

Please note that there will be no release of the *Weekly Newsletter* from December 22, 2014 to January 2, 2015 inclusive

December 19, 2014

## The financial markets partly recover

### HIGHLIGHTS

- The Federal Reserve (Fed) drops its “considerable period” wording and opts for “patience”.
- Strong rebound by U.S. industrial production in November.
- United States: Consumer prices fall more than expected in November.
- Canada: The total annual inflation rate drops to 2.0% in November.
- Canada: The level of household debt has reached a new peak.
- Canada: Sales by wholesalers and retailers held fairly steady in October, while those of manufacturers declined 0.6%.

### A LOOK AHEAD

- United States: Another upward revision of third-quarter real GDP is expected.
- Home sales in the United States are expected to slip.
- United States: Lower gasoline prices, automobile sales and demand for heating probably supported consumption in November.
- Canada: An increase in real GDP by industry is expected for October.

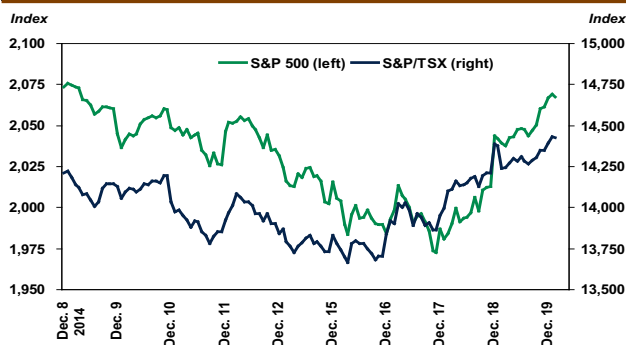
### FINANCIAL MARKETS

- A strong rally in the stock markets.
- Comments from the Fed played against the bond market.
- The U.S. dollar heads up again after the Fed's meeting.

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Graph of the week – A new rally in the main North American stock indexes



Sources: Bloomberg and Desjardins, Economic Studies

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## KEY STATISTICS OF THE WEEK

### UNITED STATES

- The Federal Reserve (Fed) judges that it can be patient in beginning to normalize the stance of monetary policy. The Fed sees this guidance as consistent with its previous statement that it likely will be appropriate to maintain the 0 to ¼ percent target range for the federal funds rate for a considerable time following the end of its asset purchase program in October. Janet Yellen also specified that it was unlikely that the Fed would begin raising rates for at least the next couple of meetings.
- Industrial production jumped 1.3% in November after gaining 0.1% (revised from -0.1%) in October. Manufacturing output advanced 1.1% after rising just 0.1% in October. The automotive sector gained 5.1%. This is the strongest growth since July and comes on the heels of three straight months of losses. Excluding autos, manufacturing output rose 0.9%. The strong 5.1% growth by energy production is primarily due to lower-than-average temperatures in November in the United States, after a rather warm October.
- The New York Fed Empire index posted a surprising drop in December, going from 10.16 to -3.58, the first negative result since January 2013. The poor weather affecting the Great Lakes region in November is one factor behind this contraction. The Philadelphia Fed index also lost ground while remaining clearly positive, tumbling from an extraordinary level of 40.8 to a more normal 24.5.
- Housing starts fell from an annualized volume of 1,045,000 units in October (revised from 1,009,000) to 1,028,000 units in November. This represents a drop of 1.6%. The decline in housing starts comes mainly from a 5.4% pullback in new construction of single-family homes, while a gain of 7.6% was recorded by multi-unit projects. The contraction is also mainly concentrated in the southern states. As for building permits, they were down 5.2% in October, from 1,092,000 units to 1,035,000 units.
- As expected, the consumer price index (CPI) fell in November, but the 0.3% drop is greater than what was anticipated. This is actually the largest monthly contraction since December 2008 and is mainly due to energy prices, which tumbled by 3.8% (-6.6% for gasoline). The core CPI, which excludes food and energy, edged up by a mere 0.1%. Total inflation slid from 1.7% to 1.3% and should keep heading down in the months to come. Core inflation dipped from 1.8% to 1.7%.

