

WEEKLY NEWSLETTER

Canada's Job Recovery Is Underway, but the Pandemic Has Left Its Mark

MUSINGS OF THE WEEK

- ▶ Time is of the essence for the long-term unemployed.

KEY STATISTICS OF THE WEEK

- ▶ Bank of Canada: The monetary authorities maintained the status quo.
- ▶ Canada: The labour market's recovery continued.
- ▶ Canada: Household debt climbed further.

A LOOK AHEAD

- ▶ United States: Inflation is likely to stay high.
- ▶ Another decline in U.S. retail sales is expected.
- ▶ Canada: The total annual inflation rate should continue to climb.
- ▶ Canada: Manufacturing and wholesale sales should decline in August.

FINANCIAL MARKETS

- ▶ Five consecutive declines for the S&P 500 and the Dow Jones.
- ▶ Bond yields are up despite greater pessimism.
- ▶ The U.S. dollar regained some of the ground it had lost.

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Musings of the Week

Time Is of the Essence for the Long-Term Unemployed

By Jimmy Jean, Vice-President, Chief Economist and Strategist

With the recuperation underway in the job market, our focus increasingly shifts to long-term unemployment. According to Canada's August jobs report, 27% of the unemployed have been out of work for six months or more. Nearly two-thirds of those 394,000 workers have been jobless for over a year.

Long-term unemployment is a major issue. Reams of research show a strong negative correlation between length of unemployment and employability. The longer people are out of work or out of the labour force, the less potential employers think of their skills and work experience, and the harder it is for them to re-enter the job market. It's a vicious cycle that can be hard to break. The U.S. experience after the Great Recession is one of the best examples. It took a decade for the differential between the broader unemployment rate¹ and the headline unemployment rate to return to its previous level.

But that's where the similarities with 2008–2009 end. When it comes to job openings, the difference is night and day. The latest U.S. jobs report showed that 10,900,000 jobs went unfilled in July, a series high since 2001. The job vacancy rate also hit a record 4.7%. In Canada, there were 815,600 job openings in June, for an even higher 5.0% job vacancy rate. That figure was even worse in Quebec (5.8%) and British Columbia (6.0%).

With so many job openings and so many job seekers, why haven't we seen even more robust job creation? A number of factors are at play. First, not all the jobs available are necessarily attractive. In Canada, the accommodation and food services sector had the most job openings, followed by health care and retail. It's a job seeker's market, and many of these jobs come with low pay or other drawbacks such as undesirable schedules, physical demands and long commutes. Case in point: a ZipRecruiter survey out of the United States this spring found that 70% of job seekers who last worked in leisure and hospitality were looking for a job in a different industry.

Pandemic-related fears are another obstacle. Some people are uncomfortable going back to workplaces with a higher risk of outbreak, especially with the Delta variant raging. COVID-19 has had other ripple effects as well, like childcare disruptions forcing many parents to stay home.

A number of workers affected by the pandemic have also gone back to school. A recent Statistics Canada [study](#) found that post-secondary enrolment was up among young women in the 2020–2021 academic year. Women 17 to 24 were especially hard hit by job losses during the pandemic because they're overrepresented in sectors like retail and accommodation and food services. Many young women seem to have taken advantage of the online degree programs available last year. But while they went from "unemployed" to "not in the labour force" in the jobs reports, that was cold comfort to employers looking to fill jobs.

Finally, there are the highly controversial income support programs. The week of August 9, a whopping 1,900,000 people received regular employment insurance (EI) benefits, and just over 781,000 received the Canada Recovery Benefit (CRB). On July 30, the federal government announced a further extension of these measures. These extended programs may further delay recipients' return to the workforce, but they'll eventually come to an end. Maybe then people will be more motivated to find work. While that would be great for job creation, it remains to be seen how employable they will be.

¹ The broader unemployment rate (also known as the labour underutilization rate) includes the unemployed as well as part-time workers who would prefer full-time work and people who've stopped looking for a job but would accept one if offered.

