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Information for Decisions™

# Forecast Calendar

January 13, 2012

# Eurozone

## Economic Indicators—Schedule and Forecasts (Local Times)

Wroblewski/Liu

## January 16 – January 27, 2011

### 16

ECB President Draghi speaks in France (18:00)

### 17

New Car Registrations (Dec) (8:00)

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

| | M/M | Y/Y |
|---|---|---|
| Nov | 0.1% | 3.0% |
| **Dec (flash)** | | **2.8%** |
| **Dec (f)** | **0.4%** | **2.8%** |
| **Dec (c)** | **0.4%** | **2.8%** |

### 18

Construction Output (Oct) (11:00)

### 19

ECB Monthly Bulletin (Jan) (10:00)

### 20

### 23

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

Eurozone Finance Ministers meet in Brussels

### 24

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

| | | | |
|---|---|---|---|
| Aug | 49.0 | Nov | 46.4 |
| Sep | 48.5 | Dec | 46.9 |
| Oct | 47.1 | **Jan (f)** | **47.5** |

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

| | | | |
|---|---|---|---|
| Aug | 51.5 | Nov | 47.5 |
| Sep | 48.8 | Dec | 48.8 |
| Oct | 46.4 | **Jan (f)** | **49.0** |

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

| | | | |
|---|---|---|---|
| Jun | -0.9% | Sep | -7.8% |
| Jul | -1.7% | Oct | 1.8% |
| Aug | 1.7% | **Nov (f)** | **-2.5%** |

EU Finance Ministers meet in Brussels

### 25

### 26

### 27

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

| | | | |
|---|---|---|---|
| Jul | 2.0 | Oct | 2.6 |
| Aug | 2.8 | Nov | 2.0 |
| Sep | 3.0 | **Dec (f)** | **2.0** |

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

| | | | |
|---|---|---|---|
| Jul | 2.4 | Oct | 2.7 |
| Aug | 2.5 | Nov | 1.7 |
| Sep | 2.5 | **Dec (f)** | **1.7** |

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

### 9

### 10

### 11

### 12

Industrial Production (SA) (11:00)

| | M/M | Y/Y |
|---|---|---|
| Sep | -2.1% | 2.2% |
| Oct | -0.3% | 1.0% |
| Nov | -0.1% | -0.3% |

ECB Governing Council meeting (decision at 13:45)
*(no change)*
*Press conference at 14:30*

### 13

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

| | '11 | '10 |
|---|---|---|
| Sep | 2.5 | 0.3 |
| Oct | 1.0 | 3.1 |
| Nov | 6.9 | -2.3 |

## Indicator Highlights

**Key potential market-moving indicators and events include:** Harmonized Consumer Prices (Tue. Jan. 17, 11:00 a.m.). In the following week, there are the flash Manufacturing and Services Purchasing Managers Indexes (Tue. Jan. 24, 10:00 a.m.), Industrial Orders (Tue. Jan. 24, 11:00 a.m.) and Money Supply (Fri. Jan. 27, 10:00 a.m.).

The flash **HICP** estimate for December saw inflation drop from a three-year high. The December **manufacturing PMI** bounced, the first rise since April. The December **services PMI** rose for the second successive month, recovering to a three-month high. Industrial **new orders** jumped in October, albeit repairing little of the slump seen in the previous month. November M3 **money supply** growth slowed.

| Indicator | Forecast | Consensus | Analysis |
|---|---|---|---|
| Consumer Prices – HICP (Final) (NSA) | | | |
| M/M | 0.4% | 0.4% | Downward revision possible! |
| Y/Y | 2.8% | 2.8% | |
| Purchasing Managers' Index (SA) – Flash | | | |
| - Manufacturing | 47.5 | | Moving sideways. |
| Purchasing Managers' Index (SA) – Flash | | | |
| - Services | 49.0 | | Modest continued correction. |
| Industrial Orders (SA) | | | |
| M/M | -2.5% | | Echoes weaker German reading. |
| M3 Money Supply (SA) | | | |
| Y/Y | 2.0% | | More focus on lending data? |

### Post Mortem—Prior Week Results

**Output stabilizes?** Eurozone industrial production edged down just 0.1% M/M in November, similar to the revised 0.3% drop of the previous month, albeit with both accentuating the abrupt 2.1% drop seen in September.

**Exports recover.** The (unadjusted) November trade balance showed a surplus of € 6.9 bln, a clear contrast to the € 2.3 bln deficit in the same month of 2010.

Decision Economics, Inc.
555 5th Avenue, 15th Floor
New York, New York 10017
Telephone: 212-884-9440
Facsimile: 212-884-9451

Decision Economics, Inc.
288 Bishopsgate, 4th Floor
London EC2M 4QP
Telephone: 011-44-20-7959-3045
Facsimile: 011-44-20-7959-3344

Decision Economics, Inc.
One Boston Place, 16th Floor
Boston, Massachusetts 02108
Telephone: 617-994-0500
Facsimile: 617-994-0501/0502

Decision Economics, Inc.
2 North La Salle, Suite 1200
Chicago, IL 60602
Telephone: 312-476-7504

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# Forecast Calendar

January 13, 2012

# United Kingdom

## Economic Indicators—Schedule and Forecasts (Local Times)

Wroblewski/Liu

## January 16 – January 27, 2012

### 16

Rightmove House Prices (Jan) (00:01)

**Possibly from today:**

Nationwide Consumer Confidence (Dec) (00:01)

### 17

Consumer Price Index (CPI) (NSA) (9:30)

| | M/M | Y/Y |
|---|---|---|
| Nov | 0.2% | 4.8% |
| **Dec (f)** | **0.4%** | **4.2%** |
| **Dec (c)** | **0.4%** | **4.2%** |

