

Week Ahead Economic Preview

Worldwide PMI, US payrolls, Fed minutes and Eurozone CPI

28 June 2024

The start of the second half of 2024 brings a barrage of data releases including worldwide PMI data, while key official updates include US payrolls, eurozone inflation and Japan's Tankan survey. Beside data releases, there will also be the publication of June Fed minutes and Fed speaker appearances, not to forget elections in Europe.

Worldwide manufacturing, services and detailed sector data will be updated through the first week of July, offering the earliest insights into full global economic conditions. This follows the flash PMI data that have so far alluded to slowing developed economy growth momentum, albeit the US bucking the trend, and also [softening price pressures](#). India [flash PMI data](#) meanwhile continued to show expansion at a robust pace to sustain its recent stand-out performance.

The key US data to watch in the fresh week will be the releases of June non-farm payrolls, with early flash PMI data hinting at sustained job additions midway through 2024. While the June employment report may offer data clues as to when the Fed will eventually lower rates, the week will also be filled with written and verbal cues in the form of June Fed minutes and Fed chair Jerome Powell's appearance. As far as the flash PMI data have shown, average prices charged in the US increased at the slowest pace in five months in June, thus allaying some fears that underlying price pressures have remained overly stubborn, notably for services.

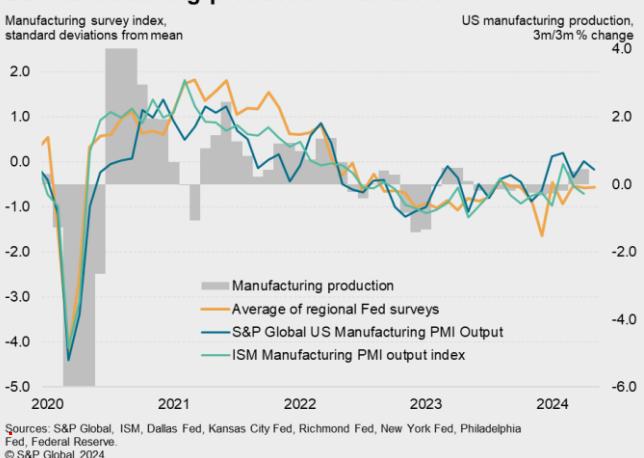
In Europe, politics may overshadow economic fundamentals for markets in a week where elections unfold in both the UK and France. That said, tier-1 releases remain in abundance alongside the PMIs, including the update of eurozone and Germany inflation, and industrial production data due from both Germany and France. Specifically, we will be looking for official confirmation of easing inflationary pressures in the eurozone after the [HCOB Flash Eurozone PMI](#) showed falling prices gauges in recent months, vindicating the ECB's June rate cut.

More detailed PMI data will also be due from APAC economies, with the focus also on Japan's Tankan survey after the [au Jibun Bank Japan PMI](#) Future Output Index outlined falling optimism amid rising costs.

US surveys to provide update on economy in June

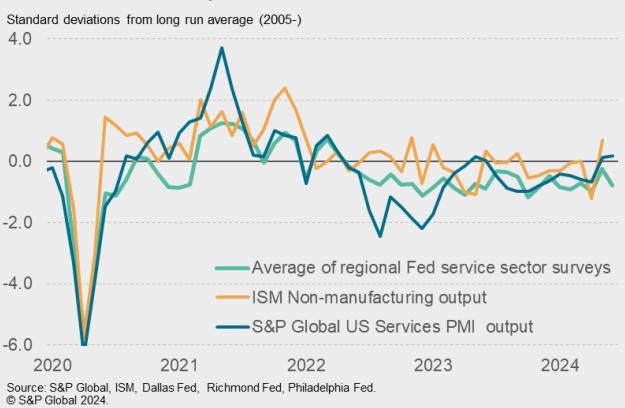
Flash PMI survey data from S&P Global showed the US economy gaining further growth momentum in June. Manufacturing output expanded, and has fared better in the S&P Global surveys than recent data from other surveys have signalled, albeit losing a little pace in June to underscore how the sector continues to struggle amid weak demand.

US manufacturing production indicators



There was meanwhile better news from the service sector, where growth was the fastest for over two years. Markets will be interested to see the ISM survey data, updated in the coming week alongside final S&P Global PMI data, though this ISM survey has been volatile in recent months, urging caution in interpreting any signals.

US service sector output indicators



Key diary events

Monday 1 Jul

Canada, Hong Kong SAR Market Holiday
 Worldwide Manufacturing PMIs, incl. global PMI* (Jun)
 South Korea Trade (Jun)
 Indonesia Inflation (Jun)
 Japan Consumer Confidence (Jun)
 United Kingdom Nationwide House Prices (Jun)
 United Kingdom Mortgage Lending and Approvals (May)
 Germany Inflation (Jun, prelim)
 United States ISM Manufacturing PMI (Jun)

Tuesday 2 Jul

South Korea Inflation (Jun)
 Australia RBA Meeting Minutes (Jun)
 Eurozone Inflation (Jun, flash)
 Canada Manufacturing PMI* (Jun)
 United States JOLTs Job Openings (May)

Wednesday 3 Jul

United States Market Holiday (Partial)
 Worldwide Services, Composite PMIs, inc. global PMI* (Jun)
 Japan Tankan Index (Q2)
 Australia Building Permits, Retail Sales (May, prelim)
 Turkey Inflation (Jun)
 Brazil Industrial Production (May)
 United States ADP Employment Change (Jun)
 Canada Trade (May)
 United States Trade, Factory Orders (May)
 United States ISM Services PMI (Jun)
 United States FOMC Minutes (Jun)

