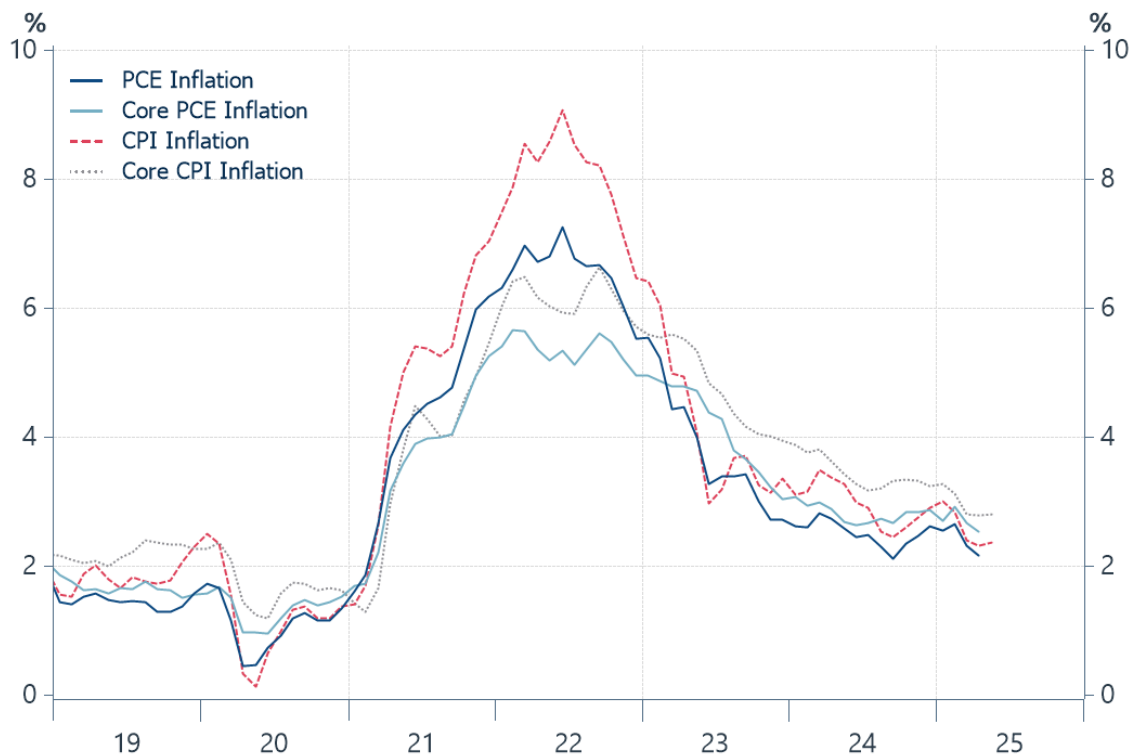


# The Week Ahead

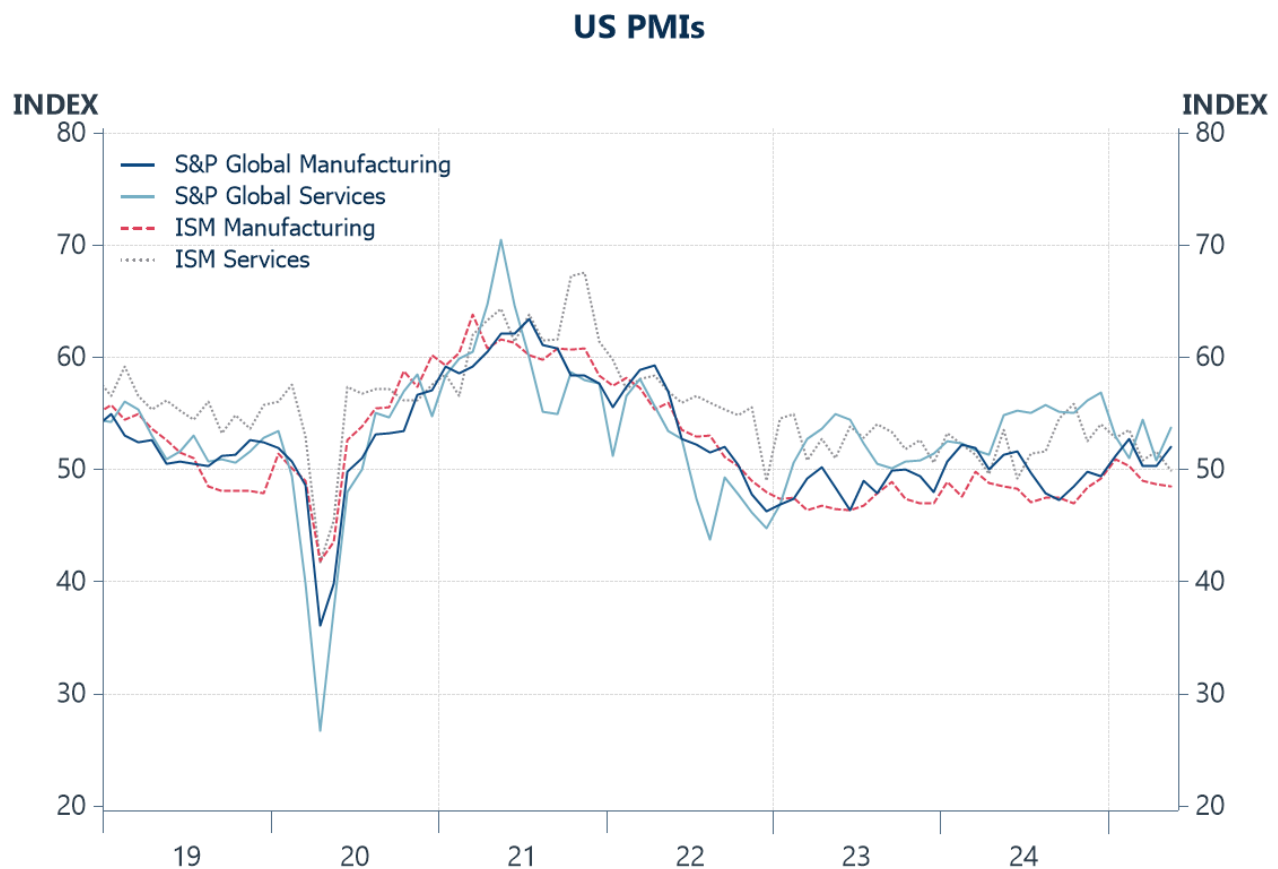
In addition to ongoing trade-related developments between the US administration and its key trading partners, markets are closely watching the upcoming release of May core PCE inflation data and flash June PMIs. Recent core CPI figures suggest that price pressures have stabilized around the 2.8% mark, while broader inflation has yet to reflect any significant impact from US tariffs. Attention now turns to the Federal Reserve's preferred inflation measure—core PCE inflation—for confirmation of similar trends. If inflation remains contained, the Fed may find it easier to justify potential rate cuts to support economic growth. However, a resurgence in price pressures could complicate the central bank's policy path.

