

Canada's economic growth exceeded expectations in the fall

HIGHLIGHTS

- United States: Hires rebound in February.
- United States: The manufacturing ISM edges up, but stays below 50.
- Canada: Real GDP advanced 0.8% in Q4 2015 on December's 0.2% gain, among others.
- Canada: Labour productivity ticks up.
- Canada: Merchandise exports rise again.

A LOOK AHEAD

- The Bank of Canada should once again opt for a key rate status quo.
- Canada: Modest job creation forecast for February.
- Canada: Housing starts should head up toward the trend of the last few months.

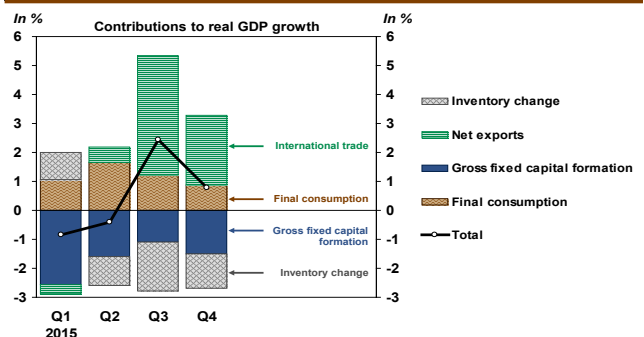
FINANCIAL MARKETS

- The S&P 500 exceeds the 2,000-point mark.
- The good data prompts a rise in bond yields.
- The Canadian dollar tops US\$0.75.

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Graph of the week – International trade made another contribution to Canada's economic growth in the fourth quarter



Sources: Statistics Canada and Desjardins, Economic Studies

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KEY STATISTICS OF THE WEEK

UNITED STATES

- The establishment survey indicates that there were 242,000 net hires in February, following gains of 172,000 jobs in January (revised from 151,000) and 271,000 in December (revised from 262,000). Construction created 19,000 jobs. The number of workers in manufacturing decreased by 29,000 following a 23,000 gain in December. The natural resources sector had 18,000 net layoffs. Private sector services had its strongest showing since October 2015 with 245,000 jobs added.
- The jobless rate is steady at 4.9%. The household survey posted a gain of 530,000 jobs in February, while 555,000 people joined the labour force. The participation rate climbed to 62.9%, its highest level since July 2014.
- The U.S. trade balance eroded in January, going from -US\$44.7B to -US\$46.7B. Nominal exports tumbled 2.1%, while imports only retreated 1.3%.
- The ISM manufacturing index rose 1.3 points in February. With January's 0.2-point increase, it is the first time since the fall of 2014 that the manufacturing ISM has gone up for two straight months. The index went from 48.2 in January to 49.5 in February, its highest point since September 2015. Some components even posted remarkable jumps, including current production (+2.6 points) and the backlog of orders (+5.5 points).
- In February, the non-manufacturing ISM posted its fourth straight decline. The pullback is slight, however, with the index retreating from 53.5 to 53.4. Some components made strong gains, such as current activity, which went from 53.9 to 57.8. Movement by new orders (-1.0 points to 55.5) and employment (-2.4 points to 49.7) was disappointing. This is the first time since February 2014 that the non-manufacturing index's employment component is below the 50 mark.
- Motor vehicle sales edged down 0.1% in February on the heels of January's 1.4% gain. On an annualized basis, they went from 17,451,000 to 17,426,000 units.
- Construction spending rose 1.5% in January, the strongest monthly increase since May 2015. Public spending on non-residential construction jumped 4.6%, which includes a 14.7% rise for roads.

