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# Forecast Calendar

March 23, 2012

# Eurozone

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

Wroblewski/Liu

## March 26 – April 6, 2012

| | | | | |
|---|---|---|---|---|
| **26**<br>ECB President Draghi speaks in Berlin (18:00) | **27** | **28**<br>M3 Money Supply (Y/Y) (SA) (10:00)<br>Oct 2.6 Jan 2.5<br>Nov 2.0 **Feb (f) 2.7**<br>Dec 1.5 **Feb (c) 2.4**<br><br>Private Sector Loans (Y/Y) (SA) (10:00)<br>Sep 2.5 Dec 1.0<br>Oct 2.7 Jan 1.1<br>Nov 1.7 **Feb (f) 1.1**<br><br>*(Eurozone bank government bond purchases to be detailed)* | **29**<br>Retail PMI (Mar) (10:10)<br><br>EU Commission Business and Consumer Survey (Mar) (11:00) | **30**<br>Harmonized Index of Consumer Prices, Flash (11:00)<br>M/M Y/Y<br>Feb 0.5% 2.7%<br>**Mar (f) 2.5%**<br>**Mar (c) 2.5%**<br><br>EU Finance Ministers and Central Bankers meeting in Denmark |
| **2**<br>Purchasing Managers' Index Manufacturing, Final (10:00)<br>Nov 46.4 Feb 49.0<br>Dec 46.9 **Mar (p) 47.7**<br>Jan 48.8 **Mar (f) 47.7**<br><br>Unemployment Rate (%) (SA) (11:00)<br>Sep 10.3 Dec 10.6<br>Oct 10.4 Jan 10.7<br>Nov 10.5 **Feb (f) 10.8** | **3**<br>Producer Prices (NSA) (11:00)<br>M/M Y/Y<br>Dec -0.2% 4.3%<br>Jan 0.7% 3.7%<br>**Feb (f) 0.4% 3.3%**<br><br>Gross Domestic Product, Final Estimate, (SA) (11:00) | **4**<br>Service Sector Purchasing Managers Survey, Final (10:00)<br>Nov 47.5 Feb 48.8<br>Dec 48.8 **Mar (p) 48.7**<br>Jan 50.4 **Mar (f) 48.7**<br><br>Retail Sales (SA) (11:00)<br>M/M Y/Y<br>Dec -0.3% -1.2%<br>Jan 0.3% -1.2%<br>**Feb (f) 0.3% 1.0%**<br><br>ECB Governing Council meeting (decision at 13:45)<br>*(no change expected)*<br>*Press conference at 14:30* | **5** | **6**<br>Holiday |

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

f=forecast
r=revised
c=consensus

## Recent History-Latest Results

| | | | | |
|---|---|---|---|---|
| **19**<br>Construction Output (Jan) (11:00) | **20** | **21** | **22**<br>Purchasing Managers' Index Manufacturing, Flash (10:00)<br>Oct 47.1 Jan 48.8<br>Nov 46.4 Feb 49.0<br>Dec 46.9 Mar 47.7<br><br>Service Sector Purchasing Managers Survey, Flash (10:00)<br>Oct 46.4 Jan 50.4<br>Nov 47.5 Feb 48.8<br>Dec 48.8 Mar 48.7<br><br>Industrial Orders (SA) (M/M) (11:00)<br><br>Consumer Confidence, Flash (Mar) (16:00) | **23** |

## Indicator Highlights

**Key potential market-moving indicators and events include:** Money Supply (Wed. Mar. 28, 10:00 a.m.) and preliminary Harmonized Consumer Prices (Fri. Mar. 30, 11:00 a.m.). In the following week, there is the final Manufacturing PMI (Mon. Apr. 2, 10:00 a.m.), the Unemployment Rate (Mon. Apr. 2, 11:00 a.m.), Producer Prices (Tue. Apr. 3, 11:00 a.m.), the final Services PMI (Wed. Apr. 4, 10:00 a.m.), Retail Sales (Wed. Apr. 4, 11:00 a.m.), and the ECB Council meeting (decision due Wed. Apr. 4, 1:45 p.m.).

January M3 **money supply** growth picked up clearly, albeit only recovering from a cycle-low to a three-month high. February data saw **HICP inflation** unchanged from the previous month. The March flash **manufacturing PMI** fell for the first month in four. The **unemployment rate** rose further in January to a fresh record-high. **Producer prices** jumped in January, more than unwinding the fall of the previous month. The January flash **services PMI** slid further from the five-month high set in January. Real **retail sales** rose in M/M terms in January, partly reversing the fall seen in December.

| Indicator | Forecast | Consensus | Analysis |
|---|---|---|---|
| M3 Money Supply (SA) | | | |
| Y/Y | 2.7% | 2.4% | Liquidity boost bolsters money growth further. |
| Consumer Prices – HICP (Flash) (NSA) | | | |
| Y/Y | 2.5% | 2.5% | Large uncertainty in regard to clothing prices. |
| Purchasing Managers' Index (SA) - Final | | | |
| - Manufacturing | 47.7 | | No revision expected. |
| Unemployment Rate (SA) | 10.8% | | Clear uptrend continues. |
| Producer Prices | | | |
| M/M | 0.4% | | Oil-led rise continues. |
| Y/Y | 3.3% | | |
| Purchasing Managers' Index (SA) - Final | | | |
| - Services | 48.7 | | No revision expected. |
| Retail Sales (SA) | | | |
| M/M | 0.3% | | Note revision to prior data. |
| Y/Y | 1.0% | | |

### Post Mortem—Prior Week Results

**Construction output falls further.** Construction output fell by 0.8% M/M in January, accentuating the (clearly downwardly revised) fall of 1.9% seen in December.

