

The Canadian dollar keeps on sliding

HIGHLIGHTS

- United States: Retail sales and industrial production ended 2015 down.
- Confidence climbed in January.
- Canada: Housing starts plunged in December.
- Canada: The business investment outlook has deteriorated substantially.
- Ontario: Real GDP grew 3.5% in Q3 of 2015.

A LOOK AHEAD

- Housing starts are expected to jump again in the United States.
- Gas prices should trigger a monthly drop in the U.S. consumer price index.
- Despite volatility in the financial markets, China's real GDP should not move much.
- Bank of Canada: The target for the overnight rate should stay at 0.50%, even if the *Monetary Policy Report* includes a downgrade to the Bank's economic scenario.
- Canada: Manufacturing and wholesale sales could edge up.
- Canada: The total annual inflation rate could close in on the mid-point target.

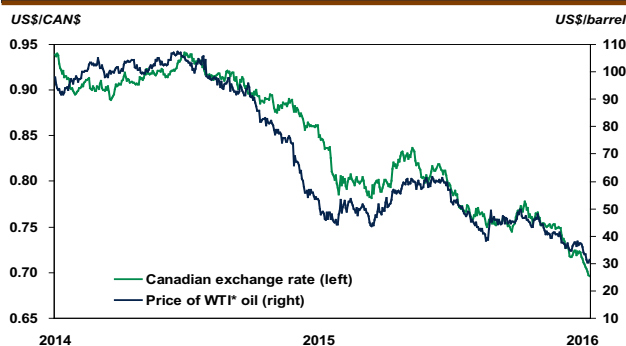
FINANCIAL MARKETS

- The stock markets remain pessimistic.
- The markets think the BoC will cut key rates.
- The Canadian dollar sinks below US\$0.70.

CONTENTS

Key statistics of the week.....	2
United States and Canada	
Financial markets.....	3
A look ahead.....	4
United States, Canada and Overseas	
Economic indicators of the week.....	7
Tables	
Economic indicators – United States.....	9
Economic indicators – Canada.....	10
Major financial indicators.....	11

Graph of the week – The tumble by oil prices is responsible for the bulk of the loonie's depreciation



* West Texas Intermediate.
Sources: Datastream and Desjardins, Economic Studies

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KEY STATISTICS OF THE WEEK

UNITED STATES

- Retail sales fell 0.1% in December after rising 0.4% (revised from 0.2%) in November. Motor vehicles sales idled. Excluding automobiles, sales are also down by 0.1%. The decrease in sales stems mainly from the falling value of gas station sales. We also note retreats in clothing, groceries, and electronics stores. There were increases in sporting and leisure goods stores, renovation centres and food services. Ex-auto and gas, sales were flat. For 2015 as a whole, we note that retail sales were fairly weak, with the 2.1% increase representing the slowest advance since 2009. However, falling gas prices distort the results and, excluding this sector, sales rose 4.6% in 2015, a result similar to 2014.
- Industrial output pulled back 0.4% in December after falling 0.9% in November (revised from -0.6%). Manufacturing output slipped 0.1%, as in the previous month. Activity in the mining sector shrank 0.8%, while energy production fell 2.0% after dropping 5.0% in November. The industrial capacity utilization rate went from 76.9% to 76.5%. Growth in industrial production was only 1.3% in 2015 compared with 3.7% in 2014. From December to December, we even note a 1.8% decrease in industrial production, significantly impacted by the mining sector (-11.2%) and energy production (-6.9%). While not very vigorous and reined in by the strength of the U.S. dollar, manufacturing still managed to grow 2.0 % on average annually and 0.8% from December to December.
- Despite recent volatility in financial markets, likely helped by falling gas prices, consumer confidence rose slightly in January. The University of Michigan index went from 92.6 in December to 93.3. The gain stems exclusively from the consumer expectations component.