Francis Généreux
Senior Economist

CANADA

- Real GDP advanced a quarterly annualized 0.8% in the fourth quarter of 2015. Domestic demand struggled again, dropping 0.6%. Upticks in household consumption, government expenditures and residential investment were not enough to offset the major decline in non-residential investment. Exports of goods and services fell 2.2%, while imports plunged 8.9%. The improvement to the trade balance therefore yielded a 2.4% contribution to real GDP. Inventory growth slowed, resulting in a -1.2% contribution to real GDP.
- In keeping with the trend of the last few years, growth by Canadian labour productivity was very weak in Q4 2015 (+0.1%). Average hours worked did fall during the period, but the retreat was offset by a rise in the number of jobs. This means that, like production, the total number of hours worked did not really fluctuate last fall. Although the productivity gains are slight, Canadian business competitiveness has improved substantially in recent quarters. The loonie's sharp drop has reduced Canadian businesses' unit labour costs expressed in U.S. dollars.
- Merchandise exports rose for a third straight month in January. In real terms, exports are up 2.5%, while imports only advanced 0.3%. The trade balance thus improved by \$947M in 2007 dollar during the month. The first quarter of 2016 is therefore off to a good start, and everything suggests that international trade will make another positive contribution to economic growth.
- The industrial product price index increased 0.5% in January. The drop posted by oil and energy products was more than offset by significant increases in most other components. The raw materials price index fell 0.4% for the month.

Benoit P. Durocher
Senior Economist

FINANCIAL MARKETS

Oil hangs onto its gains

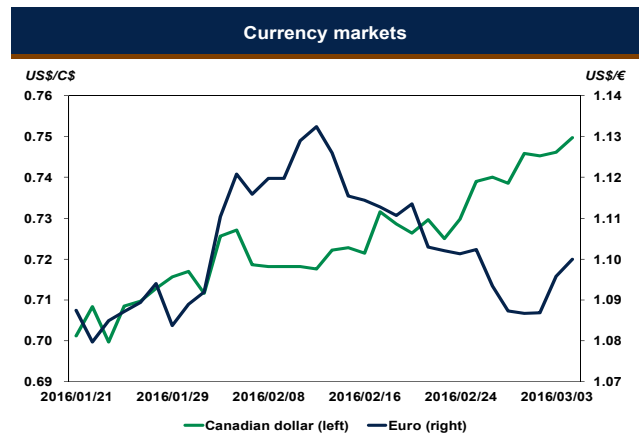
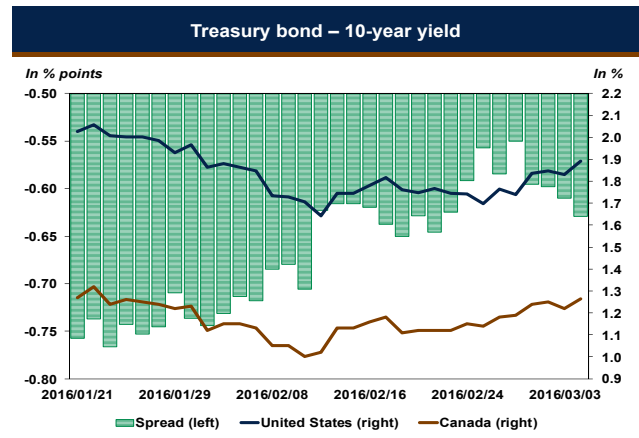
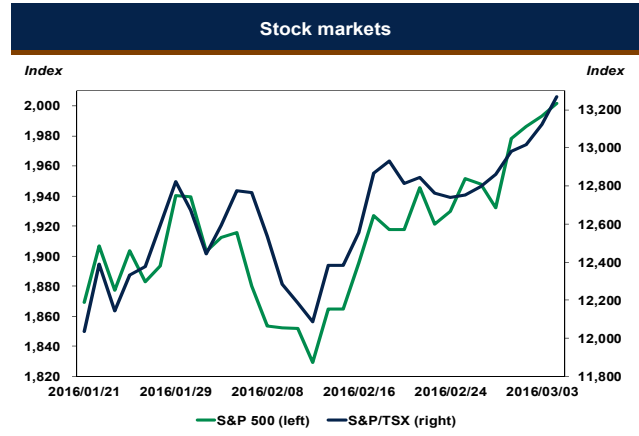
Another week of advances for global stock markets. In Europe, the Euro Stoxx 600 was up by nearly 4% for the week on Friday morning. The S&P 500 exceeded 2,000, heading for an increase of more than 2.5%, while the S&P/TSX was moving toward a more than 3.5% gain. Several major economic numbers posted upside surprises in the United States, including both ISM indexes, construction spending and job creation. Oil, for its part, held onto a slight advance. It went above US\$35 on Friday. Encouraging economic statistics and the better performance in oil prices helped revive optimism in the markets.

