

Canada's real GDP rebounded last spring

HIGHLIGHTS

- U.S. consumer spending fell in July, but consumer confidence is still going up.
- United States: Slight upside change to Q2's real GDP growth.
- United States: Aviation drives new durable goods orders up.
- Canada: Real GDP advanced 3.1% in the second quarter.
- Canada: Business profits are still on the ascent.

A LOOK AHEAD

- The United States is expected to see more solid employment growth.
- United States: The ISM indexes should tick down.
- The Bank of Canada will keep the target for the overnight rate at 1.00%.
- Canada: August shows very weak potential for labour market growth.
- Canada: Labour productivity should rise in the spring.
- Canada: The merchandise trade balance could erode slightly.

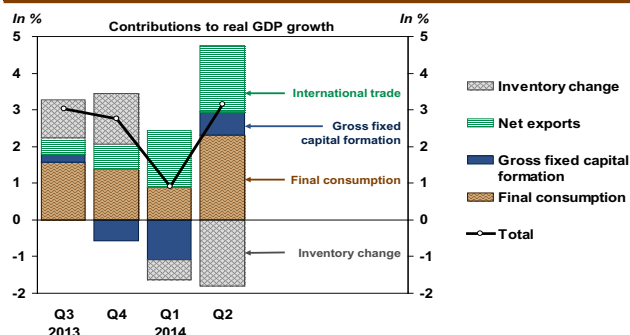
FINANCIAL MARKETS

- The Tim Horton's–Burger King deal had little impact on the S&P/TSX.
- The Canadian 10-year yield briefly dropped below 2.0%.
- The Canadian dollar has risen above US\$0.92.

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Graph of the week – Growth picked up speed in Q2 2014



Sources: Statistics Canada and Desjardins, Economic Studies

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KEY STATISTICS OF THE WEEK

UNITED STATES

- Sales of new single-family dwellings fell 2.4% in July after tumbling 7.0% in June. They have gone from 422,000 units (revised from 406,000) to 412,000 units. The drop mainly stems from the northeastern United States, where sales plunged 30.8%. New home sales remain 12.3% higher than they were a year ago.
- Annualized real GDP growth was revised up from 4.0% to 4.2% with the release of the second estimate of the national accounts for Q2. The change primarily stems from bigger contributions from business investment and net exports.
- According to the Conference Board survey, consumer confidence improved in August. The 2.1 point increase takes the index from 90.3 to 92.4. The gain stems from the current situation of households, while the expectations index slipped 1.0 point. Higher consumer confidence in August is welcome, although surprising. Several factors suggested that the Conference Board index would slide.
- Household consumption fell 0.1% in current dollars in July. It is down 0.2% in real terms. Spending on services dropped due to the cooler weather, with less need for air conditioning. Goods consumption also fell, for the first time since January. Real disposable income ticked up 0.1%, while the savings rate went from 5.4% to 5.7%, hitting a peak that dates back to 2012.
- The S&P/Case-Shiller index of existing home prices in the 20 largest cities saw a second consecutive pullback, with a decrease of 0.2% in June. The index's annual change went from 9.4% to 8.1%.
- New durable goods orders rebounded 22.6% in July, thanks to the aviation sector. Excluding defence and aviation, new capital goods orders dipped 0.5% after a sharp 5.4% increase in June. Orders already announced by Boeing suggest that the aviation sector will make a strong contribution to growth in new orders for durable goods. The effect was even more pronounced than anticipated, with the 318.0% increase in orders related to civil aviation driving the biggest advance in total orders since the introduction of this indicator in 1992.

