New York • London • Boston

DECISION ECONOMICS, INC.
Information for Decisions™

Forecast Calendar

September 14, 2012

Eurozone

Economic Indicators—Schedule and Forecasts (Local Times)

Wroblewski/Liu

September 17 – September 28, 2012

17 Trade Balance (Euro billion) (NSA) (11:00) '11/12 '10/11 Jun 14.9 0.2 **Jul (f) 11.0** 2.1 **Jul (c) 15.0** Labor Costs (Q2) (11:00)	**18** New Car Registrations (Aug) (8:00)	**19** Construction Output (Jul) (11:00)	**20** Purchasing Managers' Index Manufacturing, Flash (10:00) May 45.1 Aug 45.1 Jun 45.1 **Sep (f) 45.0** Jul 44.0 **Sep (c) 45.5** Service Sector Purchasing Managers Survey, Flash (10:00) May 46.7 Aug 47.2 Jun 47.1 **Sep (f) 47.8** Jul 47.9 **Sep (c) 47.5** Consumer Confidence, Flash (Sep) (16:00)	**21**
24	**25**	**26**	**27** M3 Money Supply (Y/Y) (SA) (10:00) Mar 3.2 Jun 3.2 Apr 2.6 Jul 3.8 May 3.1 **Aug (f) 3.7** Private Sector Loans (Y/Y) (SA) (10:00) Mar 0.6 Jun -0.2 Apr 0.2 Jul 0.1 May -0.1 **Aug (f) 0.1** Retail PMI (Sep) (10:10) EU Commission Business and Consumer Survey (Sep) (11:00)	**28** Harmonized Index of Consumer Prices, Flash (11:00) M/M Y/Y Jul -0.5% 2.4% Aug 0.4% 2.6% **Sep (f) 2.6%**

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

10	**11**	**12** Industrial Production (SA) (11:00) M/M Y/Y May 0.9% -2.6% Jun -0.6% -2.1% Jul 0.6% -2.3% EU Commission presented banking sector reform proposals	**13** ECB Monthly Bulletin (Sep) (10:00)	**14** Harmonized Index of Consumer Prices, Final (11:00) M/M Y/Y Jun -0.1% 2.4% Jul -0.5% 2.4% Aug 0.4% 2.6% Employment (Q2) (11:00) EU Finance Ministers meeting in Cyprus

Indicator Highlights

Key potential market-moving indicators and events include: the Visible Trade Balance (Mon. Sep. 17, 11:00 a.m.) and the flash Manufacturing and Services Purchasing Managers Indexes (Thu. Sep. 20, 10:00 a.m.). In the following week, there is Money Supply (Thu. Sep. 27, 10:00 a.m.) and preliminary Harmonized Consumer Prices (Fri. Sep. 28, 11:00 a.m.).

Seasonally adjusted **trade** data showed a larger surplus in June. The final August **manufacturing PMI** improved, exactly unwinding the drop seen in the previous month. The final **services PMI** dropped, now up only a notch from May when the index hit a seven-month low. July M3 **money supply** growth picked up further, rising clearly to the highest since May 2009. Final numbers for August confirmed that **HICP inflation** rose to a five-month high.

Indicator	Forecast	Consensus	Analysis
Visible Trade (NSA)	€ 11.0 bln	€ 15.0 bln	Oil bill rises.
Purchasing Managers' Index (SA) – Flash - Manufacturing	45.0	45.5	Still very weak, Q3 reading at cycle-low..
Purchasing Managers' Index (SA) – Flash - Services	47.8	47.5	Moving sideways.
M3 Money Supply (SA) Y/Y	3.7%		Base effects trim headline: lending still flat.
Consumer Prices – HICP (Flash) (NSA) Y/Y	2.6%		Core and headline rate moving in different directions?

Post Mortem—Prior Week Results

Output Bounces. Eurozone industrial production rose afresh in July, bouncing 0.6% M/M to unwind exactly the unrevised fall seen in June.

Inflation Risks Balanced. The editorial of the ECB's (September) Monthly Bulletin repeated the themes highlighted at last week's post-Council-meeting press-briefing by President Draghi when policy was kept on hold but the OMT was detailed.

Employment Stabilizes. Employment was unchanged in Q/Q terms in Q2, failing to accentuate the declines seen in the three previous quarters, including the 0.3% drop in Q1.

Mixed Inflation Backdrop. Final numbers for August confirmed that HICP inflation rose 0.2 percentage point to 2.6% Y/Y, thereby swinging from a 15-month low to a five-month high.

Decision Economics, Inc.
555 5th Avenue, 15th Floor
New York, New York 10017
Telephone: 212-884-9440
Facsimile: 212-884-9451

Decision Economics, Inc.
288 Bishopsgate, 2nd Floor
London EC2M 4QP
Telephone: 011-44-20-7959-3045
Facsimile: 011-44-20-7959-3344

Decision Economics, Inc.
One Boston Place, 16th Floor
Boston, Massachusetts 02108
Telephone: 617-994-0500
Facsimile: 617-994-0501/0502

Decision Economics, Inc.
2 North La Salle, Suite 1200
Chicago, IL 60602
Telephone: 312-476-7504

© 2012. Decision Economics, Inc. All rights reserved. Reproduction in whole or in part without the written permission of the copyright owner is prohibited.

