



## Economics

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# THE WEEK AHEAD

December 17-21, 2018

## The Jay Who Stole Christmas

by Avery Shenfeld

*With the holiday and a December Fed hike approaching, we're reprising (and refreshing) one of our most popular columns from 12 years ago. Enjoy!*

All the Whos down in Whoville were troubled that day  
Why their equity wealth was just melting away  
They called for a trade deal, a rate pause and more  
To shore up their problems and turn back the score.

Every Who Down in Whoville Liked Low Rates a lot  
But the Jay who lived high on Fed Mountain, Did NOT!

He looked down on Whoville and saw all the shopping  
The cell phones, SUVs, why there just was no stopping  
Sure the stock market's diving, commodities leaking  
But this party's too loud, I must stop all its squeaking.  
It might go too quiet in a global growth slump  
But I can't wait till then, 'cause inflation could jump.

So the Jay sat there fretting, his long fingers drumming  
I MUST find a way to keep price gains from coming.  
Then he stared at the press and croaked into their mics  
Why I'll calm this right down with some interest rate hikes!  
They'll not cancel Christmas, turn the turkey to lentils  
Not with those job gains, those strong fundamentals.

So he pushed fund rates up, did it all just so nimbly  
He stuffed them right up, right on up through the chimney  
Twenty five, twenty five, today and tomorrow  
Until not a Who down in Whoville would borrow.

Jay stared down at Whoville!  
The Jay popped his eyes!  
Then he shook!  
What he saw was a shocking surprise.

By Christmas '19 the outlook turned grey  
As the big fiscal stimulus faded away  
And business investment, it too had just flagged  
As corporate sentiment withered and sagged.

He HAD stopped Christmas, he had caused a fall  
Whos needed those low interest rates after all  
And what happened then...?  
Well...in Whoville they say  
That the Jay's hawkish heart  
Grew three sizes that day!  
And the minute the job market wasn't so tight,  
He brought back low rates in the bright morning light.



# Week Ahead Calendar And Forecast

	CANADA			UNITED STATES		
	CIBC	Consensus	Prior	CIBC	Consensus	Prior
<b>Monday December 17</b>	<b>8:30 AM</b> INT'L. SEC. TRANSACTIONS (Oct) (M)		\$7.7B	<b>AUCTION: 3-M BILLS \$398, 6-M BILLS \$368</b>		
	<b>9:00 AM</b> EXISTING HOME SALES M/M (Nov) (M)		-1.6%	(Dec) (M)	20.0	23.3
<b>Tuesday December 18</b>	<b>CASH MANAGEMENT BUYBACK (Aug'19 - Jun'20) - \$0.5B</b>			<b>AUCTION: 4-WEEK BILLS \$40B (prev)</b>		
	<b>8:30 AM</b> MANUFACTURING SHIPMENTS M/M (Oct) (M)	<b>0.7%</b>	0.2%	(Nov) (M)	1230K	1228K
				(Nov) (H)	1265K	1265K
<b>Wednesday December 19</b>	<b>8:30 AM</b> CPI M/M (Nov) (H)	<b>-0.4%</b>	0.3%	(Dec 14) (L)		1.6%
	CPI Y/Y (Nov) (H)	<b>1.7%</b>	2.4%	(Q3) (L)	<b>-\$124.5B</b>	<b>-\$101.5B</b>
<b>Thursday December 20</b>	<b>AUCTION: 3-YR CANADAS \$2.0B</b>			<b>8:30 AM</b> MBA-APPLICATIONS (Nov) (M)		
	<b>8:30 AM</b> WHOLESALE TRADE M/M (Oct) (M)	<b>0.4%</b>	-0.5%	(Nov) (M)	5.20M	5.22M
<b>Friday December 21</b>	<b>AUCTION: 3-M BILLS \$3.3B, 6-M BILLS \$1.35B, 1-YR BILLS \$1.35B</b>			<b>8:30 AM</b> CURRENT ACCOUNT (Nov) (M)		
	<b>8:30 AM</b> RETAIL TRADE TOTAL M/M (Oct) (H)	<b>0.4%</b>	0.2%	(Dec) (H)	2.50%	2.25%
	RETAIL TRADE EX-AUTO M/M (Oct) (H)	<b>0.2%</b>	0.1%	(Dec) (H)	2.25%	2.00%
	GDP M/M (Oct) (H)	<b>0.3%</b>	-0.1%	<b>2:00 PM</b> FOMC RATE DECISION (LOWER BOUND) (Dec) (H)		
	<b>10:00 AM</b> BoC Business Outlook and Senior Loan Officer Surveys			<b>Speaker: 2:30 PM Jerome H Powell (Chairman)</b>		
				<b>8:30 AM</b> INITIAL CLAIMS (Dec 15) (M)		
				CONTINUING CLAIMS (Dec 8) (L)		
				<b>10:00 AM</b> LEADING INDICATORS M/M (Nov) (M)		
				<b>8:30 AM</b> GDP (annualized) (Q3 F) (H)		
				GDP DEFLATOR (annualized) (Q3 F) (H)		
				DURABLE GOODS ORDERS M/M (Nov) (H)		
				DURABLE GOODS ORDERS EX-TRANS M/M (Nov) (H)		
				<b>10:00 AM</b> PCE DEFLATOR Y/Y (Nov) (H)		
				PCE DEFLATOR Y/Y (core) (Nov) (H)		
				PERSONAL INCOME M/M (Nov) (H)		
				PERSONAL SPENDING M/M (Nov) (H)		
				MICHIGAN CONSUMER SENTIMENT (Dec) (H)		

