

- **Topic of the week**

Canada is one of the rare countries where employee and employer contributions to the public pension system serve to finance pension funds. The funds generate income that serves to pay for current pensions. In measuring total government debt in Canada, the positive net worth of the public pension system is taken into account. This contributes to lower total government debt and to confer to Canada a mark of distinction in this regard.

In response to the declining number of workers per retiree, other countries will be forced to reform their pension systems in order to rein in debt. If nothing is done in Canada, the positive net worth of the system will gradually be depleted. Not only is the sustainability of the system at risk, but so is Canada's distinguished reputation on the financial markets.

Given that the public pension system is already in a net asset situation, the measures that will have to be taken in Canada will no doubt be less painful than those in most of the other countries.

- **Economic indicators review (p. 5)**

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## Canada: measuring government debt

### Summary

- **Canada is one of the rare countries where the public pension system enjoys a positive net worth that serves to finance current pensions.**
- **This net worth contributes to lower government debt and thus to confer to Canada a mark of distinction in this regard.**
- **In response to the declining number of workers per retiree, other countries will certainly be forced to reform their public pension systems in order to reduce their impact on their budgetary expenses and, by the same token, on their debt. If nothing is done in Canada in this regard, the positive net worth of the public pension system will gradually be depleted. The system's sustainability is at risk, as is Canada's image as a paragon of financial health.**
- **Given that Canada's public pension system is already in a net asset situation, the measures that will have to be taken here will no doubt be less painful than those in most of the other countries.**

### Government gross debt

There are a number of concepts of debt that enjoy currency today, serving different purposes. To illustrate this point, let us take the example of the federal government of Canada. To gauge its gross debt, we can opt to use the public accounts or the national balance sheet accounts (NBSA). As at September 30, 2011, federal government gross debt stood at \$927.7 billion<sup>1</sup> on the basis of the former versus \$842.2 billion<sup>2</sup> on the basis of the latter. The main difference between the two concepts consists in the fact that the public accounts also include the Exchange Fund Account, liabilities regarding employee and veteran future benefits (other than pensions) and environmental liabilities.

Hereafter, we will consider gross debt on an NBSA basis. Gross debt is broken down into three principal components: unmatured debt securities, employee life insurance and pension unfunded liabilities (the combination of unmatured debt and employee pension

<sup>1</sup> Source: Department of Finance Canada, *The Fiscal Monitor*, September 2011.

<sup>2</sup> Source: Statistics Canada, *National Balance Sheet Accounts*.

and life insurance unfunded liabilities is referred to as total interest-bearing debt) and accounts payable and other liabilities.

Then, to compute total government gross debt in Canada, we must add up the gross debt of the federal government<sup>3</sup>, of provincial and territorial governments, of local governments (municipalities, school boards, and independent funds and organizations), and of the Canada and Quebec pension plans (CPP and QPP). As at September 30, 2011, this debt totalled \$1.7 trillion (Table 1).

### (1) Canada: total government gross debt

As at September 30, 2011

	Federal	Provinces	Local	CPP/QPP	Total
\$ billions					
Unmatured debt securities	612.3	519.8	60.0	1.4	1193.5
Employee insur. & pension liab.	149.1	74.7	0.0	0.0	223.8
Accounts payable	1.2	35.1	12.3	0.0	48.7
Other liabilities	79.6	249.9	50.2	6.6	386.4
<b>Subtotal</b>	<b>842.2</b>	<b>879.6</b>	<b>122.5</b>	<b>8.0</b>	<b>1852.3</b>
Less intragovernmental debt holdings					157.4
<b>Total</b>					<b>1694.9</b>
Less government employee unfunded pension liabilities					240.5
<b>Gross debt for international comparison purposes</b>					<b>1454.4</b>

Source: Statistics Canada

The quarterly NBSA data published by Statistics Canada allows us to arrive at the subtotal in Table 1 without difficulty. However, as the data on intragovernmental debt holdings are not published, these had to be requested from Statistics Canada.

## International comparisons

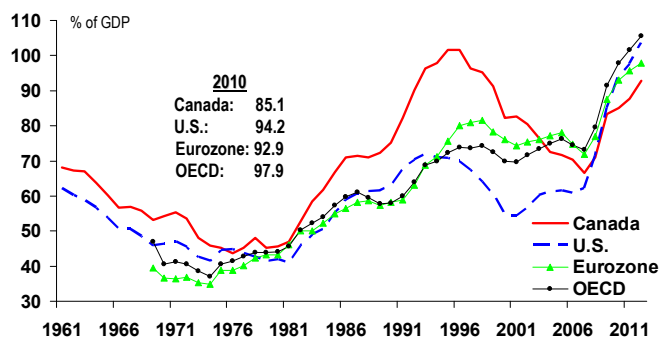
As we can see, gross debt in Canada is not comprised solely of debt securities issued on the bond and money markets. These make up just under two thirds of the debt. In Canada, the definition of government gross debt takes into account government employee unfunded pension liabilities. As a result, federal government gross debt, like total government gross debt, is over-estimated compared with other countries where these liabilities are not included in the calculation.

This is why, for international comparison purposes, government employee unfunded pension liabilities must be removed from Canada's public administrations gross debt. Once again, unfunded pension liabilities is not published by Statistics Canada but was provided upon request.

<sup>3</sup> Note that this does not include Crown corporations and other financially autonomous federal public enterprises (the main ones being Bank of Canada, CMHC, Canada Post Corporation, Business Development Bank of Canada and various Port Authorities); otherwise, what we would be looking at is the gross debt of the federal public sector rather than of the federal government.

## (2) Total government gross debt

At yearend, as a % of GDP (2011 to 2013: projections)



Source: OECD Economic Outlook, November 2011 (data via Datastream) 01-02-2012

Chart 2 illustrates how the ratio of total government gross debt to GDP has evolved over the past 40 years for Canada and other economic blocs. Canada has not always been the model to follow in this regard, especially when its ratio shot up from 75% in 1990 to over 100% in 1995. However, Canada did manage to adjust its course, so much so that in 2007 its ratio sank to a low of 66.5%. It has of course bounced back since, as it has for all the leading developed countries, on account of measures taken to counter the financial crisis. Still, since 2008, Canada's ratio has held below that of the major blocs of developed countries.

## Net debt

Net debt is defined as gross debt less financial assets. For the purpose of comparing debt levels, net debt is more commonly used than gross debt is. The reason for this is that gross debt can serve as much to finance the acquisition of financial assets as to cover budget deficits. Above all, some levels of government can hold as much in terms of financial assets as they do debt.

In most countries, the public pension system uses employee and employer contributions to finance payments to current retirees. This is not the case in Canada and the United States. Indeed, in these two countries, the contributions are invested in financial assets in the aim of financing payments to future retirees. In Canada, as a result of this, the financial assets of the public pension system exceed by far its gross debt. In other words, unlike the government employee pension fund, the public pension system has net financial assets to its credit rather than net liabilities. Thus, in Canada, the public pension system contributes to lower total government net debt. Table 3 allows us to appreciate the extent of this.

**(3) Canada: total government net debt**  
As at September 30, 2011

	Federal	Provinces	Local	CPP/QPP	Total
\$ billions					
Gross debt (book value)	842.2	879.6	122.5	8.0	1,852.3
Less intragovernmental debt holdings					157.4
Less government employee unfunded pension liabilities					240.5
<b>Gross debt for international comparison purposes</b>					<b>1,454.4</b>
Investments in Crown corp. and other government enterprises	203.9	125.0	3.1	34.2	366.2
Investments in private businesses	-	-	-	28.6	28.6
Currency and deposits	4.1	14.1	21.3	-	39.5
Loans and mortgages	19.9	42.9	0.2	-	62.9
Short-term paper	1.8	67.1	6.2	23.2	98.4
Bonds	3.7	105.8	24.0	35.9	169.4
Foreign investments	0.0	19.2	-	51.7	71.0
Stocks and mutual fund shares	0.1	72.3	-	9.6	82.1
Accounts receivable	0.6	4.2	4.3	-	9.0
Other financial assets	20.2	77.1	17.8	14.8	129.9
<b>Subtotal</b>	<b>254.2</b>	<b>527.8</b>	<b>76.9</b>	<b>198.1</b>	<b>1,057.0</b>
Less intragovernmental debt holdings					157.4
<b>Financial assets (book value)</b>					<b>899.5</b>
<b>Net debt for international comparison purposes</b>					<b>554.9</b>

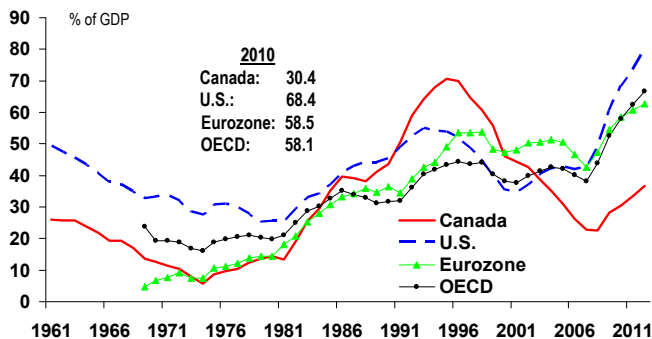
Source: Statistics Canada

Thus, as at September 30, 2011, the financial assets of the public pension system totalled \$198.1 billion, against a gross debt of \$8.0 billion. Consequently, the public pension system contributed to lower total government net debt by \$190.1 billion.

Given that in most countries public pensions are not financed by revenues coming from net assets in pension funds, the difference in favour of Canada in terms of total government indebtedness is more impressive when the measure used is net debt rather than gross debt. This becomes clear when we compare Charts 2 and 4.

**(4) Total government net debt**

At yearend, as a % of GDP (2011 to 2013: projections)

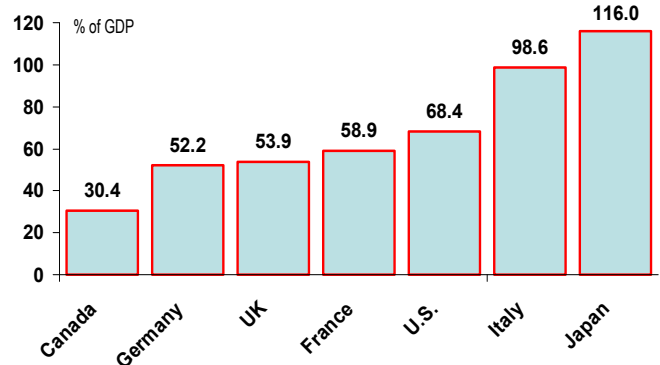


Source: OECD Economic Outlook, November 2011 (data via Datastream) 01-02-2012

For a given country, the difference between the two ratios represents the amount of total government financial assets as a percentage of GDP. At yearend 2010, these assets represented 55.1% of GDP in Canada, compared with only 25.8% in the United States, 34.4% in the eurozone and 39.8% in the OECD countries.

