New York • London • Boston • Chicago
DECISION ECONOMICS, INC.
Information for Decisions™

Forecast Calendar

June 17, 2011

United States

Economic Indicators—Schedule and Forecasts

Sinai/Ellis/Tan

June 20 – July 1, 2011

f= DE forecast c=consensus a=advance s=second t=third r=revised

20

3-and 6-Month Bills (11:30)
$51.0 Billion

21

ICSC/Goldman Sachs Chain Sales (7:45) (6/18)

Redbook Chain Sales (8:55) (6/18)

Existing Home Sales (10:00)
(Units, Millions, SAAR)

Jan	5.400	Apr	5.050
Feb	4.920	**May (f)**	**4.697**
Mar	5.090	**May (c)**	**4.800**

4-Week Bill (11:30)
$28.0 Billion (f)

22

FOMC Meeting & Statement (12:30)
(QE2 ends; more pessimistic comment on economy; same as before on inflation; holds on balance sheet and interest rates subject to economy, labor market, and price stability.)

Bernanke Press Conference (14:15)
(Following FOMC Decision)

23

Initial Claims (8:30)

6/4	430	**6/18 (f)**	**410**
6/11	414	**6/18 (c)**	**412**

New Home Sales (10:00)
(Units, Thousands, SAAR)

Jan	310	Apr	323
Feb	278	**May (f)**	**341**
Mar	301	**May (c)**	**310**

30-Year TIPS (13:00)
$7.0 Billion

Evans Speech (19:00)
(State Budgets Under Stress: Paths to Sustainability Conference – Federal Reserve Bank of Chicago, Chicago, Illinois)

24

Gross Domestic Product (8:30)

(Third)	Real	Final Sales	Chain Prices
10:Q4	3.1%	6.7%	0.4%
11:Q1 (s)	1.8%	0.6%	1.9%
11:Q1 (f)	**1.9%**	**0.7%**	**1.9%**
11:Q1 (c)	**1.9%**		**1.9%**

Durable Goods (8:30)

	Orders	Ex-Def.	Ships.
Mar	4.6%	4.2%	3.1%
Apr	-3.6%	-3.8%	-1.3%
May (f)	**2.0%**	**2.0%**	**1.0%**
May (c)	**1.6%**		

27

Personal Income & Consumption (8:30)

	Income	Cons.	Core Prices
Mar	0.4%	0.5%	0.1%
Apr	0.4%	0.4%	0.2%
May (f)	**0.2%**	**-0.1%**	**0.3%**

Kocherlakota Speech (11:00)
(Rethinking Leverage Subsidies – Tri-State Bankers Summit, Big Sky, Montana)

3-and 6-Month Bills (11:30)
$51.0 Billion (f)

Hoenig Speech (13:00)
(The Pew Charitable Trusts' Financial Reform Project – Washington)

2-Year Note (13:00)
$35.0 Billion (f)

28

ICSC/Goldman Sachs Chain Sales (7:45) (6/25)

Redbook Chain Sales (8:55) (6/25)

S&P/Case-Shiller Index (9:00)
(20 City Index) (Y/Y)

Nov	-1.7%	Feb	-3.4%
Dec	-2.4%	Mar	-3.6%
Jan	-3.1%	**Apr (f)**	**-4.7%**

Conference Board Consumer Confidence Survey (10:00)

Jan	64.8	Apr	66.0
Feb	72.0	May	60.8
Mar	63.8	**Jun (f)**	**60.2**

4-Week Bill (11:30)
$28.0 Billion (f)

1-Year Bill (11:30)
$24.0 Billion (f)

Fisher Speech (12:00)
(Round Rock Chamber of Commerce, Austin, Texas)

5-Year Note (13:00)
$35.0 Billion (f)

29

Pending Home Sales (10:00)

Dec	-3.2%	Mar	3.5%
Jan	-2.8%	Apr	-11.6%
Feb	0.7%	**May (f)**	**4.0%**

7-Year Note (13:00)
$29.0 Billion (f)

30

Initial Claims (8:30)

6/4	430	**6/18 (f)**	**410**
6/11	414	**6/25 (f)**	**400**

Bullard Speech (9:00)
(Welcoming Remarks and Thoughts on QE – St. Louis Fed's QE Conference, St. Louis, Missouri)

Chicago Purchasing Managers' Survey (9:45)

	Total	Prices Paid
Apr	67.6	81.8
May	56.6	78.6
Jun (f)	**50.2**	**64.0**

Hoenig Speech (13:00)
(Rotary Club of Des Moines – Iowa)