## Week Ahead's Market Call

by Avery Shenfeld

**In the US**, the Fed has turned more dovish, but not enough to eschew a rate hike in the week ahead. Look for the text of the statement to provide at least some signals that the pace of hikes in 2019 isn't as certain, a view that shouldn't surprise markets after recent speeches by the top two guns on the FOMC. We're now looking for only one more hike in 2019 as growth moderates and core inflation stays near the 2% target. The data will be a mixed bag, as we expect a small pickup in housing starts, moderate consumption gains, but a drop in durable orders.

**In Canada**, a blizzard of economic releases will conclude with an atypically early release for October monthly GDP, meaning that it arrives in the same week as the factory, wholesale and retail figures that typically drive our forecast. All we know at this point is that real goods exports improved in the month, but we're betting on a GDP rebound to +0.3% after the prior month's outright decline. We have oil production declines ahead in November/December, so the quarter desperately needs a great start for other sectors. Cool headline CPI data won't make waves as long as core holds at 1.9%. We also get the Bank of Canada's outlook survey, where we expect to see a more muted tone on what lies ahead.

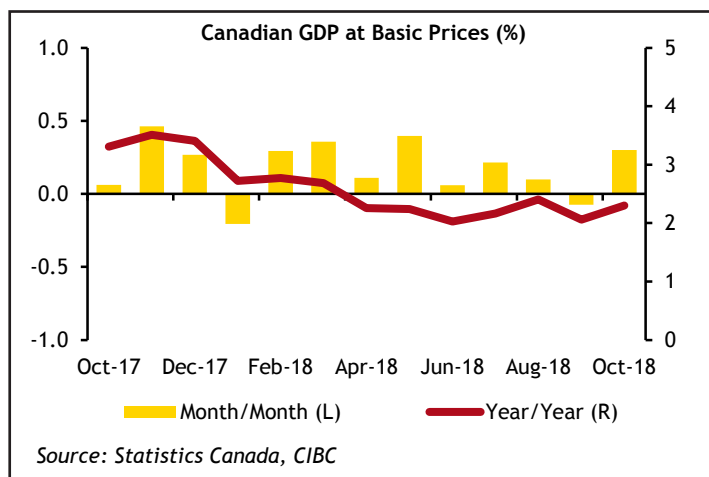
**Week Ahead’s Key Canadian Number:**

**Real GDP (at Basic Prices)—October**

(Friday, 8:30 a.m.)

Royce Mendes (416) 594-7354

	CIBC	Mkt	Prior
GDP m/m	0.3%	na	-0.1%



We’re flying a little blind in terms of our forecast for monthly GDP. Usually retailing, manufacturing and wholesaling numbers are released the week before. This time, however, the holiday break has left us without those key inputs ahead of time.

**Forecast Implications**—Given the weak handoff from Q3, it will be tough to get a healthy GDP reading in the final quarter. But, if our forecast is correct, the economy will be off to a good start in Q4.

Still, according to the NEB, oil production rebounded in October, homebuilding also appeared to have perked back up during the month and the export numbers looked good in real terms. As a result, we’re cautiously optimistic.

**Other Canadian Releases:**

**Consumer Price Index—November**

(Wednesday, 8:30 a.m.)

Energy prices just ain’t what they used to be, particularly so for Canadian inflation in November. Gasoline prices fell a full 10% during the month and will bear the brunt of the responsibility for the 0.4% NSA drop in CPI. That means annual inflation will show up at 1.7%, a steep decline from the 2.4% it was tracking in October. Nevertheless, the move shouldn’t have much impact on the Bank of Canada’s thought process. The Bank’s core common-component index of inflation was likely still running at 1.9%, leaving the trajectory of growth, rather than inflation, as the near-term determining factor for monetary policymakers.

