



## Eurozone

 Economic Indicators—Schedule and Forecasts (Local Times)  
 July 9 – July 20, 2012

Wroblewski/Liu

<b>9</b>	<b>10</b>	<b>11</b>	<b>12</b>	<b>13</b>
ECB President Draghi speaks in Brussels (14:30)  Eurozone Finance Ministers meeting in Brussels	EU Finance Ministers meeting in Brussels		ECB Monthly Bulletin (Jul) (10:00)  Industrial Production (SA) (11:00) M/M      Y/Y Apr          -1.1%   -2.4% <b>May (f)</b> <b>0.3%</b> <b>-3.0%</b> <b>May (c)</b> <b>unch</b> <b>-3.2%</b>  ECB President Draghi speaks in Morocco (18:00)	
<b>16</b>	<b>17</b>	<b>18</b>	<b>19</b>	<b>20</b>
Harmonized Index of Consumer Prices, Final (11:00) M/M      Y/Y May          -0.1%   2.4% <b>Jun (p)</b> <b>2.4%</b> <b>Jun (f)</b> <b>unch</b> <b>2.4%</b>  Trade Balance (Euro billion) (NSA) (11:00) '11/12  '10/11 Mar          7.5      0.9 Apr          5.2      -4.5 <b>May (f)</b> <b>6.5</b> -1.2	New Car Registrations (Jun) (8:00)	Construction Output (May) (11:00)		

 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

<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>	<b>6</b>
Purchasing Managers' Index Manufacturing, Final (10:00) Jan 48.8 Apr 45.9 Feb 49.0 May 45.1 Mar 47.7 Jun 45.1  Unemployment Rate (%) (SA) (11:00) Dec 10.7 Mar 11.0 Jan 10.8 Apr 11.0 Feb 10.8 May 11.1	Producer Prices (NSA) (11:00) M/M      Y/Y Mar          0.5%   3.5% Apr          0.1%   2.6% May          -0.5%  2.3%	Service Sector Purchasing Managers Survey, Final (10:00) Jan 50.4 Apr 46.9 Feb 48.8 May 46.7 Mar 49.2 Jun 47.1  Retail Sales (SA) (11:00) M/M      Y/Y Mar          0.4%   unch Apr          -1.4%  -3.4% May          0.6%   -1.7%  Gross Domestic Product, Final Estimate, (SA) (11:00)	ECB Governing Council meeting (decision at 13:45) <i>(25 bp rate cut)</i> <i>Press conference at 14:30</i>	<b>Possibly from today:</b>  European Commission Quarterly Report on the Eurozone (Q1) (12 noon)

**Key potential market-moving indicators and events include:** Industrial Production (Thu. Jul. 12, 11:00 a.m.). In the following week, there are Harmonized Consumer Prices and the Visible Trade Balance (both Mon. Jul. 16, 11:00 a.m.).

Eurozone **industrial production** fell further and more steeply in April. Flash numbers for May saw **HICP inflation** remain at a 15-month low. Seasonally adjusted **trade** data showed a larger surplus in April from the previous month.

Indicator	Forecast	Consensus	Analysis
Industrial Production (SA)			
M/M	0.3%	unch	Still hole still emerging.
Y/Y	-3.0%	-3.2%	
Consumer Prices – HICP (Final) (NSA)			
M/M	unch		Downward revision possible.
Y/Y	2.4%		
Visible Trade (NSA)	€ 6.5 bln		Lower oil bill!

#### Post Mortem—Prior Week Results

**Factory Sector Contracting Clearly, But No Faster?** Largely reiterating the message of previous data, the June final manufacturing PMI suggests that Eurozone factory sector is contracting and possibly on a broader basis geographically. Specifically, the manufacturing PMI was 45.1, 0.3 point above the flash and a reading that now matches the outcome seen in May, but still a three-year low.

**Unemployment at Record-high.** The unemployment rate was 11.1% in May, a fresh record-high and up a notch from unrevised April numbers, therefore even more clearly up from the 9.9% cycle-low set in April last year.

**Fresh Drop in Producer Prices.** May producer prices fell for the first time since December. Prices actually fell 0.5% M/M, largely due to lower energy costs, with the ex-energy measure being flat.

**Retail Sales Weakness Eases.** Real retail sales rose 0.6% in M/M terms in May.

**Contracting Clearly, But No Faster?** The services PMI edged up 0.4 point to 47.1, 0.3 point above the flash estimate and up more clearly from May when the index hit a seven-month low.

**Expected Rate Cut Materializes.** The ECB Council cut all its main rates by 25 bp, the first such move since the end of last year. As a result, fresh record lows are now being seen in the refi rate (at 0.75%) and the deposit rate (at zero).



