

Please note that there will be no release of the *Weekly Newsletter* from December 21, 2015 to January 1, 2016 inclusive

December 18, 2015

## The Federal Reserve moves to raise rates

### HIGHLIGHTS

- The first Federal Reserve key rate hike in nearly 10 years!
- United States: Housing starts post strong rebound.
- U.S. industrial production weakens again.
- Canada: The total annual inflation rate goes from 1.0% to 1.4%.
- Canada: Manufacturing sales retreated in October.
- Canadian household debt continues to mount.

### A LOOK AHEAD

- United States: Q3 real GDP growth should be revised again, this time to the downside.
- U.S. new home sales probably grew in October, but resales could decline.
- Canada: Retail sales could edge up.
- Canada: Real GDP by industry should be back in positive territory in October.

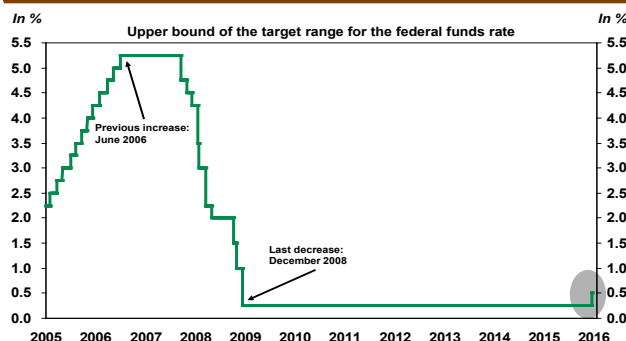
### FINANCIAL MARKETS

- The Canadian stock market resists to the drop in oil prices.
- The U.S. 10-year yield crosses back above 1.0%.
- The Canadian dollar hits a 2004 low at US\$0.7146.

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Graph of the week – The first Federal Reserve rate increase in nearly 10 years



Sources: Datastream 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 Committee decided to raise the target range for the federal funds rate to 0.25% to 0.50%. The Committee expects that economic conditions will evolve in a manner that will warrant only gradual increases in the federal funds rate.
- Housing starts rose sharply in November, progressing from an annualized level of 1,062,000 units in October to 1,173,000. This 10.5% surge followed a 12.0% drop one month before. The increase in housing starts stems largely from multi-unit dwellings (+18.1%), while single-family homes still posted sharp growth of 7.6%. Building permits also showed robust growth in November, with an 11.0% gain which pushed up their level from 1,161,000 to 1,289,000 units.
- Industrial production retreated 0.6% in November on the heels of a 0.4% decline in October and a 0.1% drop in September. Manufacturing production stagnated after posting a 0.3% gain in October. Activity in the mining sector pulled back 1.1% and energy production tumbled 4.3% after a 2.8% decline in October. The industrial capacity utilization rate slipped from 77.5% to 77.0%.
- The regional manufacturing indexes once again posted mixed results in December. The New York Fed's Empire index improved, although still negative, going from -10.74 to -4.59. In contrast, the Philadelphia Fed index dropped back below zero, going from +1.9 to -5.9.
- After October's 0.2% increase, the consumer price index (CPI) stood still in November. Energy prices contributed to the weakness, with a 2.4% decline by gas prices, among other things. Food prices fell 0.1%, the first monthly decline since March. The core index, which excludes food and energy, rose 0.2%, the same pace as in October and September. Goods prices are down overall, including a pull-back in clothing. The total CPI's annual change went from 0.2% to 0.5%, the highest total inflation rate in 2015. Core inflation rose from 1.9% to 2.0%.
- The leading indicator advanced 0.4% in November on the heels of October's 0.6% jump. The annualized three-month change went to 3.9%, the highest since July, after sliding to -0.3% in September. The biggest contribution to November's monthly increase comes from building permits, followed by interest rate spreads and the stock market.

