

Comments from several Federal Reserve leaders cause volatility

HIGHLIGHTS

- Sharp increases in U.S. new home sales.
- United States: New capital goods orders finally surged in July.
- Canada: Corporate profits are down again.

A LOOK AHEAD

- United States: A slight dip in the ISM manufacturing index is expected.
- Strong growth in auto sales in August should support U.S. real consumption.
- United States: Hires should remain strong, but below what they were in June and July.
- Canada: Real GDP by industry should tick up 0.5% in June.
- Canada: The second quarter as a whole should end up with a 1.5% contraction in real GDP.
- Canada: The trade balance could improve slightly in July.

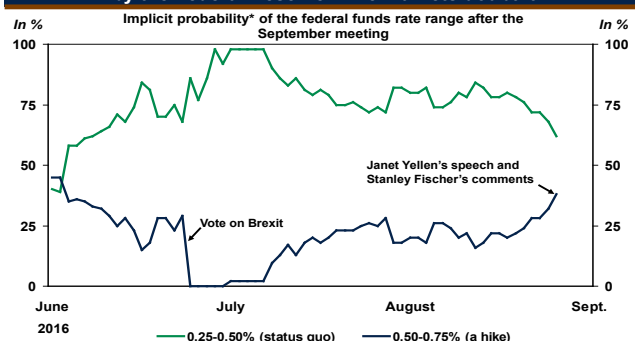
FINANCIAL MARKETS

- U.S. stock market end the week lower.
- Markets take the risk of U.S. monetary tightening in September more seriously.
- The U.S. dollar stabilizes after two weeks of losing ground.

CONTENTS

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

Graph of the week – Monetary firming announced for next month by the Federal Reserve? The markets doubt it



* According to federal fund futures
Sources: Bloomberg and Desjardins, Economic Studies

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KEY STATISTICS OF THE WEEK

UNITED STATES

- Sales of existing homes were down by 3.2% in July after four straight months of increases. The annualized volume fell from 5,570,000 units in June to 5,390,000 in July; this is the lowest level since March. The decline comes mainly from condominiums (-12.3%), while the downturn in single-family dwellings is more modest (-2.0%).
- Sales of new, single-family homes shot up by 12.4% in July to reach 654,000 units, the highest level since October 2007. They were at 582,000 units in June. Compared with last year, the gain is 31.3%. The monthly jump is seen mainly in the northeast (+40.0%) and the south (+18.1%) of the United States. This strength contradicts the recent performance of building permits for single-family homes.
- The leading indicator was up by 0.4% in July after a 0.3% upturn in June. This is the first time in 2016 that the leading indicator has shown two consecutive increases. The stock market, interest rates and hours worked are the components that made the largest contribution to the indicator's increase in July.
- New durable goods orders climbed 4.4% in July, sharper growth than was expected. This upturn comes on the heels of a 4.2% drop in June. The civil aviation sector is the source of these fluctuations, having plummeted by 49.6% in June and then bouncing back by 65.1% in July. Meanwhile, the auto sector was rather stagnant. If we exclude transportation, orders rose by 1.5%. We especially note that new capital goods orders (excluding defense and aviation) jumped 1.6% after a 0.5% increase in June. This is the first time since January 2015 that they have reported two consecutive increases.
- The release of the preliminary estimate of national accounts for the second quarter of 2016 has led to a modest downward revision of annualized real GDP growth. It dips from 1.2% according to the advance estimate, to 1.1%, in line with expectations. This change arises mainly from an even more negative change in inventories, and a smaller contribution from net exports. On the other hand, real consumption growth has been revised upwards, from 4.2% to 4.4%.

