	Average % Change on Previous Calendar Year														Annual Total	
	Gross Domestic Product		Personal Expenditure		Machinery & Equipment Investment		Pre - Tax Profits		Industrial Production		Consumer Prices		Industrial Product Prices		Housing Starts (thousand units)	
	Produit Intérieur Brut		*Dépenses de Consommation des Ménages*		*Investissement Productif*		*Bénéfices des Sociétés avant impôts*		*Production Industrielle*		*Prix à la Consommation*		*Prix des Produits Industriels*		*Construcion de Logements mises en chantier, milliers*	
Economic Forecasters	**2004**	**2005**	**2004**	**2005**	**2004**	**2005**	**2004**	**2005**	**2004**	**2005**	**2004**	**2005**	**2004**	**2005**	**2004**	**2005**
Royal Bank of Canada	3.2	3.6	3.0	4.0	12.0	10.6	1.1	2.9	na	na	1.1	1.6	na	na	209	195
EDC Economics	3.0	3.3	3.1	3.2	12.0	7.6	7.5	4.5	na	na	1.8	2.1	na	na	202	195
Economap	2.9	3.1	2.8	3.1	9.0	7.5	7.0	5.0	2.1	2.5	1.7	1.9	0.6	3.0	200	190
Global Insight	2.9	3.6	3.3	3.3	8.1	10.5	4.0	3.3	2.5	2.7	1.2	1.2	0.8	-0.9	210	204
BMO Nesbitt Burns	2.8	3.2	2.9	3.5	8.6	9.8	7.5	3.8	2.9	2.5	1.6	1.9	1.0	2.5	204	190
Conf Board of Canada	2.8	3.1	2.8	3.7	8.5	8.9	5.2	2.0	na	na	1.4	1.9	0.4	3.2	202	178
National Bank Financial	2.7	3.0	2.4	2.5	10.0	10.0	6.3	7.0	na	na	1.3	2.0	na	na	225	210
Bank of Montreal	2.6	3.4	2.8	3.1	6.8	7.8	4.7	4.0	na	na	1.3	1.2	na	na	200	180
Informetrica	2.6	3.5	2.4	3.1	10.7	15.0	9.5	15.0	3.9	5.0	1.4	2.2	na	na	195	189
Merrill Lynch Canada	2.6	3.2	2.4	3.1	na	na	na	na	3.1	3.2	1.2	1.8	na	na	190	170
CIBC World Markets	2.5	3.2	2.7	2.9	7.0	7.1	5.6	6.2	na	na	1.5	1.7	na	na	200	191
JP Morgan	2.5	4.3	2.4	3.5	5.4	10.4	6.0	8.0	4.3	6.1	1.4	1.9	0.3	2.9	210	195
Caisse de Depot	2.3	2.8	3.0	3.2	6.2	6.5	na	na	na	na	1.6	2.0	na	na	195	185
University of Toronto	2.3	3.2	2.5	3.1	7.9	5.3	5.5	3.4	na	na	1.5	2.0	na	na	197	180
Scotia Economics	2.2	3.0	2.4	3.1	8.0	7.5	8.0	7.0	2.5	3.0	1.5	1.9	na	na	205	180
Consensus (Mean)	2.7	3.3	2.7	3.2	8.6	8.9	6.0	5.5	3.0	3.6	1.4	1.8	0.6	2.1	203	189
Last Month's Mean	2.8	3.3	2.8	3.2	8.7	8.9	6.2	5.8	3.2	3.6	1.5	1.9	-0.1	2.2	202	188
3 Months Ago	3.0	3.3	3.4	3.3	9.8	8.7	5.6	6.2	3.0	3.7	1.5	1.8	0.3	2.1	201	187
High	3.2	4.3	3.3	4.0	12.0	15.0	9.5	15.0	4.3	6.1	1.8	2.2	1.0	3.2	225	210
Low	2.2	2.8	2.4	2.5	5.4	5.3	1.1	2.0	2.1	2.5	1.1	1.2	0.3	-0.9	190	170
Standard Deviation	0.3	0.4	0.3	0.3	2.0	2.4	2.1	3.4	0.8	1.4	0.2	0.3	0.3	1.7	8	10
Comparison Forecasts																
IMF (Sep. '03)	3.0		3.6								1.7					
OECD (Nov. '03)	2.8	3.2	3.1	3.0												

Government and Background Data

Prime Minister - Mr. Paul Martin (Liberal). **Government** - The Liberals hold 172 of the 301 seats in parliament. **Next Election** - By 2005 (general election). **Nominal GDP** - C$1,155bn (2002). **Population** - 31.3mn (mid-year, 2002). **C$/$ Exchange Rate** - 1.57 (average, 2002).

