

## The Federal Reserve lowers its forecast for interest rates

### HIGHLIGHTS

- While it no longer considers itself “patient”, the Federal Reserve (Fed) is still not ready to raise its key interest rates.
- U.S. homebuilding takes a hard hit from the weather.
- Another slump in manufacturing in the United States.
- Canada: Manufacturing, wholesale and retail sales lost ground in January.
- Canada: The total annual inflation rate held steady at 1.0% in February.

### A LOOK AHEAD

- United States: Weather should affect sales of new homes more than resales.

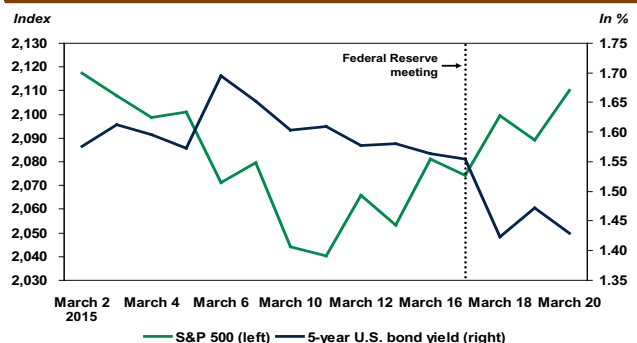
### FINANCIAL MARKETS

- The S&P 500 benefits from the cautious approach of Fed officials.
- The U.S. 10-year bond yield falls back below 2%.
- Extreme currency volatility after the Fed meeting.

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**Graph of the week – The Federal Reserve spurred rallies in both stock and bond markets**



Sources: Datastream and Desjardins, Economic Studies

**François Dupuis**  
Vice-President and Chief Economist

**Mathieu D'Anjou**  
Senior Economist

**Benoît P. Durocher**  
Senior Economist

**Francis Généreux**  
Senior Economist

**Jimmy Jean**  
Senior Economist

**Hendrix Vachon**  
Senior Economist

514-281-2336 or 1 866 866-7000, ext. 2336  
E-mail: [desjardins.economics@desjardins.com](mailto:desjardins.economics@desjardins.com)

## KEY STATISTICS OF THE WEEK

### UNITED STATES

- At its meeting of March 18, the Federal Reserve eliminated the term "patience" from its forward guidance, thereby giving itself greater leeway for deciding when to start raising key interest rates. However, its own economic forecasts, especially those pertaining to key interest rate trends, suggest that it will not use that new flexibility to rush into a rate cut.
- Housing starts plunged by 17.0% in February after stagnating in January and rising by 6.5% in December. They plummeted from 1,081,000 units in January to just 897,000 units in February, the lowest annualized volume since January 2014. Building permits were up by 3.0%, from 1,060,000 units to 1,092,000 units. This is their highest level since October 2014. Following in the footsteps of the February retail sales data released last week, housing starts are posting a pullback, probably due to the harsh weather conditions that have pummelled many parts of the United States.
- Industrial output ticked up by 0.1% in February after losses of 0.3% in January (revised from +0.2%) and 0.2% in December. Manufacturing output slipped by 0.2% after a 0.3% dip in the previous month. The automobile sector gave another poor performance, with a 3.0% slump in February; it has not increased since November. We also note manufacturing contractions in the metallurgy, machinery and apparel sectors. A portion of these weaknesses may stem from adverse weather conditions, but the main culprit is probably supply and delivery problems caused by the labour dispute at West Coast ports. Inflated by cold weather and demand for heating, energy output surged by 7.3% in February.
- The regional manufacturing indexes also posted slight declines in March. The New York Fed's Empire index fell from 7.78 in February to 6.90. The Philadelphia Fed manufacturing index dropped from 5.2 to 5.0. In both cases, increases were expected.
- The leading indicator inched up by 0.2% in February after a similar upturn in January. The main positive contributions to that growth were from the interest rate spread, the stock market and building permits. These were partly offset by the increase in weekly jobless claims and the decline in hours worked.

