

## Difficult week for stock markets

### HIGHLIGHTS

- United States: Sales of new single-family dwellings jumped in August, but the resale market pulled back.
- As expected, new U.S. durable goods orders plunged in August after July's increase.
- Canada: Retail sales stumbled in July.

### A LOOK AHEAD

- United States: After August's lull, hires probably accelerated in September.
- United States: The ISM indexes should post a slight pullback, while remaining quite high.
- U.S. consumer confidence is expected to edge down.
- Canada: Real GDP by industry should continue to rise in July.
- Canada's merchandise trade balance will deteriorate in August.

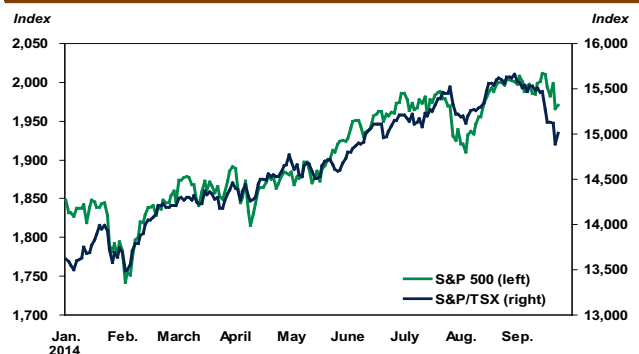
### FINANCIAL MARKETS

- The Canadian stock market is having a harder time.
- Risk aversion is bringing bond yields down.
- New gains for the U.S. dollar.

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Graph of the week – The last few days have been particularly difficult for Canada's stock market



Sources: Datastream and Desjardins, Economic Studies

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NOTE TO READERS: The letters **K**, **M** and **B** are used in texts and tables to refer to thousands, millions and billions respectively.

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## KEY STATISTICS OF THE WEEK

### UNITED STATES

- Existing home sales fell 1.8% in August after July's 2.2% increase, with resales going from 5,140,000 to 5,050,000 units. This is its first drop since March. The slide is similar for single-family dwellings and condominiums. Increases were posted for the Northeast and Midwest, while decreases occurred in the South and West. Existing home sales are now 5.3% lower than they were a year ago.
- Sales of new single-family dwellings jumped 18.0% in August. This follows a 1.9% gain in July and an 8.5% drop in June. Sales have therefore gone from 427,000 units (revised from 412,000) to 504,000 units, their highest point since May 2008. The jump mainly comes from the West (+50.0%) and Northeast (+29.2). Caution is still in order, as these kinds of gains are usually followed by substantial pullbacks, and this indicator is revised frequently. The number of homes for sale rose 1.0%.
- New durable goods orders fell 16.2% in August after jumping 22.5% in July. This considerable volatility is due to the civil aviation sector, where orders rose 315.6% in July before dropping 74.3% in August. The number of orders is still higher in August than in June, though. Excluding defence and aviation, new capital goods orders went up 0.6% after falling 0.2% in July.

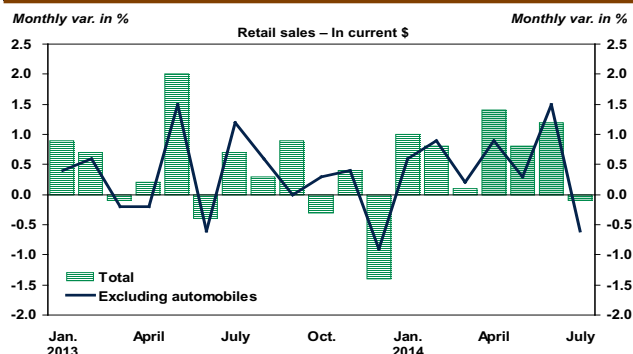
**Francis Généreux**  
Senior Economist

### CANADA

- Against all expectations, the value of retail sales fell 0.1% in July. Though high, sales of motor vehicles were less dramatic than suggested by preliminary data. What's more, sales excluding automobiles pulled back 0.6%, a contrast with the other months, as this market segment's average monthly change to date in 2014 was +0.7% until now. In real terms, sales are practically flat. Despite this disappointing result, the carryover for the volume of retail sales in the third quarter is fairly high, thanks to the lively advances in previous months.
- According to the business survey, the labour market made 42,300 hires in July, rather than the 78,800 jobs recorded by household survey (see our *Economic Viewpoint*<sup>1</sup> for more details on comparing the results of these two surveys). The annual change in employment according to the establishment survey is 1.3%, which is rather satisfying, given that the average since 2001 is 1.4%. The annual change in average weekly earnings climbed to 3.3% in July, from 2.9% in June.

