FHN FINANCIAL

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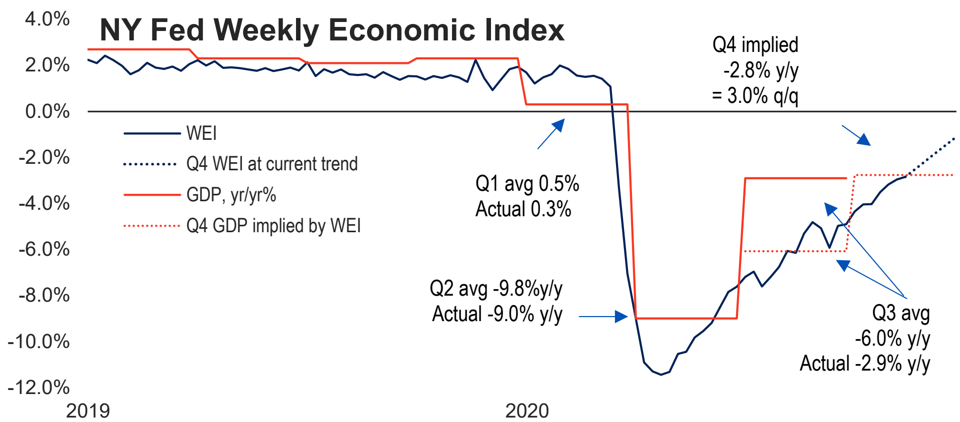
ECONOMIC WEEKLY

Still More Good Economic News

Two key things affected the US economic outlook this week. First, a string of better than expected economic releases boosted the GDP outlook, to the extent the Atlanta Fed's GDPNow not only caught up with but now surpasses our 5% fourth quarter GDP forecast. Then, two big pieces of vaccine news broke. Moderna reported 94.5% effectiveness in preliminary phase-3 trials, while Pfizer and BioNTech will submit results for FDA approval by early next week. Their final results show 95% effectiveness compared with the "better than 90%" announcement on November 9.

While neither result dramatically changes the economic perspective we updated last week, they push the likely outcome toward the more optimistic end of the range of possibilities. For now, anyway. From a fixed-income market perspective, it means Fed tightening is more likely to come in 2024-26 rather than as late as 2028. And it means the curve could steepen sooner. But remember, as we wrote last week, we still expect some curve flattening next year even under the most optimist outcome. And there are still other important factors, especially related to government policy, that might tip the outcome back to a more pessimistic one. Finally, there's the COVID surge. It's so much worse than it looked as recently as a week ago, as explained in *The Weekly Report*. At the very least, it will delay the recovery.



Source: New York Federal Reserve Bank, Bureau of Economic Analysis

Unlike Europe, US strength carried into Q4

European statistical agencies have joined the European Central Bank in warning of falling GDP in the fourth quarter as lockdowns take hold. France's warning is the latest with GDP expected to drop 2.5-6%. That range, from the government's Insee bureau, starts with the most optimistic — COVID just kind of goes away in the next few weeks — and ends with the most pessimistic — COVID persists through December. Spain and Italy also expect GDP will fall in Q4.

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ECONOMICS

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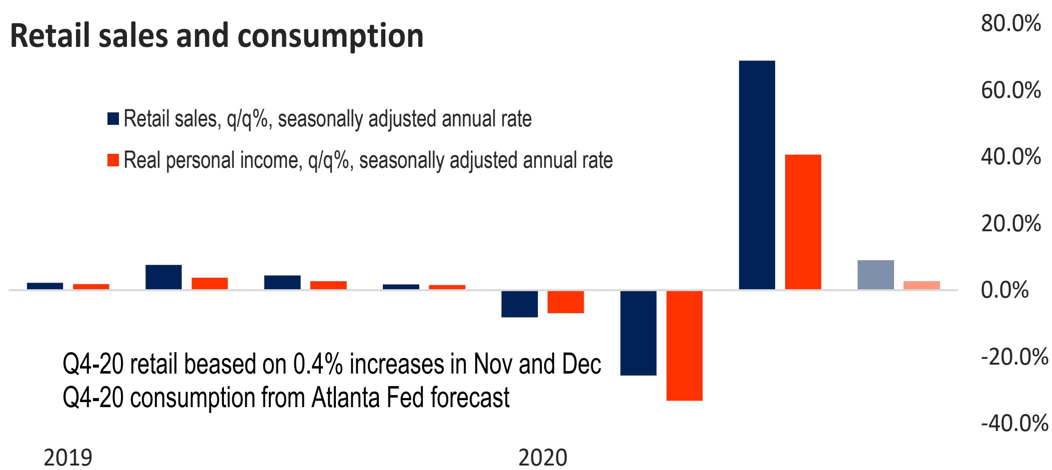
We mention Europe because they have consistently been a few weeks ahead of the US in their COVID experience. A darkening GDP outlook there implies a darker outlook here. And yet, the data suggest the US economy is still marching toward a solid quarter. It's early days, but October retail sales, industrial production, and building permits suggest the economy entered the fourth quarter on a strong note. The NY Fed's Weekly Economic Index suggests it continued strong through the middle of November.

