

Encouraging signs but real progress needed

- **Market sentiment improves on hopes European leaders may soon reach an agreement to resolve crisis.**
- **But little in the way of concrete details for now.**
- **NZIER business survey indicates businesses still intending to expand despite uncertainty offshore.**

Markets ended last week on a happier note after starting on the back foot. What brought comfort was signs out of Europe that politicians there are taking the region's problems seriously, combined with better than hoped for US jobs growth. But markets still need to see some tangible action from Europe.

The vulnerability of banks was highlighted over the past week by Dexia, a Franco-Belgian bank. France, Belgium and Luxemburg have agreed to a rescue package to prop up the bank, which was also bailed out in 2008. But speculation that Europe is working on a plan to recapitalise banks helped turn around sharemarkets, including beleaguered banks.

Nicolas Sarkozy and Angela Merkel held another summit at which they pledged to release a plan by the end of the month for resolving the debt crisis. Even so, the summit was short on details and there were few signs the two countries' positions on key issues, such as who finances bank recapitalisations, have moved closer together.

While it is encouraging that discussions are happening, Europe's politicians still need to take credible action. Markets have calmed down on hope and expectation, but that will not last without convincing follow-through. As a further prod, last week Moody's downgraded Italy to be closely followed by Fitch downgrading both Italy and Spain. Those downgrades tempered market's relief.

More monetary support has been forthcoming in the form of liquidity and quantitative easing. The ECB announced new 12- and 13-month long-term refinancing operations and will buy €40 billion of covered bonds, measures intended to ease funding conditions for European banks. The ECB could also cut interest rates, having lifted rates 50bp even as the crisis was gradually building, though for now still views inflation risks as balanced even as it sees downside risks to growth. The Bank of England announced fresh quantitative easing worth £75 billion as a weaker growth outlook meant inflation was likely to undershoot its 2% target.

Here in NZ business confidence in the Quarterly Survey of Business Opinion was resilient given the backdrop of creeping global uncertainty. This week's local data are second tier, leaving markets more focussed on offshore developments. Local interest will be high in September Electronic Cards Transactions for indications of the impact of RWC-related day-to-day spending, but they don't include cash purchases so miss part of the spending story.

Friday night will be a reasonably important night for insights into the US consumer, with retail sales and consumer confidence out. The jobs figures on Friday night were reasonably solid and will have allayed some fears of a double-dip recession in the US. The Fed's minutes, due early Thursday NZT, will reveal what support measures the Fed discussed, including "Operation Twist".

Click here for:

[Foreign Exchange](#)

[Interest Rates](#)

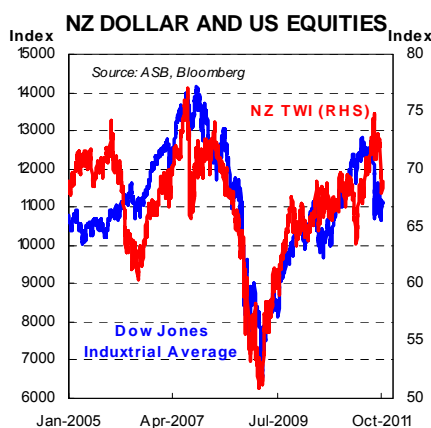
[Week Ahead](#)

[Week in Review](#)

[Global Calendars](#)

- The NZD edges higher on improvement in market sentiment.
- Domestic interest rates edge higher in line with offshore movements.
- Second-tier NZ data in the form of electronic card spending and Business PMI.
- NZIER Quarterly Survey of Business Opinion indicates businesses resilient despite knock to confidence.
- FOMC meeting minutes, Australian employment, China CPI and US retail sales key releases to watch.

Chart of the Week



Market commentators have highlighted the strengthening relationship between the NZ dollar and US stocks recently. Given an improvement in market sentiment tends to boost equity markets and peripheral currencies such as the NZ dollar, the two variables tend to move in the same direction.

In particular, the prevalence of algorithm trading models have made use of the relationship between the NZ dollar and the Dow Jones Industrial Average, with the pricing of the currency based off movements in this major equity market index.

It appears the relationship between the NZ dollar and the Dow Jones Industrial Average has become stronger since the Global Financial Crisis in late 2007. This is likely to reflect the fact the both have become even more sensitive to changes in market sentiment in the wake of the fallout in financial markets.

Foreign Exchange Market

FX Rates	Current*	Week ago	Month ago	6 mths ago	Year ago	ST Bias	Support^	Resistance^
NZD/USD	0.7679	0.7577	0.8359	0.7836	0.7523	FLAT/DOWN	0.7550	0.7850
NZD/AUD	0.7870	0.7894	0.7861	0.7409	0.7648	FLAT	0.7800	0.8000
NZD/JPY	58.99	58.36	64.78	66.39	61.91	FLAT	58.00	60.00
NZD/EUR	0.5735	0.5692	0.6002	0.5416	0.5393	FLAT	0.5650	0.5800
NZD/GBP	0.4937	0.4883	0.5229	0.4787	0.4733	FLAT	0.4850	0.5000
TWI	68.6	68.1	72.4	68.0	66.9	FLAT/DOWN	67.50	69.50

^Weekly support and resistance levels * Current is as at 11.00 am Monday; week ago as at Monday 5pm.

