

## European Central Bank ups the ante

### HIGHLIGHTS

- The U.S. ISM indexes post substantial increases.
- United States: Employment posts disappointing growth in August.
- Rebound in U.S. new car sales.
- Canada: Employment pulls back in August.
- Canadian labour productivity improved substantially.
- Canada: The merchandise trade balance improved again in July.
- The Bank of Canada kept the target for the overnight rate at 1.00%.

### A LOOK AHEAD

- United States: Auto sales should buoy retail sales growth.
- Canada: Housing starts could edge down.
- Canada: The industrial capacity utilization rate will continue to climb.

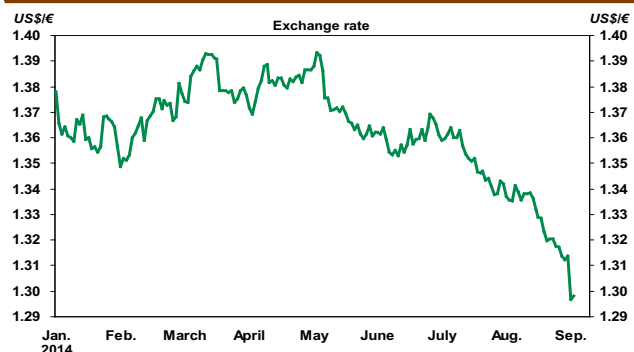
### FINANCIAL MARKETS

- North American stock markets hesitate, while their European counterparts have some new momentum.
- Disappointing employment limits the climb in bond yields.
- The euro retreats below US\$1.30 after the European Central Bank meeting.

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Graph of the week – The euro decline worsens after the European Central Bank decision



Sources: Datastream and Desjardins, Economic Studies

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## KEY STATISTICS OF THE WEEK

### UNITED STATES

- The establishment survey shows 142,000 net hires in August, following up on a gain of 212,000 jobs in July and 267,000 in June. The private sector added just 134,000 jobs. Public sector employment gained 8,000. Construction created 20,000 jobs. In manufacturing, the number of workers was flat following July's 28,000 hires. Private sector services gained 112,000 jobs. The job market had been expected to post another gain of more than 200,000 jobs in August. Instead, the pace slacked to a disappointing 142,000. In fact, this is the smallest number of monthly hires in 2014. After several good performances, however, it is normal to see some flagging, if only temporarily. Note that over the six previous months, average hires stood at 239,500, a peak that dates back to April 2006.
- The jobless rate ticked down from 6.2% to 6.1%, due to a 64,000-person contraction in the labour force. According to the household survey, 80,000 jobs were lost.
- The ISM manufacturing index rose again in August, going from 57.1 to 59.0, its highest point since March 2011. Some already-strong components continued to make gains, as is the case for new orders (from 63.4 to 66.7) and current production (from 61.2 to 64.5). Even order backlogs are now up. The non-manufacturing ISM also advanced, going from 58.7 to 59.6. This is its highest level since August 2005. New orders fell, but the sub-index remains quite high, at 63.8. Combined, the two ISM indexes suggest that the situation for U.S. businesses is improving a lot, and that real GDP growth and non-residential investment will be lively in the coming quarters.
- Automobile sales jumped 6.4% in August after falling 2.7% in July, which came after several months of gains. The annualized number of vehicles sold rose to 17,450,000 units, a peak since January 2006.
- The U.S. trade balance improved slightly in July, going from a deficit of US\$40.8B (revised from US\$41.5B) to US\$40.5B. Nominal exports rose 0.9%, while imports advanced 0.7%. In real terms, the difference is even larger, as goods exports rose 1.3% and imports just 0.5%. June's revised figures could lead to another modest positive change for real GDP growth in the second quarter.

