



Canadian ECONOMIC INDICATORS

A Comparison of Economic Forecasts

A Reference for:

- *Business planning*
- *Sales forecasting*
- *Budgeting*
- *Customer and staff presentations*
- *Business reviews*
- *Trend analysis*
- *Pricing decisions*
- *Report writing*



April 2010

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This April 2010 report is based on data available as of April 15, 2010.

ABOUT THIS REPORT

In the business planning and review process, today's decision makers are often presented with the economic forecasts of one economist or one organization without information as to how the forecasts may differ from others. In order to help develop a more complete picture it is often useful to compare the figures from various sources and from that comparison to determine a framework for business planning, analysis and forecasting.

On a quarterly basis Market Data Group compares the economic forecasts from a cross section of Canadian financial and business organizations. The results are summarized in this report. **The Canadian Economic Indicators report** shows the forecast range and the forecast average for the key economic and business indicators for Canada.

This report is a tool to keep decision makers updated on changing economic conditions that could affect their business decisions. It is intended as a tool to assist in the business planning and review process and is issued four times per year in January, April, July, and October.

HIGHLIGHTS

- * The Canadian economy continues to recover after contracting by -2.6% last year. Fourth quarter 2009 GDP grew by an annualized growth rate of 5%, largely driven by consumer and government spending, strength in the housing market and growth in exports. Growth is expected to continue at a healthy pace in 2010 and 2011. Some moderation is expected later this year and next, in response to expected higher interest rates and softer U.S. demand for Canadian exports. The consensus forecast is for the Canadian economy to grow by a healthy 3.2% in 2010 and 3.1 in 2011.

Real GDP 2009:	-2.6%
Average Forecast 2010:	3.2%
Average Forecast 2011:	3.1%

- * Canadian inflation is expected to remain low as excess capacity in the economy help keeps prices down. The harmonized sales tax (HST) effective later this year in Ontario and B.C. is expected to have an upward impact on some consumer prices. The consensus forecast is for the Consumer Price Index (CPI) to increase by 1.9% in 2010 and 2.1% in 2011.

CPI 2009:	0.3%
Average Forecast 2010:	1.9%
Average Forecast 2011:	2.1%

- * Labour markets continue to improve and the Canadian economy continues to add jobs. The economy added 18,000 new jobs in March, the third consecutive month of job growth. The unemployment rate is forecasted to end 2010 at 8.2% and to decline in 2011 to 7.8%.

Unemployment Rate 2009:	8.3%
Average Forecast 2010:	8.2%
Average Forecast 2011:	7.8%

- * Low interest rates, improved economic conditions and private and government sector stimulus has contributed to the increase in Consumer Spending. Recent investment in the housing sector in particular is being driven by buyers jumping in ahead of expected higher interest rates and the HST (Harmonized Sales Tax) in Ontario and B.C. Consumer spending is forecasted to remain strong but to moderate somewhat as interest rates move upward. The consensus forecast is for Consumer Spending to be a major contributor to economic recovery and to grow by 3.0% in 2010 and by 2.8% in 2011.

Consumer Spending 2009:	0.2%
Average Forecast 2010:	3.0 %
Average Forecast 2011:	2.8 %

- * The outlook for the Canadian dollar remains favourable. The Canadian dollar is being supported not only by commodity prices but also by improved Canadian economic growth, lower government debt compared to other countries and expectations of earlier and more aggressive Bank of Canada interest rate increases compared to those in the U.S. The loonie is forecasted to move past parity with a consensus 2010 year end forecast of 1.01 U.S. Going forward to year end 2011, the consensus forecast is for the Canadian dollar to remain strong and to end the year at 1.00 U.S. The range in the 2011 year end forecast is large, from a low of 0.92 cents (TD) to a high of 1.05 cents (Scotia and BMO).

	Canadian Dollar (US cents per CAD)
Year end 2009:	.951
Forecast for year end 2010:	1.01
Forecast for year end 2011:	1.00

- * Interest rates are expected to move up this year and in 2011. As the Bank of Canada has committed to keeping the policy rate at 0.25% until mid 2010, many forecasters expect the Bank of Canada to begin raising rates in July and to continue into 2011 as economic growth continues. The overnight rate is forecasted to end 2010 at 1.22% and 2011 at 3.21%.

CONTENTS

	Page
HIGHLIGHTS	5
CANADIAN ECONOMIC FORECASTS - 2010 Comparison of 2010 forecasts for the key Canadian economic indicators .	6
CANADIAN ECONOMIC FORECASTS - 2011 Comparison of 2011 forecasts for the key Canadian economic indicators .	7
FINANCIAL FORECASTS - 2010 AND 2011 Comparison of 2010 and 2011 forecasts for the key financial indicators .	8
GRAPHS - Historical and Forecast Data Real GDP, Consumer Price Index, Unemployment Rate, Canadian Dollar Outlook.	9-12
CANADA- Historical and year to date Key monthly and quarterly Canadian economic indicators providing the most recent figures and those for the last 5 years.	13-14
OTHER ECONOMIC INDICATORS	15
ABOUT THE FORECAST SOURCES	16
SOURCES & NOTES	17
DEFINITIONS	18



CANADIAN ECONOMIC FORECAST - 2010

Annual percent change, seasonally adjusted
(except where noted)

