

Please note that there will be no release of the *Weekly Newsletter* from July 13 to August 14, 2015 inclusive

July 10, 2015

Concerns about China have been added to those about Greece

HIGHLIGHTS

- United States: A modest rise in the non-manufacturing ISM.
- Slight deterioration in the U.S. trade balance.
- The labour market stumbles in Canada in June.
- Canada: A larger-than-expected trade deficit in May.
- An upswing in Canadian housing starts in June.

A LOOK AHEAD

- Retail sales are expected to edge up in the United States.
- Another downturn in U.S. industrial production is anticipated.
- United States: Gasoline should contribute to another month of strong growth in consumer prices.
- A surge in U.S. housing starts is expected.
- The Bank of Canada will probably lower its key interest rates.
- Canada: After a sharp increase in May, the core consumer price index will likely decline in June.

FINANCIAL MARKETS

- Worries about China have been added to those about Greece.
- Markets price a high probability of a Bank of Canada rate cut.
- The Canadian dollar reached a 3-month low at US\$0.7826 (C\$1.2780/US\$).

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Graph of the week – The stock market slump has continued in China, but actions taken by the authorities have helped limit the damage



Sources: Bloomberg and Desjardins, Economic Studies

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NOTE TO READERS: The letters **K**, **M** and **B** are used in texts and tables to refer to thousands, millions and billions respectively.

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KEY STATISTICS OF THE WEEK

UNITED STATES

- The U.S. balance of trade deteriorated slightly in May. The deficit rose from US\$40.7B to US\$41.9B, which is still well below the balance of -US\$50.6 that was recorded in March. We note a 0.8% drop in nominal exports and a more modest pullback of 0.1% in imports. The difference is even greater in real terms: the decline in exports of goods is 1.9%, while that of imports is 0.5%.
- The ISM non-manufacturing index headed up in June, from 55.7 to 56.0. That increase is more modest than the 0.7-point gain that was recorded by the manufacturing ISM during the same month. However, we note a good advance in current activity (+2.0 points) which, at 61.5, suggests healthy economic growth.
- Consumer credit was up by US\$16.1B in May, which was slower growth than April's gain of US\$21.4B. The slower pace comes entirely from revolving credit (credit cards and lines of credit), where growth plunged from US\$8.5B to US\$1.6B, the slowest rate since February. The increase in term loans rose from US\$12.9B to US\$14.5B, bringing two months of deceleration to an end.
- Initial jobless claims climbed to their highest level since February during the week ending July 4, from 282,000 to 297,000. This is mainly attributed to the summer retooling shutdown at automobile plants, which the seasonal adjustment process has trouble capturing. As a result, claims may stay high for a few more weeks before they return to a weaker level towards the end of the summer.

Francis Généreux
Senior Economist

CANADA

- Statistics Canada reports a decrease of 6,400 jobs in June and an unemployment rate stagnating at 6.8% for the fifth straight month. Even though the number of jobs barely changed, there are still more full-time workers than last month (+64,800) and fewer part-time workers (-71,200). The retreat is not at all a surprise, given the upswing of 58,900 jobs announced last month. Advances in full-time employment to the detriment of part-time work is still good news in the current context. In Canada, the main losses are in other services (-16,800) and business services (-13,700). Public administrations are enjoying the most substantial gains (+9,500).
- Quebec was hurt in June with an estimated 33,300 jobs lost. The losses stem entirely from part-time work. Quebec's unemployment rate went from 7.6% to 8.0%, its highest showing since July 2014. In Ontario, June was more favourable, with a gain of 14,000 jobs, all full time. Ontario's unemployment rate held steady at 6.5% for the second month in a row.
- The balance of international merchandise trade worsened in May, falling from -\$2.99B to -\$3.34B. Despite increases in the automotive sector and energy products, exports dipped by 0.6%, weighed down by metallurgy, industrial machinery and equipment and electrical and electronic products. Imports ticked up by 0.2%. The trade balance also deteriorated during the month when expressed in real terms, from +\$136M to -\$695M. This is the worst deficit since February 2014 and heralds a negative contribution from international trade in the second quarter.
- The number of housing starts climbed from 196,981 units in May to 202,818 units in June. The bulk of this increase comes from the multiple-unit sector in urban areas; starts of multiple-unit projects reached 130,933 units in May, their highest level since September 2012. Starts of new single-family homes reached 57,787 units, the largest volume so far this year.

