

U.S. Financial Notes

Weekly Market Analysis

April 25, 2008

Where's The Downturn?

By David Wyss and Beth Ann Bovino

Despite all the talk in the press suggesting the worst downturn since the 1930s, the first quarter real GDP growth to be announced Wednesday now seems likely to be positive. We still expect this episode to be classed as a recession, but it will look like a very shallow, but extended "U."

Economic releases this week included:

- Orders for durable manufactured goods fell 0.3% in March, because of a 19.8% drop in defense orders.
- Existing home sales fell 2.0% in March, to an annual rate of 4.93 million. New home sales dropped more sharply, by 8.5% to 526,000.
- The Office of Federal Housing Enterprise Oversight (OFHEO) reported that home prices rose 0.6% in February, but remain down 3.1% from their April 2007 peak.
- Commercial real estate prices rose 0.3% in January, and are up 7.0% from a year earlier, according to the S&P/GR Commercial Real Estate Index.
- Consumer sentiment fell to a 25-year low of 62.6 in April from 69.5 in March, according to the University of Michigan Survey Research Center.
- U.S. initial jobless claims fell 33,000 to 342,000 in the week-ended April 19. Continuing claims fell 65,000 to 2.934 million in the week-ended April 12. The insured unemployment rate held at 2.2%. The four-week moving average fell 7,250 to 369,500, but has been clearly rising over the past two months. The data confirm that the recent spike was caused by seasonal adjustment issues caused by the early Easter. Claims data continue to be stronger than usual during an early recession stage.
- Bank of Canada cut its overnight lending rate 50 basis points (bps) to 3%, citing weaker world, and especially U.S., growth.
- Oil prices rebounded to a new record of \$120/barrel Wednesday, but fell back to \$118 midday Friday.
- The 10-year Treasury yield jumped to 3.9%, but remains well below the 4.25% in early December. The rise indicates reduced expectations for a U.S. recession as well as more inflationary worries here and overseas. The dollar rose to \$1.561/euro, and 104.5 yen, helped by the higher bond yields. Japanese bond yields jumped to 1.6% on higher inflation reports; the core CPI is now up 1.2% over the last 12 months.

Housing Dips Again

Housing data released this week were a bit better than expected, but still consistent with our view that the housing market is still heading downward. The most discouraging report was new one-family home sales, which plunged 8.5% in March to an annual rate of 526,000. Sales are down 36.6% from a year earlier. The decline occurred in every Census region, with the South down the least in March and the Northeast the most. On a year-on-year basis, the declines have been 25.9% in the South, 39.3% in the West, 50.0% in the Midwest, and 64.6% in the Northeast.

The supply of new homes for sales dropped to 468,000 from 473,000 in February and 548,000 last March. However, because of the lower sales pace, the months' supply rose to 11.0 from 10.2 a

month earlier and 8.3 a year earlier. The inventory of new homes is dropping earlier in the downturn than in past recessions, showing that builders are reacting more quickly. However, inventories are still not falling as fast as sales. Housing starts (released last week) dropped to 947,000 in March, down 36.5% from last March, in rough line with the drop in sales. We expect starts to drop further as builders try to cut the stock of unsold homes.

Existing home sales were down less than new homes, dropping 2.0% in March to an annual rate of 4.93 million units. Sales are down 19.3% from March 2007. Condo sales rose 3.6%, but that was more than offset by a 2.7% drop in single-family home sales. Condo sales are down 25.5% over the year, while single-family home sales have fallen 8.3%. The inventory of existing homes on the market rose 1.0% to 4.06 million, a 9.9 months' supply.

Home prices were surprising up 0.6% in February, according to OFHEO. Prices remain down 2.4% from last February, and are 3.1% below their April 2007 peak. The OFHEO home price index is less volatile than the S&P/Case-Shiller index, which was down 10.7% from a year earlier in January. The February Case-Shiller data will be released next Tuesday. Winter data are always suspect for the housing sector, and we expect prices to continue to decline through early 2009. Compared with last February, prices have dropped most in the Pacific states (down 9.2%). The next-worst region is the South Atlantic (down 3.7%), while the West South Central region is up 2.3% and the East South Central is up 0.6%.

