

## The European Central Bank finally takes action

### HIGHLIGHTS

- United States: Employment is finally back to its pre-crisis level.
- ISM indexes in the United States head up.
- The Bank of Canada left its target for the overnight rate standing at 1.00%.
- Canada: The labour market gained 25,800 jobs in May.
- Canada: Merchandise trade deteriorated in April.

### A LOOK AHEAD

- Strong automobile sales should generate a rally in retail sales in the United States.
- Canada: Housing starts could slip a little.
- Canada: The industrial capacity utilization rate should keep climbing.
- Canada: Manufacturing sales should expand in April.

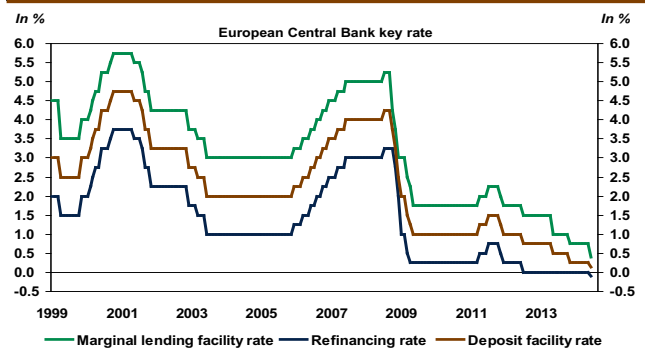
### FINANCIAL MARKETS

- Stock markets welcome the actions taken by the European Central Bank.
- The Bank of Canada continues to warn of downside risks to inflation.
- The euro appreciates slightly, despite the European Central Bank's actions.

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**Graph of the week – The European Central Bank finally adopted a negative rate on the deposit facility**



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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 AND OVERSEAS

- Not surprisingly, the European Central Bank (ECB) took action Thursday. Key rates have been lowered. The interest rates on the main refinancing operations, marginal lending facility and deposit facility are 0.15%, 0.40% and -0.10% respectively. A series of other measures also adopted include a Targeted Longer-term Refinancing Operations program to help financial institutions grant more credit to households and businesses. Liquidity injected through the Securities Markets Programme will no longer be sterilized. Work in preparation to buy asset-backed securities will be intensified. The ECB could announce further measures in the coming meetings.
- In the United States, the establishment survey indicates that there were 217,000 net hires in May, following gains of 282,000 jobs in April (revised from 288,000) and 203,000 in March. There were 216,000 jobs added in the private sector. Public sector employment only rose by 1,000 jobs. Construction added 6,000 jobs after gaining 34,000 in April. There were 10,000 additional workers in manufacturing following 4,000 hires in April. 198,000 jobs were created in private-sector services. The U.S. job market has finally outstripped the previous cyclical peak reached in January 2008. The economy has now wiped out the 8,710,000 layoffs that occurred during the recession and up to the cyclical low of February 2010. Since then, 8,808,000 jobs have been created. The fact that it took 76 months to reach a new peak shows both the magnitude of the economic and financial crisis and the weakness of the recovery. The jobless rate held steady at 6.3% even though it was expected to go up.
- The ISM manufacturing index rose to 55.4 in May, from 54.9 in April. Monday morning's announcement of that indicator was quite chaotic, in that two wrong numbers were released by the Institute for Supply Management before the correct reading came out. This gain, to 55.4, takes the index to its best level since December. The upturn in the current production component, from 55.7 to 61.0, bodes well for the industrial output data that will be released at mid-month. The new orders component also gained ground. As for the non-manufacturing ISM index, it was also up, from 55.2 to 56.3—a better reading than expected.
- Automobile sales shot up to a surprising degree in May, from 15,980,000 units (at an annualized rate) to 16,700,000—their highest level since February 2007. This is very promising for retail sales and consumption of durable goods in May.
- April's growth in construction spending was disappointing: a gain of just 0.2%, whereas the consensus, encouraged by the rise in housing starts, was expecting 0.7%.

