

## Growth stalls in Canada

### HIGHLIGHTS

- United States: A slight rise in the ISM manufacturing index.
- Another sign of improvement in U.S. household confidence.
- Canada: Real GDP by industry declined again in April.

### A LOOK AHEAD

- Deterioration is expected in the U.S. trade balance.
- Canada: The merchandise trade balance should improve.
- Canada: A pullback is likely in the labour market.

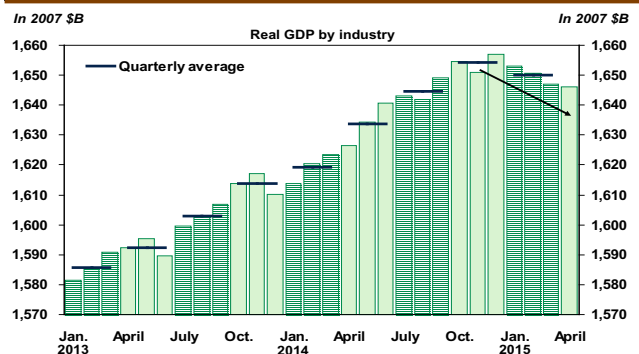
### FINANCIAL MARKETS

- Greece sets global markets atremble.
- Canadian bond yields plunge in reaction to signs of recession.
- The Canadian dollar falls below US\$0.80.

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Graph of the week – Canadian real GDP by industry continues to fall



Sources: Statistics Canada 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

- The establishment survey indicates that there were 223,000 net hires in June following gains of 254,000 (revised from 280,000) in May and of 187,000 (revised from 221,000) in April. Job creation in May stems solely from the private sector. No jobs were created in the construction sector in June, after the hire of 15,000 people in May. Manufacturing created 4,000 jobs, while 3,000 were lost in the natural resources sector. Private sector services created 222,000 jobs.
- The unemployment rate slid from 5.5% to 5.3%, to its lowest level since April 2008. The household survey shows a loss of 56,000 jobs in June, which is offset by a contraction of 432,000 people in the labour force.
- Average hourly wages held steady in June following a monthly increase of 0.2% (revised from 0.3%) in May. The annual change therefore fell from 2.3% to 2.0%.
- The ISM manufacturing index rose in June for the second month in a row, from 52.8 to 53.5. This brings it to the level that was reached in January. Only four of the ten sub-indexes are up. The main gains come from employment (+3.8) and from the components relating to inventories. The new orders index ticked up by 0.2 points. We note declines in backlogs of orders, delivery times and current production.
- Consumer confidence improved sharply in June, according to the Conference Board survey. The increase of 6.8 points takes the index from 94.6 to 101.4. This matches the level reached in March, but is still below the recent cyclical peak of 103.8 posted in January. The increase in the index stems both from the component expressing households' current conditions, which was up by 4.5 points, and that expressing expectations, which shot up by 8.4 points.
- The S&P/Case-Shiller index reporting prices of existing homes in the 20 largest cities showed more sluggish growth in April. The monthly increase was 0.3%, after two consecutive gains of over 1%. Seven of the 20 cities posted a slump in prices. The annual change in the index dipped from 4.96% to 4.91%.
- New car sales suffered a pullback in June. After surging by 7.6% in May, sales fell by 3.4%. The annualized level dropped from 17,716,000 units to 17,107,000 units.

**Francis Généreux**  
Senior Economist

### CANADA

- Real GDP by industry fell 0.1% in April. This is the fourth straight contraction in the Canadian economy, and the fifth retreat over the last six months. Real GDP by industry has fallen a cumulative 0.5% since October. Is the Canadian economy in a recession? Even though real GDP by industry has been down for several months, it is worth noting that for the theoretical definition of a recession to apply, there must be two consecutive quarters of falling real GDP. According to Statistics Canada, real GDP was down 0.6% (quarterly annualized) in the first quarter of 2015, meeting half of the definition. With April's results in real GDP by industry, it is clear there is a fairly high probability of a second quarterly contraction. The possibility of a recession will force monetary authorities to review their game plan. If we also consider the international disruptions related to Greece, all the ingredients seem to be there to prompt the Bank of Canada to order a new preventative reduction in key interest rates.