Francis Généreux
Senior Economist

CANADA

- Real GDP growth accelerated to 3.1% (quarterly annualized) in the second quarter of 2014, after advancing just 0.9% in the previous quarter. Domestic demand returned to positive territory, gaining 3.0%. Consumer spending rose 3.0%, thanks in particular to a rebound by household consumption of goods. Consumption by public administrations also went up 1.4%, faster growth than in prior quarters. Investment increased 2.8%, putting an end to two straight months of decline. Much of the rise stems from a rebound in residential investment. Exports of goods and services jumped 17.8% in the second quarter, while imports advanced 11.1%. The trade balance therefore improved by \$7.1B in 2007 dollar, helping push real GDP up 1.8%. Stockpiling went from \$14.5B to \$7.1B, resulting in a 1.8% negative contribution to real GDP.
- As expected, the current account balance improved a little in the second quarter, going from -\$12.0B to -\$11.9B. The rise by the trade deficit in goods and services was offset by a drop in the primary income deficit. Among other things, the balance of investment income improved substantially thanks to an upswing by receipts.
- Business operating profits continued to ascend in the second quarter, rising 2.6%. Year over year, growth is 6.8%, with the upswing in non-financial activities (+15.8%) offsetting the drop in financial activities (-13.9%). Profit margins hit 9.53% in the second quarter, their highest since this statistic was first compiled in 1988.

Benoit P. Durocher
Senior Economist

FINANCIAL MARKETS

Tension in Ukraine sours the markets' mood

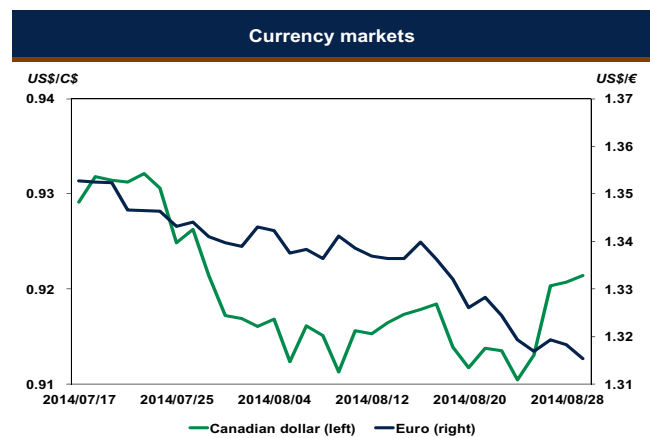
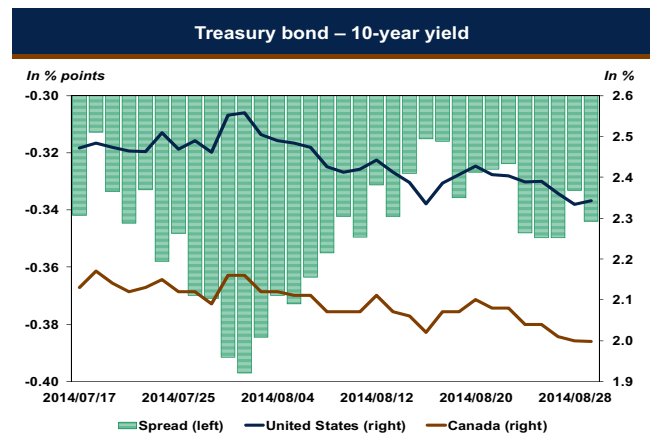
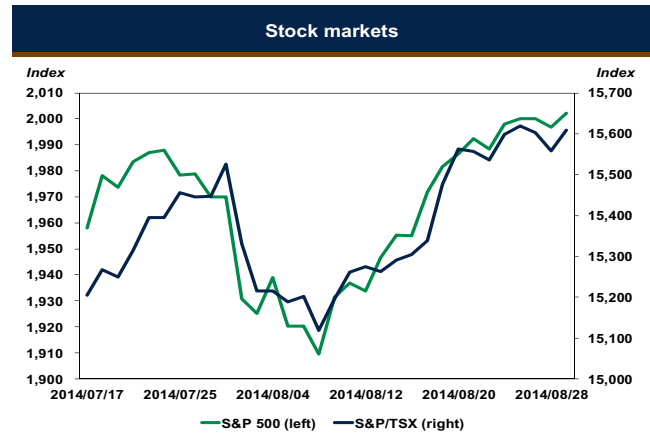
After crossing the 2,000-point mark for the first time on Monday, the S&P 500 oscillated with no clear direction before eventually dropping back below 2,000 as of Wednesday. Most of the U.S. economic data was positive, particularly durable goods orders, which posted record monthly growth. In exchange, geopolitical tensions notched up, prompting investors to be cautious. In Canada, Burger King's acquisition of Tim Horton's did not have a big impact on the S&P/TSX. The index had a little more trouble than the U.S. stock market, moving downward on Wednesday and Thursday. The price for a barrel of West Texas Intermediate remained just under US\$94 for most of the week, but swung up on Thursday and was trading above US\$95 on Friday.