Retail sales were weaker than expected, but only because September sales were so strong. Total sales will rise 7.2% in the fourth quarter, even if sales are unchanged in both November and December at an annual rate. If retail sales rise 0.4% in November and December, the average rise in the 12 months before the pandemic, they will be up 9% in the quarter. Retail sales rose 68.9% in the second quarter, annualized, and consumption, also annualized, rose 40.7%. Before the second quarter, the last time retail sales rose more than 7% was a 7.3% rise in the second quarter of 2019, when consumption rose 3.71%.

The Atlanta Fed's consumption estimate will be revised higher if the retailers have a happy holiday.

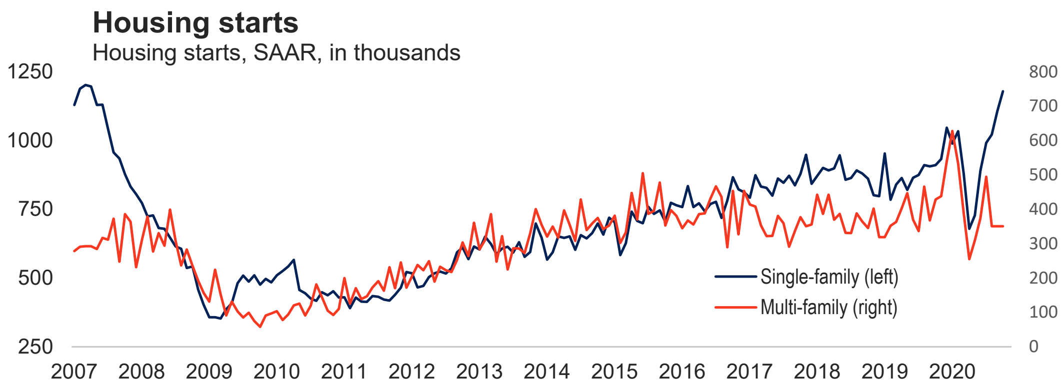


Source: Bureau of Economic Analysis, Bureau of the Census, Atlanta Fed, and FHN Financial

Manufacturing production rose 1.0% in October, thanks mostly to strong production of defense products, construction supplies, and business supplies. Production was weak in the year leading up to the pandemic, averaging no change. If it reverts to no growth in the next two months, it will rise 6.4% in the fourth quarter. Manufacturing production rose 31.6% in the third quarter. We're likely to see the strongest two quarters of production growth in a decade, back-to-back.

Housing starts rose 4.9% in October, while September was revised from 1.9% to 6.3%. Housing starts tend to rise in fits and starts, so big monthly percent changes are fairly common. What's not common are big monthly percent changes sustained for months in a row. Housing is booming now, but the big gains in September and October were preceded by a 7.7% drop in August. That said, if starts rise 3% in November and December, the average in the 12 months before the pandemic, they will rise at a 43.7% rate in the fourth quarter on the heels of a 216.9% rise in the third quarter.

Single-family starts are even stronger. They are tracking an 81% rate of growth in the fourth quarter after 240.6% in the third. Because it takes a year on average to finish a house once started, single-family housing construction will boom next year, in turn allowing faster increases in new home sales, currently constrained in many states by insufficient inventories.



Source: Census Bureau, HUD, Haver Analytics

Record-low mortgage rates lift home sales, but that's not the only way they help the economy. In March, when interest rates first tumbled as the bond market priced in the near certainty of a lockdown recession, applications for mortgage refinancing jumped to a 17-year high. Since then, they have fluctuated in a range last seen seven years ago. FHN Financial's Mortgage Strategy Group estimates homeowners have refinanced $2.5-2.7 trillion in mortgages since February, with the average mortgage holder saving 50-70bps in annual interest payments.

The savings continue to be significant because, even though 10-year Treasury yields have risen 35bp from their August low, the spread against the effective 30-yr fixed rate mortgages tightened 42bp in the same period, resulting in a record record-low 3.08% 30-yr fixed rate last week that has since risen to just 3.09%.

