



19 June 2012

Dbdaily

Europe Edition

HEADLINES...

- **Markets:** Equities barely up in Europe & US as Greek progress is offset by escalating Spanish worries, Merkel comments that it is important that Greek Govt stick to its commitments, euro more than reverses Monday's Asia session gains, Asian bourses fall early Tuesday.
- **USA: NAHB homebuilders index** rises 1pt to 29 in June after May revised down 1pt to 28.
- **AUS: RBA Board minutes** note that the decision to cut rates was 'finely balanced'.

THE DAY AHEAD...

- **USA:** Housing starts/permits (May), JOLTs Job Openings (Apr), ICSC-GS chain store sales index.
- **CAN:** Wholesale Sales (Apr)
- **EUR:** Construction Output (Apr), ZEW Survey (Jun)
- **UK:** CPI (May), ONS House Price (Apr)
- **DEU:** ZEW Survey (Jun)
- **FRA:** INSEE (Jun)
- **SWE:** Unemployment Rate (May)
- **JPN:** Coincident Index CI (Apr F)

Greek celebrations short-lived as Spain back into focus

□ Yesterday's positive Asian-time market reaction to the outcome of the Greek election has proven to be short-lived, with neither the Stoxx600 nor the S&P500 making much headway (both up 0.1%) and the euro dropping 150 pips from its intraday high to be trading at around 1.2600 as I write. Greece's Athex composite rose 3.6% but benchmark indices fell about 3% in Spain and Italy. Spanish 10-year bond yields rose 29bps to a new high of 7.16% and Italian 10-year bond yields rose 15bps to 6.08%.

□ In Greece, citing people familiar with the situation, Bloomberg reported that deposit outflows had slowed on the first day after the election. Meanwhile, New Democracy leader Antonio Samaras has begun negotiations to form a government (these will continue today). My European colleagues hold a baseline expectation that a minority New Democracy-led government will be formed, with PASOK and Democratic Left supporting, but not participating in cabinet. Once a government is formed, it will need to negotiate with its European partners to see if it can find a way to mitigate the impact of fiscal retrenchment on demand, obtain more funds to make up for the current year's fiscal shortfall (the primary deficit seems likely to be twice that targeted) and extend the timeframe over which it must carry out fiscal adjustment (which will also necessitate more funding). According to Dow Jones, German Chancellor Merkel said today "Naturally, we will speak to Greece about whether additional growth-boosting measures are possible within the context of the growth program that we are creating for the entire European Union". My colleagues expect the EU to announce measures to unlock the disbursement of structural funds in Greece, potentially boosting GDP by 1.0% over two years, as well as a EUR10bn increase in the EIB's capital, which would generate up to EUR60bn in additional lending and could boost Greek GDP by 0.8% over 4 years. As far as funding Greece's increased fiscal shortfall is concerned, this seems more contentious, with Merkel saying "I clearly will not speak about a new aid package...It is more important that the new (Greek) government stick to the commitments that Greece has made to the international community and its partners in the European Union." My colleagues note that several weeks will be needed to secure any new arrangement between the EU and Greece, if only to give the troika mission time to take a fresh look at the situation on the ground, so it could well be August before any conclusion is reached. Looking ahead, my colleagues think that the IMF's "adverse scenario" of a public debt to GDP ratio of 160% is increasingly turning into a baseline given the deterioration in the starting point for the adjustment. Pressure on the official sector to get into more meaningful debt relief, i.e., accepting haircuts on the debt's principal, will rise, in their view, which needless to say will be very unpopular with voters.

□ As many commentators have noted, at least some of the market reaction overnight probably reflects a recognition that, paradoxically, events in Greece may slow down the impetus for a comprehensive package to deal with the rest of the periphery (had SYRIZA won the election, a new LTRO, more buying of Spanish and Italian bonds on the secondary market and even a formal rate cut might all have followed quickly). In Spain, bad loans at the country's banks rose to 8.72% of all loans in April (up from 8.37% just a month ago, thus equating to a further EUR4.8bn of bad loans). Meanwhile, Sean Egan, president of ratings agency Egan-Jones, told Dow Jones that the up-to-EUR100bn sought by Spain to recapitalize its banking system is only about a quarter of what is actually needed (Egan-Jones has a CCC+ rating on Spain, 7 notches below the rating assigned by Moody's). Writing on Spain, my European colleagues noted that to win market support for the bank recapitalisation loan to Spain, ideally the ESM terms of engagement should be changed to allow for direct recapitalisation, thus stopping the bank/sovereign loop. On balance, they think that the Europeans should be able to agree on using the EFSF (pari passu) rather than the ESM to channel the funds to Spain, to address the market's concerns about seniority.

