



Weekly Trends

Highlights

The Week — Difficulties at Dubai World, a ripple of tsunami?

Canada — Retail sales continue to climb.

United States — Third-quarter GDP was revised lower, but corporate profits surged 10.6%, mostly on corporate frugality. The FOMC bumps up forecasts for both 2009 and 2010.

Mexico — Recently published trade figures confirm recovery.

Latin America — Unemployment in Brazil has turned a full circle.

International — Economic recovery gathers momentum in Thailand, Malaysia and Taiwan.

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New Releases

Special Report: Infrastructure Insights (11/27)



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Forecasts

Economic Performance (annual % change unless otherwise indicated)

	2000-07	2008	2009f	2010f	2000-07	2008	2009f	2010f
		<u>Canada</u>				<u>United States</u>		
Real GDP	2.9	0.4	-2.4	2.7	2.6	0.4	-2.5	3.1
Consumer Prices	2.3	2.4	0.3	1.8	2.8	3.8	-0.4	2.0
Pre-tax Profits	7.9	5.7	-29.6	15.0	7.6	-11.8	-7.5	10.0
Federal Budget Balance (\$bn)	10.2	-5.8	-56.0	-46.0	-164	-455	-1417	-1320
Current Account Balance (\$bn)	22.6	8.1	-42.0	-34.2	-588	-706	-427	-484
Merchandise Trade Balance (\$bn)	59.6	46.9	-5.1	3.0	-632	-840	-500	-570
Motor Vehicle Sales (000s)*	1,601	1,642	1,470	1,525	16.8	13.2	10.2	11.5
Motor Vehicle Production (000s)*	2,653	2,088	1,425	1,750	11.8	8.7	5.6	7.1
Housing Starts (000s)*	207	211	142	160	1.74	0.90	0.58	0.78
Employment	2.0	1.5	-1.6	1.0	0.8	-0.4	-3.7	0.3
Jobs Created (000s)*	307	258	-281	166	1.08	-0.56	-5.13	0.41
Unemployment Rate (%)	6.9	6.1	8.4	8.6	5.0	5.8	9.3	9.8
		<u>Mexico</u>				<u>Euro zone</u>		
Real GDP	3.0	1.3	-6.8	3.4	2.0	0.8	-3.8	1.2
Consumer Prices	4.9	6.5	4.6	6.2	2.3	1.6	1.0	1.3
		<u>Latin America (Excl. Mexico)</u>				<u>Asia</u>		
Real GDP	3.6	5.3	-0.3	3.6	5.4	3.8	0.8	4.8
Consumer Prices	7.8	10.7	7.0	7.4	1.5	2.0	0.3	1.6

*In the United States, millions.

Commodity Prices (US\$ annual average)

	2000-07	2008	2009f	2010f
Pulp (tonne)	638	856	700	740
Newsprint (tonne)	559	695	555	557
Lumber (mfbm)	294	215	174	220
Copper (lb)	1.54	3.15	2.30	2.90
Zinc (lb)	0.71	0.85	0.74	0.85
Nickel (lb)	6.86	9.57	6.85	7.45
WTI Oil (bb)	43.72	99.62	62	90
Nymex Natural Gas (US\$/mmbtu)	5.81	8.90	4.15	5.50
Wheat (tonne)	194	454	305	290

Financial Markets (end of period, % unless otherwise indicated)

	09Q1	09Q2	09Q3f	09Q4f	10Q1f	10Q2f	10Q3f	10Q4f
CANADA								
3-month T-bill	0.40	0.25	0.23	0.30	0.35	0.50	1.30	2.25
5-year Canada	1.75	2.47	2.58	2.70	3.10	3.45	3.60	3.90
10-year Canada	2.78	3.36	3.31	3.50	3.80	4.20	4.45	4.70
UNITED STATES								
3-month T-bill (Yield)	0.20	0.15	0.11	0.12	0.15	0.45	1.25	2.25
5-year Treasury	1.66	2.55	2.31	2.40	2.75	3.25	3.45	3.80
10-year Treasury	2.66	3.53	3.31	3.50	3.75	4.15	4.40	4.65
CANADIAN-US SPREADS								
3-month T-bill	0.20	0.10	0.12	0.18	0.20	0.05	0.05	0.00
5-year	0.10	-0.08	0.27	0.30	0.35	0.20	0.15	0.10
10-year	0.12	-0.17	0.00	0.00	0.05	0.05	0.05	0.05
Canadian Dollar (USD/CAD)	1.26	1.16	1.07	1.04	1.02	1.00	0.98	0.97
Canadian Dollar (CAD/USD)	0.79	0.86	0.94	0.96	0.98	1.00	1.02	1.03
Yen (USD/JPY)	99	96	90	92	90	88	86	85
Euro (EUR/USD)	1.33	1.40	1.46	1.50	1.53	1.56	1.58	1.60
Sterling (GBP/USD)	1.43	1.65	1.60	1.65	1.65	1.63	1.65	1.70
Mexican Peso (USD/MXN)	14.2	13.2	13.4	13.8	14.1	14.1	14.1	14.2

The Week | Past, Present & Prospects**Aron Gampel**

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Ripple Or Tsunami?

