

## Risk aversion creeps up in markets

### HIGHLIGHTS

- U.S. consumer confidence edged down in June.
- Canada: Employment advanced in May.
- Canada: The industrial capacity utilization rate rose.
- Canada: Housing starts retreated a little.

### A LOOK AHEAD

- May's job market weakness will keep the Federal Reserve from raising key rates.
- U.S. retail sales should increase again in May, but not as much as in April.
- United States: Industrial output and housing starts posted strong growth in April and should now edge back.
- Canada: The total annual inflation rate could tick down.
- Canada: Manufacturing sales should be back in positive territory.

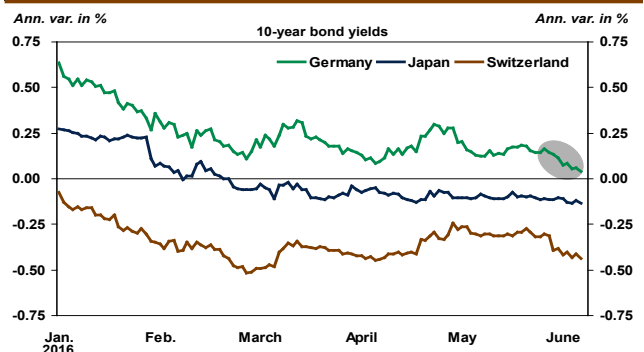
### FINANCIAL MARKETS

- Risk aversion is back in the markets.
- Germany's 10-year bond yield is increasingly close to zero.
- The Canadian dollar is once again near US\$0.79.

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**Graph of the week – Could German 10-year yields be the next to dip into negative territory?**



Sources: Bloomberg and Desjardins, Economic Studies

**François Dupuis**  
Vice-President and Chief Economist

**Mathieu D'Anjou**  
Senior Economist

**Benoît P. Durocher**  
Senior Economist

**Francis Généreux**  
Senior Economist

**Jimmy Jean**  
Senior Economist

**Hendrix Vachon**  
Senior Economist

514-281-2336 or 1 866 866-7000, ext. 2336  
E-mail: [desjardins.economics@desjardins.com](mailto:desjardins.economics@desjardins.com)

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

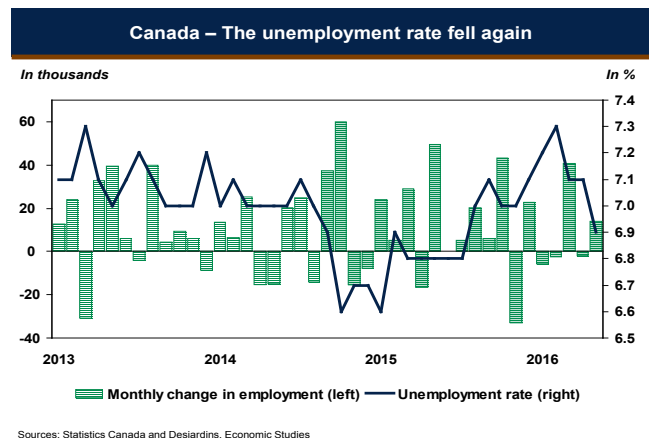
- Consumer credit shot up US\$28.4B in March, then rose US\$13.4B in April. The increase primarily comes in term loans, which increased US\$11.8B. Revolving loans (credit cards and lines) only increased US\$1.6B, the smallest growth since January.
- Wholesaler inventories expanded more than anticipated in April, increasing 0.6%; the consensus forecast was for growth of barely 0.1%. Wholesale sales went up even more, rising 1.0%, boosted, among other things, by a 9.0% jump in oil, itself exacerbated by price growth. Other gains came from the automotive sector (+1.6%) and machinery (+1.5%).
- Consumer confidence eroded slightly in June according to the preliminary version of the University of Michigan index, going from 94.7 in May to 94.3 in June. This is still above April's 89.0, the lowest point in the year. The dip primarily stems from the household expectations component, which went from 84.9 to 83.2. It was this component that rose the most in May. The current situation component rose from 109.9 to 111.7.

