

July 29, 2010



Laurentian Bank Securities

# The Monitor

- U.S. Monetary Policy: It's complicated...
- Canada: The process of policy rate normalization continues

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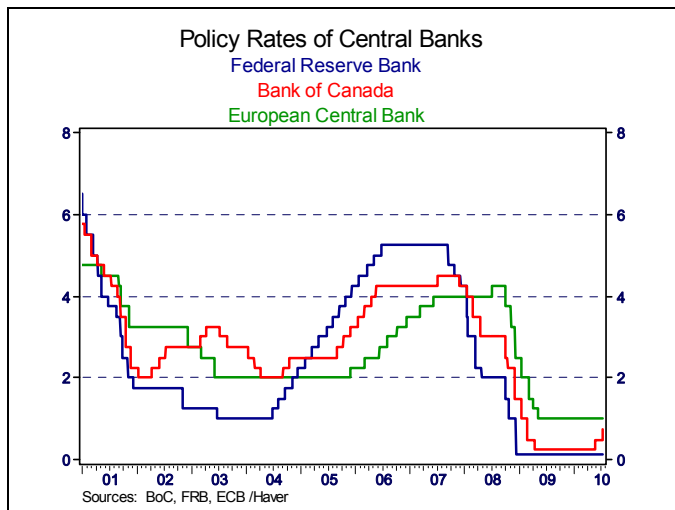
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### U.S. Monetary Policy: It's complicated...

Federal Reserve Chairman Bernanke presented the Fed's semi-annual Monetary Policy Report to the Congress last week. The report's macro-economic backdrop is one of slowing economic growth, increased financial market volatility and declining consumer confidence. As the Chairman pointed out, the economic outlook is *unusually uncertain* at this point even if the Fed's own base case forecast suggests above potential economic growth for 2011 and 2012 with inflation well under control. Such turn of events would obviously result in a gradually improving labour market and diminishing macro-economic risks. For this reason, the Chairman's presentation focused primarily on the different tools the Federal Reserve has at its disposal to "exit" from its exceptionally accommodating monetary policy stance... when the time comes!

Nevertheless, that time is clearly not now! The rate of unemployment is still a relatively high 9.5% and the pace of economic growth is visibly slowing so that the Federal Reserve remains "prepared to take further policy actions as needed to foster a return to full utilization of (the) nation's productive potential in a context of price stability." In other words, the Federal Reserve is neither in a hurry to remove monetary stimulus nor is it necessarily hitching to unleash a new wave of quantitative easing (QE). **The bottom line** is that the Federal Reserve appears resigned to keep policy interest rates "lower for longer" than initially anticipated in order to give financial markets enough time to regain their footing. This leads us to believe the Fed funds rate will stay where it is now until at least the end of 2011.

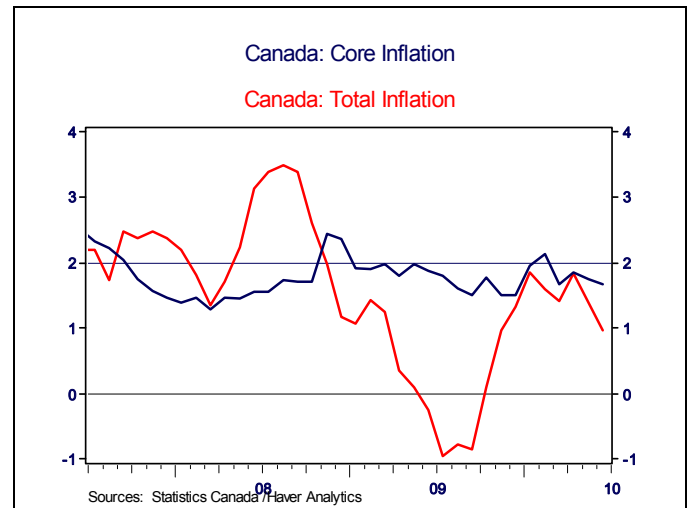


We have therefore revised our interest rate forecasts (see page 9). Short-term interest rates will obviously stay well anchored at very low levels. Longer term government bond yields should continue to pull back for the remainder of this year as bond markets appear to put greater emphasis on the risks of sub-par economic growth (or even, at the extreme, outright deflation) than the risks associated with rising public indebtedness. In 2011, and as the risks of outright deflation gradually recede, longer term bond yields should start to rise again but should still remain relatively low by historical standards; we still expect 10-year bond yields to be a lot closer to 3.50% than 4.00% by the end of 2011.