**Francis Généreux**  
Senior Economist

### CANADA

- While most forecasters expected a small rise, total CPI actually fell 0.1% in November. It must be said that seasonal effects led to a 0.2% decline in total CPI for the month, representing a larger-than-usual decrease for this period of the year. The total annual inflation rate went from 1.0% to 1.4%. The Bank of Canada's core index (CPIX), which excludes eight volatile components, edged down 0.3% for the month, while its annual change fell to 2.0% from October's 2.1%.
- Manufacturing sales fell 1.1% in October, coming in below expectations. As forecast, automotive product sales rebounded, but this contribution was largely offset by a major drop in aviation sector sales (-13.0%) and a decline in several other sectors. In real terms, sales are down 1.0%. On the other hand, the volume of inventory increased 0.5%, so the total impact on production will be almost zero.
- Wholesale sales fell 0.6% in October, with nearly all sectors down. In real terms, sales are also down 0.6%. However, inventories increased 0.5%. Combined, wholesaling will have nearly no impact on economic growth in October.
- Household credit market debt increased 1.4% in the third quarter, faster growth than posted by income. Thus, the ratio of household debt to disposable income hit a new peak of 163.65% in the third quarter. That being said, the debt service ratio (principal and interest) hardly changed thanks to the drop in interest rates.
- Sales of existing homes rose 1.8% in November, pushing the annual change to 10.9%. Average prices increased 1.4% in November, while the annual change rose to 10.2%. Ontario and British Columbia are the provinces with the fastest price growth.

**Benoit P. Durocher**  
Senior Economist

# FINANCIAL MARKETS

## U.S. bond yields and the greenback climb on the Federal Reserve's firming

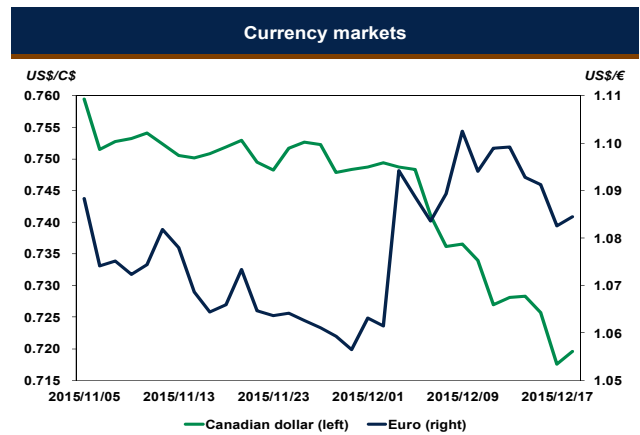
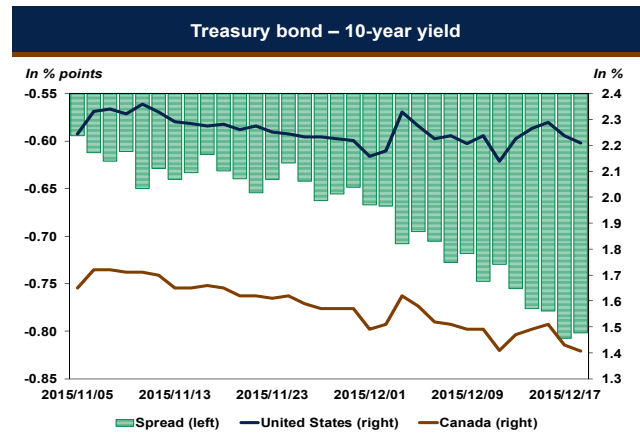
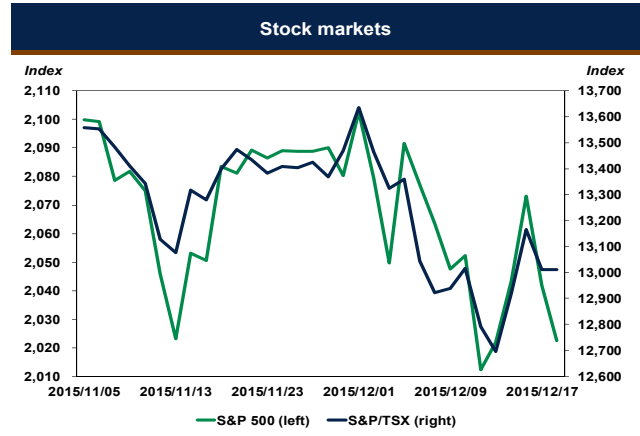
With the Wednesday Federal Reserve (Fed) decision in their sights, stock markets started the week off on a positive note. The first rate increase in nine years was well received, and the S&P/TSX even neared 2,080 points right after the news. The Fed was careful to reiterate that policy rates would rise very slowly and that monetary policy would still be stimulating. The S&P 500 lost its previous day's gains on Thursday. Oil prices fell below US\$35, hurting the energy sector. This movement did not affect the S&P/TSX too much. The Canadian stock market's energy component was even heading for a weekly 2.0% increase.