Key Statistics of the Week

By Francis Généreux, Senior Economist, and Benoit P. Durocher, Senior Economist

UNITED STATES

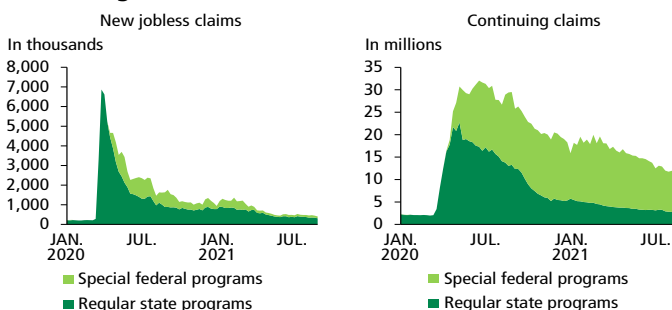
- ▶ After two months of strong gains of around US\$35B, consumer credit saw more modest growth in July. At just US\$17B, it was the weakest monthly increase so far in 2021. This slowdown was due to revolving credit (lines of credit and credit cards), whose growth dropped from US\$18.2B to \$5.6B. Non-revolving credit also slowed, falling from US\$19.7B to US\$11.4B.
- ▶ Initial jobless claims fell again last week, going from 345,000 to just 310,000, its lowest rate since the start of the pandemic. However, there were also 96,000 new claims for the federal program. That said, the total number of beneficiaries of unemployment insurance, including federal programs implemented in response to the pandemic, remained high at over 12,000,000. However, that number is expected to plummet, as financing for federal measures has expired and recipients of an extension in eligible weeks, special unemployment benefit programs or an additional \$300 per week lost those benefits this week.
- ▶ The producer price index (PPI) recorded a 0.7% increase in August, following two consecutive months of 1.0% growth. The annual variation went from 7.7% to 8.3%, the highest rate since the index's creation in 2009. Excluding food and energy, the index gained 0.6% in August, after climbing 1.0% in June and July. The annual variation in the core PPI went from 6.2% to 6.7%, also a new all-time high.

CANADA

- ▶ As expected, the Bank of Canada (BoC) announced on Wednesday that it would keep its target for the overnight rate at its effective lower bound of 0.25% and continue with its asset purchases under the quantitative easing program at its current pace of \$2B per week. The BoC continues to expect the economy to strengthen in the second half of 2021, although the fourth wave of COVID-19 infections and ongoing supply bottlenecks could weigh on the recovery. We still believe that a further reduction in quantitative purchases could be announced on October 27 and that the target for the overnight rate could be raised starting in October 2022.
- ▶ The labour market saw 90,200 jobs created in August. The service sectors added 92,900 jobs. Employment in these sectors has almost returned to pre-pandemic levels. However, important sectoral differences remain. Employment in the goods sectors fell by 2,600 jobs. We still need 142,400 jobs to return to the pre-pandemic level, mainly in agriculture, construction and manufacturing. The unemployment rate fell from 7.5% to 7.1%.
- ▶ After seasonal adjustments, household debt climbed again in the second quarter, going from 172.56% to 173.08%. This increase was due to the growth in debt (particularly mortgage credit), which outpaced income growth. Housing market activity remained historically high in the second quarter.
- ▶ The capacity utilization rate for Canadian industries rose to 82.0% in the second quarter of 2021, compared with 81.4% in the previous quarter. The bulk of the increase came from electricity production, transportation and distribution, mines and mining operations, construction and manufacturing. The rise in manufacturing was particularly surprising given that the transportation industry's difficulties led to a 7.7% decline in its utilization rate.

UNITED STATES

New jobless claims fell, but the number of claimants remains high



Sources: Datastream and Desjardins, Economic Studies

Financial Markets

Investors Seem Less Confident as Fall Approaches

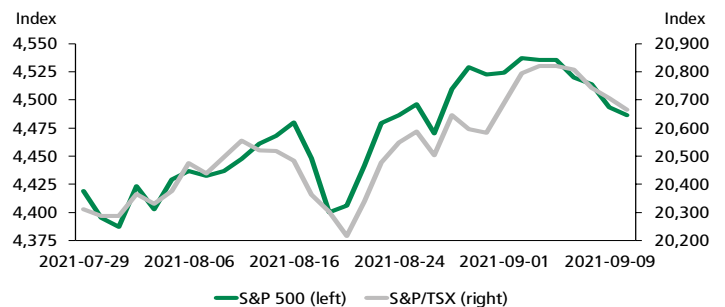
By Hendrix Vachon, Senior Economist, and Lorenzo Tessier-Moreau, Senior Economist

Stock markets had a tougher week in these first days of the month. September brings back bitter memories for investors such as the Crash of 1929 and the downfall of the Lehman Brothers in 2008. Confidence is also still fragile in a context of high unpredictability as to how the COVID-19 pandemic will evolve. The markets had a very good start to the year, which can also give room for some profit-taking, especially with the forthcoming reduction in asset purchases by the Federal Reserve (Fed). North American stock market indexes seemed uncertain Friday morning, initially showing a rebound, only to then fall again. The Dow Jones was particularly hard hit, losing close to 2.0% over the week, followed by the S&P 500 with 1.0%, whereas the S&P/TSX and the NASDAQ pulled back around 0.5%. Oil remained fairly stable. The price of a barrel of WTI (West Texas Intermediate) still hovered around US\$70 Friday morning.