□ Outside Europe the newsflow has been reasonably light. The G20 has been meeting in Mexico. According to Reuters, the draft communiqué provides for those countries with fiscal headroom to take action to support demand if economic conditions deteriorate significantly (and for the US to avoid a sharp fiscal contraction next year). In the US, the NAHB homebuilders index rose 1pt in June, but only after the May reading was revised down 1pt. At 29, the headline index is clearly firmer than last year but still depressed by historical standards. In New Zealand we noted a firm service sector PMI in May. In combination with the manufacturing PMI, this suggests that GDP growth has picked up a little in recent months to perhaps about a 2% annual rate (which is probably a little above trend given weak growth in labour and capital inputs and weak total factor productivity). Headline measures of business and consumer confidence have fallen of late, however, so we are not taking it for granted that these PMI readings will be sustained next month. In Australia, the RBA's Board minutes recorded that the decision to ease policy was "finely balanced", with the Board eventually persuaded that a softening in global conditions and uncertainty about the future in Europe meant that "...there was a reasonable likelihood that the tendency toward precautionary behaviour both abroad and at home would intensify."

□ Looking at today's diary, in Europe, France's INSEE business survey and the ZEW survey of financial analysts will show how much sentiment has been impacted by the continued troubles in Europe. The UK will print its May CPI report. In the US we will see how housing starts and permits evolved in May and the JOLTs report will shed more light on the labour market. However, all these reports will likely be overshadowed by political and market developments in Europe.

Deutsche Bank AG/Sydney

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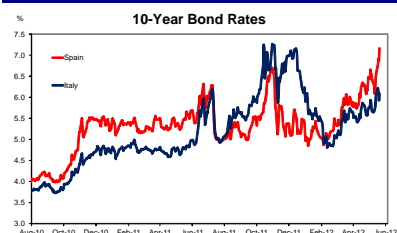
Economic Overview

1. Greek election should deliver a government

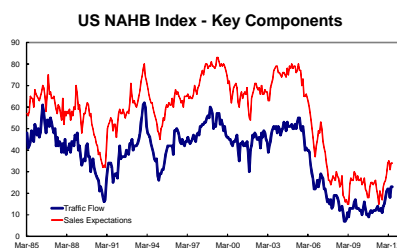
	Seats*	% vote*	% vote
		17-Jun	06-May
New Democracy	129	29.7	18.9
Syriza	71	26.9	16.8
PASOK	33	12.3	13.2
Independent Greeks	20	7.5	10.6
Golden Dawn	18	6.9	7.0
Democratic Left	17	6.3	6.1
Communists/KKE	12	4.5	8.5

*based on 99.83% of votes (www.ekathimerini.com)

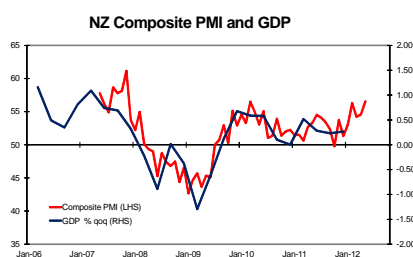
2. ...so focus turns back to Spain



3. US homebuilder sentiment steady in June



4. NZ composite PMI suggests slow growth



Sources for charts above: DB GMR, Bloomberg Finance LP, Reuters, ABS

Research Team

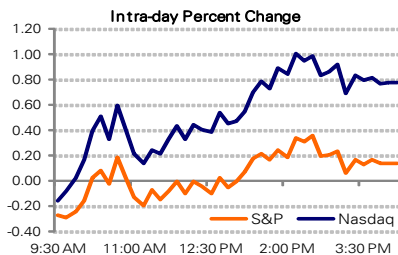
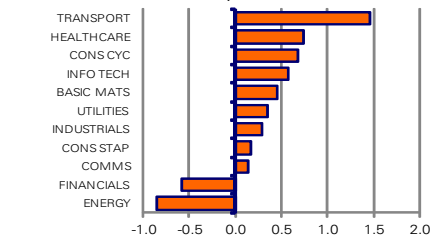
Darren Gibbs

Chief Economist
(+649) 351-1376
darren.gibbs@db.com

Markets

EQUITIES			
Dow	12742	-25	-0.2%
S&P	1345	+2	0.1%
VIX	18.32	-2.79	-13.2%
Nasq	2895	+23	0.8%
Stoxx 600	244	+0	0.1%
FTSE	5491	+12	0.2%
DAX	6248	+19	0.3%
Nikkei	8699	-22	-0.3%
H Seng	19396	-31	-0.2%
ASX200	4124	-13	-0.3%
Bovespa (Brazil)	56195	+91	0.2%
Shanghai-Shenzen	2569	-12	-0.5%
Micex (Russia)	1389	+14	1.0%

S&P Industry Performance



Source for all charts: Bloomberg Financial LP; Tables: Reuters

Wall St opened pressured as the initial GR election relief had already faded. Prices initially ground higher on cont'd QE hopes, but eased back as the prospect of further Euro turmoil was given currency after ESP yields remained above 7% & ITA yields also worryingly rose. The only data news was a stagnant NAHB index, offering few obvious cues.

