

## Optimism returns to the markets

### HIGHLIGHTS

- The Canadian and U.S. trade balances erode sharply.
- Canada's labour market makes little progress in September.
- Canadian housing starts jump.

### A LOOK AHEAD

- United States: Heading back to negative inflation.
- U.S. industrial output is expected to decline again.
- Canada: Manufacturing shipments are forecast to drop.

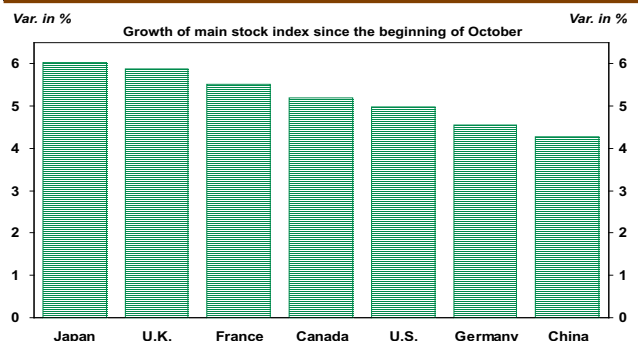
### FINANCIAL MARKETS

- The S&P 500 is back above 2,000 points.
- The bond markets quickly forget the disappointing U.S. job data.
- The Canadian dollar hits US\$0.77 (C\$1.30/US\$).

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Graph of the week – Stock markets get the quarter off to a good start



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 ISM non-manufacturing index fell in September, dropping from 60.3 to 56.9. It is still relatively high, but has pulled back by 3.4 points since July. The pullbacks by the current production (-3.7) and new orders (-6.7) sub-indexes are the sharpest. The non-manufacturing ISM is still doing much better than the manufacturing ISM, which is at just 50.2.
- The U.S. trade balance worsened sharply in August, in line with the preliminary figures published at the end of September. The deficit went from US\$41.8B to US\$48.3B, the largest deficit since March. Nominal exports are down 2.0%, while imports jumped 1.2%. The difference is bigger still in real terms: goods exports are off 1.5%, while imports jumped 3.1%. Foreign trade thus wipes out the previous months' gains and seems poised to make a negative contribution to real GDP in the third quarter.
- Consumer credit increased US\$16.0B in August, its weakest monthly increase since February. The increase in revolving loans (credit cards and lines) went from US\$4.2B to US\$4.0B. Non-revolving loans slowed even more, with monthly growth going from US\$14.7B to US\$12.0B, the weakest advance since November 2013.

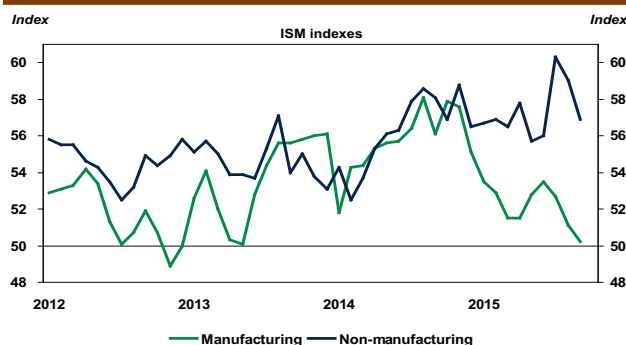
**Francis Généreux**  
Senior Economist

## CANADA

- Canada created 12,100 jobs in September, a gain almost identical to the previous month's (+12,000). Part-time work (+74,000) more than offset last month's losses in full-time work (-61,900). Quebec added 11,100 new jobs, mainly full time. Ontario took a hit, losing an estimated 33,800 jobs. The Canadian unemployment rate went from 7.0% to 7.1%.
- The trade balance worsened in July, with the deficit going from -\$0.82B to -\$2.53B, the worst since May. Merchandise exports tumbled 3.6%, the biggest drop since February 2011. The declines in energy (-14.7%) and aviation (-11.6%) were particularly steep. Imports increased 0.2%. In real terms, the situation is less dramatic, with the constant dollar surplus going from \$2.0B in July to \$1.4B in August. The average for the summer's first two months is well ahead of the spring's average. We therefore expect international trade to make a positive contribution to Canadian real GDP growth in the third quarter.
- With most forecasters expecting them to decline, housing starts shot up in September, a situation similar to that observed for August. This time, annualized housing starts went from 214,300 to 230,700 units, their highest point since August 2012. Much of the increase comes from Quebec, where housing starts jumped 25.7% to 50,900 units, a peak that dates back to February 2014. Housing starts retreated 4.1% in Ontario.

