

Total inflation drops below the bottom of Canada's target range

HIGHLIGHTS

- United States: Housing starts rebound strongly at last.
- U.S. inflation slides to -0.2% in April.
- Canada: The total annual inflation rate dropped to 0.8% in April.
- Canada: Wholesale and retail sales rose in March.

A LOOK AHEAD

- U.S. real GDP should be downgraded, taking it into negative territory.
- The Bank of Canada will leave the target for the overnight rate where it is.
- Canada: Real GDP should edge up in March; however, the first quarter will end with nearly zero growth.
- Canada: The current account balance should deteriorate in the first quarter.

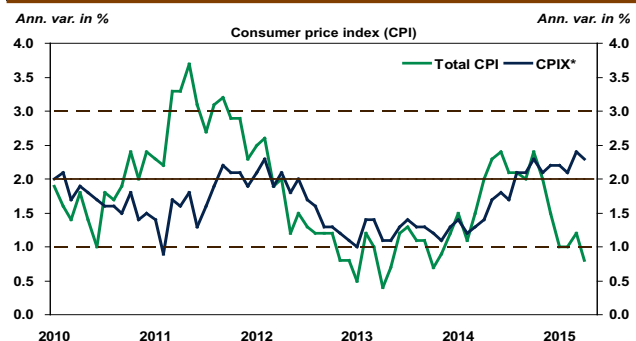
FINANCIAL MARKETS

- The reversal in bond yields gives the global stock markets a bit of respite.
- Long-term yields down in most countries.
- The euro slides to US\$1.10.

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Graph of the week – Total inflation in Canada drops below the bottom of the target



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

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KEY STATISTICS OF THE WEEK

UNITED STATES

- Housing starts shot up in April, going from an annualized 944,000 units in March to 1,135,000, their best level since November 2007. At 20.2%, it is the biggest jump since February 1991, following March's 4.9% increase. Multi-unit housing made a big contribution to the rise (+31.9%), but single-family homes also posted a very strong 16.7% increase. Building permits also advanced sharply in April, gaining 10.1% to go from 1,038,000 to 1,143,000 units.
- Existing home sales tumbled 3.3% in April following March's 6.5% gain. Resales fell from 5,210,000 to 5,040,000 units; this is still higher than they were in January and February. Resales of single-family homes contracted 3.7% while condo sales were stable. The inventory of homes on the market increased 10.0% in April.
- After two straight 0.2% increases, the consumer price index (CPI) only went up 0.1% in April. For the first time since January, energy prices posted a decline, -1.3%, while food prices were flat. The core index, which excludes food and energy, accelerated in April, going up 0.3%, its strongest growth since the summer of 2011. Medical services have risen, in particular. Clothing prices fell. The total CPI's annual change moved deeper into negative territory, to -0.2%. Core inflation remained at 1.8%.
- The Philadelphia Federal Reserve regional manufacturing index ticked down in May, from 7.5 to 6.7. This is above the average for the first three months of 2015, i.e. 5.5, but is still below 2014's high levels (average of 25.5 in the second semester). Its components paint a prettier picture, with new orders and current production both on the rise.
- The leading indicator advanced 0.7% in April following March's 0.4% gain (revised from 0.2%) and February's 0.2% dip. The main upside contributions to its growth come from the interest rate spread and building permits, together contributing 0.5 percentage points to the total increase. For the first time since early fall 2014, the annualized 3- and 6-month changes are showing some acceleration.

