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Monthly Indicators

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America No Longer Drives the Bus

Global commodity markets aren't as much at risk as the stock market fears, nor is the US economy the linchpin of global growth that it once was. Nevertheless, with the federal funds rate only now 125 bps below the last recession-inducing setting in 2000, the investment stakes seem to be getting higher with every passing Fed rate hike.

All the more so, when you consider that a green Fed Chairman Bernanke is at the helm. Will he chase still-rising US core inflation all the way to a 6%-plus federal funds rate, and in the process play Russian roulette with next year's earnings, if not economic growth itself? At a minimum, it raises a cautionary flag on the US equity market. But whether that flag should also extend to global commodity and energy markets is no longer the corollary that it was in the past.

While the American economy drove the tech boom in the 1990s, it's certainly not driving this decade's commodity boom. Nor, for that matter, is it driving global economic growth that, over the last three years, has been the strongest since the 1970s.

It's not the mature US economy that is driving the global bus these days, but rather exploding economic growth in China, India, and the rest of developing Asia, as well as energy giants in the Middle East and Russia (see pages 6-9). And contrary to the perception of Americentric capital markets, all of that surging overseas growth isn't about supplying American customers. China's auto production is up 200% from only five years ago and the country doesn't sell any of the six million autos it makes every year in the US. Exports to the US account for only 8% of China's GDP, and even less for most of the other growth poles in the global economy today.

Fortunately, global growth is not subject to the same monetary policy constrains that increasingly cloud US economic prospects. While headline US inflation and the federal funds rate are approaching red-line territory, both inflation and short-term interest rates remain miles away from past cyclical peaks in most places around the global economy. Even in the red-hot Chinese economy, inflation is barely above 1%.

Overnight interest rates in Japan may be poised for a hike, but that move will be from a zero setting, while the 10-year Japanese Government Bond yield is still below 2%. Even the hawkish European Central Bank has its key refinancing rate at only 2.75%, 200 bps below its last cyclical rate peak, while Euroland core inflation is just 1.3%. It will take a lot more growth, and a lot more inflation, to get monetary policy settings in the rest of the world on par with the Fed's interest rate setting.

Until then, investors' focus should be overseas and not on America. It may look like the ninth for the US economy, but the global boom in energy and base metals demand is still in the middle innings.

MARKET CALL

- A Fed obsessed with each tick in the core CPI is going to find it hard to resist another quarter-point hike to 5.5%, given near-term upside price pressures (see pages 4-5). The rate move will be a disappointment for the Treasuries market in the near term, but it will only add to the need for rate cuts come 2007, when the economic slowing proves more than Bernanke is bargaining for.
- Perhaps because he already has a track record as an inflation fighter, or because core inflation is not yet as heated north of the border, David Dodge feels more comfortable relying on a forecast growth slowdown to take the heat off inflation. The strength of the C$ is another factor weighing on the Bank, given its visible drag on real net exports even before the US slowdown got underway.
- While a dovish Bank of Canada has sent the C$ weaker, the loonie should still share in at least the first leg of the selling wave we expect the US$ will suffer once the Fed announces it's done hiking, particularly with oil set to climb higher. But a slowing economy and prospects for BoC rate cuts in 2007 will have US$ bears opting for other currencies where rate hikes are still to come.

INTEREST & FOREIGN EXCHANGE RATES

			2006			2007		
END OF PERIOD:		**11-Jul**	**Sep.**	**Dec.**	**Mar.**	**June**	**Sep.**	**Dec.**
CDA	Call loan (mid-point of range)	4.25	4.25	4.25	4.00	3.50	3.50	3.50
	98-Day Treasury Bills	4.20	4.10	4.05	3.60	3.35	3.35	3.35
	Chartered Bank Prime	6.00	6.00	6.00	5.75	5.25	5.25	5.25
	2-Year Gov't Bond (3.75% 06/08)	4.25	4.25	4.05	3.95	3.80	3.80	3.80
	10-Year Gov't Bond (4.5% 06/15)	4.44	4.50	4.40	4.35	3.95	3.95	4.00
	30-Year Gov't Bond (5.75% 06/33)	4.49	4.60	4.50	4.40	4.00	4.00	4.05
U.S.	Federal Funds Target	5.25	5.50	5.50	5.25	4.75	4.75	4.75
	91-Day Treasury Bills	4.92	5.10	5.05	4.85	4.45	4.45	4.40
	2-Year Gov't Note (5.125% 06/08)	5.16	5.40	5.25	4.90	4.50	4.50	4.50
	10-Year Gov't Note (5.125% 05/16)	5.10	5.35	5.10	5.00	4.70	4.70	4.65
	30-Year Gov't Bond (4.5% 02/36)	5.15	5.40	5.20	5.10	4.75	4.75	4.75
Canada - US T-Bill Spread		-0.72	-1.00	-1.00	-1.25	-1.10	-1.10	-1.05
Canada - US 10-Year Bond Spread		-0.66	-0.85	-0.70	-0.65	-0.75	-0.75	-0.65
Canada Yield Curve (30-Year — 2-Year)		0.24	0.35	0.45	0.45	0.20	0.20	0.25
US Yield Curve (30-Year — 2-Year)		-0.01	0.00	-0.05	0.20	0.25	0.25	0.25
EXCHANGE RATES	— (US¢/C$)	88.3	91.7	88.9	87.3	87.7	87.3	87.0
	— (C$/US$)	1.132	1.090	1.125	1.145	1.140	1.145	1.150
	— (Yen/US$)	114	112	108	100	97	98	100
	— (US$/euro)	1.28	1.28	1.32	1.35	1.33	1.33	1.32
	— (US$/pound)	1.85	1.84	1.89	1.94	1.93	1.92	1.90
	— (US¢/A$)	75.3	76.0	76.0	75.0	72.0	70.0	70.0

STRATEGY AND EARNINGS OUTLOOK

- Our three picks—energy, materials and industrials—have paced the TSX's gains this year. With energy and other resource producers now reclaiming the ground lost in May and early June, the Composite should set new records in the second half, validating our recommended 10%-point overweight in stocks, at the expense of bonds and a zero cash position.

