

- **Topic of the week** (p. 1)

Some measures of the underlying-inflation trend are showing patterns consistent with what would be expected in the context of a U.S. economy that slipped into recession 17 months ago. However, recent economists' surveys and market-based indicators alike suggest that inflation expectations are not coming unmoored on the downside. This is welcome news for the Fed, as this should make it easier to achieve its dual mandate of price stability and full employment.

- **Economic Indicators Review** (p. 4)

- **Things to watch**

Economic calendar and significant earnings announcements of the week ahead (p. 5)

- **Economic tables** (p. 6)

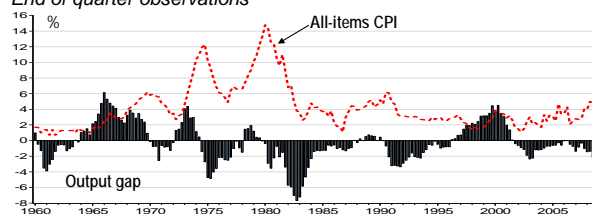
## Inflation: changing perceptions

The U.S. Consumer Price Index (CPI) was virtually unchanged in April month over month. Larger-than-expected declines in food and energy prices were partially offset by a second consecutive sizeable jump in the tobacco index. Increases in medical care costs and new-vehicle prices, as well as an upturn in lodging away from home, contributed to push the CPI ex food and energy up on the month. Year over year, instead, while the all-items CPI was down 0.7%, core CPI was up 1.9%. Even excluding the tobacco effect, core CPI would still have advanced roughly 1.7%.

Alternative measures of underlying inflation were showing some dispersion in April. This is quite evident when annualized month-over-month rates of change are compared. On that basis, the median CPI rose 2.1% against only 0.9% for the 16% trimmed-mean CPI, which is far below the 3.1% registered by the conventional core CPI. Many studies suggest that the trimmed-mean measure is a better indicator of the underlying-inflation trend. Currently, it is certainly showing a pattern consistent with what would be expected in the context of a U.S. economy that slipped into recession 17 months ago.

### 1) Inflation and output gap

End of quarter observations



#### United States: April 2009 inflation statistics

	Annualized percent change				
Consumer Price Index	1 month	3 month	6 month	12 month	5 year
All items	-0.2	0.9	-3.9	-0.7	2.6
Ex food and energy	3.1	2.5	1.7	1.9	2.2
Median	2.1	2.1	2.1	2.6	2.8
16% trimmed mean	0.9	1.3	1.1	2.1	2.6

Source: FRSB of Cleveland

NBF Economy and Strategy (data via Bloomberg, CBO)

Should the current trend in the trimmed-mean CPI be taken an omen that Japanese-style deflation is coming to the United States? This is a legitimate question. The consensus view among economists is for the U.S. recovery to start up at a rather moderate pace. Under such a scenario, the labour market should continue to deteriorate at least through 2009. The resulting build-up in economic slack is expected to contribute to dampen inflation pressures in the months to come. However, the extent to which this will happen is not so clear. Indeed, economic research shows that inflation sensitivity to unemployment has decreased significantly since the early 1980s and that expectations instead play a much larger role in the inflation process.

Furthermore, we would argue that the U.S. economy is permanently shutting down some of its production capacity. Economics 101 suggest that, all other things remaining the same, such a leftward shift in the aggregate supply curve means less output at higher prices. How much of an offsetting impact will that have on inflation? Time will tell.

Since last summer, economists have revised their 2009 inflation forecast quite significantly. Back in August 2008, when oil prices were still quite elevated, the median forecast for all-items inflation was 2.1 %. There was a fairly large proportion of economists pegging inflation at between 2% and 3.2% on average in 2009. Since then, the consensus view has shifted in favour of a modest deflation for the current year. This is not surprising given the severity of the current recession and what has happened to energy prices.

On the basis of the size of the already large output gap and how this variable related to inflation in the 1960s and 1970s, many would be inclined to expect deflation to persist longer. Instead, most professional forecasters are projecting a return to modest positive inflation for 2010. These forecasts probably reflect findings from empirical studies which support the view that, over the past 20 years or so, the dynamics of U.S. inflation has changed. Among other things, real activity variables appear to have a much lesser impact, which is not say that they are inconsequential.

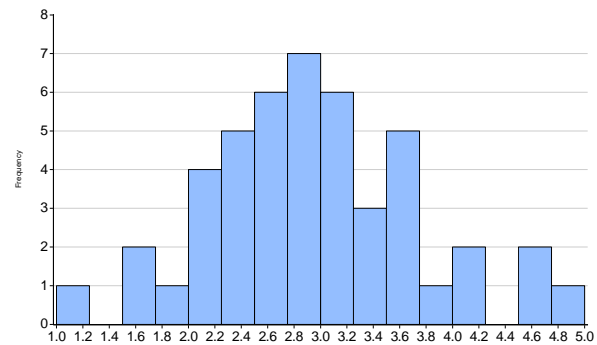
Furthermore, bearing in mind that our focus here is on the all-items CPI, the current turnaround in oil prices, if sustained, will contribute to inflation over time. In late December 2008, crude oil was trading at about US\$32/barrel, compared with \$US68 early in June. Our own 2010 forecast is for headline inflation to average

1.8%. This is slightly above the median response from the May Bloomberg Survey (1.6%).

Market-based indicators of inflation expectations, as well, are moving away from projecting deflation

**2) 2009 inflation forecasts: August 2008 survey**

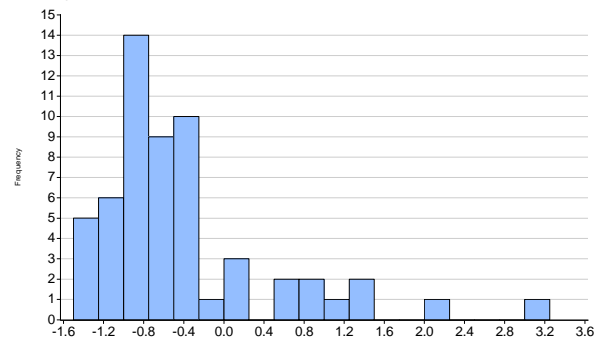
Average headline inflation for 2009



NBF Economy and Strategy (data via Bloomberg)

**3) 2009 inflation forecasts: May 2009 survey**

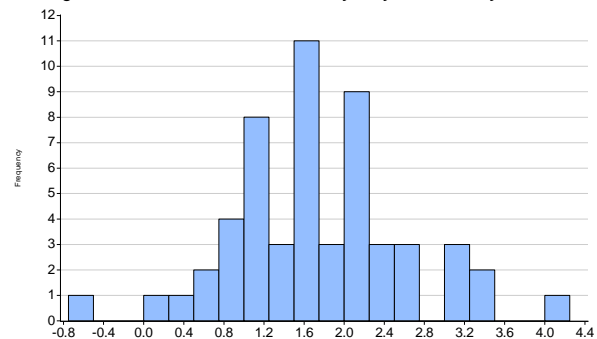
Average headline inflation for 2009



NBF Economy and Strategy (data via Bloomberg)

**4) 2010 average headline inflation forecasts**

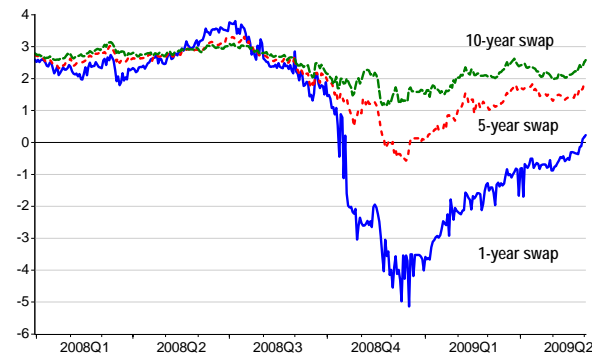
Average headline inflation for 2010, early May 2009 survey



NBF Economy and Strategy (data via Bloomberg)

**5) Inflation swaps: deflation no longer expected**

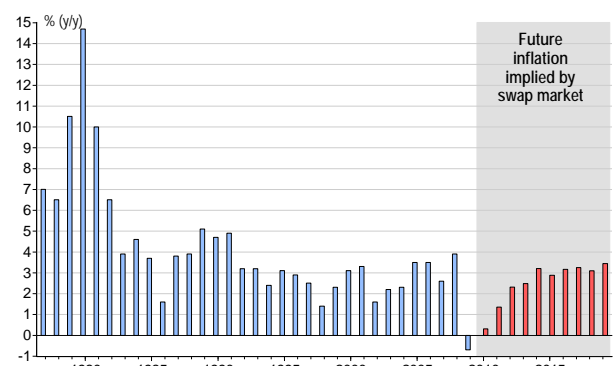
*Inflation expectations over 1.5 and 10 years*



NBF Economy and Strategy (data via Bloomberg)

**6) Inflation swaps: headline inflation**

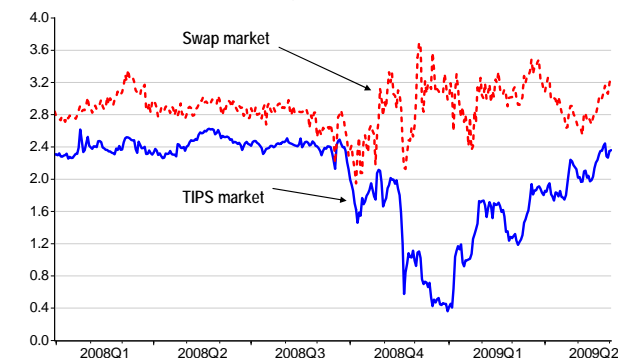
*All-items CPI inflation, actual and as projected by swap market*



NBF Economy and Strategy (data via Bloomberg)

**7) Two takes on expected inflation for 2013-2018**

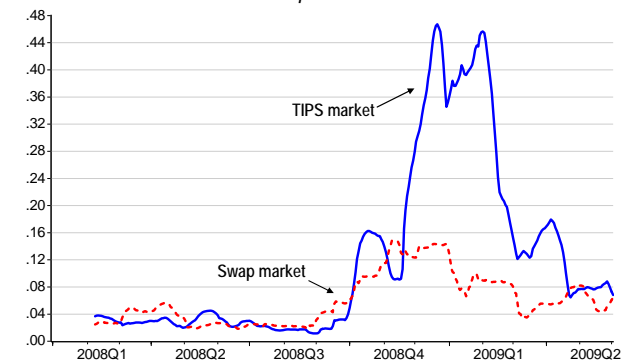
*Based on TIPS and inflation swaps*



NBF Economy and Strategy (data via Bloomberg)

**8) Coefficient of variation of expected inflation**

*Based on TIPS and inflation swaps*



NBF Economy and Strategy (data via Bloomberg)

Chart 5 shows the evolution of the inflation swap indexes over 1-, 5- and 10-year horizons. It is interesting to note that 1-year swap contracts are finally pricing in positive inflation. Back in late 2008, the prospects were quite different. Economic and financial conditions were still deteriorating at a rapid pace. Lehman had just gone under and oil prices had fallen from their July peak of US\$145/barrel to less than US\$40/barrel in December. In such a bleak environment, financial markets were pricing in serious deflation in the short run. What's more, swap contracts were pricing in the consumer price index still being below its September 2008 level by 2013. This is no longer the case.

