

PMA Brethour Research

“The Future is Your Decision”

January 2008

Presented By:

The Institute for Trend Research

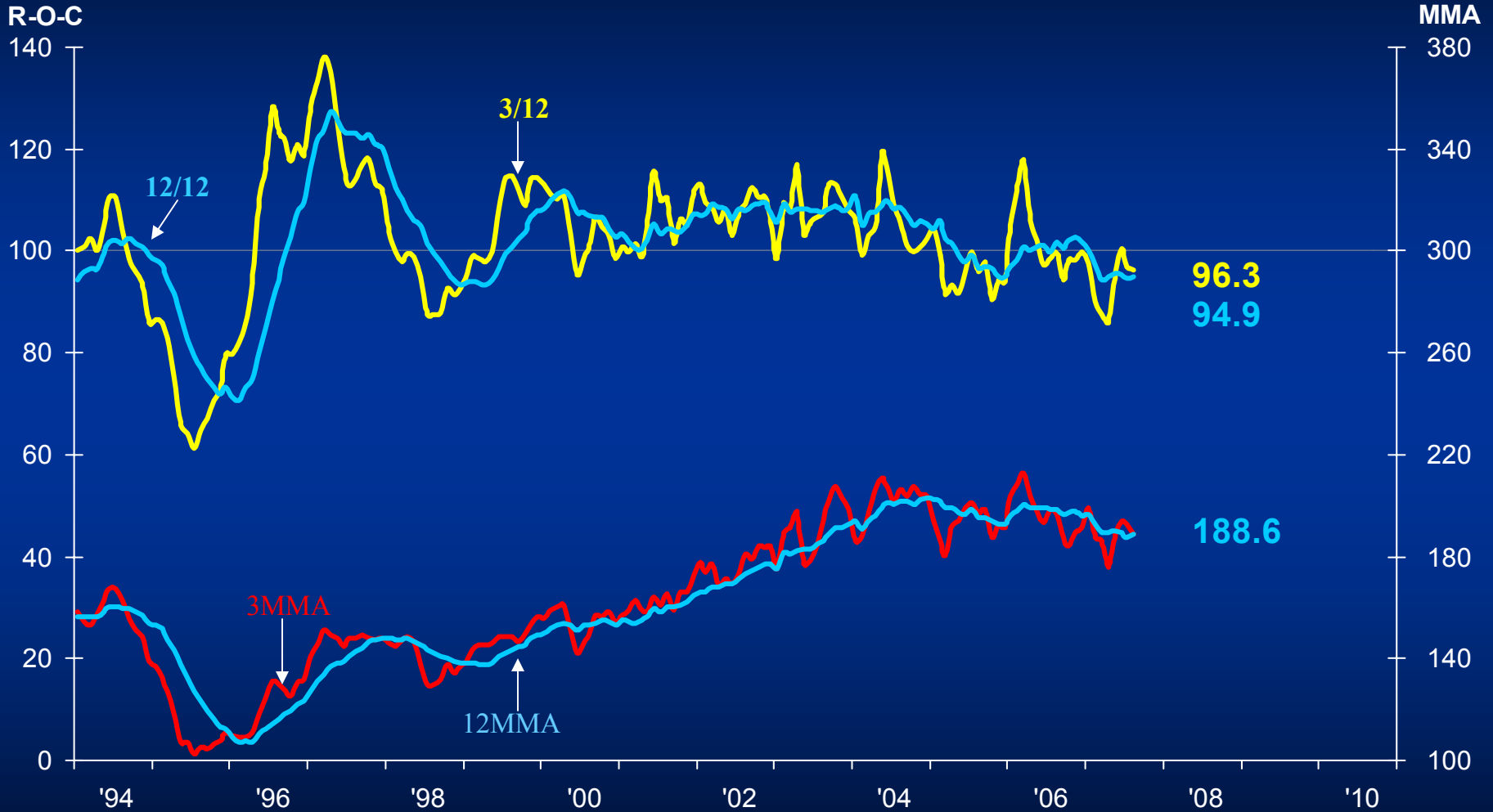
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Canada Housing Starts

Thousands of Units, SAAR



Example: Revenue 12MMT

12MMT:

Nov 06	1.47			12MMT = 17.54
Dec 06	1.51			
Jan 07	1.65	3MMT = 4.63		
Feb 07	1.75			
Mar 07	1.76			
Apr 07	1.64	3MMT = 5.14		
May 07	1.71			
Jun 07	1.74			
Jul 07	1.54	3MMT = 4.98		
Aug 07	1.44			
Sep 07	1.24	3MMT = 4.22		
Oct 07	1.26	3MMT = 3.95	12MMT = 18.70	
Nov 07	1.74	3MMT = 4.24	12MMT = 18.97	8.2%

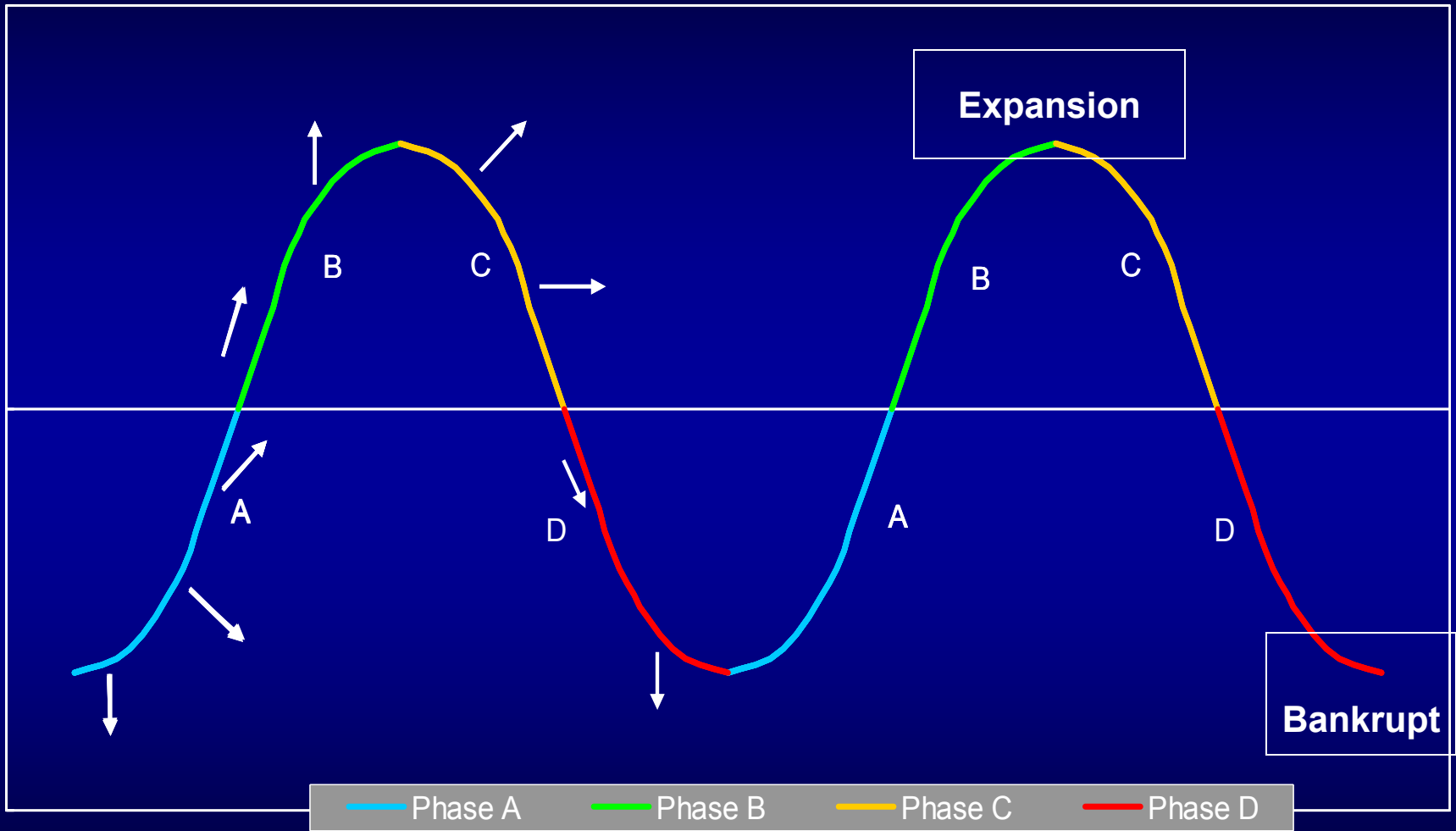
RATE-OF-CHANGE

$$\frac{\text{ACTUAL MONTHLY DATA AS OF 12/07}}{\text{ACTUAL MONTHLY DATA AS OF 12/06}} = 1/12$$

$$\frac{\text{3-MOS MOVING TOTAL (3MMT) AS OF 12/07}}{\text{3-MOS MOVING TOTAL (3MMT) AS OF 12/06}} = 3/12$$

$$\frac{\text{ANNUAL MOVING TOTAL (12MMT) AS OF 12/07}}{\text{ANNUAL MOVING TOTAL (12MMT) AS OF 12/06}} = 12/12$$

