

Week Ahead Economic Preview

US and eurozone inflation data to guide December rate decisions

22 November 2024

Inflation data for the US and Eurozone will be key themes to watch amid speculation on rate cuts in December, as survey data hint at a widening growth divergence between the two economies.

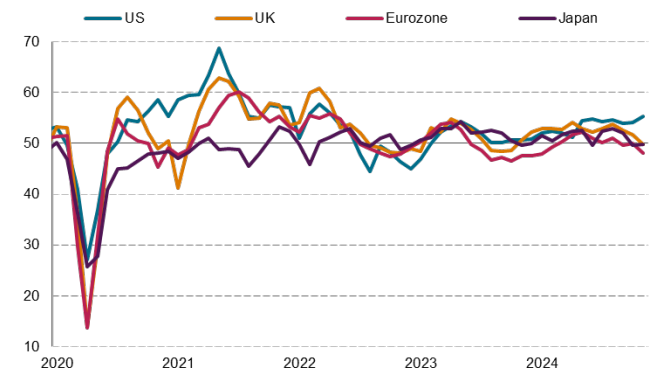
Flash PMI survey data for the US showed business activity growing at a strong and accelerating pace in November, with output rising amid strengthening demand. US business confidence about prospects for the year ahead has also surged higher in November as uncertainty from the Presidential Election lifted and prospects of a more business-friendly administration buoyed spirits, assisted also by hopes of further cuts to interest rates. To round off the good news, price pressures cooled further. In fact, average prices charged for US goods and services barely rose, registering the smallest monthly increase seen by the S&P Global PMI this side of the pandemic. All of this bodes well as we look ahead to the release of US GDP data and inflation numbers in the form of PCE prices in the coming week.

Also look out for the minutes from the last FOMC meeting, where clues will be sought as to the likelihood of another rate cut in December. Canadian central bank policy will meanwhile be guided by third quarter GDP.

It was a very different story in Europe, however, where the flash PMIs pointed to renewed downturns of business activity in the Eurozone and, to a lesser degree, the United Kingdom. The worrying message from Europe is that economic weakness seems to be spreading from the beleaguered manufacturing sector to the larger services economy. Sentiment is being hit by structural and protectionist worries alongside more domestic-focused concerns, especially relating to politics. On the plus side, the flash PMI surveys continued to register modest price growth by recent standards in both the eurozone and UK, adding to scope for potential rate cuts to help offset downturns. Fresh business confidence and eurozone inflation data will be available in the week ahead to add to the policy debate.

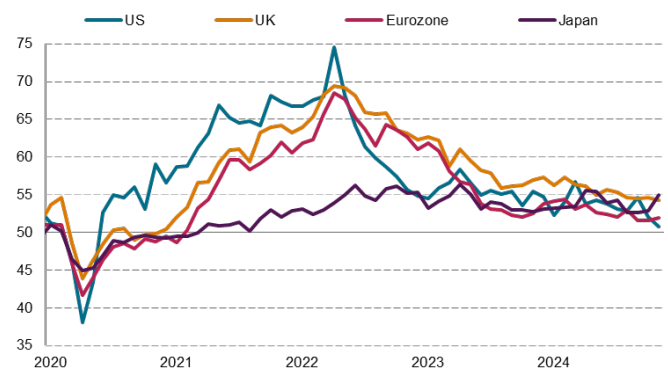
In Asia, GDP for India and Singapore are released while policy decisions are awaited in South Korea and New Zealand. The weekend will also see the release of NBS PMI data for mainland China, which will be eyed for impacts on business conditions from recent stimulus and tariff worries.

Flash PMI output indicators of 'G4' economies



Data compiled November 22, 2024.
PMI covers manufacturing and services. 50 = no change on prior month.
Sources: S&P Global PMI with HCOB (Eurozone) and au Jibun Bank (Japan).
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Flash PMI output price indicators



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Source: S&P Global PMI with HCOB and au Jibun Bank.
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Key diary events

Monday 25 Nov

China (Mainland) PBoC 1-Year MLF
Singapore GDP (Q3, final)
Germany Ifo Business Climate (Nov)
United States Chicago Fed National Activity Index (Oct)

Tuesday 26 Nov

South Korea Consumer Confidence (Nov)
Singapore Industrial Production (Oct)
Hong Kong SAR Balance of Trade (Oct)
United States S&P/Case-Shiller Home Price (Sep)
United States CB Consumer Confidence (Nov)
United States Richmond Fed Manufacturing Index (Nov)
United States Dallas Fed Manufacturing Index (Nov)

Wednesday 27 Nov

Australia Monthly CPI Indicator (Oct)
New Zealand RBNZ Interest Rate Decision
China (Mainland) Industrial Profits (Oct)
Germany GfK Consumer Confidence (Dec)
France Consumer Confidence (Nov)
United States Core PCE Price Index (Oct)
United States Durable Goods Orders (Oct)
United States GDP (Q3, 2nd est.)
United States Personal Income and Spending (Oct)
United States Initial Jobless Claims
United States Wholesale Inventories (Oct)
United States Pending Home Sales (Oct)
United States Fed FOMC Minutes (Nov)

Thursday 28 Nov

United States Market Holiday
South Korea BoK Interest Rate Decision
Eurozone ECB General Council Meeting
Spain Inflation (Nov, prelim)
Eurozone Economic Sentiment (Nov)
Germany Inflation (Nov, prelim)

