

Markets react strongly to the Federal Reserve's optimism

HIGHLIGHTS

- Yellen and her Federal Reserve (Fed) colleagues acquire more leeway.
- Better-than-forecast growth in U.S. industrial production.
- United States: Housing starts and existing home sales tick down in February.
- Canada: Inflation has sagged close to the bottom of the target range.
- Canada: Manufacturing, wholesale and retail sales advanced in January.

A LOOK AHEAD

- U.S. consumer confidence could edge down again in March.
- Slower heating demand should mean slower growth by U.S. consumption in February.

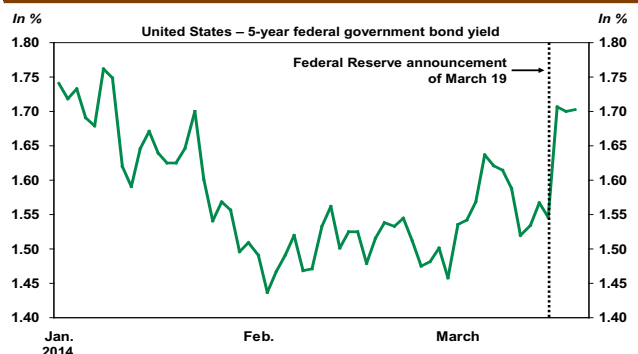
FINANCIAL MARKETS

- The stock market volatility triggered by the Fed did not last long.
- The Fed's optimism makes bond yields jump.
- The Canadian dollar hit a new cyclical low at US\$0.8867.

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Graph of the week – The 5-year U.S. bond yield reaches its highest level since January after the Federal Reserve's announcement



Sources: Bloomberg 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 Federal Reserve (Fed) once again decided to cut its monthly securities purchases by US\$10B. As of April, the Fed will purchase US\$25B in mortgage-backed securities, and US\$30B in Treasury securities. The main change to the statement accompanying Janet Yellen's first meeting as chair comes in the forward guidance that had been in place since December 2012. The previous conditional threshold for the jobless rate (6.5%) is no longer in force. Fed leaders have dropped this quantitative concept, replacing it with a vaguer concept that will "take into account a wide range of information, including measures of labor market conditions, indicators of inflation pressures and inflation expectations, and readings on financial developments." However, at the press conference, the Fed's new chair noted that a rate increase could come about six months after the securities purchase program winds up. This was a shorter period than expected, and the markets showed a vigorous response.
- Industrial output rose 0.6% in February after dipping 0.2% in January. The jump primarily comes from manufacturing, where production increased 0.8% on the heels of a 0.9% tumble. The auto sector advanced 4.8%. Energy production fell 0.2%, a natural retreat after January's 3.8% jump, brought on by the cold weather.
- As in January, the consumer price index (CPI) rose 0.1% in February. Energy prices declined, as the drop in gas prices offset the higher price for natural gas. After stagnating or posting anaemic growth for several months, food prices increased 0.4%. Excluding food and energy, the core CPI also went up 0.1%, but there were further declines by clothing and used car prices. The CPI's annual change went from 1.6% to 1.1%. The annual change in core CPI was flat at 1.6%.
- Housing starts were fairly stable in January, going from 909,000 units in January (revised from 880,000) to 907,000 units (annualized). Starts on single-family homes increased 0.3%, while starts on multi-unit housing retreated 2.5%. Once again, there are huge regional disparities, exacerbated by the weather. Building permits, for their part, jumped 7.7%, but the gain mainly comes from a 27.6% increase in permits for buildings with five or more units.