Despite a gloomier sentiment on the stock markets, investors continued to shun bonds. A quick reduction in the Fed's purchases appears increasingly likely, as inflation indicators, including the U.S. producer price index released Friday morning, continue to signal strong price pressures. U.S. 5-year bond yields gained about 3 basis points over the week, just like their Canadian counterparts, which did not react much to Wednesday's Bank of Canada (BoC) meeting.

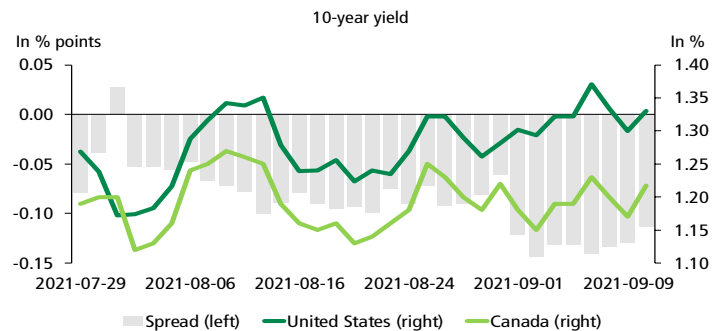
Investors' gloomier sentiment this week helped the U.S. dollar. Nevertheless, some of its gains from Thursday and Friday were wiped out. The European Central Bank (ECB) decision to reduce its asset purchases shortly did not really help the euro. Other currencies, such as the pound, appreciated further Thursday. It seems that the ECB wants to tread very slowly with the withdrawal of its support measures. The Canadian dollar stayed down Wednesday after the BoC monetary policy meeting. However, the BoC governor provided more details Thursday on future developments in Canada's monetary policy, which appears to have helped the loonie in its ascent.

GRAPH 1
Stock markets



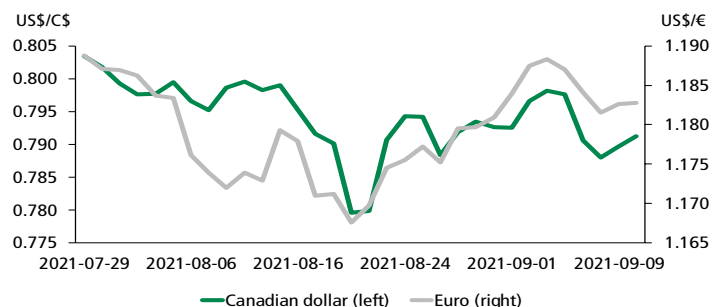
Sources: Datastream and Desjardins, Economic Studies

GRAPH 2
Bond markets



Sources: Datastream and Desjardins, Economic Studies

GRAPH 3
Currency markets



Sources: Datastream and Desjardins, Economic Studies

A Look Ahead

By Francis Généreux, Senior Economist, and Benoit P. Durocher, Senior Economist

TUESDAY September 14 - 8:30

August	m/m
Consensus	0.4%
Desjardins	0.4%
July	0.5%

WEDNESDAY September 15 - 9:15

August	m/m
Consensus	0.4%
Desjardins	0.6%
July	0.9%

THURSDAY September 16 - 8:30

August	m/m
Consensus	-0.9%
Desjardins	-0.7%
July	-1.1%

FRIDAY September 17 - 10:00

September	
Consensus	72.5
Desjardins	75.0
August	70.3

UNITED STATES

Consumer price index (August) – Inflation has been very high in the United States for some months. The annual variation of consumer price index (CPI) reached 5.4% in June and July, the highest inflation rate since summer 2008. That said, the monthly variation did dip in July, edging down to 0.5% from 0.9% in June. The main reason for that was that the strong positive contribution from motor vehicle prices levelled off in July. August should see more of the same. Among energy prices, gas prices rose slightly last month, but since they usually go down in August the seasonal adjustments will make gas a contributing factor to the rising CPI. Food prices should rise less markedly than July's 0.7% increase. Excluding food and gas, the forecast core CPI increase for August is 0.3%. We expect a 0.4% gain for total CPI. The annual variations should decrease slightly, although they will still be very high: total CPI should go from 5.4% to 5.3% and core CPI from 4.3% to 4.2%.

Industrial production (August) – In July, industrial production marked its highest monthly growth since March. The 0.9% gain was primarily due to an 11.2% rebound in the motor vehicles sector. August is looking good. Despite a somewhat disappointing overall performance in August, the job market figures point to a considerable increase in hours worked in the manufacturing sector, especially motor vehicles. Hurricane Ida's irruption across the south and east of the United States at the end of the month may affect the August results. Overall, we expect industrial and manufacturing production to rise 0.6% and 0.5% respectively.