**Francis Généreux**  
Senior Economist

### CANADA

- The labour market came in below expectations for August, losing 11,000 jobs. The unemployment rate remained unchanged at 7.0%. The 6-month average (which gives a clearer picture of the trend) at 10,200 jobs per month, similar to where it was in July. In other words, the overall picture of the labour market has changed very little.
- Labour productivity rose 1.8% in the second quarter, its strongest advance since winter 1998. This good result, however, is a missed opportunity to improve business competitiveness, as workers' earnings also rose considerably in the second quarter (+2.0%), offsetting the benefits of improved productivity. Unit labour costs therefore increased again over the quarter (+0.3%). If we factor in the loonie's fluctuations, Canada's unit labour costs expressed in U.S. dollars show growth of 1.4% in the second quarter. Meanwhile, unit labour costs were flat in the United States. This gap points to deteriorating competitiveness for Canadian businesses.
- The value of merchandise exports went up 1.4% in July, thanks to sharp growth in the automotive products sector, as well as in the electronic and electrical equipment and parts sector. Imports fell 0.3% during this period. This means that the trade balance improved again, going from \$1.8B to \$2.6B.
- The Bank of Canada stands its ground, keeping the target for the overnight rate at 1.00%, and also reiterating that it was neutral about the future direction of key interest rates. Yet recent economic developments have been rather positive. The rebound in exports, partially due to last winter's weakness, made a big contribution to economic growth in the second quarter, so that real GDP growth for the period beat expectations. That said, many uncertainties remain. Will Canadian exports manage to continue their rise over the coming quarters? Will businesses increase their non-residential investments considerably? Will the difficulties now seen in Europe and Asia fade? Will the U.S. economy be able to continue its current thrust? All of these risk factors are clearly pushing monetary authorities to be cautious.

**Benoit P. Durocher**  
Senior Economist

# FINANCIAL MARKETS

## Big drop by the euro on European Central Bank announcements

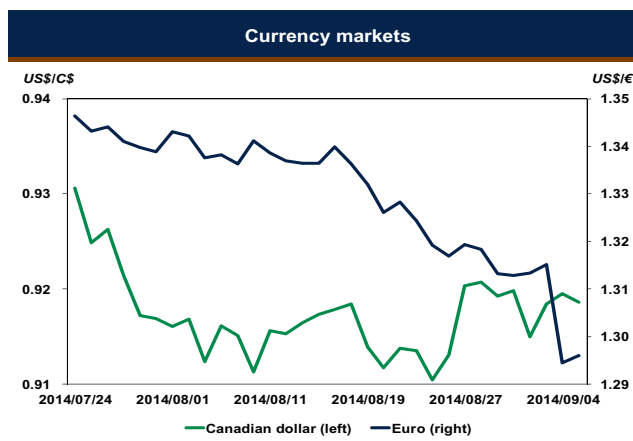
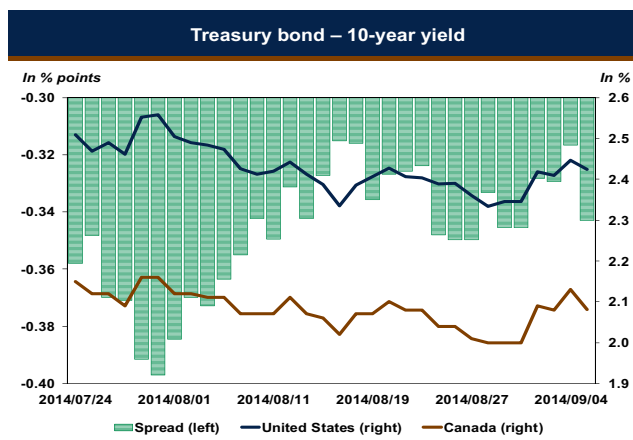
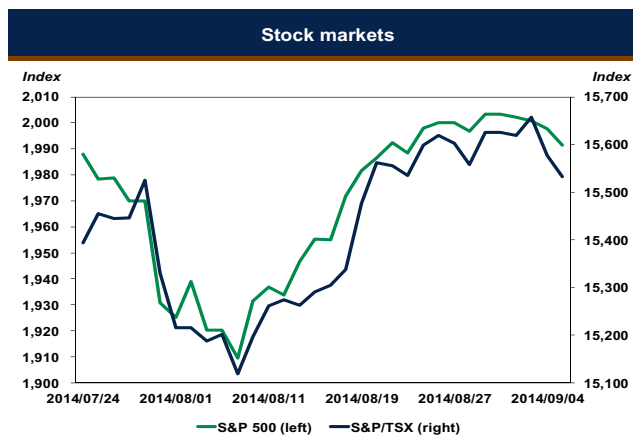
Stock markets were volatile after Labour Day weekend. The S&P 500 nonetheless started a downtrend trajectory toward the end of the week. The ceasefire announced for Ukraine got a cool reception from the markets, and the disappointing results for job creation tempered investor sentiment. In contrast, European stock markets welcomed the set of policies announced by the European Central Bank (ECB), posting strong gains on Thursday. For its part, Canada's stock index beat a retreat, especially on Thursday, as precious metal prices pulled back. The trend continued on Friday, with employment figures for Canada also coming in below expectations.

