

April 7, 2010

## Macro Forecasts

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### What's on tap in April?

#### Homebuyer Tax Credit programme to expire

The (first time) homebuyer tax credit will expire at the end of this month (though existing home sales can benefit until June), which will put renewed pressure on an already weak US housing market. Both sales and prices have double dipped using most statistics though the Case-Shiller Home Price Index still produces positive MoM numbers. We do, however, expect it to soon follow the rest and reverse course. It is a three-month average and trend changes therefore happen at a slower pace. The Existing Home Price Median peaked in June and has since fallen 10% while the FHFA House Price Index (Purchase Only) has started to fall again after showing some stabilisation in 2009.

Despite a hefty dose of medicine the house market is still far from healthy, but we expect a small pick-up in housing-related statistics as people take advantage of the tax credit before it expires. We question, however, whether the impact will be as large as was the case when the initial programme ended in November 2009.

New Home Sales should increase in April due to the expiration, while sales of existing houses may take a month or two to register. Pending Home Sales for February (8.2% MoM) erased January's poor -7.8% growth and supports the story of additional sales activity in the spring.

#### Europe to have a manufacturing-led recovery of their own?

True to form Europe's economies are lagging behind the US. Wednesday's (April 7) third revision of Eurozone GDP showed a slight downward revision to -2.2% YoY from -2.1% (Saxo: -2.1%, consensus: -2.1%). The engine, put differently, stalled in the fourth quarter, producing no growth at all (0% QoQ). The downward revision is due to smaller contributions from government spending and inventories though household consumption countered it to some extent.

There is nevertheless reason to be optimistic concerning the first quarter even if we are not expecting a full-blown party. Purchasing managers in the Eurozone countries point to an uptick in activity, especially in the manufacturing sector. Manufacturing PMI is up 3 points in Q1 with stronger and stronger readings throughout the quarter while the Services PMI meanwhile is down a little. We saw the same thing in the US when the wheels began to spin again in that economy and we expect the outcome to be similar; a manufacturing-led recovery. Mind you, it will be weaker than we observed across the pond. We look for 0.8% YoY in the first quarter, which will be the first positive year-on-year reading since 2008Q3.



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## US

### Monthly forecasts

Surveys	Period	Saxo Bank	Consensus	Prior	Release date
ISM Manufacturing PMI	APR	60.4	-	59.6	05/03
ISM Non-manufacturing PMI	APR	55.7	-	55.4	05/05
Labour Market	Period	Saxo Bank	Consensus	Prior	Release date
Net change in Nonfarm Payrolls (Thousand, SA)	APR	235	-	162	05/07
Unemployment Rate (SA)	APR	9.6%	-	9.7%	05/07
Production	Period	Saxo Bank	Consensus	Prior	Release date
Construction Spending (MoM, SA)	MAR	-0.4%	-	-1.3%	05/03
Factory Orders (MoM, SA)	MAR	1.0%	-	0.6%	05/04
Industrial Production (MoM, SA) / Capacity Utilization (SA)	MAR	0.7% / 73.2%	0.6% / 73.2%	0.1% / 72.7%	04/15
Durable Goods Orders (MoM, SA) / ex. Transportation (MoM, SA)	MAR	1.3% / 1.2%	- / -	0.9% / 1.4%	04/23
Business Inventories (MoM, SA)	FEB	0.3%	0.3%	0.0%	04/14
Retail Sales	Period	Saxo Bank	Consensus	Prior	Release date
Retail Sales / Retail Sales ex. Autos (MoM, SA)	MAR	0.7% / 0.2%	0.9% / 0.4%	0.3% / 0.8%	04/14
Price Indices	Period	Saxo Bank	Consensus	Prior	Release date
PPI (MoM, SA) / Core PPI (MoM, SA)	MAR	0.5% / 0.1%	0.5% / 0.1%	-0.6% / 0.1%	04/22
CPI (MoM, SA) / Core CPI (MoM, SA)	MAR	0.2% / 0.1%	0.1% / 0.1%	0.0% / 0.1%	04/14
Housing Market	Period	Saxo Bank	Consensus	Prior	Release date
Existing Home Sales (MoM, SA)	MAR	-2.6%	-	-0.6%	04/22
New Home Sales (MoM, SA)	MAR	3.0%	-	-2.2%	04/23
Case-Shiller Composite 20-City HPI (YoY NSA)	FEB	0.9%	-	-0.7%	04/27
Income & Consumption	Period	Saxo Bank	Consensus	Prior	Release date
Personal Income (MoM, SA) / Personal Consumption (MoM, SA)	MAR	0.1% / 0.1%	- / -	0.0% / 0.3%	05/03
Trade Balance	Period	Saxo Bank	Consensus	Prior	Release date
Trade Balance (USD Billion)	FEB	-37.5	-39.0	-37.3	04/13

