

**July 2008 REIN Presentation by
CIBC World Markets Senior Economist
Benjamin Tal**

The “R” Word

Benjamin Tal
Senior Economist



CIBC
World Markets

June 2008
Economics & Strategy

“Since the April Monetary Policy Report (MPR), economic developments have been broadly in line with expectations.”

Source: BoC Rate Decision, June 10, 2008

Summary of the Base-Case Projection

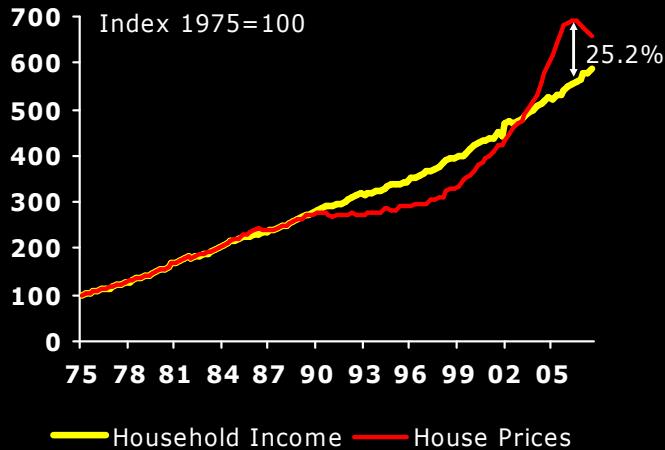
	2007	2008			2009		2010
	Q4	Q1	Q2	H2	H1	H2	
Real GDP	0.8	1.0	0.3	1.8	2.7	3.3	3.4

Source: MPR, April 2008

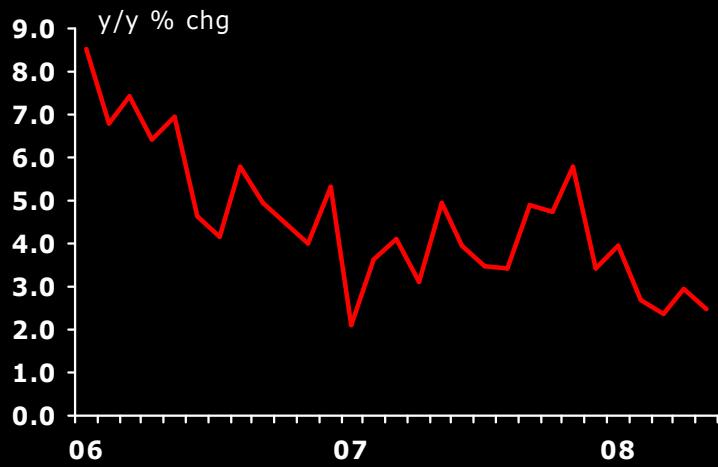
“Actual GDP Growth for 1st Quarter 2008: -0.3%”

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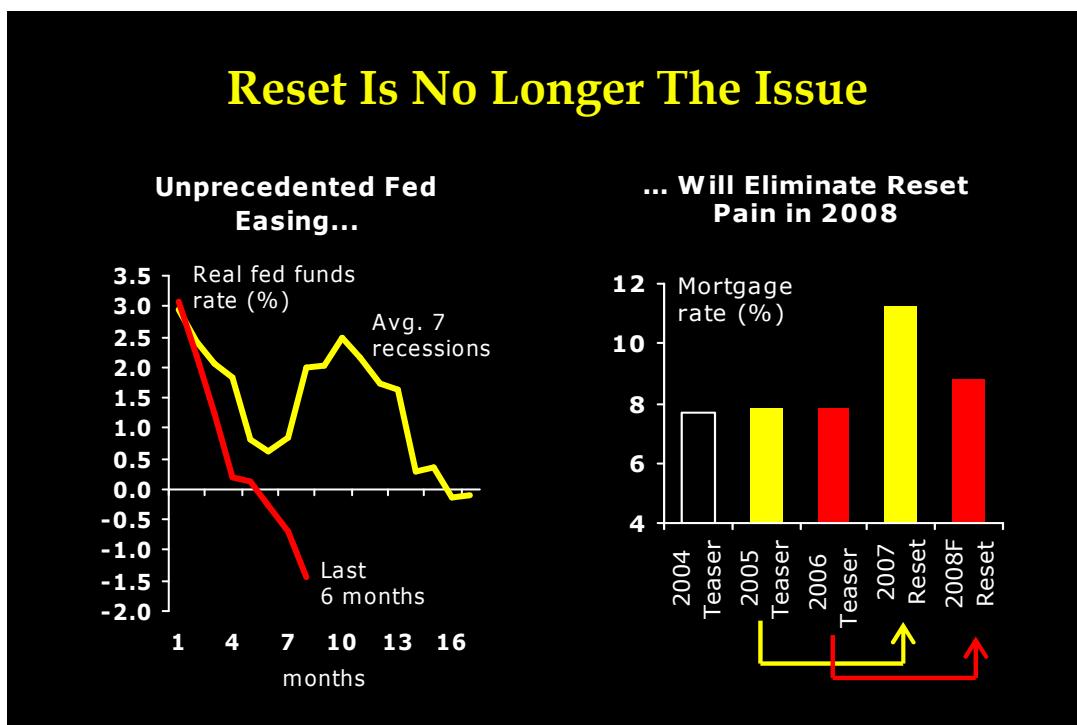
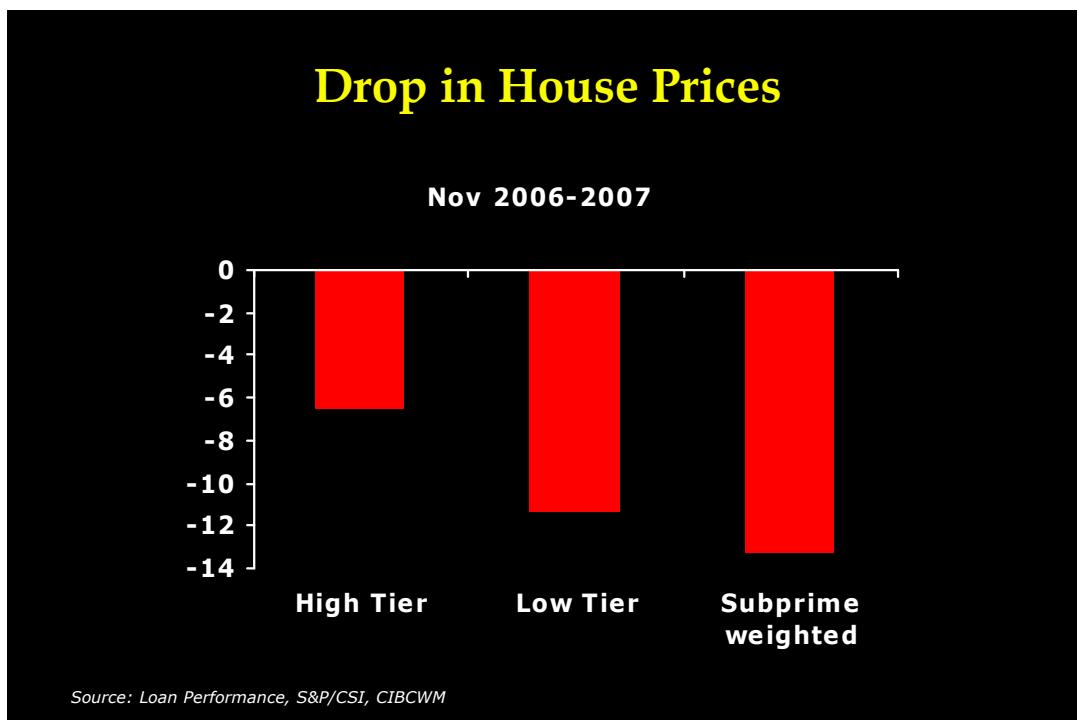
**House Prices Overshot Income Growth by a
Wide Margin**



