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DECISION ECONOMICS, INC.
Information for Decisions™

Forecast Calendar

September 23, 2011

Eurozone

Economic Indicators—Schedule and Forecasts (Local Times)

Wroblewski/Liu

September 26 – October 7, 2011

26	27	28	29	30
	M3 Money Supply (Y/Y) (SA) (10:00) Apr 2.0 Jul 2.0 May 2.3 **Aug (f) 1.5** Jun 1.9 **Aug (c) 1.9** Private Sector Loans (Y/Y) (SA) (10:00) Mar 2.5 Jun 2.5 Apr 2.6 Jul 2.4 May 2.7 **Aug (f) 2.1**		EU Commission Business and Consumer Survey (Sep) (11:00) Retail PMI (Sep) (10:10) **Possibly from today:** European Commission Quarterly Report on the Eurozone (Q3)	Harmonized Index of Consumer Prices, Flash (11:00) M/M Y/Y Aug 0.2% 2.5% **Sep (f) 2.5%** **Sep (c) 2.5%** Unemployment Rate (%) (SA) (11:00) Apr 9.9 Jul 10.0 May 10.0 **Aug (f) 10.1** Jun 10.0 **Aug (c) 10.0**
3	**4**	**5**	**6**	**7**
Purchasing Managers' Index Manufacturing, Final (10:00) May 54.6 Aug 49.0 Jun 52.0 **Sep (p) 48.4** Jul 50.4 **Sep (f) 48.4** Eurozone Finance Ministers meeting in Luxembourg	Producer Prices (NSA) (11:00) M/M Y/Y Jun 0.0% 5.9% Jul 0.5% 6.1% **Aug (f) -0.1% 5.9%** EU Finance Ministers meeting in Luxembourg	Service Sector Purchasing Managers Survey, Final (10:00) May 56.0 Aug 51.5 Jun 53.7 **Sep (p) 49.1** Jul 51.6 **Sep (f) 49.1** Retail Sales (SA) (11:00) M/M Y/Y Jun 0.7% -0.7% Jul 0.2% -0.2% **Aug (f) -0.4% -0.8%**	ECB Governing Council meeting (decision at 13:45) *(rate cuts and/or liquidity measures possible)* *Press conference at 14:30*	

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

19	20	21	22	23
Construction Output (Jul) (11:00)			Purchasing Managers' Index Manufacturing, Flash (10:00) Apr 58.0 Jul 50.4 May 54.6 Aug 49.0 Jun 52.0 Sep 48.4 Service Sector Purchasing Managers Survey, Flash (10:00) Apr 56.7 Jul 51.6 May 56.0 Aug 51.5 Jun 53.7 Sep 49.1 Industrial Orders (SA) (M/M) (11:00) Feb 1.5% May 3.7% Mar 0.5% Jun -1.2% Apr -0.4% Jul -2.1% Consumer Confidence, Flash (Sep) (16:00)	ECB President Trichet spoke at Bretton Woods (10:30)

Indicator Highlights

Key potential market-moving indicators and events include: Money Supply (Tue. Sep. 27, 10:00 a.m.) and preliminary Harmonized Consumer Prices, as well as the Unemployment Rate (both Fri. Sep. 30, 11:00 a.m.). In the following week, there is the final Manufacturing PMI (Mon. Oct. 3, 10:00 a.m.), Producer Prices (Tue. Oct. 4, 11:00 a.m.), the final Services PMI (Wed. Oct. 5, 10:00 a.m.), Retail Sales (Wed. Oct. 5, 11:00 a.m.) and the ECB Council meeting (decision due Thu. Oct. 6, 1:45 p.m.).

July **M3 money supply** growth picked up modestly. August **HICP inflation** was unchanged from July, still down from the 30-month high posted in April. The **unemployment rate** in July matched the upwardly revised June and May outcomes. The September flash **manufacturing PMI** dropped to a 25-month low, the sixth fall in the last seven months. **Producer prices** rose in July, following a flat reading in the previous month. The September flash **services PMI** slumped to the lowest in 25 months. Real **retail sales** increased in M/M terms in July, accentuating the bounce seen in June.

Indicator	Forecast	Consensus	Analysis
M3 Money Supply (SA)			
Y/Y	1.5%	1.9%	Adverse base effects help underscore fragile financial Backdrop.
Consumer Prices – HICP (Flash) (NSA)			
Y/Y	2.5%	2.5%	Passed peak.
Unemployment Rate (SA)	10.1%	10.0%	Level clearly on the rise.
Purchasing Managers' Index (SA) - Final			
- Manufacturing	48.4		No revision expected.
Producer Prices			
M/M	-0.1%		First M/M drop in two years.
Y/Y	5.9%		
Purchasing Managers' Index (SA) - Final			
- Services	49.1		No revision expected.
Retail Sales (SA)			
M/M	-0.4%		Weakness continues.
Y/Y	-0.8%		

Post Mortem—Prior Week Results

Construction output recovers. Construction output rose by 1.4% M/M in July, following a revised 1.3% slump in the previous month.

