

## Employment is reassuring in Canada, but disappointing in the United States

### HIGHLIGHTS

- United States: The year starts slowly for employment.
- United States: ISM manufacturing index plunges.
- The U.S. trade balance eroded more than forecast.
- Canada: The labour market recouped much of December's losses.
- Canada: The trade balance worsened slightly in December.

### A LOOK AHEAD

- United States: Retail sales likely posted weak growth in January.
- January's advance in U.S. industrial output should prove modest.
- Canada: Manufacturing sales could rise again.
- Canada: Housing starts should pull back once more.

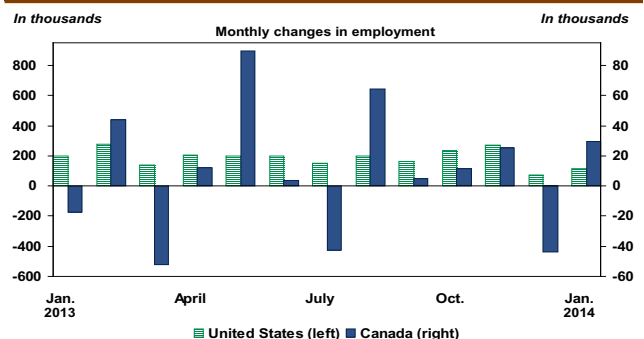
### FINANCIAL MARKETS

- Despite disappointing employment in the United States, U.S. stock markets recoup their losses.
- Spreads between Canadian and U.S. yields are starting to widen again.
- The loonie recovers.

### CONTENTS

Key statistics of the week.....	2
United States and Canada	
Financial markets.....	3
A look ahead .....	4
United States, Canada and Overseas	
Economic indicators of the week .....	6
Tables	
Economic indicators – United States .....	8
Economic indicators – Canada .....	9
Major financial indicators .....	10

**Graph of the week – The U.S. labor market had some difficulties in the last two months**



Sources : U.S. Bureau of Labor Statistics, 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

- The establishment survey indicates that only 113,000 net jobs were added in January after gaining 75,000 in December. The private sector saw 142,000 new jobs. Public employment contracted by 29,000 jobs. The construction sector increased by 48,000 jobs after a 22,000 loss in December, representing the strongest monthly growth since March 2007. Manufacturing created 21,000 jobs. Only 66,000 jobs were created in the private services sector, the weakest growth since June 2012. The jobless rate slipped from 6.7% to 6.6%, its lowest level since October 2008.
- The ISM manufacturing index dove from 56.5 to 51.3 in January. Not counting the identical retreat in May 2011, the 5.2-point loss is the largest since October 2008. Eight of the ten components contracted in January. Ground was lost mainly in new orders (-13.2 points) and current production (-6.9 points). The manufacturing ISM was expected to decline, but not as sharply as the results released. One factor that we believe could explain this retreat is weather conditions that have had some negative impact, particularly on deliveries. Yet we can hardly believe that there is a single cause for all this weakness. After several months on the rise and good levels for the index, there seems to be a real loss of momentum.
- Unlike the manufacturing ISM, the non-manufacturing index improved in January, rising from 53.0 to 54.0, as we expected. The gain mainly comes from current production, the order backlog and inventories. The new orders component remained soft, at 50.9.
- The trade balance deteriorated in December, from -US\$34.6B to -US\$38.7B. Imports edged up 0.3%, while exports tumbled 1.8%. The retreat comes partly from the aviation sector; however many other sectors also recorded declines in exports. The trade balance eroded more than the Bureau of Economic Analysis predicted in its initial estimate of the fourth quarter's national accounts; we can therefore expect foreign trade's contribution to real GDP growth to be downgraded.