- Still-higher crude prices point to a continuing bid for energy stocks, with over one million barrels of crude production threatened by another expected severe Gulf of Mexico hurricane season. While the outlook is bright for energy and material stocks, given still-buoyant growth overseas (see pages 6-9), we remain underweight telecoms and info-tech. The income hit from rising energy and debt service costs likewise makes us leery of consumer issues.

- While lagging somewhat behind our earlier upbeat expectations, the income trust sector has continued to outperform all other assets classes for a fifth straight year, besting total returns from the TSX Composite by over 200 bps so far in 2006. With the Bank of Canada on hold owing to the firm loonie, we are looking for the trust market's long-running winning performance to carry over into the second half of 2006. We've raised our recommended overweight in the oil and gas trusts to 56%, 8%-points above benchmark, to capitalize on continued strong expected leadership from that sector.

Table 1

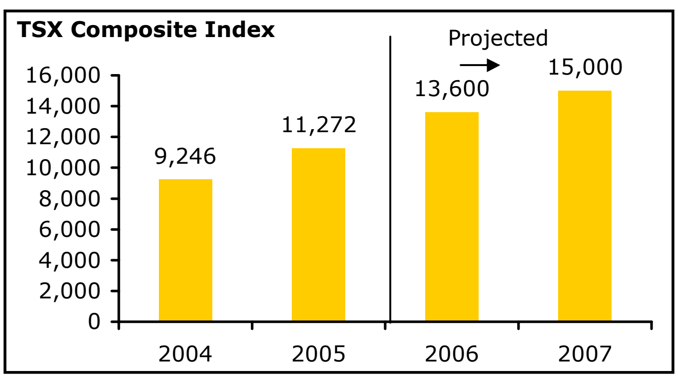
ASSET MIX (%)	Benchmark	Strategy Recommendation
Stocks	**50**	**60**
Income Trusts	**5**	**10**
Bonds	38	30
Cash	7	0
GICS SECTOR EQUITIES (%)		
Consumer Discretionary	4.5	0.5
Consumer Staples	2.9	0.4
Energy	**26.3**	**34.8**
Financials	31.2	31.2
Healthcare	1.1	1.1
Industrials	**5.6**	**6.1**
Info Tech	3.8	0.8
Materials	**18.4**	**20.9**
Telecom	5.0	3.0
Utilities	1.1	1.1

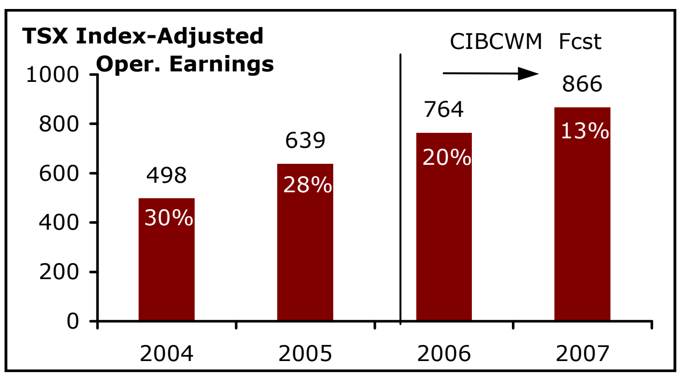
Note: Bold indicates recommended overweight.

Table 2

TSX - Earnings Outlook & Forward PE

	Operating Earnings (% chg)		4-qtr Fwd PE	
	2005	2006	Latest	Last 10 yrs.
Energy	60.4	36.8	11.9	13.0
Materials	36.9	49.5	16.4	27.5
Industrial	60.5	26.4	14.6	15.6
Consumer Discretionary	17.6	-13.7	24.8	18.6
Consumer Staples	2.2	-10.7	19.6	17.0
Health Care	-9.8	5.7	19.6	49.7
Financials	15.2	7.0	14.5	10.9
Info Tech	158.9	-11.3	23.0	32.3
Telecommunications	10.2	-5.1	20.5	34.7
Utilities	6.6	11.7	17.4	13.9
TSX Composite	**28.4**	**19.7**	**14.7**	**17.9**





US Inflation: This Too Shall Pass

Avery Shenfeld and Benjamin Tal

Core inflation has awoken from its slumber in the US, but not for the reasons that the central bank is worried about. And while Bernanke seems to lack the nerve to leave well enough alone, the coming growth slowdown should, with a lag, take care of the problem.

While the Fed points a finger at the pass-through of the last year's rise in energy and materials costs into core and the return of business pricing power, the facts say otherwise. With the exception of transportation services (which are energy-sensitive), it's in goods rather than services where materials costs should show their colours. Yet having turned positive on the lagged impacts of US dollar depreciation in 2003-04, core goods inflation has actually been decelerating in the past year and a half (Chart 1). The upswing in inflation has instead rested in services.

As has been widely noted, the two rent components in the CPI are where the action has been in the services inflation upswing. Together, rent and "owners' equivalent rent (OER)," used as a proxy for the opportunity cost of living in an owner-occupied dwelling rather than renting it out, account for more than 40% of the core CPI basket. Other services prices, as a group, have been generally tame, with the yearly pace actually softening in recent months (Chart 2). That's not to say that the Fed should bizarrely focus on CPI excluding food, energy and rent —a decision that would exclude some of the most important items in household budgets. But the disaggregation does show where the core inflation problem is, and where it isn't.

Ironically, it's the Fed's tightening program and a cooling in utilities prices that have pushed up rent inflation. The earlier era of cheap mortgages made home ownership affordable to millions of Americans who would otherwise have been renters, and resulted in a ballooning vacancy rate on rental properties. Now, that door has been shut by the combination of costly mortgages and higher house prices, resulting in a tightening of vacancy rates, and allowing rental rates to resume their climb (Chart 3).