Fresh contraction, price pressures abating. The September flash PMIs suggests that the Eurozone economy is at best stagnating and possibly seeing a contraction. The manufacturing PMI dropped 0.6 point to a 25-month low of 48.4, the sixth fall in the last seven months. The flash services PMI slumped 2.4 points to 49.1, the largest of what is a now run of six successive declines, with the latest reading being the first sub-50 and the lowest in 25 month.

Orders fall further. Industrial new orders fell by 2.1% M/M in July, the third fall in four months, albeit with a sizable jump of 3.7% having occurred in May.

Consumer sentiment falls further. The flash consumer confidence reading for September fell to -18.9 from -16.5 in the preceding month.

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Forecast Calendar

September 23, 2011

United Kingdom

Economic Indicators—Schedule and Forecasts (Local Times)

Wroblewski/Liu

September 26 – October 7, 2011

26	27	28	29	30
MPC Member Broadbent speaks in London (9:30) **Possibly from today:** Nationwide House Prices (Sep) (7:00)	CBI Distributive Trades Monthly Survey (Sep) (11:00)		BoE Lending to Individuals (9:30) Mortgage Lending (SA, Net, £ Billion) Apr 0.9 Jul 0.7 May 1.0 **Aug (f) 0.2** Jun 0.0 **Aug (c) 0.8** M4 Money Supply (SA) (9:30) M/M Y/Y Jun -0.4% -0.7% Jul -0.1% -1.1% **Aug (f) -0.3% -0.7%** M4 Lending (9:30) (SA, Change, £ billion) May -12.9 Jul -21.1 Jun 4.2 **Aug (f) -10.0** BoE Trends in Lending (Sep) (9:30) BoE Credit Conditions Survey (Q3) (9:30)	GfK Consumer Confidence (Sep) (00:01)
3	**4**	**5**	**6**	**7**
Purchasing Managers' Survey - Manufacturing (SA) (9:30) Apr 54.4 Jul 49.4 May 52.0 Aug 49.0 Jun 51.4 **Sep (f) 48.7** **Possibly from today:** HBOS House Prices (Sep) (8:00)	Purchasing Managers' Survey – Construction (SA) (Sep) (9:30)	BRC Shop Price Index (Sep) (00:01) REC/KPMG Report on Jobs (Sep) (00:01) Purchasing Managers' Survey - Services (SA) (9:30) Apr 54.3 Jul 55.4 May 53.8 Aug 51.1 Jun 53.9 **Sep (f) 50.5** Gross Domestic Product, Final Estimate (SA) (9:30) Q/Q Y/Y QIV'10 -0.5% 1.5% QI'11 0.5% 1.6% **QII'11 (p) 0.2% 0.7%** **QII'11 (f) 0.2% 0.7%** Narrow Money & Reserve Balances (Sep) (9:30) Business Investment, Final (Q2) (9:30)	Index of Services (Jul) (9:30) Productivity (Q2) (9:30) Housing Equity Withdrawal (Q2) (9:30) Corporate Profitability (Q2) (9:30) Bank of England MPC meeting (rate announcement 12 noon – *fresh asset purchases possible)* New Car Registrations (Sep)	PPI Output (NSA) (9:30) MM Y/Y Jul 0.3% 6.1% Aug 0.1% 6.1% **Sep (f) 0.1% 6.2%** PPI Output Exc. Food, Drink, Tobacco & Oil (NSA) (9:30) MM Y/Y Jul 0.4% 3.4% Aug 0.2% 3.6% **Sep (f) 0.2% 3.7%** PPI Input (NSA) (9:30) MM Y/Y Jul 0.5% 18.3% Aug -1.9% 16.2% **Sep (f) 1.5% 17.3%**

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f=forecast
r=revised
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Recent History-Latest Results

19	20	21	22	23
Rightmove House Prices (Sep) (00:01) BoE Quarterly Bulletin (Q3) (9:30)		Nationwide Consumer Confidence (Aug) (00:01) Public Sector Net Borrowing (ex. financial interventions) (£ bln, NSA) (9:30) '11 '10 Jun 13.6 13.2 Jul -2.4 3.1 Aug 15.9 14.0 Minutes of the Bank of England Monetary Policy Committee Meeting (September 7-8) (9:30) BoE MPC Member Dale spoke in South Shields, England (12:35)	CBI Industrial Trends Monthly Survey (Sep) (11:00)	British Bankers Association Consumer Lending (Aug) (9:30)

Indicator Highlights

United Kingdom

Key potential market-moving indicators and events include: BoE data on Lending to Individuals and Money Supply (both Thu. Sep. 29, 9:30 a.m.). In the following week, there is the Manufacturing PMI (Mon. Oct. 3, 9:30 a.m.), the Services PMI and the final estimate of Q2 Gross Domestic Product (both Wed. Oct. 5, 9:30 a.m.), the Bank of England Monetary Policy Committee Meeting (rate decision announced Thu. Oct. 6, 12 noon) and Producer Prices (Fri. Oct. 7, 9:30 a.m.).

