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DECISION ECONOMICS, INC.
Information for Decisions™

Forecast Calendar

October 19, 2012

Eurozone

Economic Indicators—Schedule and Forecasts (Local Times)

Wroblewski/Liu

October 22 – November 2, 2012

22 Government Debt/Deficit Figures (2011) (11:00)	**23** Consumer Confidence, Flash (Oct) (16:00)	**24** Purchasing Managers' Index Manufacturing, Flash (10:00) Jun 45.1 Sep 46.1 Jul 44.0 **Oct (f) 47.0** Aug 45.1 **Oct (c) 46.5** Service Sector Purchasing Managers Survey, Flash (10:00) Jun 47.1 Sep 46.1 Jul 47.9 **Oct (f) 46.7** Aug 47.2 **Oct (c) 46.4** ECB President Draghi speaks in Berlin to German Parliament (14:00)	**25** M3 Money Supply (Y/Y) (SA) (10:00) May 2.9 Aug 2.9 Jun 3.1 **Sep (f) 3.2** Jul 3.6 **Sep (c) 3.0** 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**	**26**
29	**30** Retail PMI (Oct) (10:10) EU Commission Business and Consumer Survey (Oct) (11:00)	**31** Harmonized Index of Consumer Prices, Flash (11:00) M/M Y/Y Aug 0.4% 2.6% Sep 0.7% 2.6% **Oct (f) 2.6%** Unemployment Rate (%) (SA) (11:00) Apr 11.2 Jul 11.4 May 11.3 Aug 11.4 Jun 11.4 **Sep (f) 11.5**	**1**	**2** Purchasing Managers' Index Manufacturing, Final (10:00) May 45.1 Aug 45.1 Jun 45.1 Sep 46.1 Jul 44.0 **Oct (f) 47.0**

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

15	**16** Harmonized Index of Consumer Prices, Final (11:00) M/M Y/Y Jul -0.5% 2.4% Aug 0.4% 2.6% Sep 0.7% 2.6% Trade Balance (Euro billion) (NSA) (11:00) '11/12 '10/11 Jun 13.7 0.2 Jul 14.7 2.1 Aug 6.6 -5.7 New Car Registrations (Sep) (8:00)	**17** Construction Output (Aug) (11:00)	**18** EU Leaders Summit in Brussels Began	**19** EU Leaders Summit in Brussels Ended

Indicator Highlights

Key potential market-moving indicators and events include: 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.). In the following week, there are preliminary Harmonized Consumer Prices and the Unemployment Rate (both Wed. Oct. 31, 11:00 a.m.) as well as the final Manufacturing PMI (Fri. Nov. 2, 10:00 a.m.).

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. Final numbers for September showed that **HICP inflation** remained stable, a notch below the flash estimate. The **unemployment rate** was stable in August at a record-high, still clearly up from the cycle-low set in April last year.

Indicator	Forecast	Consensus	Analysis
Purchasing Managers' Index (SA) – Flash - Manufacturing	47.0	46.5	Six-month high.
Purchasing Managers' Index (SA) – Flash - Services	46.7	46.4	Series volatile.
M3 Money Supply (SA) Y/Y	3.2%	3.0%	More focus on (softening) lending numbers.
Consumer Prices – HICP (Flash) (NSA) Y/Y	2.6%		Stable for second successive month.
Unemployment Rate (SA)	11.5%		New record-high?
Purchasing Managers' Index (SA) - Final - Manufacturing	47.0		See above.

Post Mortem—Prior Week Results

Inflation Stable. Coming in a notch below the flash estimate, final numbers for September instead showed that HICP inflation remained 2.6% Y/Y.

Exports Bounce Back. Seasonally adjusted trade data showed a larger surplus of € 9.9 bln in August, recovering from the July € 7.2 bln outcome as a 3.7% M/M bounce-back in exports came alongside a 2.1% jump in imports.

Car Sales Fall More Steeply. Car registrations fell by 18.5% Y/Y in September, a much steeper fall than the 9.7% drop in the previous month.

