

## Will the Federal Reserve react to the budget agreement?

### HIGHLIGHTS

- United States: Republicans and Democrats finally reach a 2-year budget deal.
- Solid growth by U.S. retail sales in November.
- Inventory growth remains strong in the United States.
- Canada: Household debt continues to rise.
- Canada: Housing starts edged down in November.

### A LOOK AHEAD

- Federal Reserve: It is still too early to officially announce tapering, but the budget deal and improvements to several indicators have opened the door.
- U.S. industrial production should bounce back in November.
- United States: The release of three months of housing start figures should show an uptrend.
- Canada: The total annual inflation rate should return to the lower target.
- Canada: Retail and wholesaler sales could tick up, while manufacturing sales are expected to drop.

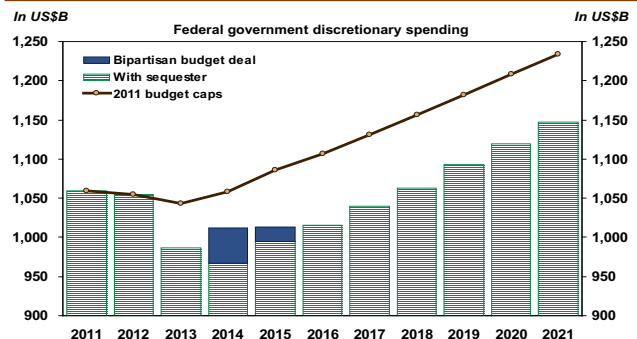
### FINANCIAL MARKETS

- The stock markets beat an orderly retreat.
- U.S. 10-year yields near 2.90%.
- The U.S. dollar remains fairly stable, despite an environment more conducive to reducing the Federal Reserve's securities purchases.

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Graph of the week – The budget deal avoids a new round of spending cuts



Sources: Congressional Research Service, House Budget Committee, Congressional Budget Office and Desjardins, Economic Studies

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## KEY STATISTICS OF THE WEEK

### UNITED STATES

- November's 0.7% growth by retail sales is fairly close to expectations, but the details reveal an even better picture. Growth does not just come from the 1.85% gain by auto sales, but also from other sectors (+0.4%). Excluding autos and gas, sales went up 0.6% for a second month in a row. Besides automobiles, furniture stores, electronics stores and renovation centres posted solid monthly growth. However, the clear winner was nonstore retailers (online and catalogue purchases), which recorded monthly growth of 2.2%.
- Business inventories went up 0.7% in October after advancing 0.6% in September, a much bigger increase than anticipated. It largely comes from a very sharp rise by wholesaler inventories of agricultural products and the automotive sector.
- The federal monthly deficit went up to US\$135.2B in November. Over one year, the deficit is US\$614B, a clear improvement from the US\$1,146B deficit recorded last year.
- The NFIB small business confidence index ticked up in November, going from 91.6 in October to 92.5, which is still below September's results.

**Francis Généreux**  
Senior Economist

### CANADA

- Total household credit increased 6.2% (quarterly annualized) in the third quarter of 2013. Household disposable income advanced 5.0% for the period. The ratio of credit market debt to disposable income has therefore edged up again from 163.1% to 163.7% in the third quarter, a new historic high. Of course, the anticipated slowdown of the real estate market could by itself substantially reduce the advance of household debt. However, it is clear that the Department of Finance and the Bank of Canada (BoC) will remain on alert. Despite what some investors think, the possibility of a reduction in key interest rates in the months to come can be ruled out, since the risks of inciting households to take on even more debt appear too great compared to benefits to the Canadian economy.
- As expected, the number of housing starts edged down in November, going from 198,200 to 192,200 units. Most of the drop occurred in Ontario, where the number of housing starts once again returned to around 60,000 units after reaching 70,600 units in October. Multi-unit housing in urban areas is clearly behind this fluctuation.
- The industrial capacity utilization rate went from 81.1% in the second quarter to 81.7% in the third quarter. Its climb can be attributed to a quarterly annualized 4.5% rise by industrial production. The greatest increase occurred in the oil and gas extraction sector, where the third quarter's utilization rate was at its highest point since summer 2003.
- The BoC published its biannual report on risks to the financial system. In general, the monetary authorities feel that global risk is down, mainly because of less fragile euro zone banks and sovereign borrowers. Risks associated with imbalances in household financial situations and the housing market have remained unchanged, however.

