



September 8, 2006

Weekly indicators

- **United States** – Worker productivity for Q2 was revised upwards. However unit labor costs rose faster than expected, due to higher estimates regarding compensation. On a year-over-year basis, worker compensation is now up 6.6% in nominal terms and unit labor costs are up by 5%. Peak corporate earnings now are almost certainly behind us, a fact which augurs poorly for the stock markets. The ISM non-manufacturing index rose faster than expected in August to 57.0. This indicator is however slated to show weakness in the future, because construction sector activity (which is slackening), has proven to be a good predictor for the ISM's direction. It should also be noted that the details behind the ISM are more sobering than the number itself. The new orders index retreated to its weakest level in 40 months (to 52.1) while the employment index also pulled back.
- **Canada** – The Bank of Canada maintained its key rate at 4.25%. The central bank continues to project that growth will rebound to the Canadian economy's 3% speed limit and that core inflation will converge to 2%. We doubt that acceleration in domestic demand will compensate for the downside risks that are imputable to a slowing U.S. economy. This will thus open the door to a possible rate cut during the first half of 2007. The Canadian economy lost 16K jobs in August and the unemployment rate edged up to 6.5%.

Following the subject of the week, you'll find the trends in the principal North American and global indicators. The last page presents a calendar on indicators which are to be published next week.

U.S. economy: the slowdown will not be limited to the housing sector

Summary

- Optimistic forecasters are advancing the notion that given the size of the U.S. manufacturing and non-residential construction sectors, that current vigor there will compensate for weakness in residential real estate.
- However the question is far more complex than merely a matter of sector weights. House price statistics confirm that net real estate wealth growth is slated to take a real beating.
- A national housing price retreat will lead to a drastic change in the composition of the motors of domestic consumption growth.
- Consumers will be forced to deal with a 180 degree turn in one of the greatest real estate wealth effects in U.S. history and are unlikely to emerge unscathed. The housing sector's pullback will almost certainly affect general economic growth.

The indirect effects of residential real estate weakness

Everyone knows it. The U.S. residential real estate sector is stumbling in a significant way. Right now, the pullback looks roughly similar to what happened in 1995, when the U.S. economy was in the midst of a mid-cycle slowdown.

In the optimists' camp, there are some who believe that current housing sector weakness will be compensated for by increased non-residential construction and by a revamp in manufacturing activity.

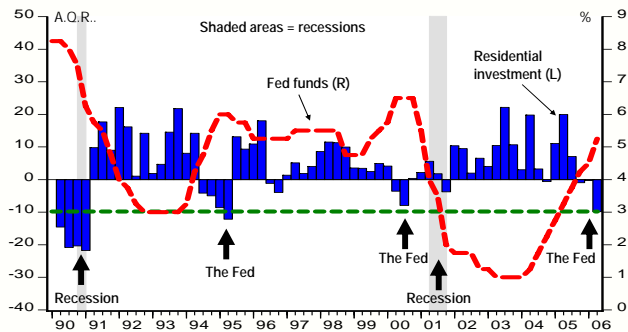
At the other end of the spectrum, we find those who believe that a significant slowdown in consumer spending is in the works. The former camp's analysis rests strictly on direct effects. The latter camp believes that there will also be significant indirect effects resulting from weaker residential real estate prices. We are among those who believe that those indirect effects will play themselves out in a major way.

More than just a simple slowdown

The U.S. residential housing sector stumbled baldly during the second quarter. Residential real estate investment fell by 10% on an annualized basis, its worst performance since 1995.

1) The residential sector stumbles

Growth in residential real estate investment in real terms

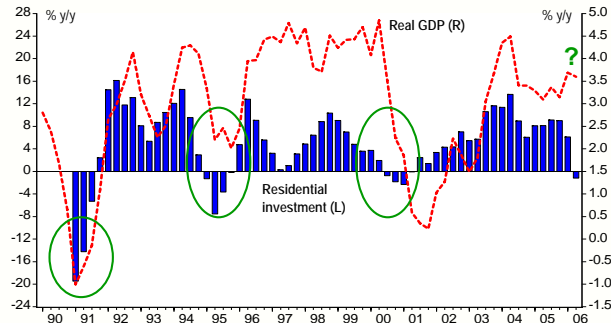


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Pullbacks of this magnitude generally come from one of two sources: either from recessions or from significant Federal Reserve monetary tightening. The current weakness stems from the latter.

2) The economic effects of a residential sector retreat?

Growth in residential investment in real terms



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In fact the current episode is far more than a slowdown. It's a downturn. The problem is that (as chart 2 shows) when the housing sector is this weak, real GDP growth tends to slow significantly.

Not out of the woods yet

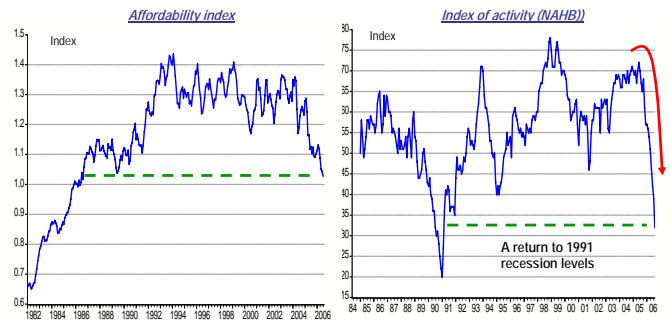
Furthermore, residential housing is not out of the woods yet. The NAHB's activity index is in a freefall and the rising house prices of recent years have pushed the affordability index to its lowest level since the beginning of 1986.

The problem is not so much interest rates, which remain at historically low levels. The real culprit is house prices, which are now so high, that increasing numbers of

properties are out of reach to American consumers, who might have been able to afford them a few years ago.

3) A rock in the ravine

Composite index (fixed and variable rates) of housing affordability and the NAHB index of housing sector activity

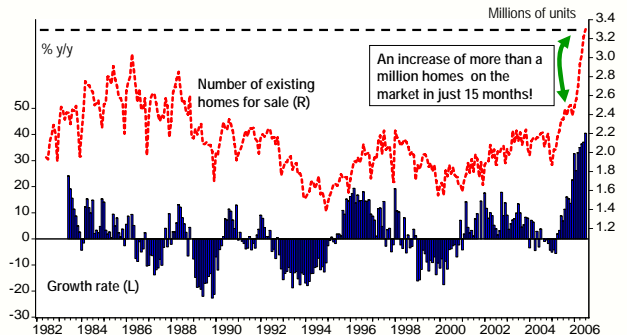


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Falling activity has boosted inventories of unsold houses to record levels (by about 40% on an annualized basis according to chart 4).

4) An over-supply of houses for sale?

Number of existing homes for sale



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Like any other product, housing is subject to the laws of supply and demand. As a result, the inventory buildup of unsold homes will no doubt lead to weaker prices down the road. We believe that the upshot will be sector deflation on a national level.

The cause or the effect?

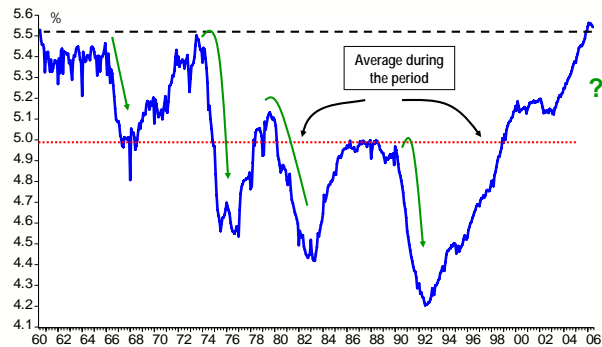
Some optimistic observers are not too worried. They argue that jobs will be created profusely and that household personal disposable income will grow sufficiently to compensate for the residential sector pullback. We are skeptical.

We believe that housing sector pullback will lead to general weakness in job creation. For one, many architects, designers and suppliers of new home construction components (plumbing, electricity wood etc...) as well as a good number of construction workers will suffer.

As can be seen in chart 5, these jobs are highly cyclical. Because of the high percentage that construction jobs now represent of total employment, significant job losses can be expected in this area.

5) Highly cyclical

Ratio of construction employment to total employment



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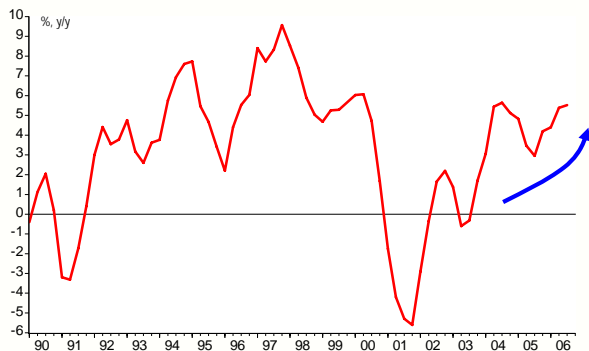
To compensate for the loss of the cyclical construction related jobs, employment would have to heat up in other sectors. However the residential sector slowdown could well be the cause of a weaker job market.

More than a mere question of weight

The optimists camp is betting that due to the manufacturing sector's weight (which is just under 20% of the economy compared to about 5% for housing), its recent strength will be one of the elements that will counter the recent weakness in residential real estate.

6) Insufficient compensatory effects

Growth in production in the manufacturing sector



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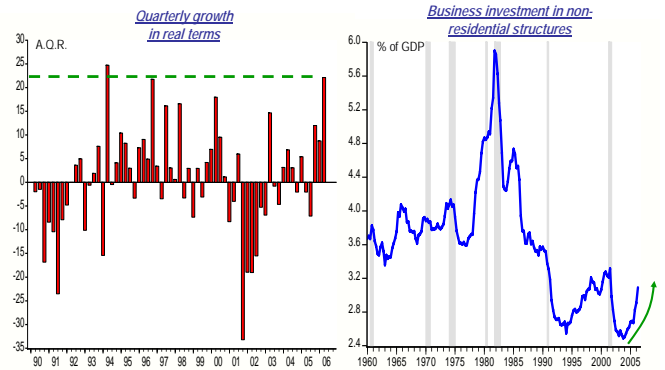
The optimists are also quick to point out the recent strength in non-residential construction, which recently registered a respectable 22% spike in activity during the second quarter on an annualized basis. However, two things need to be remembered. For one, non-residential construction's weight in the economy is miniscule. Furthermore, the sector tends to be a lagging indicator of the economic cycle. In fact more often than not, this

sector peaks right in the middle of a recession, (the right hand side of chart 7).

Our verdict is different. True, both manufacturing and non-residential construction are looking like they will counter some of the effects of the housing sector slowdown.

7) Non-residential construction to the rescue ?

Business investment in non-residential structures



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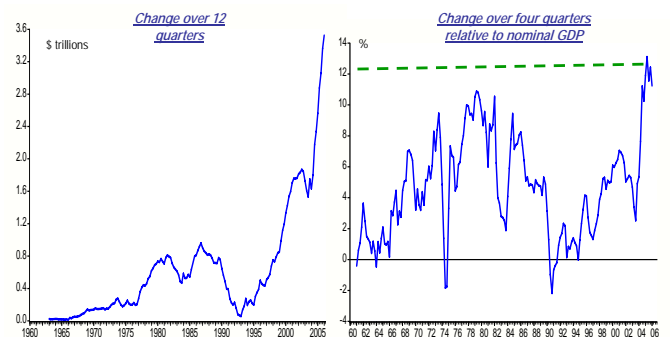
However these sectors are only part of the story. Before relying totally on them, we must look at how the reversed wealth effect, now stemming from falling (rather than rising) house prices, will affect household consumption.

