



# LONGWAVE GROUP



IAN GORDON ECONOMIC FORECASTER & INTERPRETER OF THE KONDRATIEFF CYCLE

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

April 6, 2009

## THAT WAS THE WEEK THAT WAS

### Monday, April 6th.

- Ford Motor's debt restructuring plan with bondholders reduces outstanding debt by 38% or \$9.9 billion (U.S.), from \$26 billion (U.S.) to \$16 billion (U.S.)
- Teck Cominco sells assets to cut debt level
- Japan to launch \$100 billion (U.S.) economic stimulus package
- Canadian building permits fell by 15.9% in February
- HSBC raises \$17.7 billion in capital via equity issue to fund acquisitions
- Calyon credit research analyst Mike Mayo forecasts more significant loan losses for many large U.S. banks
- Motorola announces 2,800 job layoffs, while taking \$110 million (U.S.) in extraordinary charges
- Conference Board of Canada lowers forecast for Canadian GDP to a 1.7% contraction rate for 2009

### Tuesday, April 7th.

- European Union economies contracted by 1.6% in the 4th. quarter of 2008
- Royal Bank of Scotland may announce 9,000 job layoffs
- The International Monetary Fund (IMF) says bank toxic assets may total \$4 trillion (U.S.)
- U.S. mortgage delinquency rate reaches 7% in February
- Alcoa reports loss of \$497 million (U.S.) in the 1st. quarter, citing a steep drop in aluminum prices and dramatically reduced demand from its core industrial and commercial customers
- Rio Tinto / Alcan announces 140 job layoffs at head office

### Wednesday, April 8th.

- Canadian Mortgage and Housing Corp reports Canadian housing starts rose 13.7% to 154,7000 in March
- Quebec Finance Minister Monique Jerome-Forget resigns and is replaced by Raymond Bachard
- Ryder System Inc. issues earnings warning for the 1st. quarter, citing lower results in its truck rentals and fleet management services, due to a worsening economic climate
- The Federal Reserve Board Open Market Committee (FOMC) released the minutes from its March 17 - 18 meeting, citing a dramatic economic weakening in the United States and across the world, prompting its decision to buy \$750 billion (U.S.) in mortgage-backed securities and \$300 billion of longer term Treasuries during 2009
- Fitch Ratings Agency downgrades the credit ratings of the Bank of Ireland and the Allied Irish Bank from A to A (Low), citing the banks' probable need for additional capital injections
- Canadian Finance Minister Jim Flaherty establishes a 10-member Advisory Committee on Financing, to identify existing gaps in the availability of credit within the Canadian economy.
- Ontario Premier Dalton McGuinty proposes to limit the amount of money the Province would be obligated to pay in a corporate pension bailout situation



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- Moody's Investor's Service downgrades Berkshire Hathaway's credit rating from AAA to AA2, citing investment losses at its insurance operations has reduced their ability to support Berkshire's funding requirements
- SEC committee announces 5 proposals to curb short selling, when it is deemed to represent abusive trading activity

## **Thursday, April 9th.**

- Canadian economy lost 61,300 jobs in March , the unemployment rate rose to 8%
- Costco same store sales fell 5% in March
- U.S. jobless claims declined to 654,000 in the latest reporting week
- German industrial output fell 2.9% in February
- Wells Fargo gross earnings to exceed \$3 billion (U.S.) in the 1st. quarter
- U.S. trade deficit fell 26% to \$26 billion (U.S.) in February
- WalMart same store sales rose 1.4% in March
- Canada registers a \$126 million (CAD) trade surplus in February
- Canadian new home prices fell 1.8% in February
- Telus issues lower earnings warning for the 1st. quarter of 2009
- Aeroplan to raise \$150 million (CAD) via an equity issue

## **Friday, April 10th—Business Holiday**

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