

## Canadian household debt remains very high

### HIGHLIGHTS

- United States: Welcome acceleration in retail sales.
- A sharp increase in consumer credit in the United States in July.
- U.S. household confidence is up in September.
- Canada: Household debt increases further.
- Canada: The industrial capacity utilization rate keeps rising.
- Canada: The number of housing starts dipped in August.

### A LOOK AHEAD

- U.S. industrial production is likely to show more sluggish growth in August.
- Gasoline prices will generate stagnation in the U.S. consumer price index.
- After a surge in July, American housing starts should decline in August.
- Canada: Manufacturing and wholesale sales should increase significantly.
- Canada: The total annual inflation rate will hold steady at 2.1%.

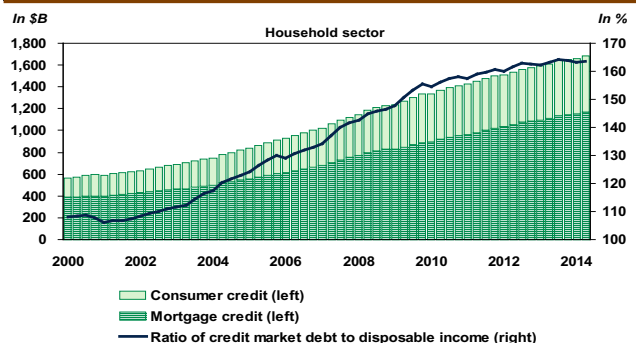
### FINANCIAL MARKETS

- The Federal Reserve might change its tone: Stock markets are anxious.
- Disappointing job numbers are quickly forgotten in bond markets.
- The Canadian dollar depreciates below US\$0.91 (C\$1.10/US\$).

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Graph of the week – The household debt ratio ticked up in Q2 2014



Sources: Statistics Canada and Desjardins, Economic Studies

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## KEY STATISTICS OF THE WEEK

### UNITED STATES

- Retail sales rose by 0.6% in August. This is the strongest growth since April, coming on the heels of a 0.3% gain in July (revised from 0.0%). Automobile sales surged by 1.5% after a 0.6% increase in July. If we exclude automobiles, sales were up by 0.3%. Most categories of retailers reported higher sales. Apart from cars, the strongest growth was seen in renovation centres, sporting goods and hobby stores and the "others" category. Service stations saw the value of their sales decline due to lower gasoline prices. If we exclude automobiles and gasoline, sales were up by 0.5%. This gain is encouraging, especially if we combine it with the upwards revision of the July data.
- Consumer credit expanded by US\$26.0B in July, its sharpest monthly gain since 2001 if we exclude increases due to changes in methodology. Once again, the growth comes mainly from term loans (+US\$20.6B), probably linked to the surge in auto sales. Revolving credit (cards and lines of credit) saw firm growth of US\$5.4B.
- Consumer confidence is up in September, according to the preliminary version of the University of Michigan index. It ticked up from 82.5 in August to 84.6 in September, its highest level since July 2013. The gain comes entirely from consumer expectations; that index spurted from 71.3 to 75.6. Conversely, the current conditions index fell, by 1.3 points. The University of Michigan index lags somewhat behind the Conference Board index, which in August already stood at its highest level since 2007.
- Business inventories expanded by 0.4% in July. Some weakness was evident among wholesalers and manufacturers, where inventories ticked up by a mere 0.1%. However, this was offset by a 1.0% gain among retailers. Among car dealers, the increase in inventory was a substantial 2.3%.

**Francis Généreux**  
Senior Economist

### CANADA

- Household debt contracted in the credit market (consumer credit, mortgage and non-mortgage loans) hit \$1,797B in Q2, up \$23.4B from the previous quarter. This takes the consumer credit market debt to disposable income ratio to 163.6% from 163.1% the previous quarter. However, this does not mean the household debt situation eroded substantially last spring. Instead, the debt to income ratio has been stabilizing somewhat since early 2013. Without improving, the household debt issue is not really worsening either.
- The industrial capacity utilization rate reached 82.7% in the second quarter, versus 82.1% in the previous quarter. This increase pushes the utilization rate above its historical average, thanks in particular to a significant gain in manufacturing. The higher industrial capacity utilization rate corroborates the measurement of the output gap, which is heading towards complete closure. These two signals tell us that the excess capacity is on the verge of disappearing.
- The number of housing starts fell from 199,800 units in July to 192,400 units in August, in line with expectations. The decline was recorded in all the main housing categories. That said, multiple-unit projects in urban centres accounted for more than half of the decrease. Ontario (-24.7%) and the Atlantic provinces (-25.8%) were particularly affected by the August slump, while growth was seen in the west (+17.9%). In Quebec, the number of housing starts dipped only slightly (-2.6%).