Construction Output Rises Further. Construction output rose by 0.7% M/M in August, accentuating the (upwardly revised) 0.1% outcome in the previous month.

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Forecast Calendar

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United Kingdom

Economic Indicators—Schedule and Forecasts (Local Times)

Wroblewski/Liu

October 22 – November 2, 2012

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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%**
QIII'12 (c)	**0.6%**	**-0.5%**

Index of Services (Aug) (9:30)

26

29

BoE Lending to Individuals (9:30)
Mortgage Lending (SA, Net, £ Billion)

Apr	1.1	Jul	0.9
May	0.5	Aug	-0.3
Jun	-0.3	**Sep (f)**	**0.2**

M4 Money Supply (SA) (9:30)

	M/M	Y/Y
Jul	0.5%	-4.6%
Aug	0.2%	-4.1%
Sep (f)	**0.3%**	**-3.4%**

M4 Lending (9:30) (SA, Change, £ billion)

Jun	-29.7	Aug	-5.5
Jul	-9.3	**Sep (f)**	**-1.0**

Possibly from today:

Nationwide House Prices (Oct) (7:00)

30

CBI Distributive Trades Monthly Survey (Oct) (11:00)

31

GfK Consumer Confidence (Oct) (00:01)

1

Purchasing Managers' Survey - Manufacturing (SA) (9:30)

May	45.9	Aug	49.6
Jun	48.4	Sep	48.4
Jul	45.2	**Oct (f)**	**49.5**

2

Purchasing Managers' Survey – Construction (SA) (Oct) (9:30)

M/M=month-over-month
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Recent History-Latest Results

15

Rightmove House Prices (Oct) (00:01)

Tuesday 16 October Continued...

PPI Output (NSA) (9:30)

	MM	Y/Y
Jul	0.1%	1.8%
Aug	0.5%	2.3%
Sep	0.5%	2.5%

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

	MM	Y/Y
Jul	-0.1%	1.2%
Aug	0.1%	1.2%
Sep	0.3%	1.2%

PPI Input (NSA) (9:30)

	MM	Y/Y
Jul	0.2%	-2.6%
Aug	1.9%	1.1%
Sep	-0.2%	-1.2%

16

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

	M/M	Y/Y
Jul	0.1%	2.6%
Aug	0.5%	2.5%
Sep	0.4%	2.2%

Retail Prices (NSA) (9:30)

	M/M	Y/Y
Jul	0.1%	3.2%
Aug	0.4%	2.9%
Sep	0.5%	2.6%

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

	M/M	Y/Y
Jul	0.1%	3.2%
Aug	0.4%	2.9%
Sep	0.5%	2.6%

House Price Index (Aug) (9:30)

17

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

Jun	1.0	Aug	-14.2
Jul	-13.6	Sep	-4.0

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

May	8.1	Jul	8.1
Jun	8.0	Aug	7.9

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

May	1.7	Jul	1.6
Jun	1.8	Aug	1.7

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

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

18

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

(Inc. Fuels)	M/M	Y/Y
Jul	0.1%	2.2%
Aug	-0.1%	2.5%
Sep	0.6%	2.5%

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

19

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

	'11/'12	'10/'11
Jul	-1.8	-3.0
Aug	12.8	14.5
Sep	12.8	13.5

Indicator Highlights

United Kingdom

Key potential market-moving indicators and events include: the first estimate of Q3 Gross Domestic Product (Thu. Oct. 25, 9:30 a.m.). In the following week, there is BoE data on Lending to Individuals and Money Supply (Mon. Oct. 29, 9:30 a.m.) as well as the Manufacturing PMI (Thu. Nov. 1, 9:30 a.m.).

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. BoE numbers on underlying **monetary dynamics** showed a M/M rise in underlying M4, accentuating the July gain. According to BoE-computed data, the number of **mortgage approvals** rose a little further in August, albeit with the rise merely accentuating the jump seen in July, when approvals recovered from the lowest reading since end-2010. The headline **manufacturing PMI** dropped afresh in September, albeit only unwinding some of the jump seen in August, when the index recovered from the lowest reading since May 2009.

