

Please note that there will be no release of the *Weekly Newsletter* from July 11 to August 12, 2016 inclusive

July 8, 2016

U.S. economic indicators reassure markets

HIGHLIGHTS

- United States: Hires surge well above expectations.
- June ISM indexes are up in the United States.
- Canada: Job market stands still in June.
- Canada: Disappointing international merchandise trade numbers.

A LOOK AHEAD

- Retail sales are expected to tick up in the United States, but industrial production is expected to stagnate.
- The Bank of Canada should downgrade its outlook for economic growth.
- Canadian housing starts likely edged up in June.

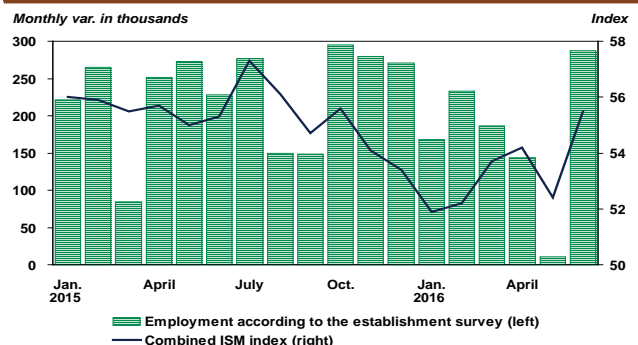
FINANCIAL MARKETS

- The signs of financial tensions penalized the European stock markets.
- The U.S. 10-year yield climbs to 1.40% from a new low at 1.32%.
- The pound drops below US\$1.30 on recession fears in the United Kingdom.

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Graph of the week – The ISM index and employment rebounded in June in the United States



Sources: Bureau of Labor Statistics, Institute for Supply Management 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

KEY STATISTICS OF THE WEEK

UNITED STATES

- The establishment survey shows 287,000 net hires for June, following up on a modest 11,000 gain (revised from 38,000) in May and April's 144,000 hires (revised from 123,000). Construction employment stagnated, while manufacturing added 14,000 jobs. The natural resources sector made 5,000 layoffs. 256,000 jobs were added in private sector services, a big difference from the 35,000 jobs added in May. The end of a labour dispute in the information sector triggered an increase of 44,000 jobs; 39,000 jobs were lost there in May.
- A rebound by the labour force made the jobless rate go up; it rose from 4.7% to 4.9%. The household survey shows a gain of 67,000 jobs, with the labour force expanding by 414,000 people.
- The consensus forecast had called for a slight increase to the non-manufacturing ISM. However, the gain announced was much bigger than anticipated: the index advanced 3.6 points, rising from 52.9 in May to 56.5 in June, its highest level since November 2015. The new orders component went up the most, going from 54.2 to 59.9. The current production component climbed 4.4 points. The non-manufacturing ISM's solid performance reflects the better-than-anticipated performance by the manufacturing ISM, which went from 51.3 in May to 53.2 in June, its highest point since February 2015.
- The U.S. trade balance deteriorated in May, going from -US\$37.4B in April to -US\$41.1B. Nominal exports declined 0.2%, while imports advanced 1.6%. In real terms, the erosion seems slightly steeper, suggesting that net exports will not make as big a contribution to the second quarter's real GDP growth as initially expected.

