



Economics

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"...the Bank is assuming it will hike rates in both September and October. If you are an investor, so should you."

Too Far Ahead of the Pack

by Avery Shenfeld

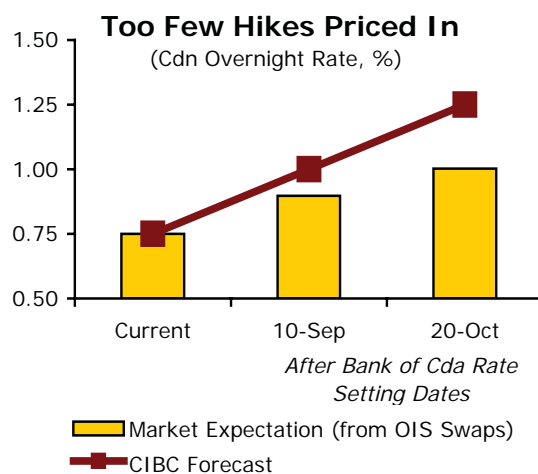
Sometimes, as an investor, you can be too smart for your own good. At least for those judged quarterly, you have to be one step ahead of the pack, but not two or three. That's the risk now facing those who are rightly concerned about economic growth ahead, but counting on the evidence to roll in sooner than would appear likely.

In Europe, fiscal belt tightening promises to be a major challenge to an economic lift-off, particularly if the euro averages somewhat stronger levels in 2011 than we experienced in the second quarter. But while budget cuts and other woes have Spain, Greece and Ireland mired in recession, for now, the rest of Europe, and Germany in particular, is still pulling its weight. Recent data suggest that a weak first quarter, hampered by unusually severe weather, gave way to a healthy catch-up advance in Q2, with momentum heading into the third quarter. The hit from fiscal tightening and a still-wounded banking system lie ahead, mostly in 2011.

Stateside, we joined others in marking down US Q2 growth, but the pace could still top Q1. Note that both total hours worked and industrial production registered healthy gains. Although housing has fallen off the map, other sectors are likely to post decent figures until Q4, when we see more of the loss of momentum from inventories and fiscal stimulus. Positioning a portfolio for a recession scare might make sense at some point if Congress rejects Obama's gradualist approach to fiscal tightening, but not yet.

The clearest jumping of the gun has been in Canada. We expect to see much slower growth by the final quarter of the year and in early 2011, but the Q2 pace, at 2½% or so, was still above the Bank of Canada's estimate of potential. The resulting narrowing of the output gap will have Carney's team raising rates until it has evidence that its forecast is off track. We see little chance of enough mind-bending negative news to soften Carney's heart until December at the earliest.

Forget about the fuzzy language of the post-rate-hike statement, and instead note what the Bank wrote in the MPR, where it warned that its inflation "projection includes a gradual reduction in monetary stimulus." Certainly, the Bank is assuming it will hike rates in both September and October. If you are an investor, so should you. Instead, the yield curve is betting on a dovish turn that sets aside one of these moves. The dove's time will come, but not that soon.



<http://research.cibcwm.com/res/Eco/EcoResearch.html>



Week Ahead Calendar And Forecast

	CANADA			UNITED STATES		
	CIBC	Consensus	Prior	CIBC	Consensus	Prior
Monday July 26				AUCTION: 3-M BILLS \$30B, 6-M BILLS \$30B 8:30 AM CHICAGO FED NAT. ACTIVITY INDEX (Jun) (M) 0.2% 10:00 AM NEW HOME SALES SAAR (Jun) (H) 320K 300K NEW HOME SALES M/M (Jun) (H) 5.0% 6.7% -32.7%		
Tuesday July 27				AUCTION: 4-WEEK BILLS \$32B (prev), 52-WEEK BILLS \$25B AUCTION: 2-YR TREASURIES \$38B 9:00 AM S&P CASE SHILLER INDEX (May) (H) 144.6 S&P CASE SHILLER Y/Y (May) (H) 3.8% 10:00 AM CONF. BOARD CONSUMER CONFIDENCE (Jul) (H) 52.9 RICHMOND FED MANUF. INDEX (Jul) (M) 23.0		
Wednesday July 28				AUCTION: 5-YR TREASURIES \$37B 7:00 AM MBA-APPLICATIONS (Jul-23) (L) 7.6% 8:30 AM DURABLE GOODS ORDERS M/M (Jun) (H) 0.8% DURABLE GOODS ORDERS EX-TRANS M/M (Jun) (H) 0.5% -0.6% 2:00 PM FED'S BEIGE BOOK 1.6%		
Thursday July 29				AUCTION: 7-YR TREASURIES \$29B 8:30 AM CONTINUING CLAIMS (Jul-17) (H) 4487K INITIAL CLAIMS (Jul-24) (H) 464K 8:30 AM GDP (annualized) (Q2 A) (H) 2.7% GDP DEFlator (annualized) (Q2 A) (H) 1.1% EMPLOYMENT COST INDEX (Q2) (H) 0.4% 0.5% 0.6%		
Friday July 30				9:45 AM CHICAGO PMI (Jul) (M) 56.0 59.1 9:55 AM MICHIGAN CONSUMER SENTIMENT (Jul F) (H) 67.5 66.5		