**(5) G7: total government net debt, 2010**

At yearend, as a % of GDP

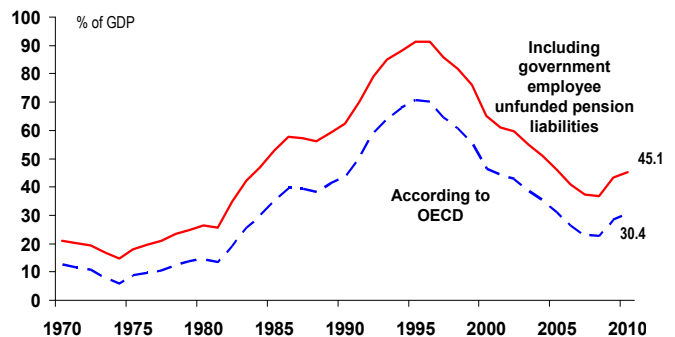


Source: OECD Economic Outlook, November 2011 (data via Datastream) 01-02-2012

On the basis of net debt, Canadian authorities can boast the lowest total government debt of the G7 countries.

**(6) Canada: total government net debt**

At yearend, at book value



Sources: OECD Economic Outlook, November 2011 (data via Datastream), Statistics Canada 02-02-2012

Chart 6 allows us to appreciate the impact on net debt of including government employee unfunded pension liabilities.

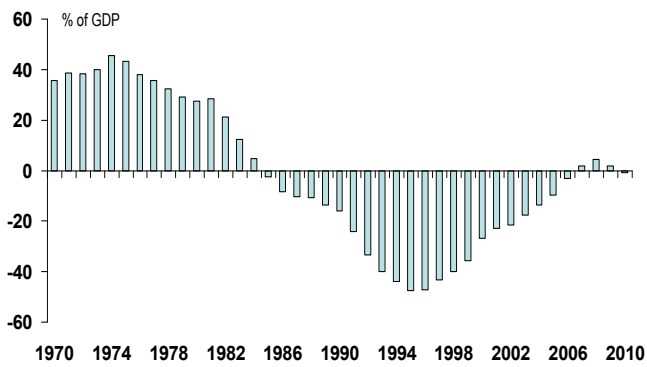
In calculating net debt, we considered financial assets at book value to be consistent with the data for other countries published by the OECD. In fact, there is no reason not to use the market value of the financial assets. However, we are not able to arrive at a precise calculation as we do not know the market value of intragovernmental debt holdings. However, we can say that the recent total government debt situation in Canada would come out embellished by such a decision principally on account of a capital gain of nearly \$10 billion on intragovernmental debt holdings as at this past September 30.

## Debt representing accumulated deficits

When they present their debt levels, the federal government and several provincial governments prefer to calculate gross debt less the value of all of their assets rather than the value of their financial assets only. Given that the acquisition of an asset is a non-budget operation and that the depreciation of non-financial assets (essentially tangible capital assets and inventories) is a budget expense, calculation of the gross debt less total assets gives the portion of the debt that served to finance past budget deficits.

### (7) Canada: total government net worth

At yearend, including government employee unfunded pension liabilities



Source: Statistics Canada

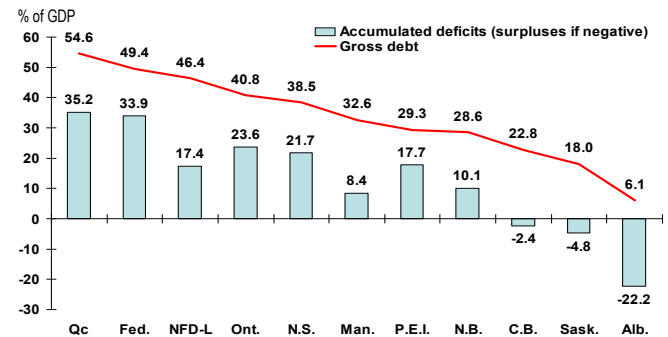
02-02-2012

This debt, for which there is no offsetting asset, served exclusively to finance current expenses. As people say, this is debt contracted in order to “pay for the groceries”. This notion corresponds to net worth (or net wealth), which is positive when an entity is in an accumulated surplus situation (assets exceed liabilities) and negative vice versa.

Chart 7 shows the evolution of total government net worth in Canada (including government employee unfunded pension liabilities). It may come as a surprise to find out that governments on the whole were only very slightly in a net liability situation at the close of 2010. We already know that the public pension plans are in an accumulated surplus situation. This is also true of local governments, of which the value of non-financial assets exceeds that of their liabilities. The net worth of these two components is more or less equivalent to the debt representing accumulated deficits for all of the provinces and the federal government. Chart 8 shows the gross debt and the debt representing accumulated deficits (surpluses) on a public accounts basis for these two levels of government.

### (8) Gross debt and debt representing accumulated deficits

As at March 31, 2011, according to public accounts



Sources: Ministère des Finances du Québec, 2010-2011 Public Accounts of Newfoundland and Labrador

02-02-2012

Quebec is the province with the largest debt on the basis of both gross debt and debt representing accumulated budget deficits. On the other hand, there are three provinces in an accumulated surplus situation, that is, whose assets exceed gross debt.

## Conclusion

In Canada, public pension plans are in an accumulated surplus situation. This situation contributes heavily to the fact that total government debt in Canada, measured in terms of net debt for international comparison purposes, is lower on average than in most other industrialized countries.

However, owing to demographic trends, the worker-retiree ratio will go from its present level of 4.4 to 2.4 in 2030, which is in line with projections for all of the OECD countries. At this pace, if nothing is done, the positive net worth of the Canadian public pension system will gradually be depleted.

The other countries will certainly be forced to reform their pension systems in order to reduce their impact on their budgetary expenses and, by the same token, on their debt. If Canada holds its present course, not only the sustainability of the public pension system is at stake, but also the advantage that the country enjoys in terms of the general financial situation of government.

Since Canada’s public pension plans, unlike those of most of the industrialized countries, are already in a net asset situation, the efforts that will be required to maintain their sustainability will no doubt be less painful than those that the citizens of other countries will have to make.

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**Canada** — According to the **Labour Force Survey**, Canadian employment rose just 2K in January, well below consensus expectations for a 22K gain. The unemployment rate rose one tick to 7.6%. The job gains were all in goods-producing industries (+9.3K), with gains in all subcategories except construction. Services lost 7K jobs including the 23K in the FIRE category and 45K in professional services, those more than offsetting gains in education, trade and info/culture. Full time employment fell 3.6K adding to the losses in December, while part-time employment added 5.9K (although we still haven't recovered from November's massive 57K drop in PT employment). Private sector employment rose for the third consecutive month (+ 19.7K). While the overall report was disappointing, the details were a bit better. Note that much of the weakness came from the self employment category (-37K). Paid employment was in fact up 39K (the best tally since June 2011), with a third straight increase in private sector employment. That's somewhat comforting and consistent with economic expansion.

**Canadian GDP** surprised to the downside in November, falling 0.1% (versus the +0.2% that consensus expected). The goods sector contracted for the second consecutive month primarily due to the 2.5% drop in oil and gas output (reportedly due to maintenance shutdowns). Utilities contracted for the second month in a row in part due to a warmer than seasonal weather. Construction also saw weaker output for the second month running. Those losses more than offset the increased output in manufacturing and mining (latter's output rose for the first time in three months). The services sector's output expanded 0.1% in the month helped by retailing and accommodation/food services among others which more than offset the decline in wholesaling. With November's decrease, Q4 GDP is tracking roughly 1.5% annualized, a bit below the BoC's estimates of 2%. But don't expect Governor Carney to change his stance based on that report alone. There were special and temporary factors at play in November. The maintenance-related shutdowns (which limited oil and gas output) and mild weather (which impacted utility output) have little to do with the state of the economy.

**United States** — The US labour market added 243K jobs in January according to the **non-farm payrolls survey**, more than 100K higher than consensus expectations. In January, revisions were made to reflect updated seasonal adjustment factors and an annual benchmark adjustment. So, after revisions, in 2011 there were 1.9 million jobs created in the US (versus old estimate of 1.6 million). The private sector added 2.2 million (versus the old estimate of 1.9 million). Private sector employment expanded by 257K jobs in January, following a strong 220K gain, with both the goods and services sectors providing jobs. Government continued to shed jobs in January (-14K). Average hourly earnings rose 0.2%, while hours worked per week was flat at 34.5. Separately, **the household survey** showed 847K new jobs created. Note that the January data was estimated using population controls reflecting Census 2010, and are therefore not directly comparable to data in prior months. Those gains were enough to lower the unemployment rate two ticks to 8.3%. That's the lowest since February 2009.

The non farm and household surveys are unambiguously bullish and consistent with the declining jobless claims that we've been observing. The private sector has created 840K jobs in the last three months alone according to the non farm payrolls. Aggregate hours are up 2.7% so far in Q1, a deceleration from Q4's 4.5% but consistent with decent growth in the first quarter of Q1. The wage gains will bring some support to consumption spending, a positive for the broader US economy.

**Personal income** grew 0.5% in December, topping consensus expectations for a 0.4% increase. **Personal spending** was flat, and one tick below consensus estimates. With income rising faster than spending, the savings rate shot up five ticks to 4%, the highest since August. In real terms, spending fell 0.1%, although it remains healthy on a 3-month annualized basis at 2%. Real disposable income rose 0.3% in December. While the moderation in spending in December will get bears all excited, that has to be looked at cautiously because it comes after three consecutive healthy months. Moreover, consumer mood may have been impacted by Congress-related uncertainties in the month. We don't

see the December dip to be the start of a trend, particularly given the strong gains in incomes, employment and savings.

The **PCE deflator**, preferred by the Fed over the CPI in gauging inflationary pressures, fell two ticks to 2.4% on a year-on-year basis in December. That was a bit higher than consensus expectations. The core PCE deflator rose 0.2% in the month (double consensus expectations), taking the year-on-year rate up one tick to 1.8%. Despite the hotter-than-expected December prices, the PCE deflator remains quite tame at this point, allowing the Fed flexibility in providing more monetary stimulus if deemed necessary.

The **Conference Board's index of consumer confidence** fell unexpectedly to 61.1 in January (from an upwardly revised 64.8). While the "expectations" component fell only marginally, the "present situation" index saw a large decline to 38.4 (from 46.5). Consumers may have been bothered by Congress dithering on the payroll tax cut extensions in December.

The **ISM manufacturing** index rose a full point to 54.1 in January from a downwardly revised 53.1. The new orders component of the index soared to 57.6, the highest since April 2011. The production index dropped three points to 55.7 while the employment index fell marginally to 54.3 (both of those are still in expansionary territory though). The now leaner and more competitive US manufacturing sector is on a clear uptrend. Forward-looking indicators like the new orders component of the ISM bode well for production going forward. The January reading is in line with our expectations that the US expanded at a 2% or so pace in Q1.

