

# Week Ahead Economic Preview

US inflation and European GDP updates to help plot policy paths

8 November 2024

**The future paths of central bank interest rates have become blurred with the prospect of radically different US policy under Trump 2.0, but updates to US inflation and GDP growth in the eurozone and UK will help guide near-term market expectations of what scope central banks have to loosen policy further in the near-term.**

October's PMI surveys indicated a sustained robust expansion of the US economy which contrasted with weak growth in Europe. This divergence will likely be further highlighted via official data releases for GDP in the US and eurozone in the coming week, alongside updated monthly industrial production and retail sales in the US.

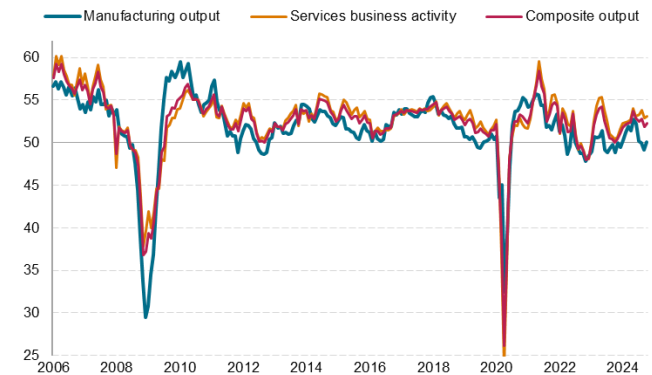
Growth in both the US and Europe is currently skewed towards services and the consumer, according to the PMIs, which portray a global expansion that is unusually lop-sided. A strong service sector contrasts with a stalled global manufacturing economy, the latter notably weak in Europe.

In the absence of a healthy manufacturing economy, growth in the services economy is instead being supported by rising demand for financial services. This is in turn a reflection of looser financial conditions which, alongside elevated markets, includes lower interest rates. Further cuts to policy rates in the US and the UK in early November will have added more stimulus. Hence, guidance on the Fed's next move will be sought from the updated consumer price data from the US, due on Wednesday.

The question remains as to whether lower interest rates can stimulate other components of healthy economic growth worldwide, notably business investment, in an uncertain climate. Business confidence remains in the doldrums, as proxied by PMI data on new orders for capital equipment. Capex spending is being subdued by heightened economic uncertainty, particularly around protectionism. Any further clarity on US economic policy in the new Trump era will thus be eagerly assessed by markets in the coming week.

In the same vein, updated industrial production and retail sales data from mainland China will help gauge the impact of recent government stimulus announcements, with the PMI having already alluded to improved business conditions in October.

**Global PMI two-speed economy**



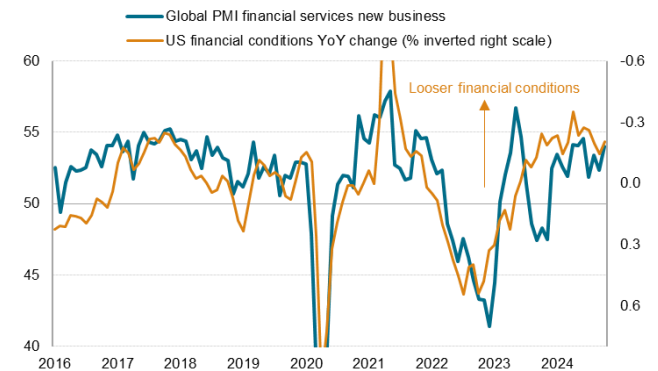
Data compiled November 2024 including PMI data to October 2024.

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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**Global PMI financial services new orders vs. financial conditions**



Data compiled November 2024.

Source: Source: S&P Global Market Intelligence, Federal Reserve Bank of Chicago.

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**S&P Global Market Intelligence**

## Key diary events

### Monday 11 Nov

Japan BOJ Summary of Opinions (Oct)  
 Turkey Industrial Production (Sep)  
 Turkey Unemployment Rate (Sep)  
 Mexico Consumer Confidence (Oct)  
 Mexico Industrial Production (Sep)

### Tuesday 12 Nov

Australia Westpac Consumer Confidence Change  
 Australia NAB Business Confidence (Oct)  
 Germany Inflation (Oct, final)  
 United Kingdom Labour Market Report (Sep)  
 Germany ZEW Economic Sentiment (Nov)  
 Brazil Retail Sales (Sep)  
 India Industrial Production (Sep)  
 India Inflation (Oct)  
 Brazil Business Confidence (Nov)  
 United Kingdom Regional Growth Tracker\* (Oct)  
 Global GEP Supply Chain Volatility Index\* (Oct)  
 S&P Global Investment Manager Index\* (Nov)

### Wednesday 13 Nov

South Korea Unemployment Rate (Oct)  
 France Unemployment Rate (Q3)  
 Eurozone Industrial Production (Sep)  
 United States Inflation (Oct)  
 China (Mainland) New Yuan Loans, M2, Loan Growth (Oct)  
 S&P Global Business Outlook\* (Oct)

### Thursday 14 Nov

Australia Employment (Oct)  
 Sweden Inflation (Oct, final)  
 United Kingdom monthly GDP, incl. Manufacturing, Services and Construction Output (Sep)  
 United Kingdom GDP (Q3, prelim)  
 Spain Inflation (Oct, final)  
 Eurozone GDP (Q3, 2<sup>nd</sup> est.)  
 Eurozone Employment Change (Q3, prelim)  
 United States PPI (Oct)