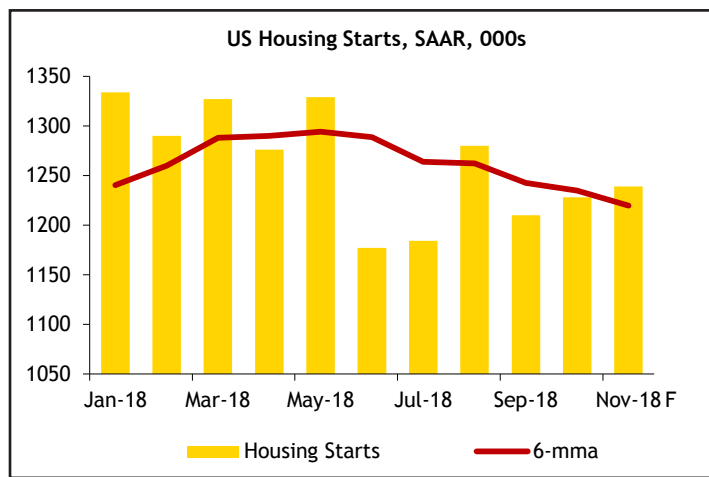
**Week Ahead’s Key US Number:**

**Housing Starts—November**

(Tuesday, 8:30 a.m.)

Katherine Judge (416) 956-6527

	CIBC	Mkt	Prior
Housing Starts	1239K	1230K	1228K



Housing market activity has waned this year as higher interest rates and home prices have dented affordability. Homebuilding edged up in October and that likely owed in part to a resumption of activity following a lull caused by weather distortions. An extension of that, combined with the surge in residential construction payrolls in November suggests that the pace of housing starts could have picked up slightly to 1239K. That would align housing starts more closely with permit issuance which has tracked above starts over the past two months.

**Forecast Implications**—A pickup in housing starts in Q4 could see residential investment contribute positively to growth at the end of the year, but slower household formation in 2019 will likely limit residential investment. Indeed, single-family homebuilding has decelerated lately, in line with higher interest rates.

**Market Impact**—Our forecast is above consensus which could be positive for the USD and see yields rise.

**Other US Releases:**

**Durable Goods Orders—November**

(Friday, 8:30 a.m.)

Durable goods orders have floundered recently, in part reflecting cooler capital goods orders that are likely feeling the fading impact of tax cuts and a slowdown in growth. The volatile transportation component is set to weigh on the headline again in November, sending orders down by 0.2%. Underlying momentum as gauged by ex-transportation orders should pick up with a 0.7% gain, which after lacklustre readings will still have us tracking only moderate growth in capital spending for Q4.

**Personal Income & Outlays—November**

(Friday, 10:00 a.m.)

Consumption indicators for Q4 got off to a solid start in October. Spending should have grown by 0.4% in November, helped by higher wages driving an unspectacular 0.3% advance in incomes. That would leave the savings rate lower for the second consecutive month, another signpost of slower consumption ahead. The November nominal consumption gain could translate through to real GDP more than usual, given the drop in prices seen for gasoline, apparel and some service components.

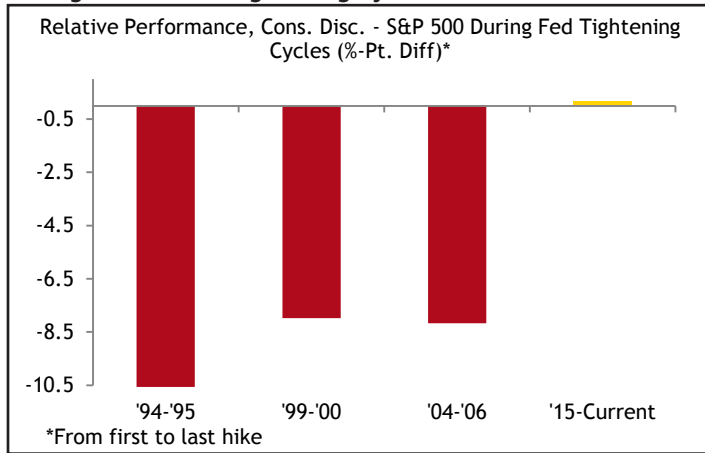
## Equity Insights

Avery Shenfeld, Katherine Judge and Royce Mendes

### US Consumers Weathering Higher Rates Better This Time Around

With interest rates approaching peak levels for this tightening cycle, consumer stocks in the US appear to be weathering higher rates more effectively than in previous cycles. Helped by fiscal stimulus, robust household spending has allowed consumer discretionary stocks to match the returns seen for the S&P 500 index, in contrast to the previous three Fed tightening cycles that saw consumer discretionary stocks underperform. While the lift from previous tax cuts will fade, Q4 shopping got off to a strong start in October, and cheaper gasoline will provide some added spending power in the holiday season.