Although significant risks to the economy remain, the outlook has improved unmistakably in recent months and the swap market has adjusted to the new reality. Future inflation as projected by this market suggests a return to a more familiar inflation pattern in the coming years. Like most economists, the swap market does not seem unduly concerned about the output gap.

If we look at expected mid-term inflation five years down the road, neither Treasury inflation-protected securities (TIPS) nor the swap market ever priced in deflation over such a long horizon, although the former did come closer to doing so than the latter. However, there was never any sign of a Japanese-style deflation there. It is interesting to note that in the past three quarters, the mid-term inflation implied by both markets has been quite volatile, but the increase in the coefficient of variation (the standard deviation scaled by the mean) for the TIPS market has been significantly larger than for the swap market. Liquidity problems affecting real-return bonds contributed to the situation.

In sum, recent economists' surveys and market-based indicators alike suggest that inflation expectations are not coming unmoored on the downside. This is welcome news for the Fed, as this should make it easier to achieve its dual mandate of price stability and full employment.

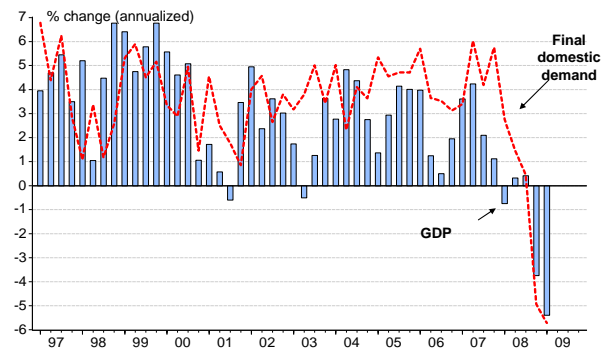
*Paul-André Pinsonnault*  
Senior Fixed-Income Economist

**Canada** — The Canadian economy contracted an annualized 5.4% in 2009Q1, after shrinking a revised 3.7% in 2008Q4. Though severe, the decline in Q1 was not as deep as most had expected. International trade added about 4% to economic growth as imports fell faster than exports. However, this was offset by an inventory drawdown (-\$5.8 billion), the first since 2004Q2. Overall, real final domestic demand decreased 5.7%. Labour income was down 2.7%, but consumer spending fell by only 1.6%. GDP prices were down for a second quarter in a row (-1.7% against -2.9% in Q4). On the labour front, Canada saw the unemployment rate jump from 8% in April to 8.4% in May. Job losses were worse than expected at 41,800, with the goods-producing sectors shedding 66,000 and services gaining 24,200. Once again, the latest job report reflects the highly regional flavour of the current Canadian recession. Ontario accounted for the brunt of the layoffs in Canada, as 8 of 10 provinces registered gains in May. The service sector, which provides 78% of the employment in Canada, has created 70,000 jobs since February. At its rate-setting meeting, the Bank of Canada renewed its conditional pledge to hold its target for the overnight target at 0.25% through June 2010, as recent economic data were deemed broadly consistent with the Bank's medium-term outlook. However, the sudden upturn in the Canadian dollar, which reflects a combination of higher commodity prices and generalized weakness in the U.S. currency according to the Bank, could become a source of concern if it were to persist.

**United States** — The U.S. economy lost fewer jobs than expected in May. Nonfarm payrolls fell 345,000, its smallest decline in eight months, which was hailed as good news. Still, the unemployment rate jumped to 9.4% from 8.9%. Hourly earnings inched up 0.1%. Nonfarm productivity in 2009Q1 rose 1.6% while hourly compensation climbed 4.6%, for 3% unit labour cost growth. Personal income advanced 0.5% in April, while spending retreated 0.1%. The ISM Manufacturing Index went from 40.1 to 42.8 in May. Within the survey, new orders improved further to 51.1, their highest level since last November. The non-manufacturing survey progressed marginally from 43.7 to 44.0. Construction spending notched up 0.8% in April, its largest increase since August, after rising a revised 0.4% the month before. Total vehicle sales in May reached an annualized rate of 9.9 million units, compared with 9.3 million the previous month. This week, the only bit of truly disappointing economic news was to the effect that factory orders were up only 0.7%, well short of expectations. Moreover, the previous month's decline was revised down from -0.9% to -1.9%.

**Canada: a second quarter of recession**

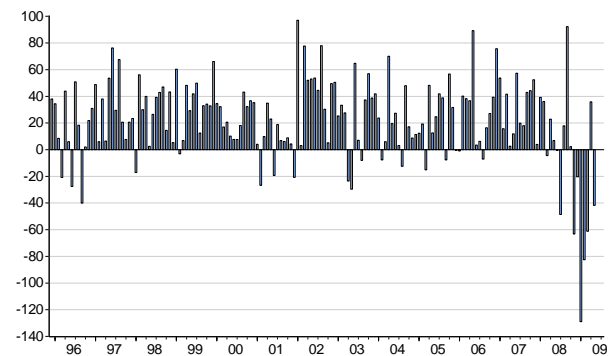
Real GDP and final domestic demand, annualized



NBF Economy and Strategy (data via Datastream)

**Canada loses 41,800 jobs in May**

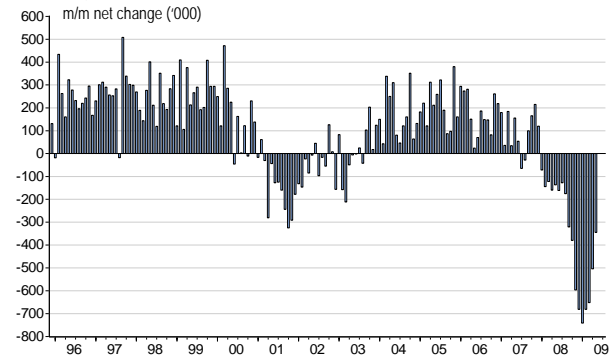
Unemployment rate rises to 8.4%



NBF Economy and Strategy (data via Bloomberg)

**United States: May nonfarm payrolls drop 345,000**

Unemployment rate rises to 9.4%



NBF Economy and Strategy (data via Bloomberg)

# THINGS TO WATCH – Canada & US

Economic releases & events								Earnings announcements			
	Time	Country	Release	Period	Previous	Consensus Estimate	NBF Estimate	Company	Time	Qtr	Cons. EPS
<b>Monday</b> Jun 8	8:15	CA	Housing Starts	MAY	117.4K	130.3K	127K				
<b>Tuesday</b> Jun 9								Saputo Inc		Q4-09	0.32
								Major Drilling Group		Q4-09	-0.03
<b>Wednesday</b> Jun 10	7:00	US	MBA Mortgage Applications	Jun-05	-16.20%	--		Viterra Inc		Q2-09	0.08
	8:30	US	Trade Balance	APR	-\$27.6B	-\$28.7B	-\$30.0B				
	8:30	CA	Int'l Merchandise Trade	APR	1.1B	0.8B	1.5B				
	14:00	US	Fed's Beige Book	Jun-11							
<b>Thursday</b> Jun 11	8:30	US	Advance Retail Sales	MAY	-0.40%	0.40%	0.60%	Transat AT Inc		Q2-09	0.55
	8:30	US	Retail Sales Less Autos	MAY	-0.50%	0.20%	0.30%	North West Co Fund		Q1-10	
	8:30	US	Initial Jobless Claims	Jun-06	621K	--	600K	Transcontinental Inc		Q2-09	0.34
							Alim. Couche Tard Inc		Q4-09	0.12	
							MDS Inc		Q2-09	0.06	
							Forzani Group Ltd/The		Q1-10	-0.08	
<b>Friday</b> Jun 12	10:00	US	U. of Michigan Confidence	JUN P	68.7	69.2	71				