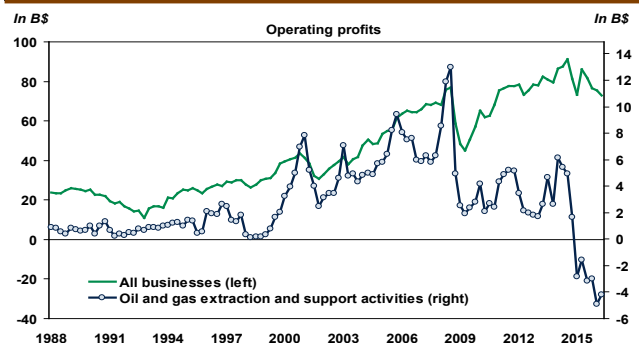
Francis Généreux
Senior Economist

CANADA

- Corporate operating profits reported their fourth straight quarterly slump this spring, with a decline of 3.4%. The 0.9% increase in non-financial activities was not enough to offset the 12.1% slide in financial and insurance activities. The energy sector continued to be affected by low oil prices and reported an operating loss of \$4.2B. Since the beginning of 2015, operating losses in the oil and gas extraction industry have reached \$19.6B.
- Wholesale sales were up by 0.7% in June, more than was expected. In particular, motor vehicle and parts wholesalers recorded a second straight month of strong growth. Expressed in real terms, sales were up by 0.6%. On the other hand, inventories shrank by 0.2%. Consequently, the net effect on economic growth in June will be very slight.

Benoit P. Durocher
Senior Economist

Canada – Corporate profits continue to lose ground



Sources: Statistics Canada and Desjardins, Economic Studies

FINANCIAL MARKETS

Janet Yellen prefers to remain vague about the imminence of the next rate hike but other officials are more explicit

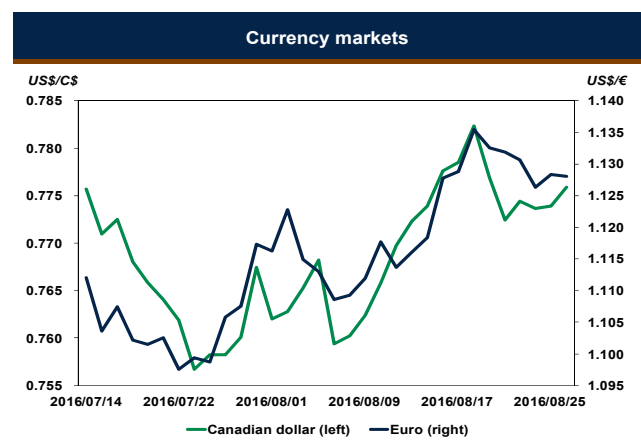
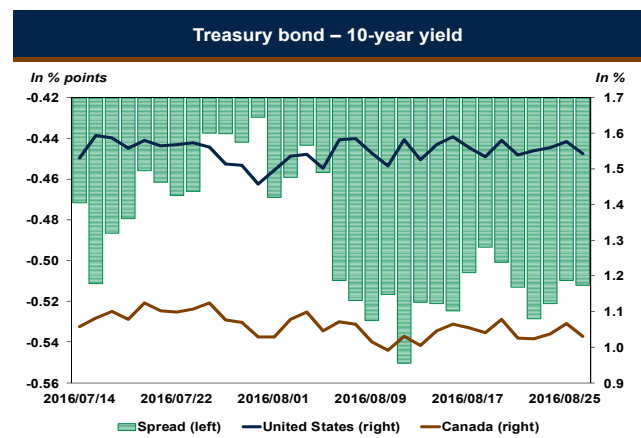
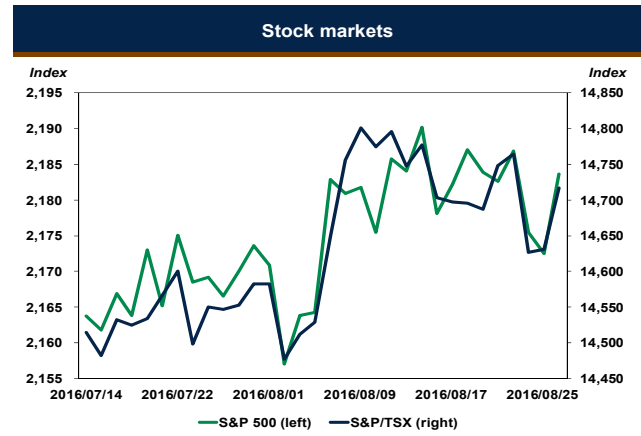
Given the dearth of economic statistics on this week’s agenda, the markets had their eyes on the speech given by Federal Reserve (Fed) Chair Janet Yellen on Friday morning. In expectation of this event, which was likely to generate volatility, investors played it safe and the stock markets hovered with no clear direction, both in the United States and overseas. In her speech, Yellen finally echoed some of her colleagues by saying that the Fed’s goals were on their way to being reached, and that the arguments in favour of an interest rate hike had solidified. However, she refrained from hinting at any action at the Fed’s next meeting. Stock markets reacted to that caution with some relief on Friday morning, but pulled back later on, as Vice-chairman Stanley Fischer mentioned that a rate hike in September was foreseeable.