**Contracting continues?** Even more clearly highlighting the message of the previous set of data, the March flash PMIs suggest that Eurozone economic activity is contracting afresh. Specifically, the manufacturing PMI fell for the first month in four, actually unwinding half the gains made in those preceding three months, falling 1.3 points to 47.7. Meanwhile, the flash services PMI slid further from the five-month high set in January.

**Consumer sentiment recovers further.** The flash consumer confidence reading for March rose for the third successive month and by 1.3 points to -19.0, actually hitting the highest since last August.

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# Forecast Calendar

March 23, 2012

# United Kingdom

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

Wroblewski/Liu

**March 26 – April 6, 2012**

| 26 | 27 | 28 | 29 | 30 |
|---|---|---|---|---|
| **Possibly from today:**<br><br>Nationwide House Prices (Mar) (7:00) | BoE Quarterly Bulletin (Q1) (00:01)<br><br>Gross Domestic Product, Final Estimate (SA) (9:30)<br>Q/Q Y/Y<br>QIII'11 0.5% 0.4%<br>**QIV'11 (p) -0.2% 0.7%**<br>**QIV'11 (f) -0.2% 0.7%**<br>**QIV'11 (c) -0.2% 0.7%**<br><br>Current Account Balance, (SA) (£ million) (9:30)<br>QII'11 -7386 **QIV'11 (f)-10000**<br>QIII'11 -15226 **QIV'11 (c)-8400**<br><br>Business Investment, Final (Q4) (9:30)<br><br>CBI Distributive Trades Monthly Survey (Mar) (11:00)<br><br>BoE Members testify before Parlimentary committee (15:30) | | BoE Lending to Individuals (9:30)<br>Mortgage Lending (SA, Net, £ Billion)<br>Nov 0.7 Jan 1.6<br>Dec 1.0 **Feb (f) 1.5**<br>Dec 1.0 **Feb (c) 1.5**<br><br>M4 Money Supply (SA) (9:30)<br>M/M Y/Y<br>Dec -1.4% -2.5%<br>Jan 1.6% -1.8%<br>**Feb (f) 0.5% -1.0%**<br><br>M4 Lending (9:30) (SA, Change, £ billion)<br>Nov -20.6 Jan 2.4<br>Dec 2.8 **Feb (f) 3.5**<br><br>Index of Services (Jan) (9:30)<br><br>Productivity (Q4) (9:30) | GfK Consumer Confidence (Mar) (00:01) |
| **2** | **3** | **4** | **5** | **6** |
| Purchasing Managers' Survey - Manufacturing (SA) (9:30)<br>Oct 47.8 Jan 52.0<br>Nov 47.7 Feb 51.2<br>Dec 49.7 **Mar (f) 51.2**<br><br>Housing Equity Withdrawal (Q4) (9:30)<br><br>**Possibly from today:**<br><br>HBOS House Prices (Mar) (8:00) | Purchasing Managers' Survey – Construction (SA) (Mar) (9:30) | BRC Shop Price Index (Feb) (00:01)<br><br>Purchasing Managers' Survey - Services (SA) (9:30)<br>Oct 51.3 Jan 56.0<br>Nov 52.1 Feb 53.8<br>Dec 54.0 **Mar (f) 53.5**<br><br>Narrow Money & Reserve Balances (Mar) (9:30)<br><br>Corporate Profitability (Q4) (9:30) | Manufacturing Production (SA) (9:30)<br>MM Y/Y<br>Dec 1.1% 0.9%<br>Jan 0.1% 0.3%<br>**Feb (f) 0.1% 0.1%**<br><br>Industrial Production (SA) (9:30)<br>M/M Y/Y<br>Dec 0.4% -3.1%<br>Jan -0.4% -3.8%<br>**Feb (f) 0.4% -2.1%**<br><br>Bank of England MPC meeting (rate announcement 12 noon – *no change expected)*<br><br>New Car Registrations (Mar) | Holiday |

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

## Recent History-Latest Results

| 19 | 20 | 21 | 22 | 23 |
|---|---|---|---|---|
| Rightmove House Prices (Mar) (00:01) | Consumer Price Index (CPI) (NSA) (9:30)<br>M/M Y/Y<br>Dec 0.4% 4.2%<br>Jan -0.5% 3.6%<br>Feb 0.6% 3.4%<br><br>Retail Prices (NSA) (9:30)<br>M/M Y/Y<br>Dec 0.4% 4.8%<br>Jan -0.6% 3.9%<br>Feb 0.8% 3.7%<br><br>Retail Prices, Underlying (RPIX) (NSA) (9:30)<br>M/M Y/Y<br>Dec 0.4% 5.0%<br>Jan -0.6% 4.0%<br>Feb 0.8% 3.8%<br><br>CBI Industrial Trends Monthly Survey (Mar) (11:00) | Public Sector Net Borrowing (ex. financial interventions) (£ bln, NSA) (9:30)<br>'11/'12 '10/'11<br>Dec 14.9 16.0<br>Jan -7.9 -5.1<br>Feb 15.2 8.9<br><br>Minutes of the Bank of England Monetary Policy Committee Meeting (March 7-8) (9:30)<br><br>Chancellor Osborne presented the 2012 Budget (12:30) | Retail Sales (Volume, SA) (9:30)<br>(Inc. Fuels) M/M Y/Y<br>Dec 0.7% 2.6%<br>Jan 0.3% 1.4%<br>Feb -0.8% 1.0% | Nationwide Consumer Confidence (Feb) (00:01)<br><br>British Bankers Association Consumer Lending (Feb) (9:30) |

## Indicator Highlights



**Key potential market-moving indicators and events include:** the final estimate of Q4 Gross Domestic Product, the Q4 Current Account (both Tue. Mar. 27, 9:30 a.m.), as well as BoE data on Lending to Individuals and Money Supply (Thu. Mar. 29, 9:30 a.m.). In the following week, there is the Manufacturing PMI (Mon. Apr. 2, 9:30 a.m.), the Services PMI (Wed. Apr. 4, 9:30 a.m.), Industrial Production (Thu. Apr. 5, 9:30 a.m.) and the Bank of England Monetary Policy Committee Meeting (rate decision announced Thu. Apr. 5, 12 noon).