Source: Bloomberg

**TABLE 1 - NORTH AMERICAN FINANCIAL INDICATORS**

June 5, 2009											
Growth Rates Unless Otherwise Indicated	Reference Period	Level	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.			
<b>UNITED STATES</b>											
<u>MONETARY AGGREGATES</u>											
		(\$Billions)									
M1	* Apr 2009	1592	1.9	0.2	-1.1	1.6	23.2	15.9	14.7	0.0	
M2	* Apr 2009	8264	-0.6	0.9	0.4	9.1	12.3	8.5	9.3	6.4	
<u>CREDIT MEASURES</u>											
Consumer Credit	Mar 2009	2551	-0.4	-0.3	0.3	-1.4	-0.6	0.1	0.9	5.5	
Mortgage (Banks)	* Apr 2009	3838	0.2	0.0	0.5	1.2	9.0	5.3	5.1	7.1	
Business	Apr 2009	1522	-1.4	-1.1	-0.7	-10.4	4.6	2.3	5.5	20.9	
<b>CANADA</b>											
<u>MONETARY AGGREGATES</u>											
M2+ gross	* Mar 2009	1259	1.1	0.8	1.5	15.4	14.0	13.0	13.0	8.8	
Personal Deposits (Banks) (2)	Apr 2009	627						14.8	14.7	7.4	
<u>CREDIT MEASURES</u>											
Consumer	* Mar 2009	417	0.4	0.8	0.9	8.6	7.5	7.8	7.8	9.8	
Mortgages	* Mar 2009	911	0.2	0.4	0.6	8.0	8.2	8.3	9.1	12.7	
Short - Term Business Loans	* Apr 2009	382	-0.9	-0.8	-1.5	-8.6	8.7	3.6	5.4	14.0	
Business (S.T. + L.T.)	* Apr 2009	1216	-0.1	0.1	0.1	0.5	4.2	3.6	3.9	7.1	
Private (Consumer+Business)	* Mar 2009	2544	0.2	0.3	0.4	5.0	6.5	6.0	6.4	9.6	
Federal Debt	* May 2009	502	0.8	-1.6	2.8	23.4	38.3	23.8	26.4	-2.9	
<b>INTEREST AND EXCHANGE RATES</b>											
	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.				
<b>UNITED STATES</b>											
<u>INTEREST RATES</u>											
Federal Funds Target Rate	* 04 Jun	0.25	0.25	0.25	0.25	0.28	1.00	0.25	1.00	2.00	
Prime Rate	* 04 Jun	3.25	3.25	3.25	3.25	3.28	4.00	3.25	4.00	5.00	
3-month Treasury Bills	* 04 Jun	0.14	0.15	0.19	0.17	0.16	0.63	0.20	0.02	1.82	
2-year Bonds	* 04 Jun	0.95	0.97	0.86	0.92	0.89	1.45	0.89	0.85	2.47	
5-year Bonds	* 04 Jun	2.56	2.46	2.13	1.99	1.82	2.35	1.81	1.54	3.30	
10-year Bonds	* 04 Jun	3.71	3.67	3.35	3.07	2.82	3.28	2.82	2.57	4.03	
30-year Bonds	* 04 Jun	4.60	4.53	4.31	3.97	3.58	3.94	3.51	3.08	4.73	
Corporate High-yield (Lehman)	* 04 Jun	12.94	13.81	14.12	16.16	17.69	16.01	20.07	22.17	9.92	
Corporate Invest. Grade (Lehman)	* 04 Jun	6.39	6.57	6.57	7.08	7.35	7.22	7.66	8.57	5.98	
<u>SPREADS</u>											
Corp. High-yield - Treas. 10y.	* 04 Jun	9.23	10.14	10.77	13.09	14.87	12.73	17.25	19.60	5.89	
Corp. Invest. grade - Treas. 10y.	* 04 Jun	2.68	2.90	3.22	4.01	4.53	3.94	4.84	6.00	1.95	
Treasuries 30y. - 3-m. T.B.	* 04 Jun	4.46	4.38	4.12	3.80	3.42	3.31	3.31	3.06	2.91	
<u>EXCHANGE RATE</u>											
Major currencies, traded-weighted	* 29 May	76.05	77.08	76.82	81.09	81.37	78.82	85.74	82.97	71.39	
<b>CANADA</b>											
<u>INTEREST RATES</u>											
Prime Rate	* 04 Jun	2.25	2.25	2.25	2.37	2.78	3.65	2.50	4.00	4.75	
Target overnight rate	* 04 Jun	0.25	0.25	0.25	0.37	0.78	1.77	0.50	2.25	3.00	
30-day commercial paper	* 04 Jun	0.35	0.29	0.29	0.44	0.81	1.88	0.65	1.97	3.00	
3-month Treasury Bills	* 04 Jun	0.22	0.21	0.17	0.29	0.57	1.34	0.45	1.56	2.50	
1-year Treasury Bills	* 04 Jun	0.52	0.50	0.42	0.53	0.71	1.61	0.64	1.43	2.68	
5-year Bonds	* 04 Jun	2.47	2.52	2.27	2.01	1.97	2.50	1.88	2.27	3.21	
10-year Bonds	* 04 Jun	3.40	3.46	3.27	3.03	2.96	3.29	3.01	3.15	3.63	
30-year Bonds	* 04 Jun	3.99	4.07	3.98	3.78	3.70	3.89	3.68	3.79	4.10	
<u>SPREADS</u>											
Prime - 30d. Commercial paper	* 04 Jun	1.90	1.96	1.96	1.93	1.97	1.77	1.85	2.03	1.75	
Long Term - Short Term	* 04 Jun	3.77	3.86	3.81	3.48	3.13	2.56	3.23	2.23	1.60	
<u>CANADA UNITED STATES SPREADS</u>											
3-month T-Bills	* 04 Jun	0.08	0.06	-0.02	0.13	0.41	0.71	0.25	1.54	0.68	
Long Term Bonds	* 04 Jun	-0.60	-0.46	-0.33	-0.19	0.12	-0.04	0.17	0.71	-0.63	
<u>EXCHANGE RATE</u>											
US\$/CDN\$ (GTIS)	* 04 Jun	0.9116	0.8974	0.8797	0.8387	0.8243	0.8691	0.7756	0.7830	0.9827	
Trade-weighted (1990=100) G-10	* 04 Jun	103.1	102.1	99.3	95.7	94.0	98.8	89.6	90.5	110.1	
<b>STOCK INDICES</b>											
	Reference Thursday	Level	Monthly Growth (%)			Growth Over (%)			Since beginning of year		
			Past	Prev.	Month	Average of the last			ref.	prec.	
			Month	Month	Before	3 Months	6 Months	1 Year			
Dow Jones (U.S.)	* 04 Jun	8750.2	3.8	5.1	16.6	27.3	4.5	-29.4	4.5	-6.5	
S&P 500 (U.S.)	* 04 Jun	942.5	3.9	7.7	18.2	32.2	11.5	-31.6	11.5	-5.9	
NASDAQ (U.S.)	* 04 Jun	1850.0	4.9	8.7	19.8	36.7	28.0	-26.1	28.0	-4.5	
S&P/TSX (Can.)	* 04 Jun	10477.2	6.1	8.9	16.0	34.1	30.0	-28.7	30.0	8.2	