US **business non-farm labor productivity** rose 0.7% annualized in the final quarter of 2011, one tick below consensus expectations. The prior quarter was revised down four ticks to 1.9%. The Q4 advance was a result of output (+3.6%) growing a bit faster than hours worked (+2.9%). Unit labour costs rose for the first time in three quarters with a +1.2% print. The productivity gains, while not stellar, are a positive for corporate profits and hiring capabilities.

The **Fed's Senior Loan Officer survey** showed that domestic banks had experienced somewhat stronger loan demand in Q4. On the household side, lending

standards and demand for loans to purchase residential real estate were reportedly little changed over the fourth quarter on net. The report shows that credit markets remain functional in the U.S.

**Euro area — A European fiscal compact** was presented this past week. According to the new fiscal compact, "national budgets are required to be in balance or in surplus, a criterion that would be met if the annual structural government deficit (i.e. one that accounts for the business cycle) does not exceed 0.5% of nominal GDP". This balanced budget rule must be incorporated within one year into the member states' national legal systems, at constitutional level or equivalent. The EU Court of Justice will be able to verify national transposition of the balanced budget rule. Its decision is binding, and can be followed up with a penalty of up to 0.1% of GDP, payable to the European Stability Mechanism. A target for the structural deficit (rather than the overall budget deficit) provides some room to manoeuvre.

In our view, this measure provides enough flexibility to make it palatable to the politicians that must get the accord ratified by their respective governments. This rule is unlikely to provoke a worsening of current austerity measures. For the zone as a whole we note that the current cyclically adjusted deficit is currently expected to be around 1.5% in 2012 and to be near the target of 0.5% in 2013 according to the OECD.

There were some data releases that suggest the eurozone's GDP contracted in the final quarter of 2011. **Spanish GDP** shrunk over 1% annualized in that quarter after staying flat in Q3. **German retail sales** fell 1.4% in December, following a 1% drop in November. Overall, **Eurozone retail sales** dropped 0.4% in December following a similar decline in the prior month. The zone's unemployment rate was unchanged at 10.4% in December.

There were, however, some positive readings out of Europe for early 2012. **German unemployment rate** managed to drop to 6.7% in January (the lowest in over two decades) and the **UK's manufacturing PMI** rose more than two points in January to 52.1, i.e. in expansionary territory.

# 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 Feb 6</b>							Sysco Corp	Bef-mkt	Q2 2012	0.44	
							Humana Inc	6:00	Q4 2011	1.21	
							Unum Group	16:00	Q4 2011	0.75	
							Pioneer Natural Res.	Aft-mkt	Q4 2011	1.03	
							Yum! Brands Inc	Aft-mkt	Q4 2011	0.74	
							Torchmark Corp	Aft-mkt	Q4 2011	1.24	
							Leggett & Platt Inc	Aft-mkt	Q4 2011	0.21	
							Dun & Bradstreet Corp	Aft-mkt	Q4 2011	2.12	
							Anadarko Petroleum	Aft-mkt	Q4 2011	0.63	
							Hasbro Inc	0:00	Q4 2011	1.05	
						Loews Corp	0:00	Q4 2011	0.90		
						Sunoco Inc	23:59	Q4 2011	-0.26		
<b>Tuesday Feb 7</b>	8:30	CA	Building Permits MoM	DEC	-3.60%	--	Bell Aliant Inc	0:00	Q4 2011	0.40	
							Saputo Inc	0:00	Q3 2012	0.63	
							Emerson Electric Co	Bef-mkt	Q1 2012	0.51	
							Coca-Cola Co/The	Bef-mkt	Q4 2011	0.77	
							Perrigo Co	8:00	Q2 2012	1.15	
							Harman Int'l Ind.	8:00	Q2 2012	0.75	
							CBRE Group Inc	16:00	Q4 2011	0.44	
							Western Union Co/The	16:00	Q4 2011	0.40	
							Walt Disney Co/The	16:15	Q1 2012	0.71	
							Lincoln National Corp	Aft-mkt	Q4 2011	1.00	
						Cerner Corp	Aft-mkt	Q4 2011	0.53		
						Life Technologies Corp	Aft-mkt	Q4 2011	1.04		
<b>Wednesday Feb 8</b>	7:00	US	MBA Mortgage Applications	Feb-03	-2.90%	--	Intact Financial Corp	7:00	Q4 2011	1.10	
	8:15	CA	Housing Starts	JAN	200.2K	191.5K	190.0K	Silvercorp Metals Inc	Aft-mkt	Q3 2012	0.12
							Gildan Activewear Inc	Aft-mkt	Q1 2012	-0.38	
							Agrium Inc	0:00	Q4 2011	2.02	
							TMX Group Inc	0:00	Q4 2011	0.82	
							CAE Inc	0:00	Q3 2012	0.17	
							Enbridge Inc	0:00	Q4 2011	0.39	
							Westjet Airlines Ltd	0:00	Q4 2011	0.20	
							Canfor Corp	0:00	Q4 2011	-0.10	
							Cisco Systems Inc	16:30	Q2 2012	0.43	
						Visa Inc	Aft-mkt	Q1 2012	1.45		
						News Corp	16:00	Q2 2012	0.34		
<b>Thursday Feb 9</b>	8:30	US	Initial Jobless Claims	Feb-04	--	370K	Teck Resources Ltd	Bef-mkt	Q4 2011	1.04	
							Husky Energy Inc	Bef-mkt	Q4 2011	0.55	
							Precision Drilling Corp	Bef-mkt	Q4 2011	0.34	
							Onex Corp	6:30	Q4 2011	0.00	
							Thomson Reuters Corp	8:30	Q4 2011	0.56	
							Inmet Mining Corp	Aft-mkt	Q4 2011	1.03	
							Cameco Corp	Aft-mkt	Q4 2011	0.40	
							Shoppers Drug Mart	0:00	Q4 2011	0.82	
							BCE Inc	0:00	Q4 2011	0.65	
							Fortis Inc/Canada	0:00	Q4 2011	0.47	
						Manulife Financial Corp	0:00	Q4 2011	-0.12		
						Great-West Lifeco Inc	0:00	Q4 2011	0.49		
<b>Friday Feb 10</b>	8:30	CA	Int'l Merchandise Trade	DEC	1.07B	0.65B	0.50B	Brookfield Office Prop.	Bef-mkt	Q4 2011	0.25
	8:30	US	Trade Balance	DEC	-\$47.8B	-\$48.1B	-47.0B	IGM Financial Inc	0:00	Q4 2011	0.76
	9:55	US	U. of Michigan Confidence	FEB P	75.0	74.0	75.0	Canadian REIT	0:00	Q4 2011	0.61
							Emera Inc	0:00	Q4 2011	0.35	
							TELUS Corp	0:00	Q4 2011	0.79	
							ARC Resources Ltd	0:00	Q4 2011	0.23	
							NYSE Euronext	2:30	Q4 2011	0.49	
							PPL Corp	Bef-mkt	Q4 2011	0.61	
						FLIR Systems Inc	7:30	Q4 2011	0.45		
						Lab. Corp of America	9:00	Q4 2011	1.53		

Source: Bloomberg

**TABLE 1 - NORTH AMERICAN FINANCIAL INDICATORS**

February 3, 2012										
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	
			Month	Month	Before	3 Mos.	6 Mos.	12 Mos.	ref.	prec.
<b>UNITED STATES</b>										
<u>MONETARY AGGREGATES</u>										
		(\$Billions)								
M1	* Dec 2011	2174	0.7	0.9	0.8	16.1	23.8	18.1	15.4	6.4
M2	* Dec 2011	9640	0.5	0.5	0.5	7.4	12.2	9.6	7.2	2.3
<u>CREDIT MEASURES</u>										
Consumer Credit	Nov 2011	2478	0.8	0.2	0.3	2.5	3.0	3.2	1.1	-3.9
Mortgage (Banks)	* Dec 2011	3476	-0.3	0.1	0.1	-0.4	-2.9	-3.6	-4.4	-3.7
Business	* Dec 2011	1339	1.1	0.6	1.1	11.2	11.4	10.2	4.5	-14.8
<b>CANADA</b>										
<u>MONETARY AGGREGATES</u>										
M2+ gross	Nov 2011	1412	0.2	0.8	1.3	9.6	5.9	5.4	4.0	4.0
Personal Deposits (Banks) (2)	Dec 2011	712						5.4	4.2	4.2
<u>CREDIT MEASURES</u>										
Consumer	Nov 2011	486	0.4	0.3	0.3	4.4	2.5	3.2	3.5	8.0
Mortgages	Nov 2011	1098	0.6	0.7	0.5	7.0	7.0	7.6	7.5	7.0
Short - Term Business Loans	Dec 2011	344	0.5	-0.5	-0.7	-1.3	8.7	7.6	4.7	-10.5
Business (S.T. + L.T.)	* Dec 2011	1301	0.2	0.1	0.0	2.8	5.4	5.6	5.5	1.2
Private (Consumer+Business)	* Nov 2011	2882	0.3	0.3	0.5	5.4	5.8	6.0	5.9	4.4
Federal Debt	* Jan 2012	619	0.0	-1.1	1.7	4.9	7.0	6.5	6.5	5.9
<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	* 2 Feb 12	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25
Prime Rate	* 2 Feb 12	3.25	3.25	3.25	3.25	3.25	3.25	3.25	3.25	3.25
3-month Treasury Bills	* 2 Feb 12	0.08	0.05	0.05	0.03	0.02	0.04	0.01	0.02	0.14
2-year Bonds	* 2 Feb 12	0.23	0.21	0.24	0.25	0.24	0.40	0.24	0.28	0.71
5-year Bonds	* 2 Feb 12	0.71	0.75	0.85	0.85	0.91	1.39	0.92	1.13	2.17
10-year Bonds	* 2 Feb 12	1.83	1.93	1.97	1.95	2.02	2.62	2.07	2.46	3.54
30-year Bonds	* 2 Feb 12	3.01	3.09	3.04	3.00	3.14	3.76	3.12	3.72	4.66
Corporate High-yield (Lehman)	* 2 Feb 12	7.45	7.52	7.82	8.29	8.54	7.77	8.28	7.56	6.94
Corporate Invest. Grade (Lehman)	* 2 Feb 12	3.37	3.49	3.67	3.76	3.76	3.76	3.57	3.35	4.04
<u>SPREADS</u>										
Corp. High-yield - Treas. 10y.	* 2 Feb 12	5.62	5.59	5.85	6.34	6.51	5.15	6.21	5.10	3.40
Corp. Invest. grade - Treas. 10y.	* 2 Feb 12	1.54	1.56	1.70	1.81	1.73	1.14	1.50	0.89	0.50
Treasuries 30y. - 3-m. T.B.	* 2 Feb 12	2.93	3.04	2.99	2.98	3.12	3.72	3.11	3.70	4.52
<u>EXCHANGE RATE</u>										
Major currencies, traded-weighted	* 2 Feb 12	72.27	72.43	73.32	73.07	71.89	70.93	71.48	69.58	71.86
<b>CANADA</b>										
<u>INTEREST RATES</u>										
Prime Rate	* 2 Feb 12	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00
Target overnight rate	* 2 Feb 12	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
30-day commercial paper	* 2 Feb 12	1.15	1.14	1.16	1.15	1.16	1.16	1.15	1.18	1.16
3-month Treasury Bills	* 2 Feb 12	0.88	0.86	0.83	0.85	0.87	0.91	0.90	0.93	0.95
1-year Treasury Bills	* 2 Feb 12	0.99	0.97	0.98	0.92	0.91	1.11	0.91	1.14	1.33
5-year Bonds	* 2 Feb 12	1.30	1.33	1.36	1.31	1.41	1.94	1.43	1.88	2.62
10-year Bonds	* 2 Feb 12	1.95	2.02	2.01	2.01	2.15	2.65	2.17	2.66	3.38
30-year Bonds	* 2 Feb 12	2.55	2.62	2.57	2.59	2.76	3.18	2.81	3.19	3.79
<u>SPREADS</u>										
Prime - 30d. Commercial paper	* 2 Feb 12	1.85	1.86	1.84	1.85	1.84	1.84	1.85	1.82	1.84
Long Term - Short Term	* 2 Feb 12	1.67	1.76	1.74	1.74	1.90	2.27	1.91	2.26	2.84
<u>CANADA UNITED STATES SPREADS</u>										
3-month T-Bills	* 2 Feb 12	0.80	0.81	0.78	0.82	0.84	0.87	0.89	0.91	0.81
Long Term Bonds	* 2 Feb 12	-0.46	-0.47	-0.47	-0.41	-0.38	-0.58	-0.31	-0.53	-0.87
<u>EXCHANGE RATE</u>										
US\$ /CDN\$ (GTIS)	* 2 Feb 12	1.0008	0.9983	0.9887	0.9808	0.9887	1.0102	0.9928	1.0196	1.0091
Trade-weighted (1990=100) G-10	* 2 Feb 12	112.5	112.4	111.6	110.3	110.8	113.1	110.6	114.6	113.5
<b>STOCK INDICES</b>										
	Reference Thursday	Level	Monthly Growth (%)			Growth Over (%)			Since beginning of year	
			Past	Prev.	Month	Average of the last			Since	
			Month	Month	Before	3 Months	6 Months	1 Year	ref.	prec.
Dow Jones (U.S.)	* 2 Feb 12	12705.4	4.0	1.6	1.5	7.3	7.1	5.5	5.7	6.0
S&P 500 (U.S.)	* 2 Feb 12	1325.5	5.4	1.1	0.5	7.1	5.7	1.6	6.5	6.8
NASDAQ (U.S.)	* 2 Feb 12	2859.7	9.8	-0.8	-0.5	8.3	7.1	4.0	8.9	6.6
S&P/TSX (Can.)	* 2 Feb 12	12553.5	5.0	-1.0	-1.4	2.5	-1.6	-8.2	4.0	3.9

