

Escalation of the conflict in Yemen

HIGHLIGHTS

- Home sales rose in the United States in February.
- After three months of decline, the U.S. consumer price index ticked up by 0.2% in February.
- The Quebec government has confirmed the return to a balanced budget.

A LOOK AHEAD

- Continuing strong job growth is expected in the United States.
- United States: Declines in the ISM manufacturing and the consumer confidence indexes are expected in March.
- Canada: Real GDP will probably contract in January.
- Canada: The international merchandise trade balance will improve slightly.

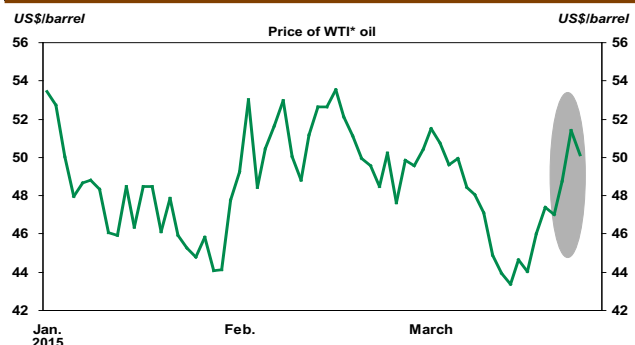
FINANCIAL MARKETS

- Risk aversion returns to the stock markets amid rising geopolitical tensions.
- The Governor of the Bank of Canada signals a patient approach.
- Bolstered by rising oil prices, the Canadian dollar holds its ground at close to US\$0.80.

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Graph of the week – Saudi Arabia's military intervention in Yemen gave oil prices a boost



* West Texas Intermediate
Sources: Datastream, Bloomberg and Desjardins, Economic Studies

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KEY STATISTICS OF THE WEEK

UNITED STATES

- The consumer price index (CPI) rose by 0.2% in February. This is the first upturn since October and comes on the heels of a 0.7% decline in January. Energy prices were up by 1.0%, their first gain since June 2014; this was caused by a 2.4% increase in gasoline prices. The core index, which excludes food and energy, was also up by 0.2%, as was the case in January. We note acceleration in automobile prices. The annual change in the all-items CPI ticked up from -0.1% to 0.0% (it is still in negative territory if we add a few more decimals, -0.025%). Core inflation edged up from 1.6% to 1.7%.
- New durable goods orders recorded a 1.4% drop in February after a gain of 2.0% in January. Airplane orders were down after a sharp increase in the previous month. Excluding transportation, orders fell by 0.4%; they have not headed up since September 2014. New orders of capital goods excluding airplanes and defence have tumbled by 5.3% since their peak of last August, suggesting that weak investment is continuing in the first quarter of 2015.
- Sales of existing homes edged up by 1.2% in February after a 4.9% slump in January. This brings the volume of resales from 4,820,000 to 4,880,000 units, which is still lower than the volumes above 5,000,000 that were often recorded during 2014. February's upturn in resales comes entirely from single-family homes, which posted growth of 1.4%; condo sales stagnated.
- While a downturn was expected, sales of new single-family homes surged by 7.8%, their first increase since October. Sales were up mainly in the northeastern United States, after January's activity was depressed by harsh winter weather.

