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Information for Decisions™

Forecast Calendar

October 12, 2012

Eurozone

Economic Indicators—Schedule and Forecasts (Local Times)

Wroblewski/Liu

October 15 – October 26, 2012

15	16	17	18	19
	Harmonized Index of Consumer Prices, Final (11:00) M/M Y/Y Aug 0.4% 2.6% **Sep (p) 2.7%** **Sep (f) 0.8% 2.7%** **Sep (c) 0.7% 2.7%** Trade Balance (Euro billion) (NSA) (11:00) '11/12 '10/11 Jul 15.6 2.1 **Aug (f) 8.0** -5.7 **Aug (c) 10.0** New Car Registrations (Sep) (8:00)	Construction Output (Aug) (11:00)	EU Leaders Summit in Brussels Begins	EU Leaders Summit in Brussels Continues
22	**23**	**24**	**25**	**26**
	Consumer Confidence, Flash (Oct) (16:00)	Purchasing Managers' Index Manufacturing, Flash (10:00) May 45.1 Aug 45.1 Jun 45.1 Sep 46.1 Jul 44.0 **Oct (f) 47.0** Service Sector Purchasing Managers Survey, Flash (10:00) May 46.7 Aug 47.2 Jun 47.1 Sep 46.1 Jul 47.9 **Oct (f) 46.7** ECB President Draghi speaks in Berlin (14.00)	M3 Money Supply (Y/Y) (SA) (10:00) Apr 2.4 Jul 3.6 May 2.9 Aug 2.9 Jun 3.1 **Sep (f) 3.2** Private Sector Loans (Y/Y) (SA) (10:00) Apr 0.0 Jul -0.4 May -0.2 Aug -0.6 Jun -0.4 **Sep (f) -0.7**	

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

8	9	10	11	12
Eurozone Finance Ministers met in Luxembourg	ECB President Draghi spoke before European Parliament in Brussels (9:30) EU Finance Ministers met in Luxembourg	ECB President Draghi spoke before European Parliament in Brussels (10:30)	ECB Monthly Bulletin (Oct) (10:00)	Industrial Production (SA) (11:00) M/M Y/Y Jun -0.5% -2.0% Jul 0.6% -2.8% Aug 0.6% -2.9%

Indicator Highlights

Key potential market-moving indicators and events include: Harmonized Consumer Prices and the Visible Trade Balance (Tue. Oct. 16, 11:00 a.m.). In the following week, there are the flash Manufacturing and Services Purchasing Managers Indexes (Wed. Oct. 24, 10:00 a.m.) as well as Money Supply (Thu. Oct. 25, 10:00 a.m.).

Flash numbers for September saw **HICP inflation** rise to a six-month high. Seasonally adjusted **trade** data showed a smaller surplus in July from the previous months. The September final **manufacturing PMI** came in a notch above the flash estimate, improving to a six-month high. The September **services PMI** was a notch higher than the flash estimate, albeit still suffering a clear fall to the lowest reading in just over three years. August M3 **money supply** growth slowed for the first time in four months, thereby backing off from a July reading that was the highest since May 2009.

Indicator	Forecast	Consensus	Analysis
Consumer Prices – HICP (Final) (NSA)			
M/M	0.8%	0.7%	Breakdown detailed. Core rate lower?
Y/Y	2.7%	2.7%	
Visible Trade (NSA)	€ 8.0 bln	€ 10.0 bln	Higher oil bill.
Purchasing Managers' Index (SA) – Flash			
- Manufacturing	47.0		Six-month high.
Purchasing Managers' Index (SA) – Flash			
- Services	46.7		Series volatile.
M3 Money Supply (SA)			
Y/Y	3.2%		More focus on (softening) lending numbers.

Post Mortem—Prior Week Results

Inflation Risks Balanced. As usual, the editorial of the ECB's (October) 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 a little further.

Output Rises Further. Eurozone industrial production actually rose further in August, increasing 0.6% M/M to add to a same-sized gain in July.

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Forecast Calendar

October 12, 2012

United Kingdom

Economic Indicators—Schedule and Forecasts (Local Times)

Wroblewski/Liu

October 15 – October 26, 2012

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Rightmove House Prices (Oct) (00:01)

Tuesday 16 October Continued...

