CIBC World Markets

CANADIAN LEADING INDICATORS

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Economics & Strategy

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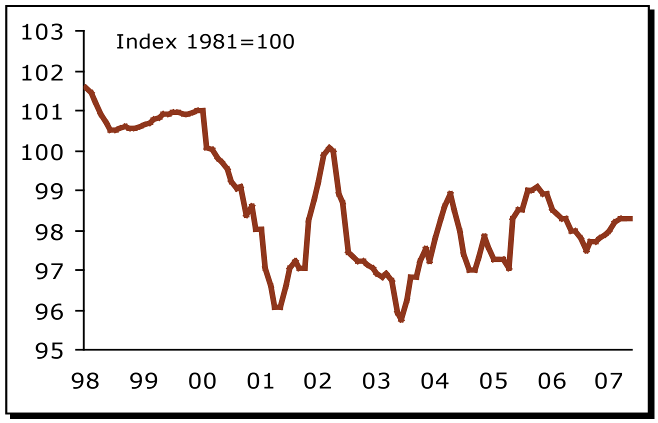
CIBCWM Neutral Network based Index of Canadian Leading Indicators



		0610	0611	0612	0701	0702	0703	0704	0705	(latest figures)
U.S. Leading indicator	y/y % chg	0.3	1.7	0.9	-0.1	0.2	-0.5	-0.6	-0.9	
Ivey Purchasing Managers Index	y/y % chg, 3mo MA	-5.4	-13.0	-8.6	-6.0	1.1	0.4	3.7	-2.3	
Consumer Credit (Banks)	y/y % chg	9.5	8.6	8.3	7.9	8.2	8.7	9.0	9.0	
Service Employment	y/y % chg	3.0	4.3	2.2	1.5	2.4	2.8	3.2	1.9	
Housing Starts	y/y % chg	6.1	0.7	-9.4	2.6	-16.3	-13.5	-4.9	2.9	
Manufacturing avg. workweek (hours)	y/y % chg	-1.0	-1.3	-0.5	1.6	1.8	1.1	1.9	2.6	
Exports	y/y % chg	-3.5	-9.4	-2.6	1.5	1.6	6.1	9.6	8.5	
Exchange Rate		1.123	1.142	1.165	1.177	1.170	1.155	1.110	1.070	1.063
Yield Curve (10 yrs - 3 mos)	bps	1	-24	-12	1	-15	-8	-2	28	28
Employment Quality Index	y/y % chg	0.2	-0.4	-3.1	-2.2	-2.5	-3.0	-1.5	-7.5	
TSX300 Composite		12345	12752	12908	13034	13045	13166	13417	14057	14137
CIBCWM Index of Leading Indicators		97.7	97.8	97.9	98.0	98.2	98.3	98.3	98.3	

After rising for five consecutive months, our EcoNet (Neural Network-based Index of Leading Indicators for economic activity) was unchanged in the last two months, reflecting a rising dollar, some softening in the US index of leading indicators, and a gradually weakening labour market. Helping to offset those negatives were a strong equity market as well as a surprisingly robust housing market. The rise in our index since late 2006 signaled a relatively healthy growth in the first half of the year, but the recent pause might point to some moderation in activity towards the end of the year.

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http://research.cibcwm.com/res/Eco/EcoResearch.html