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Information for Decisions™

Forecast Calendar

December 16, 2011

Eurozone

Economic Indicators—Schedule and Forecasts (Local Times)

Wroblewski/Liu

December 19 – December 30, 2011

19	20	21	22	23
Construction Output (Oct) (11:00) ECB President Draghi speaks in Brussels (16:30)		Consumer Confidence, Flash (Dec) (16:00)		
26	**27**	**28**	**29**	**30**
			M3 Money Supply (Y/Y) (SA) (10:00) Jun 1.9 Sep 3.0 Jul 2.0 Oct 2.6 Aug 2.8 **Nov (f) 2.4** Private Sector Loans (Y/Y) (SA) (10:00) Jun 2.5 Sep 2.5 Jul 2.4 Oct 2.7 Aug 2.5 **Nov (f) 2.5**	

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

12	13	14	15	16
		Industrial Production (SA) (11:00) M/M Y/Y Aug 1.3% 6.0% Sep -2.0% 2.2% Oct -0.1% 1.3%	ECB Monthly Bulletin (Dec) (10:00) Purchasing Managers' Index Manufacturing, Flash (10:00) Jul 50.4 Oct 47.1 Aug 49.0 Nov 46.4 Sep 48.5 Dec 46.9 Service Sector Purchasing Managers Survey, Flash (10:00) Jul 51.6 Oct 46.4 Aug 51.5 Nov 47.5 Sep 48.8 Dec 48.3 Harmonized Index of Consumer Prices, Final (11:00) M/M Y/Y Sep 0.8% 3.0% Oct 0.3% 3.0% Nov 0.1% 3.0% Employment (Q3) (11:00) ECB President Draghi spoke in Berlin (12:25)	New Car Registrations (Nov) (8:00) ECB President Draghi spoke in Rome (9:30) Trade Balance (Euro billion) (NSA) (11:00) '11 '10 Aug -4.5 -6.2 Sep 2.7 0.3 Oct 1.1 3.1 Labor Costs (Q3) (11:00)

Indicator Highlights

Key potential market-moving indicators and events include: there are no data of note. In the following week, there is Money Supply (Thu. Dec. 29, 10:00 a.m.).

October M3 **money supply** growth slowed, easing back from a September pace which had been the strongest since mid-2009.

Indicator	Forecast	Consensus	Analysis
M3 Money Supply (SA)			
Y/Y	2.4%		Very volatile, but still clearly weak undertone.

Post Mortem—Prior Week Results

Output stabilizes? Eurozone industrial production edged down just 0.1% M/M in October, a clear contrast to the abrupt 2.0% slump of the previous month, the latter itself a reversal of the clear gains in August and September.

Continued contraction but slightly less marked. The December flash PMIs still suggest that the Eurozone economy is seeing a continued contraction in the current quarter. The manufacturing PMI bounced 0.9 point to 46.9, the first rise since April. More notably, the flash services PMI and rose for the second successive month, recovering 0.8 point to 48.3.

Inflation stays high. Seeing no revision, final data confirmed that HICP estimate for November saw inflation remain at a three-year high of 3.0% Y/Y.

Employment slips. Employment dropped 0.1% in Q/Q terms in Q3, the first fall since the end of the 2009 and a clear contrast to the downwardly-revised 0.2% rise of the previous quarter.

Much weaker growth envisaged. As usual, the editorial of the ECB's Monthly Bulletin repeated the themes highlighted at the December post-Council-meeting press-briefing by President Draghi.

Labor cost growth slows clearly. Total hourly labor cost growth slowed by 0.6 percentage point to 2.7% Y/Y in Q3 from the downwardly revised reading in the preceding quarter, the latter having been the largest gain since Q2 2009.

Lower trade surplus. The (unadjusted) October trade balance showed a surplus of € 1.1 bln, down clearly from the € 3.1 bln result in the same month of 2010.

Car sales falling more clearly. Car registrations fell by 3.3% Y/Y in November, slightly steeper than the 2.1% drop in the previous month.

