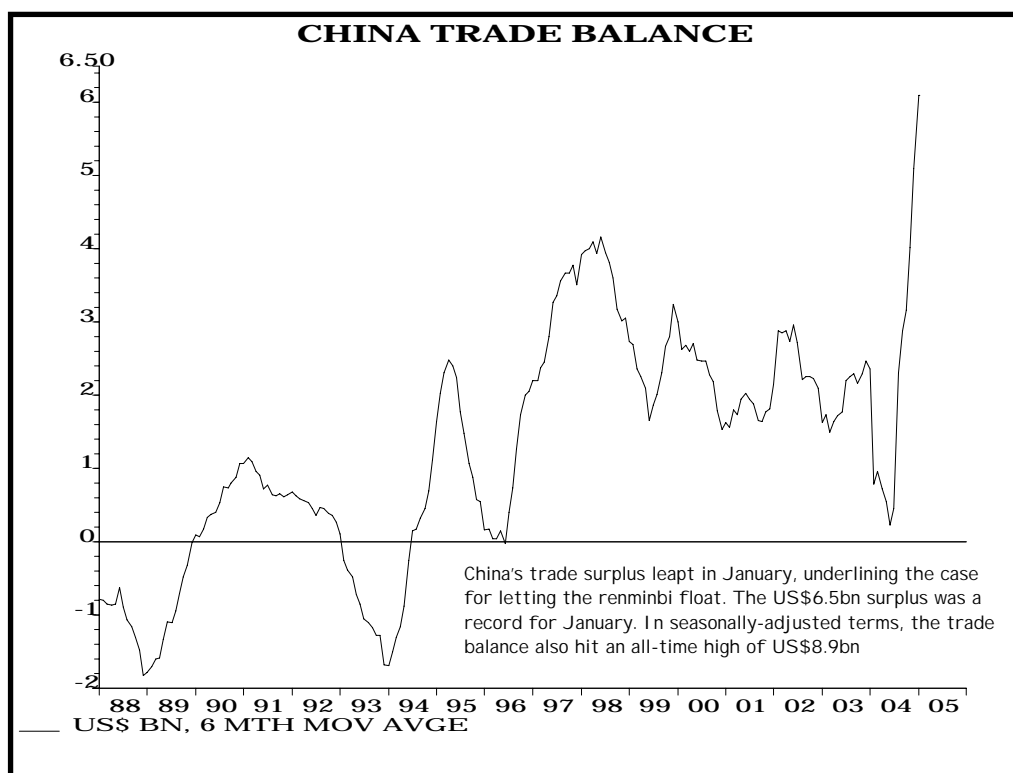


# GFC ECONOMICS

## WEEKLY CHARTBOOK

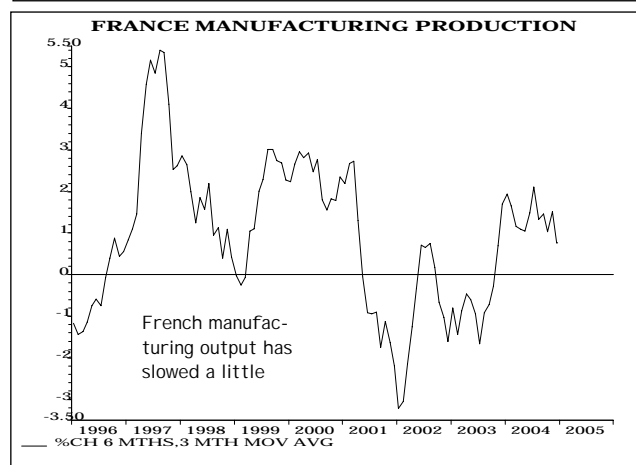
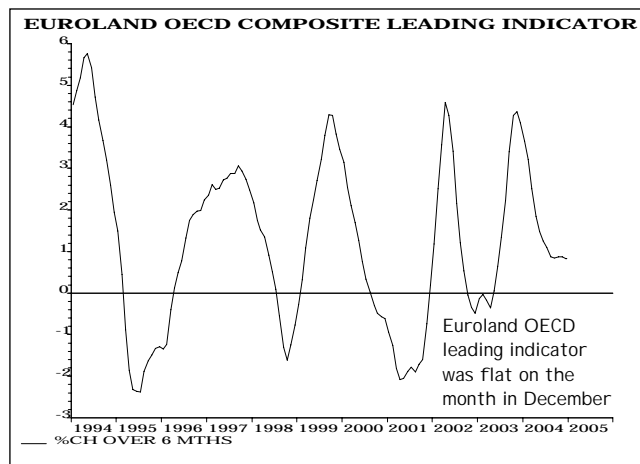
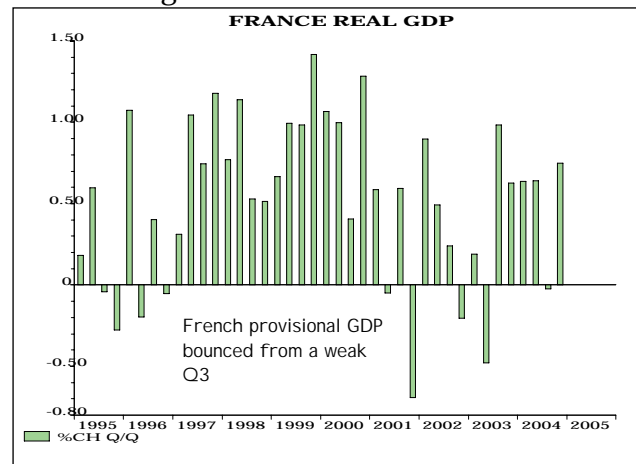
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### *CHART OF THE WEEK*



**WEEKLY CHARTBOOK****Euroland**

Provisional French GDP growth posted a healthy 0.7%-0.8% q/q gain in Q4, buoyed by a solid rebound in consumer spending. Growth was also probably boosted by a pick-up in investment. Indeed, the output statistics show that French manufacturing production rose 0.9% m/m in December; output of consumer goods and capital goods increased 1.4% m/m and 0.6% m/m respectively. Meanwhile, in Germany, a 1.2% m/m rise in industrial output in December recovered only part of the 1.5% m/m drop seen the previous month. All the same, last week's report of a surge in orders suggests German production data should have a slightly more robust tone over coming months.

