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Information for Decisions™

Forecast Calendar

August 24, 2012

Eurozone

Economic Indicators—Schedule and Forecasts (Local Times)

Wroblewski/Liu

August 27 – September 7, 2012

27	28	29	30	31
	M3 Money Supply (Y/Y) (SA) (10:00) Mar 3.2 Jun 3.2 Apr 2.6 **Jul (f) 3.2** May 3.1 **Jul (c) 3.2** Private Sector Loans (Y/Y) (SA) (10:00) Feb 0.8 May -0.1 Mar 0.6 Jun -0.2 Apr 0.2 **Jul (f) -0.3**		Retail PMI (Jul) (10:10) EU Commission Business and Consumer Survey (Jul) (11:00)	Harmonized Index of Consumer Prices, Flash (11:00) M/M Y/Y Jul -0.5% 2.4% **Aug (f) 2.4%** **Aug (c) 2.5%** Unemployment Rate (%) (SA) (11:00) Mar 11.0 Jun 11.2 Apr 11.1 **Jul (f) 11.2** May 11.2 **Jul (c) 11.3**
3	**4**	**5**	**6**	**7**
Purchasing Managers' Index Manufacturing, Final (10:00) Apr 45.9 Jul 44.0 May 45.1 **Aug (p) 45.3** Jun 45.1 **Aug (f) 45.3**	Producer Prices (NSA) (11:00) M/M Y/Y May -0.5% 2.3% Jun -0.5% 1.8% **Jul (f) 0.1% 1.5%**	Service Sector Purchasing Managers Survey, Final (10:00) Apr 46.9 Jul 47.9 May 46.7 **Aug (p) 47.5** Jun 47.1 **Aug (f) 47.5** Retail Sales (SA) (11:00) M/M Y/Y May 0.9% -0.3% Jun 0.2% -1.0% **Jul (f) -0.5% -1.9%**	Gross Domestic Product, Second Estimate, (SA) (11:00) Q/Q Y/Y QI'12 unch unch **QII'12 (p) -0.2% -0.4%** **QII'12 (f) -0.2% -0.4%** ECB Governing Council meeting (decision at 13:45) *(25 bp refi rate cut expected, bond purchase plan detailed alongside updated economic forecasts)* *Press conference at 14:30*	

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

20	21	22	23	24
Construction Output (Jun) (11:00)			Purchasing Managers' Index Manufacturing, Flash (10:00) Mar 47.7 Jun 45.1 Apr 45.9 Jul 44.0 May 45.1 Aug 45.3 Service Sector Purchasing Managers Survey, Flash (10:00) Mar 49.2 Jun 47.1 Apr 46.9 Jul 47.9 May 46.7 Aug 47.5 Consumer Confidence, Flash (Aug) (16:00)	

Indicator Highlights

Key potential market-moving indicators and events include: Money Supply (Tue. Aug. 28, 10:00 a.m.) as well as preliminary Harmonized Consumer Prices and the Unemployment Rate (both Fri. Aug. 31, 11:00 a.m.). In the following week, there is the final Manufacturing PMI (Mon. Sep. 3, 10:00 a.m.), Producer Prices (Tue. Sep. 4, 11:00 a.m.), the final Services PMI (Wed. Sep. 5, 10:00 a.m.), Retail Sales (Wed. Sep. 5, 11:00 a.m.), the second estimate of Q2 Gross Domestic Product (Thu. Sep. 6, 11:00 a.m.) and the ECB Council meeting (decision due Thu. Sep. 6, 1:45 p.m.).

June M3 **money supply** growth picked up slightly further, rising to a three-month high. Final numbers for July saw **HICP inflation** remain unchanged at a 15-month low. The **unemployment rate** rose in June to a record-high, matching the May numbers. The August flash **manufacturing PMI** improved, more than unwinding the drop seen in the previous month. June **producer prices** fell further. The August flash **services PMI** fell slightly. Real **retail sales** rose in M/M terms in June.Q2 Eurozone **GDP** numbers fell in Q/Q terms according to preliminary data.

Indicator	Forecast	Consensus	Analysis
M3 Money Supply (SA)			
Y/Y	3.2%	3.2%	Lending data more important.
Consumer Prices – HICP (Flash) (NSA)			
Y/Y	2.4%	2.5%	Disinflation stalled?
Unemployment Rate (SA)	11.2%	11.3%	No further deterioration?
Purchasing Managers' Index (SA) - Final			
- Manufacturing	45.3		No revision expected.
Producer Prices			
M/M	0.1%		Y/Y rate hits lowest in 27 months.
Y/Y	1.5%		
Purchasing Managers' Index (SA) - Final			
- Services	47.5		No revision expected.
Retail Sales (SA)			
M/M	-0.5%		Fresh fall.
Y/Y	-1.9%		
Gross Domestic Product, Q2 (SA) – Second Estimate			
Q/Q	-0.2%		Break-down detailed.
Y/Y	-0.4%		

Post Mortem—Prior Week Results

Construction Output Falls Further. Construction output fell by 0.5% M/M in June, accentuating the (downwardly revised) 0.2% drop in the previous month.