Global financial markets have been jolted over the past couple of days by another collapse of a real estate bubble. This time the location is the Persian Gulf emirate of Dubai, where the government's investment arm has placed a six-month standstill on its debt repayments on an estimated US\$60 billion of liabilities. As was the case with U.S. subprime and subsequent financial sector meltdown, there was an immediate 'flight to safety' as risk averse investors did another U-turn. The result in a holiday-shortened week in the United States and the Middle East — the weakening US\$ began to strengthen again, declining government bond yields fell further, while upwardly trending commodity prices, including gold and oil, plunged, and rising equity prices sold off.

Relative to the magnitude of the almost US\$2 trillion in write-offs associated with the housing crisis that primarily overtook the United States and Europe, the problem in 'Dubai World' appears much more manageable. However, the contagion effect could still trigger another deflationary 'debt spiral' because of the lack of transparency regarding the underlying exposure of lenders and investors. With the debt servicing burden very large compared to the small size of the country, the risk, albeit low, of a sovereign debt default has added to the growing uncertainty. And any significant or lasting collateral damage associated with this latest debt-related problem could potentially moderate the global economy's transition from recession to recovery.

Despite these concerns, early indications are that investors are beginning to shrug off this latest batch of bad news. Because of the very close economic and financial ties with the other emirates, and Abu Dhabi in particular, there have been some reports suggesting that financial support will be forthcoming. Stock markets across Europe managed to eke out positive gains today, even though many institutions in the United Kingdom and on the continent supposedly have comparatively larger financial investments in the region. The

Canadian equity market appears to be following suit as well. It may be too early to get a read on U.S. developments as the major American markets closed early.

But the reality is that another major segment of the global real estate market is under pressure, reinforcing and probably lengthening the current period of debt restructuring and wealth compression around the world. For many investors and companies banking on a recovery, the challenge will be to maintain the fledgling rise in confidence that became more noticeable in the spring.

Will the Dubai development pre-empt the global recovery underway, one that is slowly building momentum? There are always downside risks to the outlook, but deleveraging and the associated deflationary risks will keep policymakers around the world with their feet firmly on the monetary and fiscal accelerators. The higher flying developing economies that are leading global growth are unlikely to skip a beat, though there is a greater appreciation internationally that ongoing problems still require an extraordinary amount of policy coordination to deal with the major-league imbalances. The significant improvement in affordability is enabling consumers and businesses in many parts of the world to borrow-to-buy, and facilitating the restocking of depleted inventory levels. Yet while the recovery has achieved takeoff velocity, recurring debt-related structural problems is expected to keep the global economy on a 'slower-for-longer' growth trajectory. ■

Canada

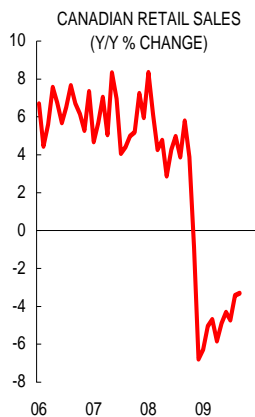
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New Hope For Consumer Spending

Retail sales rose 1.0% m/m in September, the seventh increase in nine months. Canadian consumers have begun to spend once more, but are stretching their dollar as far as possible, as evidenced by volumes — up 1.2% m/m — continuing to outpace total sales growth. Consumer confidence also advanced 2.5% m/m, extending a 4-month trend of steady improvement.



Sales ex-autos and gas rose 1.1% m/m, led by growth at general merchandise stores, furniture and electronics stores and miscellaneous stores — up 1.7% m/m, 1.9% m/m and 3.2% m/m respectively. This suggests that consumers are once again opening their wallets for discretionary expenditures, after a prolonged period of restraint. Sales at supermarkets edged up 1.5%, as retailers started to cut prices to boost volumes. Further competition and price cutting can be expected in the coming

months, as low food inflation squeezes margins at supermarkets.

Though still down 3.3% y/y, sales have been steadily improving since reaching a nadir in December of 2008. However, this year's holiday season may prove to be one of relative restraint. Consumer surveys indicate that shoppers intend on spending roughly the same, if not less, than last year. Sales of gift cards also continue to rise, indicating a shift in expenditures to boxing day and post-holiday sales, with consumers waiting for bargains and discounts. Though, it should be noted that retailers have adjusted their strategies since last year; cutting costs and inventories significantly, to improve profit margins. As a result, deep discounts and liquidation losses are much less likely this holiday season.

