

Canada's real GDP posted a surprising drop last winter

HIGHLIGHTS

- The revision of U.S. real GDP pushes it into negative territory.
- United States: The Conference Board consumer confidence index ticks up.
- New home sales rebound in the United States.
- The Bank of Canada keeps its key rates unchanged.
- Canada: Real GDP surprises with a drop in the first quarter.
- Canada: Business profits decline again.

A LOOK AHEAD

- In the United States, May's job growth is expected to be close to April's 223,000 hires.
- The U.S. trade balance probably improved in April on the heels of March's shakeout.
- Canada: Employment could rebound in May.
- Canada: The international merchandise trade balance should improve slightly.

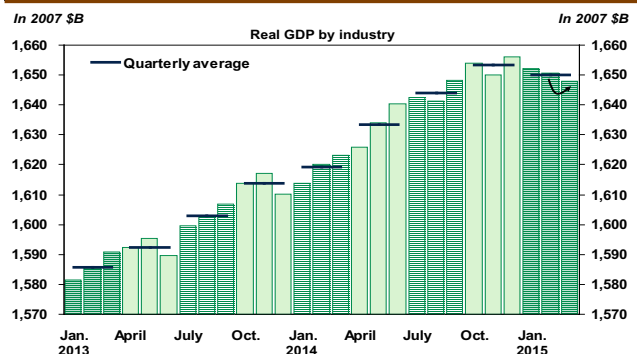
FINANCIAL MARKETS

- A tough week for the stock markets.
- The Bank of Canada's optimism contrasts with the economy's retreat.
- The loonie drops back below US\$0.80.

CONTENTS

Key statistics of the week.....	2
United States and Canada	
Financial markets.....	3
A look ahead	4
United States, Canada and Overseas	
Economic indicators of the week	6
Tables	
Economic indicators – United States	8
Economic indicators – Canada	9
Major financial indicators	10

Graph of the week – Carryover for the second quarter is slightly negative in Canada



Sources: Statistics Canada and Desjardins, Economic Studies

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KEY STATISTICS OF THE WEEK

UNITED STATES

- The second estimate of the first-quarter national accounts produced a definite downwards revision to the annualized change in real GDP. It went from a first estimate of +0.2% to -0.7%. This is the second winter in a row that real GDP has contracted. Real consumption growth was revised downwards slightly, from 1.9% to 1.8%. The revisions of investment are positive, but still modest. The contribution from changes in inventory was slashed by more than half. The already significant negative impact from real net exports was greatly magnified. Negative export growth went from -7.2% to -7.6%. But it is the import numbers that are the main problem: their increase surged from 1.8% to 5.6%.
- According to the Conference Board survey, consumer confidence improved in May. The 1.1-point rise takes the index from 94.3 to 95.4. This is still well below March's 101.4, or the recent high of 103.8 achieved in January. All of the index's rise comes from the consumer current situation component, which went up 3.0 points; the expectations component retreated 0.2 points.
- New single-family home sales jumped 6.8% in April, faster growth than the consensus forecast, taking sales from 484,000 to 517,000 units. However, this does not completely mop up March's 10.3% tumble. Sales were up in the Midwest in particular.
- The S&P/Case-Shiller index of existing home prices in the 20 largest cities rose 1.0% in March following several months of big increases, including February's 1.2% gain. Prices went up in all 20 cities, with Detroit and Minneapolis posting the strongest monthly growth. The index's annual change stayed at 5.0%.
- New durable goods orders fell 0.5% in April following March's strong 5.1% advance. Civil aviation orders dropped 4.0%, while defence orders plunged 12.8% (they more than doubled in March). The auto sector advanced, however, rising 0.3%. Excluding transportation, orders rose 0.5%, following up on March's 0.6% increase. Less and less affected by contracting activity in the oil sector, new capital goods orders excluding aircraft and defence are on the rise: they advanced 1.0% in April and 1.5% in March, after posting a 5.1% tumble in February.