Four Phases



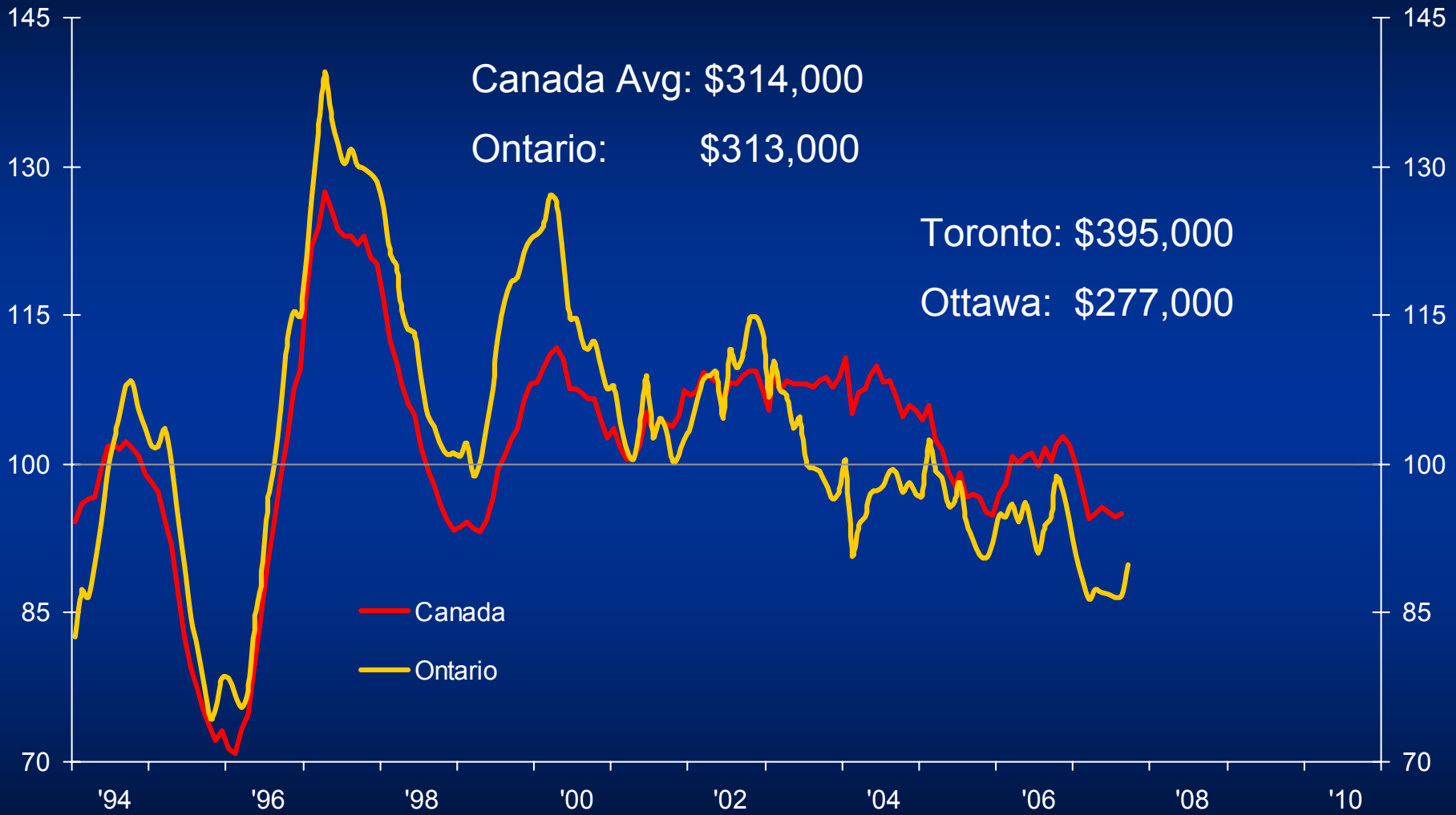
Bankrupt

Expansion

Phase A Phase B Phase C Phase D

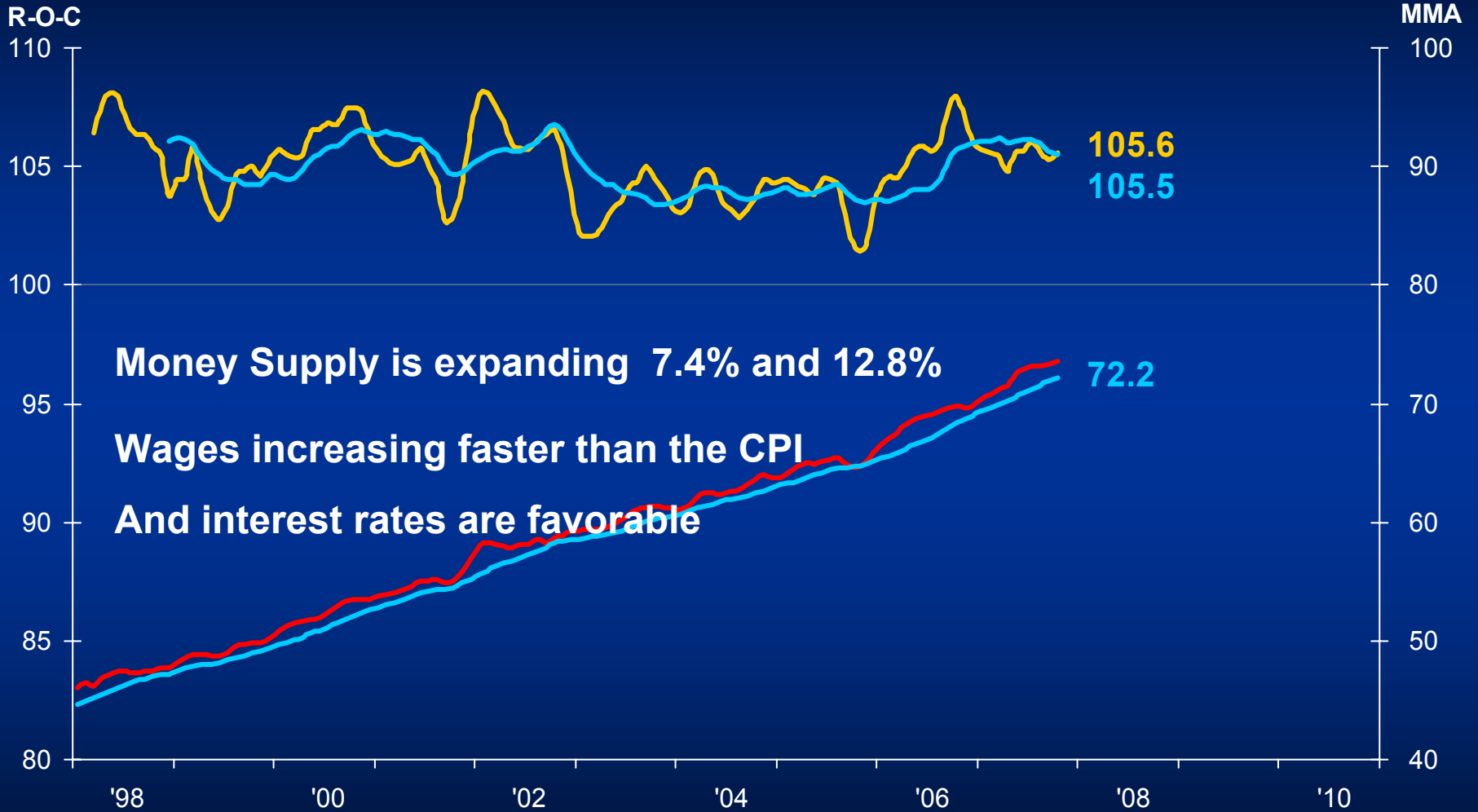
Canada to Ontario Housing Starts Growth

12/12 Rates-of-Change



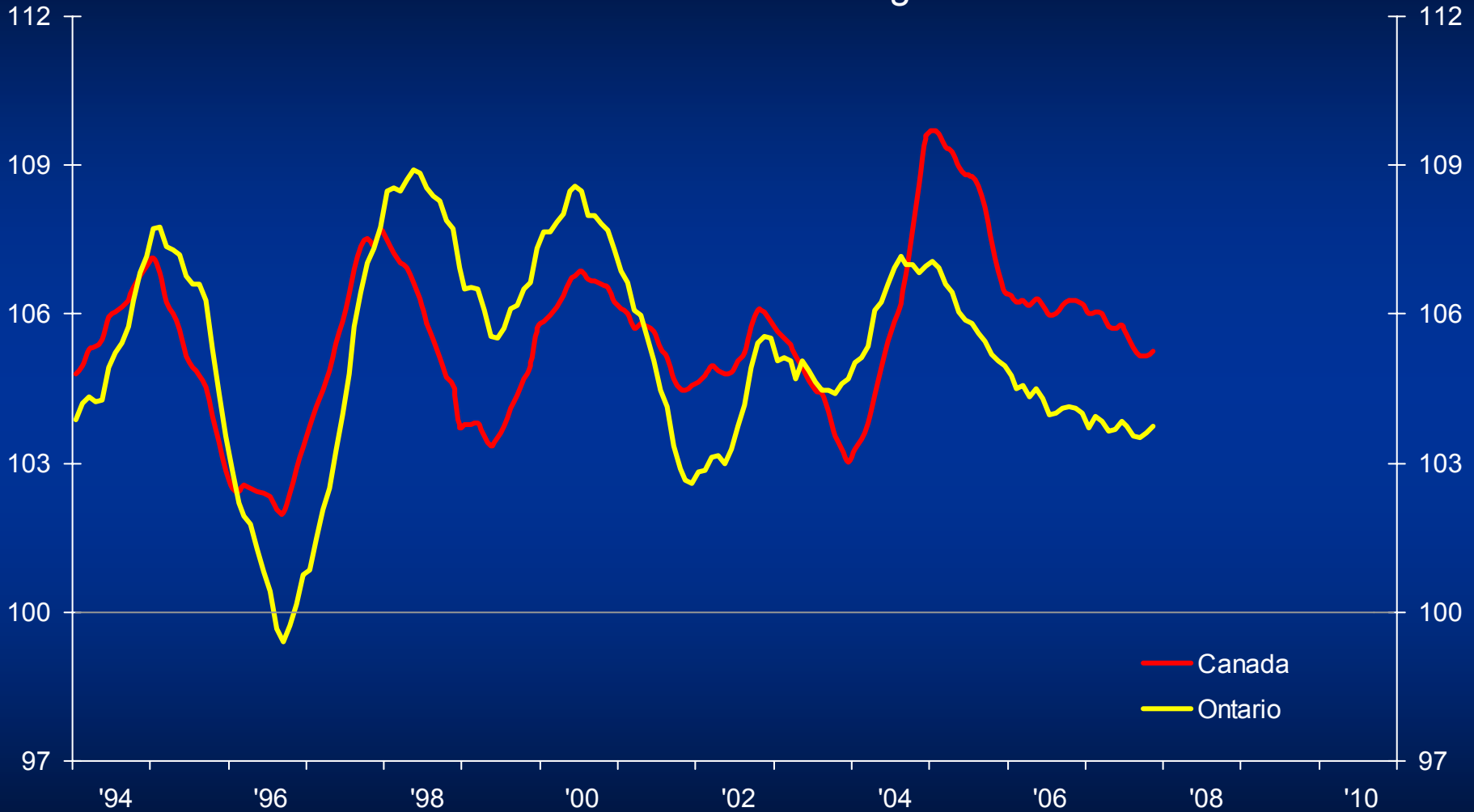
Canada Retail Trade GDP

Billions of C\$



Canada to Ontario Retail Sales

12/12 Rates-of-Change



— Canada
— Ontario



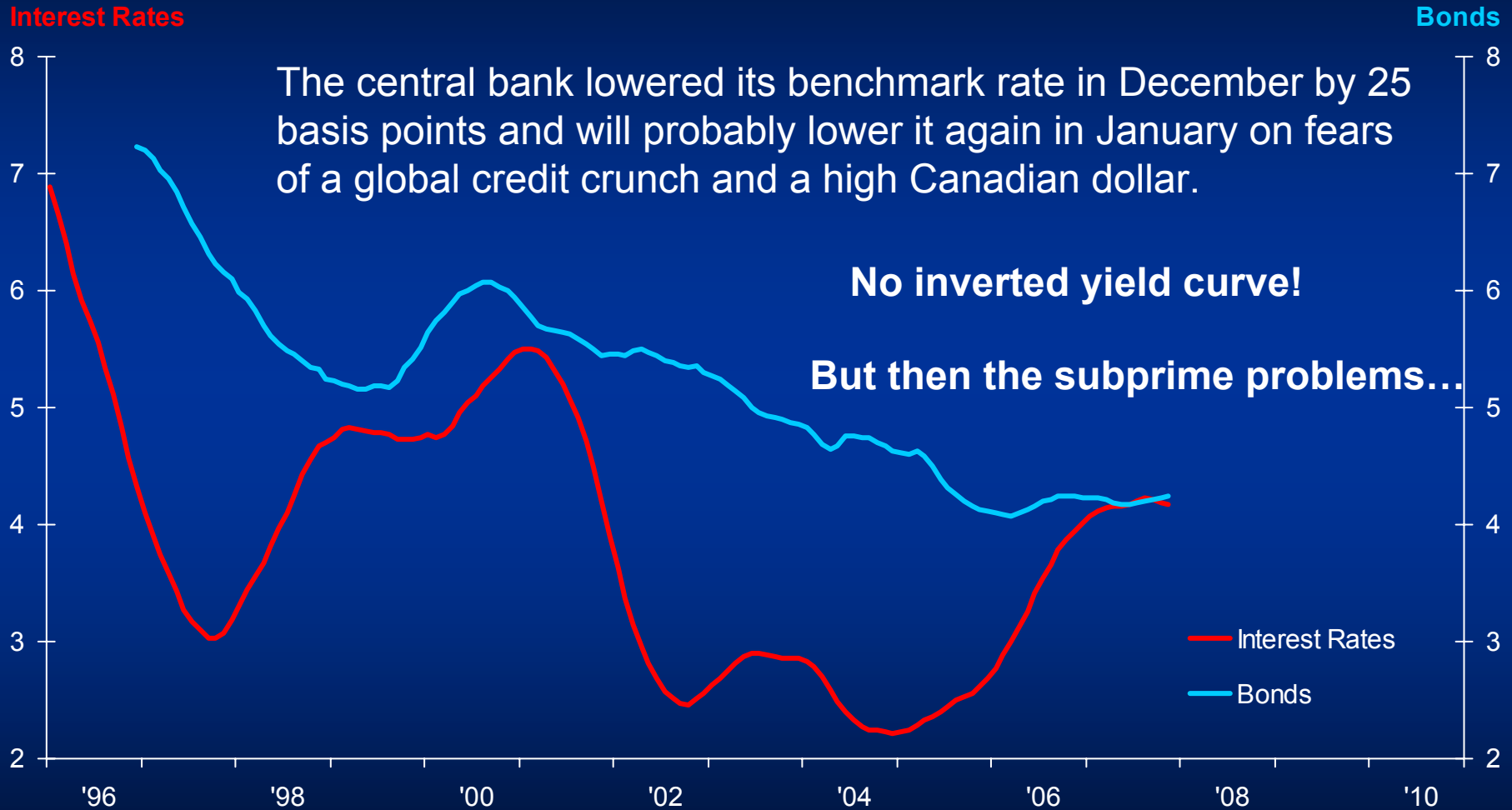
Ontario Retail Sales

Millions of \$

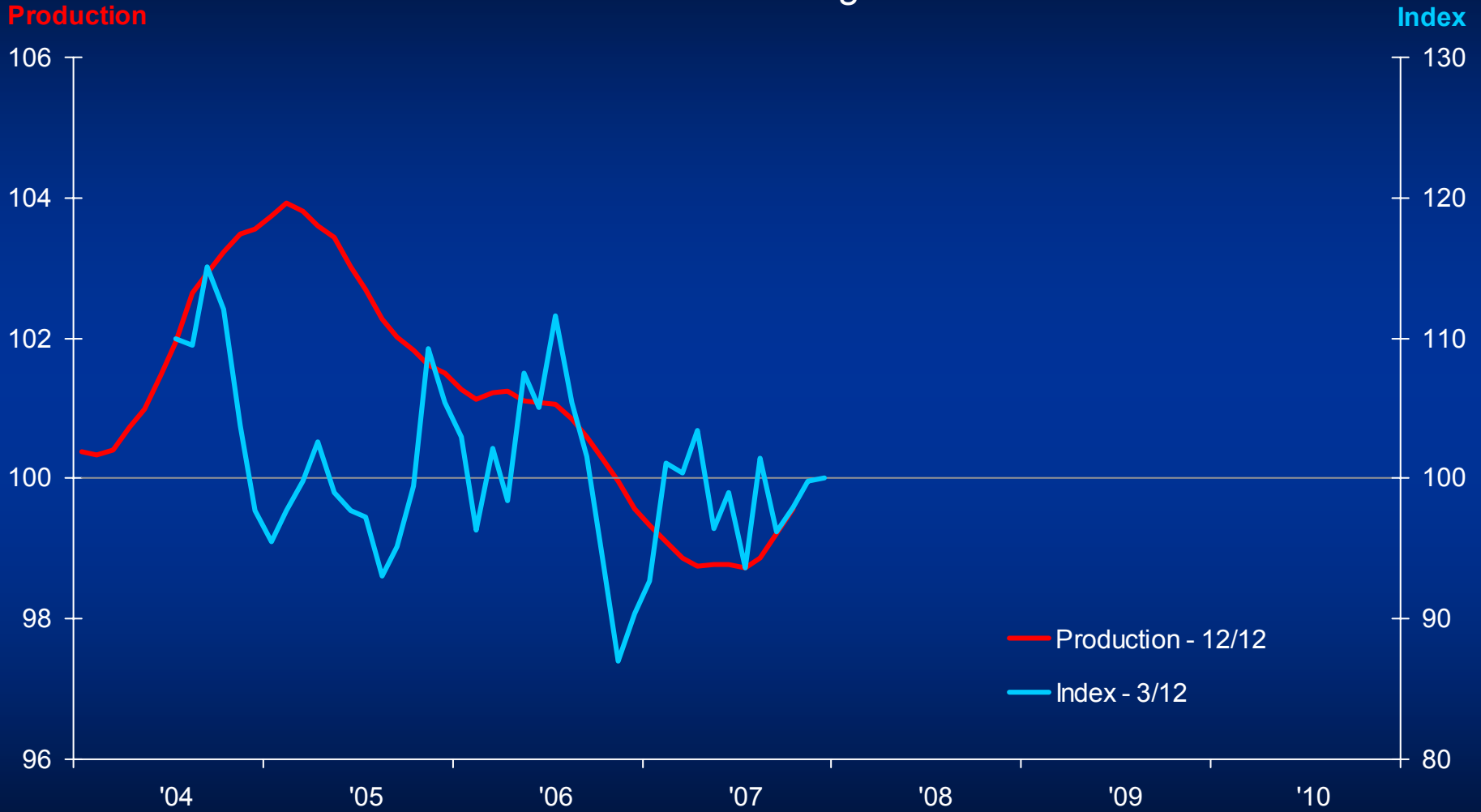


Canada Short-Term Interest Rates to Canada Gov't Bond Yield

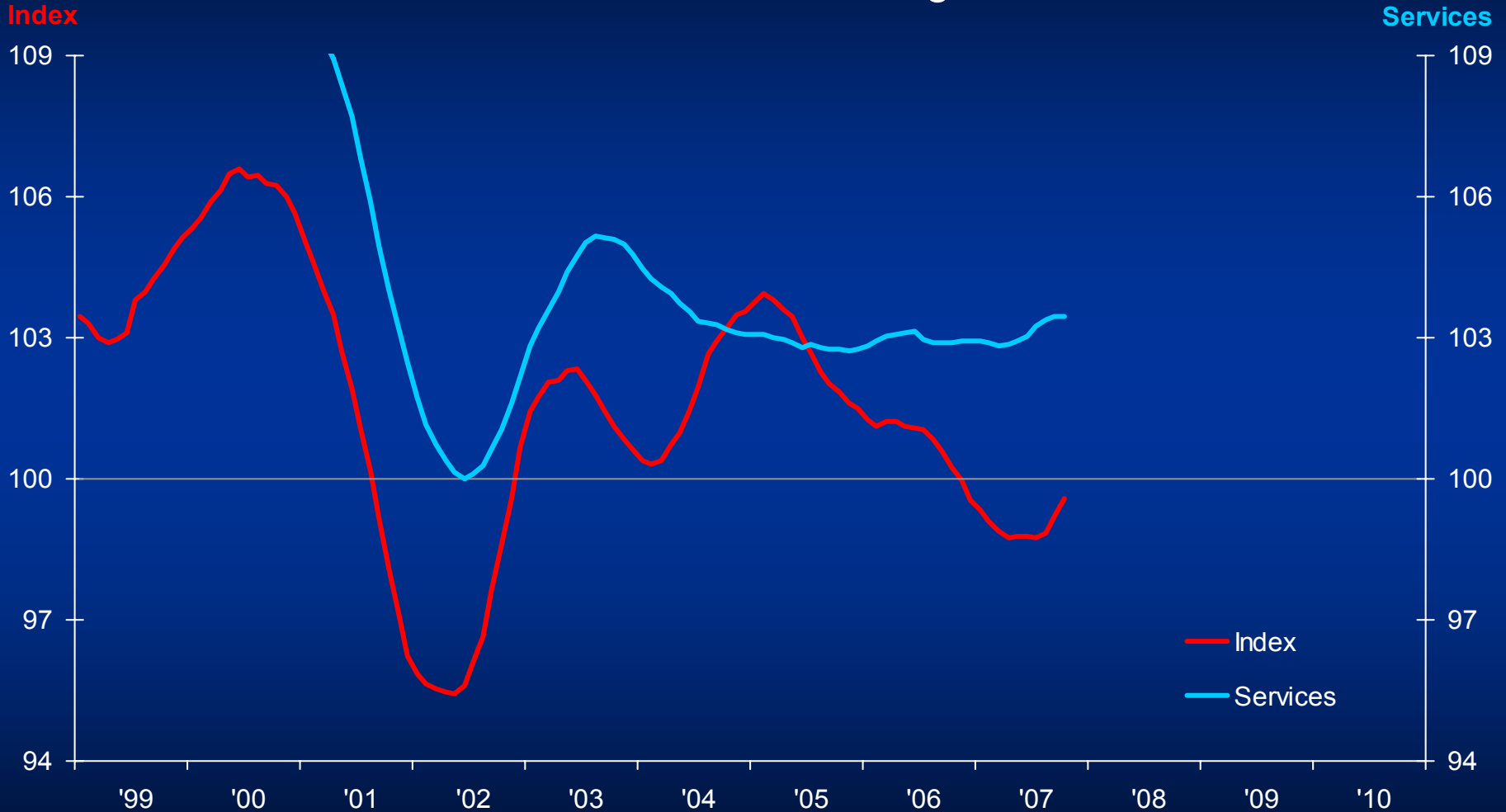
Data Trends



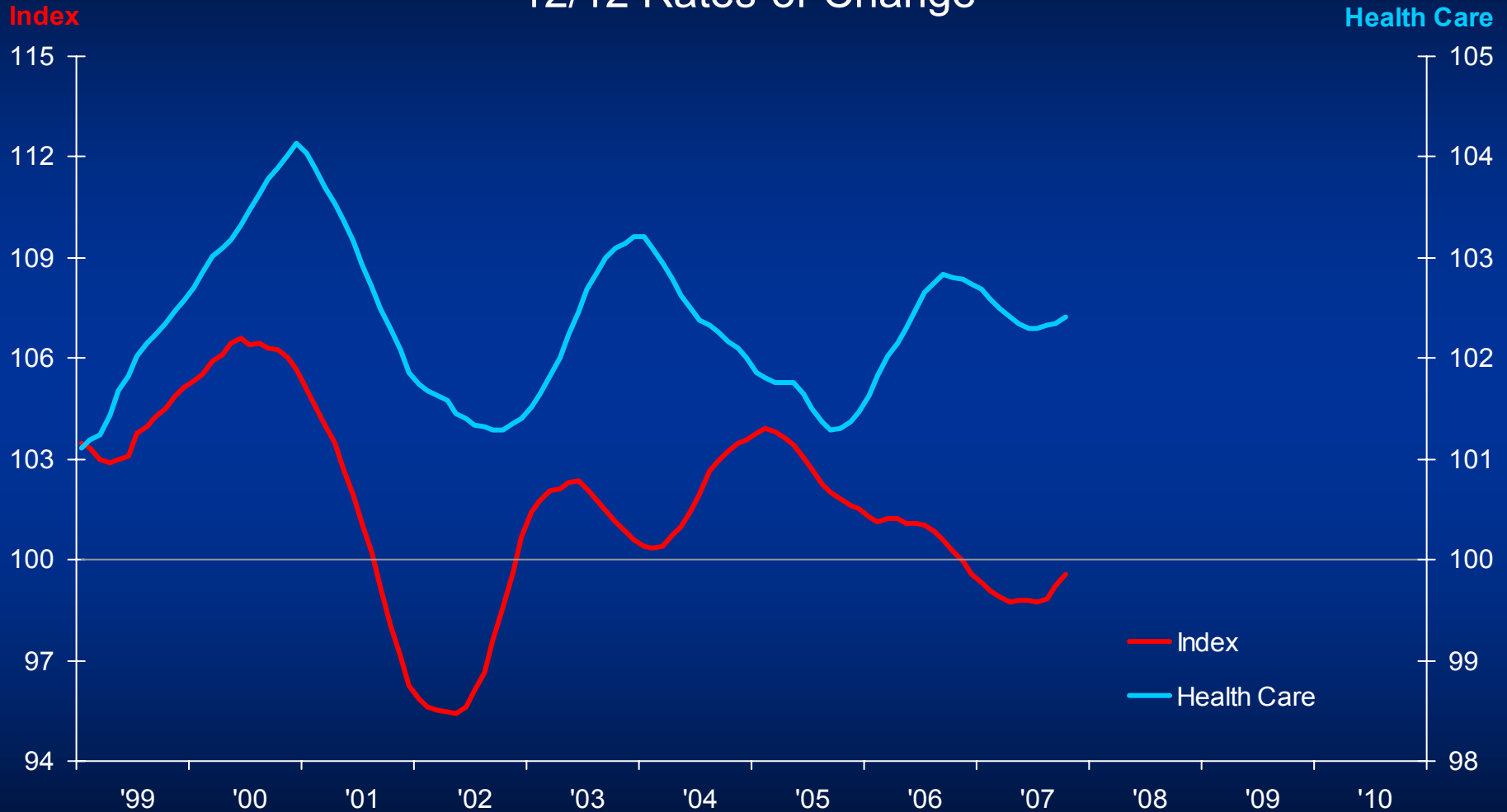
Canada Industrial Production Index to Canada Purchasing Managers Index Rates-of-Change



Canada Industrial Production Index to Canada Professional, Scientific and Technical Services 12/12 Rates-of-Change



Canada Industrial Production Index to Canada Health Care & Social Assistance 12/12 Rates-of-Change

