

MONTHLY ECONOMIC INDICATORS

April 2000

HIGHLIGHTS

-  **The national unemployment rate holds steady at 6.8% for the fourth straight month in March.**
-  **Broadly based gains lead to another solid month of output growth in January.**
-  **Canada's trade surplus jumps up to a record \$4.5 billion in January.**
-  **Inflation rises to a four year high in February, pushed higher by surging energy prices.**
-  **The Bank of Canada raises its trend-setting interest rate on March 22, the second increase in as many months.**

Key Monthly Economic Indicators

		% Change since		
		last month	last year	
Real GDP (\$92 B)	770.1	0.5	4.7	Jan.
Goods	260.4	1.0	7.1	Jan.
Services	509.8	0.3	3.5	Jan.
Composite Index	158.2	1.0	7.4	Feb.
Employment (000's)	14,858	0.2	3.2	Mar.
Full-time	12,190	0.3	3.8	Mar.
Part-time	2,668	-0.1	0.3	Mar.
Unemployment* (%)	6.8	6.8	7.9	Mar.
Youth*	13.0	13.0	14.2	Mar.
Adult*	5.6	5.6	6.7	Mar.
CPI inflation*	2.7	2.3	0.7	Feb.
Retail Sales (\$M)	22,550	-0.0	6.7	Jan.
Housing Starts (000's)	166.1	-1.1	10.3	Mar.
Trade Balance* (\$M)	4,532	2,742	2,772	Jan.
Exports	33,160	4.0	15.1	Jan.
Imports	28,628	-1.8	9.9	Jan.
M&E	9,575	1.2	10.9	Jan.
3-mth Corp. paper* (%)	5.43	5.31	4.85	Apr. 5
Long bond yield* (%)	5.75	5.83	5.36	Apr. 5
Canadian dollar* (US¢)	68.62	68.98	66.28	Apr. 7

*Data in levels only – % change not reported.

The "Monthly Economic Indicators" (MEI) provides a variety of economic analysis and data in a convenient format. The MEI does not interpret or evaluate government policies, and every attempt is made to present factual information in an informed and balanced manner consistent with generally accepted economic principles. It is available to all employees of Industry Canada in either hard or electronic copy, or can be accessed via the Internet at http://strategis.ic.gc.ca/sc_ecnmy/mera/engdoc/03.html.



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This report uses data available as of April 7, 2000. It has been prepared by Marianne Blais, Julie Dubois, Joe Macaluso, Alison McDermott and Karen Smith of the Micro-Economic Analysis Directorate, under the direction of Raynald Létourneau and Shane Williamson. All information is taken from public sources, primarily Statistics Canada, the Bank of Canada and the Canada Mortgage and Housing Corporation. Please address comments to Shane Williamson at 613-995-8452 or through the Internet at williamson.shane@ic.gc.ca.

THE ECONOMY

Real GDP by Industry

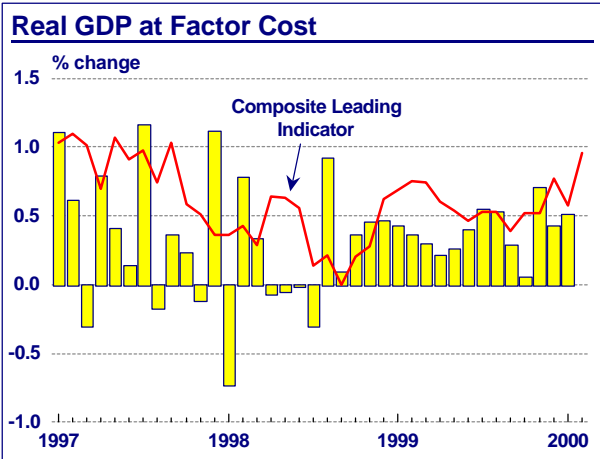


The economy shows continued strength in January...

- Real GDP at factor cost advanced 0.5% in January, boosted by strong domestic and foreign demand. At 18 consecutive months, this represents the longest uninterrupted string of output gains since 1961 (when monthly data were first collected).

...with gains in most areas of the economy

- Goods production increased 1.0% in January, with gains across most major industry groups. The Construction sector continued to surge, while Manufacturing posted another solid advance, buoyed by strong U.S. demand for automotive products and growth in the fabricated metal products industry. The output of Utilities also rose sharply on the month, and high oil prices boosted Mining activity for the third consecutive month. Production was down in Agriculture and Logging & Forestry in March, but remains up in both cases on a year-over-year basis.
- Output in Services industries increased 0.3% in January, led by growth in Communications, Finance & Insurance, and Retail Trade. Output in the telephone carrier industry rose due to greater long distance use, while booming stock market activity provided a boost to the financial sector.

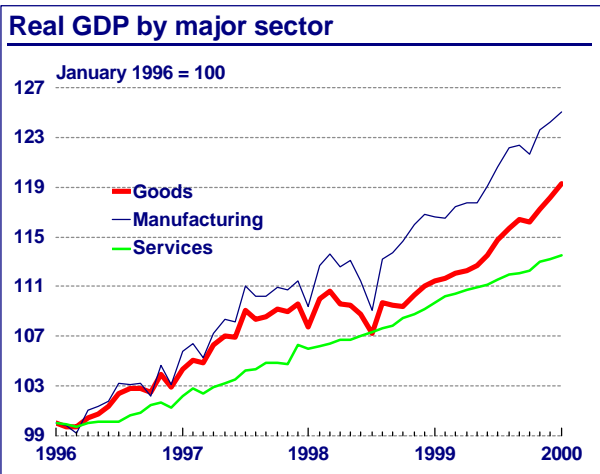


Real GDP at Factor Cost (1992 dollars)

January 2000

	\$ millions	monthly change	% Change since last month	% Change since last year
Total Economy	770,118	3,891	0.5	4.7
Business sector	640,540	3,984	0.6	5.5
Goods	260,353	2,468	1.0	7.1
Agriculture	13,590	-193	-1.4	3.6
Fishing & Trapping	790	57	7.8	1.3
Logging & Forestry	4,647	-185	-3.8	3.2
Mining*	28,101	297	1.1	5.3
Manufacturing	142,606	975	0.7	7.3
Construction	44,300	812	1.9	8.8
Other Utilities	26,319	705	2.8	7.5
Services	509,765	1,423	0.3	3.5
Transport & Storage	35,739	-5	-0.0	4.9
Communications	27,801	398	1.5	10.1
Wholesale Trade	46,702	-44	-0.1	5.6
Retail Trade	48,178	342	0.7	4.8
Finance & Insurance	42,551	371	0.9	4.0
Real Estate & Ins. Agent	80,154	199	0.2	2.5
Business services	45,317	163	0.4	8.1
Government services	45,966	-8	-0.0	2.2
Education	40,494	-78	-0.2	0.0
Health & Social Services	47,129	112	0.2	-0.7
Accommodation & Food	19,733	-27	-0.1	-0.8
Other	30,001	0	0.0	2.4

*Includes Quarrying and Crude Petroleum & Natural Gas



THE ECONOMY

Consumer Spending and Attitudes



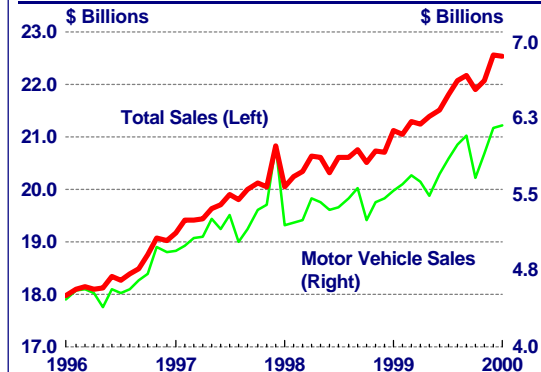
Consumer spending remains strong in the fourth quarter...