PPI Output (NSA) (9:30)

	MM	Y/Y
Aug	0.5%	2.2%
Sep (f)	**0.5%**	**2.4%**
Sep (c)	**0.3%**	**2.2%**

PPI Output Exc. Food, Drink, Tobacco & Oil (NSA) (9:30)

	MM	Y/Y
Aug	0.1%	1.2%
Sep (f)	**0.1%**	**1.1%**
Sep (c)	**0.1%**	**1.0%**

PPI Input (NSA) (9:30)

	MM	Y/Y
Aug	2.0%	1.4%
Sep (f)	**unch**	**-0.4%**
Sep (c)	**0.2%**	**-0.6%**

16

Consumer Price Index (CPI) (NSA) (9:30)

	M/M	Y/Y
Aug	0.5%	2.5%
Sep (f)	**0.4%**	**2.2%**
Sep (c)	**0.4%**	**2.2%**

Retail Prices (NSA) (9:30)

	M/M	Y/Y
Aug	0.4%	2.9%
Sep (f)	**0.5%**	**2.6%**
Sep (c)	**0.5%**	**2.6%**

Retail Prices, Underlying (RPIX) (NSA) (9:30)

	M/M	Y/Y
Aug	0.4%	2.9%
Sep (f)	**0.5%**	**2.6%**
Sep (c)	**0.6%**	**2.7%**

House Price Index (Aug) (9:30)

17

Claimant Count Unemployment, (Change Thousands) (SA) (9:30)

Jul	-13.6	**Sep (f)**	**unch**
Aug	-15.0	**Sep (c)**	**unch**

ILO Unemployment Rate (3 months ending, %) (9:30)

Jun	8.0	**Aug (f)**	**8.1**
Jul	8.1	**Aug (c)**	**8.1**

Average Weekly Earnings (Y/Y) (3-Month Moving Average) (9:30)

Jun	1.8	**Aug (f)**	**1.5**
Jul	1.5	**Aug (c)**	**1.6**

Minutes of the Bank of England Monetary Policy Committee Meeting (October 3-4) (9:30)

BoE Deputy Governor Tucker speaks in London (10:15)

18

Retail Sales (Volume, SA) (9:30)

(Inc. Fuels)	M/M	Y/Y
Aug	-0.2%	2.7%
Sep (f)	**0.7%**	**2.4%**
Sep (c)	**0.4%**	**2.1%**

BoE Trends in Lending (Oct) (9:30)

19

Public Sector Net Borrowing (ex. financial interventions) (£ bln, NSA) (9:30)

	'11/'12	'10/'11
Aug	14.4	14.4
Sep (f)	**13.0**	13.4
Sep (c)	**13.7**	

22

23

British Bankers Association Consumer Lending (Sep) (9:30)

24

CBI Industrial Trends Quarterly Survey (Oct) (11:00)

25

Gross Domestic Product, First Estimate (SA) (9:30)

	Q/Q	Y/Y
QI'12	-0.3%	-0.1%
QII'12	-0.4%	-0.5%
QIII'12 (f)	**0.8%**	**-0.3%**

Index of Services (Aug) (9:30)

26

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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REC/KPMG Report on Jobs (Sep) (00:01)

9

BRC Retail Sales Monitor (Sep) (00:01)

RICS House Price Survey (Sep) (00:01)

Manufacturing Production (SA) (9:30)

	MM	Y/Y
Jun	-2.9%	-3.9%
Jul	3.1%	-0.7%
Aug	-1.1%	-1.2%

Industrial Production (SA) (9:30)

	M/M	Y/Y
Jun	-2.4%	-3.8%
Jul	2.8%	-0.8%
Aug	-0.5%	-1.2%

Visible Trade Balance, Global (SA) (£ Million) (9:30)

May	-7939	Jul	-7337
Jun	-10068	Aug	-9844

10

11

12

Construction Output (Aug) (9:30)

Indicator Highlights

United Kingdom

Key potential market-moving indicators and events include: Consumer Prices and Producer Prices (both Tue. Oct. 16, 9:30 a.m.), the Labor Market Report – including unemployment and average earnings details – (Wed. Oct. 17, 9:30 a.m.), Retail Sales (Thu. Oct. 18, 9:30 a.m.) and Public Sector Net Borrowing (Fri. Oct. 19, 9:30 a.m.). In the following week, there is the first estimate of Q3 Gross Domestic Product (Thu. Oct. 25, 9:30 a.m.).