Utility rates play an artificial and temporary role in the measurement of OER. The number crunchers at the BLS have to deduct an estimate of utilities costs from rent bills that include utilities to calculate the pure rent component. A drop in utility rates in the past two months has reduced that deduction, leaving a higher calculation for rent. In reality, rents that include utilities aren't actually adjusted for such monthly swings in utility costs until the lease runs out. In any

Chart 1
Core Pressures in Services, Not Goods

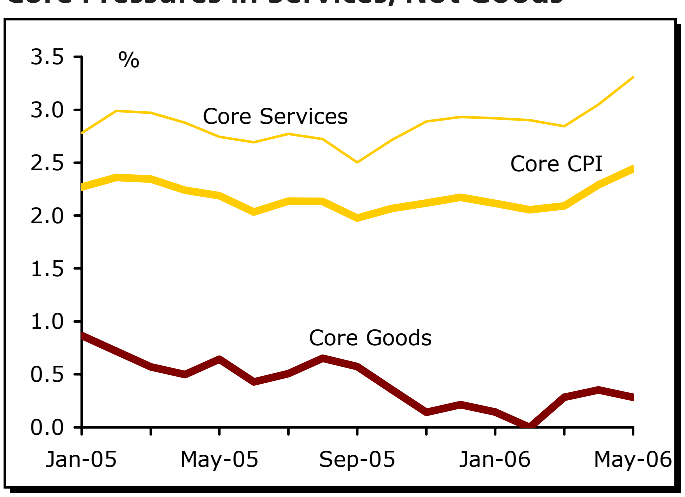


Chart 2
Ex-Rent/OER, Inflation is Not Accelerating

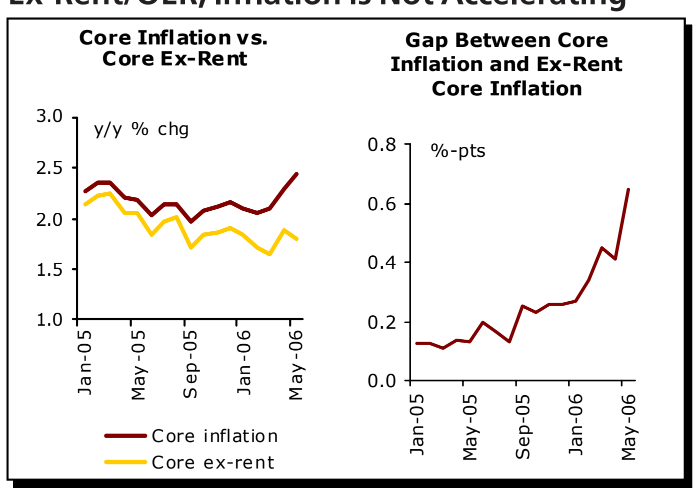
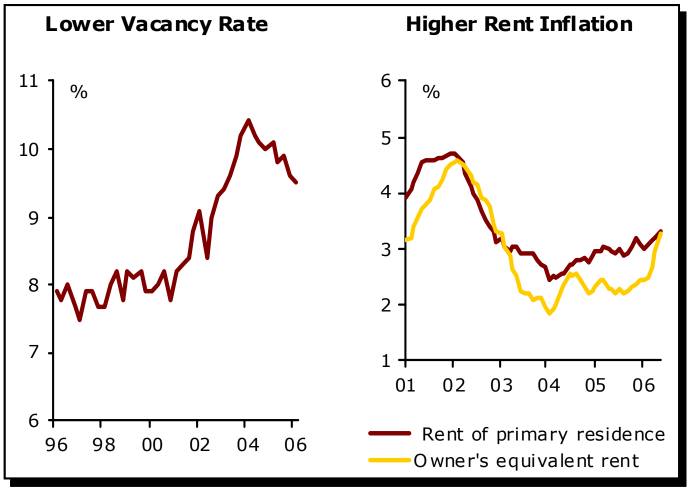


Chart 3

Tightening Rental Market Drives Increase in Rent Inflation

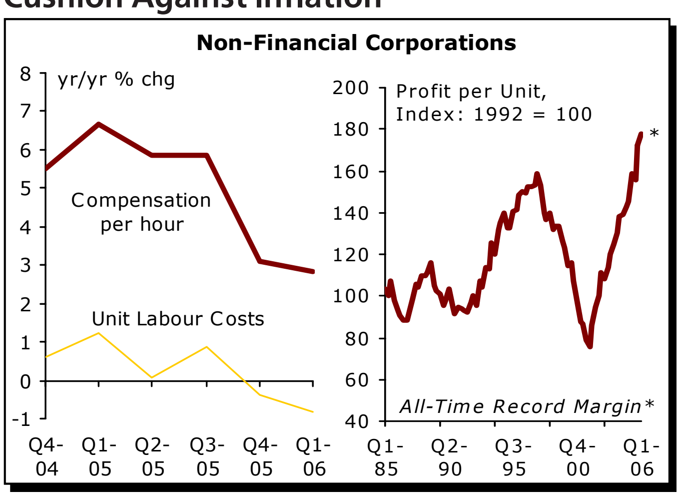


event, we expect to see higher utility rates return, and even excluding this measurement quirk, it's clear that underlying rent inflation has escalated from a 2% world to something closer to 3%.

A slowing economy isn't going to do much to bring that pace back down, and indeed, rent will initially push core CPI to higher year-on-year levels. But for inflation to persist, wages and purchasing power have to be able to chase prices, something that isn't going to happen in the context of a moderation in growth. Instead, consumers squeezed by higher rent and energy bills are going to require fresh discounts on other items to keep them in the stores.

Chart 4

Labour Cost Savings, Fat Margins, Cushion Against Inflation



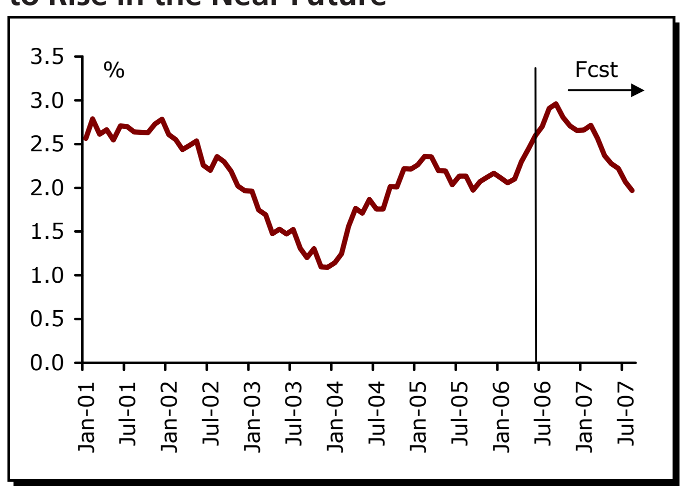
And the business sector is positioned to deliver those discounts, for the same reason that Americans will need them. Wages and total compensation have been decelerating, despite the falling jobless rate (Chart 4). And with solid productivity growth, unit labour costs are falling on a year-on-year basis, providing plenty of savings for business to offset raw materials costs. Far from being squeezed by the latter, non-financial business profit margins have been soaring at a more than 20% clip.

