



Eurozone

 Economic Indicators—Schedule and Forecasts (Local Times)
 June 11 – June 22, 2012

Wroblewski/Liu

11	12	13	14	15																																							
		Industrial Production (SA) (11:00) <table style="margin-left: 20px;"> <tr><td></td><td>M/M</td><td>Y/Y</td></tr> <tr><td>Mar</td><td>-0.3%</td><td>-2.2%</td></tr> <tr><td>Apr (f)</td><td>-1.2%</td><td>-2.6%</td></tr> <tr><td>Apr (c)</td><td>-1.2%</td><td>-2.7%</td></tr> </table>		M/M	Y/Y	Mar	-0.3%	-2.2%	Apr (f)	-1.2%	-2.6%	Apr (c)	-1.2%	-2.7%	ECB Monthly Bulletin (May) (10:00) Harmonized Index of Consumer Prices, Final (11:00) <table style="margin-left: 20px;"> <tr><td></td><td>M/M</td><td>Y/Y</td></tr> <tr><td>Apr</td><td>0.5%</td><td>2.6%</td></tr> <tr><td>May (p)</td><td>-0.2%</td><td>2.4%</td></tr> <tr><td>May (f)</td><td>-0.2%</td><td>2.4%</td></tr> <tr><td>May (c)</td><td>-0.2%</td><td>2.4%</td></tr> </table> Labor Costs (Q1) (11:00)		M/M	Y/Y	Apr	0.5%	2.6%	May (p)	-0.2%	2.4%	May (f)	-0.2%	2.4%	May (c)	-0.2%	2.4%	New Car Registrations (May) (8:00) ECB President Draghi speaks in Frankfurt (8:50) Trade Balance (Euro billion) (NSA) (11:00) <table style="margin-left: 20px;"> <tr><td></td><td>'11/12</td><td>'10/11</td></tr> <tr><td>Mar</td><td>8.6</td><td>1.0</td></tr> <tr><td>Apr (f)</td><td>2.0</td><td>-4.6</td></tr> <tr><td>Apr (c)</td><td>4.0</td><td></td></tr> </table> Employment (Q1) (11:00)		'11/12	'10/11	Mar	8.6	1.0	Apr (f)	2.0	-4.6	Apr (c)	4.0	
	M/M	Y/Y																																									
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	Construction Output (Apr) (11:00)		Purchasing Managers' Index Manufacturing, Flash (10:00) <table style="margin-left: 20px;"> <tr><td>Jan</td><td>48.8</td><td>Apr</td><td>45.9</td></tr> <tr><td>Feb</td><td>49.0</td><td>May</td><td>45.1</td></tr> <tr><td>Mar</td><td>47.7</td><td>Jun (f)</td><td>45.0</td></tr> </table> Service Sector Purchasing Managers Survey, Flash (10:00) <table style="margin-left: 20px;"> <tr><td>Jan</td><td>50.4</td><td>Apr</td><td>46.9</td></tr> <tr><td>Feb</td><td>48.8</td><td>May</td><td>46.7</td></tr> <tr><td>Mar</td><td>49.2</td><td>Jun (f)</td><td>46.0</td></tr> </table> Consumer Confidence, Flash (Jun) (16:00) Eurozone Finance Ministers meeting in Luxembourg	Jan	48.8	Apr	45.9	Feb	49.0	May	45.1	Mar	47.7	Jun (f)	45.0	Jan	50.4	Apr	46.9	Feb	48.8	May	46.7	Mar	49.2	Jun (f)	46.0	EU Finance Ministers meeting in Luxembourg															
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 M/M=month-over-month
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 f=forecast
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Recent History-Latest Results

4	5	6	7	8																																																
Producer Prices (NSA) (11:00) <table style="margin-left: 20px;"> <tr><td></td><td>M/M</td><td>Y/Y</td></tr> <tr><td>Feb</td><td>0.6%</td><td>3.7%</td></tr> <tr><td>Mar</td><td>0.5%</td><td>3.3%</td></tr> <tr><td>Apr</td><td>unch</td><td>2.6%</td></tr> </table>		M/M	Y/Y	Feb	0.6%	3.7%	Mar	0.5%	3.3%	Apr	unch	2.6%	Service Sector Purchasing Managers Survey, Final (10:00) <table style="margin-left: 20px;"> <tr><td>Dec</td><td>48.8</td><td>Mar</td><td>49.2</td></tr> <tr><td>Jan</td><td>50.4</td><td>Apr</td><td>46.9</td></tr> <tr><td>Feb</td><td>48.8</td><td>May</td><td>46.7</td></tr> </table> Retail Sales (SA) (11:00) <table style="margin-left: 20px;"> <tr><td></td><td>M/M</td><td>Y/Y</td></tr> <tr><td>Feb</td><td>-0.2%</td><td>-2.0%</td></tr> <tr><td>Mar</td><td>0.3%</td><td>-0.2%</td></tr> <tr><td>Apr</td><td>-1.0%</td><td>-2.5%</td></tr> </table>	Dec	48.8	Mar	49.2	Jan	50.4	Apr	46.9	Feb	48.8	May	46.7		M/M	Y/Y	Feb	-0.2%	-2.0%	Mar	0.3%	-0.2%	Apr	-1.0%	-2.5%	Gross Domestic Product, Second Estimate, (SA) (11:00) <table style="margin-left: 20px;"> <tr><td></td><td>Q/Q</td><td>Y/Y</td></tr> <tr><td>QIII'11</td><td>0.1%</td><td>1.3%</td></tr> <tr><td>QIV'11</td><td>-0.3%</td><td>0.7%</td></tr> <tr><td>QI'12</td><td>unch</td><td>-0.1%</td></tr> </table> ECB Governing Council meeting (decision at 13:45) <i>(no change – updated economic projections) Press conference at 14:30</i>		Q/Q	Y/Y	QIII'11	0.1%	1.3%	QIV'11	-0.3%	0.7%	QI'12	unch	-0.1%		
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Key potential market-moving indicators and events include: Industrial Production (Wed. Jun. 13, 11:00 a.m.), Harmonized Consumer Prices (Thu. Jun. 14, 11:00 a.m.) and the Visible Trade Balance (Fri. Jun. 15, 11:00 a.m.). In the following week, there are the flash Manufacturing and Services Purchasing Managers Indexes (Thu. Jun. 21, 10:00 a.m.).

