Euro Area Economic Watch

Euro area macro back to school: what to watch in 2019

Bank of America Merrill Lynch

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Economics
Euro Area

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New year, old (inflation) & new (GDP) concerns

Following the Christmas break, we refresh our readers' memories with a checklist of data and risks to monitor for the 2019 economic outlook. Uncertainty over the growth outlook has dominated the start of the year, and we summarise the data flow. Our GDP tracker for 4Q18 currently points to 0.16% qoq, roughly half what we had pencilled in our forecast. We don't think the data is ready to turn yet – we expect the trough to come in 1Q. Yes, Italian PMIs offer some hope of stabilisation and French data may improve a bit in 1Q if the '*gilets jaunes*' movement doesn't flare up again. But the Euro area lags global sentiment, and the input from US and China surveys wasn't promising. Recall that we forecast 1.4% GDP growth for the Euro area in 2019, 20bp below consensus, and risks are tilted lower already.

Inflation to the rescue

If we want to look for a small silver lining, we may just find it in inflation (although it's a double-edged sword). It decelerated to 1.6% yoy in December, in line with our expectation, though below consensus. More declines are to come, courtesy of oil prices having declined $14-$17 across the curve. We cut our 2019 inflation forecasts to 1.0% (vs 1.6% before). That will complicate the ECB's message, but at least lower inflation helps consumer purchasing power and corporate margins, creating some buffer against foreign demand struggles.

Credit dynamics: beyond ECB's QE

We expect Euro area credit developments to attract more market attention this year than in 2018. Indeed, given the end of ECB QE in December, it is likely that M3 money aggregate growth will accordingly reflect the halt in net purchases. Despite lighter monthly purchases already in Q4, so far credit origination has remained positive, albeit pretty wobbly for corporates.

Every country has its own story

Of course, the Euro area story has multiple sub-plots. We provide a quick status update for the big four members. **Italy:** Focus on the country should remain high in the new year. True, the budget saga ended with the Italian parliament approving the 2019 budget bill at the end of December. However, we do not think that Italy will be immune from political headlines. A rich electoral calendar and decrees (not least those implementing pension reform and an income support scheme) could challenge the current ruling majority in the first half of the year. In **France**, the end of 2018 was turbulent with the '*gilets jaunes*' movement; data flow for November/December could be particularly poor. The holiday season and the government's response in December may have helped ease tensions into the new year. But caution is warranted. **Spain** is a bit of an outlier because, unlike everywhere else, 4Q18 growth there currently looks better than expected. But the old problems haven't gone away: rating agencies are unlikely to be happy about the lack of progress on structural budget adjustments, and politics remain complex, to say the least. In **Germany**, meanwhile, the politics have returned second order again. But growth scares in China always mean growth scares in Germany, too – we summarise our previous findings on spillovers. And, of course, there is the car sector challenge: supply-side constraints should have faded, and demand will now be key. And the sword of Damocles that is tariffs is still looming.

Refer to important disclosures on page 10 to 11.
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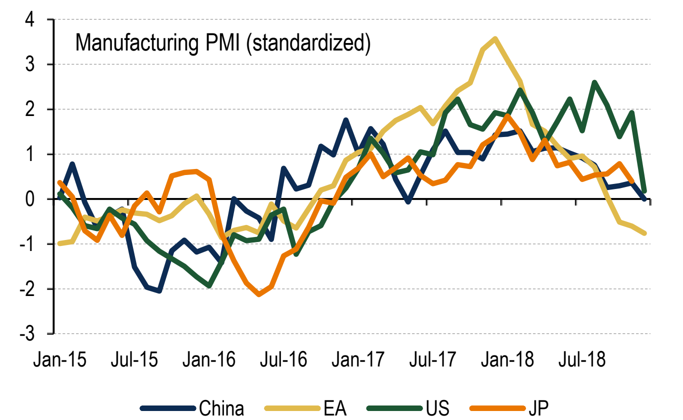
Back to school