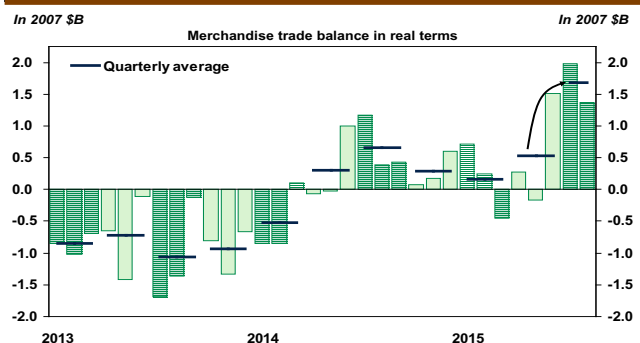
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**United States – The ISM non-manufacturing index is still much higher than the manufacturing index**



Sources: Institute for Supply Management and Desjardins, Economic Studies

**Canada – Despite August's erosion, the trade balance improved substantially in Q3**



Sources: Statistics Canada and Desjardins, Economic Studies

# FINANCIAL MARKETS

## Doubts mount about a Federal Reserve rate increase in December

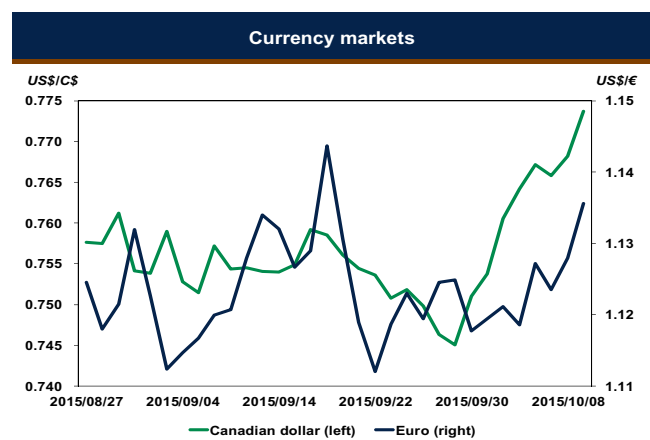
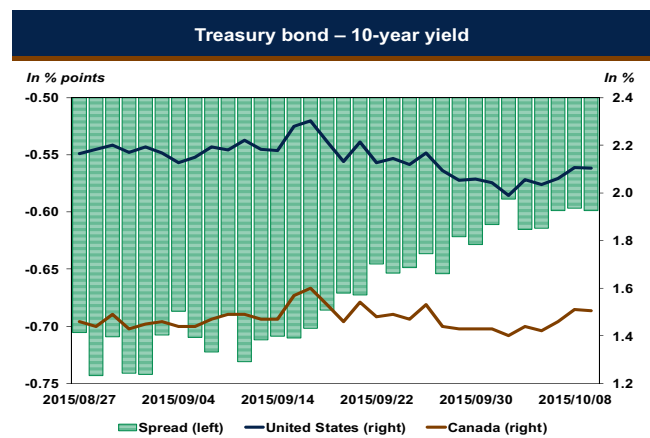
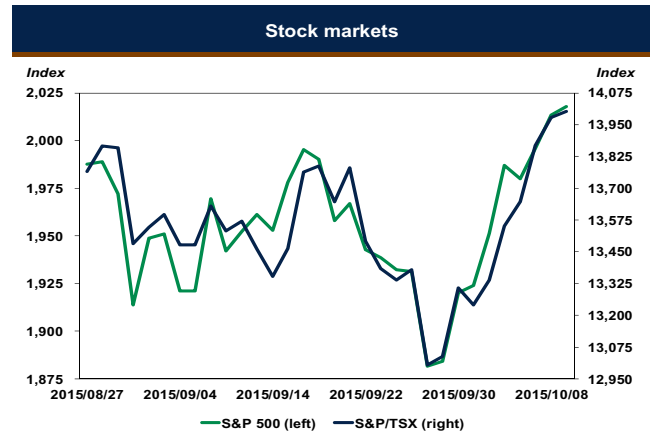
The mood improved in the stock markets this week. Volatility waned substantially and the VIX/S&P volatility index dropped below 20 points for the first time since August 20. However, an array of poor global economic news seems to have strengthened investors' expectations for ongoing monetary stimulus measures. On Thursday, the Federal Reserve (Fed) minutes supported this scenario and the S&P 500 went back to 2,000 points. A report from the International Energy Agency suggested that the global oil surplus would shrink, lighting a fire under oil prices. Oil even went above US\$50 temporarily. The S&P/TSX was heading for a weekly gain of more than 4.0%, with the energy sector in the lead.

Although the economic data was disappointing worldwide, risk appetite put some pressure on bonds. U.S. yields quickly recovered from last week's employment data shock, with the 10-year yield hitting 2.00% as of Monday. It continued to advance, beating 2.10% on Friday. The Fed's somewhat dovish minutes on Thursday only caused a short break in the uptrend. Movements by Canadian yields were similar to U.S. movements, and spreads between the two countries' yields were fairly stable. The Canadian 10-year yield was oscillating just above 1.50% on Friday morning.