**Benoit P. Durocher**  
Senior Economist

# FINANCIAL MARKETS

## The upturn in bond yields materializes

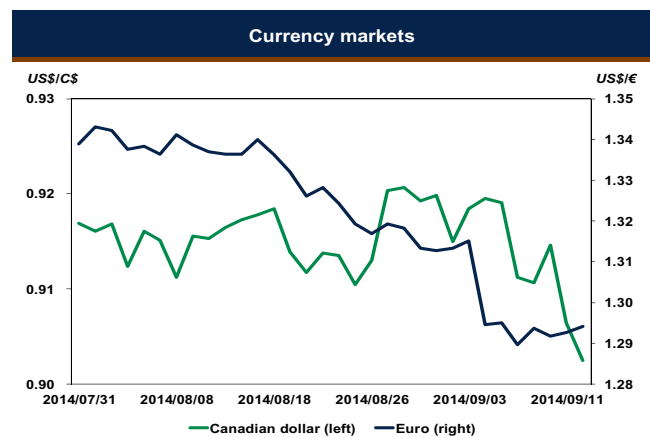
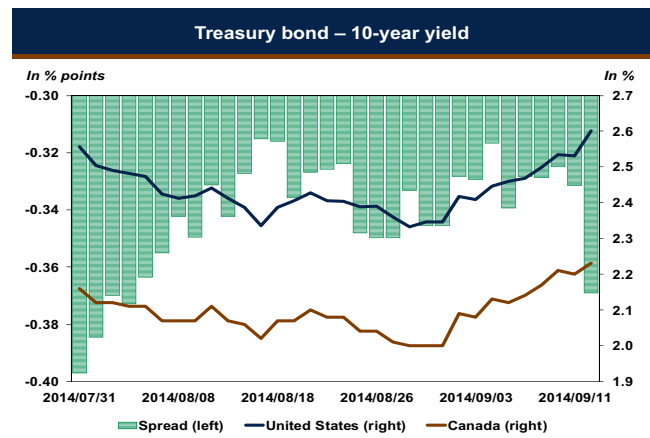
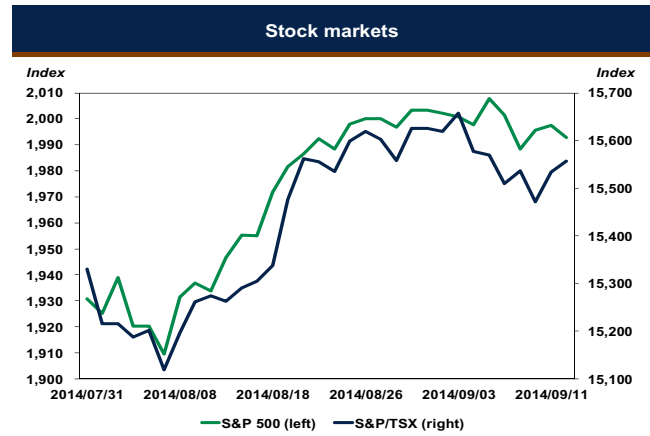
The anxiety in the stock markets is still palpable, and the S&P 500 fell to 1,985 points on Wednesday before picking up slightly. Little economic news with real impact was released in the United States this week, but investors focused their attention on the imminent Federal Reserve (Fed) meeting. The expected shift in the Fed position could generate volatility, and investors prefer to be cautious in such conditions. In Canada, the S&P/TSX suffered from the persistent slump in commodity prices early in the week. Significant declines in materials and energy stocks weighed down the Canadian index.