The bond markets were volatile. The U.S. curve flattened, as 2- and 5-year yields rose the most in adjusting to the news of the Fed's firming. The 10-year yield rose in the first half of the week, going above 2.33% on Wednesday, but then slid back to around 2.20%. Although they usually follow the trend for U.S. yields in a tightening situation, Canadian yields barely budged. The reason: the divergence between monetary policy orientations. Weaker-than-anticipated Canadian numbers and the drop in oil prices supported this dynamic.

The materialization of U.S. monetary tightening pushed the U.S. dollar up against all of the other major currencies. The euro, which had risen back above US\$1.10 recently, fell to around US\$1.08. The pound sterling went from US\$1.52 at the start of the week to US\$1.49 on Friday. The Canadian dollar moved similarly, hitting a 2004 low of US\$0.7146 (or C\$1.40/US\$). In addition to the greenback's strength, the loonie is being hit by low oil prices and new expectations of interest rate cuts by the Bank of Canada. November's dip in core inflation in Canada strengthens that possibility.

**Jimmy Jean**  
Senior Economist

**Hendrix Vachon**  
Senior Economist



# A LOOK AHEAD



## UNITED STATES

### Tuesday Dec. 22 - 8:30

<b>Q3 2015 - 3<sup>rd</sup> est.</b>	ann. rate
Consensus	1.9%
Desjardins	1.9%
<b>Q3 2015 - 2<sup>nd</sup> est.</b>	<b>2.1%</b>

### Tuesday Dec. 22 - 10:00

<b>November</b>	ann. rate
Consensus	5,350,000
Desjardins	5,300,000
<b>October</b>	<b>5,360,000</b>

### Wednesday Dec. 23 - 8:30

<b>November</b>	m/m
Consensus	0.3%
Desjardins	0.3%
<b>October</b>	<b>0.1%</b>

### Wednesday Dec. 23 - 8:30

<b>November</b>	m/m
Consensus	-0.5%
Desjardins	-1.7%
<b>October</b>	<b>2.9%</b>

### Wednesday Dec. 23 - 10:00

<b>November</b>	ann. rate
Consensus	505,000
Desjardins	515,000
<b>October</b>	<b>495,000</b>

**Real GDP (Q3 – third estimate)** – The second estimate of Q3’s national accounts had introduced an upside revision to real GDP growth that took it from 1.5% to 2.1%. However, the data released since then on September’s business inventories and output by the service sector in the third quarter points to a downside change. We expect annualized real GDP growth to drop back below 2%.

**Existing home sales (November)** – Resales have been seesawing for several months. They fell 5.0% in August, then jumped 4.7% in September, then relapsed again in October, dropping 3.1%. November should post another decrease. This would be the first time since the start of 2014 that existing home sales have posted two straight pullbacks. The number of pending resales went up in October, but the level still suggests another contraction by final sales. Mortgage applications in view of a purchase have also posted a monthly decline. We expect existing home sales to go from 5,360,000 to 5,300,000 units.

**Consumer spending (November)** – Real consumption edged up just 0.1% in October. We expect a real gain of 0.2% in November. Although high, auto sales are down slightly and should impact durable goods consumption negatively. On the other hand, November’s retail sales suggest better growth for other kinds of goods (durables and non-durables). Like October, consumption of services should be relatively low, as the warmer-than-normal weather is taking energy consumption down. However, this effect will be partially offset by a slightly stronger rise in food services. If we consider the forecast 0.1% uptick by the consumption expenditure deflator, nominal consumption should rise 0.3%. Nominal personal income should also increase 0.3%.

