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Information for Decisions™

Forecast Calendar

December 2, 2011

Eurozone

Economic Indicators—Schedule and Forecasts (Local Times)

Wroblewski/Liu

December 5 – December 16, 2011

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

Aug	51.5	**Nov (p)**	**47.8**
Sep	48.8	**Nov (f)**	**47.8**
Oct	46.4	**Nov (c)**	**47.8**

Retail Sales (SA) (11:00)

	M/M	Y/Y
Sep	-0.7%	-1.5%
Oct (f)	**-0.3%**	**-1.2%**
Oct (c)	**0.1%**	**-0.8%**

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

	Q/Q	Y/Y
QII'11	0.2%	1.6%
QIII'11 (p)	**0.2%**	**1.4%**
QIII'11 (f)	**0.2%**	**1.4%**
QIII'11 (c)	**0.2%**	**1.4%**

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ECB Governing Council meeting (decision at 13:45)
(25 bp rate cut likely)
Press conference at 14:30

EU Leaders Summit in Brussels begins

9

EU Leaders Summit in Brussels continues

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Industrial Production (SA) (11:00)

	M/M	Y/Y
Aug	1.4%	6.0%
Sep	-2.0%	2.2%
Oct (f)	**-1.0%**	**1.5%**

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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 (f)**	**46.0**

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

Jul	51.6	Oct	46.4
Aug	51.5	**Nov (p)**	**47.8**
Sep	48.8	**Dec (f)**	**47.2**

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

	M/M	Y/Y
Oct	0.3%	3.0%
Nov (p)		**3.0%**
Nov (f)	**0.1%**	**3.0%**

Employment (Q3) (11:00)

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New Car Registrations (Nov) (8:00)

ECB President Draghi attends conference in Rome (8:00)

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

	'11	'10
Aug	-4.4	-6.2
Sep	2.9	0.5
Oct (f)		3.3

Labor Costs (Q3) (11:00)

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

f=forecast
r=revised
c=consensus

Recent History-Latest Results

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

May	2.3	Aug	2.8
Jun	1.9	Sep	3.0
Jul	2.0	Oct	2.6

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

May	2.7	Aug	2.5
Jun	2.5	Sep	2.5
Jul	2.4	Oct	2.7

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Retail PMI (Nov) (10:10)

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

Eurozone Finance Ministers meeting in Brussels

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

	M/M	Y/Y
Sep	0.8%	3.0%
Oct	0.3%	3.0%
Nov		3.0%

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

May	10.0	Aug	10.1
Jun	10.0	Sep	10.2
Jul	10.1	Oct	10.3

EU Finance Ministers meeting in Brussels

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

Jun	52.0	Sep	48.5
Jul	50.4	Oct	47.1
Aug	49.0	Nov	46.4

2

Producer Prices (NSA) (11:00)

	M/M	Y/Y
Aug	-0.2%	5.8%
Sep	0.3%	5.8%
Oct	0.1%	5.5%

Indicator Highlights

Key potential market-moving indicators and events include: the final Services PMI (Mon. Dec. 5, 10:00 a.m.), Retail Sales (Mon. Dec. 5, 11:00 a.m.), the second estimate of Q3 Gross Domestic Product (Tue. Dec. 6, 11:00 a.m.) and the ECB Council meeting (decision due Thu. Dec. 8, 1:45 p.m.). In the following week, there is Industrial Production (Wed. Dec. 14, 11:00 a.m.), the flash Manufacturing and Services Purchasing Managers Indexes (Thu. Dec. 15, 10:00 a.m.), Harmonized Consumer Prices (Thu. Dec. 15, 11:00 a.m.) and the Visible Trade Balance (Fri. Dec. 16, 11:00 a.m.).

The November flash **services PMI** recovered, ending a run of a seven successive declines. Real **retail sales** decreased in M/M terms in September, unwinding the rise seen in August. Q3 **GDP** rose, matching that of the previous quarter. **Industrial production** slumped in September, unwinding the rises of the two previous months. The flash HICP estimate for November saw inflation remain at a three-year high. The (unadjusted) September **trade balance** showed a surplus, improving clearly from the result in the same month of 2010. The November final **manufacturing PMI** dropped 0.7 point to 46.4, the eighth fall in the last nine months,

Indicator	Forecast	Consensus	Analysis
Purchasing Managers' Index (SA) - Final			
- Services	47.8	47.8	No revision expected.
Retail Sales (SA)			
M/M	-0.3%	0.1%	Clear weakness emerging.
Y/Y	-1.2%	-0.8%	
Gross Domestic Product, Q2 (SA) – Second estimate			
Q/Q	0.2%	0.2%	Breakdown detailed.
Y/Y	1.4%	1.4%	
Industrial Production (SA)			
M/M	-1.0%		Weakness deepens but no slump.
Y/Y	1.5%		
Purchasing Managers' Index (SA) – Flash - Manufacturing	46.0		Falling still, but not tumbling!
Purchasing Managers' Index (SA) – Flash - Services	47.2		Fresh decline.
Consumer Prices – HICP (Final) (NSA)			
M/M	0.1%		Downward revision possible.
Y/Y	3.0%		
Visible Trade (NSA)	-€ 1.0 bln		Seasonal deterioration.

Post Mortem—Prior Week Results

Fresh monetary weakness? October M3 money supply growth slowed by 0.4 percentage point to 2.6% Y/Y, thereby easing back from a September pace which had been the strongest since mid-2009.

Further fall in confidence. EU Commission business and consumer survey figures for November provided more broadly subdued messages.