Encouraging indicators in the United States and easing tensions in Ukraine affected U.S. bond yields, which started the week up sharply. Tuesday's 7.8-basis point climb in 10-year yields was the largest increase since the end of July. However, yields fell on Friday in response to employment figures, limiting the scope of the rise for the week as a whole. In Canada, shorter-term yields edged up on the Bank of Canada's more concerned tone with regard to the strength of the housing market. Friday's employment figures turned the trend around, however.

The U.S. dollar made further good gains this week, largely due to drops in the euro and pound. The euro lost around two cents on Thursday after the ECB decided to lower its key rates, in addition to announcing two security purchasing programs. At the time of writing, the euro was worth less than US\$1.30. The pound lost nearly three cents this week, nearing US\$1.63. The Scottish independence referendum put pressure on the British currency, as the most recent surveys show advances by the "yes" camp. Tuesday's drop by commodities temporarily weakened the Canadian dollar, but it still finished the week where it started, around US\$0.92.

**Jimmy Jean**  
Senior Economist

**Hendrix Vachon**  
Senior Economist



# A LOOK AHEAD



## UNITED STATES

### Monday Sep. 8 - 15:00

<b>July</b>	US\$B
Consensus	17.40
Desjardins	23.00
<b>June</b>	<b>17.26</b>

**Consumer credit (July)** – Monthly consumer credit growth has been especially strong for several months now. June's gains were US\$17.3B, following three increases of around US\$20B each. Once again, the rise in credit comes largely from term loans, though revolving credit (cards and lines of credit) also posted their fourth monthly increase in a row. Weekly data on banking credit suggests very strong growth in July, though weak retail sales and the drop in auto sales are tempering expectations. All the same, we are expecting gains of US\$23B.

### Friday Sep. 12 - 8:30

<b>August</b>	m/m
Consensus	0.5%
Desjardins	0.9%
<b>July</b>	<b>0.0%</b>

**Retail sales (August)** – Retail sales have been disappointing for several months, posting consecutive slowdowns ever since March's rebound. However, we are expecting better results for August. First, new car sales rose 6.4% over the month, hitting their highest point since early 2006. Service station sales should, however, contract following the recent slide in gas prices. Rising confidence, recent job creation, and back-to-school purchases should lead to a modest rebound in sales excluding autos and gas. The loss of 8,400 retail jobs in August, however, is a negative factor, though it is offset by the 21,500 hires in food services. We expect sales excluding autos and gas to advance 0.5%. Total sales should post a 0.9% increase.

### Friday Sep. 12 - 9:55

<b>September</b>	
Consensus	83.5
Desjardins	83.5
<b>August</b>	<b>82.5</b>

**University of Michigan consumer confidence index (September – preliminary)** – August's first estimate of the University of Michigan confidence index was down from July. However, the final version took the change into positive territory. Accordingly, from 81.8 in July, the consumer confidence index is now at 82.5 in August (the same as in June). We expect household sentiment to improve further in September. Some geopolitical factors have eased (the ceasefires in Israel and Ukraine). The stock market continues to rise and gas prices are still coming down. What's more, the weekly index compiled by Bloomberg has been moving up since early August. A modest rise in the University of Michigan index is expected, to 83.5.



