



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*



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This January 2010 report is based on data available as of Jan. 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.

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HIGHLIGHTS

- * Canada's economic growth turned positive in the third quarter of 2009, driven by massive government stimulus and record low interest rates. Forecasters expect the recovery to be slow and to be largely supported by consumer and government spending. The domestic economy is expected to strengthen while exports are expected to continue to face the negative impact of soft U.S. demand and a strong Canadian currency. The consensus forecast is for the Canadian economy to grow by 2.6% in 2010 and 3.3% in 2011.

Real GDP 2008:	0.4%
Average Forecast 2009:	-2.5%
Average Forecast 2010:	2.6%
Average Forecast 2011:	3.3%

- * With excess capacity in the economy, Canada's inflation rate is expected to remain low. The harmonization of the PST and GST in mid 2010 is also expected to have some upward impact on consumer prices. The consensus forecast is for the Consumer Price Index (CPI) to increase by 1.7% in 2010 and 2.2% in 2011.

CPI 2008:	2.3%
Average Forecast 2009:	0.3%
Average Forecast 2010:	1.7%
Average Forecast 2011:	2.2%

- * Canada's unemployment rate rose in 2009 from 6.1% to 8.3%. Employment remains weak but labour markets are showing signs of stabilizing. The unemployment rate is forecasted to increase in 2010 to 8.5% and to decline in 2011 to 8.0% as the recovery takes hold.

Unemployment Rate 2008:	6.1%
Average Forecast 2009:	8.3%
Average Forecast 2010:	8.5%
Average Forecast 2011:	8.0%

- * Impacted by declining net worth, job losses and low consumer confidence, consumer spending slowed dramatically last year to 0.1%. An improving economy, stabilization in labour markets, rising house and stock market prices together with record low interest rates are expected to bolster consumer spending this year. Consumer spending is forecasted to grow by 2.5% in 2010 and 2.9% in 2011 and to be a major contributor to economic recovery.

Consumer Spending 2008:	3.0%
Average Forecast 2009:	0.1%
Average Forecast 2010:	2.5 %
Average Forecast 2011:	2.9 %

- * The Canadian dollar ended 2009 at 0.95cents U.S. up 0.13 cents from year end 2008. Rising commodity prices due to global economic recovery, improved economic fundamentals and an expected widening of Canada/U.S. short term interest rate spreads, are expected to support a sustained strong Canadian dollar. The consensus forecast is for the Canadian dollar to end 2010 and 2011 at parity with the U.S. dollar. The range in the year end forecasts for 2010 is from a low of 0.97 cents (CIBC) to a high of 1.03 cents (Scotia Bank).

	Canadian Dollar (US cents per CAD)
Year end 2008:	.82
Forecast for year end 2009:	.95
Forecast for year end 2010:	1.00
Forecast for year end 2011:	1.00

- * The Bank of Canada has committed to keeping the policy rate at 0.25% until mid 2010. Rate increases are expected in the second half of 2010 and into 2011. Many forecasters expect the Bank of Canada to begin raising rates ahead of the Federal Reserve in the U.S. The overnight rate is forecasted to end 2010 at 1.07% and 2011 at 3.02%.



CANADIAN ECONOMIC FORECAST - 2009

Annual percent change, seasonally adjusted
(except where noted)