**Benoit P. Durocher**  
Senior Economist

# FINANCIAL MARKETS

## Markets remain tense as the Greek referendum nears

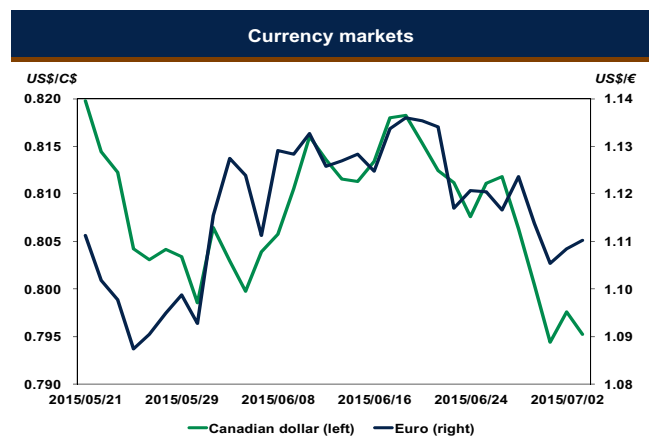
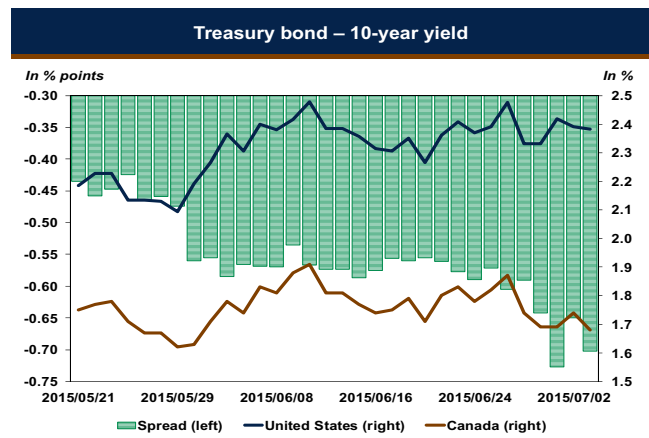
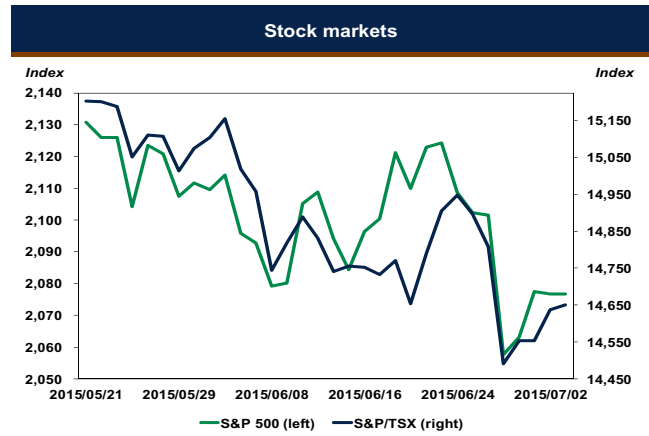
The uncertainty surrounding the Greek situation has undermined investor morale around the world. The bulk of the impact was felt at Monday's opening, after the Greek government announced, late last Friday, that it would hold a referendum on austerity measures. The European indexes saw most of their gains of the previous week wiped out. In China, the Shanghai index had another painful week, with a weekly slump of 12.1%, despite new monetary easing measures announced last weekend. In the United States and Canada, the slight gains recorded between Tuesday and Thursday were not enough to recover the losses sustained on Monday. The S&P 500 lost 1.2% on the week, and a similar loss was seen on the S&P/TSX.

Monday's session was just as noteworthy for the bond market. The U.S. ten-year yield dropped by 15 basis points during that day alone. After stabilizing around 2.30%, it headed back up on Wednesday, when positive surprises were recorded for a series of U.S. economic indicators. On Thursday it managed to surpass the 2.45% mark before slipping again due to job statistics that were a little less robust than expected. In Canada, bond yields tumbled in the middle portion of the curve after new disappointing data on economic growth increased the plausibility of a recession.

