



The Week Ahead

Key Events 24 – 30 Sep, 2012

Editor: Carl Hammer

SEB

Week Ahead



Key Economic Indicators & Events: 24 – 30 September, 2012

FRIDAY
21 SEPT 2012

| Date | CET | Country | Event | Period | Forecast | Last |
|---------------|--------------|------------|--|--------------------|-------------------------------------|---|
| Mon 24 | | | Gov auctions | | | Norway sells bonds (11.10), Germany sells bills (11.30), Belgium sells bonds (12.00), France sells bills (15.00) G20 finance ministers and central bank governors meet, European Parliament Committee Hearing on Libor Scandal |
| | 01.50 | JAP | BoJ minutes from 9 August rate decision | | | |
| | 08.00 | UK | Nationwide house prices | Sep | 0.2%, -0.6% y/y | -0.7%, 1.3% y/y |
| | 10.00 | GER | Ifo business climate / actual / expect. | Sep | 102.3 / 111.0 / 95.0 | 102.3 / 111.2 / 94.2 |
| | 14.30 | US | Chicago Fed National Activity Index | Aug | --- | -0.13 |
| | 16.30 | US | Dallas Fed Manufacturing Activity | Sep | --- | -1.6 |
| | 17.45 - | WLD | Riksbank's af Jochnick speaks, IMF's Lagarde speaks in Washington (18.30), Fed's Williams speaks in San Francisco (21.30) | | | |
| Tue 25 | | | Gov auctions | | | Spain sells bills (10.30), Italy sells bonds (11.00), Canada sells bills (16.30), US sells notes (19.00) |
| | 04.00 | CHI | Leading indicators | Aug | --- | 0.7% |
| | 08.00 | GER | GfK consumer sentiment | Oct | 5.9 | 5.9 |
| | 09.30 | SWE | PPI | Aug | -0.2%, -1.5% y/y* | -1.1%, -1.1% y/y |
| | 14.30 | CAN | Retail sales / ex auto | Jul | 0.3% / 0.3% | -0.4% / -0.4% |
| | 15.00 | EMU | ECB's Draghi speaks | | | |
| | 15.00 | US | S&P/Case-Shiller house prices (c-20) / Index | Jul | 0.7%, 1.15% y/y / --- | 0.94%, 0.50% y/y / 142.2 |
| | 16.00 | US | Consumer confidence / FHFA house prices | Sep/Jul | 63.0 / --- | 60.6 / 0.7% |
| | 16.30- | WLD | IMF publishes extracts from the Global Financial Stability Report, Fed's Plosser speaks (18.00) | | | |
| Wed 26 | | | Gov auctions | | | Sweden sells bills (11.00), Italy sells bills (11.00), Germany sells bonds (11.30), US sells (19.00) |
| | 09.15 | SWE | Consumer confidence / inflation exp. | Sep | 5.0 / 2.0% y/y* | 5.4 / 2.1% y/y |
| | 09.15 | SWE | Economic tendency / manuf. confidence | Sep | 96.0 / -11* | 97.1 / -9 |
| | 09.30 | SWE | Trade balance | Aug | SEK 4bn* | SEK 3.7bn |
| | 10.00 | NOR | Unemployment, LFS (3 mth average) | Aug | 3.1%* | 3.0% |
| | 14.00 | GER | CPI / HICP | Sep | 0.0%, 2.0% y/y / --- | 0.4%, 2.1% y/y / 0.4%, 2.2% y/y |
| | 16.00 | US | New home sales | Aug | 380k, 2.2% | 372k, 3.6% |
| | 19.15 | US | Fed's Evans speaks | | | |
| Thu 27 | | | Gov auction | | | Japan sells bonds (05.45), Italy sells bonds (11.00), US sells bonds (19.00) |
| | 09.30 | SWE | Lending to households | Aug | 4.3% y/y* | 4.4% y/y |
| | 10.00 | EMU | M3 money supply, sa | Aug | 3.4% 3m y/y, 3.3% y/y | 3.4% 3m y/y, 3.8% y/y |
| | 10.30 | UK | GDP / current account | Q2 f | -0.5%, -0.5% y/y / -12.4bn | -0.5%, -0.5% y/y / GBP -11.2bn |
| | 11.00 | EMU | Business / consumer/economic/manuf. | Sep | -1.20 / -25.9 / 86.1 / -15.0 | -1.21 / -25.9 / 86.1 / -15.3 |
| | 12.30- | SWE/NOR | Riksbank's Ekholm speaks "Macro prudential supervision and crisis management", Norges Bank Governor Olsen speaks (13.00) | | | |
| | 14.30 | US | Durable goods orders / ex transport | Aug | -4.5% / 0.4% | 4.1% / -0.6% |
| | 14.30 | US | GDP / deflator | Q2 3 rd | 1.7% / 1.6% | 1.7% / 1.6% |
| | 14.30 | US | Initial claims | Sep 22 | 375k | 382k |
| | 16.00 | US | Pending home sales | Aug | -0.3% | 2.4% |
| Fri 28 | | | Spanish Government to present 2013 budget. Riksbank's Governor Ingves and Svensson participate in G20 conference on 'Financial Systemic Risk', ECB's Assmussen speaks (13.30) | | | |
| | 09.00 | DEN | GDP | Q2 f | -0.4%, -0.7% y/y | -0.5%, -0.9% y/y |
| | 09.00 | SWI | KOF leading indicator | Sep | 1.50 | 1.57 |
| | 09.00- | SWE | Riksbank's Ekholm speaks, Riksbank's af Jochnick speaks | | | |
| | 09.30 | SWE | Retail sales | Aug | 0.1%, 2.7% y/y* | 0.3%, 2.4% y/y |
| | 10.00 | NOR | Retail sales x. autos (volume) | Aug | 0.7%, 3.1% y/y* | 0.2%, 3.9% y/y |
| | 10.00 | NOR | Unemployment, registered (unadj.) | Sep | 2.4%* | 2.6% |
| | 10.00 | NOR | Norges Bank FX purchases | Oct | NOK 600m/day | NOK 500m/day |
| | 11.00 | EMU | CPI | Sep | 2.6% y/y* | 2.6% y/y |
| | 14.30 | US | PCE / core PCE / personal income | Aug | 0.5% / 0.1% / 0.2% | 0.4% / 0.0% / 0.3% |
| | 14.30 | CAN | GDP | Jul | 0.1%, 2.0% y/y | 0.2%, 2.4% y/y |
| | 15.45 | US | Chicago PMI | Sep | 53.0 | 53.0 |
| | 15.55 | US | Michigan sentiment | Sep f | 79 | 79.2 |