**Francis Généreux**  
Senior Economist

### CANADA

- The labour market created 13,000 jobs in May. The unemployment rate went from 7.1% to 6.9%. The forest fires around Fort McMurray, which put many workers associated with the oil industry out of work, did not do too much damage to Canada's labour market, in the end. Alberta lost a lot of jobs, including a decline of 11,500 jobs in the resource sector, but several other provinces came to the rescue.
- The industrial capacity utilization rate went up 0.5 percentage points in the first quarter of 2016, rising to 81.4%. However, investment by Canadian business continues to face serious difficulties. Note that, in most industrial sectors, utilization rates remain below their historical averages. Under these conditions, the global industrial capacity utilization rate is struggling to climb out of the range it has been fluctuating in since 2011. It has a long way to go to hit the level seen prior to the Great Recession of 2008–2009.
- Housing starts went from 191,388 units in April to 188,570 in May. The decline comes entirely in multi-unit housing in urban areas, where starts went from 117,543 units to 110,834. Among other things, construction on multi-unit housing plunged 31% in British Columbia that month.

**Benoit P. Durocher**  
Senior Economist



# FINANCIAL MARKETS

## With the referendum in the United Kingdom two weeks away, the markets are anxious

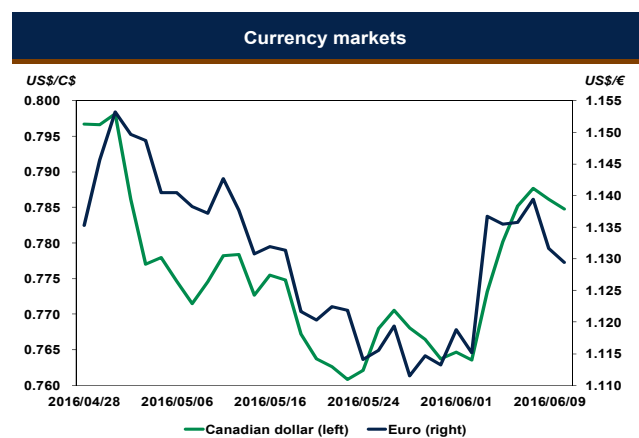
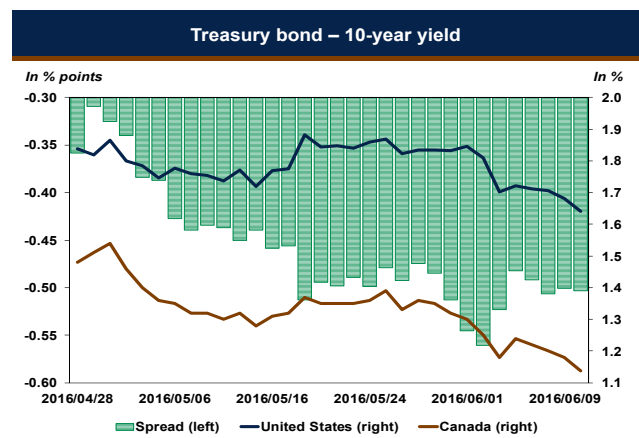
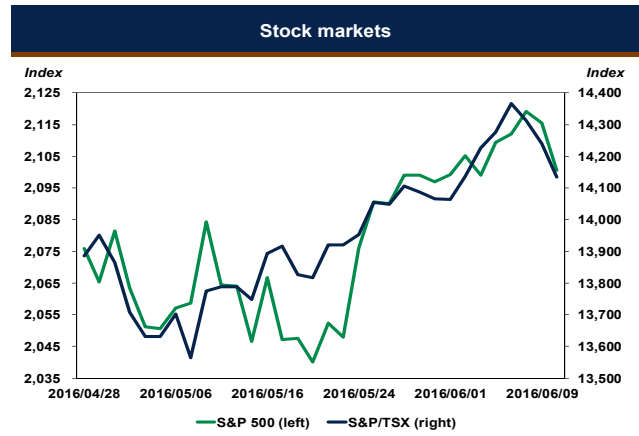
The latest report on U.S. job creation shook the markets, but the effect was short-lived. The S&P 500 posted three straight gains starting Monday. Federal Reserve Chair Janet Yellen made a speech intended to calm concern, while new job market statistics were more reassuring. However, it was a tough end to the week, with the S&P 500 down sharply on Friday morning, like most of the other stock markets. With the referendum on the United Kingdom's membership in the European Union less than two weeks away, edginess seems to be on the rise. The Canadian stock market gave up the gains it had recorded at the start of the week.