**Francis Généreux**  
Senior Economist

### CANADA

- The total consumer price index (CPI) slipped 0.4% in November. The total annual inflation rate went from 2.4% to 2.0%. The Bank of Canada's core index (CPIX), which excludes eight volatile components, slipped 0.2% in November, while its annual change fell to 2.1% from October's 2.3%. After inflation surprised with an increase in October, falling gas prices are starting to affect total CPI movement in Canada. This downtrend is not finished, as the preliminary data on prices at the pump signal another 8% or so decrease in gas prices in December. Accordingly, the annual total inflation rate could decrease around 1.5% as early as next month.
- Household credit market debt reached \$1,805B in the third quarter, up \$27.1B from the previous quarter. The ratio of household credit market debt to disposable income climbed to 162.6% in the third quarter, a record peak according to the revised data. Despite the very high debt level, ongoing very low interest rates mean that the interest paid on mortgage and non-mortgage loans has not been this low compared to disposable income in nearly 25 years. The amounts going to principal payments are clearly much higher, but consumer financial obligations are generally still under control.
- The value of retail sales stayed flat in October; the decline in sales of autos and gasoline was offset by a slight uptick in the other sectors. Meanwhile, wholesale sales edged up by just 0.1% in October. However, wholesale inventories expanded by 1.2% during the month; this amply compensates for the weak sales.
- Manufacturing sales fell 0.6% in October, a worse result than we had expected. The bulk of this decline comes from the aeronautics and primary metal manufacturing sectors. If we exclude those two sectors, manufacturing sales rose 0.4%. Expressed in real terms, total manufacturing sales are posting a drop of 0.5%. However, inventory volumes expanded by 0.7%, suggesting that the manufacturing sector made a positive contribution to real GDP in October.

**Benoit P. Durocher**  
Senior Economist

# FINANCIAL MARKETS

## The Federal Reserve sets the record straight

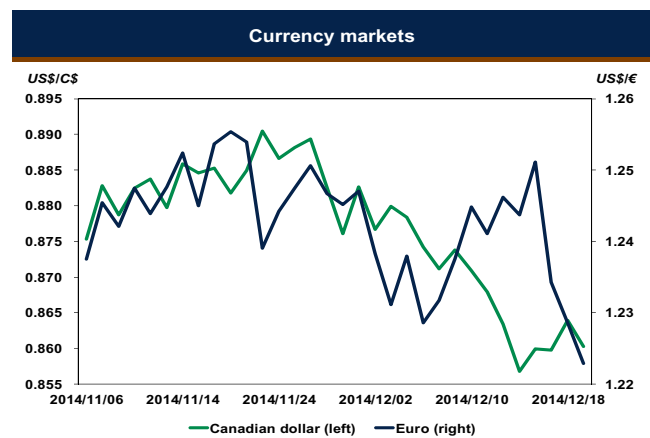
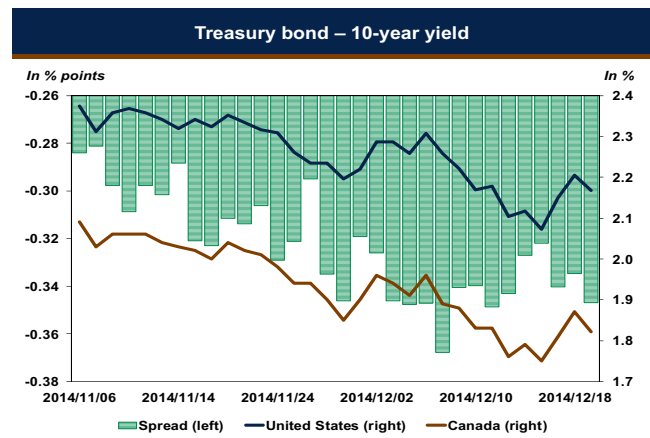
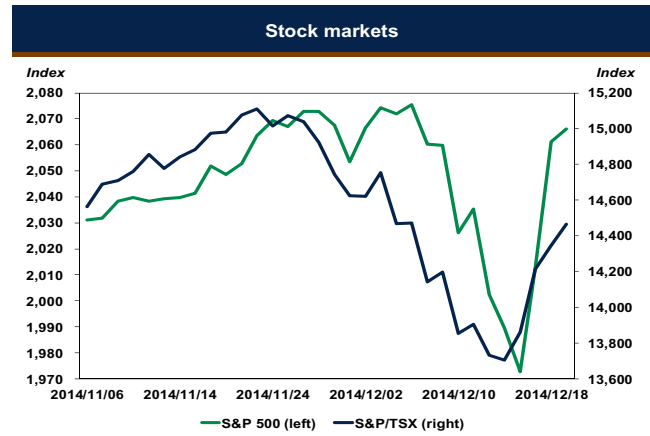
At the start of the week, concerns in the markets intensified again, as oil prices continued to tumble and the situation in Russia deteriorated rapidly. But from Wednesday onwards, the stock markets rallied significantly in light of stabilizing oil prices and relatively optimistic comments from the Federal Reserve (Fed). The positive momentum in the Canadian stock market began on Tuesday, when the purchase offer for the Talisman company triggered a rebound in the energy sector. The S&P/TSX, which at one point on Monday was practically back to where it stood at the start of 2014, has since gained back more than 5%.