**Benoit P. Durocher**  
Senior Economist

**Canada – After rising for several months, retail sales had some difficulties in July**



Sources: Statistics Canada and Desjardins, Economic Studies

<sup>1</sup> Desjardins, Economic Studies, *Economic Viewpoint*, "Employment in Canada: The establishment survey has been much less volatile since 2012," September 26, 2014, [www.desjardins.com/ressources/pdf/pv140926-e.pdf?resVer=1411741690000](http://www.desjardins.com/ressources/pdf/pv140926-e.pdf?resVer=1411741690000).

# FINANCIAL MARKETS

## Widespread decline by stock markets

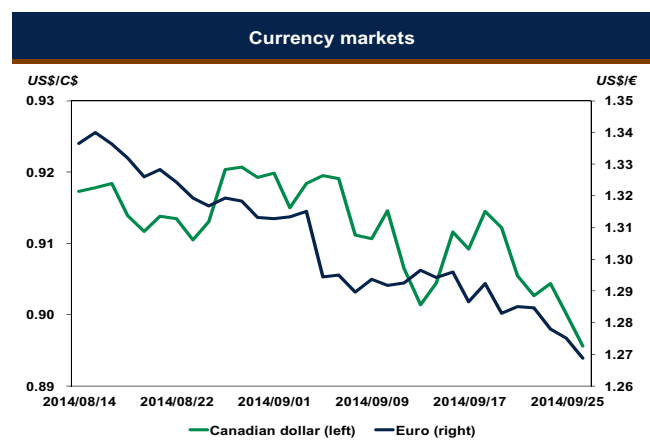
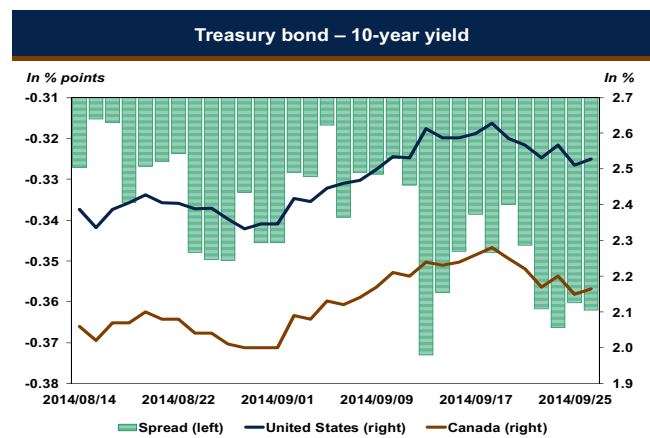
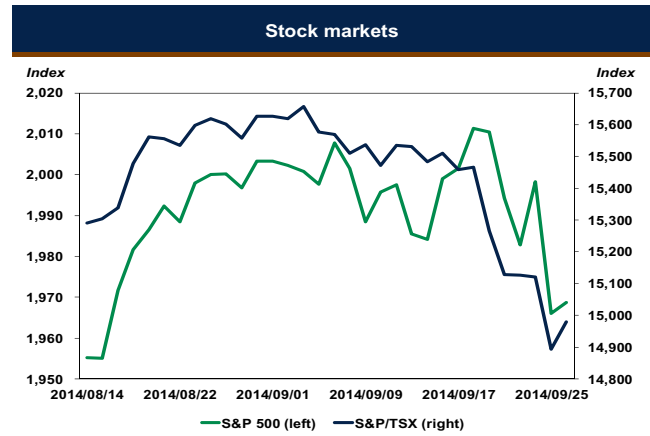
Stock markets dropped sharply on Monday and Tuesday. Investors did not receive too well the remarks from China's finance minister, who is little inclined to adopt new stimulus measures. The mood in the markets was further soured by disappointing existing home sales in the United States and Europe's PMI indexes, which failed to meet expectations. Reassuring words from European Central Bank (ECB) president Mario Draghi and the positive surprise from U.S. new home sales calmed world markets on Wednesday, but they started trending down again on Thursday on renewed geopolitical strains in Ukraine. The S&P/TSX was especially hurt by the ongoing slide in some commodity prices: it was one of the worst performers this week.

