

# Economic Cycles

## Refuting the myth that US consumers save more when job cuts threaten

In all the recent economic downturns that the US has endured, the same cry has always gone up: the savings rate will rise! Consumers will come to their senses, and as job cuts threaten, they will save more. Fortunately for the economy, net savings, the difference between disposable income and consumer spending, has moved only fractionally upward in recent economic downturns, and in each case has been swamped by an improvement in real disposable income due to collapsing energy prices. Our US economics team believes the same logic will prevail in 2009 and consumer spending will accelerate towards trend growth from the current appalling decline in consumption.

Of total household debt, 130% of consumer disposable income, just 24% is consumer credit. Forty years ago, consumer credit was 19% of disposable income. By far the largest part of the growth in household debt over the last 25 years has been for housing. And, as housing activity has collapsed, housing related borrowing (the increase in debt) has slowed to a crawl. But this affects housing activity, not consumption. Granted, housing equity withdrawal has collapsed from 4% of consumer disposable income in 2006 to zero at the end of 2007, but neither the increase (2001-03) nor the collapse (2006-07) had any material impact on nominal consumer spending which has grown in line with disposable income growth over these two periods.

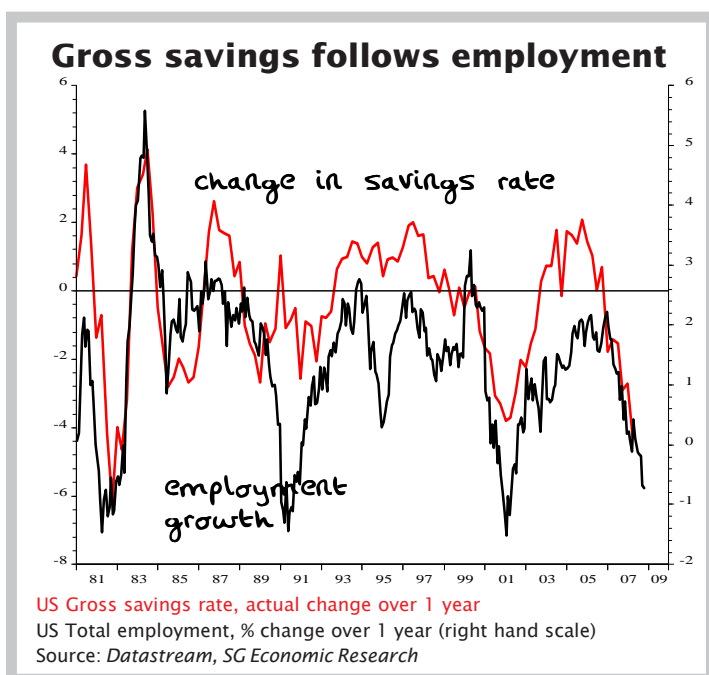
A 2004 study by the Bank of England revealed that a large proportion of UK equity withdrawal was due to trading down or last time sales (at retirement or death), or to home improvement (housing investment). Only a small fraction went towards increasing consumption.

Changes in consumer credit growth do matter for consumption. In each cycle, consumer credit growth slows markedly with employment growth. After all, you need a job to access credit.

Moreover, the fall-off in consumer credit in recent months has been much more marked. After the Lehman collapse, consumer finance companies, especially those linked to the auto companies, have been unable to access finance, or have only been able to obtain finance at a high spread over Libor. This led to the autumn collapse in auto sales.

Policy shifted this week towards aiding consumer finance companies by way of allowing some to convert to banks to allow access to the Fed's discount window for liquidity and TARP for capital. Others have obtained FDIC debt guarantees. With these measures, consumer credit is likely to rise from the current depressed levels. But, after the bounce, the rate of growth may remain subdued.

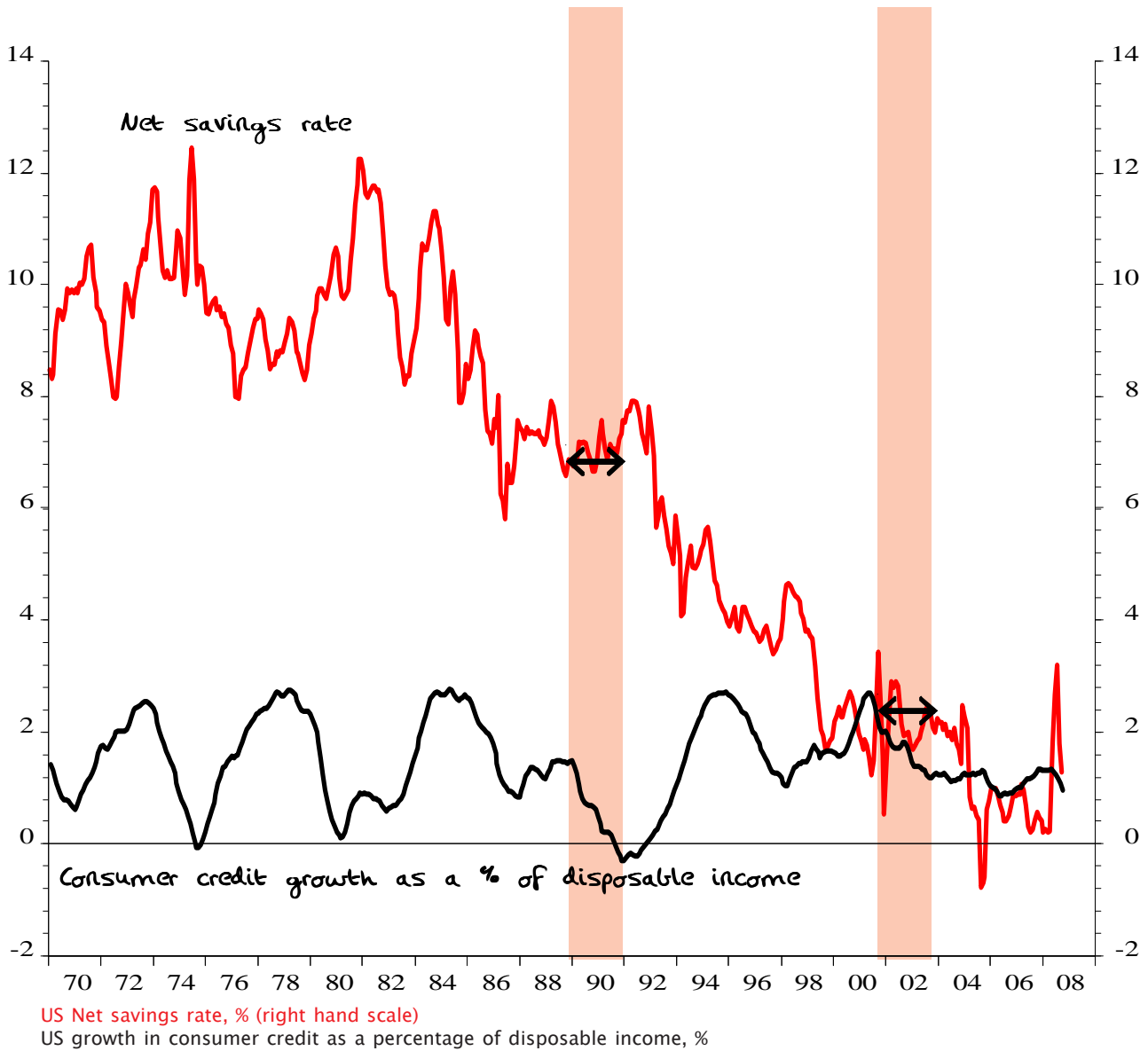
The net savings rate is likely to edge lower in 2009, from the current elevated level due to the collapse in consumer credit, as the policy shift improves the availability of consumer finance. Consumer spending is likely to accelerate to trend growth as the year progresses. The gross savings rate is likely to fall further; the fall in labour income due to falling employment should be ameliorated by increasing benefit payments; and, lower inflation can only boost real consumer firepower.



Net savings is gross savings less consumer borrowing. And amazingly, each component moves in opposite directions during the economic cycle. The growth in consumer credit deteriorates in an economic downturn but, startlingly, the gross savings rate also plunges.

Supervised workers, who on average form 80% of the working population, have seen their *real* pay go sideways over the last 30 years. The gain in productivity for the economy as a whole has accrued to the top 20% of income earners, who in good times increase their savings rate as they gain cash at a rapid pace. In troubled times, when this cash flow slows, their savings rate drops. This cycle is no different. The gross savings rate has fallen by 4% over the past year.

