

WEEKLY NEWSLETTER

Inflation Also Continues to Rise in Canada

MUSINGS OF THE WEEK

- ▶ How reliable is GDP to measure the impact of the British Columbia floods?

KEY STATISTICS OF THE WEEK

- ▶ United States: Sales and industrial production saw strong increases in October.
- ▶ U.S. housing starts fell last month.
- ▶ Canada: The total annual inflation rate climbed to 4.7% in October.
- ▶ Canada: Housing starts are still declining, but sales of existing properties are holding steady.
- ▶ Canada: September saw a drop in manufacturing and retail sales.

A LOOK AHEAD

- ▶ United States: New home sales are expected to increase further, but resales appear to have slowed.
- ▶ Americans' monthly consumption growth has likely been inflated by rising prices.

FINANCIAL MARKETS

- ▶ Another tough week for stock markets.
- ▶ Bond yields down on new lockdown announcements.
- ▶ The euro takes a drubbing amid fears of an economic slowdown with COVID-19 cases rebounding in Europe.

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Musings of the Week

How Reliable Is GDP to Measure the Impact of the British Columbia Floods?

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

Another climate disaster hit Canada this week, and our hearts naturally go out to all the individuals and communities affected by the flooding in British Columbia. The irony of such a tragedy coming right on the heels of COP26 isn't lost on anyone. If nothing else, it illustrates just how much we need to invest to reduce both our energy transition and physical risks. In the meantime, however, the focus is on the extent of the damage and the economic impact. As of writing, British Columbia is in a state of emergency, with entire communities evacuated and major rail, road and built infrastructure submerged or severely damaged by the landslides.

With supply chains already strained, this disaster couldn't have come at a worse time. The Port of Vancouver, Canada's busiest, was already grappling with a double-digit increase in imports and the attendant increase in rail and truck transportation. While rail companies expect to have most of their lines repaired by some time next week, the flooding came when the local logistics system was least able to handle it. And that could mean shortages of essential products for other sectors. A prime example is the agricultural sector, which not only suffered land damage but also lost many animals in the floods. The flooding's effect will also likely be felt in neighbouring Alberta. The Trans Mountain Pipeline is still down at the time of writing. Every day, the pipeline carries 300,000 barrels of energy products from Alberta to British Columbia's Lower Mainland, where some of it is shipped abroad. Then there's the economic impact of the fewer hours worked in the labour market.

Quantifying the overall economic impact when the situation is still in flux is fraught with uncertainty. But looking at previous tragedies can give us a sense. One such precedent is the Southern Alberta floods of June 2013. The Government of Alberta estimated that the floods dragged down the province's monthly GDP by a whopping 2.2%. Nationally, GDP contracted 0.4% that month. But GDP rebounded swiftly the next month with a 0.6% gain.

A rapid economic recovery following natural disasters is fairly typical. Hurricane Katrina in 2005 was one of the most devastating natural disasters to hit the United States since 1950. Yet, a study by the National Bureau of Economic Research (NBER) found it had only a "small and mostly transitory" impact on wages and employment. We can expect to see something similar in the wake of this week's British Columbia flooding.

That's because GDP is a measure of the goods and services produced at a given point in time. GDP will be affected directly by the disruption in economic activity, but not by the destruction of property, capital or infrastructure. The destruction of the stock of capital will have a domino effect, hampering production capacity while capital is being rebuilt. But the investment to rebuild productive capital is typically larger on output than the effect of temporarily reduced production.

Moreover, much of the money not spent during a disruption is spent later, a concept commonly known as pent-up demand. This phenomenon was on display when the economy emerged from COVID-19 lockdowns. Following a natural disaster, there are also expenditures on cleanup efforts and temporary accommodation in neighbouring areas.

This means looking at natural disasters strictly through the lens of GDP is misleading. We discussed this, and other shortcomings of GDP, in an [Economic Viewpoint](#). By design, GDP tends to see natural disasters as net-positive events, which is absurd. For instance, GDP largely ignores the opportunity cost of spending on rebuilding. And GDP doesn't capture the impact on the physical and mental health of individuals and communities or the memories they've lost for good. So, let's set aside GDP for a moment and focus on what we need to do to protect our nation and our economy from future climate disasters.

