

Week Ahead Economic Preview

Worldwide PMIs, US payrolls, eurozone inflation in focus

27 September 2024

Markets will once again look primarily to the US for guidance in the coming week, amid a slew of updated economic indicators and Fed speeches which include the non-farm payroll report and the PMIs, the latter also providing insights to global economic trends as the policy focus shifts from inflation to growth.

The 50-basis point cut to US interest rates at the FOMC's September meeting was important in representing a pivotal moment for the US rates outlook, marking the first time that the Fed has cut interest rates since the early pandemic days. However, the cut was also important in potentially opening the door for more aggressive rate cutting by other central banks, if needed. Concerns over interest rate differentials and resultant exchange rate appreciation have arguably limited the room for manoeuvre at some central banks where rate cuts might be necessary.

A case in point is the eurozone, where flash PMI data showed a further cooling of price pressures in September, down to a level below the ECB's target, while at the same time output contracted. In Germany, there are signs that the economy is already in a technical recession, feeling concerns of ['hard landing' risks](#).

Growth trends could deteriorate further in the major developed economies, as [business sentiment about prospects for the year ahead slumped sharply](#) according to the flash PMIs, reflecting heightened geopolitical worries. Topping the list of companies' concerns was uncertainty caused by the US Presidential Elections, including the potential for new tariffs and protectionism. But European companies are also concerned about shifting political sands closer to home, which could affect fiscal policy – notably in the UK but also in the EU, and firms globally are worried about the Middle East and ongoing conflict in Ukraine.

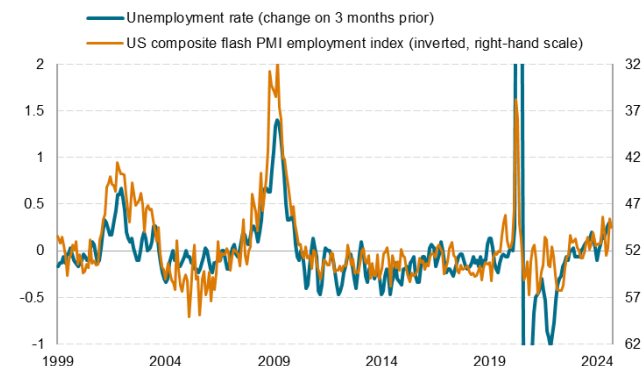
The global PMI data will therefore be important in assessing worldwide growth differentials and signs of softening labour markets in order to seek further clues as to which central banks will be next to move in the rate cutting cycle. The US will of course be central here, as the PMIs are accompanied by the monthly official employment report, for which the flash PMI data have indicated a further cooling of the job market.

Flash PMI G4 economies: current and future output



Data compiled September 24, 2024.
PMI covers manufacturing and services. 50 = no change in year ahead/no change in current vs. prior month.
Source: S&P Global PMI with HCOB and au Jibun Bank.
© 2024 S&P Global.

US unemployment



Data compiled September 2024 (using ISM data prior to 2009).
PMI index 50 = no change on prior month, covers manufacturing and services.
Source: S&P Global PMI, ISM, BLS via S&P Global Market Intelligence.
© 2024 S&P Global.

Chris Williamson, Chief Business Economist
Jingyi Pan, Economics Associate Director
S&P Global Market Intelligence

Key diary events

Monday 30 Sep

South Korea Industrial Production (Aug)
Japan Industrial Production (Aug, prelim)
China (Mainland) NBS PMI (Sep)
China (Mainland) Caixin PMI* (Sep)
Germany Retail Sales (Aug)
United Kingdom Current Account (Q2)
United Kingdom GDP (Q2, final)
United Kingdom Mortgage Lending and Approvals (Aug)
Italy Inflation (Sep, prelim)
Germany Inflation (Sep, prelim)
United States Fed Powell Speech