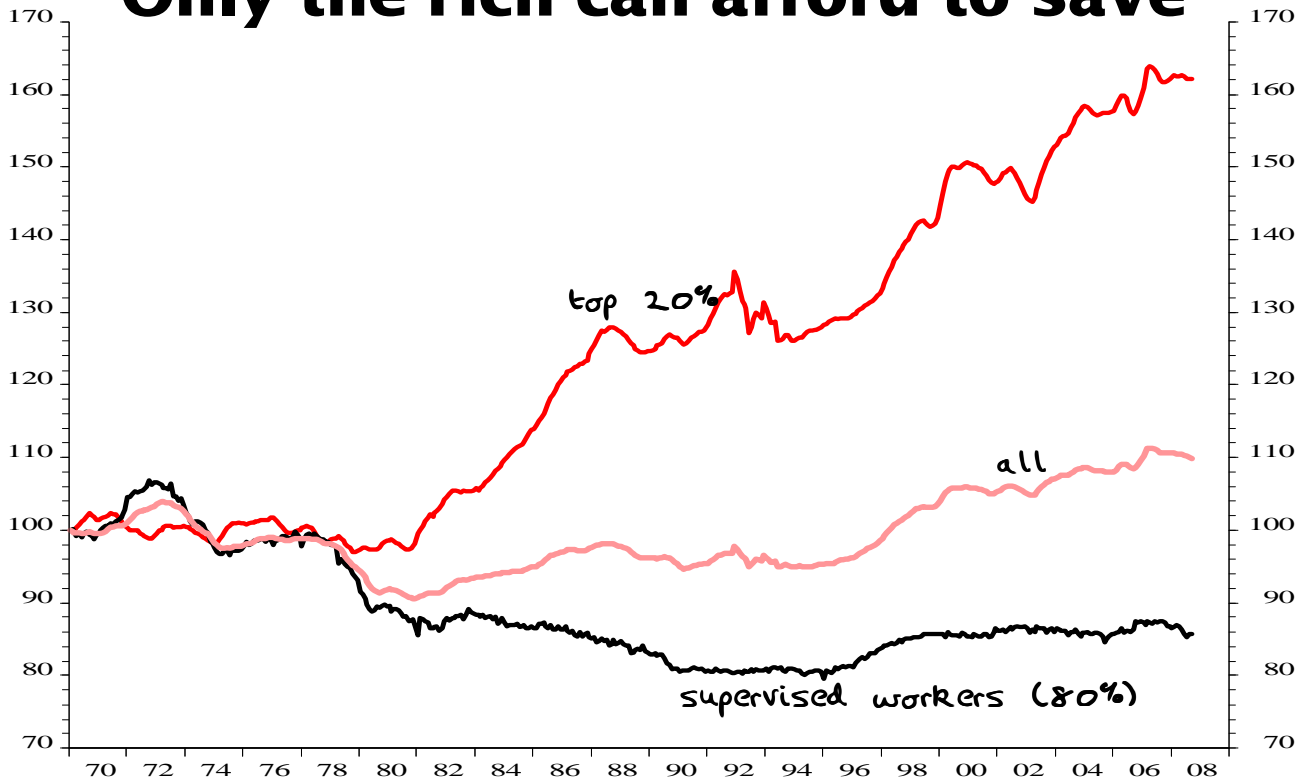
# Collapsing consumer credit growth does not automatically lead to a higher savings rate



In all the recent economic downturns that the US has endured, the same cry has always gone up: the savings rate will rise! Consumers will come to their senses, and as job cuts threaten, they will save more. Fortunately for the economy, net savings, the difference between disposable income and consumer spending, has moved only fractionally upward in recent economic downturns, and in each case has been swamped by the improvement in real disposable income due to collapsing energy prices. Our US economics team believes the same logic will prevail in 2009 and consumer spending will accelerate towards trend growth from the current appalling decline in consumption.

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# Only the rich can afford to save



US Real income for the top 20 %, index  
 US Real income for all workers, index  
 US Real income for bottom 80% (supervised workers), index  
 Source: Datastream, SG Economic Research

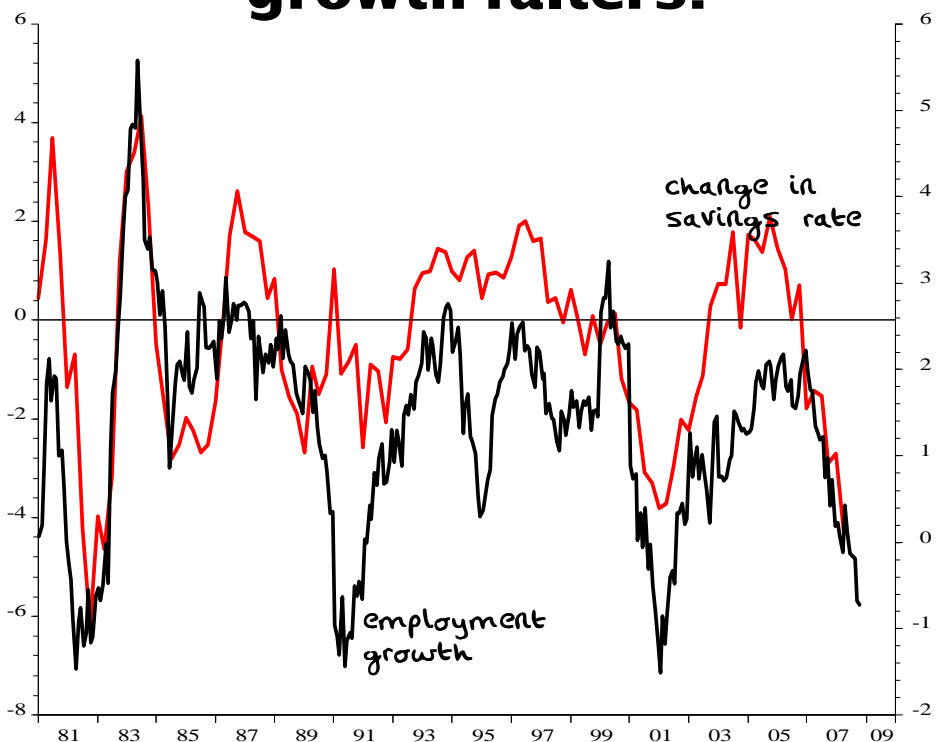
# Consumers save less when job growth falters!

Supervised workers, who on average form 80% of the working population, have seen their *real* pay go sideways over the last 30 years.

The gain in productivity for the economy as a whole has accrued to the top 20% of income earners, who in good times increase their savings rate as they gain cash at a rapid pace.

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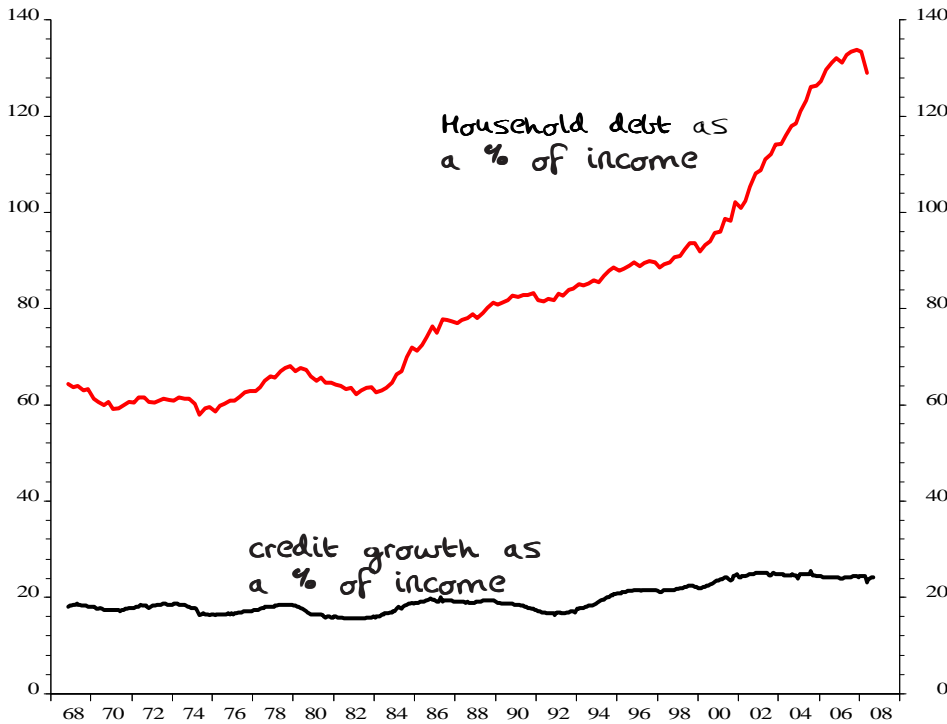
This cycle is no different. The gross savings rate has fallen by 4% over the past year.



