

Canadian Economic Outlook

BMO Capital Markets Economics

March 26, 2010

	2009				2010				2011				2008	2009	2010	2011
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4				
PRODUCTION																
	(quarter/quarter % change : a.r.)															
Real GDP (chain-weighted)	-7.0	-3.5	0.9	5.0	4.7	3.4	2.9	3.0	3.0	3.5	3.8	3.6	0.4	-2.6	3.2	3.2
Final Sales	-2.2	-4.0	-0.6	6.5	3.2	3.1	2.0	2.5	3.0	3.2	3.4	3.2	0.7	-1.5	2.6	2.9
Final Domestic Demand	-7.4	0.3	5.6	4.6	3.5	3.4	2.6	2.8	3.1	2.9	3.2	3.3	2.6	-1.7	3.6	3.0
Consumer Spending	-1.3	1.6	3.7	3.6	3.2	3.1	3.1	2.9	3.5	4.2	4.1	3.9	3.0	0.2	3.2	3.5
durables	-11.7	3.6	12.8	10.7	4.0	3.0	3.0	2.5	4.0	6.0	6.0	5.0	5.6	-2.8	5.8	4.2
nondurables	2.6	0.0	1.6	-0.4	2.2	3.0	3.0	3.0	3.0	3.5	3.5	3.0	1.5	0.6	1.8	3.2
services	0.3	2.4	3.1	4.1	3.6	3.2	3.3	2.9	3.5	4.0	3.8	4.0	2.9	1.1	3.4	3.5
Government Spending	2.9	5.5	9.0	7.4	5.3	4.7	3.3	3.2	2.0	-0.8	-0.4	0.4	4.8	4.5	5.6	1.6
Business Investment	-38.6	-19.0	6.4	-8.8	-4.4	1.0	2.3	2.5	4.5	4.5	6.5	7.0	0.2	-17.4	-2.8	4.0
non-residential construction	-36.7	-22.0	-8.4	-8.5	-7.0	1.0	1.5	2.0	4.0	4.0	5.0	6.0	-0.1	-15.6	-5.5	3.4
machinery and equipment	-40.4	-15.9	22.8	-9.2	-2.0	1.0	3.0	3.0	5.0	5.0	8.0	8.0	0.5	-19.2	-0.1	4.7
Residential Construction	-21.9	7.0	9.5	29.7	12.0	4.0	-4.0	1.0	2.0	4.0	4.0	3.0	-2.7	-7.4	10.0	1.8
Exports	-30.2	-19.1	12.2	15.4	3.5	4.1	4.6	5.6	5.7	6.7	6.7	5.7	-4.7	-14.0	5.5	5.8
Imports	-39.2	-5.7	36.0	8.9	4.7	5.0	6.4	6.4	5.8	5.8	5.8	5.8	0.8	-13.4	8.6	5.9
	(billions of chained 2002 dollars : a.r.)															
Inventory Change	-7.5	-6.3	-1.5	-4.3	-0.2	0.7	3.6	5.2	5.0	6.1	7.6	9.0	12.2	-4.9	2.3	6.9
Contribution to GDP Growth	-4.7	0.6	1.5	-1.4	1.5	0.3	0.9	0.5	-0.1	0.3	0.4	0.4	-0.2	-1.1	0.5	0.3
Net Exports	-58.3	-73.2	-99.5	-95.5	-97.8	-99.8	-103.3	-105.8	-107.4	-108.0	-108.5	-110.2	-90.7	-81.6	-101.7	-108.5
Contribution to GDP Growth	4.9	-4.3	-5.9	1.8	-0.4	-0.3	-0.6	-0.3	-0.1	0.2	0.2	-0.1	-2.0	0.1	-1.0	-0.1
	(billions of dollars : a.r.)															
Nominal GDP	1 519	1 508	1 524	1 560	1 595	1 615	1 637	1 658	1 678	1 698	1 720	1 742	1 600	1 528	1 626	1 710
(% chng : a.r.)	-12.6	-2.8	4.3	9.8	9.1	5.2	5.6	5.3	4.8	5.0	5.3	5.1	4.4	-4.5	6.4	5.1
INFLATION																
	(quarter/quarter % change : a.r.)															
GDP Price Index	-5.9	0.7	3.4	4.4	4.2	1.8	2.6	2.2	1.8	1.5	1.4	1.4	3.9	-1.9	3.2	1.9
CPI All Items	-1.0	0.1	0.6	3.7	2.8	1.1	2.6	1.6	1.8	1.8	1.9	1.7	2.4	0.3	2.1	1.8
Excl. Food & Energy	0.8	1.2	0.6	1.1	2.5	1.1	2.7	1.3	1.7	1.8	1.8	1.5	1.2	1.1	1.6	1.7
Food Prices	4.8	2.2	0.1	0.5	1.9	1.7	2.2	2.2	1.6	1.5	1.9	1.5	3.5	4.9	1.5	1.8
Energy Prices	-24.7	-12.9	1.5	37.3	7.2	-0.6	2.8	2.4	3.1	3.2	3.2	3.7	9.8	-13.5	7.7	2.8
Services	0.2	3.6	1.8	0.7	1.7	2.9	3.4	1.3	2.2	2.1	2.0	4.2	3.4	2.1	2.0	2.3
	(year/year % change)															
CPI All Items	1.2	0.1	-0.9	0.8	1.8	2.1	2.6	2.1	1.8	2.0	1.8	1.8	1.7	1.8	1.8	1.9
BoC Core	1.9	1.9	1.6	1.6	2.0	1.8	1.8	1.7	1.8	1.8	2.0	2.0	1.7	1.8	1.8	1.9
FINANCIAL																
	(average for the quarter : %)															
Overnight Rate	0.83	0.25	0.25	0.25	0.25	0.25	0.58	1.08	1.58	2.08	2.58	3.08	2.96	0.40	0.54	2.33
3-Month T-Bill	0.64	0.25	0.22	0.21	0.17	0.25	0.77	1.24	1.72	2.21	2.69	3.17	2.33	0.33	0.61	2.45
90-Day BAs	0.82	0.35	0.31	0.32	0.32	0.38	0.90	1.37	1.85	2.34	2.82	3.30	3.18	0.45	0.74	2.58
10 Year Bond Yield	2.89	3.20	3.42	3.41	3.43	3.44	3.52	3.65	3.83	4.03	4.23	4.43	3.61	3.23	3.51	4.13
Canada/US spread: (bps)																
90 day	43	8	6	15	7	12	51	49	39	37	43	41	94	18	30	40
10 year	15	-11	-10	-5	-27	-27	-25	-28	-33	-38	-43	-48	-6	-3	-27	-41
FOREIGN TRADE																
	(billions of dollars : a.r.)															
Current Account Balance	-27.1	-43.8	-55.2	-39.1	-36.9	-36.7	-33.6	-32.9	-34.7	-37.3	-37.7	-38.3	8.1	-41.3	-35.0	-37.0
Merchandise Balance	3.5	-6.7	-16.5	2.3	8.1	7.9	7.7	8.1	8.9	9.8	10.5	10.7	46.9	-4.3	7.9	10.0
Non-Merchandise Balance	-30.7	-37.1	-38.7	-41.4	-44.9	-44.7	-41.2	-41.0	-43.6	-47.1	-48.2	-49.0	-38.8	-37.0	-43.0	-47.0
	(average for the quarter)															
Exchange Rate (US\$/C\$)	80.3	85.6	91.1	94.7	95.8	95.4	100.3	100.3	100.4	101.1	101.7	102.3	94.3	88.0	98.7	101.4
Exchange Rate (C\$/US\$)	1.245	1.168	1.097	1.056	1.044	1.017	0.997	0.997	0.996	0.990	0.983	0.977	1.067	1.141	1.013	0.986
Exchange Rate (W/C\$)	75.2	83.5	85.3	85.1	86.7	90.7	95.9	99.2	102.1	105.3	108.5	111.7	97.8	82.3	93.1	106.9
Exchange Rate (C\$/Euro)	1.62	1.59	1.57	1.56	1.45	1.39	1.38	1.41	1.41	1.39	1.37	1.35	1.56	1.58	1.41	1.38
INCOMES																
	(billions of dollars : a.r.)															
Corporate Profits Before Tax	147.3	130.8	142.9	155.8	160.7	163.4	165.0	168.9	176.5	180.1	181.1	186.2	215.8	144.2	164.5	181.0
Corporate Profits After Tax	97.9	88.7	102.0	103.1	113.4	115.5	116.7	120.2	127.8	131.4	132.4	137.5	155.3	97.9	116.4	132.3
	(year/year % change)															
Corporate Profits Before Tax	-30.9	-43.0	-39.9	-14.8	9.1	24.9	15.4	8.4	9.8	10.3	9.8	10.2	5.7	-33.2	14.0	10.0
Personal Income	0.8	0.3	0.1	0.7	3.0	4.0	4.9	4.9	4.4	4.5	4.3	4.2	4.8	0.5	4.2	4.4
Real Disposable Income	0.8	1.5	1.8	1.3	2.8	2.6	3.1	3.2	2.4	2.2	2.3	2.3	4.2	1.4	2.9	2.3
	(average for the quarter : %)															
Savings Rate	5.1	5.5	4.9	4.6	4.9	4.8	4.7	4.7	4.2	3.8	3.4	3.2	3.7	5.0	4.8	3.6
OTHER INDICATORS																
	(quarter average or period end : a.r.)															
Unemployment Rate (%)	7.8	8.4	8.5	8.4	8.3	8.2	8.1	8.0	8.0	7.9	7.8	7.7	6.1	8.3	8.2	7.8
Housing Starts (thousands)	132	128	156	180	191	183	170	176	174	179	182	185	212	149	180	180
Motor Vehicle Sales (millions)	1.42	1.45	1.53	1.55	1.59	1.61	1.62	1.63	1.64	1.66	1.68	1.71	1.67	1.49	1.61	1.68
	(quarter/quarter % change : a.r.)															
Employment Growth	-5.9	-1.1	-0.1	1.3	1.6	1.2	1.6	2.3	1.3	1.2	1.2	1.5	1.5	-1.6	1.1	1.5
Industrial Production	-18.1	-14.5	-4.9	8.8	6.1	2.4	3.2	3.4	5.0	5.5	3.4	2.2	-4.2	-10.0	2.5	4.0

Note: Outlined areas represent forecast periods

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	2009				2010				2011				2008	2009	2010	2011
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4				
PRODUCTION																
	(quarter/quarter % change : a.r.)															
Real GDP (chain-weighted)	-6.4	-0.7	2.2	5.6	3.2	2.2	2.3	2.7	3.4	3.5	3.6	3.7	0.4	-2.4	3.0	3.1
Final Sales	-4.1	0.7	1.5	1.7	2.5	2.1	2.2	2.5	3.1	3.5	3.6	3.6	0.8	-1.7	2.0	3.0
Final Domestic Demand	-6.4	-0.9	2.3	1.4	2.4	1.9	2.1	2.4	3.0	3.4	3.5	3.6	-0.4	-2.7	1.9	2.9
Consumer Spending	0.6	-0.9	2.8	1.6	3.2	2.0	2.3	2.4	2.9	3.4	3.8	3.7	-0.2	-0.6	2.2	2.9
durables	3.9	-5.6	20.4	0.4	2.5	1.7	2.0	2.0	2.5	3.5	4.0	5.0	-4.5	-3.9	3.4	2.8
nondurables	1.9	-1.9	1.5	4.0	5.9	2.0	2.0	2.3	3.0	4.0	5.0	5.0	-0.8	-1.0	3.0	3.2
services	-0.3	0.2	0.8	1.0	2.9	2.0	2.4	2.5	3.0	3.2	3.3	3.0	0.7	0.1	1.9	2.8
Government Spending	-2.6	6.7	2.7	-1.3	3.8	1.4	0.5	1.0	2.3	2.4	1.9	2.2	3.1	1.8	1.8	1.7
Business Investment	-39.2	-9.6	-5.9	5.3	-5.8	1.6	3.5	4.7	4.2	4.7	4.8	4.7	1.6	-17.8	-0.9	4.3
non-residential construction	-43.6	-17.3	-18.4	-18.1	-10.0	-2.0	2.2	4.0	3.5	4.0	3.7	4.0	10.3	-19.8	-9.6	3.2
equipment & software	-36.4	-4.9	1.5	19.0	-2.0	3.0	4.0	5.0	4.5	5.0	5.2	5.0	-2.6	-16.6	4.0	4.7
Residential Construction	-38.2	-23.2	18.9	3.7	1.0	4.0	5.0	5.0	4.8	5.0	5.2	5.5	-22.9	-20.5	3.1	4.9
Exports	-29.9	-4.1	17.8	22.8	8.0	5.7	4.7	5.2	4.0	3.9	3.7	3.7	5.4	-9.6	9.9	4.3
Imports	-36.4	-14.7	21.3	15.8	6.3	3.3	3.8	4.2	3.2	3.2	3.2	3.0	-3.2	-13.9	7.2	3.5
	(billions of 2005 dollars : a.r.)															
Inventory Change	-113.9	-160.2	-139.2	-19.7	2.0	6.0	11.0	18.0	28.0	30.0	29.0	30.0	-25.7	-108.7	9.3	29.3
Net Exports	-386.5	-330.3	-357.4	-348.0	-346.8	-340.3	-340.0	-339.8	-339.0	-339.0	-339.5	-339.1	-494.3	-355.6	-341.7	-339.2
Contribution to GDP Growth	2.6	1.8	-0.8	0.3	0.0	0.2	0.0	0.0	0.0	-0.0	-0.0	0.0	1.2	1.0	0.1	0.0
	(billions of dollars : a.r.)															
Nominal GDP	14 178	14 151	14 242	14 454	14 622	14 751	14 889	15 049	15 251	15 460	15 675	15 895	14 441	14 256	14 828	15 570
(% chng : a.r.)	-4.6	-0.8	2.6	6.1	4.7	3.6	3.8	4.4	5.5	5.6	5.7	5.7	2.6	-1.3	4.0	5.0
INFLATION																
	(quarter/quarter % change : a.r.)															
GDP Price Index	1.9	-0.0	0.4	0.5	1.5	1.3	1.4	1.6	2.0	2.0	2.0	2.0	2.1	1.2	1.0	1.8
Core PCE Deflator	1.1	2.0	1.2	1.6	0.6	1.7	0.9	1.1	0.4	1.8	1.5	1.1	2.4	1.5	1.2	1.1
CPI All Items	-2.2	1.9	3.7	2.6	1.6	1.9	1.8	2.0	1.4	2.2	2.0	1.8	3.8	-0.3	2.2	1.8
Excl. Food & Energy	1.6	2.3	1.5	1.5	0.0	1.8	1.0	1.2	0.5	1.9	1.6	1.2	2.3	1.7	1.2	1.2
Food Prices	0.1	-1.5	-1.3	0.4	1.8	1.2	1.2	1.2	2.0	2.3	1.3	1.2	5.5	1.8	0.7	1.6
Energy Prices	-33.6	3.4	37.4	16.7	16.1	3.3	8.7	9.2	7.0	4.8	5.9	7.0	13.7	-18.1	13.8	6.8
Services	1.1	0.2	0.9	1.3	-0.2	1.2	1.2	1.2	1.2	1.2	1.2	1.2	3.5	1.4	0.8	1.2
	(year/year % change)															
CPI All Items	-0.2	-1.0	-1.6	1.5	2.4	2.4	2.0	1.8	1.7	1.8	1.9	1.8				
Excl. Food & Energy	1.7	1.8	1.5	1.7	1.4	1.2	1.1	1.0	1.1	1.2	1.3	1.3				
FINANCIAL																
	(average for the quarter)															
Fed Funds Rate	0.13	0.13	0.13	0.13	0.13	0.13	0.25	0.75	1.33	1.83	2.25	2.75	1.86	0.13	0.31	2.04
90 Day T-Bill	0.21	0.17	0.16	0.06	0.10	0.13	0.26	0.76	1.34	1.84	2.26	2.76	1.39	0.15	0.31	2.05
3-Month Libor	1.25	0.87	0.42	0.27	0.25	0.25	0.38	0.88	1.46	1.96	2.38	2.88	2.92	0.70	0.44	2.17
10 Year Bond Yield	2.74	3.31	3.52	3.46	3.70	3.71	3.78	3.93	4.17	4.42	4.67	4.92	3.67	3.26	3.78	4.54
FOREIGN TRADE																
	(billions of dollars : a.r.)															
Current Account Balance	-417	-391	-409	-462	-477	-475	-481	-486	-483	-486	-484	-486	-706	-420	-480	-485
Merchandise Balance	-496	-462	-528	-582	-613	-615	-625	-636	-640	-645	-651	-656	-840	-517	-622	-648
Non-Merchandise Balance	79	71	119	120	136	140	144	149	157	160	167	170	134	97	142	163
	(average for the quarter)															
Exchange Rate (¥/US\$)	94	97	94	90	90	92	96	99	102	104	107	109	103	94	94	105
Exchange Rate (US\$/€)	1.30	1.36	1.43	1.48	1.38	1.36	1.39	1.42	1.42	1.40	1.39	1.38	1.47	1.39	1.39	1.40
Exchange Rate (US\$/£)	1.44	1.55	1.64	1.63	1.56	1.52	1.55	1.59	1.62	1.64	1.67	1.69	1.85	1.57	1.56	1.65
COMMODITY PRICES																
	(average for the quarter)															
WTI spot (US\$/bbl)	43.0	59.5	68.2	76.1	78.5	77.1	76.3	80.0	83.7	84.3	85.0	87.0	99.6	61.7	78.0	85.0
Henry Hub spot (US\$/mmBtu)	4.6	3.7	3.2	4.4	5.2	4.5	4.7	5.6	6.1	5.5	5.4	6.0	8.9	4.0	5.0	5.8
	(year/year % change)															
Pre-tax Profits with IVA and CCA	-19.0	-12.6	-6.6	30.6	29.2	26.9	16.7	9.7	6.7	6.2	5.7	5.6	-11.8	-3.8	20.0	6.0
Personal Income	-1.6	-2.0	-2.3	-1.1	2.1	2.4	3.9	4.3	4.7	4.9	5.2	5.4	2.9	-1.7	3.2	5.1
Real Disposable Income	1.0	0.2	1.5	0.9	1.3	1.0	3.2	4.1	4.3	3.9	3.5	3.3	0.5	0.9	2.4	3.8
	(average for the quarter)															
Savings Rate (%)	3.7	5.4	3.9	3.9	3.6	4.3	4.9	5.4	5.4	5.4	5.3	5.2	2.7	4.3	4.6	5.3
OTHER INDICATORS																
	(average or end for the quarter : a.r.)															
Unemployment Rate (%)	8.2	9.3	9.7	10.0	9.7	9.7	9.6	9.5	9.2	8.9	8.4	8.0	5.8	9.3	9.6	8.6
Housing Starts (millions)	0.53	0.54	0.59	0.56	0.59	0.60	0.69	0.76	0.80	0.87	0.95	0.99	0.90	0.55	0.66	0.90
Motor Vehicle Sales (millions)	9.5	9.6	11.5	10.9	10.5	11.0	11.7	12.5	13.0	13.2	13.4	13.6	13.2	10.4	11.4	13.3
	(quarter/quarter % change : a.r.)															
Civilian Employment Growth	-6.3	-3.1	-3.2	-3.4	1.2	1.6	1.1	1.3	1.9	2.2	2.8	2.7	-0.5	-3.8	-0.4	1.9
Industrial Production	-19.0	-10.4	6.4	6.6	6.5	2.5	3.0	3.2	3.4	3.6	3.5	3.4	-2.2	-9.7	4.0	3.3

Note: Outlined areas represent forecast periods

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Provincial Economic Outlook

BMO Capital Markets Economics

March 26, 2010

	Cda	BC	Alta	Sask	Man	Ont	Que	NB	NS	PEI	Nfld
Real GDP Growth (% change, chain-weighted)											
2007	2.5	2.9	2.5	3.6	3.6	2.3	2.8	0.4	1.2	2.5	9.1
2008	0.4	0.0	0.0	4.2	2.0	-0.5	1.0	0.0	2.2	0.5	0.5
2009 f	-2.6	-2.4	-2.5	-2.3	-0.3	-3.5	-1.9	-0.6	-0.5	-1.2	-4.9
2010 f	3.2	3.8	3.4	3.7	3.0	2.9	2.8	2.4	2.3	2.5	3.9
2011 f	3.2	4.0	4.0	3.8	3.1	3.0	2.9	2.6	2.7	2.3	2.8
Employment Growth (% change)											
2007	2.3	3.2	4.7	2.1	1.6	1.6	2.3	2.0	1.3	1.1	0.6
2008	1.5	2.1	2.7	2.2	1.8	1.4	0.7	1.0	1.3	1.3	1.4
2009	-1.6	-2.3	-1.2	1.5	0.0	-2.4	-0.9	0.1	0.0	-1.1	-2.4
2010 f	1.1	1.6	1.3	1.6	1.2	1.1	0.9	0.9	0.8	2.2	1.5
2011 f	1.5	2.0	1.8	2.1	1.1	1.6	1.0	1.0	0.9	0.9	1.4
Unemployment Rate (percent)											
2007	6.0	4.2	3.5	4.2	4.4	6.4	7.2	7.6	8.0	10.4	13.6
2008	6.2	4.6	3.6	4.1	4.1	6.5	7.3	8.6	7.7	10.7	13.3
2009	8.3	7.6	6.6	4.8	5.2	9.0	8.5	8.8	9.2	12.0	15.5
2010 f	8.2	7.6	6.4	4.8	5.2	9.0	8.2	9.0	9.3	11.0	14.9
2011 f	7.8	7.4	6.2	4.4	5.0	8.5	7.9	8.8	9.0	10.1	14.1
Housing Starts (thousands)											
2007	227.9	39.3	48.1	5.9	5.8	68.0	48.7	4.1	4.8	0.7	2.6
2008	212.6	34.4	30.0	6.9	5.5	75.5	47.9	4.2	4.3	0.7	3.1
2009	147.6	15.9	19.8	3.7	4.1	50.1	43.3	3.5	3.4	0.8	3.1
2010 f	180.0	27.0	24.3	5.0	4.6	61.1	46.3	3.6	3.7	0.9	3.6
2011 f	180.0	24.5	25.0	4.0	4.6	66.0	44.5	3.8	3.8	0.6	3.2
Consumer Price Index (% change)											
2007	2.1	1.8	4.9	2.9	2.1	1.8	1.7	1.9	1.9	1.8	1.6
2008	2.4	2.1	3.2	3.2	2.2	2.3	2.1	1.7	3.0	3.4	2.9
2009	0.3	0.0	-0.1	1.1	0.6	0.4	0.6	0.3	-0.1	-0.1	0.3
2010 f	2.1	1.9	2.3	2.1	1.7	2.3	2.2	2.2	1.9	2.0	2.3
2011 f	1.8	2.0	2.2	2.3	1.9	1.8	1.7	1.7	1.8	1.5	1.9

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ECONOMICS

AVERY SHENFELD

Rate Hikes and Potato Chips

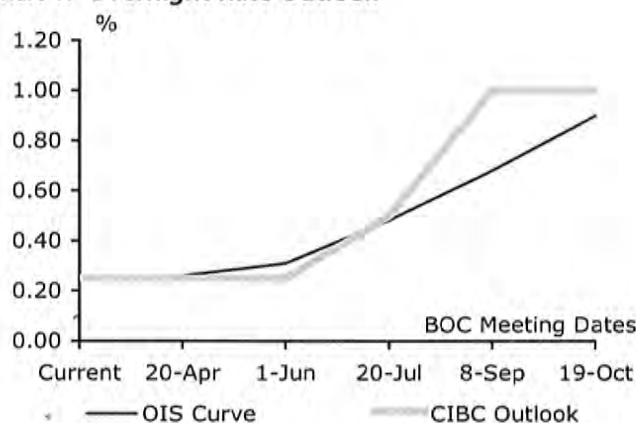
Is it too late to jump on board the flattening trade in the Government of Canada bond market? It would seem that we've come a long way to pricing in the damage to the two-year part of the curve from anticipated rate hikes by the Bank of Canada. For a central bank committed to keeping rates near zero through the end of June, Carney's team could hardly have been more hawkish in its recent statement. Inflation risks were back to balanced having previously been tilted to the low side of the forecast, and some of the recent upward pressure on core prices was judged to be a reflection of improving demand rather than dismissed as temporary. So nobody should be surprised, the bond market included, if the Bank begins hiking rates as soon as its June-end line in the sand has passed.