Quite a thrashing

During recent years, rapid gains in net real estate wealth pulverized all records. But what rises straight up, more often than not, is also subject to a reversal. In fact, the process is already underway (chart 9). Housing price statistics, which come out before net household real estate wealth data, confirm that growth in net real estate wealth is in for quite a thrashing¹.

8) Pulverizing all records

Change in net real estate wealth relative to GDP



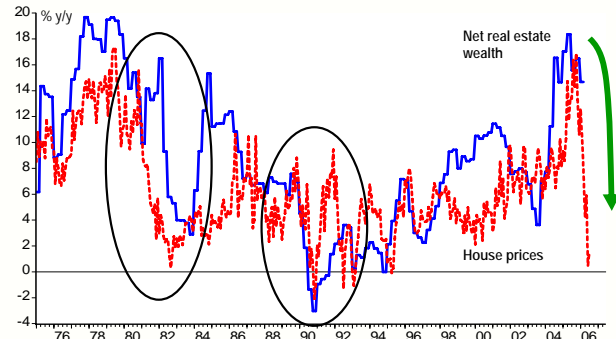
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¹ According to the Economist (August), a retreat in house prices on a national level will lead to the largest destruction in household wealth since the depression of the 1930s.

Taking into account the probable results of the growing inventories of unsold houses, we are forecasting a 10% drop in prices at the national level. As a result, net real estate wealth should pull back considerably during the coming quarters, creating what will likely be the greatest level of wealth destruction in several decades².

9) Losing ground

Growth of median existing house prices (annualized basis) and of net real estate wealth



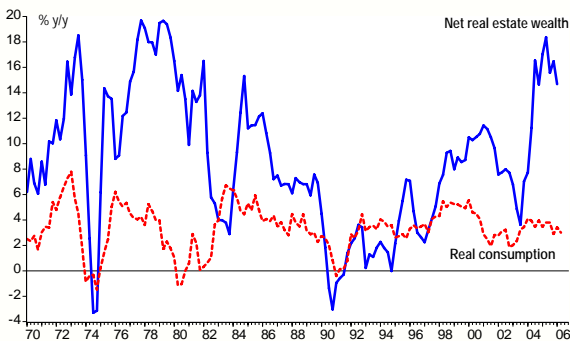
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Consumers will be unable to walk away unscathed

This 180 degree turnaround from a positive to a negative wealth effect will undoubtedly hit consumption growth hard (make the link between charts 9 and 10). Real estate wealth, which has been one of the key drivers of consumption growth, will no longer have the same effect.

10) End of the life preserver

Growth in net real estate wealth and real consumption on an annualized basis



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A drastic change in dynamic

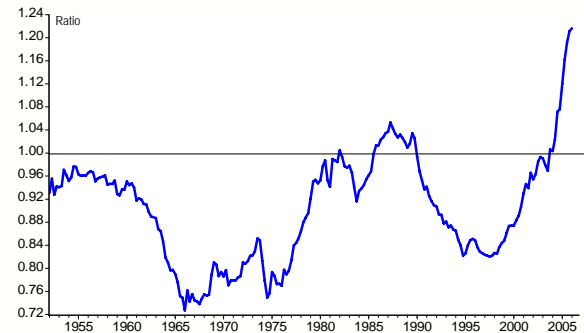
During recent years, net real estate wealth grew much faster than personal disposable income (chart 11). A retreat in house prices at the national level will lead to a drastic change in the drivers of consumption growth.

Personal disposable income will now have to substitute for net real estate wealth as a driver of consumption.

However as we have seen, residential sector construction activity has in itself been a key driver of job creation in recent years.

11) A different turn of events

Ratio of net real estate wealth to personal disposable income in nominal terms

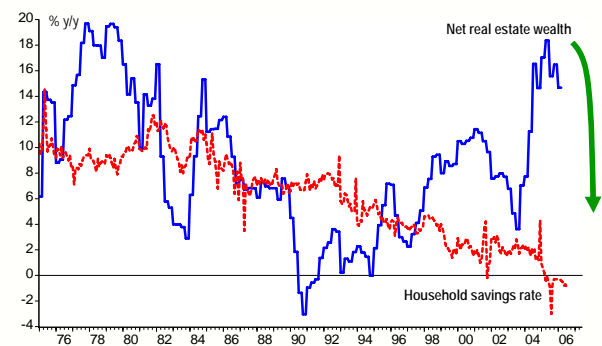


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Thus it becomes practically impossible to imagine that an increase in personal disposable income will compensate for a weakness in the job market stemming from a pullback in the housing sector.

12) Shaker wealth and a negative savings rate to boot

Growth in the savings rate and in net real estate wealth (annualized)



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The deceleration in the net real estate wealth effect could not have come at a worse moment. History tells us that a frittering away of a wealth effect, never leads to a drop in household savings, even when this rate is high and in positive territory. At best, the savings rate stabilizes. However the savings rate of U.S. households is now in the red.

Thus in 2007 consumption growth should be slower than that of growth in real personal disposable income, which in itself is likely to be quite tame.

The bottom line is that the pullback in the housing sector and the drop in house prices will likely have effects that are further reaching than merely impact on the sector itself. These effects will likely extend to the growth of the economy as a whole.


² We are also predicting a retreat in equities markets during 2007.

Conclusion

The optimists' camp is advancing the notion that the vigor coming from non-residential construction and manufacturing will be sufficient to compensate for a slowdown in the housing sector, due to the weight of the two former sectors in the economy.

However the analysis is far more complex than a mere question of weight. Housing price statistics confirm that growth in net real estate wealth is going to be hit hard.

We are not just in for an ordinary housing sector pullback, but rather a pullback accompanied by one of the largest negative real estate wealth effects in the history of the U.S. economy. Consumers will not be able to emerge unscathed.



Yanick Desnoyers - Senior Economist
(514)-879-3140

✉ – yanick.desnoyers@fbn.ca

TABLE 1 - NORTH AMERICAN FINANCIAL INDICATORS
September 8, 2006

| Growth Rates Unless Otherwise Indicated | Reference Period | Level | Monthly Growth (%) | | | Annualized Growth | | Since 12 Mos. | Cumulated since beginning of year | |
|--|-----------------------|--------------|--------------------|----------------|---------------------------|---------------------|----------|------------------|--------------------------------------|--------------|
| | | | Past | Prev. | Month | Average of the last | | | ref. | prec. |
| | | | Month | Month | Before | 3 Mos. | 6 Mos. | | | |
| UNITED STATES | | | | | | | | | | |
| <u>MONETARY AGGREGATES</u> | | | | | | | | | | |
| | | (\$Billions) | | | | | | | | |
| M1 | Jul 2006 | 1372 | 0.2 | -1.7 | 0.2 | -1.5 | 0.8 | 0.2 | 0.8 | 3.0 |
| M2 | Jul 2006 | 6852 | 0.3 | 0.5 | 0.1 | 3.4 | 4.9 | 4.9 | 4.8 | 4.5 |
| <u>CREDIT MEASURES</u> | | | | | | | | | | |
| Consumer Credit | Jun 2006 | 2186 | 0.5 | 0.3 | 0.5 | 3.7 | 2.0 | 2.8 | 2.7 | 4.3 |
| Mortgage (Banks) | * Jul 2006 | 3111 | 1.0 | 1.3 | 0.9 | 12.6 | 11.1 | 11.6 | 12.8 | 14.1 |
| Business | Jul 2006 | 1135 | 1.0 | 0.7 | 1.8 | 16.5 | 14.5 | 13.2 | 13.1 | 9.0 |
| CANADA | | | | | | | | | | |
| <u>MONETARY AGGREGATES</u> | | | | | | | | | | |
| M2+ | Jun 2006 | 953 | 0.7 | 0.5 | 0.3 | 6.8 | 5.6 | 5.1 | 4.6 | 5.0 |
| Personal Deposits (Banks) (2) | Jul 2006 | 434 | | | | | | 5.3 | 4.2 | 3.8 |
| <u>CREDIT MEASURES</u> | | | | | | | | | | |
| Consumer | Jun 2006 | 320 | 1.0 | 1.3 | 0.5 | 9.6 | 10.6 | 11.3 | 11.5 | 11.8 |
| Mortgages | Jun 2006 | 690 | 0.7 | 0.8 | 0.9 | 10.9 | 11.0 | 10.8 | 10.7 | 10.2 |
| Short - Term Business Loans | Jul 2006 | 311 | 0.9 | 1.4 | 1.5 | 11.0 | 15.2 | 13.5 | 12.8 | 6.3 |
| Business (S.T. + L.T.) | * Jul 2006 | 1059 | 0.5 | 0.4 | 0.7 | 5.6 | 6.0 | 6.2 | 6.4 | 6.0 |
| Private (Consumer+Business) | * Jun 2006 | 2064 | 0.6 | 0.8 | 0.6 | 7.6 | 8.5 | 8.5 | 8.6 | 8.2 |
| Federal Debt | Jul 2006 | 408 | -0.2 | -1.4 | 0.7 | -4.7 | -2.1 | -3.1 | -2.2 | -2.5 |
| INTEREST AND EXCHANGE RATES | | | | | | | | | | |
| | Reference Thursday | Last day | 1 week ago | 2 w. ago | Average of last Thursdays | | | 13 w. ago | 26 w. ago | 52 w. ago |
| | | | | | 13 w. | 26 w. | 52 w. | | | |
| UNITED STATES | | | | | | | | | | |
| <u>INTEREST RATES</u> | | | | | | | | | | |
| Federal Funds Target Rate | * 07 Sep | 5.25 | 5.25 | 5.25 | 5.21 | 5.01 | 4.56 | 5.00 | 4.50 | 3.50 |
| Prime Rate | * 07 Sep | 8.25 | 8.25 | 8.25 | 8.21 | 8.01 | 7.56 | 8.00 | 7.50 | 6.50 |
| 3-month Treasury Bills | * 07 Sep | 4.84 | 4.92 | 4.97 | 4.90 | 4.77 | 4.37 | 4.73 | 4.46 | 3.39 |
| 2-year Bonds | * 07 Sep | 4.83 | 4.79 | 4.87 | 5.02 | 4.95 | 4.68 | 4.99 | 4.72 | 3.88 |
| 5-year Bonds | * 07 Sep | 4.74 | 4.70 | 4.77 | 4.95 | 4.93 | 4.67 | 4.94 | 4.74 | 3.95 |
| 10-year Bonds | * 07 Sep | 4.79 | 4.73 | 4.80 | 4.99 | 4.99 | 4.73 | 4.99 | 4.73 | 4.14 |
| 30-year Bonds | * 07 Sep | 4.94 | 4.88 | 4.94 | 5.08 | 5.07 | 4.86 | 5.06 | 4.72 | 4.42 |
| Corporate High-yield (Lehman) | * 07 Sep | 8.29 | 8.33 | 8.40 | 8.49 | 8.34 | 8.24 | 8.38 | 8.21 | 7.69 |
| Corporate Invest. Grade (Lehman) | * 07 Sep | 5.88 | 5.83 | 5.91 | 6.10 | 6.04 | 5.75 | 6.06 | 5.76 | 5.01 |
| <u>SPREADS</u> | | | | | | | | | | |
| Corp. High-yield - Treas. 10y. | * 07 Sep | 3.50 | 3.60 | 3.60 | 3.50 | 3.35 | 3.51 | 3.39 | 3.48 | 3.55 |
| Corp. Invest. grade - Treas. 10y. | * 07 Sep | 1.09 | 1.10 | 1.11 | 1.11 | 1.05 | 1.02 | 1.07 | 1.03 | 0.87 |
| Treasuries 30y. - 3-m. T.B. | * 07 Sep | 0.10 | -0.04 | -0.03 | 0.17 | 0.30 | 0.49 | 0.33 | 0.26 | 1.03 |
| <u>EXCHANGE RATE</u> | | | | | | | | | | |
| Major currencies, traded-weighted | * 07 Sep | 81.43 | 81.27 | 81.20 | 81.75 | 82.26 | 83.76 | 81.85 | 85.62 | 83.20 |
| CANADA | | | | | | | | | | |
| <u>INTEREST RATES</u> | | | | | | | | | | |
| Prime Rate | * 07 Sep | 6.00 | 6.00 | 6.00 | 6.00 | 5.85 | 5.38 | 6.00 | 5.50 | 4.50 |
| Target overnight rate | * 07 Sep | 4.25 | 4.25 | 4.25 | 4.25 | 4.10 | 3.63 | 4.25 | 3.75 | 2.75 |
| 30-day commercial paper | * 07 Sep | 4.31 | 4.30 | 4.30 | 4.33 | 4.20 | 3.74 | 4.30 | 3.79 | 2.80 |
| 3-month Treasury Bills | * 07 Sep | 4.13 | 4.11 | 4.12 | 4.17 | 4.07 | 3.68 | 4.13 | 3.71 | 2.72 |
| 1-year Treasury Bills | * 07 Sep | 4.17 | 4.18 | 4.25 | 4.36 | 4.27 | 3.98 | 4.32 | 3.93 | 3.00 |
| 5-year Bonds | * 07 Sep | 4.03 | 4.01 | 4.10 | 4.25 | 4.24 | 4.05 | 4.20 | 4.07 | 3.43 |
| 10-year Bonds | * 07 Sep | 4.14 | 4.11 | 4.20 | 4.37 | 4.36 | 4.21 | 4.31 | 4.20 | 3.85 |
| 30-year Bonds | * 07 Sep | 4.22 | 4.19 | 4.27 | 4.43 | 4.41 | 4.31 | 4.38 | 4.24 | 4.19 |
| <u>SPREADS</u> | | | | | | | | | | |
| Prime - 30d. Commercial paper | * 07 Sep | 1.69 | 1.70 | 1.70 | 1.67 | 1.65 | 1.64 | 1.70 | 1.71 | 1.70 |
| Long Term - Short Term | * 07 Sep | 0.09 | 0.08 | 0.15 | 0.25 | 0.34 | 0.63 | 0.25 | 0.53 | 1.47 |
| <u>CANADA UNITED STATES SPREADS</u> | | | | | | | | | | |
| 3-month T-Bills | * 07 Sep | -0.71 | -0.81 | -0.85 | -0.73 | -0.70 | -0.69 | -0.60 | -0.75 | -0.67 |
| Long Term Bonds | * 07 Sep | -0.71 | -0.69 | -0.67 | -0.65 | -0.66 | -0.55 | -0.68 | -0.48 | -0.23 |
| <u>EXCHANGE RATE</u> | | | | | | | | | | |
| US\$ /CDN\$ (GTIS) | * 07 Sep | 0.9007 | 0.9059 | 0.9008 | 0.8934 | 0.8888 | 0.8732 | 0.8911 | 0.8617 | 0.8463 |
| STOCK INDICES | | | | | | | | | | |
| | Reference Thursday | Level | Monthly Growth (%) | | | Growth Over (%) | | | Since beginning of year | |
| | | | Past Month | Prev. Month | Month Before | 3 Months | 6 Months | 1 Year | ref. | prec. |
| Dow Jones (U.S.) | * 07 Sep | 11331.4 | 1.0 | 1.2 | 1.5 | 3.7 | 3.2 | 6.6 | 4.8 | 1.8 |
| S&P 500 (U.S.) | * 07 Sep | 1294.0 | 1.4 | 0.8 | 0.7 | 3.0 | 1.4 | 4.7 | 2.9 | 5.0 |
| NASDAQ (U.S.) | * 07 Sep | 2155.3 | 4.0 | -2.7 | -1.0 | 0.2 | -5.0 | -0.8 | -4.3 | 2.7 |
| S&P/TSX (Can.) | * 07 Sep | 11895.0 | -0.3 | 2.6 | 1.4 | 3.7 | 0.7 | 10.0 | 6.9 | 20.2 |