Real **GDP** decreased in Q/Q terms in Q4 2011, a contrast to the rise seen in the previous quarter. The **current account** deficit widened in Q3. According to BoE-computed data, the number of **mortgage approvals** rose even further in January, to the highest in 25 months. BoE numbers on underlying **monetary dynamics** for January showed a marked M/M rebound, more than repairing the record fall seen in December. The headline **manufacturing PMI** for February remained in clear expansion territory. The February **services PMI** decreased, more than unwinding the jump seen in the previous month. January **manufacturing output** rose, accentuating the December surge.

| Indicator | Forecast | Consensus | Analysis |
|---|---|---|---|
| Gross Domestic Product (SA) – Second Estimate | | | |
| Q/Q | -0.2% | -0.2% | Household saving behavior forthcoming? |
| Y/Y | 0.7% | 0.7% | |
| Current Account Balance (SA) | -£ 10.0 bln | -£ 8.4 bln | Investment income recovers. |
| BoE Mortgage Lending (SA, Net) | £ 1.5 bln | £ 1.5 bln | Special factors boosting demand? |
| Money Supply, M4 | | | |
| M/M | 0.5% | | Better underlying trend emerging? |
| Y/Y | -1.0% | | |
| Purchasing Managers' Index (SA) | | | |
| - Manufacturing | 51.2 | | CBI data suggest recovery on-going. |
| Purchasing Managers' Index (SA) | | | |
| - Services | 53.5 | | Further correction from January aberration? |
| Manufacturing Production (SA) | | | |
| M/M | 0.1% | | Surveys still solid. |
| Y/Y | 0.1% | | |
| Industrial Production (SA) | | | |
| M/M | 0.4% | | Poor weather boosts utilities. |
| Y/Y | -2.1% | | |

## Post Mortem—Prior Week Results

**Further growth in house prices.** The March Rightmove numbers showed further growth in house prices.

**Inflation falls further.** February consumer price inflation fell to the lowest since November 2010, dropping another 0.2 percentage point to 3.4% Y/Y following four consecutive falls, including the 0.6 percentage point decline in January.

**Manufacturing orders fall, but output improves further.** The CBI Industrial Trends survey for March showed some deterioration in overall orders, which fell by 5 points to -8, but still unwinding little of the 13 point improvement seen in the previous month and now the third-highest in the cycle.

**Budget undershoot less evident.** Public Sector Net Borrowing was £ 15.18 bln, the highest-ever February outcome and therefore up clearly from the £ 8.88 bln in the same month of 2011.

**Minutes suggest oil worries more prominent.** The minutes to the 7-8 March BoE MPC meeting showed the committee still split over the decision to enlarge the asset purchase program a further £ 50 bln that was made in February.

**Sales setback.** Real retail sales (including fuels) dropped 0.8% in M/M terms in February, following the paring back of the January rise to 0.3% (ie a third of the original estimate).

**Fiscal politics to the fore.** The 2012 Budget statement by Chancellor Osborne was not designed to impress financial markets, but was nevertheless still full of politically-sensitive detail.

**Mortgage approvals drop back clearly.** According to the British Bankers' Association, net mortgage lending in February was £ 0.5 bln, down on both the previous month and the recent trend.

**Fall back in consumer sentiment.** According to Nationwide, consumer confidence faltered again in February, easing three points to 44, still up from the near-cycle low of 38 set in December.

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# Forecast Calendar

March 23, 2012

# Germany

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

Wroblewski/Liu

## March 26 – April 6, 2012

### 26

Ifo Survey (SA) (2005=100) (10:00)

| | | | |
|---|---|---|---|
| Nov | 106.7 | Feb | 109.6 |
| Dec | 107.3 | **Mar (f)** | **110.0** |
| Jan | 108.3 | **Mar (c)** | **109.5** |

### 27

GfK Consumer Confidence Outlook (Mar) (8:00)

Import Prices (NSA) (8:00)

| | M/M | Y/Y |
|---|---|---|
| Jan | 1.3% | 3.7% |
| **Feb (f)** | **0.8%** | **3.3%** |
| **Feb (c)** | **1.0%** | **3.5%** |

### 28

Cost-of-Living, Preliminary (NSA)

| | M/M | Y/Y |
|---|---|---|
| Feb | 0.7% | 2.3% |
| **Mar (f)** | **0.2%** | **2.1%** |
| **Mar (c)** | **0.3%** | **2.1%** |

### 29

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

| | | | |
|---|---|---|---|
| Jan | -26 | **Mar (f)** | **-15** |
| Feb | unch | **Mar (c)** | **-10** |

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

| | | | |
|---|---|---|---|
| Nov | 53 | Jan | 86 |
| Dec | 57 | **Feb (f)** | **25** |

### 30

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

| | | | |
|---|---|---|---|
| Oct | -0.2% | Jan | -2.3% |
| Nov | -0.3% | **Feb (f)** | **1.0%** |
| Dec | 0.9% | **Feb (c)** | **1.2%** |

### 2

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

| | | | |
|---|---|---|---|
| Nov | 47.9 | Feb | 50.2 |
| Dec | 48.4 | **Mar (p)** | **48.1** |
| Jan | 51.0 | **Mar (f)** | **48.1** |