Eurozone **industrial production** fell afresh in March. Flash numbers for May saw **HICP inflation** dropped to a 15-month low. Seasonally adjusted **trade** data showed a smaller surplus in March. The May final **manufacturing PMI** fell for a third successive month to the lowest in almost three years. The May final **services PMI** fell, a second successive drop and now a seven-month low.

Indicator	Forecast	Consensus	Analysis
Industrial Production (SA)			
M/M	-1.2%	-1.2%	Broader and larger fall.
Y/Y	-2.6%	-2.6%	
Consumer Prices – HICP (Final) (NSA)			
M/M	-0.2%	-0.2%	Core rate falls?
Y/Y	2.4%	2.4%	
Visible Trade (NSA)	€ 2.0 bln	€ 4.0 bln	Seasonal deterioration.
Purchasing Managers' Index (SA) – Flash - Manufacturing	45.0		Peripheral signals more disturbing?
Purchasing Managers' Index (SA) – Flash - Services	46.0		Still above manufacturing counterpart?

Post Mortem—Prior Week Results

Mixed messages in producer prices. Producer prices were actually flat in M/M terms in April, the first non-positive reading since December 2011.

Retail sales weakness even clearer. Real retail sales slumped 1.0% in M/M terms in April.

Even weaker services? The May final PMIs suggest even more clearly that Eurozone economic activity is contracting and probably more steeply so. Specifically, the final services PMI fell 0.2 point to 46.7, a second successive drop and a seven-month low, but with the drop half that initially estimated.

GDP stabilizes. According to revised data and matching the flash estimate, Q1 GDP was unchanged in Q/Q terms, implying that the Eurozone economy has (to date) just about avoided recession as this stable reading came after the (unrevised) 0.3% fall of the previous quarter.

Ready to act (on rates)? The ECB Council kept policy on hold for a sixth successive month, retaining the high-profile refi rate at 1.00% and the deposit rate at 0.25%.



United Kingdom

Economic Indicators—Schedule and Forecasts (Local Times)

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	RICS House Price Survey (May) (00:01) REC/KPMG Report on Jobs (May) (00:01) Manufacturing Production (SA) (9:30) <table style="margin-left: 20px;"> <tr><td></td><td>MM</td><td>Y/Y</td></tr> <tr><td>Mar</td><td>0.9%</td><td>-0.9%</td></tr> <tr><td>Apr (f)</td><td>0.2%</td><td>0.6%</td></tr> <tr><td>Apr (c)</td><td>-0.1%</td><td>0.3%</td></tr> </table> Industrial Production (SA) (9:30) <table style="margin-left: 20px;"> <tr><td></td><td>M/M</td><td>Y/Y</td></tr> <tr><td>Mar</td><td>-0.3%</td><td>-2.6%</td></tr> <tr><td>Apr (f)</td><td>0.7%</td><td>-0.3%</td></tr> <tr><td>Apr (c)</td><td>0.1%</td><td>-1.0%</td></tr> </table>		MM	Y/Y	Mar	0.9%	-0.9%	Apr (f)	0.2%	0.6%	Apr (c)	-0.1%	0.3%		M/M	Y/Y	Mar	-0.3%	-2.6%	Apr (f)	0.7%	-0.3%	Apr (c)	0.1%	-1.0%		BoE Governor King speaks in London (19:00)	Visible Trade Balance, Global (SA) (£ Million) (9:30) Feb -8590 Apr (f) -8400 Mar -8564 Apr (c) -8500 Construction Output (Apr) (9:30)												
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Rightmove House Prices (Jun) Possibly from today... Nationwide Consumer Confidence (May) (00:01)	Consumer Price Index (CPI) (NSA) (9:30) <table style="margin-left: 20px;"> <tr><td></td><td>M/M</td><td>Y/Y</td></tr> <tr><td>Mar</td><td>0.3%</td><td>3.5%</td></tr> <tr><td>Apr</td><td>0.6%</td><td>3.0%</td></tr> <tr><td>May (f)</td><td>0.1%</td><td>2.9%</td></tr> </table> Retail Prices (NSA) (9:30) <table style="margin-left: 20px;"> <tr><td></td><td>M/M</td><td>Y/Y</td></tr> <tr><td>Mar</td><td>0.4%</td><td>3.6%</td></tr> <tr><td>Apr</td><td>0.7%</td><td>3.5%</td></tr> <tr><td>May (f)</td><td>0.3%</td><td>3.4%</td></tr> </table> Retail Prices, Underlying (RPIX) (NSA) (9:30) <table style="margin-left: 20px;"> <tr><td></td><td>M/M</td><td>Y/Y</td></tr> <tr><td>Mar</td><td>0.4%</td><td>3.7%</td></tr> <tr><td>Apr</td><td>0.7%</td><td>3.5%</td></tr> <tr><td>May (f)</td><td>0.3%</td><td>3.4%</td></tr> </table> House Price Index (Apr) (9:30)		M/M	Y/Y	Mar	0.3%	3.5%	Apr	0.6%	3.0%	May (f)	0.1%	2.9%		M/M	Y/Y	Mar	0.4%	3.6%	Apr	0.7%	3.5%	May (f)	0.3%	3.4%		M/M	Y/Y	Mar	0.4%	3.7%	Apr	0.7%	3.5%	May (f)	0.3%	3.4%	BoE Quarterly Bulletin (Q2) (00:01) Claimant Count Unemployment, (Change Thousands) (SA) (9:30) Feb 4.5 Apr -13.7 Mar -5.4 May (f) -5.0 ILO Unemployment Rate (3 months ending, %) (9:30) Jan 8.4 Mar 8.2 Feb 8.3 Apr (f) 8.2 Average Weekly Earnings (Y/Y) (3-Month Moving Average) (9:30) Jan 1.3 Mar 0.6 Feb 1.1 Apr (f) 0.7 Minutes of the Bank of England Monetary Policy Committee Meeting (June 6-7) (9:30)	Retail Sales (Volume, SA) (9:30) (Inc. Fuels) M/M Y/Y Mar 2.0% 3.1% Apr -2.3% -1.1% May (f) 2.0% 2.9% CBI Industrial Trends Monthly Survey (Jun) (11:00)	
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Recent History-Latest Results

