

# Week Ahead Economic Preview

US inflation and UK economic growth to help guide central bank policy

7 February 2025

**The focus shifts to US inflation in the coming week amid updates to CPI data and a speech by Fed Chair Powell. The UK's growth trajectory also comes under renewed scrutiny with the publication of official GDP data and new labour market statistics.**

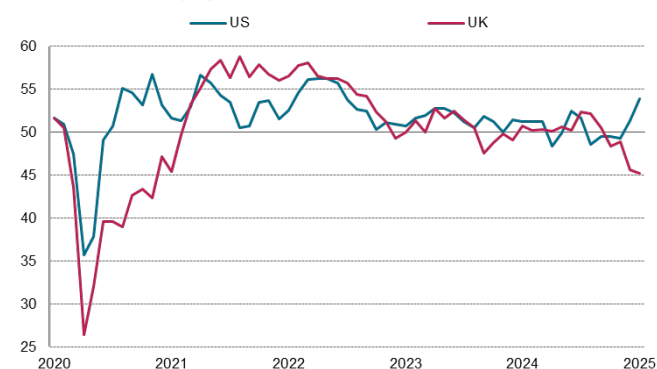
The data highlight of the week will be consumer price inflation from the US on Wednesday, which is expected to show core inflation ticking higher to show a 0.3% monthly gain after a 0.2% rise in December, followed swiftly by testimony from FOMC Chair Powell. The Fed held rates at its last meeting amid signs of robust economic growth, solid labour market conditions and stubborn inflation. Hence official US manufacturing output and retail sales data will also be key gauges to watch in order to ascertain whether the robust economic growth momentum seen late last year has persisted, and whether the uplift [survey optimism](#) and "animal spirits" since the Presidential election has buoyed output and spending.

After recent jobs report data showed US unemployment falling to 4.0% and average hourly earnings up 4.1% (above an expected 3.8% rate), any upsides to inflation and the activity data would naturally add to further speculation of the Fed keeping rates on hold for longer.

UK GDP will also be in the spotlight after the Bank of England slashed its growth forecast for 2025, from 1.5% to 0.75%, as it cut interest rates again in February. While this merely brings their outlook down from unrealistic levels, any further disappointment from the monthly GDP data for December will add to speculation that the Bank may need to cut rates more aggressively in the coming months. You can read our overview of the latest survey signals [here](#), which paints a picture of a UK business environment which has grown increasingly gloomy in recent months.

Meanwhile, amid volatility with official UK labour market statistics, the REC/KMPG survey of recruitment market trends, consolidated by S&P Global Market Intelligence, have provided useful insights into hiring, wage growth and staff availability. Like the UK PMI, it has [recently shown](#) jobs growth deteriorated sharply in the aftermath of the recently announced increase in employment payroll tax, so January's update (due Monday) will be closely watched for further clues as to whether the Bank of England should be worried about job market trends.

S&P Global PMI employment



Data compiled February 2024 including PMI data to January 2025.  
PMI index value of 50 = no change on prior month.  
Sources: S&P Global PMI, S&P Global Market Intelligence.  
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Recent PMI survey data have shown divergent employment trends between the United States and the United Kingdom. While US jobs growth has picked up in recent months, consistent with falling unemployment, a steep fall in employment signaled by the corresponding UK PMI is indicative of rising unemployment.

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

## Key diary events

### Monday 10 Feb

Japan Current Account (Dec)  
Japan Bank Lending (Jan)  
China (Mainland) New Yuan Loans, M2, Loan Growth (Jan)  
Malaysia Unemployment Rate (Dec)  
Turkey Industrial Production (Dec)  
United Kingdom KPMG/REC Report on Jobs\* (Jan)  
United States Consumer Inflation Expectations (Jan)

### Tuesday 11 Feb

Japan Market Holiday  
Australia Westpac Consumer Confidence Change (Feb)  
Australia NAB Business Confidence (Jan)  
France Unemployment Rate (Q4)  
South Africa Manufacturing Production (Dec)  
Brazil Inflation (Jan)  
Mexico Industrial Production (Dec)  
S&P Global Investment Manager Index\* (Feb)

### Wednesday 12 Feb

Australia Home Loans (Q4)  
Italy Industrial Production (Dec)  
India Industrial Production (Dec)  
India Inflation Rate (Jan)  
United States CPI (Jan)  
Canada BoC Summary of Deliberations  
United States Monthly Budget Statement (Jan)  
Global GEP Supply Chain Volatility Index\* (Jan)  
OPEC Monthly Report

