

## The Bank of Canada is concerned about low inflation

### HIGHLIGHTS

- United States: December's home resales were weaker than expected.
- The Bank of Canada kept the target for the overnight rate at 1.00%.
- Canada: The annual inflation rate is back above the target range.
- Canada: Manufacturing and retail sales went up in November.

### A LOOK AHEAD

- The Federal Reserve should reduce its securities purchases by another US\$10B.
- Another fairly good performance by U.S. real GDP is expected for the fourth quarter.
- New home sales are expected to tick down in the United States.
- United States: Aviation will drive up new durable goods orders again.
- Canada: Real GDP by industry will edge up in November.

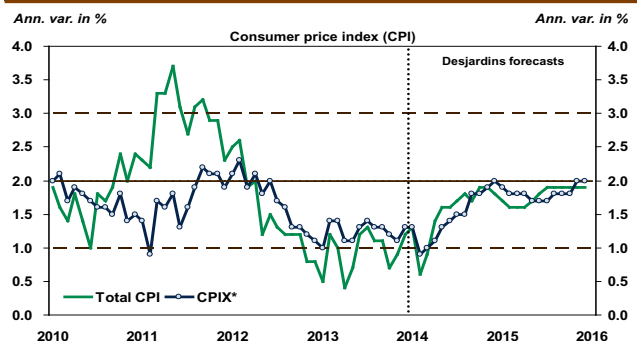
### FINANCIAL MARKETS

- Stock market investors are getting more nervous.
- Inflation's upswing helps contain speculation about monetary easing in Canada.
- The Canadian dollar hit US\$0.8950, its lowest point since July 2009.

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Graph of the week – Total inflation back over 1% in Canada



\* Bank of Canada's core index.  
Sources: Statistics Canada and Desjardins, Economic Studies

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## KEY STATISTICS OF THE WEEK

### UNITED STATES

- Existing home sales rose 1.0% in December. However, this gain is from November's results, which had been revised downwards considerably. Sales therefore went from 4,900,000 in November (before revision) to 4,820,000 for the same month, then to 4,870,000 in December. Consequently, this result is disappointing, even though monthly growth was positive. Sales of multi-unit dwellings went down, but sales of single-family homes grew 1.9%. The number of unsold homes dropped 9.3% over the month.
- Growth by the leading indicator slowed dramatically in December. The small 0.1% rise follows November's 1.0% gain. This slowdown is primarily caused by the negative contribution made by the increase in new jobless claims. Consumer confidence, manufacturing orders of capital goods and building permits also took a bite from the monthly change in the index. However, these negative contributions were offset by the ISM index, the spread between key rates and bond yields, as well as improved credit conditions. The monthly slowdown by the leading indicator means that the annualized change over three months has dropped to its lowest point since July, suggesting weaker real GDP growth in early 2014.

**Francis Généreux**  
Senior Economist

### CANADA

- As anticipated, the Bank of Canada (BoC) left its target for the overnight rate at 1.00% while upgrading its economic outlook somewhat. Real GDP expected for 2013 rose from 1.6% to 1.8%, matching our scenario. The BoC's growth forecast for 2014 has also been revised upwards, from 2.3% to 2.5%. That being said, the risks associated with the economic outlook are still considerable, as are those for inflation. Movement by the balance of risks will dictate monetary policy decisions over the coming quarters. The door is still open for key interest rates to eventually go down if inflation holds steady well below the lower target for a long enough period. Lower key interest rates are nonetheless unlikely, and everything suggests that the coming quarters will instead see stable key interest rates.
- As expected, the total consumer price index (CPI) dropped 0.2% in December. Thanks to base effects, the annual change in CPI is nonetheless back up within the target range, i.e. 1.2% versus 0.9% the previous month. The fact that inflation is back within the BoC's target range (1% to 3%) is good news. That said, this won't be enough to ease the concerns of monetary authorities and investors about Canada's persistently low inflation. At just 1.2% in December, the total annual inflation rate remains historically low. Total annual inflation rate for 2013 was only 0.9%.
- Retail sales went up 0.6% in November. In real terms, sales posted a 0.8% rise, their fourth consecutive increase. After two months, the carryover for the fourth quarter has climbed to an annualized 6.5%, suggesting that consumer spending will contribute significantly to real GDP for fall 2013.
- Manufacturing sales rose 1.0% in November, coming in slightly above expectations. For the second month in a row, growth by new orders is rather high, allowing for some optimism about future movement by manufacturing sales.
- Wholesalers' sales remained flat in November, while most forecasters had expected a slight increase.