### 3

### 4

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

| | | | |
|---|---|---|---|
| Nov | 50.3 | Feb | 52.8 |
| Dec | 52.4 | **Mar (p)** | **51.8** |
| Jan | 53.7 | **Mar (f)** | **51.8** |

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

| | | | |
|---|---|---|---|
| Sep | -4.6% | Dec | 1.6% |
| Oct | 5.0% | Jan | -2.7% |
| Nov | -4.9% | **Feb (f)** | **1.0%** |

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

### 5

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

| | | | |
|---|---|---|---|
| Nov | unch | Jan | 1.6% |
| Dec | -2.6% | **Feb (f)** | **-0.8%** |

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

| | | | |
|---|---|---|---|
| Nov | -0.3% | Jan | 1.4% |
| Dec | -2.0% | **Feb (f)** | **-0.5%** |

### 6

Holiday

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

f=forecast
r=revised
c=consensus

## Recent History-Latest Results

### 19

### 20

Producer Prices (NSA) (8:00)

| | M/M | Y/Y |
|---|---|---|
| Dec | -0.4% | 4.0% |
| Jan | 0.6% | 3.4% |
| Feb | 0.4% | 3.2% |

### 21

### 22

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

| | | | |
|---|---|---|---|
| Oct | 49.1 | Jan | 51.0 |
| Nov | 47.9 | Feb | 50.2 |
| Dec | 48.4 | Mar | 48.1 |

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

| | | | |
|---|---|---|---|
| Oct | 50.6 | Jan | 53.7 |
| Nov | 50.3 | Feb | 52.8 |
| Dec | 52.4 | Mar | 51.8 |

### 23

Construction Orders (Jan) (8:00)

## Indicator Highlights

*Germany*

**Key potential market-moving indicators and events include:** the Ifo Survey (Mon. Mar. 26, 10:00 a.m.), Import Prices (Tue. Mar. 27, 8:00 a.m.), Preliminary Consumer Prices (Wed. Mar. 28), Unemployment (Thu. Mar. 29, 9:55 a.m.) and Retail Sales (Fri. Mar. 30, 8:00 a.m.). In the following week, there is the final Manufacturing PMI (Mon. Apr. 2, 9:55 a.m.), the final Services PMI (Wed. Apr. 4, 9:55 a.m.), Manufacturing Orders (Wed. Apr. 4, 12 noon) and Industrial Production (Thu. Apr. 5, 12 noon).

The February **Ifo business climate index** rose for a fourth successive month. **Import prices** jumped in M/M terms in January, a broad-based rise that was much stronger than the rises seen in the two previous months. According to final data, February **CPI inflation** rose, but was still some way off from the cycle-high set in September. **Unemployment** was unchanged in February, following a slide in the previous month. According to Federal Statistics Office data, real **retail sales** dropped sharply and afresh. The flash March **manufacturing PMI** fell to a three-month low. In addition, the March flash **services PMI** slipped further from the seven-month high set in January. **Manufacturing orders** slumped in January. January **industrial production** recovered, unwinding much of the drop of the previous month.

| Indicator | Forecast | Consensus | Analysis |
|---|---|---|---|
| Ifo Survey Business Climate (SA) | 110.0 | 109.5 | Eight-month high! |
| Import Prices - (NSA) | | | |
| M/M | 0.8% | 1.0% | More broad gains. |
| Y/Y | 3.3% | 3.5% | |
| Consumer Prices – Preliminary (NSA) | | | |
| M/M | 0.2% | 0.3% | Base effects more than offset further fuel price rise. |
| Y/Y | 2.1% | 2.1% | |
| Unemployment, (SA) (change, 000's) | -15 | -10 | Better weather restores solidity. |
| Retail Sales ex. Autos & Gas (Volume, SA) (M/M) | 1.0% | 1.2% | Hoped-for recovery? |
| Purchasing Managers' Index (SA) - Final - Manufacturing | 48.1 | | No major revision anticipated. |
| Purchasing Managers' Index (SA) - Final - Services | 51.8 | | No major revision anticipated. |
| Manufacturing Orders, (SA) | | | |
| M/M | 1.0% | | Recovery in volatile capex component. |
| Industrial Production, (SA) | | | |
| M/M | -0.8% | | Poor weather hits activity. |

### Post Mortem—Prior Week Results

**Pipeline price pressures moderate.** February producer prices rose by 0.4% M/M, following a 0.6% increase in January and now a fifth increase in the past seven months, boosted by energy and basic goods prices.

**Softer survey messages.** For the second successive month, the latest flash PMI numbers revealed somewhat softer fortunes for the private sector, but still suggesting positive overall rates of growth for March. Specifically, the manufacturing PMI fell 1.9 points to 48.1, a three-month low. Furthermore, the services PMI slipped 1.0 point to 51.4, down further from the seven-month high set in January, but with the fastest growth in new work since last July.

**Construction orders bounce clearly.** January construction orders jumped by 7.2% M/M, more than unwinding the correction seen in the previous month (10.1%), but still only the second rise in the last six months of data.

