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Forecast Calendar

June 3, 2011

Eurozone

Economic Indicators—Schedule and Forecasts (Local Times)

Wroblewski/Sidenbladh/Liu

June 6 – June 17, 2011

6

Producer Prices (NSA) (11:00)

	M/M	Y/Y
Mar	0.7%	6.7%
Apr (f)	**0.8%**	**6.7%**
Apr (c)	**0.8%**	**6.6%**

ECB President Trichet speaks in Canada (18:00)

7

Retail Sales (SA) (11:00)

	M/M	Y/Y
Mar	-1.0%	-1.7%
Apr (f)	**0.4%**	**0.2%**
Apr (c)	**0.3%**	**unch**

8

Gross Domestic Product, First Estimate, (SA) (11:00)

	Q/Q	Y/Y
QIV'10	0.3%	2.0%
QI'11 (p)	**0.8%**	**2.5%**
QI'11 (f)	**0.8%**	**2.5%**
QI'11 (c)	**0.8%**	**2.5%**

9

ECB Governing Council meeting (decision at 13:45)
(No change expected – may warn about July hike. Bank liquidity decision possibly more important)
Press conference at 14:30

10

ECB President Trichet speaks in Germany (8:50)

13

14

15

Industrial Production (SA) (11:00)

	M/M	Y/Y
Feb	0.6%	7.7%
Mar	-0.2%	5.3%
Apr (f)	**0.4%**	**5.4%**

16

ECB Monthly Bulletin (Jun) (10:00)

Harmonized Index of Consumer Prices, Final (11:00)

	M/M	Y/Y
Mar	1.4%	2.7%
Apr	0.6%	2.8%
May (flash)		**2.7%**
May (f)	**unch**	**2.7%**

Employment (Q1) (11:00)

17

New Car Registrations (May) (8:00)

Trade Balance (Euro billion) (NSA) (11:00)

	'11	'10
Feb	-3.0	1.4
Mar	2.8	2.7
May (f)	**-1.3**	-0.7

Construction Output (Apr) (11:00)

M/M=month-over-month
Q/Q=quarter-over-quarter
Y/Y=year-over-year

f=forecast
r=revised
c=consensus

Recent History-Latest Results

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Retail PMI (May) (10:10)

31

Harmonized Index of Consumer Prices, Flash (11:00)

	M/M	Y/Y
Mar	1.4%	2.7%
Apr	0.6%	2.8%
May		2.7%

Unemployment Rate (%) (SA) (11:00)

Nov	10.0	Feb	9.9
Dec	10.0	Mar	9.9
Jan	10.0	Apr	9.9

1

Purchasing Managers' Index Manufacturing, Final (10:00)

Dec	57.1	Mar	57.5
Jan	57.3	Apr	58.0
Feb	59.0	May	54.6

2

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Service Sector Purchasing Managers Survey, Final (10:00)

Dec	54.2	Mar	57.2
Jan	55.9	Apr	56.7
Feb	56.8	May	56.0

Indicator Highlights

Key potential market-moving indicators and events include: Producer Prices (Mon. Jun. 6, 11:00 a.m.), Retail Sales (Tue. Jun. 7, 11:00 a.m.), the second estimate of Q1 Gross Domestic Product (Wed. Jun. 8, 11:00 a.m.) and the ECB Council meeting (decision due Thu. Jun. 9, 1:45 p.m.). In the following week, there is Industrial Production (Wed. Jun. 15, 11:00 a.m.), final Harmonized Consumer Prices (Thu. Jun. 16, 11:00 a.m.) and the Visible Trade Balance (Fri. Jun. 17, 11:00 a.m).

The **PPI** climbed in March, down a notch from the jump seen in the previous month. Real **retail sales** dropped in M/M terms in March, unwinding the gains seen in both February and January. **GDP** jumped in Q1, very much up from the pace of the previous quarter. The **ECB** kept the refi rate unchanged at its last Council meeting. **Industrial production** decreased in March, down very clearly from the upwardly revised gain seen in February. **HICP inflation** surprisingly slipped last month. The (unadjusted) **trade balance** was in surplus in March, little changed from the same month of the last year.

Indicator	Forecast	Consensus	Analysis
Producer Prices			
M/M	0.8%	0.8%	Peak reached
Y/Y	6.7%	6.6%	
Retail Sales (SA)			
M/M	0.4%	0.3%	Calendar distortions unwind.
Y/Y	0.2%	unch	
Gross Domestic Product, Q1 (SA) – Second estimate			
Q/Q	0.8%	0.8%	Break-down detailed.
Y/Y	2.5%	2.5%	
Industrial Production (SA)			
M/M	0.4%		Geographical divergences re-emerging.
Y/Y	5.4%		
Consumer Prices – HICP (Final) (NSA)			
M/M	unch		Core rate falls more than headline.
Y/Y	2.7%		
Visible Trade (NSA)	-€ 1.3 bln		Seasonal deterioration.

Post Mortem—Prior Week Results

Inflation eases back. The flash HICP estimate for May saw inflation inch back 0.1 percentage point to 2.7% Y/Y, down from the 30-month high posted in April.

Unemployment unchanged. The unemployment rate was 9.9% in April, also matching the unrevised March and February outcomes but was still down from the 10.1% rate set last October, the latter having been the highest in 12 years.

Weaker manufacturing sentiment. The May final manufacturing PMI pointed to a marked slowing in private sector activity for the Eurozone. The aggregated Eurozone PMI continued to show a relatively robust expansion at 54.6, the M/M drop in May was the sharpest (3.4 points) since just after the collapse of Lehman in late-2008.

Weaker, while geographical divergences continue. The May final PMIs pointed to a marked slowing in private sector activity for the Eurozone, albeit not as acute a slowing as pictured in the flash data. Specifically, the final services PMI eased 0.7 points to 55.4, half the fall reported in the flash estimate but remaining above its long-term average (by around two points).