**US Inflation Measures**



Sources: BEA, BLS/Haver

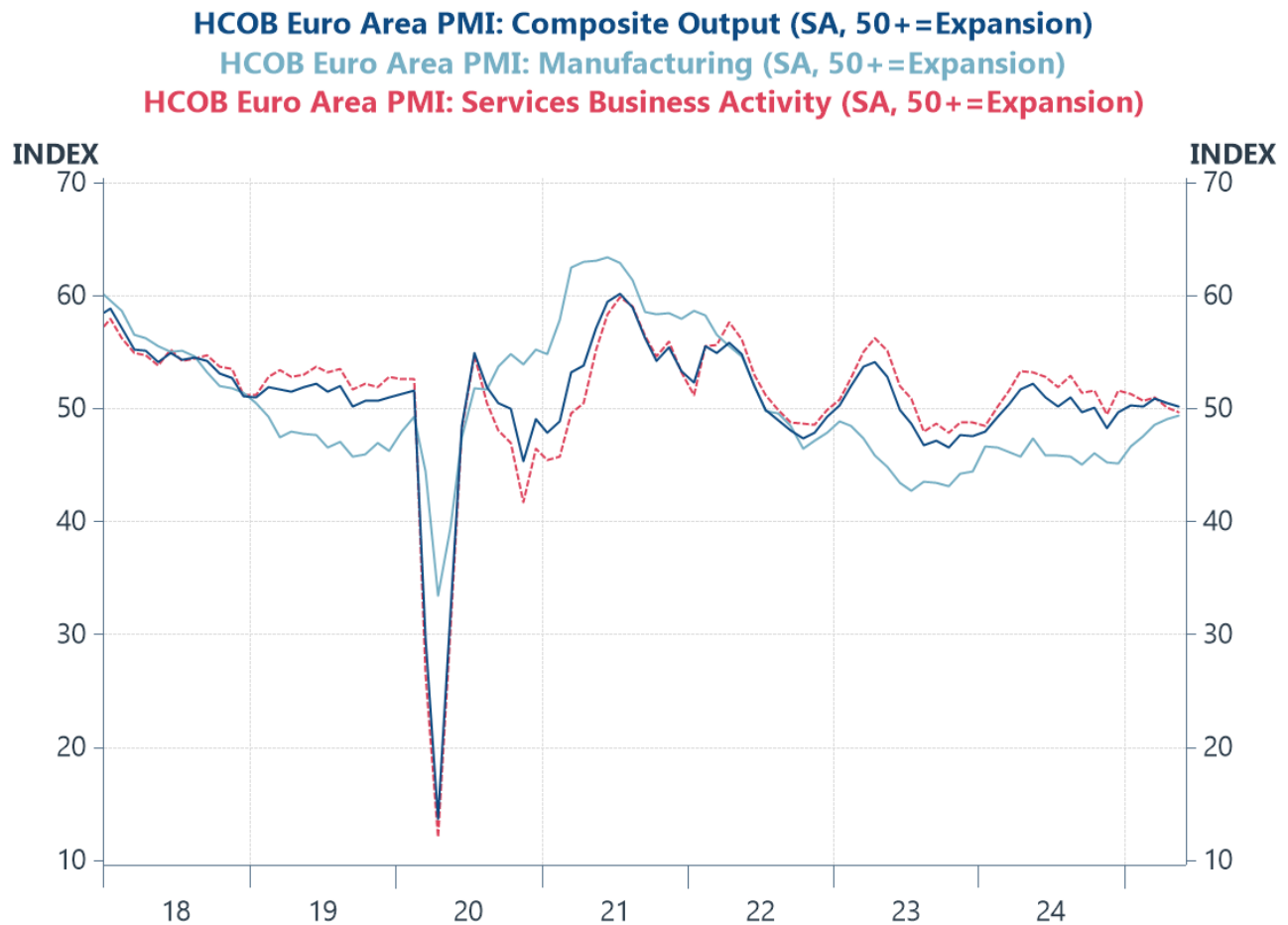
Turning to the US S&P Global PMI data, recent readings have remained relatively resilient, showing no sharp declines despite growth concerns stemming from US trade actions and retaliatory measures. Both the ISM and S&P Global manufacturing indices have stayed in expansionary territory, while services readings have pointed to mild contraction. Investors are now focused on the flash June S&P Global PMIs for further insight into how businesses are responding to recent developments, including the US-China trade deal and a general softening in US trade rhetoric. However, uncertainty remains, with President Trump warning of possible new tariffs on the horizon.



Sources: S&P Global, Institute for Supply Management/Haver Analytics

Turning to Europe, market attention will similarly be on survey data and inflation, with flash PMI readings and regional flash CPI releases scheduled for the week. The Euro area has shown signs of divergence in recent months: manufacturing PMI readings have gradually improved, though they remain in contractionary territory, while the services sector has weakened, slipping into contraction for the first time in May—a concerning sign for the broader economy. In addition to PMIs, other key sentiment indicators are also due, including Germany's June Ifo business climate survey and consumer confidence readings from Germany, Italy, France, and the wider

Euro area. Although still in net-negative territory, Euro area consumer confidence showed a modest rebound in May, likely reflecting a lift in sentiment as US-China trade tensions eased somewhat during the period. On the inflation front, flash June CPI data for France and Spain will be closely watched for further clues on the trajectory of price pressures across the region, especially in the context of the ECB's evolving policy stance.