Key Statistics of the Week

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

UNITED STATES

- ▶ Retail sales were up 1.7% in October, after gaining 0.8% in September and 1.2% in August. Motor vehicle sales grew 1.8%, a second consecutive increase. Gasoline station sale values jumped 3.9% under the influence of gas prices. Excluding cars and gas, sales rose 1.4%, after going up 0.5% in September.
- ▶ Industrial production increased 1.6% in October, following September's 1.3% decline. Manufacturing output rose by 1.2%, as did energy production. Manufacturing was notably helped by an 11.0% rebound in the automotive sector. The mining sector jumped 4.1%.
- ▶ The first regional manufacturing indexes released for November posted strong growth. The Federal Reserve Bank of New York's Empire index rose from 19.8 to 30.9. It also showed a decrease in the pressure caused by delivery delays and backlogs of orders. The Federal Reserve Bank of Philadelphia's manufacturing index went from 23.8 to 39.0.
- ▶ Housing starts declined 0.7% in October. That is the first time they have dropped for two months in a row since January and February. Annualized housing starts dropped from 1,573,000 units in August to 1,530,000 in September, then to 1,520,000 in October. The decrease was on the single-family homes side (-3.9%), whereas new multi-unit housing increased 6.8%. The number of building permits rose, however, from 1,586,000 units in September to 1,650,000 in October. October saw 1,451,000 units under construction, the highest number since February 1974.
- ▶ The Conference Board's leading indicator rose 0.9% in October after a 0.1% gain in September. Eight of the ten components made a positive contribution to the index's monthly variation, with the prize going to unemployment claims which added 0.6 percentage points to October's 0.9% increase.

CANADA

- ▶ The consumer price index rose 0.7% in October. Total annual inflation climbed from 4.4% to 4.7%. The much-anticipated plateau in Canadian inflation didn't materialize in October, as total annual inflation continued to climb. Gasoline prices rose again, and natural gas prices shot up on global disruptions. Monthly price growth was also exacerbated by larger than expected seasonal effects. That said, inflation remains broad based.
- ▶ The downtrend in housing starts continued in October with 236,554 units compared to 251,151 the previous month. That said, the level is still relatively high, historically speaking. The monthly pullback was particularly strong in Ontario, Manitoba and Saskatchewan.
- ▶ After reaching an all-time high in March, the housing market has slowed significantly since the spring as some normalization was observed. However, the downtrend in the housing market has been less obvious in recent months. After stabilizing in August, the number of existing home sales rebounded in September (+1.5%) and October (+8.6%). The housing market is therefore showing surprising resilience.
- ▶ The value of retail sales dropped 0.6% in September, a much smaller pullback than the 1.9% drop indicated by preliminary data. However, most of the decline in retail sales was concentrated in Ontario, which fell 4.4% in September. In contrast, retail sales were up in all the other provinces. Excluding Ontario, retail sales in the rest of the country rose 1.7% during the month.
- ▶ As expected, manufacturers lost a lot of ground in September, with a 3.0% decline in sales. Motor vehicle products plunged -24.7% for the month as supply problems persisted.
- ▶ Wholesale sales rose 1.0% in September after an 0.7% gain in August. A significant increase was noted among machine, equipment and supply wholesalers.

Financial Markets

Markets Nervous about New Health Measures in Europe

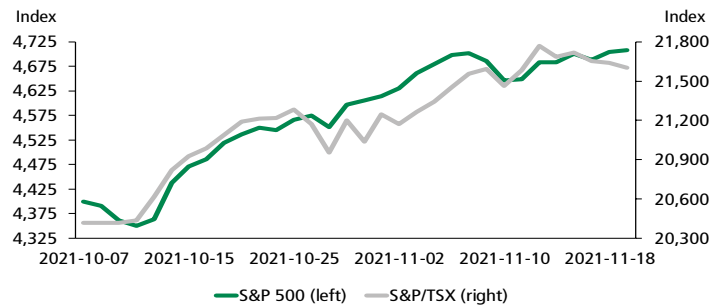
By Hendrix Vachon, Senior Economist, and Lorenzo Tessier-Moreau, Senior Economist

North American stock markets appeared adrift in a rather quiet week on the economic data front. Despite a better-than-expected earnings season, investors are now more focussed on things to come. The choice of the next Federal Reserve Chair, to be announced in the next few days, has markets slightly on edge, particularly amid surging inflation. On Friday morning, the focus was on the new confinement measures unveiled in Europe. Overall, technology stocks of the NASDAQ index fared somewhat better, up about 1% for the week. Indexes with exposure to more traditional sectors, including the Canadian S&P/TSX and the Dow Jones, were poised to notch weekly declines of just over 1% at the time of writing, while the S&P 500 was flat from last Friday. The price of a barrel of WTI (West Texas Intermediate) crude was headed for a decline of nearly 5% on downbeat news from Europe, but also on news from China, which announced it may tap into its strategic oil reserves.

