

Global Weekly Indicators

Economic Analysis • Financial Scenarios Unit

Madrid, 4 April 2014

Next week

In the US the FOMC will release March 18-19 meeting minutes. Additionally, several Fed members (Mr Kocherlakota, Mr Plosser, Mr Evans, Mr Trarullo) will delivery conferences during the week. Economic publication will include April's University of Michigan consumer confidence, and back in February the wholesale inventories and the producer prices. In the Eurozone, many countries will publish their final CPI figures for March. In China, economic releases will include trade balance, new yuan loans, money supply, CPI and PPI for March.

Calendar: Indicators

Germany: Exports (February - 9 April)

Forecast: +0.3% MoM

Consensus: +0.3% MoM

Previous: +2.2% MoM

After exports finished on a strong note last year, we expect them to remain stable at high levels during this quarter. This is consistent with the rise of new export orders at a good but slightly weaker pace in February as is suggested by the Markits survey in which one in three panellists reported growth. German manufacturers mentioned improved demand from the US and a range of emerging markets; however, the appreciation of the euro may pose some downward bias to our baseline scenario of strong external demand for the whole year.

Germany: Industrial production (February - 7 April)

Forecast: +0.3% MoM

Consensus: +0.3% MoM

Previous: +0.8% MoM

Industrial production started strong in 2014, and should have grown at a solid, albeit slower, pace in February. The sector has been losing some of its growth momentum since January, but this should not alter the underlying strong trend recently seen in German manufacturing. Although we expect some moderation of construction activity to lower levels, this may only occur gradually in view of the continuing mild weather through early March. This may introduce a slightly upward bias to our baseline scenario of 0.4% QoQ German economy growth in 1Q14.

US: Consumer Credit (February- 7 April)

Forecast: \$16.20B

Consensus: \$14.15B

Previous: \$13.70B

Total outstanding consumer credit is expected to increase in February at a slightly faster pace compared to the prior few months. Personal income rose 0.3% MoM in both January and February, and as incomes rise, we expect consumers to accelerate their spending and feel more comfortable taking on additional debt. Furthermore, retail sales data for February, which showed a 0.3% MoM increase, provided further evidence that consumer spending picked up. Additionally, consumer confidence has held steady, and confidence in current economic conditions has trended upward, suggesting that consumers may be looking to loosen the purse strings in the near term.

US: JOLTS (February - 8 April)

Forecast: 4010K

Consensus: n.a.

Previous: 3974K

Job openings and hiring data in the JOLTS report continue to show steady improvement, and as such we expect openings to total slightly over four million in February as the figure approaches recovery highs. In particular, we expect that growth will be led primarily by a resurgence in manufacturing jobs that were temporarily slowed due to harsh winter weather. The job creation curve has been shifting back towards the Implied Beveridge Curve over the last twelve months, which could mean that companies are having less trouble finding more qualified individuals for their openings. Hiring should continue to trend upward as economic conditions improve and companies feel more confident in the robustness of the recovery. Although the economy is picking up strength, we do not believe that employees are quite confident enough to leave their job in search of a new position, and thus we project quit levels will continue to remain stable throughout the year.

China: Exports (March - 10 April)

Forecast: 3.9% YoY

Consensus: 4.9% YoY

Previous: -18.1% YoY

Exports are likely to rebound notably in March, after slumping in February due to the lunar New Year holiday, as indicated by the NBS PMI's new export orders index (50.1 from 48.2 in February). The improvement may be attributed to a stronger external demand from the US and EU (together accounting for 1/3rd of China's total exports), while a softer currency since the past months may also extend additional help. That said, exports growth on a yearly basis may be weighed on by high base due to over-invoicing exports a year ago. Going forward, the recovery in advanced economies will continue to help exports over the coming period.

