

# International Economy Watch

29 September 2015



AIB Treasury Economic Research Unit

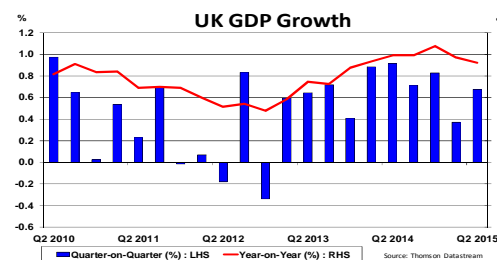
	Q4-11	Q1-12	Q2-12	Q3-12	Q4-12	Q1-13	Q2-13	Q3-13	Q4-13	Q1-14	Q2-14	Q3-14	Q4-14	Q1-15	Q2-15
<b>GDP</b>															
<b>QoQ % Change</b>															
US	1.1	0.7	0.5	0.1	0.0	0.5	0.3	0.7	0.9	-0.2	1.1	1.1	0.5	0.2	1.0
Eurozone	-0.3	-0.2	-0.3	-0.1	-0.4	-0.2	0.4	0.2	0.2	0.2	0.1	0.3	0.4	0.5	0.4
German	0.0	0.4	0.1	0.2	-0.5	-0.3	0.9	0.4	0.3	0.7	-0.1	0.2	0.6	0.3	0.4
French	0.2	0.0	-0.3	0.3	0.0	0.1	0.7	-0.1	0.2	-0.2	-0.1	0.3	0.1	0.7	0.0
UK	0.0	0.1	-0.2	0.8	-0.3	0.6	0.6	0.7	0.4	0.9	0.9	0.7	0.8	0.4	0.7
Japan	0.2	1.0	-0.5	-0.4	-0.1	1.3	0.6	0.6	-0.2	1.1	-2.0	-0.3	0.3	1.1	-0.3
<b>QoQ Seas Adj Annualised Rate</b>															
US	4.6	2.7	1.9	0.5	0.1	1.9	1.1	3.0	3.8	-0.9	4.6	4.3	2.1	0.6	3.9
Eurozone	-1.1	-0.6	-1.1	-0.4	-1.8	-1.0	1.6	0.9	0.9	0.8	0.3	1.0	1.6	2.1	1.4
German	-0.1	1.6	0.2	0.7	-1.9	-1.1	3.7	1.5	1.3	2.9	-0.2	0.8	2.5	1.4	1.8
French	1.0	0.1	-1.1	1.1	-0.1	0.5	3.0	-0.3	0.7	-0.7	-0.5	1.2	0.4	2.7	0.0
UK	-0.1	0.3	-0.7	3.4	-1.3	2.4	2.6	2.9	1.6	3.6	3.7	2.9	3.4	1.5	2.7
Japan	0.8	4.2	-2.1	-1.5	-0.6	5.4	2.3	2.5	-0.9	4.5	-7.6	-1.1	1.3	4.5	-1.2
<b>YoY % Change</b>															
US	1.7	2.8	2.5	2.4	1.3	1.1	0.9	1.5	2.5	1.7	2.6	2.9	2.5	2.9	2.7
Eurozone	0.6	-0.4	-0.8	-0.8	-1.0	-1.1	-0.4	-0.1	0.6	1.1	0.7	0.8	0.9	1.2	1.5
German	2.4	0.9	0.8	0.6	0.1	-0.5	0.3	0.5	1.3	2.3	1.4	1.2	1.5	1.1	1.6
French	1.5	0.4	0.2	0.3	0.0	0.1	1.1	0.8	1.0	0.7	-0.2	0.2	0.1	0.9	1.1
UK	1.5	1.0	0.6	0.7	0.4	0.9	1.7	1.6	2.4	2.7	3.0	3.0	3.4	2.9	2.6
Japan	0.3	3.3	3.4	0.3	0.0	0.3	1.4	2.4	2.3	2.1	-0.5	-1.4	-0.8	-0.8	0.9

US GDP picks up to 3.9% on an annualised basis in Q2, from 0.6% in Q1. Improved performance in Q2 was broad based, though consumer spending remained crucial

Eurozone growth slowed slightly to 0.4% in Q2, though the pace of YoY growth continued to pick up, now at 1.5%. Nationally, German growth remained moderate at just 0.4%. Growth in France was flat, while Italy (+0.3%) grew for a third consecutive quarter

Pace of growth in the UK rebounded to 0.7% in Q2, following Q1's 0.4%. But, this was in part due to the rise in North Sea oil output

Japanese economy contracted by 0.3% in Q2, impacted by lower exports and consumer spending—but YoY growth did rise to 0.9%



**Note:** Data sourced from Thomson Reuters, US Bureau of Economic Analysis, US Department of Commerce, Eurostat, Germany Federal Statistics Office, INSEE, ONS, Japanese Cabinet Office, Institute for Supply Management, European Commission, Ifo, German Centre for European Economic Research, ISTAT, Bank of Japan, Chinese National Bureau of Statistics, OECD, JP Morgan, Federal Reserve, Japanese Ministry of Economy, Trade and Industry, CPD Netherlands, US Census Bureau, Conference Board, University of Michigan, Gfk Group, US Bureau of Labor Statistics, Japanese Ministry of Internal Affairs, European Central Bank, Bundesagentur fur Arbeit, Japanese Ministry of Health and Labour, US National Association of Realtors, US National Association of Home Builders, UK Department of Community & Local Government, Bank of England, RICS, HBoS, Nationwide, Standard & Poor's, Dow Jones, STOXX, Deutsche Boerse, FTSE, NIKKEI, ICIS Pricing, London Bullion Market, Commodity Research Bureau.