New York • London • Boston

DECISION ECONOMICS, INC.
Information for Decisions™

Forecast Calendar

September 14, 2012

United Kingdom

Economic Indicators—Schedule and Forecasts (Local Times)

Wroblewski/Liu

September 17 – September 28, 2012

17	18	19	20	21
Rightmove House Prices (Sep) (00:01)	Consumer Price Index (CPI) (NSA) (9:30) M/M Y/Y Jul 0.1% 2.6% **Aug (f) 0.6% 2.6%** **Aug (c) 0.5% 2.5%** Retail Prices (NSA) (9:30) M/M Y/Y Jul 0.1% 3.2% **Aug (f) 0.6% 3.1%** **Aug (c) 0.5% 3.0%** Retail Prices, Underlying (RPIX) (NSA) (9:30) M/M Y/Y Jul 0.1% 3.2% **Aug (f) 0.6% 3.1%** **Aug (c) 0.5% 3.0%** House Price Index (Jul) (9:30)	Minutes of the Bank of England Monetary Policy Committee Meeting (September 5-6) (9:30)	Retail Sales (Volume, SA) (9:30) (Inc. Fuels) M/M Y/Y Jul 0.3% 2.8% **Aug (f) -0.5% 2.7%** **Aug (c) -0.5% 2.7%** CBI Industrial Trends Monthly Survey (Sep) (11:00)	Public Sector Net Borrowing (ex. financial interventions) (£ bln, NSA) (9:30) '11/'12 '10/'11 Jul 0.6 -2.8 **Aug (f) 15.5** 14.6 **Aug (c) 14.5**
24	**25**	**26**	**27**	**28**
Possible from today: Nationwide House Prices (Sep) (7:00)	British Bankers Association Consumer Lending (Aug) (9:30)	BoE Credit Conditions Survey (Q2) (9:30) CBI Distributive Trades Monthly Survey (Sep) (11:00)	Gross Domestic Product, Final Estimate (SA) (9:30) Q/Q Y/Y QIV'11 -0.4% 0.6% QI'12 -0.3% -0.2% **QII'12 (p) -0.5% -0.5%** **QII'12 (f) -0.4% -0.4%** Current Account Balance, (SA) (£ million) (9:30) QIII'11 -11263 QI'12 -11179 QIV'11 -7228 **QII'12 (f)-10500** Business Investment, Final (Q2) (9:30)	GfK Consumer Confidence (Sep) (00:01) Index of Services (Jul) (9:30) Productivity (Q2) (9:30)

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

10	11	12	13	14
REC/KPMG Report on Jobs (Aug) (00:01)	RICS House Price Survey (Aug) (00:01) Visible Trade Balance, Global (SA) (£ Million) (9:30) Apr -10052 Jun -10068 May -7939 Jul -7149 BoE (New) MPC Member McCafferty testified before Parliamentary Committee (10:00)	Claimant Count Unemployment, (Change Thousands) (SA) (9:30) May 6.9 Jul -13.6 Jun 1.0 Aug -15.0 ILO Unemployment Rate (3 months ending, %) (9:30) Apr 8.2 Jun 8.0 May 8.1 Jul 8.1 Average Weekly Earnings (Y/Y) (3-Month Moving Average) (9:30) Apr 1.4 Jun 1.8 May 1.7 Jul 1.5	BoE Quarterly Bulletin (Q3) (00:01)	Construction Output (Jul) (9:30)

Indicator Highlights

Key potential market-moving indicators and events include: Consumer Prices (Tue. Sep. 18, 9:30 a.m.), Retail Sales (Thu. Sep. 20, 9:30 a.m.) and Public Sector Net Borrowing (Fri. Sep. 21, 9:30 a.m.). In the following week, there is the final estimate of Q2 Gross Domestic Product and Current Account (Thu. Sep. 27, 9:30 a.m.).

July **consumer price inflation** rose afresh. Real **retail sales** (including fuels) rose further in July, accentuating the bounce seen in June. **Public sector net borrowing** excluding financial sector interventions rose in July in contrast to the repayment in the same month of last year. Real **GDP** decreased in Q/Q terms in Q2, a notch less weak than initially estimated albeit still showing a steeper fall than in Q1. The **current account** deficit widened clearly in Q1 from a smaller shortfall of in Q4.

Indicator	Forecast	Consensus	Analysis
CPI (NSA)			
M/M	0.6%	0.5%	Higher fuel prices evident.
Y/Y	2.6%	2.5%	
RPI (NSA)			
M/M	0.6%	0.5%	Downtrend still discernible.
Y/Y	3.1%	3.0%	
Retail Sales (Volumes, SA)			
M/M	-0.5%	-0.5%	First M/M fall in four months.
Y/Y	2.7%	2.7%	
Public Sector Net Borrowing (NSA)	£ 15.5 bln	£ 14.5 bln	Y/Y deterioration continues.
Gross Domestic Product (SA) – Final Estimate			
Q/Q	-0.4%		Construction weakness revised back. Saving rate detailed!
Y/Y	-0.4%		
Current Account Balance (SA)	-£ 10.5 bln		Poorer visible balance, better income.

Post Mortem—Prior Week Results

Less Soft Labor Market Signals? The latest (August) REC labor-market report pointed to a continued softening in the jobs market but (again) slightly less clearly so. Indeed, the survey showed the permanent placements index still below the key 50 mark, but rising for a second successive month, this time by 0.7 point to 48.4.

Exports Rebound Clearly. The total visible trade deficit was £ 7.15 bln in July, narrowing sharply from the record-high £ 10.07 bln gap seen in the previous month and actually the smallest shortfall since February 2011.

More Downbeat Housing Market Signals? The latest (August) Royal Institute of Chartered Surveyors house price survey showed more surveyors (realtors) reporting falling rather than rising prices, albeit less so than of late as the headline price net balance actually rose three points to -19, up from the softest reading since June last year.

Solid Labor Market Signals Continue? Claimant count unemployment actually fell further and slightly more clearly in August, and with the drop of 15 000 also being the second fall in succession, albeit still keeping the jobless rate on this basis stable at a downwardly-revised 4.8%.

Earnings Growth Remains Subdued. Average weekly earnings growth slowed 0.3 percentage point to 1.5% Y/Y in the three months to July, similar to the single month Y/Y figure reading of 1.4%.

