

Inflation tumbles

HIGHLIGHTS

- U.S. inflation turns negative.
- United States: Q4 real GDP growth has been trimmed.
- United States: New home sales hold up, but resales tumble.
- U.S. consumer confidence ticks down.
- Canada: The drop in gas prices lowers inflation.
- Canada: Corporate earnings lost ground at the end of 2014.

A LOOK AHEAD

- United States: The manufacturing ISM should slide again.
- Weaker growth in U.S. employment is expected in February.
- Canada: Real GDP by industry should rise 0.2% for December.
- Canada: Q4 2014 should end with real GDP growth of 2.4%.
- The Bank of Canada could lower its key rates again, but uncertainty is high.

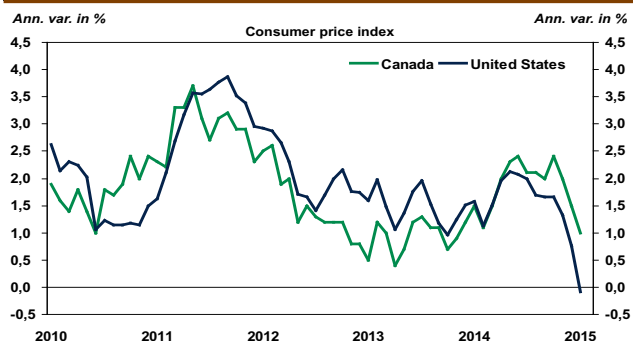
FINANCIAL MARKETS

- Flat U.S. stock markets.
- Stephen Poloz surprises again.
- The U.S. dollar rebounds on better data than anticipated.

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Graph of the week – Inflation pulls back significantly in both Canada and the United States



Sources: Statistics Canada, Bureau of Labor Statistics 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

- The second estimate of the national accounts for Q4 2014 featured a downgrade to real GDP growth, taking the annualized gain from 2.6% to 2.2%. The main reasons for the decline are stronger imports and a lower change to business inventories. This was partially offset by better investment growth, which prompted an upside revision to final domestic demand (2.8% to 3.2%).
- In the United States, the consumer price index (CPI) dropped by 0.7% in January after two straight declines of 0.3%. Energy prices tumbled by 9.7% due to the 18.7% slump in gasoline prices. The core index, which excludes food and energy, rose by 0.2% after a 0.1% uptick in December. For the first time since October 2009, the annual change in the all-items CPI has crossed into negative territory, to -0.1%. Core inflation has held steady at 1.6%.
- According to the Conference Board survey, consumer confidence eroded in February. The 7.4 point drop takes the index from 103.8 to 96.4. The decline primarily stems from the consumer expectations component, which fell 9.8 points; the current situation component only retreated 3.7 points. Despite the dip, the confidence index remains higher than it was in December. February's University of Michigan confidence index was revised upward from the preliminary version (93.6); the final version is at 95.4. However, this is still below January's 98.1.
- The S&P/Case-Shiller index of existing home prices in the 20 largest cities rose 0.9% in December, after going up 0.8% in November. The index's annual change accelerated from 4.3% to 4.5%.
- New durable goods orders gained 2.8% in January after tumbling 3.7% in December. Against all expectations, the aviation sector contributed to the growth, despite a drop in orders at Boeing. Excluding transportation, orders advanced 0.3%, the first increase since September 2014.
- Existing home sales tumbled 4.9% in January, after rising 2.4% in December. This takes resales from 5,070,000 to 4,820,000 units, the lowest point since April 2014. The retreat owes more to single-family dwellings (-5.1%) than condos (-3.5%). Sales of new single-family homes were nearly stable, going from 482,000 to 481,000.