Tuesday 1 Oct

China (Mainland), Hong Kong SAR, Mexico Market Holiday
Worldwide Manufacturing PMIs, incl. global PMI* (Sep)
Japan Unemployment Rate (Aug)
Japan BoJ Summary of Opinions (Sep)
South Korea Trade (Sep)
Australia Building Permits (Aug, prelim)
Australia Retail Sales (Aug)
Indonesia Inflation (Sep)
Japan Consumer Confidence (Sep)
Switzerland Retail Sales (Aug)
Eurozone Inflation (Sep, flash)
United States ISM Manufacturing PMI (Sep)
United States JOLTs Job Openings (Aug)

Wednesday 2 Oct

China (Mainland), India Market Holiday
South Korea Inflation (Sep)
Japan Tankan Large Manufacturers Index (Q2)
United Kingdom Nationwide Housing Pries (Sep)
Eurozone Unemployment Rate (Aug)
Brazil Industrial Production (Aug)
United States ADP Employment Change (Sep)

Thursday 3 Oct

China (Mainland), South Korea Market Holiday
Worldwide Services, Composite PMIs, inc. global PMI* (Sep)
S&P Global Sector PMI* (Sep)
Australia Trade (Aug)
Switzerland Inflation (Sep)
Turkey Inflation (Sep)
United States ISM Services PMI (Sep)
United States Factory Orders (Aug)

Friday 4 Oct

China (Mainland) Market Holiday
Philippines Inflation (Sep)
Australia Home Loans (Aug)
France Industrial Production (Aug)
United Kingdom S&P Global Construction PMI* (Sep)
Italy Retail Sales (Aug)
Canada Balance of Trade (Aug)
United States Non-farm Payrolls, Unemployment Rate, Average Hourly Earnings (Sep)

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

Copyright © 2024 S&P Global Market Intelligence. All Rights Reserved.

What to watch in the coming week

Worldwide manufacturing, services and sector PMI

September worldwide manufacturing and services PMI data will be released on Monday and Wednesday respectively. Additionally, we have brought forward the release of detailed sector PMI to the third working day of each month, enabling the analysis of both composite and sector data on the same day. Following the update of [flash PMI data for September, where we have seen developed economies' growth and inflation trends diverge](#), worldwide PMI will therefore offer a complete picture of how things have fared at the end of Q3.

Americas: Fed speeches, US labour market report, ISM PMI, Canada trade, Brazil industrial production

Fed appearances will continue in the week and comments will again be parsed for greater insights into the Fed's intentions. The release of the US September labour market report and PMI data will also add signals for the likely aggressiveness of rate cuts in the near term. According to the consensus, a slightly slower increase in non-farm payrolls is expected for September while the unemployment rate is expected to tick up from 4.2% to 4.3%. At the same time, wage growth is expected to slow on a month-on-month basis. According to the latest [S&P Global Flash US PMI](#) for September, employment – including both manufacturing and service sectors – fell for a second month running, supporting expectations for a downtrend in job additions.

EMEA: UK GDP, Eurozone inflation, unemployment data, Switzerland, Turkey CPI

Besides PMI data, key data releases include a final reading of UK Q2 GDP, while the eurozone updates its inflation and unemployment data. The [HCOB Flash Eurozone PMI for September outlined a further easing of selling price inflation but also a drop in employment](#). While PMI prices data typically prelude the trend for official inflation, the latest update outlines the likelihood for a further easing of inflationary pressures in the coming months.

APAC: China PMI, Japan Tankan survey, industrial production, consumer confidence, Australia trade

In APAC, detailed PMI data will offer the earliest insights into how growth has fared. This comes after [growth was found to have decelerated in August for the emerging market as a whole](#). Mainland China PMI data will also be key ahead of the National Day holidays in October, with [both the National Bureau of Statistics \(NBS\) and Caixin releases](#) due Monday.

