



## Weekly Economic Indicators - U.S. and Canada

For the week of February 6, 2012 (Market calls are as of January 30, 2012)

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**Monday, February 6****U.S. Economic Data and Events**

Time	Release	RBC Call	Market Call	Prior Read
8:55	Fed's Bullard Speaks on Inflation Targeting in Chicago			
11:30	U.S. to Sell 3-Month Bills			
11:30	U.S. to Sell 6-Month Bills			
12:15	Fed's Fisher Speaks on Economy in Washington			

**Canadian Economic Data and Events**

Time	Release	RBC Call	Market Call	Prior Read
10:00	Ivey PMI SA	JAN		63.5

**Tuesday, February 7****U.S. Economic Data and Events**

Time	Release	RBC Call	Market Call	Prior Read
10:00	IBD/TIPP Economic Optimism	FEB		47.5
10:00	JOLTs Job Openings	DEC		3161
11:30	U.S. to Sell 4-Week Bills			
11:30	U.S. to Sell 52-Week Bills			
13:00	U.S. to Sell 3-Year Notes			
15:00	Consumer Credit	DEC	\$7.0B	\$20.374B

**Canadian Economic Data and Events**

Time	Release	RBC Call	Market Call	Prior Read
7:50	Bank of Canada Sr. Dep. Gov. Macklem Speaks in Toronto			
8:30	Building Permits MoM	DEC		-3.6%

**Wednesday, February 8****U.S. Economic Data and Events**

Time	Release	RBC Call	Market Call	Prior Read
7:00	MBA Mortgage Applications	03-Feb		-2.9%
10:30	Fed's Williams Speaks on Economy in San Ramon, California			
13:00	U.S. to Sell 10-Year Notes			

**Canadian Economic Data and Events**

Time	Release	RBC Call	Market Call	Prior Read
8:15	Housing Starts	JAN	193.0K	199.9K

December housing starts showed unexpected strength rising 7.6% to an annualized 199.9K. This largely reflected urban multiples increasing 14.2% to 111.0K units though urban singles were up as well rising 3.8% to 70.6K. There was a modest offset from rural starts dropping 10.7% to 18.3K units. The unexpected strength in overall starts in part likely reflected milder-than-usual temperatures in December. Warmer weather persisted in January although to a lesser extent relative to December and is expected to contribute to a modest easing in starts activity in the month. As well, we are assuming that multiples will revert back down to more sustainable levels falling 7.2% to 103.0K. Urban singles are projected to remain relatively steady at 71.0K (+0.6%) with rural starts expected to partially retrace November's decline rising 3.8% in the month to 19.0K. In total this results in overall starts dropping 3.5% to an annualized 193.0K. The overall decline is expected to be tempered by permits for the most recent month of November remaining high at 202.7K.

## **Thursday, February 9**

### **U.S. Economic Data and Events**

Time	Release		RBC Call	Market Call	Prior Read
8:30	Initial Jobless Claims	04-Feb	370K		367K
8:30	Continuing Claims	28-Jan			3437K
9:45	Bloomberg Consumer Comfort	05-Feb			-44.8
10:00	Wholesale Inventories	DEC		0.5%	0.1%
13:00	U.S. to Sell 30-Year Bonds				

### **Canadian Economic Data and Events**

Time	Release		RBC Call	Market Call	Prior Read
8:30	New Housing Price Index YoY	DEC			2.5%

## **Friday, February 10**

### **U.S. Economic Data and Events**

Time	Release		RBC Call	Market Call	Prior Read
8:30	Trade Balance	DEC	-\$47.3B	-\$48.6B	-\$47.8B
9:55	U. of Michigan Confidence	FEB P	73.0	75.0	75.0
12:50	Fed's Pinalto Speaks on Housing in Cleveland				
14:00	Monthly Budget Statement	JAN		-\$65.0B	-\$86.0B

The November trade deficit unexpectedly deteriorated to \$47.8B from \$43.3B in October. The deterioration reflected both imports rising \$2.9B (1.3%) and exports dropping \$1.5B (0.9%). The decline in exports represented a second consecutive monthly drop. This was consistent with recent monthly declines in manufacturing shipments of capital goods (on a non-defence ex aircraft basis). A 2.9% rebound in this measure in December is expected to help send overall exports back into the positive growth column rising \$2.0B (1.1%). Rising oil prices are expected to result in nominal imports rising in the month though at a slower pace of \$1.5B (0.6%). The increase in imports will limit the improvement in the overall trade deficit in December to \$47.3B. In compiling the first estimate of Q4 GDP, the BEA assumed that the December trade deficit would deteriorate to around \$49.5B. A smaller deficit would imply a source of upward revision to the initial estimate of Q4 annualized growth of 2.8%.

### **Canadian Economic Data and Events**

Time	Release		RBC Call	Market Call	Prior Read
8:30	Int'l Merchandise Trade	DEC	\$0.4B		\$1.1B

The November merchandise trade report showed an unexpectedly large improvement in the trade balance which returned to a surplus position of \$1.1B from a deficit in October of \$0.5B. The improvement was led by a \$1.3B rise in exports (3.2%) with a smaller \$0.3B (0.8%) contribution from lower imports. The export strength was relatively broadly based with gains in the energy, industrial goods and automotive products component. Conversely, the decline in imports was led by the automotive and industrial goods components. For December we are assuming that there will be some retracement from the outsized November increase in exports. However, indications that Canadian motor vehicle production continued to rise in December suggests that the extent of the retracement will be limited by a further increase in auto exports. This is expected to limit the overall decline in exports to \$0.2B (-0.5%). Continued auto production is also expected to result in imports of automotive products more than reversing the November decrease which will result in overall imports rising \$0.5B (1.3%). The forecasted rise in imports and fall in exports will both contribute to a deterioration in the merchandise trade surplus in December to \$0.4B from November's \$1.1B.