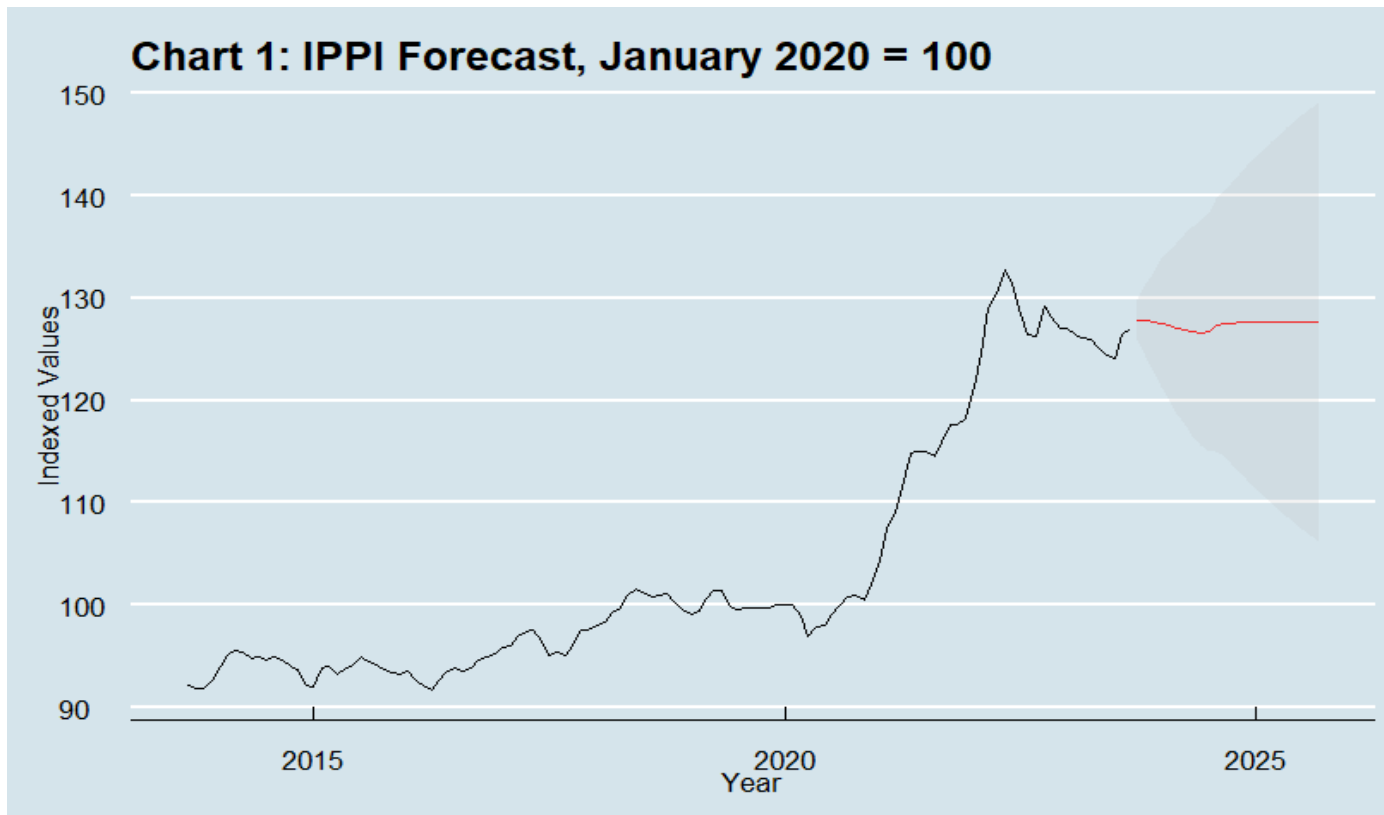


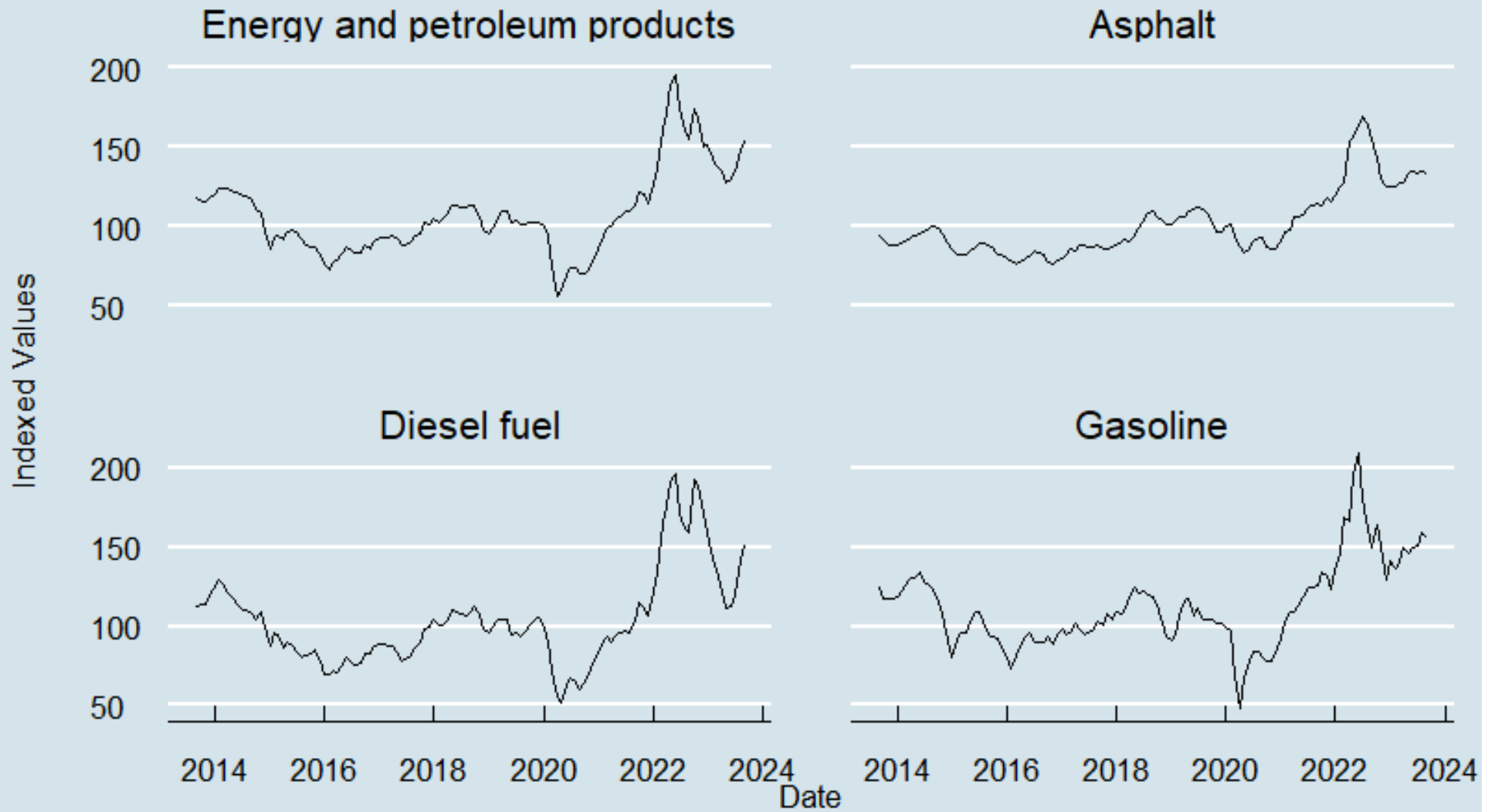
Appendix 1 Time Series Analysis of the IPPI, Selected Products¹

Chart 1 provides a time series showing historical values of the price level change in the IPPI. It also includes a short-term forecast, with high degrees of uncertainty (represented by the shaded area). The forecast assumes, on average, that inflation in this price index will stabilize over the next two years, rising by less than one percent per year (the redline). Because there is high volatility in many IPPI products, the model incorporates elements that average out past fluctuations. Thus, the model predicts stabilization if recent trends suggest a slowing down of changes. Charts in the subsequent pages show the times series trends for energy, concrete and metal products, and lumber and wood products.

