

Renewed fears in Europe

HIGHLIGHTS

- United States: Further healthy growth in consumer credit.
- The labour market stumbles in Canada in June.
- Canada: Housing starts remain strong in June.

A LOOK AHEAD

- United States: Auto and gasoline sales and rising confidence should lead to stronger growth in retail sales.
- A modest increase in U.S. industrial production is expected.
- United States: After the pullback recorded in May, housing starts should edge up in June.
- Canada: Strong growth in manufacturing sales is anticipated.
- The Bank of Canada will probably leave its key interest rates unchanged, but its *Monetary Policy Report* should provide an upwards revision of its inflation forecast.
- Canada: Despite slower monthly growth in June, the inflation rate is likely to head up again.

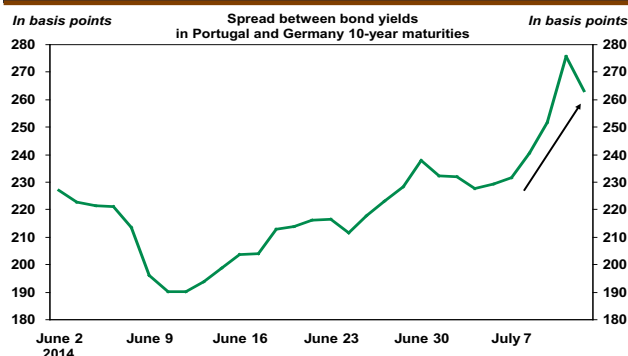
FINANCIAL MARKETS

- Uncertainty surrounding the Portuguese banking system sends a shock wave through the stock markets.
- The U.S. 10-year yield slips temporarily below 2.50%.
- The Canadian dollar drops by around three quarters of a cent due to disappointing employment numbers.

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Graph of the week – Fears about the financial system accelerate the rise of interest rates in Portugal



Sources: Bloomberg and Desjardins, Economic Studies

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KEY STATISTICS OF THE WEEK

UNITED STATES

- Consumer credit expanded by US\$19.6B in May, on the heels of an already substantial gain of US\$26.1B in April. As expected, the increase comes mainly from term credit, since auto sales were brisk in May. We note that more and more, the increase in term loans is attributable to credit granted by banking institutions. However, student loans issued by the federal government are still a significant source of growth. Revolving loans (lines of credit and credit cards) also headed up in May.
- New jobless claims dropped from 315,000 to 304,000 during the week ending July 5; this is their lowest level since mid-May. In the meantime, they were hovering around 315,000 without falling below the 310,000 threshold. However, the data for the first week of July are likely to have been thrown out of kilter by the July 4 holiday. It will be interesting to see whether claims remain low once that effect is over.

Francis Généreux
Senior Economist

CANADA

- With an estimated loss of 9,400 jobs in June in Canada, the labour market is marking time. A growing labour force nudged the Canadian unemployment rate up from 7.0% to 7.1% from May to June. Advances were observed in construction (+31,800) and other services (+20,800). The sharpest retreats were seen in business management (-27,200) and agriculture (-14,500). After six months, gains amount to 52,800 new jobs, all full time.
- Housing starts saw a slight monthly increase, rising from 196,993 units in May to 198,185 in June. Last month's increase was based on an increase in the Atlantic Provinces (+6.9%) and on the strong recovery in activities in the Prairies (+34.8%), fueled by a nearly 60% jump in Alberta. However, housing starts have weakened in Quebec (-11.6%), in Ontario (-15.5%) and in British Columbia (-4.1%). In Quebec, Housing starts retreated from 41,600 units in May to 36,800 in June. Ontario housing starts slipped below 60,000 units. The surprising strength in the country's housing starts gives rise to worries about future growth in the residential sector. The level of activity, particularly in multi-unit housing, seems high compared to the demand for housing. Construction will need to calm in the coming months to avoid a period of disequilibrium in the Canadian housing market.
- Building permits climbed by 13.8% in May after a 2.2% gain in April. The number of permits issued in the non-residential sector jumped by 20.8%, including 39.4% in the commercial sector. As for residential building permits, they rose by 9.5%.
- According to the latest results of the Bank of Canada's quarterly survey, businesses report modest improvement in past sales activity, and continue to anticipate solid future sales growth. Investment intentions are up, but hiring intentions are less widespread, although they are still positive. Businesses also note a significant easing of the credit conditions that are offered to them.