\* Update

(1) Commercial Banks

(2) Not seasonally adjusted

**TABLE 2 - UNITED STATES ECONOMIC INDICATORS**

<b>February 3, 2012</b>										
<b>Growth Rates Unless Otherwise Indicated</b>	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	Dec 2011	0.4	0.2	0.6	1.0	1.0	5.1	2.8	5.1	7.6
Consumer Confidence Index (1985=100)	* Jan 2012	61.1	64.8	55.2	60.4	52.3	57.8	64.8	61.1	64.8
I.S.M. Manufacturing Index (level)	* Jan 2012	54.1	53.1	52.2	53.1	52.7	54.7	59.9	54.1	59.9
- Non-manufacturing (level)	* Jan 2012	59.5	55.9	56.1	57.2	56.3	57.0	62.4	59.5	62.4
<b>DOMESTIC DEMAND</b>										
Sales new autos & light trucks (000,000)	* Jan 2012	14.2	13.6	13.6	13.8	13.3	12.9	12.7	14.2	12.7
Retail Sales	Dec 2011	0.1	0.4	0.7	7.9	5.5	7.7	6.5	7.7	6.4
- Motor vehicle	Dec 2011	1.5	0.9	1.3	22.1	6.1	10.1	8.8	10.1	9.8
- Other	Dec 2011	-0.2	0.3	0.5	5.1	5.4	7.3	6.0	7.3	41.2
Consumer Spending: Total (\$ current)	* Dec 2011	0.0	0.1	0.1	2.8	3.8	4.7	3.9	4.7	3.8
Total (\$ constant)	* Dec 2011	-0.1	0.1	0.1	2.0	1.6	2.2	1.4	2.2	2.0
Personal Income	* Dec 2011	0.5	0.1	0.4	2.6	1.9	4.7	3.8	4.7	3.7
Personal Savings Rate (3)	* Dec 2011	4.0	3.5	3.6	3.7	3.8	4.4	5.2	4.4	5.3
New Orders	* Dec 2011	1.1	2.2	-0.2	6.8	7.6	12.2	11.9	12.2	12.9
- Non-Defence Capital Goods exc. Aircraft	* Dec 2011	3.1	-1.5	-0.9	1.3	9.1	10.1	5.3	10.1	17.2
Unfilled Orders	* Dec 2011	1.4	1.3	0.4	10.0	9.0	6.8	9.6	6.8	-4.3
Business Inventories	Nov 2011	0.3	0.8	0.0	4.3	7.9	9.9	8.5	10.0	0.5
Inventories / Shipments Businesses	Nov 2011	1.27	1.27	1.27	1.27	1.27	1.27	1.28	1.27	1.29
Manufacturers' Shipments	* Dec 2011	0.7	0.2	0.5	4.5	6.5	11.3	8.5	11.3	8.6
Manufacturers' Inventories	* Dec 2011	0.1	0.4	0.9	5.8	7.8	11.6	9.4	11.6	2.2
Inventories / Shipments Manuf.	* Dec 2011	1.33	1.34	1.33	1.33	1.33	1.33	1.32	1.33	1.32
Housing Starts (000) (1)	Dec 2011	657	685	628	657	636	607	526	607	585
New Home Sales	Dec 2011	-2.2	2.3	1.7	19.8	-0.9	-5.7	-7.3	-5.7	-14.1
Existing Home Sales	Dec 2011	4.6	4.0	1.3	26.3	2.2	2.7	4.3	2.7	-4.1
<b>PRODUCTION</b>										
Industrial Production	Dec 2011	0.4	-0.3	0.6	3.1	4.1	4.1	2.9	4.1	5.3
- Consumer Goods	Dec 2011	0.2	-0.8	0.7	1.1	2.0	2.1	0.9	2.1	4.2
- Hitech goods	Dec 2011	0.6	-0.3	-1.6	-6.1	-0.4	7.1	0.8	7.1	13.4
<b>EXTERNAL AND FISCAL BALANCES</b>										
Exports	Nov 2011	-0.9	-0.7	1.4	7.9	8.3	15.0	10.3	15.0	16.9
Imports	Nov 2011	1.3	-1.0	0.6	1.1	7.2	14.1	12.7	14.3	20.2
Merch. Trade Balance (\$ billions)	Nov 2011	-47.8	-43.3	-44.2	-45.1	-46.5	-46.1	-38.8	-46.6	-41.8
Real merchandise trade balance	Nov 2011	-47.5	-44.0	-45.9	-45.8	-46.6	-47.4	-46.4	-47.4	-46.4
Federal budget balance last 12 months (2)	Dec 2011	-1249.6	-1241.7	-1254.8				-1275.1	-1249.6	-1275.1
<b>INFLATION AND COSTS</b>										
Consumer Prices	Nov 2011	0.0	0.0	-0.1	0.9	2.8	3.1	3.0	3.1	1.6
- Excluding Food and Energy	Dec 2011	0.1	0.2	0.1	1.7	2.4	1.7	2.2	1.7	1.0
PCE Deflator exc. Food and Energy	* Dec 2011	0.2	0.1	0.1	1.1	1.9	1.4	1.8	1.4	1.4
Industrial Prices, Finished Goods	Dec 2011	-0.1	0.3	-0.3	1.5	3.1	6.0	4.8	6.0	4.2
Average Hourly Earnings (4)	* Jan 2012						2.0	1.5	1.5	2.2
Industrial Capacity Utilization Rate	Dec 2011	78.1	77.8	78.1	78.0	77.8	77.3	76.8	77.3	74.5
Median Price, Single-Family Homes (5)	Dec 2011	0.7	1.8	-2.6	-13.5	3.1	-4.4	-2.5	-4.4	0.1
<b>LABOUR MARKET</b>										
New Jobs (000) (6)	* Jan 2012	243	203	157	201	167	163	1953	243	110
- Manufacturing (000)	* Jan 2012	50	32	3	28	16	20	235	50	52
- Services (000)	* Jan 2012	162	132	149	148	135	126	1508	162	74
Average weekly hours (6)	* Jan 2012	0.6	0.2	0.2	3.7	2.1	2.7	3.5	3.5	1.5
Civilian Unemployment Rate (7)	* Jan 2012	8.3	8.5	8.7	8.5	8.8	8.9	9.1	8.3	9.1
<b>NATIONAL ACCOUNTS AND OTHER</b>										
<b>Annualized Growth Rates</b>										
<b>QUARTERLY INDICATORS</b>										
		<b>Q4 2011</b>	<b>Q3 2011</b>	<b>Q2 2011</b>	<b>Q1 2011</b>	<b>Q4 2010</b>	<b>Q3 2010</b>	<b>2011</b>	<b>2010</b>	<b>2009</b>
GDP Chained 2005 dollars		2.8	1.8	1.3	0.4	2.3	2.5	1.7	3.0	-3.5
Consumption		2.0	1.7	0.7	2.1	3.6	2.6	2.2	2.0	-1.9
Residential Construction		10.9	1.2	4.2	-2.5	2.5	-27.7	-1.4	-4.3	-22.3
Business Investment		1.7	15.7	10.3	2.1	8.7	11.3	8.6	4.4	-17.8
- Machinery and Equipment		5.2	16.2	6.3	8.7	8.0	14.2	10.3	14.6	-16.0
Government Spending		-4.6	-0.1	-0.9	-5.9	-2.8	1.0	-2.1	0.7	1.7
Exports		4.6	4.7	3.6	7.9	7.8	10.0	6.8	11.3	-9.4
Imports		4.4	1.2	1.4	8.3	-2.3	12.3	5.0	12.5	-13.6
Change in Inventories (1) (2)		56.0	-2.0	39.1	49.1	38.3	92.3	35.5	58.8	-144.9
GDP Deflator		0.4	2.6	2.6	2.7	1.8	1.3	2.1	1.1	1.0
Personal Disposable Income		0.8	-1.9	-0.5	1.2	1.5	2.3	0.9	1.8	-2.3
		<b>Q4 2011</b>	<b>Q3 2011</b>	<b>Q2 2011</b>	<b>Q1 2011</b>	<b>Q4 2010</b>	<b>Q3 2010</b>	<b>2011</b>	<b>2010</b>	<b>2009</b>
Labour Productivity (4)	*	0.7	1.9	-0.1	-0.6	2.2	2.1	0.8	4.1	2.3
Unit Labor Costs (4)	*	1.2	-2.1	-0.1	6.2	-1.6	-0.2	1.1	-2.0	-0.6
		<b>Q3 2011</b>	<b>Q2 2011</b>	<b>Q1 2011</b>	<b>Q4 2010</b>	<b>Q3 2010</b>	<b>Q2 2010</b>	<b>2010</b>	<b>2009</b>	<b>2008</b>
Current Account (current \$)		-441.1	-498.9	-478.4	-448.7	-480.5	-481.2	-470.9	-376.6	-677.1
as a % of GDP		-2.9	-3.3	-3.2	-3.0	-3.3	-3.3	-3.2	-2.7	-4.7
		<b>Q3 2011</b>	<b>Q2 2011</b>	<b>Q1 2011</b>	<b>Q4 2010</b>	<b>Q3 2010</b>	<b>Q2 2010</b>	<b>2010</b>	<b>2009</b>	<b>2008</b>
Corporate Profits (8)		6.9	13.7	4.2	5.4	11.0	15.1	32.2	9.1	-17.4
as a % of GDP		13.0	12.9	12.6	12.6	12.6	12.3	12.4	12.9	12.6