As for bonds, the focus is on Germany, where the ten-year yield is closing in on zero. This situation could be partially associated with Brexit, as some investors see German bonds as the most secure in the event of upheavals. That being said, the United Kingdom's 10-year yield hit a new low at 1.21% on Friday, a movement related to the global movement, but which also reflects fears of a recession if the Brexit option wins. In Canada, expectations of a key rate cut by December rose after the Bank of Canada shared its concerns about a real estate market correction in Vancouver and Toronto. The good employment data was reassuring on Friday, however.

Due to the poor job numbers released previously in the United States, the U.S. dollar was under pressure for much of the week. This movement reversed on Thursday with the surge in risk aversion. Mario Draghi's pessimistic speech hit the euro especially hard; it fell below US\$1.13 after beating US\$1.14 earlier in the week. The pound was more volatile given the looming referendum in the United Kingdom and surveys showing a rise by the camp that favours leaving the European Union. The Canadian dollar brushed US\$0.79 on Wednesday, then depreciated along with several other currencies on Thursday. It kept in the US\$0.78–US\$0.79 range on Friday.

**Jimmy Jean**  
Senior Economist

**Hendrix Vachon**  
Senior Economist



# A LOOK AHEAD



## UNITED STATES

### Tuesday June 14 - 8:30

<b>May</b>	m/m
Consensus	0.3%
Desjardins	0.5%
<b>April</b>	<b>1.3%</b>

**Retail sales (May)** – Sales shot up in April: the 1.3% increase was the biggest since March 2015. Much of the gain came from the auto sector, which should make another, though much smaller, positive contribution to May’s retail sales growth. Service stations are also expected to make another big contribution, as sales were no doubt inflated by the ongoing rise in gas prices. Lastly, excluding motor vehicles and gas, sales are expected to increase 0.3%, below the 0.6% increase posted in April. Overall retail sales are expected to go up 0.5%. The mixed numbers on consumer confidence and disappointing job market data constitute a downside risk to this forecast, however.

### Wednesday June 15 - 9:15

<b>May</b>	m/m
Consensus	-0.1%
Desjardins	-0.4%
<b>April</b>	<b>0.7%</b>

**Industrial production (May)** – In April, industrial output posted its strongest growth since November 2014, with much of the rise coming from energy producers, which benefited from the more normal temperatures after a very mild winter. Energy production is expected to slide 0.5% in May. The mining sector will likely post another contraction, though this should be smaller than April’s 2.3% pullback. In manufacturing, production went up 0.3% in April. The auto sector should advance again in May, but the rest of manufacturing probably went down. Manufacturing dropped 10,000 jobs in May, while hours worked retreated 0.2%. The current production component of the ISM manufacturing index also fell in May, going from 54.2 to 52.6. Manufacturing output is expected to tick down 0.1%. Overall, industrial output should contract 0.4%, and the industrial capacity utilization rate should go from 75.4% to 75.1%. The New York Fed’s regional Empire index will also be out on Wednesday, with the Philadelphia Fed index coming on Thursday. They will give us the first information on how the manufacturing sector is doing in June.

### Wednesday June 15 - 14:00

<b>June</b>	
Consensus	0.50%
Desjardins	0.50%
<b>April 27</b>	<b>0.50%</b>

**Federal Reserve meeting (June)** – The likelihood of another rate increase in June clearly increased with the release of the minutes of the April 27 meeting. However, May’s weak job creation changed the situation drastically. The Federal Reserve (Fed) will probably want to see signs that the job market is getting back to a better trend before opting for a second key rate increase (the first came in December 2015). Moreover, the uncertainty surrounding the outcome of the June 23 referendum on whether or not the United Kingdom will leave the European Union—the surveys show the two sides neck and neck—was already an argument against a rate move this month. The press conference given by Fed Chair Janet Yellen, the statement to be released, and Fed leaders’ new forecasts could, however, help assess whether a U.S. key rate increase could come at an upcoming meeting, perhaps even July’s.

### Thursday June 16 - 8:30

<b>May</b>	m/m
Consensus	0.3%
Desjardins	0.3%
<b>April</b>	<b>0.4%</b>

**Consumer price index (May)** – In April, the consumer price index (CPI) posted its biggest monthly increase since February 2013. The gain largely came from the 8.1% increase in gas prices, a component which should make another upside contribution to the CPI in May. On average, nationwide, prices at the pump went up 8.5% last month. However, in contrast with April’s results, seasonal adjustments will moderate rather than exacerbate the effect, as gas prices usually go up 4.2% in the month of May. Total inflation should therefore post an increase of 0.3% in May. Excluding food and energy, the core CPI probably posted a gain similar to April’s 0.2% increase. Total inflation should go from 1.1% to 1.2%. Core inflation should go from 2.1% to 2.2%.

