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November 10, 2011

8:30 Numbers: Strong Side

Both the September trade balance data and the weekly unemployment insurance report are modestly strong relative to expectations--encouraging confidence that the economy is gaining a bit of momentum.

But, even extrapolating from the developing picture on near-term growth, FOMC doves will not be convinced that the economy will be in satisfactory shape over an acceptable time horizon.

Claims fall unexpectedly, winding up 10,000 lower than forecast--but the bogger news is of a sharp drop in continuing claims, hinting that the ranks of the unemployed are shrinking a bit more rapidly because new hiring is picking up.

The trade deficit narrows unexpectedly--importantly, because of non-petroleum trade--pointing to an upward nudge from that sector in the coming Q3 GDP revision. Exports continue quite solid for another month--hopefully pointing to some market penetration abroad that might cushion a bit against looming slowdowns in foreign growth.

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