In **Europe** the **Stoxx600** ended just 0.1% higher after the post GR election euphoria, as ESP bond yields surged to record euro era highs & ITA were likewise pressured. Also EU officials denied reports by Ireland's national broadcaster, that they were preparing to double the repayment term on the EUR85bn lent to Ireland to prop up its ailing banking system. French Socialists took control of almost all levels of Govt in France, raising concerns amongst investors as to how they will balance their growth focused electoral pledges with the need to balance the books. The G20 called on Europe to act decisively to contain its crisis but lacked detail as to what form that might take.

Asian bourses were mostly modestly weaker early Tuesday as Monday's post Greek election enthusiasm was pared.

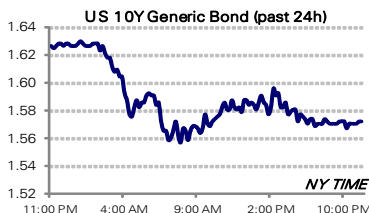
CREDIT

Euro Itraxx Invest Grade S16	178.6	4.1
Euro Itraxx Xover Index S16	681.3	6.3
US CDX Invest Grade S17	119.5	1.7
US 3-Mth LIBOR-OIS Spread	30.59	0.0
SovX Western Europe	318.0	1.5
SovX CEEMEA	308.2	1.3

GOVT DEBT MARKETS			
	Chg bps	Sprrd	
US10	1.57	-5.3	-
US02	0.28	-0.4	129
CA10	1.71	-4.8	14
AU10	3.01	-6.0	143
NZ10	3.42	-6.0	184
JP10	0.83	-1.6	-74
DE10	1.42	-5.1	-15
GB10	1.68	-4.6	11
US Rates	US 2yr	US 5yr	US 10yr
US Gov	0.28	0.68	1.57
Chg bp	-0.4	-2.3	-5.3
Swap Sprrd	26.0	27.0	15.4
Sprrd Chg	-0.6	0.1	1.0

MONEY MARKETS

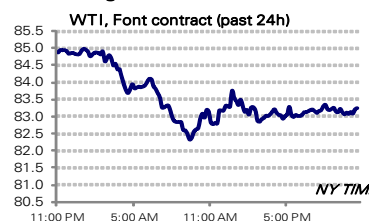
	Sep-12	Dec-12	Sep-13
Euro-\$	0.48	0.51	0.55
Chg bp	+1.7	+2.5	-1.0
Euribor	0.52	0.50	0.55
Chg bp	-15.0	-3.5	+0.5
Sterling	0.89	0.69	0.62
Chg bp	+3.0	+4.0	+2.0



US 10yr Notes waxed & waned in line with the changing fortunes on Wall St, ending a tad weaker. Notes were supported by the sharp rise in ESP & ITA bond yields, but pressured by the sharp fall in the VIX, suggesting equity market participants were becoming more relaxed.

10yr German Bunds rallied as a hint from Merkel that Greek bailout terms might be eased in the wake of the election result failed to limit contagion fears, with Spanish bond yields surging 27bps to 7.08%, whilst ITA yields (+15bps) were also worryingly higher. The ECB made no bond purchases under the SMP for a 14th straight week. 10yr JGB's rallied early Tuesday and sentiment regarding Europe once again turned lower.

COMMODITIES			
WTI (1st Fut)	83.23	-1.60	
Brent	97.73	0.82	
Gasoline Futures	265.76	-6.29	
CRB	273.62	1.39	
Baltic Freight Index	938	14.00	
Gold (Spot)	1628.38	5.45	
Silver (Spot)	28.79	0.19	
Alum. (LME)	1930.75	-21.25	
Copper (Comex)	339.55	1.20	
Platinum	1488.0	-11.50	



