# How to Trade When You Can't Know

by Avery Shenfeld

We've met some very frustrated portfolio managers in recent weeks. Equity PMs who focus on company fundamentals, bond traders who dissect economic reports, currency specialists that can quote current account balances to the decimal place, are finding their skills devalued as political developments reign supreme. And not ones that anyone can really predict, barring perfect polling in Greece, insider data on Spanish banks, personal insights into Merkel's real bottom line agenda, and what Donald Rumsfeld called "unknown unknowns."

How to trade, then, when you can't really know?

The answer is to look for positions where the downside if you're wrong is limited relative to the upside if you're right. Take the short-end of the Canadian yield curve for example. The range of reasonable outcomes for the Bank of Canada runs from no hikes over the next 12 months if events force Carney to change his mind, to say 75 bps of tightening if he carries through on his intention to deliver a "modest" dose of rate hikes.

As of today, a 1-year OIS contract trades at only 0.995%, leaving no downside for a short position if Carney doesn't ease, and plenty of upside if the central bank tightens. Even as skeptics on the need for rate hikes, we'd take that bet, or the equivalent short position in 2-year bonds.

In foreign exchange, short euro positions, while already well in the black, look to be worth retaining. In a disastrous, chaotic outcome for Europe, there would be massive euro downside as money fled the region. Parity can't be ruled out, for example. But remember that when Europe looked safer, after the initial pre-LTRO enthusiasm, dollar-euro sat at only 1.35. A return to that level would, of course, put short euro positions in the red, but the overall loss still pales to the potential gain.

To a much lesser extent, shorting the Canadian dollar against the greenback also shares that feature. When oil was still firm, and the market was pricing in nearly 75 bps of Bank of Canada rate hikes by Q1 2013, the C$ was only 2-3 cents stronger than parity, and it might tack on a couple of cents beyond that on an actual delivery of a hike. But if China fails to engineer a turn, Europe's recession deepens, and the bank of Canada stays on hold, the C$ could easily slip more sharply. While it will outperform the euro and the A$, it could still weaken substantially against the US$ if things get ugly.

In equities, it's not as easy to find such asymmetric trades. We're going to need more panic selling to be confident in making big long position bets. Yes, cyclical resource stocks have pulled back aggressively, but it's not clear that their room to rebound on good news really dwarfs the downside risk. CIBC's commodities strategist, for example, sees a sell-off in crude oil taking WTI down to the mid-$80s, hardly good news for related equities.

Safe-haven stocks, in contrast, don't have a lot of upside if things go well, given the multiples they have been bid to, and safe-haven government bonds are at risk of a big sell-off if a crisis is averted. Sometimes, when you can't know what's going to happen next, staying close to benchmarks is the only answer.

## Economics

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*"The answer is to look for positions where the downside if you're wrong is limited relative to the upside if you're right."*

***http://research.cibcwm.com/res/Eco/EcoResearch.html***

# Week Ahead Calendar And Forecast

## CANADA

| Day | Event | Period | Significance | CIBC | Consensus | Prior |
|---|---|---|---|---|---|---|
| Monday May 28 | | | | | | |
| Tuesday May 29 | | | | | | |
| Wednesday May 30 | **AUCTION: 30-YR RRB $700MM** | | | | | |
| | **8:30 AM** | | | | | |
| | INDUSTRIAL PROD. PRICES M/M | (Apr) | (M) | | 0.1% | 0.2% |
| | RAW MATERIALS M/M | (Apr) | (M) | | | -1.6% |
| Thursday May 31 | **8:30 AM** | | | | | |
| | CURRENT ACCOUNT | (Q1) | (H) | **-$11.1B** | -$10.8B | -$10.3B |
| Friday June 1 | **8:30 AM** | | | | | |
| | GDP (annualized) | (Q1) | (H) | **1.7%** | 1.8% | 1.8% |
| | GDP M/M | (Jun) | (H) | **0.4%** | 0.3% | -0.2% |