**Benoit P. Durocher**  
Senior Economist

# FINANCIAL MARKETS

## The Canadian dollar falls to its lowest point since July 2009

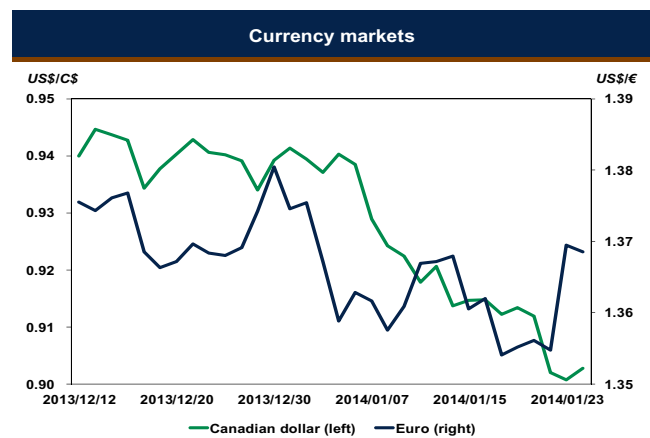
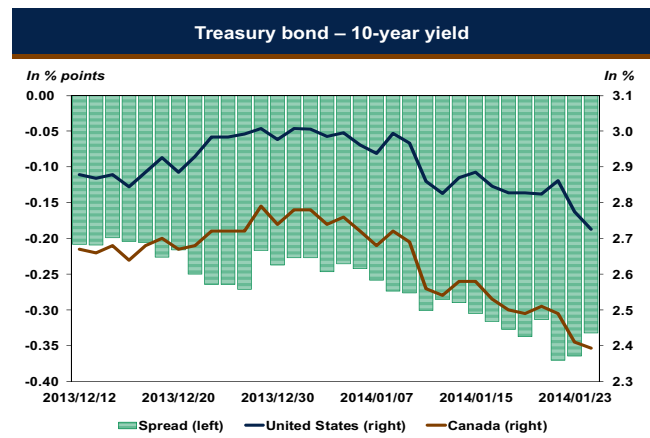
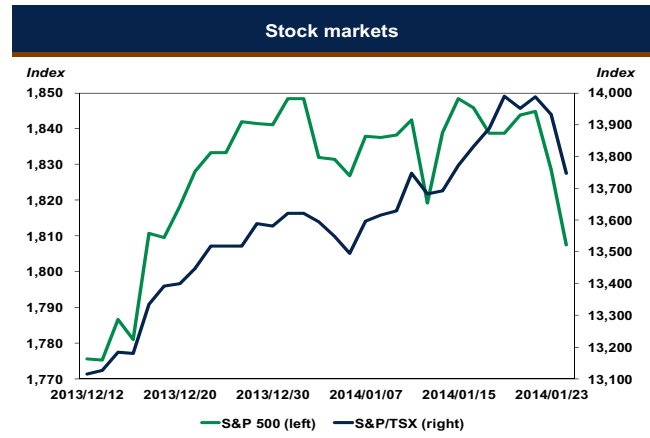
After returning from Monday’s holiday, the S&P 500 index experienced two uneventful sessions, given the lack of economic statistics and mixed corporate financial results. The situation went downhill Thursday morning, in reaction to the Chinese manufacturing index’s surprising contraction. Despite U.S. economic indicators that were relatively in line with expectations, the news from China left a bitter taste, and the S&P 500 was still moving down on Friday. Canada’s stock markets showed some resilience, getting a boost from stronger oil and gold prices, in addition to more encouraging news about BlackBerry. However, the index was falling heavily Friday morning.