December PMIs: closer to 50, but risks still to the downside

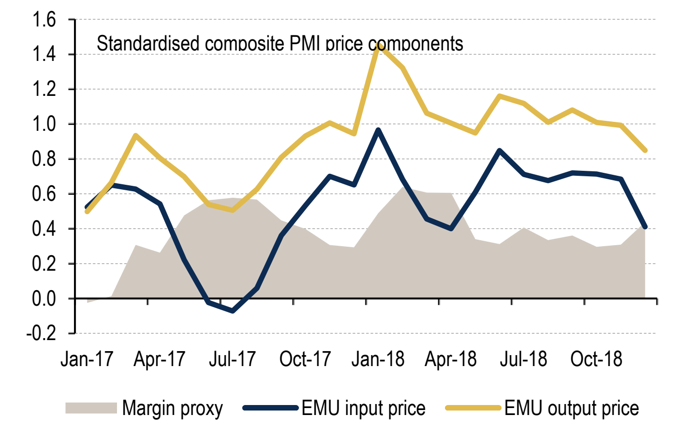
The final print of Euro area composite PMI came in at 51.1, down from 52.7 in November, and the weakest level in four years. A slowdown was reported in both sectors, with manufacturing PMI down to 51.4 from 51.7 in November and service PMI at 51.7 from 53.4 previously. The decline was driven mainly by core countries: French business sentiment was hit by the '*gilets jaunes*' protests in December (PMIs for both monitored sectors fell below the 50-threshold), and in Germany manufacturing weakness is spilling over to the services sector. On the flipside, Italian PMIs recorded a small improvement in December, with composite PMI back at 50 (no-change threshold), after two months in contractionary territory. With composite PMI averaging below-50 (49.5) in Q4, growth momentum for Italy remains weak. However this improvement (in particular in the new orders balance) suggests some stabilisation in Q1.

Chart 1: Euro area PMIs follow global PMIs with a lag



Source: BofA Merrill Lynch Global Research

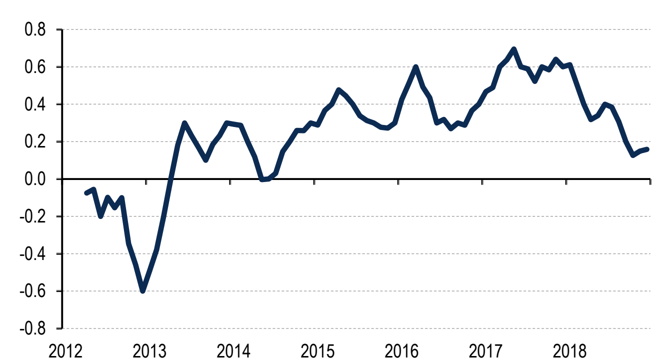
Chart 2: PMI-implied margins



Source: BofA Merrill Lynch Global Research

We still think that the Euro area data trough is only for 1Q19, foreign demand permitting. Remember that Europe typically lags the rest of the world by a few months, and continued weakness in China and the ugly US manufacturing ISM print in December would suggest that foreign demand input to the Euro area is still a drag (Chart 1). It is crucial for us to see whether the drop in US PMI was a one-off and when the impact of policy support will materialize in China. Meanwhile, we have to rely on low oil prices as a tailwind helping purchasing power and corporate profit margins in the Euro area (Chart 2).

Chart 3: Euro area GDP tracker



Source: BofA Merrill Lynch Global Research

Table 1: Tracking Q4 GDP growth

	EA	DE	FR	ES	IT
Q4 PMI-explained GDP growth	0.4	0.2	0.4	0.5	-0.1
GDP tracker	0.2	0.2	0.2	0.7	-0.1
BofAML Forecasts	0.3	0.4	0.4	0.5	0.1
Sample (adjusted): 2013Q1 2017Q3					

Source: BofA Merrill Lynch Global Research

Tracking 4Q GDP growth: unchanged momentum in Q4

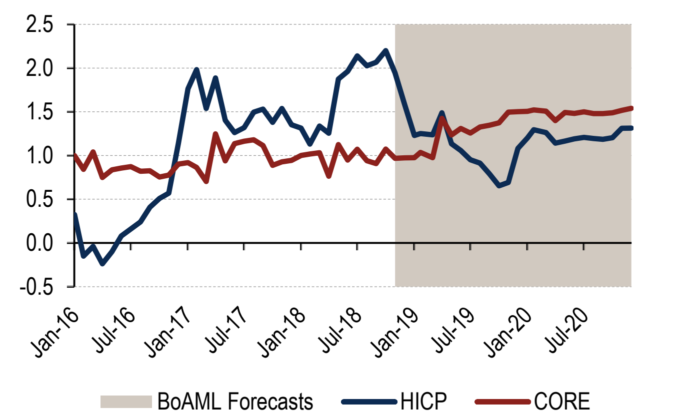
The news from PMIs did not help our GDP tracker, although other data releases since we last updated the tracker have partly compensated for this. As of today we are still tracking pretty much unchanged growth momentum, with qoq GDP growth of 0.16% in 4Q (Chart 3 and Table 1). Across countries the picture is mixed, with the tracker clearly signalling that Italy may enter a technical recession in 4Q and Spain, with special sensitivity to oil prices, showing either unchanged or slightly better momentum than in the previous quarter (0.65% qoq).

