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DECISION ECONOMICS, INC.
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Forecast Calendar

May 13, 2011

Canada

Economic Indicators—Schedule and Forecasts

Ellis/Husby

May 16 – May 27, 2011

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Survey of Manufacturing (8:30)
(M/M) (SA)

	Ships.	Inv.	New Ord.
Dec	1.0%	-0.4%	-0.3%
Jan	4.4%	1.0%	7.8%
Feb	-1.5%	-0.3%	-2.6%
Mar (f)	**1.4%**	**0.6%**	**3.6%**
Mar (c)	**1.6%**		

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Wholesale Trade (8:30) (M/M)

(SA)	Sales	Inv.
Dec	0.9%	-0.1%
Jan	1.6%	2.0%
Feb	-0.6%	0.3%
Mar (f)	**0.8%**	**0.5%**
Mar (c)	**1.4%**	

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Consumer Prices (7:00) (Y/Y)

	Total	BOC Core
Jan	2.3%	1.4%
Feb	2.2%	0.9%
Mar	3.3%	1.7%
Apr (f)	**3.2%**	**1.6%**
Apr (c)	**3.4%**	**1.7%**

Retail Trade (8:30) (M/M) (SA)

	Total	Ex-Auto
Dec	-0.5%	0.3%
Jan	-0.4%	-0.2%
Feb	0.4%	0.7%
Mar (f)	**0.8%**	**0.7%**
Mar (c)	**0.9%**	**0.7%**

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Holiday

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

Recent History-Latest Results

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Housing Starts (8:15)
(Thousand, SAAR)

Nov	194.6	Feb	180.8
Dec	169.6	Mar	184.7
Jan	169.1	Apr	179.0

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International Trade (8:30)
(Balance, C$ Billion, SA)

Oct	-1.2	Jan	1.4
Nov	-0.5	Feb	0.4
Dec	1.9	Mar	0.6

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Indicator Highlights

Canada

Key potential market-moving indicators and events include: Survey of Manufacturing (Mon., May 16, 8:30 a.m.); the Consumer Price Index (Fri., May 20, 7:00 a.m.); and Retail Trade (Fri., May 20, 8:30 a.m.).

The Survey of Manufacturing will be watched for signs of further recovery toward pre-recession levels of activity. The Consumer Price Index, especially the Bank of Canada "core" measure, will be important from a monetary policy standpoint, helping to signal when a resumption of policy tightening may be necessary. Retail trade data give a final look at consumer spending behavior in the first quarter, with generally-firmer employment readings giving a more-solid backdrop in recent months, though higher gasoline prices could crimp spending elsewhere.

Indicator	Forecast	Consensus	Analysis
Survey of Manufacturing (M/M) (SA)			
Shipments	+1.4%	+1.6%	Recent headline results impacted by auto-related shutdowns; upcoming months should
Inventories	+0.6%		see impact from supply-chain disruptions on account of Japan.
New Orders	+3.6%		
Wholesale Trade (M/M)			
Sales	+0.8%	+1.4%	Rebounds from February decline.
Inventories	+0.5%		
Consumer Prices (Y/Y)			
Total	+3.2%	+3.4%	Base effects boosted the March reading, but gasoline price inflation accelerating too.
Core	+1.6%	+1.7%	
Retail Trade (M/M)			
Total	+0.8%	+0.9%	Gain helped by gasoline and vehicles.
Ex-Auto	+0.7%	+0.7%	Ex-autos and gas figure running at much weaker trend.

Post Mortem—Prior Week Results

Housing starts showing some stability, for now. The total number of housing starts fell 3.1% to 179,000 at an annual rate in April, a bit weaker than generally expected, but leaving the headline figure in the middle of a 170-190K range that has prevailed since mid-2010. Underlying the headline, urban single-family starts rose 3.4% to 64,100, and multi-family units dropped 5.1% to 96,000, that figure coming after strong gains in February and March. New building, particularly in the single-family sector, has dropped off markedly, now finding a level in the mid-60K range after a pre-recession average of 90-100K, and a post-recession peak of about 95K. Higher mortgage rates and tighter lending requirements will likely continue to weigh on demand moving forward, suggesting that modestly softer readings for both new building, and prices, may be in the cards.

Mixed trade data. The merchandise trade balance recorded a surplus of C$ 0.6 billion in March, slightly wider than an upwardly-revised 0.4 surplus the month prior. All major categories of exports except for agriculture rose in March in nominal terms, with the largest sectors (energy, industrial goods, and machinery) all seeing solid gains after stumbling the month prior. Energy exports rose 5.0%, and total exports rose 3.5% m/m. Imports rose 2.8% on a rebound in automotive products, industrial goods, and machinery and equipment. However, in constant-dollar terms, the trade deficit widened by $0.5 billion during the month, as import volume growth outpaced exports (3.2% vs. 2.5%), leaving the full Q1 deficit about $1.4 billion wider than Q4. That will leave net exports as a modest drag on growth in Q1, after a strong positive contribution in the final quarter of 2010.

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