

February 2<sup>nd</sup>, 2010

# The Weekly Monitor

- The Canadian Economic Recovery Accelerated Towards The End Of The Year.
- The American Recovery Remains Fragile.
- The Catching Up Process Continues.

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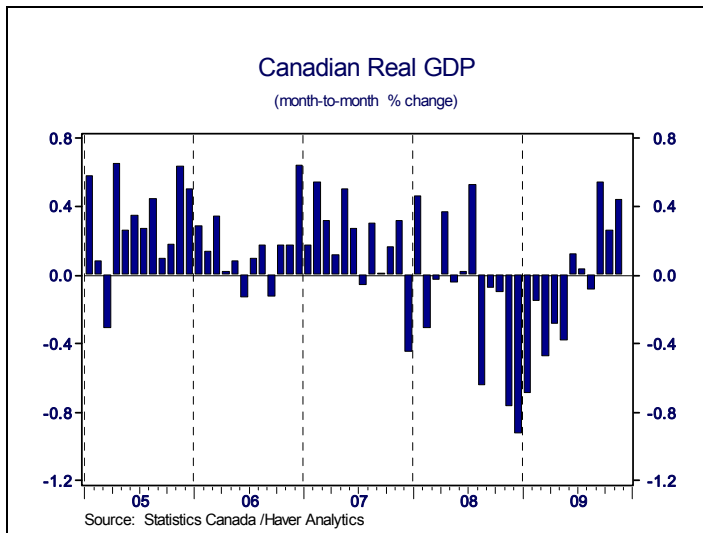
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## The Canadian Economic Recovery Accelerated Towards The End Of The Year

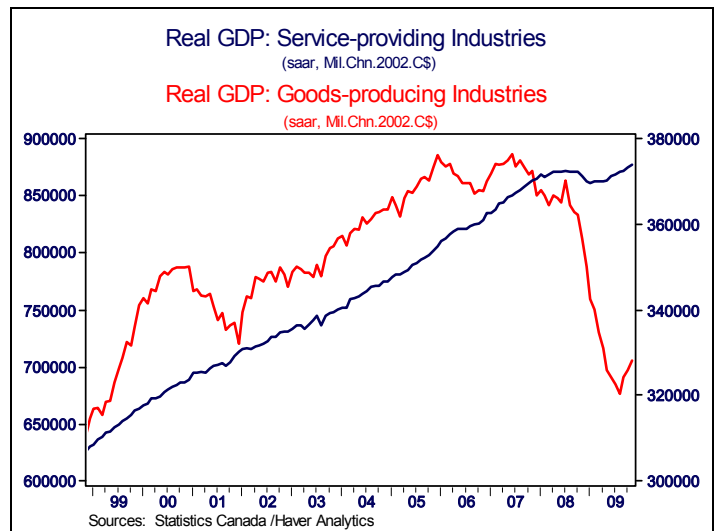
The economic recovery took a while to take hold. However activity, which was relatively timid this summer, finally started to firm up towards the end of 2009. Between September and November, monthly real GDP growth was at least 0.3%, a remarkable performance. The 0.4% increase recorded during November exceeded expectations.

The services sector, which also grew by 0.4% during November, has been progressing steadily since September. Acceleration in real GDP growth in Canada stemmed mostly from the recent resurgent performance in goods producing industries: +0.6% in November, +0.5% in October and +1.3% in September. The data don't lie: Goods producing industries have been far more cyclical than those in the services sector, both during and after the recession.

In fact, the recovery is affecting a range of sectors. Both wholesale trade and oil & gas extraction did particularly well in November. These two sectors alone, which grew by 2.4% and 1.8% respectively, accounted for 60% of the total rise in real GDP. Also notable was the fact residential construction activity increased by 2.5%, the fastest increase since January 2006; though the jump was somewhat expected due to the increases in building permits issued since the end of the summer, and current exceptionally low interest rates.



The vigorous economy that we saw during October and November, is leading us to raise our real GDP growth forecast for the fourth quarter of 2009 (from 3.0% to 3.5 %, q/q annualized).