US Gross savings rate, actual change over 1 year  
 US Total employment, % change over 1 year (right hand scale)

Source: Datastream, SG Economic Research

# Consumer credit growth broadly flat over 40 years

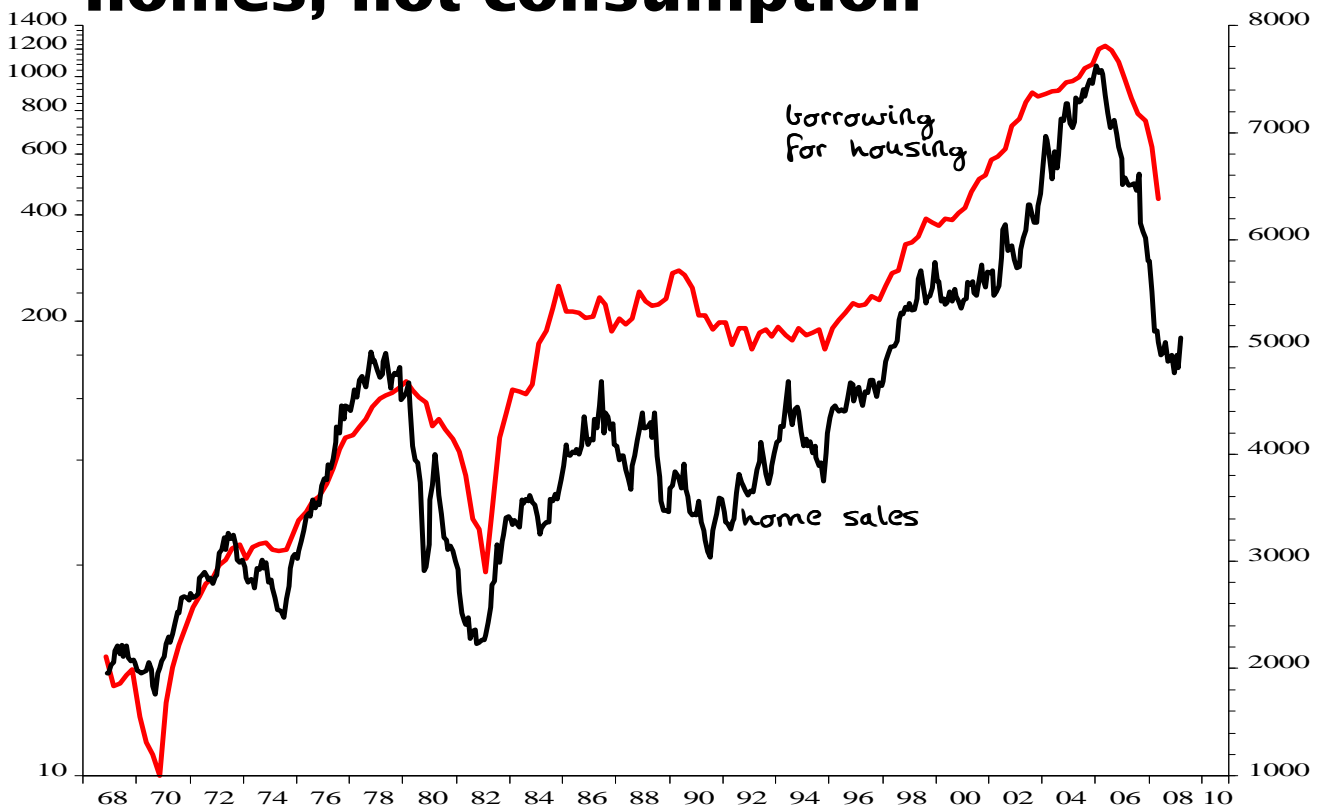


Of total household debt, 130% of consumer disposable income, just 24% is consumer credit. Forty years ago, consumer credit was 19% of disposable income.

By far the largest part of the growth in household debt over the last 25 years has been for housing. And, as housing activity has collapsed, housing related borrowing (the increase in debt) has slowed to a crawl. But this affects housing activity, not consumption.

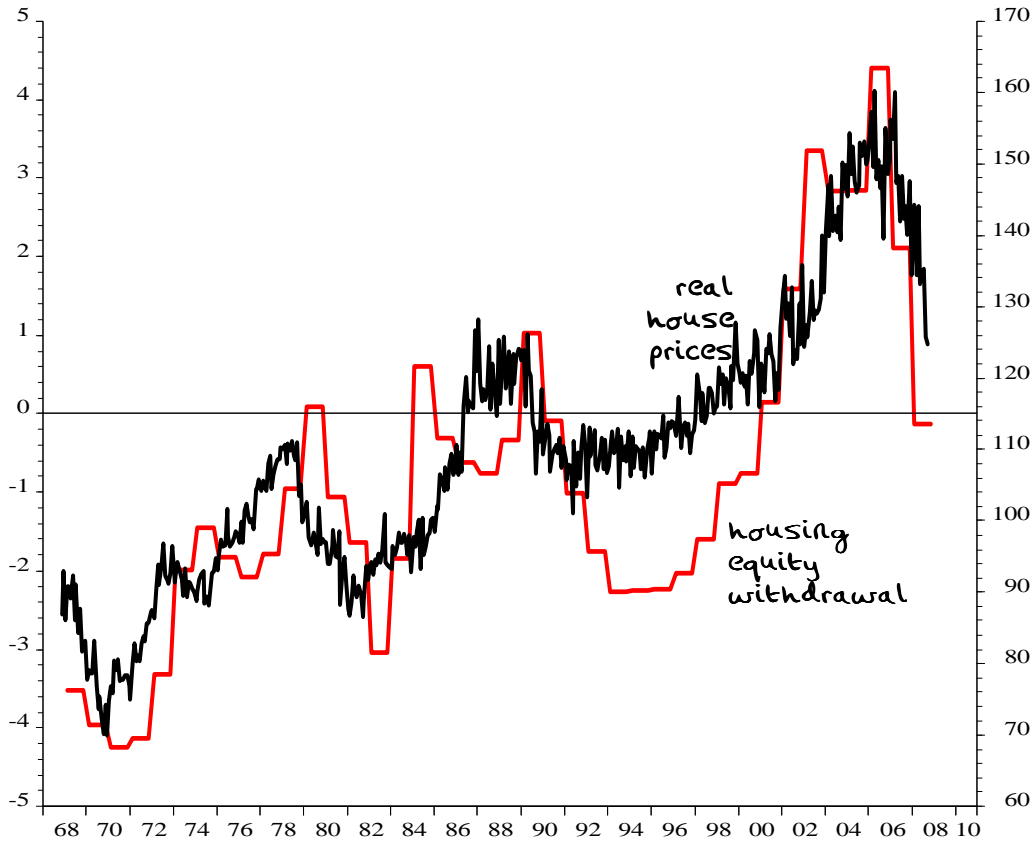
US Consumer debt as a percentage of disposable income, %  
US Consumer credit as a percentage of disposable income, %  
Source: Datastream, SG Economic Research

# Credit growth used for purchasing homes, not consumption



US Consumer borrowing for housing \$ billions (log scale)  
US new and existing house sales, thousands, pushed forwards 6 months (right hand scale)  
Source: Datastream, SG Economic Research

# MEW drops with falling house prices ...



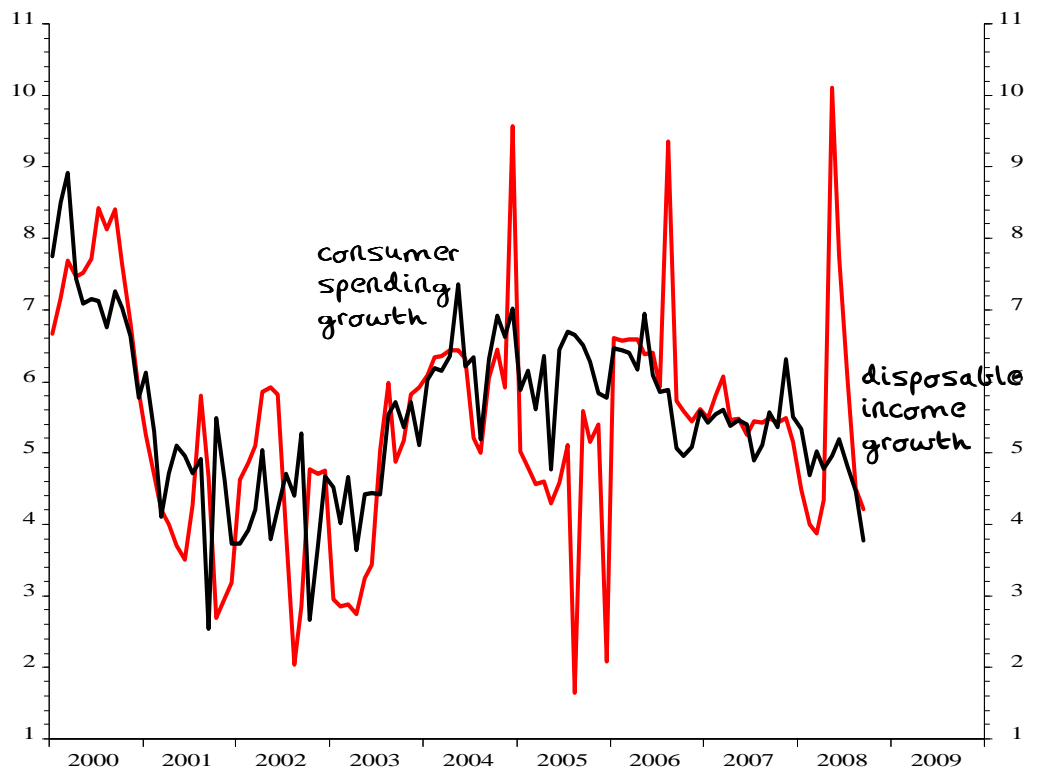
Housing equity withdrawal has collapsed from 4% of consumer disposable income in 2006 to zero at the end of 2007 ...

US Mortgage equity withdrawal, %  
US House prices in real terms, index (right hand scale)  
Source: Datastream, SG Economic Research

# ... but has no impact on consumer spend

... but neither the increase (2001-03) nor the collapse (2006-07) has had any material impact on nominal consumer spending which has grown in line with disposable income growth over these two periods.