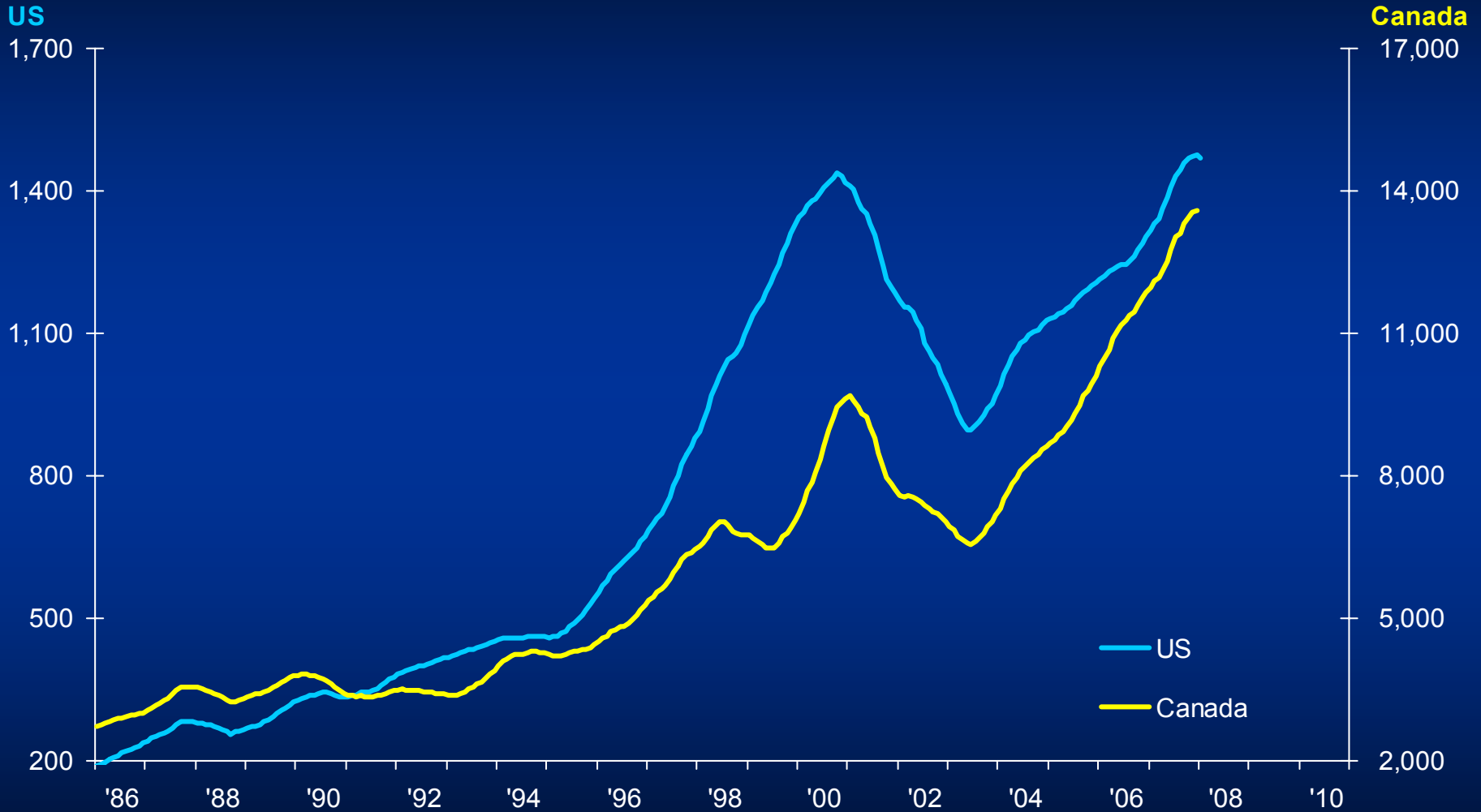


Toronto Stock Exchange 300 Composite Index

C\$, 1975 = 1000



US Stock Price Index to Canada Stock Price Index Data Trends



Stock Prices Index

S&P 500, 1941 – 43 = 10



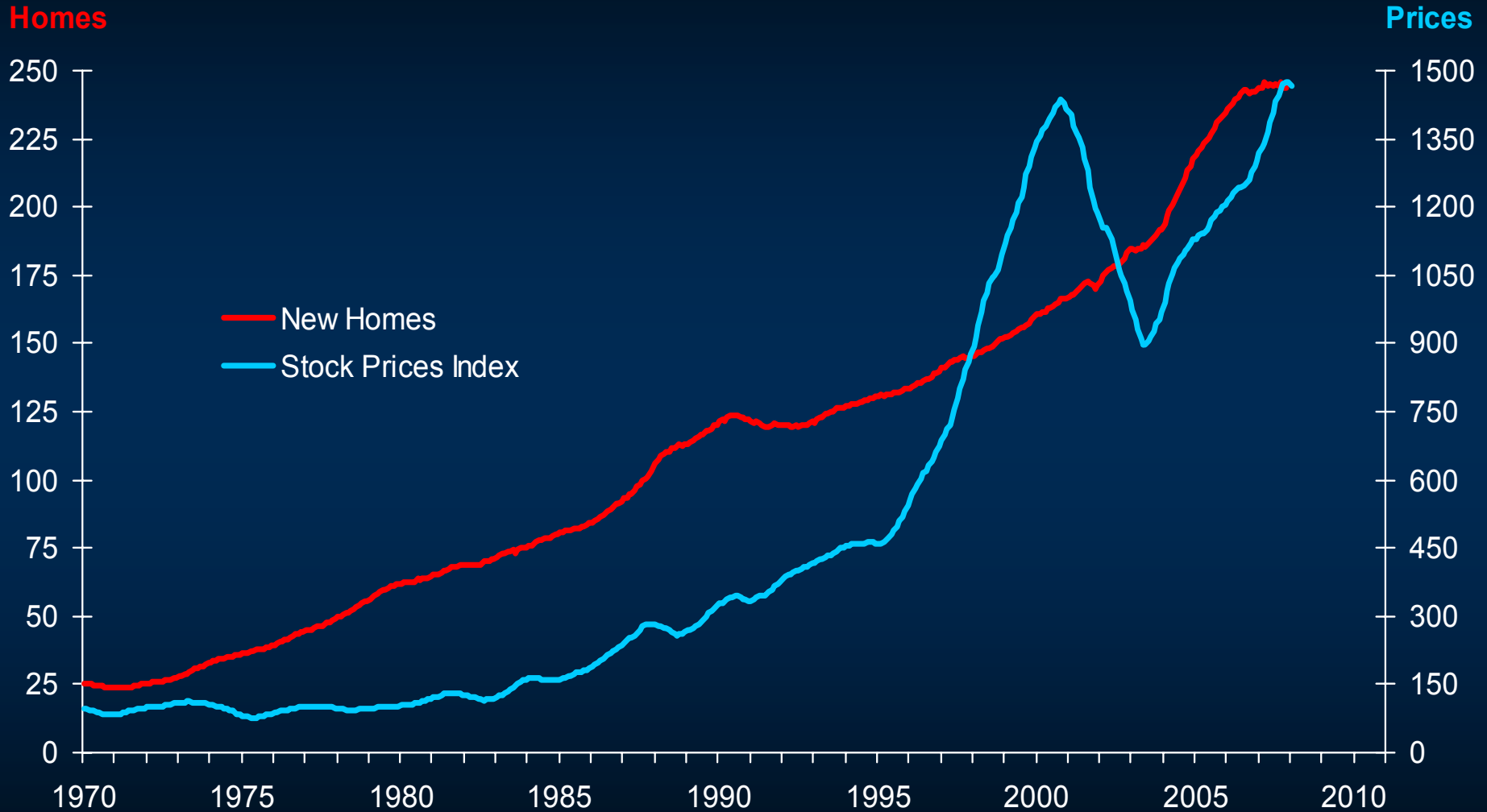
111.4

92.6

1467.883

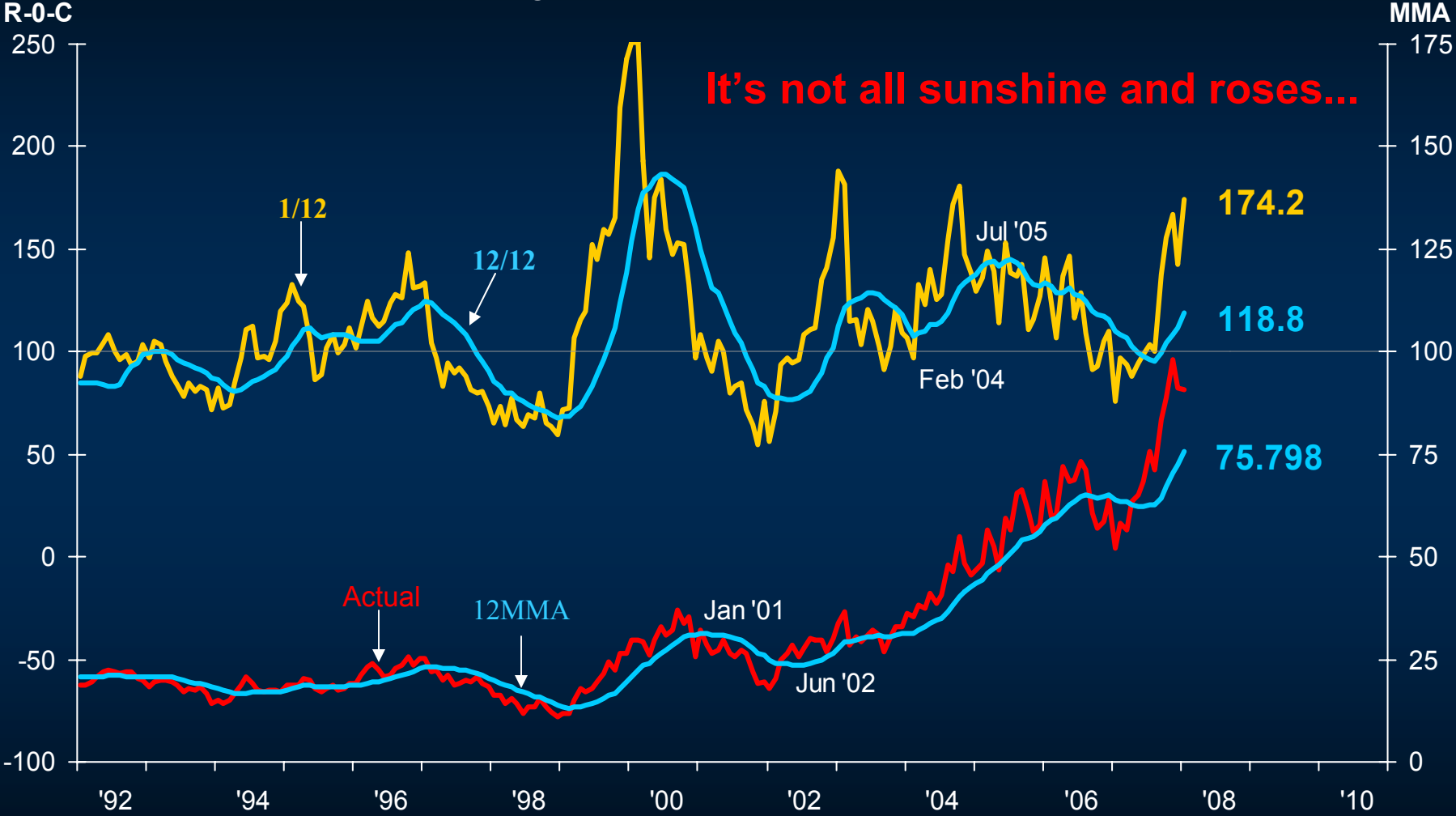
New Homes Sales Median Price to Stock Prices Index