The U.S. 10-year yield returned to a downward trajectory, ignoring the good economic numbers in the United States. Drearier figures in the euro zone and persisting tension in Ukraine maintained a climate of risk aversion that favoured longer-term U.S. bonds. Short-term bonds, however, had trouble following suit. In Canada, the 10-year yield temporarily dropped below 2.0% on Thursday for the first time since May 2013. On Friday, Canadian short-term yields rose in response to better-than-anticipated GDP numbers.

The currency market was much less volatile this week, as the generalized U.S. dollar upswing took a break. The euro still started the week off on a slide due to expectations that the European Central Bank could announce new measures next week. The euro thus dropped below US\$1.32. The pound essentially held below US\$1.66, while the yen remained close to ¥104/US\$. In exchange, the Canadian dollar showed greater volatility and rose above US\$0.92. The news that U.S. giant Burger King was buying Tim Horton's augurs a rise in demand for the loonie. The solid economic data released in Canada is also helping consolidate the movement.

Jimmy Jean
Senior Economist

Hendrix Vachon
Senior Economist



A LOOK AHEAD



UNITED STATES

Tuesday Sep. 2 - 10:00

August

Consensus	57.0
Desjardins	56.5
July	57.1

ISM manufacturing index (August) – July’s ISM manufacturing index rose 1.8 points, going to its highest level since April 2011. The performance of the index’s new orders component was especially encouraging. However, we expect the manufacturing ISM to tick down in August. Movement by the components of the regional manufacturing indexes suggests the ISM will not be as strong. It should drop to 56.5, which is still higher than it was in June.

Thursday Sep. 4 - 8:30

July

Consensus	US\$B -42.6
Desjardins	-41.9
June	-41.5

Trade balance (July) – The trade balance has improved in recent months thanks primarily to weak imports and solid export growth, at least in May. June’s trade deficit dropped from US\$44.7B to US\$41.5B, and was one of the main reasons for the upside revision to the spring’s real GDP growth. We expect the trade balance to erode slightly in July. After declining for two months, imports are expected to expand slightly faster than exports. Price effects, with a 0.2% drop in import prices, should, on the other hand, mitigate the negative impact on the trade balance. We expect the deficit to go to US\$41.9B.

Thursday Sep. 4 - 10:00

August

Consensus	57.2
Desjardins	58.0
July	58.7

ISM non-manufacturing index (August) – In July, the non-manufacturing ISM hit its highest point since 2005. At 62.4 and 64.9 respectively, the supplier deliveries and new orders components are especially high. At these levels, it is hard to anticipate further substantial advances. Instead, a lull is expected, with the ISM non-manufacturing index likely going from 58.7 to 58.0.

Friday Sep. 5 - 8:30

August

Consensus	220,000
Desjardins	230,000
July	209,000

Job creation according to the establishment survey (August) – In July, the U.S. job market posted its sixth month in a row with monthly growth of better than 200,000 hires. Another good performance is expected for August. Soft weekly jobless claims and the answers to questions on the Conference Board’s consumer confidence survey suggest that hiring will remain strong. We expect to see 230,000 new positions. Failing a spike in the labour force, the jobless rate should fall to 6.1%.



CANADA

Wednesday Sep. 3 - 10:00

September

Consensus	1.00%
Desjardins	1.00%
July 16	1.00%

Bank of Canada meeting (September) – Next week’s decision on the key interest rate level will not be accompanied by a *Monetary Policy Report*. Under these circumstances, we should not expect any major shift in the Bank of Canada’s (BoC) stance. Note that the recent movement by economic indicators is mainly consistent with the projections the monetary authorities released in July. As for the target for the overnight rate, there’s no doubt the BoC will keep it at 1.00%.

