

## In the third quarter, Canadian real GDP showed its strongest growth in two years

### HIGHLIGHTS

- United States: Healthy growth in building permits in September and October.
- Home prices continue to surge in the United States.
- United States: More disappointment from durable goods orders.
- Canada: Real GDP grew 2.7% in the third quarter.
- Canada: Corporate operating profits increased during the summer.

### A LOOK AHEAD

- A slight upward revision to third-quarter U.S. real GDP is expected.
- United States: The ISM manufacturing index is likely to decline.
- United States: Job creation was probably slower in November than in October.
- Canada: Job creation could be a little more robust after two fairly lacklustre months.
- The Bank of Canada will keep the target for the overnight rate at 1.00%.
- Canada: The trade balance is likely to deteriorate in October.

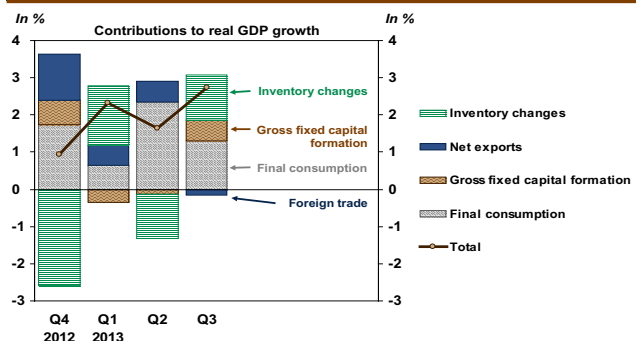
### FINANCIAL MARKETS

- Modest growth by U.S. stock markets, against a backdrop of mixed data.
- Healthy Canadian GDP growth curbs the momentum of Canadian bonds.
- The Canadian dollar hits its lowest point in nearly five months.

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Graph of the week – Inventories made strong contribution to Canadian growth in Q3 2013



Sources: Statistics Canada and Desjardins, Economic Studies

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## KEY STATISTICS OF THE WEEK

### UNITED STATES

- As expected, new orders of durable goods declined 2.0% in October due to a drop in orders in the aviation sector. These tumbled 16.7% after shooting up 46.4% in September. Since this pullback was expected, the disappointment comes mainly from the 0.1% slump in orders excluding transportation. We note contractions in the metallurgy, machinery and IT sectors. New orders of capital goods fell by 1.2% after a 1.4% drop in September, suggesting that business investment is still weak.
- The Census Bureau was unable to release the September and October data for housing starts, but those for building permits were made available. After a slump in August, permits advanced by 5.2% in September and by 6.2% in October. The gains come mainly from multiple-unit housing and, geographically, from the southern and western parts of the United States. This healthy growth in building permits suggests that housing starts and construction spending will also be heading up.
- The S&P/Case-Shiller index of existing home prices in 20 major cities rose 1.0% in September, the strongest increase since April. All 20 cities covered by the index saw their home values go up. The index's annual change has ticked up from 12.8% to 13.3%.
- The November consumer confidence data are contradictory. On one hand, the University of Michigan index went up from its preliminary version, at 72.0, to 75.1 in the final version. Consequently, instead of a decline, this gives us a gain compared with the October reading of 73.2. On the other hand, the Conference Board confidence index lost two points from the previous months, falling to 70.4. This pullback stems mainly from the household expectations component. The questions relating to employment show slight improvement.
- The leading indicator advanced 0.2% in October after a 0.9% gain in September. The largest contribution comes from the interest rate spread, followed by building permits. The deceleration from October mainly reflects the increase in jobless claims.

### CANADA

- The results of the economic accounts show an increase of 2.7% (quarterly annualized) in real GDP for the third quarter of 2013. Domestic demand was up by 1.8%. Exports of goods and services declined by 2.0%, while imports were trimmed by 1.4%. As such, the trade balance fell from -\$42.4B in 2007 dollars to -\$43.1B in 2007 dollars. The trade balance contributed -0.2% to real GDP. Inventory changes ramped up significantly in the third quarter—this component contributed 1.2% to the real GDP. The real GDP advance in the third quarter marks not only a net improvement vs. the 1.6% gain recorded during the previous quarter, it also marks the fastest increase since summer 2011. This upswing does not appear to be based on very solid footing, however. A tad more than 40% of the growth posted in Q3 stems from a build-up in inventory. This situation is obviously unsustainable, meaning that inventories will clearly be contributing less in the coming quarters, possibly even tilting into negative territory.
- The current account balance improved slightly in the third quarter, going from -\$15.9B to -\$15.5B. Slim gains were recorded in trade of goods and services and in primary and secondary income.
- Canadian corporate operating profits were up 1.5% in the third quarter. In terms of annual change, profits climbed 4.3%, compared with 6.7% in the second quarter. But the gap between financial and non-financial businesses is still considerable. The annual change in operating profits of financial businesses stands at 15.4%, while that of non-financial businesses is at -0.1%. Moreover, a 17.2% drop is noted in manufacturing. These conditions are not very conducive to investment.
- The industrial product price index slipped 0.3% in October, as expected. The bulk of that drop came from energy components, such as oil and coal, down 2.4% during the month. The raw materials price index, which declined by 2.3% in October, also felt the effects of a slump in the energy segment. If we exclude mineral fuels, its contraction is just 0.5%.