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# Forecast Calendar

March 23, 2012

# France

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

Wroblewski/Liu

## March 26 – April 6, 2012

| 26 | 27 | 28 | 29 | 30 |
|---|---|---|---|---|
| Unemployment (Feb) (18:00) | INSEE Monthly Survey of Households (Mar) (8:45)<br><br>Housing Starts (Feb) (8:45) | Gross Domestic Product, Final Estimate, (SA) (7:30)<br>Q/Q Y/Y<br>QII'11 -0.1% 1.6%<br>**QIV'11 (p) 0.2% 1.4%**<br>**QIV'11 (f) 0.2% 1.4%**<br>**QIV'11 (c) 0.2% 1.4%** | | Household Consumption of Goods (SA) (8:45)<br>M/M Y/Y<br>Jan -0.4% -2.2%<br>**Feb (f) 0.8% -1.8%**<br>**Feb (c) 0.2% -2.4%**<br><br>Producer Prices (NSA) (8:45)<br>M/M Y/Y<br>Jan 0.6% 4.2%<br>**Feb (f) 0.5% 3.9%**<br>**Feb (c) 0.5% 4.0%** |
| **2** | **3** | **4** | **5** | **6** |
| Purchasing Managers' Index Manufacturing, Final (SA) (9:50)<br>Nov 47.3 Feb 50.0<br>Dec 48.9 **Mar (p) 47.6**<br>Jan 48.5 **Mar (f) 47.6**<br><br>New Car Registrations (Mar) | | Purchasing Managers' Index Services, Final (SA) (9:50)<br>Nov 49.6 Feb 50.0<br>Dec 50.3 **Mar (p) 50.0**<br>Jan 52.3 **Mar (f) 50.0**<br><br>ECB Governing Council meeting (decision at 13:45)<br>*(no change expected)*<br>*Press conference at 14:30* | **Possibly from today:**<br><br>BoF Business Sentiment Survey (Mar) (8:45) | Visible Trade Balance (SA) (8:45) (Euro Billion)<br>Sep -6.32 Dec -5.05<br>Oct -5.82 Jan -5.32<br>Nov -4.24 **Feb (f) -5.50**<br><br>Central Government Budget (Feb) (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

| 19 | 20 | 21 | 22 | 23 |
|---|---|---|---|---|
| | | | Purchasing Managers' Index Manufacturing, Flash (SA) (9:00)<br>Oct 48.5 Jan 48.5<br>Nov 47.3 Feb 50.0<br>Dec 48.9 Mar 47.6<br><br>Purchasing Managers' Index Services, Flash (SA) (9:00)<br>Oct 44.6 Jan 52.3<br>Nov 49.6 Feb 50.0<br>Dec 50.3 Mar 50.0<br><br>INSEE Economic Outlook (22:00) | INSEE Monthly Survey of Industry (Mar) (8:45)<br><br>Wages, Final (Q4) (8:45) |

## Indicator Highlights

**Key potential market-moving indicators and events include:** the final estimate of Q4 Gross Domestic Product (Wed. Mar. 28, 7:30 a.m.) as well as Producer Prices and Household Consumption (both Fri. Mar. 30, 8:45 a.m.). In the following week, there is the final Manufacturing PMI (Mon. Apr. 2, 9:50 a.m.), the final Services PMI (Wed. Apr. 4, 9:50 a.m.) and the Trade Balance (Fri. Apr. 6, 8:45 a.m.).

Real **GDP** grew in Q/Q terms in Q4, but down slightly on the rise seen in the previous quarter. **Producer prices** jumped in M/M terms in January, a reading that was in sharp contrast to the December drop. **Household spending** on goods in January fell, adding to the drop seen in the previous month. The March flash **manufacturing PMI** fell afresh, sliding to a four-month low. The March flash **services PMI** was unchanged, unable to repair any of the drop seen in February. The January **trade gap** widened from the shortfall seen in December.

| Indicator | Forecast | Consensus | Analysis |
|---|---|---|---|
| Gross Domestic Product, (SA) – 2nd estimate | | | |
| Q/Q | 0.2% | 0.2% | No revision expected. |
| Y/Y | 1.4% | 1.4% | |
| Household Consumption (SA) | | | |
| M/M | 0.8% | 0.2% | Car sales recover. |
| Y/Y | -1.8% | -2.4% | |
| Producer Prices (NSA) | | | |
| M/M | 0.5% | 0.5% | Y/Y rate hits 18-month low. |
| Y/Y | 3.9% | 4.0% | |
| Purchasing Managers' Index (SA) | | | |
| - Manufacturing – Final | 47.6 | | No major revision anticipated. |
| Purchasing Managers' Index (SA) | | | |
| - Services – Final | 50.0 | | No major revision anticipated. |
| Visible Trade (SA) | -€ 5.50 bln | | Oil bill rises! |

## Post Mortem—Prior Week Results

**Mixed messages.** Once again showing somewhat mixed messages and hinting that the economy slid afresh this month, the March flash PMIs offered mixed messages. Most notably, the manufacturing PMI fell afresh, with the 2.4 point slide to 47.6 taking it to a four-month low, albeit maintaining the clear month-to-month volatility seen of late. Meanwhile, the services PMI stayed at 50.0, unable to repair any of the drop seen in February.

**Business sentiment recovers.** The March INSEE industry confidence indicator rose for a second successive month, more than building on the February rise, the latter having a run of seven successive drops.

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# Forecast Calendar

March 23, 2012

# Italy

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

Wroblewski/Liu

## March 26 – April 6, 2012

| | | | | |
|---|---|---|---|---|
| **26**<br>ISAE Consumer Sentiment (Feb) (10:00) | **27** | **28**<br>ISAE Business Sentiment (Feb) (10:00) | **29** | **30**<br>Producer Prices (NSA) (10:00)<br>M/M Y/Y<br>Dec unch 3.9%<br>Jan 0.7% 3.4%<br>**Feb (f) 0.5% 3.1%**<br><br>NIC Consumer Prices, Preliminary, (NSA) (11:00)<br>M/M Y/Y<br>Jan 0.3% 3.2%<br>Feb 0.4% 3.3%<br>**Mar (f) 0.3% 3.1%**<br><br>Hourly Wages (NSA) (Y/Y) (11:00)<br>Sep 1.7% Dec 1.4%<br>Oct 1.7% **Jan (f) 1.4%**<br>Nov 1.5% **Feb (f) 1.4%** |
| **2**<br>Purchasing Managers' Survey Manufacturing (SA) (9:45)<br>Oct 43.3 Jan 46.8<br>Nov 44.0 Feb 47.8<br>Dec 44.3 **Mar (f) 47.2**<br><br>Unemployment (Q4) (10:00)<br><br>New Car Registrations (Mar) | **3** | **4**<br>Purchasing Managers Survey Service (SA) (9:45)<br>Oct 43.9 Jan 44.8<br>Nov 45.8 Feb 44.1<br>Dec 44.5 **Mar (f) 44.7**<br><br>ECB Governing Council meeting (decision at 13:45)<br>*(no change expected)*<br>*Press conference at 14:30* | **5** | **6**<br>Holiday |