### Consumer Discretionary Stocks Have Outperformed During Current Fed Tightening Cycle

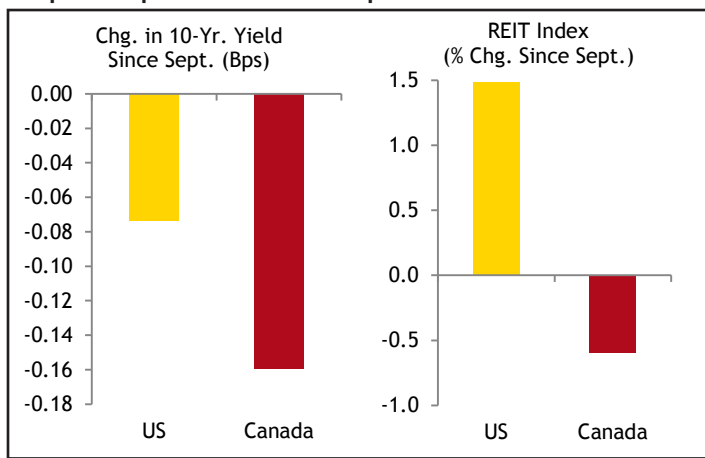


Source: Bloomberg, CIBC

### Interest Rates Not Driving REITs Lately

REITs have outperformed the TSX this year, despite the fact that they are typically seen as more vulnerable to rising interest rates. Long-term yields have now cooled since September, and while that's helped the US REIT sector, Canadian REITs have cooled off over that period. That's despite the fact that the drop in Canadian bond yields has been more dramatic than what we've seen in Treasuries. Clearly there's more than bond yields at play in driving these valuation swings, with markets now less confident about REITs with exposure to Alberta's energy-dependent economy.

### Canadian REITs Have Underperformed Despite Drop in Interest Rate Expectations

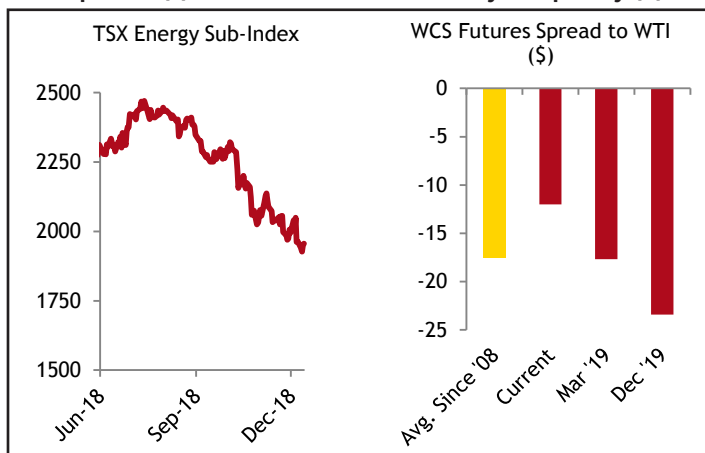


Source: Bloomberg, CIBC

### Where is the Love for Canadian Oil Stocks?

Production cuts in the oil patch have boosted Canadian WCS prices recently, but TSX energy stocks haven't felt the love. That's because futures traders see the narrowing WCS spread as only temporary. By the end of Q1 '19, the spread is expected to widen by \$5, back to its average since 2008. And, by the end of next year, traders see the discount moving to almost \$25. So, while production cuts have been a near-term boon to WCS prices, that's done little to change energy investors' mood lately, given the longer-term transportation issues that remain to be addressed, and the lacklustre trend for WTI.

### Energy Stocks Haven't Received a Boost From Narrowing WCS Spreads (L), As Investors See it as Only Temporary (R)



Source: Bloomberg, CIBC

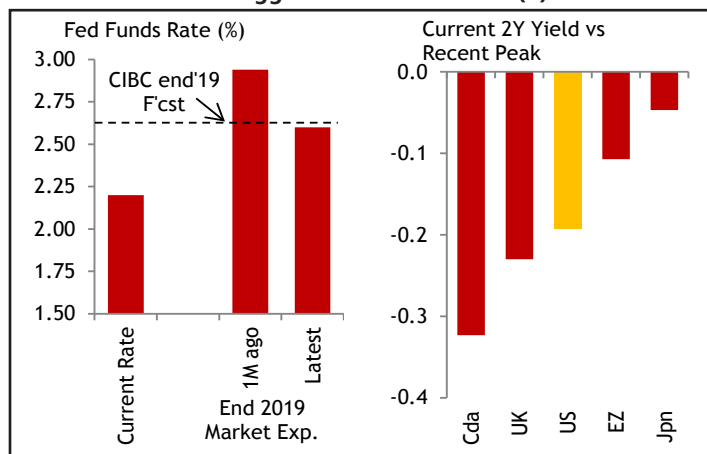
## Currency Currents

Andrew Grantham

### USD and the Fed: Why Not Weaker?

The Fed appears to be signaling a slower pace to rate hikes going forward, and markets are now pricing in only one full hike in 2019 after the expected move next week. That's in line with our revised forecast and something that we expected would weigh on the US\$. The latter hasn't happened, however, largely due to the fact that expectations for monetary tightening have also been pushed back in other countries/regions. Indeed, looking at how far two-year bond yields have fallen from their recent peaks, the US is really in the middle of the pack, with Canada and the UK seeing a greater pull back. We still expect the US\$ to weaken in 2019 as prospects for other countries brighten, but the bigger moves could now come in 2020 when a Fed cut or two could be in the cards.

