

## More mixed data in the United States

### HIGHLIGHTS

- United States: Retail sales end the third quarter on a disappointing note.
- U.S. inflation slides back to 0%.
- U.S. manufacturing output retreats less than anticipated.
- U.S. consumer confidence improved in October according to the University of Michigan index.
- Canada: Manufacturing sales retreated 0.2%.
- Canada: Existing home sales fell 2.1% in September.
- Ontario: Real GDP grew 1.4% in the second quarter.

### A LOOK AHEAD

- United States: Housing starts and existing home sales are expected to edge up.
- The Bank of Canada should keep the target for the overnight rate at 0.50%.
- Canada: The consumer price index should be almost flat in September.
- Canada: Retail sales should tick up in August.

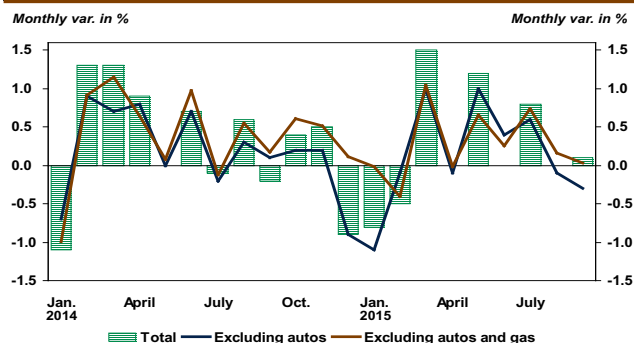
### FINANCIAL MARKETS

- The S&P 500 is showing some resilience. Tougher week for the S&P/TSX.
- The uncertain context supports the bond markets.
- The Canadian dollar closes in on US\$0.78 (C\$1.282/US\$).

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Graph of the week – Growth in U.S. retail sales has slowed recently



Sources: U.S. Census Bureau and Desjardins, Economic Studies

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## KEY STATISTICS OF THE WEEK

### UNITED STATES

- Retail sales were up 0.1% in September after holding steady in August. Auto sales rose 1.7% after gaining 0.4% in August. Besides automobiles, the main increases in sales were in food services, clothing boutiques, sporting and leisure goods stores and furniture stores. Sales were down in electronics stores, renovation centres and grocery stores. We also note a slight decrease in nonstore retailer sales. The largest decline was recorded in gas stations, which saw the value of their sales plummet 3.2%. Excluding autos and gas, sales remained stable in September after growing 0.2% in August.
- According to October's preliminary version, the University of Michigan consumer confidence index is up after declining for three consecutive months. The index went from 87.2 in the final version for September to 92.1, its highest point since July. The stock market upswing and low gas prices no doubt had something to do with the rise by confidence.
- Industrial output declined 0.2% in September after falling 0.1% in August (revised from -0.4%). Manufacturing production contracted by 0.1%. Mining activity fell 2.0%, the first decline since May. Energy production advanced 1.3% for a second straight month. The industrial capacity utilization rate went from 77.8% to 77.5%.
- The regional manufacturing indexes showed some very slight improvement in October, but are still well entrenched in negative territory. The New York Fed's Empire index went from -6.0 to -4.5, while the Philadelphia Fed index rose from -14.7 to -11.4.
- The consumer price index (CPI) fell in September for a second straight month. It pulled back 0.2% after dipping 0.1% in August. Once again, the energy sector made the CPI drop, with gas prices down 9.0%. Food prices rose 0.4%, their strongest advance since May 2014. The core index, which excludes food and energy, rose 0.2% after two consecutive monthly increases of 0.1%. The total CPI's annual change fell from 0.2% to 0.0%, while core inflation went from 1.8% to 1.9%.