Retail sales (August) – Retail sales were very disappointing in July. The 1.1% decline was much more marked than the consensus expected. Motor vehicle sales was one of the factors that pushed it down, and those sales should continue to drop in August. We already know that the number of new vehicles sold has plunged 14.4%, which, coupled with August's falling confidence indexes, augurs badly going forward. However, some preliminary indications from credit card transactions offer a more mixed picture of sales in August. All in all, we expect a 0.7% reduction in total retail sales but a 0.4% gain in sales not including motor vehicles and service stations.

University of Michigan consumer confidence index (September – preliminary) –

U.S. households were in a bad mood in August. The University of Michigan consumer confidence index fell 10.9 points, its worst performance since April 2020. The Conference Board index also dropped considerably. We do not expect confidence to go on declining in September. The TIPP index has certainly gone down, but it just seems to be echoing the Michigan index. On the other hand, the Langer weekly index is still at quite a good level after increasing since mid-August. The recent wave of COVID-19 cases seems to be ebbing. All in all, we expect a slight improvement in the Michigan index, which should go to 75.0 while still remaining well below July's level.

TUESDAY September 14 - 8:30

July	m/m
Consensus	-1.0%
Desjardins	-1.2%
June	2.1%

WEDNESDAY September 15 - 8:30

August	m/m
Consensus	0.1%
Desjardins	0.0%
July	0.6%

THURSDAY September 16 - 8:15

August	ann. rate
Consensus	269,000
Desjardins	268,000
July	272,200

THURSDAY September 16 - 8:30

July	m/m
Consensus	-2.0%
Desjardins	-2.0%
June	-0.8%

WEDNESDAY September 15 - 5:00

July	m/m
Consensus	0.6%
June	-0.3%

CANADA

Manufacturing sales (July) – The manufacturing sector has been very volatile for some months, with supply problems affecting some sectors, especially motor vehicle products. After climbing 2.1% in June, Statistics Canada’s preliminary figures indicate a 1.2% drop in July. That is a disappointing forecast in view of the rising exports of goods for that month (+0.6%).

Consumer price index (August) – According to prices at the pump, gas went up only 0.4% in August, which will have little impact on the total consumer price index (CPI) monthly variation, Seasonal adjustments are usually negative in August, around -0.2%. Taking the uptrend in other components into account, the total CPI monthly variation could be practically zero in August. The total annual inflation rate should nevertheless climb from 3.7% to 3.9%, the highest it has been since March 2003.

Housing starts (August) – Housing starts should keep going down in August as the housing market gets back to normal after reaching all-time peaks last March. That said, the 268,000 housing starts forecast for August are still very high.


Wholesale sales (July) – According to Statistics Canada’s interim figures, wholesale sales were down 2.0% in August. Sales of building materials and supplies could slip further as the housing market downtrend continues.


OVERSEAS

Euro zone: Industrial production (July) – Europe’s industrial production has remained modest despite a general improvement in economic growth since the winter ended. It even went down in May and June. The 1.0% gain in Germany’s industrial production, the 0.3% gain in France’s industrial production and the 0.8% gain in Italy’s industrial production for July may, however, be signs that the recent downturn is reversing itself.

