

# Week Ahead Economic Preview

## Global markets brace for US FOMC rates decision

5 December 2025

The highlight of the coming week will be the US Federal Reserve's monetary policy meeting, where a rate cut is widely anticipated. Key statistical releases include US job openings and employment cost data, monthly GDP numbers and the November recruitment industry survey results for the UK, plus inflation numbers from mainland China and industrial production for Germany. There are also interest rate decisions from Canada, Brazil, Switzerland, Australia, Turkey and the Philippines.

Despite the November meeting seeing divisions among US policymakers on the FOMC, and Fed Chair Powell stating that "a further reduction in the policy rate is not a foregone conclusion — far from it", markets are firmly pricing in a 25-basis point December rate cut.

A rate cut would come despite US consumer price inflation having accelerated to 3.0% in September and despite concerns that the pass-through of tariffs could also exert further inflationary pressures, as indicated by business survey [price gauges](#). Furthermore, business activity indicators, such as the ISM surveys and PMI from S&P Global, hint at robust fourth quarter GDP growth. However, the case for lower rates lies largely with the labour market, especially after the ADP payroll report signalled falling private sector jobs.

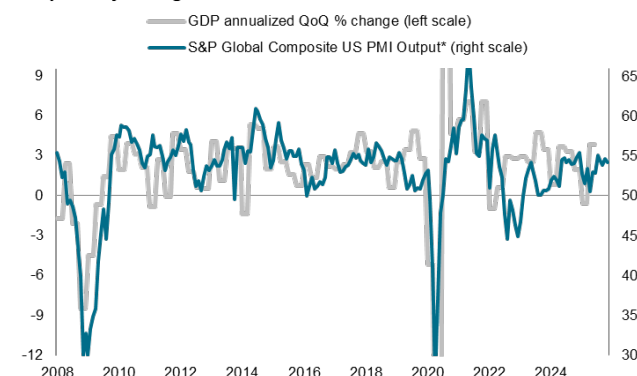
While the current case for lower rates in December is by no means clear-cut, there is even greater uncertainty about the outlook for rates next year. Hence the markets will be particularly eager to assess the Fed's revised forecasts and digest clues about appetite for any further loosening of policy in 2026. Our analysts expect two more 25 bps cuts in 2026 after the December cut, though with the first not occurring until June, as the FOMC awaits confirmation of an improving inflation picture.

Our pick of the data releases is UK GDP for October. September's data showed the economy shrinking by 0.1% in September, though this in part reflected the shutdown of the JLR car plant after a cyber attack. October should therefore see a car sector rebound, [as signalled by the PMI](#), though the survey data suggest [underlying economic growth remains close to stalled](#).

Institutional investment sentiment toward the US equity market will meanwhile be tracked through the December edition of the Investment Manager Index (IMI). November saw [risk appetite at the highest so far this year](#).

PMI surveys signalled a further robust expansion of the US economy in November. ISM data also indicated the sharpest upturn in output across goods and services since March. The survey data therefore point to underlying US GDP strength in Q4. However, employment indicators have been weakening.

### US quarterly GDP growth and the PMI



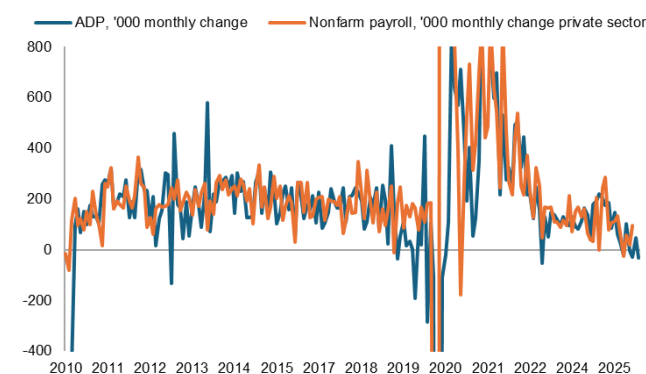
Data compiled Dec. 3, 2025.

\* PMI covers manufacturing only prior to 2009 but manufacturing & services thereafter.