### Canada: The process of policy rate normalization continues

Despite some signs of a slowing economic recovery in Canada in the past few weeks (stagnant GDP by industry in April, drop in retail sales in April and May, lull in the housing market and modest inflation in June), the Bank of Canada continued the process of policy normalizing last week. It raised the policy rate by 25 basis points, from 0.50% to 0.75%, and will most likely do the same at the next meeting on September 8<sup>th</sup>. After that, well, "nothing is pre-ordained" as the Governor of the Bank has put it recently. Not only is the policy rate getting further away from zero, but the economic recovery seems to be faltering a little. In fact, the Bank of Canada has revised downwards its forecasts of economic growth for Canada: 3.5% for 2010 and 2.9% for 2011, barely two-tenths of a point lower than last April's forecasts. This modest adjustment "reflects a slightly weaker profile for global economic growth and more modest consumption growth in Canada". Consequently, given the current slowdown, there is a slight downside risk to our forecast for the end of 2010 (1.50%).

After that, the Bank of Canada will likely suspend its normalization process and will keep the policy rate steady throughout 2011 at 1.50%, in fact for as long as it takes for credit, inflation and job-creation to get back to more normal levels in the United States. Moreover, it is difficult to see how the policy rate could reach 2.50% / 3.50% by the end of 2011 if the economy grows by only 2.2% in 2012, as the Bank currently forecasts, even if inflation comes close to the target.



As for inflation, it was fairly moderate in June (1.0% y/y). This is the smallest increase in prices since November 2009. If we exclude the most volatile components, the index is up by 1.7% (y/y). On the other hand, the price variation compared with May 2010 is slightly negative (-0.1%), and the same holds true for the variation of the Bank of Canada's core index. Contrary to the United States, where prices have been falling for several months, June's modest decline in prices (m/m) in Canada is a temporary phenomenon and does not raise any concerns. In fact, the introduction of the Harmonized Sales Tax in Ontario and British Columbia will propel prices upwards in July (0.7% m/m). In short, with total inflation of 1.0% in June and core inflation a bit below the target of 2%, there is no urgent reason to raise rates aggressively.

## North American Forecasts

This Week's Forecasts			
(%)	This Week	Next 4 Weeks	In 3 Months
<b>Canada</b>			
3-Month T-Bills	0.60 - 0.70	0.55 - 0.75	1.25
2-Year Bond	1.35 - 1.45	1.40 - 1.60	1.90
10-Year Bond	3.10 - 3.20	3.10 - 3.30	3.30
Canadian Dollar (CAN\$/US\$)	1.028 - 1.036	1.015 - 1.058	1.015
<b>United States</b>			
3-Month T-Bills	0.05 - 0.15	0.00 - 0.25	0.15
2-Year Bond	0.60 - 0.70	0.50 - 0.70	0.60
10-Year Bond	3.00 - 3.10	2.90 - 3.10	2.85
Yen (Yen/US\$)	86.0 - 88.0	87.5 - 91.0	90.0
Euro (US\$/Euro)	1.300 - 1.310	1.25 - 1.300	1.250