**New durable goods orders (November)** – In October, new durable goods orders benefited from a spike in civil aircraft orders, which jumped 81.0%, making for a 7.9% increase in transportation orders. Excluding transportation, the gain was 0.5%, the best since June. However, in November, the transportation sector should have a negative influence. Boeing’s orders are up but, because of seasonal adjustments, a drop will be recorded. Excluding transportation, the manufacturing ISM’s recent weakness is a fairly poor sign; at best, we can expect orders to stagnate. All in all, new durable goods orders are expected to drop 1.7%.

**New home sales (November)** – Sales of new single-family homes fell 12.9% in September, then jumped 10.7% in October. The latest level remains below the 513,000 units sold in September and, in particular, the cyclical peak—545,000—hit at the start of the year. However, we expect new home sales to post another upswing in November. The number of building permits issued last month and homebuilder confidence remain good. Sales of new single-family homes should hit 515,000 units.


**CANADA**

**Retail sales (October)** – Once seasonally adjusted, goods prices rose 0.3% in October. Motor vehicle prices went up 0.2%, while gas prices rose 2.3%. Excluding these two components, prices for other goods were almost flat for the month. This means that price fluctuations will not have much impact on the change in the value of retail sales, except of course for service stations. As for the number of new motor vehicles sold, the interim data shows a slight drop in October. All in all, the total value of retail sales should only edge up for the month.

**Real GDP by industry (October)** – To date, the economic numbers for October are fairly disappointing. For example, the volume of manufacturing sales fell 1.0% over the month. This drop is, however, offset by a 0.5% increase in inventories, with the result that manufacturing will have almost no impact on October's economic growth. However, hours worked rose substantially over the month, suggesting that output is up. Lastly, the oil and natural gas extraction sector is expected to show a rebound, as temporary factors had hampered output in September. All in all, real GDP by industry is expected to rise 0.3% in October.


**OVERSEAS**

**Euro zone: Consumer confidence (December – preliminary)** – Astoundingly, Euroland consumer confidence improved in November, although we could have assumed the Paris attacks would sour consumers' mood. Consumer confidence rose from -7.5 to -5.9, putting an end to the downtrend that had persisted since last spring. Whether December's figures will stay on this trajectory remains to be seen.

**Wednesday Dec. 23 - 8:30**

<b>October</b>	m/m
Consensus	0.5%
Desjardins	0.2%
<b>September</b>	<b>-0.5%</b>

**Wednesday Dec. 23 - 8:30**


<b>October</b>	m/m
Consensus	0.2%
Desjardins	0.3%
<b>September</b>	<b>-0.5%</b>

**Monday Dec. 21 - 8:30**

<b>December</b>	
Consensus	-5.9
<b>November</b>	<b>-5.9</b>

# ECONOMIC INDICATORS


## Week of December 21 to 25, 2015

Day	Hour	Indicator	Period	Consensus		Previous data
<b>UNITED STATES</b>						
<b>MONDAY 21</b>						
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<b>TUESDAY 22</b>						
	8:30	Real GDP (ann. rate)	Q3t	1.9%	1.9%	2.1%
	10:00	Existing home sales (ann. rate)	Nov.	5,350,000	5,300,000	5,360,000
<b>WEDNESDAY 23</b>						
	8:30	Durable goods orders (m/m)	Nov.	-0.5%	-1.7%	2.9%
	8:30	Personal income (m/m)	Nov.	0.2%	0.3%	0.4%
	8:30	Personal consumption expenditures (m/m)	Nov.	0.3%	0.3%	0.1%
	8:30	Personal consumption expenditures deflator				
		Total (m/m)	Nov.	0.1%	0.1%	0.1%
		Excluding food and energy (m/m)	Nov.	0.1%	0.2%	0.0%
		Total (y/y)	Nov.	0.4%	0.4%	0.2%
		Excluding food and energy (y/y)	Nov.	1.3%	1.4%	1.3%
	10:00	Michigan's consumer sentiment index – final	Dec.	92.0	91.8	91.8
	10:00	New home sales (ann. rate)	Nov.	505,000	515,000	495,000
<b>THURSDAY 24</b>						
	8:30	Initial unemployment claims	Dec. 14-18	270,000	270,000	271,000
<b>FRIDAY 25</b>						
	---	Markets closed (Christmas Day)				