Francis Généreux
Senior Economist

FINANCIAL MARKETS

China and Greece send markets in all directions

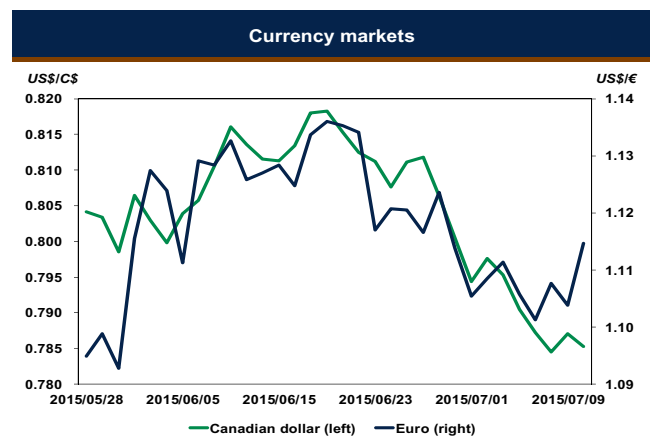
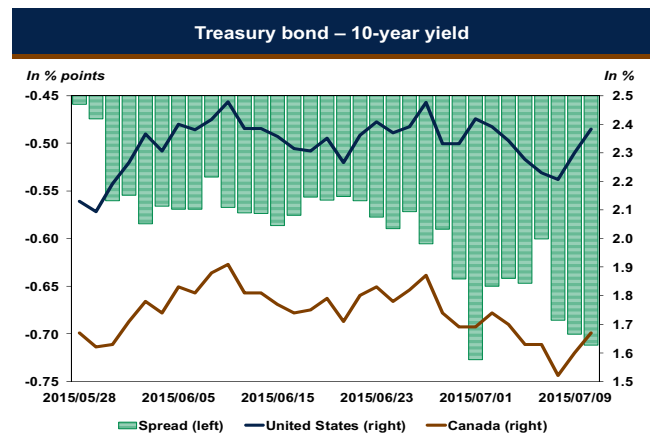
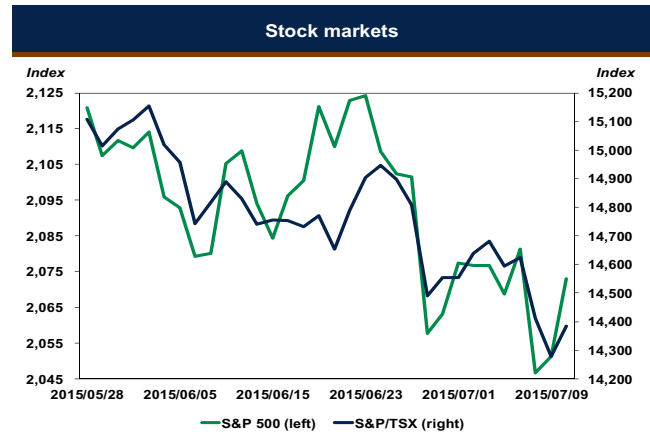
Stock markets had a rather tumultuous week. The victory of the “no” camp in the Greek referendum, and the appearance of panic on the part of Chinese authorities facing a collapse of the equity market, sent global indexes down sharply on Monday. The turmoil continued on Tuesday, when the new Greek Finance Minister showed up to a meeting with other euro zone officials with no concrete proposal in hand. A positive turnaround was orchestrated after the official offer was put together on Thursday, with French guidance. European stock markets managed to record weekly gains of around 2%. The S&P 500 did not rebound so briskly, but managed to recover its losses of the beginning of the week. As for the S&P/TSX, it was weighed down by weaker oil prices and poor economic data.