Francis Généreux
Senior Economist

FINANCIAL MARKETS

The optimism generated by U.S. job numbers did not last long

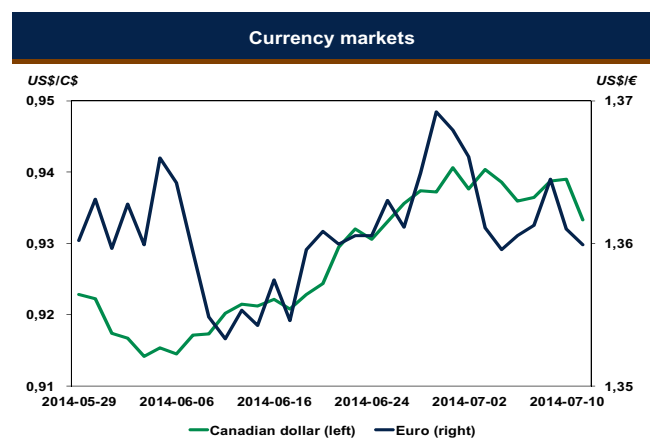
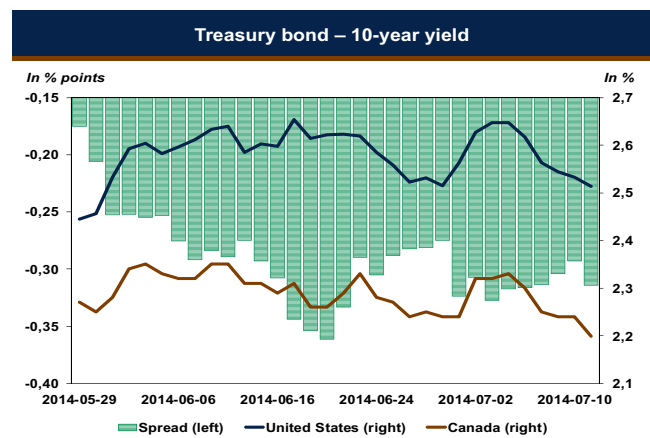
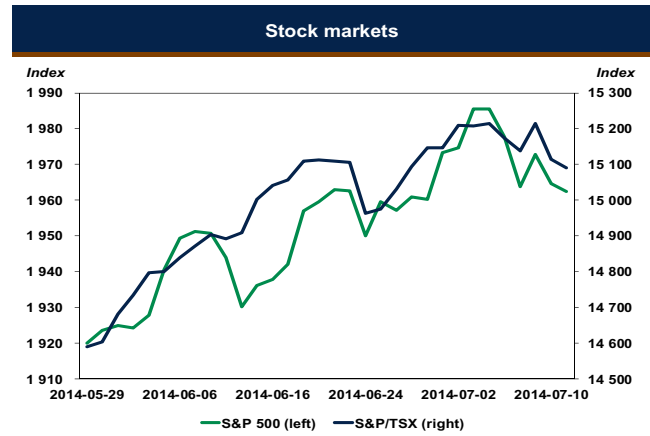
Market sentiment has been rather gloomy this week; investors are nervous as the corporate earnings report season gets underway. Slack industrial production indicators in Europe have also raised doubts about the economy, and the tribulations of a major Portuguese financial institution triggered a wave of risk aversion on a global scale on Thursday morning. The S&P 500 has recovered some of its losses but, at time of writing, it was on its way to recording a loss of over 1.0% on the week. The Canadian stock market also suffered from the heightened concerns and was heading for a decline of over 0.5% on the week.