Francis Généreux
Senior Economist

CANADA

- Canadian employment was stagnant in June. Statistics Canada estimates a loss of 700 jobs. Gains are observed in accommodation and food services (+20,200) and information, culture and recreation (+14,100). The gains are offset by losses in construction (-28,700), manufacturing (-12,900) and other services (-9,300). Canadian unemployment rate went from 6.9% to 6.8% due to a decline in the labour force (-20,900 people). Quebec shed 11,200 jobs in June. There was little change in employment in Ontario (-4,200). British Columbia is the only province that added jobs in June (+16,000). Alberta saw employment tick down (-1,900) in June; its unemployment rate went from 7.8% to 7.9%.
- Merchandise exports fell 0.7% in May after gaining 0.5% in April, despite promising price growth. There were steep drops in most merchandise categories, particularly in the automotive sector (-1.0%), consumer goods (-1.2%), and machinery (-4.9%). Nonetheless, crude oil exports advanced 10.5%. Imports dropped 0.8% and the trade balance improved very slightly, going from -\$3.317B to -\$3.277B. In real terms, however, it eroded sharply.
- According to the Bank of Canada's Business Outlook Survey, business confidence has deteriorated slightly. Expectations for sales growth moderated primarily in the Prairies, still affected by the drop in oil prices. The balance of opinion on investment in machinery and equipment was fairly stable. Credit conditions have also become tighter for oil sector businesses.

Francis Généreux
Senior Economist

FINANCIAL MARKETS

U.S. employment rebounds, sending the S&P 500 back up to its pre-Brexit level

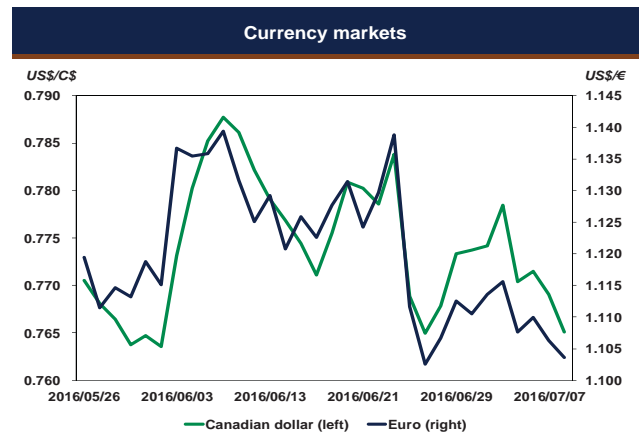
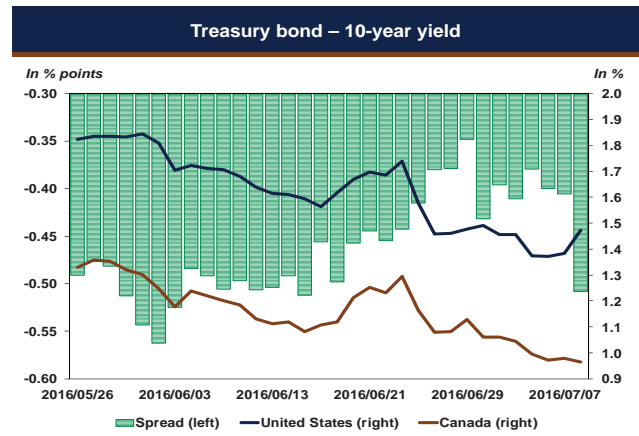
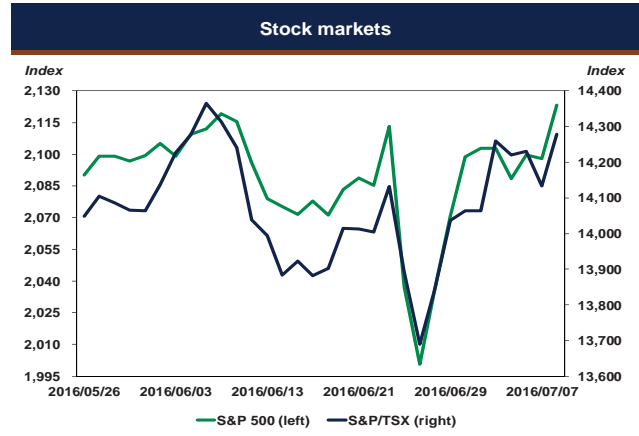
The world's stock markets got the week off to a bad start. In Europe, the Euro Stoxx 600 index tumbled over the week's first three sessions. Fears over the financial soundness of Italian banks and signs of strain in the real estate investment funds in the United Kingdom concerned investors. The news also affected the S&P 500 when trading opened on Tuesday, but it has since recovered. The impressive rebound by employment helped put the index at its highest point since last Friday morning's British referendum. In Canada, the S&P/TSX was hurt by sliding oil prices until Thursday, rebounding on Friday after the job data came out.