**Benoit P. Durocher**  
Senior Economist

# FINANCIAL MARKETS

## Risks of a tapering announcement drag down stock markets

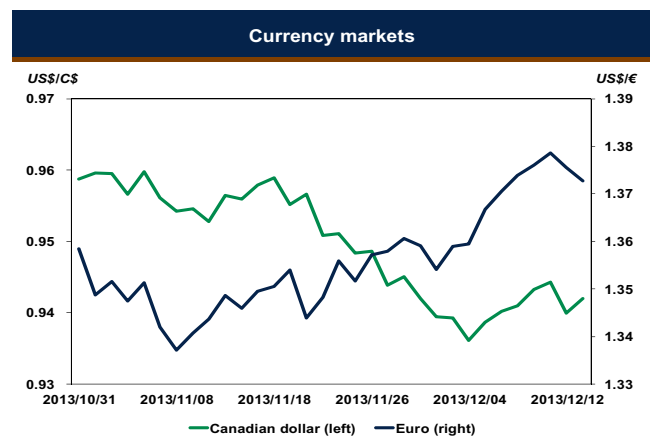
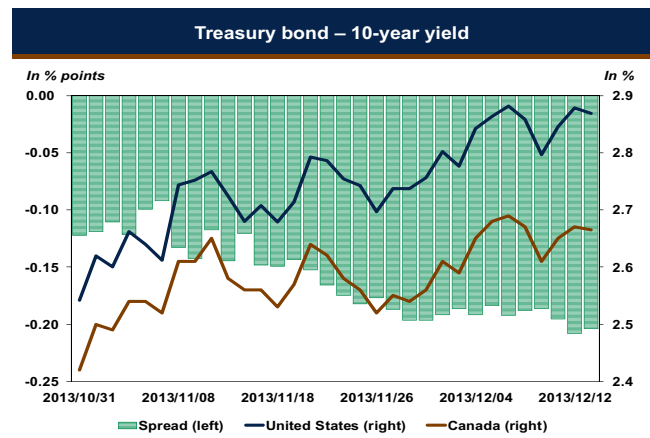
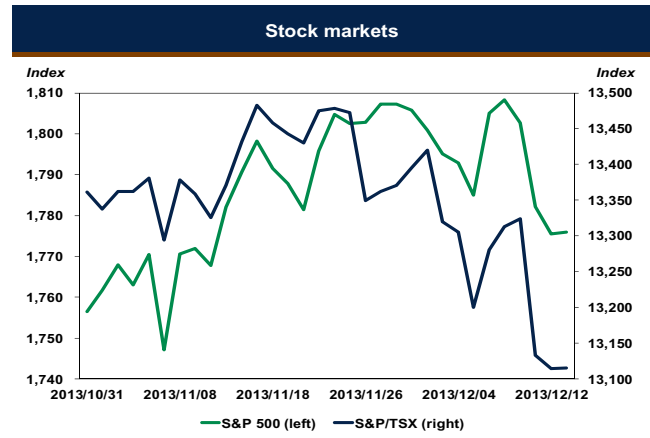
Stock markets had another difficult week, with the S&P 500 posting four straight losses from Tuesday to Friday. The little economic news released generally continued to suggest that the U.S. economy is improving, while the new budget deal eliminated one of the major sources of uncertainty for the Federal Reserve (Fed). The increased likelihood that tapering would be announced soon also contributed to the stock market's retreat. Canada's stock markets followed the same path, unable to benefit from climbing oil prices. The consumer staples and utilities sectors suffered the most this week.

