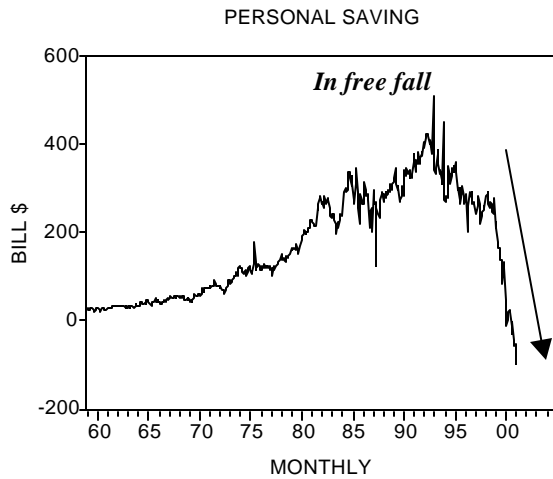
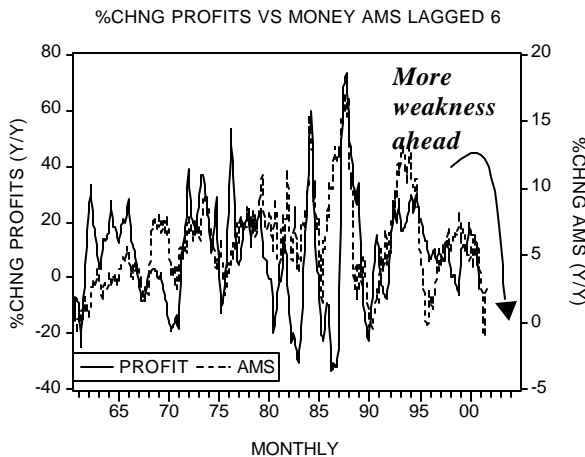


US personal savings in free fall

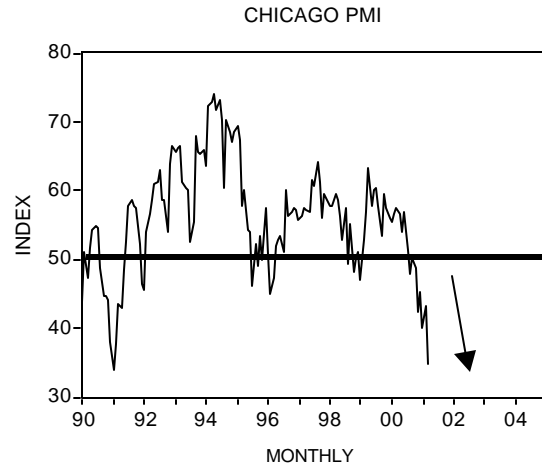
In February the pool of personal savings fell by **\$90.9bn** after a fall of **\$95.6bn** in January (see chart). The personal savings rate stood at a negative **1.3%** in February. A fall in personal savings raises the likelihood that the real pool of funding is in trouble.



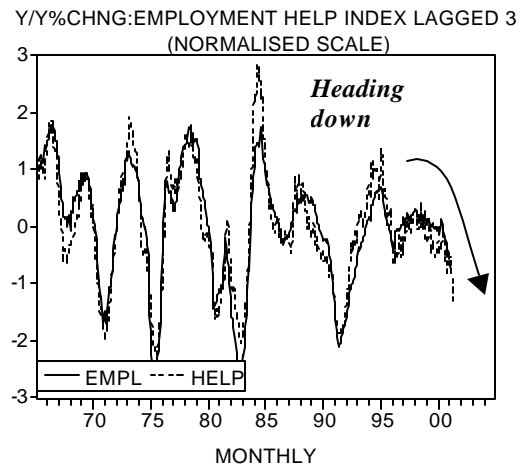
Meanwhile corporate profits have likely fallen by **8%** in Q1 according to a survey by First Call/Thomson Financial. Our monetary analysis points to further weakening in the momentum of profits (see chart).



Economic activity in the manufacturing sector has continued to fall. The Chicago purchasing management index fell to **35** in March from **43.2** in the previous period (see chart). Analysts had expected a reading of **43.5**. The employment component of the index fell to **32.3** from **42.2**.



Furthermore, the Help Wanted advertisement index fell to **71** in February from **76** in January. Year-on-year the index fell by **21.1%** in February. This doesn't bode well for the momentum of employment in the months ahead (see chart).



Financial News

- Australian building approvals fell **10.8%** in Feb.
- The Japanese CPI fell **0.1%** y/y in Feb.
- Canada's real GDP up **0.3%** in Jan vs **0.3%** in Dec.
- The Dow industrial average fell **8.4%** in Q1. The Nasdaq composite fell **25.5%**.

Thought for today

You are making progress if each mistake you make is a new one.

Anonymous