U.S. 10-year bond yields reached 2.60% on Friday morning, a level not seen since the end of July. The curve steepened significantly this week, with the 2/10 spread reaching a high of 200 basis points. The easing of geopolitical tensions and expectations of a firmer tone from the Fed have helped to give bond yields a boost since the beginning of the month, reversing the downwards trend that has prevailed all year. Canadian bonds performed slightly better at the beginning of the week, but afterwards yields generally tracked those of U.S. bonds.

The U.S. dollar appreciated on Monday, but stayed mainly flat thereafter. The feeling that the Fed could change its position is having less effect on the U.S. currency, given that it has already appreciated strongly since mid-July. The euro fell below US\$1.29 at the beginning of the week but picked up slightly after that. The pound sterling is still suffering from the uncertainty surrounding the referendum in Scotland. Nevertheless, new surveys showing an advance by the “no” side helped the pound climb back above US\$1.62 in the second half of the week. The Canadian dollar lost ground on Monday along with many other currencies, but the period of weakness lasted longer due to the decline in commodity prices. At time of writing, the loonie was worth less than US\$0.91.

**Jimmy Jean**  
Senior Economist

**Hendrix Vachon**  
Senior Economist



# A LOOK AHEAD



## UNITED STATES

### Monday Sep. 15 - 9:15

<b>August</b>	m/m
Consensus	0.3%
Desjardins	0.2%
<b>July</b>	<b>0.4%</b>

**Industrial production (August)** – Manufacturing production growth was particularly strong in July with a gain of 1.0%, supported by a 10.1% spike in automobiles. But overall industrial production growth turned out to be weaker, undermined by another contraction, this time of 3.4%, in energy suppliers' output. Manufacturing should post a slowdown in August, despite a good performance by the ISM manufacturing index. Hours worked stagnated (as did manufacturing employment) and both of these even declined in the automobile sector. We do not expect any strong rally by energy either, since temperatures stayed below average, limiting demand for air conditioning. In total, industrial production should show a gain of 0.2%, and the industrial capacity utilization rate should remain at 79.2%. The regional manufacturing indexes issued by the New York Fed (on Monday) and by the Philadelphia Fed (on Thursday) will give us a preliminary idea of the strength of manufacturing in September.

### Wednesday Sep. 17 - 8:30

<b>August</b>	m/m
Consensus	0.0%
Desjardins	0.0%
<b>July</b>	<b>0.1%</b>

**Consumer price index (August)** – After accelerating in the spring, price growth has moderated in recent months. The monthly change in the consumer price index (CPI) was just 0.1% in July after an average of 0.3% in the previous months. The recent dip in gasoline prices (-3.2% last month), amplified by seasonal adjustments (these prices do not usually decline at this time of year), should keep the CPI flat in August. The core index, which excludes food and energy, will probably rise by 0.2%, supported by housing prices. The annual change in the CPI should slip from 2.0% to 1.9%. Core inflation will likely stay flat, at 1.9%.

### Wednesday Sep. 17 - 14:00

<b>September</b>	
Consensus	0.25%
Desjardins	0.25%
<b>July 30</b>	<b>0.25%</b>

**Federal Reserve meeting (September)** – The members of the monetary policy committee at the Federal Reserve (Fed) may make some changes to the tone of the press release that will be issued at the end of the September meeting. Without expressing openly hawkish sentiments, the Fed could point out the improvement in economic indicators and tweak its sentence that stresses the considerable period of time between the end of asset purchases and the beginning of interest rate hikes. This would give it some extra leeway in a situation where, for many committee members, the increases in economic growth, employment and inflation will not justify a commitment to keeping such low interest rates for much longer. The Fed will probably announce another reduction in asset purchases, which will fall to a mere US\$15B in October. At the next meeting, it will likely officially announce that the program will not be continued in November. Next Wednesday's meeting will be accompanied by a press conference by Chair Janet Yellen and by the release of the Fed officials' latest forecasts of economic growth, inflation, unemployment and the future of key interest rates.

### Thursday Sep. 18 - 8:30

<b>August</b>	ann. rate
Consensus	1,040,000
Desjardins	1,040,000
<b>July</b>	<b>1,093,000</b>

**Housing starts (August)** – Housing starts have been very volatile for some time now. After two months of decline, they soared by 15.7% in July to reach an annualized volume of 1,093,000 units, the highest seen since November 2013. This volatility comes mainly from the multiple dwelling sector, as the movements and growth in the single-family dwelling sector are far more modest. The recent number of building permits, 1,057,000 units in July, tells us that housing starts will probably lose ground in August. However, the upwards trend should gain the upper hand after that. A volume of 1,040,000 units is expected.