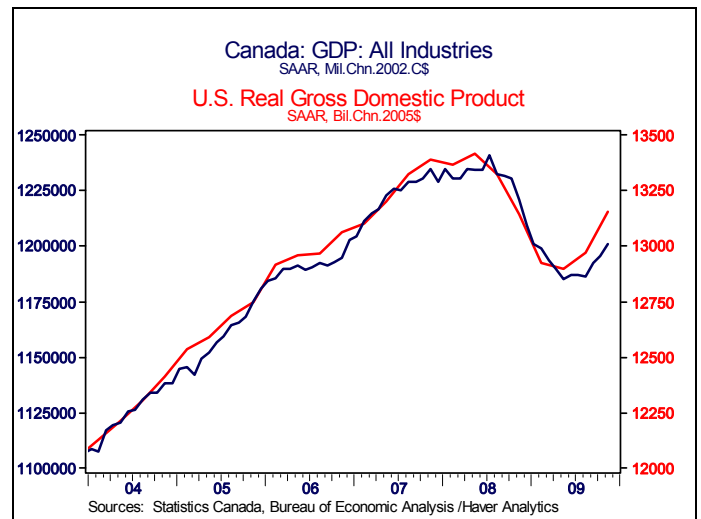
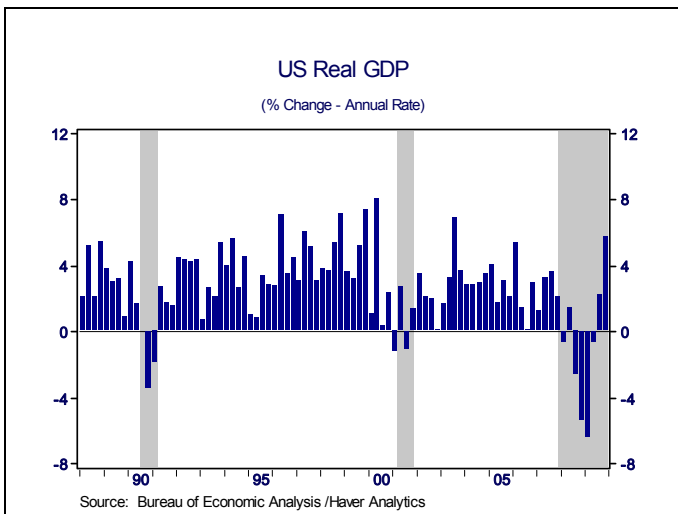


## The American Recovery Remains Fragile

Although the 3.5 % growth (expected for 09Q4) in Canada is strong, our southern neighbor did even better. During 09Q4, real GDP grew by a stunning 5.7% in the United States, the fastest pace in six years. Two thirds of this growth (3.6 percentage points) can be linked to a slowing in inventory draw-downs (\$33 billion liquidated during 09Q4, versus \$139 billion in 09Q4). All the other sectors combined thus accounted for only a third of the growth:

- Consumption expenditures were less robust than they had been previously (2.0% in 09Q4, 2.8% in 09Q3).
- Government spending remained stagnant compared to the previous quarter (-0.2%), despite the Washington's considerable efforts to revive the economy.
- Businesses are slightly more confident: investment in machinery and equipment increased strongly for the first time since 2006 (+13.3%). However investment in non-residential construction pulled back again (-15.4%), a reflection of excess supply.
- We believe that the rapid increase in US exports (+18% both in 09Q3 and 09Q4 - a sign that the country is taking advantage of the global recovery) is the report's most encouraging element.

Yet while all agree, that the +5.7% real GDP growth performance was impressive, with the exception of the export sector, there is no evidence that this kind of growth can continue over the medium term. As we said in the last issue of the *Weekly Monitor*, US economic growth remains fragile and we continue to express serious doubts as to the sustainability. Much of this is due to unfavorable conditions currently plaguing the job market. Despite the fact that the recovery is now well underway, the unemployment rate has not come down (10.0%), a key reason that President Obama focused so highly on job creation in his first State of the Union Address last week. Over the medium term, inevitable interest rate hikes, tighter bank credit, possible tax increases to help contain Washington's deficits and structural unemployment challenges, will combine to weaken growth in US real GDP during the second half of 2010 and 2011 (to below 3%. See page 10). The stock markets appear to have figured this out, at least in part, since major indexes have pulled back recently, despite positive US and Canadian GDP data.



### The Catching Up Process Continues

We'll conclude by taking few lines to distinguish between GDP growth and its current level. Despite the vigorous growth registered at the end of last year, North American economic activity remains far from the peak levels it reached before the financial crisis in the fall of 2008. In Canada, real GDP is actually about at the same level it was at the end of 2006. Furthermore, the level of activity is 2.5% below the peak of summer 2008. We believe that we will return to that level sometime during the second half of 2010. Since the US economic recovery has been more vigorous, the distance from its previous peak (during 08Q3) is smaller than Canada's. Real US GDP during 09Q4 was just 0.6% lower that its previous peak.