Risk aversion supported bond markets after the Greek referendum and against a backdrop of turmoil in China. The U.S. 10-year bond yield fell to a low of 2.17% on Wednesday. The minutes of the latest Federal Reserve meeting did not ruffle any feathers; the report adopted a cautious tone about international events, even though the officials still have faith in a rebound of the U.S. economy. A significant reversal was noted on Thursday and Friday, linked to positive developments in Greece and China. Canadian bonds outperformed their U.S. counterparts, as more bad news further persuaded investors that the likelihood of an imminent cut in key interest rates was elevated.

The “no” victory in Greece generated a bit more volatility for the euro on Monday, at the start of the session. Tuesday was also a tough day for the euro, which temporarily dropped below US\$1.10, reflecting the lack of a sense of urgency by the new Greek Finance Minister. The U.S. dollar benefited from the weakness of the euro, as well as from the uncertainty in China. The yen also enjoyed a safe haven effect and was one of the few currencies to gain ground against the greenback this week. The Canadian dollar fell to nearly US\$0.78, its lowest point since last March. The global uncertainty, disappointing data in Canada and the oil price slump all worked against the loonie.

Jimmy Jean
Senior Economist

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Senior Economist



A LOOK AHEAD



UNITED STATES

Tuesday July 14 - 8:30

June	m/m
Consensus	0.3%
Desjardins	0.3%
May	1.2%

Retail sales (June) – Retail sales posted healthy growth in May. Much of the 1.2% gain came from the automobile sector, but the other sectors generally also did well. We are expecting more modest sales growth in June. For one thing, the automobile sector experienced a pullback in June, after May's extraordinary performance: sales of new vehicles fell by 3.4% after a 7.6% upswing. For another, the other sectors are also likely to post weaker growth, in particular because the May increase seemed a bit exaggerated and because the sales data from chain stores are still fairly modest. We do expect gas station sales to be boosted by another increase in the price of gasoline. Excluding cars and gasoline, sales should tick up by 0.3%, less than the May increase of 0.7%. Total sales should also post 0.3% growth, whereas if we exclude automobiles alone, the increase should be 0.5%.

Wednesday July 15 - 9:15

June	m/m
Consensus	0.2%
Desjardins	-0.2%
May	-0.2%

Industrial production (June) – In May, industrial production recorded its fourth drop in five months. Several factors account for this decline, and they will probably affect growth again in June. However, we expect a slight increase in manufacturing in June after the 0.2% downturn that was posted in May. The automobile sector will likely suffer a contraction, based on the hours worked in that sector last month, but the rest of the manufacturing sector should do better. Despite slipping by 0.5 point, the "current production" component of the ISM manufacturing index is standing at a level that is compatible with growth, i.e. 54.0. Natural resources will probably take another bite out of industrial production, because the oil industry was still contracting in June, based on the hours worked and the number of rigs in use. Finally, energy production should head down. We expect industrial production to dip by 0.2% and an uptick of 0.1% in manufacturing. The industrial capacity utilization rate should slip from 78.1% to 77.8%. The July data from the New York Fed's Empire manufacturing index will also be announced on Wednesday, while the Philadelphia Fed's index will be made public on Thursday.

Friday July 17 - 8:30

June	m/m
Consensus	0.3%
Desjardins	0.4%
May	0.4%

Consumer price index (June) – A rally in gasoline prices drove energy prices up by 4.3% in May. This is the sharpest increase since February 2013, and it generated a 0.4% gain in the all-items consumer price index (CPI). Excluding food and energy, monthly price growth was just 0.1%, the weakest so far this year. Energy should make another positive contribution in June, since the national average of gasoline prices at the pump rose by 4.8%, during a month when prices tend to decline (the seasonal adjustment will magnify that increase). The monthly gain in the all-items CPI should once more reach 0.4%. The monthly growth in the core CPI should be 0.2%. Total inflation should edge up from 0.0% to 0.3%, while core inflation should return to 1.8%.