The median home price data was less encouraging. The price of the median existing home sold fell 7.7% from a year ago in March, to \$200,700. The median single-family existing-home price is down 8.3% to \$198,200. The drop in existing home prices is affected by mix change, both by region and by home size. The median new home price has fallen 13.3%, to \$227,600. However, prices of new homes are even more affected by mix change than existing homes.

Commercial property prices have come back up after dipping in the fourth quarter. The January S&P/GRA Commercial Real Estate Index rose 0.3% in January, and is up 7.0% from a year earlier. Prices of offices continued to decline, but retail flattened out and apartment prices have recovered. Compared with last January, apartment prices are up 5.8%, office 9.9%, retail 4.3%, and warehouse 10.1%. The strength contrasts with the weakness in the housing market. The recovery in January suggests that the financing problems for commercial real estate have eased. The fourth-quarter drop-off was blamed on difficulties in obtaining financing for deals, as the residential mortgage-backed security problems caused commercial mortgages to also freeze up. However, the weaker economy still suggests declines in new nonresidential construction activity this year.

Equipment spending is also expected to be weak. Durable orders fell 0.3% in March, their third consecutive decline. Most of the damage was done by the 19.8% drop in defense orders, which are always volatile, but which have dropped by over one-third in the last three months. Excluding defense, orders were up 0.3%. Motor vehicles were also very weak, with orders falling another 4.6% in March and down 22% from a year ago. This drop was partially offset by a 5.5% rise in civilian aircraft orders. Nondefense capital goods orders (excluding aircraft), which are the key short-term indicator for business equipment spending, were flat in March after dropping the two previous months. Durable goods shipments, which are more stable than orders, fell 0.4% in March, and were down 0.9% excluding defense shipments, which rose 8.3%. Durable inventories rose 1.1% in March, which raises our estimate of first-quarter GDP growth.

Consumer sentiment dropped to 62.6 in April from 63.2 in March, but was only slightly below the preliminary reading of 63.2. Estimates of current conditions dropped to 77.0 from 84.2 in March, while expectations fell to 53.3 from 60.1. One discouraging note was the rise in inflation expectations to 4.8% from 4.3%. The weak sentiment is a negative for future consumer spending.

Bonds Coming Back To Normal

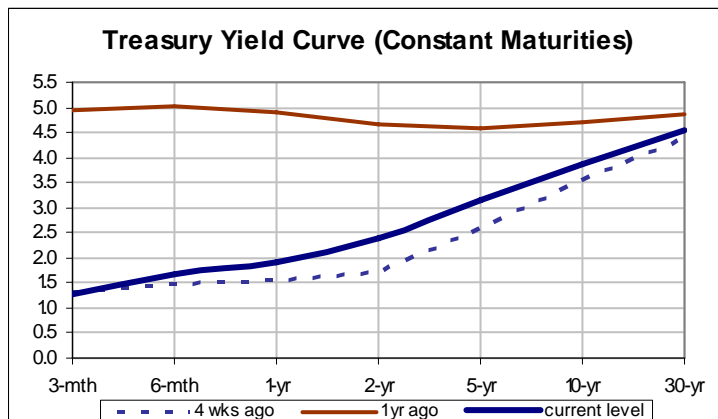
Treasury bond yields jumped sharply late this week, reflecting a less negative view of the economy and of the private bond market. The yield has recovered to near the 4.2% euro 10-year bond yield, which has also risen over the last month. Markets are becoming more confident that the recession will not be deep, and that the Federal Reserve will not have to cut rates after next week's meeting. Inflation fears are rising, which is putting upward pressure on bond yields both in the U.S. and overseas. Japanese yields jumped sharply on the report that the core CPI index accelerated to 1.2%, after several years of negative numbers. Liquidity spreads remain wide, with the 3-month LIBOR trading 184 bps over Treasuries, but other signals from the bond markets are becoming more encouraging, showing spreads gradually returning to more normal levels and a higher volume of lending taking place. The rise in stock prices (the S&P 500 is up 4.8% over the last month) has pulled money out of bonds and into stocks, further raising yields.