Market Prices Out 2019 Fed Hike (L),  
Fall in US Yields No Bigger Than Other Areas (R)

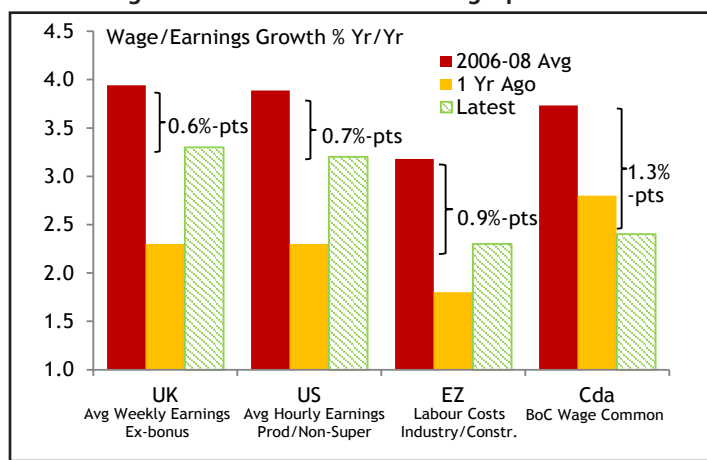


Source: Bloomberg, CIBC

### Looking to Wage Inflation For 2019 FX Moves

Examining where wage inflation is perking up could be key in determining monetary policy and FX moves in 2019. Interestingly, data this week showed that the most commonly watched measure of wages in the UK is as close to pre-crisis levels as average hourly earnings are in the US. That suggests that if (and admittedly it's a big if at the moment) Brexit uncertainty fades the BoE could hike a couple of times in 2019 and sterling could see a big gain. In contrast, tepid wage growth in Canada suggests that there's little need for a lot of BoC hikes even after the expected temporary slowdown in GDP growth (driven by oil production cuts) is over. That would see CAD underperform versus EUR and GDP in 2019.

Where Wage Inflation Is and Isn't Heating Up

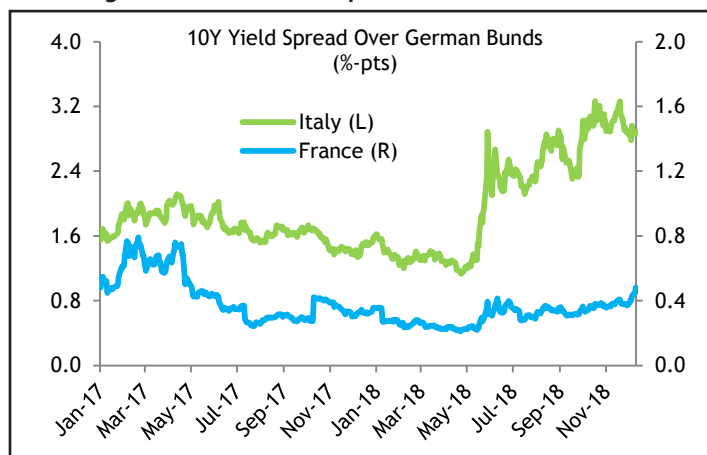


Source: BLS, ONS, BoC, Eurostat, CIBC

### France: Europe's Other Rule Breaker?

Following weeks of demonstrations against high gasoline prices, French President Emmanuel Macron has promised new measures including minimum wage increases to help lower income households. Those measures could push France's budget deficit back above the European Stability Mechanism limit of 3% of GDP. However, the widening of French bond yield spreads versus German bunds hasn't yet hit the peaks seen at the time of the 2017 Presidential election, and are nothing akin to what's happened to Italian spreads. With some fiscal stimulus coming in France and Italy, that could actually be positive for growth and the euro in 2019.

