

## Employment falters in December

### HIGHLIGHTS

- United States: Disappointing year-end on the jobs front.
- Solid improvements to the U.S. trade balance in November.
- United States: The non-manufacturing ISM went down.
- Canada: Employment lost ground in December.
- Canada: Housing starts pulled back in December.

### A LOOK AHEAD

- United States: Falling auto sales should slow growth by retail sales.
- Rising gas prices will cause the U.S. consumer price index to accelerate slightly.
- United States: Housing starts expected to fall after November's robust growth.
- The Bank of Canada will reveal the results of its most recent quarterly surveys.

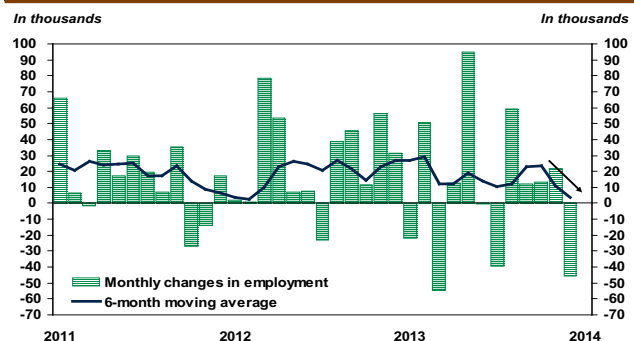
### FINANCIAL MARKETS

- Stock markets are not overly worried about weak job creation.
- The spread between Canadian and U.S. 5-year yields is at its lowest point since 2009.
- The Canadian dollar drops below US\$0.92.

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Graph of the week – Signs point to a flagging labour market trend



Sources: Statistics Canada and Desjardins, Economic Studies

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**NOTE TO READERS:** The letters **K**, **M** and **B** are used in texts and tables to refer to thousands, millions and billions respectively.

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## KEY STATISTICS OF THE WEEK

### UNITED STATES

- According to the establishment survey, only 74,000 net hires were recorded in December, after 241,000 new jobs (revised from 203,000) were created in November. The private sector boosted its ranks by 87,000 jobs, the weakest growth since June 2012. The public sector shed a total of 13,000 jobs. The construction sector lost 16,000 jobs while the manufacturing sector added only 9,000 workers to payrolls. A total of 90,000 service jobs were created in the private sector, representing a clear slowdown compared with the average of 172,000 recorded in the first 11 months of 2013. Retailers still managed to create 55,300 new jobs. For the first time since September 2010, the education and health care sectors failed to create any jobs. We can assume that bad weather conditions had a significant negative impact, which would explain the weakness in certain industries such as construction. However, the solid showing in other sectors, such as retail trade, muddles this explanation. For the time being, the nasty surprise in the December 2013 data seems more like an anomaly.
- The jobless rate declined from 7.0% to 6.7%, the lowest level since October 2008. According to the household survey, 143,000 new jobs were created while 347,000 people exited the workforce. The participation rate has almost dropped to its 35-year low, reached during the budget impasse.
- The trade balance clearly improved in November, going from -US\$39.3B to -US\$34.3B. This movement is largely due to lower oil imports. In real terms, goods exports grew 0.5%, while imports fell 1.0%. This will help real GDP growth considerably in the fourth quarter.
- The ISM non-manufacturing index went from 53.9 to 53.0 between November and December. This is the third monthly drop by the ISM non-manufacturing index in four months. This retreat comes mainly from the 7-point drop by the new orders component, which fell below the 50.0 mark, at 49.4.

**Francis Généreux**  
Senior Economist

### CANADA

- The labour market shed 45,900 jobs in December, putting an end to four consecutive months of gains. The unemployment rate ticked up from 6.9% to 7.2%. The outcome for 2013 is fairly mixed. Similar to the 2012 increase (+1.2%), employment rose 1.3% (+223,500 jobs) on average, which is in line with an economy that is growing at a moderate pace. The unemployment rate averaged 7.1% in 2013 as opposed to 7.2% in 2012.
- Housing starts were down 4.1%, slipping from 197,800 units in November to 189,700 units in December. Housing starts averaged 188,000 units in 2013, down 12.7% over 2012. 2013 was a year in three acts. Act one involved a serious downturn in January 2013, mainly due to a sharp drop in multi-unit housing. Act two gave us a rebound in the months following January, bringing housing starts to around 200,000 units in May. Act three showed rather stable housing starts starting in the spring and holding steady at slightly below 200,000 units. All in all, the main cause for the average drop in 2013 housing starts is the anemic start of the year.
- Merchandise exports remained unchanged in November, while imports rose 0.1%. The trade balance hit -\$0.94B, close to its level the month before (-\$0.91B). Note that October's results were revised considerably, with a much more pronounced drop by exports. In real terms, exports pulled back 0.4% in November, while imports fell 0.2%. After two months, the balance sheet for Q4 is posting some deterioration by the trade balance, raising fears of a negative contribution to real GDP by international trade.