August **consumer price inflation** slipped back afresh, reversing half of the gain seen in July numbers. **Producer output prices** for August jumped clearly. **Claimant count unemployment** actually fell further and slightly more clearly in August. Average weekly **earnings** growth slowed in the three months to July. Real **retail sales** (including fuels) dropped back slightly in August, albeit only partly unwinding the clear gains of the previous months. **Public sector net borrowing**, excluding financial interventions, was little different in August from the outcome in the same month last year. Real **GDP** decreased in Q/Q terms in Q2, a notch less weak than previously estimated albeit still showing a steeper fall than the drop in the previous quarter.

Indicator	Forecast	Consensus	Analysis
CPI (NSA)			
M/M	0.4%	0.4%	Base effects take Y/Y rate to 34-month low.
Y/Y	2.2%	2.2%	
RPI (NSA)			
M/M	0.5%	0.5%	Fresh cycle-low.
Y/Y	2.6%	2.6%	
PPI Output (NSA)			
M/M	0.5%	0.3%	Oil driven rise once again.
Y/Y	2.4%	2.2%	
PPI Input (SA)			
M/M	unch	0.2%	Oil price falls back.
Y/Y	-0.4%	-0.6%	
Claimant Count Unemployment (SA)			
M/M (change, thousands)	unch	unch	Post-Olympic correction?
ILO Unemployment Rate (SA)	8.1%	8.1%	Jobs growth still solid.
Headline Average Earnings (Y/Y)	1.5%	1.6%	Still very soft.
Retail Sales (Volumes, SA)			
M/M	0.7%	0.4%	Modest uptrend continues.
Y/Y	2.4%	2.1%	
Public Sector Net Borrowing (NSA)	£ 13.0 bln	£ 13.7 bln	No underlying improvement.
Gross Domestic Product (SA) – First Estimate			
Q/Q	0.8%		Recession ends and clearly so!
Y/Y	-0.3%		

Post Mortem—Prior Week Results

Less Soft Labor Market Signals? The latest (September) REC labor-market report pointed more clearly to some stabilization in the jobs market.

Manufacturing Rebound Intact! August manufacturing output fell 1.1% M/M. It therefore unwound only some of the little-revised jump of 3.1% seen in the previous month, the latter having recovered from the distorted June figure which had been undermined by poor weather and the working day lost due to the Jubilee celebrations.

Exports Correct Moderately. Showing another shortfall, the total visible trade deficit was £ 9.84 bln in August, widening sharply from that seen in July.

Improved Housing Market Signals? The latest (September) Royal Institute of Chartered Surveyors house price survey highlighted a less downbeat picture for the sector, possibly related to the emerging impact of the BoE Funding for Lending Scheme.

Clearly Improved Sales. According to the British Retail Consortium, like-for-like nominal Y/Y store sales growth picked up clearly in September, with the growth rate turning positive at 1.5%, a contrast to the 0.4% drop seen in August and also the highest reading so far this year.

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Forecast Calendar

October 12, 2012

Germany

Economic Indicators—Schedule and Forecasts (Local Times)

Wroblewski/Liu

October 15 – October 26, 2012

15	16	17	18	19
	ZEW Financial Experts Survey (Oct) (11:00)			Producer Prices (NSA) (8:00) M/M Y/Y Aug 0.5% 1.6% **Sep (f) 0.2% 1.6%** **Sep (c) 0.3% 1.6%**
22	**23**	**24**	**25**	**26**
Possibly from today… Construction Orders (Aug) (8:00) Import Prices (NSA) (8:00) M/M Y/Y Jul 0.7% 1.2% Aug 1.3% 3.2% **Sep (f) -0.5% 2.0%**		Purchasing Managers' Survey Manufacturing, Flash (SA) (9:30) May 45.2 Aug 44.7 Jun 45.0 Sep 47.4 Jul 43.0 **Oct (f) 48.0** Purchasing Managers' Survey Services, Flash (SA) (9:30) May 51.8 Aug 48.3 Jun 49.9 Sep 49.7 Jul 50.3 **Oct (f) 50.0** Ifo Survey (SA) (2005=100) (10:00) May 106.8 Aug 102.3 Jun 105.2 Sep 101.4 Jul 103.2 **Oct (f) 101.5**		GfK Consumer Confidence Outlook (Oct) (8:00)