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Interest-Rate and Exchange-Rate Forecasts													
	Historical Data							Forecasts*					
	2008	2009	2009 Q2	2009 Q3	2009 Q4	2010 Q1	2010 Q2	2010 Q3	2010 Q4	2011 Q1	2011 Q2	2011 Q3	2011 Q4
<b>Canada</b>													
Overnight Rate	3.03	0.43	0.25	0.25	0.25	0.25	0.50	1.00	1.50	1.50	1.50	1.50	1.50
3-Month Treasury Bills	2.33	0.33	0.24	0.22	0.19	0.28	0.50	0.95	1.45	1.50	1.50	1.50	1.55
2-Year Bond	2.66	1.23	1.20	1.26	1.47	1.73	1.39	1.60	1.95	2.00	2.00	2.00	2.05
10-Year Bond	3.61	3.23	3.36	3.31	3.61	3.56	3.08	3.10	3.35	3.40	3.50	3.60	3.75
30-Year Bond	4.06	3.85	3.86	3.84	4.08	4.07	3.65	3.65	3.90	3.95	4.05	4.15	4.30
<b>United States</b>													
Federal Funds Rate	1.93	0.16	0.18	0.15	0.12	0.12	0.12	0.13	0.13	0.13	0.13	0.13	0.13
3-Month Treasury Bills	1.37	0.15	0.19	0.16	0.06	0.11	0.18	0.20	0.20	0.20	0.20	0.20	0.20
2-Year Bond	2.01	0.96	1.11	0.95	1.14	1.02	0.61	0.50	0.60	0.65	0.70	0.75	0.80
10-Year Bond	3.66	3.26	3.53	3.32	3.85	3.84	2.97	2.80	2.85	3.00	3.15	3.30	3.50
30-Year Bond	4.29	4.09	4.32	4.03	4.63	4.72	3.91	3.65	3.60	3.70	3.85	4.00	4.20
Canadian Dollar (US\$/C\$)	0.944	0.880	0.861	0.933	0.956	0.985	0.943	0.970	0.990	1.000	1.000	1.000	0.980
Canadian Dollar (Euro/C\$)	0.641	0.632	0.614	0.638	0.667	0.728	0.767	0.800	0.811	0.833	0.830	0.830	0.800
Euro (US\$/Euro)	1.473	1.394	1.402	1.463	1.433	1.352	1.229	1.275	1.220	1.200	1.200	1.200	1.220
Yen (Yen/US\$)	103.4	93.7	96.4	89.5	93.1	93.4	88.5	90.0	95.0	95.0	97.5	97.5	97.5

Quarter-end data and annual averages  
July 26th, 2010

## Market Review: Bonds and Currencies

### International 3-Month Rates

	Current Yield	Spreads (b.p.) against U.S.					
		Jul-28-10	-1 week	-4 weeks	-1 quarter	- 1 year	Jan-04-10
U.S.	0.15						
Canada	0.61	46	45	33	23	4	10
UK	#N/A	#N/A	31	35	37	25	39
France	0.45	30	27	7	11	22	27

### International Bonds: Benchmark 10-Year Yield

	Current Yield	Spreads (b.p.) against U.S.					
		Jul-28-10	-1 week	-4 weeks	-1 quarter	- 1 year	Jan-04-10
U.S.	3.03						
Canada	3.23	20	26	12	-6	-16	-24
UK	3.48	45	45	35	20	29	10
France	3.01	-2	7	3	-46	3	-24
Germany	2.73	-30	-28	-39	-81	-27	-46
Greece	10.39	736	774	744	771	102	187
Portugal	5.07	204	257	271	202	33	22
Spain	4.24	121	145	163	37	31	13
Japan	1.06	-198	-181	-185	-251	-231	-252