**Benoit P. Durocher**  
Senior Economist

# FINANCIAL MARKETS

## Gloomy data takes the Canadian dollar to a 4-year low

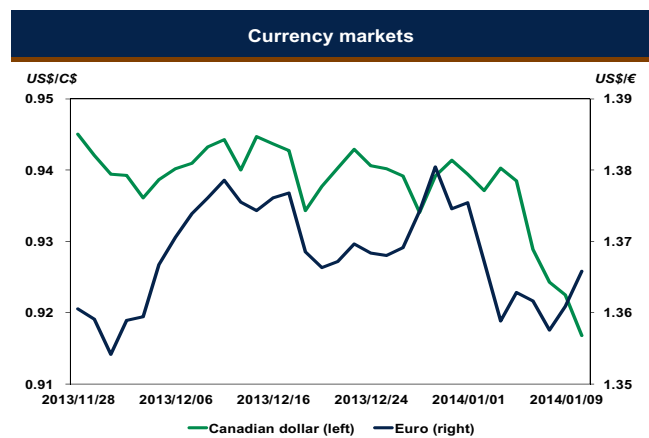
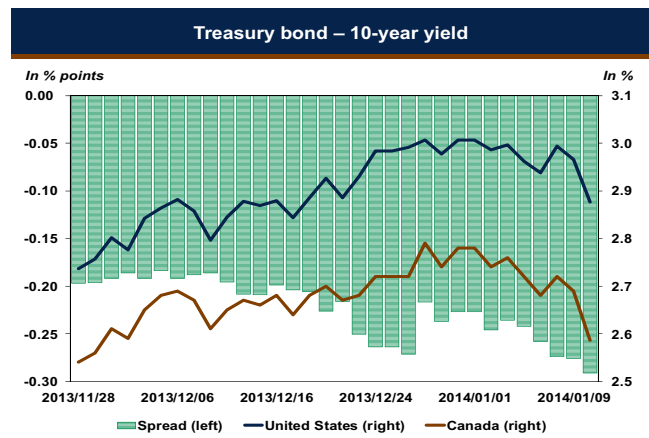
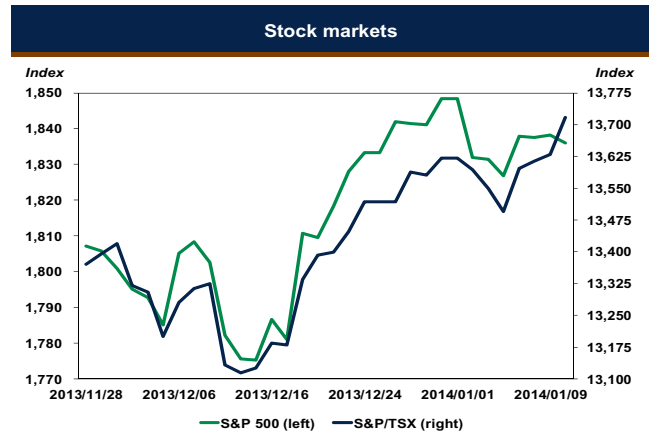
After a difficult start to the week on Monday, the S&P 500 recovered on Tuesday after figures showing a surprising drop in the U.S. trade deficit in November fuelled optimism about Q4 GDP growth. The markets then seesawed in the run-up to the release of the minutes of the Federal Reserve (Fed) meeting, published on Wednesday. The optimism expressed by Fed leaders caused the S&P 500 to jump 0.5% in the moments following the document's release. After a volatile Thursday, the stock markets were down just slightly on Friday morning, despite incredibly disappointing figures for job creation. The S&P/TSX was able to brush off weak oil prices and was on its way to posting a fourth straight gain on Friday.