Indicator	Forecast	Consensus	Analysis
Gross Domestic Product (SA) – First Estimate			
Q/Q	0.8%	0.6%	Recession ends and clearly so! Construction still weak,
Y/Y	-0.3%	-0.5%	however.
BoE Mortgage Lending (SA, Net)	£ 0.2 bln		More focus on mortgage applications.
Money Supply, M4			
M/M	0.3%		Improving trend emerging?
Y/Y	-3.4%		
Purchasing Managers' Index (SA)			
- Manufacturing	49.5		Series very volatile, more clues from CBI numbers this week.

Post Mortem—Prior Week Results

Sharp Recovery House Prices. The October Rightmove house price numbers showed the first rise in four months, revealing a 3.5% M/M jump, doubling the Y/Y rate to 1.5%.

Inflation Hits Cycle-Low. September consumer price inflation dropped further, easing 0.3 percentage point to 2.2% Y/Y, the lowest in almost three years.

Mixed Factory Costs Picture. Producer output prices for September jumped 0.5% in M/M terms, matching the bounce seen in the previous month.

House Prices Still Flat. According to government-computed data, released by the Office of National Statistics, house prices rose 0.1% in adjusted M/M terms in August, this result coming after a flat July outcome.

BoE More Divided. The minutes to the 3-4 October BoE MPC meeting showed the committee once again to be unanimous over its decision to keep the asset purchase program target unchanged at £ 375 bln.

Solid Labor Market Signals Continue? Claimant count unemployment actually fell further in September albeit a little less clearly than in August, but with the drop of 4 000 also being the third fall in succession, a result still keeping the jobless rate on this basis stable at an unrevised 4.8%.

Earnings Growth Less Subdued. Average weekly earnings growth edged up 0.1 percentage point to 1.7% Y/Y in the three months to August, boosted by a clear pick-up in the single month Y/Y figure reading to 2.3%.

Sales Upward Trend Clearer. Real retail sales (including fuels) recovered clearly in September, rising 0.6%, thereby more than making good the little-revised 0.1% fall seen in August.

Budgetary Numbers Improve. Public sector finance data, excluding financial interventions, for last month showed public sector net borrowing at £ 12.81 bln in September, down from the £ 13.51 bln outcome in the same month last year.

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Forecast Calendar

October 19, 2012

France

Economic Indicators—Schedule and Forecasts (Local Times)

Wroblewski/Liu

October 22 – November 2, 2012

22	23	24	25	26
	INSEE Monthly Survey of Industry (Oct) (8:45)	Purchasing Managers' Index Manufacturing, Flash (SA) (9:00) Jun 45.2 Sep 42.7 Jul 43.4 **Oct (f) 45.0** Aug 46.0 **Oct (c) 43.5** Purchasing Managers' Index Services, Flash (SA) (9:00) Jun 47.9 Sep 45.0 Jul 50.0 **Oct (f) 46.5** Aug 49.2 **Oct (c) 45.2** Unemployment (Sep) (18:00)		INSEE Monthly Survey of Households (Oct) (8:45) INSEE Quarterly Survey of Industry (Oct) (8:45)
29	**30**	**31**	**1**	**2**
	Housing Starts (Sep) (8:45)	Household Consumption of Goods (SA) (8:45) M/M Y/Y Jul 0.4% 1.0% Aug -0.8% -0.5% **Sep (f) 0.5% -0.1%** Producer Prices (NSA) (8:45) M/M Y/Y Jul 0.4% 1.3% Aug 1.2% 2.6% **Sep (f) 0.3% 2.5%**	New Car Registrations (Oct)	Purchasing Managers' Index Manufacturing, Final (SA) (9:50) May 44.7 Aug 46.0 Jun 45.2 Sep 42.7 Jul 43.4 **Oct (f) 45.0**

M/M=month-over-month
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f=forecast
r=revised
c=consensus

Recent History-Latest Results

15	16	17	18	19

Indicator Highlights

Key potential market-moving indicators and events include: the flash Manufacturing and Services PMIs (Wed. Oct. 24, 9:00 a.m.). In the following week, there are Household Consumption and Producer Prices (both Wed. Oct. 31, 8:45 a.m.) as well as the final Manufacturing PMI (Fri. Nov. 2, 9:50 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. **Household spending** on goods in August dropped in M/M terms, thereby reversing the rises seen in each of the two previous months. **Producer prices** jumped in M/M terms in August, three times the size of the bounce seen in July.