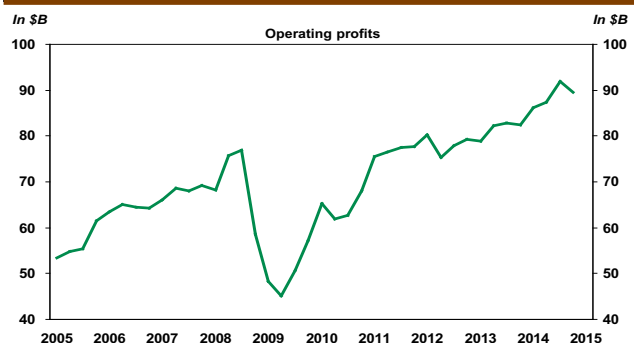
Francis Généreux
Senior Economist

CANADA

- The all-items consumer price index (CPI) dipped by 0.2% in January. The total annual inflation rate fell from 1.5% to 1.0%. Gas prices alone trimmed 0.6% from the monthly change in the total CPI. However, this was partly offset by seasonal increases in the prices of fresh fruits and vegetables, and by the price increases that take effect at the beginning of each year. For the coming months, even though gasoline prices have stabilized (a rally of 9.2% is even recorded in February), we should expect the total annual inflation rate to keep falling due to the impact of the base effects that have built up from the significant declines in energy prices since last summer. Therefore, the total annual inflation rate could remain below the low end of the target range (1%) until next fall. On the other hand, the annual change in the core index (CPIX) will probably stay close to the median target (2%).
- After three quarters of sustained growth, the operating profits of Canadian businesses fell by 2.8% in the fourth quarter of 2014. Year over year, the change is still in positive territory: a gain of 8.5%. This slowdown is not really surprising. The plunge in oil prices that occurred in the autumn has led to lower operating revenues in the oil and gas extraction sector. Even though costs have also diminished slightly, that was not enough to prevent that industry's operating profits from declining by 16.7% in the fourth quarter. Operating profits in the financial sector also tumbled last fall. If we exclude financial activities and oil and gas extraction, operating profit growth is quite good, with a 1.1% increase in the fourth quarter and year-over-year growth still above 10%.

Benoit P. Durocher
Senior Economist

Canada – The operating profits of companies had some difficulties at the end of 2014



Sources: Statistics Canada and Desjardins, Economic Studies

FINANCIAL MARKETS

Stephen Poloz muddies the waters again

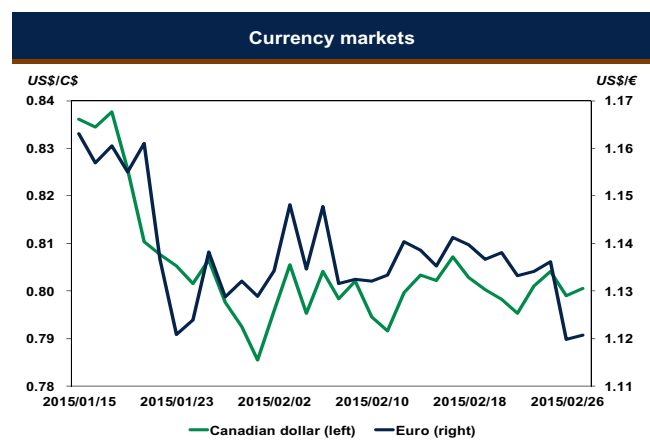
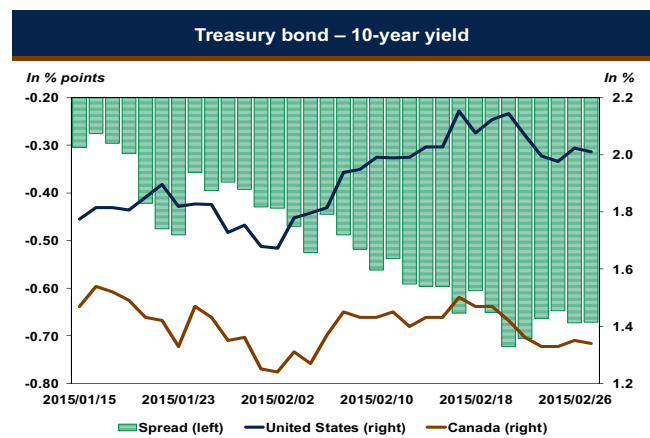
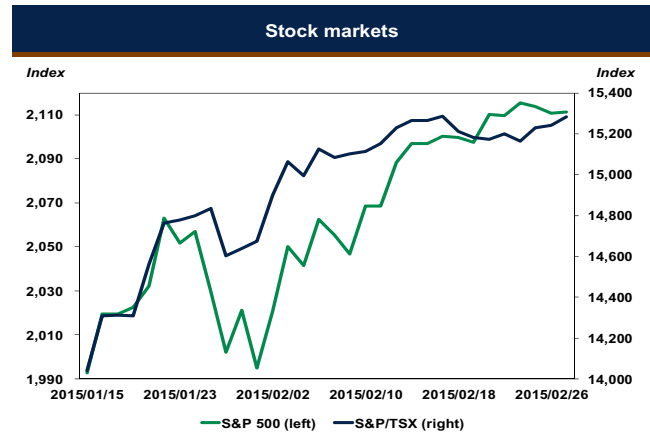
In her testimony before Congress, Federal Reserve (Fed) Chair Janet Yellen started to prepare the markets for an eventual removal of the word “patience” from the Fed’s statement, while stressing it would not signal imminent increases. The markets gave these remarks a favourable reception on Tuesday, with the risk of early firming seeming low. However, the effect was temporary and the S&P 500 was flat after that. The S&P/TSX got some support from Canadian banks’ generally positive earnings’ reports. However, fluctuations in oil prices resulted in some fairly volatile movement in the Canadian index.