U.S. 10-year yields moved within a fairly limited band, ranging from 2.95% to 3.00% between Monday and Thursday, and the U.S. curve tended to flatten. The minutes of the Fed meeting did not really impact the curve on Wednesday, with yields moving up in reaction to the encouraging job creation figures previously published by ADP. However, the official results for job creation appeared on Friday, revealing that this had been a false sign, and 5- and 10-year yields each fell 8 basis points after their publication. Meanwhile, the weakness of most Canadian data released this week contributed to substantial narrowing of the Canada–United States spread for all maturities, except 30 years.

The U.S. dollar reacted negatively to Friday's employment figures. The pullback wiped out most of the gains made earlier in the week, which had been supported by better statistics. The euro occasionally fell below US\$1.36, but ended the week on a positive note. The pound moved on a slight uptrend, once again nearing US\$1.65. Japan's exchange rate was more stable, between ¥104/US\$ and ¥105/US\$. The Canadian dollar received more attention. The loonie lost nearly three cents and fell below the US\$0.92 mark. This is its lowest point in more than four years. The poor employment figures published in Canada increased pessimism over the currency, which had already been fed by soft inflation and expectations that Canada's key rates would be lowered.

**Jimmy Jean**  
Senior Economist

**Hendrix Vachon**  
Senior Economist



# A LOOK AHEAD



## UNITED STATES

### Tuesday January 14 - 8:30

<b>December</b>	m/m
Consensus	0.1%
Desjardins	0.1%
<b>November</b>	<b>0.7%</b>

**Retail sales (December)** – November saw fairly strong retail sales growth, at 0.7%. This increase is largely due to the automobile sector. However, this sector should contribute negatively to December's results, as the number of new cars sold fell 6.2% after a 7.7% jump. On the other hand, rising gas prices in late December should help boost the value of service station sales. Lastly, we expect slightly weaker growth by sales excluding automobiles and gas after November's 0.6% gain. A good November is often followed by more disappointing figures as Christmas approaches. The nastier weather could also have limited growth. The improvement to household confidence is rather encouraging, though, and 55,300 jobs were created in the retail sector in December. Total sales are expected to grow 0.1%, while sales excluding automobiles should go up 0.4%. The rise should be around 0.3% once gas is excluded as well.

### Thursday January 16 - 8:30

<b>December</b>	m/m
Consensus	0.3%
Desjardins	0.3%
<b>November</b>	<b>0.0%</b>

**Consumer price index (December)** – After falling for five straight months, gasoline prices rose in December. The +0.7% increase by prices at the pump is fairly slight, but since this price tends to drop in December, it will have a greater impact on the monthly variation in the seasonally adjusted consumer price index (CPI). We therefore expect the CPI to increase 0.3%, its strongest rise since June 2013. Excluding food and gasoline, a 0.2% gain is expected; it will largely come from the CPI's housing component. The total CPI's annual change should go from 1.2% to 1.5%, while core inflation will go from 1.7% to 1.8%.

### Friday January 17 - 8:30

<b>December</b>	ann. rate
Consensus	993,000
Desjardins	1,005,000
<b>November</b>	<b>1,091,000</b>

**Housing starts (December)** – Housing starts caused a stir when 1,091,000 units were posted for November (with the figures for September and October, due to the budget impasse). This is the highest number of housing starts since February 2008. After an increase of this size, some pullback is clearly expected. Housing starts should therefore be closer to the recent figures for building permits (1,007,000 in November), while beating them slightly. In December, harsh weather in some parts of the United States may also have hampered new construction, which is expected to fall to 1,005,000. This is reflected in the sector's 16,000 layoffs in December. Building permits could go down to 990,000 units.

### Friday January 17 - 9:15

<b>December</b>	m/m
Consensus	0.3%
Desjardins	0.4%
<b>November</b>	<b>1.1%</b>

**Industrial production (December)** – In November, industrial production posted its best growth in the last year. The manufacturing sector did well (+0.6%), but the rise largely came from energy producers (+3.9%). Another gain by industrial production is expected for December, though it could be weaker. The ISM manufacturing component associated with current production remains high, at 62.2, but this is down from November's results. What's more, hours worked in manufacturing stagnated in December. The poor weather in many regions of the United States could also have prompted output to slow, although the cold will have further boosted energy production. Overall, industrial production should go up 0.4%. The capacity utilization rate would then go from 79.0% to 79.2%. It will also be interesting to see January's results for the New York Fed (Wednesday) and Philadelphia Fed (Thursday) regional manufacturing indexes.