Decision Economics, Inc.
555 5th Avenue, 15th Floor
New York, New York 10017
Telephone: 212-884-9440
Facsimile: 212-884-9451

Decision Economics, Inc.
288 Bishopsgate, 2nd Floor
London EC2M 4QP
Telephone: 011-44-20-7959-3045
Facsimile: 011-44-20-7959-3344

Decision Economics, Inc.
One Boston Place, 16th Floor
Boston, Massachusetts 02108
Telephone: 617-994-0500
Facsimile: 617-994-0501/0502

Decision Economics, Inc.
2 North La Salle, Suite 1200
Chicago, IL 60602
Telephone: 312-476-7504

© 2012. Decision Economics, Inc. All rights reserved. Reproduction in whole or in part without the written permission of the copyright owner is prohibited.

New York • London • Boston

DECISION ECONOMICS, INC.
Information for Decisions™

Forecast Calendar

September 14, 2012

Germany

Economic Indicators—Schedule and Forecasts (Local Times)

Wroblewski/Liu

September 17 – September 28, 2012

17	18	19	20	21
	ZEW Financial Experts Survey (Sep) (11:00)		Producer Prices (NSA) (8:00) M/M Y/Y Jul unch 0.9% **Aug (f) 0.7% 1.8%** **Aug (c) 0.4% 1.5%** Purchasing Managers' Survey Manufacturing, Flash (SA) (9:30) May 45.2 Aug 44.7 Jun 45.0 **Sep (f) 44.5** Jul 43.0 **Sep (c) 45.2** Purchasing Managers' Survey Services, Flash (SA) (9:30) May 51.8 Aug 48.3 Jun 49.9 **Sep (f) 49.0** Jul 50.3 **Sep (c) 48.5**	
24	**25**	**26**	**27**	**28**
Ifo Survey (SA) (2005=100) (10:00) Apr 109.8 Jul 103.2 May 106.8 Aug 102.3 Jun 105.2 **Sep (f) 102.0** **Possibly from today:** Construction Orders (Jul) (8:00) Import Prices (NSA) (8:00) M/M Y/Y Jun -1.5% 1.3% Jul 0.7% 1.2% **Aug (f) 0.5% 2.4%**	GfK Consumer Confidence Outlook (Oct) (8:00)	Cost-of-Living, Preliminary (NSA) M/M Y/Y Jul 0.4% 1.7% Aug 0.4% 2.1% **Sep (f) 0.1% 2.1%**	Unemployment (Change, 000's) (SA) (9:55) Jun 7 Aug 9 Jul 9 **Sep (f) 10** Employment (Change, 000's) (SA) (9:55) May 34 Jul 16 Jun 25 **Aug (f) 5**	

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

10	11	12	13	14
	Wholesale Price Index (NSA) (8:00) M/M Y/Y Jun -1.1% 1.1% Jul 0.3% 2.0% Aug 1.1% 3.1%	Cost-of-Living, Final (NSA) (8:00) M/M Y/Y Jun -0.1% 1.7% Jul 0.4% 1.7% Aug 0.4% 2.1% Constitutional Court ruling on the European Stability Mechanism		

Indicator Highlights

Germany

Key potential market-moving indicators and events include: Producer Prices (Thu. Sep. 20, 8:00 a.m.) and the flash Manufacturing and Services PMIs (Thu. Sep. 20, 9:30 a.m.). In the following week, there is the Ifo Survey (Mon. Sep. 24, 10:00 a.m.), Preliminary Consumer Prices (Wed. Sep. 26), Unemployment (Thu. Sep. 27, 9:55 a.m.) as well as possibly Import Prices.

July **producer prices** were flat in M/M terms following two successive falls previous months. The August **manufacturing PMI** rose, largely unwinding the fall in the previous month. The final **services PMI** for August confirmed the flash reading, sliding to a 37-month low. The August **Ifo business climate index** fell, a fourth successive drop. According to final data, August **CPI inflation** rose from the rate seen in the previous month, also being a notch above the preliminary figure. **Unemployment** increased for the fifth successive month in August and with the rise matching the July increase. **Import prices** rose in M/M terms in July, unwinding part of the in the previous month and ending a run of three successive declines.

Indicator	Forecast	Consensus	Analysis
Producer Prices (NSA)			
M/M	0.7%	0.4%	Energy-driven rise.
Y/Y	1.8%	1.5%	
Purchasing Managers' Index (SA)			
- Manufacturing – Flash	44.5	45.2	July jump pared back.
Purchasing Managers' Index (SA)			
- Services – Flash	49.0	48.5	Sector still contracting.
Ifo Survey Business Climate (SA)	102.0		Less weak manufacturing signs?
Consumer Prices – Preliminary (NSA)			
M/M	0.1%		Base effects mute further fuel rise.
Y/Y	2.1%		
Unemployment, (SA) (change, 000's)	10		Deterioration in labor market clearer.
Import Prices - (NSA)			
M/M	0.5%		Energy-led gain!
Y/Y	2.4%		

Post Mortem—Prior Week Results

Wholesale Prices Bounce More Clearly. Wholesale prices jumped 1.1% in M/M terms in August, thereby accentuating the 0.3% July increase, the latter having been the first rise in three months.

Positive ESM Court Decision. The German Constitutional Court rejected a petition that would have undermined the ratification of the Eurozone's € 500 bln ESM bailout fund.

Consumer Price Inflation Mixed. According to final data, August CPI inflation rose by 0.4 percentage point from the 1.7% Y/Y rate seen in the previous month, the 2.1% reading being a notch above the preliminary figure.

Decision Economics, Inc.
555 5th Avenue, 15th Floor
New York, New York 10017
Telephone: 212-884-9440
Facsimile: 212-884-9451

Decision Economics, Inc.
288 Bishopsgate, 2nd Floor
London EC2M 4QP
Telephone: 011-44-20-7959-3045
Facsimile: 011-44-20-7959-3344

Decision Economics, Inc.
One Boston Place, 16th Floor
Boston, Massachusetts 02108
Telephone: 617-994-0500
Facsimile: 617-994-0501/0502

Decision Economics, Inc.
2 North La Salle, Suite 1200
Chicago, IL 60602
Telephone: 312-476-7504

© 2012. Decision Economics, Inc. All rights reserved. Reproduction in whole or in part without the written permission of the copyright owner is prohibited.