After starting the week above 2.10%, the U.S. 10-year bond yield slid on Tuesday, hitting 1.93% on Thursday morning. What investors took away from Janet Yellen’s testimony was the fact that rate hikes were not imminent in the United States. Better than anticipated figures on durable goods orders turned the trend around on Thursday; on Friday morning, the 10-year yield was once again oscillating above 2%. In Canada, Bank of Canada (BoC) Governor Stephen Poloz surprised the markets on Tuesday when he intimated that a single rate cut could be enough to offset the impact of the tumble in oil prices. Bond yields for maturities up to three years jumped more than ten basis points, with investors less certain of a rate cut at next Wednesday’s meeting.

The U.S. dollar was more volatile than it has been in recent weeks, shooting up Thursday on the release of good economic news in the United States and strengthening expectations that monetary firming would start this year. As a result, the euro dropped below US\$1.12. More encouraging data in the euro zone and an agreement to give Greece short-term financing did not keep the common currency from depreciating. The pound also retreated on Thursday, going to US\$1.54 after hitting US\$1.55 earlier in the week. Hurt by oil, the Canadian dollar depreciated at the start of the week. The remarks from the BoC Governor on Tuesday gave the loonie a boost, and it edged to around US\$0.80.

Jimmy Jean
Senior Economist

Hendrix Vachon
Senior Economist



A LOOK AHEAD



UNITED STATES

Monday March 2 - 8:30

January	m/m
Consensus	-0.1%
Desjardins	-0.2%
December	-0.3%

Consumer spending (January) – In December, real consumption posted its first monthly contraction since April. The decline primarily stemmed from the pullback by motor vehicles. We expect this component to show another drop in January. However, other durable goods should record better growth. For non-durable goods, January's retail sales suggest a very slight monthly advance. On the other hand, the cold weather that struck in January (and continues in February) is expected to prompt an increase in real consumption of services through heating. In real terms, consumption should tick up 0.2%. However, the slide in gas prices will pull down the consumption expenditure deflator, likely by 0.4%. In current dollars, consumption should contract 0.2%. Nominal personal income should go up 0.4%.

Monday March 2 - 10:00

February	
Consensus	53.1
Desjardins	51.5
January	53.5

ISM manufacturing index (February) – The ISM manufacturing index has been trending down from last fall's peaks. It has lost 4.4 points since October. We are not expecting a rise in February. Most of the regional indexes are declining or remain fairly low. Moreover, the Chicago PMI index, which had been fairly high recently, dropped below the 50 mark to 45.8, a low that dates back more than five years. The labour conflict at ports on the U.S. West Coast, drop in investment in the oil industry and the harsh weather that has been afflicting several parts of the country all have the power to hurt numerous manufacturers. The ISM is forecast to drop to 51.5, which would be its lowest point in since spring 2013.

Wednesday March 4 - 10:00

February	
Consensus	56.5
Desjardins	57.0
January	56.7

ISM non-manufacturing index (February) – Unlike the manufacturing index, the non-manufacturing ISM ticked up in January, rising from 56.5 to 56.7. The drop in gas prices should continue to boost a variety of sectors covered by the non-manufacturing index, particularly retailers and transportation. However, the poor weather could do some damage to other sectors, including construction. Nonetheless, we expect the index to go up to 57.0.

Friday March 6 - 8:30

February	
Consensus	235,000
Desjardins	225,000
January	257,000

Job creation according to the establishment survey (February) – In the United States, job market growth remains good. With the revisions, the 257,000 jobs created in January look like very good news. However, some slowing is forecast for February. The volatility in jobless claims, with some spiking, and the drop in the employment components of the ISM indexes, do not indicate that February's hiring will be faster than January's. The same conclusion arises from a look at the results for the job market components of the Conference Board consumer confidence index, which eroded in February. As a result, we expect hiring to slow to 225,000. The jobless rate should stay at 5.7%. Following a strong 0.5% advance, growth in average hourly wages should moderate.

Friday March 6 - 8:30

January	US\$B
Consensus	-41.6
Desjardins	-48.5
December	-46.6

Trade balance (January) – The trade balance deteriorated more than anticipated in December, driven by a jump in oil imports in terms of both volume and value (despite the slide in prices). We expect the volume of oil imports to be up again for January. However, the price decline should reduce the value of imports in current dollars. We are also expecting nominal exports to retreat again after December's 0.8% pullback. All in all, the trade deficit should deepen, going to US\$48.5B, which would be the biggest trade deficit since March 2012. The labour dispute in ports on the U.S. West Coast could throw a monkey wrench into the forecasts, however.