Major thresholds were crossed on bond markets. German yields are now negative up to a 15-year horizon. The Swiss 50-year yield went into negative territory. In the United States, the 10-year yield set a new record on the low side at 1.32% on Tuesday. The U.S. 30-year yield also got some attention, dropping for six straight sessions. However, promising economic numbers in the United States helped to stop the slide. On Friday, the 10-year yield was at 1.37%. Spreads between Canadian and U.S. short-term yields narrowed sharply. Poor Canadian numbers on international trade were among the factors that helped increase the priced in probability of a Bank of Canada rate cut by March 2017.

The good jobs numbers in the United States helped the greenback. Earlier in the week, further gains were made on the release of good results for the ISM indexes and stronger fears over the British economy. The pound racked up more losses and is now sitting just below US\$1.30. The euro edged down. The common currency started the week at more than US\$1.11, but was below that at the time of writing. The Canadian dollar was hurt by the drop in oil prices. It began the week on an upswing, at close to US\$0.78, but dropped back below US\$0.77.

Jimmy Jean
Senior Economist

Hendrix Vachon
Senior Economist



A LOOK AHEAD



UNITED STATES

Friday July 15 - 8:30

June	m/m
Consensus	0.1%
Desjardins	0.2%
May	0.5%

Retail sales (June) – After posting a strong 1.3% increase in April, retail sales growth slowed to 0.5% in May, growth that remains good, but that should be followed by an even smaller advance in June. Announced at the start of the month, June’s 4.5% pullback in new motor vehicle sales suggests that this sector will make a negative contribution. Some of that bite will, however be offset by the 4.7% increase in gas prices at the pump, on average over the month. Excluding motor vehicles and gas, we expect a result similar to May’s 0.3%. Overall, retail sales are expected to go up 0.2%.

Friday July 15 - 9:15

June	m/m
Consensus	0.2%
Desjardins	0.0%
May	-0.4%

Industrial production (June) – Industrial production advanced briefly in April, increasing 0.6%, then went back into negative territory with a 0.4% contraction in May. It has only posted monthly growth four times over the year. Hours worked for June do not suggest a major change in industrial output. They are negative in resources (even though drilling has edged up in recent weeks). Hours worked are also down in the automotive sector, but up in the rest of manufacturing. The current production component of the ISM manufacturing index improved in June, going from 52.6 to 54.7. Manufacturing output is expected to stagnate (0.0%). Energy production is expected to go up 0.5% after May’s 1.0% tumble. Overall, industrial output should also stagnate, while the industrial capacity utilization rate should stay at 74.9%. The New York Fed’s regional Empire index will also be out on Wednesday, giving us a first glimpse of how the manufacturing sector is doing in July.

Friday July 15 - 8:30

June	m/m
Consensus	0.2%
Desjardins	0.3%
May	0.2%

Consumer price index (June) – Growth by the consumer price index (CPI) was slighter than anticipated in May. The increase in gas prices was offset by other factors, such as a drop in the price of other types of energy and a 0.2% retreat by food prices. We expect gas prices to make another positive contribution in June. They went up 4.7% on average, despite the dip in the month’s final week. We also expect food prices to return to growth. Total inflation should go up 0.3% in June. Excluding food and energy, the core CPI probably posted a gain similar to the 0.2% increases recorded in April and May. Total inflation should go from 1.0% to 1.1%. Core inflation should stay at 2.2%.

