

Renewed investor confidence

HIGHLIGHTS

- United States: Home resales are rising a bit faster than anticipated.
- Modest growth in the U.S. consumer price index.
- Canada: Retail sales dipped slightly, while wholesaler sales increased in August.
- The Bank of Canada left its key rates unchanged again.

A LOOK AHEAD

- U.S. real GDP growth was probably good again in Q3.
- The Fed should confirm that its bond purchasing program is ending.
- Canada: Real GDP by industry should remain nearly flat in August.

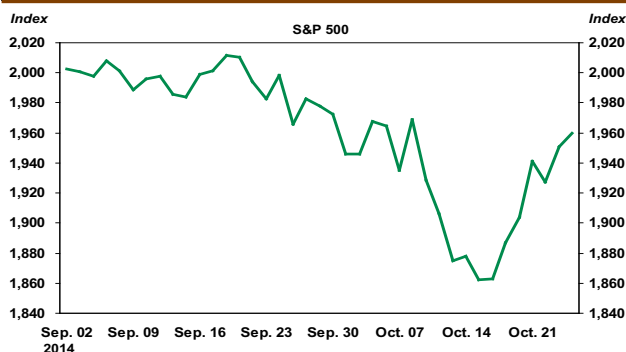
FINANCIAL MARKETS

- Stock markets have almost completely regained the ground lost earlier in October.
- Bond markets remain cautions.
- The U.S. dollar is coming back up, due to waning fears about the U.S. economy.

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Graph of the week – The S&P 500 is heading back toward where it was in early October



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 rose 2.4% in September, after falling 1.8% in August. Resales went from 5,050,000 to 5,170,000 units. Despite the increase, they remain below what was posted in July. Sales went up mainly in the West and South. A slight rise occurred in the Northeast, but the Midwest posted a decrease. Single-family dwellings gained 2.0% and condos, 5.2%. The inventory of homes on the market fell 1.3%.
- Sales of new single-family dwellings increased by 0.2% in September, though this growth came with a considerable downgrade to previous data. Annualized sales went from 404,000 in July (revised from 427,000), to 466,000 in August (revised from 504,000), then to 467,000 in September. After these changes, the most recent result is the best since July 2008. The magnitude of the downward revisions adds a bitter taste to these fluctuations, though.
- Inflation remained stable, at 1.7% in September. The consumer price index (CPI) ticked up just 0.1% after August's 0.2% slide. Once again, energy prices fell, but the drop is less steep than it was the month before. Food prices accelerated a bit, growing 0.3%. Core CPI, which excludes food and energy, is also up 0.1% after stagnating in August. Housing costs accelerated, but if they are excluded, price growth slowed further. Clothing and new car prices remained stable. Core inflation also stands at 1.7%, unchanged from the previous month.
- The leading indicator advanced 0.8% in September, a little more than expected. This is an acceleration from the stagnation observed in August (revised from 0.2%). All components, except for consumer confidence, contributed positively to monthly growth by the leading indicator. The greatest support came from falling weekly jobless claims, improved credit conditions and the interest rate spread.

Francis Généreux
Senior Economist

CANADA

- As expected, the Bank of Canada (BoC) left the target for its overnight rate at 1.00%. Furthermore, the monetary authorities released their *Monetary Policy Report*, containing their latest economic and financial predictions. Overall, the monetary authorities seem to be more optimistic about the growth outlook, although they did stress the uncertainty surrounding economic conditions and the various projections. Among other things, the BoC notes that the movement by Canadian exports is encouraging thanks to a healthier U.S. economy, an improvement the monetary authorities had been awaiting for some time. The BoC's economic scenario has not changed much from last July's. The monetary authorities nonetheless mention that imbalances in the household sector could rise further, given the lively housing markets in some parts of the country and consumer spending's recent strength (especially on motor vehicles).
- Retail sales dropped 0.3% in August, in line with our expectations. Sales dipped in 7 of the 11 sub-sectors, representing 76% of all retail trade sales. Service station sales pulled back 2.1% and sales by new car dealers contracted 0.6%. In real terms, sales by Canadian retailers are down 0.1%.
- Wholesale sales advanced 0.2% in August, while most forecasters had been expecting a slight dip. Note that machinery, equipment and supply wholesalers posted a 3.6% rise. This bodes well for non-residential business investment. In real terms, wholesaler sales increased 0.1% and inventories grew 0.2%. The wholesale trade sector should therefore make a very weak contribution to economic growth in August.