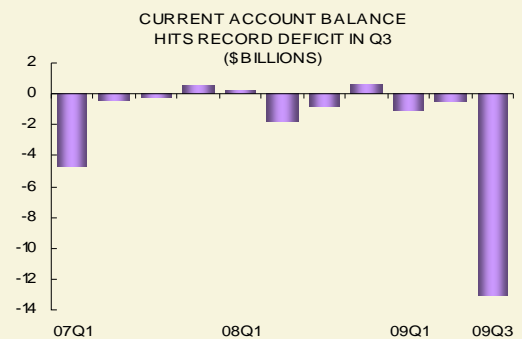
While the outlook for holiday spending remains challenging, retail sales are expected to continue on an upward trajectory in the new year. Improving housing values and steadier employment

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Review

Corporate Profits — Canadian corporate profits increased 7.9% q/q in 2009 Q3, the first gain since the third quarter of 2008. Profits improved in 18 out of 22 reporting industries, with non-financials increasing 10.4%, and the financial sector edging up 0.3%. A breakdown of the financial sector shows that banking profits were strong, but losses in the insurance sector offset most of the gains. Profitability at oil and gas companies rebounded 20.4% from Q2, underpinned by higher crude oil prices. Manufacturing firms' profits were up 28.6% in Q3, as the U.S. 'cash-for-clunkers' initiative boosted demand for Canadian-made automobiles.

Current Account — Canada's current account deficit fell to a record \$13.1 billion in Q3, due to imports outpacing exports, as domestic vehicle sales have bounced back sharply. Imports of autos climbed by \$2.6 billion, lifting overall imports by \$4.8 billion, while exports increased by \$2.4 billion, largely due to a \$2.0 billion increase because of the U.S. 'cash for clunkers' initiative. Natural gas export volumes increased, but lower prices kept the value flat. Canadian equities remained popular with foreign investors — as \$19 billion of Canadian securities were purchased, following \$38 billion in Q2, while Canadian investors divested themselves of \$5.5 billion of foreign securities in Q3, the first divestment since the end of 2008.



Preview

IPPI & Raw Materials Price Index, Real GDP (11/30)

Employment, Ivey Purchasing Managers Index (12/04)

conditions will continue to buoy consumer confidence, while a strong Canadian dollar encourages a competitive pricing climate. ■

United States

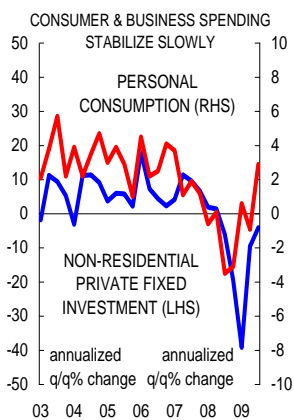
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Q3 GDP Revised Lower, Still Positive Growth

This week saw the release of the second estimate of third-quarter GDP data. The headline was revised lower to 2.8%, from the original assessment of 3.5%. Most importantly, the data reaffirmed the re-entry of the U.S. economy into positive growth territory — a first since second-quarter 2008 — but it did so at a slower clip than had been expected, despite the boost from the ‘cash-for-clunkers’ program.



Consumer spending and fixed private investment were revised lower. The former grew at an annual rate of 2.9% q/q, down from 3.4%. The revision was broad-based, spanning across durable and non-durable goods and services. Fixed private investment moderated to 0.3%, from the first estimate of 2.3%. Here too, the downward adjustments were widespread, with business spending on structures taking the lead. Capital investment on plants was amended to a 15% contraction; the original report indicated a more temperate decline

of 9%. Trend-wise, however, both household and business spending have been showing evidence of improvement since bottoming in the third quarter of 2008 and the first quarter of 2009, respectively.

Several components were also adjusted higher. Imports were revised higher than exports. Imports of goods, motor vehicles in particular, benefited from the ‘cash-for-clunkers’ program. As such, international trade turned out to be more of a drag on growth that had been initially reported, subtracting 0.8 percentage points from the headline, instead of 0.5. Inventories were reduced at an annualized pace of US\$133.4 billion, compared with the original estimate of a decline of US\$130.8 billion. Nevertheless, stockpiles were still being drawn down at a slower pace than in the previous quarter, and as such boosted growth by a comparable 0.9 percentage points. Government spending was also bumped to a modestly higher reading.

The second round of GDP estimates contains the first release of corporate earnings data. Business profits jumped by a sizeable 10.6%

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Review

Home Sales & Prices — Sales of new and existing homes picked up in October, with a 10.1% m/m gain in existing sales, and a 6.2% increase in new home sales. New home sales received a boost from the new home buyers' tax credit, which has been extended to 2010. Sales of new homes in three of the four geographical regions declined, but gains in the most populous region, the South, turned the national average positive. Increased sales of existing homes were broad-based, gaining in all four regions, with the North Central leading the charge with a 14.4% m/m increase; the West had the smallest increase at 1.6% m/m. Even with increased demand for homeownership, prices remain low as the average home price fell 8.3% to \$260,100. The Case-Shiller index reported higher urban home prices in its 20-city home price measure for September, as it edged up 0.3% m/m — since the Case-Shiller measure is lagged one month, we may see a decrease in the index next month that matches with the Census Bureau's October data.

