

Stronger than forecast inflation in Canada and the United States

HIGHLIGHTS

- The Federal Reserve downgrades its growth forecast but stays the course with securities purchases tapering.
- Inflation picks up more than expected for May in the United States.
- United States: Housing starts dropped in May.
- U.S. industrial output rebounds.
- Canada: Total annual inflation rate continues to climb.
- Canada: Retailer and wholesaler sales rose in April.
- Canada: Household debt ratios improve slightly.

A LOOK AHEAD

- United States: Home sales should continue the upswing begun in May.
- United States: Another downgrade to Q1's real GDP is expected.
- Canada: Industrial product prices could remain unchanged.

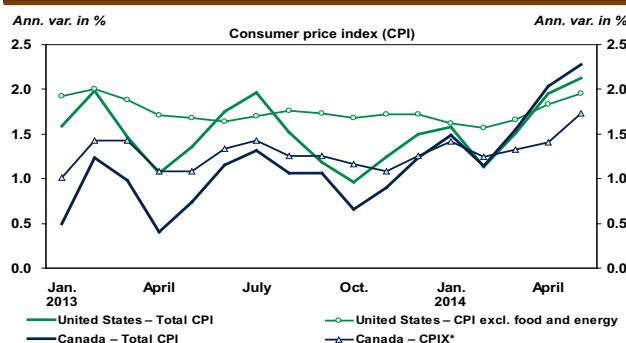
FINANCIAL MARKETS

- The Federal Reserve reassures stock markets.
- The bond markets seesaw.
- The Canadian dollar appreciated close to US\$0.93 after the release of inflation figures.

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Graph of the week – Inflation climbs in North America



* Bank of Canada core index.
Sources: Statistics Canada, Bureau of Labor Statistics and Desjardins, Economic Studies

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KEY STATISTICS OF THE WEEK

UNITED STATES

- Federal Reserve leaders are staying the course despite the economic situation's ups and downs since the beginning of the year. Once again, they made very few changes in the statement accompanying Wednesday's meeting. Janet Yellen and her colleagues particularly focused on the rebound in growth observed since real GDP's disappointing 1% contraction in the first quarter. Tapering of securities purchases should continue at the same pace until they are reduced to zero in the fall.
- Housing starts declined 6.5% in May, going to 1,001,000 units. This widely anticipated pullback follows three straight months of growth, including a 12.7% jump in April. Starts on single-family homes went down 5.9%, while starts on multi-unit housing retreated 8.3% (after April's 32.5% increase). Despite this drop, housing starts remain 9.4% higher than in May 2013. The number of building permits retreated 6.4%, though permits for single-family homes went up 3.7%. The NAHB homebuilder confidence index improved in June, going from 45 to 49.
- After dipping 0.3% (revised from -0.6%), industrial production jumped 0.6% in May. Manufacturing production also increased 0.6%. Rebounds were posted by machinery and the automotive sector, as well as IT, and electronic and electrical equipment. The mining sector also grew 1.3% in May, its third straight month with increases over 1%. In contrast, production by energy suppliers contracted for the fourth month in a row, though May's 0.8% slide is much smaller than April's 4.5% drop.
- Regional manufacturing indexes edged up from May's levels, which were already high. The Empire index climbed from 19.01 to 19.28, while the Philly Fed jumped from 15.4 to 17.8. This bodes well for June's ISM index.
- The consumer price index (CPI) rose 0.4% in May, its strongest monthly advance since February 2013. Food prices climbed 0.5%, their largest monthly jump since August 2011. Energy prices went up 0.9%. Excluding food and energy, the core CPI ticked up 0.3% for the first time in nearly three years. Stronger increases were posted by prices for clothing, medical goods, transportation services and housing costs. The CPI's annual change went from 2.0% to 2.1% (it had been just 1.1% in February). The core CPI's annual change went from 1.8% to 2.0%.

