

WEEKLY NEWSLETTER

Please note that there will be no release of the *Weekly Newsletter* from June 28 to August 13, 2021 inclusive.

Compromise over U.S. Infrastructure Plan Welcomed by Investors

MUSINGS OF THE WEEK

- ▶ A gradual normalization of monetary policies is not a concern for stock markets.

KEY STATISTICS OF THE WEEK

- ▶ United States: Real consumption declined in May.
- ▶ United States: New home sales fell further in May.
- ▶ Canada: The value of retail sales dropped sharply in April.

A LOOK AHEAD

- ▶ United States: June should see more hires.
- ▶ Canada: Real GDP by industry is expected to recede in April.
- ▶ Canada: The labour market will rebound in June as lockdown restrictions are eased.

FINANCIAL MARKETS

- ▶ A strong stock market rebound pushed the NASDAQ to new heights.
- ▶ Long-term bond yields gained a few points.
- ▶ Most currencies recouped some of last week's losses.

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Musings of the Week

A Gradual Normalization of Monetary Policies Is Not a Concern for Stock Markets

By Mathieu D'Anjou, CFA, Deputy Chief Economist

The June Federal Reserve (Fed) meeting was followed by a few difficult stock market sessions. For some, the Fed's more upbeat tone signaled the end of the easy road for financial markets and the beginning of a new trend that would favour bonds over riskier assets. We do not share this view and these initial concerns already seem to have faded as stock markets have rebounded this week.

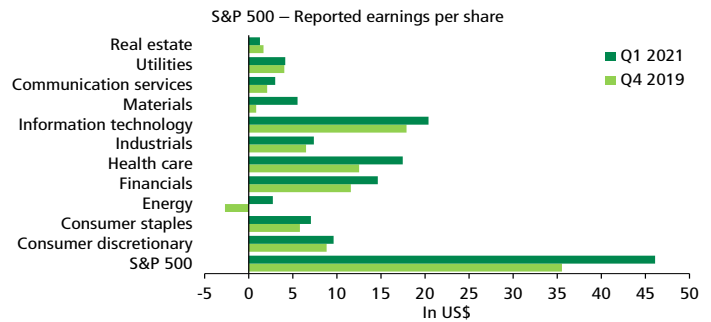
There is no doubt that central banks, led by the Fed, were instrumental in helping stock markets rebound quickly last year from the initial drop caused by the pandemic. By lowering policy rates to the floor, injecting massive amounts of liquidity and even agreeing to buy riskier assets, central banks were able to quickly dispel fears of a major financial crisis and restore investor confidence. Ensuring very favorable financial conditions and the unprecedented support from governments were also instrumental in limiting the adverse financial consequences of the crisis, including bankruptcies, and in quickly restoring a very strong demand for the goods and services that could continue to be consumed despite the health measures.

After a dramatic drop in the spring of 2020, corporate profits have rebounded rapidly to the point where the earnings of the companies that make up the S&P 500 have smashed their previous records in the first quarter of 2021. These excellent results are supported by a rebound in corporate sales near pre-pandemic levels as well as very high profit margins. Even better, the upturn is widespread with nearly all sectors reporting higher earnings than before the pandemic. Corporate results are also very encouraging in Canada, and analysts' earnings outlooks have also jumped to a new high for the S&P/TSX.

The very strong economic outlook suggests that business sales should continue to grow rapidly in the coming quarters. Maintaining very high profit margins is likely to be more of a challenge for companies in the face of rising input costs and increasingly widespread labour shortages. It will be important to monitor to which extent companies will be able to pass on increases in production costs to their customers, which will have a significant impact on the evolution of inflation. An additional challenge for the U.S. stock market is that valuation metrics appear stretched after an over 30% gain for the S&P 500 since the end of 2019, limiting its near-term gain potential. From a relative standpoint, the Canadian stock market appears better positioned as its level does not already appear to reflect as much of the favorable outlook for the economy and earnings.

GRAPH

Almost all sectors show higher profits than before the pandemic



Sources: Standard & Poor's and Desjardins, Economic Studies

Stock market moves are always difficult to predict and temporary corrections are possible at any time. Nevertheless, as for the economy in general, the situation of companies has improved greatly in recent quarters and the outlook currently seems very favorable. A gradual normalization of monetary policies, as signaled by the Fed last week, thus seems entirely appropriate and does not represent an obstacle to a continuation of the bull market. Given the central role the Fed plays on financial markets, however, the evolution of its discourse could still lead to periods of significant volatility.