Still, barring an unwelcome and precipitous collapse in economic activity, it will take time for a softening consumer sector to translate into downward pressure on prices. In the meantime, with rent inflation sticky, the core CPI rate will be rising towards 3% and the Fed will press on to a 5.5% funds rate (Chart 5).

If a robotic Fed keeps hiking until it actually sees core prices crest, it will have gone much too far given the lags in the response of non-rent prices to the slowdown and the tendency of rent inflation to persist. But historically, while the Fed has ended up overshooting and in need of a quick reversal, the central bankers have at least shown the wisdom in delivering that u-turn and responding to faltering growth, even as inflation was still rising. Give Bernanke the benefit of the doubt, and bet that the Fed won't press on beyond 5½%.

Chart 5

Core Inflation Will Continue to Rise in the Near Future



How Vulnerable is Global Growth to a US Slowdown?

Jeff Rubin and Peter Buchanan

Stock valuations of global commodity producers were trembling last month as market concerns over potentially excessive Federal Reserve Board tightening cast a pall over future earnings growth. These fears are not only anchored in the Fed's actions and tough anti-inflationary rhetoric but also in a very Americentric view of global economic growth. While still the world's largest economy and by far its largest energy consumer, the American economy is no longer driving the global growth bus.

While the jury may still be out on the Fed's management of the US economy, the risk of overkill doesn't carry the same kind of broad global ramifications that it once might have. While it leads the global headlines, America has not led global GDP growth for some time. Over the last three years, the strongest three for global growth since the early 1970s (Chart 1), the US has accounted for only 15% of global economic growth. That growth contribution is little more than half the US economy's weight in global GDP.

Global Growth Drivers Different Than in 1990s

That's a far cry from only a decade ago, when the US economy was still very much the engine of the global economy. For example, during the 1992-2000 recovery, America accounted for between a quarter and a third of the increase in global GDP, more than any other country. In contrast to the 1990s, this decade's growth has been driven by China, India and the rest of developing Asia, as well as booming economies in key oil producers like the OPEC members and Russia, now the world's largest energy producer. Those countries have accounted for nearly 60% of the last three year's global growth (Chart 2).

Since 2004, China alone has made a greater contribution to global growth than the once dominant US has despite the fact that its economy is little more than half as large as the American one. And recent data suggest the Chinese economy has lost little momentum of late. GDP growth clocked in at an over-10% annual rate in the first half of 2006, the strongest in nearly a decade, with industrial production up a hefty 17% from 2005 so far this year.

While China's exports to the US are growing, they still make up a scant 8% of the country's GDP— and are by no means the fastest growing component (Chart 3). China's burgeoning middle class consumers and red-hot investment spending have long replaced supplying Wal-Mart as the driver of that country's economic growth. China has yet to start exporting autos to North America, but its auto production is up a striking 200% from the level just five years ago.

Chart 1
Strongest 3-Year Growth in Last 30 Years

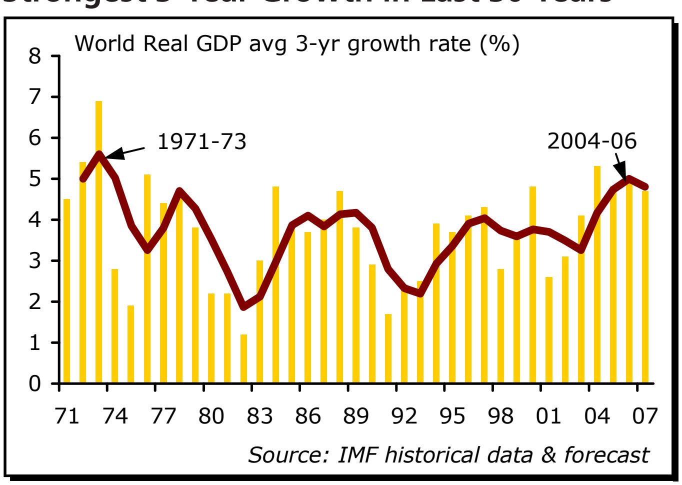


Chart 2
Contribution to Global GDP Growth by Region

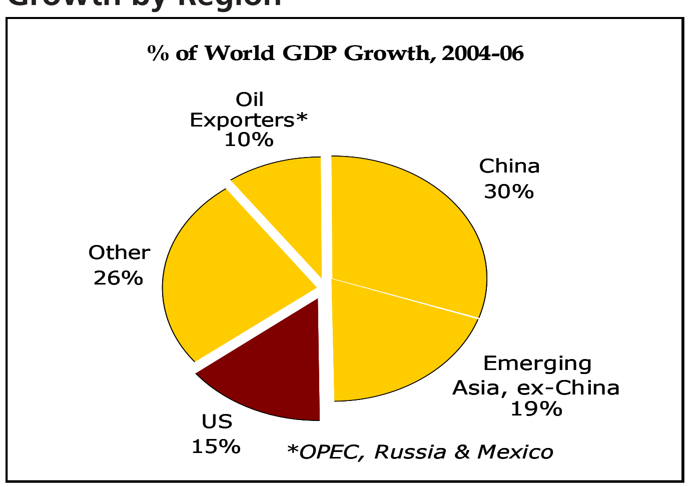
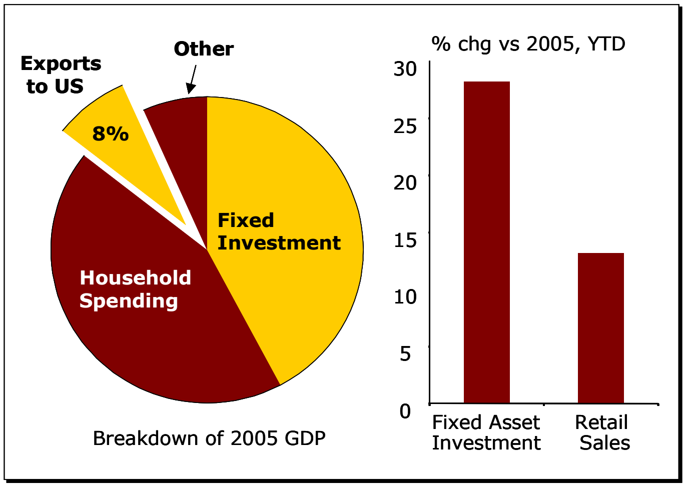