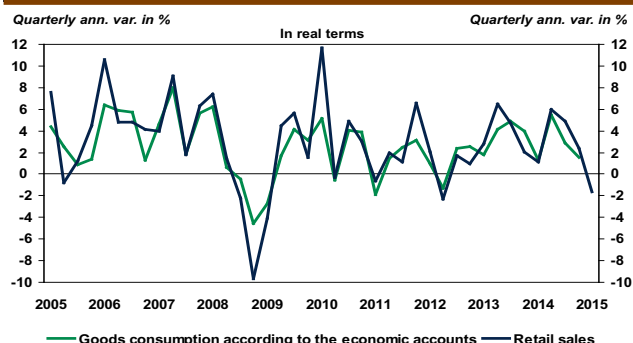
Francis Généreux
Senior Economist

CANADA

- The total consumer price index slipped 0.1% in April. Most forecasters expected an increase in the month. The total annual inflation rate went from 1.2% to 0.8%. The Bank of Canada's (BoC) core index, which excludes eight volatile components, advanced 0.1% in April, while its annual change fell to 2.3% from March's 2.4%. In keeping with recent months, the BoC will not show itself to be overly concerned by the weakness in total inflation, which is still overcoming some temporary effects. Monetary authorities should therefore keep their focus on core inflation, which continues to hover around the median target. This argues in favour of holding to the status quo for key interest rates.
- Retail sales increased 0.7% in March. However, much of this advance comes from price increases during the month. In real terms, retail sales are only up 0.1%. For the first quarter as a whole, the volume of retail sales declined 1.6% (quarterly annualized), suggesting that consumer spending on goods lost ground during the period.
- Wholesale sales rose 0.8% in March, putting an end to a two-month run of retreats. In real terms, sales are up 1.0% while inventories increased 1.3%. These two advances show that wholesaling will make a positive contribution to economic growth in March.

Benoit P. Durocher
Senior Economist

Canada – The volume of retail sales retreated in Q1 2014, suggesting that goods consumption declined



Sources: Statistics Canada and Desjardins, Economic Studies

FINANCIAL MARKETS

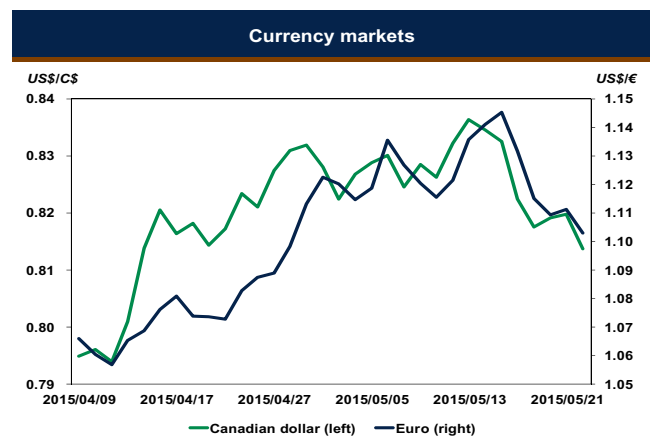
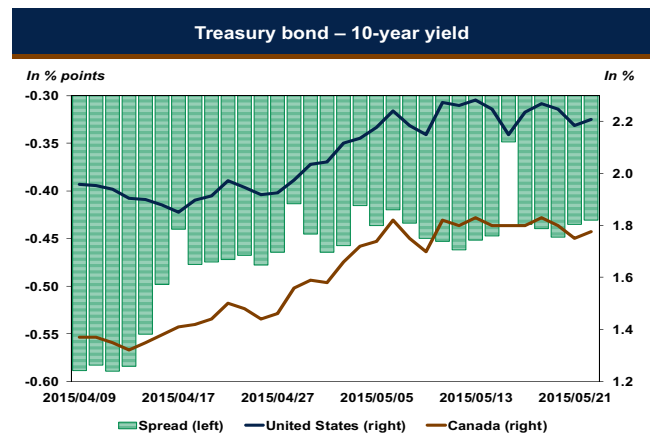
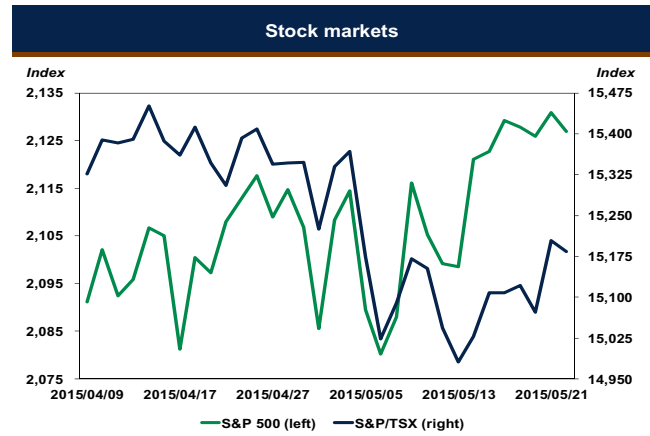
Stock markets are relieved by the drop in bond yields

