

## Conflicting signals on the U.S. economy

### HIGHLIGHTS

- Hires slow more than expected in the United States.
- United States: The ISM manufacturing index falls back below the 50 mark!
- U.S. consumer confidence improved.
- Canada: Despite a 0.6% rebound in June, Q2 as a whole ended with a 1.6% pullback in real GDP.
- Canada: The trade balance improved in July.

### A LOOK AHEAD

- United States: The ISM non-manufacturing index is expected to dip slightly.
- Canada: The Bank of Canada should maintain its target for the overnight rate at 0.50%.
- Canada: Employment could rebound after the sharp drop in July.
- Canada: The industrial capacity utilization rate should show a substantial decline.

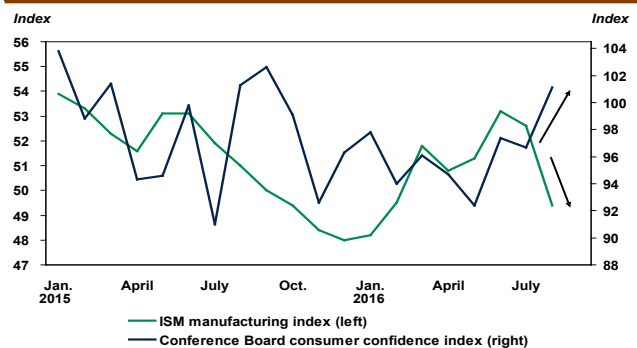
### FINANCIAL MARKETS

- European stock markets welcome improved data from the United Kingdom.
- Markets once again doubt the Fed will firm up its monetary policy in September.
- The U.S. dollar loses steam due to lower-than-expected statistics.

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**Graph of the week – Consumer confidence is improving, but manufacturing continues to struggle**



Sources: Institute for Supply Management, Conference Board and Desjardins, Economic Studies

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## KEY STATISTICS OF THE WEEK

### UNITED STATES

- The establishment survey shows that there were 151,000 net hires in August after much greater gains of 275,000 (revised from 255,000) in July and 271,000 (revised from 292,000) in June. Construction sector employment contracted by 6,000 jobs and manufacturing lost 14,000 workers. The natural resources sector laid off 4,000 workers. Private sector service firms created 150,000 jobs, in contrast to the average of 228,500 jobs recorded in June and July. The jobless rate held steady at 4.9%.
- After sitting above the 50 mark for five straight months, the ISM manufacturing index dropped in August, from 52.6 to 49.4. Nine of the ten sub-indexes lost ground. The main declines were in new orders (-7.8 points) and current production (-5.8 points).
- Real consumption rose 0.3% in July, after a 0.5% increase in June. Spending on durable goods rebounded by 1.9%, thanks in most part to the automobile sector. Consumption of non-durable goods fell 0.1%, while that of the service sector ticked up 0.2%.
- The Conference Board consumer confidence index improved in August, shifting from 96.7 to 101.1—its highest level since September 2015. This rebound stems both from the component tied to the current situation (+4.2 points) and expectations (+4.4 points).
- The S&P/Case-Shiller index of existing home prices in the 20 largest cities fell in June for the third consecutive month. The drop by 0.1% comes on the heels of a similar decline in May and a 0.2% contraction in April. These setbacks seem mostly tied to a seasonal adjustment issue. The annual change in this index slipped from 5.25% to 5.13%.
- Construction spending was stable in July after a 0.9% increase in June (revised from -0.6%). Construction in the private sector was up 1.0% due to a 1.7% jump on the non-residential side. Housing posted growth of 0.3%. Public construction spending tumbled 3.1%.
- The U.S. trade balance posted strong growth in July—from -US\$44.7B in June to -US\$39.5B. Nominal exports surged 1.9%, while imports fell by 0.8%. In real terms, the improvement is even better, suggesting that net exports contributed to real GDP growth in the third quarter.

