

WEEKLY NEWSLETTER

Inflation Increasingly Worrisome in the United States

HIGHLIGHTS

- ▶ United States: Consumer prices surge in April.
- ▶ United States: Retail sales remain high.
- ▶ The increase in U.S. industrial output remains modest.
- ▶ The University of Michigan confidence index is signalling a darker mood among U.S. households.
- ▶ Canada: Manufacturing sales rebounded in March.
- ▶ Canada: Wholesale sales beat expectations in March.

A LOOK AHEAD

- ▶ United States: A slight increase in housing starts is expected.
- ▶ After two months of pullbacks, home resales should pick up speed in the United States.
- ▶ Canada: Housing starts may pull back slightly in April after smashing a historic record in March.
- ▶ Canada: The total annual inflation rate is expected to exceed the upper target (3%).
- ▶ Canada: Retail sales should be up again in March.

FINANCIAL MARKETS

- ▶ The stock markets lost ground, particularly the NASDAQ.
- ▶ Inflation drove bond yields higher.
- ▶ The U.S. dollar momentarily picked up steam.

CONTENTS

Key Statistics of the Week 2	A Look Ahead 4	Tables
<i>United States, Canada</i>	<i>United States, Canada, Overseas</i>	<i>Economic indicators</i> 8
Financial Markets..... 3	Economic Indicators of the Week 6	<i>Major financial indicators</i> 10

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Key Statistics of the Week

UNITED STATES

- ▶ The U.S. consumer price index (CPI) was up 0.8% in April, after a 0.6% increase in March. This is the biggest jump since June 2009. Energy prices declined 0.1%, with gasoline and fuel oil prices down 1.4% and 3.2% respectively, while electricity was up 1.2%. Food prices edged up 0.4% in April. Excluding food and energy, core CPI increased 0.9% in April, after rising 0.3% in March. This marks the strongest monthly growth since September 1981. The annual variation in total CPI went from 2.6% in March to 4.2% in April, a level last seen in September 2008. Inflation, excluding food and energy, almost doubled, climbing from 1.6% to 3.0%, its highest point since January 1996.
- ▶ Retail sales stagnated in April after soaring 10.7% in March. Motor vehicle sales climbed 2.9%, but service station sales slumped 1.1%. Excluding motor vehicles and gasoline, sales declined 0.8% after surging 8.9% in March. The following businesses saw the biggest drops: clothing boutiques (-5.1%), general merchandise (-4.9%) and recreational goods stores (-3.6%). In contrast, food services were up 3.0%.
- ▶ Industrial output fell 0.7% in April after gaining 2.4% (revised from 1.4%) in March. Manufacturing production advanced a mere 0.4% and the auto sector shrunk 4.3%. The mining sector edged up 0.7%, while energy output advanced 2.6%.
- ▶ The University of Michigan consumer confidence index fell from 88.3 in April to 82.8 in May. However, 1-year and 5-year inflation expectations increased significantly.
- ▶ Initial jobless claims dropped again last week, sliding from 507,000 to 473,000.

CANADA

- ▶ Manufacturing sales climbed 3.5% in March, which corresponds to Statistics Canada's preliminary estimate. Sales advanced in 17 of the 21 main industries. In real terms, sales posted a 2.3% gain. Meanwhile, inventories fell 1.1%, which will significantly offset the positive impact of the sales hike on March's economic growth.
- ▶ Wholesale sales gained 2.8% in March, which is much higher than Statistics Canada's preliminary estimate (+0.9%). Much of the increase recorded in March is due to the increase in construction materials and supplies (+11.3%). In real terms, sales grew 1.9%, while inventories remained virtually the same.

Financial Markets

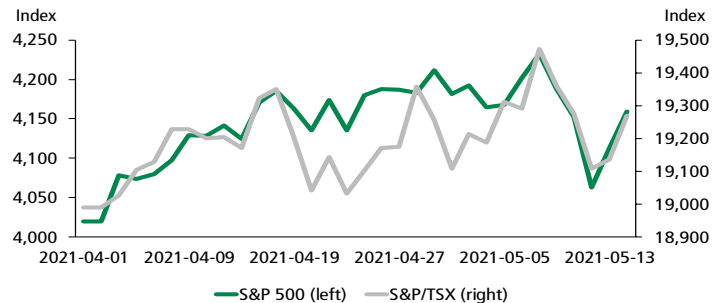
A Jump in Inflation in the United States Makes Investors Nervous