* Update

(1) Commercial Banks

(2) Not seasonally adjusted

TABLE 2 - UNITED STATES ECONOMIC INDICATORS
September 8, 2006

| Growth Rates Unless Otherwise Indicated | Reference Period | Monthly Growth (%) | | | Annualized Growth (%) | | | Cumulated since beginning of year | | |
|--|---------------------|--------------------|----------------|----------------|-----------------------|----------------|----------------|--------------------------------------|-------------|-------------|
| | | Past | Prev. | Month | Average of the last | | | Since | ref. | prec. |
| | | Month | Month | Before | 3 Mos. | 6 Mos. | 12 Mos. | 12 Mos. | | |
| Index of 12 Leading Indicators | Jul 2006 | -0.1 | 0.1 | -0.5 | -1.6 | 1.2 | 1.8 | 0.9 | 1.8 | 2.8 |
| Consumer Confidence Index (1985=100) | Aug 2006 | 99.6 | 107.0 | 105.4 | 104.0 | 105.7 | 101.5 | 105.5 | 105.4 | 103.6 |
| I.S.M. Manufacturing Index (level) | * Aug 2006 | 54.5 | 54.7 | 53.8 | 54.3 | 55.0 | 55.9 | 53.5 | 55.2 | 54.6 |
| - Non-manufacturing (level) | * Aug 2006 | 57.0 | 54.8 | 57.0 | 56.3 | 58.7 | 58.5 | 64.8 | 58.7 | 61.1 |
| DOMESTIC DEMAND | | | | | | | | | | |
| Sales autos & light trucks (000,000) | * Aug 2006 | 16.1 | 17.2 | 16.2 | 16.5 | 16.5 | 16.5 | 16.9 | 16.6 | 17.4 |
| Retail Sales | Jul 2006 | 1.4 | -0.4 | 0.2 | 4.4 | 7.5 | 6.9 | 4.8 | 7.1 | 7.6 |
| - Motor vehicle | Jul 2006 | 3.1 | -2.5 | -2.1 | -8.0 | 4.5 | -1.0 | -9.4 | -0.7 | 7.5 |
| - Other | Jul 2006 | 1.0 | 0.1 | 0.8 | 7.9 | 8.3 | 9.2 | 9.2 | 9.3 | 8.8 |
| Consumer Spending: Total (\$ current) | Jul 2006 | 0.8 | 0.4 | 0.7 | 7.3 | 6.5 | 6.4 | 5.9 | 6.4 | 6.5 |
| Total (\$ constant) | Jul 2006 | 0.5 | 0.3 | 0.3 | 3.1 | 3.6 | 3.1 | 2.4 | 3.1 | 3.8 |
| Personal Income | Jul 2006 | 0.5 | 0.6 | 0.4 | 6.5 | 8.5 | 6.0 | 7.1 | 7.0 | 5.6 |
| Personal Savings Rate (3) | Jul 2006 | -0.9 | -0.7 | -0.8 | -0.8 | -0.6 | -0.7 | -0.9 | -0.6 | 0.0 |
| New Orders | Jul 2006 | -0.6 | 1.5 | 1.0 | 7.5 | 5.5 | 8.3 | 8.4 | 7.6 | 8.0 |
| - Non-Defence Capital Goods | Jul 2006 | 0.4 | 1.7 | -2.0 | -6.5 | 3.3 | 17.3 | 10.9 | 11.8 | 17.9 |
| Unfilled Orders | Jul 2006 | 1.3 | 1.7 | 0.7 | 18.2 | 20.0 | 16.6 | 20.0 | 19.6 | 5.1 |
| Business Inventories | Jun 2006 | 0.8 | 1.1 | 0.7 | 9.2 | 6.7 | 4.3 | 6.3 | 4.6 | 7.4 |
| Inventories / Shipments Businesses | Jun 2006 | 1.26 | 1.25 | 1.26 | 1.26 | 1.26 | 1.26 | 1.29 | 1.26 | 1.30 |
| Manufacturers' Shipments | Jul 2006 | 0.0 | -0.1 | 2.5 | 11.1 | 5.2 | 6.8 | 7.5 | 6.8 | 7.4 |
| Manufacturers' Inventories | Jul 2006 | 0.6 | 0.9 | 0.7 | 10.4 | 6.2 | 4.2 | 5.7 | 4.1 | 7.5 |
| Inventories / Shipments Manuf. | Jul 2006 | 1.17 | 1.16 | 1.15 | 1.16 | 1.16 | 1.16 | 1.19 | 1.16 | 1.19 |
| Housing Starts (000) (1) | Jul 2006 | 1795 | 1841 | 1953 | 1863 | 1921 | 2017 | 2070 | 1970 | 2067 |
| New Home Sales | Jul 2006 | -4.3 | -0.9 | 0.8 | 5.2 | -23.3 | -6.4 | -21.6 | -13.5 | 8.4 |
| Existing Home Sales | Jul 2006 | -5.0 | -1.0 | -0.8 | -17.2 | -7.4 | -2.0 | -11.4 | -5.4 | 5.5 |
| PRODUCTION | | | | | | | | | | |
| Industrial Production | Jul 2006 | 0.4 | 0.8 | 0.0 | 5.8 | 5.8 | 3.5 | 4.9 | 4.0 | 3.4 |
| - Consumer Goods | Jul 2006 | -0.3 | 1.1 | -0.3 | 2.3 | 1.1 | 2.1 | 1.7 | 1.7 | 1.8 |
| - Hitech goods | Jul 2006 | 1.2 | 2.0 | 2.2 | 24.2 | 19.1 | 22.8 | 22.4 | 22.0 | 20.1 |
| EXTERNAL AND FISCAL BALANCES | | | | | | | | | | |
| Exports | Jun 2006 | 2.0 | 2.1 | 0.0 | 12.6 | 15.2 | 11.4 | 14.0 | 12.3 | 10.8 |
| Imports | Jun 2006 | 1.2 | 2.3 | 0.8 | 9.9 | 11.0 | 12.5 | 12.9 | 12.5 | 13.4 |
| Merch. Trade Balance (\$ billions) | Jun 2006 | -64.8 | -65.0 | -63.3 | -64.4 | -64.0 | -63.4 | -58.4 | -64.0 | -56.7 |
| Federal budget balance last 12 months (2) | Jul 2006 | -255.4 | -275.5 | -273.1 | | | | -320.0 | -120.4 | -184.6 |
| INFLATION AND COSTS | | | | | | | | | | |
| Consumer Prices | Jul 2006 | 0.4 | 0.2 | 0.4 | 5.1 | 3.2 | 3.9 | 4.1 | 3.9 | 3.0 |
| - Excluding Food and Energy | Jul 2006 | 0.2 | 0.3 | 0.3 | 3.5 | 2.8 | 2.2 | 2.7 | 2.3 | 2.2 |
| PCE Deflator exc. Food and Energy | Jul 2006 | 0.1 | 0.2 | 0.2 | 2.7 | 2.4 | 2.1 | 2.4 | 2.2 | 2.1 |
| Industrial Prices, Finished Goods | Jul 2006 | 0.1 | 0.5 | 0.2 | 5.3 | 1.9 | 4.8 | 4.1 | 4.3 | 4.4 |
| Average Hourly Earnings (4) | Aug 2006 | 0.1 | 0.5 | 0.4 | 4.2 | 4.2 | 3.5 | 3.9 | 3.7 | 2.7 |
| Industrial Capacity Utilization Rate | Jul 2006 | 82.4 | 82.3 | 81.7 | 82.1 | 81.8 | 81.0 | 80.2 | 81.7 | 79.9 |
| Median Price, Single-Family Homes (5) | Jul 2006 | 0.5 | 0.7 | 2.7 | 21.8 | -0.6 | 9.3 | 1.5 | 5.9 | 11.7 |
| LABOUR MARKET | | | | | | | | | | |
| New Jobs (000) (6) | Aug 2006 | 128 | 121 | 134 | 128 | 128 | 142 | 1708 | 1124 | 1397 |
| - Manufacturing (000) | Aug 2006 | -11 | -23 | 25 | -3 | 0 | 1 | 12 | 3 | -81 |
| - Services (000) | Aug 2006 | 118 | 134 | 106 | 119 | 119 | 119 | 1422 | 974 | 1267 |
| Average weekly hours (6) | Aug 2006 | -0.2 | 0.1 | 0.4 | 1.8 | 2.5 | 2.4 | 2.2 | 2.5 | 2.4 |
| Civilian Unemployment Rate (7) | Aug 2006 | 4.7 | 4.8 | 4.6 | 4.7 | 4.7 | 4.8 | 4.9 | 4.7 | 5.1 |
| NATIONAL ACCOUNTS AND OTHER | | | | | | | | | | |
| QUARTERLY INDICATORS | | | | | | | | | | |
| | | Q2 2006 | Q1 2006 | Q4 2005 | Q3 2005 | Q2 2005 | Q2 2005 | 2005 | 2004 | 2003 |
| GDP Chained 2000 dollars | | 2.9 | 5.6 | 1.8 | 4.2 | 3.3 | 3.4 | 3.2 | 3.9 | 2.5 |
| Consumption | | 2.6 | 4.8 | 0.8 | 3.9 | 4.2 | 2.7 | 3.5 | 3.9 | 2.8 |
| Residential Construction | | -9.8 | -0.3 | -1.0 | 7.1 | 19.9 | 11.1 | 8.6 | 9.9 | 8.4 |
| Business Investment | | 4.7 | 13.7 | 5.2 | 5.9 | 5.1 | 6.0 | 6.8 | 5.9 | 1.0 |
| - Machinery and Equipment | | -1.6 | 15.6 | 2.8 | 11.0 | 7.9 | 6.3 | 8.9 | 7.2 | 2.8 |
| Government Spending | | 0.9 | 4.9 | -1.1 | 3.4 | 1.1 | 1.6 | 0.9 | 1.9 | 2.5 |
| Exports | | 5.1 | 14.0 | 9.6 | 3.2 | 9.4 | 4.7 | 6.8 | 9.2 | 1.3 |
| Imports | | 0.6 | 9.1 | 13.2 | 2.5 | 1.4 | 4.1 | 6.1 | 10.8 | 4.1 |
| Change in Inventories (1) (2) | | 58.7 | 41.2 | 43.5 | -12.7 | -7.4 | 55.2 | 19.6 | 53.3 | 14.3 |
| GDP Deflator | | 3.3 | 3.3 | 3.3 | 3.3 | 2.5 | 3.4 | 3.0 | 2.8 | 2.1 |
| Personal Disposable Income | | 1.5 | 4.6 | 5.5 | -0.6 | 0.5 | -4.0 | 1.2 | 3.6 | 2.2 |
| | | Q2 2006 | Q1 2006 | Q4 2005 | Q3 2005 | Q2 2005 | Q2 2005 | 2005 | 2004 | 2003 |
| Labour Productivity | * | 1.6 | 4.3 | -0.1 | 4.4 | 2.3 | 3.6 | 2.5 | 1.9 | 4.7 |
| Unit Labor Costs (4) | * | 4.9 | 9.0 | 3.0 | 3.3 | -0.7 | 0.7 | 2.0 | 0.6 | 0.3 |
| | | Q1 2006 | Q4 2005 | Q3 2005 | Q2 2005 | Q1 2005 | Q1 2005 | 2005 | 2004 | 2003 |
| Current Account (current \$) | | -834.7 | -892.4 | -733.7 | -773.0 | -766.9 | -745.4 | -791.5 | -665.3 | -527.5 |
| as a % of GDP | | -6.4 | -7.0 | -5.8 | -6.3 | -6.3 | -6.2 | -6.4 | -5.7 | -4.8 |
| | | Q2 2006 | Q1 2006 | Q4 2005 | Q3 2005 | Q2 2005 | Q2 2005 | 2005 | 2004 | 2003 |
| Corporate Profits (8) | | 13.2 | 60.8 | 46.6 | -20.9 | 7.1 | 30.5 | 12.5 | 19.1 | 12.1 |
| as a % of GDP | | 12.3 | 12.1 | 10.9 | 10.1 | 10.9 | 10.8 | 10.7 | 11.4 | 12.1 |