There was some rebound in the NZ dollar over the past week from the credit downgrade-inspired depreciation in the currency. The general improvement in market sentiment underpinned the appreciation in the currency. Over the coming week, we expect the NZD direction will continue to be dictated by Eurozone developments, with ongoing uncertainty likely to keep investors nervous for the time being.

The euro edged higher over the week as markets felt more optimistic about the debt situation. Near-term direction of the currency will likely be dictated by the outcome of the Slovak parliament's vote on ratifying the extension of the European Financial Stability Facility's powers.

The US dollar fell last week, as the improvement in market sentiment reduced safe-haven demand for the currency. The release of non-farm payrolls on Friday night allayed fears the US economy is in recession. Nonetheless, we expect the US dollar will receive safe-haven support this week given the potential for global economic data to disappoint and the ongoing uncertainty in Eurozone.

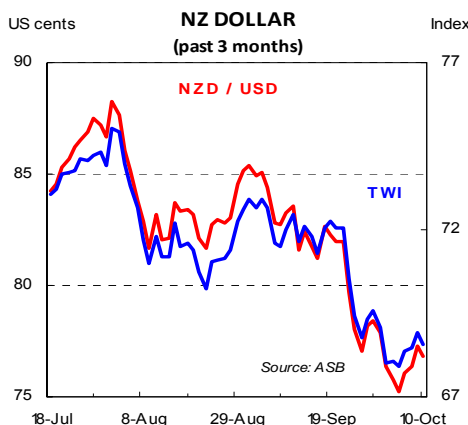
Short-term outlook:

Key data

Date

Time (NZT)

Market



NZ Card Transactions – September mom

11/10

10.45 am

+1.1%

FOMC meeting minutes

13/10

7.00 am

-

AU Employment – September

13/10

1.30 pm

+10,000

China CPI – September yoy

14/10

2.00 pm

+6.1%

Key events in markets this week: German trade balance (10th); NZ card spending, UK industrial production, FOMC meeting minutes (11th); Australian housing finance, Slovak parliament votes on EFSF, Eurozone industrial production, UK employment (12th); Australian employment, BoJ meeting minutes, German CPI, UK trade balance, US jobless claims (13th); Eurozone CPI, US retail sales, US consumer confidence (14th).

RBA speakers: Debelle (12th).

Fed Speakers: Plosser (12th), Kocherlakota (13th).

Eurozone Speakers: Trichet (10th and 12th), Stark (12th), Weidmann (14th).

Medium-term outlook:

[Last Quarterly Economic Forecasts](#)

The global demand for USD funding is escalating as the euro zone sovereign crisis continues and the threat of a US recession rises. The USD tends to rise whenever the US enters recession, or the threat of a US recession significantly rises. The combination of a downward revision to US and euro zone GDP forecasts is generating a period of softer global growth. We have recently adjusted our FX forecasts to account for these developments.

In addition to rising USD demand, our revised currency forecasts reflect a host of local and global factors: (1) the lower EUR and GBP forecasts are a function of weaker euro zone and UK economic growth as well as an easing in the European Central Bank (ECB) and Bank of England's (BoE) monetary policy stance; (2) a weaker CHF is a result of the interventionist policy measures undertaken by the Swiss National Bank (SNB); (3) the downward revision to the AUD and NZD forecasts reflect a period of softer global economic growth in the world economy; and (4) lower CAD forecasts reflect the softer global economy, the softer US economy, and a shift by the Bank of Canada to a neutral stance following an unexpected Q2 contraction in the Canadian economy

An extended period of "temporary" USD strength and softer global growth are the two main factors behind the trimming of our AUD and NZD forecasts. However, the bulk of downward revisions to GDP growth are coming from outside non-Japan Asia, meaning the net impact on the AUD and NZD is somewhat insulated. The net modest downward revision to global economic growth suggests to us that the commodity currencies of the NZD, AUD (and CAD) therefore only need to be revised modestly lower. We expect the NZD to peak around 0.84 and the AUD to peak around 1.08 against the USD over 2012, lower than our previous forecasts of 0.88 and 1.10.