Francis Généreux
Senior Economist

CANADA

- According to the Bank of Canada's Business Outlook Survey, business confidence deteriorated overall in the fourth quarter of 2015. The adverse effects of the commodities price shock continue to materialize and spread beyond the resources sector. Exporters not directly affected by commodity prices still benefit from strong U.S. demand and a weak Canadian dollar. Among other things, investment and hiring intentions eroded significantly, hitting their lowest points since 2009.
- As anticipated, housing starts fell in December, although more steeply than expected. Starts went from 212,000 units in November to 173,000 units in December. Aside from Quebec and British Columbia, all provinces saw housing starts retreat. Once again, the bulk of the decline comes from the multi-unit housing sector.
- Sales of existing properties dropped 0.6% in December. That being said, they were up 5.5% for 2015 as a whole. The average price of existing properties rose further in December, going up 1.2%. For 2015 as a whole, prices increased 8.5%. There are regional disparities, however: on one hand, prices went up substantially in Ontario and British Columbia while, on the other, they edged down in several provinces (including Alberta, Saskatchewan and Newfoundland and Labrador).
- Ontario saw quarterly annualized real GDP growth of 3.5% in the third quarter of 2015, after last spring's 1.7% gain. The biggest contributions to growth come from exports (up 12.5%), household consumption spending (up 3.0%), and residential investment (up 2.6%). The not-so-good news includes a 2.5% drop in investment in machinery and equipment.

Benoît P. Durocher
Senior Economist

FINANCIAL MARKETS

An old 2003 low for the loonie

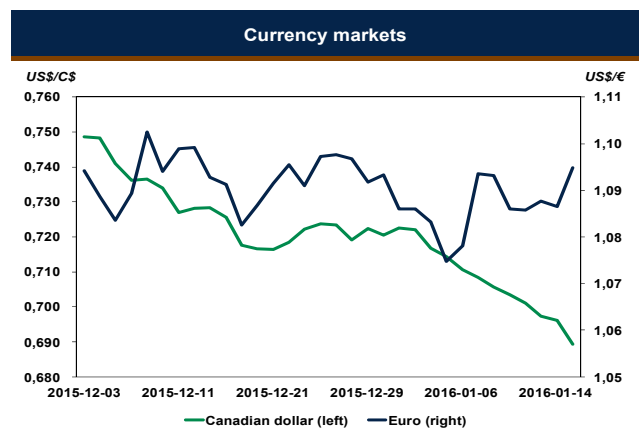
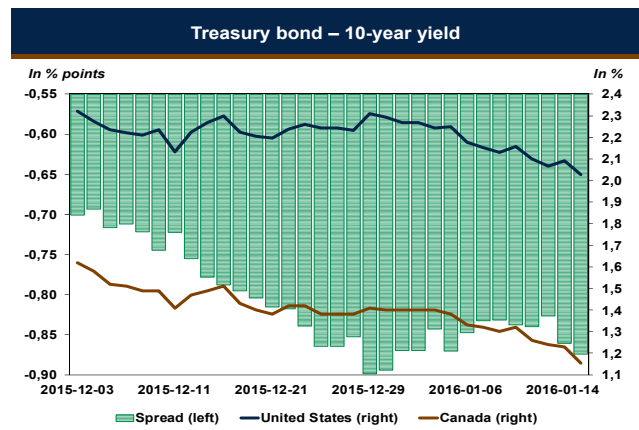
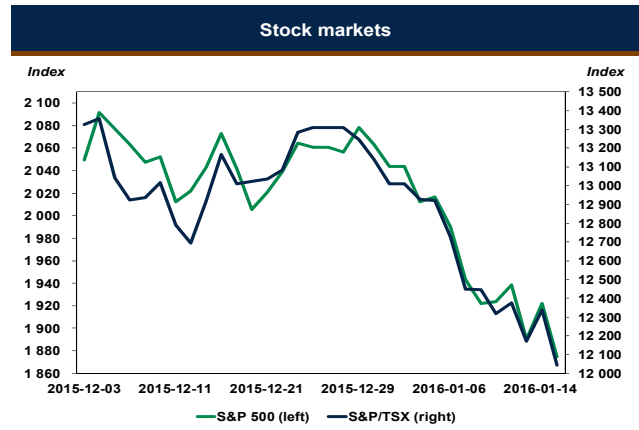
The concern in the global markets remains palpable over the week. The Chinese market made fewer headlines than it did last week, but still dropped nearly 9%. The European markets posted less dramatic weekly losses, which still ranged from 2% to 3%. It was a tough week for the S&P 500. On Thursday, the index barely avoided the threshold of correction territory, a drop of 10% from its latest peak. It started to correct on Friday morning, however, on disappointing manufacturing figures. The Canadian market had done relatively well but then capitulated Friday morning when oil dropped below US\$30 a barrel.