Data Trends



Crude Oil Futures Prices

Light & Sweet \$ per Barrel

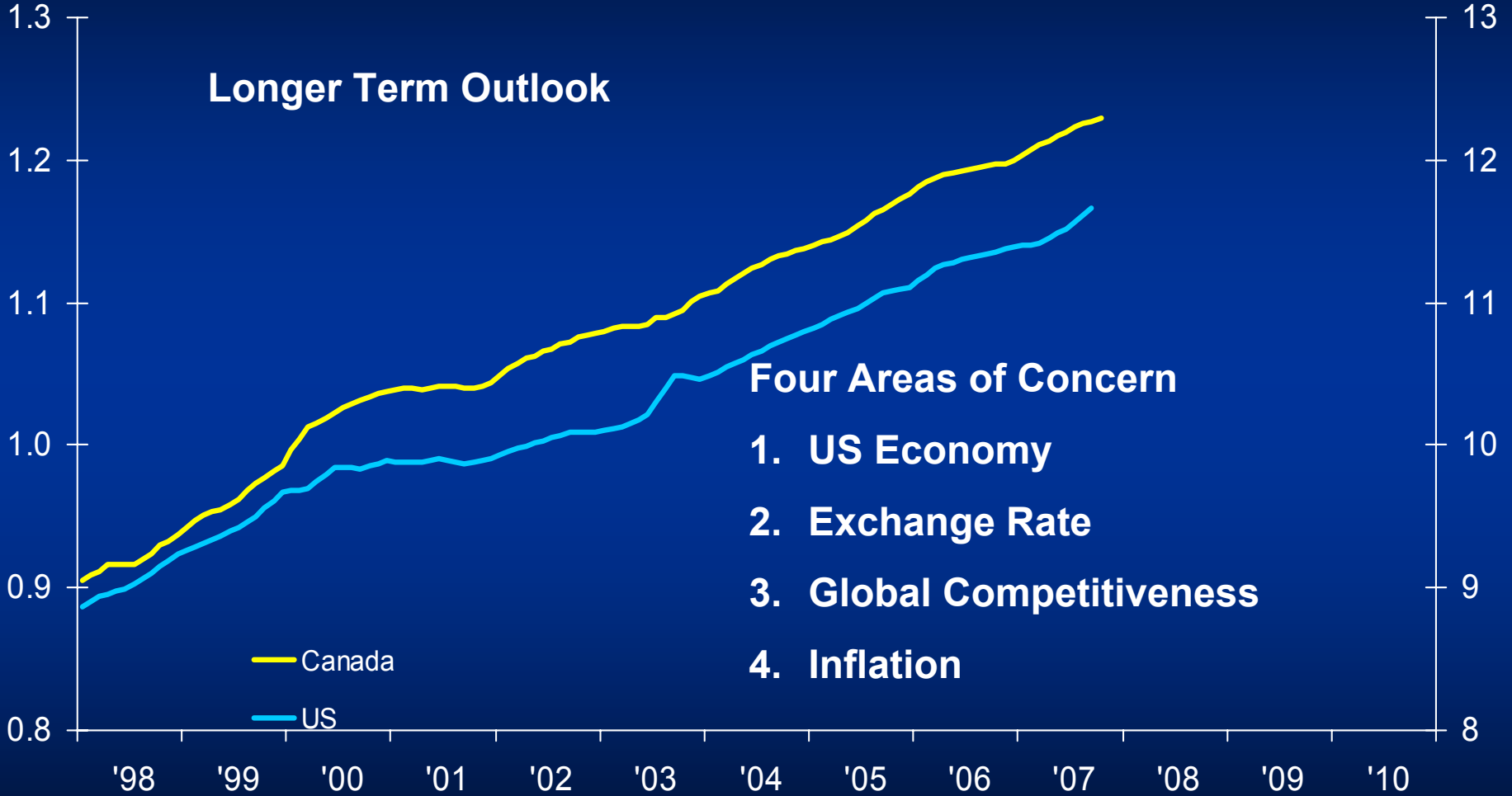


US GDP to Canada GDP

3MMA Trillions of Constant \$

Canada

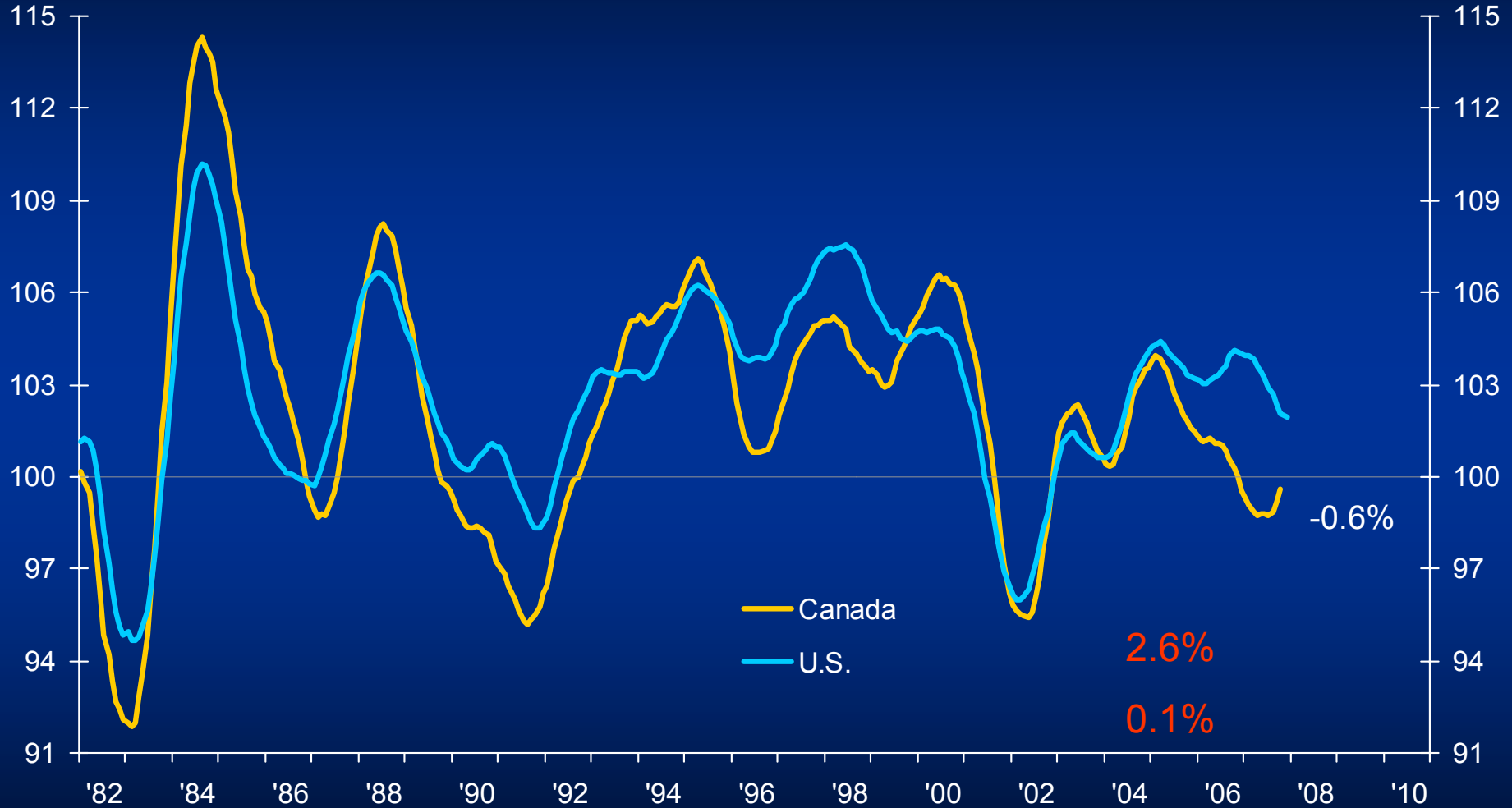
US



US GDP to Canada GDP 3/12 Rates-of-Change

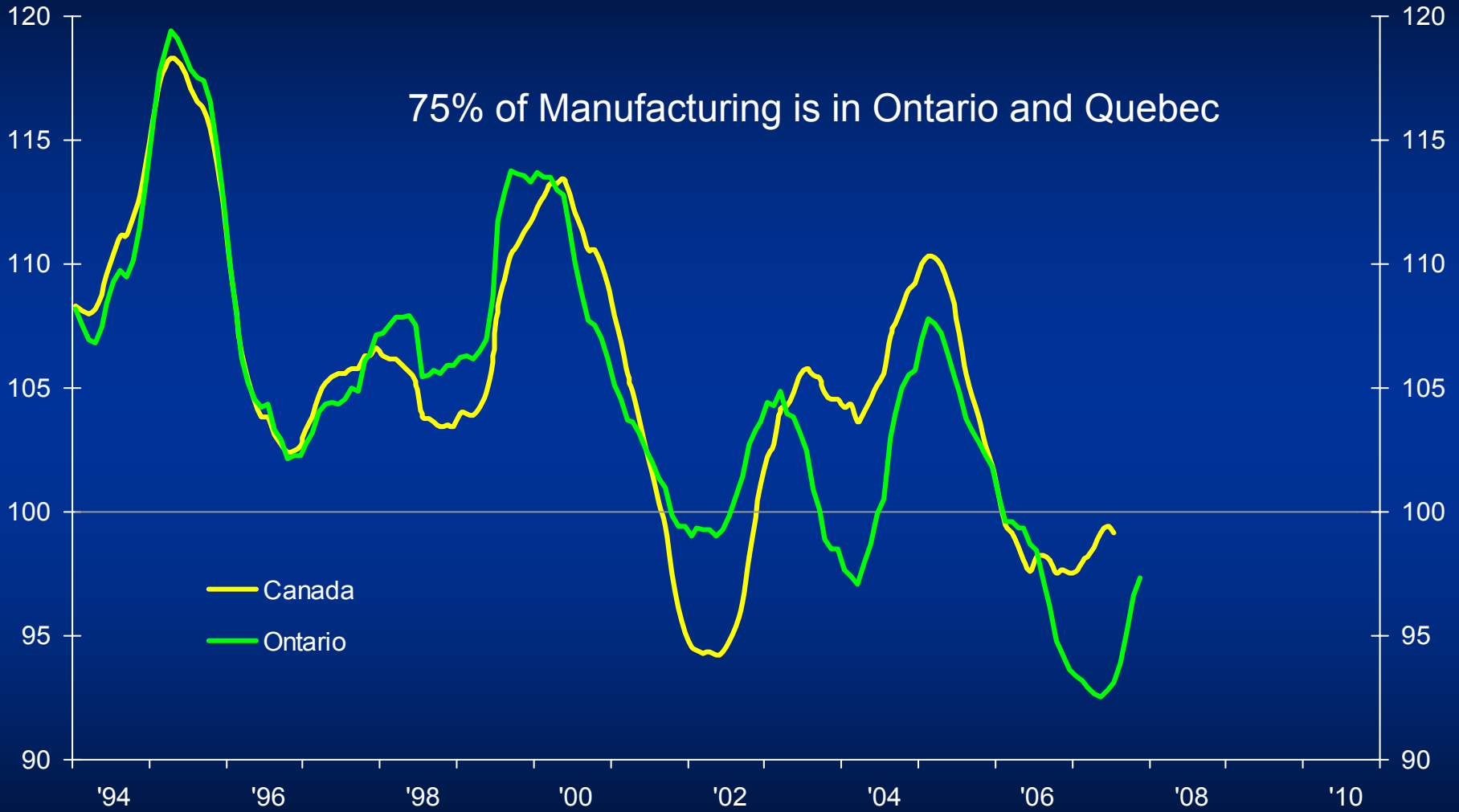


US Industrial Production to Canadian Industrial Production 3/12 Rates-of-Change



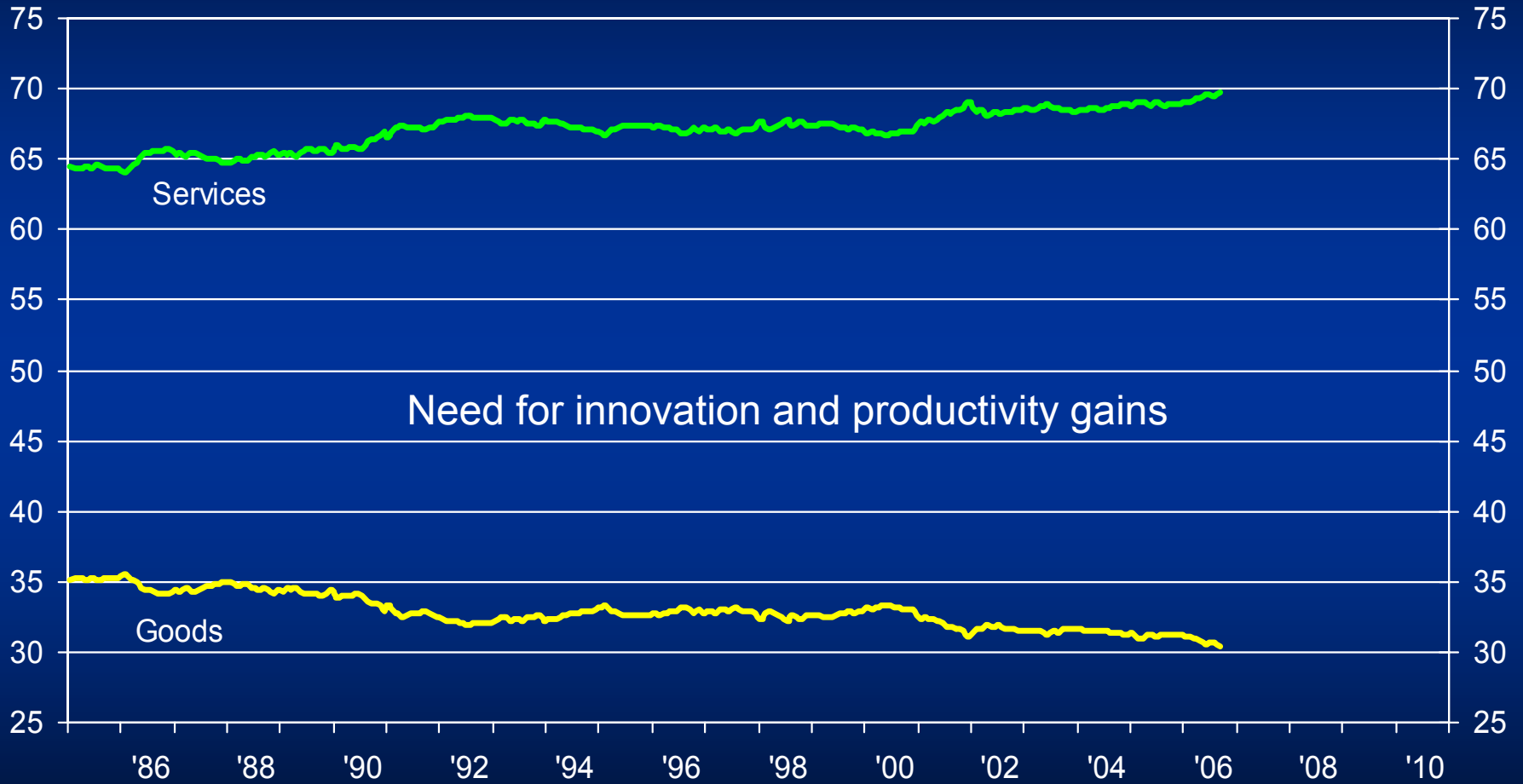
Canada to Ontario Shipments 12/12 Rates-of-Change