**Housing starts (May)** – Housing starts have been fairly volatile in the last few months and are not showing a clear direction. They dropped 2.5% in January, jumped 7.5% in February, retreated 9.4% in March and then rebounded 6.6% in April. Despite these movements, the latest level was close to the level seen last fall. We now expect a drop for May. Building permits went down in April (1,130,000 units after the revisions), and 15,000 jobs were lost in the construction sector, pointing to a pullback. Housing starts are expected to go to 1,110,000 in May. Note, however, that sales of new single-family homes shot up an impressive 16.6% in April, which could alter the situation in the near term.


**CANADA**

**Manufacturing sales (April)** – Excluding commodities and energy, the value of merchandise exports went up 0.8% in April, after retreating for two months in a row. This should help put manufacturing sales back in positive territory for the month. However, the auto and aviation sectors seem to have struggled in April, which could curb growth by manufacturing sales. All in all, total sales are expected to increase 0.8%.

**Consumer price index (May)** – According to the weekly surveys at the pumps, gas prices went up 5.7% in May, which should generate a 0.2% increase in the total consumer price index (CPI) for the month. The month of May also usually sees an increase of about 0.3% due to seasonal price fluctuations, particularly in gas and food prices. The total CPI could therefore go up 0.5% in May. The total annual inflation rate could go from 1.7% to 1.6%. The Bank of Canada's core index (CPIX) could rise 0.3% in May, while its annual change could slide to 2.1% from April's 2.2%.


**OVERSEAS**

**Euro zone: Industrial production (April)** – Euroland's industrial output posted two big declines in February (-1.2%) and March (-0.8%), on the heels of January's strong 2.4% increase. The annual change has also slowed in recent months. The euro zone's manufacturing PMI index has also declined since the start of the year. The 0.8% gain posted by German industrial production in April, and the increases of 1.2% in France and 0.5% in Italy are positive factors for the zone's overall output. Among the other indicators, April's trade balance comes out on Wednesday, with the final version of May's consumer price index to be released the following day.

**United Kingdom: Bank of England meeting (June)** – A week away from June 23, when the referendum on whether or not the United Kingdom stays in the European Union will be held, it is clear that the Bank of England will make no changes to its monetary policy next Thursday, sticking to the status quo, something that was already clear given weak economic growth and inflation.

**Friday June 17 - 8:30**

<b>May</b>	ann. rate
Consensus	1,150,000
Desjardins	1,110,000
<b>April</b>	<b>1,172,000</b>