Friday July 15 - 10:00

July	
Consensus	93.5
Desjardins	89.0
June	93.5

University of Michigan consumer confidence index (July – preliminary) – The University of Michigan confidence index jumped 5.7 points in May to its highest level since June 2015, then pulled back in June, dropping 1.2 points to 93.5. The signals for July are mixed. On one hand, the uncertainty surrounding Brexit affected the financial markets and should also impact confidence, although the S&P 500 has recouped nearly all of its losses. On the other, gas prices have come down in recent weeks. Weekly jobless claims are also fairly low. The other confidence indexes, particularly the TIPP index, fell over the month, and the net effect should be the same for the University of Michigan index. It could drop back below the 90 mark.


CANADA

Housing starts (June) – Housing starts fell in May for a third straight month. Among other things, starts on multi-unit housing in urban areas went quite low in comparison with the trend of the last few quarters. Under these circumstances, a slight rebound is likely in June, particularly in British Columbia and Ontario. All in all, housing starts could be around 191,000 units nationwide.

Bank of Canada meeting (July) – Once again, the Bank of Canada (BoC) will probably opt for a monetary policy status quo at next week's meeting. Disappointing export growth in recent months and the adverse impacts of the interruption of oil production as a result of the Alberta forest fires will probably take Canada's real GDP down in the second quarter. However, as the situation returns to normal, it will probably foster a rebound by economic growth in the third quarter. The monetary authorities will likely focus on trends, rather than paying too much attention to these blips. However, these fluctuations, in combination with the downgraded results for prior quarters, will have repercussions on the BoC's economic scenario; the BoC could trim it when it releases its *Monetary Policy Report*.

Manufacturing sales (May) – After declining in February and March, manufacturing sales rose 1.0% in April. However, they are forecast to pull back somewhat in May. Exports of manufactured products were down overall, according to the recently released data on merchandise trade. For example, the automotive sector contracted 1.0%, while machinery fell 4.9% and consumer goods retreated 1.2%. The potentially negative impact of the Alberta forest fires on refining operations must also be factored in. A price increase could moderate these bites and curb the drop in current dollars. We expect manufacturing sales to pull back 1.3%, although there is a risk of a bigger contraction.


OVERSEAS

Euro zone: Industrial production (May) – Eurozone's industrial production shot up by a strong monthly 1.1% in April, on the heels of two straight declines. The euro zone's PMI manufacturing index and production expectations according to the business confidence index do not point to a sustained acceleration by industrial output. Some moderation is therefore forecast for May. The 1.3% contraction by German industrial output and contraction of 0.5% in France suggest a decline. Among the other indicators, May's trade balance and the final version of June's consumer price index will be out on Friday.

United Kingdom: Bank of England meeting (July) – Given the major risk of recession in the United Kingdom as a result of the uncertainty surrounding *Brexit*, the Bank of England (BoE) is almost guaranteed to ease its monetary policy. Governor Mark Carney sent a clear signal to that effect on June 30, affirming that some monetary easing action will likely be needed over the summer. This indicates that, even though the pound has plunged since the referendum, which should generate a near term increase in inflation, the BoE will make growth the priority. At the July 14 meeting, it could order an initial 25-point cut. The BoE will then still have a little room to cut interest rates, but the bulk of its action should occur with huge asset purchases.

China: Real GDP (Q2) – China's economy continued to slow in the first quarter of 2016, with annual real GDP growth of 6.7%, the slowest growth since the winter of 2009. The quarterly annualized change is even slower, at just 4.4%. Given the poor seasonal adjustment process, Chinese data tend to be more lacklustre at the start of the year, before climbing in the spring. The quarterly change should show this positive effect, but the annual change should be more stable.