Consumer credit (January) – For several months now, consumer credit growth has been more modest than it was in the first half of 2014, partially because the slide in gas prices is tempering demand from credit cards and helping free up money for other types of purchases. The weekly data on bank credit is also still pointing to a less robust rise, while retail and auto sales have been fairly soft at the start of the year. After December's US\$14.8B increase, we expect growth to edge back, going to US\$13.0B in January.


CANADA

Current account (Q4) – The value of merchandise exports fell 2.4% in the fourth quarter on a big drop in the energy sector (affected by the slide in oil prices). The value of imports rose 0.9% that quarter, making the balance of trade in goods deteriorate. Under these conditions, the current account balance should fall for the fourth quarter.

Real GDP by industry (December) – Aside from retail sales, where volume declined 1.3% in December, partly as a result of issues with the statistical handling of holiday sales, most of the other economic indicators made positive progress in December. Among other things, the number of hours worked increased 0.5% in the service sector. Real GDP by industry could therefore tick up 0.2% in December, on the heels of November's 0.2% drop.

Real GDP (Q4) – Assuming that real GDP by industry advances 0.2% in December, and factoring in the 0.3% increase recorded in October, and November's 0.2% downtick, the fourth quarter of 2014 should wind up with a quarterly annualized gain of 2.4%. International trade should contribute negatively to growth, while domestic demand and inventories should make positive contributions.

Bank of Canada meeting (March) – Monetary authorities surprised everyone in January when they ordered a 25 basis point cut to the target for the overnight rate. The Bank of Canada (BoC) based its decision on the adverse effects the big drop in oil prices will have on Canada's economy. Six weeks later, the outlook has not changed much in that regard. Economic growth is still projected to slow substantially in the first half of 2015. Oil prices have stabilized, but no uptrend is in sight, with WCS (Western Canada Select) still below the US\$40/barrel mark; it was above US\$85 last June. Under these conditions, we do not think the BoC will stop at a single rate cut to deal with the negative impact; accordingly, the target for the overnight rate could be lowered to 0.50% at the March 4 meeting. That being said, the recent speech by the BoC's Governor ratcheted up the uncertainty surrounding this outlook, as some of his remarks could intimate that the BoC will instead opt to wait, maintaining a status quo on its key interest rates.

International merchandise trade (January) – Energy prices continued to slide in January. Seasonally adjusted and expressed in Canadian dollars, the energy component of the commodity price index fell 15.9% during the month. As with December's results, we can expect energy products to take the total value of merchandise exports down for January. The merchandise trade balance could therefore erode again.

Friday March 6 - 8:30

January	US\$B
Consensus	15.0
Desjardins	13.0
December	14.8

Monday March 2 - 8:30

Q4 2014	\$B
Consensus	-12.5
Desjardins	-12.6
Q3 2014	-8.4

Tuesday March 3 - 8:30

December	m/m
Consensus	0.2%
Desjardins	0.2%
November	-0.2%

Tuesday March 3 - 8:30

Q4 2014	ann. rate
Consensus	2.0%
Desjardins	2.4%
Q3 2014	2.8%

Wednesday March 4 - 10:00

March	
Consensus	0.75%
Desjardins	0.50%
January 21	0.75%

Friday March 6 - 8:30

January	\$B
Consensus	-1.15
Desjardins	-1.30
December	-0.65



OVERSEAS

Thursday March 5 - 7:00

March

Consensus	0.50%
Desjardins	0.50%
February 5	0.50%

United Kingdom: Bank of England meeting (March) – The Bank of England (BoE) should stay on the sidelines once more. Inflation has plunged in the United Kingdom, considerably lowering the chances of monetary firming in 2015. However, it will be interesting to see the minutes of the meeting in two weeks. Lately, the BoE has seemed fairly optimistic about the economy in its publications. The minutes of the February meeting also showed that the consensus on the monetary status quo is fragile. At least two members of the monetary policy committee seem close to voting for an interest rate hike. The February PMI indexes will be among the indicators to be released during the week.

Thursday March 5 - 7:45




March


Consensus	0.05%
Desjardins	0.05%
January 22	0.05%

Euro zone: European Central Bank meeting (March) – The European Central Bank (ECB) has deployed several measures since last June. Among others, in January, it took a big step when it announced the purchase of sovereign bonds. Nothing new is anticipated for the March 5 meeting and upcoming monetary policy meetings could also be more monotonous. The ECB will likely want to allow some time for its measures to take effect. Prior decisions have already pulled the euro down and decreased various market interest rates. It remains to be seen whether the real economy will respond well to the favourable macroeconomic environment. Several indicators will be released this week in the euro zone, starting with January’s jobless rate (11.4% in December), and the flash estimate of February’s inflation (-0.6% in January), out on Monday. January’s retail sales come out on Wednesday. The second version of the national accounts for Q4 of 2014, including the details on demand, will be published Friday. Germany’s industrial output will also be out on Friday.

