

A technical recession in Canada

HIGHLIGHTS

- United States: Job creation disappoints, but the jobless rate falls again.
- Another rise by new motor vehicle sales in the United States.
- United States: ISM indexes fall in August.
- A technical recession is confirmed in Canada.
- Canada: The labour market created 12,000 jobs in August.
- Canada: Merchandise exports continued to rebound.

A LOOK AHEAD

- U.S. consumer confidence could take another hit from the problems in the stock markets.
- The Bank of Canada should keep the target for the overnight rate at 0.50%.
- Canada: Housing starts could fall again.
- Canada: The industrial capacity utilization rate will retreat on the drop in industrial output.

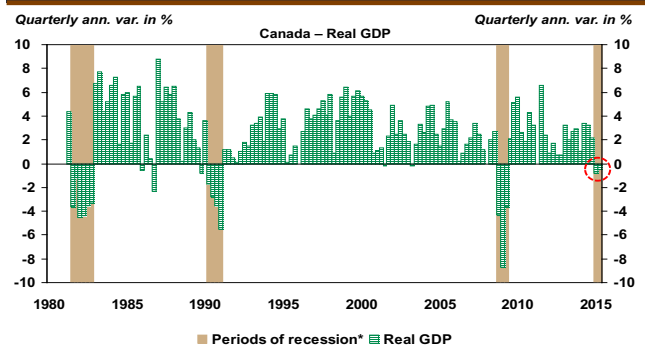
FINANCIAL MARKETS

- The closure of the Chinese markets does not completely eliminate stock market volatility.
- Economic numbers fail to clear the suspense over the Federal Reserve.
- The euro edges down on the European Central Bank's more pessimistic tone.

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Graph of the week – A low-magnitude recession in Canada



* Based on the definition that two consecutive quarters of decreasing real GDP indicate a recession.
Sources: Statistics Canada 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 establishment survey indicates that there were only 173,000 net hires in August, following gains of 245,000 in July and June (revised respectively from 215,000 and 231,000). The private sector created 140,000 jobs and the public sector had 33,000 hires. Only 3,000 jobs were added in the construction sector in August, after 7,000 hires in July. Manufacturing lost 17,000 jobs, while the natural resources sector lost 10,000. Private-sector services created 164,000 jobs, the weakest gain since March.
- The jobless rate dropped from 5.3% to 5.1%, its lowest point since April 2008. The household survey indicates that there were 196,000 additional jobs and 41,000 fewer people in the labour force in August.
- Average hourly wages nudged up 0.3% in the month. The annual change held steady at 2.2%.
- For a second straight month, the ISM manufacturing index fell in August, going from 52.7 to 51.1, its lowest point since May 2013. Seven of the 10 sub-indexes are down, with steeper drops in new orders and prices.
- The ISM non-manufacturing index also fell in August, dropping from 60.3 to 59.0. It is still well above the numbers hit prior to July's jump. The pullbacks by the employment (-3.6) and export (-4.5) sub-indexes are the biggest. The new orders component only came down 0.4 points.
- The U.S. trade balance improved in July, taking the deficit from US\$45.2B to US\$41.9B, the lowest it has been since February. Nominal exports are up 0.4%, while imports have retreated 1.1%. The difference is bigger still in real terms: goods exports gained 0.9%, while imports contracted 0.9%. Foreign trade is thus poised to make a positive contribution to real GDP in the third quarter.
- New motor vehicle sales jumped again in August, rising 1.4% on the heels of July's 3.0% gain. On an annualized basis, they went from 17,746,000 to 17,720,000 units, their highest point since July 2005.