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Monday 24, 10.00

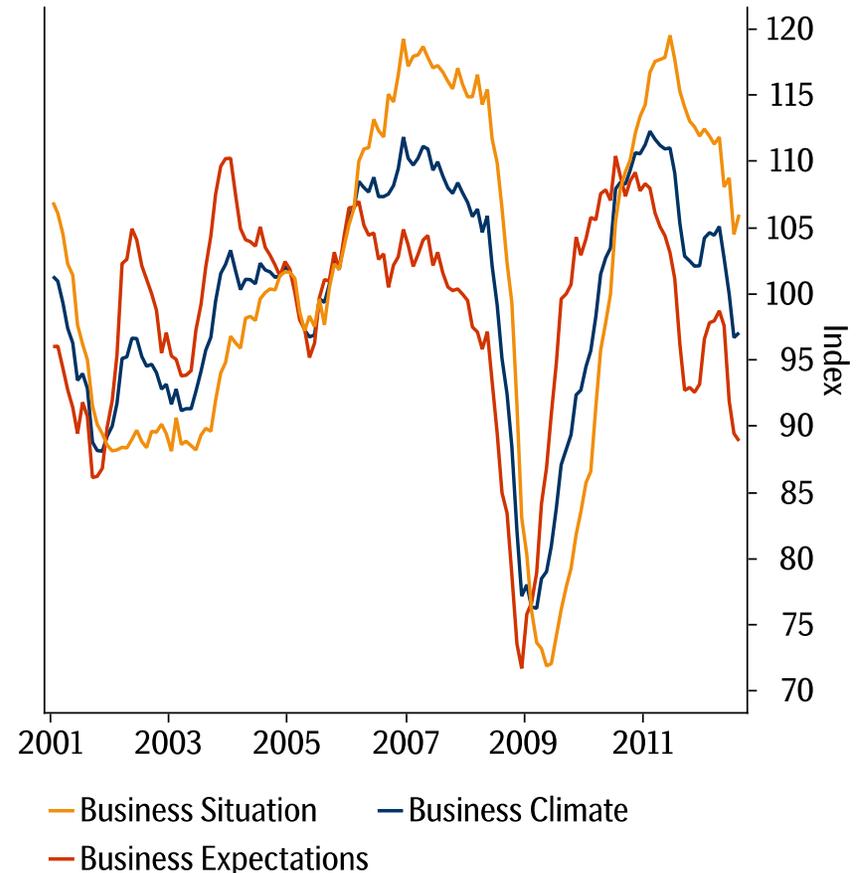
Germany: Ifo business climate (Sep)

| | Cons | Prev |
|-------------|--------------|--------------|
| Main index | 102.3 | 102.3 |
| Actual | 111.0 | 111.2 |
| Expectation | 95.0 | 94.2 |

Given the surprise rise in the German PMI in September, the Ifo business climate is expected relatively stable this month.

Nevertheless, the Ifo expectations component will remain below its long term average of 100 points, suggesting that the risks to the outlook for the German economy are still skewed to the downside.

Germany, Business Surveys, IFO, Business Survey, Manufacturing Industry, SA, Index



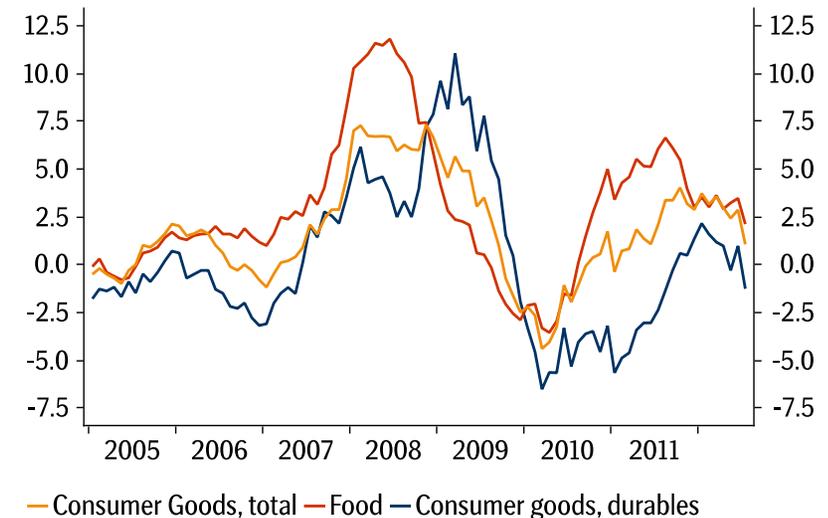
Tuesday 25, 09.30

SWE: PPI (Aug)

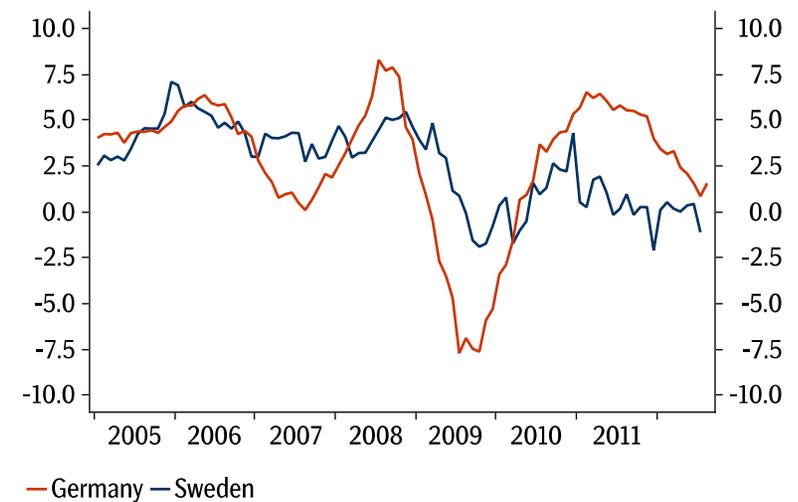
| %mm/yy | SEB | Cons. | Prev |
|-----------------------|------------------|-----------------|------------------|
| Headline | -0.2/-1.5 | 0.3/-1.2 | -1.1/-1.1 |
| Consumer goods | -0.5/-0.2 | - | -1.0/1.1 |

