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Forecast Calendar

August 24, 2012

United States

Economic Indicators—Schedule and Forecasts

August 27 – September 7, 2012

Sinai/Ellis/Husby

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

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Evans Speech (6:00)
(MNI Seminar, Hong Kong)

3- and 6-Month Bill (11:30)
$60.0 Billion

Pianalto Speech (12:15)
(Newark (OH) Area Business Luncheon: Outlook and Fed Overview)

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ICSC/Goldman Sachs Chain Sales (7:45) (8/25)

Redbook Chain Sales (8:55)
(8/25)

S&P/Case-Shiller Index (9:00)
(20 City Index) (Y/Y)

Feb	-3.6%	May	-0.7%
Mar	-2.5%	**Jun (f)**	**-0.1%**
Apr	-1.8%	**Jun (c)**	**unch**

Conference Board Consumer Confidence Survey (10:00)

Apr	68.7	Jul	65.9
May	64.4	**Aug (f)**	**64.3**
Jun	62.7	**Aug (c)**	**66.0**

4-Week Bill (11:30)
$40.0 Billion (f)

2-Year Notes (13:00)
$35.0 Billion

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Gross Domestic Product (8:30)

(Second)	Real	Final Sales	Chain Prices
12:Q2 (a)	1.5%	2.4%	1.6%
12:Q2 (f)	**1.8%**	**2.5%**	**1.6%**
12:Q2 (c)	**1.7%**		**1.6%**

Pending Home Sales (10:00)

Mar	3.8%	Jun	-1.4%
Apr	-5.5%	**Jul (f)**	**2.0%**
May	5.5%	**Jul (c)**	**1.0%**

5-Year Notes (13:00)
$35.0 Billion

FOMC Beige Book (14:00)
(Retail sales, especially leisure-related, positive. Jobs market slightly firmer. Exports show some weakness.)

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Personal Income & Consumption (8:30)

	Income	Cons.	Core Prices
Jun	0.5%	unch	0.2%
Jul (f)	**0.2%**	**0.3%**	**0.2%**
Jul (c)	**0.3%**	**0.5%**	**0.1%**

Initial Claims (8:30)

8/11	368	**8/25 (f)**	**370**
8/18	372	**8/25 (c)**	**370**

Monthly Chain Store Sales
(Aug)

7-Year Notes (13:00)
$29.0 Billion

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Chicago Purchasing Managers' Survey (9:45)

	Total	Prices Paid
Jul	53.7	54.7
Aug (f)	**52.5**	**59.0**
Aug (c)	**53.5**	

U of M Cons Sentiment Index (9:55) (Final)

May	79.3	Aug (p)	73.6
Jun	73.2	**Aug (f)**	**73.6**
Jul	72.3	**Aug (c)**	**73.6**

U of M Inflation Expectations (9:55) (Final)

	1-Year	5-Year
Jul	3.0%	2.7%
Aug (p)	3.6%	3.0%
Aug (f)	**3.6%**	**3.0%**

Manufacturers' (10:00)

	Orders	Ships.	Invs.
Jun	-0.5%	-1.1%	0.1%
Jul (f)	**1.6%**	**1.5%**	**0.4%**
Jul (c)	**1.9%**		

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Holiday

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ISM Manufacturing Survey (10:00)

	Total	Prices
Jun	49.7	37.0
Jul	49.8	39.5
Aug (f)	**48.7**	**42.2**

Construction Expenditure (10:00)

Feb	-0.5%	May	1.6%
Mar	-0.3%	Jun	0.4%
Apr	0.9%	**Jul (f)**	**0.5%**

Light Vehicle Sales (17:00)
(Units, Millions, SAAR)

	Total	Domestic	Import
Jun	14.3	11.3	3.0
Jul	14.1	11.0	3.1
Aug (f)	**14.5**	**11.3**	**3.2**

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ICSC/Goldman Sachs Chain Sales (7:45) (9/1)

Productivity and Costs (8:30)

(Final)	Prod.	Comp.	ULC
12:Q1	-0.5%	5.1%	5.6%
12:Q2 (p)	1.6%	3.3%	1.7%
12:Q2 (f)	**1.9%**	**3.3%**	**1.4%**

Redbook Chain Sales (8:55)
(9/1)

4-Week Bill (11:30)
$40.0 Billion (f)

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ADP Employment Estimate (8:15)
(Aug)

Initial Claims (8:30)

8/11	368	**8/25 (f)**	**370**
8/18	372	**9/1 (f)**	**365**

ISM Non-Manufacturing (10:00)

	Total	Prices
Jun	52.1	48.9
Jul	52.6	54.9
Aug (f)	**51.8**	**55.8**

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Unemployment Rate (8:30)

Mar	8.2%	Jun	8.2%
Apr	8.1%	Jul	8.3%
May	8.2%	**Aug (f)**	**8.2%**

Employment Report (8:30)

	Payrolls (Thous.)	Weekly Hours	Hourly Earnings
Jun	64	34.5	0.3%
Jul	163	34.5	0.1%
Aug (f)	**125**	**34.5**	**0.2%**

Recent History-Latest Results

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3- and 6-Month Bill (11:30)
$60.0 Billion

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ICSC/Goldman Sachs Chain Sales (7:45) (8/18)

Redbook Chain Sales (8:55)
(8/18)

