

A Super Bowl Week for Economic Data

This week is the Super Bowl for US economic data. Important figures on both the fourth quarter and the early part of the first quarter will be released each and every day, plus the Federal Reserve will make another decision on interest rates on Wednesday. A necessary condition for the US to be in recession or hurtling quickly toward one – which we highly doubt – is that the numbers are consistently painful and much worse than the consensus expects.

The data on Monday through Thursday will focus on the fourth quarter, providing real GDP growth in Q4 along with detailed information on income, consumption, and business investment. A report on construction activity in December arrives on Friday.

Friday's report on January employment may be the most important of the week. Last month's data showed a tepid 18,000 payroll gain for December, while the unemployment rate jumped to 5% from 4.7%. But the

upward trend in initial unemployment claims that forewarned of that weak report has reversed. In the latest reporting week, initial claims fell to their lowest level since September. This suggests a healthy 95,000 gain in January payrolls.

Two other important pieces of the puzzle for early 2008 will also come on Friday. The Institute for Supply Management will provide a look at the manufacturing sector, while auto company sales data will test the theory that consumers have begun a long-awaited retrenchment.

Overall, we expect the numbers to show resilience, with continued weakness in housing – including some leakage into manufacturing – counterbalanced by respectable gains in incomes, jobs, consumption, and business investment. By the end of the week, the recession story will be fading, not gaining ground.

Date/Time (CST)	U.S. Economic Data	Consensus	First Trust	Actual	Previous
1-28 / 9:00 am	New Home Sales - Dec	0.640 Mil	0.680 Mil		0.647 Mil
1-29 / 7:30 am	Durable Goods - Dec	1.5%	1.5%		-0.1%
7:30 am	Durable Goods (Ex-Trans) - Dec	0.0%	0.6%		-0.8%
1-30 / 7:30 am	Q4 GDP Advance	1.2%	1.5%		4.9%
7:30 am	Q4 GDP Chain Price Index	2.5%	2.4%		1.0%
1-31 / 7:30 am	Personal Income - Dec	+0.4%	+0.5%		+0.4%
7:30 am	Personal Spending - Dec	+0.1%	+0.2%		+1.1%
7:30 am	Q4 Employment Cost Index	0.8%	0.9%		0.8%
7:30 am	Initial Claims - Jan 26	315K	311K		301K
8:45 am	Chicago PMI - Jan	52.2	53.0		56.4
2-1 / 7:30 am	Non-Farm Payrolls - Jan	55K	95K		18K
7:30 am	Unemployment Rate - Jan	5.0%	4.9%		5.0%
7:30 am	Average Hourly Earnings	+0.3%	+0.3%		+0.4%
7:30 am	Average Weekly Hours - Jan	33.8	33.8		33.8
7:30 am	Manufacturing Payrolls - Jan	-20K	-20K		-31K
9:00 am	U. Mich. Consumer Sentiment	79.0	79.5		80.5
9:00 am	ISM Index - Jan	47.3	46.0		47.7
9:00 am	Construction Spending - Dec	-0.5%	-0.3%		+0.1%
Late Afternoon	Domestic Auto Sales – Jan	5.3 Mil	5.3 Mil		5.4 Mil
Late Afternoon	Domestic Truck Sales – Jan	6.9 Mil	7.1 Mil		7.0 Mil