The U.S. dollar continued to retreat as the likelihood of an interest rate increase before the end of the year seems to be dwindling. The euro is managing to capitalize on the situation, even though speculation is growing about the possibility of the European Central Bank increasing its securities purchases. The euro was trading above US\$1.13 on Friday. The solid numbers on industrial production released in the United Kingdom gave the pound a boost at mid-week; on Thursday, however, it was curbed by the Bank of England's evident lack of hurry to firm up its monetary policy. The Canadian dollar capitalized on the greenback's weakness and, in particular, rebounding oil prices, going above US\$0.77 (C\$1.30/US\$).

**Jimmy Jean**  
Senior Economist

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Senior Economist



# A LOOK AHEAD



## UNITED STATES

### Wednesday October 14 - 8:30

|                  |             |
|------------------|-------------|
| <b>September</b> | m/m         |
| Consensus        | 0.2%        |
| Desjardins       | 0.3%        |
| <b>August</b>    | <b>0.2%</b> |

**Retail sales (September)** – Retail sales jumped 0.7% in July, then posted more subdued growth in August, at 0.2%. In both cases, motor vehicle sales delivered solid growth. This factor should keep helping total retail sales in September: the number of new motor vehicles sold advanced 1.9% over the month. However, with a pullback in the value of service station sales, the tumble by gas prices will offset much of the positive contribution from the auto sector. Excluding motor vehicles and gas, sales should show a modest 0.4% acceleration on the heels of August’s 0.3% rise. For consumption, cautious optimism is in order, given the good ISM non-manufacturing index, the upswing in consumer confidence according to the Conference Board index, and the fact that retailers hired 23,700 workers in September. Total sales should post a 0.3% increase.

### Thursday October 15 - 8:30

|                  |              |
|------------------|--------------|
| <b>September</b> | m/m          |
| Consensus        | -0.2%        |
| Desjardins       | -0.2%        |
| <b>August</b>    | <b>-0.1%</b> |

**Consumer price index (September)** – Inflation remains very low in the United States. It could even dip back into negative territory in September, pulled down by relapsing gas prices. According to the national average for prices at the pump, gas prices are off 9.8%. Usually, they fall 1.2% in September. Seasonal adjustments will therefore not offset the negative contribution from gas prices. Following September’s 0.1% dip, we expect the total consumer price index (CPI) to retreat by a monthly 0.2%. Excluding food and energy, the CPI should post another 0.1% uptick. Total inflation should go from 0.2% to -0.1%, the first negative performance since May. Core inflation should stay at 1.8%.

### Friday October 16 - 9:15

|                  |              |
|------------------|--------------|
| <b>September</b> | m/m          |
| Consensus        | -0.2%        |
| Desjardins       | -0.3%        |
| <b>August</b>    | <b>-0.4%</b> |

**Industrial production (September)** – July’s rebound by industrial output was short-lived. The 0.9% rise quickly gave way to another decline in August—it went down 0.4%. In 2015, U.S. industrial output has only posted one monthly increase. Another pullback is expected for September. The weak ISM manufacturing index and the drops recorded by hours worked that month do not suggest any improvement. The auto sector should therefore stagnate, while the rest of the manufacturing sector should see a 0.25% decline. The oil sector’s tumble and slide by commodity prices probably caused mining sector investment to contract again. Lastly, we expect energy output to stand still. Overall, we expect industrial production to contract 0.3%. The industrial capacity utilization rate should drop to 77.3%. October’s results for the New York Fed’s Empire index and Philadelphia Fed index will be released on Thursday. They were both negative in September.

### Friday October 16 - 10:00

|                  |             |
|------------------|-------------|
| <b>October</b>   |             |
| Consensus        | 89.0        |
| Desjardins       | 92.5        |
| <b>September</b> | <b>87.2</b> |

**University of Michigan consumer confidence index (October – preliminary)** – According to the University of Michigan index, consumer confidence has been on a downslope since June. This contrasts with other confidence indicators, such as the Conference Board’s. Nonetheless, we expect the University of Michigan index to bounce back in October. Some factors fanning hope for an upswing by confidence are the stock market’s comeback since the last week of September, gas prices that continue to decline, and another drop in jobless claims. Other indicators, such as the Bloomberg weekly index, also suggest an improvement to consumers’ mood. We expect the University of Michigan index to recoup the ground lost in September, going from 87.2 to 92.5.


**CANADA**

**Manufacturing sales (August)** – August’s drop in the value of exports paves the way for a reduction in manufacturing sales. Merchandise exports excluding natural resources fell 2.2% in August, the biggest decline since November 2014. However, the drop followed two months of substantial increases. The aviation, metallurgy and machinery sectors saw their exports plunge. Note that the auto industry saw its exports rise in August. Given that this industry carries a lot of weight in the overall manufacturing sector, the total value of manufacturing sales does not seem to be as heavily affected. We are expecting a drop of 1.0%.