We expect the Federal Reserve to cut rates again at their meeting Tuesday and Wednesday, probably by 25 bps to 2.0%. There is still a chance of a 50 bps cut, but probably only if the first-quarter GDP growth comes in strongly negative. Because of the higher-than-expected inventory accumulation, it now appears that first-quarter growth will be significantly positive, probably close to 0.5%. But because the extra growth is mostly inventory, the second quarter estimate is likely to be more negative than our last forecast, although we will wait for next Friday's employment report to change our forecast.

FINANCIAL MARKET HIGHLIGHTS: For Week Ending April 24, 2008

Treasury Yield Curve: Long-term Treasury yields rose this week, on stronger economic and company-specific news. Already anticipating an end to the Federal Reserve's rate-cutting campaign, a surprising drop in unemployment claims pushed the 10-year Treasury bond yield up 12 bps to 3.87% on Friday (midmorning). Much stronger-than-expected consumer inflation expectation added to inflation concerns. The yield curve has steepened from a year ago, with the short end sharply lower and the long end falling by less. The two-10-year spread edged down 9 bps to 146 bps, but is far steeper than it was one year earlier (2 bps). Inflation expectations increased sharply, with the inflation-protected bonds (TIPS) spread above the 10-year Treasury, up to 1.95%, from 1.81% the week before, though down 38 bps from last year.

(%)	current level	Change over			
		1 wk	4 wks	13 wks	1 year
3-mth	1.26	0.03	-0.04	-1.11	-3.70
6-mth	1.66	0.08	0.17	-0.82	-3.38
1-yr	1.91	0.14	0.34	-0.49	-3.01
2-yr	2.41	0.28	0.68	0.16	-2.26
5-yr	3.15	0.25	0.54	0.30	-1.44
10-yr	3.87	0.12	0.31	0.19	-0.82
30-yr	4.56	0.02	0.18	0.20	-0.31
Inflation Indexed Treasury (LT)	1.95	0.01	0.01	0.27	-0.38



Credit Markets: Risk aversion has recovered after worries about the Bear Stearns' rescue and the Fed's actions two weeks ago, but widened again this week, in part, because of weak earnings reports from banks. The TED (Treasury-to-Eurodollar) spread remains wider than usual (183 bps), but more because of low Treasury rates, not a high LIBOR. The April 21 Term Auction Facility showed a lower bid/cover ratio of 1.77. There were 83 bidders, but the stop out rate relatively high at 2.87%, and 82 bps above the minimum bid of 2.05%. That's the second-lowest bid cover, but the widest spread of the 10 auctions to date. The Fed also added a new lending vehicle, the Term Securities Lending Facility, with larger loans and longer terms. The April 17 auction resulted in low bidding (bid-cover ratio of 1.4 on \$25 billion auctioned) and a spread of only 10 bps. The measures are intended to improve liquidity in the market, especially to reduce the risk premium on longer-term (more than overnight) trades. Equity-market volatility remained high, with the volatility index (VIX) edging down to 20.1, well below the 30.8 spike in mid-August. The 30-year mortgage rate was flat at 5.88%. The Mortgage Bankers Assoc. reported that mortgage demand dove 14.2% in the week-ended April 18. Purchase applications sank 6.4%, and refinance applications plunged 20.2%.

	current level	Change over			
		1 wk	4 wks	13 wks	1 year
Money Market					
3-mth Euro\$	3.10	0.15	0.30	-0.20	-2.25
90d Commercial Paper	2.00	-0.01	-0.11	-0.50	-3.21
3-mth CD	2.95	0.17	0.18	-0.32	-2.36
Swap Rates					
1-year	2.93	0.24	0.55	0.29	-2.34
2-year	3.11	0.27	0.58	0.60	-1.89
5-year	3.79	0.15	0.41	0.68	-1.19
10-year	4.38	0.05	0.29	0.45	-0.77
30-year	4.86	0.00	0.24	0.30	-0.51
Other Key Interest Rates					
Prime Rate	5.25	0.00	0.00	-1.25	-3.00
15yr Mortg.	5.40	-0.02	0.13	0.19	-0.49
30yr Mortg.	5.88	0.00	0.01	0.19	-0.29
Volatility Markets					
VIX Equity Market Volatility	20.06	-0.31	-5.82	-7.72	7.27
Swaption 2-10 Year	22.40	-0.90	-2.30	-0.10	8.80
Liquidity Spreads (bps)					
3-mth Euro\$ to 3-mth Treas.	184	1	33	75	146
10yr Swaps to 10yr Treas.	61	0	3	19	12