**University of Michigan consumer confidence index (January – preliminary)** – Confidence is up in the United States. The University of Michigan index gained 7.4 points in December, while the Conference Board index climbed 6.1 points. This uptrend should continue in 2014, but there may be a lull in January. The rise by gas prices at the very end of December, the stock market's drop since the start of the year, and the harsh weather in the United States should bring the University of Michigan confidence index down a bit.


**CANADA**


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**Business outlook survey (Q4)** – Next Monday, the Bank of Canada will publish the latest results from its quarterly survey on business outlooks and credit conditions. With improved demand from the United States, Canadian businesses should be a bit more confident about future sales growth. Businesses could therefore also be more inclined to invest and to hire workers.

**Sales of existing properties (December)** – After rising for seven months in a row, existing home sales fell 3.3% in October and 0.1% in November. It is obviously too soon to conclude that the long-awaited real estate slowdown is materializing, but December's results will be an additional element for analyzing market trends. Note that the annual change to sales is still quite high (+5.9%) and the average price is continuing to advance, with annual gains of 9.8%.


**OVERSEAS**


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**Euro zone: Industrial production (November)** – Euroland's industrial production went down in four of the last five months, even though industrial confidence indexes are on the rise. A solid gain is expected for November, however, as Germany's monthly growth was 1.9% and France's was 1.3%.

**Friday January 17 - 8:30**

<b>January</b>	
Consensus	83.5
Desjardins	82.0
<b>December</b>	<b>82.5</b>

**Monday January 13 - 10:30****Wednesday January 15 - 9:00**


<b>December</b>	m/m
Consensus	n/a
Desjardins	n/a
<b>November</b>	<b>-0.1%</b>

**Tuesday January 14 - 5:00**

<b>November</b>	m/m
Consensus	1.4%
<b>October</b>	<b>-1.1%</b>

# ECONOMIC INDICATORS


## Week of January 13 to 17, 2014

Day	Hour	Indicator	Period	Consensus		Previous data
<b>UNITED STATES</b>						
<b>MONDAY 13</b>	12:40	Speech of the Atlanta Fed President, D. Lockhart				
	14:00	Federal budget (US\$B)	Dec.	44.0	44.0	-135.2
<b>TUESDAY 14</b>	8:30	Import prices (m/m)	Dec.	0.3%	0.5%	-0.6%
	8:30	Export prices (m/m)	Dec.	n/a	0.5%	0.1%
	8:30	Retail sales				
		Total (m/m)	Dec.	0.1%	0.1%	0.7%
		Excluding automobiles (m/m)	Dec.	0.4%	0.4%	0.4%
	10:00	Business inventories (m/m)	Nov.	0.3%	0.3%	0.7%
	12:45	Speech of the Philadelphia Fed President, C. Plosser				
	13:20	Speech of the Dallas Fed President, R. Fisher				
<b>WEDNESDAY 15</b>	8:30	Producer price index				
		Total (m/m)	Dec.	0.4%	0.3%	-0.1%
		Excluding food and energy (m/m)	Dec.	0.1%	0.2%	0.1%
	8:30	Empire manufacturing index	Jan.	4.00	5.00	0.98
	12:50	Speech of the Chicago Fed President, C. Evans				
	14:00	Release of the Beige Book				
	17:45	Speech of the Atlanta Fed President, D. Lockhart				
<b>THURSDAY 16</b>	8:30	Initial unemployment claims	Dec. 6-10	325,000	325,000	330,000
	8:30	Consumer price index				
		Total (m/m)	Dec.	0.3%	0.3%	0.0%
		Excluding food and energy (m/m)	Dec.	0.1%	0.2%	0.2%
		Total (y/y)	Dec.	1.5%	1.5%	1.2%
		Excluding food and energy (y/y)	Dec.	1.7%	1.8%	1.7%
	9:00	Net foreign security purchases (US\$B)	Nov.	n/a	n/a	35.4
	10:00	Philadelphia Fed index	Jan.	8.5	5.0	7.0
	10:00	NAHB housing market index	Jan.	58	n/a	58
	11:10	Speech of the Federal Reserve Chairman, B. Bernanke				
<b>FRIDAY 17</b>	8:30	Housing starts (ann. rate)	Dec.	993,000	1,005,000	1,091,000
	8:30	Building permits (ann. rate)	Dec.	1,014,000	990,000	1,007,000
	9:15	Industrial production (m/m)	Dec.	0.3%	0.4%	1.1%
	9:15	Production capacity utilization rates	Dec.	79.1%	79.2%	79.0%
	9:55	Michigan's consumer sentiment index – preliminary	Jan.	83.5	82.0	82.5