**OVERSEAS**

**China: Trade balance (September)** – With a lot of focus on the weak Chinese economic indicators, the recent improvement to its trade balance looks like an exception at first glance. In August, the surplus hit its highest point since February, at US\$60.24B. Note, however, that the improvement primarily stems from weaker imports rather than exports. September’s results will show if this situation is changing and whether foreign trade will make a strong positive contribution to real GDP growth in the third quarter.

**Euro zone: Industrial production (August)** – Boosted by solid growth in Germany and Italy, Euroland’s industrial output advanced 0.6% in July. This gain, the fastest since February, came on the heels of two straight drops. Another increase in August would be astounding, as German output retreated 1.2% while Italy’s pulled back 0.5%. France’s 1.6% increase in industrial output is a positive factor. For the euro zone as a whole, the consensus forecast is for a decline of 0.5%. August’s trade balance will be out on Friday, as will the final September data for the consumer price index.

**Friday October 16 - 8:30**

|               |             |
|---------------|-------------|
| <b>August</b> | m/m         |
| Consensus     | -1.0%       |
| Desjardins    | -1.0%       |
| <b>July</b>   | <b>1.7%</b> |

**During the week**



|                  |              |
|------------------|--------------|
| <b>September</b> | US\$B        |
| Consensus        | 47.90        |
| <b>August</b>    | <b>60.24</b> |

**Wednesday October 14 - 5:00**

|               |             |
|---------------|-------------|
| <b>August</b> | m/m         |
| Consensus     | -0.5%       |
| <b>July</b>   | <b>0.6%</b> |


# ECONOMIC INDICATORS

## Week of October 5 to 9, 2015

| Day   | Hour  | Indicator  | Period   | Consensus |  | Previous data |
|---|-------|--|----------|-----------|---|---------------|
|  <b>UNITED STATES</b> |       |  |          |           |   |               |
| <b>DURING THE WEEK</b>  |       |  |          |           |   |               |
|   |       | Federal budget (US\$B)                                 | Sep.     | 93.0      | 95.0  | 105.8         |
| <b>MONDAY 12</b>  | ---   | Bond markets closed (Columbus Day)                     |          |           |   |               |
|   | 8:10  | Discours du président de la Fed d'Atlanta, D. Lockhart |          |           |   |               |
|   | 10:30 | Speech of the Chicago Fed President, C. Evans          |          |           |   |               |
|   | 16:30 | Speech of a Federal Reserve Governor, L. Brainard      |          |           |   |               |
| <b>TUESDAY 13</b>   | 8:00  | Speech of the St. Louis Fed President, J. Bullard      |          |           |   |               |
| <b>WEDNESDAY 14</b>   | 8:30  | Producer price index                                   |          |           |   |               |
|   |       | Total (m/m)  | Sep.     | -0.2%     | -0.2%   | 0.0%          |
|   |       | Excluding food and energy (m/m)                        | Sep.     | 0.1%      | 0.1%  | 0.3%          |
|   | 8:30  | Retail sales   |          |           |   |               |
|   |       | Total (m/m)  | Sep.     | 0.2%      | 0.3%  | 0.2%          |
|   |       | Excluding automobiles (m/m)                            | Sep.     | -0.1%     | 0.1%  | 0.1%          |
|   | 10:00 | Business inventories (m/m)                             | Aug.     | 0.1%      | 0.1%  | 0.1%          |
|   | 14:00 | Release of the Beige Book                              |          |           |   |               |
| <b>THURSDAY 15</b>  | 8:30  | Initial unemployment claims                            | Oct. 5-9 | 268,000   | 270,000   | 263,000       |
|   | 8:30  | Philadelphia Fed index                                 | Oct.     | -2.00     | -3.00   | -6.00         |
|   | 8:30  | Consumer price index                                   |          |           |   |               |
|   |       | Total (m/m)  | Sep.     | -0.2%     | -0.2%   | -0.1%         |
|   |       | Excluding food and energy (m/m)                        | Sep.     | 0.1%      | 0.1%  | 0.1%          |
|   |       | Total (y/y)  | Sep.     | -0.1%     | -0.1%   | 0.2%          |
|   |       | Excluding food and energy (y/y)                        | Sep.     | 1.8%      | 1.8%  | 1.8%          |
|   | 8:30  | Empire manufacturing index                             | Oct.     | -6.0      | -8.0  | -14.7         |
|   | 10:30 | Speech of the New York Fed President, W. Dudley        |          |           |   |               |
|   | 10:30 | Speech of the St. Louis Fed President, J. Bullard      |          |           |   |               |
|   | 16:30 | Speech of the Cleveland Fed President, L. Mester       |          |           |   |               |
| <b>FRIDAY 16</b>  | 9:15  | Industrial production (m/m)                            | Sep.     | -0.2%     | -0.3%   | -0.4%         |
|   | 9:15  | Production capacity utilization rates                  | Sep.     | 77.3%     | 77.3%   | 77.6%         |
|   | 10:00 | Michigan's consumer sentiment index – preliminary      | Oct.     | 89.0      | 92.5  | 87.2          |
|   | 16:00 | Net foreign security purchases (US\$B)                 | Aug.     | n/a       | n/a   | 7.7           |