- Real consumption rose 3.8% (annual rate) in the fourth quarter, slightly below the previous quarter's pace.
- Gains in consumer spending were led once again by durable goods. Sales were also boosted by Y2K celebrations and possible stockpiling in anticipation of Y2K-related disruptions.

...but slows early in the new year

- Retail sales in January were unchanged from December following a surge in the late months of 1999. The largest declines were in sales of food and alcoholic beverages, which were previously boosted by millennial festivities and Y2K stockpiling. Sales in the automotive sector also stalled in January, following a surge of activity in December.
- Offsetting these declines were gains in general merchandise, furniture and clothing stores.
- Despite the sluggish January results, high levels of consumer confidence and a strong rise in disposable income in the last half of 1999 bode well for increased consumer activity in the coming months.

Total Retail and Motor Vehicle Sales



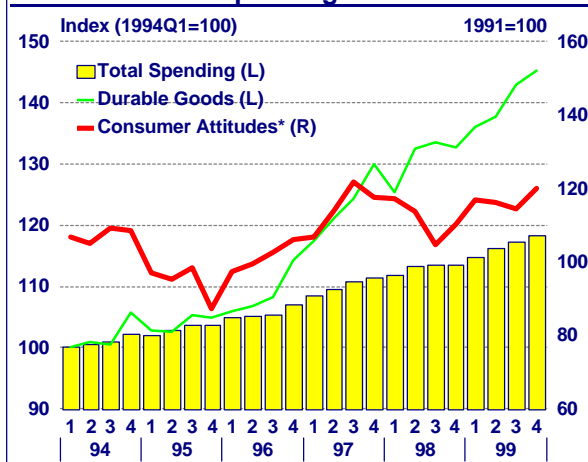
Retail Sales and Consumer Credit

	January 2000 \$ millions	% Change since	
		last month	last year
Total Retail Sales (S.A.)	22,550	-0.0	6.7
Food	4,856	-4.0	0.1
Drug Stores	1,130	0.3	2.6
Clothing	1,242	2.7	6.1
Furniture	1,218	2.1	11.4
Automotive	9,067	0.0	12.2
General Merch. Stores	2,582	3.8	3.7
All other Stores	2,455	1.8	5.3
Total ex. motor vehicles	16,366	-0.2	5.0
Consumer Credit (unadjusted)	174,992	1.1	10.2

Real Consumer Spending and Household Finances

	\$ Millions, SAAR (unless otherwise noted)			
	1998	1999	1999 Q3	1999 Q4
Real Consumption (92\$)	485,906	501,227	503,948	508,636
% change	2.8	3.2	3.9	3.8
Durable Goods	66,801	71,628	72,896	74,036
% change	6.3	7.2	15.9	6.4
Semi-Durable Goods	46,526	47,806	48,212	48,056
% change	4.9	2.8	4.5	-1.3
Non-Durable Goods	119,521	121,761	121,860	122,900
% change	1.0	1.9	1.5	3.5
Services	253,058	260,032	260,980	263,644
% change	2.3	2.8	1.9	4.1
Disposable Income	552,778	572,101	575,448	582,692
% change	3.4	3.5	4.9	5.1
Saving Rate (%)	2.3	1.4	1.1	1.1
Debt-to-Income Ratio (%)	98.3	99.9	99.9	99.9

Real Consumer Spending and Attitudes



*Conference Board of Canada



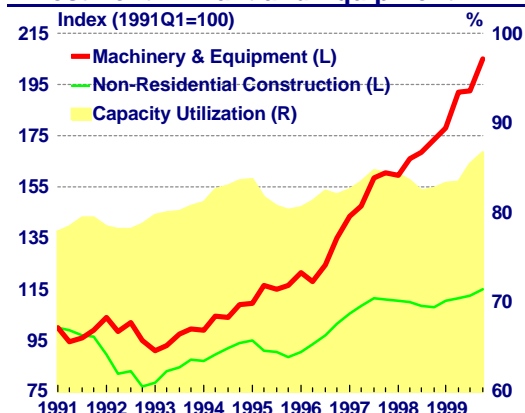
Business investment rebounds in the fourth quarter...

- Growth in business investment soared by 17.9% (annual rate) in the fourth quarter, following a pause in the previous period. This advance was led primarily by a 29.1% surge in M&E spending, with notable investments in computers, transportation equipment and telecommunications equipment.
- Non-Residential Construction also picked up, rising 9.3% in the fourth quarter. Strong growth in engineering construction was partly offset by a slight decline in building construction.

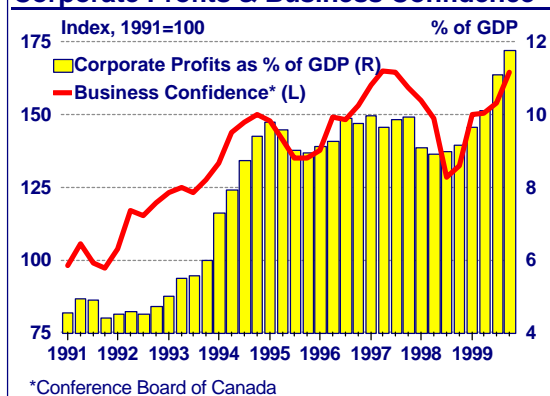
...and available data point to further gains

- Several key indicators point to a strong investment outlook for 2000. Corporate operating profits rebounded strongly in 1999, contributing to a steady rise in business confidence over the course of the year. And, capacity utilization is at its highest rate in over ten years.
- Available data early in the new year are mainly positive. After a healthy increase in December, imports of M&E rose a further 1.2% in January. Construction activity in the non-residential building sector also strengthened in January.