Francis Généreux
Senior Economist

CANADA

- The 0.5% increase in the total consumer price index (CPI) was slightly above expectations. The total annual inflation rate crept up from 2.0% to 2.3%. The Bank of Canada's core index (CPIX) also increased 0.5% in May. Its annual variation is now 1.7%, compared with 1.4% in April. The recent rise in inflation raises questions about where the country's monetary policy is headed. If the trend holds, Bank of Canada leaders will not be able to ignore the faster-than-expected growth in prices, even if the rise in core inflation is slower. However, this upward trend should lose steam soon; domestic demand is not very robust and the Canadian dollar has appreciated slightly. Our projections indicate that total inflation should stay below 2.5%, allowing the monetary authorities to be patient before ordering an increase in key interest rates, which will likely happen in fall 2015.
- The 1.1% increase posted in retail sales in April is probably due mainly to the soft sales results recorded in March. This lag in sales is another example of the impact of a particularly tough winter in North America.
- Canadian households' balance sheets improved in the first quarter of 2014, with total liabilities up a quarterly annualized 1.5%, and assets up 8.8%. With a 4.5% rise over the same period, household disposable income also did well. This takes the ratio of consumer credit market debt to disposable income from 163.93% to 163.22%, its second quarterly contraction in a row. However, it remains quite high from a historical standpoint.
- Growth in wholesaler sales beat expectations in April, gaining 1.2%. Ontario and British Columbia were particularly noteworthy, with respective increases of 2.3% and 3.9%. In real terms, wholesaler sales advanced 1.2%, while inventories grew 0.7%, which suggests that wholesale trade will contribute significantly to economic growth in March.

Benoit P. Durocher
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FINANCIAL MARKETS

The Federal Reserve remains cautious with its remarks

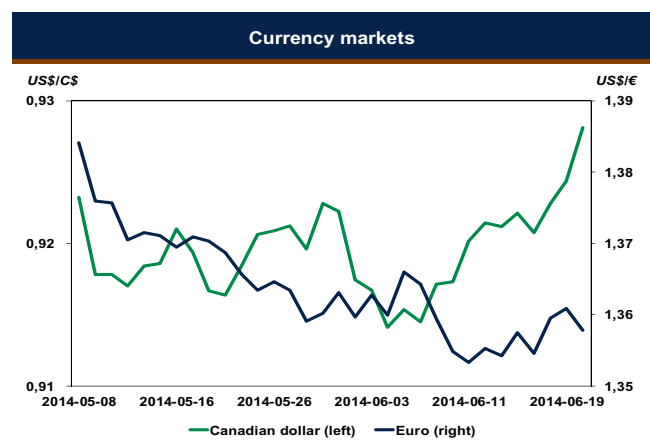
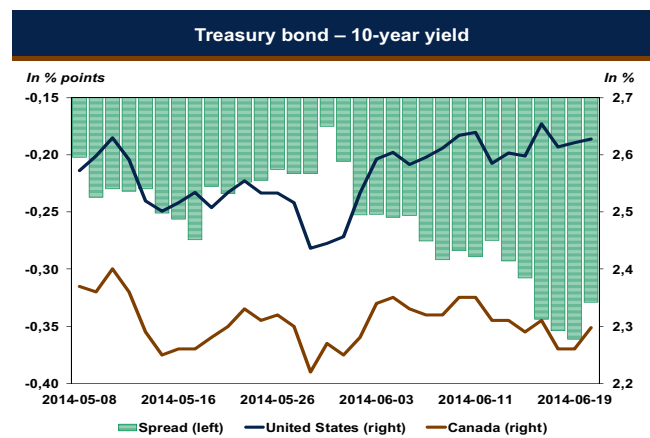
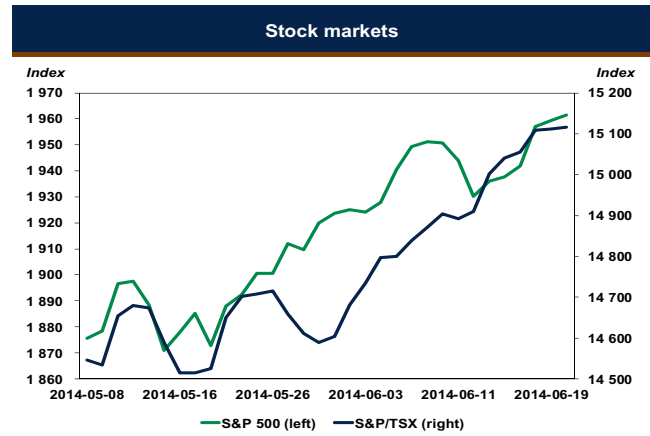
Markets were cautious at the start of the week, affected by tensions in Iraq and the upcoming Federal Reserve (Fed) monetary policy announcements, to be made on Wednesday. The Fed downgraded its growth forecasts and added some caveats to the recent rise in inflation, highlighting its temporary causes. Stock markets read this as a sign of further ongoing dovish monetary policy, and posted considerable gains on Wednesday. Solid figures on manufacturing activity consolidated these gains on Thursday, and the S&P 500 was headed for a weekly increase of more than 1.3% on Friday morning. For its part, the Canadian stock market did not perform as spectacularly as it had the week before, but sustained oil prices helped it post gains of around 0.7%.