**Leading indicator (August)** – The leading indicator rose by 0.9% in July, supported by downwards movement in jobless claims, an increase in building permits and, as always, the spread between bond yields and key interest rates. We expect 0.3% growth in the leading indicator in August. Besides yields and interest rates, the gain will be attributable to the stock market and to the ISM index.


**CANADA**

**Manufacturing sales (July)** – If commodities are excluded, the value of merchandise exports ticked up by 2.9% last July, with a 9.7% surge in the automobile industry. In these conditions, manufacturing sales should post robust growth for the month. Indeed, manufacturers' confidence is on the rise fairly generally around the world, and Canada is not escaping that trend: the RBC-PMI index reached 54.8 in August.

**Wholesale sales (July)** – The upswing in merchandise exports excluding commodities should be beneficial for wholesale sales during the month. Moreover, based on interim data, the number of new automotive vehicles sold jumped by 9.4% in July. Under these conditions, wholesale sales will probably post a marked increase in July.

**Consumer price index (August)** – According to weekly surveys at the pump, gasoline prices fell by around 2% on average during the month of August, which should drive the monthly change in the all-items consumer price index (CPI) down by nearly 0.1%. As for seasonal effects, they generally push the total CPI down by 0.1% in August, with new crops coming to market. Lower gasoline prices are another important factor in the seasonal downs typical of August. All told, we expect the monthly change in the all-items CPI to be practically nil in August. Once seasonally adjusted, it should be 0.1%, which is a little lower than the average of recent months. The annual total inflation rate would thus stay put at 2.1%. The Bank of Canada's core index (CPIX) will be less affected by the expected decline in prices for fresh fruits and vegetables. It should head up by 0.2% in August, and its annual change could tick up, from 1.7% to 1.8%.


**OVERSEAS**

**United Kingdom: Minutes of the Bank of England meeting (September)** – Governor Mark Carney of the Bank of England (BoE) recently indicated that key interest rates could start heading up next spring. Furthermore, two members out of nine voted in favour of a 25-point rate hike as early as August. For the time being, weak inflation is giving the BoE some manoeuvring room, but it will be interesting to see how the debate unfolds in September.