1

U of M Cons Sentiment Index (9:55) (Final)

Feb	77.5	May	74.3
Mar	67.5	Jun (p)	71.8
Apr	69.8	**Jun (f)**	**71.6**

U of M Inflation Expectations (9:55) (Final)

	1-Year	5-Year
May	4.1%	2.9%
Jun (p)	4.0%	3.0%
Jun (f)	**4.0%**	**3.0%**

ISM Manufacturing Survey (10:00)

	Total	Prices
Apr	60.4	85.5
May	53.5	76.5
Jun (f)	**50.2**	**62.0**

Construction Expenditure (10:00)

Dec	-3.2%	Mar	0.1%
Jan	-1.0%	Apr	0.4%
Feb	-2.0%	**May (f)**	**0.5%**

Light Vehicle Sales
(Units, Millions, SAAR)

	Total	Domestic	Import
Apr	13.1	10.2	2.9
May	11.8	9.2	2.5
Jun (f)	**12.4**	**9.8**	**2.6**

Recent History-Latest Results

13

3-and 6-Month Bills (11:30)
$51.0 Billion (f)

14

ICSC/Goldman Sachs Chain Sales (7:45) (6/11)

Producer Price Index (8:30)

	Total	Ex-F&E
Mar	0.7%	0.3%
Apr	0.8%	0.3%
May	0.2%	0.2%

Advance Retail Sales (8:30)

	Total	Ex-Auto
Mar	0.8%	1.2%
Apr	0.3%	0.5%
Apr	-0.2%	0.3%

Redbook Chain Sales (8:55) (6/11)

Business Inventories, Sales

(10:00)	Inven.	Sales	I/S
Feb	0.7%	0.3%	1.269
Mar	1.3%	2.4%	1.255
Apr	0.8%	0.1%	1.263

4-Week Bill (11:30)
$28.0 Billion

15

Consumer Price Index (8:30)

	Total	Ex-F&E
Mar	0.5%	0.1%
Apr	0.4%	0.2%
May	0.2%	0.3%

Empire State Manufacturing Survey

(8:30)	Total	Prices
Apr	21.7	57.7
May	11.9	69.9
Jun	-7.8	56.1

Monthly TIC flows (9:00) (Apr)

Industrial Production & Capacity Utilization (9:15)

	Prod.	Util.
Mar	0.6%	76.8%
Apr	unch	76.7%
May	0.1%	76.7%

NAHB Housing Market Index (10:00)

Jan	16	Apr	16
Feb	16	May	16
Mar	17	Jun	13

16

Housing Starts (8:30)
(Units, Millions, SAAR)

	Starts	Permits
Mar	0.593	0.574
Apr	0.541	0.563
May	0.560	0.612

Current Account ($ Billions) (8:30)

10:Q2	-120.3	10:Q4	-112.2
10:Q3	-120.1	11:Q1	-119.3

Initial Claims (8:30)

5/21	429	6/4	430
5/28	426	6/11	414

Philadelphia Fed Survey (10:00)

	Total	Prices
Apr	18.5	57.1
May	3.9	48.3
Jun	-7.7	26.8

Monthly Money (16:30)
(SA, $ Billions)

	M1	M2
Mar	1890.0	8912.8
Apr	1901.0	8945.9
May	1935.3	9000.7

17

U of M Cons Sentiment Index (9:55) (Prelim.)

Jan	74.2	Apr	69.8
Feb	77.5	May	74.3
Mar	67.5	Jun	71.8

U of M Inflation Expectations (9:55) (Prelim.)

	1-Year	5-Year
Apr	4.6%	2.9%
May	4.1%	2.9%
Jun	4.0%	3.0%

Leading Indicators (10:00)

Dec	0.8%	Mar	0.7%
Jan	0.2%	Apr	-0.4%
Feb	0.9%	May	0.8%

Indicator Highlights

Existing Home Sales (Tue., Jun. 21, 10:00 a.m.) will offer a glimpse of demand conditions in the broad housing market. Underlying demand for homes appears to have stabilized, but at a low level. The "Third" Report on Gross Domestic Product (Fri., Jun. 24, 8:30 a.m.) will give the final reading on the economy in Q1, and the early impact of higher oil prices.