Key Statistics of the Week

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

UNITED STATES

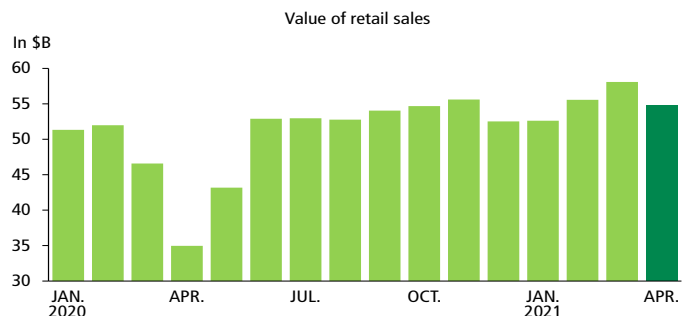
- ▶ U.S. real household consumption edged down 0.4% in May after gaining 0.3% in April and 4.4% in March. Real consumption of durable goods decreased 4.3% due mainly to an 8.5% plunge in motor vehicle consumption. Like in April, real consumption of non-durable goods contracted 0.5%. Real consumption of services saw a 0.4% gain. Despite the drop in May, the real consumption carryover for the second quarter is 10.5% annualized. Real disposable income fell 2.8% in May.
- ▶ Existing home sales dropped for the fourth straight month in May. The decrease was more modest last month, at just -0.9%. However, it follows a total pullback of 12.2% over the past three months. Annualized units declined from a peak of 6,660,000 in January to just 5,800,000 in May, their lowest point since June 2020. Existing single-family home sales, which slipped 1.0%, were behind the May pullback, while condominium resales stagnated.
- ▶ With a further 5.9% decrease in May, sales of new single-family homes were down in three of the past four months. This is a total decline of 22.6% since the January peak. Annualized units therefore dropped from a cyclical peak of 999,000 in January to 769,000 in May. This is their lowest level since May 2020.
- ▶ New durable goods orders rose 2.3% in May, after falling 0.8% in April. This is the strongest monthly increase since January. The transportation sector grew 7.6% owing to a 27.4% surge in civil aviation. Motor vehicle orders were up 2.1%. Orders excluding transportation rose only 0.3%.
- ▶ The third estimate of the national accounts for the first quarter of 2021 pegs annualized real GDP growth at 6.4%, the same figure provided in the first two estimates.

CANADA

- ▶ The introduction of new public health restrictions throughout the country impacted retail trade in April. The value of sales slid 5.7% during the month, as 9 of the 11 main sectors saw declines. The biggest decreases were noted in clothing and accessories stores (-28.6%) and miscellaneous merchandise stores (-8.1%). In real terms, retail sales retreated 5.6% in April.

CANADA

The third wave of COVID-19 dragged retail trade down further in April



Sources: Statistics Canada and Desjardins, Economic Studies

Financial Markets

The Markets Were Galvanized by the U.S. Infrastructure Plan

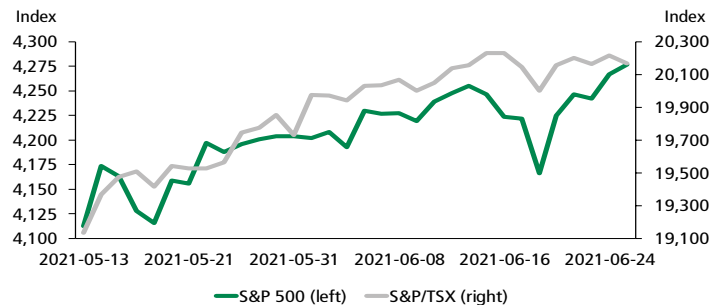
By Hendrix Vachon, Senior Economist, and Lorenzo Tessier-Moreau, Senior Economist

After a tough week for the stock markets due to the Federal Reserve (Fed) change in tone, investor confidence improved. North American indexes saw a strong rebound on Monday and consolidated their gains over the rest of the week. Fed Chair Jerome Powell's comments on Tuesday boosted investor confidence, and the announced agreement for a new infrastructure plan in the United States galvanized the markets on Thursday and Friday morning. Figures for the personal consumption expenditure deflator in the United States, which were consistent with expectations, were also welcomed by the markets on Friday. The NASDAQ hit new record highs over the week as interest rates continued to favour high-growth stocks. At the time of writing, the index had gained about 2.4%. The Dow Jones and S&P 500 also both gained around 2.5 %, thanks to prospects for new infrastructure investments. The Canadian S&P/TSX posted a slightly weaker gain of 1.1%, having been penalized by price drops for several commodities. Nevertheless, the price of a barrel of WTI (West Texas Intermediate) benefited from the optimism, gaining nearly US\$2 over the week.

The yield curve steepened slightly over the week, partially reversing the previous week's trend. Jerome Powell's comments didn't have much of an impact on short-term yields, which remained fairly stable. However, longer-term yields in the United States rose a few points, and their Canadian counterparts followed suit. This bodes well for an improved economic outlook.