Retail Sales



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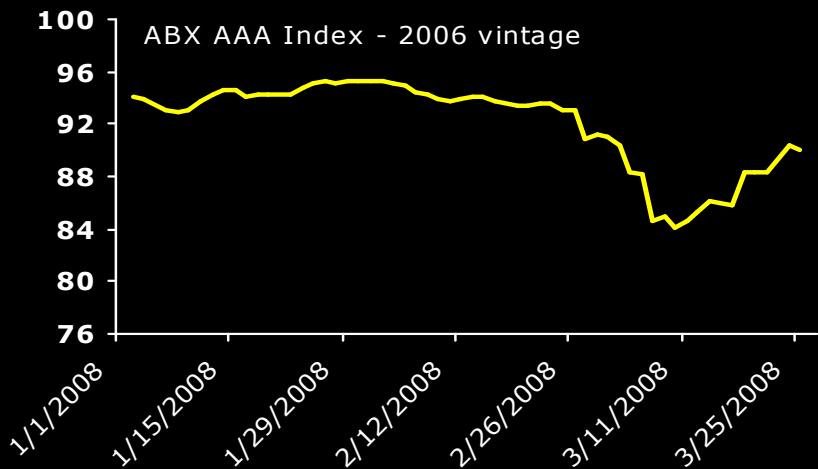