Investment in Plant and Equipment



Corporate Profits & Business Confidence



Business Investment and Corporate Finances

\$ Millions, SAAR (unless otherwise noted)

	1998	1999	1999 Q1	1999 Q2	1999 Q3	1999 Q4
BUSINESS INVESTMENT						
Machinery & Equipment (1992\$)	64,701	74,357	68,924	74,380	74,600	79,524
% change	9.5	14.9	10.1	35.6	1.2	29.1
Non-residential Construction (1992\$)	39,110	40,217	39,572	39,896	40,248	41,152
% change	0.1	2.8	9.4	3.3	3.6	9.3
Capacity Utilization (% , Non-farm goods)	83.3	84.8	83.3	83.5	85.5	86.8
Capacity Utilization (Mfg. sector)	83.8	85.7	84.0	84.2	86.7	87.8
CORPORATE FINANCES & ATTITUDES						
Corporate Operating Profits	132,032.0	158,142.0	144,828.0	149,124.0	162,940.0	175,676.0
% change	-9.6	19.8	20.7	12.4	42.5	35.1
Profits - Non-financial industries	82,442.0	114,266.0	99,548.0	104,300.0	121,592.0	131,624.0
% change	-9.2	38.6	45.8	20.5	84.7	37.3
Profits - Financial industries	49,590.0	43,876.0	45,280.0	44,824.0	41,348.0	44,052.0
% change	-10.1	-11.5	-18.0	-4.0	-27.6	28.8
Business Credit	686,621.0	716,816.0	708,232.3	709,495.3	720,157.3	729,379.0
% change	9.9	4.4	3.3	0.7	6.1	5.2



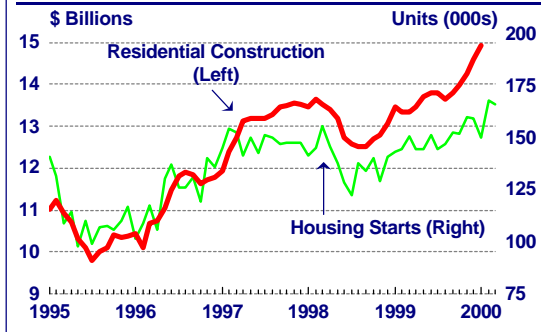
The housing market picks up in the fourth quarter...

- Business investment in residential construction grew a strong 8.1% (annual rate) in the fourth quarter, more than twice as fast as in the previous quarter.
- Spending on alterations and improvements experienced the greatest surge, combining with strong gains in new housing construction to more than offset a decline in ownership and transfer costs.

...contributing to a positive outlook for 2000

- The outlook for the housing sector in 2000 appears bright, based on an upturn in consumer confidence and early indicators of housing activity.
- Sales of existing homes have risen sharply in the first two months of this year.
- With another solid increase in January, residential construction has now risen in every month since August, and is up 11.0% from last year.
- And, while new housing starts fell back slightly in March from a six-year high in February, they were nonetheless up 2.8% overall in the first quarter of 2000.
- Although mortgage rates remain fairly low, the potential for higher rates in the future could dampen housing demand.

Housing Activity



Monthly Housing Indicators

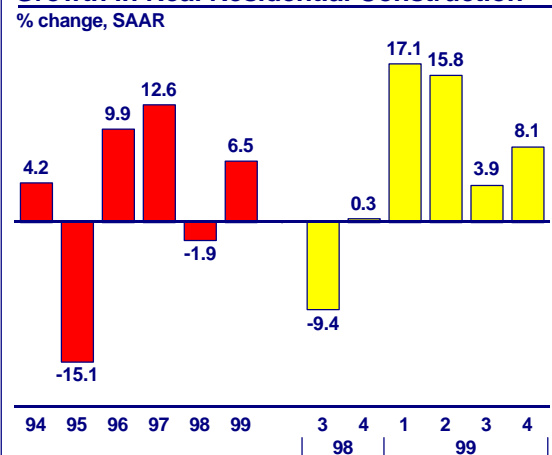
	levels	Change since	
		last month	last year
Residential Construction (1) (\$92M, factor cost basis)	14,930	2.4%	11.0%
Building Permits, \$M (2)	1,699	-7.7%	13.8%
Sales of Existing Homes (2) (# of units)	19,583	550	
Housing Starts, # of units (3)	166,100	-1,900	15,500
Newfoundland	1,300	-900	-1,400
Prince Edward Island	700	200	600
Nova Scotia	4,500	900	2,200
New Brunswick	2,100	200	100
Quebec	21,800	0	4,200
Ontario	78,400	-1,600	15,800
Manitoba	1,600	800	-900
Saskatchewan	2,000	500	-700
Alberta	20,900	2,100	3,100
British Columbia	10,700	-4,100	-7,000

1 - January data; 2 - February data; 3 - March data.
Sources: Statistics Canada, Canada Mortgage and Housing Corporation, Canadian Real Estate Association

Real Investment in Residential Structures

	\$92 Millions, SAAR (unless otherwise noted)			
	1998	1999	1999 Q3	1999 Q4
Residential Construction	41,547	44,248	44,640	45,508
% change	-1.9	6.5	3.9	8.0
Construction by Business sector	41,422	44,116	44,508	45,384
% change	-1.9	6.5	3.9	8.1
New Housing	20,695	22,158	22,376	23,052
% change	-3.5	7.1	8.7	12.6
Alterations & Improvements	13,645	14,415	14,216	14,904
% change	2.5	5.6	-4.9	20.8
Ownership & Transfer Costs	7,207	7,316	8,048	7,552
% change	-5.1	1.5	7.7	-22.5

Growth in Real Residential Construction



THE ECONOMY

Trade and Competitiveness

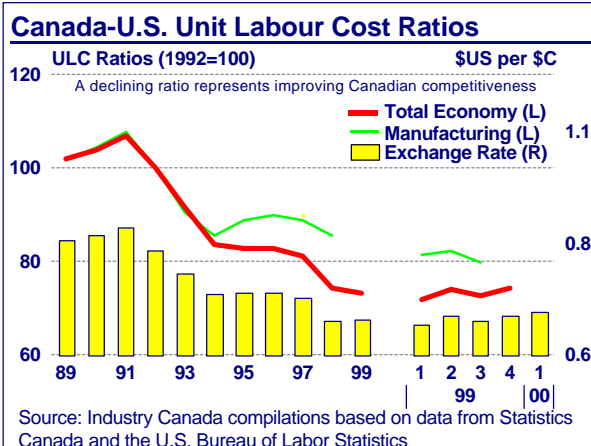
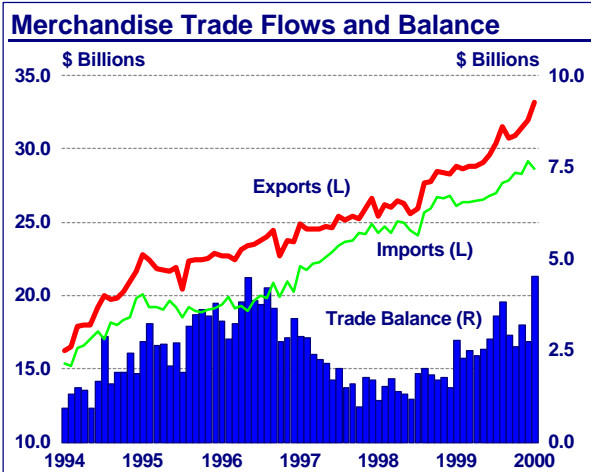


Rising exports and falling imports...

- Exports surged 4.0% in January, building on an increase of 1.7% in the previous month. Almost half of this increase is attributable to a rise in auto exports, reflecting strong U.S. demand for Canadian-made models. Exports of M&E were also up, led by higher sales of computers and telecommunications equipment.
- Imports decreased 1.8% in January, with notable declines in the automotive sector, industrial products and energy products. Truck imports fell 13.5% as snowstorms and auto parts shortages slowed production and delivery of trucks to Canada. Imports of crude oil also dropped substantially as higher prices curbed energy demand. Higher imports of investment-related M&E partly offset those declines.