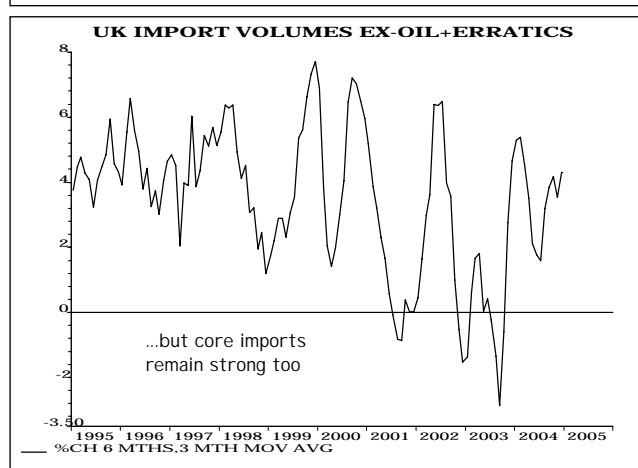
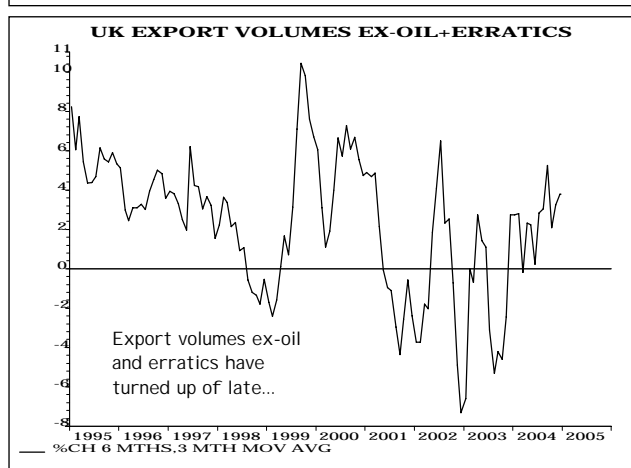
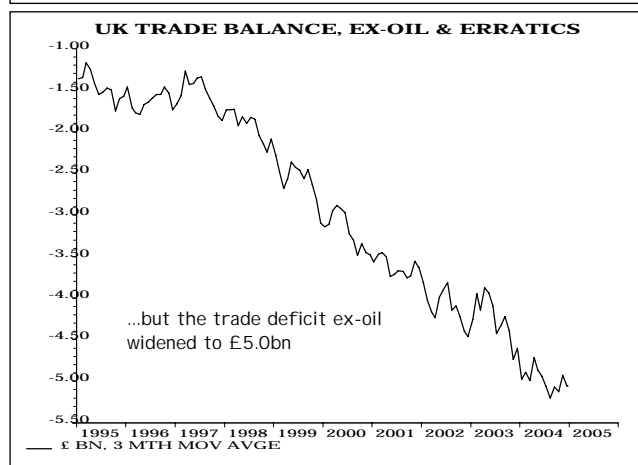
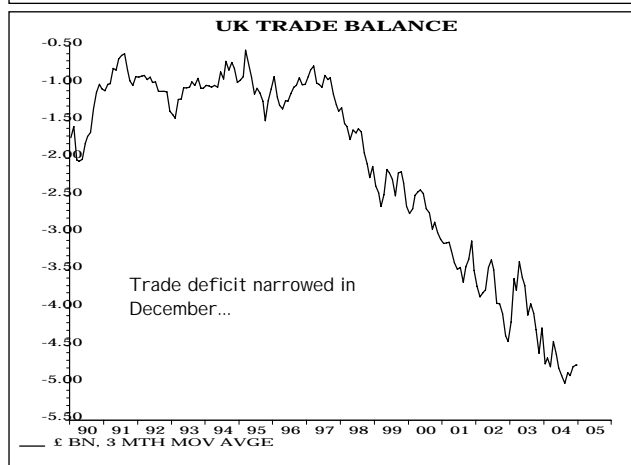
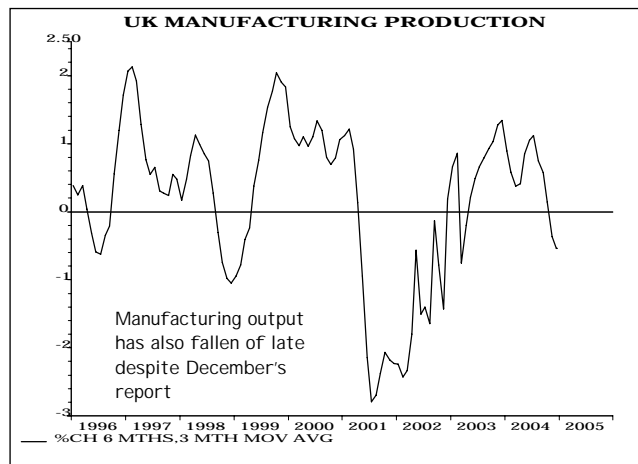


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**WEEKLY CHARTBOOK****UK**

The manufacturing sector posted better than expected numbers in December, which helped to align the recent gloomy official figures with the more robust survey data in Q4. Manufacturing output rose 0.6% m/m and 1.1% y/y, easing fears that the sector had fallen back into recession. In addition, industrial production climbed 0.5% m/m. These numbers suggest that GDP growth for Q4 may be revised up to 0.8% q/q from 0.7% q/q. Elsewhere, the trade deficit narrowed from £4.7bn to £4.4bn in December, on the back of a large 2.4% m/m rise in exports. However, the core deficit, ex-oil and erratics, widened slightly and the long term deteriorating trend remains in place.

