

Week Ahead Economic Preview

Central bank meetings and flash PMIs

13 December 2024

A clutch of high-profile central bank meetings in the coming week is accompanied by a slew of tier-one data releases to provide guidance on economic conditions and likely policy paths in the new year.

Markets are anticipating a further 25 basis point rate cut from the US Federal Reserve in the coming week, adding to the policy easing after the ECB also cut rates by 25 basis points at its December meeting. However, the cutting cycle is by no means universal: the Bank of England is expected to sit on its hands amid concerns over sticky inflation and some are betting on the Bank of Japan hiking rates.

The FOMC meeting will also be scrutinised for any forward guidance on rates, as markets have pared back expectations of US rate cuts over 2025 due to the new administration. Many forecasters anticipate that higher inflation will ensue later in 2025 once proposed trade tariffs take effect, which could see the FOMC's policy easing halt by mid-year.

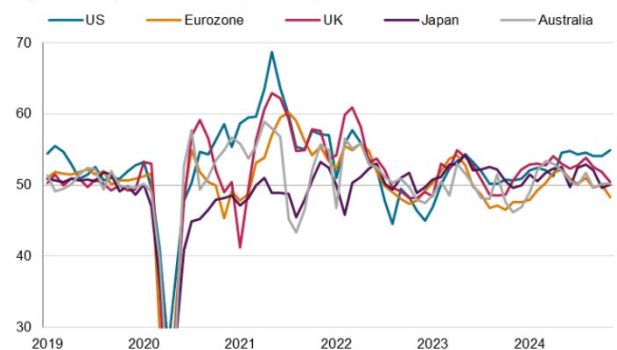
A timely handle on economic trends in the major economies will meanwhile be provided by the flash PMIs. [Prior data](#) showed the US outperforming other developed market peers, not least the eurozone, which [slipped into contraction](#) in November. However, more or less stalled growth pictures were seen in the UK, Australia and Japan.

A key development to watch with the upcoming flash PMI data has been a heightening of uncertainty in Europe, linked to political instability in the EU as well as the threat of US protectionism, which contrasts with a corresponding surge in optimism amongst US manufacturers. The latter had, however, [yet to feed through to higher US production](#), so December's data will be eyed to see if there is any impact yet beyond the purchasing of imports ([notably from mainland China](#)) as US firms seek to front-run threatened tariffs.

The UK flash PMI data will also provide an important update on how businesses are reacting to the recent Budget, which saw an employee-based tax hike that has shown signs of [dampening business confidence](#) and [subduing demand for labour](#), but which could also push prices higher.

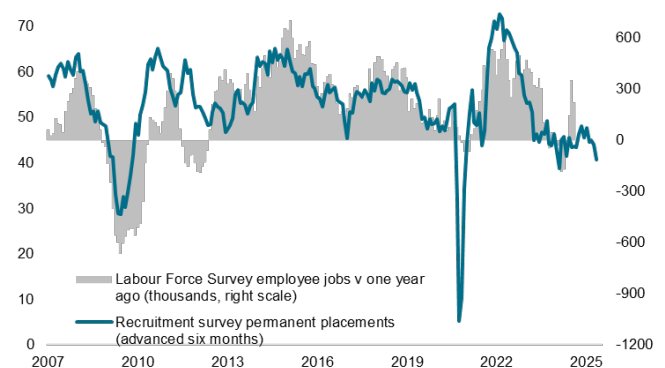
Other key data releases include retail sales and industrial production for the US and mainland China, plus PCE prices for the US and CPI inflation for the UK, eurozone and Japan.

Major developed economies, PMI output



Data compiled December 2024 including PMI data to November 2024.
PMI index value of 50 = no change on prior month, covers manufacturing and services.
Sources: S&P Global PMI, S&P Global Market Intelligence, HCOB, au Jibun Bank
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UK employment and recruitment



Data compiled December 2024.
Recruitment survey data shown as index based on 50 = no change on prior month.
Source: S&P Global PMI with KPMG/REC (recruitment survey) and ONS.
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S&P Global Market Intelligence

Key diary events

Monday 16 Dec

South Africa Market Holiday

Australia S&P Global Flash PMI, Manufacturing & Services*

Japan au Jibun Bank Flash PMI, Manufacturing & Services*

India HSBC Flash PMI, Manufacturing & Services*

UK S&P Global Flash PMI, Manufacturing & Services*

Germany HCOB Flash PMI, Manufacturing & Services*

France HCOB Flash PMI, Manufacturing & Services*

Eurozone HCOB Flash PMI, Manufacturing & Services*

US S&P Global Flash PMI, Manufacturing & Services*

Japan Machinery Orders (Oct)

China (Mainland) Industrial Production, Retail Sales, Fixed Asset Investment, 1-Year MLF Announcement (Nov)

Indonesia Trade (Nov)