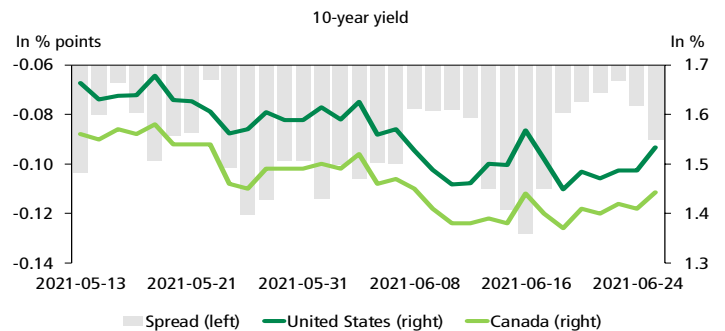
Unlike last week, most currencies appreciated against the U.S. dollar. The U.S. effective exchange rate was higher than in the last two months. The euro, which was trading at close to US\$1.185 last Friday, climbed to around US\$1.195 this week. The pound posted somewhat stronger gains, going from around US\$1.38 last Friday to close to US\$1.40, then dropping under US\$1.39 following the Bank of England's announcement on Thursday. The Canadian dollar saw a similar increase, starting the week at close to US\$0.80 on Monday and trading at over US\$0.81 at the time of writing.

GRAPH 1
Stock markets



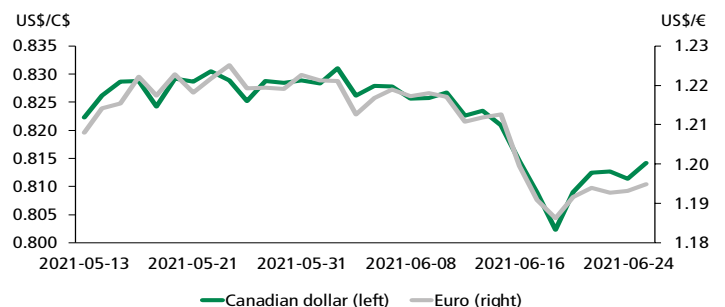
Sources: Datastream and Desjardins, Economic Studies

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 June 29 - 9:00

April	y/y
Consensus	n/a
Desjardins	14.30%
March	13.27%

TUESDAY June 29 - 10:00

June	
Consensus	119.0
Desjardins	121.0
May	117.2

THURSDAY July 1 - 10:00

June	
Consensus	61.0
Desjardins	60.2
May	61.2

FRIDAY July 2 - 8:30

June	m/m
Consensus	700,000
Desjardins	725,000
May	559,000

TUESDAY July 6 - 10:00

June	
Consensus	63.0
Desjardins	64.2
May	64.0

WEDNESDAY Jun 30 - 8:30

April	m/m
Consensus	-0.8%
Desjardins	-0.8%
March	1.1%

UNITED STATES

S&P/Case-Shiller index of existing home prices (April) – Home prices in the United States are still rising sharply. The S&P/Case-Shiller index went up 1.6% in March, its strongest monthly growth since April 2013, and it should be up a further 1.3% in April. That kind of gain would raise the annual variation of the S&P/Case-Shiller index from 13.3% in March to 14.3% in April, the biggest hike since January 2006.

Conference Board consumer confidence index (June) – After gaining a total of 30.4 points in the three previous months, the Conference Board consumer confidence index stalled in May, going down 0.3 points. The index is still relatively high at 117.2, although way below the February 2020 level of 132.6. The Conference Board index is expected to rise again in June. That is what the other confidence indexes like the University of Michigan, TIPP and Langer weekly (formerly Bloomberg) are indicating. The Conference Board index should go above 120.

ISM manufacturing index (June) – The ISM manufacturing index rose 0.5 points in May after losing 4 points in April. It is still relatively high at 61.2 and the respondents are still talking about an overheated situation (labour and parts shortages, cost of materials, delivery problems). A slight decline of the ISM manufacturing index is expected for June. That is what most of the regional manufacturing indexes released so far are signalling for June.

Job creation according to the establishment survey (June) – Job creation was relatively strong in May, with 559,000 new hires, although more had been expected. This result comes on the heels of April's even more disappointing result. We expect robust job market growth in June, especially in services, as health measures are eased in the United States. Jobless claims were down again between May's survey and June's, but it remains to be seen whether the reluctance to go back to work will still be a significant constraint in June. This month should see a gain of 725,000 jobs. The jobless rate should fall again, edging from 5.8% to 5.6%.

ISM services index (June) – The ISM services index gained 1.3 points in May and reached 64.0, its highest level since it started in 1997. That record peak should be surmounted in June, when we expect a slight monthly increase of the ISM services index. Most of the regional non-manufacturing indexes improved in June, as did the consumer confidence indicators released to date. The ISM services index is expected to reach 64.2.

CANADA

Real GDP by industry (April) – According to Statistics Canada's interim results, real GDP by industry fell about 0.8% in April, its first monthly drop in a year. The third wave of COVID 19 hit some regions quite hard, forcing the provinces to impose new health measures in April. That was especially true in Ontario, where many businesses had to shut down. Note that the total number of hours worked in the Canadian economy fell 2.7% from March to April.