A downwards trend in bond yields lasted all week long, except for part of the Wednesday session. The minutes of the Federal Reserve (Fed) meeting revealed concerns on the part of some officials that the markets might not be paying enough attention to the uncertainty hanging over the trajectory of the economy and of monetary policy. On Thursday, a re-ignition of tensions in Europe played in the favour of U.S. bonds, to the point where, on Friday morning, the ten-year yield was posting a significant weekly drop of 11 basis points. Canadian yields fell during the week but slightly less than the U.S. yields, and the spreads widened, especially at short-end maturities. However, disappointing job numbers in Canada limited that trend on Friday.

The heightened risk aversion was not enough to give the U.S. dollar a boost, even though it is considered a safe haven. In fact, the increased uncertainty gripping the markets is dampening expectations of monetary tightening in the United States, especially since the Fed minutes did not provide much new guidance. The euro and the pound sterling held steady around US\$1.36 and US\$1.71 respectively, even though the German, French, Italian and British industrial production data all came in below expectations. The yen appreciated slightly to ¥101/US\$ thanks to its safe haven status. The Canadian dollar managed to withstand the greater risk aversion in the markets, but disappointing employment numbers caused it to lose around three quarters of a cent on Friday.

Jimmy Jean
Senior Economist

Hendrix Vachon
Senior Economist



A LOOK AHEAD



UNITED STATES

Tuesday July 15 - 8:30

June	m/m
Consensus	0.6%
Desjardins	0.8%
May	0.3%

Retail sales (June) – Retail sales were disappointing in May, although the upwards revision to the April data provided some consolation. We expect better sales growth in June. For one thing, new car sales rose by 1.3% during the month, even after a substantial gain of 4.7% in April. For another, service station sales should post solid growth since gas prices have gone up, whereas they usually decline in June. Improved consumer confidence in June and the creation of 40,200 retail jobs and 32,800 food service jobs also suggest healthy sales growth. We expect sales excluding automobiles and gasoline to advance by 0.6%. Total sales should be up by 0.8%.

Wednesday July 16 - 9:15

June	m/m
Consensus	0.3%
Desjardins	0.3%
May	0.6%

Industrial production (June) – After a lacklustre performance in April, industrial production rebounded by 0.6% in May. A slightly more modest increase is expected for June. Hours worked in the automotive sector dropped by 1.6% during the month; this suggests that the 1.5% production increase in that sector in May (which could be revised upwards) will be followed by a pullback. Other manufacturing should post solid growth, however, in line with the ISM manufacturing index, whose current production component came in at 60 in June, a strong showing. Healthy production growth is also expected in mining and in the energy sector (after four straight months of decline). Overall, industrial production should record a gain of 0.3%, and the rate of use of industrial capacity should hold steady at 79.1%. The New York Fed (on Tuesday) and Philadelphia Fed (on Thursday) regional manufacturing indexes will give us a preliminary idea of how well the manufacturing sector fared in July.

Thursday July 17 - 8:30

June	ann. rate
Consensus	1,020,000
Desjardins	1,010,000
May	1,001,000

Housing starts (June) – After a jump of 12.7% in April that drove the annualized volume of housing starts to 1,071,000 units, a pullback of 6.5% occurred in May. The volume fell to 1,001,000 units, which is still higher than the readings of the first few months of this year. We anticipate a modest increase in May. The volume of building permits, new home sales and the homebuilders' confidence index (whose July data will be released on Wednesday) do not suggest a gain any larger than the 1,010,000 units that were predicted for June. However, building permits could show stronger growth, reaching 1,030,000 units.

Friday July 18 - 9:55

July	
Consensus	83.5
Desjardins	84.0
June	82.5

University of Michigan consumer confidence index (July – preliminary) – The first estimate of the University of Michigan confidence index for June showed a decline compared with May, but the final version pushed the variation into positive territory. Thus, the consumer confidence reading rose from 81.9 in May to 82.5 in June. However, that gain is more modest than the three-point increase recorded by the Conference Board index during the same period. We anticipate further improvement in household sentiment in July. The Bloomberg weekly index has been heading up since mid-June, jobless claims were down at the very beginning of July, and the stock market index has risen by around 1.5% in the past month (including the slumps of the past few days). We expect the University of Michigan index to head up, to 84.0.

