

## The markets acknowledge the possibility of a key rate increase in the United States

### HIGHLIGHTS

- The Federal Reserve (Fed) leaves the door ajar for an upcoming rate hike.
- United States: Real GDP slows, but domestic demand remains strong.
- United States: The University of Michigan consumer confidence index retreats.
- Canada: Real GDP by industry ticked up 0.1% in August.

### A LOOK AHEAD

- U.S. hires are expected to slightly outpace September's 142,000 new jobs.
- United States: The ISM manufacturing index should remain low.
- Canada: Job growth could be close to zero in October.
- Canada: The trade balance could improve in September.

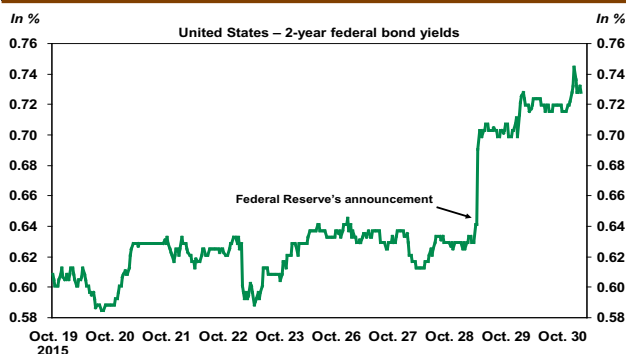
### FINANCIAL MARKETS

- U.S. stock markets respond well to the Fed's signals.
- Expectations rise for a key rate increase in December.
- The U.S. dollar climbs after the Fed publishes its monetary policy statement.

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Graph of the week – Major rebound by short-term yields in response to the Federal Reserve's statement



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

- Unlike in September, a key rate increase by the Federal Reserve (Fed) was not really in the cards at the meeting that ended on Wednesday. That said, the statement leaves the door open for a rate hike in December. However, the slightly disappointing economic environment suggests that the Fed should wait until next year before initiating monetary firming.
- Real GDP only rose 1.5% (annualized) in the third quarter of 2015 according to the advance estimate for national accounts. This represents a slowdown compared with the 3.9% gain recorded in the spring. Final domestic demand still advanced 2.9%. Real consumption increased 3.2%. Business investment advanced 2.1% following a more solid 4.1% increase in the spring. Residential investment climbed 6.1%, slowing somewhat compared with previous quarters. The main negative contribution was from movement in business inventories. Their change went from US\$113.5B to US\$56.8B, taking a 1.44 percentage point bite out of real GDP growth, the worst since fall 2012. Foreign trade's contribution was almost nil. Government expenditures grew 1.7% after a more notable 2.6% increase in the spring.
- Consumer confidence deteriorated in October according to the Conference Board survey. The index fell from the high level of 102.6 in September to 97.6. Note that this decline occurred after surprising increases of 10.3 points in August and 1.3 points in September.
- The S&P/Case-Shiller index of existing home prices in the 20 major cities posted its first monthly increase since April. The 0.1% gain pushed up the annual change in the index from 4.9% to 5.1%.
- Sales of new single-family homes plunged 11.5% in September, after gaining 12.8% in two months. As such, sales have dropped from 529,000 units in August (the highest level since February) to 468,000 in September (the lowest level since November 2014).