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

f=forecast
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c=consensus

Recent History-Latest Results

8	9	10	11	12
Trade Balance (NSA) (Euro billion) (8:00) 2012 2011 Jun 18.0 12.5 Jul 16.9 10.4 Aug 16.3 11.6 Current Account (NSA) (Euro billion) (8:00) 2012 2011 Jun 18.5 11.0 Jul 11.7 8.3 Aug 11.1 7.9 Industrial Production (M/M) (SA) (12 noon) May 1.8% Jul 1.2% Jun -0.4% Aug -0.5% Manufacturing & Mining Output (M/M) (SA), (12 noon) May 2.1% Jul 1.5% Jun -0.8% Aug -0.5%		Wholesale Price Index (NSA) (8:00) M/M Y/Y Jul 0.3% 2.0% Aug 1.1% 3.1% Sep 1.3% 4.2%	Cost-of-Living, Final (NSA) (8:00) M/M Y/Y Jul 0.4% 1.7% Aug 0.4% 2.1% Sep unch 2.0%	

Key potential market-moving indicators and events include: Producer Prices (Fri. Oct. 19, 8:00 a.m.). In the following week, there are the flash Manufacturing and Services PMIs (Wed. Oct. 24, 9:30 a.m.), the Ifo Survey (Wed. Oct. 24, 10:00 a.m.) and possibly Import Prices.

August **producer prices** rose in M/M terms, the first rise since April and a contrast to the flat July reading. The final September **manufacturing PMI** rose, building on the August gain to establish a six-month high. The final **services PMI** for September saw a clear downward revision to the flash number, meaning that the bounce in the month was more modest. The September **Ifo business climate** index fell, a fifth successive drop, albeit with the headline figure still implying a somewhat above-par level of activity. **Import prices** rose in M/M terms in August, a rise that was almost twice the rise seen in the previous month.

Indicator	Forecast	Consensus	Analysis
Producer Prices (NSA)			
M/M	0.2%	0.3%	Less pronounced gain.
Y/Y	1.6%	1.6%	
Purchasing Managers' Index (SA)			
- Manufacturing – Flash	48.0		Weakness refuted by official data.
Purchasing Managers' Index (SA)			
- Services – Flash	50.0		Further, albeit modest, rise?
Ifo Survey Business Climate (SA)	101.5		Modest growth still being signaled.
Import Prices - (NSA)			
M/M	-0.5%		First M/M fall in three months.
Y/Y	2.0%		

Post Mortem—Prior Week Results

Industrial Production Corrects Back. August industrial production dropped back 0.5% M/M, unwinding only part of the little-revised bounce of 1.2% seen in the previous month.

Exports Rise More Clearly. The August (unadjusted) trade surplus widened to € 16.3 bln from € 11.6 bln in the same month of last year, but down from the € 16.9 bln July reading.

Wholesale Prices Rise More Clearly. Wholesale prices jumped 1.3% in M/M terms in September, thereby accentuating the 1.1% August increase, the former now the third successive rise.

Consumer Price Inflation Falls Back Clearly? According to final data, September CPI inflation fell back by 0.1 percentage point to 2.0% Y/Y, thereby corroborating the preliminary numbers, with prices flat in M/M terms.

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Forecast Calendar

October 12, 2012

France

Economic Indicators—Schedule and Forecasts (Local Times)

Wroblewski/Liu

October 15 – October 26, 2012

15	16	17	18	19
22	**23**	**24**	**25**	**26**
	INSEE Monthly Survey of Industry (Oct) (8:45)	Purchasing Managers' Index Manufacturing, Flash (SA) (9:00) May 44.7 Aug 46.0 Jun 45.2 Sep 42.7 Jul 43.4 **Oct (f) 45.0** Purchasing Managers' Index Services, Flash (SA) (9:00) May 45.1 Aug 49.2 Jun 47.9 Sep 45.0 Jul 50.0 **Oct (f) 46.5** Unemployment (Sep) (18:00)		INSEE Monthly Survey of Households (Oct) (8:45) INSEE Quarterly Survey of Industry (Oct) (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

