

December 3, 2009



Macro Forecasts

US

The housing market has recovered well in the last couple of months; sales in particular seem to be in good shape. December should provide mixed results as we expect another good month for existing home sales while new home sales are set to fall due to the uncertainty that ensued when the original home tax credit was about to expire (a new, broader plan has since been approved).

On December 4 we will again turn our eyes to the important employment report. Given the fact that ADP employment dropped 169K, we expect payrolls to decline another 146K in November, which would take the total loss in payrolls to 7.45 million from the peak. We expect the unemployment rate to edge higher to 10.3% from 10.2% despite the relative improvement in payrolls. The Household Survey, from which the unemployment rate is calculated, is still poor and presents a far worse picture of the labour market than does the report on payrolls.

Non-residential construction contributed to the downward revision of Q3 GDP in November and we expect it to contribute to a further decline in the third estimate. We expect that a 0.2%-point reduction in growth is on the cards due to the poor report on construction spending.

Eurozone

Companies in the Eurozone are still laying off workers despite the recent improvements in the economy. On December 1 it was announced that the unemployment rate was still at a ten-year high of 9.8%. We expect the rate to edge higher to 9.9%.

Retail sales are expected to bounce back, albeit slowly, in November following a 0.5% decline in October. The high unemployment rate is a drag on consumer spending and will continue to be so for a time to come.

While the consumers are not throwing around money, the manufacturing outlook is improving and we expect that to translate into a sixth straight month of growth in October. New orders have grown for several months now - though at a slow pace - and combined with inventory restocking they should have done enough to see industrial production go higher in October.

Japan

The newly announced JPY 10 trillion stimulus package underlines the poor state of the economy. Nevertheless, we expect industrial production to grow 0.7% in the revised November report while capacity utilisation should also climb somewhat higher. The initial November industrial production figure came in below expectations, but recent numbers from Japan indicate that this will be revised higher.

Japan remains mired in a deflationary web, but we expect these deflationary tendencies to weaken somewhat in November. We look for a 1.9% decline year-on-year in consumer goods while corporate goods prices should also fall back from their October levels.

Chief Economist
David Karsbøl
DKA@saxobank.com

FX Consultant
John Hardy
JJH@saxobank.com

Chief Equity Strategist
Christian Tegllund Blaabjerg
CTB@saxobank.com

Market Strategist
Mads Koefoed
MKOF@saxobank.com

Research Analyst
Robin Bagger-Sjöback
RSJO@saxobank.com

US

Monthly forecasts

Surveys	<i>Period</i>	<i>Saxo Bank</i>	<i>Consensus</i>	<i>Prior</i>	<i>Release date</i>
ISM Manufacturing PMI	DEC	54.3	N/A	53.6	N/A
ISM Non-manufacturing PMI	NOV	51.0	51.5	50.6	12/03
Labour Market	<i>Period</i>	<i>Saxo Bank</i>	<i>Consensus</i>	<i>Prior</i>	<i>Release date</i>
Net change in Nonfarm Payrolls (thousand, SA)	NOV	-146	-125	-190	12/04
Unemployment Rate (SA)	NOV	10.3%	10.2%	10.2%	12/04
Production	<i>Period</i>	<i>Saxo Bank</i>	<i>Consensus</i>	<i>Prior</i>	<i>Release date</i>
Construction Spending (MoM, SA)	NOV	-0.3%	N/A	0.0%	01/04
Factory Orders (MoM, SA)	OCT	-0.4%	0.0%	0.9%	12/04
Industrial Production (MoM, SA)	NOV	0.1%	N/A	0.1%	12/15
Capacity Utilisation (SA)	NOV	70.8%	N/A	70.7%	12/15
Durable Goods Orders (MoM, SA)	NOV	0.1%	N/A	-0.6%	12/24
Durable Goods Orders ex. Transportation (MoM, SA)	NOV	0.4%	N/A	-1.3%	12/24
Retail Sales	<i>Period</i>	<i>Saxo Bank</i>	<i>Consensus</i>	<i>Prior</i>	<i>Release date</i>
Retail Sales (MoM, SA)	NOV	0.7%	0.4%	1.4%	12/11
Retail Sales ex. Autos (MoM, SA)	NOV	0.3%	0.5%	0.2%	12/11
Retail Sales ex. Autos & Gas Stations (MoM, SA)	NOV	0.1%	N/A	0.3%	12/11
Price Indices	<i>Period</i>	<i>Saxo Bank</i>	<i>Consensus</i>	<i>Prior</i>	<i>Release date</i>
Producer Prices (MoM, SA)	NOV	0.3%	N/A	0.3%	12/15
Producer Prices ex. Food & Energy (MoM, SA)	NOV	0.0%	N/A	-0.6%	12/15
Consumer Prices (MoM, SA)	NOV	0.0%	N/A	0.3%	12/16
Consumer Prices ex. Food & Energy (MoM, SA)	NOV	0.1%	N/A	0.2%	12/16
Housing Market	<i>Period</i>	<i>Saxo Bank</i>	<i>Consensus</i>	<i>Prior</i>	<i>Release date</i>
Existing Home Sales (MoM, SAAR)	NOV	4.8%	N/A	10.1%	12/22
Existing Home Sales (thousand, SAAR)	NOV	6,395	N/A	6,100	12/22
New Home Sales (MoM, SAAR)	NOV	-2.0%	N/A	6.2%	12/23
New Home Sales (thousand, SAAR)	NOV	421	N/A	430	12/23
Case-Shiller Composite 20-City HPI	OCT	147.0	N/A	146.5	12/29
Case-Shiller Composite 20-City HPI (YoY)	OCT	-9.0%	N/A	-9.4%	12/29
Income & Consumption	<i>Period</i>	<i>Saxo Bank</i>	<i>Consensus</i>	<i>Prior</i>	<i>Release date</i>
Personal Income (MoM, SA)	NOV	0.1%	N/A	0.2%	12/23
Personal Consumption (MoM, SA)	NOV	0.3%	N/A	0.7%	12/23
Gross Domestic Product	<i>Period</i>	<i>Saxo Bank</i>	<i>Consensus</i>	<i>Prior</i>	<i>Release date</i>
Real GDP (QoQ, SAAR)	Q3 (T)	2.6%	N/A	2.8%	12/22
Real PCE (QoQ, SAAR)	Q3 (T)	2.9%	N/A	2.9%	12/22