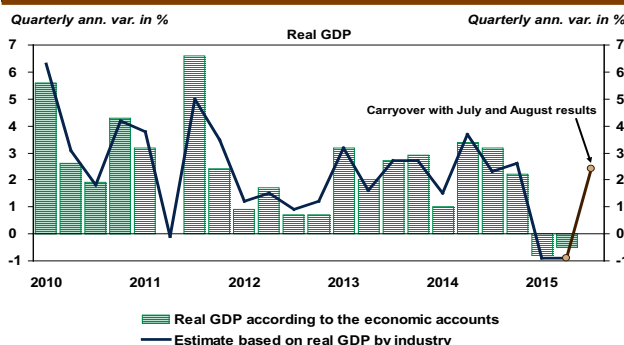
**Francis Généreux**  
Senior Economist

### CANADA

- Real GDP by industry increased 0.1% in August, which is in line with expectations. There is no longer any doubt: the technical recession the Canadian economy slipped into in the first half of 2015 is truly a thing of the past. With the increase in real GDP observed in June (+0.4%), July (+0.3%) and August (+0.1%), the carryover for the third quarter is very positive at around 2.5%. In fact, real GDP by industry would have to fall 1.9% in September to keep the third quarter from finishing in positive territory. Such a result is impossible considering the sharpest monthly decrease since the creation of this economic statistic was -1.4% (during the Great Recession of 2008–2009). Despite improving economic conditions, much worry about the Canadian economy lingers. Will non-energy exports continue to stimulate growth thanks to strong U.S. demand and the weaker loonie? How will sustained low commodity prices affect the Canadian economy in the coming quarters? The Bank of Canada will certainly want to hold to the monetary status quo as long as these questions remain unanswered, likely until 2017.
- The industrial product price index declined 0.3% in September, a weaker-than-expected result due to a major drop in energy product prices (-3.6%). Excluding energy products, prices ticked up 0.2%.

**Benoit P. Durocher**  
Senior Economist

Canada – Heading into positive territory in the third quarter of 2015



Sources: Statistics Canada and Desjardins, Economic Studies

# FINANCIAL MARKETS

## The Federal Reserve leaves the door open for a rate increase in December

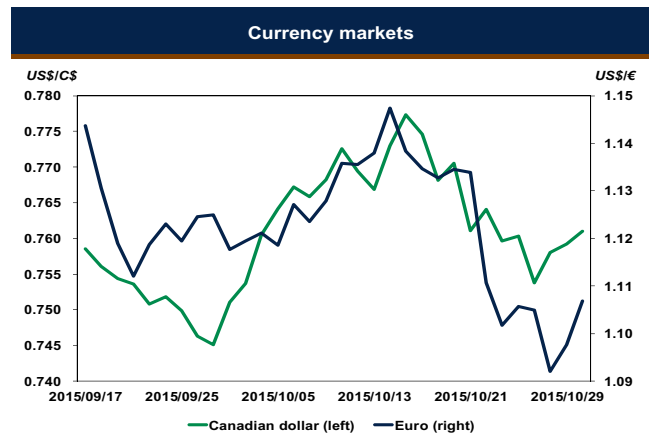
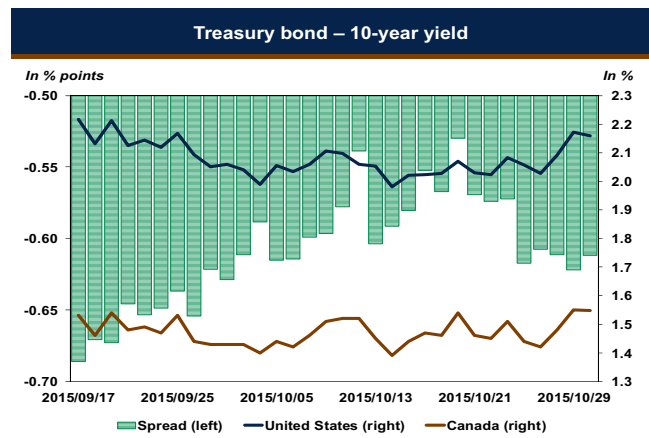
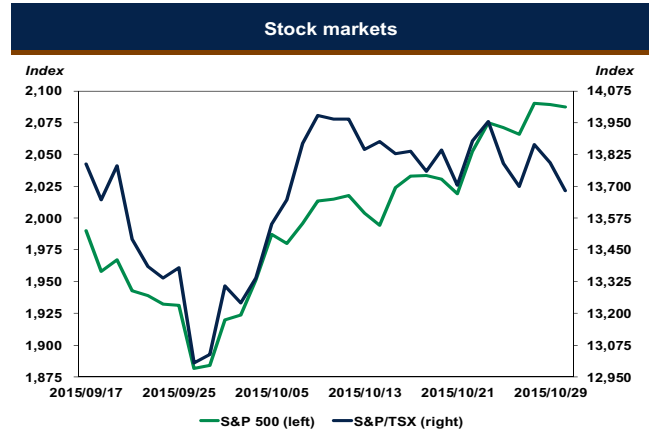
The S&P 500 started the week slightly lower, with investors awaiting the Federal Reserve’s (Fed) decision on Wednesday. Even if it kept its rates unchanged as expected, its statement suggested that an increase could be ordered in December, a scenario markets were sceptical about prior to the announcement. The S&P 500 immediately fell on this decision, but recovered to close the day higher. The index then stayed flat, shifting just below 2,090 points on Friday morning. The S&P/TSX experienced more difficulties, troubled by collapsing oil prices at the beginning of the week. The rebound in oil by mid-week offered some relief, but the less-than-stellar results reported by companies such as Suncor, Goldcorp and Bombardier brought concerns back to the fore.

