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Forecast Calendar

October 12, 2012

United States

Economic Indicators—Schedule and Forecasts

October 15 – 26, 2012

Sinai/Ellis/Pumphrey

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

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Dudley Speech (8:00)
(NABE Conference; New York)

Empire State Manufacturing Survey
(8:30)

	Total	Prices
Sep	-10.4	19.1
Oct (f)	**-8.2**	**21.8**
Oct (c)	**-4.0**	

Advance Retail Sales (8:30)

	Total	Ex-Auto
Aug	0.9%	0.8%
Sep (f)	**0.8%**	**0.9%**
Sep (c)	**0.8%**	**0.6%**

Business Inventories, Sales
(10:00)

	Inven.	Sales	I/S
Jul	0.8%	0.9%	1.28
Aug (f)	**0.5%**	**0.4%**	**1.28**
Aug (c)	**0.5%**		

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

Lacker Speech (12:45)
(Economic Outlook; Roanoke, VA)

Bullard Speech (13:10)
(Missouri Council on Economic Education; St. Louis)

Williams Speech (20:30)
(Prospective on the Economy; Financial Womens Association, San Francisco)

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ICSC/Goldman Sachs Chain Sales
(7:45) (10/13)

Consumer Price Index (8:30)

	Total	Ex-F&E
Aug	0.6%	0.1%
Sep (f)	**0.5%**	**0.2%**
Sep (c)	**0.5%**	**0.2%**

Redbook Chain Sales (8:55)
(10/13)

Monthly TIC flows (9:00) (Aug)

Industrial Production & Capacity Utilization (9:15)

	Prod.	Util.
Aug	-1.1%	78.2%
Sep (f)	**0.3%**	**78.4%**
Sep (c)	**0.2%**	**78.3%**

NAHB Housing Market Index
(10:00)

Jun	29	Sep	40
Jul	35	**Oct (f)**	**42**
Aug	37	**Oct (c)**	**41**

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

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

Lockhart Speech (12:00)
(World Affairs Council of Atlanta)

Raskin Speech (12:00)
(Financial Regulation; Boston, MA)

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Housing Starts (8:30)
(Units, Thousands, SAAR)

	Starts	Permits
Aug	750	801
Sep (f)	**762**	**812**
Sep (c)	**770**	**810**

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Initial Claims (8:30)

9/29	369	**10/13 (f)**	**365**
10/6	339	**10/13 (c)**	**365**

Philadelphia Fed Survey (10:00)

	Total	Prices
Sep	-1.9	8.0
Oct (f)	**2.5**	**9.5**
Oct (c)	**0.0**	

Leading Indicators (10:00)

May	0.3%	Aug	-0.1%
Jun	-0.5%	**Sep (f)**	**0.2%**
Jul	0.5%	**Sep (c)**	**0.2%**

30-Year TIPS (13:00)
$7.0 Billion

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

May	4.62	Aug	4.82
Jun	4.37	**Sep (f)**	**4.80**
Jul	4.47	**Sep (c)**	**4.75**

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

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ICSC/Goldman Sachs Chain Sales
(7:45) (10/20)

Redbook Chain Sales (8:55)
(10/20)

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

2-Year Note (13:00)
$35.0 Billion (f)

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

Apr	358	Jul	374
May	369	Aug	373
Jun	361	**Sep (f)**	**367**

FOMC Meeting & Statement
(14:15)

5-Year Note (13:00)
$35.0 Billion (f)

25

Durable Goods (8:30)

	Orders	Ex-Def.	Ships.
Jul	3.3%	4.7%	1.9%
Aug	-13.2%	-12.4%	-3.0%
Sep (f)	**5.0%**	**5.0%**	**1.0%**

Initial Claims (8:30)

9/29	369	**10/13 (f)**	**365**
10/6	339	**10/20 (f)**	**360**

Pending Home Sales (10:00)

Apr	-5.5%	Jul	2.6%
May	5.5%	Aug	-2.7%
Jun	-1.4%	**Sep (f)**	**2.5%**

7-Year Note (13:00)
$29.0 Billion (f)

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Gross Domestic Product (8:30)
(Advance)

	Real	Final Sales	Chain Prices
12:Q1	2.0%	2.4%	2.0%
12:Q2	1.3%	1.7%	1.6%
12:Q3 (a)	**1.6%**	**1.5%**	**1.6%**

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

Jun	73.2	Sep	78.3
Jul	72.3	Oct (p)	83.1
Aug	74.3	**Oct (f)**	**83.6**

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

	1-Year	5-Year
Sep	3.3%	2.8%
Oct (p)	3.1%	2.6%
Oct (f)	**3.2%**	**2.7%**

Recent History-Latest Results

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ICSC/Goldman Sachs Chain Sales
(7:45) (10/6)

Redbook Chain Sales (8:55)
(10/6)

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

3-Year Note (13:00)
$32.0 Billion

10

Wholesale Inventories (10:00)

Mar	0.3%	Jun	-0.2%
Apr	0.5%	Jul	0.6%
May	unch	Aug	0.5%

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

10-Year Note (13:00)
$21.0 Billion

FOMC Beige Book (14:00)

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Import Prices (Non-Fuel, Y/Y)
(8:30)

Apr	1.3%	Jul	unch
May	1.0%	Aug	-0.5%
Jun	0.6%	Sep	-0.5%

Trade Balance (8:30)
($ Billions, BOP Basis)

	Total	Merch.	Serv.
Jun	-41.9	-57.4	15.5
Jul	-42.4	-57.8	15.4
Aug	-44.2	-59.3	15.1

Initial Claims (8:30)

9/15	385	9/29	369
9/22	363	10/6	339

30-Year Bond (13:00)
$13.0 Billion

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Producer Price Index (8:30)

	Total	Ex-F&E
Jul	0.3%	0.4%
Aug	1.7%	0.2%
Sep	1.1%	unch

U of M Cons Sentiment Index
(9:55) (Prelim.)

