



# LONGWAVE GROUP



Ian Gordon Economic Forecaster & Interpreter of the KONDRATIEFF CYCLE

*Those who cannot remember the past are condemned to repeat it. Santayana*

February 16, 2009

## THAT WAS THE WEEK THAT WAS

### Monday, February 16th.

- Japan's Gross Domestic Product (GDP) contracted by 3.3% in the 4th. quarter, reflecting falling exports and reduced domestic demand from consumers.
- BMW announces 850 job layoffs at the company's "mini car" plant in Oxford, England
- Bank of England Governor, Charles Bean, warns of deepening recession in the United Kingdom with no economic recovery in sight until "well into 2010"
- Canadian manufacturing sales plunged 8% to \$44.2 billion (CAD) in December from \$48 billion (CAD) in November

### Tuesday, February 17th.

- State of California reportedly to layoff 20,000 employees
- Trump Entertainment files for Chapter 11 bankruptcy protection
- German auto manufacturer Daimler AG reports a \$1.95 billion (U.S.) loss in the 4th. quarter, reflecting a slowdown at its core Mercedes-Benz unit and a massive loss in its stake in Chrysler LLC
- New York Empire State manufacturing index falls to a record low
- Teck Cominco posts a loss of \$607 million (CAD) in the 4th. quarter, after the company recorded \$844 million (CAD) in impairment charges
- Stanford Financial Group's Houston headquarters raided by the Federal Bureau of Investigation (FBI) and U.S. Marshals, as the Securities and Exchange Commission (SEC) and the Financial Industry Regulatory Authority (FINRA), charged R. Allen Stanford with an \$8 billion (U.S.) fraud, based upon the sale of certificates of deposit which guaranteed unrealistically high rates of interest
- U.S. President Obama signs \$787 billion (U.S.) economic stimulus bill
- Chrysler announces 3,000 additional job layoffs and curtails production of 3 vehicle lines and asks the U.S. Government for another \$5 billion loan.
- General Motors announces 47,000 job layoffs worldwide and the closure of 5 additional U.S. plants; restricts production to 4 vehicle lines and seeks another \$16.6 billion (U.S.) loan from the U.S. Government
- Moodys and Standard & Poors report that eastern European banks face credit rating downgrades, as well as western European banks in Sweden, Italy, Austria, France, Belgium and Germany.

### Wednesday, February 18th.

- Goodyear Tire posts 4th. quarter loss and announces 5,000 job layoffs
- John Deere's 4th. quarter profit falls by 45% and company suspends earnings guidance for 2009
- U.S. housing starts declined by 16.8% to 466,000 units in January, representing a drop of 56.2% from January 2008
- U.S. building permits declined by 4.8% in January versus a decline of 11.1% in December
- U.S. industrial production fell by 1.8% in January
- Canada's wholesale sales declined by 3.4% in December
- Trans Continental announces 1,500 job layoffs
- U.S. Federal Reserve Board sets a long term inflation target of 2%
- U.S. President Obama announces \$75 billion (U.S.) mortgage program to aid troubled homeowners



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## Thursday, February 19th.

- U.S. producer prices (PPI) rose 0.8% in January
- Canada Mortgage and Housing Corporation (CMHC) forecasts declining home sales and housing starts during 2009
- U.S. initial jobless claims remained unchanged at 627,000 for the week ended February 14th.
- Canada's leading economic indicators index fell by 0.8% in December
- Philadelphia Fed (manufacturing) Index fell to a minus 41.3 in February from a minus 24.3 in January
- U.S. index of leading economic indicators rose by 0.4% compared to a 0.2% increase in December
- U.S. Justice Department accuses Union Bank of Switzerland (UBS) of helping as many as clients evade U.S. taxes by setting up 52,000 offshore accounts totaling \$14.8 billion (U.S.). UBS may pay the U.S. Government \$780 million (U.S.) in a settlement to avoid prosecution.
- Province of Alberta expects a \$1 billion (CAD) deficit and 15,000 job losses in 2009
- Province of British Columbia forecasts a combined \$740 million (CAD) deficit over 2009 and 2010.
- Sears Canada announces 300 job layoffs

## Friday, February 20th.

- Anglo American announces 19,000 job layoffs and cancels last dividend for 2008
- Canada's Consumer Price Index falls to 1.1% in January
- Lowe's profit drops by 60% in the 4th. quarter
- U.S. Consumer Price Index rose by 0.3% in January
- Kingsway Financial posts 4th. quarter loss and cuts dividend by 70%
- SAAB files for creditor protection
- J.C. Penney profit falls by 51% in January compared to January /07

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