## CANADA

### Tuesday Sep. 9 - 8:15

<b>August</b>	ann. rate
Consensus	195,000
Desjardins	198,000
<b>July</b>	<b>200,100</b>

**Housing starts (August)** – The number of housing starts should edge slightly below the 200,000-unit mark in August. This is rather high, pointing to relatively sustained activity in home building. The number of housing starts for multi-unit housing in urban areas has stayed fairly high and stable since last spring.

### Wednesday Sep. 10 - 8:30

<b>Q2 2014</b>	
Consensus	82.7%
Desjardins	82.7%
<b>Q1 2014</b>	<b>82.5%</b>

**Industrial capacity utilization rate (Q2)** – Industrial production advanced a quarterly annualized 3.5% in the second quarter. Creation of new production capacity was fairly limited over the period, with non-residential investment ticking up just 0.9%. Under these conditions, the industrial capacity utilization rate should increase in the second quarter.



## OVERSEAS

**China: Trade balance (August)** – Economic growth accelerated slightly in China during the second quarter; one of the positive factors was a better foreign trade sector. The situation seemed to improve further in July, with the annual change in exports (+14.5%) much stronger than imports (down 1.6%). However, the consensus expects the trade balance to erode slightly in August.

**Euro zone: Industrial output (June)** – The manufacturing sector began to struggle again in 2014. After weak growth at the start of the year and a spike in April, industrial output pulled back in May and June. A upswing is expected for July, helped by the 1.9% gain posted by Germany (data for France will be released Wednesday). However, the manufacturing PMI indexes have been soft lately, which does not point to a striking rebound.

### During the week



<b>August</b>	US\$B
Consensus	40.00
<b>July</b>	<b>47.30</b>

### Friday Sep. 12 - 5:00

<b>July</b>	m/m
Consensus	0.6%
<b>June</b>	<b>-0.3%</b>


# ECONOMIC INDICATORS

## Week of September 8 to 12, 2014

Day	Hour	Indicator	Period	Consensus		Previous data
 <b>UNITED STATES</b>						
<b>MONDAY 8</b>						
	15:00	Consumer credit (US\$B)	July	17.40	23.00	17.26
<b>TUESDAY 9</b>						
	10:00	Speech of a Federal Reserve Governor, D. Tarullo				
<b>WEDNESDAY 10</b>						
	10:00	Wholesale inventories (m/m)	July	0.5%	0.5%	0.3%
<b>THURSDAY 11</b>						
	8:30	Initial unemployment claims	Sept. 1-5	300,000	300,000	302,000
	14:00	Federal budget (US\$B)	August	-135.0	n/a	-147.9
<b>FRIDAY 12</b>						
	8:30	Export prices (m/m)	August	n/a	-0.4%	0.0%
	8:30	Import prices (m/m)	August	-1.0%	-1.0%	-0.2%
	8:30	Retail sales				
		Total (m/m)	August	0.5%	0.9%	0.0%
		Excluding automobiles (m/m)	August	0.2%	0.2%	0.1%
	9:55	Michigan's consumer sentiment index – preliminary	Sept.	83.5	83.5	82.5
	10:00	Business inventories (m/m)	July	0.5%	0.4%	0.4%


 **CANADA**

<b>MONDAY 8</b>						
	8:30	Building permits (m/m)	July	-7.5%	-5.0%	13.5%
<b>TUESDAY 9</b>						
	8:15	Housing starts (ann. rate)	August	195,000	198,000	200,100
<b>WEDNESDAY 10</b>						
	8:30	Industrial capacity utilization rate	Q2	82.7%	82.7%	82.5%
<b>THURSDAY 11</b>						
	8:30	New housing price index (m/m)	July	0.2%	0.2%	0.2%
<b>FRIDAY 12</b>						
	8:30	National balance sheet	Q2			