U.S. stock markets were very stable this week and the S&P 500 held comfortably above the 2,100-point mark. The minutes of the Federal Reserve (Fed) meeting had little impact on the index, as they showed that leaders were not in a rush to firm up monetary conditions. Elsewhere, the stock markets posted strong gains. The Euro Stoxx index advanced nearly 2.9% over the week, with European investors relieved by the cool-off in bond yields. Japan's Nikkei gained a weekly 2.7% following the release of more robust growth data than expected. Canada's S&P/TSX did well, advancing 1.0% with support from oil, that kept generally above US\$60/barrel.

Selling pressure abated in bond markets, especially in Europe. In Germany, the 30-year yield retreated 23 basis points from its April 14 peak. Helping the trend, a European Central Bank official announced that the pace on securities purchases would pick up temporarily until the end of the spring, in anticipation of less favourable liquidity conditions this summer. Canadian and U.S. yields at these maturities also pulled back, but not quite as much. Among other things, resilient core inflation in the United States gave U.S. yields another push on Friday. The surprising dip in Canadian inflation did not keep Canadian short-term yields from following the upward movement.

The U.S. dollar recouped last week's losses on Monday and Tuesday. It stabilized mid-week, then jumped again on Friday in response to higher-than-expected data on U.S. inflation. The euro weakened in tandem with European bond yields at the start of the week. On Friday, the common currency was among the hardest hit by the greenback's resurgence and, at the time of writing, was oscillating around US\$1.10. The pound closed in on US\$1.57 on Thursday on encouraging news on retail sales in the United Kingdom, then retreated to around US\$1.55 on Friday in the face of the greenback's strength. The Canadian dollar was unable to capitalize on strong oil prices. It settled in just above US\$0.81 on Friday, and was down about 2.2% for the week.

Jimmy Jean
Senior Economist



A LOOK AHEAD



UNITED STATES

Tuesday May 26 - 8:30

April	m/m
Consensus	-0.5%
Desjardins	0.7%
March	4.0%

New durable goods orders (April) – New durable goods orders jumped in March but, once again, the change primarily stemmed from the aviation sector, where military aircraft orders skyrocketed 112.8%, while civil aircraft orders advanced 30.6%. Excluding transportation, the post-revision increase was just 0.3%. The aviation sector should post a much smaller rise in April, according to the data released by Boeing. However, the auto sector should progress again, going up 1.0% after March's 4.2% gain. Excluding transportation, we are expecting another 0.3% uptick, reflecting both the manufacturing ISM and the problems in the oil industry. Overall, a 0.7% rise is anticipated.

Tuesday May 26 - 9:00

March	y/y
Consensus	4.60%
Desjardins	4.44%
February	5.03%

S&P/Case-Shiller index of existing home prices (March) – After rising 0.9% for three straight months, growth by home prices remains lively in the United States. Another solid advance of 0.8% is anticipated for March, which will slow the S&P/Case-Shiller's annual change from 5.03% to 4.44%.

Tuesday May 26 - 10:00

April	ann. rate
Consensus	509,000
Desjardins	485,000
March	481,000

New home sales (April) – After posting three strong consecutive monthly increases for a total gain of 21.2%, new single-family home sales fell by 11.4% in March. Sales remain relatively high, however, at 481,000. Although up, the level of single-family home building permits issued in April signals sales akin to March's level. Sales growth will therefore likely be modest, going from 481,000 to 485,000 units.

