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DECISION ECONOMICS, INC.
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Forecast Calendar

May 6, 2011

Canada

Economic Indicators—Schedule and Forecasts

Ellis/Husby

May 9 – May 20, 2011

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

Nov	195.0	Feb	183.7
Dec	169.0	**Mar (f)**	**183.0**
Jan	170.6	**Mar (c)**	**184.0**

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

Nov	-0.6	Feb	0.0
Dec	1.9	**Mar (f)**	**0.7**
Jan	0.4	**Mar (c)**	**0.5**

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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)	**1.3%**	**0.6%**	**3.6%**

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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%**

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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%**

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%**

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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National Election

Industrial Product Prices (8:30)

(NSA)	M/M	Y/Y
Dec	0.8%	3.1%
Jan	0.5%	3.1%
Feb	0.9%	3.8%
Mar	0.9%	5.0%

Raw Materials Prices (8:30)

(NSA)	M/M	Y/Y
Dec	4.2%	13.2%
Jan	0.4%	9.6%
Feb	2.1%	11.3%
Mar	5.7%	16.7%

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Building Permits (8:30)
(M/M) (SA)

Oct	-3.8%	Jan	-6.6%
Nov	-11.2%	Feb	9.8%
Dec	2.7%	Mar	17.2%

Ivey Purchasing Managers' Survey
(10:00) (SA)

Nov	60.0	Feb	70.8
Dec	58.9	Mar	73.2
Jan	46.8	Apr	57.8

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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	58.3

Unemployment Rate (SA)

Nov	7.6%	Feb	7.8%
Dec	7.6%	Mar	7.7%
Jan	7.8%	Apr	7.6%

Indicator Highlights

Key potential market-moving indicators and events include: Housing Starts (Mon., May 9, 8:15 a.m.); International Trade (Wed., May 11, 8:30 a.m.); 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.).

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 and unfavorable pressures from the stronger Canadian dollar.

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
Housing Starts (SAAR)	183,000 Units	184,000 Units	Further signs of stabilization in single-family sector.
International Trade (Balance, SA)	+C$ 0.7 Billion	+C$ 0.5 Billion	Higher energy prices a positive for exports, but they also squeeze U.S. demand.
Survey of Manufacturing (M/M) (SA)			
Shipments	+1.3%		Recent headline results impacted by auto-related shutdowns; upcoming months should see impact from supply-chain disruptions on account of Japan.
Inventories	+0.6%		
New Orders	+3.6%		
Wholesale Trade (M/M)			
Sales	+0.8%		Rebounds from February decline.
Inventories	+0.5%		
Consumer Prices (Y/Y)			
Total	+3.2%		Base effects boosted the March reading, but gasoline price inflation accelerating too.
Core	+1.6%		
Retail Trade (M/M)			
Total	+0.8%		Gain helped by gasoline and vehicles.
Ex-Auto	+0.7%		Ex-autos and gas figure running at much weaker trend.

Post Mortem—Prior Week Results

Industrial product prices rise strongly in March on petroleum. Showing a bit more than expected pass-through of higher commodity prices into factory-gate prices, the industrial product price index rose 0.9% in March, matching the upwardly-revised February print. But, the breadth of increase did not suggest much acceleration outside of oil-related products, as petroleum and coal products (+8.2%) were the main reason behind the advance. The ex-petroleum index fell 0.1%. Statistics Canada estimated the stronger Canadian dollar held down the headline index advance by 0.2 percentage points. Elsewhere, the raw materials price index also reflected a sharp jump in crude oil, the headline index rising 5.7% in March from February. However, most other input costs edged lower, including those for metals and vegetable products.

Residential building permits advance strongly. The total value of building permits rose a sharply greater-than-expected 17.2% in March, reflecting a 33.9% jump in residential building, and a 0.4% dip in the non-res sector, the latter holding ground after a surge in February. The increase in the residential sector was driven primarily by multi-family intentions, while the non-residential component saw a sharp rise in institutional permits.

Ivey Index shows softer growth in business activity. Coming off of very strong readings in excess of 70 in February and March, the headline Ivey index dipped 15.4 points to 57.8 in April. Readings above 50 correspond to a greater number of businesses reporting higher activity from the month prior. The employment index, thus far weakly correlated to employment readings within the Statistics Canada Labor Force Survey, softened to 53.9 from 57.3 the month prior, while the inventory index rose to 56.2 from 52.2, and the prices index fell to 65.6, from 71.0. The moderation in the headline index was nearly 10 points weaker than expected, but given the series' volatility, and the newly-introduced seasonal-adjustment process, the result likely does not indicate much more than delayed payback that had been expected to occur within the March report.

Broad employment gains, centered in services. Total employment rose 58,300 in April, boosted by both full-time (+17,200) and part-time gains (+41,100), and balanced across the public (+20,600) and private sectors (+35,600). The service sector saw the bulk of the increases, adding 69,600 jobs, the quickest pace since last April, and rebounding from a 21,500 drop in March. Here, nearly all industries added jobs during the month, lead by finance and RE (+18,700), and business support services. Meanwhile, the goods sector lost jobs for the first time in five months, shedding 11,300 jobs, with all major sub-industries with the exception of the forestry sector seeing employment contract. But, total manufacturing employment slipped less than 1,000. The headline jobs gain outpaced a 47,400 increase in the labor force, taking the jobless rate down to 7.6%, from 7.7% in March, matching the lowest post-recession reading. Nevertheless, the results are a bit less strong than the headline indicates, as a stronger configuration would have seen a more significant contribution from full-time hiring. Still, the full-time reading does come after a gain of 90,600 in April, so the print may best be read as consolidating the earlier move. The next few months may see some disruptions from auto-related shutdowns on account of the Japan disaster, and softer growth more-generally, but for now, the reading is positive in its indications for underlying income growth.

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