New York • London • Boston

DECISION ECONOMICS, INC.
Information for Decisions™

Forecast Calendar

September 14, 2012

France

Economic Indicators—Schedule and Forecasts (Local Times)

Wroblewski/Liu

September 17 – September 28, 2012

17	18	19	20	21
			Purchasing Managers' Index Manufacturing, Flash (SA) (9:00) May 44.7 Aug 46.0 Jun 45.2 **Sep (f) 46.3** Jul 43.4 **Sep (c) 46.5** Purchasing Managers' Index Services, Flash (SA) (9:00) May 45.1 Aug 49.2 Jun 47.9 **Sep (f) 50.0** Jul 50.0 **Sep (c) 49.4**	Wages, Final (Q2) (8:45)

24	25	26	27	28
	INSEE Monthly Survey of Industry (Sep) (8:45) Housing Starts (Aug) (8:45)	INSEE Monthly Survey of Households (Sep) (8:45) Unemployment (Aug) (18:00)		Gross Domestic Product, Second Estimate, (SA) (7:30) Q/Q Y/Y QIV'11 unch 1.2% QI'12 unch 0.3% **QII'12 (p) unch 0.3%** **QII'12 (f) unch 0.3%** Household Consumption of Goods (SA) (8:45) M/M Y/Y Jun 0.1% 0.2% **Jul (f) -0.4% 0.8%** **Aug (f) unch 0.4%** Producer Prices (NSA) (8:45) M/M Y/Y Jun -0.9% 1.3% **Jul (f) 0.4% 1.3%** **Aug (f) 0.4% 1.7%**

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

10	11	12	13	14
BoF Business Sentiment Survey (Jul) (8:45) Industrial Production, exc. Construction (SA) (8:45) M/M Y/Y May -2.2% -4.0% Jun unch -2.5% Jul 0.2% -3.1% Manufacturing Production (SA) (8:45) M/M Y/Y May -1.1% -4.7% Jun unch -2.9% Jul 0.9% -2.8%	Salaried Employment, Final (SA) (8:45) Q/Q Y/Y QIV'11 -0.1% 0.5% QI'12 0.1% 0.2% QII'12 -0.1% -0.2%	Consumer Prices (NSA) (7:30) M/M Y/Y Jun unch 1.9% Jul -0.4% 1.9% Aug 0.7% 2.1%		

Indicator Highlights

Key potential market-moving indicators and events include: the flash Manufacturing and Services PMIs (Thu. Sep. 20, 9:00 a.m.). In the following week, there is the final estimate of Q2 Gross Domestic Product (Fri. Sep. 28, 7:30 a.m.), as well as Household Consumption and Producer Prices (both Fri. Sep. 28, 8:45 a.m.).

The August final **manufacturing PMI** rose, more than unwinding the fall seen in July and now a four-month high. The final **services PMI** for August fell, unwinding some of the gains seen in the two previous months. According to preliminary data, real **GDP** was flat in Q/Q terms in Q2, matching the outcomes seen in the two previous quarters. **Household spending** on goods in June rose by in M/M terms, thereby accentuating the rises of the two previous months. **Producer prices** dropped in M/M terms in June, similar to the fall of the previous month.

Indicator	Forecast	Consensus	Analysis
Purchasing Managers' Index (SA)			
- Manufacturing – Flash	46.3	46.5	Still very soft.
Purchasing Managers' Index (SA)			
- Services – Flash	50.0	49.4	Moving sideways?
Gross Domestic Product, (SA) – 2nd estimate			
Q/Q	unch		No revision expected.
Y/Y	0.3%		
Household Consumption (SA)			
M/M	unch		Small rise in Q3?
Y/Y	0.4%		
Producer Prices (NSA)			
M/M	0.4%		On the rise again!
Y/Y	1.7%		

Post Mortem—Prior Week Results

Manufacturing Bounces. Manufacturing output rose 0.9% in M/M terms in July, bouncing after the revised flat reading seen in the previous month.

Business Sentiment Recovers. In the latest (August) Bank of France monthly report, the business sentiment indicator rose for the first time this year and clearly so. It jumped three points to 93, a four-month high.

Employment Drops Afresh. Updated data for Q2 confirmed that (non-farm) employment slipped afresh, with the (unrevised) 0.1% Q/Q decrease exactly reversing the positive swing seen in the previous quarter.

Inflation Rises. Headline CPI inflation rose 0.2 percentage point, to 2.1% Y/Y in August, up from the lowest since July last year.

Decision Economics, Inc.
555 5th Avenue, 15th Floor
New York, New York 10017
Telephone: 212-884-9440
Facsimile: 212-884-9451

Decision Economics, Inc.
288 Bishopsgate, 2nd Floor
London EC2M 4QP
Telephone: 011-44-20-7959-3045
Facsimile: 011-44-20-7959-3344

Decision Economics, Inc.
One Boston Place, 16th Floor
Boston, Massachusetts 02108
Telephone: 617-994-0500
Facsimile: 617-994-0501/0502

Decision Economics, Inc.
2 North La Salle, Suite 1200
Chicago, IL 60602
Telephone: 312-476-7504

© 2012. Decision Economics, Inc. All rights reserved. Reproduction in whole or in part without the written permission of the copyright owner is prohibited.