The stock market rally did not do the bond market any good; bond yields rose significantly starting on Wednesday. By replacing its statement about a considerable period of time before any interest rate hike, with the assertion that it would be patient before raising its key interest rates, the Fed gave a clear signal that monetary firming could begin as early as the second quarter of 2015. The relatively positive comments made by Janet Yellen during her press conference amplified the upward movement in yields. The yield of U.S. 10-year bonds, which on Tuesday was close to 2.00%, thus headed back up to around 2.20%. Canadian yields followed a similar path, but the stronger-than-expected decline in inflation pushed the yields down again on Friday morning.

The U.S. dollar appreciated against many currencies after the Fed meeting. Previously, the U.S. currency had lost some momentum due to declining expectations of monetary firming in the United States. The euro, which was worth over US\$1.25 on Tuesday, fell below US\$1.23 in the second half of the week. Improvement in some of the euro zone's economic data was not enough to protect the currency from another drop. The pound sterling was slightly less affected by the U.S. dollar's rally and was trading slightly above US\$1.56 on Friday. The Canadian dollar continued to be penalized by plunging oil prices and reached a new cyclical low of US\$0.8568 on Monday. It managed to stabilize later in the week, and on Friday was worth a little over US\$0.86.

**Mathieu D'Anjou**  
Senior Economist

**Hendrix Vachon**  
Senior Economist



# A LOOK AHEAD



## UNITED STATES

### Monday Dec. 22 - 10:00

<b>November</b>	ann. rate
Consensus	5,200,000
Desjardins	5,150,000
<b>October</b>	<b>5,260,000</b>

**Sales of existing homes (November)** – In the past few months, home resales have been growing faster than expected. The volume reached in October, an annualized 5,260,000 units, far exceeded the forecast of 5,100,000 units. A slight pullback is expected for November, however; pending sales numbers suggest a more modest resale volume. In addition, mortgage loan applications in advance of a purchase are still quite low. We expect a decline in resales, to 5,150,000 units.

### Tuesday Dec. 23 - 8:30

<b>November</b>	m/m
Consensus	3.0%
Desjardins	4.2%
<b>October</b>	<b>0.4%</b>

**New durable goods orders (November)** – New durable goods orders in October were disappointing; what growth there was, 0.4%, came almost exclusively from the defense sector. We expect a better performance in November. For one thing, Boeing reported particularly high numbers of new orders, which should give a boost to the aeronautics sector. For another, the jump in automobile production in November suggests that car orders have increased. Finally, the ISM manufacturing index and its orders component point toward firm growth. Therefore, a monthly gain of 4.2% is forecast. Excluding transportation, the upturn should be 0.5%.