Monday July 11 - 8:30

June	ann. rate
Consensus	190,000
Desjardins	191,000
May	188,600

Wednesday July - 8:30

July	
Consensus	0.50%
Desjardins	0.50%
May	0.50%

Friday July 15 - 8:30

May	m/m
Consensus	-0.8%
Desjardins	-1.3%
April	1.0%

Wednesday July 13 - 5:00

May	m/m
Consensus	-0.8%
April	1.1%

Thursday July 14 - 8:30


Consensus	0.25%
Desjardins	0.25%
June 16	0.50%


Thursday July 14 - 22:00

Q2 2016	y/y
Consensus	6.6%
Q1 2016	6.7%

ECONOMIC INDICATORS


Week of July 11 to 15, 2016

Day	Hour	Indicator	Period	Consensus		Previous data
UNITED STATES						
MONDAY 11	10:00	Speech of the Kansas City Fed President, E. George				
	21:30	Speech of the Cleveland Fed President, L. Mester				
TUESDAY 12	9:15	Speech of a Federal Reserve Governor, D. Tarullo				
	9:35	Speech of the St. Louis Fed President, J. Bullard				
	10:00	Stocks des grossistes (m/m)	May	0.2%	0.2%	0.6%
	17:30	Speech of the Minneapolis Fed President, N. Kashkari				
	22:30	Speech of the Cleveland Fed President, L. Mester				
WEDNESDAY 13	8:30	Export prices (m/m)	June	n/a	0.5%	1.1%
	8:30	Import prices (m/m)	June	0.5%	0.6%	1.4%
	9:00	Speech of the Dallas Fed President, R. Kaplan				
	14:00	Federal budget (US\$B)	June	23.0	n/a	50.5
	14:00	Release of the <i>Beige Book</i>				
	18:00	Speech of the Philadelphia Fed President, P. Harker				
THURSDAY 14	8:30	Initial unemployment claims	July 4-8	265,000	262,000	254,000
	8:30	Producer price index				
		Total (m/m)	June	0.3%	0.3%	0.4%
		Excluding food and energy (m/m)	June	0.1%	0.2%	0.3%
	11:15	Speech of the Atlanta Fed President, D. Lockhart				
13:15	Speech of the Kansas City Fed President, E. George					
19:00	Speech of the Dallas Fed President, R. Kaplan					
FRIDAY 15	8:30	Consumer price index				
		Total (m/m)	June	0.2%	0.3%	0.2%
		Excluding food and energy (m/m)	June	0.2%	0.2%	0.2%
		Total (y/y)	June	1.1%	1.1%	1.0%
		Excluding food and energy (y/y)	June	2.2%	2.2%	2.2%
	8:30	Empire manufacturing index	July	5.0	6.0	6.0
	8:30	Retail sales				
		Total (m/m)	June	0.1%	0.2%	0.5%
		Excluding automobiles (m/m)	June	0.4%	0.5%	0.4%
	9:15	Industrial production (m/m)	June	0.2%	0.0%	-0.4%
	9:15	Production capacity utilization rates	June	75.1%	74.9%	74.9%
	10:00	Michigan's consumer sentiment index – preliminary	July	93.0	89.0	93.5
	10:00	Business inventories (m/m)	May	0.1%	0.2%	0.1%
13:15	Speech of the Minneapolis Fed President, N. Kashkari and of the St. Louis Fed President, J. Bullard					
CANADA						
MONDAY 11	8:15	Housing starts (ann. rate)	June	190,000	191,000	188 600
TUESDAY 12	---	---				
WEDNESDAY 13	10:00	Bank of Canada meeting		0.50%	0.50%	0.50%
	10:00	Release of the Bank of Canada <i>Monetary Policy Report</i>				
THURSDAY 14	8:30	New housing price index (m/m)	May	0.2%	0.2%	0,3 %
FRIDAY 15	8:30	Manufacturing sales (m/m)	May	-0.8%	-1.3%	1,0 %
	9:00	Existing home sales	June			