...push the trade surplus to a record high

- The combination of higher exports and lower imports boosted Canada's merchandise trade surplus to a record \$4.5 billion in January, surpassing the previous record set in 1996.



Merchandise Trade

January 2000	Levels (\$ millions)		Year-to-date (\$ millions)		Change (\$M)	% Change	
	December 1999	January 2000	1998 Jan-Dec	1999 Jan-Dec		Dec 1999 to Jan 2000	Dec 1999 to Jan 2000
Exports	31,893	33,160	322,262	360,599	1,267	4.0	15.1
to United States	27,287	28,482	269,496	309,665	1,195	4.4	15.7
Imports	29,151	28,628	303,402	326,661	-523	-1.8	9.9
from United States	21,877	21,588	233,635	249,174	-289	-1.3	6.0
Trade Balance	2,742	4,532	18,860	33,938	1,790		
with United States	5,410	6,894	35,861	60,491	1,484		
Exports by Commodity							
Agriculture/Fishing Products	2,202	2,183	25,142	25,613	-19	-0.9	4.0
Energy Products	3,030	3,303	23,902	30,310	273	9.0	82.1
Forestry Products	3,432	3,530	35,172	38,902	98	2.9	13.6
Industrial Goods & Materials	5,125	5,135	57,453	56,942	10	0.2	11.5
Machinery & Equipment	7,385	7,793	78,823	84,960	408	5.5	13.0
Automotive Products	8,286	8,777	77,417	96,143	491	5.9	10.0
Other Consumer Goods	1,153	1,169	12,426	13,591	16	1.4	0.5
Imports by Commodity							
Agriculture/Fishing Products	1,499	1,525	17,262	17,637	26	1.7	3.5
Energy Products	1,192	1,047	8,679	10,647	-145	-12.2	73.1
Forestry Products	237	248	2,499	2,741	11	4.6	17.5
Industrial Goods & Materials	5,720	5,559	60,286	62,142	-161	-2.8	11.5
Machinery & Equipment	9,462	9,575	101,303	108,231	113	1.2	10.9
Automotive Products	6,620	6,446	66,762	75,902	-174	-2.6	4.6
Other Consumer Goods	3,288	3,198	34,575	36,963	-90	-2.7	7.5

LABOUR MARKET TRENDS



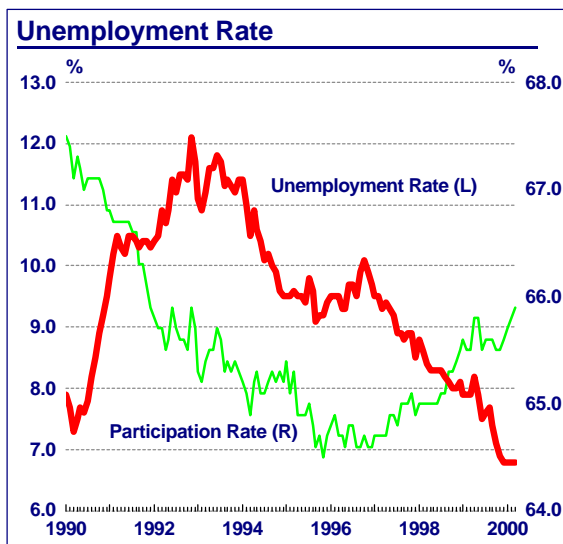
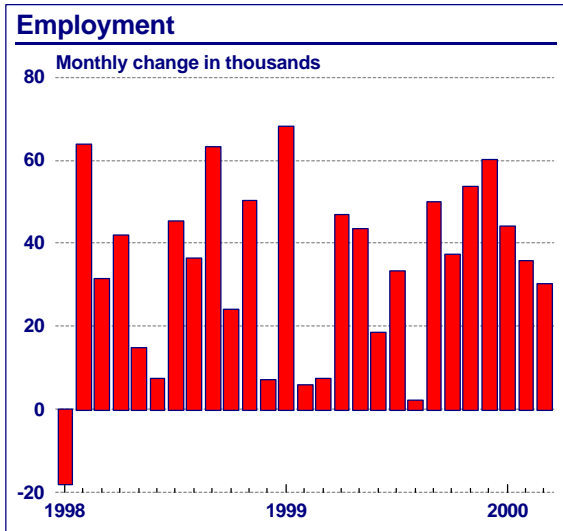
Employment and Unemployment

Employment growth remains strong in March...

- Employment increased by 30,000 in March, the seventh straight month of solid gains. After posting a gain of 427,000 jobs in 1999, employment has risen 110,000 over the first three months of 2000.
- All of March's job gains were in full-time employment, continuing a trend established since the beginning of last year. Full-time employment is up 3.8% over the past year, and total hours worked is up 4.3%.

...but the unemployment rate remains unchanged at 6.8%

- Higher employment was matched by a similar rise in the labour force, leaving the national unemployment rate unchanged at 6.8% for the fourth straight month. The current unemployment rate is the lowest since April 1976.
- The adult unemployment rate held steady at 5.6% in March, and the unemployment rate for youth was also unchanged at 13.0%.



Labour Force Trends

(in thousands)	Levels			Change since			% Change since	
	1999 March	2000 February	2000 March	last month	last year	year-to-date	last month	last year
Employment	14,401.9	14,827.5	14,857.8	30.3	455.9	110.3	0.2	3.2
Full-time	11,743.1	12,157.1	12,189.8	32.7	446.7	94.4	0.3	3.8
Part-time	2,658.7	2,670.4	2,668.0	-2.4	9.3	15.9	-0.1	0.3
Youth 15-24	2,191.7	2,259.5	2,265.4	5.9	73.7	11.3	0.3	3.4
Adult 25+	12,210.2	12,568.0	12,592.5	24.5	382.3	99.2	0.2	3.1
Self-employed	2,459.6	2,532.6	2,505.3	-27.3	45.7	-3.7	-1.1	1.9
Unemployment	1,232.7	1,079.5	1,086.3	6.8	-146.4	11.4	0.6	-11.9
Unemployment Rate	7.9	6.8	6.8	0.0	-1.1	0.0		
Youth 15-24	14.2	13.0	13.0	0.0	-1.2	-0.1		
Adult 25+	6.7	5.6	5.6	0.0	-1.1	0.0		
Labour Force	15,634.5	15,907.0	15,944.1	37.1	309.6	121.8	0.2	2.0
Participation Rate	65.5	65.8	65.9	0.1	0.4	0.3		
Employment Rate	60.3	61.4	61.4	0.0	1.1	0.2		



Industry Overview

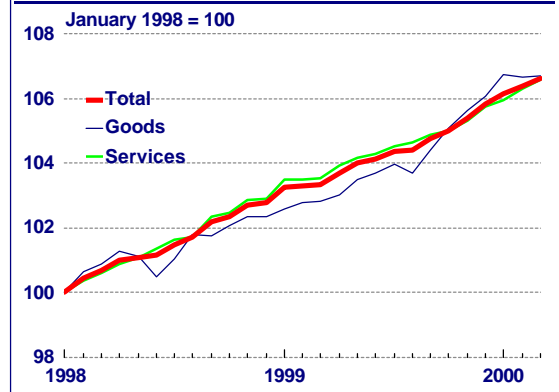
Services lead job growth in March for the second straight month...

