

Housing Starts

Alberta housing starts hit 5 year high

Alberta housing starts jumped to 41,438 in May (seasonally adjusted at annual rate, SAAR), the highest level in five years. May's starts were 6.3% above the previous month and a staggering 23.6% above the same month last year. Housing starts have been strong so far in 2013, averaging 36,300.

Nationally, May's housing starts increased over April (+13.8%), showing growth in each province except for Quebec, Manitoba and B.C. However, starts dropped on a year-over-year basis for the sixth straight month (-7.9%), reflecting declines in Newfoundland, New Brunswick, Quebec, Ontario, Manitoba, and B.C.

New Housing Price Index (NHPI)

Alberta's house prices gain momentum

New home prices in Alberta continue to accelerate after years of flat or negative growth. In April, Alberta's new home prices grew by 2.5% over the same month last year. The increase in prices was largely due to the housing component (+3.2%), however land prices also posted a modest gain (+1.0%). Price growth in Calgary led the province, increasing by 4.7% over April 2012. House prices in Edmonton grew by 0.4%.

At the national level new home prices were up 2.0% in April compared to the same month last year. April marked the third consecutive month that price growth in Alberta has exceeded the national average, ending a streak of almost five years of below average growth.

Manufacturing Shipments

Shipments still lag behind last year

Manufacturing shipments fell by 1.3% in April, the second straight monthly decline. This partially offsets strong gains in January and February.

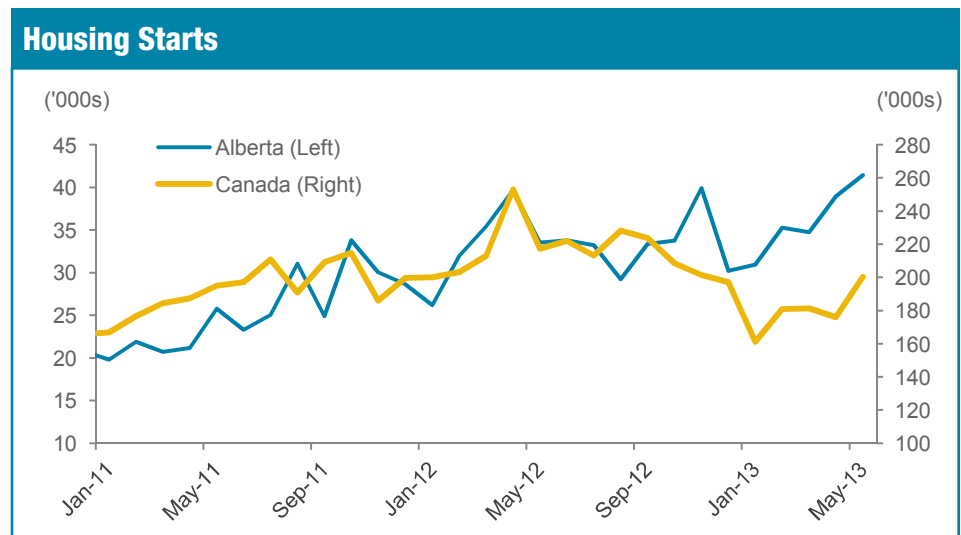
On a year-over-year basis, shipments fell for the eighth consecutive month (-3.8%). Non-durable goods suffered broad-based decreases, with food manufacturing, petroleum & coal products and chemical manufacturing all realizing negative growth. Durable goods (1.2%) tempered the overall loss, climbing on the back of robust wood product manufacturing, which offset a drop in machinery manufacturing. Wood product manufacturing remains a bright spot, with April marking the fourteenth month of double digit year-over-year growth.

Nationally, manufacturing shipments were down 3.3% in April and, as in Alberta, have remained relatively flat since mid-2012.

Japanese Real GDP

Japan enjoys strong first quarter growth

Japanese real GDP grew at an annual rate of 4.1% in the first quarter of 2013, thanks to stronger household spending and an increase in net exports. Real Japanese exports increased at an annual rate of 16.1%, while imports only increased 4.0%. Exports were spurred in part by the substantial depreciation of the Japanese Yen that has occurred since November. Real household consumption expenditures increased by 3.6% as consumers spent a greater share of their income, which caused the savings rate to fall to a five-year low of 6.7%.