# Leading Activity Indicators

	Jul-14	Aug-14	Sep-14	Oct-14	Nov-14	Dec-14	Jan-15	Feb-15	Mar-15	Apr-15	May-15	Jun-15	Jul-15	Aug-15	Sep-15
<b>US</b> - Manufacturing ISM	56.4	58.1	56.1	57.9	57.6	55.1	53.5	52.9	51.5	51.5	52.8	53.5	52.7	51.1	#N/A
- Services ISM	57.9	58.6	58.1	56.9	58.8	56.5	56.7	56.9	56.5	57.8	55.7	56.0	60.3	59.0	#N/A
- Business Activity	61.3	63.1	62.0	60.5	63.4	58.6	61.5	59.4	57.5	61.6	59.5	61.5	64.9	63.9	#N/A
<b>Eurozone</b> - EC Econ. Sentiment	102.5	100.8	100.2	100.8	100.8	100.9	101.5	102.3	103.9	103.8	103.8	103.5	104.0	104.1	105.6
- German IFO	107.9	106.4	105.4	103.6	104.8	105.7	106.8	106.8	107.9	108.6	108.6	107.5	108.0	108.4	108.5
- German ZEW	27.1	8.6	6.9	-3.6	11.5	34.9	48.4	53.0	54.8	53.3	41.9	31.5	29.7	25.0	12.1
- French INSEE	97.1	96.2	95.9	97.5	98.5	99.2	99.7	99.5	98.9	101.8	102.6	100.4	102.5	102.6	103.8
- Italian ISTAT	100.6	97.8	98.1	99.1	99.5	99.5	99.9	100.4	103.6	103.9	103.4	103.9	103.6	102.7	104.2
<b>UK</b> - EC Economic Sentiment	116.5	115.7	114.8	113.0	113.3	113.3	113.9	113.8	111.1	113.1	113.2	109.4	112.9	113.5	110.7
- EC Industrial Sentiment	7.4	9.2	4.9	5.4	6.3	6.8	6.1	8.4	1.3	1.4	2.1	-0.8	0.7	-1.1	-4.1
- EC Services Sentiment	30.3	22.6	23.3	21.3	22.0	16.6	18.7	15.1	14.2	18.8	22.0	9.0	17.5	26.9	19.6
<b>Japan</b> - Tankan Manufacturing	26	14	20	27	17	30	25	24	24	27	30	39	27	25	21
- Tankan Services	32	32	35	25	27	27	16	15	27	26	26	21	21	21	19
<b>China</b> - NBS Manufacturing PMI	51.7	51.1	51.1	50.8	50.3	50.1	49.8	49.9	50.1	50.1	50.2	50.2	50.0	49.7	#N/A
- NBS Services PMI	54.2	54.4	54.0	53.8	53.9	54.1	53.7	53.9	53.7	53.4	53.2	53.8	53.9	53.4	#N/A
<b>Global</b> - Manufacturing PMI	52.4	52.5	52.2	52.2	51.8	51.5	51.7	51.9	51.7	51.0	51.3	51.0	51.0	50.7	#N/A
- Services PMI	56.0	55.5	55.2	53.6	53.4	52.5	53.0	54.1	55.2	54.8	54.0	53.6	54.1	54.4	#N/A
- Composite PMI	55.6	55.2	54.8	53.5	53.2	52.4	53.0	53.9	54.8	54.2	53.6	53.1	53.7	53.7	#N/A
- OECD Lead Indicator	100.3	100.3	100.3	100.3	100.3	100.3	100.3	100.2	100.2	100.2	100.1	100.1	100.0	#N/A	#N/A

US ISM surveys suggest that growth in the services sector remains very strong, while manufacturing continues to struggle

Eurozone EC economic sentiment rises to an over 4yr high in September. Overall performance in Q3 better, but still suggests that growth remained modest

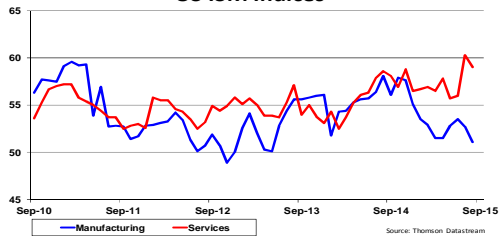
UK EC economic sentiment suggests that economy maintained more moderate pace of growth in Q3

Japanese Tankan suggests business sentiment softer in Q3—may reflect some concerns over China

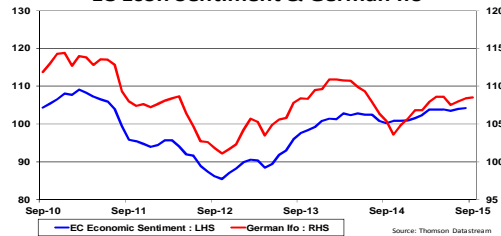
Chinese manufacturing PMI back in contractionary territory