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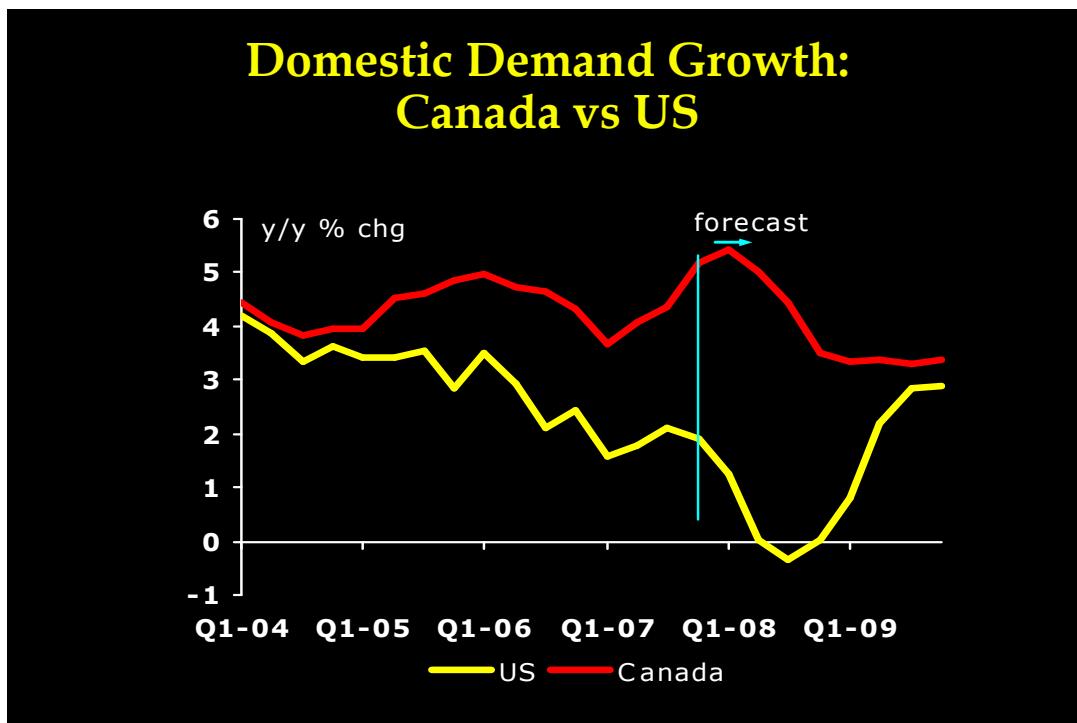
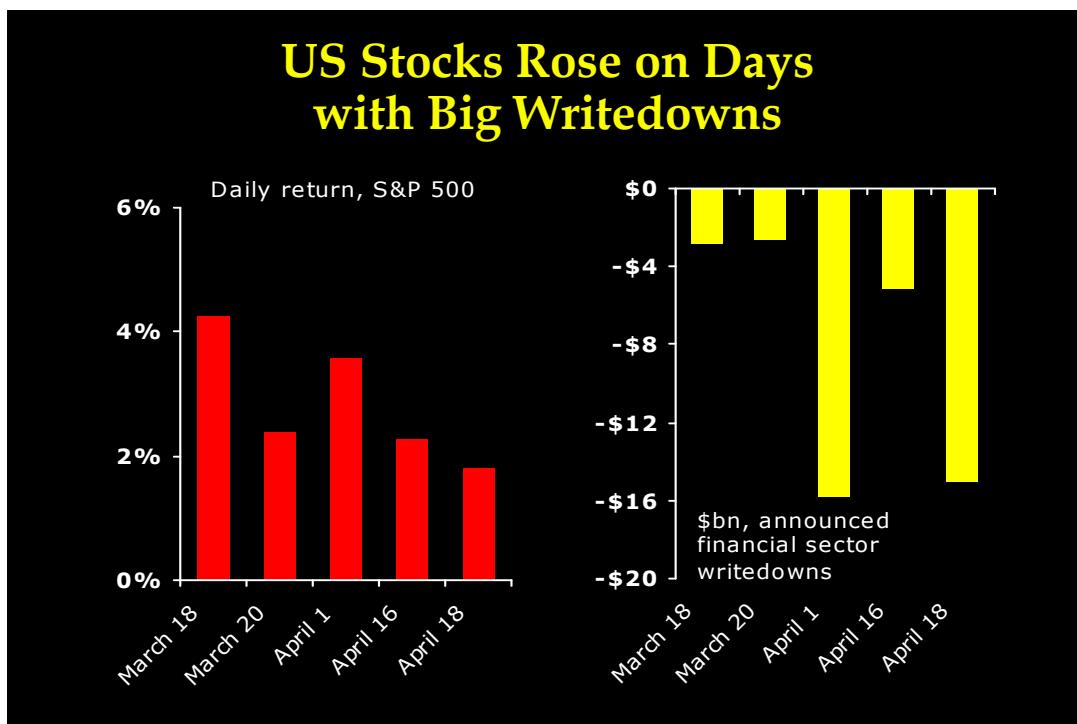
Emergency Lending Jumps Off the Chart