Retail Prices (NSA) (9:30)

| | M/M | Y/Y |
|---|---|---|
| Nov | 0.2% | 5.2% |
| **Dec (f)** | **0.2%** | **4.6%** |
| **Dec (c)** | **0.3%** | **4.7%** |

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

| | M/M | Y/Y |
|---|---|---|
| Nov | 0.2% | 5.3% |
| **Dec (f)** | **0.1%** | **4.7%** |
| **Dec (c)** | **0.2%** | **4.8%** |

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

### 18

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

| | | | |
|---|---|---|---|
| Oct | 2.5 | **Dec (f)** | **5.0** |
| Nov | 3.0 | **Dec (c)** | **8.0** |

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

| | | | |
|---|---|---|---|
| Sep | 8.3 | **Nov (f)** | **8.3** |
| Oct | 8.3 | **Nov (c)** | **8.3** |

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

| | | | |
|---|---|---|---|
| Sep | 2.3 | **Nov (f)** | **2.0** |
| Oct | 2.0 | **Nov (c)** | **2.0** |

### 19

### 20

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

| (Inc. Fuels) | M/M | Y/Y |
|---|---|---|
| Nov | -0.4% | 0.7% |
| **Dec (f)** | **0.2%** | **2.0%** |
| **Dec (c)** | **0.6%** | **2.3%** |

BoE Trends in Lending (Jan) (9:30)

### 23

**Possibly from today:**

Nationwide House Prices (Jan) (7:00)

### 24

Public Sector Net Borrowing (ex. financial interventions) (£ bln, NSA) (9:30)

| | '11/'12 | '10/'11 |
|---|---|---|
| Oct | 5.8 | 7.6 |
| Nov | 18.1 | 20.4 |
| **Dec (f)** | **18.0** | 15.9 |

### 25

Gross Domestic Product, First Estimate (SA) (9:30)

| | Q/Q | Y/Y |
|---|---|---|
| QII'11 | unch | 0.6% |
| QIII'11 | 0.6% | 0.5% |
| **QIV'11 (f)** | **-0.2%** | **0.7%** |

British Bankers Association Consumer Lending (Dec) (9:30)

Index of Services (Nov) (9:30)

Minutes of the Bank of England Monetary Policy Committee Meeting (January 11-12) (9:30)

CBI Industrial Trends Monthly & Quarterly Survey (Jan) (11:00)

### 26

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

### 27

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

### 9

CBI Financial Services Survey (00:01)

### 10

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

RICS House Price Survey (Dec) (00:01)

British Chambers of Commerce Survey (Q4) (00:01)

### 11

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

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

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

| | | | |
|---|---|---|---|
| Aug | -8675 | Oct | -7868 |
| Sep | -10175 | Nov | -8644 |

### 12

Manufacturing Production (SA) (9:30)

| | MM | Y/Y |
|---|---|---|
| Sep | 0.1% | 1.3% |
| Oct | -0.9% | 0.1% |
| Nov | -0.2% | -0.6% |

Industrial Production (SA) (9:30)

| | M/M | Y/Y |
|---|---|---|
| Sep | unch | -1.5% |
| Oct | -1.0% | -2.1% |
| Nov | -0.6% | -3.1% |

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

### 13

PPI Output (NSA) (9:30)

| | MM | Y/Y |
|---|---|---|
| Oct | unch | 5.7% |
| Nov | 0.2% | 5.4% |
| Dec | -0.2% | 4.8% |

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

| | MM | Y/Y |
|---|---|---|
| Oct | -0.1% | 3.3% |
| Nov | -0.1% | 3.1% |
| Dec | -0.1% | 3.0% |

PPI Input (NSA) (9:30)

| | MM | Y/Y |
|---|---|---|
| Oct | -0.8% | 14.3% |
| Nov | 0.3% | 13.6% |
| Dec | -0.6% | 8.7% |

Construction Output (Nov) (9:30)

## Indicator Highlights

*United Kingdom*

**Key potential market-moving indicators and events include:** Consumer Prices (Tue. Jan. 17, 9:30 a.m.), the Labor Market Report – including unemployment and average earnings details – (Wed. Jan. 18, 9:30 a.m.) and Retail Sales (Fri. Jan. 20, 9:30 a.m.). In the following week, there is Public Sector Net Borrowing (Tue. Jan. 24, 9:30 a.m.) and the first estimate of Q4 Gross Domestic Product (Wed. Jan. 25, 9:30 a.m.).

November **consumer price inflation** fell, now down further from the September three-year high but still being the third-highest in the cycle. Claimant count **unemployment** increased in November. Average weekly **earnings** growth slipped in the three months to October. Real **retail sales** (including fuels) dropped in M/M terms in November, unwinding some of the bounce seen in the previous month. **Public Sector Net Borrowing** was down in November from the outcome in the same month of last year. Real **GDP** increased in Q/Q terms in Q3, a pick-up from the flat reading seen in the previous quarter.

| Indicator | Forecast | Consensus | Analysis |
|---|---|---|---|
| CPI (NSA) | | | |
| M/M | 0.4% | 0.4% | Base effects pull Y/Y rate to 10-month low. |
| Y/Y | 4.2% | 4.2% | |
| RPI (NSA) | | | |
| M/M | 0.2% | 0.3% | Lowest in over a year! |
| Y/Y | 4.6% | 4.7% | |
| Claimant Count Unemployment (SA) | | | |
| M/M (change, thousands) | 5.0 | 8.0 | Mild weather help cap jobless rise? |
| ILO Unemployment Rate (SA) | 8.3% | 8.3% | Trend still higher. |
| Headline Average Earnings (Y/Y) | 2.0% | 2.0% | Running well below CPI/RPI inflation? |
| Retail Sales (Volumes, SA) | | | |
| M/M | 0.2% | 0.6% | Y/Y rate jumps on base effects. |
| Y/Y | 2.0% | 2.3% | |
| Public Sector Net Borrowing (NSA) | £ 18.0 bln | | Receipt growth slows? |
| Gross Domestic Product (SA) – Second Estimate | | | |
| Q/Q | -0.2% | | Modest recession begins? |
| Y/Y | 0.7% | | |

## Post Mortem—Prior Week Results

**Financial sector improves.** According to the latest CBI Financial Services survey, businesses volumes in the sector grew at their fastest rate since June 2007, returning to a 'normal' level for the first time in over four years.