**Francis Généreux**  
Senior Economist

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Senior Economist

### CANADA

- It was no surprise that the target for the overnight rate stays at 1.00%, where it has stood since September 2010. The Bank of Canada (BoC) also clearly pointed out that downside risk on the outlook for inflation has not changed. While the news is better on the inflation front, the BoC is more worried about the economy. The BoC harbours fears that the underlying vitality of the U.S. economy is somewhat weaker. As long as sustained acceleration in foreign demand is unconfirmed, the BoC will continue to worry about the Canadian economy and will not consider any monetary firming, especially as it seems to be counting on a weak Canadian dollar. The key rate should therefore remain unchanged until fall 2015.
- The labour market gained 25,800 new jobs in May, in line with expectations. May's gain is not enough to completely offset April's loss of 28,900 jobs. Indeed, the labour market trend, if we look at the 6-month moving average of monthly changes in employment, is still quite sluggish: 3,000 jobs, versus 2,900 jobs in April. These low numbers clearly illustrate the challenges that have beset the labour market since the end of 2013. The unemployment rate across Canada edged up from 6.9% to 7.0%.
- Canadian labour productivity slipped by 0.1% in the first quarter of 2014. This slight pullback is due to faster growth in the total number of hours worked (+0.4%) than in real business output (+0.3%). The unit labour costs of Canadian businesses, expressed in U.S. dollars, nevertheless managed to decline by 4.4% in the first quarter (the sharpest drop in more than five years) thanks to the depreciation of the loonie. Obviously, this is good news for the competitiveness of Canadian businesses.
- Confounding expectations, the balance of merchandise trade deteriorated in April, tumbling from +\$0.8B to -\$0.6B. Exports contracted by 1.8%, including a 10.7% pullback in energy products. Imports rose by 1.4%, with most of the main sectors showing growth during the month. Expressed in real terms, exports fell by 0.3%, while imports were up by 1.4%. Thus the volume of the balance of trade dropped further into negative territory, from -\$0.1B in 2007 dollars to -\$0.7B in 2007 dollars.

**Benoit P. Durocher**  
Senior Economist

# FINANCIAL MARKETS

## The European Central Bank finally takes action

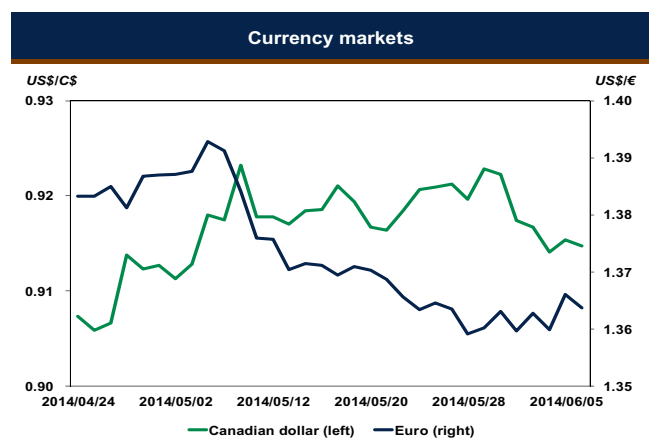
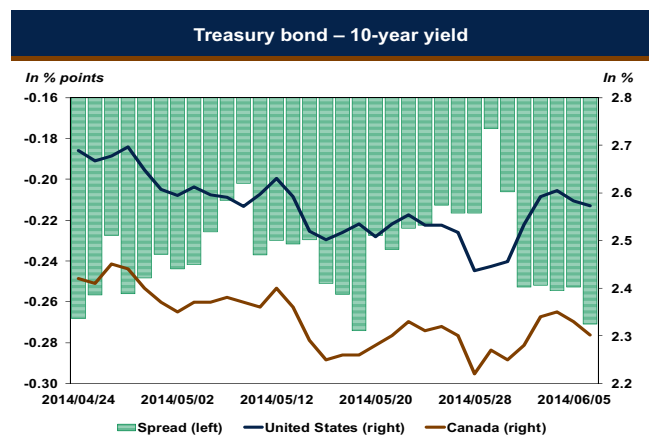
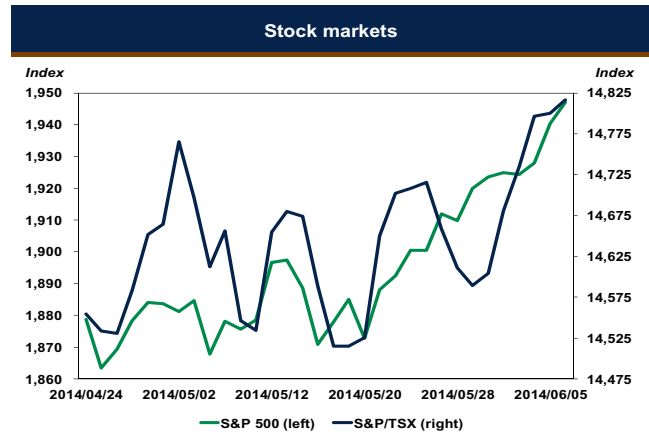
On Monday, the S&P 500 plunged at the beginning of the session, impacted by the ISM manufacturing index, which originally came out below expectations. Thanks to the subsequent upwards revision of the reading (to correct an error in the seasonal adjustment), stock markets were able to close with a slight gain. They remained flat until Thursday, amid subdued economic data in the United States. Monetary easing measures announced by the European Central Bank (ECB), although for the most part expected, stimulated the world's stock markets on Thursday. The French stock market gained 1.1%, as did the S&P 500. The Italian stock market was up by 1.5%, while in Germany the gain was more modest: 0.2%. Meanwhile, the S&P/TSX recorded strong performances throughout the week and was heading towards a weekly gain of more than 1.0%.