Source: Statistics Canada

| Closing Price | June 6, 2013 | June 13, 2013 | 2013-14 Fiscal YTD |
|-------------------------------|--------------|---------------|--------------------|
| Canadian Dollar (US¢/\$CAN) | 97.68 | 98.33 | 98.03 |
| WTI Oil (\$US/bbl) | 94.76 | 96.69 | 93.70 |
| NYMEX Natural Gas(\$US/MMBtu) | 3.83 | 3.81 | 4.08 |

Alberta Economic Indicators

| Population | 2011 | 2012 | 2013YTD | Dec | Jan | Feb | Mar | Apr | May |
|---|----------|----------|----------|----------|----------|----------|---------|-------|-------|
| Population (000's) | 3,778 | 3,874 | 3,931 | -- | 3,931 | -- | -- | -- | -- |
| y/y % change | 1.5 | 2.5 | 3.0 | -- | 3.0 | -- | -- | -- | -- |
| Net Interprovincial Migration ¹ | 8,443 | 28,170 | 25,448 | -- | 11,533 | -- | -- | -- | -- |
| Net International Migration ¹ | 16,703 | 37,990 | 17,105 | -- | 6,296 | -- | -- | -- | -- |
| Net Non-permanent Residents ¹ | -7,604 | 9,721 | 2,813 | -- | -1,133 | -- | -- | -- | -- |
| Labour Market | | | | | | | | | |
| Employment (000's), SA | 2,094 | 2,150 | 2,181 | 2,165 | 2,175 | 2,179 | 2,168 | 2,183 | 2,201 |
| y/y % change | 3.8 | 2.6 | 2.1 | 1.5 | 1.9 | 2.5 | 1.7 | 1.9 | 2.3 |
| Unemployment Rate (%), SA | 5.4 | 4.6 | 4.6 | 4.5 | 4.5 | 4.5 | 4.8 | 4.4 | 4.8 |
| Participation Rate (%), SA | 73.7 | 73.4 | 72.8 | 72.9 | 72.9 | 72.9 | 72.6 | 72.5 | 73.3 |
| Average Weekly Earnings (\$), SA | 1,035.75 | 1,072.98 | 1,098.18 | 1,095.14 | 1,083.82 | 1,099.51 | 1111.20 | -- | -- |
| y/y % change | 4.4 | 3.6 | 4.0 | 3.9 | 3.0 | 4.5 | 4.6 | -- | -- |
| Price Indices | | | | | | | | | |
| Consumer Price Index (y/y % change) | 2.4 | 1.1 | 0.7 | 0.0 | -0.5 | 0.9 | 1.2 | 1.3 | -- |
| Excluding food and energy | 0.8 | 1.3 | 1.1 | 1.1 | 0.8 | 1.4 | 1.2 | 0.9 | -- |
| Non-Res. Building Cons. Price Index ² (y/y % change) | 3.4 | 3.8 | 1.4 | 3.0 | -- | -- | 1.4 | -- | -- |
| Farm Product Price Index (y/y % change) | 17.7 | 6.4 | 4.6 | 3.9 | 4.1 | 5.2 | 4.4 | -- | -- |
| Crops | 18.7 | 6.5 | 9.3 | 6.8 | 8.7 | 9.8 | 9.3 | -- | -- |
| Livestock | 16.9 | 6.2 | 0.2 | 1.5 | -0.2 | 1.1 | -0.1 | -- | -- |
| Household Sector | | | | | | | | | |
| NEW: Housing Starts (SAAR, 000's) | 25.7 | 33.4 | 36.3 | 30.2 | 31.0 | 35.3 | 34.7 | 39.0 | 41.4 |
| y/y % change | -5.1 | 29.9 | 8.8 | 5.5 | 18.3 | 10.4 | -- | -1.7 | 23.6 |
| NEW: New Housing Price Index ³ (y/y % change) | 0.4 | 1.3 | 2.4 | 1.9 | 2.2 | 2.6 | 2.4 | 2.5 | -- |
| Edmonton | 0.9 | 0.9 | 0.7 | 1.0 | 0.9 | 1.0 | 0.6 | 0.4 | -- |
| Calgary | -0.1 | 1.7 | 4.1 | 3.1 | 3.3 | 4.3 | 4.3 | 4.7 | -- |
| MLS Average Resale Prices (\$ 000's) | 352.7 | 362.0 | 375.6 | 372.2 | 367.6 | 380.1 | 380.4 | 374.3 | -- |
| y/y % change | 0.5 | 2.6 | 5.1 | 5.2 | 6.6 | 4.5 | 5.9 | 3.4 | -- |
| Edmonton (\$ 000's) | 324.2 | 332.7 | 342.5 | 345.9 | 337.6 | 344.0 | 348.9 | 339.4 | -- |
| y/y % change | -0.7 | 2.6 | 2.7 | 4.4 | 1.6 | 2.8 | 5.4 | 1.0 | -- |
| Calgary (\$ 000's) | 401.9 | 410.8 | 429.3 | 436.0 | 422.5 | 436.7 | 433.9 | 423.9 | -- |
| y/y % change | 1.1 | 2.2 | 7.2 | 8.3 | 12.4 | 5.7 | 6.3 | 4.6 | -- |
| Retail Sales, SA (y/y % change) | 6.8 | 6.9 | 5.5 | 2.8 | 4.3 | 7.4 | 4.7 | -- | -- |
| New Motor Vehicle Sales (y/y % change) | 9.6 | 10.5 | 3.0 | -0.7 | 3.6 | 6.5 | -0.1 | -- | -- |
| Consumer Bankruptcies | 7029 | 5759 | 1287 | 346 | 446 | 412 | 429 | -- | -- |
| y/y % change | -13.8 | -18.1 | -20.5 | -28.4 | -13.7 | -22.7 | -24.5 | -- | -- |
| Business Sector | | | | | | | | | |
| Rigs Drilling | 286 | 250 | 303 | 287 | 368 | 422 | 306 | 115 | 88 |
| y/y % change | 30.4 | -12.6 | -9.5 | -16.6 | -8.2 | -8.1 | -9.4 | -18.2 | 0.0 |
| Goods Exports, customs based (y/y % change) | 18.4 | 1.8 | 1.5 | -13.1 | 1.3 | 2.0 | 1.5 | 1.4 | -- |
| Energy | 19.2 | 2.1 | 1.6 | -16.9 | 1.0 | 3.9 | 0.7 | 0.9 | -- |
| Farm, Fishing and Intermediate Food | 27.2 | 20.6 | 2.2 | 20.0 | 3.8 | 6.7 | 5.3 | -6.2 | -- |
| Farm Cash Receipts (quarterly, y/y % change) | 16.7 | 14.1 | 9.3 | 10.1 | -- | -- | 9.3 | -- | -- |
| NEW: Manufacturing Shipments, SA (y/y % change) | 17.3 | 3.4 | -2.9 | -5.8 | -3.5 | -1.0 | -3.2 | -3.8 | -- |
| Wholesale Trade, SA (y/y % change) | 14.7 | 10.8 | 4.0 | 3.7 | 3.1 | 6.2 | 2.8 | -- | -- |
| Building Permits, SA (y/y % change) | 11.8 | 14.8 | 22.9 | -5.4 | 24.7 | 19.9 | 38.6 | 10.0 | -- |
| Residential | 5.2 | 18.2 | 14.6 | 2.2 | 21.2 | 7.8 | 14.6 | 15.4 | -- |
| Non-residential | 20.9 | 10.7 | 33.5 | -13.0 | 30.6 | 36.1 | 72.1 | 5.0 | -- |
| Business Bankruptcies | 264 | 230 | 36 | 16 | 10 | 14 | 12 | -- | -- |
| y/y % change | -30.2 | -12.9 | -43.8 | -11.1 | -50.0 | -44.0 | -36.8 | -- | -- |