## CANADA

<b>MONDAY 13</b>	10:30	Release of the Bank of Canada <i>Business Outlook Survey</i>	Q4			
	10:30	Release of the Bank of Canada <i>Senior Loan Officer Survey</i>	Q4			
<b>TUESDAY 14</b>	---	---				
<b>WEDNESDAY 15</b>	9:00	Existing home sales (m/m)	Dec.	n/a	n/a	-0.1%
<b>THURSDAY 16</b>	8:30	International transactions in securities (\$B)	Nov.	n/a	3.50	4.41
<b>FRIDAY 17</b>	---	---				

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 January 13 to 17, 2014

Country	Hour	Indicator	Period	Consensus		Previous data		
				m/m (q/q)	y/y	m/m (q/q)	y/y	
 <b>OVERSEAS</b>								
<b>MONDAY 13</b>								
Italy	4:00	Industrial production	Nov.	0.3%	0.0%	0.5%	-0.5%	
Japan	18:50	Trade balance (¥B)	Nov.	-1,236.4		-1,091.9		
Japan	18:50	Current account (¥B)	Nov.	27.9		-59.3		
<b>TUESDAY 14</b>								
France	2:45	Current account (€B)	Nov.	n/a		-2.1		
France	2:45	Consumer price index	Dec.	0.4%	0.8%	0.0%	0.7%	
United Kingdom	4:30	Consumer price index	Dec.	0.5%	2.1%	0.1%	2.1%	
United Kingdom	4:30	Producer price index	Dec.	0.0%	1.0%	-0.2%	0.8%	
Euro zone	5:00	Industrial production	Nov.	1.4%	1.8%	-1.1%	0.2%	
<b>WEDNESDAY 15</b>								
Brazil	---	Bank of Brazil meeting	Jan.	10.25%		10.00%		
Euro zone	5:00	Trade balance (€B)	Nov.	14.8		14.5		
Japan	18:50	Machinery orders	Nov.	1.1%	11.7%	0.6%	17.8%	
Japan	18:50	Tertiary industry activity index	Nov.	0.7%		-0.7%		
<b>THURSDAY 16</b>								
Germany	2:00	Consumer price index – final	Dec.	0.4%	1.4%	0.4%	1.4%	
Euro zone	4:00	Release of the European Central Bank <i>Monthly Bulletin</i>						
Italy	4:00	Trade balance (€M)	Nov.	n/a		4,070		
Euro zone	5:00	Consumer price index	Dec.	0.3%	0.8%	-0.1%	0.9%	
<b>FRIDAY 17</b>								
Japan	0:00	Consumer confidence	Dec.	43.2		42.5		
United Kingdom	4:30	Retail sales	Dec.	0.3%	3.2%	0.4%	2.3%	
Euro zone	5:00	Construction	Nov.	n/a	n/a	-1.2%	-2.4%	