2009 FORECAST

	2008 ACTUAL	Conference	Royal	CIBC	Bank of	Scotia	TD	FORECAST			2009 FORECAST
		Board	Bank		Montreal	Bank	Bank	RANGE			AVERAGE
ECONOMIC ACTIVITY											
Real GDP*	0.4	-2.5	-2.5	-2.5	-2.5	-2.5	-2.5	-2.5	-	-2.5	-2.5
Unemployment Rate	6.1	8.3	8.3	8.3	8.3	8.3	8.3	8.3	-	8.3	8.3
Consumer Price Index	2.3	0.3	0.3	0.3	0.3	0.3	0.2	0.2	-	0.3	0.3
THE CONSUMER											
Consumer Expenditures*	3.0	0.0	0.0	0.1	0.1	0.1	0.1	0.0	-	0.1	0.1
Motor Vehicle Sales (million units)	1.67	na	1.49	na	1.49	1.43	na	1.43	-	1.49	1.47
%chg	-1.0	na	-10.8	na	-10.8	-14.4	na	-14.4	-	-10.8	-12.0
Housing Starts (million units)	0.211	0.143	0.144	0.145	0.143	0.146	0.144	0.143	-	0.146	0.144
% chg	-7.2	-32.2	-31.8	-31.3	-32.2	-30.8	-31.7	-32.2	-	-30.8	-31.7
Retail Sales	3.4	-3.7	-3.3	na	na	na	-3.8	-3.8	-	-3.3	-3.6
BUSINESS											
Business Non-Residential Invst*	0.2	-14.7	na	-14.6	-14.6	-14.7	-14.7	-14.7	-	-14.6	-14.7
Corporate Profits (before tax)	5.7	-32.6	-34.7	na	-35.0	-33.0	-34.9	-35.0	-	-32.6	-34.0
Imports*	0.8	-13.9	-13.7	-13.7	-13.7	-13.9	-13.8	-13.9	-	-13.7	-13.8
Exports*	-4.7	-14.1	-13.9	-13.9	-14.0	-14.2	-13.9	-14.2	-	-13.9	-14.0

This report is based on data available Jan. 15, 2010

Notes:

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



CANADIAN ECONOMIC FORECAST - 2010

Annual percent change, seasonally adjusted
(except where noted)

2010 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>2010 FORECAST AVERAGE</i>
<i>ECONOMIC ACTIVITY</i>								
Real GDP*	2.8	2.6	2.3	2.6	2.7	2.7	2.3 - 2.8	2.6
Unemployment Rate	8.6	8.7	8.3	8.5	8.5	8.5	8.3 - 8.7	8.5
Consumer Price Index	2.1	1.5	2.0	1.6	1.7	1.1	1.1 - 2.1	1.7
<i>THE CONSUMER</i>								
Consumer Expenditures*	1.9	2.3	2.5	2.7	2.4	3.0	1.9 - 3.0	2.5
Motor Vehicle Sales (million units)	na	1.58	na	1.58	1.68	na	1.58 - 1.68	1.61
%chg	na	6.1	na	6.0	17.5	na	6.0 - 17.5	9.9
Housing Starts (million units)	0.177	0.181	0.180	0.170	0.153	0.175	0.153 - 0.181	0.173
% chg	23.8	25.7	24.1	18.9	4.8	21.5	4.8 - 25.7	19.8
Retail Sales	3.8	4.4	na	na	na	4.0	3.8 - 4.4	4.1
<i>BUSINESS</i>								
Business Non-Residential Invst*	4.2	na	-0.1	-2.2	0.5	0.4	-2.2 - 4.2	0.6
Corporate Profits (before tax)	29.3	13.3	na	7.0	23.0	15.2	7.0 - 29.3	17.6
Imports*	7.5	10.2	11.3	8.2	7.2	8.9	7.2 - 11.3	8.9
Exports*	4.8	7.0	8.5	4.2	3.9	5.6	3.9 - 8.5	5.7