Still Contracting. Still reiterating the message of the previous data, the August flash PMIs suggest that economic activity in the Eurozone is still contracting and on a broad basis geographically. Specifically, the manufacturing PMI improved 1.3 points from July to 45.3, more than unwinding the 1.1 point drop seen in the previous month. In contrast, the flash services PMI fell slightly by 0.4 point to 47.5.

Consumer Sentiment Falls Further. The flash consumer confidence reading for August dropped more clearly. It fell 3.1 points to -24.6, the lowest since 2009.

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Forecast Calendar

August 24, 2012

United Kingdom

Economic Indicators—Schedule and Forecasts (Local Times)

August 27 – September 7, 2012

Wroblewski/Liu

27	28	29	30	31
Possible from today: Nationwide House Prices (Aug) (7:00)			BoE Lending to Individuals (9:30) Mortgage Lending (SA, Net, £ Billion) Mar 0.8 Jun -0.4 Apr 0.9 **Jul (f) -0.2** May 0.3 **Jul (c) 0.5** M4 Money Supply (SA) (9:30) M/M Y/Y May -0.1% -4.1% Jun -1.6% -5.2% **Jul (f) -1.0% -6.2%** M4 Lending (9:30) (SA, Change, £ billion) Apr 6.4 Jun -29.2 May -11.3 **Jul (f) -15.0**	GfK Consumer Confidence (Aug) (00:01)
3	**4**	**5**	**6**	**7**
Purchasing Managers' Survey - Manufacturing (SA) (9:30) Mar 51.9 Jun 48.4 Apr 50.2 Jul 45.4 May 45.9 **Aug (f) 46.5** **Possibly from today:** HBOS House Prices (Aug) (8:00)	BRC Retail Sales Monitor (Aug) (00:01) Purchasing Managers' Survey – Construction (SA) (Jun) (9:30)	BRC Shop Price Index (Aug) (00:01) Purchasing Managers' Survey - Services (SA) (9:30) Mar 55.3 Jun 51.3 Apr 53.3 Jul 51.0 May 53.3 **Aug (f) 51.0** Narrow Money & Reserve Balances (Jul) (9:30)	Bank of England MPC meeting (rate announcement 12 noon – *no change expected)* New Car Registrations (Jul)	Manufacturing Production (SA) (9:30) MM Y/Y May 1.2% -1.8% Jun -2.9% -4.3% **Jul (f) 0.1% -4.2%** Industrial Production (SA) (9:30) M/M Y/Y May 1.0% -1.8% Jun -2.5% -4.3% **Jul (f) -0.2% -4.3%** PPI Output (NSA) (9:30) MM Y/Y Jun -0.6% 2.0% Jul unch 1.7% **Aug (f) unch 1.8%** PPI Output Exc. Food, Drink, Tobacco & Oil (NSA) (9:30) MM Y/Y Jun -0.2% 1.7% Jul unch 1.3% **Aug (f) unch 1.2%** PPI Input (NSA) (9:30) MM Y/Y Jun -2.9% -3.0% Jul 1.3% -2.4% **Aug (f) 2.3% 1.7%** BoE Inflation Attitudes Survey (Aug) (9:30)

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Recent History-Latest Results

20	21	22	23	24
Rightmove House Prices (Aug) (00:01)	Public Sector Net Borrowing (ex. financial interventions) (£ bln, NSA) (9:30) '11/'12 '10/'11 May 18.5 15.0 Jun 14.6 13.9 Jul 0.6 -2.8 CBI Industrial Trends Monthly Survey (Aug) (11:00)		British Bankers Association Consumer Lending (Jul) (9:30) CBI Distributive Trades Quarterly Survey (Aug) (11:00)	Gross Domestic Product, Second Estimate (SA) (9:30) Q/Q Y/Y QIV'11 -0.4% 0.6% QI'12 -0.3% -0.2% QII'12 -0.5% -0.5% Index of Services (Jun) (9:30) Business Investment, Preliminary (Q2) (9:30)

Indicator Highlights

United Kingdom

Key potential market-moving indicators and events include: BoE data on Lending to Individuals and Money Supply (Thu. Aug. 30, 9:30 a.m.). In the following week, there is the Manufacturing PMI (Mon. Sep. 3, 9:30 a.m.), the Services PMI (Wed. Sep. 5, 9:30 a.m.), the Bank of England Monetary Policy Committee Meeting (rate decision announced Thu. Sep. 6, 12 noon) as well as Industrial Production and Producer Prices (both Fri. Sep. 7, 9:30 a.m.).