CANADA

- The total consumer price index (CPI) rose 0.8% in February. The total annual inflation rate went from 1.5% to 1.1%, while the annual change in the core index dropped to 1.2% from January's 1.4%. The total CPI's 1-month rise was a little stronger than anticipated. On one hand, the increase associated with seasonal fluctuations (+0.5%) in February was bigger than in previous years (particularly in clothing and transportation). On the other, trend inflation was stronger, as shown by the 0.3% 1-month gain in the seasonally adjusted total CPI. Note that we have seen weaker growth, of 0.2%, in recent months. Despite February's fairly low inflation rate, the upswing expected in the months to come could quickly do away with concerns about overly weak price growth in Canada.
- Retail sales rose 1.3% in January. Most major activity sectors showed increases during the month. In real terms, sales are up 1.4%, only wiping out a portion of December's 2.3% decline.
- Manufacturing sales rose 1.5% in January. New orders went up 2.6%, also satisfactory, especially considering that it follows on the heels of December's 3.9% gain. The backlog of orders thus posted better than 4.0% monthly growth for a second straight month. This points to better conditions for Canada's manufacturing sector. Unfortunately, some grey areas remain. For one thing, January's 0.7% increase in sales volumes only recoups a portion of December's steep 2.5% drop. For another, the spectacular jump in inventories raises concern that manufacturers will have to slow production in the coming months.
- Wholesale sales rose 0.8% in January with gains in most of the major sectors. In real terms, however, sales are only up 0.4%, not nearly enough to wipe out the previous month's 1.5% dip. Inventory volumes made solid gains during the month, at 1.1%.
- The number of existing properties sold increased 0.3% in February, putting a stop to five straight months of retreat. The average existing property price continued to ascend, reaching \$402,515, up 10.1% from where it was in February 2013.

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FINANCIAL MARKETS

The Federal Reserve takes markets by surprise

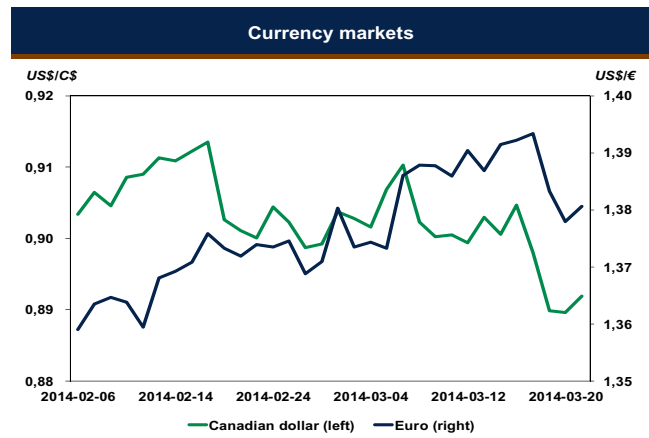
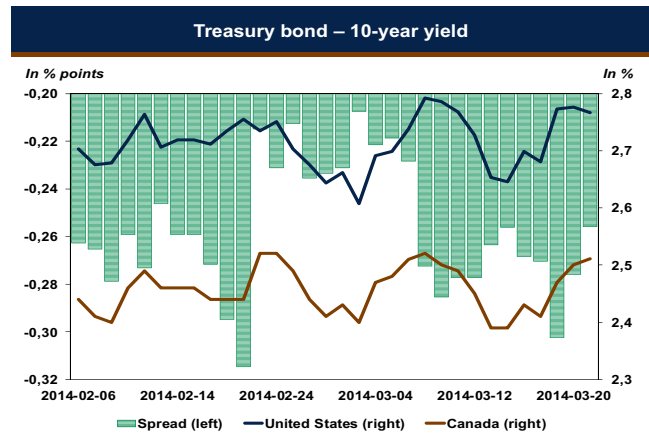
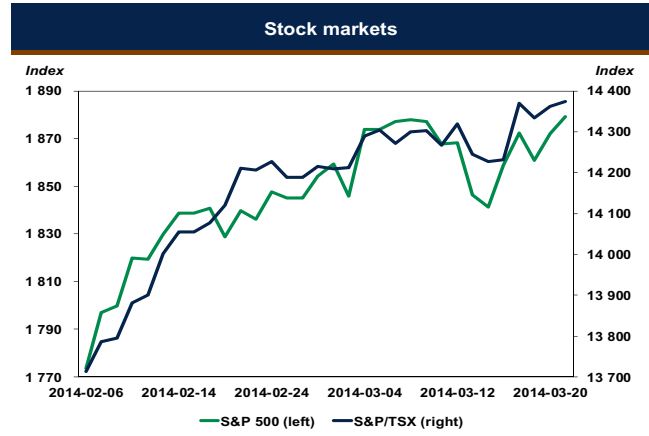
The lifting of uncertainties subsequent to the outcome of the Crimean referendum helped stock markets recoup some of the previous week's losses. The economic data in the United States also boosted confidence, particularly industrial production, which rebounded more sharply than forecast in February. On Wednesday, however, the Fed dropped the numeric targets for unemployment and inflation from its forward guidance, surprising the markets. The Fed's statement was also less dovish than anticipated, leading to a surge in volatility and prompting a 0.61% pullback by the S&P 500. This impact was only temporary, as the stock markets made up all of the ground lost on Thursday, and maintained an uptrend on Friday.