Preview

Vehicle Sales, Pending Home Sales, Construction Spending, ISM Manufacturing Index (12/01)

ADP Employment, Beige Book (12/02)

Productivity, ISM Non-Manufacturing Index (12/03)

Employment, Factory Orders (12/04)

q/q, the most since early 2004. On the back of low financing costs and improving confidence, the financial sector provided the most support. Corporate frugality helped boost profit margins. Facing an uncertain economic outlook, businesses remained cautious, continuing to hoard cash and reduce workforce, average work week, unit labour costs and capital expenditures.

The FOMC minutes from the November 3-4 meeting revealed that the Fed's central tendency growth forecast — which strip out the three highest and lowest projections — has been bumped up for both 2009 and 2010. The Fed's outlook remains relatively encouraging, but the officials caution over uncertainty of the current economic environment and highlight that the recovery path is still likely to be a prolonged and arduous journey. ■

Mexico

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Foreign Trade Flows Confirm Healthy Recovery

Mexico's economy continues to display signs of a recovery that is evolving hand-in-hand with the industrial rebound in the U.S.. This time around, Mexican trade figures surprised analysts by posting a US\$96 billion surplus in October, the first time exports outpaced imports since May.

The usual suspects foretell the main story, although looking beyond the monthly figures some interesting trends emerge. The pickup in exports since June continued through October, with average monthly exports over 10% higher than in the April-June average, underpinned by a 12% increase in foreign sales of manufactured goods.

The value of oil exports has also experienced a double-digit increase from the April-June period. However, the gains have been driven by oil price increases, as oil output has been disappointing throughout the year. In fact, as stated recently by Pemex, the state-owned oil monopoly, crude production has fallen 7% y/y in the first ten months of 2009, reaching an average of only 2.6 million barrels a day. Oil export volumes have fallen even more; 12.8% on a yearly basis.

The other side to the story is the behaviour of the import bill. As Mexico's export platform depends on sizeable raw material imports, the upward trend in manufacturing exports has been accompanied by persistent increases in intermediate goods imports. Thus, the latter posted an over 15% gain in the last four months when compared with the second-quarter average. This is consistent with the industrial sector recovery that has characterized the rebound in Mexico's economic activity.

However, the rise in imports in recent months (about 16% above the second-quarter average) is being led by imports of consumer goods, which are expanding at a relatively brisk 24% quarterly rate. This is consistent with the change in trend registered in value added from the service sector during the third quarter. Although commerce and transport services were the main contributors — these industries

Developing Americas

Unemployment in Brazil at 2008 Levels

The Brazilian economy is experiencing a strong recovery, with domestic activity now being supported by a definite downward trend in unemployment. The jobless rate came down again in October and is now at 7.5%, matching the 2008 average. It has fallen persistently from the 9% peak in March.

The downward trend is being experienced throughout the country, with all regions displaying falling unemployment rates. Across sectors, the gains experienced in construction and services have now become entrenched within manufacturing, which has shown persistent improvement since June 2009. The number of people employed in the private sector has climbed back to levels registered in 2008, at the peak of the economic cycle.

The Brazilian economic recovery has clearly outpaced the region, with output rebounding since the second quarter. On the back of nimble fiscal, credit and monetary policy actions, the economic recovery has now translated into an improving outlook, with analysts now expecting slightly positive growth for 2009. In effect, after bottoming at a negative reading in mid-2009, GDP growth expectations have turned positive. With the latest Central Bank survey indicating expectations for 0.2% growth this year.

For 2010, the market expects the economy to pick up significantly, expanding by 5%. Although monetary policy is anticipated to transition to tightening mode during 2010, fiscal policy will likely continue to be expansionary given a still-contested presidential election to be held at the end of the year with highly popular President Lula-da-Silva not standing for re-election.

support the rebound in manufacturing activity — still, these indicators underpin the argument that the export-led pickup is being echoed by domestic demand. Moreover, recent gains in employment since June have finally led to a reduction of the unemployment rate and will continue to support these trends in the coming months. ■



Europe & Asia/Oceania

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Economic Recovery Gathers Momentum In Thailand, Malaysia and Taiwan

While economic recoveries in both Thailand and Malaysia are becoming more firmly entrenched, some divergence in monetary policies may be evident in the months ahead. In Thailand, GDP rose 1.3% q/q in the third quarter while Malaysian output grew by an estimated 2-3% (Malaysia's statistical agency does not report quarterly gains on a seasonally adjusted basis). In both cases, economic activity was still languishing below year-earlier levels, down 2.8% in Thailand and 1.2% in Malaysia. As a result, both economies will register declines of 3-4% for the year as whole; we expect this to be followed by growth of 4-5% in 2010.

Bank Negara Malaysia (BN) opted to leave its benchmark interest rate unchanged following this week's monetary policy committee meeting. Malaysian monetary authorities were less aggressive in the monetary easing phase than many of their regional colleagues; the central bank's benchmark rate has been reduced only by 150 basis points — from 3.5% to 2.0% — since the onset of the global financial storm, despite an array of deflationary pressures that have pushed the headline consumer price index 1.6% below the year-earlier level. The rate decision announcement noted that the growth outlook was encouraging; however, with inflation likely to “remain modest” through 2010, the monetary policy committee viewed the current stance as “appropriate”. In Thailand, however, the month-to-month inflation figures reveal a fairly rapid rebound in prices with the result that the year-end inflation rate will likely exceed 3% y/y. This will put pressure on the Bank of Thailand (BoT) to move away from its low-interest rate policy; the BoT's benchmark interest rate has been held at 1.25% since April.