U.S. 10-year yields dropped below 2.80% for the first time since December 10. The movement began Thursday, triggered by China’s poor manufacturing statistics. Fears about the financial and economic situations in other emerging nations exacerbated the rush towards less risky assets. In Canada, the Bank of Canada (BoC) statement again mentioned that downside risks to inflation were increasing, leading to considerable narrowing of the spreads between Canadian and U.S. yields. Canadian 5-year yields even fell below their U.S. counterparts for the first time since August 2009. Markets priced in a higher probability of monetary easing in 2014, but strengthening inflation slightly eased investor concerns on Friday.

It was another week of weakening for the Canadian dollar, which hit its lowest point since July 2009, US\$0.8950, on Thursday. BoC concerns over inflation contributed substantially to this movement, in addition to worries about emerging nations which affected all commodity currencies. The euro benefited from improved business confidence, climbing to around US\$1.37. The pound hit US\$1.66, aided by the steep drop in the United Kingdom’s unemployment rate and speculations about eventual monetary firming. These speculations lessened on Friday, and the pound fell back to around US\$1.65. The strength of the euro and the pound helped make the U.S. dollar look bad—the greenback also seemed to be affected by falling bond yields.

**Jimmy Jean**  
Senior Economist

**Hendrix Vachon**  
Senior Economist



# A LOOK AHEAD



## UNITED STATES

### Monday Jan. 27 - 10:00

<b>December</b>	ann. rate
Consensus	455,000
Desjardins	450,000
<b>November</b>	<b>464,000</b>

**New home sales (December)** – After jumping 17.6% in October, sales of new single-family homes pulled back 2.1% in November. Another drop is expected for December. The retreat by housing starts and building permits, as well as the drop in mortgage loan applications in view of a purchase, suggest that sales will be somewhat weaker. What’s more, the harsh weather may have hurt sales; we expect them to go to an annualized 450,000 units. The uptrend should soon win out.

### Tuesday Jan. 28 - 8:30

<b>December</b>	m/m
Consensus	1.9%
Desjardins	2.1%
<b>November</b>	<b>3.5%</b>

**New durable goods orders (December)** – November’s 3.5% rise by new manufacturing orders of durable goods mostly came from the nearly 20% gain in aviation orders. However, even when we exclude transportation, growth by orders is fairly enviable, at 1.2%, its highest level since May. We expect another fairly good gain in December, 1.0%. Furthermore, aviation will make another positive contribution, as Boeing got very good orders at the Dubai Airshow. The number of aircraft ordered went from 110 to 319 units, the best results in over a decade. Seasonal adjustments will moderate this jump, but growth will still be good. Durable goods orders should therefore post a monthly increase of 2.1% for December.

### Tuesday Jan. 28 - 9:00

<b>November</b>	y/y
Consensus	13.8%
Desjardins	13.5%
<b>October</b>	<b>13.6%</b>

**S&P/Case-Shiller index of existing home prices (November)** – The S&P/Case-Shiller index advanced 1.0% in October, its strongest monthly increase since April. The gain puts the index’s annual change at 13.6%. This growth rate may be the peak, however, as we now expect growth to slow slightly. The rise by mortgage interest rates started to affect resales in early fall, and price growth have begun to wane since then. We expect the S&P/Case-Shiller index to post a monthly gain of 0.6%, which would take its annual change to 13.5%.

### Tuesday Jan. 28 - 10:00

<b>January</b>	
Consensus	78.0
Desjardins	76.5
<b>December</b>	<b>78.1</b>

**Conference Board consumer confidence index (January)** – Several factors contributed to December’s marked improvement by consumer confidence: the end of the shutdown that had triggered October’s plunge by the indexes, the bipartisan agreement that made the possibility of another political crisis more remote, solid stock market performance, improved economic conditions and lower gas prices. The Conference Board index therefore gained 6.1 points in December. However, this remains below September’s results and we do not expect another gain in January. The weather, the weak stock market since the start of the year and poor employment figures have already helped bring down the University of Michigan confidence index, and they should also affect the Conference Board’s. We expect it to fall from 78.1 to 76.5.