Francis Généreux
Senior Economist

CANADA

- Canadian real GDP fell 0.5% (quarterly annualized) in the second quarter of 2015. It marked a second consecutive quarterly decrease, as real GDP slipped 0.8% in the first quarter of 2015. Based on the definition usually used, the Canadian economy is in recession. The word recession can trigger much worry; that is why this one is qualified as "technical". The extent of the slide in real GDP in the first two quarters of 2015 is much smaller than the declines observed in the previous periods of recession. This is due to the fact that the Canadian economy's current problems are not widespread. They are especially concentrated in certain sectors, such as energy, mining and manufacturing (affected by falling investment in the resources sector). Furthermore, the problems are concentrated in the oil-producing provinces of Alberta, Saskatchewan and Newfoundland and Labrador. As such, the outlook remains more favourable for the rest of the country.
- Merchandise exports increased 2.3% in July, continuing the upswing that began in June (+5.5%). The drop in energy exports (-5.7%), and ore and non-metallic minerals (-11.6%) was offset by major increases in automotive (+9.9%) and aerospace (+19.2%) products. Imports posted growth of 1.7% in July. This means that the trade balance improved over the month, going from -\$0.81B to -0.59B.
- Most forecasters were expecting employment to pull back slightly in August. In this context, August's 12,000 job gain is good news. That being said, caution is in order given how very volatile the employment results are, especially as the figures for August include a share of "oddities." In this economic context, it is, in fact, hard to explain the increase in employment in the oil-producing provinces (Alberta, Saskatchewan, and Newfoundland and Labrador), while decreases were seen in Ontario and Quebec. The unemployment rate still ticked up from 6.8% to 7.0% due to an increase in the number of Canadians in the labour market (participation rate).
- Canadian labour productivity fell 0.6% in the second quarter. The erosion is due to a drop in output, as the number of hours worked continued to advance.

Benoit P. Durocher
Senior Economist

FINANCIAL MARKETS

The European Central Bank's proactive approach instills a reaction

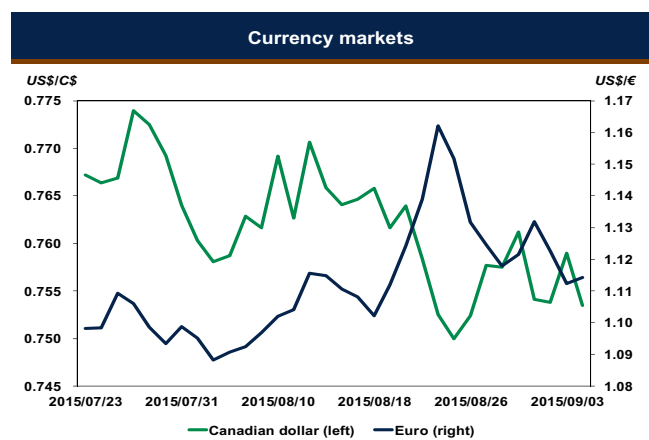
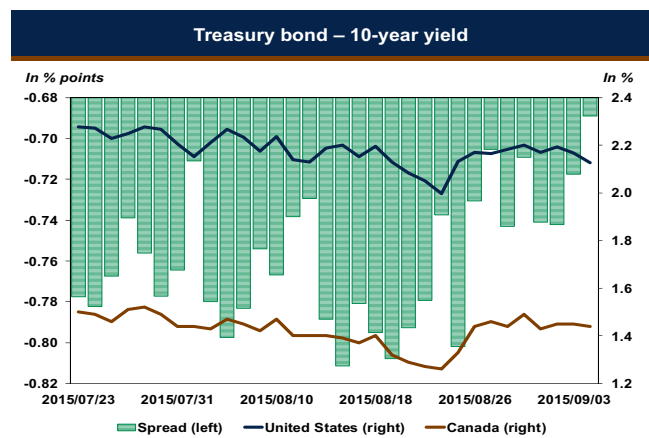
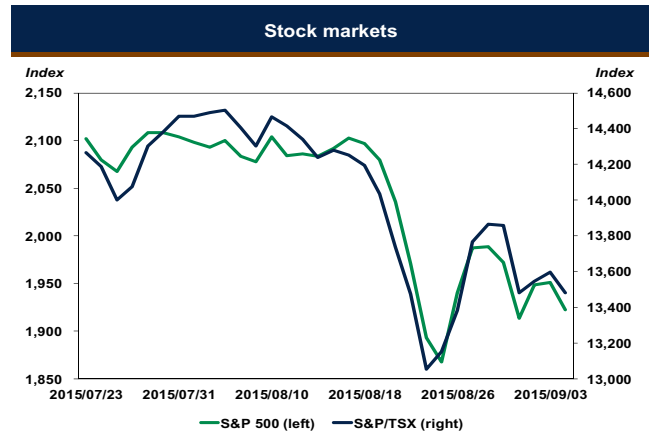
With the Chinese markets closed on Thursday and Friday, one of the major sources of instability over the last few weeks has been eliminated temporarily. However, this has not led to total calm. On Tuesday, disappointing numbers on global manufacturing activity hurt confidence and prompted widespread stock market losses. Two days later, the European Central Bank (ECB) created a surprise by opening the door to expanding its securities purchase program, galvanizing Europe's stock markets. However, the gains were wiped out as of Friday. North American stock markets followed suit on the publication of mixed employment figures in the United States.