Friday July 18 - 10:00

June	m/m
Consensus	0.5%
Desjardins	0.5%
May	0.5%

Leading indicator (June) – The leading indicator edged up by 0.5% in May, mainly thanks to an increase in hours worked, a decline in jobless claims and, as usual, a positive contribution from interest rate spreads. To the latter component, which will again provide a 0.3 percentage point contribution to the leading indicator's monthly growth, we must add, in June, the contributions by the stock market and building permits (if the expected increase materializes). We expect further growth in the leading indicator, to the tune of 0.5%.


CANADA

Manufacturing sales (May) – Manufacturing sales slipped by 0.1% in April. On the bright side, that downturn was attributable merely to lower prices, since the volume of sales increased by 0.4%. Thus, the conditions facing manufacturers are still quite favourable. For one thing, book orders are exceptionally high from a historical perspective. For another, merchandise exports excluding commodities surged by 3.5% in May. A 1.6% increase in nominal factory sales is expected.

Bank of Canada meeting (July) – In all probability, the Canadian monetary authorities will once again leave the target for the overnight rate at 1.00%. The Bank of Canada (BoC) will also release its *Monetary Policy Report*, which will provide an update of its economic outlooks. Given the recent data, we expect the BoC to raise its forecast for inflation significantly. On the other hand, economic growth outlooks may be somewhat clouded due to the weakness of domestic demand and the fact that the anticipated acceleration in exports is dragging its feet.

Wholesale trade (May) – On average, wholesalers' sales have risen by 0.7% per month since the beginning of the year. This fairly good trend is mainly attributable to significant growth in retail sales in recent months. We should therefore expect the month of May to give us another increase in wholesalers' sales. In addition, wholesale trade in May will reap the benefit of a 3.5% gain observed in merchandise exports.

Consumer price index (June) – According to the weekly surveys of prices at the pump, the average price of gasoline increased by 1.9% in June. That component alone should generate a 0.1% monthly increase in the total consumer price index (CPI). Moreover, the seasonally adjusted version of the total CPI could head up by around 0.2% in June, based on the trend of recent months. On the other hand, seasonal factors usually lead to a 0.2% decline in the month of June. All told, the total CPI will probably tick up by 0.1% in June, which would bring the total annual inflation rate up to 2.4%, from 2.3%. The annual change in the core index will be 1.8%, versus 1.7% in May.


OVERSEAS

Euro zone: Industrial production (May) – The euro zone's industrial production rose by 0.8% in April, its best monthly growth since November 2013. However, a pullback seems to be in the works for May. Germany's industrial production is down by 1.8%, that of France by 1.7% and that of Italy by 1.2%. Thus it is clear that the euro zone's industrial production will also record a fairly severe contraction in May. The readings of the PMI manufacturing indexes of most of the countries are not signalling any lasting slumps in production.

China: Real GDP (Q2) – China's economic growth has been more and more sluggish in recent quarters. The annual change in real GDP, 7.4%, was the weakest since the summer of 2012. The quarterly change, 1.4%, was the lowest since the winter of 2012. Some indicators picked up moderately in the second quarter and offer hope of better real GDP growth in the spring. The annual change is likely to stay flat, i.e. 7.4%, but the quarterly change could be a little higher.