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Forecast Calendar

December 16, 2011

United Kingdom

Economic Indicators—Schedule and Forecasts (Local Times)

Wroblewski/Liu

December 19 – December 30, 2011

19	20	21	22	23
Rightmove House Prices (Dec) (00:01) BoE Quarterly Bulletin (Q4) (00:01)	GfK Consumer Confidence (Dec) (00:01) CBI Distributive Trades Monthly Survey (Dec) (11:00)	Minutes of the Bank of England Monetary Policy Committee Meeting (December 7-8) (9:30) Public Sector Net Borrowing (ex. financial interventions) (£ bln, NSA) (9:30) '11/'12 '10/'11 Oct 6.5 7.7 **Nov (f) 18.0** 20.5 **Nov (c) 19.0**	Gross Domestic Product, Final Estimate (SA) (9:30) Q/Q Y/Y QII'11 0.1% 0.6% **QIII'11 (p) 0.5% 0.5%** **QIII'11 (f) 0.5% 0.5%** **QIII'11 (c) 0.5% 0.5%** Current Account Balance, (SA) (£ million) (9:30) QI'11 -4120 **QIII'11 (f) -6000** QII'11 -2022 **QIII'11 (c) -6300** Business Investment, Final (Q3) (9:30)	British Bankers Association Consumer Lending (Nov) (9:30) Index of Services (Oct) (9:30)
26	**27**	**28**	**29**	**30**
Possibly from today: Nationwide House Prices (Dec) (7:00)				Housing Equity Withdrawal (Q3) (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

12	13	14	15	16
Possibly from today: Nationwide Consumer Confidence (Nov) (00:01)	RICS House Price Survey (Nov) (00:01) Consumer Price Index (CPI) (NSA) (9:30) M/M Y/Y Sep 0.6% 5.2% Oct 0.1% 5.0% Nov 0.2% 4.8% Retail Prices (NSA) (9:30) M/M Y/Y Sep 0.8% 5.6% Oct unch 5.4% Nov 0.2% 5.2% Retail Prices, Underlying (RPIX) (NSA) (9:30) M/M Y/Y Sep 0.8% 5.7% Oct unch 5.6% Nov 0.2% 5.3% Department for Communities & Local Government House Prices (Oct) (9:30)	Claimant Count Unemployment, (Change Thousands) (SA) (9:30) Aug 19.1 Oct 2.5 Sep 13.4 Nov 3.0 ILO Unemployment Rate (3 months ending, %) (9:30) Jul 7.9 Sep 8.3 Aug 8.1 Oct 8.3 Average Weekly Earnings (Y/Y) (3-Month Moving Average) (9:30) Jul 2.8 Sep 2.3 Aug 2.7 Oct 2.0	Retail Sales (Volume, SA) (9:30) (Inc. Fuels) M/M Y/Y Sep 0.6% 0.5% Oct 1.0% 1.1% Nov -0.4% 0.7% BoE Inflation Attitudes Survey (Q4) (9:30) CBI Industrial Trends Monthly Survey (Dec) (11:00)	BoE Governor King attended conference in Rome (8:00)

Indicator Highlights

Key potential market-moving indicators and events include: Public Sector Net Borrowing (Wed. Dec. 21, 9:30 a.m.), as well as the final estimate of Q3 Gross Domestic Product and the Q3 Current Account (both Thu. Dec. 22, 9:30 a.m.). In the following week, there are no data of note.

Public Sector Net Borrowing was down in October from the outcome in the same month of last year. Real **GDP** increased in Q/Q terms in Q3, in line with the preliminary reading, it also being a pick-up from the rise seen in the previous quarter. The **current account** deficit narrowed in Q2 from a downwardly revised shortfall in Q1.

Indicator	Forecast	Consensus	Analysis
Public Sector Net Borrowing (NSA)	£ 18.0 bln	£ 19.0 bln	Still running below previous FY outcome.
Gross Domestic Product (SA) – Second Estimate			
Q/Q	0.5%	0.5%	No further revision.
Y/Y	0.5%	0.5%	
Current Account Balance (SA)	-£ 6000 mln	-£ 6300 mln	Broad-based deterioration.

