

September 22, 2006

Weekly indicators

- **United States.** The Federal Reserve left its target Fed funds rate unchanged at 5.25%. Faced with ambient inflation, the central bank is maintaining its bias in favor of a rate hike, despite the slowdown in the economy stemming from the residential real estate sector. Housing starts fell in August for the fifth time in six months. The perspectives are rather bleak, with the index of home builders' sales expectations down in September for the eighth consecutive month, to its lowest point since the 1991 recession year. The housing sector is partly responsible for the recent declines in the index of leading indicators. Excluding food and energy, the producer price index would have fallen by 0.4% in August, a second straight decline, due in part to a drop in automobile prices.
- **Canada** – Without the 1% drop in the GST during July, the consumer price index would have grown by 2.6% on an annualized basis instead of 2.1%. The Bank of Canada's reference index, which excludes the effect of indirect taxes, hit 2.0% on an annualized basis for a second consecutive month, a first in three years. Housing and mortgage financing costs are feeding inflation. Nevertheless, one must remember that inflation is a lagging indicator and that economic growth is currently running below potential. Retail sales rebounded by 1.5% during July, after two consecutive dips. The July increase is due in part to auto dealers. However in volume terms, retail sales grew by 0.4%, which translates into a modest increase of 1.1% on an annualized basis, relative to the second quarter.

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

Is the Canadian residential real estate market on the same downward slope as the American market?

Summary

- The financial markets are anticipating a significant drop in U.S. house prices. Is Canadian residential real estate, who also saw strong price increases in the past few years, due for a correction too?
- The recent push in Canadian house prices is due in large part to the economic boom that is taking place in the western provinces. In the rest of the country, house prices have seen steady but moderate growth, consistent with an equilibrium market.
- In Canada, house sales have recently peaked. In the new housing category they have even pulled back slightly since 2004. However at no time was there question of a meltdown similar to that in the U.S.
- As a result, inventories of available houses for sale in Canada did not explode as they did south of the border.
- In conclusion, although a reduction in Canadian residential construction can be expected, the present conditions do not appear to presage a significant destruction in real estate wealth.

A forecasted drop in U.S. house prices

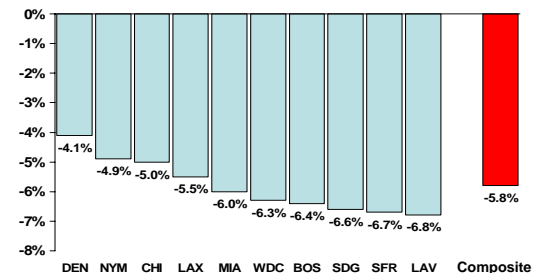
The September 8th edition of the Weekly Economic Letter was devoted to the slowdown in the U.S. housing sector and to its impact on economic growth.

We agree with the Chicago futures markets which are predicting that a nation-wide drop in U.S. house prices will materialize. This should lead to a strong slowdown in consumer spending and thus to a period of modest economic growth, significantly below potential

However is the Canadian housing sector subject to the same fate?

(1) United States house prices

Variation in % between May 2006/ May 2007 for large U.S. cities as anticipated by contracts trading on the Chicago Mercantile Exchange on Sept 15, 2006.



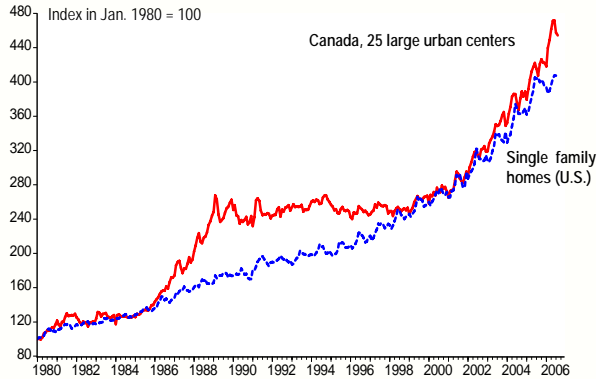
The cities included in the composite index are Denver, New York, Chicago, Los Angeles, Miami, Washington, Boston, San Diego, San Francisco et Las Vegas.
Source: Chicago Mercantile Exchange.

Time for a correction?

Some forecasters believe that it's just a question of time before the Canadian real estate market suffers a correction. Chart 2 shows that at first glance, the correction argument does make some sense. Since January 1999, the average price of a house sold in Canada has grown by 85% compared to just 66% for single family homes in the U.S. The divergence has been particularly evident since 2005.

(2) Are Canadian houses overvalued?

Average price of houses sold



However which market is growing faster depends on the period you look at. For example many believe that the recent up-tick in house prices must be looked at in tandem with the flat market following the burst of the Canadian real estate bubble of 1989. They point out that since January 1989, house prices have grown by just 83% in Canada compared to 145% in the U.S.

Unless there is unanimity regarding the reference date, an argument based on relative price increases is inconclusive.

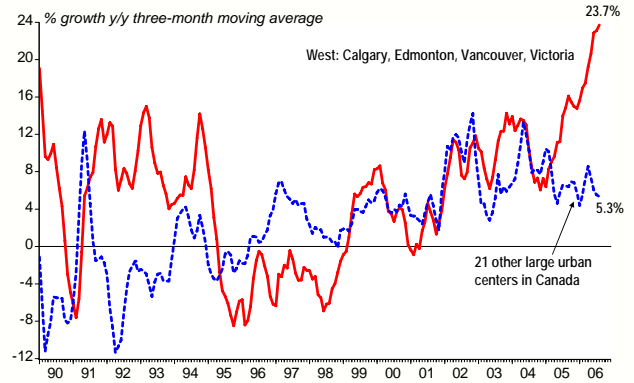
The west is in a league of its own

The Canadian real estate market's performance since 2005 has been strongly influenced by the economic boom that is taking place in western Canada. In provinces east of Alberta, house prices have grown by just 5.3% since last year, compared to 23.7% in the four large urban areas of Alberta and British Columbia. During that time period, prices have spiked as high as 48% in Calgary and 30% in Edmonton.

This regional split is noticeably absent among the United States' four major regions, where price growth variations were more moderate, ranging from -1% in the north-east to +2.8% in the mid-west.

(3) The housing market is on fire in the west

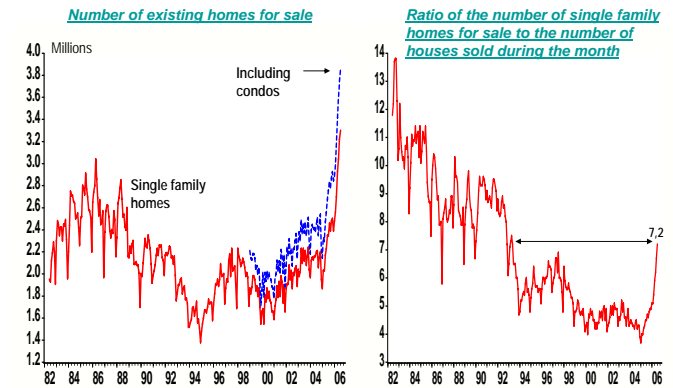
Growth in the prices of houses sold, west versus the rest of Canada



Supply and demand in the resale market

Last July the number of houses available in the resale market in the U.S. hit 3.9 million units, an increase of 40% over 12 months. During this time, existing home sales fell by more than 12%. As a result, the ratio of houses on the market relative to actual monthly sales rose from 4.5 to 7.2, the highest level since May 1993.

(4) U.S.: Disequilibrium in the resale market



The Canadian Real Estate Association does not publish totals of the number of houses for sale in Canada. To get around this problem, we aggregated information from the 11 major urban centers for which the association has maintained continuous data since 1998.

Chart 5 shows that the number of houses for sale in Canada did not explode as it did in the United States. In fact, for several years the trend has been downward in the Canadian West. In the rest of Canada, as of last June, the number of houses on the market registered one year growth of almost 10%, while the number of houses sold remained stable.

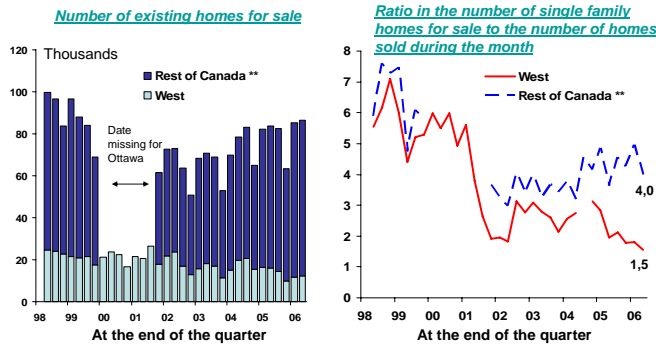
The ratio in the inventory of houses for sale relative to the number of houses sold thus grew slightly in the rest

of Canada (from 3.6 to 4.0). But that pales in comparison to what happened in the U.S.