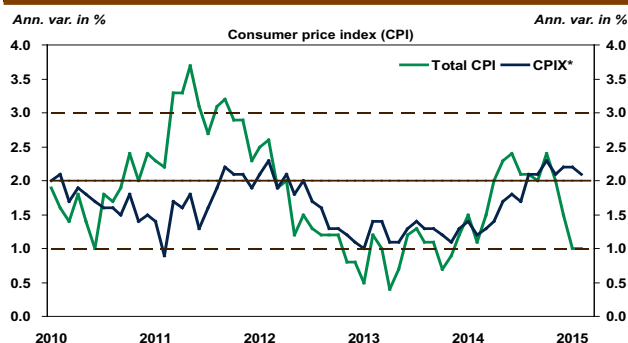
**Francis Généreux**  
Senior Economist

### CANADA

- The total consumer price index rose by 0.9% in February, a slightly larger increase than expected. The all-items annual inflation rate held steady at 1.0% in February. The Bank of Canada's (BoC) core index, which excludes eight volatile components, edged up by 0.6% in February. Its annual change slipped from 2.2% to 2.1%. Resistant inflation could limit the BoC's freedom of action. Even though the latest economic data paint a rather negative picture of the Canadian economy, the inflation trend could lead the monetary authorities to bide their time before deciding on a second cut in key interest rates.
- The value of retail sales dropped by 1.7% in January, a far greater decline than expected. Not only did sales fall sharply at gas stations (due to lower gasoline prices) and at automobile dealerships, but a generalized slump was also observed in other sectors, which was disappointing.
- Manufacturing sales were down by 1.7% in January. That drop was largely attributable to the oil and coal sectors (-11.9%) and automotive products (-2.3%). If we exclude those two sectors, sales were down by just 0.1%, which is satisfactory, considering the previous month's 2.3% increase.
- Wholesale sales fell by 3.1% in January, a result far below expectations. The majority of industry categories contributed to that decline. In real terms, sales were down by 3.3%. On the other hand, inventories expanded by 1.1%, which will soften the negative impact of wholesale trade on January's economic growth.

**Benoit P. Durocher**  
Senior Economist

#### Canada – Core inflation is fairly stable, close to the median target



\* Bank of Canada's core index.  
Sources: Statistics Canada and Desjardins, Economic Studies

# FINANCIAL MARKETS

## The Federal Reserve is in no rush

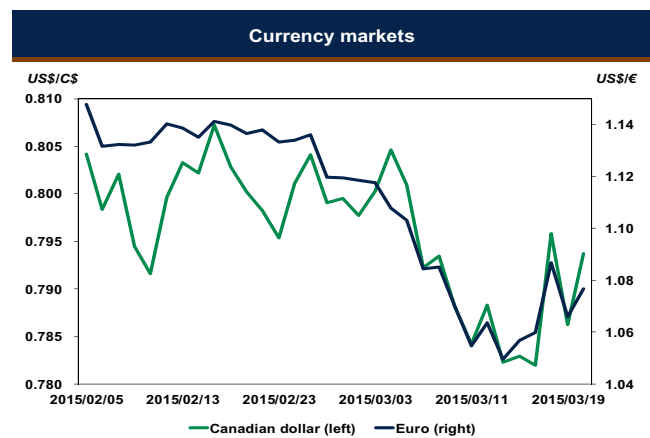
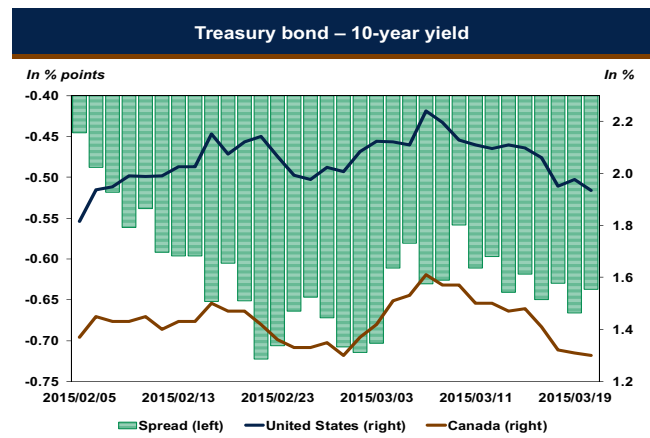
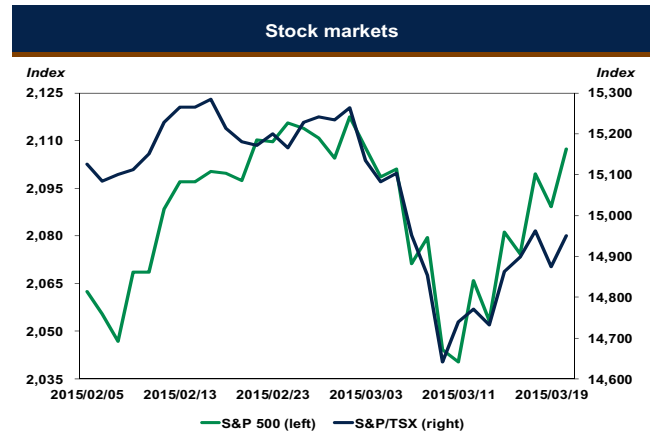
The poor U.S. manufacturing output numbers that were released on Monday gave a boost to stock markets, as investors estimated that this increased the probability that the central bank would adopt a cautious tone in its statement of Wednesday. That theory was confirmed, and officials significantly lowered their forecasts for the trajectory of interest rates. The S&P 500 surged by 1.2% during that session. A bit of a lull ensued, but the index was on its way to record a weekly gain of nearly 3.0% at time of writing. The Canadian stock market managed to resist the downward trend in oil prices at the beginning of the week. It stayed within a fairly narrow range around 14,900 points.