The improvement in investor confidence paved the way for a significant rise in bond yields. Among others, U.S. yields got a boost on Tuesday on the positive surprise from the ISM manufacturing index. The 10-year yield subsequently held around 1.85%, but then approached 1.90% on Friday’s jobs data. Canadian yields did not go up as much as U.S. yields, and yield spreads narrowed. With oil firming up and the better than anticipated results for Canada’s GDP growth and trade balance, investors are now pricing in less than a 50% chance of a Bank of Canada rate cut this year.

The U.S. dollar lost some ground against most of the major currencies. The employment figures did not manage to reverse the trend on Friday. Following a tough February, the pound rose to nearly US\$1.42. Speculation on the outcome of the United Kingdom’s June referendum continues to generate a lot of volatility. The euro also appreciated, returning to around US\$1.10. Markets are being cautious about the monetary easing measures the European Central Bank (ECB) should announce next week. In December, the ECB had disappointed expectations when it did not increase its purchases of securities, and the euro rose. The Canadian dollar topped US\$0.75, boosted by some reassuring numbers and the rise in oil prices.

Jimmy Jean
Senior Economist

Hendrix Vachon
Senior Economist



A LOOK AHEAD

Monday March 7 - 15:00

January	US\$B
Consensus	16.500
Desjardins	15.500
December	21.267

Tuesday March 8 - 8:15

February	ann. rate
Consensus	n/a
Desjardins	190,000
January	165,900

Wednesday March 9 - 10:00

March	
Consensus	0.50%
Desjardins	0.50%
January 20	0.50%

Thursday March 10 - 8:30

Q4 2015	
Consensus	n/a
Desjardins	81.5%
Q3 2015	82.0%

Friday March 11 - 8:30

February	
Consensus	n/a
Desjardins	5,000
January	-5,700

During the week

February	US\$B
Consensus	50.75
January	63.29



UNITED STATES

Consumer credit (January) – Growth by consumer credit was lively in December, gaining a monthly US\$21.3B, after two months of slower advances in October and November. It occurred on a US\$5.8B contribution from renewable loans (credit cards and credit lines) and, in particular, a US\$15.4B jump in term loans. Based on the weekly data on bank credit, credit should slow in the first month of 2016. However, retail sales and real consumption are doing well, which should keep consumer credit from dropping too much. Growth should be US\$15.5B.



CANADA

Housing starts (February) – Against all expectations, housing starts remained very weak in January, with starts on multi-unit housing quite low, among others. However, it would be surprising for starts on multi-unit housing not to come back up in February, getting closer to the trend of recent months. This should allow total housing starts to close in on the 190,000-unit mark.

Bank of Canada meeting (March) – Although the Canadian economy currently faces a number of difficulties, including a big drop in non-residential investment due to lower energy prices, the fact remains that the results for real production are a little better than the Bank of Canada (BoC) had anticipated. For example, the fourth quarter ended with a gain of 0.8% (quarterly annualized), whereas the monetary authorities had expected no growth at all. Also, everything suggests that the real GDP growth in the first quarter of 2016 will be stronger than the BoC's estimate of 1.0%. Under these conditions, there is little chance of another key interest cut; instead, monetary authorities will opt for an ongoing status quo.

Industrial capacity utilization rate (Q4) – Industrial production fell 4.1% (quarterly annualized) in the fourth quarter of 2015. Under the circumstances, we can expect the industrial capacity utilization rate to retreat somewhat during this period. However, the decline should be tempered by the impact of the drop in non-residential investment.