Yields started the week on an uptrend, with supports including higher-than-expected inflation in the United States. However, new tensions in Iraq and the Fed's announcements caused a sharp turnaround on Wednesday, with 10-year yields falling nearly 7 basis points. Yields quickly came back, however, boosted by the strong Philadelphia manufacturing index, among other things. In the end, 10-year yields were oscillating around 2.65% on Friday morning. Canadian bonds outperformed U.S. bonds until Thursday, especially the longer maturities. The 10-year spread hit -37 basis points on Thursday, before returning to -33 points on Friday morning after the appearance of Canadian inflation figures that beat expectations.

The U.S. dollar's rise lagged, as the Fed remained cautious. Several currencies appreciated against the U.S. dollar on Wednesday and Thursday, though the trend reversed for some of them on Friday. The Canadian dollar was a notable exception, continuing to trend up to nearly US\$0.93, boosted by Canada's inflation figures. This data contrasted with lower production prices in Germany, which added to deflationary fears for the euro zone. At the time of writing, the euro had dropped back under US\$1.36. The pound also retreated on Friday, as inflationary pressures seemed to have recently dropped in the United Kingdom.

Jimmy Jean
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A LOOK AHEAD



UNITED STATES

Monday June 23 - 10:00

May	ann. rate	
Consensus		4,740,000
Desjardins		4,750,000
April		4,650,000

Existing home sales (May) – After falling for three months in a row, home resales went up in April. The 1.3% gain, the biggest since July 2013, took sales to 4,650,000. We expect another rise in May. Pending home sales increased 2.4% in March and 0.4% in April, suggesting that the resale market is accelerating. The annualized number of existing homes sold should go to 4,750,000 units, which is still 7.8% less than it was a year ago.

Tuesday June 24 - 9:00

April	y/y	
Consensus		11.50%
Desjardins		11.63%
March		12.37%

S&P /Case-Shiller index of existing home prices (April) – The upswing in home prices was surprisingly strong in March; the 1.2% gain was its highest since April 2013. We expect further good monthly growth in April, at 1.0%. The annual change in the S&P/Case-Shiller index should go from 12.4% to 11.6%.

Tuesday June 24 - 10:00

June		
Consensus		83.5
Desjardins		83.0
May		83.0

Conference Board consumer confidence index (June) – Household sentiment is sending rather mixed signals right now. The University of Michigan index went down for the second straight month this June. For its part, the Conference Board index improved in May, after April's astounding downturn. The stock market's increase of more than 4% since mid-May, and solid employment growth are positive supports for further confidence gains. However, rising gas prices and new fears about Iraq could cause households to worry. We therefore expect the Conference Board index to stagnate, keeping close to 83.0, where it was in May.

Tuesday June 24 - 10:00

May	ann. rate	
Consensus		439,000
Desjardins		440,000
April		433,000

New home sales (May) – After dropping 4.4% in March and 6.9% in April, sales of new single-family homes advanced 6.4% in May. All the same, the 433,000 units reached is 4.2% lower than in April 2013. We expect another increase in May, which could make up some of the ground lost. The 3.7% rise in building permits for single-family homes (despite decreases in total permits and housing starts) points to good growth. The NAHB homebuilder confidence index has also started to edge up, especially with regard to current sales of single-family homes. What's more, mortgage applications in view of a purchase rose in May. We expect the annualized number of new single-family home sales to go to 440,000 units.

Wednesday June 25 - 8:30

May	m/m	
Consensus		0.0%
Desjardins		0.3%
April		0.8%

New durable goods orders (May) – New durable goods orders posted higher-than-expected growth in April, with gains of 0.8%; the consensus had expected some contraction, caused by aviation and other sectors. While aviation did better than anticipated, other components disappointed, such as new capital goods orders excluding aviation and defence, which retreated 1.2%. We expect a better performance in May, though. Contributions from the aircraft sector should be rather neutral, but the rest should bounce back. A solid performance by the manufacturing ISM's new orders component, which stood at 56.9 in May, points to clear improvement. The rebound in industrial output in May, especially durable goods, is another positive sign. We expect total new orders to go up 0.3%, and 0.6% excluding transportation.