- Higher energy prices vs stronger krona. Two strong forces working in opposite direction for headline PPI in August making the forecast more uncertain than usual
- Electricity prices significantly higher after wet summer
- On the other hand the Krona strengthened by 3% in August
- PPI on consumer goods will slow significantly again due to both the stronger krona and base effects. Higher food prices will offset a small part of the downward pressure. Krona will continue to lower prices on consumer goods going forward => downside risk for CPI in 2013

Swe: Producer Prices, consumer goods, % y/y



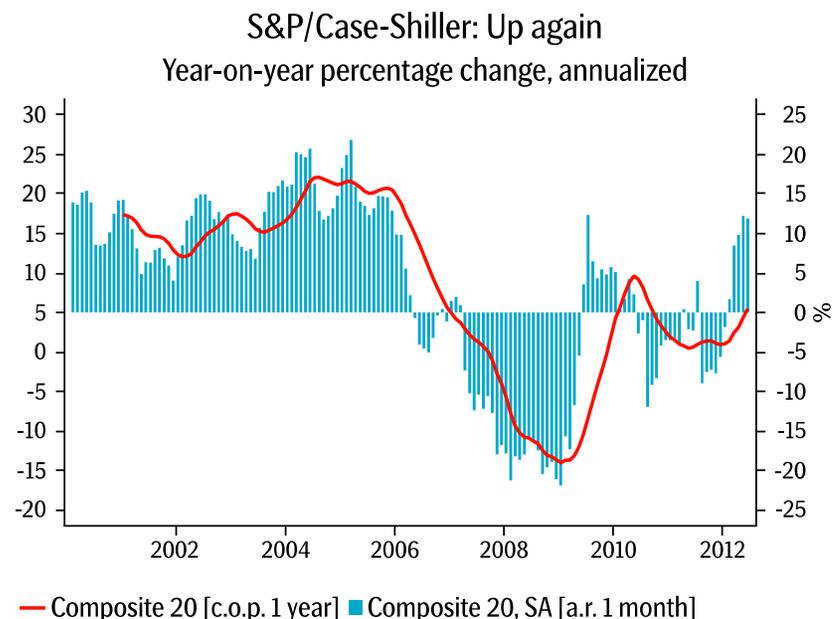
Producer Prices, % y/y



Tuesday 25, 15.00

US Case-Shiller (July)

| | Cons. | Prev. |
|------------------|--------------|--------------|
| CS-20, MoM% | 0.70% | 0.94% |
| CS-20, YoY% | 1.15% | 0.50% |
| Home price index | -- | 142.2 |



Source: Standard & Poor's

The Case-Shiller composite 20 home price index increased 0.94% in June and is actually growing in year-on-year terms too for the first time since September 2010.

Momentum is pointing towards further home price gains; over the past three months the CS-20 series has increased almost 12% at an annual rate.

Before you uncork the champagne consider that the index was above 200 at the peak compared to 142 today. The negative wealth effect is still hampering the recovery.

Not only that but shadow supply of housing inventory the supply-demand conditions look challenging and we expect only modest home price gains in 2013.

Tuesday 25, 16.00

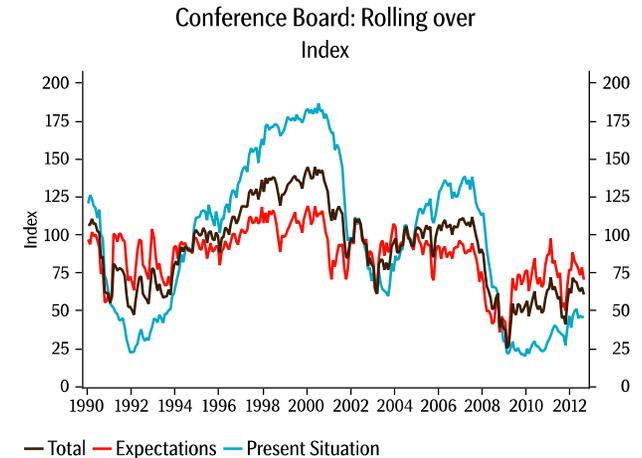
US Conference Board (Sept.)

| | Cons. | Prev. |
|-------|-----------|-------------|
| Total | 63 | 60.6 |

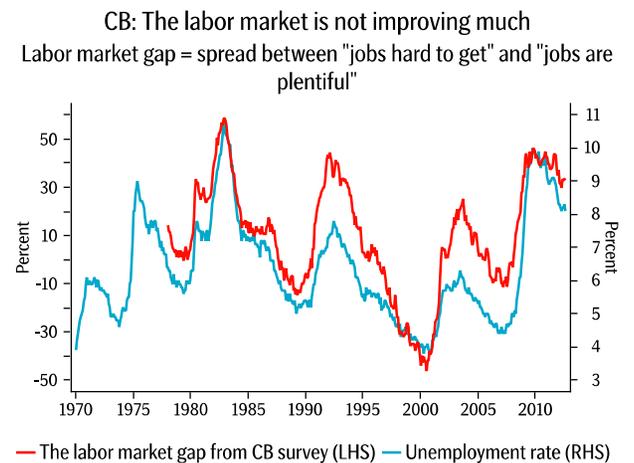
The conference board consumer confidence index has rolled over in recent months and the culprit is the expectations index. Meanwhile the “present situation” is holding steady.

After a nice bounce in the University of Michigan survey, consensus is looking for the Conference Board survey to move higher too.

