

## The Bank of Canada decides to be patient

### HIGHLIGHTS

- United States: Energy and food prices take consumer prices down.
- U.S. home resales rebound sharply.
- The Bank of Canada kept its key interest rates steady.
- Canada: The total annual inflation rate is 1.1% for 2015.
- Canada: Wholesale and retail sales jump.

### A LOOK AHEAD

- United States: Real GDP growth was likely modest in the fourth quarter.
- A status quo is predicted for the Federal Reserve.
- Low gas prices should help U.S. consumer confidence improve despite the stock market problems.
- Canada: Real GDP by industry should rise about 0.2% for November.

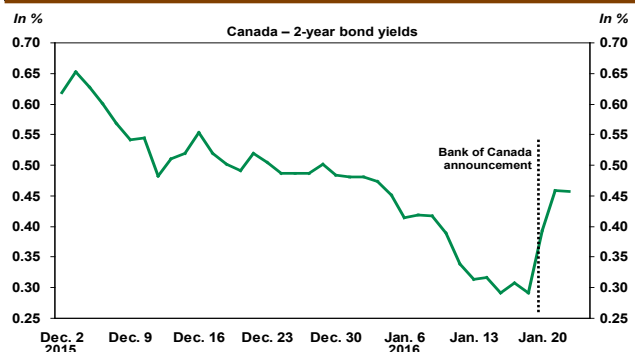
### FINANCIAL MARKETS

- The stock markets end the week with a roar.
- Canadian short-term yields surge on the Bank of Canada decision.
- The Canadian dollar goes back over US\$0.70.

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Graph of the week – The monetary easing the markets were expecting did not materialize; yields rebound



Sources: Datastream and Desjardins, Economic Studies

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## KEY STATISTICS OF THE WEEK

### UNITED STATES

- Against all expectations, housing starts fell in December, going from 1,179,000 units to 1,149,000 units. The contraction follows November's 10.0% jump, and a tumble of 12.0% in October. Building permits fell, too, but not as much as anticipated. They remain relatively high, going from 1,282,000 units to 1,232,000 units.
- Although still in negative territory, the Philadelphia Fed manufacturing index improved in January, rising from -10.2 to -3.5, its highest point since August. Note that, for 50.7% of the businesses surveyed, the overall impact of the tumble by energy prices is positive (15.9% with no effect and 30.4% with an overall negative effect).
- The consumer price index (CPI) ticked up 0.2% in October, was flat in November, then edged down 0.1% in December, its first drop since September. Energy prices contributed to the pullback, with a 3.9% decline by gas prices, among other things. Food prices fell 0.2%, a second consecutive retreat. The core index, which excludes food and energy, rose 0.1% after three consecutive monthly increases of 0.2%. Goods prices are down overall, including a 0.2% pullback in clothing. Due to base effects, total annual CPI growth went from 0.5% to 0.7%. Core inflation rose from 2.0% to 2.1%.
- The leading indicator fell 0.2% in December, on the heels of two straight 0.2% increases. The drop mainly stems from the ISM index and building permits. The leading indicator's annualized 6-month change slid from 2.8% to 1.3%, its lowest point since the fall of 2012.
- After dropping for two months, including a 10.5% tumble in November, existing home sales jumped 14.7% in December, taking resales from 4,760,000 units to 5,460,000 units. The rise comes primarily from single family homes (+16.1%), while condo sales also went up (+4.9%). All regions recorded strong gains.