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# FINANCIAL MARKETS

## Canadian economic growth reassures investors

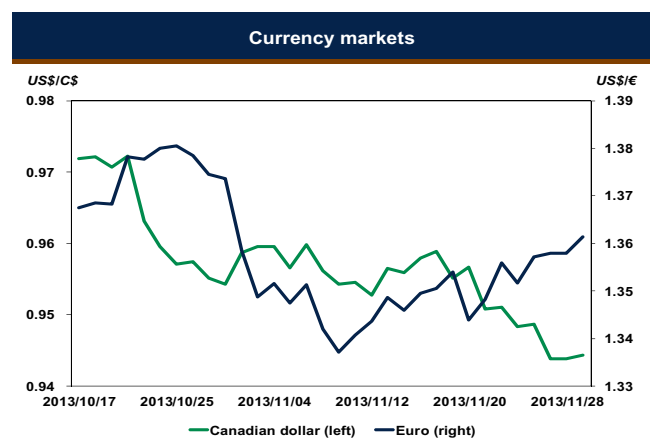
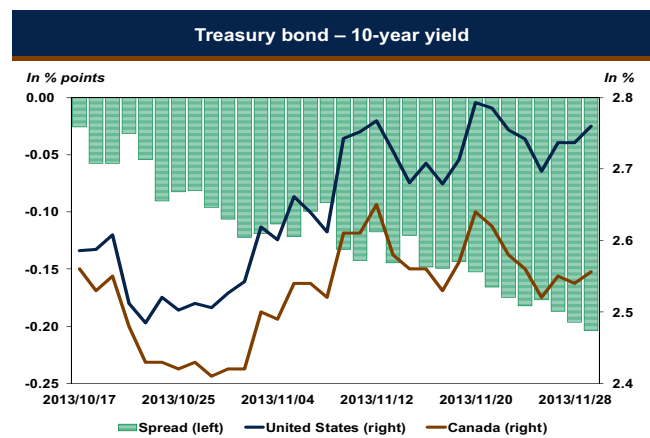
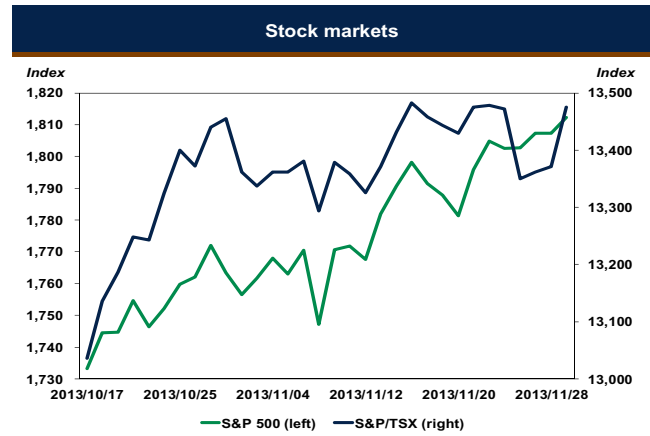
The S&P 500 has managed to stay above 1,800 points, but its growth was modest. On Monday, the agreement to curb Iran's nuclear activities was initially welcomed by the markets, but its effect was short-lived. On Tuesday and Wednesday, markets were choppy, as the U.S. economic data generally drew a slightly more positive picture of the situation, but not very convincingly. The indexes were nevertheless up on Friday, after the Thanksgiving holiday. The Canadian stock market went through a rough patch at the beginning of the week, with oil prices reaching their lowest point since June. On Friday, thanks to data showing accelerated growth in the Canadian economy, the index recovered some of its earlier losses.

U.S. bond yields continued their downward trend at the beginning of the week; the 10-year yield even dropped briefly below 2.70% on Tuesday. On Wednesday, some more encouraging U.S. data allowed the yield to converge once more towards 2.75%, which level was maintained on Friday morning. Canadian bonds fared better, particularly the maturities of 10 years or less, against a backdrop of speculation about lower policy rates in Canada. The 10-year yield spread reached its lowest point in nearly three years on Friday morning (-21 basis points) before recovering on news that the Canadian GDP had grown beyond expectations in the third quarter.

The major European currencies did well this week. The pound sterling in particular benefited from the fact that the Bank of England reduced the scope of its Funding for Lending program in order to avoid another credit bubble. The pound is currently trading at over US\$1.63. The euro has climbed back to around US\$1.36. Improvement in certain confidence indexes, higher inflation and a slight drop in the unemployment rate have helped to bolster the feeling that things are continuing to gradually improve in Europe. The yen and the Canadian dollar diverged from the major European currencies. The Japanese exchange rate broke through the ¥102/US\$ barrier. The Canadian dollar dropped to around US\$0.945, penalized by negative forecasts by Goldman Sachs and speculation that the Bank of Canada might lower rates.