In any event, Conference board is more downbeat than the University of Michigan survey and the explanation is that CB has more employment orientation to it. The labor market is still soft; the labor market gap is increasing again which, if anything, is suggesting that the unemployment rate will rise too.



Source: The Conference Board



Source: Conference Board, BLS



Wednesday 26, 09.15

SWE: Consumer confidence (Sep)

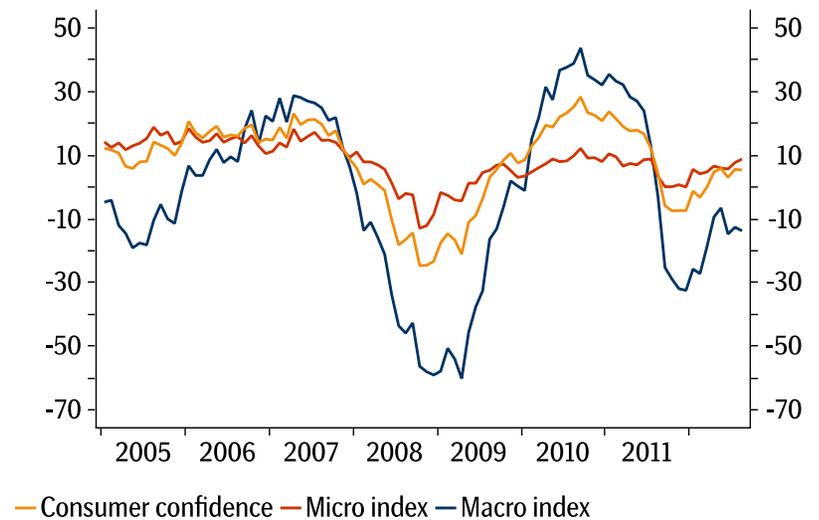
| | SEB | Cons. | Prev |
|-------------------------------|------------|------------|------------|
| CCI | | | |
| Inflation expectations | 5.0 | 5.5 | 5.4 |
| | 2.0 | | 2.1 |

- Consumer confidence has stabilised last 3-4 months, level close to historical average
- SEB housing price indicator slightly lower in September, but trending sideways
- Some signs of weaker labour market
- Consumer confidence expected to decline marginally in September
- Inflation expectations expected to continue to ease

Swe: SEB housing price indicator



Swe: Consumer confidence, index



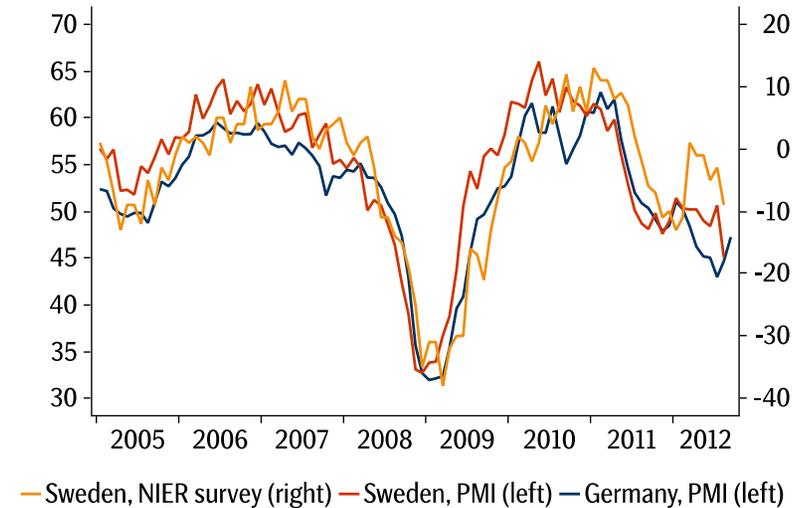
Wednesday 26, 09.15

SWE: Business confidence (Sep)

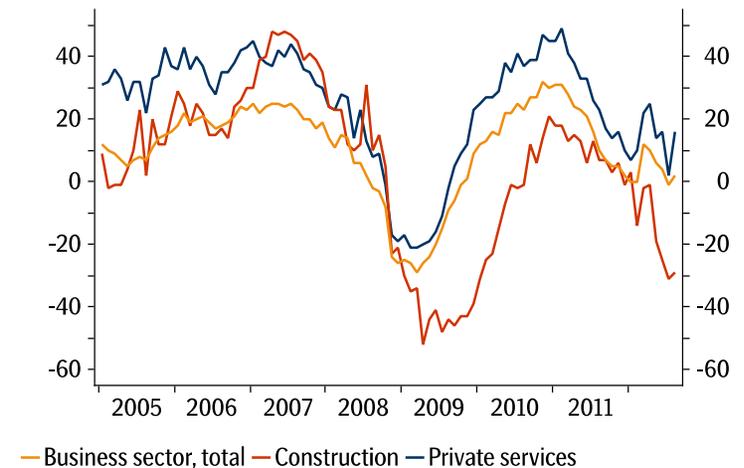
| | SEB | Cons. | Prev |
|---------------------------|-------------|--------------|-------------|
| Manufacturing | -11 | -11.1 | -9 |
| Tendency indicator | 96.0 | 96.1 | 97.1 |

- Swedish manufacturing sector expected to continue slightly lower after the downside surprise in August
- Large decline for PMI in August is a downside risk, although parts of the decline most likely is explained by an exaggerated seasonal pattern which will be reversed in September
- Confidence in domestic sectors also expected to decline slightly, although sector surveys paint a mixed picture
- Look out for: Employment expectations more important than usual after upturn in unemployment in August
- Tendency indicator (weighted average of business and consumer confidence) is expected to decline after temporary upturn in August)
- Confidence in total business sector slightly below historical average

