

## United States

### Economic Indicators—Schedule and Forecasts

May 14– 25, 2012

Sinai/Ellis/Hooper

f= DE forecast c=consensus a=advance s=second t=third r=revised

14	15	16	17	18
<p>3-and 6-Month Bills (11:30) \$57.0 Billion</p> <p>ICSC/Goldman Sachs Chain Sales (7:45) (5/12)</p> <p>Consumer Price Index (8:30) Total Ex-F&amp;E Mar 0.3% 0.2% Apr (f) 0.1% 0.2% Apr (c) unch 0.2%</p> <p>Empire State Manuf. Survey (8:30) Total Prices Apr 6.6 45.8 May (f) 10.8 36.4 May (c) 9.5</p> <p>Advance Retail Sales (8:30) Total Ex-Auto Mar 0.8% 0.8% Apr (f) 0.1% 0.1% Apr (c) 0.2% 0.2%</p> <p>Redbook Chain Sales (8:55) (5/12)</p> <p>Duke Speech (9:30) (National Association of Realtors, Washington: "Prescription for Housing Recovery")</p> <p>Business Inventories, Sales (10:00) Inven. Sales I/S Feb 0.6% 0.7% 1.276 Mar (f) 0.4% 0.5% 1.275 Mar (c) 0.4%</p> <p>NAHB Housing Market Index (10:00) Mar 28 May (f) 24 Apr 25 May (c) 26</p> <p>4-Week Bill (11:30) \$30.0 Billion (f)</p>	<p>Housing Starts (8:30) (Units, Thousands, SAAR) Starts Permits Mar 654 764 Apr (f) 672 765 Apr (c) 685 728</p> <p>Industrial Production &amp; Capacity Utilization (9:15) Prod. Util. Mar 0.0% 78.6% Apr (f) 0.4% 78.9% Apr (c) 0.6% 79.0%</p> <p>Bullard Speech (12:30) (St. Louis Fed Louisville Branch: "Dialogue with the Fed: A Conversation with President James Bullard")</p> <p>FOMC Minutes (14:00) (April 24–25 meeting)</p>	<p>Initial Claims (8:30) 4/28 368 5/12 (f) 365 5/5 367 5/12 (c) 365</p> <p>Philadelphia Fed Survey (10:00) Total Prices Apr 8.5 22.5 May (f) 9.6 24.8 May (c) 10.0</p> <p>Leading Indicators (10:00) Dec 0.5% Mar 0.3% Jan 0.2% Apr (f) 0.1% Feb 0.7% Apr (c) 0.1%</p> <p>Bullard Speech (12:35) (Rotary Club of Louisville: "Economy and Monetary Policy")</p> <p>10-Year TIPS (13:00) \$13.0 Billion</p>	<p>Manufacturers' Orders (8:30) (Annual Revision)</p>	
<p>Lockhart Speech (5:15) (Institute of Regulation and Risk North Asia, Tokyo: Monetary Policy)</p> <p>3-and 6-Month Bills (11:30) \$57.0 Billion (f)</p> <p>ICSC/Goldman Sachs Chain Sales (7:45) (5/19)</p> <p>Redbook Chain Sales (8:55) (5/19)</p> <p>Existing Home Sales (10:00) (Units, Millions, SAAR) Nov 4.400 Feb 4.600 Dec 4.380 Mar 4.480 Jan 4.630 Apr (f) 4.230</p> <p>4-Week Bill (11:30) \$30.0 Billion (f)</p> <p>2- Year Note (13:00) \$35.0 Billion (f)</p>	<p>Lockhart Speech (6:15) (Institute of Regulation and Risk North Asia, Hong