* Update

(1) Annual Rate

(2) \$ Billions

(3) Personal Savings as a % of Personal Disposable Income

(4) Non-Farm Private Sector, Unadjusted for Inflation

(5) Existing Homes Sold

(6) Non-Farm Payroll Survey

(7) Household Survey

(8) Current \$ and before taxes

TABLE 3 - CANADIAN ECONOMIC INDICATORS
September 8, 2006

| Growth Rates Unless Otherwise Indicated | Reference Period | Monthly Growth (%) | | | Annualized Growth (%) | | | Cumulated since beginning of year | | |
|--|---------------------|--------------------|----------------|-----------------|-----------------------|---------|---------|--------------------------------------|-------|-------|
| | | Past Month | Prev. Month | Month Before | Average of the last | | | Since | ref. | prec. |
| | | | | | 3 Mos. | 6 Mos. | 12 Mos. | 12 Mos. | | |
| Index of Leading Indicators (Stat. Can.) | Jul 2006 | 0.2 | 0.3 | 0.5 | 5.4 | 5.4 | 5.0 | 5.3 | 5.2 | 5.5 |
| DOMESTIC DEMAND | | | | | | | | | | |
| New motor vehicle sales (000) | Jun 2006 | 134.7 | 135.5 | 136.6 | 135.6 | 136.4 | 136.5 | 1638.0 | 818.4 | 810.7 |
| Retail Sales (\$ current) | Jun 2006 | -0.2 | -0.5 | 1.8 | 9.6 | 7.8 | 6.2 | 5.8 | 6.3 | 6.6 |
| - Automobile Dealers | Jun 2006 | -1.4 | -2.4 | -0.3 | -3.7 | 0.4 | 3.1 | -3.2 | 1.2 | 6.7 |
| - Other | Jun 2006 | 0.1 | 0.0 | 1.9 | 11.2 | 8.7 | 6.8 | 7.6 | 7.2 | 7.3 |
| Retail Sales (\$ constant) | Jun 2006 | 0.2 | -0.6 | 1.4 | 8.1 | 8.8 | 4.7 | 5.4 | 5.4 | 5.1 |
| Manufacturer's Shipments (\$ current) | Jun 2006 | 1.9 | -0.7 | -0.8 | -1.7 | -1.6 | 1.2 | 0.8 | 0.7 | 4.9 |
| New Orders | Jun 2006 | 2.5 | -0.3 | -1.8 | -5.0 | -3.1 | 1.0 | 0.2 | -0.7 | 5.5 |
| - Durables | Jun 2006 | 1.9 | 0.6 | -2.9 | -9.2 | -3.3 | -0.5 | -1.3 | -2.7 | 5.7 |
| Unfilled Orders | Jun 2006 | 0.1 | -0.6 | -1.1 | -5.4 | 3.1 | 10.7 | 4.6 | 8.3 | 7.6 |
| Manufacturer's Inventories | Jun 2006 | -0.7 | 0.8 | -0.6 | -0.8 | 0.5 | 4.1 | 1.2 | 2.3 | 8.5 |
| Inventories / Shipments Ratio | Jun 2006 | 1.28 | 1.31 | 1.29 | 1.29 | 1.29 | 1.29 | 1.28 | 1.29 | 1.27 |
| Manufacturer's Shipments (\$ constant) | Jun 2006 | 0.7 | -0.2 | -1.2 | -3.2 | -1.4 | 0.9 | 0.3 | 0.2 | 4.3 |
| Housing Starts (000) (1) | Jul 2006 | 236.5 | 236.4 | 226.4 | 233.1 | 236.3 | 231.2 | 248.3 | 238.1 | 226.4 |
| PRODUCTION | | | | | | | | | | |
| Real Domestic Product | Jun 2006 | 0.0 | 0.1 | 0.2 | 1.9 | 2.8 | 3.1 | 2.6 | 3.1 | 3.1 |
| - Manufacturing | Jun 2006 | 0.0 | 0.2 | -0.2 | -2.1 | -0.2 | 0.7 | 0.4 | 0.5 | 3.6 |
| - Construction | Jun 2006 | -0.3 | -0.3 | 0.7 | 1.8 | 7.7 | 6.9 | 5.9 | 7.4 | 4.3 |
| Services | Jun 2006 | 0.1 | 0.2 | 0.3 | 3.4 | 3.8 | 3.5 | 3.2 | 3.6 | 3.2 |
| FOREIGN SECTOR | | | | | | | | | | |
| Exports | Jun 2006 | 1.1 | -0.3 | -1.6 | -9.6 | -7.1 | 6.4 | 1.0 | 4.0 | 2.3 |
| Imports | Jun 2006 | -0.7 | -0.5 | 1.7 | 4.7 | -0.1 | 4.4 | 1.3 | 3.0 | 7.7 |
| - Capital Goods | Jun 2006 | -1.2 | 2.1 | -3.2 | -4.8 | -1.7 | 5.0 | -1.4 | 2.9 | 8.6 |
| Merch. Trade Balance (\$ millions) | Jun 2006 | 4,748 | 4,105 | 4,029 | 4,294 | 4,958 | 5,654 | 4,788 | 4,958 | 4,459 |
| \$CAN Exchange Rate (G-10) (1981=100) | * Sep 2006 | 103.8 | 102.7 | 103.4 | 103.3 | 103.1 | 101.4 | 97.2 | 102.2 | 93.4 |
| Change in Official Reserves | Jun 2006 | 231 | -31 | -318 | -39 | 483 | 83 | 992 | 2,898 | 761 |
| Level (US\$): | 35,916 | | | | | | | | | |
| INFLATION AND COSTS | | | | | | | | | | |
| Consumer Prices | Jul 2006 | 0.1 | -0.2 | 0.5 | 3.8 | 2.3 | 2.5 | 2.4 | 2.5 | 2.0 |
| - Excluding Food and Energy | Jul 2006 | -0.2 | -0.2 | 0.4 | 1.3 | 1.6 | 1.5 | 1.4 | 1.5 | 1.3 |
| - Core inflation (4) | Jul 2006 | 0.2 | -0.2 | 0.5 | 2.2 | 2.1 | 1.7 | 2.0 | 1.8 | 1.6 |
| Average Hourly Earnings (2) | * Aug 2006 | 0.6 | -0.5 | -0.2 | -2.6 | 1.4 | 3.6 | 3.7 | 3.5 | 2.9 |
| Price of New Housing | Jun 2006 | 1.4 | 1.3 | 1.2 | 14.4 | 10.1 | 6.6 | 9.8 | 8.1 | 4.9 |
| Industrial Prices (1992=100) | Jul 2006 | 1.7 | -0.4 | 0.3 | 6.8 | 3.5 | 2.0 | 4.3 | 2.2 | 1.4 |
| LABOUR MARKET | | | | | | | | | | |
| Labour Force | * Aug 2006 | -0.1 | 0.4 | -0.1 | 1.7 | 1.8 | 1.3 | 1.4 | 1.4 | 0.9 |
| Job creation (000) | * Aug 2006 | -16.0 | -5.5 | -4.6 | -8.7 | 23.8 | 24.0 | 287.7 | 194.1 | 161.1 |
| - Manufacturing | * Aug 2006 | -11.3 | -33.3 | -4.1 | -16.2 | -9.7 | -8.0 | -96.1 | -86.7 | -86.9 |
| - Services | * Aug 2006 | 2.0 | 1.8 | 30.2 | 11.3 | 32.5 | 28.5 | 342.5 | 250.1 | 166.2 |
| - Full Time | * Aug 2006 | -16.0 | -5.5 | -4.6 | -8.7 | 23.8 | 24.0 | 287.7 | 194.1 | 161.1 |
| - Part Time | * Aug 2006 | -62.6 | -27.0 | 62.5 | -9.0 | -13.2 | -2.8 | -33.0 | -12.7 | -12.0 |
| Unemployment Rate | * Aug 2006 | 6.5 | 6.4 | 6.1 | 6.3 | 6.3 | 6.4 | 6.8 | 6.4 | 6.9 |
| NATIONAL ACCOUNTS AND OTHER | | | | | | | | | | |
| QUARTERLY INDICATORS | | | | | | | | | | |
| | | Q2 2006 | Q1 2006 | Q4 2005 | Q3 2005 | Q2 2005 | Q1 2005 | 2005 | 2004 | 2003 |
| GDP Chained (1997) \$ | | 2.0 | 3.6 | 2.6 | 3.2 | 3.4 | 2.2 | 2.9 | 3.3 | 1.8 |
| Consumption | | 4.2 | 5.1 | 3.6 | 2.6 | 3.4 | 5.6 | 3.9 | 3.3 | 3.0 |
| Business Investments | | 7.3 | 8.5 | 11.4 | 12.3 | 3.4 | 12.3 | 9.4 | 9.1 | 7.0 |
| -Machinery and Equipment | | 8.8 | 8.8 | 10.8 | 13.4 | 1.3 | 12.2 | 10.5 | 10.3 | 7.9 |
| Residential Construction | | -5.2 | 12.7 | 0.0 | 5.5 | 6.4 | -4.5 | 3.2 | 7.8 | 6.0 |
| Government Expenditures | | 4.7 | 2.6 | 4.4 | 3.0 | 2.6 | 1.9 | 2.7 | 3.0 | 3.5 |
| Final Domestic Demand | | 4.0 | 5.5 | 4.7 | 4.1 | 3.5 | 5.1 | 4.3 | 4.2 | 3.8 |
| Exports | | -1.2 | -3.8 | 6.4 | 8.5 | -1.8 | 5.3 | 2.1 | 5.2 | -2.4 |
| Imports | | 9.4 | -1.9 | 12.7 | 11.2 | -3.7 | 8.1 | 7.1 | 8.2 | 4.5 |
| Change in Inventories (1) | | 16.5 | 11.1 | 14.9 | 15.0 | 14.4 | 17.6 | 15.5 | 9.7 | 8.7 |
| Current Account (current \$) (1) | | 16.8 | 32.7 | 52.1 | 32.4 | 23.6 | 19.2 | 31.8 | 27.6 | 14.1 |
| as a % of GDP | | 1.2 | 2.3 | 3.7 | 2.3 | 1.7 | 1.4 | 2.3 | 2.1 | 1.2 |
| Real Disposable Income | | -4.1 | 12.9 | 3.9 | 3.5 | 2.7 | 1.3 | 2.5 | 3.1 | 2.3 |
| Savings Rate | | 1.0 | 3.0 | 1.3 | 1.3 | 1.0 | 1.2 | 1.2 | 2.6 | 2.8 |
| GDP Price Deflator | | -1.0 | 0.0 | 5.5 | 7.0 | 2.4 | 1.7 | 3.2 | 3.0 | 3.3 |
| Corporate Profits (nominal) | | 1.7 | -14.1 | 23.6 | 20.2 | 11.1 | 5.4 | 10.6 | 18.3 | 7.1 |
| as a % of GDP | | 13.7 | 13.7 | 14.3 | 13.9 | 13.6 | 13.4 | 13.8 | 13.3 | 11.9 |
| Indust. Capacity Utilization Rate | | n.a. | 85.9 | 86.1 | 86.2 | 85.9 | 86.3 | 86.1 | 85.8 | 84.4 |
| Labour Productivity, Business Sector | | n.a. | 2.1 | 2.1 | 3.2 | 1.1 | 2.5 | 2.4 | 0.2 | 0.0 |
| Unit Labour Cost, Business Sector | | n.a. | 1.1 | 4.4 | 3.3 | 2.6 | 2.2 | 2.3 | 1.8 | 2.6 |

* Update

(1) Annual Rate, \$ billions
(2) Not Seasonally Adjusted
(3) Current and before taxes

(4) C.P.I. excluding the 8 most volatile components and the effect of indirect taxes