The uncertainty surrounding the Greek referendum generated more volatility for the euro. That currency started off the week by dipping by two cents, which took it below US\$1.10 temporarily. It re-appreciated during the Monday session, however, then gradually lost ground on Tuesday and Wednesday, finally stabilizing at around US\$1.11. The U.S. dollar held strong against most currencies at mid-week, when several healthy economic data were released in the United States. The pound sterling depreciated to nearly US\$1.56 on Wednesday and subsequently stayed in that neighbourhood. The Canadian dollar depreciated on Tuesday due to Canada's poor real GDP number for April. The strength of the U.S. dollar and falling oil prices drove the loonie below US\$0.80 on Wednesday.

**Jimmy Jean**  
Senior Economist

**Hendrix Vachon**  
Senior Economist



## A LOOK AHEAD



### UNITED STATES

#### Monday July 6 - 10:00

<b>June</b>	
Consensus	56.4
Desjardins	56.5
<b>May</b>	<b>55.7</b>

**ISM non-manufacturing index (June)** – After climbing to its highest point so far this year in April, the ISM non-manufacturing index lost ground in May. It fell from 57.8 to 55.7, its lowest point since April 2014; but we expect it to head back up in June. The good showings by consumption and household confidence in May and June are fairly encouraging. The manufacturing ISM has also been on the upturn in the past two months. Moreover, the housing sector is showing healthy growth. On the other hand, the oil sector is still in contraction. We expect the non-manufacturing index to edge up to 56.5.

#### Tuesday July 7 - 8:30

<b>May</b>	US\$B
Consensus	-42.8
Desjardins	-41.7
<b>April</b>	<b>-40.9</b>

**Trade balance (May)** – The balance of trade improved substantially in April, from –US\$50.6B to –US\$40.9B. This improvement comes on the heels of sharp deterioration in the trade balance caused by a surge in imports after the labour dispute at West coast ports came to an end. As a result, net exports have returned to a more normal level; however, we expect the trade balance to worsen in May. For one thing, price changes are unfavourable, with import prices rising twice as fast (+1.3%) as export prices (+0.6%). In real terms, we can still look forward to improvement in net exports, since the levels reached in April suggest that the normalization process after the labour dispute is not yet complete. Thus, there is more room for better growth in real exports than in imports. However, the considerable volatility of the oil sector could throw a monkey wrench into these forecasts. All told, the trade deficit should reach around US\$41.7B.

#### Tuesday July 7 - 15:00

<b>May</b>	US\$B
Consensus	18.5
Desjardins	16.5
<b>April</b>	<b>20.5</b>

**Consumer credit (May)** – Consumer credit growth was vigorous in April, with a second straight monthly gain of over US\$20B, a first since the spring of 2000. Another good monthly increase is expected for May, although on a slightly smaller scale. The weekly bank credit data are suggesting more modest growth than was seen in the previous months. However, the rally in automobile sales in May, the growth in retail sales and the decline in the savings rate argue against that signal. We anticipate an increase of US\$16.5B.



### CANADA

#### Tuesday July 7 - 8:30

<b>May</b>	US\$B
Consensus	-2.5
Desjardins	-2.2
<b>April</b>	<b>-3.0</b>

**International merchandise trade (May)** – Once seasonally adjusted and expressed in Canadian dollars, commodity prices rose by 5.7% in May. Energy prices, in particular, shot up by 12.3% during the month; this should boost the value of Canadian exports. In addition, U.S. data show that production in the automobile sector headed up again during the month. In these conditions, the merchandise trade balance could improve further in May.

#### Thursday July 9 - 8:15

<b>June</b>	ann. rate
Consensus	190,000
Desjardins	190,000
<b>May</b>	<b>201,700</b>

**Housing starts (June)** – The number of housing starts rose significantly in May due to a major increase in the multiple-dwelling sector. However, the level of multiple-dwelling starts that was reached in May was far higher than the average of recent months, so a certain pullback is likely in June. Assuming fairly stable activity in the other homebuilding segments, the total number of housing starts should fall back below the 200,000-unit mark in June.