Unsurprisingly, this environment is benefiting bond values. After dropping below the 2.20% mark last week, the U.S. 10-year yield kept sliding, even briefly going under 2.00% Friday morning. In Canada, weak oil prices and disappointing Canadian numbers prompted markets to price in a key rate cut with more conviction. Some forecasters came out in accordance with this view. This resulted in a steeper drop by yields in Canada than in the United States.

The Canadian dollar got a lot of attention this week. It fell below US\$0.70 on weak oil prices and a growing feeling that the Bank of Canada could order another interest rate cut. The last time the loonie was this low was in 2003. The strong U.S. dollar can no longer be blamed because the greenback is in fact under pressure against several currencies, including the euro and yen. The Euroland exchange rate closed in on US\$1.10 on Friday, a movement facilitated by the combination of disappointing news in the United States, and promising news in the euro zone. The pound did not rise in tandem with the euro, as more mixed figures were released regarding Britain's economy.

Jimmy Jean
Senior Economist

Hendrix Vachon
Senior Economist



A LOOK AHEAD



UNITED STATES

Wednesday January 20 - 8:30

December	in thousands
Consensus	1,194
Desjardins	1,225
November	1,173

Housing starts (December) – After October’s 12.0% tumble, housing starts jumped 10.5% in November. Another rise is anticipated for December and starts could beat an annualized 1,200,000 units. The main factor pointing to an increase of this magnitude is October’s building permits which, at 1,282,000 units, were at their highest point since June. Homebuilding created 5,000 jobs in December which, with the good homebuilder confidence and extraordinarily mild weather, also points to another gain. Housing starts are expected to rise to 1,225,000 units. On the other hand, building permits are forecast to pull back.

Wednesday January 20 - 8:30

December	m/m
Consensus	0.0%
Desjardins	-0.1%
November	0.0%

Consumer price index (December) – The consumer price index (CPI) stood still in November, with another drop by energy prices being offset by slightly faster growth by other goods and services, particularly shelter costs. For December, gas prices are expected to take another bite out of the CPI’s monthly change. Prices at the pump fell 6.8% in the closing month of 2015, a much bigger drop than expected with the seasonal adjustment factors (-2.0%). Even though food prices, which fell 0.1% in November, are forecast to rise, the total CPI should still tick down 0.1%. Excluding food and energy, the core CPI should go up 0.1% after rising 0.2% for three consecutive months. Due to a favourable base effect, total inflation should accelerate from 0.5% to 0.7%. Core inflation should go from 2.0% to 2.1%.

Friday January 22 - 10:00

December	ann. rate
Consensus	5,200,000
Desjardins	5,250,000
November	4,760,000

Existing home sales (December) – For the first time since February 2014, resales fell for a second straight month in November. On the heels of October’s 4.1% retreat, existing home sales tumbled 10.5%. The numbers on pending resales had been suggesting lower sales of existing homes for several months, but December’s drop seems clearly exaggerated. Thus, even though pending sales fell again, their level points to a rebound by resales. Mortgage applications in view of a purchase have also shot up. We therefore expect existing home sales to go from 4,760,000 units (their lowest point since April 2014) to 5,250,000 units.