## UNITED STATES

| Day | Event | Period | Significance | CIBC | Consensus | Prior |
|---|---|---|---|---|---|---|
| Monday May 28 | **MEMORIAL DAY (Markets Closed)** | | | | | |
| Tuesday May 29 | **AUCTION: 4-WEEK BILLS $30B (prev)** | | | | | |
| | **AUCTION: 3-M BILLS $30B, 6-M BILLS $27B** | | | | | |
| | **9:00 AM** | | | | | |
| | S&P CASE SHILLER INDEX | (Mar) | (H) | | | 134.2 |
| | S&P CASE SHILLER Y/Y | (Mar) | (H) | | -2.7% | -3.5% |
| | **10:00 AM** | | | | | |
| | CONF.BOARD CONSUMER CONFIDENCE | (May) | (H) | | 69.5 | 69.2 |
| Wednesday May 30 | **AUCTION: 52-WEEK BILLS $25B** | | | | | |
| | **AUCTION: 4-WEEK BILLS $30B (prev)** | | | | | |
| | **7:00 AM** | | | | | |
| | MBA-APPLICATIONS | May-25 | (L) | | | 3.8% |
| | **10:00 AM** | | | | | |
| | PENDING HOME SALES M/M | (Apr) | (M) | | -0.1% | 4.1% |
| | Speaker: 4:30 PM Eric Rosengren (Boston) | | | | | |
| | Speaker: 1:30 PM William C. Dudley (New York, Vice Chairman) | | | | | |
| | Speaker: 1:20 PM Richard W. Fisher (Dallas) | | | | | |
| Thursday May 31 | **8:15 AM** | | | | | |
| | ADP EMPLOYMENT CHANGE | (May) | (M) | | 135K | 119K |
| | **8:30 AM** | | | | | |
| | CONTINUING CLAIMS | May-19 | (L) | | | 3260K |
| | INITIAL CLAIMS | May-26 | (H) | | 370K | 370K |
| | GDP (annualized) | (Q1 P) | (H) | **2.1%** | 1.9% | 2.2% |
| | GDP DEFLATOR (annualized) | (Q1 P) | (H) | | 1.5% | 1.5% |
| | **9:45 AM** | | | | | |
| | CHICAGO PMI | (May) | (M) | | 57.0 | 56.2 |
| | ICSC CHAIN STORE SALES Y/Y | (May) | (L) | | | 0.6% |
| | Speaker: 8:00 AM Sandra Pianalto (Cleveland) | | | | | |
| Friday June 1 | **8:30 AM** | | | | | |
| | NON-FARM PAYROLLS | (May) | (H) | **140K** | 150K | 115K |
| | UNEMPLOYMENT RATE | (May) | (H) | **8.1%** | 8.1% | 8.1% |
| | AVERAGE HOURLY EARNINGS ALL EMPLOYEES | (May) | (H) | **0.2%** | 0.2% | 0.0% |
| | AVERAGE WEEKLY HOURS ALL EMPLOYEES | (May) | (H) | **34.5** | 34.5 | 34.5 |
| | MANUFACTURING PAYROLLS | (May) | (H) | | 15K | 16K |
| | PCE DEFLATOR Y/Y | (Apr) | (H) | | 1.9% | 2.1% |
| | PCE DEFLATOR Y/Y (core) | (Apr) | (H) | | 2.0% | 2.0% |
| | PERSONAL INCOME M/M | (Apr) | (M) | **0.3%** | 0.3% | 0.4% |
| | PERSONAL SPENDING M/M | (Apr) | (M) | **0.3%** | 0.3% | 0.3% |
| | **8:58 AM** | | | | | |
| | MARKIT US PMI FINAL | (May) | | | | 53.9 |
| | **10:00 AM** | | | | | |
| | CONSTRUCTION SPENDING M/M | (Apr) | (M) | | 0.4% | 0.1% |
| | ISM - MANUFACTURING | (May) | (H) | **53.8** | 54.0 | 54.8 |
| | **5:00 PM** | | | | | |
| | NEW VEHICLE SALES | (May) | (M) | | 14.4M | 14.4M |

**H, M, L = High, Medium or Low Significance** **SAAR = Seasonally Adjusted Annual Rate** **Consensus Source: Bloomberg**

## Week Ahead's Market Call

by Avery Shenfeld

**In the US**, markets will still be closely eyeing European news, but developments closer to home should have some sway. Payrolls can always surprise, but our call in this case isn't too far from consensus expectations. After one series showed monthly house price gains, markets will be checking for confirmation in the more widely watched Case-Shiller measure. April spending should show modest momentum in nominal terms, but will be stronger in real terms since the CPI showed a monthly drop in goods prices that month.

**In Canada**, we're a tick above consensus for March GDP, but more cautious on Q1 growth. The March gain might be more critical, as it gives a nice handoff for Q2 and, alongside March-April jobs gains, suggests a brighter quarter ahead. Not that markets are looking much at Canadian developments these days.

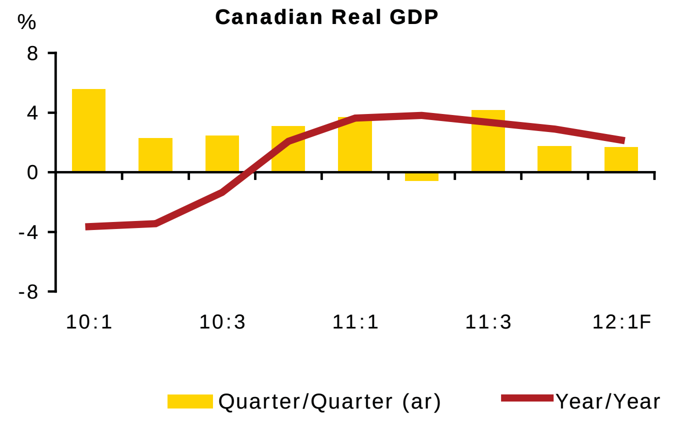
## Week Ahead's Key Canadian Number:

### Real GDP—Q1

(Friday, 8:30 a.m.)