75% of Manufacturing is in Ontario and Quebec

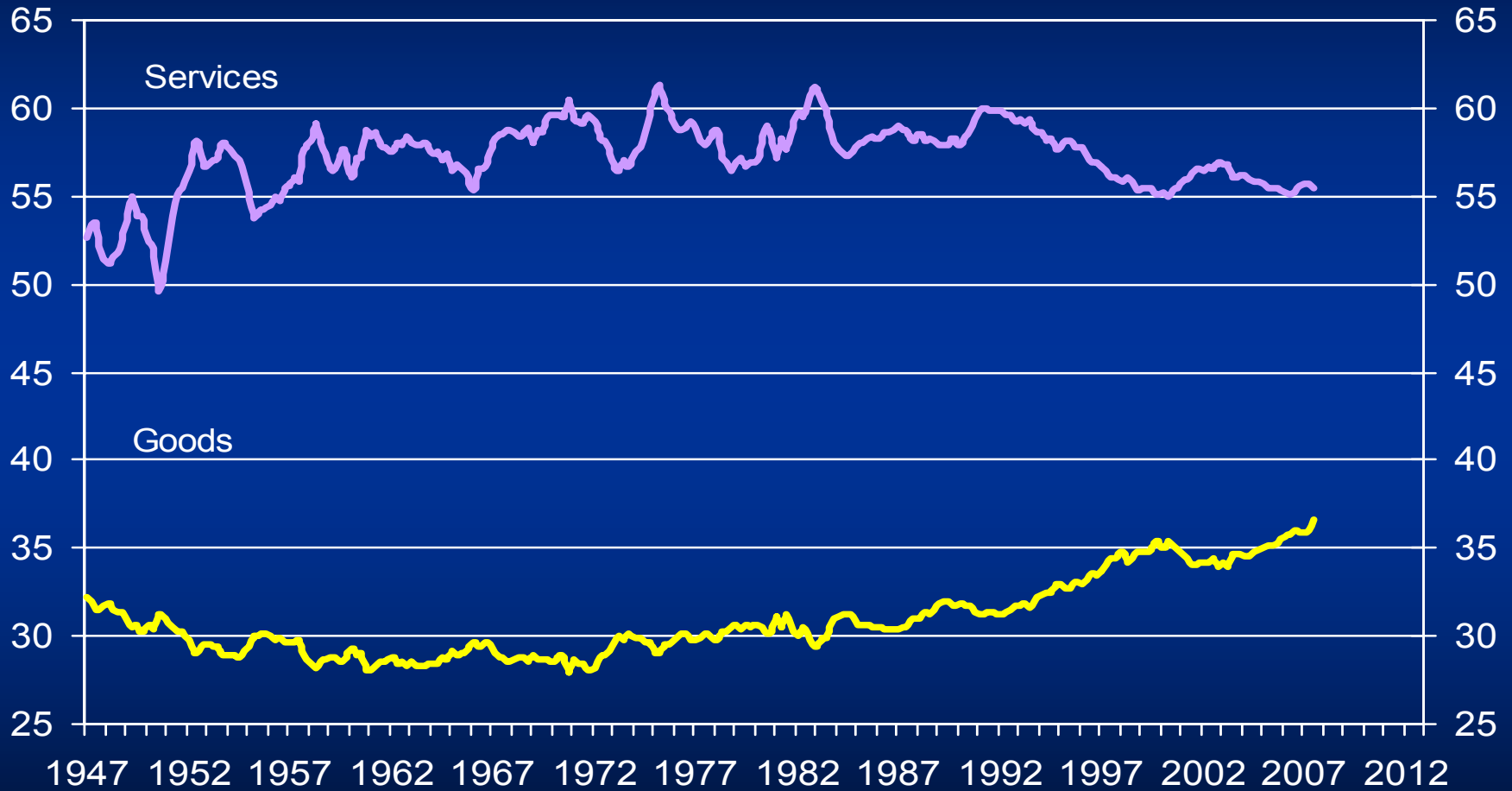


— Canada
— Ontario

Canada Goods & Services as a Percent of GDP (real) w/o Structures

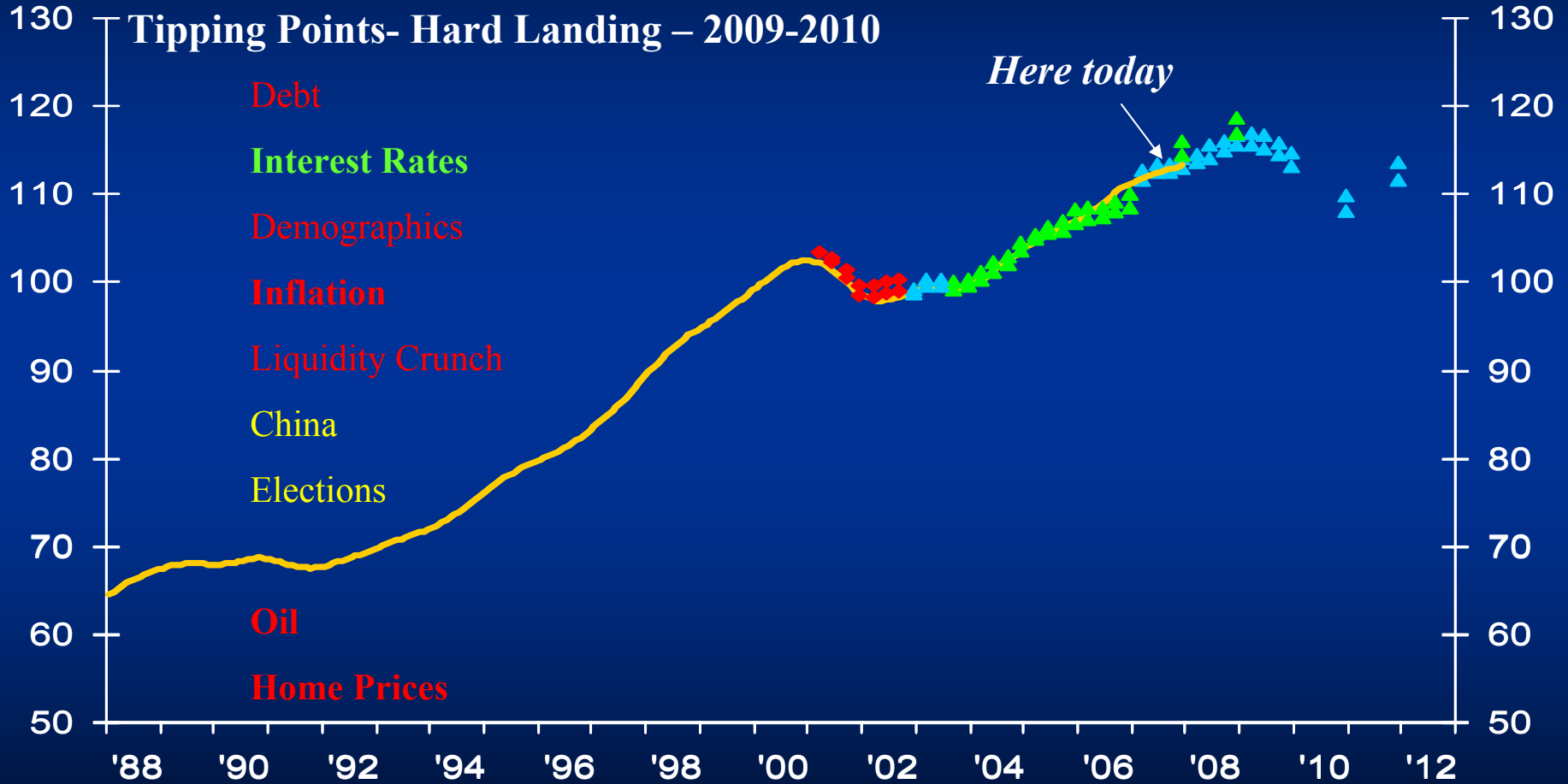


US Goods & Services as a Percent of GDP (real) w/o Structures



US Industrial Production Index

Forecast Through December 2011
Annual Average Index



Demographics

Winning Demographics

USA ~ 300 Million grows to 400 – 500

India

Indonesia

Australia

Negative Demographics

China

Europe

Japan

Russia

Source: United Nations

Canada Demographics

Winning

32.8 million and growing through international migration

Fertility Rate: Native 1.6 Non-native 3.1

Getting Older: Median Age is 39

The Workforce