But surely the slowdown is inevitable in November

Near the start of this piece, we talked about the likelihood of the US following in Europe's footsteps. Europe led the US by several weeks in its first quarter COVID rise and the first and second-quarter economic collapse, as well as the third-quarter rebound. Doesn't that mean Europe will lead the US in the fourth quarter slowdown too?

And yet, US data keep pointing to growth. It's not just October monthly data that were strong, the weekly data in November are also holding up. In fact, the NY Fed's WEI accelerated in November, suggesting the economy is accelerating, not decelerating, mid-quarter.

Where's the growth? In the past few weeks, it is primarily evident in weekly measures of consumer spending and employment. Weekly chain-store and gasoline sales are holding up, as are tax withholding and jobless claims, especially the continuing claims series. Well, to be precise, jobless claims are holding down.

There is some fourth quarter weakness, but so far it is most evident in surveys. The ISMs suggest services companies' hiring plans are eroding, for instance, while weekly consumer confidence surveys are also down. People are nervous, but not yet nervous enough to cut spending.

If economic growth carries through November and December and if vaccines are widely available in January or February, the economic damage from the latest COVID surge may not be much worse than the kind of damage we have seen in the past from severe storms, strikes, or other one-off negative economic events. Those events did not leave behind 10 million unemployed the way the spring lockdown did. The difference, among many, is the national scope of the pandemic vs regional storms, strikes, or one-off economic events such as oil downturns. ***It is feasible one reason consumption is up is because we said damn the spiked proteins, keep growing the economy….despite the concomitant increase in cases, perhaps because we are distracted by protest, the election, and a myriad of other nation shaping events.***

We don't write this to downplay the severity of the pandemic. Thanks to therapeutics, the death rate from COVID has fallen, but it is still dangerous. Perhaps the simplest way to clarify this is to compare the flu numbers from 2018-19 to the COVID numbers. In the 2018-19 flu season, the CDC estimates 39-56m people had the flu, of whom 18-26m saw a doctor, 410-740k were hospitalized, and 24-62k died. The low numbers in each range are documented, while the high numbers are estimated. Not everyone with the flu, including many who die from it, are confirmed.

In contrast, in less than a year, there are 11.8m documented US COVID cases and 256k documented COVID deaths. In other words, a quarter the number of cases, but as many as 4-10 times the number of deaths. For a more complete explanation, neurobiologist Shin Jie Yong runs the numbers, including a discussion of various methodologies for estimating mortality rates, updated in October, here. More troubling still, despite improved therapeutics, the 7-day average of the daily mortality rate has exceeded 1,000 every day this week, 50% higher than a month ago. Yesterday, 2,065 people died from COVID.

The point is, COVID could very well be worse now than ever before in the US, but the economic impact is not. As the NY Fed's WEI shows, activity continues to rise. The October Index of Leading Economic Indicators rose 0.7%, with increases in eight of ten components and no change in one of the remaining two. A 0.7% rise in the LEI is big. Only two months exceeded it in the five years before the pandemic.

Bottom line: Even with COVID spreading at a hair-raising rate, the economy is soldiering on. In part, that's because manufacturing and housing industries have found ways to continue working despite COVID, in part it's because household income is strong and retail sales are spectacular. That last, in part, is because a huge share of retail has migrated online. Or, perhaps, the economy keeps soldiering on because we passively decided not to lock down, a decision we may have to reverse after Thanksgiving if the infection curve does not bend lower on its own.

It seems inconceivable the economy will not slow at some point under the COVID onslaught. But if things continue to go right on the vaccine front, it likely will be the kind of slowdown that causes employment growth to stall, not drop, meaning the unemployment rate is not likely to rise even temporarily before the recovery can restart in earnest next year.

– Chris Low, Chief Economist

Mnuchin Wants the Money Back

Yesterday, Treasury Secretary Steven Mnuchin asked Chair Powell to return $455bn in unused CARES Act funds allocated to Federal Reserve emergency lending facilities so that Congress can use the funds to provide relief elsewhere.

The tone of the letter is friendly throughout. It starts with a thank you, details the various programs, and praises the Fed for their success in achieving the CARES Act's objectives. Facilities created by the CARES Act expire at year end. Mnuchin interprets this to mean the facilities should not make new loans after year end. Existing loans remain funded. Also, two key short term lending markets that might have year-end funding trouble will be protected by a 90-day extension beyond year end for the commercial paper financing facility and the money market liquidity facility. The primary dealer credit facility and paycheck protection funding facility were also extended.

