Forecast Calendar

August 19, 2011

Eurozone

Economic Indicators—Schedule and Forecasts (Local Times)

Wroblewski/Liu

August 22 – September 2, 2011

22

23

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

Apr	58.0	Jul	50.4
May	54.6	**Aug (f)**	**50.2**
Jun	52.0	**Aug (c)**	**49.5**

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

Apr	56.7	Jul	51.6
May	56.0	**Aug (f)**	**51.0**
Jun	53.7	**Aug (c)**	**51.0**

Consumer Confidence, Flash (Aug) (16:00)

24

Industrial Orders (SA) (M/M) (11:00)

Feb	0.3%	May	3.6%
Mar	0.4%	**Jun (f)**	**-2.0%**
Apr	-0.1%	**Jun (c)**	**0.4%**

25

26

M3 Money Supply (Y/Y) (SA) (10:00)

Mar	2.3	Jun	2.1
Apr	2.0	**Jul (f)**	**2.0**
May	2.5	**Jul (c)**	**2.2**

Private Sector Loans (Y/Y) (SA) (10:00)

Feb	2.6	May	2.7
Mar	2.5	Jun	2.5
Apr	2.6	**Jul (f)**	**2.4**

ECB President Trichet speaks at Jackson Hole Conference (17:25)

29

30

EU Commission Business and Consumer Survey (Aug) (11:00)

Retail PMI (Aug) (10:10)

31

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

	M/M	Y/Y
Jun	unch	2.7%
Jul	-0.6%	2.5%
Aug (f)		**2.4%**

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

Feb	9.9	May	9.9
Mar	9.9	Jun	9.9
Apr	9.9	**Jul (f)**	**9.9**

1

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

Mar	57.5	Jun	52.0
Apr	58.0	Jul	50.4
May	54.6	**Aug (f)**	**50.2**

2

Producer Prices (NSA) (11:00)

	M/M	Y/Y
May	-0.2%	6.2%
Jun	unch	5.9%
Jul (f)	**0.3%**	**5.9%**

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

15

16

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

	Q/Q	Y/Y
QIV'10	0.3%	2.0%
QI'11	0.8%	2.5%
QII'11	0.2%	1.7%

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

	'11	'10
Apr	-5.0	-0.8
May	0.2	-4.9
Jun	0.9	0.7

17

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

	M/M	Y/Y
May	unch	2.7%
Jun	unch	2.7%
Jul	-0.6%	2.5%

18

Construction Output (Jun) (11:00)

19

Key potential market-moving indicators and events include: the flash Manufacturing and Services Purchasing Managers Indexes (Tue. Aug. 23, 10:00 a.m.), Industrial Orders (Wed. Aug. 24, 11:00 a.m.) and Money Supply (Fri. Aug. 26, 10:00 a.m.). In the following week, there are preliminary Harmonized Consumer Prices and the Unemployment Rate (both Wed. Aug. 31, 11:00 a.m.), the final Manufacturing PMI (Thu. Sep. 1, 10:00 a.m.) and Producer Prices (Fri. Sep. 2, 11:00 a.m.).

The July **services PMI** declined to a 22-month low. **Industrial new orders** rose in May, more than correcting drop in the previous month. June **M3 money supply** growth slowed afresh, almost fully unwinding the pick-up seen in the previous month. **HICP inflation** in July dropped to the lowest since February. The **unemployment rate** matched the unrevised March, April and May outcomes. **Producer prices** were flat in M/M terms in June.

Indicator	Forecast	Consensus	Analysis
Purchasing Managers' Index (SA) – Flash - Manufacturing	50.2	49.5	Weakest in two years.
Purchasing Managers' Index (SA) – Flash - Services	51.0	51.0	Fifth successive fall?
Industrial Orders (SA) M/M	-2.0%	0.4%	Volatile!
M3 Money Supply (SA) Y/Y	2.0%	2.2%	Still running well below (falling) inflation!
Consumer Prices – HICP (Flash) (NSA) Y/Y	2.4%		Softer than ECB assuming?
Unemployment Rate (SA)	9.9%		Level rising afresh?
Purchasing Managers' Index (SA) - Final - Manufacturing	50.2		See above.
Producer Prices M/M Y/Y	0.3% 5.9%		

Post Mortem—Prior Week Results

GDP growth slows. Q2 GDP rose by 0.2% Q/Q, slowing clearly from the 0.8% unrevised pace of the previous quarter.