Flat until the Fed's statement was released on Wednesday. U.S. bond yields shot up in response to the adjustments to the forward guidance. The 5-year yield was the most affected, jumping 16 basis points in Wednesday's session alone. The 10-year yield rose 10 basis points, then fluctuated between 2.75% and 2.80%. Canadian bonds tended to outperform their U.S. counterparts, with the 5-year spread making a brief incursion into negative territory. Earlier this week, dovish remarks from the Bank of Canada's governor only slightly influenced Canadian short-term bond yields, in contrast with the currency's vigorous reaction.

Exchange rates were highly volatile after the Fed meeting, with the U.S. dollar emerging as the clear winner. However, it did not recoup all of the losses incurred in prior weeks. The euro was trading above US\$1.39 at the start of the week, then dropped below US\$1.38. The pound retreated a little less, to about US\$1.65, while Japan's exchange rate settled back above ¥102/US\$. For its part, the Canadian dollar was affected by the pessimistic reading of Stephen Poloz's speech on Tuesday, as well as by the Fed and the strong greenback. The loonie hit a cyclical low of US\$0.8867 on Thursday, then recovered some of its losses on Friday on the better-than-forecast results for retail sales and inflation.

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A LOOK AHEAD



UNITED STATES

Tuesday March 25 - 9:00

January	y/y
Consensus	13.30%
Desjardins	13.3%
December	13.42%

S&P/Case-Shiller index of existing home prices (January) – The S&P/Case-Shiller index has risen 21.7% from its January 2012 low. However, its recent 1-month gains are slightly weaker than last summer's. The slight slowdown should continue in the new year, with growth of 0.7% expected to follow December's 0.8% rise, taking the S&P/Case-Shiller's annual change from 13.4% to 13.3%.

Tuesday March 25 - 10:00

March	
Consensus	78.6
Desjardins	77.6
February	78.1

Conference Board consumer confidence index (March) – After climbing for two months, consumer confidence dipped in February, according to the Conference Board index. It can be expected to do so again in March. A rise by gas prices, political tensions with Russia, the release of a number of disappointing economic indicators and the bad weather all have the potential to pull the index down again. Moreover, the preliminary version of the University of Michigan's confidence index showed a retreat. March's stock market standstill should not have much of an impact on household sentiment. We therefore expect the Conference Board index to tick down to 77.6.

Tuesday March 25 - 10:00

February	ann. rate
Consensus	445,000
Desjardins	425,000
January	468,000

New home sales (February) – Sales of new homes posted an astounding 9.6% leap in January, when several other housing market indicators were sagging under the weight of bad weather conditions. The rise took sales to 468,000 units, their highest point since July 2008. We expect them to pull back in February. The 1.8% drop in building permits issued for single-family homes, soft mortgage applications in view of a purchase, the retreat by homebuilder confidence, particularly in the current sales component, and another drop by sales of existing single-family homes all point to a contraction in new home sales. On an annualized basis, they should go to 425,000 units.

Wednesday March 26 - 8:30

February	m/m
Consensus	0.8%
Desjardins	0.4%
January	-1.0%

New durable goods orders (February) – New orders of durable goods posted a better-than-anticipated performance in January. The total figure was negative due to the transportation sector (i.e. aviation), but the 1-month 1.1% gain in orders excluding transportation was the biggest since May 2013. The aviation sector should make another negative contribution to orders as the seasonally-adjusted value of orders at Boeing shows a decline. Motor vehicle orders are expected to rebound, however, due to February's increased output in this sector. Excluding transportation, the ISM index ticked up in February, suggesting modest 0.5% growth. Overall, new durable goods orders should deliver a gain of 0.4%.