Francis Généreux
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CANADA

- The Minister of Finance, Carlos Leitão, presented his budget for 2015–2016 to the National Assembly last Thursday. The Quebec government is continuing to focus on balancing the budget for fiscal 2015–2016, after a forecast deficit of \$2.35B in 2014–2015. To get there, the Ministère des Finances is particularly counting on faster growth in own-source revenues, resulting from slightly faster economic growth. The increase in program spending will also have to be limited to only 1.5% in 2015–2016, an ambitious target considering growth over the past few years, i.e. 2.9% in 2014–2015 and 4.5% in 2013–2014. This takes into consideration an increase of only 1.4% in health and social services spending for fiscal 2015–2016 and growth of 0.2% in education, higher education and research spending. Balancing the budget will reduce the tax burden on individuals and businesses, with most measures coming into effect in early 2017. In addition, the health contribution will gradually be eliminated. Measures to foster the performance of the labour market, stimulate private investment and support communities and culture are also announced. All in all, the financial impact of 2015–2016 budget measures will amount to \$3.4B by 2019–2020.
- The Alberta government also brought down its budget last Thursday. A deficit of \$5B is expected for the 2015–2016 fiscal year, and a return to a balanced budget should be achieved in 2017–2018. To accomplish this, the Alberta government is counting not only on higher oil prices, but on higher income and consumption taxes. Moreover, Alberta is abandoning its flat income tax rate for individuals, in favour of a progressive regime. A health contribution will also be introduced, and taxes on tobacco and gasoline will be raised.

Benoit P. Durocher
Senior Economist

FINANCIAL MARKETS

Markets are nervous about escalating armed conflict in the Middle East

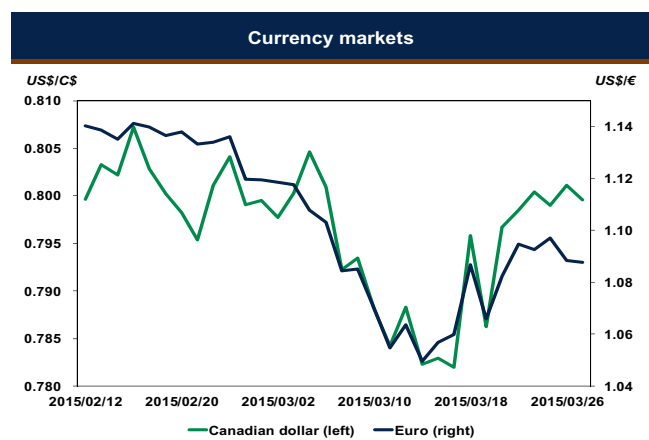
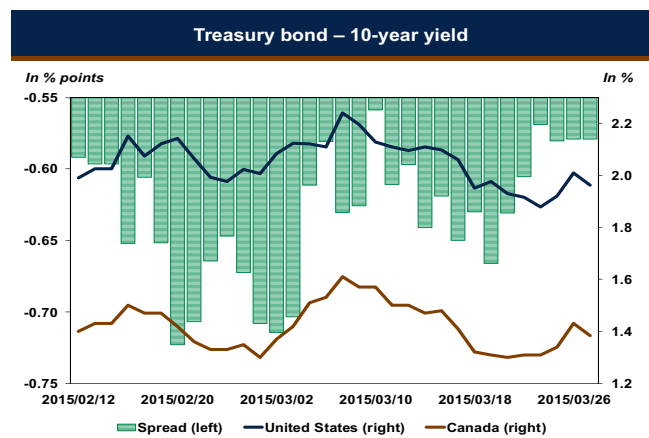
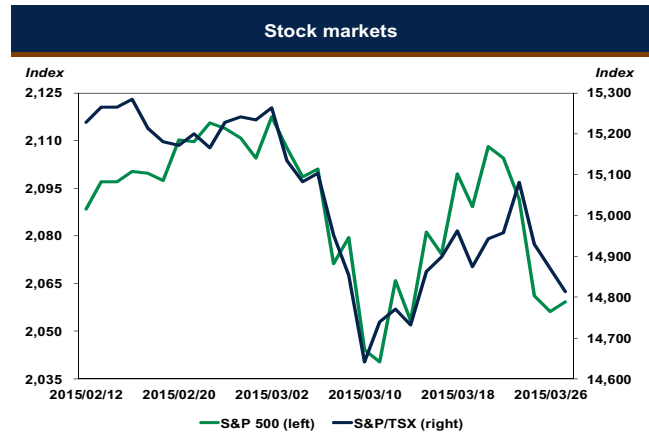
Stock markets had a tough week; after recording four declines in a row, the S&P 500 was hovering around 2,060 points on Friday morning. Nearly all the economic indicators from the United States came in below the consensus forecasts, continuing to temper growth expectations for the first quarter. Air strikes by Saudi Arabia against rebel Shiite positions in Yemen also triggered a surge in risk aversion and a jump in the VIX/S&P volatility indicator. Oil prices reacted by heading up, and a barrel of WTI (West Texas Intermediate) was sitting around US\$50 on Friday morning. The Canadian stock market showed a bit more resilience thanks to firming oil prices, but was caught up in the turmoil from Wednesday onwards.