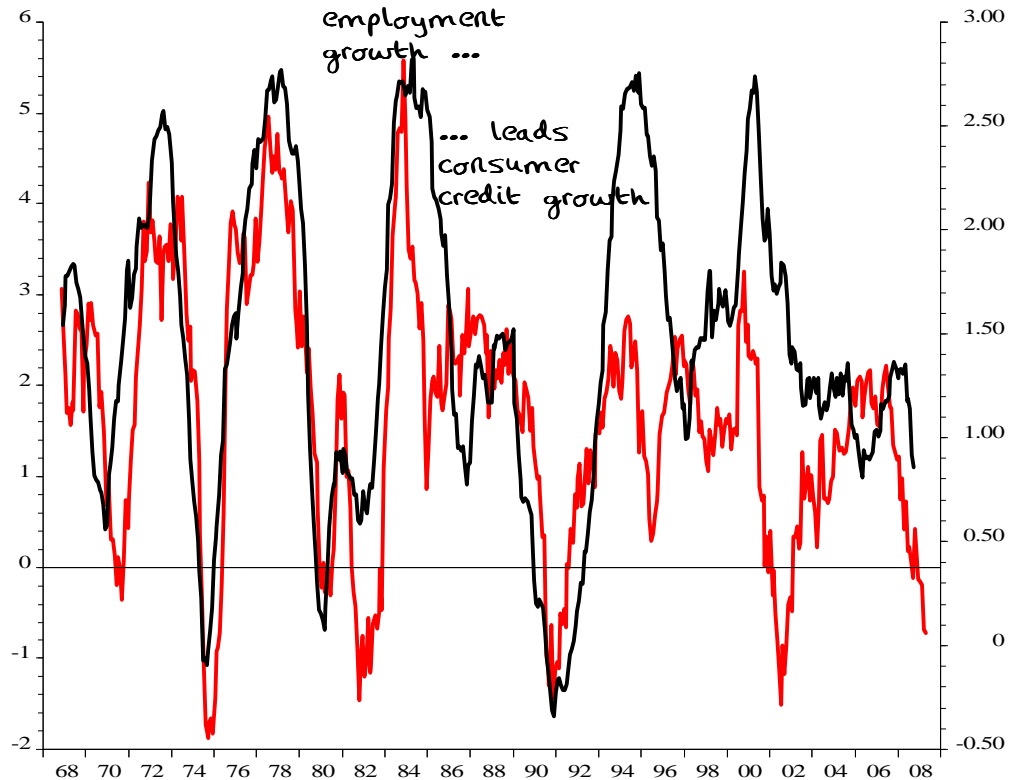
A 2004 study by the Bank of England revealed that a large proportion of UK equity withdrawal was due to trading down or last time sales (at retirement or death), or to home improvement (housing investment). Only a small fraction went towards increasing consumption.



US Disposable income, % change over 1 year  
US Personal consumption, % change over 1 year (right hand scale)  
Source: Datastream, SG Economic Research

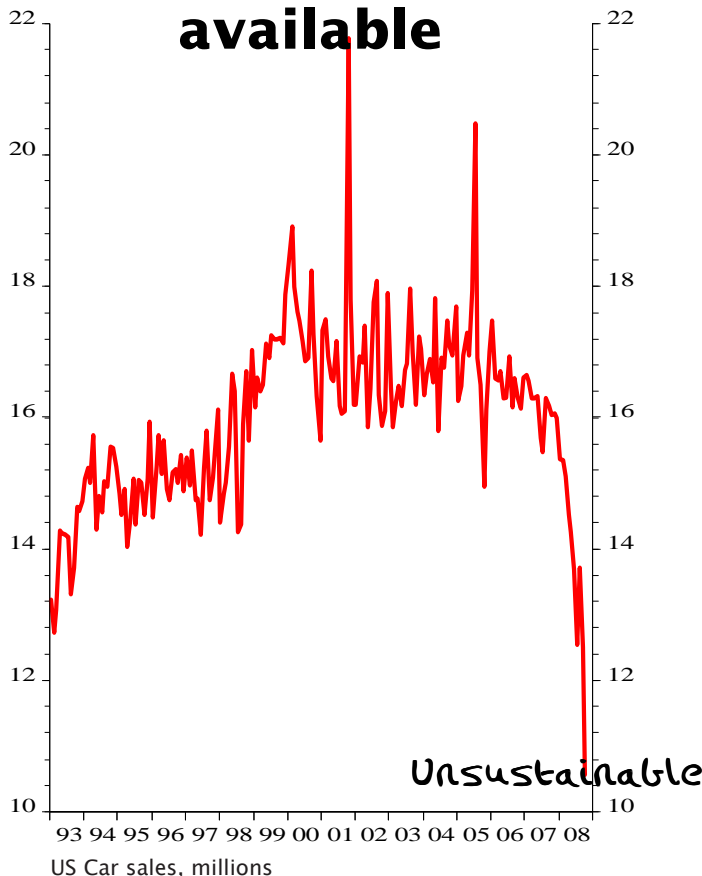
# Employment growth leads credit growth

Changes in consumer credit growth do matter for consumption. In each cycle, consumer credit growth slows markedly with employment growth. After all, you need a job to access credit.



US employment, % change over 1 year pushed forward 6 months  
Actual yearly change in US consumer credit as a proportion of disposable income, % (right hand scale)  
Source: Datastream, SG Economic Research

## Auto sales plunge as credit less readily available

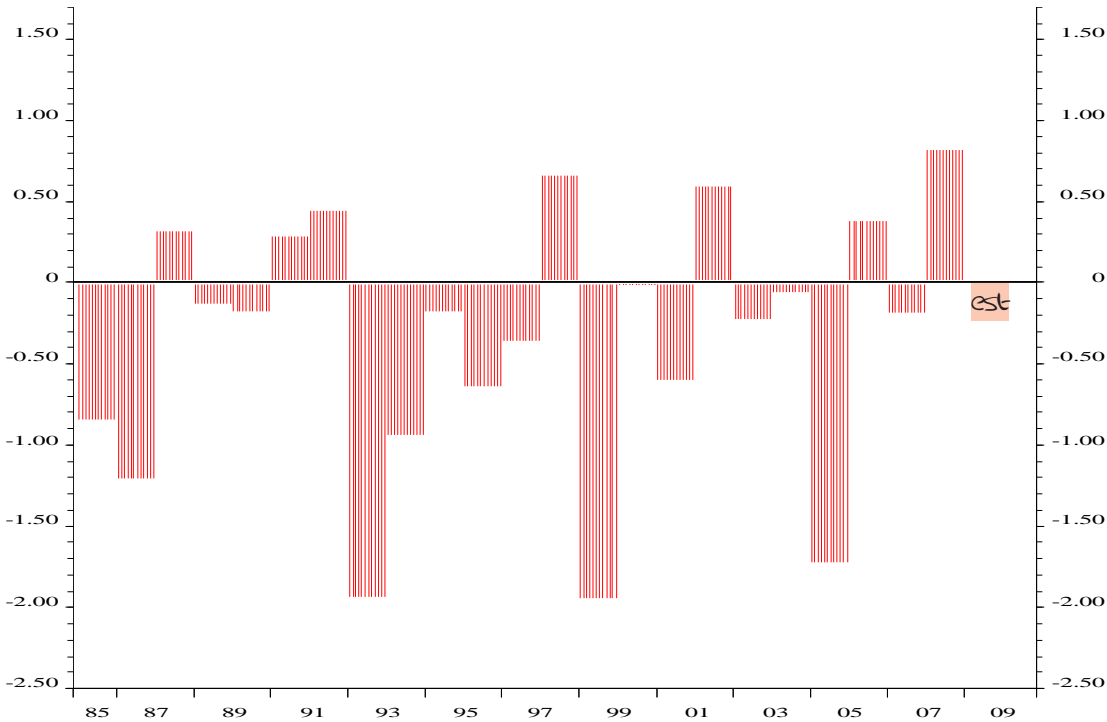


After the Lehman collapse, consumer finance companies, especially those linked to the auto companies, have been unable to access finance, or have only been able to obtain finance at a high spread over Libor.

This led to the autumn collapse in auto sales. Policy shifted this week towards aiding consumer finance companies by way of allowing some to convert to banks to allow access to the Fed's discount window for liquidity and TARP for capital. Others have obtained FDIC debt guarantees. With these measures, consumer credit is likely to rise from the current depressed levels. But, after the bounce, the rate of growth may remain subdued.

Finance companies are pursuing strategies for improving their liquidity positions. AMEX and CIT have filed applications to convert themselves to bank holding companies. This will allow them to access the Fed's discount window for liquidity and TARP for capital. Meanwhile, GE Capital has applied and won approval for an FDIC debt guarantee normally extended only to depository institutions. GE and AMEX are also among the top companies that have tapped the Fed's commercial paper program.