May	79.3	Aug	74.3
Jun	73.2	Sep	78.3
Jul	72.3	Oct	83.1

U of M Inflation Expectations
(9:55) (Prelim.)

	1-Year	5-Year
Aug	3.6%	3.0%
Sep	3.3%	2.8%
Oct	3.1%	2.6%

Treasury Statement (14:00)
($ Billions)

	2012	2011
Jul	-69.6	-129.4
Aug	-190.5	-134.1
Sep	75.0	-62.8

Indicator Highlights

The Empire State Manufacturing (Mon., Oct. 15, 8:30 a.m.) and Philadelphia Fed Manufacturing (Thurs., Oct. 18, 10:00 a.m.) surveys are important gauges of regional manufacturing activity. Both surveys exhibit a worrying trend of weakening activity combining with positive input prices—suggesting narrowing margins. Will the ISM be next? Retail Sales (Mon., Oct. 15, 8:30 a.m.), a key indicator for consumption, sometimes marks well the direction of aggregate consumer spending. With the Bush payroll tax cuts set to expire as part of the Fiscal Cliff, the data may reveal a more moderate trend as households anticipate the change. If the cuts are allowed to expire, about $134 billion would be redirected from paychecks to the federal government next year. The Consumer Price Index (CPI-U) (Tues., Oct. 16, 8:30 a.m.) is important for its overall and "core" readings on inflation, the latter for the Fed. Industrial Production & Capacity Utilization (Tues., Oct. 16, 9:15 a.m.) will give a detailed read on industrial-side activity and capacity use progress. Slack, as measured by capacity utilization, is of interest particularly as Fed doves cite lack of inflationary pressures as rationale for QE3. Housing Starts (Wed., Oct. 17, 8:30 a.m.) will provide a forward look at residential construction, a component of real GDP, though less than 3% now; five years ago it was 6%. With home prices recovering and inventories reaching pre-crisis levels, will starts show a further pickup? Existing Home Sales (Fri., Oct. 19, 10:00 a.m.) tracks completed transactions in the major part of the housing market. Although starts are picking up, existing homes make up over 90% of the market.

New Home Sales (Wed., Oct. 24, 10:00 a.m.) give a very prompt reading on buying decisions in the sector which generates new construction. With inventories low, a pickup in sales would promote new starts. The Advance release of third quarter Gross Domestic Product (Fri., Oct. 26, 8:30 a.m.) will give a first look into the overall economy and the degree of strength for the economic expansion. With Q2 real GDP disappointing at 1.3% annualized, any strength may be viewed more as a catch up than an acceleration in growth. Consumer spending a key aggregate; exports important because of Eurozone downturn. Can QE3 restore business and consumer confidence enough to bolster real activity?

Indicator	Forecast	Consensus	Analysis
Empire State Manufacturing Survey			
Total	-8.2	-4.0	Small upward move in activity.
Prices	21.8		Moderate advance in prices.
Advance Retail Sales			
Total	+0.8%	+0.8%	Another big price-driven rise in gasoline sales and a lift from autos. Elsewhere, moderate.
Ex-Auto	+0.9%	+0.6%	
Business Inventories, Sales			
Inventories	+0.5%	+0.5%	Third quarter inventory growth coming in strong.
Sales	+0.4%		
I/S	1.28		
Consumer Price Index			
Total	+0.5%	+0.5%	Gasoline prices up again, services firmer too.
Ex-Food & Energy	+0.2%	+0.2%	
Industrial Production	+0.3%	+0.2%	No sustained vigor in manufacturing.
Capacity Utilization	78.4%	78.3%	Negligible firming.
NAHB Housing Market Index	42	41	Housing market shows continued strength.
Housing Starts (Units, SAAR)	762,000	770,000	Housing starts still firming gradually.
Housing Permits (Units, SAAR)	812,000	810,000	Permits advance a little.
Philadelphia Fed Manufacturing Survey			
Total	2.5	0.0	Modest increase in activity.
Prices	9.5		Meaningless increase from September.
Leading Indicators	+0.2%	+0.2%	Better financial conditions, weakened activity components.
Existing Home Sales (Units, SAAR)	4.80 Million	4.75 Million	Holding steady, after solid August rise.
New Home Sales (Units, SAAR)	367,000		Some downward movement from July and August, but still solid.
Durable Goods			
Orders	+5.0%		A rebound in commercial aircraft orders.
Ex-Defense	+5.0%		
Shipments	+1.0%		
Pending Home Sales	+2.5%		Choppy behavior of past months continues.
Gross Domestic Product (Advance)			
Real	+1.6%		Final sales slack, inventories firm.
Final Sales	+1.5%		
Chain Prices	+1.6%		
U. of M. Consumer Sentiment Index (Final)	83.6		Substantial improvement since July, particularly in the economic outlook.
U. of M. Inflation Expectations (Final)			
1-Yr Ahead (Median)	+3.2%		Inflation expectations revert somewhat.
5-Yr Ahead (Median)	+2.7%		

Assessment

Q3 track on U.S. economy a little stronger than first half—relative strengths: consumption and housing. 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 Survey data. The look ahead, six months out and beyond, is better. Europe recession for Q4, Q1 and Q2, now looks longer, deeper, and continuing into 2013—biggest issue for global economy through trade. Federal Reserve has eased sharply on "grave" situation in labor market. Fed "Quantitative Easing Unlimited" to continue until conditions improve 'substantially," or the unemployment rate tacks down into the 7% range. More Fed members dovish now, this is huge support.

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