Interest Rate Market

Wholesale interest rates	Current	Week ago	Month ago	6 mths ago	Year ago	ST Bias
Cash rate	2.50	2.50	2.50	2.50	3.00	FLAT
90-day bank bill	2.84	2.83	2.93	2.64	3.18	DOWN
2-year swap	3.15	3.13	3.33	3.39	3.80	DOWN
5-year swap	3.84	3.82	4.07	4.60	4.37	DOWN
5-year benchmark gov't stock	4.00	3.99	3.58	4.52	4.43	FLAT
NZSX 50	3375	3316	3319	3461	3233	DOWN

* Current is as at 11.00 am Monday; week ago is as at Monday at 5pm. Please note there are currently no NZ gov't bonds on issue that are close to a 5-year maturity. As a result, we are currently using an April 2015 maturity, which is technically a 4-year maturity. Please be very careful with comparisons of gov't bond yields and swap rates.

Domestic interest rates edged up, largely in line with offshore movements. The release of a reasonably encouraging NZIER Quarterly Survey of Business Opinion report, showing businesses generally intended to go ahead with expansion plans despite the global uncertainty, had a muted effect on markets.

Offshore, interest rates increased over the past week on the improvement in market sentiment. Although there is little sign yet of any concrete details on a resolution to the European debt crisis, markets were encouraged by the progress that appears to be made. German Chancellor Merkel and French Prime Minister Sarkozy announced following a meeting a "comprehensive response" will be finalised by the end of the month.

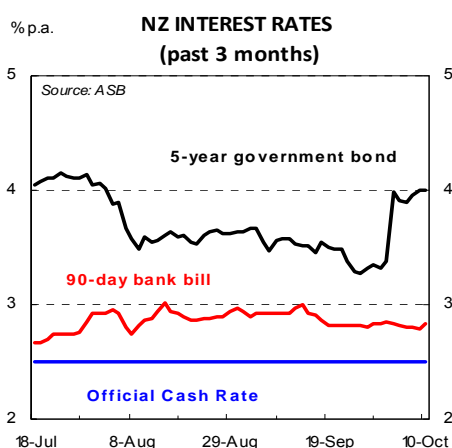
Short-term outlook:

Key data

Date

Time (NZT)

Market



NZ Card Transactions – September mom

11/10

10.45 am

+1.1%

FOMC meeting minutes

13/10

7.00 am

-

AU Employment – September

13/10

1.30 pm

+10,000

China CPI – September yoy

14/10

2.00 pm

+6.1%

Comment: Domestic market attention will continue to be dominated by offshore developments, with ongoing volatility in global financial markets likely to weigh on interest rates.

Australian employment data for September will be the key data release for Australasian markets this week. There have been signs of slowing in Australian employment growth in recent months, with the global uncertainty further weighing on business sentiment.

Medium-term outlook:

[Last Quarterly Economic Forecasts](#)

The RBNZ left the OCR on hold at 2.5% at the September MPS, as widely expected. The accompanying Statement indicated the recent escalation in global uncertainty has increased the downside risks to its domestic growth outlook. Partly as a result of the weaker global growth outlook, the RBNZ has revised down its medium-term growth forecasts.

The RBNZ has highlighted its concern at the flow-on effects of the recent tightening in funding markets on NZ bank funding costs. Partly as a result of its expectations that bank funding costs will remain high, the RBNZ has lowered its medium-term outlook for the 90-day bank bill to 4.3%. This outlook implies the RBNZ expects the OCR will level off at 4% - in line with our own expectations.

In regards to the domestic economy, the RBNZ remains optimistic. It expects recent global developments will have a relatively mild impact on NZ. For now, the RBNZ remains upbeat that continued strength in NZ export commodity prices will underpin a continued recovery in the NZ economy.

The RBNZ has also revised down its CPI forecasts as a result of its downward revisions to growth and its expectations of a higher NZ dollar over the coming years. We see its inflation forecast of annual CPI inflation quickly returning to close to the mid-point of its target band of 2% as optimistic. While recent inflation indicators suggest there is breathing space for the RBNZ on the inflation front at the moment, the fact medium-term inflation expectations remain close to the top of the RBNZ's target band is of concern.

In the wake of the September MPS, we have pushed back our expectations for the timing of the OCR increase. We now expect the RBNZ will wait until March before lifting the OCR by 50 basis points. This will allow the RBNZ more time to assess the impacts of the Eurozone debt crisis and slowing global growth on the NZ economy.

Data Preview: a look at the week ahead

Data	Date	Time (NZT)	Previous	Market expects	ASB expects
NZ Electronic Card Transactions – September	11/10	10.45 am	-0.7%	+1.1%	+1.1%
FOMC meeting minutes	13/10	7.00 am	-	-	-
Business NZ Manufacturing PMI – September	13/10	10.00 am	52.9	-	-
NZ Food Price Index - September	13/10	10.45 am	-1.3%	-	-
AU Employment – September	13/10	1.30 pm	-9,700	+10,000	+10,000
China CPI, yoy	14/10	2.00 pm	+6.2%	+6.1%	-
US Retail Sales	14/10	1.00am	0.0%	+0.7%	-
REINZ House Sales	-	-	+4.4%	-	-

New Zealand Data Previews

Sometime this week

REINZ House Sales - September

Previous: +4.4% mom, s.a.