Emanuella Enenajor (416) 956-6527

| | CIBC | Mkt | Prior |
|---|---|---|---|
| Q1 Real GDP (q/q % ch, saar) | 1.7% | 1.8% | 1.8% |
| Mar GDP (m/m % ch, sa) | 0.4% | 0.3% | -0.2% |




Source: Statistics Canada, CIBC

2012 likely got off to a stumbling start, with growth in the first quarter set to track an anemic 1.7%. Exports sped up, but that owed to a healthy December handoff, as in-quarter monthly growth proved feeble. Imports should have risen by a slightly softer margin than exports, with some purchases going into accelerated inventory re-stocking. Near-flat retail sales volumes suggest that consumer spending was shabby, while tame machinery and equipment purchases from abroad point to a meager contribution to growth from business investment.

The government probably didn't lend much of a helping hand, as falling public admin positions in the Labour Force Survey suggest spending restraint was well under way. But homebuilding could have made a splash in an otherwise listless pool of economic data, as the period's housing starts and rising construction employment point to healthy momentum in that sector.

Despite the drab reading for the quarter as a whole, March GDP could have risen by 0.4%. Bustling factories and re-opened mines likely drove the action, with robust construction, foreshadowed by rising builder ranks and housing starts, also supportive. While coker problems at an oil sands site may have dented energy output, those woes were likely outshone by warm temperatures that boosted fortunes for retailers and other sectors such as arts/entertainment/ recreation, accommodation/food services and info/cultural.

**Forecast Implications**—In Q1, the economy didn't do quite as well as the Bank of Canada's anticipated 2.5% forecast. But a healthy handoff of 0.4% in March and big job gains in March-April, could set Q2 up to top a 3% pace.

**Market Impact**—We are below consensus on the quarter, but above consensus on March GDP—limiting market reaction if we're right.

## Other Canadian Releases:

### Current Account Balance—Q1

(Thursday, 8:30 a.m.)

With Canada's widest measure of trade set to register an $11.1bn deficit (2.5% of GDP) it's clear that the loonie was propped up solely by continued capital inflows in the first quarter. The deterioration in Canada's Q1 current account balance was driven almost entirely by a weaker goods trade balance. Vehicle exports slowed measurably, with resource-related production outages denting shipments abroad. An appreciating loonie likely held back C$-denominated foreign income receipts, while increasing numbers of outbound trips during the quarter may have contributed to a wider travel/services deficit.

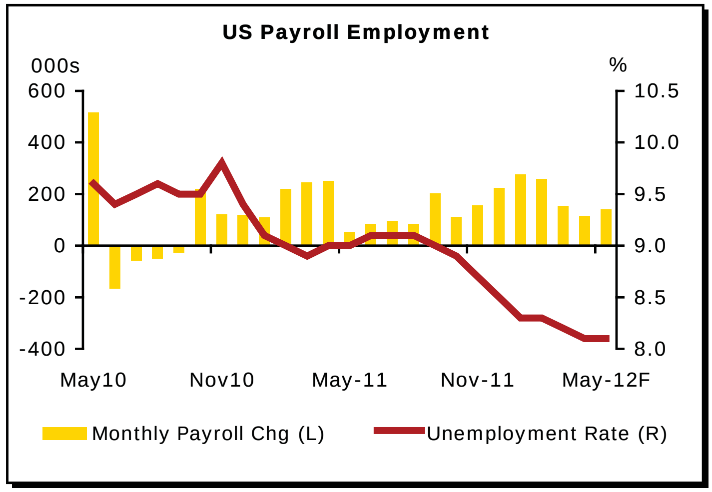
## Week Ahead's Key US Number:

**Employment Situation—May**

(Friday, 8:30 a.m.)

Andrew Grantham (416) 956-3219

| | CIBC | Mkt | Prior |
|---|---|---|---|
| Employment (change) | 140K | 150K | 115K |
| Unemployment rate | 8.1% | 8.1% | 8.1% |




Spring has certainly not sprung the US labour market back to full bloom. Quite the opposite in fact, with April's increase in payrolls once again disappointing expectations —the 115K advance paling in comparison to the 200K+ readings over the winter. While an improvement in initial claims compared with April suggests a pick-up in net hiring during May, the increase in payrolls will likely remain much more modest than we saw earlier in the year. It should though, be enough to keep the unemployment rate at 8.1% unless there is a significant change in labour force participation.

Manufacturers should have added to their payrolls again in May, although judging from recent business surveys maybe not at the same pace as in prior months. Retail sector employment should continue to rebound following a couple of weak months in February/March, while construction payrolls could pick up modestly in-line with improved builder confidence. Against these, leisure and hospitality could see further weakness as the mild winter weather shifted staffing intakes earlier in the year.

**Forecast Implications**—A slight improvement in May's payrolls will do little to alter the impression that hiring in the US economy has slowed noticeably since the winter. Job gains of this magnitude are consistent with the more moderate GDP growth of Q1, rather than the strong advance of Q411.

**Market Impact**—Our call for US payrolls is a touch below the current consensus, and so could prove a modest negative for stocks, positive for fixed income.

## Other US Releases:

**Personal Income and Outlays—April**

(Friday, 8:30 a.m.)