**Francis Généreux**  
Senior Economist

### CANADA

- The labour market created 29,400 jobs in January, in line with our forecasts. Noting that nearly all of the jobs created in January occurred in self-employment may be a disappointment. Does this mean that the labour market is more precarious? Not really, as the results must be put into context, as always with this highly volatile data. January's surge in the ranks of the self-employed followed a big drop in December (-30,500), which had also had a big hand in employment's weakness at the end of 2013. The unemployment rate went from 7.2% to 7.0%, with the benefits of job creation magnified by a drop in the participation rate, which went from 66.4% to 66.3%. January's 29,400-job increase takes the 6-month moving average to 15,300 jobs a month, compared with 3,300 in December, putting the trend for employment at a level that is much more consistent with Canada's moderate economic growth.
- The merchandise trade balance fell to -\$1.7B in December, slightly worse than November's downward revised balance of -\$1.5B. The value of merchandise exports rose 0.9% in December 2013., while merchandise imports added 1.2%. In real terms, the balance fell from -\$2.5B in 2007 dollars in the third quarter to -\$3.7B of 2007 dollars in the fourth quarter. This deterioration in the international balance of trade in goods will in turn negatively affect real GDP in the fourth quarter. Another improvement on the services side could however offset the losses suffered on the goods side in the last quarter of 2013.
- The value of building permits dropped 4.1% in December, following up on November's 6.6% decline. Once again, much of the reduction comes from the housing sector, one more sign that Canada's housing market is slowing.
- The industrial product price index rose 0.7% in December, more than forecast. Among other things, energy product prices and prices for new motor vehicles shot up over the month. The raw material price index increased 1.9% in December, primarily as a result of a rise in energy product prices.

**Benoit P. Durocher**  
Senior Economist

# FINANCIAL MARKETS

## Stock markets and the loonie strengthen

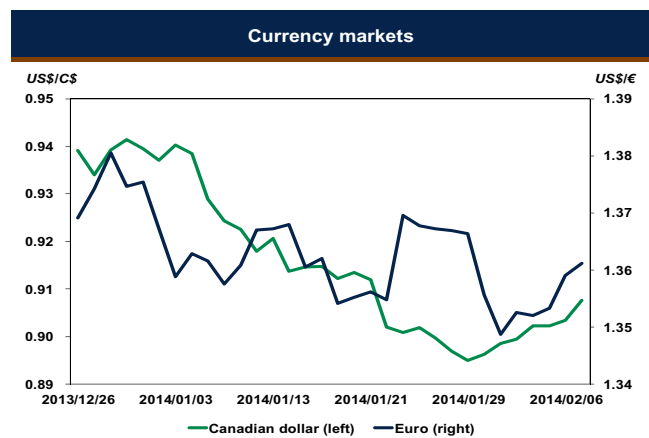
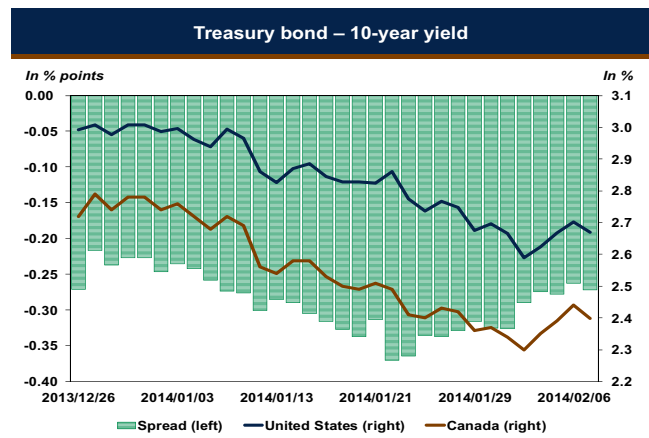
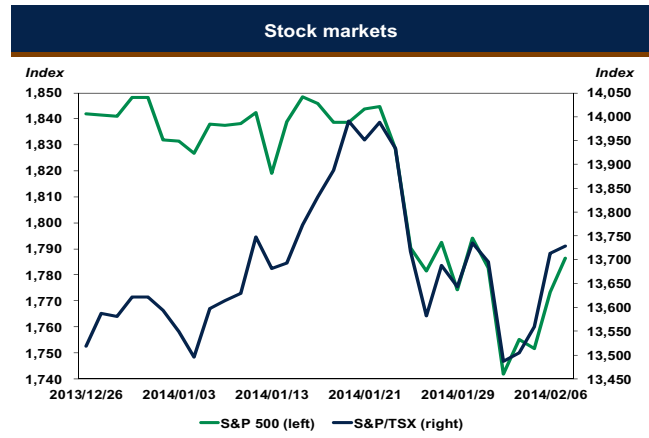
The week began with a 2.3% tumble by the S&P 500, as optimism over U.S. growth was tempered by the fact that the ISM manufacturing index dropped more than five points in January. Stock markets managed to make up some of these losses on Tuesday and Wednesday, helped by the fact that to date, more than three quarters of the businesses that have presented results for the fourth quarter have reported earnings above expectations. Friday, a report showing U.S. job creation below expectations for a second consecutive month brought indexes up, as some investors factored in the possibility that the Federal Reserve will temporarily stop tapering its securities purchases.