Fed Policy And Interest Rate Outlook: The Federal Reserve cut the federal funds rate by 75 bps to 2.25%, on March 18. Federal Open Market Committee minutes to the March policy meeting showed "many" officials saw a "likely" contraction in GDP in the first half of 2008. In addition, "some believed that a prolonged and severe economic downturn could not be ruled out." The April Beige Book indicated that "economic conditions have weakened since the last report." The Fed opened the Fed's emergency credit facility, and blessed JPMorgan's acquisition of Bear Stearns with its guarantee of up to \$30 billion over the March 16 weekend. Defending the Bear rescue, Fed Chairman Bernanke said that the Fed has set a very high bar concerning what it deems "unusual" and "exigent" circumstances. Chairman Bernanke said on April 2 that, "it now appears likely that real gross domestic product will not grow much, if at all, over the first half of 2008 and could even contract slightly," indicating a recession. Fed funds futures are discounting a 25-bps cut at the April meeting. We now expect a 25 bps cut in April. There is still a chance of a 50 bps cut, but probably only if the first-quarter GDP growth is very weak.

	current level	Change over			
		1 wk	4 wks	13 wks	1 year
FundsTarget	2.25	0.00	0.00	-1.25	-3.00
Effective	2.18	-0.17	-0.12	-1.25	-3.01

Fed Funds Future Contracts (Yield)

FOMC Meeting Date	Contract Mth	current level	Change over		
			1 wk	4 wks	13 wks
Apr.29/30	Apr-08	2.25	0.02	0.07	-0.55
	May-08	2.05	0.09	0.15	-0.59
Jun. 24/25	Jun-08	2.03	0.08	0.17	-0.56
	Jul-08	2.00	0.09	0.20	-0.42
Aug. 5	Aug-08	1.99	0.09	0.23	-0.32
Sept. 16	Sep-08	2.01	0.12	0.26	-0.32

Euro Dollar Futures Curve

Contract Mth	current level	Change over		
		1 wk	4 wks	13 wks
May-08	2.84	0.01	0.49	-0.06
Jun-08	2.78	0.02	0.54	0.05
Jul-08	2.72	0.00	0.57	0.11
Aug-08	2.72	0.05	0.62	0.20
Sep-08	2.79	0.14	0.73	0.23

Foreign Exchange Rates: The dollar strengthened against most major currencies this week on more encouraging U.S. economic news and expectations for fewer rate cuts. The dollar edged down to \$1.57/euro from \$1.58/euro and up to 104.2 yen from 103.9 yen. February net foreign capital inflows were \$64.1 billion, up from \$35.7 billion in January. The continued trade deficit and reversed interest rate gap with Europe will put downward pressure on the dollar through the spring, but some recovery is likely after the second quarter if the Fed stops easing and the European Central Bank (ECB) starts, as we expect.

	current level	Change over (%)			
		1 wk	4 wks	13 wks	1 year
TWI (broad)	95.64	0.6	0.3	-2.7	-8.8
TWI (major)	70.84	1.2	1.3	-2.7	-10.8
TWI (OITP)	122.64	0.1	-0.8	-2.7	-6.6
MXP-USD	10.46	-0.2	-2.2	-4.0	-4.3
CAD-USD	1.01	0.2	-0.1	0.6	-9.6
USD-EUR	1.57	-1.6	-0.8	6.3	15.3
USD-GBP	1.97	-1.0	-1.9	-0.1	-0.9
CHF-USD	1.03	3.2	4.1	-4.9	-14.5
JPY-USD	104.20	1.9	4.3	-2.3	-12.8
USD-AUD	0.94	0.3	2.1	6.9	13.8