TABLE 4 - REGIONAL ECONOMIC INDICATORS
September 8, 2006

| Growth Rates Unless Otherwise Indicated | Reference Period | Monthly Growth (%) | | | Annualized Growth (%) | | | Since 12 Mos. | Cumulated since beginning of year | |
|--|---------------------|--------------------|----------------|-----------------|-----------------------|--------|---------|------------------|--------------------------------------|-------|
| | | Past Month | Prev. Month | Month Before | Average of the last | | | | ref. | prec. |
| | | | | | 3 Mos. | 6 Mos. | 12 Mos. | | | |
| QUEBEC | | | | | | | | | | |
| <u>DOMESTIC DEMAND AND REVENUE</u> | | | | | | | | | | |
| Retail Sales | Jun 2006 | -0.1 | -0.8 | 1.8 | 8.4 | 6.5 | 4.2 | 3.0 | 3.8 | 7.5 |
| Manufacturing Shipments | Jun 2006 | 4.8 | -0.7 | -2.7 | 0.2 | 2.3 | 4.4 | 6.9 | 3.8 | 4.4 |
| Housing Starts (000) (2) | Jul 2006 | 41.3 | 46.1 | 46.0 | 44.5 | 46.7 | 48.0 | 52.7 | 47.2 | 52.2 |
| Wages and Salaries | Jun 2006 | 0.8 | 0.4 | -0.2 | 3.5 | 4.0 | 4.5 | 4.6 | 4.6 | 3.6 |
| <u>PRICES</u> | | | | | | | | | | |
| Consumer Price Index (1) | Jul 2006 | 0.2 | -0.2 | 0.2 | 2.7 | 2.0 | 2.4 | 2.1 | 2.3 | 2.1 |
| Average Hourly Earnings (1) | * Aug 2006 | | | | | | | 3.3 | 2.8 | 2.6 |
| Price of New Housing (Mtl.) | Jun 2006 | 0.1 | 0.4 | 1.0 | 6.8 | 4.8 | 4.1 | 4.5 | 4.0 | 5.9 |
| <u>LABOR MARKET</u> | | | | | | | | | | |
| Job creation (000) | * Aug 2006 | -5.8 | 3.7 | 9.4 | 2.4 | 2.8 | 2.4 | 29.2 | 11.4 | 45.8 |
| Unemployment rate | * Aug 2006 | 7.9 | 8.1 | 8.0 | 8.0 | 8.1 | 8.2 | 8.3 | 8.2 | 8.3 |
| Participation rate | * Aug 2006 | 65.6 | 65.5 | 65.4 | 65.5 | 65.5 | 65.6 | 65.7 | 65.6 | 65.4 |
| ONTARIO | | | | | | | | | | |
| <u>DOMESTIC DEMAND AND REVENUE</u> | | | | | | | | | | |
| Retail Sales | Jun 2006 | 0.3 | -1.8 | 1.3 | 5.8 | 4.6 | 4.3 | 3.5 | 4.1 | 5.2 |
| Manufactures' Shipments | Jun 2006 | 1.2 | -1.8 | 0.4 | -2.8 | -6.7 | -2.3 | -3.6 | -3.2 | 3.2 |
| Housing Starts (000) (2) | Jul 2006 | 83.0 | 80.1 | 78.1 | 80.4 | 78.2 | 76.8 | 100.7 | 80.5 | 82.9 |
| Wages and Salaries | Jun 2006 | 0.5 | 0.7 | -0.1 | 4.0 | 4.4 | 5.3 | 5.0 | 5.1 | 4.2 |
| <u>INCOME AND PRICES</u> | | | | | | | | | | |
| Consumer Price Index (1) | Jul 2006 | -0.3 | -0.2 | 0.5 | 2.6 | 2.1 | 2.5 | 1.9 | 2.4 | 2.0 |
| Average Hourly Earnings (1) | * Aug 2006 | | | | | | | 3.0 | 3.3 | 2.5 |
| Price of New Housing (Tor.) | Jun 2006 | 0.4 | 0.3 | 0.4 | 3.8 | 3.5 | 4.2 | 3.2 | 4.2 | 4.8 |
| <u>LABOR MARKET</u> | | | | | | | | | | |
| Job creation (000) | * Aug 2006 | -15.2 | -5.8 | 1.4 | -6.5 | 11.6 | 8.0 | 95.8 | 67.8 | 62.3 |
| Unemployment | * Aug 2006 | 6.4 | 6.5 | 5.9 | 6.3 | 6.2 | 6.2 | 6.7 | 6.2 | 6.7 |
| Participation rate | * Aug 2006 | 68.1 | 67.8 | 67.9 | 67.9 | 67.8 | 67.8 | 68.0 | 67.7 | 68.2 |
| NEWFOUNDLAND & LABRADOR | | | | | | | | | | |
| <u>DOMESTIC DEMAND AND REVENUE</u> | | | | | | | | | | |
| Retail Sales | Jun 2006 | -1.2 | -0.7 | 4.0 | 2.2 | 2.5 | 1.7 | 1.0 | 1.6 | 3.0 |
| Manufactures' Shipments | Jun 2006 | -13.6 | -2.3 | -17.2 | -32.4 | -18.8 | -13.8 | -28.8 | -18.2 | 5.4 |
| Housing Starts (000) (2) | Jul 2006 | 1.9 | 2.4 | 2.2 | 2.2 | 2.3 | 2.4 | 2.3 | 2.3 | 2.6 |
| Wages and Salaries | Jun 2006 | -0.6 | 0.9 | 0.4 | 1.3 | 2.6 | 4.5 | 4.1 | 4.4 | 4.0 |
| <u>INCOME AND PRICES</u> | | | | | | | | | | |
| Consumer Price Index (1) | Jul 2006 | 0.2 | -0.2 | 0.9 | 6.1 | 2.4 | 2.4 | 2.4 | 2.4 | 2.8 |
| Average Hourly Earnings (1) | * Aug 2006 | 1.0 | -3.4 | -2.0 | -5.4 | -1.1 | 4.5 | 0.1 | 4.0 | 3.4 |
| <u>LABOR MARKET</u> | | | | | | | | | | |
| Job creation (000) | * Aug 2006 | 3.2 | -2.2 | -1.3 | 0.2 | 0.7 | 0.1 | 1.8 | -0.2 | -0.4 |
| Unemployment | * Aug 2006 | 15.1 | 14.6 | 14.8 | 14.8 | 15.2 | 15.3 | 16.6 | 15.3 | 15.2 |
| Participation rate | * Aug 2006 | 58.2 | 58.9 | 59.3 | 58.8 | 59.0 | 58.9 | 58.9 | 58.8 | 58.6 |
| PRINCE EDWARD ISLAND | | | | | | | | | | |
| <u>DOMESTIC DEMAND AND REVENUE</u> | | | | | | | | | | |
| Retail Sales | Jun 2006 | -2.6 | 0.8 | -1.3 | -6.4 | 9.5 | 3.4 | 0.9 | 3.6 | 3.1 |
| Manufactures' Shipments | Jun 2006 | -0.9 | 0.3 | -3.3 | -7.8 | -7.1 | 0.1 | -12.3 | -5.7 | 3.9 |
| Housing Starts (000) (2) | Jul 2006 | 0.7 | 0.6 | 0.5 | 0.6 | 0.8 | 0.9 | 0.7 | 0.9 | 1.0 |
| Wages and Salaries | Jun 2006 | 0.2 | 0.8 | 0.1 | 1.1 | 1.4 | 4.1 | 2.6 | 3.2 | 4.1 |
| <u>INCOME AND PRICES</u> | | | | | | | | | | |
| Consumer Price Index (1) | Jul 2006 | 0.2 | -0.4 | 0.6 | 5.3 | 2.2 | 3.4 | 3.2 | 3.3 | 2.9 |
| Average Hourly Earnings (1) | * Aug 2006 | 0.1 | -0.9 | -2.2 | -6.0 | 0.0 | -0.1 | 2.9 | 0.4 | 1.4 |
| <u>LABOR MARKET</u> | | | | | | | | | | |
| Job creation (000) | * Aug 2006 | 0.5 | -0.7 | -1.2 | -4.6 | 0.4 | 0.6 | 1.0 | 0.9 | 3.0 |
| Unemployment | * Aug 2006 | 10.9 | 11.2 | 10.5 | 10.9 | 10.9 | 10.9 | 11.3 | 10.9 | 10.9 |
| Participation rate | * Aug 2006 | 68.1 | 68.4 | 69.2 | 68.6 | 68.9 | 68.8 | 68.6 | 68.9 | 68.7 |
| NOVA SCOTIA | | | | | | | | | | |
| <u>DOMESTIC DEMAND AND REVENUE</u> | | | | | | | | | | |
| Retail Sales | Jun 2006 | -3.8 | 0.9 | 1.1 | 1.7 | 9.9 | 5.2 | 3.0 | 6.9 | 2.8 |
| Manufactures' Shipments | Jun 2006 | -3.1 | 1.3 | 1.0 | 5.8 | -6.2 | 2.1 | -8.1 | -1.1 | 6.1 |
| Housing Starts (000) (2) | Jul 2006 | 5.8 | 4.2 | 5.6 | 5.2 | 6.0 | 5.6 | 4.5 | 6.1 | 4.6 |
| Wages and Salaries | Jun 2006 | 0.7 | 0.3 | -0.5 | 0.7 | 1.6 | 5.0 | 3.7 | 4.1 | 4.6 |
| <u>INCOME AND PRICES</u> | | | | | | | | | | |
| Consumer Price Index (1) | Jul 2006 | 0.2 | -0.2 | 0.2 | 5.0 | 1.9 | 3.0 | 3.0 | 2.9 | 2.5 |
| Average Hourly Earnings (1) | * Aug 2006 | | | | | | 3.1 | 1.6 | 2.5 | 2.1 |
| <u>LABOR MARKET</u> | | | | | | | | | | |
| Job creation (000) | * Aug 2006 | -0.6 | -1.7 | -5.1 | -5.9 | -0.1 | -0.5 | -1.6 | -0.5 | 0.6 |
| Unemployment | * Aug 2006 | 8.4 | 8.3 | 8.2 | 8.3 | 8.1 | 8.3 | 7.5 | 8.1 | 8.4 |