4-Week Bill (11:30)
$40.0 Billion

1-Year Bill (11:30)
$25.0 Billion

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Existing Home Sales (10:00)
(Units, Millions, SAAR)

Feb	4.60	May	4.62
Mar	4.47	Jun	4.37
Apr	4.62	Jul	4.47

FOMC Minutes (14:00)
(July 31-August 1 Meeting)

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Initial Claims (8:30)

7/28	368	8/11	368
8/4	364	8/18	372

New Home Sales (10:00)
(Units, Thousands, SAAR)

Feb	366	May	372
Mar	352	Jun	359
Apr	358	Jul	372

5-Year TIPS (13:00)
$14.0 Billion

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Durable Goods (8:30)

	Orders	Ex-Def.	Ships.
May	1.5%	0.9%	1.1%
Jun	1.6%	-0.7%	unch
Jul	4.2%	5.7%	2.6%

Indicator Highlights

United States

The S&P/Case-Shiller Index (Tue., Aug. 28, 9:00 a.m.) is a key gauge of house prices for both year-on-year changes and on a running basis. Home prices in this index have double dipped but when will the corner be turned? The Second release of Gross Domestic Product (Wed., Aug. 29, 8:30 a.m.) will give a more updated reading on the overall economy in Q2 and the degree of strength for the economic expansion. Consumer spending a key aggregate, exports important because of Eurozone downturn. Personal Income & Consumption (Thurs., Aug. 30, 8:30 a.m.) will provide the first look into Q3 consumer spending, currently the largest source (over 70%) of real GDP. How goes the consumer, so goes the economy. A new growth trend for consumption has emerged: weaker than historically. Real disposable income to be watched, especially now that jobs are uncertain.

The ISM Manufacturing Survey (Tue., Sept. 4, 10:00 a.m.) is the definitive diffusion index relating to this dimension of the economy. Productivity & Costs (Wed., Sept. 5, 8:30 a.m.) will give an updated look at Q2 unit labor costs. The ISM Non-Manufacturing Survey (Thurs., Sept. 6, 10:00 a.m.) is a high-frequency gauge for the important services sector, which accounts for about 60% to almost 85% of the economy, depending on the measure. Nonfarm Payroll Jobs and the Unemployment Rate (Fri., Sept. 7, 8:30 a.m.) are key data for a host of upcoming economic indicators, the overall economic prospect, and particularly the Fed. The report is also a potential huge mover of financial markets. The Fed remains focused on the unemployment rate and getting to full employment. 8.3% is still way too high.

Indicator	Forecast	Consensus	Analysis
S&P/Case-Shiller Index (Y/Y)	-0.1%	unch	Market improvement continues.
Conference Board Consumer Confidence Survey	64.3	66.0	Choppy movements with a small decline.
Gross Domestic Product (Second)			
Real	+1.8%	+1.7%	A much better international trade performance than earlier thought.
Final Sales	+2.5%		
Chain Prices	+1.6%	+1.6%	
Pending Home Sales	+2.0%	+1.0%	Choppy movements, generally trending upward.
Personal Income & Consumption			
Income	+0.2%	+0.3%	Wage and salary income growth slows markedly from last month.
Consumption	+0.3%	+0.5%	
Core Prices	+0.2%	+0.1%	
Chicago Purchasing Managers' Survey			
Total	52.5	53.5	Overall movement down slightly, likely to rebound.
Prices Paid	59.0		
U. of M. Consumer Sentiment Index (Final)	73.6	73.6	Three months in the low-70's range, with some likely movement upward in a month or so.
U. of M. Inflation Expectations (Final)			
1-Yr Ahead (Median)	3.6%		Running rather high now, but likely to move down.
5-Yr Ahead (Median)	3.0%		Fairly stable.
Manufacturers'			
Orders	+1.6%	+1.9%	Boosted by strong durables gain.
Shipments	+1.5%		
Inventories	+0.4%		
ISM Manufacturing Survey			
Total	48.7		Third month below 50 for ISM total index.
Prices	42.2		Prices move upward modestly.
Construction Expenditure	+0.5%		Residential spending grows solid.
Light-Vehicle Sales (Units, SAAR)			
Total	14.5		Consumers respond to clearance deals.
Domestic	11.3		
Import	3.2		
Productivity & Costs (Final)			
Productivity	+1.9%		Output growth stronger than before.
Compensation	+3.3%		
Unit Labor Costs	+1.4%		
ISM Non-Manufacturing Survey			
Total	51.8		Non-manufacturing activity edges downward, but stays above 50.0.
Prices	55.8		Prices move upward slightly.
Unemployment Rate	8.2%		An improvement, but only reversing the deterioration of last month.
Employment Report			
Payrolls	125,000		Still too much of a slow-motion trend for the Ted.
Weekly Hours	34.5		
Hourly Earnings	+0.2%		

Assessment

Q3 track on U.S. economy a little stronger than first half—relative strengths: consumption, housing, business equipment spending. Pick-up in residential construction reflecting long, long period of low interest rates and easy monetary policy. "Off-shore" risks to U.S. from ongoing European recession and weaker growth in Asia showing up in exports and trade and some in PM data. The look ahead, six months and more out, is better. Europe recession for Q4, Q1 and Q2, now looks longer, maybe deeper—biggest issue for global economy. Fed continues alert on unemployment being too high, and holds out another balance sheet easing, but timing, format, extent murky.

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