Inflation: dropping like a stone – like a 100bps stone

We argued before the break that the recent drop in oil prices was starting to feed quickly into retail prices and that it would leave a significant imprint on the December inflation release. We were expecting Euro area headline inflation to drop to 1.6% (from a revised lower 1.9% in November) and this is what we got. And core was even weaker than we expected, at 0.98 (we were at 1.04). Core inflation, despite all the inflation bulls out there, ended the year 4bps higher than it ended in 2017 – a clearly insufficient speed of convergence to target, which calls into question the ECB's very optimistic core inflation forecasts.

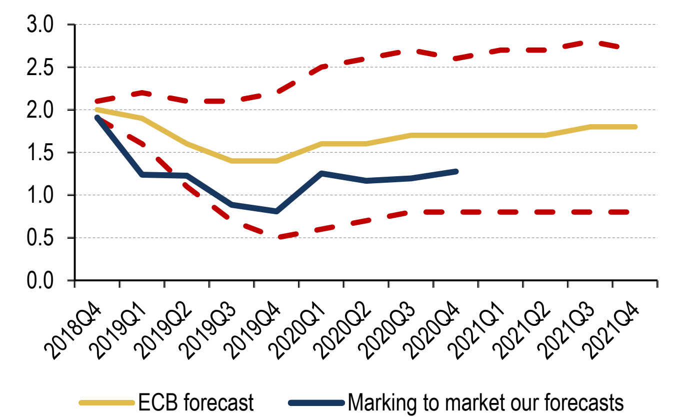
Today we update our inflation forecasts incorporating new oil prices, $14-$17 lower across the curve from the last time we did so. We warned that a simple mark-to-market exercise would take our current inflation forecast for 2019 30bps lower, to 1.3%. Adding the new profile for oil prices takes away another 30bps. In other words, our 2019 inflation forecast moves to 1%, from 1.6%, with 2020 only moving 10bps lower, to 1.2%. Our core inflation forecasts remain unchanged at 1.3% in 2019 and 1.5% in 2020, but with 1.2% and 1.4% only a couple of bps away (Chart 4).

Chart 4: Headline and core inflation forecasts



Source: BofA Merrill Lynch Global Research

Chart 5: ECB vs. BofAML forecasts



Source: ECB, BofA Merrill Lynch Global Research

We now expect the trough in inflation in September-October, at 0.6%. And our new inflation forecasts are pretty much at or below the lower bound of the confidence interval of the ECB's forecasts: the ECB will be surprised on the downside pretty soon (Chart 5). In other words, when the ECB is just getting past the "through the summer", inflation will be well below 1%. This adds additional arguments to the significant risk of no hikes at all in 2019.

Of course the ECB will be tempted to focus on the improvement in core inflation; after the summer core should stand at around 1.3-1.4%. But given the distance to 2%, that would also need an improvement in the data flow to push ahead with hikes in 2019.

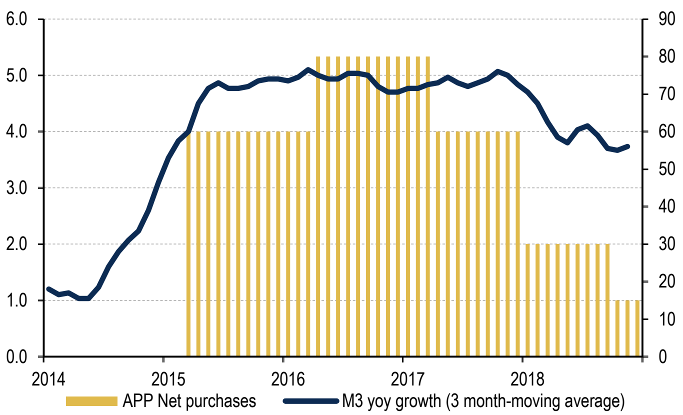
Euro area credit growth: the thin line between the supply and demand side

Euro area M3 money supply growth edged down to 3.7% yoy in November, from 3.9% yoy in October, broadly in line with average growth since the beginning of 2018 (when

M3 growth entered a new regime reflecting the gradual unwinding of QE over the year). With the end of net purchases in December, M3 growth is likely to re-set to lower levels starting from January, consistent with lower liquidity injections in the system (Chart 6). While the end of QE per se should not alter credit dynamics much for the Euro area non-financial private sector (provided that financial conditions remain supportive for credit growth), our concern is that credit growth could slow in the next few quarters amid softer demand dynamics rather than purely supply-side factors.