U.S. bond yields continued the upwards trend that began at the end of last week; the ten-year yield reached 2.60%. Given economic data that were fairly mixed, the factors underlying that trend were not so much of a macroeconomic nature, but more technical. The fact remains that the yield struggled to break through 2.60% and fell back to as low as 2.55% on Friday, before the U.S. jobs report was released. Short-term bond yields headed up slightly in reaction to the jobs data, even though these were in line with expectations. Canadian bonds gave a better performance this week, with the Bank of Canada (BoC) stressing the downside risks to inflation. Some disquieting aspects of the Canadian job creation report also supported Canadian bonds on Friday.

The ECB's June meeting was the focus of attention this week. Not only did the ECB lower its key interest rates, driving the rate paid on bank reserves into negative territory, but it announced a series of other measures, including a program to encourage financial institutions to lend more to households and businesses. After initially tumbling close to US\$1.350, the euro managed to climb back to around US\$1.365. This may in part reflect the absence of real quantitative measures. The pound sterling also closed the week on a high note, returning to around US\$1.685. Disappointing economic data in Canada and the BoC's worried tone drove the loonie back to around US\$0.915.

**Jimmy Jean**  
Senior Economist

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Senior Economist



# A LOOK AHEAD



## UNITED STATES

### Thursday June 12 - 8:30

<b>May</b>	m/m
Consensus	0.5%
Desjardins	0.9%
<b>April</b>	<b>0.1%</b>

**Retail sales (May)** – Retail sales were very disappointing in April, in particular the 0.1% drop in sales excluding automobiles and gasoline. We expect much better growth in May. For one thing, sales of new cars surged by 4.7% during the month. Furthermore, weekly department store sales indicators were fairly positive in May. However, gasoline sales probably stagnated, since prices at the pump, once seasonally adjusted, did not move much. Job creation in retailing slowed down in May, but the 84,500 new jobs in this sector over the past three months give us cause for optimism. Excluding automobiles and gasoline, we expect a gain of 0.5%. Overall, retail sales probably advanced by 0.9%.

### Friday June 13 - 9:55

<b>June</b>	
Consensus	83.0
Desjardins	83.5
<b>May</b>	<b>81.9</b>

**University of Michigan consumer confidence index (June – preliminary)** – Contrary to other indexes, like that compiled by the Conference Board, the University of Michigan confidence index lost ground in May. The loss of 2.2 points came on the heels of a 4.1-point gain in April. We expect household sentiment to improve in June. Since mid-May, the weekly Bloomberg index has been up, jobless claims are down, the stock market is up by around 3% and the recent increase in gasoline prices is running out of steam. The University of Michigan index is expected to rise from 81.9 to 83.5.



## CANADA

### Monday June 9 - 8:30

<b>May</b>	ann. rate
Consensus	185,000
Desjardins	190,000
<b>April</b>	<b>194,800</b>

**Housing starts (May)** – After a significant rebound in April, the volume of housing starts could contract slightly in May. In particular, the level of starts of multiple-dwelling projects in urban centres still appears to be a little too high in relation to the trend they have been following in recent months.

### Thursday June 12 - 8:30

<b>Q1 2014</b>	
Consensus	82.4%
Desjardins	82.3%
<b>Q4 2013</b>	<b>82.0%</b>

**Industrial capacity utilization rate (Q1)** – Industrial output rose at an annualized quarterly rate of 4.7% in the first quarter of 2014, a much faster pace of growth than was seen in the economy as a whole (+1.2%). This suggests that the industrial capacity utilization rate kept rising during the period and could thus reach its highest level since the last recession.