### Provincial Bonds: Benchmark 10-Year Yield

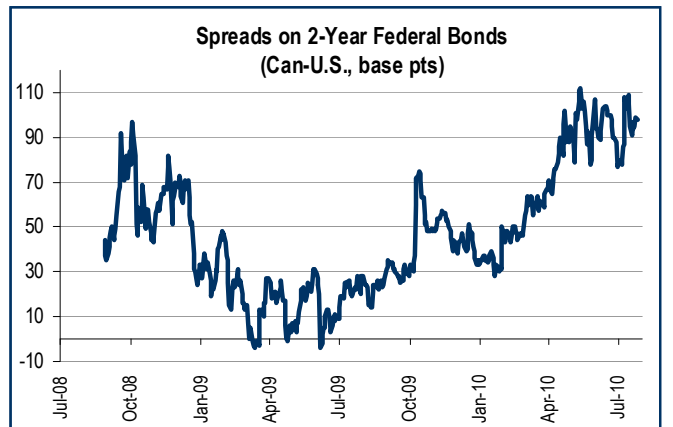
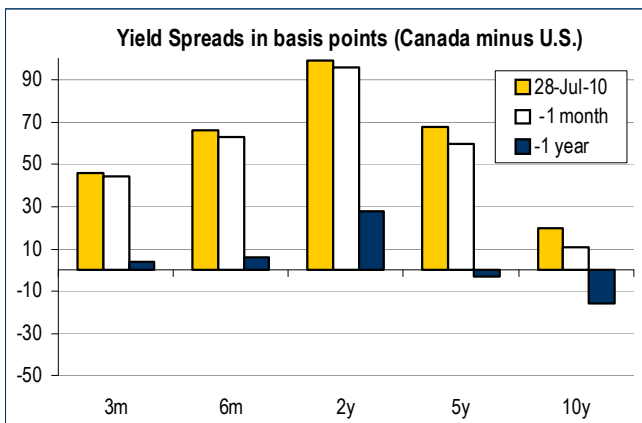
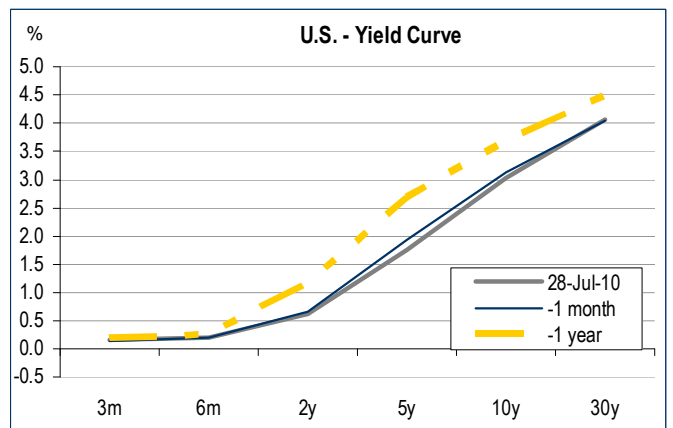
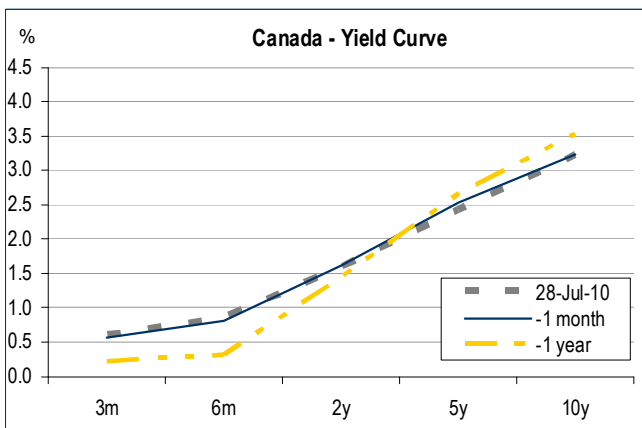
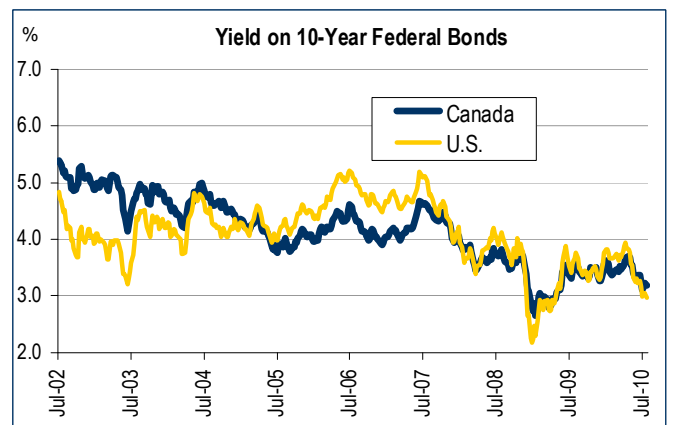
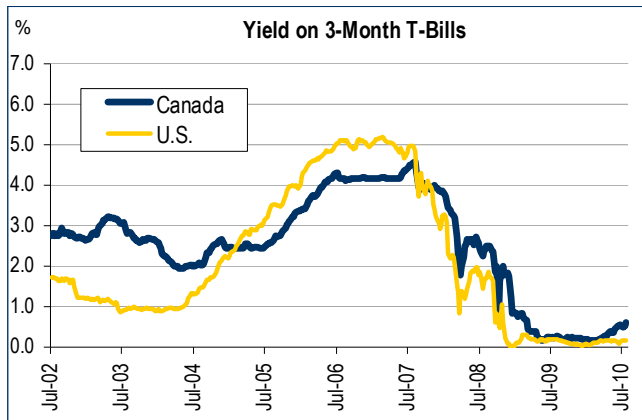
	Current Yield	Spreads (b.p.) against Canada					
		Jul-28-10	-1 week	-4 weeks	-1 quarter	- 1 year	Jan-04-10
Canada	3.23						
Alberta	3.85	62.0	76.5	68.0	58.5	74.0	50.0
British Columbia	3.95	72.0	76.5	78.0	66.5	74.0	44.0
Prince Edward Island	4.13	90.0	95.5	96.0	91.5	94.0	44.0
Manitoba	3.98	75.0	79.5	81.0	68.5	82.0	47.0
New Brunswick	4.08	85.0	89.5	91.0	73.5	90.0	45.0
Nova Scotia	4.08	85.0	89.5	91.0	75.5	90.0	46.0
Ontario	4.05	82.0	86.5	88.0	73.5	80.0	44.0
Quebec	4.10	87.0	93.0	94.0	80.0	86.5	42.5
Saskatchewan	3.93	70.0	74.5	76.0	65.5	74.0	45.5
Newfoundland	4.08	85.0	89.5	91.0	75.5	89.0	45.0