### Thursday 13 Feb

Japan PPI (Jan)  
Germany Inflation (Jan, final)  
Philippines BSP Interest Rate Decision  
United Kingdom monthly GDP, incl. Manufacturing, Services  
and Construction Output (Dec)  
United Kingdom GDP (Q4, prelim)  
United Kingdom Trade (Dec)  
Switzerland Inflation (Jan)  
Eurozone Industrial Production (Dec)  
Brazil Retail Sales (Dec)  
United States PPI (Jan)

### Friday 14 Feb

Malaysia GDP (Q4)  
India WPI (Jan)  
Germany Wholesale Prices (Jan)  
Spain Inflation (Jan, final)  
Eurozone GDP (Q4, 2<sup>nd</sup> est.)  
Eurozone Employment Change (Q4, prelim)  
United States Retail Sales (Jan)  
United States Industrial Production (Jan)  
United States Business Inventories (Dec)

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

## What to watch in the coming week

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

Fed comments will be watched in the new week in relation to views regarding inflation and monetary policy amidst the uncertainties pertaining to tariffs. Meanwhile, the economic data highlight will be January's US CPI release, providing an official confirmation on inflation trends at the start of the year. According to [S&P Global US PMI](#) Output Prices data, which tends to precede the trend for inflation, inflationary pressures but had intensified slightly at the start of the year.

Additionally, US retail sales and industrial production numbers are also anticipated. Latest [S&P Global Manufacturing PMI](#) revealed that the sector returned to growth in January, later confirmed by the ISM, hinting at positive industrial production numbers. Robust consumer demand in the services PMI also bodes well for retail sales.

### EMEA: Eurozone GDP, industrial production; UK GDP and monthly output data

The second estimate of eurozone fourth quarter GDP will be published at the end of the week, alongside industrial production numbers for December. While subdued economic activity into the end of 2024 confirmed the weak HCOB Eurozone PMI data, the latest [January PMI numbers have indicted some steadying of the eurozone economy at the start of the year](#).

In the UK, fourth quarter GDP reading coupled with detailed December output data will also be released. Latest [S&P Global UK PMI](#) data showed that the UK economy remained stalled in January which, alongside steep job cuts and a further loss of confidence, hints at some further disappointing news from the official statistics.

### APAC: BSP meeting; Malaysia GDP; India industrial production, WPI

A relatively light week is expected for APAC though a central bank meeting in the Philippines, Malaysia's GDP and India's industrial production figures will be closely watched.

### Investment Manager and Supply Chain Volatility Indices

S&P Global Investment Manager Index, tracking risk sentiment, expected returns and sector preference among money managers with approximately \$3500 billion in assets under management, will be updated for February on Tuesday, offering clues on investment sentiment amid changing US tariff developments.

Meanwhile the GEP Supply Chain Volatility Index, compiled by S&P Global Market Intelligence, will also be tracked for changes in supply chain conditions just prior to the partial tariffs implementation so far announced in February.

## 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="#">Tracking tariff impact via the PMI: Assessing changing manufacturing performance through PMI indicators</a>	5-Feb	Chris Williamson
	<a href="#">Top five economic takeaways from December's manufacturing PMI data as factory conditions stabilise amid improved US performance</a>	4-Feb	Chris Williamson
	<a href="#">Flash PMI data underscore sustained US outperformance among developed economies</a>	27-Jan	Chris Williamson
	<a href="#">PMI output and prices indices provide insights into 10-year benchmark bond yields</a>	22-Jan	Chris Williamson, Jingyi Pan
	<a href="#">Monthly PMI Bulletin: January 2025</a>	14-Jan	Jingyi Pan
	<a href="#">Worldwide PMI survey data signal stubborn services sector price pressures</a>	8-Jan	Chris Williamson
	<a href="#">Global trade contraction accelerates at the end of 2024 amid falling goods export orders</a>	8-Jan	Jingyi Pan
EMEA	<a href="#">Flash UK PMI signals stalled economy and steep job cuts amid further loss of confidence, while price pressures spike higher</a>	24-Jan	Chris Williamson
	<a href="#">Flash eurozone PMI top five takeaways: Economy steadies at start of 2025 as confidence revives in manufacturing</a>	24-Jan	Chris Williamson
Americas	<a href="#">Flash PMI signals buoyant US business optimism at start of 2025</a>	24-Jan	Chris Williamson
Asia-Pacific	<a href="#">Japan's private sector growth accelerates amid deepening sector divergence</a>	24-Jan	Jingyi Pan
<b>Upcoming Webinar</b>	<b><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></b>	<a href="#"><b><i>Sign up for the next webinar</i></b></a>	

## 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](#)

## 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](#)
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