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 July 11 to 15, 2016

Country	Hour	Indicator	Period	Consensus		Previous data		
				m/m (q/q)	y/y	m/m (q/q)	y/y	
 OVERSEAS								
SUNDAY 10								
Japan	19:50	Machinery orders	May	3.2%	-8.7%	-11.0%	-8.2%	
MONDAY 11								
Italy	4:00	Industrial production	May	0.1%	1.1%	0.5%	1.8%	
Japan	19:50	Producer price index	June	-0.1%	-4.2%	0.2%	-4.2%	
TUESDAY 12								
Japan	0:30	Tertiary industry activity index	May	-0.7%		1.4%		
Germany	2:00	Consumer price index – final	June	0.1%	0.3%	0.1%	0.3%	
WEDNESDAY 13								
China	---	Trade balance (US\$B)	June	46.0		50.0		
Japan	0:30	Industrial production – final	May	n/a	n/a	-2.3%	-0.1%	
France	2:45	Consumer price index – final	June	0.2%	0.2%	0.2%	0.2%	
Euro zone	5:00	Industrial production	May	-0.8%	1.3%	1.1%	2.0%	
THURSDAY 14								
South Korea	---	Bank of Korea meeting	July	1.25%		1.25%		
United Kingdom	7:00	Bank of England meeting	July	0.25%		0.50%		
Mexico	10:00	Minutes of the Bank of Mexico meeting						
China	22:00	Real GDP	Q2	1.5%	6.6%	1.1%	6.7%	
China	22:00	Industrial production	June		5.9%		6.0%	
China	22:00	Retail sales	June		9.9%		10.0%	
FRIDAY 15								
Italy	4:00	Trade balance (€M)	May	n/a		4,520		
United Kingdom	4:30	Construction	May	-1.3%	-3.6%	2.5%	-3.7%	
Euro zone	5:00	Trade balance (€B)	May	25.0		28.0		
Euro zone	5:00	Consumer price index	June	0.2%	0.1%	0.4%	0.1%	

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	16,515	1.1	2.1	2.4	2.4	1.5	2.2
Consumption (2009 \$B)	2016 Q1	11,373	1.5	2.6	3.1	2.7	1.7	1.5
Government spending (2009 \$B)	2016 Q1	2,880	1.3	1.5	0.7	-0.6	-2.9	-1.9
Residential investment (2009 \$B)	2016 Q1	567.6	15.6	10.8	8.9	1.8	9.5	13.5
Non-residential investment (2009 \$B)	2016 Q1	2,188	-4.5	-0.0	2.8	6.2	3.0	9.0
Business inventory change (2009 \$B) (1)	2016 Q1	68.3	---	---	97.5	68.0	61.4	54.7
Exports (2009 \$B)	2016 Q1	2,112	0.3	1.0	1.1	3.4	2.8	3.4
Imports (2009 \$B)	2016 Q1	2,659	-0.5	1.0	4.9	3.8	1.0	2.2
Final domestic demand (2009 \$B)	2016 Q1	16,989	1.2	2.4	2.8	2.5	1.2	1.9
GDP deflator (2009 = 100)	2016 Q1	110.4	0.4	1.2	1.0	1.6	1.6	1.8
Labor productivity (2009 = 100)	2016 Q1	106.0	-0.4	0.7	0.7	0.8	0.0	1.0
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)	2016 Q1	-124.7	---	---	-463.0	-392.1	-366.4	-446.5