Tuesday July 15 - 8:30

May	m/m
Consensus	n/a
Desjardins	1.6%
April	-0.1%

Wednesday July 16 - 10:00

July	m/m
Consensus	1.00%
Desjardins	1.00%
June 4	1.00%

Friday July 18 - 8:30

May	m/m
Consensus	n/a
Desjardins	0.6%
April	1.2%

Friday July 18 - 8:30

June	m/m
Consensus	n/a
Desjardins	0.1%
May	0.5%

Monday July 14 - 5:00


May	m/m
Consensus	-1.2%
April	0.8%


Tuesday July 15 - 22:00

Q2 2014	y/y
Consensus	7.4%
Q1 2014	7.4%

ECONOMIC INDICATORS


Week of July 14 to 18, 2014

Day	Hour	Indicator	Period	Consensus		Previous data
UNITED STATES						
MONDAY 14	---	---				
TUESDAY 15	8:30	Empire manufacturing index	July	17.25	18.00	19.28
	8:30	Export prices (m/m)	June	n/a	0.4%	n/a
	8:30	Import prices (m/m)	June	0.3%	0.5%	0.1%
	8:30	Retail sales				
		Total (m/m)	June	0.6%	0.8%	0.3%
		Excluding automobiles (m/m)	June	0.6%	0.7%	0.1%
	10:00	Wholesale inventories (m/m)	May	0.6%	0.6%	0.6%
	10:00	Testimony of the Federal Reserve Chairman, J. Yellen, before a Senate Committee				
WEDNESDAY 16	8:30	Producer price index				
		Total (m/m)	June	0.2%	0.2%	-0.2%
		Excluding food and energy (m/m)	June	0.2%	0.2%	-0.1%
	9:00	Net foreign security purchases (US\$B)	May	n/a	n/a	-24.2
	9:15	Industrial production (m/m)	June	0.3%	0.3%	0.6%
	9:15	Production capacity utilization rates	June	79.3%	79.1%	79.1%
	10:00	NAHB housing market index	July	50	n/a	49
	10:00	Testimony of the Federal Reserve Chairman, J. Yellen, before a House committee				
	12:00	Speech of the Dallas Fed President, R. Fisher				
	14:00	Release of the Beige Book				
THURSDAY 17	8:30	Initial unemployment claims	July 7-11	310,000	310,000	304,000
	8:30	Housing starts (ann. rate)	June	1,020,000	1,010,000	1,001,000
	8:30	Building permits (ann. rate)	June	1,048,000	1,030,000	1,005,000
	10:00	Philadelphia Fed index	July	15.1	18.0	17.8
	13:35	Speech of the St. Louis Fed President, J. Bullard				
FRIDAY 18	9:55	Michigan's consumer sentiment index – preliminary	July	83.5	84.0	82.5
	10:00	Leading indicator (m/m)	June	0.5%	0.5%	0.5%
CANADA						
MONDAY 14	---	---				
TUESDAY 15	9:00	Existing home sales	June	n/a	n/a	5.9%
WEDNESDAY 16	8:30	Manufacturing sales (m/m)	May	1.7%	1.6%	-0.1%
	10:00	Bank of Canada meeting	July	1.00%	1.00%	1.00%
	10:00	Release of the Bank of Canada <i>Monetary Policy Report</i>				
	11:15	Speech of the Bank of Canada Governor, S. Poloz				
THURSDAY 17	8:30	International transactions in securities (\$B)	May	n/a	6.00	10.13
FRIDAY 18	8:30	Wholesale sales (m/m)	May	0.7%	0.6%	1.2%
	8:30	Wholesale inventories (m/m)	May	n/a	n/a	0.7%
	8:30	Consumer price index				
		Total (m/m)	June	0.1%	0.1%	0.5%
		Excluding 8 most volatile (m/m)	June	-0.2%	-0.1%	0.5%
		Total (y/y)	June	2.4%	2.4%	2.3%
		Excluding 8 most volatile (y/y)	June	1.8%	1.8%	1.7%