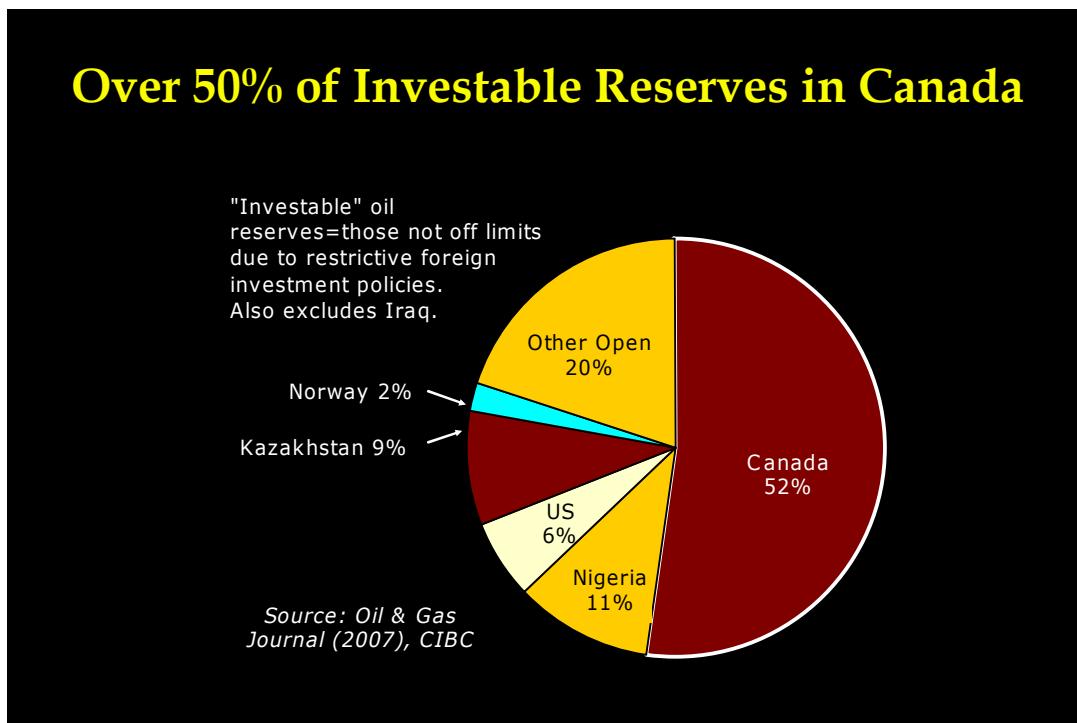
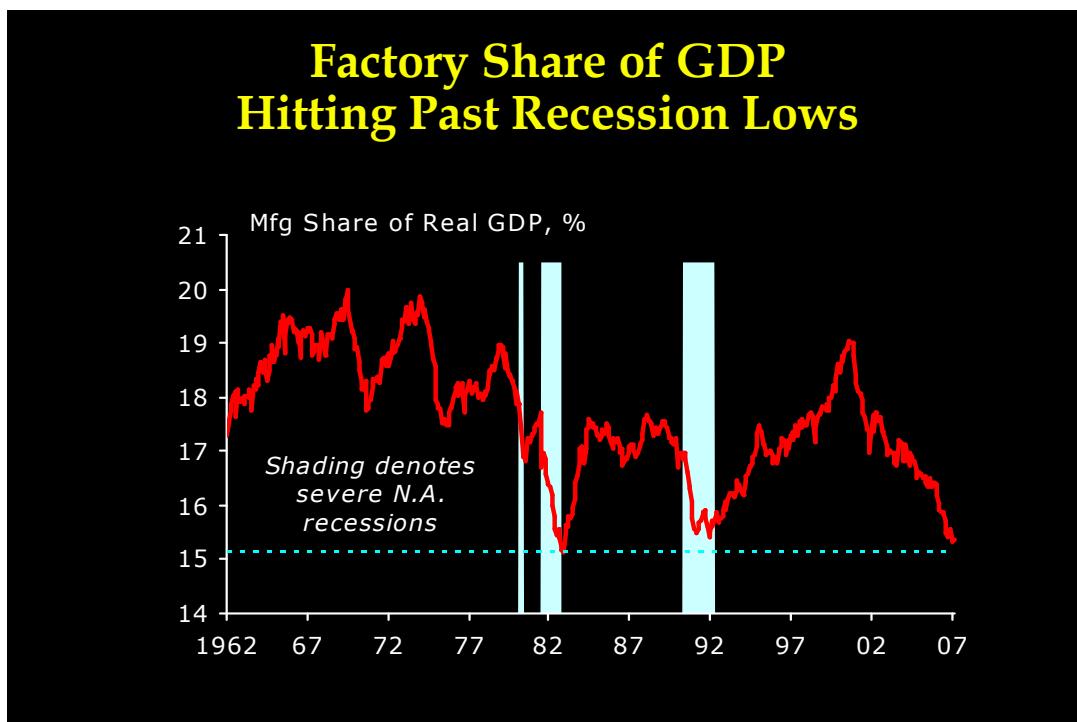
ABX Index Rallies on Hopes of Bailout



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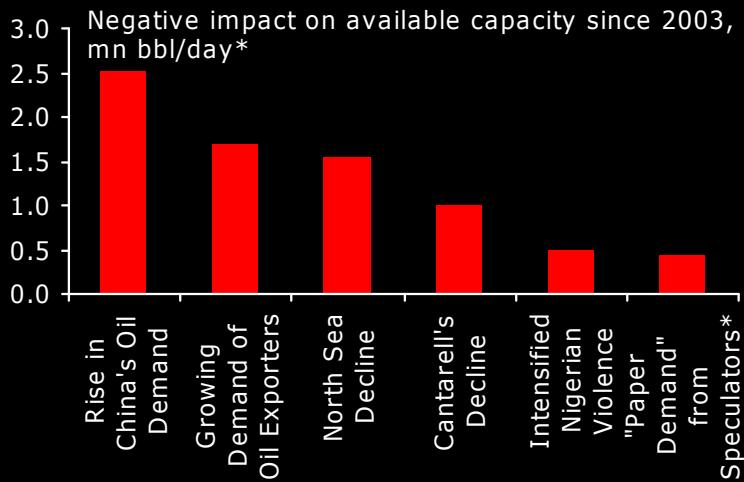


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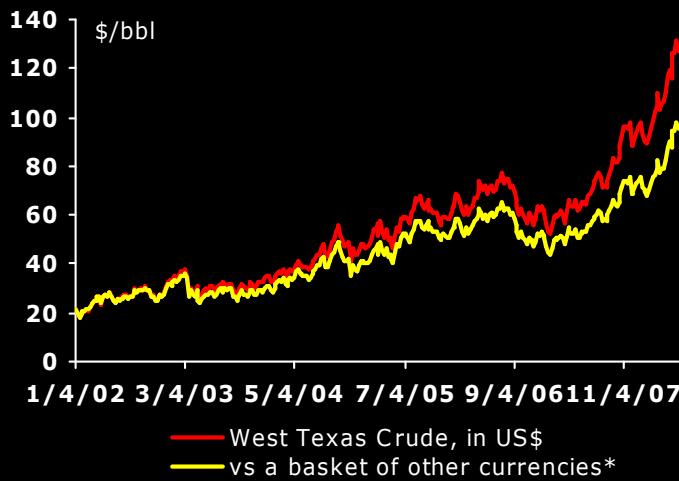
Role of Speculation in Oil Market Modest



