

Global Weekly Indicators

Economic Analysis • Financial Scenarios Unit

Madrid, 30 April 2014

Next week

The ECB will hold its monetary policy meeting on Thursday. In the US, Fed Chair Janet Yellen will testify to the Joint Economic Committee of Congress. Furthermore, the Eurogroup and the ECOFIN will meet on Monday and Tuesday. They may deal with the Financial Transaction Tax (FTT) and the ESM direct bank recapitalization. Economic releases in the US will include April's ISM non-manufacturing, March's trade balance, JOLTS job openings and wholesale inventories and 1Q14 productivity figures. In the eurozone, economic data will include March's Producer Prices and retail sales and the final figures for April's PMIs. Besides, the European Commission will release the Spring economic forecast. In Germany, March's factory orders and trade balance will also be published. In China, producer prices, CPI and trade balance will be released.

Calendar: Indicators

Eurozone: Retail Sales (March, 6 May)

Forecast: -0.1% MoM

Consensus: n.a.%

Previous: 0.4% MoM

Retail sales surprised to the upside in February (0.4% MoM) and rebounded in January (1% MoM) after the sharp decline of late 2013 (-1.6% MoM). In March, we expect retail sales to have fallen slightly (down to -0.1% MoM), but the mean of sales for 1Q14 would still remain slightly above the figures observed the last quarter of 2013. The retail sales survey conducted by Markit Economics suggests that the retail sector remains in relative weakness compared to the manufacturing and service sectors, with only modest increases in the first quarter of the year. This survey also suggests that the worst may have passed, with trade stabilising in France in line with positive trends elsewhere in the economy and Italian companies recording a much slower rate of decline.

US: International Trade Balance (March, 6 May)

Forecast: \$-40.8B

Consensus: \$-40.5B

Previous: \$-42.3B

The international trade balance has widened for three consecutive months, but now that economic data has shown considerable improvements from the beginning of the year, we look for the gap to shrink in March. The latest deficit increases were likely attributed to the global slowdown, as exports declined significantly in December and February. Imports, however, have increased throughout the past few months despite the fact that economic data mostly decelerated at the beginning of the year. For March, Federal Reserve surveys and ISM data have shown rejuvenation in the business sector, so we expect this to boost export activity for the month. Looking at the bigger picture, the largest threat to the trade balance continues to be further slowdown abroad. Overall, we expect that the trade balance will close out 1Q14 on a positive note and make way for further improvements as 2Q14 gets underway, thus providing upward pressure on GDP growth in future quarters.

US: JOLTS Job Openings (March, 9 May)

Forecast: 4150K

Consensus: --

Previous: 4173K

After an exceptionally strong surge in February, we expect job openings to hold mostly steady in March. The strong gains in the previous report saw about two-thirds of the jobs added by the professional and business services sector, as the total number of job openings reached its highest level in over six years. However, hiring growth has not kept up with job openings and is up only 0.8% on a YoY basis. Thus, it is likely the case that employers are not finding the most qualified workers to fill their vacancies, hinting at underlying structural unemployment issues in the economy. Though we do not expect to see a major increase in openings for March, we should continue to see a gradual upward trend in the labor market through this year as the economy continues to expand.

China: Exports (April, 8 May)

Forecast: -2.0% YoY

Consensus: -3.5% YoY

Previous: -6.6% YoY

China's exports are expected to show further modest recovery, after having been heavily distorted early in the year by the lunar New Year holiday. The external demand may continue to benefit from the recovery in developed economies, especially the US and EU; meanwhile, a weaker currency and more accommodative domestic financial conditions over the remaining months would also help exporters. Nevertheless, exports growth on an annual basis may remain negative in the month, due to the over-invoicing of exports a year ago. Over the coming months, exports are expected to stay on a trend of modest recovery and to help to underpin the broader economy, which has decelerated to 7.4% YoY in 1Q2014, just below the official 7.5% target.