ECONOMIC INDICATORS

Week of March 2 to 6, 2015

Day	Hour	Indicator	Period	Consensus		Previous data
 UNITED STATES						
MONDAY 2	8:30	Personal income (m/m)	Jan.	0.4%	0.4%	0.3%
	8:30	Personal consumption expenditures (m/m)	Jan.	-0.1%	-0.2%	-0.3%
	8:30	Personal consumption expenditures deflator				
		Total (m/m)	Jan.	-0.5%	-0.4%	-0.2%
		Excluding food and energy (m/m)	Jan.	0.1%	0.1%	0.0%
		Total (y/y)	Jan.	0.2%	0.2%	0.7%
		Excluding food and energy (y/y)	Jan.	1.3%	1.4%	1.3%
	10:00	Construction spending (m/m)	Jan.	0.3%	-0.2%	0.4%
	10:00	ISM manufacturing index	Feb.	53.1	51.5	53.5
TUESDAY 3	---	Total vehicle sales (ann. rate)	Feb.	16,700,000	16,750,000	16,560,000
WEDNESDAY 4	9:00	Speech of the Chicago Fed President, C. Evans				
	10:00	ISM non-manufacturing index	Feb.	56.5	57.0	56.7
	13:00	Speech of the Kansas City Fed President, E. George				
	14:00	Release of the Beige Book				
THURSDAY 5	8:30	Initial unemployment claims	Feb. 23-27	299,000	295,000	313,000
	8:30	Nonfarm productivity – final (ann. rate)	Q4	-2.4%	-1.9%	-1.8%
	8:30	Unit labor costs – final (ann. rate)	Q4	3.3%	2.8%	2.7%
	10:00	Speech of the San Francisco Fed President, J. Williams				
	10:00	Factory orders (m/m)	Jan.	-0.2%	1.6%	-3.4%
FRIDAY 6	8:30	Trade balance – Goods and services (US\$B)	Jan.	-41.6	-48.5	-46.6
	8:30	Change in nonfarm payrolls	Feb.	235,000	225,000	257,000
	8:30	Unemployment rate	Feb.	5.6%	5.7%	5.7%
	8:30	Average weekly earnings (m/m)	Feb.	0.2%	0.2%	0.5%
	8:30	Weekly worked hours	Feb.	34.6	34.6	34.6
	15:00	Consumer credit (US\$B)	Jan.	15.0	13.0	14.8
 CANADA						
MONDAY 2	8:30	Current account balance (\$B)	Q4	-12.5	-12.6	-8.4
TUESDAY 3	8:30	Real GDP by industry (m/m)	Dec.	0.2%	0.2%	-0.2%
	8:30	Real GDP (ann. rate)	Q4	2.0%	2.4%	2.8%
	8:30	Industrial product price index (m/m)	Jan.	-1.1%	-1.1%	-1.6%
	8:30	Raw materials price index (m/m)	Jan.	-6.5%	-6.0%	-7.6%
WEDNESDAY 4	8:15	International reserves (\$B)	Feb.	n/a	74.9	74.8
	10:00	Bank of Canada meeting	March	0.75%	0.50%	0.75%
THURSDAY 5	10:00	PMI-Ivey index	Feb.	n/a	45.5	45.4
FRIDAY 6	8:30	International trade (\$B)	Jan.	-1.15	-1.30	-0.65
	8:30	Building permits (m/m)	Jan.	-3.5%	-3.5%	7.7%
	8:30	Labour productivity (q/q)	Q4	0.0%	0.0%	0.1%
	8:30	Unit labour costs (q/q)	Q4	n/a	0.1%	0.2%