Wednesday June 25 - 8:30

Q1 2014 – 3rd est.	ann. rate	
Consensus		-1.8%
Desjardins		-1.7%
Q1 2014 – 2nd est.		-1.0%

Real GDP (Q1 – third estimate) – The second estimate of the Q1 national accounts brought real GDP growth from 0.1% down to a negative 1.0%, its worst performance since winter 2011. Unfortunately, we expect the third estimate to take another bite from this change. New figures on service sector activity in the first quarter point to a downgrade of the rise in consumer spending for health care. Furthermore, other spending items could be revised downward following the release of May's retail sales. We now expect real GDP to go down more than 1.5%.

Consumer spending (May) – In April, real consumption posted its largest drop since September 2009. However, this retreat followed a 0.8% jump in March, and the automotive sector is behind most of these strong fluctuations. Another solid advance in auto sales should help boost durable goods spending in May, even though retail sales did not perform very well. We expect some stagnation from spending on non-durable goods and services. All in all, real consumption should be 0.1% in May, added to the expected 0.3% increase in the consumer expenditure deflator. Nominal consumption should therefore rise 0.4%. An upgrade to April's retail sales figures should also be posted, following the revision that already took place. Personal income should also go up 0.4%. Like the consumer price index, the annual change in the consumer expenditure deflator should accelerate, going from 1.6% to 1.8%. The change in the core deflator excluding food and energy should edge up from 1.4% to 1.5%.


CANADA

Industrial products price index (May) – In Canadian dollars, the Bank of Canada index of commodity prices fell 0.7% in May, including a sizable contraction by energy. This suggests that growth by the Statistics Canada raw materials price index was also weak over the month. Under these conditions, the industrial products price index could remain unchanged in May.


OVERSEAS

Euro zone: PMI and confidence indexes (June) – Euroland's composite PMI index fell in May after a solid rise in April. The drop came largely from the manufacturing sector, whose PMI index fell to its lowest point since November 2013. The services PMI edged up. On Monday, it will be interesting to see if manufacturing and the total index have bounced back, or if Euroland's economy will sink further. The European Commission will be releasing its confidence indexes on Friday, which will also give us more information on the economy's health. Most of these indexes posted solid growth over the last few months. Germany's IFO indexes will be released Tuesday.

Thursday June 26 - 8:30

May	m/m
Consensus	0.4%
Desjardins	0.4%
April	-0.1%


Friday June 27 - 8:30


May	m/m
Consensus	0.0%
Desjardins	0.0%
April	-0.2%

During the week

ECONOMIC INDICATORS


Week of June 23 to 27, 2014

Day	Hour	Indicator	Period	Consensus		Previous data
UNITED STATES						
MONDAY 23						
	10:00	Existing home sales (ann. rate)	May	4,740,000	4,750,000	4,650,000
TUESDAY 24						
	8:05	Speech of the Philadelphia Fed President, C. Plosser				
	9:00	S&P/Case-Shiller home price index (y/y)	April	11.50%	11.63%	12.37%
	10:00	Consumer confidence	June	83.5	83.0	83.0
	10:00	New home sales (ann. rate)	May	439,000	440,000	433,000
	18:30	Speech of the San Francisco Fed President, J. Williams				
WEDNESDAY 25						
	8:30	Durable goods orders (m/m)	May	0.0%	0.3%	0.8%
	8:30	Real GDP (ann. rate)	Q1t	-1.8%	-1.7%	-1.0%
THURSDAY 26						
	8:30	Initial unemployment claims	June 16-20	310,000	310,000	312,000
	8:30	Speech of the Richmond Fed President, J. Lacker				
	8:30	Personal income (m/m)	May	0.4%	0.4%	0.3%
	8:30	Personal consumption expenditures (m/m)	May	0.4%	0.4%	-0.1%
	8:30	Personal consumption expenditures deflator				
		Total (m/m)	May	0.2%	0.3%	0.2%
		Excluding food and energy (m/m)	May	0.2%	0.2%	-0.2%
		Total (y/y)	May	1.8%	1.8%	1.6%
		Excluding food and energy (y/y)	May	1.6%	1.5%	1.4%
	13:05	Speech of the St. Louis Fed President, J. Bullard				
FRIDAY 27						
	9:55	Michigan's consumer sentiment index – final	June	81.9	81.5	81.2
CANADA						
MONDAY 23						
	---	---				
TUESDAY 24						
	---	Holiday in Québec (National Day)				
WEDNESDAY 25						
	---	---				
THURSDAY 26						
	8:30	Average weekly earnings (y/y)	April	n/a	3.4%	3.1%
	8:30	Number of salaried employees (m/m)	April	n/a	0.0%	-0.3%
FRIDAY 27						
	8:30	Industrial product price index (m/m)	May	0.0%	0.0%	-0.2%
	8:30	Raw materials price index (m/m)	May	-0.2%	-0.2%	0.1%