Mnuchin requested the Fed return unused cash allocated to the Fed, $429 billion, to the Treasury so that Congress can use it, plus $26 billion in unused Treasury direct loan funds, for other uses, presumably COVID related. The letter ends, "In the unlikely event that it becomes necessary to reestablish any of these facilities, the Federal Reserve can request approval from the Secretary of the Treasury and, upon approval, the facilities can be funded with Core ESF funds, to the extent permitted by law, or additional funds appropriated by Congress."

Powell thinks it is too soon to wind down the programs. Yesterday, he pointed out slowing consumer spending, slower job growth, and the new surge of COVID cases. **The Fed's lending programs succeeded partly because they were used, but also because they were there, ready to be used if necessary.**

Not surprisingly, reaction to the news is breaking along party lines. *The Hill* quotes Pat Toomey, (R-Pa.) saying, "Congress's intent was clear: these facilities were to be temporary, to provide liquidity, and to cease operations by the end of 2020. With liquidity restored, they should expire, as Congress intended and the law requires, by December 31, 2020." And Bharat Ramamurti from the Congressional Oversight Commission and a former advisor to Elizabeth Warren (D-Mass.) who tweeted, "It really gives away the game that Secretary Mnuchin wants to extend the programs designed to protect Wall Street while ending the programs intended to help small businesses and state and local governments."

To Senator Toomey, we'd point out that back in April we were all under the impression COVID would be gone by December 31. To Mr. Ramamurti, who likely already knows this, we'd note that the programs he identifies as "designed to protect Wall Street" are also the programs protecting the underpinnings of the entire financial system. Mom, pop and, your local municipality would soon notice if funding markets seized up.

Reading between the lines, Mnuchin's letter appears to be part of an effort to push Senate Leader Mitch McConnell and House Speaker Pelosi closer to compromise. They were only about $400bn apart before the election, after all. We doubt it will make much difference, unfortunately. Pelosi and McConnell both called new pandemic aid "urgent" in the past week, but neither indicated any willingness to compromise.

Mnuchin is right to think Congress should act and Powell is right to think the end of Fed leding programs increases the odds of something going wrong. At this point, however, Mnuchin is unlikely to back off. The ball is in your court, McConnell and Pelosi. In the meantime, traders are right to be nervous. As Jim Vogel wrote this morning:

> "November has increased the need for more stimulus, for both employees and smaller businesses. Traders are correct to be concerned about dismantling current tools even if they are convinced more money will arrive next year. Investors should prepare for the potential that surface harmony in Washington runs into practical limits in delivering programs as quickly as in 2020."

– Chris Low, Chief Economist

The Week Ahead

This Week's Numbers

		CONSENSUS				
		PRIOR	HIGH	LOW	MEDIAN	**FHNF**
Monday, November 23	Markit US Manufacturing PMI - Nov P	53.4	54.0	52.0	53.0	**52.5**
	Markit US Services PMI - Nov P	56.9	57.0	54.0	55.8	**54.0**
Tuesday, November 24	S&P CoreLogic CS 20-City MoM SA - Sep	0.5%	0.7%	0.4%	0.4%	**0.5%**
	Conf. Board Consumer Confidence - Nov	100.9	105.0	96.0	98.0	**98.0**
	Richmond Fed Manufact. Index - Nov	29	24	18	21	**20**
Wednesday, November 25	Initial Jobless Claims - Nov 21	742k	800k	680k	733k	**750k**
	Continuing Claims - Nov 14	6,370k	--	--	--	**6,390k**
	Advance Goods Trade Balance - Oct	-$79.4b	-$77.4b	-$83.1b	-$80.0b	**-$78.0b**
	Wholesale Inventories MoM - Oct P	0.4%	--	--	--	**0.5%**
	Retail Inventories MoM - Oct	1.6%	--	--	--	**0.8%**
	GDP Annualized QoQ - 3Q S	33.1%	34.1%	32.5%	33.1%	**33.1%**
	Durable Goods Orders - Oct P	1.9%	1.6%	-1.7%	1.0%	**1.0%**
	Durables Ex Transportation - Oct P	0.9%	1.5%	0.0%	0.4%	**0.5%**
	Cap Goods Orders Nondef Ex Air - Oct P	1.0%	1.0%	0.5%	0.7%	**0.5%**
	Cap Goods Ship Nondef Ex Air - Oct P	0.5%	0.5%	0.2%	0.3%	**0.3%**
	Personal Income - Oct	0.9%	1.1%	-1.5%	0.1%	**0.5%**
	Personal Spending - Oct	1.4%	1.8%	0.3%	0.4%	**0.3%**
	PCE Deflator MoM - Oct	0.2%	0.1%	0.0%	0.0%	**0.0%**
	PCE Deflator YoY - Oct	1.4%	1.3%	1.2%	1.3%	**1.3%**
	PCE Core Deflator MoM - Oct	0.2%	0.2%	0.0%	0.0%	**0.0%**
	PCE Core Deflator YoY - Oct	1.5%	1.6%	1.2%	1.4%	**1.3%**
	U. of Mich. Sentiment - Nov F	77.0	79.0	76.0	77.0	**76.5**
	New Home Sales - Oct	959k	1,040k	925k	973k	**988k**
	New Home Sales MoM - Oct	-3.5%	7.9%	-3.6%	1.4%	**3.0%**
Thursday, November 26	Thanksgiving Holiday					