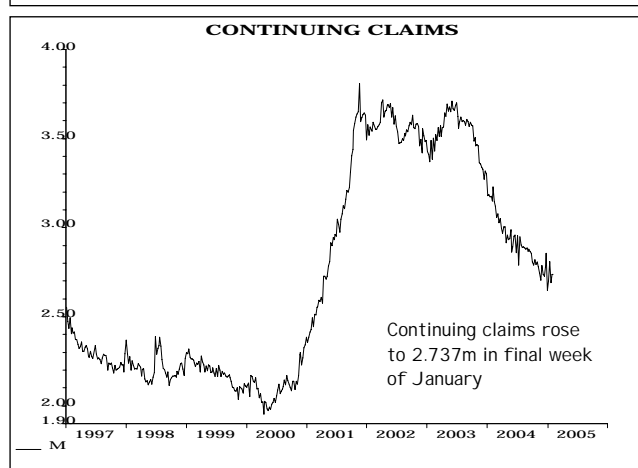
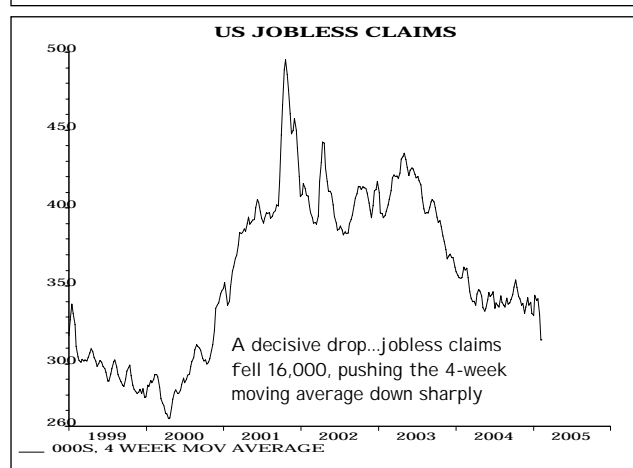
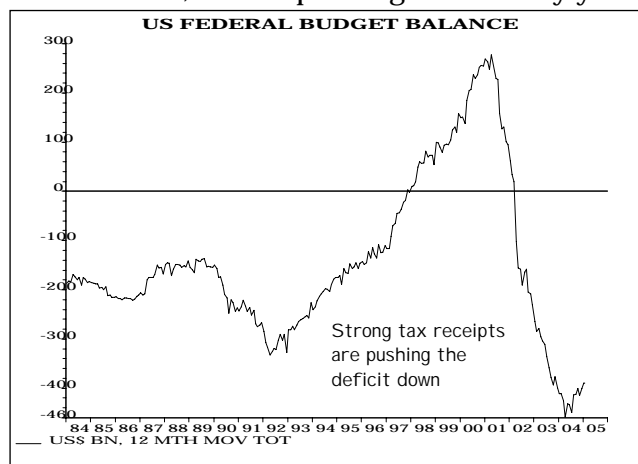
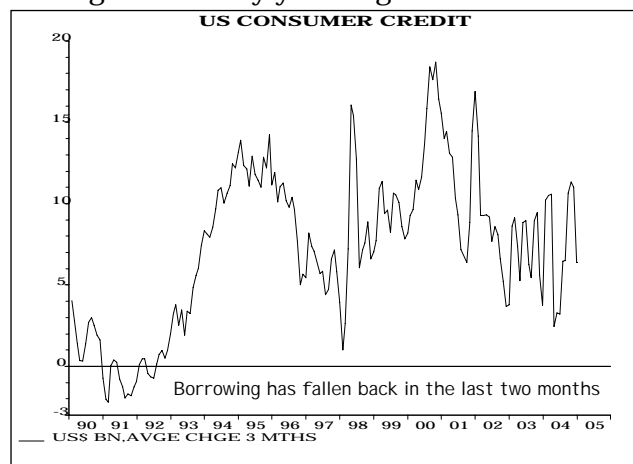