Quarterly Consensus Forecasts

Historical Data and Forecasts (bold italics) From Survey of March 8, 2004

	2003 Q3	Q4	2004 Q1	Q2	Q3	Q4	2005 Q1	Q2	Q3	Q4
Gross Domestic Product	1.1	1.6	***2.2***	***3.0***	***3.4***	***3.2***	***3.3***	***3.3***	***3.4***	***3.3***
Personal Expenditure	3.9	2.8	***2.9***	***3.0***	***2.7***	***3.2***	***3.2***	***3.2***	***3.3***	***3.2***
Consumer Prices	2.2	1.7	***1.2***	***1.6***	***1.5***	***1.6***	***1.6***	***1.8***	***1.9***	***1.9***

Percentage Change (year-on-year)

1.5%   1.13 %

Historical Data

* % change on previous year	2000	2001	2002	2003
Gross Domestic Product*	5.3	1.9	3.3	1.7
Personal Expenditure*	4.0	2.6	3.4	3.3
Machinery & Eqpt Investment*	7.1	0.3	-3.2	5.0
Pre - Tax Profits*	22.5	-6.0	4.3	10.1
Industrial Production*	7.2	-2.3	2.4	0.3
Consumer Prices*	2.7	2.5	2.3	2.8
Industrial Product Prices*	4.3	1.0	0.0	-1.4
Housing Starts, '000 units	152	163	205	218
Unemployment Rate, %	6.8	7.3	7.7	7.7
Current Account, C$ bn	30.7	26.9	23.4	25.8
Federal Govt Budget Balance, fiscal years, C$ bn	20.2	7.0	7.0	3.7 e
3 mth Trsy Bill, % (end yr)	5.5	2.1	2.7	2.6
10 Yr Govt Bond, % (end yr)	5.4	5.4	4.7	4.8

e = consensus estimate based on latest survey

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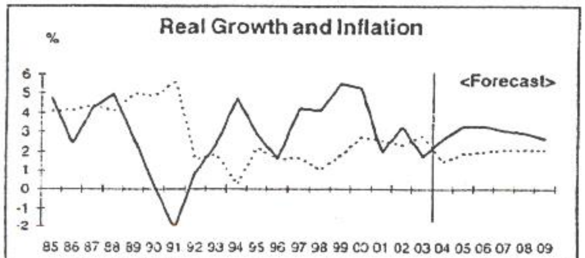
Unemploy-ment Rate (%) / Taux de Chômage (%)		Annual Total: Current Account (C$ bn) / Balance Courante (C$ md)		Fiscal Years (Apr-Mar): Federal Govt Budget Balance (C$ bn) / Balance Budgétaire (C$ md)		Rates on Survey Date 2.0%: 3 month Treasury Bill Rate (%) / Rendement sur les Bons du Trésor de 3 mois %		Rates on Survey Date 4.6%: 10 Year Government Bond Yield (%) / Rendement des Obligations d'État de 10 ans %	
2004	2005	2004	2005	FY 04-05	FY 05-06	End Jul'04	End Apr'05	End Jul'04	End Apr'05
7.3	7.1	27.2	20.9	na	na	2.0	2.3	4.6	5.3
7.5	7.2	21.0	20.0	3.7	3.9	2.2	3.1	4.8	5.8
7.3	7.0	21.0	13.0	4.0	5.0	2.0	3.0	4.6	5.1
7.4	7.2	20.8	14.2	3.0	3.0	2.1	2.9	4.7	5.2
7.3	7.1	21.5	12.8	4.0	5.0	2.1	2.8	4.7	5.1
7.2	6.7	28.2	26.0	9.8	14.1	1.9	2.6	5.2	5.8
7.6	7.4	15.0	15.0	5.0	5.0	1.9	2.1	4.3	5.0
7.5	7.5	21.0	15.2	na	na	2.0	2.6	4.5	5.3
7.4	7.0	30.0	25.0	5.5	8.0	1.8	2.6	4.5	5.1
7.5	7.4	19.6	18.3	na	na	na	na	na	na
7.5	7.3	20.4	17.4	na	na	1.7	1.7	4.1	3.9
7.3	6.9	26.0	20.3	3.0	3.0	2.1	2.6	4.8	5.6
8.0	8.0	16.0	15.0	3.0	3.0	2.0	2.2	4.4	4.6
7.6	7.4	24.6	30.3	na	na	1.6	2.3	4.8	5.4
7.5	7.4	22.0	10.0	3.0	3.0	2.0	2.2	4.8	5.4
7.5	7.2	22.3	18.2	4.4	5.3	2.0	2.5	4.6	5.2
7.4	7.2	21.6	17.7	4.6	5.4	moyenne : 4.90%			
7.5	7.3	19.4	16.0	4.3	5.4				
8.0	8.0	30.0	30.3	9.8	14.1	2.2	3.1	5.2	5.8
7.2	6.7	15.0	10.0	3.0	3.0	1.6	1.7	4.1	3.9
0.2	0.3	4.2	5.6	2.1	3.5	0.2	0.4	0.3	0.5
7.7									
7.8	7.4								

Direction of Trade – First Half 2003

Major Export Markets (% of Total)		Major Import Suppliers (% of Total)	
United States	86.7	United States	62.1
Japan	2.2	China	4.9
United Kingdom	1.5	Japan	4.2
Asia (ex. Japan)	*3.1*	*Asia (ex. Japan)*	*10.3*
Latin America	*1.3*	*Latin America*	*5.5*
Middle East	*0.4*	*Africa*	*1.1*