Review

This week's economic releases showed mixed strength in October. Retail sales rose at a slower pace and below consensus forecasts but remains higher than pre-pandemic levels. Industrial production rose 1.1%, beating consensus and housing starts and existing home sales surged in October.

- **October retail sales rose 0.3% in October** and September was revised from 1.9% to 1.6%. The result was considerably weaker than consensus. Nevertheless, auto sales continue to soar, as demand for public transportation plummets. Ex-autos and gasoline sales rose two-tenths (consensus was 0.6%), and the control group, which feeds into the BEA's estimate of goods spending, fell one-tenth (consensus was 0.0%). Despite the apparent weakness, September's sales increase was so big that retail sales might rise at a double-digit annualized pace in the fourth quarter, even with only modest growth in November and December. Consumption, based on what we know now, is tracking 3%-5%. There is still a lot of information pending, of course.

  Online sales continue to roar (+3.1% or $2.7b) at the expense of brick-and-mortar sales. As the weather cooled, consumers shifted more spending from physical stores to online stores. It is important to note that online sales from business categories below that show weakness — for instance, apparel — is being lumped into the nonstore retail component. That is not to say there is not weakness in those categories. It's just the report does not offer a complete picture of what is going on. The Census Bureau classifies apparel sales made in physical stores in the apparel category, while apparel sales made and filled by a clothing retailer's online store goes into the nonstore retail category. And, while it is tempting to think that's all sales lost to Amazon.com, others, including Target, Walmart, and Land's End have made big strides online this year, too. The point is, while apparel is weak and certainly weakened in October, it is not as weak as the apparel category suggests.

Groups that rose:

- Nonstore retailers +3.1% (or +$2.7 billion)
- Vehicle dealers +0.7% (or +$695 million)
- Building materials +0.9% (or +$330 million)
- Gas sales +0.4% (+$152 million)
- Electronics and appliances +1.2% (+$91 million)

Groups that fell:

- Apparel -4.2% (-$848 million)
- General merchandise -1.1% (-$688 million)
- Sporting goods, hobbies, and books -4.2% (-$329 million)
- Grocery and liquor stores -0.2% (-$160 million)
- Miscellaneous stores -1.0% (-$112 million)
- Restaurants, cafes, and bars -0.1% (-$70 million)
- Furniture and home furnishings -0.4% (-$43 million)