The U.S. bond market remained fairly quiet until Friday, when jitters in Europe saw rates tumble a few points across most maturities. Canadian bond yields climbed higher on Wednesday's inflation figures, only to give up ground the next day, and in the wake of negative news out of Europe Friday.

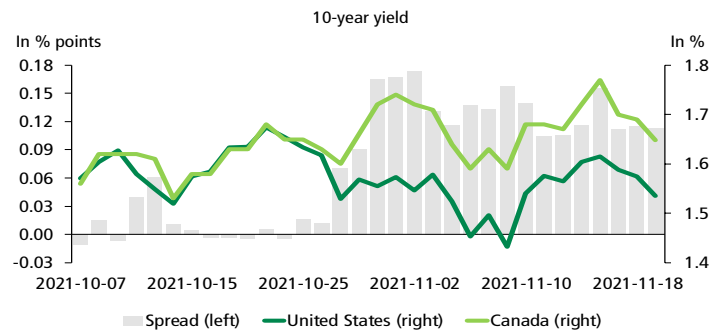
The U.S. dollar continues to be bolstered by expectations of monetary tightening south of the border, as well as anxiety in Europe. The new health measures to combat the pandemic could trigger an economic slowdown in the fourth quarter. The euro slipped below US\$1.13 in Friday morning trading, with the pound sterling proving more resilient. Despite being down on Friday as well, the pound rose earlier in the week on expectations a Bank of England rate hike may soon be announced. The Canadian dollar is being punished by the drop in oil prices, momentarily dipping below US\$0.79 on Friday morning.

GRAPH 1
Stock markets



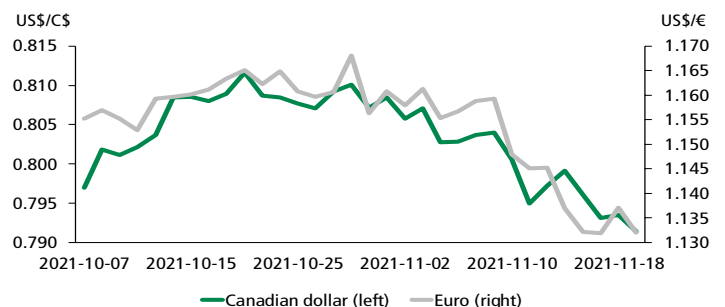
Sources: Datastream and Desjardins, Economic Studies

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

MONDAY November 22 - 10:00

October	ann. rate
Consensus	6,200,000
Desjardins	6,180,000
September	6,290,000

WEDNESDAY November 24 - 8:30

October	m/m
Consensus	0.2%
Desjardins	0.1%
September	-0.3%

WEDNESDAY November 24 - 10:00

October	m/m
Consensus	1.0%
Desjardins	0.9%
September	0.6%

WEDNESDAY November 24 - 10:00

October	ann. rate
Consensus	798,000
Desjardins	825,000
September	800,000

TUESDAY November 23 - 4:00

November	
Consensus	53.0
October	54.2

UNITED STATES

Sales of existing homes (October) – Home resales spiked 7.0% in September, following a 2.0% decrease in August. A decline is expected for October, however, as signalled by the 2.3% drop in pending sales the previous month. A decrease, albeit a small one compared to the increases seen over the previous two months, has also been observed in mortgage applications in anticipation of a purchase. Lastly, regional data also signal a pullback in resales compared to September. All in all, we expect existing home sales to settle at 6,180,000 units.

New durable goods orders (October) – New durable goods orders fell 0.3% in September as a result of declines in the transportation sector. A decent rebound in motor vehicles should nonetheless be noted in October, as production bounced back 11.0% in this sector. However, another drop in aviation-related orders is expected. Excluding transportation, a 0.4% gain is anticipated. New total orders should edge up 0.1%.