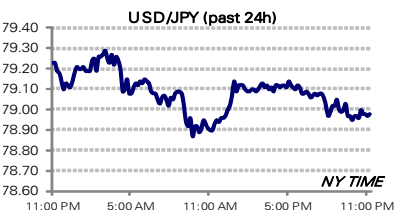
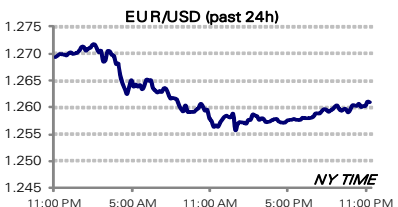
FOREX		
EUR	1.2607	-0.6%
JPY	78.96	-0.4%
GBP	1.5687	-0.1%
EURJPY	99.56	-1.0%
EURGBP	0.8034	-0.5%
CHF	0.9524	0.6%
CAD	1.0224	0.1%
AUD	1.0134	0.3%
NZD	0.7935	0.3%

EUR initially leapt as the pro bailout parties New Democracy & Pasok won enough seats to form a governing coalition & Merkel seemed willing to consider an easing of the loan conditions. However the gains were completely reversed as ESP & ITA bond yields leapt, Greece is apparently set to run out of Govt funds by mid-July according to Tsipras & as bourses pared their early gains.

The **Yen** fell as bourses firmed, surrendering some flight to quality attraction on the Greek election result.

Sterling slipped even as UK house asking prices hit a record, with the rise in ESP & ITA yields favouring the Greenback.

AUD rose on the Greek election news & as resource investment hit record levels on Asian demand. Renewed European concerns weighed Tuesday even as the RBA said its decision to cut rates earlier in the month had been finely balanced.



NORTH AMERICA**USA: NAHB homebuilders index rises 1pt to 29 in June**

□ The June NAHB index rose one point to 29 after the prior month was revised down a point. The index now stands at the highest level since May 2007 (30), and provides further confirmation that the housing recovery continues to gain momentum. Current conditions for single-family sales improved two points to 32—the highest level since March 2007 (36). The six-month outlook remained unchanged at 34, just shy of the most recent high of 35 in March and buyers' traffic remained unchanged at 23. At the regional level, builder sentiment was mixed as the Midwest (31 vs. 26) and West (33 vs. 29) posted modest gains while the Northeast (29 vs. 31) and South (26 vs. 28) experienced slight declines in the month.

CAN: Int'l securities transactions increase by CAD10.2bn in April

□ According to StatCan, foreign investors acquired a net CAD9.0bn of Canadian bonds in April, following a divestment in the month of March, while Canadian investors shed CAD2.7bn of foreign securities.

EUROPE**UK: Rightmove house price index rises 1.0%mom/2.4%yoy in June****BEL: Consumer confidence steady at -10 in June**

□ The general economic outlook expectations for the next 12 months improved 4pts to -5, while concerns regarding an increase in unemployment rose 4pts to 35 in June.

JAPAN/CHINA/INDIA**IND: RBI leaves repo rate unchanged at 8.0%, against market expectations**

□ We are pleased to see that the RBI went against consensus expectation today to leave the policy stance unchanged. On Friday, we had flagged four reasons the RBI should not cut rates (worsening of food price inflation, monetary conditions having eased due to FX weakness and declining real rates, pipeline inflation pressure due to incomplete pass-through from fuel price adjustment and rupee depreciation, and no major improvement to the fiscal position). We had argued that the central bank should *not* be cutting rates, but had forecast a rate cut under the impression that the monetary authorities would capitulate to pressure from stakeholders wanting growth supportive measures.

We see about 50-75bps in rate cuts over the next 12 months; the risk, however, is that the RBI ends up doing even less.

AUS: RBA Board minutes suggest decision was between no change and 25bp cut

□ From the minutes: "The Board considered whether the recent information warranted a further reduction in the cash rate. The arguments were finely balanced." In terms of the size of any rate cut, the minutes note further on that "Members judged that a reduction in the cash rate of 25 basis points, combined with the earlier reductions, would mean that monetary policy would be providing a measure of stimulus that would be expected to flow through to the domestic economy over the coming months." There is no discussion in the minutes of anything larger than a 25bp easing. From the fact that the decision to ease itself was finely balanced – i.e. the question in front of the Board was one of whether the economy required further monetary easing at this stage – the clear implication is that the ultimate decision was between no move and 25 bps. We also note the phrasing that a 25bp rate cut in June, combined with earlier easing meant a 'measure of stimulus' would be expected to impact the economy over coming months. That is, the Bank appear to be of the view that policy settings are now stimulatory.