8	9	10	11	12
BoF Business Sentiment Survey (Aug) (8:45)	Visible Trade Balance (SA) (8:45) (Euro Billion) Mar -5.72 Jun -6.48 Apr -6.26 Jul -4.06 May -5.64 Aug -5.29 Central Government Budget (Aug) (8:45)	Industrial Production, exc. Construction (SA) (8:45) M/M Y/Y Jun 0.1% -2.3% Jul 0.6% -2.8% Aug 1.5% -0.9% Manufacturing Production (SA) (8:45) M/M Y/Y Jun 0.3% -2.6% Jul 1.0% -2.6% Aug 1.8% -0.4%	Consumer Prices (NSA) (7:30) M/M Y/Y Jul -0.4% 1.9% Aug 0.7% 2.1% Sep -0.3% 1.9%	

Indicator Highlights

Key potential market-moving indicators and events include: there are no data releases of any note. In the following week, there are the flash Manufacturing and Services PMIs (Wed. Oct. 24, 9:00 a.m.).

The September final **manufacturing PMI** slumped, taking the headline figure to a 41-month low. The final **services PMI** for September fell for the first month in four, slumping to an 11-month low.

Indicator	Forecast	Consensus	Analysis
Purchasing Managers' Index (SA)			
- Manufacturing – Flash	45.0		Series very volatile.
Purchasing Managers' Index (SA)			
- Services – Flash	46.5		Not as weak as manufacturing!

Post Mortem—Prior Week Results

Business Sentiment Recovers. In the latest (September) Bank of France monthly report, the business sentiment indicator corrected back a point, unwinding a third of the jump seen in the previous month, the latter having been the first rise this year.

Exports Recover Further. The August trade gap widened afresh to a deficit of € 5.29 bln from a shortfall of € 4.06 bln in July.

Budget Deficit Narrows Further. The August central government budget balance showed a cumulative deficit of € 97.67 bln, down from a € 102.77 bln shortfall seen in the first eight months of last year.

Manufacturing Bounces. Manufacturing output jumped 1.8% in M/M terms in August, accentuating the upwardly revised 1.0% rise seen in the previous month and also being the third successive rise.

Inflation Falls. Headline CPI inflation fell back 0.2 percentage point to 1.9% Y/Y in September, exactly reversing the rise seen in August and therefore back to the lowest since July last year.

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Forecast Calendar

October 12, 2012

Italy

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Wroblewski/Liu

October 15 – October 26, 2012

15	16	17	18	19
	Visible Trade Balance, Global (NSA) (Euro billion) (11:00) '11/12 '10/11 Jun 2.5 -1.7 Jul 4.5 1.5 **Aug (f) -1.5** -2.9			Industrial Orders (NSA) (Y/Y) (10:00) Mar -14.3% Jun -10.8% Apr -12.3% Jul -4.9% May -9.4% **Aug (f) -3.0%**
22	**23**	**24**	**25**	**26**
		ISAE Consumer Sentiment (Oct) (10:00)	Hourly Wages (NSA) (Y/Y) (10:00) Apr 1.4% Jul 1.5% May 1.4% Aug 1.6% Jun 1.5% **Sep (f) 1.4%** Retail Sales (NSA) (Y/Y) (11:00) Mar 1.5% Jun -0.5% Apr -6.8% Jul -3.2% May -1.7% **Aug (f) -3.3%**	ISAE Business Sentiment (Oct) (10:00)

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

8	9	10	11	12
		Industrial Production* (10:00) M/M Y/Y Jun -1.1% -7.9% Jul -0.1% -7.2% Aug 1.7% -5.2%		NIC Consumer Prices, Final, (NSA) (11:00) M/M Y/Y Jul 0.1% 3.1% Aug 0.4% 3.2% Sep unch 3.2%

* 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 Global Trade Balance (Tue. Oct. 16, 11:00 a.m.) and Industrial Orders (Fri. Oct. 19, 10:00 a.m.). In the following week, there is Hourly Wages (Thu. Oct. 25, 10:00 a.m.) and Retail Sales (Thu. Oct. 25, 11:00 a.m.).

