

DAILY GLOBAL COMMENTARY

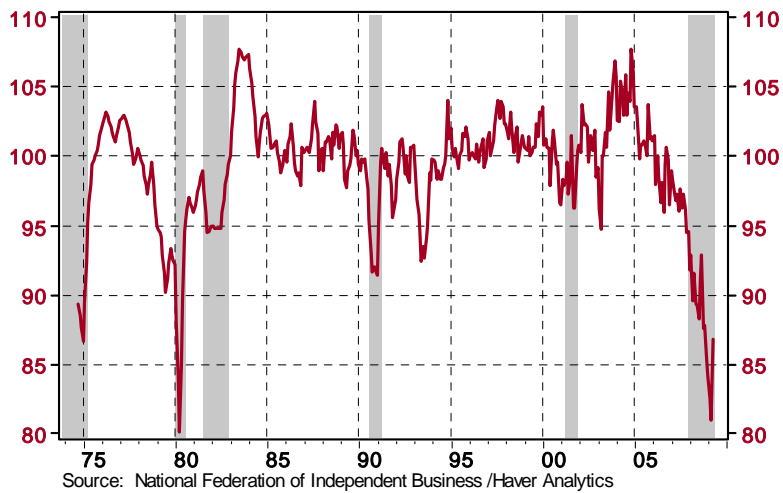
Northern Trust  
 Global Economic Research  
 50 South LaSalle  
 Chicago, Illinois 60603  
 northerntrust.com

Asha G. Bangalore  
[agb3@ntrs.com](mailto:agb3@ntrs.com)

**Small Business Optimism Index Improves**  
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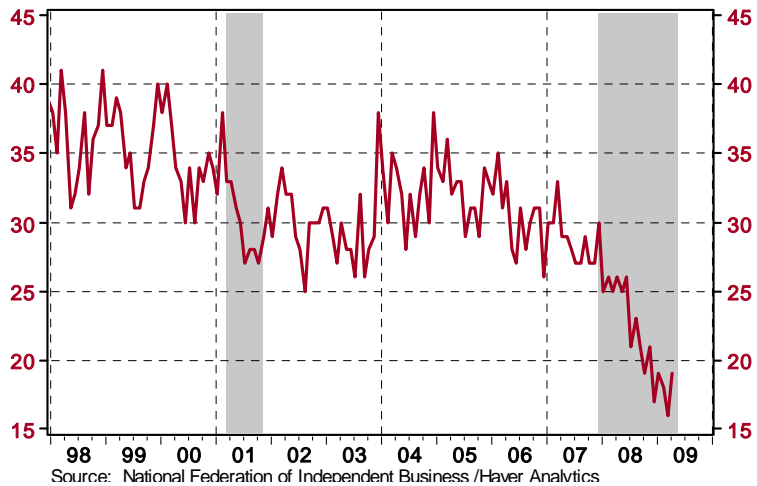
The Small Business Optimism Index rose 5.8 points to 86.8 in April, which is a significant improvement from the close-to-record low reading posted for February (see chart 1).

Chart 1  
 NFIB: Small Business Optimism Index  
 SA, 1986=100 (I)



The index tracking employment indicated that fewer employers were shrinking payrolls and the index measuring plans of firms to increase capital spending (19 vs. 16 in March) advanced in April (see chart 2) from a record low of 16 in March. This is yet another report in the past two weeks pointing to an improvement in economic conditions.

Chart 2  
 NFIB: Percent Planning Capital Expenditures next 3 to 6 Months  
 SA, % (I)



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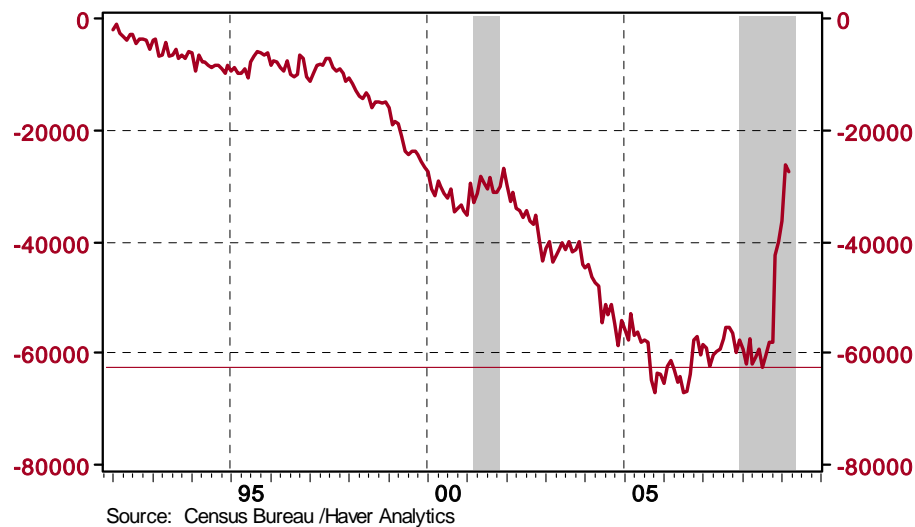
## Trade Balance Widens Slightly in March