More mixed trade results. The (unadjusted) trade balance showed a surplus of € 0.9 bln in June, improving modestly from the € 0.7 bln surplus in the same month of the last year.

Inflation eases. Seeing no revision, final data confirmed that HICP inflation in July dropped 0.2 percentage point to 2.5% Y/Y, now the lowest since February.

Construction output falls. Construction output fell by 1.8% M/M in June, following an upwardly revised 0.1% rise in the previous month.

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, 4th Floor
London EC2M 4QP
Telephone: 011-44-20-7959-3045
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.

New York • London • Boston • Chicago

DECISION ECONOMICS, INC.
Information for Decisions™

Forecast Calendar

August 19, 2011

United Kingdom

Economic Indicators—Schedule and Forecasts (Local Times)

Wroblewski/Liu

August 22 – September 2, 2011

22	23	24	25	26
Possibly from today: Nationwide House Prices (Aug) (7:00)	British Bankers Association Consumer Lending (Jul) (9:30) CBI Industrial Trends Monthly Survey (Aug) (11:00) BoE MPC Member Weale speaks in Dublin (15:00)		Nationwide Consumer Confidence (Jul) (00:01) CBI Distributive Trades Quarterly Survey (Aug) (11:00) BoE MPC Member Weale speaks in Doncaster (12 noon)	Gross Domestic Product, Second Estimate (SA) (9:30) Q/Q Y/Y QI'11 0.5% 1.6% **QII'11 (p) 0.2% 0.7%** **QII'11 (f) 0.2% 0.7%** **QII'11 (c) 0.2% 0.7%** Index of Services (Jun) (9:30) Business Investment, Preliminary (Q2) (9:30)
29	**30**	**31**	**1**	**2**
	BoE Lending to Individuals (9:30) Mortgage Lending (SA, Net, £ Billion) Feb 1.0 May 1.0 Mar 0.5 Jun -0.1 Apr 0.9 **Jul (f)** M4 Money Supply (SA) (9:30) M/M Y/Y May 0.1% -0.3% Jun -0.5% -0.7% **Jul (f) -0.2% -1.3%** M4 Lending (9:30) (SA, Change, £ billion) Apr 12.0 Jun 3.4 May -13.0 **Jul (f) -4.0** BoE Trends in Lending (Aug) (9:30)	GfK Consumer Confidence (Aug) (00:01)	Purchasing Managers' Survey - Manufacturing (SA) (9:30) Mar 56.7 Jun 51.4 Apr 54.4 Jul 49.1 May 52.0 **Aug (f) 49.0** **Possibly from today:** HBOS House Prices (Aug) (8:00)	Purchasing Managers' Survey – Construction (SA) (Aug) (9:30)

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

15	16	17	18	19
	Consumer Price Index (CPI) (NSA) (9:30) M/M Y/Y May 0.2% 4.5% Jun -0.1% 4.2% Jul unch 4.4% Retail Prices (NSA) (9:30) M/M Y/Y May 0.3% 5.2% Jun unch 5.0% Jul -0.2% 5.0% Retail Prices, Underlying (RPIX) (NSA) (9:30) M/M Y/Y May 0.3% 5.3% Jun unch 5.0% Jul -0.3% 5.0% Department for Communities & Local Government House Prices (Jun) (9:30)	Claimant Count Unemployment, (Change Thousands) (SA) (9:30) Apr 16.9 Jun 31.3 May 22.5 Jul 37.1 ILO Unemployment Rate (3 months ending, %) (9:30) Mar 7.7 May 7.7 Apr 7.7 Jun 7.9 Average Weekly Earnings (Y/Y) (3-Month Moving Average) (9:30) Mar 2.4 May 2.3 Apr 2.0 Jun 2.6 Minutes of the Bank of England Monetary Policy Committee Meeting (August 3-4) (9:30)	Retail Sales (Volume, SA) (9:30) (Inc. Fuels) M/M Y/Y May -1.3% -0.1% Jun 0.8% 0.4% Jul 0.2% unch	Public Sector Net Borrowing (ex. financial interventions) (£ bln, NSA) (9:30) '11 '10 May 16.3 18.5 Jun 14.3 13.7 Jul 0.0 3.5

Indicator Highlights

Key potential market-moving indicators and events include: the second estimate of Q2 Gross Domestic Product (Fri. Aug. 26, 9:30 a.m.). In the following week, there are BoE data on Lending to Individuals and Money Supply (both Tue. Aug. 30, 9:30 a.m.) and the Manufacturing PMI (Thu. Sep. 1, 9:30 a.m.).