Real Growth and Inflation



Real GDP (% chg yoy) ——— Consumer Prices (% chg yoy)

Industrial Indicators Underscore Muted Environment

Latest data releases suggest that Canadian activity remains muted, in contrast with the US economy which is picking up momentum on many fronts. Our panel consequently projects another 25 basis-point interest rate cut at the Bank of Canada's forthcoming April 13 meeting. Much of the current weakness remains centred on the export-oriented industrial sector which has been affected by C$ appreciation against the US$. Output-based GDP during January fell by 0.1% m-o-m, bringing the y-o-y rate down from 2.1% in December to 1.6%. The decline was caused by the poor performance of auto sales that month, which adversely affected manufacturing, wholesaling, retailing and transport. Moreover, the construction sector was hit by very cold weather, although utilities were boosted by greater demand for heating and electricity. Elsewhere, January's factory report showed total shipments declining by 0.2% m-o-m, although this was expected, given the sharp fall in shipments of automotive products. Surprisingly, new orders climbed from 2.1% in December to 2.5% m-o-m, but it is unclear whether this marks the beginning of a turnaround. Forecasts for production this year have been downgraded while January trade data shows both exports and imports contracting m-o-m, with export demand still affected by the strength of the US$. Moreover, the contraction in imports underscores waning domestic demand. In contrast, retail sales data for January showed marked gains in both m-o-m and y-o-y terms, while the monthly GDP report suggested that department stores and shopping centres reported brisk activity during January. However, February's labour force survey shows employment growth falling m-o-m, with jobs in manufacturing and construction especially hard hit. This is likely to reduce support for personal spending prospects, which have been downgraded.

With the current fiscal year ending, the government announced the budget for FY04-05, with federal spending set to rise by 4.4% y-o-y and fiscal surpluses of at least C$4bn projected over the next two years. However, policy is not expected to be especially expansive, with no personal tax cuts and few corporate incentives planned. As a result, the onus to buoy activity will fall mainly on monetary policy.

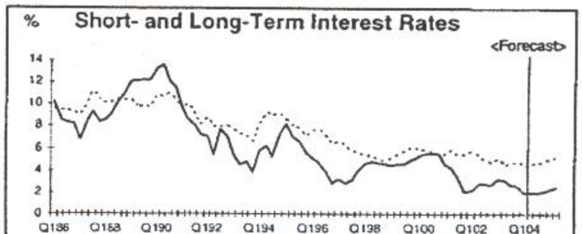
Likelihood of a Bank of Canada Interest Rate Change

Our panel's estimated average probability of a change in the **overnight lending rate at or before the next key policy meeting** following the survey date was:

INCREASE		NO CHANGE		DECREASE	
0.0	+	28.2	+	71.8	= 100 %

Most likely rate change mentioned: -0.25%

Short- and Long-Term Interest Rates



3 Mth Treasury Bill Rate — — — 10 Yr Govt Bond Yield

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<HELP> for explanation.

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CLOSE/BID/ YIELD

GCAN10YR CANADA GOVT BNDS 10 YR NOTE

HI 4.384 ON 3/ 4/04
AVE 4.2646
LOW 4.176 ON 3/24/04

Range 3/ 1/04 to 3/31/04 Period D Daily

	DATE	YIELD		DATE	YIELD	DATE	YIELD
F			F	3/12	4.257		
T			T	3/11	4.248		
W	3/31	4.327	W	3/10	4.247		
T	3/30	4.348	T	3/ 9	4.242		
M	3/29	4.345	M	3/ 8	4.252		
F	3/26	4.289	F	3/ 5	4.282		
T	3/25	4.188	T	3/ 4 H	4.384		
W	3/24 L	4.176	W	3/ 3	4.379		
T	3/23	4.177	T	3/ 2	4.352		
M	3/22	4.181	M	3/ 1	4.344		
F	3/19	4.215					
T	3/18	4.202					
W	3/17	4.189					
T	3/16	4.220					
M	3/15	4.242					

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CLOSE/BID/ YIELD

GCAN30YR CANADA GOVT BNDS 30 YR NOTE

HI 5.047 ON 3/ 3/04
AVE 4.9701
LOW 4.895 ON 3/24/04

Range **3/ 1/04** to **3/31/04** Period **D** Daily

	DATE	YIELD		DATE	YIELD	DATE	YIELD
F			F	3/12	4.990		
T			T	3/11	4.977		
W	3/31	5.035	W	3/10	4.966		
T	3/30	5.040	T	3/ 9	4.956		
M	3/29	5.035	M	3/ 8	4.960		
F	3/26	4.978	F	3/ 5	4.984		
T	3/25	4.898	T	3/ 4	5.046		
W	3/24 L	4.895	W	3/ 3 H	5.047		
T	3/23	4.898	T	3/ 2	5.025		
M	3/22	4.897	M	3/ 1	5.023		
F	3/19	4.926					
T	3/18	4.918					
W	3/17	4.912					
T	3/16	4.941					
M	3/15	4.966					

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