**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	15,839	4.1	2.0	2.8	1.8	2.5	-2.8
Consumption (2009 \$B)	2013 Q3	10,744	2.0	1.9	2.2	2.5	2.0	-1.6
Government spending (2009 \$B)	2013 Q3	2,907	0.4	-2.7	-1.0	-3.2	0.1	3.1
Residential investment (2009 \$B)	2013 Q3	499.2	10.3	14.2	12.9	0.5	-2.5	-21.2
Non-residential investment (2009 \$B)	2013 Q3	1,995	4.8	3.5	7.3	7.6	2.5	-15.6
Business inventory change (2009 \$B) (1)	2013 Q3	115.7	---	---	57.6	33.6	58.2	-147.6
Exports (2009 \$B)	2013 Q3	2,018	3.9	2.9	3.5	7.1	11.5	-9.1
Imports (2009 \$B)	2013 Q3	2,437	2.4	1.6	2.2	4.9	12.8	-13.7
Final domestic demand (2009 \$B)	2013 Q3	16,131	2.3	1.6	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	106.1	3.0	0.3	1.5	0.5	3.3	3.2
Unit labor cost (2009 = 100)	2013 Q3	103.1	-1.4	2.1	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 Q3	-94.8	---	---	-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)	Nov.	98.3	0.8	2.0	3.1	5.2
ISM manufacturing index (1)	Dec.*	57.0	57.3	56.2	50.9	50.2
ISM non-manufacturing index (1)	Dec.*	53.0	53.9	54.4	52.8	55.7
Cons. confidence Conf. Board (1985 = 100) (1)	Dec.*	78.1	72.0	80.2	82.1	66.7
Cons. confidence Michigan (1966 = 100) (1)	Dec.	82.5	75.1	77.5	84.1	72.9
Personal consumption expenditure (2009 \$B)	Nov.*	10,868	0.5	1.1	1.7	2.6
Disposable personal income (2009 \$B)	Nov.*	11,745	0.1	0.3	1.0	0.6
Consumer credit (\$B)	Nov.*	3,087	0.4	1.5	3.0	6.1
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)	Nov.	101.3	1.1	1.8	2.3	3.2
Production capacity utilization rate (%) (1)	Nov.	79.0	78.2	78.0	77.9	77.9
New machinery orders (\$M)	Nov.*	497,882	1.8	3.2	1.8	4.9
New durable good orders (\$M)	Nov.*	241,618	3.4	7.1	2.7	10.9
Business inventories (\$B)	Oct.	1,691	0.7	1.7	2.1	3.6
Housing starts (K) (1)	Nov.	1,091	889.0	883.0	919.0	842.0
Building permits (K) (1)	Nov.	1,017	1,039	926.0	985.0	933.0
New home sales (K) (1)	Nov.*	464.0	474.0	388.0	429.0	398.0
Existing home sales (K) (1)	Nov.	4,900	5,120	5,390	5,140	4,960
Construction spending (\$B)	Nov.*	934.4	1.0	3.4	4.3	5.9
Commercial surplus (\$M) (1)	Nov.*	-34,252	-39,328	-38,945	-43,886	-46,422
Nonfarm employment (K) (2)	Dec.*	136,877	74.0	515.0	1,017	2,186
Unemployment rate (%) (1)	Dec.*	6.7	7.0	7.2	7.5	7.9
Consumer price (1982-1984 = 100)	Nov.	233.9	0.0	0.2	0.9	1.2
Excluding food and energy	Nov.	235.2	0.2	0.4	0.8	1.7
Personal cons. expenditure deflator (2009 = 100)	Nov.*	107.5	0.0	0.1	0.7	0.9
Excluding food and energy	Nov.*	106.4	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)	Oct.*	1,602,534	0.3	0.9	1.4	2.7
Industrial production (2007 \$M)	Oct.*	343,271	0.6	1.5	1.3	3.1
Manufacturing sales (\$M)	Oct.	50,086	1.0	1.5	3.7	2.6
Housing starts (K) (1)	Dec.*	189.7	197.8	197.1	193.7	200.5
Building permits (\$M)	Nov.*	6,754	-6.7	5.0	-8.9	5.4
Retail sales (\$M)	Oct.	40,719	-0.1	1.1	2.8	3.0
Excluding automobiles (\$M)	Oct.	31,209	0.4	1.1	2.3	1.8
Wholesale trade sales (\$M)	Oct.	50,530	1.4	1.9	2.8	3.5
Commercial surplus (\$M) (1)	Nov.*	-940.2	-908.1	-1,001	-1,392	-1,925
Exports (\$M)	Nov.*	39,780	-0.0	-0.9	2.2	4.1
Imports (\$M)	Nov.*	40,720	0.1	-1.0	1.0	1.5
Employment (K) (2)	Dec.*	17,770	-45.9	-3.7	3.4	8.5
Unemployment rate (%) (1)	Dec.*	7.2	6.9	6.9	7.1	7.1
Average weekly earnings (\$)	Oct.*	918.4	0.5	0.5	1.3	1.4
Number of salaried employees (K) (2)	Oct.*	15,482	17.0	24.1	22.5	14.1
Consumer price (2002 = 100)	Nov.	123.0	0.0	-0.1	0.0	0.9
Excluding food and energy	Nov.	117.5	-0.3	0.3	0.2	0.7
Excluding 8 volatile items	Nov.	121.5	-0.1	0.2	0.2	1.1
Industrial product price (2002 = 100)	Nov.*	108.3	0.1	-0.6	0.2	0.3
Raw materials price (2002 = 100)	Nov.*	110.5	-4.1	-8.7	-3.3	-2.5
Money supply M1+ (\$M)	Nov.*	717,978	1.1	2.0	3.7	8.8