Sources: S&P Global PMI, S&P Global Market Intelligence, BEA.

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### US employment



As of November 2025.

Y axis clipped to remove pandemic extremities to allow easier insights into recent trends.

Source: BLS, ADP.

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**Commentary from Chris Williamson**  
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**S&P Global Market Intelligence**

## Key diary events

Monday 8 Dec	Tuesday 9 Dec	Wednesday 10 Dec	Thursday 11 Dec	Friday 12 Dec
<b>Americas</b> <ul style="list-style-type: none"> <li>- US Consumer Inflation Expectations (Nov)</li> </ul> <b>EMEA</b> <ul style="list-style-type: none"> <li>- Germany Industrial Production (Oct)</li> <li>- Switzerland Consumer Confidence (Nov)</li> <li>- UK KPMG/REC Report on Jobs* (Nov)</li> </ul> <b>APAC</b> <p><i>Philippines Market Holiday</i></p> <ul style="list-style-type: none"> <li>- Japan GDP (Q3, final)</li> <li>- China (Mainland) Balance of Trade (Nov)</li> </ul>	<b>S&amp;P Global Investment Manager Index* (Dec)</b> <b>Americas</b> <ul style="list-style-type: none"> <li>- Mexico Inflation (Nov)</li> <li>- US ADP Weekly Employment Change</li> <li>- US JOLTs Job Openings (Oct)</li> </ul> <b>EMEA</b> <p><i>UAE Market Holiday</i></p> <ul style="list-style-type: none"> <li>- Germany Balance of Trade (Oct)</li> <li>- UK Regional Growth Tracker* (Nov)</li> </ul> <b>APAC</b> <ul style="list-style-type: none"> <li>- Australia NAB Business Confidence (Nov)</li> <li>- Australia Building Permits (Oct, final)</li> <li>- Philippines Industrial Production (Oct)</li> <li>- Australia RBA Interest Rate Decision</li> <li>- Taiwan Trade Balance (Nov)</li> </ul>	<b>GEP Global Supply Chain Volatility Index* (Nov)</b> <b>Americas</b> <ul style="list-style-type: none"> <li>- Brazil Inflation Rate (Nov)</li> <li>- Canada BoC Interest Rate Decision</li> <li>- US Wholesale Inventories (Oct)</li> <li>- US Employment Cost Index (Q3)</li> <li>- US FOMC Interest Rate Decision</li> <li>- Brazil BCB Interest Rate Decision</li> </ul> <b>EMEA</b> <ul style="list-style-type: none"> <li>- Norway Inflation (Nov)</li> <li>- Sweden GDP (Oct)</li> <li>- Türkiye Industrial Production (Oct)</li> <li>- Italy Industrial Production (Oct)</li> </ul> <b>APAC</b> <p><i>Thailand Market Holiday</i></p> <ul style="list-style-type: none"> <li>- South Korea Unemployment Rate (Nov)</li> <li>- Japan PPI (Nov)</li> <li>- China (Mainland) CPI, PPI (Nov)</li> </ul>	<b>Americas</b> <ul style="list-style-type: none"> <li>- Brazil Retail Sales (Oct)</li> <li>- Canada Balance of Trade (Sep)</li> <li>- US PPI (Nov)</li> <li>- Brazil Business Confidence (Dec)</li> </ul> <b>EMEA</b> <ul style="list-style-type: none"> <li>- Sweden Inflation (Nov, final)</li> <li>- Switzerland SNB Interest Rate Decision</li> <li>- Türkiye TCMB Interest Rate Decision</li> </ul> <b>APAC</b> <ul style="list-style-type: none"> <li>- Philippines BSP Interest Rate Decision</li> </ul>	<b>Americas</b> <p><i>Mexico Market Holiday</i></p> <ul style="list-style-type: none"> <li>- Mexico Industrial Production (Oct)</li> <li>- Canada Building Permits (Oct)</li> </ul> <b>EMEA</b> <ul style="list-style-type: none"> <li>- Germany Inflation (Nov, final)</li> <li>- UK Goods Trade Balance (Oct)</li> <li>- United Kingdom monthly GDP, incl. Manufacturing, Services and Construction Output (Oct)</li> <li>- France Inflation (Nov, final)</li> <li>- Spain Inflation (Nov, final)</li> </ul> <b>APAC</b> <ul style="list-style-type: none"> <li>- Malaysia Industrial Production (Oct)</li> <li>- Japan Industrial Production (Oct, final)</li> <li>- India Inflation (Nov)</li> <li>- China (Mainland) M2, New Yuan Loans, Loan Growth (Nov)</li> </ul>