Sales slump? November retail sales in the Eurozone swung back into clear contraction mode according to the latest PMI retail survey. The headline figure slumped 9.6 points to 40.6, the lowest reading since late-2008.

Inflation stays high. The flash HICP estimate for November saw inflation remain at a three-year high of 3.0% Y/Y.

Unemployment now on clear uptrend. The unemployment rate was 10.3% in October, showing a third successive 0.1 percentage point M/M rise and therefore up even more clearly from the 9.9% cycle-low set in April.

More downside risk for the ECB to counter? The November final manufacturing PMI confirmed that the Eurozone economy is seeing a greater risk of contraction into the current quarter, as the headline dropped 0.7 point to 46.4, the eighth fall in the last nine months.

Producer prices edge up. Producer prices rose by 0.1% M/M in October, softer than the 0.3% bounce in the previous month.

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Forecast Calendar

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United Kingdom

Economic Indicators—Schedule and Forecasts (Local Times)

Wroblewski/Liu

December 5 – December 16, 2011

5

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

Jul	55.4	Oct	51.3
Aug	51.1	**Nov (f)**	**51.5**
Sep	52.9	**Nov (c)**	**50.5**

Possibly from today:

HBOS House Prices (Nov) (8:00)

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

New Car Registrations (Nov)

7

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

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

Manufacturing Production (SA) (9:30)

	MM	Y/Y
Sep	0.2%	2.0%
Oct (f)	**-0.5%**	**1.2%**
Oct (c)	**-0.3%**	**1.4%**

Industrial Production (SA) (9:30)

	M/M	Y/Y
Sep	unch	-0.7%
Oct (f)	**-0.6%**	**-1.0%**
Oct (c)	**-0.3%**	**-0.7%**

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

8

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

9

PPI Output (NSA) (9:30)

	MM	Y/Y
Oct	unch	5.7%
Nov (f)	**unch**	**5.3%**
Nov (c)	**0.1%**	**5.4%**

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

	MM	Y/Y
Oct	-0.1%	3.4%
Nov (f)	**0.1%**	**3.3%**
Nov (c)	**unch**	**3.3%**

PPI Input (NSA) (9:30)

	MM	Y/Y
Oct	-0.8%	14.1%
Nov (f)	**1.0%**	**14.1%**
Nov (c)	**0.1%**	**13.1%**

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

Aug	-8617	**Oct (f)**	**-9100**
Sep	-9814	**Oct (c)**	**-9500**

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Possibly from today:

Nationwide Consumer Confidence (Nov) (00:01)

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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 (f)	**0.1%**	**4.8%**

Retail Prices (NSA) (9:30)

	M/M	Y/Y
Sep	0.8%	5.6%
Oct	unch	5.4%
Nov (f)	**0.2%**	**5.1%**

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

	M/M	Y/Y
Sep	0.8%	5.7%
Oct	unch	5.6%
Nov (f)	**0.2%**	**5.3%**

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

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

Aug	19.1	Oct	5.3
Sep	13.4	**Nov (f)**	**8.0**

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

Jul	7.9	Sep	8.3
Aug	8.1	**Oct (f)**	**8.4**

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

Jul	2.8	Sep	2.3
Aug	2.7	**Oct (f)**	**2.1**

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

(Inc. Fuels)	M/M	Y/Y
Sep	0.5%	0.5%
Oct	0.6%	0.9%
Nov (f)	**-0.6%**	**unch**

BoE Inflation Attitudes Survey (Q4) (9:30)

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BoE Governor King attends conference in Rome (8:00)

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

f=forecast
r=revised
c=consensus

Recent History-Latest Results

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CBI Distributive Trades Monthly Survey (Nov) (11:00)

BoE Governor King and other MPC members testified to Parliament committee (14:45)

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Nationwide House Prices (Nov) (7:00)

BoE Lending to Individuals (9:30)

Mortgage Lending (SA, Net, £ Billion)

May	1.0	Aug	0.6
Jun	-0.3	Sep	0.5
Jul	0.8	Oct	1.3

M4 Money Supply (SA) (9:30)

	M/M	Y/Y
Aug	-0.4%	-0.7%
Sep	-0.4%	-1.7%
Oct	-0.3%	-2.7%

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

Jul	-17.7	Sep	-23.2
Aug	-9.7	Oct	-25.3

30

GfK Consumer Confidence (Nov) (00:01)

Housing Equity Withdrawal (Q2) (9:30)

Chancellor Osborne gave Autumn Statement to Parliament (12:30) (OBR Report to follow)

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BoE Financial Stability Report

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

Jun	51.4	Sep	50.8
Jul	49.4	Oct	47.8
Aug	49.4	Nov	47.6

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

Indicator Highlights

Key potential market-moving indicators and events include: the Services PMI (Mon. Dec. 5, 9:30 a.m.), Industrial Production (Tue. Dec. 7, 9:30 a.m.), the Bank of England Monetary Policy Committee Meeting (rate decision announced Thu. Dec. 8, 12 noon), as well as Producer Prices and the Trade Balance (both Fri. Dec. 9, 9:30 a.m.). In the following week, there are Consumer Prices (Tue. Dec. 13, 9:30 a.m.), the Labor Market Report – including unemployment and average earnings details – (Wed. Dec. 14, 9:30 a.m.) and Retail Sales (Thu. Dec. 15, 9:30 a.m.).