Yet don't be quick to conclude that the worst has been priced in. Thus far, the OIS curve still has less than a 75-bp course of rate hikes over the first three post-June BoC rate setting dates, a bit below even our relatively dovish forecast for the projected pace (Chart 1). And although we believe the Bank will indeed take it very slowly after the first 75-100 bps of hikes, that's not the way the bond market is likely to see it once the ball gets rolling.

History shows that in the market's eyes, rate hikes are like potato chips—once you open the bag and take the first bite, you end up eating them all. As a result, once one hike is in the books, investors are likely to tack on many more to existing expectations, whether justified or not. At that point, two-year yields will be substantially higher than they are today (Table 1).

Table 1. **Interest and Exchange Rate Forecast**

		2010			2011		
END OF PERIOD:		8-Mar	Jun	Sep	Dec	Mar	Jun
CDA	Overnight target rate	0.25	0.25	1.00	1.00	1.00	1.50
	98-Day Treasury Bills	0.20	0.60	1.15	1.05	1.15	1.75
	2-Year Gov't Bond	1.52	1.90	2.35	2.00	2.40	2.70
	10-Year Gov't Bond	3.51	3.65	3.80	3.75	4.00	4.05
	30-Year Gov't Bond	4.12	4.20	4.40	4.30	4.35	4.40
U.S.	Federal Funds Rate	0.15	0.15	0.15	0.25	0.75	1.50
	91-Day Treasury Bills	0.16	0.10	0.10	0.20	1.00	1.50
	2-Year Gov't Note	0.88	1.10	1.20	1.35	2.20	2.45
	10-Year Gov't Note	3.70	3.80	3.95	4.10	4.45	4.45
	30-Year Gov't Bond	4.68	4.75	4.95	4.85	5.05	5.05
	Canada - US T-Bill Spread	0.04	0.50	1.05	0.85	0.15	0.25
	Canada - US 10-Year Bond Spread	-0.19	-0.15	-0.15	-0.35	-0.45	-0.40
	Canada Yield Curve (30-Year — 2-Year)	2.59	2.30	2.05	2.30	1.95	1.70
	US Yield Curve (30-Year — 2-Year)	3.80	3.65	3.75	3.50	2.85	2.60
EXCHANGE RATES	CADUSD	0.97	0.99	1.02	0.97	0.96	1.00
	USDCAD	1.03	1.01	0.98	1.03	1.04	1.00
	USDJPY	90	93	90	87	86	86
	EURUSD	1.36	1.35	1.41	1.45	1.47	1.48
	GBPUSD	1.50	1.48	1.55	1.61	1.65	1.68
	AUDUSD	0.914	0.940	0.960	1.000	0.990	0.995
	USDCHF	1.08	1.08	1.05	1.03	1.02	1.03
	USDBRL	1.78	1.80	1.75	1.72	1.70	1.69
	USDMXN	12.8	13.0	12.7	12.5	12.3	12.3

Chart 1. **Overnight Rate Outlook**

Source: Tullett Prebon (Mar 5), CIBC

In this case, that will likely represent an overshoot of the coming reality. Because there are many good reasons for the Bank of Canada to be extremely cautious in the timetable for bringing rates back to historical norms.

For one, if as we expect, the Bank is out in front of the Fed by a couple of quarters, a higher Canadian dollar will help to tighten monetary conditions. The Aussie dollar jumped five cents in the days after the RBA launched its rate hike cycle. That move was ahead of market expectations by a few months, and the Canadian dollar is instead likely to move more in anticipation rather than in reaction, given Carney's greater communication with the market. Indeed, we've already seen the Canadian dollar gain several cents in recent weeks as the market begins to firm up expectations for a July hike, even against the backdrop of US dollar strength. But it's easy to see the C\$ running a few cents through parity after the first hike as the market prices in an even wider short-rate differential vs. the US.

Second, is the fiscal drag set to hit in 2011. Flaherty's budget chops \$19 bn out of the Canadian economy in one fell swoop, simply by letting stimulus plans expire on schedule. Most provinces will be following a similar course. Note that Canada survived the post-1994 tightening by easing monetary conditions (mostly through the C\$) during the sharpest period of fiscal restraint, as did the US when, under Clinton, falling bond yields spurred private investment as the US moved from deficit to surplus. That option isn't available this time, with interest rates already near zero, and the Canadian dollar finding a bid as investors look at a much worse fiscal picture in most other developed economies.

Finally, there's the uncertainty that the Bank will still face regarding the global outlook after 2010. It's not just Canada that will be weathering a fiscal tightening—it's the US, Europe, Japan and China as well. Banking reforms could restrain lending room globally, and the US housing market, the root source of the 2008-09 shock, is still a mess. Going full bore with rate hikes in the first year or so of recovery risks having to do an about-face if any of these minefields blow up. That's exactly the lesson we hope the Bank learned after its go-it-alone rate hikes in 2002 had to be subsequently reversed.

Indeed, we expect fiscal tightening, the end of the initial inventory cycle boost to US growth, and a cautious consumer stateside to visibly slow North American growth in the latter part of the year (Table 2), putting Canada's rate hike cycle on pause after only the first 75 bps of hikes this summer. Look for a nice rally in the front end when the market senses that the Bank of Canada can leave a lot of the chips in the bag after its first few bites. But until then, it's not too late to bet on a further bear market flattening in the Canadian curve as the market overshoots in its expectations for monetary policy tightening.

Table 2. **Economic Update**

	09Q4A	10Q1F	10Q2F	10Q3F	10Q4F	11Q1F	11Q2F	2008A	2009A	2010F	2011F
CANADA											
Real GDP Growth (AR)	5.0	4.1	3.1	1.5	1.9	2.9	3.4	0.4	-2.6	2.7	2.9
Real Final Domestic Demand (AR)	4.6	3.8	3.0	2.7	2.4	1.9	1.9	2.6	-1.7	3.6	2.4
All Items CPI Inflation (Y/Y)	0.8	1.7	1.8	2.1	1.7	1.5	2.0	2.4	0.3	1.8	2.0
Core CPI Ex Indirect Taxes (Y/Y)	1.6	1.9	1.7	1.7	1.6	1.6	1.9	1.7	1.8	1.7	2.0
Unemployment Rate (%)	8.4	8.2	8.0	8.2	8.3	8.2	8.1	6.2	8.3	8.2	8.0
U.S.											
Real GDP Growth (AR)	5.9	3.2	4.0	1.3	0.7	2.4	2.6	0.4	-2.4	3.1	2.4
Real Final Sales (AR)	1.9	2.5	3.0	1.7	0.7	2.0	2.2	0.8	-1.7	2.0	2.3
All Items CPI Inflation (Y/Y)	1.4	2.3	1.6	1.9	2.0	2.3	3.2	3.8	-0.4	2.0	3.1
Core CPI Inflation (Y/Y)	1.7	1.3	0.9	0.9	1.0	1.5	1.8	2.3	1.7	1.0	2.0
Unemployment Rate (%)	10.0	9.8	9.9	10.1	10.1	10.2	9.6	5.8	9.3	10.0	9.5



Provincial Real GDP Forecast

March 15, 2010

Y/Y %	Actual 2008	CIBC Forecast			Reference Historical Averages*	
		2009	2010	2011	5Y ('03-'08)	10Y ('98-'08)
BC	0.0	-2.7	3.2	3.4	3.1	3.0
Alta	0.0	-2.5	2.9	4.0	3.6	3.3
Sask	4.2	-2.1	3.5	4.0	3.0	2.1
Man	2.0	-0.2	2.6	3.0	2.7	2.3
Ont	-0.5	-3.5	2.8	2.7	1.9	2.9
Qué	1.0	-1.5	2.4	2.6	2.0	2.5
NB	0.0	-0.5	2.2	2.3	1.4	2.4
NS	2.2	0.0	2.0	2.1	1.2	2.3
PEI	0.5	-0.5	1.8	2.0	1.9	2.1
N&L	0.5	-4.0	3.1	3.3	2.8	4.7
CDA	0.4	-2.6	2.7	2.9	2.4	2.9
US	0.4	-2.4	3.1	2.4	2.4	2.6

Sources: Statistics Canada (Actuals); CIBC (Forecasts)

* Compound annual growth rates based on actual Statistics Canada data

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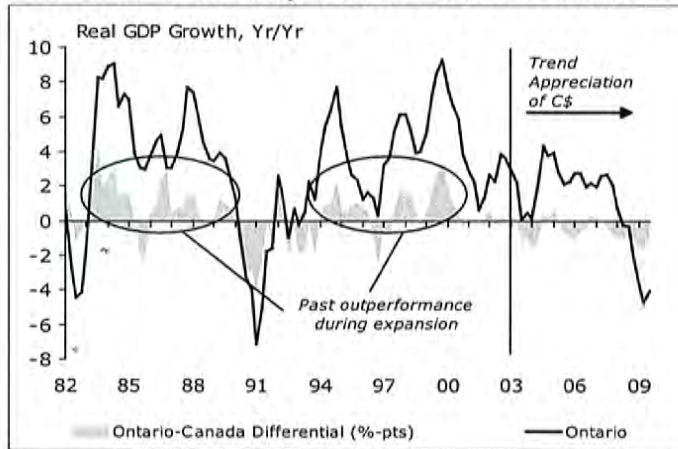
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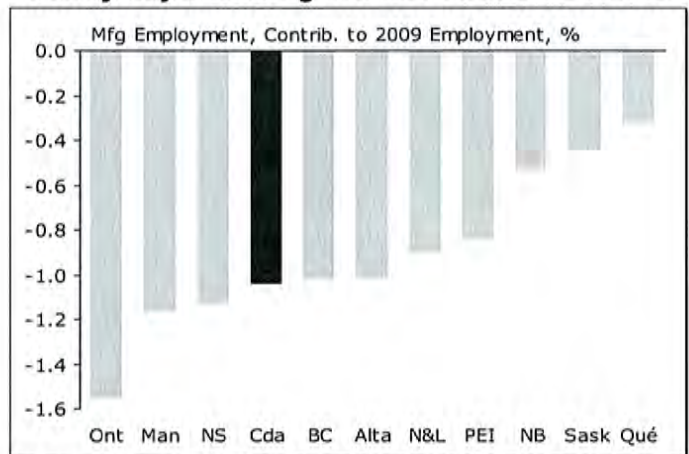
Sources: CIBC, Statistics Canada

Chart 8
Ontario Led Country Out of Past Recessions



Source: Statistics Canada

Chart 9
Factory Layoffs Weighed Heaviest on Ontario



Source: Statistics Canada

Ontario Picks Up the Pieces

For Ontario, 2009 was a year to forget. But as growth returns, how will Ontario stack up? It was once the case that Ontario outperformed in expansion, at least until the C\$ began its trend appreciation (Chart 8). Since that time, Ontario has lagged the national average.

That makes recent developments all the more notable. Ontario outpaced the national average by a significant margin in Q3, and with momentum carried into the first half of this year, Ontario's full-year growth rate should exceed the national average for the first time in eight years.

This year's growth rate captures comparisons to depressed levels of activity in 2009. That's particularly true in manufacturing, where shipments slumped and factory job losses lopped more than 1.5% off total employment (Chart 9). Once an inventory restocking has run its course, growth could be harder to sustain.

While its weight is diminished, the factory sector must contend with an overvalued exchange rate. Lower US costs and heightened competition from emerging Asia pose a threat to Ontario, North America's largest auto producer. And as a net-energy importer, higher oil and gas prices won't do producers any favours. Future years will also feel the drag from government belt tightening.

Table 3
Detailed Provincial Economic Forecast

	Employment Yr/Yr % Chg			Unemployment Rate %			Retail Sales Yr/Yr % Chg			Housing Starts 000s Units			Consumer Price Index Yr/Yr % Chg		
	2009A	2010F	2011F	2009A	2010F	2011F	2009E	2010F	2011F	2009A	2010F	2011F	2009A	2010F	2011F
BC	-2.4	1.5	2.1	7.6	7.8	7.4	-4.9	7.5	5.5	15.9	22.5	23.5	0.0	2.0	2.3
Alta	-1.3	1.3	2.4	6.6	7.0	6.4	-8.8	3.0	8.5	19.8	28.5	31.0	-0.1	1.6	2.1
Sask	1.5	1.4	2.2	4.8	4.9	4.5	-2.2	4.5	7.5	3.7	5.3	5.8	1.1	1.5	2.0
Man	0.0	0.8	1.6	5.2	5.3	5.0	-1.0	5.0	6.0	4.1	4.8	5.0	0.6	1.5	1.8
Ont	-2.4	1.2	1.5	9.0	9.1	8.9	-2.3	3.8	5.5	50.1	58.0	59.0	0.4	2.1	2.2
Qué	-1.0	1.0	1.6	8.5	8.4	8.3	-0.9	4.2	5.0	43.3	48.5	48.5	0.6	1.5	1.7
NB	0.1	0.8	1.5	8.9	8.8	8.6	-0.2	4.0	4.7	3.5	3.8	3.9	0.3	1.4	1.6
NS	-0.1	0.9	1.3	9.2	9.3	9.1	0.5	4.5	4.5	3.4	3.7	3.8	-0.1	1.5	1.8
PEI	-1.1	1.0	1.2	12.1	11.8	11.6	-0.5	3.5	4.3	0.8	1.1	1.1	-0.1	1.3	1.5
N&L	-2.4	1.3	2.0	15.5	15.7	15.1	3.0	5.5	7.0	3.1	3.5	3.6	0.3	1.7	2.0
CDA	-1.6	1.2	1.7	8.3	8.3	8.1	-3.0	4.4	5.8	148	180	185	0.3	1.8	2.0

Source: CIBC, Statistics Canada, CMHC



**NATIONAL
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FINANCIAL GROUP

Monthly ECONOMIC MONITOR

March 2010

Highlights

- Despite many encouraging global indicators, there is considerable unevenness among regions. In the euro zone, the recovery is on a shaky footing. However, we doubt that the European difficulties will derail the global recovery. We maintain our outlook of 2010 global GDP growth in excess of 4%.
- The economic news of the past month supports our 2010 U.S. growth forecast of 3.4%. Our optimism is based on a shift of support for the economy from the public to the private sector. We are confident that domestic demand will firm in the months ahead.
- The pace of the Canadian economy is quickening. Employment growth remains strong, with the private sector adding 100,000 jobs in three months. Hours worked began the year in strength, auguring the steepest quarterly rise of labour input since 2007. The stage is set for robust Canadian growth in the coming quarters.

	2009	2010	2011	Change from Previous Forecast	
				2010	2011
United States					
GDP	-2.4%	3.4%	2.2%	unch	unch
CPI inflation	-0.3%	2.7%	2.2%	unch	unch
Overnight rate*	0.11%	1.25%	2.25%	unch	unch
Ten-year bond yield*	3.84%	4.34%	4.33%	unch	unch
Canada					
GDP	-2.5%	3.1%	2.2%	unch	unch
CPI inflation	0.3%	1.7%	2.3%	+0.1pp	-0.1pp
Overnight rate*	0.25%	1.75%	2.25%	unch	unch
Ten-year bond yield*	3.61%	4.14%	4.08%	unch	unch
USD/CAD	0.92	0.94	0.95	unch	unch

* end of period

ECONOMIC AND STRATEGY GROUP – 514.879.2529
Stéfane Marion, Chief Economist and Strategist

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Canada Economic Forecast

<i>(Annual % change)*</i>	<i>As of 02/26/2010</i>					<i>Q4/Q4</i>	
	<i>2007</i>	<i>2008</i>	<i>2009</i>	<i>2010</i>	<i>2011</i>	<i>2010</i>	<i>2011</i>
Gross domestic product (2002 \$)	2.5	0.4	(2.5)	3.1	2.2	3.8	1.4
Consumption	4.6	3.0	0.1	2.7	2.6	2.6	2.7
Residential construction	2.9	(2.7)	(8.4)	2.4	1.2	0.6	1.0
Business investment	3.7	0.2	(14.9)	1.5	7.1	7.3	6.3
Government expenditures	3.7	4.8	3.9	3.1	2.6	2.4	2.5
Exports	1.1	(4.7)	(13.9)	5.0	2.1	4.2	1.0
Imports	5.8	0.8	(13.9)	6.7	5.1	4.0	5.7
Change in inventories (millions \$)	14,990	12,241	(6,874)	5,875	9,750	8,000.0	10,000.0
Domestic demand	4.1	2.6	(1.6)	2.7	3.1	3.0	3.0
Real disposable income	3.6	4.2	1.2	2.1	2.3	2.5	2.2
Employment	2.3	1.5	(1.6)	0.9	1.2	1.1	1.2
Unemployment rate	6.0	6.2	8.3	8.2	7.9	8.0	7.8
Inflation	2.2	2.4	0.3	1.7	2.2	1.9	2.5
Before-tax profits	4.1	5.7	(34.8)	13.3	8.6	15.0	5.0
Federal balance (Public Acc., bil. \$)	\$9.6	\$0.0	(\$45.0)	(\$30.0)	(\$20.0)
Current account (bil. \$)	\$15.6	\$8.1	(\$41.3)	(\$12.3)	\$1.5	(\$5.0)	\$2.0

* or as noted

Financial Forecast*

	<i>Current</i>					<i>2010</i>	<i>2011</i>
	<i>2/19/10</i>	<i>Q1/10</i>	<i>Q2</i>	<i>Q3</i>	<i>Q4</i>		
Overnight rate	0.25	0.25	0.75	1.25	1.75	1.75	2.25
Prime rate	2.25	2.25	2.75	3.00	3.50	3.50	4.00
3 month T-Bills	0.23	0.53	0.96	1.44	2.02	2.02	2.22
Treasury yield curve							
2-Year	1.40	1.45	1.97	2.22	2.43	2.43	2.70
5-Year	2.59	2.87	3.24	3.48	3.52	3.52	3.60
10-Year	3.50	3.73	3.99	4.19	4.14	4.14	4.08
30-Year	4.08	4.23	4.35	4.51	4.45	4.45	4.37
Exchange rates*							
USD per CAD	0.96	0.97	0.95	0.93	0.92	0.94**	0.95**

National Bank Financial

* end of period

** annual average

**United States
Economic Forecast**

<i>(Annual % change)*</i>	<i>As of 02/26/2010</i>					<i>Q4/Q4</i>	
	<i>2007</i>	<i>2008</i>	<i>2009</i>	<i>2010</i>	<i>2011</i>	<i>2010</i>	<i>2011</i>
Gross domestic product (2005 \$)	2.1	0.4	(2.4)	3.4	2.2	3.1	1.9
Consumption	2.7	(0.2)	(0.6)	2.1	1.7	2.2	1.5
Residential construction	(18.5)	(22.9)	(20.4)	7.6	6.3	9.5	5.0
Business investment	6.2	1.6	(17.7)	4.1	6.2	7.7	4.7
Government expenditures	1.7	3.1	1.9	1.9	2.0	2.1	2.0
Exports	8.7	5.4	(9.6)	10.6	3.9	6.7	3.0
Imports	2.0	(3.2)	(13.9)	10.6	5.7	9.2	4.5
Change in inventories (bil. \$)	19.5	(25.9)	(107.6)	48.0	77.5	70.0	85.0
Domestic demand	1.7	(0.4)	(2.7)	2.4	2.3	2.9	2.0
Real disposable income	2.2	0.5	0.9	2.1	2.3	2.9	1.8
Household employment	1.2	(0.5)	(3.8)	(0.0)	1.7	2.0	1.5
Unemployment rate	4.6	5.8	9.3	9.7	9.3	9.5	9.3
Inflation	2.9	3.8	(0.3)	2.7	2.2	2.2	2.4
Before-tax profits	(4.1)	(11.8)	(5.2)	13.2	5.5	8.0	4.0
Federal balance (unified budget, bil)	(\$161.0)	(\$459.0)	(\$1,800.0)	(\$1,200.0)	(\$900.0)
Current account (bil. \$)	(\$746.0)	(\$690.0)	(\$410.0)	(\$490.0)	(\$450.0)	(\$450.0)	(\$450.0)