Kong: Monetary Policy)</p> <p>ICSC/Goldman Sachs Chain Sales (7:45) (5/19)</p> <p>Redbook Chain Sales (8:55) (5/19)</p> <p>Existing Home Sales (10:00) (Units, Millions, SAAR) Nov 4.400 Feb 4.600 Dec 4.380 Mar 4.480 Jan 4.630 Apr (f) 4.230</p> <p>4-Week Bill (11:30) \$30.0 Billion (f)</p> <p>2- Year Note (13:00) \$35.0 Billion (f)</p>	<p>New Home Sales (10:00) (Units, Thousands, SAAR) Nov 322 Feb 353 Dec 341 Mar 328 Jan 329 Apr (f) 350</p> <p>Kocherlakota Speech (14:00) (Data Matters Forum, South Dakota School of Mines: Economy and Monetary Policy)</p> <p>5- Year Note (11:30) \$35.0 Billion (f)</p>	<p>Initial Claims (8:30) 4/28 368 5/12 (f) 365 5/5 367 5/19 (f) 360</p> <p>Durable Goods (8:30) Orders Ex-Def. Ships. Feb 1.9% 1.5% -0.3% Mar -4.0% -4.4% 1.0% Apr (f) -1.0% -1.0% 0.5%</p> <p>7- Year Note (11:30) \$29.0 Billion (f)</p>	<p>U of M Cons Sentiment Index (9:55) (Final) Jan 75.0 Apr 76.4 Feb 75.3 May (p) 77.8 Mar 76.2 May 77.8</p> <p>U of M Inflation Expectations (9:55) (Final) 1-Year 5-Year Apr 3.2% 2.9% May (p) 3.1% 3.0% May 3.2% 3.0%</p>
<b>Recent History-Latest Results</b>				
<p>3-and 6-Month Bills (11:30) \$58.0 Billion</p> <p>Consumer Credit (15:00) (\$ Billions, Chg.) Oct 6.3 Jan 17.5 Nov 20.0 Feb 9.3 Dec 16.3 Mar 21.4</p>	<p>ICSC/Goldman Sachs Chain Sales (7:45) (5/5)</p> <p>Redbook Chain Sales (8:55) (5/5)</p> <p>4-Week Bill (11:30) \$30.0 Billion</p> <p>3- Year Note (11:30) \$32.0 Billion</p>	<p>Wholesale Inventories (10:00) Oct 1.4% Jan 0.6% Nov 0.1% Feb 0.9% Dec 1.2% Mar 0.3%</p> <p>10- Year Note (11:30) \$24.0 Billion</p>	<p>Initial Claims (8:30) 4/14 389 4/28 368 4/21 392 5/5 367</p> <p>Import Prices (Non-Fuel, Y/Y) (8:50) Jan 2.9% Mar 2.1% Feb 2.4% Apr 1.3%</p> <p>Trade Balance (8:30) (\$ Billions, BOP Basis) Total Merch. Serv. Jan -52.5 -67.3 14.8 Feb -45.4 -61.1 15.7 Mar -51.8 -67.6 15.8</p> <p>30- Year Bond (11:30) \$16.0 Billion</p> <p>Treasury Statement (14:00) (\$ Billions) 2012 2011 Feb -231.7 -222.5 Mar -198.2 -188.2 Apr 59.1 -40.4</p> <p>Monthly Money (16:30) (SA, \$ Billions) M1 M2 Mar 2220.6 9798.6 Apr 2248.0 9842.3</p>	<p>Producer Price Index (8:30) Total Ex-F&amp;E Feb 0.4% 0.2% Mar 0.0% 0.3% Apr -0.2% 0.2%</p> <p>U of M Cons Sentiment Index (9:55) (Prelim) Dec 69.9 Mar 76.2 Jan 75.0 Apr 76.4 Feb 75.3 May 77.8</p> <p>U of M Inflation Expectations (9:55) (Prelim) 1-Year 5-Year Feb 3.9% 3.0% Apr 3.2% 2.9% May 3.1% 3.0%</p>