H, M, L = High, Medium or Low Significance

SAAR = Seasonally Adjusted Annual Rate

Consensus Source: Reuters (Canada), Bloomberg (US)

Week Ahead's Market Call

by Avery Shenfeld

In the US, a healthy rise in total hours worked, and solid gains in industrial production, suggest that Q2 GDP could be a bit above the recently downgraded consensus, although this first estimate is subject to considerable revision. New home sales should remain weak in June, but not as bad as in May, since an even greater proportion of sales that might have taken place in that prior month were rushed into April to qualify for the tax incentive. In contrast to flagging household spending and housing, brisk profit gains are backstopping business equipment spending, supporting a continued uptrend in durable orders for June.

In Canada, the data front will be quiescent until Friday's GDP release, where we are looking for mixed news on monthly GDP, with weakness in wholesaling and real estate services offsetting decent gains elsewhere. June promises to be a better month, helped in part by a spike in government spending for hosting the G20. Earnings news, rather than economic reports, should steer equities.

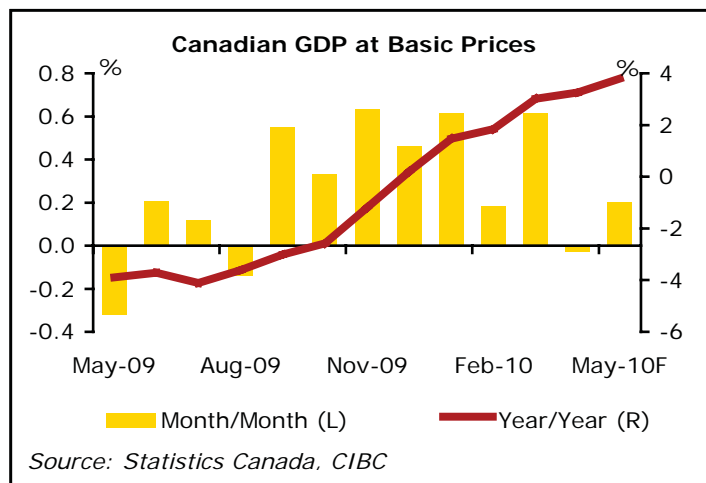
Week Ahead’s Key Canadian Number:

Real GDP (at Basic Prices)—May

(Friday, 8:30 a.m.)

Krishen Rangasamy (416) 956-3219

	CIBC	Mkt	Prior
GDP m/m	0.2%	0.1%	0.0%



May GDP should provide further evidence that Canada was indeed off to a slow start in the second quarter. The increase in retail volumes in the month should help lift GDP, but other services-producing industries may not have fared as well. Wholesale trade saw a steep drop in volumes in the month. Output of real estate agents and brokers likely dropped for the fifth consecutive month, in line with a softening resale housing market, while other services industries like culture, arts, recreation, accommodation and food services may have continued their descent after outsized gains in February.

The goods sector likely did better, buoyed by higher output from utilities, thanks to the above-normal temperatures, and the manufacturing sector. Construction may also have advanced thanks to stimulus-related infrastructure projects, although there may have been some offset from housing. The relatively good performance from the

goods sector may, however, not be enough to generate anything better than a middling 0.2% monthly GDP gain.

Forecast Implications—The slow start to the quarter has us revising down our call for Q2 growth to an annualized rate of 2.5%, slightly lower than the Bank of Canada’s latest forecast. Nonetheless, the negative output gap continues to narrow, which should keep the BoC in tightening mode over the next few months. We’re looking for growth to moderate further in the second half as the inventory restocking period winds down, which should have the Bank take a pause towards year-end when soft Q3 data will become available.

Market Impact—We are slightly above consensus, which could be positive for the C\$ and cause bonds to drop if our call is on the mark.

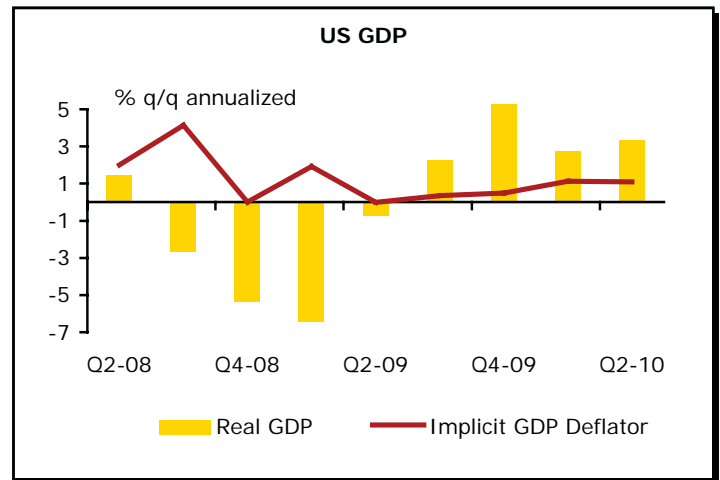
Week Ahead’s Key US Number:

Real GDP—Q2 (Advance)

(Friday, 8:30 a.m.)