Thursday Sep. 4 - 8:30

July

Consensus	\$B 1.10
Desjardins	1.60
June	1.86

International merchandise trade (July) – Seasonally adjusted and expressed in Canadian dollars, commodity prices fell 2.1% in July. The drop comes solely from the energy sector: prices for non-energy commodities rose 1.5% that month. In all, the value of commodity exports should therefore tick down in July. Given the trend of the last few months, this dip should be offset by an upswing by exports from non-commodity sectors. As for imports, following two months of wild fluctuations, we should head back to moderate growth based on the rise by domestic demand components. This therefore opens the door for a slight erosion of the trade balance in July.

Labour productivity (Q2) – The total number of hours worked in Canada’s economy excluding public administration fell 1.4% in the second quarter. During this time, a 0.8% rise was recorded for business sector production. The two divergent changes pave the way for a sizable productivity gain in the second quarter.

Labour force survey (August) – According to the amended version of the survey, the job market added 41,700 positions in July, which more than wiped out June’s losses (-9,400 jobs). The six-month trend shows an average monthly advance of 10,900 jobs, a pace consistent with the recent economic growth. To keep the trend stable, August would have to end with a loss of 7,000 jobs. This shows how weak the potential for a rise in employment is for the month. Under these conditions, we expect job creation to be nearly flat in August. The unemployment rate should stay at 7.0%.



OVERSEAS

United Kingdom: Bank of England meeting (September) – The Bank of England will not make any changes to its monetary policy at its September meeting. It still seems too early to start tightening monetary policy in the United Kingdom, especially as a recent dip by the inflation rate and some more mixed figures on the economy have eased the pressure for rapid action. It was interesting to note that some dissension appeared within the monetary policy committee in August. Two out of nine members voted for a 25 basis point increase to the key rate. We will have to watch to see whether dissent expands. The result of the next monetary policy meeting vote will be known when the minutes are published on September 17. Among the indicators to be released, keep an eye on the British PMI indexes throughout the week.

Euro zone: European Central Bank meeting (September) – The European Central Bank (ECB) should not announce additional measures in September. Although euro zone inflation has continued to fall in the last few months, the ECB will probably want to give its targeted long-term refinancing operations (TLTRO) a chance to work. Announced in June, this program calls for an initial cash injection in September. The euro’s depreciation will also help reassure ECB leaders by easing deflation pressures. However, it will probably take more to kick start the economy and get inflation up on a lasting basis. The ECB has already said it could potentially purchase asset-backed securities (ABS), or even sovereign bonds. Further details on its plans could be unveiled in the ECB statement or during Mario Draghi’s press conference. Among the indicators to be released this week in the euro zone are July’s retail sales, out on Wednesday. The second estimate of Q2’s real GDP will also be published on Wednesday. Germany’s industrial production for July will be released on Friday.