**Jimmy Jean**  
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# A LOOK AHEAD



## UNITED STATES

### Monday Dec. 2 - 10:00

<b>November</b>	
Consensus	55.0
Desjardins	55.3
<b>October</b>	<b>56.4</b>

**ISM manufacturing index (November)** – The ISM manufacturing index, which was expected to fall in October, gave us a surprise by recording a fifth consecutive gain. But the expected decline is merely delayed. The faltering performances by the regional manufacturing indexes in November, in particular the New York Fed's Empire index, which fell into negative territory, and the Philadelphia Fed index, which lost 13.3 points, suggest a pullback by the ISM. However, the contraction should be a modest one. We expect the ISM manufacturing index to slip from 56.4 to 55.3.

### Wednesday Dec. 4 - 8:30

<b>October</b>	US\$B
Consensus	-40.2
Desjardins	-39.3
<b>September</b>	<b>-41.8</b>

**Balance of trade (October)** – The trade balance deteriorated in September due to strong growth in imports, while exports saw a slight slump. We expect a reversal of these trends in October. Price effects are playing in the favour of exports, where the decline of 0.5% was a little less serious than the 0.7% contraction in imports. Furthermore, imports were inflated in September by the arrival of a new product from Apple, and a pullback is now foreseeable. Finally, the ISM indexes suggest that exports should turn the corner, after eroding steadily in real terms over the past three months. We expect the balance of trade to rise from –US\$41.8B to –US\$39.3B.

### Wednesday Dec. 4 - 10:00

<b>November</b>	
Consensus	55.1
Desjardins	55.0
<b>October</b>	<b>55.4</b>

**ISM non-manufacturing index (November)** – After dropping by 4.2 points in September, the non-manufacturing ISM edged up by 1.1 points in October, just when we thought that the budget impasse might have had a negative impact. Consequently, the index is still at a relatively high level of 55.4. We expect a slight dip in November.

### Wednesday Dec. 4 - 10:00

<b>October</b>	ann. rate
Consensus	430,000
Desjardins	430,000
<b>September</b>	
Consensus	n/a
Desjardins	417,000
<b>August</b>	<b>421,000</b>

**Sales of new homes (September-October)** – After a plunge of 14.1% in July, sales of new homes climbed by 7.9% in August. The level reached is still disappointing, however, and we do not anticipate a rebound as early as September. However, the October data (the results of both months are being released simultaneously due to the budget impasse) should be slightly more favourable. The good performance by building permits, the level of homebuilder confidence and the decline in mortgage rates suggest a modest increase. At 430,000 units, the volume of sales expected for October is still below the best months of 2013.

### Thursday Dec. 5 - 8:30

<b>Q3 2013 – 2<sup>nd</sup> est.</b>	ann. rate
Consensus	3.1%
Desjardins	3.0%
<b>Q3 2013 – 1<sup>st</sup> est.</b>	<b>2.8%</b>

**Real GDP (Q3 – second estimate)** – Real GDP growth was a little stronger than expected in the third quarter, thanks in particular to better-than-expected contributions from business inventories and residential investment. However, the deterioration of the balance of trade in September is likely to generate a negative contribution that was not foreseen by the Bureau of Economic Analysis. Fortunately, that negative effect should be fully offset by better growth in inventories. Consequently, a slight upwards revision is anticipated. Growth should come in at 3.0%; this would be the fastest annualized quarterly growth of real GDP since the winter of 2012.

**Job creation according to the establishment survey (November)** – The 204,000 hirings recorded in October far surpassed expectations, which were calling for a significant negative impact from the shutdown that lasted more than half the month, in particular during the period covered by the survey. This resilience in the job market is very encouraging. However, some of the conclusions drawn from the October data are doubtful, and it would not be surprising for those data to undergo significant revisions. For November, we do not anticipate another acceleration, even though jobless claims were down. Low confidence readings and pullbacks in the hiring-related components of the regional manufacturing indexes suggest that some caution is in order. At best, job creation should move closer to its recent trend, i.e. around 190,000 hirings per month. As for the unemployment rate, the household survey contained several aberrations in October that engender scepticism, including the shrinking of the labour force by 720,000 people, whereas that piece of data should not have been affected by the shutdown. In these circumstances, we expect the unemployment rate to remain fairly close to the 7.3% that was reached in October.

**Consumer spending (October)** – Consumption growth will probably be fairly limp in October. For one thing, automobile sales fell during the month, which should curb the increase in the durable goods segment. For another, energy production tumbled sharply in October, which signifies lower demand for electricity from households and lower consumption of services. On the other hand, retail sales suggest a fairly good performance by consumption of non-durable goods. Meanwhile, nominal spending will not be inflated by prices, because the total deflator will probably remain flat, and the deflator that excludes food and energy will likely record growth of barely 0.1%. We expect a 0.1% increase in nominal consumption. Personal income should edge up by 0.2%.

**University of Michigan consumer confidence index (December – preliminary)** – The final version of the University of Michigan index for November reversed the decline that had been estimated in the preliminary version. Consequently, the index rose from 73.2 in October, to 75.1. The healthy performance by the stock market, the decline in jobless claims in the past few weeks and the low gasoline prices all argue in favour of further improvement in household sentiment in December. The weekly and daily confidence indexes have also kept improving recently. We expect the University of Michigan index to reach 77, which is still below where it stood in September.