## North American Forecasts

This Week's Forecasts			
(%)	This Week	Next 4 Weeks	In 3 Months
<b>Canada</b>			
3-Month T-Bills	0.15 - 0.25	0.10 - 0.25	0.25
2-Year Bond	1.35 - 1.45	1.20 - 1.40	1.30
10-Year Bond	3.50 - 3.60	3.40 - 3.60	3.50
Canadian Dollar (CAN\$/US\$)	1.031 - 1.039	1.025 - 1.058	1.06
<b>United States</b>			
3-Month T-Bills	0.05 - 0.15	0.00 - 0.25	0.10
2-Year Bond	0.90 - 1.00	0.80 - 1.00	1.00
10-Year Bond	3.70 - 3.80	3.60 - 3.80	3.65
Yen (Yen/US\$)	90.5 - 92.5	90.0 - 93.0	94.0
Euro (US\$/Euro)	1.42 - 1.44	1.44 - 1.47	1.47

19/01/2010

Interest-Rate and Exchange-Rate Forecasts												
	Historical Data						Forecasts*					
	2007	2008	2009 Q1	2009 Q2	2009 Q3	2009 Q4	2010 Q1	2010 Q2	2010 Q3	2010 Q4	2011 Q1	2011 Q2
<b>Canada</b>												
<b>Overnight Rate</b>	<b>4.35</b>	<b>3.03</b>	<b>0.50</b>	<b>0.25</b>	<b>0.25</b>	<b>0.25</b>	<b>0.25</b>	<b>0.25</b>	<b>0.75</b>	<b>1.75</b>	<b>2.25</b>	<b>2.75</b>
3-Month Treasury Bills	4.14	2.33	0.39	0.24	0.22	0.19	0.25	0.30	0.75	1.75	2.40	2.50
2-Year Bond	4.18	2.66	1.07	1.20	1.26	1.43	1.30	1.50	1.75	2.25	2.65	2.95
10-Year Bond	4.27	3.61	2.79	3.36	3.31	3.60	3.40	3.50	3.40	3.65	4.00	4.25
30-Year Bond	4.31	4.06	3.74	3.91	3.84	4.07	4.00	4.10	4.00	4.25	4.60	4.85
<b>United States</b>												
<b>Federal Funds Rate</b>	<b>5.05</b>	<b>2.08</b>	<b>0.25</b>	<b>0.25</b>	<b>0.25</b>	<b>0.25</b>	<b>0.25</b>	<b>0.25</b>	<b>0.25</b>	<b>1.00</b>	<b>2.00</b>	<b>3.00</b>
3-Month Treasury Bills	4.48	1.40	0.21	0.19	0.14	0.06	0.10	0.15	0.20	1.00	2.00	3.00
2-Year Bond	4.36	2.01	0.81	1.11	0.96	1.14	0.90	0.95	1.15	1.50	2.00	3.00
10-Year Bond	4.63	3.66	2.71	3.53	3.32	3.85	3.60	3.50	3.00	3.25	3.80	4.90
30-Year Bond	4.84	4.29	3.56	4.32	4.03	4.63	4.50	4.25	3.75	4.00	4.50	5.60
<b>Canadian Dollar (US\$/C\$)</b>	<b>0.930</b>	<b>0.938</b>	<b>0.794</b>	<b>0.893</b>	<b>0.935</b>	<b>0.953</b>	<b>0.950</b>	<b>0.930</b>	<b>0.960</b>	<b>0.980</b>	<b>0.990</b>	<b>0.970</b>
Canadian Dollar (Euro/C\$)	0.679	0.637	0.599	0.652	0.639	0.663	0.646	0.637	0.671	0.667	0.669	0.651
Euro (US\$/Euro)	1.371	1.473	1.326	1.370	1.463	1.438	1.470	1.460	1.430	1.470	1.480	1.490
Yen (Yen/US\$)	118	103	99	95	90	93	94	95	93	91	89	90

Quarter-end data and annual averages

January 15, 2010

## Market Review: Bonds and Currencies

### International 3-Month Rates

	Current Yield
U.S.	0.10
Canada	0.16
UK	0.50
France	0.29

Spreads (b.p.) against U.S.						
Feb-01-10	-1 week	-4 weeks	-1 quarter	- 1 year	Jan-09	
6	10	11	16	59	74	
40	43	41	39	77	122	
19	26	30	34	88	176	

### International Bonds: Benchmark 10-Year Yield

	Current Yield
U.S.	3.68
Canada	3.38
UK	3.90
France	3.45
Germany	3.18
Japan	1.33

Spreads (b.p.) against U.S.						
Feb-01-10	-1 week	-4 weeks	-1 quarter	- 1 year	Jan-09	
-30	-27	-21	-1	24	40	
22	25	25	22	94	67	
-23	-22	-17	10	102	108	
-50	-45	-40	-21	50	61	
-236	-232	-245	-207	-146	-117	

### Provincial Bonds: Benchmark 10-Year Yield

	Current Yield
Canada	3.38
Alberta	3.83
British Columbia	3.90
Prince Edward Island	4.05
Manitoba	3.95
New Brunswick	4.00
Nova Scotia	4.00
Ontario	3.97
Quebec	4.01
Saskatchewan	3.90
Newfoundland	4.02

