

Macro Forecasts



What's on tap in November?

Concerns over Eurozone growth resume now that US QE2 is a done deal

- Economic activity slowed to 0.4% quarter-on-quarter in the Eurozone in the third quarter following 1% in 2Q, which is mostly due to slower growth in the major countries, such as France (0.4%) and Germany (0.7%). Spain managed to avoid a double dip for now as the economy stagnated in the third quarter following measly growth rates of 0.1% and 0.2% in the first and second quarter, respectively. Looking ahead we expect growth to continue to decelerate in the Eurozone and while double dip talks have so far centred on the US economy, the Eurozone is in even worse shape in the short run due to a slowdown in global trade hurting exporters like Germany, continually weak demand internally in the Eurozone as the 'trade deficit countries' will implement austerity measures, and an inventory cycle, which seems to have run its course much quicker than its American counterpart.
- Manufacturing PMIs out of Europe still look rather strong, and the Eurozone Manufacturing PMI of 54.6 suggests growth will accelerate to 2.5% on a year-to-year basis from 1.9% currently, but due to the obstacles described above we do not expect growth to accelerate much. We look for growth to inch higher to 2% in 4Q and then start to decline YoY. The expectation that growth has more or less peaked is supported by the reports coming from the service sector where the PMI is currently at 53.3 having hovered round 55 for the last six months. The decline in the service sector is consistent with growth of roughly 1.8% in the fourth quarter.
- Employment in the US looks set to continue at a pace, which is not strong enough for a sustained move lower in the unemployment rate. The report for October was surprisingly good - when you look at the Establishment Survey (payrolls). Nonfarm payrolls rose 151,000 with 159,000 coming from the vital private sector, meaning that the public sector shed 8,000 jobs. Weekly hours worked (34.3 from 34.2) and hourly earnings (0.2% MoM) also both improved, and as a proxy for wage income they suggest better. However, the Household Survey was not nearly as positive, indeed the only reason the unemployment rate remained unchanged at 9.6% was because the participation rate fell yet again, this time to 64.5% from 64.7%. In other words, while 330,000 people lost their jobs according to the survey, 254,000 of these exited the jobs market, which put downward pressure on the unemployment rate. The employment-population ratio is also down, falling to 58.3%, just a tad above the low of 58.2% set in December 2009. Not since 1983 has the ratio been this low, implying that the population is dependent on a multi-decade low number of people to support it. The conflicting messages given from the two surveys and other job-related indicators (such as the ADP Employment report which is consistently pointing to weaker payrolls growth than BLS's method) suggest to us that the gains in employment will ease somewhat in the coming months. Seasonality due to Christmas hiring is an unknown factor though, which could influence the report for November scheduled for release December 3.