According to BoE-computed data, the number of **mortgage approvals** rose further in July to the highest in 15 months. BoE numbers on underlying **monetary dynamics** for July showed a bounce in underlying broad money supply, but with a continuing a flat undertone evident. The headline **manufacturing PMI** for August fell further below the key 50 mark, having initially dropped below in July. The **services PMI** slumped in August, dropping to the lowest so far this year. Real **GDP** increased in Q2, in line with the initial estimate, but also being a slowing from the recovery seen in the previous quarter. August **producer output prices** rose in M/M terms, a third of the gain of the previous month and the smallest outcome in a year.

Indicator	Forecast	Consensus	Analysis
BoE Mortgage Lending (SA, Net)	£ 0.2 bln	£ 0.8 bln	Mortgage application more important.
Money Supply, M4			
M/M	-0.3%		More focus on underlying data.
Y/Y	-0.7%		
Purchasing Managers' Index (SA)			
- Manufacturing	48.7		Weaker than other factory sector surveys would suggest.
Purchasing Managers' Index (SA)			
- Services	50.5		New cycle-low?
Gross Domestic Product (SA) – Second Estimate			
Q/Q	0.2%		Expenditure break-down (belatedly) provided.
Y/Y	0.7%		
PPI Output (NSA)			
M/M	0.1%		Pace of increases has diminished.
Y/Y	6.2%		
PPI Input (SA)			
M/M	1.5%		Bounce back in oil prices.
Y/Y	17.3%		

Post Mortem—Prior Week Results

QE was economically significant. According to an article in the Bank of England Quarterly Bulletin, the £ 200 bln quantitative easing program in 2009-10 had economically significant effects, actually equivalent to interest rates having been cut by 1.5 to 3 percent to achieve a stimulus of similar magnitude.

House prices recover. The August Rightmove numbers showed a recovery of some sorts from the sharp fall of the previous month.

Leaning further to fresh QE? The minutes from the 7-8 September BoE MPC meeting showed the committee voting unanimously to keep the Bank Rate at its historic low of 0.5%, but with a clearer leaning towards the launch of fresh asset purchases.

Mixed fiscal messages. Public sector finance data, excluding financial interventions, for last month (the fifth month of the FY) saw the budget move into a clearly larger deficit, actually a record for any August month. Public Sector Net Borrowing was £ 15.93 bln in August, up markedly from the £ 14.00 bln outcome in the same month of last year.

Consumer sentiment falls (a little) further. According to Nationwide, consumer confidence dropped by one point in August to 48, down further from a May reading that the highest reading so far this year, and unwinding more of the 11-point rise in May which was actually the largest increase since late-2005.

Soggier manufacturing output message. The CBI Industrial Trends survey for September showed a generally softer reading, albeit largely unwinding the surprise improvements seen in facets of the August numbers.

Mortgage approvals less weak. According to the British Bankers' Association, net mortgage lending in August was £ 0.7 bln, down on the previous month and back below the recent trend.

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Forecast Calendar

September 23, 2011

Germany

Economic Indicators—Schedule and Forecasts (Local Times)

Wroblewski/Liu

September 26 – October 7, 2011

26	27	28	29	30
Ifo Survey (SA) (2005=100) (10:00) May 114.2 Aug 108.7 Jun 114.4 **Sep (f) 107.0** Jul 112.9 **Sep (c) 106.5**		GfK Consumer Confidence Outlook (Oct) (8:00) Import Prices (NSA) (8:00) M/M Y/Y Jul 0.8% 7.5% **Aug (f) -0.7% 6.6%** **Aug (c) -0.3% 6.7%** Cost-of-Living, Preliminary (NSA) M/M Y/Y Aug unch 2.4% **Sep (f) -0.2% 2.3%** **Sep (c) -0.1% 2.4%**	Unemployment (Change, 000's) (SA) (9:55) Jul -10 **Sep (f) -5** Aug -8 **Sep (c) -9** Employment (Change, 000's) (SA) (9:55) May 43 Jul 19 Jun 46 **Aug (f) 5** **Possibly from today:** German Parliament to vote on EFSF changes	Real Retail Sales (M/M) (SA) (8:00) Apr 0.4% Jul 0.3% May -1.8% **Aug (f) -1.3%** Jun 4.0% **Aug (c) -0.4%**
3	**4**	**5**	**6**	**7**
Purchasing Managers' Survey Manufacturing, Final (SA) (9:55) May 57.7 Aug 50.9 Jun 54.6 **Sep (p) 50.0** Jul 52.0 **Sep (f) 50.0**		Purchasing Managers Survey Services, Final (SA) (9:45) May 56.1 Aug 51.1 Jun 56.7 **Sep (p) 50.3** Jul 52.9 **Sep (f) 50.3**	Manufacturing Orders, (M/M) (SA), (12 noon) Mar -2.7% Jun 1.8% Apr 2.9% Jul -2.8% May 1.5% **Aug (f) -0.5%** ECB Governing Council meeting (decision at 13:45) *(rate cuts and/or liquidity measures possible)* *Press conference at 14:30*	Industrial Production (M/M) (SA) (12 noon) May 0.9% Jul 4.0% Jun -1.0% **Aug (f) -1.7%** Manufacturing & Mining Output (M/M) (SA), (12 noon) May 1.4% Jul 4.5% Jun -1.1% **Aug (f) -1.8%**