The October **services PMI** largely unwound the recovery seen in the previous month. September **manufacturing output** rose, ending a run of three successive falls. October **producer output prices** were flat in M/M terms, a contrast to the unrevised September reading. The **BoE** clearly has an easing bias. The total **visible trade** gap widened sharply from an upwardly-revised gap in August to a record deficit in September. **Consumer price inflation** eased in October, down from the September three-year high. Claimant count **unemployment** increased in October. Average weekly **earnings** growth slipped in the three months to September, now a six-month low. Real **retail sales** (including fuels) rose in M/M terms in October, building on the bounce seen in the previous month.

Indicator	Forecast	Consensus	Analysis
Purchasing Managers' Index (SA)			
- Services	51.5	50.5	Still growing modestly.
Manufacturing Production (SA)			
M/M	-0.5%	-0.3%	Echoes survey data.
Y/Y	1.2%	1.4%	
Industrial Production (SA)			
M/M	-0.6%	-0.3%	Pointing to Q4 contraction?
Y/Y	-1.0%	-0.7%	
PPI Output (NSA)			
M/M	unch	0.1%	Lowest Y/Y rate since February.
Y/Y	5.3%	5.4%	
PPI Input (SA)			
M/M	1.0%	0.1%	Largely energy-driven.
Y/Y	14.1%	13.1%	
Visible Trade Balance, Global (SA)	-£ 9 100 mln	-£ 9500 mln	Imports fall back.
CPI (NSA)			
M/M	0.1%		Coming down?
Y/Y	4.8%		
RPI (NSA)			
M/M	0.2%		Three-month low.
Y/Y	5.1%		
Claimant Count Unemployment (SA)			
M/M (change, thousands)	8.0		Continued rise.
ILO Unemployment Rate (SA)	8.4%		New cycle-high.
Headline Average Earnings (Y/Y)	2.1%		Lowest outcome this year?
Retail Sales (Volumes, SA)			
M/M	-0.6%		Fresh declines emerging!
Y/Y	unch		

Post Mortem—Prior Week Results

Steeper falls in sales. The latest (November) CBI distributive trades survey suggested that retail sales fell further and more sizably so than in previous months. Indeed, the balance of retailers reporting higher sales compared to a year before dropped eight points to -19, the weakest since March 2009.

House prices rise further. According to Nationwide, seasonally adjusted house prices in October edged up 0.4% M/M, accentuating the same-sized rise seen in October.

Mortgage approvals recover afresh. According to BoE-computed data, the number of mortgage approvals rose afresh in October, albeit with the 52 743 reading not only above the recent average, but also the highest in 22 months.

Less downbeat monetary messages. BoE numbers on underlying monetary dynamics showed further growth in underlying broad money supply, with the 0.5% M/M being the fourth in a row, thereby leaving the three-month annualized rate little changed at 5.0%.

Growth outlook slashed, much higher borrowing. Chancellor Osborne used his Autumn Statement to acknowledge a markedly weaker growth outlook for the UK. He unveiled forecasts from the independent Office for Budget Responsibility which pointed to growth this year at 0.9% (down from the 1.7% made in the March Budget) with an even larger downgrading for 2012 to just 0.7% (from 2.5%).

Consumer confidence edge back up a notch. The GfK consumer confidence gauge rose one point in November to -31, up from 32-month low seen in October.

Record housing equity injections. In Q2, housing equity withdrawal turned slightly more negative at -£ 9.15 bln according to the latest figures from the BoE, ie meaning that households actually injected this further amount into housing.

Manufacturing weakness continues. The headline manufacturing PMI for November nudged modestly further below the key 50 mark. Indeed, the headline edged down 0.2 point (to 47.6), thereby adding to he acute 3.0 slump seen in October albeit still lowest since June 2009.

Construction sector softens. The construction PMI still slipped 1.6 points in November to 52.3, thereby unwinding less than half of the surge seen in the previous set of data, when the index hit a five-month high.

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Forecast Calendar

December 2, 2011

Germany

Economic Indicators—Schedule and Forecasts (Local Times)

Wroblewski/Liu

December 5 – December 16, 2011

5

Purchasing Managers Survey
Services, Final (SA) (9:45)

Aug	51.1	**Nov (p)**	**51.4**
Sep	49.7	**Nov (f)**	**51.4**
Oct	50.6	**Nov (c)**	**51.4**

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

Jun	0.8%	Sep	-4.3%
Jul	-2.4%	**Oct (f)**	**-2.0%**
Aug	-1.4%	**Oct (c)**	**1.0%**

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

Aug	-0.4%	**Oct (f)**	**-1.0%**
Sep	-2.7%	**Oct (c)**	**0.3%**

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

Jul	3.5%	Sep	-3.0%
Aug	-0.4%	**Oct (f)**	**-1.3%**

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ECB Governing Council meeting
(decision at 13:45)
(25 bp rate cut likely)
Press conference at 14:30

9

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

	'11	'10
Sep	17.4	16.5
Oct (f)	**15.0**	14.5

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

	'11	'10
Sep	15.7	15.1
Oct (f)	**13.5**	14.2
Oct (c)	**14.0**	

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

	M/M	Y/Y
Oct	unch	2.5%
Nov (f)	**unch**	**2.4%**
Nov (c)	**unch**	**2.4%**

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Possibly from today:

Wholesale Price Index (NSA)
(8:00)

	M/M	Y/Y
Oct	-1.0%	5.0%
Nov (f)	**unch**	**4.2%**
Nov (c)	**%**	**%**

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

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

Jul	52.0	Oct	49.1
Aug	50.9	Nov	47.9
Sep	50.3	**Dec (f)**	**48.0**

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

Jul	52.9	Oct	50.6
Aug	51.1	**Nov (p)**	**51.4**
Sep	49.7	**Dec (f)**	**51.0**

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

f=forecast
r=revised
c=consensus

Recent History-Latest Results

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Cost-of-Living, Preliminary
(NSA)