### Friday June 13 - 8:30

<b>April</b>	m/m
Consensus	0.8%
Desjardins	0.9%
<b>March</b>	<b>0.4%</b>

**Manufacturing sales (April)** – Growth in manufacturing sales came in clearly below our expectations in March. In April, the value of merchandise exports did drop by 1.8%, but the bulk of that decline came from energy products. If we exclude those, the value of exports rose by 1.5% during the month. Since energy products are for the most part absent from the manufacturing sector, this bodes well for growth in manufacturing sales in April. Moreover, the high backlog of orders suggests an imminent acceleration in sales.

**OVERSEAS**


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**China: Economic indicators (May)** – Since the national accounts were released, announcing sluggish real GDP growth in the first quarter, few indicators have pointed towards any acceleration in the Chinese economy. When the balance of trade is released (it recently showed a slowdown in both exports and imports), it will give us more information about the robustness of the economy in the second quarter. Retail sales and industrial output will be released early on Friday, and the price indexes will be made public on Monday evening.

**During the week**

# ECONOMIC INDICATORS


## Week of June 9 to 13, 2014

Day	Hour	Indicator	Period	Consensus		Previous data
<b>UNITED STATES</b>						
<b>MONDAY 9</b>						
	9:10	Speech of the St. Louis Fed President, J. Bullard				
	13:30	Speech of the Boston Fed President, E. Rosengren				
<b>TUESDAY 10</b>						
	10:00	Wholesale inventories (m/m)	April	0.6%	0.5%	1.1%
<b>WEDNESDAY 11</b>						
	14:00	Federal budget (US\$B)	May	-143.0	n/a	-138.7
<b>THURSDAY 12</b>						
	8:30	Initial unemployment claims	May 2-6	305,000	306,000	312,000
	8:30	Export prices (m/m)	May	n/a	0.1%	-1.0%
	8:30	Import prices (m/m)	May	0.2%	0.2%	-0.4%
	8:30	Retail sales				
		Total (m/m)	May	0.5%	0.9%	0.1%
		Excluding automobiles (m/m)	May	0.4%	0.4%	0.0%
	10:00	Business inventories (m/m)	April	0.4%	0.4%	0.4%
<b>FRIDAY 13</b>						
	8:30	Producer price index				
		Total (m/m)	May	0.1%	0.1%	0.6%
		Excluding food and energy (m/m)	May	0.1%	0.1%	0.5%
	9:55	Michigan's consumer sentiment index – preliminary	June	83.0	83.5	81.9
<b>CANADA</b>						
<b>MONDAY 9</b>						
	8:15	Housing starts (ann. rate)	May	185,000	190,000	194,800
<b>TUESDAY 10</b>						
	---	---				
<b>WEDNESDAY 11</b>						
	---	---				
<b>THURSDAY 12</b>						
	8:30	Industrial capacity utilization rate	Q1	82.4%	82.3%	82.0%
	8:30	New housing price index (m/m)	April	n/a	0.2%	0.2%
	10:30	Release of the Bank of Canada <i>Financial System Review</i>				
<b>FRIDAY 13</b>						
	8:30	Manufacturing sales (m/m)	April	0.8%	0.9%	0.4%