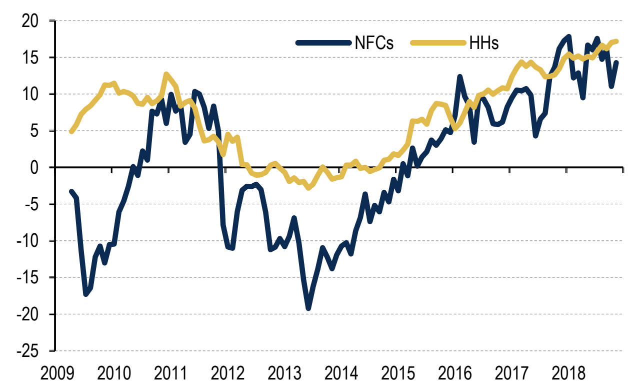
Focusing on the details of credit developments, flows of loans – adjusted for sales and securitization – to Euro area households (HHs) remained stable at €18bn in November, from €19bn in October, with the 3-month moving average was little changed at €17bn (0.6% of GDP, Chart 7). On the flipside, credit origination continues to be pretty wobbly for non-financial corporations (NFCs, Chart 8), especially for short-term maturity loans. In aggregate, loan transactions to NFCs increased to €22bn from €3bn in October, lifting the 3-month average to €14bn (0.5% of GDP) from €11bn in the previous month.

Chart 6: M3 growth and APP net purchases



Source: ECB. BofA Merrill Lynch Global Research

Chart 7: Euro area loan transactions (EUR bn)



Source: ECB, BofA Merrill Lynch Global Research
Note: 3-month moving average

Altogether, the picture of solid credit origination for individuals versus timid credit developments for EA corporates remained unchanged in November. This emerged clearly from the pretty mediocre performance of our "credit impulse" for the non-financial private sector. Since the start of Q4, the index has been barely in positive territory, specifically at 0.1% of GDP (0.06% unrounded) in November. Breaking this down, we note that credit impulse for HHs edged a tad lower to 0.13% of GDP in November, from 0.16% in October, but remained steadily positive. On the flipside, November credit developments failed to lifted credit impulse for NFCs above zero (Chart 9).

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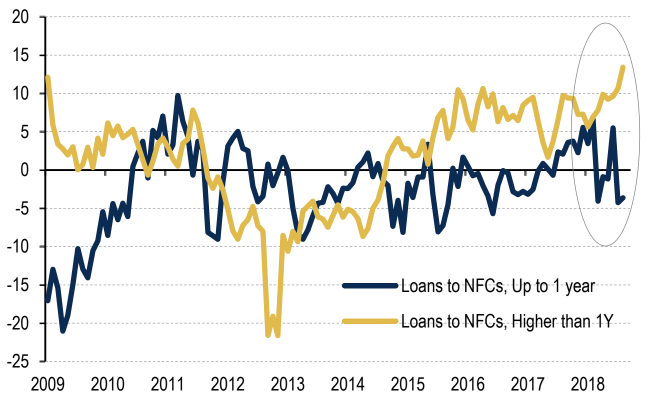
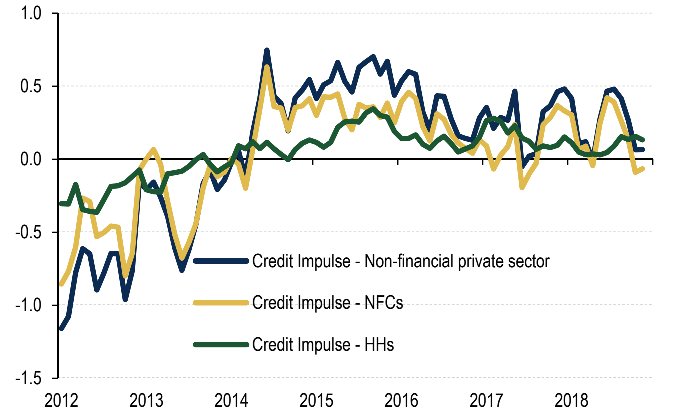
Chart 8: Loans to NFCs – short vs long maturity (EUR bn)