Friday Sep. 5 - 8:30

Q2 2014	q/q
Consensus	1.6%
Desjardins	2.0%
Q1 2014	-0.1%

Friday Sep. 5 - 8:30

August	
Consensus	9,500
Desjardins	5,000
July	41,700

Thursday Sep. 4 - 7:00


September	
Consensus	0.50%
Desjardins	0.50%
August 7	0.50%


Thursday Sep. 4 - 7:45

September	
Consensus	0.15%
Desjardins	0.15%
August 7	0.15%

ECONOMIC INDICATORS


Week of September 1 to 5, 2014

Day	Hour	Indicator	Period	Consensus		Previous data
UNITED STATES						
MONDAY 1	---	Markets closed (Labour Day)				
TUESDAY 2	10:00	Construction spending (m/m)	July	0.8%	1.0%	-1.8%
	10:00	ISM manufacturing index	August	57.0	56.5	57.1
WEDNESDAY 3	10:00	Factory orders (m/m)	July	10.8%	9.0%	1.1%
	10:00	Total vehicle sales (ann. rate)	August	16,500,000	16,600,000	16,400,000
	14:00	Release of the Beige Book				
THURSDAY 4	0:00	Speech of a Federal Reserve Governor, J. Powell				
	8:30	Initial unemployment claims	August 25-29	301,000	302,000	298,000
	8:30	Trade balance – Goods and services (US\$B)	July	-42.6	-41.9	-41.5
	8:30	Nonfarm productivity – final (ann. rate)	Q2	2.5%	2.3%	2.5%
	8:30	Unit labor costs – final (ann. rate)	Q2	0.6%	0.8%	0.6%
	10:00	ISM non-manufacturing index	August	57.2	58.0	58.7
	12:30	Speech of the Cleveland Fed President, L. Mester				
	19:00	Speech of a Federal Reserve Governor, J. Powell				
	20:15	Speech of the Federal Reserve Vice President, S. Fisher				
21:00	Speech of the Minneapolis Fed President, N. Kocherlakota					
FRIDAY 5	8:30	Change in nonfarm payrolls	August	220,000	230,000	209,000
	8:30	Unemployment rate	August	6.1%	6.1%	6.2%
	8:30	Average weekly earnings (m/m)	August	0.2%	0.2%	0.0%
	8:30	Weekly worked hours	August	34.5	34.5	34.5
	15:45	Speech of the Boston Fed President, E. Rosengren				
SATURDAY 6	10:15	Speech of the Philadelphia Fed President, C. Plosser				
CANADA						
MONDAY 1	---	Markets closed (Labour Day)				
TUESDAY 2	---	---				
WEDNESDAY 3	10:00	Bank of Canada meeting	Sept.	1.00%	1.00%	1.00%
THURSDAY 4	8:30	International trade (\$B)	July	1.10	1.60	1.86
	8:30	International reserves (\$B)	August	n/a	75.8	75.5
FRIDAY 5	8:30	Net change in employment	August	9,500	5,000	41,700
	8:30	Unemployment rate	August	7.0%	7.0%	7.0%
	8:30	Labour productivity (q/q)	Q2	1.6%	2.0%	-0.1%
	8:30	Unit labour costs (q/q)	Q2	n/a	-1.5%	0.5%
	10:00	PMI-Ivey index	August	55.2	54.3	54.1

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 September 1 to 5, 2014

Country	Hour	Indicator	Period	Consensus		Previous data		
				m/m (q/q)	y/y	m/m (q/q)	y/y	
 OVERSEAS								
SUNDAY 31								
China	21:00	PMI manufacturing index	August	51.2		51.7		
Japan	21:35	PMI manufacturing index – final	August	n/a		52.4		
MONDAY 1								
Japan	1:00	Vehicle sales	August	n/a		0.6%		
Germany	2:00	Real GDP – final	Q2	-0.2%	1.2%	-0.2%	1.2%	
Italy	3:45	PMI manufacturing index	August	51.0		51.9		
France	3:50	PMI manufacturing index – final	August	46.5		46.5		
Germany	3:55	PMI manufacturing index – final	August	52.0		52.0		
Euro zone	4:00	PMI manufacturing index – final	August	50.8		50.8		
United Kingdom	4:30	PMI manufacturing index	August	55.1		55.4		
TUESDAY 2								
Australia	0:30	Reserve Bank of Australia meeting	Sept.	2.50%		2.50%		
United Kingdom	4:30	PMI retail index	August	61.5		62.4		
Euro zone	5:00	Producer price index	July	-0.1%	-1.1%	0.1%	-0.8%	
China	21:00	PMI non-manufacturing index	August	n/a		54.2		
Japan	21:35	PMI composite index	August	n/a		50.2		
Japan	21:35	PMI services index	August	n/a		50.4		
WEDNESDAY 3								
Japan	---	Bank of Japan meeting						
Brazil	---	Bank of Brazil meeting	Sept.	11.00%		11.00%		
Italy	3:45	PMI composite index	August	n/a		53.1		
Italy	3:45	PMI services index	August	52.0		52.8		
France	3:50	PMI composite index – final	August	50.0		50.0		
France	3:50	PMI services index – final	August	51.1		51.1		
Germany	3:55	PMI composite index – final	August	54.9		54.9		
Germany	3:55	PMI services index – final	August	56.4		56.4		
Euro zone	4:00	PMI composite index – final	August	52.8		52.8		
Euro zone	4:00	PMI services index – final	August	53.5		53.5		
United Kingdom	4:30	PMI composite index	August	n/a		58.8		
United Kingdom	4:30	PMI services index	August	58.5		59.1		
Euro zone	5:00	Retail sales	July	-0.3%	0.9%	0.4%	2.4%	
THURSDAY 4								
France	1:30	ILO unemployment rate	Q2	10.2%		10.1%		
Germany	2:00	Factory orders	July	1.5%	1.1%	-3.2%	-2.4%	
Germany	3:30	PMI construction index	August	n/a		48.2		
Sweden	3:30	Bank of Sweden meeting	Sept.	0.25%		0.25%		
Euro zone	4:10	PMI retail index	August	n/a		47.6		
Germany	4:10	PMI retail index	August	n/a		52.1		
France	4:10	PMI retail index	August	n/a		45.6		
Italy	4:10	PMI retail index	August	n/a		43.4		
United Kingdom	7:00	Bank of England meeting	Sept.	0.50%		0.50%		
Euro zone	7:45	European Central Bank meeting	Sept.	0.15%		0.15%		
FRIDAY 5								
Japan	1:00	Leading indicator – preliminary	July	107.1		105.9		
Japan	1:00	Coincident indicator – preliminary	July	110.1		109.7		
Germany	2:00	Industrial production	July	0.4%	0.6%	0.3%	-0.5%	
France	2:45	Consumer confidence	August	85		86		
Euro zone	5:00	Real GDP – revision	Q2	0.0%	0.7%	0.0%	0.7%	
Mexico	10:00	Bank of Mexico meeting	Sept.	3.00%		3.00%		