**Indicator Highlights**

United States

The Consumer Price Index (CPI-U) (Tues., May. 15, 8:30 a.m.) is important for its overall and “core” readings on inflation, the latter for the Fed. A big indicator for the Fed now is Retail Sales (Tues., May. 15, 8:30 a.m.), a key indicator for consumption, sometimes marking well the direction of aggregate consumer spending. The consumer is central to the expansion, its risks, and extent. Housing Starts (Weds., May. 16, 8:30 a.m.) will provide a forward look at residential construction, a component of real GDP, though less than 3% now; five years ago it was 6%. Industrial Production & Capacity Utilization (Weds, May. 16, 9:15 a.m.) will give a detailed read on industrial-side activity and capacity use progress. Slack, as measured by capacity utilization, is of interest. The Empire State Manufacturing (Tues., May. 15, 8:30 a.m.) and Philadelphia Fed Manufacturing (Thu., May. 17, 10:00 a.m.) surveys are important indicators of regional manufacturing activity that can foreshadow the national picture. Trouble on exports, tied to the global economy, would show up here.

Existing Home Sales (Tues., May. 22, 10:00 a.m.) will offer a demand update for the broad housing market. The Reuters/University of Michigan Consumer Sentiment Index (Fri., May. 25, 9:55 a.m.) will give a final look at consumer attitudes in May. Consumer sentiment has been rising on better household financial conditions and an improved jobs climate, but is now threatened by higher gasoline prices.

<b>Indicator</b>	<b>Forecast</b>	<b>Consensus</b>	<b>Analysis</b>
Consumer Price Index			
Total	+0.1%	unch	Petroleum product prices down.
Ex-Food & Energy	+0.2%	+0.2%	
Empire State Manufacturing Survey			
Total	10.8	9.5	Moderate firming following big softening in April. Prices slow for the second month.
Prices	36.4		
Advance Retail Sales			
Total	+0.1%	+0.2%	Gasoline prices fall, and soft-goods sales suffer Easter-shift weakness.
Ex-Auto	+0.1%	+0.2%	
Business Inventories, Sales			
Inventories	+0.4%	+0.4%	No serious slowdown in inventory building.
Sales	+0.5%		
I/S	1.275		
NAHB Housing Market Index	24	26	Sentiment edges down slightly.
Housing Starts (Units, SAAR)	672,000	685,000	Seasonal impacts play a role with return to stronger growth likely.
Housing Permits (Units, SAAR)	765,000	728,000	Modest increase in permits.
Industrial Production	+0.4%	+0.6%	Small-scale rebound from March weakness.
Capacity Utilization	78.9%	79.0%	Creeps back up.
Philadelphia Fed Manufacturing Survey			
Total	9.6	10.0	Small upward movement in May, but still low. Firmer, but well below year-ago levels.
Prices	24.8		
Leading Indicators	+0.1%	+0.1%	Slowed advance on low manufacturing orders and stalling consumer sentiment.
Existing Home Sales (Units, SAAR)	4,230 Million		Second month of decline, but from a high level.
New Home Sales (Units, SAAR)	350,000		New home sales stay in the existing range, but at the high end.
Durable Goods			
Orders	-1.0%		Another month of declining commercial aircraft orders.
Ex-Defense	-1.0%		
Shipments	+0.5%		
U. of M. Consumer Sentiment Index (Final)	77.8		Consumer sentiment remains firm.
U. of M. Inflation Expectations (Prelim.)			
1-Yr Ahead (Median)	3.2%		Short-term and long term forecasts stabilize.
5-Yr Ahead (Median)	3.0%		

**Assessment**

Economy firming in a more broad-based way, lifting up in Q4 and Q1 relative to last year. Better consumption, and a pick-up in residential construction, reflect pent-up demands for big ticket items. Recent data on March and April on soft side, raising questions on sustainability of lift-up. But, it is likely sustainable on lots of signs that easy money is taking hold. “Off-shore” risks to U.S. from European recession and ongoing weaker growth in Asia showing up in exports and trade and some weakening in PM data. But, the look ahead, six months and more out, is better. Europe recession for Q4, Q1, and Q2, maybe longer, maybe deeper—the biggest issue. Fed likely to continue alert on unemployment being too high, but the possibility of another balance sheet easing pretty much shelved for now. Acceleration of U.S. economy noted by Fed, but the central bank cautious given previous premature expectations of a better economy that did not unfold.