The (unadjusted) July **trade balance** showed a surplus, a clear improvement from same month of 2011. July **industrial orders** fell, albeit slowing from the drop than seen in June. Hourly **wage** growth for July edged up, thereby up a touch further from the cycle-low posted in March. Unadjusted nominal **retail sales** dropped in July, a much steeper fall than the decline posted in the preceding month.

Indicator	Forecast	Consensus	Analysis
Trade Balance – Global	-€ 1.5 bln		Non-EU trade already improving.
Industrial Orders (NSA) Y/Y	-3.0%		Weakness continues, but less marked.
Hourly Wages Y/Y	1.4%		Slow afresh.
Retail Sales (NSA) Y/Y	-3.3%		Implies modest M/M fall.

Post Mortem—Prior Week Results

Industrial Production Bounces Surprisingly. August industrial production rose for the first time in three months, with the 1.7% seasonally adjusted M/M jump being the strongest reading in almost two years.

Mixed Inflation Picture. Matching preliminary data, final numbers showed that consumer price inflation stayed at 3.2% Y/Y in September, still up from a July reading which had been the lowest in almost a year.

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Forecast Calendar

October 12, 2012

Japan

Economic Indicators—Schedule and Forecasts

Ellis/Wroblewski

October 15 – October 26, 2012 (Local Times)

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

Apr	0.2%	Jul	-1.0%
May	-3.4%	Aug (p)	-1.3%
Jun	0.4%	**Aug (f)**	**-1.3%**

16

17

18

19

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

Mar	-0.3%	Jun	0.3%
Apr	0.1%	Jul	-0.6%
May	-0.2%	**Aug (f)**	**0.2%**

22

BOJ Branch Managers Meeting

BOJ Senior Loan Officer Opinion Survey (8:50) (October)

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

	2012	2011
Jul	-522.6	69.7
Aug	-755.9	-777.5
Sep (f)	**-780.0**	288.8

BOJ Regional Economic Report (October)

23

24

25

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

Apr	0.3%	Jul	-0.3%
May	0.1%	Aug	-0.3%
Jun	-0.3%	**Sep (f)**	**-0.3%**

26

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

	Total	Ex-Fresh Food
Aug	-0.7%	-0.5%
Sep	-0.7%	-0.4%
Oct (f)	**-0.7%**	**-0.4%**

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

	Total	Ex-Fresh Food
Jul	-0.4%	-0.3%
Aug	-0.4%	-0.3%
Sep (f)	**-0.5%**	**-0.2%**

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

Recent History-Latest Results

8

Holiday

9

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

	2012	2011
Jun	422.1	538.9
Jul	625.4	1053.7
Aug	454.7	436.3

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

	2012	2011
Jun	112.2	129.9
Jul	-373.6	141.8
Aug	-644.5	-690.3

Shirakawa Speech (9:20) (Introductory Program on BOJ Policies and Operations)

BOJ Monthly Report (14:00) (October)

10

Shirakawa Speech (14:00) (SCCIJ 30th Anniversary Luncheon)

11

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

Apr	0.2%	Jul	0.7%
May	0.2%	Aug	0.8%
Jun	0.6%	Sep	1.0%

BOJ Monetary Policy Meeting Minutes (8:50) (September 18, 19)

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

Mar	-2.8%	Jun	5.6%
Apr	5.7%	Jul	4.6%
May	-14.8%	Aug	-3.3%

BOJ Nishimura Speech (11:30) (BOJ-CEMLA Seminar)

12

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

Apr	2.6%	Jul	2.3%
May	2.2%	Aug	2.4%
Jun	2.3%	Sep	2.4%

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

Mar	-0.6%	Jun	0.1%
Apr	-0.2%	Jul	-0.7%
May	0.9%	Aug	0.4%

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

Apr	-0.6%	Jul	-2.2%
May	-0.8%	Aug	-1.9%
Jun	-1.5%	Sep	-1.4%

BOJ Nishimura Speech (18:00) (Deutschebank Panel Discussion)

Shirakawa Speech (21:30) (Institute for International Finance)

Sunday, October 14:

Shirakawa Speech (14:30) (BOJ-IMF High-Level Seminary)

Indicator Highlights

Key potential market-moving indicators and events include: Industrial Production (Revised) (Mon., Oct. 15, 13:30); All Industry Activity (Fri., Oct. 19, 13:30); Merchandise Trade Balance (NSA) (Mon., Oct. 22, 8:50); and the Tokyo and Nationwide CPI (Fri., Oct. 26, 8:30).