The weakening trend in yields that followed the Federal Reserve’s decision of the previous week extended as far as Wednesday. Bond yields subsequently headed back up, as the bond auctions in the United States, held on Wednesday and Thursday, saw weaker-than-average demand. Yields fell on Friday morning, however, after the release of disappointing revised growth estimates. In Canada, the Governor of the Bank of Canada, Stephen Poloz, commented on Thursday that he was confident that the rate cut ordered in January would be sufficient, propelling short-term bond yields upwards. Markets are pricing in a lower probability of a rate cut in April.

The release of some better-than-expected indicators in the euro zone, and worse-than-expected indicators in the United States, gave the euro a slight boost against the U.S. dollar in the first half of the week. The winds changed on Thursday after the Saudi air strikes in Yemen. The euro, which had surpassed US\$1.10, fell back below US\$1.09, and stayed there. The pound sterling had a tougher time against the euro at the beginning of the week, since inflation had fallen to 0%, making the possibility of monetary tightening at the beginning of next year more uncertain. Supported by the rebound in oil prices, the Canadian dollar held its ground at around US\$0.80 (C\$1.25/US\$).

Jimmy Jean
Senior Economist

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A LOOK AHEAD



UNITED STATES

Monday March 30 - 8:30

February	m/m
Consensus	0.2%
Desjardins	0.5%
January	-0.2%

Consumer spending (February) – Real consumption saw growth of 0.3% in January, boosted by, among other things, the service sector, which enjoyed greater demand for heating due to the abnormally cold weather. This contribution should show up again in February, based on the spike in energy output during that month. In the goods sector, consumption growth will be less robust; car sales recorded another slump in February (although we expect a rally in March) and retail sales were disappointing, although this applies more to durable than to non-durable goods. A 0.3% upturn in real consumption is expected. If we add in the 0.2% increase expected in the personal consumption expenditures deflator, nominal consumption should post growth of 0.5%. Nominal personal income should tick up by 0.3%.

Tuesday March 31 - 9:00

January	y/y
Consensus	4.60%
Desjardins	4.30%
December	4.46%

S&P/Case-Shiller home price index (January) – Prices of existing homes escalated in the last months of 2014. December's gain of 0.9% was the strongest since March of last year. Another price increase, albeit a more timid one, is expected for January. The anticipated monthly upturn is 0.5%, although this would not prevent a slight dip in the index's annual change. The annual change would fall from 4.5% to 4.3%. However, the weakness of resale activity in the past few months attaches a downside risk to this forecast of higher prices.

Tuesday March 31 - 10:00

March	
Consensus	96.5
Desjardins	95.0
February	96.4

Conference Board consumer confidence index (March) – After reaching its highest level since August 2007 in January, the Conference Board index posted its sharpest monthly drop since the shutdown of the federal government in the fall of 2013. This pullback was triggered by, among other things, rising gasoline prices in February (they have since levelled off somewhat). Some uncertainty surrounding the financial markets in February, and the harsh weather that battered many regions, probably also contributed to this slackening of confidence. The signals for the month of March are mixed. On one hand, gasoline prices are still a little higher than they were last month (although the increase is less severe than in February), and the stock market has been in a slump for the past few weeks. In addition, the University of Michigan confidence index lost ground again in March. On the other hand, the job market is still doing well and jobless claims were lower in March than in February. As for the weekly confidence index compiled by Bloomberg, it has been holding relatively stable. In short, we should expect a slight decline in confidence that would take the Conference Board index from 96.4 to 95.0.