Tuesday May 26 - 10:00

May	
Consensus	95.0
Desjardins	95.0
April	95.2

Conference Board consumer confidence index (May) – Consumer confidence eroded in April after March's solid increase. The Conference Board index lost 6.2 points, the worst monthly dip since October 2013, falling to its lowest point in 2015. The upswing by gas prices and April's weakness in the first version of the University of Michigan confidence index (the final version comes out on Friday, May 29) suggest that confidence will decline again according to the Conference Board index. However, this index tends to move more quickly than the Michigan index and employment's solid performance, based on the current softness of jobless claims, could offset the impact of gas prices somewhat. Moreover, the U.S. stock market is also up by 2% since the start of the month. All in all, we can expect the Conference Board index to remain relatively stable.

Friday May 29 - 8:30

Q1 2015 - 2nd est.	ann. rate
Consensus	-0.9%
Desjardins	-0.6%
Q1 2015 - 1st est.	0.2%

Real GDP (Q1 – second estimate) – Most forecasters were disappointed with the weak real GDP growth shown in the initial estimate for the first quarter's national accounts, released at the end of April. The economic indicators released since then have not offered much solace; generally, they signal that growth will be downgraded and probably slide into negative territory. The positive contribution from the change in business inventories will be revised downward, while foreign trade will make an even bigger negative contribution. The upgrade to data on manufacturing output, new orders, retail sales and housing starts will not be able to fully offset the larger negative effects. We expect the real GDP's annual change to go to -0.6%.


CANADA

Bank of Canada meeting (May) – The next meeting of Canada’s monetary authorities will very likely end with the target for the overnight rate stable at 0.75%. On one hand, a cut is quite unlikely given that several economic indicators improved in March. These results give some weight to the Bank of Canada’s (BoC) scenario, which calls for the Canadian economy’s growth to accelerate after showing almost no advance in the first quarter of 2015. On the other hand, many risks remain, particularly with respect to the magnitude of the negative impact of the drop in oil prices on Canada’s real GDP. The BoC should therefore wait a few more months before it contemplates firming up monetary conditions.

Current account (Q1) – In all, the value of merchandise exports dropped by 3.0% in the first quarter, primarily due to the slide by oil prices. In contrast, the value of imports rose by 0.6%, with the result that the balance of trade in goods eroded \$4.6B during the period. This paves the way for substantial deterioration by the current account in Q1 2015.

Real GDP by industry (March) – Many economic indicators did fairly well in March. These include the volume of manufacturing sales, which increased by 2.9%, while wholesale sales rose by 1.0%. These strong results were partially offset by a drop in the number of hours worked in Canada’s economy. All in all, real GDP by industry could tick up by about 0.1% in March.

Real GDP (Q1) – Real GDP by industry fell by 0.2% in January and was nearly flat in February. If we factor in the 0.1% increase forecast for March, the first quarter could end with real GDP growth of just 0.3% (quarterly annualized) according to the economic accounts. Among other things, we can expect domestic demand to make a modest contribution to real GDP, due to the drop in non-residential investment and slower rise by consumer spending. International trade and the change in inventories should take a small bite out of real GDP for the period.


OVERSEAS

Japan: Economic indicators – Japan’s real GDP growth was slightly stronger than anticipated in the first quarter. This week brings us several indicators on the start of the second quarter; it will be interesting to gauge the strength of Japan’s growth. For several indicators, the annual changes should do much better compared with April 2014, when Japan’s economy slid into a short recession triggered by the sales tax increase. The price indexes should do the opposite and post slower growth, as they are no longer being inflated by the tax increase.

Euro zone: Confidence indicators (May) – Several Euroland confidence indexes for May will be released Thursday. May’s downtick by the composite PMI index (it is up in France, but has declined in Germany), along with the drop in the flash version of the consumer confidence index do not point to further improvement.