Source: CIBCWM, Masters Capital Management

* 848 million bbl rise in speculator's long crude and oil product exposure since 2003, converted to daily terms

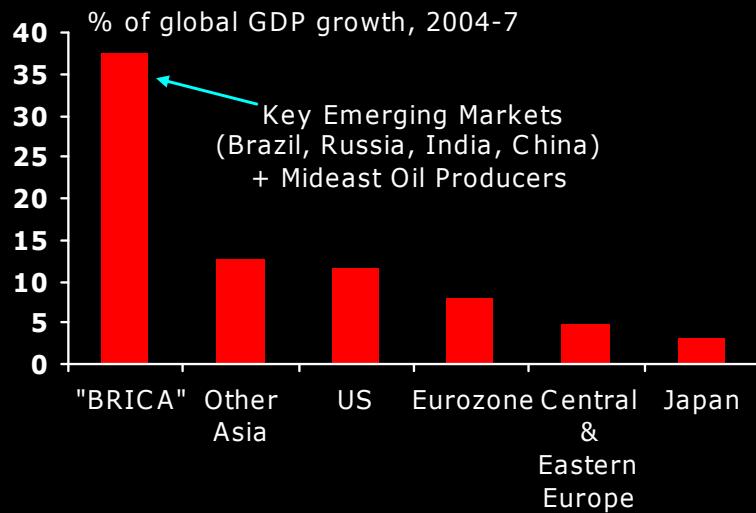
US\$ Weakness Accounts for Less Than One-Fifth of Oil's Rise



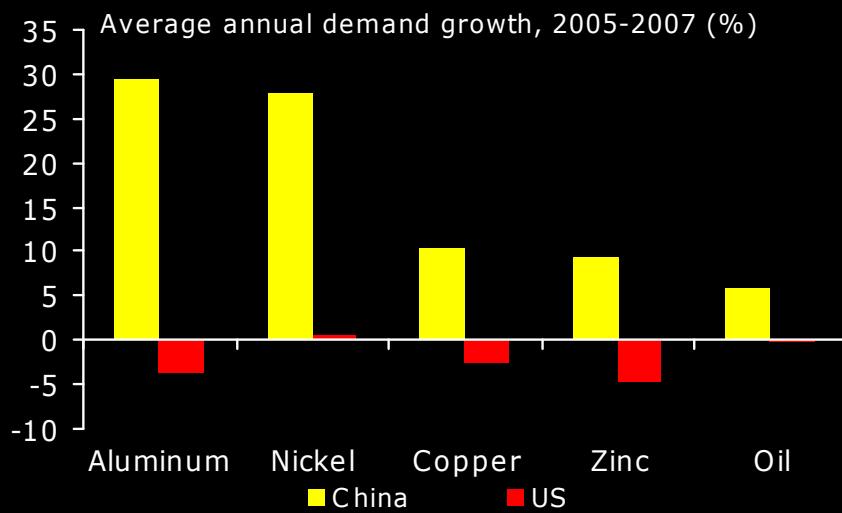
* currencies and weights are the same as those used in the Fed's broad US\$ index