\* Update

(1) Annual Rate	(5) Existing Homes Sold
(2) \$ Billions	(6) Non-Farm Payroll Survey
(3) Personal Savings as a % of Personal Disposable Income	(7) Household Survey
(4) Nonfarm Business	(8) Current \$ and before taxes

**TABLE 3 - CANADIAN ECONOMIC INDICATORS**

<b>February 3, 2012</b>										
<b>Growth Rates Unless Otherwise Indicated</b>	Reference Period	Monthly Growth (%)			Annualized Growth (%)			Since 12 Mos.	Cumulated since beginning of year	
		Past	Prev. Month	Month	Average of the last				ref.	prec.
		Month	Month	Before	3 Mos.	6 Mos.	12 Mos.			
Index of Leading Indicators (Stat. Can.)	Dec 2011	0.8	0.9	0.4	6.1	4.5	6.3	6.4	6.3	9.4
<b>DOMESTIC DEMAND</b>										
New motor vehicle sales (000)	Nov 2011	137.6	139.0	135.3	137.3	136.6	134.6	1614.7	1486.5	1456.3
Retail Sales (\$ current)	Nov 2011	0.3	0.9	1.0	8.1	4.3	3.7	3.1	3.6	5.6
- Motor vehicle and parts dealers	Nov 2011	0.3	2.0	3.3	19.9	9.7	4.7	3.4	4.6	8.1
- Other	Nov 2011	0.3	0.6	0.4	5.0	2.8	3.5	3.0	3.3	28.2
Retail Sales (\$ constant)	Nov 2011	0.5	0.5	0.6	3.8	2.6	1.8	0.7	1.6	5.1
Manufacturer's Shipments (\$ current)	Nov 2011	2.0	-0.6	2.2	19.5	6.9	7.7	10.2	7.7	9.0
New Orders	Nov 2011	3.6	-3.9	4.3	16.0	7.3	9.4	11.9	9.9	13.2
- Durables	Nov 2011	5.9	-6.2	6.6	14.0	8.2	11.4	15.9	12.3	20.5
Unfilled Orders	Nov 2011	1.2	-0.1	2.7	17.5	24.7	9.0	19.6	9.9	-9.7
Manufacturer's Inventories	Nov 2011	0.4	1.5	0.2	7.4	8.2	6.9	8.5	7.3	-5.7
Inventories / Shipments Ratio	Nov 2011	1.31	1.33	1.30	1.31	1.33	1.33	1.33	1.33	1.34
Manufacturer's Shipments (\$ constant)	Nov 2011	1.7	-0.7	1.4	13.9	3.4	3.8	6.9	3.7	9.1
Housing Starts (000) (1)	Dec 2011	199.9	185.7	211.7	199.1	201.8	193.2	165.8	193.2	191.3
Number of existing homes sold (MLS)	Dec 2011	1.8	0.6	1.3	15.6	4.6	2.2	8.4	2.2	-3.9
<b>PRODUCTION</b>										
Real Domestic Product	* Nov 2011	-0.1	0.0	0.2	2.7	1.7	2.8	2.0	2.7	3.3
- Manufacturing	* Nov 2011	0.6	0.5	0.4	4.5	1.1	2.3	3.3	2.1	5.2
- Construction	* Nov 2011	-0.3	-0.4	0.3	1.1	3.2	4.8	2.6	4.5	8.1
Services	* Nov 2011	0.1	0.1	0.1	1.7	1.6	2.2	1.7	2.2	2.5
<b>EXTERNAL, FISCAL AND EXCHANGE BALANCES</b>										
Exports	Nov 2011	3.2	-2.0	4.3	25.9	7.6	13.2	15.1	13.0	9.1
Imports	Nov 2011	-0.8	2.2	-0.2	8.8	9.5	10.0	11.6	10.2	10.9
- Capital Goods	Nov 2011	-1.1	5.0	-2.7	2.9	10.5	9.8	9.3	9.5	28.0
Merch. Trade Balance (\$ millions)	Nov 2011	1,074	-488	1,118	568	-131	34	-134	-135	-990
Change in Official Reserves	Nov 2011	312	1,710	-775	416	290	764	9,169	8,589	8,857
Level (US\$): \$65.7 billion									Fiscal year	
Fed. budget balance last 12 months (\$ billions)	Nov 2011	-25.8	-28.3	-30.2				-35.0	-17.3	-26.0
<b>INFLATION AND COSTS</b>										
Consumer Prices	Dec 2011	-0.6	0.1	0.2	1.1	2.1	2.9	2.3	2.9	1.8
- Excluding Food and Energy	Dec 2011	-0.6	0.1	0.1	2.1	1.6	1.6	1.3	1.6	1.3
- Core inflation (4)	Dec 2011	-0.5	0.1	0.3	2.5	2.3	1.7	1.9	1.7	1.7
Average Hourly Earnings (2)	* Jan 2012						2.0	2.0	2.0	2.6
Price of New Housing including land	Nov 2011	0.3	0.2	0.2	2.0	2.6	2.2	2.5	2.2	2.2
Avg. Price of Existing Homes Sold (MLS)	Dec 2011	-0.9	-0.2	0.3	-1.1	-2.2	7.2	2.1	7.2	6.9
Industrial Prices (1992=100)	* Dec 2011	-0.7	0.3	-0.2	1.2	1.6	4.6	2.8	4.6	1.0
<b>LABOUR MARKET</b>										
Labour Force	* Jan 2012	0.1	0.1	0.1	0.8	0.5	0.9	0.6	0.6	1.5
Job creation (000)	* Jan 2012	2.3	21.7	-5.5	6.2	2.8	10.8	129.1	2.3	63.2
- Manufacturing	* Jan 2012	10.1	26.0	-1.1	11.7	-5.1	-3.7	-43.9	10.1	5.4
- Services	* Jan 2012	-7.0	7.1	-32.7	-10.9	8.6	11.4	136.8	-7.0	39.3
- Full Time	* Jan 2012	-3.6	-21.6	51.6	8.8	4.0	14.2	170.5	-3.6	30.9
- Part Time	* Jan 2012	5.9	43.3	-57.1	-2.6	-1.2	-3.5	-41.4	5.9	32.3
Unemployment Rate	* Jan 2012	7.6	7.5	7.5	7.5	7.4	7.5	7.7	7.6	7.7
<b>NATIONAL ACCOUNTS AND OTHER</b>										
<b>Annualized Growth Rates</b>										
<b>QUARTERLY INDICATORS</b>	<b>Q3 2011</b>	<b>Q2 2011</b>	<b>Q1 2011</b>	<b>Q4 2010</b>	<b>Q3 2010</b>	<b>Q2 2010</b>	<b>2010</b>	<b>2009</b>	<b>2008</b>	
GDP Chained (2002) \$	3.5	-0.5	3.5	3.1	2.5	2.3	3.2	-2.8	0.7	
Consumption	1.2	2.1	-0.1	4.4	2.8	1.4	3.3	0.4	3.0	
Business Investments	-3.6	14.6	12.3	13.5	23.5	17.9	7.3	-20.8	3.7	
-Machinery and Equipment	-11.0	32.7	14.5	5.0	30.5	29.4	11.8	-19.5	-0.5	
Residential Construction	10.9	1.6	6.7	-0.9	-5.1	-0.4	10.2	-8.0	-3.2	
Government Expenditures	0.9	1.1	-1.2	2.7	0.5	3.3	2.4	3.6	4.4	
Final Domestic Demand	0.9	3.1	1.5	4.8	4.3	3.9	4.5	-2.1	3.0	
Exports	14.4	-6.4	6.2	8.8	-1.2	11.9	6.4	-13.8	-4.7	
Imports	-3.2	13.6	8.4	-0.5	8.4	21.8	13.1	13.1	-13.4	
Change in Inventories (1)	10.3	20.8	9.9	0.2	15.6	13.3	8.9	-0.5	9.7	
Real Disposable Income	-1.2	1.0	-0.3	5.0	-7.6	16.4	3.5	0.9	4.1	
Personal savings Rate	3.5	4.1	4.3	4.4	4.3	6.8	4.8	4.6	3.9	
GDP Price Deflator	1.3	2.6	3.9	6.0	1.3	0.3	2.9	-1.9	4.1	
Corporate Profits (nominal)	18.1	-7.8	20.5	43.0	10.6	-14.4	21.2	-33.1	11.0	
as a % of GDP	12.0	11.7	12.0	11.7	10.9	10.7	11.1	9.8	13.9	
Indust. Capacity Utilization Rate	81.3	79.9	80.2	77.8	77.5	76.8	76.8	71.7	77.8	
Labour Productivity, Business Sector	1.5	-3.7	1.1	0.4	3.1	-2.6	1.5	0.0	-0.8	
Unit Labour Cost, Business Sector	-1.9	4.2	2.6	2.6	2.3	3.3	0.8	1.9	3.9	
	<b>Q3 2011</b>	<b>Q2 2011</b>	<b>Q1 2011</b>	<b>Q4 2010</b>	<b>Q3 2010</b>	<b>Q2 2010</b>	<b>2010</b>	<b>2009</b>	<b>2008</b>	
Current Account (current \$) (1)	-48.5	-64.5	-41.3	-41.1	-71.5	-56.0	0.0	-50.9	-45.2	
as a % of GDP	-2.8	-3.8	-2.4	-2.5	-4.4	-3.5	0.0	-3.1	-3.0	
<p>* Update</p> <p>(1) Annual Rate, \$ billions</p> <p>(2) Not Seasonally Adjusted</p> <p>(3) Current and before taxes</p> <p>(4) C.P.I. excluding the 8 most volatile components and the effect of indirect taxes</p>										