2010 FORECAST

	2009 ACTUAL	Conference	Royal	CIBC	Bank of	Scotia	TD	FORECAST		2010 FORECAST	
		Board	Bank		Montreal	Bank	Bank	RANGE		AVERAGE	
ECONOMIC ACTIVITY											
Real GDP*	-2.6	3.2	3.1	3.0	3.4	3.3	3.1	3.0	-	3.4	3.2
Unemployment Rate	8.3	8.0	8.4	8.2	8.1	8.2	8.1	8.0	-	8.4	8.2
Consumer Price Index	0.3	1.8	1.8	1.9	2.1	1.8	1.7	1.7	-	2.1	1.9
THE CONSUMER											
Consumer Expenditures*	0.2	3.0	2.8	2.7	3.2	3.1	3.3	2.7	-	3.3	3.0
Motor Vehicle Sales (million units)	1.49	na	1.61	na	1.61	1.53	na	1.53	-	1.61	1.58
%chg	-11.2	na	8.5	na	8.1	2.9	na	2.9	-	8.5	6.5
Housing Starts (million units)	0.149	0.187	0.184	0.210	0.180	0.190	0.185	0.180	-	0.210	0.189
% chg	-29.7	25.5	23.5	41.0	0.0	27.5	-24.7	-24.7	-	41.0	15.5
Retail Sales	-3.0	3.8	4.5	na	na	na	na	3.8	-	4.5	4.2
BUSINESS											
Business Non-Residential Invst*	-17.4	2.7	na	-0.3	-2.3	-0.8	-1.3	-2.3	-	2.7	-0.4
Corporate Profits (before tax)	-33.2	27.3	18.6	na	15.0	27.0	20.9	15.0	-	27.3	21.8
Imports*	-13.4	9.2	10.9	10.9	8.6	9.5	9.5	8.6	-	10.9	9.8
Exports*	-14.0	6.2	8.0	8.5	5.5	7.1	5.7	5.5	-	8.5	6.8

This report is based on data available April 15, 2010

Notes:

- * indicates chain weighted \$2002 dollars, change after subtracting inflation.



CANADIAN ECONOMIC FORECAST - 2011

Annual percent change, seasonally adjusted
(except where noted)

2011 FORECAST

	<i>Conference Board</i>	<i>Royal Bank</i>	<i>CIBC</i>	<i>Bank of Montreal</i>	<i>Scotia Bank</i>	<i>TD Bank</i>	<i>FORECAST RANGE</i>	<i>2011 FORECAST AVERAGE</i>
<i>ECONOMIC ACTIVITY</i>								
Real GDP*	3.3	3.9	2.5	3.2	2.8	2.9	2.5 - 3.9	3.1
Unemployment Rate	7.3	7.7	8.1	7.8	8.0	7.6	7.3 - 8.1	7.8
Consumer Price Index	2.6	2.1	2.1	1.8	2.2	1.9	1.8 - 2.6	2.1
<i>THE CONSUMER</i>								
Consumer Expenditures*	2.7	2.8	2.5	3.5	2.7	2.8	2.5 - 3.5	2.8
Motor Vehicle Sales (million units)	na	1.63	na	1.68	1.57	na	1.57 - 1.68	1.63
%chg	na	1.2	na	4.3	2.6	na	1.2 - 4.3	2.7
Housing Starts (million units)	0.194	0.189	0.205	0.180	0.175	0.170	0.170 - 0.205	0.186
% chg	3.7	2.7	-2.3	21.0	-7.9	-8.1	-8.1 - 21.0	1.5
Retail Sales	5.2	5.5	na	na	na	na	5.2 - 5.5	5.4
<i>BUSINESS</i>								
Business Non-Residential Invst*	9.6	na	2.5	4.0	5.9	8.4	2.5 - 9.6	6.1
Corporate Profits (before tax)	7.2	16.8	na	10.0	16.0	10.0	7.2 - 16.8	12.0
Imports*	5.9	8.6	8.8	5.9	6.1	6.3	5.9 - 8.8	6.9
Exports*	5.9	9.8	9.9	5.0	6.0	6.0	5.0 - 9.9	7.1

* indicates chain weighted \$2002 dollars, change after subtracting inflation



FINANCIAL FORECASTS - 2010 and 2011

INTEREST RATES (End of Period)

FORECASTS

	2008 ACTUAL	2009 ACTUAL	<i>Royal Bank</i>	<i>CIBC</i>	<i>Bank of Montreal</i>	<i>Scotia Bank</i>	<i>TD Bank</i>	FORECAST RANGE	FORECAST AVERAGE
Overnight Rate	1.50	0.25							
2010			1.25	1.00	1.10	1.50	1.25	1.00 - 1.50	1.22
2011			3.50	na	3.10	3.00	3.25	3.00 - 3.50	3.21
3 Month T-Bill	1.12	0.30							
2010			1.45	1.05	1.25	1.80	1.35	1.05 - 1.80	1.38
2011			3.60	na	3.15	3.05	3.45	3.05 - 3.60	3.31
2 Year GoC Bond	1.09	1.20							
2010			2.75	2.00	2.45	2.50	2.85	2.00 - 2.85	2.51
2011			4.10	na	3.75	3.10	3.85	3.10 - 4.10	3.70
10 Year GoC Bond	2.69	3.45							
2010			4.05	3.75	3.85	4.85	4.15	3.75 - 4.85	4.13
2011			4.25	na	4.45	4.55	4.70	4.25 - 4.70	4.49