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 July 14 to 18, 2014

Country	Hour	Indicator	Period	Consensus		Previous data		
				m/m (q/q)	y/y	m/m (q/q)	y/y	
 OVERSEAS								
MONDAY 14								
Japan	---	Bank of Japan meeting						
Japan	0:30	Industrial production – final	May	n/a	n/a	0.5%	0.8%	
Euro zone	5:00	Industrial production	May	-1.2%	0.5%	0.8%	1.4%	
Australia	21:30	Minutes of the Reserve Bank of Australia July meeting						
TUESDAY 15								
United Kingdom	4:30	Consumer price index	June	-0.1%	1.6%	-0.1%	1.5%	
United Kingdom	4:30	Producer price index	June	0.1%	0.5%	-0.1%	0.5%	
Germany	5:00	ZEW survey – Current situation	July	67.4		67.7		
Germany	5:00	ZEW survey – Expectations	July	28.4		29.8		
China	22:00	Retail sales	June		12.5%		12.5%	
China	22:00	Industrial production	June		9.0%		8.8%	
China	22:00	Real GDP	Q2	1.8%	7.4%	1.4%	7.4%	
WEDNESDAY 16								
Brazil	---	Bank of Brazil meeting	July	11.00%		11.00%		
Italy	4:00	Trade balance (€M)	May	n/a		3,505		
United Kingdom	4:30	ILO unemployment rate	May	6.5%		6.6%		
Euro zone	5:00	Trade balance (€B)	May	16.3		15.8		
THURSDAY 17								
Euro zone	5:00	Construction	May	n/a	n/a	0.8%	8.0%	
Euro zone	5:00	Consumer price index – final	June	0.1%	0.5%	-0.1%	0.5%	
Italy	5:00	Current account (€M)	May	n/a		2,033		
FRIDAY 18								
Euro zone	4:00	Current account (€B)	May	n/a		21.5		

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	15,824	-2.9	1.5	1.9	2.8	1.8	2.5
Consumption (2009 \$B)	2014 Q1	10,859	1.0	2.0	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	483.8	-4.2	2.7	12.2	12.9	0.5	-2.5
Non-residential investment (2009 \$B)	2014 Q1	2,017	-1.2	3.5	2.7	7.3	7.6	2.5
Business inventory change (2009 \$B) (1)	2014 Q1	45.9	---	---	81.6	57.6	33.6	58.2
Exports (2009 \$B)	2014 Q1	2,016	-8.9	2.8	2.7	3.5	7.1	11.5
Imports (2009 \$B)	2014 Q1	2,457	1.8	3.1	1.4	2.2	4.9	12.8
Final domestic demand (2009 \$B)	2014 Q1	16,207	0.3	1.6	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)	June	55.3	55.4	53.7	56.5	52.5
ISM non-manufacturing index (1)	June	56.0	56.3	53.1	53.0	53.4
Cons. confidence Conf. Board (1985 = 100) (1)	June	85.2	82.2	83.9	77.5	82.1
Cons. confidence Michigan (1966 = 100) (1)	June	82.5	81.9	80.0	82.5	84.1
Personal consumption expenditure (2009 \$B)	May	10,888	-0.1	0.4	0.3	1.9
Disposable personal income (2009 \$B)	May	11,851	0.2	0.7	1.0	1.9
Consumer credit (\$B)	May*	3,195	0.6	2.1	3.7	6.6
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)	May	497,680	-0.5	1.7	-0.0	2.4
New durable good orders (\$M)	May	238,331	-0.9	3.7	-1.3	2.9
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	1,005	1,059	1,011	1,037	1,010
New home sales (K) (1)	May	504.0	425.0	432.0	445.0	431.0
Existing home sales (K) (1)	May	4,890	4,660	4,600	4,830	5,150
Construction spending (\$B)	May	956.1	0.1	1.0	0.4	6.6
Commercial surplus (\$M) (1)	May	-44,392	-47,037	-42,586	-35,972	-44,831
Nonfarm employment (K) (2)	June	138,780	288.0	816.0	1,385	2,495
Unemployment rate (%) (1)	June	6.1	6.3	6.7	6.7	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)	May	108.7	0.2	0.6	1.0	1.8
Excluding food and energy	May	107.2	0.2	0.5	0.8	1.5
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)	April	1,616,046	0.1	0.5	0.7	2.1
Industrial production (2007 \$M)	April	352,961	-0.2	1.6	1.8	3.9
Manufacturing sales (\$M)	April	50,850	-0.1	1.8	2.0	5.7
Housing starts (K) (1)	June*	198.2	197.0	157.4	186.7	193.3
Building permits (\$M)	May*	6,946	13.8	12.5	2.7	-6.4
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)	May	-151.9	-960.6	885.9	-1,230	-1,155
Exports (\$M)	May	44,168	3.5	1.8	10.7	12.7
Imports (\$M)	May	44,319	1.6	4.3	7.8	9.8
Employment (K) (2)	June*	17,821	-9.4	-4.2	8.8	6.0
Unemployment rate (%) (1)	June*	7.1	7.0	6.9	7.2	7.1
Average weekly earnings (\$)	April	932.1	0.5	1.1	1.7	3.3
Number of salaried employees (K) (2)	April	15,467	-18.5	-5.0	-3.9	9.6
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)	May	111.8	-0.5	-0.3	3.3	3.4
Raw materials price (2002 = 100)	May	123.0	-0.4	0.3	11.2	7.6
Money supply M1+ (\$M)	May	722,437	0.7	1.2	3.1	7.6