**Francis Généreux**  
Senior Economist

### CANADA

- While nearly half of forecasters expected a new decrease in key rates, the Bank of Canada (BoC) ultimately opted for the status quo, a decision consistent with our forecast. While uncertainties abound, the *Monetary Policy Report* is fairly reassuring. Under these conditions, it is likely that the BoC will stay the course in the coming months and leave the target for the overnight rate at 0.50%. That said, the possibility of another reduction in key rates in the spring cannot be ruled out.
- The total consumer price index (CPI) slipped 0.5% from November to December 2015. Its change from December 2014 to December 2015 was 1.6%. For 2015 as a whole, the average total annual inflation rate was 1.1%. The BoC core index (CPIX) was down 0.4% in December, its annual change was 1.9%. Seasonal effects played a major role in consumer price indexes tumbling in December. If not for that, total CPI and CPIX would have edged up 0.1%, an advance consistent with the trend in recent months.
- Retail sales increased 1.7% in November, growth that is well ahead of expectations. Motor vehicle sales did increase significantly, but the 1.1% rise in other components attests to a widespread advance. In all likelihood, these good results are inflated by the Black Friday discounts, as the seasonal adjustment process has not yet correctly accounted for the growing importance of sales during this period.
- Wholesale sales rose 1.8% in November, much higher than expectations. Among other things, strong growth was recorded for auto and auto parts wholesalers and distributors. In real terms, wholesale sales are up 1.6% while inventories retreated 0.5%.

**Benoit P. Durocher**  
Senior Economist

# FINANCIAL MARKETS

## Markets reassured by the European Central Bank president's words

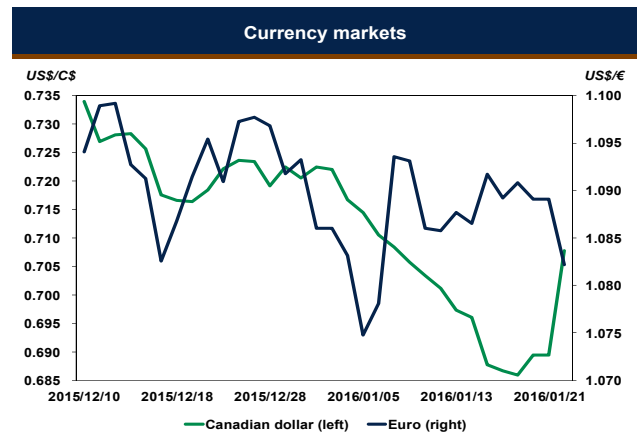
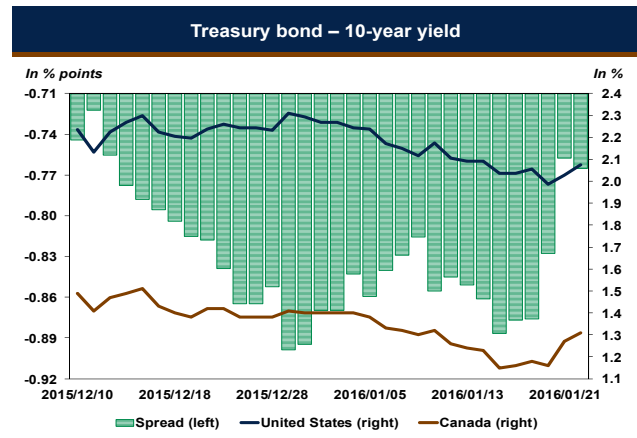
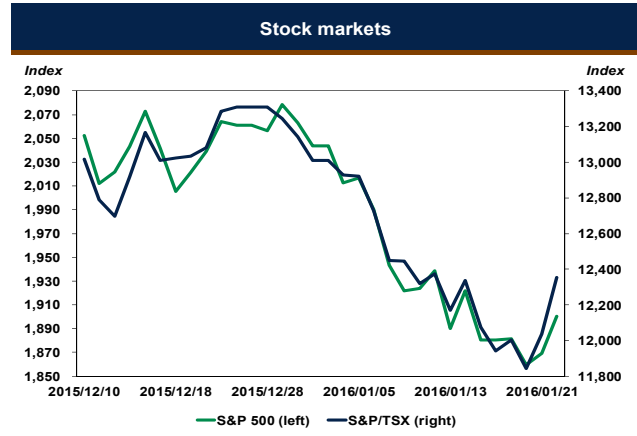
The strained atmosphere in the global stock markets persisted this week, with the behaviour of oil prices still the centre of attention. WTI (West Texas Intermediate) hit a low point of US\$26.19 a barrel on Wednesday, affected by the official lifting of sanctions on Iran, and a report from the International Energy Agency that did not hesitate to assert that the world was drowning in oil. Oil prices managed to rise in the second half of the week, settling above US\$31 on Friday morning. This turnaround, together with Thursday's dovish remarks from European Central Bank (ECB) President Mario Draghi, boosted confidence. Draghi clearly opened the door to action in March to deal with the additional deflationary pressure. The Euro Stoxx 600 index was heading for a weekly gain close to 2.5%. The S&P 500 and S&P/TSX were poised to record respective gains of 1.5% and 2.0%.