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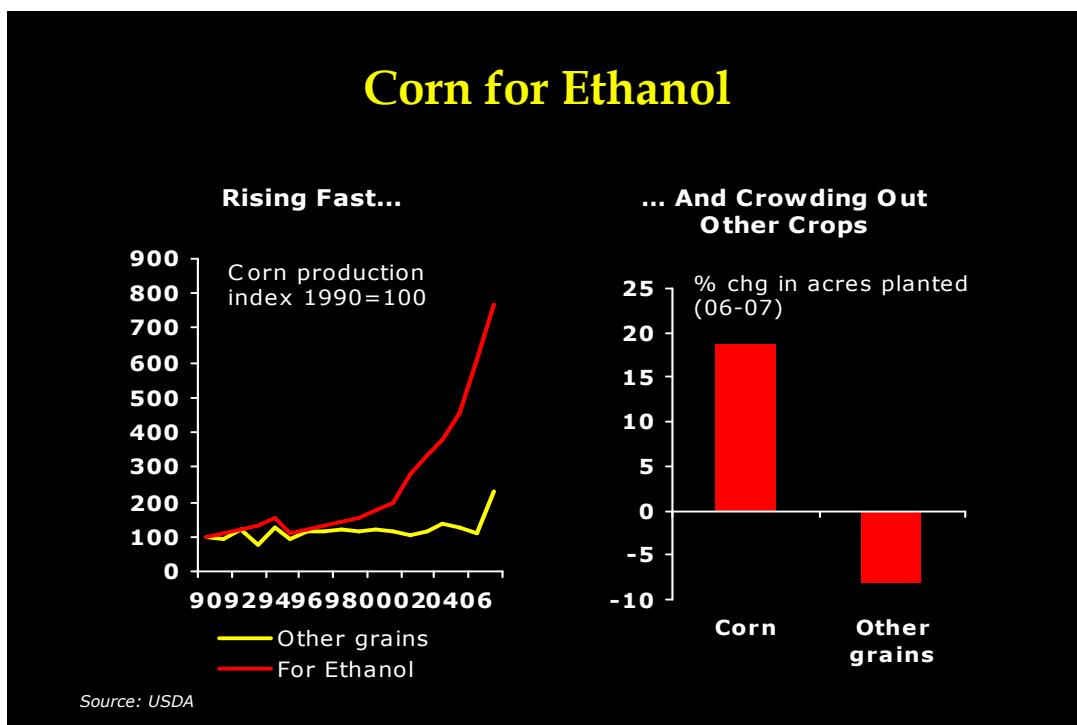
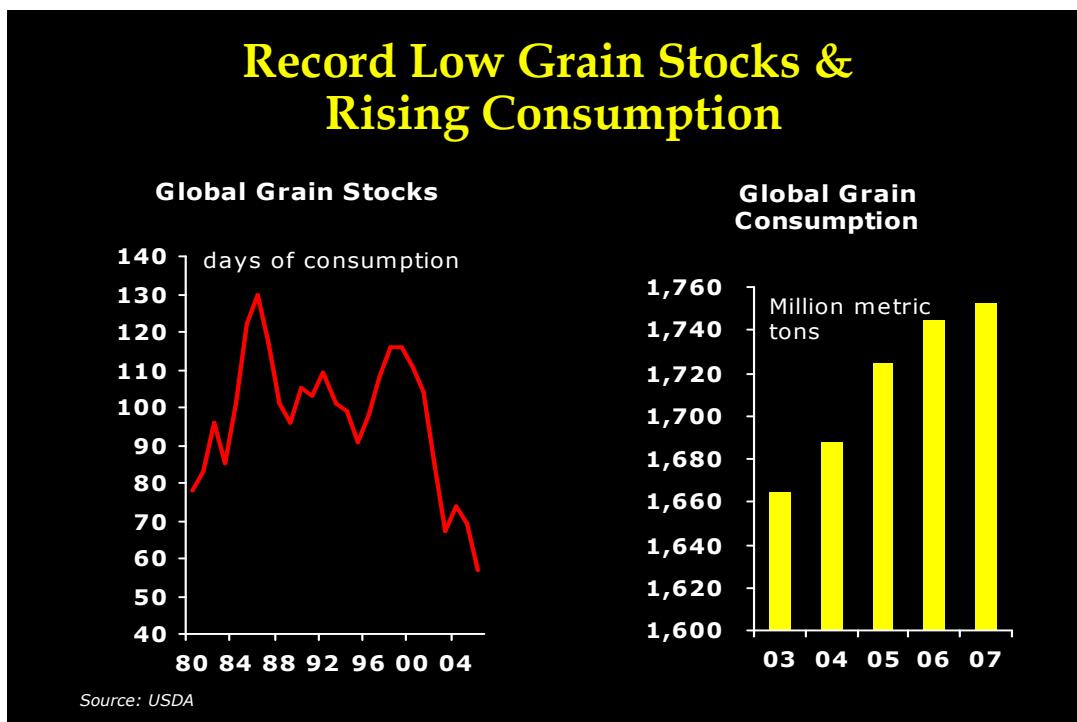
Who is Driving the Bus?



