



United States

Economic Indicators—Schedule and Forecasts
December 1–December 12, 2008

Sinai/Ellis/Edelstein

f=DE forecast c=consensus a=advance p=preliminary r=revised

<p>1</p> <p>ISM Survey (10:00)</p> <table border="1"> <tr><th>Total</th><th>Prices</th></tr> <tr><td>Sep 43.5</td><td>53.5</td></tr> <tr><td>Oct 38.9</td><td>37.0</td></tr> <tr><td>Nov (f) 36.5</td><td>32.4</td></tr> <tr><td>Nov (c) 37.5</td><td>32.5</td></tr> </table> <p>Construction Expenditure (10:00)</p> <table border="1"> <tr><td>Jun -0.2%</td><td>Sep -0.3%</td></tr> <tr><td>Jul -2.4%</td><td>Oct (f) -0.9%</td></tr> <tr><td>Aug 0.3%</td><td>Oct (c) -0.9%</td></tr> </table> <p>3-and 6-Month Bills \$28.0 Billion</p> <p>Fed TAF Auction (13:00) (\$150 Billion, 84 days)</p> <p>Bernanke-Fisher Speech (13:30) (U.S. Economic Outlook)</p>	Total	Prices	Sep 43.5	53.5	Oct 38.9	37.0	Nov (f) 36.5	32.4	Nov (c) 37.5	32.5	Jun -0.2%	Sep -0.3%	Jul -2.4%	Oct (f) -0.9%	Aug 0.3%	Oct (c) -0.9%	<p>2</p> <p>ICSC/Goldman Sachs Chain Sales (7:45) (11/29)</p> <p>Redbook Chain Sales (8:55) (11/29)</p> <p>Plosser Speech (12:30) (U.S. Economic Outlook)</p> <p>4-Week Bill \$32.0 Billion (f)</p> <p>Light Vehicle Sales (Units, Millions, SAAR)</p> <table border="1"> <tr><th>Total</th><th>Domestic</th><th>Import</th></tr> <tr><td>Sep 12.5</td><td>9.5</td><td>2.9</td></tr> <tr><td>Oct 10.6</td><td>7.8</td><td>2.8</td></tr> <tr><td>Nov (f) 10.6</td><td>7.7</td><td>2.9</td></tr> <tr><td>Nov (c) 10.4</td><td>7.8</td><td></td></tr> </table>	Total	Domestic	Import	Sep 12.5	9.5	2.9	Oct 10.6	7.8	2.8	Nov (f) 10.6	7.7	2.9	Nov (c) 10.4	7.8		<p>3</p> <p>ADP Employment Estimate (8:15) (Nov.)</p> <p>Productivity and Costs (8:30) (Revised) Prod. Comp. ULC</p> <table border="1"> <tr><td>08:Q2</td><td>3.6%</td><td>1.0%</td><td>-2.5%</td></tr> <tr><td>08:Q3 (p)</td><td>1.1%</td><td>4.7%</td><td>3.6%</td></tr> <tr><td>08:Q3 (f) 1.3%</td><td>4.1%</td><td>2.8%</td><td></td></tr> <tr><td>08:Q3 (c) 0.9%</td><td></td><td>3.6%</td><td></td></tr> </table> <p>ISM Non-Manufacturing (10:00) Total Prices</p> <table border="1"> <tr><td>Sep</td><td></td><td></td></tr> <tr><td>Oct 44.4</td><td></td><td>53.4</td></tr> <tr><td>Nov (f) 42.5</td><td></td><td>48.5</td></tr> <tr><td>Nov (c) 42.0</td><td></td><td></td></tr> </table> <p>Lacker Speech (12:30) (U.S. Economic Outlook)</p> <p>FOMC Beige Book (14:00) (Retail sales very weak; manufacturing down and orders off; job losses increasing fast.)