While April's retail sales disappointed, much of this was due to weakness in building materials, which maps onto GDP through investment rather than consumer spending. Therefore, spending should still have posted a decent 0.3% advance. Wage growth continues to be supplemented by higher rental income, and should see income growth matching the 0.3% rise in spending.

**ISM Manufacturing—May**

(Friday, 10:00 a.m.)

After posting a surprise increase to 54.8 in the prior month, we expect that the ISM will give back most of that gain in May, slipping to 53.8. While the trend in regional surveys has certainly not been one-way traffic, most have pointed to weaker growth in the sector. Moreover, the new flash manufacturing PMI by Markit lost slightly over two points during the month.

# Equity Insights

Peter Buchanan

## Improved Bank Results Help Lift TSX Earnings

The TSX earnings season entered the home stretch this week with results from three of the banks, with the remainder due in coming days. While the good news may not continue given headwinds, like slower consumer credit demand, Bloomberg figures point to earnings growth of 15.6% on the year in the quarter for the sector, taking analysts' median estimate for as-yet unreported institutions. That's nearly 10%-pts stronger than the group's performance in the previous quarter. Earnings for the Composite as a whole are now expected to be up by 7.8% on the year, on the back of solid gains in both the financial and industrial sectors, also topping earlier expectations.

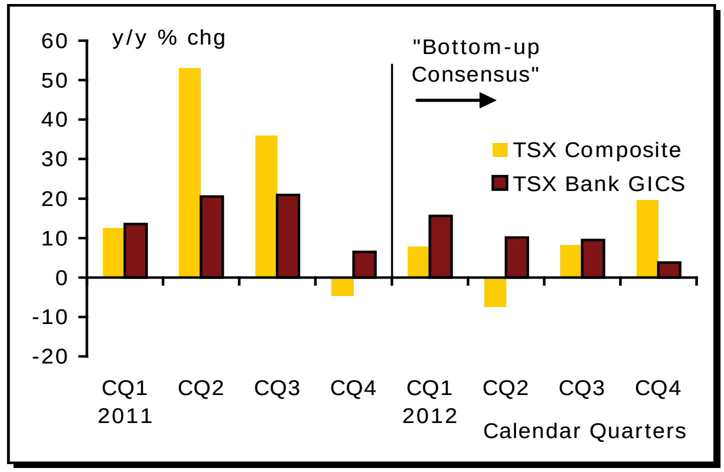
## Equity Market Correlations Point to Broader Eurozone Risks

China and the Eurozone's problems continue clearly to draw investors' closest attention. While a more extensive analysis would be needed the fully gauge the broader consequences of developments in both areas, a glance at historical equity correlations is nonetheless informative. The TSX Composite has shown a somewhat lower correlation with the Eurostoxx 50, comprised of leading Eurozone-headquartered companies, than benchmarks in the US and UK, surpassing the Nikkei. What is striking, though, is the relatively high correlation with Europe of even the laggards on the list. A Greek exit or broader Eurozone shake-up could thus deliver a pronounced jolt to markets elsewhere, though there might be variation between countries. Compared to high European-foreign market correlations, stocks in China still appear to march very much to a domestic beat. That's another reason for thinking the largest risk to global investors emanates from softer growth there rather than equity volatility.

## China's Commodity Imports Slow as Growth Cools

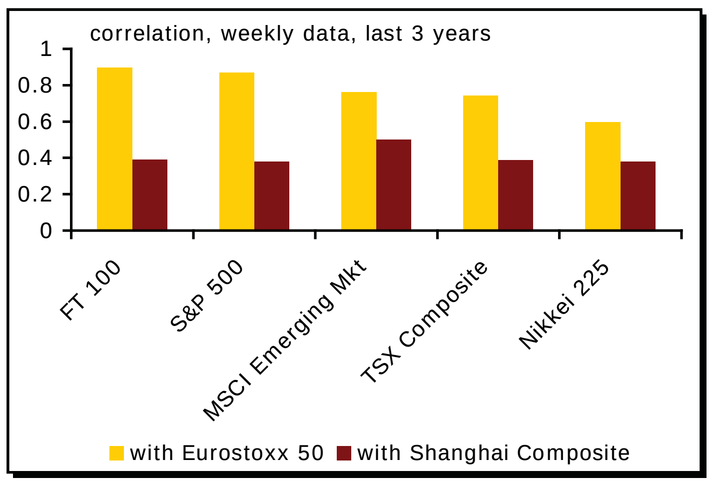
Data through April show a measurable downshift in China's imports of some Canadian-produced commodities, as the economy there cools. With the declines of the last two months, copper and petroleum imports are down by nearly 25% and about 5-6% from their recent monthly highs. China's demand weight is such that even a modest downshift can cool commodity markets and Thursday's soft flash PMI and a rumoured weak May new loan figure are reasons for remaining circumspect about resources in general for now.