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Forecast Calendar

June 3, 2011

United Kingdom

Economic Indicators—Schedule and Forecasts (Local Times)

June 6 – June 17, 2011

Wroblewski/Sidenbladh/Liu

6

New Car Registrations (May)

Possibly from today:

HBOS House Prices (May) (8:00)

7

BRC Retail Sales Monitor (May) (00:01)

8

BRC Shop Price Index (May) (00:01)

REC/KPMG Report on Jobs (May) (00:01)

9

Visible Trade Balance, Global (SA) (£ Million) (9:30)

Feb	-6988	**Apr (f)**	**-7350**
Mar	-7660	**Apr (c)**	**-7549**

Bank of England MPC meeting (rate announcement 12 noon – *no change expected*)

Friday 10 continued

PPI Input (NSA) (9:30)

	MM	Y/Y
Apr	2.6%	17.6%
May (f)	**-2.5%**	**14.9%**
May (c)	**-1.0%**	**16.2%**

Construction Output (Apr) (9:30)

BoE Inflation Attitudes Survey (Q2) (9:30)

10

Manufacturing Production (SA) (9:30)

	MM	Y/Y
Mar	0.2%	2.7%
Apr (f)	**-1.8%**	**1.7%**
Apr (c)	**unch**	**3.5%**

Industrial Production (SA) (9:30)

	M/M	Y/Y
Mar	0.3%	0.7%
Apr (f)	**-1.7%**	**-0.4%**
Apr (c)	**0.1%**	**1.4%**

PPI Output (NSA) (9:30)

	MM	Y/Y
Apr	0.8%	5.3%
May (f)	**0.4%**	**5.4%**
May (c)	**0.3%**	**5.3%**

PPI Output Exc. Food, Drink, Tobacco & Oil (NSA) (9:30)

	MM	Y/Y
Apr	0.6%	3.4%
May (f)	**0.3%**	**3.3%**
May (c)	**0.3%**	**3.4%**

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BoE Quarterly Bulletin (Q2)

Possibly from today:

Nationwide Consumer Confidence (May) (00:01)

14

RICS House Price Survey (May) (00:01)

Consumer Price Index (CPI) (NSA) (9:30)

	M/M	Y/Y
Mar	0.3%	4.0%
Apr	1.0%	4.5%
May (f)	**0.1%**	**4.3%**

Retail Prices (NSA) (9:30)

	M/M	Y/Y
Mar	0.5%	5.3%
Apr	0.8%	5.2%
May (f)	**0.3%**	**5.1%**

Retail Prices, Underlying (RPIX) (NSA) (9:30)

	M/M	Y/Y
Mar	0.5%	5.4%
Apr	0.9%	5.3%
May (f)	**0.2%**	**5.1%**

Department for Communities & Local Government House Prices (Apr) (9:30)

15

Claimant Count Unemployment, (Change Thousands) (SA) (9:30)

Feb	-8.5	Apr	12.4
Mar	6.4	**May (f)**	**2.5**

ILO Unemployment Rate (3 months ending, %) (9:30)

Jan	8.0	Mar	7.7
Feb	7.8	**Apr (f)**	**7.7**

Average Weekly Earnings (Y/Y) (3-Month Moving Average) (9:30)

Jan	2.4	Mar	2.3
Feb	2.1	**Apr (f)**	**2.0**

16

Retail Sales (Volume, SA) (9:30)

(Inc. Fuels)	M/M	Y/Y
Mar	0.3%	1.1%
Apr	1.1%	2.8%
May (f)	**-1.0%**	**0.9%**

17

M/M=month-over-month
Q/Q=quarter-over-quarter
Y/Y=year-over-year

f=forecast
r=revised
c=consensus

Recent History-Latest Results

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Holiday

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1

Purchasing Managers' Survey - Manufacturing (SA) (9:30)

Dec	58.7	Mar	56.7
Jan	61.2	Apr	54.4
Feb	60.9	May	52.1

BoE Lending to Individuals (9:30)

Mortgage Lending (SA, Net, £ Billion)

Nov	0.7	Feb	1.0
Dec	-0.3	Mar	0.5
Jan	1.7	Apr	0.7

M4 Money Supply (SA) (9:30)

	M/M	Y/Y
Feb	-0.3%	-1.4%
Mar	0.1%	-1.1%
Apr	0.1%	-0.9%

2

Purchasing Managers' Survey – Construction (SA) (May) (9:30)

Wednesday 1 continued

M4 Lending (9:30) (SA, Change, £ billion)

Jan	2.9	Mar	11.0
Feb	7.5	Apr	10.7

Narrow Money & Reserve Balances (May) (9:30)

3

Purchasing Managers' Survey - Services (SA) (9:30)

Dec	49.7	Mar	57.1
Jan	54.5	Apr	54.3
Feb	52.6	May	53.8

Indicator Highlights

Key potential market-moving indicators and events include: the Trade Balance (Thu. Jun. 9, 9:30 a.m.), the Bank of England Monetary Policy Committee Meeting (rate decision announced Thu. Jun. 9, 12 noon) as well as Industrial Production and Producer Prices (both Fri. Jun. 10, 9:30 a.m.). In the following week, there are Consumer Prices (Tue. Jun. 14, 9:30 a.m.), the Labor Market Report – including unemployment and average earnings details – (Wed. Jun. 15, 9:30 a.m.) and Retail Sales (Thu. Jun. 16, 9:30 a.m.).

The total **visible trade** gap widened from an upwardly revised shortfall in February. March **manufacturing output** rose in M/M terms, up from a flat February reading. Overall **industrial production**, meanwhile, also rose. **Producer prices** rose in M/M terms in April. April **consumer price inflation** more than unwound the fall seen in the previous month, rising to a 26-month high. April **claimant count unemployment** showed a further and steeper rise, with the jump being the largest in 15 months. **Average weekly earnings** growth picked up in the three months to March. Real **retail sales** (including fuels) jumped in M/M terms in April.