* or as noted

Financial Forecast

	<i>Current</i>						
	<i>2/19/10</i>	<i>Q1/10</i>	<i>Q2</i>	<i>Q3</i>	<i>Q4</i>	<i>2010</i>	<i>2011</i>
Fed Fund Target Rate	0.13	0.16	0.23	0.75	1.25	1.25	2.25
3 month Treasury bills	0.10	0.07	0.42	0.93	1.33	1.33	2.18
Treasury yield curve							
2-Year	0.92	1.04	1.57	1.77	2.04	2.04	2.60
5-Year	2.45	2.55	3.09	3.30	3.41	3.41	3.66
10-Year	3.78	3.85	4.16	4.38	4.34	4.34	4.33
30-Year	4.71	4.74	4.88	5.03	4.99	4.99	4.99
Exchange rates*							
U.S.\$/Euro	1.36	1.38	1.35	1.30	1.25	1.33**	1.30**
YEN/U.S.\$	92	98	102	108	110	105**	104**

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* end of period

** annual average

Main economic indicators

PROVINCES

% growth	2006	2007	2008	2009f	2010f
REAL GDP					
Newfoundland & Labrador	3.5	9.1	0.5	-2.5	2.0
Prince Edward Island	2.7	2.5	0.5	1.0	1.7
Nova Scotia	0.8	1.2	2.2	0.5	1.8
New Brunswick	2.7	0.4	0.0	0.5	1.9
Quebec	1.7	2.8	1.0	-1.5	2.4
Ontario	2.4	2.3	-0.5	-3.3	3.1
Manitoba	3.3	3.6	2.0	0.0	2.3
Saskatchewan	-1.0	3.6	4.2	-2.5	3.1
Alberta	6.2	2.5	0.0	-2.5	2.8
British Columbia	4.2	2.9	0.0	-2.0	3.4

% growth	2006	2007	2008	2009f	2010f
EMPLOYMENT					
Newfoundland & Labrador	0.7	0.7	1.4	-2.3	0.5
Prince Edward Island	0.5	1.2	1.2	-1.0	0.7
Nova Scotia	-0.3	1.3	1.2	0.0	0.2
New Brunswick	1.4	2.1	0.9	0.0	0.5
Quebec	1.3	2.3	0.8	-1.0	0.4
Ontario	1.5	1.5	1.4	-2.4	0.5
Manitoba	1.2	1.6	1.7	0.1	0.5
Saskatchewan	1.7	2.1	2.2	1.4	0.8
Alberta	4.8	4.7	2.7	-1.2	1.0
British Columbia	3.1	3.2	2.1	-2.4	1.2

Thousands	2006	2007	2008	2009f	2010f
HOUSING STARTS					
Newfoundland & Labrador	2.2	2.6	3.3	3.0	3.1
Prince Edward Island	0.7	0.7	0.7	0.8	0.7
Nova Scotia	4.9	4.8	4.0	3.6	3.7
New Brunswick	4.1	4.2	4.3	3.5	3.6
Quebec	47.9	48.6	47.9	41.0	41.0
Ontario	73.4	68.1	75.1	48.0	57.0
Manitoba	5.0	5.7	5.5	4.1	4.8
Saskatchewan	3.7	6.0	6.8	3.3	4.5
Alberta	49.0	48.3	29.2	18.4	20.5
British Columbia	36.4	39.2	34.3	15.5	23.5

f: forecast NBSG Economic Research



ECONOMIC FORECAST DETAIL – CANADA

March 11, 2010

Real growth in the economy

Quarter-over-quarter annualized percent change unless otherwise indicated

	2009				2010				Forecast				Forecast			
									2011				year-over-year % change			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	2008	2009	2010	2011
Consumer spending	-1.3	1.6	3.7	3.6	2.7	2.4	2.5	2.8	2.9	3.0	3.0	2.8	3.0	0.2	2.8	2.8
Durables	-11.7	3.6	12.8	10.7	9.7	6.3	5.1	4.8	5.0	5.3	5.8	4.8	5.6	-2.8	8.3	5.2
Semi-Durables	-7.6	-1.9	0.7	1.3	0.5	2.0	1.7	2.3	2.8	2.5	1.7	1.7	3.7	-2.9	1.1	2.3
Non-durables	2.6	0.0	1.6	-0.4	1.5	1.8	2.2	2.8	3.1	2.8	2.8	2.5	1.5	0.6	1.3	2.7
Services	0.3	2.4	3.1	4.1	2.0	1.9	2.2	2.4	2.3	2.6	2.6	2.7	2.9	1.1	2.6	2.4
Government spending	2.0	3.5	6.2	5.8	2.5	2.1	2.3	2.2	1.3	0.3	-0.4	-0.5	3.7	3.0	3.5	1.1
Business investment	-33.4	-10.7	7.6	4.3	7.2	8.0	2.9	6.1	8.2	6.2	4.4	4.4	-0.8	-14.1	5.0	6.0
Residential construction	-21.9	7.0	9.5	29.7	17.5	11.0	-4.5	3.4	10.0	5.0	0.7	1.0	-2.7	-7.4	12.7	4.2
Non-residential structures	-36.7	-22.0	-8.4	-8.5	-3.1	4.7	6.1	6.3	5.5	5.1	5.1	5.3	-0.1	-15.6	-3.1	5.5
Machinery & equipment	-40.4	-15.9	22.8	-9.2	4.5	7.4	8.9	9.1	8.5	8.7	8.3	7.7	0.5	-19.2	3.8	8.6
Final domestic demand	-7.4	0.3	5.6	4.6	3.7	3.4	2.5	3.2	3.4	2.8	2.3	2.2	2.6	-1.7	3.6	2.9
Exports	-30.2	-19.1	12.2	15.4	8.3	7.1	8.7	9.5	10.6	10.7	10.1	9.1	-4.7	-14.0	8.0	9.8
Imports	-39.2	-5.7	36.0	8.9	9.8	7.9	8.5	9.3	9.1	8.1	7.9	8.2	0.8	-13.4	10.9	8.6
Inventories (change in \$b)	-7.5	-6.3	-1.5	-4.3	-2.2	-1.2	1.8	3.9	5.7	7.5	11.0	15.1	12.2	-4.9	0.6	9.8
Real gross domestic product	-7.0	-3.5	0.9	5.0	3.8	3.4	3.4	3.7	4.2	4.0	3.9	3.5	0.4	-2.6	3.1	3.9

Other indicators

Year-over-year percent change unless otherwise indicated

Business and labour																
Productivity	0.4	0.6	0.3	1.1	1.3	1.4	2.0	1.6	1.7	1.7	1.7	1.5	-0.6	0.6	1.6	1.6
Pre-tax corporate profits	-30.9	-43.0	-39.9	-14.8	10.6	27.8	21.3	16.1	16.8	17.6	17.2	15.8	5.7	-33.2	18.6	16.8
Unemployment rate (%)**	7.8	8.4	8.5	8.4	8.4	8.5	8.4	8.1	8.0	7.8	7.6	7.4	6.1	8.3	8.4	7.7
Inflation																
Headline CPI	1.2	0.1	-0.9	0.8	1.6	1.6	2.2	1.8	2.0	2.3	2.1	2.1	2.4	0.3	1.8	2.1
Core CPI	1.9	1.9	1.6	1.6	1.8	1.6	1.6	1.6	1.6	1.7	1.8	1.9	1.7	1.7	1.6	1.8
External trade																
Current account balance (\$b)	-27.1	-43.8	-55.2	-39.1	-36.5	-35.9	-35.8	-33.9	-31.5	-29.5	-28.2	-28.0	8.1	-41.3	-35.5	-29.3
% of GDP	-1.8	-2.9	-3.6	-2.5	-2.3	-2.2	-2.2	-2.1	-1.9	-1.7	-1.6	-1.6	0.5	-2.7	-2.2	-1.7
Housing starts (000s)**	132	128	156	180	196	196	168	177	196	191	187	182	212	149	184	189
Motor vehicle sales (mill., saar)**	1.42	1.45	1.53	1.55	1.60	1.61	1.62	1.62	1.62	1.62	1.63	1.63	1.67	1.49	1.61	1.63

**Period average

Source: Statistics Canada, RBC Economics Research forecasts

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ECONOMIC FORECAST DETAIL – UNITED STATES

March 11, 2010

Real growth in the economy

Period-over-period annualized percent change unless otherwise indicated

	2009				2010				Forecast				Forecast			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	year-over-year % change			
													2008	2009	2010	2011
Consumer spending	0.6	-0.9	2.8	1.7	2.4	2.1	2.3	2.3	2.5	2.7	2.7	2.4	-0.2	-0.6	2.1	2.5
Durables	3.9	-5.6	20.4	0.2	7.5	12.6	11.8	11.5	8.9	8.8	6.4	5.3	-4.5	-3.9	8.5	9.4
Non-durables	1.9	-1.9	1.5	4.1	3.0	1.0	1.2	1.2	1.8	2.1	2.4	2.1	-0.8	-1.0	2.0	1.7
Services	-0.3	0.2	0.8	1.2	1.5	0.9	1.2	1.3	1.7	2.0	2.2	2.1	0.7	0.1	1.1	1.6
Government spending	-2.6	6.7	2.7	-1.2	2.1	2.7	1.0	0.7	0.3	0.0	-0.4	-0.5	3.1	1.9	1.7	0.4
Business investment	-39.0	-12.5	-1.3	6.2	-0.4	3.7	5.5	8.1	11.5	13.2	14.5	13.0	-5.1	-18.3	1.9	10.4
Residential construction	-38.2	-23.2	18.9	5.0	-1.5	10.7	12.1	10.3	16.0	21.7	23.5	19.3	-22.9	-20.4	5.1	16.3
Non-residential structures	-43.6	-17.3	-18.4	-13.9	-11.2	-7.9	-5.5	1.5	3.8	6.4	7.9	7.1	10.3	-19.6	-11.1	2.6
Equipment & software	-36.4	-4.9	1.5	18.2	5.4	6.6	8.2	10.5	13.5	13.1	14.1	13.4	-2.6	-16.7	7.4	11.9
Final domestic demand	-6.4	-0.9	2.3	1.6	2.1	2.4	2.4	2.7	3.1	3.4	3.4	3.1	-0.4	-2.7	2.0	3.0
Exports	-29.9	-4.1	17.8	22.4	15.6	7.5	10.5	11.5	10.1	11.1	11.5	11.5	5.4	-9.6	13.3	10.7
Imports	-36.4	-14.7	21.3	15.3	17.2	8.1	8.5	8.5	8.7	8.5	8.0	7.9	-3.2	-13.9	11.7	8.4
Inventories (change in \$b)	-113.9	-160.2	-139.2	-16.9	18.0	26.2	27.7	35.5	49.1	61.0	67.2	83.4	-25.9	-107.6	26.9	65.2
Real gross domestic product	-6.4	-0.7	2.2	5.9	2.5	2.4	2.5	3.1	3.5	3.9	3.9	3.8	0.4	-2.4	2.9	3.4

Other indicators

Year-over-year percent change unless otherwise indicated

Business and labour																
Productivity	1.8	3.0	4.6	5.9	6.6	4.7	3.5	2.4	2.1	2.7	2.7	2.7	2.1	3.8	4.3	2.5
Pre-tax corporate profits	-19.0	-12.6	-6.6	25.6	20.7	16.5	6.5	4.0	4.8	7.0	7.8	8.2	-11.8	-4.8	11.4	7.0
Unemployment rate (%)**	8.2	9.3	9.6	10.0	9.7	9.8	9.7	9.6	9.5	9.3	9.1	8.9	5.8	9.3	9.7	9.2
Inflation																
Headline CPI	0.0	-1.2	-1.6	1.4	2.5	2.4	1.8	1.5	1.8	1.9	1.8	1.7	3.8	-0.4	2.0	1.8
Core CPI	1.7	1.8	1.5	1.7	1.6	1.3	1.2	1.0	1.1	1.3	1.5	1.6	2.3	1.7	1.3	1.4
External trade																
Current account balance (\$b)	-418	-392	-432	-482	-514	-528	-530	-536	-547	-546	-538	-530	-706	-431	-527	-540
% of GDP	-2.9	-2.8	-3.0	-3.3	-3.5	-3.6	-3.6	-3.6	-3.6	-3.5	-3.4	-3.4	-4.9	-3.0	-3.6	-3.5
Housing starts (000s)**	528	540	587	559	636	651	680	712	775	852	927	981	900	553	670	884
Motor vehicle sales (millions, saar)**	9.5	9.6	11.5	10.8	10.7	11.5	12.2	12.8	13.1	13.4	13.5	13.5	13.2	10.3	11.8	13.4

**Period average

Source: Bureau of Economic Analysis, RBC Economics Research forecasts

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Interest rate outlook

%, end of period

	<u>09Q4</u>	<u>10Q1</u>	<u>10Q2</u>	<u>10Q3</u>	<u>10Q4</u>	<u>11Q1</u>	<u>11Q2</u>	<u>11Q3</u>	<u>11Q4</u>
Canada									
Overnight	0.25	0.25	0.25	0.75	1.25	2.00	2.75	3.25	3.50
Three-month	0.19	0.20	0.40	0.95	1.45	2.20	2.95	3.40	3.60
Two-year	1.47	1.50	2.10	2.55	2.75	3.00	3.30	3.90	4.10
Five-year	2.77	2.70	3.05	3.30	3.60	3.60	3.75	3.85	4.10
10-year	3.61	3.50	3.70	3.85	4.05	4.10	4.15	4.15	4.25
30-year	4.07	4.05	4.10	4.25	4.25	4.50	4.60	4.60	4.60
United States									
Fed funds	0 to 0.25	0 to 0.25	0 to 0.25	0 to 0.25	0.75	1.25	2.00	2.50	3.25
Three-month	0.06	0.15	0.25	0.35	0.90	1.75	2.60	2.75	3.00
Two-year	1.14	0.90	1.50	1.85	2.25	2.50	2.75	3.50	4.25
Five-year	2.69	2.40	2.90	3.15	3.40	3.50	3.65	3.75	4.00
10-year	3.85	3.75	4.00	4.25	4.50	4.25	4.25	4.25	4.50
30-year	4.63	4.75	4.75	4.75	4.75	4.75	4.75	4.75	4.75
United Kingdom									
Repo	0.50	0.50	0.50	0.50	0.50	1.00	1.50	2.00	2.50
Two-year	1.30	1.25	1.35	1.45	1.60	2.20	2.50	2.90	3.20
10-year	4.01	4.30	4.70	4.85	5.00	5.20	5.20	5.30	5.20
Eurozone									
Minimum bid	1.00	1.00	1.00	1.00	1.25	1.75	2.00	2.25	2.50
Two-year	1.33	1.20	1.20	1.40	1.80	2.30	2.60	2.90	3.20
10-year	3.40	3.50	3.60	3.80	4.00	4.30	4.60	4.70	4.70
Australia									
Cash target rate	3.75	4.00	4.25	4.75	5.00	5.25	5.50	6.00	6.00
Two-year	4.58	4.60	4.80	5.10	5.35	5.40	5.60	5.75	5.75
10-year	5.65	5.55	5.60	5.65	5.70	5.45	5.50	5.50	5.75
New Zealand									
Cash target rate	2.50	2.50	3.00	3.50	4.00	4.50	5.00	5.25	5.25
Three-year	5.00	4.60	4.80	5.00	5.25	5.50	5.75	6.00	6.00
10-year	6.10	5.75	6.00	6.15	6.20	6.10	6.00	6.00	6.00
Yield curve*									
Canada	214	200	160	130	130	110	85	25	15
United States	271	285	250	240	225	175	150	75	25
United Kingdom	271	305	335	340	340	300	270	240	200
Eurozone	207	230	240	240	220	200	200	180	150
Australia	107	95	80	55	35	5	-10	-25	0
New Zealand**	110	115	120	115	95	60	25	0	0

* 2-year/10-year spread in basis points **New Zealand's yield curve: 10-year vs. three-year

Source: Reuters, RBC Economics Research

Central bank policy rates

%, end of period

		<u>Current</u>	<u>Last</u>			<u>Current</u>	<u>Last</u>		
United States	Fed funds	0.0-0.25	1.00	Dec. 16, 2008	Eurozone	Min. bid rate	1.00	1.25	May 13, 2009
Canada	Overnight rate	0.25	0.50	Apr. 21 2009	Australia	Cash rate	4.00	3.75	Mar. 1, 2010
United Kingdom	Repo rate	0.50	1.00	Mar. 5, 2009	New Zealand	Cash rate	2.50	3.00	Apr. 30, 2009

Source: Bloomberg, Reuters, RBC Economics Research



Financial market forecast detail

Interest rates

%, end of period

	09Q2	09Q3	09Q4	Forecast								Forecast			
				10Q1	10Q2	10Q3	10Q4	11Q1	11Q2	11Q3	11Q4	2009	2010	2011	
Canada															
Overnight rate	0.25	0.25	0.25	0.25	0.25	0.75	1.25	2.00	2.75	3.25	3.50	0.25	1.25	3.50	
Three-month T-bills	0.24	0.22	0.19	0.20	0.40	0.95	1.45	2.20	2.95	3.40	3.60	0.19	1.45	3.60	
Two-year GoC bonds	1.20	1.26	1.47	1.50	2.10	2.55	2.75	3.00	3.30	3.90	4.10	1.47	2.75	4.10	
Five-year GoC bonds	2.46	2.57	2.77	2.70	3.05	3.30	3.60	3.60	3.75	3.85	4.10	2.77	3.60	4.10	
10-year GoC bonds	3.36	3.31	3.61	3.50	3.70	3.85	4.05	4.10	4.15	4.15	4.25	3.61	4.05	4.25	
30-year GoC bonds	3.91	3.84	4.07	4.05	4.10	4.25	4.25	4.50	4.60	4.60	4.60	4.07	4.25	4.60	
Yield curve (10s-2s)	216	205	214	200	160	130	130	110	85	25	15	214	130	15	
United States															
Fed funds rate	0 to 0.25	0 to 0.25	0 to 0.25	0 to 0.25	0 to 0.25	0 to 0.25	0 to 0.25	0.75	1.25	2.00	2.50	3.25	0 to 0.25	0.75	3.25
Three-month T-bills	0.19	0.14	0.06	0.15	0.25	0.35	0.90	1.75	2.60	2.75	3.00	0.06	0.90	3.00	
Two-year bonds	1.11	0.95	1.14	0.90	1.50	1.85	2.25	2.50	2.75	3.50	4.25	1.14	2.25	4.25	
Five-year bonds	2.54	2.31	2.69	2.40	2.90	3.15	3.40	3.50	3.65	3.75	4.00	2.69	3.40	4.00	
10-year bonds	3.53	3.31	3.85	3.75	4.00	4.25	4.50	4.25	4.25	4.25	4.50	3.85	4.50	4.50	
30-year bonds	4.32	4.03	4.63	4.75	4.75	4.75	4.75	4.75	4.75	4.75	4.75	4.63	4.75	4.75	
Yield curve (10s-2s)	242	236	271	285	250	240	225	175	150	75	25	271	225	25	
Yield spreads															
Three-month T-bills	0.05	0.08	0.13	0.05	0.15	0.60	0.55	0.45	0.35	0.65	0.60	0.13	0.55	0.60	
Two-year	0.09	0.31	0.33	0.60	0.60	0.70	0.50	0.50	0.55	0.40	-0.15	0.33	0.50	-0.15	
Five-year	-0.08	0.26	0.08	0.30	0.15	0.15	0.20	0.10	0.10	0.10	0.10	0.08	0.20	0.10	
10-year	-0.17	0.00	-0.24	-0.25	-0.30	-0.40	-0.45	-0.15	-0.10	-0.10	-0.25	-0.24	-0.45	-0.25	
30-year	-0.41	-0.19	-0.56	-0.70	-0.65	-0.50	-0.50	-0.25	-0.15	-0.15	-0.15	-0.56	-0.50	-0.15	

Exchange rates

%, end of period

	09Q2	09Q3	09Q4	Forecast								Forecast		
				10Q1	10Q2	10Q3	10Q4	11Q1	11Q2	11Q3	11Q4	2009	2010	2011
Australian dollar	0.81	0.88	0.90	0.93	0.91	0.90	0.90	0.88	0.86	0.87	0.85	0.90	0.90	0.85
Brazilian real	1.95	1.77	1.74	1.85	1.75	1.85	1.85	1.87	1.90	1.90	1.95	1.74	1.85	1.95
Canadian dollar	1.16	1.07	1.05	1.02	0.98	1.01	1.02	1.02	1.02	1.03	1.03	1.05	1.02	1.03
Chinese renminbi	6.83	6.83	6.83	6.80	6.70	6.60	6.50	6.40	6.30	6.20	6.10	6.83	6.50	6.1
Euro	1.4	1.46	1.43	1.39	1.37	1.34	1.31	1.29	1.28	1.27	1.26	1.43	1.31	1.26
Japanese yen	96	90	93	89	87	86	90	94	95	96	98	93	90	98
Mexican peso	13.19	13.51	13.10	12.50	12.00	12.50	12.25	11.75	11.75	12.00	12.00	13.10	12.25	12
New Zealand dollar	0.65	0.72	0.74	0.72	0.75	0.74	0.74	0.70	0.69	0.68	0.67	0.74	0.74	0.67
Swiss franc	1.09	1.04	1.04	1.05	1.05	1.06	1.07	1.10	1.12	1.13	1.15	1.04	1.07	1.15
U.K. pound sterling	1.65	1.60	1.62	1.58	1.52	1.52	1.52	1.52	1.52	1.53	1.54	1.62	1.52	1.54

Source: Bank of Canada, Federal Reserve Board, Reuters, RBC Economics Research forecasts