Global Interest Rates: Government bond yields were higher this week. Aggressive central bank liquidity infusions have helped settle uneasy financial markets, but signs of stress remain. Key central banks are expected to loosen, except for the Bank of Japan (BoJ); financial market turmoil could increase their tendency to do so in the near term. Recent trends and expectations include:

- The Bank of Canada cut the overnight target rate on April 22 by 50 bps to 3.0%. They left the door open for additional cuts. Timing depends on global growth and inflation amid deteriorating financial conditions and a weak U.S. outlook..
- The Norges Bank hiked the policy rate by 25 bp to 5.50%. The statement stressed continued upside inflation risk. The Riksbank held the repo rate steady at 4.25%. The Bank noted that domestic economic activity remains healthy although the U.S. economy is now seen to head "towards a more sudden downturn" than they previously anticipated.
- The Reserve Bank of India announced on April 24 that it was raising the required reserve ratio in two stages from 7.5% to 8.0%, highest since 2001. The first move in a year and likely in response to the recent run-up in inflation
- The ECB held rates at 4.0%, while the Bank of England (BoE) cut rates 25 bps to 5.0% at their April 10 meetings. The BoE statement accompanying the rate announcement stressed that inflation is likely to rise in the short-term, but noted that tightened credit conditions and deteriorating credit availability made a rate cut possible this month. The ECB statement said that, "we are experiencing a rather protracted period of temporarily high annual rates of inflation," slightly more hawkish on inflation than last month. The ECB is expected to cut near midyear.
- The BoJ policy board unanimously left its target overnight call rate steady at 0.5% at its April 10 meeting, the lowest in the developed world. The BoJ will keep rates steady through 2008 on a weaker outlook. The BoJ's April economic report said, "Japan's economic growth is slowing, mainly due to the effects of high energy and materials prices."
- The Reserve Bank of Australia kept rates unchanged at a 12-year peak of 7.25% at its April 1 meeting.
- The Federal Reserve cut the funds rate 75 bps to 2.25% on March 18. The statement said that "downside risks to growth remain," showing that the Fed was more concerned about growth than inflation and suggesting another cut in April.

- The People's Bank of China (PBoC) raised its reserve requirements on March 18, for the 12th time since the beginning of 2007, to its highest level since 1987. The reserve ratio increased another 0.5 percentage point to 15.5%. The PBoC said that it will continue moderate monetary tightening to prevent an overheating economy. More hikes are expected.

current level	Change over			
	1 wk	4 wks	13 wks	1 year

12-mth Libor Rates

U.S.	3.08	0.17	0.57	0.22	-2.19
Canada	3.68	0.03	0.17	-0.18	-0.75
Euro	4.94	0.14	0.21	0.63	0.66
U.K.	5.82	0.02	-0.02	0.55	-0.15
Swiss	3.11	0.03	0.05	0.39	0.48
Japan	1.09	0.00	-0.01	0.09	0.24
Aussie	8.34	0.22	0.30	0.74	1.76

10-yr Bond Yields

U.S.	3.87	0.12	0.31	0.19	-0.82
Canada	3.80	0.03	0.25	-0.17	-0.40
Euro	4.19	0.12	0.27	0.19	-0.02
U.K.	4.75	0.12	0.27	0.20	-0.32
Swiss	3.20	0.00	0.27	0.33	0.42
Japan	1.51	0.12	0.24	0.11	-0.15
Aussie	6.27	0.10	0.25	0.24	0.40

Commodity Price Indexes: Commodity prices jumped this week. Oil prices rose to \$119/barrel after reaching a record \$120 midweek, on news of strikes and a supply disruption in Nigeria. We expect oil prices to edge lower, but geopolitical risk and dollar weakness make the forecast highly uncertain. Natural gas futures prices rose another 3.9% to \$10.8/mbtu on Thursday. Gold futures fell \$54 to \$890/ounce on Friday (midday), after reaching \$1,000/ounce again two weeks ago. Agriculture prices fell 6.4%. Livestock was up 1.2% this week, but is down 19.0% over the past year, as high feed prices force early slaughter.