* 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)	May	123.7	-0.2	0.5	0.0	1.2
ISM manufacturing index (1)	June*	53.2	51.3	51.8	48.0	53.1
ISM non-manufacturing index (1)	June*	56.5	52.9	54.5	55.8	56.2
Cons. confidence Conf. Board (1985 = 100) (1)	June	98.0	92.4	96.1	96.3	99.8
Cons. confidence Michigan (1966 = 100) (1)	June	93.5	94.7	91.0	92.6	96.1
Personal consumption expenditure (2009 \$B)	May	11,500	0.3	1.0	1.5	2.7
Disposable personal income (2009 \$B)	May	12,579	0.1	0.6	1.6	3.2
Consumer credit (\$B)	April	3,602	0.4	1.5	2.5	6.2
Retail sales (\$M)	May	455,644	0.5	1.4	1.6	2.5
Excluding automobiles (\$M)	May	362,709	0.4	1.7	2.0	2.7
Industrial production (2007 = 100)	May	103.6	-0.4	-0.8	-0.9	-1.4
Production capacity utilization rate (%) (1)	May	74.9	75.3	75.6	75.7	76.6
New machinery orders (\$M)	May*	455,239	-1.0	2.5	-1.0	-1.2
New durable good orders (\$M)	May	230,352	-2.3	2.8	-0.9	3.0
Business inventories (\$B)	April	1,807	0.1	0.4	0.2	1.0
Housing starts (K) (1)	May	1,164	1,167	1,213	1,171	1,063
Building permits (K) (1)	May	1,136	1,130	1,162	1,286	1,266
New home sales (K) (1)	May	551.0	586.0	525.0	508.0	507.0
Existing home sales (K) (1)	May	5,530	5,430	5,070	4,860	5,290
Construction spending (\$B)	May*	1,143	-0.8	-1.2	0.7	2.8
Commercial surplus (\$M) (1)	May*	-41,144	-37,383	-44,028	-41,122	-40,170
Nonfarm employment (K) (2)	June*	144,175	287.0	442.0	1,029	2,451
Unemployment rate (%) (1)	June*	4.9	4.7	5.0	5.0	5.3
Consumer price (1982-1984 = 100)	May	239.4	0.2	0.7	0.5	1.1
Excluding food and energy	May	247.1	0.2	0.5	1.2	2.2
Personal cons. expenditure deflator (2009 = 100)	May	110.4	0.2	0.5	0.5	0.9
Excluding food and energy	May	111.0	0.2	0.4	0.9	1.6
Producer price (2009 = 100)	May	110.1	0.4	0.5	0.4	0.0
Excluding food and energy	May	110.0	0.3	0.3	0.9	1.2
Export prices (2000 = 100)	May	120.0	1.1	1.5	-0.9	-4.5
Import prices (2000 = 100)	May	120.2	1.4	2.6	-0.5	-5.0

* 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.