### Currencies

	Currencies					
	Jul-28-10	-1 week	-4 weeks	-1 quarter	- 1 year	Jan-04-10
Canada (Canada/US\$)	1.0356	1.0373	1.0429	1.0052	1.0881	-0.2
Canada (US\$/Canada)	0.9656	0.9640	0.9589	0.9948	0.9190	0.2
Australia (Australia/US\$)	0.8929	0.8920	0.8671	0.9277	0.8164	2.3
U.K. (US\$/£)	1.5610	1.5284	1.4986	1.5302	1.6380	-3.1
Japan (US\$/Yen)	87.62	87.00	89.40	94.16	95.13	-5.3
Euro (US\$/Euro)	1.2999	1.2903	1.2288	1.3243	1.4033	-9.9

Data updated as at: 29/07/2010

## Market Review: Fixed Income Charts



## Market Review: Stocks Exchange and Commodities

## Stock Market Summary

	Level			Change (%)				
	Jul-28-10	52w HI	52w LOW	(-1W)	(-4W)	(-13W)	(-52W)	Jan-04-10
<b>Canada</b>								
S&P/TSX	11,697	12,281	10,455	1.6	3.6	-3.1	11.9	-1.4
S&P/TSX 60	684	720	634	1.6	3.3	-3.4	7.7	-2.4
S&P/TSX Small Cap Index	583	621	424	1.6	3.0	-5.1	37.7	0.2
<b>United States</b>								
S&P 500	1,106	1,217	975	3.4	7.3	-7.2	13.4	-2.4
Dow Jones	10,498	11,205	9,071	3.7	7.4	-5.0	15.7	-0.8
Nasdaq	2,265	2,530	1,931	3.5	7.4	-8.4	15.1	-1.9
<b>International</b>								
U.K. - FTSE 100	5,320	5,825	4,548	2.0	8.2	-4.8	17.0	-3.3
Germany - DAX	6,179	6,332	5,202	3.1	3.6	1.6	17.2	2.2
France - CAC 40	3,670	4,066	3,331	5.0	6.6	-3.1	9.1	-8.6
Japan - Nikkei 225	9,753	11,339	9,082	5.1	4.0	-10.7	-3.6	-8.5
Hong Kong - Hang Seng	21,091	22,944	18,986	2.9	4.8	0.7	4.7	-3.4
Russia - RST	1,468	1,676	974	3.5	9.6	-6.1	50.7	-0.5
Australia - ASX All Ordinaries	4,542	5,024	4,149	2.6	5.0	-6.4	9.5	-7.1
Brazil - Bovespa	66,808	71,785	53,735	3.6	9.6	0.2	24.3	-4.6

## S&amp;P/TSX Sector Summary

	Level			Change (%)				
	Jul-28-10	52w HI	52w LOW	(-1W)	(-4W)	(-13W)	(-52W)	Jan-04-10
<b>S&amp;P/TSX</b>	<b>11,697</b>	<b>12,281</b>	<b>10,455</b>	<b>1.6</b>	<b>3.6</b>	<b>-3.1</b>	<b>11.9</b>	<b>-1.4</b>
Energy	284	308	254	0.8	4.4	-3.6	11.5	-6.7
Materials	322	369	270	-0.4	-2.8	-5.9	19.4	-4.5
Industrials	91	92	73	1.1	4.1	4.1	23.7	10.3
Consumers Discretionary	99	103	80	2.6	6.1	-1.2	24.7	2.8
Consumers Staples	179	182	162	1.3	9.4	4.9	9.6	-0.8
Health Care	41	42	29	0.5	1.8	8.7	43.5	13.7
Financials	177	191	165	4.3	5.9	-4.8	4.1	0.2
Information Technology	28	32	26	-2.0	2.6	-7.7	8.9	-3.9
Telecommunication Services	85	87	72	-0.9	2.2	2.2	18.2	7.0
Utilities	199	205	170	0.3	5.6	3.3	16.7	0.8