**CANADA**

**International merchandise trade (October)** – Even though the data on international merchandise trade are seasonally adjusted, a repeated pattern of fluctuations has been observed in the numbers in the past while. The last month of each quarter has often been marked by a significant improvement in the trade balance. This was the case once again with the September data. Then, the first month of the next quarter has systematically recorded a return to normal, with a deterioration of the trade balance. In these conditions, we should expect the balance of trade to return to around -\$1.0B in October.

**Bank of Canada meeting (December)** – There is no great suspense about the next decision to be made by the Bank of Canada (BoC). Since no *Monetary Policy Report* will be issued in conjunction with the December meeting, we should expect the BoC to maintain pretty much the same stance regarding economic conditions. At most, the monetary authorities might mention that the economic growth in the third quarter of 2013 is greater than initially forecast, but that will have very little impact on the outlooks for subsequent quarters. As for key interest rates, the BoC will once again leave the target for the overnight rate at 1.00%.

**Friday Dec. 6 - 8:30**

<b>November</b>	
Consensus	183,000
Desjardins	190,000
<b>October</b>	<b>204,000</b>

**Friday Dec. 6 - 8:30**

<b>October</b>	m/m
Consensus	0.2%
Desjardins	0.1%
<b>September</b>	<b>0.5%</b>

**Friday Dec. 6 - 9:55**

<b>December</b>	
Consensus	76.0
Desjardins	77.0
<b>November</b>	<b>75.1</b>

**Tuesday Dec. 3 - 8:30**

<b>October</b>	\$B
Consensus	-0.80
Desjardins	-1.00
<b>September</b>	<b>-0.44</b>

**Wednesday Dec. 4 - 10:00**

<b>December</b>	
Consensus	1.00%
Desjardins	1.00%
<b>October 23</b>	<b>1.00%</b>



**Friday Dec. 6 - 8:30**

<b>November</b>	
Consensus	15,000
Desjardins	25,000
<b>October</b>	<b>13,200</b>

**Labour Force Survey (November)** – The past two months were rather lacklustre in terms of job creation, with gains of just 11,900 in September and 13,200 in October. A slightly more robust gain in employment might be seen in November, which would keep the six-month trend at a level consistent with the moderate economic growth that has been observed in the past few quarters. However, the unemployment rate could edge up from 6.9% to 7.0%, with the participation rate regaining some of the ground that was lost in recent months.

**Friday Dec. 6 - 8:30**

<b>Q3 2013</b>	q/q
Consensus	0.3%
Desjardins	-0.1%
<b>Q2 2013</b>	<b>0.5%</b>

**Labour productivity (Q3)** – Business sector real GDP rose by 0.8% in the third quarter. Meanwhile, the number of employees in the private sector grew by 0.9% during the period. This opens the door to a slight deterioration in labour productivity in the third quarter. If we also take wage increases into account, unit labour costs are likely to climb significantly.


**OVERSEAS**
**Thursday Dec. 5 - 7:00**

<b>December</b>	
Consensus	0.50%
Desjardins	0.50%
<b>November 7</b>	<b>0.50%</b>

**United Kingdom: Bank of England meeting (December)** – The Bank of England (BoE) is unlikely to adjust its monetary policy at its December meeting. In its latest inflation report, the BoE recognized that economic outlooks had improved and that the unemployment rate might hit 7.0% at the beginning of 2015, which is significantly sooner than it had previously anticipated. While inflation outlooks appear to be slightly more favourable, BoE officials point out that the key interest rate could stay untouched until 2016. The BoE might eventually have to open the door to faster monetary tightening if the economic recovery continues. Already, the BoE has announced that the Funding for Lending program will no longer apply to consumer loans in 2014. The indicators to be released in the United Kingdom during the week include the PMI indexes for November. The British indexes are still far higher than those of the euro zone, which translates into stronger economic growth, especially in the third quarter.



**Thursday Dec. 5 - 7:45**

<b>December</b>	
Consensus	0.25%
Desjardins	0.25%
<b>November 7</b>	<b>0.25%</b>

**Euro zone: European Central Bank meeting (December)** – After a surprise lowering of key interest rates in November, the European Central Bank (ECB) will probably maintain the status quo in December, preferring to observe how the economy progresses before taking more action. While inflation and economic activity are still sluggish in the euro zone, the ECB has clearly indicated that it could lower its key interest rates further, including by pushing the deposit rate into negative territory, and that it is still contemplating other actions, including long-term loans to the banking sector. It should be noted, however, that the November decision to lower the key interest rates was not unanimous, and that the German representatives appear to be less and less comfortable with the ECB's actions. One of the indicators to be released in the euro zone is the second estimate of the euro zone national accounts for the third quarter, on Wednesday. The retail sales for October will also be released on Wednesday; a pullback of 0.6% was reported in September.