### Tuesday Dec. 23 - 8:30

<b>Q3 2014 - 3<sup>rd</sup> est.</b>	ann. rate
Consensus	4.3%
Desjardins	4.2%
<b>Q3 2014 - 2<sup>nd</sup> est.</b>	<b>3.9%</b>

**Real GDP (Q3 – third estimate)** – Real GDP gave us a nice surprise at the end of last month, when its upward revision was released. Expectations were for a downward revision, but instead the third-quarter annualized real GDP growth was raised from 3.5% to 3.9%. Another positive revision is anticipated for the third estimate. The construction spending and retail sales data are announcing 4.2% growth.

### Tuesday Dec. 23 - 10:00

<b>November</b>	ann. rate
Consensus	460,000
Desjardins	450,000
<b>October</b>	<b>458,000</b>

**Sales of new homes (November)** – Sales of new single-family homes recorded their third straight monthly gain in October, a first since the fall of 2013. The fluctuations are also becoming less volatile, with increases of 0.4% in September and 0.7% in October. However, the 1.2% decline in building permits for single-family homes in November and lacklustre mortgage loan applications are signs that sales fell last month. The upward trend is expected to continue, but a pullback from 458,000 to 450,000 units is foreseeable for November.

### Tuesday Dec. 23 - 10:00

<b>November</b>	m/m
Consensus	0.5%
Desjardins	0.4%
<b>October</b>	<b>0.2%</b>

**Consumer spending (November)** – Real consumption growth was fairly modest in October: a gain of 0.2%. The decline in automobile sales and weakness in services curbed the increase. However, these two factors should bring strong growth in November. New car sales surged by 4.5%, and a 5.1% increase in energy production signals a robust gain in the consumption of services thanks to demand for heating. Thus a gain of 0.5% is expected. However, it will be tempered by the 0.1% dip in the personal consumption expenditures deflator; nominal consumption should edge up by 0.4%, as should nominal personal income.

 **CANADA**

**Real GDP by industry (October)** – Recent trends in some economic indicators have been rather disappointing. Furthermore, manufacturing sales slipped by 0.6% in October, while wholesale sales ticked up by a mere 0.1%. In both cases, the sluggish sales were amply compensated by expansion in inventories. Therefore, these sectors will have a positive impact on production. In addition, the number of hours worked rose by 0.6% in the service sectors, leading us to believe that they will make a significant contribution to economic growth in October. All told, real GDP by industry is expected to head up by around 0.2% in October.

 **OVERSEAS**

**Japan: Economic indicators** – Several indicators for the month of October will be released on Thursday in Japan, including retail sales, industrial production, the unemployment rate and the consumer price indexes. It is to be hoped that these data will be harbingers of strong improvement in the economy in the fourth quarter, after two very disappointing quarters.