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

| | | | | |
|---|---|---|---|---|
| **19**<br>Industrial Orders (NSA) (Y/Y) (10:00)<br><br>Aug 7.8% Nov -0.7%<br>Sep -3.6% Dec -4.3%<br>Oct -4.8% Jan -5.6% | **20** | **21** | **22** | **23**<br>Retail Sales (NSA) (Y/Y) (10:00)<br>Aug -0.3% Nov -1.8%<br>Sep -1.6% Dec -3.7%<br>Oct -1.4% Jan -0.8% |

## Indicator Highlights

**Key potential market-moving indicators and events include:** Producer Prices (Fri. Mar. 30, 10:00 a.m.) as well as Consumer Prices and Hourly Wages (both Fri. Mar. 30, 11:00 a.m.). In the following week, there is the Manufacturing PMI (Mon. Apr. 2, 9:45 a.m.) and the Services PMI (Wed. Apr. 4, 9:45 a.m.).

Data showed that **consumer price inflation** rose in February, exactly unwinding a fall seen in the previous month. Hourly **wage growth** for December slowed to a new cycle-low. The **manufacturing PMI** recovered further in February albeit less sizably, still jumping to a five-month high. The February **services PMI** fell afresh, now a four-month low.

| Indicator | Forecast | Consensus | Analysis |
|---|---|---|---|
| Producer Prices (NSA) | | | |
| M/M | 0.5% | | Energy-led M/M rise! |
| Y/Y | 3.1% | | |
| Consumer Prices – Preliminary (NSA) | | | |
| M/M | 0.3% | | Base effects offset further energy rise. |
| Y/Y | 3.1% | | |
| Hourly Wages | | | |
| Y/Y | 1.4% | | Stuck at cycle-low. |
| Purchasing Managers' Index (SA) | | | |
| - Manufacturing | 47.2 | | Still very weak. |
| Purchasing Managers' Index (SA) | | | |
| - Services | 44.7 | | Domestic weakness evident. |

## Post Mortem—Prior Week Results

**Industrial orders fall more steeply.** Data for January showed that Y/Y industrial orders fell 5.3%, a steeper drop than the 4.3% fall seen in December and now the largest decline in the cycle.

**Retail sales weak.** Unadjusted nominal retail sales fell by 0.8% Y/Y in January, a much smaller drop than that of the previous month.

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# Forecast Calendar

March 23, 2012

# Japan

## Economic Indicators—Schedule and Forecasts

Ellis/Wroblewski

### March 26 – April 6, 2012 (Local Times)

**26**

**27**

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

| | | | |
|---|---|---|---|
| Sep | unch | Dec | 0.1% |
| Oct | 0.1% | Jan | -0.2% |
| Nov | -0.1% | **Feb (f)** | **-0.3%** |

**28**

**29**

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

| | | | |
|---|---|---|---|
| Sep | -1.1% | Dec | 2.5% |
| Oct | 1.9% | Jan | 1.8% |
| Nov | -2.2% | **Feb (f)** | **2.0%** |

**30**

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

| | Total | Ex-Fresh Food |
|---|---|---|
| Jan | -0.3% | -0.4% |
| Feb | -0.3% | -0.3% |
| **Mar (f)** | **-0.2%** | **-0.3%** |

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

| | Total | Ex-Fresh Food |
|---|---|---|
| Dec | -0.2% | -0.1% |
| Jan | 0.1% | -0.1% |
| **Feb (f)** | **unch** | **unch** |

Unemployment Rate (SA) (8:30)

| | | | |
|---|---|---|---|
| Sep | 4.2% | Dec | 4.5% |
| Oct | 4.4% | Jan | 4.6% |
| Nov | 4.5% | **Feb (f)** | **4.6%** |

Effective Job Offers to Applicants Ratio (8:30)

| | | | |
|---|---|---|---|
| Sep | 0.67 | Dec | 0.71 |
| Oct | 0.67 | Jan | 0.73 |
| Nov | 0.69 | **Feb (f)** | **0.74** |

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

| | PCE (All) | PCE (Workers) | Disp. Income |
|---|---|---|---|
| Dec | 0.5% | 0.9% | -1.0% |
| Jan | -2.3% | -2.8% | 1.3% |
| **Feb (f)** | **unch** | **unch** | **0.8%** |

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

| | | | |
|---|---|---|---|
| Sep | -3.3% | Dec | 3.8% |
| Oct | 2.2% | Jan | 1.9% |
| Nov | -2.7% | **Feb (f)** | **1.5%** |

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

| | | | |
|---|---|---|---|
| Sep | -10.8% | Dec | -7.3% |
| Oct | -5.8% | Jan | -1.1% |
| Nov | -0.3% | **Feb (f)** | **-1.5%** |