Bond yields continued along a downward path, and the issuance of the Federal Reserve's (Fed) statement amplified that movement on Wednesday. In that session alone, the 5-year and 10-year yields plunged by 16.5 and 13.1 basis points respectively. Some adjustment was observed on Thursday, but on Friday morning the 10-year yield was still sitting below the 2% mark. The removal of the word "patience" from the Fed's statement may have been widely anticipated by investors, but the changes to the forecasts came as a surprise. Canadian yields also declined sharply. Several economic indicators came in below expectations, reinforcing expectations of another cut in Canada's policy rates some time this year.

After dipping slightly at the beginning of the week, the U.S. dollar collapsed by nearly 3% on Wednesday after the Fed signalled that its monetary tightening would be very gradual. Consequently, the euro suddenly spiked above US\$1.10, the pound to over US\$1.51 and the Canadian dollar to over US\$0.80. The backlash was just as spectacular the next day, when the gains in those currencies were almost completely reversed. Ultimately, the dollar resumed a clear downward trend on Friday morning. The euro, which started off the week at around US\$1.05, is now hovering around US\$1.08. Taking advantage of a recovery in oil prices, the Canadian dollar crept slightly above US\$0.79, despite disappointing economic data nationally.

**Jimmy Jean**  
Senior Economist

**Hendrix Vachon**  
Senior Economist



# A LOOK AHEAD



## UNITED STATES

### Monday March 23 - 10:00

<b>February</b>	ann. rate
Consensus	4,920,000
Desjardins	5,000,000
<b>March</b>	<b>4,820,000</b>

**Sales of existing homes (February)** – Sales of existing homes were down by 4.9% in January after a 2.4% gain in December and a 4.1% pullback in November. The annualized volume of 4,820,000 reached in January was the lowest since April 2014. On the bright side, we are expecting an upturn in February. For one thing, sales of existing homes are less affected by the weather. Furthermore, we note a 1.7% increase in pending sales. Therefore, an increase to 5,000,000 units (annualized) is forecast, which would still be below the average reached in the second half of 2014.

### Tuesday March 24 - 8:30

<b>February</b>	m/m
Consensus	0.2%
Desjardins	0.2%
<b>January</b>	<b>-0.7%</b>

**Consumer price index (February)** – Inflation moved into negative territory when a monthly drop of 0.7% in the consumer price index (CPI) brought its annual change down, from 0.8% to -0.1%. Without really qualifying as a rally, gasoline prices did edge up in February and, for the first time since June 2014, energy should make a positive contribution to the growth of the all-items index. If we exclude food and energy, we expect a modest increase of 0.1%, while the total CPI should post monthly growth of 0.2%. However, this will not be enough to bring inflation into positive territory; the annual change in the CPI will likely remain at -0.1%. Core inflation should hold steady at 1.6%.

### Tuesday March 24 - 10:00

<b>February</b>	ann. rate
Consensus	470,000
Desjardins	450,000
<b>January</b>	<b>481,000</b>

**Sales of new homes (February)** – Sales of new, single-family homes remained practically flat in January, slipping from 482,000 to 481,000. We expect a far more significant decline in February. Adverse weather will likely have a huge effect on sales. We have seen this in the downturn in the NAHB homebuilders' confidence index, as well as in the 6.2% pullback in issuances of building permits for single-family homes in February. Sales of new homes should fall by 450,000 units. Spring should bring a rally.