The week started on a downtrend for U.S. bond yields, but the Fed’s statement pushed yields higher on Wednesday, with investors factoring in a greater likelihood of a rate hike in December. The 2- and 5-year yields reacted the most, posting weekly increases of 10 and 12 basis points respectively at the time of writing. The 10-year yield settled at 2.15% on Friday, hitting the top of the fluctuation band of the past six weeks. Canadian yields did not rise as much; a situation that translated into lower spreads between Canadian and U.S. short-term yields.

The Fed’s meeting was the primary source of volatility on currency markets. The U.S. dollar rose on the perception that the door was wide open for a rate hike in December. The positive impact on the currency was nevertheless stifled the very next day, especially with the release of data indicating a slowdown in U.S. growth last summer. The euro fell to US\$1.09 on Wednesday, recovering to about US\$1.10 on Friday. The pound dropped to US\$1.5250 at mid-week, but managed to regain any ground lost by Friday. The Canadian dollar did not react as strongly to movements in the greenback, but responded to oil prices. The drop in crude oil prices early in the week temporarily pushed the loonie under US\$0.7550 (above C\$1.325).

**Jimmy Jean**  
Senior Economist

**Hendrix Vachon**  
Senior Economist



# A LOOK AHEAD



## UNITED STATES

### Monday Nov. 2 - 10:00

<b>October</b>	
Consensus	50.0
Desjardins	50.5
<b>September</b>	<b>50.2</b>

**ISM manufacturing index (October)** – The ISM manufacturing index moved closer to the 50 mark in September, without crossing it, and stopped at 50.2—its lowest level since May 2013. Some regional manufacturing indexes improved in October, but not enough to hope for a genuine rebound in the ISM manufacturing index. A very modest rise is expected instead, pushing the reading to 50.5.

### Wednesday Nov. 4 - 8:30

<b>September</b>	US\$B
Consensus	-43.2
Desjardins	-40.0
<b>August</b>	<b>-48.3</b>

**Trade balance (September)** – The trade balance deteriorated sharply in August, from -US\$41.8B to -US\$48.3B, the steepest drop since March. We expect the trade balance to show strong improvement in September, however. The early data on merchandise trade point to a rebound of about 3.0% in nominal exports of goods and a 2.5% retreat in imports. The gains in exports appear to stem primarily from a jump in consumer goods and industrial equipment (which may include petroleum products). The deficit could fall to -US\$40B.

### Wednesday Nov. 4 - 10:00

<b>October</b>	
Consensus	56.5
Desjardins	57.0
<b>September</b>	<b>56.9</b>

**ISM non-manufacturing index (October)** – The ISM non-manufacturing index recorded two successive declines in August and September. It remains fairly high all the same, at 56.9, which compares favourably to the ISM manufacturing index reading. Mixed data on consumer confidence in October and the recent solid showing by the builders' confidence index suggest that the ISM non-manufacturing index should remain close to its September level.

### Friday Nov. 6 - 8:30

<b>October</b>	
Consensus	180,000
Desjardins	182,000
<b>September</b>	<b>142,000</b>

**Job creation according to the establishment survey (October)** – Job creation has clearly been disappointing for the past few months. The 142,000 new hires recorded in September were far below the consensus forecast. In addition, the previous months' downgrades only made matters worse. We do, however, expect some improvement for October. At the core of this prudent optimism are the very low initial jobless claims recorded for the month. That said, this positive factor is offset by the less-than-stellar results of the Conference Board consumer confidence index on employment. We therefore expect new hires to post modest growth, or 182,000, for October. The jobless rate could fall to 5.0%. It will be interesting to see the changes in hourly wages, which stagnated in September after rising an encouraging 0.4% in August.