Friday March 28 - 8:30

February	m/m
Consensus	0.3%
Desjardins	0.1%
January	0.4%

Consumer spending (February) – Consumption was better than anticipated in January, buoyed by solid income growth and, in particular, a big jump in consumption of services. Much of the growth in that sector stemmed from an increase in heating demand due to the cold weather, as well as from the implementation of the health insurance reform. At the same time, consumption of goods pulled back. The reverse should happen in February. Sales of new motor vehicles and retail sales advanced in February, a situation that should result in fairly good growth by goods consumption. Heating demand, on the other hand, likely edged down. Real consumption should therefore be stable. Nominal consumption should rise by 0.1% due to an equivalent increase in the consumption expenditure deflator. Personal income should go up 0.2%.

**OVERSEAS**

Euro zone: PMI index (March) – The euro zone’s PMI indexes are recovering after some hiccups last fall. The composite index hit 53.3 in February, its highest level since June 2011, signalling that Euroland’s economic growth is accelerating somewhat. It will be interesting to see whether March’s data stays on this thrust. Several other euro zone confidence indicators will be out on Friday. Germany’s IFO indexes of corporate confidence are to be released on Tuesday.

Japan: Economic indicators – Several indicators are published Thursday night in Japan, including retail sales, the jobless rate and consumer price indexes for February. It will be interesting to see whether January’s solid 1.6% growth in retail sales keeps up the pace in February, with the April sales tax increase on the horizon.


Monday March 24 - 4:00**March**

Consensus	53.2
February	53.3

Thursday March 27 - 19:30

ECONOMIC INDICATORS

Week of March 24 to 28, 2014

Day	Hour	Indicator	Period	Consensus		Previous data
UNITED STATES						
MONDAY 24	---	---				
TUESDAY 25						
	9:00	S&P/Case-Shiller home price index (y/y)	Jan.	13.30%	13.3%	13.42%
	10:00	Consumer confidence	March	78.6	77.6	78.1
	10:00	New home sales (ann. rate)	Feb.	445,000	425,000	468,000
	16:00	Speech of the Atlanta Fed President, D. Lockhart				
	19:00	Speech of the Philadelphia Fed President, C. Plosser				
WEDNESDAY 26						
	2:00	Speech of the St. Louis Fed President, J. Bullard				
	8:30	Durable goods orders (m/m)	Feb.	0.8%	0.4%	-1.0%
	20:20	Speech of the St. Louis Fed President, J. Bullard				
THURSDAY 27						
	8:30	Initial unemployment claims	March 17-21	325,000	315,000	320,000
	8:30	Speech of the Cleveland Fed President, S. Pianalto				
	8:30	Real GDP (ann. rate)	Q4t	2.7%	2.7%	2.4%
	8:30	Pending home sales (m/m)	Feb.	0.1%	n/a	0.1%
	21:30	Speech of the Chicago Fed President, C. Evans				
FRIDAY 28						
	8:30	Personal income (m/m)	Feb.	0.3%	0.2%	0.3%
	8:30	Personal consumption expenditures (m/m)	Feb.	0.3%	0.1%	0.4%
	8:30	Personal consumption expenditures deflator				
		Total (m/m)	Feb.	0.1%	0.1%	0.1%
		Excluding food and energy (m/m)	Feb.	0.1%	0.1%	0.1%
		Total (y/y)	Feb.	0.9%	0.9%	1.2%
		Excluding food and energy (y/y)	Feb.	1.1%	1.1%	1.1%
	9:55	Michigan's consumer sentiment index – final	March	80.5	79.9	79.9
	12:45	Speech of the Kansas City Fed President, E. George				



CANADA


MONDAY 24 12:30 Speech of a Bank of Canada Deputy Governor, T. Lane

TUESDAY 25 --- ---

WEDNESDAY 26 --- ---


THURSDAY 27 --- ---

FRIDAY 28 --- ---

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 Daylight Saving Time (GMT - 4 hours).  Forecast of Desjardins, Economic Studies of the Desjardins Group.