## CANADA

<b>MONDAY 21</b>						
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<b>TUESDAY 22</b>						
	8:30	Average weekly earnings (y/y)	Oct.	n/a	1.6%	1.7%
	8:30	Number of salaried employees (m/m)	Oct.	n/a	0.0%	0.2%
<b>WEDNESDAY 23</b>						
	8:30	Real GDP by industry (m/m)	Oct.	0.2%	0.3%	-0.5%
	8:30	Retail sales				
		Total (m/m)	Oct.	0.5%	0.2%	-0.5%
		Excluding automobiles (m/m)	Oct.	0.5%	0.4%	-0.5%
<b>THURSDAY 24</b>						
	---	---				
<b>FRIDAY 25</b>						
	---	Markets closed (Christmas Day)				

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 December 21 to 25, 2015

Country	Hour	Indicator	Period	Consensus		Previous data		
				m/m (q/q)	y/y	m/m (q/q)	y/y	
 <b>OVERSEAS</b>								
<b>SUNDAY 20</b>								
Japan	23:30	All industry activity index	Oct.	0.9%		-0.2%		
<b>MONDAY 21</b>								
Germany	2:00	Producer price index	Nov.	-0.2%	-2.4%	-0.4%	-2.3%	
Euro zone	10:00	Consumer confidence – preliminary	Dec.	-5.9		-5.9		
United Kingdom	19:05	Consumer confidence	Dec.	1		1		
<b>TUESDAY 22</b>								
Japan	0:00	Small business confidence	Dec.	49.0		49.9		
Germany	2:00	Consumer confidence	Jan.	9.3		9.3		
<b>WEDNESDAY 23</b>								
France	2:45	Real GDP – final	Q3	0.3%	1.2%	0.3%	1.2%	
France	2:45	Personal consumption expenditures	Nov.	0.1%	1.6%	-0.7%	2.1%	
Italy	4:00	Factory orders	Oct.	n/a	n/a	-2.0%	-0.8%	
United Kingdom	4:30	Real GDP – final	Q3	0.5%	2.3%	0.5%	2.3%	
United Kingdom	4:30	Current account (£B)	Q3	-21.5		-16.8		
United Kingdom	4:30	Index of services	Oct.	0.2%		0.4%		
Italy	5:00	Retail sales	Oct.	0.3%	1.7%	-0.1%	1.5%	
<b>THURSDAY 24</b>								
Japan	18:30	Household spending	Nov.		-2.2%		-2.4%	
Japan	18:30	Consumer price index	Nov.		0.3%		0.3%	
Japan	18:30	Consumer price index – Tokyo	Dec.		0.1%		0.2%	
Japan	18:30	Unemployment rate	Nov.	3.2%		3.1%		
<b>FRIDAY 25</b>								
Japan	0:00	Leading indicator – final	Oct.	n/a		102.9		
Japan	0:00	Coincident indicator – final	Oct.	n/a		114.3		
Japan	0:00	Housing starts	Nov.		0.8%		-2.5%	