<b>Economic and Strategy Team</b>										
<b>TABLE 4 - PROVINCIAL ECONOMIC INDICATORS</b>										
<b>February 3, 2012</b>										
<b>Growth Rates Unless Otherwise Indicated</b>	Reference Period	<b>Monthly Growth (%)</b>			<b>Annualized Growth (%)</b>			Since 12 Mos.	<b>Cumulated since beginning of year</b>	
		Past Month	Prev. Month	Month Before	Average of the last				ref.	prec.
					3 Mos.	6 Mos.	12 Mos.			
<b>QUEBEC</b>										
<u>DOMESTIC DEMAND AND REVENUE</u>										
Retail Sales	Nov 2011	0.7	0.7	0.8	5.8	2.7	2.3	1.8	1.9	6.2
Manufacturing Shipments	Nov 2011	0.0	0.3	2.0	10.8	2.6	4.6	4.8	4.9	5.0
Housing Starts (000) (2)	Dec 2011	50.3	47.2	45.6	47.7	49.1	48.2	46.1	48.2	51.0
Number of existing homes sold (MLS)	Dec 2011	4.0	1.8	3.4	28.9	8.5	-3.5	10.0	-3.5	1.2
Wages and Salaries	Sept 2011	-0.2	0.0	1.0	2.3	2.0	4.4	2.8	4.2	4.0
Value of merchandise exports (1)	Nov 2011						7.6	6.5	7.4	1.9
<u>PRICES</u>										
Consumer Price Index (1)	Dec 2011	-0.5	0.3	0.3	1.7	1.6	3.0	2.5	3.0	1.3
Average Hourly Earnings (1)	* Jan 2012						1.6	2.0	2.0	2.6
Price of New Housing inc. Land (1)	Nov 2011	0.4	0.1	0.0	1.4	1.7	2.7	1.8	2.6	3.1
Avg. Price of Existing Homes Sold (MLS)	Dec 2011	1.8	0.3	0.2	9.0	3.0	4.3	3.4	4.3	7.6
<u>LABOR MARKET</u>										
Job creation (000)	* Jan 2012	9.5	-23.0	-23.7	-12.4	-9.1	-3.8	-45.1	9.5	-1.3
Unemployment rate	* Jan 2012	8.4	8.7	8.0	8.4	8.0	7.8	7.8	8.4	7.8
Participation rate	* Jan 2012	64.7	64.7	64.7	64.7	64.9	65.1	65.7	64.7	65.7
<b>ONTARIO</b>										
<u>DOMESTIC DEMAND AND REVENUE</u>										
Retail Sales	Nov 2011	-0.1	-0.3	0.8	3.4	2.4	3.4	0.8	3.2	5.3
Manufacturing Shipments	Nov 2011	2.0	0.0	0.3	17.4	8.1	5.7	9.7	5.7	11.6
Housing Starts (000) (2)	Dec 2011	71.5	54.0	75.7	67.1	68.7	67.7	45.1	67.7	60.8
Number of existing homes sold (MLS)	Dec 2011	1.7	0.1	-0.2	11.7	9.3	2.4	9.5	2.4	-0.1
Wages and Salaries	Sept 2011	0.5	-0.2	0.3	1.5	1.9	4.4	2.5	4.1	4.0
Value of merchandise exports (1)	Nov 2011						7.9	5.2	6.7	15.7
<u>PRICES</u>										
Consumer Price Index (1)	Dec 2011	-0.6	0.0	-0.1	0.1	2.3	3.1	2.0	3.1	2.4
Average Hourly Earnings (1)	* Jan 2012						2.0	1.0	1.0	2.9
Price of New Housing inc. Land (1)	Nov 2011	0.7	0.4	0.2	3.8	5.1	3.4	4.7	3.5	2.4
Avg. Price of Existing Homes Sold (MLS)	Dec 2011	-1.6	0.6	0.7	1.9	3.0	7.1	4.7	7.1	8.4
<u>LABOR MARKET</u>										
Job creation (000)	* Jan 2012	-7.5	17.9	16.3	8.9	0.1	3.7	44.4	-7.5	32.6
Unemployment rate	* Jan 2012	8.1	7.7	7.9	7.9	7.8	7.8	8.1	8.1	8.1
Participation rate	* Jan 2012	66.7	66.6	66.6	66.6	66.7	66.8	67.2	66.7	67.2
<b>NEWFOUNDLAND &amp; LABRADOR</b>										
<u>DOMESTIC DEMAND AND REVENUE</u>										
Retail Sales	Nov 2011	-0.7	-0.6	2.2	7.9	3.0	5.1	4.2	5.1	4.6
Manufacturing Shipments	Nov 2011	20.8	-0.5	37.5	1147.1	-17.5	9.1	17.7	6.7	16.3
Housing Starts (000) (2)	Dec 2011	3.0	3.9	3.2	3.4	3.4	3.5	3.2	3.5	4.1
Number of existing homes sold (MLS)	Dec 2011	1.0	4.1	12.2	45.9	18.0	5.7	36.1	5.7	-4.1
Wages and Salaries	Sept 2011	0.5	0.4	0.3	2.0	6.2	7.5	7.0	7.7	5.6
Value of merchandise exports (1)	Nov 2011						38.5	72.6	37.4	2.9
<u>PRICES</u>										
Consumer Price Index (1)	Dec 2011	-0.8	0.7	-0.2	1.1	2.6	3.4	3.2	3.4	2.4
Average Hourly Earnings (1)	* Jan 2012						5.4	11.4	11.4	4.2
Price of New Housing inc. Land (1)	Nov 2011	0.0	0.0	0.0	-0.2	-0.5	4.7	-0.1	4.4	5.8
Avg. Price of Existing Homes Sold (MLS)	Dec 2011	-2.8	-0.1	-3.5	2.4	7.4	6.7	0.6	6.7	14.6
<u>LABOR MARKET</u>										
Job creation (000)	* Jan 2012	-0.3	2.7	0.0	0.8	0.4	-0.1	-1.1	-0.3	5.1
Unemployment	* Jan 2012	13.5	12.7	13.3	13.2	13.3	12.7	12.2	13.5	12.2
Participation rate	* Jan 2012	61.3	60.8	60.4	60.8	60.4	60.3	60.5	61.3	60.5
<b>PRINCE EDWARD ISLAND</b>										
<u>DOMESTIC DEMAND AND REVENUE</u>										
Retail Sales	Nov 2011	-0.3	1.2	1.8	10.8	10.4	5.3	8.6	5.8	5.8
Manufacturing Shipments	Nov 2011	18.4	-9.3	-0.7	12.0	3.0	-0.1	9.9	-0.7	-9.5
Housing Starts (000) (2)	Dec 2011	0.8	1.5	1.0	1.1	1.2	1.0	1.1	1.0	0.8
Number of existing homes sold (MLS)	Dec 2011	-8.0	17.1	-15.2	-5.1	2.7	2.3	-8.0	2.3	5.9
Wages and Salaries	Sept 2011	0.6	1.4	-0.8	1.5	2.6	4.2	4.6	4.0	2.6
Value of merchandise exports (1)	Nov 2011						2.5	24.7	2.6	-9.7
<u>PRICES</u>										
Consumer Price Index (1)	Dec 2011	-0.5	0.1	0.2	0.4	2.3	2.9	2.9	2.9	1.8
Average Hourly Earnings (1)	* Jan 2012						2.8	4.0	4.0	3.8
Price of New Housing inc. Land (1)	Nov 2011	0.0	0.3	-0.2	1.7	4.1	1.3	3.5	1.6	-1.5
Avg. Price of Existing Homes Sold (MLS)	Dec 2011	-1.8	-1.1	-15.5	-54.9	5.5	0.4	-8.1	0.4	1.1
<u>LABOR MARKET</u>										
Job creation (000)	* Jan 2012	-1.0	0.7	0.8	0.2	0.1	0.1	1.7	-1.0	0.8
Unemployment	* Jan 2012	12.2	11.2	11.2	11.5	11.4	11.5	11.3	12.2	11.3
Participation rate	* Jan 2012	68.8	69.1	68.4	68.7	68.5	68.3	67.3	68.8	67.3