| Participation rate | * Aug 2006 | 62.6 | 62.8 | 63.4 | 62.9 | 63.1 | 63.2 | 63.2 | 63.1 | 63.9 |

* Update

(1) Not Seasonally Adjusted

(2) Annual Rate

TABLE 4 - REGIONAL ECONOMIC INDICATORS (Continues from page A4)
September 8, 2006

| Growth Rates Unless Otherwise Indicated | Reference Period | Monthly Growth (%) | | | Annualized Growth (%) | | | Since 12 Mos. | Cumulated since beginning of year | |
|--|---------------------|--------------------|----------------|-----------------|-----------------------|--------|---------|------------------|--------------------------------------|-------|
| | | Past Month | Prev. Month | Month Before | Average of the last | | | | ref. | prec. |
| | | | | | 3 Mos. | 6 Mos. | 12 Mos. | | | |
| NEW BRUNSWICK | | | | | | | | | | |
| <u>DOMESTIC DEMAND AND REVENUE</u> | | | | | | | | | | |
| Retail Sales | Jun 2006 | -1.2 | 0.3 | -0.2 | 4.3 | 8.3 | 5.6 | 4.9 | 6.0 | 6.2 |
| Manufactures' Shipments | Jun 2006 | -1.7 | 8.4 | -2.8 | 21.1 | -6.1 | 5.3 | 1.0 | 2.6 | 6.5 |
| Housing Starts (000) (2) | Jul 2006 | 4.3 | 5.8 | 3.7 | 4.6 | 4.2 | 4.3 | 3.8 | 4.4 | 3.7 |
| Wages and Salaries | Jun 2006 | 0.6 | -0.1 | -0.3 | 0.5 | 1.7 | 4.3 | 4.2 | 4.2 | 2.6 |
| <u>INCOME AND PRICES</u> | | | | | | | | | | |
| Consumer Price Index (1) | Jul 2006 | -0.3 | -0.1 | 0.1 | 2.5 | 2.1 | 2.7 | 2.0 | 2.6 | 2.2 |
| Average Hourly Earnings (1) | * Aug 2006 | | | | | | 3.7 | 4.9 | 3.9 | 2.4 |
| <u>LABOR MARKET</u> | | | | | | | | | | |
| Job creation (000) | * Aug 2006 | -5.3 | -3.0 | -1.6 | -5.7 | 2.3 | 1.2 | 0.3 | 2.1 | 0.4 |
| Unemployment | * Aug 2006 | 9.1 | 8.9 | 8.0 | 8.7 | 8.8 | 9.3 | 9.7 | 8.9 | 9.5 |
| Participation rate | * Aug 2006 | 63.8 | 63.7 | 64.5 | 64.0 | 64.4 | 64.1 | 63.5 | 64.4 | 63.6 |
| MANITOBA | | | | | | | | | | |
| <u>DOMESTIC DEMAND AND REVENUE</u> | | | | | | | | | | |
| Retail Sales | Jun 2006 | -0.7 | 0.7 | 1.0 | 14.6 | 6.2 | 6.3 | 6.1 | 5.8 | 6.4 |
| Manufactures' Shipments | Jun 2006 | -0.8 | -2.8 | 0.9 | -12.9 | -1.6 | -0.2 | -3.6 | -1.7 | 6.3 |
| Housing Starts (000) (2) | Jul 2006 | 4.7 | 5.7 | 5.2 | 5.2 | 5.3 | 5.1 | 6.0 | 5.3 | 4.5 |
| Wages and Salaries | Jun 2006 | 0.4 | 0.5 | -1.0 | 0.4 | 2.5 | 4.1 | 4.0 | 4.1 | 5.1 |
| <u>INCOME AND PRICES</u> | | | | | | | | | | |
| Consumer Price Index (1) | Jul 2006 | 0.4 | 0.1 | 0.5 | 6.1 | 2.3 | 2.3 | 2.5 | 2.2 | 2.8 |
| Average Hourly Earnings (1) | * Aug 2006 | | | | | | 2.8 | 1.1 | 2.1 | 1.6 |
| <u>LABOR MARKET</u> | | | | | | | | | | |
| Job creation (000) | * Aug 2006 | 2.4 | -2.5 | 0.3 | 1.0 | 1.2 | 1.0 | 1.4 | 1.3 | 0.7 |
| Unemployment | * Aug 2006 | 4.5 | 4.7 | 3.6 | 4.3 | 4.3 | 4.4 | 4.6 | 4.3 | 4.9 |
| Participation rate | * Aug 2006 | 68.9 | 68.4 | 68.8 | 68.7 | 68.7 | 68.6 | 68.7 | 68.7 | 68.7 |
| SASKATCHEWAN | | | | | | | | | | |
| <u>DOMESTIC DEMAND AND REVENUE</u> | | | | | | | | | | |
| Retail Sales | Jun 2006 | -0.7 | -0.4 | 3.4 | 15.2 | 7.9 | 6.7 | 4.3 | 5.6 | 7.8 |
| Manufactures' Shipments | Jun 2006 | -6.3 | 3.1 | 4.9 | 1.6 | 10.4 | 10.9 | 13.2 | 14.0 | 9.1 |
| Housing Starts (000) (2) | Jul 2006 | 3.9 | 3.9 | 3.3 | 3.7 | 3.4 | 3.6 | 3.8 | 3.5 | 3.0 |
| Wages and Salaries | Jun 2006 | 0.0 | 0.5 | 0.5 | 1.4 | 3.0 | 6.8 | 5.9 | 6.7 | 5.0 |
| <u>INCOME AND PRICES</u> | | | | | | | | | | |
| Consumer Price Index (1) | Jul 2006 | 0.2 | 0.0 | 0.4 | 4.9 | 2.7 | 2.2 | 2.6 | 2.3 | 2.4 |
| Average Hourly Earnings (1) | * Aug 2006 | | | | | | 4.5 | 3.5 | 4.6 | 1.0 |
| <u>LABOR MARKET</u> | | | | | | | | | | |
| Job creation (000) | * Aug 2006 | -0.5 | 2.1 | 2.2 | 3.4 | 3.1 | -0.2 | 1.8 | 0.2 | 1.7 |
| Unemployment | * Aug 2006 | 5.4 | 4.7 | 4.9 | 5.0 | 5.0 | 5.2 | 5.3 | 5.1 | 4.9 |
| Participation rate | * Aug 2006 | 69.0 | 68.9 | 68.5 | 68.8 | 68.6 | 68.2 | 67.9 | 68.4 | 68.3 |
| ALBERTA | | | | | | | | | | |
| <u>DOMESTIC DEMAND AND REVENUE</u> | | | | | | | | | | |
| Retail Sales | Jun 2006 | 0.5 | 0.5 | 3.8 | 23.5 | 20.9 | 15.3 | 17.7 | 16.8 | 11.1 |
| Manufactures' Shipments | Jun 2006 | 3.3 | 0.2 | -1.6 | -2.9 | 7.0 | 9.8 | 7.9 | 9.2 | 14.1 |
| Housing Starts (000) (2) | Jul 2006 | 49.6 | 53.1 | 51.3 | 51.3 | 51.3 | 47.0 | 36.9 | 50.0 | 39.1 |
| Wages and Salaries | Jun 2006 | 0.4 | 0.9 | 0.9 | 2.5 | 5.0 | 10.8 | 10.6 | 10.7 | 9.6 |
| <u>INCOME AND PRICES</u> | | | | | | | | | | |
| Consumer Price Index (1) | Jul 2006 | 1.4 | -0.4 | 0.8 | 7.6 | 3.5 | 3.4 | 4.3 | 3.8 | 1.6 |
| Average Hourly Earnings (1) | * Aug 2006 | | | | | | 7.1 | 8.3 | 7.2 | 6.4 |
| <u>LABOR MARKET</u> | | | | | | | | | | |
| Job creation (000) | * Aug 2006 | 7.7 | 0.8 | -7.0 | 4.0 | 6.8 | 3.3 | 5.1 | 4.1 | 1.5 |
| Unemployment | * Aug 2006 | 4.2 | 3.6 | 3.5 | 3.8 | 3.6 | 3.7 | 3.9 | 3.5 | 3.9 |
| Participation rate | * Aug 2006 | 73.5 | 73.5 | 73.9 | 73.6 | 73.3 | 72.9 | 72.6 | 73.1 | 72.8 |
| BRITISH COLUMBIA | | | | | | | | | | |
| <u>DOMESTIC DEMAND AND REVENUE</u> | | | | | | | | | | |
| Retail Sales | Jun 2006 | -1.4 | 1.4 | 1.4 | 9.8 | 6.8 | 6.8 | 7.0 | 7.2 | 5.5 |
| Manufactures' Shipments | Jun 2006 | 1.1 | 1.5 | -1.9 | -2.2 | 12.6 | 2.4 | 6.6 | 6.2 | 5.3 |
| Housing Starts (000) (2) | Jul 2006 | 41.2 | 34.5 | 30.5 | 35.4 | 38.3 | 37.5 | 36.9 | 37.9 | 32.7 |
| Wages and Salaries | Jun 2006 | -1.1 | 2.3 | 0.8 | 2.3 | 4.4 | 7.4 | 7.1 | 7.9 | 6.1 |
| <u>INCOME AND PRICES</u> | | | | | | | | | | |
| Consumer Price Index (1) | Jul 2006 | 0.1 | 0.0 | 0.8 | 5.6 | 2.0 | 2.0 | 2.0 | 1.9 | 1.9 |
| Average Hourly Earnings (1) | * Aug 2006 | | | | | | 2.0 | 3.1 | 2.4 | 2.5 |
| <u>LABOR MARKET</u> | | | | | | | | | | |
| Job creation (000) | * Aug 2006 | -2.2 | 3.8 | -1.8 | -0.1 | 2.9 | 4.7 | 64.6 | 26.3 | 44.1 |
| Unemployment | * Aug 2006 | 4.8 | 4.7 | 4.3 | 4.6 | 4.6 | 4.8 | 5.7 | 4.7 | 6.2 |
| Participation rate | * Aug 2006 | 65.6 | 65.2 | 65.7 | 65.5 | 65.5 | 65.5 | 65.7 | 65.6 | 65.7 |