U.S. yields moved down overall. Geopolitical tensions and end-of-quarter capital flows dictated the trend for most of the week. However, some economic data helped to limit the decline. Upwardly-revised U.S. growth in new estimates released Friday morning caused a reaction in markets. Canadian bonds generally outperformed U.S. bonds in maturities of 10 years or less, as several Bank of Canada (BoC) leaders issued staunchly dovish remarks over the week.

Heightened investor concern allowed the U.S. dollar to continue its uptrend, especially as of mid-week. Mario Draghi's remarks reaffirming that the ECB was ready to take further action helped to bring the euro to around US\$1.27. After starting the week on a high note, the pound also dropped in the last few sessions, falling to nearly US\$1.625. The week was especially difficult for the loonie, which had to deal with remarks from BoC leaders and new worries about China and commodities. At the time of writing, the Canadian dollar was oscillating just below US\$0.90.

**Mathieu D'Anjou**  
Senior Economist

**Jimmy Jean**  
Senior Economist



# A LOOK AHEAD



## UNITED STATES

### Monday Sep. 29 - 8:30

<b>August</b>	m/m
Consensus	0.4%
Desjardins	0.3%
<b>July</b>	<b>-0.1%</b>

**Consumer spending (August)** – Consumption pulled back in July, but a modest rebound is expected for August. Growth in retail sales, and especially the jump in new motor vehicle sales, points to a solid monthly rise in real goods consumption. Furthermore, the increase in production by energy suppliers points to a 0.2% rise in consumption of services after several disappointing months caused by below-normal temperatures. Real consumption should therefore increase 0.4%, which is its strongest growth since March. As the consumption expenditure deflator is forecast to drop 0.1% for August, the monthly change in nominal consumption should be 0.3%. We expect real disposable income to increase 0.3%.

### Tuesday Sep. 30 - 9:00

<b>July</b>	y/y
Consensus	7.45%
Desjardins	7.30%
<b>June</b>	<b>8.10%</b>

**S&P/Case-Shiller index of existing home prices (July)** – Home prices are currently moving down, with two consecutive months of drops now totalling a modest 0.5%. Another 0.1% decrease is expected for July, and the index's annual change should go from 8.1% to 7.3%. Prices should then stabilize and begin to climb slightly, in keeping with the seesaw movement seen with several other housing market indicators.

### Tuesday Sep. 30 - 10:00

<b>September</b>	
Consensus	92.5
Desjardins	91.8
<b>August</b>	<b>92.4</b>

**Conference Board consumer confidence index (September)** – After hesitating this spring, household sentiment seems to be improving. In August, the Conference Board index hit its highest point since October 2007. Other indicators also moved up, including the University of Michigan index. However, the weekly index compiled by Bloomberg recently fell to its lowest level since mid-June. Gas prices continue to slide, which could support another increase in confidence in September, but this should be offset by the new tensions triggered by ISIS and the fact that stock indexes are down from their peak. The Conference Board index should post a small retreat, bringing it to 91.8.

### Wednesday October 1 - 10:00

<b>September</b>	
Consensus	58.3
Desjardins	58.5
<b>August</b>	<b>59.0</b>

**ISM manufacturing index (September)** – In August, the manufacturing ISM hit its highest point since March 2011, and the new orders component has not been this high since April 2004. At 66.7, this component points to solid growth in business investment. It is unusual for the ISM or its components to stay at these heights for long, and we should now start to look for a modest drop in the ISM index. What's more, the components of the regional manufacturing indexes do not point to an ISM that is this strong. It should drop to 58.5, which is still quite high.

### Friday October 3 - 8:30

<b>August</b>	US\$B
Consensus	-41.0
Desjardins	-41.5
<b>July</b>	<b>-40.5</b>

**Trade balance (August)** – The U.S. trade balance improved for its third straight month in July. This time, the deficit went from US\$40.8B to US\$40.5B. We can expect slight deterioration in August. Real imports should advance more quickly than exports. However, price effects should mitigate this movement, as prices fell more for imports (-0.9%) than for exports (-0.5%). We expect the deficit to go to US\$41.5B.