A pickup in global demand and exchange rate stability have been key elements in Taiwan's industrial recovery, with broader, positive implications for the economy as a whole. The reported 7.3% q/q leap in third quarter GDP exaggerates the pace of the turnaround as the figure is not seasonally adjusted. Nevertheless, it is clear that a manufacturing-led rebound is under way and the momentum is carrying forward into the fourth quarter. Industrial output was above

Swedish Economy Poised To Pick Up Speed

An economic recovery is taking hold in Sweden, and recent surveys suggest that the momentum is building. We now expect the economy to expand by about 2½% in 2010 following this year's 4½% contraction. GDP rose 0.2% q/q in the third quarter following a 0.3% advance in Q2 and we look for a better result in Q4 alongside the recovery in consumer spending. Buoyed by some apparent easing in credit conditions, retail sales jumped 1.5% m/m in October, the third advance in four months and consumer confidence also continues to improve. The National Institute of Economic Research's (NIER) consumer sentiment index gained ground for a seventh consecutive month, moving further into positive terrain to an 8-month high of 11.4. Respondents have become more upbeat about their current circumstances, as well as being more hopeful about their prospects; they also indicated a greater willingness to undertake major purchases. Nevertheless, deflation remains the norm — at least at the producer level — though consumer prices have been ratcheting higher. The headline producer price index declined for the sixth time in seven months in October, slipping a further 0.4%; since April, the PPI has declined by 3.5%. Encouragingly, deflation is not weighing on the mood of the business community; all four major sectors surveyed by the NIER — manufacturing, construction, retail and other private sector services — reported further improvement in November.

year-earlier levels for a second consecutive month in October, rising 6.6% y/y; with export orders now fully restored to pre-crisis levels, the near-term production outlook remains favourable. Taiwan's improved growth prospects are being reflected in and reinforced by the turnaround in labour market conditions. Total employment rose for the sixth time in seven months in October, though the jobless rate remained (barely) above the 6.0% threshold for a fourth consecutive month. Consumer spending, however, is more closely linked to employment trends than to the unemployment rate, pointing to the prospect of more broadly balanced economic growth in 2010; we anticipate an expansion of at least 4% following an estimated 3½% contraction this year. The pace of recovery will be constrained by persistent weakness in private sector lending, which fell 3.15% y/y in October; even that contraction was the best result in four months. ■



Market Metrics

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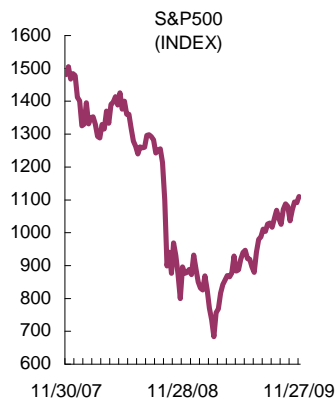
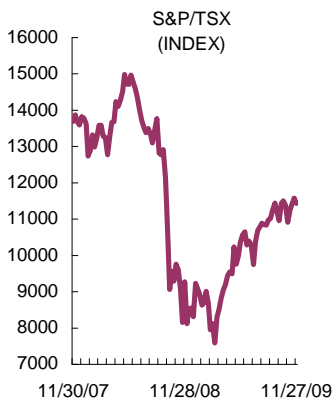
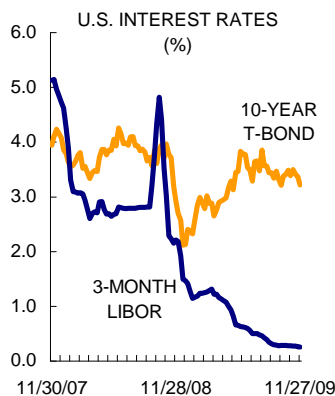
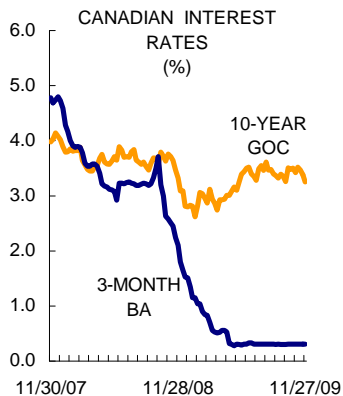
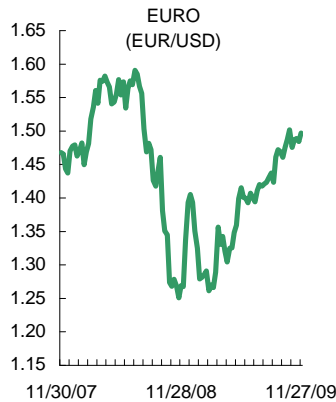
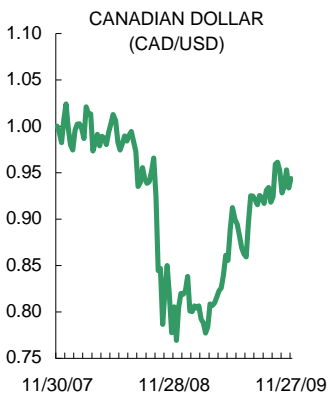
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Highlights