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PROVINCIAL OUTLOOK

March 2010

Forecast detail

Average annual % change unless otherwise indicated

	Real GDP				Employment				Unemployment rate				Housing starts				Retail sales				CPI			
									%				Thousands											
	08	09	10	11	08	09	10	11	08	09	10	11	08	09	10	11	08	09	10	11	08	09	10	11
N. & L.	0.5	-4.5	4.1	2.1	1.5	-2.4	1.5	1.7	13.2	15.4	15.5	14.9	3.2	3.2	3.2	3.1	7.6	2.6	4.3	5.4	2.9	0.3	1.9	2.2
P.E.I.	0.5	-0.1	2.1	3.2	1.3	-1.1	1.8	1.1	10.7	12.0	11.8	11.7	0.7	0.9	0.7	0.8	5.6	-0.3	4.0	4.3	3.4	-0.1	2.3	2.2
N.S.	2.2	0.0	2.2	2.9	1.2	-0.1	0.9	2.2	7.7	9.2	9.4	8.8	4.3	3.4	3.8	4.1	4.2	0.4	4.5	4.9	3.0	-0.1	2.1	2.2
N.B.	0.0	-0.3	2.4	3.3	0.9	0.1	0.7	1.6	8.6	8.9	9.1	8.7	4.2	3.5	3.8	3.5	5.9	-0.1	4.0	4.0	1.7	0.3	2.3	2.2
QUE.	1.0	-1.7	2.8	3.5	0.8	-1.0	1.2	2.0	7.2	8.5	8.3	8.0	47.9	44.0	45.5	43.5	5.1	-0.9	4.5	5.1	2.1	0.6	1.8	2.1
ONT.	-0.5	-3.2	3.3	4.1	1.4	-2.4	1.3	2.6	6.5	9.0	9.2	8.4	75.6	50.1	64.2	66.8	3.5	-2.5	3.8	5.6	2.3	0.4	2.0	2.2
MAN.	2.0	0.2	2.5	4.0	1.7	0.0	1.3	2.2	4.1	5.2	5.6	5.0	5.6	4.0	5.3	5.5	7.2	-0.9	5.2	5.8	2.2	0.6	1.7	2.1
SASK.	4.2	-3.0	3.6	4.6	2.2	1.5	1.2	2.7	4.1	4.8	4.8	4.5	6.8	3.8	4.4	4.4	10.6	-2.3	5.2	6.1	3.2	1.1	2.0	2.7
ALTA.	0.0	-3.7	2.5	4.4	2.7	-1.3	1.4	3.1	3.6	6.6	6.6	6.1	29.0	20.0	27.6	30.8	-0.1	-8.4	4.9	6.9	3.2	-0.1	1.7	1.8
B.C.	0.0	-2.5	3.4	3.4	2.1	-2.4	2.1	1.7	4.6	7.6	7.7	7.0	34.3	16.0	25.6	26.5	0.3	-5.1	5.9	4.4	2.1	0.0	1.3	2.1
CANADA	0.4	-2.6	3.1	3.9	1.5	-1.6	1.4	2.3	6.1	8.3	8.4	7.7	212	149	184	189	3.4	-3.0	4.5	5.5	2.4	0.3	1.8	2.1

Key provincial comparisons

2008 unless otherwise indicated

	<u>N. & L.</u>	<u>P.E.I.</u>	<u>N.S.</u>	<u>N.B.</u>	<u>QUE</u>	<u>ONT</u>	<u>MAN</u>	<u>SASK</u>	<u>ALTA</u>	<u>B.C.</u>
Population (000s) (2009)	509	141	938	749	7,829	13,069	1,222	1,030	3,688	4,455
Gross domestic product (\$ billions)	31.3	4.6	34.2	27.4	302.2	587.8	50.8	63.5	291.3	197.9
Real GDP (\$2002 billions)	20.0	4.1	29.2	23.4	269.7	532.2	42.4	41.6	185.8	164.5
Share of Canada real GDP (%)	1.5	0.3	2.2	1.8	20.4	40.3	3.2	3.1	14.1	12.5
Real GDP growth (CAR, last five years 03-08, %)	2.8	1.9	1.2	1.4	2.0	1.9	2.7	3.0	3.6	3.1
Real GDP per capita (\$)	39,206	29,422	31,140	31,157	34,445	40,722	34,704	40,367	50,379	36,928
Real GDP growth rate per capita (CAR, last five years 03-08, %)	3.2	1.6	1.3	1.5	1.3	0.8	2.0	2.6	1.1	1.8
Personal disposable income per capita (\$)	24,683	22,917	25,466	25,010	25,258	28,481	26,018	28,321	35,978	27,914
Employment growth (CAR, last five years 04-09, %)	0.1	0.8	0.5	0.9	0.9	0.7	1.0	1.6	2.5	1.8
Employment rate (January 2010, %)	50.7	61.6	57.7	58.5	59.7	61.1	65.9	66.2	68.5	60.9
CPI (% yoy, January 2010)	3.2	4.0	3.1	3.9	2.2	1.9	1.7	1.6	1.7	0.7
Manufacturing industry output (% of real GDP)	4.6	9.5	9.6	11.2	17.6	17.0	12.2	7.8	8.9	9.4
Personal expenditures goods & services (% of real GDP)	54.7	71.4	71.8	69.0	64.1	60.1	64.5	58.6	53.2	69.5
International exports (% of real GDP)	37.8	29.7	23.4	41.5	33.6	42.5	32.3	37.6	36.9	26.8

Source: Statistics Canada, RBC Economics Research

North America	2000-08	2009e	2010f	2011f
	(annual % change)			
Canada				
Real GDP	2.6	-2.6	3.2	2.8
Consumer Spending	3.5	0.2	2.9	2.7
Residential Investment	5.3	-7.4	9.0	2.6
Business Investment	4.6	-17.4	-0.4	5.9
Government	3.4	4.5	6.0	1.7
Exports	0.9	-14.0	7.1	6.0
Imports	3.9	-13.4	9.5	6.1
Nominal GDP	5.6	-4.5	5.7	4.8
GDP Deflator	2.9	-1.9	2.4	2.0
Consumer Price Index	2.3	0.3	1.8	2.2
Core CPI	1.9	1.8	1.7	2.0
Pre-Tax Corporate Profits	7.7	-33.2	27.0	16.0
Employment	1.9	-1.6	1.0	1.6
thousands of jobs	301	-272	177	272
thousands of jobs (Q4/Q4)	285	-253	240	291
Unemployment Rate (%)	6.9	8.3	8.2	8.0
Current Account Balance (C\$ bn.)	21.0	-41.3	-37.8	-30.9
per cent of GDP	1.7	-2.7	-2.3	-1.8
Merchandise Trade Balance (C\$ bn.)	58.2	-4.3	3.0	9.0
Federal Budget Balance (C\$ bn.)	8.4	-56	-46	-30
per cent of GDP	0.7	-3.7	-2.8	-1.8
Housing Starts (thousands)	207	149	185	175
Motor Vehicle Sales (thousands)	1,605	1,461	1,525	1,570
Motor Vehicle Production (thousands)	2,590	1,425	1,900	2,050
Industrial Production	0.5	-10.0	3.4	2.6
United States				
Real GDP	2.4	-2.4	3.6	2.6
Consumer Spending	2.8	-0.6	2.0	2.2
Residential Investment	-2.6	-20.4	4.5	5.8
Business Investment	3.0	-17.7	1.6	4.8
Government	2.3	1.9	3.4	1.2
Exports	4.5	-9.6	13.5	8.3
Imports	4.3	-13.9	9.8	6.3
Nominal GDP	4.9	-1.3	4.5	4.4
GDP Deflator	2.5	1.2	0.9	1.8
Consumer Price Index	2.9	-0.3	2.5	2.4
Core CPI	2.2	1.7	1.5	2.2
Pre-Tax Corporate Profits	5.3	-4.1	25.0	14.5
Employment	0.7	-4.3	0.0	2.2
millions of jobs	0.86	-5.88	-0.06	2.87
millions of jobs (Q4/Q4)	0.53	-5.39	2.27	2.82
Unemployment Rate (%)	5.1	9.3	9.8	9.1
Current Account Balance (US\$ bn.)	-601	-430	-513	-564
per cent of GDP	-4.9	-3.0	-3.4	-3.6
Merchandise Trade Balance (US\$ bn.)	-655	-517	-633	-708
Federal Budget Balance (US\$ bn.)	-197	-1,413	-1,490	-1,220
per cent of GDP	-1.5	-9.9	-10.0	-7.8
Housing Starts (millions)	1.65	0.55	0.70	1.04
Motor Vehicle Sales (millions)	16.4	10.4	11.5	12.2
Motor Vehicle Production (millions)	11.5	5.6	7.2	7.5
Industrial Production	1.0	-9.7	4.6	3.8
Mexico				
Real GDP	2.8	-6.5	4.2	3.5
Industrial Production	1.5	-7.3	4.7	3.8
Consumer Price Index (year-end)	5.1	3.6	5.4	4.5
Current Account Balance (US\$ bn.)	-11.4	-5.2	-13.8	-25.0
per cent of GDP	-1.6	-0.5	-1.6	-2.5

Forecast Changes

Canada & United States

- We have revised up our Canadian GDP growth forecast for 2010 by 0.2 percentage points to 3.2%, reflecting the strong turn-of-the-year momentum. We still expect output growth to slow to around 2.8% in 2011 amid less stimulative fiscal and monetary policy and continued cautious consumer and business spending plans. We have maintained our U.S. GDP growth forecast of 3.6% and 2.6%, respectively, for 2010 and 2011.
 - In light of the renewed strength in construction and permit demand, we have raised our forecast for Canadian housing starts for 2010 to 185,000 units. We expect starts to slip to 175,000 units next year as demand cools and inventories edge up. In contrast, U.S. homebuilding remains stalled, leading to a slight downward revision to starts in 2010-11.
 - Corporate profits have rebounded 20% above the cyclical low in both Canada and the U.S. A further 25-30% gain is expected in 2010, enabling companies to boost capital spending and begin re-hiring. In the U.S., spending on high-tech equipment is already advancing at the strongest pace since the tech boom a decade ago. Business investment is also expected to advance in Canada for the first time since 2007.
 - Our expectation of slightly narrower U.S. federal deficits than the Administration forecasts reflects in part the gridlock in passing new initiatives. In Canada, the year-over-year decline in federal government revenues moderated in December, with both the corporate income tax and the GST showing gains.
- ### Mexico
- We have raised our 2010 and 2011 output growth expectations for Mexico, to 4.2% and 3.5%, respectively, on the back of better-than-expected recent results and improving prospects for the service sector.

Provincial	2000-08	2009e	2010f	2011f	2000-08	2009	2010f	2011f
	Real GDP (annual % change)				Budget Balance, FY March 31* (\$millions)			
Canada	2.6	-2.6	3.2	2.8	10,666	-5,755	-56,000	-46,000
Newfoundland & Labrador	4.6	-4.1	3.4	3.0	-149	2,350	-443	n.a.
Prince Edward Island	1.9	-1.2	2.2	2.1	-25	-33	-85	n.a.
Nova Scotia	2.0	-0.8	2.3	2.0	60	20	-525	n.a.
New Brunswick	2.0	-0.7	2.1	2.3	79	-192	-754	-749
Quebec	2.1	-1.7	2.7	2.4	-128	0	-4,695	n.a.
Ontario	2.4	-3.4	3.2	2.5	-90	-6,409	-24,716	n.a.
Manitoba	2.4	-0.8	2.8	2.6	n.a.	470	-592	n.a.
Saskatchewan	2.3	-1.8	3.4	3.3	207	2,389	425	n.a.
Alberta	3.5	-2.8	3.4	3.5	4,837	0	0	0
British Columbia	2.9	-2.5	3.5	3.1	660	78	-2,775	-1,715
	* FY10-FY11 prov. balances: government estimates.							
	Employment (annual % change)				Unemployment Rate (annual average, %)			
Canada	1.9	-1.6	1.0	1.6	6.9	8.3	8.2	8.0
Newfoundland and Labrador	1.0	-2.5	0.9	1.6	15.4	15.5	15.3	14.9
Prince Edward Island	1.7	-1.1	1.2	1.1	11.3	12.0	11.5	11.3
Nova Scotia	1.3	-0.1	0.8	1.1	8.7	9.2	9.3	9.0
New Brunswick	1.3	0.1	0.7	1.2	9.6	8.9	8.9	8.7
Quebec	1.7	-1.0	0.8	1.4	8.3	8.5	8.3	8.1
Ontario	1.9	-2.4	1.0	1.5	6.5	9.0	9.0	8.8
Manitoba	1.3	0.0	1.0	1.4	4.8	5.2	5.3	5.2
Saskatchewan	0.9	1.5	1.1	1.8	5.1	4.8	4.7	4.5
Alberta	3.0	-1.3	1.3	2.0	4.3	6.6	6.6	6.4
British Columbia	2.2	-2.4	1.4	1.6	6.4	7.6	7.8	7.6
	Housing Starts (annual, thousands of units)				Motor Vehicle Sales (annual, thousands of units)			
Canada	207	149	185	175	1,605	1,461	1,525	1,570
Atlantic	12	11	12	11	113	115	119	121
Quebec	44	43	48	44	405	392	402	416
Ontario	77	50	60	60	615	535	557	572
Manitoba	4	4	5	5	44	43	45	46
Saskatchewan	4	4	6	5	40	44	46	48
Alberta	37	20	28	26	207	182	198	205
British Columbia	29	16	26	24	181	150	158	162

Forecast Changes

Provincial

- Newfoundland and Labrador's oil and gas production posted a sluggish performance at the end of 2009, with a more pronounced rebound now expected for 2010. Nova Scotia and New Brunswick's export weakness last year was offset by resilient employment and consumer activity, prompting an upward revision to 2009 GDP estimates. Delays have been announced for first production at the Deep Panuke natural gas field, with production now slated to begin at the end of 2011, trimming our average output forecast for Nova Scotia for the year.
- Saskatchewan's potash shipments failed to gain traction late last year, and consumer spending lagged behind the pace set by the rest of Canada, edging down our 2009 GDP estimate. A larger rebound is now expected in 2010, with potash likely to show more signs of life and investment continuing to flow into the province's resource sector. Likewise, prospects continue to improve in Alberta with two new oilsand projects confirmed in February.
- Provincial updates confirm the strength of infrastructure investments entering 2010. British Columbia's early March *Budget* confirms its plans to eliminate its deficit by fiscal 2013-14 (FY14), with the possibility of black ink a year earlier, in line with Alberta's commitment to balance its books without a Sustainability Fund drawdown by FY13.

Financial Markets	09Q4e	10Q1f	10Q2f	10Q3f	10Q4f	11Q1f	11Q2f	11Q3f	11Q4f
	(% , end of period)								
Canada									
BoC Overnight Target Rate	0.25	0.25	0.25	0.75	1.25	1.75	2.25	2.25	2.25
3-month T-bill	0.31	0.30	0.75	1.05	1.75	2.10	2.30	2.25	2.25
2-year Canada	1.47	1.55	1.75	2.10	2.70	2.70	2.60	2.50	2.45
5-year Canada	2.76	2.80	3.10	3.20	3.70	3.85	3.65	3.55	3.45
10-year Canada	3.61	3.65	3.85	4.10	4.50	4.80	4.60	4.55	4.50
30-year Canada	4.08	4.20	4.50	4.60	4.90	5.20	5.00	4.95	4.90
Real GDP (q/q, ann. % change)	5.0	4.5	3.8	3.0	2.8	2.7	2.6	2.5	2.5
Real GDP (y/y, % change)	-1.2	1.7	3.6	4.1	3.5	3.1	2.8	2.6	2.6
Consumer Prices (y/y, % change)	0.8	1.6	1.4	1.9	2.2	2.1	2.1	2.1	2.3
Core CPI (y/y % change)	1.6	1.8	1.6	1.8	1.9	1.9	1.9	2.1	2.2
United States									
Fed Funds Target Rate	0.25	0.25	0.25	0.75	1.25	1.75	2.25	2.25	2.25
3-month T-bill	0.08	0.30	0.65	1.00	1.75	2.10	2.30	2.25	2.25
2-year Treasury	1.14	1.20	1.50	2.00	2.70	2.70	2.60	2.50	2.45
5-year Treasury	2.68	2.70	3.00	3.10	3.60	3.75	3.60	3.55	3.50
10-year Treasury	3.84	3.85	4.15	4.40	4.80	5.10	4.90	4.85	4.80
30-year Treasury	4.64	4.70	5.00	5.10	5.40	5.70	5.50	5.45	5.40
Real GDP (q/q, ann. % change)	5.9	3.8	3.8	3.3	2.5	2.4	2.3	2.1	2.1
Real GDP (y/y, % change)	0.1	2.8	3.9	4.2	3.3	3.0	2.6	2.3	2.3
Consumer Prices (y/y, % change)	1.5	2.6	2.8	2.4	2.1	2.1	2.2	2.5	2.7
Core CPI (y/y % change)	1.7	1.6	1.4	1.4	1.5	1.7	2.0	2.4	2.6
Spreads									
Target Rate	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
3-month T-bill	0.23	0.00	0.10	0.05	0.00	0.00	0.00	0.00	0.00
2-year	0.33	0.35	0.25	0.10	0.00	0.00	0.00	0.00	0.00
5-year	0.08	0.10	0.10	0.10	0.10	0.10	0.05	0.00	-0.05
10-year	-0.23	-0.20	-0.30	-0.30	-0.30	-0.30	-0.30	-0.30	-0.30
30-year	-0.56	-0.50	-0.50	-0.50	-0.50	-0.50	-0.50	-0.50	-0.50
Central Bank Rates									
European Central Bank	1.00	1.00	1.00	1.25	1.50	1.75	2.00	2.00	2.00
Bank of England	0.50	0.50	0.50	0.50	0.75	1.00	1.25	1.50	1.50
Swiss National Bank	0.25	0.25	0.25	0.50	0.75	1.00	1.25	1.25	1.50
Bank of Japan	0.10	0.10	0.10	0.10	0.10	0.25	0.25	0.50	0.50
Reserve Bank of Australia	3.75	4.00	4.25	4.50	4.75	5.00	5.00	5.00	5.00
Exchange Rates									
Canadian Dollar (USD/CAD)	1.05	1.02	1.00	0.98	0.97	0.97	0.96	0.95	0.95
Canadian Dollar (CAD/USD)	0.95	0.98	1.00	1.02	1.03	1.03	1.04	1.05	1.05
Euro (EUR/USD)	1.43	1.37	1.40	1.45	1.45	1.43	1.43	1.41	1.39
Euro (EUR/GBP)	0.89	0.90	0.88	0.89	0.89	0.88	0.88	0.87	0.86
Sterling (GBP/USD)	1.62	1.53	1.60	1.63	1.63	1.63	1.63	1.62	1.62
Yen (USD/JPY)	93	90	88	87	87	89	90	91	92
Australian Dollar (AUD/USD)	0.90	0.91	0.93	0.95	0.96	0.98	0.99	1.00	1.00
Chinese Yuan (USD/CNY)	6.8	6.8	6.7	6.5	6.4	6.3	6.2	6.1	6.0
Mexican Peso (USD/MXN)	13.1	13.1	13.4	13.7	13.8	14.0	13.9	13.9	14.0
Brazilian Real (USD/BRL)	1.74	1.82	1.84	1.87	1.90	1.92	1.95	1.97	2.00

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CANADIAN ECONOMIC OUTLOOK

Period-Over-Period Annualized Per Cent Change Unless Otherwise Indicated

	2009				2010				2011				Annual Average			4th Qtr/4th Qtr		
	Q1	Q2	Q3	Q4	Q1F	Q2F	Q3F	Q4F	Q1F	Q2F	Q3F	Q4F	09	10F	11F	09	10F	11F
Real GDP	-7.0	-3.5	0.9	5.0	3.8	3.6	3.3	3.1	2.8	2.6	2.7	2.9	-2.6	3.1	2.9	-1.2	3.5	2.8
Consumer Expenditure	-1.3	1.6	3.7	3.6	3.7	3.2	3.1	3.0	2.8	2.7	2.6	2.7	0.2	3.3	2.8	1.9	3.2	2.7
Durable Goods	-11.7	3.6	12.8	10.7	6.6	3.1	3.0	2.9	2.9	3.0	3.4	3.9	-2.8	6.5	3.1	3.4	3.9	3.3
Business Investment	-38.6	-19.0	6.4	-8.8	-4.3	5.5	5.8	5.8	8.0	13.0	10.5	8.3	-17.4	-1.3	8.4	-16.6	3.1	9.9
Non-Res. Structures	-36.7	-22.0	-8.4	-8.5	-5.0	5.0	5.0	4.5	6.0	11.0	9.0	7.5	-15.6	-3.8	6.9	-19.8	2.3	8.4
Machinery & Equipment	-40.4	-15.9	22.8	-9.2	-3.5	6.0	6.6	7.2	10.0	15.0	12.0	9.0	-19.2	1.1	9.9	-13.5	4.0	11.5
Residential Investment	-21.9	7.0	9.5	29.7	11.0	-4.5	-2.0	-0.2	-2.0	-1.2	-2.0	-2.2	-7.4	8.2	-1.7	4.4	0.9	-1.9
Government Expenditure on Goods & Services	2.9	5.5	9.0	7.4	6.9	5.0	3.2	2.3	1.8	-3.3	-0.4	0.0	4.5	6.0	0.9	4.4	3.8	0.2
Final Domestic Demand	-7.4	0.3	5.6	4.6	4.1	3.3	3.0	2.9	2.7	1.9	2.3	2.3	-0.9	3.8	2.6	0.7	3.3	2.3
Exports	-30.2	-19.1	12.2	15.4	3.8	4.1	5.8	6.1	5.4	6.1	6.7	7.6	-14.0	5.7	6.0	-7.5	5.0	6.5
Imports	-39.2	-5.7	36.0	8.9	5.6	8.0	7.4	5.8	5.8	6.0	6.3	6.6	-13.4	9.5	6.3	-4.0	6.7	6.2
Change in Non-Farm Inventories (\$97 Bn)	-9.6	-7.5	-5.6	-8.3	-6.0	-0.8	2.0	2.5	3.0	5.7	6.7	8.2	-7.7	-0.6	5.9	---	---	---
Final Sales	-1.0	-4.3	-1.9	6.1	3.3	1.8	2.3	2.9	2.6	1.9	2.4	2.5	-1.3	2.2	2.4	-0.4	2.6	2.4
International Current Account Balance (\$Bn)	-27.1	-43.8	-55.2	-39.1	-14.4	-17.6	-13.4	-10.6	-10.7	-10.2	-9.5	-8.2	-41.3	-14.0	-9.7	---	---	---
% of GDP	-1.8	-2.9	-3.6	-2.5	-0.9	-1.1	-0.8	-0.6	-0.6	-0.6	-0.6	-0.5	-2.7	-0.9	-0.6	---	---	---
Pre-tax Corp. Profits	-57.9	-37.8	42.5	41.1	26.6	17.1	16.3	8.3	8.8	8.3	8.7	8.9	-33.2	20.9	10.0	-14.8	16.9	8.7
% of GDP	9.7	8.7	9.4	10.0	10.4	10.7	11.0	11.1	11.2	11.3	11.4	11.5	9.4	10.8	11.4	---	---	---
GDP Deflator (Y/Y)	-1.3	-3.4	-3.4	0.6	3.0	3.1	2.4	1.6	1.2	1.5	1.9	2.1	-1.9	2.5	1.7	0.6	1.6	2.1
Nominal GDP	-12.6	-2.8	4.3	9.8	7.6	4.5	4.1	4.4	5.0	4.6	4.9	5.2	-4.5	5.7	4.7	-0.7	5.1	4.9
Labour Force	-0.4	1.5	0.4	0.7	0.9	1.2	1.3	1.2	1.1	1.1	0.8	0.6	0.7	1.0	1.1	0.6	1.1	0.9
Employment	-5.9	-1.1	-0.1	1.3	1.7	1.5	2.0	1.8	1.5	1.4	1.6	1.8	-1.6	1.2	1.6	-1.5	1.7	1.6
Employment ('000s)	-257	-45	-4	54	70	64	84	76	64	60	69	78	-272	207	278	-253	295	270
Unemployment Rate (%)	7.8	8.4	8.5	8.4	8.2	8.2	8.0	7.9	7.8	7.7	7.5	7.2	8.3	8.1	7.6	---	---	---
Personal Disp. Income	-1.6	4.0	1.5	3.8	4.5	5.1	4.2	5.1	4.6	3.8	4.0	3.9	1.8	4.1	4.2	1.9	4.7	3.6
Pers. Savings Rate (%)	5.1	5.5	4.9	4.6	4.7	5.4	5.8	6.2	6.4	6.4	5.9	5.9	5.0	5.6	6.1	---	---	---
Cons. Price Index (Y/Y)	1.2	0.1	-0.9	0.8	1.7	1.6	1.7	1.7	1.9	1.9	2.0	2.1	0.3	1.7	1.9	0.8	1.7	2.1
Core CPI (Y/Y)	1.9	1.9	1.6	1.6	1.7	1.5	1.5	1.6	1.8	1.9	2.0	2.0	1.8	1.6	1.9	1.6	1.6	2.0
Housing Starts ('000s)	132	128	156	180	190	187	184	180	177	172	168	163	149	185	170	---	---	---
Productivity:																		
Real GDP / worker (Y/Y)	-1.3	-1.7	-1.5	0.3	1.1	2.2	2.3	1.7	1.5	1.3	1.2	1.2	-1.0	1.4	1.3	0.3	1.7	1.2