Meny Grauman (416) 956-6527

	CIBC	Mkt	Prior
Real GDP (q/q annualized)	3.3%	2.5%	2.7%
GDP Deflator	1.1%	1.1%	1.1%



Despite high expectations heading into the quarter, we recently scaled back our call for Q2 real GDP to 3.3% after a string of disappointing data, including weaker consumption numbers. Although consumer spending continues to drive US economic growth, there are signs that households are once again tightening the purse strings in the face of growing economic uncertainty and a painfully slow labour market recovery.

Business capital spending continues to accelerate as companies make up for years of under-investment. Although Q2 likely ended on a sour note for residential construction, the impact of the government’s homebuyer tax should still have given a lift to the quarter as a whole. Although both exports and imports continued to climb during the period, trade should be a net drag on growth, while inventories should remain a small positive.

Forecast Implications—While US real GDP growth is expected to average 3% for the first half of the year, the pace of recovery should slow down significantly over the subsequent six months. That will be driven by a downshift in both household and government spending, while inventory restocking takes a breather in the face of growing economic uncertainty. With core inflation trending lower, and growth expected to ease up later in the year, the Fed is in no hurry to raise rates anytime soon.

Market Impact—After a string of weaker than expected data, most forecasts have been busy taking down their Q2 growth estimates over the past few days. Our call for real GDP growth is still above expectations, but not by enough to cause a significant market reaction.

Other US Releases:

Durable Goods Orders—June

(Wednesday, 8:30 a.m.)

Despite a disappointing drop in the aircraft category, core durable goods orders climbed by an upwardly revised 1.6% in May. That pattern likely reversed itself in June where a strong jump in transportation, overshadowed a more modest growth profile in other areas, in line with a less-heated orders figure in the ISM Manufacturing Survey. Overall, look for total orders to climb by 1.0% and a somewhat smaller 0.7% gain excluding transportation.

Although we have seen some significant month-to-month volatility, US durable goods orders have been on a clear upward trend since bottoming in March 2009 and are now up 19% on a year-over-year basis. Meanwhile, orders for non-defense capital goods excluding transportation, a good proxy for business capital spending are up nearly 30% on a three-month annualized basis. After taking it on the chin during the recession, the US manufacturing sector is in an inventory- and export-led rebound that is likely to slow before year-end.

Equity Insights

Peter Buchanan

Insurance Sector A Drag On TSX Q2 Earnings Growth

The TSX earnings reporting season hit its stride this week. As noted in this week's issue of *TSX Earnings Watch*, the year-on-year growth of earnings for the Composite is not likely to look so impressive, rising 8% on the year, based on analysts' estimates. That comes after Q1's 56% gain. Strip out the insurers, who face headwinds from lower yields and equity prices, and the numbers should be up a heartier 26% on the year. That's not too far off the 28% expected pace for S&P 500 members. Of the ten market sectors, the telecoms and consumer groups are expected to top the large caps stateside by the largest amount.

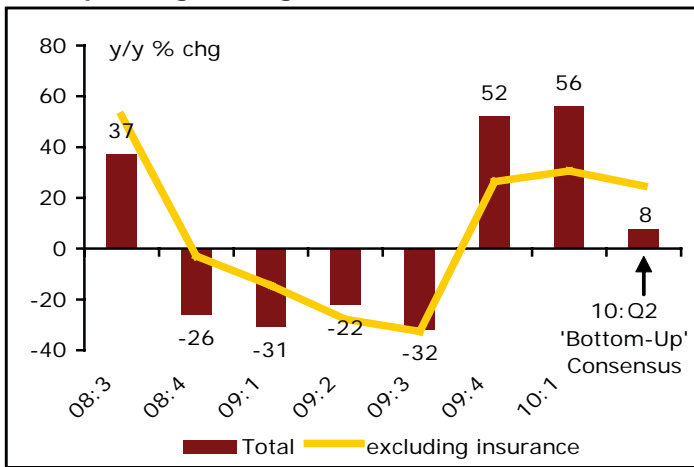
Despite Trouble Beating Consensus, Revenue Growth Still Quite Good

Only a third of the S&P 500 has reported for Q2, but firms are again having more trouble beating on the revenue than earnings sides. Just over half of all firms have beat on revenues vs about four fifths on earnings. Success of course depends on how the bar is set. It's interesting to note that viewed another way—absolute growth rates—the numbers don't look so bad, although there could be difficulty maintaining the recent pace. Including the results to date, revenues are expected to be up by about 9% in Q2. That's roughly double the rate of growth of nominal GDP, the limiting factor for revenue growth in the longer haul.