### Wednesday March 26 - 8:30

<b>February</b>	m/m
Consensus	0.2%
Desjardins	0.5%
<b>January</b>	<b>2.8%</b>

**New orders of durable goods (February)** – New orders were up by 2.8% in January, impelled by a 128.7% surge in civil aviation orders. This gain was all the more surprising, in that the Boeing company was reporting a decline in its orders. For the month of February, Boeing is posting a modest increase in aircraft orders. Still within the transportation realm, we expect another slump in automobile sales. Excluding transportation, the ISM does not suggest any great rebound after January's gain of 0.3%. Instead, we expect a modest uptick of 0.1%. All told, a 0.5% gain in new durable goods orders is predicted.



## OVERSEAS


### Tuesday March 24 - 5:00

<b>March</b>	m/m
Consensus	53.6
<b>February</b>	<b>53.3</b>

**Euro zone: PMI index (March)** – The composite PMI index of the euro zone has been on a positive trend since last fall. In the space of three months, it has gained 2.2 points, reaching 53.3. However, that is below the levels that were reached during the first half of 2014. Further growth in the euro zone composite PMI index in March would constitute a signal offering hope of another slight acceleration in real GDP growth. The German IFO indexes, to be released on Tuesday, also bear watching. Germany's retail sales in February will be released on Friday; they were up sharply in January.

# ECONOMIC INDICATORS

## Week of March 23 to 27, 2015

Day	Hour	Indicator	Period	Consensus		Previous data
<b>UNITED STATES</b>						
<b>MONDAY 23</b>						
	4:40	Speech of the Cleveland Fed President, L. Mester				
	10:00	Speech of the San Francisco Fed President, J. Williams				
	10:00	Existing home sales (ann. rate)	Feb.	4,920,000	5,000,000	4,820,000
	12:20	Speech of the Federal Reserve Vice Chair, S. Fisher				
<b>TUESDAY 24</b>						
	6:05	Speech of the St. Louis Fed President, J. Bullard				
	8:30	Consumer price index				
		Total (m/m)	Feb.	0.2%	0.2%	-0.7%
		Excluding food and energy (m/m)	Feb.	0.1%	0.1%	0.2%
		Total (y/y)	Feb.	-0.1%	-0.1%	-0.1%
		Excluding food and energy (y/y)	Feb.	1.7%	1.6%	1.6%
	10:00	New home sales (ann. rate)	Feb.	470,000	450,000	481,000
<b>WEDNESDAY 25</b>						
	6:30	Speech of the Chicago Fed President, C. Evans				
	8:30	Durable goods orders (m/m)	Feb.	0.2%	0.5%	2.8%
<b>THURSDAY 26</b>						
	4:35	Speech of the St. Louis Fed President, J. Bullard				
	8:30	Initial unemployment claims	March 16-20	290,000	286,000	291,000
	9:00	Speech of the Atlanta Fed President, D. Lockhart				
<b>FRIDAY 27</b>						
	6:30	Speech of the Federal Reserve Vice Chair, S. Fisher				
	8:30	Real GDP (ann. rate)	Q4t	2.4%	2.3%	2.2%
	10:00	Michigan's consumer sentiment index – final	March	92.0	91.2	91.2
	15:45	Speech of the Federal Reserve Chairman, J. Yellen				

## CANADA

### MONDAY 23

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### TUESDAY 24

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### WEDNESDAY 25


15:45 Speech of a Bank of Canada Deputy Governor, T. Lane

### THURSDAY 26

9:30 Speech of the Bank of Canada Governor, S. Poloz  
16:00 Budget of Québec


### FRIDAY 27

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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 March 23 to 27, 2015