Global composite PMI data indicate economy maintaining moderate pace of growth

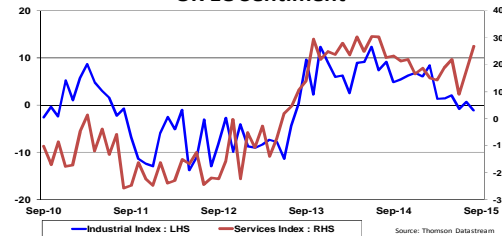
US ISM Indices



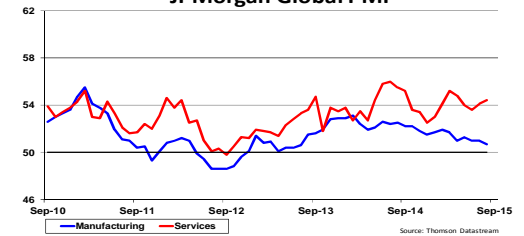
EC Econ Sentiment & German Ifo



UK EC Sentiment



JPMorgan Global PMI



# Industrial Output

	Jun-14	Jul-14	Aug-14	Sep-14	Oct-14	Nov-14	Dec-14	Jan-15	Feb-15	Mar-15	Apr-15	May-15	Jun-15	Jul-15	Aug-15
<b>Industrial Production - Volume Indices</b>															
US	105.7	106.1	106.1	106.7	106.8	107.8	107.9	107.6	107.4	107.2	107.0	106.6	106.6	107.5	107.1
Eurozone (ex Construction)	100.7	101.5	100.4	101.1	101.2	101.3	101.9	102.0	103.0	102.5	102.6	102.4	102.1	102.7	#N/A
Germany (inc Construction)	107.4	108.9	105.9	107.6	107.8	108.0	109.1	109.0	109.0	108.6	109.3	109.5	108.5	109.3	#N/A
UK - Total	98.1	98.4	98.1	98.9	98.8	98.9	98.8	98.8	98.9	99.5	99.7	100.0	99.6	99.2	#N/A
- Manufacturing	100.9	101.1	101.1	101.7	101.1	101.9	102.1	101.3	101.8	102.2	101.9	101.2	101.4	100.6	#N/A
Japan	97.6	97.5	96.7	98.1	98.5	97.9	98.1	102.1	98.9	98.1	99.3	97.2	98.3	97.5	#N/A
<b>MoM % Change</b>															
US	0.4	0.3	0.0	0.5	0.2	0.9	0.1	-0.3	-0.2	-0.2	-0.2	-0.4	0.0	0.9	-0.4
Eurozone (ex Construction)	-0.2	0.8	-1.1	0.7	0.1	0.2	0.5	0.2	0.9	-0.5	0.1	-0.2	-0.3	0.6	#N/A
Germany (inc Construction)	0.5	1.4	-2.8	1.6	0.2	0.2	1.0	-0.1	0.0	-0.4	0.6	0.2	-0.9	0.7	#N/A
UK - Total	0.0	0.3	-0.3	0.7	-0.1	0.2	-0.1	-0.1	0.2	0.6	0.2	0.3	-0.4	-0.4	#N/A
- Manufacturing	0.7	0.2	0.0	0.6	-0.7	0.8	0.2	-0.8	0.4	0.4	-0.4	-0.6	0.2	-0.8	#N/A
Japan	-1.9	-0.1	-0.8	1.4	0.4	-0.6	0.2	4.1	-3.1	-0.8	1.2	-2.1	1.1	-0.8	#N/A
<b>YoY % Change</b>															
US	4.0	4.8	4.0	3.9	4.1	4.7	4.6	4.5	3.5	2.5	2.1	1.3	0.8	1.3	0.9
Eurozone (ex Construction)	0.3	1.9	-0.5	0.3	0.8	-0.6	0.8	0.7	2.0	2.1	0.8	1.7	1.5	1.9	#N/A
Germany (inc Construction)	0.1	3.1	-2.0	0.4	1.2	-0.3	0.8	0.4	0.2	0.1	1.1	2.4	0.9	0.5	#N/A
UK - Total	0.9	1.4	1.5	0.9	1.2	1.6	1.2	1.5	0.4	1.1	1.0	1.9	1.5	0.8	#N/A
- Manufacturing	2.3	3.0	3.5	2.7	2.3	3.4	3.0	1.8	1.2	1.2	0.2	1.0	0.5	-0.5	#N/A
Japan	3.2	-0.5	-3.0	1.0	-0.5	-3.7	-0.1	-2.6	-2.0	-1.7	0.1	-3.9	2.3	0.0	#N/A
<b>World Industrial Production (CPB Netherlands Bureau for Economic Policy Analysis)</b>															
MoM %	0.1	0.5	-0.5	1.1	0.0	0.3	0.6	-0.3	0.1	-0.1	0.1	-0.3	0.6	0.2	#N/A
3 Mth / 3 Mth %	0.5	0.4	0.3	0.6	0.6	1.0	1.0	1.0	0.7	0.3	0.1	-0.1	0.1	0.2	#N/A
3 Mth Avg YoY %	3.4	3.4	3.1	3.1	3.0	3.1	3.1	2.9	2.7	2.4	2.2	1.9	1.9	1.9	#N/A
<b>Industrial Orders</b>															
<b>MoM % Change</b>															
US - Factory Goods	1.6	10.8	-10.5	-1.0	-0.9	-0.7	-3.7	-0.4	-1.0	2.2	-0.7	-1.1	2.2	0.4	#N/A
Germany	-0.2	6.0	-5.5	1.6	2.7	-2.3	3.3	-2.6	-1.0	1.1	2.2	-0.3	1.8	-1.4	#N/A
Japan - Core Machinery (Value)	0.8	7.4	2.3	2.4	-3.5	0.1	5.6	2.5	-1.4	2.9	3.8	0.6	-7.9	-3.6	#N/A
<b>YoY % Change</b>															
US	3.8	17.8	3.5	3.8	2.0	-2.2	-2.4	-5.3	-6.9	-4.0	-6.5	-8.3	-4.2	-15.2	#N/A
Germany	-4.1	6.9	-2.6	2.3	2.8	-1.5	6.3	-3.2	-2.5	6.3	1.4	-1.5	13.4	-0.5	#N/A
Japan - Core Machinery (Value)	-3.0	1.1	-3.3	7.3	-4.9	-14.6	11.4	1.9	5.9	2.6	3.0	19.3	16.6	2.8	#N/A

US production showing some improvement—up 0.5% in July/Aug vs Q2. But, sector weighed down by negative impact from lower oil prices and stronger dollar

Production in the Eurozone increases at the start of Q3, aided by a recovery in energy output, though other sectors showing an encouraging improvement too

In contrast, UK growth slows as pick-up in energy production seen in Q2 starts to reverse—manufacturing also soft

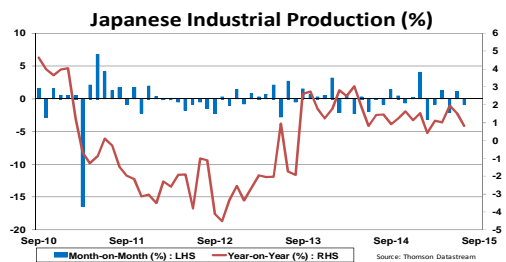
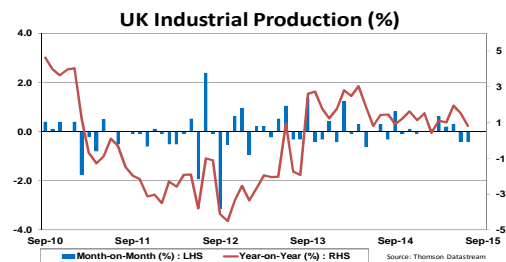
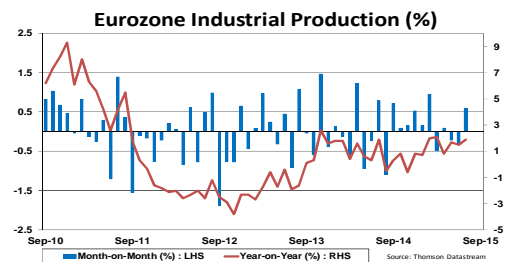
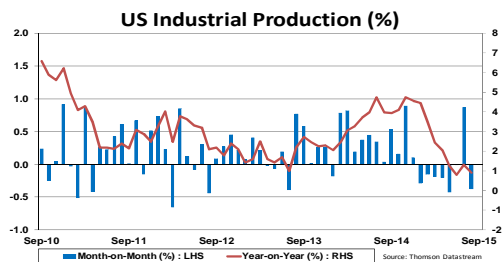
Japanese production remains volatile, though recent underlying trend has been negative. Production fell by 0.8% in July after declining by 1.4% in Q2

YoY pace of growth in global production below 2%

US factory orders pick up for two consecutive months for the first time in 1yr in July