**Job creation according to the establishment survey (September)** – After several months of solid employment gains, often with higher results than expected, the U.S. job market seems to be catching its breath, posting “just” 142,000 new hires in August. A better performance is expected for September, though. The drop in jobless claims, especially in the middle of the month, provides for some optimism. However, the release of the ISM manufacturing index’s employment components and the Conference Board consumer confidence index earlier in the week will allow us to better gauge the situation. We expect to see 210,000 new positions. Failing a spike in the labour force, the jobless rate should stay at 6.1%.

**ISM non-manufacturing index (September)** – In July, the non-manufacturing ISM hit its highest point since summer 2005. At 65.0 and 63.8 respectively (slightly down in August), the shipment and new order components are especially high, suggesting strong economic growth. At these levels, it is hard to expect any further strong gains, and the index should also reflect the housing market’s less convincing performance. A lull is expected, with the ISM non-manufacturing index likely going from 59.6 to 58.0.


**CANADA**

**Real GDP by industry (July)** – July saw considerable growth in the volume of manufacturing sales (+2.8%), partially offset by lower volume in wholesaler sales (-0.6%) and some stability in real retail sales. All in all, the number of hours worked in the Canadian economy went up 0.8% in July. Hours in services rose 1.3%, while hours worked in the goods sector pulled back 0.5% (with a 4.6% drop in construction). These results are in line with real GDP growth by industry of around 0.3% for July.

**International merchandise trade (August)** – According to U.S. data, production in the automobile sector fell significantly in August, which suggests that trade between Canada and the United States plunged in this industry during that time. What’s more, according to the seasonally adjusted figures in Canadian dollars, commodity prices apparently fell 2.1% in Canada in August, especially for energy products. This will clearly reduce the value of Canadian exports for the month. Under these conditions, we can expect the trade balance to deteriorate in August.


**OVERSEAS**

**Euro zone: European Central Bank meeting (October)** – The European Central Bank (ECB) was proactive in September, announcing a new series of measures to ease its monetary policy. In addition to cutting its key rate by 10 basis points, the ECB announced an asset-backed securities purchasing program and a third covered bond purchasing program, both of which will begin in October. The October 2 meeting will, most importantly, give us further details on these two new financial security purchasing programs. As the amount requested by banks during the first phase of the targeted lending program for financial institutions (TLTRO) was disappointing and the economic situation remains quite worrisome, the ECB should opt for fairly aggressive financial security purchases. President Draghi will certainly also reiterate that the ECB is ready to take further action if necessary. Among the indicators released this week in the euro zone, several confidence indicators for September will be published on Monday. Many of these have deteriorated recently. August’s unemployment rate will be released Tuesday; it stood at 11.5% in July. The flash estimate for September’s inflation will also be released on Tuesday. Finally, retail sales for August will be made public on Friday. They had pulled back 0.3% in July.

**Friday October 3 - 8:30**

<b>September</b>	
Consensus	215,000
Desjardins	210,000
<b>August</b>	<b>142,000</b>