**Sales bounce?** According to the British Retail Consortium, like-for-like nominal store sales growth saw a clear bounce in December, with the growth rate swinging to 2.2% Y/Y from the 1.6% Y/Y drop seen in November.

**Soft housing market continues**. The latest (December) 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, albeit with less negative messages continuing on both counts.

**Weakness but no contraction.** The British Chambers of Commerce's latest Quarterly Economic Survey points to a period of stagnation into early 2012, with declines in most indicators across both manufacturing and services in the last quarter.

**Exports correct back.** The total visible trade gap widened from an upwardly-revised gap of £ 7.87 bln in October to a deficit of £ 8.64 bln in November, both readings being comfortably below the record deficit of £ 10.18 bln seen in September.

**Shop price inflation clearly lower.** According to the BRC, December shop price inflation fell to a 16-month low of 1.7% Y/Y, and 0.3 percentage point down from the previous month.

**More negative labor market signals evident.** The latest (December) REC labor-market report provided softer signs with regards to the jobs market, trending further towards the negative.

**Manufacturing hit further.** November manufacturing output dropped 0.2% M/M, accentuating the 0.9% drop seen in October.

**Price pressures abate even more clearly.** December producer output prices fell by 0.2% in M/M terms, a contrast to the same-sized rise seen in November and actually the first decline since June 2010.

Decision Economics, Inc.
555 5th Avenue, 15th Floor
New York, New York 10017
Telephone: 212-884-9440
Facsimile: 212-884-9451

Decision Economics, Inc.
288 Bishopsgate, 4th Floor
London EC2M 4QP
Telephone: 011-44-20-7959-3045
Facsimile: 011-44-20-7959-3344

Decision Economics, Inc.
One Boston Place, 16th Floor
Boston, Massachusetts 02108
Telephone: 617-994-0500
Facsimile: 617-994-0501/0502

Decision Economics, Inc.
2 North La Salle, Suite 1200
Chicago, IL 60602
Telephone: 312-476-7504

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# Forecast Calendar

January 13, 2012

# Germany

## Economic Indicators—Schedule and Forecasts (Local Times)

Wroblewski/Liu

## January 16 – January 27, 2012

| 16 | 17 | 18 | 19 | 20 |
|---|---|---|---|---|
| Wholesale Price Index (NSA) (8:00)<br>M/M Y/Y<br>Oct -1.0% 5.0%<br>Nov 0.7% 4.9%<br>**Dec (f) unch 3.0%** | ZEW Financial Experts Survey (Jan) (11:00) | | | Producer Prices (NSA) (8:00)<br>M/M Y/Y<br>Nov 0.1% 5.2%<br>**Dec (f) unch 4.5%**<br>**Dec (c) 0.1% 4.6%** |
| **23** | **24** | **25** | **26** | **27** |
| **Possibly from today:**<br><br>Construction Orders (Nov) (8:00)<br><br>Import Prices (NSA) (8:00)<br>M/M Y/Y<br>Oct -0.3% 6.8%<br>Nov 0.4% 6.0%<br>**Dec (f) unch 3.6%**<br><br>Real Retail Sales (M/M) (SA) (8:00)<br>Jul 0.3% Oct unch<br>Aug -0.6% Nov -1.0%<br>Sep 0.9% **Dec (f) 0.5%** | Purchasing Managers' Survey Manufacturing, Flash (SA) (9:30)<br>Aug 50.9 Nov 47.9<br>Sep 50.3 Dec 48.4<br>Oct 49.1 **Jan (f) 49.0**<br><br>Purchasing Managers' Survey Services, Flash (SA) (9:30)<br>Aug 51.1 Nov 50.3<br>Sep 49.7 Dec 52.4<br>Oct 50.6 **Jan (f) 52.0** | Ifo Survey (SA) (2005=100) (10:00)<br>Aug 108.6 Nov 106.6<br>Sep 107.4 Dec 107.2<br>Oct 106.4 **Jan (f) 107.0** | GfK Consumer Confidence Outlook (Feb) (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

| 9 | 10 | 11 | 12 | 13 |
|---|---|---|---|---|
| Trade Balance (NSA) (Euro billion) (8:00)<br>'11 '10<br>Sep 17.3 16.5<br>Oct 11.5 14.5<br>Nov 16.2 13.9<br><br>Current Account (NSA) (Euro billion) (8:00)<br>'11 '10<br>Sep 16.0 15.1<br>Oct 10.0 14.2<br>Nov 14.3 14.4<br><br>Industrial Production (M/M) (SA) (12 noon)<br>Aug -0.4% Oct 0.8%<br>Sep -2.8% Nov -0.6%<br><br>Manufacturing & Mining Output (M/M) (SA), (12 noon)<br>Aug -0.4% Oct 0.6%<br>Sep -2.8% Nov -1.0% | | Gross Domestic Product (Calendar Y/Y, unadjusted) (7:00)<br>2008 0.8% 2010 3.6%<br>2009 -5.1% 2011 3.0% | Cost-of-Living, Final (NSA) (8:00)<br>M/M Y/Y<br>Oct unch 2.5%<br>Nov unch 2.4%<br>Dec 0.7% 2.1%<br><br>VDMA Machinery Orders (Nov)<br><br>ECB Governing Council meeting (decision at 13:45)<br>*(no change)*<br>*Press conference at 14:30* | |