ECONOMIC INDICATORS

Week of March 24 to 28, 2014

Country	Hour	Indicator	Period	Consensus		Previous data		
				m/m (q/q)	y/y	m/m (q/q)	y/y	
 OVERSEAS								
DURING THE WEEK								
United Kingdom	---	Nationwide house prices	March	0.8%	9.6%	0.6%	9.4%	
MONDAY 24								
France	4:00	PMI composite index – preliminary	March	n/a		47.9		
France	4:00	PMI manufacturing index – preliminary	March	49.6		49.7		
France	4:00	PMI services index – preliminary	March	47.5		47.2		
Germany	4:30	PMI composite index – preliminary	March	n/a		56.4		
Germany	4:30	PMI manufacturing index – preliminary	March	54.5		54.8		
Germany	4:30	PMI services index – preliminary	March	55.5		55.9		
Euro zone	5:00	PMI composite index – preliminary	March	53.2		53.3		
Euro zone	5:00	PMI manufacturing index – preliminary	March	53.0		53.2		
Euro zone	5:00	PMI services index – preliminary	March	52.6		52.6		
TUESDAY 25								
Japan	1:00	Small business confidence	March	n/a		50.6		
France	3:45	Business confidence	March	95		94		
France	3:45	Production outlook	March	n/a		-6		
Germany	5:00	IFO survey – Business climate	March	110.9		111.3		
Germany	5:00	IFO survey – Current situation	March	114.5		114.4		
Germany	5:00	IFO survey – Expectations	March	107.7		108.3		
United Kingdom	5:30	Consumer price index	Feb.	0.5%	1.7%	-0.6%	1.9%	
United Kingdom	5:30	Producer price index	Feb.	0.2%	0.7%	0.3%	0.9%	
WEDNESDAY 26								
Italy	5:00	Retail sales	Jan.	0.1%	-1.6%	-0.3%	-2.6%	
Italy	5:00	Consumer confidence	March	98.4		97.5		
THURSDAY 27								
France	3:45	Consumer confidence	March	85		85		
Euro zone	5:00	Money supply M3	Feb.		1.3%		1.2%	
Italy	5:00	Business confidence	March	99.5		99.1		
Italy	5:00	Economic confidence	March	n/a		87.9		
Norway	5:00	Bank of Norway meeting	March	1.50%		1.50%		
United Kingdom	5:30	Retail sales	Feb.	0.3%	2.9%	-1.5%	4.8%	
Japan	19:30	Workers' household spending	Feb.		0.1%		1.1%	
Japan	19:30	Consumer price index	Feb.		1.5%		1.4%	
Japan	19:30	Consumer price index – Tokyo	March		1.2%		1.1%	
Japan	19:30	Unemployment rate	Feb.	3.7%		3.7%		
Japan	19:50	Retail sales	Feb.	0.1%	3.5%	1.6%	4.4%	
FRIDAY 28								
France	3:45	Personal consumption expenditures	Feb.	0.8%	0.8%	-2.1%	-0.5%	
France	3:45	Producer price index	Feb.	0.3%	-1.4%	-0.6%	-1.2%	
Italy	5:00	Producer price index	Feb.	n/a	n/a	-0.2%	-1.7%	
United Kingdom	5:30	Current account (£B)	Q4	-13.8		-20.7		
United Kingdom	5:30	Index of services	Jan.	0.3%		0.2%		
United Kingdom	5:30	Real GDP – final	Q4	0.7%	2.7%	0.7%	2.7%	
Euro zone	6:00	Business climate	March	0.38		0.37		
Euro zone	6:00	Consumer confidence – final	March	n/a		-9.3		
Euro zone	6:00	Industrial confidence	March	-3.5		-3.4		
Euro zone	6:00	Services confidence	March	3.7		3.2		
Zone euro	6:00	Economic confidence	March	101.3		101.2		
Germany	9:00	Consumer price index – preliminary	March	0.4%	1.1%	0.5%	1.2%	