Benoit P. Durocher
Senior Economist

FINANCIAL MARKETS

Stock markets in a good mood again

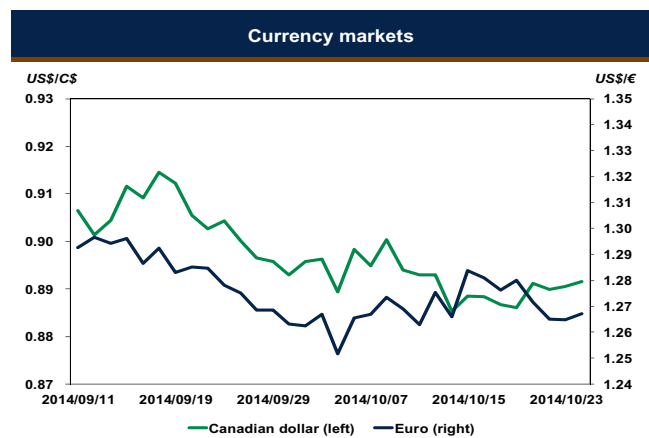
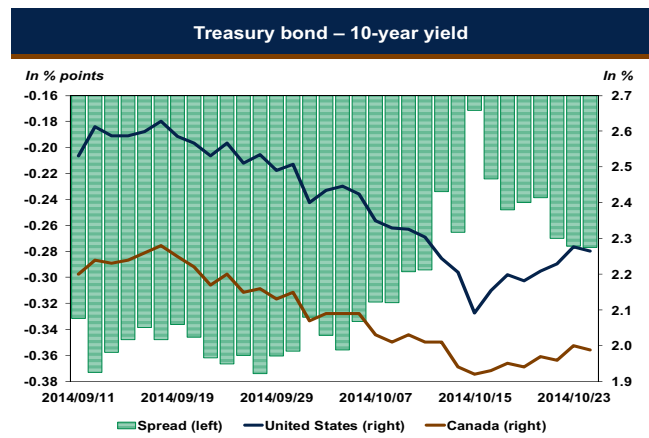
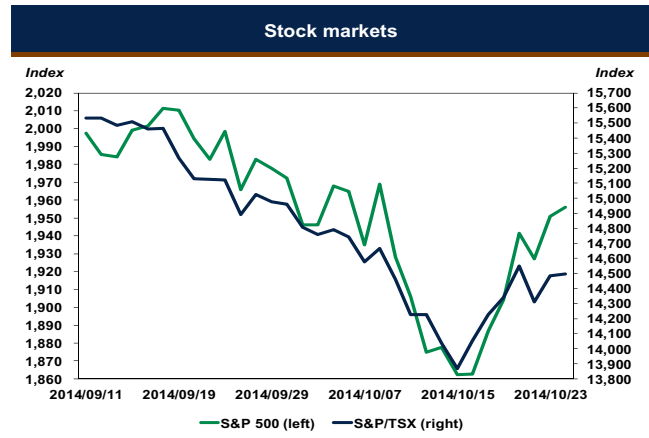
The positive momentum that began late last week has continued, to the point that on Friday, the S&P 500 had almost entirely recouped the losses posted between October 9 and 15. Good corporate results from Ford, General Motors, Microsoft and Apple rapidly erased the disappointment about Google and IBM. In terms of economic data, China set the tone earlier this week, with growth slowing less steeply than expected. Resilient U.S. figures gave additional support to the stock market's rebound. In Canada, stabilizing oil prices allowed the S&P/TSX to make up its previous losses. All the same, the trend stalled on Wednesday, following the shooting on Parliament Hill in Ottawa.