□ Indeed, on the domestic economy the minutes note that: "recent indicators of economic activity had been mixed. Data on retail sales, the labour market, mining investment and business credit were consistent with a degree of resilience in the domestic economy, while business confidence had weakened in non-mining sectors, along with indicators of activity in the construction industry. Overall, data on the domestic economy appeared to be broadly consistent with the Bank's most recent forecasts. In particular, employment growth was picking up gradually, but the unemployment rate was still expected to move somewhat higher over the coming quarters. Output growth was expected to increase towards trend over the remainder of this year". It was therefore the global environment that tipped the balance, as there was "clear evidence suggesting a softening in global conditions, and uncertainty about the future in Europe had increased significantly. While spillovers had been limited thus far, there was a reasonable likelihood that the tendency toward precautionary behaviour both abroad and at home would intensify".

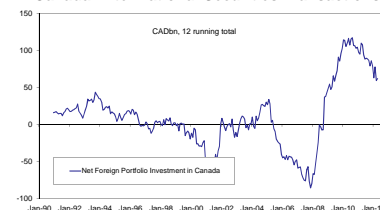
The sum of that reads to us as suggesting the RBA remains relatively sanguine about the outlook for the domestic economy, with the only material cause for concern being the global environment and the associated risks to the domestic economy stemming from that. As far as the outlook for the cash rate is concerned, the minutes imply that the prospect of a further easing in July is remote. Indeed, we suspect the Bank has, in the absence of a material global shock, reset the clock. That means the next rate cut in Australia will ultimately come as an accumulation of evidence that suggests the magnitude of the easing delivered to date is insufficient against the backdrop of a weakening global economy, some downward pressure on the terms of trade, a still elevated currency and weakness in confidence locally. On own view remains that this will ultimately prove to be the case, hence we continue to target a 3.00% cash rate by the end of the year.

KEY RELEASES**US NAHB Homebuilder Survey**

	Composite Index	Current Sales	Sales Exprs	Traffic Flow
Jan-12	25	25	29	21
Feb-12	28	30	34	22
Mar-12	28	29	35	22
Apr-12	24	25	31	18
May-12	28	30	34	23
Jun-12	29	32	34	23

US NAHB Index - Key Components**CAN: Int'l Securities Transactions (CADbn)**

	Jan	Feb	Mar	Apr
Foreign Inv. In Can Securities	-4.04	12.50	-2.40	10.16
- Bonds (Net)	1.96	13.69	-1.20	8.99
- MM Paper	-4.63	-1.64	-1.49	2.11
- Stocks Net	-1.39	0.45	0.29	-0.94
Can Inv. In Foreign Securities	0.90	-2.17	7.71	-2.88
- Bonds (Net)	-2.68	-1.90	1.57	-2.88
- Stocks (Net)	3.94	-0.23	6.31	0.58
Net Foreign Investment in Can	-4.94	14.66	-10.11	12.84