# ECONOMIC INDICATORS

## Week of December 2 to 6, 2013

Day	Hour	Indicator	Period	Consensus		Previous data
 <b>UNITED STATES</b>						
<b>MONDAY 2</b>	10:00	ISM manufacturing index	Nov.	55.0	55.3	56.4
	10:00	Construction spending (m/m)	Sept.	n/a	0.5%	0.6%
	10:00	Construction spending (m/m)	Oct.	0.4%	0.5%	n/a
<b>TUESDAY 3</b>	17:00	Total vehicle sales (ann. rate)	Nov.	15,750,000	15,900,000	15,150,000
<b>WEDNESDAY 4</b>	8:30	Trade balance – Goods and services (US\$B)	Oct.	-40.2	-39.3	-41.8
	10:00	ISM non-manufacturing index	Nov.	55.1	55.0	55.4
	10:00	New home sales (ann. rate)	Sept.	n/a	417,000	421,000
	10:00	New home sales (ann. rate)	Oct.	430,000	430,000	n/a
	14:00	Release of the Beige Book				
<b>THURSDAY 5</b>	8:15	Speech of the Atlanta Fed President, D. Lockhart				
	8:30	Initial unemployment claims	Nov. 25-29	320,000	325,000	316,000
	8:30	Real GDP (ann. rate)	Q3s	3.1%	3.0%	2.8%
	10:00	Factory orders (m/m)	Oct.	-1.0%	-0.8%	1.7%
	12:15	Speech of the Dallas Fed President, R. Fisher				
<b>FRIDAY 6</b>	8:30	Change in nonfarm payrolls	Nov.	183,000	190,000	204,000
	8:30	Unemployment rate	Nov.	7.2%	7.3%	7.3%
	8:30	Average weekly earnings (m/m)	Nov.	0.2%	0.2%	0.1%
	8:30	Weekly worked hours	Nov.	34.5	34.5	34.4
	8:30	Personal income (m/m)	Oct.	0.3%	0.2%	0.5%
	8:30	Personal consumption expenditures (m/m)	Oct.	0.2%	0.1%	0.5%
	8:30	Personal consumption expenditures deflator				
		Total (m/m)	Oct.	0.0%	0.0%	0.1%
		Excluding food and energy (m/m)	Oct.	0.1%	0.1%	0.1%
		Total (y/y)	Oct.	0.7%	0.7%	0.9%
		Excluding food and energy (y/y)	Oct.	1.1%	1.1%	1.2%
	9:30	Speech of the Philadelphia Fed President, C. Plosser				
	9:55	Michigan's consumer sentiment index – preliminary	Dec.	76.0	77.0	75.1
15:00	Consumer credit (US\$B)	Oct.	14.5	16.5	13.74	


 **CANADA**

<b>MONDAY 2</b>	---	---				
<b>TUESDAY 3</b>	8:30	International trade (\$B)	Oct.	-0.80	-1.00	-0.44
<b>WEDNESDAY 4</b>	10:00	Bank of Canada meeting	Dec.	1.00%	1.00%	1.00%
<b>THURSDAY 5</b>	8:30	Building permits (m/m)	Oct.	1.0%	1.0%	1.7%
	10:00	PMI-Ivey index	Nov.	60.0	59.0	62.8
<b>FRIDAY 6</b>	8:30	Net change in employment	Nov.	15,000	25,000	13,200
	8:30	Unemployment rate	Nov.	6.9%	7.0%	6.9%
	8:30	Labour productivity (q/q)	Q3	0.3%	-0.1%	0.5%
	8:30	Unit labour costs (q/q)	Q3	n/a	0.9%	0.6%

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. (SA): Seasonally adjusted, (NSA): Non seasonally adjusted. The times shown are Eastern Standard Time (GMT - 5 hours).  Forecast of Desjardins, Economic Studies of the Desjardins Group.

