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ON THE HORIZON

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Joseph Brusuelas – Chief Economist
jb@merkinvestments.com

The Day Ahead: September 30, 2008

Economic Calendar US - Week Of September 29 - October 03							
Date	Time	Event		Survey	MERK	Actual	Prior
9/30/08	9:00	S&P/CaseShiller Home Price Ind	JUL	- -		- -	167.7
9/30/08	9:00	S&P/CS Composite-20 YoY	JUL	-16.10%	-16.10%	- -	-15.90%
9/30/08	9:45	Chicago Purchasing Manager	SEP	54	54	- -	57.9
9/30/08	10:00	Consumer Confidence	SEP	55	55	- -	56.9
9/30/08	10:00	NAPM-Milwaukee	SEP	- -		- -	43
9/30/08	17:00	ABC Consumer Confidence	29-Sep	- -		- -	- -

Market Consensus Obtained Via Bloomberg

Market Movers:

- The failure of the TARP on the floor of the House of Representatives has moved action towards overnight trading in Asia and early morning action in Europe. With the credit markets currently jammed up, volatility should be expected to shape the overnight action and the direction of US markets in early morning trading Tuesday.
- News flow will provide direction for the markets as Congress dithers over what action to take to stem the tide of the growing crisis. It does appear that the plan in its current form, or in another, will not be resubmitted to House until Thursday at the earliest.
- Look for possible Treasury or Fed announcements during the pre-market hours. Traders have priced in a full fifty basis point cut in the federal funds rate. While we do not think it a likely event, overt concerns in the market regarding the fragility of the financial system and the economic fallout of the credit panic, it cannot be completely discounted.
- Lingering concern over the condition of the US banking system and growing concern of the status of the financial sector in Europe should be the major economic factors that drive pricing action during the day.
- Macro data will see the July Case Schiller estimate of price action in the housing sector and the September Chicago PMI and Consumer Confidence reports. ISCS same store sales estimate and the Redbook survey will provide information on the condition of the retail sector and the appetite for retail goods among the public. These data will be second order questions during the upcoming trading day.
- The US Treasury will conduct a four-week bill auction at 1:00 PM and settle a two year and five year note.