Bond yields continued to plummet at the start of the week. In the United States, the 10-year yield dropped under 2.00% for the first time since October, hitting a low of 1.937% on Friday. Renewed risk appetite then reversed the trend, with the yield closing in on 2.10% on Friday morning. Canadian yields moved up sharply in response to the Bank of Canada (BoC) decision to keep key rates unchanged. The 2- and 5-year yields were posting respective weekly increases of 18 and 22 points at the time of writing. Spreads against U.S. yields increased across the entire curve.

There were several reversals in the currency markets this week. The Canadian dollar capitalized on the BoC's status quo, the rebound in oil prices and the release of good numbers at home, to cross back above the US\$0.70 mark. On Wednesday, before the BoC meeting, the loonie had hit a new cyclical low close to US\$0.68 (C\$1.47/US\$). The euro headed down again on Thursday after the ECB president's dovish remarks. The common currency was close to US\$1.08 on Friday morning. The markets' renewed optimism as of Thursday helped put the pound back at US\$1.43, but hurt the yen, which went back to ¥118/US\$.

**Jimmy Jean**  
Senior Economist

**Hendrix Vachon**  
Senior Economist



# A LOOK AHEAD



## UNITED STATES

### Tuesday Jan. 26 - 9:00

<b>November</b>	y/y
Consensus	5.64%
Desjardins	5.67%
<b>October</b>	<b>5.54%</b>

**S&P/Case-Shiller index of existing home prices (November)** – Existing home prices slid last spring and early in the summer, then started to climb last fall, posting a strong 0.8% gain in October. This is the index’s strongest monthly gain since March. Similar growth is expected in November; this would take the S&P/Case-Shiller’s annual change from 5.5% to 5.7%.

### Tuesday Jan. 26 - 10:00

<b>January</b>	
Consensus	96.5
Desjardins	97.5
<b>December</b>	<b>96.5</b>

**Conference Board consumer confidence index (January)** – The Conference Board index fell for two months (October and November), then improved in December. Another uptick is anticipated for January. The gain would primarily stem from dropping gas prices. A year ago, a similar decline (per gallon, the price is even cheaper now) had made confidence surge. Employment’s solid performance should also help. However, the financial situation and, in particular, the stock market tumble, are major downside risk factors. We therefore expect the Conference Board index to rise just one point, going from 96.5 to 97.5. The other confidence indexes, like the University of Michigan index and Bloomberg’s weekly index, are also showing upticks in January.

### Wednesday Jan. 27 - 10:00

<b>December</b>	ann. rate
Consensus	500,000
Desjardins	510,000
<b>November</b>	<b>490,000</b>

**New home sales (December)** – New home sales made solid advances in October (+6.3%) and November (+4.3%). However, these gains do not offset the previous months’ losses; November’s level is still below the last peak recorded in August (507,000 units). We do expect another increase in December, though. The level of building permits for single-family dwellings, fairly strong homebuilder confidence, and the number of mortgage applications in view of a purchase suggest sales will go to around 510,000 units.