Friday July 17 - 8:30

June	ann. rate
Consensus	1,123,000
Desjardins	1,200,000
May	1,036,000

Housing starts (June) – After soaring by 22.1% in April, housing starts fell by 11.1% in May; thus April's gain was not entirely wiped out. Furthermore, they will probably spurt even higher in June. The high volume of building permits issued in May (1,250,000 at an annualized rate, based on the revised data) suggests that housing starts should reach a number in the neighbourhood of 1,200,000 units. A few downside risks hang over that forecast, however, in particular due to the loss of 6,100 homebuilding jobs in June. If housing starts are indeed as strong as expected, they will probably suffer a pullback in July; the June building permit numbers (predicted to be 1,150,000 units, i.e. -4.2%) will tell us more about that outlook. The NAHB homebuilders' confidence index, which rose sharply in June, will be released on Thursday.

University of Michigan consumer confidence index (July – preliminary) – In June, consumer confidence according to the University of Michigan index posted its strongest monthly improvement since December 2013. A gain of 5.4 points pushed it to 96.1, its highest level since last January. After that upswing, we expect the index to take a breather in July. Gasoline prices have stabilized (they did not fall as much as oil prices did), but the stock market has been in a slump in the past month. Job gains are still attractive, but the trend has softened a little. The Bloomberg weekly confidence index was still high at the beginning of July, but it shows no improvement compared with the latter weeks of June. Therefore, the University of Michigan index will probably tread water; given its high level, that is a good thing.


CANADA

Manufacturing sales (May) – Factory sales dropped sharply in April. The decline of 2.1% came on the heels of a significant gain of 2.7% in March, showing how volatile this indicator can be. We expect a bit of a lull in May. On one hand, merchandise exports declined by 0.5% if we exclude commodities; however, that happened despite a 1.0% gain in the automobile sector, which carries even more weight in factory shipments than in exports. Therefore, rather than posting another downturn, manufacturing sales probably held steady. That would also be compatible with the recent levels of the Canadian manufacturing PMI index, which is hovering around 50.0.

Bank of Canada meeting (July) – Clearly, the 1.8% rally that the Bank of Canada (BoC) was expecting in the second quarter will not materialize; the monetary authorities will therefore have to revise their forecasts downwards in their *Monetary Policy Report*. The Canadian economy has probably been in recession since the beginning of 2015, so the monetary authorities will be forced to overhaul their game plan. If we also take into account the international turbulence linked to the Greek issue and the collapse in oil prices, the stage is set for the BoC to announce another preventive cut in the country's key interest rates. Readers will remember that the central bank made such a decision back in January. It is therefore likely that the target for the overnight rate will be lowered to 0.50% at the July meeting. Waiting longer before lowering interest rates, as some investors are anticipating, does not strike us as the best option, since right now is when the Canadian economy finds itself in the midst of turmoil.

Consumer price index (June) – According to weekly surveys of prices at the pump, gasoline prices climbed by around 5% in June. That alone will generate monthly growth of nearly 0.2% in the all-items consumer price index (CPI). However, this will be partly offset by seasonal adjustments to many prices, particularly clothing, due to significant discounts. If we also take into account the slightly upwards trend observed in recent months, the total CPI could rise by 0.2% in June. The total annual inflation rate could edge up from 0.9% to 1.0%. As for the BoC's core index, the decline associated with seasonal effects could have more impact; its annual change should nevertheless hold steady at 2.2%.