Consumption expenditure (August) – After a 0.6% gain in August, real consumption rose further in September, this time 0.3%. For October, the rebound in the number of new motor vehicles sold should support monthly growth in real consumption. However, although they posted strong growth in October, retail sales seem to have been boosted by rising prices. Their contribution to real consumption should therefore be fairly small, with an expected uptick of just 0.2%. The consumption expenditure deflator should post a sharp increase of 0.7%, which should bring its annual variation to 5.0%. This would be the highest level since November 1990. The increase in personal income will again be restricted by the reduction in unemployment insurance benefits.


New home sales (October) – Sales of new homes saw their biggest monthly increase in September since July 2020. The 14.0% gain drove up annualized sales to 800,000 units, the highest they have been since March. Another gain is expected for October. In particular, 2.7% growth has been noted in building permits for single-family homes in the past month. Homebuilder confidence is also up, particularly in its component related to sales of single-family homes. Sales should therefore reach 825,000 units.


OVERSEAS

Euro zone: PMI indexes (November – preliminary) – The PMI composite index in the euro zone has been declining steadily from its cyclical peak of 60.2 recorded in July. The index fell to 54.2 in October, its lowest level since April. The most recent pullback came primarily from the services sector. It now remains to be seen whether the resurgence in cases of COVID-19 in some European countries will pull euroland's PMI indexes down further.

Economic Indicators

Week of November 22 to 26, 2021

Day	Hour	Indicator	Period	Consensus		Previous data
UNITED STATES						
MONDAY 22	10:00	Existing home sales (ann. rate)	Oct.	6,200,000	6,180,000	6,290,000
TUESDAY 23	---	---				
WEDNESDAY 24	8:30	Initial unemployment claims	Nov. 15-19	260,000	265,000	268,000
	8:30	Real GDP (ann. rate)	Q3s	2.2%	2.0%	2.0%
	8:30	Durable goods orders (m/m)	Oct.	0.2%	0.1%	-0.3%
	8:30	Goods trade balance – preliminary (US\$B)	Oct.	-94.8	-92.7	-96.3
	8:30	Retail inventories (m/m)	Oct.	n/a	n/a	-0.2%
	8:30	Wholesale inventories – preliminary (m/m)	Oct.	1.1%	n/a	1.4%
	10:00	Michigan's consumer sentiment index – final	Nov.	66.8	66.8	66.8
	10:00	Personal income (m/m)	Oct.	0.2%	0.1%	-1.0%
	10:00	Personal consumption expenditures (m/m)	Oct.	1.0%	0.9%	0.6%
	10:00	Personal consumption expenditures deflator				
		Total (m/m)	Oct.	0.7%	0.7%	0.3%
		Excluding food and energy (m/m)	Oct.	0.4%	0.4%	0.2%
		Total (y/y)	Oct.	5.1%	5.0%	4.4%
		Excluding food and energy (y/y)	Oct.	4.1%	4.1%	3.6%
	10:00	New home sales (ann. rate)	Oct.	798,000	825,000	800,000
	14:00	Minutes of the Federal Reserve meeting				
THURSDAY 25	---	Markets closed (Thanksgiving Day)				
FRIDAY 26	---	---				
CANADA						
MONDAY 22	---	---				
TUESDAY 23	13:00	Speech of a Bank of Canada Deputy Governor, P. Beaudry				
WEDNESDAY 24	---	---				
THURSDAY 25	8:30	Average weekly earnings (y/y)	Sept.	n/a	3.2%	2.6%
	8:30	Number of salaried employees (m/m)	Sept.	n/a	0.7%	0.4%
	16:00	Government of Quebec's 2021 Economic and Fiscal Update				
FRIDAY 26	---	---				

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 Eastern Standard Time (GMT - 5 hours).  Forecast of Desjardins, Economic Studies of the Desjardins Group.