Post Mortem—Prior Week Results

Inflation passed peak? November consumer price inflation fell by 0.2 percentage point to 4.8% Y/Y, now down further from the September three-year high (of 5.2%) but still being the third-highest in the cycle.

Soft housing market continues. The latest (November) Royal Institute of Chartered Surveyors house price survey provided yet more signs of softness regarding the housing market where the message is still one of falling prices and low turnover.

Mixed messages in house prices. According to government-computed data from the Department for Communities and Local Government, house prices fell by 0.4% Y/Y in October, following a steeper 1.4% drop in the previous month and now the strongest reading since March.

Weaker labor market still evident. Claimant count unemployment still increased 3 000 M/M in November. On a more downbeat note, however, the ILO measure of unemployment saw a further but largely similar increase of 128 000 in the three months to October, albeit keeping the jobless rate on this basis at 8.3%

Earnings growth slows further. Average weekly earnings growth slipped 0.3 percentage point to 2.0% Y/Y in the three months to October, this occurring despite a small rise back in the single month Y/Y figure (also to 2.0%).

Sales still flat? Real retail sales (including fuels) dropped by 0.4% in M/M terms in November, unwinding some of the upwardly-revised 1.0% further bounce seen in the previous month.

Manufacturing orders deteriorate further. The CBI Industrial Trends survey for December showed a clearly weaker reading for overall orders, which dropped four points to -23, the softest reading since October 2010.

Inflation expectations dip back. According to the latest quarterly BoE/GfK NOP inflation attitudes survey (polled through November), household inflation expectations (one year ahead) dipped afresh, slipping 0.1 percentage point to 4.1%, down from the highest in exactly three years.

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Forecast Calendar

December 16, 2011

Germany

Economic Indicators—Schedule and Forecasts (Local Times)

Wroblewski/Liu

December 19 – December 30, 2011

19	20	21	22	23
	Construction Orders (Oct) (8:00) Producer Prices (NSA) (8:00) M/M Y/Y Oct 0.2% 5.3% **Nov (f) unch 5.2%** **Nov (c) 0.1% 5.2%** Ifo Survey (SA) (2005=100) (10:00) Aug 108.6 Nov 106.6 Sep 107.4 **Dec (f) 106.0** Oct 106.4 **Dec (c) 106.0**	GfK Consumer Confidence Outlook (Dec) (8:00) Import Prices (NSA) (8:00) M/M Y/Y Sep 0.6% 6.9% Oct -0.3% 6.8% **Nov (f) 0.2% 5.7%**		
26	**27**	**28**	**29**	**30**
Possibly from today: Real Retail Sales (M/M) (SA) (8:00) Jun 2.1% Sep 0.9% Jul 0.3% Oct -0.2% Aug -0.6% **Nov (f) unch**			Cost-of-Living, Preliminary (NSA) M/M Y/Y Oct unch 2.5% Nov unch 2.4% **Dec (f) 0.8% 2.2%** **Dec (c) 0.8% 2.2%**	

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

12	13	14	15	16
Wholesale Price Index (NSA) (8:00) M/M Y/Y Sep 0.3% 5.7% Oct -1.0% 5.0% Nov 0.7% 4.9%	ZEW Financial Experts Survey (Dec) (11:00)		Purchasing Managers' Survey Manufacturing, Flash (SA) (9:30) Jul 52.0 Oct 49.1 Aug 50.9 Nov 47.9 Sep 50.3 Dec 48.1 Purchasing Managers' Survey Services, Flash (SA) (9:30) Jul 52.9 Oct 50.6 Aug 51.1 Nov 50.3 Sep 49.7 Dec 52.7	

Key potential market-moving indicators and events include: Producer Prices (Tue. Dec. 20, 8:00 a.m.), the Ifo Survey (Tue. Dec. 20, 10:00 a.m.) and Import Prices (Wed. Dec. 21, 8:00 a.m.). In the following week, there are Preliminary Consumer Prices (Thu. Dec. 29) and possibly Retail Sales.