German orders fall by 1.4% at the start of Q3, having risen by a strong 3% in Q2

Japanese orders fall sharply in June/July—YoY growth has slowed to 2.8%



# Consumer Confidence & Retail Sales

	Jul-14	Aug-14	Sep-14	Oct-14	Nov-14	Dec-14	Jan-15	Feb-15	Mar-15	Apr-15	May-15	Jun-15	Jul-15	Aug-15	Sep-15
<b>CONSUMER CONFIDENCE INDICATORS</b>															
US - Conference Board	90.3	93.4	89.0	94.1	91.0	93.1	103.8	98.8	101.4	94.3	94.6	99.8	91.0	101.5	#N/A
- Expectations	91.9	93.1	86.4	93.8	89.3	88.5	97.0	90.0	96.0	87.1	86.2	92.8	82.3	92.5	#N/A
US - Univ. Michigan Sentiment	81.8	82.5	84.6	86.9	88.8	93.6	98.1	95.4	93.0	95.9	90.7	96.1	93.1	91.9	87.2
- Expectations	71.8	71.3	75.4	79.6	79.9	86.4	91.0	88.0	85.3	88.8	84.2	87.8	84.1	83.4	78.2
Eurozone - European Commission	-8.4	-10.2	-11.5	-11.3	-11.6	-11.0	-8.5	-6.7	-3.7	-4.6	-5.6	-5.6	-7.2	-6.9	-7.1
Germany - European Commission	3.9	0.3	-1.1	-0.7	-1.6	-1.4	0.0	-0.1	3.2	3.3	3.0	2.8	1.4	0.7	#N/A
- GfK Consumer Climate	8.9	8.9	8.6	8.4	8.5	8.7	9.0	9.3	9.7	10.0	10.1	10.2	10.1	10.1	9.9
France - INSEE	87.2	86.8	86.3	86.0	87.6	90.3	89.9	92.1	93.3	94.3	93.7	94.0	93.5	93.8	96.9
UK - European Commission	4.8	6.6	3.5	5.2	2.6	3.1	3.0	3.9	5.6	6.9	1.1	5.1	3.0	2.8	#N/A
- GfK	-2	1	-1	-2	-2	-4	1	1	4	4	1	7	4	7	#N/A
<b>RETAIL SALES</b>															
US - Headline (Value \$ m)	435,576	438,243	437,311	439,189	441,444	437,590	434,225	431,921	438,572	438,717	443,913	443,734	446,872	447,715	#N/A
- Ex Autos (Value \$ m)	348,849	350,111	349,935	350,940	351,692	348,678	344,769	344,404	348,016	347,631	351,113	352,381	354,325	354,555	#N/A
- Auto Sales (mln, s.a.a.r.)	16.45	17.22	16.42	16.46	17.02	16.80	16.63	16.32	17.06	16.70	17.63	16.95	17.47	17.72	#N/A
Eurozone (Volume Index)	97.9	98.7	97.8	98.3	98.9	99.3	99.8	99.9	99.6	100.0	100.2	100.1	100.4	#N/A	#N/A
UK (Volume Index)	106.4	107.0	106.2	107.8	109.5	109.5	109.7	110.4	109.7	110.5	110.8	110.6	110.7	110.9	#N/A
Japan (Value Index)	11,821	11,454	11,246	11,368	11,646	13,510	11,489	10,726	12,403	11,556	11,772	11,470	12,030	#N/A	#N/A
<b>MoM %</b>															
US - Headline (Value)	-0.1	0.6	-0.2	0.4	0.5	-0.9	-0.8	-0.5	1.5	0.0	1.2	0.0	0.7	0.2	#N/A
- Ex Autos (Value)	-0.2	0.4	-0.1	0.3	0.2	-0.9	-1.1	-0.1	1.0	-0.1	1.0	0.4	0.6	0.1	#N/A
Eurozone (Volume)	-0.6	0.8	-0.9	0.5	0.6	0.5	0.4	0.1	-0.3	0.5	0.2	-0.1	0.3	#N/A	#N/A
UK (Volume)	0.2	0.6	-0.7	1.5	1.6	0.0	0.2	0.6	-0.6	0.7	0.3	-0.2	0.1	0.2	#N/A
Japan (Value)	4.1	-3.1	-1.8	1.1	2.4	16.0	-15.0	-6.6	15.6	-6.8	1.9	-2.6	4.9	#N/A	#N/A
<b>YoY %</b>															
US - Headline (Value)	3.9	4.9	4.4	4.6	4.7	3.3	3.7	1.9	2.1	1.3	2.5	1.8	2.6	2.2	#N/A
- Ex Autos (Value)	3.2	4.0	3.5	3.6	3.8	2.0	1.7	0.7	1.0	0.1	1.1	0.8	1.6	1.3	#N/A
- Auto Sales (3MMA)	6.6	7.1	7.1	7.9	6.5	7.2	7.8	7.7	5.8	3.9	4.2	3.4	4.5	3.4	#N/A
Eurozone (Volume)	0.5	1.6	0.5	1.4	1.2	3.0	2.4	2.4	1.7	2.4	2.6	1.7	2.7	#N/A	#N/A
UK (Volume)	2.8	4.0	2.4	5.1	6.8	4.2	6.3	5.7	4.5	4.3	4.6	4.1	4.0	3.6	#N/A
Japan (Value)	0.6	1.2	2.3	1.4	0.5	0.1	-2.0	-1.7	-9.7	4.9	3.0	1.0	1.8	#N/A	#N/A

Some divergence between Michigan and Conf' Board surveys, but overall US consumer confidence remains strong

Eurozone consumer confidence was weaker in Q3 (avg. -7.1) vs Q2 (-5.3). Fall may reflect some uncertainty over global economic outlook

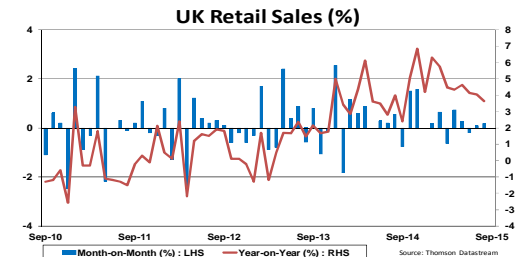
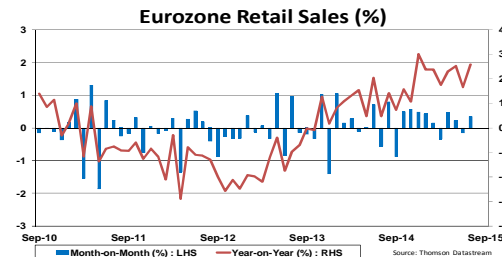
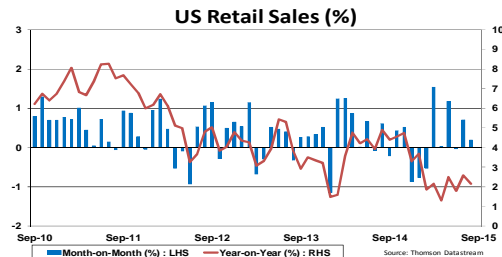
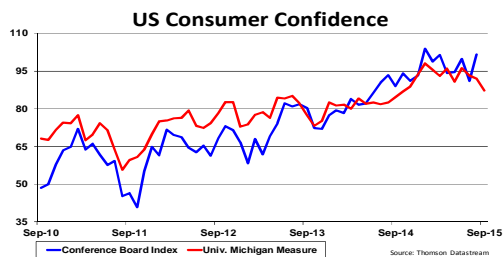
Likewise, EC UK consumer confidence data a bit softer in July/August