**Labour Force Survey (June)** – The job market benefited from the creation of 58,900 new jobs in May, bringing the six-month rolling average to 15,200, a level that is a bit on the high side compared with the economic growth that has been recorded in this country lately. Under these conditions, job losses—in the order of 10,000—are quite probable for the month of June. The unemployment rate could nevertheless hold steady at 6.8%.



## OVERSEAS

**United Kingdom: Bank of England meeting** – No change is expected from the Bank of England officials at this meeting. Growth for the first quarter was revised up, but most of the indicators are still mixed. Furthermore, while it is no longer in negative territory, inflation is still relatively weak, at 0.1%. There is therefore no urgency to raise interest rates. Accordingly, it will be more interesting to read the minutes of this monetary policy meeting, two weeks from now; they often give us a good idea of the opinions of Bank of England leaders on economic trends and the future trajectory of the key interest rate. One of the indicators to be released during the week is industrial production for May, on Tuesday. Manufacturing slipped in April, but a return to growth is now expected. The NIESR monthly estimate of real GDP growth for June will also be released on Tuesday. The balance of trade for May will be made public on Friday.

### Friday July 10 - 8:30

<b>June</b>	
Consensus	-4,400
Desjardins	-10,000
<b>May</b>	<b>58,900</b>


### Thursday July 9 - 7:00

<b>July</b>	
Consensus	0.50%
Desjardins	0.50%
<b>June</b>	<b>0.50%</b>

# ECONOMIC INDICATORS


## Week of July 6 to 10, 2015

Day	Hour	Indicator	Period	Consensus		Previous data
<b>UNITED STATES</b>						
<b>MONDAY 6</b>						
	10:00	ISM non-manufacturing index	June	56.4	56.5	55.7
<b>TUESDAY 7</b>						
	8:30	Trade balance – Goods and services (US\$B)	May	-42.8	-41.7	-40.9
	15:00	Consumer credit (US\$B)	May	18.50	16.50	20.54
<b>WEDNESDAY 8</b>						
	14:00	Speech of the San Francisco Fed President, J. Williams				
	14:00	Release minutes from June 16-17 FOMC meeting				
<b>THURSDAY 9</b>						
	5:45	Speech of the Minneapolis Fed President, N. Kocherlakota				
	8:30	Initial unemployment claims	June 29 - July 3	277,000	277,000	281,000
	10:15	Speech of a Federal Reserve Governor, L. Brainard				
	13:00	Speech of the Kansas City Fed President, E. George				
<b>FRIDAY 10</b>						
	10:00	Wholesale inventories (m/m)	May	0.3%	0.3%	0.4%
	11:35	Speech of the Boston Fed President, E. Rosengren				
	12:30	Speech of the Federal Reserve Chair, J. Yellen				
<b>CANADA</b>						
<b>MONDAY 6</b>						
	8:15	International reserves (\$B)	June	n/a	76.8	77.3
	10:00	PMI-Ivey index	June	56.0	59.0	62.3
	10:30	Release of the Bank of Canada <i>Business Outlook Survey</i>	Q2			
	10:30	Release of the Bank of Canada <i>Senior Loan Officer Survey</i>	Q2			
<b>TUESDAY 7</b>						
	8:30	International trade (\$B)	May	-2.50	-2.20	-2.97
<b>WEDNESDAY 8</b>						
	8:30	Building permits (m/m)	May	n/a	-3.0%	11.6%
	16:15	Speech of the Bank of Canada Senior Deputy Governor, C. Wilkins				
<b>THURSDAY 9</b>						
	8:15	Housing starts (ann. rate)	June	190,000	190,000	201,700
	8:30	New housing price index (m/m)	May	n/a	0.1%	0.1%
<b>FRIDAY 10</b>						
	8:30	Net change in employment	June	-4,400	-10,000	58,900
	8:30	Unemployment rate	June	6.9%	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 July 6 to 10, 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 6</b>								
Japan	1:00	Leading indicator – preliminary	May	106.2		106.4		
Japan	1:00	Coincident indicator – preliminary	May	109.1		111.0		
Germany	2:00	Factory orders	May	-0.4%	3.8%	1.4%	0.4%	
Germany	3:30	PMI construction index	June	n/a		50.8		
Euro zone	4:10	PMI retail index	June	n/a		51.4		
Germany	4:10	PMI retail index	June	n/a		55.8		
France	4:10	PMI retail index	June	n/a		48.7		
Italy	4:10	PMI retail index	June	n/a		48.3		
<b>TUESDAY 7</b>								
Australia	0:30	Reserve Bank of Australia meeting	July	2.00%		2.00%		
Germany	2:00	Industrial production	May	0.1%	2.6%	0.9%	1.4%	
France	2:45	Trade balance (€M)	May	-3,600		-3,008		
United Kingdom	4:30	Industrial production	May	-0.2%	1.6%	0.4%	1.2%	
Japan	19:50	Trade balance (¥B)	May	-287.5		-146.2		
Japan	19:50	Current account (¥B)	May	1,375.2		1,274.2		
<b>WEDNESDAY 8</b>								
Japan	19:50	Machinery orders	May	-5.0%	16.7%	3.8%	3.0%	
China	21:30	Consumer price index	June		1.3%		1.2%	
China	21:30	Producer price index	June		-4.6%		-4.6%	
<b>THURSDAY 9</b>								
South Korea	---	Bank of Korea meeting	July	1.50%		1.50%		
Germany	2:00	Trade balance (€B)	May	20.5		22.1		
Germany	2:00	Current account (€B)	May	16.0		19.6		
United Kingdom	7:00	Bank of England meeting	July	0.50%		0.50%		
Japan	19:50	Producer price index	June	0.1%	-2.2%	0.3%	-2.1%	
<b>FRIDAY 10</b>								
Japan	1:00	Consumer confidence	June	41.9		41.4		
France	2:45	Current account (€B)	May	n/a		0.4		
France	2:45	Industrial production	May	0.4%	2.4%	-0.9%	-0.1%	
Italy	4:00	Industrial production	May	0.3%	1.2%	-0.3%	0.1%	
United Kingdom	4:30	Trade balance (£M)	May	-2,150		-1,202		
United Kingdom	4:30	Construction	May	0.8%	3.1%	-0.8%	1.5%	