Indicator	Forecast	Consensus	Analysis
Purchasing Managers' Index (SA)			
- Manufacturing – Flash	45.0	43.5	Series very volatile.
Purchasing Managers' Index (SA)			
- Services – Flash	46.5	45.2	Not as weak as manufacturing!
Household Consumption (SA)			
M/M	0.5%		Implies improved Q3 outcome.
Y/Y	-0.1%		
Producer Prices (NSA)			
M/M	0.3%		Third successive rise?
Y/Y	2.5%		
Purchasing Managers' Index (SA)			
- Manufacturing – Final	45.0		See above.

Post Mortem—Prior Week Results

There were no economic data of any note in the last week.

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Forecast Calendar

October 19, 2012

Germany

Economic Indicators—Schedule and Forecasts (Local Times)

Wroblewski/Liu

October 22 – November 2, 2012

22	23	24	25	26
		Purchasing Managers' Survey Manufacturing, Flash (SA) (9:30) Jun 45.0 Sep 47.4 Jul 43.0 **Oct (f) 48.0** Aug 44.7 **Oct (c) 48.0** Purchasing Managers' Survey Services, Flash (SA) (9:30) Jun 49.9 Sep 49.7 Jul 50.3 **Oct (f) 50.0** Aug 48.3 **Oct (c) 50.0** Ifo Survey (SA) (2005=100) (10:00) Jun 105.2 Sep 101.4 Jul 103.2 **Oct (f) 101.5** Aug 102.3 **Oct (c) 101.6**	Construction Orders (Aug) (8:00)	Import Prices (NSA) (8:00) M/M Y/Y Aug 1.3% 3.2% **Sep (f) -0.5% 2.0%** **Sep (c) 0.3% 3.1%** GfK Consumer Confidence Outlook (Oct) (8:00)
29	**30**	**31**	**1**	**2**
Cost-of-Living, Preliminary (NSA) M/M Y/Y Aug 0.4% 2.1% Sep unch 2.0% **Oct (f) 0.1% 2.0%** **Possibly from today…** Real Retail Sales (M/M) (SA) (8:00) Apr -0.4% Jul -1.3% May -0.1% Aug 0.1% Jun 0.6% **Sep (f) unch**	Unemployment (Change, 000's) (SA) (9:55) Jul 8 Sep 9 Aug 11 **Oct (f) 7** Employment (Change, 000's) (SA) (9:55) Jun 25 Aug 4 Jul 16 **Sep (f) 5**			Purchasing Managers Survey Manufacturing, Final (SA) (9:45) May 45.2 Aug 44.7 Jun 45.0 Sep 47.4 Jul 43.0 **Oct (f) 48.0**

M/M=month-over-month
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Recent History-Latest Results

15	16	17	18	19
	ZEW Financial Experts Survey (Oct) (11:00)			Producer Prices (NSA) (8:00) M/M Y/Y Jul unch 0.9% Aug 0.5% 1.6% Sep 0.3% 1.7%

Key potential market-moving indicators and events include: the flash Manufacturing and Services PMIs (Wed. Oct. 24, 9:30 a.m.), the Ifo Survey (Wed. Oct. 24, 10:00 a.m.) and Import Prices (Fri. Oct. 26, 8:00 a.m.). In the following week, there are Preliminary Consumer Prices (Mon. Oct. 29), Unemployment (Tue. Oct. 30, 9:55 a.m.), the final Manufacturing PMI (Fri. Nov. 2, 9:55 a.m.) and possibly Retail Sales.