Canada: International Securities Transactions

Source: Bloomberg Financial LP, DataStream

DIARY

Country	AEDT	GMT	EST	Release	DB Expected	Actual	Consensus	Previous	Revised
Sunday 17 June (GMT)									
NZL	18:06 08:00	22:00	18:00	Westpac NZ Consumer Confidence (Q2)		99.9		102.4	
NZL	18:06 08:30	22:30	18:30	PSI (May)		56.8		56.7	
GBR	18:06 09:01	23:01	19:01	Rightmove House Prices (Jun)		1.0%(2.4%)		0.0%(2.0%)	
Monday 18 June (GMT)									
AUS	11:30	01:30	21:30	New Motor Vehicle Sales (May)		2.4%(22.4%)		-0.7%(7.3%)	
JPN	14:00	04:00	00:00	Tokyo Condominium Sales (May)		(-14.9%)		(81.7%)	
IN	15:30	05:30	01:30	REPO Cutoff Yld	7.75%	8.0%	7.75%	8.0%	
IN	15:30	05:30	01:30	Cash Reserve Ratio		4.75%	4.75%	4.75%	
IN	15:30	05:30	01:30	Reverse Repo Rate		7.0%	6.75%	7.0%	
IN	15:33	05:33	01:33	CPI (May)		(10.36%)		(10.4%)	
JPN	15:30	05:30	01:30	Nationwide Dept Sales (May)		(-1.0%)		(1.3%)	
JPN	15:30	05:30	01:30	Tokyo Dept Store Sales (May)		(2.1%)		(6.7%)	
CAN	22:30	12:30	08:30	Int'l Securities Transactions (Apr)		CAD10.2bn		CAD2.03bn	CAD-2.4bn
BEL	23:00	13:00	09:00	Consumer Confidence (Jun)		-10		-10	
USA	19:06 00:00	14:00	10:00	NAHB Housing Market Index (Jun)			28	29	
GBR	Tbc	Tbc	Tbc	Nationwide Consumer Confidence (May)				44	
Tuesday 19 June (GMT)									
JPN	15:00	05:00	01:00	Coincident Index CI (Apr F)				96.5	
JPN	15:00	05:00	01:00	Leading Index CI (Apr F)				95.1	
FRA	16:45	06:45	02:45	Business Confidence Indicator (Jun)	92		92	93	
FRA	16:45	06:45	02:45	Own-Company Production Outlook (Jun)	-5			-4	
FRA	16:45	06:45	02:45	Production Outlook Indicator (Jun)	-30			-29	
SWE	17:30	07:30	03:30	Unemployment Rate (May)		7.8%	7.8%	7.8%	
GBR	18:30	08:30	04:30	CPI (May)	0.2%(3.0%)		0.1%(3.0%)	0.6%(3.0%)	
GBR	18:30	08:30	04:30	Core CPI (May)		4.6%		4.6%	
GBR	18:30	08:30	04:30	RPI (May)	0.3%(3.4%)		0.2%(3.3%)	0.7%(3.5%)	
GBR	18:30	08:30	04:30	ONS House Price (Apr)				(-0.4%)	
EMU	19:00	09:00	05:00	Construction Output (Apr)				12.4%(-3.8%)	
DEU	19:00	09:00	05:00	Zew Survey - Current situation (Jun)			39.0	44.1	
DEU	19:00	09:00	05:00	ZEW Survey - Econ. sentiment (Jun)			2.3	10.8	
EMU	19:00	09:00	05:00	ZEW Survey - Econ. sentiment (Jun)				4.6%	
USA	22:30	12:30	08:30	Building Permits (May)	725K		730K	715K	723K
USA	22:30	12:30	08:30	Housing Starts (May)	720K		721K	717K	
CAN	22:30	12:30	08:30	Wholesale Sales (Apr)	0.5%		0.2%	0.4%	
USA	20:06 00:00	14:00	10:00	JOLTs Job Openings (Apr)				3737	
NZL	20:06 08:45	22:45	18:45	Current Account Balance (Q1)	NZD-1.04bn		NZD-1.14bn	NZD-2.76bn	
NZL	20:06 08:45	22:45	18:45	Current Account to GDP Ratio YTD (Q1)				-4.8%	
JPN	20:06 09:50	23:50	19:50	Adjusted Merchandise Trade Bal (May)	JPY-450.0bn		JPY-347.7bn	JPY-480.2bn	
JPN	20:06 09:50	23:50	19:50	Merchandise Trade Balance Total (May)			JPY-544.4bn	JPY-520.3bn	JPY-522.0bn
Wednesday 20 June (GMT)									
AUS	10:00	00:00	20:00	Conference Board Leading Index (Apr)				0.2%	
ESP	10:00	00:00	20:00	Trade Balance (Apr)				EUR-3245.3mn	
AUS	10:30	00:30	20:30	Westpac Leading Index (Apr)				0.4%	
AUS	11:00	01:00	21:00	DEVI Internet Skilled Vacancies (May)				-0.8%	
AUS	11:30	01:30	21:30	Dwelling Starts (Q1)			-2.3%	-6.9%	
JPN	14:30	04:30	00:30	All Industry Activity Index (Apr)			0.1%	-0.3%	
DEU	16:00	06:00	02:00	PPI (May)	-0.1%		-0.2%(2.2%)	0.2%(2.4%)	
SWE	17:00	07:00	03:00	Consumer Confidence (Jun)				4	5.9
DNK	17:00	07:00	03:00	Consumer Confidence Indicator (Jun)				-1.8	-0.4
JPN	17:00	07:00	03:00	Convenience Store Sales (May)				(6.1%)	
SWE	17:00	07:00	03:00	Economic Tendency Survey (Jun)			99.7	100.9	
SWE	17:00	07:00	03:00	Manufacturing Confidence (Jun)			-2	0	
ITA	18:00	08:00	04:00	Industrial Orders (Apr)	-4.0%		-1.5%(-8.6%)	3.5%(-14.3%)	