Wednesday April 1 - 10:00

March	
Consensus	52.5
Desjardins	52.4
February	52.9

ISM manufacturing index (March) – The ISM manufacturing index headed down again in February, but its decline, from 53.5 to 52.9, was less than the trend of the regional manufacturing indexes had hinted at. Harsh weather, lower investments in the oil industry and the labour dispute at the West Coast ports of the United States all seem to have contributed to some weakness in the ISM since the October number of 57.9. Fortunately, the last of those factors (the labour dispute) ended at the end of February. However, it is probably too soon to hope for a strong rally in the manufacturing ISM, since the regional indexes are still pointing towards a fairly low reading in March. It should dip from 52.9 to 52.4 and then, we hope, rebound in April.

Balance of trade (February) – The trade balance greatly improved in current dollar terms in January due to a sharp drop in the value of imports, such as oil. But in real terms, exports (-2.0%) fell more than imports (-1.6%). These depressed numbers reflect the labour dispute that started at the West Coast ports in December. It lasted until the end of February, and therefore should once again throw a monkey wrench into last month's data. We are expecting a 1.0% slump in both real exports and real imports. Price effects (export prices dipped by 0.1% in February while import prices rose by 0.4%), including the strength of the U.S. dollar, will also contribute to a deterioration of the trade balance in February. The deficit should climb from US\$41.8B to US\$42.4B.

Job creation according to the establishment survey (March) – Despite many slightly less positive signs, job growth remained very strong in February, with a gain of 295,000 jobs. Many of the indicators that enable us to anticipate the number of hires in March, such as the “employment” components of the ISM indexes, or those of the Conference Board's consumer confidence survey, are not yet available. However, the decline in jobless claims from February to March suggests another good performance: a gain of 275,000 jobs is expected. Meanwhile, the unemployment rate could rise from 5.5% to 5.6% due to the effect of slightly more vigorous growth of the labour force, after a surprise exit of 178,000 people in February.


CANADA

Real GDP by industry (January) – The latest economic numbers are quite negative. The volume of manufacturing sales slipped by 1.0% in January, while those of retail and wholesale sales fell by 1.2% and 3.3% respectively. All together, these industries account for 21.8% of Canada's total output. We must therefore expect real GDP by industry to head down in January. The scope of that decline will be lessened by slightly more positive news in certain sectors. For example, the number of hours worked in the service sector ticked up by 0.1% during the month.

International merchandise trade (February) – After seven straight months of decline, commodity prices (expressed in Canadian dollars and seasonally adjusted) edged up by 1.7% in February. In addition, energy prices rose by 4.7%. This should help inflate the value of Canadian exports. On the other hand, U.S. data suggest that activity pulled back by around 3% in the automobile industry. Under these conditions, we should expect the merchandise trade balance to improve slightly during the month.


OVERSEAS

Euro zone: Economic indicators – Many euro zone confidence indexes for the month of March will be released on Monday. Most of them showed improvement in February. The rise in consumer confidence according to the preliminary version for March and the better performance by the ISM indexes suggest that the confidence climate has improved further. The first estimate of the annual change in the consumer price index in March will be revealed on Tuesday. Inflation was standing at -0.3% in February, and a similar result is expected for March. The February unemployment rate will also be released on Tuesday.

