

# Week ahead economic calendar [30 May – 03 June]

## PMI™ data to highlight global business trends in May

- **PMI™ surveys to provide insight into the health of the global economy in May.**
- **New PMI™ for Canada launched.**
- **Non-farm payrolls to highlight US hiring trend.**

PMI™ surveys from around the world will provide insight into the health of the global economy in May. Last week's flash PMI™ data showed a worrying slowdown in [China](#) and the [Eurozone](#), with even the hitherto powerful [German](#) economic recovery showing signs of losing momentum. These flash data were key elements in a broad sell off of risky assets.

Recent weakness in the PMIs has been in part attributable to the disruptions to supply chains emanating from the earthquake and tsunami in March, so the [Japanese PMI™ survey](#) will be closely watched in relation not just to Japan, which [slipped back into recession](#) in the first quarter, but also the implications for the global economy. The PMI slumped sharply in March and April, and subsequent data showed a record fall in industrial production.

Eurozone PMI™ data will add details of any differences between growth in the core and the periphery, and especially weak growth in debt-laden countries will add to worries about their ability to finance budget deficits.

UK policymakers will keep a close watch on PMI™ data, which indicated that [economic growth had slowed](#) sharply in April. The surveys will also provide an insight into how recent falls in commodity prices are feeding through supply chains.

The week also sees the release of three of the world's most market-moving economic indicators: the ISM PMI reports for the US and US non-farm payrolls. Combined with the message from the PMI™ data that will have already been published around the world, these numbers have the capacity to drive a major change in risk sentiment. The ISM data fell sharply in April, but remained at reasonably high levels. However, any further weakness will cast doubt on the recovery which was already looking weak in the first quarter (GDP grew by just 1.8% annualised) and may raise calls for renewed quantitative easing by the US Federal Reserve.

Non-farm payrolls rose by 244k in April, taking the rise to 700k in the past three months. We expect the rate of increase to have slowed in May, down to around 175k. That's still strong enough to reduce the rate of unemployment, but the slowdown will add to concerns about the robustness of the US recovery.

### Monday

Market holidays in the UK and US means that the week starts on a quiet note, with **Canadian GDP numbers** for Q1 the highlight. The economy grew at a quarterly rate of 0.8% in the final quarter of 2010, boosted by higher export demand.

### Tuesday

A data heavy day for Japan starts with the publication of the **Markit/JMMA Manufacturing PMI™**, which will provide further insight into the health of the manufacturing sector following March's earthquake and tsunami.

**Unemployment, household spending and construction data** for Japan are also published, as well as the eagerly anticipated preliminary estimate for **industrial production** in April.

In the Eurozone, **employment numbers** for Germany and Italy are published mid-morning, before the **unemployment rate** for the single currency as a whole.

**Producer prices** data for France and Italy are also released, but the highlight of the day is the **flash inflation estimate for the Eurozone**. With a July rate hike in the offing, the headline number will be under the spotlight.

US **consumer confidence** data will provide an insight into consumer attitudes, while the **S&P Case-Shiller House Price Index and Chicago PMI** are also published.

The Bank of Canada (BoC) will announce their **interest rate decision**, with the base rate expected to remain unchanged at 1.0%.

### Wednesday

Wednesday starts with Markit's release of **Final HSBC Manufacturing PMI™** data for China, where the flash PMI™ survey pointed to a moderation in manufacturing output growth and easing price pressures across the industry.

PMI™ data for [Taiwan](#) and [South Korea](#) will also be closely watched as these countries are useful bellwethers of global trade flows.

**Final Markit PMI™ data for the Eurozone** will be eyed closely after flash numbers pointed to a marked downshift in growth across the single currency area and easing inflationary pressures. ECB Monetary Council Members take note.

The **Markit/CIPS UK Manufacturing PMI™** will be watched closely by analysts and members of the Bank of England Monetary Policy Committee alike. [Growth surprised to the downside in April](#), but a cooling in the rate of increase in input costs provided welcome news, adding weight to the Bank of England's view that inflationary pressures are transitory.

**UK consumer credit, mortgage lending and money supply** data for April are published.

Across the Atlantic, the **ADP employment report** will shed light on the health of the US labour market ahead of Friday's non-farm payrolls numbers before the **ISM Manufacturing PMI** is released mid-afternoon. Weaker-than-expected numbers for April raised concerns about the US growth trajectory.

### Thursday

Alongside **factory orders** and the **weekly jobless claims** data for the US, PMI™ data will remain in the spotlight on Thursday.

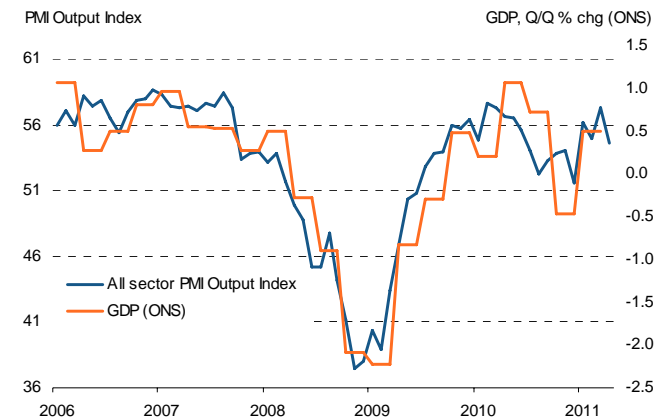
The **Markit/CIPS UK Construction PMI™** data will be eyed to see if the [stronger-than-expected slowdown](#) registered in April is temporary, while Markit and the Royal Bank of Canada (RBC) publish the **Canadian Manufacturing PMI™** for the first time.

### Friday

**Final Markit Eurozone Services PMI™** data follow last week's flash estimate, which showed slower activity growth across the single currency area, suggesting that overall economic expansion likely eased in the second quarter, with GDP rising by perhaps 0.7%. Final services data for **France** and **Germany** are also published.

The publication of the **Markit/CIPS UK Services PMI™** will be seen by many as a [key gauge of the country's economic performance](#) in the second quarter.

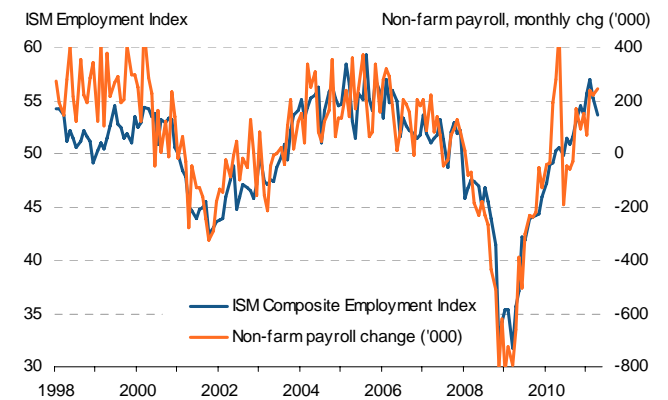
### UK economic growth and the PMIs



Sources: Markit, ONS.

The market moving **'Employment Report'** for the US is released. The US economy added 244 thousand jobs in April, surpassing consensus, but a Reuters poll suggests a more subdued increase is forecast. The ISM's non-manufacturing PMI for May draws the week to a close.

### US labour market



Sources: ISM, US Department of Labour.

Markit's [commentary notes](#) and [press releases](#) can be accessed online, as can a diary of [forthcoming Markit release dates](#).

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