## Commodities

	Level							
	Jul-28-10	52w HI	52w LOW	(-1W)	(-4W)	(-13W)	(-52W)	Jan-04-10
London -- Gold (US\$/ounce)	1168.00	1261.00	931.00	1191.50	1244.00	1161.00	931.00	1121.50
London -- Silver (US\$/ounce)	17.50	19.70	13.33	17.86	18.61	18.16	13.33	17.47
Copper (US\$/LB)	3.24	3.63	2.47	3.09	2.94	3.37	2.47	3.39
WTI Crude Oil (US\$/barrel)	76.99	86.84	63.35	76.28	75.63	83.22	63.35	80.97
Natural Gas (Henry Hub) (US\$/MMBTU)	4.72	7.38	1.92	4.69	4.56	4.22	3.37	6.06

Data updated as at:  
29/07/2010

## Calendar of Major Economic Indicators

## KEY ECONOMIC INDICATORS

WEEK OF JULY 26, 2010

## Canada

Date	Time	Release	Unit	Data for:	LBS *	Consensus	Previous
Jul 29	8:30	Industrial Product Price	M/M	June	-	0.5%	0.3%
Jul 29	8:30	Raw Materials Price Index	M/M	June	-	1.0%	-7.2%
<b>Jul 30</b>	<b>8:30</b>	<b>Gross Domestic Product</b>	<b>M/M</b>	<b>May</b>	<b>0.1%</b>	<b>0.2%</b>	<b>0.0%</b>

\* Laurentian Bank Securities Forecast

Consensus from Bloomberg L.P.

## United States

Date	Time	Release	Unit	Data for:	LBS*	Consensus	Previous
Jul 26	10:00	New Home Sales	Thousands	June	-	315.0	300.0
Jul 26	10:00	New Home Sales	M/M	June	-	5.0%	-32.7%
Jul 27	10:00	Consumer Confidence	-	July	-	51.0	52.9
Jul 28	8:30	Durable Good Orders	M/M	June	-	1.0%	-0.6%
Jul 28	8:30	Durable Good Orders Ex. Transportation	M/M	June	-	0.4%	1.6%
Jul 28	14:00	Fed's Beige Book	-	-	-	-	-
Jul 29	8:30	Initial Jobless Claims	Thousands	July 24	-	460.0	464.0
Jul 30	8:30	GDP (Annualized)	Q/Q	2Q A	-	2.5%	2.7%
Jul 30	8:30	GDP Price Index	Q/Q	2Q A	-	1.1%	1.1%
Jul 30	8:30	Core PCE	Q/Q	2Q A	-	1.0%	0.7%
Jul 30	9:55	U. of Michigan Confidence	-	July F	-	67.0	66.5

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## North American Economic Indicators



## Canada

Gross Domestic Product (GDP)  
 Manufacturing Shipments  
 Housing Starts (' 000) \*  
 Retail Sales  
 Trade Balance (M\$) \*  
 Employment (' 000) \*\*  
 Unemployment Rate \*  
 Wages (avg. hourly earnings)  
 Total CPI inflation  
 Inflation ex-food & energy  
 Industrial Product Price Index  
 Raw Materials Price Index

Period	Monthly Chg. (% or Level)		Cumulative change	
	Current	Previous	- 3 Month	- 1 Year
April	0.0%	0.6%	0.8%	3.3%
April	0.4%	1.4%	1.8%	10.8%
May	199	206	202	139
April	-2.2%	2.3%	0.6%	6.4%
April	-503	-356	891	-104
June	93	25	151	284
June	7.9	8.1	8.2	8.6
June	1.7%	2.4%	2.4%	3.4%
June	1.0%	1.4%	1.5%	-1.0%
June	1.7%	1.7%	2.1%	1.8%
May	0.4%	0.3%	0.4%	1.5%
May	-7.3%	1.7%	-5.0%	6.4%