**Key potential market-moving indicators and events include:** Wholesale Prices (Mon. Jan. 16, 8:00 a.m.) and Producer Prices (Fri. Jan. 20, 8:00 a.m.). In the following week, there are the flash Manufacturing and Services PMIs (Tue. Jan. 24, 9:30 a.m.), the Ifo Survey (Wed. Jan. 25, 10:00 a.m.) as well as possibly Import Prices and Retail Sales.

**Wholesale prices** increased in M/M terms in November, a jump that unwound much of the October drop. November **producer prices** rose, albeit a notch lower than the increase seen in the previous month. The December **manufacturing PMI** rose, recovering from a November reading that was the lowest in 28 months. The December **services PMI** recovered to a five-month high. The December **Ifo business climate index** rose for a second successive month, edging up further from the October reading that was the lowest in 17 months. **Import prices** rose in M/M terms in November, a clear contrast to the drop of the previous month. According to Federal Statistics Office data, real **retail sales** (excluding auto and petrol sales) dropped in M/M terms in November.

| Indicator | Forecast | Consensus | Analysis |
|---|---|---|---|
| Wholesale Prices (NSA) | | | |
| M/M | unch | | Y/Y at its lowest in almost two years? |
| Y/Y | 3.0% | | |
| Producer Prices (NSA) | | | |
| M/M | unch | 0.1% | Trend flattening clearly! |
| Y/Y | 4.5% | 4.6% | |
| Purchasing Managers' Index (SA) | | | |
| - Manufacturing – Flash | 49.0 | | Less downbeat. |
| Purchasing Managers' Index (SA) | | | |
| - Services – Flash | 52.0 | | Modest further expansion signaled! |
| Ifo Survey Business Climate (SA) | 107.0 | | Still above par. |
| Import Prices - (NSA) | | | |
| M/M | unch | | Y/Y rate falls to 22-month low. |
| Y/Y | 3.6% | | |
| Retail Sales ex. Autos & Gas | | | |
| (Volume, SA) (M/M) | 0.5% | | Flat trend still evident! |

**Post Mortem—Prior Week Results**

**Industrial production shows continued resilience.** November industrial production fell by 0.6% M/M from the unrevised 0.8% recovery seen in the previous month.

**Exports recover.** The November (unadjusted) trade surplus widened to € 16.2 bln from € 13.9 bln in the same month of the previous year, also up clearly from the € 11.5 bln October reading.

**GDP drop highlighted.** According to data from the Federal Statistics Office, calendar adjusted GDP increased 3.0% in 2011, down from the 3.6% pace seen in 2010.

**Consumer price inflation eases further and clearly so.** According to final data, December CPI inflation decreased by 0.3 percentage point to 2.1% Y/Y, not only easing back further and clearly from the cycle-high in September but actually reaching a nine-month low.

**Orders growth turns negative.** According to the engineering federation VDMA, machinery orders growth in November fell 12% Y/Y in real terms.

Decision Economics, Inc.
555 5th Avenue, 15th Floor
New York, New York 10017
Telephone: 212-884-9440
Facsimile: 212-884-9451

Decision Economics, Inc.
288 Bishopsgate, 4th Floor
London EC2M 4QP
Telephone: 011-44-20-7959-3045
Facsimile: 011-44-20-7959-3344

Decision Economics, Inc.
One Boston Place, 16th Floor
Boston, Massachusetts 02108
Telephone: 617-994-0500
Facsimile: 617-994-0501/0502

Decision Economics, Inc.
2 North La Salle, Suite 1200
Chicago, IL 60602
Telephone: 312-476-7504

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# Forecast Calendar

January 13, 2012

# France

## Economic Indicators—Schedule and Forecasts (Local Times)

Wroblewski/Liu

## January 16 – January 27, 2012

| 16 | 17 | 18 | 19 | 20 |
|---|---|---|---|---|
| | | | | |

| 23 | 24 | 25 | 26 | 27 |
|---|---|---|---|---|
| INSEE Monthly Survey of Industry (Jan) (8:45) | Purchasing Managers' Index Manufacturing, Flash (SA) (9:00)<br>Aug 49.1 Nov 47.3<br>Sep 48.2 Dec 48.9<br>Oct 48.5 **Jan (f) 48.5**<br><br>Purchasing Managers' Index Services, Flash (SA) (9:00)<br>Aug 56.8 Nov 49.6<br>Sep 51.5 Dec 50.3<br>Oct 44.6 **Jan (f) 50.5** | Unemployment (Dec) (18:00) | INSEE Monthly Survey of Households (Jan) (8:45)<br><br>INSEE Quarterly Survey of Industry (Jan) (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

| 9 | 10 | 11 | 12 | 13 |
|---|---|---|---|---|
| Visible Trade Balance (SA) (8:45) (Euro Billion)<br>Jun -5.30 Sep -6.01<br>Jul -6.53 Oct -5.58<br>Aug -4.82 Nov -4.41 | BoF Business Sentiment Survey (Dec) (8:30)<br><br>Industrial Production, exc. Construction (SA) (8:45)<br>M/M Y/Y<br>Sep -2.2% 0.9%<br>Oct 0.1% 1.7%<br>Nov 1.1% 0.9%<br><br>Manufacturing Production (SA) (8:45)<br>M/M Y/Y<br>Sep -2.1% 1.8%<br>Oct 0.2% 2.6%<br>Nov 1.3% 2.2% | | Consumer Prices (NSA) (7:30)<br>M/M Y/Y<br>Oct 0.2% 2.3%<br>Nov 0.3% 2.5%<br>Dec 0.4% 2.5%<br><br>Central Government Budget (Nov) (8:45)<br><br>ECB Governing Council meeting (decision at 13:45)<br>*(no change)*<br>*Press conference at 14:30* | |

## Indicator Highlights

**Key potential market-moving indicators and events include:** there are no data of note. In the following week, there are the flash Manufacturing and Services PMIs (Tue. Jan. 24, 9:00 a.m.).