Friday January 22 - 10:00

December	m/m
Consensus	-0.1%
Desjardins	-0.2%
November	0.4%

Leading indicator (December) – Following up on October’s 0.6% gain, the leading indicator posted another solid rise—this time 0.4%—in November. A decline is forecast for December, however, mainly due to the retreat posted by building permits following November’s jump. Permits should make a negative contribution of 0.3%. We expect the Conference Board’s leading indicator to slide 0.2%.



CANADA

Manufacturing sales (November) – Even though manufacturing sales have dropped substantially for three straight months, the likelihood of a major rebound in November is fairly slim. Based on the performance by exports, the automotive sector could show fairly good sales growth for the month. However, the gain there should be partially offset by another drop in the aviation industry. Moreover, the decline by oil prices should prompt another drop in the value of energy product sales. Factoring in upticks in most other sectors due to lively U.S. demand, total manufacturing sales should just edge up in November.

Wholesale trade (November) – November's rise by automotive product exports should make a big contribution to growth by wholesale sales. Other sectors could run into some difficulties however, i.e. consumer goods and machinery, equipment and supplies. The drop in business non-residential investment is of course responsible for the latter component's trouble. All in all, wholesale sales are forecast to edge up in November.

Bank of Canada meeting and the *Monetary Policy Report* (January) – Recent economic data have in general been fairly disappointing, indicating weaker-than-anticipated economic growth in Canada and a number of other parts of the world. The *Monetary Policy Report* should therefore include a downgrade to the Bank of Canada's economic scenario. Will the further erosion of economic conditions prompt monetary authorities to order another cut to the target for the overnight rate at their January 20 meeting? It's not out of the question. However, the Bank of Canada is more likely to opt for another status quo. The Canadian dollar has depreciated substantially over the last few weeks, helping to make monetary conditions more stimulating overall. An additional key interest rate cut could steepen the loonie's depreciation, but this seems unnecessary given how low the loonie is currently. On the other hand, another cut to the target for the overnight rate could further stimulate consumer credit and worsen the debt problem.

Consumer price index (December) – According to the weekly surveys at the pumps, Canada's average price for regular gas fell 3.7% in December. On its own, the drop in gas prices could take the total CPI down by about 0.2% for the month. What's more, December usually sees a seasonal drop by prices in the area of 0.4%. All in all, the total CPI could slide 0.4% in December. The total annual inflation rate should go from 1.4% to 1.7%. The drop by gas prices will of course not impact the core index (CPIX), which could see a monthly change of -0.3%, while its annual change should stay at 2.0%.

Retail sales (November) – According to the interim data, the number of new motor vehicles sold fell 1.6% in November. This decline will, however, be partially offset by an increase in auto prices that month. Once seasonally adjusted, gas prices also went up 1.0% in November, boosting the value of service station sales. The 0.4% increase in prices for other goods should also be favourable to most retail sectors. Retailers' total sales are therefore expected to rise 0.3% for the month.

Wednesday January 20 - 8:30
November m/m
 Consensus 0.5%
 Desjardins 0.3%
October -1.1%

Wednesday January 20 - 8:30
November m/m
 Consensus 0.5%
 Desjardins 0.5%
October -0.6%

Wednesday January 20 - 10:00
January m/m
 Consensus 0.50%
 Desjardins 0.50%
December 0.50%

Friday January 22 - 8:30
December m/m
 Consensus -0.4%
 Desjardins -0.4%
November -0.1%

Friday January 22 - 8:30
November m/m
 Consensus 0.3%
 Desjardins 0.3%
October 0.1%



Monday January 18 - 21:00

Q4	y/y
Consensus	1.8%
Q3	6.9%

Thursday January 21 - 7:45


Consensus	0.05%
Desjardins	0.05%
December 3	0.05%

China: Real GDP (Q4) – The slowing Chinese economy consistently made the headlines in 2015, and has kept on doing so since the start of this year. Yet, officially, real GDP growth has not changed much over the year. The first two quarters posted annual changes of 7.0%, while the third recorded a gain of 6.9%. The consensus expects 6.9% growth again for the fall. Such a quarterly result would take real GDP growth to 6.9% for 2015 as a whole following 2014's 7.2% advance.