In order to maintain international comparisons, in the preceding analysis we presented the Canadian picture by using American standards. However the Canadian practice when evaluating the supply-demand balance on the national resale market is different.

(5) Canada: no slippage in the resale market

11 urban centers covered by the MLS network (data not seasonally adjusted)

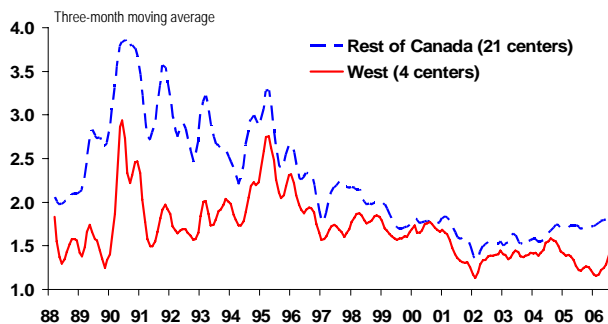


* West: Vancouver, Victoria et Calgary.
 **Rest of Canada: Montréal, Toronto, Ottawa, St John NB, London & St. Thomas, Hamilton, Saskatoon et Regina.
 Source: Canadian Real Estate Association.

The Canadian Real Estate Association compiles seasonally adjusted data on the number of houses sold through the MLS network and on the number of new listings registered by the network's brokers. Chart 6 shows the ratio of new listings to sales.

(6) The Canadian resale market is returning to equilibrium

Ratio of new listings to house sales – 25 major urban centers



Source: Canadian Real Estate Association.

As a rule of thumb, a new listings-to-sales ratio under 1.7 is considered an indication of a sellers' market, and prices tend to rise strongly. When the ratio is between 1.7 and 2.1, the market is usually more or less in equilibrium. And when the ratio rises above 2.1, the market is considered favorable for buyers.

So judging from the new listings-to-sales ratio, the market appears favorable to sellers in the west. This used to be the case in the rest of the country as well.

However the recent spike in houses for sale in provinces outside of Alberta and B.C. has brought the market in the rest-of-Canada into equilibrium mode. However the conditions that would imply stagnation or declines in Canadian real estate prices are not yet apparent.

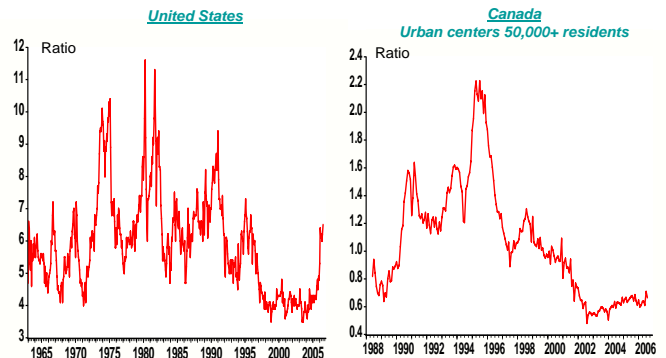
Supply and demand for new housing

In the United States, home builders appear to have missed the boat in a big way. The number of new single family homes for sale grew by 22% during the past year, while the number of new homes sold fell by roughly the same percentage. The upshot is that the ratio of new home inventories to new homes sold, spiked from 4.2 to 6.5 in just one year.

In Canada the number of new individual and semi-detached¹ unsold homes is up by 2% since last year. During that time, sales in this category increased by more than 3%. As a result, the ratio of new home inventories to homes sold did not rise as fast as it did in the United States. On the contrary, it remained at a historically low level².

(7) U.S. real estate promoters shackled with excess inventory

Ratio in the number of new unsold single family homes to monthly sales, (seasonally adjusted data)



Source: NBF economic research, Global Insight, SCHL.

Unlike in the U.S., there is no disequilibrium in the Canadian market. Furthermore, individual and semi-detached housing starts in Canada are in line with sales. This implies that there are no imbalances being formed.

¹ Aggregate Canadian data are classified by dwelling type (individual, semi-detached, row, apartment and other), not according to market type (single family, condos, coops) as the United States. The sum of individual and semi-detached housing is in our opinion the measure which most closely approaches the U.S. notion of single family homes.

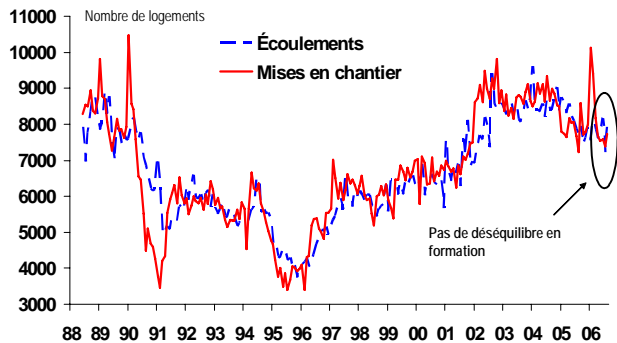
² The levels of Canadian and U.S. ratios in Chart 7 are not comparable. In the United States, a house is considered sold as soon as the contract is signed or a deposit is made. This can occur even before construction has begun. Furthermore, a house is considered for sale as soon as a building permit is issued. In Canada, the data only take into account completed units. A new unit is only considered sold ("absorbed") when the owner takes possession.

The market for new multiple housing

To remain thorough, it pays to take a quick look at the newly-built multiple housing segment, which covers condos, rental housing and cooperatives. In the U.S., there are no aggregate data on the subject.

(8) Les mises en chantier en ligne avec l'écoulement

Canada: logements individuels et jumelés, centres urbains 50 000 habitants et plus, données désaisonnalisées

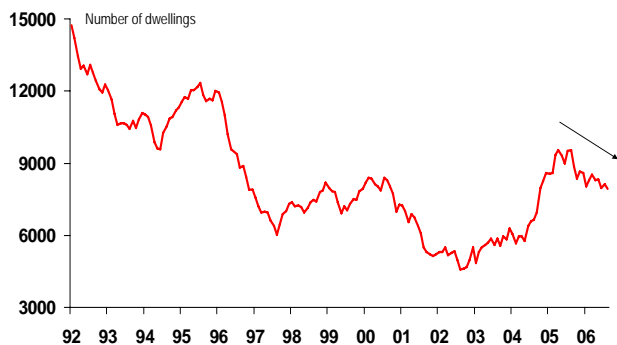


Sources: Recherche économique BN, SCHL.

In Canada, there was momentary concern about excessive collective housing construction. However as chart 9 shows, after a strong upward push in 2004 and at the start of 2005, the number of new and unoccupied collective housing units has since then been diminishing.

(9) Canada: The number of new unoccupied collective dwelling is diminishing

Urban centers with 50,000+ residents



Source: CMHC.

Conclusion

The growth in house prices has been at least as strong in Canada as in the United States in recent years. The expectations of financial markets are that a downward correction is imminent in the United States.

The rises in house prices and interest rates have reduced housing affordability in both Canada and the U.S. In fact the number of new homes sold in Canada has been on a downward drift since 2004, while the number of existing homes sold has peaked. However we are far from the demand meltdown that we have seen in the U.S., where the number of existing homes and new single family homes sold during the past year has fallen by 11% and 22% respectively.

This U.S. home sales meltdown has created a large supply-demand gap that Canada has so far avoided. For this reason, we do not believe that Canada will experience the same real estate wealth destruction that financial markets are expecting will occur south of the border.