* 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	3.0	3.6	2.8	3.0	2.8 - 3.9	3.3
Unemployment Rate	7.8	7.8	8.1	8.0	8.2	7.8	7.8 - 8.2	8.0
Consumer Price Index	2.9	2.2	2.1	1.9	2.1	1.7	1.7 - 2.9	2.2
<i>THE CONSUMER</i>								
Consumer Expenditures*	2.7	2.7	3.0	3.5	2.7	2.6	2.6 - 3.5	2.9
Motor Vehicle Sales (million units)	na	1.63	na	1.66	1.72	na	1.63 - 1.72	1.67
%chg	na	3.2	na	5.1	2.4	na	2.4 - 5.1	3.6
Housing Starts (million units)	0.195	0.191	0.185	0.180	0.157	0.160	0.157 - 0.195	0.178
%chg	10.2	5.5	2.7	5.9	2.6	-8.6	-8.6 - 10.2	3.1
Retail Sales	5.6	5.5	na	na	na	4.5	4.5 - 5.6	5.2
<i>BUSINESS</i>								
Business Non-Residential Invst*	8.3	na	2.5	4.0	5.4	5.0	2.5 - 8.3	5.0
Corporate Profits (before tax)	9.3	16.7	na	10.0	16.0	13.7	9.3 - 16.7	13.1