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 Q2	15,994	4.2	2.5	2.2	2.3	1.6	2.5
Consumption (2009 \$B)	2014 Q2	10,910	2.5	2.3	2.4	1.8	2.3	1.9
Government spending (2009 \$B)	2014 Q2	2,879	1.4	-0.8	-2.0	-1.4	-3.0	0.1
Residential investment (2009 \$B)	2014 Q2	493.8	7.2	0.8	11.9	13.5	0.5	-2.5
Non-residential investment (2009 \$B)	2014 Q2	2,093	8.4	6.4	3.0	7.2	7.7	2.5
Business inventory change (2009 \$B) (1)	2014 Q2	83.9	---	---	63.6	57.1	37.6	58.2
Exports (2009 \$B)	2014 Q2	2,076	10.1	3.7	3.0	3.3	6.9	11.9
Imports (2009 \$B)	2014 Q2	2,540	11.0	3.7	1.1	2.3	5.5	12.7
Final domestic demand (2009 \$B)	2014 Q2	16,357	3.1	2.2	1.9	2.1	1.7	1.5
GDP deflator (2009 = 100)	2014 Q2	108.3	2.1	1.7	1.5	1.8	2.1	1.2
Labor productivity (2009 = 100)	2014 Q2	106.0	2.5	1.2	0.9	1.0	0.1	3.3
Unit labor cost (2009 = 100)	2014 Q2	105.3	0.6	1.9	0.3	1.7	2.1	-1.3
Employment cost index (Dec. 2005 = 100)	2014 Q2	121.4	3.0	2.1	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)	July	103.3	0.9	2.1	4.0	7.0
ISM manufacturing index (1)	July	57.1	55.3	54.9	51.3	54.9
ISM non-manufacturing index (1)	July	58.7	56.0	55.2	54.0	55.9
Cons. confidence Conf. Board (1985 = 100) (1)	Aug.*	92.4	90.3	82.2	78.3	81.8
Cons. confidence Michigan (1966 = 100) (1)	Aug.	82.5	81.8	81.9	81.6	82.1
Personal consumption expenditure (2009 \$B)	July*	10,907	-0.2	0.1	1.0	2.0
Disposable personal income (2009 \$B)	July*	11,971	0.1	0.6	1.8	2.6
Consumer credit (\$B)	June	3,211	0.5	2.0	3.7	6.7
Retail sales (\$M)	July	439,802	0.0	0.7	3.7	3.7
Excluding automobiles (\$M)	July	352,162	0.1	0.8	2.8	3.1
Industrial production (2007 = 100)	July	104.4	0.4	1.2	3.0	5.0
Production capacity utilization rate (%) (1)	July	79.2	79.1	79.0	78.1	77.5
New machinery orders (\$M)	June	503,238	1.1	1.4	2.9	1.5
New durable good orders (\$M)	July*	300,123	22.6	24.8	34.0	33.8
Business inventories (\$B)	June	1,743	0.4	1.5	2.8	5.8
Housing starts (K) (1)	July	1,093	945.0	1,063	897.0	898.0
Building permits (K) (1)	July	1,057	973.0	1,059	939.0	977.0
New home sales (K) (1)	July*	412.0	422.0	413.0	457.0	367.0
Existing home sales (K) (1)	July	5,150	5,030	4,660	4,620	5,380
Construction spending (\$B)	June	950.2	-1.8	0.3	-1.1	5.5
Commercial surplus (\$M) (1)	June	-41,538	-44,663	-44,176	-37,393	-36,552
Nonfarm employment (K) (2)	July	139,004	209.0	736.0	1,465	2,570
Unemployment rate (%) (1)	July	6.2	6.1	6.3	6.6	7.3
Consumer price (1982-1984 = 100)	July	237.9	0.1	0.7	1.3	2.0
Excluding food and energy	July	238.3	0.1	0.5	1.0	1.9
Personal cons. expenditure deflator (2009 = 100)	July*	109.1	0.1	0.5	1.0	1.6
Excluding food and energy	July*	107.7	0.1	0.4	0.9	1.5
Producer price (1982 = 100)	July	202.4	0.1	0.8	1.7	2.9
Excluding food and energy	July	188.8	0.1	0.4	0.6	1.9
Export prices (2000 = 100)	July	133.1	0.0	-0.3	0.3	0.4
Import prices (2000 = 100)	July	140.0	-0.2	0.2	1.2	0.8

