

Global Weekly Indicators

Economic Analysis • Financial Scenarios Unit
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Next week

Fed Reserve Chair Janet Yellen will deliver the semi-annual monetary policy report on February 11. In the US economic releases will include February's U.M. economic confidence and January's retail sales, industrial production and wholesale inventories. In Europe, the ECB will publish the Monthly Bulletin, and Germany will present half-year economic forecast. In the EZ economic data will included preliminary 4Q GDP13 and December's trade balance and industrial production. In China January's money Supply, trade balance, producer prices and consumer prices index will be released.

Calendar: Indicators

Eurozone: Industrial production (December, February 12th)

Forecast: -0.1% m/m	Consensus: -0.3%	Previous: 1.8% m/m
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Industrial production is projected to have remained broadly flat in December, after the significant rebound registered in November. Looking through the volatility of the monthly variation of this series, the industrial output may increase by around 0.6% q/q in 4Q13 after having been flat in the previous quarter, which is in line with the marked rebound in industrial confidence registered in recent months, especially in December and January (both from the EC and PMI surveys). Given the high correlation between confidence and industrial output, the recovery in the industrial sector is likely to gain some momentum in coming months, supported by the robust global demand (as the rebound of exports orders suggests), but also by the gradual improvement of domestic spending. Looking at the national figures, the recovery seems to be broad based, in line with our macroeconomic scenario of a gradual and widespread recovery by end-2013 that could consolidate throughout 2014.

Eurozone: Flash GDP (4Q13, February 14th)

Forecast: 0.3% q/q	Consensus: 0.3% q/q	Previous: 0.1% q/q
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The significant improvement in confidence data by end-2013 along with better-than-expected hard indicators in November, which offset somewhat disappointing figures in October, suggest that the recovery have remained on track in 4Q13, taking some ground and being widespread across member states. In particular, our MICA-BBVA model estimates that a quarterly GDP growth of around 0.3% q/q in 4Q13. National figures available seem to confirm this assessment. Destatis has already released the annual growth figure for German GDP, which was 0.5% for 2013, and assuming no revisions in the previous quarterly path implies a 0.3% q/q growth in 4Q13, while the Spanish GDP also grew at 0.3% q/q. Regarding other member states, French confidence data were mixed, but hard indicators proved some resilience, in line with our projection of a quarterly GDP growth of around 0.2% q/q. In Italy, both soft and hard indicators suggest that the GDP could have increased by around 0.1% q/q, supported by external demand while domestic drag continued to ease.

US: Retail Sales, Ex Auto (January, February 13th)

Forecast: 0.0%, 0.1%	Consensus: 0.1%, 0.2%	Previous: 0.2%, 0.7%
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Retail sales surprised to the upside in December as last-minute shoppers made purchases just in time for the holiday season. Excluding auto sales, which slowed down towards the end of the year, retail sales were a bright spot for the economy in 2013. High sales numbers are typically a reflection of increased consumer spending, which is essential for an economy still recovering from the aftershocks of the Great Recession. Furthermore, the large retail sales improvements seen in recent months are a reflection that consumers are more freely spending and are steadily becoming more confident in the recovery. After the jump last month, we expect retail sales to remain unchanged from December as consumer's take a breath following the holidays. However, we still forecast an upward trend in spending through 2014.

US: Industrial Production (January, February 14th)

Forecast: 0.4%	Consensus: 0.3%	Previous: 0.3%
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The industrial production index has posted five consecutive months of positive MoM gains and began experiencing the biggest YoY gains since mid-2012 during the latter portion of 2013. It is further encouraging that all sectors of industrial production have contributed to overall gains, as manufacturing, mining, and utilities have all witnessed healthy YoY growth. Market participants will want to keep an eye on the industrial production figure, because fluctuations in GDP are often linked to changes in the index. Specifically, investors will be keeping an eye out on the manufacturing component of the report, as concerns for the sector have resurfaced after a recent wave of data pointed to a slowdown. For January, we expect a healthy boost in industrial production, driven primarily by utilities, as the polar-like weather experienced over the last month has people cranking up their heaters and using more power than usual. However, manufacturing indicators have pointed to somewhat of a slowdown in growth to start the new year, and we could see this reflected in the industrial production index as well.

