

Canada: Weekly Notes

Key events for the week of September 27–October 1, 2010

Economic diary – Canada

Date	Last	Median	HSBC	Impact	Comments
Sep 30	GDP M/M – July(8:30)	0.2%	0.0%	Med	<p>▶ The data collected thus far reflects softness across a broad spectrum of activities in the Canadian economy for the month of July, including retail, manufacturing, wholesale, and housing. The introduction of a harmonized sale tax (HST) in Ontario and BC negatively impacted the existing home resale market, which dropped 6.8%/m/m in July. We expect that declining activity in real estate will manifest itself in another decline for the financial services category.</p> <p>▶ On the upside, construction is expected to have pushed out a slight increase in activity, as we look for growth in non-residential construction to fill the gap left by decelerating activity in the new home market. Utilities output is expected to have risen hand in hand with a spike in temperatures.</p> <p>▶ From a policy standpoint, today's report is expected to play to the uncertainty associated with the economic outlook for Canada, as well as the uneven recovery in the US and Europe. It is also should point to a Canadian economy that continues to underperform the BoC forecasts as laid out in the 22 July MPR, which we expect will prompt some downward revisions when the Bank's base case is revised in October.</p> <p>▶ Speech (12:35), press conference (13:50) to follow.</p>
	BoC Governor Carney (12:35)				

Source: HSBC Canada

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