October **producer prices** rose, albeit a notch lower than the increase seen in the previous month. The November **Ifo business climate index** rose for the first time in five months. **Import prices** dropped in M/M terms in October, a clear contrast to the bounce of the previous month. November **CPI inflation** decreased, thereby easing back another notch from the cycle-high in September. According to Federal Statistics Office data, real **retail sales** (excluding auto and petrol sales) rose in M/M terms in October, following a September bounce.

Indicator	Forecast	Consensus	Analysis
Producer Prices (NSA)			
M/M	unch	0.1%	Lowest Y/Y rate in 13 months!
Y/Y	5.2%	5.2%	
Ifo Survey Business Climate (SA)	106.0	106.0	Showing resilience and still above-par activity.
Import Prices - (NSA)			
M/M	0.2%		Lowest Y/Y rate in 18 months?
Y/Y	5.7%		
Consumer Prices – Preliminary (NSA)			
M/M	0.8%	0.8%	Energy base effect takes Y/Y rate to 9-month low.
Y/Y	2.2%	2.2%	
Retail Sales ex. Autos & Gas (Volume, SA) (M/M)	unch		Flat Q4 envisaged.

Post Mortem—Prior Week Results

Wholesale prices jump. Wholesale prices increased 0.7% in M/M terms in November, a jump that unwound much of the 1.0% October drop.

Surprise rise in ZEW. The December headline ZEW (expectations) index rose for the first time since February, albeit climbing just 1.4 points to 53.8 from a November reading that was the lowest since late-2008 and also still some 25 points below the long-term average reading.

Better survey messages. The December flash PMI numbers revealed better fortunes for the private sector. The manufacturing PMI edged up 0.2 point to 48.1, recovering from a November reading that was the lowest in 28 months. In contrast, the services PMI was (again) stronger than expected, recovering a further 2.4 points to 52.7, a five-month high and unwinding some more of 10 point drop seen since the series hit a 4½-year high in January.

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Forecast Calendar

December 16, 2011

France

Economic Indicators—Schedule and Forecasts (Local Times)

Wroblewski/Liu

December 19 – December 30, 2011

19	20	21	22	23
				Gross Domestic Product, Second Estimate, (SA) (7:30) Q/Q Y/Y QII'11 -0.1% 1.6% **QIII'11 (p) 0.4% 1.6%** **QIII'11 (f) 0.4% 1.6%** **QIII'11 (c) 0.4% 1.6%** Producer Prices (NSA) (8:45) M/M Y/Y Oct 0.5% 5.8% **Nov (f) unch 5.2%** **Nov (c) unch 5.2%**
26	**27**	**28**	**29**	**30**
Unemployment (Nov) (18:00)	Housing Starts (Nov) (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

12	13	14	15	16
Wages, Final (Q3) (8:45)	Consumer Prices (NSA) (7:30) M/M Y/Y Sep -0.1% 2.2% Oct 0.2% 2.3% Nov 0.3% 2.5%		Purchasing Managers' Index Manufacturing, Flash (SA) (9:00) Jul 50.5 Oct 48.5 Aug 49.1 Nov 47.3 Sep 48.2 Dec 48.7 Purchasing Managers' Index Services, Flash (SA) (9:00) Jul 54.2 Oct 44.6 Aug 56.8 Nov 49.6 Sep 51.5 Dec 50.2	INSEE Monthly Survey of Industry (Dec) (8:45)

Indicator Highlights

Key potential market-moving indicators and events include: the second estimate of Q3 Gross Domestic Product (Thu. Dec. 23, 7:30 a.m.) and Producer Prices (Thu. Dec. 23, 8:45 a.m.). In the following week, there are no data of note.