Francis Généreux
Senior Economist

CANADA

- As expected, the Bank of Canada (BoC) once again chose the status quo for its key interest rates. In light of the statement released Wednesday, the BoC is clearly comfortable with the scenario it established in April's *Monetary Policy Report*. The BoC did reiterate this morning its confidence in economic growth rebounding in the second quarter.
- Canada's real GDP slipped 0.6% (quarterly annualized) in the first quarter of 2015, and growth in the fourth quarter of 2014 was revised downward from 2.4% to 2.2%. The magnitude of the decrease in real GDP in the first quarter of 2015 is surprising. All of the forecasters surveyed by Bloomberg were expecting a better result. That said, sources of weakness in the Canadian economy during winter were not a surprise. For one, the fall in non-residential investment no doubt stems from the negative effects of plummeting oil prices on activity in the energy sector. For another, weak retail sales left no doubt about the decrease in spending on durable goods. Consumption of services is usually enough to offset this kind of upset. That was not the case this time. Given the decreases in real GDP by industry in recent months, the carryover for the second quarter is around -0.5%. It will be difficult to achieve robust economic growth in the second quarter with such a gap to bridge.
- According to data released this morning by Statistics Canada, operating profits for Canadian companies were down 6.0% in the first quarter of 2015, following a 9.1% decrease in the fourth quarter of 2014. Operating profits plummeted 128% in the first quarter in the oil and natural gas extraction and support activities sector. The significant fall in oil prices since July 2014 certainly had a hand in this result. As such, the values of operating profits and profit margins in the oil and natural gas extraction and support activities sector fell into negative territory in the first quarter of 2015 for the first time since this historical data started being collected (in 1988).
- As anticipated, the current account balance eroded substantially in the first quarter, primarily due to the impact of the drop in energy prices on the value of exports. The current account balance went from -\$13.1B to -\$17.5B.

Benoit P. Durocher
Senior Economist

FINANCIAL MARKETS

The retreat in Canada's GDP raises the possibility of rate cuts again

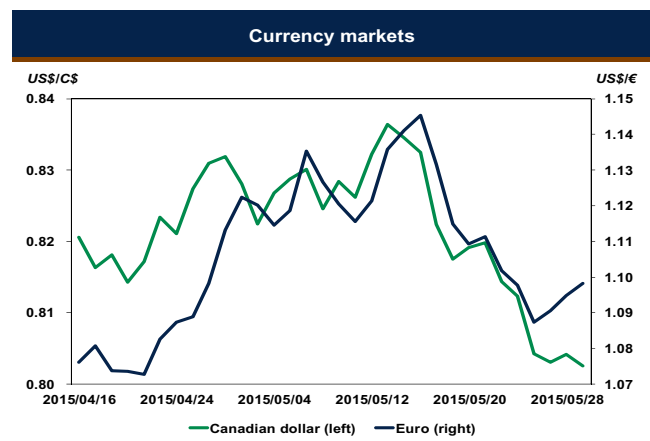
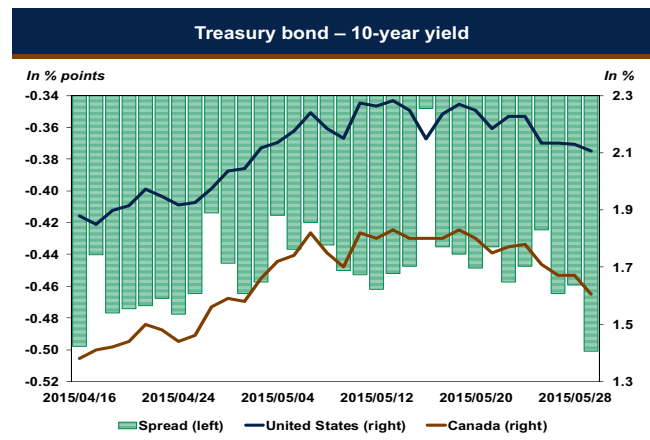
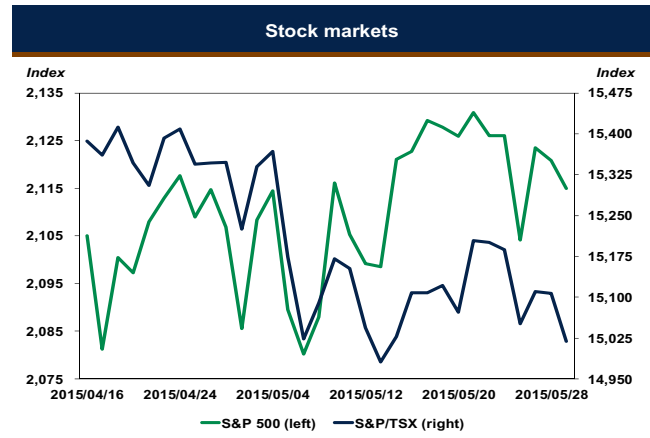
As several financial markets were closed on Monday, the week really began on Tuesday, with the indexes posting a general pullback. The European stock markets were especially affected by new fears of a Greek government default. Uncertainty about U.S. monetary policy and a drop in oil prices also hurt the North American markets. The U.S. indexes rebounded on Wednesday, when tech stocks capitalized on a major acquisition rumour that later proved true. At the time of writing, the S&P 500 was off by a slight weekly 0.5%; the declines in Canada and Germany were 1.0% and 3.0% respectively.