# Savings rate to edge lower in 2009

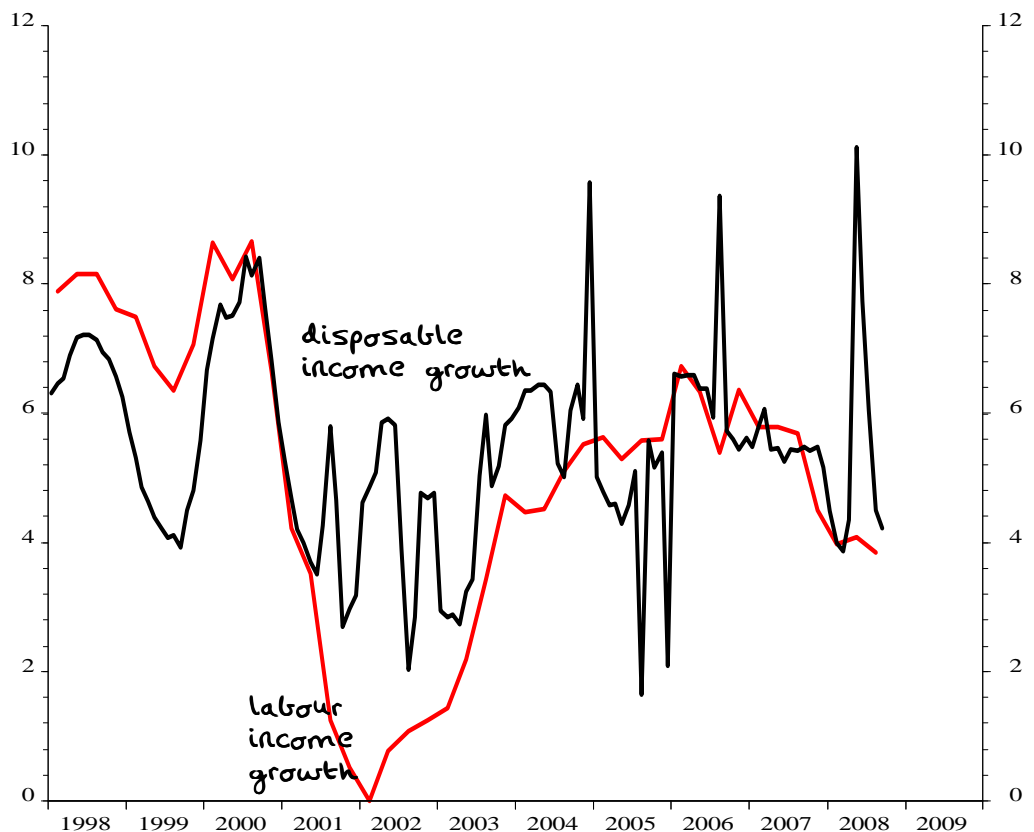


US Savings rate, change over 1 year  
Source: Datastream, SG Economic Research

The net savings rate, from the current elevated level due to the collapse in consumer credit, is likely to edge lower in 2009 as the policy shift improves the availability of consumer finance.

# Disposable income supported in downturns by increased benefit payments

In 2001-02 period, though labour income growth collapsed, disposable income growth averaged 4% due to tax cuts and increasing benefit payments.

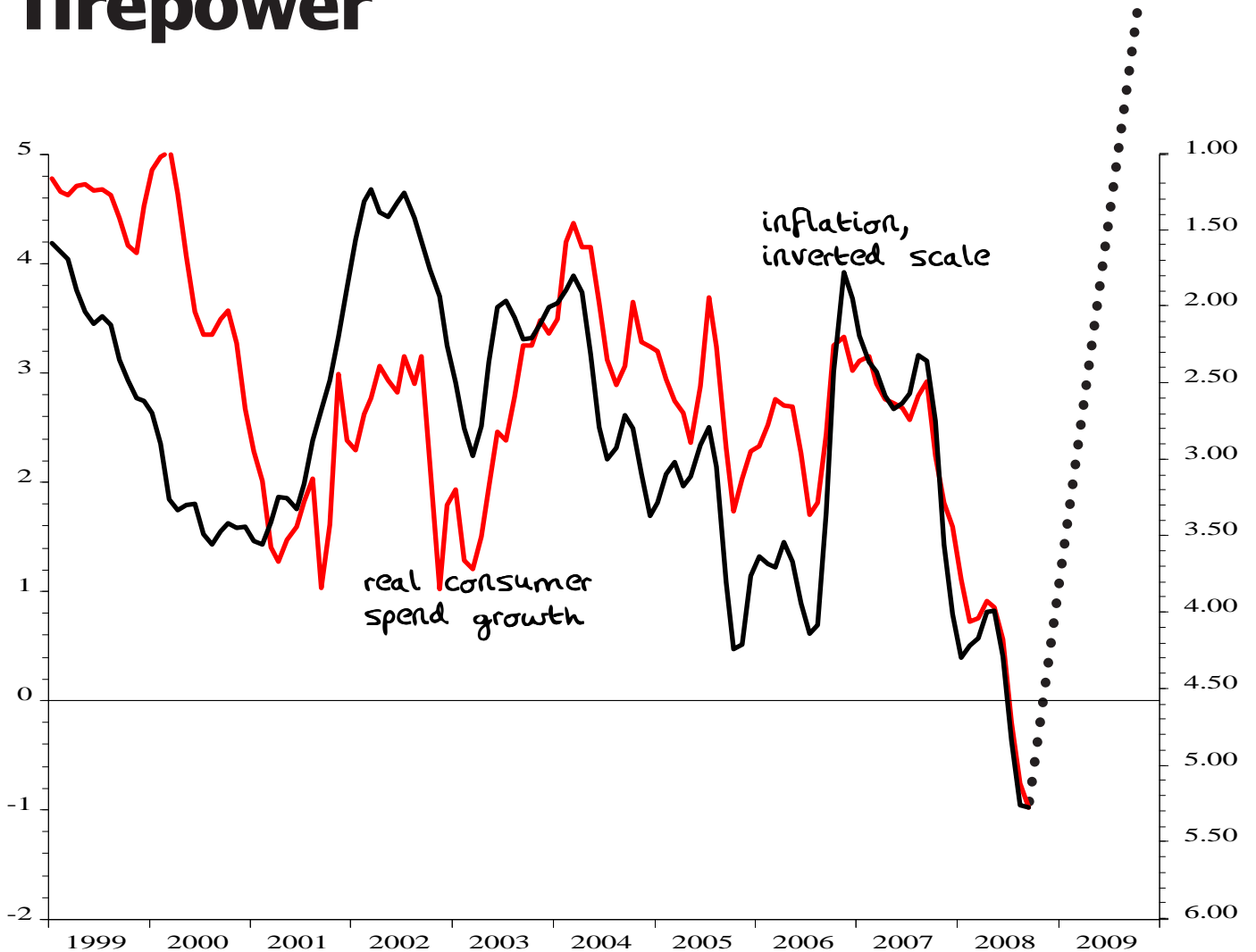


US Nominal labour income growth, %  
US Disposable income growth, % (right hand scale)  
Source: Datastream, SG Economic Research

# Lower inflation boosts real consumer firepower

Consumer spending is likely to accelerate to trend growth as the year 2009 progresses.

The gross savings rate is likely to fall further; the fall in labour income due to falling employment should be ameliorated by increasing benefit payments; and, lower inflation due to the collapse in energy prices can only boost real consumer firepower.



US real consumer spending, percentage change over one year  
US consumer price deflator, percentage change over one year (right hand scale, inverted)

Source: Datastream, SG Economic Research

# Newsflow of economic stories

Our proprietary newsflow indicator shows the number of newspaper and newswire articles which report economic strength. This is expressed as a percentage of all economic news stories. Trends in newsflow reflect *sentiment* towards trends in the underlying economy. For example, in the UK, the percentage of strong economic news stories is now at 28%. At the peak of the cycle in March 2006, 66% of all news stories related to economic strength.

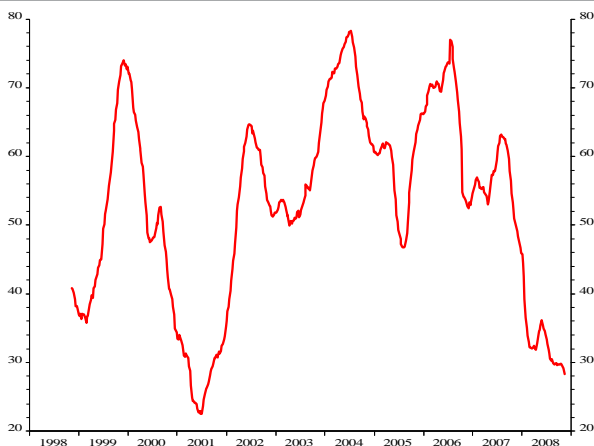
**World Newsflow of Economic Stories**



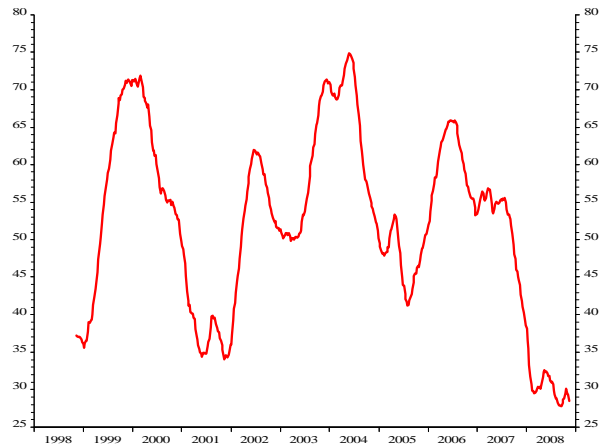
**US Newsflow of Economic Stories**



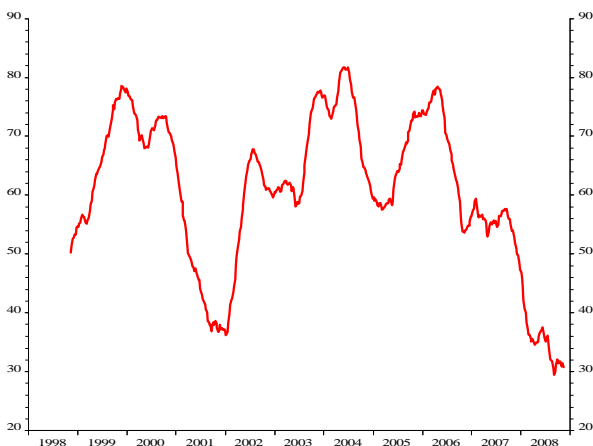
**Eurozone Newsflow of Economic Stories**