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 8 to 12, 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)	August	40.00		47.30		
<b>SUNDAY 7</b>								
Japan	19:50	Trade balance (¥B)	July	-725.9		-537.1		
Japan	19:50	Current account (¥B)	July	180.1		125.6		
Japan	19:50	Real GDP – final	Q2	-1.8%		-1.7%		
<b>MONDAY 8</b>								
Germany	2:00	Trade balance (€B)	July	16.8		16.5		
Germany	2:00	Current account (€B)	July	14.0		15.0		
Japan	19:50	Tertiary industry activity index	July	0.3%		-0.1%		
<b>TUESDAY 9</b>								
Japan	1:00	Consumer confidence	August	42.0		41.5		
France	2:45	Trade balance (€M)	July	-5,000		-5,380		
United Kingdom	4:30	Trade balance (£M)	July	-2,300		-2,459		
Japan	19:50	Machinery orders	July	4.0%	n/a	8.8%	-3.0%	
<b>WEDNESDAY 10</b>								
France	1:30	Non-farm payrolls – final	Q2	0.1%		0.1%		
France	2:45	Industrial production	July	-0.5%	-0.2%	1.3%	-0.4%	
New Zealand	17:00	Reserve Bank of New Zealand meeting	Sept.	3.50%		3.50%		
China	21:30	Consumer price index	August		2.2%		2.3%	
China	21:30	Producer price index	August		-1.1%		-0.9%	
<b>THURSDAY 11</b>								
Germany	2:00	Consumer price index – final	August	0.0%	0.8%	0.0%	0.8%	
France	2:45	Consumer price index	August	0.4%	0.4%	-0.3%	0.5%	
Brazil	7:30	Minutes of the Bank of Brazil meeting						
South Korea	21:00	Bank of Korea meeting	Sept.	2.25%		2.25%		
<b>FRIDAY 12</b>								
Japan	0:30	Industrial production – final	July	n/a	n/a	0.2%	-0.9%	
France	2:45	Current account (€B)	July		n/a		-7.4	
Italy	4:00	Industrial production	July	-0.2%	0.1%	0.9%	0.4%	
United Kingdom	4:30	Construction	July	0.6%	3.2%	1.2%	5.3%	
Euro zone	5:00	Industrial production	July	0.6%	1.4%	-0.3%	0.0%	
<b>SAMEDI 13</b>								
China	1:30	Industrial production	August		8.8%		9.0%	
China	1:30	Retail sales	August		12.1%		12.2%	

NOTE: In contrast to the situation in Canada and the United States, disclosure of overseas economic figures is much more approximate. The day of publication is therefore shown for information purposes only. The abbreviations m/m, q/q and y/y correspond to monthly, quarterly and yearly variation respectively. (SA): Seasonally adjusted, (NSA): Non seasonally adjusted. The times shown are Daylight Saving Time (GMT - 4 hours).