Apparel sales weaken but some spillover into online sales

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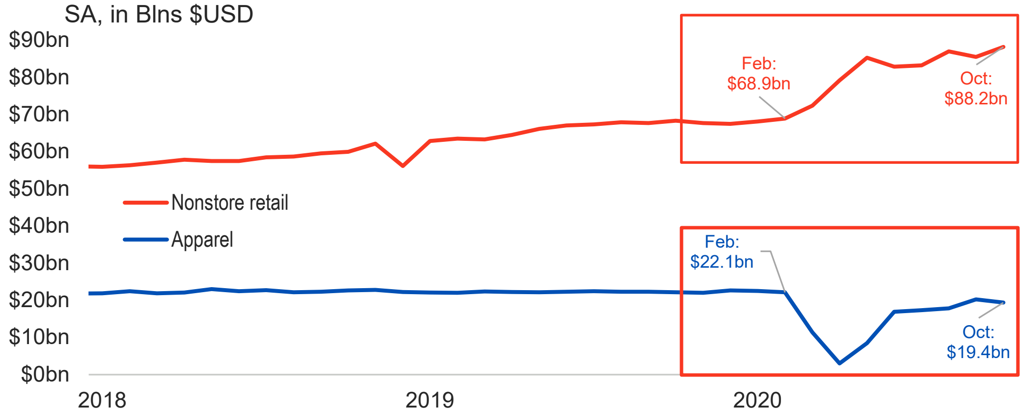
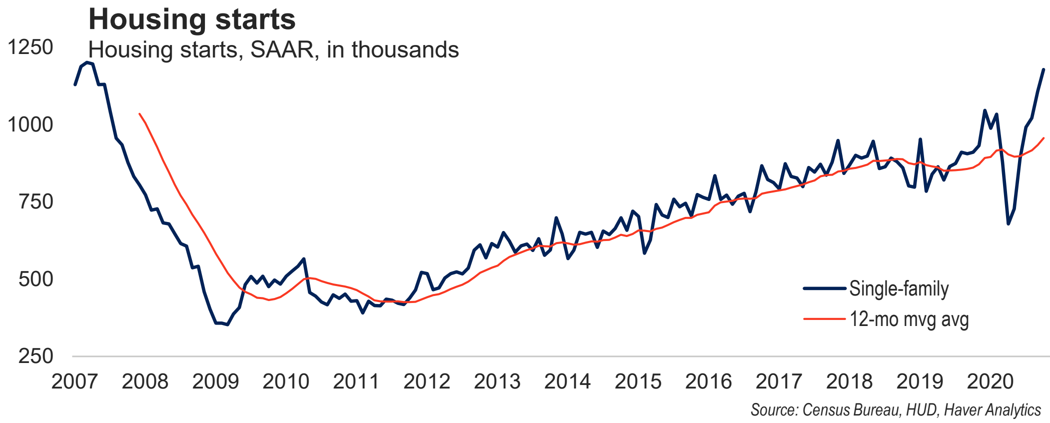
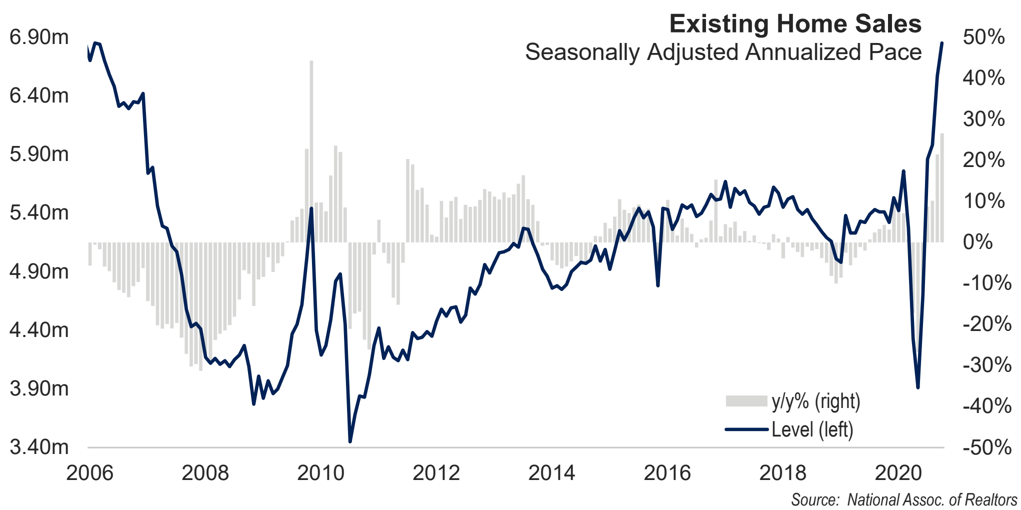


Source: Bureau of the Census

- **Housing starts rose 4.9% m/m in October** to an annualized pace of 1,545k units and September was revised up from 2.0% (1,415k) to 6.3% (1,459k). Single-family units, which jumped 6.4% m/m and 29.4% y/y, accounted for the entire increase. Multi-family starts were flat in the last three months, as August was revised lower and September was revised higher to 351k. Single-family demand is largely concentrated in the South and West. The report added two-tenths to the Atlanta Fed's Q4 GDP forecast.



- **October existing home sales rose 4.3%** to 6.85m SAAR, and September was revised up from 9.4% to 9.9%. Single-family sales rose 4.1% to 6.12m SAAR. Housing demand continued to strengthen as the exodus from cities appears unlikely to stop. Properties were on the market for an average 21 days in October and September compared to 36 days last year. All geographic regions benefited, with most sales concentrated in the Midwest and South. First-time buyers accounted for 32% of sales, up from 31% last month.