**Tuesday Dec. 23 - 8:30**


<b>October</b>	m/m
Consensus	0.1%
Desjardins	0.2%
<b>September</b>	<b>0.4%</b>

**During the week**

# ECONOMIC INDICATORS


## Week of December 22 to 26, 2014

Day	Hour	Indicator	Period	Consensus		Previous data
<b>UNITED STATES</b>						
<b>MONDAY 22</b>						
	10:00	Existing home sales (ann. rate)	Nov.	5,200,000	5,150,000	5,260,000
<b>TUESDAY 23</b>						
	8:30	Durable goods orders (m/m)	Nov.	3.0%	4.2%	0.4%
	8:30	Real GDP (ann. rate)	Q3t	4.3%	4.2%	3.9%
	9:55	Michigan's consumer sentiment index – final	Dec.	93.5	93.8	93.8
	10:00	New home sales (ann. rate)	Nov.	460,000	450,000	458,000
	10:00	Personal income (m/m)	Nov.	0.5%	0.4%	0.2%
	10:00	Personal consumption expenditures (m/m)	Nov.	0.5%	0.4%	0.2%
	10:00	Personal consumption expenditures deflator				
		Total (m/m)	Nov.	-0.1%	-0.1%	0.1%
		Excluding food and energy (m/m)	Nov.	0.1%	0.1%	0.2%
		Total (y/y)	Nov.	1.2%	1.2%	1.4%
		Excluding food and energy (y/y)	Nov.	1.5%	1.5%	1.6%
<b>WEDNESDAY 24</b>						
	8:30	Initial unemployment claims	Dec. 15-19	290,000	292,000	289,000
<b>THURSDAY 25</b>						
	---	Markets closed (Christmas Day)				
<b>FRIDAY 26</b>						
	---					
<b>CANADA</b>						
<b>MONDAY 22</b>						
	8:30	Average weekly earnings (y/y)	Oct.	n/a	3.0%	3.4%
	8:30	Number of salaried employees (m/m)	Oct.	n/a	0.2%	0.0%
<b>TUESDAY 23</b>						
	8:30	Real GDP by industry (m/m)	Oct.	0.1%	0.2%	0.4%
<b>WEDNESDAY 24</b>						
	---					
<b>THURSDAY 25</b>						
	---	Markets closed (Christmas Day)				
<b>FRIDAY 26</b>						
	---	Markets closed (Boxing Day)				

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 Eastern Standard Time (GMT - 5 hours).  Forecast of Desjardins, Economic Studies of the Desjardins Group.