Country	Hour	Indicator	Period	Consensus		Previous data		
				m/m (q/q)	y/y	m/m (q/q)	y/y	
 <b>OVERSEAS</b>								
<b>MONDAY 23</b>								
Euro zone	11:00	Consumer confidence – preliminary	March	-6.0		-6.7		
<b>TUESDAY 24</b>								
Japan	1:00	Small business confidence	March	48.0		46.5		
France	4:00	PMI composite index – preliminary	March	52.1		52.2		
France	4:00	PMI manufacturing index – preliminary	March	48.5		47.6		
France	4:00	PMI services index – preliminary	March	52.8		53.4		
Germany	4:30	PMI composite index – preliminary	March	54.1		53.8		
Germany	4:30	PMI manufacturing index – preliminary	March	51.5		51.1		
Germany	4:30	PMI services index – preliminary	March	55.0		54.7		
Euro zone	5:00	PMI composite index – preliminary	March	53.6		53.3		
Euro zone	5:00	PMI manufacturing index – preliminary	March	51.5		51.0		
Euro zone	5:00	PMI services index – preliminary	March	53.9		53.7		
United Kingdom	5:30	Consumer price index	Feb.	0.3%	0.1%	-0.9%	0.3%	
United Kingdom	5:30	Producer price index	Feb.	0.0%	-2.0%	-0.5%	-1.8%	
<b>WEDNESDAY 25</b>								
France	3:45	Business confidence	March	95		94		
France	3:45	Production outlook	March	n/a		-8		
Germany	5:00	IFO survey – Business climate	March	107.3		106.8		
Germany	5:00	IFO survey – Current situation	March	112.0		111.3		
Germany	5:00	IFO survey – Expectations	March	103.0		102.5		
<b>THURSDAY 26</b>								
Germany	3:00	Consumer confidence	April	9.8		9.7		
France	3:45	Real GDP – final	Q4	0.1%	0.2%	0.1%	0.2%	
Euro zone	5:00	Money supply M3	Feb.		4.3%		4.1%	
United Kingdom	5:30	Retail sales	Feb.	0.3%	4.1%	-0.7%	4.8%	
Mexico	15:00	Bank of Mexico meeting	March	3.00%		3.00%		
Japan	19:30	Workers' household spending	Feb.		-3.2%		-5.1%	
Japan	19:30	Consumer price index	Feb.		2.3%		2.4%	
Japan	19:30	Consumer price index – Tokyo	March		2.3%		2.3%	
Japan	19:30	Unemployment rate	Feb.	3.5%		3.6%		
Japan	19:50	Retail sales	Feb.	0.9%	-1.4%	-1.9%	-2.0%	
<b>FRIDAY 27</b>								
United Kingdom	3:00	Nationwide house prices	March	n/a	n/a	-0.1%	5.7%	
France	3:45	Consumer confidence	March	93		92		
Italy	5:00	Factory orders	Jan.	n/a	n/a	4.5%	5.8%	
Italy	6:00	Retail sales	Jan.	0.1%	-0.3%	-0.2%	0.1%	

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	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	106.4	-2.2	-0.1	0.7	0.9	1.0	0.2
Unit labor cost (2009 = 100)	2014 Q4	104.9	4.1	2.6	1.7	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 Q4*	-113.5	---	---	-410.6	-400.3	-460.8	-459.3

\* 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)	Feb.*	121.4	0.2	0.9	2.4	6.2
ISM manufacturing index (1)	Feb.	52.9	53.5	57.6	58.1	54.3
ISM non-manufacturing index (1)	Feb.	56.9	56.7	58.8	58.6	52.5
Cons. confidence Conf. Board (1985 = 100) (1)	Feb.	96.4	103.8	91.0	93.4	78.3
Cons. confidence Michigan (1966 = 100) (1)	March	91.2	95.4	93.6	84.6	80.0
Personal consumption expenditure (2009 \$B)	Jan.	11,164	0.3	0.8	2.0	3.4
Disposable personal income (2009 \$B)	Jan.	12,246	0.9	1.9	2.6	4.2
Consumer credit (\$B)	Jan.	3,328	0.3	1.3	2.8	6.9
Retail sales (\$M)	Feb.	437,006	-0.6	-2.3	-1.6	1.7
Excluding automobiles (\$M)	Feb.	348,370	-0.1	-2.0	-1.6	0.8
Industrial production (2007 = 100)	Feb.*	105.8	0.1	-0.5	1.3	3.5
Production capacity utilization rate (%) (1)	Feb.*	78.9	79.1	79.8	79.1	78.6
New machinery orders (\$M)	Jan.	470,005	-0.2	-5.3	-15.8	-2.3
New durable good orders (\$M)	Jan.	236,305	2.8	-3.1	-21.2	5.5
Business inventories (\$B)	Jan.	1,762	-0.0	0.1	0.7	3.4
Housing starts (K) (1)	Feb.*	897.0	1,081	1,015	963.0	928.0
Building permits (K) (1)	Feb.*	1,092	1,060	1,060	1,022	1,014
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)	Jan.	971.4	-1.1	-0.9	1.2	1.8
Commercial surplus (\$M) (1)	Jan.	-41,752	-45,601	-41,898	-40,655	-38,841
Nonfarm employment (K) (2)	Feb.	141,126	295.0	863.0	1,757	3,296
Unemployment rate (%) (1)	Feb.	5.5	5.7	5.8	6.1	6.7
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)	Jan.	108.3	-0.5	-0.8	-0.8	0.2
Excluding food and energy	Jan.	108.2	0.1	0.1	0.4	1.3
Producer price (1982 = 100)	Feb.	192.5	-0.1	-3.3	-4.5	-3.5
Excluding food and energy	Feb.	190.5	0.1	0.5	0.8	1.5
Export prices (2000 = 100)	Feb.	125.8	-0.1	-2.9	-5.0	-5.9
Import prices (2000 = 100)	Feb.	126.7	0.4	-5.1	-8.8	-9.4