Euro zone: European Central Bank meeting – The European Central Bank is unlikely to announce new measures at its next monetary policy meeting. December's decision to lower the deposit rate to -0.30% and push the slated end of the securities purchasing program back to March 2017 had disappointed the markets, which had been hoping for more. The euro has come up somewhat since then, but is still very low. It will be interesting to watch Mario Draghi's press conference: he could come back to December's decision and give some clues about potential further actions. Several economic indicators will be released this week in the euro zone. December's final version of the consumer price index will come out on Thursday. The flash version showed annual growth of 0.2%. The preliminary versions of the PMI indexes for January will be out on Friday.


ECONOMIC INDICATORS

Week of January 18 to 22, 2016

Day	Hour	Indicator	Period	Consensus		Previous data
UNITED STATES						
MONDAY 18	---	---				
TUESDAY 19	16:00	NAHB housing market index	Jan.	61	n/a	61
	16:00	Net foreign security purchases (US\$B)	Nov.	n/a	n/a	-16.6
WEDNESDAY 20	8:30	Consumer price index				
		Total (m/m)	Dec.	0.0%	-0.1%	0.0%
		Excluding food and energy (m/m)	Dec.	0.2%	0.1%	0.2%
		Total (y/y)	Dec.	0.8%	0.7%	0.5%
		Excluding food and energy (y/y)	Dec.	2.1%	2.1%	2.0%
	8:30	Building permits (ann. rate)	Dec.	1,200,000	1,160,000	1,289,000
	8:30	Housing starts (ann. rate)	Dec.	1,194,000	1,225,000	1,173,000
THURSDAY 21	8:30	Initial unemployment claims	Jan. 11-15	280,000	280,000	284,000
	8:30	Philadelphia Fed index	Jan.	-3.0	-7.0	-10.2
FRIDAY 22	10:00	Leading indicator (m/m)	Dec.	-0.1%	-0.2%	0.4%
	10:00	Existing home sales (ann. rate)	Dec.	5,200,000	5,250,000	4,760,000


CANADA

MONDAY 18	---	---				
TUESDAY 19	8:30	International transactions in securities (\$B)	Nov.	n/a	6.0	22.1
WEDNESDAY 20	8:30	Wholesale sales (m/m)	Nov.	0.5%	0.5%	-0.6%
	8:30	Wholesale inventories (m/m)	Nov.	n/a	0.2%	0.5%
	8:30	Manufacturing sales (m/m)	Nov.	0.5%	0.3%	-1.1%
	10:00	Bank of Canada meeting	Jan.	0.50%	0.50%	0.50%
	10:00	Release of the Bank of Canada <i>Monetary Policy Report</i>				
THURSDAY 21	---	---				
FRIDAY 22	8:30	Consumer price index				
		Total (m/m)	Dec.	-0.4%	-0.4%	-0.1%
		Excluding 8 most volatile (m/m)	Dec.	-0.3%	-0.3%	-0.3%
		Total (y/y)	Dec.	1.7%	1.7%	1.4%
		Excluding 8 most volatile (y/y)	Dec.	2.0%	2.0%	2.0%
	8:30	Retail sales				
		Total (m/m)	Nov.	0.3%	0.3%	0.1%
		Excluding automobiles (m/m)	Nov.	0.4%	0.7%	0.0%