According to BoE-computed data, the number of **mortgage approvals** dropped back clearly in June to the lowest since end-2010. BoE numbers on underlying **monetary dynamics** showed a M/M rise in underlying M4 growth, more than unwinding the May drop. The headline **manufacturing PMI** was far weaker in July. The July **services PMI** dropped to a 19-month low. June **manufacturing output** slumped, more than unwinding the bounce seen in the previous month. **Producer output prices** for July were unchanged in M/M terms, a contrast to the falls of the previous two months.

Indicator	Forecast	Consensus	Analysis
BoE Mortgage Lending (SA, Net)	-£ 0.2 bln	£ 0.5 bln	More focus on approvals data.
Money Supply, M4			
M/M	-0.1%		More focus on underlying measure.
Y/Y	-6.2%		
Purchasing Managers' Index (SA)			
- Manufacturing	46.5		CBI data weak, but not as soft as PMI figure.
Purchasing Managers' Index (SA)			
- Services	51.0		Barely growing.
Industrial Production (SA)			
M/M	-0.2%		Downtrend clearer?
Y/Y	-4.3%		
PPI Output (NSA)			
M/M	unch		Fuel price rise afresh.
Y/Y	1.8%		
PPI Input (SA)			
M/M	2.3%		Oil prices bounce back.
Y/Y	1.7%		

Post Mortem—Prior Week Results

Further Slide in House Prices. The August Rightmove numbers showed a further and steeper slide in house prices, revealing a 2.4% M/M slump after the 1.7% drop seen in July.

Budgetary Numbers Worsen Further. Public sector finance data, excluding financial interventions, for last month saw public sector net borrowing excluding financial sector interventions at £ 557 mln in July compared to the £ 2.84 bln repayment in the same month last year.

Manufacturing Orders Hit. The CBI Industrial Trends survey for August showed a fresh and sizeable reversal in orders, both foreign and domestic.

Mortgage Approvals Stable. According to the British Bankers' Association, net mortgage lending in July was £ 0.3 bln, similar to the result seen in the previous month.

Sales Slow Further. The latest (August) CBI distributive trades survey suggested that retail sales weakened in the last month, actually sliding from a July reading of 11 to -3, a four-month low.

Clear Recession. Real GDP decreased by 0.5% in Q/Q terms last quarter, a notch less weak than initially estimated (at -0.7%) albeit still showing a steeper fall than the 0.3% drop in Q1.

Capex Falls. Business investment data showed capex falling afresh in Q2, with the drop of 1.5% unwinding most of the 1.9% drop of the previous quarter and also being the largest drop since Q1 2011.

Services Fall. The index of services fell by 0.6 % Y/Y in June, the first fall in the cycle.

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Germany

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Wroblewski/Liu

August 27 – September 7, 2012

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Import Prices (NSA) (8:00)

	M/M		Y/Y
Jun	-1.5%		1.3%
Jul (f)	**0.1%**		**0.6%**
Jul (c)	**0.9%**		**1.4%**

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

Apr	109.8	Jul	103.3
May	106.8	**Aug (f)**	**103.0**
Jun	105.2	**Aug (c)**	**102.7**

28

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

29

Cost-of-Living, Preliminary (NSA)

	M/M	Y/Y
Jul	0.4%	1.7%
Aug (f)	**0.1%**	**1.8%**
Aug (c)	**0.2%**	**1.9%**

30

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

Jun	7	**Aug (f)**	**10**
Jul	7	**Aug (c)**	**7**

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

Apr	31	Jun	26
May	34	**Jul (f)**	**39**

31

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

Mar	0.9%	Jun	0.5%
Apr	-0.2%	**Jul (f)**	**-0.6%**
May	unch	**Jul (c)**	**0.2%**

3

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

Apr	46.2	Jul	43.0
May	45.2	**Aug (p)**	**45.1**
Jun	45.0	**Aug (f)**	**45.1**

4

5

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

Apr	52.2	Jul	50.3
May	51.8	**Aug (p)**	**48.3**
Jun	49.9	**Aug (f)**	**48.3**

6

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

Feb	0.6%	May	0.7%
Mar	3.0%	Jun	-1.7%
Apr	-1.4%	**Jul (f)**	**-1.0%**

ECB Governing Council meeting (decision at 13:45)
(25 bp refi rate cut expected, bond purchase plan detailed alongside updated economic forecasts)
Press conference at 14:30

7

Trade Balance (NSA) (Euro billion) (8:00)

	2012	2011
May	15.6	14.6
Jun	17.9	12.5
Jul (f)	**14.0**	10.4

Current Account (NSA) (Euro billion) (8:00)

