

United States

Economic Indicators—Schedule and Forecasts

June 4 – 15, 2012

Sinai/Ellis/Hooper

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

4	5	6	7	8
<p>Manufacturers' (10:00) Orders Ships. Invs. Mar -1.9% 0.3% 0.2% Apr (f) unch 0.3% 0.2% Apr (c) 0.2%</p> <p>3-and 6-Month Bills (11:30) \$57.0 Billion</p> <p>June 3</p> <p>Kocherlakota Speech (14:00) (Financial Intermediation Research Society Conference, Minneapolis: Academic Presentation on US Economy)</p>	<p>ICSC/Goldman Sachs Chain Sales (7:45) (6/2)</p> <p>Redbook Chain Sales (8:55) (6/2)</p> <p>ISM Non-Manufacturing (10:00) Total Prices Apr 53.5 53.6 May (f) 55.1 64.4 May (c) 53.5</p> <p>4-Week Bill (11:30) \$30.0 Billion (f)</p> <p>Bullard Speech (14:15) (Bipartisan Policy Center Conference, St Louis: "Housing in America: Innovative Solutions to Address the Needs of Tomorrow")</p> <p>Evans Speech (19:15) (Money Marketeters, NY: Economy and Monetary Policy)</p>	<p>Lockhart Speech (8:15) (Broward Workshop, FL: US Economy and Monetary Policy)</p> <p>Productivity and Costs (8:30) (Final) Prod. Comp. ULC 11:Q4 (r) 1.2% 1.0% -0.2% 12:Q1 (p) -0.5% 1.5% 2.0% 12:Q1 (f) -0.7% 0.5% 1.2% 12:Q1 (c) -0.7% 2.1%</p> <p>Tarullo Testimony (10:00) (Senate Banking Committee: "Implementing Wall Street Reform: Enhancing Bank Supervision and Reducing Systemic Risk")</p> <p>FOMC Beige Book (14:00)</p> <p>Williams Speech (15:30) (Seattle Community Leaders, Economic Outlook)</p> <p>Yellen Speech (19:00) (Boston Economic Club Dinner: Economic Outlook and Monetary Policy)</p>	<p>Rosengren Speech (5:45) (Institute of International Finance Meeting, Copenhagen: Global Outlook and Risks)</p> <p>Initial Claims (8:30) 5/19 373 6/2 (f) 380 5/26 383 6/2 (f) 380</p> <p>Bernanke Testimony (10:00) (Joint Economic Committee: Economic Outlook)</p> <p>Lockhart Speech (12:10) (Paulding County Chamber of Commerce, GA: US Economy and Monetary Policy)</p> <p>Kocherlakota Speech (13:15) (Entrepreneur & Investor Luncheon Minneapolis: US Economy)</p> <p>Consumer Credit (15:00) (\$ Billions, Chg.) Dec 16.3 Mar 21.4 Jan 17.5 Apr (f) 10.5 Feb 9.3 Apr (c) 10.3</p> <p>Fisher Speech (15:30) (UCSD, La Jolla: "Implications of Renminbi Internationalization for US and Global Economy")</p>	<p>Trade Balance (8:30) (\$ Billions, BOP Basis) (Annual Revision) Mar -51.8 Merch. Serv. 15.8 Apr (f) -50.7 -66.5 15.8 Apr (c) -49.5</p> <p>Wholesale Inventories (10:00) Dec 1.2% Mar 0.3% Jan 0.6% Apr (f) 0.1% Feb 0.9% Apr (c) 0.5%</p> <p>Kocherlakota Speech (TBA) (Mitsui Finance Symposium, Ann Arbor: Academic Presentation on US Economy)</p>
<p>3-and 6-Month Bills (11:30) \$57.0 Billion (f)</p> <p>Lockhart Speech (12:00) (Tennessee Bankers Association, Chicago: US Economy and Monetary Policy)</p> <p>Williams Speech (12:00) (San Francisco Federal Reserves Conference, Welcoming Remarks)</p>	<p>ICSC/Goldman Sachs Chain Sales (7:45) (6/9)</p> <p>Import Prices (Non-Fuel, Y/Y) (8:30) Dec 3.4% Mar 2.1% Jan 2.9% Apr 1.3% Feb 2.4% May (f) 1.0%</p> <p>Redbook Chain Sales (8:55) (6/9)</p> <p>Tarullo Speech (11:30) (San Francisco Fed Conference: "Shadow Banking After the Financial Crisis")</p> <p>4-Week Bill (11:30) \$30.0 Billion (f)</p> <p>3- Year Note (13:00) \$32.0 Billion (f)</p> <p>Treasury Statement (14:00) (\$ Billions) 2012 2011 Mar -198.2 -188.2 Apr 59.1 -40.4 May (f) -55.2 -57.6</p>	<p>Producer Price Index (8:30) Total Ex-F&E Mar unch 0.3% Apr -0.2% 0.2% May (f) -0.7% 0.2%</p> <p>Advance Retail Sales (8:30) Total Ex-Auto Mar 0.7% 0.8% Apr 0.1% 0.1% May (f) -0.5% -0.4%</p> <p>Business Inventories, Sales (10:00) Inven. Sales I/S Feb 0.6% 0.7% 1.273 Mar 0.3% 0.6% 1.271 Apr (f) 0.3% 0.1% 1.273</p> <p>10- Year Note (13:00) \$24.0 Billion (f)</p>	<p>Current Account (\$ Billions) (8:30) (Annual Revision) 11:Q2 -123.4 11:Q4 -124.1 11:Q3 -107.6 12:Q1 (f) -132.1</p> <p>Consumer Price Index (8:30) Total Ex-F&E Mar 0.3% 0.2% Apr unch 0.2% May (f) -0.1% 0.2%</p> <p>Initial Claims (8:30) 5/19 373 6/2 (f) 380 5/26 383 6/9 (f) 380</p> <p>30- Year Bond (13:00) \$16.0 Billion (f)</p> <p>Monthly Money (16:30) (SA, \$ Billions) M1 M2 Mar 2220.6 9798.6 Apr 2247.9 9842.3 May (f) 2240.1 9879.5</p>	<p>Empire State Manufacturing Survey (8:30) Total Prices Apr 6.6 37.4 May 17.1 45.8 Jun (f) 18.5 33.1</p> <p>Monthly TIC flows (9:00) (Apr)</p> <p>Industrial Production & Capacity Utilization (9:15) Prod. Util. Mar -0.1% 78.4% Apr 1.1% 79.2% May (f) -0.2% 78.7%</p> <p>U of M Cons Sentiment Index (9:55) (Prelim.) Jan 75.0 Apr 76.4 Feb 75.3 May 79.3 Mar 76.2 Jun (f) 78.9</p> <p>U of M Inflation Expectations (9:55) (Prelim.) 1-Year 5-Year Apr 3.2% 2.9% May 3.0% 2.7% Jun (f) 3.1% 2.8%</p>