New York • London • Boston

DECISION ECONOMICS, INC.
Information for Decisions™

Forecast Calendar

September 14, 2012

Italy

Economic Indicators—Schedule and Forecasts (Local Times)

Wroblewski/Liu

September 17 – September 28, 2012

17

Visible Trade Balance, Global (NSA) (Euro billion) (11:00)

	'11/12	'10/11
May	1.0	-2.2
Jun	2.5	-1.7
Jul (f)	**1.8**	1.5

18

19

20

Industrial Orders (NSA) (Y/Y) (10:00)

Jan	-5.6%	Apr	-12.3%
Feb	-13.2%	May	-9.4%
Mar	-14.3%	**Jun/Jul (f)**	**-11.0%**

21

24

25

ISAE Consumer Sentiment (Aug) (10:00)

Hourly Wages (NSA) (Y/Y) (11:00)

Mar	1.2%	Jun	1.5%
Apr	1.4%	Jul	1.5%
May	1.4%	**Aug (f)**	**1.5%**

26

Retail Sales (NSA) (Y/Y) (10:00)

Feb	0.5%	May	-1.7%
Mar	1.5%	Jun	-0.5%
Apr	-6.8%	**Jul (f)**	**-1.6%**

27

ISAE Business Sentiment (Aug) (10:00)

28

Producer Prices (NSA) (10:00)

	M/M	Y/Y
Jun	-0.1%	2.2%
Jul	0.4%	2.4%
Aug (f)	**0.4%**	**2.6%**

NIC Consumer Prices, Preliminary, (NSA) (11:00)

	M/M	Y/Y
Jul	0.1%	3.1%
Aug	0.4%	3.2%
Sep (f)	**unch**	**3.2%**

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

10

Gross Domestic Product, Second Estimate (SA) (11:00)

	Q/Q	Y/Y
QIV'11	-0.7%	-0.5%
QI'12	-0.8%	-1.5%
QII'12	-0.8%	-2.6%

11

12

Industrial Production* (10:00)

	M/M	Y/Y
May	1.0%	-6.7%
Jun	-1.3%	-7.9%
Jul	-0.2%	-7.3%

13

NIC Consumer Prices, Final, (NSA) (11:00)

	M/M	Y/Y
Jun	0.2%	3.3%
Jul	0.1%	3.1%
Aug	0.4%	3.2%

14

* 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 Global Trade Balance (Mon. Sep. 17, 11:00 a.m.) and Industrial Orders (Thu. Sep. 20, 10:00 a.m.). In the following week, there are Hourly Wages (Tue. Sep. 25, 11:00 a.m.), Retail Sales (Wed. Sep. 26, 10:00 a.m.), Producer Prices (Fri. Sep. 28, 10:00 a.m.) and Consumer Prices (Fri. Sep. 28, 11:00 a.m.).

The (unadjusted) June **trade balance** showed a swing into surplus from the deficit seen in the same month of 2011. Data for May showed that **industrial orders** fell, albeit a slightly less steep drop than the decline seen in April. **Hourly wage** growth for July was unchanged from June, but still up from the cycle-low posted in March. Unadjusted nominal **retail sales** dropped in June, albeit a less steep fall than the decline posted in the preceding month. Matching preliminary data, final numbers showed **consumer price inflation** rising in August from a July reading which was the lowest in almost a year.

Indicator	Forecast	Consensus	Analysis
Trade Balance – Global	€ 1.8 bln		More clues of after ex-EU trade numbers.
Industrial Orders (NSA)			
Y/Y	-11.0%		Clear weakness continues.
Hourly Wages			
Y/Y	1.5%		Still very soft.
Retail Sales (NSA)			
Y/Y	-1.6%		Clearly falling.
Producer Prices (NSA)			
M/M	0.4%		Mainly energy-led.
Y/Y	2.6%		
Consumer Prices – Preliminary (NSA)			
M/M	unch		Several major base effects at work.
Y/Y	3.2%		

Post Mortem—Prior Week Results

Continued Recession But No Deeper? Q2 GDP decreased by 0.8% Q/Q, a notch more severe than suggested by the preliminary reading, thereby matching the drop of the previous quarter.

Industrial Production Drops Further. July industrial production dropped further, albeit with the 0.2% seasonally adjusted M/M fall far less acute than the little-revised 1.3% June correction.

Mixed Inflation Picture. Matching preliminary data, final numbers showed that consumer price inflation increased 0.1 percentage point to 3.2% Y/Y in August, up from a July reading which had been the lowest in almost a year.

Decision Economics, Inc.
555 5th Avenue, 15th Floor
New York, New York 10017
Telephone: 212-884-9440
Facsimile: 212-884-9451

Decision Economics, Inc.
288 Bishopsgate, 2nd Floor
London EC2M 4QP
Telephone: 011-44-20-7959-3045
Facsimile: 011-44-20-7959-3344

Decision Economics, Inc.
One Boston Place, 16th Floor
Boston, Massachusetts 02108
Telephone: 617-994-0500
Facsimile: 617-994-0501/0502

Decision Economics, Inc.
2 North La Salle, Suite 1200
Chicago, IL 60602
Telephone: 312-476-7504

© 2012. Decision Economics, Inc. All rights reserved. Reproduction in whole or in part without the written permission of the copyright owner is prohibited.

New York • London • Boston
DECISION ECONOMICS, INC.
Information for Decisions™

Forecast Calendar

September 14, 2012

Japan

Economic Indicators—Schedule and Forecasts

Ellis/Wroblewski

September 17 – September 28, 2012 (Local Times)

17
Holiday

18
BOJ Monetary Policy Meeting

19
BOJ Monetary Policy Meeting

BOJ Shirakawa Press Conference
(15:30)

20
Merchandise Trade Balance
(¥Billion, NSA) (8:50)

	2012	2011
Jun	60.3	64.5
Jul	-517.4	69.7
Aug (f)	**-835.0**	-777.5

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

Apr	0.1%	Jun	0.2%
May	-0.2%	**Jul (f)**	**-0.8%**

BOJ Monthly Report (14:00)
(September)

21

24
BOJ Monetary Policy Meeting
Minutes (8:50)
(August 8-9)

BOJ Yamaguchi Speech
(14:00)
(Asian Affairs Research Council)