	2012	2011
May	8.1	7.4
Jun	16.5	11.0
Jul (f)	**11.0**	8.3

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

Apr	-2.3%	Jun	-0.9%
May	1.7%	**Jul (f)**	**-1.0%**

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

Apr	-2.3%	Jun	-1.0%
May	2.0%	**Jul (f)**	**-1.0%**

Labor Costs (Q1-Q2) (8:00)

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

f=forecast
r=revised
c=consensus

Recent History-Latest Results

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Gross Domestic Product, Second Estimate, (SA) (8:00)

	Q/Q	Y/Y
QIV'11	-0.1%	1.4%
QI'12	0.5%	1.7%
QII'12	0.3%	1.7%

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

Mar	48.4	Jun	45.0
Apr	46.2	Jul	43.0
May	45.2	Aug	45.1

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

Mar	52.1	Jun	49.9
Apr	52.2	Jul	50.3
May	51.8	Aug	48.3

24

Construction Orders (Jun) (8:00)

Indicator Highlights

Germany

Key potential market-moving indicators and events include: Import Prices (Mon. Aug. 27, 8:00 a.m.), the Ifo Survey (Mon. Aug. 27, 10:00 a.m.), Preliminary Consumer Prices (Wed. Aug. 29), Unemployment (Thu. Aug. 30, 9:55 a.m.) and Retail Sales (Fri. Aug. 31, 8:00 a.m.). In the following week, there is the final Manufacturing PMI (Mon. Sep. 3, 9:55 a.m.), the final Services PMI (Wed. Sep. 5, 9:55 a.m.), Manufacturing Orders (Thu. Sep. 6, 12 noon), the Trade Balance and Current Account (Fri. Sep. 7, 8:00 a.m.) as well as Industrial Production (Fri. Sep. 7, 12 noon).

Import prices slumped in M/M terms in June, twice the fall of the previous month and the third successive drop. The July **Ifo business climate index** fell, a third successive drop. According to final data, June **CPI inflation** was unchanged from the previous month, still the softest reading since late-2010. **Unemployment** increased for the fourth successive month in July. According to Federal Statistics Office data, real **retail sales** (excluding auto and petrol sales) fell in M/M terms in June. The flash August **manufacturing PMI** rose, more than unwinding the fall in the previous month and now a three month high. The flash August **services PMI** slid to a 37-month low. Manufacturing **orders** fell afresh in June. The June (unadjusted) **trade** surplus widened from the same month of last year. June **industrial production** dropped, partly unwinding the clear bounce seen in the previous month.

Indicator	Forecast	Consensus	Analysis
Import Prices - (NSA)			
M/M	0.1%	0.9%	Further moderation in price pressures.
Y/Y	0.6%	1.4%	
Ifo Survey Business Climate (SA)	103.0	102.7	Stabilizing?
Consumer Prices – Preliminary (NSA)			
M/M	0.1%	0.2%	Higher fuel prices.
Y/Y	1.8%	1.9%	
Unemployment, (SA) (change, 000's)	10	7	Labor market less upbeat.
Retail Sales ex. Autos & Gas (Volume, SA) (M/M)	-0.6%	0.2%	Further deterioration?
Purchasing Managers' Index (SA) - Final - Manufacturing	45.1		No revision anticipated.
Purchasing Managers' Index (SA) - Final - Services	48.3		No revision anticipated.
Manufacturing Orders, (SA)			
M/M	-1.0%		Clearer weakness emerging.
Trade Balance, (NSA)	€ 14.0 bln		Exports fall again!
Industrial Production, (SA)			
M/M	-1.0%		Third fall in four months?

Post Mortem—Prior Week Results

GDP Growth Slows. Final Q2 GDP data corroborated the preliminary reading, albeit with growth confirmed to have slowed to 0.3% Q/Q after the unrevised 0.5% bounce in the previous quarter.

Softer Survey Messages. The latest (August) flash PMI numbers revealed somewhat mixed, albeit broadly softer, fortunes for the private sector, thereby more clearly suggesting the economy may be contracting. Specifically, the manufacturing PMI rose by 2.1 points to 45.1, more than unwinding the fall in the previous month and now a three month high. However, the services PMI slid 3.0 points to 48.3, now a 37-month low.

Mixed Messages in Construction Orders. June construction orders fell by 0.4% M/M, thereby accentuating the steeper falls seen in the three previous months.