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**WEEKLY CHARTBOOK****US - 1**

Consumer credit was up US\$3.0bn in December following a rise of US\$2.0bn in the previous two months, pointing to a modest slowdown in borrowing. In mitigation, it should be stressed the numbers are quite volatile and prone to revision, but a similar rise for January could be potentially significant. In contrast, the weekly jobless claims data showed a sizeable drop during the week ending February 5th, with the 4-week moving average slipping to 315,000. Elsewhere, the Federal budget deficit continued to narrow last month. Strong tax receipts pushed the shortfall in the year to January down to US\$390.0bn. Tax receipts were up by an average of 10.1% y/y during the first four months of FY2005, while spending rose 6.2% y/y.

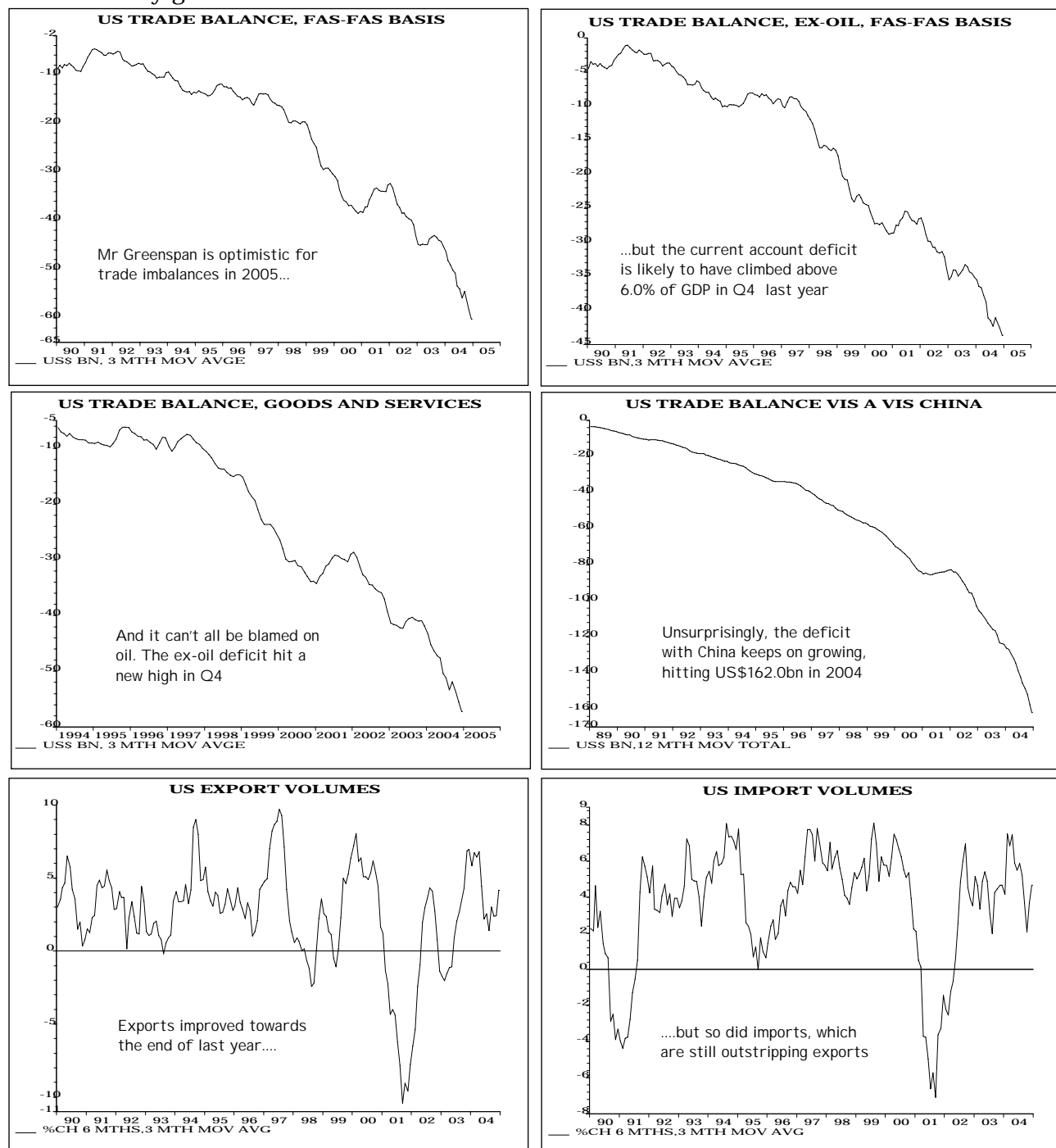


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**WEEKLY CHARTBOOK****US - 2**

The trade numbers narrowed after November's record shortfall, but ultimately the improvement was disappointing and confirmed the poor underlying trend. The FAS-FAS goods deficit fell to US\$59.4bn, but the 3-month moving average rose to a new high of US\$60.2bn. The goods and services deficit dropped to US\$56.4bn, but the 3-month moving average also rose to a new high, of US\$57.3bn. Export volumes did bounce sharply in December by 8.0% m/m, but in value terms the increase was pared to 4.3% m/m. The deficit with China hit a new monthly peak of US\$16.1bn in December, and with import quotas for textiles now lifted, the bi-lateral imbalance will only get wider in 2005.

