



Canada

Economic Indicators—Schedule and Forecasts
May 21 – June 1, 2012

Ellis/Pumphrey/Husby

<p>21</p> <p>Holiday</p>	<p>22</p>	<p>23</p> <p>Retail Trade (8:30) (M/M) (SA)</p> <table border="0"> <tr> <td></td> <td>Total</td> <td>Ex-Auto</td> </tr> <tr> <td>Jan</td> <td>0.5%</td> <td>-0.5%</td> </tr> <tr> <td>Feb</td> <td>-0.2%</td> <td>0.5%</td> </tr> <tr> <td>Mar (f)</td> <td>0.4%</td> <td>0.3%</td> </tr> <tr> <td>Mar (c)</td> <td>0.3%</td> <td>0.5%</td> </tr> </table>		Total	Ex-Auto	Jan	0.5%	-0.5%	Feb	-0.2%	0.5%	Mar (f)	0.4%	0.3%	Mar (c)	0.3%	0.5%	<p>24</p>	<p>25</p>																													
	Total	Ex-Auto																																														
Jan	0.5%	-0.5%																																														
Feb	-0.2%	0.5%																																														
Mar (f)	0.4%	0.3%																																														
Mar (c)	0.3%	0.5%																																														
<p>28</p>	<p>29</p>	<p>30</p> <p>Industrial Product Prices (8:30) (NSA) M/M Y/Y</p> <table border="0"> <tr> <td>Jan</td> <td>0.4%</td> <td>2.4%</td> </tr> <tr> <td>Feb</td> <td>0.2%</td> <td>1.7%</td> </tr> <tr> <td>Mar</td> <td>0.2%</td> <td>0.9%</td> </tr> <tr> <td>Apr (f)</td> <td>-0.2%</td> <td>-0.7%</td> </tr> </table> <p>Raw Materials Prices (8:30) (NSA) M/M Y/Y</p> <table border="0"> <tr> <td>Jan</td> <td>0.2%</td> <td>4.4%</td> </tr> <tr> <td>Feb</td> <td>-0.5%</td> <td>1.5%</td> </tr> <tr> <td>Mar</td> <td>-1.6%</td> <td>-5.6%</td> </tr> <tr> <td>Apr (f)</td> <td>-2.0%</td> <td>-7.5%</td> </tr> </table>	Jan	0.4%	2.4%	Feb	0.2%	1.7%	Mar	0.2%	0.9%	Apr (f)	-0.2%	-0.7%	Jan	0.2%	4.4%	Feb	-0.5%	1.5%	Mar	-1.6%	-5.6%	Apr (f)	-2.0%	-7.5%	<p>31</p>	<p>1</p> <p>Real GDP (8:30) (Q/Q) (SAAR)</p> <table border="0"> <tr> <td>11:Q2</td> <td>-0.6%</td> <td>11:Q4</td> <td>1.8%</td> </tr> <tr> <td>11:Q3</td> <td>4.2%</td> <td>12:Q1 (f)</td> <td>1.8%</td> </tr> </table> <p>Real GDP (8:30) (M/M) (SA)</p> <table border="0"> <tr> <td>Oct</td> <td>unch</td> <td>Jan</td> <td>0.1%</td> </tr> <tr> <td>Nov</td> <td>-0.1%</td> <td>Feb</td> <td>-0.2%</td> </tr> <tr> <td>Dec</td> <td>0.4%</td> <td>Mar (f)</td> <td>0.3%</td> </tr> </table>	11:Q2	-0.6%	11:Q4	1.8%	11:Q3	4.2%	12:Q1 (f)	1.8%	Oct	unch	Jan	0.1%	Nov	-0.1%	Feb	-0.2%	Dec	0.4%	Mar (f)	0.3%
Jan	0.4%	2.4%																																														
Feb	0.2%	1.7%																																														
Mar	0.2%	0.9%																																														
Apr (f)	-0.2%	-0.7%																																														
Jan	0.2%	4.4%																																														
Feb	-0.5%	1.5%																																														
Mar	-1.6%	-5.6%																																														
Apr (f)	-2.0%	-7.5%																																														
11:Q2	-0.6%	11:Q4	1.8%																																													
11:Q3	4.2%	12:Q1 (f)	1.8%																																													
Oct	unch	Jan	0.1%																																													
Nov	-0.1%	Feb	-0.2%																																													
Dec	0.4%	Mar (f)	0.3%																																													