Economic Indicators

Week of September 13 to 17, 2021

Day	Hour	Indicator	Period	Consensus		Previous data
UNITED STATES						
MONDAY 13	14:00	Federal budget (US\$B)	Aug.	-225.0	n/a	-200.0
TUESDAY 14	8:30	Consumer price index				
		Total (m/m)	Aug.	0.4%	0.4%	0.5%
		Excluding food and energy (m/m)	Aug.	0.3%	0.3%	0.3%
		Total (y/y)	Aug.	5.3%	5.3%	5.4%
		Excluding food and energy (y/y)	Aug.	4.2%	4.2%	4.3%
WEDNESDAY 15	8:30	Empire manufacturing index	Sept.	18.0	22.0	18.3
	8:30	Export prices (m/m)	Aug.	0.4%	0.8%	1.3%
	8:30	Import prices (m/m)	Aug.	0.3%	0.3%	0.3%
	9:15	Industrial production (m/m)	Aug.	0.4%	0.6%	0.9%
	9:15	Production capacity utilization rates	Aug.	76.4%	76.6%	76.1%
THURSDAY 16	8:30	Initial unemployment claims	Sept. 6-10	320,000	318,000	310,000
	8:30	Philadelphia Fed index	Sept.	19.0	22.0	19.4
	8:30	Retail sales				
		Total (m/m)	Aug.	-0.9%	-0.7%	-1.1%
		Excluding automobiles (m/m)	Aug.	-0.2%	0.4%	-0.4%
	10:00	Business inventories (m/m)	July	0.5%	0.5%	0.8%
	16:00	Net foreign security purchases (US\$B)	July	n/a	n/a	110.9
FRIDAY 17	10:00	Michigan's consumer sentiment index – preliminary	Sept.	72.5	75.0	70.3
CANADA						
MONDAY 13	---	---				
TUESDAY 14	8:30	Manufacturing sales (m/m)	July	-1.0%	-1.2%	2.1%
WEDNESDAY 15	8:30	Consumer price index				
		Total (m/m)	Aug.	0.1%	0.0%	0.6%
		Excluding food and energy (m/m)	Aug.	n/a	0.1%	0.4%
		Total (y/y)	Aug.	3.9%	3.9%	3.7%
		Excluding food and energy (y/y)	Aug.	n/a	2.9%	2.8%
	9:00	Existing home sales	Aug.			
THURSDAY 16	8:15	Housing starts (ann. rate)	Aug.	269,000	268,000	272,200
	8:30	International transactions in securities (\$B)	July	n/a	10.00	19.70
	8:30	Wholesale sales (m/m)	July	-2.0%	-2.0%	-0.8%
	8:30	Wholesale inventories (m/m)	July	n/a	1.0%	-0.6%
FRIDAY 17	---	---				

Note: Desjardins, Economic Studies are involved every week in the Bloomberg survey for Canada and the United States. Approximately 15 economists are consulted for the Canadian survey and a hundred or so for the United States. The abbreviations m/m, q/q and y/y correspond to monthly, quarterly and yearly variation respectively. Following the quarter, the abbreviations f, s and t correspond to first estimate, second estimate and third estimate respectively. The times shown are Daylight Saving Time (GMT - 4 hours).  Forecast of Desjardins, Economic Studies of the Desjardins Group.

Economic Indicators

Week of September 13 to 17, 2021

Country	Hour	Indicator	Period	Consensus		Previous data		
				m/m (q/q)	y/y	m/m (q/q)	y/y	
OVERSEAS								
SUNDAY I2								
Japan	19:50	Producer price index	Aug.	0.3%	5.7%	1.1%	5.6%	
MONDAY I3								
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TUESDAY I4								
Japan	0:30	Industrial production – final	July	n/a	n/a	-1.5%	11.6%	
United Kingdom	2:00	ILO unemployment rate	July	4.6%		4.7%		
China	22:00	Industrial production	Aug.		5.8%		6.4%	
China	22:00	Retail sales	Aug.		7.0%		8.5%	
WEDNESDAY I5								
Japan	0:30	Tertiary industry activity index	July	0.1%		2.3%		
United Kingdom	2:00	Consumer price index	Aug.	0.5%	2.9%	0.0%	2.0%	
United Kingdom	2:00	Producer price index	Aug.	0.4%	5.4%	0.6%	4.9%	
France	2:45	Consumer price index – final	Aug.	0.6%	1.9%	0.6%	1.9%	
Euro zone	5:00	Industrial production	July	0.6%	6.0%	-0.3%	9.7%	
Japan	19:50	Trade balance (¥B)	Aug.	75.7		52.7		
THURSDAY I6								
Italy	4:00	Trade balance (€M)	July	n/a		5,681		
Euro zone	5:00	Trade balance (€B)	July	14.9		12.4		
FRIDAY I7								
United Kingdom	2:00	Retail sales	Aug.	0.7%	2.7%	-2.5%	2.4%	
France	2:45	Wages – final	Q2	0.3%		0.3%		
Euro zone	4:00	Current account (€B)	July	n/a		21.8		
Italy	4:30	Current account (€M)	July	n/a		3,500		
Euro zone	5:00	Construction	July	n/a	n/a	-1.7%	2.8%	
Euro zone	5:00	Consumer price index – final	Aug.	0.4%	3.0%	0.4%	2.2%	

Note: In contrast to the situation in Canada and the United States, disclosure of overseas economic figures is much more approximate. The day of publication is therefore shown for information purposes only. The abbreviations m/m, q/q and y/y correspond to monthly, quarterly and yearly variation respectively. The times shown are Daylight Saving Time (GMT - 4 hours).