* SA: Seasonally Adjusted, SAAR: Seasonally Adjusted Annual Rate

US

Quarterly forecasts

Gross Domestic Product		<i>Period</i>	<i>Saxo Bank</i>	<i>Consensus</i>
Real GDP (QoQ, SAAR)		Q4-2009	2.2%	3.0%
		Q1-2010	2.0%	2.6%
		Q2-2010	1.4%	2.6%
		Q3-2010	0.7%	2.8%
Real PCE (QoQ, SAAR)		Q4-2009	1.4%	3.0%
		Q1-2010	1.5%	2.6%
		Q2-2010	1.8%	2.6%
		Q3-2010	1.1%	2.8%
Labour Market		<i>Period</i>	<i>Saxo Bank</i>	<i>Consensus</i>
Net change in Nonfarm Payrolls (thousand, monthly average SA)		Q4-2009	-131	N/A
		Q1-2010	-43	N/A
		Q2-2010	7	N/A
		Q3-2010	41	N/A
Unemployment Rate (SA)		Q4-2009	10.4%	10.2%
		Q1-2010	10.5%	10.2%
		Q2-2010	10.7%	10.1%
		Q3-2010	10.9%	9.9%
Price Indices		<i>Period</i>	<i>Saxo Bank</i>	<i>Consensus</i>
Producer Prices (YoY)		Q4-2009	3.2%	N/A
		Q1-2010	3.9%	N/A
		Q2-2010	1.7%	N/A
		Q3-2010	1.6%	N/A
Consumer Prices (YoY)		Q4-2009	2.2%	1.3%
		Q1-2010	1.7%	2.1%
		Q2-2010	1.2%	2.0%
		Q3-2010	0.5%	1.8%
Consumer Prices ex. Food & Energy (YoY)		Q4-2009	2.0%	N/A
		Q1-2010	1.9%	N/A
		Q2-2010	1.9%	N/A
		Q3-2010	2.0%	N/A