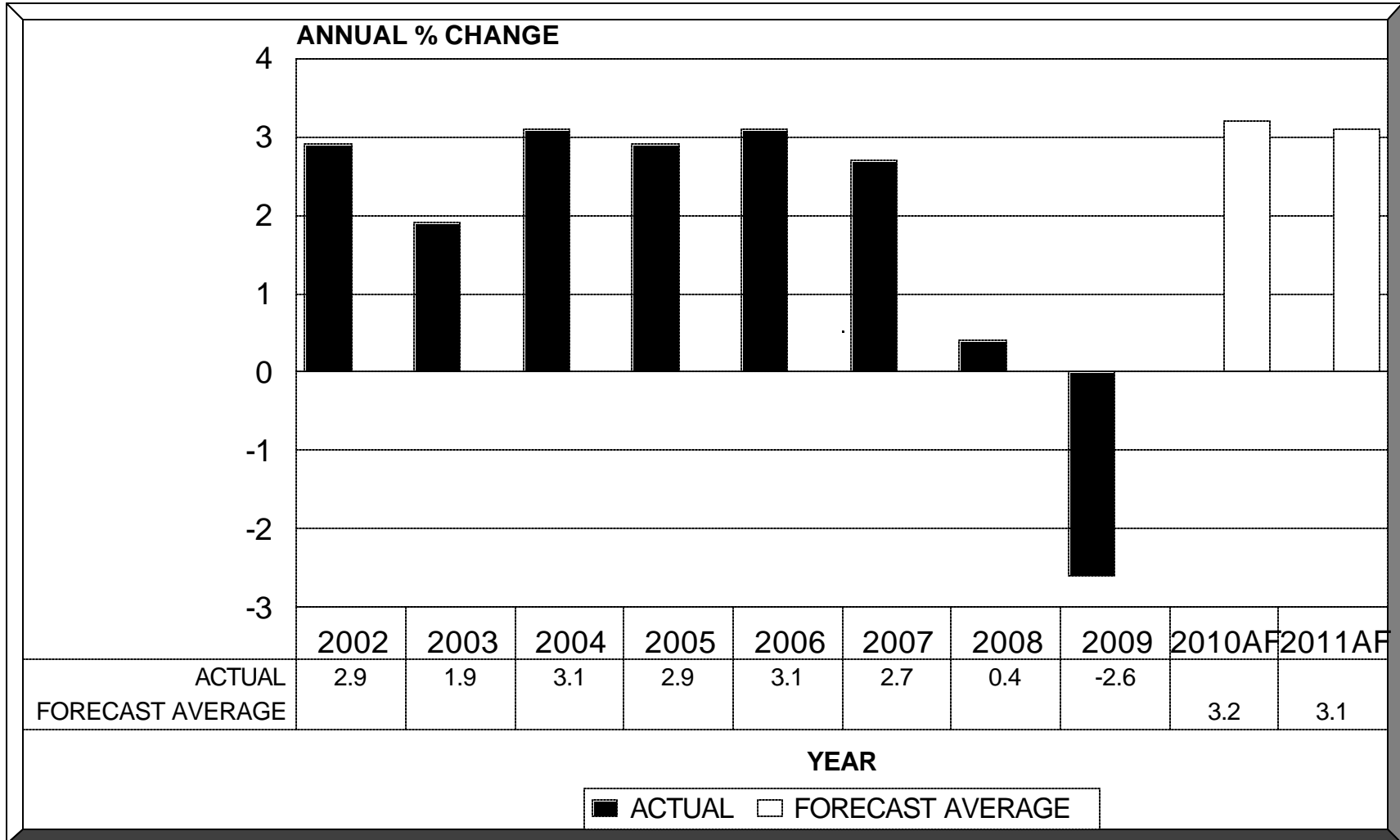
EXCHANGE RATE (End of Period)

UScents/CAD	0.821	0.951							
2010			0.98	0.97	1.01	1.03	1.05	0.97 - 1.05	1.01
2011			0.97	1.02	1.05	1.05	0.92	0.92 - 1.05	1.00
CAD/USD	1.218	1.040							
2010			1.02	1.03	0.992	0.97	0.95	0.95 - 1.03	0.99
2011			1.03	0.98	0.954	0.95	1.087	0.95 - 1.09	1.00

