

Week Ahead Economic Preview

ECB tops a busy week of central bank rate setting, plus US inflation

6 December 2024

The coming week sees a clutch of central bank meetings including in Brazil, Canada, Australia, Taiwan and Switzerland, as well as in the eurozone. All bar Brazil are leaning towards looser policy, some more aggressively than others. Meanwhile inflation data for the US will help steer Fed policy at its meeting later in the month, while GDP and labour market data for the UK will likewise be eagerly assessed for Bank of England policy guidance.

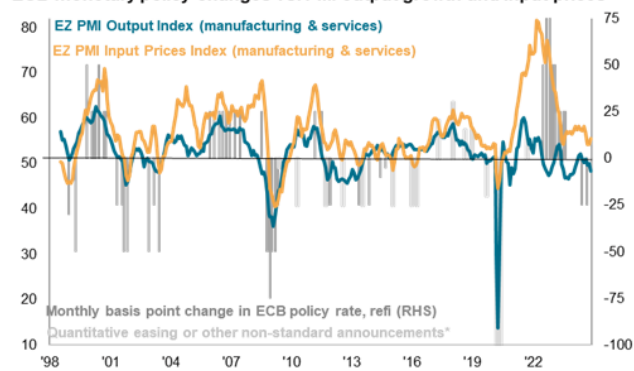
Polymakers at the European Central Bank convene for the last time in 2024 to set interest rates with a 25 basis rate cut penciled in by the markets. In fact, markets are pricing in rate cuts at each meeting through to the middle of next year as economists see the eurozone economy faltering and inflation cooling. Some therefore question whether the ECB could go for a 50 basis point cut at its December meeting, to get ahead of the curve and give the economy a boost.

Some sort of boost certainly looks needed according to the latest surveys. The [eurozone PMI](#) fell into contraction territory in November as a severe manufacturing downturn bled to the service sector. The region's [construction industry](#) is also reporting a deepening downturn in demand. The eurozone is suffering from structural issues, including poor productivity and a lack of competitiveness, as well as mounting political uncertainty, the latter exacerbated by the collapse of the French government. The threat of further disruption from US tariffs also looms large.

However, the survey data perhaps also hint at the need for caution. Some of the economic weakness seen in November was linked to flood-related disruptions in Spain, and the PMI also indicated an upturn in price pressures, with stickiness still evident in the services economy linked to wage growth. Hence our economics team sees a 25 basis point cut as the most likely outcome from the December meeting, albeit to be swiftly followed by more rate cutting in the new year should the data flow warrant more loosening.

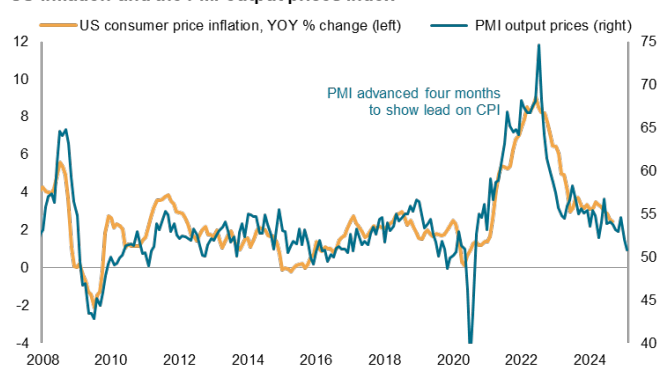
A 25 basis point cut is also priced in by markets by the FOMC on 18 December with a near 75% probability, but any surprises in the upcoming consumer price inflation data in the coming week could alter these odds. Consensus expectations point to an unchanged 0.2% monthly rise for the headline rate and the core rate to remain at 0.3%.

ECB monetary policy changes vs. PMI output growth and input prices



Data compiled December 2024 including PMI November data.
PMI (Purchasing Managers' Index) based on 50 = no change on prior month. QE bars illustrative size only.
Sources: S&P Global PMI, S&P Global Market Intelligence, HCOB, ECB.
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US inflation and the PMI output prices index



Data compiled December 5, 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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S&P Global Market Intelligence

Key diary events

Monday 9 Dec

Japan GDP (Q3)
Australia Building Permits (Oct)
China (Mainland) CPI, PPI (Nov)
Switzerland Consumer Confidence (Nov)
Taiwan Trade (Nov)
Mexico Inflation (Nov)
United Kingdom KPMG/REC Report on Jobs (Nov)

