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Forecast Calendar

June 24, 2011

United States

Economic Indicators—Schedule and Forecasts

June 27 – July 8, 2011

Sinai/Ellis/Tan

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

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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)	**0.3%**	**0.1%**	**0.2%**
May (c)	**0.4%**	**0.1%**	**0.2%**

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

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

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

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

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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)

Dec	-2.4%	Mar	-3.6%
Jan	-3.1%	**Apr (f)**	**-4.3%**
Feb	-3.4%	**Apr (c)**	**-4.0%**

Conference Board Consumer Confidence Survey (10:00)

Feb	72.0	May	60.8
Mar	63.8	**June (f)**	**60.2**
Apr	66.0	**June (c)**	**61.0**

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

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

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

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

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Pending Home Sales (10:00)

Jan	-2.8%	Apr	-11.6%
Feb	0.7%	**May (f)**	**4.0%**
Mar	3.5%	**May (c)**	**2.5%**

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

Raskin Speech (12:00)
(Economic Inclusion – New America Foundation Forum: Rebuilding the Road to Financial Stability, Washington)

FRB Meeting (15:30)
(Debit Interchange Fees and Other Matters, Washington)

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Initial Claims (8:30)

6/11	420	**6/25 (f)**	**420**
6/18	429	**6/25 (c)**	**421**

Chicago Purchasing Managers' Survey (9:45)

	Total	Prices Paid
Apr	67.6	81.8
May	56.6	78.6
Jun (f)	**54.2**	**69.0**
Jun (c)	**54.0**	

Bullard Speech (10:00)
(Welcoming Remarks and Thoughts on QE – St. Louis Fed's QE Conference, St. Louis, Missouri)

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

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

Mar	67.5	Jun (p)	71.8
Apr	69.8	**Jun (f)**	**71.0**
May	74.3	**Jun (c)**	**72.0**

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**	**64.6**
Jun (c)	**51.8**	**70.5**

Construction Expenditure (10:00)

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

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)	**12.2**	**9.9**	**2.3**
Jun (c)	**12.1**		

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Holiday

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ICSC/Goldman Sachs Chain Sales (7:45) (7/2)

Redbook Chain Sales (8:55)
(7/2)

Manufacturers' (10:00)

	Orders	Ships.	Invs.
Mar	3.8%	3.1%	1.4%
Apr	-1.2%	-0.2%	1.3%
May (f)	**0.8%**	**0.1%**	**1.3%**

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

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ISM Non-Manufacturing (10:00)

	Total	Prices
Apr	52.8	70.1
May	54.6	69.6
Jun (f)	**52.5**	**62.1**

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

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ADP Employment Estimate (8:15) (Jun)

Initial Claims (8:30)

6/11	420	**6/25 (f)**	**420**
6/18	429	**7/2 (f)**	**415**

Hoenig Speech (12:30)
(Chickasaw Nation Business and Community Leaders Luncheon – Ada, Oklahoma)

Monthly Chain Store Sales
(Jun)

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Employment Report (8:30)

	Payrolls (Thous.)	Weekly Hours	Hourly Earnings
Apr	232	34.4	0.1%
May	54	34.4	0.3%
Jun (f)	**110**	**34.4**	**0.2%**

Unemployment Rate (8:30)

Jan	9.0%	Apr	9.0%
Feb	8.9%	May	9.1%
Mar	8.8%	**Jun (f)**	**9.1%**

Wholesale Inventories (10:00)

Dec	1.2%	Mar	1.3%
Jan	1.0%	Apr	0.8%
Feb	1.0%	**May (f)**	**0.7%**

Recent History-Latest Results

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

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

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

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

Dec	5.220	Mar	5.090
Jan	5.400	Apr	5.000
Feb	4.920	May	4.810

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

FOMC Meeting
(21-22)

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FOMC Decision & 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.)

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Initial Claims (8:30)

5/28	426	6/11	420
6/4	430	6/18	429

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

Dec	331	Mar	306
Jan	310	Apr	326
Feb	281	Apr	319

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

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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	1.9%	0.6%	2.0%

Durable Goods (8:30)

	Orders	Ex-Def.	Ships.
Mar	4.6%	4.2%	3.1%
Apr	-2.7%	-2.9%	-1.4%
May	1.9%	1.9%	0.3%

Indicator Highlights

United States

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?

The ISM Non-Manufacturing Survey (Wed., Jul. 6, 10:00 a.m.) is a high-frequency gauge for the important services sector, which accounts for about 60% to almost 85% of the economy, depending on the measure. Nonfarm Payroll Jobs and the Unemployment Rate (Fri., Jul. 8, 8:30 a.m.) are key data for a host of upcoming economic indicators, the prospect, and particularly the Fed. The Fed remains focused on the unemployment rate.

Indicator	Forecast	Consensus	Analysis
Personal Income & Consumption			
Income	+0.3%	+0.4%	Weak employment results are reflected in income, and drop in car buying pulls down consumption.
Consumption	+0.1%	+0.1%	
Core Prices	+0.2%	+0.2%	
S&P/Case-Shiller Index	-4.3%	-4.0%	Prices plumb new lows amid unfavourable supply/demand balance.
Conference Board Consumer Confidence Survey	60.2	61.0	Small decline following a larger drop in May.
Pending Home Sales	+4.0%	+2.5%	Some bounce back after April's plunge.
Chicago Purchasing Managers' Survey			
Total	54.2	54.0	Moves to near neutral activity.
Prices Paid	69.0		
U. of M. Consumer Sentiment Index (Final)	71.0	72.0	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	51.8	Fourth monthly decline leaves activity nearly flat.
Prices	64.6	70.5	Sharp fall in diffusion index.
Construction Expenditure	+0.5%	+0.1%	Another very marginal increase.
Light-Vehicle Sales (Units, SAAR)			
Total	12.2	12.1	Supply shortage still restraining sales.
Domestic	9.9		
Import	2.3		
	Million		
Manufacturers'			
Orders	+0.8%		Firm durables orders; energy-price pull holds back nondurables.
Shipments	+0.1%		
Inventories	+1.3%		
ISM Non-Manufacturing Survey			
Total	52.5		A setback, but only reversing May rise.
Prices	62.1		
Employment Report			
Payrolls	110,000		A slightly firmer tone; hiring still cautious.
Weekly Hours	34.4		
Hourly Earnings	+0.2%		
Unemployment Rate	9.1%		
Wholesale Inventories	+0.7%		Wholesale inventories edge down following six months of growth near or above one percent.

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, lower the unemployment rate, but no longer to raise inflation.

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