Imports*	5.9	8.3	8.7	5.9	5.7	5.8	5.7 - 8.7	6.7
Exports*	5.7	9.8	9.9	5.8	5.7	7.1	5.7 - 9.9	7.3

* 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	1.08	1.25	0.75	0.75 - 1.25	1.07
2011			3.50	na	3.08	2.25	3.25	2.25 - 3.50	3.02
3 Month T-Bill	1.12	0.30							
2010			1.45	1.05	1.25	1.75	0.90	0.90 - 1.75	1.28
2011			3.60	na	3.18	2.25	3.45	2.25 - 3.60	3.12
2 Year GoC Bond	1.09	1.20							
2010			2.75	2.00	2.15	2.70	2.55	2.00 - 2.75	2.43
2011			4.06	na	3.15	2.45	3.85	2.45 - 4.06	3.38
10 Year GoC Bond	2.69	3.45							
2010			4.25	3.75	3.82	4.50	4.10	3.75 - 4.50	4.08
2011			4.25	na	4.63	4.50	4.75	4.25 - 4.75	4.53

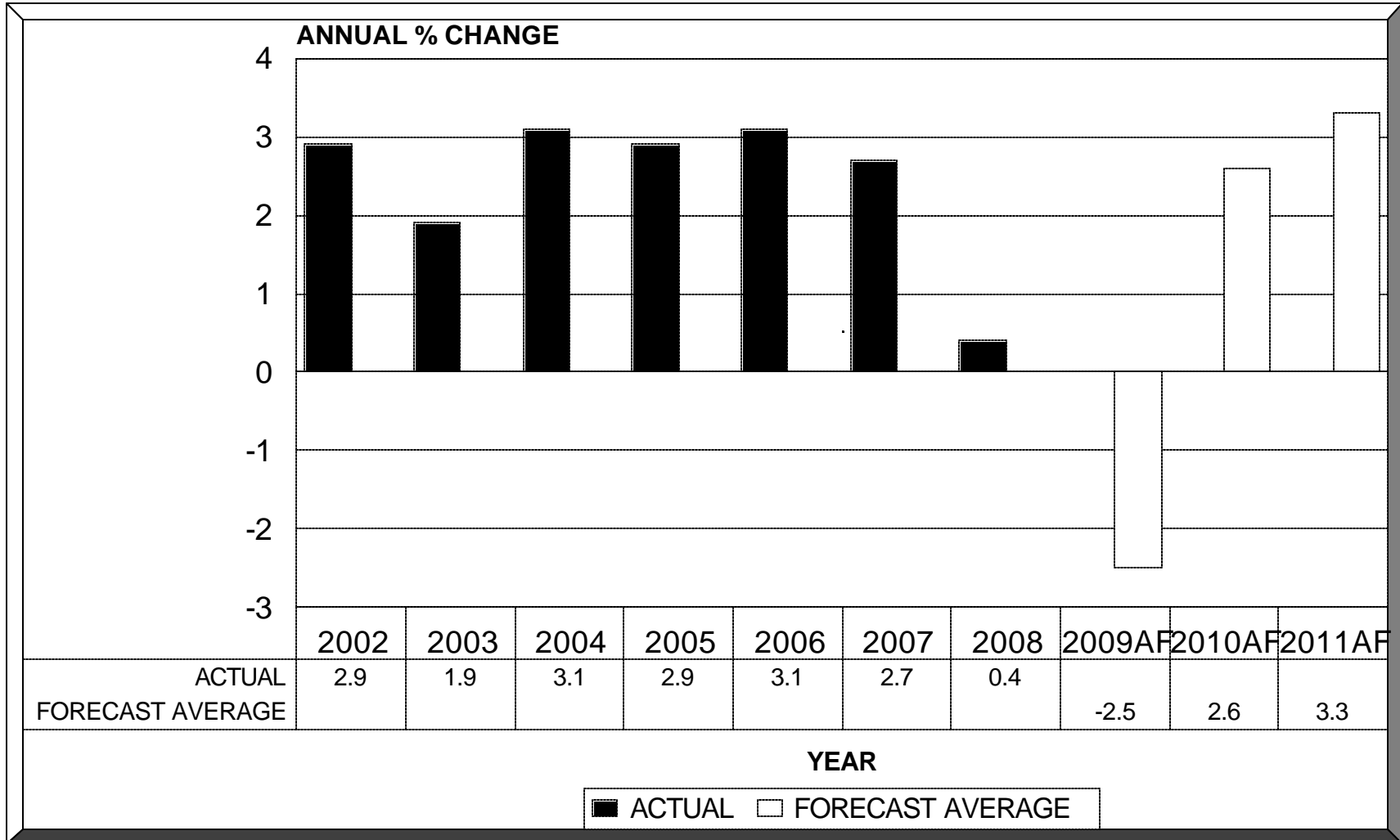
EXCHANGE RATE (End of Period)

