



Canada

Economic Indicators—Schedule and Forecasts

Ellis/Husby

May 30 – June 10, 2011

<p>30</p> <p>Real GDP (8:30) (Q/Q) (SAAR) QIII'10 1.8% QI'11 (f) 3.6% QIV'10 3.3% QI'11 (c) 4.0%</p> <p>Real GDP (8:30) (M/M) (SA) Nov 0.4% Feb -0.2% Dec 0.5% Mar (f) 0.3% Jan 0.5% Mar (c) 0.2%</p> <p>Current Account Balance (8:30) (C\$ Billion, SA) QIII'10 -17.0 QI'11 (f) -8.6 QIV'10 -11.0 QI'11 (c) -7.2</p>	<p>31</p> <p>Industrial Product Prices (8:30) (NSA) M/M Y/Y Jan 0.5% 3.1% Feb 0.9% 3.8% Mar 0.9% 5.0% Apr (f) 0.3% 4.8% Apr (c) 0.7% 5.2%</p> <p>Raw Materials Prices (8:30) (NSA) M/M Y/Y Jan 0.4% 9.6% Feb 2.1% 11.3% Mar 5.7% 16.7% Apr (f) 2.8% 17.6% Apr (c) 3.0% 17.8%</p> <p>Bank of Canada Rate Decision (9:00) (Hold. Inflation elevated, but BoC looking through recent rise in food and energy prices. Softer consumer spending and shakiness in major developed markets leaves BoC in little hurry to signal resumption of policy tightening this summer)</p>	<p>1</p>	<p>2</p> <p>BOC Macklem Speech (12:00) (C.D. Howe Institute)</p>	<p>3</p>																				
<p>6</p> <p>Building Permits (8:30) (M/M) (SA) Nov -11.2% Feb 9.8% Dec 2.7% Mar 17.2% Jan -6.6% Apr (f) -5.0%</p> <p>Ivey Purchasing Managers' Survey (10:00) (SA) Dec 58.9 Mar 73.2 Jan 46.8 Apr 57.8 Feb 70.8 May (f) 56.0</p>	<p>7</p>	<p>8</p> <p>Housing Starts (8:15) (Thousand, SAAR) Dec 169.6 Mar 184.7 Jan 169.1 Apr 179.0 Feb 180.8 May (f) 180.0</p>	<p>9</p> <p>International Trade (8:30) (Balance, C\$ Billion, SA) Nov -0.5 Feb 0.4 Dec 1.9 Mar 0.6 Jan 1.4 Apr (f) -0.4</p>	<p>10</p> <p>Labor Force Survey (7:00) Employment (Change, Thous., SA) Dec 30.4 Mar -1.5 Jan 69.2 Apr 58.3 Feb 15.1 May (f) 15.0</p> <p>Unemployment Rate (SA) Dec 7.6% Mar 7.7% Jan 7.8% Apr 7.6% Feb 7.8% May (f) 7.6%</p> <p>Productivity and Costs (8:30) (Q/Q) (SA)</p> <table border="1"> <tr> <td></td> <td>Prod.</td> <td>Comp.</td> <td>ULC</td> </tr> <tr> <td>QII'10</td> <td>-0.6%</td> <td>-0.1%</td> <td>0.5%</td> </tr> <tr> <td>QIII'10</td> <td>0.4%</td> <td>0.9%</td> <td>0.5%</td> </tr> <tr> <td>QIV'10</td> <td>0.5%</td> <td>1.1%</td> <td>0.6%</td> </tr> <tr> <td>QI'11 (f)</td> <td>0.4%</td> <td>0.7%</td> <td>0.3%</td> </tr> </table>		Prod.	Comp.	ULC	QII'10	-0.6%	-0.1%	0.5%	QIII'10	0.4%	0.9%	0.5%	QIV'10	0.5%	1.1%	0.6%	QI'11 (f)	0.4%	0.7%	0.3%
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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

<p>23</p> <p>Holiday</p>	<p>24</p>	<p>25</p>	<p>26</p>	<p>27</p>
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Indicator Highlights

Canada

Key potential market-moving indicators and events include: Monthly and Quarterly Real GDP (Mon., May 30, 8:30 a.m.); the Current Account (Mon., May 30, 8:30 a.m.); and the Bank of Canada rate decision (Tue., May 31, 9:00 a.m.); Building Permits (Mon., Jun. 6, 8:30 a.m.); Housing Starts (Wed., Jun. 8, 8:15 a.m.); International Trade (Thu., Jun. 9, 8:30 a.m.); the Labor Force Survey (Fri., Jun. 10, 7:00 a.m.); and Productivity and Costs (Fri., Jun. 10, 8:30 a.m.).

The Monthly and Quarterly Real GDP reports will likely reveal a modest slowdown in growth in the more-recent data, though the full quarter reading should come in reasonably solid. Consumer spending is showing signs of slowing from a quite-robust pace through much of 2010. Meanwhile, net exports are reflecting both the positive impact of higher commodity prices and the global manufacturing upturn, but also soggy demand out of the U.S. and the negative impact of the Canadian dollar on competitiveness. The Current Account Balance will reflect improvement in the nominal goods balance in Q1, showing a welcome narrowing in the deficit. Finally, when the Bank of Canada meets, it is likely to stress contained underlying consumer price pressures and lingering risks to growth – the risks being the domestic consumer, via housing market and debt channels, slow growth in advanced economies, and a stronger CAD. The Bank will likely not make too much of potentially softer growth, particularly given the expected but still-uncertain impact of Japan-related supply chain disruptions, but the balance of risks has likely tilted a bit to the downside, arguing against a rate hike this summer.

Housing starts will reflect builders' perceptions of supply and demand conditions in the market, the single-family sector seeing new building weaken in anticipation of softer demand. The International Trade Balance will give a fresh look at developments in the export sector, still under headwinds from modest growth in advanced economies. Productivity and Costs is important in the estimation of potential GDP and as a gauge of labor costs.

Indicator	Forecast	Consensus	Analysis
Real GDP (Q/Q) (SAAR)	+3.6%	+4.0%	Growth set to moderate ahead on softer consumer; net exports a slight drag in Q1.
Real GDP (M/M) (SA)	+0.3%	+0.2%	Mixed bag of data during the month; stronger manufacturing data, weaker consumer.
Current Account Balance (SA)	-\$8.6 Billion	-\$7.2 Billion	Nominal goods balance improves.
Industrial Product Prices (NSA)			
M/M	+0.3%	+0.7%	Stronger Canadian dollar blunting pass-through of higher raw material prices.
Y/Y	+4.8%	+5.2%	
Raw Materials Prices (NSA)			
M/M	+2.8%	+3.0%	Oil prices up during the month, other commodities mixed.
Y/Y	+17.6%	+17.8%	
Building Permits (M/M) (SA)	-5.0%		Some payback after recent surge.
Ivey Purchasing Managers' Survey (SA)	56.0		Moderation in activity.
Housing Starts (SAAR)	180,000 Units		Activity in single-family sector well down from highs as tighter mortgage rules weigh on demand.
International Trade (Balance, SA)	-\$ 0.4 Billion		Auto-related disruptions impact exports.
Labor Force Survey, Employment (Change, SA)	+15,000		Growth in full-time jobs is encouraging, supporting incomes.
Unemployment Rate (SA)	7.6%		Consolidates recent decline.
Productivity and Costs (Q/Q) (SA)			
Productivity	+0.4%		Output outpaces hours worked, but longer-term productivity trend remains poor.
Compensation	+0.7%		
Unit Labor Costs	+0.3%		