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	16,288	-0.2	2.9	2.4	2.2	2.3	1.6
Consumption (2009 \$B)	2015 Q1	11,178	2.1	3.1	2.5	2.4	1.8	2.3
Government spending (2009 \$B)	2015 Q1	2,893	-0.6	0.9	-0.2	-2.0	-1.4	-3.0
Residential investment (2009 \$B)	2015 Q1	512.2	6.4	5.5	1.6	11.9	13.5	0.5
Non-residential investment (2009 \$B)	2015 Q1	2,159	-2.0	5.2	6.3	3.0	7.2	7.7
Business inventory change (2009 \$B) (1)	2015 Q1	99.5	---	---	70.6	63.6	57.1	37.6
Exports (2009 \$B)	2015 Q1	2,095	-5.8	3.4	3.2	3.0	3.3	6.9
Imports (2009 \$B)	2015 Q1	2,643	7.1	6.8	4.0	1.1	2.3	5.5
Final domestic demand (2009 \$B)	2015 Q1	16,722	1.2	3.0	2.5	1.9	2.1	1.7
GDP deflator (2009 = 100)	2015 Q1	108.7	-0.0	0.9	1.5	1.5	1.8	2.1
Labor productivity (2009 = 100)	2015 Q1	105.6	-3.1	0.3	0.7	0.9	1.0	0.2
Unit labor cost (2009 = 100)	2015 Q1	107.0	6.7	1.8	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)	2015 Q1	-113.3	---	---	-389.5	-376.8	-449.7	-460.4