# ECONOMIC INDICATORS

## Week of December 22 to 26, 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 22</b>								
Euro zone	10:00	Consumer confidence – preliminary	Dec.	-11.0		-11.6		
<b>TUESDAY 23</b>								
France	2:45	Personal consumption expenditures	Nov.	0.5%	-0.7%	-0.9%	-0.2%	
France	2:45	Producer price index	Nov.	n/a	n/a	-0.2%	-1.4%	
France	2:45	Real GDP – final	Q3	0.3%	0.4%	0.3%	0.4%	
Italy	4:00	Retail sales	Oct.	n/a	n/a	-0.1%	-0.5%	
United Kingdom	4:30	Real GDP – final	Q3	0.7%	3.0%	0.7%	3.0%	
United Kingdom	4:30	Current account (£B)	Q3	-23.2		-23.1		
United Kingdom	4:30	Index of services	Oct.	0.2%		0.5%		
<b>WEDNESDAY 24</b>								
Japan	0:00	Small business confidence	Dec.	n/a		47.7		
<b>THURSDAY 25</b>								
Japan	0:00	Housing starts	Nov.		-12.8%		-12.3%	
Japan	18:30	Workers' household spending	Nov.		-3.6%		-4.0%	
Japan	18:30	Consumer price index	Nov.		2.5%		2.9%	
Japan	18:30	Consumer price index – Tokyo	Dec.		2.1%		2.1%	
Japan	18:30	Unemployment rate	Nov.	3.5%		3.5%		
Japan	18:50	Industrial production – preliminary	Nov.	0.9%	-2.4%	0.4%	-0.8%	
Japan	18:50	Retail sales	Nov.	0.3%	1.1%	-1.4%	1.4%	
Japan	23:00	Vehicle production	Nov.		n/a		-6.3%	
<b>FRIDAY 26</b>								
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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 Eastern Standard Time (GMT - 5 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 Q3	16,164	3.9	2.4	2.2	2.3	1.6	2.5
Consumption (2009 \$B)	2014 Q3	10,972	2.2	2.4	2.4	1.8	2.3	1.9
Government spending (2009 \$B)	2014 Q3	2,910	4.2	0.3	-2.0	-1.4	-3.0	0.1
Residential investment (2009 \$B)	2014 Q3	498.9	2.7	-0.8	11.9	13.5	0.5	-2.5
Non-residential investment (2009 \$B)	2014 Q3	2,136	7.1	7.2	3.0	7.2	7.7	2.5
Business inventory change (2009 \$B) (1)	2014 Q3	79.1	---	---	63.6	57.1	37.6	58.2
Exports (2009 \$B)	2014 Q3	2,106	4.9	3.8	3.0	3.3	6.9	11.9
Imports (2009 \$B)	2014 Q3	2,537	-0.7	3.4	1.1	2.3	5.5	12.7
Final domestic demand (2009 \$B)	2014 Q3	16,497	3.2	2.5	1.9	2.1	1.7	1.5
GDP deflator (2009 = 100)	2014 Q3	108.6	1.4	1.6	1.5	1.8	2.1	1.2
Labor productivity (2009 = 100)	2014 Q3	106.7	2.3	1.0	0.9	1.0	0.1	3.3
Unit labor cost (2009 = 100)	2014 Q3	103.9	-1.0	1.2	0.3	1.7	2.1	-1.3
Employment cost index (Dec. 2005 = 100)	2014 Q3	122.2	2.7	2.3	1.9	1.8	2.0	1.9
Current account balance (\$B) (1)	2014 Q3*	-100.3	---	---	-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)	Nov.*	105.5	0.6	1.9	3.6	6.1
ISM manufacturing index (1)	Nov.	58.7	59.0	59.0	55.4	57.0
ISM non-manufacturing index (1)	Nov.	59.3	57.1	59.6	56.3	54.1
Cons. confidence Conf. Board (1985 = 100) (1)	Nov.	88.7	94.1	93.4	82.2	72.0
Cons. confidence Michigan (1966 = 100) (1)	Dec.	93.8	88.8	84.6	82.5	82.5
Personal consumption expenditure (2009 \$B)	Oct.	11,009	0.2	0.7	1.0	2.2
Disposable personal income (2009 \$B)	Oct.	12,002	0.1	0.5	1.0	2.5
Consumer credit (\$B)	Oct.	3,279	0.4	1.3	3.3	6.7
Retail sales (\$M)	Nov.	449,282	0.7	1.2	2.4	5.1
Excluding automobiles (\$M)	Nov.	357,353	0.5	1.0	2.0	4.3
Industrial production (2007 = 100)	Nov.*	106.7	1.3	2.2	2.9	5.2
Production capacity utilization rate (%) (1)	Nov.*	80.1	79.3	79.0	79.1	78.5
New machinery orders (\$M)	Oct.	496,563	-0.7	-11.0	-0.8	2.1
New durable good orders (\$M)	Oct.	243,838	0.3	-18.7	1.4	5.5
Business inventories (\$B)	Oct.	1,760	0.2	0.6	1.8	4.8
Housing starts (K) (1)	Nov.*	1,028	1,045	963.0	984.0	1,105
Building permits (K) (1)	Nov.*	1,035	1,092	1,003	1,005	1,037
New home sales (K) (1)	Oct.	458.0	455.0	399.0	413.0	450.0
Existing home sales (K) (1)	Oct.	5,260	5,180	5,140	4,660	5,130
Construction spending (\$B)	Oct.	971.0	1.1	1.1	1.1	3.3
Commercial surplus (\$M) (1)	Oct.	-43,432	-43,603	-40,695	-45,914	-39,083
Nonfarm employment (K) (2)	Nov.	140,045	321.0	835.0	1,548	2,734
Unemployment rate (%) (1)	Nov.	5.8	5.8	6.1	6.3	7.0
Consumer price (1982-1984 = 100)	Nov.*	237.0	-0.3	-0.2	-0.0	1.3
Excluding food and energy	Nov.*	239.3	0.1	0.4	0.7	1.7
Personal cons. expenditure deflator (2009 = 100)	Oct.	109.2	0.1	0.1	0.6	1.4
Excluding food and energy	Oct.	108.1	0.2	0.4	0.8	1.6
Producer price (1982 = 100)	Nov.	199.2	-0.6	-1.2	-0.8	1.0
Excluding food and energy	Nov.	189.4	0.1	0.3	0.6	2.0
Export prices (2000 = 100)	Nov.	129.3	-1.0	-2.3	-3.3	-1.9
Import prices (2000 = 100)	Nov.	134.6	-1.5	-3.2	-3.9	-2.3

\* 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.