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Holiday	Holiday	BRC Shop Price Index (May) (00:01) Purchasing Managers' Survey – Construction (SA) (May) (9:30) Narrow Money & Reserve Balances (May) (9:30)	BRC Retail Sales Monitor (May) (00:01) HBOS House Prices (May) (8:00) Purchasing Managers' Survey – Services (SA) (9:30) Dec 54.0 Mar 55.3 Jan 56.0 Apr 53.3 Feb 53.8 May 53.3 Bank of England MPC meeting (rate announcement 12 noon – no change)	PPI Output (NSA) (9:30) <table style="margin-left: 20px;"> <tr><td></td><td>MM</td><td>Y/Y</td></tr> <tr><td>Mar</td><td>0.6%</td><td>3.7%</td></tr> <tr><td>Apr</td><td>0.6%</td><td>3.2%</td></tr> <tr><td>May</td><td>-0.2%</td><td>2.8%</td></tr> </table> PPI Output Exc. Food, Drink, Tobacco & Oil (NSA) (9:30) <table style="margin-left: 20px;"> <tr><td></td><td>MM</td><td>Y/Y</td></tr> <tr><td>Mar</td><td>0.1%</td><td>2.5%</td></tr> <tr><td>Apr</td><td>0.6%</td><td>2.3%</td></tr> <tr><td>May</td><td>unch</td><td>2.1%</td></tr> </table> PPI Input (NSA) (9:30) <table style="margin-left: 20px;"> <tr><td></td><td>MM</td><td>Y/Y</td></tr> <tr><td>Mar</td><td>1.5%</td><td>5.4%</td></tr> <tr><td>Apr</td><td>-1.4%</td><td>1.0%</td></tr> <tr><td>May</td><td>-2.5%</td><td>0.1%</td></tr> </table> BoE Inflation Attitudes Survey (May) (9:30) New Car Registrations (May)		MM	Y/Y	Mar	0.6%	3.7%	Apr	0.6%	3.2%	May	-0.2%	2.8%		MM	Y/Y	Mar	0.1%	2.5%	Apr	0.6%	2.3%	May	unch	2.1%		MM	Y/Y	Mar	1.5%	5.4%	Apr	-1.4%	1.0%	May	-2.5%	0.1%
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Key potential market-moving indicators and events include: Industrial Production (Tue. Jun. 12, 9:30 a.m.) and the Trade Balance (Fri. Jun. 15, 9:30 a.m.). In the following week, there are Consumer Prices (Tue. Jun. 19, 9:30 a.m.), the Labor Market Report – including unemployment and average earnings details – (Wed. Jun. 20, 9:30 a.m.) and Retail Sales (Thu. Jun. 21, 9:30 a.m.).

March **manufacturing output** jumped, unwinding much of the drops of the two previous months. The total visible **trade** deficit was little changed in March. April **consumer price inflation** fell very clearly, dropping to the lowest since end-2009. Claimant count **unemployment** fell in April. Average weekly **earnings** growth dropped clearly, almost halving to in the three months to March. Real **retail sales** (including fuels) slumped in M/M terms in April, more than unwinding the surge in the previous month.

Indicator	Forecast	Consensus	Analysis
Manufacturing Production (SA)			
M/M	0.2%	-0.1%	Surveys mixed.
Y/Y	0.6%	0.3%	
Industrial Production (SA)			
M/M	0.7%	0.1%	Energy production rises clearly.
Y/Y	-0.3%	-1.0%	
Visible Trade Balance, Global (SA)	-£ 8400 mln	-£ 8500 mln	Export uptrend intact!
CPI (NSA)			
M/M	0.1%		First sub-3% reading since end-2009.
Y/Y	2.9%		
RPI (NSA)			
M/M	0.3%		Clear fall in fuel prices!
Y/Y	3.4%		
Claimant Count Unemployment (SA)			
M/M (change, thousands)	-5.0		Labor market surprisingly solid to date.
ILO Unemployment Rate (SA)	8.2%		Survey mixed-to-worse.
Headline Average Earnings (Y/Y)	0.7%		Still very soft!
Retail Sales (Volumes, SA)			
M/M	2.0%		More volatile of late but no real momentum.
Y/Y	2.9%		

Post Mortem—Prior Week Results

Construction sector eases slightly further, with risks ahead. The construction PMI fell 1.4 points in May to 54.4, albeit falling further only from the 21-month high seen in March, probably undermined somewhat by poor weather of the last few weeks.

