



# MERK

## ON THE HORIZON

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### The Day Ahead: October 1, 2008

Economic Calendar US - Week Of September 29 - October 03							
Date	Time	Event		Survey	MERK	Actual	Prior
10/1/08		Domestic Vehicle Sales	SEP	10.2M	10.1M	- -	10.4M
10/1/08		Total Vehicle Sales	SEP	13.5M	13.3M	- -	13.7M
10/1/08	7:00	MBA Mortgage Applications	27-Sep	- -		- -	- -
10/1/08	7:30	Challenger Job Cuts YoY	SEP	- -		- -	11.70%
10/1/08	8:15	ADP Employment Change	SEP	-45K	-50K	- -	-33K
10/1/08	10:00	ISM Manufacturing	SEP	50	50	- -	49.9
10/1/08	10:00	Construction Spending MoM	AUG	-0.50%	-0.50%	- -	-0.60%
10/1/08	10:00	ISM Prices Paid	SEP	- -		- -	77
Market Consensus Obtained Via Bloomberg							

#### Day In Review:

- Equity markets saw a broad based relief rally caused by a breakout of optimism that the U.S. Congress will revisit the \$700bln rescue package
- The FDIC requested temporary authority to increase the deposit insurance limit from \$100K to shore up the growing crisis of confidence in the domestic banking system. Members of Congress have suggested the limit could be raised to \$250K
- The US dollar saw the single largest increase in value against the Euro since its inception. The catalyst was the change in market sentiment that a rescue plan will be obtained and concern over select financial concerns in Europe.

#### Day Ahead:

- Market action will focus on moves in Washington D.C. to salvage in some form the rescue plan and information provided by the ADP estimate of the employment situation and the ISM survey of manufacturing conditions nationwide.
- The focus of the market may move to the deteriorating economic situation in Europe and the prospective shakeout in the EU banking system. This does present additional downside risk for the Euro.
- The day will see a heavy slate of economic data with the publication of the September domestic vehicle sales, ADP employment estimate, ISM manufacturing survey and August construction spending report.
- The EIA petroleum status report will be released at 10:35 EDT.