Nationwide house sales ticked up in August on a seasonally-adjusted basis. Encouragingly, there continues to be a recovery in housing turnover in Canterbury in August, following the sharp drop in the wake of the earthquakes in June.

The continued decline in the median number of days taken to sell a house points a tightening in the housing market.

However, more recent Auckland house sales data suggest the recovery in housing market activity may be slowing. Auckland house sales are now back at levels prevailing at the beginning of the year. Going forward, the key trends to watch will be whether sales remain flat-to-down and whether new listings pick up. Nonetheless, low levels of construction over recent years, coupled with ongoing population growth, is likely to leave the housing market relatively supply-constrained. This should continue to place upward pressure on house prices over the coming year.

Tuesday 11 October

Electronic Card Transactions - September

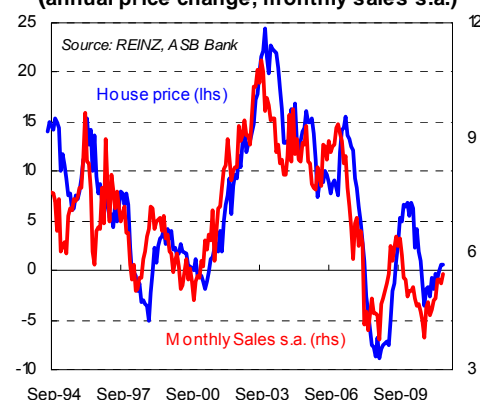
Total – forecast: -0.7% mom, f/c: +1.1% mom

Ex-auto – forecast: -1.0% mom, f/c: +1.2% mom

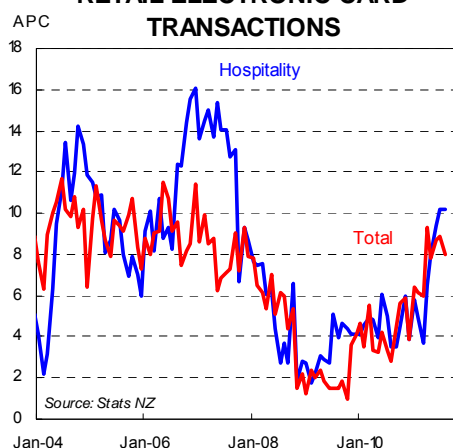
The decline in electronic card spending over August follows some strong results in recent months. Beyond this monthly volatility, it appears a gradual recovery in retail spending is taking place. Consumer confidence has held up despite rising uncertainty in global financial markets, with households continuing to consider now as a good time to make a major household purchase.

Added to that is the expected boost to spending in the hospitality sector as a result of the Rugby World Cup. Recent anecdotes from restaurants have been mixed, suggesting there has been some displacement of activity as a result of the RWC, and the overall increase in spending is likely to be modest.

% pa. **REINZ HOUSE PRICES & SALES** '000s.
(annual price change, monthly sales s.a.)



RETAIL ELECTRONIC CARD TRANSACTIONS



Thursday 13 October

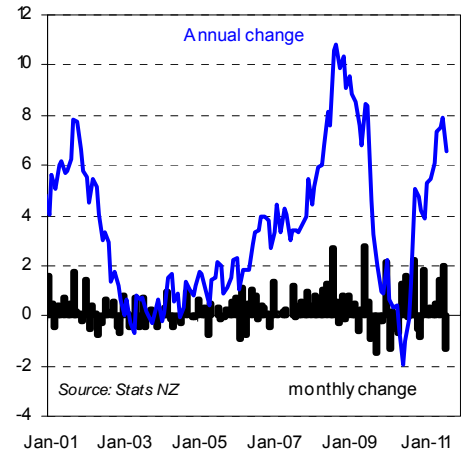
Food Price Index - September

Previous: -1.3% mom

There has been a moderation in food price inflation in recent months, partly reflecting the flow-on effects of an easing in global commodity prices to the retail level in NZ. In addition, prices for restaurants and takeaways have been surprisingly subdued. While part of this may be due to weak wage growth, given labour is a key input cost for restaurants and takeaways, it is also likely weak demand is weighing on prices in this category. Despite some recovery in consumer confidence households remain cautious, and this has meant discretionary spending remains soft.

We expect food prices to be broadly flat over the September month. This reflects our expectations that a small decline in fruit and vegetable prices will offset modest increases in the price of the other food categories. The release of the September food price data will allow us to finalise our Q3 CPI forecast. For now, we expect CPI to have increase 0.9% over Q3.