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 March 2 to 6, 2015

Country	Hour	Indicator	Period	Consensus		Previous data		
				m/m (q/q)	y/y	m/m (q/q)	y/y	
OVERSEAS								
SUNDAY 1								
Japan	20:35	PMI manufacturing index – final	Feb.	n/a		51.5		
MONDAY 2								
Japan	0:00	Vehicle sales	Feb.		n/a		-18.9%	
United Kingdom	2:00	Nationwide house prices	Feb.	0.3%	6.2%	0.3%	6.8%	
Italy	3:45	PMI manufacturing index	Feb.	50.1		49.9		
France	3:50	PMI manufacturing index – final	Feb.	47.7		47.7		
Germany	3:55	PMI manufacturing index – final	Feb.	50.9		50.9		
Euro zone	4:00	PMI manufacturing index – final	Feb.	51.1		51.1		
Italy	4:00	Unemployment rate – preliminary	Jan.	12.9%		12.9%		
United Kingdom	4:30	PMI manufacturing index	Feb.	53.3		53.0		
Euro zone	5:00	Unemployment rate	Jan.	11.4%		11.4%		
Euro zone	5:00	Consumer price index – estimate	Feb.		-0.5%		-0.6%	
Australia	22:30	Reserve Bank of Australia meeting	March	2.00%		2.25%		
TUESDAY 3								
Germany	2:00	Retail sales	Jan.	0.4%	3.0%	0.2%	4.0%	
United Kingdom	4:30	PMI construction index	Feb.	59.0		59.1		
Euro zone	5:00	Producer price index	Jan.	-0.7%	-3.0%	-1.0%	-2.7%	
Japan	20:35	PMI composite index	Feb.	n/a		51.7		
Japan	20:35	PMI services index – final	Feb.	n/a		51.3		
WEDNESDAY 4								
Brazil	---	Bank of Brazil meeting	March	12.75%		12.25%		
Italy	3:45	PMI composite index	Feb.	51.4		51.2		
Italy	3:45	PMI services index	Feb.	51.4		51.2		
France	3:50	PMI composite index – final	Feb.	52.1		52.2		
France	3:50	PMI services index – final	Feb.	53.4		53.4		
Germany	3:55	PMI composite index – final	Feb.	54.3		54.3		
Germany	3:55	PMI services index – final	Feb.	55.5		55.5		
Euro zone	4:00	PMI composite index – final	Feb.	53.5		53.5		
Euro zone	4:00	PMI services index – final	Feb.	53.9		53.9		
United Kingdom	4:30	PMI composite index	Feb.	n/a		56.7		
United Kingdom	4:30	PMI services index	Feb.	57.5		57.2		
Euro zone	5:00	Retail sales	Jan.	0.2%	2.3%	0.3%	2.8%	
THURSDAY 5								
France	1:30	ILO unemployment rate	Q4	10.4%		10.4%		
Germany	2:00	Factory orders	Jan.	-1.0%	2.6%	4.2%	3.4%	
Germany	3:30	PMI construction index	Feb.	n/a		49.5		
Germany	3:30	PMI retail index	Feb.	n/a		52.3		
Italy	4:00	Real GDP – final	Q4	0.0%	-0.3%	0.0%	-0.3%	
Euro zone	4:10	PMI retail index	Feb.	n/a		46.6		
France	4:10	PMI retail index	Feb.	n/a		44.0		
Italy	4:10	PMI retail index	Feb.	n/a		41.2		
United Kingdom	7:00	Bank of England meeting	March	0.50%		0.50%		
Euro zone	7:45	European Central Bank meeting	March	0.05%		0.05%		
FRIDAY 6								
Japan	0:00	Leading indicator – preliminary	Jan.	105.8		105.6		
Japan	0:00	Coincident indicator – preliminary	Jan.	112.2		110.7		
Germany	2:00	Industrial production	Jan.	0.5%	-0.2%	0.1%	-0.7%	
France	2:45	Trade balance (€M)	Jan.	-3,000		-3,446		
Italy	4:00	Producer price index	Jan.	n/a	n/a	-0.8%	-2.1%	
Euro zone	5:00	Real GDP – preliminary	Q4	0.3%	0.9%	0.3%	0.9%	