US retail sales (value) remain robust, up 1.2% in July/Aug vs Q2. Although, fall in prices (esp. oil) have acted as a drag on headline growth

Eurozone sales increase by 0.3% in July. Underlying trend shows growth remains more modest, up by 0.4% on a 3mth/3mth basis—was 1%+ in early part of the year

Likewise, pace of underlying growth has also slowed in the UK. 3mth/3mth growth at 0.4% in August versus 2%+ rates at end 2014/start 2015

Japanese retail sales remain very volatile. They grew by 4.9% in July, with the YoY rate picking up to 1.8%



# Consumer Prices

	Jul-14	Aug-14	Sep-14	Oct-14	Nov-14	Dec-14	Jan-15	Feb-15	Mar-15	Apr-15	May-15	Jun-15	Jul-15	Aug-15	Sep-15
<b>CONSUMER PRICES</b>															
<b>YoY % Change</b>															
US CPI	2.0	1.7	1.7	1.7	1.3	0.8	-0.1	0.0	-0.1	-0.2	0.0	0.1	0.2	0.2	#N/A
Eurozone HICP	0.4	0.4	0.3	0.4	0.3	-0.2	-0.6	-0.3	-0.1	0.0	0.3	0.2	0.2	0.1	#N/A
German CPI	0.9	0.9	0.9	0.8	0.6	0.2	-0.3	0.1	0.3	0.5	0.7	0.3	0.2	0.2	0.0
French CPI	0.5	0.4	0.3	0.5	0.3	0.1	-0.4	-0.3	-0.1	0.1	0.3	0.3	0.2	0.1	#N/A
UK CPI	1.6	1.5	1.2	1.3	1.0	0.5	0.3	0.0	0.0	-0.1	0.1	0.0	0.1	0.0	#N/A
- UK CPI : Ex Taxes	1.6	1.6	1.2	1.3	1.0	0.5	0.0	-0.2	-0.3	-0.3	0.0	-0.1	0.1	-0.1	#N/A
Japanese CPI	3.4	3.4	3.3	2.9	2.4	2.4	2.4	2.2	2.3	0.6	0.5	0.4	0.3	0.2	#N/A
<b>MoM % Change</b>															
US CPI (seas.adj.)	0.1	-0.1	0.1	0.1	-0.3	-0.3	-0.7	0.2	0.2	0.1	0.4	0.3	0.1	-0.1	#N/A
Eurozone HICP	-0.7	0.1	0.4	-0.1	-0.2	-0.1	-1.6	0.6	1.1	0.2	0.2	0.0	-0.6	0.0	#N/A
German CPI	0.3	0.0	0.0	-0.3	0.0	0.0	-1.0	0.9	0.5	0.0	0.1	-0.1	0.2	0.0	-0.2
French CPI	-0.3	0.4	-0.4	0.0	-0.2	0.1	-1.0	0.7	0.7	0.1	0.2	-0.1	-0.4	0.3	#N/A
UK CPI	-0.3	0.4	0.0	0.1	-0.3	0.0	-0.9	0.3	0.2	0.2	0.2	0.0	-0.2	0.2	#N/A
Japanese CPI (seas.adj.)	0.1	0.1	0.0	-0.2	-0.1	0.1	-0.1	-0.1	0.2	0.2	0.2	0.0	0.0	0.0	#N/A
<b>Core CPI</b>															
<b>YoY % Change</b>															
US (1)	1.9	1.7	1.7	1.8	1.7	1.6	1.6	1.7	1.8	1.8	1.7	1.8	1.8	1.8	#N/A
Eurozone (2)	0.8	0.9	0.8	0.7	0.7	0.7	0.6	0.7	0.6	0.7	0.9	0.8	0.9	0.9	#N/A
UK (3)	1.8	1.9	1.5	1.5	1.2	1.3	1.4	1.2	1.0	0.8	0.9	0.8	1.2	1.0	#N/A
Japan (4)	3.4	3.1	3.0	2.9	2.7	2.6	2.2	2.0	2.2	0.3	0.0	0.0	-0.1	-0.1	#N/A
Japan : Core-Core (5)	2.3	2.2	2.2	2.1	2.1	2.1	2.0	2.0	2.1	0.4	0.4	0.5	0.6	0.8	#N/A
<b>MoM % Change</b>															
US (seas.adj) (1)	0.1	0.1	0.1	0.2	0.1	0.1	0.2	0.2	0.2	0.3	0.1	0.2	0.1	0.1	#N/A
Eurozone (2)	-0.7	0.3	0.5	0.0	-0.1	0.3	-1.5	0.5	1.2	0.2	0.1	0.0	-0.6	0.3	#N/A
UK (3)	-0.4	0.5	0.1	0.2	-0.1	0.2	-0.8	0.5	0.2	0.3	0.1	0.1	0.0	0.4	#N/A
Japan (seas.adj) (4)	0.2	-0.1	-0.1	0.0	0.0	0.0	-0.3	-0.1	0.2	0.1	0.0	0.1	0.0	0.0	#N/A
Japan (seas.adj) : Core-Core (5)	0.0	0.0	0.0	0.0	0.1	0.1	-0.2	0.1	0.1	0.1	0.0	0.2	0.1	0.2	#N/A

US CPI inflation remains weak. Further fall in commodity prices means it is likely to remain low in the coming months

Likewise, Eurozone inflation is very weak (0.1% in August) with little upward pressure on prices likely going forward

UK inflation edges back down to 0% in August

Japanese inflation lower still in August—base effects from 2014 VAT hike now gone