Gold Takes a New Shine to Stocks as Euro Jitters Ease

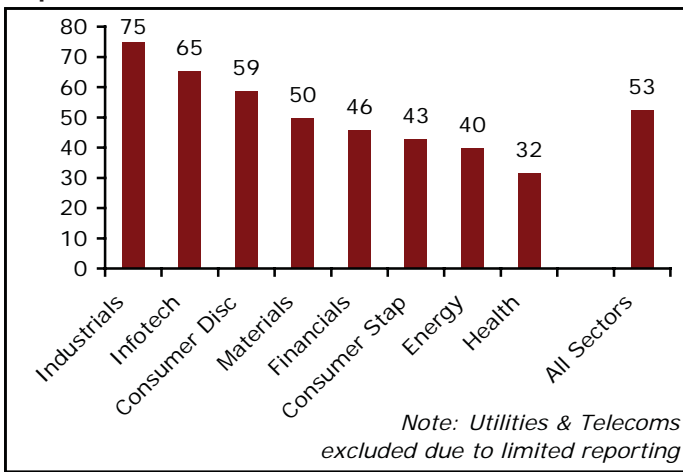
Gold's on again, off again love affair with equity markets appears to be in flower once again. During the spring, gold returned to its historic role as a haven, offering refuge to those fleeing jittery sovereign debt markets. With the data helping to calm troubled eurozone waters, bullion has returned to its more customary role of recent years as a positive beta play. The good news for gold in Dr. Bernanke's semi-annual testimony to Congress this week is that the start of a Fed tightening cycle is even further off than many investors have believed. That warrants maintaining our near-term bullish view on the yellow metal.

TSX Operating Earnings



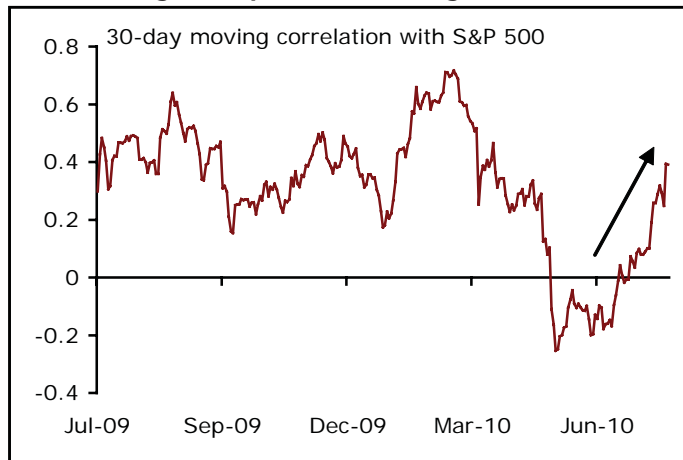
Source: Thomson Reuters, CIBC

% of S&P 500 Members Beating Street's Revenue Expectations



Source: Thomson Reuters, CIBC

Gold Moving in Step with Stocks Again



Currency Currents

Krishen Rangasamy

What does MPR imply about BoC Rate Hikes?

The Bank of Canada's assessment of the negative output gap (which it expects to close by end-2011) suggests a more gradual approach to rate hikes. We're not quite as optimistic as the BoC about Canada's performance in the second half of this year and the first half of 2011, because of our concerns about the impacts of a likely US slowdown when inventory restocking slows and fiscal stimulus fades. If Canada's growth path more closely resembles our forecast, the output gap will take longer to close than the BoC anticipates, which may get it to take a pause in its tightening cycle, perhaps at its December meeting, when early data from a subdued Q3 will be available. The Canadian dollar could, as a result, struggle a bit in the final quarter and early next year.