## United States

ISM - manufacturing \*  
 ISM - Non-manufacturing \*  
 Industrial Production \*  
 Capacity Utilization Rate \*  
 Consumer Confidence Index \*  
 Retail Sales  
 Trade Balance (M\$) \*  
 Housing Starts (' 000) \*  
 Existing home sales  
 Median price of ex. home sales  
 Non-Farm Payrolls (' 000) \*\*  
 Unemployment Rate \*  
 Wages (avg. hourly earnings)  
 Total CPI inflation  
 Inflation ex-food & energy  
 Producer Price Index  
 - Ex-Food & Energy

Period	Monthly Chg. (% or Level)		Cumulative change	
	Current	Previous	- 3 Month	- 1 Year
May	59.7	60.4	56.5	43.2
May	55.4	55.4	53.0	43.2
May	92.5	91.2	90.4	85.7
May	74.1	73.1	72.3	68.3
June	76.0	73.6	73.6	70.8
May	-1.1%	0.3%	1.3%	6.9%
April	-40,320	-40,047	-35,062	-24,855
May	578	679	605	550
May	-2.2%	8.0%	13.0%	19.2%
May	1.3%	1.6%	6.1%	-0.1%
May	433	313	954	-560
May	9.7	9.9	9.7	9.5
May	2.4%	2.3%	2.4%	3.1%
May	2.0%	2.2%	2.7%	-1.0%
May	1.0%	1.0%	1.3%	1.8%
May	-0.3%	-0.1%	0.4%	5.1%
May	0.2%	0.2%	0.5%	1.3%

\* Level

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

\*\*\* Annual % change

Data updated as at:

29/07/2010

## North American Forecasts

## Canada

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

									Annual Average			4th Qtr/4th Qtr	
	2009Q4	2010Q1	2010Q2	2010Q3	2010Q4	2011Q1	2011Q2	2011Q3	2009	2010	2011	2010	2011
<b>Real GDP (%)</b>	<b>4.9</b>	<b>6.1</b>	<b>2.5</b>	<b>2.6</b>	<b>2.3</b>	<b>2.4</b>	<b>2.0</b>	<b>2.9</b>	<b>-2.5</b>	<b>3.3</b>	<b>2.5</b>	<b>3.4</b>	<b>2.7</b>
Consumption	3.9	4.4	3.2	2.5	2.4	2.0	2.3	2.3	0.4	3.5	2.3	3.1	2.3
Business investment	-9.4	2.6	10.5	12.5	10.1	8.7	8.0	9.1	-20.0	1.9	9.5	8.9	8.8
Non-residential structures	-11.4	-5.4	8.0	10.0	12.0	10.0	8.0	7.5	-19.5	-4.1	9.4	5.9	8.4
Machinery and equipment	-8.1	7.5	12.0	14.0	9.0	8.0	8.0	10.0	-20.3	5.7	9.5	10.6	9.0
Residential construction	26.3	23.6	5.0	-18.0	-22.0	-10.0	-4.0	-3.0	-8.2	8.4	-10.2	-4.5	-4.6
Government spending	9.1	2.2	2.6	2.6	2.2	1.8	-2.7	-0.6	5.1	4.7	0.7	2.4	-0.5
Exports	13.8	12.0	11.5	8.0	6.0	7.0	9.0	8.0	-14.2	9.1	7.8	9.3	8.0
Imports	12.4	14.1	8.0	6.0	4.0	4.0	5.5	5.0	-13.9	11.3	5.0	8.0	4.9
<b>Current account balance in % of GDP</b>	<b>-3.1</b>	<b>-2.4</b>	<b>-1.7</b>	<b>-1.5</b>	<b>-1.3</b>	<b>-1.1</b>	<b>-1.1</b>	<b>-1.1</b>	<b>-3.4</b>	<b>-1.7</b>	<b>-1.1</b>	<b>-</b>	<b>-</b>
<b>Inflation (%)</b>													
Total CPI (y/y)	0.8	1.6	1.4	2.4	2.3	1.9	1.9	1.7	0.3	1.9	1.9	2.3	2.0
Core CPI (y/y)	1.6	1.9	1.7	1.7	1.4	1.8	1.9	2.0	1.8	1.7	1.9	1.4	2.0
<b>Unemployment rate (%)*</b>	<b>8.4</b>	<b>8.2</b>	<b>8.1</b>	<b>7.9</b>	<b>7.8</b>	<b>7.8</b>	<b>7.7</b>	<b>7.5</b>	<b>8.3</b>	<b>8.0</b>	<b>7.6</b>	<b>-</b>	<b>-</b>
<b>Employment</b>	<b>1.3</b>	<b>1.5</b>	<b>3.4</b>	<b>1.0</b>	<b>0.9</b>	<b>1.3</b>	<b>1.5</b>	<b>1.8</b>	<b>-1.6</b>	<b>1.4</b>	<b>1.5</b>	<b>1.7</b>	<b>1.6</b>
<b>Housing starts (000s)</b>	<b>180</b>	<b>198</b>	<b>188</b>	<b>150</b>	<b>155</b>	<b>155</b>	<b>165</b>	<b>160</b>	<b>149</b>	<b>173</b>	<b>161</b>	<b>-</b>	<b>-</b>
<b>Before-tax Corp. Profits (y/y)</b>	<b>-12.1</b>	<b>16.8</b>	<b>31.6</b>	<b>23.5</b>	<b>18.2</b>	<b>12.7</b>	<b>13.5</b>	<b>12.5</b>	<b>-32.3</b>	<b>22.2</b>	<b>12.2</b>	<b>18.2</b>	<b>10.2</b>