**Friday October 3 - 10:00**

<b>September</b>	
Consensus	58.5
Desjardins	58.0
<b>August</b>	<b>59.6</b>

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

<b>July</b>	m/m
Consensus	0.3%
Desjardins	0.3%
<b>June</b>	<b>0.3%</b>

**Friday October 3 - 8:30**


<b>August</b>	\$B
Consensus	1.55
Desjardins	1.46
<b>July</b>	<b>2.58</b>


**Thursday October 2 - 7:45**

<b>October</b>	
Consensus	0.05%
Desjardins	0.05%
<b>September 4</b>	<b>0.05%</b>

# ECONOMIC INDICATORS


## Week of September 29 to October 3, 2014

Day	Hour	Indicator	Period	Consensus		Previous data
<b>UNITED STATES</b>						
<b>MONDAY 29</b>	8:30	Personal income (m/m)	Aug.	0.3%	0.3%	0.2%
	8:30	Personal consumption expenditures (m/m)	Aug.	0.4%	0.3%	-0.1%
	8:30	Personal consumption expenditures deflator				
		Total (m/m)	Aug.	-0.1%	-0.1%	0.1%
		Excluding food and energy (m/m)	Aug.	0.0%	0.1%	0.1%
		Total (y/y)	Aug.	1.4%	1.4%	1.6%
		Excluding food and energy (y/y)	Aug.	1.4%	1.4%	1.5%
	9:00	Speech of the Chicago Fed President, C. Evans				
	10:00	Pending home sales (m/m)	Aug.	-0.5%	n/a	3.3%
<b>TUESDAY 30</b>	9:00	S&P/Case-Shiller home price index (y/y)	July	7.45%	7.30%	8.10%
	9:45	Chicago PMI index	Sep.	62.0	60.0	64.3
	10:00	Consumer confidence	Sep.	92.5	91.8	92.4
<b>WEDNESDAY 1</b>	---	Total vehicle sales (ann. rate)	Sep.	16,900,000	16,750,000	17,450,000
	10:00	Construction spending (m/m)	Aug.	0.5%	-0.4%	1.8%
	10:00	ISM manufacturing index	Sep.	58.3	58.5	59.0
<b>THURSDAY 2</b>	8:30	Initial unemployment claims	Sep. 22-26	297,000	302,000	293,000
	10:00	Factory orders (m/m)	Aug.	-9.3%	-8.2%	10.5%
<b>FRIDAY 3</b>	8:30	Trade balance – Goods and services (US\$B)	Aug.	-41.0	-41.5	-40.5
	8:30	Change in nonfarm payrolls	Sep.	215,000	210,000	142,000
	8:30	Unemployment rate	Sep.	6.1%	6.1%	6.1%
	8:30	Weekly worked hours	Sep.	34.5	34.5	34.5
	8:30	Average weekly earnings (m/m)	Sep.	0.2%	0.1%	0.2%
	10:00	ISM non-manufacturing index	Sep.	58.5	58.0	59.6
<b>CANADA</b>						
<b>MONDAY 29</b>	---	---				
<b>TUESDAY 30</b>	8:30	Industrial product price index (m/m)	Aug.	-0.2%	-0.6%	-0.3%
	8:30	Raw materials price index (m/m)	Aug.	-1.3%	-2.7%	-1.4%
	8:30	Real GDP by industry (m/m)	July	0.3%	0.3%	0.3%
	12:20	Speech of a Bank of Canada Deputy Governor, A. Côté				
<b>WEDNESDAY 1</b>	---	---				
<b>THURSDAY 2</b>	---	---				
<b>FRIDAY 3</b>	8:30	International trade (\$B)	Aug.	1.55	1.46	2.58

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 29 to October 3, 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>								
Germany	---	Retail sales	Aug.	0.5%	0.3%	-1.4%	0.7%	
<b>MONDAY 29</b>								
Euro zone	5:00	Business climate	Sep.	0.10		0.16		
Euro zone	5:00	Consumer confidence – final	Sep.	-11.4		-11.4		
Euro zone	5:00	Industrial confidence	Sep.	-5.8		-5.3		
Euro zone	5:00	Services confidence	Sep.	2.5		3.1		
Euro zone	5:00	Economic confidence	Sep.	99.9		100.6		
Germany	8:00	Consumer price index – preliminary	Sep.	-0.1%	0.8%	0.0%	0.8%	
United Kingdom	19:05	Consumer confidence	Sep.	0		1		
Japan	19:30	Workers' household spending	Aug.	-3.6%		-5.9%		
Japan	19:30	Unemployment rate	Aug.	3.8%		3.8%		
Japan	19:50	Industrial production – preliminary	Aug.	0.2%	-1.1%	0.4%	-0.7%	
Japan	19:50	Retail sales	Aug.	0.7%	0.3%	-0.5%	0.6%	
<b>TUESDAY 30</b>								
Japan	0:00	Vehicle production	Aug.		n/a		-1.7%	
Japan	1:00	Small business confidence	Sep.	n/a		47.7		
Japan	1:00	Housing starts	Aug.		-13.7%		-14.1%	
India	1:30	Reserve Bank of India meeting	Sep.	8.00%		8.00%		
United Kingdom	2:00	Nationwide house prices	Sep.	0.5%	10.4%	0.8%	11.0%	
France	2:45	Personal consumption expenditures	Aug.	-0.1%	1.3%	n/a	n/a	
Germany	3:55	Unemployment rate	Sep.	6.7%		6.7%		
Italy	4:00	Unemployment rate – preliminary	Aug.	12.6%		12.6%		
United Kingdom	4:30	Current account (£B)	Q2	-18.0		-18.5		
United Kingdom	4:30	Index of services	July	0.3%		0.3%		
United Kingdom	4:30	Real GDP – final	Q2	0.8%	3.2%	0.8%	3.2%	
Euro zone	5:00	Consumer price index – estimate	Sep.	0.3%		0.4%		
Euro zone	5:00	Unemployment rate	Aug.	11.5%		11.5%		
Italy	5:00	Consumer price index – preliminary	Sep.	-0.2%	0.0%	0.2%	-0.1%	
Japan	19:50	Tankan large manufacturers index	Q3	10		12		
China	21:00	PMI manufacturing index	Sep.	51.0		51.1		
Japan	21:35	PMI manufacturing index – final	Sep.	n/a		51.7		
<b>WEDNESDAY 1</b>								
Japan	1:00	Vehicle sales	Sep.		n/a		-5.0%	
Italy	3:45	PMI manufacturing index	Sep.	n/a		49.8		
France	3:50	PMI manufacturing index – final	Sep.	48.8		48.8		
Germany	3:55	PMI manufacturing index – final	Sep.	50.3		50.3		
Euro zone	4:00	PMI manufacturing index – final	Sep.	50.5		50.5		
United Kingdom	4:30	PMI manufacturing index	Sep.	52.7		52.5		
<b>THURSDAY 2</b>								
United Kingdom	4:30	PMI construction index	Sep.	65.0		64.0		
Euro zone	7:45	European Central Bank meeting	Sep.	0.05%		0.05%		
China	21:00	PMI non-manufacturing index	Sep.	n/a		54.4		
Japan	21:35	PMI composite index	Sep.	n/a		50.8		
Japan	21:35	PMI services index	Sep.	n/a		49.9		
<b>FRIDAY 3</b>								
Italy	3:45	PMI composite index	Sep.	49.5		49.9		
Italy	3:45	PMI services index	Sep.	49.6		49.8		
France	3:50	PMI composite index – final	Sep.	49.1		49.1		
France	3:50	PMI services index – final	Sep.	49.4		49.4		
Germany	3:55	PMI composite index – final	Sep.	54.0		54.0		
Germany	3:55	PMI services index – final	Sep.	55.4		55.4		
Euro zone	4:00	PMI composite index – final	Sep.	52.3		52.3		
Euro zone	4:00	PMI services index	Sep.	52.8		52.8		
United Kingdom	4:30	PMI composite index	Sep.	58.2		59.3		
United Kingdom	4:30	PMI services index	Sep.	59.0		60.5		
Euro zone	5:00	Retail sales	Aug.	0.1%	0.7%	-0.4%	0.8%	