Chart 3
Solid Domestic Demand Will Shield China From US Slowdown



And China is by no means the only country whose economy is expanding at a breakneck pace. The rest of emerging Asia is likely to be growing at close to 5%, while the energy-rich Russian economy will tack on close to 7% in 2006, after a 6.4% rise in real GDP last year. Ditto for the Middle East, where surging oil-revenues are being funneled into massive construction projects.

Even within the traditional framework of OECD economies, there are a number of bright spots that seem independent of the US economy and Federal Reserve Board policy. It looks like the once-comatose Japanese economy has finally come out of a nearly decade-long slump, with growing signs of strengthening domestic demand. Real GDP growth looks like it's on track for a 3%-plus rise this year, the strongest showing since 1991. Improving job prospects, rising wages, and a 15-year high in household confidence are all boosting consumer demand, something that has been lacking in that economy for almost a decade.

Similarly, growth has picked up of late in Western Europe, another perennial soft spot in the world economy. Eurozone unemployment has recently sunk to a five-year low, while the Eurozone purchasing managers' index is at its highest level since August 2000. Eurozone growth is likely to come in at over 2% this year, with Germany, France and Italy all showing marked improvement over last year's growth numbers (Table 1, Chart 4).

Even with growth in the US economy slowing down next year to less than 2.5% in response to monetary policy tightening, world GDP growth should still come in around 5%, robust by any historic benchmark.

Table 1
World Economic Outlook

	2003A	2004A	2005A	2006F	2007F
World*	4.1	5.3	4.8	5.0	4.8
-at market exch. rates	2.7	4.0	3.5	3.8	3.7
US	2.7	4.2	3.5	3.5	2.4
Canada	1.8	3.3	2.9	3.1	2.6
Euroland	0.8	1.8	1.4	2.3	2.1
UK	2.7	3.3	1.9	2.4	2.7
Japan	1.8	2.3	2.6	3.2	2.5
China	10.0	10.1	9.9	9.8	9.0
Other Emerging Asia	5.8	6.8	6.0	5.2	4.9
Latin America**	2.3	6.1	4.7	4.6	3.9
Oil Exporters***	5.4	6.1	5.6	5.7	5.6

**Country growth rates weighted using purchasing power parities*
***Excluding Mexico*
***OPEC, Russia & Mexico*

Chart 4
GDP Growth Picking Up in Key Euroland Economies

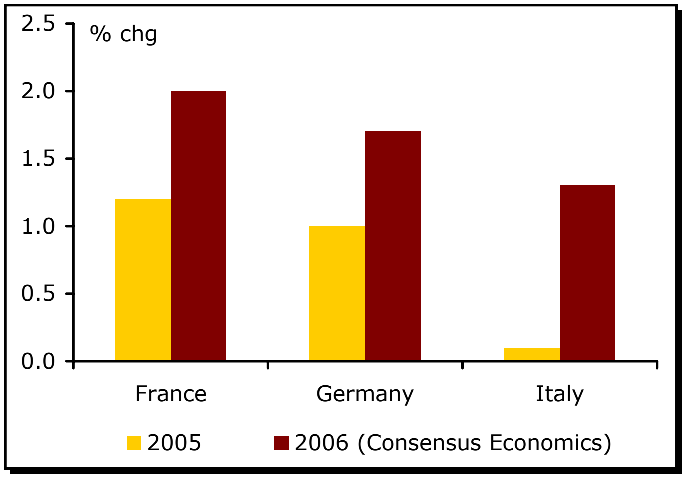
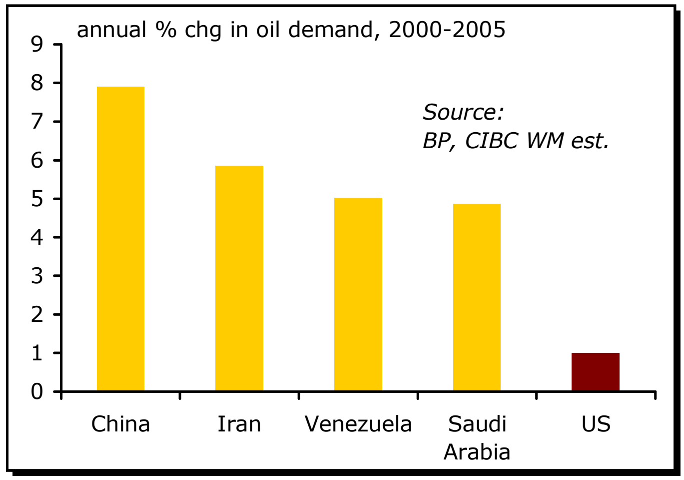


Chart 5
US Crude Demand vs Selected Other Markets



Even Smaller US Imprint on Commodity Markets

America's economic footprint is even less clear when viewed against the backdrop of global commodity demand as opposed to global GDP growth. The US economy is not only much more service-oriented than the rest of the world, but the goods side of the US economy has been the weakest while the services side has accounted for the lion's share of economic growth. Nowhere is that more in evidence than in the oil market.

It's far from clear why markets fixate on the release of US crude and gasoline inventories every Wednesday. If West Texas Intermediate reflected only US demand growth, oil would be trading at around US$35 to US$40 per barrel. While at 21 million barrels per day, the US economy is far and away the largest consumer of crude oil, crude demand has been growing in that economy at less than a per cent per year for the last five years. Compare that to demand growth in China and some of the major oil producing countries themselves (Chart 5).

