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Forecast Calendar

April 21, 2011

Canada

Economic Indicators—Schedule and Forecasts

Ellis/Husby

April 25 – May 6, 2011

25	26	27	28	29
				Real GDP (8:30) (M/M) (SA) Oct 0.3% Jan 0.5% Nov 0.4% **Feb (f) 0.1%** Dec 0.5% **Feb (c) unch**
2	**3**	**4**	**5**	**6**
National Election Industrial Product Prices (8:30) (NSA) M/M Y/Y Dec 0.8% 2.9% Jan 0.5% 2.9% Feb 0.7% 3.4% **Mar (f) 0.7% 4.4%** Raw Materials Prices (8:30) (NSA) M/M Y/Y Dec 4.2% 13.2% Jan 0.4% 9.6% Feb 1.8% 11.0% **Mar (f) 4.8% 14.9%**			Building Permits (8:30) (M/M) (SA) Oct -3.8% Jan -6.6% Nov -11.2% Feb 9.9% Dec 2.7% **Mar (f) -2.5%** Ivey Purchasing Managers' Survey (10:00) (SA) Nov 60.0 Feb 70.8 Dec 58.9 Mar 73.2 Jan 46.8 **Apr (f) 68.0**	Labor Force Survey (7:00) Employment (Change, Thous., SA) Nov 6.2 Feb 15.1 Dec 30.4 Mar -1.5 Jan 69.2 **Apr (f) 25.0** Unemployment Rate (SA) Nov 7.6% Feb 7.8% Dec 7.6% Mar 7.7% Jan 7.8% **Apr (f) 7.6%**

M/M=month-over-month Y/Y=year-over-year
f=forecast c=consensus p=preliminary
r= revised

Recent History-Latest Results

18	19	20	21	22
	Consumer Prices (7:00) (Y/Y) Total BOC Core Dec 2.4% 1.5% Jan 2.3% 1.4% Feb 2.2% 0.9% Mar 3.3% 1.7% Wholesale Trade (8:30) (M/M) (SA) Sales Inv. Nov 1.1% 0.5% Dec 0.9% -0.1% Jan 1.6% 2.0% Feb -0.6% 0.3%		Retail Trade (8:30) (M/M) (SA) Total Ex-Auto Nov 1.5% 1.1% Dec -0.5% 0.3% Jan -0.4% -0.2% Feb 0.4% 0.7%	**Holiday**

Indicator Highlights

Canada

Key potential market-moving indicators and events include: Monthly GDP (Fri., Apr. 29, 8:30 a.m.); Building Permits (Thu., May 5, 8:30 a.m.); the Labor Force Survey (Fri., May 6, 7:00 a.m.).

Monthly GDP will give a read on the broader economy's performance in early 2011, and should help clarify expectations for the quarterly figure.

The often-volatile building permits number will be watched for an indication of new construction intentions heading into 2011, with attention on the residential sector. Eyes will be on the Labor Force Survey to see whether full-time employment shows further signs of recovery, a development that would bode well for incomes heading into 2011.

Indicator	Forecast	Consensus	Analysis
Real GDP (M/M) (SA)	+0.1%	unch	Still on track for solid Q1, moderating thereafter.
Industrial Product Prices (NSA)			
M/M	+0.7%		Stronger Canadian dollar blunts pass-through of higher commodity prices.
Y/Y	+4.4%		
Raw Materials Prices (NSA)			
M/M	+4.8%		WTI crude rose sharply in March, other commodities up too.
Y/Y	+14.9%		
Building Permits (M/M) (SA)	-2.5%		Some payback after last month's surge in non-residential permits.
Ivey Purchasing Managers' Survey (SA)	68.0		Still-positive signs for business activity.
Labor Force Survey, Employment (Change, SA)	+25,000		Growth in full-time jobs is encouraging, supporting incomes.
Unemployment Rate (SA)	7.6%		Edges lower.

Post Mortem—Prior Week Results

CPI impacted by temporary factors, but clearly firming. March consumer price data came in markedly ahead of expectations, with the headline index advancing to +3.3% year-on-year from +2.2% in February. A pickup had been anticipated on account of lodging and recreation-related prices accompanying the 2010 Vancouver Olympics, which raised the February 2010 base, temporarily depressing the year-over-year rate in February by about 0.2-0.3 percentage points. Still, the March gains were quite firm across the board, with all major categories save for alcoholic beverages seeing seasonally-adjusted month-on-month gains, led by food, clothing, and transportation prices. The headline price index rose 0.8% (seasonally-adjusted) between February and March, while the Bank of Canada's core measure rose 0.5% from the prior month, accelerating to a 1.7% y/y pace, up from 0.9% in February. Food and energy prices are providing the bulk of the upward movement in the CPI, but the ex-food and energy measure (not the same as the BoC core, which excludes volatile items and indirect taxes) notably broke above 2.0% y/y in the current release.

Wholesale sales head lower. Falling for the first time since May 2010, wholesale sales fell 0.6% in February, largely due to motor vehicles and parts (-3.1% m/m), and personal goods (-2.0%). Constant-dollar sales fell 1.0%, coming on the heels of a 1.8% gain in January, adding to evidence of some deceleration in broader activity in February in terms of the upcoming monthly GDP measure, expected to post a gain less robust than the recent string of 0.3%-0.5% monthly gains. Sales of machinery and equipment, building materials, and food and beverage products all rose, but the ex-vehicle total still fell 0.1%, held down by farm and miscellaneous products. Elsewhere, inventories rose 0.3%.

Retail spending edges modestly higher. February retail sales rose a slightly weaker-than-anticipated 0.4%, with the headline figure boosted by gasoline stations (+1.3%), clothing and accessories (+2.5%), and furniture and furnishings (+2.1%). The January result was revised lower to a -0.4% decline, from -0.3%, further softening the message of the headline gain. As anticipated, vehicles and parts fell for a third straight month, off 0.6%. In volume terms, sales rose 0.4%, adding to the mixed-bag of data releases that flow into monthly GDP, but encouragingly, the ex-autos and gas total rose 0.6%, bringing the level of sales there back to the upper end of a range that has prevailed since early 2010. Taken together, the results point to a moderate pace of growth in consumer spending, nothing that will shake most analysts, or the Bank of Canada, off projections of an intact-but-moderate profile for household spending.

Decision Economics, Inc.
555 5th Avenue, 15th Floor
New York, New York 10017
Telephone: 212-884-9440
Facsimile: 212-884-9451

Decision Economics, Inc.
288 Bishopsgate, 3rd Floor
London EC2M 4QB
Telephone: 011-44-20-7814-6706
Facsimile: 011-44-20-7959-3344

Decision Economics, Inc.
One Boston Place, 16th Floor
Boston, Massachusetts 02108
Telephone: 617-994-0500
Facsimile: 617-994-0501/0502

Decision Economics, Inc.
2 North La Salle, Suite 1200
Chicago, IL 60602
Telephone: 312-476-7504

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