* 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.

Canada: Quarterly economic indicators

	Ref. quart.	Level	Variation (%)		Annual variation (%)			
			Quart. ann.	1 year	2013	2012	2011	2010
Gross domestic product (2007 \$M)	2014 Q2*	1,729,324	3.1	2.5	2.0	1.7	2.5	3.4
Household consumption (2007 \$M)	2014 Q2*	969,175	3.8	2.7	2.4	1.9	2.3	3.5
Government consumption (2007 \$M)	2014 Q2*	349,594	1.4	0.3	0.6	1.1	0.8	2.7
Residential investment (2007 \$M)	2014 Q2*	114,141	11.9	1.0	-0.3	6.1	1.6	8.7
Non-residential investment (2007 \$M)	2014 Q2*	182,851	0.9	-0.6	1.3	6.2	11.1	14.5
Business inventory change (2007 \$M) (1)	2014 Q2*	7,075	---	---	11,927	6,831	7,440	-452.0
Exports (2007 \$M)	2014 Q2*	543,999	17.8	5.1	2.2	1.5	4.7	6.9
Imports (2007 \$M)	2014 Q2*	566,394	11.1	1.4	1.1	3.1	5.7	13.6
Final domestic demand (2007 \$M)	2014 Q2*	1,735,676	3.0	1.3	1.4	2.3	2.4	5.0
GDP deflator (2007 = 100)	2014 Q2*	113.1	0.7	2.4	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 Q2*	-11,871	---	---	-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 Q2*	1,111,816	2.3	3.9	3.6	3.9	4.6	3.7
Corporate net operating surplus (2007 \$M)	2014 Q2*	263,088	6.3	12.1	-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)	June*	1,629,165	0.3	1.0	1.7	3.1
Industrial production (2007 \$M)	June*	356,118	0.6	0.8	3.0	5.7
Manufacturing sales (\$M)	June	51,960	0.6	2.1	4.3	6.9
Housing starts (K) (1)	July	200.1	198.7	195.7	177.1	198.5
Building permits (\$M)	June	7,991	13.5	33.8	24.1	20.1
Retail sales (\$M)	June	42,578	1.1	3.3	5.2	5.9
Excluding automobiles (\$M)	June	32,607	1.5	2.8	4.6	6.2
Wholesale trade sales (\$M)	June	53,012	0.6	4.4	6.3	8.7
Commercial surplus (\$M) (1)	June	1,860	576.3	1,131	-535.4	-21.4
Exports (\$M)	June	45,203	1.1	2.6	10.2	13.4
Imports (\$M)	June	43,344	-1.8	1.0	4.3	8.7
Employment (K) (2)	July	17,862	41.7	19.4	10.9	13.1
Unemployment rate (%) (1)	July	7.0	7.1	6.9	7.0	7.2
Average weekly earnings (\$)	June*	940.5	0.6	1.4	1.7	3.3
Number of salaried employees (K) (2)	June*	15,568	23.3	27.6	13.9	19.2
Consumer price (2002 = 100)	July	125.7	-0.2	0.4	2.1	2.1
Excluding food and energy	July	118.9	-0.2	0.1	1.4	1.5
Excluding 8 volatile items	July	123.1	-0.1	0.3	1.5	1.7
Industrial product price (2002 = 100)	July*	111.5	-0.3	-0.8	0.8	2.9
Raw materials price (2002 = 100)	July*	122.5	-1.4	-0.8	5.8	2.2
Money supply M1+ (\$M)	July*	724,933	0.4	1.1	1.6	7.0