FRIDAY July 2 - 8:30

May	\$B
Consensus	0.80
Desjardins	0.37
April	0.59

International merchandise trade (May) – Export values should bounce back in May after hard times in April. For one thing, commodity prices rose roughly 3.0% when corrected for seasonal fluctuations and expressed in Canadian dollars. For another, the U.S. data on industrial output indicates that the motor vehicle industry fared better in May after experiencing supply problems in April. The value of imports should also rise significantly in May. Not only will we feel the effects of a recovering motor vehicle industry, but the gradual reopening of the Canadian economy should push imports higher. In the end, the trade balance should show a slight decline for the month.

FRIDAY July 9 - 8:30

June	
Consensus	n/a
Desjardins	195,000
May	-68,000

Labour market survey (June) – After two months of decline in a row due to the health measures imposed to counteract the third wave of COVID-19, the gradual reopening should boost employment figures in June. The labour market survey was conducted between June 13 and 19, so it will only reflect some of the month's recovery figures. All in all, we expect 195,000 jobs to be created. The unemployment rate could dip from 8.2% to 7.7%.

DURING THE WEEK
OVERSEAS

Japan: Economic indicators – A number of major indicators for May will be released in Japan next week. On Monday evening we will get the figures for retail sales and unemployment. Retail sales plunged 4.5% in April, and it will be interesting to see whether they rebounded in May. The data on industrial output and housing starts will be released on Tuesday evening. All those indicators will give us new clues about the health of the Japanese economy after its 4.0% (annualized) decline in real GDP for the first quarter of 2021.

TUESDAY June 29 - 5:00

June	
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Euro zone: Confidence indicators (June) – Confidence is rising in the euro zone. Most of the consumer and business confidence indicators have gone up in recent months. We expect this positive trend to continue in June as the health measures ease off. The preliminary version of consumer confidence shows an improvement, rising from -5.1 in May to -3.3 in June. On the business side, the PMI indexes were also up last month, especially for services.

TUESDAY July 6 - 5:00

May	m/m
Consensus	n/a
April	-3.1%

Euro zone: Retail sales (May) – European retail sales are responding to the tightening and easing of health measures in the different countries. After a drop in January due to the second wave of COVID-19, sales climbed a total of 7.7% in February and March, then fell 3.1% in April when some countries brought in more restrictions to counter the third wave of the pandemic. The figures for sales in Germany (July 1) and consumption in France (June 30) will give us a sneak peek at how retail sales are doing throughout the zone.


FRIDAY July 9 - 2:00


May	m/m
Consensus	n/a
April	2.3%

United Kingdom: Monthly GDP (May) – Real GDP was up 2.3% in April after rising 2.1% in March. The U.K. economy does seem to be recovering after its real GDP plunged 5.9% (annualized) in the first quarter. A slightly more modest increase is expected for May. May's easing of health measures will give a boost to the services sector, and that should offset the 1.4% decline in retail sales.

Economic Indicators

Week of June 28 to July 2, 2021

Day	Hour	Indicator	Period	Consensus		Previous data
UNITED STATES						
MONDAY 28	9:00	Speech of the New York Fed President, J. Williams				
	12:00	Speech of the Richmond Fed President, T. Barkin				
	13:10	Speech of a Federal Reserve Vice Chair, R. Quarles				
TUESDAY 29	9:00	S&P/Case-Shiller home price index (y/y)	April	n/a	14.30%	13.27%
	9:00	Speech of the Richmond Fed President, T. Barkin				
	10:00	Consumer confidence	June	119.0	121.0	117.2
WEDNESDAY 30	8:00	Speech of the Atlanta Fed President, R. Bostic				
	9:45	Chicago PMI index	June	70.0	70.0	75.2
	10:00	Pending home sales (m/m)	May	-1.0%	n/a	-4.4%
	13:00	Speech of the Richmond Fed President, T. Barkin				
THURSDAY 1	8:30	Initial unemployment claims	June 21-25	380,000	399,000	411,000
	10:00	Construction spending (m/m)	May	0.5%	0.2%	0.2%
	10:00	ISM manufacturing index	June	61.0	60.2	61.2
	14:00	Speech of the Atlanta Fed President, R. Bostic				
	---	Total vehicle sales (ann. rate)	June	17,100,000	16,200,000	16,990,000
FRIDAY 2	8:30	Trade balance – Goods and services (US\$B)	May	-71.0	-71.4	-68.9
	8:30	Change in nonfarm payrolls	June	700,000	725,000	559,000
	8:30	Unemployment rate	June	5.6%	5.6%	5.8%
	8:30	Weekly worked hours	June	34.9	34.9	34.9
	8:30	Average hourly earnings (m/m)	June	0.4%	0.3%	0.5%
	10:00	Factory orders (m/m)	May	1.5%	1.3%	-0.6%
CANADA						
MONDAY 28	---	---				
TUESDAY 29	---	---				
WEDNESDAY 30	8:30	Industrial product price index (m/m)	May	n/a	3.1%	1.6%
	8:30	Raw materials price index (m/m)	May	n/a	2.3%	1.0%
	8:30	Real GDP by industry (m/m)	April	-0.8%	-0.8%	1.1%
THURSDAY 1	---	Markets closed (Canada Day)				
FRIDAY 2	8:30	International trade (\$B)	May	0.80	0.37	0.59
	8:30	Building permits (m/m)	May	0.2%	1.5%	-0.5%