### Wednesday Jan. 27 - 14:00

<b>January</b>	
Consensus	0.50%
Desjardins	0.50%
<b>December 16</b>	<b>0.50%</b>

**Federal Reserve meeting (January)** – Federal Reserve (Fed) leaders broke the ice in December with the first key interest rate increase since 2006. Are they prepared to keep going in January? It does not seem so. Firstly, Chair Janet Yellen has consistently stressed that rate increases will be gradual, suggesting the Fed will not opt for regular moves at each meeting. Secondly, the problems in the global and U.S. financial markets since the year began could even make the Fed leaders who are in the biggest hurry hesitate. We therefore expect a status quo. We even expect the statement released at the end of the meeting to be fairly dovish.

### Thursday Jan. 28 - 8:30

<b>December</b>	m/m
Consensus	-0.5%
Desjardins	-1.5%
<b>November</b>	<b>0.0%</b>

**New durable goods orders (December)** – New durable goods orders were flat in November. We expect them to slide in December. Auto production declined at the end of 2015, suggesting a drop by orders. For aviation, Boeing’s orders have increased, but seasonal adjustments will completely wipe out this improvement. New orders excluding transportation are forecast to gain just 0.1%. The manufacturing ISM is still below 50, but the new orders component did improve in December. All in all, new durable goods orders are expected to drop 1.5%.

**Real GDP (Q4 – first estimate)** – Real GDP growth promises to be fairly weak for the last quarter of 2015. We expect negative contributions from the change in business inventories and net exports. These two components had also taken bites from growth in the third quarter, but strong real consumption had offset the weaknesses. This time, consumer spending growth should be more modest. Auto sales stagnated after rising sharply for several months, while the unusually mild weather in November and December seems to have changed household habits; it should affect demand for energy. Non-residential construction should once again reflect the problems in the oil sector, while a small positive contribution is anticipated from residential investment. We expect annualized real GDP growth to come in under the 1.0% mark.


**CANADA**

**Real GDP by industry (November)** – Overall, November's results for the various indicators are fairly good. Among other things, the volume of manufacturing sales went up 1.0%, while wholesale sales advanced 1.6%. This good news is, however, partially offset by the 0.3% drop in hours worked in November. The drop in hours work is having the biggest impact on the service sector. All in all, real GDP by industry is expected to rise about 0.2% for the month.

**Industrial product price index (December)** – Expressed in Canadian dollars, the Bank of Canada's commodity price index is down 5.2% for December. We can therefore expect Statistics Canada's raw materials price index to drop again for the month. The decline will affect industrial product prices, particularly those associated with energy. All in all, the industrial product price index is expected to tick down again in December.


**OVERSEAS**

**Euro zone: Confidence indexes (January)** – Several confidence indexes for January will come out next Thursday. Most of them improved last fall. However, the drop by the flash version of the consumer confidence index, as well as by the PMI indexes, point to some weakness at the start of the year. The German IFO index of corporate confidence will come out on Monday.

**United Kingdom: Real GDP (Q4)** – Britain's economy decelerated a little last summer, with real GDP growth going from 0.5% to 0.4%. The modest slowdown is mainly due to the erosion by net exports. However, real GDP growth is expected to accelerate for the fourth quarter. Some indexes are pointing to non-annualized growth closer to 0.6%.

**France: Real GDP (Q4)** – France's economy was stagnant last spring, then expanded 0.3% over the summer. No major acceleration is expected at the end of 2015, especially as some French economic indicators have been rather disappointing in the last few months. The consensus forecast is for it to slow slightly to 0.2%.