## United Kingdom

### Economic Indicators—Schedule and Forecasts (Local Times)

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REC/KPMG Report on Jobs (Jun) (00:01)  BoE Deputy Governor Tucker testifies before the Treasury Select Committee (16:30)	BRC Retail Sales Monitor (Jun) (00:01)  RICS House Price Survey (Jun) (00:01)  Manufacturing Production (SA) (9:30) <table> <tr><td></td><td>MM</td><td>Y/Y</td></tr> <tr><td>Apr</td><td>-0.7%</td><td>-0.3%</td></tr> <tr><td><b>May (f)</b></td><td><b>1.0%</b></td><td><b>-0.9%</b></td></tr> <tr><td><b>May (c)</b></td><td><b>unch</b></td><td><b>-1.9%</b></td></tr> </table> Industrial Production (SA) (9:30) <table> <tr><td></td><td>M/M</td><td>Y/Y</td></tr> <tr><td>Apr</td><td>unch</td><td>-1.0%</td></tr> <tr><td><b>May (f)</b></td><td><b>1.1%</b></td><td><b>-0.7%</b></td></tr> <tr><td><b>May (c)</b></td><td><b>-0.3%</b></td><td><b>-2.1%</b></td></tr> </table> Visible Trade Balance, Global (SA) (£ Million) (9:30) Mar -8734 <b>May (f) -9250</b> Apr -10103 <b>May (c) -9100</b>		MM	Y/Y	Apr	-0.7%	-0.3%	<b>May (f)</b>	<b>1.0%</b>	<b>-0.9%</b>	<b>May (c)</b>	<b>unch</b>	<b>-1.9%</b>		M/M	Y/Y	Apr	unch	-1.0%	<b>May (f)</b>	<b>1.1%</b>	<b>-0.7%</b>	<b>May (c)</b>	<b>-0.3%</b>	<b>-2.1%</b>			Construction Output (May) (9:30)																								
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<b>16</b>  Consumer Price Index (CPI) (NSA) (9:30) <table> <tr><td></td><td>M/M</td><td>Y/Y</td></tr> <tr><td>Apr</td><td>0.6%</td><td>3.0%</td></tr> <tr><td>May</td><td>-0.1%</td><td>2.8%</td></tr> <tr><td><b>Jun (f)</b></td><td><b>-0.2%</b></td><td><b>2.6%</b></td></tr> </table> Retail Prices (NSA) (9:30) <table> <tr><td></td><td>M/M</td><td>Y/Y</td></tr> <tr><td>Apr</td><td>0.7%</td><td>3.5%</td></tr> <tr><td>May</td><td>unch</td><td>3.1%</td></tr> <tr><td><b>Jun (f)</b></td><td><b>-0.1%</b></td><td><b>3.0%</b></td></tr> </table> Retail Prices, Underlying (RPIX) (NSA) (9:30) <table> <tr><td></td><td>M/M</td><td>Y/Y</td></tr> <tr><td>Apr</td><td>0.7%</td><td>3.5%</td></tr> <tr><td>May</td><td>unch</td><td>3.1%</td></tr> <tr><td><b>Jun (f)</b></td><td><b>-0.1%</b></td><td><b>3.0%</b></td></tr> </table> House Price Index (Apr) (9:30)		M/M	Y/Y	Apr	0.6%	3.0%	May	-0.1%	2.8%	<b>Jun (f)</b>	<b>-0.2%</b>	<b>2.6%</b>		M/M	Y/Y	Apr	0.7%	3.5%	May	unch	3.1%	<b>Jun (f)</b>	<b>-0.1%</b>	<b>3.0%</b>		M/M	Y/Y	Apr	0.7%	3.5%	May	unch	3.1%	<b>Jun (f)</b>	<b>-0.1%</b>	<b>3.0%</b>	<b>17</b>  Claimant Count Unemployment, (Change Thousands) (SA) (9:30) Mar -5.4 May 8.1 Apr -12.8 <b>Jun (f) 5.0</b>  ILO Unemployment Rate (3 months ending, %) (9:30) Feb 8.3 Apr 8.2 Mar 8.2 <b>May (f) 8.2</b>  Average Weekly Earnings (Y/Y) (3-Month Moving Average) (9:30) Feb 1.2 Apr 1.4 Mar 0.9 <b>May (f) 1.4</b>  Minutes of the Bank of England Monetary Policy Committee Meeting (June 6-7) (9:30)	<b>18</b>  Retail Sales (Volume, SA) (9:30) (Inc. Fuels) M/M Y/Y Apr -2.4% -1.1% May 1.4% 2.4% <b>Jun (f) -0.5% 1.0%</b>	<b>19</b>  Public Sector Net Borrowing (ex. financial interventions) (£ bln, NSA) (9:30) <table> <tr><td></td><td>'11/'12</td><td>'10/'11</td></tr> <tr><td>Apr</td><td>-17.6</td><td>9.3</td></tr> <tr><td>May</td><td>17.9</td><td>15.2</td></tr> <tr><td><b>Jun (f)</b></td><td><b>15.0</b></td><td><b>13.2</b></td></tr> </table>		'11/'12	'10/'11	Apr	-17.6	9.3	May	17.9	15.2	<b>Jun (f)</b>	<b>15.0</b>	<b>13.2</b>	<b>20</b>
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Purchasing Managers' Survey - Manufacturing (SA) (9:30) Jan 52.0 Apr 50.2 Feb 51.5 May 45.9 Mar 51.9 Jun 48.6	British Chambers of Commerce Survey (Q2) (00:01)  Purchasing Managers' Survey - Construction (SA) (Jun) (9:30)  BoE Lending to Individuals (9:30) Mortgage Lending (SA, Net, £ Billion) <table> <tr><td>Dec</td><td>1.0</td><td>Mar</td><td>0.9</td></tr> <tr><td>Jan</td><td>1.5</td><td>Apr</td><td>1.0</td></tr> <tr><td>Feb</td><td>1.0</td><td>May</td><td>0.6</td></tr> </table> M4 Money Supply (SA) (9:30) <table> <tr><td></td><td>M/M</td><td>Y/Y</td></tr> <tr><td>Mar</td><td>-0.7%</td><td>-4.8%</td></tr> <tr><td>Apr</td><td>0.9%</td><td>-4.0%</td></tr> <tr><td>May</td><td>-0.1%</td><td>-4.1%</td></tr> </table> M4 Lending (9:30) (SA, Change, £ billion) Feb -24.2 Apr 6.6 Mar -10.2 May -12.8	Dec	1.0	Mar	0.9	Jan	1.5	Apr	1.0	Feb	1.0	May	0.6		M/M	Y/Y	Mar	-0.7%	-4.8%	Apr	0.9%	-4.0%	May	-0.1%	-4.1%	BRC Shop Price Index (May) (00:01)  Purchasing Managers' Survey - Services (SA) (9:30) Jan 56.0 Apr 53.3 Feb 53.8 May 53.3 Mar 55.3 Jun 51.3  Narrow Money & Reserve Balances (Jun) (9:30)  Corporate Profitability (Q1) (9:30)  Housing Equity Withdrawal (Q1) (9:30)	HBOS House Prices (Jun) (8:00)  Bank of England MPC meeting (rate announcement 12 noon - £ 50 bln of asset purchases)  New Car Registrations (May)	PPI Output (NSA) (9:30) <table> <tr><td></td><td>MM</td><td>Y/Y</td></tr> <tr><td>Apr</td><td>0.7%</td><td>3.3%</td></tr> <tr><td>May</td><td>-0.2%</td><td>2.9%</td></tr> <tr><td>Jun</td><td>-0.4%</td><td>2.3%</td></tr> </table> PPI Output Exc. Food, Drink, Tobacco & Oil (NSA) (9:30) <table> <tr><td></td><td>MM</td><td>Y/Y</td></tr> <tr><td>Apr</td><td>0.6%</td><td>2.3%</td></tr> <tr><td>May</td><td>0.2%</td><td>2.3%</td></tr> <tr><td>Jun</td><td>-0.2%</td><td>2.0%</td></tr> </table> PPI Input (NSA) (9:30) <table> <tr><td></td><td>MM</td><td>Y/Y</td></tr> <tr><td>Apr</td><td>-1.5%</td><td>1.0%</td></tr> <tr><td>May</td><td>-2.6%</td><td>unch</td></tr> <tr><td>Jun</td><td>-2.2%</td><td>-2.3%</td></tr> </table>		MM	Y/Y	Apr	0.7%	3.3%	May	-0.2%	2.9%	Jun	-0.4%	2.3%		MM	Y/Y	Apr	0.6%	2.3%	May	0.2%	2.3%	Jun	-0.2%	2.0%		MM	Y/Y	Apr	-1.5%	1.0%	May	-2.6%	unch	Jun	-2.2%	-2.3%
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**Key potential market-moving indicators and events include:** Industrial Production and the Trade Balance (both Tue. Jul. 10, 9:30 a.m.). In the following week, there are Consumer Prices (Tue. Jul. 17, 9:30 a.m.), the Labor Market Report – including unemployment and average earnings details – (Wed. Jul. 18, 9:30 a.m.), Retail Sales (Thu. Jul. 19, 9:30 a.m.) and Public Sector Net Borrowing (Fri. Jul. 20, 9:30 a.m.).