Source: 2008 and 2009 Actuals, Bank of Canada

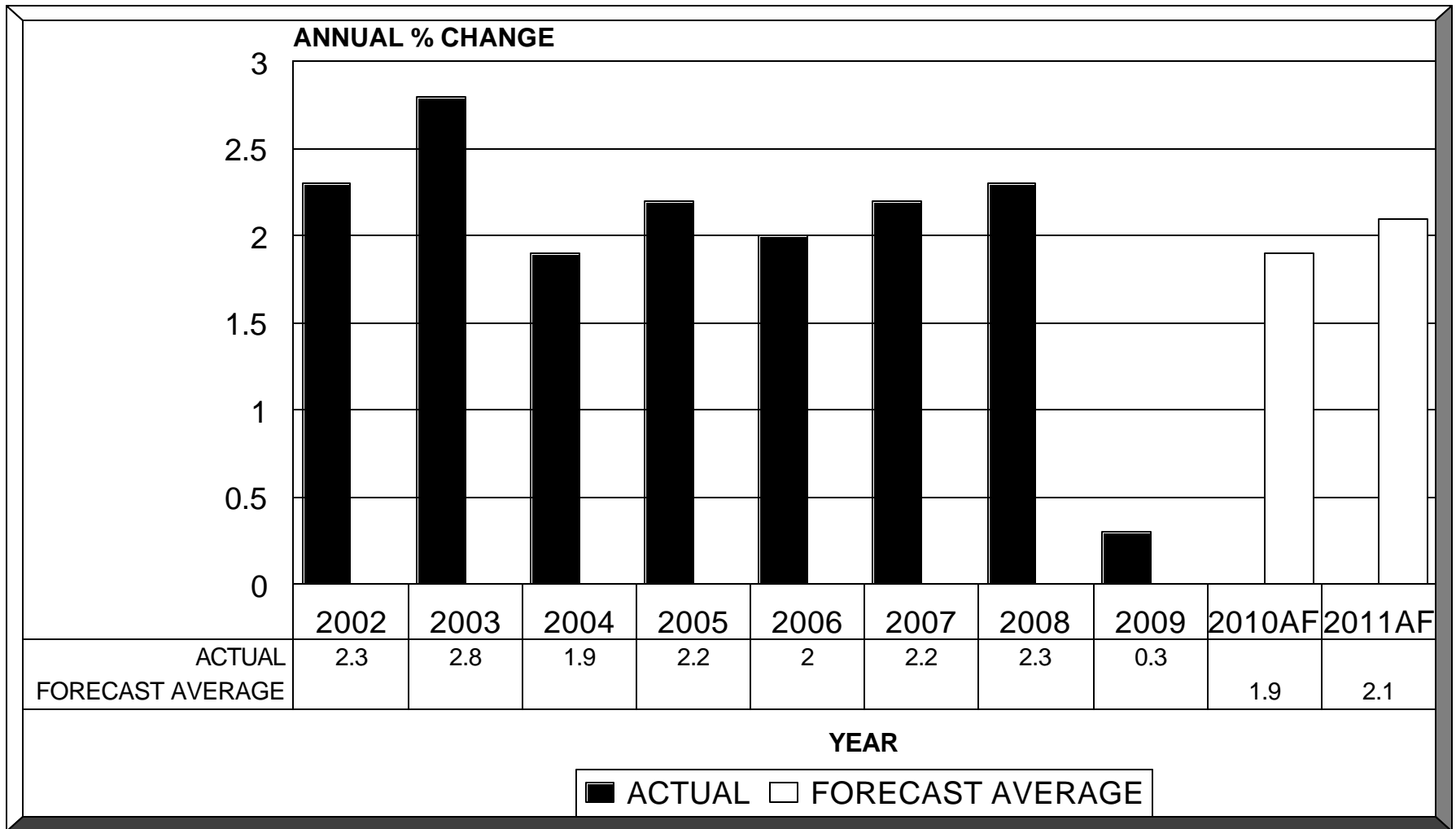
REAL G.D.P.

ANNUAL % CHANGE (Chained \$2002 Dollars)