Markets & Monetary Policy — In a speech on Monday, the St. Louis Fed President indicated being in favour of extending the Fed's asset purchase program, as it applied to agency bonds and MBS, beyond the current March 2010 deadline. He argued that "initially it would do nothing for the economy, but it would give the Fed the option to react to future news as it comes in."

Newswire reports indicate that the European Central Bank (ECB) officials are debating the possibility of attaching an adjustable interest rate to December's one-year loans. Some consider this as a potential signal that the ECB may tighten monetary policy in 2010. In contrast, the Bank of England (BoE) Governor indicated this week that should the inflationary risks continue to point to the downside, the BoE would consider boosting QE measures.

Sources say that China's five largest banks have submitted preliminary capital-adequacy plans to the country's banking regulator. Government stimulus programs and lower financing costs have led to a surge in bank lending, which now accounts for nearly half of the nation's total GDP (approx. US\$1.1 trillion). As a result, there have been growing concerns that the loan default rates may rise sharply. Regulators are warning banks that sanctions — such as limits to market access, new branches and overseas investments — may be imposed in case of non-compliance with the existing capital adequacy rules. Earlier this year, regulators raised the reserve requirement from 8% to 10% and lowered the amount of subordinated loans that can be considered as part of capital reserves.

News that Dubai World, a conglomerate owned by the UAE government, asked its creditors for a six-month debt standstill rattled markets on Thursday. The possibility of a credit default in Dubai could have significant implications for confidence in financial markets, in particular emerging markets and countries with sizeable exposure to the region.

Note: Latest observation taken at time of writing.

Highlights

Fiscal Policy — Alberta's mid-year report interrupted the trend of Canadian government updates indicating worse-than-anticipated results for fiscal 2009-10 (FY10). The Province now expects a \$4.3 billion FY10 deficit before a Sustainability Fund withdrawal to balance the books — improving upon the *Budget* estimate of a \$4.7 billion pre-transfer shortfall and the Q1 forecast of a \$6.9 billion gap. Higher oil and bitumen prices, a rebound in investment income and a smaller corporate income tax decline are narrowing the FY10 revenue decline.