Wednesday May 27 - 10:00

May	
Consensus	0.75%
Desjardins	0.75%
April 15	0.75%

Thursday May 28 - 8:30

Q1 2015	\$B
Consensus	-18.5
Desjardins	-18.4
Q4 2014	-13.9

Friday May 29 - 8:30

March	m/m
Consensus	0.2%
Desjardins	0.1%
February	0.0%


Friday May 29 - 8:30

Q1 2015	ann. rate
Consensus	0.2%
Desjardins	0.3%
Q4 2014	2.4%

During the week**Thursday May 28 - 5:00**

ECONOMIC INDICATORS


Week of May 25 to 29, 2015

Day	Hour	Indicator	Period	Consensus		Previous data
UNITED STATES						
MONDAY 25						
	11:00	Speech of the Federal Reserve Vice Chairman, S. Fischer				
TUESDAY 26						
	8:30	Durable goods orders (m/m)	April	-0.5%	0.7%	4.0%
	9:00	S&P/Case-Shiller home price index (y/y)	March	4.60%	4.44%	5.03%
	10:00	Consumer confidence	May	95.0	95.0	95.2
	10:00	New home sales (ann. rate)	April	509,000	485,000	481,000
	20:10	Speech of the Richmond Fed President, J. Lacker				
WEDNESDAY 27						
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THURSDAY 28						
	2:20	Speech of the San Francisco Fed President, J. Williams				
	8:30	Initial unemployment claims	May 18-22	275,000	275,000	274,000
	10:00	Pending home sales (m/m)	April	1.0%	n/a	1.1%
	14:45	Speech of the Minneapolis Fed President, N. Kocherlakota				
FRIDAY 29						
	8:30	Real GDP (ann. rate)	Q1s	-0.9%	-0.6%	0.2%
	9:45	Chicago PMI index	May	53.0	55.0	52.3
	10:00	Michigan's consumer sentiment index – final	May	90.0	88.6	88.6




CANADA

MONDAY 25						
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TUESDAY 26						
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WEDNESDAY 27						
	10:00	Bank of Canada meeting	May	0.75%	0.75%	0.75%
THURSDAY 28						
	8:30	Current account balance (\$B)	Q1	-18.5	-18.4	-13.9
	8:30	Industrial product price index (m/m)	April	0.0%	0.2%	0.3%
	8:30	Raw materials price index (m/m)	April	2.0%	1.2%	-0.9%
	8:30	Quarterly financial statistics for enterprises	Q1			
FRIDAY 29						
	8:30	Real GDP (ann. rate)	Q1	0.2%	0.3%	2.4%
	8:30	Real GDP by industry (m/m)	March	0.2%	0.1%	0.0%
	8:30	Average weekly earnings (y/y)	March	n/a	2.8%	2.7%
	8:30	Number of salaried employees (m/m)	March	n/a	0.3%	0.0%

NOTE: Desjardins, Economic Studies are involved every week in the Bloomberg survey for Canada and the United States. Approximately 15 economists are consulted for the Canadian survey and a hundred or so for the United States. The abbreviations m/m, q/q and y/y correspond to monthly, quarterly and yearly variation respectively. Following the quarter, the abbreviations f, s and t correspond to first estimate, second estimate and third estimate respectively. (SA): Seasonally adjusted, (NSA): Non seasonally adjusted. The times shown are Daylight Saving Time (GMT - 4 hours).  Forecast of Desjardins, Economic Studies of the Desjardins Group.