80% live in cities

Hiring older and more women

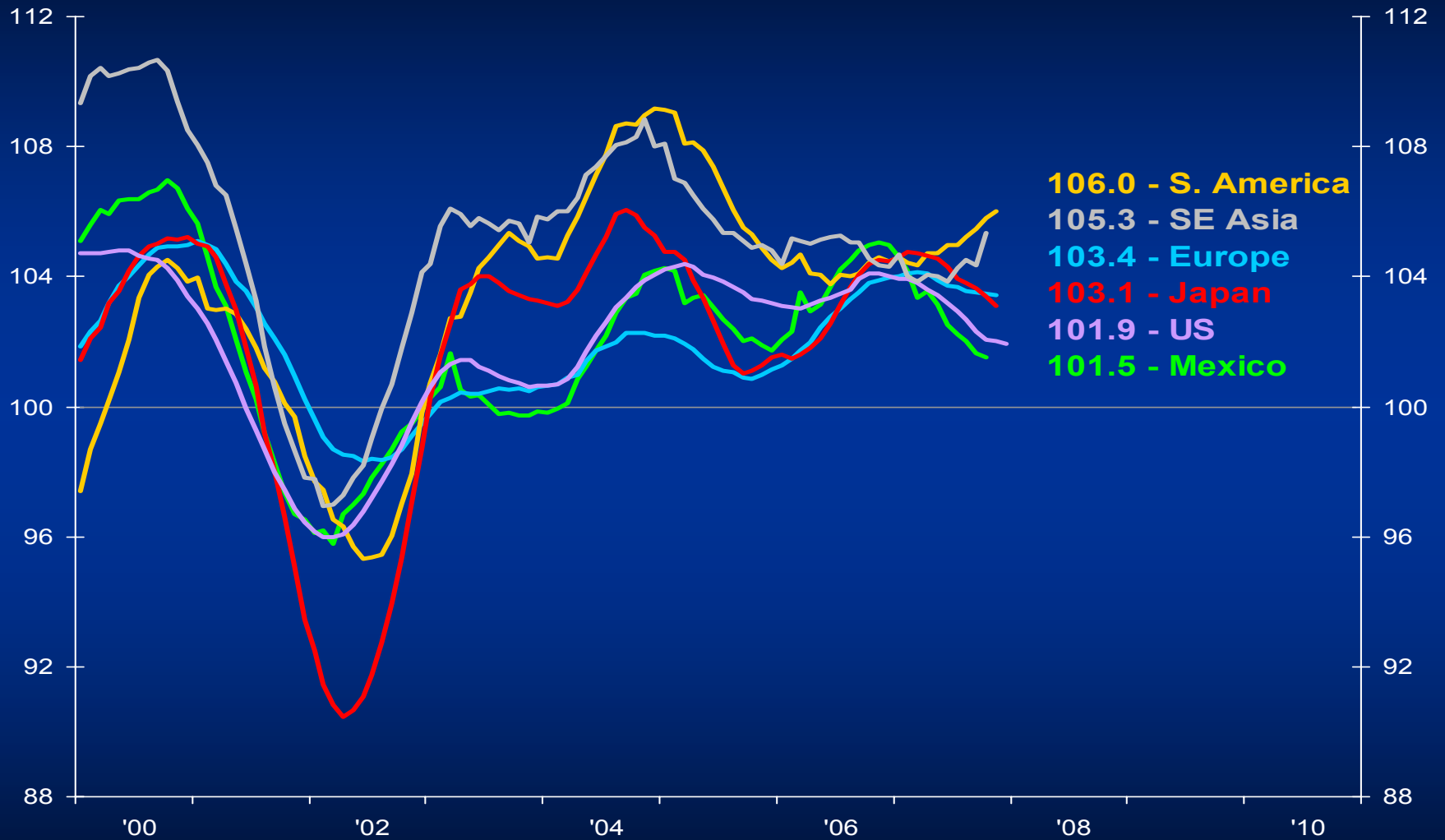
Labor force reductions coming

2015 more people over 65 than under 15

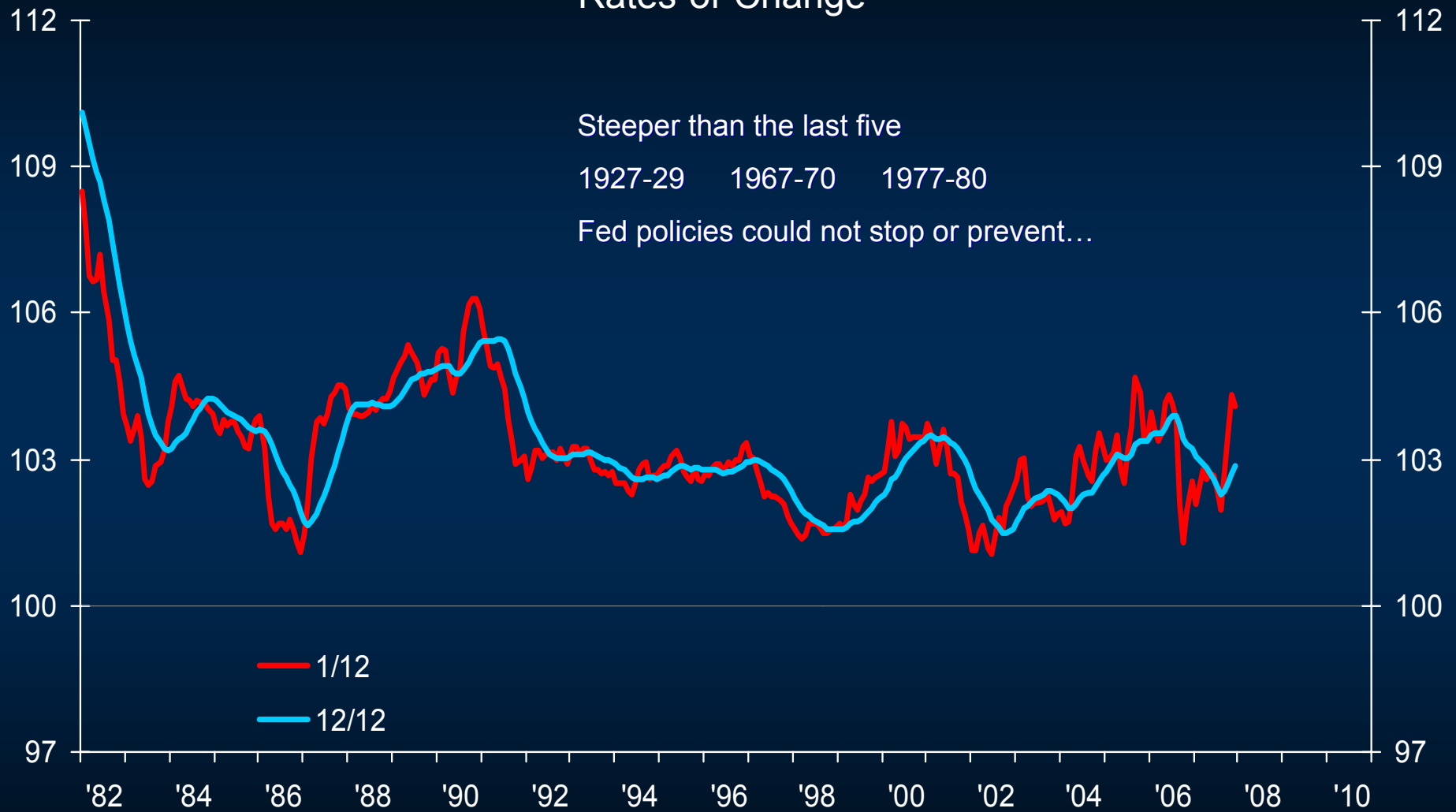
Source: Statistics Canada

Global Industrial Production Indices

12/12 Rates-of-Change



Consumer Price Index Rates-of-Change

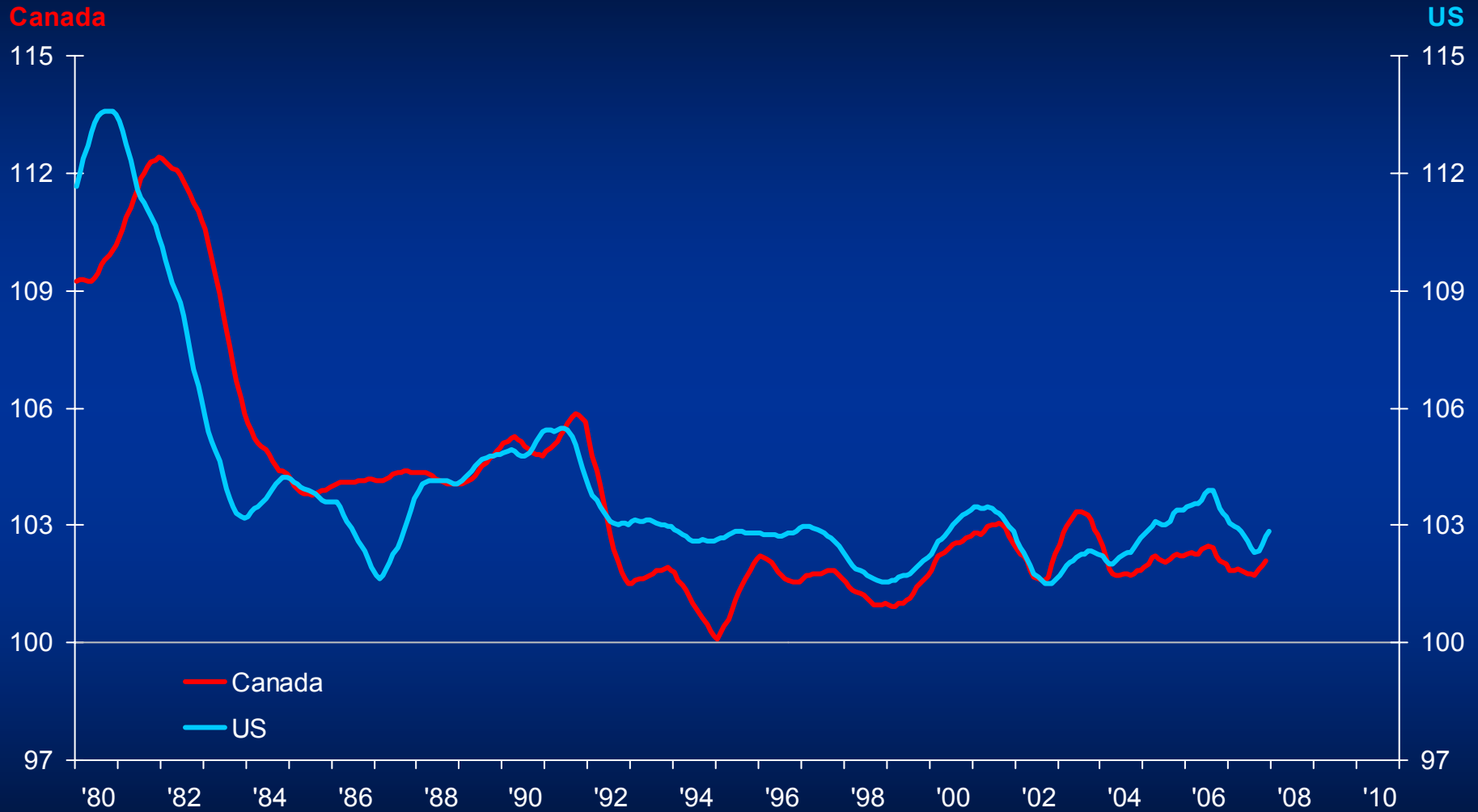


Canada Consumer Price Index 2002 = 100



US Consumer Price Index to Canada Consumer Price Index

12/12 Rates-of-Change



Canada Dollar to US Dollar Exchange Rate

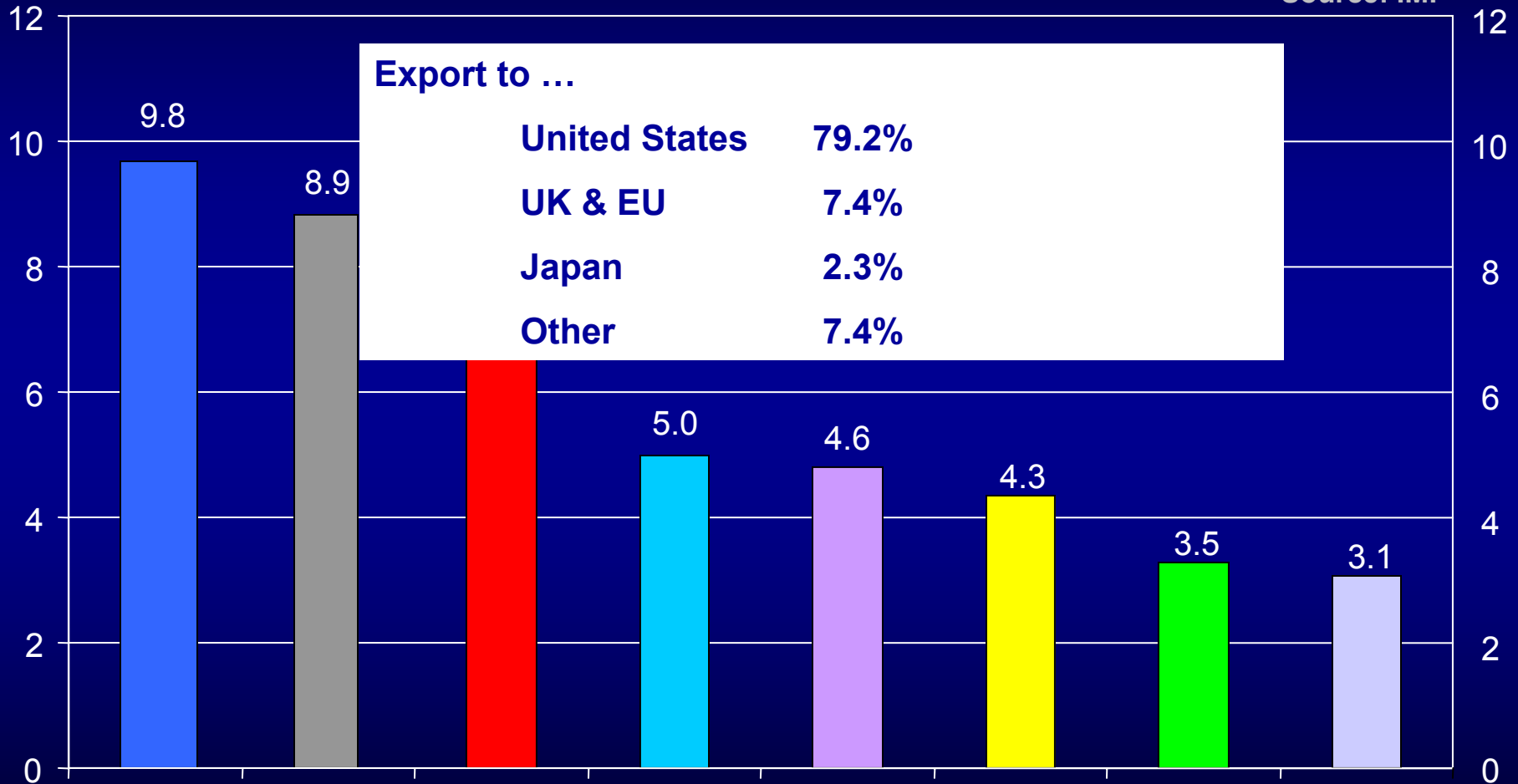
C\$ per US Dollar



Exports by Nation

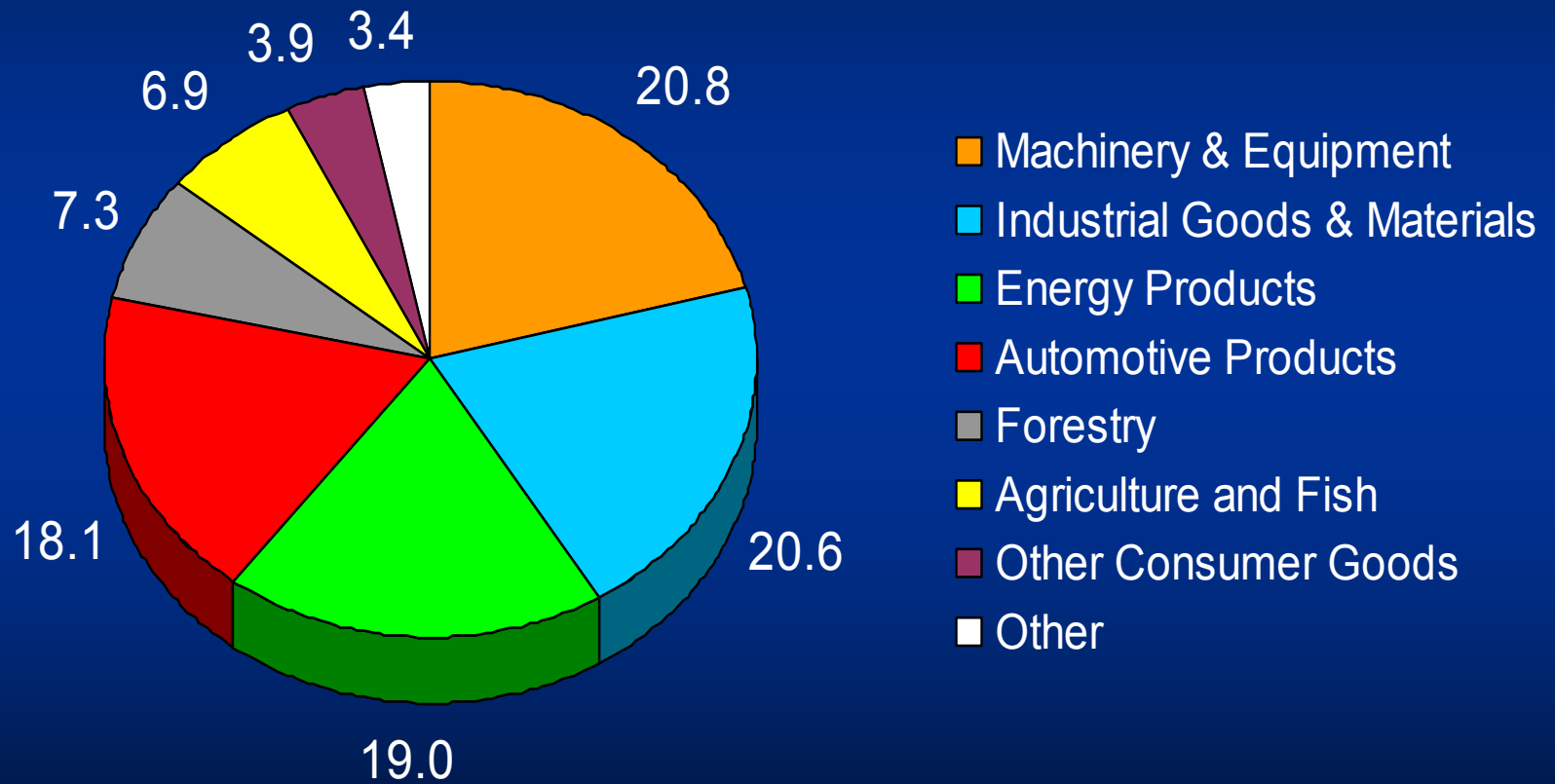
Percentage of Total World Exports of Goods and Services