OVERSEAS

China: Real GDP (Q2) – The Chinese economy is continuing to slow down. The annual change in real GDP was just 7.0% in the first quarter of 2015, the lowest rate since the beginning of 2009. The annualized quarterly change paints an even gloomier picture, with a gain of barely 5.3%. The government and monetary authorities appear to be determined to avoid pushing real GDP growth down too much, but there are still many challenges to cope with, not to mention the recent burst of the stock market bubble.

Friday July 17 - 10:00

July	
Consensus	96.5
Desjardins	96.0
June	96.1

Wednesday July 15 - 8:30

May	m/m
Consensus	0.3%
Desjardins	0.0%
April	-2.1%

Wednesday July 15 - 10:00

July	
Consensus	0.50%
Desjardins	0.50%
May 27	0.75%

Friday July 17 - 8:30

June	m/m
Consensus	0.2%
Desjardins	0.2%
May	0.6%

Tuesday July 14 - 22:00

Q2 2015	y/y
Consensus	6.8%
Q1 2015	7.0%

Thursday July 16 - 7:45

July

Consensus 0.05%


Desjardins 0.05%


June 3 0.05%

Euro zone: Meeting of the European Central Bank (July) – We do not foresee any change to the euro zone’s monetary policy. The easing measures that the European Central Bank (ECB) has been applying in the past year seem to be having the intended positive effects. The recovery observed in the credit market is especially encouraging. However, several sources of uncertainty remain, which should encourage the ECB to keep the current measures in place for several more quarters. It will be interesting to see how the ECB plans to deal with Greece if that country fails to quickly satisfy its creditors’ demands. The indicators to be released next week include industrial production for May, on Tuesday. It was up by 0.1% in April, and the stagnation in German production does not point towards great acceleration. The progression was better in France (+0.4%) and in Italy (+0.9%), however. The balance of trade, also for May, will be released on Thursday, along with the final version of the consumer price index for June.

ECONOMIC INDICATORS


Week of July 13 to 17, 2015

Day	Hour	Indicator	Period	Consensus		Previous data
UNITED STATES						
MONDAY 13	14:00	Federal budget (US\$B)	June	41.0	51.0	70.5
TUESDAY 14	8:30	Export prices (m/m)	June	n/a	0.0%	0.6%
	8:30	Import prices (m/m)	June	0.1%	0.1%	1.3%
	8:30	Retail sales				
		Total (m/m)	June	0.3%	0.3%	1.2%
		Excluding automobiles (m/m)	June	0.6%	0.5%	1.0%
	10:00	Business inventories (m/m)	May	0.2%	0.4%	0.4%
	20:15	Speech of the Kansas City Fed President, E. George				
WEDNESDAY 15	8:30	Producer price index				
		Total (m/m)	June	0.3%	0.3%	0.5%
		Excluding food and energy (m/m)	June	0.1%	0.1%	0.1%
	8:30	Empire manufacturing index	July	3.00	5.00	-1.98
	9:15	Industrial production (m/m)	June	0.2%	-0.2%	-0.2%
	9:15	Production capacity utilization rates	June	78.1%	77.8%	78.1%
	10:00	Testimony of the Federal Reserve Chairman, J. Yellen, before a House committee				
	12:00	Speech of the San Francisco Fed President, J. Williams				
	12:25	Speech of the Cleveland Fed President, L. Mester				
	14:00	Release of the <i>Beige Book</i>				
THURSDAY 16	8:30	Initial unemployment claims	July 6-10	283,000	295,000	297,000
	10:00	Philadelphia Fed index	July	12.0	14.0	15.2
	10:00	NAHB housing market index	July	59	n/a	59
	14:30	Testimony of the Federal Reserve Chairman, J. Yellen, before a Senate Committee				
	16:00	Net foreign security purchases (US\$B)	May	n/a	n/a	53.9
FRIDAY 17	8:30	Consumer price index				
		Total (m/m)	June	0.3%	0.4%	0.4%
		Excluding food and energy (m/m)	June	0.2%	0.2%	0.1%
		Total (y/y)	June	0.2%	0.3%	0.0%
		Excluding food and energy (y/y)	June	1.8%	1.8%	1.7%
	8:30	Housing starts (ann. rate)	June	1,123,000	1,200,000	1,036,000
	8:30	Building permits (ann. rate)	June	1,150,000	1,150,000	1,250,000
	10:00	Speech of the Federal Reserve Vice Chairman, S. Fischer				
	10:00	Michigan's consumer sentiment index – preliminary	July	96.5	96.0	96.1
CANADA						
MONDAY 13	---	---				
TUESDAY 14	---	---				
WEDNESDAY 15	8:30	Manufacturing sales (m/m)	May	0.3%	0.0%	-2.1%
	9:00	Existing home sales	June	n/a	n/a	3.1%
	10:00	Bank of Canada meeting	July	0.50%	0.50%	0.75%
	10:00	Release of the Bank of Canada <i>Monetary Policy Report</i>				
THURSDAY 16	8:30	International transactions in securities (\$B)	May	n/a	10.00	12.94
FRIDAY 17	8:30	Consumer price index				
		Total (m/m)	June	0.2%	0.2%	0.6%
		Excluding 8 most volatile (m/m)	June	-0.2%	-0.1%	0.4%
		Total (a/a)	June	1.0%	1.0%	0.9%
		Excluding 8 most volatile (y/y)	June	2.1%	2.2%	2.2%