April **manufacturing output** fell, unwinding much of the unrevised bounce of the previous month. The total **visible trade** deficit in April was actually the second-highest shortfall on record. May **consumer price inflation** fell clearly and further, dropping to the lowest since end-2009. **Claimant count unemployment** rose in May. **Average weekly earnings** growth jumped clearly in the three months to April. Real **retail sales** (including fuels) jumped in M/M terms in May, partly unwinding the little-revised slump of the previous month. **Public sector net borrowing** excluding financial sector interventions rose in May compared to the year-before month.

Indicator	Forecast	Consensus	Analysis
Industrial Production (SA)			
M/M	1.1%	-0.3%	Calendar distortions sees output bounce (will fall back in June).
Y/Y	-0.7%	-2.1%	
Visible Trade Balance, Global (SA)	-£ 9250 mln	-£ 9100 mln	Manufacturing exports to recover?
CPI (NSA)			
M/M	-0.2%		Lowest since late-2009.
Y/Y	2.6%		
RPI (NSA)			
M/M	-0.1%		Fuel falls the main factor.
Y/Y	3.0%		
Claimant Count Unemployment (SA)			
M/M (change, thousands)	5.0		Uptrend re-emerging?
ILO Unemployment Rate (SA)	8.2%		Mixed signals.
Headline Average Earnings (Y/Y)	1.4%		Still running well below CPI inflation.
Retail Sales (Volumes, SA)			
M/M	-0.5%		Wettest June on record ruins sales!
Y/Y	1.0%		
Public Sector Net Borrowing (NSA)	£ 15.0 bln		Signs of fresh deterioration?

### Post Mortem—Prior Week Results

**Manufacturing Contracting Less Sharply?** The headline manufacturing PMI was far less weak in June. Indeed, the headline index rose by 2.7 points over the month, unwinding more than half of the 4.3 point slump seen in May.

**Monetary Messages Less Reassuring.** BoE numbers on underlying monetary dynamics showed a M/M fall of 0.1% in underlying M4 growth, the first negative outcome in three months, albeit where base effects resulted in the three-month annualized rate (possibly more closely watched by the BoE given the volatility in the numbers) increasing to 3.6%, the highest since late-2007.

**Mortgage Approvals Little Changed.** According to BoE-computed data, the number of mortgage approvals slipped back slightly in May, albeit with the 51 098 reading still up further from a February figure which was the lowest since last June.

**Construction Sector Shrinking Afresh?** The construction PMI slumped 6.2 points in June to 48.2, thereby not only falling further from the 21-month high seen in March, but hitting the lowest since late-2009.

**Economy Still Growing.** According to the latest quarterly survey from the British Chambers of Commerce, the UK managed to grind out weak growth in the last quarter as exports in manufactured goods and services increased.

**Services Slow Afresh.** The June services PMI dropped afresh, tumbling 2.0 points to an eight-month low of 51.3, a contrast to the flat reading seen in May.

**Shop Price Inflation Falls Sharply.** According to the BRC, June shop price inflation dropped 0.4 percentage point to 1.1% Y/Y, the lowest since November 2009. Prices rose 0.1% in M/M terms.

**Profitability Little Changed But Still High.** The net rate of return for UK non-financial companies in Q1 decreased to 12.1%, down 0.2 percentage point from the Q4, albeit with the later revised up 1.3 percentage points.

**Housing Equity Injection Continues.** In Q1, housing equity withdrawal was little changed at -£ 8.81 bln according to the latest figures from the BoE, ie meaning that households actually injected this further amount into housing.

**House Prices Rise Further.** There was a further rise in the latest house price data from HBOS. These showed house prices rising 1.0% M/M in June, accentuating the 0.4% bounce seen in the previous month.