	M/M	Y/Y
Sep	0.1%	2.6%
Oct	unch	2.5%
Nov	unch	2.4%

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

May	-1.2%	Aug	-0.7%
Jun	2.1%	Sep	0.3%
Jul	0.3%	Oct	0.7%

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

Aug	-9	Oct	6
Sep	-23	Nov	-20

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

Jul	23	Sep	20
Aug	21	Oct	26

VDMA Machinery Orders (Oct)

1

Purchasing Managers Survey
Manufacturing, Final (SA) (9:45)

Jun	54.6	Sep	50.3
Jul	52.0	Oct	49.1
Aug	50.9	Nov	47.9

2

Key potential market-moving indicators and events include the final Services PMI (Mon. Dec. 5, 9:55 a.m.), Manufacturing Orders (Tue. Dec. 6, 12 noon), Industrial Production (Wed. Dec. 7, 12 noon), the Trade Balance, Current Account and final Consumer Prices (all Fri. Dec. 9, 8:00 a.m.), as well as possibly Wholesale Prices. In the following week, there are the flash Manufacturing and Services PMIs (Thu. Dec. 15, 9:30 a.m.).

The November flash **services PMI** recovered to a four-month high. **Manufacturing orders** slumped in September, the third in succession and the largest since early-2009. September **industrial production** fell sharply in September, more than accentuating the fall seen in the previous month. The September (unadjusted) **trade surplus** widened from in the same month of the previous year. According to preliminary data, November **CPI inflation** decreased, easing back another notch from the cycle-high in September. **Wholesale prices** decreased in October. The November final manufacturing PMI fell to the lowest in 28 months.

Indicator	Forecast	Consensus	Analysis
Purchasing Managers' Index (SA) - Final			
- Services	51.4	51.4	No revision expected.
Manufacturing Orders, (SA)			
M/M	-2.0%	1.0%	Survey data confirm worse picture.
Industrial Production, (SA)			
M/M	-1.0%	0.3%	Downturn intensifying?
Trade Balance, (NSA)	€ 15.0 bln		Exports drop.
Consumer Prices – Final (NSA)			
M/M	unch	unch	Break-down detailed.
Y/Y	2.4%	2.4%	
Wholesale Prices (NSA)			
M/M	unch		Y/Y rate at lowest in 21 months.
Y/Y	4.2%		
Purchasing Managers' Index (SA) - Manufacturing – Flash	48.0		Steady?
Purchasing Managers' Index (SA) - Services – Flash	51.0		Resilient?

Post Mortem—Prior Week Results

Consumer price inflation eases further. According to preliminary data, November CPI inflation decreased by 0.1 percentage point to 2.4% Y/Y, thereby easing back another notch from the cycle-high in September.

Consumer confidence recovers further. The GfK measure of the consumer confidence outlook for December edged up 0.2 to 5.6, the second successive rise and twice as large as that seen in November.

Strength in labor market returns. Unemployment decreased by 20 000 in November, a clear contrast to the 6 000 rise of the previous month. As a result, the level of joblessness (at 2.91 mln) hit a fresh 20-year low.

Retail sales less weak. According to Federal Statistics Office data, real retail sales (excluding auto and petrol sales) rose by 0.7% in M/M terms in October, following the little-revised September bounce of 0.3%.

Orders growth steadies. According to the engineering federation VDMA, machinery orders growth in October remained at 1% Y/Y in real terms, as the drop in foreign demand was offset by a bounce in domestic orders growth.

Mixed messages. The November final manufacturing PMI fell 1.2 points to 47.9, the lowest in 28 months and a seventh successive slide. It was unrevised from the flash estimate and (again) hit by falling orders at both home and abroad.

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December 2, 2011

France

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December 5 – December 16, 2011

5	6	7	8	9
Purchasing Managers' Index Services, Final (SA) (9:50) Aug 56.8 **Nov (p) 49.3** Sep 51.5 **Nov (f) 49.3** Oct 44.6 **Nov (c) 49.3**		Visible Trade Balance (SA) (8:45) (Euro Billion) Jun -5.18 Sep -6.30 Jul -6.34 **Oct (f) -6.50** Aug -4.31 **Oct (c) -6.35**	BoF Business Sentiment Survey (Nov) (8:30) Salaried Employment, Final (SA) (8:45) Q/Q Y/Y QII'11 0.2% 1.1% **QIII'11 (p) unch 1.1%** **QIII'11 (f) unch 1.1%** ECB Governing Council meeting (decision at 13:45) *(25 bp rate cut likely)* *Press conference at 14:30*	Industrial Production, exc. Construction (SA) (8:45) M/M Y/Y Sep -1.7% 2.3% **Oct (f) -1.1% 2.0%** **Oct (c) -0.2% 2.8%** Manufacturing Production (SA) (8:45) M/M Y/Y Sep -1.6% 3.4% **Oct (f) -1.5% 2.6%** **Oct (c) -0.3% 3.5%** Central Government Budget (Oct) (8:45)
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 (f) unch 2.2%**		Purchasing Managers' Index Manufacturing, Flash (SA) (9:00) Jul 50.5 Oct 48.5 Aug 49.1 Nov 47.3 Sep 48.2 **Dec (f) 47.0** Purchasing Managers' Index Services, Flash (SA) (9:00) Jul 54.2 Oct 44.6 Aug 56.8 **Nov (p) 49.3** Sep 51.5 **Dec (f) 49.0**	INSEE Monthly Survey of Industry (Dec) (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