\* 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)	May	123.1	0.7	1.7	2.2	5.7
ISM manufacturing index (1)	June*	53.5	52.8	51.5	55.1	55.7
ISM non-manufacturing index (1)	May	55.7	57.8	56.9	58.8	56.1
Cons. confidence Conf. Board (1985 = 100) (1)	June*	101.4	94.6	101.4	93.1	86.4
Cons. confidence Michigan (1966 = 100) (1)	June*	96.1	90.7	93.0	93.6	82.5
Personal consumption expenditure (2009 \$B)	May	11,277	0.6	1.0	1.3	3.4
Disposable personal income (2009 \$B)	May	12,317	0.2	0.4	1.9	3.5
Consumer credit (\$B)	April	3,384	0.6	1.7	3.1	6.6
Retail sales (\$M)	May	444,926	1.2	3.0	0.8	2.7
Excluding automobiles (\$M)	May	351,902	1.0	2.2	0.1	1.3
Industrial production (2007 = 100)	May	105.1	-0.2	-0.7	-1.1	1.4
Production capacity utilization rate (%) (1)	May	78.1	78.3	79.0	79.8	79.1
New machinery orders (\$M)	May*	470,478	-1.0	0.5	-4.6	-6.3
New durable good orders (\$M)	May*	227,564	-2.2	1.0	-3.6	-3.1
Business inventories (\$B)	April	1,793	0.4	0.8	0.8	2.6
Housing starts (K) (1)	May	1,036	1,165	900.0	1,007.0	986
Building permits (K) (1)	May	1,250	1,140	1,098	1,079	1,017
New home sales (K) (1)	May	546.0	534.0	545.0	449.0	457.0
Existing home sales (K) (1)	May	5,350	5,090	4,890	4,950	4,900
Construction spending (\$B)	May*	1,035.8	0.8	4.3	6.0	8.2
Commercial surplus (\$M) (1)	April	-40,879	-50,566	-42,447	-42,753	-44,271
Nonfarm employment (K) (2)	June*	141,842	223.0	664.0	1,250	2,935
Unemployment rate (%) (1)	June*	5.3	5.5	5.5	5.6	6.1
Consumer price (1982-1984 = 100)	May	237.0	0.4	0.8	-0.0	0.0
Excluding food and energy	May	241.8	0.1	0.6	1.0	1.7
Personal cons. expenditure deflator (2009 = 100)	May	109.0	0.3	0.5	0.0	0.2
Excluding food and energy	May	108.8	0.1	0.4	0.6	1.2
Producer price (1982 = 100)	May	195.2	1.5	1.4	-2.0	-2.9
Excluding food and energy	May	192.1	0.3	0.8	1.3	2.0
Export prices (2000 = 100)	May	125.8	0.6	-0.1	-2.9	-5.9
Import prices (2000 = 100)	May	126.6	1.3	0.9	-5.2	-9.6

\* 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.



## 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	11,460.0	---	---	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)	2015 Q1	107.6	-0.5	2.5	2.7	1.1	0.0	1.4
Unit labour cost (2007 = 100)	2015 Q1	115.1	5.0	1.4	1.0	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)	2015 Q1	82.7	---	---	82.9	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)	April*	1,646,046	-0.1	-0.4	-0.5	1.2
Industrial production (2007 \$M)	April*	348,565	-1.2	-3.4	-4.1	-2.1
Manufacturing sales (\$M)	April	49,774	-2.1	-1.7	-4.6	-2.3
Housing starts (K) (1)	May	201.7	183.3	151.4	191.5	196.4
Building permits (\$M)	April	7,799	11.6	26.4	4.5	26.0
Retail sales (\$M)	April	42,479	-0.1	2.3	-0.3	1.7
Excluding automobiles (\$M)	April	32,097	-0.6	1.9	-0.6	0.3
Wholesale trade sales (\$M)	April	55,191	1.9	2.4	2.4	6.7
Commercial surplus (\$M) (1)	April	-2,974.3	-3,853.1	-1,848	-680.8	126.8
Exports (\$M)	April	41,912	-0.7	-2.8	-5.9	-3.1
Imports (\$M)	April	44,886	-2.5	-0.2	-0.7	4.1
Employment (K) (2)	May	17,954	58.9	22.6	15.2	16.0
Unemployment rate (%) (1)	May	6.8	6.8	6.8	6.7	7.0
Average weekly earnings (\$)	April	955.4	0.2	0.8	1.5	2.5
Number of salaried employees (K) (2)	April	15,711	16.4	2.1	8.8	18.0
Consumer price (2002 = 100)	May	126.9	0.6	1.2	1.2	0.9
Excluding food and energy	May	121.3	0.2	0.8	1.3	1.8
Excluding 8 volatile items	May	126.0	0.4	1.0	1.5	2.2
Industrial product price (2002 = 100)	May*	110.1	0.5	-0.3	-0.2	-1.3
Raw materials price (2002 = 100)	May*	102.4	4.4	7.0	-3.5	-17.0
Money supply M1+ (\$M)	May	774,677	0.3	1.7	3.3	7.1