The week got off to a tough start for the North American and global stock markets, with resurfacing risk aversion hitting the technology sector particularly hard. The market downturn worsened on Wednesday following the release of U.S. inflation figures for April. The impressive jump in prices added grist to the mill for investors that perceive a risk of surging inflation. If, contrary to the expectations of Federal Reserve (Fed) Board, this trend were to linger, more immediate action would be needed, which could hurt the stock and bond markets. Despite rebounds on Thursday and Friday morning, the North American stock markets remained in negative territory over the week. The NASDAQ lost more than 3%, the S&P 500 fell about 2%, and the S&P/TSX and the Dow Jones each dropped just over 1%. The Colonial Pipeline outage in the United States due to a cyber attack didn't disrupt oil prices significantly. A barrel of WTI (West Texas Intermediate) oil was at about US\$65 on Friday morning, fairly stable compared to the week before.

Unsurprisingly, bond yields shot up after the release of U.S. inflation figures. Although the trend reversed itself on Thursday and Friday, 5-year and over yields gained more than 5 basis points over the week. On Friday morning, 10-year federal bond yields stood at 1.66% in the United States and at 1.57% in Canada.

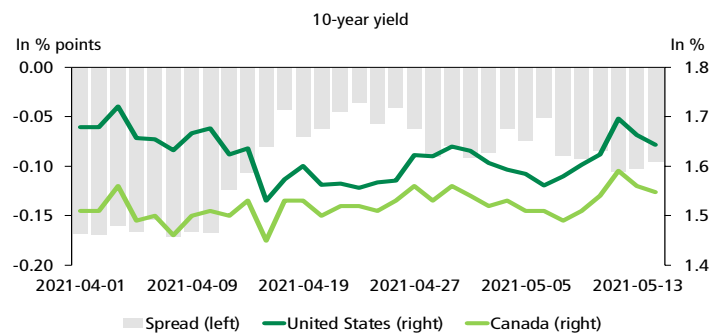
Higher-than-anticipated inflation in the United States propped up the U.S. dollar against a number of currencies. This support stemmed from two mechanisms. First, it spurred volatility on the financial markets, which usually benefits the greenback. Second, a growing number of investors anticipated a change in tone by the Fed in response to higher inflation. In the end, Fed's leaders were quick to contain the situation, and the U.S. dollar lost ground again. At the time of writing, the euro and the pound were trading at over US\$1.21 and US\$1.41, respectively. The Canadian dollar remained strong, hitting US\$0.83 by the middle of the week, then depreciating slightly.

GRAPH 1
Stock markets



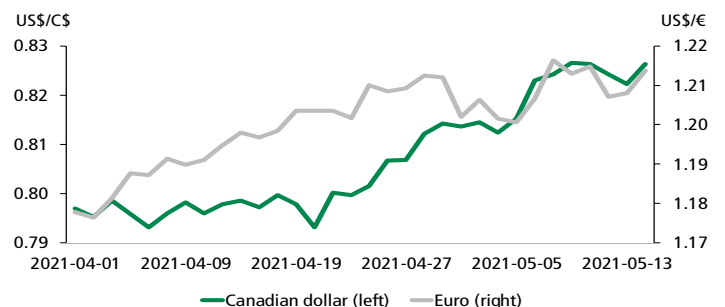
Sources: Datastream and Desjardins, Economic Studies