</p>	08:Q2	3.6%	1.0%	-2.5%	08:Q3 (p)	1.1%	4.7%	3.6%	08:Q3 (f) 1.3%	4.1%	2.8%		08:Q3 (c) 0.9%		3.6%		Sep			Oct 44.4		53.4	Nov (f) 42.5		48.5	Nov (c) 42.0			<p>4</p> <p>Initial Claims (8:30)</p> <table border="1"> <tr><td>11/15</td><td>543</td><td>11/29 (f)</td><td></td></tr> <tr><td>11/22</td><td>529</td><td>11/29 (c)</td><td>540</td></tr> </table> <p>Manufacturers' (10:00)</p> <table border="1"> <tr><th>Orders</th><th>Ships.</th><th>Invs.</th></tr> <tr><td>Aug -4.3%</td><td>-3.7%</td><td>0.7%</td></tr> <tr><td>Sep -2.5%</td><td>-2.8%</td><td>-0.7%</td></tr> <tr><td>Oct (f) -4.5%</td><td>-2.7%</td><td>-0.5%</td></tr> <tr><td>Oct (c) -4.0%</td><td></td><td></td></tr> </table> <p>Evans Speech (10:45) (Michigan Bankers Association)</p> <p>Monthly Chain Store Sales (Nov)</p>	11/15	543	11/29 (f)		11/22	529	11/29 (c)	540	Orders	Ships.	Invs.	Aug -4.3%	-3.7%	0.7%	Sep -2.5%	-2.8%	-0.7%	Oct (f) -4.5%	-2.7%	-0.5%	Oct (c) -4.0%			<p>5</p> <p>Employment Report (8:30)</p> <table border="1"> <tr><th>Payrolls</th><th>Weekly</th><th>Hourly</th></tr> <tr><th>(Thous.)</th><th>Hours</th><th>Earnings</th></tr> <tr><td>Sep -284</td><td>33.6</td><td>0.2%</td></tr> <tr><td>Oct -240</td><td>33.6</td><td>0.2%</td></tr> <tr><td>Nov (f) -310</td><td>33.5</td><td>0.2%</td></tr> <tr><td>Nov (c) -323</td><td>33.6</td><td>0.2%</td></tr> </table> <p>Unemployment Rate (8:30)</p> <table border="1"> <tr><td>Jul 5.7%</td><td>Oct 6.5%</td></tr> <tr><td>Aug 6.1%</td><td>Nov (f) 6.7%</td></tr> <tr><td>Sep 6.1%</td><td>Nov (c) 6.8%</td></tr> </table>	Payrolls	Weekly	Hourly	(Thous.)	Hours	Earnings	Sep -284	33.6	0.2%	Oct -240	33.6	0.2%	Nov (f) -310	33.5	0.2%	Nov (c) -323	33.6	0.2%	Jul 5.7%	Oct 6.5%	Aug 6.1%	Nov (f) 6.7%	Sep 6.1%	Nov (c) 6.8%
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Recent History-Latest Results