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 January 18 to 22, 2016

Country	Hour	Indicator	Period	Consensus		Previous data		
				m/m (q/q)	y/y	m/m (q/q)	y/y	
 OVERSEAS								
SUNDAY 17								
Japan	23:30	Tertiary industry activity index	Nov.	-0.7%		0.9%		
Japan	23:30	Industrial production – final	Nov.	n/a	n/a	-1.0%	1.6%	
MONDAY 18								
Italy	4:00	Trade balance (€M)	Nov.	n.d.		4,812		
China	21:00	Real GDP	Q4	1.8%	6.9%	1.8%	6.9%	
China	21:00	Industrial production	Dec.		6.0%		6.2%	
China	21:00	Retail sales	Dec.		11.3%		11.2%	
TUESDAY 19								
Germany	2:00	Consumer price index – final	Dec.	-0.1%	0.3%	-0.1%	0.3%	
Euro zone	4:00	Current account (€B)	Nov.	n.d.		20.4		
United Kingdom	4:30	Consumer price index	Dec.	0.0%	0.2%	0.0%	0.1%	
United Kingdom	4:30	Producer price index	Dec.	-0.2%	-1.2%	-0.2%	-1.5%	
Italy	4:30	Current account (€M)	Nov.	n/a		6,131		
Euro zone	5:00	Construction	Nov.	n/a	n/a	0.5%	1.1%	
Germany	5:00	ZEW survey – Current situation	Jan.	53.1		55.0		
Germany	5:00	ZEW survey – Expectations	Jan.	7.9		16.1		
WEDNESDAY 20								
Brazil	---	Bank of Brazil meeting	Jan.	14.75%		14.25%		
Germany	2:00	Producer price index	Dec.	-0.4%	-2.2%	-0.2%	-2.5%	
United Kingdom	4:30	ILO unemployment rate	Nov.	5.2%		5.2%		
Japan	23:30	All industry activity index	Nov.	-0.8%		1.0%		
THURSDAY 21								
France	2:45	Business confidence	Jan.	102		101		
France	2:45	Production outlook	Jan.	n/a		0		
Euro zone	5:00	Consumer price index – final	Dec.	0.0%	0.2%	-0.1%	0.2%	
Euro zone	7:45	European Central Bank meeting	Jan.	0.05%		0.05%		
Euro zone	10:00	Consumer confidence – preliminary	Jan.	-5.7		-5.7		
VENREDI 22								
France	3:00	PMI composite index – preliminary	Jan.	50.7		50.1		
France	3:00	PMI manufacturing index – preliminary	Jan.	51.3		51.4		
France	3:00	PMI services index – preliminary	Jan.	50.2		49.8		
Germany	3:30	PMI composite index – preliminary	Jan.	55.1		55.5		
Germany	3:30	PMI manufacturing index – preliminary	Jan.	53.0		53.2		
Germany	3:30	PMI services index – preliminary	Jan.	55.5		56.0		
Euro zone	4:00	PMI composite index – preliminary	Jan.	54.1		54.3		
Euro zone	4:00	PMI manufacturing index – preliminary	Jan.	53.0		53.2		
Euro zone	4:00	PMI services index – preliminary	Jan.	54.1		54.2		
United Kingdom	4:30	Retail sales	Dec.	-0.3%	3.5%	1.7%	3.9%	