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 13 to 17, 2015

Country	Hour	Indicator	Period	Consensus		Previous data		
				m/m (q/q)	y/y	m/m (q/q)	y/y	
 OVERSEAS								
DURING THE WEEK								
China	---	Trade balance (US\$B)	June	56.70		59.49		
MONDAY 13								
Japan	0:30	Tertiary industry activity index	May	-0.3%		-0.2%		
Japan	0:30	Industrial production – final	May	n/a	n/a	-2.2%	-4.0%	
TUESDAY 14								
Japan	---	Bank of Japan meeting						
Germany	2:00	Consumer price index – final	June	-0.1%	0.3%	-0.1%	0.3%	
United Kingdom	4:30	Consumer price index	June	0.1%	0.0%	0.2%	0.1%	
United Kingdom	4:30	Producer price index	June	0.1%	-1.5%	0.1%	-1.6%	
Euro zone	5:00	Industrial production	May	0.2%	2.0%	0.1%	0.8%	
Germany	5:00	ZEW survey – Current situation	July	60.0		62.9		
Germany	5:00	ZEW survey – Expectations	July	29.0		31.5		
China	22:00	Real GDP	Q2	1.6%	6.8%	1.3%	7.0%	
China	22:00	Industrial production	June		6.0%		6.1%	
China	22:00	Retail sales	June		10.2%		10.1%	
WEDNESDAY 15								
France	2:45	Consumer price index	June	0.0%	0.3%	0.2%	0.3%	
United Kingdom	4:30	ILO unemployment rate	May	5.5%		5.5%		
THURSDAY 16								
Italy	4:00	Trade balance (€M)	May	n/a		3,736		
Euro zone	5:00	Trade balance (€B)	May	22.0		24.3		
Euro zone	5:00	Consumer price index – final	June	0.0%	0.2%	0.2%	0.2%	
Euro zone	7:45	European Central Bank meeting	July	0.05%		0.05%		
FRIDAY 17								
Euro zone	5:00	Construction	May	n/a	n/a	0.3%	0.0%	