ITA	18:00	08:00	04:00	Industrial Sales (Apr)				0.0%(-3.1%)	
GBR	18:30	08:30	04:30	Average Weekly Earnings 3M/ (Apr)			(0.8%)	0.0%	
GBR	18:30	08:30	04:30	Weekly Earnings exBonus 3M/ (Apr)			(1.8%)	(1.6%)	
GBR	18:30	08:30	04:30	Claimant Count Rate (May)	4.9%		4.9%	4.9%	
GBR	18:30	08:30	04:30	Jobless Claims Change (May)	-5.0K		-4.0K	-13.7K	
GBR	18:30	08:30	04:30	Employment Change (Apr)			135K	105K	
GBR	18:30	08:30	04:30	ILO Unemployment Rate (Apr)	8.2%		8.2%	8.2%	
CHE	19:00	09:00	05:00	Credit Suisse ZEW Survey (Jun)				-4	
ITA	19:00	09:00	05:00	Current Account (Apr)				EUR-2384mm	
USA	21:00	11:00	07:00	MBA New Mortgage Applications				18.0%	
NOR	22:00	12:00	08:00	Deposit Rates			1.5%	1.5%	
USA	21:06 02:30	16:30	12:30	FOMC Rate Decision			0.25%	0.25%	
NZL	21:06 06:00	22:00	18:00	ANZ Job Ads (May)				-2.0%	
NZL	21:06 08:45	22:45	18:45	GDP (Q1)	0.4%(1.2%)		0.4%(1.3%)	0.3%(1.3%)	
Thursday 21 June (GMT)									
CHE	16:00	06:00	02:00	Trade Balance (May)				CHF1.33bn	CHF1.26bn
CHE	17:00	07:00	03:00	Money Supply M3 (May)				(6.3%)	
ESP	17:00	07:00	03:00	Mortgages on Houses (Apr)				(-42.0%)	
ESP	17:00	07:00	03:00	Mortgages-capital loaned (Apr)				(-41.5%)	
FRA	17:00	07:00	03:00	PMI Manufacturing (Jun F)			44.5	44.7	
FRA	17:00	07:00	03:00	PMI Services (Jun F)			45.1	45.1	
CHE	17:15	07:15	03:15	Industrial Production (Q1)			-7.2%(0.0%)	7.9%(-1.4%)	
DEU	17:30	07:30	03:30	PMI Manufacturing (Jun A)			45.2	45.2	
DEU	17:30	07:30	03:30	PMI Services (Jun A)			51.5	51.8	
EMU	18:00	08:00	04:00	ECB Current Account (Apr)				EUR9.1bn	
EMU	18:00	08:00	04:00	Current Account (Apr)				EUR7.5bn	
EMU	18:00	08:00	04:00	PMI Manufacturing (Jun A)			44.8	45.1	
EMU	18:00	08:00	04:00	PMI Services (Jun A)			46.4	46.7	
EMU	18:00	08:00	04:00	PMI Composite (Jun A)			45.5	46	
GBR	18:30	08:30	04:30	Retail Sales Ex Auto Fuel (May)	0.5%(2.5%)		0.7%(2.7%)	-1.0%(-0.3%)	
GBR	18:30	08:30	04:30	Retail Sales w/Auto Fuel (May)			1.2%(2.1%)	-2.3%(-1.1%)	
GBR	20:00	10:00	06:00	CBI Trends Selling Prices (Jun)					
GBR	20:00	10:00	06:00	CBI Trends Total Orders (Jun)				-20	-17
USA	22:30	12:30	08:30	Initial Jobless Claims			385K	386K	
CAN	22:30	12:30	08:30	Retail Sales (Apr)	0.6%		0.2%	0.4%	
CAN	22:30	12:30	08:30	Retail Sales Less Autos (Apr)			0.3%	0.1%	
USA	22:58	12:58	08:58	Markit PMI (Jun F)			53	53.9	
USA	23:45	13:45	09:45	Bloomberg Consumer Comfort				-36.4	
USA	23:45	13:45	09:45	Bloomberg Economic Expectations (Jun)				-1	
EMU	22:06 00:00	14:00	10:00	Consumer Confidence (Jun A)				-20	-19.3
USA	22:06 00:00	14:00	10:00	Existing Home Sales (May)	4.50mm		4.56mm	4.62mm	
USA	22:06 00:00	14:00	10:00	FHFA House Price Index (Apr)			0.4%	1.8%	
USA	22:06 00:00	14:00	10:00	Leading Indicators (May)			0.1%	-0.1%	
NZL	22:06 08:45	22:45	18:45	Philly Fed (Jun)	5.0		0	-5.8	
NZL	22:06 08:45	22:45	18:45	Net Migration (May)				-850	
Friday 22 June (GMT)									
NZL	11:00	01:00	21:00	NBNZ Survey -Business Confidence (Jun)				27.1	
NZL	13:00	03:00	23:00	Credit Card Spending (May)				0.2%(3.7%)	
JPN	15:00	05:00	01:00	Supermarket Sales (May)				(-1.9%)	
FRA	16:45	06:45	02:45	Wages (Q1 F)			0.8%	0.9%	
DNK	17:00	07:00	03:00	Retail Sales (May)			0.1%	-1.0%(-6.4%)	
ITA	18:00	08:00	04:00	Consumer Confidence (Jun)		85.0		86.5	
DEU	18:00	08:00	04:00	IFO - Business Climate (Jun)		104		105.6	106.9
DEU	18:00	08:00	04:00	IFO - Current Assessment (Jun)				112	113.3
DEU	18:00	08:00	04:00	IFO - Expectations (Jun)				93.8	100.9
CAN	22:30	12:30	08:30	CPI (May)	0.2%(1.6%)		0.2%(1.5%)	0.4%(2.0%)	
CAN	22:30	12:30	08:30	Bank Canada CPI Core (May)	0.3%(1.9%)		0.3%(1.9%)	0.4%(2.1%)	
BEL	23:00	13:00	09:00	Business Confidence Level (Jun)		-11.5		-12	-11.2
CHN	Tbc	Tbc	Tbc	HSBC Flash Manufacturing PMI (Jun)				48.7	