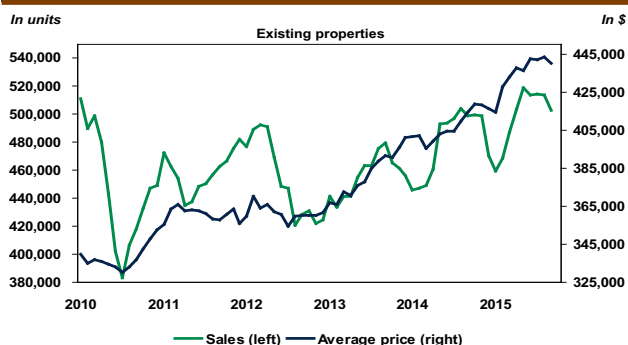
**Francis Généreux**  
Senior Economist

### CANADA

- Manufacturing sales dropped 0.2% in August, a result that was not as negative as anticipated. The automotive product sector saved the day, gaining 3.0%; other manufacturers saw sales decline by 0.8%. In real terms, sales are down 0.1% while inventories increased 0.9%. Combined, this suggests that output by manufacturing edged up over the month.
- Ontario's real GDP advanced a quarterly annualized 1.4% in the second quarter of 2015. The results for the first quarter were also slightly upgraded, from -0.2% to 0.0%. Domestic demand was especially lively last spring, gaining 3.2%. The trade balance also improved thanks to faster growth by exports than imports. However, inventory growth slowed substantially, causing the component to make a negative contribution to real GDP.
- Existing home sales fell 2.1% in September. Since May, they have dropped a total of 3.2%. The decline is especially steep in the Prairies and, to a lesser extent, in Ontario, British Columbia and Quebec. That being said, months of inventory remain fairly short in Ontario and British Columbia, fostering price growth. In these two provinces, the annual increase in the average home price is higher than in most of the other provinces.

**Benoit P. Durocher**  
Senior Economist

**Canada – The housing market has apparently been stabilizing for the last few months**



Sources: Canadian Real Estate Association and Desjardins, Economic Studies

# FINANCIAL MARKETS

## The Federal Reserve's ambivalence helps risk assets

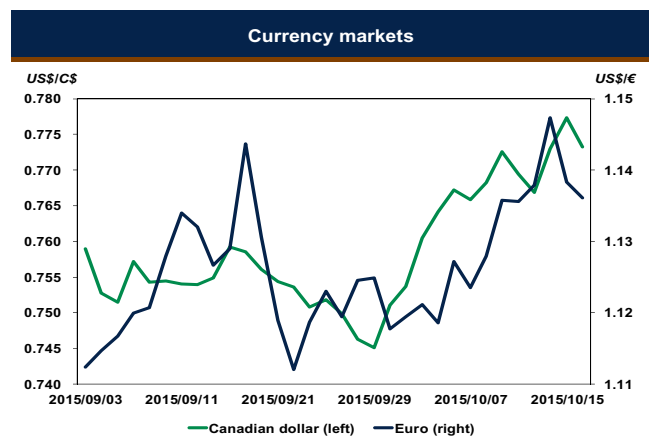
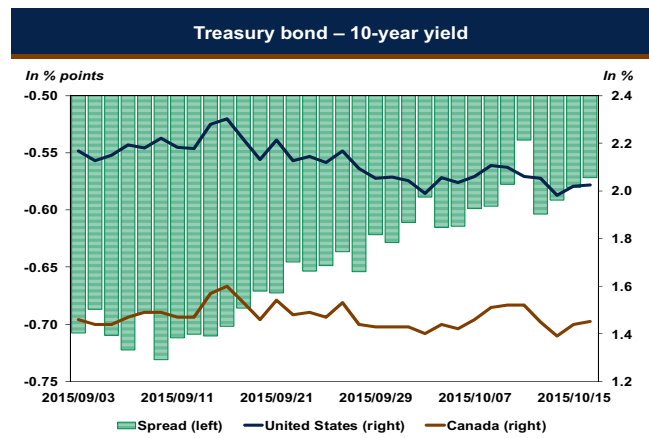
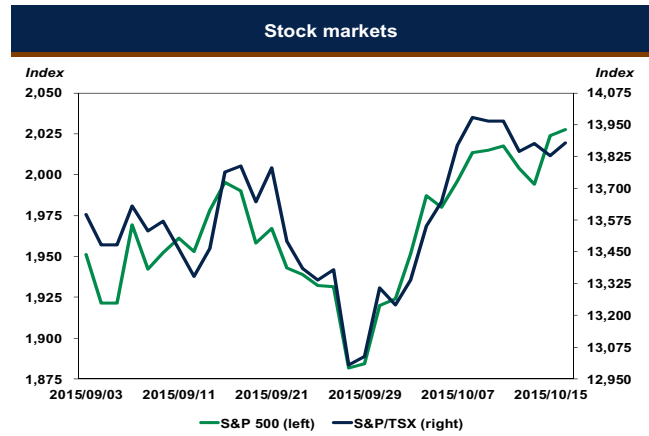
Poor data from China gave the markets somewhat of a hard time early in the week. U.S. retail sales below expectations and disappointing quarterly results from JP Morgan kept up the pressure on Wednesday. But the markets did turn around on Thursday. The conflicting signals sent by Federal Reserve (Fed) leaders throughout the week seemed to reassure the stock markets about the idea of rate increases postponed to next year. The S&P 500 managed to get back to 2,000 points, but was heading for a weekly gain of just 0.5% on Friday morning. The Canadian stock market was poised to record a weekly loss of 0.6% due to the problems in the materials sector.