Bond yields were particularly stable up until Thursday. The U.S. 10-year yield generally fluctuated within a very narrow range around 1.55%. Janet Yellen’s speech generated some volatility on Friday morning. Yields were down slightly following the speech but bounced back after Fischer’s remarks. Federal fund futures repositioned for a 38% probability of monetary tightening in September.

The currency market experienced a rather calm week. After two weeks of downward movement, the DXY effective exchange rate index stabilized. This was the effect of some recent, rather hawkish comments by certain Fed leaders. Friday was the best session for the greenback. At the time of writing, the euro was trading below US\$1.13. The pound sterling posted a slight gain on the week, nearing US\$1.32. So far, the latest statistics released in Europe are not showing any sign of economic slowdown after the British referendum. The Canadian dollar moved downwards, in tandem with oil prices in the start of the week. Another depreciation was observed Friday by the loonie, bringing it to US\$0.77.

Jimmy Jean
Senior Economist

Hendrix Vachon
Senior Economist



A LOOK AHEAD



UNITED STATES

Monday August 29 - 8:30

July	m/m
Consensus	0.3%
Desjardins	0.3%
June	0.4%

Consumer spending (July) – Despite a drop in automobile sales, real consumption rose by 0.3% in June. A similar increase is expected for July. This time, since new vehicle sales have rallied, the auto sector should support growth. The other durable goods should also post a gain. But for non-durable goods, a decline is expected, in line with the disappointing data on retail sales. In the service sector, the weak food services numbers will be offset by the jump in demand for energy. The personal consumption expenditures deflator probably held steady in July, meaning that nominal consumption will also post growth of 0.3%. Nominal personal income should head up by 0.4%.

Tuesday August 30 - 9:00

June	y/y
Consensus	5.10%
Desjardins	5.28%
May	5.24%

S&P/Case-Shiller index of existing home prices (June) – Prices of existing homes dipped by 0.2% in April and by 0.1% in May. Those dips came on the heels of seven months of relatively strong increases. Furthermore, the process of applying seasonal adjustments to the S&P/Case-Shiller index always seems to be problematic in the spring. In recent years, similar declines have been observed during the same period, to be followed by a rebound in the summer and fall. For the time being, we expect the index to have stayed flat in June. Nevertheless, the annual change should edge up from 5.24% to 5.28%.

Tuesday August 30 - 10:00

August	
Consensus	97.0%
Desjardins	99.0%
July	97.3%

Conference Board consumer confidence index (August) – The Conference Board index almost stood still in July, moving from 97.4 to 97.3. That was after a substantial gain in June. We do not expect much movement in August. After quickly recovering from the post-Brexit shock in July, the stock market is now on a timid upward trend. Gasoline prices fell at the start of the month, and rose again slightly last week. If we look at the other confidence indexes, the signs are positive. The Michigan index is showing a slight uptick in August, the Bloomberg weekly index has reached its highest level since March 2015, and the TIPP index has shown its strongest monthly growth since October 2015. All things considered, we can expect a modest upturn in the Conference Board index.

Thursday September 1 - 8:30

August	
Consensus	52.0%
Desjardins	51.6%
July	52.6%

ISM manufacturing index (August) – After gaining 1.9 points, moving from 51.3 to 53.2, the ISM index lost a bit of ground in July, dipping by 0.6 points to 52.6. That is still a good standing compared to the beginning of the year, when the index was below the 50 mark. However, the July number seems rather high compared with the regional manufacturing indexes. In addition, the New York Fed's Empire index and the Richmond Fed's index recorded declines in August. Consequently, a pullback in the ISM manufacturing index is foreseeable. We expect a drop of 1.0 point, to 51.6.