The heightened concern about Greece benefited long-term bonds and the U.S. 10-year yield returned to around 2.10%. However, in the United States, short-term yields were fairly stable, as the economic numbers and remarks from Federal Reserve (Fed) leaders are keeping the door open for monetary firming in the second half of the year. Despite relatively optimistic remarks from the Bank of Canada on Wednesday, Canadian long-term yields also continued to retreat. Canadian yields dropped more steeply on Friday when a GDP contraction painted a more worrisome picture of Canada's economy and put the possibility of further key rate cuts back on the table.

The U.S. dollar stayed on last week's thrust, with the Fed still apparently contemplating monetary firming within the next few months. Although no agreement has yet been reached on the Greek financing matter, some signs of rapprochement between the parties involved helped the euro stabilize at close to US\$1.10. The pound was hurt by some disappointing economic data; at the time of writing, it was below US\$1.53. The Canadian dollar dropped below US\$0.80 on Thursday, when WTI (West Texas Intermediate) temporarily sagged below US\$57/barrel. Friday's disappointing numbers on Canadian real GDP consolidated the loonie's slide.

Mathieu D'Anjou
Senior Economist

Hendrix Vachon
Senior Economist



A LOOK AHEAD



UNITED STATES

Monday June 1 - 8:30

April	m/m
Consensus	0.2%
Desjardins	0.2%
March	0.4%

Consumer spending (April) – Nominal consumption rose 0.4% in March, the largest increase since November 2014. However, we are expecting a smaller rise for April. Auto sales fell during the month, while retail sales were less robust. Better growth is anticipated from services, particularly food services. In real terms, consumption should tick up just 0.1%. Adding in the expected 0.1% gain by the consumption expenditure deflator, the total advance should be 0.2%. Nominal personal income should rise 0.3% after March's stagnation.

Monday June 1 - 10:00

May	
Consensus	52.0
Desjardins	51.5
April	51.5

ISM manufacturing index (May) – After declining for five straight months, the ISM manufacturing index was stable in April, remaining at 51.5, its lowest point since March 2013. It is expected to stand still again in May. Manufacturers should get a boost from the end of the weather problems and labour dispute at West Coast ports. However, they will continue to feel the effects of the drop in oil sector investment and the greenback's rise. The regional indexes released to date don't give a clear signal for the national index.