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	16,010	4.6	2.6	2.2	2.3	1.6	2.5
Consumption (2009 \$B)	2014 Q2	10,913	2.5	2.4	2.4	1.8	2.3	1.9
Government spending (2009 \$B)	2014 Q2	2,881	1.7	-0.7	-2.0	-1.4	-3.0	0.1
Residential investment (2009 \$B)	2014 Q2	495.6	8.8	1.2	11.9	13.5	0.5	-2.5
Non-residential investment (2009 \$B)	2014 Q2	2,100	9.7	6.8	3.0	7.2	7.7	2.5
Business inventory change (2009 \$B) (1)	2014 Q2	84.8	---	---	63.6	57.1	37.6	58.2
Exports (2009 \$B)	2014 Q2	2,081	11.0	3.9	3.0	3.3	6.9	11.9
Imports (2009 \$B)	2014 Q2	2,541	11.3	3.8	1.1	2.3	5.5	12.7
Final domestic demand (2009 \$B)	2014 Q2	16,369	3.4	2.3	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 Q2	-98.5	---	---	-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)	Aug.	103.8	0.2	2.0	3.9	6.8
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)	Aug.	104.1	-0.1	0.4	1.8	4.1
Production capacity utilization rate (%) (1)	Aug.	78.8	79.1	79.1	78.6	77.8
New machinery orders (\$M)	July	558,312	10.5	11.6	16.0	15.8
New durable good orders (\$M)	Aug.*	245,433	-18.2	3.0	6.8	8.9
Business inventories (\$B)	July	1,750	0.4	1.2	2.8	5.9
Housing starts (K) (1)	Aug.	956.0	1,117	984.0	928.0	885.0
Building permits (K) (1)	Aug.	1,003	1,057	1,005	1,011	948.0
New home sales (K) (1)	Aug.*	504.0	427.0	458.0	432.0	379.0
Existing home sales (K) (1)	Aug.*	5,050	5,140	4,910	4,600	5,330
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)	Aug.	237.4	-0.2	0.1	1.0	1.7
Excluding food and energy	Aug.	238.3	0.0	0.2	0.9	1.7
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)	Aug.	201.6	-0.4	0.4	1.1	2.2
Excluding food and energy	Aug.	188.9	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)	July	53,661	2.5	5.4	7.4	8.2
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)	July*	42,549	-0.1	1.9	4.1	5.0
Excluding automobiles (\$M)	July*	32,377	-0.6	1.2	3.2	4.1
Wholesale trade sales (\$M)	July	52,894	-0.3	2.8	5.4	6.1
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 (\$)	July*	940.4	0.4	1.0	2.0	3.3
Number of salaried employees (K) (2)	July*	15,605	42.3	43.2	20.5	16.3
Consumer price (2002 = 100)	Aug.	125.7	0.0	-0.1	1.3	2.1
Excluding food and energy	Aug.	119.4	0.4	0.3	1.0	2.0
Excluding 8 volatile items	Aug.	123.7	0.5	0.3	1.3	2.1
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)	Aug.*	733,833	1.2	1.6	2.8	7.3

