

ECONOMIC FORECAST SUMMARY FOR MARCH 12, 2010

BMO Capital Markets Economic Research

CANADA	2009				2010				ANNUAL		
	I	II	III	IV	I	II	III	IV	2008	2009	2010
Real GDP (q/q % chng : a.r.)	-7.0	-3.5	0.9	5.0	3.7	3.4	3.2	2.9	0.4	-2.6	3.0
Consumer Price Index (y/y % chng)	1.2	0.1	-0.9	0.8	1.8	2.1	2.6	2.0	2.4	0.3	2.1
Unemployment Rate (%)	7.8	8.4	8.5	8.4	8.3	8.2 ↓	8.1 ↓	8.0 ↓	6.1	8.3	8.2
Housing Starts (000s : a.r.)	132	128	156	180	191 ↑	183 ↑	170	176	212	149	180 ↑
Current Account Balance (\$blns : a.r.)	-27.1	-43.8	-55.2	-39.1	-42.7	-41.7	-38.3	-37.4	8.1	-41.3	-40.0

Interest Rates

(average for the quarter : %)

Overnight Rate	0.83	0.25	0.25	0.25	0.25	0.25	0.58	1.08	2.96	0.40	0.54
3-month Treasury Bill	0.64	0.25	0.22	0.21	0.17	0.25	0.77	1.24	2.33	0.33	0.61
10-year Bond	2.89	3.20	3.42	3.41	3.43	3.44	3.52	3.65	3.61	3.23	3.51

Canada/U.S. Interest Rate Spreads

(average for the quarter : bps)

90-day	43	8	6	15	7	12	51	49	94	18	30
10-year	15	-11	-10	-5	-24	-23	-25	-28	-6	-3	-25

UNITED STATES

Real GDP (q/q % chng : a.r.)	-6.4	-0.7	2.2	5.9	3.2	2.2	2.3	2.7	0.4	-2.4	3.0
Consumer Price Index (y/y % chng)	-0.2	-1.0	-1.6	1.5	2.6	2.6	2.2	2.0	3.8	-0.3	2.3
Unemployment Rate (%)	8.2	9.3	9.7	10.0	9.7	9.7	9.6	9.5	5.8	9.3	9.6
Housing Starts (mlns : a.r.)	0.53	0.54	0.59	0.56	0.60	0.64	0.69	0.76	0.90	0.55	0.67
Current Account Balance (\$blns : a.r.)	-418	-392	-432	-478	-485	-489	-490	-496	-706	-430	-490

Interest Rates

(average for the quarter : %)

Fed Funds Target Rate	0.13	0.13	0.13	0.13	0.13	0.13	0.25	0.75	1.86	0.13	0.31
3-month Treasury Bill	0.21	0.17	0.16	0.06	0.10	0.13	0.26	0.76	1.39	0.15	0.31
10-year Note	2.74	3.31	3.52	3.46	3.68	3.67	3.77	3.93	3.67	3.26	3.76

EXCHANGE RATES

(average for the quarter)

US\$/C\$	80.3	85.6	91.1	94.7	95.3	97.2	100.0	100.3	94.3	88.0	98.2
C\$/US\$	1.245	1.168	1.097	1.056	1.050	1.028	1.000	0.997	1.067	1.141	1.019
¥/US\$	94	97	94	90	90	92	96	99	103	94	94
US\$/Euro	1.30	1.36	1.43	1.48	1.38	1.39	1.41	1.44	1.47	1.39	1.41
US\$/£	1.44	1.55	1.64	1.63	1.57	1.55	1.58	1.60	1.85	1.57	1.57

Note: Blocked areas represent BMO Capital Markets forecasts
Up and down arrows indicate changes to the forecast ↑↓



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