Source: IMF



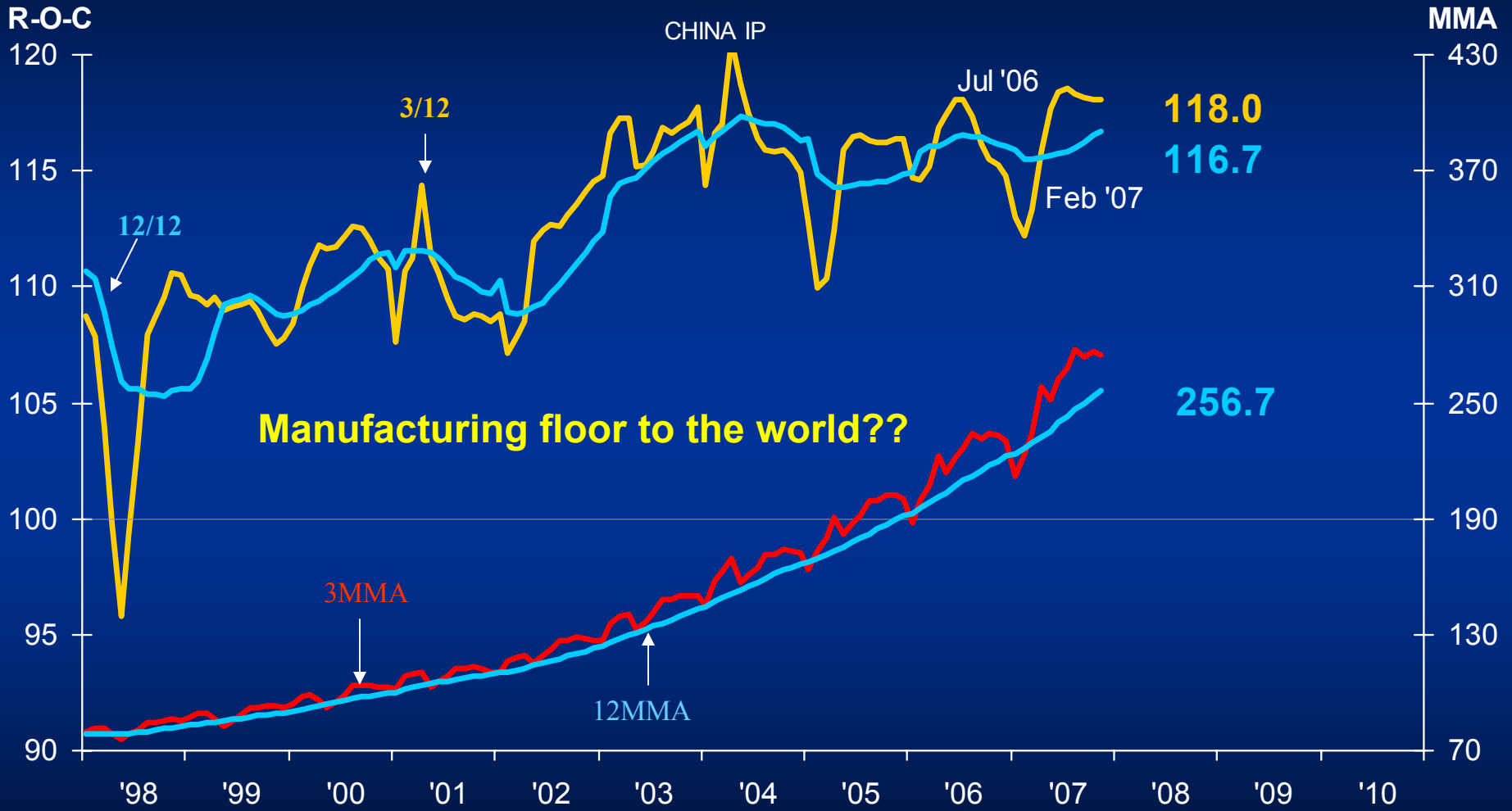
2006 Exports from Canada to the World

Billions of Dollars

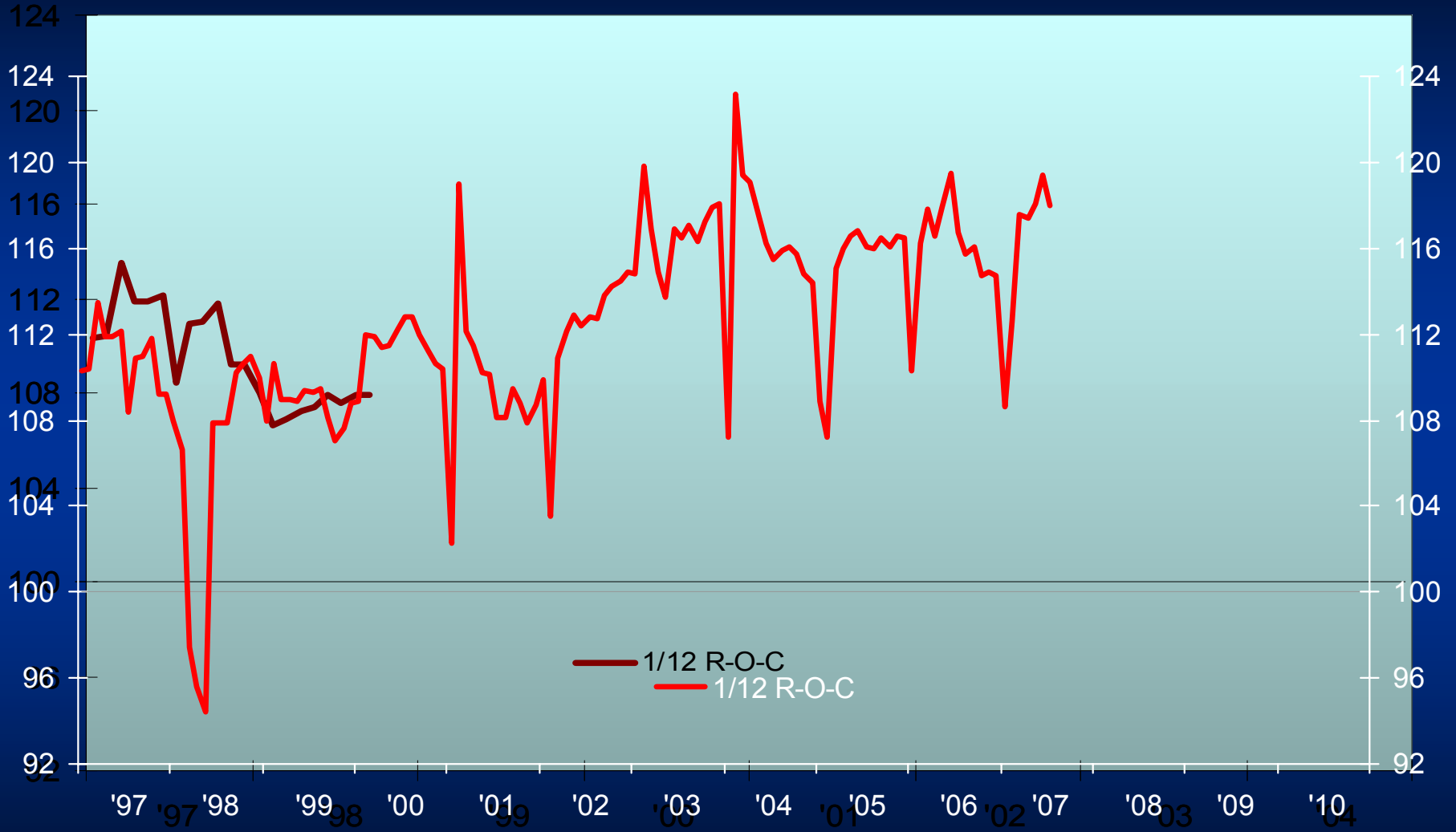


China Industrial Production Index

SA, 2000 = 100



China Industrial Production



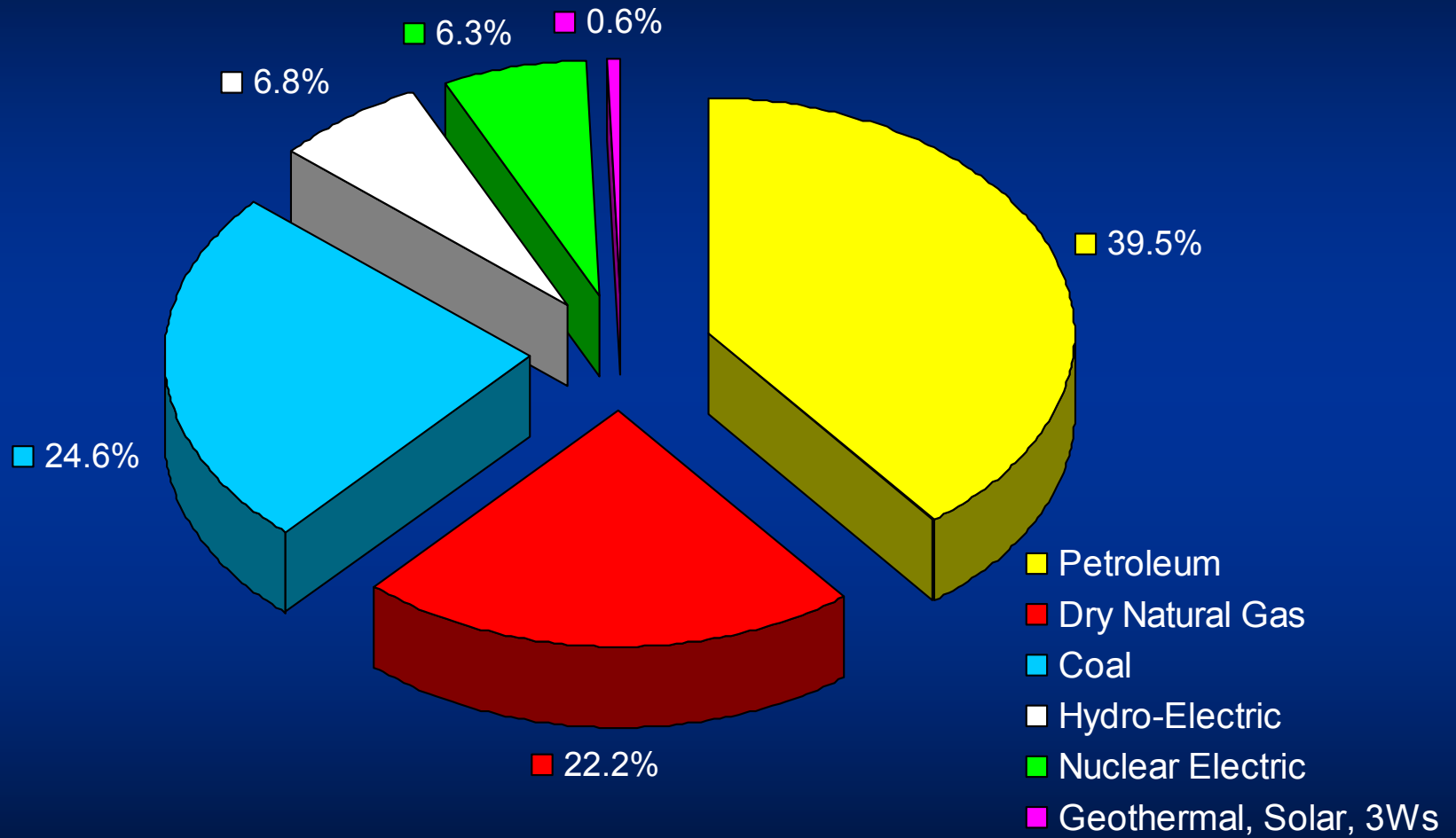
Major Issues Stalking China's Future

"A Tiger on Steroids"

- Banking System* (Relational & 'Not for Profit')
- Legal System* (Court of no appeals)
- Government Interference/Control*
- Environmental (Water, Air, Land Pollution)
- Health Issues
- Negative Demographics
- Competition for Resources and 'Cheap' Labor – (Philippines, India, Vietnam, Thailand, E. Europe...)
- Civil Unrest (Pollution, wages, abuse, health care, education...)
- Increasing US protectionism sentiment (currency)