According to preliminary data, real **GDP** grew in Q/Q terms in Q3, up from the downwardly revised reading of the previous quarter. **Producer prices** rose in M/M terms in October, a reading that was up on the September outcome.

Indicator	Forecast	Consensus	Analysis
Gross Domestic Product, (SA) – 2nd estimate			
Q/Q	0.4%	0.4%	No revision envisaged.
Y/Y	1.6%	1.6%	
Producer Prices (NSA)			
M/M	unch	unch	Lowest Y/Y rate this year!
Y/Y	5.2%	5.2%	

Post Mortem—Prior Week Results

Inflation moves higher still. Headline CPI inflation rose 0.2 percentage point to 2.5% Y/Y in November, a fresh cycle-high.

Less weakness. Showing somewhat less marked weakness, now consistent with the economy standing still, the December flash PMIs both rose. Indeed, the services PMI jumped for a second successive month, albeit with the 0.8 point rise this time around (to 50.2) merely accentuating the 5.0 point jump of the previous month. Meanwhile, the manufacturing PMI rose afresh, rising 1.4 points, thereby more than unwinding the November slide.

Business sentiment drops further. The December INSEE industry confidence indicator fell for a sixth successive month. Indeed, the headline figure dropped a further two points to 94, a 21-month low.

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Italy

Economic Indicators—Schedule and Forecasts (Local Times)

Wroblewski/Liu

December 19 – December 30, 2011

19	20	21	22	23
Visible Trade Balance, Global (NSA) (Euro billion) (11:00) '11 '10 Aug -2.9 -3.5 Sep -1.8 -3.5 **Oct (f) -2.1** -2.3	Industrial Orders (NSA) (Y/Y) (10:00) Jun 5.7% Sep -3.6% Jul 6.0% **Oct (f) -4.0%** Aug 7.8% **Oct (c) -0.9%**	Gross Domestic Product, Final Estimate (SA) (11:00) Q/Q Y/Y QI'11 0.1% 1.0% QII'11 0.3% 0.8% **QIII'11 (f) -0.1% 0.4%** **QIII'11 (c) -0.2% 0.4%**	Retail Sales (NSA) (Y/Y) (10:00) Jun -1.1% Sep -1.6% Jul -2.3% **Oct (f) -1.8%** Aug -0.3% **Oct (c) -1.7%**	Hourly Wages (NSA) (Y/Y) (10:00) Jun 1.8% Sep 1.7% Jul 1.7% Oct 1.7% Aug 1.7% **Nov (f) 1.5%** ISAE Consumer Sentiment (Dec) (10:00)
26	**27**	**28**	**29**	**30**
			ISAE Consumer Sentiment (Dec) (10:00)	Producer Prices (NSA) (10:00) M/M Y/Y Sep 0.2% 4.7% Oct -0.2% 4.7% **Nov (f) unch 4.3%**

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

12	13	14	15	16
			NIC Consumer Prices, Final, (NSA) (11:00) M/M Y/Y Sep unch 3.0% Oct 0.6% 3.4% Nov -0.1% 3.3%	

Key potential market-moving indicators and events include: the Global Trade Balance (Mon. Dec. 19, 11:00 a.m.), Industrial Orders (Tue. Dec. 20, 10:00 a.m.), the final estimate of Q3 Gross Domestic Product (Wed. Dec. 21, 11:00 a.m.), Retail Sales (Thu. Dec. 22, 10:00 a.m.) and Hourly Wages (Fri. Dec. 23, 10:00 a.m.). In the following week, there are Producer Prices (Fri. Dec. 30, 10:00 a.m.).

The (unadjusted) September **trade balance** showed a deficit, narrowing clearly from the gap in the same month of 2010. Data for September showed that **industrial orders** fell, a clear contrast to the rise recorded in August. Q2 **GDP** increased, a result that was up clearly from the outcome of the previous quarter. Unadjusted nominal **retail sales** fell in August, a far more negative reading than the fall in the previous month. **Hourly wage** growth for October was unchanged for a third straight month.