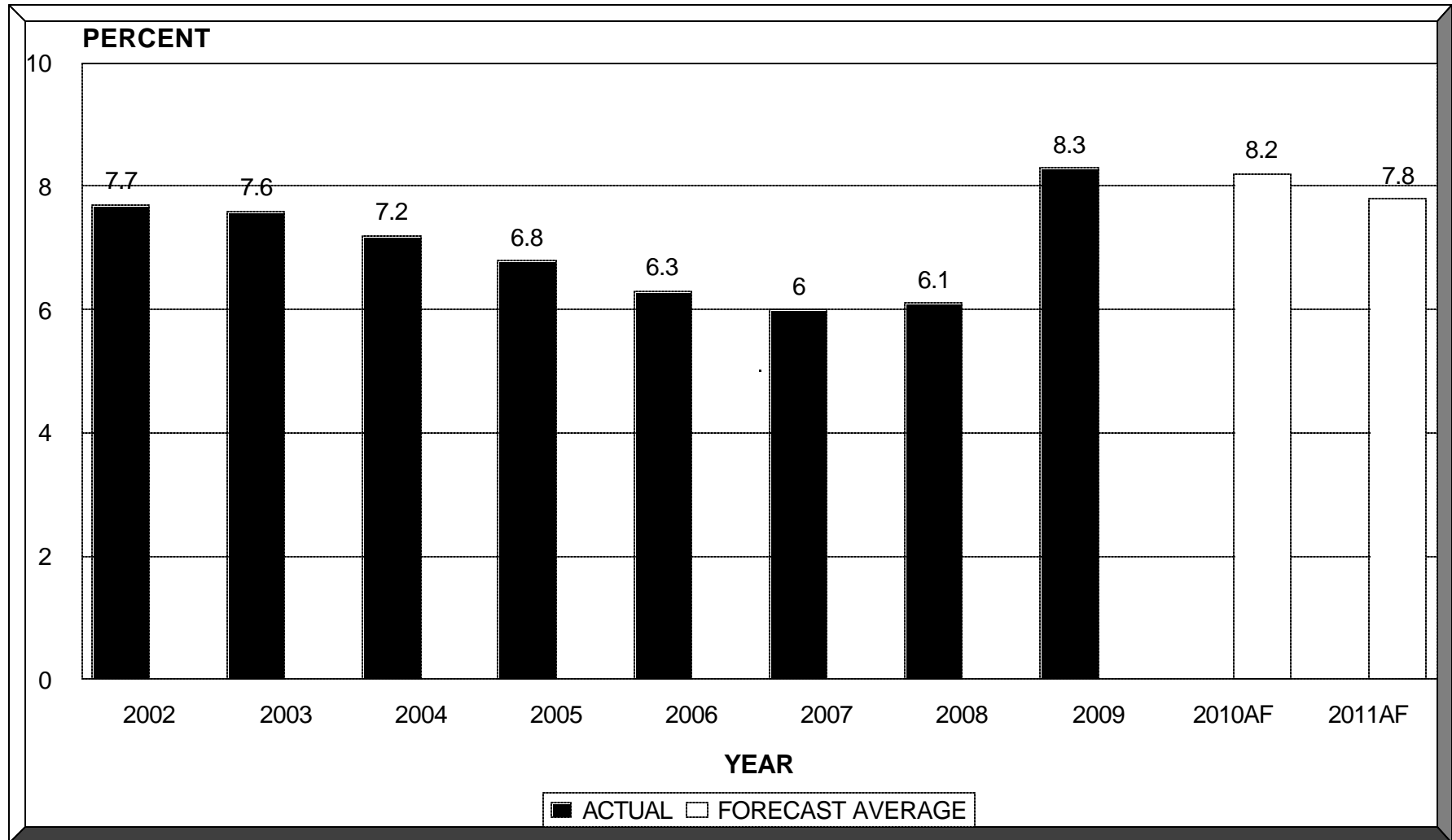
CONSUMER PRICE INDEX

ANNUAL % CHANGE



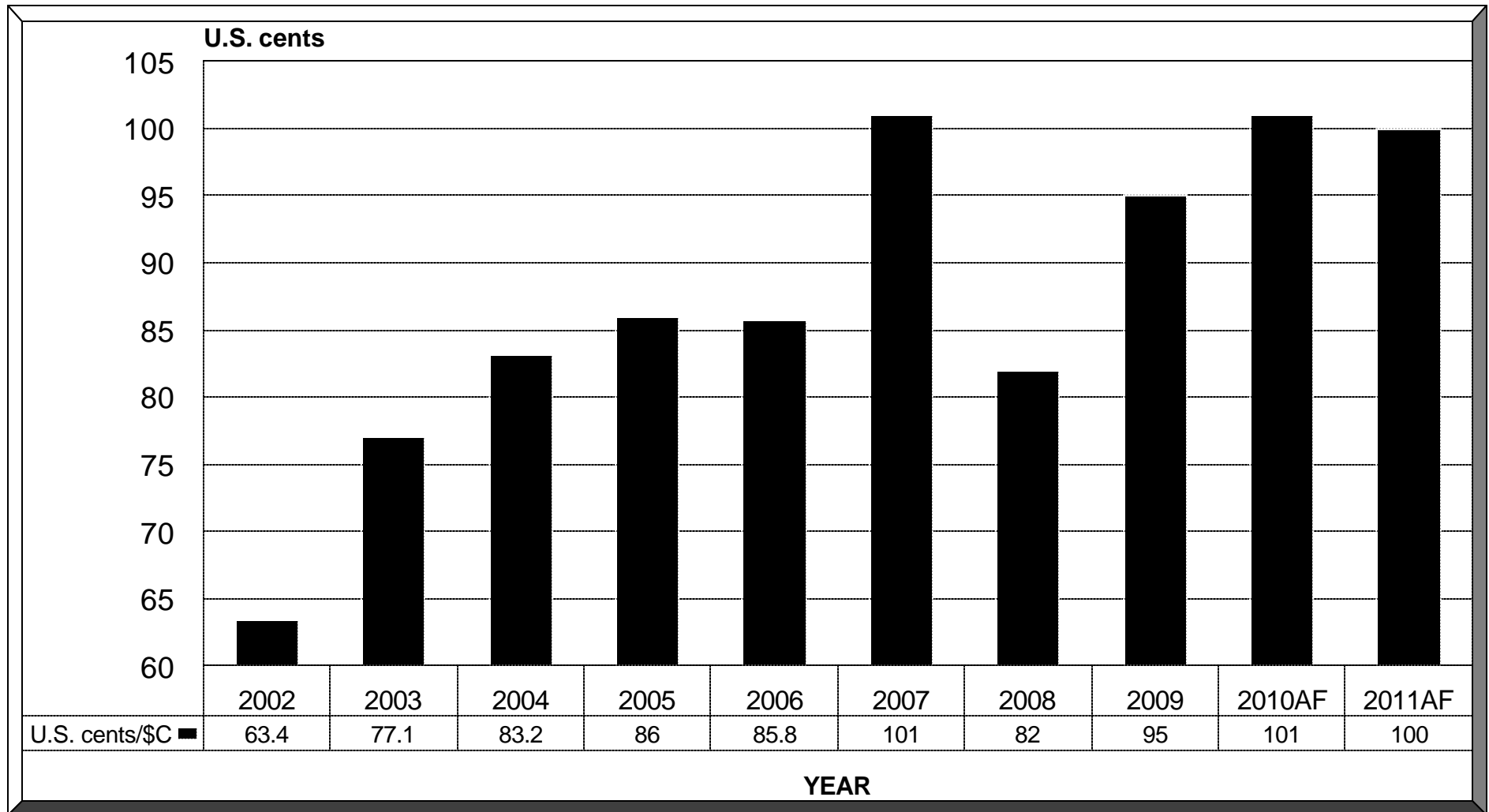
UNEMPLOYMENT RATE

ANNUAL PERCENTAGE



Canadian Dollar Outlook

(Year End, U.S. cents/\$C)



Market Data Group - Canadian Economic Indicators Report, April 2010
 2010AF and 2011AF are the average of the forecasts shown on pages 9
 Source: Bank of Canada for historical data

CANADA-Historical and Year to Date

		(1) REAL GROSS DOMESTIC PRODUCT <i>(Constant dollars)</i>		(2) UNEMPLOYMENT RATE	(3) CONSUMER PRICE INDEX <i>(2002=100)</i>		(4) CONSUMER EXPENDITURES		(5) MOTOR VEHICLE SALES		(6) HOUSING STARTS <i>(all areas)</i>	
		annual rate chained \$2002, millions	annual % change	percent	index	annual % change	chained \$2002, millions	annual % change	('000 of units)	annual % change	annual rates (‘000 of units)	annual % change
ANNUAL												
	2002	1,152,905	2.9	7.7	100.0	2.3	655,722	3.6	1,733	8.4	205	25.9
	2003	1,174,592	1.9	7.6	102.8	2.8	675,442	3.0	1,626	-6.2	219	6.8
	2004	1,211,239	3.1	7.2	104.7	1.9	697,566	3.3	1,575	-3.1	233	6.0