Shop price inflation rises back. According to the BRC, May shop price inflation rose 0.2 percentage point to 1.5% Y/Y, exactly unwinding the drop of the previous month.

Services activity fails to soften further. The May services PMI failed to drop any further, instead remaining at 53.3, still (in tandem with the April reading) the lowest since last November.

Sales boosted by better weather? According to the British Retail Consortium, like-for-like nominal store sales growth picked up afresh in May, with the growth rate swinging from -3.3% Y/Y in April back to 1.3%, exactly unwinding the swing seen in the previous month.

House prices recover. There was a modest recovery in the latest house price data from HBOS. These showed house prices rising 0.5% M/M in May, partly unwinding the correction back of 2.3% seen in the previous month.

Softer price signals. May producer output prices fell 0.2% in M/M terms, the first drop this year and a contrast to the 0.6% increases in the two previous months.

Inflation expectations edge back up. According to the latest quarterly BoE/GfK NOP inflation attitudes survey (polled through May), household inflation expectations (one year ahead) rose a little, rising 0.2 percentage point to 3.7%, up from a February reading that was the lowest in six quarters.



Germany

Economic Indicators—Schedule and Forecasts (Local Times) June 11 – June 22, 2012

Wroblewski/Liu

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		Cost-of-Living, Final (NSA) (8:00) M/M Y/Y Apr 0.2% 2.1% May (p) -0.2% 1.9% May (f) -0.2% 1.9% May (c) -0.2% 1.9%	Wholesale Price Index (NSA) (8:00) M/M Y/Y Mar 0.9% 2.2% Apr 0.5% 2.4% May (f) unch 2.4%	
Possibly from today: Construction Orders (Apr) (8:00)	ZEW Financial Experts Survey (Jun) (11:00)	Producer Prices (NSA) (8:00) M/M Y/Y Mar 0.6% 3.3% Apr 0.2% 2.4% May (f) -0.3% 2.1%	Purchasing Managers' Survey Manufacturing, Flash (SA) (9:30) Jan 51.0 Apr 46.2 Feb 50.2 May 45.2 Mar 48.4 Jun (f) 46.0 Purchasing Managers' Survey Services, Flash (SA) (9:30) Jan 53.7 Apr 52.2 Feb 52.8 May 51.8 Mar 52.1 Jun (f) 51.5	Ifo Survey (SA) (2005=100) (10:00) Jan 108.4 Apr 109.9 Feb 109.6 May 106.9 Mar 109.8 Jun (f) 105.3

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Recent History-Latest Results

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Purchasing Managers Survey Services, Final (SA) (9:45) Dec 52.4 Mar 52.1 Jan 53.7 Apr 52.2 Feb 52.8 May 51.8 Manufacturing Orders, (M/M) (SA), (12 noon) Nov -2.8% Feb 0.6% Dec 0.7% Mar 3.2% Jan -1.4% Apr -1.9%	Industrial Production (M/M) (SA) (12 noon) Jan 0.8% Mar 2.2% Feb -0.4% Apr -2.2% Manufacturing & Mining Output (M/M) (SA), (12 noon) Jan 0.6% Mar 1.1% Feb 0.2% Apr -2.4% ECB Governing Council meeting (decision at 13:45) <i>(no change – updated economic projections)</i> <i>Press conference at 14:30</i>			Trade Balance (NSA) (Euro billion) (8:00) '11/12 '10/11 Feb 14.9 11.9 Mar 17.4 18.8 Apr 14.4 10.8 Current Account (NSA) (Euro billion) (8:00) '11/12 '10/11 Feb 11.7 10.6 Mar 19.9 21.3 Apr 11.2 7.5

Key potential market-moving indicators and events include: final Consumer Prices (Wed. Jun. 13, 8:00 a.m.) and possibly Wholesale Prices. In the following week, there are Producer Prices (Wed. Jun. 20, 8:00 a.m.), the flash Manufacturing and Services PMIs (Thu. Jun. 21, 9:30 a.m.) and the Ifo Survey (Fri. Jun. 22, 10:00 a.m.).

According to preliminary numbers, May **CPI inflation** fell to an 18-month low. **Wholesale prices** increased in M/M terms in April, albeit below the pace of the rises seen in the three previous months. April **producer prices** rose, the smallest rise so far this year and a clear contrast to the previous month. The May final **manufacturing PMI** numbers largely confirmed somewhat softer fortunes for manufacturing as the index slumped to a 35-month low. The final **services PMI** for May was below the flash estimate, but pointed to continued growth in the sector. The May **Ifo business climate index** actually fell by 3.0 points to 106.9, ending a run of six successive increases and actually unwinding much of the 3.4 point cumulative bounce from the October 2011 reading that was the lowest in 17 months.

Indicator	Forecast	Consensus	Analysis
Consumer Prices – Final (NSA)			
M/M	-0.2%	-0.2%	Break-down detailed.
Y/Y	1.9%	1.9%	
Wholesale Prices (NSA)			
M/M	unch		Softer trend emerging.
Y/Y	2.4%		
Producer Prices (NSA)			
M/M	-0.3%		First M/M fall this year.
Y/Y	2.1%		
Purchasing Managers' Index (SA)			
- Manufacturing – Flash	46.0		Still in conflict with Ifo numbers.
Purchasing Managers' Index (SA)			
- Services – Flash	51.5		Weakening continues.
Ifo Survey Business Climate (SA)	105.3		Clearly coming back!