<p>24</p> <p>Existing Home Sales (10:00) (Units, Millions, SAAR)</p> <table border="1"> <tr><td>May 4.990</td><td>Aug 4.910</td></tr> <tr><td>Jun 4.850</td><td>Sep 5.140</td></tr> <tr><td>Jul 5.020</td><td>Oct 4.980</td></tr> </table> <p>3-and 6-Month Bills \$28.0 Billion</p>	May 4.990	Aug 4.910	Jun 4.850	Sep 5.140	Jul 5.020	Oct 4.980	<p>25</p> <p>ICSC/Goldman Sachs Chain Sales (7:45) (11/22)</p> <p>Gross Domestic Product (8:30) (Prelim.)</p> <table border="1"> <tr><th>Real</th><th>Sales</th><th>Prices</th></tr> <tr><td>08:Q2 2.8%</td><td>4.4%</td><td>1.1%</td></tr> <tr><td>08:Q3 (a) -0.3%</td><td>-0.8%</td><td>4.2%</td></tr> <tr><td>08:Q3 -0.5%</td><td>-1.4%</td><td>4.2%</td></tr> </table> <p>Redbook Chain Sales (8:55) (11/22)</p> <p>Case-Shiller Index (9:00) (20 City Index) (Y/Y)</p> <table border="1"> <tr><td>Apr -15.2%</td><td>Jul -16.3%</td></tr> <tr><td>May -15.8%</td><td>Aug -16.6%</td></tr> <tr><td>Jun -15.9%</td><td>Sep -17.4%</td></tr> </table> <p>Conference Board Consumer Confidence Survey (10:00)</p> <table border="1"> <tr><td>Jun 51.0</td><td>Sep 61.4</td></tr> <tr><td>Jul 51.9</td><td>Oct 38.8</td></tr> <tr><td>Aug 58.5</td><td>Nov 44.9</td></tr> </table> <p>FHFA House Price Index (10:00) (Y/Y)</p> <table border="1"> <tr><td>07:Q2 2.6%</td><td>08:Q1 -3.0%</td></tr> <tr><td>07:Q3 1.6%</td><td>08:Q2 -4.8%</td></tr> <tr><td>07:Q4 -0.5%</td><td>08:Q3 -6.0%</td></tr> </table> <p>2-Year Note \$36.0 Billion</p> <p>4-Week Bill \$32.0 Billion</p>	Real	Sales	Prices	08:Q2 2.8%	4.4%	1.1%	08:Q3 (a) -0.3%	-0.8%	4.2%	08:Q3 -0.5%	-1.4%	4.2%	Apr -15.2%	Jul -16.3%	May -15.8%	Aug -16.6%	Jun -15.9%	Sep -17.4%	Jun 51.0	Sep 61.4	Jul 51.9	Oct 38.8	Aug 58.5	Nov 44.9	07:Q2 2.6%	08:Q1 -3.0%	07:Q3 1.6%	08:Q2 -4.8%	07:Q4 -0.5%	08:Q3 -6.0%	<p>26</p> <p>Initial Claims (8:30)</p> <table border="1"> <tr><td>11/15</td><td>543</td><td>11/22</td><td>529</td></tr> </table> <p>Personal Income & Consumption (8:30) Core</p> <table border="1"> <tr><th>Income</th><th>Cons.</th><th>Prices</th></tr> <tr><td>Sep 0.1%</td><td>-0.3%</td><td>0.2%</td></tr> <tr><td>Oct 0.3%</td><td>-1.0%</td><td>unch</td></tr> </table> <p>Durable Goods (8:30)</p> <table border="1"> <tr><th>Orders</th><th>Ex-Def.</th><th>Ships.</th></tr> <tr><td>Sep -0.2%</td><td>-1.8%</td><td>-0.2%</td></tr> <tr><td>Oct -6.2%</td><td>-4.6%</td><td>-2.4%</td></tr> </table> <p>Chicago Purchasing Managers' Survey (9:45) Prices</p> <table border="1"> <tr><th>Total</th><th>Paid</th></tr> <tr><td>Oct 37.8</td><td>53.7</td></tr> <tr><td>Nov 33.8</td><td>50.7</td></tr> </table> <p>U of M Cons Sentiment Index (10:00) (Final)</p> <table border="1"> <tr><td>Sep 70.3</td><td>Nov (p) 57.9</td></tr> <tr><td>Oct 57.6</td><td>Nov 55.3</td></tr> </table> <p>U of M Inflation Expectations (10:00) (Final)</p> <table border="1"> <tr><th>1-Year</th><th>5/10-Year</th></tr> <tr><td>Oct 3.9%</td><td>2.9%</td></tr> <tr><td>Nov (p) 2.9%</td><td>2.9%</td></tr> <tr><td>Nov 2.9%</td><td>2.9%</td></tr> </table> <p>New Home Sales (10:00) (Units, Thousands, SAAR)</p> <table border="1"> <tr><td>Jul 505</td><td>Sep 457</td></tr> <tr><td>Aug 454</td><td>Oct 433</td></tr> </table> <p>5-Year Note - \$26.0 Billion</p>	11/15	543	11/22	529	Income	Cons.	Prices	Sep 0.1%	-0.3%	0.2%	Oct 0.3%	-1.0%	unch	Orders	Ex-Def.	Ships.	Sep -0.2%	-1.8%	-0.2%	Oct -6.2%	-4.6%	-2.4%	Total	Paid	Oct 37.8	53.7	Nov 33.8	50.7	Sep 70.3	Nov (p) 57.9	Oct 57.6	Nov 55.3	1-Year	5/10-Year	Oct 3.9%	2.9%	Nov (p) 2.9%	2.9%	Nov 2.9%	2.9%	Jul 505	Sep 457	Aug 454	Oct 433	<p>27</p> <p>Holiday</p>	<p>28</p>
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Indicator Highlights