## CANADA

### Wednesday Nov. 4 - 8:30

<b>September</b>	\$B
Consensus	-1.90
Desjardins	-1.90
<b>August</b>	<b>-2.53</b>

**International merchandise trade (September)** – Once seasonally adjusted and expressed in Canadian dollars, commodity prices rose 3.7% in September. Moreover, energy prices recorded an 8.9% increase, which will inflate the value of Canadian exports for the month. In the automobile industry, U.S. data on industrial production point to almost zero growth in September. In the end, merchandise exports could climb by about 1.8%. Import growth should be weaker though due to the difficulties in business investment, which continues to be impacted by the drop in oil prices. Thus, the trade balance should improve in September.

**Labour Force Survey (October)** – Canada’s labour market recently posted three consecutive monthly gains, pushing up its 6-month moving average to +10,600 jobs per month. We must conclude that this trend is still too high, considering the difficulties Canada’s economy has been grappling with these past few months. Under these conditions, employment is likely to be weaker in October. That said, the unemployment rate could nevertheless improve somewhat—from 7.1% to 7.0%—due to some blips in the labour force.



## OVERSEAS

**Euro zone: Retail sales (September)** – Retail sales in the euro zone are rather volatile. After stagnating in June, retail sales jumped 0.6% in July (the sharpest monthly advance since October 2014) but stood still again in August. Overall, consumer confidence improved in the euro zone at the beginning of the summer, but those gains now seem to have come to a halt. Given the lack of growth in sales in Germany and consumption in France in September, a strong advance in retail sales is difficult to imagine.

**United Kingdom: Meeting of the Bank of England (November)** – The Bank of England (BoE) is fully expected to remain on the sidelines once again this week. However, it will be interesting to read the *Inflation Report*, which will be published the same day. Updates to inflation forecasts will provide new clues as to when monetary firming could begin. The recent postponement of rate hikes in the United States and the European Central Bank’s (ECB) openness to new easing measures have pushed back the BoE’s expectations on monetary firming to later in 2016. Several economic indicators will be published this week in the United Kingdom, including the PMI indexes, as of Monday. September’s data on industrial production and the trade balance will be made public on Friday.