<b>Economic and Strategy Team</b>										
<b>TABLE 4 - PROVINCIAL ECONOMIC INDICATORS (Continues from page A4)</b>										
<b>February 3, 2012</b>										
<b>Growth Rates Unless Otherwise Indicated</b>	Reference Period	<b>Monthly Growth (%)</b>			<b>Annualized Growth (%)</b>			Since 12 Mos.	<b>Cumulated since beginning of year</b>	
		Past Month	Prev. Month	Month Before	Average of the last 3 Mos.	6 Mos.	12 Mos.		ref.	prec.
<b>NOVA SCOTIA</b>										
<b>DOMESTIC DEMAND AND REVENUE</b>										
Retail Sales	Nov 2011	-1.0	-0.5	2.0	0.0	6.0	3.0	2.6	3.1	4.8
Manufacturing Shipments	Nov 2011	0.7	4.4	-1.5	-4.6	-4.6	12.4	2.5	11.5	10.0
Housing Starts (000) (2)	Dec 2011	8.5	2.8	3.1	4.8	5.1	4.7	2.8	4.7	4.4
Number of existing homes sold (MLS)	Dec 2011	-12.9	22.5	-3.0	40.1	15.5	2.8	8.5	2.8	0.2
Wages and Salaries	Sept 2011	0.4	0.2	-0.3	0.7	1.7	4.2	1.8	3.6	4.6
Value of merchandise exports (1)	Nov 2011						3.7	-16.5	4.6	1.4
<b>PRICES</b>										
Consumer Price Index (1)	Dec 2011	-1.0	0.1	0.1	0.9	2.3	3.8	2.8	3.8	2.2
Average Hourly Earnings (1)	* Jan 2012						1.6	3.0	3.0	2.3
Price of New Housing inc. Land (1)	Nov 2011	0.0	0.0	0.7	3.1	1.0	1.7	1.2	1.7	0.9
Avg. Price of Existing Homes Sold (MLS)	Dec 2011	-0.7	10.8	0.3	27.4	3.2	2.9	4.2	2.9	4.9
<b>LABOR MARKET</b>										
Job creation (000)	* Jan 2012	-0.9	4.0	4.6	2.6	1.0	0.4	4.3	-0.9	6.1
Unemployment	* Jan 2012	8.4	7.8	8.6	8.3	8.4	8.7	9.4	8.4	9.4
Participation rate	* Jan 2012	64.0	63.8	63.8	63.9	63.7	63.7	64.2	64.0	64.2
<b>NEW BRUNSWICK</b>										
<b>DOMESTIC DEMAND AND REVENUE</b>										
Retail Sales	Nov 2011	-0.3	0.7	1.7	7.6	5.4	4.5	4.7	4.8	5.3
Manufacturing Shipments	Nov 2011	-4.0	-6.4	15.4	52.5	8.1	17.2	23.3	17.0	21.4
Housing Starts (000) (2)	Dec 2011	3.7	3.5	3.7	3.6	4.1	3.2	3.0	3.2	4.5
Number of existing homes sold (MLS)	Dec 2011	-3.4	-0.2	-1.1	20.4	-11.7	-1.6	5.3	-1.6	-4.3
Wages and Salaries	Sept 2011	0.4	0.2	0.4	2.8	3.0	4.1	3.5	4.1	4.0
Value of merchandise exports (1)	Nov 2011						21.0	20.0	19.5	27.3
<b>PRICES</b>										
Consumer Price Index (1)	Dec 2011	-0.7	0.4	-0.1	0.7	2.6	3.5	3.3	3.5	2.1
Average Hourly Earnings (1)	* Jan 2012						2.1	1.1	1.1	3.3
Price of New Housing inc. Land (1)	Nov 2011	0.0	0.0	-0.3	0.6	0.8	0.7	0.3	0.7	1.5
Avg. Price of Existing Homes Sold (MLS)	Dec 2011	2.7	-1.1	1.4	5.5	4.3	2.2	7.2	2.2	1.7
<b>LABOR MARKET</b>										
Job creation (000)	* Jan 2012	0.7	2.1	-0.9	0.6	1.1	0.2	1.9	0.7	-0.1
Unemployment	* Jan 2012	9.5	9.4	9.8	9.6	9.4	9.6	9.2	9.5	9.2
Participation rate	* Jan 2012	63.3	63.1	63.0	63.1	62.9	62.9	62.9	63.3	62.9
<b>MANITOBA</b>										
<b>DOMESTIC DEMAND AND REVENUE</b>										
Retail Sales	Nov 2011	0.4	1.1	0.6	6.8	5.1	4.4	4.7	4.4	5.8
Manufacturing Shipments	Nov 2011	4.2	-1.9	0.1	-9.6	0.8	7.4	1.9	6.6	-3.1
Housing Starts (000) (2)	Dec 2011	4.9	7.5	8.4	6.9	6.7	5.9	6.6	5.9	6.1
Number of existing homes sold (MLS)	Dec 2011	8.4	-3.5	4.2	34.9	13.1	5.9	12.5	5.9	0.6
Wages and Salaries	Sept 2011	0.3	0.8	0.0	3.0	4.7	4.6	4.9	4.8	3.2
Value of merchandise exports (1)	Nov 2011						27.3	37.4	28.2	-4.8
<b>PRICES</b>										
Consumer Price Index (1)	Dec 2011	-0.8	0.3	0.2	2.2	1.5	2.9	2.6	2.9	0.8
Average Hourly Earnings (1)	* Jan 2012						2.1	-0.2	-0.2	5.1
Price of New Housing inc. Land (1)	Nov 2011	0.2	0.1	1.4	7.1	4.8	4.9	5.8	4.8	4.7
Avg. Price of Existing Homes Sold (MLS)	Dec 2011	7.3	4.0	-0.1	21.3	8.6	5.5	10.1	5.5	10.3
<b>LABOR MARKET</b>										
Job creation (000)	* Jan 2012	0.3	1.8	-1.3	0.3	0.8	0.1	1.7	0.3	4.5
Unemployment	* Jan 2012	5.4	5.4	5.5	5.4	5.4	5.4	5.0	5.4	5.0
Participation rate	* Jan 2012	69.1	69.2	69.1	69.1	69.1	69.2	69.4	69.1	69.4
<b>SASKATCHEWAN</b>										
<b>DOMESTIC DEMAND AND REVENUE</b>										
Retail Sales	Nov 2011	1.3	2.6	2.0	19.3	12.3	8.0	11.3	8.4	3.1
Manufacturing Shipments	Nov 2011	2.2	1.6	3.4	32.2	27.7	15.5	21.5	16.1	-5.0
Housing Starts (000) (2)	Dec 2011	5.9	7.2	8.7	7.3	7.4	7.2	7.4	7.2	6.1
Number of existing homes sold (MLS)	Dec 2011	5.7	-1.6	3.7	35.7	22.6	10.3	25.0	10.3	-1.9
Wages and Salaries	Sept 2011	0.9	1.5	0.4	8.3	4.6	7.1	7.4	6.9	6.0
Value of merchandise exports (1)	Nov 2011						25.8	44.9	27.1	7.6
<b>PRICES</b>										
Consumer Price Index (1)	Dec 2011	-0.8	0.3	0.0	2.1	2.2	2.8	2.5	2.8	1.3
Average Hourly Earnings (1)	* Jan 2012						2.9	3.3	3.3	1.9
Price of New Housing inc. Land (1)	Nov 2011	0.8	-0.1	0.2	2.8	2.8	3.0	3.1	2.8	3.9
Avg. Price of Existing Homes Sold (MLS)	Dec 2011	6.3	-6.0	4.6	11.5	7.6	6.6	8.9	6.6	4.0
<b>LABOR MARKET</b>										
Job creation (000)	* Jan 2012	1.8	3.7	-4.2	0.4	0.5	0.3	3.2	1.8	1.9
Unemployment	* Jan 2012	5.0	5.2	5.1	5.1	4.8	4.9	5.3	5.0	5.3
Participation rate	* Jan 2012	69.2	69.3	68.8	69.1	68.9	69.1	69.9	69.2	69.9

<b>Economic and Strategy Team</b>										
<b>TABLE 4 - PROVINCIAL ECONOMIC INDICATORS (Continues from page A5)</b>										
<b>February 3, 2012</b>										
<b>Growth Rates Unless Otherwise Indicated</b>	<b>Reference Period</b>	<b>Monthly Growth (%)</b>			<b>Annualized Growth (%)</b>			<b>Since 12 Mos.</b>	<b>Cumulated since beginning of year</b>	
		<b>Past Month</b>	<b>Prev. Month</b>	<b>Month Before</b>	<b>Average of the last</b>				<b>ref.</b>	<b>prec.</b>
					<b>3 Mos.</b>	<b>6 Mos.</b>	<b>12 Mos.</b>			
<b>ALBERTA</b>										
<u>DOMESTIC DEMAND AND REVENUE</u>										
Retail Sales	Nov 2011	1.0	3.1	1.8	22.7	8.2	7.1	8.3	7.0	5.8
Manufacturing Shipments	Nov 2011	5.9	-3.7	5.8	34.6	16.1	17.9	23.0	17.9	10.7
Housing Starts (000) (2)	Dec 2011	28.3	29.9	33.0	30.4	28.7	25.5	20.6	25.5	26.9
Number of existing homes sold (MLS)	Dec 2011	2.0	-1.2	2.6	-0.7	4.1	6.9	4.9	6.9	-13.6
Wages and Salaries	Sept 2011	0.4	1.4	0.4	4.8	8.3	8.3	8.0	8.2	4.4
Value of merchandise exports (1)	Nov 2011						16.0	26.0	16.5	12.6
<u>PRICES</u>										
Consumer Price Index (1)	Dec 2011	-0.1	-0.5	1.0	2.5	2.3	2.4	2.9	2.4	1.0
Average Hourly Earnings (1)	* Jan 2012						1.9	3.5	3.5	0.8
Price of New Housing inc. Land (1)	Nov 2011	-0.1	0.3	0.0	0.4	0.3	0.4	0.4	0.4	0.5
Avg. Price of Existing Homes Sold (MLS)	Dec 2011	-0.3	-0.3	-1.2	2.3	3.1	1.0	1.8	1.0	3.5
<u>LABOR MARKET</u>										
Job creation (000)	* Jan 2012	1.9	1.0	7.7	3.5	5.1	6.6	79.5	1.9	21.7
Unemployment	* Jan 2012	4.9	4.9	5.0	4.9	5.1	5.4	5.9	4.9	5.9
Participation rate	* Jan 2012	74.1	74.0	74.2	74.1	74.1	73.8	73.2	74.1	73.2
<b>BRITISH COLUMBIA</b>										
<u>DOMESTIC DEMAND AND REVENUE</u>										
Retail Sales	Nov 2011	0.3	2.1	0.5	9.8	5.0	1.9	2.8	2.1	5.8
Manufacturing Shipments	Nov 2011	0.9	-0.4	-0.5	4.9	2.6	7.5	5.9	7.0	8.0
Housing Starts (000) (2)	Dec 2011	23.0	28.2	29.3	26.8	27.5	26.4	29.9	26.4	26.7
Number of existing homes sold (MLS)	Dec 2011	0.9	-0.2	1.6	14.1	-13.5	2.8	2.5	2.8	-12.2
Wages and Salaries	Sept 2011	0.5	0.5	-0.2	2.6	3.9	5.1	4.6	5.0	3.7
Value of merchandise exports (1)	Nov 2011						15.5	18.0	14.7	14.3
<u>PRICES</u>										
Consumer Price Index (1)	Dec 2011	-0.9	0.1	0.1	0.7	1.8	2.3	1.7	2.3	1.4
Average Hourly Earnings (1)	* Jan 2012						1.8	2.7	2.7	2.3
Price of New Housing inc. Land (1)	Nov 2011	-0.3	-0.1	0.0	-1.5	0.0	-0.4	-0.3	-0.4	2.8
Avg. Price of Existing Homes Sold (MLS)	Dec 2011	-2.2	-1.1	0.6	-11.5	-9.7	11.0	-1.7	11.0	10.4
<u>LABOR MARKET</u>										
Job creation (000)	* Jan 2012	-2.2	10.6	-4.6	1.3	2.9	3.2	38.4	-2.2	-8.0
Unemployment	* Jan 2012	6.9	7.0	7.1	7.0	7.0	7.4	8.1	6.9	8.1
Participation rate	* Jan 2012	64.8	65.0	64.8	64.9	64.9	65.0	65.2	64.8	65.2