Wednesday June 3 - 8:30

April	US\$B
Consensus	-44.3
Desjardins	-41.5
March	-51.4

Trade balance (April) – In current dollars, the trade balance deteriorated sharply in March. It hit -US\$51.4B, the worst deficit since October 2008. Apparently, the end of the labour dispute at West Coast ports did more to drive imports up (+7.7%) than exports (+0.9%). The situation should move closer to normal in April. Imports are thus expected to retreat somewhat, while export growth will make up some of its lag. The 0.7% drop in export prices will sap the nominal gain, given the smaller 0.3% drop in import prices. All in all, the trade deficit should go to US\$41.5B.

Wednesday June 3 - 10:00

May	
Consensus	57.0
Desjardins	57.5
April	57.8

ISM non-manufacturing index (May) – The non-manufacturing ISM diverged further from the manufacturing index in April. While the manufacturing index stood still after retreating for several months, the non-manufacturing ISM posted a 1.3-point increase, going to its highest point since November 2014. For May, however, we expect it to take a break and remain flat. On one hand, the housing sector is showing somewhat stronger growth. On the other, the confidence indexes remain mixed and the oil sector is still contracting. We therefore expect the index to edge back to 57.5.

Friday June 5 - 8:30

May	
Consensus	224,000
Desjardins	230,000
April	223,000

Job creation according to the establishment survey (May) – March saw weak job creation, adding 85,000 jobs, so April's 223,000-job gain was good news, even if it came in below expectations. Similar growth is now forecast for May. On one hand, initial jobless claims were particularly low throughout the month. On the other, consumer confidence is not showing much renewed optimism from households about the job market. We therefore expect 230,000 net hires. The jobless rate should stay at 5.4%.

Friday June 5 - 15:00

April	US\$B
Consensus	16.5
Desjardins	24.0
March	20.5

Consumer credit (April) – Growth in consumer credit was lively in March, adding US\$20.5B, the biggest surge since July 2014. Another major monthly gain is expected for April. The weekly data on bank credit points to very rapid growth. However, April's drop in auto sales and the tepid performance by retail sales mitigate this signal. All the same, we expect it to accelerate to US\$24.0B.


CANADA

International merchandise trade (April) – Once seasonally adjusted and expressed in Canadian dollars, commodity prices went up 1.5% in April, with the 7.9% surge in energy prices fully offsetting a drop by other commodities. This should boost the value of Canadian exports. Also, the auto sector could have another good month, as shown by the jump in U.S. output. Even factoring in the slight increase in imports, the merchandise trade balance should improve somewhat for the month.

Labour force survey (May) – April ended with a loss of 19,700 jobs, pulling the trend for the 6-month moving average down to just 2,600 from March's 16,300. Clearly, the trend has slowed much too much compared with Canadian production. Under these circumstances, employment could well rebound in May. The results for employment could also get a boost from the return of more clement weather after an especially harsh winter. We therefore expect about 25,000 jobs to be created. The unemployment rate should stay at 6.8%.

Labour productivity (Q1) – The business sector's real output fell 0.3% in the first quarter of 2015. Meanwhile, the number of hours worked in the private sector rose 0.1%. Under these conditions, we can expect Canadian labour productivity to have declined 0.4% for the quarter. Given the rise in wages, this paves the way for an increase in unit labour costs.


OVERSEAS

United Kingdom: Bank of England meeting (June) – Weak inflation in the United Kingdom, which recently slid into negative territory, and the strong pound argue for a long monetary policy status quo. The first quarter was also a little softer than anticipated for economic growth, also arguing for caution. In two weeks, it will be interesting to have the minutes of the monetary policy meeting, which often give us a good idea of what Bank of England leaders think about how the economy is doing and future key interest rate movement.