GRAPH 2
Bond markets



Sources: Datastream and Desjardins, Economic Studies

GRAPH 3
Currency markets



Sources: Datastream and Desjardins, Economic Studies

A Look Ahead

TUESDAY May 18 - 8:30

April	ann. rate
Consensus	1,705,000
Desjardins	1,750,000
March	1,739,000

THURSDAY May 20 - 10:00

April	m/m
Consensus	1.3%
Desjardins	1.5%
March	1.3%

FRIDAY May 21 - 10:00

April	ann. rate
Consensus	6,070,000
Desjardins	6,130,000
March	6,010,000

MONDAY May 17 - 8:15

April	ann. rate
Consensus	291,400
Desjardins	295,000
March	335,200

WEDNESDAY May 19 - 8:30

April	m/m
Consensus	0.2%
Desjardins	0.4%
March	0.5%

FRIDAY May 21 - 8:30

March	m/m
Consensus	2.3%
Desjardins	2.3%
February	4.8%

UNITED STATES

Housing starts (April) – After dropping 11.3% in February, housing starts jumped 19.4% in March to 1,739,000 units, their highest point since June 2006. Another increase, albeit a smaller one, is expected in April. The level of building permits in March, that is, 1,759,000 units, suggests some stability. The same signal is coming from the 1,300 jobs lost in residential construction in April (after a gain of 9,900 in March). That said, new home sales are still high, just like homebuilder confidence. Housing starts should reach 1,750,000 units.

Leading indicator (April) – The leading indicator rose 1.3% in March after falling 0.1% in February, its highest monthly gain since August 2020. This increase and, especially, the base effects that are now wiping out the declines from the very beginning of the pandemic brought the annual variation in the leading indicator into positive territory for the first time in a year. Another robust gain is expected for April. The main contribution will come from the decrease in jobless claims. The stock market, the manufacturing ISM index and the interest rate spread will also make notable positive contributions to the leading indicator. We expect it to increase 1.5%.

Existing home sales (April) – Home resales posted two straight monthly decreases in February and March. The 9.8% total pullback is largely due to the unfavourable weather in February, which affected the finalization of sales in March. However, we expect growth in resales in April. Pending home sales were up 1.9% the previous month, suggesting a modest upswing. Regional data are also signalling a gain. Mortgage applications in view of a purchase, however, were down for a third consecutive month in April. All in all, we expect existing home sales to settle at 6,130,000 units.

CANADA

Housing starts (April) – With 335,200 units, the number of housing starts broke an all-time record in March. The trend in housing starts has accelerated in recent months, as the supply of new properties begins to adjust to high demand. This uptrend should continue in April. That said, it would be surprising to see a new record high two months in a row. Under these conditions, the number of housing starts could retreat slightly in April, while nevertheless remaining very high.

Consumer price index (April) – According to prices at the pump, gas prices were up about 1.8% in April, which should lead to a contribution of about +0.1% to the monthly variation in the total consumer price index (CPI). Seasonal price fluctuations are usually around +0.1% in April. Taking into account the uptrend in other components, an increase of about 0.4% is expected for total CPI in April. Total annual inflation could increase from 2.2% to 3.3%. This significant increase in the annual inflation rate is again due to base effects, as gas prices will be compared to the very low levels noted at the same time last year.

Retail sales (March) – According to Statistics Canada's interim figures, the value of retail sales was up 2.3% in March. Preliminary data also show that motor vehicle sales continued to rise during the month. After seasonal adjustments, gas prices were up 3.5% in March, which should boost the value of service station sales.

OVERSEAS
MONDAY May 17 - 19:50

Q1 2021	q/q
Consensus	-1.2%
Q4 2020	2.8%

Japan: Real GDP (Q1 – preliminary) – Japan’s real GDP increased 2.8% (non-annualized) in the final quarter of 2020 due mainly to a spike in real exports, but also solid performance in consumption. The situation was likely more difficult in early 2021. Some public health restrictions were tightened in the first few months of the year, which probably hindered economic activity. The consensus is a decline in real GDP in the first quarter.

TUESDAY May 18 - 5:00

Q1 2021 – 2nd est.	q/q
Consensus	-0.6%
Q4 2020 – 1st est.	-0.6%

Euro zone: Real GDP (Q1 – preliminary estimate) – Euroland’s economy slipped back into recession this winter under the weight of the second and third waves of COVID-19. The deteriorating situation required tighter public health measures in many of the region’s countries. After dropping 0.7% (non-annualized) at the end of 2020, real GDP pulled back 0.6% in the first quarter of 2021 according to the advance estimate for national accounts. The preliminary estimate will inform us whether the drop in real GDP is the same and will provide more details on developments in real GDP by country.


FRIDAY May 21 - 4:00


May	55.1
Consensus	
April	53.8

Euro zone: PMI index (May – preliminary) – The euro zone’s composite PMI index rose to 53.8 points in April, its highest level since July 2020. The manufacturing index is still very high (62.9 in April), whereas the services index just hit 50.5, the first time it has breached the 50 mark since August. The easing of public health measures should inject renewed vigour into services and push the composite PMI index higher. Solid progress would suggest that economic activity is picking up in the middle of the second quarter.