ECONOMIC INDICATORS

Week of May 25 to 29, 2015

Country	Hour	Indicator	Period	Consensus		Previous data		
				m/m (q/q)	y/y	m/m (q/q)	y/y	
 OVERSEAS								
DURING THE WEEK								
United Kingdom	---	Nationwide house prices	May	0.3%	4.8%	1.0%	5.2%	
SUNDAY 24								
Japan	19:50	Trade balance (¥B)	April	-386.8		3.3		
MONDAY 25								
Japan	1:00	Release of the Bank of Japan's Monthly Economic Report for May						
TUESDAY 26								
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WEDNESDAY 27								
Japan	1:00	Small business confidence	May	48.0		47.4		
Germany	2:00	Consumer confidence	June	10.0		10.1		
France	2:45	Consumer confidence	May	95		94		
Japan	19:50	Retail sales	April	1.1%	5.7%	-1.8%	-9.7%	
THURSDAY 28								
Italy	4:00	Consumer confidence	May	107.9		108.2		
Italy	4:00	Business confidence	May	104.5		104.1		
Italy	4:00	Economic confidence	May	n/a		102.1		
United Kingdom	4:30	Index of services	March	0.3%		0.3%		
United Kingdom	4:30	Real GDP – preliminary	Q1	0.4%	2.5%	0.3%	2.4%	
Euro zone	5:00	Business climate	May	0.35		0.32		
Euro zone	5:00	Consumer confidence – final	May	-5.5		-5.5		
Euro zone	5:00	Industrial confidence	May	-3.0		-3.2		
Euro zone	5:00	Services confidence	May	6.7		6.7		
Euro zone	5:00	Economic confidence	May	103.5		103.7		
United Kingdom	19:05	Consumer confidence	May	4		4		
Japan	19:30	Workers' household spending	April		3.0%		-10.6%	
Japan	19:30	Consumer price index	April		0.6%		2.3%	
Japan	19:30	Consumer price index – Tokyo	May		0.3%		0.7%	
Japan	19:30	Unemployment rate	April	3.4%		3.4%		
Japan	19:50	Industrial production – preliminary	April	1.0%	-0.1%	-0.8%	-1.7%	
FRIDAY 29								
Japan	0:00	Vehicle production	April		n/a		-6.5%	
Japan	1:00	Housing starts	April		0.0%		0.7%	
Germany	2:00	Retail sales	April	1.0%	2.5%	-2.3%	3.5%	
France	2:45	Personal consumption expenditures	April	0.4%	2.5%	-0.6%	2.1%	
France	2:45	Producer price index	April	n/a	n/a	0.1%	-2.2%	
Euro zone	4:00	Money supply M3	April	4.9%		4.6%		
Italy	4:00	Real GDP – final	Q1	0.3%	0.0%	0.3%	0.0%	
Italy	5:00	Consumer price index – preliminary	May	0.1%	0.0%	0.3%	0.0%	
Italy	6:00	Producer price index	April	n/a	n/a	-0.1%	-3.1%	