Economic Indicators

Week of November 22 to 26, 2021

Country	Hour	Indicator	Period	Consensus		Previous data		
				m/m (q/q)	y/y	m/m (q/q)	y/y	
OVERSEAS								
MONDAY 22								
Euro zone	10:00	Consumer confidence – preliminary	Nov.	-5.5		-4.8		
Japan	19:30	PMI composite index – preliminary	Nov.	n/a		50.7		
Japan	19:30	PMI manufacturing index – preliminary	Nov.	n/a		53.2		
Japan	19:30	PMI services index – preliminary	Nov.	n/a		50.7		
TUESDAY 23								
France	3:15	PMI composite index – preliminary	Nov.	53.6		54.7		
France	3:15	PMI manufacturing index – preliminary	Nov.	53.0		53.6		
France	3:15	PMI services index – preliminary	Nov.	55.3		56.6		
Germany	3:30	PMI composite index – preliminary	Nov.	51.0		52.0		
Germany	3:30	PMI manufacturing index – preliminary	Nov.	56.8		57.8		
Germany	3:30	PMI services index – preliminary	Nov.	51.6		52.4		
Euro zone	4:00	PMI composite index – preliminary	Nov.	53.0		54.2		
Euro zone	4:00	PMI manufacturing index – preliminary	Nov.	57.2		58.3		
Euro zone	4:00	PMI services index – preliminary	Nov.	53.5		54.6		
United Kingdom	4:30	PMI composite index – preliminary	Nov.	57.5		57.8		
United Kingdom	4:30	PMI manufacturing index – preliminary	Nov.	57.4		57.8		
United Kingdom	4:30	PMI services index – preliminary	Nov.	58.5		59.1		
New Zealand	20:00	Reserve Bank of New Zealand meeting	Nov.	0.75%		0.50%		
WEDNESDAY 24								
South Korea	---	Bank of Korea meeting	Nov.	1.00%		0.75%		
France	2:45	Business confidence	Nov.	112		113		
France	2:45	Production outlook	Nov.	18		21		
Germany	4:00	Ifo survey – Business climate	Nov.	96.7		97.7		
Germany	4:00	Ifo survey – Current situation	Nov.	99.0		100.1		
Germany	4:00	Ifo survey – Expectations	Nov.	94.4		95.4		
THURSDAY 25								
Japan	0:00	Leading indicator – final	Sept.	n/a		99.7		
Japan	0:00	Coincident indicator – final	Sept.	n/a		87.5		
Germany	2:00	Consumer confidence	Dec.	-1.0		0.9		
Germany	2:00	Real GDP – final	Q3	1.8%	2.5%	1.8%	2.5%	
Sweden	3:30	Bank of Sweden meeting	Nov.	0.00%		0.00%		
Japan	18:30	Consumer price index – Tokyo	Nov.		0.4%		0.1%	
FRIDAY 26								
France	2:45	Consumer confidence	Nov.	98		99		
Euro zone	4:00	Money supply M3	Oct.		7.4%		7.4%	
Italy	4:00	Consumer confidence	Nov.	117.0		118.4		
Italy	4:00	Economic confidence	Nov.	n/a		115.0		