 **CANADA**

|                     |      |  |      |       |       |       |
|---------------------|------|--|------|-------|-------|-------|
| <b>MONDAY 12</b>    | ---  | Markets closed (Thanksgiving Day)              |      |       |       |       |
| <b>TUESDAY 13</b>   | ---  |  |      |       |       |       |
| <b>WEDNESDAY 14</b> | ---  |  |      |       |       |       |
| <b>THURSDAY 15</b>  | 9:00 | Existing home sales                            | Sep. |       |       |       |
| <b>FRIDAY 16</b>    | 8:30 | International transactions in securities (\$B) | Aug. | n/a   | n/a   | -10.1 |
|                     | 8:30 | Manufacturing sales (m/m)                      | Aug. | -1.0% | -1.0% | 1.7%  |

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 October 5 to 9, 2015

| Country  | Hour  | Indicator                        | Period | Consensus |       | Previous data |       |  |
|--|-------|----------------------------------|--------|-----------|-------|---------------|-------|--|
|  |       |                                  |        | m/m (q/q) | y/y   | m/m (q/q)     | y/y   |  |
|  <b>OVERSEAS</b> |       |                                  |        |           |       |               |       |  |
| <b>DURING THE WEEK</b>   |       |                                  |        |           |       |               |       |  |
| China  | ---   | Trade balance (US\$B)            | Sep.   | 47.90     |       | 60.24         |       |  |
| <b>MONDAY 12</b>   |       |                                  |        |           |       |               |       |  |
| France   | 2:45  | Current account (€B)             | Aug.   | n/a       |       | -0.4          |       |  |
| <b>TUESDAY 13</b>  |       |                                  |        |           |       |               |       |  |
| Japan  | 1:00  | Consumer confidence              | Sep.   | 41.6      |       | 41.7          |       |  |
| Germany  | 2:00  | Consumer price index – final     | Sep.   | -0.2%     | 0.0%  | -0.2%         | 0.0%  |  |
| United Kingdom   | 4:30  | Consumer price index             | Sep.   | 0.0%      | 0.0%  | 0.2%          | 0.0%  |  |
| United Kingdom   | 4:30  | Producer price index             | Sep.   | -0.1%     | -1.8% | -0.4%         | -1.8% |  |
| Germany  | 5:00  | ZEW survey – Current situation   | Oct.   | 64.0      |       | 67.5          |       |  |
| Germany  | 5:00  | ZEW survey – Expectations        | Oct.   | 6.5       |       | 12.1          |       |  |
| Japan  | 19:50 | Producer price index             | Sep.   | -0.4%     | -3.9% | -0.6%         | -3.6% |  |
| China  | 21:30 | Consumer price index             | Sep.   |           | 1.8%  |               | 2.0%  |  |
| China  | 21:30 | Producer price index             | Sep.   |           | -5.9% |               | -5.9% |  |
| <b>WEDNESDAY 14</b>  |       |                                  |        |           |       |               |       |  |
| France   | 2:45  | Consumer price index             | Sep.   | -0.4%     | 0.0%  | 0.3%          | 0.0%  |  |
| United Kingdom   | 4:30  | ILO unemployment rate            | Aug.   | 5.5%      |       | 5.5%          |       |  |
| Euro zone  | 5:00  | Industrial production            | Aug.   | -0.5%     | 1.8%  | 0.6%          | 1.9%  |  |
| <b>THURSDAY 15</b>   |       |                                  |        |           |       |               |       |  |
| South Korea  | ---   | Bank of Korea meeting            | Oct.   | 1.50%     |       | 1.50%         |       |  |
| Japan  | 0:30  | Industrial production – final    | Aug.   | n/a       | n/a   | -0.5%         | 0.2%  |  |
| Japan  | 0:30  | Tertiary industry activity index | Aug.   | 0.0%      |       | 0.2%          |       |  |
| <b>FRIDAY 16</b>   |       |                                  |        |           |       |               |       |  |
| Italy  | 4:00  | Trade balance (€M)               | Aug.   | n/a       |       | 8,026         |       |  |
| Euro zone  | 5:00  | Trade balance (€B)               | Aug.   | 22.1      |       | 22.4          |       |  |
| Euro zone  | 5:00  | Consumer price index – final     | Sep.   | 0.2%      | -0.1% | 0.0%          | -0.1% |  |

NOTE: In contrast to the situation in Canada and the United States, disclosure of overseas economic figures is much more approximate. The day of publication is therefore shown for information purposes only. The abbreviations m/m, q/q and y/y correspond to monthly, quarterly and yearly variation respectively. (SA): Seasonally adjusted, (NSA): Non seasonally adjusted. The times shown are Daylight Saving Time (GMT - 4 hours).