The somewhat gloomy mood early in the week combined with fairly dovish remarks from some senior Fed leaders and disappointing retail sales took bond yields down. U.S. 10-year yields even briefly dropped below 2.00% on Wednesday. They were around 2.02% on Friday morning. Spreads between Canadian and U.S. yields had a tendency to widen as of mid-week. The postponement of expectations about the Fed and more resilient manufacturing data than forecast in Canada were among the factors that facilitated this movement.

The U.S. dollar is still being negatively affected by anything that supports the scenario of later monetary firming in the United States. Wednesday was tougher for the greenback, with the disappointment in retail sales. It subsequently recouped some of its losses. The greenback's movements made several currencies look good, including the euro, which temporarily closed in on US\$1.15. Unlike the euro, the pound hung onto the bulk of the gains it made at mid-week, putting it closer to US\$1.54 at the time of writing. The pound is benefiting from wage growth in the United Kingdom. Despite the drop in oil prices, Canada's exchange rate held onto the momentum of recent weeks and nearly reached US\$0.78 (C\$1.282/US\$).

**Jimmy Jean**  
Senior Economist

**Hendrix Vachon**  
Senior Economist



# A LOOK AHEAD



## UNITED STATES

**Tuesday Oct. 20 - 8:30**

<b>September</b>	ann. rate
Consensus	1,146,000
Desjardins	1,150,000
<b>August</b>	<b>1,126,000</b>

**Housing starts (September)** – For the first time since the spring of 2014, U.S. housing starts have posted two consecutive monthly declines. However, the pullbacks (4.1% in July and 3.0% in August) followed a jump of 12.9% in June. We expect housing starts to increase in September. The number of building permits issued rose 2.7% in August to 1,161,000 units, suggesting that housing starts will improve. They should increase 2.0% to 1,150,000 units. The NAHB index of homebuilder confidence will be released Monday.

**Thursday Oct. 22 - 10:00**

<b>September</b>	ann. rate
Consensus	5,370,000
Desjardins	5,385,000
<b>August</b>	<b>5,310,000</b>

**Existing home sales (September)** – After rising for three straight months, existing home sales fell 4.8% in August. We expect the uptrend to make a comeback as of September. The data shows that pending existing home sales have increased, suggesting an uptick in resales. Mortgage applications in view of a purchase have also posted monthly growth. We expect resales to go from 5,310,000 to 5,385,000.

**Thursday Oct. 22 - 10:00**

<b>September</b>	m/m
Consensus	0.0%
Desjardins	-0.1%
<b>August</b>	<b>0.1%</b>

**Leading indicator (September)** – In August, the leading indicator posted a second straight 0.1% rise. A dip is anticipated for September. Hours worked, the ISM index and the stock market will make negative contributions, which will be partially offset by the low interest rates. The leading indicator is expected to tick down 0.1%, which would be its first decline since February.



## CANADA

**Tuesday Oct. 20 - 8:30**

<b>August</b>	m/m
Consensus	0.2%
Desjardins	-0.3%
<b>July</b>	<b>0.0%</b>

**Wholesale trade (August)** – Exports of automotive products increased 3.1% during the month, suggesting an upswing in auto wholesaler sales. However, exports of machinery and equipment plunged during the month, and this sector has a fairly big weight in wholesaling. If we also consider the drop in exports in other industries, total wholesale sales could edge back in August.