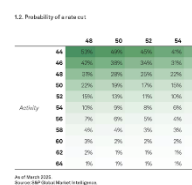
\* Access press releases of indices produced by S&P Global and relevant sponsors [here](#).

## Recent PMI and economic analysis from S&P Global

Global	<a href="#">Global trade stabilises in November</a>	5-Dec	Jingyi Pan
	<a href="#">Manufacturing outlooks vary as key US and ASEAN PMI indicators diverge</a>	13-Nov	Jingyi Pan
	<a href="#">Monthly PMI Bulletin: November 2025</a>	13-Nov	Jingyi Pan
	<a href="#">Broad-based deterioration in trade in October</a>	10-Nov	Jingyi Pan
	<a href="#">Global PMI signals faster output growth but optimism about the year ahead worsens</a>	7-Nov	Chris Williamson
	<a href="#">Manufacturing PMI points to sustained growth in October but expectations worsen</a>	4-Nov	Chris Williamson
EMEA	<a href="#">UK flash PMI signals weakened growth, steep job losses and cooler inflation</a>	21-Nov	Chris Williamson
	<a href="#">November flash PMI adds to signs of improved fourth quarter eurozone growth</a>	21-Nov	Chris Williamson
	<a href="#">Growth opportunities in CEE region identified but challenging demand conditions remain</a>	19-Nov	Eleanor Dennison, Sian Jones
Americas	<a href="#">US flash PMI signals faster economic growth in November, but price pressures also intensify</a>	21-Nov	Chris Williamson
	<a href="#">US equity market investor sentiment improves with reduced macro concerns</a>	17-Nov	Jingyi Pan
Asia-Pacific	<a href="#">Japan's growth momentum rises alongside improvement in business confidence</a>	21-Nov	Jingyi Pan
	<a href="#">Assessing the relationship between the PMI and official statistics in Malaysia</a>	19-Nov	Usamah Bhatti

## S&P Global Market Intelligence highlights

### Using PMI data to better understand monetary policy decisions



In this paper, we use Purchasing Managers' Index™ (PMI®) data from S&P Global to calculate the likelihood of changes in monetary policy at the world's major central banks. PMI data are advantageous as a tool for central banks, providing timely sets of macroeconomic information that are released monthly and not revised. This contrasts with official data, such as GDP, employment or the Consumer Price Index (CPI), which have a longer publication lead times and are often subject to revision.

[Click here to access our research and analysis](#)

### The Decisive | PMI in Focus: Global Business Outlook and AI Sentiment



Host Paul Smith is joined by senior economists Pollyanna de Lima and Andrew Harker to explore the latest trends in Purchasing Managers' Indices (PMI) and their implications for the global economy. They discuss the resilience of global economic growth in 2025 in the face of challenges such as low business confidence, tariffs, and trade uncertainties

[Click here to listen to this podcast by S&P Global Market Intelligence](#)

## For further information:

For more information on our products, including economic forecasting and industry research, please visit <https://www.spglobal.com/>. For more information on our PMI business surveys, please visit [here](#).

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## Links to more resources

- [Sign up to receive updated commentary in your inbox here.](#)
- [Calendar of upcoming PMI releases](#)
- [Running commentary on the PMI survey findings](#)
- [PMI Frequently Asked Questions](#)
- [Background to the PMIs \(video\)](#)
- [Understanding the headline PMI and its various subindices](#)
- [PMI data use-case illustrations](#), from nowcasting to investment strategy
- [PMI podcasts](#)
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