## United States: Quarterly economic indicators

	Ref. quart.	Level	Variation (%)		Annual variation (%)			
			Quart. ann.	1 year	2013	2012	2011	2010
Gross domestic product (2009 \$B)	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	2.3	1.1	0.9	1.0	0.1	3.3
Unit labor cost (2009 = 100)	2014 Q2	105.1	-0.1	1.7	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)	Aug.*	59.0	57.1	55.4	53.2	56.3
ISM non-manufacturing index (1)	Aug.*	59.6	58.7	56.3	51.6	57.9
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)	July*	558,312	10.5	11.6	16.0	15.8
New durable good orders (\$M)	July	300,220	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)	July*	981.3	1.8	2.2	2.8	8.2
Commercial surplus (\$M) (1)	July*	-40,546	-40,810	-45,977	-39,181	-39,419
Nonfarm employment (K) (2)	Aug.*	139,118	142.0	621.0	1,357	2,482
Unemployment rate (%) (1)	Aug.*	6.1	6.2	6.3	6.7	7.2
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 Q2*	106.3	7.3	3.3	1.0	-0.0	0.9	1.8
Unit labour cost (2007 = 100)	2014 Q2*	114.6	1.0	1.6	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)	July*	2,581	1,831	-431.8	-300.9	-1,045
Exports (\$M)	July*	45,538	1.4	6.1	11.1	16.2
Imports (\$M)	July*	42,957	-0.3	-0.9	4.0	6.8
Employment (K) (2)	Aug.*	17,851	-11.0	7.1	10.2	6.8
Unemployment rate (%) (1)	Aug.*	7.0	7.0	7.0	7.0	7.1
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 (%)		
	Sep. 5	Aug. 29	-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	0.02	0.03	0.03	0.04	0.06	0.02	0.14	0.04	0.00
Treasury bonds – 2 years	0.51	0.47	0.44	0.41	0.37	0.46	0.54	0.38	0.27
– 5 years	1.67	1.62	1.61	1.65	1.64	1.77	1.79	1.57	1.27
– 10 years	2.42	2.35	2.41	2.60	2.79	2.95	3.01	2.66	2.33
– 30 years	3.20	3.08	3.22	3.44	3.72	3.88	3.95	3.58	3.07
S&P 500 index	1,991	2,003	1,932	1,949	1,878	1,655	2,003	1,852	1,655
DJIA index	17,031	17,098	16,554	16,924	16,453	14,923	17,138	16,265	14,777
Gold price (US\$/ounce)	1,267	1,288	1,311	1,253	1,336	1,387	1,388	1,291	1,196
CRB index	288.21	292.75	292.43	305.25	307.19	293.34	312.93	293.26	272.29
WTI oil (US\$/barrel)	93.93	97.86	97.61	102.67	102.52	110.62	109.62	100.04	91.74
<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	0.95	0.93	0.82	1.00	0.99	0.92	0.81
Treasury bonds – 2 years	1.11	1.11	1.06	1.06	1.05	1.29	1.31	1.09	0.93
– 5 years	1.56	1.52	1.42	1.58	1.72	2.13	2.16	1.69	1.42
– 10 years	2.08	2.00	2.07	2.32	2.52	2.77	2.82	2.42	2.00
– 30 years	2.64	2.56	2.63	2.84	3.04	3.24	3.28	2.96	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	0.91	0.90	0.92	0.89	0.76	0.98	0.98	0.88	0.76
Treasury bonds – 2 years	0.60	0.64	0.62	0.65	0.68	0.83	0.92	0.71	0.57
– 5 years	-0.11	-0.10	-0.19	-0.07	0.08	0.36	0.58	0.12	-0.24
– 10 years	-0.34	-0.35	-0.34	-0.28	-0.27	-0.18	-0.02	-0.24	-0.40
– 30 years	-0.55	-0.52	-0.59	-0.60	-0.68	-0.64	-0.48	-0.61	-0.72
S&P/TSX index	15,533	15,626	15,196	14,839	14,299	12,821	15,658	14,159	12,692
Exchange rate (C\$/US\$)	1.0886	1.0879	1.0974	1.0935	1.1083	1.0405	1.1241	1.0774	0.9186
Exchange rate (C\$/€)	1.4108	1.4286	1.4717	1.4918	1.5381	1.3713	1.5545	1.4663	1.1905
<b>Overseas</b>									
ECB – Refinancing rate	0.05	0.15	0.15	0.25	0.25	0.50	0.50	0.27	0.05
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	0.94	0.89	1.05	1.36	1.65	1.97	2.02	1.55	0.88
U.K.: Bonds – 10 years	2.47	2.37	2.57	2.66	2.79	2.94	3.07	2.73	2.37
Euro: Exchange rate (US\$/€)	1.2960	1.3133	1.3411	1.3643	1.3878	1.3180	1.3934	1.3609	1.2945
U.K.: Exchange rate (US\$/£)	1.6319	1.6599	1.6774	1.6803	1.6713	1.5631	1.7166	1.6551	1.5694

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.