Source: ECB, BofA Merrill Lynch Global Research
Note: 3-month moving average

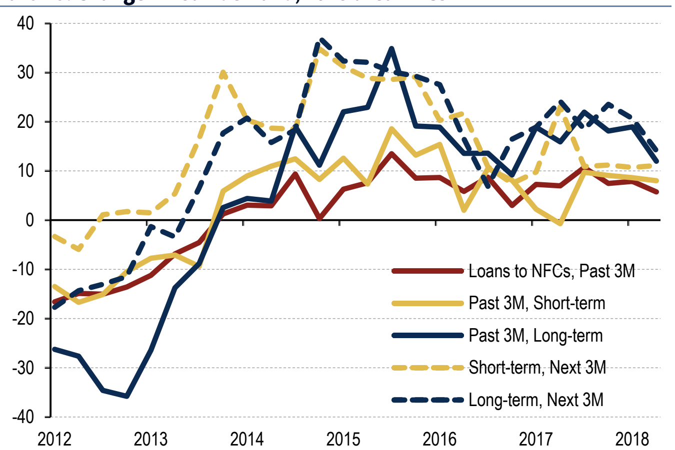
Chart 9: Euro area credit impulse



Source: ECB, Eurostat, BofA Merrill Lynch Global Research

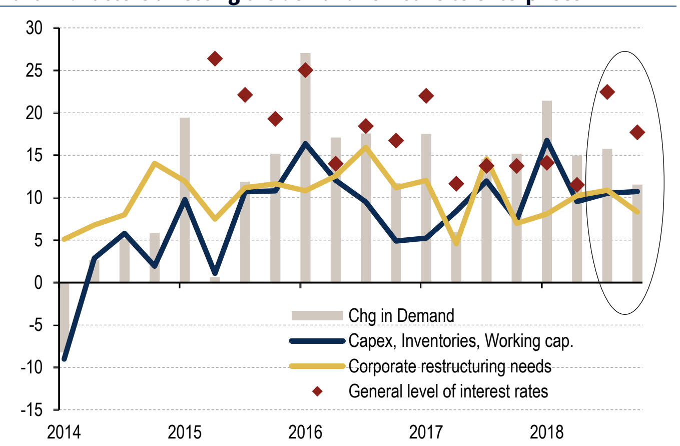
As usual, it is difficult to disentangle the credit supply-demand dynamics when looking at aggregate monetary developments. Having said that, softer credit origination for NFCs may also reflect firms' appetite for investment turning softer on the back of poor business confidence, unspectacular growth momentum and still high levels of uncertainty (related to European politics and trade war concerns). If 2018 started with capex revival as the main upside risk, 2019 may see the opposite, i.e., subdued investment decisions, at least in the first part of the year. Preliminary evidence of this emerges from the forward-looking indicators of credit demand in the ECB's Bank Lending Survey, on a downward path since Q3 2018 (Chart 10). In this context we believe that the low interest rate environment continues to be a key condition to support credit growth – again the ECB's BLS reports that the level of interest rates has become more relevant lately in supporting demand (Chart 11).

Chart 10: Change in loan demand, Euro area NFCs



Source: ECB BLS, BofA Merrill Lynch Global Research

Chart 11: Factors affecting the demand for loans to enterprises



Source: ECB BLS, BofA Merrill Lynch Global Research

Quantifying the China effect on the Euro area's biggest exporter: a summary

Amid Chinese growth concerns, we also remind readers of our past work on the knock-on effects of Chinese growth weakness to Germany:

- We find that a one-standard-deviation change in the China manufacturing PMI (2.7 points) impacts German growth by c 13bp (see here). The PMI decline from 51.1 in 2Q18 to 50.0 in 4Q18 (49.7 in Dec) would then explain 5-7bp lower German growth.
- A 1% CNY depreciation lowers German export growth to China by c.0.5% within 1.5 years. A 1ppt Chinese IP slowdown lowers German export growth by 1.8ppt. CNY

depreciated nearly 4% against the EUR, and IP growth slowed 0.9ppt to 5.7% (Oct/Nov-18 average) compared to 2Q19, implying c -3.5ppt lower German export growth to China, equivalent to c.10bp of German GDP growth (see here, again).

- A Chinese growth model shifting from capex towards consumption, even at unchanged GDP growth, would be sub-optimal for German exporters. Composition matters. If Chinese growth slows 1% due to capex only, the impact on German growth could be twice as large (-20bp) as a broad-based Chinese demand decline (-10bp, see here). For the sectors most exposed, please look here.

In the past, the effects of Chinese growth wobbles on German growth were buffered by strong export performance to the US and the UK. However, with US growth strong but not particularly capex-intense and the UK facing Brexit uncertainty, the global environment provides little China-offsetting relief for Germany at the moment.