**TSX Composite and Bank Earnings, Historical and Consensus**

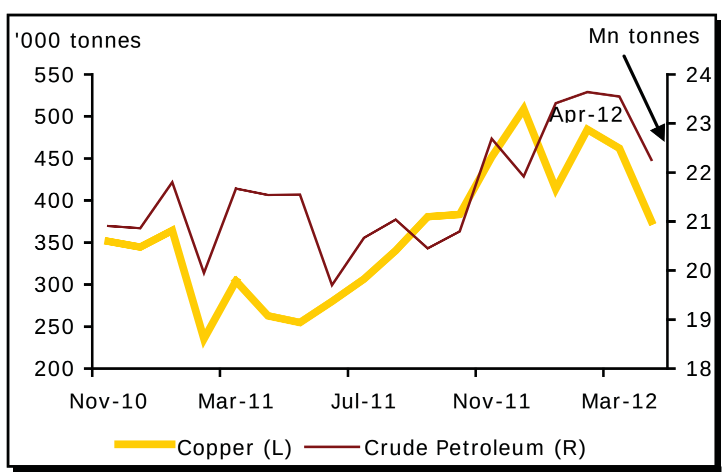



*Source: Bloomberg a/o May 25*

**Key Benchmarks Strongly Correlated with Eurozone, Less With China**




**Slowing Growth Crimping China's Commodity Imports**




*Source: Bloomberg, CIBC*

# Currency Currents

Andrew Grantham and Emanuella Enenajor

## Fundamental Reasons for CADAUD Outperformance

Both the CAD and AUD have taken a beating in the past month, on falling commodity prices and diminished prospects for global growth. We see downside to AUDCAD in the quarters ahead, owing to further unwinding of bullish AUD positioning on slowing Chinese growth, and to relative underperformance of Australia's economy. Australia's falling house prices and shrinking homebuilding sector has weighed on growth, while once booming hiring has devolved into a part-time recovery. Contrast that with Canada's robust full-time hiring boom. While both commodity-exporting economies share the pain of falling resource prices, Australia's domestic woes should add to downside for AUDCAD in the months ahead.

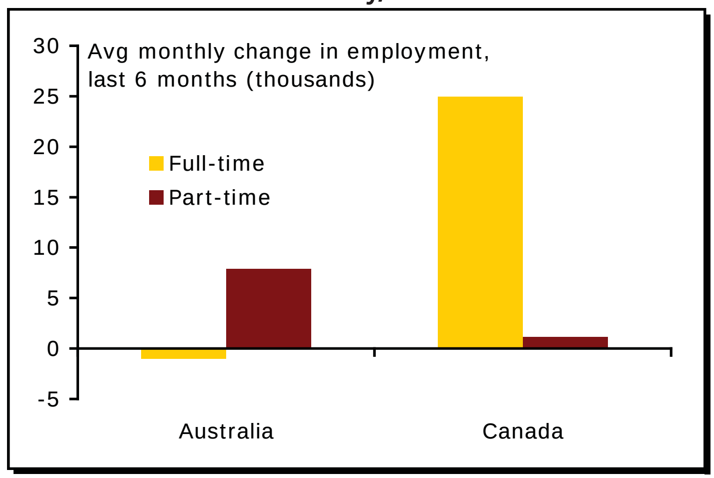
## *Young Pretender* Confirms Relative US Strength

A new participant entered the growing pool of US business surveys this week, as Markit launched their US manufacturing PMI. It means for the first time it is possible to directly compare survey results for China, the Eurozone, and other major economies with those of the US. Doing so highlights the relative strength of US manufacturing at present, despite the two-point decline in headline index reported for May. Not only is the level of the US PMI high relative to others, it does not show the same declines compared with 2011 averages. With growth in US manufacturing holding up better than other areas of the globe, this supports a bullish near-term US$ stance.

## Eurozone Now Sharing in the Pain

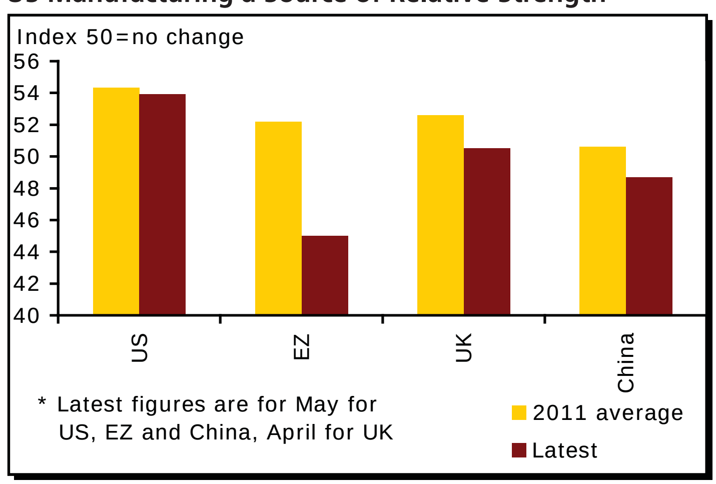
Peripheral countries may be facing the greatest fiscal pain, but figures released this week show that the economies of Germany and France are not escaping unscathed. The detail of German GDP confirmed that other countries did its heavy lifting in Q1, with domestic demand contracting for the first time in more than two years. Meanwhile, flash manufacturing PMI data showed weakening trends for France and Germany, bringing them back in-line with the Eurozone average after a lengthy period of relative out-performance. Finally, the current conditions component of the German IFO suffered its sharpest one-month fall since the 2008/9 recession. As a Eurozone recession persists and broadens, expect further euro downside.

