WEEKLY ECONOMIC REVIEW

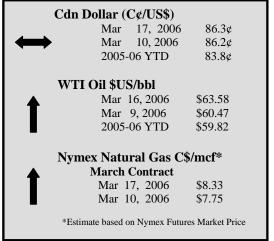
March 17, 2006

Inflation within Alberta fell more than expected in February, after posting a big increase in January. Alberta's CPI for February dropped 0.7 per cent for the month, due mostly to a drop in energy prices (-10.5 per cent). Although inflation in Alberta fell more than the Canadian average in February (-0.2 per cent), the year-over-year increase in Alberta was 3.3 per cent, over one percentage point higher than Canada.

Core inflation remained moderate in Canada and the United States, alleviating fears of a build up in inflationary pressures. Still, analysts expect at least one more interest rate increase in both Canada and the United States over the next couple of months.

Manufacturing shipments in Alberta saw a monthly decline of 0.4 per cent in January, but remained robust compared to January 2005, up 16.7 per cent. Alberta's wholesale trade for January was up 1.5 per cent from December and up a large 17.4 per cent from January 2005.

The U.S. current account deficit reached a record \$804.9 billion in 2005, increasing



20.4 per cent from 2004. Despite this, the U.S. dollar held relatively steady on news that the United States military had carried out the largest attck on insurgents in Iraq since the intial invasion.

Oil prices increased by over three dollars per barrel this week, regaining almost all of what it gave back last week. Geopolitical uncertainties are pushing crude oil prices higher, despite continued increases in U.S. inventories and lower global oil demand forecasts. Natural gas prices followed the strength of crude oil prices this week and closed at its highest level in three weeks.

Economic Indicators Released this Week	Reference Period	Month/Previous Month	Month/Previous Year's Month	Year-to-date ¹
Manufacturing Shipments (\$ Millions)	January			
Alberta	5,453	-0.4%	16.7%	N/A
Canada	51,819	-0.7%	0.7%	N/A
Consumer Price Index (1997=100)	February			
Alberta	136.2	-0.7%	3.3%	3.7%
Canada	128.6	-0.2%	2.2%	2.5%
United States (1982-84=100)	198.7	0.1%	3.6%	3.8%
Wholesale Trade (\$ Millions)	January			
Alberta	4,933	1.5%	17.4%	N/A
Canada	41,273	1.8%	9.6%	N/A
New Motor Vehicle Sales	January			
Alberta	19,962	3.8%	21.7%	N/A
Canada	137,614	1.4%	8.1%	N/A

Source: Statistics Canada, U.S. Bureau of Labour Statistics

Year-to-date 2006 compared to the same time period in 2005. For example: January-February 2006 versus January-February 2005