## United States: Quarterly economic indicators

|  | Ref. quart. | Level  | Variation (%) |        | Annual variation (%) |        |        |        |
|--|-------------|--------|---------------|--------|----------------------|--------|--------|--------|
|  |             |        | Quart. ann.   | 1 year | 2014                 | 2013   | 2012   | 2011   |
| Gross domestic product (2009 \$B)        | 2015 Q2     | 16,334 | 3.9           | 2.7    | 2.4                  | 1.5    | 2.2    | 1.6    |
| Consumption (2009 \$B)                   | 2015 Q2     | 11,179 | 3.6           | 3.3    | 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     | 524.0  | 9.4           | 8.2    | 1.8                  | 9.5    | 13.5   | 0.5    |
| Non-residential investment (2009 \$B)    | 2015 Q2     | 2,211  | 4.1           | 3.8    | 6.2                  | 3.0    | 9.0    | 7.7    |
| Business inventory change (2009 \$B) (1) | 2015 Q2     | 113.5  | ---           | ---    | 68.0                 | 61.4   | 54.7   | 37.6   |
| Exports (2009 \$B)                       | 2015 Q2     | 2,118  | 5.1           | 1.5    | 3.4                  | 2.8    | 3.4    | 6.9    |
| Imports (2009 \$B)                       | 2015 Q2     | 2,652  | 3.0           | 4.8    | 3.8                  | 1.0    | 2.2    | 5.5    |
| Final domestic demand (2009 \$B)         | 2015 Q2     | 16,747 | 3.7           | 3.0    | 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 Q2     | -109.7 | ---           | ---    | -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)                   | Aug.       | 123.7   | 0.1           | 0.7       | 2.3       | 4.4     |
| ISM manufacturing index (1)                      | Sept.      | 50.2    | 51.1          | 53.5      | 51.5      | 56.1    |
| ISM non-manufacturing index (1)                  | Sept.*     | 56.9    | 59.0          | 56.0      | 56.5      | 58.1    |
| Cons. confidence Conf. Board (1985 = 100) (1)    | Sept.      | 103.0   | 101.3         | 99.8      | 101.4     | 89.0    |
| Cons. confidence Michigan (1966 = 100) (1)       | Sept.      | 87.2    | 91.9          | 96.1      | 93.0      | 84.6    |
| Personal consumption expenditure (2009 \$B)      | Aug.       | 11,287  | 0.4           | 0.8       | 1.9       | 3.2     |
| Disposable personal income (2009 \$B)            | Aug.       | 12,259  | 0.3           | 0.9       | 1.1       | 3.2     |
| Consumer credit (\$B)                            | Aug.*      | 3,470   | 0.5           | 1.8       | 3.8       | 6.8     |
| Retail sales (\$M)                               | Aug.       | 447,715 | 0.2           | 0.9       | 3.7       | 2.2     |
| Excluding automobiles (\$M)                      | Aug.       | 354,555 | 0.1           | 1.0       | 2.9       | 1.3     |
| Industrial production (2007 = 100)               | Aug.       | 107.1   | -0.4          | 0.5       | -0.3      | 0.9     |
| Production capacity utilization rate (%) (1)     | Aug.       | 77.6    | 78.0          | 77.5      | 78.4      | 78.2    |
| New machinery orders (\$M)                       | Aug.       | 472,989 | -1.7          | 0.7       | 1.1       | -6.5    |
| New durable good orders (\$M)                    | Aug.       | 235,523 | -2.3          | 3.6       | 4.6       | -2.6    |
| Business inventories (\$B)                       | July       | 1,812   | 0.1           | 1.1       | 1.9       | 2.6     |
| Housing starts (K) (1)                           | Aug.       | 1,126   | 1,161         | 1,072     | 900.0     | 966.0   |
| Building permits (K) (1)                         | Aug.       | 1,161   | 1,130         | 1,250     | 1,098     | 1,040   |
| New home sales (K) (1)                           | Aug.       | 552.0   | 522.0         | 513.0     | 545.0     | 454.0   |
| Existing home sales (K) (1)                      | Aug.       | 5,310   | 5,580         | 5,320     | 4,890     | 5,000   |
| Construction spending (\$B)                      | Aug.       | 1,086   | 0.7           | 1.7       | 9.3       | 13.7    |