**Australia's Part-time Recovery, Canada's Full-time Boom**



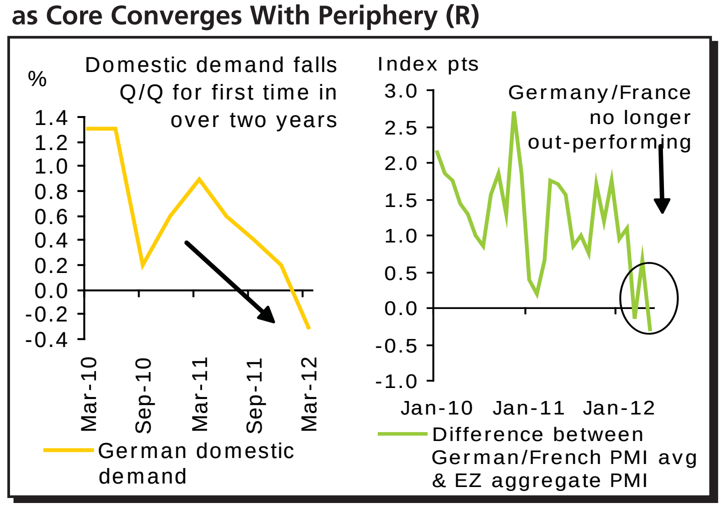

*Source: Australian bureau of Statistics, Statistics Canada*

**US Manufacturing a Source of Relative Strength**




*Source: Statistics: Markit, CIPS, HSBC, CIBC*

**German Domestic Economy Suffering (L), as Core Converges With Periphery (R)**




*Source: FSO, Markit, CIBC*

# CANADIAN RELEASE AND EVENT DATES
# May/June 2012

## Monday 21

VICTORIA DAY
(HOLIDAY)
(Markets Closed)

## Tuesday 22

## Wednesday 23

**RETAIL TRADE**
8:30 AM (Current$)

| | M | Y |
|---|---|---|
| JAN | 0.2 | 4.8 |
| FEB | -0.2 | 4.0 |
| MAR | 0.4 | 4.1 |

**LEADING INDICATOR**
8:30 AM

## Thursday 24

**QUARTERLY FINANCIAL STATISTICS**
8:30 AM

## Friday 25

## Monday 28

## Tuesday 29

## Wednesday 30

**INDUSTRIAL PRICES**
8:30 AM

| | M (NSA) | Y |
|---|---|---|
| FEB | 0.3 | 1.7 |
| MAR | 0.2 | 0.9 |
| APR | | |

## Thursday 31

**BALANCE OF INT'L PAYMENTS**
8:30 AM CURR. ACCT. BAL.

| | $BN(QR) | $BN(AR) |
|---|---|---|
| 11:Q3 | -12.3 | -49.3 |
| 11:Q4 | -10.3 | -41.3 |
| 12:Q1 | | |

**PAYROLL EMPLOYMENT, EARNINGS & HOURS**
8:30 AM

## Friday 1

**NATIONAL ACCOUNTS**
8:30 AM

| | REAL GDP %ch AR | PRICE DEFLATOR %ch AR |
|---|---|---|
| 11:Q3 | 4.2 | 1.3 |
| 11:Q4 | 1.8 | 4.5 |
| 12:Q1 | | |

**GDP BY INDUSTRY**
8:30 AM (2002$)

| | GDP M | IND.PROD. M |
|---|---|---|
| JAN | 0.1 | 0.1 |
| FEB | -0.2 | -1.4 |
| MAR | | |

## Monday 4

## Tuesday 5

**INTERNATIONAL RESERVES**
8:15 AM

| | $BN CHANGE | $BN LEVEL |
|---|---|---|
| MAR | -0.445 | 69.4 |
| APR | 0.194 | 69.5 |
| MAY | | |

**BUILDING PERMITS ($)**
8:30 AM

| | M (RES) | M (NON-RES) |
|---|---|---|
| FEB | -5.7 | 37.7 |
| MAR | -1.3 | 13.9 |
| APR | | |

**Bank of Canada Interest Rate Announcement**

## Wednesday 6

## Thursday 7

**IVEY PURCHASING MANAGERS' INDEX**
10:00 AM

## Friday 8

**HOUSING STARTS**
8:15 AM 000's (AR)

| | TOTAL | SINGLES |
|---|---|---|
| MAR | 215 | 67 |
| APR | 245 | 68 |
| MAY | | |

**LABOUR FORCE SURVEY**
8:30 AM

| | EMPLOY (HSHOLD) M | EMPLOY (HSHOLD) Y | UNEMP RATE % | AVG HRLY EARN Y |
|---|---|---|---|---|
| MAR | 0.5 | 1.1 | 7.2 | 2.5 |
| APR | 0.3 | 1.2 | 7.3 | 0.0 |
| MAY | | | | |