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TABLE 1 - NORTH AMERICAN FINANCIAL INDICATORS
September 22, 2006

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.		
UNITED STATES										
<u>MONETARY AGGREGATES</u>										
		(\$Billions)								
M1	* Aug 2006	1369	-0.2	0.2	-1.7	-5.4	0.7	-0.6	0.6	2.8
M2	* Aug 2006	6875	0.3	0.3	0.5	4.1	4.5	4.7	4.8	4.5
<u>CREDIT MEASURES</u>										
Consumer Credit	Jul 2006	2350	0.2	0.6	0.7	5.8	3.3	3.7	3.8	5.3
Mortgage (Banks)	* Aug 2006	3118	0.0	1.2	1.3	12.6	11.4	10.4	12.5	14.3
Business	* Aug 2006	1166	2.4	1.0	0.8	17.1	15.9	15.3	13.5	9.4
CANADA										
<u>MONETARY AGGREGATES</u>										
M2+	* Jul 2006	961	0.8	0.7	0.5	6.9	6.2	6.3	4.8	4.8
Personal Deposits (Banks) (2)	* Aug 2006	437						5.9	4.4	3.7
<u>CREDIT MEASURES</u>										
Consumer	* Jul 2006	320	0.5	0.6	0.9	8.7	10.0	10.3	11.4	11.8
Mortgages	* Jul 2006	696	0.9	0.7	0.7	10.1	10.8	10.7	10.7	10.2
Short - Term Business Loans	* Aug 2006	309	0.7	0.8	1.2	11.0	11.6	12.3	12.1	6.3
Business (S.T. + L.T.)	* Aug 2006	1058	0.6	0.4	0.3	4.8	5.0	5.7	6.1	6.0
Private (Consumer+Business)	* Jul 2006	2068	0.6	0.5	0.7	6.9	7.9	8.0	8.4	8.2
Federal Debt	Aug 2006	406	-0.4	-0.2	-1.4	-8.7	-1.1	-4.3	-2.5	-2.4
INTEREST AND EXCHANGE RATES										
	Reference Thursday	Last day	1 week ago	2 w. ago	Average of last Thursdays			13 w. ago	26 w. ago	52 w. ago
					13 w.	26 w.	52 w.			
UNITED STATES										
<u>INTEREST RATES</u>										
Federal Funds Target Rate	* 21 Sep	5.25	5.25	5.25	5.25	5.07	4.62	5.00	4.50	3.75
Prime Rate	* 21 Sep	8.25	8.25	8.25	8.25	8.07	7.62	8.00	7.50	6.75
3-month Treasury Bills	* 21 Sep	4.81	4.82	4.84	4.91	4.79	4.42	4.79	4.56	3.29
2-year Bonds	* 21 Sep	4.72	4.85	4.83	4.96	4.96	4.71	5.22	4.76	3.94
5-year Bonds	* 21 Sep	4.60	4.74	4.74	4.88	4.93	4.70	5.18	4.72	4.01
10-year Bonds	* 21 Sep	4.65	4.79	4.79	4.92	4.99	4.75	5.20	4.74	4.18
30-year Bonds	* 21 Sep	4.78	4.92	4.94	5.03	5.08	4.87	5.23	4.76	4.46
Corporate High-yield (Lehman)	* 21 Sep	8.22	8.23	8.29	8.44	8.35	8.26	8.68	8.08	7.94
Corporate Invest. Grade (Lehman)	* 21 Sep	5.75	5.89	5.88	6.03	6.05	5.78	6.33	5.77	5.06
<u>SPREADS</u>										
Corp. High-yield - Treas. 10y.	* 21 Sep	3.57	3.44	3.50	3.51	3.36	3.51	3.48	3.34	3.76
Corp. Invest. grade - Treas. 10y.	* 21 Sep	1.10	1.10	1.09	1.10	1.06	1.03	1.13	1.03	0.88
Treasuries 30y. - 3-m. T.B.	* 21 Sep	-0.03	0.10	0.10	0.11	0.29	0.45	0.44	0.20	1.17
<u>EXCHANGE RATE</u>										
Major currencies, traded-weighted	* 21 Sep	81.72	82.04	82.05	81.70	82.00	83.68	82.19	85.60	83.92
CANADA										
<u>INTEREST RATES</u>										
Prime Rate	* 21 Sep	6.00	6.00	6.00	6.00	5.88	5.44	6.00	5.50	4.50
Target overnight rate	* 21 Sep	4.25	4.25	4.25	4.25	4.13	3.69	4.25	3.75	2.75
30-day commercial paper	* 21 Sep	4.31	4.32	4.31	4.33	4.24	3.80	4.36	3.83	2.81
3-month Treasury Bills	* 21 Sep	4.15	4.15	4.13	4.16	4.10	3.73	4.26	3.70	2.81
1-year Treasury Bills	* 21 Sep	4.12	4.18	4.17	4.32	4.29	4.02	4.48	4.00	3.09
5-year Bonds	* 21 Sep	3.92	4.03	4.03	4.20	4.23	4.07	4.42	4.10	3.47
10-year Bonds	* 21 Sep	4.02	4.13	4.14	4.31	4.36	4.22	4.52	4.19	3.85
30-year Bonds	* 21 Sep	4.11	4.22	4.22	4.38	4.41	4.31	4.55	4.19	4.17
<u>SPREADS</u>										
Prime - 30d. Commercial paper	* 21 Sep	1.69	1.68	1.69	1.67	1.65	1.64	1.64	1.67	1.69
Long Term - Short Term	* 21 Sep	-0.04	0.07	0.09	0.22	0.31	0.58	0.29	0.49	1.36
<u>CANADA UNITED STATES SPREADS</u>										
3-month T-Bills	* 21 Sep	-0.66	-0.67	-0.71	-0.75	-0.69	-0.69	-0.53	-0.86	-0.48
Long Term Bonds	* 21 Sep	-0.67	-0.70	-0.71	-0.65	-0.67	-0.56	-0.68	-0.57	-0.29
<u>EXCHANGE RATE</u>										
US\$ /CDN\$ (GTIS)	* 21 Sep	0.8948	0.8943	0.9007	0.8930	0.8913	0.8750	0.8943	0.8580	0.8527
STOCK INDICES										
	Reference Thursday	Level	Past Month	Prev. Month	Month Before	Growth Over (%)			Since beginning of year	
						3 Months	6 Months	1 Year	ref.	prec.
Dow Jones (U.S.)	* 21 Sep	11533.2	1.7	4.4	-1.9	4.1	2.7	11.1	6.5	-3.5
S&P 500 (U.S.)	* 21 Sep	1318.0	1.6	4.6	-1.0	5.3	1.6	8.9	4.4	0.4
NASDAQ (U.S.)	* 21 Sep	2237.8	4.2	6.3	-5.6	4.5	-2.5	6.2	0.3	-2.1
S&P/TSX (Can.)	* 21 Sep	11627.7	-4.2	6.3	2.7	4.6	-2.7	6.1	3.4	18.6