Friday 29 Nov

United States Market Holiday
South Korea Industrial Production (Oct)
Japan Unemployment (Oct)
Japan Industrial Production (Oct, prelim)
Japan Consumer Confidence (Nov)
Japan Housing Starts (Oct)
Germany Retail Sales (Oct)
Turkey GDP (Q3)
France Inflation (Nov, prelim) and GDP (Q3, final)
United Kingdom Mortgage Lending and Approvals (Oct)
Eurozone Inflation (Nov, flash)
Italy Inflation (Nov, prelim)
Germany Unemployment Rate (Nov)
Brazil Unemployment (Oct)
India GDP (Q3)
Canada GDP (Q3)

Saturday 30 Nov

China (Mainland) NBS PMI (Nov)

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

What to watch in the coming week

Americas: Fed minutes, US Q3 GDP, core PCE, home prices, personal income and spending, Canada Q3 GDP

Minutes from the November FOMC meeting will be parsed for further clues on the Fed's thoughts regarding the outlook for interest rates especially with a more "gradual" view towards rate adjustment having been adopted in the post-election meeting. This is amidst uncertainty over whether interest rates will be further lowered in the December meeting, with a rate cut only partially priced in at present according to the CME FedWatch tool. A marked cooling of price pressures in the [latest S&P Global Flash US PMI helps open the door for a further lowering of interest rates](#), though an acceleration of growth calls into question the immediate need to loosen policy.

Additional key data releases to watch include Q3 GDP from the US and Canada. October's US core PCE prices, personal income and spending figures will also be due.

EMEA: Eurozone inflation, France GDP, Germany Ifo Business Climate, pan-European confidence data

Following the release of the [HCOB Flash Eurozone PMI, which showed that the rate of selling price inflation inched up in November but remained consistent with the ECB's target](#), official preliminary November consumer inflation data from the eurozone will be awaited to confirm the trend. Economic sentiment figures will also be due after the latest PMI Future Activity Index revealed that business optimism across the eurozone fell to the lowest since September 2023.

Separately, France updates final Q3 GDP figures while Germany's confidence data will be highlights in the week.

APAC: RBNZ, BoK meetings, China NBS PMI, Australia monthly CPI, India, Singapore, Taiwan GDP, Japan industrial production, unemployment data

Central bankers in New Zealand and South Korea convene in the new week with the market expecting rate cuts to unfold at the monetary policy meetings. Meanwhile key data releases in the region include mainland China's PMI from the National Bureau of Statistics (NBS) ahead of worldwide November PMI due at the start of December.

Additionally, GDP from India, Singapore and Taiwan will be updated through the week. More up-to-date November [HSBC Flash India PMI data](#) indicated that India's business activity expansion remained robust in the penultimate month of the year, signalling above-average growth in the fourth quarter based on the first two months' data. Japan's industrial production and unemployment data will also be in the spotlight, with the former in particular focus after the [latest au Jibun Bank Flash Japan PMI](#) showed a further reduction in manufacturing output in November.

Email us

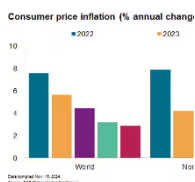
Have a PMI related question or want to receive this in your inbox weekly? Send us an email at PMI@spgobal.com.

Recent PMI and economic analysis from S&P Global

Global	US outperformance widens in November as output surge contrasts with decline in Europe	25-Nov	Chris Williamson
	How to interpret and use the Productivity PMI	19-Nov	Eleanor Dennison
	Monthly PMI Bulletin: November 2024	12-Nov	Jingyi Pan
	Emerging market growth accelerates but employment weakens	8-Nov	Jingyi Pan
	Global PMI selling price inflation at four-year low in October	7-Nov	Chris Williamson
	Global trade remains in contraction at start of fourth quarter	7-Nov	Jingyi Pan
	PMI surveys record faster global economy growth in October as confidence revives	6-Nov	Chris Williamson
EMEA	Flash eurozone PMI top takeaways: Economy falls into decline in November	22-Nov	Chris Williamson
	Flash UK PMI falls into contraction territory as outlook gloom deepens	22-Nov	Chris Williamson
Americas	US outperformance widens in November as output surge contrasts with decline in Europe	25-Nov	Chris Williamson
Asia-Pacific	Japan's private sector output declines in November as inflation intensifies	22-Nov	Jingyi Pan
Upcoming Webinar	<i>Join economic experts behind the world's most market-moving economic indicators to get immediate analysis into the newly released Purchasing Managers' Index (PMI) data — on release day.</i>	<i>Sign up for the next webinar</i>	

S&P Global Market Intelligence highlights

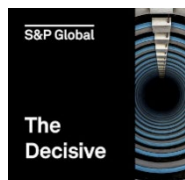
Global economic outlook: November 2024



S&P Global Market Intelligence's forecasts have not changed materially in November's update, but uncertainty over the outlook has risen markedly. Following recent elections, the likelihood of major US policy shifts has risen, with potentially widespread economic and financial implications. This could radically alter our current base case for the global economy of gradually moderating inflation, falling interest rates and steady if unspectacular growth.

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The Decisive | PMI in Focus: Global Economic Trends and Consumer Sentiment



Join economists Paul Smith, Andrew Harker, and Maryam Baluch in this episode of The Decisive podcast as they delve into the latest trends in the global economy. They discuss the upcoming Flash PMI data releases for key countries, including the U.S., Eurozone, and India, and analyze the current performance of various sectors, particularly manufacturing and services.

[Click here to listen to this podcast by S&P Global Market Intelligence](#)

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Links to more resources

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- [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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