Indicator	Forecast	Consensus	Analysis
Visible Trade Balance, Global (SA)	-£ 7350 mln	-£ 7549 mln	Export uptrend still clear.
Manufacturing Production (SA)			
M/M	-1.8%	unch	Added holiday ravages output.
Y/Y	1.7%	3.5%	
Industrial Production (SA)			
M/M	-1.7%	0.1%	Warm weather hits utilities.
Y/Y	-0.4%	1.4%	
PPI Output (NSA)			
M/M	0.4%	0.3%	Broad rise continues.
Y/Y	5.4%	5.3%	
PPI Input (SA)			
M/M	-2.5%	-1.0%	Direct influence of recent fall back in commodity prices.
Y/Y	14.9%	16.2%	
CPI (NSA)			
M/M	0.1%		Calendar distortions unwind.
Y/Y	4.3%		
RPI (NSA)			
M/M	0.3%		Four-month low.
Y/Y	5.1%		
Claimant Count Unemployment (SA)			
M/M (change, thousands)	2.5		Fresh uptrend more evident?
ILO Unemployment Rate (SA)	7.7%		Mixed picture discernible.
Headline Average Earnings (Y/Y)	2.0%		Running well below CPI inflation.
Retail Sales (Volumes, SA)			
M/M	-1.0%		Less reliable guide for overall consumer spending?
Y/Y	0.9%		

Post Mortem—Prior Week Results

Manufacturing softened further. The headline manufacturing PMI for May dropped once again and with the fall of 2.3 points (to 52.1) the same size as that seen in April.

Mortgage approvals slips. According to BoE-computed data, the number of mortgage approvals fell back in April. They slipped from 47 145 to 45 166, and were also below the average of the last six months.

Weak underlying money supply. BoE numbers on underlying monetary dynamics offered some downbeat messages in April data. These showed a 0.1% M/M drop in underlying broad money supply growth, following a same-sized gain March.

Construction sector resilient? The construction PMI rebounded modestly in May, rising 0.7 points to 54.0, albeit repairing only some of the 3.1 points slump seen in April.

Services weaken further. The May services PMI fell 0.5 points to 53.8, adding to the sharp drop of the previous month, both helping to unwind much of the surge seen in March which took the headline index to the highest in 13 months.

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Forecast Calendar

June 3, 2011

Germany

Economic Indicators—Schedule and Forecasts (Local Times)

Wroblewski/Sidenbladh/Liu

June 6 – June 17, 2011

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Manufacturing Orders, (M/M) (SA), (12 noon)

Dec	-3.6%	Mar	-4.0%
Jan	3.1%	**Apr (f)**	**0.8%**
Feb	1.9%	**Apr (c)**	**2.1%**

8

Trade Balance (NSA) (Euro billion) (8:00)

	'11	'10
Mar	18.9	17.0
Apr (f)	**15.5**	13.2
Apr (c)	**14.9**	

Current Account (NSA) (Euro billion) (8:00)

	'11	'10
Mar	19.5	18.8
Apr (f)	**13.3**	12.0
Apr (c)	**11.0**	

Industrial Production (M/M) (SA) (12 noon)

Feb	1.7%	**Apr (f)**	**0.3%**
Mar	0.7%	**Apr (c)**	**0.1%**

Manufacturing & Mining Output (M/M) (SA), (12 noon)

Jan	0.4%	Mar	0.5%
Feb	1.8%	**Apr (f)**	**0.7%**

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ECB Governing Council meeting (decision at 13:45)
(No change expected – may warn about July hike. Bank liquidity decision possibly more important)
Press conference at 14:30

10

Cost-of-Living, Final (NSA) (8:00)

	M/M	Y/Y
Apr	0.2%	2.4%
May (p)	**unch**	**2.3%**
May (f)	**unch**	**2.3%**
May (c)	**unch**	**2.3%**

Wholesale Price Index (NSA) (8:00)

	M/M	Y/Y
Mar	1.3%	10.9%
Apr	0.2%	9.2%
May (f)	**-0.3%**	**8.6%**

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14

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16

17

M/M=month-over-month
Q/Q=quarter-over-quarter
Y/Y=year-over-year

f=forecast
r=revised
c=consensus

Recent History-Latest Results

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Real Retail Sales (M/M) (SA) (8:00)

Nov	-1.2%	Feb	0.1%
Dec	1.2%	Mar	-2.7%
Jan	0.7%	Apr	0.6%

Unemployment (Change, 000's) (SA) (9:55)

Feb	-51	Apr	-33
Mar	-51	May	-8

Employment (Change, 000's) (SA) (9:55)

Jan	59	Mar	38
Feb	37	Apr	28

VDMA Machinery Orders (Apr)

1

Purchasing Managers' Survey Manufacturing, Final (SA) (9:55)

Dec	60.7	Mar	60.9
Jan	60.5	Apr	62.0
Feb	62.7	May	57.7

2

3

Purchasing Managers' Survey Services, Final (SA) (9:55)

Dec	59.2	Mar	60.1
Jan	60.3	Apr	56.8
Feb	58.6	May	56.1

Key potential market-moving indicators and events include: Manufacturing Orders (Tue. Jun. 7, 12 noon), the Trade Balance and Current Account (Wed. Jun. 8, 8:00 a.m.), Industrial Production (Wed. Jun. 8, 12 noon) as well as final Consumer Prices and Wholesale Prices (both Fri. Jun. 10, 8:00 a.m.). In the following week, there are no data of note.

Manufacturing orders slumped in March. The March (unadjusted) **trade** surplus widened from the same period of the previous year, now reaching the highest since June 2008. March **industrial production** rose, a third-straight positive reading. According to preliminary data, **CPI inflation** slipped back last month. **Wholesale prices** increased in April, a far more modest jump than the surge of the previous month.