Germany: Progress report on cars – it's not only cars, and it's especially not only supply

Keep an eye on the car industry over the coming weeks. The WLTP (Worldwide Harmonised Light Vehicle Test Procedure) emission testing has caused major production disruptions. But demand has weakened simultaneously, we think. November car unit production in Germany suggested the recovery slowed in November at levels c 5% below the 1H18 average. VDA data for December output should be released next week – watch out for that. Our baseline was for a continued gradual (albeit partial) recovery. Weakness in December would underpin demand softening.

We will also watch next week's industry data closely to get an idea of the breadth of manufacturing weakness. We expect factory orders to contract 0.4% mom and industrial production to decline 0.2% mom in November. If car units produced in December fail to show improvement and IP data disappoints, our 0.4% qoq GDP growth forecast for 4Q18 predicated on a partial car sector bounce-back will look optimistic – our tracker currently points to 0.2% growth in 4Q18. We still think 2019 could look better – fiscal stimulus (as much as the budget balance allows) should offset some of the external and car sector-specific headwinds.

Keep in mind that the sword of Damocles that is US tariffs has not disappeared. The US Department of Commerce should release its Section 232 investigation no later than 17 February. Although we don't expect tariffs to be implemented, we previously calculated that a 25% tariff on EU car imports to the US could put c.0.3% of Euro area GDP at risk, nearly twice that for Germany (here).

France: When Santa helps to break the strike dynamic

Upcoming French activity data is likely to be disappointing. The French composite PMI has dropped almost 5 points mom to 49.3 in December. Quantifying the impact of the "*gilets jaunes*" on activity is not straightforward. Banque de France halved its 4Q18 GDP growth forecast to 0.2% qoq; our GDP tracker points to 0.22% qoq post-PMIs, and risks are probably for a larger 4Q effect. Only looking at retail, turmoil concentrating on Saturdays would mean 0.5 days out of 5.5 shop opening days are at risk, equivalent to 9% of activity. Retail accounts for 4.3% of French GDP, so assuming four closed Saturdays in December could alone explain a 10bp effect on GDP. Of course, assuming total business loss is extreme – not all shops were closed, and purchases could be shifted to other working days and/or online. But disruptions to deliveries, restaurant visits, or tourism, for instance, would add to the retail-only effect.

With the intensity of the movement having abated during the holiday season, activity could revert to more normal levels in 1Q, helped by the fiscal measures worth 0.5% of GDP announced by the French government in December and targeted at purchasing power (although not all of these will be effective from 1 January onwards). One complication remains: French income tax collection switched to a "pay as you earn" regime on 1 January, with employers retaining income taxes on payrolls. Although not a change in the fiscal stance, this could impact the cashflow of households and thereby generate confidence effects, constraining a bounce-back as early as 1Q19.

We reiterate our view from December: the key element of Macron's crisis response was to preserve supply-side reforms. The "easing" was mainly a frontloading of measures that were on the government's agenda anyway (see here). In his New Year's address, he also reiterated his commitment to the next flagship projects (reform of unemployment benefit and pension systems), although we would expect no meaningful progress ahead of the European Parliamentary elections in May.

Italy: it does not seem a quiet 2019

On 30 December, the Italian parliament approved the budget bill for 2019. The revised budget, which foresees a fiscal deficit at 2.0% of GDP (from 2.4% as announced in September) and more cautious macroeconomic assumptions but also fewer resources devoted to the two flagship proposals (see EA Economic watch), marked a truce in the relationship between Rome and Brussels and proved to investors that market discipline had prevailed. However, while the Italian budget saga has reached a conclusion, we think that Italian politics will make headlines again this year.

We flagged specifically the risk of an early end to the government due to a political accident and/or a revised appetite for new elections. Certainly the rich electoral calendar in the first part of the year will be challenging for the ruling majority. Regional elections will be held in Abruzzo on 10 February and in Sardinia on 24 February; Basilicata and Piedmont will follow on 26 May. More importantly, the European elections on 23-26 May will be a key event also for Italian domestic politics: not only will this electoral round represent a test for the government, but it may also revive the Eurosceptic argument in the internal debate. Another political event will be the primary elections of the Democratic Party on 3 March to appoint a new secretary after the resignation of Matteo Renzi in the aftermath of the March election and the temporary chair of Maurizio Martina.

Beyond these dates, it is important to monitor the debate on the law decree for the implementation of pension reform (the retirement age will be raised to 62 years with 38 years of contribution) and minimum income scheme (expected to be effective from April, with the first payment in May). Indeed, the two flagship reforms are not articulated in the approved budget bill; rather they will be legislated in a separate decree discussed by the government cabinet in January, according to the press. Another key decree will be that regarding the regional autonomy of Emilia-Romagna, Veneto and Lombardy. Press reports indicate a schedule of mid-January for discussion in the cabinet meeting. This is a key decree for the League, while it is more controversial for its government partner. Finally, the recent issues with lender Banca Carige may stress-test the ruling parties, should a private solution be insufficient and state rescue (or public guarantee) be needed.