Spreads (b.p.) against Canada						
Feb-01-10	-1 week	-4 weeks	-1 quarter	- 1 year	Jan-09	
45.0	54.0	50.0	61.0	122.0	123.0	
52.0	54.0	60.0	65.0	119.0	120.0	
67.0	69.0	75.0	78.0	157.0	151.0	
57.0	59.0	65.0	70.0	134.0	134.0	
62.0	64.0	69.0	75.0	137.0	138.0	
62.0	64.0	69.0	74.0	137.0	138.0	
59.0	61.0	67.0	70.0	125.0	126.0	
63.0	65.0	72.0	74.0	153.0	147.0	
52.0	54.0	63.0	66.0	124.0	123.0	
64.0	66.0	72.0	75.0	142.0	133.0	

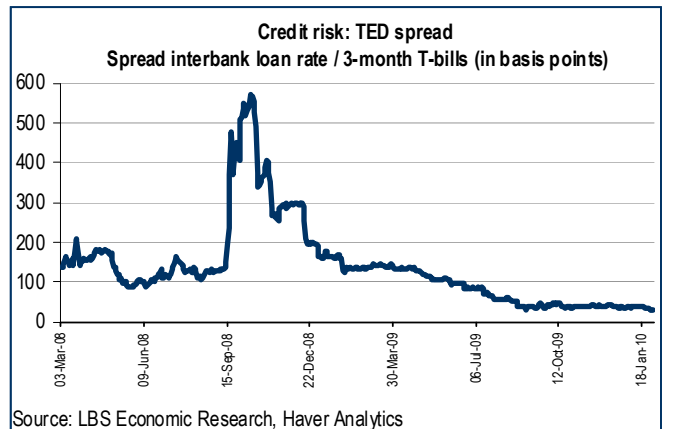
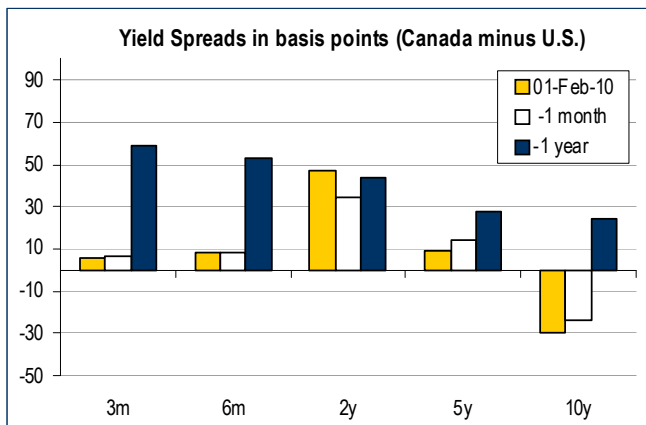
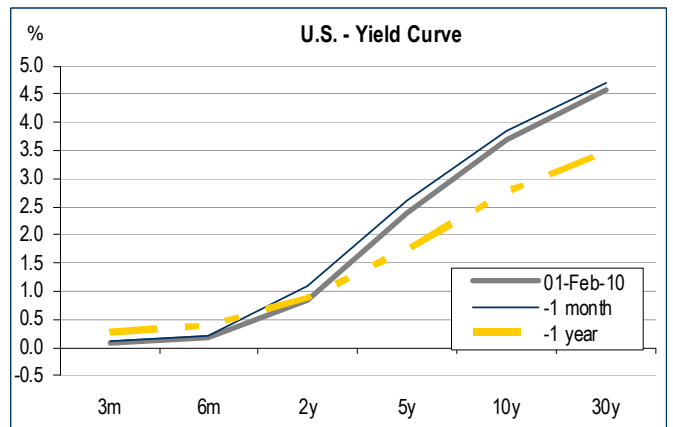
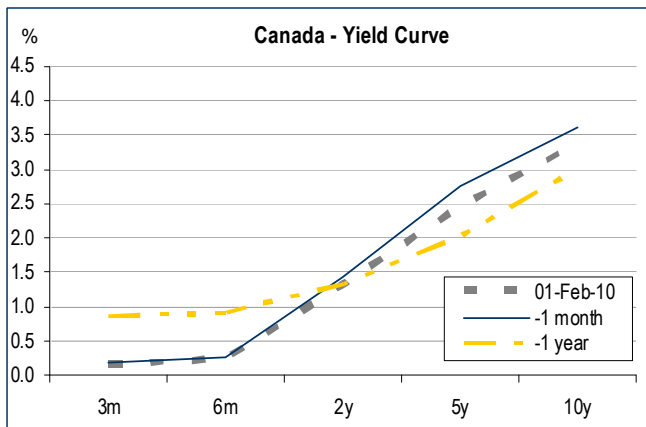
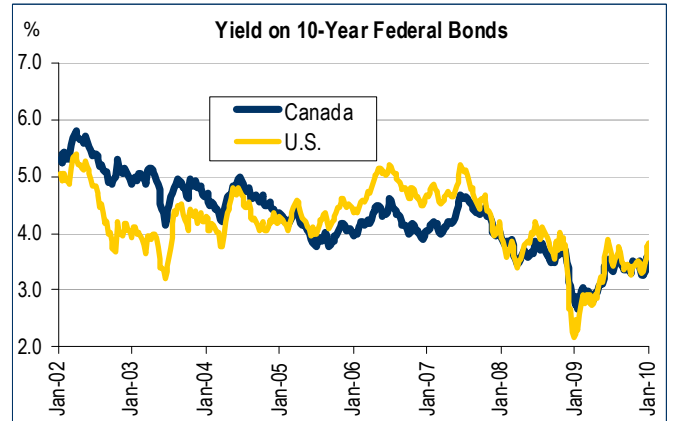
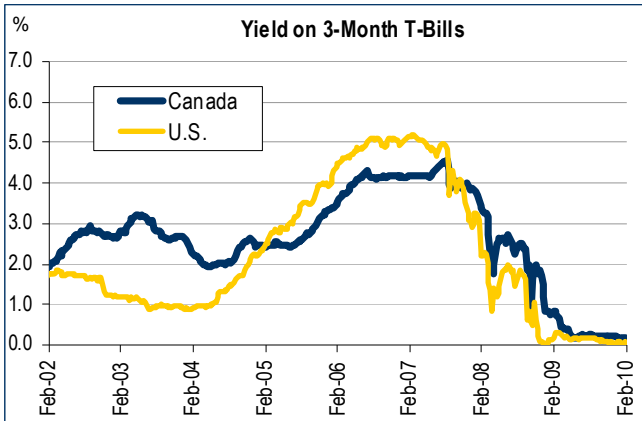
### Currencies