SA: Seasonally Adjusted, SAAR: Seasonally Adjusted Annual Rate

## Canada Monthly forecasts

Surveys	Period	Saxo Bank	Consensus	Prior	Release date
Ivey Purchasing Managers' Index	MAR	54.4	55.0	51.9	04/07
<b>Labour Market</b>					
	Period	Saxo Bank	Consensus	Prior	Release date
Net change in Employment (Thousand, SA)	MAR	27	26	21	04/09
Unemployment Rate (SA)	MAR	8.1%	8.1%	8.2%	04/09
<b>Retail Sales</b>					
	Period	Saxo Bank	Consensus	Prior	Release date
Retail Sales (MoM, SA)	FEB	0.4%	-	0.7%	04/23
<b>Price Indices</b>					
	Period	Saxo Bank	Consensus	Prior	Release date
CPI (YoY) / Core CPI (YoY)	MAR	1.6% / 2.0%	- / -	1.6% / 2.1%	04/23
Industrial Product Price (MoM, NSA)	MAR	-0.4%	-	0.0%	04/30
<b>Gross Domestic Product</b>					
	Period	Saxo Bank	Consensus	Prior	Release date
Real GDP (MoM, SA)	FEB	0.5%	-	0.6%	04/30

SA: Seasonally Adjusted, SAAR: Seasonally Adjusted Annual Rate

## Japan Monthly forecasts

Labour Market	Period	Saxo Bank	Consensus	Prior	Release date
Unemployment Rate (SA)	MAR	4.8%	-	4.9%	04/29
Jobs to Applicants Ratio (SA)	MAR	0.48	-	0.47	04/29
<b>Production</b>					
	Period	Saxo Bank	Consensus	Prior	Release date
Industrial Production (MoM, SA)	MAR (P)	1.2%	-	-0.9%	04/29
<b>Retail Sales</b>					
	Period	Saxo Bank	Consensus	Prior	Release date
Retail Sales (MoM, SA)	MAR	0.4%	-	0.9%	04/27
<b>Price Indices</b>					
	Period	Saxo Bank	Consensus	Prior	Release date
Domestic Corporate Goods Price (YoY)	MAR	-1.5%	-	-1.5%	04/12
CPI (YoY) / CPI ex. Fresh Food (YoY)	MAR	-1.1% / -1.2%	- / -	-1.1% / -1.2%	04/29

SA: Seasonally Adjusted, SAAR: Seasonally Adjusted Annual Rate

## Eurozone Monthly forecasts

Labour Market	Period	Saxo Bank	Consensus	Prior	Release date
Unemployment Rate (SA)	MAR	10.0%	-	10.0%	04/30
Production	Period	Saxo Bank	Consensus	Prior	Release date
Industrial Production (MoM, SA)	FEB	0.7%	-	1.5%	04/14
Retail Sales	Period	Saxo Bank	Consensus	Prior	Release date
Retail Sales (MoM, SA)	FEB	0.0%	0.0%	-0.2%	04/08
Price Indices	Period	Saxo Bank	Consensus	Prior	Release date
CPI (YoY) / Core CPI (YoY)	MAR	0.8% / 0.2%	- / -	0.9% / 0.8%	04/16

