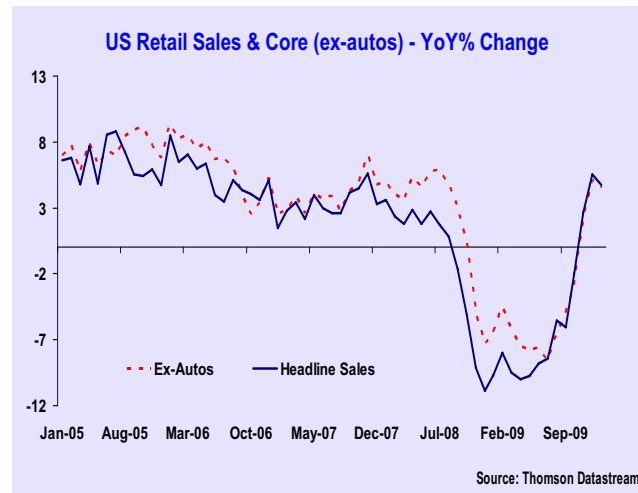


## Highlights for the Week Ahead

■ **The health of the consumer should dominate in terms of US data this week, with retail sales for February due for release alongside the preliminary Michigan consumer sentiment reading for March.** Retail sales are expected fall following the very strong growth seen in January, which could further raise concerns about a faltering recovery. **The external sector will also come under scrutiny with the trade report for January due for release.** The deficit is expected to be largely unchanged from the previous month.



■ **News from the industrial sector should dominate an otherwise light week in the eurozone, with manufacturing output reports for January from a number of countries scheduled for release, as well as the report from the eurozone itself.** The data are expected to show further evidence of recovery in output as the inventory cycle and a pick up in external demand help. Final Q4 GDP are also due for release this week, as well as the eurozone Sentix Investor Sentiment Index for March. The ECB releases its monthly bulletin on Thursday, with Trichet also due to speak during the week.

■ **It is also a relatively quiet week in terms of UK updates, with just industrial production for January and survey evidence from the BRC (retail sales) and RICS (house prices) for February to grab attention.** After a strong finish to the year, markets will be looking to the manufacturing data to reflect at least some of the pace of the recovery seen in the sectoral PMI, which hit a 15 year high in January.

■ **The BRC report, meanwhile, will be watched for any signs of a rebound in high street spending after a weak outturn for January as bad weather and the rise in the VAT rate hit. Other releases to watch over the week include the trade report for January, as well as the NIESR GDP estimate for the three months to February.** While sterling found some support versus the euro and dollar going into the weekend, **the UK currency remains vulnerable to downside pressures as ongoing concerns about UK economic conditions and political uncertainties continue to weigh.** Bank of England policy committee members scheduled to speak over the week include Kate Barker and Spencer Dale.

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■ **In Japan, January core machinery orders, a leading indicator of capital spending will be closely watched, with the data expected to show a fall after strong gains in the previous month. Revised Q4 GDP data are also due as well as the economy watchers index for last month and leading indicators for January.**

■ **Central banks in New Zealand and Switzerland meet this week.** Both are expected to leave rates on hold at a respective 2.5% and 0.25% but markets will be watching any comments from the RBNZ suggesting that it is moving towards policy tightening. However, all indications are that it will be mid 2010 before rate hikes are implemented, with recent data raising questions about the pace of the upswing in activity.

	Interest Rate Forecasts			
	Current	End Q1	End Q2	End Q3
		2010	2010	2010
Fed Funds	0-0.25	0-0.25	0-0.25	0-0.25
ECB Refi	1.00	1.00	1.00	1.00
BoE Repo	0.50	0.50	0.50	0.50
BoJ OCR	0.10	0.10	0.10	0.10

Current Rates Reuters, Forecasts AIB's ERU

	Exchange Rate Forecasts (Mid-Point of Range)			
	Current	End Q1	End Q2	End Q3
		2010	2010	2010
US\$/EUR	1.3575	1.35	1.35	1.38
STG/EUR	0.9030	0.87	0.87	0.86
YEN/EUR	122.20	122	124	131
US\$/STG	1.5032	1.55	1.55	1.60
YEN/US\$	90.01	90	92	95