Last but not least, we still have our concerns over Italy's economic outlook. As such, the preliminary print of 4Q GDP growth on 31 January (final estimates scheduled for 5 March) will be a very important release. We flagged the "ghost of technical recession", after negative 3Q growth and unchanged momentum in Q4 as suggested by our tracker (see Table 1). While the budget revision helped to soften market concerns, a marked cyclical deterioration could revive a negative spiral of investor sentiment versus Italy – especially in light of the significant volume of net supply expected in 2019. Also, the economic challenge will be the most important test for the ruling coalition, as political nervousness could be exacerbated by evidence of economic slowdown.

Finally, the revision of the target deficit in December has paused the launch of the Excessive Deficit Procedure for Italy. However, the European Commission, as per its letter of 19 December, "*will continue to monitor budgetary developments in Italy and the execution of the 2019 budget*". Italy will remain very much on the agenda of Europe, with the first meeting of the European Commission (9 January) expected to formalize the freezing of the EDP and the Eurogroup/Ecofin meeting (21-22 January) likely to endorse the EC's decision.

Spain: Growth ok, but still many clouds ahead

Spain seems to be the outlier when it comes to growth. PMIs moved range-bound in 4Q and the average of the quarter stands above that of 3Q. Employment growth accelerated in December to 3.1%, from 2.9% in the previous month. Hard industry data is also showing signs of stabilisation or even a modest improvement. We are now tracking 0.65% QoQ GDP growth for 4Q, a slight acceleration from 3Q. This creates upside risks to our growth forecasts for 2018, which could end up at 2.6% instead of the 2.5% we currently forecast.

And given the importance of the last quarter for the year ahead forecast, a simple marking to market, if 4Q ends up at 0.7% as we currently track, would bring the yearly average for 2019 to 2.3%, instead of the 2.1% we currently forecast. Most importantly, the stabilisation of oil prices well below where they were when we published the latest set of forecasts clearly adds upside risks to those figures, particularly given the large sensitivity of the Spanish economy to oil prices. One of the main downside risks remains the uncertain impact of the very large minimum wage increase that took place on 1 January.

But the main challenges remain. The budget deficit will likely fail to drop below 2% (the government targets 1.8%). Some of the measures already passed to increase revenue in the social security system will likely fail to compensate for the increase on the expenditure side. Most of the adjustment will be cyclical with very little (or no) structural adjustment. The medium-term fiscal picture remains worrying. That, together with some potential undoing of previous structural reforms, is unlikely to make rating agencies happy; hence our view that the ratings of the sovereign have peaked for a while still holds.

And political developments won't favour a continuation of the fiscal adjustment or the structural reform process. The parliament remains very fragmented. The current government lacks parliamentary support to pass a budget for 2019 at this point. The emergence of a far right party is also complicating future arithmetic further and leading to even more fragmentation. The next election could deliver unpleasant (and less growth-friendly) surprises.

But we insist that even without a budget, a new election is not necessary. A budget can be extended, for instance. At the moment the government plans to present a budget in early January. It would be voted on by parliament in February/March. And then European elections are in May. 3Q is a tricky quarter to hold an election given the summer recess. So even without a budget, it is hard to see an election before 4Q next year (elections are to be held in 2020 at the latest). And at the end of the day new elections would be a strategic decision. As long as the government is able to deliver on some of its promises, it is likely to continue, in our view. But recall that any parliamentary process would require the support of the Catalan secessionists. If the government's ability to deliver any policies is questioned further, then we could still have elections sooner.