	2005	1,247,807	3.0	6.8	107.0	2.2	723,146	3.7	1,630	3.5	225	-3.6
	2006	1,283,418	2.9	6.3	109.1	2.0	752,726	4.1	1,666	2.2	229	2.3
	2007	1,315,907	2.5	6.0	111.5	2.2	787,063	4.6	1,691	1.5	228	-0.5
	2008	1,321,360	0.4	6.1	114.1	2.3	810,723	3.0	1,674	-1.0	212	-7.5
	2009	1,286,431	-2.6	8.3	114.4	0.3	812,204	0.2	1,487	-11.2	149	-29.7
MONTHLY OR QRTL												
2009	JAN			7.3	113.0	1.1			118	-25.8	136	-34.9
	FEB			8.0	113.8	1.4			116	-24.1	115	-51.2
Q1	MAR	1,289,445	-2.5	8.1	114.0	1.2	804,318	-0.7	121	-18.2	146	-39.9
	APR			8.1	113.9	0.4			121	-16.0	112	-49.8
	MAY			8.5	114.7	0.1			121	-16.0	128	-44.1
Q2	JUN	1,278,163	-3.5	8.6	115.1	-0.3	807,599	-0.5	121	-15.5	143	-35.9
	JUL			8.6	114.7	-0.9			127	-8.6	139	-27.9
	AUG			8.7	114.7	-0.8			127	-5.9	162	-24.6
Q3	SEP	1,281,161	-3.3	8.3	114.7	-0.9	814,871	0.2	129	-7.2	166	-27.6
	OCT			8.4	114.6	0.1			133	-3.6	188	-14.5
	NOV			8.4	115.2	1.0			125	-1.6	176	3.5
Q4	DEC	1,296,955	-1.2	8.4	114.8	1.3	822,030	1.9	128	15.3	175	17.2
MONTHLY OR QRTL									128	8.5		
2010	JAN			8.3	115.1	1.9					189	38.9
	FEB			8.2	115.6	1.6					200	73.9
Q1	MAR			8.2							197	34.9

