

Week Ahead Economic Preview

FOMC and Bank of England policy decisions follow services PMIs

2 May 2025

Services PMI numbers are updated around the world to provide updated guidance on growth and inflation trends, and set the scene for FOMC and Bank of England policymaker meetings.

The US Federal Open Market Committee announces its latest policy decision on Wednesday followed by the Bank of England's Monetary Policy Committee on Thursday. Despite the FOMC coming under pressure to cut rates amid signs of economic weakness, with GDP contracting in the first quarter, US policymakers are widely expected to keep rates on hold as they evaluate the impact of tariffs on inflation. US inflation expectations have spiked higher among consumers. [Producers responding to PMI surveys](#) have also reported sharply higher costs, generally associated with higher imported input prices linked to tariffs, which fed through to the steepest rise in prices charged for goods recorded for nearly two and a half years.

In contrast, policymakers at the Bank of England are expected to reduce the policy rate by a further 25 basis points from the current 4.5% level to help shore up the economy. The flash PMI surveys have already shown [UK business activity contracting](#) at a rate not seen since the decline caused by the Liz Truss mini Budget in 2022. Analysts will be keen to see if policymakers perceive increased downside growth risks from tariffs, and whether this might justify a faster pace of rate cutting.

However, calls for steeper UK rate cuts may be balanced by worries over inflation. The UK is not only seeing survey evidence of manufacturing prices rising sharply, but is also experiencing sharper inflation in the service sector. Companies are reporting the passing-through of National Insurance hikes and other additional payroll costs which came into effect in April. The question will be whether the central bank "looks through" these policy-related inflationary pressures as a one-off change in the price level, or whether it adds to concern over further unwanted stickiness of inflation.

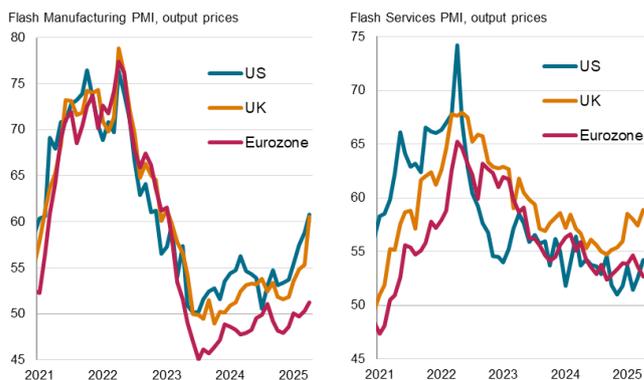
Both policy decisions are preceded by the release of services PMI data, from which important signals will be obtained on second quarter growth prospects for the world's major economies. While the front-loading of tariffs has distorted the growth signals from manufacturing, the signals from [recent flash PMI services data](#) have generally been more uniformly concerning.

US consumer inflation expectations for year ahead (%)



As of May 2025.
Source: S&P Global Market Intelligence, University of Michigan
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Flash PMI output prices



Data compiled April 2025.
G4 PMI covers the US, Eurozone, UK and Japan. 50 = no change on prior month.
Sources: S&P Global PMI with HCOB and au Jibun Bank.
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Key diary events

Monday 5 May

China (Mainland), Hong Kong SAR, Japan, South Korea, Thailand, United Kingdom Market Holiday

Worldwide Services, Composite PMIs, inc. global PMI*
(Released across May 5-6)

Indonesia GDP (Q1)
Singapore Retail Sales (Mar)
Switzerland Inflation (Apr)
Turkey Inflation (Apr)
United States ISM Services PMI (Apr)

Tuesday 6 May

Egypt, Japan, South Korea Market Holiday

Philippines Inflation (Apr)
Australia Building Permits (Mar, prelim)
Switzerland Unemployment Rate (Apr)
France Industrial Production (Mar)
Spain Unemployment Change (Apr)
Canada Trade (Mar)
United States Trade (Mar)

Wednesday 7 May

New Zealand Unemployment Rate (Q1)
Japan au Jibun Bank Services PMI* (Apr)
Philippines Unemployment Rate (Mar)
Germany Factory Orders (Mar)
France Trade (Mar)
Eurozone S&P Global Construction PMI* (Apr)
Italy Retail Sales (Mar)
Taiwan Inflation Rate (Apr)
United Kingdom S&P Global Construction PMI* (Apr)
Eurozone Retail Sales (Mar)
Brazil Industrial Production (Mar)
United States FOMC Interest Rate Decision
Brazil BCB Interest Rate Decision