Real **GDP** increased in Q/Q terms in Q1. According to BoE-computed data, the number of **mortgage approvals** rose in June to the highest in 13 months. BoE numbers on underlying monetary dynamics showed a drop in underlying broad **money supply** growth in June. The headline **manufacturing PMI** for July fell below the key 50 mark for the first time since September 2009.

Indicator	Forecast	Consensus	Analysis
Gross Domestic Product (SA) – Second Estimate			
Q/Q	0.2%	0.2%	Expenditure break-down revealed; modest downward
Y/Y	0.7%	0.7%	revision possible.
BoE Mortgage Lending (SA, Net)			
Money Supply, M4			
M/M	-0.2%		Shrinking afresh?
Y/Y	-1.3%		
Purchasing Managers' Index (SA)			
- Manufacturing	49.0		More clues from upcoming CBI survey.

Post Mortem—Prior Week Results

Inflation rises. July consumer price inflation edged up by 0.2 percentage point to 4.4% Y/Y.

Mixed messages in house prices. According to government-computed data from the Department for Communities and Local Government, house prices fell by 2.0% Y/Y in June, following a steeper 2.2% drop in May.

Unanimous vote to keep rates unchanged, but hints of fresh QE? The minutes from the 3-4 August BoE MPC meeting showed the committee voting unanimously to keep the Bank Rate at its historic low of 0.5%.

Weaker labor market conditions. Claimant count unemployment showed a further and steeper rise, with a 37 100 jump in July, the largest since May 2009.

Earnings growth edges higher. Average weekly earnings growth picked up 0.3 percentage points to 2.6% Y/Y in the three months to June.

Sales growth falls. Real retail sales (including fuels) rose by 0.2% in M/M terms in July, down from the 0.8% gain in the previous month.

Borrowing falls clearly. Public Sector Net Borrowing was £ 0.02 bln in July, down markedly from the £ 3.50 bln outcome in the same month of last year.

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, 4th Floor
London EC2M 4QP
Telephone: 011-44-20-7959-3045
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.

New York • London • Boston • Chicago

DECISION ECONOMICS, INC.
Information for Decisions™

Forecast Calendar

August 19, 2011

Germany

Economic Indicators—Schedule and Forecasts (Local Times)

Wroblewski/Liu

August 22 – September 2, 2011

22

23

Purchasing Managers' Survey Manufacturing, Flash (SA) (9:30)

Apr	62.0	Jul	52.0
May	57.7	**Aug (f)**	**51.5**
Jun	54.6	**Aug (c)**	**50.6**

Purchasing Managers' Survey Services, Flash (SA) (9:30)

Apr	56.8	Jul	52.9
May	56.1	**Aug (f)**	**53.4**
Jun	56.7	**Aug (c)**	**51.9**

ZEW Financial Experts Survey (Aug) (11:00)

24

Ifo Survey (SA) (2005=100) (10:00)

Apr	114.1	Jul	112.9
May	114.2	**Aug (f)**	**111.2**
Jun	114.5	**Aug (c)**	**111.0**

25

Construction Orders (Jun) (8:00)

26

GfK Consumer Confidence Outlook (Sep) (8:00)

Import Prices (NSA) (8:00)

	M/M	Y/Y
Jun	-0.6%	6.5%
Jul (f)	**0.5%**	**7.2%**
Jul (c)	**0.3%**	**7.0%**

29

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

	M/M	Y/Y
Jun	0.1%	2.3%
Jul	0.4%	2.4%
Aug (f)	**unch**	**2.4%**

Possibly from today:

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

Feb	-0.3%	May	-2.5%
Mar	-1.6%	Jun	6.3%
Apr	0.4%	**Jul (f)**	**-4.0%**

30

31

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

May	-7	Jul	-11
Jun	-8	**Aug (f)**	**-5**

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

Apr	31	Jun	36
May	36	**Jul (f)**	**20**

1

Gross Domestic Product, Second Estimate, (SA) (8:00)