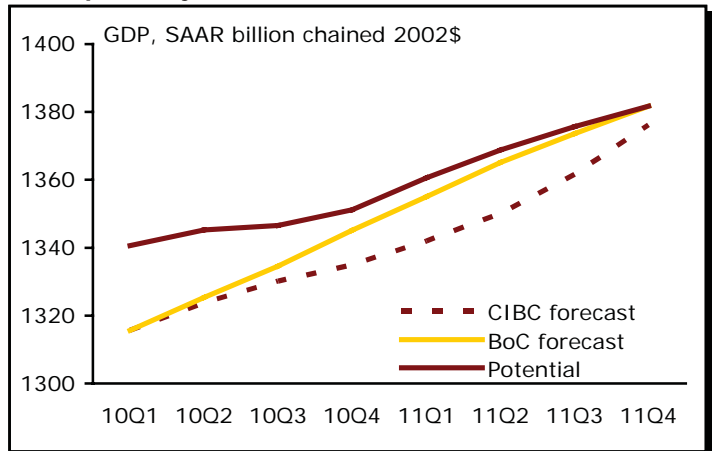
Real's Yield Advantage

The real held firm this past week despite the Banco Central do Brasil's 50-bp interest rate hike to 10.75% falling short of expectations. Markets seemingly still believe that the Banco's tightening cycle will continue and the latest data support that. While inflation has dropped recently, it remains stubbornly above the central bank's 4.5% target. Industrial production data suggests that Brazil grew further in Q2, albeit at a slower pace, although that was expected after Q1's sizzling 11% annualized growth rate. Strong growth allowed the unemployment rate to dip to 7% in June. Expect the real to continue to benefit from strong domestic fundamentals and its yield advantage.

Peso Well Backed Despite Delay to Rate Hikes

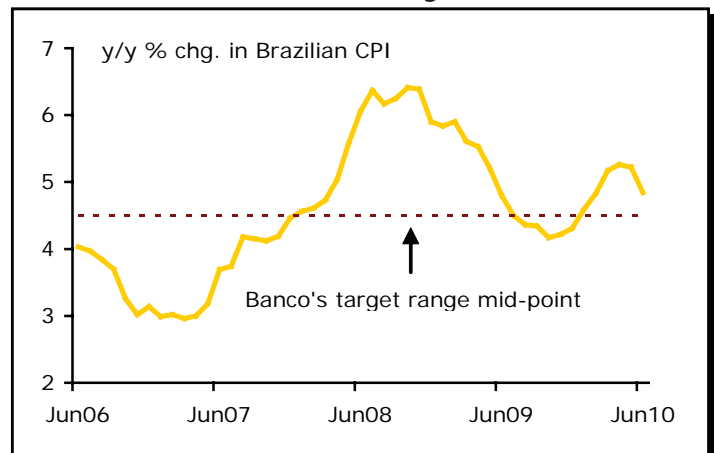
The ascent of the Mexican peso to the second best performing currency (behind the yen) this year is credited to the turnaround in the US economy. Thanks to soaring exports to the latter, particularly for autos, Mexico's industrial production has taken off, allowing for job gains across several sectors of the economy. The resulting increase in household incomes is lifting domestic demand as demonstrated by the impressive rise in retail sales. Expect domestic demand to strengthen further and support the peso, even as the central bank delays rate hikes in light of the reduced inflationary pressures.