Euro zone: European Central Bank meeting (June) – The European Central Bank (ECB) is unlikely to modify its monetary policy at its next meeting. The improvement to Eurozone's economy is not a strong enough argument to start expecting monetary authorities to change their stance. Inflation remains very low and is not expected to get back to target for several more quarters. On Wednesday, the ECB will also release the update to its official forecasts. It will be interesting to keep an eye on Mario Draghi's press conference, where many questions could focus on Greece if it has not yet reached an agreement with its principal creditors. The matter of the emergency aid the ECB is now extending to Greek financial institutions could also come up. Several key indicators will be published this week in the euro zone. The preliminary figures on May's inflation will be released Tuesday. Inflation was back close to 0% the previous month. April's retail sales and jobless rate will be released Wednesday; sales had declined in March, while the jobless rate stood still at 11.3%. Thursday will give us the second estimate of real GDP growth for Q1 of 2015, as well as the details on how GDP components performed.

Wednesday June 3 - 8:30

April	\$B
Consensus	-2.10
Desjardins	-2.65
March	-3.02

Friday June 5 - 8:30

Q1 2015	q/q
Consensus	n/a
Desjardins	0.2%
Q4 2014	0.0%

Friday June 5 - 8:30

Q1 2015	q/q
Consensus	-0.2%
Desjardins	-0.4%
Q4 2014	-0.1%

Wednesday June 3 - 7:00


June	
Consensus	0.50%
Desjardins	0.50%
May 11	0.50%

Wednesday June 3 - 7:45

June	
Consensus	0.05%
Desjardins	0.05%
April 15	0.05%

ECONOMIC INDICATORS


Week of June 1 to 5, 2015

Day	Hour	Indicator	Period	Consensus		Previous data
UNITED STATES						
MONDAY 1	8:30	Personal income (m/m)	April	0.3%	0.3%	0.0%
	8:30	Personal consumption expenditures (m/m)	April	0.2%	0.2%	0.4%
	8:30	Personal consumption expenditures deflator				
		Total (m/m)	April	0.1%	0.1%	0.2%
		Excluding food and energy (m/m)	April	0.2%	0.2%	0.1%
		Total (y/y)	April	0.2%	0.2%	0.3%
		Excluding food and energy (y/y)	April	1.4%	1.4%	1.3%
	9:05	Speech of the Boston Fed President, E. Rosengren				
	9:30	Speech of the Federal Reserve Vice Chair, S. Fisher				
	10:00	Construction spending (m/m)	April	0.7%	0.0%	-0.6%
	10:00	ISM manufacturing index	May	52.0	51.5	51.5
TUESDAY 2	---	Total vehicle sales (ann. rate)	May	17,000,000	17,200,000	16,460,000
	10:00	Factory orders (m/m)	April	-0.1%	0.0%	2.1%
WEDNESDAY 3	8:30	Trade balance – Goods and services (US\$B)	April	-44.3	-41.5	-51.4
	10:00	ISM non-manufacturing index	May	57.0	57.5	57.8
	14:00	Release of the Beige Book				
	14:15	Speech of the Chicago Fed President, C. Evans				
THURSDAY 4	8:30	Initial unemployment claims	May 25-29	275,000	280,000	282,000
	8:30	Nonfarm productivity – final (ann. rate)	Q1	-2.9%	-3.3%	-1.9%
	8:30	Unit labor costs – final (ann. rate)	Q1	6.0%	6.4%	5.0%
	12:00	Speech of a Federal Reserve Governor, D. Tarullo				
FRIDAY 5	8:30	Change in nonfarm payrolls	May	224,000	230,000	223,000
	8:30	Unemployment rate	May	5.4%	5.4%	5.4%
	8:30	Weekly worked hours	May	34.5	34.5	34.5
	8:30	Average weekly earnings (m/m)	May	0.2%	0.3%	0.1%
	12:30	Speech of the New York Fed President, W. Dudley				
	15:00	Consumer credit (US\$B)	April	16.5	24.0	20.5