* Update

(1) Not Seasonally Adjusted

(2) Annual Rate

TABLE 5 - INTERNATIONAL ECONOMIC INDICATORS

| September 8, 2006 | | | | | | | | | | | |
|--|-----------------------|--------------------|----------------|-----------------|---------------------------|----------------|----------------|----------------------------|--------------------------------------|--------------|--|
| Growth Rates Unless Otherwise Indicated | Reference Period | Monthly Growth (%) | | | Annualized Growth (%) | | | Since 12 Mos. | Cumulated since beginning of year | | |
| | | Past Month | Prev. Month | Month Before | Average of the last | | | | ref. | prec. | |
| | | 3 Mos. | 6 Mos. | 12 Mos. | 12 Mos. | 12 Mos. | 12 Mos. | | 12 Mos. | 12 Mos. | |
| OECD leading index | * Jul 2006 | -0.2 | -0.1 | 0.2 | 1.0 | 3.9 | 2.8 | 3.0 | 3.5 | 1.1 | |
| JAPAN | | | | | | | | | | | |
| Retail Sales | Jul 2006 | 5.3 | -0.1 | -2.2 | -1.7 | -1.6 | 0.3 | -0.2 | 0.1 | 1.5 | |
| Industrial Production | Jul 2006 | -2.7 | 10.5 | -3.5 | -9.8 | 8.0 | 3.2 | 5.1 | 3.9 | 0.3 | |
| Exports | Jul 2006 | 3.2 | 0.2 | 1.3 | 8.0 | 12.9 | 14.1 | 17.1 | 16.3 | 5.0 | |
| Imports | Jul 2006 | 0.6 | 4.3 | -6.9 | -5.6 | 12.9 | 20.8 | 15.6 | 21.5 | 13.7 | |
| Merchandise trade bal. (Billions of ¥) | Jul 2006 | 800 | 639 | 854 | 764 | 666 | 646 | 624 | 655 | 764 | |
| Current account (Billions of ¥) | Jun 2006 | 1,542 | 1,581 | 1,136 | 1,420 | 1,562 | 1,594 | 1,474 | 1,562 | 1,451 | |
| Inflation (CPI) | Jul 2006 | -0.1 | 0.1 | 0.1 | 0.4 | 0.5 | -0.3 | 0.3 | 0.1 | -0.4 | |
| Industrial Prices (1) | Jul 2006 | 0.7 | 0.0 | 0.7 | 5.2 | 3.2 | 2.6 | 3.4 | 3.0 | 1.5 | |
| Unemployment Rate | Jul 2006 | 4.1 | 4.2 | 4.0 | 4.1 | 4.1 | 4.3 | 4.4 | 4.1 | 4.4 | |
| | | Q2 2006 | Q1 2006 | Q4 2005 | Q3 2005 | Q2 2005 | Q1 2005 | 2005 | 2004 | 2003 | |
| Gross Domestic Product (Constant Yen) | | 0.8 | 2.7 | 4.4 | 0.8 | 5.7 | 5.2 | 2.6 | 2.3 | 1.8 | |
| Euro-zone | | | | | | | | | | | |
| Economic sentiment (index) | Aug 2006 | 106.7 | 107.8 | 107.1 | 107.2 | 106.3 | 103.4 | 97.5 | 105.2 | 97.4 | |
| Business climate (index) | Aug 2006 | 1.3 | 1.4 | 1.4 | 1.4 | 1.2 | 0.7 | -0.1 | 1.0 | -0.1 | |
| Retail Sales | * Jul 2006 | 0.6 | 0.3 | -0.1 | 2.9 | 1.2 | 1.5 | 2.6 | 1.5 | 1.2 | |
| Industrial Production | * Jun 2006 | 0.0 | 1.8 | -0.7 | 4.2 | 4.0 | 2.6 | 4.3 | 3.5 | 0.7 | |
| Exports | Jun 2006 | 0.3 | 0.5 | -0.1 | 6.0 | 8.5 | 11.8 | 11.6 | 12.7 | 4.7 | |
| Imports | Jun 2006 | 0.3 | 0.6 | 0.6 | 5.3 | 10.1 | 17.3 | 16.8 | 18.4 | 9.9 | |
| Merch. Trade Bal. (Millions of euros) | Jun 2006 | -1,119 | -1,193 | -1,095 | -1,136 | -856 | -1,373 | -1,286 | -1,211 | 3,773 | |
| Inflation (CPI) | Jul 2006 | -0.1 | 0.1 | 0.3 | 3.7 | 2.5 | 2.4 | 2.4 | 2.4 | 2.1 | |
| Industrial Prices (1) | * Jul 2006 | 0.6 | 0.3 | 0.3 | 6.0 | 6.4 | 5.1 | 5.9 | 5.6 | 4.0 | |
| Unemployment Rate | Jul 2006 | 7.8 | 7.8 | 7.9 | 7.8 | 7.9 | 8.1 | 8.5 | 8.0 | 8.7 | |
| | | Q2 2006 | Q1 2006 | Q4 2005 | Q3 2005 | Q2 2005 | Q1 2005 | 2005 | 2004 | 2003 | |
| Gross Domestic Product (Constant Euro) | | 3.6 | 3.2 | 1.4 | 2.4 | 1.6 | 1.7 | 1.5 | 1.7 | 0.8 | |
| UNITED KINGDOM | | | | | | | | | | | |
| Consumer Confidence Indicator | Aug 2006 | -6 | -6 | -5 | -6 | -5 | -4 | -2 | -5 | -1 | |
| Retail Sales | Jul 2006 | -0.2 | 0.7 | 0.7 | 7.4 | 3.2 | 2.5 | 4.0 | 2.9 | 2.0 | |
| Industrial Production | * Jul 2006 | 0.1 | -0.1 | 0.3 | 0.7 | 1.1 | -1.4 | -0.5 | -0.8 | -1.5 | |
| Exports (1) | Jun 2006 | -1.2 | -2.5 | 6.3 | 34.4 | 30.2 | 18.1 | 16.6 | 23.6 | 8.7 | |
| Imports (1) | Jun 2006 | -2.7 | 3.1 | 4.4 | 21.9 | 27.0 | 17.9 | 21.5 | 23.3 | 8.6 | |
| Merchandise Trade Bal. (Millions of £) | Jun 2006 | -6,463 | -6,983 | -5,575 | -6,340 | -6,089 | -6,155 | -6,534 | -6,437 | -5,272 | |
| Inflation (CPI harmonized) (1) | Jul 2006 | 0.0 | 0.3 | 0.5 | 4.7 | 2.3 | 2.2 | 2.4 | 2.1 | 1.9 | |
| Industrial Prices (1) | Jul 2006 | 0.2 | 0.2 | 0.4 | 4.6 | 2.8 | 2.8 | 2.8 | 2.9 | 2.8 | |
| House prices | * Aug 2006 | 1.0 | 0.3 | -1.2 | -0.1 | 8.7 | 6.9 | 8.1 | 7.9 | 5.7 | |
| | | Q2 2006 | Q1 2006 | Q4 2005 | Q3 2005 | Q2 2005 | Q1 2005 | 2005 | 2004 | 2003 | |
| Gross Domestic Product (Constant £) | | 3.1 | 3.0 | 2.7 | 1.6 | 2.2 | 1.6 | 1.9 | 3.3 | 2.7 | |
| INTEREST AND EXCHANGE RATES | | | | | | | | | | | |
| | Reference Thursday | Current Week | Prev. Week | Week Before | Average of last Thursdays | | | 13 w. ago | 26 w. ago | 52 w. ago | |
| | | | | | 13 W. | 26 W. | 52 W. | | | | |
| JAPAN | | | | | | | | | | | |
| Prime Rate | * 07-Sep-06 | 0.40 | 0.40 | 0.40 | 0.28 | 0.19 | 0.15 | 0.10 | 0.10 | 0.10 | |
| 3-month Treasury Bills | * 07-Sep-06 | 0.21 | 0.21 | 0.21 | 0.21 | 0.21 | 0.21 | 0.21 | 0.21 | 0.21 | |
| - Spread with U.S. | * 07-Sep-06 | -4.63 | -4.71 | -4.76 | -4.69 | -4.56 | -4.16 | -4.52 | -4.25 | -3.18 | |
| Yield on 10-year Gov't Bonds | * 07-Sep-06 | 1.70 | 1.63 | 1.80 | 1.83 | 1.85 | 1.67 | 1.85 | 1.59 | 1.30 | |
| - Spread with U.S. | * 07-Sep-06 | -3.09 | -3.10 | -3.00 | -3.16 | -3.14 | -3.06 | -3.14 | -3.14 | -2.84 | |
| Exchange Rate (¥/U.S.\$) | * 07-Sep-06 | 116.4 | 117.4 | 116.5 | 115.8 | 115.3 | 115.9 | 114.1 | 118.2 | 110.5 | |
| Euro Zone | | | | | | | | | | | |
| 3-month Treasury Bills | * 07-Sep-06 | 3.29 | 3.26 | 3.26 | 3.15 | 2.99 | 2.70 | 2.99 | 2.70 | 2.13 | |
| - Spread with U.S. | * 07-Sep-06 | -1.55 | -1.66 | -1.71 | -1.76 | -1.78 | -1.66 | -1.74 | -1.76 | -1.26 | |
| Yield on 10-year Gov't Bonds | * 07-Sep-06 | 3.79 | 3.76 | 3.78 | 3.90 | 3.88 | 3.61 | 3.96 | 3.60 | 3.07 | |
| - Spread with U.S. | * 07-Sep-06 | -1.00 | -0.97 | -1.02 | -1.09 | -1.11 | -1.13 | -1.03 | -1.13 | -1.07 | |
| Exchange Rate (U.S.\$/Euro) | * 07-Sep-06 | 1.27 | 1.28 | 1.28 | 1.27 | 1.26 | 1.23 | 1.27 | 1.19 | 1.24 | |
| (Yen/Euro) | * 07-Sep-06 | 148.05 | 150.56 | 149.28 | 147.35 | 145.26 | 142.26 | 145.66 | 140.10 | 137.16 | |
| (Euro / £) | * 07-Sep-06 | 1.47 | 1.48 | 1.48 | 1.46 | 1.46 | 1.46 | 1.45 | 1.46 | 1.48 | |
| UNITED KINGDOM | | | | | | | | | | | |
| Prime Rate | * 07-Sep-06 | 6.50 | 6.50 | 6.50 | 6.50 | 6.50 | 6.50 | 6.50 | 6.50 | 6.50 | |
| 3-month Treasury Bills | * 07-Sep-06 | 4.89 | 4.89 | 4.89 | 4.77 | 4.67 | 4.62 | 4.67 | 4.55 | 4.56 | |
| - Spread with U.S. | * 07-Sep-06 | 0.05 | -0.03 | -0.08 | -0.13 | -0.09 | 0.25 | -0.06 | 0.09 | 1.17 | |
| Yield on 30-year Gov't Bonds | * 07-Sep-06 | 4.15 | 4.12 | 4.16 | 4.25 | 4.22 | 4.14 | 4.30 | 4.00 | 4.20 | |
| - Spread with U.S. | * 07-Sep-06 | -0.79 | -0.76 | -0.78 | -0.83 | -0.85 | -0.72 | -0.76 | -0.72 | -0.22 | |
| Exchange Rate (U.S.\$ / £) | * 07-Sep-06 | 1.88 | 1.90 | 1.89 | 1.86 | 1.84 | 1.80 | 1.84 | 1.74 | 1.84 | |
| STOCK INDICES | | | | | | | | | | | |
| | Reference | Monthly Growth (%) | | | Growth Over (%) | | | Since beginning of year | | | |
| | | Level | Past Month | Prev. Month | Month Before | 3 Months | 6 Months | 1 Year | ref. | prec. | |
| MSCI Eafe | * Sep 2006 | 246 | 2.6 | -0.7 | 0.1 | 2.0 | 5.3 | 19.3 | 18.8 | 9.8 | |