# ECONOMIC INDICATORS

## Week of December 2 to 6, 2013

Country	Hour	Indicator	Period	Consensus		Previous data		
				m/m (q/q)	y/y	m/m (q/q)	y/y	
 <b>OVERSEAS</b>								
<b>MONDAY 2</b>								
Japan	0:00	Vehicle sales	Nov.		n/a		17.3%	
Italy	3:45	PMI manufacturing index	Nov.	50.8		50.7		
France	3:50	PMI manufacturing index – final	Nov.	47.8		47.8		
Germany	3:55	PMI manufacturing index – final	Nov.	52.5		52.5		
Euro zone	4:00	PMI manufacturing index – final	Nov.	51.5		51.5		
United Kingdom	4:30	PMI manufacturing index	Nov.	56.1		56.0		
China	20:00	PMI non-manufacturing index	Nov.	n/a		56.3		
Australia	22:30	Reserve Bank of Australia meeting	Dec.	2.50%		2.50%		
<b>TUESDAY 3</b>								
United Kingdom	4:30	PMI construction index	Nov.	59.0		59.4		
Euro zone	5:00	Producer price index	Oct.	-0.2%	-1.0%	0.1%	-0.9%	
<b>WEDNESDAY 4</b>								
Italy	3:45	PMI services index	Nov.	50.4		50.5		
France	3:50	PMI services index – final	Nov.	48.8		48.8		
Germany	3:55	PMI services index – final	Nov.	54.5		54.5		
Euro zone	4:00	PMI composite index – final	Nov.	51.5		51.5		
Euro zone	4:00	PMI services index – final	Nov.	50.9		50.9		
United Kingdom	4:30	PMI services index	Nov.	60.0		62.5		
Euro zone	5:00	Real GDP – preliminary	Q3	0.1%	-0.4%	0.1%	-0.4%	
Euro zone	5:00	Retail sales	Oct.	0.1%	1.0%	-0.6%	0.3%	
<b>THURSDAY 5</b>								
France	1:30	ILO unemployment rate	Q3	11.0%		10.9%		
Norway	4:00	Bank of Norway meeting	Dec.	1.50%		1.50%		
Brazil	5:30	Minutes of the Bank of Brazil meeting						
United Kingdom	7:00	Bank of England meeting	Dec.	0.50%		0.50%		
Euro zone	7:45	European Central Bank meeting	Dec.	0.25%		0.25%		
<b>FRIDAY 6</b>								
Japan	0:00	Leading indicator – preliminary	Oct.	109.8		109.2		
Japan	0:00	Coincident indicator – preliminary	Oct.	109.9		108.4		
France	2:45	Trade balance (€M)	Oct.	-5,400		-5,824		
Germany	6:00	Factory orders	Oct.	-1.0%	4.1%	3.3%	7.9%	
Mexico	10:00	Bank of Mexico meeting	Dec.	3.50%		3.50%		

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. (SA): Seasonally adjusted, (NSA): Non seasonally adjusted. 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	2012	2011	2010	2009
Gross domestic product (2009 \$B)	2013 Q3	15,790	2.8	1.6	2.8	1.8	2.5	-2.8
Consumption (2009 \$B)	2013 Q3	10,732	1.5	1.8	2.2	2.5	2.0	-1.6
Government spending (2009 \$B)	2013 Q3	2,906	0.2	-2.8	-1.0	-3.2	0.1	3.1
Residential investment (2009 \$B)	2013 Q3	504.0	14.6	15.3	12.9	0.5	-2.5	-21.2
Non-residential investment (2009 \$B)	2013 Q3	1,979	1.6	2.7	7.3	7.6	2.5	-15.6
Business inventory change (2009 \$B) (1)	2013 Q3	86.0	---	---	57.6	33.6	58.2	-147.6
Exports (2009 \$B)	2013 Q3	2,021	4.6	3.0	3.5	7.1	11.5	-9.1
Imports (2009 \$B)	2013 Q3	2,434	1.8	1.5	2.2	4.9	12.8	-13.7
Final domestic demand (2009 \$B)	2013 Q3	16,107	1.7	1.4	2.4	1.8	1.5	-3.0
GDP deflator (2009 = 100)	2013 Q3	106.7	1.9	1.3	1.7	2.0	1.2	0.8
Labor productivity (2009 = 100)	2013 Q3	105.9	1.9	0.0	1.5	0.5	3.3	3.2
Unit labor cost (2009 = 100)	2013 Q3	103.0	-0.6	1.9	1.2	2.0	-1.2	-2.0
Employment cost index (Dec. 2005 = 100)	2013 Q3	119.5	1.7	1.9	1.8	2.0	1.9	1.7
Current account balance (\$B) (1)	2013 Q2	-98.9	---	---	-440.4	-457.7	-449.5	-381.6

\* New statistic in comparison with last week.

(1) Statistics representing the level during the period.

## United States: Monthly economic indicators

	Ref. month	Level	Variation (%)			
			-1 month	-3 months	-6 months	-1 year
Leading indicator (2004 = 100)	Oct.*	97.5	0.2	1.9	2.5	4.4
ISM manufacturing index (1)	Oct.	56.4	56.2	55.4	50.7	51.7
ISM non-manufacturing index (1)	Oct.	55.4	54.4	56.0	53.1	54.8
Cons. confidence Conf. Board (1985 = 100) (1)	Nov.*	70.4	72.4	81.8	74.3	71.5
Cons. confidence Michigan (1966 = 100) (1)	Nov.	75.1	73.2	82.1	84.5	82.7
Personal consumption expenditure (2009 \$B)	Sept.	10,749	0.1	0.4	0.7	1.7
Disposable personal income (2009 \$B)	Sept.	11,725	0.4	1.1	1.4	2.0
Consumer credit (\$B)	Sept.	3,052	0.5	1.3	2.8	6.1
Retail sales (\$M)	Oct.	428,099	0.4	0.6	2.2	3.9
Excluding automobiles (\$M)	Oct.	346,228	0.2	0.5	1.5	2.4
Industrial production (2007 = 100)	Oct.	100.0	-0.1	1.0	1.2	3.2
Production capacity utilization rate (%) (1)	Oct.	78.1	78.3	77.7	77.9	77.0
New machinery orders (\$M)	Sept.	490,760	1.7	-1.3	4.6	3.0
New durable good orders (\$M)	Oct.*	230,252	-2.0	2.5	3.3	5.3
Business inventories (\$B)	Sept.	1,679	0.6	1.4	1.6	3.1
Housing starts (K) (1)	Aug.	883.0	891.0	919.0	969.0	749.0
Building permits (K) (1)	Oct.*	1,039	974.0	954.0	1,005	908.0
New home sales (K) (1)	Aug.	421.0	390.0	429.0	445.0	374.0
Existing home sales (K) (1)	Oct.	5,120	5,290	5,390	4,970	4,830
Construction spending (\$B)	Aug.	915.1	0.6	2.1	5.2	7.1
Commercial surplus (\$M) (1)	Sept.	-41,778	-38,701	-34,543	-36,787	-41,570
Nonfarm employment (K) (2)	Oct.	136,554	204.0	605.0	1,042	2,329
Unemployment rate (%) (1)	Oct.	7.3	7.2	7.4	7.5	7.9
Consumer price (1982-1984 = 100)	Oct.	233.8	-0.1	0.2	1.0	0.9
Excluding food and energy	Oct.	234.9	0.1	0.4	0.9	1.7
Personal cons. expenditure deflator (2009 = 100)	Sept.	107.5	0.1	0.3	0.5	0.9
Excluding food and energy	Sept.	106.2	0.1	0.3	0.5	1.2
Producer price (1982 = 100)	Oct.	197.5	-0.2	0.1	1.4	0.3
Excluding food and energy	Oct.	185.9	0.2	0.2	0.5	1.4
Export prices (2000 = 100)	Oct.	131.8	-0.5	-0.6	-1.3	-2.1
Import prices (2000 = 100)	Oct.	138.4	-0.7	-0.4	-1.3	-2.0