Manufacturing confidence, index



Swe: Business sentiment, index



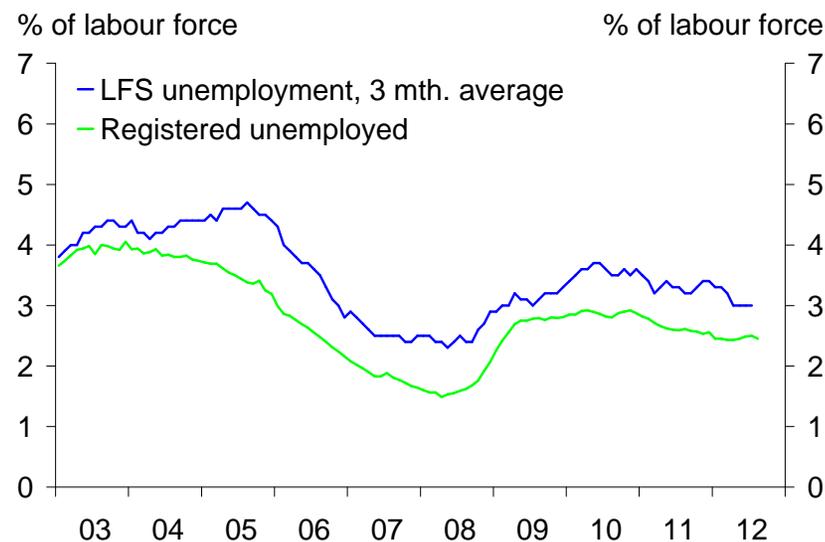
Wednesday 26, 10.00 & Friday 28, 10.00

NOR: Unemployment LFS (Aug) and registered (Sep)

| % | SEB | Cons. | Prev. |
|--|------------|------------|------------|
| LFS unemployment (3 mth. average) | 3.1 | x,x | 3.0 |
| Reg. unemployment (unadjusted) | 2.4 | x.X | 2.6 |

- The labour market remains in good shape
- Unemployment has been holding at low levels in recent months, though showing slightly different trends on various measures. After a sharp drop in early 2012, the number of people registered unemployed increased through mid-year before dropping again in August. Meanwhile, the LFS unemployment rate has eased from 3.4% Q4/11 and held steady at 3.0% recently, a three-year low. The decline mirrors solid growth in employment which at 2.5% year-on-year on average in May-July was running ahead of the 2.0% increase in the labour force.
- The slight uptick expected in LFS unemployment for the three-month period ending August rests on a pickup in the labour force. While employment growth should slow further, it's still above trend.

Norwegian unemployment

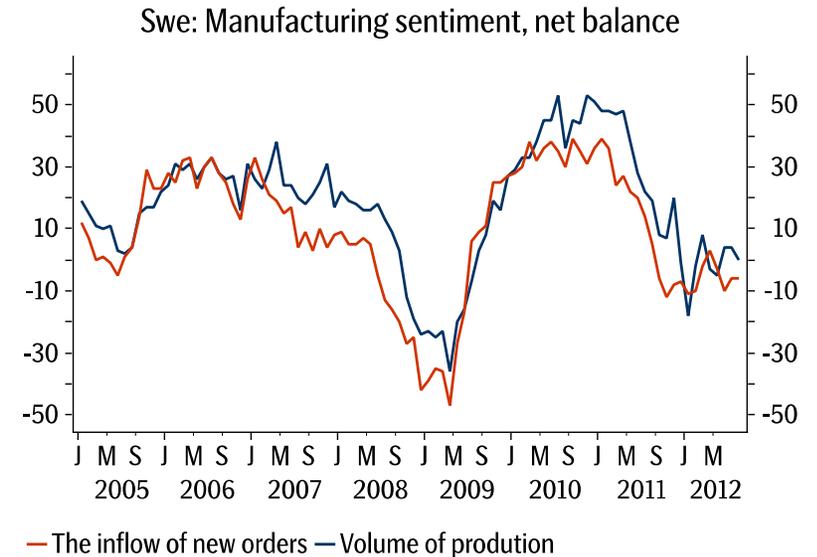
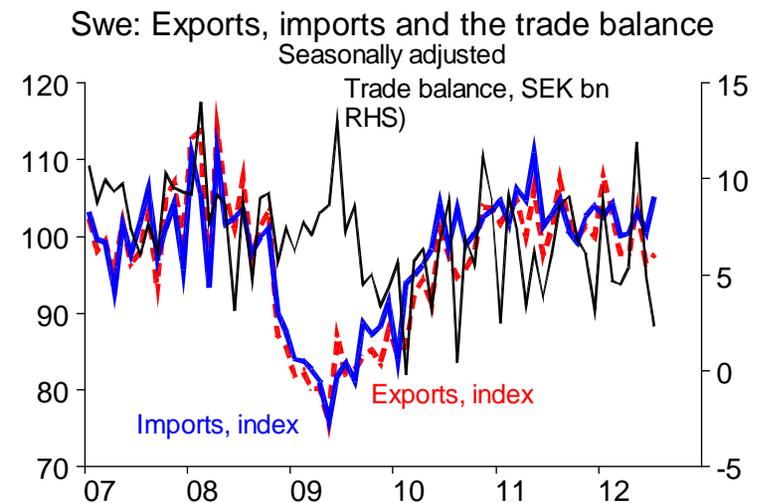


Wednesday 26, 09.30

SWE: Trade balance (Aug)

| SEK bn | SEB | Cons. | Prev |
|----------------------------|----------|------------|------------|
| Actual | 4 | 3.9 | 3.7 |
| Seasonally adjusted | 6 | - | 4.3 |

- Weak trade balance in July, but very high volatility => some rebound expected in August
- Sentiment in manufacturing sideways companies still reporting rising production. Industrial production has been stronger than expected last 2-3 months
- Export growth was weak in in July, could signal further slowdown in manufacturing sector
- Some rebound from July likely, but very strong comparison month in 2011. Target for export growth in August -5- -10% y/y (prev -5% y/y).