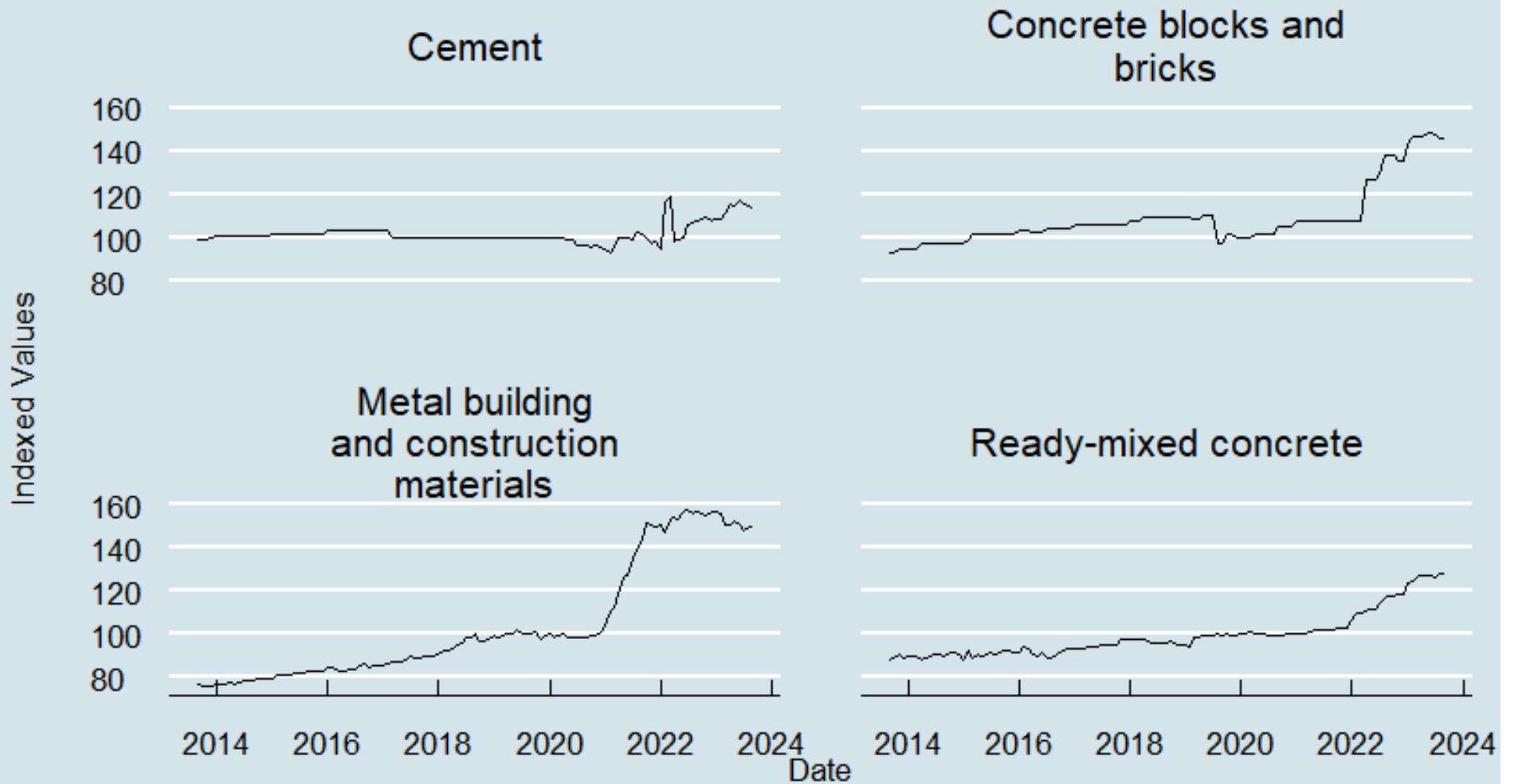


¹ All data in this document are calculated from Statistics Canada Tables 18-10-0265-01 and 18-10-0267-01

IPPI Energy Products



IPPI Concrete and Metal Building Products



IPPI Lumber and Wood Products