F: Forecast by TD Economics as at March 2010

Source: Statistics Canada, Bank of Canada, Canada Mortgage and Housing Corporation, Haver Analytics



U.S. ECONOMIC OUTLOOK

Period-Over-Period Annualized Per Cent Change Unless Otherwise Indicated

	2009				2010				2011				Annual Average			4th Qtr/4th Qtr		
	Q1	Q2	Q3	Q4	Q1F	Q2F	Q3F	Q4F	Q1F	Q2F	Q3F	Q4F	09	10F	11F	09	10F	11F
Real GDP	-6.4	-0.7	2.2	5.9	2.7	3.1	2.2	3.0	3.4	3.5	3.6	3.5	-2.4	3.1	3.2	0.1	2.8	3.5
Consumer Expenditure	0.6	-0.9	2.8	1.7	2.8	2.4	2.5	2.6	2.5	2.7	2.8	2.7	-0.6	2.2	2.6	1.0	2.6	2.7
Durable Goods	3.9	-5.6	20.4	0.2	9.1	7.5	7.9	8.2	7.6	7.7	7.3	6.0	-3.9	7.2	7.6	4.3	8.2	7.2
Business Investment	-39.2	-9.6	-5.9	6.5	0.1	4.2	5.7	8.2	10.6	11.5	10.3	11.4	-17.7	1.8	9.3	-13.8	4.5	11.0
Non-Res. Structures	-43.6	-17.3	-18.4	-13.9	-12.8	-8.2	-9.5	-3.6	-1.2	0.2	0.9	1.2	-19.6	-12.3	-2.5	-24.3	-8.6	0.3
Machinery & Equipment	-36.4	-4.9	1.5	18.2	6.8	10.2	12.8	13.4	15.6	16.1	14.0	15.3	-16.7	9.2	14.4	-7.7	10.8	15.3
Residential Construction	-38.2	-23.2	18.9	5.0	-13.0	6.1	10.3	10.6	16.8	23.4	28.0	31.3	-20.4	0.9	17.7	-12.3	3.1	24.8
Govt. Consumption & Gross Investment	-2.6	6.7	2.7	-1.2	2.6	3.1	-0.7	0.3	-0.2	-0.6	-1.1	-2.8	1.9	1.7	-0.3	1.3	1.3	-1.2
Final Domestic Demand	-6.4	-0.9	2.3	1.6	2.1	2.8	2.3	2.8	3.0	3.3	3.4	3.2	-2.7	2.0	3.0	-0.9	2.5	3.2
Exports	-29.9	-4.1	17.8	22.4	7.3	9.2	7.2	8.2	8.8	8.8	9.5	10.2	-9.6	10.9	8.7	-0.8	8.0	9.3
Imports	-36.4	-14.7	21.3	15.3	7.5	6.9	4.5	5.9	6.9	7.8	7.4	7.0	-13.9	8.4	6.6	-6.7	6.2	7.3
Change in Non-Farm Inventories (\$96 Bn)	-114.9	-163.1	-141.4	-11.2	0.0	12.8	1.3	0.2	9.4	16.1	20.4	22.2	-107.7	5.1	17.0	---	---	---
Final Sales	-4.1	0.7	1.5	1.9	1.9	2.9	2.6	3.0	3.1	3.3	3.5	3.4	-1.7	2.1	3.1	0.0	2.6	3.3
International Current Account Balance (\$Bn)	-410	-390	-426	-469	-540	-550	-562	-577	-591	-615	-639	-660	-423	-557	-626	---	---	---
% of GDP	-2.9	-2.8	-3.0	-3.2	-3.7	-3.7	-3.8	-3.8	-3.9	-4.0	-4.1	-4.2	-3.0	-3.8	-4.0	---	---	---
Pre-tax Corporate Profits including IVA&CCA	22.8	15.7	50.7	41.4	27.7	8.2	2.0	2.8	3.6	4.4	4.9	5.2	-3.5	22.3	3.9	31.9	9.7	4.5
% of GDP	8.3	8.7	9.5	10.2	10.8	10.9	10.9	10.8	10.8	10.8	10.8	10.8	9.2	10.8	10.8	---	---	---
GDP Deflator (Y/Y)	1.9	1.5	0.6	0.7	0.6	0.7	1.0	1.1	1.1	1.2	1.2	1.3	1.2	0.8	1.2	0.7	1.1	1.3
Nominal GDP	-4.6	-0.8	2.6	6.3	4.2	3.6	3.7	4.1	4.8	4.5	4.9	5.2	-1.3	3.9	4.4	0.8	3.9	4.8
Labor Force	-1.1	1.5	-1.5	-1.8	-0.6	1.4	0.5	1.0	1.1	1.1	1.1	1.0	-0.1	-0.2	1.0	-0.7	0.6	1.1
Employment	-6.4	-5.1	-3.1	-1.4	0.1	2.6	1.3	2.8	2.9	3.2	3.4	3.3	-4.3	-0.1	2.8	-4.0	1.7	3.2
Change in Empl. ('000s)	-2,205	-1,725	-1,011	-452	29	835	422	923	946	1,050	1,123	1,100	-5,875	-179	3,681	-5,394	2,209	4,219
Unemployment Rate (%)	8.2	9.3	9.6	10.0	9.7	9.6	9.6	9.5	9.3	9.1	8.8	8.6	9.3	9.6	9.0	---	---	---
Personal Disp. Income	-1.2	7.7	-1.2	4.3	1.4	3.0	4.6	4.5	3.1	4.8	4.8	4.9	1.1	2.9	4.2	2.3	3.4	4.4
Pers. Savings Rate (%)	3.8	5.4	4.0	4.1	3.5	3.4	3.5	3.6	3.5	3.7	3.8	3.9	4.3	3.5	3.7	---	---	---
Cons. Price Index (Y/Y)	-0.2	-1.0	-1.6	1.5	2.5	2.4	1.9	1.7	1.6	1.7	1.7	1.8	-0.3	2.1	1.7	1.5	1.7	1.8
Core CPI (Y/Y)	1.7	1.8	1.5	1.7	1.4	1.1	1.1	1.1	1.4	1.4	1.5	1.7	1.7	1.2	1.5	1.7	1.1	1.7
Housing Starts (mns)	0.53	0.54	0.59	0.56	0.61	0.65	0.68	0.71	0.79	0.88	1.00	1.14	0.55	0.66	0.95	---	---	---
Productivity: Real Output per hour (y/y)	1.0	1.9	3.8	5.2	5.5	4.1	2.6	1.2	1.1	1.1	1.2	1.3	3.0	3.3	1.2	5.2	1.2	1.3

F: Forecast by TD Economics as at March 2010

Source: U.S. Bureau of Labor Statistics, U.S. Bureau of Economic Analysis, TD Economics

INTEREST RATE OUTLOOK													
	Spot Rate 16/03/2010	2009				2010				2011			
		Q1	Q2	Q3	Q4	Q1F	Q2F	Q3F	Q4F	Q1F	Q2F	Q3F	Q4F
CANADIAN FIXED INCOME													
Overnight Target Rate (%)	0.25	0.50	0.25	0.25	0.25	0.25	0.25	0.75	1.25	1.75	2.25	2.75	3.25
3-mth T-Bill Rate (%)	0.22	0.35	0.25	0.23	0.19	0.30	0.55	0.90	1.35	1.90	2.40	2.85	3.45
2-yr Govt. Bond Yield (%)	1.55	1.08	1.21	1.27	1.48	1.60	1.90	2.30	2.85	3.15	3.40	3.55	3.85
5-yr Govt. Bond Yield (%)	2.77	1.75	2.47	2.58	2.77	2.75	2.95	3.15	3.55	3.80	3.95	4.15	4.30
10-yr Govt. Bond Yield (%)	3.45	2.78	3.36	3.31	3.61	3.55	3.75	3.85	4.15	4.35	4.45	4.60	4.70
30-yr Govt. Bond Yield (%)	4.02	3.56	3.86	3.84	4.08	4.15	4.35	4.40	4.50	4.65	4.75	4.95	5.05
10-yr-2-yr Govt. Spread (%)	1.90	1.70	2.15	2.04	2.13	1.95	1.85	1.55	1.30	1.20	1.05	1.05	0.85
U.S. FIXED INCOME													
Fed Funds Target Rate (%)	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	1.00	1.75	2.50	3.00
3-mth T-Bill Rate (%)	0.16	0.18	0.18	0.11	0.05	0.20	0.35	0.40	0.50	1.25	2.00	2.75	3.25
2-yr Govt. Bond Yield (%)	0.91	0.80	1.11	0.95	1.14	1.00	1.45	1.85	2.45	2.90	3.20	3.45	3.75
5-yr Govt. Bond Yield (%)	2.35	1.66	2.55	2.34	2.68	2.45	2.75	2.95	3.45	3.80	4.00	4.25	4.45
10-yr Govt. Bond Yield (%)	3.65	2.66	3.53	3.31	3.84	3.80	3.95	4.05	4.45	4.65	4.80	5.00	5.15
30-yr Govt. Bond Yield (%)	4.59	3.53	4.33	4.05	4.64	4.75	4.95	5.00	5.10	5.25	5.50	5.70	5.85
10-yr-2-yr Govt. Spread (%)	2.74	1.86	2.42	2.36	2.70	2.80	2.50	2.20	2.00	1.75	1.60	1.55	1.40
CANADA-U.S. SPREADS													
3-mth T-Bill Rate (%)	0.06	0.17	0.07	0.12	0.14	0.10	0.20	0.50	0.85	0.65	0.40	0.10	0.20
2-yr Govt. Bond Yield (%)	0.64	0.28	0.10	0.32	0.34	0.60	0.45	0.45	0.40	0.25	0.20	0.10	0.10
5-yr Govt. Bond Yield (%)	0.42	0.09	-0.08	0.24	0.09	0.30	0.20	0.20	0.10	0.00	-0.05	-0.10	-0.15
10-yr Govt. Bond Yield (%)	-0.20	0.12	-0.17	0.00	-0.23	-0.25	-0.20	-0.20	-0.30	-0.30	-0.35	-0.40	-0.45
30-yr Govt. Bond Yield (%)	-0.56	0.03	-0.47	-0.21	-0.56	-0.60	-0.60	-0.60	-0.60	-0.60	-0.75	-0.75	-0.80

f: Forecast by TD Bank Financial Group as at March 8, 2010; All forecasts are for end of period. Source: Bloomberg, TDBFG

FOREIGN EXCHANGE OUTLOOK														
Currency	Exchange Rate	Spot Price 17/03/2010	2009				2010				2011			
			Q1	Q2	Q3	Q4	Q1F	Q2F	Q3F	Q4F	Q1F	Q2F	Q3F	Q4F
Canadian dollar	USD per CAD	0.976	0.794	0.860	0.935	0.951	0.980	0.980	0.980	0.990	0.970	0.960	0.940	0.920
Canadian dollar	CAD per USD	1.024	1.260	1.162	1.069	1.052	1.020	1.020	1.020	1.010	1.031	1.042	1.064	1.087
Japanese yen	JPY per USD	90.59	98.96	96.36	89.70	93.02	90.00	92.00	94.00	96.00	102.00	103.00	104.00	105.00
Euro	USD per EUR	1.368	1.325	1.403	1.464	1.432	1.350	1.350	1.400	1.450	1.450	1.400	1.370	1.350
U.K. pound	USD per GBP	1.506	1.432	1.646	1.598	1.616	1.534	1.522	1.522	1.593	1.593	1.556	1.557	1.570
Swiss franc	CHF per USD	1.069	1.140	1.086	1.036	1.036	1.096	1.081	1.050	1.028	1.034	1.086	1.124	1.148
Australian dollar	USD per AUD	0.915	0.691	0.806	0.883	0.898	0.900	0.950	0.950	0.920	0.880	0.860	0.840	0.820
NZ dollar	USD per NZD	0.701	0.560	0.646	0.723	0.723	0.700	0.720	0.720	0.680	0.670	0.650	0.620	0.600
Mexican peso	MXN per USD	12.59	14.17	13.19	13.51	13.09	13.00	12.50	12.20	11.80	11.80	11.60	11.50	11.50

f: Forecast by TD Bank Financial Group as at March 17, 2010; All forecasts are for end of period; Source: Federal Reserve Bank of New York, Bloomberg, TDBFG

For details on the financial forecasts please see the TD Economics publication entitled *Global Markets at* <http://www.td.com/economics/forecasts.jsp>

**REAL GROSS DOMESTIC PRODUCT (GDP)**

Annual average per cent change

	82/91	2007	2008	2009E	2010F	2011F
CANADA	-2.5	2.7	0.5	-2.3	2.5	3.1
N. & L.	0.7	9.1	-0.1	-2.9	3.1	2.0
P.E.I.	0.3	2.4	0.9	-1.0	1.7	2.3
N.S.	1.4	1.7	2.0	-2.2	1.8	2.7
N.B.	0.9	1.7	0.0	-2.4	2.2	2.6
Québec	-3.2	2.6	1.0	-1.7	2.2	2.8
Ontario	-3.3	2.3	-0.4	-3.3	2.7	3.4
Manitoba	-3.0	3.3	2.4	-0.5	2.1	3.0
Sask.	-0.4	2.5	4.4	-1.1	2.3	3.1
Alberta	-1.3	3.1	-0.2	-2.3	1.9	3.6
B.C.	-3.0	3.0	-0.3	-2.4	2.5	3.2

F: Forecast by TD Economics as at Oct. 2009

Source: Statistics Canada / Haver Analytics

NOMINAL GROSS DOMESTIC PRODUCT (GDP)

Annual average per cent change

	82/91	2007	2008	2009E	2010F	2011F
CANADA	3.1	5.9	4.4	-4.5	3.3	4.8
N. & L.	6.4	13.6	6.6	-5.4	4.3	3.8
P.E.I.	6.0	5.3	3.7	-2.0	2.5	3.5
N.S.	9.6	4.0	3.6	-3.0	2.4	4.0
N.B.	6.3	4.3	1.3	-2.7	2.6	4.2
Québec	3.5	5.4	1.6	-1.4	3.0	4.6
Ontario	3.0	4.5	0.5	-2.8	3.6	5.0
Manitoba	1.2	8.1	4.8	-1.5	3.1	4.4
Sask.	1.2	11.0	24.6	-7.0	3.5	4.8
Alberta	2.9	8.1	12.6	-11.0	3.4	5.5
B.C.	1.7	5.4	3.5	-4.5	3.7	5.2

F: Forecast by TD Economics as at Oct. 2009

Source: Statistics Canada / Haver Analytics

EMPLOYMENT

Annual average per cent change

	82/91	2007	2008	2009E	2010F	2011F
CANADA	-2.4	2.3	1.5	-1.7	0.6	2.3
N. & L.	-1.9	0.7	1.4	-3.3	0.7	1.8
P.E.I.	-2.0	1.2	1.2	-2.8	0.5	2.1
N.S.	-1.7	1.3	1.2	0.0	0.0	1.9
N.B.	-2.6	2.1	0.9	-0.2	0.5	2.0
Québec	-3.6	2.3	0.8	-1.0	0.5	2.1
Ontario	-2.8	1.5	1.4	-2.4	0.8	2.5
Manitoba	-1.6	1.6	1.7	0.0	0.3	2.5
Sask.	-0.2	2.1	2.2	1.8	0.0	2.8
Alberta	-0.5	4.7	2.7	-1.0	0.4	2.4
B.C.	-1.9	3.2	2.1	-2.5	1.0	1.9

F: Forecast by TD Economics as at Oct. 2009

Source: Statistics Canada / Haver Analytics

UNEMPLOYMENT RATE

Annual average, per cent

	82/91	2007	2008	2009E	2010F	2011F
CANADA	10.7	6.0	6.1	8.4	9.1	8.1
N. & L.	17.1	13.6	13.3	15.7	16.2	15.1
P.E.I.	14.6	10.3	10.7	13.0	13.4	12.1
N.S.	12.5	8.1	7.7	9.3	9.9	8.6
N.B.	13.4	7.6	8.6	9.3	9.5	8.3
Québec	13.1	7.2	7.3	8.7	9.1	8.0
Ontario	9.7	6.4	6.5	9.2	9.8	8.6
Manitoba	8.6	4.4	4.1	5.3	6.6	5.2
Sask.	6.8	4.2	4.1	5.2	6.9	5.7
Alberta	8.0	3.5	3.6	6.8	7.9	6.6
B.C.	11.1	4.2	4.6	7.5	8.2	7.8

F: Forecast by TD Economics as at Oct. 2009

Source: Statistics Canada / Haver Analytics

CONSUMER PRICE INDEX (CPI)

Annual average per cent change

	92-08	2007	2008	2009E	2010F	2011F
CANADA	1.9	2.1	2.4	0.2	1.1	1.7
N. & L.	1.8	1.4	2.9	0.2	0.9	1.0
P.E.I.	2.0	1.8	3.4	-0.5	1.1	1.3
N.S.	2.0	1.9	3.0	-0.5	1.2	1.0
N.B.	1.8	1.9	1.7	-0.1	0.6	1.0
Québec	1.7	1.6	2.1	0.4	0.5	1.2
Ontario	1.9	1.8	2.3	0.3	1.9	2.4
Manitoba	2.1	2.1	2.2	0.7	0.8	0.9
Sask.	2.2	2.9	3.2	1.3	0.7	1.3
Alberta	2.5	4.9	3.2	-0.2	0.9	1.5
B.C.	1.8	1.7	2.1	0.1	1.5	2.4

F: Forecast by TD Economics as at Oct. 2009.