After several weeks of gains, bond market strength has diminished. U.S. 10-year yields hit a 2.57% trough on Monday on the negative surprise from the ISM manufacturing index, but then picked up, reaching 2.70% on Thursday. On Friday morning, yields only edged down modestly in response to the disappointing job creation. Short-term Canadian bonds had lost a bit of their recent momentum over the week, and the rebound in employment continued the trend on Friday. Spreads with U.S. yields widened considerably, with the spread for 5-year yields rising above 10 basis points after briefly dipping into negative territory around two weeks earlier.

After a fairly stable start to the week, the U.S. dollar weakened on Thursday and Friday. This partially reflects the European Central Bank's decision to leave its monetary policy unchanged, which caused the euro to jump to around US\$1.36. The pound weakened at the start of the week but bounced back on Friday, as marked improvement in Britain's trade balance contrasted with soft U.S. job creation. The yen followed an opposite trend, appreciating at the start of the week, as investor concerns remained quite high, but then depreciating. After climbing above US\$0.90 last Friday, following good growth numbers and a positive report on the Keystone XL project, the loonie consolidated its gains and even neared US\$0.91 on Friday, thanks to solid Canadian employment figures.

**Jimmy Jean**  
Senior Economist

**Hendrix Vachon**  
Senior Economist



# A LOOK AHEAD



## UNITED STATES

Thursday Feb. 13 - 8:30

<b>January</b>	m/m
Consensus	0.1%
Desjardins	0.1%
<b>December</b>	<b>0.2%</b>

**Retail sales (January)** – December’s growth in retail sales was a bit stronger than anticipated. The 0.2% rise seems rather modest, until the 1.9% pullback in auto sales is taken into account; excluding this, gains were at 0.7%. The number of new cars sold fell again in January, but this time, the decrease is fairly modest and does not overly affect total retail sales. We are also expecting service station sales to drop. Sales excluding automobiles and gas should post weaker growth than the 0.6% gain recorded in December. The harsh weather probably helped slow sales. We are therefore anticipating sales excluding motor vehicles and gas to gain 0.2%, with total sales ticking up 0.1%.

Friday Feb. 14 - 9:15

<b>January</b>	m/m
Consensus	0.3%
Desjardins	0.1%
<b>December</b>	<b>0.3%</b>

**Industrial production (January)** – Manufacturing production fared better than expected in December, while output by energy producers disappointed, bringing overall growth in industrial production close to expectations. January’s drop in the manufacturing ISM, including the 6.9-point retreat in the current production component, suggests that manufacturing slowed at the start of the year. In January, 21,000 jobs were created in the manufacturing sector, but this was offset by a decrease in hours worked. Manufacturing production seems to have only edged up by 0.1%. The same holds true for the mining sector and energy providers. However, for the latter, the abnormally cold weather in many parts of the United States points to heightened demand for heating. Overall, industrial production should rise 0.1%, and the capacity utilization rate should remain at 79.2%.

Friday Feb. 14 - 10:00

<b>February</b>	
Consensus	81.0
Desjardins	80.0
<b>January</b>	<b>81.2</b>

**University of Michigan consumer confidence index (February – preliminary)** – Confidence indexes sent mixed signals in January. The Conference Board index edged up, while the University of Michigan index went down, though the drop was less pronounced in the final version for January. Persisting difficulties in the stock market may negatively impact household sentiment in February, but this could be partially offset by slightly lower gas prices. Bloomberg’s weekly index ticked down in early February. All in all, we expect the University of Michigan confidence index to fall to 80.0.



## CANADA

Monday Feb. 10 - 8:15

<b>January</b>	ann. rate
Consensus	184,000
Desjardins	186,500
<b>December</b>	<b>189,700</b>

**Housing starts (January)** – The slowdown in construction seems to be materializing further. The value of building permits for the housing sector dropped 6.6% in November and 4.1% in December. The number of housing starts could therefore lose ground again in January. Furthermore, housing starts for multi-unit dwellings in urban centres and housing starts in rural areas could both pull back slightly over the month.

Friday Feb. 14 - 8:30

<b>December</b>	m/m
Consensus	0.2%
Desjardins	0.8%
<b>November</b>	<b>1.0%</b>

**Manufacturing sales (December)** – December’s 0.9% increase in merchandise exports augurs well for manufacturing sales, especially since some sectors more associated with manufacturing posted substantial growth. This is especially true for exports of industrial machinery, equipment and parts (+3.2%), electronic and electrical equipment and parts (+4.6%), aviation products (+8.0%) and consumer goods (+2.1%). What’s more, new orders have, combined, gone up more than 6% over the last two months, which suggests that sales growth will remain fairly robust in December.