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 June 9 to 13, 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)	May	22.60		18.46	
<b>SUNDAY 8</b>							
Japan	19:50	Current account (¥B)	April	232.8		-782.9	
Japan	19:50	Trade balance (¥B)	April	-640.0		-1,133.6	
Japan	19:50	Real GDP – final	April	1.4%		1.5%	
<b>MONDAY 9</b>							
Japan	1:00	Consumer confidence	May	37.6		37.0	
Japan	19:50	Tertiary industry activity index	April	-3.5%		2.4%	
China	21:30	Consumer price index	May		2.4%		1.8%
China	21:30	Producer price index	May		-1.5%		-2.0%
<b>TUESDAY 10</b>							
France	2:45	Industrial production	April	0.3%	-2.0%	-0.7%	-0.8%
Italy	4:00	Industrial production	April	0.4%	0.4%	-0.5%	-0.4%
United Kingdom	4:30	Industrial production	April	0.4%	2.8%	-0.1%	2.3%
Italy	5:00	Real GDP – final	Q1	-0.1%	-0.5%	-0.1%	-0.5%
<b>WEDNESDAY 11</b>							
United Kingdom	4:30	ILO unemployment rate	April	6.7%		6.8%	
New Zealand	17:00	Reserve Bank of New Zealand meeting	June	3.25%		3.00%	
Japan	19:50	Machinery orders	April	-10.8%	13.3%	19.1%	16.1%
South Korea	21:00	Bank of Korea meeting	June	2.50%		2.50%	
<b>THURSDAY 12</b>							
France	2:45	Current account (€B)	April	n/a		-1.5	
France	2:45	Consumer price index	May	0.1%	0.7%	0.0%	0.7%
Euro zone	4:00	Release of the European Central Bank <i>Monthly Bulletin</i>					
Euro zone	5:00	Industrial production	April	0.5%	0.9%	-0.3%	-0.1%
<b>FRIDAY 13</b>							
Japan	---	Bank of Japan meeting					
Japan	0:30	Industrial production – final	April	n/a	n/a	-2.5%	4.1%
France	1:30	Non-farm payrolls – final	Q1	-0.1%		-0.1%	
China	1:30	Industrial production	May		8.8%		8.7%
China	1:30	Retail sales	May		12.2%		11.9%
Germany	2:00	Consumer price index – final	May	-0.1%	0.9%	-0.1%	0.9%
United Kingdom	4:30	Construction	April	1.5%	2.9%	-1.0%	6.4%
Euro zone	5:00	Trade balance (€B)	April	n/a		15.2	
Euro zone	5:00	Net change in employment	Q1	n/a	n/a	0.1%	-0.5%

**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)	2014 Q1	15,903	-1.0	2.0	1.9	2.8	1.8	2.5
Consumption (2009 \$B)	2014 Q1	10,914	3.1	2.5	2.0	2.2	2.5	2.0
Government spending (2009 \$B)	2014 Q1	2,863	-0.8	-1.5	-2.2	-1.0	-3.2	0.1
Residential investment (2009 \$B)	2014 Q1	482.7	-5.1	2.4	12.2	12.9	0.5	-2.5
Non-residential investment (2009 \$B)	2014 Q1	2,015	-1.6	3.4	2.7	7.3	7.6	2.5
Business inventory change (2009 \$B) (1)	2014 Q1	49.0	---	---	81.6	57.6	33.6	58.2
Exports (2009 \$B)	2014 Q1	2,032	-6.0	3.7	2.7	3.5	7.1	11.5
Imports (2009 \$B)	2014 Q1	2,451	0.8	2.9	1.4	2.2	4.9	12.8
Final domestic demand (2009 \$B)	2014 Q1	16,259	1.6	1.9	1.6	2.4	1.8	1.5
GDP deflator (2009 = 100)	2014 Q1	107.4	1.3	1.4	1.4	1.7	2.0	1.2
Labor productivity (2009 = 100)	2014 Q1	106.0	-3.2	1.0	0.5	1.5	0.5	3.3
Unit labor cost (2009 = 100)	2014 Q1	104.2	5.7	1.2	1.1	1.2	2.0	-1.2
Employment cost index (Dec. 2005 = 100)	2014 Q1	120.5	1.3	1.8	1.9	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)	April	101.4	0.4	1.9	2.9	5.8
ISM manufacturing index (1)	May*	55.4	54.9	53.2	57.0	50.0
ISM non-manufacturing index (1)	May*	56.3	55.2	51.6	54.1	54.0
Cons. confidence Conf. Board (1985 = 100) (1)	May	83.0	81.7	78.3	72.0	74.3
Cons. confidence Michigan (1966 = 100) (1)	May	81.9	84.1	81.6	75.1	84.5
Personal consumption expenditure (2009 \$B)	April	10,962	-0.3	1.0	1.5	2.7
Disposable personal income (2009 \$B)	April	11,828	0.2	0.8	0.9	2.0
Consumer credit (\$B)	March	3,141	0.6	1.4	2.8	5.8
Retail sales (\$M)	April	434,571	0.1	2.5	1.9	4.0
Excluding automobiles (\$M)	April	347,487	-0.0	1.5	1.2	2.7
Industrial production (2007 = 100)	April	102.7	-0.6	1.4	1.9	3.5
Production capacity utilization rate (%) (1)	April	78.6	79.3	78.1	78.2	77.8
New machinery orders (\$M)	April*	499,779	0.7	3.9	2.7	4.9
New durable good orders (\$M)	April	239,904	0.6	7.1	3.8	7.1
Business inventories (\$B)	March	1,717	0.4	1.3	2.9	4.7
Housing starts (K) (1)	April	1,072	947.0	897.0	936.0	848.0
Building permits (K) (1)	April	1,059	1,000	939.0	1,067	1,040
New home sales (K) (1)	April	433.0	407.0	457.0	450.0	452.0
Existing home sales (K) (1)	April	4,650	4,590	4,620	5,130	4,990
Construction spending (\$B)	April*	953.5	0.2	1.2	3.3	8.6
Commercial surplus (\$M) (1)	April*	-47,236	-44,176	-40,052	-39,083	-40,417
Nonfarm employment (K) (2)	May*	138,463	217.0	702.0	1,152	2,379
Unemployment rate (%) (1)	May*	6.3	6.3	6.7	7.0	7.5
Consumer price (1982-1984 = 100)	April	236.3	0.3	0.6	1.1	2.0
Excluding food and energy	April	237.2	0.2	0.6	1.0	1.8
Personal cons. expenditure deflator (2009 = 100)	April	108.4	0.2	0.4	0.8	1.6
Excluding food and energy	April	107.1	0.2	0.4	0.7	1.4
Producer price (1982 = 100)	April	200.8	0.7	1.0	1.8	3.1
Excluding food and energy	April	188.1	0.3	0.5	1.5	1.8
Export prices (2000 = 100)	April	133.7	-1.0	0.8	1.6	0.1
Import prices (2000 = 100)	April	139.8	-0.4	1.1	0.6	-0.3