* 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 (%)		
	Aug. 29	Aug. 22	-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	0.03	0.03	0.04	0.05	0.03	0.14	0.04	0.00
Treasury bonds – 2 years	0.49	0.49	0.48	0.33	0.30	0.37	0.53	0.38	0.27
– 5 years	1.63	1.66	1.67	1.50	1.49	1.57	1.83	1.57	1.27
– 10 years	2.34	2.40	2.50	2.46	2.66	2.75	3.01	2.67	2.33
– 30 years	3.08	3.16	3.30	3.31	3.59	3.68	3.95	3.59	3.07
S&P 500 index	2,002	1,988	1,925	1,924	1,859	1,633	2,002	1,845	1,633
DJIA index	17,093	17,001	16,493	16,717	16,322	14,810	17,138	16,223	14,777
Gold price (US\$/ounce)	1,288	1,278	1,295	1,245	1,326	1,398	1,402	1,293	1,196
CRB index	291.54	288.67	292.48	305.48	302.43	291.16	312.93	293.29	272.29
WTI oil (US\$/barrel)	95.23	93.61	97.86	102.75	102.58	107.98	110.62	100.29	91.74
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	0.96	0.93	0.84	0.99	1.00	0.92	0.81
Treasury bonds – 2 years	1.10	1.09	1.07	1.05	1.00	1.19	1.31	1.09	0.93
– 5 years	1.52	1.55	1.47	1.53	1.63	1.95	2.17	1.70	1.42
– 10 years	2.00	2.08	2.12	2.25	2.43	2.62	2.82	2.44	2.00
– 30 years	2.56	2.63	2.66	2.78	2.94	3.07	3.28	2.98	2.56
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	0.91	0.93	0.89	0.79	0.96	0.98	0.88	0.76
Treasury bonds – 2 years	0.61	0.60	0.59	0.72	0.70	0.82	0.92	0.71	0.57
– 5 years	-0.11	-0.11	-0.20	0.03	0.14	0.38	0.58	0.13	-0.24
– 10 years	-0.34	-0.32	-0.38	-0.21	-0.23	-0.13	-0.02	-0.23	-0.40
– 30 years	-0.52	-0.53	-0.64	-0.53	-0.65	-0.61	-0.48	-0.61	-0.72
S&P/TSX index	15,608	15,536	15,215	14,604	14,210	12,654	15,619	14,104	12,654
Exchange rate (C\$/US\$)	1.0853	1.0947	1.0917	1.0843	1.1066	1.0538	1.1241	1.0766	0.9214
Exchange rate (C\$/€)	1.4277	1.4498	1.4661	1.4780	1.5273	1.3933	1.5545	1.4656	1.2120
Overseas									
ECB – Refinancing rate	0.15	0.15	0.15	0.25	0.25	0.50	0.50	0.28	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	0.89	0.99	1.14	1.36	1.63	1.85	2.02	1.57	0.89
U.K.: Bonds – 10 years	2.37	2.54	2.68	2.57	2.72	2.78	3.07	2.74	2.37
Euro: Exchange rate (US\$/€)	1.3154	1.3244	1.3431	1.3631	1.3803	1.3223	1.3934	1.3611	1.3120
U.K.: Exchange rate (US\$/£)	1.6587	1.6571	1.6821	1.6752	1.6746	1.5510	1.7166	1.6535	1.5546

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.