\* New statistic in comparison with last week.

(1) Statistic shows the level of the month of the column; (2) Statistic shows the variation since the reference month.

## Canada: Quarterly economic indicators

	Ref. quart.	Level	Variation (%)		Annual variation (%)			
			Quart. ann.	1 year	2012	2011	2010	2009
Gross domestic product (2007 \$M)	2013 Q3*	1,695,542	2.7	1.9	1.7	2.5	3.4	-2.7
Household consumption (2007 \$M)	2013 Q3*	947,690	2.2	2.3	1.9	2.3	3.5	0.3
Government consumption (2007 \$M)	2013 Q3*	349,436	0.4	1.0	1.1	0.8	2.7	3.3
Residential investment (2007 \$M)	2013 Q3*	113,860	2.4	0.8	6.1	1.6	8.7	-7.0
Non-residential investment (2007 \$M)	2013 Q3*	185,202	2.2	1.9	6.2	11.1	14.5	-20.2
Business inventory change (2007 \$M) (1)	2013 Q3*	10,244	---	---	6,831	7,440	-452.0	-5,104
Exports (2007 \$M)	2013 Q3*	512,157	-2.0	1.7	1.5	4.7	6.9	-13.1
Imports (2007 \$M)	2013 Q3*	555,256	-1.4	-0.1	3.1	5.7	13.6	-12.4
Final domestic demand (2007 \$M)	2013 Q3*	1,721,392	1.8	1.7	2.3	2.4	5.0	-1.9
GDP deflator (2007 = 100)	2013 Q3*	111.3	2.6	1.6	1.7	3.2	2.7	-2.1
Labour productivity (2007 = 100)	2013 Q2	102.4	2.0	0.1	-0.2	1.0	1.8	0.2
Unit labour cost (2007 = 100)	2013 Q2	113.4	2.3	2.3	3.0	2.5	-0.4	2.3
Current account balance (\$M) (1)	2013 Q3*	-15,466	---	---	-62,215	-48,467	-58,419	-45,750
Production capacity utilization rate (%) (1)	2013 Q2	80.6	---	---	80.8	79.7	77.4	72.1
Disposable personal income (\$M)	2013 Q3*	1,084,724	5.0	4.0	3.9	4.6	3.7	2.0
Corporate net operating surplus (2007 \$M)	2013 Q3*	236,932	23.2	-1.1	-4.9	11.3	31.6	-33.3

\* New statistic in comparison with last week.

(1) Statistics representing the level during the period.