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 Daylight Saving Time (GMT - 4 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	15,933	2.4	2.5	1.9	2.8	1.8	2.5
Consumption (2009 \$B)	2013 Q4	10,812	2.6	2.1	2.0	2.2	2.5	2.0
Government spending (2009 \$B)	2013 Q4	2,866	-5.5	-2.5	-2.3	-1.0	-3.2	0.1
Residential investment (2009 \$B)	2013 Q4	487.9	-8.8	6.6	12.1	12.9	0.5	-2.5
Non-residential investment (2009 \$B)	2013 Q4	2,030	7.3	3.0	2.8	7.3	7.6	2.5
Business inventory change (2009 \$B) (1)	2013 Q4	117.4	---	---	83.0	57.6	33.6	58.2
Exports (2009 \$B)	2013 Q4	2,064	9.4	4.9	2.7	3.5	7.1	11.5
Imports (2009 \$B)	2013 Q4	2,446	1.5	2.8	1.4	2.2	4.9	12.8
Final domestic demand (2009 \$B)	2013 Q4	16,180	1.2	1.5	1.5	2.4	1.8	1.5
GDP deflator (2009 = 100)	2013 Q4	107.1	1.6	1.4	1.4	1.7	2.0	1.2
Labor productivity (2009 = 100)	2013 Q4	106.7	1.8	1.3	0.5	1.5	0.5	3.3
Unit labor cost (2009 = 100)	2013 Q4	102.9	-0.1	-0.9	1.1	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 Q4*	-81.1	---	---	-379.3	-440.4	-457.7	-449.5

* 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)	Feb.*	99.8	0.5	0.5	2.7	4.7
ISM manufacturing index (1)	Feb.	53.2	51.3	57.0	56.3	53.1
ISM non-manufacturing index (1)	Feb.	51.6	54.0	54.1	57.9	54.8
Cons. confidence Conf. Board (1985 = 100) (1)	Feb.	78.1	79.4	72.0	81.8	68.0
Cons. confidence Michigan (1966 = 100) (1)	March	79.9	81.6	82.5	77.5	78.6
Personal consumption expenditure (2009 \$B)	Jan.	10,853	0.3	0.6	1.2	2.2
Disposable personal income (2009 \$B)	Jan.	11,738	0.3	0.1	0.8	2.8
Consumer credit (\$B)	Jan.	3,112	0.4	1.2	2.9	5.8
Retail sales (\$M)	Feb.	427,186	0.3	-0.7	0.2	1.5
Excluding automobiles (\$M)	Feb.	347,220	0.3	0.1	0.8	1.3
Industrial production (2007 = 100)	Feb.*	101.6	0.6	0.4	2.1	2.8
Production capacity utilization rate (%) (1)	Feb.*	78.8	78.5	78.9	78.0	78.1
New machinery orders (\$M)	Jan.	483,047	-0.7	-1.2	-0.0	2.0
New durable good orders (\$M)	Jan.	224,989	-1.0	-3.7	0.2	4.6
Business inventories (\$B)	Jan.	1,715	0.4	1.3	3.2	3.9
Housing starts (K) (1)	Feb.*	907.0	909.0	1,101	883.0	969.0
Building permits (K) (1)	Feb.*	1,018.0	945.0	1,017	926.0	952.0
New home sales (K) (1)	Jan.	468.0	427.0	452.0	373.0	458.0
Existing home sales (K) (1)	Feb.*	4,600	4,620	4,830	5,330	4,950
Construction spending (\$B)	Jan.	943.1	0.1	2.2	4.5	9.3
Commercial surplus (\$M) (1)	Jan.	-39,095	-38,975	-39,770	-38,900	-42,139
Nonfarm employment (K) (2)	Feb.	137,699	175.0	388.0	1,063	2,158
Unemployment rate (%) (1)	Feb.	6.7	6.6	7.0	7.2	7.7
Consumer price (1982-1984 = 100)	Feb.*	235.2	0.1	0.5	0.7	1.1
Excluding food and energy	Feb.*	236.1	0.1	0.3	0.8	1.6
Personal cons. expenditure deflator (2009 = 100)	Jan.	107.9	0.1	0.3	0.6	1.2
Excluding food and energy	Jan.	106.6	0.1	0.3	0.6	1.1
Producer price (1982 = 100)	Feb.	199.5	0.4	1.3	1.2	1.3
Excluding food and energy	Feb.	187.4	0.1	0.9	1.1	1.7
Export prices (2000 = 100)	Feb.	133.3	0.6	1.1	1.1	-1.3
Import prices (2000 = 100)	Feb.	139.7	0.9	1.5	0.2	-1.1