The December **manufacturing PMI** rose to a four-month high. The December **services PMI** jumped for a second successive month.

| Indicator | Forecast | Consensus | Analysis |
|---|---|---|---|
| Purchasing Managers' Index (SA)<br>- Manufacturing – Flash | 48.5 | | Moving sideways. |
| Purchasing Managers' Index (SA)<br>- Services – Flash | 50.5 | | Four-month high? |

### Post Mortem—Prior Week Results

**Exports rise strongly.** The November trade gap narrowed clearly to € 4.41 bln from a gap of € 5.58 bln in October.

**Manufacturing recovers further.** Manufacturing output rose by 1.3% in M/M terms in November, with the increase accentuated by modest upward revisions to previous data including an October reading that now shows a rise of 0.2%, albeit with the hefty fall of the previous month (-2.1%) very much still in place.

**Business sentiment edges up.** In the latest (December) Bank of France monthly report, the business sentiment indicator rose one point to 96, bouncing modestly from the previous month which was the lowest since September 2009.

**Inflation steady.** Headline CPI inflation remained at 2.5% Y/Y in December, still a cycle-high.

**Budget deficit narrows further.** The November year-to-date central government budget balance showed a deficit of € 97.15 bln, down from a € 140.66 bln deficit seen in same period of the previous year.

Decision Economics, Inc.
555 5th Avenue, 15th Floor
New York, New York 10017
Telephone: 212-884-9440
Facsimile: 212-884-9451

Decision Economics, Inc.
288 Bishopsgate, 4th Floor
London EC2M 4QP
Telephone: 011-44-20-7959-3045
Facsimile: 011-44-20-7959-3344

Decision Economics, Inc.
One Boston Place, 16th Floor
Boston, Massachusetts 02108
Telephone: 617-994-0500
Facsimile: 617-994-0501/0502

Decision Economics, Inc.
2 North La Salle, Suite 1200
Chicago, IL 60602
Telephone: 312-476-7504

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# Forecast Calendar

January 13, 2012

# Italy

## Economic Indicators—Schedule and Forecasts (Local Times)

Wroblewski/Liu

## January 16 – January 27, 2012

| | | | | |
|---|---|---|---|---|
| **16**<br>NIC Consumer Prices, Final, (NSA) (11:00)<br>M/M Y/Y<br>Nov -0.1% 3.3%<br>**Dec (p) 0.4% 3.3%**<br>**Dec (f) 0.4% 3.3%** | **17** | **18**<br>Visible Trade Balance, Global (NSA) (Euro billion) (11:00)<br>'11 '10<br>Sep -1.9 -3.7<br>Oct -1.1 -2.6<br>**Nov (f) -2.4** -3.4 | **19** | **20**<br>Industrial Orders (NSA) (Y/Y) (10:00)<br>Jun 5.7% Sep -3.6%<br>Jul 6.0% Oct -4.8%<br>Aug 7.8% **Nov (f) -6.0%** |
| **23** | **24** | **25**<br>Retail Sales (NSA) (Y/Y) (10:00)<br>Jun -1.1% Sep -1.6%<br>Jul -2.3% Oct -1.5%<br>Aug -0.3% **Nov (f) -1.7%** | **26**<br>ISAE Consumer Sentiment (Dec) (10:00)<br>Hourly Wages (NSA) (Y/Y) (11:00)<br>Jul 1.7% Oct 1.7%<br>Aug 1.7% Nov 1.5%<br>Sep 1.7% **Dec (f) 1.4%** | **27** |

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

| | | | | |
|---|---|---|---|---|
| **9** | **10** | **11** | **12**<br>Industrial Production* (10:00)<br>M/M Y/Y<br>Sep -4.7% -2.7%<br>Oct -0.9% -4.1%<br>Nov 0.3% -4.1%<br>ECB Governing Council meeting (decision at 13:45)<br>*(no change)*<br>*Press conference at 14:30* | **13** |

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

**Key potential market-moving indicators and events include:** final Consumer Prices (Mon. Jan. 16, 11:00 a.m.), the Global Trade Balance (Wed. Jan. 18, 11:00 a.m.) and Industrial Orders (Fri. Jan. 20, 10:00 a.m.). In the following week, there are Retail Sales (Wed. Jan. 25, 10:00 a.m.) and Hourly Wages (Thu. Jan. 26, 11:00 a.m.).