UNITED STATES
Quarterly economic indicators

	REF. QUART.	LEVEL	VARIATION (%)		ANNUAL VARIATION (%)		
			Quart. ann.	1 year	2020	2019	2018
Gross domestic product (2012 \$B)	2021 Q2	19,361	6.6	12.2	-3.4	2.3	2.9
Consumption (2012 \$B)	2021 Q2	13,660	11.9	16.2	-3.8	2.2	2.9
Government spending (2012 \$B)	2021 Q2	3,375	-1.9	-0.1	2.5	2.2	1.4
Residential investment (2012 \$B)	2021 Q2	708.7	-11.5	21.2	6.8	-0.9	-0.6
Non-residential investment (2012 \$B)	2021 Q2	2,873	9.3	13.3	-5.3	4.3	6.4
Business inventory change (2012 \$B) ¹	2021 Q2	-169.4	---	---	-42.3	75.1	65.7
Exports (2012 \$B)	2021 Q2	2,299	6.6	18.3	-13.6	-0.1	2.8
Imports (2012 \$B)	2021 Q2	3,546	6.7	30.5	-8.9	1.2	4.1
Final domestic demand (2012 \$B)	2021 Q2	20,622	7.9	12.9	-2.5	2.4	3.0
GDP deflator (2012 = 100)	2021 Q2	117.5	6.1	4.1	1.3	1.8	2.4
Labor productivity (2012 = 100)	2021 Q2	112.7	2.1	1.8	2.4	2.0	1.5
Unit labor cost (2012 = 100)	2021 Q2	118.6	1.3	0.2	4.5	1.8	1.9
Employment cost index (Dec. 2005 = 100)	2021 Q2	144.7	2.8	2.8	2.6	2.8	2.8
Current account balance (\$B) ¹	2021 Q1	-195.7	---	---	-616.1	-472.1	-438.2

¹ Statistics representing the level during the period; * New statistic in comparison with last week.

UNITED STATES
Monthly economic indicators

	REF. MONTH	LEVEL	VARIATION (%)			
			-1 month	-3 months	-6 months	-1 year
Leading indicator (2016 = 100)	July	116.0	0.9	2.7	5.4	10.6
ISM manufacturing index ¹	Aug.	59.9	59.5	61.2	60.8	55.6
ISM non-manufacturing index ¹	Aug.	61.7	64.1	64.0	55.3	57.2
Cons. confidence Conference Board (1985 = 100) ¹	Aug.	113.8	125.1	120.0	95.2	86.3
Personal consumption expenditure (2012 \$B)	July	13,667	-0.1	-0.1	3.5	7.6
Disposable personal income (2012 \$B)	July	15,580	0.7	-3.0	-8.3	-3.5
Consumer credit (\$B)	July*	4,331	0.4	2.1	3.5	4.2
Retail sales (\$M)	July	617,719	-1.1	-1.8	7.2	15.8
<i>Excluding automobiles (\$M)</i>	July	490,987	-0.4	0.7	7.6	15.8
Industrial production (2012 = 100)	July	101.1	0.9	2.0	1.7	6.6
Production capacity utilization rate (%) ¹	July	76.1	75.4	74.7	75.0	71.5
New machinery orders (\$M)	July	508,062	0.4	4.2	6.0	15.9
New durable good orders (\$M)	July	257,409	-0.1	3.9	5.9	17.7
Business inventories (\$B)	June	2,057	0.8	1.5	2.9	6.6
Housing starts (k) ¹	July	1,534	1,650	1,514	1,625	1,497
Building permits (k) ¹	July	1,630	1,594	1,733	1,883	1,542
New home sales (k) ¹	July	708.0	701.0	796.0	993.0	972.0
Existing home sales (k) ¹	July	5,990	5,870	5,850	6,660	5,900
Commercial surplus (\$M) ¹	July	-70,051	-73,230	-66,659	-65,696	-60,743
Nonfarm employment (k) ²	Aug.	147,190	235.0	2,250	3,918	6,041
Unemployment rate (%) ¹	Aug.	5.2	5.4	5.8	6.2	8.4
Consumer price (1982-1984 = 100)	July	272.3	0.5	2.0	3.8	5.3
<i>Excluding food and energy</i>	July	279.1	0.3	2.0	3.3	4.2
Personal cons. expenditure deflator (2012 = 100)	July	115.9	0.4	1.5	2.9	4.2
<i>Excluding food and energy</i>	July	117.7	0.3	1.4	2.6	3.6
Producer price (2009 = 100)	Aug.*	128.2	0.7	2.7	5.1	8.3
Export prices (2000 = 100)	July	142.4	1.3	4.8	10.5	17.2
Import prices (2000 = 100)	July	134.6	0.3	2.7	6.4	10.2

¹ Statistic shows the level of the month of the column; ² Statistic shows the variation since the reference month; * New statistic in comparison with last week.