* 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	2013	2012	2011	2010
Gross domestic product (2007 \$M)	2013 Q4	1,712,001	2.9	2.7	2.0	1.7	2.5	3.4
Household consumption (2007 \$M)	2013 Q4	954,859	3.1	2.5	2.2	1.9	2.3	3.5
Government consumption (2007 \$M)	2013 Q4	350,496	1.6	0.8	0.8	1.1	0.8	2.7
Residential investment (2007 \$M)	2013 Q4	112,607	-2.3	-0.0	-0.2	6.1	1.6	8.7
Non-residential investment (2007 \$M)	2013 Q4	183,760	-1.3	-0.2	1.4	6.2	11.1	14.5
Business inventory change (2007 \$M) (1)	2013 Q4	18,025	---	---	12,484	6,831	7,440	-452.0
Exports (2007 \$M)	2013 Q4	520,272	1.7	3.1	2.1	1.5	4.7	6.9
Imports (2007 \$M)	2013 Q4	558,571	0.9	1.3	1.1	3.1	5.7	13.6
Final domestic demand (2007 \$M)	2013 Q4	1,723,628	1.2	1.2	1.4	2.3	2.4	5.0
GDP deflator (2007 = 100)	2013 Q4	111.2	0.4	1.0	1.3	1.7	3.2	2.7
Labour productivity (2007 = 100)	2013 Q4	104.4	3.9	2.4	1.0	-0.0	0.9	1.8
Unit labour cost (2007 = 100)	2013 Q4	113.3	1.8	0.5	1.3	3.0	2.5	-0.4
Current account balance (\$M) (1)	2013 Q4	-16,009	---	---	-60,698	-62,215	-48,467	-58,419
Production capacity utilization rate (%) (1)	2013 Q4	82.0	---	---	81.3	81.5	80.6	78.5
Disposable personal income (\$M)	2013 Q4	1,090,364	4.4	3.4	3.6	3.9	4.6	3.7
Corporate net operating surplus (2007 \$M)	2013 Q4	241,416	-1.7	2.9	-2.6	-4.9	11.3	31.6

* 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)	Dec.	1,600,084	-0.5	0.1	1.3	2.3
Industrial production (2007 \$M)	Dec.	342,479	-0.9	0.5	2.0	2.7
Manufacturing sales (\$M)	Jan.*	50,361	1.5	0.5	2.0	5.0
Housing starts (K) (1)	Feb.	191.9	180.5	195.3	187.8	179.7
Building permits (\$M)	Jan.	6,987	8.5	-3.7	-13.6	21.9
Retail sales (\$M)	Jan.*	40,696	1.3	-0.1	1.0	3.7
Excluding automobiles (\$M)	Jan.*	31,228	1.0	-0.0	1.2	2.6
Wholesale trade sales (\$M)	Jan.*	50,025	0.8	-0.7	0.9	2.4
Commercial surplus (\$M) (1)	Jan.	-177.2	-921.5	-478.0	-1,003	-747.8
Exports (\$M)	Jan.	40,645	0.2	1.0	3.6	5.0
Imports (\$M)	Jan.	40,822	-1.6	0.2	1.4	3.5
Employment (K) (2)	Feb.	17,790	-7.0	-7.2	3.4	7.9
Unemployment rate (%) (1)	Feb.	7.0	7.0	6.9	7.1	7.0
Average weekly earnings (\$)	Dec.	933.4	0.9	2.1	2.1	2.9
Number of salaried employees (K) (2)	Dec.	15,463	-16.4	-0.7	20.7	12.9
Consumer price (2002 = 100)	Feb.*	124.1	0.8	0.9	0.8	1.1
Excluding food and energy	Feb.*	118.2	0.8	0.6	0.9	1.1
Excluding 8 volatile items	Feb.*	122.1	0.7	0.5	0.7	1.2
Industrial product price (2002 = 100)	Jan.	110.5	1.4	2.2	1.9	2.3
Raw materials price (2002 = 100)	Jan.	115.4	2.6	0.2	-3.8	0.1
Money supply M1+ (\$M)	Jan.	735,642	1.5	3.5	5.6	9.9