Friday September 2 - 8:30

July	US\$B
Consensus	-43.0%
Desjardins	-39.3%
June	-44.5%

Trade balance (July) – The trade balance steadily deteriorated from April to June, but we are expecting definite improvement in the trade deficit in July. The preliminary data show 2.4% growth in exports and a 1.3% decline in imports. Consequently, the deficit should improve, from -US\$44.5B to -US\$39.3B.

Job creation according to the establishment survey (August) – The U.S. job market is back on the upswing, after struggling briefly in the early spring. Hires came in at 292,000 in June and at 255,000 in July. We expect that pace of job growth to moderate. The average monthly job creation figure should sink back below the 200,000 mark. We also note that weekly jobless claims, while not high, did increase on average from July to August. The employment component of the ISM manufacturing index (Thursday, September 1) will give us a bit more information, as will the August results of the Conference Board's consumer confidence survey (they reported slight improvement in the employment-related components in July). For now, we anticipate the creation of 185,000 jobs in August. The jobless rate should hold steady at 4.9%.


CANADA

Current account (Q2) – The value of merchandise exports fell by 4.7% in the second quarter overall, while that of imports dropped by 1.4%. This deterioration of the balance of trade in goods will probably aggravate the current account deficit in the second quarter of 2016.

Real GDP by industry (June) – After the tribulations resulting from the forest fires in May, a gradual return to normal was recorded in oil sands operations in the Fort McMurray region in June. The expected rally in unconventional oil extraction should, by itself, contribute around 0.6% to June's real GDP. However, the trend in economic indicators during the month suggests that the rest of the Canadian economy continued to struggle; this could curtail real GDP growth by industry to some extent. All told, a monthly increase of 0.5% is expected for June.

Real GDP (Q2) – After edging up by a mere 0.1% in April, real GDP by industry dropped by 0.6% in May due to the tough times in oil sands operations during the forest fires in the Fort McMurray region. While a rally of around 0.5% is expected in June, the second quarter as a whole should end up with an annualized quarterly contraction of 1.5% in real GDP. The international trade balance, non-residential investment and goods consumption should all make a negative contribution to second-quarter real GDP. It is likely, though, that a significant increase in inventories will partially offset the effects of those declines.

International merchandise trade (July) – Once seasonally adjusted and expressed in Canadian dollars, commodity prices dropped by 1.4% in July, mainly in the energy sector. Obviously, this will pull down the value of merchandise exports during that month. On the other hand, U.S. production data in the auto sector show a 1.9% increase during the month; this should promote trade within that industry. If we also take into account the slight upward trend in the other components, a slight uptick in exports is expected; this should pave the way for minimal improvement in the balance of trade.

Worker productivity (Q2) – The number of hours worked in the private sector fell by 0.2% in the second quarter. This drop is slightly smaller than that expected for production; our estimates show a non-annualized decline of around 0.3% in real GDP. Under these circumstances, a slight dip in worker productivity is expected in the second quarter.

Friday September 2 - 8:30

August	
Consensus	185,000
Desjardins	185,000
July	255,000

Tuesday August 30 - 8:30

Q2	\$B
Consensus	-20.35
Desjardins	-20.80
Q1	-16.77

Wednesday August 31 - 8:30

June	m/m
Consensus	0.5%
Desjardins	0.5%
May	-0.6%

Wednesday August 31 - 8:30

Q2	
Consensus	-1.5%
Desjardins	-1.5%
Q1	2.4%

Friday September 2 - 8:30

July	\$B
Consensus	-3.20
Desjardins	-3.25
June	-3.63

Friday September 2 - 8:30

Q2	
Consensus	-0.4%
Desjardins	-0.1%
Q1	0.4%



**OVERSEAS**

During the week

Euro zone: Economic indicators – Among the indicators to be released in the euro zone during the week, Tuesday will bring several confidence indexes for the month of August. Early indications are not very positive. The preliminary version of the consumer confidence index showed a decline in August compared with July, while the PMI indexes pretty much stood still. The IFO confidence index of German businesses also lost ground. Wednesday will bring the release of the July unemployment rate; in June, it stood at 10.1%. The first estimate of inflation in August will also be made public on Wednesday. The annual change in the total consumer price index was 0.2% in July.