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 June 28 to July 2, 2021

Country	Hour	Indicator	Period	Consensus		Previous data		
				m/m (q/q)	y/y	m/m (q/q)	y/y	
OVERSEAS								
MONDAY 28								
Japan	19:30	Unemployment rate	May	2.9%		2.8%		
Japan	19:50	Retail sales	May	-0.7%	7.9%	-4.5%	12.0%	
TUESDAY 29								
France	1:30	ILO unemployment rate	Q1	8.0%		8.0%		
United Kingdom	2:00	Nationwide house prices	June	0.7%	13.6%	1.8%	10.9%	
France	2:45	Consumer confidence	June	99		97		
Euro zone	5:00	Consumer confidence – final	June	n/a		-3.3		
Euro zone	5:00	Industrial confidence	June	12.1		11.5		
Euro zone	5:00	Services confidence	June	14.7		11.3		
Euro zone	5:00	Economic confidence	June	116.5		114.5		
Germany	8:00	Consumer price index – preliminary	June	0.4%	2.4%	0.5%	2.5%	
Japan	19:50	Industrial production – preliminary	May	-2.0%	27.0%	2.9%	15.8%	
China	21:00	PMI manufacturing index	June	50.8		51.0		
China	21:00	PMI non-manufacturing index	June	55.5		55.2		
WEDNESDAY 30								
Japan	1:00	Consumer confidence	June	35.5		34.1		
Japan	1:00	Housing starts	May		8.4%		7.1%	
France	2:45	Personal consumption expenditures	May	7.5%	6.0%	-8.3%	32.0%	
France	2:45	Consumer price index – preliminary	June	0.3%	1.6%	0.3%	1.4%	
United Kingdom	2:00	Current account (€B)	Q1	-14.5		-26.3		
United Kingdom	2:00	Real GDP – final	Q1	-1.5%	-6.1%	-1.5%	-6.1%	
Euro zone	5:00	Consumer price index – preliminary	June	0.2%	1.9%	0.3%	2.0%	
Italy	5:00	Consumer price index – preliminary	June	0.2%	1.4%	0.0%	1.3%	
Japan	19:50	Tankan large manufacturers index	Q2	16		5		
Japan	20:30	PMI manufacturing index – final	June	n/a		51.5		
THURSDAY 1								
Japan	1:00	Vehicle sales	June		n/a		30.9%	
Germany	2:00	Retail sales	May	4.8%	-0.5%	-5.5%	4.4%	
Sweden	3:30	Bank of Sweden meeting	July	0.00%		0.00%		
Italy	3:45	PMI manufacturing index	June	62.3		62.3		
France	3:50	PMI manufacturing index – final	June	58.6		58.6		
Germany	3:55	PMI manufacturing index – final	June	64.9		64.9		
Euro zone	4:00	PMI manufacturing index – final	June	63.1		63.1		
Italy	4:00	Unemployment rate	May	10.7%		10.7%		
United Kingdom	4:30	PMI manufacturing index – final	June	64.2		64.2		
Euro zone	5:00	Unemployment rate	May	8.0%		8.0%		
FRIDAY 2								
Euro zone	5:00	Producer price index	May	1.2%	9.5%	1.0%	7.6%	

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).


Economic Indicators

Week of July 5 to 9, 2021

Day	Hour	Indicator	Period	Consensus		Previous data
UNITED STATES						
MONDAY 5						
	---	Markets closed (Independence Day)				
TUESDAY 6						
	10:00	ISM services index	June	63.0	64.2	64.0
WEDNESDAY 7						
	14:00	Minutes of the Federal Reserve meeting				
THURSDAY 8						
	8:30	Initial unemployment claims	June 28-July 2	n/a	n/a	n/a
	15:00	Consumer credit (US\$B)	May	n/a	33.000	18.612
FRIDAY 9						
	10:00	Wholesale inventories – final (m/m)	May	n/a	1.1%	1.1%

CANADA

MONDAY 5						
	10:30	Release of the Bank of Canada <i>Business Outlook Survey</i>				
TUESDAY 6						
	---	---				
WEDNESDAY 7						
	10:00	PMI-Ivey index	June	n/a	65.5	64.7
THURSDAY 8						
	---	---				
FRIDAY 9						
	8:30	Net change in employment	June	n/a	195,000	-68,000
	8:30	Unemployment rate	June	n/a	7.7%	8.2%