CANADA
Quarterly economic indicators

	REF. QUART.	LEVEL	VARIATION (%)		ANNUAL VARIATION (%)		
			Quart. ann.	1 year	2020	2019	2018
Gross domestic product (2012 \$M)	2021 Q2	2,071,190	-1.1	12.7	-5.3	1.9	2.4
Household consumption (2012 \$M)	2021 Q2	1,148,842	0.2	14.2	-6.0	1.6	2.5
Government consumption (2012 \$M)	2021 Q2	447,597	6.1	10.0	-0.3	2.0	2.9
Residential investment (2012 \$M)	2021 Q2	172,288	-12.4	42.3	4.1	-0.2	-1.7
Non-residential investment (2012 \$M)	2021 Q2	159,670	12.1	7.7	-13.6	1.1	3.1
Business inventory change (2012 \$M) ¹	2021 Q2	8,308	---	---	-15,937	18,766	15,486
Exports (2012 \$M)	2021 Q2	602,785	-15.0	12.0	-10.0	1.3	3.7
Imports (2012 \$M)	2021 Q2	634,610	-0.1	26.1	-11.2	0.4	3.4
Final domestic demand (2012 \$M)	2021 Q2	2,087,592	0.7	14.4	-4.3	1.4	2.5
GDP deflator (2012 = 100)	2021 Q2	118.9	9.2	9.2	0.7	1.7	1.8
Labour productivity (2012 = 100)	2021 Q2	110.7	2.3	-12.6	8.1	1.0	0.6
Unit labour cost (2012 = 100)	2021 Q2	117.1	11.1	1.1	3.1	2.9	3.1
Current account balance (\$M) ¹	2021 Q2	3,581	---	---	-40,087	-47,384	-52,224
Production capacity utilization rate (%) ¹	2021 Q2*	82.0	---	---	77.6	82.6	83.7
Disposable personal income (\$M)	2021 Q2	1,463,752	9.2	-1.7	10.4	3.8	3.1
Corporate net operating surplus (\$M)	2021 Q2	386,256	1.6	68.1	-4.0	0.6	3.8

¹ Statistics representing the level during the period; * New statistic in comparison with last week.

CANADA
Monthly economic indicators

	REF. MONTH	LEVEL	VARIATION (%)			
			-1 month	-3 months	-6 months	-1 year
Gross domestic product (2012 \$M)	June	1,970,194	0.7	-0.7	1.7	8.0
Industrial production (2012 \$M)	June	387,884	1.7	0.2	1.9	9.3
Manufacturing sales (\$M)	June	59,234	2.1	-0.2	8.0	20.0
Housing starts (k) ¹	July	272.2	281.2	274.9	311.0	245.1
Building permits (\$M)	July	9,897	-3.9	-10.4	-1.2	21.8
Retail sales (\$M)	June	56,161	4.2	-3.5	6.9	6.2
<i>Excluding automobiles (\$M)</i>	June	41,279	4.7	-4.6	6.3	5.8
Wholesale trade sales (\$M)	June	71,530	-0.8	0.4	6.5	14.7
Commercial surplus (\$M) ¹	July	778.1	2,562	476.3	1,476	-2,496
<i>Exports (\$M)</i>	July	53,749	0.6	6.4	4.4	17.0
<i>Imports (\$M)</i>	July	52,971	4.2	5.8	6.0	9.4
Employment (k) ²	Aug.*	18,974	90.2	138.3	73.8	79.8
Unemployment rate (%) ¹	Aug.*	7.1	7.5	8.2	8.2	10.2
Average weekly earnings (\$)	June	1,125	-1.0	0.3	0.8	0.7
Number of salaried employees (k) ²	June	16,272	214.8	39.2	49.2	158.5
Consumer price (2002 = 100)	July	142.3	0.6	1.4	3.0	3.7
<i>Excluding food and energy</i>	July	135.6	0.4	1.0	2.1	2.8
<i>Excluding 8 volatile items</i>	July	140.0	0.6	1.3	2.4	3.3
Industrial product price (2010 = 100)	July	114.4	-0.4	2.8	9.7	15.4
Raw materials price (2010 = 100)	July	127.4	2.2	9.5	20.4	37.7
Money supply M1+ (\$M)	June	1,552,301	1.1	6.0	11.6	21.1

¹ Statistic shows the level of the month of the column; ² Statistic shows the variation since the reference month; * New statistic in comparison with last week.