India: WPI Inflation (January, February 14th)

Forecast: 6.5% y/y	Consensus: 5.7% y/y	Previous: 6.2% y/y
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Taming high inflation and ensuring financial market stability have been priorities for the Reserve Bank of India, which delivered a surprise 25 bps rate hike on January 28th, bringing cumulative rate hikes since September 2013 to 75bps. Despite subdued domestic demand and declining food inflation, there are upside risks to core inflation from a weak currency and pass through of higher input costs to final goods prices. Against this backdrop and given recent hikes in fuel prices, we expect the January WPI inflation outturn to inch higher. Lingering inflation pressures and external pressures could prod RBI to tighten policy rates further at its next meeting on April 1st, although our baseline forecast is for no change in the benchmark repo rate.

Last Week

Week February, 3 - February, 7

Indicator	Period	Cons. E	Prior	Observed *	
United States					
Total Vehicle Sales (million)	Jan	15.70	15.40	15.16	▼
ISM Manufacturing Index	Jan	56.00	57.00	51.30	▼
Construction Spending MoM	Dec	0.00%	1.00%	0.10%	▲
Factory Orders MoM	Dec	-1.80%	1.80%	-1.50%	▲
ADP National Employment	Jan	185	238	175	▼
ISM Non-manufacturing Index	Jan	53.70	53.00	53.70	—
International Trade Balance (USD Bn)	Dec	-36.00	-34.30	-38.70	▼
Nonfarm Productivity	Q4	2.50%	3.00%	3.20%	▲
Unit Labor Costs	Q4	-0.50%	1.40%	-1.60%	▼
Initial Jobless Claims ('000)	1-Feb	335	348	331	▼
Non-Farm Payrolls	Jan	180	74	113	▼
Private Payrolls	Jan	190	87	142	▼
Manufacturing Payrolls	Dec	10	9	61	▲
Unemployment Rate	Jan	6.7%	6.7%	6.6%	▼
Average Hourly Earnings MoM	Jan	0.2%	0.1%	0.2%	—
Average Work Week (Hours)	Jan	34.4	34.4	34.4	—
Eurozone					
PMI Manufacturing	Jan F	53.90	52.70	54.00	▼
PPI MoM	Dec	0.20%	-0.10%	0.20%	—
PMI Services	Jan F	51.90	51.00	51.60	▼
PMI Composite	Jan F	53.20	52.10	52.90	▼
Retail Sales MoM	Dec	-0.70%	1.40%	-1.60%	▼
Germany					
PMI Manufacturing	Jan F	56.30	54.30	56.50	▲
PMI Services	Jan F	53.60	53.50	53.10	▼
Factory Orders MoM	Dec	0.10%	2.10%	-0.50%	▼
Trade Balance	Dec	17.30	18.10	14.20	▼
Exports SA MoM	Dec	0.80%	0.30%	-0.90%	▼
Industrial Production SA MoM	Dec	0.30%	1.90%	-0.60%	▼
France					
PMI Manufacturing	Jan F	48.80	47.00	49.30	▲
PMI Services	Jan F	48.60	47.80	48.90	▲
Italy					
PMI Manufacturing	Jan	53.20	53.30	53.10	▼
CPI EU Harmonized YoY	Jan P	0.60%	0.70%	0.60%	—
PMI Services	Jan	48.80	47.90	49.40	▲
Japan					
Monetary Base YoY	Jan	—	46.60%	51.90%	
China					
Non-Manufacturing PMI	Jan	—	54.60	53.40	
HSBC/Markit PMI Services	Jan	—	50.90	50.70	
Mexico					
IMEF Manufacturing Index SA	Jan	—	50.3	49.7	
Remittances Total (USD Mn)	Dec	1740.8	1693.8	1798.5	▲
Consumer Confidence Index SA	Jan	91	89.7	84.5	▼
CPI MoM	Jan	0.97%	0.67%	0.85%	▼
CPI Core MoM	Jan	0.9%	0.33%	0.85%	▼
Colombia					
CPI Core MoM	Jan	—	0.24%	0.36%	
Chile					
Economic Activity MoM	Dec	0.40%	0.50%	0.81%	▲
Brazil					
FIPE CPI - Monthly	Jan	0.91%	0.65%	0.94%	▲
Industrial Production MoM	Dec	-1.50%	-0.20%	-3.46%	▼
PMI Services	Jan	—	51.7	49.6	

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

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