Economic Indicators

Week of May 17 to 21, 2021

Day	Hour	Indicator	Period	Consensus		Previous data
UNITED STATES						
MONDAY 17	8:30	Empire manufacturing index	May	24.0	27.0	26.3
	10:00	NAHB housing market index	May	83	n/a	83
	10:05	Speech of a Federal Reserve Vice Chair, R. Clarida				
	10:25	Speeches of a Federal Reserve Vice Chair, R. Clarida, and of the Atlanta Fed President, R. Bostic				
	16:00	Net foreign security purchases (US\$B)	March	n/a	n/a	4.2
TUESDAY 18	8:30	Housing starts (ann. rate)	April	1,705,000	1,750,000	1,739,000
	8:30	Building permits (ann. rate)	April	1,771,000	1,750,000	1,759,000
	11:05	Speech of the Dallas Fed President, R. Kaplan				
WEDNESDAY 19	10:00	Speech of the St. Louis Fed President, J. Bullard				
	11:35	Speech of the Atlanta Fed President, R. Bostic				
	14:00	Minutes of the Federal Reserve meeting				
THURSDAY 20	8:30	Initial unemployment claims	May 10-14	450,000	460,000	473,000
	8:30	Philadelphia Fed index	May	41.9	40.0	50.2
	10:00	Leading indicator (m/m)	April	1.3%	1.5%	1.3%
FRIDAY 21	10:00	Existing home sales (ann. rate)	April	6,070,000	6,130,000	6,010,000
CANADA						
MONDAY 17	8:15	Housing starts (ann. rate)	April	291,400	295,000	335,200
	8:30	International transactions in securities (\$B)	March	n/a	3.00	8.52
	9:00	Existing home sales	April			
TUESDAY 18	---	---				
WEDNESDAY 19	8:30	Consumer price index				
		Total (m/m)	April	0.2%	0.4%	0.5%
		Excluding food and energy (m/m)	April	n/a	0.0%	0.2%
		Total (y/y)	April	3.1%	3.3%	2.2%
		Excluding food and energy (y/y)	April	n/a	1.2%	0.9%
THURSDAY 20	8:30	New housing price index (m/m)	April	n/a	1.0%	1.1%
	11:00	Release of the Bank of Canada <i>Financial System Review</i>				
FRIDAY 21	8:30	Retail sales				
		Total (m/m)	March	2.3%	2.3%	4.8%
		Excluding automobiles (m/m)	March	2.3%	2.5%	4.8%

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 May 17 to 21, 2021

Country	Hour	Indicator	Period	Consensus		Previous data		
				m/m (q/q)	y/y	m/m (q/q)	y/y	
OVERSEAS								
SUNDAY 16								
China	22:00	Industrial production	April		10.0%		14.1%	
China	22:00	Retail sales	April		25.0%		34.2%	
MONDAY 17								
Japan	19:50	Real GDP – preliminary	Q1		-1.2%		2.8%	
TUESDAY 18								
Japan	0:30	Tertiary industry activity index	March		0.9%		0.3%	
United Kingdom	2:00	ILO unemployment rate	March		4.9%		4.9%	
Euro zone	5:00	Trade balance (€B)	March		19.1		18.4	
Euro zone	5:00	Net change in employment – preliminary	Q1		n/a	n/a	0.3%	-1.9%
Euro zone	5:00	Real GDP – preliminary	Q1		-0.6%	-1.8%	-0.6%	-1.8%
WEDNESDAY 19								
United Kingdom	2:00	Consumer price index	April		0.6%	1.5%	0.3%	0.7%
United Kingdom	2:00	Producer price index	April		0.4%	3.4%	0.5%	1.9%
Euro zone	5:00	Consumer price index – final	April		0.6%	1.6%	0.6%	1.3%
Japan	19:50	Trade balance (¥B)	April		70.4		297.8	
THURSDAY 20								
Germany	2:00	Producer price index	April		0.8%	5.1%	0.9%	3.7%
Euro zone	4:00	Current account (€B)	March		n/a		25.9	
Euro zone	5:00	Construction	March		n/a	n/a	-2.1%	-5.8%
United Kingdom	19:01	Consumer confidence	May		-12		-15	
Japan	19:30	Consumer price index	April			-0.5%		-0.2%
Japan	20:30	PMI composite index – preliminary	May		n/a		51.0	
Japan	20:30	PMI manufacturing index – preliminary	May		n/a		53.6	
Japan	20:30	PMI services index – preliminary	May		n/a		49.5	
FRIDAY 21								
United Kingdom	2:00	Retail sales	April		4.8%	36.8%	5.4%	7.2%
France	3:15	PMI composite index – preliminary	May		53.7		51.6	
France	3:15	PMI manufacturing index – preliminary	May		58.5		58.9	
France	3:15	PMI services index – preliminary	May		53.0		50.3	
Germany	3:30	PMI composite index – preliminary	May		57.2		55.8	
Germany	3:30	PMI manufacturing index – preliminary	May		66.0		66.2	
Germany	3:30	PMI services index – preliminary	May		52.0		49.9	
Euro zone	4:00	PMI composite index – preliminary	May		55.1		53.8	
Euro zone	4:00	PMI manufacturing index – preliminary	May		62.5		62.9	
Euro zone	4:00	PMI services index – preliminary	May		52.5		50.5	
United Kingdom	4:30	PMI composite index – preliminary	May		61.9		60.7	
United Kingdom	4:30	PMI manufacturing index – preliminary	May		60.7		60.9	
United Kingdom	4:30	PMI services index – preliminary	May		62.2		61.0	
Euro zone	10:00	Consumer confidence – preliminary	May		-6.7		-8.1	