### Friday 15 Nov

Brazil, India Market Holiday  
 Japan GDP (Q3, prelim)  
 China (Mainland) Industrial Production, Retail Sales, Fixed Asset Investment (Oct)  
 China (Mainland) House Price Index (Oct)  
 Indonesia Trade (Oct)  
 Malaysia GDP (Q3)  
 Germany Wholesale Prices (Oct)  
 France Inflation (Oct, final)  
 Hong Kong SAR GDP (Q3, final)  
 Italy Inflation (Oct, final)  
 United States Retail Sales (Oct)  
 United States Industrial Production (Oct)  
 United States Business Inventories (Sep)

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

## What to watch in the coming week

### Americas: US inflation, retail sales, industrial production data, Fed comments

Following the Federal Open Market Committee (FOMC) meeting this week, US CPI data will be due Wednesday, 13 November, for insights into inflation developments and the path forward for the Fed. According to the consensus, US core inflation is expected to hover just above 3.0% going into the fourth quarter, and [may ease further in the coming months in accordance with the signals from the US PMI](#). Additionally, US activity data including retail sales and industrial production will also be updated for October. Latest PMI data again alluded to the divergence in sector performance, with [falling manufacturing production](#) hinting at soft industrial production performance while a [marked improvement in the service sector](#) is often a good indication that robust growth has been sustained for retail sales. Fed comments will also be heard through the week, helping focus minds on the potential for another rate cut in December.

### EMEA: UK GDP and jobs report, Eurozone GDP, employment and industrial production

The UK releases Q3 GDP on Thursday plus detailed sector output data for September. Official confirmation of the third quarter growth rate will be watched with more up-to-date [October data having indicated that quarterly GDP growth in the UK has likely further slowed to 0.1% in October](#). UK employment data for September will also be keenly tracked after jobs growth was shown to have near-stalled according to PMI indications, before declining in October.

A revised Q3 eurozone GDP reading will be anticipated after a stronger than expected flash 0.4% estimate, in addition to employment and industrial production figures.

### APAC: China industrial production, retail sales, Japan GDP, Australia employment

Mainland China's industrial production and retail sales numbers will be updated for October at the end of the week. Early signs of supportive policy measures lifting manufacturing production performance were observed from the latest [Caixin China General Manufacturing PMI while services activity growth](#) had also accelerated.

Separately, Japan's Q3 GDP will be due Friday.

### S&P Global Business Outlooks, Investment Manager Index and Global Supply Chain Volatility Index

Business outlook surveys based on PMI findings in October will be released for insights into expectations surrounding growth, hiring, profitability, price and capex spending.

The new week also brings monthly S&P Global Investment Manager Index, tracked around the US election result release period, and the Supply Chain Volatility Index.

## Email us

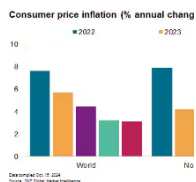
Have a PMI related question or want to receive this in your inbox weekly? Send us an email at [PMI@spglobal.com](mailto:PMI@spglobal.com).

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

Global	<a href="#">Global PMI selling price inflation at four-year low in October</a>	7-Nov	Chris Williamson
	<a href="#">Global trade remains in contraction at start of fourth quarter</a>	7-Nov	Jingyi Pan
	<a href="#">PMI surveys record faster global economy growth in October as confidence revives</a>	6-Nov	Chris Williamson
	<a href="#">Top five economic takeaways from October's PMI as global manufacturing downturn eases</a>	4-Nov	Chris Williamson
	<a href="#">Developed economy growth slips to six-month low, prices rise at slowest rate for four years</a>	24-Oct	Chris Williamson
	<a href="#">Emerging market economies expand at slowest pace in nearly a year</a>	14-Oct	Jingyi Pan
	<a href="#">Monthly PMI Bulletin: October 2024</a>	11-Oct	Jingyi Pan
EMEA	<a href="#">Flash eurozone PMI top five takeaways: Economy stalls as price pressures ease</a>	24-Oct	Chris Williamson
	<a href="#">Flash UK October PMI signals slower economic growth and smallest rise in costs for nearly four years</a>	24-Oct	Chris Williamson
Americas	<a href="#">US manufacturing PMI sends warning signals on economic conditions</a>	3-Sep	Chris Williamson
Asia-Pacific	<a href="#">Japan's business activity declines while selling price inflation rises in October</a>	24-Oct	Jingyi Pan
	<a href="#">Typhoon Yagi causes steep drop in Vietnamese manufacturing production in September</a>	1-Oct	Andrew Harker

## S&P Global Market Intelligence highlights

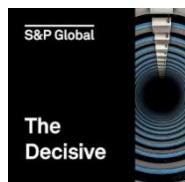
### Global economic outlook: October 2024



Our global economic outlook continues to be centered on gradually moderating inflation, more widespread monetary policy easing and, consequently, a soft landing. This assessment is vulnerable to a multitude of risks, including geopolitical developments such as conflict escalation in the Middle East and potential policy shifts following the US elections in early November.

[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](#).

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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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