Recent History-Latest Results

28	29	30	31	1
<p>Holiday</p> <p>S&P/Case-Shiller Index (9:00) (20 City Index) (Y/Y) Oct -3.6% Jan -3.9% Nov -3.9% Feb -3.5% Dec -4.1% Mar -2.6%</p> <p>Conference Board Consumer Confidence Survey (10:00) Dec 64.8 Mar 69.5 Jan 61.5 Apr 68.7 Feb 71.6 May 64.9</p> <p>3-and 6-Month Bills (11:30) \$57.0 Billion</p>	<p>ICSC/Goldman Sachs Chain Sales (7:45) (5/26)</p> <p>Redbook Chain Sales (8:55) (5/26)</p> <p>Pending Home Sales (10:00) Nov 4.6% Feb 0.4% Dec -1.9% Mar 3.8% Jan 2.0% Apr -5.5%</p> <p>4-Week Bill (11:30) \$30.0 Billion (f)</p> <p>52-Week Bill (11:30) \$25.0 Billion</p>	<p>ADP Employment Estimate (8:15) (May)</p> <p>Gross Domestic Product (8:30) (Second) Final Chain Real Sales Prices 11:Q4 3.0% 1.1% 0.8% 12:Q1 (a) 2.2% 1.6% 1.5% 12:Q1 (s) 1.9% 1.7% 1.7%</p> <p>Initial Claims (8:30) 5/5 370 5/19 373 5/12 372 5/26 383</p> <p>Chicago Purchasing Managers' Survey (9:45) Prices Total Paid Mar 62.2 70.1 Apr 56.2 68.6 May 52.7 60.4</p> <p>Monthly Chain Store Sales (May)</p>	<p>Employment Report (8:30) Payrolls Weekly Hourly (Thous.) Hours Earnings Mar 143 34.5 0.2% Apr 77 34.5 0.1% May 69 34.4 0.1%</p> <p>Unemployment Rate (8:30) Dec 8.5% Mar 8.2% Jan 8.3% Apr 8.1% Feb 8.3% May 8.2%</p> <p>Personal Income & Consumption (8:30) Core Income Cons. Prices Feb 0.3% 0.9% 0.3% Mar 0.4% 0.2% 0.2% Apr 0.2% 0.3% unch</p> <p>ISM Manufacturing Survey (10:00) Total Prices Mar 53.4 61.0 Apr 54.8 61.0 May 53.5 47.5</p> <p>Light Vehicle Sales (Units, Millions, SAAR) Total Domestic Import Mar 14.3 11.1 3.2 Apr 14.4 11.1 3.3 May 13.7 10.7 3.0</p>	

Indicator Highlights

United States

The ISM Non-Manufacturing Survey (Tues., June 5, 10:00 a.m.) is a high-frequency gauge for the important services sector, which accounts for about 60% to almost 85% of the economy, depending on the measure. Productivity & Costs (Weds., June 6, 8:30 a.m.) will give a revised look at Q1 unit labor costs and will be suggestive about corporate profits performance. The Trade Balance (Friday, June 8, 8:30 a.m.) and its track of exports and imports can indicate the strength of the global economy.