Revisions to industrial production data will be watched for any muting of the ongoing-decline message given by the preliminary report. The all industry report will combine those revised numbers with Tertiary-industry and other production measures to produce an output-side overview of the August economy—telling how much of a bounce occurred from the July decline.

Export weakness is the most immediate threat to the economy, so merchandise trade data are intently watched. Consumer price data track the current political bottom-line indicator of BOJ performance.

Indicator	Forecast	Consensus	Analysis
Industrial Production (Revised) (SA) (M/M)	-1.3%		Little or no revision.
All Industry Activity (SA) (M/M)	+0.2%		A minimal rebound from July decline.
Merchandise Trade Balance (NSA)	-¥780.0 Billion		Exports fall steeply, imports jump.
Corporate Service Prices (Y/Y)	-0.3%		No break from ongoing trend.
Tokyo CPI (Y/Y)			
Total	-0.7%		Unclear whether deflation stabilizing or worsening.
Ex-Fresh Food	-0.4%		
Nationwide CPI (Y/Y)			
Total	-0.5%		
Ex-Fresh Food	-0.2%		

Post Mortem—Recent Data Results

Larger Current Account Surplus. Surprising to the upside somewhat, the August (adjusted) current account surplus was ¥ 722.3 bln, largely reversing the deterioration to ¥ 335.4 bln seen in July. There was also an improvement in the unadjusted current account surplus which widened to ¥ 454.7 bln in August from ¥ 436.3 bln in the same month last year.

Orders Correct Back. Surprising a little to the downside, core machinery orders (excluding shipping and utilities) corrected back in August, sliding 3.3% M/M, thereby unwinding only some of the 4.6% and 5.6% bounces seen in the two previous months. Notably, this fresh drop came purely on the manufacturing side.

Mixed Messages in Monetary Data. Coming in largely as expected, September M2 money supply growth was stable at 2.4% Y/Y, a joint a four-month high. However, growth in the broader M3 measure actually slowed slightly to 2.0% Y/Y from 2.1%.

Tertiary Index Rebounds. Showing a moderate recovery, the August tertiary index rose by 0.4% in M/M terms, albeit only reversing a little over half of the fall seen in the previous month. The Y/Y rate, however, slowed a touch to 0.6%.

Corporate Goods Prices Recover Further. Matching expectations, corporate good prices increased 0.3% M/M in September, albeit only the second rise since March. Y/Y growth, partly as a result, turned less negative at -1.4%. The data showed both export and (especially) import price pressures turning less negative.

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Forecast Calendar

October 12, 2012

Canada

Economic Indicators—Schedule and Forecasts

Ellis/Pumphrey/Husby

October 15 – 26, 2012

15 Bank of Canada Senior Loan Officer Survey (10:30) Bank of Canada Business Outlook Survey (10:30) Carney Speech (15:20) (Global Economic Developments; Vancouver Island Economic Alliance)	**16** Survey of Manufacturing (8:30) (M/M) (SA) Ships. Inv. New Ord. Jun -0.8% -1.8% 1.0% Jul -1.5% 1.0% -5.6% **Aug (f) -0.5% 0.6% 2.2%** **Aug (c) 0.3%**	**17**	**18** Wholesale Trade (8:30) (M/M) (SA) Sales Inv. Jun -0.3% 0.6% Jul -0.6% 1.2% **Aug (f) 0.2% 0.4%** **Aug (c) 0.1%**	**19** Consumer Prices (8:30) (Y/Y) Total BOC Core Jul 1.3% 1.7% Aug 1.2% 1.6% **Sep (f) 1.4% 1.7%** **Sep (c) 1.3% 1.4%**
22	**23** Retail Trade (8:30) (M/M) (SA) Total Ex-Auto May 0.2% 0.4% Jun -0.3% -0.4% Jul 0.7% 0.4% **Aug (f) 0.2% 0.4%** 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.)	**24** Bank of Canada Monetary Policy Report (10:30)	**25**	**26**