Table 2: European Economic calendar

	BST	Country	Data/Event	For	BofAMLe	Cons.†	Previous	Comments
7-8 Jan								
✪✪✪	-	Germany	Retail Sales (mom)	Nov	0.2%	0.4%	0.1%	
✪✪✪	-	Germany	Retail Sales (yoy)	Nov	-0.5%	-0.9%	5.0%	
Monday, 7 Jan								
✪✪✪	07:00	Germany	Factory Orders (mom)	Nov	-0.4%	--	0.3%	
✪✪✪	07:00	Germany	Factory Orders (wda, yoy)	Nov	-3.3%	--	-2.7%	
✪✪	09:30	Euro area	Sentix Investor Confidence	Jan	n.a.	--	-0.3	
✪✪✪	10:00	Euro area	Retail Sales (mom)	Nov	n.a.	--	0.3%	
✪✪✪	10:00	Euro area	Retail Sales (yoy)	Nov	1.9%	--	1.7%	
Tuesday, 8 Jan								
✪✪✪	07:00	Germany	Industrial Production (sa, mom)	Nov	-0.2%	--	-0.5%	
✪✪✪	07:00	Germany	Industrial Production (wda, yoy)	Nov	-1.5%	--	1.6%	
✪✪✪	08:30	UK	Halifax House Prices (mom)	Dec	0.8%	--	-1.4%	
✪✪✪	08:30	UK	Halifax House Price 3Mths/Year	Dec	0.6%	--	0.3%	
✪✪✪	10:00	Euro area	Consumer Confidence (F)	Dec	-5.5	--	-6.2	
✪✪✪	10:00	Euro area	Economic Confidence	Dec	109.5	--	109.5	
✪✪✪	10:00	Euro area	Business Climate Indicator	Dec	1.2	--	1.1	
✪✪✪	10:00	Euro area	Industrial Confidence	Dec	3.0	--	3.4	
✪✪✪	10:00	Euro area	Services Confidence	Dec	13.7	--	13.3	
Wednesday, 9 Jan								
✪✪	07:45	France	Consumer Confidence	Dec	93.0	--	92.0	
✪✪✪	09:00	Italy	Unemployment Rate (P)	Nov	10.8%	--	10.6%	
✪✪✪	10:00	Euro area	Unemployment Rate	Nov	8.1%	--	8.1%	
Thursday, 10 Jan								
✪✪	00:01	UK	BRC Sales Like-For-Like (yoy)	Dec	-0.5%	--	-0.5%	
✪✪✪	07:45	France	Industrial Production (mom)	Nov	n.a.	--	1.2%	
✪✪✪	07:45	France	Industrial Production (yoy)	Nov	n.a.	--	-0.7%	
✪✪✪	07:45	France	Manufacturing Production (mom)	Nov	n.a.	--	1.4%	
✪✪✪	07:45	France	Manufacturing Production (yoy)	Nov	-0.8%	--	-1.3%	
✪✪✪	09:00	Italy	Retail Sales (mom)	Nov	n.a.	--	0.1%	
✪✪✪	09:00	Italy	Retail Sales (yoy)	Nov	1.7%	--	1.5%	
Friday, 11 Jan								
✪✪✪	07:30	France	Bank of France Ind. Sentiment	Dec	101.5	--	101.0	
✪✪✪	08:00	Spain	Industrial Output (nsa, yoy)	Nov	n.a.	--	3.6%	
✪✪✪	08:00	Spain	Industrial Output (sa, yoy)	Nov	1.0%		0.8%	
✪✪✪	08:00	Spain	Industrial Production (mom)	Nov	n.a.	--	1.2%	
✪✪✪	09:00	Italy	Industrial Production (mom)	Nov	n.a.	--	0.1%	
✪✪✪	09:00	Italy	Industrial Production (wda, yoy)	Nov	0.8%	--	1.0%	
✪✪✪	09:30	UK	Visible Trade Balance GBP/Mn	Nov	-11500	--	-£11873mn	
✪✪✪	09:30	UK	Trade Balance Non EU GBP/Mn	Nov	-3745	--	-£4251mn	
✪✪✪	09:30	UK	Trade Balance	Nov	-2900	--	-£3300mn	
✪✪✪	09:30	UK	Industrial Production (mom)	Nov	-0.2%	--	-0.6%	
✪✪✪	09:30	UK	Industrial Production (yoy)	Nov	-1.0%	--	-0.8%	
✪✪✪	09:30	UK	Manufacturing Production (mom)	Nov	0.3%	--	-0.9%	
✪✪✪	09:30	UK	Manufacturing Production (yoy)	Nov	-0.7%	--	-1.0%	
✪✪✪	09:30	UK	Construction Output (sa, mom)	Nov	-0.5%	--	-0.2%	
✪✪✪	09:30	UK	Construction Output (sa, yoy)	Nov	1.7%	--	3.8%	
✪✪✪	09:30	UK	GDP (mom)	Nov	0.0%	--	0.1%	

Source: BofA Merrill Lynch Global Research, Bloomberg, Reuters, Central banks. Notes: †Bloomberg consensus; μ = level of importance; A = advanced; F = final; P = preliminary; sa = seasonally adjusted; nsa = not seasonally adjusted; wda = working-day adjusted; n.a. = not available; mom = month-on-month; qoq = quarter-on-quarter; yoy = year-on-year. *Refers to previous period, not preliminary release.

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