\* 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 (%)		
	Jul. 3	Jun. 26	-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	0.01	0.03	0.02	0.02	0.01	0.05	0.02	0.00
Treasury bonds – 2 years	0.63	0.66	0.70	0.48	0.67	0.51	0.72	0.55	0.31
– 5 years	1.63	1.74	1.74	1.25	1.62	1.74	1.84	1.56	1.18
– 10 years	2.38	2.48	2.40	1.84	2.12	2.65	2.63	2.22	1.67
– 30 years	3.19	3.25	3.11	2.49	2.69	3.48	3.44	2.91	2.25
S&P 500 index	2,077	2,101	2,093	2,067	2,058	1,985	2,131	2,039	1,862
DJIA index	17,730	17,947	17,849	17,763	17,833	17,068	18,312	17,540	16,117
Gold price (US\$/ounce)	1,168	1,171	1,170	1,197	1,189	1,320	1,338	1,222	1,146
CRB index	224.55	224.88	222.53	216.09	228.41	306.74	303.75	248.51	209.00
WTI oil (US\$/barrel)	56.30	59.41	59.11	49.13	52.72	104.06	105.68	68.78	43.39
<b>Canada</b>									
Overnight – target	0.75	0.75	0.75	0.75	1.00	1.00	1.00	0.89	0.75
Treasury bill – 3 months	0.55	0.60	0.63	0.56	0.92	0.94	0.96	0.77	0.47
Treasury bonds – 2 years	0.47	0.64	0.64	0.49	1.00	1.14	1.17	0.83	0.39
– 5 years	0.79	1.03	1.04	0.73	1.31	1.62	1.73	1.20	0.59
– 10 years	1.68	1.87	1.83	1.31	1.74	2.33	2.30	1.80	1.24
– 30 years	2.33	2.46	2.39	1.96	2.30	2.85	2.83	2.37	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	0.64	0.50
Treasury bill – 3 months	0.55	0.59	0.60	0.54	0.90	0.93	0.93	0.75	0.45
Treasury bonds – 2 years	-0.16	-0.02	-0.06	0.01	0.33	0.63	0.66	0.28	-0.23
– 5 years	-0.84	-0.71	-0.70	-0.52	-0.31	-0.12	0.07	-0.36	-0.88
– 10 years	-0.70	-0.61	-0.57	-0.53	-0.38	-0.32	-0.17	-0.42	-0.73
– 30 years	-0.85	-0.79	-0.72	-0.53	-0.39	-0.63	-0.29	-0.54	-0.88
S&P/TSX index	14,651	14,808	14,957	15,027	14,754	15,215	15,658	14,940	13,705
Exchange rate (C\$/US\$)	1.2575	1.2318	1.2440	1.2484	1.1785	1.0655	1.2789	1.1738	0.7952
Exchange rate (C\$/€)	1.3961	1.3754	1.3824	1.3705	1.4144	1.4486	1.4717	1.4020	0.8828
<b>Overseas</b>									
ECB – Refinancing rate	0.05	0.05	0.05	0.05	0.05	0.15	0.15	0.07	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	0.80	0.92	0.85	0.19	0.50	1.27	1.26	0.67	0.08
U.K.: Bonds – 10 years	2.00	2.19	2.08	1.62	1.73	2.87	2.86	2.04	1.36
Euro: Exchange rate (US\$/€)	1.1102	1.1166	1.1113	1.0978	1.2003	1.3596	1.3645	1.1993	1.0495
U.K.: Exchange rate (US\$/£)	1.5598	1.5752	1.5272	1.4921	1.5328	1.7160	1.7158	1.5735	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.