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 23 to 27, 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	June	0.5%	11.2%	0.7%	11.1%	
SUNDAY 22								
Japan	21:35	PMI manufacturing index – preliminary	June	n/a		49.9		
MONDAY 23								
France	3:00	PMI composite index – preliminary	June	49.3		49.3		
France	3:00	PMI manufacturing index – preliminary	June	49.5		49.6		
France	3:00	PMI services index – preliminary	June	49.4		49.1		
Germany	3:30	PMI composite index – preliminary	June	55.5		55.6		
Germany	3:30	PMI manufacturing index – preliminary	June	52.5		52.3		
Germany	3:30	PMI services index – preliminary	June	55.8		56.0		
Euro zone	4:00	PMI composite index – preliminary	June	53.4		53.5		
Euro zone	4:00	PMI manufacturing index – preliminary	June	52.2		52.2		
Euro zone	4:00	PMI services index – preliminary	June	53.3		53.2		
TUESDAY 24								
Germany	4:00	IFO survey – Business climate	June	110.3		110.4		
Germany	4:00	IFO survey – Current situation	June	115.0		114.8		
Germany	4:00	IFO survey – Expectations	June	106.0		106.2		
WEDNESDAY 25								
Germany	2:00	Consumer confidence	July	8.6		8.5		
France	2:45	Business confidence	June	94		94		
France	2:45	Production outlook	June	n/a		-13		
Italy	4:00	Retail sales	April	0.0%	-0.5%	-0.2%	-3.5%	
Italy	5:00	Consumer confidence	June	106.4		106.3		
THURSDAY 26								
France	2:45	Consumer confidence	June	85		85		
United Kingdom	19:05	Consumer confidence	June	2		0		
Japan	19:30	Workers' household spending	May		-2.1%		-4.6%	
Japan	19:30	Consumer price index – Tokyo	May		3.7%		3.4%	
Japan	19:30	Consumer price index – Tokyo	June		3.1%		3.1%	
Japan	19:30	Unemployment rate	May	3.6%		3.6%		
Japan	19:50	Retail sales	May	2.8%	-1.9%	-13.6%	-4.3%	
FRIDAY 27								
France	2:45	Personal consumption expenditures	May	0.3%	-1.0%	-0.3%	-0.5%	
France	2:45	Producer price index	May	n/a	n/a	-0.1%	-0.9%	
France	2:45	Real GDP – final	Q1	0.0%	0.8%	0.0%	0.8%	
Italy	4:00	Business confidence	June	100.0		99.7		
Italy	4:00	Economic confidence	June	n/a		86.9		
United Kingdom	4:30	Current account (£B)	Q1	-17.3		-22.4		
United Kingdom	4:30	Index of services	April	0.3%		0.4%		
United Kingdom	4:30	Real GDP – final	Q1	0.8%	3.1%	0.8%	3.1%	
Euro zone	5:00	Business climate	June	0.40		0.37		
Euro zone	5:00	Consumer confidence – final	June	n/a		-7.4		
Euro zone	5:00	Industrial confidence	June	-3.0		-3.0		
Euro zone	5:00	Services confidence	June	4.0		3.8		
Euro zone	5:00	Economic confidence	June	103.0		102.7		
Germany	8:00	Consumer price index – preliminary	June	0.2%	1.0%	-0.1%	0.9%	

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)	2014 Q1*	-111.2	---	---	-400.3	-460.8	-459.3	-443.9

* 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)	May*	101.7	0.5	1.8	2.3	5.9
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)	June	81.2	81.9	80.0	82.5	84.1
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)	April	3,175	0.9	2.0	3.3	6.5
Retail sales (\$M)	May	437,648	0.3	2.4	2.2	4.3
Excluding automobiles (\$M)	May	348,822	0.1	1.4	1.7	2.8
Industrial production (2007 = 100)	May*	103.7	0.6	1.2	2.3	4.3
Production capacity utilization rate (%) (1)	May*	79.1	78.9	78.8	78.5	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)	April	1,728	0.6	1.5	2.9	5.0
Housing starts (K) (1)	May*	1,001	1,071	928.0	1,105	915.0
Building permits (K) (1)	May*	991.0	1,059	1,011	1,037	1,010
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)	May*	237.1	0.4	0.8	1.3	2.1
Excluding food and energy	May*	237.8	0.3	0.7	1.1	1.9
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)	May	200.7	-0.0	0.6	1.8	2.5
Excluding food and energy	May	188.2	0.1	0.4	1.3	1.8
Export prices (2000 = 100)	May	133.6	0.1	-0.1	1.4	0.5
Import prices (2000 = 100)	May	139.9	0.1	0.1	1.6	0.4