Indicator	Forecast	Consensus	Analysis
Trade Balance – Global	-€ 2.1 bln		Modest Y/Y improvement.
Industrial Orders (NSA)			
Y/Y	-4.0%	-0.9%	At least not plunging!
Gross Domestic Product, 2nc Estimate (SA)			
Q/Q	-0.1%	-0.2%	First drop in almost two years.
Y/Y	0.4%	0.4%	
Retail Sales (NSA)			
Y/Y	-1.8%	-1.7%	Poor guide to consumer dynamics.
Hourly Wages			
Y/Y	1.5%		Lowest in over a year!
Producer Prices (NSA)			
M/M	unch		Lowest Y/Y rate this year?
Y/Y	4.3%		

Post Mortem—Prior Week Results

Inflation dip confirmed. Matching preliminary data, final data confirmed that consumer price inflation decreased 0.1 percentage point to 3.3% Y/Y in November, thereby easing back from an October reading that was the highest in three years.

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Forecast Calendar

December 16, 2011

Japan

Economic Indicators—Schedule and Forecasts

Ellis/Wroblewski

December 19 – December 30, 2011 (Local Times)

19

20

BOJ Monetary Policy Meeting

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

May	2.0%	Aug	-0.3%
Jun	2.2%	Sep	-0.9%
Jul	0.4%	**Oct (f)**	**1.0%**

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BOJ Monetary Policy Meeting

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

	2011	2010
Sep	293.9	774.3
Oct	-280.2	812.6
Nov (f)	**-425.5**	157.6

BOJ Shirakawa Press Conference (15:30)

22

BOJ Monthly Report (14:00) (December)

Shirakawa Speech (14:30) (Nippon Keidanren)

23

Holiday

26

27

BOJ Monetary Policy Meeting Minutes (8:50) (November 15-16, November 30)

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

Jun	-0.7%	Sep	unch
Jul	-0.3%	Oct	0.1%
Aug	-0.3%	**Nov (f)**	**0.1%**

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

Jun	5.8%	Sep	-10.8%
Jul	21.2%	Oct	-5.8%
Aug	14.0%	**Nov (f)**	**-6.7%**

28

Unemployment Rate (SA) (8:30)

Jun	4.6%	Sep	4.1%
Jul	4.7%	Oct	4.5%
Aug	4.3%	**Nov (f)**	**4.5%**

Effective Job Offers to Applicants Ratio (8:30)

Jun	0.63	Sep	0.67
Jul	0.64	Oct	0.67
Aug	0.66	**Nov (f)**	**0.67**

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

	Total	Ex-Fresh Food
Oct	-0.5%	-0.4%
Nov	-0.8%	-0.5%
Dec (f)	**-0.8%**	**-0.5%**

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

	Total	Ex-Fresh Food
Sep	unch	0.2%
Oct	-0.2%	-0.1%
Nov (f)	**-0.5%**	**-0.2%**

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

	PCE (All)	PCE (Workers)	Disp. Income
Sep	-1.9%	-2.3%	-1.4%
Oct	-0.4%	-1.8%	-3.8%
Nov (f)	**-0.5%**	**-2.0%**	**-1.0%**

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

Jun	1.2%	Sep	-1.1%
Jul	0.6%	Oct	1.9%
Aug	-2.6%	**Nov (f)**	**0.8%**

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

Jun	3.8%	Sep	-3.3%
Jul	0.4%	Oct	2.2%
Aug	0.6%	**Nov (f)**	**-0.5%**

29

30

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

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

Recent History-Latest Results

12

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

Jun	2.5%	Sep	2.5%
Jul	2.8%	Oct	1.6%
Aug	2.6%	Nov	1.7%

13

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

May	0.9%	Aug	0.1%
Jun	1.9%	Sep	-0.4%
Jul	-0.2%	Oct	0.6%

14

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

Jun	3.8%	Sep	-3.3%
Jul	0.4%	Oct (p)	2.4%
Aug	0.6%	Oct	2.2%

15

TANKAN (8:50)