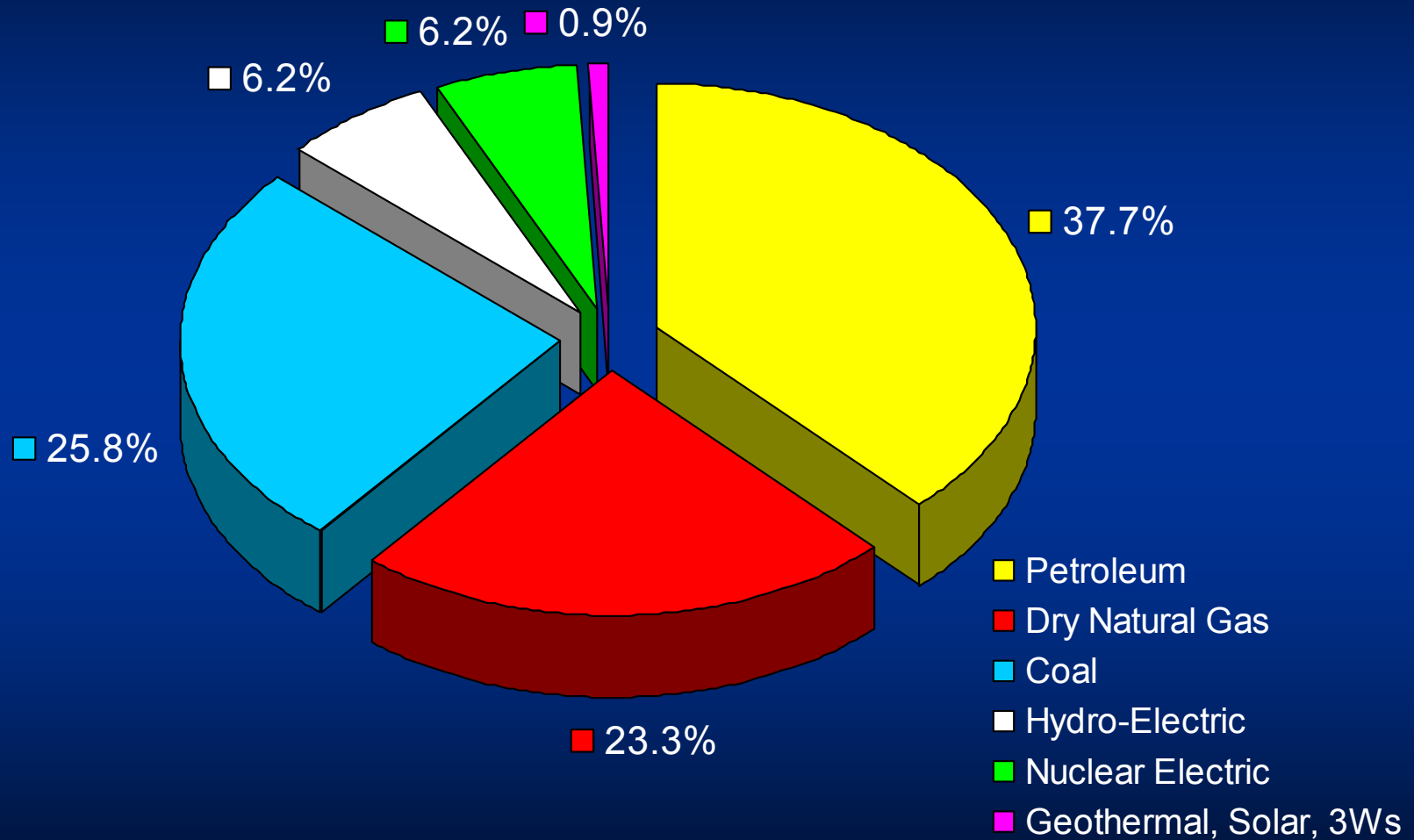
World Energy Consumption

Quadrillion Btu, 1994



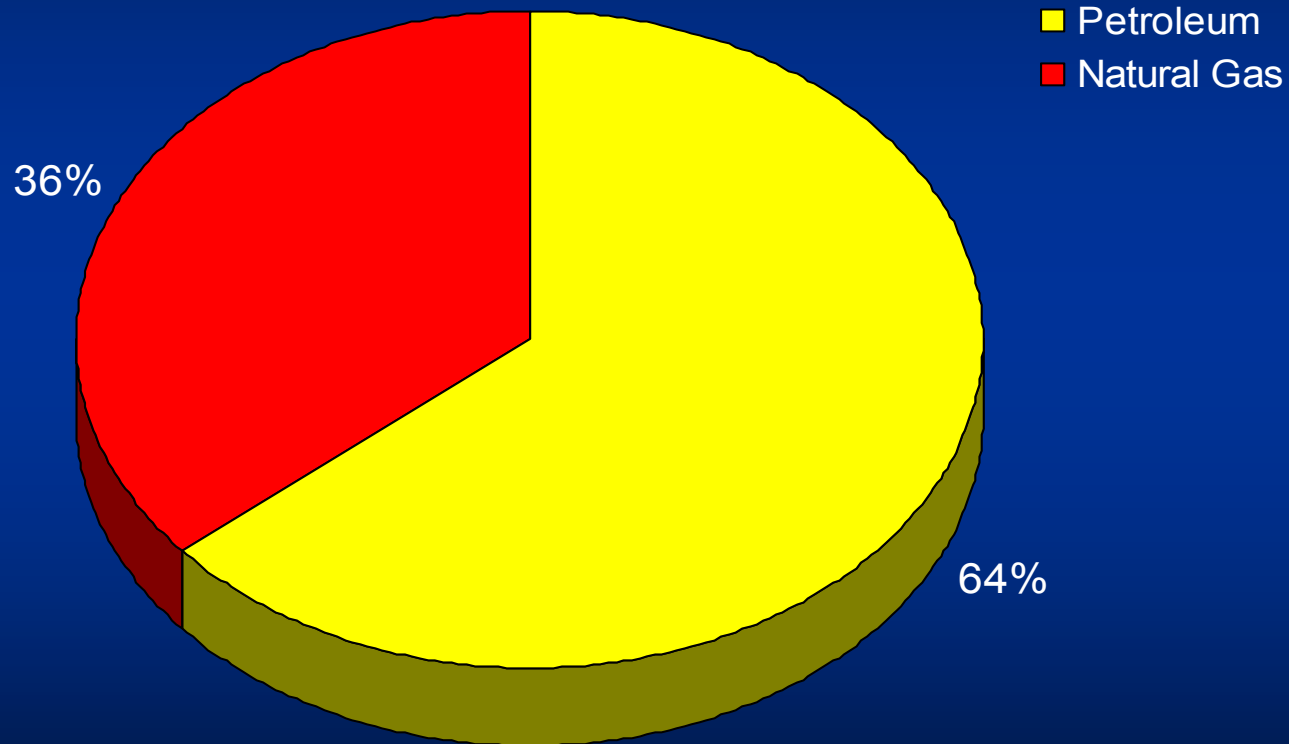
World Energy Consumption

Quadrillion Btu, 2004



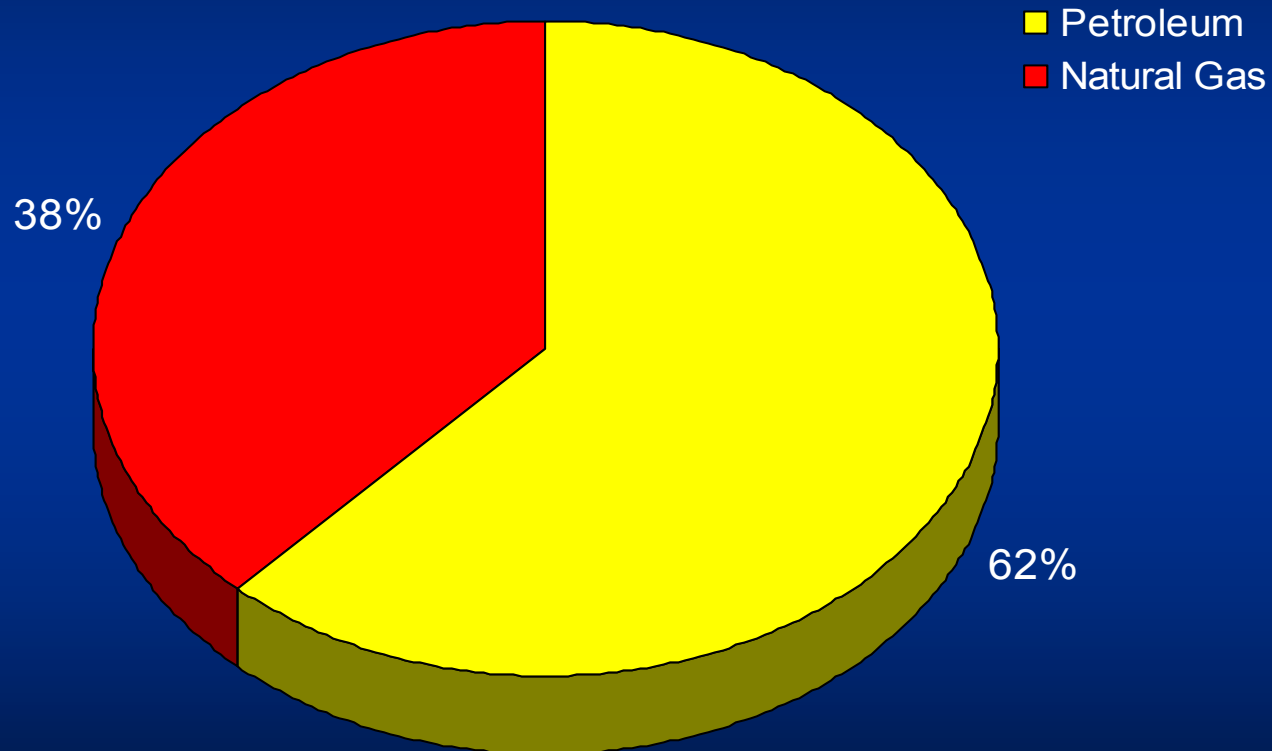
Global Petroleum Consumption to Dry Natural Gas Consumption

Quadrillion Btu, 1994



Global Petroleum Consumption to Dry Natural Gas Consumption

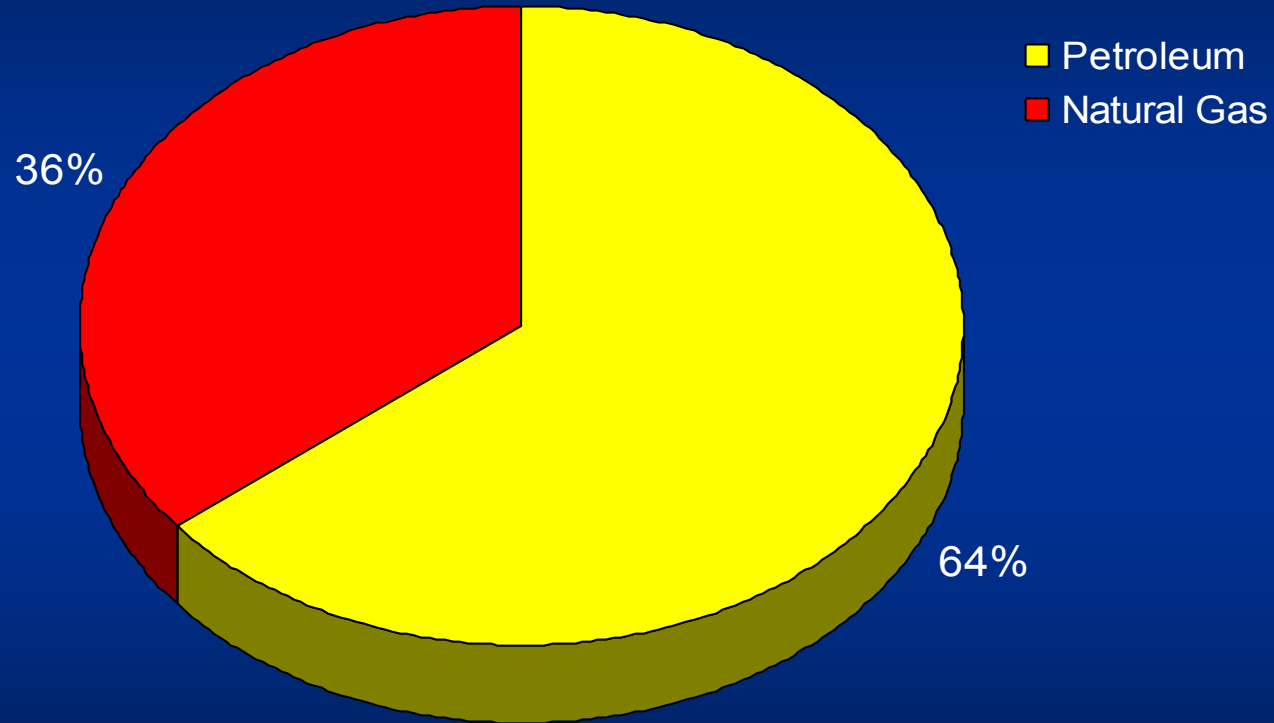
Quadrillion Btu, 2004



Let's here it for Alberta!

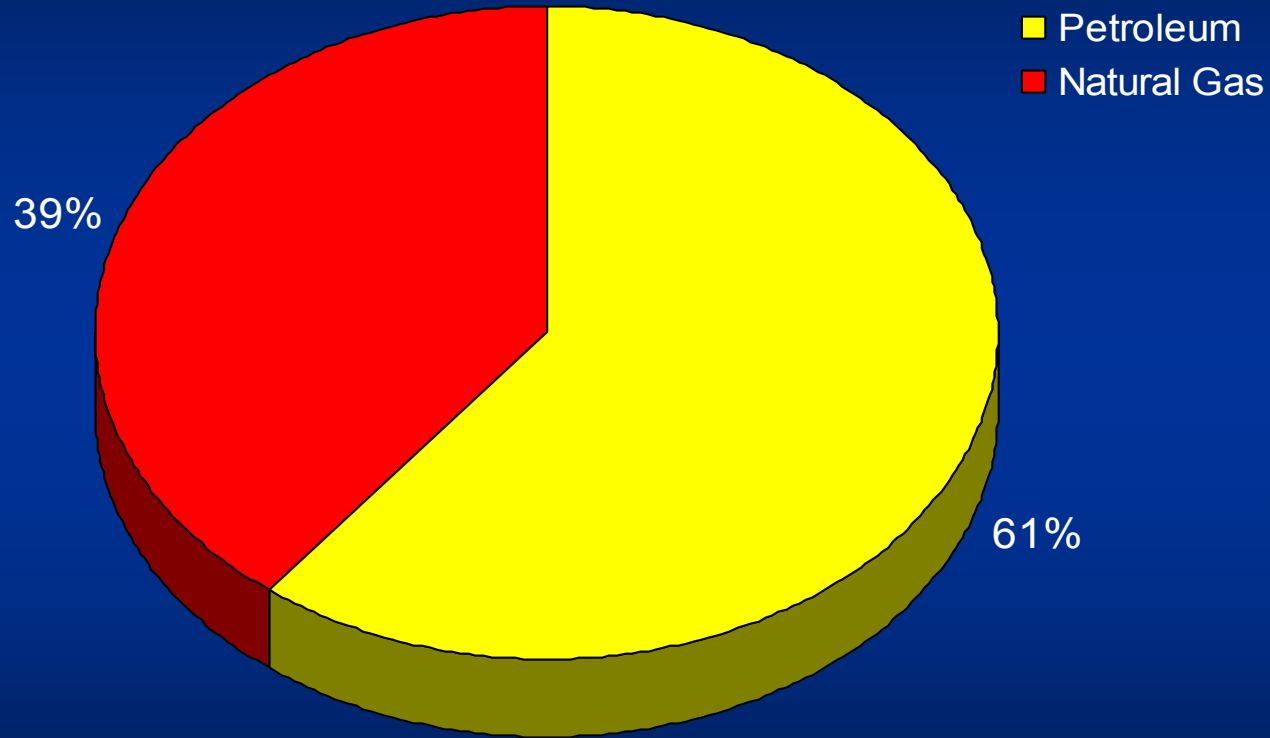
US Petroleum Consumption to Natural Gas Consumption

Quadrillion Btu, 2006



US Petroleum Consumption to Natural Gas Consumption

Quadrillion Btu, 1996



GDP, Bils of US \$, Current Prices

Percent of World GDP