28	29	30	1	2
Unemployment (Oct) (18:00)	Housing Starts (Oct) (8:45)	Household Consumption of Goods (SA) (8:45) M/M Y/Y Aug 0.4% -0.2% Sep -0.2% -1.1% Oct unch -0.9% Producer Prices (NSA) (8:45) M/M Y/Y Aug unch 6.2% Sep 0.3% 6.1% Oct 0.5% 5.8%	Purchasing Managers' Index Manufacturing, Final (SA) (8:50) Jun 52.5 Sep 48.2 Jul 50.5 Oct 48.5 Aug 49.1 Nov 47.3 Unemployment (Q3) (18:00)	

Indicator Highlights

Key potential market-moving indicators and events include: final Services PMI (Mon. Dec. 5, 9:50 a.m.), Trade Balance (Wed. Dec. 7, 8:45 a.m.), the final estimate for Salaried Employment (Thu. Dec. 8, 8:45 a.m.) and Industrial Production (Fri. Dec. 9, 8:45 a.m.). In the following week, there are Consumer Prices (Tue. Dec. 13, 7:30 a.m.) and the flash Manufacturing and Services PMIs (Thu. Dec. 15, 9:00 a.m.).

The November flash **services PMI** jumped, unwinding some of the marked falls seen of late. The September **trade gap** widened markedly from the gap in August. Preliminary data showed **(non-farm) employment** failing to grow any further after the gain in Q2. **Manufacturing output** slumped back in September, with the M/M drop largely unwinding the gains of the two previous months. Headline **CPI inflation** edged up a notch in October to a fresh cycle-high. The November final **PMI for manufacturing** saw a downward revision, taking it to the lowest since June 2009.

Indicator	Forecast	Consensus	Analysis
Purchasing Managers' Index (SA)			
- Services – Final	49.3	49.3	No revision anticipated.
Visible Trade (SA)	-€ 6.50 bln	-€ 6.35 bln	Exports and imports falling.
Salaried Employment (SA) – Final			
Q/Q	unch	unch	No revision expected.
Y/Y	1.1%	1.1%	
Industrial Production (SA)			
M/M	-1.1%	-0.2%	Echoes survey data finding.
Y/Y	2.0%	2.8%	
Consumer Prices (NSA)			
M/M	unch		Passed peak?
Y/Y	2.2%		
Purchasing Managers' Index (SA)	47.0		Still sliding!
- Manufacturing – Flash			
Purchasing Managers' Index (SA)	49.0		Bounce in October partly unwinds.
- Services – Flash			

Post Mortem—Prior Week Results

Household spending flat. Household spending on goods in October was flat, albeit due to revisions, with the fall of the previous month now looking less acute at -0.2%.

Producer price pressures pick up afresh. Producer prices rose by 0.5% in M/M terms in October, a reading that was up on the 0.3% September outcome.

Weakness continues. Showing largely further weakness apparently consistent with the sector contracting more clearly, the November final manufacturing PMI headline dropped back 1.2 point to 47.3, the lowest since June 2009.

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Forecast Calendar

December 2, 2011

Italy

Economic Indicators—Schedule and Forecasts (Local Times)

Wroblewski/Liu

December 5 – December 16, 2011

5 Purchasing Managers Survey Service (SA) (9:45) Jun 47.4 Sep 45.8 Jul 48.6 Oct 43.9 Aug 48.4 **Nov (f) 42.5**	**6**	**7** Industrial Production* (10:00) M/M Y/Y Sep -4.8% -2.7% **Oct (f) unch -3.0%** **Oct (c) -0.2% -2.8%**	**8** ECB Governing Council meeting (decision at 13:45) *(25 bp rate cut likely)* *Press conference at 14:30*	**9**
12	**13**	**14**	**15** NIC Consumer Prices, Final, (NSA) (11:00) M/M Y/Y Oct 0.6% 3.4% **Nov (p) -0.1% 3.3%** **Nov (f) -0.1% 3.3%**	**16**

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

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

Recent History-Latest Results

28 ISAE Business Sentiment (Nov) (10:00)	**29** Hourly Wages (NSA) (Y/Y) (10:00) May 1.8% Aug 1.7% Jun 1.8% Sep 1.7% Jul 1.7% Oct 1.7%	**30** Unemployment (Sep) (10:00) NIC Consumer Prices, Preliminary, (NSA) (11:00) M/M Y/Y Sep unch 3.0% Oct 0.6% 3.4% Nov -0.1% 3.3% Producer Prices (NSA) (10:00) M/M Y/Y Aug 0.1% 4.8% Sep 0.2% 4.7% Nov -0.2% 4.7%	**1** Purchasing Managers' Survey Manufacturing (SA) (9:45) Jun 49.8 Sep 48.3 Jul 50.1 Oct 43.3 Aug 47.0 Nov 44.0 New Car Registrations (Oct)	**2**

Key potential market-moving indicators and events include: Services PMI (Mon. Dec. 5, 9:45 a.m.) and Industrial Production (Wed. Dec. 7, 10:00 a.m.). In the following week, there are final Consumer Prices (Thu. Dec. 15, 11:00 a.m.).

The October **services PMI** dropped further. September **industrial production** slumped, more than unwinding the downwardly revised jump of the previous month. Preliminary data showed that **consumer price inflation** decreased in November, thereby easing back from an October reading that was the highest in three years.