10:Q3	8	11:Q2	-9
10:Q4	5	11:Q3	2
11:Q1	6	11:Q4	-4

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Indicator Highlights

Key potential market-moving indicators and events include: Merchandise Trade Balance (Wed., Dec. 21, 8:50); Housing Starts (Tue., Dec. 27, 14:00); Unemployment Rate (Wed., Dec. 28, 8:30); Effective Job Offers to Applicants Ratio (Wed., Dec. 28, 8:30); Tokyo and Nationwide CPI (Wed., Dec. 28, 8:30); Family Income and Expenditure Survey (Real) (Wed., Dec. 28, 8:30); Retail Sales (Wed., Dec. 28, 8:50); and Industrial Production (Wed., Dec. 28, 8:50);

Merchandise trade data is critical for the export results—where there was great disappointment last month, and about which the Bank of Japan is increasingly worried.

Housing starts should soon be reflecting disaster-region rebuilding in greater volume, a boost to the local economy. Labor market data will hint whether concerns about export weakness are impacting national-level labor demand. CPI results are watched for any signs that deflation is worsening to the point that it could become self-reinforcing. Family income and expenditures and retail sales results will reveal the consumer response to hints of economic deterioration. Industrial production data will be watched for continuing upward momentum.

Indicator	Forecast	Consensus	Analysis
All Industry Activity (SA) (M/M)	+1.0%		A rebound led by manufacturing.
Merchandise Trade Balance (NSA)	-¥425.5 Billion		Imports grow while exports fall.
Corporate Service Prices (Y/Y)	+0.1%		Staying in positive territory.
Housing Starts (Y/Y)	-6.7%		Corresponds to a bit of improvement in the running rate.
Unemployment Rate (SA)	4.5%		Confirming moderate deterioration.
Effective Job Offers to Applicants Ratio	0.67		Demand is stagnant.
Tokyo CPI (Y/Y)			
Total	-0.8%		No change in trend.
Ex-Fresh Food	-0.5%		
Nationwide CPI (Y/Y)			
Total	-0.5%		
Ex-Fresh Food	-0.2%		
Family Income and Expenditure Survey (Real) (Y/Y)			
PCE (All)	-0.5%		Quite stagnant, on the basis of these measures.
PCE (Workers)	-2.0%		
Disposable Income	-1.0%		
Retail Sales (Y/Y)	+0.8%		On an uptrend, but mild.
Industrial Production (SA) (M/M)	-0.5%		Giving back some of the October rise.

Post Mortem—Recent Data Results

Corporate goods prices edge back up. Coming in higher than as expected, corporate good prices edge back up by 0.1 % M/M in November, the first rise in four months, albeit unwinding little of the cumulative drop including the 0.5% October fall. Y/Y growth, however, was little changed at 1.7%. The data showed export price pressures falling at a slightly more rapid pace (-3.2% Y/Y), alongside less notable import price inflation (at 8.7%).

Tertiary index recovers. Showing a larger bounce than expected, the tertiary index recovered by 0.6% M/M in October, after the 0.4% fall of the previous month, all maintaining the largely volatile picture of recent months. The Y/Y rate improved back to 0.5%.

Industrial production bounces less clearly. Showing a slightly less sizeable jump, by coming in 0.2 percentage point below the preliminary reading, final data for October showed industrial production rising by 2.2% M/M, recovering much of the 3.3% September drop, the latter having come after five consecutive rises.

Tankan mixed. The December BoJ Tankan Business Survey showed that manufacturing sentiment at least underwent a setback and more markedly than had been generally expected. Indeed, the (headline) large manufacturer's business conditions fell from 2 in September back to -4, and with a further one-point fall expected in the coming three months. In contrast, the headline non-manufacturing part of the survey rose further, climbing three points to 4, a second successive jump, albeit with some fresh deterioration envisaged for in three months time. Overall capex plans were downgraded, with firms overall paring back their capital spending plans to a rise of 1.4% Y/Y compared to the 3.0% rate envisaged back in September.