Indicator	Forecast	Consensus	Analysis
Manufacturing Orders, (SA)			
M/M	0.8%	2.1%	Recovery in capital good orders.
Trade Balance, (NSA)	€ 15.5 bln	€ 14.9 bln	Trade flows correct back.
Current Account, (NSA)	€ 13.3 bln	€ 11.0 bln	Running fast ahead of year before.
Industrial Production, (SA)			
M/M	0.3%	0.1%	Calendar distortions possible.
Consumer Prices – Final (NSA)			
M/M	unch	unch	Break-down detailed.
Y/Y	2.3%	2.3%	
Wholesale Prices (NSA)			
M/M	-0.3%		First sign of commodity price correction.
Y/Y	8.6%		

Post Mortem—Prior Week Results

Strength in labor market still evident? Unemployment decreased by 8 000 in April, a much less marked fall than the revised 33 000 drop seen in the previous month.

Retail sales rose. According to Federal Statistics Office data, real retail sales (excluding auto and petrol sales) rose by 0.6% M/M in April, accentuated by the March slump of 2.7%.

Stronger orders growth. According to the industry association VDMA, real machine tool orders growth picked up on an annual basis in April, but with the faster pace of growth entirely due to stronger export orders.

Activity continues to show clear strength. The final May manufacturing PMI numbers revealed a less positive message. Indeed, there was a downward (0.5 percentage point) revision from the flash reading, meaning that the index fell 4.3 points to a seven-month low of 57.7.

Activity continues to show clear strength. The May final services PMI number was stronger than the flash estimate (by more than a full point), albeit still dropping 0.7 points to a seven-month low of 56.8.

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Forecast Calendar

June 3, 2011

France

Economic Indicators—Schedule and Forecasts (Local Times)

Wroblewski/Sidenbladh/Liu

June 6 – June 17, 2011

6	7	8	9	10
		Visible Trade Balance (SA) (8:45) (Euro Billion) Nov -4.22 Feb -6.37 Dec -5.24 Mar -5.75 Jan -6.09 **Apr (f) -6.00** Central Government Budget (Apr) (8:45)	BoF Business Sentiment Survey (May) (8:30) Salaried Employment, Final (SA) (8:45) Q/Q Y/Y QIII'10 0.1% 0.6% QIV'10 0.2% 0.8% **QI'11 (p) 0.4% 1.0%** **QI'11 (f) 0.4% 1.0%** ECB Governing Council meeting (decision at 13:45) *(No change expected – may warn about July hike. Bank liquidity decision possibly more important)* *Press conference at 14:30*	Industrial Production, exc. Construction (SA) (8:45) M/M Y/Y Mar -0.9% 3.3% **Apr (f) 0.4% 4.2%** **Apr (c) 0.4% 4.3%** Manufacturing Production (SA) (8:45) M/M Y/Y Mar -1.0% 4.6% **Apr (f) 0.4% 4.5%** **Apr (c) 0.3% 4.4%**
13	**14**	**15**	**16**	**17**
		Consumer Prices (NSA) (7:30) M/M Y/Y Mar 0.8% 2.0% Apr 0.3% 2.1% **May (f) 0.1% 2.1%**		Wages, Final (Q1) (8:45)

M/M=month-over-month
Q/Q=quarter-over-quarter
Y/Y=year-over-year

f=forecast
r=revised
c=consensus

Recent History-Latest Results

30	31	1	2	3
	Household Consumption of Manufactured Goods (SA) (8:45) M/M Y/Y Feb 1.2% 4.3% Mar -1.1% 1.6% Apr -1.6% 1.2% Producer Prices (NSA) (8:45) M/M Y/Y Feb 0.8% 6.3% Mar 0.9% 6.6% Apr 0.8% 6.4%	Unemployment (Q1) (8:45) Purchasing Managers' Index Manufacturing, Final (SA) (9:50) Dec 57.2 Mar 55.4 Jan 54.9 Apr 57.5 Feb 55.7 May 54.9 New Car Registrations (May)		Purchasing Managers' Index Services, Final (SA) (9:50) Dec 54.9 Mar 60.4 Jan 57.8 Apr 62.9 Feb 59.7 May 62.5

Indicator Highlights

Key potential market-moving indicators and events include: the Trade Balance (Wed. Jun. 8, 8:45 a.m.), the final estimate for Salaried Employment (Thu. Jun. 9, 8:45 a.m.) and Industrial Production (Fri. Jun. 10, 8:45 a.m.). In the following week, there are Consumer Prices (Wed. Jun. 15, 7:30 a.m.).

The March **trade** gap narrowed from a record-high deficit in February. Preliminary data showed that **(non-farm) employment** increased in Q1, twice the rise of the previous quarter. **Manufacturing output** decreased in March, the first fall in five months and a clear contrast to the gain seen in the preceding month. Headline **CPI inflation** rose in April.

Indicator	Forecast	Consensus	Analysis
Visible Trade (SA)	-€ 6.00 bln		Oil bill rises.
Salaried Employment (SA) – Final			
Q/Q	0.4%		No revision expected.
Y/Y	1.0%		
Industrial Production (SA)			
M/M	0.4%	0.4%	Series volatility re-emerging.
Y/Y	4.2%	4.3%	
Consumer Prices (NSA)			
M/M	0.1%		Still at cycle-high?
Y/Y	2.1%		

Post Mortem—Prior Week Results

Household spending falls back. Consumer spending on manufactured goods in April decreased by 1.6% M/M, a downward-surprise accentuated by the revision to the March reading (now showing a 1.1% drop rather than the original 0.7% fall).

Producer price pressures weaker. Producer prices increased 0.8% M/M in April, a notch below the gain seen in March.

Manufacturing strengthens. Coming in 0.1 point below the flash reading, the final May manufacturing PMI decreased 2.6 points (to 54.9), more than canceling out the preceding month's gain and hitting a four-month low.

Lower jobless rate. According to the national statistics institute INSEE, the jobless rate was down a notch in Q1 at 9.2%, albeit only due to an upward revision to the Q4 reading (to 9.3%).