Indicator	Forecast	Consensus	Analysis
Purchasing Managers' Index (SA)			
- Services	42.5		Deeper contraction.
Industrial Production*			
M/M	unch	-0.2%	Weak Q4 very much shaping up.
Y/Y	-3.0%	-2.8%	
Consumer Prices – Final (NSA)			
M/M	-0.1%		EU-harmonized break-down detailed.
Y/Y	3.3%		

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

Post Mortem—Prior Week Results

Business confidence edges higher. The November ISAE business confidence index edged up 0.2 point to 94.2, the first rise in three months since when the headline index dropped over four points to the cycle-low set in October.

Soft wage growth. Hourly wage growth for October remained at 1.7% Y/Y for a third straight month.

Inflation dips. Preliminary data showed 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.

Manufacturing contraction remains acute. The manufacturing PMI recovered in November, with a 0.7 point rise to 44.0, up from an October reading that was the lowest since June 2009.

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Forecast Calendar

December 2, 2011

Japan

Economic Indicators—Schedule and Forecasts

Ellis/Wroblewski

December 5 – December 16, 2011 (Local Times)

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

Jun	1137.8	Sep	1200.6
Jul	1150.9	Oct	1209.9
Aug	1218.5	**Nov (f)**	**1290.0**

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

	Leading	Coincident
Aug	93.8	90.3
Sep	91.5	89.0
Oct (f)	**91.5**	**90.3**

8

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

	2011	2010
Aug	407.5	1142.9
Sep	1584.8	2017.5
Oct (f)	**491.5**	1494.9

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

	2011	2010
Aug	-694.7	170.6
Sep	373.2	911.0
Oct (f)	**-193.5**	903.6

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

Jun	-0.6%	Sep	-0.3%
Jul	-0.6%	Oct	unch
Aug	-0.5%	**Nov (f)**	**unch**

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

May	3.0%	Aug	11.0%
Jun	7.7%	Sep	-8.2%
Jul	-8.2%	**Oct (f)**	**3.0%**

9

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

10:Q3	0.7%	11:Q2	-0.3%
10:Q4	-0.7%	11:Q3 (p)	1.5%
11:Q1	-0.7%	**11:Q3 (f)**	**1.5%**

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

Jun	2.9%	Sep	2.7%
Jul	3.0%	Oct	2.7%
Aug	2.7%	**Nov (f)**	**2.7%**

12

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

Jun	2.5%	Sep	2.5%
Jul	2.8%	Oct	1.7%
Aug	2.6%	**Nov (f)**	**1.5%**

13

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

May	0.9%	Aug	unch
Jun	1.9%	Sep	-0.7%
Jul	-0.2%	**Oct (f)**	**0.3%**

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 (f)**	**2.4%**

15

TANKAN (8:50)

10:Q3	8	11:Q2	-9
10:Q4	5	11:Q3	2
11:Q1	6	**11:Q4 (f)**	**4**

16

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

Recent History-Latest Results

28

BOJ Nishimura Speech (9:55) (EUROPLACE Financial Forum, Tokyo)

Shirakawa Speech (11:30) (Nagoya Business Leaders)

29

Unemployment Rate (SA) (8:30)

May	4.3%	Aug	4.3%
Jun	4.6%	Sep	4.1%
Jul	4.7%	Oct	4.5%

Effective Job Offers to Applicants Ratio (8:30)

May	0.61	Aug	0.66
Jun	0.63	Sep	0.67
Jul	0.64	Oct	0.67

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

	PCE (All)	PCE (Workers)	Disp. Income
Aug	-4.1%	-4.7%	-1.9%
Sep	-1.9%	-2.3%	-1.4%
Oct	-0.4%	-1.8%	-3.8%

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

May	-1.3%	Aug	-2.6%
Jun	1.2%	Sep	-1.1%
Jul	0.6%	Oct	1.9%

30

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

May	6.2%	Aug	0.8%
Jun	3.8%	Sep	-3.3%
Jul	0.4%	Oct	2.4%

BOJ Nishmura Speech (11:10) (Kyoto Business Leaders)

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

May	6.4%	Aug	14.0%
Jun	5.8%	Sep	-10.8%
Jul	21.2%	Oct	-5.8%

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

1

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

Jun	-23.3%	Sep	1.7%
Jul	-27.6%	Oct	28.3%
Aug	-25.5%	Nov	24.1%

2

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

Indicator Highlights

Key potential market-moving indicators and events include: Machinery Orders, core (Thu., Dec. 8, 14:00); Real GDP (Revised) (Fri., Dec. 9, 8:50); Tertiary Industry Activity (Tue., Dec. 13, 8:50); Industrial Production (Revised) (Wed., Dec. 14, 13:30); and the TANKAN (Thu., Dec. 15, 8:50).

Machinery orders results will tell whether the big decline last month marked the beginning of a new trend. Hopes for heavy reconstruction outlays have been disappointed so far. Revised GDP data are always interesting for giving a more accurate representation of economic activity—particularly in the area of business investment. Accuracy is critical now, given the uncertainties in the outlook.

Tertiary industry figures will paint in the service-sector contribution to October output, and revised industrial production data will refine the manufacturing and mining component estimate. The TANKAN will give a critical read on business sentiment and investment plans.