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US

Monthly forecasts

Surveys	Period	Saxo Bank	Consensus	Prior	Release date
ISM Manufacturing PMI	NOV	54.0	-	56.9	12/01
ISM Non-manufacturing PMI	NOV	54.7	-	54.3	12/03
Labour Market	Period	Saxo Bank	Consensus	Prior	Release date
Net change in Nonfarm Payrolls (Thousand, SA)	NOV	90	-	151	12/03
Net change in Private Nonfarm Payrolls (Thousand, SA)	NOV	100	-	159	12/03
Unemployment Rate (SA)	NOV	9.7%	-	9.6%	12/03
Production	Period	Saxo Bank	Consensus	Prior	Release date
Construction Spending (MoM, SA)	OCT	0.1%	-	0.5%	12/01
Factory Orders (MoM, SA)	OCT	0.5%	-	2.1%	12/03
Industrial Production (MoM, SA) / Capacity Utilization (SA)	OCT	0.2% / 74.8%	0.3% / 74.9%	-0.2% / 74.7%	11/16
Durable Goods Orders (MoM, SA) / ex. Transportation (MoM, SA)	OCT	-0.1% / 0.7%	0.0% / 0.2%	3.5% / -0.4%	11/24
Business Inventories (MoM, SA)	SEP	0.9%	0.8%	0.6%	11/15
Retail Sales	Period	Saxo Bank	Consensus	Prior	Release date
Retail Sales / Retail Sales ex. Autos (MoM, SA)	OCT	0.8% / 0.4%	0.7% / 0.4%	0.6% / 0.4%	11/15
Price Indices	Period	Saxo Bank	Consensus	Prior	Release date
PPI (MoM, SA) / Core PPI (MoM, SA)	OCT	0.6% / 0.2%	0.8% / 0.1%	0.4% / 0.1%	11/16
CPI (MoM, SA) / Core CPI (MoM, SA)	OCT	0.2% / 0.1%	0.3% / 0.1%	0.1% / 0.0%	11/17
Housing Market	Period	Saxo Bank	Consensus	Prior	Release date
Existing Home Sales (MoM, SA)	OCT	0.0%	-0.9%	10.0%	11/23
New Home Sales (MoM, SA)	OCT	-1.9%	2.0%	6.6%	11/24
Case-Shiller Composite 20-City HPI (MoM SA)	SEP	0.0%	-	-0.3%	11/30
Income & Consumption	Period	Saxo Bank	Consensus	Prior	Release date
Personal Income (MoM, SA) / Personal Consumption (MoM, SA)	OCT	0.4% / 0.3%	0.4% / 0.5%	-0.1% / 0.2%	11/24
Trade Balance	Period	Saxo Bank	Consensus	Prior	Release date
Trade Balance (USD Billion)	OCT	-44.0	-	-44.0	12/10

Canada

Monthly forecasts

Surveys	Period	Saxo Bank	Consensus	Prior	Release date
Ivey Purchasing Managers' Index	NOV	57.5	-	56.7	12/06
Labour Market	Period	Saxo Bank	Consensus	Prior	Release date
Net change in Employment (Thousand, SA)	NOV	16.7	-	3.0	12/03
Unemployment Rate (SA)	NOV	7.9%	-	7.9%	12/03
Retail Sales	Period	Saxo Bank	Consensus	Prior	Release date
Retail Sales (MoM, SA)	SEP	0.3%	-	0.5%	11/23
Price Indices	Period	Saxo Bank	Consensus	Prior	Release date
CPI (YoY) / Core CPI (YoY)	OCT	2.1% / 1.6%	- / -	1.9% / 1.5%	11/23
Industrial Product Price (MoM, NSA)	OCT	0.4%	-	0.2%	11/29
Gross Domestic Product	Period	Saxo Bank	Consensus	Prior	Release date
Real GDP (MoM, SA)	SEP	0.1%	-	0.3%	11/30

SA: Seasonally Adjusted, SAAR: Seasonally Adjusted Annual Rate

Japan

Monthly forecasts

Labour Market	Period	Saxo Bank	Consensus	Prior	Release date
Unemployment Rate (SA)	OCT	5.0%	-	5.0%	11/29
Jobs to Applicants Ratio (SA)	OCT	0.55	-	0.55	11/29
Production	Period	Saxo Bank	Consensus	Prior	Release date
Industrial Production (MoM, SA)	OCT (F)	-0.9%	-	-1.6%	11/15
Retail Sales	Period	Saxo Bank	Consensus	Prior	Release date
Retail Sales (MoM, SA)	OCT	-0.3%	-	-3.0%	11/28
Price Indices	Period	Saxo Bank	Consensus	Prior	Release date
Domestic Corporate Goods Price (YoY)	NOV	0.8%	-	0.9%	12/09
CPI (YoY) / CPI ex. Fresh Food (YoY)	OCT	-0.4% / -1.0%	- / -	-0.6% / -1.1%	11/25