**OVERSEAS**


**Euro zone: Real GDP (Q4)** – Eurozone's real GDP growth slowed between the second and third quarters. Nevertheless, the consensus expects a slight acceleration in the fourth quarter. France's real GDP drop over the summer could give way to faster growth. However, Germany's preliminary annual data points to a slowdown in this country at the end of the year.

**Friday Feb. 14 - 5:00**

<b>Q4 2013</b>	q/q
Consensus	0.2%
<b>Q3 2013</b>	<b>0.1%</b>

# ECONOMIC INDICATORS


## Week of February 10 to 14, 2014

Day	Hour	Indicator	Period	Consensus		Previous data
<b>UNITED STATES</b>						
<b>MONDAY 10</b>						
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<b>TUESDAY 11</b>						
	9:00	Speech of the Philadelphia Fed President, C. Plosser				
	10:00	Wholesale inventories (m/m)	Dec.	0.6%	0.4%	0.5%
	10:00	Testimony of the Federal Reserve Chair, J. Yellen, before a House committee				
	20:00	Speech of the Richmond Fed President, J. Lacker				
	20:10	Speech of the Dallas Fed President, R. Fisher				
<b>WEDNESDAY 12</b>						
	8:45	Speech of the St. Louis Fed President, J. Bullard				
	14:00	Federal budget (US\$B)	Jan.	-27.5	n/a	2.8
<b>THURSDAY 13</b>						
	8:30	Initial unemployment claims	Jan. 3-7	330,000	325,000	331,000
	8:30	Retail sales				
		Total (m/m)	Jan.	0.1%	0.1%	0.2%
		Excluding automobiles (m/m)	Jan.	0.2%	0.1%	0.7%
	10:00	Business inventories (m/m)	Dec.	0.5%	0.5%	0.4%
	10:30	Testimony of the Federal Reserve Chair, J. Yellen, before a Senate Committee				
<b>FRIDAY 14</b>						
	8:30	Import prices (m/m)	Jan.	0.0%	-0.5%	0.0%
	8:30	Export prices (m/m)	Jan.	n/a	0.0%	0.4%
	9:15	Industrial production (m/m)	Jan.	0.3%	0.1%	0.3%
	9:15	Production capacity utilization rates	Jan.	79.4%	79.2%	79.2%
	9:55	Michigan's consumer sentiment index – preliminary	Feb.	81.0	80.0	81.2




## CANADA

<b>MONDAY 10</b>						
	8:15	Housing starts (ann. rate)	Jan.	184,000	186,500	189,700
	12:50	Speech of a Bank of Canada Deputy Governor, J. Murray				
<b>TUESDAY 11</b>						
	16:00	Federal Budget 2014				
<b>WEDNESDAY 12</b>						
	---	---				
<b>THURSDAY 13</b>						
	8:30	New housing price index (m/m)	Dec.	0.1%	0.0%	0.0%
<b>FRIDAY 14</b>						
	8:30	Manufacturing sales (m/m)	Dec.	0.2%	0.8%	1.0%

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 February 10 to 14, 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>								
China	---	Trade balance (US\$B)	Jan.	24.10		25.64		
<b>SUNDAY 09</b>								
Japan	18:50	Trade balance (¥B)	Dec.	-1,260.0		-1,254.3		
Japan	18:50	Current account (¥B)	Dec.	-64.0		-46.6		
<b>MONDAY 10</b>								
Japan	0:00	Consumer confidence	Jan.	n/a		41.3		
France	2:45	Industrial production	Dec.	-0.2%	1.0%	1.3%	1.5%	
Italy	4:00	Industrial production	Dec.	0.0%	0.9%	0.3%	1.4%	
<b>TUESDAY 11</b>								
Japan	18:50	Machinery orders	Dec.	-3.8%	17.4%	9.3%	16.6%	
Japan	18:50	Tertiary industry activity index	Dec.	-0.3%		0.6%		
<b>WEDNESDAY 12</b>								
France	2:45	Current account (€B)	Dec.	n/a		-1.9		
Euro zone	5:00	Industrial production	Dec.	-0.3%	1.8%	1.8%	3.0%	
United Kingdom	5:30	Release of the Bank of England Inflation Report						
South Korea	20:00	Bank of Korea meeting	Feb.	2.50%		2.50%		
<b>THURSDAY 13</b>								
Germany	2:00	Consumer price index – final	Jan.	-0.6%	1.3%	-0.6%	1.3%	
Euro zone	4:00	Release of the European Central Bank <i>Monthly Bulletin</i>						
China	20:30	Consumer price index	Jan.	2.4%		2.5%		
China	20:30	Producer price index	Jan.	-1.6%		-1.4%		
<b>FRIDAY 14</b>								
France	1:30	Real GDP – preliminary	Q4	0.2%	0.6%	-0.1%	0.2%	
Germany	2:00	Real GDP – preliminary	Q4	0.3%	1.3%	0.3%	0.6%	
France	2:45	Non-farm payrolls – preliminary	Q4	-0.1%		-0.1%		
France	2:45	Wages – preliminary	Q4	0.2%		0.2%		
Italy	4:00	Real GDP – preliminary	Q4	0.1%	-0.8%	0.0%	-1.8%	
United Kingdom	4:30	Construction	Dec.	2.0%	6.3%	-4.0%	2.2%	
Euro zone	5:00	Trade balance (€B)	Dec.	14.4		16.0		
Euro zone	5:00	Real GDP	Q4	0.2%	0.4%	0.1%	-0.4%	
Mexico	10:00	Minutes of the Bank of Mexico meeting						