The stock market optimism was not received as enthusiastically in the bond market. U.S. yields with maturities of five years and more were showing weekly increases of just five basis points Friday morning. The inflation rate implicitly expected by markets recovered a bit, after falling dramatically last week, but remains well below its levels from a month ago. In Canada, short-term yields hardly reacted to the Bank of Canada's less dovish statement on Wednesday. Overall, as in the United States, yields had posted only slight weekly increases at the time of writing.

The U.S. dollar erased its losses from the week before, as fears about the U.S. economy waned. Against the greenback's strength, the euro dropped back below US\$1.27, and the pound fell below US\$1.61. The fact that some indicators released this week in Europe beat expectations was not enough to reverse this downward movement. Among the other major currencies, the yen also lost ground, with its exchange rate climbing above 108 yen/US\$. The Canadian dollar was an exception, appreciating this week and holding above US\$0.89 on Friday morning. Investors seem to believe that solid figures in the United States will have positive impacts on the Canadian economy. The BoC's tone, less dovish than expected, also helped.

Jimmy Jean
Senior Economist

Hendrix Vachon
Senior Economist



A LOOK AHEAD



UNITED STATES

Tuesday October 28 - 8:30

September	m/m
Consensus	0.3%
Desjardins	-0.4%
August	-18.2%

New durable goods orders (September) – In recent months, the aviation sector has triggered major fluctuations in new orders. After jumping 22.5% in July, they fell 18.2% in August. However, the situation should be much calmer in September. Orders at Boeing point to much quieter movement, and this advance could even be erased by seasonal effects. In the automotive sector, we expect a slight pullback, consistent with the decrease posted by auto production in September. Although it dropped in September, the ISM index's solid performance excluding transportation continues to suggest solid growth by orders; the «new orders» component of the ISM stood at 60.0 last month. A 0.5% rise is forecast. Overall, new orders should drop 0.4%.

Tuesday October 28 - 9:00

August	y/y
Consensus	5.7%
Desjardins	5.7%
July	6.75%

S&P/Case-Shiller index of existing home prices (August) – Home prices are currently descending, with three straight months of contraction. The total decrease is 1.1%. We expect this series of drops to end in August. Other price indexes also rose over the month. The S&P/Case-Shiller index is expected to stabilize somewhat, and increases can be anticipated afterwards. All the same, the index's annual change could go from 6.7% to 5.7%.

Tuesday October 28 - 10:00

October	
Consensus	87.0
Desjardins	86.0
September	86.0

Conference Board consumer confidence index (October) – The Conference Board index dropped 7.4 points in September, its largest pullback since the federal government shutdown in October 2013. We do not expect it to rebound in October, even though the University of Michigan confidence index posted an astonishing rise over the month. Fears about Ebola, the situation in the Middle East and the recent financial market difficulties all point toward another erosion in confidence. However, soft gas prices and the solid job market performance should offset these negative effects. We therefore expect the Conference Board confidence index to stand still in October, remaining at 86.0.

Wednesday Oct. 29 - 14:00

October	
Consensus	0.25%
Desjardins	0.25%
September	0.25%

Federal Reserve meeting – The situation is not right for a major change of course by members of the Fed's Monetary Policy Committee. They should announce the end of their securities purchases, as Janet Yellen signalled at the September meeting. However, the recent fluctuations in the financial markets, the lower inflation expectations suggested by inflation-protected federal bonds and soft inflation have all allowed the Fed to remain quite patient, offsetting advances made on the job market. The Fed should wait until December before modifying its sentence mentioning the considerable amount of time between the end of securities purchases and the first rate hike.

Thursday October 30 - 8:30

Q3 2014	ann. rate
Consensus	3.0%
Desjardins	3.1%
Q2 2014	4.6%

Real GDP (Q3 – first estimate) – After the revisions, real GDP growth for the second quarter stands at an annualized 4.6%. This represents a solid rebound from last winter's 2.1% decrease. Another good advance by real GDP, though not as fast, is expected for the third quarter. Business investment and net exports should contribute positively to growth. The change in inventories should take a bite from the results, after their considerable surge in the second quarter. Real consumption should rise a bit more slowly than the 2.5% increase posted this spring. Slight growth by government spending, thanks to state and municipal governments, is expected. All in all, real GDP should be up 3.1%. September's monthly figures for consumption and personal income will be released Friday.