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Economic Indicators

Week of July 5 to 9, 2021

Country	Hour	Indicator	Period	Consensus		Previous data		
				m/m (q/q)	y/y	m/m (q/q)	y/y	
OVERSEAS								
MONDAY 5								
Italy	3:45	PMI composite index	June	n/a		55.7		
Italy	3:45	PMI services index	June	n/a		53.1		
France	3:50	PMI composite index – final	June	n/a		57.1		
France	3:50	PMI services index – final	June	n/a		57.4		
Germany	3:55	PMI composite index – final	June	n/a		60.4		
Germany	3:55	PMI services index – final	June	n/a		58.1		
Euro zone	4:00	PMI composite index – final	June	n/a		59.2		
Euro zone	4:00	PMI services index – final	June	n/a		58.0		
United Kingdom	4:30	PMI composite index – final	June	n/a		61.7		
United Kingdom	4:30	PMI services index – final	June	n/a		61.7		
TUESDAY 6								
Australia	0:30	Reserve Bank of Australia meeting	July	0.10%		0.10%		
Germany	2:00	Factory orders	May	n/a	n/a	-0.2%	78.9%	
United Kingdom	4:30	PMI construction index	June	n/a		64.2		
Euro zone	5:00	Retail sales	May	n/a	n/a	-3.1%	23.9%	
Germany	5:00	ZEW survey – Current situation	July	n/a		-9.1		
Germany	5:00	ZEW survey – Expectations	July	n/a		79.8		
WEDNESDAY 7								
Japan	1:00	Leading indicator – preliminary	May	n/a		103.8		
Japan	1:00	Coincident indicator – preliminary	May	n/a		95.3		
Germany	2:00	Industrial production	May	n/a	n/a	-1.0%	26.4%	
France	2:45	Trade balance (€M)	May	n/a		6,244		
France	2:45	Current account (€B)	May	n/a		-1.4		
Italy	4:00	Retail sales	May	n/a	n/a	-0.4%	30.4%	
Japan	19:50	Current account (¥B)	May	n/a		1,552.8		
THURSDAY 8								
Germany	2:00	Trade balance (€B)	May	n/a		15.5		
Germany	2:00	Current account (€B)	May	n/a		21.3		
China	21:30	Consumer price index	June		n/a		1.3%	
China	21:30	Producer price index	June		n/a		9.0%	
FRIDAY 9								
United Kingdom	2:00	Trade balance (€M)	May	n/a		-935		
United Kingdom	2:00	Construction	May	n/a	n/a	-2.0%	77.9%	
United Kingdom	2:00	Index of services	May	n/a		3.4%		
United Kingdom	2:00	Monthly GDP	May	n/a		2.3%		
United Kingdom	2:00	Industrial production	May	n/a	n/a	-1.3%	27.5%	
France	2:45	Industrial production	May	n/a	n/a	-0.1%	43.9%	
Italy	4:00	Industrial production	May	n/a	n/a	1.8%	79.5%	