**Francis Généreux**  
Senior Economist

### CANADA

- Real GDP by industry rebounded by 0.6% in June after a 0.6% contraction in May. This improvement can be explained by the gradual return to normal activities in non-conventional oil extraction following the interruptions caused by the forest fires in Alberta. The other industries in Canada's economy also posted stronger results in June after grappling with some difficulties in previous months.
- Despite June's recovery in production, the second quarter as a whole ended with a quarterly annualized 1.6% drop in real GDP. The bulk of that contraction comes from a strong, negative contribution from the trade balance: exports plunged by 16.7%, while imports edged up by 1.1%. On the other hand, acceleration in inventory changes made a positive contribution to real GDP growth. Consumer spending also contributed positively to real GDP. Non-residential investment lost ground once again in the spring, although the decline was definitely smaller than the drops that were observed in previous quarters.
- After several months of difficulties, merchandise exports rebounded in July with a 3.4% gain. Imports fell by 0.1%, meaning that the trade balance improved significantly, from -\$3.97B to -\$2.49B. The increase is even stronger once expressed in real terms, suggesting that international trade might once again make a positive contribution to economic growth in Q3.
- Worker productivity declined 0.3% in the second quarter, due to a sharper drop in production than in the number of hours worked. If we take the increase in workers' wages into account, the unit labour cost advanced by 0.7% for the quarter. Once expressed in U.S. dollars, the unit labour cost of Canadian businesses increased 7.5%, pointing to a net deterioration in their competitiveness.

**Benoit P. Durocher**  
Senior Economist

# FINANCIAL MARKETS

## Unimpressive U.S. data raises doubts about the Fed’s next move

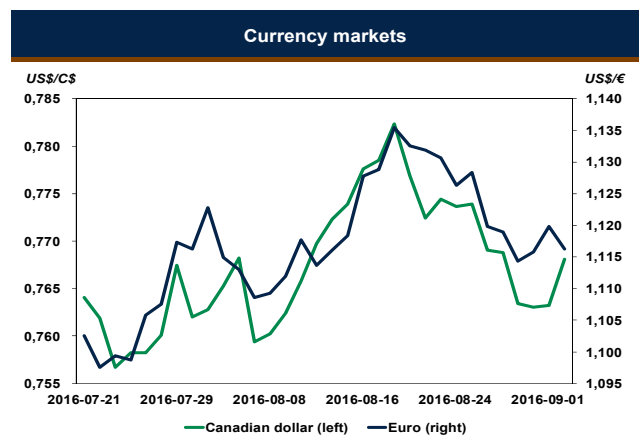
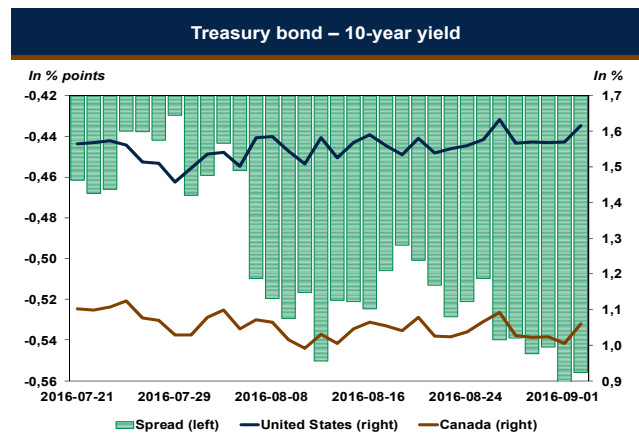
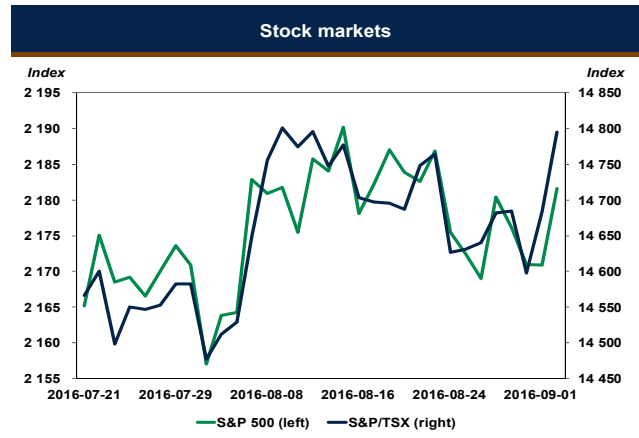
Stronger-than-expected economic indicators in the United Kingdom boosted European stock markets. The PMI indexes for manufacturing and construction recovered, suggesting that the post-Brexit shock was merely temporary. The Euro Stoxx 600 index was headed for a weekly gain of close to 1.0% on Friday morning. The U.S. stock market had more difficulties—it was still reeling from the warnings of Federal Reserve (Fed) leaders. U.S. job creation that came in below expectations on Friday simply added to the surprise drop in the ISM manufacturing index, suggesting to investors that the Fed could postpone its next round of monetary firming. The S&P/TSX held its own, on its way to ending the week with a 0.9% increase, despite the fact that oil prices fell to a low of US\$43 on Thursday.