CANADA

Employment and earnings (August) – Although the business survey gets less attention, its results deserve recognition for being less volatile than those for the labour force survey. After posting an increase of 42,300 employees (+0.3%) in July, the number of jobs could drop by around 15,000 (-0.1%) in August, a smaller decrease than the 97,800-job loss in the public and private sectors (excluding self-employed workers), as recorded by the labour force survey. The annual change to average weekly earnings should remain close to 3.4%.

Real GDP by industry (August) – For the second month in a row, economic growth should be close to neutral in August. The volume of manufacturing and retail sales pulled back over the month, while wholesaler sales edged up. The total number of hours worked in the Canadian economy fell 0.2% in August, including a 0.5% drop in services. Combined, these factors paint a rather gloomy picture for August. However, utilities and natural resources may bounce back after their disappointing performances in July; this should allow total production to remain more or less at the same as it was in July.


OVERSEAS

Euro zone: Economic indicators – Several Euroland confidence indexes will be released Thursday. Most have deteriorated in recent months, but the PMI indexes were stable in October; this is an encouraging piece of news. If other drops occur though, this would be an additional sign that the euro zone is experiencing further difficulties. October's flash estimate of the annual change in the consumer price index will come out on Friday. Inflation hit a new low of 0.3% in September. October's jobless rate will also be released Friday.

Japan: Economic indicators – Several indicators for September will be released this week in Japan, including retail sales (Monday), industrial production (Tuesday) and the jobless rate (Thursday). Consumer price indexes will also be made public Thursday evening.

Wednesday Oct. 29 - 8:30

August	m/m
Consensus	n/a
Desjardins	-0.1%
July	0.3%


Wednesday Oct. 31 - 8:30


August	m/m
Consensus	0.0%
Desjardins	0.0%
July	0.0%

During the week**During the week**

ECONOMIC INDICATORS


Week of October 27 to 31, 2014

Day	Hour	Indicator	Period	Consensus		Previous data
UNITED STATES						
MONDAY 27						
	10:00	Pending home sales (m/m)	Sept.	1.0%	n/a	-1.0%
TUESDAY 28						
	8:30	Durable goods orders (m/m)	Sept.	0.3%	-0.4%	-18,2 %
	9:00	S&P/Case-Shiller home price index (y/y)	August	5.7%	5.7%	6.8%
	10:00	Consumer confidence	Oct.	87.0	86.0	86.0
WEDNESDAY 29						
	14:00	Federal Reserve meeting	Oct.	0.25%	0.25%	0.25%
THURSDAY 30						
	8:30	Initial unemployment claims	Oct. 20-24	281,000	288,000	283,000
	8:30	Real GDP (ann. rate)	Q3f	3.0%	3.1%	4.6%
FRIDAY 31						
	8:30	Employment cost index (q/q)	Q3	0.5%	0.5%	0.7%
	8:30	Personal income (m/m)	Sept.	0.3%	0.3%	0.3%
	8:30	Personal consumption expenditures (m/m)	Sept.	0.1%	0.1%	0.5%
	8:30	Personal consumption expenditures deflator				
		Total (m/m)	Sept.	0.1%	0.1%	0.0%
		Excluding food and energy (m/m)	Sept.	0.1%	0.1%	0.1%
		Total (y/y)	Sept.	1.5%	1.5%	1.5%
		Excluding food and energy (y/y)	Sept.	1.5%	1.5%	1.5%
	9:45	Chicago PMI index	Oct.	60.0	58.5	60.5
	9:55	Michigan's consumer sentiment index – final	Oct.	86.4	86.4	86.4
CANADA						
MONDAY 27						
	---	---				
TUESDAY 28						
	---	---				
WEDNESDAY 29						
	8:30	Industrial product price index (m/m)	Sept.	-0.1%	-0.1%	0.2%
	8:30	Raw materials price index (m/m)	Sept.	-1.0%	-1.0%	-2.2%
THURSDAY 30						
	8:30	Average weekly earnings (y/y)	August	n/a	3.4%	3.3%
	8:30	Number of salaried employees (m/m)	August	n/a	-0.1%	0.3%
FRIDAY 31						
	8:30	Real GDP by industry (m/m)	August	0.0%	0.0%	0.0%