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

Recent History-Latest Results

8 **Holiday**	**9** Housing Starts (8:15) (Thousand, SAAR) Apr 251.8 Jul 209.4 May 216.9 Aug 225.3 Jun 222.9 Sep 220.2	**10**	**11** International Trade (8:30) (Balance, C$ Billion, SA) Mar 0.3 Jun -1.9 Apr -0.6 Jul -2.5 May -1.4 Aug -1.3	**12**

Indicator Highlights

Canada

Key potential market-moving indicators and events include: the Survey of Manufacturing (Tues., Oct. 16, 8:30 a.m.); the Consumer Price Index (Fri., Oct. 19, 8:30 a.m.); Retail Trade (Tues., Oct. 23, 8:30 a.m.); and the Bank of Canada rate decision (Tues., Oct 23, 9:00 a.m.).

The Survey of Manufacturing will be important in gauging the extent and nature of a pickup in activity. New orders took a hit last month but should snap back, at least somewhat. 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 results will be watched as a barometer of domestic demand, particularly as the Bank of Canada is forecasting over half of growth this year and next to come from domestic consumption. The Bank of Canada will hold rates at 1% with inflation running below the 2% target. While the BoC has stated its next move will be a rate increase, rates will likely be on hold for at least six months, particularly on tensions in Europe and uncertainties in the U.S. and China.

Indicator	Forecast	Consensus	Analysis
Survey of Manufacturing (M/M) (SA)			
Shipments	-0.5%	+0.3%	Partial bounceback in new orders.
Inventories	+0.6%		
New Orders	+2.2%		
Wholesale Trade (M/M)			
Sales	+0.2%	+0.1%	Wholesale trade increases after two months in the red.
Inventories	+0.4%		
Consumer Prices (Y/Y)			
Total	+1.4%	+1.3%	Inflation troughs, but little sign of strong pressure on the horizon.
Core	+1.7%	+1.4%	
Retail Trade (M/M)			
Total	+0.2%		Vehicle sales drag on moderate retail activity.
Ex-Auto	+0.4%		

Post Mortem—Prior Week Results

Housing starts fade by less than forecasted. Canadian housing starts came in at an annualized pace of 220,215 (Consensus and Decision Economics: 205,000) in September, down 2.3% from August. Urban starts fell 3% m/m, with multi-family urban starts posting a 3.9% decrease.

Are home prices peaking? *Home prices appear to have crested in Vancouver, home sales fell 5.8% m/m in August, and inventories are building—all signs point to an oversaturation in the market. While mortgage rules were tightened for the fourth time since the financial crisis in July, these new regulations—which include shorter amortization periods and stricter rules on home equity loans—seem to have done little to deter activity. The September housing start report did show a moderate decline, but only partly unwound a strong August when urban multi-family units increased 15.3% m/m. In year-over-year terms, starts are still up 5% and urban multi-family starts are up 12%. Demographic projections suggest that an annualized pace of 180,000 is sustainable. Will this overbuilding push prices off the cliff?*

Trade deficit narrows on drop in imports. The trade deficit narrowed by more than expected in August to -C$1.32 billion (Consensus: -C$1.9 billion; Decision Economics: -C$1.5 billion) from -C$2.5 billion in July on a drop in imports. Imports posted a 3.1% m/m drop to C$38.8 million on broad-based declines—particularly in industrial products and machinery. While a stronger loonie had a clear impact on the value of goods being imported, imports also fell 2.2% in volume terms.

While exports were relatively flat for the month, edging downward 0.1% to C$37.4 billion, a clear pattern of general weakness in ex-U.S. exports is emerging. While Canadian exports to the U.S. have increased 3.1% y/y, exports to Japan, the UK, and the Eurozone have fallen by a respective 19.5%, 15.1%, and 15.7% in the past twelve months. The drop in exports to Japan is related to base effects from the tsunami; however, the fall in exports to the EU signals weaker demand (which may persist for some time). This is exacerbated by the strong Canadian dollar. For these reasons, the Bank of Canada is forecasting net exports to contribute little to growth over the next two years.

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