* Update

(1) Commercial Banks

(2) Not seasonally adjusted

TABLE 2 - UNITED STATES ECONOMIC INDICATORS
September 22, 2006

Growth Rates Unless Otherwise Indicated	Reference Period	Monthly Growth (%)			Annualized Growth (%)			Cumulated since beginning of year		
		Past	Prev.	Month	Average of the last			Since	ref.	prec.
		Month	Month	Before	3 Mos.	6 Mos.	12 Mos.	12 Mos.		
Index of 12 Leading Indicators	* Aug 2006	-0.2	-0.2	0.1	-1.8	0.6	1.6	0.4	1.6	2.7
Consumer Confidence Index (1985=100)	Aug 2006	99.6	107.0	105.4	104.0	105.7	101.5	105.5	105.4	103.6
I.S.M. Manufacturing Index (level)	Aug 2006	54.5	54.7	53.8	54.3	55.0	55.9	53.5	55.2	54.6
- Non-manufacturing (level)	Aug 2006	57.0	54.8	57.0	56.3	58.7	58.5	64.8	58.7	61.1
DOMESTIC DEMAND										
Sales autos & light trucks (000,000)	Aug 2006	16.1	17.2	16.2	16.5	16.5	16.5	16.9	16.6	17.4
Retail Sales	Aug 2006	0.2	1.4	-0.5	3.3	6.9	6.8	6.7	7.0	7.6
- Motor vehicle	Aug 2006	0.4	4.3	-2.4	-2.9	5.1	-0.9	3.7	0.1	7.0
- Other	Aug 2006	0.2	0.6	0.0	5.0	7.4	9.0	7.5	9.0	9.7
Consumer Spending: Total (\$ current)	Jul 2006	0.8	0.4	0.7	7.3	6.5	6.4	5.9	6.4	6.5
Total (\$ constant)	Jul 2006	0.5	0.3	0.3	3.1	3.6	3.1	2.4	3.1	3.8
Personal Income	Jul 2006	0.5	0.6	0.4	6.5	8.5	6.0	7.1	7.0	5.6
Personal Savings Rate (3)	Jul 2006	-0.9	-0.7	-0.8	-0.8	-0.6	-0.7	-0.9	-0.6	0.0
New Orders	Jul 2006	-0.6	1.5	1.0	7.5	5.5	8.3	8.4	7.6	8.0
- Non-Defence Capital Goods	Jul 2006	0.4	1.7	-2.0	-6.5	3.3	17.3	10.9	11.8	17.9
Unfilled Orders	Jul 2006	1.3	1.7	0.7	18.2	20.0	16.6	20.0	19.6	5.1
Business Inventories	Jul 2006	0.6	0.9	1.1	10.8	7.1	4.6	7.4	5.0	6.9
Inventories / Shipments Businesses	Jul 2006	1.26	1.26	1.25	1.26	1.26	1.26	1.27	1.26	1.30
Manufacturers' Shipments	Jul 2006	0.0	-0.1	2.5	11.1	5.2	6.8	7.5	6.8	7.4
Manufacturers' Inventories	Jul 2006	0.6	0.9	0.7	10.4	6.2	4.2	5.7	4.1	7.5
Inventories / Shipments Manuf.	Jul 2006	1.17	1.16	1.15	1.16	1.16	1.16	1.19	1.16	1.19
Housing Starts (000) (1)	* Aug 2006	1665	1772	1833	1757	1838	1980	2075	1928	2068
New Home Sales	Jul 2006	-4.3	-0.9	0.8	5.2	-23.3	-6.4	-21.6	-13.5	8.4
Existing Home Sales	Jul 2006	-5.0	-1.0	-0.8	-17.2	-7.4	-2.0	-11.4	-5.4	5.5
PRODUCTION										
Industrial Production	Aug 2006	-0.1	0.4	1.1	6.6	6.2	3.7	4.7	4.2	3.4
- Consumer Goods	Aug 2006	0.1	-0.4	1.5	4.7	1.9	2.1	1.9	1.8	1.8
- Hitech goods	Aug 2006	0.3	1.3	2.4	22.4	18.6	22.5	19.2	21.6	20.2
EXTERNAL AND FISCAL BALANCES										
Exports	Jul 2006	-1.1	2.3	2.2	17.2	14.2	11.6	12.6	12.4	10.9
Imports	Jul 2006	1.0	1.1	2.4	19.1	9.2	12.8	14.2	12.9	13.1
Merch. Trade Balance (\$ billions)	Jul 2006	-68.0	-64.8	-65.4	-66.1	-64.4	-64.3	-58.1	-64.7	-56.9
Federal budget balance last 12 months (2)	Aug 2006	-268.7	-255.4	-275.5				-330.2	-185.0	-236.0
INFLATION AND COSTS										
Consumer Prices	Aug 2006	0.2	0.4	0.2	4.4	3.5	3.9	3.8	3.9	3.1
- Excluding Food and Energy	Aug 2006	0.2	0.2	0.3	3.2	3.0	2.3	2.8	2.4	2.2
PCE Deflator exc. Food and Energy	Jul 2006	0.1	0.2	0.2	2.7	2.4	2.1	2.4	2.2	2.1
Industrial Prices, Finished Goods	* Aug 2006	0.1	0.1	0.5	4.1	2.2	4.7	3.6	4.3	4.5
Average Hourly Earnings (4)	Aug 2006	0.1	0.5	0.4	4.2	4.2	3.5	3.9	3.7	2.7
Industrial Capacity Utilization Rate	Aug 2006	82.4	82.7	82.5	82.5	82.1	81.3	80.3	81.8	80.0
Median Price, Single-Family Homes (5)	Jul 2006	0.5	0.7	2.7	21.8	-0.6	9.3	1.5	5.9	11.7
LABOUR MARKET										
New Jobs (000) (6)	Aug 2006	128	121	134	128	128	142	1708	1124	1397
- Manufacturing (000)	Aug 2006	-11	-23	25	-3	0	1	12	3	-81
- Services (000)	Aug 2006	118	134	106	119	119	119	1422	974	1267
Average weekly hours (6)	Aug 2006	-0.2	0.1	0.4	1.8	2.5	2.4	2.2	2.5	2.4
Civilian Unemployment Rate (7)	Aug 2006	4.7	4.8	4.6	4.7	4.7	4.8	4.9	4.7	5.1

NATIONAL ACCOUNTS AND OTHER QUARTERLY INDICATORS	Annualized Growth Rates								
	Q2 2006	Q1 2006	Q4 2005	Q3 2005	Q2 2005	Q2 2005	2005	2004	2003
GDP Chained 2000 dollars	2.9	5.6	1.8	4.2	3.3	3.4	3.2	3.9	2.5
Consumption	2.6	4.8	0.8	3.9	4.2	2.7	3.5	3.9	2.8
Residential Construction	-9.8	-0.3	-1.0	7.1	19.9	11.1	8.6	9.9	8.4
Business Investment	4.7	13.7	5.2	5.9	5.1	6.0	6.8	5.9	1.0
- Machinery and Equipment	-1.6	15.6	2.8	11.0	7.9	6.3	8.9	7.2	2.8
Government Spending	0.9	4.9	-1.1	3.4	1.1	1.6	0.9	1.9	2.5
Exports	5.1	14.0	9.6	3.2	9.4	4.7	6.8	9.2	1.3
Imports	0.6	9.1	13.2	2.5	1.4	4.1	6.1	10.8	4.1
Change in Inventories (1) (2)	58.7	41.2	43.5	-12.7	-7.4	55.2	19.6	53.3	14.3
GDP Deflator	3.3	3.3	3.3	3.3	2.5	3.4	3.0	2.8	2.1
Personal Disposable Income	1.5	4.6	5.5	-0.6	0.5	-4.0	1.2	3.6	2.2
	Q2 2006	Q1 2006	Q4 2005	Q3 2005	Q2 2005	Q2 2005	2005	2004	2003
Labour Productivity	1.6	4.3	-0.1	4.4	2.3	3.6	2.5	1.9	4.7
Unit Labor Costs (4)	4.9	9.0	3.0	3.3	-0.7	0.7	2.0	0.6	0.3
	Q2 2006	Q1 2006	Q4 2005	Q3 2005	Q2 2005	Q2 2005	2005	2004	2003
Current Account (current \$)	* -873.6	-852.8	-892.4	-733.7	-773.0	-766.9	-791.5	-665.3	-527.5
as a % of GDP	-6.6	-6.6	-7.0	-5.8	-6.3	-6.3	-6.4	-5.7	-4.8
	Q2 2006	Q1 2006	Q4 2005	Q3 2005	Q2 2005	Q2 2005	2005	2004	2003
Corporate Profits (8)	13.2	60.8	46.6	-20.9	7.1	30.5	12.5	19.1	12.1
as a % of GDP	12.3	12.1	10.9	10.1	10.9	10.8	10.7	11.4	12.1