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 October 27 to 31, 2014

Country	Hour	Indicator	Period	Consensus		Previous data		
				m/m (q/q)	y/y	m/m (q/q)	y/y	
 OVERSEAS								
MONDAY 27								
Euro zone	5:00	Money supply M3	Sept.		2.2%		2.0%	
Germany	5:00	IFO survey – Business climate	Oct.	104.5		104.7		
Germany	5:00	IFO survey – Current situation	Oct.	110.0		110.5		
Germany	5:00	IFO survey – Expectations	Oct.	99.2		99.3		
Japan	19:50	Retail sales	Sept.	0.9%	0.8%	1.9%	1.2%	
TUESDAY 28								
Japan	1:00	Small business confidence	Oct.	48.5		47.6		
Sweden	4:30	Bank of Sweden meeting	Oct.	0.10%		0.25%		
Italy	5:00	Business confidence	Oct.	94.9		95.1		
Italy	5:00	Economic confidence	Oct.	n/a		86.6		
Japan	19:50	Industrial production – preliminary	Sept.	2.2%	-0.1%	-1.9%	-3.3%	
WEDNESDAY 29								
Brazil	---	Bank of Brazil meeting	Oct.	11.00%		11.0%		
France	3:45	Consumer confidence	Oct.	86		86		
New Zealand	16:00	Reserve Bank of New Zealand meeting	Oct.	3.50%		3.50%		
THURSDAY 30								
Japan	0:00	Vehicle production	Sept.		n/a		-6.7%	
United Kingdom	3:00	Nationwide house prices	Oct.	0.3%	8.5%	-0.2%	9.4%	
Germany	4:55	Unemployment rate	Oct.	6.7%		6.7%		
Euro zone	6:00	Business climate	Oct.	0.05		0.07		
Euro zone	6:00	Consumer confidence – final	Oct.	-11.1		-11.1		
Euro zone	6:00	Industrial confidence	Oct.	-5.5		-5.5		
Euro zone	6:00	Services confidence	Oct.	3.1		3.2		
Euro zone	6:00	Economic confidence	Oct.	99.7		99.9		
Germany	9:00	Consumer price index – preliminary	Oct.	-0.1%	0.9%	0.0%	0.8%	
Japan	19:30	Workers' household spending	Sept.		-4.1%		-4.7%	
Japan	19:30	Consumer price index	Sept.		3.3%		3.3%	
Japan	19:30	Consumer price index – Tokyo	Oct.		2.7%		2.9%	
Japan	19:30	Unemployment rate	Sept.	3.6%		3.5%		
United Kingdom	20:05	Consumer confidence	Oct.	-1		-1		
FRIDAY 31								
Japan	---	Bank of Japan meeting						
Japan	1:00	Housing starts	Sept.		-17.2%		-12.5%	
Germany	3:00	Retail sales	Sept.	-0.9%	1.2%	2.5%	0.1%	
France	3:45	Personal consumption expenditures	Sept.	-0.3%	1.0%	0.7%	1.4%	
France	3:45	Producer price index	Sept.	-0.1%	-1.7%	-0.3%	-1.4%	
Italy	5:00	Unemployment rate – preliminary	Sept.	12.4%		12.3%		
Euro zone	6:00	Consumer price index – estimate	Oct.		0.4%		0.3%	
Euro zone	6:00	Unemployment rate	Sept.	11.5%		11.5%		
Italy	6:00	Consumer price index – preliminary	Oct.	-0.1%	-0.1%	-0.3%	-0.1%	
Italy	7:00	Producer price index	Sept.	n/a	n/a	0.0%	-2.0%	
Mexico	11:00	Bank of Mexico meeting	Oct.	3.00%		3.00%		
China	21:00	PMI manufacturing index	Oct.	51.1		51.1		