Surprisingly, yields moved down following last Friday's job creation figures, but the trend reversed on Wednesday after a provisional budget deal was announced in the United States. On Thursday, solid retail sales data supported the uptrend, taking 10-year yields to around 2.88%. They fluctuated around this level on Friday. Canadian bonds generally outperformed U.S. bonds, with the spread between 10-year bonds even hitting -22 basis points on Thursday. In his remarks, Bank of Canada (BoC) Governor Stephen Poloz did not clearly signal any key rate cuts but instead mentioned that rates would probably remain unchanged for quite some time. The spread in short-term maturities narrowed all the same, as he emphasized the downside risks to inflation.

Although there seems to be a greater chance that the Fed will announce a start to tapering its securities purchases soon, the U.S. dollar has not advanced much lately. The euro has still not shown any signs of flagging and held above US\$1.37 this week. The more favourable global economic situation seems to be prompting investors to take more risks, especially in Europe. However, the pound dropped below \$US1.63 as Bank of England leaders did not seem in a hurry to tighten their monetary policy over the medium term, especially since inflation is less threatening. The Canadian dollar appreciated at the start of the week and neared the US\$0.95 mark. On Thursday, remarks by the BoC's governor helped bring the loonie closer to US\$0.94.

**Jimmy Jean**  
Senior Economist

**Hendrix Vachon**  
Senior Economist



# A LOOK AHEAD



## UNITED STATES

### Monday Dec. 16 - 9:15

<b>November</b>	m/m
Consensus	0.5%
Desjardins	0.6%
<b>October</b>	<b>-0.1%</b>

**Industrial production (November)** – Industrial production fell in October, sapped by falling energy demand and a pullback by mining output. Manufacturing output rose 0.3% following September’s smaller 0.1% gain. We expect even faster growth by manufacturing in November, as motor vehicle assembly should have bounced back after October’s 1.3% contraction. A solid performance by the ISM index and advances by hours worked suggest that the entire manufacturing sector should do well. After dropping in October, mining and energy producers should return to growth. As a whole, industrial production should therefore go up 0.6%, with the utilization rate going from 78.1% to 78.4%. Following November’s pullbacks, it will be interesting to see how the New York Fed and Philadelphia Fed regional manufacturing indexes do in December (to be released Monday and Thursday respectively).

### Tuesday Dec. 17 - 8:30

<b>November</b>	m/m
Consensus	0.1%
Desjardins	0.1%
<b>October</b>	<b>-0.1%</b>

**Consumer price index (November)** – Once again, gas prices made a negative contribution to monthly growth by the consumer price index (CPI) in October. Prices at the pump fell again in November, dropping 3.0%. This is more than the decrease normally expected for this time of the year; it will therefore have another negative impact on total CPI. We expect another slight 0.1% gain by core CPI excluding food and energy, its fifth in a row. Because of base effects (the CPI had dropped 0.2% in November 2012), inflation should go from 1.0% to 1.3%. Core inflation should stay at 1.7%.

### Wednesday Dec. 18 - 8:30

<b>November</b>	ann. rate
Consensus	950,000
Desjardins	950,000
<b>October</b>	
Consensus	n/a
Desjardins	935,000
<b>September</b>	
Consensus	n/a
Desjardins	915,000
<b>August</b>	<b>891,000</b>

**Housing starts (September, October and November)** – It has been a long time since we have heard anything about housing starts. The figures were delayed by the budget impasse, but we had still expected to see the results for September and October by mid-November; however only the data on building permits was made public. Now three months of housing starts figures will be released at the same time. In line with our previous forecasts, we expect housing starts to show monthly increases consistent with the numbers already published for building permits. Construction employment also continued to rise during the period, as did consumer confidence. The only blemish comes from weak new home sales in September, but the loss was more than made up in November. Housing starts should go from 915,000 in September to 935,000 in October, then to 950,000 in November. However, greater volatility is highly likely.