Still strong services. Showing a clear (0.5 point) downward revision, the final services May PMI fell 0.4 point to 62.5, 0.3 point below the flash estimate and still down from the cycle-high of the previous month.

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Forecast Calendar

June 3, 2011

Italy

Economic Indicators—Schedule and Forecasts (Local Times)
June 6 – June 17, 2011

Wroblewski/Sidenbladh/Liu

6	**7**	**8**	**9**	**10**
			ECB Governing Council meeting (decision at 13:45) *(No change expected – may warn about July hike. Bank liquidity decision possibly more important)* *Press conference at 14:30*	Gross Domestic Product, Second Estimate (SA) (10:00) Q/Q Y/Y QIV'10 0.1% 1.5% **QI'11 (p) 0.1% 1.0%** **QI'11 (f) 0.1% 1.0%** **QI'11 (c) 0.1% 1.0%**
13	**14**	**15**	**16**	**17**
Industrial Production* (10:00) M/M Y/Y Feb 1.5% 2.4% Mar 0.4% 3.1% **Apr (f) 0.6% 4.2%**			NIC Consumer Prices, Final, (NSA) (11:00) M/M Y/Y Mar 0.4% 2.5% Apr 0.5% 2.6% **May (p) 0.1% 2.6%** **May (f) 0.1% 2.6%**	Visible Trade Balance, Global (NSA) (Euro billion) (11:00) '11 '10 Feb -3.6 -2.8 Mar -3.9 -1.7 **Apr (f) -3.9** -1.3 Visible Trade Balance, EU (NSA) (11:00) (Euro billion) '11 '10 Feb -0.9 -1.0 Mar -1.1 -0.2 **Apr (f) -0.9** unch

* M/M is seasonally-adjusted and working day adjusted. Y/Y is not seasonally adjusted but working-day adjusted.

Q/Q=quarter-over-quarter
Y/Y=year-over-year
M/M=month-over-month
r=revised
c=consensus
f=forecast

Recent History-Latest Results

30	**31**	**1**	**2**	**3**
	Unemployment (Apr) (10:00) NIC Consumer Prices, Preliminary, (NSA) (11:00) M/M Y/Y Mar 0.4% 2.5% Apr 0.5% 2.6% May 0.1% 2.6% Producer Prices (NSA) (12 noon) M/M Y/Y Feb 0.7% 5.4% Mar 0.8% 6.2% Apr 0.6% 5.5%	Purchasing Managers' Survey Manufacturing (SA) (9:45) Dec 54.7 Mar 56.2 Jan 56.6 Apr 55.5 Feb 59.0 May 52.8 New Car Registrations (May)		Purchasing Managers Survey Service (SA) (9:45) Dec 50.2 Mar 53.3 Jan 49.9 Apr 52.2 Feb 53.1 May 50.1

Indicator Highlights

Key potential market-moving indicators and events include: the final estimate of Q1 Gross Domestic Product (Fri. Jun. 10, 10:00 a.m.). In the following week, there is Industrial Production (Mon. Jun. 13, 10:00 a.m.), final Consumer Prices (Thu. Jun. 16, 11:00 a.m.) and the Global/EU Trade Balances (Fri. Jun. 17, 10:00 a.m.).

Q1 **GDP** increased according to preliminary data, in line with the outcome of the previous quarter. **Industrial production** rose further in March, albeit down from the recovery posted in the previous month. Final data confirmed that **consumer price inflation** increased in April, the highest in 29 months. The **global unadjusted trade deficit** widened in March, up from the deficit recorded in the same month of the previous year.

Indicator	Forecast	Consensus	Analysis
Gross Domestic Product, 2nd Estimate (SA)			
Q/Q	0.1%	0.1%	Break-down detailed.
Y/Y	1.0%	1.0%	
Industrial Production*			
M/M	0.6%		Surveys mixed.
Y/Y	4.2%		
Consumer Prices – Final (NSA)			
M/M	0.1%		EU-harmonized break-down detailed.
Y/Y	2.6%		
Trade Balance – Global	-€ 3.9 bln		EU balance worsens.

* M/M is seasonally-adjusted and working day adjusted. Y/Y is not seasonally adjusted but working-day adjusted.

Post Mortem—Prior Week Results

Inflation rises further. Preliminary data showed that consumer price inflation was unchanged at 2.6% Y/Y in May, the joint-highest in 29 months.

Pipeline price pressures ease. The PPI increased by 0.6% M/M in an April, a more muted gain than March's 0.8% jump and helped pull down Y/Y producer price inflation from 6.2% to a three-month low of 5.5%

Manufacturing conditions ease back. The manufacturing PMI corrected back further in May, easing 2.7 points to 52.8, further away from the cycle-high recorded in February and hitting a six-month low.

Services stagnate? The May services PMI decreased further, with the 1.1 points slip to 50.1 taking the headline figure to a four-month low and thereby to more of a contrast with a March figure that was the highest since last November.

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Forecast Calendar

June 3, 2011

Japan

Economic Indicators—Schedule and Forecasts

Ellis/Wroblewski

June 6 – June 17, 2011 (Local Times)

6

7

Official Reserves ($Billion, NSA) (8:50)

Dec	1096.2	Mar	1116.0
Jan	1093.0	Apr	1135.5
Feb	1091.5	**May (f)**	**1140.0**

Business Conditions Composite Indexes (Prelim.) (14:00)

	Leading	Coincident
Feb	104.0	106.8
Mar	100.1	103.5
Apr (f)	**97.0**	**103.0**

8

Bank Lending (Y/Y) (8:50)

Dec	-2.0%	Mar	-1.7%
Jan	-1.8%	Apr	-0.9%
Feb	-1.9%	**May (f)**	**-1.0%**

Money Supply (M2) (Y/Y) (8:50)