Post Mortem—Prior Week Results

Orders correct clearly. Manufacturing orders dropped back clearly in April, albeit with the 1.9% M/M fall failing to unwind fully the (upwardly revised) 3.2% surge seen in March.

Soft survey messages. The final services PMI for May was 51.8, 0.4 point below the flash estimate. The index point to continued, but sub-par, growth in the sector.

Industrial production falls back. April industrial production dropped 2.2% M/M, exactly unwinding the marked bounce of the previous month, the latter revised down from an initially estimated recovery of 2.8%.

Exports slip back. The April (unadjusted) trade surplus widened to €14.4 bln from € 10.8 bln in the same month of last year, it nevertheless being down from the € 19.9 bln March reading.



France

Economic Indicators—Schedule and Forecasts (Local Times)

Wroblewski/Liu

June 11 – June 22, 2012

11	12	13	14	15
Industrial Production, exc. Construction (SA) (8:45) M/M Y/Y Mar -0.9% -0.3% Apr (f) 0.2% unch Apr (c) -0.1% -0.4% Manufacturing Production (SA) (8:45) M/M Y/Y Mar 1.4% -0.3% Apr (f) unch -0.3% Apr (c) -1.2% 1.4%	Salaried Employment, Final (SA) (8:45) Q/Q Y/Y QIV'11 -0.1% 0.4% QI'12 (p) 0.1% unch QI'12 (f) 0.1% unch QI'12 (c) 0.1% unch	Consumer Prices (NSA) (7:30) M/M Y/Y Apr 0.1% 2.1% May (f) unch 2.0% May (c) unch 2.0%		
18	19	20	21	22
	INSEE Monthly Survey of Industry (Jun) (8:45)		Purchasing Managers' Index Manufacturing, Flash (SA) (9:00) Jan 48.5 Apr 46.9 Feb 50.0 May 44.7 Mar 46.7 Jun (f) 45.0 Purchasing Managers' Index Services, Flash (SA) (9:00) Jan 52.3 Apr 45.2 Feb 50.0 May 45.1 Mar 50.1 Jun (f) 45.0	Wages, Final (Q1) (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

4	5	6	7	8
	Purchasing Managers' Index Services, Final (SA) (9:50) Dec 50.3 Mar 50.1 Jan 52.3 Apr 45.2 Feb 50.0 May 45.1	ECB Governing Council meeting (decision at 13:45) <i>(no change – updated economic projections)</i> <i>Press conference at 14:30</i>	Unemployment (Q1) (7:30)	BoF Business Sentiment Survey (May) (8:45) Visible Trade Balance (SA) (8:45) (Euro Billion) Nov -4.33 Feb -6.37 Dec -5.26 Mar -5.57 Jan -5.43 Apr -5.80 Central Government Budget (Apr) (8:45)

Indicator Highlights

France

Key potential market-moving indicators and events include: Industrial Production (Mon. Jun. 11, 8:45 a.m.), the final estimate for Salaried Employment (Tue. Jun.12, 8:45 a.m.) and Consumer Prices (Wed. Jun. 13, 7:30 a.m.). In the following week, there are the flash Manufacturing and Services PMIs (Thu. Jun. 21, 9:00 a.m.).

Manufacturing output jumped in M/M terms in March, more than unwinding the fall of the previous month. Preliminary data for Q1 showed (non-farm) **employment** rising afresh, with the increase being the first positive figure in three quarters. Headline **CPI inflation** fell in April to the lowest since last July. The May **manufacturing PMI** slumped afresh, dropping to a three-year low. Showing a downward revision from the flash estimate, the May final **services PMI** fell from the previous month.

Indicator	Forecast	Consensus	Analysis
Industrial Production (SA)			
M/M	0.2%	-0.1%	Energy recovers.
Y/Y	unch	-0.4%	
Salaried Employment (SA) – Final			
Q/Q	0.1%	0.1%	No revision anticipated.
Y/Y	unch	unch	
Consumer Prices (NSA)			
M/M	unch	unch	10-month low for Y/Y rate?
Y/Y	2.0%	2.0%	
Purchasing Managers' Index (SA)			
- Manufacturing – Flash	45.0		Still very soft.
Purchasing Managers' Index (SA)			
- Services – Flash	45.0		Clear jolt down seen of late.

Post Mortem—Prior Week Results

Very soft services. Showing a downward revision of 0.1 point from the flash estimate, the final services PMI fell 0.1 point to 45.1.

Business sentiment edges down. In the latest (May) Bank of France monthly report, the business sentiment indicator dropped a point to 93, the lowest since August 2009.

Exports recover. The April trade gap widened afresh and by more than expected, rising back to a deficit of € 5.80 bln from a shortfall of € 5.57 bln in March.

Budget deficit narrows. The April central government budget balance showed a cumulative deficit of € 59.90 bln, down from a €61.35 bln shortfall seen in the first four months of last year.



Italy

Economic Indicators—Schedule and Forecasts (Local Times)

Wroblewski/Liu

June 11 – June 22, 2012

11	12	13	14	15
Gross Domestic Product, Second Estimate (SA) (11:00) Q/Q Y/Y QIV'11 -0.7% -0.4% QI'12 (p) -0.8% -1.3% QI'12 (f) -0.8% -1.3% QI'12 (c) -0.8% -1.3%		NIC Consumer Prices, Final, (NSA) (11:00) M/M Y/Y Apr 0.5% 3.3% May (p) unch 3.2% May (f) unch 3.2% May (c) unch 3.2%		Visible Trade Balance, Global (NSA) (Euro billion) (11:00) '11/12 '10/11 Feb -1.1 -3.0 Mar 2.1 -3.8 Apr (f) -1.0 -2.8
18	19	20	21	22
		Industrial Orders (NSA) (Y/Y) (10:00) Nov -0.7% Feb -13.2% Dec -4.3% Mar -14.3% Jan -5.6% Apr (f) -13.0%		ISAE Consumer Sentiment (Jun) (10:00)