CANADA

MONDAY 1	---	---				
TUESDAY 2	---	---				
WEDNESDAY 3	8:15	International reserves (\$B)	May	n/a	77.5	77.8
	8:30	International trade (\$B)	April	-2.10	-2.65	-3.02
THURSDAY 4	10:00	PMI-Ivey index	May	58.5	58.5	58.2
FRIDAY 5	8:30	Labour productivity (q/q)	Q1	-0.2%	-0.4%	-0.1%
	8:30	Unit labour costs (q/q)	Q1	n/a	0.2%	0.0%
	8:30	Net change in employment	May	10,000	25,000	-19,700
	8:30	Unemployment rate	May	6.8%	6.8%	6.8%

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 June 1 to 5, 2015

Country	Hour	Indicator	Period	Consensus		Previous data	
				m/m (q/q)	y/y	m/m (q/q)	y/y
 OVERSEAS							
SUNDAY 31							
China	21:00	PMI manufacturing index	May	50.3		50.1	
China	21:00	PMI non-manufacturing index	May	n/a		53.4	
Japan	21:35	PMI manufacturing index – final	May	n/a		50.9	
MONDAY 1							
Japan	1:00	Vehicle sales	May		n/a		5.0%
Italy	3:45	PMI manufacturing index	May	53.6		53.8	
France	3:50	PMI manufacturing index – final	May	49.3		49.3	
Germany	3:55	PMI manufacturing index – final	May	51.4		51.4	
Euro zone	4:00	PMI manufacturing index – final	May	52.3		52.3	
United Kingdom	4:30	PMI manufacturing index	May	52.5		51.9	
Germany	8:00	Consumer price index – preliminary	May	0.1%	0.7%	0.0%	0.5%
TUESDAY 2							
Australia	0:30	Reserve Bank of Australia meeting	June	2.00%		2.00%	
India	1:30	Reserve Bank of India meeting	June	7.25%		7.50%	
Germany	3:55	Unemployment rate	May	6.4%		6.4%	
United Kingdom	4:30	PMI construction index	May	55.0		54.2	
Euro zone	5:00	Consumer price index – estimate	May		0.2%		0.0%
Euro zone	5:00	Producer price index	April	0.1%	-2.0%	0.2%	-2.3%
Japan	21:35	PMI composite index	May		n/a		50.7
Japan	21:35	PMI services index – final	May		n/a		51.3
WEDNESDAY 3							
Brazil	---	Bank of Brazil meeting	June	13.75%		13.25%	
United Kingdom	2:00	Nationwide house prices	May	0.4%	4.9%	1.0%	5.2%
Italy	3:45	PMI composite index	May	53.7		53.9	
Italy	3:45	PMI services index	May	52.8		53.1	
France	3:50	PMI composite index – final	May	51.0		51.0	
France	3:50	PMI services index – final	May	51.6		51.6	
Germany	3:55	PMI composite index – final	May	52.8		52.8	
Germany	3:55	PMI services index – final	May	52.9		52.9	
Euro zone	4:00	PMI composite index – final	May	53.4		53.4	
Zone euro	4:00	PMI services index – final	May	53.3		53.3	
Italy	4:00	Unemployment rate – preliminary	April	12.9%		13.0%	
United Kingdom	4:30	PMI composite index	May	58.4		58.4	
United Kingdom	4:30	PMI services index	May	59.2		59.5	
Euro zone	5:00	Unemployment rate	April	11.2%		11.3%	
Euro zone	5:00	Retail sales	April	0.6%	2.0%	-0.8%	1.6%
United Kingdom	7:00	Bank of England meeting	June	0.50%		0.50%	
Euro zone	7:45	European Central Bank meeting	June	0.05%		0.05%	
THURSDAY 4							
France	1:30	ILO unemployment rate	Q1	10.4%		10.4%	
Germany	3:30	PMI construction index	May	n/a		51.0	
Euro zone	4:10	PMI retail index	May	n/a		49.5	
Germany	4:10	PMI retail index	May	n/a		52.6	
France	4:10	PMI retail index	May	n/a		46.2	
Italy	4:10	PMI retail index	May	n/a		49.0	
FRIDAY 5							
Japan	1:00	Leading indicator – preliminary	April	107.2		106.0	
Japan	1:00	Coincident indicator – preliminary	April	110.7		109.2	
Germany	2:00	Factory orders	April	0.5%	-0.6%	0.9%	1.9%
France	2:45	Trade balance (€M)	April	-3,950		-4,575	
Euro zone	5:00	Real GDP – preliminary	Q1	0.4%	1.0%	0.4%	1.0%
Mexico	14:00	Bank of Mexico meeting	June	3.00%		3.00%	