¹ Quarterly; annual numbers are presented on a census year basis (July 1– June 30)

² Quarterly, average of Calgary and Edmonton

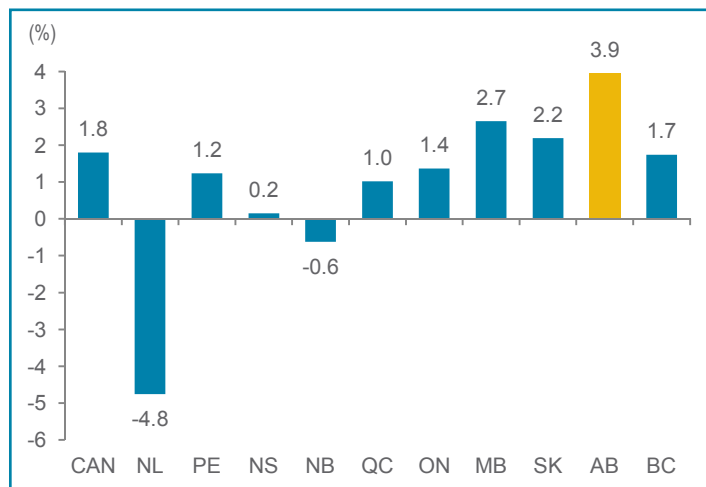
³ Average of Calgary and Edmonton

YTD (year-to-date) represents the change since the beginning of the year compared to the same period in the previous year. "SA" denotes seasonally adjusted. "SAAR" denotes seasonally adjusted at annual rate