\* 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	2014	2013	2012	2011
Gross domestic product (2007 \$M)	2014 Q4	1,767,784	2.4	2.6	2.5	2.0	1.9	3.0
Household consumption (2007 \$M)	2014 Q4	982,885	2.0	2.6	2.8	2.5	1.9	2.2
Government consumption (2007 \$M)	2014 Q4	350,813	2.1	0.7	0.3	0.4	1.2	0.8
Residential investment (2007 \$M)	2014 Q4	117,965	1.5	5.2	2.8	-0.4	5.7	1.7
Non-residential investment (2007 \$M)	2014 Q4	194,449	-2.3	0.5	0.1	2.6	9.0	12.7
Business inventory change (2007 \$M) (1)	2014 Q4	8,017	---	---	7,433	12,368	7,437	10,911
Exports (2007 \$M)	2014 Q4	560,663	-1.6	6.5	5.4	2.0	2.6	4.6
Imports (2007 \$M)	2014 Q4	579,017	1.7	2.6	1.7	1.3	3.7	5.7
Final domestic demand (2007 \$M)	2014 Q4	1,766,335	1.5	2.0	1.6	1.5	2.5	2.5
GDP deflator (2007 = 100)	2014 Q4	112.7	-2.4	1.2	1.8	1.3	1.6	3.4
Labour productivity (2007 = 100)	2014 Q4	107.2	-0.3	1.8	2.5	1.1	0.0	1.4
Unit labour cost (2007 = 100)	2014 Q4	113.6	0.0	0.6	0.9	1.3	3.0	2.1
Current account balance (\$M) (1)	2014 Q4	-13,917	---	---	-43,499	-56,255	-59,911	-47,195
Production capacity utilization rate (%) (1)	2014 Q4	83.6	---	---	82.8	81.2	81.5	80.6
Disposable personal income (\$M)	2014 Q4	1,127,836	1.9	3.0	3.4	3.8	4.2	4.5
Corporate net operating surplus (2007 \$M)	2014 Q4	277,016	-11.3	6.7	9.0	-0.6	-4.2	15.4

\* 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)	Dec.	1,655,573	0.3	0.5	1.0	2.8
Industrial production (2007 \$M)	Dec.	361,175	0.8	0.3	0.3	4.3
Manufacturing sales (\$M)	Jan.*	51,423	-1.7	-1.5	-4.2	2.9
Housing starts (K) (1)	Feb.	156.3	187.0	192.0	196.0	192.4
Building permits (\$M)	Jan.	6,129	-12.9	-17.8	-31.5	-13.6
Retail sales (\$M)	Jan.*	41,358	-1.7	-3.3	-2.9	1.2
Excluding automobiles (\$M)	Jan.*	31,284	-1.8	-3.2	-3.5	-0.3
Wholesale trade sales (\$M)	Jan.*	53,729	-3.1	-0.8	1.1	7.1
Commercial surplus (\$M) (1)	Jan.	-2,451	-1,218	-692.7	2,086	-221.1
Exports (\$M)	Jan.	42,611	-2.8	-4.1	-6.5	3.4
Imports (\$M)	Jan.	45,063	0.0	-0.1	3.6	8.8
Employment (K) (2)	Feb.	17,886	-1.0	7.7	18.9	10.8
Unemployment rate (%) (1)	Feb.	6.8	6.6	6.7	7.0	7.1
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)	Feb.*	125.4	0.9	0.0	-0.2	1.0
Excluding food and energy	Feb.*	120.3	0.7	0.4	0.8	1.8
Excluding 8 volatile items	Feb.*	124.7	0.6	0.5	0.8	2.1
Industrial product price (2002 = 100)	Jan.	108.2	-0.4	-2.3	-3.0	-2.2
Raw materials price (2002 = 100)	Jan.	90.5	-7.7	-19.7	-26.4	-21.8
Money supply M1+ (\$M)	Jan.	752,730	0.1	0.6	3.4	5.8