	Q/Q	Y/Y
QIV'10	0.5%	3.7%
QI'11	1.3%	4.7%
QII'11 (p)	**0.1%**	**2.7%**
QII'11 (f)	**0.1%**	**2.7%**

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

Mar	60.9	Jun	54.6
Apr	62.0	Jul	52.0
May	57.7	**Aug (f)**	**51.5**

2

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

15

16

Gross Domestic Product, First Estimate, (SA) (8:00)

	Q/Q	Y/Y
QIV'10	0.5%	3.7%
QI'11	1.3%	4.7%
QII'11	0.1%	2.7%

17

18

19

Producer Prices (NSA) (8:00)

	M/M	Y/Y
May	unch	6.1%
Jun	0.1%	5.6%
Jul	0.7%	5.8%

Indicator Highlights

Germany

Key potential market-moving indicators and events include: the flash Manufacturing and Services PMIs (Tue. Aug. 23, 9:30 a.m.), the Ifo Survey (Wed. Aug. 24, 10:00 a.m.) and possibly Import Prices and Retail Sales. In the following week, there are Preliminary Consumer Prices (Mon. Aug. 29, 9:55 a.m.), Unemployment (Wed. Aug. 31, 9:55 a.m.), the final estimate of Q2 GDP (Thu. Sep. 1, 8:00 a.m.) and the final Manufacturing PMI (Thu. Sep. 2, 9:55 a.m.).

The July **manufacturing PMI** numbers revealed slightly deeper weakness than the flash estimate, decreasing to a 21-month low. The July **services PMI** numbers slumped to a 17-month low. The July **Ifo business climate index** dropped the lowest since last October. **Import prices** fell in M/M terms in June, matching the drop seen in May. According to Federal Statistics Office data, **real retail sales** (excluding auto and petrol sales) jumped in June, a contrast to the drop in May. Data for July confirmed that **CPI inflation** increased. **Unemployment** decreased in July, a slightly larger drop than in the two previous months. Q1 **GDP** data confirmed the preliminary numbers, with the growth rate jumping to almost four times the gain seen in Q4.

Indicator	Forecast	Consensus	Analysis
Purchasing Managers' Index (SA)			
- Manufacturing – Flash	51.5	50.6	Further, but more modest fall.
Purchasing Managers' Index (SA)			
- Services – Flash	53.4	51.9	Corrects some of marked July drop.
Ifo Survey Business Climate (SA)	111.2	111.0	Still implies well above-par activity.
Import Prices - (NSA)			
M/M	0.5%	0.3%	Brief bounce in prices.
Y/Y	7.2%	7.0%	
Retail Sales ex. Autos & Gas			
(Volume, SA) (M/M)	-4.0%		Excessively volatile of late.
Consumer Prices – Preliminary (NSA)			
M/M	unch		Rate peaking?
Y/Y	2.4%		
Unemployment, (SA) (change, 000's)	-5		Still solid labour market.
Gross Domestic Product, (SA) – 2nd Estimate			
Q/Q	0.1%		Break-down detailed.
Y/Y	2.7%		
Purchasing Managers' Index (SA) - Final			
- Manufacturing	51.5		See above.

Post Mortem—Prior Week Results

GDP growth slows clearly. Preliminary Q2 GDP data showed growth rate falling to just 0.1% Q/Q, down from a downwardly revised 1.3% rise in the previous quarter.

Pipeline price pressures rise. July producer price inflation rose to 5.8% Y/Y from 5.6% in the preceding month, but still being the second lowest in six months.

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, 4th Floor
London EC2M 4QP
Telephone: 011-44-20-7959-3045
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.

New York • London • Boston • Chicago

DECISION ECONOMICS, INC.
Information for Decisions™

Forecast Calendar

August 19, 2011

France

Economic Indicators—Schedule and Forecasts (Local Times)

Wroblewski/Liu

August 22 – September 2, 2011

22	23	24	25	26
	Purchasing Managers' Index Manufacturing, Flash (SA) (9:00) Mar 55.4 Jun 52.5 Apr 57.5 Jul 50.5 May 54.9 **Aug (f) 50.5** Purchasing Managers' Index Services, Flash (SA) (9:00) Mar 60.4 Jun 56.1 Apr 62.9 Jul 54.2 May 62.5 **Aug (f) 53.5**		Unemployment (Jul) (18:00)	INSEE Quarterly Survey of Investment (Jul) (8:45)
29	**30**	**31**	**1**	**2**
	Housing Starts (Jul) (8:45)		Purchasing Managers' Index Manufacturing, Final (SA) (9:00) Mar 55.4 Jun 52.5 Apr 57.5 Jul 50.5 May 54.9 **Aug (f) 50.5** Unemployment (Q2) (18:00)	