Source: Statistics Canada / Haver Analytics

RETAIL TRADE

Annual average per cent change

	2007	2008	2009E	2010F	2011F
CANADA	5.8	3.4	-3.8	4.0	4.5
N. & L.	9.0	7.6	0.7	2.8	4.0
P.E.I.	7.7	5.6	-1.8	3.0	4.4
N.S.	4.2	4.2	-1.6	3.5	3.9
N.B.	5.7	5.9	-1.5	3.7	4.2
Quebec	4.6	5.1	-2.0	3.4	4.1
Ontario	3.9	3.5	-2.9	4.1	4.6
Manitoba	8.8	7.2	-1.5	4.0	4.6
Sask.	13.0	10.6	-2.2	4.5	5.0
Alberta	9.3	-0.1	-8.5	4.1	5.2
B.C.	6.7	0.3	-6.8	5.5	4.5

F: Forecast by TD Economics as at Oct. 2009

Source: Statistics Canada / Haver Analytics



HOUSING STARTS

Thousands of units

	2007	2008	2009E	2010F	2011F
CANADA	227.9	211.4	141.7	150.3	165.0
N. & L.	2.6	3.2	2.8	3.0	2.5
P.E.I.	0.7	0.7	0.6	0.7	0.6
N.S.	4.8	4.3	3.3	3.3	3.5
N.B.	4.1	4.2	3.5	3.5	2.8
Québec	48.7	47.9	43.0	40.0	36.0
Ontario	68.0	75.6	48.5	52.1	68.0
Manitoba	5.8	5.6	4.2	4.3	4.9
Sask.	5.9	6.8	3.7	4.2	3.8
Alberta	48.1	29.0	16.5	19.2	20.5
B.C.	39.3	34.3	15.4	20.0	22.5

F: Forecast by TD Economics as at Oct. 2009

Source: Canada Mortgage and Housing Corporation

HOUSING STARTS

Per cent change

	2007	2008	2009E	2010F	2010F
CANADA	-0.5	-7.2	-33.0	6.1	9.8
N. & L.	12.7	25.2	-12.5	6.0	-16.7
P.E.I.	-8.5	-3.5	-7.5	1.6	-10.8
N.S.	-7.8	-11.4	-22.1	0.0	5.3
N.B.	1.0	2.5	-15.1	-1.3	-21.4
Québec	1.4	-1.5	-10.3	-7.0	-10.0
Ontario	-8.6	11.2	-35.8	7.3	30.5
Manitoba	14.8	-3.8	-24.3	2.4	14.0
Sask.	58.9	14.5	-45.5	13.5	-9.5
Alberta	-2.1	-39.7	-43.0	16.4	6.8
B.C.	7.4	-12.8	-55.0	29.9	12.5

F: Forecast by TD Economics as at Oct. 2009

Source: Canada Mortgage and Housing Corporation

EXISTING HOME SALES

Thousands of units

	2007	2008	2009E	2010F	2011F
CANADA	523.9	434.5	445.0	455.0	415.0
N. & L.	4.5	4.7	4.3	4.1	3.8
P.E.I.	1.8	1.4	1.4	1.3	1.2
N.S.	11.9	10.9	9.6	10.0	9.4
N.B.	8.2	7.6	7.0	7.2	6.7
Québec	83.5	79.4	78.5	81.0	75.0
Ontario	213.4	181.0	185.5	187.5	175.5
Manitoba	13.9	13.5	13.0	13.2	12.0
Sask.	12.1	10.2	11.0	11.4	10.0
Alberta	71.4	56.4	55.5	58.0	51.0
B.C.	102.8	68.9	78.8	81.0	70.0

F: Forecast by TD Economics as at Oct. 2009

Source: Canadian Real Estate Association

EXISTING HOME SALES

Per cent change

	2007	2008	2009E	2010F	2011F
CANADA	7.8	-17.1	2.4	2.2	-8.8
N. & L.	26.4	5.0	-9.5	-3.5	-7.3
P.E.I.	18.6	-20.1	-4.5	-7.4	-4.0
N.S.	10.8	-8.3	-11.7	4.2	-6.0
N.B.	14.5	-7.4	-7.3	2.1	-6.3
Québec	12.3	-4.9	-1.1	3.2	-7.4
Ontario	9.5	-15.2	2.5	1.1	-6.4
Manitoba	7.0	-2.9	-3.9	1.5	-9.1
Sask.	31.9	-15.4	7.8	3.2	-11.9
Alberta	-3.9	-21.0	-1.6	4.5	-12.1
B.C.	6.3	-33.0	14.3	2.9	-13.6

F: Forecast by TD Economics as at Oct. 2009

Source: Canadian Real Estate Association

AVERAGE EXISTING HOME PRICE

Thousand \$

	2007	2008	2009E	2010F	2011F
CANADA	305.8	303.6	315.0	330.0	336.1
N. & L.	149.3	178.5	204.5	213.2	220.2
P.E.I.	133.5	139.9	148.0	152.6	160.7
N.S.	181.0	189.9	194.9	201.3	208.4
N.B.	136.6	145.8	154.4	160.4	165.6
Québec	202.9	210.8	220.9	230.5	242.3
Ontario	299.5	302.4	315.1	332.8	345.3
Manitoba	169.2	190.3	202.1	215.3	224.4
Sask.	174.4	224.6	230.0	240.4	248.0
Alberta	356.2	352.9	340.5	350.5	355.2
B.C.	439.1	454.6	461.4	478.2	475.1

F: Forecast by TD Economics as at Oct. 2009

Source: Canadian Real Estate Association

AVERAGE EXISTING HOME PRICE

Per cent change

	2007	2008	2009E	2010F	2010F
CANADA	10.8	-0.7	3.8	4.8	1.9
N. & L.	7.0	19.6	14.6	4.2	3.3
P.E.I.	6.4	4.9	5.8	3.1	5.3
N.S.	7.3	4.9	2.7	3.2	3.5
N.B.	7.7	6.7	6.0	3.8	3.2
Québec	6.6	3.9	4.8	4.3	5.1
Ontario	7.6	0.9	4.2	5.6	3.7
Manitoba	12.6	12.5	6.2	6.5	4.2
Sask.	32.0	28.8	2.4	4.5	3.1
Alberta	24.8	-0.9	-3.5	2.9	1.3
B.C.	12.3	3.5	1.5	3.6	-0.6

F: Forecast by TD Economics as at Oct. 2009

Source: Canadian Real Estate Association

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Global Insight
12-Mar-10

Table 1

Selected Economic Indicators

	09Q2	09Q3	09Q4	10Q1	10Q2	10Q3	10Q4	11Q1	11Q2	11Q3	11Q4	12Q1	12Q2	12Q3	12Q4	13Q1	13Q2	13Q3	13Q4	14Q1	14Q2	14Q3	14Q4	15Q1	15Q2	15Q3	15Q4
Real GDP (Bil. chained 2002 \$)	1278.2	1281.2	1297.0	1307.9	1318.5	1329.8	1340.6	1351.9	1363.8	1376.2	1388.5	1400.5	1412.8	1424.7	1436.6	1448.0	1459.2	1470.7	1480.5	1491.3	1501.5	1511.8	1521.9	1531.0	1540.4	1549.9	1559.4
Annual % Ch.	-3.5	0.9	5.0	3.4	3.3	3.5	3.3	3.4	3.5	3.7	3.6	3.5	3.6	3.4	3.4	3.2	3.1	3.2	2.7	2.9	2.8	2.8	2.7	2.4	2.5	2.5	2.5
Nominal GDP (Bil. \$)	1507.9	1524.0	1560.0	1593.2	1613.4	1638.6	1660.5	1683.2	1707.6	1732.6	1758.1	1782.1	1807.5	1833.2	1858.7	1883.1	1907.8	1933.9	1957.3	1981.9	2004.8	2027.8	2050.7	2071.8	2093.8	2116.2	2138.2
Annual % Ch.	-2.8	4.3	9.8	8.8	5.2	6.4	5.5	5.6	5.9	6.0	6.0	5.6	5.8	5.8	5.7	5.4	5.3	5.6	4.9	5.1	4.7	4.7	4.6	4.2	4.3	4.3	4.2
Raw Mat. Price Index	152.5	156.8	163.1	164.8	165.1	165.3	164.5	164.4	164.9	164.6	163.9	163.5	164.2	165.2	165.7	166.1	166.2	166.5	167.2	167.6	168.4	168.8	169.0	169.9	171.1	172.1	173.0
% Ch. Year Ago	-31.3	-27.8	7.7	20.8	8.2	5.4	0.9	-0.3	-0.1	-0.4	-0.4	-0.6	-0.5	0.4	1.1	1.6	1.3	0.8	0.9	0.9	1.3	1.4	1.1	1.3	1.6	2.0	2.4
Industry Price Index	116.6	115.8	116.0	117.9	118.9	119.5	119.6	120.6	122.0	122.7	123.2	123.8	124.3	124.8	125.3	126.0	126.5	127.1	127.7	128.2	128.6	129.0	129.4	129.8	130.2	130.7	131.2
% Ch. Year Ago	-4.1	-6.7	-3.4	0.3	2.0	3.2	3.1	2.3	2.6	2.7	3.0	2.6	1.9	1.7	1.7	1.8	1.8	1.9	1.9	1.8	1.6	1.5	1.4	1.2	1.3	1.3	1.4
GDP Deflator	118.0	119.0	120.3	121.8	122.4	123.2	123.9	124.5	125.2	125.9	126.6	127.2	127.9	128.7	129.4	130.0	130.7	131.5	132.2	132.9	133.5	134.1	134.7	135.3	135.9	136.5	137.1
Annual % Ch.	0.7	3.4	4.4	5.1	1.8	2.8	2.1	2.1	2.3	2.2	2.3	2.2	2.2	2.3	2.2	2.1	2.2	2.3	2.2	2.1	1.9	1.8	1.9	1.7	1.8	1.8	1.7
CPI	114.6	114.7	114.9	115.7	116.1	116.0	116.5	117.3	118.0	118.5	118.8	119.4	120.5	121.0	121.4	122.1	122.7	123.3	123.7	124.5	125.2	125.9	126.6	127.2	127.8	128.5	129.1
% Ch. Year Ago	0.1	-0.9	0.8	1.8	1.3	1.2	1.4	1.4	1.6	2.1	2.0	1.8	2.1	2.1	2.1	2.2	1.8	1.9	1.9	2.0	2.0	2.1	2.3	2.2	2.1	2.1	
Employment (Thousands)	16826	16823	16876	16963	17058	17160	17254	17326	17384	17447	17509	17557	17621	17667	17731	17786	17868	17932	17996	18041	18119	18193	18264	18334	18401	18467	18529
Annual % Ch.	-1.1	-0.1	1.3	2.1	2.2	2.4	2.2	1.7	1.4	1.4	1.4	1.1	1.5	1.0	1.5	1.2	1.9	1.5	1.4	1.0	1.8	1.6	1.6	1.5	1.5	1.4	1.4
Unemployment Rate (%)	8.4	8.5	8.4	8.3	8.2	8.0	7.9	7.8	7.8	7.7	7.6	7.6	7.5	7.5	7.4	7.4	7.3	7.3	7.2	7.2	7.1	7.0	6.9	6.8	6.7	6.6	6.5
Productivity (Annual % Ch.)	-2.4	1.0	3.7	1.3	1.0	1.1	1.1	1.8	2.2	2.3	2.2	2.4	2.1	2.4	1.9	2.0	1.3	1.7	1.3	1.9	1.0	1.1	1.1	0.9	1.0	1.1	1.1
Average Hourly Earnings	20.38	20.47	20.58	20.77	20.87	20.97	21.08	21.20	21.32	21.45	21.62	21.77	21.93	22.15	22.38	22.58	22.80	23.01	23.23	23.45	23.67	23.87	24.07	24.28	24.52	24.73	24.95
Annual % Ch.	-1.6	1.7	2.1	3.8	1.8	2.0	2.2	2.2	2.2	2.5	3.1	2.9	3.0	4.0	4.2	3.7	3.9	3.9	3.8	3.7	3.4	3.4	3.5	4.0	3.6	3.6	
3-Month T-Bill Rate (%)	0.23	0.23	0.22	0.18	0.24	0.25	0.33	0.84	1.33	1.83	2.34	2.56	3.00	3.25	3.50	3.75	4.00	4.25	4.50	4.50	4.75	4.75	4.75	4.75	4.75	4.75	4.75
US 3-Month T-Bill Rate (%)	0.17	0.16	0.06	0.10	0.22	0.39	0.83	1.35	1.82	2.29	2.77	3.16	3.39	3.45	3.45	3.45	3.46	3.58	3.99	4.45	4.60	4.60	4.60	4.60	4.60	4.60	4.60
Canada-U.S. Differential (% pts.)	0.06	0.07	0.16	0.08	0.02	-0.14	-0.50	-0.50	-0.50	-0.46	-0.43	-0.60	-0.39	-0.20	0.05	0.30	0.54	0.67	0.51	0.05	0.15	0.15	0.15	0.15	0.15	0.15	0.15
Prime Rate (%)	2.25	2.25	2.25	2.25	2.25	2.25	2.32	2.78	3.27	3.77	4.28	4.50	5.00	5.25	5.50	5.75	6.00	6.25	6.50	6.50	6.75	6.75	6.75	6.75	6.75	6.75	6.75
Overnight Rate (%)	0.24	0.24	0.24	0.25	0.25	0.25	0.32	0.78	1.27	1.77	2.28	2.50	3.00	3.25	3.50	3.75	4.00	4.25	4.50	4.50	4.75	4.75	4.75	4.75	4.75	4.75	4.75
Bank Rate (%)	0.50	0.50	0.50	0.50	0.50	0.50	0.57	1.03	1.52	2.02	2.53	2.75	3.25	3.50	3.75	4.00	4.25	4.50	4.75	4.75	5.00	5.00	5.00	5.00	5.00	5.00	5.00
GOC Bond Rate (1-3 yrs.) (%)	1.06	1.28	1.26	1.64	1.67	1.70	1.77	2.12	2.42	2.75	3.13	3.35	3.67	3.84	3.99	4.14	4.29	4.48	4.79	4.94	5.14	5.14	5.14	5.14	5.14	5.14	5.14
GOC Bond Rate (3-5 yrs.) (%)	2.06	2.38	2.34	2.69	2.70	2.74	2.80	3.03	3.20	3.40	3.70	3.92	4.15	4.25	4.33	4.41	4.49	4.65	5.00	5.25	5.41	5.42	5.42	5.42	5.42	5.42	5.42
GOC Ten-Year Bond Rate (%)	3.37	3.41	3.43	3.84	3.83	3.88	3.93	4.04	4.06	4.13	4.32	4.54	4.67	4.71	4.71	4.71	4.71	4.83	5.22	5.59	5.72	5.72	5.72	5.72	5.72	5.72	5.72
U.S. Ten-Year T-Note Rate (%)	3.31	3.52	3.46	3.69	3.68	3.73	3.78	3.89	3.91	3.98	4.17	4.39	4.52	4.56	4.56	4.56	4.56	4.68	5.07	5.44	5.57	5.57	5.57	5.57	5.57	5.57	5.57
U.S. Real GDP (Bil. 2005 \$)	12901.5	12973.0	13161.1	13245.4	13325.1	13414.4	13511.4	13605.0	13695.9	13813.7	13928.7	14048.1	14170.4	14292.0	14407.1	14509.8	14610.9	14708.5	14803.4	14903.9	14994.1	15088.6	15185.9	15286.8	15384.1	15476.7	15572.0
Annual % Ch.	-0.7	2.2	5.9	2.6	2.4	2.7	2.9	2.8	2.7	3.5	3.4	3.5	3.5	3.3	2.9	2.8	2.7	2.6	2.7	2.4	2.5	2.6	2.7	2.6	2.4	2.5	
Household Credit (Billion \$)	1343.5	1369.3	1398.3	1428.2	1458.6	1489.7	1521.3	1553.5	1585.5	1617.0	1647.4	1676.5	1704.7	1732.0	1758.7	1784.9	1810.7	1836.1	1861.0	1885.6	1909.7	1933.4	1956.9	1980.3	2003.7	2027.2	2050.7
Annual % Ch.	7.2	7.9	8.7	8.8	8.8	8.8	8.8	8.7	8.5	8.2	7.7	7.3	6.9	6.6	6.3	6.1	5.9	5.7	5.6	5.4	5.2	5.1	5.0	4.9	4.8	4.8	4.7
ExCh. Rate (U.S.-Can.)	85.7	91.1	94.7	95.4	94.3	93.7	93.6	93.6	93.5	93.1	93.1	93.2	93.8	93.1	92.3	92.2	94.0	94.1	92.7	92.2	92.3	92.0	91.7	90.0	89.4	88.7	88.0

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Table 1

Selected Economic Indicators

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031
Real GDP (Bil. chained 2002 dollars)	1321.4	1288.0	1321.3	1367.5	1416.2	1462.3	1504.5	1543.1	1580.6	1617.1	1654.5	1692.3	1728.0	1764.1	1799.6	1837.0	1874.2	1911.9	1951.3	1991.0	2034.0	2077.4	2121.7	2165.8
Percent Change	0.4	-2.5	2.6	3.5	3.6	3.3	2.9	2.6	2.4	2.3	2.3	2.3	2.1	2.1	2.0	2.1	2.0	2.0	2.1	2.0	2.2	2.1	2.1	2.1
Nominal GDP (Billion dollars)	1600.1	1528.9	1605.8	1698.7	1801.0	1901.4	1996.2	2084.0	2170.7	2260.5	2353.1	2448.3	2550.0	2655.2	2762.3	2876.3	2994.6	3115.8	3241.5	3373.4	3513.7	3661.0	3815.5	3973.9
Percent Change	4.4	-4.5	5.0	5.8	6.0	5.6	5.0	4.4	4.2	4.1	4.1	4.0	4.2	4.1	4.0	4.1	4.1	4.0	4.0	4.1	4.2	4.2	4.2	4.2
GDP Deflator	121.1	118.7	121.5	124.2	127.2	130.0	132.7	135.0	137.3	139.8	142.2	144.7	147.6	150.5	153.5	156.6	159.8	163.0	166.1	169.4	172.7	176.2	179.8	183.5
Percent Change	3.9	-2.0	2.4	2.2	2.4	2.2	2.0	1.8	1.7	1.8	1.7	1.7	2.0	2.0	2.0	2.0	2.0	2.0	1.9	2.0	2.0	2.0	2.0	2.0
CPI	114.1	114.4	116.3	118.6	120.9	123.4	125.9	128.5	131.1	133.7	136.4	139.1	141.9	144.7	147.6	150.6	153.6	156.6	159.8	163.0	166.2	169.5	172.9	176.4
Percent Change	2.4	0.3	1.6	2.0	2.0	2.1	2.0	2.1	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0
3-Month T-Bill Rate (Percent)	2.39	0.35	0.25	1.59	3.08	4.13	4.69	4.75	4.75	4.50	4.50	4.50	4.50	4.50	4.50	4.50	4.50	4.50	4.50	4.50	4.50	4.50	4.49	4.49
U.S. 3-Month T-Bill Rate (Percent)	1.40	0.15	0.43	2.08	3.39	3.62	4.56	4.60	4.60	4.60	4.60	4.60	4.60	4.60	4.60	4.60	4.60	4.60	4.60	4.60	4.60	4.60	4.60	4.60
Canada-U.S. Differential	0.98	0.20	-0.18	-0.49	-0.31	0.50	0.13	0.15	0.15	-0.10	-0.10	-0.10	-0.10	-0.10	-0.10	-0.10	-0.10	-0.10	-0.10	-0.10	-0.10	-0.10	-0.11	-0.11
Prime Rate (Percent)	4.73	2.39	2.27	3.53	5.06	6.13	6.69	6.75	6.75	6.50	6.50	6.50	6.50	6.50	6.50	6.50	6.50	6.50	6.50	6.50	6.50	6.50	6.50	6.50
Overnight Rate (Percent)	2.96	0.39	0.27	1.53	3.06	4.13	4.69	4.75	4.75	4.50	4.50	4.50	4.50	4.50	4.50	4.50	4.50	4.50	4.50	4.50	4.50	4.50	4.50	4.50
Bank Rate (Percent)	3.21	0.64	0.52	1.78	3.31	4.38	4.94	5.00	5.00	4.75	4.75	4.75	4.75	4.75	4.75	4.75	4.75	4.75	4.75	4.75	4.75	4.75	4.75	4.75
GOC Bond Rate (1-3 yrs.) (Percent)	2.66	1.21	1.69	2.61	3.72	4.42	5.09	5.14	5.14	4.99	4.99	4.99	4.99	4.99	4.99	4.99	4.99	4.99	4.99	4.99	4.99	4.99	4.98	4.98
GOC Bond Rate (3-5 yrs.) (Percent)	2.96	2.15	2.71	3.34	4.18	4.64	5.37	5.42	5.42	5.34	5.34	5.34	5.34	5.34	5.34	5.34	5.34	5.34	5.34	5.34	5.34	5.34	5.33	5.33
GOC Ten-Year Bond Rate (Percent)	3.58	3.29	3.83	4.15	4.68	4.87	5.69	5.72	5.72	5.72	5.72	5.72	5.72	5.72	5.72	5.72	5.72	5.72	5.72	5.72	5.72	5.72	5.72	5.72
U.S. Ten-Year T-Note Rate (Percent)	3.67	3.26	3.80	4.03	4.54	4.72	5.54	5.57	5.57	5.57	5.57	5.57	5.57	5.57	5.57	5.57	5.57	5.57	5.57	5.57	5.57	5.57	5.57	5.57
U.S. Real GDP (Bil. 2005 US\$)	13312.2	12988.7	13374.7	13755.5	14267.7	14720.2	15111.9	15470.6	15840.1	16227.9	16658.0	17125.0	17611.9	18094.0	18570.7	19049.1	19530.8	20048.9	20561.3	21065.4	21576.5	22092.6	22650.5	23207.0
Percent Change	0.4	-2.4	3.0	2.8	3.7	3.2	2.7	2.4	2.4	2.4	2.6	2.8	2.7	2.6	2.6	2.5	2.7	2.6	2.5	2.4	2.4	2.5	2.5	
Household Credit (Billion dollars)	1258.8	1355.5	1464.1	1588.1	1707.2	1816.1	1918.1	2016.1	2114.9	2216.8	2323.4	2435.0	2551.0	2670.2	2791.6	2915.1	3042.1	3174.3	3311.9	3454.0	3600.4	3752.5	3909.8	4070.4
Percent Change	10.9	7.7	8.0	8.5	7.5	6.4	5.6	5.1	4.9	4.8	4.8	4.8	4.8	4.7	4.5	4.4	4.4	4.3	4.3	4.3	4.2	4.2	4.2	4.1
Standard of Living Canada/U.S. (Nominal GDP per Capita at PPP Can/U.S.)	0.830	0.827	0.823	0.828	0.829	0.829	0.832	0.832	0.832	0.830	0.826	0.821	0.814	0.808	0.803	0.798	0.793	0.788	0.783	0.779	0.777	0.774	0.771	0.768
Exchange Rate (U.S.-Can.)	94.3	87.9	92.4	92.9	93.1	93.2	92.1	89.0	88.3	89.2	89.4	89.5	89.5	89.5	89.5	89.5	89.5	89.5	89.5	89.3	88.9	88.5	88.2	88.0
Curr. Acct. Bal. (Billions of dollars)	8	-47	-44	-31	-16	-4	5	7	7	7	6	5	8	12	14	18	22	25	25	28	33	38	42	45