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Forecast Calendar

August 24, 2012

France

Economic Indicators—Schedule and Forecasts (Local Times)

Wroblewski/Liu

August 27 – September 7, 2012

27 Unemployment (Jul) (18:00)	**28** Housing Starts (Jul) (8:45) INSEE Quarterly Survey of Investment (Jul) (8:45)	**29** INSEE Monthly Survey of Industry (Aug) (8:45)	**30**	**31**
3 Purchasing Managers' Index Manufacturing, Final (SA) (9:50) Apr 46.9 Jul 43.4 May 44.7 **Aug (p) 46.2** Jun 45.2 **Aug (f) 46.2** New Car Registrations (Aug)	**4**	**5** Purchasing Managers' Index Services, Final (SA) (9:50) Apr 45.2 Jul 50.0 May 45.1 **Aug (p) 50.2** Jun 47.9 **Aug (f) 50.2**	**6** Unemployment (Q2) (7:30) ECB Governing Council meeting (decision at 13:45) *(25 bp refi rate cut expected, bond purchase plan detailed alongside updated economic forecasts)* *Press conference at 14:30*	**7** Visible Trade Balance (SA) (8:45) (Euro Billion) Feb -6.52 May -5.47 Mar -5.63 Jun -5.99 Apr -5.90 **Jul (f) -6.50** Central Government Budget (Jul) (8:45)

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Recent History-Latest Results

20	**21**	**22**	**23** Purchasing Managers' Index Manufacturing, Flash (SA) (9:00) Mar 46.7 Jun 45.2 Apr 46.9 Jul 43.4 May 44.7 Aug 46.2 Purchasing Managers' Index Services, Flash (SA) (9:00) Mar 50.1 Jun 47.9 Apr 45.2 Jul 50.0 May 45.1 Aug 50.2	**24**

Indicator Highlights

Key potential market-moving indicators and events include: there are no data of any note. In the following week, there is the final Manufacturing PMI (Mon. Sep. 3, 9:50 a.m.), the final Services PMI (Wed. Sep. 5, 9:50 a.m.) and the Trade Balance (Fri. Sep. 7, 8:45 a.m.).

The August flash **manufacturing PMI** rose to a four-month high. The August flash **services PMI** rose for a third successive month, bouncing to a seven-month high. The June **trade gap** widened afresh to a larger deficit from the shortfall seen in May.

Indicator	Forecast	Consensus	Analysis
Purchasing Managers' Index (SA) - Manufacturing – Final	46.2		No revision anticipated.
Purchasing Managers' Index (SA) - Services – Final	50.2		No revision anticipated.
Visible Trade (SA)	-€ 6.50 bln		Further export slide.

Post Mortem—Prior Week Results

Less Weak Survey Messages. The August flash PMIs showed messages that point to an overall economy sliding less clearly. Most notably, the services PMI rose for a third successive month, bouncing 0.2 points to a seven-month high of 50.2. Meanwhile, the manufacturing PMI rose by 2.8 points to 46.2, more than unwinding the fall seen in July and now a four-month high.

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Forecast Calendar

August 24, 2012

Italy

Economic Indicators—Schedule and Forecasts (Local Times)

Wroblewski/Liu

August 27 – September 7, 2012

27	28	29	30	31
		Retail Sales (NSA) (Y/Y) (10:00) Jan -1.1% Apr -6.8% Feb 0.5% May -2.0% Mar 1.5% **Jun (f) -2.5%** ISAE Consumer Sentiment (Jul) (10:00)	ISAE Business Sentiment (Jul) (10:00) Hourly Wages (NSA) (Y/Y) (11:00) Feb 1.4% May 1.4% Mar 1.2% Jun 1.5% Apr 1.4% **Jul (f) 1.5%**	Producer Prices (NSA) (10:00) M/M Y/Y Jun -0.1% 2.2% **Jul (f) 0.1% 2.1%** **Jul (c) 0.3% 2.3%** NIC Consumer Prices, Preliminary, (NSA) (11:00) M/M Y/Y Jul 0.1% 3.1% **Aug (f) 0.2% 3.0%** **Aug (c) 0.3% 3.2%**
3	**4**	**5**	**6**	**7**
Purchasing Managers' Survey Manufacturing (SA) (9:45) Mar 47.9 Jun 44.6 Apr 43.8 Jul 44.3 May 44.8 **Aug (f) 44.6** New Car Registrations (Aug)		Purchasing Managers Survey Service (SA) (9:45) Mar 44.3 Jun 43.1 Apr 42.3 Jul 43.0 May 42.8 **Aug (f) 44.0**	ECB Governing Council meeting (decision at 13:45) *(25 bp refi rate cut expected, bond purchase plan detailed alongside updated economic forecasts)* *Press conference at 14:30*	

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Recent History-Latest Results

20	21	22	23	24

Key potential market-moving indicators and events include: Retail Sales (Wed. Aug. 29, 10:00 a.m.), Hourly Wages (Thu. Aug. 30, 11:00 a.m.), Producer Prices (Fri. Aug. 31, 10:00 a.m.) and Consumer Prices (Fri. Aug. 31, 11:00 a.m.). In the following week, there is the Manufacturing PMI (Mon. Sep. 3, 9:45 a.m.) and the Services PMI (Wed. Sep. 5, 9:45 a.m.).