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)	April	1,663,876	0.1	-0.3	0.7	1.5
Industrial production (2007 \$M)	April	350,067	-0.1	-2.1	0.0	0.9
Manufacturing sales (\$M)	April	50,441	1.0	-3.9	-0.0	0.7
Housing starts (K) (1)	May	188.5	191.4	217.2	212.3	198.3
Building permits (\$M)	May*	6,791	-1.9	-7.9	3.5	-0.3
Retail sales (\$M)	April	44,281	0.9	0.7	2.1	4.6
Excluding automobiles (\$M)	April	33,089	1.3	1.5	2.0	3.4
Wholesale trade sales (\$M)	April	54,808	0.1	-2.9	0.6	-0.2
Commercial surplus (\$M) (1)	May*	-3,277	-3,317	-2,552.8	-1,933	-2,762
Exports (\$M)	May*	41,145	-0.7	-4.1	-5.3	-3.4
Imports (\$M)	May*	44,422	-0.8	-2.3	-2.1	-2.1
Employment (K) (2)	June*	18,055	-0.7	3.7	7.3	9.0
Unemployment rate (%) (1)	June*	6.8	6.9	7.1	7.1	6.8
Average weekly earnings (\$)	April	955.7	-0.3	0.5	0.2	0.2
Number of salaried employees (K) (2)	April	15,889	18.3	14.5	8.9	11.5
Consumer price (2002 = 100)	May	128.8	0.4	1.3	1.3	1.5
Excluding food and energy	May	123.8	0.4	1.2	1.6	2.1
Excluding 8 volatile items	May	128.6	0.3	1.2	1.6	2.1
Industrial product price (2002 = 100)	May	109.1	1.1	0.0	-0.8	-1.1
Raw materials price (2002 = 100)	May	91.9	6.7	12.3	4.1	-10.6
Money supply M1+ (\$M)	May	842,401	0.7	1.6	3.7	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 (%)		
	July 8	July 1	-1 month	-3 months	-6 months	-1 year	Higher	Average	Lower
United States									
Federal funds – target	0.50	0.50	0.50	0.50	0.50	0.25	0.50	0.39	0.25
Treasury bill – 3 months	0.28	0.27	0.25	0.23	0.20	0.01	0.35	0.18	-0.02
Treasury bonds – 2 years	0.63	0.59	0.74	0.71	1.02	0.64	1.08	0.78	0.54
– 5 years	0.99	1.01	1.16	1.16	1.56	1.66	1.75	1.41	0.94
– 10 years	1.47	1.46	1.64	1.72	2.12	2.40	2.45	1.99	1.37
– 30 years	2.12	2.25	2.45	2.56	2.91	3.19	3.23	2.78	2.12
S&P 500 index	2,123	2,103	2,096	2,048	1,922	2,077	2,128	2,027	1,829
DJIA index	18,085	17,949	17,865	17,577	16,346	17,760	18,120	17,249	15,660
Gold price (US\$/ounce)	1,352	1,336	1,274	1,242	1,103	1,161	1,369	1,172	1,052
CRB index	186.56	194.26	192.89	171.04	168.58	218.25	219.38	183.65	155.01
WTI oil (US\$/barrel)	48.99	49.02	49.09	39.74	33.20	52.74	53.05	41.66	26.19
Canada									
Overnight – target	0.50	0.50	0.50	0.50	0.50	0.75	0.75	0.50	0.50
Treasury bill – 3 months	0.46	0.49	0.51	0.47	0.44	0.56	0.57	0.46	0.32
Treasury bonds – 2 years	0.52	0.52	0.50	0.57	0.42	0.50	0.70	0.51	0.29
– 5 years	0.53	0.57	0.58	0.72	0.64	0.80	1.03	0.74	0.48
– 10 years	0.96	1.06	1.13	1.23	1.30	1.69	1.72	1.36	0.96
– 30 years	1.55	1.71	1.80	1.95	2.06	2.34	2.42	2.09	1.55
Spread with the U.S. rate (% points)									
Overnight – target	0.00	0.00	0.00	0.00	0.00	0.50	0.50	0.11	0.00
Treasury bill – 3 months	0.18	0.22	0.26	0.24	0.24	0.55	0.55	0.27	0.06
Treasury bonds – 2 years	-0.12	-0.08	-0.24	-0.14	-0.60	-0.14	-0.03	-0.27	-0.64
– 5 years	-0.46	-0.44	-0.58	-0.44	-0.92	-0.86	-0.38	-0.67	-1.00
– 10 years	-0.51	-0.40	-0.51	-0.49	-0.82	-0.71	-0.31	-0.63	-0.90
– 30 years	-0.57	-0.53	-0.65	-0.61	-0.85	-0.85	-0.52	-0.69	-0.88
S&P/TSX index	14,278	14,065	14,038	13,397	12,445	14,411	14,731	13,509	11,843
Exchange rate (C\$/US\$)	1.3070	1.2917	1.2785	1.2988	1.4170	1.2658	1.4579	1.3253	0.7651
Exchange rate (C\$/€)	1.4425	1.4384	1.4384	1.4808	1.5490	1.4132	1.5903	1.4710	0.8444
Overseas									
ECB – Refinancing rate	0.00	0.00	0.00	0.00	0.05	0.05	0.05	0.03	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	0.02	-0.10
Germany: Bonds – 10 years	-0.19	-0.13	0.02	0.10	0.51	0.90	0.85	0.40	-0.19
U.K.: Bonds – 10 years	0.88	0.99	1.36	1.37	1.76	2.07	2.13	1.67	0.88
Euro: Exchange rate (US\$/€)	1.1036	1.1136	1.1251	1.1402	1.0932	1.1165	1.1620	1.1103	1.0565
U.K.: Exchange rate (US\$/£)	1.2957	1.3262	1.4258	1.4127	1.4520	1.5526	1.5776	1.4774	1.2910

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.