SA: Seasonally Adjusted, SAAR: Seasonally Adjusted Annual Rate

Australia

Monthly forecasts

Labour Market	Period	Saxo Bank	Consensus	Prior	Release date
Employment Change (1000s)	NOV	6.8	-	29.7	12/09
Unemployment Rate	NOV	5.4%	-	5.4%	12/09
Housing Market	Period	Saxo Bank	Consensus	Prior	Release date
Number of Home Loans (MoM, SA)	OCT	0.3%	-	1.3%	12/08
Value of Home Loans (MoM, SA)	OCT	2.3%	-	0.6%	12/08
Building Approvals (YoY)	OCT	-11.6%	-	-11.6%	11/30
Price Indices	Period	Saxo Bank	Consensus	Prior	Release date
TD Securities Inflation (MoM)	NOV	0.0%	-	0.3%	12/05

SA: Seasonally Adjusted, SAAR: Seasonally Adjusted Annual Rate

Eurozone Monthly forecasts

Labour Market	Period	Saxo Bank	Consensus	Prior	Release date
Unemployment Rate (SA)	OCT	10.0%	-	10.1%	11/30
Production	Period	Saxo Bank	Consensus	Prior	Release date
Industrial Production (MoM, SA)	OCT	-0.1%	-	-0.9%	12/14
Retail Sales	Period	Saxo Bank	Consensus	Prior	Release date
Retail Sales (MoM, SA)	OCT	0.1%	-	-0.2%	12/03
Price Indices	Period	Saxo Bank	Consensus	Prior	Release date
CPI (YoY) / Core CPI (YoY)	OCT (F)	1.7% / 0.7%	1.9% / 1.0%	1.8% / 1.0%	11/16

SA: Seasonally Adjusted, SAAR: Seasonally Adjusted Annual Rate

UK Monthly forecasts

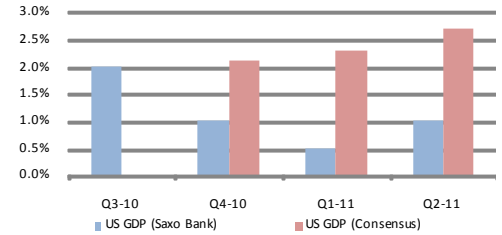
Labour Market	Period	Saxo Bank	Consensus	Prior	Release date
Claimant Count Rate (SA)	OCT	4.5%	4.5%	4.5%	11/17
Jobless Claims Change (Thousand, SA)	OCT	3.8	6.0	5.3	11/17
ILO Unemployment Rate (SA)	SEP	7.7%	7.7%	7.7%	11/17
Production	Period	Saxo Bank	Consensus	Prior	Release date
Industrial Production (MoM, SA)	OCT	-0.1%	-	0.4%	12/07
Retail Sales	Period	Saxo Bank	Consensus	Prior	Release date
Retail Sales (MoM, SA)	OCT	0.7%	-	0.1%	10/21
Price Indices	Period	Saxo Bank	Consensus	Prior	Release date
PPI Output (MoM, NSA)	NOV	0.3%	-	0.6%	12/10
CPI (YoY) / Core CPI (YoY)	OCT	2.9% / 2.6%	3.1% / 2.6%	3.1% / 2.7%	11/16
Retail Price Index (YoY)	OCT	4.5%	4.6%	4.6%	11/16
Housing Market	Period	Saxo Bank	Consensus	Prior	Release date
Halifax House Prices (MoM, SA)	NOV	0.1%	-	1.8%	12/01
Nationwide House Prices (MoM, SA)	NOV	0.3%	-	-0.7%	11/25

SA: Seasonally Adjusted, SAAR: Seasonally Adjusted Annual Rate

Quarterly forecasts

USA

Gross Domestic Product	Period	Saxo Bank	Consensus
Real GDP (QoQ, SAAR)	Q3-10 (S)	2.0%	-
	Q4-10	1.0%	2.1%
	Q1-11	0.5%	2.3%
	Q2-11	1.0%	2.7%
	Q3-10 (S)	2.6%	-
	Q4-10	1.5%	2.1%
	Q1-11	1.0%	2.3%
	Q2-11	1.5%	2.7%
Real PCE (QoQ, SAAR)			
Labour	Period	Saxo Bank	Consensus
	Unemployment Rate (SA)		
	Q4-10	9.7%	9.6%
	Q1-11	9.9%	9.5%
Prices	Period	Saxo Bank	Consensus
	Consumer Prices (YoY)		
	Q4-10	1.0%	1.1%
	Q1-11	1.0%	1.2%
	Period	Saxo Bank	Consensus
	Consumer Prices (YoY)		
	Q2-11	1.3%	1.6%
	Q3-11	1.4%	1.7%