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. According to final data, September **CPI inflation** fell back, corroborating the preliminary numbers. **Unemployment** increased for the sixth successive month in September. According to Federal Statistics Office data, real **retail sales** rose in M/M terms in August, an outcome that failed to reverse the slump of the previous month.

Indicator	Forecast	Consensus	Analysis
Purchasing Managers' Index (SA)			
- Manufacturing – Flash	48.0	48.0	Weakness refuted by official data.
Purchasing Managers' Index (SA)			
- Services – Flash	50.0	50.0	Further, albeit modest, rise?
Ifo Survey Business Climate (SA)	101.5	101.6	Modest growth still being signaled.
Import Prices - (NSA)			
M/M	-0.5%	0.3%	First M/M fall in three months.
Y/Y	2.0%	3.1%	
Consumer Prices – Preliminary (NSA)			
M/M	0.1%		Fuel price fall afresh; education costs the main
Y/Y	2.0%		uncertainty.
Unemployment, (SA) (change, 000's)	7		Employment still growing?
Purchasing Managers' Index (SA) - Final			
- Manufacturing	48.0		See above.
Retail Sales ex. Autos & Gas			
(Volume, SA) (M/M)	unch		Series still volatile.

Post Mortem—Prior Week Results

ZEW Mixed (Again). The October headline ZEW (expectations) index rose for the second successive month, with the 6.7 point swing similar to the bounce seen in September, when the headline recovered from an eight-month low.

Pipeline Prices Rise Further. September producer prices rose 0.3% in M/M terms, a second successive rise but down from the 0.5% August reading.

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Italy

Economic Indicators—Schedule and Forecasts (Local Times)

Wroblewski/Liu

October 22 – November 2, 2012

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)
29	**30**	**31**	**1**	**2**
		NIC Consumer Prices, Preliminary, (NSA) (10:00) M/M Y/Y Aug 0.4% 3.2% Sep unch 3.2% **Oct (f) 0.3% 2.9%** Producer Prices (NSA) (11:00) M/M Y/Y Jul 0.2% 2.2% Aug 0.8% 3.0% **Sep (f) 0.3% 3.1%**	New Car Registrations (Oct)	Purchasing Managers' Survey Manufacturing (SA) (9:45) May 44.8 Aug 43.6 Jun 44.6 Sep 45.7 Jul 44.3 **Oct (f) 46.0**

Q/Q=quarter-over-quarter
Y/Y=year-over-year
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Recent History-Latest Results

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 -0.6 -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 -9.0%

Key potential market-moving indicators and events include: Hourly Wages (Thu. Oct. 25, 10:00 a.m.) and Retail Sales (Thu. Oct. 25, 11:00 a.m.). In the following week, there are Consumer Prices (Wed. Oct. 31, 10:00 a.m.), Producer Prices (Wed. Oct. 31, 11:00 a.m.) and the Manufacturing PMI (Fri. Nov. 2, 9:45 a.m.).

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. Matching preliminary data, final numbers showed **consumer price inflation** stable in September from the previous month, still up from a July reading which had been the lowest in almost a year. The **manufacturing PMI** recovered in September to a six-month high.

Indicator	Forecast	Consensus	Analysis
Hourly Wages			
Y/Y	1.4%		Slow afresh.
Retail Sales (NSA)			
Y/Y	-3.3%		Implies modest M/M fall.
Consumer Prices – Preliminary (NSA)			
M/M	0.3%		Base effects help bring Y/Y rate to 14-month low.
Y/Y	2.9%		
Producer Prices (NSA)			
M/M	0.3%		Y/Y rate highest since February.
Y/Y	3.1%		
Purchasing Managers' Index (SA)			
- Manufacturing	46.0		Second successive rise?

Post Mortem—Prior Week Results

Mixed Messages in Trade Data. The (unadjusted) August trade balance showed a shortfall of € 598 mln, a clear improvement from the € 2.91 bln deficit seen in the same month of 2011.

Mixed Industrial Orders Backdrop. August Industrial orders fell 9.0% Y/Y, a much steeper drop than the 4.9% fall seen in July albeit back in line with numbers seen prior to then.