### Wednesday Dec. 18 - 14:00

<b>December</b>	
Consensus	0.25%
Desjardins	0.25%
<b>October 30</b>	<b>0.25%</b>

**Federal Reserve meeting (December)** – Expectations are high for this Federal Reserve (Fed) monetary policy committee meeting. While it is still probably too soon to immediately start tapering their securities purchases, the solid growth by several economic indicators and the budget agreement should make some Fed leaders want to move up their announcement. However, it is more likely that Ben Bernanke will use his final meeting and press conference to prepare the markets for imminent tapering; this will be in January, as he will still be Fed chair during January’s meeting, before passing the torch on to Janet Yellen. If so, he could also announce that the Fed will lower its threshold for the jobless rate from 6.5% to 6.0% in order to drive home the fact that reduced securities purchases do not signal that key rate hikes are forthcoming. On the other hand, if Ben Bernanke’s statement and remarks are more dovish, it could mean there will be no announcement until March. The Fed will present its new forecasts for growth, unemployment, inflation and interest rates following this meeting.

**Existing home sales (November)** – Existing home sales have been trending down since this summer, a movement that should persist in November. The drop by pending sales leaves little doubt about the state of the resale market, although the pullback recorded in October was smaller than in previous months, while mortgage applications rose in November, after months of contraction. Existing home sales should drop to 5,000,000 units.

**Leading indicator (November)** – Sapped by higher jobless claims and declining confidence during the shutdown, growth by the leading indicator slowed considerably in October. All the same, a 0.8% rebound is expected for November, even though building permits are expected to go down. The new drop by jobless claims, the strong ISM index and the stock market's performance will contribute greatly to a rise by the leading indicator.


**CANADA**

**Manufacturing sales (October)** – The value of merchandise exports fell 0.3% in October, suggesting that the month was fairly difficult for manufacturers. The automotive and aviation product sectors also pulled back substantially over the month. What's more, new orders and the backlog of orders both dropped significantly in September, a situation that does not bode well for the months to come. Under these conditions, manufacturing sales should post a contraction in October.

**Wholesale trade (October)** – October's weak merchandise exports will obviously not help wholesaler sales over the month. On the other hand, domestic demand is faring better, with retail sales posting gains of 4.9% since the start of the year. All in all, wholesale sales should continue to grow slowly in October.

**Consumer price index (November)** – According to weekly surveys at the pumps, gas prices were almost flat in November. The monthly change in total consumer price index (CPI) will therefore be primarily influenced by the slight negative seasonal effects usually observed in November, as well as by the excess production capacity. Accordingly, total CPI might only post a slight increase in November, though the total annual inflation rate could head back towards the lower end of the target range (1.0%). The annual change in the core index (CPIX) could go from 1.2% to 1.4%.

**Retail sales (October)** – Once seasonally adjusted, goods prices fell 0.5% in October, mainly due to a 3.4% reduction in gas prices. Without a doubt, this will have a negative impact on the value of retail sales. That being said, the labour market has added 105,900 jobs since August, and average weekly earnings are up 2% from last year, meaning that conditions are fairly good for retail trade. Under these conditions, a slight increase in retail sales is expected for October.


**OVERSEAS**

**United Kingdom: Economic indicators** – Several important indicators will be released this week in the United Kingdom, starting on Tuesday with the consumer price index. Britain's inflation has been trending down, as is the case in many countries worldwide, but we expect it to stabilize somewhat in November, staying at October's 2.2%. October's unemployment rate will be published Wednesday and should stay at 7.6% according to the consensus. November's retail sales will be released on Thursday. After falling 0.6%, a 0.2% rise is expected. Lastly, the minutes of the Bank of England's latest monetary policy committee meeting will be released on Wednesday.

**Thursday Dec. 19 - 10:00**

<b>November</b>	ann. rate
Consensus	5,010,000
Desjardins	5,000,000
<b>October</b>	<b>5,120,000</b>

