



# Weekly Economic Indicators - U.S. and Canada

For the week of July 26, 2010 (Market calls are as of July 22, 2010)

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## Monday July 26

### U.S. Economic Data and Events

Time	Release		RBC Call	Market Call	Prior Read
8:30	Chicago Fed Nat Activity Index	JUN	n/a	n/a	0.21
10:00	New Home Sales	JUN	280K	320K	300K
10:00	New Home Sales MoM	JUN	n/a	6.7%	-32.7%
10:30	Dallas Fed Manf. Activity	JUL	n/a	n/a	-4.0%
12:00	Treasury's Brainard Delivers Address in Washington				

### Canadian Economic Data and Events

Time	Release		RBC Call	Market Call	Prior Read
No releases scheduled					

## Tuesday July 27

### U.S. Economic Data and Events

Time	Release		RBC Call	Market Call	Prior Read
9:00	S&P/CaseShiller Home Price Ind	MAY	n/a	n/a	144.56
9:00	S&P/CS 20 City MoM% SA	MAY	n/a	0.00%	0.44%
9:00	S&P/CS Composite-20 YoY	MAY	n/a	3.73%	3.81%
10:00	Richmond Fed Manufact. Index	JUL	n/a	n/a	23
10:00	Consumer Confidence	JUL	54.0	52.0	52.9
17:00	ABC Consumer Confidence	25-Jul	n/a	n/a	-45

### Canadian Economic Data and Events

Time	Release		RBC Call	Market Call	Prior Read
No releases scheduled					

## Wednesday July 28

### U.S. Economic Data and Events

Time	Release		RBC Call	Market Call	Prior Read
7:00	MBA Mortgage Applications	23-Jul	n/a	n/a	7.6%
8:30	Durable Goods Orders	JUN	2.3%	0.7%	-0.6%
8:30	Durables Ex Transportation	JUN	0.5%	0.5%	1.6%
14:00	Fed Releases Beige Book Economic Report				

### Canadian Economic Data and Events

Time	Release		RBC Call	Market Call	Prior Read
No releases scheduled					

## **Thursday July 29**

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

<u>Time</u>	<u>Release</u>		<u>RBC Call</u>	<u>Market Call</u>	<u>Prior Read</u>
8:30	Initial Jobless Claims	24-Jul	480K	n/a	464K
8:30	Continuing Claims	17-Jul	n/a	n/a	4487K

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

<u>Time</u>	<u>Release</u>		<u>RBC Call</u>	<u>Market Call</u>	<u>Prior Read</u>
8:30	Industrial Product Price MoM	JUN	n/a	n/a	0.3%
8:30	Raw Materials Price Index MoM	JUN	n/a	n/a	-7.2%

## **Friday July 30**

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

<u>Time</u>	<u>Release</u>		<u>RBC Call</u>	<u>Market Call</u>	<u>Prior Read</u>
8:30	GDP QoQ (Annualized)	2Q A	2.5%	2.5%	2.7%
8:30	Personal Consumption	2Q A	2.4%	2.3%	3.0%
8:30	GDP Price Index	2Q A	n/a	1.1%	1.1%
8:30	Core PCE QoQ	2Q A	n/a	1.0%	0.7%
8:30	Employment Cost Index	2Q	n/a	0.5%	0.6%
9:45	Chicago Purchasing Manager	JUL	56.0	57.0	59.1
9:55	U. of Michigan Confidence	JUL F	67.4	68.0	66.5
10:00	NAPM-Milwaukee	JUL	n/a	n/a	59
16:15	Bloomberg FCI Monthly	JUL	n/a	n/a	n/a

We are assuming that the first, or advance, estimate of Q2 GDP growth will show an annualized gain of 2.5% which is down only slightly from the 2.7% recorded in Q1. The modest slowing in the overall rate of increase is expected to mask growth in final sales to domestic buyers almost doubling to 3.0% from the 1.6% recorded in Q1. This is expected to occur despite growth in consumer spending moderating slightly to 2.4% in Q2 from 3.0% in Q1 with greater strength in government spending and all major investment categories. The offset to this strength in domestic spending is that inventories are only expected to add ½ a percentage point to growth following an add of 1.9 pp in Q1. The main risk to our outlook for Q2 GDP growth is an even weaker build to inventories that puts additional downward pressure on Q2 growth. Though exports look like they will grow close to 10% in Q2, imports look poised to rise an even greater 15%. This results in net exports subtracting over a percentage point to Q2 growth though this is little changed from the 0.8 pp reduction in Q1.

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

<u>Time</u>	<u>Release</u>		<u>RBC Call</u>	<u>Market Call</u>	<u>Prior Read</u>
8:30	Gross Domestic Product MoM	MAY	0.1%	n/a	0.0%

April GDP recorded no change in the month following the 0.6% surge in March. The marked slowing in growth was led by retail sales component which fell 1.7% in April after an outsized 1.9% rise in March. For May we are assuming that this sub-component will return to positive growth rising 0.4% consistent with the earlier-reported increase in the volume of May retail sales. An improvement in the overall increase in May GDP is also expected to reflect an improvement in manufacturing output where activity declined 0.3% in April but is expected to be flat in May based on earlier-released manufacturing sales data. However, these areas of improvement will almost be fully offset by the earlier reported 1 ½% drop in May wholesale trade. In April this component of GDP rose 0.6%. The overall increase in May GDP is also expected to be restrained by indications of weakening home sales that will weigh on real estate services.