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	2014	2013	2012	2011
Gross domestic product (2009 \$B)	2014 Q4	16,294	2.2	2.4	2.4	2.2	2.3	1.6
Consumption (2009 \$B)	2014 Q4	11,114	4.2	2.8	2.5	2.4	1.8	2.3
Government spending (2009 \$B)	2014 Q4	2,899	-1.8	0.9	-0.2	-2.0	-1.4	-3.0
Residential investment (2009 \$B)	2014 Q4	503.7	3.3	2.4	1.6	11.9	13.5	0.5
Non-residential investment (2009 \$B)	2014 Q4	2,170	4.8	6.2	6.3	3.0	7.2	7.7
Business inventory change (2009 \$B) (1)	2014 Q4	88.4	---	---	72.7	63.6	57.1	37.6
Exports (2009 \$B)	2014 Q4	2,121	3.2	2.1	3.1	3.0	3.3	6.9
Imports (2009 \$B)	2014 Q4	2,597	10.1	5.5	4.0	1.1	2.3	5.5
Final domestic demand (2009 \$B)	2014 Q4	16,665	3.2	2.8	2.4	1.9	2.1	1.7
GDP deflator (2009 = 100)	2014 Q4	108.7	0.1	1.2	1.5	1.5	1.8	2.1
Labor productivity (2009 = 100)	2014 Q4	106.6	-1.8	0.0	0.8	0.9	1.0	0.1
Unit labor cost (2009 = 100)	2014 Q4	104.2	2.7	1.9	1.5	0.3	1.7	2.1
Employment cost index (Dec. 2005 = 100)	2014 Q4	122.9	2.3	2.3	2.2	1.9	1.8	2.0
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)	Jan.	121.1	0.2	1.0	2.3	6.5
ISM manufacturing index (1)	Jan.	53.5	55.1	57.9	56.4	51.8
ISM non-manufacturing index (1)	Jan.	56.7	56.5	56.9	57.9	54.3
Cons. confidence Conf. Board (1985 = 100) (1)	Feb.*	96.4	103.8	91.0	93.4	78.3
Cons. confidence Michigan (1966 = 100) (1)	Feb.	95.4	98.1	88.8	82.5	81.6
Personal consumption expenditure (2009 \$B)	Dec.	11,132	-0.1	0.9	1.8	2.8
Disposable personal income (2009 \$B)	Dec.	12,130	0.5	1.3	1.7	3.7
Consumer credit (\$B)	Dec.	3,312	0.4	1.3	3.0	6.9
Retail sales (\$M)	Jan.	439,771	-0.8	-1.2	-0.4	3.3
Excluding automobiles (\$M)	Jan.	349,441	-0.9	-1.6	-1.0	1.7
Industrial production (2007 = 100)	Jan.	106.2	0.2	1.0	1.6	4.8
Production capacity utilization rate (%) (1)	Jan.	79.4	79.4	79.1	79.3	78.1
New machinery orders (\$M)	Dec.	471,454	-3.4	-5.7	-6.7	-3.6
New durable good orders (\$M)	Jan.*	236,147	2.8	-3.1	-21.2	5.4
Business inventories (\$B)	Dec.	1,764	0.1	0.4	1.2	3.9
Housing starts (K) (1)	Jan.	1,065	1,087	1,092	1,098	897.0
Building permits (K) (1)	Jan.	1,060	1,060	1,102	1,037	974.0
New home sales (K) (1)	Jan.*	481.0	482.0	469.0	399.0	457.0
Existing home sales (K) (1)	Jan.*	4,820	5,070	5,160	5,070	4,670
Construction spending (\$B)	Dec.	982.1	0.4	1.6	2.6	2.2
Commercial surplus (\$M) (1)	Dec.	-46,557	-39,751	-43,243	-41,386	-37,393
Nonfarm employment (K) (2)	Jan.	140,849	257.0	1,009	1,693	3,207
Unemployment rate (%) (1)	Jan.	5.7	5.6	5.7	6.2	6.6
Consumer price (1982-1984 = 100)	Jan.*	234.7	-0.7	-1.3	-1.2	-0.2
Excluding food and energy	Jan.*	239.9	0.2	0.3	0.7	1.6
Personal cons. expenditure deflator (2009 = 100)	Dec.	108.7	-0.2	-0.4	-0.3	0.7
Excluding food and energy	Dec.	108.1	0.0	0.2	0.5	1.3
Producer price (1982 = 100)	Jan.	192.7	-2.1	-4.0	-4.5	-3.3
Excluding food and energy	Jan.	190.3	0.2	0.5	0.8	1.5
Export prices (2000 = 100)	Jan.	125.6	-2.0	-3.9	-5.6	-5.4
Import prices (2000 = 100)	Jan.	127.2	-2.8	-6.5	-9.2	-8.0

* New statistic in comparison with last week.

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

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)	Nov.	1,647,922	-0.2	0.6	0.9	1.9
Industrial production (2007 \$M)	Nov.	356,964	-1.2	0.6	0.1	2.1
Manufacturing sales (\$M)	Dec.	52,391	1.7	-0.9	0.1	5.2
Housing starts (K) (1)	Jan.	187.3	179.6	181.6	203.3	176.9
Building permits (\$M)	Dec.	7,107	7.7	-5.0	-13.3	10.4
Retail sales (\$M)	Dec.	42,081	-2.0	-1.9	-1.2	4.0
Excluding automobiles (\$M)	Dec.	31,798	-2.3	-1.6	-2.4	2.0
Wholesale trade sales (\$M)	Dec.	55,432	2.5	2.5	4.3	11.2
Commercial surplus (\$M) (1)	Dec.	-648.5	-335.4	240.5	1,797	-656.3
Exports (\$M)	Dec.	44,055	1.5	-1.8	-2.1	7.9
Imports (\$M)	Dec.	44,704	2.3	0.2	3.5	7.7
Employment (K) (2)	Jan.	17,887	35.4	2.6	15.7	10.6
Unemployment rate (%) (1)	Jan.	6.6	6.7	6.6	7.0	7.0
Average weekly earnings (\$)	Dec.*	943.5	0.7	0.4	0.7	2.0
Number of salaried employees (K) (2)	Dec.*	15,639	21.8	4.2	12.7	12.9
Consumer price (2002 = 100)	Jan.*	124.3	-0.2	-1.3	-1.1	1.0
Excluding food and energy	Jan.*	119.5	0.2	-0.6	0.5	1.9
Excluding 8 volatile items	Jan.*	124.0	0.2	-0.3	0.7	2.2
Industrial product price (2002 = 100)	Dec.	108.5	-1.6	-2.6	-3.0	-0.5
Raw materials price (2002 = 100)	Dec.	98.1	-7.6	-16.5	-21.3	-13.0
Money supply M1+ (\$M)	Jan.*	753,822	0.1	0.8	3.5	5.9