* Update

(1) Annual Rate

(2) \$ Billions

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

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

(5) Existing Homes Sold

(6) Non-Farm Payroll Survey

(7) Household Survey

(8) Current \$ and before taxes

TABLE 3 - CANADIAN ECONOMIC INDICATORS
September 22, 2006

Growth Rates Unless Otherwise Indicated	Reference Period	Monthly Growth (%)			Annualized Growth (%)			Cumulated since beginning of year		
		Past Month	Prev. Month	Month Before	Average of the last			Since	ref.	prec.
					3 Mos.	6 Mos.	12 Mos.	12 Mos.		
Index of Leading Indicators (Stat. Can.)	* Aug 2006	0.2	0.3	0.3	4.5	5.5	5.0	5.1	5.3	5.4
DOMESTIC DEMAND										
New motor vehicle sales (000)	Jul 2006	139.4	135.3	135.7	136.8	137.0	135.4	1624.7	958.8	964.4
Retail Sales (\$ current)	* Jul 2006	1.5	-0.4	-0.4	6.3	8.5	6.0	5.7	6.2	6.8
- Automobile Dealers	* Jul 2006	4.3	-1.9	-1.9	-2.0	2.7	1.8	-3.8	0.6	7.6
- Other	* Jul 2006	0.7	0.0	0.0	7.4	8.8	6.9	7.5	7.2	7.8
Retail Sales (\$ constant)	Jul 2006	0.4	0.0	-0.5	4.0	8.0	4.1	3.7	4.5	5.3
Manufacturer's Shipments (\$ current)	Jul 2006	0.8	1.9	-0.7	2.5	-2.4	1.4	3.1	1.0	-0.2
New Orders	Jul 2006	2.2	2.7	0.8	7.1	-3.4	1.0	3.6	-0.5	0.8
- Durables	Jul 2006	2.4	1.8	3.2	6.2	-3.7	-1.0	1.4	-2.8	0.1
Unfilled Orders	Jul 2006	2.1	0.4	-0.5	-3.2	0.6	11.2	4.2	7.2	10.2
Manufacturer's Inventories	Jul 2006	1.5	-0.4	0.9	3.6	2.3	2.3	2.1	2.4	-0.2
Inventories / Shipments Ratio	Jul 2006	1.27	1.26	1.29	1.27	1.27	1.26	1.29	1.27	1.26
Manufacturer's Shipments (\$ constant)	Jul 2006	-0.6	0.2	0.6	-2.9	-2.3	0.6	0.5	0.1	-0.9
Housing Starts (000) (1)	* Aug 2006	214.0	236.5	236.4	229.0	231.6	232.0	204.7	235.1	223.7
PRODUCTION										
Real Domestic Product	Jun 2006	0.0	0.1	0.2	1.9	2.8	3.1	2.6	3.1	3.1
- Manufacturing	Jun 2006	0.0	0.2	-0.2	-2.1	-0.2	0.7	0.4	0.5	3.6
- Construction	Jun 2006	-0.3	-0.3	0.7	1.8	7.7	6.9	5.9	7.4	4.3
Services	Jun 2006	0.1	0.2	0.3	3.4	3.8	3.5	3.2	3.6	3.2
FOREIGN SECTOR										
Exports	Jul 2006	2.1	0.7	0.2	4.7	-9.6	6.9	3.8	4.1	1.8
Imports	Jul 2006	3.1	1.5	-0.9	13.7	1.6	5.0	6.1	4.0	7.0
- Capital Goods	Jul 2006	1.3	-0.5	2.5	5.7	-1.3	4.8	0.8	2.9	9.3
Merch. Trade Balance (\$ millions)	Jul 2006	3,863	4,144	4,372	4,127	4,445	5,544	4,449	4,697	4,458
\$CAN Exchange Rate (G-10) (1981=100)	* Sep 2006	102.8	103.0	101.3	102.4	102.5	101.0	98.9	101.9	94.0
Change in Official Reserves	Jul 2006	479	231	-31	226	573	256	3,066	3,377	2,587
Level (US\$):	36,395									
INFLATION AND COSTS										
Consumer Prices	* Aug 2006	0.2	0.1	-0.2	1.8	2.7	2.5	2.1	2.4	2.1
- Excluding Food and Energy	* Aug 2006	0.2	-0.2	-0.2	-0.1	1.5	1.5	1.4	1.5	1.3
- Core inflation (4)	* Aug 2006	0.2	0.2	-0.2	1.3	2.1	1.7	2.0	1.8	1.6
Average Hourly Earnings (2)	Aug 2006	0.6	-0.5	-0.2	-2.6	1.4	3.6	3.7	3.5	2.9
Price of New Housing	Jul 2006	1.1	1.4	1.3	15.9	11.2	7.1	10.8	8.5	4.9
Industrial Prices (1992=100)	Jul 2006	1.7	-0.4	0.3	6.8	3.5	2.0	4.3	2.2	1.4
LABOUR MARKET										
Labour Force	Aug 2006	-0.1	0.4	-0.1	1.7	1.8	1.3	1.4	1.4	0.9
Job creation (000)	Aug 2006	-16.0	-5.5	-4.6	-8.7	23.8	24.0	287.7	194.1	161.1
- Manufacturing	Aug 2006	-11.3	-33.3	-4.1	-16.2	-9.7	-8.0	-96.1	-86.7	-86.9
- Services	Aug 2006	2.0	1.8	30.2	11.3	32.5	28.5	342.5	250.1	166.2
- Full Time	Aug 2006	-16.0	-5.5	-4.6	-8.7	23.8	24.0	287.7	194.1	161.1
- Part Time	Aug 2006	-62.6	-27.0	62.5	-9.0	-13.2	-2.8	-33.0	-12.7	-12.0
Unemployment Rate	Aug 2006	6.5	6.4	6.1	6.3	6.3	6.4	6.8	6.4	6.9
NATIONAL ACCOUNTS AND OTHER										
QUARTERLY INDICATORS										
		Q2 2006	Q1 2006	Q4 2005	Q3 2005	Q2 2005	Q1 2005	2005	2004	2003
GDP Chained (1997) \$		2.0	3.6	2.6	3.2	3.4	2.2	2.9	3.3	1.8
Consumption		4.2	5.1	3.6	2.6	3.4	5.6	3.9	3.3	3.0
Business Investments		7.3	8.5	11.4	12.3	3.4	12.3	9.4	9.1	7.0
-Machinery and Equipment		8.8	8.8	10.8	13.4	1.3	12.2	10.5	10.3	7.9
Residential Construction		-5.2	12.7	0.0	5.5	6.4	-4.5	3.2	7.8	6.0
Government Expenditures		4.7	2.6	4.4	3.0	2.6	1.9	2.7	3.0	3.5
Final Domestic Demand		4.0	5.5	4.7	4.1	3.5	5.1	4.3	4.2	3.8
Exports		-1.2	-3.8	6.4	8.5	-1.8	5.3	2.1	5.2	-2.4
Imports		9.4	-1.9	12.7	11.2	-3.7	8.1	7.1	8.2	4.5
Change in Inventories (1)		16.5	11.1	14.9	15.0	14.4	17.6	15.5	9.7	8.7
Current Account (current \$) (1)		16.8	32.7	52.1	32.4	23.6	19.2	31.8	27.6	14.1
as a % of GDP		1.2	2.3	3.7	2.3	1.7	1.4	2.3	2.1	1.2
Real Disposable Income		-4.1	12.9	3.9	3.5	2.7	1.3	2.5	3.1	2.3
Savings Rate		1.0	3.0	1.3	1.3	1.0	1.2	1.2	2.6	2.8
GDP Price Deflator		-1.0	0.0	5.5	7.0	2.4	1.7	3.2	3.0	3.3
Corporate Profits (nominal)		1.7	-14.1	23.6	20.2	11.1	5.4	10.6	18.3	7.1
as a % of GDP		13.7	13.7	14.3	13.9	13.6	13.4	13.8	13.3	11.9
Indust. Capacity Utilization Rate		85.5	85.7	86.0	86.3	86.0	86.3	86.1	85.8	84.4
Labour Productivity, Business Sector		-1.7	2.1	2.1	3.2	1.1	2.5	2.4	0.2	0.0
Unit Labour Cost, Business Sector		1.1	1.8	4.4	3.3	2.6	2.2	2.3	1.8	2.6

