

United States

Economic Indicators—Schedule and Forecasts May 16 – May 27, 2011

Sinai/Ellis/Tan

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

16		17		18		19		20																																																																																		
<p>Empire State Manufacturing Survey (8:30)</p> <table border="1"> <tr> <th>Total</th> <th>Prices</th> </tr> <tr> <td>Mar 17.5</td> <td>53.3</td> </tr> <tr> <td>Apr 21.7</td> <td>57.7</td> </tr> <tr> <td>May (f) 22.1</td> <td>60.5</td> </tr> <tr> <td>May (c) 19.7</td> <td></td> </tr> </table> <p>Bernanke Speech (9:00) (Innovation and Research – Georgetown University, Washington)</p> <p>Monthly TIC flows (9:00) (Mar)</p> <p>NAHB Housing Market Index (10:00)</p> <table border="1"> <tr> <th>Jan</th> <th>16</th> <th>Apr</th> <th>16</th> </tr> <tr> <td>Feb</td> <td>16</td> <td>May (f) 17</td> <td></td> </tr> <tr> <td>Mar</td> <td>17</td> <td>May (c) 17</td> <td></td> </tr> </table> <p>3-and 6-Month Bills (11:30) \$51.0 Billion</p>		Total	Prices	Mar 17.5	53.3	Apr 21.7	57.7	May (f) 22.1	60.5	May (c) 19.7		Jan	16	Apr	16	Feb	16	May (f) 17		Mar	17	May (c) 17		<p>ICSC/Goldman Sachs Chain Sales (7:45) (5/14)</p> <p>Housing Starts (8:30) (Units, Millions, SAAR)</p> <table border="1"> <tr> <th>Starts</th> <th>Permits</th> </tr> <tr> <td>Feb 0.512</td> <td>0.534</td> </tr> <tr> <td>Mar 0.549</td> <td>0.594</td> </tr> <tr> <td>Apr (f) 0.565</td> <td>0.574</td> </tr> <tr> <td>Apr (c) 0.568</td> <td>0.587</td> </tr> </table> <p>Redbook Chain Sales (8:55) (5/14)</p> <p>Industrial Production & Capacity Utilization (9:15)</p> <table border="1"> <tr> <th>Prod.</th> <th>Util.</th> </tr> <tr> <td>Feb 0.1%</td> <td>76.9%</td> </tr> <tr> <td>Mar 0.8%</td> <td>77.4%</td> </tr> <tr> <td>Apr (f) 0.5%</td> <td>77.6%</td> </tr> <tr> <td>Apr (c) 0.4%</td> <td>77.6%</td> </tr> </table> <p>4-Week Bill (11:30) \$28.0 Billion (f)</p>		Starts	Permits	Feb 0.512	0.534	Mar 0.549	0.594	Apr (f) 0.565	0.574	Apr (c) 0.568	0.587	Prod.	Util.	Feb 0.1%	76.9%	Mar 0.8%	77.4%	Apr (f) 0.5%	77.6%	Apr (c) 0.4%	77.6%	<p>FOMC Minutes (14:00) (April 26-27 meeting)</p> <p>Bullard Speech (19:00) (Money Marketeers Group – New York)</p>		<p>Initial Claims (8:30)</p> <table border="1"> <tr> <th>4/30</th> <th>478</th> <th>5/14 (f)</th> <th>420</th> </tr> <tr> <td>5/7</td> <td>434</td> <td>5/14 (c)</td> <td>420</td> </tr> </table> <p>Dudley Speech (8:30) (Regional Economic Conditions – SUNY New Paltz, New York)</p> <p>Existing Home Sales (10:00) (Units, Millions, SAAR)</p> <table border="1"> <tr> <th>Feb</th> <th>4,920</th> <th>Apr (f)</th> <th>5,210</th> </tr> <tr> <td>Mar</td> <td>5,100</td> <td>Apr (c)</td> <td>5,200</td> </tr> </table> <p>Philadelphia Fed Survey (10:00)</p> <table border="1"> <tr> <th>Apr</th> <th>Total</th> <th>Prices</th> </tr> <tr> <td>May (f) 24.5</td> <td>18.5</td> <td>57.1</td> </tr> <tr> <td>May (c) 20.0</td> <td></td> <td>60.5</td> </tr> </table> <p>Leading Indicators (10:00)</p> <table border="1"> <tr> <th>Feb</th> <th>1.0%</th> <th>Apr (f)</th> <th>unch</th> </tr> <tr> <td>Mar</td> <td>0.4%</td> <td>Apr (c)</td> <td>0.1%</td> </tr> </table> <p>Dudley Speech (12:00) (Regional Economic Conditions – Middletown, New York)</p> <p>10-Year TIPS \$11.0 Bn (13:00)</p> <p>Fisher Speech (13:30) (Federal Reserve Functions and Economic Update – McAllen, Texas)</p> <p>Evans Speech (13:40) (Global Corporate Treasurers Forum – Chicago, Illinois)</p>		4/30	478	5/14 (f)	420	5/7	434	5/14 (c)	420	Feb	4,920	Apr (f)	5,210	Mar	5,100	Apr (c)	5,200	Apr	Total	Prices	May (f) 24.5	18.5	57.1	May (c) 20.0		60.5	Feb	1.0%	Apr (f)	unch	Mar	0.4%	Apr (c)	0.1%	<p>Dudley Speech (8:00) (Regional Economic Conditions – Fishkill, New York)</p>							
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<p>3-and 6-Month Bills (11:30) \$51.0 Billion (f)</p> <p>Bullard Speech (20:10) (U.S. Economy and monetary policy – Mineral Area College Foundation Cozean Lecture Series, Missouri)</p>		<p>ICSC/Goldman Sachs Chain Sales (7:45) (5/21)</p> <p>Redbook Chain Sales (8:55) (5/21)</p> <p>Hoenig Speech (9:50) (Monetary and Trade Conference – Philadelphia, Pennsylvania)</p> <p>New Home Sales (10:00) (Units, Thousands, SAAR)</p> <table border="1"> <tr> <th>Jan</th> <th>312</th> <th>Mar</th> <th>300</th> </tr> <tr> <td>Feb</td> <td>270</td> <td>Apr (f)</td> <td>311</td> </tr> </table> <p>4-Week Bill \$28.0 Bn (f) (11:30)</p> <p>2-Year Note \$35.0 Bn (f) (13:00)</p> <p>Bullard Speech (13:20) (Rotary Club – Cape Girardeau, Missouri)</p>		Jan	312	Mar	300	Feb	270	Apr (f)	311	<p>Durable Goods (8:30)</p> <table border="1"> <tr> <th>Orders</th> <th>Ex-Def.</th> <th>Ships.