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Forecast Calendar

December 16, 2011

Canada

Economic Indicators—Schedule and Forecasts

Ellis/Husby

December 19 – December 30, 2011

19 Wholesale Trade (8:30) (M/M) (SA) Sales Inv. Jul 1.0% 0.6% Aug 0.3% 1.0% Sep 0.3% 0.6% **Oct (f) 0.3% 0.2%** **Oct (c) 0.1%**	**20** Consumer Prices (7:00) (Y/Y) Total BOC Core Aug 3.1% 1.9% Sep 3.2% 2.2% Oct 2.9% 2.1% **Nov (f) 2.7% 2.1%** **Nov (c) 2.9% 2.2%**	**21** Retail Trade (8:30) (M/M) (SA) Total Ex-Auto Jul -0.5% 0.1% Aug 0.6% 0.4% Sep 1.0% 0.5% **Oct (f) 0.4% 0.3%** **Oct (c) 0.5% 0.3%**	**22**	**23** Real GDP (8:30) (M/M) (SA) Jun 0.2% Sep 0.2% Jul 0.4% **Oct (f) unch** Aug 0.4% **Oct (c) 0.1%**
26 **Holiday**	**27** **Holiday**	**28**	**29**	**30**

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

Recent History-Latest Results

12	**13**	**14** Survey of Manufacturing (8:30) (M/M) (SA) Ships. Inv. New Ord. Jul 3.2% 0.2% 1.1% Aug 1.3% 0.4% 0.7% Sep 2.6% 0.4% 5.0% Oct -0.8% 1.4% -4.7%	**15** Capacity Utilization (8:30) 10:Q4 78.8% 11:Q2 79.9% 11:Q1 80.2% 11:Q3 81.3%	**16**

Indicator Highlights

Canada

Key potential market-moving indicators and events include: the Consumer Price Index (Tue., Dec. 20, 7:00 a.m.); Retail Trade (Wed., Dec. 21, 8:30 a.m.); and Monthly GDP (Fri., Dec. 23, 8:30 a.m.).

Retail trade data kicks off the Q4 consumer spending trend. The Consumer Price Index, especially the Bank of Canada "core" measure, will be watched for confirmation that price pressures are moderating. Monthly GDP should provide an early read on the broad Q4 growth picture.

Indicator	Forecast	Consensus	Analysis
Wholesale Trade (M/M)			
Sales	+0.3%	+0.1%	Modest gain.
Inventories	+0.2%		
Consumer Prices (Y/Y)			
Total	+2.7%	+2.9%	Gasoline prices decelerating in year-ago comparison.
Core	+2.1%	+2.2%	
Retail Trade (M/M)			
Total	+0.4%	+0.5%	Vehicles sales moved higher.
Ex-Auto	+0.3%	+0.3%	
Real GDP (M/M) (SA)	unch	+0.1%	Weakness in energy sector, services soft too.

Post Mortem—Prior Week Results

Manufacturing shipments slip, but in expected configuration. Manufacturing shipments slipped 0.8% in October, and 0.9% in constant dollar terms, a not-unexpected result, but one that supports early weak-side Q4 GDP estimates. The decline reflected some payback in the petroleum and coal products industries, and aerospace. New orders, meanwhile, fell 4.7% on transportation equipment.

Less slack than expected, but excess capacity nonetheless. Industrial capacity utilization rose to an estimated 81.3% in Q3, from an upwardly-revised 79.9% in Q2, as output rebounded in the auto and energy sectors, following production disruptions in Q2. The Japan earthquake in March caused supply chain ripples throughout the global auto industry, ripples that have now subsided. Relative to pre-recession levels around 85%, this measure still suggests the economy is operating with a decent amount of excess capacity, which should keep a lid on price pressures. The still-elevated unemployment rate, and other measures used by the Bank of Canada – including business surveys – seem to corroborate that view, despite core and headline consumer prices that continue to run above target, in large part due to previous rises in commodity prices.

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