* SA: Seasonally Adjusted, SAAR: Seasonally Adjusted Annual Rate

Eurozone

Monthly forecasts

Gross Domestic Product	<i>Period</i>	<i>Saxo Bank</i>	<i>Consensus</i>	<i>Prior</i>	<i>Release date</i>
Real GDP (QoQ, SA)	Q3 (P)	0.4%	0.4%	0.4%	12/03
Real GDP (YoY, SA)	Q3 (P)	-4.1%	-4.1%	-4.1%	12/03
Labour Market	<i>Period</i>	<i>Saxo Bank</i>	<i>Consensus</i>	<i>Prior</i>	<i>Release date</i>
Unemployment Rate (SA)	NOV	9.9%	N/A	9.8%	01/08
Price Indices	<i>Period</i>	<i>Saxo Bank</i>	<i>Consensus</i>	<i>Prior</i>	<i>Release date</i>
PPI Industry ex. Construction (MoM)	NOV	0.0%	N/A	0.2%	01/06
PPI Industry ex. Construction (YoY)	NOV	-6.4%	N/A	-6.7%	01/06
Consumer Prices MUICP (MoM)	NOV	0.0%	N/A	0.2%	12/16
Consumer Prices MUICP (YoY)	NOV	-0.1%	N/A	-0.1%	12/16
Core Consumer Prices MUICP (YoY)	NOV	1.3%	N/A	1.2%	12/16
Retail Sales	<i>Period</i>	<i>Saxo Bank</i>	<i>Consensus</i>	<i>Prior</i>	<i>Release date</i>
Retail Sales (MoM, SA)	OCT	0.2%	0.2%	-0.5%	12/03
Retail Sales (YoY)	OCT	-2.6%	-2.4%	-2.8%	12/03
Production	<i>Period</i>	<i>Saxo Bank</i>	<i>Consensus</i>	<i>Prior</i>	<i>Release date</i>
Industrial Production (MoM, SA)	OCT	0.2%	N/A	0.2%	12/14
Industrial Production (YoY)	OCT	-13.9%	N/A	-13.0%	12/14
Industrial New Orders (MoM, SA)	OCT	2.0%	N/A	1.6%	12/23
Industrial New Orders (YoY)	OCT	-14.7%	N/A	-16.5%	12/23

* SA: Seasonally Adjusted, SAAR: Seasonally Adjusted Annual Rate

Eurozone

Quarterly forecasts

Gross Domestic Product	Period	Saxo Bank	Consensus
Real GDP (QoQ, SA)	Q4-2009	1.1%	-1.9%
	Q1-2010	1.7%	0.8%
	Q2-2010	1.9%	1.3%
	Q3-2010	1.0%	1.1%
Labour Market	Period	Saxo Bank	Consensus
Unemployment Rate (SA)	Q4-2009	9.9%	10.0%
	Q1-2010	10.1%	10.3%
	Q2-2010	10.4%	10.6%
	Q3-2010	10.6%	10.7%
Prices Indices	Period	Saxo Bank	Consensus
Producer Prices (YoY)	Q4-2009	-2.5%	N/A
	Q1-2010	-0.7%	N/A
	Q2-2010	-0.1%	N/A
	Q3-2010	0.3%	N/A
Consumer Prices MUICP (YoY)	Q4-2009	0.7%	0.6%
	Q1-2009	0.4%	1.0%
	Q2-2009	-0.1%	0.2%
	Q3-2009	0.1%	-0.5%
Core Consumer Prices MUICP (YoY)	Q4-2009	0.8%	N/A
	Q1-2010	1.3%	N/A
	Q2-2010	1.3%	N/A
	Q3-2010	1.6%	N/A

* SA: Seasonally Adjusted, SAAR: Seasonally Adjusted Annual Rate

Japan

Monthly forecasts

Gross Domestic Product	<i>Period</i>	<i>Saxo Bank</i>	<i>Consensus</i>	<i>Prior</i>	<i>Release date</i>
Real GDP (QoQ, SA)	Q3 (F)	0.8%	0.7%	1.2%	12/08
Real GDP (QoQ, SAAR)	Q3 (F)	3.3%	3.0%	4.8%	12/08
Production	<i>Period</i>	<i>Saxo Bank</i>	<i>Consensus</i>	<i>Prior</i>	<i>Release date</i>
Industrial Production (MoM, SA)	NOV (F)	0.7%	N/A	0.5%	12/14
Industrial Production (YoY)	NOV (F)	-13.0%	N/A	-14.0%	12/14
Capacity Utilisation (MoM, SA)	OCT (F)	2.0%	N/A	1.6%	12/14
Price Indices	<i>Period</i>	<i>Saxo Bank</i>	<i>Consensus</i>	<i>Prior</i>	<i>Release date</i>
Domestic Corporate Goods Price (MoM)	NOV	-0.4%	-0.1%	-0.7%	12/09
Domestic Corporate Goods Price (YoY)	NOV	-5.5%	-5.0%	-6.7%	12/09
Consumer Prices (YoY)	NOV	-1.9%	N/A	-2.5%	12/24
Consumer Prices ex. Fresh Food (YoY)	NOV	-1.7%	N/A	-2.2%	12/24
Consumer Prices ex. Food & Energy (YoY)	NOV	-1.0%	N/A	-1.1%	12/24
Labour Market	<i>Period</i>	<i>Saxo Bank</i>	<i>Consensus</i>	<i>Prior</i>	<i>Release date</i>
Unemployment Rate (SA)	NOV	5.1%	N/A	5.1%	12/24
Jobs to Applicants Ratio (SA)	NOV	45.4%	N/A	44.0%	12/24
Retail Sales	<i>Period</i>	<i>Saxo Bank</i>	<i>Consensus</i>	<i>Prior</i>	<i>Release date</i>
Retail Sales (MoM, SA)	NOV	0.1%	N/A	-0.9%	12/27
Retail Sales (YoY)	NOV	-1.0%	N/A	-0.9%	12/27

