WEEKLY ECONOMIC REVIEW

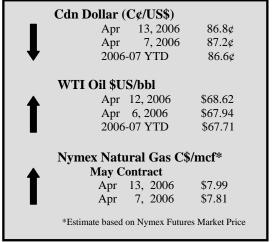
April 13, 2006

Data released this week show that construction in Alberta continues to gain momentum, while weakness persists in the Canadian manufacturing industry.

March housing starts in Alberta were reported at an annual pace of 55,000, the highest monthly figure since March of 1978. Nationally, housing starts were at a near 20-year high of over 252,000. In the first two months of 2006, Alberta new house prices have increased 21.4 per cent compared to the same period last year, well above the national rate of 6.8 per cent.

Alberta's investment in non-residential building construction rose 9.6 per cent in the first quarter of 2006 to a record \$1.4 billion. The \$125 million quarterly increase in Alberta was the largest among the provinces, helping national investment increase 2.3 per cent to \$8.5 billion.

Canada's trade surplus increased to \$6.3 billion in February from \$6.2 billion last month. The slight improvement in the trade balance was due to imports (-4.6 per cent) dropping more than exports (-3.5 per cent). The United States trade deficit declined 4.2



per cent in February from a record high deficit reported in January. Even so, the February deficit of \$65.7 billion was the third highest on record.

Manufacturing shipments in Canada fell unexpectedly in February for the third time in four months. In response, the Canadian dollar declined.

This week, oil prices approached its all-time high recorded last year on renewed concerns over Iran's nuclear program. But prices have declined modestly on the report of rising oil inventories in the United States.

Economic Indicators Released this Week	Reference Period	Month/Previous Month	Month/Previous Year's Month	Year-to-date ¹
Housing Starts ²	March			
Alberta	55,200	9.3%	38.7%	34.2%
Canada	252,300	4.0%	17.0%	16.9%
New House Price Index	February			
Alberta	176.2	2.4%	22.4%	21.4%
Canada	144.5	0.8%	7.0%	6.8%
Manufacturing Shipments (\$ Millions)	February			
Alberta	5,344	-2.0%	13.1%	14.9%
Canada	50,694	-2.2%	-0.4%	0.2%
Canadian International Trade (\$ Millions)	February			
Exports	38,344	-3.5%	8.1%	9.6%
Imports	32,034	-4.6%	2.1%	4.1%
Trade Balance	6,310	2.4%	53.4%	52.8%

Source: Statistics Canada and Canada Mortgage and Housing Corporation

¹Year-to-date 2006 compared to the same time period in 2005. For example: January-February 2006 versus January-February 2005

²Seasonally Adjusted at Annual Rates