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

Recent History-Latest Results

4	5	6	7	8
	Purchasing Managers Survey Service (SA) (9:45) Dec 44.5 Mar 44.3 Jan 44.8 Apr 42.3 Feb 44.1 May 42.8	ECB Governing Council meeting (decision at 13:45) <i>(no change – updated economic projections)</i> <i>Press conference at 14:30</i>		Industrial Production* (10:00) M/M Y/Y Feb -0.8% -6.9% Mar 0.6% -5.6% Apr -1.9% -9.2%

* 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: the second estimate of Q1 Gross Domestic Product (Mon. Jun. 11, 11:00 a.m.), final Consumer Prices (Wed. Jun. 13, 11:00 a.m.) and the Global Trade Balance (Fri. Jun. 15, 11:00 a.m.). In the following week, there are Industrial Orders (Wed. Jun. 20, 10:00 a.m.).

Q1 GDP decreased according to preliminary data, accentuating the drop of the previous quarter. Preliminary data showed **consumer price inflation** eased in May. The (unadjusted) March **trade balance** showed a surplus, swinging clearly from the shortfall seen in the same month of 2011. Data for March showed that Y/Y **industrial orders** fell, a steeper drop than that seen in February and the largest decline in the cycle.

Indicator	Forecast	Consensus	Analysis
Gross Domestic Product, 2 nd Estimate (SA)			
Q/Q	-0.8%	-0.8%	Break-down detailed.
Y/Y	-1.3%	-1.3%	
Consumer Prices – Final (NSA)			
M/M	unch	unch	EU-harmonized break-down provided.
Y/Y	3.2%	3.2%	
Trade Balance – Global	-€ 1.0 bln		Import weakness more evident.
Industrial Orders (NSA)			
Y/Y	-13.0%		Clearer weakening evident!

Post Mortem—Prior Week Results

Still steep contraction in services? The May services PMI rose afresh but marginally so, albeit with the 0.5 point rise to 42.8, taking it up from a three-year low.

Industrial production slumps back. April industrial production slumped 1.9% in seasonally adjusted M/M terms, more than unwinding the 0.6% March rise, the latter being the only positive reading this year.



Japan

Economic Indicators—Schedule and Forecasts
June 11 – June 22, 2012 (Local Times)

Ellis/Wroblewski

11	12	13	14	15
MOF Business Outlook Survey (8:50) (Second Quarter) Money Supply (M2) (Y/Y) (8:50) Dec 3.2% Mar 3.0% Jan 3.1% Apr 2.6% Feb 2.9% May (f) 2.6%	Corporate Goods Price Index (Y/Y) (8:50) Dec 1.1% Mar 0.5% Jan 0.5% Apr -0.2% Feb 0.6% May (f) -0.5% Tertiary Industry Activity (SA) (M/M) (8:50) Nov -0.8% Feb unch Dec 1.6% Mar -0.6% Jan -0.6% Apr (f) 0.2% Shirakawa Speech (9:40) (Conference on Asian Banking and Finance, San Francisco)	Machinery Orders, Core (SA) (14:00) Nov 3.1% Feb 2.8% Dec -2.5% Mar -2.8% Jan 0.7% Apr (f) unch	BOJ Monetary Policy Meeting Industrial Production (Revised) (SA) (M/M) (13:30) Dec 2.3% Mar 1.3% Jan 0.9% Apr (p) 0.2% Feb -1.6% Apr (f) 0.2%	BOJ Monetary Policy Meeting BOJ Shirakawa Press Conference (15:30)
18	19	20	21	22
BOJ Monthly Report (14:00) (June)		BOJ Monetary Policy Meeting Minutes (8:50) (May 22, 23) Merchandise Trade Balance (¥Billion, NSA) (8:50) 2012 2011 Mar -84.5 170.9 Apr -520.3 -477.7 May (f) -330.0 -860.7 All Industry Activity (SA) (M/M) (13:30) Nov -0.9% Feb -0.1% Dec 1.7% Mar -0.3% Jan -0.7% Apr (f) 0.2%		

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

Recent History-Latest Results

4	5	6	7	8
Shirakawa Speech (13:30) (Research Institute of Japan)			Official Reserves (\$Billion, NSA) (8:50) Dec 1295.8 Mar 1288.7 Jan 1306.7 Apr 1289.5 Feb 1302.9 May 1277.7 Business Conditions Composite Indexes (Prelim.) (14:00) Leading Coincident Feb 96.1 95.2 Mar 96.4 96.7 Apr 95.1 96.5	Real GDP (Revised) (SA) (Q/Q) (8:50) 11:Q1 -2.0% 11:Q4 unch 11:Q2 -0.4% 12:Q1 (p) 1.0% 11:Q3 1.9% 12:Q1 1.2% Current Account Balance (¥Billion, NSA) (8:50) 2012 2011 Feb 1177.8 1700.8 Mar 1589.4 1738.6 Apr 333.8 423.9 Current Account Visible Trade (¥Billion, NSA) (8:50) 2012 2011 Feb 102.1 720.3 Mar 4.2 236.8 Apr -463.9 -412.0 Bank Lending (Y/Y) (8:50) Dec 0.4% Mar 0.7% Jan 0.6% Apr 0.3% Feb 0.6% May 0.3%

Indicator Highlights

Key potential market-moving indicators and events include: the MOF Business Outlook Survey (Mon, Jun. 11, 8:50); Tertiary Industry Activity (Tue., Jun. 12, 8:50); Machinery Orders, Core (Wed., Jun. 13, 14:00); the BOJ Monetary Policy Meeting (Thu.-Fri., Jun. 14-15); and the Merchandise Trade Balance (Wed., Jun. 20, 8:50).

