Global Weekly Indicators

Economic Analysis • Financial Scenarios Unit
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Next week

Markets will focus on the Eurogroup and Ecofin meetings (December 9-10), where finance ministers will try to reach an agreement on Single Resolution Mechanism (SRM), Bank Recovery and Resolution Directive (BRRD) and Deposit guarantee Schemes Directive (DGS). The eurozone ministers will also debate on Greek aid program. European economic data will include Eurozone's and Germany's industrial production indices for October. Furthermore, in Germany the SPD will unveil the SPD's members support to the grand coalition, and in Italy the Italian Democratic Party will hold primary elections. The US will release October's wholesale inventories and November's producer prices and retail sales. Besides, investors will be keeping a close eye on Fed member's speeches, ahead of the FOMC meeting, due to be held the following week. In China releases will include November's industrial production, retail sales, money supply and credit aggregates.

Calendar: Indicators

Germany: Trade balance, s.a. (October, December 9th)

Forecast: 17.7€.bn	Consensus: n.a.	Previous: 18.7€.bn

We expect the trade balance (seasonally adjusted) to have narrowed in October, as exports are projected to remain stable while imports are likely to increase due to increasing of domestic demand. Nonetheless, exports rebounded significantly in both August and September, so the exports level in October is set to be around 1.5% higher than the 3Q13 average, while imports should have remained virtually flat over the previous quarter, after the strong fall observed in September. Overall, although hard data are still very limited, these figures suggest that net exports could support growth again by year-end, in line with our scenario that envisages a solid German recovery based both on a robust domestic demand and the support of net exports.

Eurozone: Industrial production (October, December 12th)

Forecast: -0.2% m/m	Consensus: n.a.	Previous: -0.4.% m/m

The industrial production is projected to have declined slightly again in October, but at a slower pace than in the previous month and after the rebound observed in August. These figures imply that output could have remained virtually flat over the 3Q13 average, thus raising doubts about whether the recovery could be gaining some traction at year-end as envisaged in our scenario. Nonetheless, sectorial soft data up to November suggest that industrial activity could gain momentum in coming months, as manufacturing PMIs remains in expansionary territory and confidence from the EC survey has improved significantly in recent months, both supported by better expectations of foreign orders. Overall, hard data still have to reflect positive signs from soft data by year-end, and meanwhile our MICA-BBVA model continues to project a quarterly GDP growth of about 0.3% q/q in 4Q13 for the eurozone as a whole.

US: JOLTS Job Openings (October, December 10th)

Forecast: 3875K	Consensus: --	Previous: 3913K

The JOLTS report has shown only minor improvements throughout the past few months, though job openings have been on the rise and hirings have been up since June. Still, recent upward revisions to nonfarm payrolls suggest a much more encouraging labor market. Despite the government shutdown in October, we saw a relatively healthy increase in payrolls that may also be reflected in the JOLTS data as a gain in hiring. However, according to the household survey, the number of unemployed individuals actually increased in October for the first time in four months, and this may translate to a more pessimistic reading for job openings. Overall, we do not expect the JOLTS data to stray much from the general tone that has been set over the past year – modest improvement but still far from pre-recession peaks.

US: Retail Sales, Ex Autos (November, December 12th)

Forecast: 0.2%, 0.1%	Consensus: 0.3%, 0.2%	Previous: 0.4%, 0.2%

Headline retail sales are expected to increase again in November after rebounding in October from a flat reading in the previous month. Consumer confidence has not yet bounced back from the dip related to the government shutdown, but low prices for goods and services are widespread and are therefore helping to boost consumers' purchasing power at a vulnerable time. While November is usually a strong month when it comes to holiday shopping, we don't expect to see a significant gain in sales. Black Friday hit during the last weekend of the month, and various weekly retail sales surveys do not tell a consistent story from week to week. Unit auto sales for November reached the highest SAAR level of the recovery period, but much of this was likely due to dealer discounts that would not necessarily help the nominal retail sales figure. Therefore, we expect to see only modest upward movement in retail sales for November.