**Wednesday June 15 - 8:30**

<b>May</b>	m/m
Consensus	1.0%
Desjardins	0.8%
<b>April</b>	<b>-0.9%</b>

**Friday June 17 - 8:30**

<b>May</b>	m/m
Consensus	0.5%
Desjardins	0.5%
<b>April</b>	<b>0.3%</b>

**Tuesday June 14 - 5:00**


<b>April</b>	m/m
Consensus	0.8%
<b>March</b>	<b>-0.8%</b>

**Thursday June 16 - 7:00**

<b>June</b>	
Consensus	0.50%
Desjardins	0.50%
<b>May 12</b>	<b>0.50%</b>

# ECONOMIC INDICATORS


## Week of June 13 to 17, 2016

Day	Hour	Indicator	Period	Consensus		Previous data
<b>UNITED STATES</b>						
<b>MONDAY 13</b>	---	---				
<b>TUESDAY 14</b>	8:30	Export prices (m/m)	May	n/a	0.7%	0.5%
	8:30	Import prices (m/m)	May	0.7%	1.0%	0.3%
	8:30	Retail sales				
		Total (m/m)	May	0.3%	0.5%	1.3%
		Excluding automobiles (m/m)	May	0.4%	0.5%	0.8%
	10:00	Wholesale inventories (m/m)	April	0.2%	0.4%	0.4%
<b>WEDNESDAY 15</b>	8:30	Producer price index				
		Total (m/m)	May	0.3%	0.4%	0.2%
		Excluding food and energy (m/m)	May	0.1%	0.1%	0.1%
	8:30	Empire manufacturing index	June	-4.90	2.00	-9.02
	9:15	Industrial production (m/m)	May	-0.1%	-0.4%	0.7%
	9:15	Production capacity utilization rates	May	75.2%	75.1%	75.4%
	14:00	Federal Reserve meeting	June	0.50%	0.50%	0.50%
	16:00	Net foreign security purchases (US\$B)	April	n/a	n/a	78.1
<b>THURSDAY 16</b>	8:30	Initial unemployment claims	June 6-10	270,000	267,000	264,000
	8:30	Current account (US\$B)	Q1	-123.7	-127.4	-125.3
	8:30	Philadelphia Fed index	June	1.0	2.0	-1.8
	8:30	Consumer price index				
		Total (m/m)	May	0.3%	0.3%	0.4%
		Excluding food and energy (m/m)	May	0.2%	0.2%	0.2%
		Total (y/y)	May	1.1%	1.2%	1.1%
		Excluding food and energy (y/y)	May	2.2%	2.2%	2.1%
	10:00	NAHB housing market index	June	59	n/a	58
<b>FRIDAY 17</b>	8:30	Housing starts (ann. rate)	May	1,150,000	1,110,000	1,172,000
	8:30	Building permits (ann. rate)	May	1,141,000	1,150,000	1,130,000




## CANADA

<b>MONDAY 13</b>	---	---				
<b>TUESDAY 14</b>	8:30	National balance sheet	Q1			
<b>WEDNESDAY 15</b>	8:30	Manufacturing sales (m/m)	April	1.0%	0.8%	-0.9%
	9:00	Existing home sales	May			
	19:40	Speech of the Bank of Canada Governor, S. Poloz				
<b>THURSDAY 16</b>	8:30	International transactions in securities (\$B)	April	n/a	19.50	17.17
<b>FRIDAY 17</b>	8:30	Consumer price index				
		Total (m/m)	May	0.5%	0.5%	0.3%
		Excluding 8 most volatile (m/m)	May	0.3%	0.3%	0.2%
		Total (y/y)	May	1.6%	1.6%	1.7%
		Excluding 8 most volatile (y/y)	May	2.0%	2.1%	2.2%
	12:50	Speech of a Bank of Canada Senior Deputy Governor, C. Wilkins				

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 June 13 to 17, 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 12</b>								
China	1:30	Industrial production	May		6.0%		6.0%	
China	1:30	Retail sales	May		10.1%		10.1%	
<b>MONDAY 13</b>								
---	---	---						
<b>TUESDAY 14</b>								
Japan	0:30	Industrial production – final	April	n/a	n/a	0.3%	-3.5%	
United Kingdom	4:30	Consumer price index	May	0.3%	0.4%	0.1%	0.3%	
United Kingdom	4:30	Producer price index	May	0.3%	-0.4%	0.4%	-0.7%	
Euro zone	5:00	Net change in employment	Q1	n/a	n/a	0.3%	1.2%	
Euro zone	5:00	Industrial production	April	0.8%	1.4%	-0.8%	0.2%	
<b>WEDNESDAY 15</b>								
Japan	---	Bank of Japan meeting	June	-0.10%		-0.10%		
France	2:45	Consumer price index – final	May	0.4%	-0.1%	0.4%	-0.1%	
United Kingdom	4:30	ILO unemployment rate	April	5.1%		5.1%		
Euro zone	5:00	Trade balance (€B)	April	21.5		22.3		
<b>THURSDAY 16</b>								
Switzerland	3:30	Swiss National Bank meeting	June	-0.75%		-0.75%		
United Kingdom	4:30	Retail sales	May	0.2%	3.9%	1.3%	4.3%	
Euro zone	5:00	Consumer price index	May	0.3%	-0.1%	0.0%	-0.1%	
United Kingdom	7:00	Bank of England meeting	June	0.50%		0.50%		
Brazil	7:30	Minutes of the Bank of Brazil meeting						
<b>FRIDAY 17</b>								
France	2:45	Wages – final	Q1	0.5%		0.5%		
Euro zone	4:00	Current account (€B)	April	n/a		27.3		
Italy	4:00	Trade balance (€M)	April	n/a		5,365		
Italy	4:30	Current account (€M)	April	n/a		2,245		
Euro zone	5:00	Labour costs	Q1		n/a		1.3%	