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	2013	2012	2011	2010
Gross domestic product (2009 \$B)	2013 Q4	15,966	3.2	2.7	1.9	2.8	1.8	2.5
Consumption (2009 \$B)	2013 Q4	10,833	3.3	2.3	2.0	2.2	2.5	2.0
Government spending (2009 \$B)	2013 Q4	2,871	-4.9	-2.3	-2.2	-1.0	-3.2	0.1
Residential investment (2009 \$B)	2013 Q4	486.5	-9.8	6.3	12.0	12.9	0.5	-2.5
Non-residential investment (2009 \$B)	2013 Q4	2,014	3.8	2.1	2.6	7.3	7.6	2.5
Business inventory change (2009 \$B) (1)	2013 Q4	127.2	---	---	85.4	57.6	33.6	58.2
Exports (2009 \$B)	2013 Q4	2,073	11.4	5.4	2.8	3.5	7.1	11.5
Imports (2009 \$B)	2013 Q4	2,443	1.0	2.7	1.4	2.2	4.9	12.8
Final domestic demand (2009 \$B)	2013 Q4	16,189	1.4	1.6	1.5	2.4	1.8	1.5
GDP deflator (2009 = 100)	2013 Q4	107.0	1.3	1.3	1.4	1.7	2.0	1.2
Labor productivity (2009 = 100)	2013 Q4*	107.1	3.2	1.7	0.6	1.5	0.5	3.3
Unit labor cost (2009 = 100)	2013 Q4*	102.6	-1.6	-1.3	1.0	1.2	2.0	-1.2
Employment cost index (Dec. 2005 = 100)	2013 Q4	120.1	2.0	2.0	2.0	1.8	2.0	1.9
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)	Jan.*	51.3	56.5	56.6	54.9	52.3
ISM non-manufacturing index (1)	Jan.*	54.0	53.0	55.1	55.9	54.9
Cons. confidence Conf. Board (1985 = 100) (1)	Jan.	80.7	77.5	72.4	81.0	58.4
Cons. confidence Michigan (1966 = 100) (1)	Jan.	81.2	82.5	73.2	85.1	73.8
Personal consumption expenditure (2009 \$B)	Dec.	10,868	0.2	0.9	1.5	2.5
Disposable personal income (2009 \$B)	Dec.	11,712	-0.2	-0.4	0.8	-2.7
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)	Dec.*	489,171	-1.5	-0.4	-1.6	0.8
New durable good orders (\$M)	Dec.	229,987	-4.2	-2.2	-5.9	0.4
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.	991.0	1,017	974.0	918.0	943.0
New home sales (K) (1)	Dec.	414.0	445.0	403.0	450.0	396.0
Existing home sales (K) (1)	Dec.	4,870	4,820	5,290	5,060	4,900
Construction spending (\$B)	Dec.*	930.5	0.1	1.5	3.7	5.3
Commercial surplus (\$M) (1)	Dec.*	-38,701	-34,558	-42,714	-34,383	-38,307
Nonfarm employment (K) (2)	Jan.*	137,499	113.0	462.0	1,065	2,238
Unemployment rate (%) (1)	Jan.*	6.6	6.7	7.2	7.3	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)	Dec.	107.7	0.2	0.2	0.5	1.1
Excluding food and energy	Dec.	106.5	0.1	0.3	0.6	1.2
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)	Nov.	1,607,392	0.2	0.9	1.4	2.6
Industrial production (2007 \$M)	Nov.	345,133	0.7	2.0	2.6	2.6
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)	Dec.*	6,482	-4.1	-3.2	-2.1	12.8
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)	Dec.*	-1,658	-1,534	-157.2	57.0	-16.1
Exports (\$M)	Dec.*	39,723	0.9	-2.8	-0.5	2.9
Imports (\$M)	Dec.*	41,381	1.2	0.9	3.8	7.1