25
Corporate Services Prices (Y/Y)
(8:50)

Mar	-0.2%	Jun	-0.4%
Apr	0.2%	Jul	-0.2%
May	0.1%	**Aug (f)**	**-0.2%**

26

27

28
Tokyo CPI (Y/Y) (8:30)

	Total	Ex-Fresh Food
Aug	-0.7%	-0.5%
Sep (f)	**-0.7%**	**-0.5%**

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

	Total	Ex-Fresh Food
Jul	-0.4%	-0.3%
Aug (f)	**-0.3%**	**-0.2%**

Unemployment Rate (SA) (8:30)

May	4.4%	Jul	4.3%
Jun	4.3%	**Aug (f)**	**4.3%**

Effective Job Offers to Applicants
Ratio (8:30)

May	0.81	Jul	0.83
Jun	0.82	**Aug (f)**	**0.84**

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

	PCE (All)	PCE (Workers)	Disp. Income
Jun	1.6%	2.5%	3.7%
Jul	1.7%	1.5%	-4.0%
Aug (f)	**1.6%**	**2.0%**	**1.0%**

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

May	3.6%	Jul	-0.8%
Jun	0.2%	**Aug (f)**	**1.5%**

Industrial Production
(SA) (M/M) (13:30)

May	-3.4%	Jul	-1.0%
Jun	0.4%	**Aug (f)**	**0.5%**

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

May	9.3%	Jul	-9.6%
Jun	-0.2%	**Aug (f)**	**-7.3%**

MOF FX Intervention Report
(19:00) (September)

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

Recent History-Latest Results

10
Real GDP Revised (Q/Q) (8:50)

11:Q4	0.1%	12:Q2 (p)	0.3%
12:Q1	1.3%	12:Q2	0.2%

Bank Lending (Y/Y) (8:50)

May	0.2%	Jul	0.7%
Jun	0.6%	Aug	0.9%

Current Account Balance
(¥Billion, NSA) (8:50)

	2012	2011
May	215.1	574.4
Jun	433.3	538.9
Jul	625.4	1053.7

Current Account Visible Trade
(¥Billion, NSA) (8:50)

	2012	2011
May	-848.2	-771.3
Jun	112.0	129.9
Jul	-373.6	141.8

11
Money Supply (M2) (Y/Y) (8:50)

Mar	3.0%	Jun	2.2%
Apr	2.6%	Jul	2.2%
May	2.2%	Aug	2.4%

MOF Business Outlook Survey
(8:50) (Third Quarter)

12
Corporate Goods Price Index
(Y/Y) (8:50)

Mar	0.3%	Jun	-1.4%
Apr	-0.4%	Jul	-2.2%
May	-0.7%	Aug	-1.8%

Tertiary Industry Activity
(SA) (M/M) (8:50)

Feb	unch	May	0.9%
Mar	-0.6%	Jun	0.2%
Apr	-0.2%	Jul	-0.8%

Machinery Orders, Core (SA)
(8:50)

Feb	2.8%	May	-14.8%
Mar	-2.8%	Jun	5.6%
Apr	5.7%	Jul	4.0%

13

14
Industrial Production (Revised)
(SA) (M/M) (13:30)

Mar	1.3%	Jun	0.4%
Apr	-0.2%	Jul (p)	-1.2%
May	-3.4%	Jul	-1.0%

Indicator Highlights

Key potential market-moving indicators and events include: the Merchandise Trade Balance (Thu., Sep. 20, 8:50); Tokyo and Nationwide CPI (Fri., Sep. 28, 8:30); Unemployment Rate (Fri., Sep. 28, 8:30); Effective Job Offers to Applicants Ratio (Fri., Sep. 28, 8:30);Family Income and Expenditure Survey (Real) (Fri., Sep. 28, 8:30); Retail Sales (Fri., Sep. 28, 8:30); Industrial Production (Fri., Sep. 28, 8:50); and Housing Starts (Fri., Sep. 28, 14:00).

Bank of Japan policymakers will confront evidence of a new manufacturing decline, and seriously debate a further stepping-up of asset purchases. Merchandise trade results will be watched for signs of further significant export deterioration.

CPI data are a prompt to political pressure on the Bank of Japan, but the month-to-month impact on monetary policy decisions is limited. Labor-market results are most closely watched for the indication on demand given by the offers-to-applicants ratio. Family Survey, retail sales, and housing starts data give consumer updates from several perspectives—important now information on a sector critical to maintain upward momentum in the economy.

Indicator	Forecast	Consensus	Analysis
Merchandise Trade Balance (NSA)	-¥835.0 Billion		Relatively mild deterioration from disastrous year-ago number.
All Industry Activity (SA) (M/M)	-0.8%		Declines in manufacturing and in tertiary industries.
Corporate Services prices (Y/Y)	-0.2%		Very modest running deflation.
Tokyo CPI (Y/Y)			
Total	-0.7%		Underlying deflation not worsening, but not improving.
Ex-Fresh Food	-0.5%		
Nationwide CPI (Y/Y)			
Total	-0.3%		
Ex-Fresh Food	-0.2%		
Unemployment Rate (SA)	4.3%		Still steady, and not healthy.
Effective Job Offers to Applicants Ratio	0.84		Labor demand continues to grow, but slowly.
Family Income and Expenditure Survey (Real) (Y/Y)			
PCE (All)	+1.6%		In-line with recent trends.
PCE Workers	+2.0%		
Disposable Income	+1.0%		
Retail Sales (Y/Y)	+1.5%		Weakening year-ago base eases comparison.
Industrial Production (SA) (M/M)	+0.5%		Relatively mild rebound.
Housing Starts (Y/Y)	-7.3%		Running rate stable. Very tough year ago comparison.