Thursday 4 Jul

United States Market Holiday
 Hong Kong SAR PMI* (Jun)
 Australia Trade (May)
 Switzerland Inflation and Unemployment Rate (Jun)
 Germany Factory Orders (May)
 United Kingdom Construction PMI* (Jun)
 Eurozone HCOB Construction PMI* (Jun)
 Canada Services PMI* (Jun)
 Global Sector PMI* (Jun)
 United Kingdom General Election

Friday 5 Jul

Japan Household Spending (May)
 Thailand Inflation (Jun)
 Germany Industrial Production (May)
 United Kingdom Halifax House Price Index* (Jun)
 France Industrial Production and Trade (May)
 Taiwan Inflation (Jun)
 Eurozone Retail Sales (May)
 Canada Employment (Jun)
 United States Non-farm Payrolls, Average Hourly Earnings,
 Unemployment (Jun)

What to watch in the coming week

Worldwide manufacturing and services PMI

The first week of July sees the release of worldwide manufacturing and services PMI data on Monday and Wednesday respectively. Additional detailed sector PMI data will be updated on Thursday for insights into which the sectors are powering the global economy midway through 2024. Areas of focus include growth variances after [growth momentum was found to have eased across Europe and Japan in June but remained robust in the US, according to the flash PMI data](#), while inflationary pressures eased across the major developed economies, though notably bar the UK.

Americas: Fed Powell speech, Fed minutes, ISM PMI data plus US and Canada labour market reports

Besides the final PMIs, key data releases due from the US include June non-farm payrolls, factory orders, trade and ISM surveys. According to [flash PMI data](#), employment levels rose for the first time in three months, which backs the consensus expectations for a sustained rise in non-farm payrolls in June.

On the central bank side, Fed minutes from the June Federal Open Market Committee (FOMC) meeting will be updated for insights into when the Fed may lower rates. Fed Powell will also be speaking early in the week, with his comments parsed for clues.

EMEA: Eurozone and Germany inflation, UK house prices, Germany and France industrial production

In addition to the UK and French elections, European PMI releases will include construction PMIs due Thursday as well as final June inflation figures from the eurozone. The latest [PMI prices readings from the HCOB Eurozone PMI showed inflationary pressures easing](#) in recent months and pre-empting softer inflation readings for June. In particular, this was underpinned by the cooling of service sector cost pressures, though the trend for manufacturing prices will be worth monitoring in the months ahead.

APAC: RBA meeting minutes, Australia trade, Japan Tankan and consumer confidence data, Indonesia, South Korea, Philippines, Thailand, Taiwan inflation

The detailed PMI data releases for the APAC region are accompanied by inflation figures, which will be updated across a myriad of APAC economies including the major manufacturing hubs. Tier-2 data to watch from Australia and Japan meanwhile include Australia trade figures, while the Bank of Japan releases its second quarter Tankan survey results. This comes after the [au Jibun Bank Japan PMI indicated easing optimism among private second firms in the second quarter](#).

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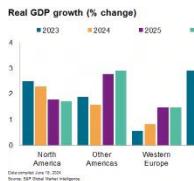
Have a PMI related question or want to receive this in your inbox weekly? Send us an email at PMI@spglobal.com.

Recent PMI and economic analysis from S&P Global

Global	Flash PMIs show the US bucking a developed world slowdown, while the UK sees the sharpest inflation	24-Jun	Chris Williamson
	Using PMI indices to nowcast eurozone and US consumer price inflation	20-Jun	Eleanor Dennison, Paul Smith, Sian Jones
	Emerging markets expand at fastest pace in a year while cost pressures rise	11-Jun	Jingyi Pan
	Global trade expansion driven by emerging markets growth	10-Jun	Jingyi Pan
	Monthly PMI Bulletin: June 2024	10-Jun	Jingyi Pan
	Global PMI at 12-month high in May as "uncertainty" falls to lowest since 2018	7-Jun	Chris Williamson
	Global PMI shows price momentum cooling for services but reviving for basic materials	7-Jun	Chris Williamson
EMEA	Inflation slows further as economic growth wanes: our key takeaways from the Eurozone flash PMI	21-Jun	Chris Williamson
	UK flash PMI signals further economic slowdown at end of second quarter, price rises intensify	21-Jun	Chris Williamson
Americas	Flash PMI data signals steep acceleration of US growth midway through second quarter	24-May	Chris Williamson
Asia-Pacific	Japan's private sector growth stalls amid fall in services activity	21-Jun	Jingyi Pan

S&P Global Market Intelligence highlights

Global economic outlook: June 2024



The real GDP growth forecasts for 2024 have been lowered in a few major economies, including the US, Canada, Brazil and Japan. The revisions were relatively minor and reflect surprises and/or revisions to recent activity data, plus idiosyncratic national factors. At the same time, the 2024 real GDP growth forecasts for China, the eurozone, the UK, and Russia were revised upward in the June update, for similar reasons.

[Click here to access our research and analysis](#)

PMI in Focus: Update on inflation and a new PMI survey



In this podcast, our expert economists dive into the world of Purchasing Managers' Index (PMI) data and its impact on global markets. We kick off with a reassessment of central bank policies, implications for financial markets, in addition to key drivers of inflation, such as rising wages and material costs, and analyse the pricing power of firms in various sectors. The conversation also touches on the newly launched PMI survey for the Kuwait economy and widens to the Middle East and North Africa economies including Egypt and the UAE.

[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
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