	Current Yield
Canada (Canada/US\$)	1.0651
Canada (US\$/Canada)	0.9389
Australia (Australia/US\$)	0.8877
U.K. (US\$/£)	1.5924
Japan (US\$/Yen)	90.80
Euro (US\$/Euro)	1.3904

Currencies						
Feb-01-10	-1 week	-4 weeks	-1 quarter	- 1 year	Jan-09	(%)
1.0651	1.0606	1.0400	1.0701	1.2408	-12.5	
0.9389	0.9429	0.9615	0.9345	0.8059	14.3	
0.8877	0.9006	0.8969	0.8985	0.6320	-20.8	
1.5924	1.6163	1.5893	1.6383	1.4229	9.3	
90.80	89.60	91.95	90.30	89.86	-0.2	
1.3904	1.4085	1.4355	1.4658	1.2807	-0.2	

Data updated as at: 02/02/10

## Market Review: Fixed Income Charts



Source: LBS Economic Research, Haver Analytics

## Market Review: Stocks Exchange and Commodities

### Stock Market Summary

	Level			Change (%)				
	Feb-01-10	52w HI	52w LOW	(-1W)	(-4W)	(-13W)	(-52W)	Jan-2009
<b>Canada</b>								
S&P/TSX	11,318	11,954	7,567	-0.3	-4.6	4.0	31.2	24.2
S&P/TSX 60	662	703	458	-0.2	-5.5	2.4	27.2	20.4
S&P/TSX Small Cap Index	570	601	310	-0.9	-2.1	11.9	58.5	52.4
<b>United States</b>								
S&P 500	1,089	1,150	677	-0.7	-3.9	4.4	32.0	18.7
Dow Jones	10,186	10,725	6,547	-0.1	-3.8	4.0	28.3	14.4
Nasdaq	2,171	2,320	1,269	-1.8	-5.9	6.0	45.3	35.3
<b>International</b>								
U.K. - FTSE 100	5,247	5,538	3,512	-0.2	-4.6	2.8	28.7	16.7
Germany - DAX	5,654	6,048	3,666	0.4	-6.5	4.1	32.4	15.0
France - CAC 40	3,762	4,045	2,519	-0.5	-6.3	3.4	28.4	14.6
Japan - Nikkei 225	10,205	10,982	7,055	-2.9	-4.2	4.1	29.6	14.0
Hong Kong - Hang Seng	20,244	22,944	11,345	-1.7	-7.2	-6.4	57.4	37.6
Russia - RST	1,460	1,590	508	-2.0	-1.1	7.6	187.2	131.1
Australia - ASX All Ordinaries	4,545	4,981	3,112	-4.2	-7.1	0.0	32.0	24.3
Brazil - Bovespa	66,572	70,729	36,235	1.1	-5.0	7.2	72.2	69.2