**Friday Jan. 29 - 8:30**

<b>Q4 2015 - 1<sup>st</sup> est.</b>	ann. rate
Consensus	0.9%
Desjardins	0.8%
<b>Q3 2015 - 3<sup>rd</sup> est.</b>	<b>2.0%</b>

**Friday Jan. 29 - 8:30**

<b>November</b>	m/m
Consensus	0.3%
Desjardins	0.2%
<b>October</b>	<b>0.0%</b>

**Friday Jan. 29 - 8:30**

<b>December</b>	m/m
Consensus	-0.3%
Desjardins	-0.2%
<b>November</b>	<b>-0.2%</b>

**Thursday Jan. 28 - 5:00****Thursday Jan. 28 - 8:30**


<b>Q4 2015</b>	q/q
Consensus	0.5%
<b>Q3 2015</b>	<b>0.4%</b>

**Friday Jan. 29 - 8:30**

<b>Q4 2015</b>	q/q
Consensus	0.2%
<b>Q3 2015</b>	<b>0.3%</b>

# ECONOMIC INDICATORS


## Week of January 25 to 29, 2016

Day	Hour	Indicator	Period	Consensus		Previous data
<b>UNITED STATES</b>						
<b>MONDAY 25</b>						
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<b>TUESDAY 26</b>						
	9:00	S&P/Case-Shiller home price index (y/y)	Nov.	5.64%	5.67%	5.54%
	10:00	Consumer confidence	Jan.	96.5	97.5	96.5
<b>WEDNESDAY 27</b>						
	10:00	New home sales (ann. rate)	Dec.	500,000	510,000	490,000
	14:00	Federal Reserve meeting	Jan.	0.50%	0.50%	0.50%
<b>THURSDAY 28</b>						
	8:30	Initial unemployment claims	Jan. 18-22	281,000	285,000	293,000
	8:30	Durable goods orders (m/m)	Dec.	-0.5%	-1.5%	0.0%
	10:00	Pending home sales (m/m)	Dec.	1.0%	n/a	-0.9%
<b>FRIDAY 29</b>						
	8:30	Employment cost index (q/q)	Q4	0.6%	0.6%	0.6%
	8:30	Real GDP (ann. rate)	Q4f	0.9%	0.8%	2.0%
	9:45	Chicago PMI index	Jan.	45.5	46.0	42.9
	10:00	Michigan's consumer sentiment index – final	Jan.	93.0	93.3	93.3
	15:30	Speech of the San Francisco Fed President, J. Williams				




## CANADA

<b>MONDAY 25</b>						
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<b>TUESDAY 26</b>						
	---	---				
<b>WEDNESDAY 27</b>						
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<b>THURSDAY 28</b>						
	8:30	Average weekly earnings (y/y)	Nov.	n/a	2.5%	1.9%
	8:30	Number of salaried employees (m/m)	Nov.	n/a	-0.1%	0.2%
<b>FRIDAY 29</b>						
	8:30	Real GDP by industry (m/m)	Nov.	0.3%	0.2%	0.0%
	8:30	Industrial product price index (m/m)	Dec.	-0.3%	-0.2%	-0.2%
	8:30	Raw materials price index (m/m)	Dec.	-3.5%	-3.0%	-4.0%