<b>Economic and Strategy Team</b>										
<b>TABLE 5 - INTERNATIONAL ECONOMIC INDICATORS</b>										
<b>February 3, 2012</b>										
<b>Growth Rates Unless Otherwise Indicated</b>	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.			
OECD leading index	Nov 2011	-0.1	-0.2	-0.4	-4.2	-4.0	-0.2	-2.4	-0.3	7.1
<b>JAPAN</b>										
Consumer confidence - percentage (1)	Dec 2011	38.1	37.5	38.6	38.1	38.0	37.7	40.1	37.7	41.4
Retail Sales (1)	Dec 2011						-1.2	2.5	-1.2	2.5
Industrial Production, Volume Index	* Dec 2011	4.0	-2.7	2.2	-1.4	3.9	-3.4	-2.7	-3.4	16.6
Exports	Dec 2011	0.2	-2.4	-4.0	-17.0	-2.5	-2.7	-7.7	-2.7	24.6
Imports	Dec 2011	0.7	-1.6	2.9	5.2	8.7	12.2	10.2	12.2	18.0
Merchandise trade bal. (Billions of ¥)	Nov 2011	-3,753	-5,269	910	-2,704	-1,698	-559	4,772	-13,672	72,396
Current account (Billions of ¥)	Nov 2011	480	519	1,211	737	774	867	1,270	8,865	15,622
Inflation (CPI)	Dec 2011	0.1	-0.1	0.0	-0.7	-0.3	-0.3	-0.2	-0.3	-0.7
Job offers to applicants ratio	* Dec 2011	0.71	0.69	0.67	0.69	0.67	0.65	0.58	0.65	0.52
Unemployment Rate	* Dec 2011	4.6	4.5	4.5	4.5	4.5	4.6	4.9	4.6	5.1
		<b>Q3 2011</b>	<b>Q2 2011</b>	<b>Q1 2011</b>	<b>Q4 2010</b>	<b>Q3 2010</b>	<b>Q2 2010</b>	<b>2010</b>	<b>2009</b>	<b>2008</b>
Gross Domestic Product (Constant Yen)		5.6	-2.0	-6.6	0.1	2.0	4.6	4.5	-5.5	-1.1
<b>Euro-zone</b>										
Volume Retail Sales	* Dec 2011	-0.4	-0.4	0.1	-2.6	-1.2	-0.5	-1.2	-0.5	0.7
Industrial Production	Nov 2011	-0.1	-0.2	-2.0	-4.6	0.1	4.5	-0.2	4.1	7.2
Exports	Nov 2011	3.9	-2.0	-1.2	10.0	4.3	14.1	12.0	13.7	19.6
Imports	Nov 2011	0.0	-0.6	-3.7	-5.7	0.3	15.0	4.9	14.4	20.8
Merch. Trade Bal. (Millions of euros)	Nov 2011	6,148	499	2,489	3,045	584	-781	-2,513	-11,312	-1,627
Inflation (CPI)	* Jan 2012	-0.8	0.3	0.1	2.2	2.0	2.7	2.7	2.7	2.3
Unemployment Rate	* Dec 2011	10.4	10.4	10.3	10.4	10.3	10.1	10.0	10.1	10.1
		<b>Q3 2011</b>	<b>Q2 2011</b>	<b>Q1 2011</b>	<b>Q4 2010</b>	<b>Q3 2010</b>	<b>Q2 2010</b>	<b>2011</b>	<b>2010</b>	<b>2009</b>
Gross Domestic Product (Constant Euro)		0.5	0.6	3.1	1.1	1.7	3.6	1.5	1.9	-4.3
<b>UNITED KINGDOM</b>										
Consumer Confidence (Diffusion index)	* Jan 2012	-22	-26	-24	-24	-23	-21	-21	-22	-21
Retail Sales	Dec 2011	0.7	-0.5	0.9	4.4	0.9	0.7	2.6	0.7	-0.3
Manufacturing, energy and mining output	Nov 2011	-0.7	-1.0	0.0	-3.4	-2.3	-0.5	-3.1	-0.8	1.7
Exports (1)	Nov 2011	-1.5	7.1	-0.5	12.5	4.0	13.2	10.1	13.2	16.8
Imports (1)	Nov 2011	1.1	-1.6	4.1	9.7	8.2	11.2	6.9	10.6	17.0
Merchandise Trade Bal. (Millions of £)	Nov 2011	-8,644	-7,868	-10,175	-8,896	-8,906	-9,190	-8,844	-92,012	-88,976
Inflation (CPI harmonized) (1)	Dec 2011	0.4	0.2	0.0	2.5	3.2	3.7	3.4	3.7	3.0
Producer price index, manufacturing (1)	Dec 2011	-0.2	0.2	0.0	1.1	3.6	5.6	4.8	5.6	4.2
House prices	Dec 2011	-0.9	-1.0	1.1	-1.8	-0.5	-2.5	-2.2	-2.5	3.0
Unemployment Rate	Oct 2011	8.4	8.3	8.3	8.3	8.2	8.0	7.9	8.0	7.9
		<b>Q4 2011</b>	<b>Q3 2011</b>	<b>Q2 2011</b>	<b>Q1 2011</b>	<b>Q4 2010</b>	<b>Q3 2010</b>	<b>2011</b>	<b>2010</b>	<b>2009</b>
Gross Domestic Product (Constant £)		-0.8	2.3	0.0	1.7	-2.0	1.7	0.9	2.1	-4.4
<b>INTEREST AND EXCHANGE RATES</b>										
	Reference	Current	Prev.	Week	Average of last Thursdays			13 w.	26 w.	52 w.
	Thursday	Week	Week	Before	13 W.	26 W.	52 W.	ago	ago	ago
<b>JAPAN</b>										
Prime Rate	* 2 Feb 12	0.30	0.30	0.30	0.30	0.30	0.30	0.30	0.30	0.30
3-month Financing Bill Rate	* 2 Feb 12	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.09	0.11
- Spread with U.S.	* 2 Feb 12	0.02	0.05	0.05	0.07	0.08	0.06	0.09	0.07	-0.04
Yield on 10-year Gov't Bonds	* 2 Feb 12	0.95	0.98	0.97	0.98	1.00	1.09	1.00	1.03	1.23
- Spread with U.S.	* 2 Feb 12	-0.88	-0.95	-1.01	-0.97	-1.03	-1.53	-1.07	-1.43	-2.31
Exchange Rate (¥/U.S.\$)	* 2 Feb 12	0.8	0.8	0.8	0.8	0.8	0.8	0.8	0.8	0.8
<b>Euro Zone</b>										
3-month Treasury Bills	* 2 Feb 12	1.04	1.08	1.14	1.29	1.39	1.36	1.52	1.55	1.03
- Spread with U.S.	* 2 Feb 12	0.96	1.03	1.09	1.26	1.37	1.32	1.51	1.53	0.89
Yield on 10-year Gov't Bonds	* 2 Feb 12	1.77	1.77	1.77	1.77	1.84	2.46	1.77	2.42	3.24
- Spread with U.S.	* 2 Feb 12	-0.06	-0.16	-0.20	-0.18	-0.18	-0.16	-0.30	-0.04	-0.30
Exchange Rate (U.S.\$/Euro)	* 2 Feb 12	1.31	1.31	1.30	1.32	1.35	1.39	1.38	1.41	1.36
(Yen/Euro)	* 2 Feb 12	99.66	101.98	99.19	101.69	104.23	109.79	107.33	113.24	112.46
(Euro / £)	* 2 Feb 12	1.21	1.19	1.20	1.19	1.17	1.15	1.16	1.15	1.18
<b>UNITED KINGDOM</b>										
3-month Treasury Bills (tender)	* 2 Feb 12	0.36	0.33	0.31	0.35	0.40	0.47	0.46	0.49	0.51
- Spread with U.S.	* 2 Feb 12	0.28	0.28	0.26	0.32	0.38	0.43	0.45	0.47	0.37
Yield on 30-year Gov't Bonds	* 2 Feb 12	3.14	3.11	3.04	3.12	3.36	3.81	3.37	3.89	4.53
- Spread with U.S.	* 2 Feb 12	0.13	0.02	0.00	0.12	0.22	0.05	0.25	0.17	-0.14
Exchange Rate (U.S.\$ / £)	* 2 Feb 12	1.58	1.57	1.55	1.56	1.58	1.60	1.61	1.63	1.61
<b>STOCK INDICES</b>										
	Reference	Monthly Growth (%)			Growth Over (%)			Since beginning of year		
	Level	Past	Prev.	Month	Average of the last			ref.	prec.	
		Month	Month	Before	3 Months	6 Months	1 Year			
MSCI Eafe	* Feb 2012	194	5.0	1.7	-6.9	-0.5	-14.1	-13.2	6.8	10.8

<b>TABLE 6 - COMMODITY PRICES</b>									
<b>February 3, 2012</b>									
	<u>Spot Price</u>		<u>Weekly Growth (%)</u>			<u>Annualized Growth (%)</u>			<u>Last Year</u>
	<u>Fev 2</u>	<u>Jan 26</u>	<u>Last Week</u>	<u>Prev. Week</u>	<u>Week Before</u>	<u>For the Last</u>			
						<u>13 W.</u>	<u>26 W.</u>	<u>52 W.</u>	
<b><u>CRB Index</u></b>									
Total	591.1	594.7	-0.6	-0.3	4.1	-9.1	-12.7	-9.8	655.5
Energy	625.0	629.7	-0.8	0.2	-0.7	-32.1	-15.6	-10.9	701.6
Grain	437.7	433.8	0.9	5.9	-1.5	-1.0	-12.8	-14.3	510.6
Industrials	549.6	560.0	-1.9	4.0	-0.3	5.1	-17.8	-30.9	795.4
Livestock & Meat	413.8	404.4	2.3	1.0	1.0	13.8	8.0	6.8	387.5
Precious Metals	1331.1	1313.9	1.3	9.5	-1.3	-2.9	-9.0	11.1	1198.6
<b><u>PRECIOUS METALS</u></b>									
Gold (\$/ounce) (AM fixing London)	1747.50	1713.00	2.0	2.9	0.7	3.5	10.3	31.1	1332.50
Platinum (\$/ounce) (AM fixing London)	1619.0	1597.0	1.4	3.9	2.5	6.2	-15.1	-11.3	1826.0
Silver (\$/ounce) (Handy & Harman)	34.2	33.5	2.0	9.6	1.0	-1.2	-29.8	19.7	28.5
Palladium (\$/ounce troy)	698.0	698.0	0.0	2.9	5.1	24.3	-20.4	-13.6	808.0
<b><u>OTHER METALS (LME)</u></b>									
Aluminum (\$/tonne)	2,159	2,245	-3.8	2.2	3.0	6.6	-22.2	-14.1	2,514
Copper (\$/tonne)	8,322	8,577	-3.0	2.7	4.5	23.0	-20.4	-16.3	9,944
Zinc (\$/tonne)	2,079	2,189	-5.0	8.8	2.7	26.0	-18.5	-15.2	2,452
Nickel (\$/tonne)	20,791	21,535	-3.5	6.9	2.6	62.9	-22.5	-25.6	27,930
Lead (\$/tonne)	2,133	2,300	-7.3	6.7	7.3	25.8	-25.7	-18.5	2,619
<b><u>OTHER COMMODITIES</u></b>									
Oil (\$/barrel) 1-month future (West Texas Intermediate)	96.69	99.80	-3.1	-0.5	1.3	10.7	24.1	6.6	90.72
Corn (¢/bushel) (Illinois #2)	642.5	634.5	1.3	5.2	0.2	-3.4	-20.5	1.0	636.0
Soy beans (¢/bushel) (Illinois #1)	1200.5	1204.0	-0.3	2.4	1.5	0.5	-19.1	-14.3	1401.5
Pork (¢/lb)	125.0	120.0	4.2	2.6	1.7	39.6	-35.0	8.7	115.0
Beef (Cattle feeder index) (CME)	153.8	152.7	0.7	1.7	0.4	38.8	29.6	22.7	125.4
Woodpulp NBSK Metric ton delivered in U.S.	890	890	0.0	0.0	0.0	-23.0	-23.9	-7.8	965
Natural Gas (mmbtu) Henry Hub future NYMEX	2.35	2.67	-12.2	13.1	-12.7	-77.8	-68.1	-49.9	4.69
Lumber 2X4	244	250	-2.4	-3.5	0.0	28.9	-9.2	-18.7	300
<b>All prices are in US dollars</b>									