**Thursday Dec. 19 - 10:00**

<b>November</b>	m/m
Consensus	0.7%
Desjardins	0.8%
<b>October</b>	<b>0.2%</b>

**Tuesday Dec. 17 - 8:30**

<b>October</b>	m/m
Consensus	-0.3%
Desjardins	-0.7%
<b>September</b>	<b>0.6%</b>

**Wednesday Dec. 18 - 8:30**

<b>October</b>	m/m
Consensus	0.3%
Desjardins	0.4%
<b>September</b>	<b>0.2%</b>

**Friday Dec. 20 - 8:30**

<b>November</b>	m/m
Consensus	0.1%
Desjardins	0.1%
<b>October</b>	<b>-0.2%</b>

**Friday Dec. 20 - 8:30**

<b>October</b>	m/m
Consensus	0.2%
Desjardins	0.3%
<b>September</b>	<b>1.0%</b>

**During the week**

**Monday Dec. 16 - 4:00****December**

Consensus

**November**

m/m




51.9


**51.6**

**Euro zone: PMI index (December)** – Euroland’s composite PMI index has been declining since September. The total 0.5-point pullback is hardly dramatic, but it suggests that the situation is moderating. It will be interesting to see if the index will continue to fall in December, or if a rebound has begun. October’s trade balance will also be released Monday; after falling over the third quarter, a recovery has appeared in the last few months. It now remains to be seen if the euro’s strength will stop this advance. November’s final version of the consumer price index will come out on Tuesday. The preliminary version posted total inflation of 0.9%, somewhat higher than October’s 0.7%. The flash estimate of December’s consumer confidence index will be released Friday. In Germany, the IFO indexes for December will be published on Wednesday.

# ECONOMIC INDICATORS


## Week of December 16 to 20, 2013

Day	Hour	Indicator	Period	Consensus		Previous data
 <b>UNITED STATES</b>						
<b>MONDAY 16</b>	8:30	Empire manufacturing index	Dec.	4.75	5.0	-2.21
	8:30	Nonfarm productivity – final (ann. rate)	Q3	2.8%	3.0%	1.9%
	8:30	Unit labor costs – final (ann. rate)	Q3	-1.4%	-1.7%	-0.6%
	9:00	Net foreign security purchases (US\$B)	Oct.	40.0	n/a	25.5
	9:15	Industrial production (m/m)	Nov.	0.5%	0.6%	-0.1%
	9:15	Production capacity utilization rates	Nov.	78.4%	78.4%	78.1%
<b>TUESDAY 17</b>	8:30	Current account (US\$B)	Q3	-100.4	-98.0	-98.9
	8:30	Consumer price index				
		Total (m/m)	Nov.	0.1%	0.1%	-0.1%
		Excluding food and energy (m/m)	Nov.	0.1%	0.1%	0.1%
		Total (y/y)	Nov.	1.3%	1.3%	1.0%
		Excluding food and energy (y/y)	Nov.	1.7%	1.7%	1.7%
	10:00	NAHB housing market index	Dec.	55	n/a	54
<b>WEDNESDAY 18</b>	8:30	Housing starts (ann. rate)	Sept.	n/a	915,000	891,000
	8:30	Housing starts (ann. rate)	Oct.	n/a	935,000	n/a
	8:30	Housing starts (ann. rate)	Nov.	950,000	950,000	n/a
	8:30	Building permits (ann. rate)	Nov.	978,000	1,000,000	1,034,000
	14:00	Federal Reserve meeting	Dec.	0.25%	0.25%	0.25%
<b>THURSDAY 19</b>	8:30	Initial unemployment claims	Dec. 9-13	331,000	320,000	368,000
	10:00	Leading indicator (m/m)	Nov.	0.7%	0.8%	0.2%
	10:00	Philadelphia Fed index	Dec.	10.0	8.0	6.5
	10:00	Existing home sales (ann. rate)	Nov.	5,010,000	5,000,000	5,120,000
<b>FRIDAY 20</b>	8:30	Real GDP (ann. rate)	Q3t	3.6%	3.6%	3.6%
 <b>CANADA</b>						
<b>MONDAY 16</b>	8:30	International transactions in securities (\$B)	Oct.	n/a	6.00	8.36
	9:00	Existing home sales	Nov.			
<b>TUESDAY 17</b>	8:30	Manufacturing sales (m/m)	Oct.	-0.3%	-0.7%	0.6%
<b>WEDNESDAY 18</b>	8:30	Wholesale sales (m/m)	Oct.	0.3%	0.4%	0.2%
	8:30	Wholesale inventories (m/m)	Oct.	n/a	-0.3%	-0.2%
<b>THURSDAY 19</b>	---	---				
<b>FRIDAY 20</b>	8:30	Consumer price index				
		Total (m/m)	Nov.	0.1%	0.1%	-0.2%
		Excluding 8 most volatile (m/m)	Nov.	0.1%	0.2%	0.2%
		Total (y/y)	Nov.	1.0%	1.0%	0.7%
		Excluding 8 most volatile (y/y)	Nov.	1.3%	1.4%	1.2%
	8:30	Retail sales				
		Total (m/m)	Oct.	0.2%	0.3%	1.0%
		Excluding automobiles (m/m)	Oct.	0.1%	0.1%	0.0%