### S&P/TSX Sector Summary

	Level			Change (%)				
	Feb-01-10	52w HI	52w LOW	(-1W)	(-4W)	(-13W)	(-52W)	Jan-2009
<b>S&amp;P/TSX</b>	<b>11,318</b>	<b>11,954</b>	<b>7,567</b>	<b>-0.3</b>	<b>-4.6</b>	<b>4.0</b>	<b>31.2</b>	<b>24.2</b>
Energy	285	308	175	-0.7	-6.2	1.7	39.9	27.8
Materials	316	369	224	-1.3	-6.3	5.4	30.7	27.3
Industrials	82	83	60	0.7	0.2	9.4	21.7	10.8
Consumers Discretionary	93	99	59	-2.1	-3.4	9.4	31.8	17.3
Consumers Staples	177	181	156	0.4	-1.7	7.9	7.3	6.0
Health Care	35	36	25	-0.9	-3.4	2.5	12.5	24.5
Financials	169	180	91	0.4	-4.7	1.1	44.7	31.7
Information Technology	29	29	17	1.5	0.4	11.8	36.2	51.5
Telecommunication Services	78	80	68	-0.4	-2.0	2.8	2.0	-1.9
Utilities	192	200	152	-1.8	-2.4	10.3	12.4	8.5

### Commodities

	Level			Change (%)				
	Feb-01-10	52w HI	52w LOW	(-1W)	(-4W)	(-13W)	(-52W)	Jan-2009
London – Gold (US\$/ounce)	1078.50	1212.50	870.25	1095.25	1121.50	1062.00	918.25	872.13
London – Silver (US\$/ounce)	16.53	19.45	12.05	17.12	17.47	16.70	12.53	11.34
Aluminium (US\$/LB)	#N/A	#N/A	#N/A	#N/A	#N/A	#N/A	0.64	0.72
Copper (US\$/LB)	3.08	3.48	1.41	3.38	3.39	2.94	1.42	1.42
WTI Crude Oil (US\$/barrel)	74.43	83.18	33.98	75.26	80.97	78.13	40.08	45.47
Natural Gas (Henry Hub) (US\$/MMBTU)	5.27	7.38	1.92	5.76	6.06	4.33	4.57	5.53

Data updated as at:  
02/02/10

## Calendar of Major Economic Indicators

## KEY ECONOMIC INDICATORS

WEEK OF FEBRUARY 1ST, 2010



## Canada

Date	Time	Release	Unit	Data for:	LBS *	Consensus	Previous
Feb 4	8:30	Building Permits	M/M	December	-	3.0%	-4.6%
Feb 4	10:00	Ivey Purchasing Managers Index	-	January	-	51.0	48.4
<b>Feb 5</b>	<b>7:00</b>	<b>Net Change in Employment</b>	<b>Thousands</b>	<b>January</b>	<b>12.0</b>	<b>15.0</b>	<b>-2.6</b>
<b>Feb 5</b>	<b>7:00</b>	<b>Unemployment Rate</b>	-	<b>January</b>	<b>8.5%</b>	<b>8.5%</b>	<b>8.5%</b>

\* Laurentian Bank Securities Forecast  
Consensus from Bloomberg L.P.



## United States

Date	Time	Release	Unit	Data for:	LBS*	Consensus	Previous
Feb 1	8:30	Personal Income	M/M	December	-	0.3%	0.4%
Feb 1	8:30	Personal Spending	M/M	December	-	0.3%	0.5%
Feb 1	8:30	PCE Core	M/M	December	-	0.1%	0.0%
Feb 1	8:30	PCE Core	Y/Y	December	-	1.5%	1.4%
Feb 1	10:00	ISM Manufacturing	-	January	-	55.6	55.9
Feb 1	10:00	Construction Spending	M/M	December	-	-0.4%	-0.6%
Feb 2	17:00	Total Vehicle Sales	Millions	January	-	11.15	11.23
Feb 2	17:00	Domestic Vehicle Sales	Millions	January	-	8.50	8.63
Feb 2	8:30	Initial Jobless Claims	Thousands	Jan. 30	-	460.0	470.0
Feb 4	10:00	Factory Orders	M/M	December	-	0.9%	1.1%
Feb 5	8:30	Change in Nonfarm Payrolls	Thousands	January	-	20.0	-85.0
Feb 5	8:30	Unemployment Rate	-	January	-	10.0%	10.0%
Feb 5	8:30	Change in Nonfarm Payrolls	Thousands	January	-	-23.0	-27.0
Feb 5	8:30	Average Hourly Earnings	M/M	January	-	0.2%	0.2%
Feb 5	8:30	Average Hourly Earnings	Y/Y	January	-	2.2%	2.2%
Feb 5	15:00	Consumer Credit	Billions	October	-	-\$9.2	-\$14.8

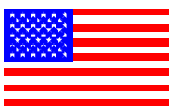
Consensus from Bloomberg L.P.