**Wednesday Oct. 21 - 10:00**

<b>October</b>	
Consensus	0.50%
Desjardins	0.50%
<b>September 9</b>	<b>0.50%</b>

**Bank of Canada meeting (October)** – Overall, the economic situation has evolved essentially in line with the Canadian monetary authorities’ projections. The technical recession appears to have ended as of the third quarter, with the latest data showing that the change in real GDP will be back in the black during this period. Under the circumstances, the Bank of Canada (BoC) will probably decide to keep its key interest rates where they are at its October 21 meeting. The BoC will also release its *Monetary Policy Report* on Wednesday. We can expect the BoC to show a little more optimism about the third quarter’s change in real GDP, as the carryover already stands at 2.5%, which is faster than what the BoC projected in July (+1.5%). That being said, the BoC’s annual forecasts should not change significantly.

**Thursday Oct. 22 - 8:30**

<b>August</b>	m/m
Consensus	0.1%
Desjardins	0.1%
<b>July</b>	<b>0.5%</b>

**Retail sales (August)** – Once seasonally adjusted, gas prices fell 1.4% in August. The value of service station sales should therefore pull back for the month. For motor vehicle sales, the interim data points to a slight increase in the volume of sales. This will be more than offset by a drop in auto prices, however, and the value of dealer sales is expected to tick down. While the other retail segments are expected to increase, total sales should slightly edge up in August.

**Consumer price index (September)** – According to the weekly surveys, the average price of gas fell around 7% in September; this should lead to a 0.3% slide by the total consumer price index (CPI) for the month. Seasonal effects are usually quite slight in September for the all-items index. If we also factor in the slight uptrend seen in recent months, the total CPI should barely change in September. The total annual inflation rate could go from 1.3% to 1.2%. The BoC's core index (CPIX), which excludes the fluctuations in gas prices, among other things, could go up more substantially for August, about 0.3%. Its annual change should go from 2.1% to 2.2%.



## OVERSEAS

**China: Real GDP (Q3)** – The Chinese real GDP paused its slowing trend last spring; the annual change in real GDP was 7.0%, the same as in the first quarter. Some indicators were disappointing over the summer, but the trade balance could provide some balm. The consensus is calling for slightly slower growth.

**Euro zone: European Central Bank meeting (October)** – In September, the European Central Bank (ECB) downgraded its inflation forecasts substantially, especially for 2016, but did not announce any further stimulus measures. It said it did not have enough certainty about the longer-term price trend to justify further intervention. It did open the door, but, in our opinion, the likelihood of this scenario is less than 50%. The fact that financial strains and economic anxiety have notched down from last month should prompt leaders to wait. Among the indicators that are coming out next week, Friday will give us the preliminary versions of October's PMI indexes.

### Friday Oct. 23 - 8:30

<b>September</b>	m/m
Consensus	-0.1%
Desjardins	0.0%
<b>August</b>	<b>0.0%</b>

### Sunday Oct. 18 - 22:00


<b>Q3 2015</b>	y/y
Consensus	6.8%
<b>Q2 2015</b>	<b>7.0%</b>


### Thursday Oct. 22 - 7:45

<b>October</b>	
Consensus	0.05%
Desjardins	0.05%
<b>September 3</b>	<b>0.05%</b>

# ECONOMIC INDICATORS


## Week of October 19 to 23, 2015

Day	Hour	Indicator	Period	Consensus		Previous data
<b>UNITED STATES</b>						
<b>MONDAY 19</b>						
	10:00	Speech of a Federal Reserve Governor, L. Brainard				
	10:00	NAHB housing market index	Oct.	62	n/a	62
	12:00	Speech of the Richmond Fed President, J. Lacker				
<b>TUESDAY 20</b>						
	8:30	Housing starts (ann. rate)	Sep.	1,146,000	1,150,000	1,126,000
	8:30	Building permits (ann. rate)	Sep.	1,168,000	1,175,000	1,161,000
	9:00	Speech of the New York Fed President, W. Dudley and of a Federal Reserve Governor, J. Powell				
<b>WEDNESDAY 21</b>						
	13:30	Speech of a Federal Reserve Governor, J. Powell				
<b>THURSDAY 22</b>						
	8:30	Initial unemployment claims	Oct. 12-16	265,000	268,000	255,000
	10:00	Leading indicator (m/m)	Sep.	0.0%	-0.1%	0.1%
	10:00	Existing home sales (ann. rate)	Sep.	5,370,000	5,385,000	5,310,000
<b>FRIDAY 23</b>						
	---	---				
<b>CANADA</b>						
<b>MONDAY 19</b>						
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<b>TUESDAY 20</b>						
	8:30	Wholesale sales (m/m)	Aug.	0.2%	-0.3%	0.0%
	8:30	Wholesale inventories (m/m)	Aug.	n/a	0.4%	0.6%
<b>WEDNESDAY 21</b>						
	10:00	Bank of Canada meeting	Oct.	0.50%	0.50%	0.50%
	10:00	Release of the Bank of Canada <i>Monetary Policy Report</i>				
<b>THURSDAY 22</b>						
	8:30	Retail sales				
		Total (m/m)	Aug.	0.1%	0.1%	0.5%
		Excluding automobiles (m/m)	Aug.	0.1%	0.2%	0.0%
<b>FRIDAY 23</b>						
	8:30	Consumer price index				
		Total (m/m)	Sep.	-0.1%	0.0%	0.0%
		Excluding 8 most volatile (m/m)	Sep.	0.3%	0.3%	0.2%
		Total (y/y)	Sep.	1.1%	1.2%	1.3%
		Excluding 8 most volatile (y/y)	Sep.	2.2%	2.2%	2.1%

