



# LONGWAVE GROUP



IAN GORDON ECONOMIC FORECASTER & INTERPRETER OF THE KONDRATIEFF CYCLE

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

March 30, 2009

## THAT WAS THE WEEK THAT WAS

### Monday, March 30th.

- The Obama administration forces the resignation of Rick Wagoner as Chief Executive Officer of General Motors. His replacement is company President Fritz Henderson. The government is giving GM 60 days to resubmit a business plan that will enable its restoration to profitability, before the government will invest any additional monies in the company.
- The White House directs Chrysler to form a partnership with Italian auto manufacturer Fiat within 30 days, as a condition for receiving further federal government assistance. Chrysler must also reduce its debt and health care obligations.
- Spanish bank Caja Castilla-La Mancha is nationalized by the government of Spain
- The Dumfermline Building Society is taken over by the Nationwide Building Society at a cost of 1.6 billion pounds to the U.K. government
- Japanese industrial output fell by 9.4% in February
- In conjunction with the Obama administration's 60 day deadline, the Government of Canada pledges \$4 billion (CAD) in loans to General Motors and Chrysler

### Tuesday, March 31st.

- Canadian Gross Domestic Product (GDP) contracted by 0.7% in January
- Air Canada CEO Montie Brewer resigns and is replaced by Calin Rovinescu
- The Organization for Economic Co-operation and Development (OECD) cuts its economic outlook for 30 member nations, by forecasting an average GDP contraction rate of 4.3% in 2009 and 0.1% in 2010
- Japanese unemployment rate hits a 3-year high of 4.4% in February
- Canadian factory prices increase by 0.4% in January
- S&P / Case Shiller reports that home prices in 20 major U.S. cities declined by a record 19% in the 12 months ending in January /09
- Miami based home builder Lennar Corp. posts a loss in its 1st. fiscal quarter ending February /09, citing continued weakness in the housing market
- Asia Development Bank cuts its outlook for China's GDP growth to 7% for 2009

### Wednesday, April 1st.

- Japanese auto sales decline by 32% in March, representing a 35 year low
- ADP reports U.S. firms cut 742,000 payrolls in March
- European Union industrial output declines in March
- The 3M company to cut its global work force by 1.5%
- Eurozone unemployment rate rises to 8.5% in February
- U.S. pending home sales rise 2.1% in March
- Thornburg Mortgage files for bankruptcy protection



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- GM U.S. vehicle sales decline by 42.5% in March
- Manulife Financial to raise \$600 million (CAD) via a debt issue
- Ford Motor U.S. vehicle sales plunge by 41% in March and the company plans to idle a Missouri plant for 3 weeks
- Chrysler U.S. vehicle sales drop by 39% in March and the company closes its Windsor, Ontario van production plant and a Brampton, Ontario plant due to a shortage of parts
- BCE paid Michael Sabia \$21 million upon his departure from the company
- Ballard Power cuts jobs and reorganizes

## **Thursday, April 2nd.**

- U.S. jobless claims increase by 12,000 to 669,000 for the week ending March 28th. while continuing claims increase by 161,000 to 5.728 million for the week ending March 21st.
- Swiss Re-Insurance cuts global work force by 10%
- Bombardier announces 3,000 job layoffs at its aerospace unit
- Autodesk to cut jobs and close facilities
- European Central Bank cuts its key interest rate by 25 basis points to 1.25%
- Canadian Auto Workers (CAW) and Chrysler Canada suspend negotiations
- U.S. factory orders rose by 1.8% in February
- The Ontario Teachers' Pension Plan posts an 18% negative rate of return in 2008
- The U.S. Financial Accounting Standards Board (FASB) decides to relax fair market value accounting rules, which will allow banks to make "significant judgments" regarding the valuation of certain illiquid assets

## **Friday, April 3rd.**

- U.S. non-farm payrolls declined by 663,000 in March, as the unemployment rate rose to 8.5%
- Toyota Motor obtains bank loans to finance U.S. sales
- U.S. business bankruptcies soar 78% in the 1st. quarter
- Caterpillar to accelerate the timing of previously announced job layoffs
- Leaders of several G20 countries meeting at an economic summit in London pledge in excess of \$1 trillion (U.S.) in financing (\$100 billion from the European Union, \$100 billion from Japan, \$40 billion from China et al) for the International Monetary Fund (IMF)

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