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 16 to 20, 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 16</b>								
France	3:00	PMI manufacturing index – preliminary	Dec.	49.0		48.4		
France	3:00	PMI services index – preliminary	Dec.	48.7		48.0		
Germany	3:30	PMI manufacturing index – preliminary	Dec.	53.0		52.7		
Germany	3:30	PMI services index – preliminary	Dec.	55.3		55.7		
Euro zone	4:00	PMI composite index – preliminary	Dec.	52.0		51.7		
Euro zone	4:00	PMI manufacturing index – preliminary	Dec.	51.9		51.6		
Euro zone	4:00	PMI services index – preliminary	Dec.	51.5		51.2		
Italy	4:00	Trade balance (€M)	Oct.	n/a		794		
Euro zone	5:00	Trade balance (€B)	Oct.	14.5		14.3		
Australia	19:30	Minutes of the Reserve Bank of Australia December meeting						
<b>TUESDAY 17</b>								
Japan	1:00	Machinery orders	Nov.	n/a		15.4%		
Sweden	3:30	Bank of Sweden meeting	Dec.	0.75%		1.00%		
United Kingdom	4:30	Consumer price index	Nov.	0.2%	2.2%	0.1%	2.2%	
United Kingdom	4:30	Producer price index	Nov.	0.0%	0.9%	-0.3%	0.8%	
Euro zone	5:00	Labour costs	Q3		n/a		0.9%	
Euro zone	5:00	Consumer price index – final	Nov.	-0.1%	0.9%	-0.1%	0.9%	
Germany	5:00	ZEW survey – Economic sentiment	Dec.	29.9		28.7		
Germany	5:00	ZEW survey – Expectations	Dec.	55.0		54.6		
Japan	18:50	Trade balance (¥B)	Nov.	-1,198.1		-1,072.5		
<b>WEDNESDAY 18</b>								
Germany	4:00	IFO survey – Business climate	Dec.	109.5		109.3		
Germany	4:00	IFO survey – Current situation	Dec.	112.5		112.2		
Germany	4:00	IFO survey – Expectations	Dec.	106.5		106.3		
United Kingdom	4:30	ILO unemployment rate	Oct.	7.6%		7.6%		
Euro zone	5:00	Construction	Oct.	n/a	n/a	-1.3%	-0.2%	
Italy	5:00	Current account (€M)	Oct.	n/a		227		
Japan	23:30	All industry activity index	Oct.	-0.3%		0.4%		
<b>THURSDAY 19</b>								
Japan	0:00	Coincident indicator – final	Oct.	n/a		109.6		
Japan	0:00	Leading indicator – final	Oct.	n/a		109.9		
Euro zone	4:00	Current account (€B)	Oct.	n/a		13.7		
United Kingdom	4:00	Retail sales	Nov.	0.3%	2.4%	-0.6%	2.3%	
United Kingdom	19:05	Consumer confidence	Dec.	-11		-12		
<b>FRIDAY 20</b>								
Germany	2:00	Producer price index	Nov.	-0.1%	-0.8%	-0.2%	-0.7%	
Germany	2:00	Consumer confidence	Janv.	7.4		7.4		
France	2:45	Business confidence	Dec.	96		95		
France	2:45	Production outlook	Dec.	n/a		-16		
Italy	4:00	Factory orders	Oct.	n/a	n/a	1.6%	7.3%	
United Kingdom	4:30	Current account (€B)	Q3	-14.0		-13.0		
United Kingdom	4:30	Index of services	Oct.	0.3%		0.2%		
United Kingdom	4:30	Real GDP – final	Q3	0.8%	1.5%	0.8%	1.5%	
Italy	5:00	Retail sales	Oct.	0.0%	n/a	-0.3%	-2.8%	
Euro zone	10:00	Consumer confidence – preliminary	Dec.	-15.0		-15.4		