UScents/CAD	0.821	0.950							
2010			0.98	0.97	1.00	1.03	1.02	0.97 - 1.03	1.00
2011			0.97	1.02	1.02	1.05	0.92	0.92 - 1.05	1.00
CAD/USD	1.218	1.040							
2010			1.02	1.03	1.000	0.97	0.98	0.97 - 1.03	1.00
2011			1.03	0.98	0.980	0.95	1.087	0.95 - 1.09	1.01

Source: 2008 and 2009 Actuals, Bank of Canada

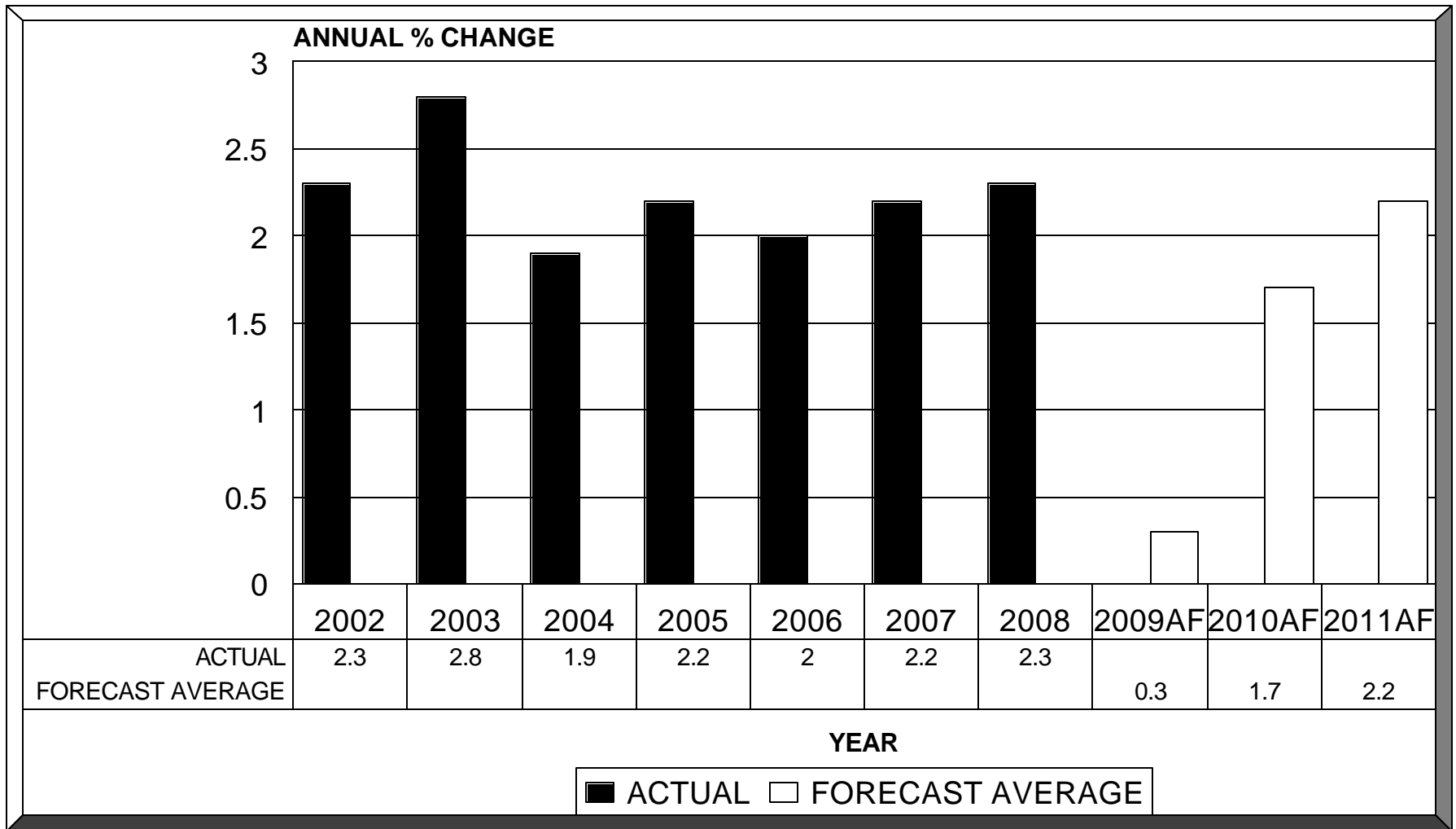
REAL G.D.P.

ANNUAL % CHANGE (Chained \$2002 Dollars)