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DECISION ECONOMICS, INC.

Information for Decisions™

Forecast Calendar

October 19, 2012

Japan

Economic Indicators—Schedule and Forecasts

Ellis/Wroblewski

October 22 – November 2, 2012 (Local Times)

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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 (14:30) (October)

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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%**

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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%**

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BOJ Monetary Policy Meeting

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

Apr	5.7%	Jul	-0.8%
May	3.6%	Aug	1.7%
Jun	0.2%	**Sep (f)**	**1.0%**

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BOJ Monetary Policy Meeting

Unemployment Rate (SA) (8:30)

Apr	4.6%	Jul	4.3%
May	4.4%	Aug	4.2%
Jun	4.3%	**Sep (f)**	**4.3%**

Effective Job Offers to Applicants Ratio (8:30)

Apr	0.79	Jul	0.83
May	0.81	Aug	0.83
Jun	0.82	**Sep (f)**	**0.83**

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

	PCE (All)	PCE (Workers)	Disp. Income
Jul	1.7%	1.5%	-4.0%
Aug	1.8%	0.9%	2.6%
Sep (f)	**1.8%**	**1.0%**	**unch**

Industrial Production (SA) (M/M) (8:50)

Apr	-0.2%	Jul	-1.0%
May	-3.4%	Aug	-1.6%
Jun	0.4%	**Sep (f)**	**-2.5%**

BOJ Semiannual Outlook for Economic Activity and Prices (15:00) (October)

BOJ Shirakawa Press Conference (15:30)

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

Apr	10.3%	Jul	-9.6%
May	9.3%	Aug	-5.5%
Jun	-0.2%	**Sep (f)**	**-5.0%**

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

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BOJ Monetary Policy Meeting Minutes (8:50) (October 4,5)

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

Recent History-Latest Results

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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	-1.6%

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

Mar	-0.3%	Jun	0.3%
Apr	0.1%	Jul	-0.6%
May	-0.2%	Aug	0.1%

Indicator Highlights

Key potential market-moving indicators and events include: Merchandise Trade Balance (NSA) (Mon., Oct. 22, 8:50); the Tokyo and Nationwide CPI (Fri., Oct. 26, 8:30); Retail Sales (Mon., Oct. 29, 8:50); the BOJ Monetary Policy Meeting (Mon. & Tue., October 29-30); Unemployment Rate and Effective Job Offers to Applicants Ratio (Tue., Oct. 30, 8:30); Family Income and Expenditure Survey (Real) (Tue., Oct. 30, 8:30); Industrial Production (Tue., Oct. 30, 8:50); and Housing Starts (Wed., Oct. 31, 14:00).

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

Retail sales and the family survey track household willingness to spend, where continuing relative enthusiasm is imperative for the economy to resume normal growth. The BOJ Meeting will see a formal downgrading of the economic outlook—and perhaps more QE. Labor market data will give an update on a key consumer-sector fundamental, as well as a coarse reading on current general economy production activity. Industrial production and housing starts data supply direct production readings for key sectors.

Indicator	Forecast	Consensus	Analysis
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%		
Retail Sales (Y/Y)	+1.0%		Roughly flat on a running basis.
Unemployment Rate (SA)	4.3%		Gives back some ground.
Effective Job Offers to Applicants Ratio	0.83		Demand stagnates.
Family Income and Expenditure Survey (Real) (Y/Y)			
PCE (All)	+1.8%		Steady trend, for now.
PCE (Workers)	+1.0%		
Disposable Income	unch		
Industrial Production (SA) (M/M)	-2.5%		Production schedules very negative.
Housing Starts (Y/Y)	-5.0%		Adjusted level is steady.

Post Mortem—Recent Data Results

Industrial Production Falls Afresh. Coming in 0.3 percentage point weaker than the preliminary figure, final data for August still showed industrial production falling for the fourth month in five, with the 1.6% M/M decline now even more acute than the fresh 1.0% fall seen in July. Elsewhere, the revised data also showed a smaller bounce in shipments in August (0.2% M/M vs -3.1%), while inventories slumped back 1.6%.