MOF Business Outlook Survey results will provide an important update on business sentiment, in this period of great volatility and uncertainty. Tertiary industry activity numbers will give the initial fix on the second-quarter trend. Machinery orders amount to another important reading on business confidence. BOJ policymakers will likely hold policy steady, but remain poised to act, if necessary in the near future.

Merchandise trade results will reveal any new impacts of global problems on Japan's exports.

Indicator	Forecast	Consensus	Analysis
Money Supply (M2) (Y/Y)	+2.6%		On trend, but shaky.
Corporate Goods Price Index (Y/Y)	-0.5%		External factors pull prices down further.
Tertiary Industry Activity (SA) (M/M)	+0.2%		Very mild start to second quarter.
Machinery Orders, Core (SA)	unch		Decline brought to a halt.
Industrial Production (Revised) (SA) (M/M)	+0.2%		Little or no revision.
Merchandise Trade Balance (NSA)	-¥330.0 Billion		Relatively strong export growth narrows the deficit.
All Industry Activity (SA) (M/M)	+0.2%		Very mild start to the second quarter.

Post Mortem—Recent Data Results

Leading index suffers setback. The preliminary leading index for April, as computed by the Cabinet Office, fell for the first time in four months, dropping 1.3 points to 95.1. Meanwhile, the coincident index corrected back 0.2 point (to 96.5), making a modest erosion into the somewhat firmer tone seen of late. These persuaded the Cabinet Office to maintain its assessment of an economy, still saying the economy is improving.

GDP bounce confirmed. Surprising a little to the upside, the Q1 updated estimate showed GDP expanding again, rising 1.2% Q/Q (4.7% annualized), the figure being 0.2 percentage point above the preliminary reading and a contrast to flat reading the previous quarter. As a result, the Y/Y rate turned positive, swinging from -0.6% in Q4 to a five-quarter high of 2.8%. The Q/Q break-down confirmed that the anticipated upward revision was sourced in a less severe fall in capex. Meanwhile, the Q1 GDP deflator fell by 1.3% Y/Y, a less steep drop than the 1.9% fall in Q4.

Smaller current account surplus. Surprising to the downside somewhat, the April (adjusted) current account surplus was ¥ 288.6 bln, down from ¥ 785.5 bln seen in March. This deterioration was echoed by the unadjusted current account surplus which narrowed to ¥ 333.85 bln in April from ¥ 423.9 bln in the same month last year.

Lending growth still soggy. Bank lending data for May showed total bank loan growth stuck at 0.3% Y/Y, still the eighth successive positive reading.

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Canada

Economic Indicators—Schedule and Forecasts

Ellis/Pumphrey/Husby

June 4 – June 8, 2012

11	12	13	14 Capacity Utilization (8:30) 11:Q3 80.0% 12:Q1 (f) 80.5% 11:Q4 80.5% 12:Q1 (c) 80.5%	15 Survey of Manufacturing (8:30) (M/M) (SA) Ships. Inv. New Ord. Feb -0.3% 0.3% 2.5% Mar 1.9% 1.2% 2.0% Apr (f) 1.0% 0.8% 1.2% Apr (c) 0.2%
18	19 Wholesale Trade (8:30) (M/M) (SA) Sales Inv. Jan -1.0% 0.9% Feb 1.5% 1.3% Mar 0.4% 0.9% Apr (f) 0.3% 0.6%	20	21 Retail Trade (8:30) (M/M) (SA) Total Ex-Auto Jan 0.2% -0.8% Feb -0.2% 0.4% Mar 0.4% 0.1% Apr (f) -0.3% 0.1% Carney Speech (11:45), Atlantic Institute for Market Studies, Halifax NS	22 Consumer Prices (7:00) (Y/Y) Total BOC Core Feb 2.6% 2.3% Mar 1.9% 1.9% Apr 2.0% 2.1% May (f) 1.8% 2.0%

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

Recent History-Latest Results

4	5 Building Permits (8:30) (M/M) (SA) Nov -1.1% Feb 7.7% Dec 10.5% Mar 4.9% Jan -11.4% Apr -5.2% Bank of Canada Rate Decision (9:00)	6	7 Ivey Purchasing Managers' Survey (10:00) (SA) Dec 63.5 Mar 63.5 Jan 64.1 Apr 52.7 Feb 66.5 May 60.5	8 Housing Starts (8:15) (Thousand, SAAR) Dec 200.4 Mar 213.6 Jan 201.1 Apr 243.8 Feb 203.9 May 211.4 Productivity and Costs (8:30) (Q/Q) (SA) Prod. Comp. ULC 11:Q2 -1.0% unch 1.0% 11:Q3 0.7% -0.1% -0.7% 11:Q4 0.7% 1.5% 0.8% 12:Q1 0.1% 0.5% 0.4% International Trade (8:30) (Balance, C\$ Billion, SA) Nov 1.0 Feb 0.1 Dec 3.2 Mar 0.2 Jan 1.7 Apr -0.4 Labor Force Survey (8:30) Employment (Change, Thous., SA) Dec 21.7 Mar 82.3 Jan 2.3 Apr 58.2 Feb -2.8 May 7.7 Unemployment Rate (SA) Dec 7.5% Mar 7.2% Jan 7.6% Apr 7.3% Feb 7.4% May 7.3%
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Key potential market-moving indicators and events include: Capacity Utilization (Thurs., June 14, 8:30 a.m.); the Survey of Manufacturing (Fri., June 15, 8:30 a.m.); Retail Trade (Thurs., June 21, 8:30 a.m.); and the Consumer Price Index (Fri., June 22, 7:00 a.m.).