### Friday Nov. 6 - 8:30

<b>October</b>	
Consensus	5,000
Desjardins	0
<b>September</b>	<b>12,100</b>

### Thursday Nov. 5 - 5:00


<b>September</b>	m/m
Consensus	0.2%
<b>August</b>	<b>0.0%</b>


### Thursday Nov. 5 - 7:00

<b>November</b>	
Consensus	0.50%
Desjardins	0.50%
<b>October 8</b>	<b>0.50%</b>

# ECONOMIC INDICATORS


## Week of November 2 to 6, 2015

Day	Hour	Indicator	Period	Consensus		Previous data
<b>UNITED STATES</b>						
<b>MONDAY 2</b>	10:00	Construction spending (m/m)	Sep.	0.4%	0.0%	0.7%
	10:00	ISM manufacturing index	Oct.	50.0	50.5	50.2
<b>TUESDAY 3</b>	---	Total vehicle sales (ann. rate)	Oct.	17,700,000	17,750,000	18,070,000
	10:00	Factory orders (m/m)	Sep.	-0.9%	-0.7%	-1.7%
<b>WEDNESDAY 4</b>	8:30	Trade balance – Goods and services (US\$B)	Sep.	-43.2	-40.0	-48.3
	10:00	Testimony of the Federal Reserve Chair, J. Yellen, before a House committee				
	10:00	ISM non-manufacturing index	Oct.	56.5	57.0	56.9
	18:00	Speech of the Federal Reserve Vice Chair, S. Fisher				
<b>THURSDAY 5</b>	8:30	Initial unemployment claims	Oct. 26-30	264,000	260,000	260,000
	8:30	Speech of the New York Fed President, W. Dudley and of the Federal Reserve Vice Chair, S. Fisher				
	8:30	Nonfarm productivity – preliminary (ann. rate)	Q3	0.0%	-1.4%	3.3%
	8:30	Unit labor costs – preliminary (ann. rate)	Q3	2.2%	3.6%	-1.4%
	13:30	Speech of the Atlanta Fed President, D. Lockhart				
<b>FRIDAY 6</b>	8:30	Change in nonfarm payrolls	Oct.	180,000	182,000	142,000
	8:30	Unemployment rate	Oct.	5.1%	5.0%	5.1%
	8:30	Weekly worked hours	Oct.	34.5	34.5	34.5
	8:30	Average weekly earnings (m/m)	Oct.	0.2%	0.3%	0.0%
	9:00	Speech of the St. Louis Fed President, J. Bullard				
	15:00	Consumer credit (US\$B)	Sep.	18.0	26.0	16.0
	16:15	Speech of a Federal Reserve Governor, L. Brainard				
<b>SATURDAY 7</b>	11:10	Speech of the San Francisco Fed President, J. Williams				
<b>CANADA</b>						
<b>MONDAY 2</b>	---	---				
<b>TUESDAY 3</b>	---	---				
<b>WEDNESDAY 4</b>	8:15	International reserves (\$B)	Oct.	n/a	78.8	78.4
	8:30	International trade (\$B)	Sep.	-1.90	-1.90	-2.53
<b>THURSDAY 5</b>	10:00	PMI-Ivey index	Oct.	n/a	n/a	53.7
<b>FRIDAY 6</b>	8:30	Net change in employment	Oct.	5,000	0	12,100
	8:30	Unemployment rate	Oct.	7.1%	7.0%	7.1%
	8:30	Building permits (m/m)	Sep.	0.7%	0.8%	-3.7%

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 Eastern Standard Time (GMT - 5 hours).  Forecast of Desjardins, Economic Studies of the Desjardins Group.

# ECONOMIC INDICATORS

## Week of November 2 to 6, 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>								
Japan	---	Consumer confidence	Oct.	41.0		40.6		
<b>MONDAY 2</b>								
Japan	0:00	Vehicle sales	Oct.		n/a			-3.0%
Italy	3:45	PMI manufacturing index	Oct.	53.1		52.7		
France	3:50	PMI manufacturing index – final	Oct.	50.7		50.7		
Germany	3:55	PMI manufacturing index – final	Oct.	51.6		51.6		
Euro zone	4:00	PMI manufacturing index – final	Oct.	52.0		52.0		
United Kingdom	4:30	PMI manufacturing index	Oct.	51.3		51.5		
Australia	22:30	Reserve Bank of Australia meeting	Nov.	2.00%		2.00%		
<b>TUESDAY 3</b>								
United Kingdom	4:30	PMI construction index	Oct.	58.8		59.9		
<b>WEDNESDAY 4</b>								
Italy	3:45	PMI composite index	Oct.	53.6		53.4		
Italy	3:45	PMI services index	Oct.	53.5		53.3		
France	3:50	PMI composite index – final	Oct.	52.3		52.3		
France	3:50	PMI services index – final	Oct.	52.3		52.3		
Germany	3:55	PMI composite index – final	Oct.	54.5		54.5		
Germany	3:55	PMI services index – final	Oct.	55.2		55.2		
Euro zone	4:00	PMI composite index – final	Oct.	54.0		54.0		
Euro zone	4:00	PMI services index – final	Oct.	54.2		54.2		
Norway	4:00	Bank of Norway meeting	Nov.	0.75%		0.75%		
United Kingdom	4:30	PMI composite index	Oct.	53.6		53.3		
United Kingdom	4:30	PMI services index	Oct.	54.5		53.3		
Euro zone	5:00	Producer price index	Sep.	-0.5%	-3.3%	-0.8%		-2.6%
<b>THURSDAY 5</b>								
Germany	2:00	Commandes manufacturières	Sep.	1.0%	1.8%	-1.8%		1.9%
Germany	3:30	PMI construction index	Oct.	n/a		52.4		
Euro zone	4:00	Publication du <i>Bulletin mensuel</i> de la Banque centrale européenne						
Euro zone	4:10	PMI retail index	Oct.	n/a		51.9		
Germany	4:10	PMI retail index	Oct.	n/a		54.0		
France	4:10	PMI retail index	Oct.	n/a		49.6		
Italy	4:10	PMI retail index	Oct.	n/a		51.7		
Euro zone	5:00	Retail sales	Sep.	0.2%	3.0%	0.0%		2.3%
United Kingdom	7:00	Release of the Bank of England Inflation Report						
United Kingdom	7:00	Bank of England meeting	Nov.	0.50%		0.50%		
<b>FRIDAY 6</b>								
Japan	0:00	Leading indicator – preliminary	Sep.	101.9		103.5		
Japan	0:00	Coincident indicator – preliminary	Sep.	112.1		112.2		
Germany	2:00	Industrial production	Sep.	0.5%	1.3%	-1.2%		2.3%
France	2:45	Trade balance (€M)	Sep.	-3,100		-2,975		
United Kingdom	4:30	Trade balance (£M)	Sep.	-3,000		-3,268		
United Kingdom	4:30	Industrial production	Sep.	-0.1%	1.3%	1.0%		1.9%