* Update

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

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

TABLE 4 - REGIONAL ECONOMIC INDICATORS
September 22, 2006

Growth Rates Unless Otherwise Indicated	Reference Period	Monthly Growth (%)			Annualized Growth (%)			Since 12 Mos.	Cumulated since beginning of year	
		Past Month	Prev. Month	Month Before	Average of the last				ref.	prec.
					3 Mos.	6 Mos.	12 Mos.			
QUEBEC										
<u>DOMESTIC DEMAND AND REVENUE</u>										
Retail Sales	* Jul 2006	1.4	-0.1	-0.5	5.6	8.2	4.1	4.6	4.0	7.4
Manufacturing Shipments	Jul 2006	-0.1	4.0	0.3	7.6	5.2	3.3	4.8	3.9	-0.2
Housing Starts (000) (2)	* Aug 2006	47.9	41.3	46.1	45.1	46.9	48.2	45.3	47.3	51.3
Wages and Salaries	Jun 2006	0.8	0.4	-0.2	3.5	4.0	4.5	4.6	4.6	3.6
<u>PRICES</u>										
Consumer Price Index (1)	* Aug 2006	-0.1	0.2	-0.2	0.9	2.2	2.3	1.6	2.2	2.2
Average Hourly Earnings (1)	Aug 2006							3.3	2.8	2.6
Price of New Housing (Mtl.)	Jul 2006	0.0	0.1	0.4	5.0	4.9	4.1	4.5	4.1	5.8
<u>LABOR MARKET</u>										
Job creation (000)	Aug 2006	-5.8	3.7	9.4	2.4	2.8	2.4	29.2	11.4	45.8
Unemployment rate	Aug 2006	7.9	8.1	8.0	8.0	8.1	8.2	8.3	8.2	8.3
Participation rate	Aug 2006	65.6	65.5	65.4	65.5	65.5	65.6	65.7	65.6	65.4
ONTARIO										
<u>DOMESTIC DEMAND AND REVENUE</u>										
Retail Sales	* Jul 2006	1.3	0.0	-1.7	2.4	4.8	4.0	2.8	3.9	5.5
Manufactures' Shipments	Jul 2006	0.2	1.7	-2.1	-3.2	-7.1	-2.3	-1.2	-3.2	-1.6
Housing Starts (000) (2)	* Aug 2006	68.0	83.0	80.1	77.0	76.2	77.2	63.7	78.9	80.5
Wages and Salaries	Jun 2006	0.5	0.7	-0.1	4.0	4.4	5.3	5.0	5.1	4.2
<u>INCOME AND PRICES</u>										
Consumer Price Index (1)	* Aug 2006	0.2	-0.3	-0.2	0.0	2.4	2.4	1.5	2.3	2.1
Average Hourly Earnings (1)	Aug 2006							3.0	3.3	2.5
Price of New Housing (Tor.)	Jul 2006	0.4	0.4	0.3	4.2	3.6	4.1	3.6	4.1	4.7
<u>LABOR MARKET</u>										
Job creation (000)	Aug 2006	-15.2	-5.8	1.4	-6.5	11.6	8.0	95.8	67.8	62.3
Unemployment	Aug 2006	6.4	6.5	5.9	6.3	6.2	6.2	6.7	6.2	6.7
Participation rate	Aug 2006	68.1	67.8	67.9	67.9	67.8	67.8	68.0	67.7	68.2
NEWFOUNDLAND & LABRADOR										
<u>DOMESTIC DEMAND AND REVENUE</u>										
Retail Sales	* Jul 2006	1.3	-0.8	-0.6	6.2	0.6	1.5	2.1	1.8	3.2
Manufactures' Shipments	Jul 2006	-8.7	-10.8	4.9	-34.3	-13.2	-11.1	-17.9	-12.2	-6.6
Housing Starts (000) (2)	Aug 2006	2.2	1.9	2.4	2.2	2.1	2.4	2.6	2.3	2.6
Wages and Salaries	Jun 2006	-0.6	0.9	0.4	1.3	2.6	4.5	4.1	4.4	4.0
<u>INCOME AND PRICES</u>										
Consumer Price Index (1)	* Aug 2006	0.3	0.2	-0.2	3.6	3.1	2.4	2.6	2.4	2.7
Average Hourly Earnings (1)	Aug 2006	1.0	-3.4	-2.0	-5.4	-1.1	4.5	0.1	4.0	3.4
<u>LABOR MARKET</u>										
Job creation (000)	Aug 2006	3.2	-2.2	-1.3	0.2	0.7	0.1	1.8	-0.2	-0.4
Unemployment	Aug 2006	15.1	14.6	14.8	14.8	15.2	15.3	16.6	15.3	15.2
Participation rate	Aug 2006	58.2	58.9	59.3	58.8	59.0	58.9	58.9	58.8	58.6
PRINCE EDWARD ISLAND										
<u>DOMESTIC DEMAND AND REVENUE</u>										
Retail Sales	* Jul 2006	0.5	-3.1	0.9	-9.5	7.0	3.1	2.6	3.4	3.4
Manufactures' Shipments	Jul 2006	-0.5	0.2	-0.4	2.1	-9.2	-3.6	-2.3	-6.2	-1.4
Housing Starts (000) (2)	Aug 2006	1.3	0.7	0.6	0.9	0.7	0.9	0.9	1.0	1.0
Wages and Salaries	Jun 2006	0.2	0.8	0.1	1.1	1.4	4.1	2.6	3.2	4.1
<u>INCOME AND PRICES</u>										
Consumer Price Index (1)	* Aug 2006	0.2	0.2	-0.4	2.9	2.3	3.4	3.2	3.2	3.0
Average Hourly Earnings (1)	Aug 2006	0.1	-0.9	-2.2	-6.0	0.0	-0.1	2.9	0.4	1.4
<u>LABOR MARKET</u>										
Job creation (000)	Aug 2006	0.5	-0.7	-1.2	-4.6	0.4	0.6	1.0	0.9	3.0
Unemployment	Aug 2006	10.9	11.2	10.5	10.9	10.9	10.9	11.3	10.9	10.9
Participation rate	Aug 2006	68.1	68.4	69.2	68.6	68.9	68.8	68.6	68.9	68.7
NOVA SCOTIA										
<u>DOMESTIC DEMAND AND REVENUE</u>										
Retail Sales	* Jul 2006	3.5	-4.4	0.9	-1.0	8.3	5.5	6.3	6.7	2.7
Manufactures' Shipments	Jul 2006	0.6	-4.8	1.2	0.0	-9.5	-0.2	-2.5	-2.9	0.0
Housing Starts (000) (2)	Aug 2006	3.6	5.8	4.2	4.5	5.6	5.4	5.3	5.8	4.7
Wages and Salaries	Jun 2006	0.7	0.3	-0.5	0.7	1.6	5.0	3.7	4.1	4.6
<u>INCOME AND PRICES</u>										
Consumer Price Index (1)	* Aug 2006	0.2	0.2	-0.2	2.4	2.6	3.0	2.4	2.8	2.6
Average Hourly Earnings (1)	Aug 2006						3.1	1.6	2.5	2.1
<u>LABOR MARKET</u>										
Job creation (000)	Aug 2006	-0.6	-1.7	-5.1	-5.9	-0.1	-0.5	-1.6	-0.5	0.6
Unemployment	Aug 2006	8.4	8.3	8.2	8.3	8.1	8.3	7.5	8.1	8.4
Participation rate	Aug 2006	62.6	62.8	63.4	62.9	63.1	63.2	63.2	63.1	63.9

* Update

(1) Not Seasonally Adjusted

(2) Annual Rate

TABLE 4 - REGIONAL ECONOMIC INDICATORS (Continues from page A4)
September 22, 2006

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.			
NEW BRUNSWICK										
<u>DOMESTIC DEMAND AND REVENUE</u>										
Retail Sales	* Jul 2006	2.9	-2.4	0.4	1.2	8.7	5.3	4.8	5.7	6.4
Manufactures' Shipments	Jul 2006	6.7	-0.4	10.0	66.3	-2.6	8.6	14.6	6.6	2.1
Housing Starts (000) (2)	Aug 2006	4.0	4.3	5.8	4.7	4.3	4.3	3.9	4.3	3.8
Wages and Salaries	Jun 2006	0.6	-0.1	-0.3	0.5	1.7	4.3	4.2	4.2	2.6
<u>INCOME AND PRICES</u>										
Consumer Price Index (1)	* Aug 2006	0.3	-0.3	-0.1	0.6	2.3	2.6	1.9	2.5	2.2
Average Hourly Earnings (1)	Aug 2006						3.7	4.9	3.9	2.4
<u>LABOR MARKET</u>										
Job creation (000)	Aug 2006	-5.3	-3.0	-1.6	-5.7	2.3	1.2	0.3	2.1	0.4
Unemployment	Aug 2006	9.1	8.9	8.0	8.7	8.8	9.3	9.7	8.9	9.5
Participation rate	Aug 2006	63.8	63.7	64.5	64.0	64.4	64.1	63.5	64.4	63.6
MANITOBA										
<u>DOMESTIC DEMAND AND REVENUE</u>										
Retail Sales	* Jul 2006	2.1	-1.2	0.7	8.6	9.2	5.7	3.9	5.4	6.9
Manufactures' Shipments	Jul 2006	10.1	0.4	-1.9	12.8	6.0	2.2	6.3	2.8	4.7
Housing Starts (000) (2)	* Aug 2006	5.2	4.7	5.7	5.2	5.4	5.1	5.9	5.3	4.7
Wages and Salaries	Jun 2006	0.4	0.5	-1.0	0.4	2.5	4.1	4.0	4.1	5.1
<u>INCOME AND PRICES</u>										
Consumer Price Index (1)	* Aug 2006	0.0	0.4	0.1	4.3	3.1	2.3	2.2	2.2	2.9
Average Hourly Earnings (1)	Aug 2006						2.8	1.1	2.1	1.6
<u>LABOR MARKET</u>										
Job creation (000)	Aug 2006	2.4	-2.5	0.3	1.0	1.2	1.0	1.4	1.3	0.7
Unemployment	Aug 2006	4.5	4.7	3.6	4.3	4.3	4.4	4.6	4.3	4.9
Participation rate	Aug 2006	68.9	68.4	68.8	68.7	68.7	68.6	68.7	68.7	68.7
SASKATCHEWAN										
<u>DOMESTIC DEMAND AND REVENUE</u>										
Retail Sales	* Jul 2006	1.5	-0.9	-0.3	8.6	10.2	6.2	4.5	5.5	8.2
Manufactures' Shipments	Jul 2006	3.1	-5.1	-0.7	2.5	0.9	10.2	9.2	11.2	7.9
Housing Starts (000) (2)	Aug 2006	3.0	3.9	3.9	3.6	3.4	3.5	4.0	3.4	3.2
Wages and Salaries	Jun 2006	0.0	0.5	0.5	1.4	3.0	6.8	5.9	6.7	5.0
<u>INCOME AND PRICES</u>										
Consumer Price Index (1)	* Aug 2006	0.5	0.2	0.0	3.6	3.4	2.2	2.8	2.3	2.5
Average Hourly Earnings (1)	Aug 2006						4.5	3.5	4.6	1.0
<u>LABOR MARKET</u>										
Job creation (000)	Aug 2006	-0.5	2.1	2.2	3.4	3.1	-0.2	1.8	0.2	1.7
Unemployment	Aug 2006	5.4	4.7	4.9	5.0	5.0	5.2	5.3	5.1	4.9
Participation rate	Aug 2006	69.0	68.9	68.5	68.8	68.6	68.2	67.9	68.4	68.3
ALBERTA										
<u>DOMESTIC DEMAND AND REVENUE</u>										
Retail Sales	* Jul 2006	1.5	0.3	0.6	17.7	21.7	15.4	16.0	16.7	11.7
Manufactures' Shipments	Jul 2006	4.6	2.6	-0.5	9.7	2.3	13.9	17.2	12.0	8.7
Housing Starts (000) (2)	Aug 2006	45.5	49.6	53.1	49.4	50.4	47.7	37.3	49.5	38.9
Wages and Salaries	Jun 2006	0.4	0.9	0.9	2.5	5.0	10.8	10.6	10.7	9.6
<u>INCOME AND PRICES</u>										
Consumer Price Index (1)	* Aug 2006	0.4	1.4	-0.4	6.3	4.5	3.6	4.7	3.9	1.7
Average Hourly Earnings (1)	Aug 2006						7.1	8.3	7.2	6.4
<u>LABOR MARKET</u>										
Job creation (000)	Aug 2006	7.7	0.8	-7.0	4.0	6.8	3.3	5.1	4.1	1.5
Unemployment	Aug 2006	4.2	3.6	3.5	3.8	3.6	3.7	3.9	3.5	3.9
Participation rate	Aug 2006	73.5	73.5	73.9	73.6	73.3	72.9	72.6	73.1	72.8
BRITISH COLUMBIA										
<u>DOMESTIC DEMAND AND REVENUE</u>										
Retail Sales	* Jul 2006	1.2	-1.2	1.4	8.7	7.1	6.9	6.6	7.2	5.5
Manufactures' Shipments	Jul 2006	-3.8	0.9	1.8	-1.8	-1.1	1.9	4.1	3.5	-4.4
Housing Starts (000) (2)	Aug 2006	33.2	41.2	34.5	36.3	36.8	37.3	35.8	37.3	33.1
Wages and Salaries	Jun 2006	-1.1	2.3	0.8	2.3	4.4	7.4	7.1	7.9	6.1
<u>INCOME AND PRICES</u>										
Consumer Price Index (1)	* Aug 2006	0.2	0.1	0.0	3.4	2.7	2.0	2.0	1.9	1.9
Average Hourly Earnings (1)	Aug 2006						2.0	3.1	2.4	2.5
<u>LABOR MARKET</u>										
Job creation (000)	Aug 2006	-2.2	3.8	-1.8	-0.1	2.9	4.7	64.6	26.3	44.1
Unemployment	Aug 2006	4.8	4.7	4.3	4.6	4.6	4.8	5.7	4.7	6.2
Participation rate	Aug 2006	65.6	65.2	65.7	65.5	65.5	65.5	65.7	65.6	65.7