Labour force survey (February) – The job market trend has softened in the last few months due to the many issues afflicting real production. We can thus expect job growth to remain very weak in February, with job creation forecast to be 5,000. This should keep the unemployment rate at 7.2%.



OVERSEAS

China: Trade balance (February) – In January, China's trade balance posted its biggest surplus since data has been published, at US\$63.29B. The improvement to the balance, however, came as a result of a bigger decline in imports than exports. Year over year, exports retreated 11.4%, while nominal imports tumbled 18.6%. Chinese data for the start of the year often shows sharp movements, however, so caution is required. The situation could be very different with the results for February or March.




Euro zone: European Central Bank meeting (March) – The European Central Bank (ECB) stayed with the status quo in January, but clearly opened the door to further easing at its March meeting. The inflation forecasts could be downgraded again, which would provide a hefty argument for action. Although the markets seem to be widely expecting another cut to the deposit rate (now -0.30%), the fears raised recently about the European banking system could encourage the ECB to choose other options, such as increasing its asset purchases or changing the makeup of purchases. As occurred in Japan, the ECB could also start applying different deposit rates. This could be read as a way to reduce pressure on the financial institutions. However, it would be astonishing for it to take its rate on refinancing operations below zero; it should stay at 0.05%. Several economic indicators will be published this week in the euro zone. The preliminary estimate of Q4's euroland national accounts will be out on Tuesday. The advance estimate put non-annualized quarterly real GDP growth at 0.3%. The details on the GDP components will also be released. January's industrial production figures for Germany (Tuesday), France (Thursday) and Italy (Friday) will also be published next week. These figures all declined in December.


Thursday March 10 - 7:45**March**

Consensus	0.05%
Desjardins	0.05%
January 21	0.05%

ECONOMIC INDICATORS


Week of March 7 to 11, 2016

Day	Hour	Indicator	Period	Consensus		Previous data
UNITED STATES						
MONDAY 7						
	13:00	Speech of the Federal Reserve Vice Chairman, S. Fischer				
	13:00	Speech of a Federal Reserve Governor, L. Brainard				
	15:00	Consumer credit (US\$B)	Jan.	16.500	15.500	21.267
TUESDAY 8						
	---	---				
WEDNESDAY 9						
	10:00	Wholesale inventories (m/m)	Jan.	-0.2%	-0.4%	-0.1%
THURSDAY 10						
	8:30	Initial unemployment claims	Feb. 29–March 4	275,000	274,000	278,000
	14:00	Federal budget (US\$B)	Feb.	-200.0	n/a	-192.4
FRIDAY 11						
	8:30	Export prices (m/m)	Feb.	n/a	-0.2%	-0.8%
	8:30	Import prices (m/m)	Feb.	-0.8%	-0.3%	-1.1%
CANADA						
MONDAY 7						
	---	---				
TUESDAY 8						
	8:15	Mises en chantier (taux ann.)	Feb.	n/a	190,000	165,900
	8:30	Building permits (m/m)	Jan.	n/a	-2.0%	11.3%
WEDNESDAY 9						
	10:00	Bank of Canada meeting	March	0.50%	0.50%	0.50%
THURSDAY 10						
	8:30	New housing price index (m/m)	Jan.	n/a	0.1%	0.1%
	8:30	Industrial capacity utilization rate	Q4	n/a	81.5%	82.0%
	16:15	Speech of the Bank of Canada Governor, S. Poloz				
FRIDAY 11						
	8:30	Net change in employment	Feb.	n/a	5,000	-5,700
	8:30	Unemployment rate	Feb.	n/a	7.2%	7.2%

