

Week Ahead Economic Preview

Inflation data to guide central bank policy decisions

22 May 2026

Inflation updates for many of the world's largest economies will be in the spotlight in the coming week as policymakers and markets assess the likely next moves in interest rates.

Kevin Warsh has taken over as Chair of the US Fed's rate setting committee as inflation indicators are flashing red. After the US consumer price index showed the annual rate of inflation rising to 3.8% in April, its highest since May 2023, the coming week's updated core PCE inflation measure – widely touted as the Fed's preferred gauge – will be eagerly awaited. Core PCE prices rose at a 3.2% annual rate in March, up 0.3% on a month ago. Any large uplift will add to market speculation that rates are on hold for the rest of the year, and that the next move could even be a hike. Note that [S&P Global's flash US PMI survey](#) hinted at yet another rise in price pressure in May as the war triggered more cost growth among businesses.

However, with the flash US PMI signalling only modest output growth in May, the Fed will be eager to see how well the economy is holding amid the ongoing war in the Middle East. Hence US trade data and durable goods orders, plus further survey activity measures from the Chicago, Richmond and Dallas Feds, will all be closely eyed in the coming week.

The European Central Bank will also be assessing inflation trends via consumer price indices for Germany, France and Italy, as well as producer price data for Italy, France and Spain. The [flash eurozone PMI survey](#) data showed price growth accelerating due to a growing supply shock to the region, but also indicated that the economy has now fallen into a deepening downturn, complicating the policy stance.

Inflation data are likewise updated for April in Australia, where the reserve bank has already hiked its policy rate at its last three consecutive meetings in response to rising prices. The RBA's May meeting concluded with warnings that more rate hikes were likely needed. However, with [PMI data hinting at growing downturn risks for the economy](#), it will be interesting to see if policymakers move more cautiously.

Other notable releases during the week include first quarter GDP for the US (its second estimate), Canada, Brazil, Italy and Singapore. However, in all cases these data are capturing conditions prior to the impact of the war in the Middle East, so hold few signals for the economic outlook. Nonetheless, strong first quarters will be important in helping position economies to weather the conflict.

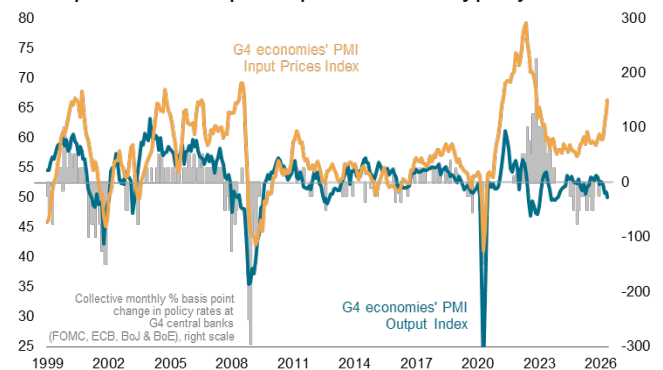
Chart of the week: Flash PMIs signal stagflation

S&P Global's flash PMI surveys showed business growth grinding to a halt in May as the war in the Middle East exerts a growing toll. Europe is hardest hit, with the UK and eurozone economies now both in decline, but the US and Japanese expansions have also shifted down gears since the onset of the conflict.

Services have generally reported the worst deterioration in demand, whereas manufacturers have continued to benefit in May from stockpiling. This precautionary stock build will only be temporary, however, and reflects growing concerns over supply conditions (with supply availability having deteriorated markedly again in May) as well as worries over price hikes. Manufacturing input price inflation accelerated sharply among the major economies to reach a four-year high, with energy prices also pushing up service inflation.

These indications that the major economies are already facing stagflationary conditions poses a major challenge to central bank policymakers.

Developed world PMI output and prices vs. monetary policy



Data compiled May 21, 2026.

PMI (50 = no change on prior month) covers manufacturing and services. G4 includes the US, eurozone, Japan and UK. PMI data are weighted according to size of each economy.

