



United States

Economic Indicators—Schedule and Forecasts
December 15–December 26, 2008

Sinai/Ellis/Edelstein

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

15	16	17	18	19																																																																		
<p>Empire State Manufacturing Survey (8:30)</p> <table border="1"> <tr><td>Total</td><td>Prices</td></tr> <tr><td>Oct -24.6</td><td>31.7</td></tr> <tr><td>Nov -25.4</td><td>20.5</td></tr> <tr><td>Dec (f)</td><td>15.2</td></tr> <tr><td>Dec (c)</td><td>-27.3</td></tr> </table> <p>Foreign Transactions in U.S. Long-Term Securities (9:00) (Oct.)</p> <p>Industrial Production & Capacity Utilization (9:15)</p> <table border="1"> <tr><td>Prod.</td><td>Util.</td></tr> <tr><td>Sep -3.7%</td><td>75.5%</td></tr> <tr><td>Oct 1.3%</td><td>76.4%</td></tr> <tr><td>Nov (f)</td><td>74.9%</td></tr> <tr><td>Nov (c)</td><td>75.6%</td></tr> </table> <p>NAHB Housing Market Index (13:00)</p> <table border="1"> <tr><td>Oct 14</td><td>Dec (f) 7</td></tr> <tr><td>Nov 9</td><td>Dec (c) 10</td></tr> </table> <p>3-and 6-Month Bills - \$27.0 Billion</p> <p>Fed TAF Auction (13:00) (\$150 Billion, 28 days)</p> <p>FOMC Meeting - (Dec. 15-16)</p>	Total	Prices	Oct -24.6	31.7	Nov -25.4	20.5	Dec (f)	15.2	Dec (c)	-27.3	Prod.	Util.	Sep -3.7%	75.5%	Oct 1.3%	76.4%	Nov (f)	74.9%	Nov (c)	75.6%	Oct 14	Dec (f) 7	Nov 9	Dec (c) 10	<p>ICSC/Goldman Sachs Chain Sales (7:45) (12/13)</p> <p>Consumer Price Index (8:30)</p> <table border="1"> <tr><td>Total</td><td>Ex-F&E</td></tr> <tr><td>Sep unch</td><td>0.1%</td></tr> <tr><td>Oct -1.0%</td><td>-0.1%</td></tr> <tr><td>Nov (f)</td><td>0.1%</td></tr> <tr><td>Nov (c)</td><td>0.1%</td></tr> </table> <p>Housing Starts (8:30) (Units, Millions, SAAR)</p> <table border="1"> <tr><td>Starts</td><td>Permits</td></tr> <tr><td>Sep 0.828</td><td>0.805</td></tr> <tr><td>Oct 0.791</td><td>0.730</td></tr> <tr><td>Nov (f)</td><td>0.718</td></tr> <tr><td>Nov (c)</td><td>0.700</td></tr> </table> <p>Redbook Chain Sales (8:55) (12/13)</p> <p>52-Week Bill - \$22.0 Billion</p> <p>4-Week Bill - \$30.0 Billion (f)</p> <p>FOMC Rate Decision & Statement (14:15) (50bp. cut in funds rate, to 0.50%; concern on economy grows; signal quantitative easing)</p>	Total	Ex-F&E	Sep unch	0.1%	Oct -1.0%	-0.1%	Nov (f)	0.1%	Nov (c)	0.1%	Starts	Permits	Sep 0.828	0.805	Oct 0.791	0.730	Nov (f)	0.718	Nov (c)	0.700	<p>Current Account (\$Billion) (8:30)</p> <p>08:Q1 -175.6 08:Q3 (f)-179.3</p> <p>08:Q2 -183.2 08:Q3 (c)-179.0</p> <p>Initial Claims (8:30)</p> <table border="1"> <tr><td>11/29</td><td>515</td><td>12/13 (f) 555</td></tr> <tr><td>12/6</td><td>573</td><td>12/13 (c) 555</td></tr> </table> <p>Philadelphia Fed Survey (10:00)</p> <table border="1"> <tr><td>Total</td><td>Prices</td></tr> <tr><td>Oct -37.5</td><td>7.2</td></tr> <tr><td>Nov -39.3</td><td>-30.7</td></tr> <tr><td>Dec (f)</td><td>-41.5</td></tr> <tr><td>Dec (c)</td><td>-40.0</td></tr> </table> <p>Leading Indicators (10:00)</p> <table border="1"> <tr><td>Jul -0.7%</td><td>Oct -0.8%</td></tr> <tr><td>Aug -0.9%</td><td>Nov (f) -0.3%</td></tr> <tr><td>Sep 0.1%</td><td>Nov (c) -0.4%</td></tr> </table> <p>Fisher Speech (13:30) (Historical Perspectives on the Current Economic and Financial Crisis)</p>	11/29	515	12/13 (f) 555	12/6	573	12/13 (c) 555	Total	Prices	Oct -37.5	7.2	Nov -39.3	-30.7	Dec (f)	-41.5	Dec (c)	-40.0	Jul -0.7%	Oct -0.8%	Aug -0.9%	Nov (f) -0.3%	Sep 0.1%	Nov (c) -0.4%		
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Recent History-Latest Results