</th> </tr> <tr> <td>Feb 0.7%</td> <td>2.0%</td> <td>0.5%</td> </tr> <tr> <td>Mar 2.5%</td> <td>2.3%</td> <td>1.8%</td> </tr> <tr> <td>Apr (f) -2.0%</td> <td>-2.0%</td> <td>1.0%</td> </tr> </table> <p>Kocherlakota Speech (13:30) (Chamber of Commerce – Rochester, Minnesota)</p> <p>5-Year Note (13:00) \$35.0 Billion (f)</p>		Orders	Ex-Def.	Ships.	Feb 0.7%	2.0%	0.5%	Mar 2.5%	2.3%	1.8%	Apr (f) -2.0%	-2.0%	1.0%	<p>Gross Domestic Product (8:30) (Second)</p> <table border="1"> <tr> <th>Real</th> <th>Final</th> <th>Chain</th> </tr> <tr> <td>10:Q3 2.6%</td> <td>0.9%</td> <td>2.1%</td> </tr> <tr> <td>10:Q4 3.1%</td> <td>6.7%</td> <td>0.4%</td> </tr> <tr> <td>11:Q1 (a) 1.8%</td> <td>0.8%</td> <td>1.9%</td> </tr> <tr> <td>11:Q1 (f) 2.0%</td> <td>0.9%</td> <td>2.0%</td> </tr> </table> <p>Initial Claims (8:30)</p> <table border="1"> <tr> <th>4/30</th> <th>478</th> <th>5/14 (f)</th> <th>420</th> </tr> <tr> <td>5/7</td> <td>434</td> <td>5/21 (f)</td> <td>405</td> </tr> </table> <p>7-Year Note (13:00) \$29.0 Billion (f)</p>		Real	Final	Chain	10:Q3 2.6%	0.9%	2.1%	10:Q4 3.1%	6.7%	0.4%	11:Q1 (a) 1.8%	0.8%	1.9%	11:Q1 (f) 2.0%	0.9%	2.0%	4/30	478	5/14 (f)	420	5/7	434	5/21 (f)	405	<p>Personal Income & Consumption (8:30) Core</p> <table border="1"> <tr> <th>Income</th> <th>Cons.</th> <th>Prices</th> </tr> <tr> <td>Feb 0.4%</td> <td>0.9%</td> <td>0.2%</td> </tr> <tr> <td>Mar 0.5%</td> <td>0.6%</td> <td>0.1%</td> </tr> <tr> <td>Apr (f) 0.4%</td> <td>0.3%</td> <td>0.2%</td> </tr> </table> <p>U of M Cons Sentiment Index (9:55) (Final)</p> <table border="1"> <tr> <th>Mar</th> <th>67.5</th> <th>May (p)</th> <th>72.4</th> </tr> <tr> <td>Apr</td> <td>69.8</td> <td>May (f)</td> <td>72.5</td> </tr> </table> <p>U of M Inflation Expectations (9:55) (Final)</p> <table border="1"> <tr> <th>1-Year</th> <th>5-Year</th> </tr> <tr> <td>Mar 4.6%</td> <td>3.2%</td> </tr> <tr> <td>Apr 4.6%</td> <td>2.9%</td> </tr> <tr> <td>May (p) 4.4%</td> <td>3.0%</td> </tr> <tr> <td>May (f) 4.5%</td> <td>3.0%</td> </tr> </table> <p>Pending Home Sales (10:00)</p> <table border="1"> <tr> <th>Jan</th> <th>-2.8%</th> <th>Mar</th> <th>5.1%</th> </tr> <tr> <td>Feb</td> <td>0.7%</td> <td>Apr (f)</td> <td>2.0%</td> </tr> </table>		Income	Cons.	Prices	Feb 0.4%	0.9%	0.2%	Mar 0.5%	0.6%	0.1%	Apr (f) 0.4%	0.3%	0.2%	Mar	67.5	May (p)	72.4	Apr	69.8	May (f)	72.5	1-Year	5-Year	Mar 4.6%	3.2%	Apr 4.6%	2.9%	May (p) 4.4%	3.0%	May (f) 4.5%	3.0%	Jan	-2.8%	Mar	5.1%	Feb	0.7%	Apr (f)	2.0%
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Recent History-Latest Results