\*Average rate for the quarter or the year.

Forecasts as of June 30th, 2010

## United States

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

								Annual Average			4th Qtr/4th Qtr	
	2009Q4	2010Q1	2010Q2	2010Q3	2010Q4	2011Q1	2011Q2	2009	2010	2011	2010	2011
<b>Real GDP (%)</b>	<b>5.6</b>	<b>2.7</b>	<b>3.5</b>	<b>2.6</b>	<b>2.4</b>	<b>2.6</b>	<b>2.6</b>	<b>-2.4</b>	<b>3.1</b>	<b>2.7</b>	<b>2.8</b>	<b>2.6</b>
Consumption	1.6	3.0	2.7	2.0	1.9	1.8	1.9	-0.6	2.2	2.0	2.4	1.9
Private investment	6.7	3.3	10.6	9.6	6.6	8.7	8.7	-17.6	4.3	8.5	7.5	8.7
Machinery and equipment	19.0	11.4	16.0	12.0	8.0	10.0	10.0	-16.6	11.1	10.2	11.8	10.0
Residential construction	3.7	-10.3	6.2	2.0	3.0	3.5	2.5	-20.5	0.0	3.0	0.0	2.7
Government spending	-1.3	-1.9	1.0	2.6	2.7	1.3	1.3	1.8	0.7	1.7	1.1	1.2
Exports	22.8	11.3	8.0	6.8	6.2	5.6	5.5	-9.6	11.5	6.0	8.0	5.5
Imports	15.8	14.8	5.2	5.2	5.3	3.9	2.8	-13.9	10.0	4.0	7.6	3.2
<b>Inflation (%)</b>												
Total (y/y)	1.5	2.4	1.9	1.5	1.2	1.0	1.3	-0.3	1.8	1.4	1.2	1.8
Core (y/y)	1.7	1.3	1.0	0.9	0.8	1.0	1.2	1.7	1.0	1.2	0.8	1.4
<b>Unemployment rate (%)*</b>	<b>10.0</b>	<b>9.7</b>	<b>9.8</b>	<b>10.2</b>	<b>10.0</b>	<b>9.8</b>	<b>9.7</b>	<b>9.3</b>	<b>9.9</b>	<b>9.7</b>	<b>-</b>	<b>-</b>
<b>Housing Starts (000s)</b>	<b>564.7</b>	<b>617</b>	<b>650</b>	<b>665</b>	<b>675</b>	<b>700</b>	<b>725</b>	<b>554</b>	<b>652</b>	<b>725</b>	<b>-</b>	<b>-</b>
<b>Before-tax Corp. profits (% , y/y)</b>	<b>30.6</b>	<b>34.0</b>	<b>12.0</b>	<b>10.0</b>	<b>10.0</b>	<b>5.0</b>	<b>7.5</b>	<b>-3.8</b>	<b>15.9</b>	<b>8.1</b>	<b>10.0</b>	<b>10.0</b>

\* Average rate for the quarter or the year.

Forecasts as of June 28th, 2010

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