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

15	16	17	18	19

Indicator Highlights

Key potential market-moving indicators and events include: the flash Manufacturing and Services PMIs (Tue. Aug. 23, 9:00 a.m.). In the following week, there is the final Manufacturing PMI (Thu. Sep. 1, 9:50 a.m.).

The July **manufacturing PMI** decreased to a 24-month low. The July **services PMI** did not drop as precipitously as in June, this time falling to a 16-month low.

Indicator	Forecast	Consensus	Analysis
Purchasing Managers' Index (SA) - Manufacturing – Flash	50.5		Stays below average.
Purchasing Managers' Index (SA) - Services – Flash	53.5		Third successive drop.
Purchasing Managers' Index (SA) - Manufacturing – Final	50.5		See above.

Post Mortem—Prior Week Results

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, 4th Floor
London EC2M 4QP
Telephone: 011-44-20-7959-3045
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.

Italy

Economic Indicators—Schedule and Forecasts (Local Times)

Wroblewski/Liu

August 22 – September 2, 2011

22	23	24	25	26
29	**30**	**31**	**1**	**2**
ISAE Consumer Sentiment (Aug) (10:00)	Retail Sales (NSA) (Y/Y) (10:00) Jan -1.1% Apr 2.2% Feb unch May -0.6% Mar -2.1% **Jun (f) -1.0%** ISAE Business Sentiment (Aug) (10:00)	Unemployment (Jul) (10:00) NIC Consumer Prices, Preliminary, (NSA) (11:00) M/M Y/Y Jun 0.1% 2.7% Jul 0.3% 2.7% **Aug (f) 0.2% 2.6%** Producer Prices (NSA) (12 noon) M/M Y/Y May -0.2% 4.8% Jun 0.1% 4.7% **Jul (f) 0.1% 4.9%**	Purchasing Managers' Survey Manufacturing (SA) (9:45) Mar 56.2 Jun 49.8 Apr 55.5 Jul 50.1 May 52.8 **Aug (f) 50.0** Hourly Wages (NSA) (Y/Y) (10:00) Feb 2.1% May 1.8% Mar 2.0% Jun 1.8% Apr 1.8% **Jul (f) 1.8%** New Car Registrations (Aug)	

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

15	16	17	18	19

Key potential market-moving indicators and events include: there are no data of note. In the following week, there are Retail Sales (Tue. Aug. 30, 10:00 a.m.), preliminary Consumer Prices (Wed. Aug. 31, 11:00 a.m.), Producer Prices (Wed. Aug. 31, 12 noon.), the Manufacturing PMI (Thu. Sep. 1, 9:45 a.m.) and Hourly Wages (Thu. Sep. 1, 10:00 a.m.).

Unadjusted nominal **retail sales** slumped in May. Final data confirmed that **consumer price inflation** was stable in July, the joint-highest in 32 months. The **PPI** increased in June, unwinding some of the drop seen in May. The **manufacturing PMI** rose for the first time in five months in July, edging up from the June 20-month low. **Hourly wage** growth for June was stable from the preceding month.

Indicator	Forecast	Consensus	Analysis
Retail Sales (NSA)			
Y/Y	-1.0%		Poor guide to consumer trends.
Consumer Prices – Preliminary (NSA)			
M/M	0.2%		Modest dip; HICP version more volatile?
Y/Y	2.6%		
Producer Prices (NSA)			
M/M	0.1%		Fresh fall to come?
Y/Y	4.9%		
Purchasing Managers' Index (SA)			
- Manufacturing	50.0		Little changed, still weak.
Hourly Wages			
Y/Y	1.8%		Stable and below CPI inflation.

Post Mortem—Prior Week Results

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, 4th Floor
London EC2M 4QP
Telephone: 011-44-20-7959-3045
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.