\* 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 (%)		
	Jan. 10	Jan. 3	-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	0.04	0.07	0.07	0.08	0.04	0.07	0.14	0.06	0.00
Treasury bonds – 2 years	0.38	0.39	0.32	0.34	0.35	0.25	0.51	0.30	0.20
– 5 years	1.64	1.73	1.53	1.41	1.43	0.78	1.83	1.19	0.65
– 10 years	2.88	3.00	2.87	2.68	2.60	1.88	3.01	2.37	1.63
– 30 years	3.81	3.93	3.88	3.74	3.65	3.05	3.95	3.47	2.83
S&P 500 index	1,836	1,831	1,775	1,703	1,680	1,472	1,848	1,655	1,471
DJIA index	16,409	16,470	15,755	15,237	15,464	13,488	16,577	15,102	13,507
Gold price (US\$/ounce)	1,245	1,237	1,236	1,268	1,280	1,660	1,693	1,396	1,196
CRB index	274.86	276.53	279.67	286.61	286.66	296.66	305.07	286.95	272.29
WTI oil (US\$/barrel)	92.43	93.65	96.26	102.17	105.85	93.60	110.62	97.99	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	0.89	0.89	0.93	0.91	1.01	0.92	1.03	0.96	0.88
Treasury bonds – 2 years	1.02	1.14	1.11	1.21	1.14	1.19	1.31	1.11	0.92
– 5 years	1.76	1.94	1.82	1.90	1.75	1.46	2.17	1.64	1.15
– 10 years	2.59	2.76	2.66	2.59	2.43	1.94	2.82	2.29	1.67
– 30 years	3.14	3.22	3.21	3.15	2.93	2.51	3.28	2.86	2.35
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	0.85	0.82	0.86	0.83	0.97	0.85	0.99	0.91	0.78
Treasury bonds – 2 years	0.64	0.75	0.79	0.87	0.79	0.94	0.94	0.81	0.64
– 5 years	0.11	0.21	0.29	0.49	0.32	0.68	0.69	0.45	0.11
– 10 years	-0.29	-0.24	-0.21	-0.09	-0.17	0.06	0.08	-0.08	-0.29
– 30 years	-0.68	-0.71	-0.67	-0.59	-0.72	-0.54	-0.48	-0.62	-0.74
S&P/TSX index	13,717	13,549	13,126	12,892	12,462	12,602	13,717	12,782	11,837
Exchange rate (C\$/US\$)	1.0908	1.0636	1.0586	1.0350	1.0395	0.9848	1.0841	1.0322	0.9168
Exchange rate (C\$/€)	1.4898	1.4452	1.4548	1.4016	1.3584	1.3141	1.4752	1.3730	1.2522
<b>Overseas</b>									
ECB – Refinancing rate	0.25	0.25	0.25	0.50	0.50	0.75	0.75	0.54	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	1.84	1.94	1.83	1.87	1.56	1.58	2.02	1.64	1.19
U.K.: Bonds – 10 years	2.87	3.03	2.90	2.74	2.50	2.09	3.07	2.40	1.62
Euro: Exchange rate (US\$/€)	1.3658	1.3589	1.3743	1.3542	1.3068	1.3344	1.3805	1.3300	1.2781
U.K.: Exchange rate (US\$/£)	1.6465	1.6417	1.6299	1.5956	1.5108	1.6133	1.6567	1.5658	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.