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 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 Q3	16,414	2.0	2.1	2.4	1.5	2.2	1.6
Consumption (2009 \$B)	2015 Q3	11,262	3.0	3.1	2.7	1.7	1.5	2.3
Government spending (2009 \$B)	2015 Q3	2,870	1.8	0.7	-0.6	-2.9	-1.9	-3.0
Residential investment (2009 \$B)	2015 Q3	534.4	8.2	9.4	1.8	9.5	13.5	0.5
Non-residential investment (2009 \$B)	2015 Q3	2,225	2.6	2.2	6.2	3.0	9.0	7.7
Business inventory change (2009 \$B) (1)	2015 Q3	85.5	---	---	68.0	61.4	54.7	37.6
Exports (2009 \$B)	2015 Q3	2,121	0.7	1.2	3.4	2.8	3.4	6.9
Imports (2009 \$B)	2015 Q3	2,667	2.3	5.6	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	1.3	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)	Dec.	48.2	48.6	50.2	53.5	55.1
ISM non-manufacturing index (1)	Dec.	55.3	55.9	56.9	56.0	56.5
Cons. confidence Conf. Board (1985 = 100) (1)	Dec.	96.5	92.6	102.6	99.8	93.1
Cons. confidence Michigan (1966 = 100) (1)	Jan.*	93.3	92.6	90.0	93.1	98.1
Personal consumption expenditure (2009 \$B)	Nov.	11,323	0.3	0.5	1.1	2.5
Disposable personal income (2009 \$B)	Nov.	12,417	0.2	0.8	1.8	3.5
Consumer credit (\$B)	Nov.*	3,526	0.4	1.7	3.5	6.8
Retail sales (\$M)	Dec.*	448,086	-0.1	0.3	1.0	2.2
Excluding automobiles (\$M)	Dec.*	353,524	-0.1	0.3	0.3	1.2
Industrial production (2007 = 100)	Dec.*	106.0	-0.4	-1.4	-0.6	-1.8
Production capacity utilization rate (%) (1)	Dec.*	76.5	76.9	77.9	77.5	79.0
New machinery orders (\$M)	Nov.	472,203	-0.2	0.2	0.5	-4.2
New durable good orders (\$M)	Nov.	238,593	-0.0	2.0	5.0	1.1
Business inventories (\$B)	Nov.*	1,810	-0.2	-0.1	0.6	1.6
Housing starts (K) (1)	Nov.	1,173	1,062	1,116	1,072	1,007
Building permits (K) (1)	Nov.	1,282	1,161	1,161	1,250	1,079
New home sales (K) (1)	Nov.	490.0	470.0	507.0	513.0	449.0
Existing home sales (K) (1)	Nov.	4,760	5,320	5,300	5,320	4,950
Construction spending (\$B)	Nov.	1,122	-0.4	0.0	1.3	10.5
Commercial surplus (\$M) (1)	Nov.	-42,374	-44,582	-48,811	-43,445	-40,021
Nonfarm employment (K) (2)	Dec.	143,242	292.0	851.0	1,372	2,650
Unemployment rate (%) (1)	Dec.	5.0	5.0	5.1	5.3	5.6
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)	Nov.	109.8	0.0	0.0	0.3	0.4
Excluding food and energy	Nov.	110.0	0.1	0.3	0.6	1.3
Producer price (2009 = 100)	Dec.*	109.6	-0.2	-0.3	-0.8	-1.1
Excluding food and energy	Dec.*	109.2	0.1	0.1	0.2	0.3
Export prices (2000 = 100)	Dec.*	119.9	-1.1	-2.0	-4.3	-6.5
Import prices (2000 = 100)	Dec.*	119.4	-1.2	-2.1	-5.7	-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.

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)	Oct.	1,643,825	0.0	-0.3	0.3	-0.2
Industrial production (2007 \$M)	Oct.	345,309	-0.1	-1.9	-0.1	-4.0
Manufacturing sales (\$M)	Oct.	50,399	-1.1	-3.1	0.6	-3.2
Housing starts (K) (1)	Dec.*	173.0	212.0	233.3	201.2	178.9
Building permits (\$M)	Nov.	6,235	-19.6	-17.5	-7.5	-6.0
Retail sales (\$M)	Oct.	43,416	0.1	0.2	2.0	1.9
Excluding automobiles (\$M)	Oct.	32,391	-0.0	-0.4	0.7	0.3
Wholesale trade sales (\$M)	Oct.	54,743	-0.6	-1.0	-0.7	1.6
Commercial surplus (\$M) (1)	Nov.	-1,985	-2,488	-2,219.7	-2,718	-84.8
Exports (\$M)	Nov.	43,254	0.4	-2.8	1.8	-1.6
Imports (\$M)	Nov.	45,239	-0.7	-3.2	0.1	2.8
Employment (K) (2)	Dec.	18,010	22.8	10.5	10.4	13.2
Unemployment rate (%) (1)	Dec.	7.1	7.1	7.1	6.8	6.7
Average weekly earnings (\$)	Oct.	958.5	0.5	0.5	0.5	1.9
Number of salaried employees (K) (2)	Oct.	15,784	23.9	13.9	10.4	10.5
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)	Nov.	110.1	-0.2	-1.1	-0.2	-0.2
Raw materials price (2002 = 100)	Nov.	88.8	-4.0	-1.7	-13.6	-16.3
Money supply M1+ (\$M)	Nov.	812,871	0.4	1.6	4.8	8.4

* 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.