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

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Read more about [recent worldwide PMI trends here](#).

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Selected key diary events

Monday 25 May	Tuesday 26 May	Wednesday 27 May	Thursday 28 May	Friday 29 May
<p>Americas</p> <p>Brazil Current Account (Apr) Mexico Balance of Trade (Apr)</p> <p>APAC</p> <p>Singapore Inflation (Apr)</p>	<p>Americas</p> <p>US Chicago Fed National Activity (Apr) US S&P/Case-Shiller Home Price (Mar) US Conference Board Consumer Confidence (May) US Dallas Fed Manufacturing Survey (May) US Money Supply (Apr) Canada Manufacturing Sales MoM Prel (Apr)</p> <p>EMEA</p> <p>UK BRC Shop Price Inflation (May) Spain PPI (Apr)</p> <p>APAC</p> <p>Singapore GDP (Q1) Singapore Current Account (Q1) Singapore Industrial Production (Apr)</p>	<p>Americas</p> <p>US Richmond Fed Survey (May) US Dallas Fed Survey (May)</p> <p>EMEA</p> <p>Unicredit Bank Austria Manufacturing PMI (May) Eurozone New Car Registrations YoY (Apr) France Consumer Confidence (May) Italy Industrial Sales (Mar) France Unemployment Claims (Apr)</p> <p>APAC</p> <p>Australia Inflation (Apr) China (Mainland) Industrial Profits (Apr)</p>	<p>Americas</p> <p>US Core PCE Price Index (Apr) US Durable Goods Orders (Apr) US GDP, 2nd Est (Q1) US Building Permits, New Home Sales (Apr) US Personal Income & Spending (Apr) Mexico Unemployment Apr Canada Current Account (Q1) Canada Average Earnings (Mar)</p> <p>EMEA</p> <p>Eurozone Economic Sentiment (May) Italy Producer Prices (Apr) France Producer Prices (Apr) Spain Retail Sales (Apr) South Africa Interest Rate Decision</p> <p>APAC</p> <p>South Korea Interest Rate Decision Australia Household Spending (Apr) Japan Housing Starts, Construction Orders (Apr) India Industrial Production (Apr)</p>	<p>Americas</p> <p>US Trade Balance (Apr) US Retail Inventories (Apr) US Chicago PMI (May) Brazil GDP Q1) Brazil Unemployment Rate (Apr) Canada GDP (Q1)</p> <p>EMEA</p> <p>Germany Import Prices (Apr) France Inflation (May) France GDP, final (Q1) France Non Farm Payrolls (Q1) Spain Inflation, prelim (May) Germany Unemployment (Apr) Italy Unemployment (Apr) Italy Inflation, prelim (May) Italy GDP, final (Q1) Germany Inflation, prelim (May)</p> <p>APAC</p> <p>South Korea Industrial Production, Retail Sales (Apr) Japan Unemployment (Apr) Japan Tokyo CPI (May) Singapore PPI (Apr) Japan Consumer Confidence (May)</p>

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

Recent PMI and economic analysis from S&P Global

May 21, 2026 | [Eurozone flash PMI signals deepening downturn as war drives prices higher | S&P Global](#)

May 21, 2026 | [Flash US PMI signals subdued growth and job cuts in May amid price surge | S&P Global](#)

May 21, 2026 | [Japan flash PMI signals cooling economy as price index hits record high | S&P Global](#)

May 21, 2026 | [Flash PMI shows UK economy sinking into decline in May as prices surge higher | S&P Global](#)

May 21, 2026 | [Mind the gap: Asia's inflation pipeline has further to run | S&P Global](#)

May 13, 2026 | [Global exports buoyed by stockpiling as war disrupts services trade](#)

May 08, 2026 | [Global PMI: Europe hit hardest by war impact in April](#)

May 06, 2026 | [Global PMI rises in April as war-related supply and price worries boost manufacturing](#)

May 05, 2026 | [Global PMI shows prices rising sharply amid worsening supply chain delays](#)

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