| Commercial surplus (\$M) (1)                     | Aug.*      | -48,330 | -41,807       | -42,535   | -38,537   | -41,275 |
| Nonfarm employment (K) (2)                       | Sept.      | 142,371 | 142.0         | 501.0     | 1,193     | 2,752   |
| Unemployment rate (%) (1)                        | Sept.      | 5.1     | 5.1           | 5.3       | 5.5       | 5.9     |
| Consumer price (1982-1984 = 100)                 | Aug.       | 237.9   | -0.1          | 0.4       | 1.2       | 0.2     |
| Excluding food and energy                        | Aug.       | 242.7   | 0.1           | 0.4       | 1.0       | 1.8     |
| Personal cons. expenditure deflator (2009 = 100) | Aug.       | 109.8   | 0.0           | 0.3       | 0.9       | 0.3     |
| Excluding food and energy                        | Aug.       | 109.6   | 0.1           | 0.3       | 0.8       | 1.3     |
| Producer price (2009 = 100)                      | Aug.       | 195.7   | -0.5          | 0.3       | 1.4       | -2.9    |
| Excluding food and energy                        | Aug.       | 192.9   | -0.1          | 0.4       | 0.8       | 2.1     |
| Export prices (2000 = 100)                       | Sept.*     | 122.2   | -0.7          | -2.5      | -2.9      | -7.4    |
| Import prices (2000 = 100)                       | Sept.*     | 123.2   | -0.1          | -2.7      | -1.7      | -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 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 Q2     | 81.3      | ---           | ---    | 82.8                 | 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)     | July       | 1,655,646 | 0.3           | 0.6       | 0.2       | 0.8     |
| Industrial production (2007 \$M)      | July       | 355,458   | 1.2           | 1.5       | -1.6      | -1.0    |
| Manufacturing sales (\$M)             | July       | 52,186    | 1.7           | 4.0       | 3.0       | -2.8    |
| Housing starts (K) (1)                | Sept.*     | 230.7     | 214.3         | 202.3     | 190.5     | 197.0   |
| Building permits (\$M)                | Aug.*      | 7,548     | -3.7          | 11.9      | 22.7      | 15.1    |
| Retail sales (\$M)                    | July       | 43,345    | 0.5           | 1.8       | 4.4       | 1.8     |
| Excluding automobiles (\$M)           | July       | 32,572    | 0.0           | 1.3       | 3.4       | 0.3     |
| Wholesale trade sales (\$M)           | July       | 55,422    | 0.0           | 0.5       | 2.8       | 4.2     |
| Commercial surplus (\$M) (1)          | Aug.*      | -2,534    | -817.5        | -3,122    | -1,975    | 409.7   |
| Exports (\$M)                         | Aug.*      | 43,952    | -3.6          | 4.4       | 3.2       | -1.6    |
| Imports (\$M)                         | Aug.*      | 46,486    | 0.2           | 2.8       | 4.3       | 5.0     |
| Employment (K) (2)                    | Sept.*     | 17,978    | 12.1          | 10.2      | 10.6      | 13.4    |
| Unemployment rate (%) (1)             | Sept.*     | 7.1       | 7.0           | 6.8       | 6.8       | 6.9     |
| Average weekly earnings (\$)          | July       | 956.6     | 0.2           | 0.3       | 0.9       | 1.6     |
| Number of salaried employees (K) (2)  | July       | 15,784    | 38.2          | 20.8      | 13.3      | 14.2    |
| Consumer price (2002 = 100)           | Aug.       | 127.3     | 0.0           | 0.3       | 1.5       | 1.3     |
| Excluding food and energy             | Aug.       | 121.5     | 0.2           | 0.2       | 1.0       | 1.8     |
| Excluding 8 volatile items            | Aug.       | 126.3     | 0.2           | 0.2       | 1.3       | 2.1     |
| Industrial product price (2002 = 100) | Aug.       | 111.3     | -0.3          | 1.0       | 0.8       | -0.4    |
| Raw materials price (2002 = 100)      | Aug.       | 90.4      | -6.6          | -12.1     | -5.7      | -24.7   |
| Money supply M1+ (\$M)                | Aug.       | 799,562   | 1.0           | 3.1       | 5.0       | 8.8     |