**Further BoE Stimulus.** The MPC today again voted to maintain Bank Rate at 0.5%. More notable, was the decision by the MPC to increase the size of its asset purchase program, by £ 50 bln.

**Disinflation Signals Clearer.** Producer output prices for June fell 0.4% in M/M terms, twice the fall seen in the previous month when the headline figure fell for the first time this year.



# Germany

## Economic Indicators—Schedule and Forecasts (Local Times)

Wroblewski/Liu

July 9 – July 20, 2012

<p><b>9</b></p> <p>Trade Balance (NSA) (Euro billion) (8:00)</p> <table> <tr><td>'11/12</td><td>'10/11</td></tr> <tr><td>Apr</td><td>14.4</td><td>10.8</td></tr> <tr><td><b>May (f)</b></td><td><b>18.0</b></td><td>14.6</td></tr> <tr><td><b>May (c)</b></td><td><b>14.1</b></td><td></td></tr> </table> <p>Current Account (NSA) (Euro billion) (8:00)</p> <table> <tr><td>'11/12</td><td>'10/11</td></tr> <tr><td>Apr</td><td>11.2</td><td>7.5</td></tr> <tr><td><b>May (f)</b></td><td><b>12.5</b></td><td>7.4</td></tr> <tr><td><b>May (c)</b></td><td><b>10.2</b></td><td></td></tr> </table>	'11/12	'10/11	Apr	14.4	10.8	<b>May (f)</b>	<b>18.0</b>	14.6	<b>May (c)</b>	<b>14.1</b>		'11/12	'10/11	Apr	11.2	7.5	<b>May (f)</b>	<b>12.5</b>	7.4	<b>May (c)</b>	<b>10.2</b>		<p><b>10</b></p> <p>German Constitutional Court first hearing on ESM</p>	<p><b>11</b></p> <p>Cost-of-Living, Final (NSA) (8:00)</p> <table> <tr><td></td><td>M/M</td><td>Y/Y</td></tr> <tr><td>May</td><td>-0.2%</td><td>1.9%</td></tr> <tr><td><b>Jun (p)</b></td><td><b>-0.1%</b></td><td><b>1.7%</b></td></tr> <tr><td><b>Jun (f)</b></td><td><b>-0.1%</b></td><td><b>1.7%</b></td></tr> <tr><td><b>Jun (c)</b></td><td><b>-0.1%</b></td><td><b>1.7%</b></td></tr> </table>		M/M	Y/Y	May	-0.2%	1.9%	<b>Jun (p)</b>	<b>-0.1%</b>	<b>1.7%</b>	<b>Jun (f)</b>	<b>-0.1%</b>	<b>1.7%</b>	<b>Jun (c)</b>	<b>-0.1%</b>	<b>1.7%</b>	<p><b>12</b></p> <p>Wholesale Price Index (NSA) (8:00)</p> <table> <tr><td></td><td>M/M</td><td>Y/Y</td></tr> <tr><td>Apr</td><td>0.5%</td><td>2.4%</td></tr> <tr><td>May</td><td>-0.7%</td><td>1.7%</td></tr> <tr><td><b>Jun (f)</b></td><td><b>-0.7%</b></td><td><b>1.5%</b></td></tr> </table>		M/M	Y/Y	Apr	0.5%	2.4%	May	-0.7%	1.7%	<b>Jun (f)</b>	<b>-0.7%</b>	<b>1.5%</b>	<p><b>13</b></p>
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Apr	0.5%	2.4%																																																			
May	-0.7%	1.7%																																																			
<b>Jun (f)</b>	<b>-0.7%</b>	<b>1.5%</b>																																																			
<p><b>16</b></p>	<p><b>17</b></p> <p>ZEW Financial Experts Survey (Jun) (11:00)</p>	<p><b>18</b></p>	<p><b>19</b></p>	<p><b>20</b></p> <p>Producer Prices (NSA) (8:00)</p> <table> <tr><td></td><td>M/M</td><td>Y/Y</td></tr> <tr><td>Apr</td><td>0.2%</td><td>2.4%</td></tr> <tr><td>May</td><td>-0.3%</td><td>2.1%</td></tr> <tr><td><b>Jun (f)</b></td><td><b>-0.6%</b></td><td><b>1.4%</b></td></tr> </table>		M/M	Y/Y	Apr	0.2%	2.4%	May	-0.3%	2.1%	<b>Jun (f)</b>	<b>-0.6%</b>	<b>1.4%</b>																																					
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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

<p><b>2</b></p> <p>Purchasing Managers Survey Manufacturing, Final (SA) (9:45)</p> <table> <tr><td>Jan</td><td>51.0</td><td>Apr</td><td>46.2</td></tr> <tr><td>Feb</td><td>50.2</td><td>May</td><td>45.2</td></tr> <tr><td>Mar</td><td>48.4</td><td>Jun</td><td>45.0</td></tr> </table>	Jan	51.0	Apr	46.2	Feb	50.2	May	45.2	Mar	48.4	Jun	45.0	<p><b>3</b></p>	<p><b>4</b></p> <p>Purchasing Managers Survey Services, Final (SA) (9:45)</p> <table> <tr><td>Jan</td><td>53.7</td><td>Apr</td><td>52.2</td></tr> <tr><td>Feb</td><td>52.8</td><td>May</td><td>51.8</td></tr> <tr><td>Mar</td><td>52.1</td><td>Jun</td><td>49.9</td></tr> </table>	Jan	53.7	Apr	52.2	Feb	52.8	May	51.8	Mar	52.1	Jun	49.9	<p><b>5</b></p> <p>Manufacturing Orders, (M/M) (SA), (12 noon)</p> <table> <tr><td>Dec</td><td>0.7%</td><td>Mar</td><td>3.0%</td></tr> <tr><td>Jan</td><td>-1.4%</td><td>Apr</td><td>-1.4%</td></tr> <tr><td>Feb</td><td>0.6%</td><td>May</td><td>0.6%</td></tr> </table> <p>ECB Governing Council meeting (decision at 13:45) (25 bp rate cut) Press conference at 14:30</p>	Dec	0.7%	Mar	3.0%	Jan	-1.4%	Apr	-1.4%	Feb	0.6%	May	0.6%	<p><b>6</b></p> <p>Industrial Production (M/M) (SA) (12 noon)</p> <table> <tr><td>Feb</td><td>-0.4%</td><td>Apr</td><td>-2.1%</td></tr> <tr><td>Mar</td><td>2.2%</td><td>May</td><td>1.6%</td></tr> </table> <p>Manufacturing &amp; Mining Output (M/M) (SA), (12 noon)</p> <table> <tr><td>Feb</td><td>0.2%</td><td>Apr</td><td>-2.3%</td></tr> <tr><td>Mar</td><td>1.1%</td><td>May</td><td>1.8%</td></tr> </table>	Feb	-0.4%	Apr	-2.1%	Mar	2.2%	May	1.6%	Feb	0.2%	Apr	-2.3%	Mar	1.1%	May	1.8%
Jan	51.0	Apr	46.2																																																					
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## Indicator Highlights