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 (2010 = 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)	June*	56.0	55.7	56.5	56.5	56.3
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)	May*	3,401	0.5	1.8	3.0	6.5
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	986.0
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	1,036	0.8	4.3	6.0	8.2
Commercial surplus (\$M) (1)	May*	-41,871	-40,698	-37,248	-40,021	-42,070
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 (2009 = 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	---	---	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)	June*	202.8	197.0	190.5	178.5	197.1
Building permits (\$M)	May*	6,696	-14.5	8.9	1.0	-3.6
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)	May*	-3,340	-2,992	-2,003	-381.3	571.5
Exports (\$M)	May*	42,002	-0.6	-1.1	-3.7	-6.7
Imports (\$M)	May*	45,342	0.2	2.0	3.1	2.0
Employment (K) (2)	June*	17,947	-6.4	10.9	16.0	14.7
Unemployment rate (%) (1)	June*	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 (%)		
	July 10	July 3	-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	0.01	0.02	0.02	0.02	0.02	0.05	0.02	0.01
Treasury bonds – 2 years	0.62	0.61	0.71	0.56	0.58	0.45	0.72	0.55	0.31
– 5 years	1.64	1.60	1.73	1.40	1.44	1.64	1.84	1.56	1.18
– 10 years	2.38	2.34	2.38	1.95	1.97	2.52	2.63	2.21	1.67
– 30 years	3.18	3.14	3.10	2.58	2.56	3.34	3.37	2.91	2.25
S&P 500 index	2,073	2,077	2,094	2,102	2,045	1,968	2,131	2,041	1,862
DJIA index	17,739	17,730	17,899	18,058	17,737	16,944	18,312	17,553	16,117
Gold price (US\$/ounce)	1,161	1,167	1,182	1,207	1,219	1,335	1,315	1,218	1,146
CRB index	217.49	224.55	223.53	217.12	225.57	297.07	298.77	246.89	209.00
WTI oil (US\$/barrel)	52.04	56.93	59.96	51.63	48.35	100.78	105.68	67.81	43.39
Canada									
Overnight – target	0.75	0.75	0.75	0.75	1.00	1.00	1.00	0.88	0.75
Treasury bill – 3 months	0.53	0.57	0.62	0.59	0.92	0.94	0.96	0.76	0.47
Treasury bonds – 2 years	0.49	0.48	0.65	0.53	0.95	1.11	1.17	0.82	0.39
– 5 years	0.79	0.81	1.01	0.79	1.21	1.53	1.73	1.19	0.59
– 10 years	1.67	1.70	1.81	1.37	1.66	2.22	2.28	1.78	1.24
– 30 years	2.32	2.35	2.39	2.04	2.22	2.77	2.79	2.36	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	0.63	0.50
Treasury bill – 3 months	0.52	0.56	0.60	0.57	0.90	0.92	0.93	0.74	0.45
Treasury bonds – 2 years	-0.13	-0.13	-0.06	-0.03	0.37	0.66	0.66	0.26	-0.23
– 5 years	-0.84	-0.79	-0.72	-0.61	-0.23	-0.11	0.07	-0.37	-0.88
– 10 years	-0.71	-0.64	-0.57	-0.58	-0.31	-0.30	-0.17	-0.43	-0.73
– 30 years	-0.86	-0.79	-0.71	-0.54	-0.34	-0.57	-0.29	-0.55	-0.88
S&P/TSX index	14,385	14,682	14,741	15,388	14,385	15,126	15,658	14,927	13,705
Exchange rate (C\$/US\$)	1.2734	1.2574	1.2322	1.2562	1.1868	1.0733	1.2789	1.1776	0.7853
Exchange rate (C\$/€)	1.4196	1.3975	1.3886	1.3321	1.4053	1.4607	1.4717	1.4010	0.8754
Overseas									
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	0.89	0.79	0.85	0.16	0.48	1.20	1.21	0.66	0.08
U.K.: Bonds – 10 years	2.07	2.00	1.99	1.62	1.60	2.73	2.78	2.02	1.36
Euro: Exchange rate (US\$/€)	1.1147	1.1114	1.1270	1.0604	1.1842	1.3609	1.3620	1.1944	1.0495
U.K.: Exchange rate (US\$/£)	1.5487	1.5571	1.5560	1.4632	1.5161	1.7125	1.7143	1.5703	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.