Employment (K) (2)	Jan.*	17,797	29.4	3.5	15.3	12.2
Unemployment rate (%) (1)	Jan.*	7.0	7.2	7.0	7.2	7.0
Average weekly earnings (\$)	Nov.	927.6	0.9	1.3	1.2	2.5
Number of salaried employees (K) (2)	Nov.	15,457	-27.6	-6.1	18.3	9.9
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)	Dec.*	109.1	0.7	0.4	0.6	1.4
Raw materials price (2002 = 100)	Dec.*	112.5	1.9	-5.5	-1.2	2.1
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 (%)		
	Feb. 7	Jan. 31	-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	0.08	0.02	0.05	0.06	0.05	0.07	0.14	0.05	0.00
Treasury bonds – 2 years	0.31	0.31	0.38	0.31	0.31	0.26	0.51	0.31	0.20
– 5 years	1.47	1.49	1.63	1.41	1.35	0.83	1.83	1.25	0.65
– 10 years	2.67	2.67	2.86	2.74	2.57	1.96	3.01	2.43	1.63
– 30 years	3.66	3.62	3.80	3.84	3.67	3.17	3.95	3.52	2.83
S&P 500 index	1,786	1,783	1,842	1,771	1,691	1,518	1,848	1,679	1,488
DJIA index	15,728	15,699	16,437	15,762	15,426	13,993	16,577	15,271	13,784
Gold price (US\$/ounce)	1,262	1,243	1,246	1,285	1,311	1,668	1,650	1,364	1,196
CRB index	289.25	283.31	275.42	274.39	285.38	301.06	300.71	285.45	272.29
WTI oil (US\$/barrel)	98.46	97.55	92.38	94.56	106.03	95.71	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	0.88	0.89	0.88	0.90	0.99	0.94	1.03	0.96	0.88
Treasury bonds – 2 years	0.98	0.95	1.02	1.13	1.13	1.11	1.31	1.10	0.92
– 5 years	1.60	1.56	1.73	1.84	1.76	1.43	2.17	1.66	1.15
– 10 years	2.40	2.34	2.56	2.61	2.48	1.96	2.82	2.33	1.67
– 30 years	3.00	2.93	3.11	3.16	2.99	2.57	3.28	2.89	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	0.80	0.87	0.83	0.84	0.94	0.87	0.99	0.91	0.78
Treasury bonds – 2 years	0.68	0.64	0.64	0.82	0.83	0.85	0.92	0.79	0.61
– 5 years	0.13	0.07	0.10	0.43	0.41	0.60	0.61	0.41	-0.02
– 10 years	-0.27	-0.33	-0.30	-0.13	-0.09	0.00	0.06	-0.11	-0.37
– 30 years	-0.66	-0.69	-0.69	-0.68	-0.68	-0.60	-0.48	-0.63	-0.74
S&P/TSX index	13,729	13,695	13,748	13,378	12,542	12,801	13,990	12,859	11,837
Exchange rate (C\$/US\$)	1.1018	1.1129	1.0895	1.0480	1.0289	1.0024	1.1173	1.0405	0.9076
Exchange rate (C\$/€)	1.4999	1.5010	1.4892	1.4013	1.3728	1.3397	1.5266	1.3856	1.2353
<b>Overseas</b>									
ECB – Refinancing rate	0.25	0.25	0.25	0.50	0.50	0.75	0.75	0.50	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	1.57	1.85	1.76	1.67	1.61	2.02	1.65	1.19
U.K.: Bonds – 10 years	2.71	2.71	2.88	2.77	2.66	2.11	3.07	2.45	1.62
Euro: Exchange rate (US\$/€)	1.3611	1.3487	1.3670	1.3372	1.3343	1.3365	1.3805	1.3313	1.2781
U.K.: Exchange rate (US\$/£)	1.6395	1.6436	1.6483	1.6018	1.5500	1.5799	1.6637	1.5705	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.