Indicator	Forecast	Consensus	Analysis
Official Reserves (NSA)	$1290.0 Billion		Large foreign exchange intervention and favorable translation boost.
Business Conditions Composite Indexes (Prelim.)			
Leading	91.5		Indexes stabilizing, for now.
Coincident	90.3		
Current Account Balance (NSA)	¥491.5 Billion		Goods trade deteriorates but income flows are seasonally healthy.
Current Account Visible Balance (NSA)	-¥193.5 Billion		
Bank Lending (Y/Y)	unch		Improving, so far, from lengthy earlier declining phase.
Machinery Orders, Core (SA)	+3.0%		A mild rebound, helpful to confidence.
Real GDP (Revised) (SA) (Q/Q)	+1.5%		No major revision.
Money Supply (M2) (Y/Y)	+2.7%		Steady track, but should be stronger.
Corporate Goods Price Index (Y/Y)	+1.5%		Declining materials costs weigh on the index.
Tertiary Industry Activity (SA) (M/M)	+0.3%		A very mild increase.
Industrial Production (Revised) (SA) (M/M)	+2.4%		Little or no change to preliminary estimate.
TANKAN	4		Improves very modestly.

Post Mortem—Recent Data Results

Spike in jobless rate. Overshooting expectations, the unemployment rate increased 0.4 percentage point to 4.5% in October, up sharply from a September reading that had been the lowest since November 2008. However, and on a more upbeat note, Y/Y employment fell by 0.3%, a clearly less steep drop than the slumps seen in the previous months. In addition, the participation rate remained at 59.4%, while the job-to-applicant ratio was steady at 0.67.

Less negative household spending. The Y/Y growth rate for overall household spending turned less negative at -0.4% in October, improving further from the 1.9% drop of the previous month, albeit with the M/M outcome actually showing an additional gain of 0.3%. The outcome was stronger than expected and with Y/Y growth in household spending for workers also showing a less steep fall of 1.8% following the 2.8% September drop.

Sales bounce. Retail sales rose 1.4% M/M in October, unwinding some of the falls of the previous three months, including the same-sized September drop. Partly as a result, Y/Y growth turned back to the positive, at 1.9%.

Industrial production rebounds. Surprising to the upside for once, preliminary data for October showed industrial production rising by 2.4% M/M, recovering much of the 3.3% September drop, the latter having come after five consecutive rises,. However, METI's latest survey of firms still showed that production is expected to be weaker than previously envisaged in November, with a 0.1% drop, albeit with a bounce of 2.7% projected for December. Elsewhere, the data also showed a recovery in shipments in September (0.6% M/M from -2.0%), and with inventories growth also recovering.

Manufacturing weakens afresh. The November manufacturing PMI fell 1.5 points to 49.1, thereby more than unwinding the bounce seen in the previous month.

Further capex setback. According to the latest Ministry of Finance (MoF) survey, capital spending decreased by 9.8% Y/Y in Q3, very much accentuating the 7.8% drop seen in Q2, the latter having ended a run of the three rises. The drop reflected a steeper drop on the non-manufacturing side alongside less weakness in the factory sector, with Q/Q seasonally adjusted numbers actually showing a recovery for the latter sector. Meanwhile, total sales growth moved far less negative, recovering to -1.9%. *The data suggest some downward revision to Q3 GDP numbers in updated figures due on December 9.*

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Forecast Calendar

December 2, 2011

Canada

Economic Indicators—Schedule and Forecasts

Ellis/Husby

December 5 – December 16, 2011

5

6

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

Jun	2.8%	Sep	-4.9%
Jul	-0.4%	**Oct (f)**	**2.0%**
Aug	-10.1%	**Oct (c)**	**1.6%**

Bank of Canada Rate Decision
(9:00)
(**Hold.** External headwinds, fragile sentiment warrant maintaining considerable stimulus currently in place. Data in hand has been firmer than expected. Reluctant to cut, but clear downside risks could force move eventually.)

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

Jul	46.8	Oct	54.4
Aug	56.4	**Nov (f)**	**52.5**
Sep	55.7	**Nov (c)**	**55.0**

7

8

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

Jul	213.2	Oct	207.6
Aug	191.7	**Nov (f)**	**194.0**
Sep	208.8	**Nov (c)**	**200.0**

9

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

	Prod.	Comp.	ULC
10:Q4	0.3%	1.0%	0.7%
11:Q1	0.4%	1.0%	0.6%
11:Q2	-0.9%	unch	0.9%
11:Q3 (f)	**0.2%**	**0.7%**	**0.5%**
11:Q3 (c)	**-0.2%**		

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

Jun	-1.3	Sep	1.2
Jul	-0.3	**Oct (f)**	**0.2**
Aug	-0.5	**Oct (c)**	**0.7**

12

13

14

Capacity Utilization (8:30)

10:Q4	76.9%	11:Q2	78.4%
11:Q1	78.9%	**11:Q3 (f)**	**80.3%**

15

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

	Ships.	Inv.	New Ord.
Jul	3.3%	0.2%	1.4%
Aug	1.4%	0.4%	0.9%
Sep	2.6%	0.4%	4.8%
Oct (f)	**-0.3%**	**0.4%**	**-1.0%**

16

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

10:Q4	-10.3	11:Q2	-16.1
11:Q1	-10.3	11:Q3	-12.1

30

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

10:Q4	3.1%	11:Q2	-0.5%
11:Q1	3.5%	11:Q3	3.5%

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

Apr	unch	Jul	0.4%
May	-0.3%	Aug	0.4%
Jun	0.2%	Sep	0.2%

Industrial Product Prices (8:30)

(NSA)	M/M	Y/Y
Jul	-0.4%	5.2%
Aug	0.4%	5.2%
Sep	0.5%	5.4%
Oct	-0.1%	4.7%

Raw Materials Prices (8:30)