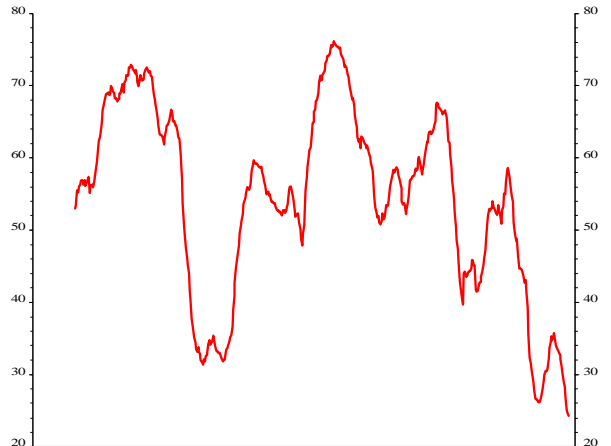
**UK Newsflow of Economic Stories**



**Japan Newsflow of Economic Stories**

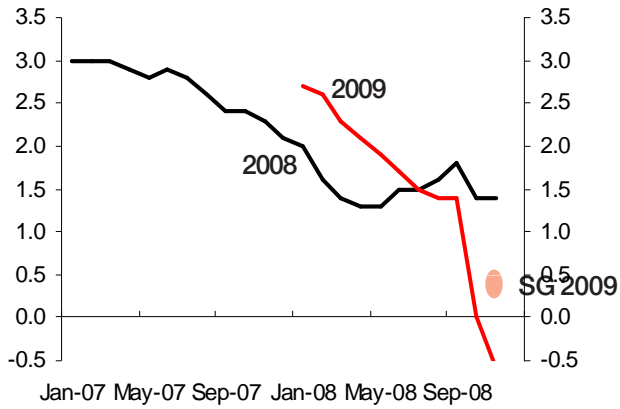


**Pacific Rim Newsflow of Economic Stories**

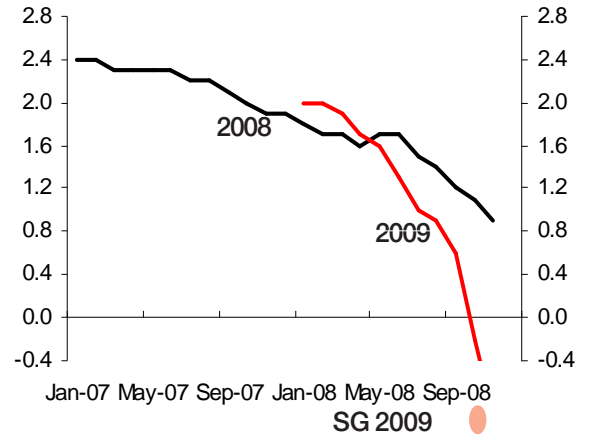


# Consensus GDP growth forecasts

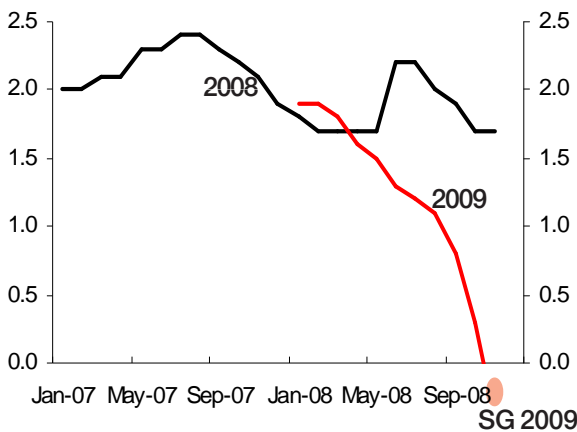
## US



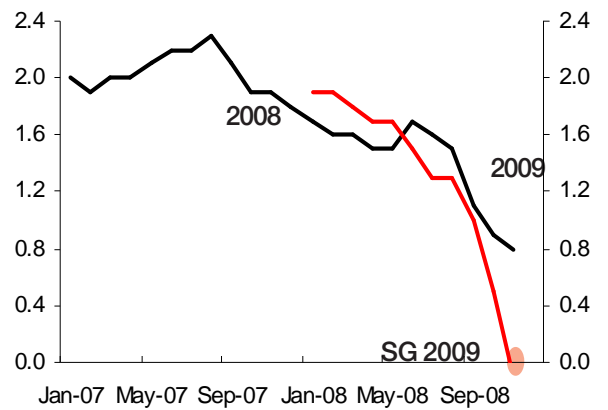
## UK



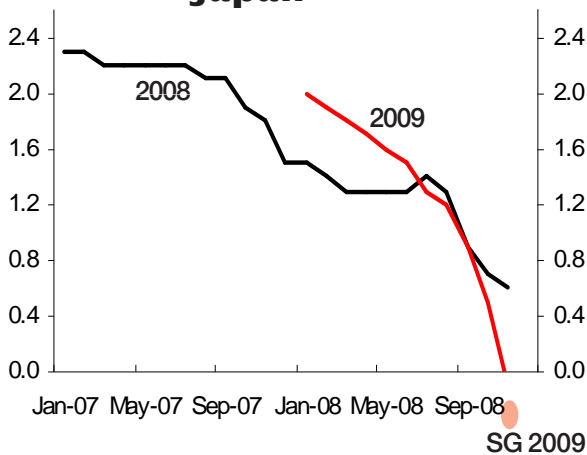
## Germany



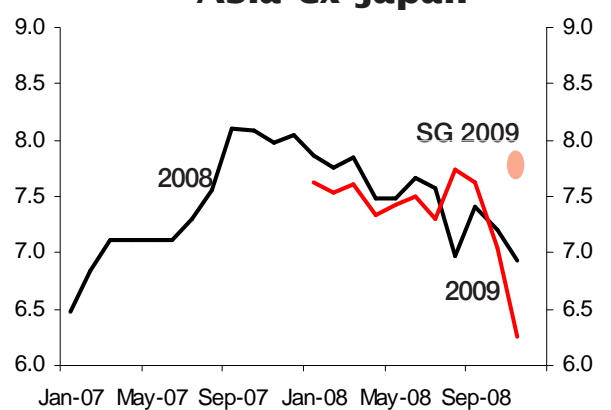
## France



## Japan



## Asia ex Japan



● SG forecast for 2009 in October 2008

Source: Datastream, SG Economic Research, Consensus Economics

# SG GDP growth and inflation forecasts

	Real GDP				Inflation			
	2006	2007	2008	2009	2006	2007	2008	2009
<i>real world</i> <b>World (current \$ weights)</b>	<b>4.1</b>	<b>3.9</b>	<b>2.6</b>	<b>1.7</b>	<b>3.0</b>	<b>3.1</b>	<b>4.9</b>	<b>2.6</b>
<b>World (PPP weights)</b>	5.5	5.3	3.6	2.7	3.4	3.8	5.7	3.2
<b>Industrialised countries (PPP)</b>	2.8	2.4	1.1	0.1	2.4	2.2	3.3	1.3
<b>Emerging countries (PPP)</b>	8.3	8.3	6.8	5.9	4.5	5.5	8.6	5.4
USA	2.8	2.0	1.4	0.4	3.2	2.9	4.2	0.9
Japan	2.4	2.0	0.0	-0.5	0.1	0.0	0.4	1.1
Canada	3.1	2.7	0.6	0.0	2.0	2.2	1.5	0.6
Australia	2.9	4.2	2.5	2.5	3.5	2.3	4.5	3.0
New Zealand	1.7	3.1	0.6	1.3	3.4	2.4	4.5	3.0
<i>economists world</i>								
<b>EU 27</b>	<b>3.4</b>	<b>3.1</b>	<b>1.5</b>	<b>0.2</b>	<b>2.3</b>	<b>2.4</b>	<b>3.8</b>	<b>2.0</b>
<b>Euro zone</b>	<b>2.9</b>	<b>2.6</b>	<b>1.0</b>	<b>-0.1</b>	<b>2.2</b>	<b>2.1</b>	<b>3.4</b>	<b>1.5</b>
<i>France</i>	2.0	2.0	0.9	0.0	1.9	1.6	3.3	1.5
<i>Germany</i>	3.2	2.6	1.3	-0.2	1.8	2.3	2.8	1.0
<i>Italy</i>	1.9	1.4	0.1	-0.2	2.2	2.0	3.6	1.4
<i>Netherlands</i>	3.4	3.5	2.3	0.2	1.5	1.7	1.6	1.5
<i>Spain</i>	3.9	3.8	1.2	-0.2	3.6	2.8	4.3	1.8
Denmark	3.9	1.7	0.9	0.2	1.9	1.7	3.2	2.6
Norway	2.5	3.7	2.8	1.0	2.3	0.7	3.8	2.8
Sweden	4.0	3.0	1.5	0.8	1.4	2.2	3.7	2.5
Switzerland	3.2	3.1	1.8	0.4	1.1	0.7	2.6	1.4
UK	2.9	3.1	0.9	-0.9	2.3	2.3	3.8	2.8
<b>East. Europe</b>	<b>7.1</b>	<b>7.3</b>	<b>6.2</b>	<b>3.3</b>	<b>8.5</b>	<b>8.4</b>	<b>11.1</b>	<b>8.6</b>
Russia	7.3	8.1	7.0	3.0	9.8	9.1	13.5	11.5
Poland	6.2	6.6	5.4	4.0	1.0	2.5	4.4	3.2
Czech rep.	6.8	6.6	3.9	3.2	2.5	2.9	6.5	2.8
<b>Total Asia ex Japan</b>	<b>9.7</b>	<b>9.6</b>	<b>8.0</b>	<b>7.7</b>	<b>3.4</b>	<b>4.8</b>	<b>7.4</b>	<b>3.3</b>
China	11.6	11.5	10.3	10.5	1.5	4.8	6.5	2.0
HK	7.0	6.1	4.0	3.5	2.0	2.0	4.5	2.5
India	9.8	9.3	7.5	7.0	5.8	6.4	10.0	5.0
Indonesia	5.5	6.2	5.8	5.0	13.1	6.4	11.0	7.0
S. Korea	5.1	5.0	4.2	3.5	2.2	2.5	4.5	3.0
Malaysia	6.0	6.0	5.0	3.5	3.6	2.0	6.0	4.0
Philippines	5.0	6.9	5.0	5.0	6.3	2.8	9.5	4.0
Singapore	8.2	7.7	5.5	4.0	1.0	2.1	6.0	3.0
Taiwan	5.0	4.3	3.5	3.0	0.6	1.8	4.0	2.0
Thailand	5.0	4.0	4.5	3.0	4.6	2.2	6.0	3.0
Vietnam	8.0	8.0	6.5	5.0	7.5	8.3	24.0	12.0
<b>Latam</b>	<b>5.4</b>	<b>5.6</b>	<b>4.5</b>	<b>2.7</b>	<b>4.8</b>	<b>5.3</b>	<b>8.2</b>	<b>6.9</b>
Brazil	3.7	5.4	5.2	3.1	3.3	4.1	6.2	4.7