The trade deficit of the U.S. economy widened to \$27.6 billion in March from \$26.1 billion in the previous month. Exports and imports of goods and services fell in March, with exports (-2.4%) declining more rapidly than imports (-1.0%). The assumptions incorporated in the advance estimate of GDP expected a larger widening of the trade gap, which implies a small upward revision, holding all else constant.

Chart 3

### Trade Balance: Goods and Services, BOP Basis

SA, Mil.\$



Exports of goods, after adjusting for inflation, declined 1.8% in March, following a 3.1% jump in February. Inflation adjusted imports of goods dropped 1.0%, the smallest decline in the last five consecutive months when imports have fallen. The strength in exports seen in February appears to be a temporary event, for now.

## International Trade in Goods and Services

	Trade Balance (billions)			Exports (m-o-m % change)		Imports (m-o-m % change)	
	Goods & Services	Goods	Goods - 2000\$	Goods & Services	Goods - 2000\$	Goods & Services	Goods - 2000\$
Oct-08	-58.0	-69.6	-45.9	-2.6	-0.7	-1.9	2.3
Nov-08	-42.5	-53.3	-40.1	-6.1	-3.4	-11.9	-6.6
Dec-08	-39.9	-51.3	-43.0	-5.8	-6.0	-5.8	-1.7
Jan-09	-36.2	-46.9	-44.0	-5.9	-8.5	-6.7	-4.7
Feb-09	-26.1	-37.1	-35.7	1.5	3.1	-5.1	-5.3
Mar-09	-27.6	-38.4	-35.9	-2.4	-1.8	-1.0	-1.0

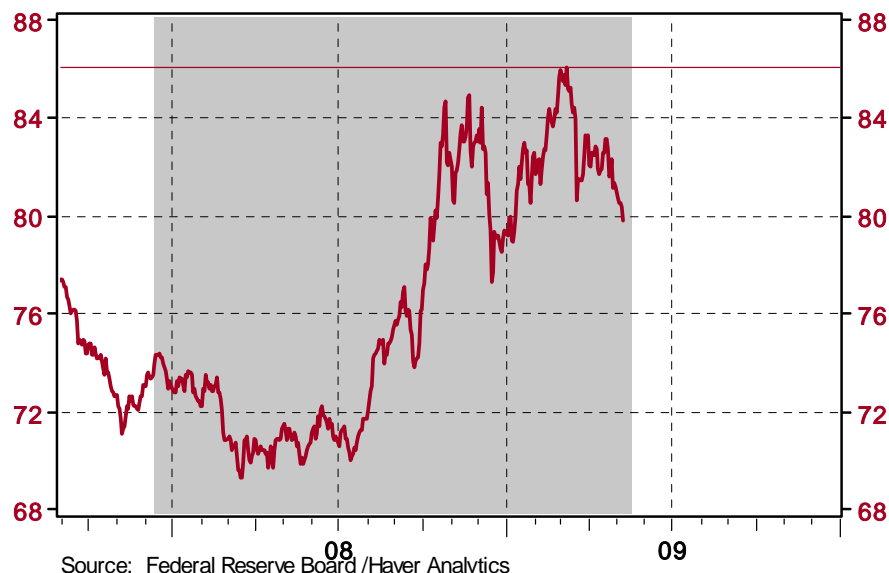
The trade weighted dollar has lost ground recently, with the dollar trading slightly below 80, as of this writing, down from a high of 86 in the early part of March (see chart 4). This downward trend is mildly positive for exports, assuming that the trading partners are in an economically viable position to import from the U.S.

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Chart 4

Nominal Trade-Weighted Exchange Value of US\$ vs Major Currencies

3/73=100 (I)



The trade deficit widened vis-à-vis China (\$15.6 billion vs. \$14.2 billion in February), Mexico (\$3.9 billion vs. \$3.1 billion in February), Japan (\$2.6 billion vs. \$2.2 billion in February) and the Euro area (\$4.5 billion vs. \$2.4 billion in February) but narrowed vis-à-vis Canada (\$0.8 billion vs. \$1.8 billion in February).

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