Widening of French-German Spreads Not That Dramatic



Source: Bloomberg, CIBC

# CANADIAN RELEASE AND EVENT DATES December/January 2018



MONDAY	TUESDAY	WEDNESDAY	THURSDAY	FRIDAY																																																																
<p><b>HOUSING STARTS</b> 10</p> <p>8:15 AM 000's (AR)</p> <table border="1"> <tr> <td></td> <td>TOTAL</td> <td>SINGLES</td> </tr> <tr> <td>SEP</td> <td>191</td> <td>52</td> </tr> <tr> <td>OCT</td> <td>207</td> <td>47</td> </tr> <tr> <td>NOV</td> <td>216</td> <td>50</td> </tr> </table> <p><b>BUILDING PERMITS (\$)</b></p> <p>8:30 AM M M</p> <table border="1"> <tr> <td></td> <td>(RES)</td> <td>(NON-RES)</td> </tr> <tr> <td>AUG</td> <td>-5.0</td> <td>6.3</td> </tr> <tr> <td>SEP</td> <td>0.5</td> <td>0.4</td> </tr> <tr> <td>OCT</td> <td>4.2</td> <td>-7.0</td> </tr> </table>		TOTAL	SINGLES	SEP	191	52	OCT	207	47	NOV	216	50		(RES)	(NON-RES)	AUG	-5.0	6.3	SEP	0.5	0.4	OCT	4.2	-7.0	<p>11</p>	<p>12</p> <p><b>CAPACITY UTILIZATION</b></p> <p>8:30 AM LEVEL (%)</p> <table border="1"> <tr> <td></td> <td>TOTAL</td> <td>MANUF.</td> </tr> <tr> <td>18:Q1</td> <td>82.8</td> <td>80.2</td> </tr> <tr> <td>18:Q2</td> <td>84.1</td> <td>81.7</td> </tr> <tr> <td>18:Q3</td> <td>82.6</td> <td>78.8</td> </tr> </table>		TOTAL	MANUF.	18:Q1	82.8	80.2	18:Q2	84.1	81.7	18:Q3	82.6	78.8	<p>13</p> <p><b>NEW HOUSING PRICE INDEX</b></p> <p>8:30 AM</p> <p><b>CANADA'S INTERNATIONAL INVESTMENT POSITION</b></p> <p>8:30 AM</p>	<p>14</p>																												
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<p>17</p> <p><b>INT'L TRANSACTIONS IN SECURITIES C\$BN, NET</b></p> <p>8:30 AM</p> <table border="1"> <tr> <td></td> <td>BONDS</td> <td>MONEY STOCKS</td> <td>TOT MARKET</td> </tr> <tr> <td>AUG</td> <td>-7.4</td> <td>4.7</td> <td>5.3</td> </tr> <tr> <td>SEP</td> <td>-0.3</td> <td>6.8</td> <td>1.2</td> </tr> <tr> <td>DEC</td> <td></td> <td></td> <td>7.7</td> </tr> </table>		BONDS	MONEY STOCKS	TOT MARKET	AUG	-7.4	4.7	5.3	SEP	-0.3	6.8	1.2	DEC			7.7	<p>18</p> <p><b>SURVEY OF MANUFACTURING SHIPMENTS</b></p> <p>8:30 AM M Y</p> <table border="1"> <tr> <td></td> <td></td> <td></td> </tr> <tr> <td>AUG</td> <td>-0.5</td> <td>8.6</td> </tr> <tr> <td>SEP</td> <td>0.2</td> <td>7.8</td> </tr> <tr> <td>OCT</td> <td></td> <td></td> </tr> </table>				AUG	-0.5	8.6	SEP	0.2	7.8	OCT			<p>19</p> <p><b>CPI</b></p> <p>8:30 AM M Y</p> <table border="1"> <tr> <td></td> <td></td> <td></td> </tr> <tr> <td>SEP</td> <td>-0.4</td> <td>2.2</td> </tr> <tr> <td>OCT</td> <td>0.3</td> <td>2.4</td> </tr> <tr> <td>NOV</td> <td></td> <td></td> </tr> </table>				SEP	-0.4	2.2	OCT	0.3	2.4	NOV			<p>20</p> <p><b>PAYROLL EMPLOYMENT, EARNINGS &amp; HOURS</b></p> <p>8:30 AM</p> <p><b>WHOLESALE TRADE</b></p> <p>8:30 AM</p> <p><b>ADP EMPLOYMENT SURVEY</b></p> <p>8:30 AM</p>	<p>21</p> <p><b>GDP BY INDUSTRY</b> (2002\$)</p> <p>8:30 AM GDP IND.PROD.</p> <table border="1"> <tr> <td></td> <td>M</td> <td>M</td> </tr> <tr> <td>AUG</td> <td>0.1</td> <td>-0.1</td> </tr> <tr> <td>SEP</td> <td>-0.1</td> <td>-0.6</td> </tr> <tr> <td>OCT</td> <td></td> <td></td> </tr> </table> <p><b>RETAIL TRADE</b> (Current\$)</p> <p>8:30 AM M Y</p> <table border="1"> <tr> <td></td> <td></td> <td></td> </tr> <tr> <td>AUG</td> <td>0.0</td> <td>3.7</td> </tr> <tr> <td>SEP</td> <td>0.2</td> <td>3.8</td> </tr> <tr> <td>OCT</td> <td></td> <td></td> </tr> </table> <p><b>Bank of Canada Business Outlook Survey</b></p>		M	M	AUG	0.1	-0.1	SEP	-0.1	-0.6	OCT						AUG	0.0	3.7	SEP	0.2	3.8	OCT		