A big indicator for the Fed now is Retail Sales (Weds., June 13, 8:30 a.m.), a key indicator for consumption, sometimes marking well the direction of aggregate consumer spending. The consumer is central to the expansion, its risks, and extent. The Producer Price Index (Weds., June 13, 8:30 a.m.) should be watched for further signs that commodity price inflation is abating. The Consumer Price Index (CPI-U) (Thurs., June 14, 8:30 a.m.) is important for its overall and "core" readings on inflation, the latter for the Fed. The Empire State Manufacturing (Fri., June 15, 8:30 a.m.) survey is an important indicator of regional manufacturing activity that can foreshadow the national picture. Trouble on exports, tied to the global economy, would show up here. Industrial Production & Capacity Utilization (Fri., June 15, 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. The Reuters/University of Michigan Consumer Sentiment Index (Fri., June 15, 9:55 a.m.) will provide an initial look at consumer attitudes in April. Consumer sentiment had retreated, but rebounded on better household financial conditions.

Indicator	Forecast	Consensus	Analysis
Manufacturers'			
Orders	unch	+0.2%	Some price-driven weakness in non-durables.
Shipments	+0.3%		
Inventories	+0.2%		
ISM Non-Manufacturing Survey			
Total	55.1	53.5	Activity strengthens, but remains below first quarter levels.
Prices	64.4		
Productivity & Costs (Revised)			
Productivity	-0.7%	-0.7%	Slightly softer productivity and much softer compensation than before—unit labor cost slow.
Compensation	+0.5%		
Unit Labor Costs	+1.2%	+2.1%	
Consumer Credit	+\$10.5 Billion	+\$10.3 Billion	Growth slows, after March surge.
Trade Balance (BOP Basis)			
Total	-\$50.7	-\$49.5	Imports weaken slightly.
Merchandise	-\$66.5		
Services	\$15.8 Billion	Billion	
Wholesale Inventories	+0.1%	+0.5%	Minimal growth in wholesale inventories.
Import Prices (Non-Fuel, Y/Y)	+1.0%		Continuing slowdown.
Treasury Statement	-\$55.2 Billion		Just under last May's figure.
Producer Price Index			
Total	-0.7%		Gasoline prices fall sharply.
Ex-Food & Energy	+0.2%		
Advance Retail Sales			
Total	-0.5%		Weakness in autos, and a price-driven decline at gas stations. Elsewhere, very mild.
Ex-Auto	-0.4%		
Business Inventories, Sales			
Inventories	+0.3%		Little change in inventories, but sales move downward.
Sales	+0.1%		
I/S	1.273		
Current Account	-\$132.1 Billion		Deterioration in merchandise trade widens the deficit.
Consumer Price Index			
Total	-0.1%		Big drop in gasoline prices.
Ex-Food & Energy	+0.2%		
Monthly Money (SA)			
M1	-\$7.8		Still-strong M2 growth.
M2	+\$37.2 Billion		
Empire State Manufacturing Survey			
Total	18.5		Slight improvement in activity, while inflation moves downward.
Prices	33.0		
Industrial Production	-0.2%		Another setback, after April rebound.
Capacity Utilization	78.7%		A quick jump in slack.
U. of M. Consumer Sentiment Index (Prelim)	78.9		Small move downward following gradual rise in first half of year.
U. of M. Inflation Expectations (Prelim.)			
1-Yr Ahead (Median)	3.1%		Little change in prices expectations.
5-Yr Ahead (Median)	2.8%		

Assessment

Economy firmer in a more broad-based way, lifting up in Q4 and Q1 relative to last year. Better consumption, and a pick-up in residential construction, reflect pent-up demands for big ticket items. Recent data on soft side, raising questions on sustainability of lift-up. But, it is likely sustainable on lots of signs that easy money is taking hold. "Off-shore" risks to U.S. from European recession and ongoing weaker growth in Asia showing up in exports and trade and some weakening in PM data. But, the look ahead, six months and more out, is better. Europe recession for Q4, Q1, and Q2, maybe longer, maybe deeper—the biggest issue. Fed continues alert on unemployment being too high, and the possibility of another balance sheet easing a little less small. Some acceleration of U.S. economy noted by Fed, but the central bank cautious given previous premature expectations of a better economy that did not unfold.

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

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