\* New statistic in comparison with last week.

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

## Major financial indicators

|                                      | Previous data (%) |        |          |           |           |         | Last 52 weeks (%) |         |        |
|--------------------------------------|-------------------|--------|----------|-----------|-----------|---------|-------------------|---------|--------|
|                                      | Oct. 9            | Oct. 2 | -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              | 0.00   | 0.04     | 0.01      | 0.02      | 0.01    | 0.12              | 0.03    | -0.02  |
| Treasury bonds – 2 years             | 0.64              | 0.54   | 0.68     | 0.65      | 0.56      | 0.44    | 0.78              | 0.59    | 0.31   |
| – 5 years                            | 1.41              | 1.29   | 1.51     | 1.68      | 1.40      | 1.56    | 1.79              | 1.52    | 1.18   |
| – 10 years                           | 2.10              | 1.99   | 2.18     | 2.41      | 1.95      | 2.30    | 2.48              | 2.14    | 1.67   |
| – 30 years                           | 2.93              | 2.83   | 2.94     | 3.21      | 2.58      | 3.03    | 3.25              | 2.84    | 2.25   |
| S&P 500 index                        | 2,018             | 1,951  | 1,961    | 2,077     | 2,102     | 1,906   | 2,131             | 2,052   | 1,862  |
| DJIA index                           | 17,101            | 16,472 | 16,433   | 17,760    | 18,058    | 16,544  | 18,312            | 17,559  | 15,666 |
| Gold price (US\$/ounce)              | 1,158             | 1,139  | 1,100    | 1,161     | 1,207     | 1,222   | 1,302             | 1,182   | 1,084  |
| CRB index                            | 202.18            | 194.11 | 196.72   | 218.25    | 217.12    | 275.60  | 276.72            | 224.72  | 185.28 |
| WTI oil (US\$/barrel)                | 49.80             | 45.54  | 44.75    | 52.74     | 51.63     | 85.87   | 85.73             | 55.31   | 38.22  |
| <b>Canada</b>                        |                   |        |          |           |           |         |                   |         |        |
| Overnight – target                   | 0.50              | 0.50   | 0.50     | 0.75      | 0.75      | 1.00    | 1.00              | 0.76    | 0.50   |
| Treasury bill – 3 months             | 0.40              | 0.44   | 0.38     | 0.56      | 0.59      | 0.89    | 0.92              | 0.63    | 0.36   |
| Treasury bonds – 2 years             | 0.55              | 0.51   | 0.46     | 0.50      | 0.53      | 1.05    | 1.07              | 0.65    | 0.32   |
| – 5 years                            | 0.85              | 0.78   | 0.77     | 0.80      | 0.79      | 1.52    | 1.57              | 0.99    | 0.58   |
| – 10 years                           | 1.50              | 1.40   | 1.47     | 1.69      | 1.37      | 2.01    | 2.09              | 1.62    | 1.24   |
| – 30 years                           | 2.30              | 2.19   | 2.24     | 2.34      | 2.04      | 2.55    | 2.64              | 2.24    | 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              | 0.51    | 0.25   |
| Treasury bill – 3 months             | 0.40              | 0.44   | 0.34     | 0.55      | 0.57      | 0.88    | 0.90              | 0.60    | 0.28   |
| Treasury bonds – 2 years             | -0.09             | -0.03  | -0.22    | -0.15     | -0.03     | 0.61    | 0.65              | 0.06    | -0.33  |
| – 5 years                            | -0.56             | -0.51  | -0.74    | -0.88     | -0.61     | -0.04   | 0.07              | -0.53   | -0.99  |
| – 10 years                           | -0.60             | -0.59  | -0.71    | -0.72     | -0.58     | -0.29   | -0.17             | -0.52   | -0.81  |
| – 30 years                           | -0.63             | -0.64  | -0.70    | -0.87     | -0.54     | -0.48   | -0.29             | -0.59   | -0.88  |
| S&P/TSX index                        | 14,003            | 13,340 | 13,461   | 14,411    | 15,388    | 14,227  | 15,451            | 14,581  | 13,005 |
| Exchange rate (C\$/US\$)             | 1.2925            | 1.3149 | 1.3262   | 1.2658    | 1.2562    | 1.1200  | 1.3422            | 1.2320  | 0.7737 |
| Exchange rate (C\$/€)                | 1.4677            | 1.4741 | 1.5038   | 1.4132    | 1.3321    | 1.4143  | 1.5441            | 1.4075  | 0.8786 |
| <b>Overseas</b>                      |                   |        |          |           |           |         |                   |         |        |
| ECB – Refinancing rate               | 0.05              | 0.05   | 0.05     | 0.05      | 0.05      | 0.05    | 0.05              | 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            | 0.61              | 0.51   | 0.66     | 0.90      | 0.16      | 0.85    | 0.99              | 0.57    | 0.08   |
| U.K.: Bonds – 10 years               | 1.86              | 1.70   | 1.83     | 2.07      | 1.62      | 2.22    | 2.29              | 1.87    | 1.36   |
| Euro: Exchange rate (US\$/€)         | 1.1356            | 1.1211 | 1.1340   | 1.1165    | 1.0604    | 1.2628  | 1.2837            | 1.1449  | 1.0495 |
| U.K.: Exchange rate (US\$/£)         | 1.5318            | 1.5182 | 1.5430   | 1.5526    | 1.4632    | 1.6078  | 1.6165            | 1.5427  | 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.