Unadjusted nominal **retail sales** dropped in May, a far less steep fall than the slump posted in the preceding month. Hourly **wage** growth for June edged up a notch, thereby moving a little further away from the cycle-low posted in March. Coming in a notch above preliminary data, final numbers showed that **consumer price inflation** dropped in July to the lowest in almost a year. The **manufacturing PMI** slipped back a little further in July to a three-month low. The July **services PMI** fell slightly, ending a run of two consecutive rises but still above the three-year low seen in April.

Indicator	Forecast	Consensus	Analysis
Retail Sales (NSA)			
Y/Y	-2.5%		Poor guide to consumer.
Hourly Wages			
Y/Y	1.5%		Spending power still falling.
Producer Prices (NSA)			
M/M	0.1%	0.3%	Further moderation?
Y/Y	2.1%	2.3%	
Consumer Prices – Preliminary (NSA)			
M/M	0.2%	0.3%	HICP measure may fall.
Y/Y	3.0%	3.2%	
Purchasing Managers' Index (SA)			
- Manufacturing	44.6		Again little changed.
Purchasing Managers' Index (SA)			
- Services	44.0		Less weak?

Post Mortem—Prior Week Results

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Forecast Calendar

August 24, 2012

Japan

Economic Indicators—Schedule and Forecasts

Ellis/Wroblewski

August 27 – September 7, 2012 (Local Times)

27	28	29	30	31
			Retail Sales (Y/Y) (8:50) Feb 3.4% May 3.6% Mar 10.3% Jun 0.2% Apr 5.7% **Jul (f) 0.1%**	Tokyo CPI (Y/Y) (8:30) Total Ex-Fresh Food Jun -0.6% -0.6% Jul -0.8% -0.6% **Aug (f) -0.8% -0.6%** Nationwide CPI (Y/Y) (8:30) Total Ex-Fresh Food May 0.2% -0.1% Jun -0.2% -0.2% **Jul (f) -0.4% -0.2%** Unemployment Rate (SA) (8:30) Feb 4.5% May 4.4% Mar 4.5% Jun 4.3% Apr 4.6% **Jul (f) 4.3%** Effective Job Offers to Applicants Ratio (8:30) Feb 0.75 May 0.81 Mar 0.76 Jun 0.82 Apr 0.79 **Jul (f) 0.83** Family Income and Expenditure Survey (Real) (Y/Y) (8:30) PCE (All) PCE (Workers) Disp. Income May 4.0% 0.9% -0.4% Jun 1.6% 2.5% 3.7% **Jul (f) 1.5% 2.0% unch** Industrial Production (SA) (M/M) (8:50) Feb -1.6% May -3.4% Mar 1.3% Jun -0.1% Apr -0.2% **Jul (f) 2.0%** Housing Starts (Y/Y) (14:00) Feb 7.5% May 9.3% Mar 5.0% Jun -0.2% Apr 10.3% **Jul (f) -8.0%** MOF FX Intervention Data (19:00) (August)
3	**4**	**5**	**6**	**7**
Vehicle Sales (Y/Y) (14:00) Mar 78.2% Jun 40.9% Apr 92.0% Jul 36.1% May 66.3% **Aug (f) 15.0%** Sometime during the week: Official Reserves ($Billion, NSA) (8:50) Mar 1288.7 Jun 1270.5 Apr 1289.5 Jul 1272.8 May 1277.7 **Aug (f) 1276.0**			Shirakawa Speech (14:00) (Tokyo, Yomiuri International Economic Society)	Business Conditions Composite Indexes (Prelim.) (14:00) Leading Coincident May 95.2 95.8 Jun 93.2 94.1 **Jul (f) 93.0 93.5**

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

Recent History-Latest Results

20	21	22	23	24
	All Industry Activity (SA) (M/M) (13:30) Jan -0.7% Apr 0.1% Feb -0.1% May -0.2% Mar -0.3% Jun 0.2%	Merchandise Trade Balance (¥Billion, NSA) (8:50) 2012 2011 May -917.2 -860.7 Jun 60.3 64.5 Jul -517.4 69.7		Corporate Service Prices (Y/Y) (8:50) Feb -0.7% May 0.1% Mar -0.2% Jun -0.4% Apr 0.2% Jul -0.2% Shirakawa Speech (16:00) (Osaka Business Leaders)

Indicator Highlights

Key potential market-moving indicators and events include: Retail Sales (Thu., Aug. 30, 8:50); Tokyo and Nationwide CPI (Fri., Aug. 31, 8:30); Unemployment Rate (Fri., Aug. 31, 8:30); Effective Job Offers to Applicants Ratio (Fri., Aug. 31, 8:30); Industrial Production (Fri., Aug. 31, 8:50); Vehicle Sales (Mon., Sep. 3, 14:00);

Retail sales numbers will give an approximate read on consumer spending, where signs of reviving energy would be welcome, after a second-quarter pause. CPI results are important in determining the Bank of Japan's political comfort, but tell little on a month-to-month basis. Labor market data will hint whether demand for worker services continues to firm. Industrial production numbers will be watched for the broad rebound necessary to restore confidence that growth continues.