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 March 7 to 11, 2016

Country	Hour	Indicator	Period	Consensus		Previous data		
				m/m (q/q)	y/y	m/m (q/q)	y/y	
 OVERSEAS								
DURING THE WEEK								
China	---	Trade balance (US\$B)	Feb.	50.75		63.29		
South Korea	---	Bank of Korea meeting	March	1.25%		1.50%		
MONDAY 7								
Japan	0:00	Leading indicator – preliminary	Jan.	101.6		102.1		
Japan	0:00	Coincident indicator – preliminary	Jan.	113.8		110.9		
Germany	2:00	Factory orders	Jan.	-0.3%	0.0%	-0.7%	-2.7%	
Italy	4:00	Producer price index	Jan.	n/a	n/a	-0.7%	-4.0%	
Japan	18:50	Current account (¥B)	Jan.	1,654.8		1,635.4		
Japan	18:50	Real GDP – final	Q4	-0.4%		-0.4%		
TUESDAY 8								
Japan	0:00	Consumer confidence	Feb.	42.2		42.5		
Germany	2:00	Industrial production	Jan.	0.5%	-1.6%	-1.2%	-2.2%	
France	2:45	Trade balance (€M)	Jan.	-4,100		-3,943		
France	2:45	Current account (€B)	Jan.	n/a		-0.7		
Euro zone	5:00	Real GDP – preliminary	Q4	0.3%	1.5%	0.3%	1.5%	
WEDNESDAY 9								
United Kingdom	4:30	Industrial production	Jan.	0.3%	0.0%	-1.1%	-0.4%	
New Zealand	15:00	Reserve Bank of New Zealand meeting	March	2.50%		2.50%		
Japan	18:50	Producer price index	Feb.	-0.3%	-3.4%	-0.9%	-3.1%	
China	20:30	Consumer price index	Feb.		1.8%		1.8%	
China	20:30	Producer price index	Feb.		-4.9%		-5.3%	
THURSDAY 10								
France	1:30	Non-farm payrolls – final	Q4	0.2%		0.2%		
Germany	2:00	Trade balance (€B)	Jan.	17.0		18.8		
Germany	2:00	Current account (€B)	Jan.	17.0		25.6		
France	2:45	Industrial production	Jan.	0.8%	0.1%	-1.6%	-0.7%	
Brazil	6:30	Minutes of the Bank of Brazil meeting						
Euro zone	7:45	European Central Bank meeting	March	0.05%		0.05%		
FRIDAY 11								
Germany	2:00	Consumer price index – final	Feb.	0.4%	0.0%	0.4%	0.0%	
Italy	4:00	Industrial production	Jan.	0.8%	n/a	-0.7%	-1.0%	
United Kingdom	4:30	Trade balance (£M)	Jan.	-3,000		-2,709		
United Kingdom	4:30	Construction	Jan.	0.2%	-1.7%	1.5%	0.5%	
SATURDAY 12								
China	00:30	Industrial production	Feb.		5.6%		6.1%	
China	00:30	Retail sales	Feb.		10.9%		10.7%	

NOTE: In contrast to the situation in Canada and the United States, disclosure of overseas economic figures is much more approximate. The day of publication is therefore shown for information purposes only. The abbreviations m/m, q/q and y/y correspond to monthly, quarterly and yearly variation respectively. (SA): Seasonally adjusted, (NSA): Non seasonally adjusted. The times shown are Eastern Standard Time (GMT - 5 hours).