SA: Seasonally Adjusted, SAAR: Seasonally Adjusted Annual Rate

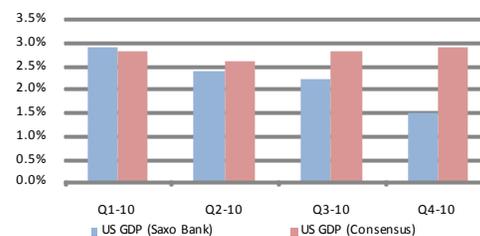
## UK Monthly forecasts

Labour Market	Period	Saxo Bank	Consensus	Prior	Release date
Claimant Count Rate (SA)	MAR	4.9%	-	4.9%	04/21
Jobless Claims Change (Thousand, SA)	MAR	-5.2	-	-32.3	04/21
ILO Unemployment Rate (SA)	FEB	7.8%	-	7.8%	04/21
Production	Period	Saxo Bank	Consensus	Prior	Release date
Industrial Production (MoM, SA)	FEB	0.3%	0.5%	-0.4%	04/08
Retail Sales	Period	Saxo Bank	Consensus	Prior	Release date
Retail Sales (MoM, SA)	MAR	0.5%	-	1.6%	04/23
Price Indices	Period	Saxo Bank	Consensus	Prior	Release date
PPI Output (MoM, NSA)	MAR	0.4%	0.4%	0.3%	04/09
CPI (YoY) / Core CPI (YoY)	MAR	3.0% / 2.5%	- / -	3.0% / 2.9%	04/20
Retail Price Index (YoY)	MAR	4.2%	-	3.7%	04/20
Housing Market	Period	Saxo Bank	Consensus	Prior	Release date
Halifax House Prices (MoM, SA)	MAR	1.2%	0.5%	-1.5%	04/07
Nationwide House Prices (MoM, SA)	APR	0.1%	-	0.7%	04/26

SA: Seasonally Adjusted, SAAR: Seasonally Adjusted Annual Rate

## Quarterly forecasts

		USA		
Gross Domestic Product		Period	Saxo Bank	Consensus
Real GDP (QoQ, SAAR)	(A)	Q1-10	2.9%	2.8%
		Q2-10	2.4%	2.6%
		Q3-10	2.2%	2.8%
		Q4-10	1.5%	2.9%
Real PCE (QoQ, SAAR)	(A)	Q1-10	2.8%	2.8%
		Q2-10	2.4%	2.6%
		Q3-10	2.1%	2.8%
		Q4-10	1.8%	2.9%
Labour		Period	Saxo Bank	Consensus
Unemployment Rate (SA)		Q2-10	9.7%	9.7%
		Q3-10	9.8%	9.6%
		Q4-10	9.8%	9.5%
		Q1-11	10.0%	9.2%
Prices		Period	Saxo Bank	Consensus
Consumer Prices (YoY)		Q1-10	2.5%	2.5%
		Q2-10	2.0%	2.3%
		Q3-10	1.7%	1.9%
		Q4-10	1.8%	1.6%

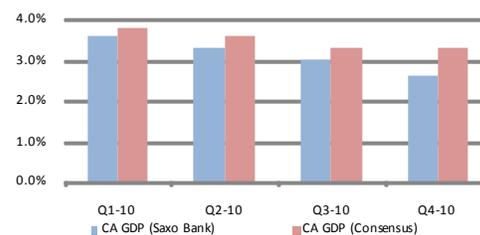


Gross Domestic Product to be released on 30-04-2010

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

## Quarterly forecasts

		Canada		
Gross Domestic Product		Period	Saxo Bank	Consensus
Real GDP (YoY)		Q1-10	3.6%	3.8%
		Q2-10	3.3%	3.6%
		Q3-10	3.0%	3.3%
		Q4-10	2.6%	3.3%
Labour Market		Period	Saxo Bank	Consensus
Unemployment Rate (SA)		Q1-10	8.1%	8.3%
		Q2-10	8.0%	8.2%
		Q3-10	8.0%	8.1%
		Q4-10	8.0%	8.0%
Prices		Period	Saxo Bank	Consensus
Consumer Price Index (YoY)		Q1-10	1.6%	1.7%
		Q2-10	1.7%	1.5%
		Q3-10	1.8%	1.9%
		Q4-10	1.8%	2.0%