### Wednesday Jan. 29 - 14:00

<b>January</b>	
Consensus	0.25%
Desjardins	0.25%
<b>December 18</b>	<b>0.25%</b>

**Federal Reserve meeting (January)** – At the December 18 meeting, Ben Bernanke and his colleagues decided to start reducing their securities purchases in January. At the press conference following the decision, the Federal Reserve (Fed) chair mentioned that if economic conditions allowed, tapering would continue at the same pace after each meeting. We therefore expect purchases to be cut by US\$10B, or US\$5B for Treasuries and US\$5B for mortgage-backed securities, taking purchases to US\$65B in February. This decision should be made despite January’s weak hires. It remains to be seen how the Fed will react to the faster-than-anticipated drop by the jobless rate, which is nearing the threshold set a year ago to trigger a discussion about key rate hikes. This will be the last monetary policy meeting chaired by Ben Bernanke: Janet Yellen will officially take the Fed’s helm on February 1.

**Real GDP (Q4 – first estimate)** – After revisions, real GDP growth for the third quarter is an annualized 4.1%. It will therefore be difficult for the fourth quarter to perform as well. We expect fairly good growth all the same. Consumption will be supported by solid growth by durable goods sales and a rebound by services. Gains of 3.8% are expected for real household spending. We also expect a good contribution from foreign trade, as the gain by real exports should be around 8%. Investment may be slower, especially in non-residential construction. Government spending is the biggest unknown, as the real effects of October's 16-day shutdown are hard to estimate. All in all, real GDP is expected to rise 2.6%, but the risks are tilted to the upside. A gain like this would put the annual change for 2013 at 1.9%, much slower than 2012's 2.8%.


**CANADA**

**Real GDP by industry (November)** – Economic data were generally good for November. In terms of volume, manufacturing sales went up 0.7%, while retail sales rose 0.8%. The number of housing starts undoubtedly edged down in November, but the level from previous months had been fairly good. However, our forecast for November's real GDP by industry is overshadowed by a 0.1% drop in hours worked in the service sector. All in all, a 0.1% gain is expected for November, a forecast that fits well with our predicted 2.8% rise for Q4 2013 as a whole.


**OVERSEAS**

**Euro zone: Economic indicators** – On Thursday, we will learn if confidence indexes continued to grow in January. The increase by consumer confidence in the flash estimate and the recovery by PMI indexes suggest that this will be the case. The unemployment rate for December will be published Friday. To date, there has been little improvement in this area. The flash estimate for January's inflation will also be released on Friday.

**United Kingdom: Real GDP (Q4)** – Britain's economic growth has been fairly strong since spring, with real GDP making non-annualized gains of 0.8% in the second and third quarters. The consensus expects growth that is almost as strong for the last quarter of 2013.

**Thursday Jan. 30 - 8:30**

<b>Q4 2013</b>	ann. rate
Consensus	3.2%
Desjardins	2.6%
<b>Q3 2013</b>	<b>4.1%</b>