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.

Retail trade data will provide the first look into Q2 consumer spending behavior after a weak Q1. Consumer price indices downtick on lower energy and utilities costs.

Indicator	Forecast	Consensus	Analysis
Capacity Utilization	80.5%	80.5%	Slack unchanged.
Survey of Manufacturing (M/M) (SA)			
Shipments	+1.0%	+0.2%	Inventory building continues as stockpiles reach a ten-year high.
Inventories	+0.8%		
New Orders	+1.2%		
Wholesale Trade (M/M)			
Sales	+0.3%		More inventory building as auto parts rebound.
Inventories	+0.6%		
Retail Trade (M/M)			
Total	-0.3%		Vehicle sales decline, other categories intact.
Ex-Auto	+0.1%		
Consumer Prices (Y/Y)			
Total	+1.8%		Prices downtick on slower gas price increases in year-over-year terms.
Core	+2.0%		

Post Mortem—Prior Week Results

Building permits decline on diminished Toronto activity. The value of building permits fell 5.2% m/m in April (Consensus: -1.5%; Decision Economics: +2.0%) to C\$6.49 billion. Residential permits declined 2.8% m/m to C\$3.8 billion while non-residential permits fell 8.4% m/m to C\$2.7 billion. The trend towards less activity was broad-based: single-family residential, multi-family residential and institutional permits—together representing two-thirds of permits—all posted drops.

The Band of Canada continues to hold interest rates. The BoC maintained the overnight rate target at 1%, where it has been since September 2010, on worsening global conditions and tame domestic growth. BoC governor Mark Carney's policy statement suggested that tightening is the more likely scenario in the coming months—contingent on the global backdrop.

Ivey PMI shows increasing purchasing activity. The Ivey PMI overshot forecasts at 60.5 in May (Consensus: 54.3; Decision Economics: 55.0), up 7.8 points from a month ago. The 3-month average is currently 58.9—well within expansion territory—somewhat easing concerns that a weak reading last month signaled contracting activity in the manufacturing sector as a whole.

Housing starts expectedly slow after colossal April. The pace of Canadian housing starts slowed for the first time in six months—coming in at 211.4K for May (Consensus: 215K; Decision Economics: 198.5K). Urban starts fell off by 15.8% m/m to 189.6K, with multi-family unit construction slowing by 20.7%. Rural area housing starts increased 16.6% m/m, mostly unwinding a 19% decline in April. The pace of housing starts in urban centers in Quebec and Ontario decreased by 36% and 18% respectively, while urban starts in British Columbia picked up by 21%.

The general slowdown is unsurprising, as it comes on the heels of a monster 243.8K pace in April. However, the current pace still exceeds that suggested by the rate of household formation. Population demographics indicate that a rate closer to 180K would be sustainable. Canadian policymakers continue to fret over the overheated urban condo markets, so it is a welcome sign that the pace of activity is abating somewhat.

April trade data shows weaker exports. The Canadian trade balance was -C\$0.4 billion in April (Consensus: +0.2; Decision Economics: +0.8) as exports declined. Exports dropped 1.2% m/m, to C\$39.1 billion, as industrial products fell 5.7% while machinery posted a 3.1% drop. Imports increased slightly, +0.1% m/m to C\$39.5 billion, as energy imports fell 6.8% and automotive parts increased 2.6%.

Eurozone exports were relatively flat, while Japan and U.S. exports each declined 1.2% m/m. U.K. exports fell 4.8% over the month, while exports to other OECD countries deteriorated by 6.5%.

While spillover effects from the Eurozone crisis are not clear in the data (yet), the crisis in the Eurozone is one reason that the BoC is forecasting for exports to contribute little to growth this year. Upcoming months will be watched for signs of weakening export activity, as the recession in the Eurozone is turning out to be worse than forecasted.

Modest employment gains leave unemployment rate unchanged. May Labor Force Survey data showed 7.7K jobs had been added over the month (Consensus: +5K; Decision Economics: +15K)—a major slowdown following the average of +70.2K jobs added over each of the past two months. Manufacturing added 36.4K jobs, the sixth consecutive month of increases totaling +114.9K jobs. Construction lost 27K jobs last month, more than unwinding April's +24.6K gain. The retail and wholesale industries added 23.6K jobs last month, although still have lost 41K jobs over the past year. British Columbia added 30.5K jobs last month, while Ontario lost 22.9K.

The gains were not of a favorable mix: the private sector loss of 22.5K jobs was overshadowed by gains in the public sector (+6.9K) and those claiming self-employment (+23.3K). The past two months had shown 128.4K jobs added to the private sector; while some snapback was likely, sustainable labor market improvement depends on continued job growth in this sector. The unemployment rate remained unchanged at 7.3%.

Unit labor costs increase as compensation gains outweigh productivity. Productivity increased 0.1% q/q (Consensus: +0.3%; Decision Economics: unch) as real GDP (+0.5% q/q) outpaced hours (+0.4% q/q). Compensation rose 0.5% q/q (Decision Economics: +0.7%) and unit labor costs increased by 0.4% q/q (Decision Economics: +0.7%).

This is the second consecutive quarter in which productivity gains lagged compensation increases—resulting in higher unit labor costs. Moreover, the loonie appreciated 2.3% versus the dollar from a quarter ago. Therefore, Canada unit labor costs increased 2.6% when measured in dollar terms. This illustrates how a strong currency dwarfs productivity gains and hinders export competitiveness.