Dec	2.3%	Mar	2.6%
Jan	2.3%	Apr	2.7%
Feb	2.4%	**May (f)**	**2.7%**

Current Account Balance (¥Billion, NSA) (8:50)

	2011	2010
Feb	1641.0	1593.3
Mar	1679.1	2556.4
Apr (f)	**105.0**	1331.2

Current Account Visible Trade (¥Billion, NSA) (8:50)

	2011	2010
Feb	723.3	785.3
Mar	240.3	1089.0
Apr (f)	**-345.0**	871.1

9

Real GDP (Revised) (SA) (Q/Q) (8:50)

10:Q1	2.2%	10:Q4	-0.8%
10:Q2	0.1%	11:Q1 (p)	-0.9%
10:Q3	0.9%	**11:Q1 (f)**	**-0.9%**

10

Corporate Goods Price Index (Y/Y) (8:50)

Dec	1.2%	Mar	2.0%
Jan	1.5%	Apr	2.5%
Feb	1.7%	**May (f)**	**2.5%**

Tertiary Industry Activity (SA) (M/M) (8:50)

Nov	0.6%	Feb	1.0%
Dec	-0.2%	Mar	-6.0%
Jan	-0.1%	**Apr (f)**	**2.0%**

13

BOJ Monetary Policy Meeting

Machinery Orders, Core (SA) (14:00)

Nov	0.1%	Feb	-1.9%
Dec	-0.2%	Mar	2.9%
Jan	3.9%	**Apr (f)**	**unch**

14

BOJ Monetary Policy Meeting

MOF Business Outlook Survey (8:50) (Second Quarter)

Industrial Production (Revised) (SA) (M/M) (13:30)

Dec	-2.4%	Mar	-15.5%
Jan	unch	Apr (p)	1.0%
Feb	1.8%	**Apr (f)**	**1.0%**

BOJ Shirakawa Press Conference (15:30)

15

BOJ Monthly Report (14:00) (June)

16

17

BOJ Monetary Policy Meeting Minutes (8:50) (May 19-20)

M/M=month-over-month f= forecast
Y/Y=year-over-year c=consensus

Recent History-Latest Results

30

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Unemployment Rate (SA) (8:30)

Nov	5.1%	Feb	4.6%
Dec	4.9%	Mar	4.6%
Jan	4.9%	Apr	4.7%

Effective Job Offers to Applicants Ratio (8:30)

Nov	0.57	Feb	0.62
Dec	0.58	Mar	0.63
Jan	0.61	Apr	0.61

Family Income and Expenditure Survey (Real) (Y/Y) (8:30)

	PCE (All)	PCE (Workers)	Disp. Income
Feb	-0.2%	-0.7%	1.4%
Mar	-8.5%	-11.0%	-3.2%
Apr	-3.0%	-2.6%	-2.8%

Industrial Production (SA) (M/M) (8:50)

Nov	1.6%	Feb	1.8%
Dec	2.4%	Mar	-15.5%
Jan	unch	Apr	1.0%

Housing Starts (Y/Y) (14:00)

Nov	%	Feb	10.1%
Dec	7.5%	Mar	-2.4%
Jan	2.7%	Apr	0.3%

MOF FX Intervention Data (19:00) (May)

1

Shirakawa Speech (9:30)
BOJ International Conference

Vehicle Sales (Y/Y) (14:00)

Dec	-28.3%	Mar	-37.0%
Jan	-21.5%	Apr	-51.0%
Feb	-14.3%	May	-38.0%

2

MOF Corporate Financial Statistics (8:50) (First Quarter)

3

Indicator Highlights

Key potential market-moving indicators and events include: Bank Lending (Wed., Jun. 8, 8:50); Real GDP (Revised) (Thu., Jun. 9, 8:50); Tertiary Industry Activity (Fri., Jun. 10, 8:50); and Machinery Orders, Core (Mon., Jun. 13, 14:00).

Bank lending results will be watched for new hints of investment activity prompted by disaster reconstruction. GDP numbers will give a more-refined picture of conditions on the eve of the earth quake/tsunami, while tertiary industry results may hint at the beginning of a rebound.

Machinery orders give a reading on business investment intentions over a relatively short-term horizon; they should show an early positive impact from rebuilding and relocation outlays.

Indicator	Forecast	Consensus	Analysis
Official Reserves (NSA)	$1140.0 Billion		Strictly an earnings-driven rise.
Business Conditions Composite Indexes (Prelim.)			
Leading	97.0		Still falling.
Coincident	103.0		
Bank Lending	-1.0%		Little indication of firming activity.
Money Supply (M2) (Y/Y)	+2.7%		Accelerated growth pace carries on.
Current Account Balance (NSA)	¥105.0 Billion		Very poor goods-trade performance- impacted by disaster shock.
Current Account Visible Trade (NSA)	-¥345.0 Billion		
Real GDP (Revised) (Q/Q)	-0.9%		Little or no revision.
Corporate Goods Price Index (Y/Y)	+2.5%		Continues firm, on global prices.
Tertiary Industry Activity (SA) (M/M)	+2.0%		A partial rebound from catastrophe.
Machinery Orders, Core (SA)	unch		Holding ground; soon to rise.
Industrial Production (Revised) (SA) (M/M)	+1.0%		No significant revision

Post Mortem—Recent Data Results

Soft jobs data. In line with expectations, the unemployment rate rose 0.1 percentage point from March's 25-month low to 4.7% in April. However, once more the data did not include results from the three main areas hit by the earthquake. On a further downbeat note, Y/Y employment continued to fall, slipping 4.4% in April, only marginally less severely than in the prior month (-4.5%). However, the participation rate rose clearly, up 0.7 percentage points to 59.7% but with the job-to-applicant ratio falling back from a 26-month high of 0.63 to a three-month low of 0.61.

Household spending improves. The Y/Y growth rate for overall household spending turned much less negative at -3.0% in April, having shown a drop of 8.5% in the previous month, with the M/M outcome up 0.2%. The outcome was softer than expected. Growth in household spending for workers also proved to be less weak, falling 2.6% in Y/Y terms following an 11.0% March plunge.