## Canada: Monthly economic indicators

	Ref. month	Level	Variation (%)			
			-1 month	-3 months	-6 months	-1 year
Gross domestic product (2007 \$M)	Sept.*	1,596,136	0.3	1.2	1.2	2.3
Industrial production (2007 \$M)	Sept.*	342,715	0.7	2.2	0.6	3.2
Manufacturing sales (\$M)	Sept.	49,904	0.6	2.4	1.2	1.0
Housing starts (K) (1)	Oct.	198.3	195.9	198.6	175.6	208.5
Building permits (\$M)	Sept.	6,544	1.7	-1.2	3.9	0.2
Retail sales (\$M)	Sept.	40,729	1.0	1.6	3.0	3.6
Excluding automobiles (\$M)	Sept.	31,008	0.0	1.4	1.5	1.6
Wholesale trade sales (\$M)	Sept.	49,814	0.2	2.2	1.7	2.6
Commercial surplus (\$M) (1)	Sept.	-435.4	-1,086	-140.6	-277.8	-732.7
Exports (\$M)	Sept.	40,647	1.8	2.2	1.4	7.2
Imports (\$M)	Sept.	41,083	0.2	2.9	1.8	6.3
Employment (K) (2)	Oct.	17,794	13.2	28.1	23.3	17.8
Unemployment rate (%) (1)	Oct.	6.9	6.9	7.2	7.2	7.4
Average weekly earnings (\$)	Sept.*	918.2	0.3	0.4	1.1	1.9
Number of salaried employees (K) (2)	Sept.*	15,445	-30.2	35.5	16.2	9.7
Consumer price (2002 = 100)	Oct.	123.0	-0.2	-0.1	0.2	0.7
Excluding food and energy	Oct.	117.8	0.3	0.6	0.5	0.9
Excluding 8 volatile items	Oct.	121.6	0.2	0.5	0.5	1.2
Industrial product price (2002 = 100)	Oct.*	116.1	-0.3	-0.2	0.1	0.8
Raw materials price (2002 = 100)	Oct.*	165.7	-2.3	-2.5	2.1	0.4
Money supply M1+ (\$M)	Oct.*	708,847	0.4	1.8	2.2	8.5

\* New statistic in comparison with last week.

(1) Statistic shows the level of the month of the column; (2) Statistic shows the variation since the reference month.

## Major financial indicators

	Previous data (%)						Last 52 weeks (%)		
	Nov. 29	Nov. 22	-1 month	-3 months	-6 months	-1 year	Higher	Average	Lower
<b>United States</b>									
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	0.06	0.07	0.04	0.03	0.04	0.08	0.14	0.06	0.00
Treasury bonds – 2 years	0.28	0.28	0.30	0.37	0.30	0.25	0.51	0.29	0.20
– 5 years	1.38	1.36	1.37	1.57	1.04	0.60	1.83	1.09	0.60
– 10 years	2.76	2.75	2.62	2.75	2.16	1.62	2.97	2.24	1.58
– 30 years	3.83	3.84	3.70	3.68	3.31	2.81	3.91	3.36	2.77
S&P 500 index	1,812	1,805	1,762	1,633	1,631	1,416	1,812	1,611	1,402
DJIA index	16,152	16,065	15,616	14,810	15,116	13,026	16,152	14,758	12,938
Gold price (US\$/ounce)	1,253	1,245	1,310	1,398	1,393	1,718	1,716	1,449	1,215
CRB index	275.57	275.21	274.96	291.16	281.85	298.98	305.07	288.80	272.47
WTI oil (US\$/barrel)	93.71	94.53	94.56	107.98	91.93	88.53	110.62	97.17	85.13
<b>Canada</b>									
Overnight – target	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Treasury bill – 3 months	0.94	0.94	0.91	0.99	1.01	0.96	1.03	0.97	0.89
Treasury bonds – 2 years	1.10	1.11	1.12	1.19	1.08	1.07	1.31	1.11	0.92
– 5 years	1.74	1.76	1.78	1.95	1.48	1.26	2.17	1.58	1.15
– 10 years	2.56	2.58	2.50	2.62	2.07	1.70	2.82	2.19	1.67
– 30 years	3.15	3.14	3.07	3.07	2.63	2.29	3.28	2.76	2.29
Spread with the U.S. rate (% points)									
Overnight – target	0.75	0.75	0.75	0.75	0.75	0.75	0.75	0.75	0.75
Treasury bill – 3 months	0.88	0.87	0.87	0.96	0.97	0.88	0.99	0.91	0.78
Treasury bonds – 2 years	0.81	0.83	0.82	0.82	0.78	0.82	0.96	0.82	0.68
– 5 years	0.36	0.40	0.41	0.38	0.44	0.66	0.69	0.50	0.26
– 10 years	-0.20	-0.17	-0.12	-0.13	-0.09	0.08	0.11	-0.05	-0.20
– 30 years	-0.68	-0.70	-0.63	-0.61	-0.68	-0.52	-0.47	-0.60	-0.74
S&P/TSX index	13,475	13,478	13,337	12,654	12,650	12,239	13,483	12,661	11,837
Exchange rate (C\$/US\$)	1.0590	1.0515	1.0422	1.0538	1.0378	0.9944	1.0595	1.0235	0.9443
Exchange rate (C\$/€)	1.4418	1.4256	1.4056	1.3933	1.3490	1.2912	1.4424	1.3548	1.2767
<b>Overseas</b>									
ECB – Refinancing rate	0.25	0.25	0.50	0.50	0.50	0.75	0.75	0.60	0.25
BoE – Base rate	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50
BoJ – Overnight rate	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10
Germany: Bonds – 10 years	1.70	1.75	1.69	1.85	1.49	1.38	2.02	1.58	1.19
U.K.: Bonds – 10 years	2.77	2.79	2.65	2.78	2.01	1.77	3.03	2.28	1.62
Euro: Exchange rate (US\$/€)	1.3614	1.3559	1.3488	1.3223	1.2999	1.2986	1.3805	1.3237	1.2781
U.K.: Exchange rate (US\$/£)	1.6369	1.6226	1.5927	1.5510	1.5200	1.6013	1.6369	1.5565	0.0000

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.