Last Week

Week 31 March - 4 April

Indicator	Period	Cons. E	Prior	Observed *	
United States					
Chicago PMI	Mar	59.50	59.80	55.90	—
ISM Manufacturing Index	Mar	54.00	53.20	53.70	▲
Total Vehicle Sales (Million)	Mar	15.80	15.65	16.33	▲
Construction Spending	Feb	0.10%	0.00%	0.10%	—
ADP National Employment ('000)	Mar	190.00	178.00	191.00	▲
Factory Orders MoM	Feb	1.20%	-1.00%	1.60%	▲
International Trade Balance (USD Bn)	Feb	-38.50	-39.30	-42.30	▼
Initial Jobless Claims ('000)	29-Mar	320.00	310.00	326.00	▲
ISM Non-Manufacturing Index	Mar	53.50	51.60	53.10	▼
Nonfarm Payrolls ('000)	Mar	200.00	175.00	192.00	▼
Unemployment rate	Mar	6.60%	6.70%	6.70%	▲
Average Work week hours	Mar	34.40	34.20	34.50	▲
Eurozone					
CPI YoY	Mar A	0.60%	0.70%	0.50%	▼
CPI Core YoY	Mar A	0.80%	1.0%	0.80%	—
Manufacturing PMI	Mar F	53.00	53.0	53.00	—
Unemployment Rate	Feb	12.00%	11.90%	11.90%	▼
Composite PMI	Mar F	53.20	53.2	53.10	▼
Retail Sales MoM	Feb	-0.50%	1.00%	0.40%	▲
Services PMI	Mar F	52.40	52.4	52.20	▲
Germany					
Retail Sales MoM	Feb	-0.50%	1.70%	1.30%	▲
Manufacturing PMI	Mar F	53.80	53.8	53.70	▼
Unemployment Change ('000)	Mar	-10.00	-15.00	-12.00	▼
Unemployment Rate	Mar	6.80%	6.70%	6.70%	▼
Composite PMI	Mar F	55.00	55.0	54.30	▼
Services PMI	Mar F	54.00	54.0	53.00	▼
Factory Orders MoM	Feb	0.20%	1.00%	0.60%	▲
France					
GDP YoY	4Q F	0.80%	0.80%	0.80%	—
GDP QoQ	4Q F	0.30%	0.30%	0.30%	—
Manufacturing PMI	Mar F	51.90	51.90	52.10	▲
Composite PMI	Mar F	51.60	51.60	51.80	▲
Services PMI	Mar F	51.40	51.40	51.50	▲
Italy					
CPI EU Harmonized MoM	Mar P	2.30%	-0.30%	2.10%	▼
CPI EU Harmonized YoY	Mar P	0.00	0.40%	0.30%	—
Manufacturing PMI	Mar	52.00	52.30	52.40	▲
Unemployment Rate	Feb P	12.90%	12.90%	13.00%	▲
Composite PMI	Mar	53.40	53.40	51.10	▼
Services PMI	Mar	52.30	52.90	49.50	▼
Japan					
Industrial Production MoM	Feb	0.30%	3.80%	-2.30%	▼
Markit/JMMA PMI Manufacturing	Mar F	--	55.5	53.9	▼
Tankan Large Manufacturing Index	1Q	19	16	17	▼
Markit/JMMA PMI Services	Mar F	--	49.30	52.20	▲
Markit/JMMA PMI Composite	Mar F	--	52.00	52.80	▲
China					
Manufacturing PMI Official	Mar	50.1	50.2	50.3	▲
HSBC PMI Manufacturing	Mar F	48.1	48.1	48	▼
Non Manufacturing PMI Official	Mar	--	55	54.5	▼
HSBC PMI Services	Mar F	--	51	51.9	▲
HSBC PMI Composite	Mar F	--	49.8	49.3	▼
Mexico					
Remittances Total (USD Mn)	Feb	1709.6	1578.3	1677.3	▼
Peru					
CPI MoM	Mar	0.53%	0.60%	0.52%	—
Brazil					
FIPE CPI - Monthly	Mar	0.78%	0.52%	0.74%	—
Industrial Production MoM	Feb	0.45%	3.80%	0.40%	▼
Chile					
Manufacturing Index YoY	Feb	-0.50%	-1.44%	-1.97%	▼
Unemployment Rate	Feb	6.30%	6.10%	6.10%	▼
Retail Sales YoY	Feb	5.40%	6.80%	5.30%	▼

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

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