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

Forecast Calendar

August 19, 2011

Japan

Economic Indicators—Schedule and Forecasts

Ellis/Wroblewski

August 22 – September 2, 2011 (Local Times)

22	23	24	25	26
		Corporate Service Prices (Y/Y) (8:50) Feb -1.1% May -0.9% Mar -1.1% Jun -0.7% Apr -0.7% **Jul (f) -0.6%**		Tokyo CPI (Y/Y) (8:30) (2005 Base) Total Ex-Fresh Food Jun -0.2% 0.1% Jul 0.5% 0.4% **Aug (f) -0.2% -0.1%** Nationwide CPI (Y/Y) (8:30) (2010 Base) Total Ex-Fresh Food May -0.4% -0.1% Jun -0.4% -0.2% **Jul (f) unch -0.1%**
29	**30**	**31**	**1**	**2**
	Unemployment Rate (SA) (8:30) Feb 4.6% May 4.5% Mar 4.6% Jun 4.6% Apr 4.7% **Jul (f) 4.5%** Effective Job Offers to Applicants Ratio (8:30) Feb 0.62 May 0.61 Mar 0.63 Jun 0.63 Apr 0.61 **Jul (f) 0.64** Family Income and Expenditure Survey (Real) (Y/Y) (8:30) PCE (All) PCE (Workers) Disp. Income May -1.9% -1.0% -3.6% Jun -4.2% -4.2% -6.6% **Jul (f) -1.0% -1.0% -1.5%** Retail Sales (Y/Y) (8:50) Feb 0.1% May -1.3% Mar -8.3% Jun 1.2% Apr -4.8% **Jul (f) 1.5%**	Industrial Production (SA) (M/M) (8:50) Feb 1.8% May 6.2% Mar -15.5% Jun 3.8% Apr 1.6% **Jul (f) 1.5%** Housing Starts (Y/Y) (14:00) Feb 10.1% May 6.4% Mar -2.4% Jun 5.8% Apr 0.3% **Jul (f) 3.0%** MOF FX Intervention Data (19:00) (Aug)	Vehicle Sales (Y/Y) (14:00) Mar -37.0% Jun -23.0% Apr -51.0% Jul -27.6% May -37.8% Aug **(f) -30.0%**	MOF Corporate Financial Statistics (8:50) (Second Quarter)

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

Recent History-Latest Results

15	16	17	18	19
Real GDP (SA) (Q/Q) (8:50) 10:Q1 2.3% 10:Q4 -0.6% 10:Q2 -0.1% 11:Q1 -0.9% 10:Q3 1.0% 11:Q2 -0.3%			Merchandise Trade Balance (¥Billion, NSA) (8:50) 2011 2010 May -857.3 309.1 Jun 68.6 670.5 Jul 72.5 784.6	All Industry Activity (SA) (M/M) (13:30) Jan -0.5% Apr 1.7% Feb 0.9% May 1.8% Mar -6.4% Jun 2.3%

Indicator Highlights

Key potential market-moving indicators and events include: Tokyo and Nationwide CPI (Aug. 26, 8:30); Unemployment Rate (Tue., Aug. 30, 8:30); Effective Job Offers to Applicants Ratio (Tue., Aug. 30, 8:30); Family Income and Expenditure Survey (Real) (Tue., Aug. 30, 8:30); Retail Sales (Tue, Aug. 30, 8:50); Industrial Production (Wed., Aug. 31, 8:50); and Housing Starts (Wed., Aug. 31, 14:00).

CPI data will be studied carefully for any hint of relapse into deflation–a concern given new urgency by benchmark revisions showing much less bouyant results over recent months.

Labor market results will hint at any developing momentum in the economic expansion. The family-survey and retail sales numbers are critical readings on consumer spending—another indicator of growth momentum. Industrial production gains have paced the recovery from the Tsunami shock, and now are looked to for leadership into outright expansion. Housing starts counts should soon begin to show positive rebuilding effects.

Indicator	Forecast	Consensus	Analysis
Corporate Services Prices (Y/Y)	-0.6%		Ongoing decline.
Tokyo CPI (Y/Y)			
(2005 Base)			
Total	-0.2%		Revised core figures no longer clear of deflation zone.
Ex-Fresh Food	-0.1%		
Nationwide CPI (Y/Y)			
(2010 Base)			
Total	unch		
Ex-Fresh Food	-0.1%		
Unemployment Rate (SA)	4.5%		Labor market firming again?
Effective Job Offers to Applicants Ratio	0.64		Demand for labor is growing, if mildly.
Family Income and Expenditure Survey (Real) (Y/Y)			
PCE (All)	-1.0%		Not much hint of underlying growth.
PCE (Workers)	-1.0%		
Disposable Income	-1.5%		
Retail Sales (Y/Y)	+1.5%		OK results, but no surge.
Industrial Production (SA) (M/M)	+1.5%		Continuing decent recovery, but tapering back.
Housing Starts (Y/Y)	+3.0%		Steady running rate.
Vehicle Sales (Y/Y)	-30.0%		Reflects strong year-ago levels.