Thursday April 2 - 8:30

February	US\$B
Consensus	-41.0
Desjardins	-42.4
January	-41.8

Friday April 3 - 8:30

March	
Consensus	250,000
Desjardins	275,000
February	295,000

Tuesday March 31 - 8:30

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


Thursday April 2 - 8:30

February	\$B
Consensus	-2.0
Desjardins	-2.2
January	-2.5

During the week

ECONOMIC INDICATORS


Week of March 30 to April 3, 2015

Day	Hour	Indicator	Period	Consensus		Previous data
UNITED STATES						
MONDAY 30	8:30	Personal income (m/m)	Feb.	0.3%	0.3%	0.3%
	8:30	Personal consumption expenditures (m/m)	Feb.	0.2%	0.5%	-0.2%
	8:30	Personal consumption expenditures deflator				
		Total (m/m)	Feb.	0.2%	0.2%	-0.5%
		Excluding food and energy (m/m)	Feb.	0.1%	0.1%	0.1%
		Total (y/y)	Feb.	0.3%	0.3%	0.2%
		Excluding food and energy (y/y)	Feb.	1.3%	1.3%	1.3%
	10:00	Pending home sales (m/m)	Feb.	0.4%	n/a	1.7%
	19:15	Speech of the Federal Reserve Vice Chair, S. Fisher				
TUESDAY 31	8:00	Speech of the Richmond Fed President, J. Lacker				
	9:00	S&P/Case-Shiller home price index (y/y)	Jan.	4.60%	4.30%	4.46%
	9:45	Chicago PMI index	March	52.0	55.0	45.8
	10:00	Consumer confidence	March	96.5	95.0	96.4
	15:00	Speech of the Kansas City Fed President, E. George				
WEDNESDAY 1	---	Total vehicle sales (ann. rate)	March	16,850,000	17,000,000	16,160,000
	10:00	Construction spending (m/m)	Feb.	-0.2%	0.3%	-1.1%
	10:00	ISM manufacturing index	March	52.5	52.4	52.9
THURSDAY 2	8:00	Speech of the Federal Reserve Chairman, J. Yellen				
	8:30	Initial unemployment claims	March 23-27	285,000	283,000	282,000
	8:30	Trade balance – Goods and services (US\$B)	Feb.	-41.0	-42.4	-41.8
	10:00	Factory orders (m/m)	Feb.	-0.3%	-1.2%	-0.2%
	15:45	Speech of a Federal Reserve Governor, L. Brainard				
FRIDAY 3	8:30	Change in nonfarm payrolls	March	250,000	275,000	295,000
	8:30	Unemployment rate	March	5.5%	5.6%	5.5%
	8:30	Average weekly earnings (m/m)	March	0.2%	0.2%	0.1%
	8:30	Weekly worked hours	March	34.6	34.6	34.6
SATURDAY 4	8:50	Speech of the Minneapolis Fed President, N. Kocherlakota				




CANADA

MONDAY 30	8:30	Industrial product price index (m/m)	Feb.	0.5%	0.3%	-0.4%
	8:30	Raw materials price index (m/m)	Feb.	5.0%	5.0%	-7.7%
TUESDAY 31	8:30	Average weekly earnings (y/y)	Jan.	n/a	2.4%	2.0%
	8:30	Number of salaried employees (m/m)	Jan.	n/a	0.0%	0.1%
	8:30	Real GDP by industry (m/m)	Jan.	-0.2%	-0.1%	0.3%
WEDNESDAY 1	---	---				
THURSDAY 2	8:30	International trade (\$B)	Feb.	-2.0	-2.2	-2.5
FRIDAY 3	---	Markets closed (Good Friday)				