The hawkish comments made by Fed leaders at the Jackson Hole conference did not have a lasting impact on bonds. On Monday only, the U.S. 10-year yield fell by 7 points, wiping out the gains made the previous Friday. The yield then shifted within a limited range of 1.56% and 1.60%. The data on jobs were greeted with disappointment, reducing to 26% the likelihood of a September rate increase. The spreads between U.S. and Canadian yields widened on Friday, but solid data on international trade reset the scales.

The U.S. dollar continued to rise in the first half of the week, supported by the growing sentiment that the Fed could announce an interest rate hike. Still, the disappointing economic statistics halted the greenback’s surge. The euro, which fell to US\$1.11 during the week, was back to US\$1.12 by Friday morning. Boosted by encouraging data in the United Kingdom, the pound recorded a bigger jump, edging close to US\$1.33 at the time of writing. The loonie benefited from the improvements in international trade in July. After falling close to US\$0.76 during the week, the Canadian dollar moved closer to US\$0.77 by Friday.

**Jimmy Jean**  
Senior Economist

**Hendrix Vachon**  
Senior Economist



# A LOOK AHEAD



## UNITED STATES

### Tuesday September 6 - 10:00

#### August

Consensus	55.2
Desjardins	54.0
<b>July</b>	<b>55.5</b>

**ISM non-manufacturing index (August)** – After a 3.6-point increase in June, the ISM non-manufacturing index fell by 1.0 in July, to 55.5. A decline, albeit modest, could be posted for August. The real estate market is performing fairly well and some consumer confidence indexes improved in August. That said, the recent weakness in retail sales could drag down the ISM and job creation in the private services sector slowed in August. The main risk stems from the poor performance of the ISM manufacturing index, which surprisingly fell below the 50 mark in August. We expect the ISM non-manufacturing index to slip by 1.5 points, to 54.0.

### Thursday September 8 - 15:00

#### July

Consensus	15.5
Desjardins	18.0
<b>June</b>	<b>12.3</b>

**Consumer credit (July)** – Consumer credit growth in June was fairly disappointing. The US\$12.32B gain is much weaker than the weekly data on bank credit suggested. We expect growth to improve in July. The sharp jump in automobile sales for the month should help monthly credit rise. While credit growth has slowed recently, data on bank credit still point to an increase over the results for June. An increase of US\$18.0B is therefore expected.



## CANADA

### Wednesday Sept. 7 - 10:00

#### September

Consensus	0.50%
Desjardins	0.50%
<b>July</b>	<b>0.50%</b>

**Bank of Canada meeting** – Even if Canada's economy has struggled lately—with a 1.6% decline in real GDP in the second quarter—the monetary authorities should stay the course and leave the target for the overnight rate at 0.50%. However, a rebound in real GDP is expected as of the third quarter as the adverse effects of the forest fires in Alberta fade and the uptrend in exports gets back on track. Since the Bank of Canada's forecasts on annual real GDP growth in 2016 and 2017 are still close to the consensus forecast, few changes to the monetary authorities' economic scenario are expected.

### Thursday September 8 - 8:30

#### Q2

Consensus	n/a
Desjardins	79.6%
<b>Q1</b>	<b>81.4%</b>

**Industrial capacity utilization rate (Q2)** – Industrial output plunged 11.1% in the second quarter—the sharpest drop since the spring of 2009. Moreover, the forest fires in the Fort McMurray area severely hampered non-conventional oil extraction for the period. Forest products, logging, manufacturing and construction also recorded significant declines. Given these circumstances, the industrial capacity utilization rate should show a substantial decline in the second quarter.

### Friday September 9 - 8:30

#### August

Consensus	15,000
Desjardins	25,000
<b>July</b>	<b>-31,200</b>

**Labour Force Survey (August)** – Employment growth deteriorated in recent months, lowering the trend-cycle metric compiled by Statistics Canada in July—a first since the Great Recession. That said, given the volatile nature of labour market data, sustained job creation is expected in August with a rebound on the heels of the 31,200 jobs lost in July. The unemployment rate could nevertheless edge up from 6.9% to 7.0%, due to the slight uptick in the participation rate to a level that is more in line with the trend seen in recent months.



**Housing starts (August)** – The number of housing starts could dip slightly in August. Case in point, the number of starts for multi-unit housing in urban areas still seems somewhat too high. The implementation of the new tax on homes purchased by foreigners in the Vancouver area could also curb the enthusiasm of some developers.