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

19	20	21	22	23
	Producer Prices (NSA) (8:00) M/M Y/Y Jun 0.1% 5.6% Jul 0.7% 5.8% Aug -0.3% 5.5% ZEW Financial Experts Survey (Sep) (11:00)	Construction Orders (Jul) (8:00)	Purchasing Managers' Survey Manufacturing, Flash (SA) (9:30) Apr 62.0 Jul 52.0 May 57.7 Aug 50.9 Jun 54.6 Sep 50.0 Purchasing Managers' Survey Services, Flash (SA) (9:30) Apr 56.8 Jul 52.9 May 56.1 Aug 51.1 Jun 56.7 Sep 50.3	

Key potential market-moving indicators and events include: the Ifo Survey (Mon. Sep. 26, 10:00 a.m.), Import Prices (Wed. Sep. 28, 8:00 a.m.), Preliminary Consumer Prices (Wed. Sep. 28), Unemployment (Thu. Sep. 29, 9:55 a.m.), and Retail Sales (Fri. Sep. 30, 9:55 a.m.). In the following week, there is the final Manufacturing PMI (Mon. Oct. 3, 9:55 a.m.), the final Services PMI (Wed. Oct. 5, 9:55 a.m.), Manufacturing Orders (Thu. Oct. 6, 12 noon) and Industrial Production (Fri. Oct. 6, 12 noon).

The August **Ifo business climate index** slumped to the lowest in 14 months, but remained still very much above its long-term average. Data for August **CPI** showed headline inflation stable from the previous month. **Import prices** picked up in M/M terms in July, a clear contrast to the drop in the previous month. **Unemployment** decreased in August, a slightly smaller drop than in the previous month. According to Federal Statistics Office data, **real retail sales** (excluding auto and petrol sales) were unchanged in M/M terms in July. The September flash **manufacturing PMI** fell to the lowest in two years. The September flash **services PMI** hit a 26-month low. **Manufacturing orders** dropped in July, the first fall in four months and the steepest since that seen at the end of 2010. July **industrial production** soared, thereby more than unwinding the fall seen in the previous month.

Indicator	Forecast	Consensus	Analysis
Ifo Survey Business Climate (SA)	107.0	106.5	Still implies clearly above-par growth.
Import Prices - (NSA)			
M/M	-0.7%	-0.3%	Fresh fall in commodity prices.
Y/Y	6.6%	6.7%	
Consumer Prices – Preliminary (NSA)			
M/M	-0.2%	-0.1%	Remains relatively high.
Y/Y	2.3%	2.4%	
Unemployment, (SA) (change, 000's)	-5	-9	Resilient at the very least.
Retail Sales ex. Autos & Gas (Volume, SA) (M/M)	-1.3%	-0.4%	Soft underlying trend more evident.
Purchasing Managers' Index (SA) - Final - Manufacturing	50.0		No revision expected.
Purchasing Managers' Index (SA) - Final - Services	50.3		No revision expected.
Manufacturing Orders, (SA)			
M/M	-0.5%		Flat rend now evident?
Industrial Production, (SA)			
M/M	-1.8%		Corrects back: Q3 still looking strong.

Post Mortem—Prior Week Results

More broad weakness in ZEW. The headline ZEW (expectations) index fell clearly to -43.3 this month, the drop of 5.7 points being the seventh-straight fall, but far less precipitous than that seen in August.

Pipeline price pressures ease. August producer price inflation slowed to 5.5% Y/Y from 5.8% in the preceding month, the former being the lowest so far this year.

Construction jumps back. July construction orders increased by 9.4% M/M, more than unwinding the 6.4% slump seen in June, but very much accentuating the volatility in the series seen so far this year.

Hardly any growth. The September flash PMI numbers revealed deeper and broad-based weakness in the private sector once again. Indeed, the manufacturing PMI fell 0.9 point to 50.0, the lowest in two years and a fifth successive slide. The services PMI eased 0.8 point to 50.3, hitting a 26-month low and now 10 points down from the series 4½-year high in January.