Industrial production rebounds. Although surprising on the downside, preliminary data for April still showed industrial production rising a full 1.0% M/M, albeit with that gain coming on the back of an earth-quake affected record fall of 15.5% in March. Nevertheless, METI revised up its estimate for May output from 2.7% to 8.0%, also stating that another clear (7.7%) gain was to be expected in June. Elsewhere, however, the data showed a continued, but less acute fall in shipments in April (-2.7% M/M vs -14.6%), but with inventories rising 0.5%

Housing data still weak. Housing starts fell for a second straight month in April, but with the 1.1% drop less acute than March's 7.5% slump. Moreover, on a Y/Y basis, housing starts actually expanded, but by a very modest 0.3%. Elsewhere, an on a more up-beat note, construction orders surged 331.4% Y/Y in April, more than offsetting the 11.0% drop in March.

Stronger manufacturing confidence. The May PMI rose clearly, returning to above-50 territory for the first time since February with a reading of 51.3, up from 45.7% in April, the latter having been a two-year low.

Plunge in vehicle sales continues. May data saw a further but less marked fall in vehicle sales. Indeed, sales slumped 37%, less acutely than April's 50.0% plunge.

Capex setback. According to the latest Ministry of Finance (MoF) survey, capital spending increased by 3.3% Y/Y in Q4, the third successive rise but one that was lower than the 3.8% outcome seen in the previous quarter. The rise also came in spite of steeper drop on the non-manufacturing side, also reflecting a fresh fall in seasonally adjusted Q/Q terms. Meanwhile, total sales growth turned less positive, slowing to 1.4%.

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Forecast Calendar

June 3, 2011

Canada

Economic Indicators—Schedule and Forecasts

Ellis/Husby

June 6 – June 17, 2011

6

Building Permits (8:30)
(M/M) (SA)

Dec	2.7%	Mar	17.2%
Jan	-6.6%	**Apr (f)**	**-5.0%**
Feb	9.8%	**Apr (c)**	**-7.3%**

Ivey Purchasing Managers' Survey
(10:00) (SA)

Jan	46.8	Apr	57.8
Feb	70.8	**May (f)**	**56.0**
Mar	73.2	**May (c)**	**55.5**

7

8

Housing Starts (8:15)
(Thousand, SAAR)

Jan	169.1	Apr	179.0
Feb	180.8	**May (f)**	**180.0**
Mar	184.7	**May (c)**	**182.0**

9

International Trade (8:30)
(Balance, C$ Billion, SA)

Dec	1.9	Mar	0.6
Jan	1.4	**Apr (f)**	**-0.2**
Feb	0.4	**Apr (c)**	**0.6**

10

Labor Force Survey (7:00)
Employment (Change, Thous., SA)

Jan	69.2	Apr	58.3
Feb	15.1	**May (f)**	**5.0**
Mar	-1.5	**May (c)**	**20.0**

Unemployment Rate (SA)

Jan	7.8%	Apr	7.6%
Feb	7.8%	**May (f)**	**7.6%**
Mar	7.7%	**May (c)**	**7.6%**

Productivity and Costs (8:30)
(Q/Q) (SA)

	Prod.	Comp.	ULC
QII'10	-0.6%	-0.1%	0.5%
QIII'10	0.4%	0.9%	0.5%
QIV'10	0.5%	1.1%	0.6%
QI'11 (f)	**0.7%**	**0.9%**	**0.2%**
QI'11 (c)	**0.9%**		

13

14

Capacity Utilization (8:30) (NSA)

QII'10	75.8%	QIV'10	76.4%
QIII'10	76.2%	**QI'11 (f)**	**78.0%**

15

Survey of Manufacturing (8:30)
(M/M) (SA)

	Ships.	Inv.	New Ord.
Jan	3.7%	0.5%	6.1%
Feb	-1.8%	0.1%	-1.6%
Mar	1.9%	2.1%	11.3%
Apr (f)	**0.4%**	**0.5%**	**-3.0%**

16

17

Wholesale Trade (8:30) (M/M)

(SA)	Sales	Inv.
Jan	1.5%	2.2%
Feb	-0.9%	0.5%
Mar	0.1%	0.8%
Apr (f)	**0.5%**	**0.4%**

M/M=month-over-month Y/Y=year-over-year
f=forecast c=consensus p=preliminary
r= revised

Recent History-Latest Results

30

Real GDP (8:30) (Q/Q) (SAAR)

QII'10	2.3%	QIV'10	3.1%
QIII'10	2.5%	QI'11	3.9%

Real GDP (8:30) (M/M) (SA)

Oct	0.3%	Jan	0.5%
Nov	0.4%	Feb	-0.1%
Dec	0.5%	Mar	0.3%

Current Account Balance (8:30)
(C$ Billion, SA)

QII'10	-14.0	QIV'10	-10.3
QIII'10	-17.9	QI'11	-8.9

31

Industrial Product Prices (8:30)

(NSA)	M/M	Y/Y
Jan	0.5%	3.1%
Feb	0.8%	3.7%
Mar	1.0%	5.0%
Apr	0.5%	5.0%

Raw Materials Prices (8:30)

(NSA)	M/M	Y/Y
Jan	0.4%	9.6%
Feb	2.1%	11.4%
Mar	5.8%	16.8%
Apr	6.8%	22.4%

Bank of Canada Rate Decision
(9:00)

1

2

BOC Macklem Speech (12:00)
(C.D. Howe Institue)

3

Indicator Highlights

Canada

Key potential market-moving indicators and events include: Building Permits (Mon., Jun. 6, 8:30 a.m.); Housing Starts (Wed., Jun. 8, 8:15 a.m.); International Trade (Thu., Jun. 9, 8:30 a.m.); the Labor Force Survey (Fri., Jun. 10, 7:00 a.m.); Productivity and Costs (Fri., Jun. 10, 8:30 a.m.); Capacity Utilization (Tue., Jun. 14, 8:30 a.m.); and the Survey of Manufacturing (Wed., May 15, 8:30 a.m.).