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 30 to April 3, 2015

Country	Hour	Indicator	Period	Consensus		Previous data	
				m/m (q/q)	y/y	m/m (q/q)	y/y
 OVERSEAS							
SUNDAY 29							
Japan	19:50	Industrial production – preliminary	Feb.	-1.5%	-0.6%	3.7%	-2.8%
MONDAY 30							
Italy	4:00	Consumer confidence	March	110.9		110.9	
Italy	4:00	Business confidence	March	99.6		99.1	
Italy	4:00	Economic confidence	March	n/a		94.9	
Euro zone	5:00	Business climate	March	0.18		0.07	
Euro zone	5:00	Consumer confidence – final	March	-3.7		-3.7	
Euro zone	5:00	Industrial confidence	March	-4.0		-4.7	
Euro zone	5:00	Services confidence	March	5.2		4.5	
Euro zone	5:00	Economic confidence	March	103.0		102.1	
Germany	8:00	Consumer price index – preliminary	March	0.4%	0.3%	0.9%	0.1%
United Kingdom	19:05	Consumer confidence	March	2		1	
TUESDAY 31							
Japan	0:00	Vehicle production	Feb.		n/a		-9.7%
Japan	1:00	Housing starts	Feb.		-7.0%		-13.0%
Germany	2:00	Consumer price index – preliminary	Feb.	-0.7%	3.4%	2.9%	5.3%
France	2:45	Personal consumption expenditures	Feb.	0.0%	2.8%	0.6%	2.6%
France	2:45	Producer price index	Feb.	n/a	n/a	-0.9%	-3.3%
Germany	3:55	Unemployment rate	March	6.5%		6.5%	
Italy	4:00	Unemployment rate – preliminary	Feb.	12.6%		12.6%	
United Kingdom	4:30	Current account (£B)	Q4	-22.0		-27.0	
United Kingdom	4:30	Index of services	Jan.	0.3%		0.6%	
United Kingdom	4:30	Real GDP – final	Q4	0.5%	2.7%	0.5%	2.7%
Euro zone	5:00	Consumer price index – estimate	March		-0.1%		-0.3%
Euro zone	5:00	Unemployment rate	Feb.	11.2%		11.2%	
Italy	5:00	Consumer price index – preliminary	March	0.1%	-0.1%	0.3%	-0.2%
Italy	6:00	Producer price index	Feb.	n/a	n/a	-1.6%	-3.7%
Japan	19:50	Tankan large manufacturers index	March	14		12	
China	21:00	PMI manufacturing index	March	49.7		49.9	
China	21:00	PMI non-manufacturing index	March	n/a		53.9	
Japan	21:35	PMI manufacturing index – final	March	n/a		50.4	
WEDNESDAY 1							
Japan	1:00	Vehicle sales	March		n/a		-14.2%
Italy	3:45	PMI manufacturing index	March	52.1		51.9	
France	3:50	PMI manufacturing index – final	March	48.2		48.2	
Germany	3:55	PMI manufacturing index – final	March	52.4		52.4	
Euro zone	4:00	PMI manufacturing index – final	March	51.9		51.9	
United Kingdom	4:30	PMI manufacturing index	March	54.4		54.1	
THURSDAY 2							
United Kingdom	4:30	PMI construction index	March	59.8		60.1	
Japan	21:35	PMI composite index	March	n/a		50.0	
Japan	21:35	PMI services index – final	March	n/a		48.5	
FRIDAY 3							
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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 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	16,295	2.2	2.4	2.4	2.2	2.3	1.6
Consumption (2009 \$B)	2014 Q4	11,120	4.4	2.9	2.5	2.4	1.8	2.3
Government spending (2009 \$B)	2014 Q4	2,898	-1.9	0.8	-0.2	-2.0	-1.4	-3.0
Residential investment (2009 \$B)	2014 Q4	504.3	3.8	2.5	1.6	11.9	13.5	0.5
Non-residential investment (2009 \$B)	2014 Q4	2,170	4.7	6.2	6.3	3.0	7.2	7.7
Business inventory change (2009 \$B) (1)	2014 Q4	80.0	---	---	70.6	63.6	57.1	37.6
Exports (2009 \$B)	2014 Q4	2,127	4.5	2.4	3.2	3.0	3.3	6.9
Imports (2009 \$B)	2014 Q4	2,599	10.4	5.6	4.0	1.1	2.3	5.5
Final domestic demand (2009 \$B)	2014 Q4	16,670	3.3	2.9	2.5	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	93.0	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)	Feb.*	231,291	-1.4	-3.1	-5.6	0.6
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.	1,102	1,060	1,060	1,022	1,014
New home sales (K) (1)	Feb.*	539.0	500.0	448.0	448.0	432.0
Existing home sales (K) (1)	Feb.*	4,880	4,820	4,950	5,000	4,660
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)	Feb.*	235.2	0.2	-0.8	-0.9	-0.1
Excluding food and energy	Feb.*	240.2	0.2	0.4	0.8	1.7
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)	Feb.*	759,847	1.0	1.4	3.4	6.6