*ANNUAL % CHANGE - is comparison to the SAME PERIOD THE PREVIOUS YEAR

CANADA-Historical and Year to Date

		(7) RETAIL SALES	(8) BUSINESS NON RESIDENTIAL INVESTMENT		(9) CORPORATE PROFITS (before tax)		(10) IMPORTS		(11) EXPORTS		(12) PRIME RATE	(13) EXCHANGE RATE cdn\$ per unit	
		(millions \$)	chained \$2002	annual % change	millions \$	annual % change	\$2002 millions	annual % change	\$2002 millions	annual % change	average for period	period average	end of period
ANNUAL													
	2002	319,525	130,934	-4.1	135,229	6.4	428,301	1.7	479,185	1.2	4.21	1.570	1.578
	2003	331,143	139,908	6.9	144,501	6.9	446,014	4.1	468,358	-2.3	4.69	1.401	1.297
	2004	346,721	151,398	8.2	168,219	16.4	481,854	8.0	491,674	5.0	4.00	1.301	1.202
	2005	366,171	170,230	12.4	186,585	10.9	516,269	7.1	500,988	1.9	4.42	1.211	1.162
	2006	389,485	187,277	10.0	196,130	5.1	540,766	4.7	504,951	0.8	5.81	1.134	1.165
	2007	412,037	194,176	3.7	204,131	4.1	572,078	5.8	510,323	1.1	6.10	1.074	0.991
	2008	426,034	194,622	0.2	215,799	5.7	576,905	0.8	486,255	-4.7	4.73	1.067	1.218
	2009	413,127	160,695	-17.4	144,213	-33.2	499,782	-13.4	418,176	-14.0	2.40	1.142	1.051
MONTHLY OR QRTL													
2009	JAN	33,651									3.00	1.226	1.227
	FEB	33,764									3.00	1.245	1.272
Q1	MAR	33,887	166,772	-15.4	147,308	-30.9	483,251	-17.5	424,984	-14.8	2.50	1.265	1.261
	APR	33,651									2.25	1.224	1.193
	MAY	34,036									2.25	1.151	1.092
Q2	JUN	34,401	158,234	-19.2	130,828	-43.0	476,235	-19.3	403,023	-18.3	2.25	1.127	1.163
	JUL	34,292									2.25	1.122	1.078
	AUG	34,635									2.25	1.088	1.096
Q3	SEP	35,001	160,722	-18.4	142,932	-39.9	514,267	-12.1	414,776	-15.0	2.25	1.082	1.071
	OCT	35,342									2.25	1.055	1.082
	NOV	35,167									2.25	1.060	1.056
Q4	DEC	35,299	157,051	-16.6	155,784	-14.8	525,377	-4.0	429,923	-7.5	2.25	1.054	1.051
MONTHLY OR QRTL													
2010	JAN										2.25	1.043	1.069
	FEB										2.25	1.057	1.053
Q1	MAR											1.023	1.016

*ANNUAL % CHANGE - is comparison to the SAME PERIOD THE PREVIOUS YEAR

OTHER ECONOMIC INDICATORS

		INDUSTRIAL PRODUCT PRICE INDEX		BUSINESS BANKRUPTCIES (all of Canada)		MANUFACTURING SHIPMENTS		MANUFACTURING RATIO OF INVENTORIES TO SHIPMENTS		EMPLOYMENT	EMPLOYMENT MANUFACTURING
		Index (2002=100)	annual % change	total	annual % change	\$millions	annual % change		(000's of people)	(000's of people)	
ANNUAL											
	2002	107.6	0.1	9,472	-5.6	559,806	3.0	1.37	15,310	2,286	
	2003	106.2	-1.4	8,844	-6.6	563,634	0.7	1.33	15,672	2,275	
	2004	109.5	3.2	8,128	-8.1	582,562	3.4	1.30	15,947	2,292	
	2005	111.2	1.5	7,519	-7.5	599,206	2.8	1.32	16,170	2,207	
	2006	113.8	2.4	6,756	-16.9	605,527	1.1	1.31	16,484	2,118	
	2007	115.6	1.6	6,307	-6.6	602,414	-0.5	1.30	16,866	2,045	
	2008	120.6	4.3	6,164	-2.3	598,217	-0.7	1.34	17,126	1,970	
	2009	116.5	-3.4	5,420	-12.1	493,833	-17.4	1.51	16,849	1,791	
MONTHLY OR QRTL											
2009	JAN	117.1	1.2	448	-14.7	40,557	-16.8	1.64	16,940	1,842	
	FEB	117.6	1.4	475	-16.5	41,426	-16.8	1.59	16,858	1,855	
Q1	MAR	118.0	-0.1	507	-10.3	40,422	-17.7	1.60	16,816	1,823	
	APR	117.4	-2.2	529	-10.6	40,275	-19.0	1.59	16,848	1,837	
	MAY	115.9	-4.5	464	-16.2	38,488	-25.4	1.63	16,813	1,779	
Q2	JUN	116.4	-5.7	515	10.8	39,750	-23.8	1.58	16,818	1,758	
	JUL	115.6	-7.1	432	-5.3	41,916	-21.3	1.47	16,787	1,762	
	AUG	116.2	-6.7	370	-21.0	41,346	-19.4	1.48	16,820	1,745	
Q3	SEP	115.7	-6.1	487	-0.4	41,670	-18.5	1.43	16,861	1,770	
	OCT	115.2	-6.5	429	-13.5	42,314	-16.9	1.41	16,838	1,764	
	NOV	116.3	-2.9	396	-21.7	42,341	-10.5	1.41	16,910	1,775	
Q4	DEC	116.4	-0.6	368	-23.0	43,022	-0.1	1.37	16,881	1,763	
MONTHLY OR QRTL											
2010	JAN	116.8	-0.3	354	-21.0				16924	1747	
	FEB								16945	1764	
Q1	MAR										

*ANNUAL % CHANGE - is comparison to the SAME PERIOD THE PREVIOUS YEAR

ABOUT THE FORECAST SOURCES

CONFERENCE BOARD OF CANADA:

Is an independent, non-for-profit organization for business with affiliates in the U.S. and Europe. The objective of the organization is to help members anticipate and respond to the changing global economy.