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	19,088	6.4	0.4	-3.5	2.2	3.0
Consumption (2012 \$B)	2021 Q1	13,334	10.7	1.6	-3.9	2.4	2.7
Government spending (2012 \$B)	2021 Q1	3,372	6.3	0.7	1.1	2.3	1.8
Residential investment (2012 \$B)	2021 Q1	716.0	10.8	12.3	6.1	-1.7	-0.6
Non-residential investment (2012 \$B)	2021 Q1	2,807	9.9	2.7	-4.0	2.9	6.9
Business inventory change (2012 \$B) ¹	2021 Q1	-85.5	---	---	-77.4	48.5	53.4
Exports (2012 \$B)	2021 Q1	2,272	-1.1	-8.9	-12.9	-0.1	3.0
Imports (2012 \$B)	2021 Q1	3,448	5.7	5.0	-9.3	1.1	4.1
Final domestic demand (2012 \$B)	2021 Q1	20,244	9.8	2.0	-2.7	2.3	3.0
GDP deflator (2012 = 100)	2021 Q1	115.6	4.1	1.9	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	116.2	-0.3	1.6	3.8	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	2020 Q4	-188.5	---	---	-647.2	-480.2	-449.7

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)	March	111.6	1.3	1.7	3.8	7.9
ISM manufacturing index ¹	April	60.7	64.7	58.7	58.8	41.7
ISM non-manufacturing index ¹	April	62.7	63.7	58.7	56.2	41.6
Cons. confidence Conference Board (1985 = 100) ¹	April	121.7	109.0	88.9	101.4	85.7
Personal consumption expenditure (2012 \$B)	March	13,597	3.6	5.5	4.1	8.5
Disposable personal income (2012 \$B)	March	19,336	23.0	25.7	23.0	29.3
Consumer credit (\$B)	March*	4,242	0.6	1.3	1.9	0.9
Retail sales (\$M)	April*	619,923	0.0	7.5	12.7	51.2
<i>Excluding automobiles (\$M)</i>	April*	480,438	-0.8	5.3	10.2	40.6
Industrial production (2012 = 100)	April*	106.3	0.7	-0.5	2.3	16.5
Production capacity utilization rate (%) ¹	April*	74.9	74.4	75.3	73.2	64.2
New machinery orders (\$M)	March	486,580	1.1	3.9	8.4	20.8
New durable good orders (\$M)	March	248,803	1.0	4.8	9.8	35.9
Business inventories (\$B)	March*	2,014	0.3	1.5	3.6	0.0
Housing starts (k) ¹	March	1,739	1,457	1,670	1,437	1,269
Building permits (k) ¹	March	1,759	1,720	1,704	1,545	1,356
New home sales (k) ¹	March	1,021	846.0	949.0	965.0	612.0
Existing home sales (k) ¹	March	6,010	6,240	6,650	6,440	5,350
Commercial surplus (\$M) ¹	March	-74,448	-70,518	-66,969	-63,224	-47,243
Nonfarm employment (k) ²	April	144,308	266.0	1,572	1,763	14,147
Unemployment rate (%) ¹	April	6.1	6.0	6.3	6.9	14.8
Consumer price (1982-1984 = 100)	April*	266.8	0.8	1.8	2.4	4.2
<i>Excluding food and energy</i>	April*	273.7	0.9	1.4	1.6	3.0
Personal cons. expenditure deflator (2012 = 100)	March	113.3	0.5	1.0	1.5	2.3
<i>Excluding food and energy</i>	March	115.1	0.4	0.6	0.9	1.8
Producer price (2009 = 100)	April*	123.8	0.6	2.1	3.7	6.1
Export prices (2000 = 100)	April*	135.2	0.8	4.9	9.9	14.4
Import prices (2000 = 100)	April*	130.7	0.7	3.3	6.0	10.6