The nervousness is still palpable, making bond yields tick down. Economic figures did not do much to build investor conviction about what decision the Federal Reserve (Fed) will take on September 17. Some indicators seemed to be greenlighting a rate increase (non-manufacturing ISM, motor vehicle sales, jobless rate), while others were more lacklustre (manufacturing ISM, manufacturing orders, job creation). All in all, the markets are pricing in only a 36% probability that the Fed will order an increase. In contrast, most of the data in Canada beat expectations and futures investors lowered their expectations of another rate cut this year.

This week, the currency markets were much less volatile. Although some figures came in below expectations in the United States, the greenback still rose a little. The U.S. dollar's main gain came Thursday to the detriment of the euro, which fell to US\$1.11 in response to the outcome of the ECB monetary policy meeting. The ECB seems a little more ready to increase its level of intervention, downgrading its outlooks for economic growth and inflation for the euro zone. The Canadian dollar was not too affected by the confirmation of a technical recession. On the other hand, the loonie did not capitalize on higher oil prices, essentially fluctuating between US\$0.75 and US\$0.76 this week.

Jimmy Jean
Senior Economist

Hendrix Vachon
Senior Economist



A LOOK AHEAD



UNITED STATES

Tuesday Sep. 1 - 15:00

July	US\$B
Consensus	18.5
Desjardins	22.0
June	20.7

Consumer credit (July) – Consumer credit growth remains fairly lively. The US\$20.7B gain recorded in June occurred with a good US\$5.5B contribution from revolving loans (credit lines and cards); this component had recently been struggling to grow. Nonetheless, the bulk of the growth in consumer credit comes from term loans. According to the weekly numbers on bank credit, credit should accelerate again in July. Motor vehicle sales increased 3% in July, also suggesting stronger credit growth. It could rise to US\$22B.

Friday Sep. 11 - 10:00

September	
Consensus	91.5
Desjardins	88.0
August	91.9

University of Michigan consumer confidence index (September – preliminary) – The University of Michigan consumer confidence index lost a few points over the last two months. The short downtrend will very likely continue in September. The latest problems in the stock markets, with the S&P 500 index down more than 6% since mid-August, should win out over more positive factors, such as the further dip by gas prices. Moreover, the Bloomberg weekly confidence index declined over the last week and is not showing any improvement from mid-August. The labour market's strong performance should help rein in the losses, however. August's major surge by the Conference Board confidence index is also a positive factor. All in all, the University of Michigan confidence index should still see another monthly pullback, taking it below the 90 mark.



CANADA

Wednesday Sep. 9 - 8:15

August	ann. rate
Consensus	190,000
Desjardins	190,000
July	193,000

Housing starts (August) – Housing starts in the multi-unit housing sector fell in July. This sector could edge down further in August. Housing starts in rural areas also seem a little too high. All in all, the total number of housing starts could slide to around 190,000 units in August.

Wednesday Sep. 9 - 10:00

September	
Consensus	0.50%
Desjardins	0.50%
July 15	0.50%

Bank of Canada meeting (September) – Monetary authorities should opt for the status quo at the September 9 meeting, after having lowered their key interest rates for the second time this year in July. Although the fact that the Canadian economy is in recession was confirmed recently with another pullback by real GDP in the second quarter, a number of factors are positive enough to prompt the Bank of Canada to be patient. For one thing, the size of the cumulative drop in output in the 2015 recession is tiny compared with the contractions recorded in previous recessions. For another, encouraging signs suggest Canada's economy should rebound as of the third quarter, returning to positive territory. Among other things, the volume of merchandise exports rose 3.7% in June and 1.5% in July.

Thursday Sep. 10 - 8:30

Q2 2015	
Consensus	81.7%
Desjardins	81.2%
Q1 2015	82.7%

Industrial capacity utilization rate (Q2) – Industrial production fell a quarterly annualized 9.6% last spring. Amongst other sectors, output dropped substantially in energy, mining and manufacturing. Under the circumstances, the industrial capacity utilization rate should pull back significantly in the second quarter.



OVERSEAS

China: Trade balance (August) – Beyond the movement by the trade balance (which is fairly high), the fluctuations by exports and imports is what is primarily grabbing the attention. Both exports and imports showed annualized contractions of just over 8% in July. Such declines fuel concerns over China's economic health, as well as the world's. It remains to be seen whether the latest decisions by Chinese authorities, including a modest devaluation of the yuan, will help boost China's foreign trade.