Output Edges Back Up. The all industries index increased 0.1% M/M in August, only partly unwinding the drop seen in July, albeit maintaining the volatile pattern evident in recent months. The Y/Y rate, meanwhile, turned negative at -0.1%.

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Canada

Economic Indicators—Schedule and Forecasts

Ellis/Pumphrey/Husby

October 22 – November 2, 2012

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Retail Trade (8:30) (M/M) (SA)

	Total	Ex-Auto
Jun	-0.3%	-0.4%
Jul	0.7%	0.4%
Aug (f)	**0.2%**	**0.4%**
Aug (c)	**0.3%**	**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.)

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Bank of Canada Monetary Policy Report (10:30)

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Industrial Product Prices (8:30)

(NSA)	M/M	Y/Y
Jun	-0.3%	0.5%
Jul	-0.6%	0.3%
Aug	-0.1%	-0.4%
Sep (f)	**0.2%**	**-0.7%**

Raw Materials Prices (8:30)

(NSA)	M/M	Y/Y
Jun	-4.0%	-11.7%
Jul	0.8%	-10.1%
Aug	3.3%	-4.0%
Sep (f)	**1.2%**	**-4.2%**

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Real GDP (8:30) (M/M) (SA)

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

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Labor Force Survey (8:30)

Employment (Change, Thous., SA)

May	7.7	Aug	34.3
Jun	7.3	Sep	52.1
Jul	-30.4	**Oct (f)**	**15.0**

Unemployment Rate (SA)

May	7.3%	Aug	7.3%
Jun	7.2%	Sep	7.4%
Jul	7.3%	**Oct (f)**	**7.3%**

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

Recent History-Latest Results

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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)

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Survey of Manufacturing (8:30) (M/M) (SA)

	Ships.	Inv.	New Ord.
May	0.4%	1.2%	1.5%
Jun	-0.6%	-1.8%	1.2%
Jul	-0.8%	0.9%	-4.1%
Aug	1.5%	-0.1%	1.4%

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Wholesale Trade (8:30) (M/M)

(SA)	Sales	Inv.
May	1.0%	0.4%
Jun	-0.4%	0.6%
Jul	-0.7%	1.2%
Aug	0.5%	0.8%

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Consumer Prices (8:30) (Y/Y)

	Total	BOC Core
Jun	1.3%	1.7%
Jul	1.3%	1.7%
Aug	1.2%	1.6%
Sep	1.2%	1.3%

Indicator Highlights

Key potential market-moving indicators and events include: Retail Trade (Tues., Oct. 23, 8:30 a.m.); the Bank of Canada rate decision (Tues., Oct 23, 9:00 a.m.); Monthly Real GDP (Wed., Oct. 31, 8:30 a.m.); and the Labor Force Survey (Fri., Nov. 2, 8:30 a.m.).

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.

The Monthly Real GDP report will update broad growth trends, with signs pointing to soft performance in the near term, as external headwinds combine with modest domestic consumption growth. Meaningful labor market gains (e.g. full-time private sector jobs) have slowed over recent months as volatile part-time employment has driven the headline figure the past two months. Expect only mild gains in September as the recent trend of mediocre growth does not support major jobs gains.

Indicator	Forecast	Consensus	Analysis
Retail Trade (M/M)			
Total	+0.2%	+0.3%	Vehicle sales drag on moderate retail activity.
Ex-Auto	+0.4%	+0.4%	
Industrial Product Prices (NSA)			
M/M	+0.2%		Very mild increase after string of declines.
Y/Y	-0.7%		
Raw Materials Prices (NSA)			
M/M	+1.2%		Commodity prices back on uptrend.
Y/Y	-4.2%		
Real GDP (M/M) (SA)	+0.2		Weak exports, soft consumer spending.
Labor Force Survey, Employment (Change, SA)	+15,000		Modest gains in full-time employment.
Unemployment Rate (SA)	7.3%		Falls as labor force participation rate holds steady, economy adds jobs.