United States: Quarterly economic indicators

	Ref. quart.	Level	Variation (%)		Annual variation (%)			
			Quart. ann.	1 year	2015	2014	2013	2012
Gross domestic product (2009 \$B)	2015 Q4	16,455	1.0	1.9	2.4	2.4	1.5	2.2
Consumption (2009 \$B)	2015 Q4	11,319	2.0	2.6	3.1	2.7	1.7	1.5
Government spending (2009 \$B)	2015 Q4	2,869	-0.1	1.1	0.7	-0.6	-2.9	-1.9
Residential investment (2009 \$B)	2015 Q4	544.7	7.9	8.9	8.7	1.8	9.5	13.5
Non-residential investment (2009 \$B)	2015 Q4	2,214	-1.9	1.6	2.9	6.2	3.0	9.0
Business inventory change (2009 \$B) (1)	2015 Q4	81.7	---	---	98.4	68.0	61.4	54.7
Exports (2009 \$B)	2015 Q4	2,107	-2.7	-0.8	1.1	3.4	2.8	3.4
Imports (2009 \$B)	2015 Q4	2,663	-0.6	2.9	4.9	3.8	1.0	2.2
Final domestic demand (2009 \$B)	2015 Q4	16,926	1.4	2.4	2.8	2.5	1.2	1.9
GDP deflator (2009 = 100)	2015 Q4	110.3	0.9	1.1	1.0	1.6	1.6	1.8
Labor productivity (2009 = 100)	2015 Q4	106.0	-2.2	0.5	0.7	0.8	0.0	0.9
Unit labor cost (2009 = 100)	2015 Q4	108.8	3.3	2.1	2.1	2.0	1.1	1.7
Employment cost index (Dec. 2005 = 100)	2015 Q4	125.2	2.3	2.0	2.1	2.0	2.0	1.8
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)	Jan.	123.2	-0.2	0.0	0.3	2.2
ISM manufacturing index (1)	Feb.*	49.5	48.2	48.4	51.0	53.3
ISM non-manufacturing index (1)	Feb.*	53.4	53.5	56.6	58.3	57.1
Cons. confidence Conf. Board (1985 = 100) (1)	Feb.	92.2	97.8	92.6	101.3	98.8
Cons. confidence Michigan (1966 = 100) (1)	Feb.	91.7	92.0	91.3	91.9	95.4
Personal consumption expenditure (2009 \$B)	Jan.	11,387	0.4	0.8	1.4	2.9
Disposable personal income (2009 \$B)	Jan.	12,444	0.4	0.8	1.5	2.8
Consumer credit (\$B)	Dec.	3,547	0.6	1.4	3.3	6.9
Retail sales (\$M)	Jan.	449,904	0.2	0.7	0.6	3.4
Excluding automobiles (\$M)	Jan.	354,159	0.1	0.4	-0.1	2.5
Industrial production (2007 = 100)	Jan.	106.8	0.9	-0.5	-0.6	-0.7
Production capacity utilization rate (%) (1)	Jan.	77.1	76.4	77.7	78.0	78.7
New machinery orders (\$M)	Jan.*	463,938	1.6	-2.0	-3.6	-1.9
New durable good orders (\$M)	Jan.	237,135	4.7	-0.6	-1.6	1.6
Business inventories (\$B)	Dec.	1,813	0.1	-0.1	0.2	1.7
Housing starts (K) (1)	Jan.	1,099	1,143	1,071	1,152	1,080
Building permits (K) (1)	Jan.	1,204	1,204	1,161	1,130	1,059
New home sales (K) (1)	Jan.	494.0	544.0	480.0	500.0	521.0
Existing home sales (K) (1)	Jan.	5,470	5,450	5,290	5,480	4,930
Construction spending (\$B)	Jan.*	1,141	1.5	1.6	2.3	10.4
Commercial surplus (\$M) (1)	Jan.*	-45,677	-44,698	-45,476	-43,710	-43,601
Nonfarm employment (K) (2)	Feb.*	143,560	242.0	685.0	1,409	2,672
Unemployment rate (%) (1)	Feb.*	4.9	4.9	5.0	5.1	5.5
Consumer price (1982-1984 = 100)	Jan.	238.1	0.0	0.1	0.2	1.3
Excluding food and energy	Jan.	245.2	0.3	0.6	1.1	2.2
Personal cons. expenditure deflator (2009 = 100)	Jan.	110.0	0.1	0.2	0.2	1.3
Excluding food and energy	Jan.	110.4	0.3	0.5	0.8	1.7
Producer price (2009 = 100)	Jan.	109.8	0.1	0.3	-0.6	-0.3
Excluding food and energy	Jan.	109.7	0.4	0.8	0.4	0.7
Export prices (2000 = 100)	Jan.	118.9	-0.8	-2.5	-4.7	-5.7
Import prices (2000 = 100)	Jan.	118.2	-1.1	-2.7	-5.7	-6.2