Monday: EMU: ECB's Assmussen to speak in panel discussion in Berlin - 12:00 GMT. **JPN:** BoJ to publish monthly report - 05:00 GMT. **IND:** RBI Meeting - 05:30 GMT.

Tuesday: AUS: Minutes of the June 2012 RBA Board Meeting - 01:30 GMT.

Wednesday: USA: Fed's Open Market Committee meets on Interest Rates, Economy - 18:15 GMT, FOMC to Release Projections of Economy and Fed Funds Rate - 18:00 GMT, Fed's Bernanke Holds Press Conference - 18:15 GMT. **EMU:** ECB Governing Council in Frankfurt. No interest rate announcements. **GBR:** Bank of England Minutes - 08:30 GMT. **JPN:** BoJ Governor Mitaaki Shirakawa to speak at Shinkin Banks' Assembly in Tokyo - 06:35 GMT, Bank of Japan to publish minutes of May 22-23 monetary policy meeting - 23:50 GMT. **NOR:** Norges Bank to announce interest rate decision - 12:00 GMT, Press Conference following the Norges bank rate decision - 12:45 GMT.

Thursday: USA: Treasury Announcement 2 Yr, Treasury Announcement 5 Yr, Treasury Announcement 7 Yr, TIPS Auction 30 Yr. **EMU:** Eurogroup Meeting - 00:00 GMT. **CHE:** SNB to publish monthly bulletin - 07:00 GMT. **AUS:** RBA June Quarter Bulletin - 01:30 GMT.

Friday: EMU: ECOFIN Meeting - 00:00 GMT. **CHE:** SNB Quarterly Bulletin - 07:30 GMT.

Source: Deutsche Bank Estimates Reuters and Bloomberg Financial LP

Appendix 1

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David Folkerts-Landau

Managing Director
Global Head of Research

Guy Ashton
Head
Global Research Product

Marcel Cassard
Global Head
Fixed Income Research

Stuart Parkinson
Associate Director
Company Research

Asia-Pacific

Fergus Lynch
Regional Head

Germany

Andreas Neubauer
Regional Head

Americas

Steve Pollard
Regional Head

Europe

Richard Smith
Regional Head

Principal Locations

Deutsche Bank AG London

1 Great Winchester Street
London EC2N 2EQ
Tel: (44) 20 7545 8000

Deutsche Bank AG New York

60 Wall Street
New York, NY 10005
United States of America
Tel: (1) 212 250-2500

Deutsche Bank AG Hong Kong

Filiale Hongkong
Intl. Commerce Centre
1 Austin Road West Kowloon,
Hong Kong
tel: (852) 2203 8888

Deutsche Securities Inc. Japan

2-11-1 Nagatacho
Sanno Park Tower
Chiyoda-ku, Tokyo 100-6171
Tel: (81) 3 5156 6770

Deutsche Bank AG Frankfurt

Große Gallusstraße 10-14
60272 Frankfurt am Main
Germany
Tel: (49) 69 910 00

Deutsche Bank Ltd.

Aurora business park
82 bld.2 Sadovnicheskaya street
Moscow, 115035
Russia
Tel: (7) 495 797-5000

Deutsche Bank AG Singapore

One Raffles Quay
South Tower
Singapore 048583
Tel: (65) 6423 8001

Deutsche Bank AG Australia

Deutsche Bank Place, Level 16
Corner of Hunter & Phillip Streets
Sydney NSW 2000
Tel: (61) 2 8258 1234

Deutsche Bank Dubai

Dubai International Financial Centre
The Gate, West Wing, Level 3
P.O. Box 504 902
Dubai City
Tel: (971) 4 3611 700

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Tel: (44) 20 7545 8000

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