Post Mortem—Prior Week Results

Senior Loan Officer Survey reports easier lending conditions. The third-quarter Senior Loan Officer Survey reported credit conditions eased, both in price and non-price terms, for Canadian non-financial firms. These easier conditions were extended across all borrower categories: corporate, commercial, and small businesses. Competition among lenders was again cited as a key factor, and no special factors seemed to fuel the demand for financing.

Business Outlook Survey notes more muted expectations. Firms tempered optimism on the outlook in the third quarter. As outlined in the Business Outlook Survey, firms are less enthusiastic on hiring plans, capital investment plans, and the sales outlook. This moderation was concentrated among firms which are most exposed to global demand and the strong exchange rate—particularly, manufacturing. One bright spot in the report is that the balance of opinion on output prices reached a four-quarter high as more firms believe they will be able to increase prices at a greater rate over the next year. With these same firms predicting input price gains to remain relatively steady, the overall result is widening margins over the coming year.

Carney cites global uncertainty as complicating the recovery… Bank of Canada (BoC) Governor Mark Carney spoke to the Vancouver Island Economic Alliance on Monday on "Uncertainty and the Global Recovery." Carney stated that uncertainty is compounding the global slowdown which causes firms and households to "retrench." Moreover, while some financial volatility measures appear quite low, it is on paralysis of investors rather than confidence. On the situation in the Eurozone, Carney advocates reforms including a banking union and labor market reforms over the next three to five years to calm tensions and make a viable currency union. China will need monetary and fiscal policies which encourage consumption. The U.S. needs a fiscal plan which clearly and gradually reduces the deficit—rather than piecemeal solutions or the draconian Fiscal Cliff**…but offers familiar domestic strategy.** These global uncertainties are largely out of Canada's control and weigh on Canadian exports and, hence, growth. However, Carney remained strident in his advocacy for investing in productivity growth and increasing exposure to emerging markets.

Manufacturing shipments rise on petroleum, autos. Canadian manufacturing shipments exceeded forecasts, increasing 1.5% m/m (Consensus: +0.5%; Decision Economics: -0.5%) to C$49.5 billion in August. Gains were concentrated in motor vehicles (+4.4% m/m) and petroleum and coal product (+8.6% m/m) sectors. Petroleum and coal products advanced on price increases as well as the end of temporary plant maintenance shutdowns. These gains were offset somewhat by a dip in metals shipments—mostly on price effects—and textile products. In volume terms, shipments advanced 1.8% m/m. However, shipments are still below their C$53 billion pre-recession peak as the strong currency and weak global demand dampen Canadian manufacturing. Inventories declined 0.1% m/m (DE: +0.6%) to C$65.2 billion as stockpiles of aerospace parts and metals shrank. As a result, the inventory to sales ratio fell two hundredths to 1.32. New orders increased 1.4% (DE: 2.2%), a partial unwinding of the 5.6% drop in July.

Wholesale trade advances on machinery and food. Wholesale sales increased 0.5% m/m in August (Consensus and Decision Economics: +0.2%) to C$49.7 billion. The increased activity was led by food (+2.7% m/m) and machinery (+1.4% m/m), and were slightly offset by declines to motor vehicles (-0.7%) and household goods (-0.5%). Gains were concentrated in Ontario and British Columbia. In volume terms, which ignore the effects of price changes, sales also advanced 0.5%. In the past twelve months, wholesale sales have increased 4.4%. Inventories posted a 0.8% m/m gain (Decision Economics: +0.4%) to C$61.6 billion. The inventory-to-sales ratio remained unchanged at 1.24 months.

Consumer prices slow further. CPI inflation undershot estimates in September, with the headline rate steady at 1.2% y/y (Consensus: 1.3%; Decision Economics: 1.4%), as lower food, vehicle, and health care prices offset a rise in transportation and energy components. The Bank of Canada core figure, which excludes volatile components, slipped more than expected to a 1.3% y/y rate, from 1.6% the prior month. The undershoot corroborates DE's view of little in the way of strong upward price pressures, giving the Bank of Canada no reason to turn more-hawkish than it has already conveyed.

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