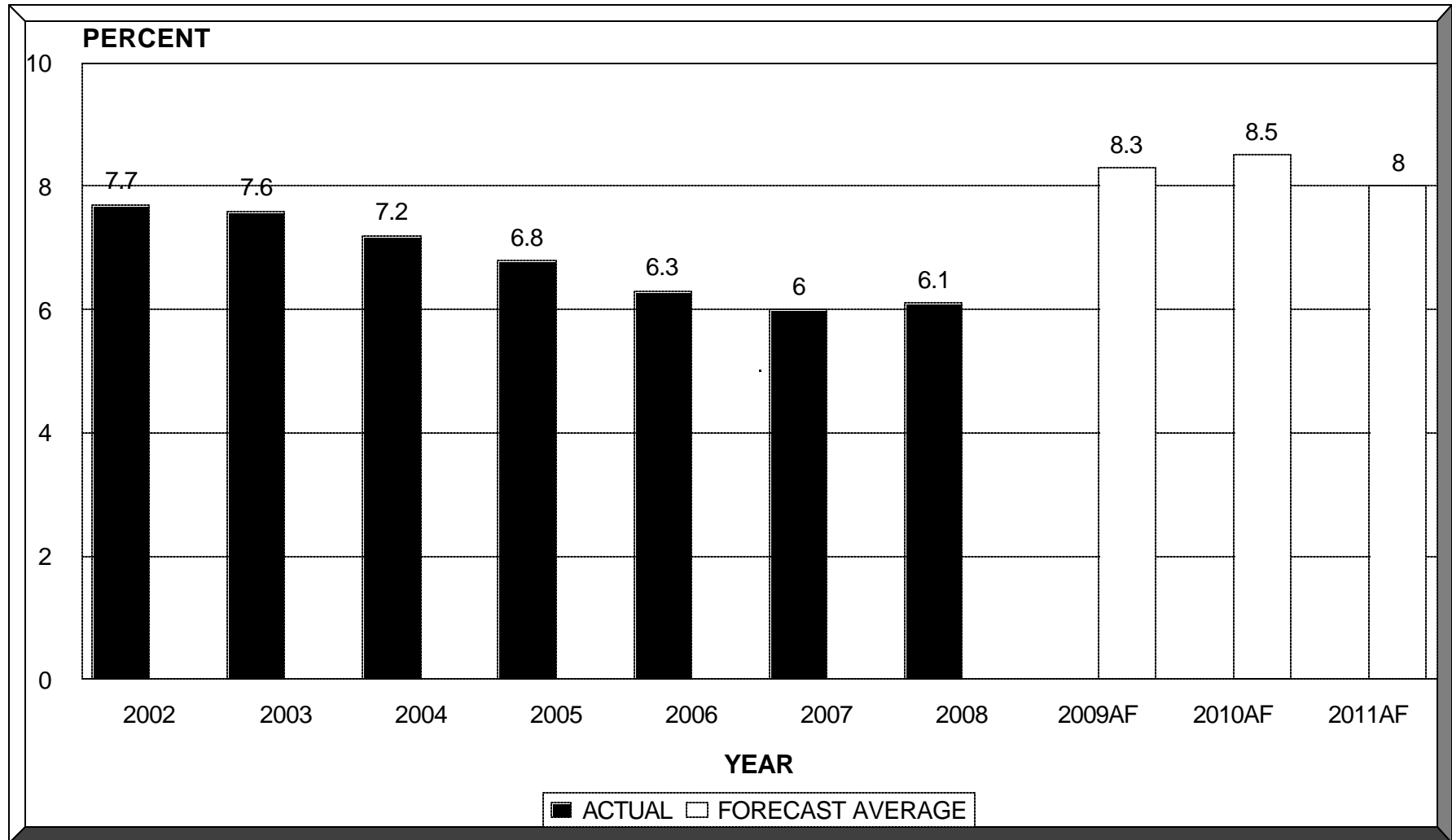
CONSUMER PRICE INDEX

ANNUAL % CHANGE



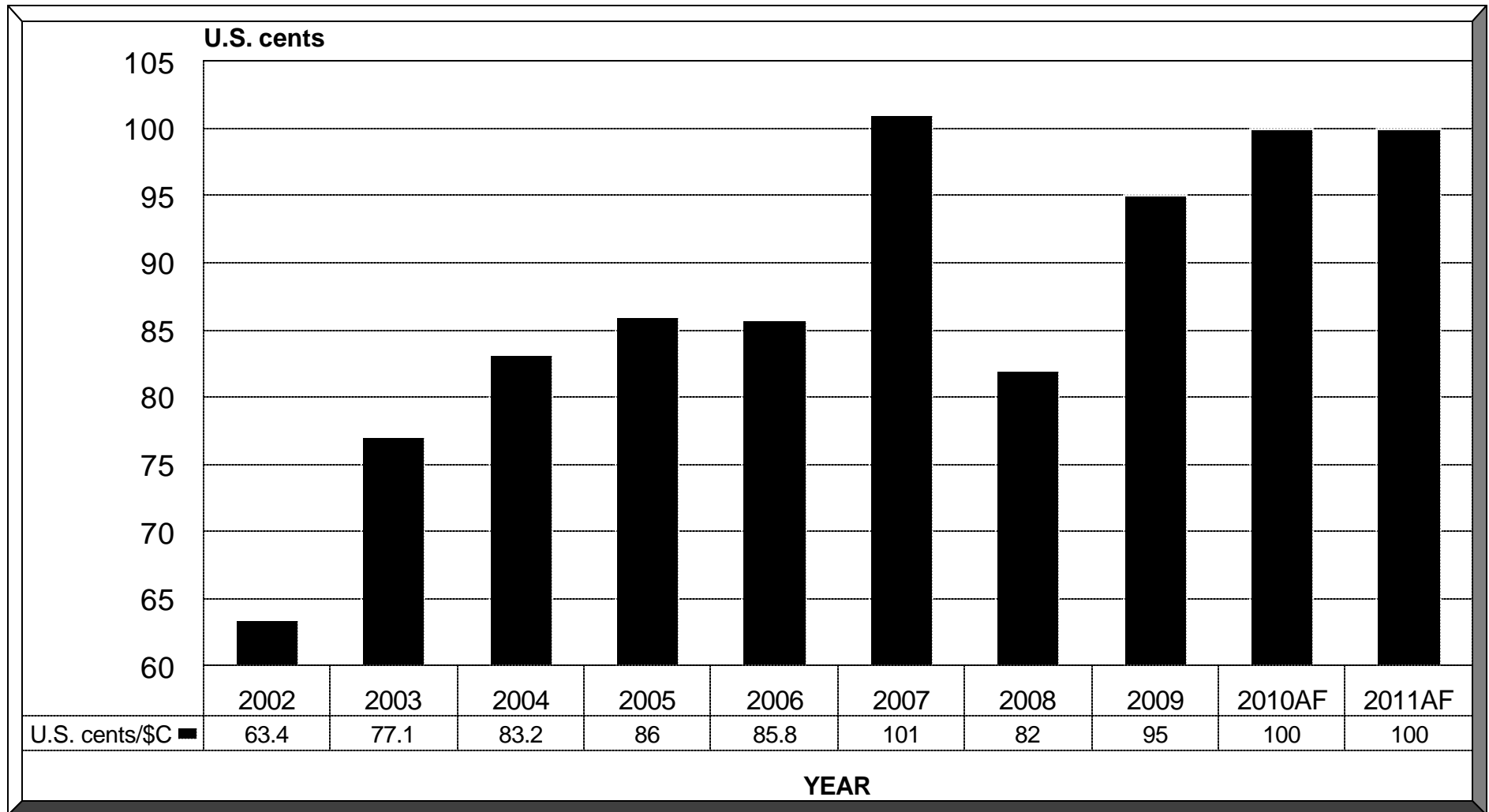
UNEMPLOYMENT RATE

ANNUAL PERCENTAGE



Canadian Dollar Outlook

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



Market Data Group - Canadian Economic Indicators Report, January 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	220	6.9
	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	224	-3.7
	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	211	-7.2
MONTHLY OR QRTL													
2008	JUL				6.1	115.8	3.4			138	0.3	192	-11.9
	AUG				6.2	115.6	3.5			135	-5.6	218	-6.0
Q3	SEP	1,325,452	0.3		6.2	115.7	3.4	813,469	3.0	139	0.7	214	-21.8
	OCT				6.3	114.5	2.6			138	0.0	209	-7.1