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	16,264	-0.7	2.7	2.4	2.2	2.3	1.6
Consumption (2009 \$B)	2015 Q1	11,170	1.8	3.0	2.5	2.4	1.8	2.3
Government spending (2009 \$B)	2015 Q1	2,890	-1.1	0.7	-0.2	-2.0	-1.4	-3.0
Residential investment (2009 \$B)	2015 Q1	510.4	4.9	5.2	1.6	11.9	13.5	0.5
Non-residential investment (2009 \$B)	2015 Q1	2,154	-2.8	5.0	6.3	3.0	7.2	7.7
Business inventory change (2009 \$B) (1)	2015 Q1	95.0	---	---	70.6	63.6	57.1	37.6
Exports (2009 \$B)	2015 Q1	2,086	-7.6	2.9	3.2	3.0	3.3	6.9
Imports (2009 \$B)	2015 Q1	2,634	5.6	6.5	4.0	1.1	2.3	5.5
Final domestic demand (2009 \$B)	2015 Q1	16,704	0.8	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)	May*	95.4	94.3	98.8	91.0	82.2
Cons. confidence Michigan (1966 = 100) (1)	May	90.7	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)	April*	235,527	-0.5	0.9	-0.9	-2.3
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	1,140	1,038	1,059	1,120	1,074
New home sales (K) (1)	April*	517.0	484.0	521.0	472.0	410.0
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)	2015 Q1*	1,762,406	-0.6	2.1	2.4	2.0	1.9	3.0
Household consumption (2007 \$M)	2015 Q1*	983,715	0.4	2.4	2.7	2.5	1.9	2.2
Government consumption (2007 \$M)	2015 Q1*	348,859	-0.8	0.4	0.2	0.4	1.2	0.8
Residential investment (2007 \$M)	2015 Q1*	118,617	4.0	6.5	2.7	-0.4	5.7	1.7
Non-residential investment (2007 \$M)	2015 Q1*	186,816	-15.5	-3.3	0.2	2.6	9.0	12.7
Business inventory change (2007 \$M) (1)	2015 Q1*	11,460	---	---	7,530	12,368	7,437	10,911
Exports (2007 \$M)	2015 Q1*	558,737	-1.1	6.0	5.4	2.0	2.6	4.6
Imports (2007 \$M)	2015 Q1*	577,337	-1.5	3.5	1.8	1.3	3.7	5.7
Final domestic demand (2007 \$M)	2015 Q1*	1,756,795	-1.6	1.3	1.6	1.5	2.5	2.5
GDP deflator (2007 = 100)	2015 Q1*	112.2	-2.1	-0.6	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)	2015 Q1*	-17,466	---	---	-41,480	-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)	2015 Q1*	1,146,308	6.2	3.6	3.4	3.8	4.2	4.5
Corporate net operating surplus (2007 \$M)	2015 Q1*	242,924	-39.7	-10.8	8.8	-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)	March*	1,647,931	-0.2	-0.5	-0.0	1.5
Industrial production (2007 \$M)	March*	353,941	-1.2	-2.2	-2.0	-0.6
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 (\$)	March*	954.1	0.3	1.1	1.5	2.8
Number of salaried employees (K) (2)	March*	15,671	-19.5	3.9	5.0	13.5
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)	April*	109.6	-0.9	1.1	-1.0	-2.4
Raw materials price (2002 = 100)	April*	97.9	3.8	8.3	-13.1	-20.9
Money supply M1+ (\$M)	April*	771,493	0.4	2.6	3.1	7.5