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<p>24</p>	<p>25</p> <p><b>CHRISTMAS DAY (HOLIDAY)</b> (Markets Closed)</p>	<p>26</p> <p><b>BOXING DAY (HOLIDAY)</b> (Market Closed)</p>	<p>27</p>	<p>28</p>																																																																
<p>31</p>	<p>1</p> <p><b>NEW YEARS DAY (HOLIDAY)</b> (Markets Closed)</p>	<p>2</p>	<p>3</p>	<p>4</p> <p><b>LABOUR FORCE SURVEY</b></p> <p>8:30 AM AVG</p> <table border="1"> <tr> <td></td> <td>EMPLOY</td> <td>UNEMP</td> <td>HRLY (HSHOLD)</td> <td>RATE</td> <td>EARN</td> </tr> <tr> <td></td> <td>M</td> <td>Y</td> <td>%</td> <td>Y</td> <td>Y</td> </tr> <tr> <td>OCT</td> <td>0.1</td> <td>1.1</td> <td>5.8</td> <td>1.9</td> <td></td> </tr> <tr> <td>NOV</td> <td>0.5</td> <td>1.2</td> <td>5.6</td> <td>1.5</td> <td></td> </tr> <tr> <td>DEC</td> <td></td> <td></td> <td></td> <td></td> <td></td> </tr> </table> <p><b>INDUSTRIAL PRICES</b></p> <p>8:30 AM M (NSA) Y</p> <table border="1"> <tr> <td></td> <td></td> <td></td> </tr> <tr> <td>SEP</td> <td>0.2</td> <td>6.3</td> </tr> <tr> <td>OCT</td> <td>0.2</td> <td>5.3</td> </tr> <tr> <td>NOV</td> <td></td> <td></td> </tr> </table> <p><b>INTERNATIONAL RESERVES</b></p> <p>8:15 AM \$BN \$BN</p> <table border="1"> <tr> <td></td> <td>CHANGE</td> <td>LEVEL</td> </tr> <tr> <td>OCT</td> <td>1.405</td> <td>82.1</td> </tr> <tr> <td>NOV</td> <td>-0.080</td> <td>82.0</td> </tr> <tr> <td>DEC</td> <td></td> <td></td> </tr> </table>		EMPLOY	UNEMP	HRLY (HSHOLD)	RATE	EARN		M	Y	%	Y	Y	OCT	0.1	1.1	5.8	1.9		NOV	0.5	1.2	5.6	1.5		DEC									SEP	0.2	6.3	OCT	0.2	5.3	NOV				CHANGE	LEVEL	OCT	1.405	82.1	NOV	-0.080	82.0	DEC												
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<p>7</p>	<p>8</p> <p><b>MERCHANDISE TRADE</b></p> <p>8:30 AM \$MN 12 MO. BALANCE</p> <table border="1"> <tr> <td></td> <td></td> <td></td> </tr> <tr> <td>SEP</td> <td>-891</td> <td>-23,373</td> </tr> <tr> <td>OCT</td> <td>-1,165</td> <td>-23,160</td> </tr> <tr> <td>NOV</td> <td></td> <td></td> </tr> </table>				SEP	-891	-23,373	OCT	-1,165	-23,160	NOV			<p>9</p> <p><b>HOUSING STARTS</b></p> <p>8:15 AM 000's (AR)</p> <table border="1"> <tr> <td></td> <td>TOTAL</td> <td>SINGLES</td> </tr> <tr> <td>OCT</td> <td>207</td> <td>47</td> </tr> <tr> <td>NOV</td> <td>216</td> <td>50</td> </tr> <tr> <td>DEC</td> <td></td> <td></td> </tr> </table> <p><b>Bank of Canada Interest Rate Announcement</b></p> <p><b>Bank of Canada Monetary Policy Report</b></p> <p><b>Bank of Canada Governor Poloz &amp; Sr. Dep. Gov. Wilkins speak</b></p>		TOTAL	SINGLES	OCT	207	47	NOV	216	50	DEC			<p>10</p> <p><b>BUILDING PERMITS (\$)</b></p> <p>8:30 AM M M</p> <table border="1"> <tr> <td></td> <td>(RES)</td> <td>(NON-RES)</td> </tr> <tr> <td>SEP</td> <td>0.5</td> <td>0.4</td> </tr> <tr> <td>OCT</td> <td>4.2</td> <td>-7.0</td> </tr> <tr> <td>NOV</td> <td></td> <td></td> </tr> </table> <p><b>NEW HOUSING PRICE INDEX</b></p> <p>8:30 AM</p>		(RES)	(NON-RES)	SEP	0.5	0.4	OCT	4.2	-7.0	NOV			<p>11</p>																												
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# U.S. RELEASE AND EVENT DATES December/January 2018



