI data for August showed the slowest rise in prices charged by service providers since inflation picked up in the sector back in June 2020. Meanwhile, however, the flash PMI data showed employment falling across manufacturing and services for the third time in the past five months. This represents the weakest spell of jobs growth since the early pandemic months.

One word of caution: it's clear that weaker hiring in manufacturing reflected a reaction to sluggish sales, but employment fell in the service sector often due to labour shortages. The latter would reflect a tight labour market. Hence wage data will also be important to watch on Friday, and could temper the Fed's enthusiasm for aggressive rate cuts.

US nonfarm payrolls and the PMI



Data compiled August 2024.

* covers manufacturing & private services.

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

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Key diary events

Monday 2 Sep

US, Canada, Vietnam Market Holiday

Worldwide Manufacturing PMIs, incl. global PMI* (2-3 Sep)

Australia Building Permits (Jul, prelim)

Indonesia Inflation (Aug)

United Kingdom Nationwide Housing Prices (Aug)

Turkey GDP (Q2)

Italy GDP (Q2, final)

Tuesday 3 Sep

South Korea Inflation (Aug)

Switzerland Inflation (Aug)

Switzerland GDP (Q2)

Turkey Inflation (Aug)

South Africa GDP (Q2)

Brazil GDP (Q2)

United States ISM Manufacturing PMI (Jul)

Wednesday 4 Sep

Worldwide Services, Composite PMIs, inc. global PMI* (3-4 Sep)

Australia GDP (Q2)

Brazil Industrial Production (Jul)

Canada Trade (Jul)

US Trade (Jul)

Canada BoC Interest Rate Decision

United States JOLTs Job Openings (Jul)

United States Factory Orders (Jul)

United States Fed Beige Book

Thursday 5 Sep

South Korea GDP (Q2, final)

Philippines Inflation (Aug)

Australia Trade (Aug)

Thailand Inflation (Aug)

Germany Factory Orders (Jul)

Malaysia BNM Interest Rate Decision

Eurozone HCOB Construction PMI* (Aug)

United Kingdom S&P Global Construction PMI* (Aug)

Eurozone Retail Sales (Jul)

United States ADP Employment Change (Aug)

United States ISM Services PMI (Aug)

S&P Global Sector PMI* (Aug)

Friday 6 Sep

Brazil Trade (Aug)

Australia Home Loans (Jul)

Germany Trade and Industrial Production (Jul)

United Kingdom Halifax House Price Index* (Aug)

Eurozone GDP (Q2, 3rd est.)

Canada Unemployment Rate (Aug)

United States Non-Farm Payrolls, Unemployment Rate and Average Hourly Earnings (Aug)

Saturday 7 Sep

China (Mainland) Trade (Aug)

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

What to watch in the coming week

Worldwide manufacturing and services PMI releases

August PMI data, including manufacturing, services and composite figures, will be due across the globe at the start of September. Following indications of [faster, but uneven, developed world expansion in August according to flash PMI](#), worldwide releases will be watched for detailed developments across all regions. Sector PMI data will also be updated, shedding light on which are the key growth industries midway through the third quarter of 2024.

Americas: US labour market report, ISM PMI data, BoC meeting, Canada trade and employment data

In the US, August non-farm payrolls, the unemployment rate and wage growth data will be released at the end of the week. This will be the final labour market report due prior to the September Fed meeting where Fed chair Jerome Powell has indicated interest rates will likely be cut. According to consensus, job additions are expected to lessen compared to July, with [August flash US PMI](#) data having alluded to a falling employment trend, which – alongside easing price pressures – is supportive of the Fed's upcoming move.

Additionally, we will also see the release of ISM PMI data and final S&P Global US PMI figures.

The Bank of Canada meanwhile convenes Wednesday with another rate cut on the table. Trade and employment data out of Canada are also anticipated in the week.

EMEA: Eurozone Q2 GDP, retail sales, Germany trade, Switzerland, Turkey GDP and CPI

Besides the detailed PMI data, releases to watch for Europe in the coming week include a third estimate of eurozone Q2 GDP, retail sales and German trade figures. The UK also updates housing prices data for August via the release of the Halifax and nationwide house price indices.

[August HCOB Flash Eurozone PMI](#) data revealed that the eurozone economy avoiding a downturn in August, though trade conditions remained subdued, including in Germany.

APAC: Australia, South Korea GDP, BNM meeting, China trade data, South Korea, Indonesia, Philippines inflation

In APAC, detailed PMI data will offer the earliest insights into growth conditions in the region. Official data to watch include GDP from Australia and South Korea. Meanwhile Malaysia's central bank, the Bank Negara Malaysia, updates monetary policy settings though no changes are expected as of yet.

Additionally, trade data from mainland China will be due over the weekend post the release of Caixin PMI in the week. Inflation numbers from South Korea, Indonesia and Philippines will also be updated.

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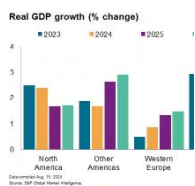
Have a PMI related question or want to receive this in your inbox weekly? Send us an email at PMI@spgobal.com.

Recent PMI and economic analysis from S&P Global

Global	Flash PMIs show an accelerating but uneven developed world expansion in August	23-Aug	Chris Williamson
	Monthly PMI Bulletin: August 2024	15-Aug	Jingyi Pan
	Emerging market growth slows as manufacturing expansion cools	15-Aug	Jingyi Pan
	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
EMEA	August flash PMI signals eurozone economy downturn averted, for now	22-Aug	Chris Williamson
	Flash UK PMI signals faster economic growth and lower inflation in August	22-Aug	Chris Williamson
Americas	Flash PMI points to sustained, but unbalanced, third quarter US economic growth as price pressures moderate further	23-Aug	Chris Williamson
Asia-Pacific	Japan's business activity growth hits 15-month high but future confidence slips lower	22-Aug	Jingyi Pan

S&P Global Market Intelligence highlights

Global economic outlook: August 2024



Early August's extreme market turbulence has abated, yet more volatile conditions are likely to persist. The exceptional volatility at the start of the month ought to be viewed in the context of "thin" markets, frothy equity valuations and an overreaction to the noise in some weaker-than-expected US economic data.

[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](#)
- [How to subscribe](#) to PMI data

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