Vehicle sales results should be reflecting the exhaustion of subsidy funds soon, if not now, and the question will be where demand settles naturally, after a payback period.

Indicator	Forecast	Consensus	Analysis
Retail Sales (Y/Y)	+0.1%		Very moderate improvement, too little for much confidence in the outlook.
Tokyo CPI (Y/Y)			
Total	-0.8%		No better, no worse.
Ex-Fresh Food	-0.6%		
Nationwide CPI (Y/Y)			
Total	-0.4%		
Ex-Fresh Food	-0.2%		
Unemployment Rate (SA)	4.3%		Stable market, for now.
Effective Job Offers to Applicants Ratio	0.83		Demand continues to rise modestly.
Family Income and Expenditure Survey (Real) (Y/Y)			
PCE (All)	+1.5%		A broadly steady track.
PCE (Workers)	+2.0%		
Disposable Income	unch		
Industrial Production (SA) (M/M)	+2.0%		Only a fair-sized rebound.
Housing Starts (Y/Y)	-8.0%		Very difficult year-ago comparison.
Vehicle Sales (Y/Y)	+15.0%		Weakening impact from subsidies.
Official Reserves (NSA)	$1276.0 Billion		Moderate gain, boosted by favorable currency translation.
Business Conditions Composite Indexes (Prelim.)			
Leading	93.0		Further mild slippage.
Coincident	93.5		

Post Mortem—Recent Data Results

Output Recovers Slightly. The all industries index bounced 0.2% M/M in June, exactly unwinding the drop seen in May, the latter having been the fourth drop in the previous five months of data. The Y/Y rate, meanwhile, fell to 0.5%.

Exports Fall Further. Once again, coming in clearly larger than expected, the July (unadjusted) trade balance moved back into a deficit (of -¥ 517.4 bln), a contrast to the ¥ 67.9 bln surplus in the same month of 2011. Meanwhile, the seasonally adjusted trade gap widened slightly to a shortfall of ¥ 325.7 bln from ¥ 317.6 bln in June, as a fourth successive drop in exports (of 1.1% M/M) more than offset by an additional fall in imports (of 0.9%).

Mixed Messages in Corporate Services Prices. July corporate services prices rose 0.1% in M/M terms, ending a run of two successive drops including a 0.2% fall seen in June. As a result, the Y/Y rate turned less negative at -0.2% from -0.4% in June.

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Forecast Calendar

August 24, 2012

Canada

Economic Indicators—Schedule and Forecasts

Ellis/Pumphrey/Husby

August 27 – September 7, 2012

27	28	29	30	31
			Industrial Product Prices (8:30) (NSA) M/M Y/Y May -0.1% 0.7% Jun -0.3% 0.4% **Jul (f) unch 0.8%** **Jul (c) 0.2% 1.0%** Raw Materials Prices (8:30) (NSA) M/M Y/Y May -1.1% -10.2% Jun -4.0% -11.7% **Jul (f) 2.6% -8.5%** **Jul (c) 2.5% -8.6%**	Real GDP (8:30) (Q/Q) (SAAR) 11:Q4 1.9% **12:Q2 (f) 1.5%** 12:Q1 1.9% **12:Q2 (c) 1.6%** Real GDP (8:30) (M/M) (SA) Feb -0.2% May 0.1% Mar 0.1% **Jun (f) 0.1%** Apr 0.3% **Jun (c) 0.1%**
3	**4**	**5**	**6**	**7**
Holiday		Bank of Canada Rate Decision (9:00) (**Hold.** Inflation below target, decent gains in labor market. Eurozone presents near-term risk, household debt levels a longer-term concern. U.S. recovery still soft.)		Labor Force Survey (8:30) Employment (Change, Thous., SA) Mar 82.3 Jun 7.3 Apr 58.2 Jul -30.4 May 7.7 **Aug (f) 15.0** Unemployment Rate (SA) Mar 7.2% Jun 7.2% Apr 7.3% Jul 7.3% May 7.3% **Aug (f) 7.3%** Productivity and Costs (8:30) (Q/Q) (SA) Prod. Comp. ULC 11:Q3 0.6% -0.1% -0.6% 11:Q4 0.7% 1.5% 0.8% 12:Q1 0.1% 0.5% 0.4% **12:Q2 (f) -0.3% 0.4% 0.7%** Building Permits (8:30) (M/M) (SA) Feb 7.7% May 7.4% Mar 4.9% Jun -2.5% Apr -5.2% **Jul (f) 4.0%** Ivey Purchasing Managers' Survey (10:00) (SA) Mar 63.5 Jun 49.0 Apr 52.7 Jul 62.8 May 60.5 **Aug (f) 52.0**