* 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 29	May 22	-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	0.01	0.02	0.02	0.04	0.05	0.02	-0.01
Treasury bonds – 2 years	0.61	0.62	0.60	0.58	0.47	0.33	0.72	0.53	0.31
– 5 years	1.48	1.58	1.50	1.50	1.51	1.50	1.84	1.56	1.18
– 10 years	2.11	2.23	2.12	2.01	2.20	2.46	2.65	2.24	1.67
– 30 years	2.86	3.00	2.82	2.59	2.91	3.31	3.48	2.94	2.25
S&P 500 index	2,115	2,126	2,108	2,105	2,068	1,924	2,131	2,025	1,862
DJIA index	18,052	18,232	18,024	18,133	17,828	16,717	18,312	17,440	16,117
Gold price (US\$/ounce)	1,189	1,206	1,173	1,217	1,182	1,245	1,338	1,232	1,146
CRB index	222.88	225.56	227.95	224.08	254.37	305.48	312.93	256.60	209.00
WTI oil (US\$/barrel)	59.86	58.88	59.10	49.84	65.94	102.75	107.30	73.17	43.39
Canada									
Overnight – target	0.75	0.75	0.75	0.75	1.00	1.00	1.00	0.91	0.75
Treasury bill – 3 months	0.63	0.63	0.66	0.58	0.90	0.93	0.96	0.80	0.47
Treasury bonds – 2 years	0.56	0.68	0.71	0.47	0.99	1.05	1.17	0.88	0.39
– 5 years	0.88	1.05	1.05	0.73	1.37	1.53	1.73	1.26	0.59
– 10 years	1.61	1.77	1.66	1.30	1.85	2.25	2.35	1.85	1.24
– 30 years	2.20	2.36	2.24	1.92	2.41	2.78	2.87	2.42	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	0.66	0.50
Treasury bill – 3 months	0.64	0.61	0.65	0.56	0.88	0.89	0.93	0.78	0.45
Treasury bonds – 2 years	-0.05	0.06	0.11	-0.11	0.52	0.72	0.69	0.35	-0.23
– 5 years	-0.60	-0.53	-0.45	-0.77	-0.14	0.03	0.07	-0.30	-0.82
– 10 years	-0.50	-0.46	-0.46	-0.71	-0.35	-0.21	-0.17	-0.40	-0.72
– 30 years	-0.66	-0.64	-0.58	-0.67	-0.50	-0.53	-0.29	-0.53	-0.71
S&P/TSX index	15,019	15,201	15,340	15,234	14,745	14,604	15,658	14,958	13,705
Exchange rate (C\$/US\$)	1.2461	1.2279	1.2159	1.2508	1.1415	1.0843	1.2789	1.1586	0.8025
Exchange rate (C\$/€)	1.3685	1.3528	1.3620	1.4003	1.4213	1.4780	1.4923	1.4098	0.8813
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	0.49	0.60	0.36	0.32	0.70	1.36	1.43	0.72	0.08
U.K.: Bonds – 10 years	1.81	1.92	1.85	1.78	1.93	2.57	2.88	2.10	1.36
Euro: Exchange rate (US\$/€)	1.0982	1.1018	1.1202	1.1196	1.2452	1.3631	1.3692	1.2223	1.0495
U.K.: Exchange rate (US\$/£)	1.5270	1.5490	1.5141	1.5435	1.5649	1.6752	1.7166	1.5866	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.