UNITED STATES, CANADA, OVERSEAS
Major financial indicators

IN % (EXPECTED IF INDICATED)	ACTUAL	PREVIOUS DATA					LAST 52 WEEKS		
	Sep. 10	Sep. 3	-1 month	-3 months	-6 months	-1 year	Higher	Average	Lower
United States									
Federal funds – target	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25
Treasury bill – 3 months	0.04	0.05	0.06	0.03	0.04	0.11	0.12	0.06	0.01
Treasury bonds – 2 years	0.22	0.19	0.21	0.15	0.16	0.13	0.26	0.16	0.11
– 5 years	0.81	0.77	0.79	0.75	0.84	0.25	0.92	0.61	0.24
– 10 years	1.33	1.32	1.28	1.46	1.64	0.67	1.75	1.23	0.64
– 30 years	1.92	1.94	1.94	2.15	2.40	1.42	2.48	1.95	1.40
S&P 500 index (level)	4,486	4,535	4,468	4,247	3,943	3,341	4,537	3,951	3,237
DJIA index (level)	34,732	35,369	35,515	34,480	32,779	27,666	35,625	32,063	26,502
Gold price (US\$/ounce)	1,795	1,834	1,774	1,882	1,711	1,948	1,967	1,827	1,682
CRB index (level)	218.47	220.11	216.96	212.25	193.79	146.41	221.21	185.57	144.12
WTI oil (US\$/barrel)	69.64	69.37	68.42	70.91	65.61	37.33	75.38	57.59	35.61
Canada									
Overnight – target	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25
Treasury bill – 3 months	0.15	0.15	0.16	0.11	0.11	0.15	0.19	0.11	0.05
Treasury bonds – 2 years	0.41	0.39	0.45	0.31	0.31	0.26	0.48	0.30	0.15
– 5 years	0.82	0.78	0.84	0.82	1.03	0.35	1.03	0.68	0.34
– 10 years	1.22	1.19	1.19	1.38	1.58	0.55	1.61	1.10	0.54
– 30 years	1.78	1.75	1.76	1.94	2.02	1.06	2.19	1.64	1.06
<u>Spread with the U.S. rate (% points)</u>									
Overnight – target	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Treasury bill – 3 months	0.11	0.10	0.10	0.08	0.07	0.04	0.13	0.05	-0.04
Treasury bonds – 2 years	0.20	0.20	0.24	0.16	0.15	0.13	0.29	0.14	0.01
– 5 years	0.02	0.01	0.05	0.07	0.19	0.10	0.21	0.07	-0.04
– 10 years	-0.11	-0.13	-0.09	-0.08	-0.06	-0.12	0.03	-0.13	-0.30
– 30 years	-0.15	-0.19	-0.18	-0.21	-0.38	-0.36	-0.09	-0.31	-0.46
S&P/TSX index (level)	20,665	20,821	20,518	20,138	18,851	16,222	20,821	18,548	15,581
Exchange rate (C\$/US\$)	1.2639	1.2528	1.2515	1.2157	1.2473	1.3176	1.3389	1.2672	1.2034
Exchange rate (C\$/€)	1.4950	1.4887	1.4759	1.4720	1.4910	1.5609	1.5741	1.5147	1.4619
Overseas									
<u>Euro zone</u>									
ECB – Refinancing rate	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Exchange rate (US\$/€)	1.1828	1.1883	1.1793	1.2108	1.1954	1.1847	1.2327	1.1956	1.1632
<u>United Kingdom</u>									
BoE – Base rate	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10
Bonds – 10 years	0.74	0.72	0.66	0.75	0.86	0.14	0.93	0.56	0.12
FTSE index (level)	7,027	7,138	7,219	7,134	6,761	6,032	7,220	6,683	5,577
Exchange rate (US\$/£)	1.3845	1.3867	1.3865	1.4108	1.3925	1.2796	1.4212	1.3650	1.2724
<u>Germany</u>									
Bonds – 10 years	-0.34	-0.36	-0.51	-0.27	-0.33	-0.48	-0.11	-0.42	-0.64
DAX index (level)	15,609	15,781	15,977	15,693	14,502	13,203	15,977	14,407	11,556
<u>Japan</u>									
BoJ – Main policy rate	-0.10	-0.10	-0.10	-0.10	-0.10	-0.10	-0.10	-0.10	-0.10
Nikkei index (level)	30,382	29,128	27,977	28,949	29,718	23,406	30,468	27,574	22,977
Exchange rate (US\$/¥)	109.87	109.75	109.59	109.67	109.02	106.16	111.52	107.25	102.74

CRB: Commodity Research Bureau; WTI: West Texas Intermediate; ECB: European Central Bank; BoE: Bank of England; BoJ: Bank of Japan

Note: Data taken at markets closing, with the exception of the current day where they were taken at 11:00 a.m.