\* 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	2013	2012	2011	2010
Gross domestic product (2007 \$M)	2014 Q1	1,717,239	1.2	2.2	2.0	1.7	2.5	3.4
Household consumption (2007 \$M)	2014 Q1	959,211	1.2	2.6	2.4	1.9	2.3	3.5
Government consumption (2007 \$M)	2014 Q1	348,180	-0.5	0.1	0.6	1.1	0.8	2.7
Residential investment (2007 \$M)	2014 Q1	110,767	-6.3	-0.5	-0.3	6.1	1.6	8.7
Non-residential investment (2007 \$M)	2014 Q1	182,887	-2.0	-0.9	1.3	6.2	11.1	14.5
Business inventory change (2007 \$M) (1)	2014 Q1	16,275	---	---	11,927	6,831	7,440	-452.0
Exports (2007 \$M)	2014 Q1	519,989	-2.4	1.7	2.2	1.5	4.7	6.9
Imports (2007 \$M)	2014 Q1	549,162	-7.2	-1.1	1.1	3.1	5.7	13.6
Final domestic demand (2007 \$M)	2014 Q1	1,722,577	-0.3	1.0	1.4	2.3	2.4	5.0
GDP deflator (2007 = 100)	2014 Q1	112.8	5.5	1.7	1.4	1.7	3.2	2.7
Labour productivity (2007 = 100)	2014 Q1*	104.4	-0.2	2.2	1.0	-0.0	0.9	1.8
Unit labour cost (2007 = 100)	2014 Q1*	113.9	1.9	1.1	1.4	3.0	2.5	-0.4
Current account balance (\$M) (1)	2014 Q1	-12,386	---	---	-60,288	-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)	2014 Q1	1,103,432	4.5	3.2	3.6	3.9	4.6	3.7
Corporate net operating surplus (2007 \$M)	2014 Q1	258,688	25.2	6.8	-1.7	-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)	March	1,614,054	0.1	0.7	0.9	2.1
Industrial production (2007 \$M)	March	353,878	0.6	2.3	2.9	3.5
Manufacturing sales (\$M)	March	50,922	0.4	2.2	3.1	3.5
Housing starts (K) (1)	April	195.3	156.7	176.5	201.3	177.5
Building permits (\$M)	April*	6,039	1.1	-13.2	-16.8	-13.4
Retail sales (\$M)	March	41,065	-0.1	1.5	0.2	3.9
Excluding automobiles (\$M)	March	31,662	0.1	1.5	1.3	3.7
Wholesale trade sales (\$M)	March	50,454	-0.4	1.2	0.9	2.9
Commercial surplus (\$M) (1)	April*	-638.0	765.6	-343.4	-480.2	-772.9
Exports (\$M)	April*	42,825	-1.8	4.7	6.3	7.1
Imports (\$M)	April*	43,463	1.4	5.4	6.6	6.6
Employment (K) (2)	May*	17,830	25.8	13.3	3.0	7.1
Unemployment rate (%) (1)	May*	7.0	6.9	7.0	6.9	7.1
Average weekly earnings (\$)	March	932.7	0.7	0.8	2.3	3.1
Number of salaried employees (K) (2)	March	15,413	-45.3	-24.2	-9.2	4.4
Consumer price (2002 = 100)	April	125.2	0.3	1.7	1.8	2.0
Excluding food and energy	April	118.8	0.2	1.3	0.8	1.4
Excluding 8 volatile items	April	122.7	0.2	1.2	0.9	1.4
Industrial product price (2002 = 100)	April	112.4	-0.2	1.5	4.0	3.9
Raw materials price (2002 = 100)	April	123.5	0.1	6.6	7.2	9.1
Money supply M1+ (\$M)	April	738,296	-0.6	0.5	3.5	6.8