Germany

**Key potential market-moving indicators and events include:** the Trade Balance and Current Account (Mon. Jul. 9, 8:00 a.m.), the final Consumer Prices (Wed. Jul. 11, 8:00 a.m.) and Wholesale Prices (Thu. Jul. 12, 8:00 a.m.). In the following week, there are Producer Prices (Fri. Jul. 20, 8:00 a.m.).

The April (unadjusted) **trade surplus** widened from the same month of last year. According to the preliminary estimate, June **CPI inflation** fell to the lowest since late-2010. **Wholesale prices** dropped in M/M terms in May, the first fall since last October and a clear contrast to the rise seen in April. May **producer prices** actually fell, the first negative reading this year and more than unwinding the gain in the previous month.

Indicator	Forecast	Consensus	Analysis
Trade Balance, (NSA)	€ 18.0 bln	€ 14.1 bln	Exports <del>fall</del> less than imports!
Consumer Prices – Final (NSA)			
M/M	-0.1%	-0.1%	Break-down detailed.
Y/Y	1.7%	1.7%	
Wholesale Prices (NSA)			
M/M	-0.7%		Successive falls last seen in early-2009
Y/Y	1.5%		
Producer Prices (NSA)			
M/M	-0.6%		Commodity prices lower.
Y/Y	1.4%		

## Post Mortem—Prior Week Results

**Softer Survey Messages.** The June final PMI numbers largely confirmed somewhat softer fortunes for manufacturing. The manufacturing PMI dropped 0.2 point to 45.0, a 36-month low but 0.3 point above the flash estimate.

**Soft Survey Messages.** The final services PMI for June was 49.9, 0.4 point below the flash estimate. The index thus implies contraction in the sector for the first time since the period of brief weakness last September.

**Orders Bounce Modestly.** Manufacturing orders recovered somewhat in May, albeit with the 0.6% M/M outcome failing to unwind fully the (revised) 1.4% drop seen in April.

**Industrial production Bounces Clearly.** May industrial production jumped 1.6% M/M, largely unwinding the marked fall of 2.1% seen in the previous month.



## France

### Economic Indicators—Schedule and Forecasts (Local Times)

Wroblewski/Liu

July 9 – July 20, 2012

<b>9</b>	<b>10</b>	<b>11</b>	<b>12</b>	<b>13</b>
BoF Business Sentiment Survey (Jun) (8:45)	Industrial Production, exc. Construction (SA) (8:45) M/M Y/Y Apr 1.5% 0.9% <b>May (f) -1.3% -2.0%</b> <b>May (c) -0.8% -1.1%</b>  Manufacturing Production (SA) (8:45) M/M Y/Y Apr -0.7% -1.4% <b>May (f) -0.2% -2.6%</b> <b>May (c) -0.3% -2.1%</b>		Consumer Prices (NSA) (7:30) M/M Y/Y May -0.1% 2.0% <b>Jun (f) -0.1% 1.8%</b> <b>Jun (c) unch 1.9%</b>	
<b>16</b>	<b>17</b>	<b>18</b>	<b>19</b>	<b>20</b>

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

<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>	<b>6</b>
Purchasing Managers' Index Manufacturing, Final (SA) (9:50) Jan 48.5 Apr 46.9 Feb 50.0 May 44.7 Mar 46.7 Jun 45.2  New Car Registrations (Jun)		Purchasing Managers' Index Services, Final (SA) (9:50) Jan 52.3 Apr 45.2 Feb 50.0 May 45.1 Mar 50.1 Jun 47.9	ECB Governing Council meeting (decision at 13:45) (25 bp rate cut) Press conference at 14:30	Visible Trade Balance (SA) (8:45) (Euro Billion) Dec -5.29 Mar -5.56 Jan -5.40 Apr -5.77 Feb -6.41 May -5.33  Central Government Budget (May) (8:45)

**Indicator Highlights**

France

**Key potential market-moving indicators and events include:** Industrial Production (Tue. Jul. 10, 8:45 a.m.) and Consumer Prices (Thu. Jul. 12, 7:30 a.m.). In the following week, there are no data releases of any note.

Manufacturing **output** dropped in M/M terms in April, unwinding exactly half of the bounce of the previous month. Headline **CPI inflation** fell in May to the lowest since last July.

<b>Indicator</b>	<b>Forecast</b>	<b>Consensus</b>	<b>Analysis</b>
Industrial Production (SA)			
M/M	-1.3%	-0.8%	Drop mainly energy-related.
Y/Y	-2.0%	-1.1%	
Consumer Prices (NSA)			
M/M	-0.1%	unch	Lowest Y/Y rate in 16 months!
Y/Y	1.8%	1.9%	

**Post Mortem—Prior Week Results**

**Less soggy survey messages.** The manufacturing PMI rose afresh in June, albeit rising just 0.5 point to 45.2, up from the three-year low seen in May.