* 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	2015	2014	2013	2012
Gross domestic product (2007 \$M)	2015 Q4*	1,775,743	0.8	0.5	1.2	2.5	2.2	1.7
Household consumption (2007 \$M)	2015 Q4*	1,004,848	1.0	1.4	1.9	2.6	2.4	1.9
Government consumption (2007 \$M)	2015 Q4*	345,955	1.5	1.9	1.4	0.3	0.3	0.7
Residential investment (2007 \$M)	2015 Q4*	122,075	1.8	2.9	3.9	2.5	-0.4	5.6
Non-residential investment (2007 \$M)	2015 Q4*	168,104	-12.4	-13.8	-8.8	0.0	2.5	8.6
Business inventory change (2007 \$M) (1)	2015 Q4*	-4,017	---	---	4,550	9,869	15,476	6,159
Exports (2007 \$M)	2015 Q4*	575,472	-2.2	1.9	3.0	5.3	2.8	2.6
Imports (2007 \$M)	2015 Q4*	560,609	-8.9	-3.2	0.1	1.8	1.5	3.6
Final domestic demand (2007 \$M)	2015 Q4*	1,755,910	-0.6	-0.5	0.5	1.6	1.3	2.4
GDP deflator (2007 = 100)	2015 Q4*	112.4	-0.4	-0.4	-0.5	1.7	1.6	1.3
Labour productivity (2007 = 100)	2015 Q4*	106.4	0.4	-1.1	-0.2	2.5	1.3	-0.4
Unit labour cost (2007 = 100)	2015 Q4*	115.8	3.2	2.1	1.6	1.1	1.7	3.2
Current account balance (\$M) (1)	2015 Q4*	-15,379	---	---	-65,714	-44,894	-59,665	-65,680
Production capacity utilization rate (%) (1)	2015 Q3	82.0	---	---	82.7	81.2	81.5	80.6
Disposable personal income (\$M)	2015 Q4*	1,131,400	2.2	3.4	3.9	3.0	4.8	4.1
Corporate net operating surplus (2007 \$M)	2015 Q4*	221,036	-19.4	-18.6	-15.2	7.0	0.8	-5.3

* 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)	Dec.*	1,658,728	0.2	0.6	0.6	0.5
Industrial production (2007 \$M)	Dec.*	350,649	0.0	0.3	0.3	-2.1
Manufacturing sales (\$M)	Dec.	51,556	1.2	1.2	0.7	-1.6
Housing starts (K) (1)	Jan.	165.9	172.5	197.8	190.7	182.9
Building permits (\$M)	Dec.	6,923	11.3	-2.0	-11.1	-1.6
Retail sales (\$M)	Dec.	43,208	-2.2	-0.5	0.2	2.6
Excluding automobiles (\$M)	Dec.	32,200	-1.6	-0.7	-1.1	0.7
Wholesale trade sales (\$M)	Dec.	57,203	2.0	3.6	3.3	2.3
Commercial surplus (\$M) (1)	Jan.*	-655.3	-630.8	-2,310	-537.9	-1,840
Exports (\$M)	Jan.*	45,996	1.0	6.1	0.2	7.3
Imports (\$M)	Jan.*	46,651	1.1	2.2	0.5	4.4
Employment (K) (2)	Jan.	18,005	-5.7	-5.3	8.9	10.5
Unemployment rate (%) (1)	Jan.	7.2	7.1	7.0	6.8	6.6
Average weekly earnings (\$)	Dec.	959.3	0.9	0.6	0.5	1.7
Number of salaried employees (K) (2)	Dec.	15,853	36.1	30.8	17.8	16.1
Consumer price (2002 = 100)	Jan.	126.8	0.2	-0.3	-0.4	2.0
Excluding food and energy	Jan.	121.6	0.2	-0.5	0.2	1.8
Excluding 8 volatile items	Jan.	126.5	0.3	-0.4	0.4	2.0
Industrial product price (2002 = 100)	Jan.*	110.1	0.5	-0.2	-1.4	1.7
Raw materials price (2002 = 100)	Jan.*	83.6	-0.4	-9.5	-13.7	-7.5
Money supply M1+ (\$M)	Jan.	822,669	0.9	1.7	3.9	9.0