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)	2015 Q1	16,305	0.2	3.0	2.4	2.2	2.3	1.6
Consumption (2009 \$B)	2015 Q1	11,173	1.9	3.0	2.5	2.4	1.8	2.3
Government spending (2009 \$B)	2015 Q1	2,892	-0.8	0.8	-0.2	-2.0	-1.4	-3.0
Residential investment (2009 \$B)	2015 Q1	505.9	1.3	4.2	1.6	11.9	13.5	0.5
Non-residential investment (2009 \$B)	2015 Q1	2,151	-3.4	4.9	6.3	3.0	7.2	7.7
Business inventory change (2009 \$B) (1)	2015 Q1	110.3	---	---	70.6	63.6	57.1	37.6
Exports (2009 \$B)	2015 Q1	2,088	-7.2	3.0	3.2	3.0	3.3	6.9
Imports (2009 \$B)	2015 Q1	2,610	1.8	5.5	4.0	1.1	2.3	5.5
Final domestic demand (2009 \$B)	2015 Q1	16,701	0.7	2.9	2.5	1.9	2.1	1.7
GDP deflator (2009 = 100)	2015 Q1	108.7	-0.1	0.9	1.5	1.5	1.8	2.1
Labor productivity (2009 = 100)	2015 Q1	105.9	-1.9	0.6	0.7	0.9	1.0	0.2
Unit labor cost (2009 = 100)	2015 Q1	106.2	5.0	1.1	1.8	0.3	1.7	2.1
Employment cost index (Dec. 2005 = 100)	2015 Q1	123.6	2.6	2.6	2.0	2.0	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 (2010 = 100)	April*	122.3	0.7	0.9	2.0	5.6
ISM manufacturing index (1)	April	51.5	51.5	53.5	57.9	55.3
ISM non-manufacturing index (1)	April	57.8	56.5	56.7	56.9	55.3
Cons. confidence Conf. Board (1985 = 100) (1)	April	95.2	101.4	103.8	94.1	81.7
Cons. confidence Michigan (1966 = 100) (1)	May	88.6	95.9	95.4	88.8	81.9
Personal consumption expenditure (2009 \$B)	March	11,193	0.3	0.4	1.4	2.7
Disposable personal income (2009 \$B)	March	12,258	-0.2	1.0	2.2	3.3
Consumer credit (\$B)	March	3,363	0.6	1.4	2.9	6.9
Retail sales (\$M)	April	436,772	-0.0	0.6	-0.6	0.9
Excluding automobiles (\$M)	April	347,004	0.1	0.6	-1.1	-0.0
Industrial production (2007 = 100)	April	105.2	-0.3	-0.6	0.0	1.9
Production capacity utilization rate (%) (1)	April	78.2	78.6	79.2	79.2	79.0
New machinery orders (\$M)	March	477,828	2.1	0.6	-4.6	-5.3
New durable good orders (\$M)	March	235,877	4.7	4.0	-1.0	-1.0
Business inventories (\$B)	March	1,786	0.1	0.3	0.7	2.9
Housing starts (K) (1)	April*	1,135	944.0	1,080	1,079	1,039
Building permits (K) (1)	April*	1,143	1,038	1,059	1,120	1,074
New home sales (K) (1)	March	481.0	543.0	496.0	456.0	403.0
Existing home sales (K) (1)	April*	5,040	5,210	4,820	5,160	4,750
Construction spending (\$B)	March	966.6	-0.6	-1.8	0.0	2.0
Commercial surplus (\$M) (1)	March	-51,367	-35,892	-45,601	-43,368	-42,784
Nonfarm employment (K) (2)	April	141,367	223.0	574.0	1,527	2,982
Unemployment rate (%) (1)	April	5.4	5.5	5.7	5.7	6.2
Consumer price (1982-1984 = 100)	April*	236.0	0.1	0.6	-0.7	-0.1
Excluding food and energy	April*	241.4	0.3	0.6	1.0	1.8
Personal cons. expenditure deflator (2009 = 100)	March	108.6	0.2	-0.1	-0.5	0.3
Excluding food and energy	March	108.5	0.1	0.3	0.5	1.3
Producer price (2009 = 100)	April	192.4	-0.6	-0.2	-4.2	-4.2
Excluding food and energy	April	191.6	0.1	0.7	1.1	2.0
Export prices (2000 = 100)	April	125.1	-0.7	-0.8	-4.3	-6.3
Import prices (2000 = 100)	April	124.8	-0.3	-1.0	-8.2	-10.7

* 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)	Feb.	1,653,690	0.0	0.2	0.8	2.1
Industrial production (2007 \$M)	Feb.	360,326	-0.4	0.2	1.1	1.6
Manufacturing sales (\$M)	March	51,015	2.9	-2.5	-3.5	0.3
Housing starts (K) (1)	April	183.1	189.5	183.0	180.7	195.7
Building permits (\$M)	March	6,867	11.6	-2.4	-8.5	13.0
Retail sales (\$M)	March*	42,466	0.7	0.8	-0.8	3.1
Excluding automobiles (\$M)	March*	32,223	0.5	0.8	-0.3	1.7
Wholesale trade sales (\$M)	March*	53,944	0.8	-3.5	-1.0	5.6
Commercial surplus (\$M) (1)	March	-3,019	-2,215	-1,228	146.5	1,249
Exports (\$M)	March	42,497	0.4	-3.3	-5.2	-3.1
Imports (\$M)	March	45,516	2.2	0.7	1.9	6.8
Employment (K) (2)	April	17,895	-19.7	2.7	2.6	11.6
Unemployment rate (%) (1)	April	6.8	6.8	6.6	6.6	7.0
Average weekly earnings (\$)	Feb.	951.4	0.3	1.4	1.3	2.7
Number of salaried employees (K) (2)	Feb.	15,709	4.5	23.7	12.9	17.7
Consumer price (2002 = 100)	April*	126.2	-0.1	1.5	0.2	0.8
Excluding food and energy	April*	121.0	0.0	1.3	0.7	1.9
Excluding 8 volatile items	April*	125.5	0.1	1.2	0.9	2.3
Industrial product price (2002 = 100)	March	110.6	0.3	1.8	-0.7	-1.8
Raw materials price (2002 = 100)	March	94.8	-0.9	-3.4	-19.3	-23.3
Money supply M1+ (\$M)	March	768,635	1.0	2.2	3.7	6.8