ECONOMIC INDICATORS

Week of August 29 to September 2, 2016

Day	Hour	Indicator	Period	Consensus		Previous data
 UNITED STATES						
MONDAY 29	8:30	Personal income (m/m)	July	0.4%	0.4%	0.2%
	8:30	Personal consumption expenditures (m/m)	July	0.3%	0.3%	0.4%
	8:30	Personal consumption expenditures deflator				
		Total (m/m)	July	0.0%	0.0%	0.1%
		Excluding food and energy (m/m)	July	0.1%	0.1%	0.1%
		Total (y/y)	July	0.8%	0.8%	0.9%
		Excluding food and energy (y/y)	July	1.5%	1.6%	1.6%
TUESDAY 30	9:00	S&P/Case-Shiller home price index (y/y)	June	5.10%	5.28%	5.24%
	10:00	Consumer confidence	August	97.0	99.0	97.3
WEDNESDAY 31	8:00	Speech of the Minneapolis Fed President, N. Kashkari				
	9:45	Chicago PMI index	August	54.0	55.0	55.8
	10:00	Pending home sales (m/m)	July	0.7%	n/a	0.2%
THURSDAY 1	---	Total vehicle sales (ann. rate)	August	17,200,000	17,350,000	17,770,000
	8:30	Initial unemployment claims	August 22-26	265,000	265,000	261,000
	8:30	Nonfarm productivity – final (ann. rate)	Q2	-0.6%	-0.7%	-0.5%
	8:30	Unit labor costs – final (ann. rate)	Q2	2.0%	2.1%	2.0%
	10:00	Construction spending (m/m)	July	0.6%	0.4%	-0.6%
	10:00	ISM manufacturing index	August	52.0	51.6	52.6
FRIDAY 2	8:30	Trade balance – Goods and services (US\$B)	July	-43.0	-39.3	-44.5
	8:30	Change in nonfarm payrolls	August	185,000	185,000	255,000
	8:30	Unemployment rate	August	4.8%	4.9%	4.9%
	8:30	Average weekly earnings (m/m)	August	0.2%	0.2%	0.3%
	8:30	Weekly worked hours	August	34.5	34.5	34.5
	10:00	Factory orders (m/m)	July	2.0%	2.2%	-1.5%
	13:00	Speech of the Richmond Fed President, J. Lacker	Sept.			


 **CANADA**

MONDAY 29	---	---				
TUESDAY 30	8:30	Current account balance (\$B)	Q2		-20.80	-16.77
	8:30	Industrial product price index (m/m)	July		-0.5%	0.6%
	8:30	Raw materials price index (m/m)	July		-2.2%	1.8%
WEDNESDAY 31	8:30	Real GDP by industry (m/m)	June		0.5%	-0.6%
	8:30	Real GDP (ann. rate)	Q2		-1.5%	2.4%
THURSDAY 1	---	---				
FRIDAY 2	8:30	International trade (\$B)	July		-3.25	-3.63
	8:30	Labour productivity (q/q)	Q2		-0.1%	0.4%

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 August 29 to September 28, 2016