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 Eastern Standard Time (GMT - 5 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 Q3	19,465	2.0	4.9	-3.4	2.3	2.9
Consumption (2012 \$B)	2021 Q3	13,719	1.6	7.0	-3.8	2.2	2.9
Government spending (2012 \$B)	2021 Q3	3,380	0.8	0.6	2.5	2.2	1.4
Residential investment (2012 \$B)	2021 Q3	694.2	-7.7	5.5	6.8	-0.9	-0.6
Non-residential investment (2012 \$B)	2021 Q3	2,886	1.8	9.0	-5.3	4.3	6.4
Business inventory change (2012 \$B) ¹	2021 Q3	-77.7	---	---	-42.3	75.1	65.7
Exports (2012 \$B)	2021 Q3	2,289	-2.5	5.7	-13.6	-0.1	2.8
Imports (2012 \$B)	2021 Q3	3,601	6.0	13.0	-8.9	1.2	4.1
Final domestic demand (2012 \$B)	2021 Q3	20,678	1.0	6.0	-2.5	2.4	3.0
GDP deflator (2012 = 100)	2021 Q3	119.2	5.7	4.6	1.3	1.8	2.4
Labor productivity (2012 = 100)	2021 Q3	111.3	-5.0	-0.5	2.4	2.0	1.5
Unit labor cost (2012 = 100)	2021 Q3	120.9	8.3	4.8	4.5	1.8	1.9
Employment cost index (Dec. 2005 = 100)	2021 Q3	146.6	5.4	3.7	2.6	2.8	2.8
Current account balance (\$B) ¹	2021 Q2	-190.3	---	---	-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)	Oct.*	118.3	0.9	1.6	4.6	9.3
ISM manufacturing index ¹	Oct.	60.8	61.1	59.5	60.7	58.8
ISM non-manufacturing index ¹	Oct.	66.7	61.9	64.1	62.7	56.2
Cons. confidence Conference Board (1985 = 100) ¹	Oct.	113.8	109.8	125.1	117.5	101.4
Personal consumption expenditure (2012 \$B)	Sept.	13,773	0.3	0.6	1.1	6.2
Disposable personal income (2012 \$B)	Sept.	15,335	-1.6	-1.2	-19.8	-2.0
Consumer credit (\$B)	Sept.	4,367	0.7	1.4	3.4	4.9
Retail sales (\$M)	Oct.*	638,189	1.7	3.7	1.5	16.3
Excluding automobiles (\$M)	Oct.*	511,603	1.7	4.6	5.0	17.6
Industrial production (2012 = 100)	Oct.*	101.6	1.6	0.3	2.4	5.1
Production capacity utilization rate (%) ¹	Oct.*	76.4	75.2	76.2	74.8	72.9
New machinery orders (\$M)	Sept.	515,892	0.2	1.9	5.7	14.9
New durable good orders (\$M)	Sept.	261,433	-0.3	1.5	4.8	15.3
Business inventories (\$B)	Sept.*	2,102	0.7	2.1	3.7	7.5
Housing starts (k) ¹	Oct.*	1,520	1,530	1,562	1,514	1,514
Building permits (k) ¹	Oct.*	1,650	1,586	1,630	1,733	1,595
New home sales (k) ¹	Sept.	800.0	702.0	683.0	873.0	971.0
Existing home sales (k) ¹	Sept.	6,290	5,880	5,870	6,010	6,440
Commercial surplus (\$M) ¹	Sept.	-80,934	-72,813	-73,230	-72,222	-62,625
Nonfarm employment (k) ²	Oct.	148,319	531.0	1,326	3,993	5,774
Unemployment rate (%) ¹	Oct.	4.6	4.8	5.4	6.1	6.9
Consumer price (1982-1984 = 100)	Oct.	276.7	0.9	1.6	3.7	6.2
Excluding food and energy	Oct.	281.7	0.6	0.9	2.9	4.6
Personal cons. expenditure deflator (2012 = 100)	Sept.	116.6	0.3	1.1	2.7	4.4
Excluding food and energy	Sept.	118.3	0.2	0.8	2.5	3.6
Producer price (2009 = 100)	Oct.	129.7	0.6	1.9	4.4	8.6
Export prices (2000 = 100)	Oct.*	145.2	1.5	2.2	6.8	18.0
Import prices (2000 = 100)	Oct.*	136.5	1.2	1.4	4.1	10.7

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	---	---	77.4	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)	Aug.	1,972,761	0.4	1.0	0.9	4.1
Industrial production (2012 \$M)	Aug.	387,430	0.5	1.6	1.2	5.5
Manufacturing sales (\$M)	Sept.*	58,460	-3.0	-3.1	-1.5	8.4
Housing starts (k) ¹	Oct.*	236.6	249.9	273.5	274.9	227.3
Building permits (\$M)	Sept.	10,140	4.3	-1.5	-8.6	4.9
Retail sales (\$M)	Sept.*	56,643	-0.6	0.9	-2.6	4.8
<i>Excluding automobiles (\$M)</i>	Sept.*	42,032	-0.2	1.7	-2.9	6.0
Wholesale trade sales (\$M)	Sept.*	71,339	1.0	-0.1	0.1	7.7
Commercial surplus (\$M) ¹	Sept.	1,858	1,509	2,258	-1,322	-3,762
<i>Exports (\$M)</i>	Sept.	53,000	-2.3	-0.7	4.5	15.7
<i>Imports (\$M)</i>	Sept.	51,142	-3.0	0.0	-1.7	3.1
Employment (k) ²	Oct.	19,162	31.2	92.8	89.2	56.6
Unemployment rate (%) ¹	Oct.	6.7	6.9	7.5	8.1	9.0
Average weekly earnings (\$)	Aug.	1,138	0.7	0.2	0.3	2.6
Number of salaried employees (k) ²	Aug.	16,679	59.7	207.4	130.2	101.8
Consumer price (2002 = 100)	Oct.*	143.9	0.7	1.1	2.6	4.7
<i>Excluding food and energy</i>	Oct.*	136.8	0.4	0.9	1.9	3.2
<i>Excluding 8 volatile items</i>	Oct.*	141.5	0.6	1.1	2.4	3.8
Industrial product price (2010 = 100)	Sept.	115.8	1.0	0.6	6.0	14.9
Raw materials price (2010 = 100)	Sept.	126.8	2.5	1.6	10.1	31.9
Money supply M1+ (\$M)	Sept.*	1,580,057	0.0	2.3	7.9	16.7