**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	16,418	2.1	2.2	2.4	1.5	2.2	1.6
Consumption (2009 \$B)	2015 Q3	11,263	3.0	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	533.3	7.3	9.2	1.8	9.5	13.5	0.5
Non-residential investment (2009 \$B)	2015 Q3	2,224	2.4	2.2	6.2	3.0	9.0	7.7
Business inventory change (2009 \$B) (1)	2015 Q3	90.2	---	---	68.0	61.4	54.7	37.6
Exports (2009 \$B)	2015 Q3	2,122	0.9	1.2	3.4	2.8	3.4	6.9
Imports (2009 \$B)	2015 Q3	2,666	2.1	5.6	3.8	1.0	2.2	5.5
Final domestic demand (2009 \$B)	2015 Q3	16,865	2.9	2.8	2.5	1.2	1.9	1.7
GDP deflator (2009 = 100)	2015 Q3	110.0	1.3	0.9	1.6	1.6	1.8	2.1
Labor productivity (2009 = 100)	2015 Q3	106.5	2.2	0.6	0.7	-0.0	0.9	0.2
Unit labor cost (2009 = 100)	2015 Q3	108.2	1.8	3.0	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 Q3*	-124.1	---	---	-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)	Nov.*	124.6	0.4	1.0	1.5	3.4
ISM manufacturing index (1)	Nov.	48.6	50.1	51.1	52.8	57.6
ISM non-manufacturing index (1)	Nov.	55.9	59.1	59.0	55.7	58.8
Cons. confidence Conf. Board (1985 = 100) (1)	Nov.	90.4	99.1	101.3	94.6	91.0
Cons. confidence Michigan (1966 = 100) (1)	Dec.	91.8	91.3	87.2	96.1	93.6
Personal consumption expenditure (2009 \$B)	Oct.	11,293	0.1	0.5	1.4	2.7
Disposable personal income (2009 \$B)	Oct.	12,394	0.4	1.0	1.9	3.9
Consumer credit (\$B)	Oct.	3,512	0.5	1.7	3.7	7.0
Retail sales (\$M)	Nov.	448,117	0.2	0.2	0.9	1.4
Excluding automobiles (\$M)	Nov.	354,434	0.4	0.1	0.9	0.7
Industrial production (2007 = 100)	Nov.*	106.5	-0.6	-1.1	-0.1	-1.2
Production capacity utilization rate (%) (1)	Nov.*	77.0	77.5	78.1	77.6	79.0
New machinery orders (\$M)	Oct.	473,873	1.5	-1.5	-0.2	-4.5
New durable good orders (\$M)	Oct.	238,779	2.9	-0.9	2.7	0.4
Business inventories (\$B)	Oct.	1,814	-0.0	0.2	1.2	2.0
Housing starts (K) (1)	Nov.*	1,173	1,062	1,116	1,072	1,007
Building permits (K) (1)	Nov.*	1,289	1,161	1,161	1,250	1,079
New home sales (K) (1)	Oct.	495.0	447.0	500.0	508.0	472.0
Existing home sales (K) (1)	Oct.	5,360	5,550	5,580	5,090	5,160
Construction spending (\$B)	Oct.	1,107	1.0	2.5	6.0	13.0
Commercial surplus (\$M) (1)	Oct.	-43,891	-42,457	-42,433	-43,368	-42,753
Nonfarm employment (K) (2)	Nov.	142,900	211.0	654.0	1,275	2,637
Unemployment rate (%) (1)	Nov.	5.0	5.0	5.1	5.5	5.8
Consumer price (1982-1984 = 100)	Nov.*	238.1	0.0	0.1	0.5	0.4
Excluding food and energy	Nov.*	244.1	0.2	0.6	1.0	2.0
Personal cons. expenditure deflator (2009 = 100)	Oct.	109.7	0.1	-0.0	0.6	0.2
Excluding food and energy	Oct.	109.8	0.0	0.3	0.6	1.3
Producer price (2009 = 100)	Nov.	109.8	0.3	-0.6	-0.3	-1.2
Excluding food and energy	Nov.	109.1	0.3	-0.3	0.4	0.4
Export prices (2000 = 100)	Nov.	121.3	-0.6	-1.4	-3.5	-6.3
Import prices (2000 = 100)	Nov.	121.0	-0.4	-1.8	-4.3	-9.4

\* New statistic in comparison with last week.