Major financial indicators

	Previous data (%)						Last 52 weeks (%)		
	Jan. 15	Jan. 8	-1 month	-3 months	-6 months	-1 year	Higher	Average	Lower
United States									
Federal funds – target	0.50	0.50	0.50	0.25	0.25	0.25	0.50	0.27	0.25
Treasury bill – 3 months	0.23	0.20	0.19	0.01	0.03	0.03	0.29	0.06	-0.02
Treasury bonds – 2 years	0.84	0.99	1.03	0.64	0.67	0.49	1.08	0.69	0.43
– 5 years	1.44	1.56	1.57	1.35	1.67	1.29	1.79	1.52	1.15
– 10 years	2.03	2.13	2.20	2.03	2.35	1.83	2.48	2.14	1.64
– 30 years	2.82	2.92	2.92	2.88	3.08	2.45	3.24	2.86	2.22
S&P 500 index	1,875	1,922	2,006	2,033	2,127	2,019	2,131	2,058	1,868
DJIA index	16,011	16,346	17,129	17,216	18,086	17,512	18,312	17,547	15,666
Gold price (US\$/ounce)	1,089	1,103	1,065	1,182	1,132	1,275	1,302	1,154	1,052
CRB index	160.34	168.58	172.16	199.45	214.54	224.24	231.77	205.76	160.34
WTI oil (US\$/barrel)	29.50	33.20	34.72	47.30	50.88	48.49	61.36	48.01	29.50
Canada									
Overnight – target	0.50	0.50	0.50	0.50	0.50	1.00	1.00	0.63	0.50
Treasury bill – 3 months	0.34	0.44	0.48	0.40	0.40	0.91	0.91	0.51	0.34
Treasury bonds – 2 years	0.29	0.42	0.50	0.54	0.43	0.88	0.86	0.53	0.29
– 5 years	0.56	0.64	0.74	0.84	0.70	1.10	1.13	0.83	0.54
– 10 years	1.15	1.30	1.40	1.47	1.56	1.54	1.91	1.51	1.15
– 30 years	1.99	2.06	2.12	2.27	2.24	2.11	2.48	2.19	1.83
Spread with the U.S. rate (% points)									
Overnight – target	0.00	0.00	0.00	0.25	0.25	0.75	0.75	0.35	0.00
Treasury bill – 3 months	0.11	0.24	0.29	0.39	0.37	0.88	0.88	0.45	0.11
Treasury bonds – 2 years	-0.56	-0.57	-0.53	-0.10	-0.24	0.39	0.37	-0.16	-0.63
– 5 years	-0.89	-0.92	-0.83	-0.51	-0.97	-0.19	-0.21	-0.69	-1.00
– 10 years	-0.87	-0.83	-0.80	-0.56	-0.79	-0.29	-0.30	-0.63	-0.90
– 30 years	-0.83	-0.86	-0.80	-0.61	-0.84	-0.34	-0.33	-0.67	-0.90
S&P/TSX index	12,043	12,445	13,024	13,838	14,643	14,309	15,451	14,253	12,043
Exchange rate (C\$/US\$)	1.4507	1.4170	1.3955	1.2911	1.2971	1.1985	1.4366	1.2861	0.6893
Exchange rate (C\$/€)	1.5883	1.5490	1.5166	1.4649	1.4047	1.3865	1.5609	1.4219	0.7546
Overseas									
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	0.54	0.51	0.55	0.55	0.74	0.40	0.99	0.54	0.08
U.K.: Bonds – 10 years	1.67	1.76	1.83	1.80	2.08	1.54	2.19	1.84	1.36
Euro: Exchange rate (US\$/€)	1.0948	1.0932	1.0868	1.1347	1.0830	1.1570	1.1620	1.1059	1.0495
U.K.: Exchange rate (US\$/£)	1.4281	1.4520	1.4895	1.5436	1.5609	1.5151	1.5884	1.5257	1.4281

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.