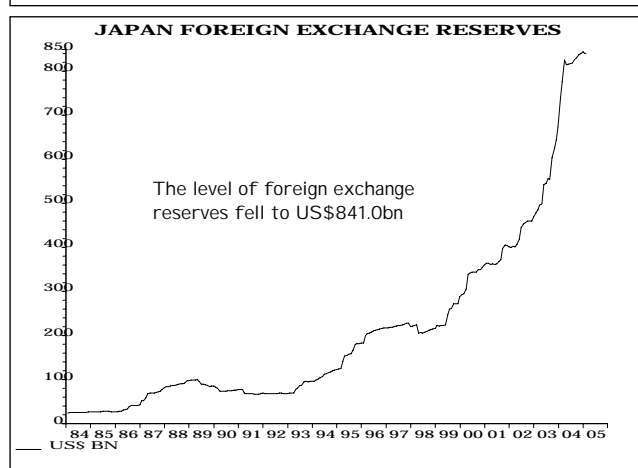
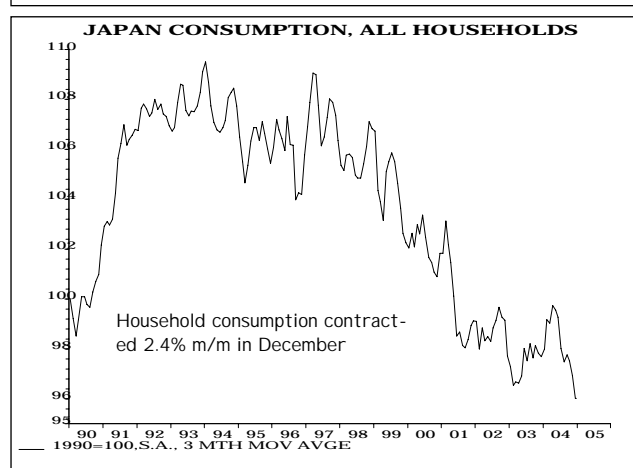
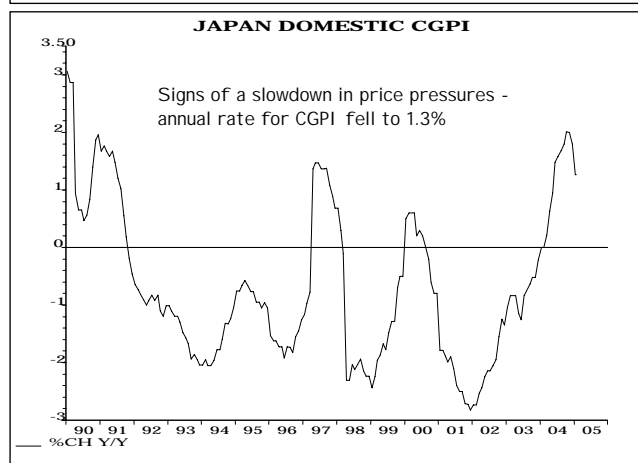
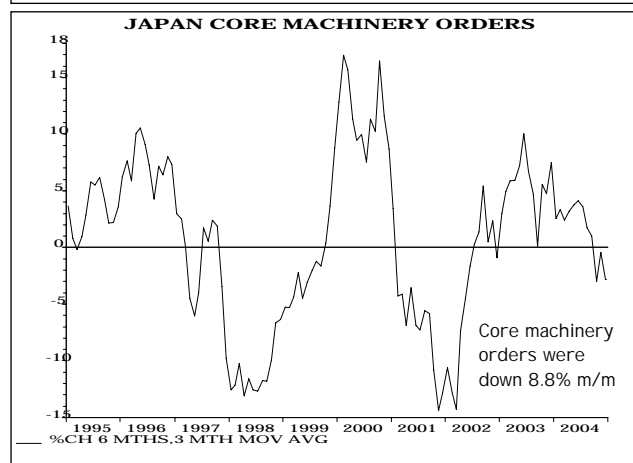
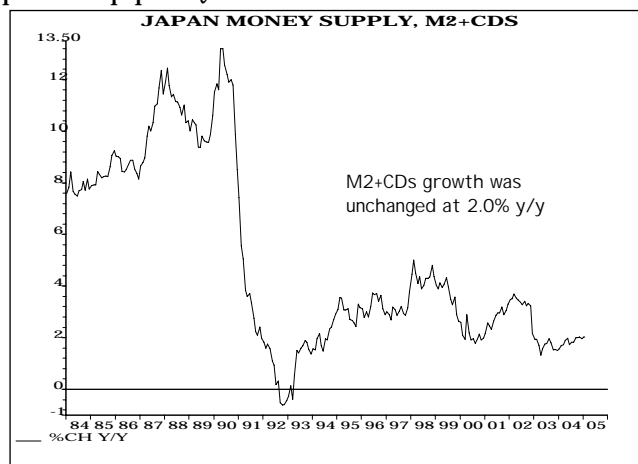
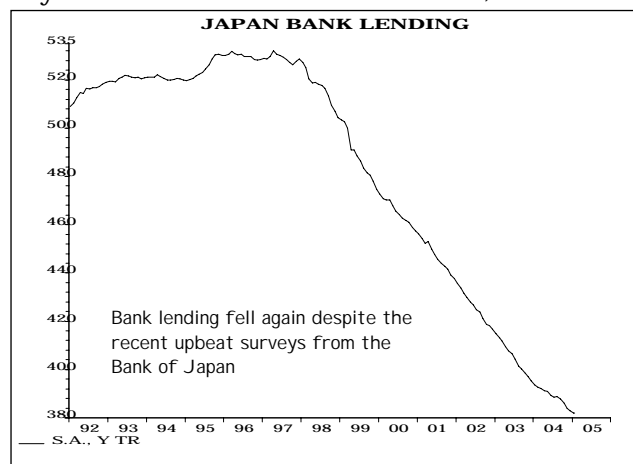


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**WEEKLY CHARTBOOK****Japan**

There is still no sign of an end to the long slide in bank lending, which has now stretched to nearly eight years. Total loans outstanding fell 0.3% m/m in January and were down 3.0% y/y. The level of lending has contracted by a cumulative 28.2% since the decline began in April 1997. Not surprisingly, money supply growth remains dormant, with M2+CDs growth showing no sign of turning up. Meanwhile, the evidence of a significant slowdown in consumer demand continues to multiply. The household survey for overall consumption showed that spending fell 3.2% y/y in December, a new low for the post-bubble era in Q4. On a better note, core machinery orders rebounded in December, and were up 6.0% q/q in Q4.



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