* Update

(1) Not Seasonally Adjusted

(2) Annual Rate

TABLE 5 - INTERNATIONAL ECONOMIC INDICATORS
September 22, 2006

Growth Rates Unless Otherwise Indicated	Reference Period	Monthly Growth (%)			Annualized Growth (%)			Since 12 Mos.	Cumulated since beginning of year	
		Past Month	Prev. Month	Month Before	Average of the last				ref.	prec.
		3 Mos.	6 Mos.	12 Mos.	3 Mos.	6 Mos.	12 Mos.			
OECD leading index	Jul 2006	-0.2	-0.1	0.2	1.0	3.9	2.8	3.0	3.5	1.1
JAPAN										
Retail Sales	Jul 2006	5.4	-0.1	-2.2	-1.5	-1.5	0.4	-0.1	0.1	1.5
Industrial Production	Jul 2006	-2.7	10.5	-3.5	-9.8	8.0	3.2	5.1	3.9	0.3
Exports	* Aug 2006	1.5	3.4	0.0	14.6	11.5	14.9	16.6	16.3	5.2
Imports	* Aug 2006	3.5	0.8	4.4	11.4	11.7	20.7	16.6	20.9	14.3
Merchandise trade bal. (Billions of ¥)	* Aug 2006	686	786	624	699	668	653	591	655	740
Current account (Billions of ¥)	Jul 2006	1,713	1,542	1,581	1,612	1,574	1,619	1,404	1,584	1,444
Inflation (CPI)	Jul 2006	-0.1	0.1	0.1	0.4	0.5	-0.3	0.3	0.1	-0.4
Industrial Prices (1)	Aug 2006	0.2	0.8	-0.1	4.6	3.4	2.7	3.4	3.0	1.5
Unemployment Rate	Jul 2006	4.1	4.2	4.0	4.1	4.1	4.3	4.4	4.1	4.4
		Q2 2006	Q1 2006	Q4 2005	Q3 2005	Q2 2005	Q1 2005	2005	2004	2003
Gross Domestic Product (Constant Yen)		1.0	3.3	4.0	1.8	4.5	5.7	2.6	2.3	1.8
Euro-zone										
Economic sentiment (index)	Aug 2006	106.7	107.8	107.1	107.2	106.3	103.4	97.5	105.2	97.4
Business climate (index)	Aug 2006	1.3	1.4	1.4	1.4	1.2	0.7	-0.1	1.0	-0.1
Retail Sales	* Jul 2006	0.6	0.3	-0.1	2.9	1.2	1.5	2.7	1.5	1.2
Industrial Production	* Jul 2006	-0.4	0.0	1.7	5.7	3.5	2.9	3.2	3.5	0.7
Exports	Jul 2006	-2.2	0.5	0.1	1.7	6.8	11.8	6.3	12.0	5.1
Imports	Jul 2006	1.8	0.9	0.3	8.7	10.1	17.4	13.1	17.9	10.5
Merch. Trade Bal. (Millions of euros)	Jul 2006	-6,425	-1,839	-1,452	-3,239	-1,493	-899	-1,323	-2,030	3,283
Inflation (CPI)	Aug 2006	0.1	-0.1	0.1	1.7	2.8	2.4	2.3	2.4	2.1
Industrial Prices (1)	* Jul 2006	0.6	0.3	0.3	6.0	6.4	5.1	5.9	5.6	4.0
Unemployment Rate	Jul 2006	7.8	7.8	7.9	7.8	8.0	8.2	8.6	8.0	8.7
		Q2 2006	Q1 2006	Q4 2005	Q3 2005	Q2 2005	Q1 2005	2005	2004	2003
Gross Domestic Product (Constant Euro)		3.6	3.2	1.4	2.4	1.6	1.7	1.5	1.7	0.8
UNITED KINGDOM										
Consumer Confidence Indicator	Aug 2006	-6	-6	-5	-6	-5	-4	-2	-5	-1
Retail Sales	Aug 2006	0.3	0.0	0.7	6.1	3.9	2.8	4.3	3.1	1.8
Industrial Production	Jul 2006	0.1	-0.1	0.3	0.7	1.1	-1.4	-0.5	-0.8	-1.5
Exports (1)	Jul 2006	-13.0	2.4	-1.7	-5.9	31.8	21.0	11.2	25.9	8.7
Imports (1)	Jul 2006	-9.9	-2.5	4.1	-4.0	26.3	21.4	11.7	25.9	8.8
Merchandise Trade Bal. (Millions of £)	Jul 2006	-6,338	-6,276	-7,551	-6,722	-6,609	-6,643	-6,687	-6,764	-5,370
Inflation (CPI harmonized) (1)	Aug 2006	0.4	0.0	0.3	3.9	2.8	2.2	2.5	2.2	2.0
Industrial Prices (1)	Aug 2006	0.0	0.3	0.2	3.5	3.2	2.8	2.6	2.8	2.9
House prices	Aug 2006	1.0	0.3	-1.2	-0.1	8.7	6.9	8.1	7.9	5.7
		Q2 2006	Q1 2006	Q4 2005	Q3 2005	Q2 2005	Q1 2005	2005	2004	2003
Gross Domestic Product (Constant £)		3.1	3.0	2.7	1.6	2.2	1.6	1.9	3.3	2.7
INTEREST AND EXCHANGE RATES										
	Reference Thursday	Current Week	Prev. Week	Week Before	Average of last Thursdays			13 w. ago	26 w. ago	52 w. ago
					13 W.	26 W.	52 W.			
JAPAN										
Prime Rate	* 21-Sep-06	0.40	0.40	0.40	0.33	0.22	0.16	0.10	0.10	0.10
3-month Treasury Bills	* 21-Sep-06	0.21	0.21	0.21	0.21	0.21	0.21	0.21	0.21	0.21
- Spread with U.S.	* 21-Sep-06	-4.60	-4.61	-4.63	-4.70	-4.58	-4.21	-4.58	-4.35	-3.08
Yield on 10-year Gov't Bonds	* 21-Sep-06	1.69	1.67	1.70	1.81	1.85	1.69	1.85	1.70	1.34
- Spread with U.S.	* 21-Sep-06	-2.96	-3.12	-3.09	-3.11	-3.14	-3.07	-3.34	-3.04	-2.83
Exchange Rate (¥/U.S.\$)	* 21-Sep-06	116.4	117.6	116.4	116.1	115.3	116.1	116.1	117.9	111.7
Euro Zone										
3-month Treasury Bills	* 21-Sep-06	3.37	3.33	3.29	3.20	3.04	2.75	2.99	2.74	2.14
- Spread with U.S.	* 21-Sep-06	-1.44	-1.49	-1.55	-1.71	-1.75	-1.67	-1.80	-1.82	-1.15
Yield on 10-year Gov't Bonds	* 21-Sep-06	3.73	3.76	3.79	3.89	3.88	3.63	3.85	3.61	3.00
- Spread with U.S.	* 21-Sep-06	-0.92	-1.03	-1.00	-1.04	-1.11	-1.12	-1.35	-1.13	-1.18
Exchange Rate (U.S.\$/Euro)	* 21-Sep-06	1.28	1.27	1.27	1.27	1.27	1.23	1.26	1.20	1.22
(Yen/Euro)	* 21-Sep-06	148.84	149.58	148.05	147.98	145.85	142.79	145.48	141.12	135.89
(Euro / £)	* 21-Sep-06	1.49	1.48	1.47	1.47	1.46	1.46	1.45	1.45	1.47
UNITED KINGDOM										
Prime Rate	* 21-Sep-06	6.50	6.50	6.50	6.50	6.50	6.50	6.50	6.50	6.50
3-month Treasury Bills	* 21-Sep-06	4.89	4.89	4.89	4.81	4.70	4.63	4.67	4.55	4.56
- Spread with U.S.	* 21-Sep-06	0.08	0.07	0.05	-0.11	-0.09	0.21	-0.12	-0.01	1.27
Yield on 30-year Gov't Bonds	* 21-Sep-06	4.10	4.14	4.15	4.22	4.23	4.14	4.34	4.00	4.18
- Spread with U.S.	* 21-Sep-06	-0.69	-0.77	-0.79	-0.81	-0.85	-0.73	-0.89	-0.76	-0.29
Exchange Rate (U.S.\$ / £)	* 21-Sep-06	1.90	1.89	1.88	1.87	1.85	1.80	1.83	1.73	1.79
STOCK INDICES										
	Reference	Monthly Growth (%)			Growth Over (%)			Since beginning of year		
		Level	Past Month	Prev. Month	Month Before	3 Months	6 Months	1 Year	ref.	prec.
MSCI Eafe	* Sep 2006	243	-0.5	8.8	1.6	10.0	2.8	16.2	10.7	9.1