**Friday Sep. 19 - 10:00**

<b>August</b>	m/m
Consensus	0.4%
Desjardins	0.3%
<b>July</b>	<b>0.9%</b>

**Tuesday Sep. 16 - 8:30**

<b>July</b>	m/m
Consensus	1.0%
Desjardins	1.5%
<b>June</b>	<b>0.6%</b>

**Friday Sep. 19 - 8:30**

<b>July</b>	m/m
Consensus	0.5%
Desjardins	1.7%
<b>June</b>	<b>0.6%</b>


**Friday Sep. 19 - 8:30**


<b>August</b>	m/m
Consensus	0.0%
Desjardins	0.0%
<b>July</b>	<b>-0.2%</b>

**Wednesday Sep. 17 - 4:30**

# ECONOMIC INDICATORS

## Week of September 15 to 19, 2014


Day	Hour	Indicator	Period	Consensus		Previous data
<b>UNITED STATES</b>						
<b>MONDAY 15</b>	8:30	Empire manufacturing index	Sept.	16.00	16.00	14.69
	9:15	Industrial production (m/m)	August	0.3%	0.2%	0.4%
	9:15	Production capacity utilization rates	August	79.3%	79.2%	79.2%
<b>TUESDAY 16</b>	8:30	Producer price index				
		Total (m/m)	August	0.0%	-0.1%	0.1%
		Excluding food and energy (m/m)	August	0.1%	0.1%	0.2%
	16:00	Net foreign security purchases (US\$B)	July	n/a	n/a	-18.7
<b>WEDNESDAY 17</b>	8:30	Current account (US\$B)	Q2	-114.0	-115.2	-111.2
	8:30	Consumer price index				
		Total (m/m)	August	0.0%	0.0%	0.1%
		Excluding food and energy (m/m)	August	0.2%	0.2%	0.1%
		Total (y/y)	August	1.9%	1.9%	2.0%
		Excluding food and energy (y/y)	August	1.9%	1.9%	1.9%
	14:00	Federal Reserve meeting	Sept.	0.25%	0.25%	0.25%
	14:30	Press Conference of the Federal Reserve Chair, J. Yellen				
<b>THURSDAY 18</b>	8:30	Initial unemployment claims	Sept. 8-12	304,000	305,000	315,000
	8:30	Housing starts (ann. rate)	August	1,040,000	1,040,000	1,093,000
	8:30	Building permits (ann. rate)	August	1,040,000	1,010,000	1,052,000
	10:00	Philadelphia Fed index	Sept.	23.0	18.0	28.0
<b>FRIDAY 19</b>	10:00	Leading indicator (m/m)	August	0.4%	0.3%	0.9%
<b>CANADA</b>						
<b>MONDAY 15</b>	9:00	Existing home sales				
<b>TUESDAY 16</b>	8:30	Manufacturing sales (m/m)	July	1.0%	1.5%	0.6%
<b>WEDNESDAY 17</b>	---	---				
<b>THURSDAY 18</b>	8:30	International transactions in securities (\$B)	July	n/a	5.00	-1.07
<b>FRIDAY 19</b>	8:30	Consumer price index				
		Total (m/m)	August	0.0%	0.0%	-0.2%
		Excluding 8 most volatile (m/m)	August	0.2%	0.2%	-0.1%
		Total (y/y)	August	2.1%	2.1%	2.1%
		Excluding 8 most volatile (y/y)	August	1.8%	1.8%	1.7%
	8:30	Wholesale sales (m/m)	July	0.5%	1.7%	0.6%
	8:30	Wholesale inventories (m/m)	July	n/a	0.3%	1.0%

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 15 to 19, 2014

Country	Hour	Indicator	Period	Consensus		Previous data		
				m/m (q/q)	y/y	m/m (q/q)	y/y	
 <b>OVERSEAS</b>								
<b>MONDAY 15</b>								
Euro zone	5:00	Trade balance (€B)	July	15.5		13.8		
<b>TUESDAY 16</b>								
United Kingdom	4:30	Consumer price index – final	August	0.4%	1.5%	-0.3%	1.6%	
United Kingdom	4:30	Producer price index	August	-0.1%	-0.2%	-0.1%	-0.1%	
Euro zone	5:00	Labour costs	Q2	n/a		0.9%		
Germany	5:00	ZEW survey – Current situation	Sept.	40.0		44.3		
Germany	5:00	ZEW survey – Expectations	Sept.	5.0		8.6		
<b>WEDNESDAY 17</b>								
Italy	4:00	Trade balance (€M)	July	n/a		3,676		
United Kingdom	4:30	Minutes of the Bank of England meeting						
United Kingdom	4:30	ILO unemployment rate	July	6.3%		6.4%		
Euro zone	5:00	Construction	July	n/a	n/a	-0.7%	-2.3%	
Euro zone	5:00	Consumer price index – final	August	0.1%	0.3%	-0.7%	0.3%	
Japan	19:50	Balance commerciale – marchandises (G¥)	August	-998.0		-1,023.8		
<b>THURSDAY 18</b>								
Switzerland	3:30	Swiss National Bank meeting	Sept.	0.00%		0.00%		
Norway	4:00	Bank of Norway meeting	Sept.	1.50%		1.50%		
United Kingdom	4:30	Retail sales	August	0.3%	4.8%	0.5%	3.4%	
Italy	5:00	Current account (€M)	July	n/a		3,050		
<b>FRIDAY 19</b>								
Japan	0:30	All industry activity index	July	0.1%		-0.4%		
Japan	1:00	Leading indicator – final	July	n/a		106.5		
Japan	1:00	Coincident indicator – final	July	n/a		109.9		
Germany	2:00	Producer price index	August	-0.1%	-0.8%	-0.1%	-0.8%	
France	2:45	Wages – final	Q2	n/a		0.4%		
Euro zone	4:00	Current account (€B)	July	n/a		13.1		
Mexico	10:00	Minutes of the Bank of Mexico meeting						