* 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)	2014 Q1	82.5	---	---	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)	April	50,850	-0.1	1.8	2.0	5.7
Housing starts (K) (1)	May	198.3	196.7	190.9	194.9	199.4
Building permits (\$M)	April	6,039	1.1	-13.2	-16.8	-13.4
Retail sales (\$M)	April*	41,621	1.1	1.9	1.8	5.1
Excluding automobiles (\$M)	April*	31,928	0.7	1.8	1.8	4.8
Wholesale trade sales (\$M)	April*	51,185	1.2	2.0	1.6	4.5
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)	May*	125.8	0.5	1.4	2.3	2.3
Excluding food and energy	May*	119.1	0.3	0.8	1.4	1.5
Excluding 8 volatile items	May*	123.3	0.5	1.0	1.5	1.7
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	738,295	-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 20	June 13	-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	0.02	0.04	0.04	0.06	0.07	0.05	0.14	0.04	0.00
Treasury bonds – 2 years	0.47	0.45	0.34	0.44	0.35	0.36	0.51	0.36	0.27
– 5 years	1.70	1.69	1.52	1.71	1.63	1.40	1.83	1.53	1.27
– 10 years	2.63	2.60	2.53	2.75	2.89	2.51	3.01	2.70	2.44
– 30 years	3.45	3.41	3.40	3.61	3.83	3.57	3.95	3.66	3.29
S&P 500 index	1,961	1,936	1,901	1,867	1,818	1,592	1,961	1,786	1,573
DJIA index	16,970	16,776	16,606	16,303	16,221	14,799	16,970	15,907	14,660
Gold price (US\$/ounce)	1,315	1,274	1,293	1,335	1,205	1,290	1,418	1,294	1,196
CRB index	312.60	309.98	308.26	299.40	283.13	278.08	312.60	291.10	272.29
WTI oil (US\$/barrel)	107.14	107.49	105.01	99.97	99.10	93.81	110.62	101.09	91.35
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	0.94	0.94	0.92	0.87	0.90	1.02	1.02	0.93	0.81
Treasury bonds – 2 years	1.14	1.09	1.06	1.07	1.11	1.23	1.31	1.11	0.93
– 5 years	1.60	1.58	1.57	1.73	1.85	1.81	2.17	1.76	1.51
– 10 years	2.30	2.31	2.31	2.48	2.67	2.45	2.82	2.51	2.22
– 30 years	2.85	2.83	2.84	2.96	3.18	2.90	3.28	3.03	2.76
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	0.92	0.90	0.88	0.81	0.83	0.97	0.99	0.89	0.76
Treasury bonds – 2 years	0.67	0.64	0.72	0.63	0.76	0.87	0.92	0.75	0.61
– 5 years	-0.10	-0.11	0.05	0.02	0.22	0.41	0.58	0.23	-0.17
– 10 years	-0.33	-0.29	-0.22	-0.27	-0.22	-0.06	-0.02	-0.19	-0.37
– 30 years	-0.61	-0.58	-0.56	-0.65	-0.65	-0.67	-0.48	-0.63	-0.74
S&P/TSX index	15,116	15,002	14,708	14,336	13,400	11,996	15,116	13,565	11,837
Exchange rate (C\$/US\$)	1.0775	1.0856	1.0862	1.1221	1.0636	1.0458	1.1241	1.0690	0.9281
Exchange rate (C\$/€)	1.4629	1.4701	1.4809	1.5477	1.4540	1.3723	1.5545	1.4500	1.2602
Overseas									
ECB – Refinancing rate	0.15	0.15	0.25	0.25	0.25	0.50	0.50	0.35	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	1.34	1.37	1.36	1.63	1.87	1.70	2.02	1.68	1.31
U.K.: Bonds – 10 years	2.76	2.75	2.64	2.75	2.94	2.41	3.07	2.74	2.43
Euro: Exchange rate (US\$/€)	1.3578	1.3543	1.3634	1.3794	1.3672	1.3123	1.3934	1.3560	1.2781
U.K.: Exchange rate (US\$/£)	1.7014	1.6965	1.6833	1.6487	1.6336	1.5419	1.7041	1.6233	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.