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

# ECONOMIC INDICATORS

## Week of January 25 to 29, 2016

Country	Hour	Indicator	Period	Consensus		Previous data		
				m/m (q/q)	y/y	m/m (q/q)	y/y	
 <b>OVERSEAS</b>								
<b>SUNDAY 24</b>								
Japan	18:50	Merchandise trade balance (¥B)	Dec.	84.2		-3.3		
<b>MONDAY 25</b>								
Japan	0:00	Leading indicator – final	Nov.	n/a		103.9		
Japan	0:00	Coincident indicator – final	Nov.	n/a		111.6		
Germany	4:00	IFO survey – Business climate	Jan.	108.4		108.7		
Germany	4:00	IFO survey – Current situation	Jan.	112.6		112.8		
Germany	4:00	IFO survey – Expectations	Jan.	104.1		104.7		
Italy	5:00	Retail sales	Nov.	0.5%	n/a	-0.3%	1.8%	
<b>TUESDAY 26</b>								
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<b>WEDNESDAY 27</b>								
Japan	0:00	Small business confidence	Jan.	48.5		48.3		
Germany	2:00	Consumer confidence	Feb.	9.3		9.4		
United Kingdom	2:00	Nationwide house prices	Jan.	0.6%	4.7%	0.8%	4.5%	
France	2:45	Consumer confidence	Jan.	96		96		
Italy	4:00	Consumer confidence	Jan.	117.0		117.6		
New Zealand	15:00	Reserve Bank of New Zealand meeting	Jan.	2.50%		2.50%		
Japan	18:50	Retail sales	Dec.	1.0%	0.2%	-2.5%	-1.0%	
<b>THURSDAY 28</b>								
Japan	---	Bank of Japan meeting						
United Kingdom	4:30	Index of services	Nov.	0.2%		0.1%		
United Kingdom	4:30	Real GDP – preliminary	Q4	0.5%	1.9%	0.4%	2.1%	
Euro zone	5:00	Business climate	Jan.	0.40		0.41		
Euro zone	5:00	Consumer confidence – final	Jan.	-6.3		-6.3		
Euro zone	5:00	Industrial confidence	Jan.	-2.5		-2.0		
Euro zone	5:00	Services confidence	Jan.	12.9		13.1		
Euro zone	5:00	Economic confidence	Jan.	106.4		106.8		
Brazil	5:30	Minutes of the Bank of Brazil meeting						
Germany	8:00	Consumer price index – preliminary	Jan.	-0.8%	0.4%	-0.1%	0.3%	
Japan	18:30	Workers' household spending	Dec.		-2.5%		-2.9%	
Japan	18:30	Consumer price index	Dec.		0.2%		0.3%	
Japan	18:30	Consumer price index – Tokyo	Dec.		0.0%		0.0%	
Japan	18:30	Unemployment rate	Dec.	3.2%		3.3%		
Japan	18:50	Industrial production – preliminary	Dec.	-0.3%	-0.6%	-0.9%	1.7%	
United Kingdom	19:05	Consumer confidence	Jan.	1		2		
<b>FRIDAY 29</b>								
Japan	0:00	Housing starts	Dec.		0.5%		1.7%	
France	1:30	Real GDP – preliminary	Q4	0.2%	1.2%	0.3%	1.1%	
Germany	2:00	Retail sales	Dec.	0.4%	1.9%	0.2%	2.3%	
France	2:45	Personal consumption expenditures	Dec.	0.4%	1.0%	-1.1%	1.0%	
France	2:45	Consumer price index	Jan.	-0.9%	0.3%	0.2%	0.2%	
Euro zone	4:00	Money supply M3	Dec.		5.2%		5.1%	
Euro zone	5:00	Consumer price index – estimate	Jan.		0.4%		0.2%	