Personal Income & Consumption (Mon., Jun. 27, 8:30 a.m.) will supply a second-month reading for Q2 consumer spending, currently the largest source (over 70%) of real GDP. How goes the consumer, so goes the economy. A new growth trend for consumption has emerged: much lower than historically, hard to pin down exactly, but significantly weaker, at perhaps about 2½%, or 3% at the most. Modest income growth is expected, as well as a higher savings rate. The S&P/Case-Shiller Index (Tue., Jun. 28, 9:00 a.m.) is a key gauge of house prices for both year-on-year changes and on a running basis. Home prices in this index have double dipped. The updated reading of the Reuters/University of Michigan Consumer Sentiment Survey (Fri, Jul. 1, 9:55 a.m.) will provide some guidance on how consumer confidence fared in late June. Confidence was down in the preliminary reading on renewed concerns over the economic outlook. The ISM Manufacturing Survey (Fri, Jul. 1, 10:00 a.m.) is the definitive manufacturing activity diffusion index. A strong upturn in manufacturing continues to be a key element of economic recovery – the key question is whether May's softness was dominated by special factors or the beginning of a real slowdown. Also, early signs of Japan's recession may be starting to show. Light-Vehicle Sales (Fri., Jul. 1) will give an idea of overall demand for the important and large motor vehicle sales component of retail sales and consumption. Vehicle sales were down sharply in May on continued inventory/supply disruptions after the Japan earthquake as well as reduced price incentives. Will they rebound?

Indicator	Forecast	Consensus	Analysis
Existing Home Sales (Units, SAAR)	4.697 Million	4.800 Million	Pending sales plunge in April, signaling weak closings in May.
New Home Sales (Units, SAAR)	341,000	310,000	Up-tick in mortgage applications points to slightly higher sales.
Gross Domestic Product (Second)			
Real	+1.9%	+1.9%	Small upward revision to final sales.
Final Sales	+0.7%		
Chain Prices	+1.9%	+1.9%	
Durable Goods			
Orders	+2.0%	+1.6%	Commercial aircraft orders rebound, but increases elsewhere more tentative.
Ex-Defense	+2.0%		
Shipments	+1.0%		
Personal Income & Consumption			
Income	+0.2%		Weak employment results are reflected in income, and drop in car buying pulls down consumption.
Consumption	-0.1%		
Core Prices	+0.3%		
S&P/Case-Shiller Index	-4.7%		Prices plumb new lows amid unfavourable supply/demand balance.
Conference Board Consumer Confidence Survey	60.2		Small decline following a larger drop in May.
Pending Home Sales	+4.0%		Some bounce back after April's plunge.
Chicago Purchasing Managers' Survey			
Total	50.2		Moves to near neutral activity.
Prices Paid	64.0		
U. of M. Consumer Sentiment Index (Final)	71.6		Sentiment edges down.
U. of M. Inflation Expectations (Final)			
1-Yr Ahead (Median)	4.0%		Price expectations remain high.
5-Yr Ahead (Median)	3.0%		
ISM Manufacturing Survey			
Total	50.2		Fourth monthly decline leaves activity nearly flat.
Prices	62.0		Sharp fall in diffusion index.
Construction Expenditure	+0.5%		Another very marginal increase.
Light-Vehicle Sales (Units, SAAR)			
Total	12.4		Supply shortage still restraining sales.
Domestic	9.8		
Import	2.6 Million		

Assessment

Economic growth – in the U.S. and globally – has softened, probably on higher inflation, especially energy costs, and the early effects from Japan's downturn (on both supply and demand sides). Industrial side of the U.S. economy has been strong, now weakening. A question is how much crude oil, gasoline and energy price hikes will take from growth in Q2 and Q3. Other "off-shore" risks remain from the European sovereign debt crisis and China's attempt to disinflate. Employment weakness reinforces Fed's conviction to hold, not tighten, post-QE2 – still aiming to raise growth, raise inflation, and lower the unemployment rate, with a long way to go.

Decision Economics, Inc.
555 5th Avenue, 15th Floor
New York, New York 10017
Telephone: 212-884-9440
Facsimile: 212-884-9451

Decision Economics, Inc.
288 Bishopsgate, 3rd Floor
London EC2M 4QB
Telephone: 011-44-20-7814-6706
Facsimile: 011-44-20-7959-3344

Decision Economics, Inc.
One Boston Place, 16th Floor
Boston, Massachusetts 02108
Telephone: 617-994-0500
Facsimile: 617-994-0501/0502

Decision Economics, Inc.
2 North La Salle, Suite 1200
Chicago, IL 60602
Telephone: 312-476-7504

© 2011. Decision Economics, Inc. All rights reserved. Reproduction in whole or in part without the written permission of the copyright owner is prohibited.