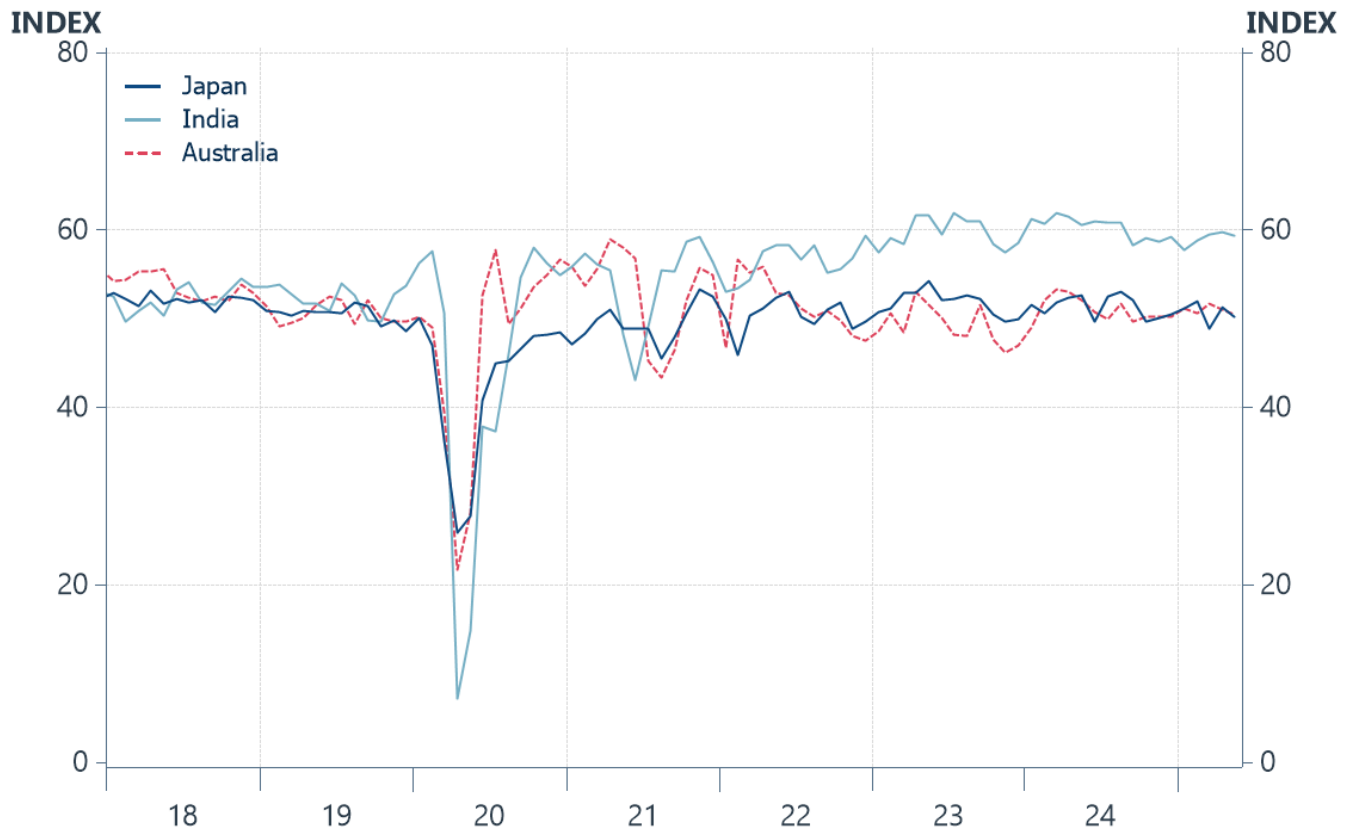


Source: S&P Global/Hamburg Commercial Bank/Haver Analytics

A similar focus extends to Asia this week, with June flash PMI readings due for Japan, India, and Australia, alongside several key May CPI releases. Among these economies, India continues to stand out, with its composite PMI firmly in expansionary territory, reflecting strong underlying momentum. In contrast, PMI readings for Japan and Australia have softened, barely remaining above the expansion threshold after declines in May—underscoring a divergence in growth trajectories across the Asia-Pacific region. On the inflation front, May CPI data will be released for Australia, Singapore, and Malaysia, offering insight into price dynamics across different parts of the region. Meanwhile, the Bank of Thailand is also set to announce its interest rate

decision. While the central bank's policy stance remains clearly tilted toward further easing amid persistent growth headwinds, a rate cut in June may not occur, especially after two consecutive reductions.

### Asia Pacific PMIs (50+ = Expansion)



Sources: JB/SPG, SPG/Haver