FOOD PRICE INDEX
(including GST increase in October)

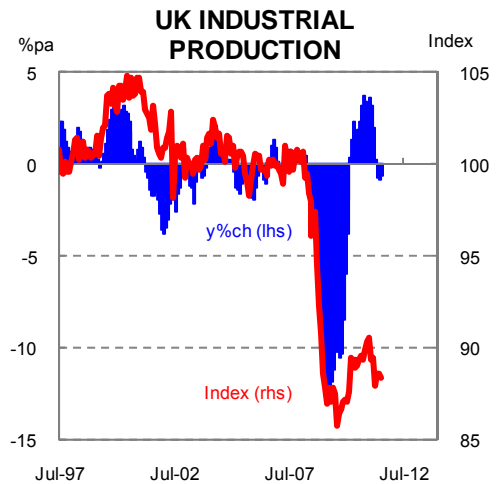


International Data Previews

Thursday 13 October

FOMC Meeting minutes

The latest edition of the FOMC minutes will cover the meeting that voted to start "Operation Twist", the Fed's duration extension program. The minutes will also cover the decision to reinvest maturities into Agency Mortgage-Backed Securities and Agency debt. Markets will be interested in what, if any, were the other policy options considered by the FOMC. These options may be executed in the future if the FOMC judges that the economic outlook is continuing to deteriorate. Markets will also be interested in clarification of the downside risks the FOMC see bearing down on the US economy.



Thursday 13 October

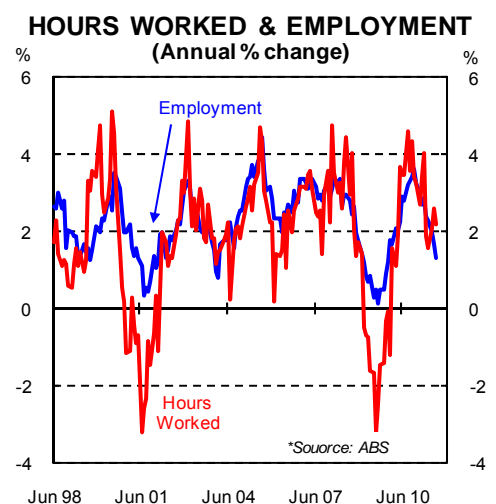
AU Employment

Employment – previous: -9,700, f/c: +10,000

Unemployment – previous: 5.3%, f/c: 5.3%

Following on from this year's weak employment data, August saw employment falling by 9,700, despite the 30,000 workers hired to conduct the Census.

However, despite weak headlines, demand for labour has remained strong, as evidenced by the 1.7% increase in hours worked over the past 4 months (5.0% annualised). In our view, weaker sentiment has seen employers freeze new hires, and instead adjust working hours for existing employees. Average weekly hours worked per employee have been rising steadily, with the August figure of 32.7 hours being the highest since December 2008. We expect jobs growth of 10,000 in September with the unemployment and participation rate remaining stable.

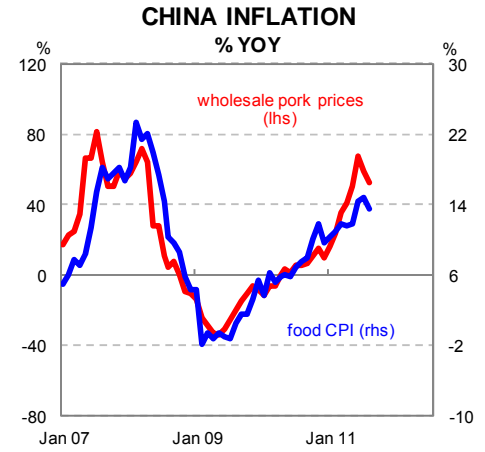


Friday 14 October

China CPI

Previous: 6.2% yoy

In August, China's headline CPI rose by 6.2% (YoY), down from June's 6.5% (YoY). The de-acceleration in food inflation to 13.4% (YoY) was largely responsible for the lower print. In particular, pork prices, which contributed to around one fourth of the rise in headline CPI in the last quarter, appear to have peaked in July. Base-effects have also started to contribute to the more marked fall in headline CPI. As we expect pork prices to moderate, the rise in food prices is likely to slow further, down towards to 12.7% (YoY) in September. As a result, we expect headline CPI to fall modestly to 6.0% (YoY).



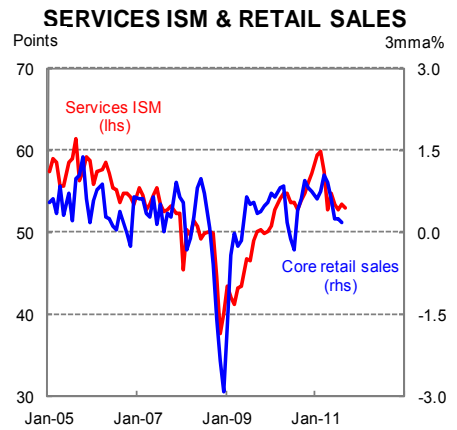
Friday 14 October

US Retail Sales

Previous: 0% mom

Retail sales have remained weak since April. The non-manufacturing ISM survey released last week indicates retailers enjoyed little relief in September. Retail petrol prices eased only 4% in August, and a further 2% in September.