\* Update

(1) Commercial Banks

(2) Not seasonally adjusted

**TABLE 2 - UNITED STATES ECONOMIC INDICATORS**

June 5, 2009										
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	Apr 2009	1.0	-0.2	-0.5	-1.9	-4.7	-3.3	-3.0	-3.6	-1.9
Consumer Confidence Index (1985=100)	May 2009	54.9	40.8	26.9	40.9	37.3	44.2	58.1	37.1	70.1
I.S.M. Manufacturing Index (level)	* May 2009	42.8	40.1	36.3	39.7	37.3	40.9	49.3	38.1	49.3
- Non-manufacturing (level)	* May 2009	42.4	45.2	44.1	43.9	42.5	44.7	52.9	43.2	49.9
<b>DOMESTIC DEMAND</b>										
Sales new autos & light trucks (000,000)	* May 2009	9.9	9.3	9.9	9.7	9.7	10.9	14.3	9.6	14.9
Retail Sales	Apr 2009	-0.4	-1.3	0.4	-2.4	-15.1	-4.6	-10.1	-9.2	2.6
- Motor vehicle	Apr 2009	0.2	-2.0	-2.7	-11.2	-22.8	-18.9	-20.7	-22.0	-4.5
- Other	Apr 2009	-0.5	-1.2	1.1	-0.5	-13.4	-1.1	-7.7	-6.1	5.4
Consumer Spending: Total (\$ current)	* Apr 2009	-0.1	-0.3	0.4	1.7	-4.3	1.6	-1.5	-0.8	5.0
Total (\$ constant)	* Apr 2009	-0.1	-0.3	0.1	0.4	-2.1	-0.7	-1.9	-1.5	1.4
Personal Income	* Apr 2009	0.5	-0.2	-0.2	-1.1	-1.8	2.6	0.7	0.8	4.2
Personal Savings Rate (3)	* Apr 2009	5.7	4.5	4.1	4.8	4.3	3.3	0.0	4.7	0.2
New Orders	* Apr 2009	0.7	-1.9	0.7	-16.4	-36.1	-8.7	-22.8	-21.3	5.1
- Non-Defence Capital Goods exc. Aircraft	* Apr 2009	-2.4	-1.4	4.1	-29.5	-33.4	-8.8	-25.1	-22.8	2.7
Unfilled Orders	* Apr 2009	-1.2	-1.7	-1.7	-18.5	-10.0	6.1	-6.8	-3.3	16.8
Business Inventories	Mar 2009	-1.0	-1.4	-1.2	-14.1	-6.2	2.6	-4.8	-3.4	5.2
Inventories / Shipments Businesses	Mar 2009	1.44	1.44	1.46	1.45	1.43	1.35	1.28	1.45	1.28
Manufacturers' Shipments	* Apr 2009	-0.2	-1.8	-0.5	-17.0	-30.8	-5.8	-19.9	-17.2	5.2
Manufacturers' Inventories	* Apr 2009	-1.0	-1.2	-1.3	-14.1	-8.2	3.1	-5.1	-3.0	5.7
Inventories / Shipments Manuf.	* Apr 2009	1.45	1.46	1.45	1.45	1.45	1.35	1.22	1.46	1.24
Housing Starts (000) (1)	Apr 2009	458	525	574	519	543	723	1001	511	1044
New Home Sales	Apr 2009	0.3	-3.0	10.0	-9.9	-40.0	-38.3	-34.0	-37.4	-35.3
Existing Home Sales	Apr 2009	2.5	-3.3	4.2	3.9	-11.3	-7.1	-2.8	-5.0	-20.2
<b>PRODUCTION</b>										
Industrial Production	Apr 2009	-0.5	-1.7	-1.0	-16.5	-14.8	-6.5	-12.5	-11.8	1.0
- Consumer Goods	Apr 2009	0.0	-0.3	-0.2	-8.5	-7.9	-4.8	-6.6	-7.3	-0.8
- Hitech goods	Apr 2009	-0.7	-2.0	-1.9	-18.4	-30.2	-2.6	-22.2	-18.5	22.8
<b>EXTERNAL AND FISCAL BALANCES</b>										
Exports	Mar 2009	-2.4	1.5	-5.9	-38.2	-31.1	2.8	-17.4	-17.0	17.1
Imports	Mar 2009	-1.0	-5.1	-6.7	-53.6	-39.6	-2.5	-27.0	-26.2	11.5
Merch. Trade Balance (\$ billions)	Mar 2009	-27.6	-26.1	-36.2	-30.0	-38.4	-49.4	-57.4	-30.0	-59.5
Real merchandise trade balance	Mar 2009	-35.9	-35.7	-44.0	-38.5	-40.7	-41.7	-47.6	-38.5	-49.8
Federal budget balance last 12 months (2)	Apr 2009	-1103.6	-923.4	-780.1				-234.2	-469.8	-46.7
<b>INFLATION AND COSTS</b>										
Consumer Prices	Apr 2009	0.0	-0.1	0.4	0.9	-4.5	2.3	-0.7	-0.3	4.1
- Excluding Food and Energy	Apr 2009	0.3	0.2	0.2	2.0	1.3	2.1	1.9	1.8	2.3
PCE Deflator exc. Food and Energy	* Apr 2009	0.3	0.2	0.2	2.2	1.4	2.0	1.9	1.8	2.2
Industrial Prices, Finished Goods	Apr 2009	0.3	-1.2	0.1	-2.5	-11.0	3.1	-3.5	-2.5	7.0
Average Hourly Earnings (4)	* May 2009						3.6	3.1	3.4	3.8
Industrial Capacity Utilization Rate	Apr 2009	69.1	69.4	70.6	69.7	71.3	74.3	79.2	70.1	79.9
Median Price, Single-Family Homes (5)	Apr 2009	0.1	1.1	2.3	-8.7	-27.6	-11.3	-14.9	-14.8	-8.1
<b>LABOUR MARKET</b>										
New Jobs (000) (6)	* May 2009	-345	-504	-652	-500	-601	-447	-5366	-2923	-635
- Manufacturing (000)	* May 2009	-156	-154	-172	-161	-183	-131	-1570	-916	-221
- Services (000)	* May 2009	-120	-230	-340	-230	-302	-231	-2775	-1412	-204
Average weekly hours (6)	* May 2009	-0.7	-0.3	-1.2	-8.6	-7.9	-3.6	-6.7	-5.9	0.4
Civilian Unemployment Rate (7)	* May 2009	9.4	8.9	8.5	8.9	8.3	7.2	5.5	8.5	5.1
<b>NATIONAL ACCOUNTS AND OTHER</b>										
<b>QUARTERLY INDICATORS</b>										
		<b>Q1 2009</b>	<b>Q4 2008</b>	<b>Q3 2008</b>	<b>Q2 2008</b>	<b>Q1 2008</b>	<b>Q4 2007</b>	<b>2008</b>	<b>2007</b>	<b>2006</b>
GDP Chained 2000 dollars		-5.7	-6.3	-0.5	2.8	0.9	-0.2	1.1	2.0	2.8
Consumption		1.6	-4.3	-3.8	1.2	0.9	1.0	0.2	2.8	3.0
Residential Construction		-38.7	-22.7	-16.1	-13.3	-25.0	-27.0	-20.8	-17.9	-7.1
Business Investment		-36.9	-21.7	-1.7	2.5	2.4	3.4	1.6	4.9	7.5
- Machinery and Equipment		-33.5	-28.1	-7.5	-5.0	-0.5	1.0	-3.0	1.7	7.2
Government Spending		-3.5	1.3	5.8	3.9	1.9	0.8	2.9	2.1	1.7
Exports		-28.7	-23.6	3.0	12.3	5.1	4.4	6.2	8.4	9.1
Imports		-34.1	-17.5	-3.5	-7.3	-0.8	-2.3	-3.5	2.2	6.0
Change in Inventories (1) (2)		-91.4	-25.8	-29.6	-50.6	-10.2	-8.1	-29.0	-2.5	42.3
GDP Deflator		2.8	0.6	3.9	1.3	2.6	2.5	2.2	2.7	3.2
Personal Disposable Income		6.5	2.9	-8.5	10.7	-0.7	0.6	1.3	2.8	3.5
		<b>Q1 2009</b>	<b>Q4 2008</b>	<b>Q3 2008</b>	<b>Q2 2008</b>	<b>Q1 2008</b>	<b>Q4 2007</b>	<b>2008</b>	<b>2007</b>	<b>2006</b>
Labour Productivity (4)	* 1.6	-0.6	2.2	4.7	2.6	-0.5	2.8	1.4	1.0	
Unit Labor Costs (4)	* 3.0	5.1	3.5	-2.8	1.1	5.0	0.9	2.7	2.9	
		<b>Q4 2008</b>	<b>Q3 2008</b>	<b>Q2 2008</b>	<b>Q1 2008</b>	<b>Q4 2007</b>	<b>Q3 2007</b>	<b>2008</b>	<b>2007</b>	<b>2006</b>
Current Account (current \$)		-531.3	-725.2	-728.9	-707.6	-669.0	-691.8	-673.3	-731.2	-788.1
as a % of GDP		-3.7	-5.0	-5.1	-5.0	-4.8	-5.0	-4.7	-5.3	-6.0
		<b>Q1 2009</b>	<b>Q4 2008</b>	<b>Q3 2008</b>	<b>Q2 2008</b>	<b>Q1 2008</b>	<b>Q4 2007</b>	<b>2008</b>	<b>2007</b>	<b>2006</b>
Corporate Profits (8)		14.2	-51.4	-4.7	-14.3	-4.3	-13.0	-10.1	-1.6	15.2
as a % of GDP		9.3	8.9	10.5	10.7	11.3	11.5	10.4	10.7	11.2

