

WEEKLY ECONOMIC REVIEW

January 18, 2008

Alberta's manufacturing sales in November rose 5.9% from the same month in 2006. The increase was led by coal and petroleum products (+22.9%) and non-metallic minerals (+29.1%). Nationally, manufacturing sales were down 0.1%.

Investment in non-residential building construction in Alberta hit \$2.4 billion (seasonally adjusted) in the final quarter of 2007, up 31.7% from the same quarter in 2006. Heavy investment in commercial projects (+48.2%), particularly new offices, and retail and wholesale buildings, propelled the increase. Nationally, non-residential construction investment grew 13.2% from the same quarter a year ago.

In November, sales of new motor vehicles in Alberta (seasonally adjusted) rose 4.3% from the same month in 2006. On a year-to-date basis, sales were up 4.1%. On the other hand, Canadian new vehicle sales continued to trend downward as it fell 2.9% from October, the sixth monthly decline since April.

The U.S. housing downturn continued to intensify as housing starts in December declined by a sharper-than-expected 14.2% to 1.006 million units (seasonally adjusted at annual rates), the lowest in more than 16 years. The number of building permits also hit its 14-year low, falling 8.1% to an annual rate of 1.068 million in December.

Outside the housing market, the Philadelphia Federal Reserve's manufacturing index, a

↓	Cdn Dollar (US¢/C\$)	
	January 18, 2008	97.1
	January 11, 2008	98.1
	2007-08 YTD	96.4
↓	WTI Oil US\$/bbl	
	January 17, 2008	\$ 90.13
	January 10, 2008	\$ 93.71
	2007-08 YTD	\$ 78.02
↓	Nymex Natural Gas C\$/MMBtu *	
	February Contract	
	January 18, 2008	\$ 8.43
	January 11, 2008	\$ 8.44
	*Estimate based on Nymex Futures Market Price	

key barometer of regional factory activity, contracted sharply to negative 20.9 in January from an upwardly revised negative 1.6 in December. U.S. retail sales also weakened in December, falling 0.4% from November.

Federal Reserve Chairman Ben Bernanke echoed his gloomy assessment of the U.S. economy and repeated that the Fed is ready to take "substantive" monetary action, validating expectations of a rate cut. President Bush announced a fiscal relief package worth \$140-billion to help the economy.

Dismal economic data combined with large writedowns taken by Citigroup (\$18.1 billion) and Merrill Lynch (\$14.6 billion) pulled down global financial markets this week. Oil prices also slipped by \$3.58 per barrel while the Canadian dollar retreated by a full cent.

Economic Indicators Released this Week	Reference Period	Month/Previous Month (M/M)	Month/Previous Year's Month (Y/Y)	Year-to-date ¹
Manufacturing Shipments (Millions)²	November			
Alberta	\$5,663	2.1%	5.9%	1.6%
Canada	\$50,552	1.1%	-0.1%	1.0%
New Motor Vehicle Sales (units)²	November			
Alberta	20,794	0.9%	4.3%	4.1%
Canada	132,125	-2.9%	-5.5%	1.4%

Source: Statistics Canada, ¹Year-to-date 2007 compared to the same period in 2006 ²Seasonal adjusted