**Friday Jan. 31 - 8:30**


<b>November</b>	m/m
Consensus	0.2%
Desjardins	0.1%
<b>October</b>	<b>0.3%</b>

**During the week****Tuesday Jan. 28 - 4:30**

<b>Q4 2013</b>	q/q
Consensus	0.7%
<b>Q3 2013</b>	<b>0.8%</b>

# ECONOMIC INDICATORS

## Week of January 27 to 31, 2014

Day	Hour	Indicator	Period	Consensus		Previous data
<b>UNITED STATES</b>						
<b>MONDAY 27</b>						
	10:00	New home sales (ann. rate)	Dec.	455,000	450,000	464,000
<b>TUESDAY 28</b>						
	8:30	Durable goods orders (m/m)	Dec.	1.9%	2.1%	3.5%
	9:00	S&P/Case-Shiller home price index (y/y)	Nov.	13.8%	13.5%	13.6%
	10:00	Consumer confidence	Jan.	78.0	76.5	78.1
	21:00	Speech of the President of the United States, Mr. Barack Obama (State of the Union)				
<b>WEDNESDAY 29</b>						
	14:00	Federal Reserve meeting	Jan.	0.25%	0.25%	0.25%
<b>THURSDAY 30</b>						
	8:30	Initial unemployment claims	Jan. 20-24	330,000	325,000	326,000
	8:30	Real GDP (ann. rate)	Q4f	3.2%	2.6%	4.1%
<b>FRIDAY 31</b>						
	8:30	Employment cost index (q/q)	Q4	0.4%	0.4%	0.4%
	8:30	Personal income (m/m)	Dec.	0.2%	0.2%	0.2%
	8:30	Personal consumption expenditures (m/m)	Dec.	0.2%	0.1%	0.5%
	8:30	Personal consumption expenditures deflator				
		Total (m/m)	Dec.	0.2%	0.2%	0.0%
		Excluding food and energy (m/m)	Dec.	0.1%	0.1%	0.1%
		Total (y/y)	Dec.	1.1%	1.1%	0.9%
		Excluding food and energy (y/y)	Dec.	1.2%	1.2%	1.1%
	9:45	Chicago PMI index	Jan.	59.0	58.0	59.1
	9:55	Michigan's consumer sentiment index – final	Jan.	81.0	80.4	80.4



## CANADA

**MONDAY 27**

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**TUESDAY 28**

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**WEDNESDAY 29**


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**THURSDAY 30**

	8:30	Average weekly earnings (y/y)	Nov.	n/a	1.6%	1.4%
	8:30	Number of salaried employees (m/m)	Nov.	n/a	0.1%	0.1%


**FRIDAY 31**

	8:30	Real GDP by industry (m/m)	Nov.	0.2%	0.1%	0.3%
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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 27 to 31, 2014