The US share of global crude demand growth has been little more than its share of global GDP growth. Like in the case of global GDP, the 17% US contribution to global crude demand growth over the last three years is barely half of its share of global crude consumption (Chart 6).

Base metals provide an even starker picture on America's diminishing economic importance for resource markets. Buoyed not only by rapid GDP growth but also by resource-intensive growth, China has well surpassed the US as the world's largest consumer of copper, aluminum and zinc, and its contribution to global demand growth has been over 100% for most of the base metals (Chart 7).

Chances are that America's footprint in global base metals markets is going to get even smaller. Measured against any international yardstick, per capita consumption of both energy and base metals is as yet in its infancy in the burgeoning and rapidly

Chart 6
Share of Global Crude Consumption Growth

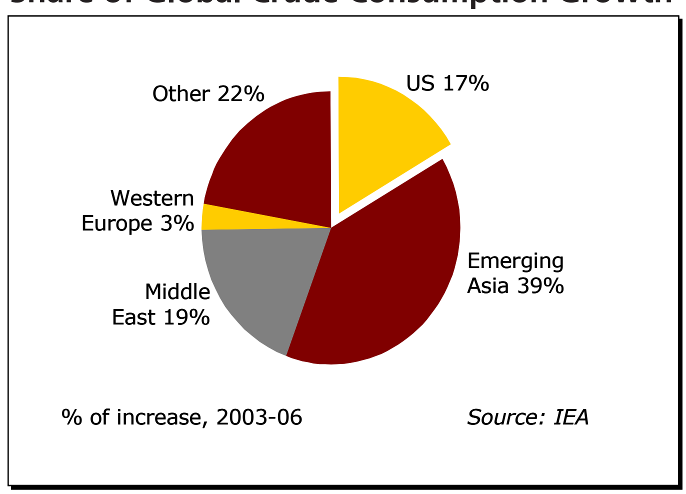
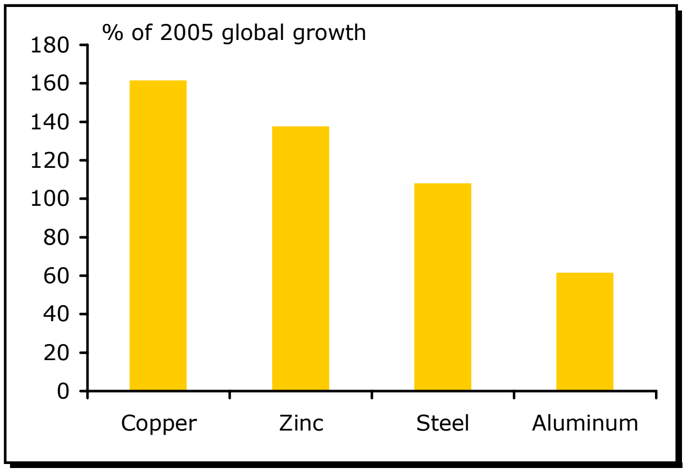


Chart 7
China's Contribution to Global Base Metal Demand Growth



developing Chinese economy, suggesting that the country has years of strong consumption growth ahead of it. Relative to its population size, China used a fifth, on average, of the major base metals (Chart 8)

Chart 8
China's Per Capita Metals Consumption Still Low

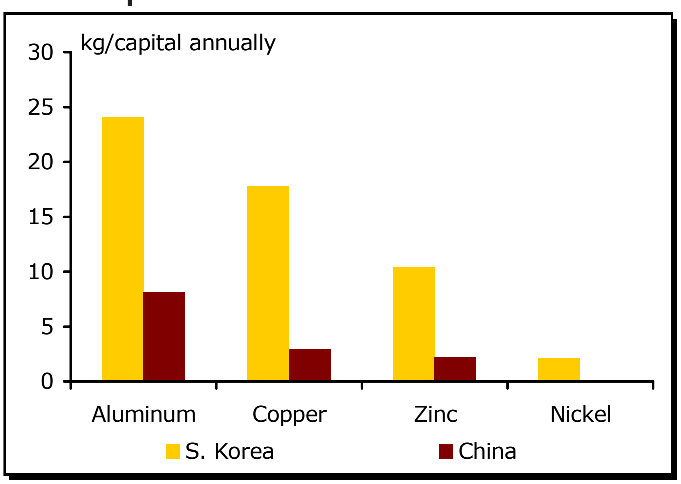
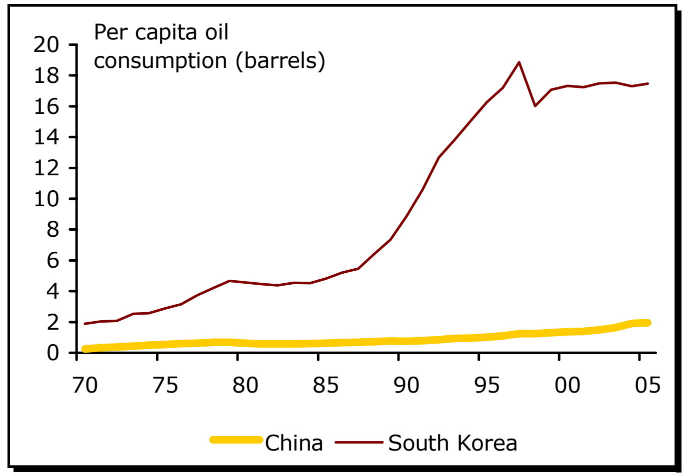


Chart 9
China's Per Capita Oil Use Also Has a Long Way to Grow



and 7% as much oil (Chart 9) in 2005 as advanced industrial countries like the US and Korea. However, those modest levels of resource consumption are changing in a hurry. Auto sales jumped 45% in the first half of year, while surging investment spending is helping to lift metal intensity. Striking as such developments are, it will take years if not decades, for per capita resource use to approach even nearby Asian economies. China's resource needs could consequently continue to grow at a scorching pace for a long time to come.

The global economy, giving due weight to favourable conditions overseas, has looked appreciably healthier than world financial markets have in recent months. Higher US rates do not pose the same risk to global growth as in the past, since the US has been a far less important growth driver in this expansion than in the 1990s' global recovery. Commodities and related equities should continue their recent recoveries as rate jitters ease and investors refocus on continuing underlying strength in global demand.