**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)	Sept.*	84.6	82.5	82.5	80.0	77.5
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)	July*	3,238	0.8	2.0	4.0	7.0
Retail sales (\$M)	Aug.*	444,377	0.6	1.3	3.9	5.0
Excluding automobiles (\$M)	Aug.*	354,378	0.3	1.1	3.0	4.1
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)	July*	1,750	0.4	1.2	2.8	5.9
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)	Aug.*	132.4	-0.5	-1.0	-1.0	0.4
Import prices (2000 = 100)	Aug.*	138.8	-0.9	-0.9	-0.7	-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 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 Q2*	82.7	---	---	81.2	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)	Aug.*	192.4	199.8	195.5	190.9	186.7
Building permits (\$M)	July*	9,161	11.8	50.1	31.7	13.3
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	725,370	0.4	1.1	1.6	7.1

\* 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. 12	Sep. 5	-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	0.01	0.03	0.03	0.04	0.05	0.01	0.14	0.04	0.00
Treasury bonds – 2 years	0.57	0.51	0.41	0.45	0.34	0.44	0.57	0.38	0.27
– 5 years	1.81	1.69	1.54	1.69	1.53	1.70	1.81	1.57	1.27
– 10 years	2.60	2.46	2.34	2.60	2.65	2.89	3.01	2.65	2.33
– 30 years	3.33	3.24	3.13	3.41	3.59	3.85	3.95	3.57	3.07
S&P 500 index	1,993	2,008	1,955	1,936	1,841	1,688	2,008	1,858	1,655
DJIA index	17,014	17,137	16,663	16,776	16,066	15,376	17,138	16,300	14,777
Gold price (US\$/ounce)	1,230	1,267	1,305	1,274	1,376	1,317	1,376	1,289	1,196
CRB index	281.72	288.02	289.93	309.98	302.88	291.02	312.93	293.12	272.29
WTI oil (US\$/barrel)	92.51	93.32	97.30	106.84	98.93	108.31	108.23	99.73	91.71
<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	0.94	0.82	0.98	0.99	0.92	0.81
Treasury bonds – 2 years	1.15	1.11	1.05	1.09	1.01	1.29	1.27	1.09	0.93
– 5 years	1.69	1.59	1.48	1.58	1.61	2.13	2.11	1.68	1.42
– 10 years	2.23	2.12	2.02	2.31	2.39	2.78	2.79	2.41	2.00
– 30 years	2.75	2.67	2.58	2.83	2.93	3.26	3.28	2.95	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	0.90	0.92	0.90	0.77	0.97	0.98	0.87	0.76
Treasury bonds – 2 years	0.59	0.60	0.64	0.64	0.67	0.85	0.92	0.71	0.57
– 5 years	-0.12	-0.10	-0.06	-0.11	0.08	0.43	0.58	0.11	-0.24
– 10 years	-0.37	-0.34	-0.32	-0.29	-0.26	-0.11	-0.02	-0.24	-0.40
– 30 years	-0.58	-0.57	-0.55	-0.58	-0.66	-0.59	-0.48	-0.61	-0.72
S&P/TSX index	15,557	15,570	15,304	15,002	14,228	12,723	15,658	14,212	12,692
Exchange rate (C\$/US\$)	1.1080	1.0881	1.0896	1.0856	1.1105	1.0352	1.1241	1.0785	0.9025
Exchange rate (C\$/€)	1.4338	1.4091	1.4599	1.4701	1.5451	1.3761	1.5545	1.4671	1.1679
<b>Overseas</b>									
ECB – Refinancing rate	0.05	0.15	0.15	0.15	0.25	0.50	0.50	0.26	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	1.09	0.93	0.97	1.37	1.54	1.94	2.00	1.53	0.88
U.K.: Bonds – 10 years	2.54	2.47	2.47	2.75	2.66	2.93	3.07	2.72	2.37
Euro: Exchange rate (US\$/€)	1.2941	1.2951	1.3399	1.3543	1.3915	1.3294	1.3934	1.3602	1.2897
U.K.: Exchange rate (US\$/£)	1.6230	1.6327	1.6697	1.6965	1.6647	1.5875	1.7166	1.6559	1.5896

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.