

## 10-12-03 – G & M – BMO's 10 Fun Economic Fun Facts

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## Impress at parties: BMO's 10 fun economic, financial facts

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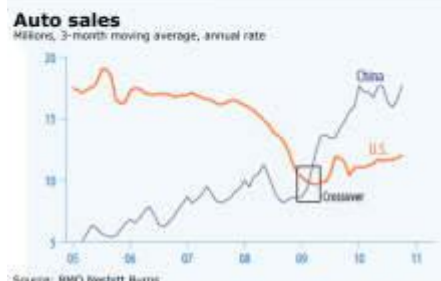
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### Top Business Stories

#### BMO's 10 fun facts

The deputy chief economist at BMO Nesbitt Burns today offers his clients 10 "fun facts" to impress at parties heading into the holiday season.



Source: BMO Nesbitt Burns

## Which markets had the best returns?

"Between buying gifts, attending functions, deciding whether to tip the dog walker, and visiting family, there's just no free time," said Douglas Porter. "On top of all of that, one is expected to be witty, entertaining and cutting edge at all gatherings." Mr. Porter's missive is aimed at surprising and impressing friends "assuming of course your friends are easily surprised and impressed by economic and financial data."

**1. The economies of Canada and the U.S.** had almost the same growth rates this year, as they did last year and likely will again next year. "Despite Canada's fabled stellar economic performance through this cycle, the economy just can't pull away from the U.S., with Canada growing 2.9 per cent this year and the U.S. by 2.8 per cent."

**2. Consumer discretionary stocks** formed the strongest group in the [S&P 500](#) this year, gaining almost 20 per cent. "The U.S. consumer, all but written off for dead, quietly staged a modest comeback this year."

**3. Europe's peripheries** were among the strongest stock markets in the world. "Sure, everyone will realize that the stock indexes of Greece, Spain and Ireland were clobbered this year, but Sweden, Denmark, Ukraine, Latvia, Estonia and Lithuania saw some of the heftiest gains in the world (the latter two were up by more than 60 per cent)."

**4. Silver is golden**, rising sevenfold against natural gas in the past five years. "All the nattering nabobs will be talking about gold this holiday season, but it was silver that really stole the show in 2010, soaring almost 60 per cent. At the back of the pack was natural gas, which sadly for Canada fell more than 20 per cent."

**5. Vancouver** posted the fastest increase in house prices among major Canadian cities this year, averaging 15 per cent. "Tougher mortgage insurance rules, a 13-per-cent slide in sales in the city, a 13-per-cent rise in new listings this year, the new HST, a feature story in Business Week about how Vancouver was the last housing bubble in the world, a website comparing million-dollar homes in the city to crack houses. None of it mattered when stacked up against shrewd investors from China."

**6. The almighty buck** was basically flat. "While many are chattering about the U.S. debasing its currency, and the wild overheated rhetoric of the currency war, the U.S. dollar actually rose more than 3 per cent in 2010 on a trade-weighted basis against the major currencies."

**7 Japan** had the strongest currency. "Japan has some of the ugliest demographics, a massive government debt load, decades of deflation, a central bank that intervened to undercut the currency, was the only major economy to cut interest rates this year and sports bond yields of little more than 1 per cent. No worries, buy the yen."

**8. Some U.S. interest rates** turned negative, notably 5- and 7-year TIPS. "While yields edged higher late in the year, one still has to pay the U.S. government for the privilege of holding their inflation-protected securities for five years."

9. For the first time in more than 10 years, at least for one month this year, **Newfoundland** and Labrador did not have the dubious distinction of having the country's highest [jobless rate](#). PEI's was higher in September. N&L can claim the fastest-growing economy in Canada this year, at 4 per cent, and one of just two provinces with a budget surplus.

**10. More Buicks were sold in China than in the U.S.** "China now sells more cars than the U.S., Canada and Mexico combined. The most light vehicles ever sold in a single year in the U.S. was 17.3 million in 200, a level China is on pace to surpass."

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