\* Update

(1) Annual Rate

(2) \$ Billions

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

(4) Nonfarm Business

(5) Existing Homes Sold

(6) Non-Farm Payroll Survey

(7) Household Survey

(8) Current \$ and before taxes

**TABLE 3 - CANADIAN ECONOMIC INDICATORS**

June 5, 2009											
Growth Rates Unless Otherwise Indicated	Reference Period	Monthly Growth (%)			Annualized Growth (%)			Cumulated since beginning of year			
		Past	Prev.	Month	Average of the last				Since		
		Month	Month	Before	3 Mos.	6 Mos.	12 Mos.		12 Mos.	ref.	prec.
Index of Leading Indicators (Stat. Can.)	Apr 2009	-1.1	-1.5	-1.4	-14.4	-7.7	-1.5	-6.5	-4.7	2.1	
<b>DOMESTIC DEMAND</b>											
New motor vehicle sales (000)	Mar 2009	122.2	115.0	118.0	118.4	121.8	130.9	1570.5	355.2	458.7	
Retail Sales (\$ current)	Mar 2009	0.3	0.2	1.9	-8.8	-9.4	0.5	-4.8	-5.3	6.2	
- Automobile Dealers	Mar 2009	3.6	-0.9	4.6	-23.1	-21.0	-10.0	-16.1	-18.1	4.3	
- Other	Mar 2009	-0.2	0.5	1.5	-4.7	-7.1	3.1	-1.9	-2.2	7.0	
Retail Sales (\$ constant)	Mar 2009	0.7	-0.4	2.0	-4.0	-4.7	0.5	-2.6	-3.0	5.4	
Manufacturer's Shipments (\$ current)	Mar 2009	-2.7	2.2	-6.0	-41.1	-25.5	-3.5	-16.0	-15.4	-3.5	
New Orders	Mar 2009	-0.4	9.3	-8.7	-49.4	-26.4	-4.1	-19.0	-18.3	-3.8	
- Durables	Mar 2009	0.3	22.6	-19.1	-66.5	-27.4	-9.0	-25.3	-25.1	-9.5	
Unfilled Orders	Mar 2009	1.5	0.0	-3.8	-17.0	14.6	18.0	9.7	12.2	18.1	
Manufacturer's Inventories	Mar 2009	-1.7	-1.1	1.2	-6.2	0.4	2.3	0.6	2.3	-1.8	
Inventories / Shipments Ratio	Mar 2009	1.58	1.56	1.62	1.59	1.50	1.39	1.32	1.59	1.31	
Manufacturer's Shipments (\$ constant)	Mar 2009	-2.4	2.8	-7.1	-34.2	-23.0	-9.9	-17.5	-17.7	-4.8	
Housing Starts (000) (1)	Apr 2009	117.6	146.5	128.4	130.8	147.0	179.2	217.1	134.2	230.8	
Number of existing homes sold (MLS)	Apr 2009	11.2	7.7	10.3	87.0	-35.6	-21.4	-10.5	-23.5	-10.4	
Number of personal bankruptcies (2)	Mar 2009						21.5	57.0	34.6	2.9	
Number of commercial bankruptcies (2)	Mar 2009						-4.4	-10.3	-13.8	-4.9	
<b>PRODUCTION</b>											
Real Domestic Product	* Mar 2009	-0.3	-0.1	-0.6	-6.2	-3.5	-0.4	-2.4	-2.3	1.6	
- Manufacturing	* Mar 2009	-1.0	-0.3	-3.1	-22.4	-15.0	-7.0	-11.1	-11.4	-3.9	
- Construction	* Mar 2009	-0.4	-0.1	-1.5	-12.8	-4.6	1.2	-3.6	-2.9	2.8	
Services	* Mar 2009	0.0	0.1	-0.1	-2.0	-1.2	1.2	-0.3	-0.3	3.3	
<b>FOREIGN SECTOR</b>											
Exports	Mar 2009	-1.8	4.9	-9.9	-50.5	-30.4	1.2	-19.2	-18.2	-0.3	
Imports	Mar 2009	-4.4	1.4	-8.7	-45.3	-14.0	4.6	-9.3	-8.3	0.1	
- Capital Goods	Mar 2009	-4.5	4.0	-8.5	-34.2	4.4	5.9	-1.1	1.1	-2.4	
Merch. Trade Balance (\$ millions)	Mar 2009	1.105	263	-826	181	678	2.837	5.632	181	4.455	
Change in Official Reserves	Apr 2009	43.524	-42.729	-1.143	-116	91	39	467	1.959	-43.057	
Level (US\$):		43.524									
<b>INFLATION AND COSTS</b>											
Consumer Prices	Apr 2009	-0.1	0.2	0.7	1.5	-2.7	2.1	0.4	1.0	1.8	
- Excluding Food and Energy	Apr 2009	0.1	0.3	0.5	0.6	0.8	1.2	1.2	1.3	1.2	
- Core inflation (4)	Apr 2009	0.1	0.3	0.5	1.5	1.6	1.8	1.8	1.9	1.4	
Average Hourly Earnings (2)	* May 2009						4.2	3.4	4.1	4.7	
Price of New Housing including land	Mar 2009	-0.5	-0.7	-0.6	-5.6	-2.5	1.4	-2.4	-1.6	6.3	
Avg. Price of Existing Homes Sold (MLS)	Apr 2009	1.0	2.1	0.0	2.4	-8.2	-5.9	-5.8	-8.4	6.1	
Industrial Prices (1992=100)	* Apr 2009	-0.5	0.3	0.4	-1.1	-8.8	4.3	-2.2	0.0	0.3	
<b>LABOUR MARKET</b>											
Labour Force	* May 2009	0.2	0.2	-0.1	0.6	0.5	1.2	0.7	0.7	1.9	
Job creation (000)	* May 2009	-41.8	35.9	-61.3	-22.4	-49.9	-24.9	-299.4	-278.8	100.2	
- Manufacturing	* May 2009	-58.4	6.7	-34.2	-28.6	-25.5	-16.5	-197.5	-162.1	0.7	
- Services	* May 2009	24.2	35.1	1.3	20.2	-1.1	1.4	17.2	-19.2	45.4	
- Full Time	* May 2009	-58.8	39.5	-79.5	-32.9	-62.6	-31.4	-376.5	-323.6	35.7	
- Part Time	* May 2009	17.0	-3.6	18.2	10.5	12.8	6.4	77.1	44.8	64.5	
Unemployment Rate	* May 2009	8.4	8.0	8.0	8.1	7.7	6.9	6.1	7.9	6.0	
<b>NATIONAL ACCOUNTS AND OTHER</b>											
<b>Annualized Growth Rates</b>											
<b>QUARTERLY INDICATORS</b>											
		Q1 2009	Q4 2008	Q3 2008	Q2 2008	Q1 2008	Q4 2007	2008	2007	2006	
GDP Chained (2002) \$	*	-5.4	-3.7	0.4	0.3	-0.7	1.1	0.4	2.5	2.9	
Consumption	*	-1.6	-3.1	0.6	1.1	2.5	7.8	3.0	4.6	4.1	
Business Investments	*	-25.8	-16.2	2.1	-2.6	0.8	1.4	0.2	3.7	10.0	
-Machinery and Equipment	*	-35.7	-28.5	-2.9	-5.8	0.2	12.5	0.5	4.4	10.5	
Residential Construction	*	-21.0	-23.0	-4.9	-1.3	-6.1	5.4	-2.7	2.9	2.0	
Government Expenditures	*	1.2	2.5	0.0	4.6	5.7	3.0	3.7	3.3	3.0	
Final Domestic Demand	*	-5.7	-4.9	0.5	1.5	2.8	5.8	2.6	4.1	4.5	
Exports	*	-30.4	-17.7	-4.1	-4.1	-2.3	-6.8	-4.7	1.1	0.8	
Imports	*	-37.8	-23.4	-3.4	3.0	-4.7	6.5	0.8	5.8	4.7	
Change in Inventories (1)	*	-5.8	10.3	15.0	14.5	9.2	25.1	12.2	15.0	12.1	
Real Disposable Income	*	-2.3	4.5	-0.7	0.8	9.2	5.5	4.2	3.6	5.8	
Personal savings Rate	*	4.7	4.9	3.1	3.4	3.3	1.9	3.7	2.5	3.5	
GDP Price Deflator	*	-6.5	-11.2	3.3	10.1	5.5	4.5	3.9	3.2	2.6	
Corporate Profits (nominal)	*	-67.0	-65.0	15.0	34.7	11.8	3.4	5.7	4.1	5.1	
as a % of GDP	*	9.1	11.6	14.6	14.2	13.5	13.3	13.5	13.3	13.5	
Indust. Capacity Utilization Rate	*	n.a.	74.7	78.1	78.8	79.6	81.2	77.8	82.1	82.8	
Labour Productivity, Business Sector	*	n.a.	-1.9	0.4	-0.4	-2.7	-1.1	-1.1	0.7	1.4	
Unit Labour Cost, Business Sector	*	n.a.	6.7	2.7	3.7	8.0	6.3	5.0	3.6	3.6	
		Q1 2009	Q4 2008	Q3 2008	Q2 2008	Q1 2008	Q4 2007	2008	2007	2006	
Current Account (current \$) (1)	*	-36.2	-31.0	13.0	27.0	23.5	10.9	8.1	15.6	20.3	
as a % of GDP	*	-2.4	-2.0	0.8	1.7	1.5	0.7	0.5	1.0	1.3	

\* 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 - PROVINCIAL ECONOMIC INDICATORS**
**June 5, 2009**