- Employment increased 29,000 in the Services sector in March. Solid gains in Management, Administrative & Other Support Services and Trade accounted for most of this gain.
- The level of employment in Goods-producing industries was virtually unchanged in March, the second consecutive lackluster performance following a period of very strong growth extending back to August. A modest gain in Manufacturing was largely offset by declines in the other major industry groups.

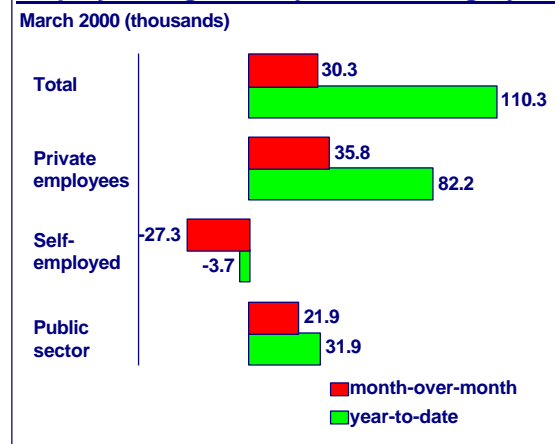
...as private and public sector employees post gains

- The number of paid employees in the private sector was up 36,000 in March. Though self-employment fell by 27,000, it remains higher on a year-over-year basis.
- Employment in the public sector increased by 22,000 in March, extending the strong recovery that has taken place over the past seven months (adding 88,000 jobs to the public payroll).

Employment by major sector



Employment growth by worker category



Industrial Employment Trends

(in thousands)	Levels			Change since			% Change since	
	1999 March	2000 February	2000 March	last month	last year	year-to- date	last month	last year
Goods-producing	3,746.8	3,886.1	3,887.4	1.3	140.6	22.1	0.0	3.8
Agriculture	416.4	400.2	397.8	-2.4	-18.6	-1.3	-0.6	-4.5
Other Primary*	267.8	278.0	277.1	-0.9	9.3	1.8	-0.3	3.5
Utilities	116.2	116.9	114.3	-2.6	-1.9	-1.1	-2.2	-1.6
Construction	765.6	825.6	824.3	-1.3	58.7	16.9	-0.2	7.7
Manufacturing	2,180.9	2,265.3	2,273.8	8.5	92.9	5.6	0.4	4.3
Services-producing	10,655.1	10,941.4	10,970.4	29.0	315.3	88.2	0.3	3.0
Trade	2,235.2	2,292.4	2,307.1	14.7	71.9	35.4	0.6	3.2
Transportation	731.7	784.2	782.0	-2.2	50.3	17.8	-0.3	6.9
FIRE*	859.2	861.1	863.7	2.6	4.5	-1.6	0.3	0.5
Professional/Scientific	899.2	909.4	912.9	3.5	13.7	-13.6	0.4	1.5
Management/Administrative	491.5	512.7	528.3	15.6	36.8	10.8	3.0	7.5
Educational Services	967.4	995.9	994.6	-1.3	27.2	-7.1	-0.1	2.8
Health Care/Social Assistance	1,415.4	1,518.4	1,517.7	-0.7	102.3	45.8	-0.0	7.2
Information/Culture/Recreation	622.1	635.3	638.1	2.8	16.0	1.9	0.4	2.6
Accommodation & Food	917.3	965.8	963.9	-1.9	46.6	13.3	-0.2	5.1
Other Services	734.0	701.2	690.4	-10.8	-43.6	-18.5	-1.5	-5.9
Public Administration	782.0	765.2	771.6	6.4	-10.4	3.8	0.8	-1.3

*Other Primary: Forestry, Fishing, Mining, Oil & Gas; Transportation includes warehousing; FIRE: Finance, Insurance, Real Estate & Leasing.

LABOUR MARKET TRENDS



Provincial Overview

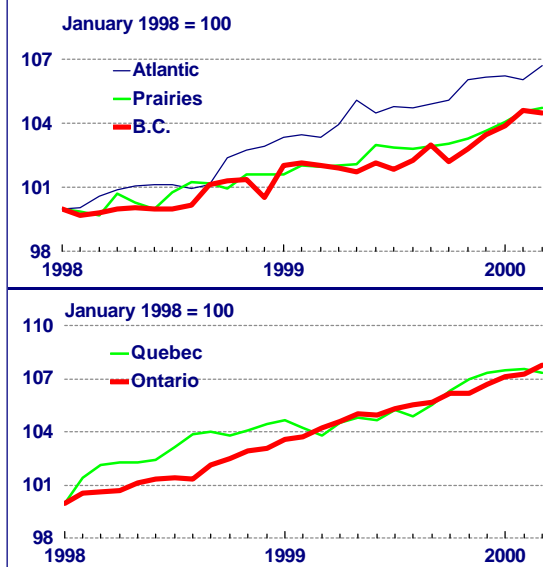
Ontario and Nova Scotia account for most of the national job gain...

- Although 8 of 10 provinces recorded higher employment in March, job gains were led by Ontario (+28,000) and Nova Scotia (+4,000).
- In percentage terms, job growth was also strong in PEI and Newfoundland. Employment edged lower in Quebec and British Columbia, and all remaining provinces registered modest increases on the month.

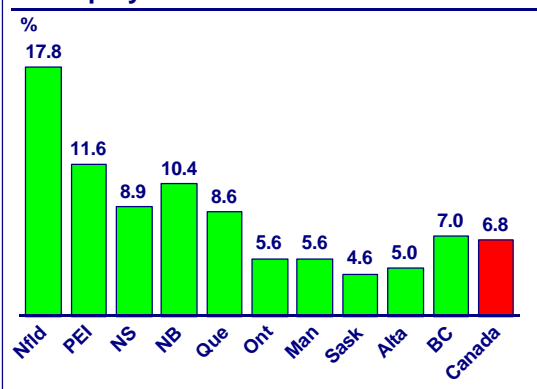
...and were the only provinces to record lower unemployment rates

- Strong job gains lowered the Nova Scotia unemployment rate 0.8 percentage points to 8.9%, its lowest rate since 1989. Ontario's unemployment rate edged down 0.1 percentage points to 5.6%.
- The unemployment rate was unchanged in Saskatchewan (4.6%) and British Columbia (7.0%).
- Unemployment rates were higher in all other provinces, with labour force growth outpacing modest job gains. The exception was in Quebec, where lower employment and a higher labour force pushed up the unemployment rate 0.3 points to 8.6%.