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	2015	2014	2013	2012
Gross domestic product (2009 \$B)	2016 Q1	16,505	0.8	2.0	2.4	2.4	1.5	2.2
Consumption (2009 \$B)	2016 Q1	11,384	1.9	2.7	3.1	2.7	1.7	1.5
Government spending (2009 \$B)	2016 Q1	2,879	1.2	1.4	0.7	-0.6	-2.9	-1.9
Residential investment (2009 \$B)	2016 Q1	569.5	17.2	11.1	8.9	1.8	9.5	13.5
Non-residential investment (2009 \$B)	2016 Q1	2,178	-6.2	-0.5	2.8	6.2	3.0	9.0
Business inventory change (2009 \$B) (1)	2016 Q1	69.6	---	---	97.5	68.0	61.4	54.7
Exports (2009 \$B)	2016 Q1	2,100	-2.0	0.4	1.1	3.4	2.8	3.4
Imports (2009 \$B)	2016 Q1	2,661	-0.2	1.1	4.9	3.8	1.0	2.2
Final domestic demand (2009 \$B)	2016 Q1	16,992	1.2	2.4	2.8	2.5	1.2	1.9
GDP deflator (2009 = 100)	2016 Q1	110.5	0.6	1.2	1.0	1.6	1.6	1.8
Labor productivity (2009 = 100)	2016 Q1	106.0	-0.6	0.7	0.7	0.8	0.0	0.9
Unit labor cost (2009 = 100)	2016 Q1	110.5	4.5	3.0	2.2	2.0	1.1	1.7
Employment cost index (Dec. 2005 = 100)	2016 Q1	126.0	2.6	1.9	2.1	2.0	1.9	1.9
Current account balance (\$B) (1)	2015 Q4	-125.3	---	---	-484.1	-389.5	-376.8	-449.7

\* 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)	April	123.9	0.6	0.7	0.6	1.9
ISM manufacturing index (1)	May	51.3	50.8	49.5	48.4	53.1
ISM non-manufacturing index (1)	May	52.9	55.7	53.4	56.6	55.9
Cons. confidence Conf. Board (1985 = 100) (1)	May	92.6	94.7	94.0	92.6	94.6
Cons. confidence Michigan (1966 = 100) (1)	June*	94.3	94.7	91.0	92.6	96.1
Personal consumption expenditure (2009 \$B)	April	11,468	0.6	0.9	1.5	3.0
Disposable personal income (2009 \$B)	April	12,565	0.2	0.6	1.7	3.3
Consumer credit (\$B)	April*	3,602	0.4	1.5	2.5	6.2
Retail sales (\$M)	April	453,438	1.3	1.2	1.4	3.0
Excluding automobiles (\$M)	April	360,864	0.8	1.4	1.7	3.0
Industrial production (2007 = 100)	April	104.1	0.7	-0.4	-1.0	-1.1
Production capacity utilization rate (%) (1)	April	75.4	74.9	75.7	76.3	76.9
New machinery orders (\$M)	April	460,508	1.9	1.7	-0.6	-1.8
New durable good orders (\$M)	April	236,199	3.4	1.9	0.7	2.0
Business inventories (\$B)	March	1,819	0.4	0.2	-0.0	1.5
Housing starts (K) (1)	April	1,172	1,099	1,128	1,073	1,192
Building permits (K) (1)	April	1,130	1,077	1,188	1,175	1,178
New home sales (K) (1)	April	619.0	531.0	526.0	478.0	500.0
Existing home sales (K) (1)	April	5,450	5,360	5,470	5,290	5,140
Construction spending (\$B)	April	1,134	-1.8	1.1	1.0	4.5
Commercial surplus (\$M) (1)	April	-37,436	-35,536	-42,308	-41,600	-40,885
Nonfarm employment (K) (2)	May	143,894	38.0	347.0	1,019	2,398
Unemployment rate (%) (1)	May	4.7	5.0	4.9	5.0	5.5
Consumer price (1982-1984 = 100)	April	238.9	0.4	0.3	0.4	1.1
Excluding food and energy	April	246.6	0.2	0.5	1.2	2.1
Personal cons. expenditure deflator (2009 = 100)	April	110.3	0.3	0.3	0.5	1.1
Excluding food and energy	April	110.9	0.2	0.4	0.9	1.6
Producer price (2009 = 100)	April	109.7	0.2	-0.1	0.1	0.1
Excluding food and energy	April	109.7	0.1	0.0	0.7	0.9
Export prices (2000 = 100)	April	118.8	0.5	0.1	-2.6	-5.0
Import prices (2000 = 100)	April	118.0	0.3	0.2	-2.9	-5.7

\* New statistic in comparison with last week.