Mexico	5.0	3.0	2.0	1.3	3.6	4.0	5.6	4.0

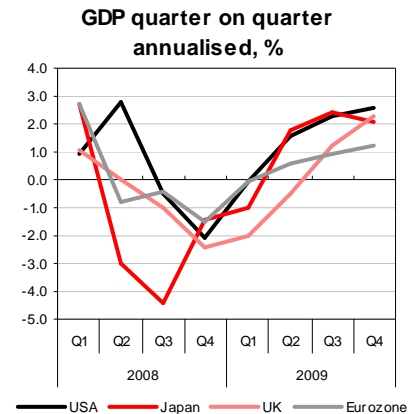
Note: Average over calendar year

Source: Datastream, SG Economic Research, Consensus Economics

# SG quarterly forecasts for major economies

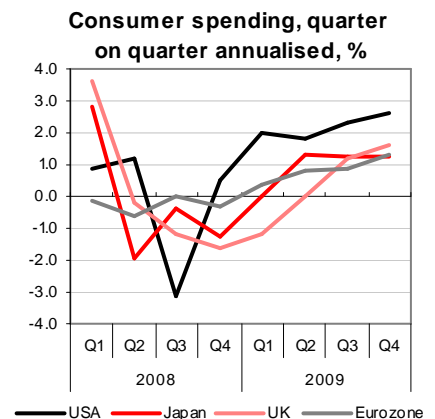
## GDP

	Q4/Q4 Y/Y%			Quarter on quarter annualised, %							
	2007	2008	2009	2008				2009			
				Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
<b>USA</b>	2.3	0.3	1.6	0.9	2.8	-0.5	-2.1	-0.1	1.6	2.3	2.6
<b>Japan</b>	1.8	-1.5	1.3	2.7	-3.0	-4.4	-1.4	-1.0	1.8	2.4	2.1
<b>UK</b>	2.9	-0.6	0.2	1.1	0.0	-1.0	-2.4	-2.0	-0.5	1.2	2.3
<b>Eurozone</b>	2.1	0.0	0.7	2.7	-0.8	-0.4	-1.5	-0.1	0.6	0.9	1.2
<b>Germany</b>	1.7	0.0	1.0	5.2	-2.0	-1.1	-2.1	0.2	1.1	1.1	1.6
<b>France</b>	2.2	-0.1	0.7	1.7	-1.3	0.2	-1.0	-0.2	0.5	0.9	1.5



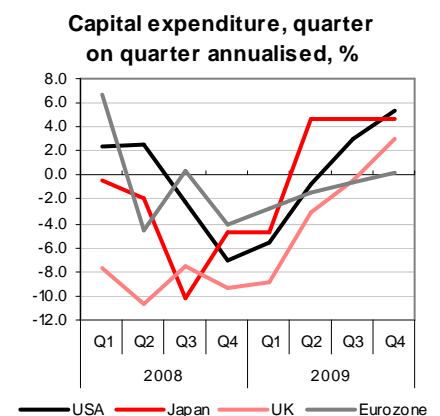
## Consumer spending

	Q4/Q4 Y/Y%			Quarter on quarter annualised, %							
	2007	2008	2009	2008				2009			
				Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
<b>USA</b>	2.2	-0.2	2.2	0.9	1.2	-3.1	0.5	2.0	1.8	2.3	2.6
<b>Japan</b>	1.2	-0.1	1.0	2.8	-2.0	-0.3	-1.3	0.0	1.3	1.3	1.3
<b>UK</b>	3.6	0.1	0.4	3.6	-0.2	-1.2	-1.6	-1.2	0.0	1.2	1.6
<b>Eurozone</b>	1.2	-0.2	0.8	-0.1	-0.6	0.0	-0.3	0.4	0.8	0.9	1.3
<b>Germany</b>	-1.3	-1.3	0.5	-1.4	-2.6	0.0	-1.2	0.0	0.4	0.8	0.8
<b>France</b>	2.8	0.2	1.2	-0.5	-0.3	1.2	0.4	0.8	1.2	1.2	1.6



## Capital expenditure

	Q4/Q4 Y/Y%			Quarter on quarter annualised, %							
	2007	2008	2009	2008				2009			
				Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
<b>USA</b>	6.4	-1.2	0.4	2.4	2.5	-2.3	-7.0	-5.5	-0.7	3.0	5.3
<b>Japan</b>	0.8	-4.2	2.4	-0.5	-1.9	-10.2	-4.7	-4.7	4.8	4.7	4.7
<b>UK</b>	3.9	-8.9	-2.5	-7.7	-10.7	-7.6	-9.4	-8.9	-3.1	-0.5	3.0
<b>Eurozone</b>	3.2	-0.6	-1.2	6.7	-4.6	0.4	-4.0	-2.8	-1.4	-0.6	0.2
<b>Germany</b>	2.6	1.2	-2.2	14.5	-7.3	4.3	-5.1	-4.2	-2.7	-1.8	0.0
<b>France</b>	3.9	-1.9	-1.2	2.8	-5.7	-1.2	-3.2	-2.5	-1.7	-0.7	0.0



# SG Central Bank rate, yield and FX forecasts

## Central Bank Rate Forecasts

		current	3 mths	6 mths	9 mths	1 yr
<b>US</b>	Fed Funds rate	1.00	0.75	0.75	0.75	0.75
<b>Canada</b>	Overnight rate	2.25	2.00	2.00	2.00	2.00
<b>Euro zone</b>	Refi rate	3.25	2.50	2.25	2.00	2.00
<b>UK</b>	Bank rate	3.00	2.00	2.00	2.00	2.00
<b>Japan</b>	Overnight call rate	0.30	0.30	0.30	0.30	0.30
<b>Australia</b>	Cash rate	5.25	5.25	5.00	5.00	5.00
<b>New Zealand</b>	Cash rate	6.50	5.75	5.50	5.25	5.00

## 10 year bond yields

	current	6 mths	1 yr
<b>US</b>	3.81	3.75	5.00
<b>Canada</b>	3.73	3.90	5.25
<b>Euro zone</b>	3.74	3.50	4.40
<b>UK</b>	4.11	3.50	4.60
<b>Japan</b>	1.50	1.50	2.00
<b>Australia</b>	5.02	4.50	6.00
<b>New Zealand</b>	5.90	5.00	6.00

## FX rates

	current	6 mths	1 yr
<b>USD per EUR</b>	1.27	1.25	1.30
<b>CAD per USD</b>	1.21	1.30	1.20
<b>GBP per EUR</b>	0.86	0.84	0.82
<b>USD per GBP</b>	1.48	1.49	1.59
<b>JPY per USD</b>	97.1	95	105
<b>USD per AUD</b>	0.65	0.60	0.70
<b>USD per NZD</b>	0.56	0.50	0.58