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

**2**

Tankan (Large Manufacturers) (8:50)

| | | | |
|---|---|---|---|
| 10:Q4 | 5 | 11:Q3 | 2 |
| 11:Q1 | 6 | 11:Q4 | -4 |
| 11:Q2 | -9 | **12:Q1 (f)** | **-1** |

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

| | | | |
|---|---|---|---|
| Oct | 28.3% | Jan | 40.7% |
| Nov | 24.1% | Feb | 31.9% |
| Dec | 23.5% | **Mar (f)** | **55.0%** |

Sometime during the week:

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

| | | | |
|---|---|---|---|
| Oct | 1209.9 | Jan | 1306.7 |
| Nov | 1304.8 | Feb | 1302.9 |
| Dec | 1295.8 | **Mar (f)** | **1300.5** |

**3**

**4**

**5**

**6**

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

| | Leading | Coincident |
|---|---|---|
| Dec | 93.3 | 93.0 |
| Jan | 94.4 | 92.7 |
| **Feb (f)** | **94.6** | **93.0** |

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

## Recent History-Latest Results

**19**

**20**

Holiday

**21**

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

| | | | |
|---|---|---|---|
| Aug | -0.3% | Nov | -1.0% |
| Sep | -0.8% | Dec | 1.6% |
| Oct | 0.9% | Jan | -1.0% |

**22**

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

| | 2012/2011 | 2011/2010 |
|---|---|---|
| Dec | -205.6 | 719.6 |
| Jan | -1476.9 | -497.2 |
| Feb | 32.9 | 637.0 |

**23**

## Indicator Highlights

Key potential market-moving indicators and events include: Retail Sales (Thu., Mar. 29, 8:50); Tokyo and Nationwide CPI (Fri., Mar. 30, 8:30); Unemployment Rate (Fri., Mar. 30, 8:30); Effective Job Offers to Applicants Ratio (Fri., Mar. 30, 8:30); Family Income and Expenditure Survey (Real) (Fri., Mar. 30, 8:30); Industrial Production (Fri., Mar. 30, 8:50); Housing Starts (Fri., Mar. 30, 14:00); and TANKAN (Mon., May 2, 8:50).

Retail sales and family income and expenditure data will characterize the February consumer trend—after an extraordinarily strong January on the retail measure. CPI results bring an update on the Bank of Japan's key target variable—with a developing boost from energy prices coming on the horizon. Labor market data will reveal the state of demand and give hints on business confidence. Industrial production is looked-to for ongoing moderate strength—with the output plan survey closely watched. Housing starts give a production reading for homebuilding sector, likely to benefit from Tsunami reconstruction.

The Tankan will be the be-all and end-all report of the week, giving a very fresh reading on immediate business sentiment. And, more importantly, on expectations and on the investment spending that they will support.

| Indicator | Forecast | Consensus | Analysis |
|---|---|---|---|
| Corporate Service Prices (Y/Y) | -0.3% | | Dipping lower, but no trend established. |
| Retail Sales (Y/Y) | +2.0% | | Maintaining recent running pace. |
| Tokyo CPI (Y/Y) | | | |
| Total | -0.2% | | Core indexes firming very modestly. |
| Ex-Fresh Food | -0.3% | | |
| Nationwide CPI (Y/Y) | | | |
| Total | unch | | |
| Ex-Fresh Food | unch | | |
| Unemployment Rate (SA) | 4.6% | | Welcome stability, perhaps turning to improvement. |
| Effective Job Offers to Applicants Ratio | 0.74 | | Demand keeps moving up. |
| Family Income and Expenditure Survey (Real) (Y/Y) | | | |
| PCE (All) | unch | | No disruption to mild running trend. |
| PCE (Workers) | unch | | |
| Disposable Income | +0.8% | | |
| Industrial Production (SA) (M/M) | +1.5% | | In-line with plans; future is the issue. |
| Housing Starts (Y/Y) | -1.5% | | Steady in a running basis. |
| TANKAN (Large Manufacturers) | -1 | | Stabler than in December, but little more. Projections will be of extreme interest. |
| Vehicle Sales (Y/Y) | +55.0% | | An extremely easy year-ago comparison—but still strong. |
| Official Reserves (NSA) | $1300.5 Billion | | Mild currency-driven erosion. |
| Business Conditions Composite Indexes (Prelim.) | | | |
| Leading | 94.6 | | Point to very modest progress. |
| Coincident | 93.0 | | |

## Post Mortem—Recent Data Results

**Output drops back.** The all industries index fell by 1.0% M/M in January, largely unwinding the 1.3% bounce seen in December The data continue therefore to show a very volatile month-to-month pattern, albeit with the still weak undertone highlighted by the still the Y/Y rate of change remaining in the negative at -0.1%.

**Exports rise.** Coming in largely as expected, the February (unadjusted) trade balance deteriorated clearly to a surplus of ¥ 32.9 bln from ¥ 650.3 bln in the same month of 2011. Meanwhile, the seasonally adjusted trade gap narrowed to a shortfall of ¥ 313.2 bln, helped by a bounce-back in exports of 2.9% M/M, while imports inched down 0.4% last month.