Negative Output Gap Could Take Longer to Close Than Anticipated by BoC



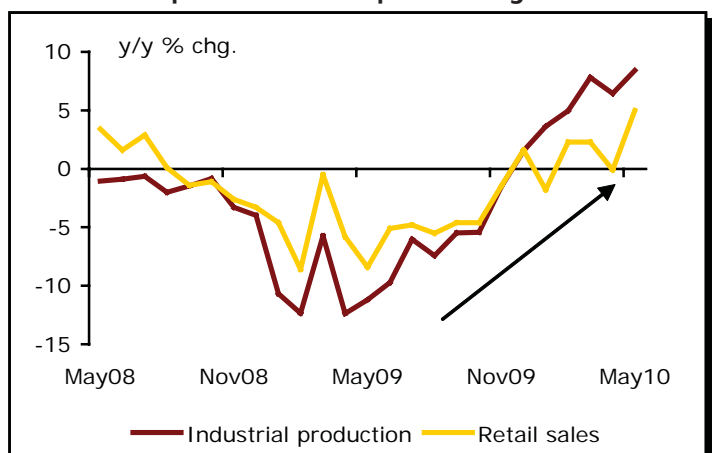
Source: Bank of Canada, CIBC

Brazilian Inflation Still Above Target



Source: Bloomberg, CIBC

Mexican Output and Consumption in High Gear



Source: Bloomberg, CIBC

CANADIAN RELEASE AND EVENT DATES

July/August 2010



MONDAY	TUESDAY	WEDNESDAY	THURSDAY	FRIDAY																																																												
<p>19</p> <p>INT'L TRANSACTIONS IN SECURITIES C\$BN, NET 8:30 AM</p> <table border="1"> <thead> <tr> <th>BONDS</th> <th>MONEY</th> <th>STOCKS</th> <th>TOT MARKET</th> </tr> </thead> <tbody> <tr> <td>MAR 0.9</td> <td>-1.9</td> <td>0.3</td> <td>-0.6</td> </tr> <tr> <td>APR 10.0</td> <td>-0.4</td> <td>2.8</td> <td>12.4</td> </tr> <tr> <td>MAY 15.2</td> <td>2.7</td> <td>5.3</td> <td>23.2</td> </tr> </tbody> </table>	BONDS	MONEY	STOCKS	TOT MARKET	MAR 0.9	-1.9	0.3	-0.6	APR 10.0	-0.4	2.8	12.4	MAY 15.2	2.7	5.3	23.2	<p>20</p> <p>Bank of Canada Interest Rate Announcement</p>	<p>21</p> <p>WHOLESALE TRADE 8:30 AM</p>	<p>22</p> <p>RETAIL TRADE 8:30 AM (Current\$)</p> <table border="1"> <thead> <tr> <th></th> <th>M</th> <th>Y</th> </tr> </thead> <tbody> <tr> <td>MAR</td> <td>2.3</td> <td>8.8</td> </tr> <tr> <td>APR</td> <td>-2.2</td> <td>6.4</td> </tr> <tr> <td>MAY</td> <td>-0.2</td> <td>5.2</td> </tr> </tbody> </table> <p>Bank of Canada Monetary Policy Report</p>		M	Y	MAR	2.3	8.8	APR	-2.2	6.4	MAY	-0.2	5.2	<p>23</p> <p>CONSUMER PRICE INDEX 7:00 AM</p> <table border="1"> <thead> <tr> <th></th> <th>M (NSA)</th> <th>Y</th> </tr> </thead> <tbody> <tr> <td>APR</td> <td>0.3</td> <td>1.8</td> </tr> <tr> <td>MAY</td> <td>0.3</td> <td>1.4</td> </tr> <tr> <td>JUN</td> <td>-0.1</td> <td>1.0</td> </tr> </tbody> </table>		M (NSA)	Y	APR	0.3	1.8	MAY	0.3	1.4	JUN	-0.1	1.0																				
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<p>26</p>	<p>27</p>	<p>28</p>	<p>29</p> <p>INDUSTRIAL PRICES 8:30 AM</p> <table border="1"> <thead> <tr> <th></th> <th>M (NSA)</th> <th>Y</th> </tr> </thead> <tbody> <tr> <td>APR</td> <td>0.4</td> <td>-0.3</td> </tr> <tr> <td>MAY</td> <td>0.3</td> <td>1.4</td> </tr> <tr> <td>JUN</td> <td></td> <td></td> </tr> </tbody> </table>		M (NSA)	Y	APR	0.4	-0.3	MAY	0.3	1.4	JUN			<p>30</p> <p>GDP BY INDUSTRY 8:30 AM (2002\$)</p> <table border="1"> <thead> <tr> <th></th> <th>GDP</th> <th>IND.PROD.</th> </tr> </thead> <tbody> <tr> <td>MAR</td> <td>0.6</td> <td>1.6</td> </tr> <tr> <td>APR</td> <td>0.0</td> <td>-0.1</td> </tr> <tr> <td>MAY</td> <td></td> <td></td> </tr> </tbody> </table>		GDP	IND.PROD.	MAR	0.6	1.6	APR	0.0	-0.1	MAY																																						
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<p>2</p> <p>CIVIC HOLIDAY (Markets Closed)</p>	<p>3</p>	<p>4</p>	<p>5</p> <p>INTERNATIONAL RESERVES 8:15 AM</p> <table border="1"> <thead> <tr> <th></th> <th>\$BN</th> <th>\$BN</th> </tr> </thead> <tbody> <tr> <td>MAY</td> <td>-0.816</td> <td>56.0</td> </tr> <tr> <td>JUN</td> <td>-0.634</td> <td>55.4</td> </tr> <tr> <td>JUL</td> <td></td> <td></td> </tr> </tbody> </table> <p>BUILDING PERMITS (\$) 8:30 AM</p> <table border="1"> <thead> <tr> <th></th> <th>M</th> <th>M</th> </tr> </thead> <tbody> <tr> <td>APR</td> <td>-8.3</td> <td>34.0</td> </tr> <tr> <td>MAY</td> <td>-5.3</td> <td>-18.3</td> </tr> <tr> <td>JUN</td> <td></td> <td></td> </tr> </tbody> </table>		\$BN	\$BN	MAY	-0.816	56.0	JUN	-0.634	55.4	JUL				M	M	APR	-8.3	34.0	MAY	-5.3	-18.3	JUN			<p>6</p> <p>LABOUR FORCE SURVEY 7:00 AM</p> <table border="1"> <thead> <tr> <th></th> <th>EMPLOY</th> <th>UNEMP</th> <th>HRLY</th> <th>EARN</th> </tr> </thead> <tbody> <tr> <td>MAY</td> <td>0.1</td> <td>1.7</td> <td>8.1</td> <td>2.7</td> </tr> <tr> <td>JUN</td> <td>0.5</td> <td>2.2</td> <td>7.9</td> <td>2.7</td> </tr> <tr> <td>JUL</td> <td></td> <td></td> <td></td> <td></td> </tr> </tbody> </table> <p>IVEY PURCHASING MANAGERS' INDEX 10:00 AM</p>		EMPLOY	UNEMP	HRLY	EARN	MAY	0.1	1.7	8.1	2.7	JUN	0.5	2.2	7.9	2.7	JUL																				