Economic Tables

Canada	2008	09Q1	09Q2	Latest	United States	2008	09Q1	09Q2	Latest
Real GDP (annual rates)	0.4	-6.1	-3.4	-0.2 (Aug)	Real GDP (annual rates)	0.4	-6.4	-0.7	2.8 (Q3)
Current Acc. Bal. (C\$B, ar)	8.1	-31.1	-47.8		Current Acc. Bal. (US\$B, ar)	-706	-418	-395	
Merch. Trade Bal. (C\$B, ar)	46.9	4.2	-6.6	-11.1 (Sep)	Merch. Trade Bal. (US\$B, ar)	-840	-496	-462	-571 (Sep)
Industrial Production	-4.2	-8.6	-12.6	-13.9 (Aug)	Industrial Production	-2.2	-11.5	-13.5	-7.0 (Oct)
Housing Starts (000s)	211	140	128	157 (Oct)	Housing Starts (millions)	0.90	0.53	0.54	0.53 (Oct)
Employment	1.5	-1.3	-1.8	-2.1 (Oct)	Employment	-0.4	-3.1	-4.0	-4.0 (Oct)
Unemployment Rate (%)	6.2	7.6	8.3	8.6 (Oct)	Unemployment Rate (%)	5.8	8.1	9.3	10.2 (Oct)
Retail Sales	3.4	-5.3	-5.0	-3.3 (Sep)	Retail Sales	-1.2	-10.2	-10.7	-2.1 (Oct)
Auto Sales (000s)	1641	1370	1422	1509 (Sep)	Auto Sales (millions)	13.2	9.5	9.6	10.4 (Oct)
CPI	2.4	1.2	0.1	0.1 (Oct)	CPI	3.8	0.0	-1.2	-0.2 (Oct)
IPPI	4.3	0.8	-4.1	-6.1 (Sep)	PPI	6.3	-1.9	-4.3	-1.9 (Oct)
Pre-tax Corp. Profits	5.7	-30.8	-42.9		Pre-tax Corp. Profits	-17.6	-23.1	-16.1	
Mexico					Brazil				
Real GDP	1.3	-7.9	-10.1		Real GDP	4.7	-1.5	-0.9	
Current Acc. Bal. (US\$B, ar)	-15.8	-13.9	3.4		Current Acc. Bal. (US\$B, ar)	-28.2	-19.8	-8.5	
Merch. Trade Bal. (US\$B, ar)	-17.3	-7.8	3.1	1.2 (Oct)	Merch. Trade Bal. (US\$B, ar)	24.8	12.0	43.8	15.9 (Oct)
Industrial Production	-0.7	-9.8	-11.5	-5.7 (Sep)	Industrial Production	2.9	-13.6	-11.3	-8.1 (Sep)
CPI	5.1	6.2	6.0	4.5 (Oct)	CPI	5.5	6.9	5.5	4.5 (Oct)
Argentina					Italy				
Real GDP	6.8	2.0	-0.8		Real GDP	-1.0	-6.0	-5.9	
Current Acc. Bal. (US\$B, ar)	7.1	5.4	18.1		Current Acc. Bal. (US\$B, ar)	-0.08	-0.10	-0.07	-0.07 (Sep)
Merch. Trade Bal. (US\$B, ar)	12.6	14.2	25.2	14.2 (Oct)	Merch. Trade Bal. (US\$B, ar)	-16.6	-23.3	1.4	-15.7 (Sep)
Industrial Production	0.6	-12.6	-8.6	-4.1 (Oct)	Industrial Production	-3.4	-21.2	-22.9	-16.0 (Sep)
CPI	-3.0	-21.7	-39.6	6.5 (Oct)	CPI	3.3	1.4	0.8	0.3 (Oct)
Germany					France				
Real GDP	1.0	-6.7	-5.8		Real GDP	0.4	-3.8	-3.1	
Current Acc. Bal. (US\$B, ar)	243.9	108.0	131.2	164.0 (Sep)	Current Acc. Bal. (US\$B, ar)	-64.0	-34.5	-77.1	-71.1 (Sep)
Merch. Trade Bal. (US\$B, ar)	261.2	128.0	171.1	172.8 (Sep)	Merch. Trade Bal. (US\$B, ar)	-36.6	-43.1	-29.7	-14.5 (Sep)
Industrial Production	0.0	-20.0	-19.2	-12.8 (Sep)	Industrial Production	-2.9	-18.0	-15.8	-11.0 (Sep)
Unemployment Rate (%)	7.8	8.0	8.2	8.1 (Oct)	Unemployment Rate (%)	7.9	8.9	9.4	10.0 (Sep)
CPI	2.6	0.8	0.3	0.3 (Nov)	CPI	2.8	0.7	-0.2	-0.2 (Oct)
Euro Zone					United Kingdom				
Real GDP	0.5	-4.9	-4.8		Real GDP	0.6	-5.0	-5.5	
Current Acc. Bal. (US\$B, ar)	-89.4	-198	-108	-88 (Sep)	Current Acc. Bal. (US\$B, ar)	-42.8	-24.8	-65.7	
Merch. Trade Bal. (US\$B, ar)	-0.9	-40.3	68.2	36.9 (Sep)	Merch. Trade Bal. (US\$B, ar)	-173.5	-119.4	-123.2	-140.9 (Sep)
Industrial Production	-1.8	-18.2	-18.2	-14.1 (Sep)	Industrial Production	-3.1	-12.5	-11.7	-10.3 (Sep)
Unemployment Rate (%)	7.6	8.8	9.3	9.7 (Sep)	Unemployment Rate (%)	5.7	7.0	7.8	7.8 (Aug)
CPI	3.3	0.9	0.2	-0.1 (Oct)	CPI	3.6	3.0	2.1	1.5 (Oct)
Japan					Australia				
Real GDP	-0.7	-8.4	-7.1		Real GDP	2.4	0.3	0.6	
Current Acc. Bal. (US\$B, ar)	157.1	105.7	134.0	206.0 (Sep)	Current Acc. Bal. (US\$B, ar)	-47.6	-15.0	-35.1	
Merch. Trade Bal. (US\$B, ar)	21.7	-23.9	33.7	55.7 (Oct)	Merch. Trade Bal. (US\$B, ar)	-4.6	12.3	2.4	-20.0 (Sep)
Industrial Production	-3.4	-34.0	-27.6	-17.3 (Sep)	Industrial Production	2.8	-3.5	-3.8	
Unemployment Rate (%)	4.0	4.4	5.2	5.1 (Oct)	Unemployment Rate (%)	4.2	5.3	5.7	5.8 (Oct)
CPI	1.4	-0.1	-1.0	-2.5 (Oct)	CPI	4.4	2.5	1.5	
China					South Korea				
Real GDP	9.0	6.1	7.9		Real GDP	2.2	-4.2	-2.2	
Current Acc. Bal. (US\$B, ar)	426.1				Current Acc. Bal. (US\$B, ar)	-6.4	34.3	52.7	59.3 (Oct)
Merch. Trade Bal. (US\$B, ar)	295.6	249.1	138.9	287.8 (Oct)	Merch. Trade Bal. (US\$B, ar)	-13.3	12.1	68.5	45.5 (Oct)
Industrial Production	5.4	11.0	8.9	16.1 (Nov)	Industrial Production	3.0	-15.9	-6.4	5.6 (Sep)
CPI	1.2	-1.2	-1.7	-0.5 (Oct)	CPI	4.7	3.9	2.8	2.0 (Oct)

All data expressed as year-over-year % change unless otherwise noted.