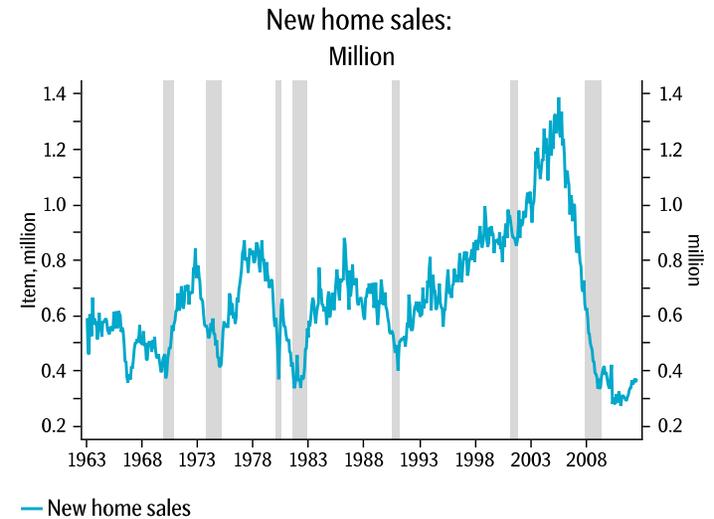
Wednesday 26, 16.00

US New home sales (Aug.)

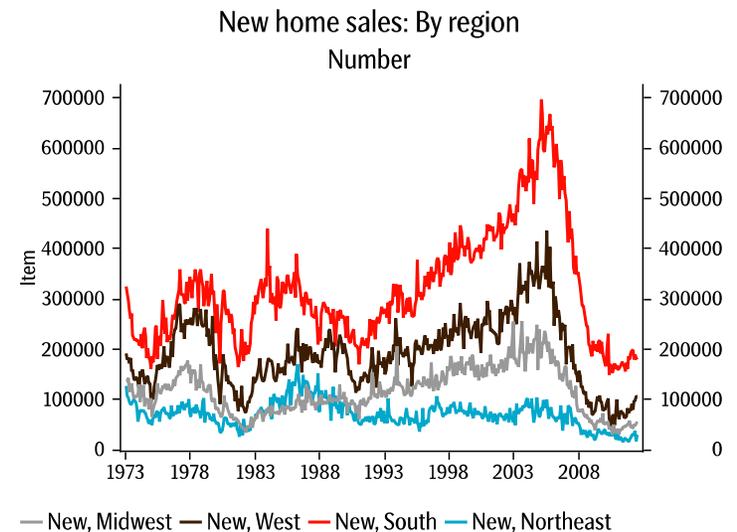
| | Cons. | Prev. |
|----------------|-------------|-------------|
| New home sales | 380K | 372K |
| MoM% | 2.2% | 3.6% |

When you look at new home sales since 1963, it is evident that the housing recovery is still in its infancy.

The improvement in sales activity has been concentrated to the western part of the country.



Source: US Census Bureau



Source: US Census Bureau

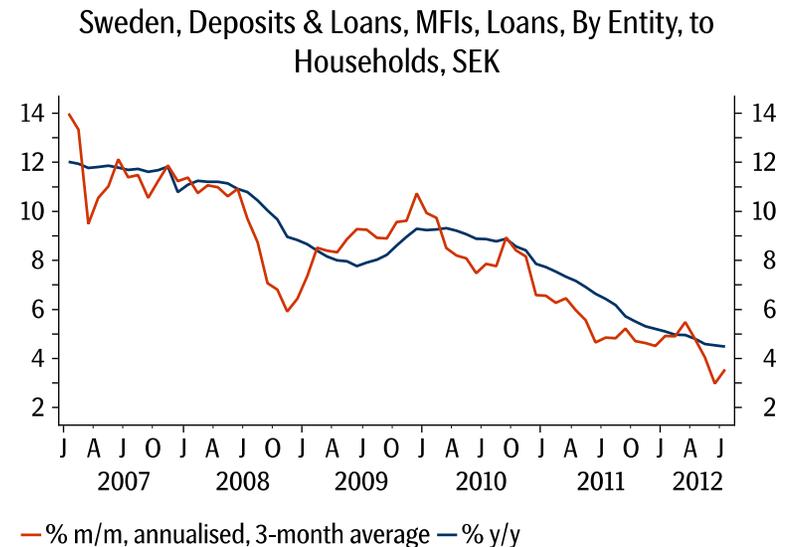
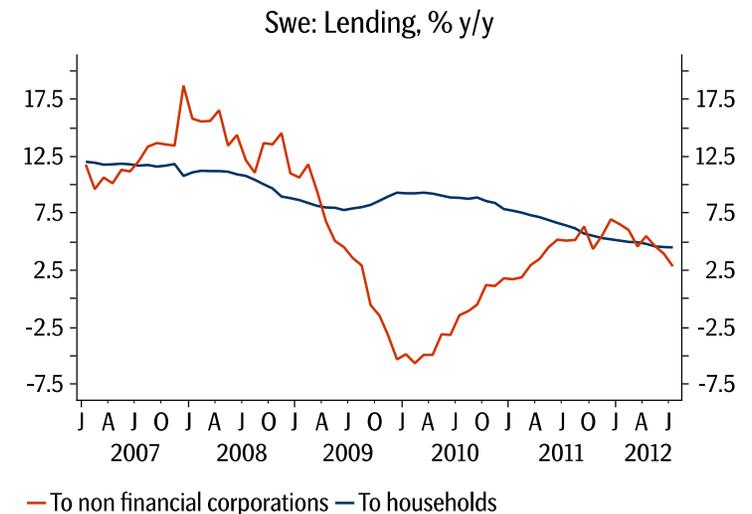
S|E|B

Thursday 27, 09.30

SWE: Household lending/M3 (Aug)

| % y/y | SEB | Cons | Prev |
|-----------------------------------|------------|------|------------|
| Household lending | 4.3 | - | 4.4 |
| Non financial corporations | - | - | 2.8 |
| M3 | - | - | 7.9 |

- House prices have recovered last 3-4 months, close to historical peak
- Declining housing starts => still some downward pressure on lending going forward
- SEB's house price indicator stable at expansionary level suggesting slightly higher house prices in the near term
- Seasonally adjusted m/m changes have slowed last 3 months, but high volatility also for 3 month average
- Lending to non financial corporations is also slowing