United Kingdom: Bank of England meeting (September) – The Bank of England (BoE) will hold a monetary policy meeting on Thursday, but should not announce any changes. Even though Britain's economy is doing very well, it still seems too early for the BoE to go forward with a rate increase. It will still be interesting to look at the publication of the meeting minutes in two weeks. In August, one monetary policy committee member had voted in favour of a hike. Other members could fall in with this opinion. Note that, at Jackson Hole, Governor Mark Carney reiterated that the likelihood of an interest rate increase in the United Kingdom would become more serious by the beginning of next year. July's industrial production will be among the indicators published during the week (Wednesday). Industrial output fell 0.4% in June, despite a 0.2% gain by manufacturing. The NIESR monthly estimate of real GDP growth for August also comes out on Wednesday, as does July's trade balance.

During the week


August	US\$B
Consensus	48.0
July	43.0

Thursday Sep. 10 - 7:00

September	
Consensus	0.50%
Desjardins	0.50%
August 6	0.50%

ECONOMIC INDICATORS


Week of September 7 to 11, 2015

Day	Hour	Indicator	Period	Consensus		Previous data
UNITED STATES						
MONDAY 7						
	---	Markets closed (Labor Day)				
TUESDAY 8						
	15:00	Consumer credit (US\$B)	July	18.5	22.0	20.7
WEDNESDAY 9						
	---	---				
THURSDAY 10						
	8:30	Initial unemployment claims	August 31 - Sept. 4	275,000	277,000	282,000
	8:30	Export prices (m/m)	August	n/a	-1.0%	-0.2%
	8:30	Import prices (m/m)	August	-1.7%	-2.1%	-0.9%
	10:00	Wholesale inventories (m/m)	July	0.3%	0.3%	0.9%
FRIDAY 11						
	8:30	Producer price index				
		Total (m/m)	August	-0.1%	0.0%	0.2%
		Excluding food and energy (m/m)	August	0.1%	0.1%	0.3%
	10:00	Michigan's consumer sentiment index – preliminary	Sept.	91.5	88.0	91.9
	14:00	Federal budget (US\$B)	August	-89.6	n/a	-128.7




CANADA

MONDAY 7						
	---	Markets closed (Labor Day)				
TUESDAY 8						
	---	---				
WEDNESDAY 9						
	8:15	Housing starts (ann. rate)	August	190,000	190,000	193,000
	8:30	Building permits (m/m)	July	-5.0%	-1.0%	14.8%
	10:00	Bank of Canada meeting	Sept.	0.50%	0.50%	0.50%
THURSDAY 10						
	8:30	Industrial capacity utilization rate	Q2	81.7%	81.2%	82.7%
	8:30	New housing price index (m/m)	July	0.2%	0.2%	0.3%
FRIDAY 11						
	8:30	National balance sheet	Q2			

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 September 7 to 11, 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)	August	48.0		43.0		
MONDAY 7								
Japan	1:00	Leading indicator – preliminary	July	104.9		106.5		
Japan	1:00	Coincident indicator – preliminary	July	112.2		112.3		
Germany	2:00	Industrial production	July	1.1%	0.3%	-1.4%	0.6%	
Japan	19:50	Trade balance (¥B)	July	-78.7		102.6		
Japan	19:50	Current account (¥B)	July	1,258.0		1,300.3		
Japan	19:50	Real GDP – final	Q2	-0.4%		-0.4%		
TUESDAY 8								
Germany	2:00	Trade balance (€B)	July	23.5		24.0		
Germany	2:00	Current account (€B)	July	21.5		24.4		
France	2:45	Trade balance (€M)	July	-3,100		-2,658		
Euro zone	5:00	Real GDP – preliminary	Q2	0.3%	1.2%	0.3%	1.2%	
WEDNESDAY 9								
Japan	1:00	Consumer confidence	August	40.5		40.3		
United Kingdom	4:30	Trade balance (£M)	July	-1,950		-1,601		
United Kingdom	4:30	Industrial production	July	0.1%	1.4%	-0.4%	1.5%	
New Zealand	17:00	Reserve Bank of New Zealand meeting	Sept.	2.75%		3.00%		
Japan	19:50	Machinery orders	July	3.3%	10.3%	-7.9%	16.6%	
China	21:30	Consumer price index	August		1.9%		1.6%	
China	21:30	Producer price index	August		-5.6%		-5.4%	
THURSDAY 10								
France	1:30	Non-farm payrolls – final	Q2	0.1%		0.2%		
France	2:45	Industrial production	July	0.2%	0.6%	-0.1%	0.6%	
United Kingdom	7:00	Bank of England meeting	Sept.	0.50%		0.50%		
Brazil	7:30	Minutes of the Bank of Brazil meeting						
FRIDAY 11								
South Korea	---	Bank of Korea meeting	Sept.	1.50%		1.50%		
Germany	2:00	Consumer price index – final	August	0.0%	0.2%	0.0%	0.2%	
France	2:45	Current account (€B)	July	n/a		1.0		
Italy	4:00	Industrial production	July	0.8%	0.9%	-1.1%	-0.3%	
United Kingdom	4:30	Construction	July	0.5%	0.9%	0.9%	2.6%	