	NOV				6.4	114.1	2.0			123	-7.6	173	-27.1
Q4	DEC	1,312,880	-1.0		6.6	113.3	1.2	807,018	0.2	111	-23.4	172	-9.3
MONTHLY OR QRTL													
2009	JAN				7.2	113.0	1.1			118	-25.8	144	-33.6
	FEB				7.7	113.8	1.4			116	-24.1	128	-48.4
Q1	MAR	1,292,079	-2.3		8.0	114.0	1.2	804,161	-0.7	121	-18.2	146	-39.0
	APR				8.0	113.9	0.4			121	-16.0	118	-45.2
	MAY				8.4	114.7	0.1			121	-16.0	127	-43.0
Q2	JUN	1,282,096	-3.2		8.6	115.1	-0.3	807,682	-0.5	121	-15.5	138	-35.2
	JUL				8.6	114.7	-0.9			127	-8.6	138	-28.1
	AUG				8.7	114.7	-0.8			127	-5.9	155	-28.9
Q3	SEP	1,283,227	-3.2		8.4	114.7	-0.9	813,835	0.04	129	-7.2	149	-30.3
	OCT				8.6	114.6	0.1			134	-3.2	164	-21.5
	NOV				8.5	115.2	1.0					165	-4.6
Q4	DEC				8.5							175	-1.7