The ISM Manufacturing Survey (Mon., Dec. 1, 10:00 a.m.) is the definitive manufacturing activity diffusion measure. Will it sink deeper into "recession" territory? Light-Vehicle Sales (Tue., Dec. 2) will give an idea of overall demand for the important and large motor vehicle sales component of retail sales and consumption. Big-ticket item spending on cars is a barometer for the consumer and the economy, although less than it used to be. Tight credit and rising unemployment have dragged vehicle sales to their lowest levels in 13 years – underscoring the severe recession in the domestic auto industry and potential demise of GM and others. Productivity & Costs (Wed., Dec. 3, 8:30 a.m.) will provide an updated look at Q3 unit labor costs. This indicator should be watched to see if productivity growth is slowing as the economy slides, perhaps a source of cost-push pressure on prices. The ISM Non-Manufacturing Survey (Wed., Dec. 3, 10:00 a.m.) is a high-frequency gauge for the services sector, about 60% to almost 85% of the economy, depending on the measure. The Employment & Unemployment Report (Fri., Dec. 5, 8:30 a.m.) will indicate how deep the slide in the labor market is, with implications for the consumer, the economy, and credit risk.

The Trade Balance (Thu., Dec. 11, 8:30 a.m.) and its track of exports and imports measures the strength of the global economy and now how much offset improving trade might be to a sliding domestic economy. It also has potential as a currency-market mover. The big questions now are whether U.S. export strength will persist, and how much imports will slide on the weak consumer? The Producer Price Index (Fri., Dec. 12, 8:30 a.m.) is important to see how much weakening U.S. and global economies are taking down commodity prices. Is deflation in-train? Figures in the lower stages-of-processing sub-indices would reflect this first. Adv. Retail Sales (Fri., Dec. 12, 8:30 a.m.) is a key indicator for consumption, sometimes marking the momentum of aggregate consumer spending. The U of M Consumer Sentiment Index (Fri., Dec. 12, 10:00 a.m.) has fallen to deep recession-period levels as financial turmoil and rising unemployment have taken a toll on confidence. Will Americans feel better post-election? Consumer inflation expectations have been easing in recent months as energy prices have fallen, but will the declines in expected inflation hold?

Indicator	Forecast	Consensus	Analysis
ISM Manufacturing Survey			
Total	36.5	37.5	Weak activity.
Prices	32.4	32.5	Prices falling.
Construction Expenditure	-0.9%	-0.9%	Continuing severe declines in residential sector.
Light-Vehicle Sales (Units, SAAR)			
Total	10.6	10.4	Steadily feeble.
Domestic	7.7	7.8	
Import	2.9		
	Million	Million	
Productivity & Costs (Revised)			
Productivity	+1.3%	+0.9%	Favorable revisions—second quarter costs should look much better too.
Compensation	+4.1%		
Unit Labor Costs	+2.8%	+3.6%	
ISM Non-Manufacturing Survey			
Total	42.5	42.0	Activity and prices down.
Prices	48.5		
Manufacturers'			
Orders	-4.5%	-4.0%	Very weak durables sector; nondurables pulled down by price declines.
Shipments	-2.7%		
Inventories	-0.5%		
Employment Report			
Payrolls	-310,000	-323,000	Terrible labor market in all ways.
Weekly Hours	33.5	33.6	
Hourly Earnings	+0.2%	+0.2%	
Unemployment Rate	6.7%	6.8%	Another jump – quickly getting worse.
Pending Home Sales	-0.5%		Tight mortgage credit and rising unemployment dissuade potential buyers.
Wholesale Inventories	-0.2%		Contracting economy and declining prices reduce inventories.
Treasury Statement	-\$130.0 Billion		Budget deficit widens relative to last year as weaker economy reduces tax receipts.
Trade Balance (BOP Basis)			
Total	-\$54.2		Another improvement, as the value of commodity imports falls.
Merchandise	-\$67.5		
Services	\$13.3		
	Billion		
Import Prices (Non-Fuel., Y/Y)	+4.0%		Deflation continues, on stronger dollar and weaker materials prices.
Monthly Money (SA)			
M1	+\$30.4		M1 sees sharp increase.
M2	+\$29.2		
	Billion		
Producer Price Index			
Total	-1.4%		Another big slide in oil prices.
Ex-Food & Energy	+0.2%		Core inflation moderates.
Advance Retail Sales			
Total	-3.0%		Enormous drop in gasoline prices depresses sales value, but serious weakness is also more broadly evident.
Ex-Auto	-3.5%		
U. of M. Consumer Sentiment Index	60.0		Drift upward as financial concerns ease.
U. of M. Inflation Expectations (Prelim.)			
1-Yr Ahead (Median)	2.7%		Inflation expectations move downward.
5/10-Yr Ahead (Median)	2.8%		
Business Inventories, Sales			
Inventories	-0.1%		Large drop in sales pushes up days of sales.
Sales	-2.2%		
I/S	1.322		

Assessment

Full-fledged and deep U.S. recession with global recession reality. Pronounced slides in U.S. economic indicators; spiky down. Economy slumping, especially consumer. Business capex caving. Financial crisis showing adverse real economy effects with credit crunch hurting households, businesses, and governments. Massive monetary stimulus undertaken, but little impact so far. More fiscal stimulus in New Year coming but too late to stop deep recession. Governments' recapitalization of banks will help, but not soon on credit. Federal Reserve to keep cutting, probably another half point on December 16 and again in January. Fed concern on inflation put aside for now; indeed some Fed Members concerned over deflation risk. "Long and Deep Recession" most likely scenario—worst since 1980s, but "Long and Severe Recession" also a possibility.