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 Q2	16,324	3.7	2.7	2.4	1.5	2.2	1.6
Consumption (2009 \$B)	2015 Q2	11,166	3.1	3.1	2.7	1.7	1.5	2.3
Government spending (2009 \$B)	2015 Q2	2,857	2.6	0.7	-0.6	-2.9	-1.9	-3.0
Residential investment (2009 \$B)	2015 Q2	522.1	7.8	7.8	1.8	9.5	13.5	0.5
Non-residential investment (2009 \$B)	2015 Q2	2,206	3.2	3.6	6.2	3.0	9.0	7.7
Business inventory change (2009 \$B) (1)	2015 Q2	121.1	---	---	68.0	61.4	54.7	37.6
Exports (2009 \$B)	2015 Q2	2,118	5.2	1.5	3.4	2.8	3.4	6.9
Imports (2009 \$B)	2015 Q2	2,651	2.8	4.8	3.8	1.0	2.2	5.5
Final domestic demand (2009 \$B)	2015 Q2	16,728	3.2	2.9	2.5	1.2	1.9	1.7
GDP deflator (2009 = 100)	2015 Q2	109.7	2.1	1.0	1.6	1.6	1.8	2.1
Labor productivity (2009 = 100)	2015 Q2	105.9	3.3	0.7	0.7	-0.0	0.9	0.2
Unit labor cost (2009 = 100)	2015 Q2	106.8	-1.4	1.7	2.0	1.1	1.7	2.1
Employment cost index (Dec. 2005 = 100)	2015 Q2	123.8	0.6	2.0	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)	July	123.3	-0.2	0.9	1.7	4.1
ISM manufacturing index (1)	Aug.*	51.1	52.7	52.8	52.9	58.1
ISM non-manufacturing index (1)	Aug.*	59.0	60.3	55.7	56.9	58.6
Cons. confidence Conf. Board (1985 = 100) (1)	Aug.	101.5	91.0	94.6	98.8	93.4
Cons. confidence Michigan (1966 = 100) (1)	Aug.	91.9	93.1	90.7	95.4	82.5
Personal consumption expenditure (2009 \$B)	July	11,212	0.2	0.8	1.3	3.2
Disposable personal income (2009 \$B)	July	12,217	0.4	0.6	0.9	3.3
Consumer credit (\$B)	June	3,422	0.6	1.7	3.2	6.5
Retail sales (\$M)	July	446,477	0.6	1.8	2.8	2.4
Excluding automobiles (\$M)	July	353,724	0.4	1.8	2.6	1.3
Industrial production (2007 = 100)	July	107.5	0.6	0.4	-0.1	1.3
Production capacity utilization rate (%) (1)	July	78.0	77.7	78.0	78.7	78.3
New machinery orders (\$M)	July*	482,016	0.4	1.5	1.9	-14.7
New durable good orders (\$M)	July	241,700	2.2	3.9	3.6	-19.4
Business inventories (\$B)	June	1,812	0.8	1.5	1.7	3.0
Housing starts (K) (1)	July	1,206	1,204	1,190	1,080	1,095
Building permits (K) (1)	July	1,130	1,337	1,140	1,059	1,041
New home sales (K) (1)	July	507.0	481.0	508.0	521.0	403.0
Existing home sales (K) (1)	July	5,590	5,480	5,090	4,820	5,070
Construction spending (\$B)	July*	1,083	0.7	3.7	9.4	13.7
Commercial surplus (\$M) (1)	July*	-41,863	-45,205	-42,258	-43,588	-41,411
Nonfarm employment (K) (2)	Aug.*	142,288	173.0	663.0	1,229	2,919
Unemployment rate (%) (1)	Aug.*	5.1	5.3	5.5	5.5	6.1
Consumer price (1982-1984 = 100)	July	238.1	0.1	0.9	1.5	0.2
Excluding food and energy	July	242.5	0.1	0.5	1.1	1.8
Personal cons. expenditure deflator (2009 = 100)	July	109.8	0.1	0.6	1.1	0.3
Excluding food and energy	July	109.5	0.1	0.3	0.8	1.2
Producer price (2009 = 100)	July	196.7	-0.1	2.2	2.0	-2.5
Excluding food and energy	July	193.0	0.1	0.7	1.2	2.2
Export prices (2000 = 100)	July	125.0	-0.2	-0.1	-0.9	-6.1
Import prices (2000 = 100)	July	125.5	-0.9	0.3	-0.4	-10.4