**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 Eastern Standard Time (GMT - 5 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 Q3*	16,394	1.5	2.0	2.4	1.5	2.2	1.6
Consumption (2009 \$B)	2015 Q3*	11,269	3.2	3.2	2.7	1.7	1.5	2.3
Government spending (2009 \$B)	2015 Q3*	2,869	1.7	0.7	-0.6	-2.9	-1.9	-3.0
Residential investment (2009 \$B)	2015 Q3*	531.8	6.1	8.9	1.8	9.5	13.5	0.5
Non-residential investment (2009 \$B)	2015 Q3*	2,222	2.1	2.1	6.2	3.0	9.0	7.7
Business inventory change (2009 \$B) (1)	2015 Q3*	56.8	---	---	68.0	61.4	54.7	37.6
Exports (2009 \$B)	2015 Q3*	2,128	1.9	1.5	3.4	2.8	3.4	6.9
Imports (2009 \$B)	2015 Q3*	2,664	1.8	5.5	3.8	1.0	2.2	5.5
Final domestic demand (2009 \$B)	2015 Q3*	16,868	2.9	2.8	2.5	1.2	1.9	1.7
GDP deflator (2009 = 100)	2015 Q3*	110.0	1.2	0.9	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 Q3*	124.5	2.3	1.9	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)	Sept.	123.3	-0.2	-0.2	1.5	3.4
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)	Oct.*	97.6	102.6	91.0	94.3	94.1
Cons. confidence Michigan (1966 = 100) (1)	Oct.	90.0	87.2	93.1	95.9	86.9
Personal consumption expenditure (2009 \$B)	Sept.*	11,298	0.2	0.8	1.7	3.2
Disposable personal income (2009 \$B)	Sept.*	12,290	0.2	1.0	1.6	3.4
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)	Sept.*	231,080	-1.2	-2.3	-2.4	-3.0
Business inventories (\$B)	Aug.	1,811	0.0	0.7	1.5	2.4
Housing starts (K) (1)	Sept.	1,206	1,132	1,211	954.0	1,026
Building permits (K) (1)	Sept.	1,105	1,161	1,337	1,038	1,053
New home sales (K) (1)	Sept.*	468.0	529.0	469.0	485.0	459.0
Existing home sales (K) (1)	Sept.	5,550	5,300	5,480	5,210	5,100
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)	Sept.*	109.7	-0.1	-0.0	0.6	0.2
Excluding food and energy	Sept.*	109.8	0.1	0.3	0.7	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)	Aug.*	1,655,842	0.1	0.8	0.4	0.9
Industrial production (2007 \$M)	Aug.*	356,055	0.4	2.8	-0.7	0.5
Manufacturing sales (\$M)	Aug.	52,108	-0.2	3.2	5.3	0.6
Housing starts (K) (1)	Sept.	231.6	214.9	202.4	190.5	197.0
Building permits (\$M)	Aug.	7,548	-3.7	11.9	22.7	15.1
Retail sales (\$M)	Aug.	43,622	0.5	1.6	3.4	2.8
Excluding automobiles (\$M)	Aug.	32,586	0.0	0.6	1.6	0.8
Wholesale trade sales (\$M)	Aug.	55,277	-0.1	1.1	3.2	3.8
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 (\$)	Aug.*	947.1	-0.7	0.0	-0.4	0.8
Number of salaried employees (K) (2)	Aug.*	15,684	-58.6	-20.6	-1.1	4.4
Consumer price (2002 = 100)	Sept.	127.1	-0.2	-0.1	0.6	1.0