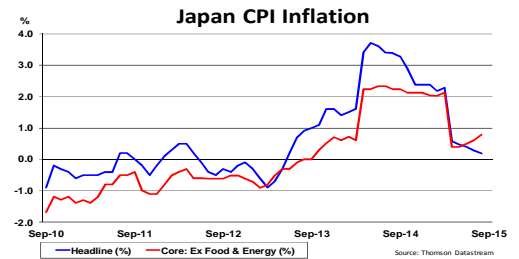
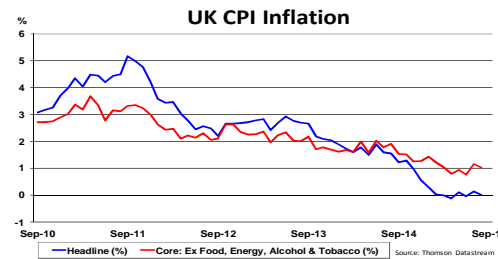
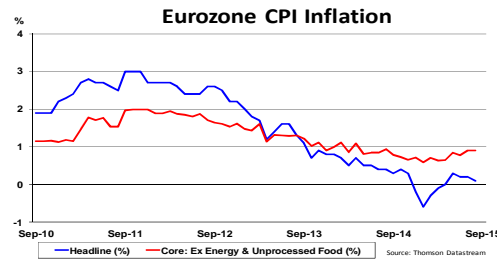
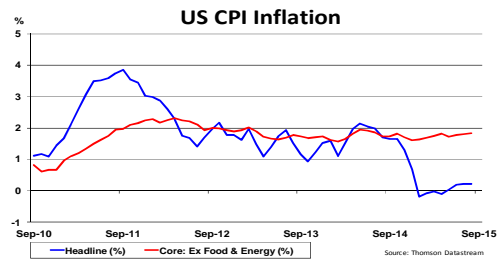
US core CPI stuck in a 1.6-2% range since mid 2012

Core Eurozone inflation stuck in 0.6-0.9% since May'14

Core UK inflation edges lower in August, though it holds above 1%

Japan (ex-food & energy) inflation continues to edge up in August, but way off levels from one year previous as VAT hike impact gone

- (1) Excluding Food & Energy      (2) Excluding Energy & Unprocessed Food      (3) Excluding Food, Energy, Alcohol & Tobacco      (4) Excluding Fresh Food      (5) Excluding Food & Energy



# Labour Market

	Jun-14	Jul-14	Aug-14	Sep-14	Oct-14	Nov-14	Dec-14	Jan-15	Feb-15	Mar-15	Apr-15	May-15	Jun-15	Jul-15	Aug-15
<b>EMPLOYMENT</b>															
US Non-Farm Payroll - Mth ('000)	286	249	213	250	221	423	329	201	266	119	187	260	245	245	173
<b>GROWTH YoY %</b>															
US Civilian Employment	1.5	1.5	1.5	1.6	2.7	2.0	1.9	2.1	2.1	1.7	1.9	2.0	1.7	1.7	1.8
Eurozone (Q)	0.6	0.8	0.8	0.8	0.8	0.8	0.8	0.8	0.8	0.8	0.9	0.9	0.9	#N/A	#N/A
Germany	1.0	0.9	0.9	0.9	0.9	0.8	0.8	0.6	0.5	0.5	0.4	0.4	#N/A	#N/A	#N/A
France (Q)	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.2	0.2	0.2	0.2	0.2	0.2	#N/A	#N/A
UK (3 Mth to)	2.5	2.3	2.4	2.3	1.9	1.7	2.0	2.0	1.8	1.8	1.4	0.9	1.2	1.3	#N/A
Japan - Regular Employees	0.4	0.5	0.5	0.4	0.3	0.3	0.4	0.7	0.9	0.6	1.0	0.9	0.9	1.0	#N/A
<b>UNEMPLOYMENT RATE %</b>															
US Civilian Employment	6.1	6.2	6.1	5.9	5.7	5.8	5.6	5.7	5.5	5.5	5.4	5.5	5.3	5.3	5.1
Eurozone	11.6	11.6	11.5	11.5	11.5	11.5	11.4	11.3	11.2	11.2	11.1	11.1	11.1	10.9	#N/A
Germany	5.0	5.0	5.0	5.0	5.0	4.9	4.9	4.8	4.8	4.8	4.8	4.7	4.7	4.7	#N/A
France	10.2	10.3	10.4	10.4	10.4	10.5	10.5	10.4	10.3	10.3	10.2	10.3	10.3	10.4	#N/A
UK (3 Mth to)	6.3	6.2	6.0	6.0	6.0	5.8	5.7	5.7	5.6	5.5	5.5	5.6	5.6	5.5	#N/A
Japan	3.7	3.7	3.5	3.6	3.5	3.5	3.4	3.6	3.5	3.4	3.3	3.3	3.4	3.3	#N/A
<b>EARNINGS GROWTH YoY %</b>															
US - Employment Cost Index (Q)	2.0	2.3	2.3	2.3	2.2	2.2	2.2	2.6	2.6	2.6	2.0	2.0	2.0	#N/A	#N/A
- Average Earnings	2.0	2.1	2.2	2.0	2.0	2.1	1.8	2.2	2.0	2.1	2.3	2.3	2.0	2.2	2.2
UK - Weekly Earnings (Ex-bonus)	0.7	0.8	0.9	1.2	1.6	1.8	1.7	1.6	1.9	2.3	2.7	2.8	2.8	2.9	#N/A
Eurozone - Wage Growth (Q)	1.5	1.5	1.5	1.5	1.1	1.1	1.1	2.0	2.0	2.0	1.9	1.9	1.9	#N/A	#N/A
Germany - Wage Growth	3.4	2.8	2.7	2.8	2.9	2.8	2.9	1.0	2.5	3.0	2.4	2.0	2.1	2.2	#N/A
Japan - Average Earnings	2.1	3.9	1.6	1.3	0.7	0.6	2.1	-0.7	-1.2	-1.1	-0.6	-0.1	-4.7	-0.4	#N/A

US payrolls somewhat disappointing in August (173k), but this may be revised up. Underlying trend remains strong. Unemploy' rate falls to 5.1%, a 7½yr low

Eurozone employment growth improves slightly in Q2 (0.9%), but remains modest. Unemployment at an over 3yr low of 10.9% in July.