current level	Change over (%)			
	1 wk	4 wks	13 wks	1 year

SPCI	2442.6	3.3	0.4	5.5	36.1
CRB	414.9	-1.1	3.6	16.1	33.4
Gold (CME)	889.4	-5.7	-6.3	-1.8	31.2
Crude Oil (CME)	116.1	1.0	7.9	29.8	78.4
Nat. Gas (CME)	10.8	3.9	12.7	38.3	43.7
GSCI	735.0	0.3	5.7	24.6	56.0
Agriculture	866.4	-6.4	-7.0	0.2	42.4
Livestock	3009.1	1.2	5.3	-3.6	-19.0

U.S. Equity Market: U.S. equity indices were up this week, on strong corporate results in several sectors. Markets soured Friday on disappointing Microsoft news and a weak sentiment index. The S&P 500, Dow, and NASDAQ were 1,385, 12,781, and 2,398, respectively, Friday midday. Strength over the past month comes after four consecutive months of decline for the S&P 500. Most major equity indices are down over the past 12 months; the S&P 500 is now down 7.1% from a year earlier, while the NASDAQ is down 7.4% and the Dow 2.0%. The small-cap S&P 600 is down 12.1% for the year.

current level	Change over (%)			
	1 wk	4 wks	13 wks	1 year

S&P Indexes:

S&P 1500	314.2	1.6	4.9	3.1	-7.2
S&P 500	1388.8	1.7	4.8	2.7	-7.1
S&P 400	832.2	1.2	6.8	6.9	-6.5
S&P 600	377.7	1.1	3.2	4.2	-12.1

Other Indexes:

Dow Indust.	12849.0	1.8	4.4	3.8	-2.0
Nasdaq Comp.	2428.9	3.7	6.5	2.9	-4.9
DJ Wilshire	13990.5	1.5	4.7	2.8	-7.4

U.S. Equity Market by Sector: Equity sectors in the U.S. were mostly up over the past week through Thursday. Industrials and health care stocks rose 2.2% and 0.6%, respectively, offsetting their losses in the previous week. Technology stocks jumped 5.4% on upbeat Apple and Qualcomm news. Disappointing Microsoft forecast gave some gains back on Friday. Materials, utility, and energy stocks gave up some of last week's gains, down 2.6%, 0.9%, and 0.0% through Thursday, respectively. Over the past 12 months, energy and materials are the strongest sectors because of their commodity price hikes. Financials remain the weakest, hurt by credit write-offs.

current level	Change over (%)			
	1 week	4 weeks	13 weeks	1 year

S&P 500	1388.8	1.7	4.8	2.7	-7.1
Cons Discr	252.5	1.9	2.9	1.6	-19.5
Cons Staples	291.3	0.1	0.3	3.4	3.1
Energy	616.8	0.0	10.6	15.7	24.9
Financials	356.1	2.2	5.2	-5.2	-29.0
Health Care	366.0	0.6	0.3	-5.8	-13.3
Industrials	342.3	2.2	1.6	4.6	1.2
Info Tech	379.5	5.4	9.2	5.5	1.6
Materials	265.6	-2.6	5.8	10.5	9.0
Telecom	146.4	3.6	3.1	2.3	-11.7
Utilities	203.8	-0.9	5.7	3.3	-4.7

Global S&P Stock Indices: Equity markets in most regions were up this week through Thursday, except for Canada. Japan, Asia-Pacific, and the U.S. reported the biggest gains (up 4.0%, 3.2%, and 1.7%, respectively). The strongest market performer during the past year remains Latin America (up 43.6%), followed by Asia-Pacific (up 19.4%). Japan, Europe, the U.S., and Australia remain down from a year ago.

	current level	Change over (%)			
		1 wk	4 wks	13 wks	1 year
Global 1200	1678.2	0.8	4.2	4.4	-4.2
Global 100	1502.9	1.0	3.6	3.0	-3.5
S&P 500	1388.8	1.7	4.8	2.7	-7.1
Canada 60	828.7	-0.6	5.3	9.4	6.6
LatAm 40	5392.3	1.6	10.0	25.8	43.6
Europe 350	1304.7	1.4	3.2	-1.8	-17.9
Japan 150	1174.1	4.0	7.1	5.1	-20.7
Asia Pac 50	3532.1	3.2	7.3	11.1	19.4
Aussie 50	5459.1	1.6	4.7	0.2	-9.3