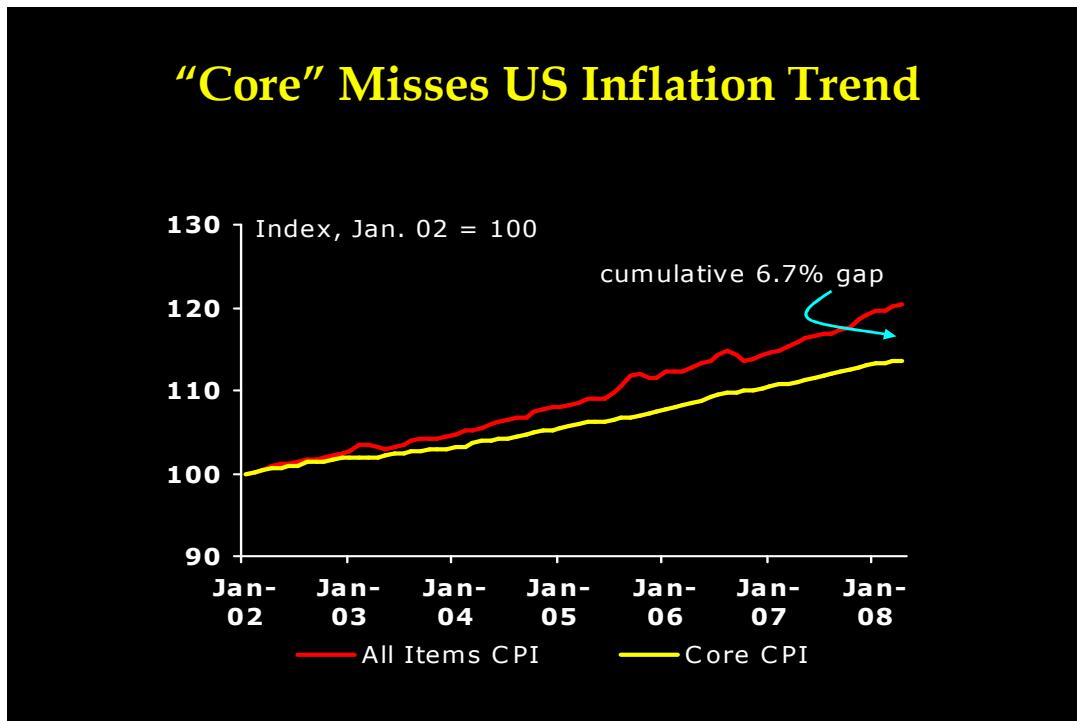
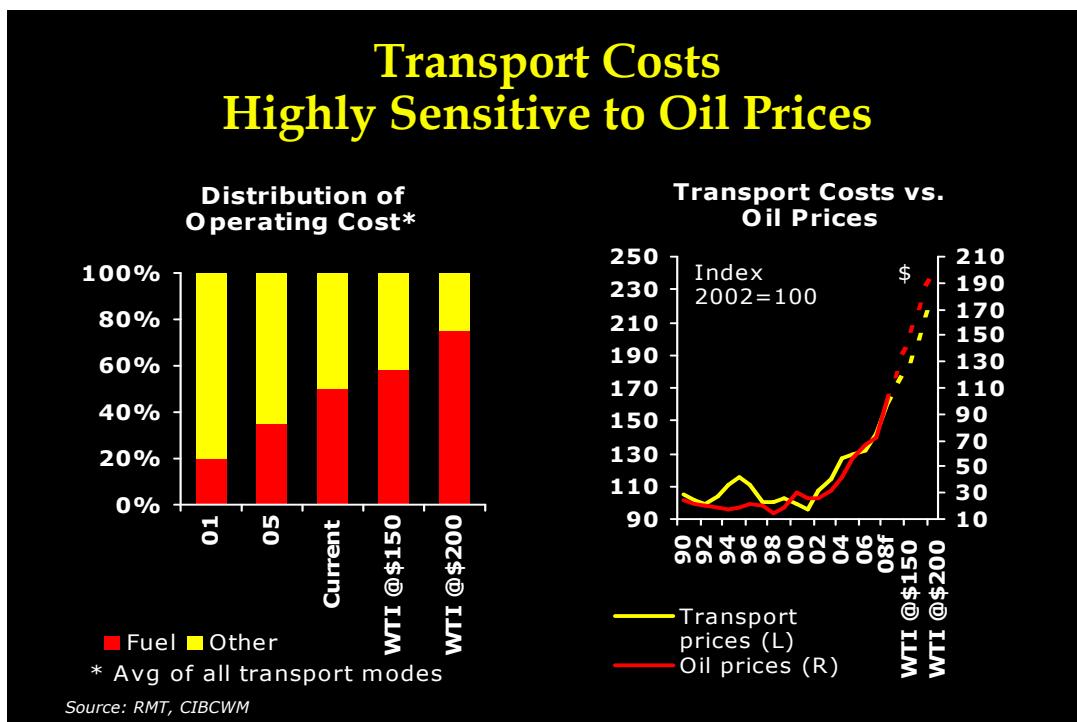
US Contribution to Resource Demand Growth



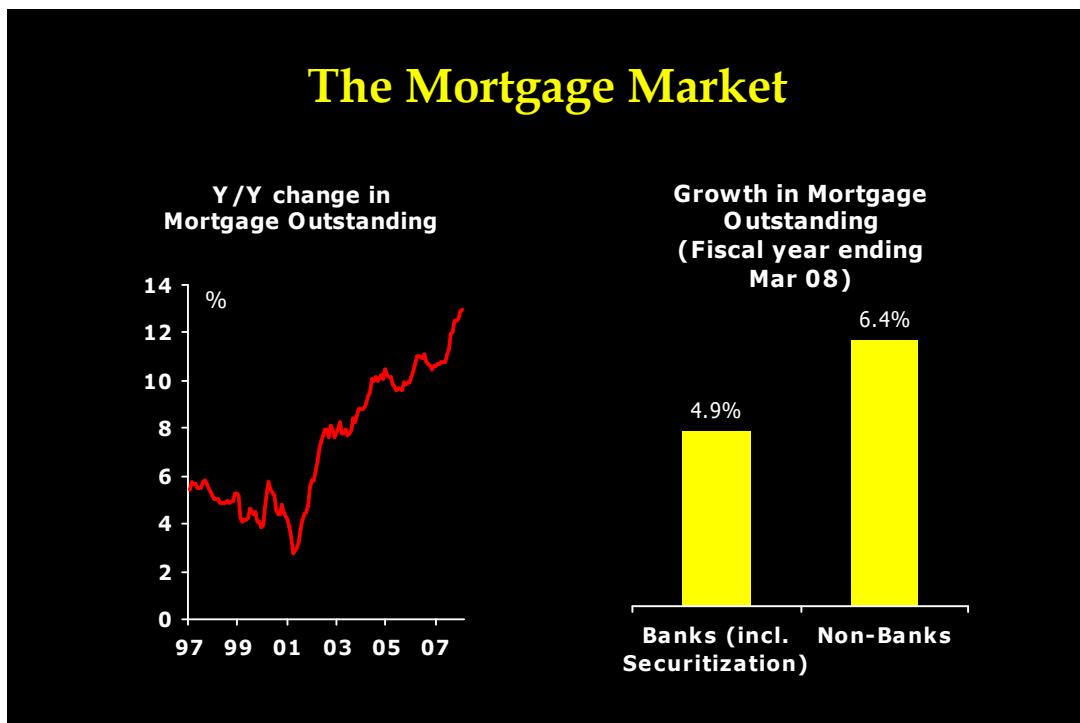
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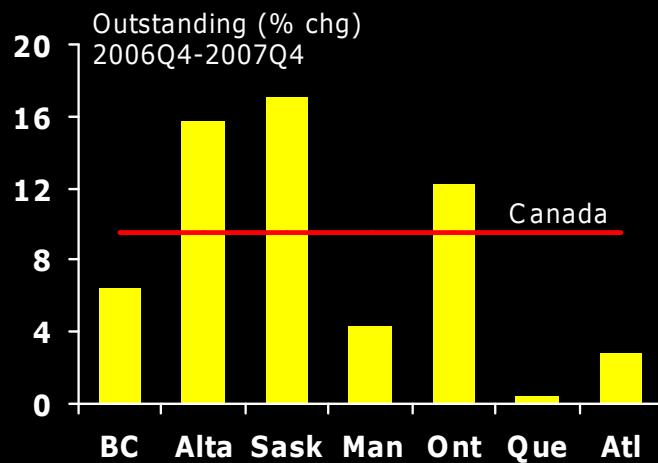