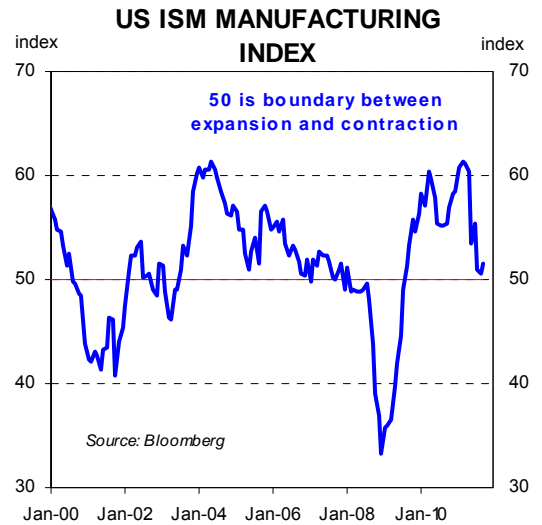
In addition, consumer confidence remained very low in September. Overall, we expect retail sales to increase very modestly in September, though we would not be surprised if sales decreased.



Data Recap: weekly recap

ISM Manufacturing Survey

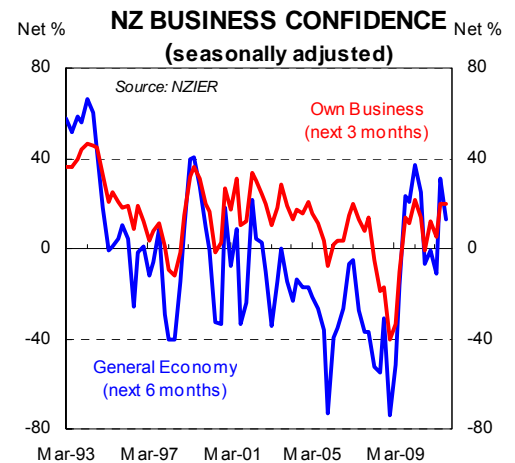
The ISM manufacturing index provides a leading indicator of US manufacturing activity and US GDP growth. Over September, the index bounced to 51.6 from 50.6. A reading over 50 indicates expansion in manufacturing activity. Within the survey components, the employment and production sub-indices were major gainers. However, the new orders component remained unchanged and still sub-50, suggesting demand is still weak and declining. As such, it is too early to view the move as any sort of reacceleration, rather just a stabilisation at modest but still-positive levels of overall activity.



NZ Quarterly Business Opinion Survey

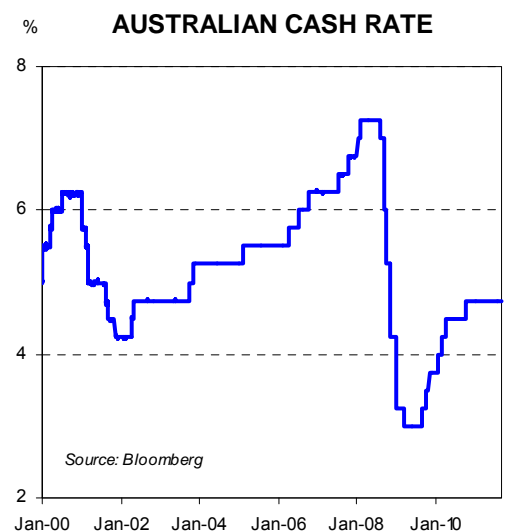
The NZIER Quarterly Survey of Business Opinion showed a drop in headline business confidence over Q3, reflecting the effects of the heightened uncertainty in global markets. However, businesses' own activity indicators held up reasonably well, with businesses' experienced activity suggesting underlying growth will remain around 0.5% over Q3. This is in line with the recent results seen in monthly business surveys. We expect Q3 GDP growth of 0.7%, aided by the start of the Rugby World Cup.

It appears the recovery in activity in Canterbury from the declines seen in the wake of the earthquakes is underpinning economic activity. In particular, there are signs of emerging capacity pressures in the building sector in the region as rebuilding activity picks up pace.



RBA Rate Announcement

The RBA board left the cash rate unchanged at 4.75%. However, the accompanying statement suggested the board has shifted further away from a tightening bias, due to ongoing global uncertainty. The RBA has softened its view on the inflation outlook, noting that revised data suggest that underlying inflation pressures have picked up by less than initially thought. The RBA also went on to note that "An improved inflation outlook would increase the scope for monetary policy to provide some support to demand, should that prove necessary".