**MERCHANDISE TRADE**
8:30 AM

| | $MN | 12 MO. BALANCE |
|---|---|---|
| FEB | 273 | 3,162 |
| MAR | 352 | 3,764 |
| APR | | |

**LABOUR PRODUCTIVITY**
8:30 AM

## Monday 11

**Bank of Canada Governor Carney speaks at Montreal Conference at 1:45 PM ET**

## Tuesday 12

## Wednesday 13

## Thursday 14

**CAPACITY UTILIZATION**
8:30 AM LEVEL (%)

| | TOTAL | MANUF. |
|---|---|---|
| 11:Q3 | 80.0 | 79.0 |
| 11:Q4 | 80.5 | 80.4 |
| 12:q1 | | |

**NEW HOUSING PRICE INDEX**
8:30 AM

## Friday 15

**SURVEY OF MANUFACTURING**
8:30 AM SHIPMENTS

| | M | Y |
|---|---|---|
| FEB | -0.2 | 5.5 |
| MAR | 1.9 | 5.9 |
| APR | | |

**WAGE SETTLEMENTS**
10:00 AM (%)

| | PVT. | PUB. | TOT. |
|---|---|---|---|
| FEB | 2.6 | 1.7 | 1.8 |
| MAR | 3.1 | 1.3 | 1.6 |
| APR | | | |

## Monday 18

**INT'L TRANSACTIONS IN SECURITIES C$BN, NET**
8:30 AM

| | BONDS | MONEY MARKET | STOCKS | TOT |
|---|---|---|---|---|
| FEB | 13.7 | -1.6 | 0.4 | 12.5 |
| MAR | -0.9 | -1.5 | 0.3 | -2.1 |
| APR | | | | |

## Tuesday 19

**WHOLESALE TRADE**
8:30 AM

## Wednesday 20

## Thursday 21

**RETAIL TRADE**
8:30 AM (Current$)

| | M | Y |
|---|---|---|
| FEB | -0.2 | 4.0 |
| MAR | 0.4 | 4.1 |
| APR | | |

**LEADING INDICATOR**
8:30 AM

**Bank of Canada Gov. Carney speaks at Halifax Conference at 12:55 PM ET**

## Friday 22

**CONSUMER PRICE INDEX**
8:30 AM

| | M (NSA) | Y |
|---|---|---|
| MAR | 0.4 | 1.9 |
| APR | 0.4 | 2.0 |
| MAY | | |

All data seasonally adjusted except where noted "NSA". M: per cent change from previous month. Q: per cent change from previous quarter at annual rates. Y: per cent change from year earlier. AR: Annual Rate. YTD: Year to date. Release dates are provided by sources outside CIBC World Markets Inc. Dates are subject to change. Sources for historical data: Statistics Canada, CMHC, Human Resources Development Canada and the Bank of Canada.

# U.S. RELEASE AND EVENT DATES
# May/June 2012

## Week of May 21

**MONDAY 21**

**TUESDAY 22**

**EXISTING HOME SALES**
10:00 AM

*2-Yr NOTE AUCTION*
*BOT (9:00) REDBOOK (8:55)*

**WEDNESDAY 23**

**NEW HOME SALES**
10:00 AM

*5-Yr NOTE AUCTION*

**THURSDAY 24**

**DURABLE GOODS ORDERS**

| 8:30 AM | M | Y |
|---|---|---|
| FEB | 2.0 | 14.3 |
| MAR | -3.7 | 1.8 |
| APR | 0.2 | 6.9 |

*7-Yr NOTE AUCTION*
*INITIAL JOBLESS CLAIMS (8:30)*

**FRIDAY 25**

**MICHIGAN SENTIMENT (F)**
9:55 AM

## Week of May 28

**MONDAY 28**

MEMORIAL DAY
(HOLIDAY)
(Markets Closed)

**TUESDAY 29**

**S&P/CASE-SHILLER HOUSE PRICE INDEX**
9:00 AM

**CONSUMER CONFIDENCE**
10:00 AM

**WEDNESDAY 30**

*BOT (9:00) REDBOOK (8:55)*

**THURSDAY 31**

**ADP SURVEY**
8:15 AM

**GDP**

| 8:30 AM (AR) | REAL GDP | IMPLICIT DEFLATOR |
|---|---|---|
| 11:Q4(F) | 3.0 | 0.8 |
| 12:Q1(A) | 2.2 | 1.5 |
| 12:Q1(P) | | |

**CORPORATE PROFITS**
8:30 AM

**CHICAGO PMI**
9:45 AM

*2,5,7-Yr NOTE SETTLEMENT*

*INITIAL JOBLESS CLAIMS (8:30)*

**FRIDAY 1**

**EMPLOY.SITUATION**

| 8:30 AM (000s) | NON-FARM PAYROLL M | CIV UNEMP RATE % | AVG HRLY EARN Y |
|---|---|---|---|
| MAR | 154 | 8.2 | 1.8 |
| APR | 115 | 8.1 | 1.7 |
| MAY | | | |