Country	Hour	Indicator	Period	Consensus		Previous data		
				m/m (q/q)	y/y	m/m (q/q)	y/y	
 OVERSEAS								
MONDAY 29								
Italy	4:00	Consumer confidence	August	110.4		111.3		
Italy	4:00	Economic confidence	August	n/a		103.3		
Japan	19:30	Workers' household spending	July		-1.4%			-2.2%
Japan	19:30	Unemployment rate	July	3.1%		3.1%		
Japan	19:50	Retail sales	July	0.8%	-0.9%	0.2%		-1.4%
TUESDAY 30								
Italy	4:00	Retail sales	June	-0.1%	n/a	0.3%		-1.3%
Euro zone	5:00	Business climate	August	0.36		0.39		
Euro zone	5:00	Consumer confidence – final	August	-8.5		-8.5		
Euro zone	5:00	Industrial confidence	August	-2.7		-2.4		
Euro zone	5:00	Services confidence	August	11.1		11.1		
Euro zone	5:00	Economic confidence	August	104.2		104.6		
Germany	8:00	Consumer price index – preliminary	August	0.1%	0.5%	0.3%		0.4%
United Kingdom	19:05	Consumer confidence	August	-8		-12		
Japan	19:50	Industrial production – preliminary	July	0.7%	-3.0%	2.3%		-1.5%
WEDNESDAY 31								
Brazil	---	Bank of Brazil meeting	August	14.25%		14.25%		
Japan	0:00	Vehicle production	July		n/a			-1.0%
Japan	1:00	Small business confidence	August	n/a		47.8		
Japan	1:00	Housing starts	July		7.5%			-2.5%
United Kingdom	2:00	Nationwide house prices	August	-0.2%	4.8%	0.5%		5.2%
Germany	2:00	Retail sales	July	0.5%	0.3%	-0.1%		2.7%
France	2:45	Personal consumption expenditures	July	0.3%	1.1%	-0.8%		0.6%
France	2:45	Consumer price index – preliminary	August	0.4%	0.3%	-0.4%		0.2%
France	2:45	Producer price index	July	n/a	n/a	0.4%		-3.1%
Italy	4:00	Unemployment rate	July	11.6%		11.6%		
Euro zone	5:00	Consumer price index – estimate	August		0.3%			0.2%
Euro zone	5:00	Unemployment rate	July	10.0%		10.1%		
Italy	5:00	Consumer price index – preliminary	August	0.3%	0.0%	0.2%		-0.1%
China	21:00	PMI manufacturing index	August	49.9		49.9		
China	21:00	PMI non-manufacturing index	August	n/a		53.9		
THURSDAY 1								
Japan	1:00	Vehicle sales	August		n/a			-0.2%
Italy	3:45	PMI manufacturing index	August	51.2		51.2		
France	3:50	PMI manufacturing index – final	August	48.5		48.5		
Germany	3:55	PMI manufacturing index – final	August	53.6		53.6		
Euro zone	4:00	PMI manufacturing index – final	August	51.8		51.8		
United Kingdom	4:30	PMI manufacturing index	August	49.0		48.2		
FRIDAY 2								
Japan	1:00	Consumer confidence	August	41.5		41.3		
Italy	4:00	Real GDP – final	Q2	0.0%	0.7%	0.0%		0.7%
United Kingdom	4:30	PMI construction index	August	46.5		45.9		
Euro zone	5:00	Producer price index	July	0.1%	-2.9%	0.7%		-3.1%