Post Mortem—Recent Data Results

Less steep fall in growth. Less weak than expected, the Q2 preliminary estimate showed GDP contracting for a third successive quarter, dropping by 0.3% Q/Q (-1.3% annualized) following a 0.9% slump in the previous quarter. As a result, the Y/Y rate was negative for a second consecutive quarter, falling by 1.0% after a drop of the same size in Q1. The Q/Q break-down showed that the latest fall in the headline reading reflected fairly broad-based weakness across components, but being offset by increases in public investment, government consumption, and non-residential investment. Meanwhile, the Q2 GDP deflator fell by 2.2% Y/Y, a steeper drop than the 1.9% fall in Q1 and now the largest decline in three quarters.

Export growth falls. Coming in above expectations this time around, the July (unadjusted) trade balance still deteriorated clearly to a surplus of just ¥ 72.5 bln from a surplus of ¥ 799.2 bln in the same month of the previous year. In contrast, the seasonally adjusted trade gap improved but remained in deficit to the tune of ¥ 130.5 bln. The latest adjusted result was a reflection of clear slowing in export growth to 0.8% in July from 5.1%, while imports fell by 0.4% last month following a 0.3% rise in June.

Output recovers further. The all industries index rose by 2.3% M/M in June, adding to the 1.8% and 1.7% gains seen in May and April, all helping to offset the sharp slump seen in March of -6.4%. As a result, the Y/Y rate of change swung into positive for the first time since February, to 0.2% from a drop of 1.4% in May.

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.

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

Forecast Calendar

August 19, 2011

Canada

Economic Indicators—Schedule and Forecasts

Ellis/Husby

August 22 – September 2, 2011

22	23	24	25	26
	Retail Trade (8:30) (M/M) (SA) Total / Ex-Auto Mar -0.1% / -0.2% Apr 0.3% / unch May 0.1% / 0.5% **Jun (f) 0.8% / 0.3%** **Jun (c) 0.6% / 0.1%**			
29	**30**	**31**	**1**	**2**
	Current Account Balance (8:30) (C$ Billion, SA) 10:Q3 -17.9 11:Q1 -8.9 10:Q4 -10.3 **11:Q2 (f) -13.7** Industrial Product Prices (8:30) (NSA) M/M Y/Y Apr 0.5% 5.1% May -0.3% 4.5% Jun -0.3% 5.2% **Jul (f) -0.6% 4.6%** Raw Materials Prices (8:30) (NSA) M/M Y/Y Apr 7.0% 22.7% May -5.3% 25.3% Jun -2.2% 23.0% **Jul (f) -0.2% 21.0%**	Real GDP (8:30) (Q/Q) (SAAR) 10:Q3 2.5% 11:Q1 3.9% 10:Q4 3.1% **11:Q2 (f) -0.5%** Real GDP (8:30) (M/M) (SA) Jan 0.5% Apr unch Feb -0.1% May -0.3% Mar 0.3% **Jun (f) unch**		

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

Recent History-Latest Results

15	16	17	18	19
	Survey of Manufacturing (8:30) (M/M) (SA) Ships. Inv. New Ord. Mar 1.5% 2.0% 9.0% Apr -1.2% 1.3% -8.8% May -0.7% 0.8% 0.1% Jun -1.6% unch 1.6%	Wholesale Trade (8:30) (M/M) (SA) Sales Inv. Mar 0.3% 1.2% Apr -0.1% 1.4% May 2.0% 0.4% Jun 0.2% 0.1%		Consumer Prices (7:00) (Y/Y) Total BOC Core Apr 3.3% 1.6% May 3.7% 1.8% Jun 3.1% 1.3% Jul 2.7% 1.6%

Indicator Highlights

Canada

Key potential market-moving indicators and events include: Retail Trade (Tue., Aug. 23, 8:30 a.m.); the Current Account (Tue., Aug. 30, 8:30 a.m.); and Monthly and Quarterly Real GDP (Wed., Aug 31, 8:30 a.m.).