Growth Rates Unless Otherwise Indicated	Reference Period	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.	12 Mos.			
<b>QUEBEC</b>										
<u>DOMESTIC DEMAND AND REVENUE</u>										
Retail Sales	Mar 2009	2.0	1.0	0.2	-5.2	-5.3	2.9	1.6	-2.0	6.9
Manufacturing Shipments	Mar 2009	-6.1	-2.2	-1.1	-35.7	-17.0	-0.9	-16.0	-11.1	-0.9
Housing Starts (000) (2)	Apr 2009	41.1	43.6	36.9	40.5	43.1	45.7	45.5	41.3	48.0
Number of existing homes sold (MLS)	Apr 2009	7.2	8.0	11.2	81.3	-29.0	-9.3	-5.2	-14.8	-1.5
Wages and Salaries	* Mar 2009	0.3	-0.1	-0.7	-2.3	1.5	2.6	1.7	1.6	2.9
Value of merchandise exports (1)	Mar 2009						2.9	-7.4	-8.3	-6.9
Number of personal bankruptcies (1)	Mar 2009						17.4	48.3	24.5	7.6
Number of commercial bankruptcies (1)	Mar 2009						4.7	-11.4	-1.1	3.8
<u>PRICES</u>										
Consumer Price Index (1)	Apr 2009	0.1	0.3	0.7	2.4	-2.6	1.8	0.3	0.6	1.6
Average Hourly Earnings (1)	* May 2009						4.3	3.7	4.9	3.0
Price of New Housing inc. Land (1)	Mar 2009	0.2	0.7	0.2	3.9	3.2	4.9	4.2	4.1	4.6
Avg. Price of Existing Homes Sold (MLS)	Apr 2009	0.9	0.3	0.5	5.5	-0.2	2.2	2.2	1.1	6.2
<u>LABOR MARKET</u>										
Job creation (000)	* May 2009	5.7	22.4	-4.6	7.8	-4.7	-1.2	-14.2	-20.7	-8.1
Unemployment rate	* May 2009	8.7	8.4	8.3	8.5	8.1	7.7	7.5	8.2	7.2
Participation rate	* May 2009	65.8	65.6	65.2	65.5	65.4	65.5	65.8	65.4	65.9
<b>ONTARIO</b>										
<u>DOMESTIC DEMAND AND REVENUE</u>										
Retail Sales	Mar 2009	0.6	0.9	3.7	-3.9	-9.7	0.8	-3.9	-4.6	6.0
Manufacturing Shipments	Mar 2009	-1.5	7.2	-12.2	-48.1	-26.7	-7.4	-16.8	-18.6	-7.8
Housing Starts (000) (2)	Apr 2009	36.3	62.6	47.1	48.7	53.5	65.3	80.1	49.9	80.7
Number of existing homes sold (MLS)	Apr 2009	9.5	10.4	11.5	101.1	-36.2	-19.4	-7.7	-21.1	-8.3
Wages and Salaries	* Mar 2009	0.2	-0.1	-0.6	-2.9	-0.1	3.1	0.5	0.6	5.0
Value of merchandise exports (1)	Mar 2009						-9.1	-18.3	-21.8	-14.8
Number of personal bankruptcies (1)	Mar 2009						23.2	60.3	37.7	4.0
Number of commercial bankruptcies (1)	Mar 2009						-10.5	-7.3	-21.0	-3.6
<u>PRICES</u>										
Consumer Price Index (1)	Apr 2009	-0.4	0.5	0.6	1.5	-2.3	2.2	0.6	1.3	1.4
Average Hourly Earnings (1)	* May 2009						3.5	2.5	3.3	5.1
Price of New Housing inc. Land (1)	Mar 2009	-0.3	0.0	0.1	-0.2	0.3	2.7	0.4	0.9	4.0
Avg. Price of Existing Homes Sold (MLS)	Apr 2009	3.5	3.3	0.3	9.2	-6.3	-2.3	-0.2	-3.8	5.3
<u>LABOR MARKET</u>										
Job creation (000)	* May 2009	-59.7	-3.0	-10.8	-24.5	-29.6	-18.3	-219.8	-179.8	64.2
Unemployment rate	* May 2009	9.4	8.7	8.7	8.9	8.5	7.5	6.4	8.7	6.3
Participation rate	* May 2009	67.3	67.4	67.5	67.4	67.6	67.8	68.3	67.5	68.2
<b>NEWFOUNDLAND &amp; LABRADOR</b>										
<u>DOMESTIC DEMAND AND REVENUE</u>										
Retail Sales	Mar 2009	1.5	1.4	0.1	-8.3	-2.5	5.1	2.0	-0.7	9.1
Manufacturing Shipments	Mar 2009	5.7	8.1	-1.3	-41.8	-61.0	12.0	-23.7	-28.9	18.5
Housing Starts (000) (2)	Apr 2009	2.8	3.3	3.2	3.1	3.4	3.4	2.4	3.3	2.8
Number of existing homes sold (MLS)	Apr 2009	-6.0	7.0	2.7	9.6	-23.3	-5.0	-13.9	-13.4	18.1
Wages and Salaries	* Mar 2009	3.7	0.4	0.1	5.7	4.2	6.3	7.1	4.9	8.9
Value of merchandise exports (1)	Mar 2009						21.7	-38.3	-26.0	-1.5
Number of personal bankruptcies (1)	Mar 2009						11.0	88.9	27.2	-13.6
Number of commercial bankruptcies (1)	Mar 2009						-44.2	50.0	-62.5	0.0
<u>PRICES</u>										
Consumer Price Index (1)	Apr 2009	0.5	0.1	0.4	0.8	-3.4	2.4	0.4	0.7	2.1
Average Hourly Earnings (1)	* May 2009						5.9	3.0	3.9	8.8
Price of New Housing inc. Land (1)	Mar 2009	0.4	-0.1	0.8	9.2	16.0	22.2	20.8	21.8	11.1
Avg. Price of Existing Homes Sold (MLS)	Apr 2009	5.8	-1.5	-1.8	3.4	20.0	21.7	25.9	21.3	15.7
<u>LABOR MARKET</u>										
Job creation (000)	* May 2009	-1.7	-2.8	2.0	-0.8	-1.0	-1.0	-12.0	-5.0	4.8
Unemployment	* May 2009	15.1	14.7	14.7	14.8	14.6	14.1	12.7	14.8	12.8
Participation rate	* May 2009	58.4	58.6	59.4	58.8	58.9	59.1	60.4	58.9	60.1
<b>PRINCE EDWARD ISLAND</b>										
<u>DOMESTIC DEMAND AND REVENUE</u>										
Retail Sales	Mar 2009	1.3	-1.2	1.3	-8.7	-5.2	3.5	-1.3	-2.2	5.9
Manufacturing Shipments	Mar 2009	12.1	-13.4	22.8	68.8	-5.7	-2.3	4.5	4.4	-1.3
Housing Starts (000) (2)	Apr 2009	0.5	0.4	0.5	0.5	0.6	0.6	0.8	0.5	0.7
Number of existing homes sold (MLS)	Apr 2009	-5.5	-30.4	21.5	32.1	24.3	-19.8	-21.8	-8.9	-11.1
Wages and Salaries	* Mar 2009	2.3	-0.3	0.6	3.2	3.4	3.8	5.0	3.3	2.6
Value of merchandise exports (1)	Mar 2009						12.9	9.1	11.2	1.3
Number of personal bankruptcies (1)	Mar 2009						36.6	5.7	0.0	35.9
Number of commercial bankruptcies (1)	Mar 2009						-37.5	#DIV/0!	33.3	-72.7
<u>PRICES</u>										
Consumer Price Index (1)	Apr 2009	0.7	-0.1	1.4	2.3	-6.4	2.6	-0.3	0.1	2.4
Average Hourly Earnings (1)	* May 2009						7.7	3.3	7.6	3.8
Price of New Housing inc. Land (1)	Mar 2009	-0.4	1.2	0.2	3.3	0.8	0.9	1.0	0.2	2.0
Avg. Price of Existing Homes Sold (MLS)	Apr 2009	-5.5	10.3	-14.5	-20.3	11.0	4.7	13.7	3.7	4.3
<u>LABOR MARKET</u>										
Job creation (000)	* May 2009	0.1	-0.1	0.1	0.0	-0.1	-0.2	-2.1	-0.5	1.0
Unemployment	* May 2009	13.1	12.4	11.5	12.3	12.2	11.5	9.6	12.2	10.4
Participation rate	* May 2009	68.3	67.7	67.2	67.8	67.7	68.1	68.7	67.7	69.2
* Update (1) Not Seasonally Adjusted (2) Annual Rate										

<b>TABLE 4 - PROVINCIAL ECONOMIC INDICATORS (Continues from page A4)</b>										
<b>June 5, 2009</b>										
<b>Growth Rates Unless Otherwise Indicated</b>	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.			
<b>NOVA SCOTIA</b>										
<b>DOMESTIC DEMAND AND REVENUE</b>										
Retail Sales	Mar 2009	0.5	0.3	1.3	-5.1	-8.0	1.6	-4.3	-4.0	6.4
Manufacturing Shipments	Mar 2009	-5.5	2.1	5.0	-28.1	-31.9	2.4	-14.5	-14.6	8.7
Housing Starts (000) (2)	Apr 2009	2.5	3.8	4.7	3.7	3.3	3.6	4.2	3.4	5.4
Number of existing homes sold (MLS)	Apr 2009	-2.2	-4.6	13.3	34.5	-42.3	-14.2	-26.6	-22.7	-4.8
Wages and Salaries	* Mar 2009	0.7	0.2	0.5	1.5	1.5	3.9	2.6	2.0	4.9
Value of merchandise exports (1)	Mar 2009						3.8	-15.4	-11.8	2.9
Number of personal bankruptcies (1)	Mar 2009						16.0	19.2	9.6	1.1
Number of commercial bankruptcies (1)	Mar 2009						-23.2	-26.3	-32.0	-24.2
<b>PRICES</b>										
Consumer Price Index (1)	Apr 2009	0.4	0.2	0.8	2.4	-5.3	2.1	-0.4	0.0	2.7
Average Hourly Earnings (1)	* May 2009						4.3	5.9	5.8	3.6
Price of New Housing inc. Land (1)	Mar 2009	0.0	0.1	0.1	0.8	1.3	5.6	1.6	2.4	11.9
Avg. Price of Existing Homes Sold (MLS)	Apr 2009	4.5	0.9	2.2	3.9	2.5	3.9	4.6	1.6	4.9
<b>LABOR MARKET</b>										
Job creation (000)	* May 2009	3.6	-4.1	-3.0	-1.2	-0.1	0.3	3.7	-0.6	-3.5
Unemployment	* May 2009	8.9	9.2	8.9	9.0	8.8	8.2	8.7	8.9	7.8
Participation rate	* May 2009	64.4	64.1	64.5	64.3	64.4	64.2	63.7	64.5	63.7
<b>NEW BRUNSWICK</b>										
<b>DOMESTIC DEMAND AND REVENUE</b>										
Retail Sales	Mar 2009	0.6	-0.8	0.7	-8.6	-7.8	4.1	0.5	-1.1	6.2
Manufacturing Shipments	Mar 2009	3.0	-6.1	14.2	-18.7	-53.1	2.9	-25.0	-21.8	22.3
Housing Starts (000) (2)	Apr 2009	4.2	3.4	3.2	3.6	3.5	4.0	3.8	3.6	4.0
Number of existing homes sold (MLS)	Apr 2009	4.0	1.1	1.3	-1.2	-26.9	-8.9	-15.2	-14.3	-9.4
Wages and Salaries	* Mar 2009	1.3	0.8	0.1	0.9	1.1	3.7	2.4	1.4	5.9
Value of merchandise exports (1)	Mar 2009						5.2	-28.3	-21.5	16.3
Number of personal bankruptcies (1)	Mar 2009						13.0	28.4	15.8	-3.8
Number of commercial bankruptcies (1)	Mar 2009						7.4	12.5	-47.8	31.4
<b>PRICES</b>										
Consumer Price Index (1)	Apr 2009	0.2	0.3	0.8	2.3	-4.0	1.1	-0.3	-0.1	1.7
Average Hourly Earnings (1)	* May 2009						5.0	4.6	4.6	4.8
Price of New Housing inc. Land (1)	Mar 2009	0.0	0.3	1.4	7.5	4.1	2.9	3.9	3.9	2.2
Avg. Price of Existing Homes Sold (MLS)	Apr 2009	-0.1	3.2	8.3	33.2	-4.2	4.9	0.2	1.6	6.2
<b>LABOR MARKET</b>										
Job creation (000)	* May 2009	1.2	-0.4	-0.6	0.1	-0.2	0.2	2.3	-1.1	-3.3
Unemployment	* May 2009	8.8	8.9	9.5	9.1	8.9	8.8	8.7	8.9	8.5
Participation rate	* May 2009	64.5	64.4	65.0	64.6	64.7	64.8	64.4	64.7	64.8
<b>MANITOBA</b>										
<b>DOMESTIC DEMAND AND REVENUE</b>										
Retail Sales	Mar 2009	-0.6	0.2	-0.3	-12.9	-4.5	3.3	-5.1	-4.1	11.4
Manufacturing Shipments	Mar 2009	3.7	1.8	-6.1	-25.6	-12.3	1.5	-0.5	-3.7	-3.1
Housing Starts (000) (2)	Apr 2009	3.1	3.5	3.7	3.4	4.3	4.9	5.5	3.4	5.4
Number of existing homes sold (MLS)	Apr 2009	0.8	2.8	-12.2	-15.7	-19.8	-5.5	-13.4	-8.8	-0.9
Wages and Salaries	* Mar 2009	0.6	-0.2	-0.5	0.1	2.7	4.8	2.3	2.6	6.6
Value of merchandise exports (1)	Mar 2009						2.3	-5.6	-7.5	4.0
Number of personal bankruptcies (1)	Mar 2009						6.5	50.6	25.2	-5.9
Number of commercial bankruptcies (1)	Mar 2009						-16.8	-73.3	-68.6	-16.7
<b>PRICES</b>										
Consumer Price Index (1)	Apr 2009	0.6	-0.1	0.6	0.7	-2.4	2.1	0.9	1.3	1.5
Average Hourly Earnings (1)	* May 2009						4.0	4.2	3.7	4.8
Price of New Housing inc. Land (1)	Mar 2009	0.0	0.0	0.0	0.0	2.9	7.7	4.1	4.8	14.9
Avg. Price of Existing Homes Sold (MLS)	Apr 2009	0.4	0.6	1.6	18.1	1.5	8.1	2.5	5.0	18.4
<b>LABOR MARKET</b>										
Job creation (000)	* May 2009	3.9	0.5	-4.2	0.1	-0.2	0.3	3.5	-1.0	5.5
Unemployment	* May 2009	4.9	4.6	5.1	4.9	4.7	4.4	4.2	4.8	4.1
Participation rate	* May 2009	69.4	68.9	69.3	69.4	69.4	69.5	69.5	69.3	69.6
<b>SASKATCHEWAN</b>										
<b>DOMESTIC DEMAND AND REVENUE</b>										
Retail Sales	Mar 2009	0.1	0.3	2.5	-8.3	-5.9	6.1	-3.4	-2.2	15.4
Manufacturing Shipments	Mar 2009	-3.2	2.5	-1.1	-28.2	-21.3	13.3	-4.5	-4.2	10.3
Housing Starts (000) (2)	Apr 2009	2.9	2.1	2.3	2.4	3.5	5.4	6.2	2.4	6.6
Number of existing homes sold (MLS)	Apr 2009	10.8	-5.2	-3.5	-3.6	-11.0	-27.1	-21.6	-29.5	7.0
Wages and Salaries	* Mar 2009	0.5	0.2	0.8	4.2	4.2	7.5	4.6	5.2	10.0
Value of merchandise exports (1)	Mar 2009						37.3	-20.1	-17.1	38.8
Number of personal bankruptcies (1)	Mar 2009						5.9	14.4	12.5	-11.8
Number of commercial bankruptcies (1)	Mar 2009						-21.9	14.3	-15.6	-31.8
<b>PRICES</b>										
Consumer Price Index (1)	Apr 2009	-0.4	0.1	0.7	1.2	-1.1	2.8	0.6	1.8	3.2
Average Hourly Earnings (1)	* May 2009						6.7	5.7	6.3	7.0
Price of New Housing inc. Land (1)	Mar 2009	-0.3	-0.7	0.4	-1.8	-5.7	14.5	-0.5	3.0	40.4
Avg. Price of Existing Homes Sold (MLS)	Apr 2009	-1.1	-0.7	0.4	-0.5	11.2	16.0	0.1	6.1	47.3
<b>LABOR MARKET</b>										
Job creation (000)	* May 2009	3.1	0.3	-2.7	0.2	0.5	1.1	13.4	2.9	5.8
Unemployment	* May 2009	4.9	5.0	4.7	4.9	4.6	4.4	4.1	4.7	4.1
Participation rate	* May 2009	70.7	70.4	70.3	70.5	70.4	70.1	69.5	70.5	69.6