Preliminary data showed that **consumer price inflation** was unchanged in December, still down a notch from an October reading that was the highest in three years. The (unadjusted) October **trade balance** showed a deficit less than half the shortfall seen in the same month of 2010. Data for October showed that Y/Y industrial **orders** fell, accentuating the drop recorded in September and actually the weakest reading in almost two years. Unadjusted nominal **retail sales** fell in October, a similar drop to that of the previous month. **Hourly wage** growth for October slowed to a 13-month low.

| Indicator | Forecast | Consensus | Analysis |
|---|---|---|---|
| Consumer Prices – Final (NSA) | | | |
| M/M | 0.4% | | EU-harmonized break-down detailed. |
| Y/Y | 3.3% | | |
| Trade Balance – Global | -€ 2.4 bln | | EU trade worsening. |
| Industrial Orders (NSA) | | | |
| Y/Y | -6.0% | | Clear deterioration underway. |
| Retail Sales (NSA) | | | |
| Y/Y | -1.7% | | Even weaker in real terms. |
| Hourly Wages | | | |
| Y/Y | 1.4% | | New low! |

**Post Mortem—Prior Week Results**

**Industrial output drops further.** November industrial production rose 0.3%, albeit hardly unwinding the steep falls of the previous two months, including the unrevised 0.9% slump seen in October.

Decision Economics, Inc.
555 5th Avenue, 15th Floor
New York, New York 10017
Telephone: 212-884-9440
Facsimile: 212-884-9451

Decision Economics, Inc.
288 Bishopsgate, 4th Floor
London EC2M 4QP
Telephone: 011-44-20-7959-3045
Facsimile: 011-44-20-7959-3344

Decision Economics, Inc.
One Boston Place, 16th Floor
Boston, Massachusetts 02108
Telephone: 617-994-0500
Facsimile: 617-994-0501/0502

Decision Economics, Inc.
2 North La Salle, Suite 1200
Chicago, IL 60602
Telephone: 312-476-7504

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# Forecast Calendar

January 13, 2012

# Japan

## Economic Indicators—Schedule and Forecasts

Ellis/Wroblewski

### January 16 – January 27, 2012 (Local Times)

| 16 | 17 | 18 | 19 | 20 |
|---|---|---|---|---|
| BOJ Branch Managers Meeting<br><br>BOJ Regional Report (January)<br><br>Corporate Goods Price Index (Y/Y) (8:50)<br>Jul 2.8% Oct 1.6%<br>Aug 2.6% Nov 1.7%<br>Sep 2.5% **Dec (f) 1.4%**<br><br>Machinery Orders, Core (SA) (14:00)<br>Jun 7.7% Sep -8.2%<br>Jul -8.2% Oct -6.9%<br>Aug 11.0% **Nov (f) 3.0%** | Tertiary Industry Activity (SA) (M/M) (8:50)<br>Jun 1.9% Sep -0.4%<br>Jul -0.2% Oct 0.6%<br>Aug 0.1% **Nov (f) -0.3%** | Industrial Production (Revised) (SA) (M/M) (13:30)<br>Jul 0.4% Oct 2.2%<br>Aug 0.6% Nov (p) -2.6%<br>Sep -3.3% **Nov (f) -2.6%** | | All Industry Activity (SA) (M/M) (13:30)<br>Jun 2.2% Sep -0.7%<br>Jul 0.4% Oct 0.8%<br>Aug -0.3% **Nov (f) -0.7%** |
| **23** | **24** | **25** | **26** | **27** |
| BOJ Monetary Policy Meeting<br><br>BOJ Senior Loan Officer Opinion Survey (8:50) (January) | BOJ Monetary Policy Meeting<br><br>BOJ Shirakawa Press Conference (15:30) | Merchandise Trade Balance (¥Billion, NSA) (8:50)<br>2011 2010<br>Oct -280.2 812.6<br>Nov -684.7 157.6<br>**Dec (f) -93.0** 719.6<br><br>BOJ Monthly Report (14:00) (January) | Corporate Service Prices (Y/Y) (8:50)<br>Jul -0.3% Oct 0.1%<br>Aug -0.3% Nov -0.2%<br>Sep unch **Dec (f) -0.3%** | Tokyo CPI (Y/Y) (8:30)<br>Total Ex-Fresh Food<br>Nov -0.8% -0.5%<br>Dec -0.4% -0.3%<br>**Jan (f) -0.4% -0.3%**<br><br>Nationwide CPI (Y/Y) (8:30)<br>Total Ex-Fresh Food<br>Oct -0.2% -0.1%<br>Nov -0.5% -0.2%<br>**Dec (f) -0.3% -0.1%**<br><br>BOJ Monetary Policy Meeting Minutes (8:50) (December 20-21)<br><br>Retail Sales (Y/Y) (8:50)<br>Jul 0.6% Oct 1.9%<br>Aug -2.6% Nov -2.3%<br>Sep -1.1% **Dec (f) unch** |

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

### Recent History-Latest Results

| 9 | 10 | 11 | 12 | 13 |
|---|---|---|---|---|
| Holiday | | Official Reserves ($Billion, NSA) (8:50)<br>Jul 1150.9 Oct 1209.9<br>Aug 1218.5 Nov 1304.8<br>Sep 1200.6 Dec 1295.8<br><br>Business Conditions Composite Indexes (Prelim.) (14:00)<br>Leading Coincident<br>Sep 92.3 90.1<br>Oct 92.0 91.4<br>Nov 92.9 90.3 | Current Account Balance (¥Billion, NSA) (8:50)<br>2011 2010<br>Sep 1610.7 2017.5<br>Oct 562.4 1494.9<br>Nov 138.5 955.4<br><br>Current Account Visible Trade (¥Billion, NSA) (8:50)<br>2011 2010<br>Sep 372.3 911.0<br>Oct -206.1 903.6<br>Nov -585.1 256.2<br><br>Bank Lending (Y/Y) (8:50)<br>Jul -0.6% Oct unch<br>Aug -0.5% Nov 0.2%<br>Sep -0.3% Dec 0.4% | Money Supply (M2) (Y/Y) (8:50)<br>Jul 3.0% Oct 2.8%<br>Aug 2.7% Nov 3.0%<br>Sep 2.7% Dec 3.1% |

## Indicator Highlights



Key potential market-moving indicators and events include: the BOJ Branch Managers Meeting (Mon., Jan. 16); Machinery Orders, Core (Mon., Jan. 16, 14:00); Tertiary Industry Activity (Tue., Jan. 17, 8:50); the BOJ Monetary Policy Meeting (Mon., Tue., Jan. 23-24); the Merchandise Trade Balance (Wed., Jan. 25, 8:50); Tokyo and Nationwide CPI (Fri., Jan. 27, 8:30); and Retail Sales (Fri., Jan. 27, 8:50).