India Trade (Nov)

Italy Inflation (Nov, final)

Canada Housing Starts (Nov)

Tuesday 17 Dec

United Kingdom Labour Market Report (Oct)

Germany Ifo Business Climate (Dec)

Eurozone Balance of Trade (Oct)

Germany ZEW Economic Sentiment Index (Dec)

Canada Inflation (Nov)

Canada New Housing Price Index (Nov)

United States Retail Sales and Industrial Production (Nov)

United States Business Inventories (Nov)

Wednesday 18 Dec

Australia Westpac Consumer Confidence (Dec)

Japan Trade (Nov)

Thailand BoT Interest Rate Decision

United Kingdom Inflation (Nov)

Indonesia BI Interest Rate Decision

Eurozone Inflation (Nov, final)

United States Building Permits and Housing Starts (Nov)

United States FOMC Interest Rate Decision

Thursday 19 Dec

New Zealand GDP (Q3)

Japan BoJ Interest Rate Decision

Germany GfK Consumer Confidence (Jan)

Philippines BSP Interest Rate Decision

United Kingdom BoE Interest Rate Decision

United States GDP (Q3, final)

United States Existing Home Sales (Nov)

United States CB Leading Index (Nov)

Mexico Banxico Interest Rate Decision

Friday 20 Dec

Japan Inflation (Nov)

China (Mainland) Loan Prime Rate (Nov)

Malaysia Inflation (Nov)

United Kingdom Retail Sales (Nov)

United States Core PCE (Nov)

United States Personal Income and Spending (Nov)

Eurozone Consumer Confidence (Dec, flash)

United States UoM Sentiment (Dec, final)

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

What to watch in the coming week

December flash PMI releases

Flash PMIs for the major economies, based on data collected from around the 5th December onwards, will be published on Monday. [Following mixed regional performance observed in November, driven partially by changes in behaviour amidst US tariffs threat](#), economic conditions across major developed economies and India will be keenly tracked with the upcoming release.

Americas: FOMC meeting, US Q3 GDP, core PCE, industrial production, retail sales, personal income and spending, existing home sales data; Canada inflation

The final Federal Open Market Committee (FOMC) meeting of the year unfolds with the consensus pointing to another 25 basis point cut in interest rates. Focus will rest on the Fed's outlook amidst rising uncertainties over the path forward for interest rates as the new US administration steps into office in 2025. December's [S&P Global Investment Manager Index](#) found that the most common expectation among money manager thus far is for the Fed to lower rates by between 51 and 100 basis points over the course of 2025.

Separately, data releases to watch include the final reading of US Q3 GDP, November's core PCE data and monthly activity data. Canada's inflation data will also be updated.

EMEA: BoE meeting, UK CPI, retail sales and labour market data; Eurozone CPI; Germany Ifo & ZEW surveys

The Bank of England (BoE) is expected to keep rates unchanged in December after lowering the bank rate in November. Focus will also be on UK inflation and employment data released for official confirmation of the softening trend observed in PMI data.

Following the December flash PMI releases on Monday, final November inflation data out of the eurozone and various Germany sentiment surveys will also be published.

APAC: BoJ, BoT, BI, BSP meetings; Japan inflation and trade data, China industrial production, retail sales data; New Zealand GDP

Expectations for the Bank of Japan (BoJ) to hike at their December meeting has risen in the lead up to the 19th December announcement, though odds are tilted towards a hold. Rising selling price inflation in November, according to the [au Jibun Bank Japan PMI](#), provided some support for a rate hike though subdued growth calls for some caution. Ahead of the meeting, we will also see the release of December's set of flash PMI data.

Additionally, key releases in the region include Japan's inflation and activity data out of mainland China.

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	How to interpret and use the PMI Orders to Inventories ratio	11-Dec	Eleanor Dennison
	PMI survey response rates: Survey response rates continue to average 73%, in line with pre-pandemic averages	11-Dec	Chris Williamson
	Emerging market growth accelerates amid fastest rise in exports for six months	11-Dec	Jingyi Pan
	Monthly PMI Bulletin: December 2024	11-Dec	Chris Williamson, Jingyi Pan
	Manufacturing weakness spills through to labour market	10-Dec	Sian Jones
	Global trade shrinks in November amidst a reduction in goods export orders	6-Dec	Jingyi Pan
	PMI surveys point to robust global growth in November, but Europe falters as US outperforms	5-Dec	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

Power plays: Themes for 2025



The interplay of geopolitical rivalries, economic shifts and evolving trade dynamics will define a conflicted global landscape over 2025. We see four key themes shaping this environment: economic angst, domestic discontent, elusive alliances, and trade troubles. These capture the fragility of global economic growth, the rise of unstable coalitions, the evolving nature of external alliances, and the intricacies of trade barriers and tariffs.

[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
- [PMI podcasts](#)
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