* 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 (%)		
	May 22	May 15	-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	0.02	0.03	0.02	0.01	0.04	0.05	0.03	0.01
Treasury bonds – 2 years	0.62	0.54	0.51	0.63	0.51	0.34	0.72	0.52	0.31
– 5 years	1.56	1.46	1.32	1.60	1.61	1.52	1.84	1.56	1.18
– 10 years	2.21	2.15	1.92	2.14	2.32	2.53	2.65	2.25	1.67
– 30 years	2.98	2.94	2.62	2.73	3.02	3.40	3.48	2.95	2.25
S&P 500 index	2,127	2,123	2,118	2,110	2,064	1,901	2,131	2,021	1,862
DJIA index	18,235	18,273	18,080	18,140	17,810	16,606	18,312	17,412	16,117
Gold price (US\$/ounce)	1,206	1,222	1,178	1,207	1,205	1,293	1,338	1,233	1,146
CRB index	226.04	231.46	224.05	224.76	269.11	308.26	312.93	258.23	209.00
WTI oil (US\$/barrel)	59.70	59.73	55.98	49.95	76.52	105.01	107.30	74.04	43.39
Canada									
Overnight – target	0.75	0.75	0.75	0.75	1.00	1.00	1.00	0.92	0.75
Treasury bill – 3 months	0.63	0.64	0.66	0.47	0.90	0.92	0.96	0.81	0.47
Treasury bonds – 2 years	0.68	0.67	0.63	0.40	1.07	1.06	1.17	0.88	0.39
– 5 years	1.06	1.07	0.88	0.79	1.51	1.57	1.73	1.28	0.59
– 10 years	1.78	1.80	1.44	1.42	2.01	2.31	2.35	1.86	1.24
– 30 years	2.36	2.42	2.05	2.07	2.55	2.84	2.87	2.43	1.83
Spread with the U.S. rate (% points)									
Overnight – target	0.50	0.50	0.50	0.50	0.75	0.75	0.75	0.67	0.50
Treasury bill – 3 months	0.61	0.62	0.63	0.45	0.89	0.88	0.93	0.78	0.45
Treasury bonds – 2 years	0.07	0.13	0.12	-0.23	0.56	0.72	0.73	0.36	-0.23
– 5 years	-0.50	-0.39	-0.44	-0.81	-0.10	0.05	0.07	-0.29	-0.82
– 10 years	-0.43	-0.35	-0.48	-0.72	-0.31	-0.22	-0.17	-0.39	-0.72
– 30 years	-0.62	-0.52	-0.57	-0.66	-0.47	-0.56	-0.29	-0.53	-0.71
S&P/TSX index	15,183	15,108	15,408	15,172	15,111	14,708	15,658	14,949	13,705
Exchange rate (C\$/US\$)	1.2290	1.2013	1.2180	1.2528	1.1231	1.0862	1.2789	1.1557	0.8137
Exchange rate (C\$/€)	1.3557	1.3757	1.3244	1.4257	1.3915	1.4809	1.4923	1.4123	0.8975
Overseas									
ECB – Refinancing rate	0.05	0.05	0.05	0.05	0.05	0.25	0.25	0.08	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	0.60	0.64	0.16	0.37	0.77	1.36	1.43	0.73	0.08
U.K.: Bonds – 10 years	1.93	1.90	1.68	1.79	2.05	2.64	2.88	2.12	1.36
Euro: Exchange rate (US\$/€)	1.1030	1.1453	1.0874	1.1381	1.2391	1.3634	1.3692	1.2275	1.0495
U.K.: Exchange rate (US\$/£)	1.5481	1.5723	1.5189	1.5401	1.5656	1.6833	1.7166	1.5893	1.4632

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.