* 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 (%)		
	March 27	March 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	0.02	0.01	0.02	0.01	0.01	0.04	0.05	0.03	0.01
Treasury bonds – 2 years	0.59	0.58	0.58	0.69	0.56	0.41	0.72	0.50	0.31
– 5 years	1.43	1.41	1.50	1.74	1.80	1.72	1.84	1.60	1.18
– 10 years	1.96	1.93	2.01	2.25	2.53	2.71	2.81	2.34	1.67
– 30 years	2.55	2.50	2.59	2.81	3.22	3.54	3.65	3.06	2.25
S&P 500 index	2,059	2,108	2,105	2,089	1,983	1,858	2,117	1,986	1,816
DJIA index	17,714	18,128	18,133	18,054	17,113	16,323	18,289	17,171	16,027
Gold price (US\$/ounce)	1,197	1,185	1,217	1,194	1,216	1,292	1,338	1,248	1,146
CRB index	216.69	214.11	224.08	234.65	280.28	305.21	312.93	271.15	209.00
WTI oil (US\$/barrel)	50.10	46.00	49.84	54.59	95.55	101.73	107.30	81.09	43.39
Canada									
Overnight – target	0.75	0.75	0.75	1.00	1.00	1.00	1.00	0.95	0.75
Treasury bill – 3 months	0.57	0.52	0.58	0.90	0.92	0.88	0.96	0.85	0.47
Treasury bonds – 2 years	0.55	0.46	0.47	1.06	1.13	1.07	1.17	0.95	0.39
– 5 years	0.81	0.72	0.73	1.44	1.65	1.71	1.79	1.39	0.59
– 10 years	1.39	1.30	1.30	1.91	2.16	2.45	2.55	1.99	1.24
– 30 years	2.01	1.94	1.92	2.44	2.68	2.95	3.04	2.54	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	0.70	0.50
Treasury bill – 3 months	0.55	0.51	0.56	0.89	0.91	0.84	0.93	0.83	0.45
Treasury bonds – 2 years	-0.03	-0.12	-0.11	0.37	0.57	0.66	0.73	0.45	-0.23
– 5 years	-0.62	-0.69	-0.77	-0.30	-0.15	-0.01	0.11	-0.21	-0.82
– 10 years	-0.58	-0.63	-0.71	-0.34	-0.37	-0.26	-0.17	-0.35	-0.72
– 30 years	-0.54	-0.56	-0.67	-0.37	-0.54	-0.59	-0.29	-0.52	-0.71
S&P/TSX index	14,814	14,942	15,234	14,609	15,027	14,261	15,658	14,843	13,705
Exchange rate (C\$/US\$)	1.2506	1.2552	1.2508	1.1627	1.1154	1.1061	1.2789	1.1354	0.7996
Exchange rate (C\$/€)	1.3603	1.3583	1.4003	1.4157	1.4148	1.5212	1.5277	1.4374	0.8698
Overseas									
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	0.21	0.19	0.32	0.60	0.92	1.55	1.62	0.91	0.19
U.K.: Bonds – 10 years	1.56	1.54	1.78	1.88	2.46	2.73	2.88	2.26	1.36
Euro: Exchange rate (US\$/€)	1.0878	1.0822	1.1196	1.2177	1.2685	1.3753	1.3928	1.2707	1.0495
U.K.: Exchange rate (US\$/£)	1.4910	1.4951	1.5435	1.5557	1.6247	1.6638	1.7166	1.6145	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.