Regional employment patterns



Unemployment Rates -- March 2000



Provincial Employment and Unemployment Trends

	Levels 2000 March	Employment (thousands)				Unemployment rate (%)		
		Change since last month		Change since last year		Levels	Change since last month	Change since last year
		(000's)	%	(000's)	%			
Canada	14,857.8	30.3	0.2	455.9	3.2	6.8	0.0	-1.1
Newfoundland	205.3	1.7	0.8	6.7	3.4	17.8	0.2	-0.3
P.E.I.	65.5	0.7	1.1	5.3	8.8	11.6	0.1	-4.1
Nova Scotia	420.9	3.9	0.9	17.5	4.3	8.9	-0.8	-1.4
New Brunswick	331.4	0.1	0.0	2.5	0.8	10.4	0.7	-0.3
Quebec	3,425.2	-5.4	-0.2	114.4	3.5	8.6	0.3	-1.1
Ontario	5,832.3	28.1	0.5	193.7	3.4	5.6	-0.1	-1.0
Manitoba	550.6	1.0	0.2	9.5	1.8	5.6	0.3	0.1
Saskatchewan	491.2	1.0	0.2	14.6	3.1	4.6	0.0	-1.8
Alberta	1,588.3	2.5	0.2	46.6	3.0	5.0	0.1	-0.9
B.C.	1,947.1	-3.3	-0.2	45.2	2.4	7.0	0.0	-1.6



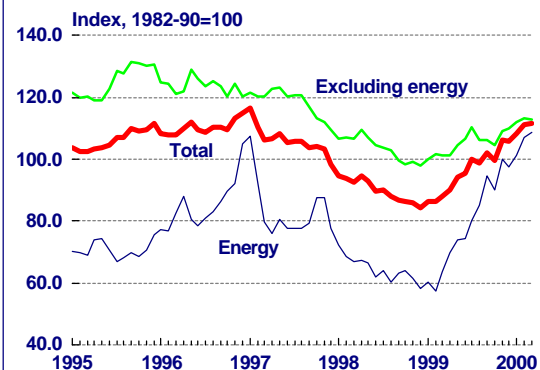
Though inflation rises in March...

- Consumer prices were up 2.7% in February on a year-over-year basis, the biggest increase since June 1995. Higher energy prices, up 19.4% compared to a year ago, continue to push up the "headline" inflation rate.
- Prices rose 0.5% in February on a monthly basis, spurred by increased costs for fuel oil and gasoline. Higher prices for travel services and air transportation also contributed to the monthly rise in prices. Lower prices for fresh vegetables and fruits partly offset these increases.

...the "core" rate stays well within the official target range

- Excluding energy, food and indirect taxes, the "core" rate of inflation was 1.6% in February, remaining in the bottom half of the 1%-3% target range set jointly by the Bank of Canada and the Department of Finance.
- Commodity prices increased 26.6% in March on a year-over-year basis. Higher prices for energy-related commodities – up over 70% compared to last March – accounted for much of this increase, but prices for non-energy commodities also advanced strongly.

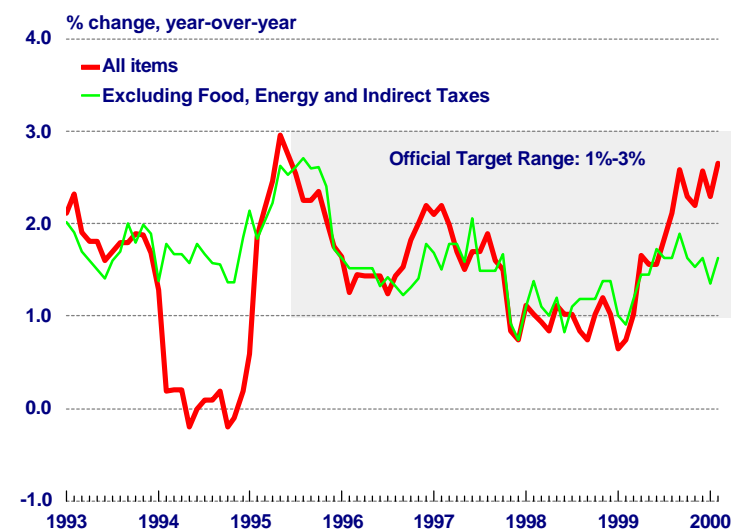
Commodity Prices (\$U.S. basis)



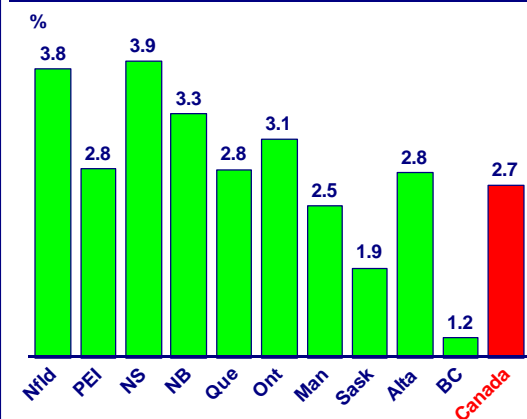
Consumer Prices

	Index (1992=100)	% Change since	
		last month	last year
February 2000			
All items CPI	112.0	0.5	2.7
Food	110.6	-0.2	0.1
Shelter	107.4	0.7	2.8
Household operations	109.3	0.6	0.7
Clothing & Footwear	105.3	1.0	0.9
Transportation	128.5	0.9	7.2
Health & Personal Care	111.1	0.1	1.7
Recreation, Educ. & Reading	119.9	1.2	2.7
Alcohol & Tobacco	96.4	0.2	2.9
Excl. Food/Energy/Indirect Taxes	112.6	0.5	1.6
Energy	122.1	3.0	19.4
Commodity Prices (March)			
Index, 1982-90=100	111.4	0.3	26.6
Excluding Energy	112.8	-0.4	11.6
Energy	108.8	1.6	71.1

Consumer Price Index



Provincial CPI Inflation -- February 2000



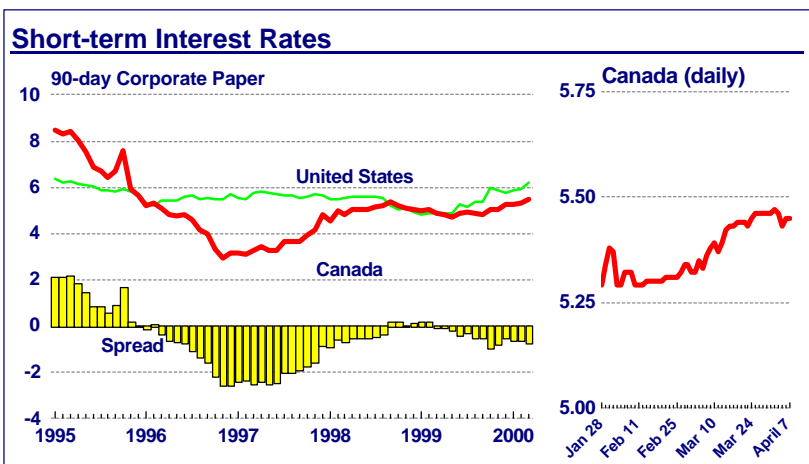


The Bank of Canada raises its key interest rate in March...