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 19 to 23, 2015

Country	Hour	Indicator	Period	Consensus		Previous data		
				m/m (q/q)	y/y	m/m (q/q)	y/y	
 <b>OVERSEAS</b>								
<b>DIMANCHE 18</b>								
China	22:00	Real GDP	Q3	1.8%	6.8%	1.7%	7.0%	
China	22:00	Industrial production	Sep.		6.0%		6.1%	
China	22:00	Retail sales	Sep.		10.8%		10.8%	
<b>LUNDI 19</b>								
Euro zone	5:00	Construction	Aug.	n/a	n/a	1.0%	1.8%	
Australia	20:30	Minutes of the Reserve Bank of Australia October meeting						
<b>MARDI 20</b>								
Germany	2:00	Producer price index	Sep.	-0.2%	-1.8%	-0.5%	-1.7%	
Euro zone	4:00	Current account (€B)	Aug.	n/a		22.6		
Italy	4:30	Current account (€M)	Aug.	n/a		6 647		
Japan	19:50	Merchandise trade balance (¥B)	Sep.	-63.4		-358,8		
<b>MERCREDI 21</b>								
Brazil	---	Bank of Brazil meeting	Oct.	14.25%		14.25%		
Japan	0:30	All industry activity index	Aug.	-0.2%		0.2%		
<b>JEUDI 22</b>								
France	2:45	Business confidence	Oct.	100		100		
France	2:45	Production outlook	Oct.	7		7		
Euro zone	4:00	Release of the European Central Bank Monthly Bulletin						
United Kingdom	4:30	Retail sales	Sep.	0.3%	4.7%	0.1%	3.5%	
Euro zone	7:45	European Central Bank meeting	Oct.	0.050%		0.050%		
Euro zone	10:00	PMI composite index – preliminary	Oct.	53.4		53.6		
Euro zone	10:00	PMI manufacturing index – preliminary	Oct.	51.7		52.0		
Euro zone	10:00	PMI services index – preliminary	Oct.	53.5		53.7		
<b>VENDREDI 23</b>								
Japan	1:00	Leading indicator – final	Aug.	n/a		103.5		
Japan	1:00	Coincident indicator – final	Aug.	n/a		112.5		
France	3:00	PMI composite index – preliminary	Oct.	51.9		51.9		
France	3:00	PMI manufacturing index – preliminary	Oct.	50.2		50.6		
France	3:00	PMI services index – preliminary	Oct.	51.7		51.9		
Germany	3:30	PMI composite index – preliminary	Oct.	53.7		54.1		
Germany	3:30	PMI manufacturing index – preliminary	Oct.	51.7		52.3		
Germany	3:30	PMI services index – preliminary	Oct.	53.9		54.1		
Italy	4:00	Factory orders	Aug.	n/a	n/a	0.6%	10.4%	
Italy	5:00	Retail sales	Aug.	n/a	n/a	0.4%	1.7%	