Country	Hour	Indicator	Period	Consensus		Previous data		
				m/m (q/q)	y/y	m/m (q/q)	y/y	
 <b>OVERSEAS</b>								
<b>DURING THE WEEK</b>								
United Kingdom	---	Nationwide house prices	Jan.	0.6%	8.5%	1.4%	8.4%	
Germany	---	Retail sales	Dec.	0.2%	1.9%	1.5%	1.6%	
<b>MONDAY 27</b>								
Germany	4:00	IFO survey – Business climate	Jan.	110.0		109.5		
Germany	4:00	IFO survey – Current situation	Jan.	112.4		111.6		
Germany	4:00	IFO survey – Expectations	Jan.	108.0		107.4		
<b>TUESDAY 28</b>								
Japan	0:00	Small business confidence	Jan.	n/a		51.1		
France	2:45	Consumer confidence	Jan.	85		85		
Italy	4:00	Consumer confidence	Jan.	96.7		96.2		
United Kingdom	4:30	Index of services	Nov.	0.3%		0.1%		
United Kingdom	4:30	Real GDP – preliminary	Q4	0.7%	2.8%	0.8%	1.9%	
<b>WEDNESDAY 29</b>								
Germany	2:00	Consumer confidence	Feb.	7.6		7.6		
Italy	4:00	Business confidence	Jan.	98.7		98.2		
Italy	4:00	Economic confidence	Jan.	n/a		83.6		
New-Zéaland	15:00	Reserve Bank of New Zealand meeting	Jan.	2.50%		2.50%		
Japan	18:50	Retail sales	Dec.	0.3%	3.9%	2.0%	4.1%	
<b>THURSDAY 30</b>								
Germany	3:55	Unemployment rate	Jan.	6.9%		6.9%		
Euro zone	5:00	Business climate	Jan.	0.35		0.27		
Euro zone	5:00	Consumer confidence – final	Jan.	-11.7		-11.7		
Euro zone	5:00	Industrial confidence	Jan.	-2.9		-3.4		
Euro zone	5:00	Services confidence	Jan.	0.8		0.2		
Euro zone	5:00	Economic confidence	Jan.	101.0		100.0		
Germany	8:00	Consumer price index – preliminary	Jan.	-0.4%	1.5%	0.4%	1.4%	
Japan	18:30	Workers' household spending	Dec.		1.2%		0.2%	
Japan	18:30	Consumer price index – Tokyo	Dec.		1.5%		1.5%	
Japan	18:30	Consumer price index – Tokyo	Jan.		0.8%		0.9%	
Japan	18:30	Unemployment rate	Dec.	3.9%		4.0%		
Japan	18:50	Industrial production – preliminary	Dec.	1.3%	7.3%	-0.1%	4.8%	
United Kingdom	19:05	Consumer confidence	Jan.	-12		-13		
Japan	23:00	Vehicle production	Dec.	n/a			10.2%	
<b>FRIDAY 31</b>								
Japan	0:00	Housing starts	Dec.		13.7%		14.1%	
France	2:45	Personal consumption expenditures	Dec.	-0.3%	1.1%	1.4%	1.5%	
France	2:45	Producer price index	Dec.	0.1%	-0.2%	0.5%	-0.6%	
Italy	4:00	Unemployment rate – preliminary	Dec.	12.7%		12.7%		
Euro zone	5:00	Consumer price index – estimate	Jan.	n/a	0.9%	n/a	0.8%	
Euro zone	5:00	Unemployment rate	Dec.	12.1%		12.1%		
Italy	5:00	Producer price index	Dec.	n/a	n/a	-0.1%	-2.3%	
Mexico	10:00	Bank of Mexico meeting	Jan.	3.50%		3.50%		
China	20:00	PMI manufacturing index	Jan.	50.4		51.0		

NOTE: In contrast to the situation in Canada and the United States, disclosure of overseas economic figures is much more approximate. The day of publication is therefore shown for information purposes only. The abbreviations m/m, q/q and y/y correspond to monthly, quarterly and yearly variation respectively. (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)	Dec.*	99.4	0.1	1.2	3.4	5.4
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)	Jan.	80.4	82.5	73.2	85.1	73.8
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)	Dec.	431,879	0.2	1.2	1.9	4.1
Excluding automobiles (\$M)	Dec.	350,189	0.7	1.2	2.3	3.7
Industrial production (2007 = 100)	Dec.	101.8	0.3	1.6	2.6	3.7
Production capacity utilization rate (%) (1)	Dec.	79.2	79.1	78.3	77.9	77.8
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)	Nov.	1,700	0.4	1.8	2.7	4.0
Housing starts (K) (1)	Dec.	999.0	1,107	873.0	835.0	983.0
Building permits (K) (1)	Dec.	986.0	1,017	974.0	918.0	943.0
New home sales (K) (1)	Nov.	464.0	474.0	388.0	429.0	398.0
Existing home sales (K) (1)	Dec.*	4,870	4,820	5,290	5,060	4,900
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)	Dec.	234.6	0.3	0.3	0.7	1.5
Excluding food and energy	Dec.	235.5	0.1	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)	Dec.	198.2	0.4	0.2	0.7	1.2
Excluding food and energy	Dec.	186.5	0.3	0.5	0.6	1.4
Export prices (2000 = 100)	Dec.	132.2	0.4	-0.2	-0.5	-1.0
Import prices (2000 = 100)	Dec.	137.6	0.0	-1.6	-0.9	-1.3