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<p>9</p>	<p>10</p> <p>HOUSING STARTS 8:15 AM</p> <table border="1"> <thead> <tr> <th></th> <th>TOTAL</th> <th>SINGLES</th> </tr> </thead> <tbody> <tr> <td>MAY</td> <td>195</td> <td>77</td> </tr> <tr> <td>JUN</td> <td>189</td> <td>78</td> </tr> <tr> <td>JUL</td> <td></td> <td></td> </tr> </tbody> </table> <p>NEW HOUSING PRICE INDEX 8:30 AM</p>		TOTAL	SINGLES	MAY	195	77	JUN	189	78	JUL			<p>11</p> <p>MERCHANDISE TRADE 8:30 AM</p> <table border="1"> <thead> <tr> <th></th> <th>\$MN</th> <th>12 MO. BALANCE</th> </tr> </thead> <tbody> <tr> <td>APR</td> <td>-330</td> <td>-3,569</td> </tr> <tr> <td>MAY</td> <td>-503</td> <td>-2,699</td> </tr> <tr> <td>JUN</td> <td></td> <td></td> </tr> </tbody> </table>		\$MN	12 MO. BALANCE	APR	-330	-3,569	MAY	-503	-2,699	JUN			<p>12</p>	<p>13</p> <p>CAR & TRUCK SALES 8:30 AM</p> <table border="1"> <thead> <tr> <th></th> <th>TOTAL</th> <th>DOM.BUILT</th> <th>CAR SALE</th> </tr> </thead> <tbody> <tr> <td>APR</td> <td>1,514</td> <td></td> <td>386</td> </tr> <tr> <td>MAY</td> <td>1,518</td> <td></td> <td>371</td> </tr> <tr> <td>JUN</td> <td></td> <td></td> <td></td> </tr> </tbody> </table>		TOTAL	DOM.BUILT	CAR SALE	APR	1,514		386	MAY	1,518		371	JUN																							
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<p>16</p> <p>WAGE SETTLEMENTS 10:00 AM (%)</p> <table border="1"> <thead> <tr> <th></th> <th>PVT.</th> <th>PUB.</th> <th>TOT.</th> </tr> </thead> <tbody> <tr> <td>APR</td> <td>2.3</td> <td>1.8</td> <td>1.8</td> </tr> <tr> <td>MAY</td> <td>2.4</td> <td>1.9</td> <td>2.3</td> </tr> <tr> <td>JUN</td> <td></td> <td></td> <td></td> </tr> </tbody> </table>		PVT.	PUB.	TOT.	APR	2.3	1.8	1.8	MAY	2.4	1.9	2.3	JUN				<p>17</p> <p>INT'L TRANSACTIONS IN SECURITIES C\$BN, NET 8:30 AM</p> <table border="1"> <thead> <tr> <th>BONDS</th> <th>MONEY</th> <th>STOCKS</th> <th>TOT MARKET</th> </tr> </thead> <tbody> <tr> <td>MAR 0.9</td> <td>-1.9</td> <td>0.3</td> <td>-0.6</td> </tr> <tr> <td>APR 10.0</td> <td>-0.4</td> <td>2.8</td> <td>12.4</td> </tr> <tr> <td>MAY 15.2</td> <td>2.7</td> <td>5.3</td> <td>23.2</td> </tr> </tbody> </table> <p>SURVEY OF MANUFACTURING 8:30 AM</p> <table border="1"> <thead> <tr> <th></th> <th>SHIPMENTS</th> <th>M</th> <th>Y</th> </tr> </thead> <tbody> <tr> <td>APR</td> <td>0.4</td> <td></td> <td>10.8</td> </tr> <tr> <td>MAY</td> <td>0.4</td> <td></td> <td>16.5</td> </tr> <tr> <td>JUN</td> <td></td> <td></td> <td></td> </tr> </tbody> </table>	BONDS	MONEY	STOCKS	TOT MARKET	MAR 0.9	-1.9	0.3	-0.6	APR 10.0	-0.4	2.8	12.4	MAY 15.2	2.7	5.3	23.2		SHIPMENTS	M	Y	APR	0.4		10.8	MAY	0.4		16.5	JUN				<p>18</p>	<p>19</p> <p>LEADING INDICATOR 8:30 AM</p> <p>WHOLESALE TRADE 8:30 AM</p>	<p>20</p> <p>CONSUMER PRICE INDEX 7:00 AM</p> <table border="1"> <thead> <tr> <th></th> <th>M (NSA)</th> <th>Y</th> </tr> </thead> <tbody> <tr> <td>MAY</td> <td>0.3</td> <td>1.4</td> </tr> <tr> <td>JUN</td> <td>-0.1</td> <td>1.0</td> </tr> <tr> <td>JUL</td> <td></td> <td></td> </tr> </tbody> </table>		M (NSA)	Y	MAY	0.3	1.4	JUN	-0.1	1.0	JUL		
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U.S. RELEASE AND EVENT DATES July/August 2010