ROYAL BANK OF CANADA:

Largest Canadian chartered bank operating under the brand name of RBC Financial Group with assets of \$655 billion at year end Oct. 2009. In addition to 1,500 domestic locations, its' international network includes offices in 53 countries. The bank has some 77,000 employees.

CANADIAN IMPERIAL BANK OF COMMERCE:

CIBC reported total assets as of Oct. 31, 2009 of \$336 billion . Its' group of companies includes CIBC Wood Gundy and it employs some 40,000 employees worldwide. CIBC World Markets is the investment banking, securities brokerage and asset management arm of the CIBC.

BANK OF MONTREAL:

Canada's oldest chartered bank . It owns Harris Bankcorp in Chicago and Nesbitt Burns, a Canadian investment dealer. With total assets as of Oct. 31, 2009 of \$388 billion it is ranked as Canada's fifth largest bank. The Bank of Montreal has almost 36,000 employees in Canada, the U.S. and around the world.

SCOTIA BANK:

Scotia Bank reported assets of \$496 billion as of Oct. 31, 2009. The bank has 1,019 branches and commercial and business banking centers and more than 68,000 employees in offices in 50 countries worldwide. The bank's Scotia Capital group provides corporate and investment banking.

TD BANK:

TD Bank Financial reported assets of \$567 billion as of Jan. 31, 2010. TD Bank Financial consists of TD Bank and its subsidiaries TD Canada Trust, TD Waterhouse and TD Securities. TD Bank Financial Group has more than 74,000 employees and provides a full range of financial products and services to approximately 18 million customers.

NOTES

1. Annual percent change is the change from the SAME PERIOD the previous year.
2. Historical figures are reported for 2008 and 2009 either monthly OR quarterly as shown.
3. GDP quarterly figures are annualized rates.
4. Monthly housing start figures and consumer expenditures are annualized rates, which is the result of adjusting monthly statistics to provide an indication of the annual total which would be achieved if activity in all other months were at the same level of performance relative to past seasonal patterns.
5. Retail sales estimates exclude the Goods and Services Tax (GST).
6. Industrial Product Price Index(IPPI), reflects the prices that producers in Canada receive as the goods leave the plant gate. The IPPI excludes indirect taxes and all costs that occur between the time when goods leave the plant and arrive at the final user such as transportation, wholesale and retail costs. Canadian producers export many goods and quote prices in foreign currencies. Changes in the value of the Canadian dollar versus the U.S. dollar therefore affects the IPPI. A 1.0% change in the value of the Canadian dollar has been estimated to change the IPPI by approximately 0.3%.
7. Historical figures are revised monthly by Statistics Canada. Those reported are the most current figures available and may differ from those reported in the last Canadian Economic Indicators report.

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DEFINITIONS

REAL GDP

The total value of all goods and services produced within Canada during a given period. It is the value of the sum of physical quantities of goods and services produced, converted to a money valuation basis from which the year to year change in price has been eliminated. It is now measured in chained \$2002 dollars.

UNEMPLOYMENT RATE

The Civilian Unemployment Rate is the number of people unemployed as a percentage of the labour force. Labour force is defined as a percentage of the population 15 years of age and over seeking and available for work.

CONSUMER PRICE INDEX(2002)

The Consumer Price Index (CPI) measures changes in the prices paid by consumers for goods and services. Prices are compared to the prices prevailing during the base period of 2002. The CPI measures the retail prices of a “shopping basket” of about 300 goods and services. The composition of the basket reflects the expenditure patterns of an average household and is updated periodically. Increases in the CPI are also referred to as increases in the cost of living.

CONSUMER EXPENDITURES (chained \$2002 dollars)

Consumer expenditures is a measure of goods and services purchased by households for the satisfaction of their needs, Consumer goods include both durable and non-durable goods. It is measured in chained \$2002 dollars to eliminate the impact of inflation.

MOTOR VEHICLE SALES

Motor Vehicle Sales includes the sales of new passenger cars and trucks and vans, regardless of country of origin.

HOUSING STARTS

Housing starts are defined as all single and multiple housing unit startups in Canada.

RETAIL SALES

Retail sales is a measure of consumer spending broken down amongst sixteen categories of stores. Sales are defined as all sales of goods and services by retailers. The sector is dominated by auto sales, which account for over 25% of total retail sales and can have a pronounced impact on overall sales during periods of volatile motor vehicle sales

BUSINESS NON RESIDENTIAL INVESTMENT

Business Non Residential Investment is a measure of Business expenditures on non-residential construction and machinery & equipment. It is defined as the gross value of all new non residential construction excluding: defence installations, all additions and major renovations, all conversions and alterations where structural changes take place or the life of an existing asset is extended. It is measured in chained \$2002 dollars to eliminate the impact of inflation.

CORPORATE PROFITS

In principal, pre-tax profits on a domestic basis include earnings in Canada attributable to foreign shareholders' capital, but not the earnings of Canadian owned corporations from their foreign operations

PRIME RATE: The rate of interest at which the Chartered banks are prepared to lend cash.

OVERNIGHT RATE: The rate is the Bank of Canada estimate at which investment dealers were able to arrange most of their overnight financing of money market inventory, excluding chartered bank day-to-day loans and purchase and resale agreements with the Bank of Canada.

U.S. EXCHANGE RATE: The price in terms of American currency at which Canadian currency can be purchased.