*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 <i>(before tax)</i>		(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
MONTHLY OR QRTL													
2008	JUL	35,950									4.75	1.013	1.024
	AUG	35,802									4.75	1.054	1.062
Q3	SEP	36,130	196,935	0.4	237,708	15.7	584,824	0.2	488,152	-4.3	4.75	1.058	1.064
	OCT	35,781									4.00	1.185	1.205
	NOV	34,817									4.00	1.218	1.237
Q4	DEC	33,081	188,407	-4.3	182,900	-11.7	547,196	-7.7	464,964	-7.3	3.50	1.234	1.218
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	171,442	-13.0	147,508	-30.8	483,115	-17.5	425,584	-14.6	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	163,818	-16.4	131,168	-42.9	474,549	-19.8	403,076	-17.5	2.25	1.127	1.163
	JUL	34,252									2.25	1.122	1.078
	AUG	34,578									2.25	1.088	1.096
Q3	SEP	34,935	165,519	-16.0	137,952	-41.9	512,501	-19.6	417,723	-14.4	2.25	1.082	1.071
	OCT										2.25	1.055	1.082
	NOV										2.25	1.060	1.056
Q4	DEC										2.25	1.054	1.051

*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	
MONTHLY OR QRTL											
2008	JUL	124.5	7.6	456	-6.4	53,277	6.7	1.26	17,082	1,954	
	AUG	124.6	8.7	469	-6.4	51,326	3.8	1.32	17,100	1,970	
Q3	SEP	123.2	8.4	489	8.9	51,145	3.7	1.32	17,192	1,985	
	OCT	123.2	9.7	496	-3.3	50,925	2.5	1.34	17,195	1,974	
	NOV	119.8	5.9	506	-4.0	47,331	-5.4	1.44	17,131	1,941	
Q4	DEC	117.1	2.3	478	2.4	43,077	-10.7	1.54	17,111	1,950	
MONTHLY OR QRTL											
2009	JAN	117.1	1.2	448	-14.7	40,557	-16.8	1.64	16,982	1,850	
	FEB	117.6	1.4	475	-16.5	41,426	-16.8	1.59	16,899	1,874	
Q1	MAR	118.0	-0.1	507	-10.3	40,422	-17.7	1.60	16,838	1,840	
	APR	117.4	-0.2	529	-10.6	40,275	-14.1	1.59	16,874	1,847	
	MAY	115.9	-4.5	465	-16.1	38,488	-25.4	1.63	16,832	1,788	
Q2	JUN	116.4	-5.6	515	10.8	39,750	-23.8	1.58	16,825	1,763	
	JUL	115.6	-7.1	432	-5.3	41,804	-21.5	1.47	16,780	1,756	
	AUG	116.3	-6.7	370	-21.0	41,062	-20.0	1.49	16,807	1,739	
Q3	SEP	115.8	-6.0	487	-0.4	41,650	-18.6	1.44	16,838	1,765	
	OCT	115.5	-6.3	429	-13.5				16,795	1,757	
	NOV								16,874	1,769	
Q4	DEC										

*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 \$615 billion at year end Oct. 2008. In addition to 1,500 domestic locations, its' international network includes offices in 30 countries. The bank has some 80,000 employees.

CANADIAN IMPERIAL BANK OF COMMERCE:

CIBC reported total assets as of Oct. 31, 2008 of \$354 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, 2008 of \$350 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 \$507 billion as of Oct. 31, 2008. The bank has 970 branches and commercial and business banking centers and more than 69,000 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 \$470 billion as of Oct. 30, 2008. 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 51,000 employees and provides a full range of financial products and services .

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.