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	15,819	3.6	1.8	2.8	1.8	2.5	-2.8
Consumption (2009 \$B)	2013 Q3	10,729	1.4	1.8	2.2	2.5	2.0	-1.6
Government spending (2009 \$B)	2013 Q3	2,908	0.4	-2.7	-1.0	-3.2	0.1	3.1
Residential investment (2009 \$B)	2013 Q3	502.2	13.0	14.8	12.9	0.5	-2.5	-21.2
Non-residential investment (2009 \$B)	2013 Q3	1,988	3.5	3.2	7.3	7.6	2.5	-15.6
Business inventory change (2009 \$B) (1)	2013 Q3	116.5	---	---	57.6	33.6	58.2	-147.6
Exports (2009 \$B)	2013 Q3	2,017	3.7	2.8	3.5	7.1	11.5	-9.1
Imports (2009 \$B)	2013 Q3	2,439	2.7	1.7	2.2	4.9	12.8	-13.7
Final domestic demand (2009 \$B)	2013 Q3	16,112	1.8	1.4	2.4	1.8	1.5	-3.0
GDP deflator (2009 = 100)	2013 Q3	106.7	2.0	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)	Nov.	57.3	56.4	55.7	49.0	49.9
ISM non-manufacturing index (1)	Nov.	53.9	55.4	58.6	53.7	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)	Dec.	82.5	75.1	77.5	84.1	72.9
Personal consumption expenditure (2009 \$B)	Oct.	10,776	0.3	0.6	0.9	2.1
Disposable personal income (2009 \$B)	Oct.	11,733	-0.2	0.7	1.1	1.8
Consumer credit (\$B)	Oct.*	3,076	0.6	1.7	3.2	6.3
Retail sales (\$M)	Nov.*	432,310	0.7	1.4	2.7	4.7
Excluding automobiles (\$M)	Nov.*	349,023	0.4	1.3	2.1	3.5
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)	Oct.	486,948	-0.9	0.8	2.5	1.9
New durable good orders (\$M)	Oct.	231,362	-1.6	3.0	3.7	5.8
Business inventories (\$B)	Oct.*	1,691	0.7	1.7	2.1	3.6
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)	Oct.	444.0	354.0	373.0	446.0	365.0
Existing home sales (K) (1)	Oct.	5,120	5,290	5,390	4,970	4,830
Construction spending (\$B)	Oct.	908.4	0.8	0.6	3.4	5.3
Commercial surplus (\$M) (1)	Oct.	-40,641	-42,969	-38,824	-39,599	-42,650
Nonfarm employment (K) (2)	Nov.	136,765	203.0	578.0	1,077	2,293
Unemployment rate (%) (1)	Nov.	7.0	7.3	7.3	7.6	7.8
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)	Oct.	107.5	-0.0	0.2	0.8	0.7
Excluding food and energy	Oct.	106.3	0.1	0.3	0.7	1.1
Producer price (1982 = 100)	Nov.*	197.4	-0.1	-0.3	0.9	0.7
Excluding food and energy	Nov.*	186.0	0.1	0.3	0.5	1.3
Export prices (2000 = 100)	Nov.*	131.7	0.1	-0.2	-0.9	-1.6
Import prices (2000 = 100)	Nov.*	138.1	-0.6	-0.9	-0.9	-1.5

\* 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.