Post Mortem—Recent Data Results

GDP Growth Slows. Surprising to the downside, the Q2 updated estimate showed GDP expanding slightly less clearly, rising 0.2% Q/Q (0.7% annualized), the figure being 0.1 percentage point below the preliminary reading and a contrast to the 1.3% reading the previous quarter. The Q/Q break-down confirmed that the anticipated downward revision was sourced in inventories. Meanwhile, the Q1 GDP deflator fell by 0.9% Y/Y, a less steep drop than the 1.3% fall in Q4.

Lending Growth Less Soggy. Bank lending data for August showed total bank loan growth up at 0.9% Y/Y, 0.2 percentage point up on the previous month and the eleventh successive positive reading.

Smaller Current Account Surplus. Surprising to the downside somewhat, the July (adjusted) current account surplus was ¥ 335.4 bln, down clearly from ¥ 773.6 bln seen in June. There was also a deterioration in the unadjusted current account surplus which narrowed to ¥ 625.4 bln in July from ¥ 1053.7 bln in the same month last year.

Less Slow Monetary Growth. Coming in largely as expected, August M2 money supply growth was 2.4% Y/Y, 0.2 percentage point up on the unrevised June and May outcomes and a four-month high. Meanwhile, growth in the broader M3 measure picked up similarly but to 2.1% Y/Y.

Corporate Goods Prices Recover. Coming in higher than expected for once, corporate good prices increased 0.3% M/M in August ending a run of three successive falls. Y/Y growth, partly as a result, turned slightly less negative at -1.8%. The data showed both export and import price pressures turning less negative.

Tertiary Index Corrects Back. Showing a clear correction back, the July tertiary index dropped 0.8% in M/M terms, the first fall in three months and a contrast to the 0.2% June gain. The Y/Y rate, however, slowed a touch to 0.8%.

Orders Rise Further. Surprising to the upside, core machinery orders (excluding shipping and utilities) jumped additionally in July, rising 4.6% M/M, thereby accentuating the 5.6% bounce seen in the previous month. Notably, the latest bounce came on the manufacturing side with non-manufacturing slipping a little.

Industrial Production Falls Afresh. Coming in 0.2 percentage point less weak than the preliminary figure, final data for July still showed industrial production falling for third month in four, with the 1.0% M/M slippage more than unwinding the 0.4% bounce posted in June. Elsewhere, the data also showed a further but pared back slide in shipments in July (-3.1%), while inventories rose a little-revised 2.9%.

Decision Economics, Inc.
555 5th Avenue, 15th Floor
New York, New York 10017
Telephone: 212-884-9440
Facsimile: 212-884-9451

Decision Economics, Inc.
288 Bishopsgate, 3rd Floor
London EC2M 4QB
Telephone: 011-44-20-7814-6706
Facsimile: 011-44-20-7959-3344

Decision Economics, Inc.
One Boston Place, 16th Floor
Boston, Massachusetts 02108
Telephone: 617-994-0500
Facsimile: 617-994-0501/0502

© 2012. Decision Economics, Inc. All rights reserved. Reproduction in whole or in part without the written permission of the copyright owner is prohibited.

New York • London • Boston
DECISION ECONOMICS, INC.
Information for Decisions™

Forecast Calendar

September 14, 2012

Canada

Economic Indicators—Schedule and Forecasts

Ellis/Pumphrey/Husby

September 17 –28, 2012

17	18	19	20	21
				Consumer Prices (8:30) (Y/Y) Total: Jun 1.5%, Jul 1.3%, **Aug (f) 1.5%**, **Aug (c) 1.3%** BOC Core: Jun 2.0%, Jul 1.7%, **Aug (f) 1.7%**, **Aug (c) 1.6%** Wholesale Trade (8:30) (M/M) (SA) Sales: May 0.9%, Jun -0.1%, **Jul (f) 0.4%**, **Jul (c) -0.2%** Inv.: May 0.1%, Jun 0.4%, **Jul (f) 0.1%**
24	**25**	**26**	**27**	**28**
Carney Speech (15:00) (Council of Chief Executives; Ottawa, ON)	Retail Trade (8:30) (M/M) (SA) Total: Apr -0.6%, May 0.2%, Jun -0.4%, **Jul (f) unch** Ex-Auto: Apr -0.4%, May 0.4%, Jun -0.4%, **Jul (f) 0.2%** Lane Speech (14:15) (CFA Society; Calgary, AB)			Real GDP (8:30) (M/M) (SA) Feb -0.2%, Mar 0.1%, Apr 0.4% May 0.1%, Jun 0.2%, **Jul (f) unch**

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

Recent History-Latest Results

10	11	12	13	14
	Housing Starts (8:15) (Thousand, SAAR) Mar 214.2, Apr 252.1, May 216.2 Jun 222.1, Jul 208.0, Aug 224.9 International Trade (8:30) (Balance, C$ Billion, SA) Feb 0.0, Mar 0.1, Apr -0.5 May -1.0, Jun -1.8, Jul -2.3		Capacity Utilization (8:30) 11:Q3 79.9%, 11:Q4 80.5% 12:Q1 80.7%, 12:Q2 81.0%	Survey of Manufacturing (8:30) (M/M) (SA) Ships.: Apr -0.5%, May 0.4%, Jun -0.8%, Jul -1.5% Inv.: Apr 1.3%, May 1.5%, Jun -1.8%, Jul 1.0% New Ord.: Apr -3.1%, May 1.6%, Jun 1.0%, Jul -5.6%

Indicator Highlights

Key potential market-moving indicators and events include: the Consumer Price Index (Fri., Sept. 21, 8:30 a.m.); Retail Trade (Tues., Sept. 25, 8:30 a.m.); and Monthly Real GDP (Fri., Sept. 28, 8:30 a.m.).

Consumer prices will be impacted by a modest rise in gasoline prices, but the total CPI is still running well below the 2.0% y/y forecasted by the Bank of Canada for Q3.