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 Q2	16,570	1.1	1.2	2.6	2.4	1.7	2.2
Consumption (2009 \$B)	2016 Q2	11,487	4.4	2.7	3.2	2.9	1.5	1.5
Government spending (2009 \$B)	2016 Q2	2,902	-1.5	0.7	1.8	-0.9	-2.9	-1.9
Residential investment (2009 \$B)	2016 Q2	588.8	-7.7	5.7	11.7	3.5	11.9	13.5
Non-residential investment (2009 \$B)	2016 Q2	2,175	-0.9	-1.0	2.1	6.0	3.5	9.0
Business inventory change (2009 \$B) (1)	2016 Q2	-12.4	---	---	84.0	57.7	78.7	54.7
Exports (2009 \$B)	2016 Q2	2,108	1.2	-1.3	0.1	4.3	3.5	3.4
Imports (2009 \$B)	2016 Q2	2,670	0.3	0.4	4.6	4.4	1.1	2.2
Final domestic demand (2009 \$B)	2016 Q2	17,134	2.2	2.0	3.1	2.6	1.2	1.9
GDP deflator (2009 = 100)	2016 Q2	111.3	2.3	1.2	1.1	1.8	1.6	1.8
Labor productivity (2009 = 100)	2016 Q2	106.0	-0.8	-0.4	0.9	0.8	0.4	0.9
Unit labor cost (2009 = 100)	2016 Q2	109.5	2.0	2.1	2.0	2.0	0.9	1.7
Employment cost index (Dec. 2005 = 100)	2016 Q2	126.7	2.2	2.3	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)	July	124.3	0.4	0.6	1.1	1.2
ISM manufacturing index (1)	July	52.6	53.2	50.8	48.2	51.9
ISM non-manufacturing index (1)	July	55.5	56.5	55.7	53.5	59.6
Cons. confidence Conf. Board (1985 = 100) (1)	July	97.3	97.4	94.7	97.8	91.0
Cons. confidence Michigan (1966 = 100) (1)	Aug.	89.8	90.0	94.7	91.7	91.9
Personal consumption expenditure (2009 \$B)	June	11,514	0.3	1.2	1.4	2.8
Disposable personal income (2009 \$B)	June	12,601	0.1	0.2	0.5	2.2
Consumer credit (\$B)	June	3,634	0.3	1.3	2.8	5.8
Retail sales (\$M)	July	457,727	-0.0	1.0	2.2	2.3
Excluding automobiles (\$M)	July	364,517	-0.3	0.9	2.4	2.2
Industrial production (2007 = 100)	July	104.9	0.7	1.0	0.3	-0.5
Production capacity utilization rate (%) (1)	July	75.9	75.4	75.2	75.7	76.7
New machinery orders (\$M)	June	447,425	-1.5	-1.0	-0.3	-5.6
New durable good orders (\$M)	July*	228,904	4.4	-2.9	-1.2	-3.3
Business inventories (\$B)	June	1,814	0.2	0.5	0.7	0.5
Housing starts (K) (1)	July	1,211	1,186	1,155	1,128	1,147
Building permits (K) (1)	July	1,144	1,153	1,130	1,188	1,142
New home sales (K) (1)	July*	654.0	582.0	570.0	526.0	498.0
Existing home sales (K) (1)	July*	5,390	5,570	5,430	5,470	5,480
Construction spending (\$B)	June	1,134	-0.6	-3.6	-0.0	0.3
Commercial surplus (\$M) (1)	June	-44,510	-40,956	-35,536	-41,487	-42,973
Nonfarm employment (K) (2)	July	144,448	255.0	571.0	1,134	2,447
Unemployment rate (%) (1)	July	4.9	4.9	5.0	4.9	5.3
Consumer price (1982-1984 = 100)	July	239.8	-0.0	0.4	0.7	0.9
Excluding food and energy	July	247.7	0.1	0.5	1.0	2.2
Personal cons. expenditure deflator (2009 = 100)	June	110.6	0.1	0.6	0.7	0.9
Excluding food and energy	June	111.2	0.1	0.4	1.0	1.6
Producer price (2009 = 100)	July	110.3	-0.4	0.5	0.3	-0.2
Excluding food and energy	July	110.1	-0.3	0.4	0.2	0.7
Export prices (2000 = 100)	July	121.1	0.2	2.0	2.0	-3.0
Import prices (2000 = 100)	July	120.7	0.1	1.9	2.5	-3.7

* 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)	May	1,654,258	-0.6	-0.7	-0.2	1.0
Industrial production (2007 \$M)	May	336,467	-3.7	-5.3	-4.7	-2.7
Manufacturing sales (\$M)	June	50,243	0.8	0.7	-2.7	-1.9
Housing starts (K) (1)	July	195.0	218.3	189.0	173.9	190.7
Building permits (\$M)	June	6,408	-5.5	-7.3	-9.4	-12.9
Retail sales (\$M)	June	44,142	-0.1	0.7	2.5	2.7
Excluding automobiles (\$M)	June	33,077	-0.8	1.3	2.9	1.6
Wholesale trade sales (\$M)	June*	56,424	0.7	2.9	0.9	3.2
Commercial surplus (\$M) (1)	June	-3,632	-3,504	-3,160	-896.2	-760.8
Exports (\$M)	June	41,387	0.6	0.2	-8.2	-7.6
Imports (\$M)	June	45,019	0.8	1.2	-2.0	-1.2
Employment (K) (2)	July	18,023	-31.2	-6.0	3.0	5.9
Unemployment rate (%) (1)	July	6.9	6.8	7.1	7.2	6.8
Average weekly earnings (\$)	June*	958.1	0.4	-0.0	-0.2	0.5
Number of salaried employees (K) (2)	June*	15,956	52.7	28.5	13.3	15.8
Consumer price (2002 = 100)	July	128.9	-0.2	0.5	1.7	1.3
Excluding food and energy	July	123.8	-0.1	0.4	1.8	2.1
Excluding 8 volatile items	July	128.6	0.0	0.3	1.7	2.1
Industrial product price (2002 = 100)	June	110.0	0.6	1.4	0.3	-0.8
Raw materials price (2002 = 100)	June	93.8	1.8	9.8	11.9	-9.0
Money supply M1+ (\$M)	June	844,633	0.2	1.7	3.6	8.1