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Forecast Calendar

September 23, 2011

France

Economic Indicators—Schedule and Forecasts (Local Times)

Wroblewski/Liu

September 26 – October 7, 2011

26	27	28	29	30
Unemployment (Aug) (18:00)	Housing Starts (Aug) (8:45)	Gross Domestic Product, Second Estimate, (SA) (7:30) Q/Q Y/Y QI'11 0.9% 2.1% **QII'11 (p) unch 1.6%** **QII'11 (f) unch 1.6%** **QII'11 (c) unch 1.6%**		Household Consumption of Manufactured Goods (SA) (8:45) M/M Y/Y Jun 1.1% 2.2% **Jul (f) 0.5% unch** **Aug (f) unch 1.2%** **Aug (c) 0.2% 1.3%** Producer Prices (NSA) (8:45) M/M Y/Y Jun -0.1% 6.1% **Jul (f) 0.4% 6.3%** **Aug (f) 0.1% 6.3%**
3	**4**	**5**	**6**	**7**
Purchasing Managers' Index Manufacturing, Final (SA) (9:00) May 54.9 Aug 49.1 Jun 52.5 **Sep (p) 47.3** Jul 50.5 **Sep (f) 47.3**		Purchasing Managers' Index Services, Final (SA) (9:50) May 62.5 Aug 56.8 Jun 56.1 **Sep (p) 52.5** Jul 54.2 **Sep (f) 52.5**	ECB Governing Council meeting (decision at 13:45) *(rate cuts and/or liquidity measures possible)* *Press conference at 14:30* INSEE Economic Outlook (22:00)	Visible Trade Balance (SA) (8:45) (Euro Billion) Mar -5.91 Jun -5.41 Apr -6.91 Jul -6.46 May -6.59 **Aug (f) -6.00** Central Government Budget (Aug) (8:45)

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f=forecast
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Recent History-Latest Results

19	20	21	22	23
			Purchasing Managers' Index Manufacturing, Flash (SA) (9:00) Apr 57.5 Jul 50.5 May 54.9 Aug 49.1 Jun 52.5 Sep 47.3 Purchasing Managers' Index Services, Flash (SA) (9:00) Apr 62.9 Jul 54.2 May 62.5 Aug 56.8 Jun 56.1 Sep 52.5	INSEE Monthly Survey of Industry (Sep) (8:45) INSEE Monthly Survey of Households (Sep) (8:45) Wages, Final (Q2) (8:45)

Indicator Highlights

Key potential market-moving indicators and events include: the second estimate of Gross Domestic Product (Wed. Sep. 28, 7:30 a.m.) as well as Household Consumption and Producer Prices (both Fri. Sep. 30, 8:45 a.m.). In the following week, there is the final Manufacturing PMI (Mon. Oct. 3, 9:50 a.m.), the final Services PMI (Wed. Oct. 5, 9:50 a.m.) and the Trade Balance (Fri. Oct. 7, 8:45 a.m.).

According to preliminary data, **real GDP** was flat in Q/Q terms in Q2. **Household spending** on goods in June increased for the first rise in four months. **Producer prices** decreased in June, a drop that followed the decline in May. The September flash **manufacturing PMI** decreased for a fifth successive month, dropping to the weakest reading since June 2009. The September flash **services PMI** slumped afresh, thereby more than unwinding the jump seen in August and reaching a 25-month low. The July **trade** gap widened from June.

Indicator	Forecast	Consensus	Analysis
Gross Domestic Product, (SA) – 2nd estimate			
Q/Q	unch	unch	No revision anticipated.
Y/Y	1.6%	1.6%	
Household Consumption (SA)			
M/M	unch	0.2%	Still soft!
Y/Y	1.2%	1.3%	
Producer Prices (NSA)			
M/M	0.1%		Peaked?
Y/Y	6.3%		
Purchasing Managers' Index (SA)			
- Manufacturing – Final	47.3		No revision expected.
Purchasing Managers' Index (SA)			
- Services – Final	52.5		No revision expected.
Visible Trade (SA)	-€ 6.00 bln		Lower oil bill offsets export setback.

Post Mortem—Prior Week Results

Deeper weakness. The September flash services PMI slumped afresh, losing.4.3 points to 52.5, thereby more than unwinding the jump seen in August and reaching a 25-month low. In addition, the manufacturing PMI decreased for a fifth successive month, dropping 1.8 points, with the latest reading (47.3) being the weakest reading since June 2009, undermined by softer orders and the further fall in output.

Business sentiment stumbles further. The September INSEE industry confidence indicator fell for the third successive month. Indeed, the headline figure slumped three points to 99, a 13-month low, but only a notch below the long-term average.

Consumer confidence erodes again. The INSEE-computed consumer confidence index dropped two points to 80 in September, the weakest reading since the beginning of 2009.