* 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 (%)		
	July 11	July 4	-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	0.01	0.04	0.04	0.05	0.04	0.14	0.04	0.00
Treasury bonds – 2 years	0.45	0.51	0.45	0.36	0.38	0.35	0.51	0.36	0.27
– 5 years	1.64	1.74	1.69	1.56	1.63	1.43	1.83	1.54	1.27
– 10 years	2.51	2.65	2.60	2.62	2.86	2.60	3.01	2.70	2.44
– 30 years	3.34	3.48	3.41	3.48	3.80	3.65	3.95	3.65	3.29
S&P 500 index	1,962	1,985	1,936	1,816	1,842	1,680	1,985	1,806	1,630
DJIA index	16,898	17,068	16,776	16,027	16,437	15,464	17,068	16,014	14,776
Gold price (US\$/ounce)	1,336	1,320	1,274	1,318	1,246	1,280	1,418	1,298	1,196
CRB index	297.28	306.74	309.98	309.39	275.42	286.66	312.93	292.59	272.29
WTI oil (US\$/barrel)	101.39	104.76	107.49	103.68	92.38	105.85	110.62	101.36	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	0.94	0.92	0.88	1.01	1.01	0.93	0.81
Treasury bonds – 2 years	1.10	1.14	1.09	1.05	1.02	1.14	1.31	1.11	0.93
– 5 years	1.52	1.62	1.58	1.65	1.73	1.75	2.17	1.75	1.51
– 10 years	2.20	2.33	2.31	2.40	2.56	2.43	2.82	2.50	2.20
– 30 years	2.76	2.85	2.83	2.94	3.11	2.93	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	0.93	0.90	0.88	0.83	0.97	0.98	0.88	0.76
Treasury bonds – 2 years	0.66	0.63	0.64	0.69	0.64	0.79	0.92	0.74	0.61
– 5 years	-0.12	-0.12	-0.11	0.09	0.10	0.32	0.58	0.20	-0.17
– 10 years	-0.31	-0.32	-0.29	-0.22	-0.30	-0.17	-0.02	-0.20	-0.37
– 30 years	-0.58	-0.63	-0.58	-0.54	-0.69	-0.72	-0.48	-0.63	-0.73
S&P/TSX index	15,091	15,215	15,002	14,258	13,748	12,462	15,215	13,736	12,413
Exchange rate (C\$/US\$)	1.0715	1.0655	1.0856	1.0982	1.0895	1.0395	1.1241	1.0701	0.9333
Exchange rate (C\$/€)	1.4571	1.4486	1.4701	1.5248	1.4892	1.3584	1.5545	1.4554	1.2692
Overseas									
ECB – Refinancing rate	0.15	0.15	0.15	0.25	0.25	0.50	0.50	0.32	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	1.20	1.27	1.37	1.51	1.85	1.56	2.02	1.66	1.20
U.K.: Bonds – 10 years	2.60	2.87	2.75	2.61	2.88	2.50	3.07	2.75	2.44
Euro: Exchange rate (US\$/€)	1.3599	1.3596	1.3543	1.3885	1.3670	1.3068	1.3934	1.3597	1.3063
U.K.: Exchange rate (US\$/£)	1.7105	1.7160	1.6965	1.6734	1.6483	1.5108	1.7166	1.6345	1.5100

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.