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	16,414	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)	Dec.*	123.7	-0.2	0.8	0.7	2.7
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)	Dec.*	1,149	1,179	1,207	1,211	1,080
Building permits (K) (1)	Dec.*	1,232	1,282	1,105	1,337	1,077
New home sales (K) (1)	Nov.	490.0	470.0	507.0	513.0	449.0
Existing home sales (K) (1)	Dec.*	5,460	4,760	5,550	5,480	5,070
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)	Dec.*	237.8	-0.1	0.1	0.0	0.7
Excluding food and energy	Dec.*	244.4	0.1	0.5	0.9	2.1
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)	Nov.*	50,757	1.0	-1.7	0.8	-0.5
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)	Nov.*	44,272	1.7	1.5	3.1	3.2
Excluding automobiles (\$M)	Nov.*	32,820	1.1	0.8	1.3	0.8
Wholesale trade sales (\$M)	Nov.*	55,903	1.8	1.2	2.2	4.2
Commercial surplus (\$M) (1)	Nov.	-1,985	-2,488	-2,220	-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)	Dec.*	126.5	-0.5	-0.5	-0.6	1.6
Excluding food and energy	Dec.*	121.3	-0.5	-0.5	0.0	1.7
Excluding 8 volatile items	Dec.*	126.1	-0.4	-0.4	0.1	1.9
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. 22	Jan. 15	-1 month	-3 months	-6 months	-1 year	Higher	Average	Lower
<b>United States</b>									
Federal funds – target	0.50	0.50	0.50	0.25	0.25	0.25	0.50	0.28	0.25
Treasury bill – 3 months	0.28	0.23	0.20	0.01	0.04	0.02	0.29	0.06	-0.02
Treasury bonds – 2 years	0.88	0.88	1.04	0.67	0.68	0.49	1.08	0.70	0.43
– 5 years	1.49	1.46	1.62	1.42	1.62	1.31	1.79	1.52	1.15
– 10 years	2.07	2.04	2.24	2.09	2.26	1.79	2.48	2.15	1.64
– 30 years	2.84	2.82	2.96	2.90	2.96	2.37	3.24	2.87	2.22
S&P 500 index	1,900	1,880	2,061	2,075	2,080	2,052	2,131	2,055	1,859
DJIA index	16,051	15,988	17,552	17,647	17,569	17,673	18,312	17,515	15,666
Gold price (US\$/ounce)	1,100	1,090	1,075	1,163	1,084	1,292	1,293	1,150	1,052
CRB index	163.07	159.94	176.09	193.72	205.04	216.61	231.77	204.60	156.32
WTI oil (US\$/barrel)	31.49	29.45	37.62	43.91	47.98	45.26	61.36	47.67	26.68
<b>Canada</b>									
Overnight – target	0.50	0.50	0.50	0.50	0.50	0.75	0.75	0.62	0.50
Treasury bill – 3 months	0.43	0.34	0.46	0.40	0.43	0.60	0.68	0.50	0.32
Treasury bonds – 2 years	0.46	0.29	0.49	0.53	0.43	0.54	0.71	0.52	0.29
– 5 years	0.76	0.56	0.72	0.85	0.79	0.78	1.13	0.83	0.54
– 10 years	1.31	1.15	1.38	1.51	1.49	1.33	1.91	1.51	1.15
– 30 years	2.09	1.98	2.14	2.30	2.15	2.02	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	0.50	0.50	0.34	0.00
Treasury bill – 3 months	0.15	0.11	0.26	0.39	0.39	0.58	0.67	0.44	0.06
Treasury bonds – 2 years	-0.41	-0.59	-0.55	-0.14	-0.25	0.05	0.13	-0.17	-0.64
– 5 years	-0.74	-0.90	-0.90	-0.57	-0.83	-0.53	-0.39	-0.70	-1.00
– 10 years	-0.77	-0.89	-0.86	-0.58	-0.77	-0.46	-0.36	-0.64	-0.90
– 30 years	-0.76	-0.84	-0.82	-0.60	-0.81	-0.35	-0.36	-0.68	-0.90
S&P/TSX index	12,352	12,073	13,310	13,954	14,186	14,779	15,451	14,205	11,843
Exchange rate (C\$/US\$)	1.4128	1.4540	1.3823	1.3165	1.3049	1.2420	1.4579	1.2906	0.7078
Exchange rate (C\$/€)	1.5291	1.5873	1.5173	1.4504	1.4332	1.3920	1.5903	1.4255	0.7660
<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	0.49	0.47	0.63	0.51	0.66	0.33	0.99	0.54	0.08
U.K.: Bonds – 10 years	1.73	1.67	1.92	1.86	1.95	1.48	2.19	1.85	1.36
Euro: Exchange rate (US\$/€)	1.0822	1.0917	1.0977	1.1018	1.0984	1.1208	1.1620	1.1047	1.0495
U.K.: Exchange rate (US\$/£)	1.4335	1.4258	1.4933	1.5314	1.5514	1.4990	1.5884	1.5186	0.0000

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.