- The Bank of Canada raised its trendsetting Bank Rate by 25 basis points to 5.5% on March 22, the second rate hike in just under two months. The Bank's most recent move, aimed at keeping inflation within the official 1%-3% target range, follows a similar rise in U.S. rates.
- The increase in the Bank Rate triggered a corresponding rise in the Prime Lending Rate, which serves as a benchmark for many consumer lending rates. Indeed, in anticipation of the Bank of Canada's widely-expected announcement, short-term interest rates trended up throughout March, closing out the month 15 basis points higher than February's close.
- As U.S. rates rose more rapidly than Canadian rates, the gap between Canadian and U.S. short term interest rates widened to 72 basis points in Canada's favour by the end of March.

...but long-term bond yields remain flat

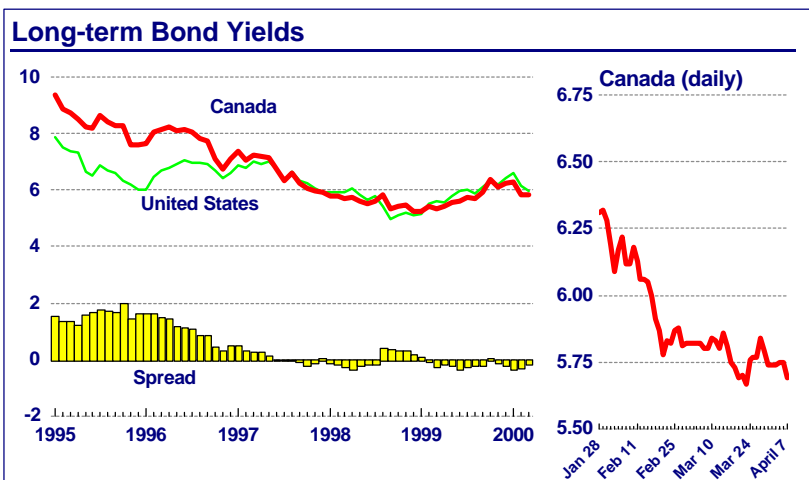
- Except for a small dip in the middle of the month, long term bond yields were generally flat throughout March, closing out the month virtually unchanged from February's close at 5.84%. However, as U.S. long rates dipped slightly over this period, the gap between Canadian and U.S. long bond yields narrowed to 15 basis points.



Key Money Market Rates

(end of period)	90-day Corporate Paper	spread against U.S.	Long Bond Yield	spread against U.S.
1998	5.02	0.09	5.23	0.14
1999	5.27	-0.49	6.23	-0.22
Oct 1999	5.05	-0.93	6.36	0.03
Nov	5.05	-0.80	6.10	-0.12
Dec	5.27	-0.49	6.23	-0.22
Jan 2000	5.25	-0.64	6.27	-0.33
Feb	5.31	-0.64	5.83	-0.31
March	5.46	-0.72	5.84	-0.15
April 5	5.43	-0.74	5.75	-0.06

A positive spread indicates that Canadian rates are above their U.S. counterparts.



Key Lending Rates

(end of period)	Bank Rate	Prime Lending Rate	Mortgage Rate 1 year	Mortgage Rate 5 year
1998	5.25	6.75	6.20	6.60
1999	5.00	6.50	7.35	8.25
Oct 1999	4.75	6.25	7.35	8.25
Nov	5.00	6.50	7.35	8.25
Dec	5.00	6.50	7.35	8.25
Jan 2000	5.00	6.50	7.60	8.55
Feb	5.25	6.75	7.60	8.55
March	5.50	7.00	7.70	8.35
April 5	5.50	7.00	7.70	8.35

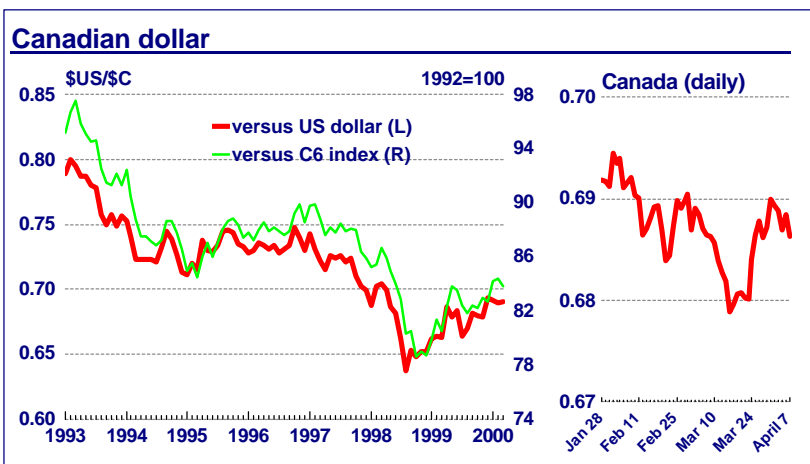


The TSE 300 hits 10,000 late in March, but quickly falls back...

- The TSE 300 index soared over the first half of March, rising above 10,000 for the first time ever on March 24. However, Canadian stock prices erased most of these gains soon thereafter due to a steep sell-off in high-tech stocks. The TSE 300 ended March just above 9,400, representing a gain of 3.7% over the February close. The late-month sell-off extended over into early April, but some of the losses were recouped by April 7.
- The U.S. S&P500 and Dow Jones Industrial Average rebounded from weakness early in the year, advancing 9.7% and 7.8% respectively in March. These indices benefited from the extreme volatility of high-tech stock prices, which prompted a significant return to more traditional blue-chip stocks. This pattern intensified early in April, with the technology-dominated Nasdaq falling sharply and blue chip stocks holding firm.

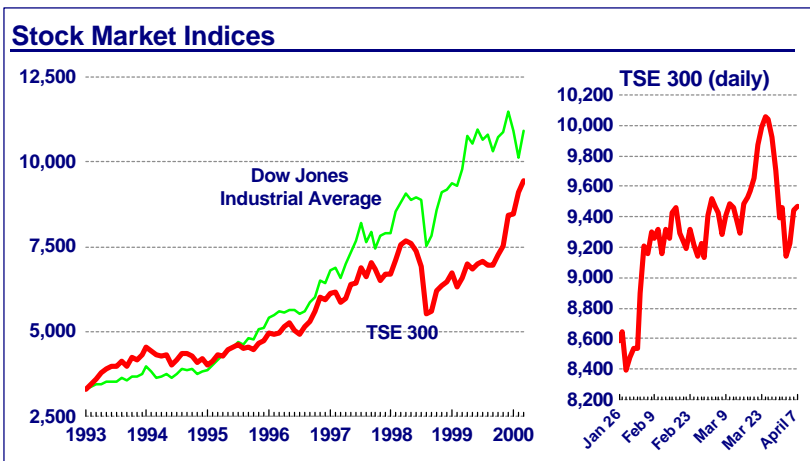
...as the dollar recovers from weakness early in the month

- The Canadian dollar declined over much of the month, edging down one full cent to \$US 0.6789 on March 16, its lowest level in four months. The dollar subsequently recovered most of this fall, closing out March at virtually the same level as February's close.