Excluding food and energy	Sept.	121.9	0.3	0.5	0.7	1.8
Excluding 8 volatile items	Sept.	126.6	0.2	0.5	1.0	2.1
Industrial product price (2002 = 100)	Sept.*	111.0	-0.3	0.2	0.4	-0.4
Raw materials price (2002 = 100)	Sept.*	92.9	3.0	-9.8	-1.9	-20.9
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. 30	Oct. 23	-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	0.07	0.01	0.00	0.08	0.01	0.01	0.12	0.03	-0.02
Treasury bonds – 2 years	0.73	0.67	0.54	0.66	0.60	0.47	0.78	0.61	0.44
– 5 years	1.53	1.41	1.29	1.54	1.50	1.61	1.79	1.51	1.18
– 10 years	2.16	2.08	1.99	2.20	2.12	2.33	2.48	2.13	1.67
– 30 years	2.95	2.90	2.83	2.93	2.82	3.06	3.25	2.83	2.25
S&P 500 index	2,088	2,075	1,951	2,104	2,108	2,018	2,131	2,058	1,868
DJIA index	17,738	17,647	16,472	17,690	18,024	17,391	18,312	17,602	15,666
Gold price (US\$/ounce)	1,143	1,163	1,139	1,094	1,173	1,166	1,302	1,179	1,084
CRB index	194.41	193.72	194.11	202.57	227.95	271.96	270.66	220.32	185.28
WTI oil (US\$/barrel)	45.78	43.91	45.54	47.11	59.10	80.53	78.77	53.20	38.22
<b>Canada</b>									
Overnight – target	0.50	0.50	0.50	0.50	0.75	1.00	1.00	0.73	0.50
Treasury bill – 3 months	0.42	0.40	0.44	0.40	0.66	0.88	0.92	0.60	0.36
Treasury bonds – 2 years	0.57	0.53	0.51	0.41	0.71	1.02	1.07	0.63	0.32
– 5 years	0.88	0.85	0.78	0.77	1.05	1.54	1.57	0.95	0.58
– 10 years	1.55	1.51	1.40	1.44	1.66	2.05	2.09	1.59	1.24
– 30 years	2.31	2.30	2.19	2.13	2.24	2.59	2.64	2.23	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	0.48	0.25
Treasury bill – 3 months	0.35	0.39	0.44	0.32	0.65	0.87	0.90	0.58	0.28
Treasury bonds – 2 years	-0.16	-0.14	-0.03	-0.25	0.11	0.55	0.56	0.02	-0.33
– 5 years	-0.65	-0.56	-0.51	-0.77	-0.45	-0.07	-0.07	-0.56	-0.99
– 10 years	-0.61	-0.57	-0.59	-0.76	-0.46	-0.28	-0.26	-0.54	-0.81
– 30 years	-0.64	-0.60	-0.64	-0.80	-0.58	-0.47	-0.29	-0.60	-0.88
S&P/TSX index	13,681	13,954	13,340	14,468	15,340	14,613	15,451	14,550	13,005
Exchange rate (C\$/US\$)	1.3141	1.3165	1.3149	1.3089	1.2159	1.1267	1.3422	1.2425	0.7610
Exchange rate (C\$/€)	1.4544	1.4504	1.4741	1.4382	1.3620	1.4111	1.5441	1.4096	0.8423
<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	0.53	0.51	0.51	0.61	0.36	0.80	0.99	0.56	0.08
U.K.: Bonds – 10 years	1.94	1.86	1.70	1.88	1.85	2.24	2.29	1.85	1.36
Euro: Exchange rate (US\$/€)	1.1068	1.1018	1.1211	1.0988	1.1202	1.2525	1.2554	1.1363	1.0495
U.K.: Exchange rate (US\$/£)	1.5408	1.5314	1.5182	1.5624	1.5141	1.5998	1.6004	1.5387	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.