ECONOMIC UPDATE

CANADA	06Q1A	06Q2F	06Q3F	06Q4F	07Q1F	2005A	2006F	2007F
Real GDP Growth (AR)	3.8	2.6	3.3	2.4	2.2	2.9	3.1	2.6
Real Final Domestic Demand (AR)	5.0	3.9	4.4	3.4	3.3	4.3	4.4	3.5
All Items CPI Inflation (Y/Y)	2.4	2.7	1.9	2.4	2.5	2.2	2.4	2.4
Core CPI Ex Sales Taxes (Y/Y)	1.7	1.9	2.1	2.0	2.0	1.6	1.9	1.9
Unemployment Rate (%)	6.4	6.2	6.1	6.2	6.2	6.8	6.2	6.2
Merchandise Trade Balance (C$ Bn)	67.9	54.4	63.6	65.0	68.8	64.8	62.7	70.9
U.S.								
Real GDP Growth (AR)	5.6	2.7	2.9	2.6	2.0	3.5	3.5	2.4
Real Final Sales (AR)	5.9	2.5	2.7	2.5	1.7	3.8	3.3	2.4
All Items CPI Inflation (Y/Y)	3.6	4.0	3.7	3.7	3.9	3.4	3.7	3.0
Core CPI Inflation (Y/Y)	2.1	2.4	2.9	2.7	2.6	2.2	2.5	2.2
Unemployment Rate (%)	4.7	4.7	4.8	4.9	5.0	5.1	4.8	5.1

CANADA

There was plenty of hiring in Q2, but in terms of economic output, a poor handoff from Q1, and a muted April GDP gain, point to second-quarter growth of little more than 2½%. Canada's expansion remains domestically driven, with a strong currency and a slower US making net trade a notable drag. With GDP growth expected to hold below 3% in the coming year, core inflation should fail to move much beyond the Bank's 2% target, notwithstanding rapid gains in house prices and stronger wage growth tied to labour shortages—pressure points most concentrated in the West. The nominal trade surplus, having receded from buoyant levels in late 2005, should regain some of its earlier strength thanks to a still-bullish outlook for energy prices and gradual increases in energy production.

UNITED STATES

We've trimmed our outlook for Q3 growth by nearly half a percentage point, with the combined drag of slowing employment growth, costly gasoline prices, decelerating housing wealth gains and higher interest rates cooling consumer and housing demand. Core CPI, in contrast, looks more heated than our prior forecast owing to higher rent inflation (actual and owners' equivalent) (see pages 4-5), enough to push the Fed further into an overshoot in the funds rate.

CANADA RELEASE AND EVENT DATES

July 2006

CIBC World Markets

MONDAY 3

CANADA DAY (HOLIDAY) MARKETS CLOSED

TUESDAY 4

WEDNESDAY 5

THURSDAY 6

INTERNATIONAL RESERVES

8:15 AM

	M CHANGE	$BN LEVEL
APR	-0.318	35.7
MAY	-0.031	35.7
JUN	0.231	35.9

BUILDING PERMITS

8:30 AM

	(RES)	(NON-RES)
MAR	1.0	20.7
APR	-5.7	-19.5
MAY	0.7	18.1

IVEY PURCHASING MANAGERS' INDEX

10:00 AM

FRIDAY 7

LABOUR FORCE SURVEY

7:00 AM

	EMPLOY (HOUSE) M	EMPLOY (HOUSE) Y	UNEMP RATE %	AVG HRLY EARN Y
APR	0.1	1.9	6.4	3.1
MAY	0.6	2.3	6.1	4.0
JUN	0.0	2.2	6.1	3.7

MONDAY 10

TUESDAY 11

HOUSING STARTS

8:15 AM

000's (AR)	TOTAL	SINGLES
APR	220	90
MAY	222	89
JUN	232	92

Bank of Canada Interest Rate Announcement

WEDNESDAY 12

MERCHANDISE TRADE

8:30 AM

	$MN M	12 MO. BALANCE
MAR	5,337	68,838
APR	4,070	68,189
MAY		

THURSDAY 13

Bank of Canada Monetary Policy Report Update

FRIDAY 14

SURVEY OF MANUFACTURING

8:30 AM

SHIPMENTS	M	Y
MAR	1.6	2.6
APR	-1.5	-0.1
MAY		

WAGE SETTLEMENTS

10:00 AM (%)