Source: Bloomberg, SG Economic Research

# Economic releases for week of Nov 17-21

WEEK			Period	Previous	SG Forecast	Consensus
China		Money Supply - M0 (YoY)	OCT	9.3%	na	na
		Money Supply - M1 (YoY)	OCT	9.4%	na	na
		Money Supply - M2 (YoY)	OCT	15.3%	na	na
		Wholesale Prices (YoY)	OCT	7.0%	na	na
		Germany	Import Price Index (MoM)	OCT	-1.0%	na
		Import Price Index (YoY)	OCT	7.6%	na	5.0%
<b>Monday 17-Nov-2008</b>						
			Period	Previous	SG Forecast	Consensus
00:01	China	Real Estate Climate	OCT	101.15	na	na
00:01	UK	Rightmove House Prices (MoM)	NOV	1.0%	na	na
00:01		Rightmove House Prices (YoY)	NOV	-4.9%	na	na
00:30	Australia	Retail Sales Ex Inflation (QoQ)	3Q	-0.6%	na	0.4%
06:30	France	Bank of France Bus. Sentiment	OCT	87	86	na
07:00		ECB's Ewald Nowotny, EU's Almunia Speak at Vienna Conference				
08:00	Germany	ECB's Tumpel-Gugerell Holds Speech in Frankfurt				
09:00	Norway	Trade Balance, NOK bln	OCT	26.7	na	na
10:00	Eurozone	Euro-Zone Trade Balance, EUR bln	SEP	-9.3	na	na
10:00		Euro-Zone Trade Balance s.a, EUR bln	SEP	-6.1	na	na
11:00		ECB Gives Results From Weekly Swiss Franc Currency-Swap Tender				
13:30	US	Empire Manufacturing	NOV	-24.6	-30	-27
14:00		Kansas City Fed's Hoenig to Speak on Regulation in New York				
14:15		Capacity Utilization	OCT	76.4%	na	76.4%
14:15		Industrial Production (MoM)	OCT	-2.8%	0%	-0.2%
14:30	Eurozone	ECB to Call for Bids in Regular Weekly Refinancing Operation				
23:50	Japan	Housing Loans (YoY)	3Q	3.9%	na	na
<b>Tuesday 18-Nov-2008</b>						
			Period	Previous	SG Forecast	Consensus
00:30	Australia	Reserve Bank's Board November Minutes				
05:00	Japan	Coincident Index CI	SEP F	100.8	na	na
05:00		Leading Index CI	SEP F	89.2	na	na
08:10	Germany	ECB's Tumpel-Gugerell Holds Speech in Frankfurt				
08:30	Sweden	Total Number of Employees (YoY)	3Q	2.0%	na	na
09:00	Italy	Trade Balance (Total) (Euros)	SEP	-2116	na	na
09:00		Trade Balance Eu, EUR mln	SEP	-25	na	na
09:30	UK	Core CPI (YoY)	OCT	2.2%	2.1%	2.2%
09:30		CPI (MoM)	OCT	0.5%	-0.2%	0.1%
09:30		CPI (YoY)	OCT	5.2%	4.6%	4.9%
09:30		RPI (YoY)	OCT	5.0%	na	4.6%
09:30		RPI Ex Mort Int.Payments (YoY)	OCT	5.5%	na	5.2%
10:00	Italy	Current Account, EURmln	SEP	-2886	na	na
13:30	US	PPI Ex Food & Energy (MoM)	OCT	0.4%	0.1%	0.1%
13:30		PPI Ex Food & Energy (YoY)	OCT	4.0%	na	4.0%
13:30		Producer Price Index (MoM)	OCT	-0.4%	-1.7%	-1.8%
13:30		Producer Price Index (YoY)	OCT		na	6.2%
14:00		Net Long-term TIC Flows, USD bln	SEP	14	na	na
15:00	Germany	ECB's Stark Holds Speech in Frankfurt				
15:30		ECB Council Member Liikanen Speaks in Helsinki				
15:30	UK	Speech by Tim Besley, Royal Economic Society Annual Lecture, London				
18:00	US	NAHB Housing Market Index	NOV	14	na	14
18:30	UK	ECB's Trichet Holds Speech in London				
23:50	Japan	All Industry Activity Index (MoM)	SEP	-1.8%	na	-0.1%

continued on following page ...

# Economic releases for week of Nov 17-21

<b>Wednesday 19-Nov-2008</b>			<b>Period</b>	<b>Previous</b>	<b>SG Forecast</b>	<b>Consensus</b>
08:00	Spain	GDP (Constant s.a) (QoQ)	3Q F	0.1%	-0.2%	na
08:00		GDP (Constant s.a) (YoY)	3Q F	1.8%	0.9%	na
08:30	Australia	Reserve Bank Governor Stevens Speaks in Melbourne				
09:30	UK	Minutes of Nov 6 Bank of England MPC meeting				
11:00		CBI Industrial Trends survey				
12:00	US	MBA Mortgage Applications	14-Nov	11.9%	na	na
13:30		Building Permits, K	OCT	805 R	na	775
13:30		Housing Starts, K	OCT	817	820	780
13:30		Consumer Price Index (MoM)	OCT	0.0%	-0.5%	-0.8%
13:30		Consumer Price Index (YoY)	OCT	4.9%	na	4.1%
13:30		CPI Ex Food & Energy (MoM)	OCT	0.1%	0.1%	0.2%
13:30		CPI Ex Food & Energy (YoY)	OCT	2.5%	na	2.4%
14:10		Fed's Kohn Speaks at Conference on Subprime Crisis				
18:30		Fed's Lacker Speaks at Conference on Subprime Crisis				
18:40	UK	Speech by Sir John Gieve, Institute of Contemporary European Studies, Regent's College, London				
19:00		Minutes of Oct. 28-29 FOMC Meeting				
23:50	Japan	Adjusted Merchnds Trade Bal., JPY bln	OCT	-33	na	75.5
23:50		Merchnds Trade Balance Total, JPY bln	OCT	95.1	na	71.8
<b>Thursday 20-Nov-2008</b>			<b>Period</b>	<b>Previous</b>	<b>SG Forecast</b>	<b>Consensus</b>
07:00	Germany	Producer Prices (MoM)	OCT	0.3%	-0.5%	-0.7%
07:00		Producer Prices (YoY)	OCT	8.3%	7.3%	7.2%
09:00	Italy	Industrial Orders s.a. (MoM)	SEP	-0.3%	-2.5%	-6.3%
09:00		Industrial Orders n.s.a. (YoY)	SEP	-5.2%	na	-6.4%
09:30	UK	M4 Money Supply (MoM)	OCT P	1.5%	na	0.8%
09:30		M4 Money Supply (YoY)	OCT P	12.4%	na	12.8%
09:30		Public Finances (PSNCR), GBP bln	OCT	12.6	-3	-2.8
09:30		Public Sector Net Borrowing, GBP bln	OCT	8.1	na	0.5
09:30		Retail Sales (MoM)	OCT	-0.4%	-0.2%	-0.8%
09:30		Retail Sales (YoY)	OCT	1.8%	2.1%	1.5%
12:30	India	Wholesale Price Index (YoY)	08-Nov	8.9%	na	na
13:30	US	Initial Jobless Claims	15-Nov	516	na	na
15:00		Leading Indicators	OCT	0.3%	na	-0.6%
15:00		Philadelphia Fed.	NOV	-37.5	-35	-33.6
19:00		Treasury's Paulson to Speak at Reagan Library in California				
<b>Friday 21-Nov-2008</b>			<b>Period</b>	<b>Previous</b>	<b>SG Forecast</b>	<b>Consensus</b>
	Japan	BOJ Target Rate		0.30%	na	0.30%
02:00	US	Fed's Bullard to Speak at Indiana Economic Conference				
07:45	France	Consumer Spending (MoM)	OCT	0.6%	-1.0%	na
07:45		Consumer Spending (YoY)	OCT	1.5%	0.4%	1.0%
09:00	Italy	Retail Sales s.a. (MoM)	SEP	-0.5%	-0.5%	-0.2%
09:00		Retail Sales (YoY)	SEP	-1.3%	na	-0.6%
09:00	Eurozone	PMI Manufacturing	NOV A	41.1	40.0	40.5
09:00		PMI Services	NOV A	45.8	44.4	45.2
09:00		PMI Composite	NOV A	43.6	42.3	42.5
08:55	Germany	PMI Manufacturing	NOV A	42.9	41.5	42.0
08:55		PMI Services	NOV A	48.3	46.8	47.8
08:50	France	PMI Manufacturing	NOV A	40.6	40.0	39.9
08:50		PMI Services	NOV A	47.5	46.0	46.6
11:30	Eurozone	ECB's Gonzalez-Paramo Gives Speech in Madrid				
12:00	Canada	Bank Canada CPI Core (MoM)	OCT	0.4%	na	0.0%
12:00		Bank Canada CPI Core (YoY)	OCT	1.7%	na	1.9%
12:00		Consumer Price Index (MoM)	OCT	0.1%	na	-0.2%
12:00		Consumer Price Index (YoY)	OCT	3.4%	na	3.4%
12:00	US	Fed's Lacker speaks on Financial Conditions in Maryland				
12:00		Fed's Plosser speaks about Financial Crisis in Philadelphia				
12:00		Fed's Evans speaks to Economists in Indianapolis				

Source: Datastream, SG Economic Research, Bloomberg

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