Retail trade data will continue to plod along in the face of both domestic and foreign uncertainties. Results will be watched as a barometer of domestic demand, particularly as the Bank of Canada is forecasting over half of growth this year to come from domestic consumption. The Monthly Real GDP report will update broad growth trends, with signs pointing to further deceleration through mid-year.

Indicator	Forecast	Consensus	Analysis
Consumer Prices (Y/Y)			
Total	+1.5%	+1.3%	Gasoline prices higher month-on-month, and compared to weak year-ago base.
Core	+1.7%	+1.6%	
Wholesale Trade (M/M)			
Sales	+0.4%	-0.2%	Inventories to post eighth consecutive month of growth.
Inventories	+0.1%		
Retail Trade (M/M)			
Total	unch		Vehicle sales drag on weak retail activity.
Ex-Auto	+0.2%		
Real GDP (M/M) (SA)	unch		Weak exports, softer consumer spending.

Post Mortem—Prior Week Results

Housing starts surge despite tighter mortgage rules. August housing starts came in at a 224,900 seasonally adjusted annualized pace (Consensus: 200,000; Decision Economics: 210,000), up from 208,000 in July when mortgage regulations were tightened. The increase in pace was concentrated in the more overheated markets. Starts in urban areas increased 10.2% m/m and 20.1% over the past twelve months, while multi-family starts in urban areas increased 15.5% m/m and 37.7% year-over-year. This fresh data casts doubt on whether the tighter mortgage standards can effectively stem overbuilding, particularly in the urban condominium markets. DE research suggests that a pace of around 180,000 is supported by population demographics.

Trade deficit widens on energy, machinery. The trade balance deteriorated in July to –C$2.3 billion (Consensus: -C$1.4 billion; Decision Economics: -C$0.5 billion) from –C$1.3 billion in June. Exports fell 3.4% m/m—led by drops in exports to the U.S. (-5% m/m) and Japan (-5.4% m/m)—to C$37.7 billion. Exports of energy products slid 8.5% m/m mostly on crude oil, while machinery exports declined 5.5% m/m as aircraft and parts dropped 19.6% m/m. Canadian imports also eased 2.2% m/m to C$40.1 billion mostly on energy products. In volume terms, exports declined 2% m/m while imports fell 1.2% m/m. The Canadian trade surplus with the U.S. narrowed to C$2.1 billion from C$3 billion, while its trade deficit with the rest of the world also narrowed to -C$4.4 billion from –C$4.9 billion.

As the Canadian dollar has appreciated and is trading close to parity with the USD, it is not surprising that exports to the U.S. are suffering. For this reason, among others, Bank of Canada Governor Mark Carney has been pushing Canadian businesses to diversify exports away from the U.S. and towards faster-growing emerging markets. One bright spot in the trade report is that exports to the UK and Eurozone increased 0.9% m/m and showed no further signs of deteriorating demand.

Capacity utilization shows less slack remains. Second-quarter capacity utilization came in at 81.0% (Consensus: 81.1%; Decision Economics: 80.5%), up three tenths from a Q1. Gains were spread throughout the economy with 11 of 21 sectors reporting reduced slack. The manufacturing sector matched the broader trend, also increasing 0.5 percentage points to 81.6%. The transportation industry is operating at 91.7% of its potential capacity, up 11.4% from a year ago. Oil and gas extraction has an 89.9% capacity utilization rate (+7.9% y/y).

The Capacity Utilization rate is at a five-year high, and 10.3% higher than the 2009 low. As capacity utilization is an inflation indicator, this data lends support to the Bank of Canada bias towards tightening. While CPI is currently running at 1.3% y/y—well below the 2% target—it is mostly on gas prices which were depressed through most of Q2. Moreover, while Canada has elevated unemployment, at 7.3% it is nearly a full percentage point lower than the U.S. Therefore, Canada is not as behind on its explicit policy goal (price stability) and implicit goal (full employment) and it is not unreasonable that the BoC thinks "some withdrawal" of stimulus is forthcoming as the next policy move.

Manufacturing report disappoints. Shipments by Canadian manufacturers declined 1.5% m/m (Consensus and Decision Economics: +0.5%) to C$48.3 billion in July. The drop was centered in durable goods (-2.7% m/m) as shipments in the transportation equipment sector posted a -6.4% m/m print. While aerospace products and parts contributed to the result—falling 22.1% m/m—motor vehicle, railroad, and boat parts also fell. Machinery also slid 2.4% m/m. Crude oil shipments, which had been a drag on shipments in the past quarter, were unchanged.

Inventories increased 1% m/m (Decision Economics: +0.2%) to C$65.5 billion, on increasing stockpiles of durable goods. As a result, the inventory-to-sales ratio increased to 1.36 from 1.32 a month ago. New orders fell 5.6% m/m to C$47.5 billion, mostly on aerospace product ordrers.

In constant dollar terms—which remove the effect of price changes and can be a better indicator of underlying activity—the results were worse, with shipments falling 2% m/m. Shipments have now advanced 2.3% y/y while new orders have declined 1.1% y/y—both the weakest results since late 2009.

The tone of the report is clearly weaker, with the strong currency likely weighing on shipments as well as new orders. However, aerospace shipments and orders are notoriously volatile, so more data is needed before any judgment can be made about the state of the manufacturing sector.

Decision Economics, Inc.
555 5th Avenue, 15th Floor
New York, New York 10017
Telephone: 212-884-9440
Facsimile: 212-884-9451

Decision Economics, Inc.
288 Bishopsgate, 3rd Floor
London EC2M 4QB
Telephone: 011-44-20-7814-6706
Facsimile: 011-44-20-7959-3344

Decision Economics, Inc.
One Boston Place, 16th Floor
Boston, Massachusetts 02108
Telephone: 617-994-0500
Facsimile: 617-994-0501/0502

© 2012. Decision Economics, Inc. All rights reserved. Reproduction in whole or in part without the written permission of the copyright owner is prohibited.