* Update

(1) Not Seasonally Adjusted

**TABLE 6 - COMMODITY PRICES**

September 22, 2006

	<u>Spot Price</u>		<u>Weekly Growth (%)</u>			<u>Annualized Growth (%)</u>			<u>Last Year</u>
	<u>Sep 21</u>	<u>Sep 14</u>	<u>Last</u>	<u>Prev.</u>	<u>Week</u>	<u>For the Last</u>			
			<u>Week</u>	<u>Week</u>	<u>Before</u>	<u>13 W.</u>	<u>26 W.</u>	<u>52 W.</u>	
<u>CRB Index</u>									
Total	367.4	368.1	-0.2	-4.9	-1.0	-3.9	8.2	12.6	326.4
Energy	542.5	560.7	-3.2	-6.2	-4.3	-52.2	-12.9	-14.6	635.0
Grain	215.9	203.8	5.9	-3.7	-0.5	23.4	22.4	14.8	188.1
Industrials	391.7	390.8	0.2	-4.0	0.9	34.6	44.1	44.4	271.2
Livestock & Meat	281.9	284.7	-1.0	-3.0	0.7	-6.2	9.1	-0.2	282.5
Precious Metals	568.2	568.8	-0.1	-8.8	-1.2	8.3	14.1	32.8	427.8
<u>PRECIOUS METALS</u>									
Gold (\$/ounce) (AM fixing London)	580.50	593.40	-2.2	-6.4	2.0	-9.0	12.2	22.8	472.75
Platinum (\$/ounce) (AM fixing London)	1132.0	1190.0	-4.9	-5.4	1.5	-20.3	18.9	21.7	930.0
Silver (\$/ounce) (Handy & Harman)	11.1	11.1	0.0	-11.9	-1.4	32.8	8.8	51.0	7.4
<u>OTHER METALS (LME)</u>									
Aluminum (\$/tonne)	2,429	2,415	0.6	-7.6	7.3	-5.3	-2.3	29.5	1,876
Copper (\$/tonne)	7,472	7,500	-0.4	-6.0	4.3	26.8	104.9	88.8	3,957
Zinc (\$/tonne)	3,431	3,338	2.8	-9.1	10.3	55.0	82.1	141.5	1,420
Nickel (\$/tonne)	28,850	30,443	-5.2	0.8	-4.0	273.5	267.3	110.8	13,688
Lead (\$/tonne)	1,389	1,324	5.0	-0.5	8.9	419.4	36.9	44.3	963
<u>OTHER COMMODITIES</u>									
Oil (\$/barrel) 1-month future (West Texas Intermediate)	61.10	63.27	-3.4	-6.1	-4.1	-43.6	-8.3	-8.0	66.40
Corn (¢/bushel) (Illinois #2)	223.5	210.5	6.2	-2.3	0.5	29.5	27.4	30.7	171.0
Soy beans (¢/bushel) (Illinois #1)	521.5	512.5	1.8	0.2	0.0	-22.6	-7.8	-4.0	543.5
Pork (¢/lb)	75.8	87.5	-13.4	4.2	-11.6	-67.1	2.0	-5.3	80.0
Beef (\$/'00 lbs) (CME)	117.5	118.9	-1.2	-1.0	2.9	19.0	31.7	1.3	115.9
Woodpulp NBSK Metric ton delivered in U.S.	750	750	0.0	0.0	0.0	28.1	31.1	20.0	625
Natural Gas (mmbtu) Henry Hub future NYMEX	4.67	5.02	-6.9	-10.0	-5.3	-73.4	-58.2	-68.9	15.00
Lumber 2X4	274	287	-4.5	0.0	0.0	-31.3	-32.7	-18.7	337

All prices are in US dollars

United States & Canada

The Week Ahead
(September 25 – September 29)

US Indicators

Date	Time	Release	Month	Previous	Estimate	
					Consensus	NBF
25-Sep	10:00	Existing home sales	August	6.33 M	6.20 M	5.90 M
26-Sep	10:00	Consumer Confidence (<i>Conf.Board</i>)	September	99.6	102.3	99.3
27-Sep	8:30	Durable Goods	August	-2.4%	0.7%	0.3%
	10:00	New home sales	August	1072 K	1050 K	985 K
28-Sep	8:30	GDP	2006 Q2 (F)	2.9%	2.9%	2.9%
	8:30	GDP Price Deflator	2006 Q2 (F)	3.3%	3.3%	3.3%
29-Sep	8:30	Personal Income	August	0.5%	0.3%	0.3%
	8:30	Consumption	August	0.8%	0.2%	0.2%
	8:30	PCE Deflator (Y/Y)	August	3.4%	3.2%	3.2%
	8:30	PCE Core (Y/Y)	August	2.4%	2.4%	2.4%
	9:45	Consumer Sentiment Index (<i>Michigan</i>)	September (F)	84.4	85.1	84.1

Canadian Indicators

Date	Time	Release	Month	Previous	Estimate	
					Consensus	NBF
28-Sep	8:30	Raw materials Price Index	August	5.2%	NA	0.6%
	8:30	Industrial Product Price	August	1.7%	-0.3%	0.2%
29-Sep	8:30	GDP at factor cost	July	0.0%	0.2%	0.1%

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