Dichotomy between German (4.7%) & French (10.4%) unemployment has widened

Pace of UK employment growth has picked up again, though it remains well off its levels from mid 2014. The unemployment rate edged back down to 5.5% in July

Japanese unemployment rate at an 18yr low in July

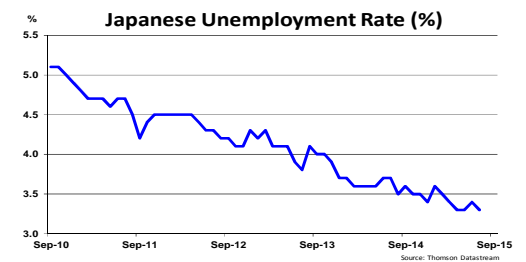
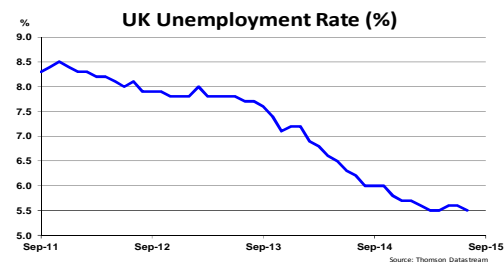
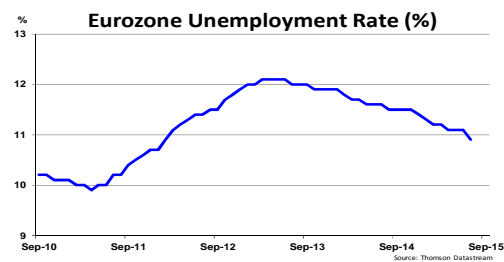
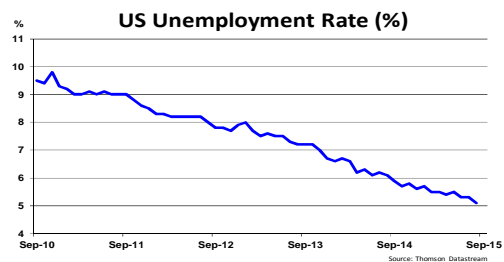
US earnings growth slows in Q2, now around 2% YoY

UK earnings growth up to a 2.9%, a fresh 6½ year high

Eurozone wage growth broadly stable at 1.9% in Q2

Pace of decline in Japanese earnings moderates in July as base effects abate

(Q) Monthly data interpolated from quarterly series





# Housing Market

	Jul-14	Aug-14	Sep-14	Oct-14	Nov-14	Dec-14	Jan-15	Feb-15	Mar-15	Apr-15	May-15	Jun-15	Jul-15	Aug-15	Sep-15
<b>RESIDENTIAL CONSTRUCTION ACTIVITY</b>															
US - Starts ('000) s.a.a.r.	1,095	966	1,026	1,079	1,007	1,080	1,080	900	954	1,190	1,072	1,211	1,161	1,126	#N/A
US - Permits ('000) s.a.a.r.	1,041	1,040	1,053	1,120	1,079	1,077	1,059	1,098	1,038	1,140	1,250	1,337	1,130	1,161	#N/A
Eurozone - Permits (2000 = 100)	88.3	70.6	79.1	82.8	69.2	82.5	65.6	66.4	83.5	76.4	#N/A	#N/A	#N/A	#N/A	#N/A
UK Starts (MQ)	11,913	11,913	11,913	8,393	8,393	8,393	13,143	13,143	13,143	11,987	11,987	11,987	#N/A	#N/A	#N/A
US NAHB Sentiment	53	55	59	54	58	58	57	55	52	56	54	60	60	61	62
<b>YoY %</b>															
US - Starts - 3 Mth Avg	13.0	13.1	16.5	14.6	7.9	4.3	5.5	7.4	4.7	3.1	7.6	17.6	14.5	17.1	#N/A
US - Permits - 3 Mth Avg	4.7	8.0	6.3	7.4	5.3	6.2	5.2	6.2	3.3	3.5	8.8	19.3	20.3	16.5	#N/A
Eurozone - Permits	1.3	-1.9	-3.7	-3.7	-4.1	-2.1	-5.4	-7.2	-11.2	-9.6	#N/A	#N/A	#N/A	#N/A	#N/A
UK Starts (MQ)	2.0	2.0	2.0	-10.1	-10.1	-10.1	6.1	6.1	6.1	-3.8	-3.8	-3.8	#N/A	#N/A	#N/A
<b>SALES</b>															
US - New Homes ('000) s.a.a.r.	403	454	459	472	449	495	521	545	485	508	513	466	522	552	#N/A
- 3 Mth Avg YoY %	-0.1	3.8	13.9	13.2	7.1	6.4	9.9	19.7	21.8	24.3	17.9	16.6	18.4	21.7	#N/A
US - Existing Homes ('000) s.a.a.r.	5,070	5,000	5,100	5,160	4,950	5,070	4,820	4,890	5,210	5,090	5,320	5,480	5,580	5,310	#N/A
- 3 Mth Avg YoY %	-4.0	-4.1	-3.8	-1.7	0.7	2.7	3.1	4.2	6.3	7.7	8.9	8.4	9.3	8.6	#N/A
US - Pending Sales Index	103.3	103.1	103.7	103.7	104.1	102.5	103.7	107.4	108.7	111.6	112.3	110.4	110.9	#N/A	#N/A
- 3 Mth Avg YoY %	-4.6	-3.6	-1.3	0.2	2.4	3.3	4.9	9.0	11.1	12.9	11.3	10.5	8.8	#N/A	#N/A
UK - Transactions over £40k ('000)	101.0	100.7	100.5	99.2	98.7	97.6	96.7	99.5	99.3	97.0	98.8	104.6	103.3	106.5	#N/A
<b>PRICES</b>															
<b>MoM % Change</b>															
US - Case Shiller 20 (seas adj)	-0.4	0.0	0.3	0.7	0.7	0.8	0.8	1.2	0.9	0.0	-0.1	-0.1	#N/A	#N/A	#N/A
UK - Halifax	1.5	-0.3	0.9	-0.4	0.5	1.1	1.9	-0.4	0.6	1.6	0.3	1.6	-0.4	2.7	#N/A
- Nationwide	0.1	0.8	-0.1	0.6	0.3	0.2	0.4	-0.1	0.1	1.0	0.2	-0.2	0.4	0.3	#N/A
<b>YoY % Change</b>															
US - Case Shiller 20	6.7	5.6	4.7	4.4	4.2	4.4	4.4	4.9	5.0	5.0	5.0	5.0	#N/A	#N/A	#N/A
UK - Halifax (3 Mth Mov Avg)	9.7	9.3	9.4	8.6	8.1	7.9	8.6	8.3	8.1	8.5	8.8	9.2	7.9	9.0	#N/A
- Nationwide	10.7	11.0	9.5	9.0	8.5	7.2	6.7	5.7	5.2	5.1	4.7	3.3	3.6	3.1	#N/A
UK - RICS House Price Balance	44.5	36.6	28.8	20.8	15.2	14.1	9.4	15.8	23.6	31.2	33.5	40.4	44.2	53.4	#N/A