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



## Canada: Quarterly economic indicators

	Ref. quart.	Level	Variation (%)		Annual variation (%)			
			Quart. ann.	1 year	2015	2014	2013	2012
Gross domestic product (2007 \$M)	2016 Q1	1,782,972	2.4	1.1	1.1	2.5	2.2	1.7
Household consumption (2007 \$M)	2016 Q1	1,011,970	2.3	2.2	1.9	2.6	2.4	1.9
Government consumption (2007 \$M)	2016 Q1	347,887	1.5	1.3	1.7	0.3	0.3	0.7
Residential investment (2007 \$M)	2016 Q1	125,189	11.2	3.9	3.8	2.5	-0.4	5.6
Non-residential investment (2007 \$M)	2016 Q1	160,174	-9.7	-12.3	-10.6	0.0	2.5	8.6
Business inventory change (2007 \$M) (1)	2016 Q1	-6,904	---	---	3,907	9,869	15,476	6,159
Exports (2007 \$M)	2016 Q1	587,756	6.9	3.8	3.4	5.3	2.8	2.6
Imports (2007 \$M)	2016 Q1	565,069	1.3	-2.6	0.3	1.8	1.5	3.6
Final domestic demand (2007 \$M)	2016 Q1	1,759,879	1.3	0.3	0.3	1.6	1.3	2.4
GDP deflator (2007 = 100)	2016 Q1	112.1	-1.1	0.2	-0.5	1.7	1.6	1.3
Labour productivity (2007 = 100)	2016 Q1	106.3	1.5	-0.5	-0.4	2.5	1.3	-0.4
Unit labour cost (2007 = 100)	2016 Q1	115.8	-1.1	0.7	1.9	1.1	1.6	3.2
Current account balance (\$M) (1)	2016 Q1	-16,773	---	---	-62,631	-44,894	-59,665	-65,680
Production capacity utilization rate (%) (1)	2016 Q1*	81.4	---	---	80.9	82.1	80.8	81.0
Disposable personal income (\$M)	2016 Q1	1,132,856	2.5	3.4	3.7	3.0	4.8	4.1
Corporate net operating surplus (2007 \$M)	2016 Q1	213,444	-8.8	-9.1	-15.8	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)	March	1,660,914	-0.2	0.1	0.7	1.1
Industrial production (2007 \$M)	March	350,908	-1.1	-0.9	0.1	-0.1
Manufacturing sales (\$M)	March	49,963	-0.9	-3.3	-2.0	-1.6
Housing starts (K) (1)	May*	188.6	191.4	217.2	212.3	198.3
Building permits (\$M)	April*	6,893	-0.3	7.8	-7.7	-8.1
Retail sales (\$M)	March	43,763	-1.0	1.6	1.1	3.2
Excluding automobiles (\$M)	March	32,568	-0.3	1.3	0.4	0.9
Wholesale trade sales (\$M)	March	54,560	-1.0	-2.5	0.1	1.3
Commercial surplus (\$M) (1)	April	-2,937	-3,176	-630.9	-2,206	-2,384
Exports (\$M)	April	41,810	1.5	-9.3	-3.5	-2.3
Imports (\$M)	April	44,747	0.9	-4.2	-1.8	-0.9
Employment (K) (2)	May*	18,055	13.8	17.4	11.2	9.0
Unemployment rate (%) (1)	May*	6.9	7.1	7.3	7.0	6.8
Average weekly earnings (\$)	March	960.3	0.5	0.1	0.7	0.7
Number of salaried employees (K) (2)	March	15,870	25.3	-2.0	13.1	11.7
Consumer price (2002 = 100)	April	128.3	0.3	1.2	0.9	1.7
Excluding food and energy	April	123.3	0.2	1.4	0.9	1.9
Excluding 8 volatile items	April	128.2	0.2	1.3	0.9	2.2
Industrial product price (2002 = 100)	April	107.9	-0.5	-2.0	-2.2	-1.6
Raw materials price (2002 = 100)	April	86.1	0.7	6.0	-6.8	-12.5