Thursday 8 May

Japan BoJ Meeting Minutes
Philippines GDP (Q1)
Malaysia Industrial Production (Mar)
Germany Trade (Mar)
United Kingdom Halifax House Price Index* (Apr)
Malaysia BNM Interest Rate Decision
Taiwan Trade (Apr)
United Kingdom BoE Interest Rate Decision
Mexico Inflation (Apr)

Friday 9 May

Japan Household Spending (Mar)
China (Mainland) Trade (Apr)
China (Mainland) New Yuan Loans, M2, Loan Growth (Apr)
United Kingdom Industrial Production (Mar)
Turkey Industrial Production (Mar)
Italy Industrial Production (Mar)
Brazil Inflation (Apr)
Mexico Consumer Confidence (Apr)
Canada Unemployment Rate (Apr)

Saturday 10 May

China (Mainland) CPI, PPI (Apr)

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

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What to watch in the coming week

Worldwide services and detailed sector PMI data

Following the release of manufacturing PMI data from around the world, services and composite numbers will follow at the start of the new week. This comes after [the April manufacturing figures showed worsening global trade](#), confidence and inflation trends as the PMI posted below 50.0 for the first time this year.

Detailed sector PMI data will also be released for insights into performance by sectors across regions, shedding light on the degree to which key sectors have been affected by latest changes in US trade policies. [Autos had been the worst performer in March](#).

Americas: FOMC meeting, ISM Services PMI; Canada trade and employment data

The May Federal Open Market Committee (FOMC) meeting unfolds in the new week with no changes to interest rates expected, though the rhetoric will continue to be closely scrutinised for potential policy changes amidst signs of a deteriorating economic climate. The [S&P Global US Manufacturing PMI](#) revealed that the goods producing sector reported subdued output performance and rising inflation on the back of recent changes in trade policies during April.

Over in Canada, trade and employment data will be watched especially after the [most up-to-date April Manufacturing PMI](#) data indicated that tariffs led to a sharp decline in orders, including export orders, while manufacturing headcounts fell for a third straight month.

EMEA: BoE meeting, UK industrial production; Germany factory orders and trade figures

The Bank of England (BoE) is expected to lower rates by 25 basis points at their May meeting as higher US tariffs on the UK and global economies weigh on growth. While the latest [flash UK PMI](#) pointed to higher inflationary pressures, output data confirmed the fears of renewed economic downturn, the latter expected to be a driver for the lowering of rates.

On the data front, official UK industrial production and Germany factory orders and trade data will be the highlights. Construction PMI from the UK and eurozone, in addition to final services PMI figures will also be anticipated.

APAC: China trade and inflation data; New Zealand Q1 employment; Indonesia, Philippines GDP

A busy economic calendar is expected for the APAC region at the start of May, headlined by releases from mainland China including April trade and inflation numbers. Additionally, New Zealand's employment data will be in focus, while several tier-1 data such as GDP and inflation numbers will be out across various APAC economies.

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	April's manufacturing PMI data reveal worsening global trade, confidence and inflation trends	02-May	Chris Williamson
	UK manufacturers report steepest job and export losses of all economies surveyed by PMI data	02-May	Chris Williamson
	Developed world output growth hits lowest since 2023 as confidence slumps, according to April flash PMI data	24-Apr	Chris Williamson
	Global manufacturing sectors struggle in opening quarter of 2025 amid strengthening headwinds	14-Apr	Siân Jones
	Monthly PMI Bulletin: April 2025	11-Apr	Jingyi Pan
	Emerging markets growth accelerates as selling prices rise at slowest pace in nearly two years	11-Apr	Jingyi Pan
	Tracking tariff impact via the PMI: Assessing US inflationary trends through PMI indicators	10-Apr	David Owen
EMEA	Flash eurozone PMI heralds gloomier outlook as confidence slumps	23-Apr	Chris Williamson
	Flash UK PMI flags renewed economic downturn risks	23-Apr	Chris Williamson
Americas	US business growth hits lowest since late-2023, confidence slumps and prices move higher	23-Apr	Chris Williamson
	US PMI signals slower first quarter expansion amid rising prices	4-Apr	Chris Williamson
Asia-Pacific	Business confidence in Japan eases to near five-year low despite renewal of output growth	23-Apr	Jingyi Pan

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: Navigating Uncertainty in Trade and Tariffs



In this episode of the Decisive Podcast, host Paul Smith, alongside economists Andrew Harker and Joe Hayes, reveals the latest trends and insights from the Purchasing Managers' Index (PMI) data, with a particular focus on the impact of tariffs on global manufacturing. With timely analysis and unique qualitative insights from PMI survey responses, this episode offers valuable perspectives for anyone interested in the dynamics of global trade and manufacturing.

[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](#)
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