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		
	Nov. 19	Nov. 12	-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	0.05	0.01	0.07	0.11	0.05	0.01
Treasury bonds – 2 years	0.48	0.49	0.46	0.22	0.16	0.17	0.51	0.20	0.11
– 5 years	1.19	1.23	1.21	0.79	0.83	0.38	1.27	0.75	0.34
– 10 years	1.54	1.57	1.65	1.24	1.63	0.82	1.75	1.37	0.83
– 30 years	1.92	1.96	2.09	1.86	2.35	1.54	2.48	2.03	1.57
S&P 500 index (level)	4,708	4,683	4,545	4,442	4,156	3,558	4,708	4,160	3,578
DJIA index (level)	35,713	36,100	35,677	35,120	34,208	29,263	36,432	33,420	29,591
Gold price (US\$/ounce)	1,858	1,862	1,806	1,783	1,875	1,874	1,947	1,806	1,682
CRB index (level)	236.36	237.09	237.68	206.96	200.87	156.16	241.18	201.59	157.33
WTI oil (US\$/barrel)	76.37	80.79	84.66	63.50	62.06	41.97	84.66	65.12	42.88
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	0.12	0.12	0.12	0.18	0.09	0.11	0.19	0.12	0.05
Treasury bonds – 2 years	0.94	0.98	0.87	0.44	0.33	0.27	1.08	0.39	0.15
– 5 years	1.43	1.45	1.34	0.81	0.93	0.42	1.56	0.85	0.39
– 10 years	1.65	1.67	1.65	1.14	1.54	0.66	1.77	1.27	0.67
– 30 years	2.01	2.03	2.05	1.72	2.15	1.17	2.19	1.79	1.17
<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	0.08	0.07	0.06	0.13	0.08	0.04	0.13	0.07	-0.04
Treasury bonds – 2 years	0.47	0.49	0.41	0.22	0.17	0.10	0.62	0.19	0.01
– 5 years	0.25	0.22	0.13	0.02	0.10	0.05	0.33	0.09	-0.04
– 10 years	0.11	0.10	0.00	-0.10	-0.09	-0.16	0.17	-0.10	-0.30
– 30 years	0.09	0.07	-0.04	-0.14	-0.20	-0.37	0.13	-0.24	-0.46
S&P/TSX index (level)	21,604	21,769	21,216	20,339	19,527	17,019	21,769	19,429	17,095
Exchange rate (C\$/US\$)	1.2636	1.2544	1.2369	1.2823	1.2068	1.3098	1.3079	1.2544	1.2034
Exchange rate (C\$/€)	1.4304	1.4365	1.4409	1.4999	1.4700	1.5528	1.5741	1.4954	1.4221
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\$/€)	1.1320	1.1452	1.1649	1.1697	1.2181	1.1855	1.2327	1.1922	1.1320
<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	0.88	0.91	1.15	0.62	0.86	0.33	1.20	0.70	0.19
FTSE index (level)	7,221	7,348	7,205	7,088	7,018	6,351	7,384	6,914	6,266
Exchange rate (US\$/£)	1.3464	1.3415	1.3753	1.3623	1.4150	1.3284	1.4212	1.3771	1.3225
<u>Germany</u>									
Bonds – 10 years	-0.34	-0.25	-0.09	-0.54	-0.13	-0.58	-0.09	-0.36	-0.64
DAX index (level)	16,157	16,094	15,543	15,808	15,438	13,137	16,251	14,962	13,114
<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)	29,746	29,610	28,805	27,013	28,318	25,527	30,670	28,622	25,527
Exchange rate (US\$/¥)	113.89	113.87	113.48	109.82	108.96	103.86	114.83	108.71	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.