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Table 32																								
Standard of Living																								
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031
Real GDP (Mil. chained 2002 dollars)	1321360	1288004	1321309	1367504	1416189	1462322	1504481	1543108	1580552	1617094	1654515	1692319	1728006	1764089	1799614	1836974	1874151	1911923	1951285	1991048	2034037	2077407	2121672	2165821
Percent Change	0.4	-2.5	2.6	3.5	3.6	3.3	2.9	2.6	2.4	2.3	2.3	2.3	2.1	2.1	2.0	2.1	2.0	2.0	2.1	2.0	2.2	2.1	2.1	2.1
Nominal GDP (Million dollars)	1600081	1528867	1605801	1698678	1800988	1901386	1996225	2084015	2170691	2260538	2353095	2448298	2550027	2655153	2762277	2876307	2994571	3115768	3241469	3373445	3513678	3660991	3815491	3973931
Percent Change	4.4	-4.5	5.0	5.8	6.0	5.6	5.0	4.4	4.2	4.1	4.1	4.0	4.2	4.1	4.0	4.1	4.1	4.0	4.0	4.1	4.2	4.2	4.2	4.2
GDP Deflator (2002 = 100.0)	121.1	118.7	121.5	124.2	127.2	130.0	132.7	135.0	137.3	139.8	142.2	144.7	147.6	150.5	153.5	156.6	159.8	163.0	166.1	169.4	172.7	176.2	179.8	183.5
Percent Change	3.9	-2.0	2.4	2.2	2.4	2.2	2.0	1.8	1.7	1.8	1.7	1.7	2.0	2.0	2.0	2.0	2.0	2.0	1.9	2.0	2.0	2.0	2.0	2.0
PPP (U.S. Cents)	81.8	84.4	83.4	82.8	82.1	81.7	81.5	81.5	81.5	81.5	81.6	81.6	81.3	81.0	80.8	80.4	80.0	79.7	79.5	79.2	79.0	78.8	78.5	78.3
Nominal GDP at PPP (Million dollars)	1308915	1290576	1338866	1406246	1478665	1552588	1626259	1697652	1769003	1842563	1919440	1997751	2073563	2151596	2230705	2313004	2397149	2484654	2576902	2673015	2776511	2883883	2995739	3110651
Percent Change	3.2	-1.4	3.7	5.0	5.1	5.0	4.7	4.4	4.2	4.2	4.2	4.1	3.8	3.8	3.7	3.7	3.6	3.7	3.7	3.7	3.9	3.9	3.9	3.8
Population (Thousands)	33276	33690	34072	34394	34642	34991	35305	35688	36069	36457	36847	37238	37630	38023	38415	38806	39196	39585	39971	40356	40738	41117	41494	41868
Percent Change	1.18	1.24	1.13	0.95	0.72	1.01	0.90	1.08	1.07	1.07	1.07	1.06	1.05	1.04	1.03	1.02	1.01	0.99	0.98	0.96	0.95	0.93	0.92	0.90
Nominal GDP per Capita at PPP (Thousand dollars)	39.3	38.3	39.3	40.9	42.7	44.4	46.1	47.6	49.0	50.5	52.1	53.6	55.1	56.6	58.1	59.6	61.2	62.8	64.5	66.2	68.2	70.1	72.2	74.3
Percent Change	2.0	-2.6	2.6	4.0	4.4	4.0	3.8	3.3	3.1	3.1	3.1	3.0	2.7	2.7	2.6	2.6	2.6	2.6	2.7	2.7	2.9	2.9	2.9	2.9
U.S. Real GDP (Bil. 2005 US\$)	13312	12989	13375	13755	14268	14720	15112	15471	15840	16228	16658	17125	17612	18094	18571	19049	19531	20049	20561	21065	21577	22093	22650	23207
Percent Change	0.44	-2.43	2.97	2.85	3.72	3.17	2.66	2.37	2.39	2.45	2.65	2.80	2.84	2.74	2.63	2.58	2.53	2.65	2.56	2.45	2.43	2.39	2.53	2.46
U.S. Nominal GDP (Bil. dollars)	14441	14256	14843	15492	16316	17117	17891	18641	19417	20252	21166	22141	23147	24171	25212	26270	27361	28537	29740	30975	32258	33591	35028	36506
Percent Change	2.6	-1.3	4.1	4.4	5.3	4.9	4.5	4.2	4.2	4.3	4.5	4.6	4.5	4.4	4.3	4.2	4.2	4.3	4.2	4.2	4.1	4.1	4.3	4.2
U.S. GDP Deflator (2005 = 100.0)	108.5	109.8	111.0	112.6	114.4	116.3	118.4	120.5	122.6	124.8	127.1	129.3	131.4	133.6	135.8	137.9	140.1	142.3	144.6	147.0	149.5	152.0	154.6	157.3
Percent Change	2.1	1.2	1.1	1.5	1.5	1.7	1.8	1.8	1.7	1.8	1.8	1.8	1.7	1.6	1.6	1.6	1.6	1.6	1.6	1.7	1.7	1.7	1.7	1.7
U.S. Population (Millions)	304.9	307.8	310.9	313.9	316.9	320.0	323.1	326.2	329.3	332.5	335.7	338.8	342.0	345.2	348.5	351.7	354.9	358.1	361.3	364.5	367.7	370.9	374.1	377.3
Percent Change	0.9	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	0.9	0.9	0.9	0.9	0.9	0.9	0.9	0.9	0.9	0.9	0.9	0.9	0.9
U.S. Nominal GDP per Capita (Thousand dollars)	47.4	46.3	47.7	49.4	51.5	53.5	55.4	57.1	59.0	60.9	63.1	65.3	67.7	70.0	72.4	74.7	77.1	79.7	82.3	85.0	87.7	90.6	93.6	96.8
Percent Change	1.6	-2.2	3.1	3.4	4.3	3.9	3.5	3.2	3.2	3.3	3.5	3.6	3.6	3.5	3.3	3.2	3.2	3.4	3.3	3.2	3.2	3.2	3.4	3.3
Standard of Living Growth (Real GDP per Capita)																								
Canada Standard of Living Growth	-0.8	-3.8	1.5	2.6	2.8	2.3	2.0	1.5	1.4	1.2	1.2	1.2	1.1	1.0	1.0	1.1	1.0	1.0	1.1	1.1	1.2	1.2	1.2	1.2
U.S. Standard of Living Growth	-0.5	-3.4	2.0	1.9	2.8	2.2	1.7	1.4	1.4	1.5	1.7	1.9	1.9	1.8	1.7	1.7	1.6	1.7	1.7	1.6	1.5	1.5	1.7	1.6
Standard of Living Canada/U.S. (Nominal GDP per Capita at PPP Can/U.S.)	0.830	0.827	0.823	0.828	0.829	0.829	0.832	0.832	0.832	0.830	0.826	0.821	0.814	0.808	0.803	0.798	0.793	0.788	0.783	0.779	0.777	0.774	0.771	0.768

Global Insight Provincial Forecast Jan15,2010

Manitoba

	2008	2009	2010	2011	2012	2013	2014
Source Population	910	923	932	941	949	958	966
Participation Rate	69.6	69.4	69.8	69.9	70.1	70.2	70.5
Labour Force	633	640	650	658	665	672	681
Employment	607	607	613	623	632	642	652
Unemployment	26	33	37	35	32	31	30
Unemployment Rate	4.1	5.2	5.6	5.3	4.9	4.5	4.3
Average Wage \$s per Year	40,228	40,213	41,086	41,887	43,284	44,945	46,589
Wages, Salaries, Supplementary Labour Income	25,458	25,742	26,704	27,555	28,781	30,212	31,743
Other Personal Income	14,622	15,889	16,309	16,944	17,726	18,725	19,683
Personal Income	40,080	41,631	43,014	44,499	46,508	48,937	51,426
Federal Personal Income Taxes Paid	3,276	3,123	3,309	3,624	3,971	4,251	4,617
Provincial Personal Income Taxes Paid	2,356	2,313	2,529	2,655	2,808	2,967	3,144
Contributions to Social Insurance Programs, Etc.	2,640	2,686	2,794	2,864	2,968	3,094	3,219
Disposable Personal Income	31,793	33,509	34,380	35,356	36,761	38,625	40,446
Retail Sales	15,017	14,926	15,438	16,197	16,790	17,464	18,271
CPI 2002 = 100	113.4	114.4	116.2	118.5	120.8	123.2	125.6
Total Motor Vehicle Sales	48,029	43,142	44,148	46,774	48,086	49,305	49,634
GDP (Market Prices)	50,834	50,329	52,848	55,543	58,653	61,753	64,638
GDP Price 2002 = 100	1.199	1.182	1.210	1.235	1.264	1.291	1.317
GDP (Market Prices Chained 2002 Dollars)	42,407	42,581	43,666	44,959	46,410	47,816	49,075
Housing Starts	5,537	4,137	5,302	4,656	4,579	4,773	4,889
Investment in Residential Construction	2,695	3,031	3,035	3,099	3,146	3,329	3,452
Investment in Residential Construction Price 2002 = 100	1.430	1.422	1.453	1.486	1.524	1.561	1.599
2002 Dollar Investment in Residential Construction	1,884	2,132	2,089	2,086	2,064	2,132	2,159
Investment in Non-Residential Construction	3,006	2,582	2,547	2,676	2,864	3,035	3,182
Investment in Non-Residential Construction Price 2002 = 100	1.334	1.358	1.384	1.426	1.468	1.511	1.556
2002 Dollar Investment in Non-Residential Construction	2,253	1,901	1,840	1,876	1,951	2,008	2,045
Population	1,208	1,216	1,225	1,235	1,244	1,256	1,266
Births	16	16	16	16	16	17	17
Deaths	10	11	11	11	11	11	11
Net Migration	7	6	6	7	7	7	7
Crude Birth Rate	12.88	12.95	13.03	13.17	13.24	13.28	13.33
Crude Death Rate	8.48	8.66	8.68	8.61	8.55	8.56	8.48
Households	465	470	475	481	486	492	498
People per Household	2.60	2.59	2.58	2.57	2.56	2.55	2.54
Goods GDP	10,723	10,569	11,040	11,597	12,076	12,486	12,867
Services GDP	28,252	28,580	29,093	29,707	30,554	31,432	32,203
Real GDP % chge	2.0	0.4	2.6	3.0	3.2	3.0	2.6
GDP Deflator % chge	2.3	-1.4	2.4	2.1	2.3	2.2	2.0
CPI % change	2.2	0.9	1.6	2.0	2.0	2.0	1.9
Tax rate	0.21	0.20	0.20	0.21	0.21	0.21	0.21
Net Migration Rate	6.2	5.0	5.3	5.3	5.3	5.3	5.3
Investment in Non-Residential Construction	40.7	-14.1	-1.4	5.1	7.0	6.0	4.8
Investment in Non-Residential Construction Price 2002 = 100	5.0	1.8	1.9	3.0	2.9	2.9	2.9
2002 Dollar Investment in Non-Residential Construction	34.0	-15.6	-3.2	2.0	4.0	3.0	1.9
Average Wage/Employee	807	816	837	851	875	905	937

Conference Board

TABLE 1 - KEY ECONOMIC INDICATORS

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	
CAN -GROSS DOMESTIC PRODUCT AT MARKET PRICES (MILLIONS \$ 2002)	1247807 3.0	1283419 2.9	1315907 2.5	1321360 0.4	1289982 -2.4	1329641 3.1	1378788 3.7	1436870 4.2	1487075 3.5	1532283 3.0	1569667 2.4	1605020 2.3	1639329 2.1	1674466 2.1	1708112 2.0	1740243 1.9	1771612 1.8	1804001 1.8	1836575 1.8	1869605 1.8	1902057 1.7	1935052 1.7	1967218 1.7	2000497 1.7	2034692 1.7	2069577 1.7	
GDP DEFLATOR	1.1 2.6	1.1 3.2	1.2 4.0	1.2 -2.1	1.2 2.4	1.2 2.2	1.2 2.1	1.3 2.3	1.3 2.1	1.3 1.9	1.4 1.8	1.4 1.9	1.4 1.9	1.5 1.9	1.5 1.9	1.5 1.9	1.5 1.9	1.6 1.9	1.6 1.9	1.6 1.9	1.7 2.0	1.7 1.9	1.7 1.9	1.7 1.9	1.8 2.0	1.8 2.0	
U.S. -GROSS DOMESTIC PRODUCT AT MARKET PRICES (BILLIONS \$ 2002)	12638 3.1	12976 2.7	13254 2.1	13312 0.4	12966 -2.6	13270 2.3	13691 3.2	14153 3.4	14606 3.2	15033 2.9	15413 2.5	15801 2.5	16207 2.6	16612 2.5	17028 2.5	17457 2.5	17900 2.5	18357 2.6	18828 2.6	19311 2.6	19808 2.6	20321 2.6	20850 2.6	21396 2.6	21960 2.6	22541 2.6	
CONSUMER PRICE INDEX (2002=1)	1.070 2.2	1.091 2.0	1.114 2.1	1.141 2.4	1.147 0.6	1.172 2.2	1.200 2.4	1.228 2.3	1.253 2.1	1.279 2.0	1.305 2.1	1.332 2.1	1.360 2.1	1.389 2.1	1.419 2.1	1.449 2.1	1.479 2.1	1.511 2.1	1.543 2.1	1.575 2.1	1.608 2.1	1.641 2.1	1.676 2.1	1.710 2.1	1.746 2.1	1.782 2.1	
TOTAL EMPLOYMENT ('000s)	16171.5 1.4	16485.5 1.9	16865.4 2.3	17123.2 1.5	16846.5 -1.6	16946.4 0.6	17358.5 2.4	17814.4 2.6	18155.4 1.9	18373.6 1.2	18559.3 1.0	18693.4 0.7	18818.7 0.7	18942.6 0.7	19066.5 0.7	19182.9 0.6	19298.4 0.6	19414.3 0.6	19529.2 0.6	19639.4 0.6	19746.9 0.6	19850.3 0.5	19950.9 0.5	20049.4 0.5	20146.5 0.5	20246.1 0.5	
UNEMPLOYMENT RATE	6.76	6.30	6.02	6.15	8.42	9.04	8.17	6.90	6.00	5.69	5.67	5.59	5.53	5.56	5.51	5.43	5.44	5.44	5.42	5.46	5.45	5.33	5.31	5.31	5.23	5.20	
PRIVATE NON-FARM AVERAGE HOURLY EARNINGS	24.4 4.0	25.1 3.0	26.4 5.0	27.0 2.4	27.3 1.2	27.8 1.9	28.7 3.0	29.6 3.1	30.6 3.6	31.7 3.5	32.8 3.3	33.8 3.0	34.8 3.0	35.8 3.0	36.9 3.1	38.0 3.0	39.1 3.0	40.3 3.0	41.5 3.0	42.7 3.0	44.0 3.0	45.3 3.0	46.6 2.9	48.0 2.9	49.4 2.9	50.9 2.9	
REAL DISPOSABLE INCOME	756767 2.7	801048 5.9	830226 3.6	865077 4.2	869662 0.5	889295 2.3	914449 2.8	945090 3.4	977686 3.4	1006198 2.9	1030749 2.4	1050711 1.9	1069878 1.8	1088446 1.7	1107212 1.7	1125773 1.7	1144032 1.6	1162557 1.6	1181167 1.6	1199806 1.6	1218419 1.6	1236888 1.5	1255098 1.5	1273337 1.5	1291088 1.4	1308264 1.3	
PRIVATE NON-FARM PRODUCTIVITY	50 2.1	51 2.1	51 0.7	51 -1.0	49 -2.7	50 1.1	51 1.2	51 1.5	52 1.5	53 1.7	54 1.5	55 1.6	56 1.6	56 1.6	57 1.4	58 1.3	59 1.2	59 1.2	60 1.2	61 1.3	62 1.2	62 1.3	63 1.1	64 1.2	65 1.2	65 1.2	
FEDERAL GOV'T BALANCE	1019	11150	15154	2668	-32823	-40293	-25328	-13883	-9356	-5143	-3150	-368	2054	4382	6365	7958	9316	10791	12351	13835	15318	17287	18637	20178	22307	24655	
CORPORATE PROFITS BEFORE TAXES	186585 10.9	196130 5.1	204131 4.1	215799 5.7	147036 -31.9	183186 24.6	197602 7.9	224147 13.4	243782 8.8	260572 6.9	268711 3.1	278988 3.8	290308 4.1	303834 4.7	315877 4.0	326020 3.2	336442 3.2	348279 3.5	360693 3.6	373756 3.6	386547 3.4	401010 3.7	413438 3.1	427986 3.5	445282 4.0	463893 4.2	
HOUSING STARTS ('000s)	225	227	228	211	142	175	194	202	199	198	201	204	205	204	203	202	201	198	197	194	192	191	187	185	183	181	
PRIME RATE	4.42	5.81	6.10	4.73	2.27	2.49	5.54	6.50	6.50	6.50	6.50	6.50	6.50	6.50	6.50	6.50	6.50	6.50	6.50	6.50	6.50	6.50	6.50	6.50	6.50	6.50	6.50
CAN - 3 MONTH TREASURY BILL	2.73	4.03	4.15	2.39	0.34	0.65	3.65	4.59	4.60	4.60	4.61	4.61	4.61	4.61	4.61	4.61	4.61	4.61	4.61	4.61	4.61	4.61	4.61	4.61	4.61	4.61	4.61
U.S. - 3 MONTH TREASURY BILL	3.21	4.85	4.47	1.39	0.17	0.69	3.04	4.17	4.36	4.47	4.53	4.56	4.57	4.58	4.59	4.59	4.59	4.60	4.60	4.60	4.60	4.60	4.60	4.60	4.60	4.60	
EXCHANGE RATE U.S./CANADA	0.826	0.882	0.935	0.943	0.868	0.916	0.925	0.932	0.939	0.944	0.947	0.951	0.954	0.956	0.958	0.960	0.961	0.962	0.963	0.963	0.963	0.963	0.964	0.964	0.964	0.964	
U.S. FEDERAL FUNDS RATE	3.21	4.96	5.02	1.93	0.23	1.08	3.91	5.00	5.00	5.00	3.20	3.20	3.20	3.20	3.20	3.20	3.20	3.20	3.20	3.20	3.20	3.20	3.20	3.20	3.20	3.20	
MERCHANDISE TERMS OF TRADE	1.144	1.152	1.192	1.258	1.115	1.152	1.170	1.183	1.201	1.215	1.220	1.222	1.224	1.226	1.227	1.228	1.230	1.231	1.231	1.232	1.232	1.233	1.232	1.232	1.232	1.232	
CURRENT ACCOUNT BALANCE	25903	20333	15607	8116	-42217	-36468	-30883	-25023	-13393	-1364	604	1971	4905	9003	12894	15889	18907	22247	24814	26863	29700	33521	35476	38559	42421	46066	

January 13, 2010
 Forecast: 2010 Run: 2010

Conference Board

TABLE 36: UNITED STATES FORECAST SUMMARY

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	
GROSS DOMESTIC PRODUCT AT MKT. PRICES (BILLIONS \$ 1)	12638 3.1	12976 2.7	13254 2.1	13312 0.4	12966 -2.6	13270 2.3	13691 3.2	14153 3.4	14606 3.2	15033 2.9	15413 2.5	15801 2.5	16207 2.6	16612 2.5	17028 2.5	17457 2.5	17900 2.5	18357 2.6	18828 2.6	19311 2.6	19808 2.6	20321 2.6	20850 2.6	21396 2.6	21960 2.6	22541 2.6	
GDP DEFLATOR	100.0 3.3	103.3 3.3	106.2 2.9	108.5 2.1	110.0 1.4	111.0 1.0	112.5 1.4	114.6 1.9	116.7 1.8	118.8 1.8	121.2 2.0	123.8 2.1	126.4 2.1	129.0 2.1	131.7 2.1	134.5 2.1	137.4 2.1	140.2 2.1	143.2 2.1	146.2 2.1	149.2 2.1	152.4 2.1	155.6 2.1	158.9 2.1	162.2 2.1	165.6 2.1	
PRODUCER PRICE INDEX (FINISHED GOODS)	155.8 4.9	160.3 2.9	166.6 3.9	177.3 6.4	171.4 -3.3	173.3 1.1	176.3 1.7	180.2 2.2	183.8 2.0	187.0 1.7	190.1 1.7	193.4 1.7	196.7 1.7	200.1 1.7	203.5 1.7	207.0 1.7	210.5 1.7	214.0 1.6	217.6 1.7	221.2 1.7	224.9 1.7	228.6 1.7	232.4 1.7	236.2 1.7	240.2 1.7	244.1 1.7	
CONSUMER PRICE INDEX	195.3 3.4	201.6 3.2	207.3 2.9	215.2 3.8	213.8 -0.7	217.3 1.6	222.5 2.4	228.8 2.8	234.6 2.5	240.2 2.4	246.2 2.5	252.4 2.5	258.8 2.5	265.3 2.5	272.0 2.5	278.9 2.5	285.9 2.5	293.0 2.5	300.4 2.5	307.9 2.5	315.6 2.5	323.4 2.5	331.5 2.5	339.8 2.5	348.3 2.5	357.0 2.5	
INDEX OF INDUSTRIAL PRODU	107.2 3.3	109.7 2.3	111.3 1.5	108.8 -2.2	96.7 -11.2	96.0 -0.7	97.7 1.8	99.7 2.0	101.6 1.9	103.4 1.8	104.9 1.5	106.5 1.5	108.1 1.5	109.7 1.4	111.3 1.4	112.9 1.4	114.5 1.4	116.1 1.4	117.7 1.4	119.4 1.4	121.0 1.4	122.6 1.4	124.3 1.3	125.9 1.3	127.5 1.3	129.2 1.3	
HOUSING STARTS	2.073 6.3	1.812 -12.6	1.342 -25.9	0.900 -32.9	0.581 -35.5	0.749 28.8	0.925 23.6	1.202 29.9	1.442 20.0	1.522 5.5	1.535 0.8	1.538 0.2	1.550 0.8	1.566 1.0	1.587 1.3	1.609 1.4	1.637 1.7	1.658 1.3	1.673 0.9	1.686 0.8	1.696 0.6	1.708 0.7	1.722 0.8	1.738 0.9	1.755 1.0	1.776 1.2	
UNIT LABOUR COSTS (NON-FARM)	119.5 2.3	122.9 2.8	125.7 2.3	126.9 1.0	125.1 -1.4	122.7 -1.9	122.1 -0.5	123.2 0.9	124.4 1.0	125.4 0.8	126.6 1.0	128.2 1.3	130.2 1.6	132.4 1.7	134.8 1.8	137.3 1.9	140.0 1.9	142.7 1.9	145.5 2.0	148.3 2.0	151.2 2.0	154.1 2.0	157.2 2.0	160.3 2.0	163.4 2.0	166.6 2.0	
U.S. M2 (BILLIONS \$ U.S.)	6527 4.2	6855 5.0	7250 5.8	7748 6.9	8342 7.7	8559 2.6	8704 1.7	9057 4.0	9612 6.1	10241 6.5	10914 6.6	11635 6.6	12410 6.7	13231 6.6	14105 6.6	15036 6.6	16029 6.6	17089 6.6	18220 6.6	19426 6.6	20712 6.6	22085 6.6	23549 6.6	25111 6.6	26778 6.6	28556 6.6	
FEDERAL FUNDS RATE	3.21	4.96	5.02	1.93	0.23	1.08	3.91	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00
PRIME LOAN RATE	6.19	7.96	8.05	5.09	3.24	4.02	6.85	7.94	7.94	7.94	7.94	7.94	7.94	7.94	7.94	7.94	7.94	7.94	7.94	7.94	7.94	7.94	7.94	7.94	7.94	7.94	7.94
91-DAY T-BILL RATE	3.21	4.85	4.47	1.39	0.17	0.69	3.04	4.17	4.36	4.47	4.53	4.56	4.57	4.58	4.59	4.59	4.59	4.60	4.60	4.60	4.60	4.60	4.60	4.60	4.60	4.60	4.60
90-DAY COMMERCIAL PAPER F	3.38	5.03	4.99	2.12	0.29	1.02	3.78	4.92	4.96	4.97	4.97	4.97	4.97	4.97	4.97	4.97	4.97	4.97	4.97	4.97	4.97	4.97	4.97	4.97	4.97	4.97	4.97
30-YEAR T- BOND RATE	4.56	4.88	4.83	4.28	4.06	4.04	4.56	5.02	5.23	5.39	5.52	5.63	5.71	5.77	5.82	5.86	5.89	5.91	5.93	5.94	5.96	5.96	5.97	5.98	5.98	5.98	5.98
TOTAL NON-FARM EMPLOYMEI (MILLIONS)	133.7 1.7	136.1 1.8	137.6 1.1	137.0 -0.4	132.0 -3.7	131.1 -0.7	133.3 1.6	135.8 1.9	138.2 1.8	140.3 1.5	142.5 1.5	144.4 1.4	146.1 1.2	147.3 0.8	148.1 0.6	149.0 0.6	149.9 0.6	150.7 0.6	151.6 0.6	152.4 0.6	153.2 0.5	154.1 0.6	155.0 0.6	156.0 0.6	157.0 0.6	158.0 0.7	
MOODY'S AAA CORPORATE BOND RATE	5.23	5.59	5.56	5.63	5.31	4.83	5.18	5.67	5.96	6.19	6.35	6.48	6.57	6.65	6.70	6.74	6.77	6.79	6.81	6.82	6.83	6.84	6.85	6.85	6.85	6.85	6.86
UNEMPLOYMENT RATE	5.1	4.6	4.6	5.8	9.2	9.7	8.2	7.6	7.3	7.0	6.5	6.0	5.7	5.5	5.4	5.2	5.2	5.2	5.1	5.1	5.1	5.1	5.1	5.1	5.1	5.1	5.1
W. TEXAS INT. OIL PRICES (\$ U.S. / BARREL)	56.47 36.3	66.10 17.1	72.36 9.5	99.57 37.6	61.15 -38.6	77.42 26.6	85.95 11.0	95.55 11.2	108.57 13.6	116.86 7.6	121.85 4.3	125.72 3.2	129.66 3.1	133.72 3.1	137.90 3.1	142.22 3.1	146.73 3.2	149.89 2.2	154.08 2.8	158.09 2.6	162.06 2.5	166.25 2.6	169.82 2.1	173.35 2.1	177.37 2.3	181.47 2.3	
FRB 10 COUNTRY \$ INDEX	111	109	103	100	107	102	100	96	94	93	92	92	92	92	92	92	92	92	92	92	92	92	92	92	92	92	92
FEDERAL DEFICIT NIPA BASIS (BILLIONS \$U.S.)	-283	-204	-237	-643	-1092	-931	-922	-908	-889	-873	-857	-849	-839	-827	-812	-795	-773	-749	-720	-685	-657	-630	-601	-567	-529	-487	
CURRENT ACCOUNT BALANCE (BILLIONS \$ U.S.)	-749	-804	-727	-706	-387	-404	-470	-570	-692	-795	-858	-922	-975	-1026	-1079	-1133	-1189	-1248	-1308	-1369	-1430	-1492	-1557	-1625	-1695	-1768	