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# Forecast Calendar

March 23, 2012

# Canada

## Economic Indicators—Schedule and Forecasts

Ellis/Husby/Pumphrey

**March 26 – April 6, 2012**

| | | | | |
|---|---|---|---|---|
| **26** | **27** | **28** | **29**<br>Industrial Product Prices (8:30)<br>(NSA) M/M Y/Y<br>Dec -0.7% 2.8%<br>Jan 0.4% 2.3%<br>**Feb (f) 0.1% 1.5%**<br>**Feb (c) 0.5% 1.9%**<br><br>Raw Materials Prices (8:30)<br>(NSA) M/M Y/Y<br>Dec -2.4% 5.4%<br>Jan 0.1% 5.0%<br>**Feb (f) 0.5% 3.2%**<br>**Feb (c) 0.5% 3.2%** | **30**<br>Real GDP (8:30) (M/M) (SA)<br>Sep 0.2% Dec 0.4%<br>Oct unch **Jan (f) 0.3%**<br>Nov -0.1% **Jan (c) 0.1%** |
| **2** | **3** | **4**<br>Carney Speech (12:30) (Greater Kitchener Chamber of Commerce, Waterloo, ON) | **5**<br>Labor Force Survey (8:30)<br>Employment (Change, Thous., SA)<br>Oct -52.7 Jan 2.3<br>Nov -5.5 Feb -2.8<br>Dec 21.7 **Mar (f) 10.0**<br><br>Unemployment Rate (SA)<br>Oct 7.4% Jan 7.6%<br>Nov 7.5% Feb 7.4%<br>Dec 7.5% **Mar (f) 7.5%**<br><br>Building Permits (8:30)<br>(M/M) (SA)<br>Sep -4.1% Dec 11.1%<br>Oct 11.6% Jan -12.3%<br>Nov -2.6% **Feb (f) 7.0%**<br><br>Ivey Purchasing Managers' Survey<br>(10:00) (SA)<br>Oct 54.4 Jan 64.1<br>Nov 59.9 Feb 66.5<br>Dec 63.5 **Mar (f) 65.0** | **6**<br>**Holiday** |

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

## Recent History-Latest Results

| | | | | |
|---|---|---|---|---|
| **19**<br>Wholesale Trade (8:30) (M/M)<br>(SA) Sales Inv.<br>Oct 0.9% 0.5%<br>Nov -0.3% -0.3%<br>Dec 1.0% 1.4%<br>Jan -1.0% 0.9% | **20** | **21** | **22**<br>Retail Trade (8:30) (M/M) (SA)<br>Total Ex-Auto<br>Oct 0.9% 0.5%<br>Nov 0.4% 0.4%<br>Dec unch 0.3%<br>Jan 0.5% -0.5% | **23**<br>Consumer Prices (7:00) (Y/Y)<br>Total BOC Core<br>Nov 2.9% 2.1%<br>Dec 2.3% 1.9%<br>Jan 2.5% 2.1%<br>Feb 2.6% 2.3% |

## Indicator Highlights

*Canada*

Key potential market-moving indicators and events include: Monthly Real GDP (Fri., Mar. 30, 8:30 a.m.); the Labor Force Survey (Thurs., Apr. 5, 8:30 a.m.); and Building Permits (Thurs., Apr. 5, 8:30 a.m.).

The Monthly Real GDP report will update broad growth trends, and provide the first glimpse into Q1 growth.

The Labor Force Survey provides a timely-but-volatile read on the underlying economic backdrop. Building permits data has been noisy of late, but positive data is still a leading indicator for the business cycle.

| Indicator | Forecast | Consensus | Analysis |
|---|---|---|---|
| Industrial Product Prices (NSA) | | | |
| M/M | +0.1% | +0.5% | Continuing to decelerate. |
| Y/Y | +1.5% | +1.9% | |
| Raw Materials Prices (NSA) | | | |
| M/M | +0.5% | +0.5% | Commodity prices continue recovery, particularly oil. |
| Y/Y | +3.2% | +3.2% | |
| Real GDP (M/M) (SA) | +0.3% | +0.1% | Q1 growth outlook muted on strong dollar, global headwinds. |
| Labor Force Survey, Employment (Change, SA) | +10,000 | | Recent trend of modest growth continues. |
| Unemployment Rate (SA) | 7.5% | | Slack remains. |
| Building Permits (M/M) (SA) | +7.0% | | Residential permits still high, on rising prices and low mortgage rates. |
| Ivey Purchasing Managers' Survey (SA) | 65.0 | | Still moderate business activity. |

## Post Mortem—Prior Week Results

January **wholesale sales** came in at -1.0% m/m (Consensus and Decision Economics: +0.4%), as wholesale motor vehicle parts sales fell 3.0% m/m. Six of seven sales categories posted declines, with the drop in the miscellaneous category mainly attributed to a 6.3% drop in agricultural supplies sales. Sales totaled C$49.0 billion for January, and this month's decline was the largest since February 2011. Wholesale inventories were up 0.9% (Decision Economics: -0.2%), on the machinery as well as food, beverage, and tobacco sectors.

Canadian **retail sales** undershot expectations as record January auto sales volumes failed to translate to higher dollar-denominated sales for the economy. January retail sales grew 0.5% m/m (Consensus: +1.8%, Decision Economics: +2.4%) and ex-auto retail sales declined 0.5% (Consensus: +0.5%, Decision Economics: +0.3%); however, December's retail sales were adjusted upwards by 0.2%, while the ex auto index was revised up 0.3%.

Motor vehicle and parts retail sales increased 3.7%, with new car dealer retail sales up 4.6%. However, January new car sales in volume terms were up 23.9% while light truck sales increased 8.8%, so it is clear that purchases were concentrated in lower-cost passenger vehicles. While consumers may feel financially resilient enough to begin replacing durable goods, they also likely consider the rising gasoline prices and therefore choose more fuel efficient vehicles. Six of 11 subsections of retail sales declined, led by home improvement stores (-5.2% m/m) and supermarkets (-0.9% m/m).

The February **consumer price index** accelerated to 2.6% y/y (Consensus: 2.7%; Decision Economics: 2.5%), while the core CPI rate came in at 2.3% y/y (Consensus and Decision Economics: 2.2%). The current core CPI rate is the highest in three years. Gasoline prices increased 8.9% y/y and electricity prices were up 8.7% y/y. Food prices also increased 4.1% y/y. Each of these categories also reported price gains in January. While gasoline and some food components are excluded from the core CPI rate calculation, electricity is included.

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