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)	2020 Q4	2,045,925	9.6	-3.2	-5.4	1.9	2.4
Household consumption (2012 \$M)	2020 Q4	1,135,859	-0.4	-4.8	-6.1	1.6	2.5
Government consumption (2012 \$M)	2020 Q4	427,753	6.2	0.1	-1.1	2.0	2.9
Residential investment (2012 \$M)	2020 Q4	163,068	18.4	14.4	3.9	-0.2	-1.7
Non-residential investment (2012 \$M)	2020 Q4	158,899	4.2	-13.1	-13.1	1.1	3.1
Business inventory change (2012 \$M) ¹	2020 Q4	1,721	---	---	-15,533	18,766	15,486
Exports (2012 \$M)	2020 Q4	624,807	5.0	-7.1	-9.8	1.3	3.7
Imports (2012 \$M)	2020 Q4	627,163	10.8	-6.0	-11.3	0.4	3.4
Final domestic demand (2012 \$M)	2020 Q4	2,041,230	3.5	-2.5	-4.5	1.4	2.5
GDP deflator (2012 = 100)	2020 Q4	112.8	4.4	1.7	0.8	1.7	1.8
Labour productivity (2012 = 100)	2020 Q4	112.1	-7.7	3.8	8.8	1.0	0.6
Unit labour cost (2012 = 100)	2020 Q4	115.0	0.0	2.7	4.0	2.9	3.1
Current account balance (\$M) ¹	2020 Q4	-7,261	---	---	-42,673	-47,384	-52,224
Production capacity utilization rate (%) ¹	2020 Q4	79.2	---	---	77.2	82.6	83.7
Disposable personal income (\$M)	2020 Q4	1,397,720	-3.8	7.7	10.0	3.8	3.1
Corporate net operating surplus (\$M)	2020 Q4	303,500	-2.7	4.3	-6.1	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)	Feb.	1,958,342	0.4	1.2	3.7	-2.2
Industrial production (2012 \$M)	Feb.	383,527	-1.2	1.0	4.5	-3.9
Manufacturing sales (\$M)	March*	57,842	3.5	5.9	7.5	14.8
Housing starts (k) ¹	March	335.2	275.6	229.7	209.0	195.1
Building permits (\$M)	March	10,903	5.7	17.2	12.8	44.9
Retail sales (\$M)	Feb.	55,083	4.8	-0.9	4.4	6.0
<i>Excluding automobiles (\$M)</i>	Feb.	40,646	4.8	-0.6	4.1	7.0
Wholesale trade sales (\$M)	March*	70,901	2.8	5.6	7.0	12.8
Commercial surplus (\$M) ¹	March	-1,140	1,421	-1,917	-3,769	-4,464
<i>Exports (\$M)</i>	March	50,618	0.3	6.5	10.5	14.4
<i>Imports (\$M)</i>	March	51,758	5.5	4.7	4.4	6.3
Employment (k) ²	April	18,627	-207.1	118.4	24.0	207.1
Unemployment rate (%) ¹	April	8.1	7.5	9.4	9.0	13.1
Average weekly earnings (\$)	Feb.	1,140	0.7	2.7	2.7	9.0
Number of salaried employees (k) ²	Feb.	15,884	43.4	-14.8	71.1	-96.4
Consumer price (2002 = 100)	March	139.6	0.5	1.6	2.0	2.2
<i>Excluding food and energy</i>	March	133.4	0.2	0.9	1.1	0.9
<i>Excluding 8 volatile items</i>	March	137.5	0.3	1.1	1.3	1.4
Industrial product price (2010 = 100)	March	108.8	1.6	6.7	7.9	10.0
Raw materials price (2010 = 100)	March	115.3	2.3	15.0	20.0	34.7
Money supply M1+ (\$M)	Feb.	1,444,393	2.4	4.0	8.3	30.9

