

Key Releases (August 16 - 27)

* Fri 8/20 Retail Sales likely rose for second straight month.

Date	Time (DST)	Time (EDT)	Economic Indicator	(Consensus Ests. in parentheses, Green = DE Above, Red = DE Below)							
				Feb-21	Mar-21	Apr-21	May-21	Jun-21	Jul-21	Aug-21	
Mon 8/16											
Tue 8/17	7:00 AM	2:00 AM	Jun	Employment Change 3M/3M	-73	84	113	25	72 (88)		
	7:00 AM	2:00 AM	Jun	ILO Unemployment Rate 3M (SA)	5.0	4.9	4.8	4.8	4.7 (4.8)		
Wed 8/18	7:00 AM	2:00 AM	Jul	Consumer Price Index (NSA) M/M	0.1	0.3	0.6	0.6	0.5	0.3 (0.2)	
Thu 8/19	12:01 AM	7:01 PM	Aug	GfK Consumer Confidence	-23	-16	-15	-9	-9	-7	-6 (-7)
Fri 8/20	7:00 AM	2:00 AM	Jul	Retail Sales (Inc. Fuels) (Volume, SA) M/M	1.6	4.8	9.3	-1.3	0.5	0.3 (0.2)	
					Feb-21	Mar-21	Apr-21	May-21	Jun-21	Jul-21	Aug-21
Mon 8/23	9:30 AM	4:30 AM	Aug P	Composite PMI (SA)	49.6	56.4	60.7	62.9	62.2	59.2	58.5
Tue 8/24											
Wed 8/25											
Thu 8/26											
Fri 8/27											

Indicator/Event Wrap-Up

Real GDP grew 4.8% QoQ in Q2 (DE 4.7%) following a 1.6% contraction in Q1. The Bank of England predicted growth of 5% in its August report. Private Consumption rose 7.3% from a 4.6% dip. Gross Fixed Capital Formation declined 0.5% after a 1.7% fall. Government Spending grew 6.1% following a 1.5% gain. Imports rose 6.5% from a 13.5% drop while Exports rose 3% after a 6.1% decline. At the monthly level, growth eased from 2.2% in April to 0.6% in May but then accelerated to 1% in June. Further Reopenings in July should support Q3 growth but at a softer pace (DE 2.3% QoQ).

The Bank of England released its latest policy decision. The Monetary Policy Committee (MPC) voted unanimously to hold the Bank Rate at 0.1% and to keep the target for Corporate Bond Purchases at £20B. The target for Government Bond Purchases will remain at £875B, as the MPC voted 7-1 for no change. The MPC updated its economic forecasts and expects Real GDP growth of 5% and 2.9% for Q2 and Q3. The MPC expects CPI inflation to rise to 4% in Q4 2021 and then ease towards the 2% target. The latest statement mentions that "... should the economy evolve broadly in line with the central projections in the August Monetary Policy Report, some modest tightening of monetary policy over the forecast period is likely to be necessary to be consistent with meeting the inflation target sustainably in the medium term."

Retail Sales rose 0.5% in June (DE 0.2%, Consensus -0.1%) after a revised 1.3% fall in May (originally -1.4%). Excluding Auto Fuel, Sales grew 0.3% from a 2% drop. Predominantly Food Stores tallied a 4.2% gain and Sales rose 2.3% for Predominantly Auto Fuel. Textile, Clothing and Footwear Stores faced a 4.7% decline and Sales dropped 10.9% at Household Goods Stores.

DE Assessment, Underlying Themes

Economy: The Recovery was constrained due to national restrictions in Q1. Second quarter brought strong growth, but Delta variant causing some concerns.

Inflation: Improved activity will add support for prices. Annual growth to track high due to base effects.

BOE: The Central Bank held policy steady at the recent meeting. DE expects the first rate hike to come in Q4 2022.