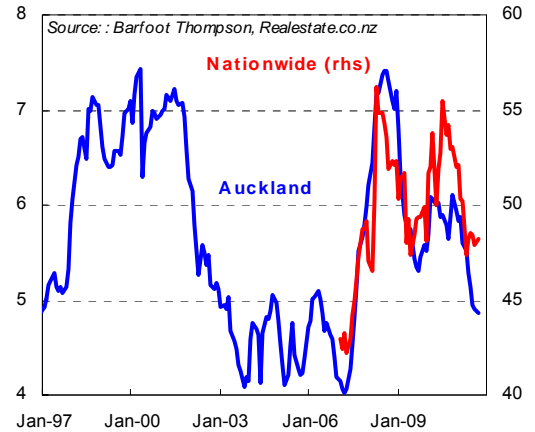


Barfoot and Thompson Auckland Housing data

Auckland house sales continued to decline in September, and are now back to levels prevailing at the beginning of the year. Meanwhile, there was also a decline in new listings, although this follows a reasonably robust increase in the previous month. Total listings were broadly unchanged over September.

Over the first half of the year, low supply tightened the Auckland housing market, putting upward pressure on prices. Going forward, the key trends to watch will be whether sales remain flat-to-down and whether new listings pick up. Nonetheless, low levels of construction over recent years, coupled with ongoing population growth, is likely to leave the housing market relatively supply-constrained. This should continue to place upward pressure on house prices over the coming year.

TOTAL HOUSING INVENTORY
(thousands)



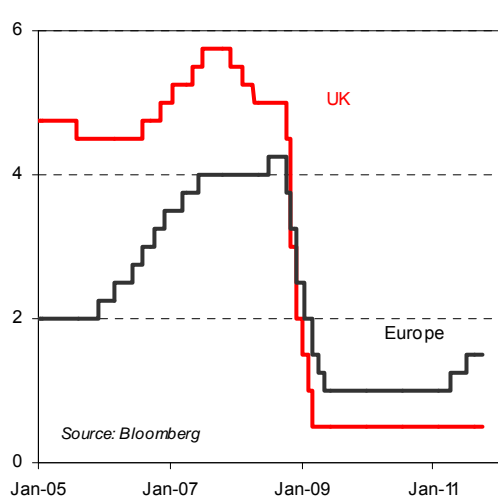
BoE and ECB Rate Announcements

The Bank of England expanded its asset purchase programme by £75 billion to £278 billion. The Bank's Monetary Policy Committee believes that the deterioration in the economic outlook makes it more "likely that inflation will undershoot the 2% target in the medium term".

The European Central Bank left rates unchanged at 1.5%, although did discuss the possibility of a rate cut. Instead, the ECB opted to expand its non-standard measures to increase liquidity.

The ECB has offered 2 new longer-term funding tenders of 12 month and 13 months durations. The ECB will also resume purchases of covered bonds, with the magnitude of the purchases set at €40 billion.

OFFICIAL INTEREST RATES



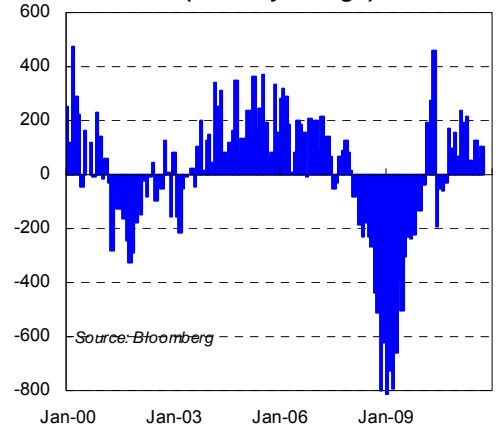
US Non-farm Payrolls

The 103,000 increase in non-farm payrolls over September was stronger than market expectations, and the July and August results were revised up by a total of 99,000. Overall, the employment report suggests the US labour market is not as weak as markets had initially feared.

There were other encouraging signs in the report, with the rising trend of temporary employment pointing to a marked pick-up in the pace of permanent growth over the coming year. Average hours worked also increased slightly last month from 34.2 to 34.3, and annual growth in average hourly earnings edged up to 1.9%.

Nonetheless, the continued high rate of unemployment of 9.1% underline the fact that despite the recent improvement, the US labour market is still weak and vulnerable to further deterioration in the global economy.

US PAYROLLS
(monthly change)