* SA: Seasonally Adjusted, SAAR: Seasonally Adjusted Annual Rate

Japan

Quarterly forecasts

Gross Domestic Product	<i>Period</i>	<i>Saxo Bank</i>	<i>Consensus</i>
Real GDP (QoQ, SAAR)	Q4-2009	1.2%	1.6%
	Q1-2010	0.3%	0.5%
	Q2-2010	1.5%	0.8%
	Q3-2010	1.3%	1.3%
Labour Market			
	<i>Period</i>	<i>Saxo Bank</i>	<i>Consensus</i>
Unemployment Rate (SA)	Q4-2009	5.2%	5.9%
	Q1-2010	5.2%	5.9%
	Q2-2010	5.3%	6.0%
	Q3-2010	5.4%	5.9%
Producer Prices			
	<i>Period</i>	<i>Saxo Bank</i>	<i>Consensus</i>
Domestic Corporate Goods Price (YoY)	Q4-2009	-0.7%	N/A
	Q1-2010	3.1%	N/A
	Q2-2010	0.5%	N/A
	Q3-2010	1.9%	N/A
Consumer Prices (YoY)	Q4-2009	-0.4%	-1.6%
	Q1-2010	1.4%	-1.1%
	Q2-2010	0.1%	-1.2%
	Q3-2010	0.0%	-0.9%
Consumer Prices ex. Fresh Food	Q4-2009	-0.7%	N/A
	Q1-2010	1.5%	N/A
	Q2-2010	-0.1%	N/A
	Q3-2010	0.6%	N/A
Consumer Prices ex. Food & Energy	Q4-2009	0.0%	N/A
	Q1-2010	-0.2%	N/A
	Q2-2010	0.7%	N/A
	Q3-2010	-0.6%	N/A

* SA: Seasonally Adjusted, SAAR: Seasonally Adjusted Annual Rate

General

These pages contain information about the services and products of Saxo Bank A/S (hereinafter referred to as "Saxo Bank"). The material is provided for informational purposes only without regard to any particular user's investment objectives, financial situation, or means. Hence, no information contained herein is to be construed as a analysis; or an offer to buy or sell; or the solicitation of an offer to buy or sell any security, financial product, or instrument; or to participate in any particular trading strategy in any jurisdiction in which such an offer or solicitation, or trading strategy would be illegal. Saxo Bank does not guarantee the accuracy or completeness of any information or analysis supplied. Saxo Bank shall not be liable to any customer or third person for the accuracy of the information or any market quotations supplied through this service to a customer, nor for any delays, inaccuracies, errors, interruptions or omissions in the furnishing thereof, for any direct or consequential damages arising from or occasioned by said delays, inaccuracies, errors, interruptions or omissions, or for any discontinuance of the service. Saxo Bank accepts no responsibility or liability for the contents of any other site, whether linked to this site or not, or any consequences from your acting upon the contents of another site. Opening this website shall not render the user a customer of Saxo Bank nor shall Saxo Bank owe such users any duties or responsibilities as a result thereof.

Analysis Disclosure & Disclaimer

Risk warning

Saxo Bank A/S shall not be responsible for any loss arising from any investment based on any analysis, forecast or other information herein contained. The contents of this publication should not be construed as an express or implied promise, guarantee or implication by Saxo Bank that clients will profit from the strategies herein or that losses in connection therewith can or will be limited. Trades in accordance with the analysis in an analysis, especially leveraged investments such as foreign exchange trading and investment in derivatives, can be very speculative and may result in losses as well as profits, in particular if the conditions mentioned in the analysis do not occur as anticipated.