## Canada: Quarterly economic indicators

	Ref. quart.	Level	Variation (%)		Annual variation (%)			
			Quart. ann.	1 year	2013	2012	2011	2010
Gross domestic product (2007 \$M)	2014 Q3	1,754,476	2.8	2.6	2.0	1.9	3.0	3.4
Household consumption (2007 \$M)	2014 Q3	978,496	2.8	2.8	2.5	1.9	2.2	3.5
Government consumption (2007 \$M)	2014 Q3	348,758	-0.1	0.1	0.4	1.2	0.8	2.7
Residential investment (2007 \$M)	2014 Q3	117,323	12.5	4.1	-0.4	5.7	1.7	8.7
Non-residential investment (2007 \$M)	2014 Q3	193,178	0.5	-0.5	2.6	9.0	12.7	14.5
Business inventory change (2007 \$M) (1)	2014 Q3	647.0	---	---	12,368	7,437	10,911	-452.0
Exports (2007 \$M)	2014 Q3	560,579	6.9	7.4	2.0	2.6	4.6	6.9
Imports (2007 \$M)	2014 Q3	576,202	4.0	2.5	1.3	3.7	5.7	13.6
Final domestic demand (2007 \$M)	2014 Q3	1,758,934	2.8	1.8	1.5	2.5	2.5	5.0
GDP deflator (2007 = 100)	2014 Q3	113.5	1.8	2.0	1.3	1.6	3.4	2.7
Labour productivity (2007 = 100)	2014 Q3	107.4	0.4	3.2	1.1	0.0	1.4	1.8
Unit labour cost (2007 = 100)	2014 Q3	113.6	1.0	1.0	1.3	3.0	2.1	-0.4
Current account balance (\$M) (1)	2014 Q3	-8,401	---	---	-56,255	-59,911	-47,195	-58,419
Production capacity utilization rate (%) (1)	2014 Q3	83.4	---	---	81.2	81.5	80.6	78.5
Disposable personal income (\$M)	2014 Q3	1,125,660	4.3	4.0	3.8	4.2	4.5	3.7
Corporate net operating surplus (2007 \$M)	2014 Q3	286,104	11.6	10.3	-0.6	-4.2	15.4	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)	Sept.	1,644,253	0.4	0.4	1.5	2.3
Industrial production (2007 \$M)	Sept.	359,201	1.5	0.0	1.4	3.9
Manufacturing sales (\$M)	Oct.*	52,727	-0.6	-1.8	3.5	5.7
Housing starts (K) (1)	Nov.	195.0	183.6	196.3	195.6	194.9
Building permits (\$M)	Oct.	7,534	0.7	-17.6	23.4	3.8
Retail sales (\$M)	Oct.*	42,849	0.0	0.6	2.6	4.9
Excluding automobiles (\$M)	Oct.*	32,399	0.2	-0.0	1.2	3.3
Wholesale trade sales (\$M)	Oct.*	54,163	0.1	1.9	5.3	7.5
Commercial surplus (\$M) (1)	Oct.	99.1	307.5	2,014	-118.9	-445.8
Exports (\$M)	Oct.	44,917	0.1	-1.3	4.3	11.5
Imports (\$M)	Oct.	44,818	0.5	3.1	3.8	10.0
Employment (K) (2)	Nov.	17,958	-10.7	35.5	21.3	12.2
Unemployment rate (%) (1)	Nov.	6.6	6.5	7.0	7.0	6.9
Average weekly earnings (\$)	Sept.	941.9	0.3	0.5	1.6	3.4
Number of salaried employees (K) (2)	Sept.	15,612	-0.6	16.3	21.1	12.0
Consumer price (2002 = 100)	Nov.*	125.4	-0.4	-0.2	-0.3	2.0
Excluding food and energy	Nov.*	119.8	-0.3	0.3	0.6	2.0
Excluding 8 volatile items	Nov.*	124.1	-0.2	0.3	0.6	2.1
Industrial product price (2002 = 100)	Oct.	110.8	-0.5	-0.6	-1.3	2.5
Raw materials price (2002 = 100)	Oct.	112.6	-4.3	-8.4	-9.0	-2.3
Money supply M1+ (\$M)	Oct.	748,828	1.1	3.2	4.4	8.1