The Atlanta Fed's GDPNow forecast for Q4 rose from 3.5% last week to 5.6%, driven by retail sales, industrial production, and housing starts. The New York Fed's Weekly Economic Index is tracking -2.8% y/y growth in Q4, up marginally from last week's -2.9% yr/yr forecast. On a qtr/qtr basis, the WEI and NY Fed Nowcast are both tracking 3.0% growth.

Preview

Note: ★ = High Impact Event

All times Eastern

Next week's big economic releases fall on Wednesday, just before the Thanksgiving holiday. Personal income and consumption, PCE, initial jobless claims, preliminary durable goods orders, new home sales, and the second reading of Q3 GDP are scheduled for release. The FOMC's minutes are also released Wednesday afternoon.

Overseas, preliminary Markit purchasing managers surveys publish Monday. Service PMIs are expected to fall drastically on COVID lockdowns. European countries are also expected to announce plans during the week for continued COVID restrictions or pauses in lockdowns.

Saturday, November 21

- Saudi Arabia: G20 Leaders' Summit. The focus of the virtual meeting is on steering the global economy through the remainder of the pandemic. (Through Nov. 22)
- UK: Brexit trade deal negotiations were expected to continue through the weekend and possibly into next week. But negotiations have been paused after the EU's top negotiator, Michel Barnier, tested positive for COVID.

Sunday, November 22

- Hong Kong and Singapore start an air travel bubble to replace quarantines with COVID testing. An air-travel bubble allows reciprocal, quarantine-free travel between two countries. If it works, it could be a template for restarting international travel.

Monday, November 23

- UK and France: This week, the two governments are expected to announce plans for the next stage of COVID lockdowns.
- US: Columbia University's Center of Global Energy Policy holds a webinar on "Demystifying Green Hydrogen." Hydrogen-fueled cars and renewable power storage are both key elements of President-elect Joe Biden's clean energy plan. The auto industry is skeptical.
- 3:15am – France:
  - Markit Manufacturing PMI – Nov P (Last: 51.3; Con: 50.1)
  - Markit Services PMI – Nov P (Last: 46.5; Con: 39.1)
  - Markit Composite PMI – Nov P (Last: 47.5; Con: 39.3)
- 3:30am – Germany:
  - Markit/BME Germany Manufacturing PMI – Nov P (Last: 58.2; Con: 56.0)
  - Markit Germany Services PMI – Nov P (Last: 49.5; Con: 45.8)
  - Markit/BME Germany Composite PMI – Nov P (Last: 55; Con: 50.4)
- 4:00am – EU:
  - Markit Eurozone Manufacturing PMI – Nov P (Last: 54.8; Con: 53.2)
  - Markit Eurozone Services PMI – Nov P (Last: 46.9; Con: 42.3)
  - Markit Eurozone Composite PMI – Nov P (Last: 50.0; Con: 45.6)

- 4:30am – UK:
  - Markit Manufacturing PMI – Nov P (Last: 53.7; Con: 50.5)
  - Markit/CIPS Services PMI – Nov P (Last: 51.4; Con: 43.0)
  - Markit/CIPS Composite PMI – Nov P (Last: 52.1; Con: 42.5)
  - Bank of England Chief Economist Andy Haldane speaks.
- 8:30am – US: Chicago Fed National Activity Index – Oct (Last: 0.27)
- 9:45am – US:
  - Markit Manufacturing PMI – Nov P (Last: 53.4; Con: 53.0)
  - Markit Services PMI – Nov P (Last: 56.9; Con: 55.8)
  - Markit Composite PMI – Nov P (Last: 56.3)
- 2:00pm – US: San Francisco Fed President Mary Daly discusses the future of cities. (FOMC voter in 2021)
- 3:00pm – US: Chicago Fed President Charles Evans participates in a moderated Q&A on the economy hosted by the Iowa Bankers Association. (FOMC voter in 2021)