Current Rates Reuters, Forecasts AIB's ERU



# ECONOMIC DIARY

Monday 8th March - Friday 12th March 2010



**AIB Global  
Treasury  
Economic  
Research**

**John  
Beggs**  
Chief  
Economist

**Oliver  
Mangan**  
Chief Bond  
Economist

**Geraldine  
Concagh**  
Senior  
Economist

**Jenny  
Pollock**  
Senior  
Economist

<i>Date</i>	<i>UK &amp; Irish Time (GMT)</i>	<i>Release</i>	<i>Previous</i> ◆	<i>Forecast</i> ◆
<b>This Week:</b>	<b>Fed Speakers:</b>	Evans (Tuesday)		
	<b>ECB Speakers:</b>	Trichet; Stark (Monday)		
	<b>BoE Speakers:</b>	Barker (Monday); Dale (Friday)		
	<b>GER: 07.00</b>	Wholesale Prices (February)	+1.3% (+1.9%)	+0.3% (+2.3%)
<b>Mon 8th</b>	<b>JPN:</b>	Current Account (January)	+452.8%	
	<b>JPN: 05.00</b>	Economy Watchers Index (February)	38.8	
	<b>EU-16: 09.30</b>	Sentix Investor Sentiment Index (March)	-8.2	-9.0
	<b>GER: 11.00</b>	Industrial Production (January)	-2.6%	+1.0%
<b>Tues 9th</b>	<b>UK: 00.01</b>	BRC Retail Sales (February)	-0.7%	
	<b>UK: 00.01</b>	RICS House Price Balance (February)	+32	
	<b>JPN: 05.00</b>	Leading Indicators (January)	3.0	
	<b>UK: 09.30</b>	Trade Balance (January)	-£7.278bn	-£7.0bn
		- Non EU Trade	-£3.553bn	-£3.4bn
	<b>JPN: 23.50</b>	Domestic Wholesale Prices (February)	+0.3% (-2.1%)	+0.1% (-1.5%)
	<b>JPN: 23.50</b>	Core Machinery Orders (January)	+20.1%	-4.1%
<b>Wed 10th</b>	<b>GER: 07.00</b>	Final CPI (February)	-0.6% (+0.8%)	+0.2% (+0.4%)
	<b>FRA: 07.45</b>	Industrial Production (January)	-0.1%	+0.2%
	<b>ITL: 09.00</b>	Industrial Production (January)	-0.7% (-5.6%)	+0.6% (-3.0%)
	<b>UK: 09.30</b>	Industrial Production (January)	+0.5% (-3.6%)	+0.3% (-0.8%)
		- Manufacturing Production	+0.9% (-1.9%)	+0.3% (+1.4%)
	<b>ITL: 10.00</b>	Final GDP (Q4)	+0.6% (-4.6%)	-0.2% (-2.8%)
	<b>US: 15.00</b>	Wholesale Inventories (January)	-0.8%	+0.2%
		- Sales	+0.8%	+0.7%
	<b>UK: 15.00</b>	NIESR GDP Estimate (3 Mths to February)	+0.4%	
	<b>US: 19.00</b>	Federal Budget (February)	-\$193.86bn	-\$202bn
	<b>NZ: 20.00</b>	RBNZ Interest Rate Announcement	2.50%	2.50%
	<b>JPN: 23.50</b>	Revised GDP (Q4)	+1.1% / +4.6% s.a.a.r. (p)	+1.0% / +4.1%
<b>Thurs 11th</b>	<b>EU-16: 09.00</b>	ECB Monthly Bulletin		
	<b>IRL: 11.00</b>	<b>CPI (February)</b>	<b>-0.6% (-3.9%)</b>	<b>+0.6% (-3.0%)</b>
	<b>IRL: 11.00</b>	<b>Manufacturing Production (January)</b>	<b>-4.8% (-5.5%)</b>	<b>+5% (-14%)</b>
	<b>CH: 13.00</b>	SNB Interest Rate Announcement	0.25%	0.25%
	<b>US: 13.30</b>	Initial Jobless Claims (w/e 6th March)	469,000	454,000
	<b>US: 13.30</b>	International Trade Balance (January)	-\$40.18bn	-\$41bn
<b>Fri 12th</b>	<b>EU-16: 10.00</b>	Industrial Production (January)	-1.7% (-5.0%)	+0.7% (-1.9%)
	<b>US: 13.30</b>	Retail Sales (February)	+0.5%	-0.1%
		- Ex Autos	+0.6%	+0.1%
	<b>US: 14.55</b>	Michigan Sentiment (March prelim)	73.6	73.5
	<b>US: 15.00</b>	Business Inventories (January)	-0.2%	+0.1%

◆ Month-on-month changes (year-on-year shown in brackets)

All Forecasts AIB ERU, historical data in the Economic Diary derived from publicly available sources

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