Tuesday 10 Dec

Thailand Market Holiday
Australia NAB Business Confidence (Nov)
Australia RBA Interest Rate Decision
Malaysia Industrial Production (Oct)
Germany Inflation (Nov, final)
Turkey Industrial Production (Oct)
Italy Industrial Production (Oct)
Brazil Inflation (Nov)
Mexico Consumer Confidence (Nov)
S&P Global Investment Manager Index* (Dec)

Wednesday 11 Dec

South Korea Unemployment Rate (Nov)
South Africa Inflation (Nov)
United States Inflation (Nov)
Canada BoC Interest Rate Decision
Brazil BcB Interest Rate Decision
GEP Global Supply Chain Volatility Index* (Nov)

Thursday 12 Dec

Mexico Market Holiday
Australia Employment (Nov)
United Kingdom monthly GDP, incl. Manufacturing, Services and Construction Output (Oct)
Switzerland SNB Interest Rate Decision
Taiwan CBC Interest Rate Decision
India Industrial Production (Nov)
India Inflation (Nov)
Brazil Retail Sales (Oct)
Mexico Inflation (Nov)
Eurozone ECB Interest Rate Decision
United States PPI (Nov)

Friday 13 Dec

Australia Westpac Consumer Confidence Change
Japan Tankan Large Manufacturers Index (Q4)
China (Mainland) New Yuan Loans, M2, Loan Growth (Nov)
United Kingdom GfK Consumer Confidence (Dec)
Japan Industrial Production (Oct, final)
Germany Trade (Oct)
France Inflation (Nov, final)
Spain Inflation (Nov, final)
Eurozone Industrial Production (Oct)
United States Export and Import Prices (Nov)

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

What to watch in the coming week

Americas: Bank of Canada meeting; US CPI, PPI; Mexico and Brazil inflation

The Bank of Canada (BoC) updates their monetary policy settings in the fresh week with the consensus pointing to a further lowering of interest rates. A softening GDP growth pace in the third quarter had boosted expectations for another rate cut by the BoC, while the latest [November S&P Global Canada PMI](#) prices data showed selling price inflation remained below the long-run average, thereby providing room for the BoC to further ease rates.

Additionally, inflation data will be released in the US, Brazil and Mexico. November US CPI data will be the last set of inflation indicators due prior to the December 17-18 Federal Open Market Committee (FOMC) meeting and will be important in guiding rate cut expectations. This followed the release of the [latest S&P Global US PMI which showed a further cooling of selling price inflation](#).

EMEA: ECB & SNB meetings; UK GDP; Germany trade

The European Central Bank (ECB) convenes with a 25-basis point cut widely expected in their final meeting of the year. This is amidst softening economic conditions in the eurozone while inflation remain subdued by historical standards according to [recent HCOB Eurozone PMI data](#).

Key data releases in the region include UK jobs survey data and October's GDP, with [more up-to-date PMI data indicating that the UK economy expanded at the slowest pace in just over a year](#). Meanwhile, eurozone industrial production and German trade data will be updated in the week, with PMI data alluding to further weakness of both.

APAC: RBA meeting; China inflation; Japan Tankan

The central bank meeting in Australia will unfold in the coming week while key official releases to watch in the APAC region will be mainland China's inflation data and the Bank of Japan's quarterly Tankan survey.

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

The final S&P Global Investment Manager Index of 2024 will be updated on Tuesday and watched for insights in changes to investment sentiment, sector preferences and market drivers after [November's survey revealed that risk appetite improved](#) in the immediate post-US election period.

The GEP Supply Chain Volatility Index will also be updated for November, in a month where we saw global goods demand return to expansion while lead times slightly lengthened for a sixth straight month.

Email us

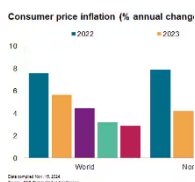
Have a PMI related question or want to receive this in your inbox weekly? Send us an email at PMI@spglobal.com.

Recent PMI and economic analysis from S&P Global

Global	PMI surveys point to robust global growth in November, but Europe falters as US outperforms	5-Dec	Chris Williamson
	Top five economic takeaways from November's manufacturing PMI data as tariffs loom	3-Dec	Chris Williamson
	Using the Global PMI instead of GDP as a macro indicator for investing	29-Nov	Chris Williamson
	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
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	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.	Sign up for the next webinar	

S&P Global Market Intelligence highlights

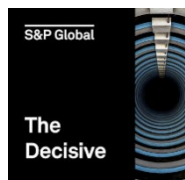
Global economic outlook: November 2024



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.

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

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

- [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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