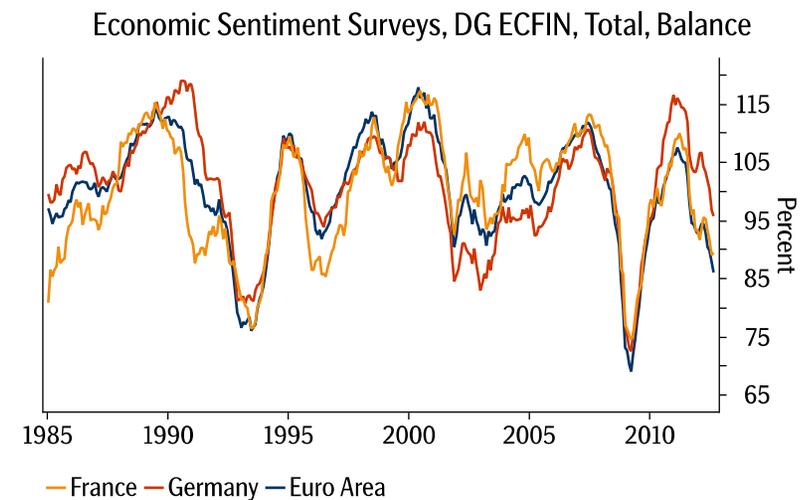
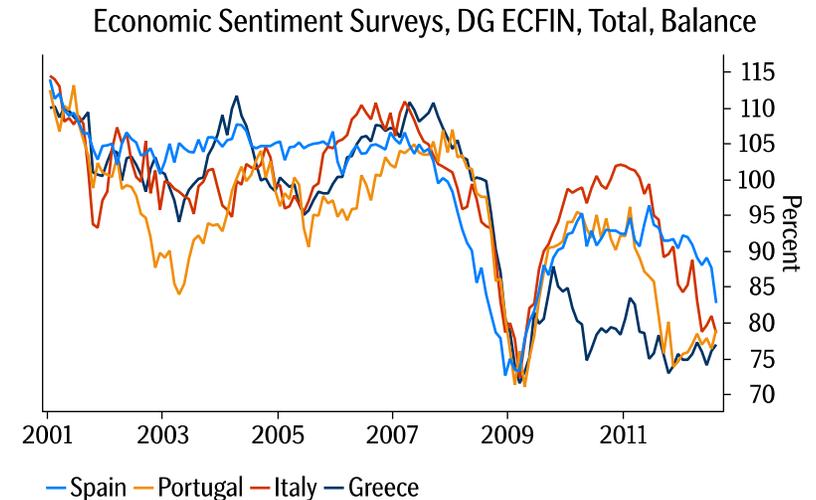
Thursday 27, 11.00

EMU: Economic confidence (Sep)

| | Cons | Prev |
|------------------|-------------|-------------|
| Business Climate | -1.20 | -1.21 |
| Consumer | -25.9 | -25.9 |
| Economic | 86.1 | 86.1 |
| Manufacturing | -15.0 | -15.3 |

The mainly lower readings in the September PMIs point to another weak number in the Economic Sentiment Indicator of the EU commission.

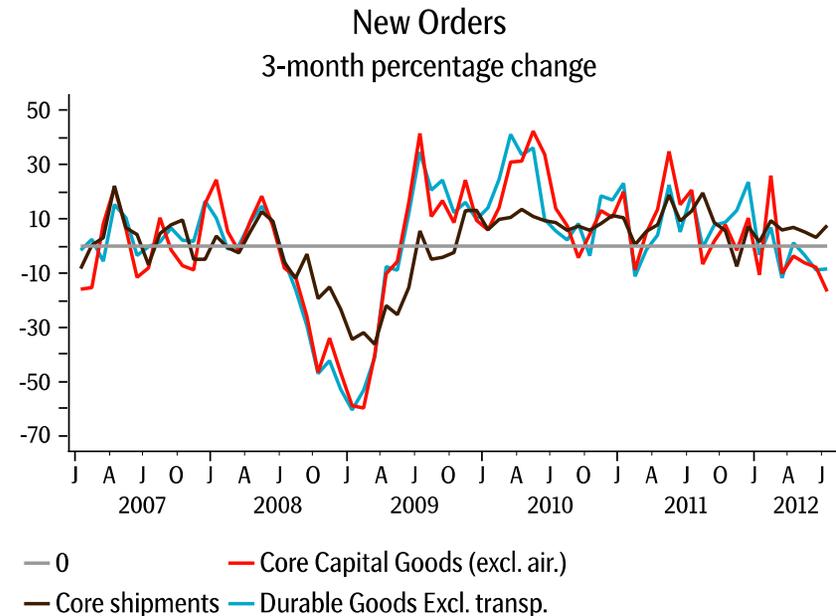
It suggests that the euro zone economy is caught in recession. The pressure on the ECB will rise to ease its monetary policy even further to ease the pain.



Thursday 27, 14.30

US Durable goods orders (Aug)

| | Cons. | Prev. |
|----------------------|--------------|--------------|
| Total | -4.5% | 4.1% |
| excl. transportation | 0.4% | -0.6% |
| Core capital goods | -- | -3.4 |
| Core shipments | -- | 0% |



Source: U.S. Census Bureau

Core orders have been very weak in recent months.

In sharp contrast to the trend in core orders is the trend in core shipments still expanding robustly (+7.8% at an annualized rate in July). This is suggesting that CAPEX still is holding up relatively well in the current quarter.