	PVT.	PUB.	TOT.
MAR	2.6	2.1	2.2
APR	2.8	2.7	2.7
MAY			

MONDAY 17

INT'L TRANSACTIONS IN SECURITIES C$BN

8:30 AM

	NET BONDS	NET MONEY MARKET	NET STOCKS	NET TOTAL
MAR	2.6	2.0	-1.4	3.2
APR	-2.2	-0.4	6.5	3.9
MAY				

CAR & TRUCK SALES

8:30 AM

000's (AR)	TOTAL	DOM.BUILT CAR SALES
MAR	1,653	587
APR	1,641	560
MAY		

TUESDAY 18

WEDNESDAY 19

LEADING INDICATOR

8:30 AM

THURSDAY 20

WHOLESALE TRADE

8:30 AM

FRIDAY 21

CONSUMER PRICE INDEX

7:00 AM

	M (NSA)	Y
APR	0.5	2.4
MAY	0.5	2.8
JUN		

MONDAY 24

RETAIL TRADE

8:30 AM

(Current$)	M	Y
MAR	1.7	6.4
APR	1.7	6.7
MAY		

TUESDAY 25

WEDNESDAY 26

THURSDAY 27

BUSINESS CONDITIONS SURVEY

8:30 AM

FRIDAY 28

GDP AT BASIC PRICES

8:30 AM

(1997$)	GDP M	INDUST. PROD. M
MAR	0.1	-0.4
APR	0.1	-0.4
MAY		

INDUSTRIAL PRICES

8:30 AM

	M (NSA)	Y
APR	1.2	2.2
MAY	0.3	2.5
JUN		

MONEY SUPPLY M-2

	M	Y
APR	0.6	5.5
MAY	0.7	6.1
JUN		

MONDAY 31

TUESDAY 1

WEDNESDAY 2

THURSDAY 3

INTERNATIONAL RESERVES

8:15 AM

	M CHANGE	$BN LEVEL
MAY	-0.031	35.7
JUN	0.231	35.9
JUL		

FRIDAY 4

LABOUR FORCE SURVEY

7:00 AM

	EMPLOY (HOUSE) M	EMPLOY (HOUSE) Y	UNEMP RATE %	AVG HRLY EARN Y
MAY	0.6	2.3	6.1	4.0
JUN	0.0	2.2	6.1	3.7
JUL				

IVEY PURCHASING MANAGERS' INDEX

10:00 AM

All data seasonally adjusted except where noted "NSA". M: per cent change from previous month. Q: per cent change from previous quarter at annual rates. Y: per cent change from year earlier. AR: Annual Rate. YTD: Year to date. Release dates are provided by sources outside CIBC World Markets. Dates are subject to change. Sources for historical data: U.S. Department of Commerce, U.S. Department of Labour, and U.S. Federal Reserve Board.

U.S. RELEASE AND EVENT DATES

July 2006

CIBC World Markets

MONDAY | TUESDAY | WEDNESDAY | THURSDAY | FRIDAY

3 (Monday)

ISM MANUFACTURING SURVEY (Formerly NAPM)

10:00 AM	COMP. INDEX	PRICES INDEX
APR	57.3	71.5
MAY	54.4	77.0
JUN	53.8	76.5

DOMESTIC AUTO SALES

4 (Tuesday)

INDEPENDENCE DAY (HOLIDAY) MARKETS CLOSED

5 (Wednesday)

FACTORY ORDERS

10:00 AM	M	Y
MAR	4.0	10.7
APR	-2.0	8.5
MAY	0.7	4.9

6 (Thursday)

ISM NON-MFG SURVEY

10:00 AM

7 (Friday)

EMPLOYMENT SITUATION

8:30 AM

(000s)	NON-FARM PAYROLL M	CIV UNEMP RATE %	AVG HRLY EARN Y
APR	112	4.7	3.8
MAY	92	4.6	3.7
JUN	121	4.6	3.9

10 (Monday)

WHOLESALE TRADE

10:00 AM

CONSUMER CREDIT

3:00PM

11 (Tuesday)

12 (Wednesday)

GOODS & SERVICES BALANCE (BOP)

8:30 AM	GDS	SERV	TOT
MAR	-67.7	5.9	-61.9
APR	-69.5	6.0	-63.4
MAY			

13 (Thursday)

TREASURY BUDGET

2:00 PM

MONEY SUPPLY M-2

4:30 PM	M	Y
APR	0.3	4.9
MAY	0.0	4.7
JUN		

14 (Friday)

RETAIL SALES

8:30 AM	M	Y
APR	0.8	7.1
MAY	0.1	7.6
JUN		

BUSINESS INVENTORIES

10:00 AM

MICHIGAN SENTIMENT (P)

9:45 AM

17 (Monday)

CAPACITY UTIL/ IND. PROD.

9:15 AM	LEV	M	Y
APR	81.9	0.8	4.7
MAY	81.7	-0.1	4.4
JUN			

18 (Tuesday)

PRODUCER PRICE INDEX

8:30 AM	M (SA)	Y (NSA)
APR	0.9	4.0
MAY	0.2	4.5
JUN		

NET CAPITAL INFLOWS TICS

9:00 AM

19 (Wednesday)

CONSUMER PRICE INDEX

8:30 AM	M (SA)	Y (NSA)
APR	0.6	3.5
MAY	0.4	4.2
JUN		

HOUSING STARTS

8:30 AM	MIL (AR)	M
APR	1.863	-5.5
MAY	1.957	5.0
JUN		

20 (Thursday)

LEADING INDICATOR

10:00 AM

PHILADELPHIA FED INDEX

12:00 PM

FOMC Minutes

21 (Friday)

24 (Monday)

25 (Tuesday)

CONSUMER CONFIDENCE

10:00 AM

EXISTING HOME SALES

10:00 AM

26 (Wednesday)

Beige Book

27 (Thursday)

DURABLE GOODS ORDERS

8:30 AM	M	Y
APR	-4.7	10.8
MAY	-0.2	3.4
JUN		

NEW HOME SALES

10:00 AM

28 (Friday)

GDP

8:30 AM	(AR) REAL GDP	IMPLICIT DEFLATOR
05:Q4(F)	1.7	3.5
06:Q1(F)	5.6	3.1
06:Q2(A)		

EMPLOYMENT COST INDEX

8:30 AM	TOTAL	WAGES & SALARY	BEN.
05:Q4	0.8	0.7	0.9
06:Q1	0.6	0.7	0.5
05:Q2			

MICHIGAN SENTIMENT (F)

9:45 AM

31 (Monday)

CHICAGO PMI

10:00 AM

1 (Tuesday)

PERS. INCOME & OUTLAYS

8:30 AM	INCOME	CONS	SAVING RATE
APR	0.7	0.7	-1.6
MAY	0.4	0.4	-1.7
JUN			

ISM MANUFACTURING SURVEY (Formerly NAPM)

10:00 AM	COMP. INDEX	PRICES INDEX
MAY	54.4	77.0
JUN	53.8	76.5
JUL		

DOMESTIC AUTO SALES

2 (Wednesday)

3 (Thursday)

ISM NON-MFG SURVEY

10:00 AM

FACTORY ORDERS

10:00 AM	M	Y
APR	-2.0	8.5
MAY	0.7	4.9
JUN		

4 (Friday)

EMPLOYMENT SITUATION

8:30 AM

(000s)	NON-FARM PAYROLL M	CIV UNEMP RATE %	AVG HRLY EARN Y
MAY	92	4.6	3.7
JUN	121	4.6	3.9
JUL			

All data seasonally adjusted except where noted "NSA". M: per cent change from previous month. Q: per cent change from previous quarter at annual rates. Y: per cent change from year earlier. AR: Annual Rate. YTD: Year to date. Release dates are provided by sources outside CIBC World Markets. Dates are subject to change. Sources for historical data: U.S. Department of Commerce, U.S. Department of Labour, and U.S. Federal Reserve Board.