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Italy

Economic Indicators—Schedule and Forecasts (Local Times)

Wroblewski/Liu

September 26 – October 7, 2011

26	27	28	29	30
ISAE Consumer Sentiment (Sep) (10:00)	Hourly Wages (NSA) (Y/Y) (10:00) Mar 2.0% Jun 1.8% Apr 1.8% Jul 1.7% May 1.8% **Aug (f) 1.7%**	ISAE Business Sentiment (Sep) (10:00)		Unemployment (Aug) (10:00) NIC Consumer Prices, Preliminary, (NSA) (11:00) M/M Y/Y Aug 0.3% 2.8% **Sep (f) 0.1% 2.8%** **Sep (c) -0.1% 2.9%** Producer Prices (NSA) (12 noon) M/M Y/Y Jul 0.3% 4.9% **Aug (f) unch 4.7%** **Aug (c) 0.1% 4.5%**
3	**4**	**5**	**6**	**7**
Purchasing Managers' Survey Manufacturing (SA) (9:45) Apr 55.5 Jul 50.1 May 52.8 Aug 47.0 Jun 49.8 **Sep (f) 46.4** New Car Registrations (Sep)		Purchasing Managers Survey Service (SA) (9:45) Apr 52.2 Jul 48.6 May 50.1 Aug 48.4 Jun 47.4 **Sep (f) 47.0**	ECB Governing Council meeting (decision at 13:45) *(rate cuts and/or liquidity measures possible)* *Press conference at 14:30*	

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

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	Industrial Orders (NSA) (Y/Y) (10:00) Feb 16.2% May 13.6% Mar 21.2% Jun 5.3% Apr 5.8% Jul 6.5%			Retail Sales (NSA) (Y/Y) (10:00) Feb unch May -0.4% Mar -2.1% Jun -1.1% Apr 2.2% Jul -2.4%

Key potential market-moving indicators and events include: Hourly Wages (Tue. Sep. 27, 10:00 a.m.), preliminary Consumer Prices (Fri. Sep. 30, 11:00 a.m.) and Producer Prices (Fri. Sep. 30, 12 noon.). In the following week, there is the Manufacturing PMI (Mon. Oct. 3, 9:45 a.m.) and the Services PMI (Wed. Oct. 5, 9:45 a.m.).

Hourly wage growth for July slipped a notch. **Consumer price inflation** edged up a notch in August, to the highest in 34 months. The **PPI** increased in July, recovering from the flat June reading. The **manufacturing PMI** fell afresh in August, with the drop more in line with the fall seen prior to July. The August **services PMI** slipped slightly.

Indicator	Forecast	Consensus	Analysis
Hourly Wages			
Y/Y	1.7%		Running well below CPI rate.
Consumer Prices – Preliminary (NSA)			
M/M	0.1%	-0.1%	Peaking?
Y/Y	2.8%	2.9%	
Producer Prices (NSA)			
M/M	unch	0.1%	Pressures easing!
Y/Y	4.7%	4.5%	
Purchasing Managers' Index (SA)			
- Manufacturing	46.4		Weakest in 25 months?
Purchasing Managers' Index (SA)			
- Services	47.0		New cycle-low.

Post Mortem—Prior Week Results

Industrial orders growth picks up. Data for July showed that Y/Y industrial orders growth was 6.5%, up somewhat from the pace recorded in June (5.3%).

Retail sales fall more sharply. Unadjusted nominal retail sales slumped 2.4% Y/Y in July, a more negative reading than the 1.1% fall in the previous month.

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Corporate Service Prices (Y/Y) (8:50)

Mar	-1.1%	Jun	-0.8%
Apr	-0.7%	Jul	-0.5%
May	-1.0%	**Aug (f)**	**-0.5%**

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Retail Sales (Y/Y) (8:50)

Mar	-8.3%	Jun	1.2%
Apr	-4.8%	Jul	0.6%
May	-1.3%	**Aug (f)**	**unch**

30

Tokyo CPI (Y/Y) (8:30) (2005 Base)

	Total	Ex-Fresh Food
Jul	0.1%	unch
Aug	-0.2%	-0.2%
Sep (f)	**-0.2%**	**-0.1%**

Nationwide CPI (Y/Y) (8:30) (2010 Base)

	Total	Ex-Fresh Food
Jun	-0.4%	-0.2%
Jul	0.2%	0.1%
Aug (f)	**unch**	**unch**

Unemployment Rate (SA) (8:30)

Mar	4.6%	Jun	4.6%
Apr	4.7%	Jul	4.7%
May	4.5%	**Aug (f)**	**4.7%**

Effective Job Offers to Applicants Ratio (8:30)

Mar	0.63	Jun	0.63
Apr	0.61	Jul	0.64
May	0.61	**Aug (f)**	**0.65**

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

	PCE (All)	PCE (Workers)	Disp. Income
Jun	-3.5%	-3.5%	-5.9%
Jul	-2.1%	-2.6%	1.1%
Aug (f)	**-2.0%**	**-3.0%**	**-2.0%**

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

Mar	-15.5%	Jun	3.8%
Apr	1.6%	Jul	0.4%
May	6.2%	**Aug (f)**	**1.0%**

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

Mar	-2.4%	Jun	5.8%
Apr	0.3%	Jul	21.2%
May	6.4%	**Aug (f)**	**13.5%**

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

3

TANKAN (8:50)

10:Q2	1	11:Q1	6
10:Q3	8	11:Q2	-9
10:Q4	5	**11:Q3 (f)**	**1**

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

Apr	-51.0%	Jul	-27.6%
May	-37.8%	Aug	-25.5%
Jun	-23.3%	**Sep (f)**	**unch**

Sometime during the week:

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

Apr	1135.5	Jul	1150.9
May	1139.5	Aug	1218.5
Jun	1137.8	**Sep (f)**	**1222.0**

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BOJ Monetary Policy Meeting

7

BOJ Monetary Policy Meeting

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

	Leading	Coincident
Jun	102.6	107.4
Jul	104.6	107.1
Aug (f)	**105.0**	**106.5**

BOJ Shirakawa Press Conference (15:30)

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

Recent History-Latest Results

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Holiday

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Merchandise Trade Balance (¥Billion, NSA) (8:50)

	2011	2010
Jun	67.3	670.5
Jul	70.0	784.6
Aug	-775.3	63.8

All Industry Activity (SA) (M/M) (13:30)

Feb	0.9%	May	2.0%
Mar	-6.4%	Jun	2.2%
Apr	1.7%	Jul	0.4%

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Holiday

Indicator Highlights

Key potential market-moving indicators and events include: Retail Sales (Thu., Sep. 29, 8:50); Tokyo and Nationwide CPI (Fri., Sep. 30, 8:30); Unemployment Rate (Fri., Sep. 30, 8:30); Effective Job Offers to Applicants Ratio (Fri., Sep. 30, 8:30); Family Income and Expenditure Survey (Real) (Fri., Sep. 30, 8:30); Industrial Production (Fri., Sep. 30, 8:50); Housing Starts (Fri., Sep. 30, 14:00); and the TANKAN (Mon., Sep 3, 8:50).

Retail sales and family-income-and-expenditure survey results are tracking consumer spending through the recovery from the March disasters, and beyond. The phase beyond is the critical issue, as the potential for export growth to drive the economy forward appears to be diminishing. CPI numbers will be watched for any signs of genuine firming, while labor market data will hint upward momentum is developing. The industrial production and housing starts reports trade output-side developments, with only the latter showing much boost from rebuilding activity so far.

The TANKAN, notable for its breadth of coverage and relative intensity of queries, will give a cirtical perspective on the post-disaster business landscape and a reality check on the Bank of Japan's still-optimistic baseline forecast.

Indicator	Forecast	Consensus	Analysis
Corporate Service Prices (Y/Y)	-0.5%		Very gradual swing from deflation.
Retail Sales (Y/Y)	unch		Reasonably steady.
Tokyo CPI (Y/Y)			
Total	-0.2%		Flirting with stabilty.
Ex-Fresh Food	-0.1%		
Nationwide CPI (Y/Y)			
Total	unch		
Ex-Fresh Food	unch		
Unemployment Rate (SA)	4.7%		No improvement.
Effective Job Offers to Applicants Ratio	0.65		Labor demand growing slowly.
Family Income and Expenditure Survey (Real) (Y/Y)			
PCE (All)	-2.0%		Continuing on feeble track.
PCE (Worker)	-3.0%		
Disposable Income	-2.0%		
Industrial Production (SA) (M/M)	+1.0%		Improves just a bit from July.
Housing Starts (Y/Y)	+13.5%		Cools slightly, after July surge. Rebuilding continues strong.
TANKAN	1		Mild bounce-back from second-quarter plunge.
Vehicle Sales (Y/Y)	unch		Easier year-ago comparison.
Official Reserves (NSA)	$1222.0 Billion		Earnings-driven increase
Business Conditions Composite Indexes (Prelim.)			
Leading	105.0		Advance is cooling.
Coincident	106.5		

Post Mortem—Recent Data Results

Modest export growth. Coming in weaker than expected this time around, the August (unadjusted) trade balance deteriorated clearly to a deficit of ¥ 775.3 bln from a surplus of ¥ 84.0 bln in the same month of the previous year. Meanwhile, the seasonally adjusted trade gap moved into deeper deficit to the tune of -¥ 294.4 bln. The latest adjusted result was a reflection of clear slowing in export growth to 0.3% M/M in August from 0.7% in July, while imports bounced by 2.7% last month following a 0.4% fall in July.

Output recovers further. The all industries index rose by 0.4% M/M in July, adding to the gains seen in the three previous months, albeit with the pace of recovery clear down on those readings, including the 2.2% June rise. Even so, the Y/Y rate of change swung back into the negative to the tune of -0.8%.