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		
	May 14	May 7	-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	0.01	0.02	0.02	0.04	0.09	0.12	0.19	0.09	0.01
Treasury bonds – 2 years	0.15	0.14	0.17	0.11	0.18	0.15	0.23	0.15	0.11
– 5 years	0.82	0.76	0.82	0.48	0.40	0.31	0.92	0.45	0.19
– 10 years	1.64	1.58	1.57	1.18	0.88	0.63	1.75	0.99	0.51
– 30 years	2.37	2.28	2.26	2.01	1.65	1.31	2.48	1.73	1.19
S&P 500 index (level)	4,159	4,233	4,185	3,935	3,585	2,864	4,233	3,584	2,923
DJIA index (level)	34,285	34,778	34,201	31,458	29,480	23,685	34,778	29,414	24,207
Gold price (US\$/ounce)	1,837	1,835	1,779	1,827	1,893	1,744	2,053	1,836	1,681
CRB index (level)	203.38	206.96	193.21	185.29	151.86	124.75	207.96	162.55	129.09
WTI oil (US\$/barrel)	64.92	64.71	63.46	59.45	39.95	29.43	66.09	47.70	31.82
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	0.10	0.11	0.09	0.07	0.11	0.25	0.26	0.12	0.05
Treasury bonds – 2 years	0.32	0.29	0.29	0.19	0.27	0.28	0.35	0.26	0.15
– 5 years	0.93	0.87	0.95	0.49	0.46	0.37	1.03	0.52	0.30
– 10 years	1.55	1.49	1.53	1.03	0.73	0.54	1.61	0.85	0.43
– 30 years	2.18	2.07	1.98	1.63	1.28	1.08	2.19	1.38	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	0.09	0.07	0.03	0.02	0.13	0.14	0.04	-0.04
Treasury bonds – 2 years	0.17	0.15	0.12	0.08	0.09	0.13	0.17	0.11	0.01
– 5 years	0.11	0.11	0.13	0.01	0.06	0.06	0.21	0.07	-0.04
– 10 years	-0.10	-0.09	-0.04	-0.15	-0.15	-0.09	-0.04	-0.14	-0.30
– 30 years	-0.19	-0.21	-0.28	-0.38	-0.37	-0.23	-0.17	-0.36	-0.49
S&P/TSX index (level)	19,270	19,473	19,351	18,460	16,676	14,639	19,473	17,141	14,639
Exchange rate (C\$/US\$)	1.2102	1.2132	1.2506	1.2696	1.3133	1.4110	1.3996	1.3011	1.2099
Exchange rate (C\$/€)	1.4688	1.4757	1.4988	1.5388	1.5542	1.5261	1.5903	1.5360	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\$/€)	1.2137	1.2164	1.1985	1.2120	1.1834	1.0816	1.2327	1.1815	1.0900
<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	0.87	0.81	0.80	0.54	0.37	0.20	0.93	0.38	0.04
FTSE index (level)	7,030	7,130	7,020	6,590	6,316	5,800	7,130	6,368	5,577
Exchange rate (US\$/£)	1.4085	1.3974	1.3832	1.3846	1.3188	1.2106	1.4143	1.3271	1.2166
<u>Germany</u>									
Bonds – 10 years	-0.12	-0.22	-0.30	-0.46	-0.55	-0.52	-0.12	-0.47	-0.64
DAX index (level)	15,376	15,400	15,460	14,050	13,077	10,465	15,460	13,389	11,059
<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)	28,084	29,358	29,683	29,520	25,386	20,037	30,468	25,649	20,134
Exchange rate (US\$/¥)	109.43	108.62	108.79	104.95	104.64	107.04	110.73	106.23	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.