\* 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 (%)		
	March 20	March 13	-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	0.00	0.03	0.02	0.04	0.02	0.06	0.06	0.03	0.00
Treasury bonds – 2 years	0.58	0.65	0.63	0.65	0.57	0.44	0.72	0.50	0.31
– 5 years	1.42	1.58	1.60	1.65	1.82	1.71	1.84	1.60	1.18
– 10 years	1.94	2.11	2.14	2.18	2.59	2.75	2.81	2.36	1.67
– 30 years	2.51	2.69	2.73	2.77	3.30	3.61	3.65	3.08	2.25
S&P 500 index	2,107	2,053	2,110	2,071	2,010	1,867	2,117	1,982	1,816
DJIA index	18,152	17,749	18,140	17,805	17,280	16,303	18,289	17,142	16,027
Gold price (US\$/ounce)	1,182	1,154	1,207	1,198	1,217	1,335	1,338	1,251	1,146
CRB index	214.06	210.70	224.76	240.29	279.40	299.40	312.93	272.79	209.00
WTI oil (US\$/barrel)	45.75	44.88	49.95	56.91	92.43	99.97	107.30	82.09	43.39
<b>Canada</b>									
Overnight – target	0.75	0.75	0.75	1.00	1.00	1.00	1.00	0.96	0.75
Treasury bill – 3 months	0.53	0.54	0.47	0.90	0.92	0.87	0.96	0.86	0.47
Treasury bonds – 2 years	0.45	0.55	0.40	1.01	1.17	1.07	1.17	0.96	0.39
– 5 years	0.72	0.86	0.79	1.37	1.71	1.73	1.79	1.41	0.59
– 10 years	1.30	1.47	1.42	1.81	2.25	2.48	2.55	2.01	1.24
– 30 years	1.94	2.11	2.07	2.34	2.76	2.96	3.04	2.56	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	0.71	0.50
Treasury bill – 3 months	0.53	0.51	0.45	0.86	0.90	0.81	0.93	0.83	0.45
Treasury bonds – 2 years	-0.13	-0.10	-0.23	0.36	0.60	0.63	0.73	0.47	-0.23
– 5 years	-0.71	-0.72	-0.81	-0.28	-0.11	0.02	0.11	-0.20	-0.82
– 10 years	-0.64	-0.64	-0.72	-0.37	-0.34	-0.27	-0.17	-0.35	-0.72
– 30 years	-0.57	-0.58	-0.66	-0.43	-0.54	-0.65	-0.29	-0.52	-0.71
S&P/TSX index	14,951	14,732	15,172	14,468	15,265	14,336	15,658	14,830	13,705
Exchange rate (C\$/US\$)	1.2599	1.2784	1.2528	1.1601	1.0963	1.1221	1.2789	1.1327	0.7937
Exchange rate (C\$/€)	1.3567	1.3416	1.4257	1.4186	1.4064	1.5477	1.5488	1.4405	0.8547
<b>Overseas</b>									
ECB – Refinancing rate	0.05	0.05	0.05	0.05	0.05	0.25	0.25	0.12	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	0.18	0.26	0.37	0.59	1.00	1.63	1.62	0.93	0.18
U.K.: Bonds – 10 years	1.52	1.72	1.79	1.87	2.55	2.75	2.88	2.28	1.36
Euro: Exchange rate (US\$/€)	1.0768	1.0495	1.1381	1.2229	1.2829	1.3794	1.3928	1.2762	1.0495
U.K.: Exchange rate (US\$/£)	1.4881	1.4744	1.5401	1.5632	1.6288	1.6487	1.7166	1.6177	1.4744

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.