BOJ Branch Managers will bring detailed reports on regional economic developments critical to the Monetary Policy Board's evaluation of its baseline economic scenario. Tertiary industry developments, highly volatile lately, are a major factor determining the overall strength of the economy. Combined with revised industrial production results, they will exert major influence on Q4 GDP expectations.

Bank of Japan policymakers will conduct their regular quarterly review of the baseline economic forecast, probably downgrading it slightly, but are unlikely to change policy. The trade balance will be watched for the severity of what is sure to be bad export news, and CPI results also have the potential to add to BOJ downside concerns. Retail sales, meanwhile, are looked to for continued very gradual trend improvement.

| Indicator | Forecast | Consensus | Analysis |
|---|---|---|---|
| Corporate Goods Price Index (Y/Y) | +1.4% | | Positive impact of global materials prices is fading unevenly. |
| Machinery Orders, Core (SA) | +3.0% | | Orders bottoming. |
| Tertiary Industry Activity | -0.3% | | A stabilizing moderate uptrend. |
| Industrial Production (Revised) (SA) (M/M) | -2.6% | | No significant revision. |
| All Industry Activity (SA) (M/M) | -0.7% | | Industrial weakness restrains the total. |
| Merchandise Trade Balance (NSA) | -¥93.0 Billion | | Yet worse export deterioration. |
| Corporate Service Prices (Y/Y) | -0.3% | | Trending mildly downward. |
| Tokyo CPI (Y/Y) | | | |
| Total | -0.4% | | Still significant risk of worsening core deflation. |
| Ex-Fresh Food | -0.3% | | |
| Nationwide CPI (Y/Y) | | | |
| Total | -0.3% | | |
| Ex-Fresh Food | -0.1% | | |
| Retail Sales (Y/Y) | unch | | Hugging year-ago levels in recent months. |

## Post Mortem—Recent Data Results

**Leading index recovers slightly**. The preliminary leading index for November, as computed by the Cabinet Office, rose for the first time in four months, rising 0.9 point to 92.9. Meanwhile, the coincident index fell 1.1 points (to 90.3), the second fall in three months. These persuaded the Cabinet Office to maintain an assessment of an economy no longer falling.

**Current account deteriorates**. Surprising to the downside somewhat, the November (unadjusted) current account surplus narrowed clearly to ¥ 138.5 bln from the ¥ 955.4 bln surplus seen in the same month of 2010. In seasonally adjusted terms, the current account surplus also shrank, slipping to ¥ 480.4 bln in November from ¥ 518.6 bln in October.

**Lending growth more positive**. Bank lending data for December showed total bank loans at 0.4% Y/Y, a further slight improvement from the unrevised 0.2% reading of the previous month, the former being the third successive positive reading.

**Better monetary dynamics.** Coming in higher than expected, December M2 money supply growth improved to 3.1% Y/Y, up 0.1 percentage point and the highest since May 2010. Meanwhile, growth in the broader M3 measure picked back up similarly, but to 2.6% Y/Y.

Decision Economics, Inc.
555 5th Avenue, 15th Floor
New York, New York 10017
Telephone: 212-884-9440
Facsimile: 212-884-9451

Decision Economics, Inc.
288 Bishopsgate, 3rd Floor
London EC2M 4QB
Telephone: 011-44-20-7814-6706
Facsimile: 011-44-20-7959-3344

Decision Economics, Inc.
One Boston Place, 16th Floor
Boston, Massachusetts 02108
Telephone: 617-994-0500
Facsimile: 617-994-0501/0502

Decision Economics, Inc.
2 North La Salle, Suite 1200
Chicago, IL 60602
Telephone: 312-476-7504

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# Forecast Calendar

January 13, 2011

# Canada

## Economic Indicators—Schedule and Forecasts

Ellis/Husby

## January 16 – January 27, 2012

| 16 | 17 | 18 | 19 | 20 |
|---|---|---|---|---|
| | Bank of Canada Rate Decision (9:00)<br>(**Hold.** Inflation high, decelerating, growth slow. Europe still major near-term risk, high household debt levels a longer- term concern. That plus better signs so far out of the U.S., means rates will stay on hold.) | Bank of Canada Monetary Policy Report (10:30) | Survey of Manufacturing (8:30) (M/M) (SA)<br>Ships. / Inv. / New Ord.<br>Aug 1.3% / 0.4% / 0.7%<br>Sep 2.6% / 0.4% / 5.0%<br>Oct -0.8% / 1.4% / -4.7%<br>**Nov (f) 0.6% / unch / -2.0%**<br>**Nov (c) 1.2%** | Consumer Prices (7:00) (Y/Y)<br>Total / BOC Core<br>Sep 3.2% / 2.2%<br>Oct 2.9% / 2.1%<br>Nov 2.9% / 2.1%<br>**Dec (f) 2.8% / 2.1%**<br>**Dec (c) 2.7% / 2.2%**<br><br>Wholesale Trade (8:30) (M/M)<br>(SA) Sales / Inv.<br>Aug 0.3% / 1.0%<br>Sep 0.5% / 0.7%<br>Oct 0.9% / 0.2%<br>**Nov (f) 0.2% / 0.2%**<br>**Nov (c) 0.5%** |
| **23** | **24** | **25** | **26** | **27** |
| | Retail Trade (8:30) (M/M) (SA)<br>Total / Ex-Auto<br>Aug 0.6% / 0.5%<br>Sep 1.0% / 0.4%<br>Oct 1.0% / 0.7%<br>**Nov (f) 0.4% / 0.5%** | | | |