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)	Oct.*	92.1	87.2	93.1	95.9	86.9
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)	Sept.*	447,686	0.1	0.9	2.1	2.4
Excluding automobiles (\$M)	Sept.*	353,002	-0.3	0.2	1.4	0.8
Industrial production (2007 = 100)	Sept.*	107.1	-0.2	0.4	-0.1	0.4
Production capacity utilization rate (%) (1)	Sept.*	77.5	77.8	77.5	78.2	78.5
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)	Aug.*	1,811	0.0	0.7	1.5	2.4
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)	Sept.*	237.6	-0.2	-0.1	0.8	-0.0
Excluding food and energy	Sept.*	243.2	0.2	0.4	1.0	1.9
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)	Sept.*	193.1	-1.3	-1.9	-0.1	-4.1
Excluding food and energy	Sept.*	193.2	0.2	0.2	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)	Aug.*	52,108	-0.2	3.2	5.3	0.6
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. 16	Oct. 9	-1 month	-3 months	-6 months	-1 year	Higher	Average	Lower
<b>United States</b>									
Federal funds – target	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25
Treasury bill – 3 months	0.00	0.01	-0.01	0.03	0.01	0.02	0.12	0.03	-0.02
Treasury bonds – 2 years	0.61	0.62	0.66	0.67	0.50	0.38	0.78	0.60	0.35
– 5 years	1.35	1.41	1.44	1.67	1.29	1.42	1.79	1.52	1.18
– 10 years	2.03	2.10	2.13	2.35	1.85	2.20	2.48	2.14	1.67
– 30 years	2.86	2.93	2.93	3.08	2.51	2.97	3.25	2.83	2.25
S&P 500 index	2,028	2,015	1,958	2,127	2,081	1,887	2,131	2,054	1,868
DJIA index	17,174	17,084	16,385	18,086	17,826	16,380	18,312	17,575	15,666
Gold price (US\$/ounce)	1,181	1,158	1,137	1,132	1,204	1,233	1,302	1,181	1,084
CRB index	198.22	202.69	194.18	214.54	223.94	272.64	274.90	223.29	185.28
WTI oil (US\$/barrel)	46.36	49.67	44.71	50.88	55.71	82.80	83.25	54.61	38.22
<b>Canada</b>									
Overnight – target	0.50	0.50	0.50	0.50	0.75	1.00	1.00	0.75	0.50
Treasury bill – 3 months	0.39	0.41	0.40	0.40	0.64	0.88	0.92	0.62	0.36
Treasury bonds – 2 years	0.53	0.56	0.46	0.43	0.63	0.98	1.07	0.64	0.32
– 5 years	0.82	0.87	0.76	0.70	0.86	1.42	1.57	0.98	0.58
– 10 years	1.45	1.52	1.46	1.56	1.41	1.95	2.09	1.61	1.24
– 30 years	2.25	2.32	2.23	2.24	2.02	2.52	2.64	2.24	1.83
Spread with the U.S. rate (% points)									
Overnight – target	0.25	0.25	0.25	0.25	0.50	0.75	0.75	0.50	0.25
Treasury bill – 3 months	0.39	0.40	0.41	0.37	0.63	0.86	0.90	0.60	0.28
Treasury bonds – 2 years	-0.08	-0.06	-0.20	-0.24	0.13	0.60	0.63	0.05	-0.33
– 5 years	-0.53	-0.54	-0.68	-0.97	-0.43	-0.00	0.02	-0.54	-0.99
– 10 years	-0.57	-0.58	-0.67	-0.79	-0.44	-0.25	-0.24	-0.53	-0.81
– 30 years	-0.61	-0.61	-0.70	-0.84	-0.49	-0.45	-0.29	-0.59	-0.88
S&P/TSX index	13,877	13,964	13,647	14,643	15,361	14,228	15,451	14,577	13,005
Exchange rate (C\$/US\$)	1.2933	1.2944	1.3227	1.2971	1.2250	1.1278	1.3422	1.2353	0.7732
Exchange rate (C\$/€)	1.4694	1.4701	1.4953	1.4047	1.3239	1.4393	1.5441	1.4082	0.8784
<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	0.55	0.62	0.67	0.74	0.08	0.82	0.99	0.57	0.08
U.K.: Bonds – 10 years	1.80	1.86	1.84	2.08	1.61	2.19	2.29	1.86	1.36
Euro: Exchange rate (US\$/€)	1.1361	1.1358	1.1306	1.0830	1.0807	1.2763	1.2799	1.1423	1.0495
U.K.: Exchange rate (US\$/£)	1.5439	1.5304	1.5532	1.5609	1.4962	1.6095	1.6165	1.5415	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.