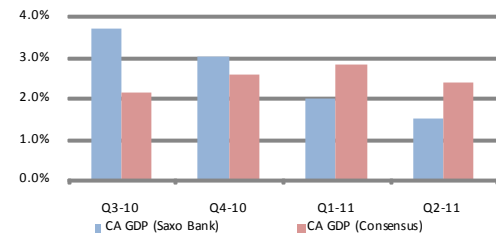
Gross Domestic Product to be released on 23/11/2010

SA: Seasonally Adjusted, SAAR: Seasonally Adjusted Annual Rate, (A): Advance, (S): Second, (T): Third

Quarterly forecasts

Canada

Gross Domestic Product	Period	Saxo Bank	Consensus
Real GDP (YoY)	Q3-10	3.7%	2.2%
	Q4-10	3.0%	2.6%
	Q1-11	2.0%	2.8%
	Q2-11	1.5%	2.4%
Labour Market			
Unemployment Rate (SA)	Period	Saxo Bank	Consensus
	Q4-10	8.0%	7.9%
	Q1-11	7.9%	7.9%
	Q2-11	7.8%	7.8%
Prices	Period	Saxo Bank	Consensus
	Consumer Price Index (YoY)		
	Q4-10	2.2%	1.9%
	Q1-11	2.0%	2.0%
	Period	Saxo Bank	Consensus
	Consumer Price Index (YoY)		
	Q2-11	1.5%	2.1%
	Q3-11	1.0%	-

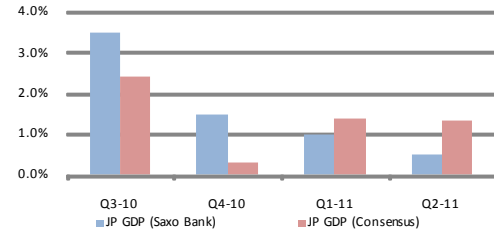


Gross Domestic Product to be released on 30/11/2010

SA: Seasonally Adjusted, SAAR: Seasonally Adjusted Annual Rate, (A): Advance, (P): Preliminary, (F): Final

Quarterly forecasts

		Japan	
Gross Domestic Product	Period	Saxo Bank	Consensus
Real GDP (QoQ, SAAR)	Q3-10 (F)	3.5%	2.4%
	Q4-10	1.5%	0.3%
	Q1-11	1.0%	1.4%
	Q2-11	0.5%	1.3%
Labour Market	Period	Saxo Bank	Consensus
Unemployment Rate (SA)	Q4-10	5.1%	5.0%
	Q1-11	5.0%	4.9%
	Q2-11	4.8%	4.9%
	Q3-11	4.5%	4.7%
Prices	Period	Saxo Bank	Consensus
Consumer Prices (YoY)	Q4-10	-0.4%	-0.7%
	Q1-11	-0.1%	-0.7%
	Q2-11	-0.5%	-0.3%
	Q3-11	-0.5%	-0.1%

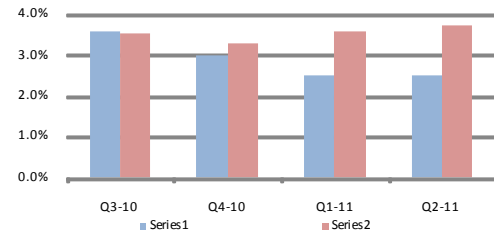


Gross Domestic Product to be released on 08/12/2010

SA: Seasonally Adjusted, SAAR: Seasonally Adjusted Annual Rate, (A): Advance, (P): Preliminary, (F): Final