* Update

(1) Not Seasonally Adjusted

**TABLE 6 - COMMODITY PRICES**

September 8, 2006

| | <u>Spot Price</u> | | <u>Weekly Growth (%)</u> | | | <u>Annualized Growth (%)</u> | | | <u>Last Year</u> |
|---|-------------------|---------------|--------------------------|-------------------|--------------------|------------------------------|--------------|--------------|------------------|
| | <u>Sep 7</u> | <u>Aug 31</u> | <u>Last Week</u> | <u>Prev. Week</u> | <u>Week Before</u> | <u>For the Last</u> | | | |
| | | | | | | <u>13 W.</u> | <u>26 W.</u> | <u>52 W.</u> | |
| <u>CRB Index</u> | | | | | | | | | |
| Total | 387.2 | 391.0 | -1.0 | 0.7 | 1.9 | 13.2 | 23.0 | 20.3 | 321.7 |
| Energy | 597.8 | 624.9 | -4.3 | -2.7 | 0.8 | -28.8 | 14.4 | -2.4 | 612.6 |
| Grain | 211.7 | 212.6 | -0.5 | 6.0 | 2.4 | -1.8 | 5.1 | 11.1 | 190.6 |
| Industrials | 407.3 | 403.7 | 0.9 | 0.2 | 1.6 | 17.7 | 67.5 | 54.2 | 264.1 |
| Livestock & Meat | 293.5 | 291.3 | 0.7 | 1.3 | 0.5 | 24.2 | 16.0 | 6.6 | 275.4 |
| Precious Metals | 623.4 | 631.2 | -1.2 | 2.5 | 1.2 | 30.5 | 46.8 | 51.4 | 411.8 |
| <u>PRECIOUS METALS</u> | | | | | | | | | |
| Gold (\$/ounce) (AM fixing London) | 634.00 | 621.75 | 2.0 | -0.3 | -1.1 | 10.1 | 34.2 | 42.5 | 444.80 |
| Platinum (\$/ounce) (AM fixing London) | 1258.0 | 1240.0 | 1.5 | 1.0 | -1.0 | 12.7 | 53.0 | 37.9 | 912.0 |
| Silver (\$/ounce) (Handy & Harman) | 13.2 | 12.8 | 2.9 | 2.1 | 3.2 | 79.6 | 76.3 | 87.7 | 7.0 |
| <u>OTHER METALS (LME)</u> | | | | | | | | | |
| Aluminum (\$/tonne) | 2,614 | 2,437 | 7.3 | -0.9 | 1.3 | 22.8 | 24.7 | 41.8 | 1,843 |
| Copper (\$/tonne) | 7,975 | 7,647 | 4.3 | -0.2 | 1.4 | 21.9 | 163.9 | 108.5 | 3,825 |
| Zinc (\$/tonne) | 3,671 | 3,328 | 10.3 | -1.9 | 2.2 | 15.1 | 171.6 | 165.9 | 1,381 |
| Nickel (\$/tonne) | 30,208 | 31,475 | -4.0 | -9.4 | 7.9 | 282.7 | 317.9 | 104.1 | 14,803 |
| Lead (\$/tonne) | 1,330 | 1,221 | 8.9 | 1.3 | 1.1 | 218.8 | 28.1 | 48.0 | 899 |
| <u>OTHER COMMODITIES</u> | | | | | | | | | |
| Oil (\$/barrel) 1-month future (West Texas Intermediate) | 67.37 | 70.26 | -4.1 | -3.1 | 3.3 | -15.6 | 24.0 | 3.9 | 64.87 |
| Corn (¢/bushel) (Illinois #2) | 210.0 | 214.5 | -2.1 | 2.9 | 6.4 | -15.5 | 2.9 | 14.8 | 183.0 |
| Soy beans (¢/bushel) (Illinois #1) | 504.5 | 511.5 | -1.4 | -1.9 | 1.1 | -32.7 | -17.7 | -12.2 | 574.5 |
| Pork (¢/lb) | 95.0 | 95.0 | 0.0 | 28.4 | 0.0 | 35.8 | 44.6 | 8.0 | 88.0 |
| Beef (\$/'00 lbs) (CME) | 119.2 | 116.7 | 2.1 | 0.4 | 0.4 | 45.6 | 31.5 | 5.0 | 113.6 |
| Woodpulp NBSK Metric ton delivered in U.S. | 748 | 748 | 0.0 | 0.0 | 0.0 | 26.4 | 30.2 | 19.6 | 625 |
| Natural Gas (mmbtu) Henry Hub future NYMEX | 5.58 | 5.89 | -5.3 | -17.8 | 6.7 | -18.4 | -22.3 | -49.1 | 10.95 |
| Lumber 2X4 | 287 | 274 | 4.7 | 1.5 | 0.0 | -11.6 | -27.0 | -12.5 | 328 |

All prices are in US dollars

United States & Canada

The Week Ahead
(September 11 – September 15)

US Indicators

| Date | Time | Release | Month | Previous | Estimate | |
|--------|------|--|---------------|----------|-----------|---------|
| | | | | | Consensus | NBF |
| 12-Sep | 8:30 | Trade balance | July | -64.8 B | -65.4 B | -64.5 B |
| 14-Sep | 8:30 | Retail sales | August | 1.4% | -0.1% | -0.5% |
| | 8:30 | excl. Autos | August | 1.0% | 0.3% | 0.1% |
| 15-Sep | 8:30 | CPI | August | 0.4% | 0.2% | 0.2% |
| | 8:30 | excl. food & energy | August | 0.2% | 0.2% | 0.3% |
| | 9:15 | Industrial production | August | 0.4% | 0.2% | 0.1% |
| | 9:15 | Capacity utilization | August | 82.4% | 82.5% | 82.5% |
| | 9:45 | Consumer Sentiment Index (<i>Michigan</i>) | September (P) | 82.0 | 83.7 | 80.4 |

Canadian Indicators

| Date | Time | Release | Month | Previous | Estimate | |
|--------|------|-------------------------|---------|----------|-----------|--------|
| | | | | | Consensus | NBF |
| 11-Sep | 8:15 | Housing starts | August | 236.5K | 227.0K | 210.0K |
| 12-Sep | 8:30 | Trade balance | July | 4.7 B | 5.0 B | 4.5 B |
| 13-Sep | 8:30 | Capacity utilization | 2006 Q2 | 85.9% | 85.5% | 85.1% |
| 14-Sep | 8:30 | Manufacturing Shipments | July | 1.9% | -0.1% | -0.3% |

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