Retail trade data will round out the consumer spending picture for the second quarter, signs so far pointing to flat growth, at best, for real sales.

The Current Account Balance will reflect significant deterioration in the nominal goods balance in Q2. The Monthly and Quarterly Real GDP reports should show a stall or outright contraction in Q2 growth, as both external and domestic demand weakened. The potential wildcards to the upside are inventories and investment, the latter showing strong performance in recent quarters under easy credit conditions. The Bank of Canada is expecting a rebound in the second half of the year, but halfway through Q3, the strength of the anticipated upturn remains very much in question.

Indicator	Forecast	Consensus	Analysis
Retail Trade (M/M)			
Total	+0.8%	+0.6%	Vehicle sales jumped in June.
Ex-Auto	+0.3%	+0.1%	
Current Account Balance (SA)	-C$13.7 Billion		Deterioration in trade balance.
Industrial Product Prices (NSA)			
M/M	-0.6%		CAD strength in July pulls down prices.
Y/Y	+4.6%		
Raw Materials Prices (NSA)			
M/M	-0.2%		Volatile commodity prices, but on net little-changed from June.
Y/Y	+21.0%		
Real GDP (Q/Q) (SAAR)	-0.5%		Weak consumer spending and net exports. Rebound looks less than robust.
Real GDP (M/M) (SA)	unch		Available data point to sluggish reading in June.

Manufacturing shipments down for third consecutive month. Nominal manufacturing sales fell 1.5% in June, while the constant-dollar total was just as weak, dropping 1.6% from the month prior. A significant source of the decline was petroleum and coal products (-6.6%) on lower prices and volumes, though 15 of 21 major categories saw negative month-on-month readings. Inventories were flat after twelve straight months of gains, while orders rose 1.6%, boosted by the aerospace industry.

Wholesale trade weaker than the headline suggests. Despite coming in better than expected in nominal terms in June (+0.2% m/m on expectations of a modest decline), sales in volume terms fell by 0.5%, which Statistics Canada attributed in part to wholesalers' markups for imported products as the CAD depreciated during the month. Sales of agricultural products rose again after a 15% surge in May, after poor weather held down sales earlier in the year. Elsewhere, sales of machinery and equipment fell 1.9% after four consecutive gains, while motor vehicle and parts sales fell 0.5%, down there four of the last five months. In the black were food and beverage sales (+0.2%), building materials (+2.1%), and farm products (+6.3%), in addition to the miscellaneous category, of which ag. supplies are a component. The constant-dollar total adds to other poor June data, and will weigh on June/Q2 GDP expectations.

CPI inflation decelerates. Headline consumer price inflation softened to 2.7% y/y in July, slowing from 3.1% in June. In seasonally-adjusted terms, the index rose 0.1% after a decline of 0.3% in June. The BoC core rate (excludes volatile items and indirect taxes) came in at an in-line 1.6% y/y, and rose 0.3% in monthly terms after dipping 0.3% the month prior. The broad CPI result reflected further decelerating in energy prices, shelter costs, and the falling-away of provincial sales tax effects. The goods/services breakdown showed services prices falling to 2.1% y/y growth, the slowest since September 2010 after reaching a cycle high of 2.9% in March, while goods prices rose 3.5% y/y, down from 3.8% in June. Implications from the report for monetary policy are minimal given global uncertainties on the policy and economic fronts. Worries about inflation will be put on the back burner for some time, keeping the Bank of Canada on hold well into 2012 and perhaps later, assuming the benign scenario of slower growth does indeed play out in the quarters ahead. A weak growth environment, interspersed with periodic stalls in the U.S., does not provide support for a scenario where the BoC diverges materially from the Fed's policy stance. With the Fed on hold seemingly into perpetuity, a BoC hike will not come anytime soon. The argument for a cut will require clearer signs of renewed recession and/or significant financial market stress, but the benefits of such a move with the overnight rate already at 1% seem negligible under the BoC's current outlook, and would represent clear capitulation with respect to relatively optimistic projections made in late July. Still, with global headwinds "blowing harder," in Governor Carney's view, a chance of a cut cannot be entirely ruled out later this year.

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.