## North American Economic Indicators



### Canada

	Period	Monthly Chg. (% or Level)		Cumulative change	
		Current	Previous	- 3 Month	- 1 Year
Gross Domestic Product (GDP)	November	0.4%	0.3%	1.2%	-1.7%
Manufacturing Shipments	November	0.1%	2.1%	3.0%	-10.0%
Housing Starts ( ' 000) *	December	178	168	152	126
Retail Sales	November	-0.3%	1.0%	1.8%	1.2%
Trade Balance (M\$) *	November	-344	503	-1,936	-937
Employment ( ' 000) **	December	-28	72	21	-189
Unemployment Rate *	December	8.4	8.4	8.3	8.0
Wages (avg. hourly earnings)	December	2.4%	2.3%	2.5%	3.9%
Total CPI inflation	December	1.2%	1.0%	-0.9%	1.3%
Inflation ex-food & energy	December	1.4%	1.4%	1.6%	2.0%
Industrial Product Price Index	December	-0.1%	0.9%	0.4%	-0.8%
Raw Materials Price Index	December	-1.7%	2.2%	3.0%	26.7%



### United States

	Period	Monthly Chg. (% or Level)		Cumulative change	
		Current	Previous	- 3 Month	- 1 Year
ISM - manufacturing *	December	54.9	53.7	52.4	32.5
ISM - Non-manufacturing *	December	49.8	48.4	50.1	32.5
Industrial Production *	December	100.3	99.7	98.9	102.4
Capacity Utilization Rate *	December	72.0	71.5	70.8	72.7
Consumer Confidence Index *	January	74.4	72.5	70.6	61.2
Retail Sales	December	-0.3%	1.8%	2.7%	5.4%
Trade Balance (M\$) *	November	-36,402	-33,189	-30,313	-41,858
Housing Starts ( ' 000) *	December	557	580	586	556
Existing home sales	December	-16.7%	7.4%	-1.6%	15.0%
Median price of ex. home sales	December	4.9%	-1.3%	1.3%	1.5%
Non-Farm Payrolls ( ' 000) **	December	-85	4	-208	-4164
Unemployment Rate *	December	10.0	10.0	10.1	7.7
Wages (avg. hourly earnings)	December	2.2%	2.3%	2.6%	3.9%
Total CPI inflation	December	2.8%	1.9%	-1.4%	-0.1%
Inflation ex-food & energy	December	1.8%	1.7%	1.5%	1.7%
Producer Price Index	December	0.2%	1.8%	2.3%	4.7%
- Ex-Food & Energy	December	0.0%	0.5%	-0.1%	0.9%

\* Level

\*\* Change in level for the last month, 3 months and 1 year

\*\*\* Annual % change

Data updated as at:

02/02/10

## North American Forecasts

<b>Canada</b>													
	Period-Over-Period Annualized Per Cent Change Unless Otherwise Indicated												
										Annual Average		4th Qtr/4th Qtr	
	2009Q2	2009Q3	2009Q4	2010Q1	2010Q2	2010Q3	2010Q4	2011Q1	2009	2010	2011	2010	2011
<b>Real GDP (%)</b>	<b>-3.1</b>	<b>0.4</b>	<b>3.5</b>	<b>3.1</b>	<b>3.0</b>	<b>2.7</b>	<b>2.6</b>	<b>2.6</b>	<b>-2.5</b>	<b>2.3</b>	<b>2.7</b>	<b>2.8</b>	<b>2.6</b>
Consumption	1.8	3.1	2.7	2.6	2.8	2.6	2.6	2.6	0.1	2.7	2.7	2.6	2.7
Private investment	-9.9	8.7	-0.9	2.9	2.0	2.9	3.7	3.7	-13.3	1.9	5.6	2.9	7.2
Machinery and equipment	-15.4	25.6	-5.2	3.5	4.4	6.2	8.0	9.0	-17.6	3.8	9.1	0.0	10.5
Residential construction	7.4	8.1	5.9	4.4	-2.5	-2.8	-1.1	0.0	-8.4	2.7	-0.3	-0.5	0.0
Government spending	5.2	7.9	5.5	5.1	4.1	2.7	2.7	0.3	4.2	4.9	1.3	3.6	0.3
Exports	-19.5	15.3	12.1	8.1	8.1	7.8	8.5	4.5	-13.8	7.7	6.1	8.1	0.0
Imports	-6.9	36.0	4.5	8.3	9.8	8.5	9.0	5.0	-13.8	10.0	6.8	5.5	5.2
<b>Current account balance in % of GDP</b>	<b>-3.7</b>	<b>-4.1</b>	<b>-3.2</b>	<b>-3.1</b>	<b>-2.7</b>	<b>-2.5</b>	<b>-2.3</b>	<b>-2.2</b>	<b>-3.4</b>	<b>-2.6</b>	<b>-2.2</b>	<b>-</b>	<b>-</b>
<b>Inflation (%)</b>													
Total CPI (y/y)	0.1	-0.9	0.8	1.3	1.4	1.8	1.8	1.9	0.3	1.6	2.0	1.8	2.0
Core CPI (y/y)	1.9	1.6	1.7	1.5	1.3	1.5	1.5	1.6	1.8	1.5	1.8	1.5	2.0
<b>Unemployment rate (%)*</b>	<b>8.4</b>	<b>8.6</b>	<b>8.6</b>	<b>8.6</b>	<b>8.5</b>	<b>8.4</b>	<b>8.2</b>	<b>8.2</b>	<b>8.3</b>	<b>8.4</b>	<b>8.0</b>	<b>-</b>	<b>-</b>
<b>Employment</b>	<b>-1.5</b>	<b>-0.8</b>	<b>0.9</b>	<b>0.5</b>	<b>0.9</b>	<b>0.7</b>	<b>0.9</b>	<b>1.3</b>	<b>-1.6</b>	<b>0.4</b>	<b>1.3</b>	<b>0.7</b>	<b>1.6</b>
<b>Housing starts (000s)</b>	<b>128</b>	<b>148</b>	<b>168</b>	<b>165</b>	<b>155</b>	<b>150</b>	<b>140</b>	<b>145.0</b>	<b>146</b>	<b>153</b>	<b>145</b>	<b>-</b>	<b>-</b>
<b>Before-tax Corp. Profits (y/y)</b>	<b>-42.9</b>	<b>-42.0</b>	<b>-19.3</b>	<b>1.3</b>	<b>15.3</b>	<b>10.7</b>	<b>4.2</b>	<b>5.9</b>	<b>-34.6</b>	<b>7.6</b>	<b>10.0</b>	<b>4.2</b>	<b>14.2</b>