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<p>3-and 6-Month Bills (11:30) \$56.0 Billion</p>		<p>ICSC/Goldman Sachs Chain Sales (7:45) (5/7)</p> <p>Import Prices (Non-Fuel, Y/Y) (8:30)</p> <table border="1"> <tr> <th>Nov</th> <th>3.0%</th> <th>Feb</th> <th>3.8%</th> </tr> <tr> <td>Dec</td> <td>3.0%</td> <td>Mar</td> <td>4.3%</td> </tr> <tr> <td>Jan</td> <td>3.4%</td> <td>Apr</td> <td>4.3%</td> </tr> </table> <p>Redbook Chain Sales (8:55) (5/7)</p> <p>Wholesale Inventories (10:00)</p> <table border="1"> <tr> <th>Oct</th> <th>2.7%</th> <th>Jan</th> <th>1.0%</th> </tr> <tr> <td>Nov</td> <td>unch</td> <td>Feb</td> <td>1.0%</td> </tr> <tr> <td>Dec</td> <td>1.2%</td> <td>Mar</td> <td>1.1%</td> </tr> </table> <p>4-Week Bill (11:30) \$28.0 Billion</p> <p>3-Year Note (13:00) \$32.0 Billion</p>		Nov	3.0%	Feb	3.8%	Dec	3.0%	Mar	4.3%	Jan	3.4%	Apr	4.3%	Oct	2.7%	Jan	1.0%	Nov	unch	Feb	1.0%	Dec	1.2%	Mar	1.1%	<p>Trade Balance (8:30) (\$ Billions, BOP Basis)</p> <table border="1"> <tr> <th>Total</th> <th>Merch.</th> <th>Serv.</th> </tr> <tr> <td>Jan -47.0</td> <td>-60.3</td> <td>13.3</td> </tr> <tr> <td>Feb -45.4</td> <td>-59.1</td> <td>13.7</td> </tr> <tr> <td>Mar -48.2</td> <td>-62.1</td> <td>13.9</td> </tr> </table> <p>10-Year Note (13:00) \$24.0 Billion</p> <p>Treasury Statement (14:00) (\$ Billions)</p> <table border="1"> <tr> <th></th> <th>2011</th> <th>2010</th> </tr> <tr> <td>Feb</td> <td>-222.5</td> <td>-220.9</td> </tr> <tr> <td>Mar</td> <td>-188.2</td> <td>-65.4</td> </tr> <tr> <td>Apr</td> <td>-40.5</td> <td>-82.7</td> </tr> </table>		Total	Merch.	Serv.	Jan -47.0	-60.3	13.3	Feb -45.4	-59.1	13.7	Mar -48.2	-62.1	13.9		2011	2010	Feb	-222.5	-220.9	Mar	-188.2	-65.4	Apr	-40.5	-82.7	<p>Producer Price Index (8:30)</p> <table border="1"> <tr> <th>Total</th> <th>Ex-F&E</th> </tr> <tr> <td>Mar 0.7%</td> <td>0.3%</td> </tr> <tr> <td>Apr 0.8%</td> <td>0.3%</td> </tr> </table> <p>Advance Retail Sales (8:30)</p> <table border="1"> <tr> <th>Total</th> <th>Ex-Auto</th> </tr> <tr> <td>Mar 0.9%</td> <td>1.2%</td> </tr> <tr> <td>Apr 0.5%</td> <td>0.6%</td> </tr> </table> <p>Initial Claims (8:30)</p> <table border="1"> <tr> <th>4/16</th> <th>404</th> <th>4/30</th> <th>478</th> </tr> <tr> <td>4/23</td> <td>431</td> <td>5/7</td> <td>434</td> </tr> </table> <p>Business Inventories, Sales (10:00) Inven. Sales I/S</p> <table border="1"> <tr> <th>Feb</th> <th>0.7%</th> <th>0.5%</th> <th>1.245</th> </tr> <tr> <td>Feb</td> <td>1.0%</td> <td>2.2%</td> <td>1.230</td> </tr> </table> <p>30-Year Bond \$16.0 Bn (13:00)</p> <p>Monthly Money (16:30) (SA, \$ Billions)</p> <table border="1"> <tr> <th>M1</th> <th>M2</th> </tr> <tr> <td>Mar 1890.0</td> <td>8912.9</td> </tr> <tr> <td>Apr 1901.0</td> <td>8945.7</td> </tr> </table>		Total	Ex-F&E	Mar 0.7%	0.3%	Apr 0.8%	0.3%	Total	Ex-Auto	Mar 0.9%	1.2%	Apr 0.5%	0.6%	4/16	404	4/30	478	4/23	431	5/7	434	Feb	0.7%	0.5%	1.245	Feb	1.0%	2.2%	1.230	M1	M2	Mar 1890.0	8912.9	Apr 1901.0	8945.7	<p>Consumer Price Index (8:30)</p> <table border="1"> <tr> <th>Total</th> <th>Ex-F&E</th> </tr> <tr> <td>Feb 0.5%</td> <td>0.2%</td> </tr> <tr> <td>Mar 0.5%</td> <td>0.1%</td> </tr> <tr> <td>Apr 0.4%</td> <td>0.2%</td> </tr> </table> <p>U of M Cons Sentiment Index (9:55) (Prelim.)</p> <table border="1"> <tr> <th>Dec</th> <th>74.5</th> <th>Mar</th> <th>67.5</th> </tr> <tr> <td>Jan</td> <td>74.2</td> <td>Apr</td> <td>69.8</td> </tr> <tr> <td>Feb</td> <td>77.5</td> <td>May</td> <td>72.4</td> </tr> </table> <p>U of M Inflation Expectations (9:55) (Prelim.)</p> <table border="1"> <tr> <th>1-Year</th> <th>5-Year</th> </tr> <tr> <td>Mar 4.6%</td> <td>3.2%</td> </tr> <tr> <td>Apr 4.6%</td> <td>2.9%</td> </tr> <tr> <td>May 4.4%</td> <td>3.0%</td> </tr> </table>		Total	Ex-F&E	Feb 0.5%	0.2%	Mar 0.5%	0.1%	Apr 0.4%	0.2%	Dec	74.5	Mar	67.5	Jan	74.2	Apr	69.8	Feb	77.5	May	72.4	1-Year	5-Year	Mar 4.6%	3.2%	Apr 4.6%	2.9%	May 4.4%	3.0%
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Indicator Highlights