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)	Sept.*	104.4	0.8	1.9	3.5	6.3
ISM manufacturing index (1)	Sept.	56.6	59.0	55.3	53.7	56.0
ISM non-manufacturing index (1)	Sept.	58.6	59.6	56.0	53.1	54.5
Cons. confidence Conf. Board (1985 = 100) (1)	Sept.	86.0	93.4	86.4	83.9	80.2
Cons. confidence Michigan (1966 = 100) (1)	Oct.	86.4	84.6	81.8	84.1	73.2
Personal consumption expenditure (2009 \$B)	Aug.	10,984	0.5	0.7	1.4	2.6
Disposable personal income (2009 \$B)	Aug.	12,020	0.3	0.7	1.8	2.7
Consumer credit (\$B)	Aug.	3,247	0.4	1.7	3.8	6.8
Retail sales (\$M)	Sept.	442,689	-0.3	0.5	2.0	4.3
Excluding automobiles (\$M)	Sept.	353,000	-0.2	0.2	1.7	3.1
Industrial production (2007 = 100)	Sept.	105.1	1.0	1.1	1.9	4.3
Production capacity utilization rate (%) (1)	Sept.	79.3	78.7	79.1	79.1	78.3
New machinery orders (\$M)	Aug.	502,007	-10.1	0.9	2.6	4.1
New durable good orders (\$M)	Aug.	244,759	-18.4	2.7	6.5	8.6
Business inventories (\$B)	Aug.	1,752	0.2	0.9	2.4	5.7
Housing starts (K) (1)	Sept.	1,017.0	957	909.0	950.0	863.0
Building permits (K) (1)	Sept.	1,018	1,003	973	1,000	993.0
New home sales (K) (1)	Sept.*	467.0	466.0	409.0	403.0	399.0
Existing home sales (K) (1)	Sept.*	5,170	5,050	5,030	4,590	5,260
Construction spending (\$B)	Aug.	961.0	-0.8	-1.2	1.5	5.0
Commercial surplus (\$M) (1)	Aug.	-40,109	-40,321	-43,465	-42,230	-39,515
Nonfarm employment (K) (2)	Sept.	139,435	248.0	671.0	1,471	2,635
Unemployment rate (%) (1)	Sept.	5.9	6.1	6.1	6.7	7.2
Consumer price (1982-1984 = 100)	Sept.*	237.6	0.1	-0.0	0.8	1.7
Excluding food and energy	Sept.*	238.7	0.1	0.2	0.9	1.7
Personal cons. expenditure deflator (2009 = 100)	Aug.	109.1	-0.0	0.3	0.9	1.5
Excluding food and energy	Aug.	107.8	0.1	0.3	0.8	1.5
Producer price (1982 = 100)	Sept.	201.1	-0.2	-0.5	0.7	2.1
Excluding food and energy	Sept.	189.2	0.2	0.3	0.8	2.0
Export prices (2000 = 100)	Sept.	132.1	-0.2	-0.7	-2.1	-0.2
Import prices (2000 = 100)	Sept.	138.6	-0.5	-1.4	-1.4	-0.9

* 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)	July	1,630,242	0.0	0.9	1.5	2.5
Industrial production (2007 \$M)	July	355,802	-0.3	1.0	2.4	4.7
Manufacturing sales (\$M)	Aug.	52,052	-3.3	0.5	2.5	6.1
Housing starts (K) (1)	Sept.	197.3	196.3	198.3	157.4	196.7
Building permits (\$M)	Aug.	6,652	-27.3	-5.6	7.8	2.4
Retail sales (\$M)	Aug.*	42,416	-0.3	0.7	3.0	4.4
Excluding automobiles (\$M)	Aug.*	32,301	-0.3	0.6	2.0	3.3
Wholesale trade sales (\$M)	Aug.*	53,068	0.2	0.8	4.4	6.0
Commercial surplus (\$M) (1)	Aug.	-610	2,195	315.4	841.4	-659
Exports (\$M)	Aug.	44,189	-2.5	-1.0	1.9	9.1
Imports (\$M)	Aug.	44,799	3.9	1.0	5.4	8.8
Employment (K) (2)	Sept.	17,926	74.1	34.9	15.4	12.5
Unemployment rate (%) (1)	Sept.	6.8	7.0	7.1	6.9	6.9
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)	Sept.	125.8	0.1	-0.1	0.8	2.0
Excluding food and energy	Sept.	119.7	0.3	0.5	0.9	1.9
Excluding 8 volatile items	Sept.	124.0	0.2	0.6	1.2	2.1
Industrial product price (2002 = 100)	Aug.	111.6	0.2	0.0	-0.4	2.5
Raw materials price (2002 = 100)	Aug.	120.2	-2.2	-2.5	-2.0	-0.6
Money supply M1+ (\$M)	Sept.*	740,531	1.0	2.5	2.7	7.6

* New statistic in comparison with last week.