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 Q1	19,086	6.4	0.4	-3.5	2.2	3.0
Consumption (2012 \$B)	2021 Q1	13,353	11.4	1.8	-3.9	2.4	2.7
Government spending (2012 \$B)	2021 Q1	3,367	5.7	0.6	1.1	2.3	1.8
Residential investment (2012 \$B)	2021 Q1	719.6	13.1	12.9	6.1	-1.7	-0.6
Non-residential investment (2012 \$B)	2021 Q1	2,819	11.7	3.1	-4.0	2.9	6.9
Business inventory change (2012 \$B) ¹	2021 Q1	-87.0	---	---	-77.4	48.5	53.4
Exports (2012 \$B)	2021 Q1	2,266	-2.1	-9.2	-12.9	-0.1	3.0
Imports (2012 \$B)	2021 Q1	3,479	9.5	6.0	-9.3	1.1	4.1
Final domestic demand (2012 \$B)	2021 Q1	20,274	10.5	2.2	-2.7	2.3	3.0
GDP deflator (2012 = 100)	2021 Q1	115.6	4.3	2.0	1.2	1.8	2.4
Labor productivity (2012 = 100)	2021 Q1	112.7	5.4	4.1	2.6	1.8	1.4
Unit labor cost (2012 = 100)	2021 Q1	119.1	1.7	4.1	4.3	1.9	1.9
Employment cost index (Dec. 2005 = 100)	2021 Q1	143.7	3.7	2.7	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)	May	114.5	1.3	4.0	4.9	14.7
ISM manufacturing index ¹	May	61.2	60.7	60.8	57.7	43.1
ISM non-manufacturing index ¹	May	64.0	62.7	55.3	56.8	45.4
Cons. confidence Conference Board (1985 = 100) ¹	May	117.2	117.5	95.2	92.9	85.9
Personal consumption expenditure (2012 \$B)	May*	13,662	-0.4	4.3	5.0	14.5
Disposable personal income (2012 \$B)	May*	16,070	-2.8	1.3	3.9	-2.3
Consumer credit (\$B)	April	4,237	0.4	1.3	1.7	2.4
Retail sales (\$M)	May	620,214	-1.3	10.8	14.3	28.1
<i>Excluding automobiles (\$M)</i>	May	484,235	-0.7	9.0	12.5	26.4
Industrial production (2012 = 100)	May	99.9	0.8	3.5	2.8	16.3
Production capacity utilization rate (%) ¹	May	75.2	74.6	72.7	73.3	64.7
New machinery orders (\$M)	April	485,156	-0.6	1.3	7.1	34.1
New durable good orders (\$M)	May*	253,323	2.3	2.9	8.3	41.6
Business inventories (\$B)	April	2,024	-0.2	0.7	2.5	1.3
Housing starts (k) ¹	May	1,572	1,517	1,447	1,551	1,046
Building permits (k) ¹	May	1,683	1,733	1,726	1,696	1,246
New home sales (k) ¹	May*	769.0	817.0	823.0	865.0	704.0
Existing home sales (k) ¹	May*	5,800	5,850	6,240	6,590	4,010
Commercial surplus (\$M) ¹	April	-68,899	-75,025	-67,092	-63,678	-52,959
Nonfarm employment (k) ²	May	144,894	559.0	1,622	2,085	11,900
Unemployment rate (%) ¹	May	5.8	6.1	6.2	6.7	13.3
Consumer price (1982-1984 = 100)	May	268.6	0.6	2.0	2.9	4.9
<i>Excluding food and energy</i>	May	275.7	0.7	2.0	2.2	3.8
Personal cons. expenditure deflator (2012 = 100)	May*	114.6	0.4	1.7	2.6	3.9
<i>Excluding food and energy</i>	May*	116.6	0.5	1.6	2.3	3.4
Producer price (2009 = 100)	May	124.8	0.8	2.4	4.5	6.5
Export prices (2000 = 100)	May	138.8	2.2	6.0	11.9	17.4
Import prices (2000 = 100)	May	132.5	1.1	3.5	7.4	11.3

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 Q1	2,077,771	5.6	0.3	-5.3	1.9	2.4
Household consumption (2012 \$M)	2021 Q1	1,148,288	2.7	-1.9	-6.0	1.6	2.5
Government consumption (2012 \$M)	2021 Q1	440,315	6.2	3.7	-0.3	2.0	2.9
Residential investment (2012 \$M)	2021 Q1	178,493	43.3	26.5	4.1	-0.2	-1.7
Non-residential investment (2012 \$M)	2021 Q1	156,424	-2.7	-13.5	-13.6	1.1	3.1
Business inventory change (2012 \$M) ¹	2021 Q1	-8,463	---	---	-15,937	18,766	15,486
Exports (2012 \$M)	2021 Q1	631,947	6.0	-3.0	-10.0	1.3	3.7
Imports (2012 \$M)	2021 Q1	634,951	4.3	-2.8	-11.2	0.4	3.4
Final domestic demand (2012 \$M)	2021 Q1	2,083,799	6.4	0.9	-4.3	1.4	2.5
GDP deflator (2012 = 100)	2021 Q1	116.2	12.2	6.0	0.7	1.7	1.8
Labour productivity (2012 = 100)	2021 Q1	110.0	-6.7	-2.1	8.1	1.0	0.6
Unit labour cost (2012 = 100)	2021 Q1	114.0	0.4	2.0	3.1	2.9	3.1
Current account balance (\$M) ¹	2021 Q1	1,184	---	---	-40,087	-47,384	-52,224
Production capacity utilization rate (%) ¹	2021 Q1	81.7	---	---	77.6	82.6	83.7
Disposable personal income (\$M)	2021 Q1	1,435,000	9.5	9.1	10.4	3.8	3.1
Corporate net operating surplus (\$M)	2021 Q1	376,556	95.6	45.1	-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)	March	1,979,920	1.1	2.1	3.7	6.6
Industrial production (2012 \$M)	March	384,675	0.7	0.6	3.3	2.0
Manufacturing sales (\$M)	April	57,095	-2.1	0.9	5.8	57.1
Housing starts (k) ¹	May	275.9	267.4	270.8	262.0	195.1
Building permits (\$M)	April	11,107	-0.5	10.9	27.2	76.1
Retail sales (\$M)	April*	54,767	-5.7	4.1	0.1	56.7
<i>Excluding automobiles (\$M)</i>	April*	40,101	-7.2	3.1	-0.2	33.8
Wholesale trade sales (\$M)	April	71,520	0.4	2.7	7.0	45.9
Commercial surplus (\$M) ¹	April	593.9	-1,347	1,224	-4,114	-5,447
<i>Exports (\$M)</i>	April	50,207	-1.0	-2.4	8.1	58.8
<i>Imports (\$M)</i>	April	49,613	-4.7	-1.2	-1.9	33.8
Employment (k) ²	May	18,559	-68.0	9.3	3.6	176.3
Unemployment rate (%) ¹	May	8.2	8.1	8.2	8.6	13.7
Average weekly earnings (\$)	April*	1,129	0.7	-0.3	2.3	1.1
Number of salaried employees (k) ²	April*	16,321	166.9	160.0	53.5	172.4
Consumer price (2002 = 100)	May	141.0	0.5	1.5	2.4	3.6
<i>Excluding food and energy</i>	May	134.6	0.3	1.1	1.4	2.4
<i>Excluding 8 volatile items</i>	May	138.8	0.4	1.2	1.6	2.8
Industrial product price (2010 = 100)	April	110.9	1.6	6.3	9.9	14.3
Raw materials price (2010 = 100)	April	116.5	1.0	10.1	21.0	56.4
Money supply M1+ (\$M)	April*	1,499,998	2.5	6.2	9.1	24.3