\* 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 (%)		
	June 6	May 30	-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	0.03	0.04	0.03	0.06	0.06	0.04	0.14	0.04	0.00
Treasury bonds – 2 years	0.40	0.33	0.38	0.37	0.31	0.31	0.51	0.35	0.26
– 5 years	1.64	1.50	1.62	1.64	1.50	1.09	1.83	1.51	1.02
– 10 years	2.57	2.46	2.60	2.79	2.88	2.16	3.01	2.68	2.12
– 30 years	3.42	3.31	3.45	3.72	3.91	3.32	3.95	3.66	3.29
S&P 500 index	1,947	1,924	1,878	1,878	1,805	1,643	1,947	1,774	1,573
DJIA index	16,906	16,717	16,583	16,453	16,020	15,248	16,906	15,838	14,660
Gold price (US\$/ounce)	1,251	1,245	1,288	1,336	1,236	1,382	1,418	1,298	1,196
CRB index	304.40	305.48	304.57	307.19	278.66	287.67	312.19	290.17	272.29
WTI oil (US\$/barrel)	102.76	103.40	100.32	102.82	97.47	96.11	110.62	100.70	91.35
<b>Canada</b>									
Overnight – target	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Treasury bill – 3 months	0.93	0.93	0.92	0.82	0.93	1.02	1.03	0.93	0.81
Treasury bonds – 2 years	1.06	1.05	1.06	1.05	1.09	1.13	1.31	1.11	0.93
– 5 years	1.57	1.53	1.63	1.72	1.83	1.57	2.17	1.76	1.51
– 10 years	2.30	2.25	2.36	2.52	2.69	2.15	2.82	2.50	2.12
– 30 years	2.83	2.78	2.90	3.04	3.28	2.72	3.28	3.03	2.68
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	0.90	0.89	0.89	0.76	0.87	0.98	0.99	0.89	0.76
Treasury bonds – 2 years	0.66	0.72	0.68	0.68	0.78	0.83	0.92	0.76	0.61
– 5 years	-0.07	0.03	0.01	0.08	0.33	0.48	0.58	0.25	-0.07
– 10 years	-0.27	-0.21	-0.24	-0.27	-0.19	-0.01	-0.00	-0.18	-0.37
– 30 years	-0.59	-0.53	-0.55	-0.68	-0.63	-0.60	-0.48	-0.63	-0.74
S&P/TSX index	14,816	14,604	14,534	14,299	13,281	12,373	14,816	13,458	11,837
Exchange rate (C\$/US\$)	1.0933	1.0843	1.0896	1.1083	1.0636	1.0197	1.1241	1.0666	0.9147
Exchange rate (C\$/€)	1.4908	1.4780	1.4992	1.5381	1.4577	1.3483	1.5545	1.4456	1.2474
<b>Overseas</b>									
ECB – Refinancing rate	0.15	0.25	0.25	0.25	0.25	0.50	0.50	0.36	0.15
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	1.36	1.36	1.46	1.65	1.84	1.55	2.02	1.69	1.31
U.K.: Bonds – 10 years	2.66	2.57	2.69	2.79	2.90	2.07	3.07	2.72	2.07
Euro: Exchange rate (US\$/€)	1.3637	1.3631	1.3760	1.3878	1.3706	1.3223	1.3934	1.3549	1.2781
U.K.: Exchange rate (US\$/£)	1.6782	1.6752	1.6851	1.6713	1.6350	1.5559	1.6978	1.6182	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.