MONDAY	TUESDAY	WEDNESDAY	THURSDAY	FRIDAY	
10	11	12	13	14	
	<b>PPI</b> 8:30 AM M (SA) Y (NSA) SEP 0.3 3.3 OCT 0.1 3.3 NOV -0.2 2.8	<b>CPI</b> 8:30 AM M(SA) Y (NSA) SEP 0.1 2.3 OCT 0.3 2.5 NOV 0.0 2.2  <b>TREASURY BUDGET</b> 2:00 PM 10-Yr NOTE AUCTION	<b>RETAIL SALES</b> 8:30 AM M Y SEP -0.2 4.0 OCT 1.1 4.8 NOV -0.2 4.2  <b>CAPACITY UTIL/IND. PROD.</b> 9:15 AM LEV M Y SEP 78.4 0.1 5.5 OCT 78.1 -0.2 3.7 NOV 78.5 0.6 3.9  <b>BUSINESS INVENTORIES</b> 10:00 AM	<b>3-Yr NOTE AUCTION</b> BOT (9:00) REDBOOK (8:55)	<b>30-Yr BOND AUCTION</b> INITIAL JOBLESS CLAIMS (8:30)
17	18	19	20	21	
<b>NET CAPITAL INFLOWS TICS</b> 4:00 PM  3, 10-Yr NOTE SETTLEMENT 30-Yr BOND SETTLEMENT	<b>HOUSING STARTS</b> 8:30 AM Mn. M/M SEP 1.210 -5.5 OCT 1.228 1.5 NOV	<b>CURRENT ACCOUNT BALANCE</b> 8:30 AM  <b>EXISTING HOME SALES</b> 10:00 AM  <b>FOMC Rate Decision</b>  <b>Fed Chair Powell speaks @ 2:30 PM ET</b>	<b>PHILADELPHIA FED INDEX</b> 8:30 PM  <b>LEADING INDICATOR</b> 10:00 AM  2, 5-, 7-Yr NOTE ANNOUNCE. INITIAL JOBLESS CLAIMS (8:30)	<b>DURABLE GOODS ORDERS</b> 8:30 AM M Y SEP -0.1 7.0 OCT -4.4 6.7 NOV  <b>GDP</b> 8:30 AM (AR) REAL IMPLICIT GDP DEFLECTOR 18:Q2(F) 4.2 3.0 18:Q3(P) 3.3 2.6 18:Q3(F)  <b>PERS. INC &amp; OUT.</b> 8:30 AM SAVING INCOME CONS RATE M M AR SEP 0.2 0.2 6.3 OCT 0.5 0.6 6.2 NOV  <b>CORPORATE PROFITS</b> 8:30 AM  <b>MICHIGAN SENTIMENT (F)</b> 10:00 AM	<b>3-Yr NOTE AUCTION</b> BOT (9:00) REDBOOK (8:55)
24	25	26	27	28	
<b>2-Yr NOTE AUCTION</b>	<b>CHRISTMAS DAY (HOLIDAY)</b> <b>(Markets Closed)</b>	<b>S&amp;P CORE LOGIC/CASE-SHILLER HOUSE PRICE INDEX</b> 9:00 AM 5-Yr NOTE AUCTION BOT (9:00) REDBOOK (8:55)	<b>NEW HOME SALES</b> 10:00 AM <b>CONSUMER CONFIDENCE</b> 10:00 AM 7-Yr NOTE AUCTION INITIAL JOBLESS CLAIMS (8:30)	<b>ADV. TRADE IN INTERNATIONAL GOODS</b> 8:30 AM  <b>CHICAGO PMI</b> 9:45 AM	
31	1	2	3	4	
<b>2, 5-, 7-Yr NOTE SETTLEMENT.</b>	<b>NEW YEARS DAY (HOLIDAY)</b> <b>(Markets Closed)</b>	<b>ADP SURVEY</b> 8:15 AM  <b>ISM MFG SURVEY</b> 10:00 AM COMP. PRICES INDEX INDEX OCT 57.7 71.6 NOV 59.3 60.7 DEC  <b>LIGHT VEHICLES</b> SALES MIL (AR) Y OCT 17,487 -2.2 NOV 17,404 -0.7 DEC  3, 10-Yr NOTE ANNOUNCEMENT 30-Yr BOND ANNOUNCEMENT BOT (9:00) REDBOOK (8:55)	<b>EMPLOY. SITUATION</b> 8:30 AM NON-CIV AVG FARM UNEMP HRLY PAYROLL RATE EARN OCT 237 3.7 3.2 NOV 155 3.7 3.2 DEC  <b>Fed Chair Powell speaks in Atlanta @ 10:15 AM ET</b>	<b>3, 10-Yr NOTE SETTLEMENT.</b>	
7	8	9	10	11	
<b>FACTORY ORDERS</b> 10:00 AM M(SA) Y(NSA) SEP 0.2 7.5 OCT -2.1 6.9 NOV  <b>ISM MFG SURVEY</b> 10:00 AM COMP. PRICES INDEX INDEX OCT 57.7 71.6 NOV 59.3 60.7 DEC	<b>GOODS &amp; SERV. BALANCE (BOP) \$B</b> 8:30 AM GDS SERV TOT SEP -77.3 22.7 -54.6 OCT -78.1 22.6 -55.5 NOV  <b>CONSUMER CREDIT</b> 3:00PM 2-Yr NOTE AUCTION BOT (9:00) REDBOOK (8:55)	<b>FOMC Minutes</b> 5-Yr NOTE AUCTION	<b>7-Yr NOTE AUCTION</b> INITIAL JOBLESS CLAIMS (8:30)	<b>CPI</b> 8:30 AM M(SA) Y (NSA) OCT 0.3 2.5 NOV 0.0 2.2 DEC  <b>TREASURY BUDGET</b> 2:00 PM	

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