(1) Statistic shows the level of the month of the column; (2) Statistic shows the variation since the reference month.

Major financial indicators

	Previous data (%)						Last 52 weeks (%)		
	Oct. 24	Oct. 17	-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	0.00	0.02	0.01	0.03	0.03	0.04	0.09	0.04	0.00
Treasury bonds – 2 years	0.39	0.38	0.56	0.49	0.39	0.30	0.57	0.40	0.27
– 5 years	1.49	1.42	1.80	1.67	1.71	1.28	1.84	1.60	1.27
– 10 years	2.27	2.20	2.53	2.47	2.67	2.50	3.01	2.62	2.09
– 30 years	3.04	2.97	3.22	3.24	3.44	3.59	3.95	3.50	2.88
S&P 500 index	1,956	1,887	1,983	1,978	1,863	1,760	2,011	1,886	1,742
DJIA index	16,733	16,380	17,113	16,961	16,361	15,570	17,280	16,474	15,373
Gold price (US\$/ounce)	1,231	1,233	1,216	1,299	1,302	1,347	1,376	1,278	1,194
CRB index	270.40	272.64	280.28	298.34	310.69	282.56	312.93	292.06	270.35
WTI oil (US\$/barrel)	80.59	82.80	95.55	105.23	100.85	97.40	107.30	98.12	80.52
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	0.89	0.88	0.92	0.95	0.94	0.90	0.96	0.91	0.81
Treasury bonds – 2 years	1.00	0.98	1.13	1.08	1.07	1.09	1.17	1.07	0.91
– 5 years	1.47	1.42	1.65	1.47	1.67	1.71	1.96	1.65	1.38
– 10 years	1.99	1.95	2.16	2.12	2.41	2.42	2.79	2.36	1.92
– 30 years	2.54	2.52	2.68	2.67	2.93	3.02	3.28	2.90	2.47
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	0.89	0.86	0.91	0.92	0.91	0.86	0.93	0.87	0.76
Treasury bonds – 2 years	0.60	0.60	0.57	0.59	0.68	0.79	0.85	0.67	0.56
– 5 years	-0.02	-0.00	-0.15	-0.20	-0.04	0.43	0.46	0.05	-0.24
– 10 years	-0.28	-0.25	-0.37	-0.35	-0.26	-0.08	-0.08	-0.27	-0.40
– 30 years	-0.50	-0.45	-0.54	-0.57	-0.51	-0.57	-0.41	-0.60	-0.72
S&P/TSX index	14,497	14,228	15,027	15,455	14,534	13,399	15,658	14,420	13,114
Exchange rate (C\$/US\$)	1.1217	1.1278	1.1154	1.0813	1.1040	1.0449	1.1296	1.0879	0.8915
Exchange rate (C\$/€)	1.4214	1.4393	1.4148	1.4523	1.5271	1.4424	1.5545	1.4692	1.1295
Overseas									
ECB – Refinancing rate	0.05	0.05	0.05	0.15	0.25	0.50	0.50	0.21	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	0.89	0.82	0.92	1.15	1.48	1.76	1.95	1.42	0.72
U.K.: Bonds – 10 years	2.23	2.19	2.46	2.69	2.64	2.62	3.07	2.67	1.98
Euro: Exchange rate (US\$/€)	1.2670	1.2763	1.2685	1.3432	1.3833	1.3805	1.3934	1.3506	1.2517
U.K.: Exchange rate (US\$/£)	1.6084	1.6095	1.6247	1.6975	1.6805	1.6166	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.