\* 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 (%)		
	Dec. 19	Dec. 12	-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	0.03	0.02	0.01	0.02	0.02	0.07	0.08	0.03	0.01
Treasury bonds – 2 years	0.63	0.55	0.51	0.57	0.46	0.35	0.64	0.44	0.30
– 5 years	1.63	1.53	1.61	1.82	1.70	1.63	1.84	1.63	1.31
– 10 years	2.17	2.10	2.32	2.59	2.62	2.89	3.01	2.55	2.07
– 30 years	2.78	2.76	3.02	3.30	3.45	3.83	3.95	3.37	2.70
S&P 500 index	2,066	2,002	2,064	2,010	1,963	1,818	2,075	1,924	1,742
DJIA index	17,764	17,281	17,810	17,280	16,947	16,221	17,959	16,736	15,373
Gold price (US\$/ounce)	1,197	1,223	1,205	1,217	1,315	1,205	1,376	1,267	1,146
CRB index	239.35	243.75	269.11	279.40	312.93	283.13	312.93	289.53	237.87
WTI oil (US\$/barrel)	55.83	57.81	76.52	92.43	107.30	99.11	107.30	94.35	54.18
<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	0.90	0.88	0.90	0.92	0.94	0.90	0.96	0.91	0.81
Treasury bonds – 2 years	1.01	0.96	1.07	1.17	1.13	1.11	1.17	1.06	0.91
– 5 years	1.37	1.31	1.51	1.71	1.60	1.85	1.96	1.60	1.29
– 10 years	1.82	1.76	2.01	2.25	2.29	2.67	2.79	2.26	1.75
– 30 years	2.35	2.30	2.55	2.76	2.84	3.18	3.25	2.80	2.29
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	0.87	0.86	0.89	0.90	0.92	0.83	0.93	0.87	0.76
Treasury bonds – 2 years	0.38	0.41	0.56	0.60	0.67	0.76	0.79	0.63	0.38
– 5 years	-0.27	-0.22	-0.10	-0.11	-0.10	0.22	0.25	-0.03	-0.27
– 10 years	-0.35	-0.34	-0.31	-0.34	-0.33	-0.22	-0.17	-0.29	-0.40
– 30 years	-0.43	-0.46	-0.47	-0.54	-0.61	-0.65	-0.41	-0.57	-0.72
S&P/TSX index	14,466	13,731	15,111	15,265	15,109	13,400	15,658	14,607	13,448
Exchange rate (C\$/US\$)	1.1624	1.1583	1.1231	1.0963	1.0759	1.0636	1.1672	1.1006	0.8603
Exchange rate (C\$/€)	1.4217	1.4434	1.3915	1.4064	1.4631	1.4540	1.5545	1.4666	1.0521
<b>Overseas</b>									
ECB – Refinancing rate	0.05	0.05	0.05	0.05	0.15	0.25	0.25	0.17	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	0.59	0.63	0.77	1.00	1.35	1.87	1.95	1.27	0.59
U.K.: Bonds – 10 years	1.85	1.80	2.05	2.55	2.77	2.94	3.07	2.56	1.75
Euro: Exchange rate (US\$/€)	1.2229	1.2462	1.2391	1.2829	1.3600	1.3672	1.3934	1.3332	1.2229
U.K.: Exchange rate (US\$/£)	1.5609	1.5721	1.5656	1.6288	1.7013	1.6336	1.7166	1.6503	1.5575

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.