In Japan, a series of official data releases are expected including the Bank of Japan's Tankan survey, shedding light on business sentiment. The more up-to-date September [au Jibun Bank Flash Japan Composite PMI](#) future output indicator meanwhile suggested that optimism levels further moderated at the end of the third quarter.

Email us

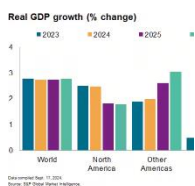
Have a PMI related question or want to receive this in your inbox weekly? Send us an email at PMI@spgobal.com.

Recent PMI and economic analysis from S&P Global

Global	Flash PMIs point to diverging growth and inflation trends across major developed economies	24-Sep	Chris Williamson
	Comparing the NBS and Caixin manufacturing PMI surveys	18-Sep	Chris Williamson
	Monthly PMI Bulletin: September 2024	13-Sep	Jingyi Pan
	Steepest deterioration in trade conditions since December 2023	12-Sep	Jingyi Pan
	Emerging market growth decelerates in August while price pressures ease	12-Sep	Chris Williamson
	Detailed PMI sector data underscore growing rift between manufacturing and services economies in August	9-Sep	Chris Williamson
	Manufacturing downturn spreads from Europe to America, but UK bucks the malaise	9-Sep	Chris Williamson
EMEA	Flash PMIs point to diverging growth and inflation trends across major developed economies	23-Sep	Chris Williamson
	Flash UK PMI signals solid economic growth and further downshifting of inflation	23-Sep	Chris Williamson
Americas	US manufacturing PMI sends warning signals on economic conditions	3-Sep	Chris Williamson
Asia-Pacific	Australia's manufacturing sector under pressure but price data limit scope for interest rate cuts	17-Sep	Jingyi Pan

S&P Global Market Intelligence highlights

Global economic outlook: September 2024



The US Federal Reserve started its long-awaited easing cycle with a bang. The initial rate cut of 50 basis points was larger than we had forecast, while the Fed's communication was also more dovish. As a result, we now expect cuts of 25 basis points in both November and December this year, with a series of cuts in 2025-26 returning the policy rate to neutral. Given the size of the Fed's move, along with its signals of more easing to follow, rate cuts elsewhere will become more widespread as concerns of currency depreciation recede.

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

The Decisive | Ep. 15 - PMI in Focus: Trade trends and political uncertainty



In this episode of The Decisive Podcast, host Paul Smith is joined by senior economists Andrew Harker and Tim Moore to explore the latest trends in global trade and the impact of recent geopolitical events. They discuss the fragility of export order volumes and the significance of Purchasing Managers Indices (PMIs) as early indicators of economic health. The conversation also delves into the effects of political uncertainty on PMI surveys, particularly in the context of the recent election in U.K. and the upcoming election in the U.S.

[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](#).

The intellectual property rights to the data provided herein are owned by or licensed to S&P Global and/or its affiliates. Any unauthorised use, including but not limited to copying, distributing, transmitting or otherwise of any data appearing is not permitted without S&P Global's prior consent. S&P Global shall not have any liability, duty or obligation for or relating to the content or information ("Data") contained herein, any errors, inaccuracies, omissions or delays in the Data, or for any actions taken in reliance thereon. In no event shall S&P Global be liable for any special, incidental, or consequential damages, arising out of the use of the Data. Purchasing Managers' Index™ and PMI® are either trade marks or registered trade marks of S&P Global Inc or licensed to S&P Global Inc and/or its affiliates.

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

CONTACT US

Chris Williamson

Chief Business Economist
S&P Global Market Intelligence
London

T: +44 779 5555 061
chris.williamson@spglobal.com

Jingyi Pan

Economics Associate Director
S&P Global Market Intelligence
Singapore

T : +65 6439 6022
jingyi.pan@spglobal.com

The Americas

+1-877-863-1306

EMEA

+44-20-7176-1234

Asia-Pacific

+852-2533-3565

spglobal.com/marketintelligence/en/mi/products/pmi.html