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Indicator Highlights

The Empire State Manufacturing (Mon., Dec. 15, 8:30 a.m.) and Philadelphia Fed (Thu., Dec. 18, 10:00 a.m.) Surveys are indicators of regional manufacturing activity, giving a hint on the national trend. Industrial Production & Capacity Utilization (Mon., Dec. 15, 9:15 a.m.) will give a detailed read on industrial-side activity and will be watched for how much more manufacturing sector production is giving way. The Consumer Price Index (Tue., Dec. 16, 8:30 a.m.) is important for its overall and "core" readings and price increases in services. How much and how fast is consumer price inflation coming down? Housing Starts (Tue., Dec. 16, 8:30 a.m.) will give a forward look at residential construction and will continue to be watched for signs of a bottoming in the housing market.

The U. of M. Consumer Sentiment Index (Tue., Dec. 23, 10:00 a.m.) will provide a late-month update on consumer attitudes about the economy and personal financial situations. The index 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? New Home Sales (Tue., Dec. 23, 10:00 a.m.) and Existing Home Sales (Tue., Dec. 23, 10:00 a.m.) will be watched for whether the downturn in housing is bottoming or continuing. Personal Income & Consumption (Wed., Dec. 24, 8:30 a.m.) will provide a second-month reading for Q4 consumer spending, currently 71% of real GDP. The consumer is key. With a weak jobs market and low consumer confidence, what will feed consumption until another round of fiscal stimulus comes on line? The overall and "Core" PCE Price Indexes (Wed., Dec. 24, 8:30 a.m.) are key inflation indicators for the Fed. Signs of deflation will be looked for.

Indicator	Forecast	Consensus	Analysis
Empire State Manufacturing Survey			
Total	-28.4	-27.3	Further downturn and deflation signs.
Prices	15.2		
Industrial Production	-1.5%	-0.8%	Large cutbacks and fast-increasing slack.
Capacity Utilization	74.9%	75.6%	
NAHB Housing Market Index	7	10	Home builders highly pessimistic.
Consumer Price Index			
Total	-1.1%	-1.3%	Gasoline and other energy prices plunge.
Ex-Food & Energy	+0.1%	+0.1%	
Housing Starts (Units, SAAR)	0.751 Million	0.735 Million	Builders still cutting back.
Housing Permits (Units, SAAR)	0.718 Million	0.700 Million	Less activity.
Current Account	-\$179.3 Billion	-\$179.0 Billion	A very slight improvement in goods and services trade.
Philadelphia Fed Manufacturing Survey			
Total	-41.5	-40.0	Further deterioration.
Prices	-24.6		
Leading Indicators	-0.3%	-0.4%	High initial claims and a weak stock market drive down the index.
Gross Domestic Product (Final)			
Real	-0.7%		Further down revision in consumption.
Final Sales	-1.5%		
Chain Prices	+4.2%		
U. of M. Consumer Sentiment Index	60.0		Small upward movement.
U. of M. Inflation Expectations (Final)			
1-Yr Ahead (Median)	1.7%		Down sharply from last month, but no change from preliminary report.
5/10-Yr Ahead (Median)	2.7%		
New Home Sales (Units, SAAR)	414,000		Slow buyer traffic signals another decline.
Existing Home Sales (Units, SAAR)	4,910 Million		Another decline on fewer pending contracts and tighter mortgage credit.
Personal Income & Consumption			
Income	+0.3%		Big down month for consumption. Big rise in savings rate.
Consumption	-0.8%		
Core Prices	+0.1%		
Durable Goods			
Orders	-2.5%		Another month of severe contraction in transportation equipment industries.
Ex-Defense	-3.0%		
Shipments	-1.2%		

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.