US housing starts & permits have shown a marked improvement in 2015 so far. Both are showing YoY growth of above 15% in the 3 months to August

UK housing starts decline by 3.8% YoY in Q2

US existing home sales lower in August, while the pace of YoY growth has moderated. But, both remain strong

US new home sales at their highest level in 7½ years in August. Pace of YoY growth increasing from already strong position

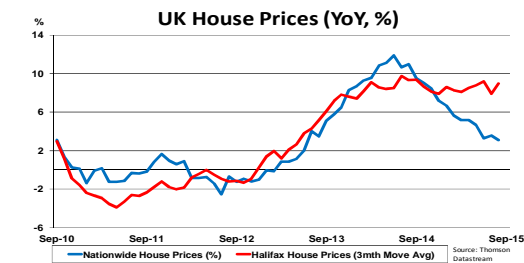
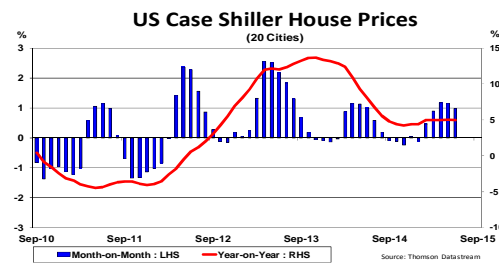
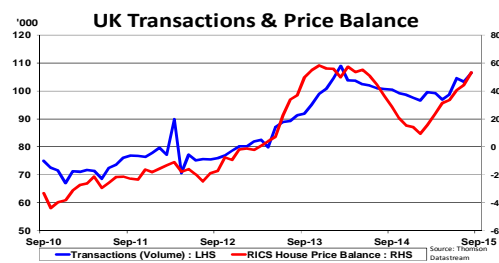
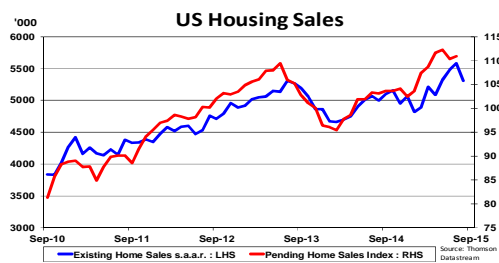
Volume of UK housing transactions has moved

YoY growth in US Case-Shiller house prices remains stable at 5%

Growing divergence in measures of UK house prices. YoY growth in Halifax increases to 9% in August, Nationwide slows to 3.1%

RICS house price balance up for a 7th straight month in August, suggests UK house price growth accelerating

(MQ) Monthly average of Quarterly data





# Financial & Commodity Markets

Monthly Averages :	Sep-14	Oct-14	Nov-14	Dec-14	Jan-15	Feb-15	Mar-15	Apr-15	May-15	Jun-15	Jul-15	Aug-15	This Month To Date	Latest Value
<b>Stock Markets</b>														
US - Dow Jones	17098	16702	17658	17766	17554	17949	17932	17961	18130	17927	17792	17062	16384	16315
US - S&P 500	1994	1937	2046	2055	2029	2083	2080	2094	2113	2099	2093	2040	1954	1931
EZ - EuroStoxx 50	3233	3030	3126	3162	3204	3454	3655	3732	3618	3522	3545	3444	3186	3113
DE - Dax 30	9639	8982	9490	9826	10123	10977	11785	11957	11602	11236	11288	10818	10040	9689
UK - FTSE 100	6778	6409	6644	6548	6613	6879	6885	6996	6984	6783	6647	6446	6107	6109
JPN - Nikkei	15960	15390	17150	17542	17287	18033	19198	19781	19911	20404	20385	19919	18067	17881
<b>Exchange Rates</b>														
<b>Trade Weighted Indices</b>														
\$ - Broad	84.4	85.7	87.7	89.2	92.8	94.4	97.9	97.5	95.2	95.2	96.9	96.4	95.8	96.3
€ - ECB Broad	99.9	99.1	99.0	99.0	95.3	93.3	90.5	89.7	91.5	92.3	91.3	93.0	93.7	93.7
£ - BoE Effective	87.5	87.4	87.0	87.5	87.8	90.1	90.4	90.1	91.4	92.1	93.3	93.5	92.0	91.3
¥ - BoE	133	134	125	123	126	127	128	128	125	122	124	124	127	126
<b>vs Euro</b>														
USD	1.29	1.27	1.25	1.23	1.16	1.14	1.08	1.08	1.12	1.12	1.10	1.11	1.12	1.12
GBP	0.79	0.79	0.79	0.79	0.77	0.74	0.72	0.72	0.72	0.72	0.71	0.71	0.73	0.73
JPY	138	137	145	147	138	135	130	129	135	139	136	137	135	135
<b>vs Dollar</b>														
GBP	1.63	1.61	1.58	1.56	1.52	1.53	1.50	1.50	1.55	1.56	1.56	1.56	1.53	1.52
JPY	107	108	116	119	118	119	120	120	121	124	123	123	120	121
<b>Commodity Markets</b>														
Oil - West Texas	93	84	75	59	48	51	48	54	59	60	51	43	45	46
Oil - Brent \$	98	88	79	63	49	58	57	60	65	63	57	48	48	48
Oil - Brent €	76	69	63	51	42	51	52	55	58	56	52	43	43	43
Oil - Brent £	60	55	50	40	32	38	38	40	42	40	37	31	31	31
CRB Commodity Index	499	488	481	463	441	435	420	423	430	424	417	397	394	393
Gold (\$ per Oz)	1239	1222	1177	1200	1251	1227	1179	1200	1199	1181	1131	1119	1124	1144

Stock markets have remained under pressure in September. Largely due to global growth concerns and uncertainty over monetary policy, with falling energy prices also hitting some stocks

Dollar remains firm, with Fed likely to tighten in the coming months while other central banks still some way off or considering further easing

Weak inflation and economic uncertainty could delay UK rate hikes—has weighed on sterling in recent weeks

Euro little changed in recent weeks as Eurozone macro data remain encouraging

Yen slightly firmer. This may in part reflect some safe haven demand

Oil prices remain very low in September on concerns over slowing global demand and still high level of supply

Broad based sell-off in commodities weighs on CRB index, lowest since 2009

Gold remains down at a 5yr low with US rate hike for 2015 still on the table

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