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



## Canada: Quarterly economic indicators

	Ref. quart.	Level	Variation (%)		Annual variation (%)			
			Quart. ann.	1 year	2014	2013	2012	2011
Gross domestic product (2007 \$M)	2015 Q3	1,773,166	2.3	1.2	2.5	2.2	1.7	3.1
Household consumption (2007 \$M)	2015 Q3	1,001,582	1.8	1.7	2.6	2.4	1.9	2.2
Government consumption (2007 \$M)	2015 Q3	342,624	-1.6	0.9	0.3	0.3	0.7	1.3
Residential investment (2007 \$M)	2015 Q3	121,219	2.5	2.1	2.5	-0.4	5.6	1.6
Non-residential investment (2007 \$M)	2015 Q3	177,295	-5.8	-8.9	0.0	2.5	8.6	12.8
Business inventory change (2007 \$M) (1)	2015 Q3	740.0	---	---	9,869	15,476	6,159	11,159
Exports (2007 \$M)	2015 Q3	579,018	9.4	2.4	5.3	2.8	2.6	4.8
Imports (2007 \$M)	2015 Q3	572,669	-2.9	-1.1	1.8	1.5	3.6	5.6
Final domestic demand (2007 \$M)	2015 Q3	1,759,789	-0.0	0.2	1.6	1.3	2.4	2.6
GDP deflator (2007 = 100)	2015 Q3	112.6	0.4	-0.8	1.7	1.6	1.3	3.2
Labour productivity (2007 = 100)	2015 Q3	106.2	0.6	-0.7	2.5	1.3	-0.4	1.8
Unit labour cost (2007 = 100)	2015 Q3	114.6	-2.0	0.6	1.1	1.7	3.2	1.7
Current account balance (\$M) (1)	2015 Q3	-16,212	---	---	-44,894	-59,665	-65,680	-49,081
Production capacity utilization rate (%) (1)	2015 Q3	82.0	---	---	82.7	81.2	81.5	80.6
Disposable personal income (\$M)	2015 Q3	1,121,196	3.4	3.3	3.0	4.8	4.1	3.7
Corporate net operating surplus (2007 \$M)	2015 Q3	225,448	-6.7	-19.2	7.0	0.8	-5.3	17.0

\* 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)	Sept.	1,642,749	-0.5	-0.0	0.1	0.0
Industrial production (2007 \$M)	Sept.	345,083	-2.1	-0.3	-1.7	-3.6
Manufacturing sales (\$M)	Oct.*	50,399	-1.1	-3.1	0.6	-3.2
Housing starts (K) (1)	Nov.	212.0	197.7	213.8	198.3	191.5
Building permits (\$M)	Oct.	7,705	9.1	-1.7	-1.7	3.3
Retail sales (\$M)	Sept.	43,309	-0.5	0.4	1.7	1.2
Excluding automobiles (\$M)	Sept.	32,346	-0.5	-0.6	0.1	0.1
Wholesale trade sales (\$M)	Oct.*	54,743	-0.6	-1.0	-0.7	1.6
Commercial surplus (\$M) (1)	Oct.	-2,761	-2,323	-436.4	-2,645	-530.2
Exports (\$M)	Oct.	42,980	-1.8	-6.2	1.2	-3.5
Imports (\$M)	Oct.	45,740	-0.8	-1.1	1.4	1.5
Employment (K) (2)	Nov.	17,987	-35.7	6.9	5.5	10.3
Unemployment rate (%) (1)	Nov.	7.1	7.0	7.0	6.8	6.7
Average weekly earnings (\$)	Sept.	955.1	1.0	0.1	0.1	1.7
Number of salaried employees (K) (2)	Sept.	15,739	30.7	-2.2	7.5	8.2
Consumer price (2002 = 100)	Nov.*	127.1	-0.1	-0.2	0.2	1.4
Excluding food and energy	Nov.*	121.9	-0.2	0.3	0.5	1.8
Excluding 8 volatile items	Nov.*	126.6	-0.3	0.2	0.5	2.0
Industrial product price (2002 = 100)	Oct.	110.3	-0.5	-1.2	0.5	-0.4
Raw materials price (2002 = 100)	Oct.	92.9	0.4	-4.1	-5.6	-17.5
Money supply M1+ (\$M)	Oct.	809,653	0.2	2.2	4.8	8.2