\* Update

(1) Not Seasonally Adjusted

(2) Annual Rate

<b>TABLE 4 - PROVINCIAL ECONOMIC INDICATORS (Continues from page A5)</b>										
<b>June 5, 2009</b>										
<b>Growth Rates Unless Otherwise Indicated</b>	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.			
<b>ALBERTA</b>										
<u>DOMESTIC DEMAND AND REVENUE</u>										
Retail Sales	Mar 2009	-1.8	-1.5	0.3	-19.8	-13.1	-3.8	-12.2	-10.4	4.2
Manufacturing Shipments	Mar 2009	-5.0	-0.5	0.2	-34.7	-29.7	3.5	-14.1	-12.3	0.8
Housing Starts (000) (2)	Apr 2009	12.4	11.9	12.6	12.3	15.5	20.8	30.4	13.2	37.8
Number of existing homes sold (MLS)	Apr 2009	20.0	0.1	11.8	63.4	-48.9	-20.0	-12.1	-27.7	-28.2
Wages and Salaries	* Mar 2009	0.0	-0.2	-0.7	-2.2	4.4	7.5	3.8	4.7	9.4
Value of merchandise exports (1)	Mar 2009						17.5	-36.1	-30.3	24.6
Number of personal bankruptcies (1)	Mar 2009						46.1	99.8	78.5	7.5
Number of commercial bankruptcies (1)	Mar 2009						7.4	-18.4	3.6	-20.9
<u>PRICES</u>										
Consumer Price Index (1)	Apr 2009	-0.4	-0.5	1.1	-0.2	-3.3	2.4	-0.7	0.9	3.3
Average Hourly Earnings (1)	* May 2009						5.0	5.0	4.7	6.5
Price of New Housing inc. Land (1)	Mar 2009	-1.2	-1.9	-2.5	-18.0	-9.1	-4.0	-10.5	-9.5	9.7
Avg. Price of Existing Homes Sold (MLS)	Apr 2009	-0.6	0.5	-0.5	-6.7	-7.2	-5.5	-6.6	-8.2	4.4
<u>LABOR MARKET</u>										
Job creation (000)	* May 2009	0.6	5.7	-14.9	-2.9	-6.3	-1.2	-14.2	-29.0	12.8
Unemployment	* May 2009	6.6	6.0	5.8	6.1	5.4	4.5	3.6	5.6	3.4
Participation rate	* May 2009	74.8	74.4	74.3	74.5	74.6	74.7	74.7	74.6	74.6
<b>BRITISH COLUMBIA</b>										
<u>DOMESTIC DEMAND AND REVENUE</u>										
Retail Sales	Mar 2009	-1.4	-1.1	2.7	-14.9	-14.7	-3.2	-11.3	-9.9	4.2
Manufacturing Shipments	Mar 2009	1.4	-3.1	-5.2	-43.3	-22.5	-9.7	-18.9	-18.2	-7.0
Housing Starts (000) (2)	Apr 2009	11.7	11.9	14.2	12.6	16.3	25.5	38.2	13.4	39.5
Number of existing homes sold (MLS)	Apr 2009	21.7	14.1	14.4	191.8	-37.4	-41.2	-15.7	-37.6	-12.7
Wages and Salaries	* Mar 2009	0.3	-0.6	-0.9	-5.2	-0.3	3.6	-0.2	0.1	6.8
Value of merchandise exports (1)	Mar 2009						6.5	-9.4	-9.0	-12.3
Number of personal bankruptcies (1)	Mar 2009						27.1	78.4	58.8	-8.3
Number of commercial bankruptcies (1)	Mar 2009						-0.9	9.4	0.9	-9.3
<u>PRICES</u>										
Consumer Price Index (1)	Apr 2009	0.1	0.1	0.4	1.1	-3.0	2.1	0.3	1.0	1.2
Average Hourly Earnings (1)	* May 2009						4.9	3.2	4.3	3.9
Price of New Housing inc. Land (1)	Mar 2009	-1.1	-2.8	-0.8	-13.6	-8.0	-0.8	-7.7	-5.7	5.9
Avg. Price of Existing Homes Sold (MLS)	Apr 2009	-8.4	-0.1	-4.1	-27.5	-12.4	-6.3	-19.7	-14.4	12.6
<u>LABOR MARKET</u>										
Job creation (000)	* May 2009	1.4	17.3	-22.6	-1.3	-8.1	-5.0	-60.1	-43.9	20.9
Unemployment	* May 2009	7.6	7.4	7.4	7.5	6.8	5.7	4.5	7.0	4.3
Participation rate	* May 2009	66.1	66.0	65.7	65.9	65.9	66.2	66.9	65.9	66.8