Financial Tables

Interest Rates (% , end of period)

Canada	09Q2	09Q3	Nov/20	Nov/27*	United States	09Q2	09Q3	Nov/20	Nov/27*
BoC Overnight Rate	0.25	0.25	0.25	0.25	Fed Funds Target Rate	0.25	0.25	0.25	0.25
3-mo. T-bill	0.25	0.31	0.29	0.26	3-mo. T-bill	0.18	0.11	0.01	0.02
10-yr Gov't Bond	3.36	3.31	3.38	3.23	10-yr Gov't Bond	3.53	3.31	3.37	3.22
30-yr Gov't Bond	3.86	3.84	3.93	3.84	30-yr Gov't Bond	4.33	4.05	4.29	4.21
Prime	2.25	2.25	2.25	2.25	Prime	3.25	3.25	3.25	3.25
FX Reserves (US\$B)	44.6	58.1	55.9	(Oct)	FX Reserves (US\$B)	70.4	123.3	123.6	(Oct)
Germany					France				
3-mo. Interbank	1.07	0.65	0.60	0.61	3-mo. T-bill	0.54	0.36	0.44	0.39
10-yr Gov't Bond	3.39	3.22	3.25	3.17	10-yr Gov't Bond	3.73	3.54	3.53	3.43
FX Reserves (US\$B)	44.9	61.3	62.6	(Oct)	FX Reserves (US\$B)	29.0	45.2	45.3	(Oct)
Euro-Zone					United Kingdom				
Refinancing Rate	1.00	1.00	1.00	1.00	Repo Rate	0.50	0.50	0.50	0.50
Overnight Rate	0.40	0.53	0.35	0.36	3-mo. T-bill	4.85	4.85	4.85	4.85
FX Reserves (US\$B)	214.4	285.2	286.9	(Oct)	10-yr Gov't Bond	3.69	3.59	3.64	3.54
					FX Reserves (US\$B)	45.1	57.5	57.7	(Oct)
Japan					Australia				
Discount Rate	0.30	0.30	0.30	0.30	Cash Rate	4.25	3.25	3.25	3.00
3-mo. Libor	0.39	0.29	0.24	0.24	10-yr Gov't Bond	5.52	5.36	5.39	5.21
10-yr Gov't Bond	1.36	1.30	1.31	1.26	FX Reserves (US\$B)	40.0	40.5	41.8	(Oct)
FX Reserves (US\$B)	996.2	1030.8	1033.9	(Oct)					

Exchange Rates (end of period)

USD/CAD	86.04	93.51	93.41	94.11	¥/US\$	96.36	89.70	88.88	86.88
CAD/USD	1.16	1.07	1.07	1.06	US\$/Australian\$	80.64	88.28	91.47	90.91
GBP/USD	1.646	1.598	1.650	1.649	Chinese Yuan/US\$	6.83	6.83	6.83	6.83
EUR/USD	1.403	1.464	1.486	1.496	South Korean Won/US\$	1274	1178	1159	1175
JPY/EUR	0.74	0.76	0.76	0.77	Mexican Peso/US\$	13.185	13.512	13.068	12.919
CHF/USD	1.09	1.04	1.02	1.01	Brazilian Real/US\$	1.952	1.767	1.731	1.737

Equity Markets (index, end of period)

United States (DJIA)	8447	9712	10332	10340	U.K. (FT100)	4249	5134	5251	5246
United States (S&P500)	919	1057	1095	1096	Germany (Dax)	4809	5675	5663	5686
Canada (S&P/TSX)	10375	11395	11579	11506	France (CAC40)	3140	3795	3729	3721
Mexico (Bolsa)	24368	29232	30667	31098	Japan (Nikkei)	9958	10133	9549	9082
Brazil (Bovespa)	51465	61518	66327	66825	Hong Kong (Hang Seng)	18379	20955	22456	21135
Italy (BCI)	958	1144	1125	1087	South Korea (Composite)	1390	1673	1621	1525

Commodity Prices (end of period)

Pulp (US\$/tonne)	660	770	800	800	Copper (US\$/lb)	2.32	2.78	3.05	3.06
Newsprint (US\$/tonne)	495	445	480	480	Zinc (US\$/lb)	0.71	0.87	1.00	1.00
Lumber (US\$/mfbm)	198	184	216	N/A	Gold (US\$/oz)	934.50	995.75	1140.00	1166.50
WTI Oil (US\$/bbl)	69.89	70.61	77.46	75.80	Silver (US\$/oz)	13.94	16.45	18.18	17.98
Natural Gas (US\$/mmbtu)	3.84	4.84	4.34	5.17	CRB (index)	249.96	259.39	274.58	278.41

* Note: Latest observation taken at time of writing.