\* 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 (%)		
	Dec. 18	Dec. 11	-1 month	-3 months	-6 months	-1 year	Higher	Average	Lower
<b>United States</b>									
Federal funds – target	0.50	0.25	0.25	0.25	0.25	0.25	0.50	0.25	0.25
Treasury bill – 3 months	0.18	0.22	0.11	-0.01	0.01	0.04	0.29	0.05	-0.02
Treasury bonds – 2 years	0.97	0.93	0.91	0.66	0.59	0.65	1.05	0.66	0.44
– 5 years	1.68	1.47	1.69	1.44	1.57	1.65	1.79	1.52	1.18
– 10 years	2.21	2.14	2.27	2.13	2.27	2.18	2.48	2.13	1.67
– 30 years	2.92	2.88	3.03	2.93	3.06	2.77	3.25	2.84	2.25
S&P 500 index	2,023	2,012	2,089	1,958	2,110	2,071	2,131	2,062	1,868
DJIA index	17,307	17,265	17,824	16,385	18,016	17,805	18,312	17,604	15,666
Gold price (US\$/ounce)	1,064	1,077	1,079	1,137	1,200	1,198	1,302	1,164	1,052
CRB index	173.25	174.86	183.73	194.18	222.13	240.29	238.61	210.21	170.70
WTI oil (US\$/barrel)	35.38	35.65	39.39	44.71	59.62	56.91	61.36	49.29	34.98
<b>Canada</b>									
Overnight – target	0.50	0.50	0.50	0.50	0.75	1.00	1.00	0.66	0.50
Treasury bill – 3 months	0.48	0.46	0.46	0.40	0.60	0.90	0.92	0.54	0.36
Treasury bonds – 2 years	0.50	0.48	0.62	0.46	0.59	1.01	1.06	0.57	0.32
– 5 years	0.75	0.74	0.94	0.76	0.92	1.37	1.45	0.88	0.58
– 10 years	1.41	1.41	1.62	1.46	1.71	1.81	1.91	1.54	1.24
– 30 years	2.13	2.16	2.33	2.23	2.33	2.34	2.48	2.20	1.83
Spread with the U.S. rate (% points)									
Overnight – target	0.00	0.25	0.25	0.25	0.50	0.75	0.75	0.41	0.00
Treasury bill – 3 months	0.30	0.24	0.35	0.41	0.59	0.86	0.90	0.50	0.18
Treasury bonds – 2 years	-0.46	-0.45	-0.29	-0.20	-0.00	0.36	0.40	-0.09	-0.53
– 5 years	-0.93	-0.73	-0.75	-0.68	-0.65	-0.28	-0.17	-0.64	-0.99
– 10 years	-0.80	-0.73	-0.65	-0.67	-0.56	-0.37	-0.26	-0.59	-0.81
– 30 years	-0.79	-0.72	-0.70	-0.70	-0.73	-0.43	-0.29	-0.63	-0.88
S&P/TSX index	13,012	12,790	13,433	13,647	14,653	14,468	15,451	14,378	12,695
Exchange rate (C\$/US\$)	1.3897	1.3756	1.3343	1.3227	1.2266	1.1601	1.3937	1.2690	0.7196
Exchange rate (C\$/€)	1.5070	1.5117	1.4205	1.4953	1.3925	1.4186	1.5441	1.4130	0.7804
<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	0.56	0.54	0.48	0.67	0.76	0.59	0.99	0.53	0.08
U.K.: Bonds – 10 years	1.84	1.81	1.87	1.84	2.01	1.87	2.19	1.83	1.36
Euro: Exchange rate (US\$/€)	1.0845	1.0990	1.0646	1.1306	1.1353	1.2229	1.2231	1.1141	1.0495
U.K.: Exchange rate (US\$/£)	1.4892	1.5218	1.5192	1.5532	1.5884	1.5632	1.5884	1.5308	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.