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		
	June 25	June 18	-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	0.05	0.05	0.01	0.02	0.09	0.14	0.16	0.07	0.01
Treasury bonds – 2 years	0.26	0.25	0.14	0.14	0.13	0.17	0.26	0.15	0.11
– 5 years	0.93	0.89	0.78	0.83	0.37	0.29	0.93	0.51	0.19
– 10 years	1.53	1.45	1.59	1.66	0.93	0.64	1.75	1.09	0.51
– 30 years	2.16	2.03	2.29	2.37	1.67	1.37	2.48	1.82	1.19
S&P 500 index (level)	4,277	4,166	4,204	3,975	3,703	3,009	4,277	3,716	3,053
DJIA index (level)	34,397	33,290	34,529	33,073	30,200	25,016	34,778	30,408	25,596
Gold price (US\$/ounce)	1,781	1,776	1,895	1,733	1,878	1,761	2,053	1,851	1,682
CRB index (level)	209.65	205.86	205.70	187.73	165.55	134.41	212.25	170.97	137.04
WTI oil (US\$/barrel)	73.70	71.64	66.32	58.51	48.00	38.49	73.70	51.42	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	0.14	0.13	0.11	0.09	0.09	0.20	0.21	0.11	0.05
Treasury bonds – 2 years	0.43	0.45	0.32	0.23	0.22	0.29	0.45	0.26	0.15
– 5 years	0.98	0.97	0.92	0.93	0.43	0.36	1.03	0.58	0.30
– 10 years	1.44	1.37	1.49	1.49	0.72	0.51	1.61	0.95	0.43
– 30 years	1.88	1.81	2.06	1.95	1.26	0.99	2.19	1.48	0.89
<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	0.09	0.08	0.10	0.07	0.00	0.06	0.11	0.04	-0.04
Treasury bonds – 2 years	0.17	0.20	0.18	0.09	0.09	0.12	0.20	0.11	0.01
– 5 years	0.06	0.08	0.14	0.10	0.06	0.07	0.21	0.07	-0.04
– 10 years	-0.09	-0.08	-0.10	-0.17	-0.21	-0.13	-0.04	-0.14	-0.30
– 30 years	-0.28	-0.22	-0.23	-0.42	-0.41	-0.38	-0.17	-0.34	-0.46
S&P/TSX index (level)	20,167	20,000	19,852	18,753	17,624	15,189	20,231	17,671	15,390
Exchange rate (C\$/US\$)	1.2282	1.2464	1.2071	1.2578	1.2870	1.3690	1.3659	1.2838	1.2034
Exchange rate (C\$/€)	1.4676	1.4785	1.4715	1.4840	1.5709	1.5359	1.5903	1.5301	1.4646
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\$/€)	1.1948	1.1862	1.2191	1.1798	1.2206	1.1219	1.2327	1.1925	1.1233
<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	0.78	0.79	0.84	0.79	0.28	0.13	0.93	0.45	0.04
FTSE index (level)	7,133	7,017	7,023	6,741	6,502	6,159	7,185	6,471	5,577
Exchange rate (US\$/£)	1.3915	1.3811	1.4189	1.3789	1.3550	1.2335	1.4212	1.3461	1.2299
<u>Germany</u>									
Bonds – 10 years	-0.15	-0.25	-0.18	-0.39	-0.54	-0.51	-0.11	-0.44	-0.64
DAX index (level)	15,586	15,448	15,520	14,749	13,587	12,089	15,730	13,801	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)	29,066	28,964	29,149	29,177	26,657	22,512	30,468	26,430	21,710
Exchange rate (US\$/¥)	110.78	110.20	109.83	109.66	103.50	107.23	110.96	106.47	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.