Quarterly forecasts

		Australia	
Gross Domestic Product	Period	Saxo Bank	Consensus
Real GDP (YoY)	Q3-10	3.6%	3.6%
	Q4-10	3.0%	3.3%
	Q1-11	2.5%	3.6%
	Q2-11	2.5%	3.7%
Labour Market	Period	Saxo Bank	Consensus
Unemployment Rate (SA)	Q4-10	5.2%	5.0%
	Q1-11	5.2%	5.0%
	Q2-11	4.5%	4.9%
	Q3-11	4.6%	-
Prices	Period	Saxo Bank	Consensus
Consumer Prices (YoY)	Q4-10	3.0%	3.2%
	Q1-11	3.0%	3.2%
	Q2-11	2.5%	3.2%
	Q3-11	2.0%	-



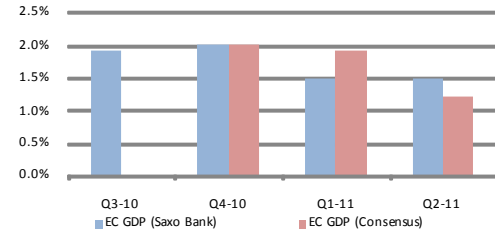
Gross Domestic Product to be released on 01/12/2010

SA: Seasonally Adjusted, SAAR: Seasonally Adjusted Annual Rate, (A): Advance, (P): Preliminary, (F): Final

Quarterly forecasts

Eurozone

Gross Domestic Product	Period	Saxo Bank	Consensus
Real GDP (YoY)	Q3-10 (P)	1.9%	-
	Q4-10	2.0%	2.0%
	Q1-11	1.5%	1.9%
	Q2-11	1.5%	1.2%
Labour Market	Period	Saxo Bank	Consensus
Unemployment Rate (SA)	Q4-10	10.0%	10.0%
	Q1-11	9.9%	10.0%
	Q2-11	9.8%	9.9%
	Q3-11	9.9%	9.9%
Prices	Period	Saxo Bank	Consensus
Consumer Prices (YoY)	Q4-10	1.8%	1.7%
	Q1-11	1.5%	1.7%
	Q2-11	1.0%	1.5%
	Q3-11	1.0%	1.7%



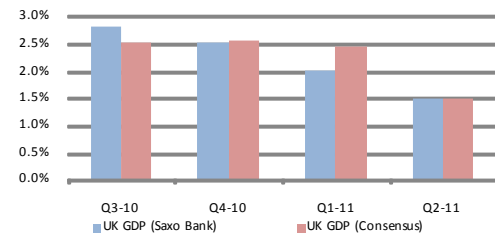
Gross Domestic Product to be released on 02/12/2010

SA: Seasonally Adjusted, SAAR: Seasonally Adjusted Annual Rate, (A): Advance, (P): Preliminary, (F): Final

Quarterly forecasts

UK

Gross Domestic Product	Period	Saxo Bank	Consensus
Real GDP (YoY)	Q3-10 (P)	2.8%	2.5%
	Q4-10	2.5%	2.6%
	Q1-11	2.0%	2.5%
	Q2-11	1.5%	1.5%
Labour Market	Period	Saxo Bank	Consensus
ILO Unemployment Rate (SA)	Q3-10	7.8%	7.8%
	Q4-10	7.8%	7.8%
	Q1-11	7.7%	7.8%
	Q2-11	7.6%	7.8%
Prices	Period	Saxo Bank	Consensus
Consumer Prices (YoY)	Q4-10	2.8%	2.8%
	Q1-11	2.5%	2.8%
	Q2-11	2.0%	2.7%
	Q3-11	2.0%	2.6%



Gross Domestic Product to be released on 24/11/2010

SA: Seasonally Adjusted, SAAR: Seasonally Adjusted Annual Rate, (A): Advance, (P): Preliminary, (F): Final

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