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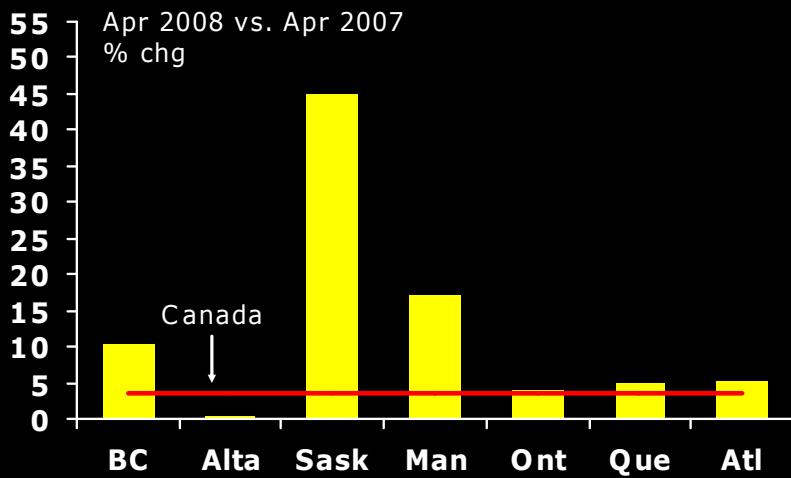


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Residential Mortgages

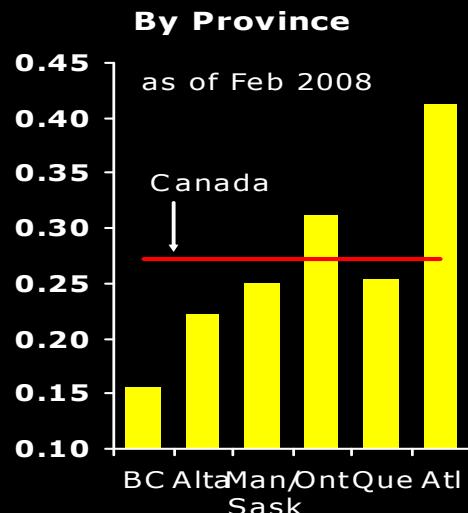
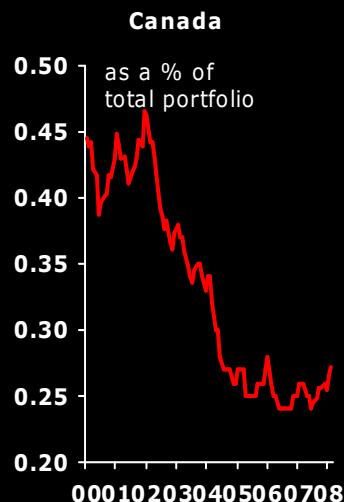


Average House Price

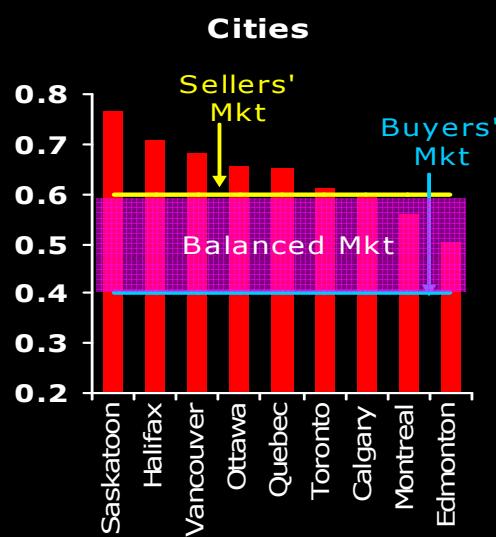
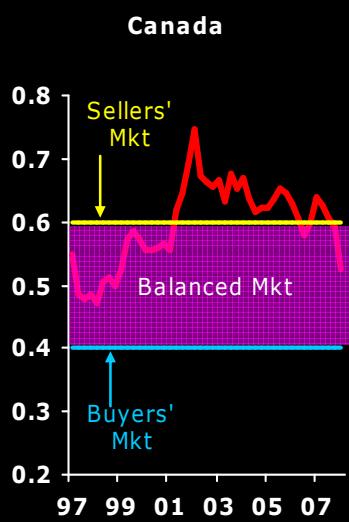


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Mortgage Arrears



Unit Sales as a Share of New Listings



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