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

## Recent History-Latest Results

| 9 | 10 | 11 | 12 | 13 |
|---|---|---|---|---|
| Building Permits (8:30) (M/M) (SA)<br>Jun 2.8% / Sep -4.1%<br>Jul -0.4% / Oct 11.6%<br>Aug -10.1% / Nov -3.6%<br><br>Bank of Canada Senior Loan Officer Survey (10:30)<br><br>Bank of Canada Business Outlook Survey (10:30) | Housing Starts (8:15) (Thousand, SAAR)<br>Jul 213.1 / Oct 211.7<br>Aug 191.4 / Nov 185.6<br>Sep 209.2 / Dec 200.2 | | | International Trade (8:30) (Balance, C$ Billion, SA)<br>Jun -1.7 / Sep 1.1<br>Jul -0.3 / Oct -0.5<br>Aug -0.6 / Nov 1.1 |

## Indicator Highlights

*Canada*

Key potential market-moving indicators and events include: the Bank of Canada rate decision (Tue., Jan. 17, 9:00 a.m.); the Consumer Price Index (Fri., Jan. 20, 7:00 a.m.); Retail Trade (Tue., Jan. 24, 8:30 a.m.).

The Bank of Canada will again acknowledge clear external risks and headwinds to Canadian growth, but under assumptions that U.S. growth continues to plod along and banking sector strains do not lead to a liquidity crunch, there is little room to take rates lower. On growth, will business investment take up slack from consumer spending and net exports?. Finally, the Consumer Price Index, especially the Bank of Canada "core" measure, will be watched for confirmation that price pressures are indeed moderating.

Retail trade data will update Q4 spending, as real consumption is showing signs of picking up as inflation moderates.

| Indicator | Forecast | Consensus | Analysis |
|---|---|---|---|
| Survey of Manufacturing (M/M) (SA) | | | |
| Shipments | +0.6% | +1.2% | Merchandise trade numbers suggest firmness. |
| Inventories | unch | | |
| New Orders | -2.0% | | |
| Consumer Prices (Y/Y) | | | |
| Total | +2.8% | +2.7% | More meaningful deceleration will come in early 2012. |
| Core | +2.1% | +2.2% | |
| Wholesale Trade (M/M) | | | |
| Sales | +0.2% | +0.5% | Softening growth. |
| Inventories | +0.2% | | |
| Retail Trade (M/M) | | | |
| Total | +0.4% | | Vehicles sales edge lower, other categories intact. |
| Ex-Auto | +0.5% | | |

## Post Mortem—Prior Week Results—Prior Week Results

The **Bank of Canada Senior Loan Officer** and **Business Outlook Surveys** both shifted toward a less upbeat than expected configuration, but not in a way that should change worldviews. In the former, the "net percent of firms tightening lending conditions" measure moved from -26.9 to -6.33, indicating a rapid move to greater caution – the current reading representing the weakest easing of credit conditions since late 2009. On its own, that is actually welcome news after the arguably too-exuberant readings of late 2010/early 2011. Still, the measure is heading toward levels that are more consistent with mid or late-expansion territory. Within the Business Outlook Survey, there is at first glance clear dissonance between the future sales measure (which actually moved into negative territory), and investment and employment expectations. On balance, firms appear to be expecting little in the way of sales growth, but investment and employment intentions continue to signal decision-maker confidence for the future. Reconciliation can be had by recognizing that firms included in the survey are disproportionately weighted toward the resource sector; those firms had a strong showing in recent quarters after higher prices, and recovery from production disruptions, boosted sales. In that sense, expectations of a Y/Y decline ahead are more a reflection of an unsustainable base, than a significant deterioration in the outlook.

**Housing starts** rose in December across both the single and multi-family sectors (still down in Q/Q terms), and **building permits** provided hints of firmness in the residential sector. Non-residential permits displayed typical volatility, this time plunging 17% on a drop in institutional intentions. Builder confidence on the residential side remains intact even with homeownership rates at high levels, and home prices showing modest signs of deceleration.

A solid **trade balance** report for November, with the measure swinging back to surplus on a rise in exports, and import contraction. Energy, and machinery and equipment, drove the export gain. On its own, the report suggests trade could be less of a drag on Q4 growth than previously thought, though the 2012 export outlook remains weighed down by the obvious external risks. Using the first two months of the quarter as a proxy for the full-quarter print, net exports would provide only a slight drag on growth. Whatever the final Q4 print, early 2012 will see ongoing headwinds for exporters.

Decision Economics, Inc.
555 5th Avenue, 15th Floor
New York, New York 10017
Telephone: 212-884-9440
Facsimile: 212-884-9451

Decision Economics, Inc.
288 Bishopsgate, 3rd Floor
London EC2M 4QB
Telephone: 011-44-20-7814-6706
Facsimile: 011-44-20-7959-3344

Decision Economics, Inc.
One Boston Place, 16th Floor
Boston, Massachusetts 02108
Telephone: 617-994-0500
Facsimile: 617-994-0501/0502

Decision Economics, Inc.
2 North La Salle, Suite 1200
Chicago, IL 60602
Telephone: 312-476-7504

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