* 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

	Mar. 21	Previous data (%)					Last 52 weeks (%)		
		Mar. 14	-1 month	-3 months	-6 months	-1 year	Higher	Average	Lower
United States									
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	0.05	0.07	0.01	0.07	0.14	0.05	0.00
Treasury bonds – 2 years	0.44	0.34	0.32	0.35	0.33	0.25	0.51	0.32	0.20
– 5 years	1.72	1.53	1.53	1.63	1.47	0.79	1.83	1.33	0.65
– 10 years	2.77	2.65	2.73	2.89	2.73	1.92	3.01	2.52	1.63
– 30 years	3.64	3.59	3.70	3.83	3.76	3.14	3.95	3.58	2.83
S&P 500 index	1,879	1,841	1,836	1,818	1,710	1,557	1,879	1,716	1,542
DJIA index	16,429	16,066	16,103	16,221	15,451	14,512	16,577	15,504	14,448
Gold price (US\$/ounce)	1,336	1,376	1,320	1,205	1,338	1,608	1,605	1,333	1,196
CRB index	300.06	302.88	301.58	283.13	287.44	294.70	307.59	286.11	272.29
WTI oil (US\$/barrel)	100.17	99.23	102.53	99.10	104.70	93.40	110.62	98.90	86.65
Canada									
Overnight – target	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Treasury bill – 3 months	0.84	0.82	0.86	0.90	0.99	0.98	1.03	0.95	0.81
Treasury bonds – 2 years	1.08	1.01	1.01	1.11	1.23	1.00	1.31	1.10	0.92
– 5 years	1.75	1.61	1.69	1.85	2.00	1.32	2.17	1.69	1.15
– 10 years	2.51	2.39	2.52	2.67	2.69	1.82	2.82	2.39	1.67
– 30 years	2.98	2.93	3.02	3.18	3.21	2.53	3.28	2.94	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	0.79	0.77	0.81	0.83	0.98	0.91	0.99	0.90	0.76
Treasury bonds – 2 years	0.65	0.67	0.69	0.76	0.90	0.75	0.92	0.78	0.61
– 5 years	0.03	0.08	0.16	0.22	0.53	0.53	0.58	0.36	-0.02
– 10 years	-0.26	-0.26	-0.21	-0.22	-0.04	-0.10	0.06	-0.13	-0.37
– 30 years	-0.65	-0.66	-0.68	-0.65	-0.55	-0.61	-0.48	-0.64	-0.74
S&P/TSX index	14,375	14,228	14,206	13,400	12,806	12,757	14,375	13,024	11,837
Exchange rate (C\$/US\$)	1.1212	1.1105	1.1111	1.0636	1.0305	1.0233	1.1241	1.0504	0.8919
Exchange rate (C\$/€)	1.5479	1.5451	1.5265	1.4540	1.3936	1.3289	1.5545	1.4070	1.2314
Overseas									
ECB – Refinancing rate	0.25	0.25	0.25	0.25	0.50	0.75	0.75	0.44	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	1.63	1.54	1.67	1.87	1.93	1.38	2.02	1.66	1.19
U.K.: Bonds – 10 years	2.76	2.66	2.79	2.94	2.93	1.85	3.07	2.54	1.62
Euro: Exchange rate (US\$/€)	1.3806	1.3915	1.3740	1.3672	1.3524	1.2988	1.3934	1.3388	1.2781
U.K.: Exchange rate (US\$/£)	1.6498	1.6647	1.6617	1.6336	1.6006	1.5231	1.6747	1.5871	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.