China: IP (November, December 10th)

Forecast: 10.3% y/y	Consensus: 10.1% y/y	Previous: 10.3% y/y

After picking up in Q3, China's growth momentum appears to have been sustained in recent months as indicated by a strong official PMI for November (51.4, the same as the previous month). Sentiment has been further lifted by the conclusion of the Third Plenum meeting and its resulting reform blueprint. Output is also being sustained by the lingering effects of mini-stimulus measures adopted earlier in the year, and external demand is gradually improving. We therefore expect manufacturing activity to have remained strong in November, which would bode well for our full-year growth projection of 7.7% for 2013 (based on Q4 growth of 7.6%-7.7%). A set of other monthly activity indictors will also be released in the coming week, including inflation (BBVA: 3.0%), investment (BBVA: 20.0% ytd), retail sales (BBVA: 13.4%), and credit aggregates. We will also be watching for the Central Economic Work conference in which it is expected that the government will set next year's growth target (likely in the 7.0%-7.5% range).

Last Week

Week December, 2 – December, 5

Indicator	Period	Cons. E	Prior	Observed *	
United States					
Construction Spending MoM	Oct	0.4%	-0.3%	0.80%	▲
ISM Manufacturing	Nov	55.1	56.4	57.3	▲
Motor vehicle Sales ('000)	Nov	15.8	15.15	16.31	▼
ADP Employment	Nov	170	130	215	▲
International Trade Balance (Bn USD)	Oct	-40.2	-41.8	-40.6	▼
New Home Sales ('000)	Oct	430	354	444	▲
ISM Non-Manufacturing Index	Nov	55	55.4	53.9	▼
Initial Jobless Claims ('000)	30-Nov	325	316	298	▼
Continuing Claims	23-Nov	2800	2776	2774	▼
GDP QoQ Annualized	3Q P	3.1%	2.8%	3.6%	▲
Personal Consumption	3Q P	1.5%	1.5%	1.4%	▼
GDP Price Index	3Q P	1.9%	1.9%	2.0%	▲
Core PCE QoQ	3Q P	1.4%	1.4%	1.5%	▲
Factory Orders MoM	Oct	-1.0%	1.7%	-0.9%	▲
Nonfarm Payrolls ('000)	Nov	183	204	203	▲
Private Payrolls ('000)	Nov	175	212	196	▲
Manufacturing Payrolls ('000)	Nov	6	19	27	▲
Unemployment rate	Nov	7.20%	7.30%	7.0%	▼
Average Hourly Earnings MoM	Nov	0.20%	0.10%	0.2%	—
Personal Income MoM	Oct	0.30%	0.50%	-0.1%	▼
Personal Spending MoM	Oct	0.20%	0.20%	0.3%	▲
U. of Michigan Consumer Sentiment	Dec	76	75.1	82.5	▲
Eurozone					
PMI Manufacturing	Nov F	51.5	51.5	51.6	▲
PMI Services	Nov F	50.9	50.9	51.2	▲
PMI Composite	Nov F	51.5	51.5	51.7	▲
GDP SA QoQ	3Q P	0.1%	0.1%	0.1%	—
GDP SA YoY	3Q P	-0.40%	-0.40%	-0.4%	—
Retail Sales MoM	Oct	0.10%	-0.60%	-0.2%	▼
France					
PMI Manufacturing	Nov F	47.8	47.8	48.4	▲
PMI Services	Nov F	48.8	48.8	48.0	▲
ILO Unemployment Rate	3Q	11.00%	10.90%	10.90%	▼
Germany					
PMI Manufacturing	Nov F	52.5	52.5	52.7	▲
PMI Services	Nov F	54.5	54.5	55.7	▲
Italy					
PMI Manufacturing	Nov	50.8	50.7	51.4	▲
PMI Services	Nov	50.4	50.5	47.2	▼
Japan					
Capital Spending YoY	3Q	3.6%	0.0%	1.5%	▼
	Nov	--	17.3%	13.3%	
China					
NBS Manuf. PMI	Nov	51.1	51.4	51.4	▲
HSBC Manuf PMI	Nov	50.5	50.9	50.8	▲
NBS Non-Manuf PMI	Nov	--	56.3	56	
HSBC Services PMI	Nov	--	52.6	52.5	
Chile					
Economic Activity MoM	Oct	0.3%	-0.8%	-0.1%	▼
Mexico					
Remittances Total (Million USD)	Oct	1837.8	1795.7	1853.1	▲
IMEF Manufacturing Index SA	Nov	--	49.3	50.13	
Brazil					
PMI Manufacturing	Nov	--	50.2	49.7	
GDP QoQ	3Q	-0.30%	1.50%	-0.50%	▼
PMI Services	Nov	--	52.1	52.3	

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

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