**TABLE 5 - INTERNATIONAL ECONOMIC INDICATORS**

June 5, 2009										
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.						
OECD leading index	Mar 2009	-0.2	-0.5	-0.8	-9.3	-12.1	-5.6	-9.5	-9.4	-0.4
<b>JAPAN</b>										
Consumer confidence - percentage (1)	Apr 2009	32.4	28.9	26.7	29.3	28.2	29.8	35.2	28.6	36.4
Retail Sales (1)	Apr 2009						-1.4	-2.9	-3.7	1.3
Industrial Production, Volume Index	Apr 2009	5.2	1.6	-9.4	-50.1	-44.5	-15.5	-31.2	-33.3	3.2
Exports	Apr 2009	1.9	3.3	-5.1	-43.7	-56.5	-20.7	-39.2	-43.5	6.5
Imports	Apr 2009	1.9	2.8	-12.2	-53.2	-52.9	-9.0	-35.2	-35.5	12.0
Merchandise trade bal. (Billions of ¥)	Apr 2009	-52	-51	-71	-58	-178	-88	348	-150	689
Current account (Billions of ¥)	Mar 2009	902	685	112	566	631	1,072	1,849	566	1,752
Inflation (CPI)	Apr 2009	-0.1	0.0	0.1	-1.4	-2.0	1.0	-0.1	-0.1	0.9
Job offers to applicants ratio	Apr 2009	0.46	0.52	0.59	0.52	0.62	0.74	0.93	0.56	0.96
Unemployment Rate	Apr 2009	5.0	4.8	4.4	4.7	4.4	4.2	4.0	4.6	3.9
		<b>Q1 2009</b>	<b>Q4 2008</b>	<b>Q3 2008</b>	<b>Q2 2008</b>	<b>Q1 2008</b>	<b>Q4 2007</b>	<b>2008</b>	<b>2007</b>	<b>2006</b>
Gross Domestic Product (Constant Yen)		-15.2	-14.4	-2.5	-3.5	3.4	1.8	-0.7	2.3	2.0
<b>Euro-zone</b>										
Retail Sales	* Feb 2009	-0.3	-0.2	-1.0	-3.9	-1.9	-1.4	-2.1	-2.0	-0.6
Industrial Production	* Feb 2009	-2.7	-2.3	-1.8	-19.5	-10.4	-1.8	-11.5	-9.8	3.0
Exports	Mar 2009	1.4	1.6	-12.4	-47.2	-28.0	-3.9	-18.9	-21.7	7.4
Imports	Mar 2009	0.6	-2.0	-7.1	-43.2	-26.8	-0.7	-19.5	-19.6	11.7
Merch. Trade Bal. (Millions of euros)	Mar 2009	-2,056	-2,853	-6,619	-3,842	-3,337	-4,122	-2,229	-3,842	-1,403
Inflation (CPI)	May 2009	0.0	0.4	0.4	2.5	-1.2	2.1	0.0	0.7	3.4
Industrial Prices (1)	* Feb 2009	-1.5	-2.0	-0.8	-11.1	3.8	6.2	1.6	2.4	4.3
Unemployment Rate	* Apr 2009	9.2	8.9	8.7	8.9	8.6	8.0	7.3	8.8	7.2
		<b>Q1 2009</b>	<b>Q4 2008</b>	<b>Q3 2008</b>	<b>Q2 2008</b>	<b>Q1 2008</b>	<b>Q4 2007</b>	<b>2008</b>	<b>2007</b>	<b>2006</b>
Gross Domestic Product (Constant Euro)	*	-9.7	-6.8	-1.4	-1.0	2.8	1.6	0.7	2.7	2.9
<b>UNITED KINGDOM</b>										
Consumer Confidence (Diffusion index)	May 2009	-22	-22	-28	-24	-28	-26	-15	-28	-11
Retail Sales	Apr 2009	0.9	1.2	-2.1	-0.8	1.5	1.8	2.7	1.2	3.9
Industrial Production	Mar 2009	-0.5	-0.8	-2.8	-19.4	-15.0	-5.9	-12.4	-12.1	0.4
Exports (1)	Mar 2009	-0.5	2.5	-6.2	-27.9	-19.6	8.0	-7.6	-8.0	13.4
Imports (1)	Mar 2009	-1.4	-1.6	-2.7	-27.1	-17.8	5.5	-8.8	-8.3	11.7
Merchandise Trade Bal. (Millions of £)	Mar 2009	-6,589	-6,834	-7,715	-7,046	-7,260	-7,595	-7,570	-7,046	-7,748
Inflation (CPI harmonized) (1)	Apr 2009	0.3	0.2	0.8	1.7	0.4	3.7	2.3	2.8	2.5
Industrial Prices (1)	* May 2009	0.4	0.7	0.1	3.0	-2.6	5.2	-0.3	1.9	6.8
House prices	* May 2009	2.6	-1.8	-1.9	-11.8	-14.8	-14.8	-13.7	-16.7	-1.6
Unemployment Rate	* Feb 2009	7.1	6.7	6.5	6.8	6.5	6.0	5.2	6.9	5.2
		<b>Q1 2009</b>	<b>Q4 2008</b>	<b>Q3 2008</b>	<b>Q2 2008</b>	<b>Q1 2008</b>	<b>Q4 2007</b>	<b>2008</b>	<b>2007</b>	<b>2006</b>
Gross Domestic Product (Constant £)		-7.3	-6.1	-2.8	-0.1	1.2	-0.1	0.7	3.0	2.8
<b>INTEREST AND EXCHANGE RATES</b>										
	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.			
<b>JAPAN</b>										
Prime Rate	* 4-Jun-09	0.30	0.30	0.30	0.30	0.32	0.51	0.30	0.50	0.75
3-month Financing Bill Rate	* 4-Jun-09	0.20	0.20	0.20	0.21	0.24	0.40	0.25	0.47	0.58
- Spread with U.S.	* 4-Jun-09	0.06	0.05	0.01	0.05	0.08	-0.23	0.05	0.45	-1.25
Yield on 10-year Gov't Bonds	* 4-Jun-09	1.48	1.48	1.43	1.40	1.34	1.43	1.30	1.37	1.73
- Spread with U.S.	* 4-Jun-09	-2.24	-2.19	-1.93	-1.67	-1.49	-1.85	-1.52	-1.20	-2.30
Exchange Rate (¥/U.S.\$)	* 4-Jun-09	96.6	96.9	94.4	97.7	94.7	98.9	98.0	92.3	105.9
<b>Euro Zone</b>										
3-month Treasury Bills	* 4-Jun-09	1.26	1.28	1.25	1.40	1.91	3.37	1.75	3.68	4.86
- Spread with U.S.	* 4-Jun-09	1.12	1.13	1.06	1.24	1.75	2.74	1.55	3.66	3.04
Yield on 10-year Gov't Bonds	* 4-Jun-09	3.60	3.56	3.43	3.25	3.17	3.62	3.12	3.00	4.38
- Spread with U.S.	* 4-Jun-09	-0.11	-0.11	0.08	0.18	0.35	0.34	0.30	0.43	0.35
Exchange Rate (U.S.\$/Euro)	* 4-Jun-09	1.42	1.39	1.39	1.35	1.34	1.38	1.25	1.28	1.56
(Yen/Euro)	* 4-Jun-09	136.32	134.38	130.84	131.30	126.29	137.97	124.71	117.10	163.46
(Euro / £)	* 4-Jun-09	1.15	1.15	1.14	1.11	1.10	1.17	1.12	1.16	1.27
<b>UNITED KINGDOM</b>										
3-month Treasury Bills (tender)	* 4-Jun-09	0.52	0.52	0.53	0.59	0.78	2.55	0.66	1.69	5.10
- Spread with U.S.	* 4-Jun-09	0.38	0.37	0.34	0.42	0.62	1.93	0.46	1.67	3.28
Yield on 30-year Gov't Bonds	* 4-Jun-09	4.60	4.59	4.57	4.35	4.24	4.39	4.24	3.96	4.71
- Spread with U.S.	* 4-Jun-09	0.00	0.06	0.26	0.39	0.66	0.45	0.74	0.87	-0.03
Exchange Rate (U.S.\$ / £)	* 4-Jun-09	1.62	1.59	1.59	1.50	1.48	1.61	1.41	1.47	1.96
<b>STOCK INDICES</b>										
	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	* Jun 2009	171	14.3	7.8	6.3	30.9	16.5	-39.1	16.5	-4.8

<b>Economic and Strategy Team</b>									
<b>TABLE 6 - COMMODITY PRICES</b>									
<b>June 5, 2009</b>									
	<b>Spot Price</b>		<b>Weekly Growth (%)</b>			<b>Annualized Growth (%)</b>			<b>Last Year</b>
	<b>Jun 4</b>	<b>May 28</b>	<b>Last Week</b>	<b>Prev. Week</b>	<b>Week Before</b>	<b>For the Last</b>			
						<b>13 W.</b>	<b>26 W.</b>	<b>52 W.</b>	
<b><u>CRB Index</u></b>									
Total	425.6	412.7	3.1	2.9	0.3	122.9	62.1	-22.6	549.6
Energy	548.3	522.4	4.9	7.7	-3.3	201.4	16.2	-54.9	1215.8
Grain	380.3	365.4	4.1	2.8	0.7	175.9	88.6	-22.6	491.4
Industrials	337.3	316.9	6.4	0.1	-0.8	282.1	112.0	-25.2	450.9
Livestock & Meat	269.3	279.6	-3.7	-0.4	-0.9	-24.9	-8.5	-18.8	331.6
Precious Metals	786.6	738.8	6.5	1.9	2.9	80.8	129.1	-12.8	902.1
<b><u>PRECIOUS METALS</u></b>									
Gold (\$/ounce) (AM fixing London)	967.25	949.75	1.8	1.0	1.8	25.8	56.7	10.8	873.00
Platinum (\$/ounce) (AM fixing London)	1250.0	1126.0	11.0	-2.3	4.3	100.9	139.3	-37.2	1990.0
Silver (\$/ounce) (Handy & Harman)	15.6	15.2	2.7	6.1	2.5	97.4	166.1	-8.4	17.1
Palladium (\$/ounce troy)	246.0	225.0	9.3	-3.4	4.3	138.3	107.0	-41.6	421.0
<b><u>OTHER METALS (LME)</u></b>									
Aluminum (\$/tonne)	1.441	1.363	5.7	-4.7	-2.9	50.2	-12.8	-49.0	2.825
Copper (\$/tonne)	4.869	4.637	5.0	3.0	4.5	220.1	110.0	-38.5	7.921
Zinc (\$/tonne)	1.505	1.424	5.7	-1.3	0.9	158.9	75.8	-22.2	1.934
Nickel (\$/tonne)	13.803	13.338	3.5	8.7	0.9	296.3	132.5	-39.2	22.698
Lead (\$/tonne)	1.565	1.436	9.0	1.2	1.9	231.2	146.2	-19.4	1.942
<b><u>OTHER COMMODITIES</u></b>									
Oil (\$/barrel) 1-month future (West Texas Intermediate)	68.83	64.84	6.2	7.4	3.2	518.8	150.3	-46.2	127.88
Corn (¢/bushel) (Illinois #2)	412.5	408.5	1.0	1.7	-0.2	117.9	92.9	-31.5	602.5
Soy beans (¢/bushel) (Illinois #1)	1188.5	1190.0	-0.1	1.0	2.8	287.7	126.9	-15.8	1411.0
Pork (¢/lb)	74.0	81.5	-9.2	12.4	-9.4	24.9	0.0	-7.5	80.0
Beef (Cattle feeder index) (CME)	99.0	100.5	-1.5	1.6	-0.5	35.3	17.9	-9.6	109.5
Woodpulp NBSK Metric ton delivered in U.S.	645	645	0.0	0.0	0.0	-16.6	-42.4	-26.7	880
Natural Gas (mmbtu) Henry Hub future NYMEX	3.77	3.60	4.9	-1.5	-10.5	-37.5	-66.9	-69.8	12.47
Lumber 2X4	170	164	3.7	0.0	0.0	117.4	-16.5	-31.5	248