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

Recent History-Latest Results

<p>14</p>	<p>15</p>	<p>16</p> <p>Survey of Manufacturing (8:30) (M/M) (SA)</p> <table border="0"> <tr> <td></td> <td>Ships.</td> <td>Inv.</td> <td>New Ord.</td> </tr> <tr> <td>Dec</td> <td>0.6%</td> <td>-0.9%</td> <td>-2.8%</td> </tr> <tr> <td>Jan</td> <td>-0.9%</td> <td>1.1%</td> <td>0.8%</td> </tr> <tr> <td>Feb</td> <td>-0.3%</td> <td>0.3%</td> <td>2.5%</td> </tr> <tr> <td>Mar</td> <td>1.9%</td> <td>1.2%</td> <td>2.0%</td> </tr> </table>		Ships.	Inv.	New Ord.	Dec	0.6%	-0.9%	-2.8%	Jan	-0.9%	1.1%	0.8%	Feb	-0.3%	0.3%	2.5%	Mar	1.9%	1.2%	2.0%	<p>17</p> <p>Wholesale Trade (8:30) (M/M) (SA)</p> <table border="0"> <tr> <td></td> <td>Sales</td> <td>Inv.</td> </tr> <tr> <td>Dec</td> <td>0.9%</td> <td>1.4%</td> </tr> <tr> <td>Jan</td> <td>-1.1%</td> <td>0.9%</td> </tr> <tr> <td>Feb</td> <td>1.6%</td> <td>1.1%</td> </tr> <tr> <td>Mar</td> <td>0.4%</td> <td>0.9%</td> </tr> </table>		Sales	Inv.	Dec	0.9%	1.4%	Jan	-1.1%	0.9%	Feb	1.6%	1.1%	Mar	0.4%	0.9%	<p>18</p> <p>Consumer Prices (7:00) (Y/Y)</p> <table border="0"> <tr> <td></td> <td>Total</td> <td>BOC Core</td> </tr> <tr> <td>Jan</td> <td>2.5%</td> <td>2.1%</td> </tr> <tr> <td>Feb</td> <td>2.6%</td> <td>2.3%</td> </tr> <tr> <td>Mar</td> <td>1.9%</td> <td>1.9%</td> </tr> <tr> <td>Apr</td> <td>2.0%</td> <td>2.1%</td> </tr> </table>		Total	BOC Core	Jan	2.5%	2.1%	Feb	2.6%	2.3%	Mar	1.9%	1.9%	Apr	2.0%	2.1%
	Ships.	Inv.	New Ord.																																																			
Dec	0.6%	-0.9%	-2.8%																																																			
Jan	-0.9%	1.1%	0.8%																																																			
Feb	-0.3%	0.3%	2.5%																																																			
Mar	1.9%	1.2%	2.0%																																																			
	Sales	Inv.																																																				
Dec	0.9%	1.4%																																																				
Jan	-1.1%	0.9%																																																				
Feb	1.6%	1.1%																																																				
Mar	0.4%	0.9%																																																				
	Total	BOC Core																																																				
Jan	2.5%	2.1%																																																				
Feb	2.6%	2.3%																																																				
Mar	1.9%	1.9%																																																				
Apr	2.0%	2.1%																																																				

Key potential market-moving indicators and events include: Retail Trade (Wed., May 23, 8:30 a.m.); and Monthly and Quarterly Real GDP (Fri., June 1, 8:30 a.m.).

Retail trade data will provide insight into Q1 consumer spending behavior.

The Monthly and Quarterly Real GDP report will update broad growth trends. While monthly GDP likely rallies after a weak February, the quarterly number will likely disappoint relative to the latest Bank of Canada estimates.

Indicator	Forecast	Consensus	Analysis
Retail Trade (M/M)			
Total	+0.4%	+0.3%	Vehicles sales gains continue to slow, other categories intact.
Ex-Auto	+0.3%	+0.5%	
Industrial Product Prices (NSA)			
M/M	-0.2%		Continuing to decelerate.
Y/Y	-0.7%		
Raw Materials Prices (NSA)			
M/M	-2.0%		Prices slide lower on easing oil and natural gas.
Y/Y	-7.5%		
Real GDP (Q/Q) (SAAR)	+1.8%		Q1 to disappoint on weaker than expected domestic consumption and U.S. recovery.
Real GDP (M/M) (SA)	+0.3%		Rebounds after unexpected February drop.

Post Mortem—Prior Week Results

Canadian manufacturing sales advance on petroleum. Manufacturing shipments exceeded expectations by rising 1.9% m/m (Consensus: +0.4%; Decision Economics: +0.8%) to C\$49.7 bn. Sales of petroleum and coal products increased 4.5% to C\$7.5 bn. Motor vehicles sales also recovered after a weak February and posted a 2.3% increase to C\$4.1 bn.

Inventories declined by 1.2% m/m (Decision Economics: +0.6%) to \$64.6 bn on petroleum and coal inventories which fell by 10.9%. The inventory-to-sales ratio declined from 1.34 last month to 1.3. New orders increased 2% (Decision Economics: -1.1%) on transportation, petroleum and coal products orders.

This manufacturing report is broadly positive, with sales gaining at the fastest pace since September of last year. The decline in inventories suggests that inventory building will not unexpectedly boost Q1 GDP at the expense of Q2.

Wholesale sales gain on autos. Wholesale trade increased 0.4% m/m in March (Decision Economics: +0.4%; Consensus: +0.3%) to C\$48.7 billion. The nominal index has gained 6% y/y. In volume terms, which disregard the effect of price changes, wholesale sales were unchanged for the month and are up 3.2% y/y. Motor vehicles and parts sales rose 2.4% m/m to C\$8 billion, more than offsetting a 1.4% decline in machinery sales. Ex-autos, the nominal wholesale sales index was unchanged for the month.

Inventories posted a 0.9% m/m gain (Decision Economics: +0.6%) as machinery and food inventories increased. The ratio of inventory to sales is unchanged at 1.22. *This signals no new supply and demand imbalances either between wholesale demand and manufacturer supply or between wholesale supply and retailer demand.*

Inflation exceeds expectations on transportation costs. The CPI advanced 2% y/y in April (Consensus: +1.9%; Decision Economics: +1.8%) on transportation costs. Passenger vehicle prices gained 3.4% in year-over-year terms, while gas price gains slowed to +3.3%. Energy prices decelerated to +1.1% y/y from 5.1% last month as increases in gas and electricity were dampened by a 13.9% y/y decline in natural gas. The core CPI posted a +2.1% y/y change (Consensus and Decision Economics: +1.9%). Clothing and footwear prices increased by 2.4% while food prices rose by 2.5%.

The BoC targets inflation at 2% y/y and this newest data is broadly in line with that goal. With its demonstrated commitment to clear communication as an important component of price stability, expect the BoC to give plenty of forward guidance before any rate hikes. The DE stance is for rates to remain on hold until global headwinds abate.