**Still Soft Services.** The June services PMI rose for the first time in three months and clearly so, bouncing 2.8 points to 47.9. The survey still suggest that economic uncertainty is taking a clearer toll with serviced sector business expectation falling to the lowest since March 2009.

**Exports Recover Further.** The May trade gap narrowed afresh to a deficit of € 5.33 bln from a shortfall of € 5.77 bln in April.

**Budget Deficit Widens.** The May central government budget balance showed a cumulative deficit of € 69.56 bln, up from a € 687 bln shortfall seen in the first five months of last year.





## Italy

### Economic Indicators—Schedule and Forecasts (Local Times)

Wroblewski/Liu

July 9 – July 20, 2012

9	10	11	12	13
	Industrial Production* (10:00) M/M    Y/Y Apr    -1.9%   -9.2% <b>May (f)</b> -0.6%   -8.0% May (c) -0.4%   -9.0%			NIC Consumer Prices, Final, (NSA) (11:00) M/M    Y/Y May    unch    3.2% <b>Jun (p)</b> 0.2%   3.3% <b>Jun (f)</b> 0.2%   3.3% <b>Jun (c)</b> 0.2%   3.3%
Visible Trade Balance, Global (NSA) (Euro billion) (11:00) '11/12   '10/11 Mar    2.1    -3.8 Apr    -0.2   -2.8 <b>May (f)</b> 1.0   -2.2			Industrial Orders (NSA) (Y/Y) (10:00) Dec   -4.3%   Mar   -14.3% Jan   -5.6%   Apr   -12.3% Feb   -13.2% <b>May (f)</b> -11.0%	

\* M/M is seasonally-adjusted and working day adjusted. Y/Y is not seasonally adjusted but working-day adjusted.

 Q/Q=quarter-over-quarter    r=revised  
 Y/Y=year-over-year            c=consensus  
 M/M=month-over-month        f=forecast

### Recent History-Latest Results

2	3	4	5	6
Purchasing Managers' Survey Manufacturing (SA) (9:45) Jan 46.8   Apr 43.8 Feb 47.8   May 44.8 Mar 47.9   Jun 44.6  New Car Registrations (May)		Purchasing Managers Survey Service (SA) (9:45) Jan 44.8   Apr 42.3 Feb 44.1   May 42.8 Mar 44.3   Jun 43.1	ECB Governing Council meeting (decision at 13:45) (25 bp rate cut) Press conference at 14:30	

**Key potential market-moving indicators and events include:** Industrial Production (Tue. Jul. 10, 10:00 a.m.) and final Consumer Prices (Fri. Jul. 13, 11:00 a.m.). In the following week, there is the Global Trade Balance (Mon. Jul. 16, 11:00 a.m.) and Industrial Orders (Thu. Jul. 19, 10:00 a.m.).

April **industrial production** slumped in seasonally adjusted M/M terms, more than unwinding the March rise. Preliminary data showed **consumer price inflation** rising a notch in June. The (unadjusted) April **trade balance** showed a much lower deficit than the shortfall seen in the same month of 2011. Data for April showed that Y/Y **industrial orders** fell, a slightly less steep drop than the fall seen in March albeit still being the second-largest decline in the cycle.

Indicator	Forecast	Consensus	Analysis
Industrial Production*			
M/M	-0.6%	-0.4%	Further, large drop seen in Q2.
Y/Y	-8.0%	-9.0%	
Consumer Prices – Final (NSA)			
M/M	0.2%	0.2%	EU-harmonized break-down detailed.
Y/Y	3.3%	3.3%	
Trade Balance – Global	€ 1.0 bln		Clear improvement evident.
Industrial Orders (NSA)			
Y/Y	-11.0%		Sizeable fall continues.

\* M/M is seasonally-adjusted and working day adjusted. Y/Y is not seasonally adjusted but working-day adjusted.

### Post Mortem—Prior Week Results

**Manufacturing Contraction Slightly More Acute.** The manufacturing PMI slipped back a little in June. Indeed, it eased 0.2 point to 44.6, albeit unwinding only some of the 1.0 point slump of the previous month.

**Still Steep Contraction in Services?** The June services PMI rose for a second successive month but marginally so, albeit with the 0.3 point rise to 43.1, taking it up further from the three-year low seen in April.



# Japan

## Economic Indicators—Schedule and Forecasts

Ellis/Wroblewski

**July 9 – July 20, 2012 (Local Times)**

9	10	11	12	13
Bank Lending (Y/Y) (8:50) Jan 0.6% Apr 0.3% Feb 0.6% May 0.3% Mar 0.7% <b>Jun (f) 0.3%</b>	Money Supply (M2) (Y/Y) (8:50) Jan 3.1% Apr 2.6% Feb 2.9% May 2.1% Mar 3.0% <b>Jun (f) 2.1%</b>	BOJ Monetary Policy Meeting  Corporate Goods Price Index (Y/Y) (8:50) (Rebased) Jan 0.3% Apr -0.4% Feb 0.4% <b>May (f) -0.6%</b> Mar 0.3% <b>Jun (f) -0.8%</b>	BOJ Monetary Policy Meeting  BOJ Shirakawa Press Conference (15:30)  Tertiary Industry Activity (SA) (M/M) (8:50) Dec 1.6% Mar -0.6% Jan -0.6% Apr -0.3% Feb unch <b>May (f) 0.3%</b>	Industrial Production (Revised) (SA) (M/M) (13:30) Jan 0.9% Apr -0.2% Feb -1.6% <b>May (p) -3.1%</b> Mar 1.3% <b>May (f) -3.1%</b>
Current Account Balance (¥Billion, NSA) (8:50) 2012 2011 Mar 1589.4 1738.6 Apr 333.8 423.9 <b>May (f) 520.7 574.4</b>				BOJ Monthly Report (14:00) (July)
Current Account Visible Trade (¥Billion, NSA) (8:50) 2012 2011 Mar 4.2 236.8 Apr -463.9 -412.0 <b>May (f) -827.3 -771.3</b>				
Machinery Orders, Core (SA) (14:00) Dec -2.5% Mar -2.8% Jan 0.7% Apr 5.7% Feb 2.8% <b>May (f) unch</b>				
Holiday <b>16</b>	<b>17</b>	<b>18</b>	<b>19</b>	<b>20</b>
		BOJ Monetary Policy Meeting Minutes (8:50) (June 14, 15)	BOJ Senior Loan Officer Opinion Survey (8:30) (July)  All Industry Activity (SA) (M/M) (13:30) Dec 1.7% Mar -0.3% Jan -0.7% Apr 0.1% Feb -0.1% <b>May (f) -1.0%</b>	