Global Data Calendars

Calendar - Australasia, Japan and China

Date	Time (NZT)	Eco	Event	Period	Unit	Last	Forecast	
							Market	ASB
Mon 10 Oct	13:30	AU	ANZ job advertisements	Sep	m%ch	-0.6	~	~
Tue 11 Oct	10:45	NZ	NZ card spending – total retail	Sep	m%ch	-0.7	+1.1	+1.1
	12:50	JN	Current account total	Aug	¥bn	990.2	453.6	~
	12:50	JN	Trade balance - BOP basis	Aug	¥bn	123.3	-692.3	~
	13:30	AU	NAB business confidence	Sep	Index	-8.0	~	~
	13:30	AU	NAB business conditions	Sep	Index	-3.0	~	~
	18:00	JN	Bank of Japan monthly economic report					
	18:00	JN	Consumer confidence	Sep	Index	37.0	37.2	~
	19:00	JN	Eco watchers survey: outlook	Sep	Index	47.1	46.5	~
Wed 12 Oct	12:00	NZ	QV house prices	Sep	y%ch	0.1	~	~
	12:30	AU	Westpac Consumer Confidence s.a.	Oct	m%ch	8.1	~	~
	13:00	NZ	ANZ consumer confidence	Oct	m%ch	-0.6	~	~
	13:30	AU	Home loans	Aug	m%ch	1.0	1.1	2.0
	13:30	AU	Investment lending	Aug	m%ch	1.9	~	~
	13:30	AU	Owner-occupied home loan value	Aug	m%ch	1.4	~	2.0
	17:00	AU	RBA's Debelle gives speech to Forex market					
Thu 13 Oct	10:30	NZ	Business NZ PMI	Sep	Index	52.9	~	~
	10:45	NZ	Food prices	Sep	m%ch	-1.3	~	~
	11:50	AU	RBA Luci Ellis speaks in Sydney					
	12:50	JN	BoJ to publish minutes of September 6-7 meeting					
	13:30	AU	Employment change	Sep	'000	-9.7	10.0	10.0
	13:30	AU	Unemployment rate	Sep	%	5.3	5.3	5.3
	13:30	AU	Full-time employment change	Sep	'000	-12.6	~	~
	13:30	AU	Part-time employment change	Sep	'000	2.9	~	~
	13:30	AU	Participation rate	Sep	%	65.6	65.6	65.6
	15:00	CH	Trade Balance	Sep	USD	17.8	16.9	~
Fri 14 Oct	12:50	JN	Japan buying foreign bonds	Oct	¥bn	972.8	~	~
	12:50	JN	Japan buying foreign stocks	Oct	¥bn	132.9	~	~
	12:50	JN	Foreign buying Japan bonds	Oct	¥bn	258.8	~	~
Fri 14 Oct	12:50	JN	Foreign buying Japan stocks	Oct	¥bn	-169.3	~	~
	15:00	NZ	Non resident bond holdings	Sep	%	62.5	~	~
	15:00	CH	CPI	Sep	y%ch	6.2	6.1	~
	15:00	CH	Producer Price Index	Sep	y%ch	7.3	6.9	~

Calendar - North America & Europe

Please note all days and times are UK time. Add 12 hours for NZ times.

Date	Time (UK)	Eco	Event	Period	Unit	Last	Forecast	
							Market	ASB
Mon 10 Oct	02:01	UK	Lloyds employment confidence	Sep	Index	-66.0	~	~
	09:00	GE	Trade balance	Aug	€bn	10.4	8.2	~
Tue 11 Oct	02:01	UK	BRC sales like-for-like	Sep	y%ch	-0.6	~	~
	02:01	UK	RICS house price balance	Sep	%	-23.0	~	~
	11:30	UK	Industrial production	Aug	m%ch	-0.2	0.1	~
	11:30	UK	Manufacturing production	Aug	m%ch	0.1	-0.1	~
	15:15	CA	Housing starts	Sep	'000	184.6	186.1	~
	17:00	UK	NIESR GDP estimate	Sep	q%ch	0.2	~	~
Wed 12 Oct	21:00	US	Minutes of September FOMC meeting					
	11:30	EZ	ECB's Stark speaks in Riga					
	11:30	UK	Claimant count rate	Sep	%	4.9	5.0	~
	11:30	UK	Jobless claims change	Sep	'000	20.3	19.0	~
	11:30	UK	ILO unemployment rate (3mths)	Aug	%	7.9	8.0	~
	12:00	EC	Industrial production	Aug	m%ch	0.9	-0.7	~
	20:30	US	Fed's Plosser speaks on economy in Philadelphia					
Thu 13 Oct	21:30	EC	ECB's Trichet speaks in London					
	11:00	EC	ECB publishes October monthly report					
	11:30	UK	Visible trade balance	Aug	£mn	-8,922	-8,700	~
	15:30	CA	International merchandise trade	Aug	C\$bn	-0.75	-0.90	~
	15:30	US	Trade balance	Aug	US\$bn	-44.8	-46.0	
	15:30	US	Initial Jobless and continuing claims	Oct	'000	~	~	~
Fri 14 Oct	21:30	US	Fed's Kocherlakota speaks in Sidney, Montana					
		EC	ECB's Constancio takes part in Brussels Roundtable					
	12:00	EC	CPI - Core	Sep	y%ch	1.2	1.5	~
	12:00	EC	CPI	Sep	y%ch	2.5	3.0	~
	12:00	EC	Trade balance s.a.	Aug	€bn	-2.5	~	~
	15:30	US	Advance retail sales	Sep	y%ch	0.0	0.4	~
	15:30	US	Retail sales less autos	Sep	m%c	0.1	0.2	~
	16:55	US	University of Michigan confidence	Oct	Index	59.4	60.0	~
17:00	US	Business inventories	Aug	m%ch	0.4	0.4	~	

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