Conference Board - March 18, 2010

	YGDPK	PCPI	RGOCL	RTB90	PFX	USRTB90	USRLONG
	18-Mar-10	18-Mar-10	18-Mar-10	18-Mar-10	18-Mar-10	22-Mar-10	22-Mar-10
2008.1	1323013	1.122	4.11	2.906333	1.004081	2.09	4.41
2008.2	1324093	1.145	4.083333	2.706667	1.009997	1.65	4.58
2008.3	1325452	1.157	4.1	2.270667	1.041795	1.52	4.45
2008.4	1312880	1.139667	3.886667	1.665	1.212475	0.30	3.68
2009.1	1289445	1.136	3.716667	0.714667	1.245318	0.22	3.45
2009.2	1278163	1.145667	3.973333	0.229	1.167165	0.17	4.17
2009.3	1281161	1.147	3.93	0.233667	1.097383	0.16	4.32
2009.4	1296955	1.148667	3.96	0.220667	1.056276	0.06	4.33
2010.1	1313125	1.152194	3.818124	0.200651	1.0399	0.10	4.60
2010.2	1322853	1.157115	3.570761	0.181703	1.018	0.07	4.42
2010.3	1332847	1.173116	3.490439	0.460333	1.006156	0.03	4.24
2010.4	1343751	1.179524	3.520094	0.942087	1.000266	0.04	4.09
2011.1	1356032	1.187684	3.62258	1.505331	0.995926	0.33	4.04
2011.2	1365796	1.19332	3.894079	2.362791	0.991602	0.76	4.06
2011.3	1376773	1.199051	4.055174	2.880403	0.98945	1.44	4.19
2011.4	1388185	1.204499	4.25591	3.370902	0.987306	1.95	4.29
2012.1	1399946	1.211578	4.479058	3.863014	0.985384	2.40	4.39
2012.2	1411759	1.217172	4.69283	4.273053	0.985384	2.73	4.48
2012.3	1422497	1.223611	4.766243	4.312269	0.987292	2.99	4.55
2012.4	1434410	1.228903	4.839709	4.320829	0.991092	3.24	4.63
2013.1	1444871	1.235509	4.903858	4.327872	0.994458	3.49	4.73
2013.2	1455351	1.242901	4.961403	4.333503	0.997814	3.71	4.82
2013.3	1464897	1.248649	5.012794	4.33802	1.00116	3.77	4.86
2013.4	1474853	1.254498	5.05872	4.341647	1.004494	3.81	4.90
2014.1	1484233	1.260174	5.099755	4.344553	1.006572	3.85	4.93
2014.2	1493283	1.265843	5.136427	4.346887	1.008646	3.89	4.97
2014.3	1501898	1.272239	5.169207	4.348757	1.010716	3.91	5.00
2014.4	1510405	1.278456	5.198519	4.350263	1.01278	3.94	5.03

Conference Board

February 16, 2010
 Provincial Long Term
 Forecast: 2010 Run:

TABLE 8: KEY ECONOMIC INDICATORS, MANITOBA

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
G.D.P AT MARKET PRICES (MILLIONS \$)	50187 4.3 3.1	49565 -1.2 3.2	52004 4.9 3.2	54685 5.2 3.2	57531 5.2 3.2	60062 4.4 3.1	62696 4.4 3.1	64987 3.7 3.1	67329 3.6 3.1	69643 3.4 3.0	71929 3.3 3.0	74391 3.4 3.0	76698 3.1 3.0	79193 3.3 3.0	81915 3.4 3.0	84690 3.4 2.9	87631 3.5 2.9	90639 3.4 2.9	93702 3.4 2.9	96901 3.4 2.9	100234 3.4 2.9	103754 3.5 2.9	107419 3.5 2.9
G.D.P AT FACTOR COST (MILLIONS \$)	46713 4.6 3.1	46167 -1.2 3.2	48370 4.8 3.2	50740 4.9 3.2	53315 5.1 3.1	55585 4.3 3.1	57970 4.3 3.1	60009 3.5 3.0	62092 3.5 3.0	64152 3.3 3.0	66177 3.2 3.0	68370 3.3 2.9	70399 3.0 2.9	72605 3.1 2.9	75030 3.3 2.9	77497 3.3 2.9	80119 3.4 2.9	82795 3.3 2.9	85516 3.3 2.9	88357 3.3 2.8	91319 3.4 2.8	94453 3.4 2.8	97714 3.5 2.8
G.D.P AT FACTOR COST (MILLIONS \$ 2002)	39256 2.5 3.2	39242 -0.0 3.3	40296 2.7 3.3	41555 3.1 3.3	43016 3.5 3.2	44264 2.9 3.2	45374 2.5 3.2	46156 1.7 3.2	47210 2.3 3.2	48185 2.1 3.2	49110 1.9 3.2	50064 1.9 3.2	50871 1.6 3.2	51762 1.8 3.2	52722 1.9 3.2	53715 1.9 3.2	54728 1.9 3.2	55707 1.8 3.2	56691 1.8 3.2	57684 1.8 3.2	58704 1.8 3.2	59794 1.9 3.2	60890 1.8 3.2
CONSUMER PRICE INDEX (2002=1.0)	1.134 2.2	1.144 0.9	1.166 2.0	1.191 2.1	1.219 2.4	1.245 2.1	1.272 2.1	1.298 2.1	1.325 2.1	1.353 2.1	1.382 2.1	1.411 2.1	1.441 2.1	1.472 2.1	1.503 2.1	1.535 2.1	1.567 2.1	1.600 2.1	1.633 2.1	1.667 2.1	1.702 2.1	1.737 2.1	1.773 2.1
IMPLICIT PRICE DEFLATOR - GDP AT FACTOR COST (2002=1.0)	1.190 2.1	1.176 -1.1	1.200 2.0	1.221 1.7	1.239 1.5	1.256 1.3	1.278 1.7	1.300 1.8	1.315 1.2	1.331 1.2	1.347 1.2	1.366 1.3	1.384 1.3	1.403 1.4	1.423 1.5	1.443 1.4	1.464 1.5	1.486 1.5	1.508 1.5	1.532 1.5	1.556 1.6	1.580 1.5	1.605 1.6
AVERAGE WEEKLY WAGE (\$, INDUSTRIAL COMPOSITE)	720 1.7	737 2.4	755 2.4	778 3.0	801 3.0	828 3.4	856 3.3	886 3.5	911 2.9	937 2.8	964 2.8	992 2.9	1020 2.8	1048 2.8	1078 2.8	1108 2.8	1139 2.8	1171 2.8	1204 2.8	1238 2.8	1272 2.8	1308 2.8	1344 2.8
PERSONAL INCOME (MILLIONS \$)	40229 5.8 3.3	40919 1.7 3.3	42453 3.7 3.3	44139 4.0 3.3	46116 4.5 3.3	48302 4.7 3.3	50353 4.2 3.2	52401 4.1 3.2	54308 3.6 3.2	56262 3.6 3.2	58293 3.6 3.2	60413 3.6 3.2	62570 3.6 3.2	64863 3.7 3.2	67252 3.7 3.2	69722 3.7 3.2	72295 3.7 3.2	74952 3.7 3.2	77649 3.6 3.2	80429 3.6 3.2	83304 3.6 3.2	86211 3.5 3.2	89189 3.5 3.2
PERSONAL DISPOSABLE INCOME (MILLIONS \$)	31846 7.0 3.3	32575 2.3 3.4	33850 3.9 3.4	34964 3.3 3.4	36398 4.1 3.3	38077 4.6 3.3	39612 4.0 3.3	41120 3.8 3.3	42522 3.4 3.3	43963 3.4 3.3	45461 3.4 3.3	47032 3.5 3.3	48632 3.4 3.3	50323 3.5 3.3	52083 3.5 3.3	53901 3.5 3.3	55792 3.5 3.3	57742 3.5 3.3	59718 3.4 3.3	61749 3.4 3.3	63843 3.4 3.3	65957 3.3 3.3	68112 3.3 3.3
PERSONAL SAVINGS RATE	2.9 85.8	3.7 25.1	4.0 7.9	4.1 2.4	3.3 -19.0	3.4 3.2	3.6 4.3	2.6 -27.3	2.0 -20.6	1.8 -14.6	1.5 -15.9	1.3 -13.2	1.1 -12.0	1.0 -11.2	0.9 -5.7	0.9 -2.5	0.9 0.8	0.9 2.3	1.0 1.9	1.0 0.2	1.0 0.1	0.9 -5.3	0.8 -12.0
POPULATION OF LABOUR FORCE AGE	910 1.2 3.4	923 1.4 3.4	937 1.5 3.4	948 1.2 3.4	958 1.1 3.4	969 1.1 3.4	979 1.1 3.4	990 1.1 3.4	1000 1.0 3.4	1010 1.0 3.4	1020 1.0 3.4	1031 1.0 3.4	1041 1.0 3.4	1052 1.0 3.4	1063 1.1 3.4	1074 1.1 3.4	1085 1.0 3.4	1097 1.1 3.4	1108 1.1 3.4	1120 1.1 3.4	1132 1.1 3.4	1144 1.1 3.4	1156 1.0 3.4
LABOUR FORCE ('000s)	633 1.4 3.5	641 1.4 3.5	650 1.4 3.5	658 1.2 3.5	666 1.2 3.5	673 1.0 3.5	678 0.8 3.5	685 1.0 3.5	690 0.7 3.5	694 0.6 3.5	700 0.8 3.5	705 0.7 3.5	709 0.6 3.5	714 0.7 3.5	720 0.8 3.5	725 0.8 3.5	731 0.8 3.5	737 0.7 3.5	741 0.6 3.5	745 0.6 3.5	751 0.7 3.5	755 0.6 3.6	760 0.7 3.6
EMPLOYMENT ('000s)	607 1.7 3.5	608 0.2 3.6	610 0.4 3.6	620 1.6 3.6	631 1.8 3.5	640 1.4 3.5	645 0.8 3.5	652 1.0 3.5	656 0.7 3.5	661 0.7 3.5	666 0.7 3.5	670 0.6 3.5	673 0.5 3.5	678 0.7 3.5	683 0.8 3.5	689 0.8 3.5	694 0.8 3.5	700 0.8 3.5	704 0.6 3.5	709 0.7 3.6	714 0.7 3.6	718 0.6 3.6	723 0.7 3.6
UNEMPLOYMENT RATE	4.1	5.2	6.2	5.8	5.3	4.9	4.9	4.9	4.9	4.8	4.9	5.0	5.1	5.1	5.1	5.0	5.0	5.0	5.0	4.9	4.9	4.9	4.9
RETAIL SALES (MILLIONS \$)	15017 7.2 3.5	14783 -1.6 3.6	15387 4.1 3.6	15923 3.5 3.5	16816 5.6 3.5	17579 4.5 3.5	18208 3.6 3.5	18606 2.2 3.5	19258 3.5 3.4	19886 3.3 3.4	20520 3.2 3.4	21126 3.0 3.4	21714 2.8 3.4	22323 2.8 3.4	22932 2.7 3.4	23541 2.7 3.4	24155 2.6 3.4	24765 2.5 3.4	25364 2.4 3.4	25972 2.4 3.4	26585 2.4 3.4	27202 2.3 3.4	27839 2.3 3.3
HOUSING STARTS (NUMBER OF UNIT)	5537 -3.5 2.6	4202 -24.1 3.0	4659 10.9 2.7	5123 10.0 2.6	6090 18.9 3.0	6263 2.8 3.1	6450 3.0 3.3	6793 5.3 3.4	6927 2.0 3.4	6978 0.7 3.4	6982 0.1 3.4	7036 0.8 3.5	7095 0.8 3.5	7065 -0.4 3.5	7078 0.2 3.6	7100 0.3 3.6	7111 0.2 3.7	7125 0.2 3.7	7083 -0.6 3.7	6954 -1.8 3.7	6929 -0.4 3.7	6903 -0.4 3.8	6889 -0.2 3.8

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Canada: Major Indicators

IL Reference	January 26, 2010	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	
GDPMK	GDP Chain-Weighted 1997 Ss, Mi	1222982	1192990	1223984	1265673	1309371	1351286	1385606	1415660	1438719	1462501	1489900	1519037	1549947	1580865	1609583	1634385	1659276	1688102	1717193	1749003	1777488	1802890	1829077	
	GDP Chain-Weighted - % chge	0.4	-2.5	2.6	3.4	3.5	3.2	2.5	2.2	1.6	1.7	1.9	2.0	2.0	2.0	1.8	1.5	1.5	1.7	1.7	1.9	1.6	1.4	1.5	
PRICES & MONETARY INDICATORS																									
GDPMP	GDP Deflator (Chained, 1997=1)	1.31	1.26	1.31	1.34	1.37	1.4	1.44	1.48	1.52	1.55	1.59	1.62	1.66	1.7	1.74	1.78	1.83	1.87	1.92	1.96	2.01	2.06	2.11	
gdpmp#p	Inflation (% change year-to-year)	3.9	-3.4	4.1	2.3	1.8	2.2	2.7	2.7	2.7	2.5	2.2	2.2	2.3	2.3	2.4	2.5	2.5	2.4	2.4	2.4	2.5	2.5	2.2	
CPITLI	Consumer Price Index (1992=100)	135.3	134.82	137.15	139.64	142.83	146.46	150.4	154.52	158.88	162.9	166.44	170.05	173.93	177.89	181.98	186.29	190.61	194.84	199.18	203.6	208.27	213.02	217.34	
cpitli#p	Inflation (% change year-to-year)	2	-0.4	1.7	1.8	2.3	2.5	2.7	2.7	2.8	2.5	2.2	2.2	2.3	2.3	2.3	2.4	2.3	2.2	2.2	2.2	2.3	2.3	2	
REXCUR	Exchange Rate (SCan per U.S.)	1.07	1.15	1.03	0.99	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	
rrxcur	Real Exchange Rate [2]	0.98	1.11	0.96	0.91	0.91	0.9	0.89	0.88	0.88	0.87	0.87	0.87	0.87	0.87	0.87	0.87	0.87	0.87	0.86	0.85	0.85	0.84	0.83	0.82
rexrcr	Exchange Rate (cents U.S. per SCan)	93.7	86.9	97.1	101	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100
	3 Month Treasuries	2.39	0.45	0.24	0.34	1.37	2.62	3.80	4.24	4.24	4.24	4.24	4.24	4.24	4.24	4.24	4.24	4.24	4.24	4.24	4.24	4.24	4.24	4.24	4.24
PCP90I	Commercial Paper - 90 day (%)	3.2	0.2	0.1	0.2	1.2	2.5	3.8	4.2	4.2	4.2	4.2	4.2	4.2	4.2	4.2	4.2	4.2	4.2	4.2	4.2	4.2	4.2	4.2	4.2
INDLBI	AAA Industrial Bonds	5.4	5.6	5.2	5.1	5.4	6.1	6.8	7.3	7.6	7.8	7.8	7.8	7.8	7.8	7.8	7.8	7.8	7.8	7.7	7.7	7.7	7.6	7.6	7.6
FGVLBI	Government of Canada Bonds (10+)	4	3.8	3.8	3.7	4.1	4.8	5.5	6.1	6.4	6.6	6.6	6.7	6.7	6.6	6.6	6.6	6.6	6.6	6.5	6.5	6.4	6.4	6.3	6.3
FGVLBR	10+ Years Canada Bonds (real [3])	0.8	1.9	1.7	1.7	2.3	3.3	2.9	3.8	4	4	4.1	4.2	4.3	4.3	4.3	4.3	4.2	4.2	4.1	4.1	4	3.9	3.9	3.9
INDLBR	AAA Industrial Bonds (real)	2.2	3.7	3.1	3.1	3.7	4.6	4.1	5	5.2	5.2	5.2	5.4	5.4	5.5	5.5	5.5	5.4	5.4	5.3	5.3	5.2	5.2	5.1	5.1

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Manitoba: Basic Indicators

IL Reference	January 26, 2010	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
	Population - %	1.2	0.5	0.6	0.6	0.6	0.6	0.6	0.6	0.7	0.6	0.6	0.6	0.6	0.6	0.6	0.6	0.5	0.5	0.5	0.5	0.4	0.4	0.4
GPTTTL	Population (000s)	1208	1213.5	1220.4	1227.9	1235.7	1243.6	1251.6	1259.7	1267.9	1276	1284.2	1292.2	1300.1	1307.8	1315.3	1322.6	1329.6	1336.4	1342.9	1349	1354.8	1360.4	1365.7
GSTTTL	Source Population	909.7	917.8	924.3	930.9	937.3	943.2	948.9	954.7	960.1	965.4	970.6	975.9	981.1	986.4	991.7	997.1	1002.4	1007.5	1012.6	1017.6	1022.5	1027.3	1032
GHLTTL	Households	459.1	462.9	467.1	471.3	475.6	479.8	484.1	488.6	492.9	497.1	501.2	505.2	509.1	512.8	516.2	519.4	522.5	525.5	528.3	531	533.6	536.3	538.8
GFLTTL	Family	317.2	319.1	321.2	323.4	325.3	327.2	329.3	331.5	333.6	335.6	337.4	339.2	340.8	342.3	343.6	344.8	345.8	346.8	347.6	348.4	349.2	350	350.8
gnlttl	Non-family	142	143.8	145.9	148	150.3	152.6	154.8	157.1	159.3	161.5	163.8	166	168.3	170.5	172.6	174.7	176.7	178.7	180.7	182.6	184.5	186.3	188
	Labour Markets (000s)																							
GLTTTL	Labour Force	633	640.6	644.5	652	657.3	661.4	665	667.7	669.3	670.6	672.6	675	677.7	680.2	682.5	684	685	686.2	687.7	689.3	690.8	691.3	691
GRTTTL	Participation Rate (%)	69.6	69.8	69.7	70	70.1	70.1	70.1	69.9	69.7	69.5	69.3	69.2	69.1	69	68.8	68.6	68.3	68.1	67.9	67.7	67.6	67.3	67
GTOTET	Employment	607	607	604.1	609.4	616	622.4	628.4	633.5	636.6	638.1	640.5	643.1	646.5	649.6	652	653.3	654	655.2	656.6	658.4	659.7	660.3	659.4
GUTTR	Unemployment Rate (%)	4.1	5.3	6.3	6.5	6.3	5.9	5.5	5.1	4.9	4.9	4.8	4.7	4.6	4.5	4.5	4.5	4.5	4.5	4.5	4.5	4.5	4.5	4.6
GTOTYK	Gross Domestic Product (\$97 Mns)	37333	36408	37065	37988	39090	40068	40901	41671	42211	42710	43345	44015	44767	45495	46139	46661	47199	47851	48506	49239	49868	50411	50948
	Gross Domestic Product (\$97 Mns) - % ch	2.8	-0.4	1.8	2.5	2.9	2.5	2.1	1.9	1.3	1.2	1.5	1.5	1.7	1.6	1.4	1.1	1.2	1.4	1.4	1.5	1.3	1.1	1.1
GTOTYK	Total	37333	36408	37065	37988	39090	40068	40901	41671	42211	42710	43345	44015	44767	45495	46139	46661	47199	47851	48506	49239	49868	50411	50948
GPTOTI	CPI, Province (1992=100)	139.5	140.5	142.8	145.4	148.7	152.4	156.5	160.7	165.2	169.2	172.9	176.5	180.5	184.5	188.7	193	197.4	201.7	206.1	210.5	215.3	220	224.4
	CPI - % chge	2.2	0.7	1.6	1.8	2.3	2.5	2.7	2.7	2.8	2.4	2.2	2.1	2.3	2.2	2.3	2.3	2.3	2.2	2.2	2.1	2.3	2.2	2.0