### Recent History-Latest Results

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

2	3	4	5	6
Tankan (Large Manufacturers) (8:50) 11:Q1 6 11:Q4 -4 11:Q2 -9 12:Q1 -4 11:Q3 2 12:Q2 -1			BOJ Branch Managers Meeting  BOJ Regional Economic Report (14:30) (July)	Official Reserves (\$Billion, NSA) (8:50) Jan 1306.7 Apr 1289.5 Feb 1302.9 May 1277.7 Mar 1288.7 Jun 1270.5
Vehicle Sales (Y/Y) (14:00) Jan 40.7% Apr 92.0% Feb 31.9% May 66.3% Mar 78.2% Jun 40.9%				Business Conditions Composite Indexes (Prelim.) (14:00) Leading Coincident Mar 96.6 97.3 Apr 95.6 97.0 May 95.9 95.8

## Indicator Highlights

Japan

Key potential market-moving indicators and events include: Bank Lending (Mon., Jul. 9, 8:50); Money Supply (M2) (Tue., Jul. 10, 8:50); Tertiary Industry Activity (Wed., Jul. 11, 8:50); and All Industry Activity (Thu., Jul. 19, 13:30).

Bank lending and money supply growth rates have slowed markedly in recent months—a possible signal of weakening business activity. Tertiary industry numbers have been soft for months, too—a matter of growing concern, since they represent the biggest single sector on the production side of the economy.

All-industry activity results will fill out the production-side picture of the May economy.

Indicator	Forecast	Consensus	Analysis
Bank Lending (Y/Y)	+0.3%		Disturbingly slow.
Current Account Balance (NSA)	¥520.7 Billion		Seasonally strong income flows obscure a big deterioration in trade.
Current Account Visible Trade (NSA)	-¥827.3 Billion		
Machinery Orders, Core (SA) (M/M)	unch		Steady reconstruction demands
Money Supply (M2) (Y/Y)	+2.1%		Fading very quickly.
Corporate Goods Price Index (Y/Y)	-0.8%		Ongoing deflationary trend.
Tertiary Industry Activity (SA) (M/M)	+0.3%		A very mild rebound.
Industrial Production (Revised) (SA) (M/M)	-3.1%		Little or no revision.
All Industry Activity (SA) (M/M)	-1.0%		Severe weakness in manufacturing.

## Post Mortem—Recent Data Results

**Tankan Improves.** The June BoJ Tankan Business Survey showed provided somewhat better results. Manufacturing sentiment improved as the (headline) large manufacturer's business conditions increased from -4 in March to -1, and with a two-point further improvement expected in the coming three months. Meanwhile, the headline non-manufacturing part of the survey rose further and more clearly so, climbing three points to 8, a fourth successive jump, albeit with some small setback envisaged for three months time. Overall capex plans were upgraded for once and clearly so with firms overall envisaging their capital spending of 6.2% Y/Y.

**Vehicle Sales Still Growing Strongly.** June data saw a tenth successive positive reading in regard to vehicle sales. Indeed, sales rose by 40.9%, albeit down clearly from the 66.3% rise of the previous month. Subsidies and base effects help explain the strength.

**Leading Index Edges Back Up.** The preliminary leading index for May, as computed by the Cabinet Office, rose by 0.3 point, thereby repairing some of the 1.0 point April drop (to 95.9), the latter having been the first drop in four months. However, the coincident index fell 1.2 points (to 95.8), accentuating the 0.3 point slide seen in the previous month. Even so, the Cabinet Office maintained its assessment of the economy, still saying the economy is improving.

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Canada

Economic Indicators—Schedule and Forecasts  
July 9 – July 20, 2012

Ellis/Pumphrey/Husby

<b>9</b>	Bank of Canada Senior Loan Officer Survey (10:30)	<b>10</b>	Housing Starts (8:15) (Thousand, SAAR) Feb 204.9 May 211.4 Mar 214.8 <b>Jun (f) 205.0</b> Apr 244.8 <b>Jun (c) 204.0</b>	<b>11</b>	International Trade (8:30) (Balance, C\$ Billion, SA) Jan 2.0 Apr -0.4 Feb 0.3 <b>May (f) -0.5</b> Mar 0.4 <b>May (c) -0.6</b>	<b>12</b>		<b>13</b>	
<b>16</b>	Survey of Manufacturing (8:30) (M/M) (SA) Ships. Inv. New Ord. Feb -0.4% -0.4% 2.5% Mar 1.9% -1.1% 2.3% Apr -0.8% 1.0% -3.2% <b>May (f) 0.8% 0.4% -1.0%</b>	<b>17</b>	Bank of Canada Rate Decision (9:00) <b>(Hold.</b> Inflation below target, steady gains in labor market. Eurozone presents near-term risk, household debt levels a longer-term concern. U.S. recovery on softer footing.)	<b>18</b>	Bank of Canada Monetary Policy Report (10:30)	<b>19</b>	Wholesale Trade (8:30) (M/M) (SA) Sales Inv. Feb 1.4% 1.3% Mar 0.3% 1.2% Apr 1.5% 0.3% <b>May (f) 0.4% 0.4%</b>	<b>20</b>	Consumer Prices (7:00) (Y/Y) Total BOC Core Mar 1.9% 1.9% Apr 2.0% 2.1% May 1.2% 1.8% <b>Jun (f) 1.6% 2.0%</b>