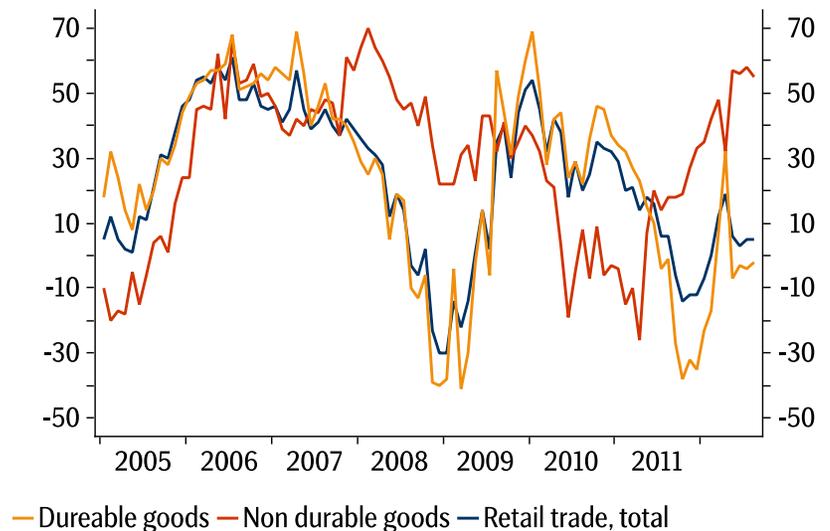
Friday 28, 09.30

SWE: Retail trade (Aug)

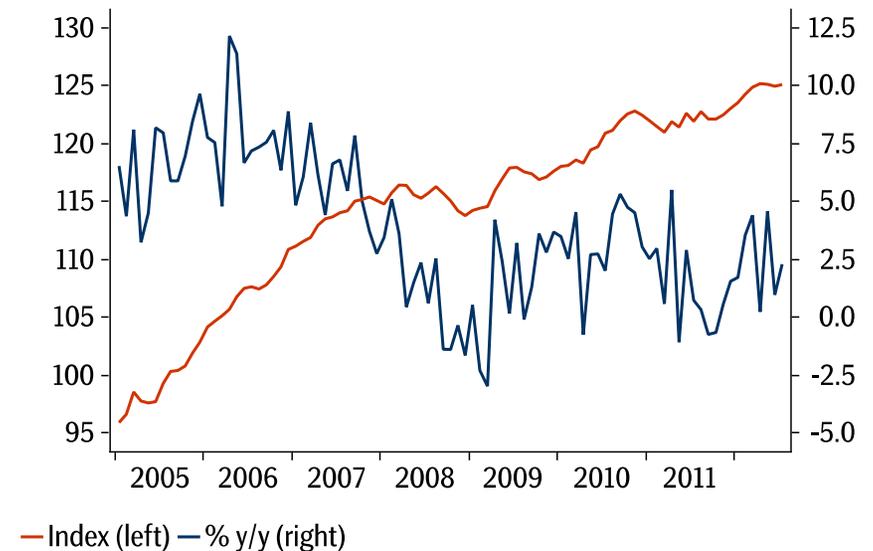
| | SEB | Cons. | Prev |
|---------|---------|---------|---------|
| % mm/yy | 0.1/2.7 | 0.2/2.7 | 0.3/2.4 |

- Retail sector sentiment stable at a decent level during 2012. High confidence among retailers of food, low for durable goods
- Consumer confidence also stable, close to the historical average
- Clothes and shoes sales weak in August, - 3.9% y/y and -5.2% y/y respectively. Still this is not very far from the 2012 average
- Retail sales trending gradually higher, household sector expected to continue to support growth going into 2013
- Household real income continues to rise at steady pace (~2.5% y/y)

Swe: Retail trade, selling volumes according to NIER survey



Swe: Retail trade



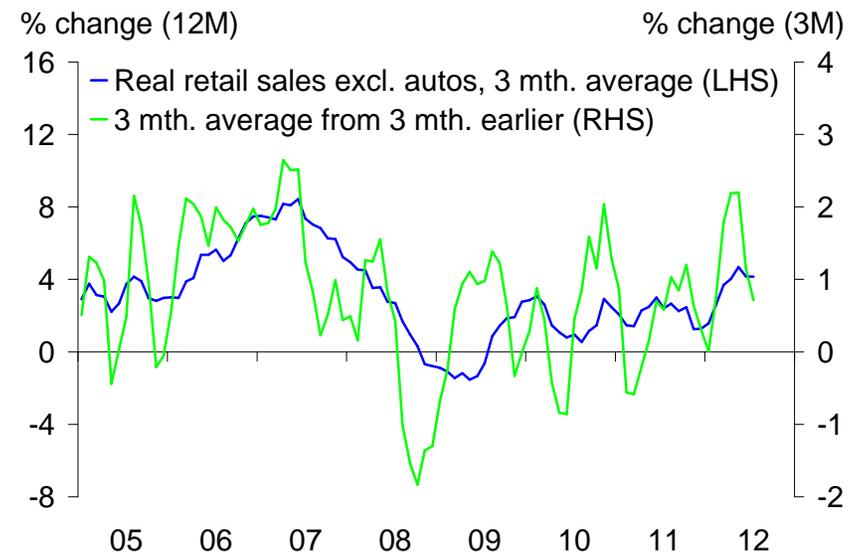
Friday 28, 10.00

NOR: Retail sales (Aug)

| m/m, y/y | SEB | Cons. | Prev. |
|-----------------------------------|----------|-------|---------|
| Retail sales excl. autos (volume) | -1.7/4.3 | X:X | 2.1/7.4 |

- How long will the moderation last?
- Momentum in retail sales remained strong in spring but downshifted in summer with the slowing even more pronounced for overall consumption of goods (including autos and spending on electricity).
- Overall private consumption will be soft in Q3. However, underlying fundamentals have not showed weakness. Importantly, income growth has remained solid enough with households real disposable income gaining a sturdy 5.0% y-o-y in Q2. Above-trend employment growth and continued low inflation fuels spending power, and interest rates remain (very) low. Hence, softness in consumption should prove transitory.

Norwegian retail sales



Friday 28, 11.00

Euro-zone: HICP, flash (Sep)

| | SEB | Cons. | Prev |
|----------|-----|-------|------|
| %, mm/yy | 2.6 | 2.4 | 2.6 |

- Energy prices expected to continue to rise in September, but decline later in 2012
- VAT hike in Spain in September (from 18% to 21%), will add ~0.2%-points to EMU CPI with full pass-through. We expect 50% pass-through over the next 3 months
- Core inflation trending sideways or slightly up, expected to remain largely stable going forward. Core inflation in peripherals have converged with other countries. Core inflation in Greece has turned negative
- Rising prices on food commodities upside risk for 2013. However, food inflation likely to ease in 2012H2