United States

The Empire State Manufacturing (Mon., May 16, 8:30 a.m.) and Philadelphia Fed (Fri., May 19, 10:00 a.m.) Surveys are indicators of regional manufacturing activity that can foreshadow the national picture. The indices retreated last month, suggesting that the recent strength in industry may be fading. Housing Starts (Tue., May 17, 8:30 a.m.) will provide a forward look at residential construction, a component of real GDP, though less than 3% of real GDP now. Builders remain pessimistic about demand prospects. Industrial Production & Capacity Utilization (Wed, May 17, 9:15 a.m.) will give a detailed read on industrial-side activity and be watched for evidence on how much help manufacturing is getting from exports. Also of interest is how fast slack is diminishing in the capacity utilization measure. Existing (Thu., May 19, 10:00 a.m.), New (Tue., May 24, 10:00 a.m.) and Pending (Fri., May 27, 10:00 a.m.) home sales will offer an update on demand conditions in the broad housing market for the important Spring buying season. Underlying demand for homes appears to have stabilized, but at a low level.

The "Second" Report on Gross Domestic Product (Thu., May 26, 8:30 a.m.) will provide an updated reading on the overall economy in Q1, and perhaps on early impact of higher oil prices. Personal Income & Consumption (Fri., May 27, 8:30 a.m.) will provide the first-month reading for Q2 consumer spending, currently the largest source (over 70%) of real GDP. How goes the consumer, so goes the economy. A new growth trend for consumption has emerged: much lower than historically, hard to pin down exactly, but significantly weaker, at perhaps about 2½%, or 3% at the most. Modest income growth also is expected, but also a higher savings rate. The Reuters/University of Michigan Consumer Sentiment Index (Fri., May 27, 9:55 a.m.) will give an updated look at consumer attitudes in late May. Consumer sentiment retreated steeply in March on gasoline price concerns, and gained only a touch in April, but came back more in May's initial reading. Expected inflation is important.

Indicator	Forecast	Consensus	Analysis
Empire State Manufacturing Survey			
Total	22.1	19.7	Strengthening activity over the past five months.
Prices	60.5		Yet-higher price reading.
NAHB Housing Market Index	17	17	Mildly better.
Housing Starts (Units, SAAR)	0.565 Million	0.568 Million	Small bounce on the multi-family side; flatter on the single-family side.
Housing Permits (Units, SAAR)	0.574 Million	0.587 Million	
Industrial Production	+0.5%	+0.4%	Gains in manufacturing payrolls and hours point to increase in output.
Capacity Utilization	77.6%	77.6%	Less and less slack.
Existing Home Sales (Units, SAAR)	5.210 Million	5.200 Million	A gain hinted by pending sales data.
Philadelphia Fed Manufacturing Survey			
Total	24.5	20.0	Upward move in May following backsliding in April.
Prices	60.5		Small upward movement in prices.
Leading Indicators	unch	+0.1%	Faster ISM supplier deliveries and rise in initial claims weigh on the index.
New Home Sales (Units, SAAR)	311,000		Home sales continue to recover from February low.
Durable Goods			
Orders	-2.0%		Commercial aircraft orders drop.
Ex-Defense	-2.0%		
Shipments	+1.0%		
Gross Domestic Product (Second)			
Real	+2.0%		Small upward revision on sales.
Final Sales	+0.9%		
Chain Prices	+2.0%		Prices revised higher.
Personal Income & Consumption			
Income	+0.4%		Improving labor market continues to support incomes.
Consumption	+0.3%		Higher food and fuel costs crimp budgets.
Core Prices	+0.2%		
U. of M. Consumer Sentiment Index (Final)	72.5		Small increase, suggests future improvement.
U. of M. Inflation Expectations (Final)			
1-Yr Ahead (Median)	4.5%		Small move upward.
5-Yr Ahead (Median)	3.0%		
Pending Home Sales	+2.0%		Some further improvement.

Assessment

Economic growth has softened, with declines in federal, state, and local government spending and a modest buildup of inventories relative to sales. Industrial side of the economy is going strong. A question is whether, when, and how much crude oil, gasoline and energy price hikes will take from growth in Q2 and Q3. Main Street squeezed by slow jobs growth and high gas prices, while strong corporate earnings drive Wall Street higher. "Off-shore" risks remain from European sovereign debt crisis and China's attempt to disinflate. Japan recession will also have an impact. Inflation in Asia an Asian problem, but there is a question now on U.S. inflation risk. Fed providing "wind" to back of economy and markets with QE2. Employment weakness reinforces Fed's conviction to hold, not tighten, post-QE2 – still aiming to raise growth, raise inflation, and lower the unemployment rate, with a long way to go.

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