Housing starts will reflect builders' perceptions of supply and demand conditions in the market, the single-family sector seeing new building weaken in anticipation of softer demand. The International Trade Balance will give a fresh look at developments in the export sector, with the near-term outlook negatively impacted by weaker U.S. and global activity, in part due to trade ripples caused by the Japan disaster. Productivity and Costs is important in the estimation of potential GDP and as a gauge of labor costs. The Labor Force Survey will provide an important read on business confidence, with an eye to whether the private sector can hold on to the recent jump in payrolls. There will also be attention on the extent to which temporary supply chain disruptions impact the manufacturing sector, posing perhaps greater downside risks to the report than consensus forecasts indicate.

Capacity Utilization is a key indicator for the Bank of Canada, providing information on the amount of slack in the economy. The Survey of Manufacturing will be watched for signs of further recovery toward pre-recession levels of activity.

Indicator	Forecast	Consensus	Analysis
Building Permits (M/M) (SA)	-5.0%	-7.3%	Some payback after recent surge.
Ivey Purchasing Managers' Survey (SA)	56.0	55.5	Moderation in activity.
Housing Starts (SAAR)	180,000 Units	182,000 Units	Activity in single-family sector well down from highs as tighter mortgage rules weigh on demand.
International Trade (Balance, SA)	-C$ 0.2 Billion	C$ 0.6 Billion	Auto-related disruptions impact trade.
Labor Force Survey, Employment (Change, SA)	+5,000	+20,000	Potential for a weak print based on slower growth, trade disruptions.
Unemployment Rate (SA)	7.6%	7.6%	Consolidates recent decline.
Productivity and Costs (Q/Q) (SA)			
Productivity	+0.7%	+0.9%	Longer-term productivity trend remains poor, but positive signs of late.
Compensation	+0.9%		
Unit Labor Costs	+0.2%		
Capacity Utilization (NSA)	78.0%		Still well below pre-crisis levels.
Survey of Manufacturing (M/M) (SA)			
Shipments	+0.4%		Trend is up, but coming months face headwinds.
Inventories	+0.5%		
New Orders	-3.0%		
Wholesale Trade (M/M)			
Sales	+0.5%		Shakier results in recent months.
Inventories	+0.4%		

GDP growth picked up, but composition a bit less solid. GDP rose 3.9% at an annualized rate in Q1, accelerating on a 3.1% pace in Q4 2010. The details showed effectively flat results from consumer spending and government expenditure, and a drag from net exports, while the major upward drivers were business investment and inventories. Of the 3.9% headline gain, 2.1 percentage points were due to business investment, and 2.6 from inventories, while net exports subtracted 0.8 points. Other categories had little impact. That composition, particularly on the consumer spending side, is less healthy than hoped for, but is not out of line with what the higher-frequency spending data had been indicating. Q2 is facing a tough lift-off point on that front, and trade will likely be impacted by Japan-related disruptions, suggesting that Q2 will see a material slowdown in growth.

Monthly GDP rebounded in March. Monthly real GDP rose 0.3% after a 0.1% decline in February, reflecting strength in the goods sector and a slightly negative print for the service sector of less than 0.1%. Retail trade (-1.0%) and finance and RE activities (-0.1%) softened, the latter experiencing its first drop since July 2010. All goods sectors saw positive moves in March, led by manufacturing (+1.8%) and construction (+0.7%).

Current Account deficit narrowed on goods trade. The current account deficit narrowed to $8.9 billion in Q1 from $10.2 in Q4, reflecting an anticipated narrowing in the goods and services deficit (driven by a $1.3 billion increase in the goods surplus), and accompanied by a narrowing in the investment income deficit.

Rate held, BoC recognizes need to "eventually" hike rates. As expected, the Bank of Canada left the overnight rate on hold at 1%. The major change to the statement was the line that "To the extent that the expansion continues and the current material excess supply in the economy is gradually absorbed, some of the considerable monetary policy stimulus currently in place will be eventually withdrawn, consistent with achieving the 2 per cent inflation target. Such reduction would need to be carefully considered." In short, assuming the output gap appears on track to close by the middle of 2012, in line with the Bank's April forecast, a rate hike could be in the cards later this year, but not in the next few months. However, the statement appropriately hedges itself, leaving room to remain on hold into September or October, especially given some near-term hurdles of softer consumer spending and supply-chain disruptions out of Japan. Elsewhere, the statement expressed a slightly less benign view of core inflation, noting that underlying inflation is "relatively subdued," as opposed to "is subdued" as of April. But, inflation expectations remain "well-anchored," and inflation is still expected to converge to the 2% target by the middle of 2012. As for growth, the U.S. economy "continues to grow at a modest pace," ("growth is solidifying" as of April), and growth in Europe is "maintaining momentum," (earlier, "growth has strengthened"). Not much can be gleaned from those minor changes, though it can be argued that both are slightly weaker characterizations. In Canada, the statement saw growth proceeding as expected, and while supply chain disruptions are expected to restrain growth "sharply" in Q2, that impact should reverse later in the year.

Raw materials, industrial product prices increase. Higher petroleum prices boosted both the RMPI and IPPI, the latter up 0.5% in April, while the former rose 6.8% during the month. Exchange rate effects once again held down factory-gate prices, as the index would have risen 1.0% if the USDCAD exchange rate had remained constant. Excluding petroleum and coal products, the IPPI fell 0.1% m/m. As for raw materials prices, a 13.2% jump in mineral fuels prices spurred the headline advance, as the ex-fuels index rose only 0.6% during the month, not fully offsetting a 1.8% decline in March. In year-on-year terms, the RMPI rose 22.4%, accelerating from 16.8% in March.

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