* New statistic in comparison with last week.

(1) Statistic shows the level of the month of the column; (2) Statistic shows the variation since the reference month.

Canada: Quarterly economic indicators

	Ref. quart.	Level	Variation (%)		Annual variation (%)			
			Quart. ann.	1 year	2014	2013	2012	2011
Gross domestic product (2007 \$M)	2015 Q2*	1,759,190	-0.5	1.0	2.4	2.0	1.9	3.0
Household consumption (2007 \$M)	2015 Q2*	989,747	2.3	1.9	2.7	2.5	1.9	2.2
Government consumption (2007 \$M)	2015 Q2*	350,393	1.2	0.3	0.2	0.4	1.2	0.8
Residential investment (2007 \$M)	2015 Q2*	118,873	1.3	4.1	2.7	-0.4	5.7	1.7
Non-residential investment (2007 \$M)	2015 Q2*	179,758	-12.0	-7.3	0.2	2.6	9.0	12.7
Business inventory change (2007 \$M) (1)	2015 Q2*	7,110	---	---	7,530	12,368	7,437	10,911
Exports (2007 \$M)	2015 Q2*	558,854	0.4	1.3	5.4	2.0	2.6	4.6
Imports (2007 \$M)	2015 Q2*	575,275	-1.5	0.7	1.8	1.3	3.7	5.7
Final domestic demand (2007 \$M)	2015 Q2*	1,756,157	0.0	0.6	1.6	1.5	2.5	2.5
GDP deflator (2007 = 100)	2015 Q2*	112.7	1.4	-0.3	1.8	1.3	1.6	3.4
Labour productivity (2007 = 100)	2015 Q2*	106.6	-2.3	-0.4	2.7	1.1	0.0	1.4
Unit labour cost (2007 = 100)	2015 Q2*	115.7	1.7	1.9	1.0	1.3	3.0	2.1
Current account balance (\$M) (1)	2015 Q2*	-17,398	---	---	-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 Q2*	1,147,656	-0.5	3.1	3.4	3.8	4.2	4.5
Corporate net operating surplus (2007 \$M)	2015 Q2*	246,676	0.9	-11.4	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)	June*	1,650,057	0.5	0.2	-0.4	0.6
Industrial production (2007 \$M)	June*	350,850	1.4	-0.8	-3.0	-2.7
Manufacturing sales (\$M)	June	50,757	1.2	-0.7	-3.0	-3.1
Housing starts (K) (1)	July	193.0	202.3	178.4	183.7	203.3
Building permits (\$M)	June	7,739	14.8	10.8	10.0	-3.8
Retail sales (\$M)	June	43,185	0.6	1.4	2.5	1.4
Excluding automobiles (\$M)	June	32,666	0.8	1.0	2.2	-0.0
Wholesale trade sales (\$M)	June	55,324	1.3	2.1	-1.0	3.6
Commercial surplus (\$M) (1)	July*	-592.6	-811.0	-2,932	-1,813	2,052
Exports (\$M)	July*	45,459	2.3	7.4	5.6	-0.2
Imports (\$M)	July*	46,052	1.7	1.8	2.7	5.8
Employment (K) (2)	Aug.*	17,966	12.0	4.1	13.3	16.1
Unemployment rate (%) (1)	Aug.*	7.0	6.8	6.8	6.8	7.0
Average weekly earnings (\$)	June	954.6	0.8	0.1	1.2	1.9
Number of salaried employees (K) (2)	June	15,734	-11.7	13.3	12.4	12.9
Consumer price (2002 = 100)	July	127.3	0.1	0.9	2.4	1.3
Excluding food and energy	July	121.3	0.0	0.2	1.5	2.0
Excluding 8 volatile items	July	126.0	0.0	0.4	1.6	2.4
Industrial product price (2002 = 100)	July	111.6	0.7	1.7	3.0	0.1
Raw materials price (2002 = 100)	July	96.9	-5.9	-1.6	7.2	-21.2
Money supply M1+ (\$M)	July	791,654	1.6	2.5	5.1	8.7

* 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.