* 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 (%)		
	March 4	Feb. 26	-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	0.31	0.25
Treasury bill – 3 months	0.27	0.32	0.29	0.22	0.02	0.01	0.35	0.10	-0.02
Treasury bonds – 2 years	0.88	0.81	0.73	0.94	0.68	0.73	1.08	0.72	0.48
– 5 years	1.39	1.26	1.25	1.60	1.47	1.70	1.79	1.50	1.11
– 10 years	1.89	1.76	1.85	2.27	2.13	2.25	2.48	2.13	1.64
– 30 years	2.72	2.64	2.68	3.01	2.89	2.85	3.24	2.88	2.47
S&P 500 index	2,002	1,948	1,880	2,092	1,921	2,071	2,131	2,036	1,829
DJIA index	17,015	16,640	16,205	17,848	16,102	17,857	18,312	17,337	15,660
Gold price (US\$/ounce)	1,269	1,216	1,155	1,085	1,121	1,175	1,269	1,146	1,052
CRB index	168.04	161.67	161.93	183.24	196.70	220.69	231.77	197.58	155.01
WTI oil (US\$/barrel)	35.76	31.65	30.86	40.00	46.02	49.61	61.36	45.53	26.19
Canada									
Overnight – target	0.50	0.50	0.50	0.50	0.50	0.75	0.75	0.59	0.50
Treasury bill – 3 months	0.46	0.47	0.46	0.46	0.38	0.60	0.68	0.49	0.32
Treasury bonds – 2 years	0.53	0.52	0.37	0.63	0.44	0.63	0.71	0.52	0.29
– 5 years	0.71	0.67	0.58	0.92	0.75	1.00	1.13	0.81	0.48
– 10 years	1.26	1.18	1.13	1.58	1.44	1.61	1.91	1.48	1.00
– 30 years	2.07	1.96	1.95	2.30	2.20	2.23	2.48	2.18	1.82
Spread with the U.S. rate (% points)									
Overnight – target	0.00	0.00	0.00	0.25	0.25	0.50	0.50	0.28	0.00
Treasury bill – 3 months	0.19	0.15	0.17	0.24	0.36	0.59	0.67	0.39	0.06
Treasury bonds – 2 years	-0.35	-0.29	-0.36	-0.31	-0.24	-0.10	0.13	-0.20	-0.64
– 5 years	-0.69	-0.59	-0.67	-0.68	-0.72	-0.70	-0.39	-0.69	-1.00
– 10 years	-0.63	-0.58	-0.72	-0.69	-0.69	-0.64	-0.36	-0.65	-0.90
– 30 years	-0.65	-0.68	-0.73	-0.71	-0.69	-0.62	-0.50	-0.70	-0.90
S&P/TSX index	13,268	12,798	12,764	13,359	13,478	14,953	15,451	13,926	11,843
Exchange rate (C\$/US\$)	1.3339	1.3513	1.3915	1.3363	1.3284	1.2622	1.4579	1.3058	0.7497
Exchange rate (C\$/€)	1.4673	1.4775	1.5528	1.4547	1.4808	1.3688	1.5903	1.4384	0.8247
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	0.09	-0.10
Germany: Bonds – 10 years	0.24	0.15	0.30	0.69	0.66	0.40	0.99	0.53	0.08
U.K.: Bonds – 10 years	1.48	1.40	1.57	1.93	1.83	1.98	2.19	1.83	1.28
Euro: Exchange rate (US\$/€)	1.1000	1.0934	1.1159	1.0887	1.1147	1.0845	1.1620	1.1018	1.0495
U.K.: Exchange rate (US\$/£)	1.4221	1.3871	1.4503	1.5113	1.5171	1.5038	1.5884	1.5125	1.3871

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.