MONDAY	TUESDAY	WEDNESDAY	THURSDAY	FRIDAY
19	HOUSING STARTS 20 8:30 AM MIL (AR) M APR 0.679 7.1 MAY 0.578 -14.9 JUN 0.549 -5.0 <i>BOT (9:00) REDBOOK (10:40)</i>	21	LEADING INDICATOR 22 10:00 AM EXISTING HOME SALES 10:00 AM 2, 5, 7-Yr NOTE ANNOUNCEMENT INITIAL JOBLESS CLAIMS (8:30)	23
26	S&P/CASE-SHILLER HOUSE PRICE INDEX 27 9:00 AM CONSUMER CONFIDENCE 10:00 AM 2-Yr NOTE AUCTION <i>BOT (9:00) REDBOOK (10:40)</i>	DURABLE GOODS ORDERS 28 8:30 AM M Y APR 2.9 19.0 MAY -0.6 15.4 JUN Beige Book 5-Yr NOTE AUCTION	29	GDP 30 8:30 AM (AR) REAL GDP IMPLICIT GDP DEFLATOR 09:Q4(F) 5.6 0.5 10:Q1(F) 3.0 1.1 10:Q2(A) EMPLOYMENT COST INDEX 8:30 AM WAGES & TOTAL SALARY BEN. 09:Q4 0.4 0.5 0.5 10:Q1 0.6 0.4 1.1 10:Q2 CHICAGO PMI 9:45 AM MICHIGAN SENTIMENT (F) 10:00 AM
2	PERS. INCOME & OUTLAYS 3 8:30 AM SAVING INCOME CONS RATE M M AR APR 0.5 0.0 3.8 MAY 0.4 0.2 4.0 JUN FACTORY ORDERS 10:00 AM M Y APR 1.0 17.7 MAY -1.4 14.4 JUN LIGHT VEHICLES SALES MIL (AR) Y MAY 11.611 17.9 JUN 11.054 14.3 JUL 2, 5, 7-Yr NOTE SETTLEMENT <i>BOT (9:00) REDBOOK (10:40)</i>	ADP SURVEY 4 8:15 AM ISM NON-MFG SURVEY 10:00 AM 3, 10-Yr BOND ANNOUNCEMENT 30-Yr NOTE ANNOUNCEMENT	5	EMPLOY. SITUATION 6 8:30 AM NON-FARM CIV AVG FARM UNEMP HRLY PAYROLL RATE EARN (000s) M % Y MAY 433 9.7 2.4 JUN -125 9.5 2.3 AUG CONSUMER CREDIT 3:00PM
9	NON-FARM PRODUCTIVITY 10 8:30 AM Q/Q (AR) Y/Y 09:Q4 (R) 6.3 5.6 10:Q1 (R) 2.8 6.1 10:Q2 (P) FOMC Meeting 3-Yr NOTE AUCTION <i>BOT (9:00) REDBOOK (10:40)</i>	GOODS & SERVICES BALANCE (BOP) \$B 11 8:30 AM GDS SERV TOT APR -52.5 12.2 -40.3 MAY -54.5 12.2 -42.3 JUN TREASURY BUDGET 2:00 PM 10-Yr NOTE AUCTION	12	CPI Y (NSA) 13 MAY -0.2 2.0 JUN -0.1 1.1 JUL RETAIL SALES 8:30 AM M Y MAY -1.1 6.9 JUN -0.5 4.8 JUL MICHIGAN SENTIMENT (P) 10:00 AM BUSINESS INVENTORIES 10:00 AM
16	PRODUCER PRICE INDEX 17 8:30 AM M (SA) Y (NSA) MAY -0.3 5.3 JUN -0.5 2.8 JUL HOUSING STARTS 8:30 AM MIL (AR) M MAY 0.578 -14.9 JUN 0.549 -5.0 JUL CAPACITY UTIL/IND. PROD. 9:15 AM LEV M Y MAY 74.1 1.3 7.9 JUN 74.1 2.3 8.2 JUL 3, 10, 30-Yr NOTE SETTLEMENT <i>BOT (9:00) REDBOOK (10:40)</i>	18	19	20
			LEADING INDICATOR 19 10:00 AM PHILADELPHIA FED INDEX 10:00 AM 2, 5, 7-Yr NOTE ANNOUNCEMENT	INITIAL JOBLESS CLAIMS (8:30)

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