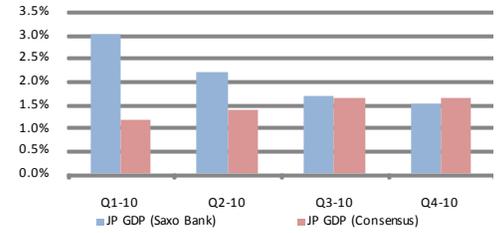


Gross Domestic Product to be released on 31-05-2010

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

## Quarterly forecasts

		Japan	
	<i>Period</i>	<i>Saxo Bank</i>	<i>Consensus</i>
<b>Gross Domestic Product</b>			
Real GDP (QoQ, SAAR)	Q1-10 (P)	3.0%	1.2%
	Q2-10	2.2%	1.4%
	Q3-10	1.7%	1.7%
	Q4-10	1.5%	1.7%
<b>Labour Market</b>			
	<i>Period</i>	<i>Saxo Bank</i>	<i>Consensus</i>
Unemployment Rate (SA)	Q1-10	4.8%	5.2%
	Q2-10	4.8%	5.2%
	Q3-10	4.6%	5.2%
	Q4-10	4.6%	5.1%
<b>Prices</b>			
	<i>Period</i>	<i>Saxo Bank</i>	<i>Consensus</i>
Consumer Prices (YoY)	Q1-10	-1.1%	-1.2%
	Q2-10	-1.1%	-1.3%
	Q3-10	-0.8%	-1.1%
	Q4-10	-0.6%	-0.8%



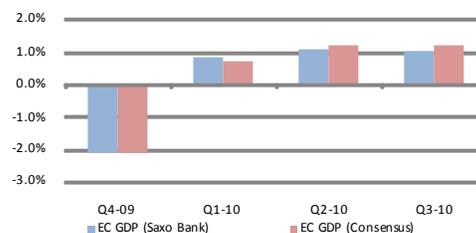
Gross Domestic Product to be released on 19-05-2010

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)	Q4-09 (F)	-2.1%	-2.1%
	Q1-10	0.8%	0.7%
	Q2-10	1.1%	1.2%
	Q3-10	1.0%	1.2%
Labour Market	Unemployment Rate (SA)		
	Q1-10	10.2%	10.1%
	Q2-10	10.3%	10.3%
	Q3-10	10.4%	10.5%
Q4-10	10.3%	10.5%	
Prices	Consumer Prices (YoY)		
	Q1-10	1.1%	1.0%
	Q2-10	1.0%	1.1%
	Q3-10	1.0%	1.4%
Q4-10	0.8%	1.3%	



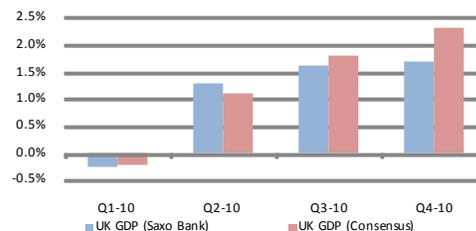
Gross Domestic Product to be released on 07-04-2010

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)	Q1-10 (A)	-0.2%	-0.2%
	Q2-10	1.3%	1.1%
	Q3-10	1.6%	1.8%
	Q4-10	1.7%	2.3%
Labour Market	ILO Unemployment Rate (SA)		
	Q1-10	7.8%	7.8%
	Q2-10	7.7%	7.8%
	Q3-10	7.5%	7.7%
Q4-10	7.3%	7.6%	
Prices	Consumer Prices (YoY)		
	Q1-10	3.0%	3.1%
	Q2-10	2.5%	2.8%
	Q3-10	2.1%	2.4%
Q4-10	1.5%	2.2%	



Gross Domestic Product to be released on 23-04-2010

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

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