\*Average rate for the quarter or the year.

Forecasts as of February 1st, 2010

<b>United States</b>													
	Period-Over-Period Annualized Per Cent Change Unless Otherwise Indicated												
										Annual Average		4th Qtr/4th Qtr	
	2009Q3	2009Q4	2010Q1	2010Q2	2010Q3	2010Q4	2011Q1	2009	2010	2011	2010	2011	
<b>Real GDP (%)</b>	<b>2.2</b>	<b>5.7</b>	<b>3.8</b>	<b>2.5</b>	<b>2.4</b>	<b>2.4</b>	<b>2.7</b>	<b>-2.4</b>	<b>3.2</b>	<b>2.6</b>	<b>0.1</b>	<b>2.8</b>	
Consumption	2.8	2.0	1.8	1.8	1.7	1.7	1.8	-0.6	1.8	1.8	1.1	1.7	
Private investment	-5.1	4.0	2.8	3.7	4.9	5.6	9.5	-17.8	1.8	7.6	-13.9	4.2	
Machinery and equipment	1.5	13.3	6.0	6.0	6.0	7.0	10.0	-16.9	6.1	8.7	-8.7	6.2	
Residential construction	18.9	5.7	4.0	2.0	2.0	3.0	3.5	-20.4	3.4	2.8	-12.1	2.7	
Government spending	2.7	-0.2	5.1	3.7	3.8	3.8	1.3	1.9	3.4	2.2	1.6	4.1	
Exports	17.8	18.1	9.5	6.1	6.0	5.8	4.6	-9.9	9.8	5.0	-1.7	6.8	
Imports	21.3	10.5	10.0	5.3	5.2	5.3	3.9	-14.2	7.9	4.0	-7.7	6.4	
<b>Inflation (%)</b>													
Total (y/y)	-1.6	1.0	2.0	1.8	1.5	1.2	1.7	-0.4	1.6	1.9	1.0	1.2	
Core (y/y)	1.5	1.3	1.3	1.1	1.0	1.0	1.2	1.6	1.1	1.5	1.3	1.0	
<b>Unemployment rate (%)*</b>	<b>9.6</b>	<b>10.0</b>	<b>10.4</b>	<b>10.2</b>	<b>10.3</b>	<b>10.0</b>	<b>9.8</b>	<b>9.3</b>	<b>10.2</b>	<b>9.7</b>	<b>-</b>	<b>-</b>	
<b>Housing Starts (000s)</b>	<b>587</b>	<b>553.7</b>	<b>590</b>	<b>600</b>	<b>650</b>	<b>650</b>	<b>700</b>	<b>552</b>	<b>623</b>	<b>725</b>	<b>-</b>	<b>-</b>	
<b>Before-tax Corp. profits (% , y/y)</b>	<b>-6.6</b>	<b>6.0</b>	<b>10.0</b>	<b>7.5</b>	<b>10.0</b>	<b>10.0</b>	<b>5.0</b>	<b>-8.9</b>	<b>9.4</b>	<b>8.2</b>	<b>6.0</b>	<b>10.0</b>	

\* Average rate for the quarter or the year.

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