Global Equity Market Performance By Sector: International sectors were mostly up this week, in line with the U.S. Utilities, consumer staples and materials stocks reported the biggest losses, down 0.4%, 0.6%, and 1.0%, respectively. Technology was the strongest this week, through Thursday. Over the past 12 months, the strongest gain has been in the materials sector (up 26.4%), followed by energy (up 22.7%). Financials and health care are down the most from a year earlier.

	current level	Change over (%)			
		1 week	4 weeks	13 weeks	1 year
SP Global 1200	1678.2	0.8	4.2	4.4	-4.2
Cons Discr	1505.6	0.8	0.5	1.7	-16.4
Cons Staples	1683.8	-0.6	-0.2	4.3	4.1
Energy	3104.6	0.3	11.2	15.3	22.7
Financials	1530.9	0.6	4.1	-0.3	-21.2
Health Care	1444.5	1.5	0.1	-5.1	-13.5
Industrials	1798.3	1.5	2.2	6.2	-0.7
Info Tech	1553.1	4.0	7.7	6.0	0.8
Materials	3281.3	-1.0	7.9	16.1	26.4
Telecom	1270.5	1.2	2.7	-0.4	1.1
Utilities	1897.4	-0.4	2.7	4.6	2.8

Sources: Global Insight and S&P.

Data tables provided by Kartikey Kaushik at S&P/CRISIL

U.S. Economic Calendar – Apr. 28, 2008 through May 9, 2008

Date	Time Release	For	Forecast	Consensus	Previous
29-Apr	7:45 BTM-UBS Retail Sales				
	8:55 Redbook Retail Sales				
	9:00 S&P/Case-Shiller Home Prices	February	-12.0		-10.7
	10:00 Consumer Confidence	April	60.0	61.0	64.5
30-Apr	8:15 ADP Report	April			
	8:30 Real GDP (% ar)	Q1	0.5	0.5	0.6
	GDP Deflator (%)	Q1	2.8	3.0	2.4
	8:30 Employment costs (%)	Q1	0.8	0.8	0.8
	10:00 Chicago PMI	April	46.0	47.6	48.2
	14:15 FOMC announcement		2.00	2.00	2.25
1-May	8:30 Personal Income	March	0.3	0.4	0.5
	Consumer Spending	March	0.3	0.3	0.1
	8:30 Initial claims (K)	26-Apr	355.0	355.0	342.0
	10:00 ISM Manufacturing Index	April	48.5	48.0	48.6
	10:00 Construction Spending	March	-0.8	-0.7	-0.3
	16:30 Money Supply	21-Apr			
	TBA Light Vehicle Sales (Mil)	April	15.1	15.1	15.1
2-May	8:30 Nonfarm Payrolls (K)	April	-50	-73	-80
	8:30 Manufacturing Payrolls (K)	April	-10	-35	-48
	8:30 Unemployment Rate	April	5.2	5.2	5.1
	8:30 Average Hourly Earnings	April	0.3	0.3	0.3
	10:00 Factory Orders	March	0.0	0.2	-1.3
5-May	10:00 ISM nonmanufacturing	April	50	49.5	49.6
6-May	7:45 BTM-UBS Retail Sales				
	8:55 Redbook Retail Sales				
7-May	8:30 Productivity Rev (%)	Q1	1.0	1.1	1.9
	Unit Labor Costs	Q1	3	2.9	2.6
	2:00 Consumer credit (\$bn)	March	5.5	6	5.2
8-May	8:30 Initial claims (000)	3-May			
	10:00 Wholesale Inventories (%)	March	0.5	0.5	1.1
	16:30 Money Supply	28-Apr			
9-May	8:30 Trade Balance (Bil. \$)	March	-61.0	-61.2	-62.3
	8:30 Exports (Bil. \$)	March	153.0	153.0	151.4
	8:30 Imports (Bil. \$)	March	214.0	214.1	213.7

Note: All times are U.S. Eastern Time. Consensus estimates from Action Economics.

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