Last Week

Week 28 April - 30 April

Indicator	Period	Cons. E	Prior	Observed *	
United States					
Pending Home Sales MoM	Mar	1.00%	-0.50%	3.40%	▲
S&P/Case-Shiller Composite-20 MoM	Feb	0.80%	0.80%	0.76%	▼
S&P/Case-Shiller Composite-20 YoY	Feb	13.00%	13.17%	12.86%	▼
Consumer Confidence	Apr	83.20	82.30	82.30	▼
ADP National Employment report	Apr	210.00	209.00	220.00	▲
GDP QoQ Annualized	1Q A	1.20%	2.60%	0.10%	▼
Personal Consumption QoQ SAAR	1Q A	2.00%	3.30%	3.00%	▲
Core PCE QoQ	1Q A	1.20%	1.30%	1.30%	▲
Chicago PMI	Apr	57.00	55.90	63.00	▲
Initial Jobless Claims	Apr 26	320.00	329.00		
Personal Income	Mar	0.40%	0.30%		
Personal Spending	Mar	0.60%	0.30%		
ISM Manufacturing	Apr	54.20	53.70		
Construction Spending MoM	Mar	0.50%	0.10%		
Nonfarm Payrolls MoM Net Change	Apr	215.00	192.00		
Unemployment rate	Apr	6.60%	6.70%		
Average Hourly earnings MoM	Apr	0.20%	0.00%		
Factory Orders MoM	Mar	1.50%	1.60%		
Eurozone					
M3 Money Supply YoY	Mar	1.40%	1.30%	1.10%	▼
Economic Confidence	Apr	102.90	102.50	102.00	▼
Industrial Confidence	Apr	-3.10	-3.30	-3.60	▼
Consumer Confidence	Apr F	-8.70	-8.70	-8.60	▼
CPI YoY	Apr P	0.80%	0.50%	0.70%	▼
CPI Core YoY	Apr P	1.00%	0.70%	1.00%	▼
Germany					
GfK Consumer Confidence	May	8.50	8.50	8.50	—
CPI EU Harmonized MoM	Apr P	-0.10%	0.30%	-0.30%	▼
CPI EU Harmonized YoY	Apr P	1.30%	0.90%	1.10%	▼
Retail Sales MoM	Mar	-0.70%	1.30%	-0.70%	—
France					
Consumer Confidence	Apr	88.00	88.00	85.00	▼
Italy					
Consumer Confidence Index	Apr	101.2	101.90	105.40	▼
Retail Sales MoM	Feb	0.00%	0.00%	-0.20%	▼
Business Confidence	Apr	99.50	99.30	99.90	▲
Economic Sentiment	Apr		89.50	88.80	
Unemployment Rate	Mar P	13.00%	13.00%	12.70%	▼
CPI EU Harmonized MoM	Apr P	0.50%	2.10%	0.60%	▲
CPI EU Harmonized YoY	Apr P	0.50%	0.30%	0.60%	▲
Spain					
Unemployment rate	1Q	25.85%	25.73%	25.93%	▲
GDP QoQ	1Q P	0.40%	0.20%	0.40%	—
GDP YoY	1Q P	0.50%	-0.20%	0.60%	▲
Retail Sales SA YoY			-0.40%	-0.50%	
CPI EU Harmonized YoY	Apr P	0.30%	-0.20%	0.30%	—
Japan					
Industrial Production MoM	Mar	0.50%	-2.30%	0.30%	▼
Jobless Rate	Mar	3.60%	3.60%		
China					
Leading Index	Mar	—	99.30	99.90	▲
Manufacturing PMI	Apr	50.50	50.30		
Chile					
Manufacturing Index YoY	Mar	1.15%	-1.70%	0.80%	▼
Unemployment Rate	Mar	6.30%	6.1%	6.50%	▲
Retail Sales YoY	Mar	5.00%	5.3%	5.20%	▲

Forecast/ * Magenta- Below nsensus forecast. Green-Above consensus forecast. Yellow- in line consensus forecast.
 Source: Bloomberg and BBVA Research

Cont.

Indicator	Period	Cons. E	Prior	Observed *
Colombia				
Trade Balance (USD Mn)	Feb	-72.50	157.40	-505.60 ▼
Urban Unemployment Rate	Mar	10.60%	11.20%	
Peru				
CPI MoM	Apr	0.27%	0.52%	
Wholesale Price Index MoM	Apr	-	0.38%	
Brazil				
Tax Collections (Millions)	Mar	87000	83137	86621 ▼
CNI Consumer Confidence	Apr	-	108.8	108.7
FGV Inflation IGPM MoM	Apr	0.82%	1.67%	
Mexico				
Trade Balance (USD Mn)	Mar	1600.00	976.30	1026.60 ▼
HSBC Mexico Manufacturing PMI	Apr	-	51.70	
Remittances Total	Mar	1900	1677.3	

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Source: Bloomberg and BBVA Research

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