The Canadian Dollar

(close)	\$US vs. \$Cdn	index vs. C-6 (92=100)	DM vs. \$Cdn	yen vs. \$Cdn
1998	0.6522	78.71	1.082	75.91
1999	0.6929	82.67	1.313	69.66
Oct 1999	0.6797	82.22	1.237	71.71
Nov	0.6782	82.96	1.291	71.29
Dec	0.6929	82.67	1.313	69.66
Jan 2000	0.6918	84.15	1.333	72.77
Feb	0.6898	84.39	1.370	75.43
March	0.6899	83.84	1.388	72.77
April 7	0.6862			



Key Stock Market Indexes

	March Close	% change from	
		last month	last year
TSE 300	9,462	3.7	43.4
Oil & Gas	6,216	13.1	24.8
Metals & Minerals	3,546	1.6	13.0
Utilities	16,567	11.5	109.1
Paper & Forest	5,269	2.1	36.2
Merchandising	4,464	-1.2	-20.5
Financial Services	7,565	7.3	-7.7
Gold	3,964	-6.1	-23.6
Price-Earnings Ratio*	33.1	0.8	7.2
S&P 500	1,499	9.7	16.5
Dow Jones	10,922	7.8	11.6

*columns 2 & 3 reflect change in levels



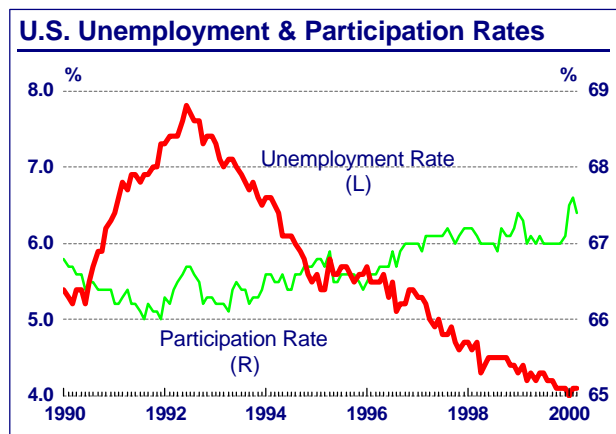
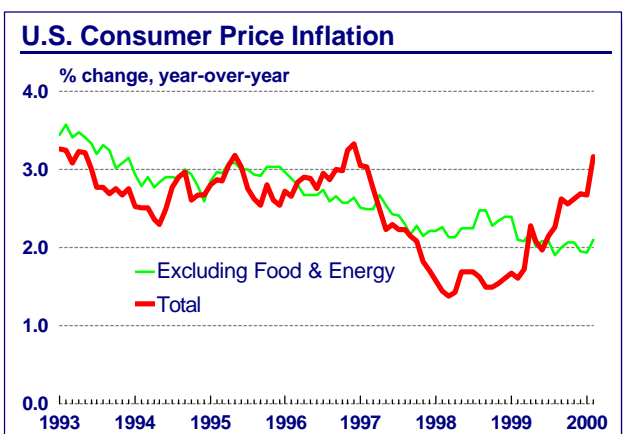
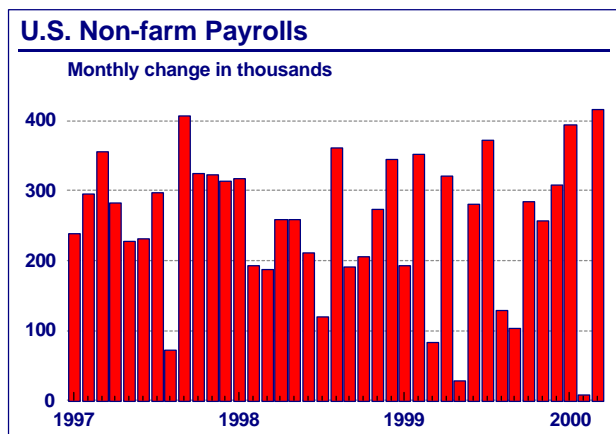
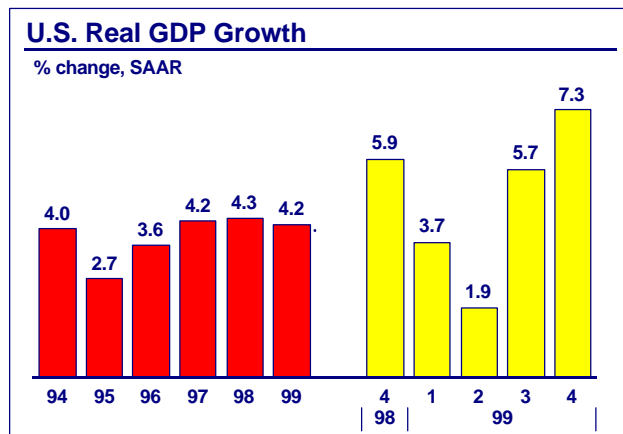
U.S. Economic Trends

The Federal Reserve boosts interest rates...

- As expected, the Federal Reserve Board raised its key federal funds rate by a quarter point to 6% on March 21. The strong pace of economic growth prompted the Fed to raise rates for the fifth time in nine months to prevent the emergence of inflationary pressures.
- Although measured inflation is rising, much of this is due to higher energy prices. Consumer prices were up 0.5% in February (3.2% year-over-year), but only 0.2% excluding food and energy.

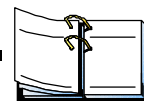
...as the US economy continues to expand at a fast pace

- Final estimates indicate that real GDP increased 7.3% (annual rate) in the fourth quarter of 1999, the strongest quarterly growth rate in almost 16 years. Stronger consumer spending, inventory investment and exports were the main contributors to this robust performance. Overall in 1999, the U.S. economy grew by 4.2%, the third straight year in which growth exceeded 4%.
- U.S. employment rose 416,000 in March, following an increase of only 7,000 in February. This larger-than-expected gain reflects in part an unusual five weeks between survey periods, and was led by Business Services, Government (due to the hiring of temporary census workers), and a weather-related rebound in Construction. Despite the solid rise in employment, the unemployment rate was unchanged at 4.1%.
- After narrowing in December, the U.S. trade deficit soared to a record \$28 billion in January. This increase was fuelled by higher imports (+1.7%) and lower exports (-1.8%).



COMING UP

Key Future Data Releases and Planned Events



CANADA

Consumer Price Index – March	April 17
Survey of Manufacturing – February	April 18
International Trade – February	April 19
GDP at factor cost – February	April 28
Business Conditions Survey – April	May 2
Labour Force Survey – April	May 5
National Economic & Financial Accounts – 1st Quarter 2000	May 31
Balance of International Payments – 1st Quarter 2000	May 31
Capacity Utilization Rates – 1st Quarter 2000	June 7
Financial Statistics For Enterprises – 1st Quarter 2000	June 9
Private and Public Investment Intentions – 2000 (revised)	July 19

UNITED STATES

Consumer Price Index – March	April 14
International Trade – February	April 19
GDP – 1st Quarter 2000, Advance	April 27
Employment Situation – April	May 5
Federal Open Market Committee meeting	May 16

Note: the April MEI uses data available as of April 7, 2000