* 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 (%)		
	Aug. 26	Aug. 19	-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	0.43	0.25
Treasury bill – 3 months	0.31	0.29	0.27	0.31	0.32	0.06	0.35	0.22	-0.02
Treasury bonds – 2 years	0.79	0.75	0.66	0.88	0.81	0.69	1.08	0.79	0.54
– 5 years	1.14	1.16	1.03	1.37	1.26	1.52	1.75	1.35	0.94
– 10 years	1.54	1.58	1.46	1.83	1.76	2.18	2.35	1.90	1.36
– 30 years	2.22	2.29	2.18	2.64	2.64	2.91	3.11	2.69	2.11
S&P 500 index	2,184	2,184	2,174	2,099	1,948	1,989	2,190	2,041	1,829
DJIA index	18,539	18,553	18,432	17,873	16,640	16,643	18,636	17,395	15,660
Gold price (US\$/ounce)	1,333	1,345	1,349	1,212	1,216	1,135	1,369	1,202	1,052
CRB index	187.19	188.78	181.01	186.14	161.67	197.10	202.69	181.29	155.01
WTI oil (US\$/barrel)	47.67	48.48	41.54	49.36	31.65	45.29	51.23	41.47	26.19
Canada									
Overnight – target	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50
Treasury bill – 3 months	0.52	0.49	0.53	0.53	0.47	0.36	0.56	0.47	0.32
Treasury bonds – 2 years	0.57	0.57	0.54	0.65	0.52	0.42	0.70	0.53	0.29
– 5 years	0.68	0.68	0.60	0.79	0.67	0.74	1.03	0.73	0.48
– 10 years	1.03	1.08	1.03	1.36	1.18	1.44	1.72	1.31	0.97
– 30 years	1.64	1.69	1.64	1.99	1.96	2.19	2.42	2.02	1.55
Spread with the U.S. rate (% points)									
Overnight – target	0.00	0.00	0.00	0.00	0.00	0.25	0.25	0.07	0.00
Treasury bill – 3 months	0.21	0.20	0.26	0.22	0.15	0.30	0.45	0.25	0.06
Treasury bonds – 2 years	-0.21	-0.18	-0.12	-0.23	-0.29	-0.27	-0.03	-0.25	-0.64
– 5 years	-0.47	-0.48	-0.43	-0.58	-0.58	-0.78	-0.38	-0.62	-1.00
– 10 years	-0.51	-0.50	-0.43	-0.48	-0.58	-0.74	-0.31	-0.59	-0.90
– 30 years	-0.58	-0.60	-0.54	-0.65	-0.67	-0.72	-0.52	-0.67	-0.88
S&P/TSX index	14,717	14,687	14,583	14,105	12,798	13,865	14,801	13,566	11,843
Exchange rate (C\$/US\$)	1.2888	1.2872	1.3030	1.3019	1.3513	1.3202	1.4579	1.3248	0.7759
Exchange rate (C\$/€)	1.4537	1.4579	1.4559	1.4471	1.4775	1.4759	1.5903	1.4718	0.8753
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	0.25	0.25	0.50	0.50	0.50	0.50	0.50	0.48	0.25
BoJ – Overnight rate	-0.10	-0.10	-0.10	-0.10	-0.10	0.10	0.10	-0.01	-0.10
Germany: Bonds – 10 years	-0.09	-0.10	-0.18	0.14	0.15	0.73	0.80	0.29	-0.18
U.K.: Bonds – 10 years	0.54	0.72	0.81	1.44	1.40	1.95	2.05	1.51	0.54
Euro: Exchange rate (US\$/€)	1.1281	1.1326	1.1174	1.1115	1.0934	1.1180	1.1532	1.1114	1.0565
U.K.: Exchange rate (US\$/£)	1.3201	1.3076	1.3231	1.4625	1.3871	1.5393	1.5591	1.4444	1.2880

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.