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Industrial Product Prices (8:30)

(NSA)	M/M	Y/Y
May	-0.2%	4.6%
Jun	-0.2%	5.3%
Jul	-0.4%	5.1%
Aug (f)	**0.1%**	**4.7%**
Aug (c)	**-0.3%**	**4.3%**

Raw Materials Prices (8:30)

(NSA)	M/M	Y/Y
May	-5.1%	25.6%
Jun	-2.4%	23.1%
Jul	-1.2%	19.4%
Aug (f)	**-4.2%**	**17.4%**
Aug (c)	**-2.5%**	**19.1%**

30

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

Mar	0.2%	Jun	0.2%
Apr	unch	**Jul (f)**	**0.4%**
May	-0.3%	**Jul (c)**	**0.3%**

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

Mar	16.8%	Jun	2.8%
Apr	-21.5%	Jul	6.3%
May	20.9%	**Aug (f)**	**-1.0%**

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

Apr	57.8	Jul	46.8
May	65.5	Aug	56.4
Jun	59.9	**Sep (f)**	**55.0**

7

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

Apr	58.3	Jul	7.1
May	22.3	Aug	-5.5
Jun	28.4	**Sep**	**10.0**

Unemployment Rate (SA)

Apr	7.6%	Jul	7.2%
May	7.4%	Aug	7.3%
Jun	7.4%	**Sep (f)**	**7.3%**

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

Recent History-Latest Results

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

(SA)	Sales	Inv.
Apr	-0.1%	1.5%
May	2.3%	0.4%
Jun	unch	0.3%
Jul	0.8%	0.3%

21

Consumer Prices (7:00) (Y/Y)

	Total	BOC Core
May	3.7%	1.8%
Jun	3.1%	1.3%
Jul	2.7%	1.6%
Aug	3.1%	1.9%

22

Retail Trade (8:30) (M/M) (SA)

	Total	Ex-Auto
Apr	0.3%	-0.1%
May	0.2%	0.5%
Jun	0.8%	unch
Jul	-0.6%	unch

23

Indicator Highlights

Canada

Key potential market-moving indicators and events include: Monthly GDP (Fri., Sep 30, 8:30 a.m.); Building Permits (Thu., Oct. 6, 8:30 a.m.); and the Labor Force Survey (Fri., Oct. 7, 7:00 a.m.).

Though old news at this point, the Monthly Real GDP report will provide an initial look at Q3 data across the broad economy, looked to for confirmation that a rebound did occur in the wake of temporary disruptions. Still, the pace of growth in the second half looks to be subdued, and markets will be watching upcoming data closely for indications that the Bank of Canada might take rates lower. That remains unlikely, but can't be entirely ruled out given volatile global news flow.

Building permits have been firmer than anticipated in recent months, so attention will be on whether investment intentions remain reasonably solid ahead, or begin to cool. The Labor Force Survey will give a read on business confidence, and provide a fresh look at wage trends.

Indicator	Forecast	Consensus	Analysis
Industrial Product Prices (NSA)			
M/M	+0.1%	-0.3%	Weaker CAD in August offsets lower prices through translation effects.
Y/Y	+4.7%	+4.3%	
Raw Materials Prices (NSA)			
M/M	-4.2%	-2.5%	Commodities turned lower.
Y/Y	+17.4%	+19.1%	
Real GDP (M/M) (SA)	+0.4%	+0.3%	Better manufacturing, wholesale trade data.
Building Permits (M/M) (SA)	-1.0%		Very volatile recently, attention on residential permits.
Ivey Purchasing Managers' Survey (SA)	55.0		Activity moderating.
Labor Force Survey, Employment (Change, SA)	+10,000		Slow job growth, wage growth soft as well.
Unemployment Rate (SA)	7.3%		Still on downward trend, but improvement looks tougher now.

Post Mortem—Prior Week Results

Wholesale sales move higher. Wholesale sales rose 0.8% in July, a bit more than expected, while the constant-dollar total bodes well for the monthly GDP print later this month, coming in 1.5% higher there. The machinery and equipment subsector recorded a sizeable gain (+2.1%), while sales of vehicles and parts rose 2.6%, the first increase since March. The continued increase in machinery sales reinforces the theme of rising business investment, but that trend likely softened in the yet-to-be-observed August and September data, as weaker growth prospects may have impacted sentiment. Elsewhere, inventories rose 0.3%, matching the June print, and representing a marked deceleration of inventory accumulation relative to the first half of 2011. Manufacturing inventories had also dipped in July, adding to evidence that inventories will more likely be subtracting from growth in Q3.

Inflation back above 3%, but should decelerate ahead. Headline CPI inflation surprised to the upside in August, staying a bit firmer than projected as food and energy price inflation failed to decelerate in a year-ago sense, the latter up 13.4% compared to 12.9% in July, and the former up 4.4%, compared to 4.3% the prior month. The Bank of Canada core measure accelerated from 1.6% to 1.9% y/y, and rose 0.3% in seasonally-adjusted monthly terms. Looking ahead, a key factor will be the extent to which base effects due to the late-2010 surge in commodity prices fall away. So far, there is little to suggest that will not occur, given clear signs of slower activity in the global economy. That should lead to a situation where the Bank of Canada stays comfortable with inflation developments later this year, and early next.

Retail sales decline. Retail sales fell more than expected in July, the headline down 0.6% and the ex-autos figure flat. In constant-dollar terms, sales fell 0.9%, offsetting some of the positive news seen in the other July data, notably manufacturing, wholesale trade, and exports. Constant-dollar sales have not moved meaningfully higher since late 2010. Gasoline sales were little changed, and easing prices should help sales elsewhere moving forward.

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