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

Recent History-Latest Results

<b>2</b>	Holiday	<b>3</b>		<b>4</b>		<b>5</b>		<b>6</b>	Labor Force Survey (8:30) Employment (Change, Thous., SA) Jan 2.3 Apr 58.2 Feb -2.8 May 7.7 Mar 82.3 Jun 7.3  Unemployment Rate (SA) Jan 7.6% Apr 7.3% Feb 7.4% May 7.3% Mar 7.2% Jun 7.2%  Building Permits (8:30) (M/M) (SA) Dec 10.5% Mar 4.9% Jan -11.4% Apr -5.2% Feb 7.7% May 7.4%  Ivey Purchasing Managers' Survey (10:00) (SA) Jan 64.1 Apr 52.7 Feb 66.5 May 60.5 Mar 63.5 Jun 49.0
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## Indicator Highlights

Canada

Key potential market-moving indicators and events include: Housing Starts (Tues., July 10, 8:15 a.m.); International Trade (Wed., July 11, 8:30 a.m.); the Survey of Manufacturing (Tues., July 17, 8:30 a.m.); the Bank of Canada rate decision (Tues., July 17, 9:00 a.m.); and the Consumer Price Index (Fri., July 20, 7:00 a.m.).

Housing starts data likely show moderation from recent highs, however a building permits backlog will keep housing starts above their sustainable long-run pace. The International Trade Balance report likely will show another deficit, as global demand for Canadian exports wanes despite a weaker loonie.

The Survey of Manufacturing will be important in gauging the extent and nature of a pickup in activity. The Bank of Canada will hold rates at 1% with below-target inflation and rising tensions in the Eurozone tilting the balance towards easing. The BoC will continue with its "wait and see" approach as rising household debt levels make them reluctant to cut rates. Consumer price indices again decline in month-over-month terms as energy prices continue to ease, but base effects push the yearly indices upward.

Indicator	Forecast	Consensus	Analysis
Housing Starts (SAAR)	205,000 units	204,000 units	Low mortgage rates keep housing starts above projected long run level.
International Trade (Balance, SA)	-C\$0.5 billion	-C\$0.6 billion	Falling commodity prices outweigh weaker loonie.
Survey of Manufacturing (M/M) (SA)			
Shipments	+0.8%		Shipments recover from abnormally low aerospace parts sales last month.
Inventories	+0.4%		
New Orders	-1.0%		
Wholesale Trade (M/M)			
Sales	+0.4%		Inventories increase for sixth straight month.
Inventories	+0.4%		
Consumer Prices (Y/Y)			
Total	+1.6%		Indices recover, in year-over-year terms, on base effects.
Core	+2.0%		

## Post Mortem—Prior Week Results

**Modest jobs gains concentrated in public sector.** Canada added 7,300 jobs in June (Consensus: +5,000; Decision Economics: +12,500), keeping the six-month average close to 25,000 for the third consecutive month. The Labor Force Survey report had mixed indicators about the health of the labor market. The balance of added jobs was tilted strongly towards full-time (+29,300) versus part-time (-22,000). However, the balance also favored public sector (+38,900) over private sector (-26,000)—surely not sustainable as Canada attempts to trim fiscal spending. The number of people describing themselves as self-employed declined by 5,500 over the month. The goods sector shrank by 21,200—its first decline in eight months—while services gained on jobs in the education and health care sectors.

**Wages rise at fastest pace in three years.** Average hourly wages increased by 3.3% y/y—the highest pace since 2009—and have clearly outpaced inflation currently running below 2%. Rising real wages are particularly good news as Canadian households had been relying on home equity loans to finance consumption as real wages have been relatively flat for the past two years. With home prices poised for a correction and rising interest rates on the horizon, rising real wages can support domestic demand growth.

**Unemployment downticks as participation rate declines.** The unemployment rate fell by one-tenth to 7.2% (Consensus and Decision Economics: 7.3%) matching the drop in the labor force participation rate to 66.7 percent.

**Like the U.S., labor market improvements are slowing.** While the Labor Force Survey contains some good news—particularly on rising wages—the past two months have shown a significant slowdown in labor market improvement. Comparing the March (+82,300) and April (+58,200) with the May (+7,700) and June employment reports, full time jobs gains slowed from an average of +57,000 to +15,000 and private sector jobs fell from an average of +64,000 to -24,000. Even with the slowing pace of improvement and lackluster composition of jobs gains, the DE view is unchanged: rates are likely on hold through the end of 2012.

**Building permits overshoot forecasts on multi-unit residential activity.** Exceeding forecasts, the value of Canadian building permits rose 7.4% m/m to C\$7 billion in May (Consensus: -1%; Decision Economics: +3%) as intentions to build condominiums grew. This brings the value of building permits to a five-year high. Both residential and nonresidential permits increased—by 8.5% and 6% respectively. Of note, multiple residential units increased 17.7% m/m to C\$1.8 billion, suggesting that activity is still elevated in the condominium sector. Residential permits advanced in 6 of 11 provinces, led by Ontario (+9.2%), Alberta (+13.2%) and British Columbia (+30.7%).

**PMI slips below 50...** The Ivey PMI index declined 11.5 points to 49.0 (Consensus: 57.5; Decision Economics: 52.0) in June. This reading, which falls in the sub-50 zone that indicates deteriorating activity, is an eleven-month low. However, each of the four sub-indices—employment, inventory, supplier delivery, and prices—have improved from a month ago and are each above 50. Unlike the U.S. ISM index, the sub-indices and headline PMI are unrelated.

**...as external conditions worsen.** Canadian purchasing managers' sentiment has worsened although no specific domestic conditions have deteriorated over the past month. This hints that the manufacturing sector is worried about external factors—the sluggish U.S. recovery, slowing growth in emerging markets, and mounting tensions in the Eurozone likely mean less global demand for Canadian goods.

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