\* 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)	Nov.*	50,506	1.0	2.6	3.8	1.9
Housing starts (K) (1)	Dec.	187.5	195.6	197.1	193.7	200.5
Building permits (\$M)	Nov.	6,754	-6.7	5.0	-8.9	5.4
Retail sales (\$M)	Nov.*	41,006	0.6	1.5	1.7	3.1
Excluding automobiles (\$M)	Nov.*	31,374	0.4	1.1	1.7	2.5
Wholesale trade sales (\$M)	Nov.*	50,427	0.0	1.2	0.3	2.3
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)	Dec.*	122.7	-0.2	-0.5	-0.2	1.2
Excluding food and energy	Dec.*	117.1	-0.3	-0.3	-0.1	0.9
Excluding 8 volatile items	Dec.*	121.0	-0.4	-0.3	0.0	1.3
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)	Dec.*	721,502	0.5	2.0	3.9	8.6

\* 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. 24	Jan. 17	-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	0.05	0.05	0.07	0.04	0.03	0.08	0.14	0.06	0.00
Treasury bonds – 2 years	0.33	0.38	0.37	0.30	0.30	0.28	0.51	0.31	0.20
– 5 years	1.54	1.63	1.71	1.28	1.34	0.85	1.83	1.22	0.65
– 10 years	2.73	2.83	3.01	2.50	2.56	1.95	3.01	2.41	1.63
– 30 years	3.65	3.76	3.95	3.59	3.62	3.13	3.95	3.50	2.83
S&P 500 index	1,808	1,839	1,841	1,760	1,692	1,503	1,848	1,669	1,488
DJIA index	16,027	16,459	16,478	15,570	15,559	13,896	16,577	15,206	13,784
Gold price (US\$/ounce)	1,267	1,252	1,216	1,347	1,318	1,663	1,681	1,380	1,196
CRB index	281.61	278.41	284.16	282.56	284.46	299.31	305.07	286.15	272.29
WTI oil (US\$/barrel)	96.88	93.95	99.93	97.40	104.75	95.15	110.62	97.97	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	0.90	0.89	0.89	0.90	1.00	0.92	1.03	0.96	0.88
Treasury bonds – 2 years	0.97	1.02	1.15	1.09	1.15	1.14	1.31	1.10	0.92
– 5 years	1.59	1.70	1.96	1.71	1.73	1.44	2.17	1.65	1.15
– 10 years	2.39	2.50	2.79	2.42	2.45	1.95	2.82	2.31	1.67
– 30 years	2.97	3.07	3.25	3.02	2.95	2.54	3.28	2.88	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	0.84	0.82	0.86	0.97	0.84	0.99	0.91	0.78
Treasury bonds – 2 years	0.64	0.64	0.79	0.79	0.85	0.86	0.92	0.80	0.61
– 5 years	0.05	0.07	0.25	0.43	0.39	0.59	0.63	0.43	-0.02
– 10 years	-0.33	-0.33	-0.22	-0.08	-0.11	0.00	0.06	-0.10	-0.37
– 30 years	-0.68	-0.69	-0.70	-0.57	-0.67	-0.59	-0.48	-0.62	-0.74
S&P/TSX index	13,747	13,888	13,588	13,399	12,648	12,817	13,990	12,825	11,837
Exchange rate (C\$/US\$)	1.1077	1.0962	1.0706	1.0449	1.0283	1.0058	1.1102	1.0362	0.9028
Exchange rate (C\$/€)	1.5160	1.4844	1.4712	1.4424	1.3654	1.3539	1.5204	1.3794	1.2355
<b>Overseas</b>									
ECB – Refinancing rate	0.25	0.25	0.25	0.50	0.50	0.75	0.75	0.52	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	1.66	1.76	1.95	1.76	1.67	1.57	2.02	1.65	1.19
U.K.: Bonds – 10 years	2.77	2.83	3.07	2.62	2.53	2.06	3.07	2.43	1.62
Euro: Exchange rate (US\$/€)	1.3685	1.3541	1.3742	1.3805	1.3279	1.3462	1.3805	1.3311	1.2781
U.K.: Exchange rate (US\$/£)	1.6502	1.6425	1.6481	1.6166	1.5382	1.5803	1.6637	1.5679	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.