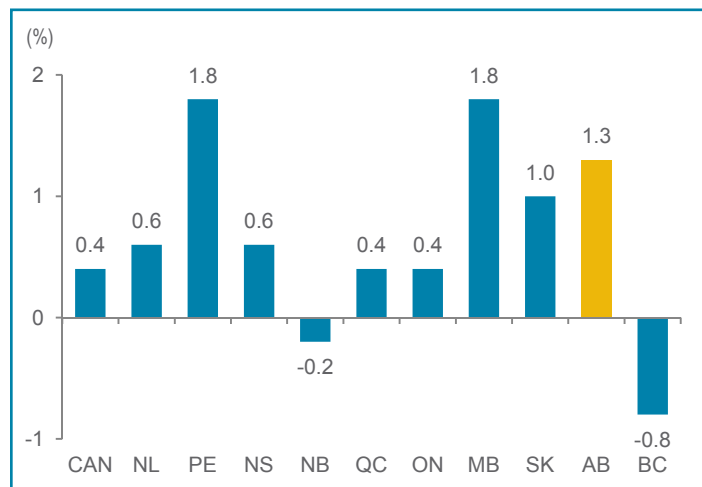
Sources: All data is from Statistics Canada except Housing Starts (Canada Mortgage and Housing Corporation), MLS Average Resale Prices (Canada Real Estate Association), Rigs Drilling (Canadian Association of Oilwell Drilling Contractors) and Bankruptcies (office of the superintendent of Bankruptcy Canada).

Economic Indicators by Province

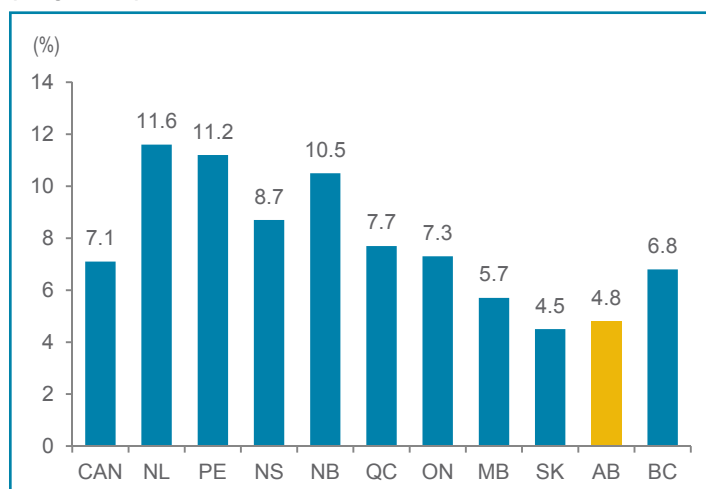
Real GDP by Industry
(2012, year-over-year growth)



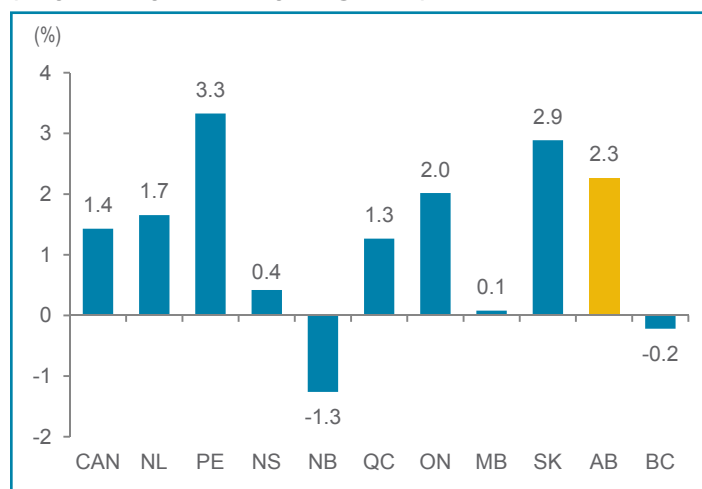
CPI Inflation
(April 2013, year-over-year growth)



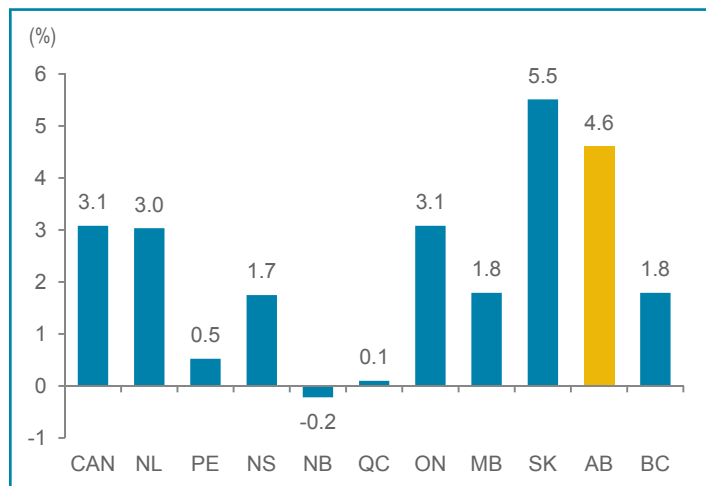
Unemployment Rate
(May 2013)



Employment
(May 2013, year-over-year growth)



Average Weekly Earnings
(March 2013, year-over-year growth)



Housing Starts
(May 2013, SAAR, year-over-year growth)