## 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 Q3	102.6	0.7	0.7	-0.0	0.9	1.8	0.2
Unit labour cost (2007 = 100)	2013 Q3	113.4	0.6	1.1	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 Q3*	81.7	---	---	81.5	80.6	78.5	73.3
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)	Nov.*	192.2	198.2	185.6	199.8	201.5
Building permits (\$M)	Oct.	7,194	7.4	-10.6	2.7	-6.2
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)	Oct.	74.5	-302.7	-1,177	-1,015	-203.2
Exports (\$M)	Oct.	40,470	-0.3	3.7	1.5	5.3
Imports (\$M)	Oct.	40,396	-1.2	0.5	-1.2	4.6
Employment (K) (2)	Nov.	17,816	21.6	15.6	11.0	14.9
Unemployment rate (%) (1)	Nov.	6.9	6.9	7.1	7.1	7.2
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.	710,140	0.4	2.0	2.4	8.7

\* 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 (%)		
	Dec. 13	Dec. 6	-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	0.06	0.08	0.01	0.05	0.04	0.14	0.06	0.00
Treasury bonds – 2 years	0.33	0.31	0.29	0.44	0.27	0.24	0.51	0.29	0.20
– 5 years	1.54	1.50	1.35	1.70	1.02	0.69	1.83	1.12	0.65
– 10 years	2.87	2.88	2.71	2.89	2.12	1.71	2.97	2.28	1.63
– 30 years	3.88	3.91	3.80	3.85	3.29	2.87	3.91	3.41	2.83
S&P 500 index	1,776	1,805	1,798	1,688	1,627	1,414	1,808	1,625	1,402
DJIA index	15,752	16,020	15,962	15,376	15,070	13,135	16,097	14,864	12,938
Gold price (US\$/ounce)	1,236	1,236	1,288	1,317	1,387	1,697	1,697	1,431	1,215
CRB index	279.44	278.66	274.34	291.02	286.18	294.89	305.07	288.14	272.47
WTI oil (US\$/barrel)	96.32	97.47	93.80	108.31	97.83	86.31	110.62	97.57	86.65
<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	0.93	0.93	0.94	0.98	1.02	0.96	1.03	0.97	0.89
Treasury bonds – 2 years	1.10	1.09	1.12	1.29	1.10	1.13	1.31	1.11	0.92
– 5 years	1.82	1.83	1.78	2.13	1.53	1.34	2.17	1.60	1.15
– 10 years	2.67	2.69	2.56	2.78	2.12	1.79	2.82	2.22	1.67
– 30 years	3.22	3.28	3.12	3.26	2.68	2.38	3.28	2.79	2.34
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	0.87	0.87	0.86	0.97	0.97	0.92	0.99	0.91	0.78
Treasury bonds – 2 years	0.77	0.78	0.83	0.85	0.83	0.89	0.96	0.82	0.68
– 5 years	0.29	0.33	0.43	0.43	0.51	0.65	0.69	0.48	0.26
– 10 years	-0.20	-0.19	-0.15	-0.11	-0.00	0.08	0.08	-0.06	-0.21
– 30 years	-0.66	-0.63	-0.68	-0.59	-0.61	-0.49	-0.48	-0.61	-0.74
S&P/TSX index	13,116	13,281	13,483	12,723	12,187	12,297	13,483	12,700	11,837
Exchange rate (C\$/US\$)	1.0616	1.0636	1.0440	1.0352	1.0170	0.9856	1.0683	1.0264	0.9420
Exchange rate (C\$/€)	1.4573	1.4577	1.4089	1.3761	1.3573	1.2973	1.4633	1.3612	1.2889
<b>Overseas</b>									
ECB – Refinancing rate	0.25	0.25	0.25	0.50	0.50	0.75	0.75	0.58	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	1.83	1.84	1.71	1.94	1.52	1.35	2.02	1.60	1.19
U.K.: Bonds – 10 years	2.90	2.90	2.75	2.93	2.07	1.87	3.03	2.32	1.62
Euro: Exchange rate (US\$/€)	1.3727	1.3706	1.3496	1.3294	1.3347	1.3163	1.3805	1.3262	1.2781
U.K.: Exchange rate (US\$/£)	1.6280	1.6350	1.6122	1.5875	1.5705	1.6168	1.6446	1.5638	1.4867

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.