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

Recent History-Latest Results

20	21	22	23	24
	Wholesale Trade (8:30) (M/M) (SA) Sales Inv. Mar 0.2% 1.2% Apr 1.2% unch May 0.9% 0.1% Jun -0.1% 0.4%	Retail Trade (8:30) (M/M) (SA) Total Ex-Auto Mar 0.4% 0.2% Apr -0.6% -0.4% May 0.3% 0.5% Jun -0.4% -0.4%		

Indicator Highlights

Canada

Key potential market-moving indicators and events include: Monthly and Quarterly Real GDP (Fri., Aug. 31, 8:30 a.m.); the Bank of Canada rate decision (Wed., Sept. 5, 9:00 a.m.); the Labor Force Survey (Fri., Sept. 7, 8:30 a.m.); Productivity and Costs (Fri., Sept. 7, 8:30 a.m.); and Building Permits (Fri., Sept. 7, 8:30 a.m.).

The Monthly and Quarterly Real GDP report will update broad growth trends. While monthly GDP picks up slightly from a meager May, the quarterly number will likely disappoint relative to the latest Bank of Canada estimates.

The Bank of Canada will hold rates at 1% with below-target inflation and rising tensions in the Eurozone tilting the balance towards easing. The BoC will continue with its "wait and see" approach as rising household debt levels make them reluctant to cut rates. The Labor Force Survey provides a timely-but-volatile read on the underlying economic backdrop. The labor market is likely to rebound from a July dominated by part-time job losses. Productivity and Costs is important in the estimation of potential GDP and as a gauge of labor costs. Building permits data are notoriously volatile, but positive data is still a leading indicator for the business cycle. Low interest rates should keep activity on the upswing.

Indicator	Forecast	Consensus	Analysis
Industrial Product Prices (NSA)			
M/M	unch	+0.2%	Stronger CAD weighs on index.
Y/Y	+0.8%	+1.0%	
Raw Materials Prices (NSA)			
M/M	+2.6%	+2.5%	Input prices tick higher after five months of declines.
Y/Y	-8.5%	-8.6%	
Real GDP (Q/Q) (SAAR)	+1.5%	+1.6%	Soft Q2 growth on weak domestic consumption, global slowdown.
Real GDP (M/M) (SA)	+0.1%	+0.1%	Very modest growth.
Labor Force Survey, Employment (Change, SA)	+15,000		Snapback in volatile part-time sector.
Unemployment Rate (SA)	7.3%		Holding steady.
Productivity and Costs (Q/Q) (SA)			
Productivity	-0.3%		Competitiveness woes continue.
Compensation	+0.4%		
Unit Labor Costs	+0.7%		
Building Permits (M/M) (SA)	+4.0%		Non-residential permits recover from low June, while residential activity hums along.
Ivey Purchasing Managers' Survey (SA)	52.0		Choppy readings recently, but three-month moving average softens further.

Post Mortem—Prior Week Results

Wholesale sales decline on agricultural supplies. June wholesale sales posted a 0.1% m/m drop (Consensus: +0.3%; Decision Economics: +0.2%) to C$49.9 billion as less activity in the agricultural supplies industry (-20.5% m/m) more than offset gains in motor vehicles (+2.2%) and machinery (+1.3%) sales. Ontario, which accounts for about half of wholesale activity, was the only province with advancing sales. Wholesale sales have grown 6.3% in the last twelve months. Inventories grew 0.4% m/m (Decision Economics: +0.2%) to C$60.2 billion, pushing the inventory-to-sales ratio up one-hundredth to 1.21. As in sales, both machinery and motor vehicles boosted inventories while agriculture supplies pulled stockpiles downward.

Retail sales disappoint on broad-based declines. June retail sales declined 0.4% m/m (Consensus and Decision Economics: +0.1%) to C$38.9 billion. Retail sales have only grown 1.7% in the past year, the slowest pace in fifteen months, as households may be heeding Carney's warnings about increasing debt levels which have already reached historic highs. Ex-auto retail sales also fell by 0.4% m/m (Consensus and Decision Economics: +0.2%) to C$30.1 billion. Department store activity dropped 2.6% m/m, while motor vehicles and parts sales posted a 0.4% m/m drop. Gasoline retail sales fell 1.3% during June on lower prices, and sales at home and gardening stores fell 2.1% m/m as mild spring weather may have pulled some demand forward.

Soft data should recover with oil. This softer retail result comes on the heels of a weaker than expected wholesale trade report released Tuesday. Employment, building permits, housing starts, and the CPI have all disappointed to the downside in the latest indicator releases—suggesting the recovery may now be on softer footing and pushing the possibility of rate hikes into 2013. However, the inflation, wholesale, and retail reports have been dampened by lower oil prices. As oil prices are on the rise again, expect those indicators to show strength in the July and August data.

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