

# Canada: Weekly Notes

Key events for the week of March 29 – April 2, 2010

## Economic diary – Canada

Date		Last	Median	HSBC	Impact	Comments
Mar 30	Industrial Product Price Index – Feb (8:30)	0.3%	0.0%	-0.2%	Minor	▶ CAD was down by ~1.2% vs. USD, which will apply upward pressure on producer prices, contributing as much as 0.5%ppt to the index. We are looking for petroleum and coal prices to head lower, along with metals prices. On the upside, lumber and pulp prices are higher. So too are autos and chemicals (fertilizers – phosphates, in particular) expected to cost more in February.
	Raw Material Price Index – Feb (8:30)	3.3%	-1.0%	-1.3%	Minor	▶ For raw materials, the prices on mineral fuels, metals (save for iron) and most animals (outside of cattle) should have declined. Wood and vegetable prices (accounting for 25% of the index) are believed to have risen.
Mar 31	GDP M/M – Jan (8:30)	0.6%	0.4%	0.5%	Major	▶ In like a lion. The Canadian economy is expected to have kicked off 2010 on a high note, adding to a four-month string of strong monthly GDP reports. For January, we are penciling in a 0.5%/m growth rate, which is just slightly off the pace of activity set in December. Continued strength in the manufacturing sector and extraction industries should account for the bulk of growth in the goods-producing sector. In the services space, we look for growth to have been supported by continued increases in activity out of the FIREs category (this is the largest GDP category). Wholesale trade, however, captures the gold with a 2.9%/m jump in volumes. In the forecast, wholesale trade is seen to account for a little more than half of the total growth in the services sector and one-third of overall economic growth.  ▶ Overall, goods-producing sectors are expected to be up 0.7%/m, while services are expected to have risen by 0.4%/m. Goods-producing sectors continue to outperform the overall economy, as would be expected, given that this area of the economy bore the brunt of the recession.
Apr 2	Good Friday					▶ Holiday. Markets closed in observance of Good Friday.

Source: HSBC Canada

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