(NSA)	M/M	Y/Y
Jul	-1.1%	19.6%
Aug	-3.2%	13.2%
Sep	1.4%	15.2%
Oct	-1.2%	12.3%

1

2

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

Jun	28.4	Sep	60.9
Jul	7.1	Oct	-54.0
Aug	-5.5	Nov	-18.6

Unemployment Rate (SA)

Jun	7.4%	Sep	7.1%
Jul	7.2%	Oct	7.3%
Aug	7.3%	Nov	7.4%

Indicator Highlights

Canada

Key potential market-moving indicators and events include: Building Permits (Tue., Dec. 6, 8:30 a.m.); the Bank of Canada rate decision (Tue., Dec. 6, 9:00 a.m.); Housing Starts (Thu., Dec. 8, 8:15 a.m.); Productivity and Costs (Fri., Dec. 9, 8:30 a.m.); Capacity Utilization (Wed., Dec. 14, 8:30 a.m.); and International Trade (Thu., Dec. 15, 8:30 a.m.).

Housing starts and building permits data are moderating, and the housing sector will be hard-pressed to contribute significantly to growth in the near term. The Bank of Canada will again acknowledge clear downside risks and headwinds to Canadian growth, but also recognize firmer data in recent months. Financial conditions remain stimulative for businesses and households, and appropriately so in the Bank's view, assuming U.S. growth continues to plod along and banking sector strains do not lead to another global credit crunch. Big "ifs" perhaps, but the Bank will remain on the sidelines for now. Productivity and Costs is important in the estimation of potential GDP and as a gauge of labor costs. The International Trade Balance report will kick off Q4 net export performance.

Capacity Utilization is a key indicator for the Bank of Canada, providing information on the amount of slack in the economy. The Survey of Manufacturing will be important in gauging the extent and nature of a pickup in activity following auto and energy sector disruptions.

Indicator	Forecast	Consensus	Analysis
Building Permits (M/M) (SA)	+2.0%	+1.6%	Volatile numbers, but construction trend is slowing.
Ivey Purchasing Managers' Survey (SA)	52.5	55.0	Treading water.
Housing Starts (SAAR)	194,000 Units	200,000 Units	Single-family starts at post-recession lows as builders temper expectations.
Productivity and Costs (Q/Q) (SA)			
Productivity	+0.2%	-0.2%	Output growth outpaces hours.
Compensation	+0.7%		
Unit Labor Costs	+0.5%		
International Trade (Balance, SA)	C$ 0.2 Billion	C$ 0.7 Billion	Some reversal of prior month's surge in energy exports.
Capacity Utilization	80.3%		Further recovery from production disruptions.
Survey of Manufacturing (M/M) (SA)			
Shipments	-0.3%		Lower prices for some products, and September surge in petroleum not repeatable.
Inventories	+0.4%		
New Orders	-1.0%		

Post Mortem—Prior Week Results

Current account deficit narrows. The Q3 current account deficit narrowed in the expected configuration, by $4.0 billion to $12.1 billion, as the goods balance by about $3.8 billion to a modest surplus. Investment income and transfers were little changed, as was the services balance.

Less to GDP than headline gain suggested. Beating general expectations, real GDP advanced 3.5% at an annualized pace in Q3 (Consensus: +3.0%; DE: +2.9%). Q2 was revised slightly lower to a 0.5% contraction (-0.4%) previously, while the September monthly GDP print came in at +0.2%, a bit weaker than expected, but still a decent transition into Q4. The headline reflected a massive 5.3 percentage point contribution from net exports – which offset a 6.2 point drag in Q2 on Japan-related shocks and energy sector shutdowns – and a 2.6 percentage point drag from inventories. Consumer spending added about 0.7 percentage points, leaving other categories (government spending, investment) essentially flat. In sequential terms, consumer spending rose 1.2% q/q, slowing from 2.1% in Q2, and business investment decelerated to 1.6%, the weakest since April 2009, after a string of high-single to low double-digit gains in the interim. Within the investment category, residential investment accounted for the bulk of strength, as non-res equipment and structures falling during the quarter. A modest rise in government expenditures (+0.9%) saw offset by a decline in investment, leaving the government contribution to growth in the quarter effectively flat. On the trade front, exports rebounded 14.4% after a 6.4% drop in Q2, while imports slipped 3.2%, following strong gains of 8.4% and 13.6% in Q1 and Q2. Final domestic demand slowed to its weakest pace since April 2009, decelerating to 0.9% q/q, from 3.1%.

Weaker pipeline price pressures. Industrial product prices slipped 0.1% in October, and the raw materials price index 1.2%, on lower metals prices. The weaker CAD once again kept the IPPI supported, with the index adjusted for exchange rate effects down 0.5%, instead of the smaller headline decline. Both indices decelerated in a year-ago sense, from 5.4% to 4.7% for factory-gate prices, and 15.2% to 12.3% for raw input costs.

Employment better than headline drop suggests, but still soft. Employment fell 19,000 in November, in part driven by large drop in self-employment (-27,500). The private sector added 11,000, as gains in the goods sector (ex manufacturing, which dropped for a third straight month, cumulative 80K over that span) offset a drop in service sector employment (-43,900 – mostly due to wholesale and retail trade, and business support services). The bounce in full-time jobs is encouraging (+34,600), a better sign, all else equal, for income growth, but the message remains uncertain, given that recent months had been impacted strongly by seasonal adjustment problems in the education sector (+63K in Sep, -71K in October for the full-time total). Coming months should give a clearer read there. The unemployment rate, meanwhile, rose 0.1 percentage points to 7.4%, up from a recent low of 7.1% in September.

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