Tuesday, November 24

- 2:00am – Germany:
  - GDP – 3Q F (Last: 8.2% q/q)
  - GDP – 3Q F (Last: -4.3% y/y)
- 2:45am – France:
  - Manufacturing Confidence – Nov (Last: 93; Con: 91)
  - Consumer Confidence – Nov (Last: 94; Con: 92)
- 3:30am – Hong Kong:
  - Exports – Oct (Last: 9.1% y/y; Con: 9.0% y/y)
  - Imports – Oct (Last: 3.4% y/y; Con: 3.5% y/y)
  - Trade Balance – Oct (Last: -$12.7b HKD; Con-: $12.5b HKD)
- 4:00am – Germany: IFO Business Climate – Nov (Last: 92.7; Con: 90.4)
- 6:00am- UK: BOE policy maker Jonathan Haskel speaks on a panel about shaping the post-COVID world.
- 9:00am – US:
  - FHFA House Price Index – Sep (Last: 1.5% m/m)
  - S&P CoreLogic CS 20-City – Sep (Last: 0.5% m/m; Con: 0.4% m/m)
- 10:00am – US:
  - Conference Board Consumer Confidence – Nov (Last: 100.9; Con: 98.0)
  - Richmond Fed Manufacturing Index – Nov (Last: 29; Con: 21)
- ★ 11:00am – US: Saint Louis Fed President James Bullard discusses the US economy and monetary policy. The Bank of Finland hosts the webinar, which ECB member Olli Rehn will moderate. (FOMC voter in 2022)

Wednesday, November 25

- ★ UK: Chancellor of the Exchequer Rishi Sunak unveils the government's spending plans for next year.
- Hong Kong: Chief Executive Carrie Lam delivers the policy address that had been postponed for one month in order to consult with China. The city faces ongoing political and economic turmoil due to COVID and discontent with the government.

- 7:00am – US: MBA Mortgage Applications – Nov 20
- ★ 8:30am – US:
  - GDP Q3 S (Q3 A: 33.1% q/q; Con: 33.1% q/q)
  - Personal Consumption – Q3 S (Q3 A: 40.7% q/q)
  - Initial Jobless Claims – Nov 21 (Last: 742k; Con: 733k)
  - Continuing Claims – Nov 14 (Last: 6,372k)
  - Durable Goods Orders – Oct P (Last: 1.9% m/m; Con: 1.0% m/m)
  - Durable Goods Orders Ex Transportation – Oct P (Last: 0.9% m/m Con: 0.4% m/m)
  - Capital Goods Orders Nondef Ex Aircraft – Oct P (Last: 1.0% m/m; Con: 0.7% m/m)
  - Capital Goods Ship Nondef Ex Aircraft – Oct P (Last: 0.5% m/m; Con: 0.3% m/m)
  - Advance Goods Trade Balance – Oct (Last: -$79.4b; Con: -$80.0b)
  - Wholesale Inventories – Oct P (Last: 0.4% m/m)
  - Retail Inventories – Oct (Last: 1.6% m/m)
- ★ 10:00am – US:
  - Personal Income – Oct (Last: 0.9% m/m; Con: 0.1% m/m)
  - Personal Consumption – Oct (Last: 1.4% m/m; Con: 0.4% m/m)
  - PCE Deflator – Oct (Last: 0.2% m/m; Con: 0.0% m/m)
  - PCE Deflator – Oct (Last: 1.4% y/y; Con: 1.3% y/y)
  - Core PCE Deflator – Oct (Last: 0.2% m/m; Con: 0.0% m/m)
  - Core PCE Deflator – Oct (Last: 1.5% y/y; Con: 1.4% y/y)
  - UMichigan Consumer Sentiment – Nov F (Nov P: 77.0; Con: 77.0)
  - New Home Sales – Oct (Last: 959k; Con: 973k)
  - New Home Sales – Oct (Last: -3.5% m/m; Con: 1.4% m/m)
- ★ 2:00pm – US: FOMC Meeting Minutes. People will be looking for signs of FOMC support for a change in the size of asset purchases.

Thursday, November 26

- ★ US: Thanksgiving Day Holiday
- EU: The ECB publishes the minutes of its October policy meeting.
- 1:00am – Japan: Machine Tool Orders – Oct F (Oct P: -5.9% y/y)

Friday, November 27

- US: Black Friday kicks off the traditional start of the holiday shopping season.
- 2:45am – France:
  - GDP – Q3 F (Q3 P: 18.2% q/q)
  - GDP – Q3 F (Q3 P: -4.3% y/y)
  - CPI – Nov P (Last: 0.0% y/y; Con: 0.1% m/m)
  - PPI – Oct (Last: -2.4% y/y)
- 4:00am – Italy:
  - Manufacturing Confidence – Nov (Last: 95.6; Con: 92.6)
  - Consumer Confidence – Nov (Last: 102.0; Con: 99.5)

- 5:00am – EU:
  - Economic Confidence – Nov (Last: 90.9; Con: 86.5)
  - Consumer Confidence – Nov F
- 5:00am – Italy: PPI – Oct (Last: -3.8% y/y)

– Rebecca Kooshak, Economic Analyst