**PERS. INC & OUTLAYS**

| 8:30 AM | INCOME M | CONS M | SAVING RATE AR |
|---|---|---|---|
| FEB | 0.3 | 0.9 | 3.7 |
| MAR | 0.4 | 0.3 | 3.8 |
| APR | | | |

**ISM MFG SURVEY**

| 10:00 AM | COMP. INDEX | PRICES INDEX |
|---|---|---|
| MAR | 53.4 | 61.0 |
| APR | 54.8 | 61.0 |
| MAY | | |

**LIGHT VEHICLES**

| | SALES MIL (AR) | Y |
|---|---|---|
| MAR | 14.315 | 9.9 |
| APR | 14.371 | 9.4 |
| MAY | | |

## Week of June 4

**MONDAY 4**

**FACTORY ORDERS**

| 10:00 AM | M(SA) | Y(NSA) |
|---|---|---|
| FEB | 1.1 | 8.8 |
| MAR | -1.5 | 3.3 |
| APR | | |

**TUESDAY 5**

**ISM NON-MFG SURVEY**
10:00 AM

*BOT (9:00) REDBOOK (8:55)*

**WEDNESDAY 6**

**NON-FARM PRODUCTIVITY**

| 8:30 AM | Q/Q (AR) | Y/Y |
|---|---|---|
| 11:Q4 (R) | 1.2 | 0.4 |
| 12:Q1 (P) | -0.5 | 0.5 |
| 12:Q1 (R) | | |

**Beige Book**

**THURSDAY 7**

**CONSUMER CREDIT**
3:00PM

*3,10-Yr NOTE ANNOUNCEMENT*
*30-Yr BOND ANNOUNCEMENT*
*INITIAL JOBLESS CLAIMS (8:30)*

**FRIDAY 8**

**GOODS & SERV. BALANCE (BOP) $B**

| 8:30 AM | GDS | SERV | TOT |
|---|---|---|---|
| FEB | -61.1 | 15.7 | -45.4 |
| MAR | -67.6 | 15.8 | -51.8 |
| APR | | | |

## Week of June 11

**MONDAY 11**

**TUESDAY 12**

**TREASURY BUDGET**
2:00 PM

*3-Yr NOTE AUCTION*
*BOT (9:00) REDBOOK (8:55)*

**WEDNESDAY 13**

**RETAIL SALES**

| 8:30 AM | M | Y |
|---|---|---|
| MAR | 0.7 | 6.6 |
| APR | 0.1 | 6.4 |
| MAY | | |

**PRODUCER PRICE INDEX**

| 8:30 AM | M (SA) | Y (NSA) |
|---|---|---|
| MAR | 0.0 | 2.8 |
| APR | -0.2 | 1.9 |
| MAY | | |

**BUSINESS INVENTORIES**
10:00 AM

*10-Yr NOTE AUCTION*

**THURSDAY 14**

**CPI**

| 8:30 AM | M(SA) | Y (NSA) |
|---|---|---|
| MAR | 0.3 | 2.7 |
| APR | 0.0 | 2.3 |
| MAY | | |

**CURR ACCT BAL.**
8:30 AM

**MONEY SUPPLY M-2**

| 4:30 PM | M | Y |
|---|---|---|
| MAR | 0.3 | 9.8 |
| APR | 0.4 | 9.8 |
| MAY | | |

*30-Yr BOND AUCTION*
*INITIAL JOBLESS CLAIMS (8:30)*

**FRIDAY 15**

**NET CAPITAL INFLOWS TICS**
9:00 AM

**CAPACITY UTIL/IND. PROD.**

| 9:15 AM | LEV | M | Y |
|---|---|---|---|
| MAR | 78.4 | -0.6 | 3.5 |
| APR | 79.2 | 1.1 | 5.2 |
| MAY | | | |

**MICHIGAN SENTIMENT (P)**
9:55 AM

*3,10-Yr NOTE SETTLEMENT*
*30-Yr BOND SETTLEMENT*

## Week of June 18

**MONDAY 18**

**TUESDAY 19**

**HOUSING STARTS**

| 8:30 AM | MIL (AR) | M |
|---|---|---|
| FEB | 0.718 | -3.0 |
| MAR | 0.699 | -2.6 |
| APR | 0.717 | 2.6 |

**FOMC Meeting Begins**

*BOT (9:00) REDBOOK (8:55)*

**WEDNESDAY 20**

**FOMC Rate Decision**

**THURSDAY 21**

**EXISTING HOME SALES**
10:00 AM

**PHILADELPHIA FED INDEX**
10:00 AM

**LEADING INDICATOR**
10:00 AM

*2,5,7-Yr NOTE ANNOUNCEMENT*

*INITIAL JOBLESS CLAIMS (8:30)*

**FRIDAY 22**

All data seasonally adjusted except where noted "NSA". M: per cent change from previous month. Q: per cent change from previous quarter at annual rates. Y: per cent change from year earlier. AR: Annual Rate. YTD: Year to date. Release dates are provided by sources outside CIBC World Markets inc. Dates are subject to change. Sources for historical data: U.S. Department of Commerce, U.S. Department of Labor and U.S. Federal Reserve Board.