* 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.

Major financial indicators

	Previous data (%)						Last 52 weeks (%)		
	Feb. 27	Feb. 20	-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	0.01	0.02	0.02	0.02	0.03	0.05	0.06	0.03	0.01
Treasury bonds – 2 years	0.63	0.63	0.45	0.47	0.47	0.30	0.70	0.48	0.30
– 5 years	1.51	1.60	1.18	1.51	1.62	1.49	1.84	1.60	1.18
– 10 years	2.01	2.14	1.68	2.20	2.35	2.66	2.81	2.39	1.67
– 30 years	2.61	2.73	2.26	2.91	3.08	3.59	3.73	3.14	2.25
S&P 500 index	2,111	2,110	1,995	2,068	2,003	1,859	2,115	1,970	1,816
DJIA index	18,194	18,140	17,165	17,828	17,098	16,322	18,225	17,046	16,027
Gold price (US\$/ounce)	1,217	1,207	1,273	1,182	1,288	1,326	1,376	1,261	1,146
CRB index	222.53	224.76	218.84	254.37	292.75	302.43	312.93	277.84	212.64
WTI oil (US\$/barrel)	49.27	49.95	47.79	65.94	97.86	102.58	107.30	85.14	44.08
Canada									
Overnight – target	0.75	0.75	0.75	1.00	1.00	1.00	1.00	0.97	0.75
Treasury bill – 3 months	0.57	0.47	0.58	0.90	0.93	0.84	0.96	0.87	0.47
Treasury bonds – 2 years	0.49	0.40	0.39	0.99	1.11	1.00	1.17	0.99	0.39
– 5 years	0.77	0.79	0.61	1.37	1.52	1.63	1.79	1.45	0.59
– 10 years	1.34	1.42	1.25	1.85	2.00	2.43	2.55	2.07	1.24
– 30 years	1.95	2.07	1.83	2.41	2.56	2.94	3.04	2.61	1.83
Spread with the U.S. rate (% points)									
Overnight – target	0.50	0.50	0.50	0.75	0.75	0.75	0.75	0.72	0.50
Treasury bill – 3 months	0.56	0.45	0.56	0.88	0.90	0.79	0.93	0.85	0.45
Treasury bonds – 2 years	-0.14	-0.23	-0.06	0.52	0.64	0.70	0.73	0.51	-0.23
– 5 years	-0.74	-0.81	-0.57	-0.14	-0.10	0.14	0.16	-0.15	-0.82
– 10 years	-0.67	-0.72	-0.43	-0.35	-0.35	-0.23	-0.17	-0.33	-0.72
– 30 years	-0.66	-0.66	-0.43	-0.50	-0.52	-0.65	-0.29	-0.53	-0.70
S&P/TSX index	15,284	15,172	14,673	14,745	15,626	14,210	15,658	14,794	13,705
Exchange rate (C\$/US\$)	1.2492	1.2528	1.2732	1.1415	1.0879	1.1066	1.2732	1.1239	0.8005
Exchange rate (C\$/€)	1.4000	1.4257	1.4372	1.4213	1.4286	1.5273	1.5545	1.4506	0.8971
Overseas									
ECB – Refinancing rate	0.05	0.05	0.05	0.05	0.15	0.25	0.25	0.13	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	0.32	0.37	0.27	0.70	0.89	1.63	1.65	1.01	0.27
U.K.: Bonds – 10 years	1.78	1.79	1.36	1.93	2.37	2.72	2.88	2.33	1.36
Euro: Exchange rate (US\$/€)	1.1207	1.1381	1.1289	1.2452	1.3133	1.3803	1.3934	1.2938	1.1198
U.K.: Exchange rate (US\$/£)	1.5450	1.5401	1.5069	1.5649	1.6599	1.6746	1.7166	1.6270	1.4990

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.