Money supply M1+ (\$M)	April	836,286	0.7	1.6	3.4	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 (%)		
	June 10	June 3	-1 month	-3 months	-6 months	-1 year	Higher	Average	Lower
<b>United States</b>									
Federal funds – target	0.50	0.50	0.50	0.50	0.25	0.25	0.50	0.37	0.25
Treasury bill – 3 months	0.25	0.29	0.28	0.32	0.22	0.02	0.35	0.16	-0.02
Treasury bonds – 2 years	0.75	0.79	0.75	0.97	0.97	0.70	1.08	0.78	0.54
– 5 years	1.18	1.23	1.21	1.48	1.45	1.74	1.75	1.45	1.11
– 10 years	1.64	1.70	1.72	1.98	2.13	2.39	2.47	2.06	1.64
– 30 years	2.45	2.52	2.56	2.75	2.88	3.10	3.24	2.84	2.45
S&P 500 index	2,101	2,099	2,047	2,022	2,012	2,094	2,128	2,028	1,829
DJIA index	17,907	17,807	17,535	17,213	17,265	17,899	18,144	17,255	15,660
Gold price (US\$/ounce)	1,276	1,240	1,271	1,258	1,077	1,182	1,294	1,161	1,052
CRB index	194.03	188.67	182.55	173.53	174.86	223.53	227.17	186.04	155.01
WTI oil (US\$/barrel)	49.66	48.69	46.22	38.51	35.65	59.96	61.05	42.39	26.19
<b>Canada</b>									
Overnight – target	0.50	0.50	0.50	0.50	0.50	0.75	0.75	0.52	0.50
Treasury bill – 3 months	0.51	0.53	0.52	0.47	0.46	0.62	0.63	0.46	0.32
Treasury bonds – 2 years	0.51	0.51	0.55	0.59	0.48	0.65	0.70	0.52	0.29
– 5 years	0.59	0.61	0.68	0.81	0.74	1.01	1.03	0.76	0.48
– 10 years	1.14	1.18	1.28	1.36	1.41	1.81	1.87	1.41	1.00
– 30 years	1.81	1.84	1.95	2.12	2.16	2.39	2.46	2.14	1.81
Spread with the U.S. rate (% points)									
Overnight – target	0.00	0.00	0.00	0.00	0.25	0.50	0.50	0.15	0.00
Treasury bill – 3 months	0.26	0.24	0.24	0.15	0.24	0.60	0.62	0.30	0.06
Treasury bonds – 2 years	-0.24	-0.28	-0.20	-0.38	-0.49	-0.05	0.01	-0.26	-0.64
– 5 years	-0.59	-0.62	-0.53	-0.67	-0.71	-0.73	-0.39	-0.69	-1.00
– 10 years	-0.50	-0.52	-0.44	-0.62	-0.72	-0.58	-0.31	-0.65	-0.90
– 30 years	-0.64	-0.68	-0.61	-0.63	-0.72	-0.71	-0.57	-0.70	-0.90
S&P/TSX index	14,135	14,227	13,749	13,522	12,790	14,741	14,948	13,559	11,843
Exchange rate (C\$/US\$)	1.2742	1.2934	1.2942	1.3210	1.3756	1.2322	1.4579	1.3219	0.7848
Exchange rate (C\$/€)	1.4391	1.4702	1.4634	1.4733	1.5117	1.3886	1.5903	1.4672	0.8864
<b>Overseas</b>									
ECB – Refinancing rate	0.00	0.00	0.00	0.05	0.05	0.05	0.05	0.04	0.00
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	0.04	-0.10
Germany: Bonds – 10 years	0.02	0.07	0.13	0.28	0.54	0.85	0.92	0.46	0.02
U.K.: Bonds – 10 years	1.23	1.41	1.38	1.58	1.81	1.99	2.19	1.74	1.23
Euro: Exchange rate (US\$/€)	1.1294	1.1367	1.1308	1.1153	1.0990	1.1270	1.1620	1.1103	1.0565
U.K.: Exchange rate (US\$/£)	1.4336	1.4520	1.4362	1.4388	1.5218	1.5560	1.5884	1.4919	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.