\* 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. 26	Sep. 19	-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	0.02	0.03	0.03	0.04	0.02	0.14	0.04	0.01
Treasury bonds – 2 years	0.59	0.57	0.47	0.43	0.41	0.32	0.59	0.39	0.27
– 5 years	1.80	1.82	1.62	1.62	1.72	1.37	1.84	1.58	1.27
– 10 years	2.53	2.59	2.35	2.53	2.71	2.62	3.01	2.65	2.33
– 30 years	3.21	3.30	3.08	3.36	3.54	3.68	3.95	3.55	3.07
S&P 500 index	1,969	2,010	2,003	1,961	1,858	1,692	2,011	1,869	1,655
DJIA index	17,002	17,280	17,098	16,852	16,323	15,258	17,280	16,364	14,777
Gold price (US\$/ounce)	1,215	1,217	1,288	1,319	1,292	1,340	1,376	1,285	1,196
CRB index	279.84	279.40	292.75	310.82	305.21	286.98	312.93	292.85	272.29
WTI oil (US\$/barrel)	92.89	92.43	97.86	105.76	101.73	102.86	107.30	99.28	91.46
<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	0.92	0.92	0.93	0.94	0.88	0.98	0.98	0.91	0.81
Treasury bonds – 2 years	1.13	1.17	1.11	1.12	1.07	1.20	1.23	1.09	0.93
– 5 years	1.64	1.71	1.52	1.56	1.71	1.88	1.96	1.67	1.42
– 10 years	2.17	2.25	2.00	2.25	2.45	2.56	2.79	2.40	2.00
– 30 years	2.69	2.76	2.56	2.80	2.95	3.08	3.28	2.94	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	0.90	0.91	0.84	0.96	0.96	0.87	0.76
Treasury bonds – 2 years	0.54	0.60	0.64	0.69	0.66	0.88	0.89	0.69	0.54
– 5 years	-0.16	-0.11	-0.10	-0.06	-0.01	0.51	0.53	0.09	-0.24
– 10 years	-0.36	-0.34	-0.35	-0.28	-0.26	-0.06	-0.03	-0.25	-0.40
– 30 years	-0.53	-0.54	-0.52	-0.56	-0.59	-0.60	-0.48	-0.61	-0.72
S&P/TSX index	14,979	15,265	15,626	15,094	14,261	12,844	15,658	14,304	12,692
Exchange rate (C\$/US\$)	1.1166	1.0963	1.0879	1.0668	1.1061	1.0307	1.1241	1.0813	0.8956
Exchange rate (C\$/€)	1.4168	1.4064	1.4286	1.4561	1.5212	1.3936	1.5545	1.4682	1.1363
<b>Overseas</b>									
ECB – Refinancing rate	0.05	0.05	0.15	0.15	0.25	0.50	0.50	0.25	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	0.97	1.00	0.89	1.26	1.55	1.79	1.95	1.50	0.88
U.K.: Bonds – 10 years	2.47	2.55	2.37	2.64	2.73	2.72	3.07	2.71	2.37
Euro: Exchange rate (US\$/€)	1.2688	1.2829	1.3133	1.3649	1.3753	1.3522	1.3934	1.3578	1.2688
U.K.: Exchange rate (US\$/£)	1.6258	1.6288	1.6599	1.7035	1.6638	1.6139	1.7166	1.6570	1.5905

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.