Major financial indicators

	Previous data (%)						Last 52 weeks (%)		
	Sep. 4	Aug. 28	-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	0.03	0.06	0.06	0.03	0.01	0.03	0.12	0.03	0.01
Treasury bonds – 2 years	0.71	0.70	0.73	0.70	0.72	0.51	0.73	0.58	0.31
– 5 years	1.47	1.52	1.58	1.74	1.70	1.69	1.84	1.55	1.18
– 10 years	2.13	2.18	2.17	2.40	2.24	2.46	2.63	2.18	1.67
– 30 years	2.89	2.91	2.83	3.11	2.84	3.24	3.36	2.86	2.25
S&P 500 index	1,923	1,989	2,078	2,093	2,071	2,008	2,131	2,054	1,862
DJIA index	16,099	16,643	17,373	17,849	17,881	17,137	18,312	17,611	15,666
Gold price (US\$/ounce)	1,121	1,135	1,097	1,170	1,175	1,267	1,302	1,191	1,084
CRB index	197.03	197.10	198.32	222.53	220.69	288.02	286.76	232.80	185.28
WTI oil (US\$/barrel)	46.24	45.29	43.87	59.11	49.61	93.32	95.55	59.70	38.22
Canada									
Overnight – target	0.50	0.50	0.50	0.75	0.75	1.00	1.00	0.81	0.50
Treasury bill – 3 months	0.36	0.36	0.39	0.63	0.60	0.93	0.93	0.68	0.36
Treasury bonds – 2 years	0.44	0.42	0.44	0.64	0.63	1.11	1.17	0.71	0.32
– 5 years	0.75	0.74	0.78	1.04	1.00	1.59	1.73	1.07	0.58
– 10 years	1.44	1.44	1.42	1.83	1.61	2.12	2.28	1.68	1.24
– 30 years	2.20	2.19	2.09	2.39	2.23	2.67	2.79	2.29	1.83
Spread with the U.S. rate (% points)									
Overnight – target	0.25	0.25	0.25	0.50	0.50	0.75	0.75	0.56	0.25
Treasury bill – 3 months	0.33	0.30	0.33	0.60	0.59	0.90	0.91	0.65	0.28
Treasury bonds – 2 years	-0.26	-0.28	-0.29	-0.06	-0.09	0.60	0.65	0.13	-0.33
– 5 years	-0.72	-0.78	-0.80	-0.70	-0.70	-0.10	0.07	-0.48	-0.99
– 10 years	-0.69	-0.74	-0.75	-0.57	-0.63	-0.34	-0.17	-0.49	-0.81
– 30 years	-0.69	-0.72	-0.74	-0.72	-0.61	-0.57	-0.29	-0.58	-0.88
S&P/TSX index	13,481	13,865	14,303	14,957	14,953	15,570	15,537	14,731	13,053
Exchange rate (C\$/US\$)	1.3271	1.3202	1.3130	1.2440	1.2622	1.0881	1.3334	1.2113	0.7535
Exchange rate (C\$/€)	1.4788	1.4759	1.4401	1.3824	1.3688	1.4091	1.5441	1.4006	0.8395
Overseas									
ECB – Refinancing rate	0.05	0.05	0.05	0.05	0.05	0.15	0.15	0.05	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	0.67	0.73	0.66	0.85	0.40	0.93	1.04	0.60	0.08
U.K.: Bonds – 10 years	1.83	1.95	1.97	2.08	1.98	2.47	2.59	1.93	1.36
Euro: Exchange rate (US\$/€)	1.1142	1.1180	1.0969	1.1113	1.0845	1.2951	1.2965	1.1597	1.0495
U.K.: Exchange rate (US\$/£)	1.5204	1.5393	1.5497	1.5272	1.5038	1.6327	1.6402	1.5513	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.