## OVERSEAS

**European Central Bank meeting (ECB)** – At its July meeting, the ECB opened the door to new monetary easing measures amid widespread concerns of an economic slowdown in the wake of the Brexit referendum in Britain. The updated economic forecasts will be decisive for the ECB. However, in light of the recent data, which do not point to any significant economic slowdown, the forecasts seem less likely to be revised to the point where immediate action from the ECB will be required. A few confidence indicators have dipped and inflation has recently been slightly weaker than expected, but this is unlikely to have any influence on anticipated trends. However, even if no announcement has been made, the tone of the statement and Mario Draghi's speech will surely be tinged with caution and keep the door open for other potential actions. Among the indicators to be released in the euro zone this week, the data on retail sales for July will be out on Monday—retail sales were flat in June. The final version of Euroland's real GDP for the third quarter will be made public on Tuesday. The results for industrial production in Germany and France will be released on Wednesday and Friday, respectively.

### Friday September 9 - 8:30


<b>August</b>	
Consensus	190,000
Desjardins	190,000
<b>July</b>	<b>195,000</b>

### Thursday September 8 - 7:45

<b>September</b>	
Consensus	0.00%
<b>July</b>	<b>0.00%</b>

# ECONOMIC INDICATORS


## Week of September 5 to 9, 2016

Day	Hour	Indicator	Period	Consensus		Previous data
<b>UNITED STATES</b>						
<b>MONDAY 5</b>						
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<b>TUESDAY 6</b>						
	10:00	ISM non-manufacturing index	August	55.2	54.0	55.5
	21:15	Speech of the San Francisco Fed President, J. Williams				
<b>WEDNESDAY 7</b>						
	14:00	Release of the <i>Beige Book</i>				
<b>THURSDAY 8</b>						
	8:30	Initial unemployment claims	August 29 - Sept. 2	265,000	266,000	263,000
	15:00	Consumer credit (US\$B)	July	15.5	18.0	12.3
<b>FRIDAY 9</b>						
	7:45	Speech of the Boston Fed President, E. Rosengren	Sept.			
	10:00	Wholesale inventories (m/m)	July	0.0%	0.0%	0.0%




## CANADA

<b>MONDAY 5</b>						
	---	Markets closed (Labor Day)				
<b>TUESDAY 6</b>						
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<b>WEDNESDAY 7</b>						
	10:00	Bank of Canada meeting	September	0.50%	0.50%	0.50%
	10:00	PMI-Ivey index	August	n/a	57.5	57.0
<b>THURSDAY 8</b>						
	8:30	New housing price index (m/m)	July	n/a	0.2%	0.1%
	8:30	Industrial capacity utilization rate	Q2	n/a	79.6%	81.4%
	8:30	Building permits (m/m)	July	n/a	1.5%	-5.5%
<b>FRIDAY 9</b>						
	8:15	Housing starts (ann. rate)	August	190,000	190,000	198,400
	8:30	Net change in employment	August	15,000	25,000	-31,200
	8:30	Unemployment rate	August	7.0%	7.0%	6.9%

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 September 5 to 9, 2016

Country	Hour	Indicator	Period	Consensus		Previous data		
				m/m (q/q)	y/y	m/m (q/q)	y/y	
 <b>OVERSEAS</b>								
<b>DURING THE WEEK</b>								
China	---	Trade balance (US\$B)	August	58.4		52.3		
<b>MONDAY 5</b>								
Italy	3:45	PMI composite index	August	52.0		52.2		
Italy	3:45	PMI services index	August	51.8		52.0		
France	3:50	PMI composite index – final	August	51.6		51.6		
France	3:50	PMI services index – final	August	52.0		52.0		
Germany	3:55	PMI composite index – final	August	54.4		54.4		
Germany	3:55	PMI services index – final	August	53.3		53.3		
Euro zone	4:00	PMI composite index – final	August	53.3		53.3		
Euro zone	4:00	PMI services index – final	August	53.1		53.1		
United Kingdom	4:30	PMI composite index	August	50.8		47.5		
United Kingdom	4:30	PMI services index	August	50.0		47.4		
Euro zone	5:00	Retail sales	July	0.5%	1.8%	0.0%	1.6%	
<b>TUESDAY 6</b>								
Australia	0:30	Reserve Bank of Australia meeting	Sept.	1.50%		1.50%		
Germany	2:00	Factory orders	July	0.6%	-0.2%	-0.4%	-3.1%	
Germany	3:30	PMI construction index	August	n/a		51.6		
Euro zone	4:10	PMI retail index	August	n/a		48.9		
Germany	4:10	PMI retail index	August	n/a		52.0		
France	4:10	PMI retail index	August	n/a		51.6		
Italy	4:10	PMI retail index	August	n/a		40.3		
Euro zone	5:00	Real GDP	Q2	0.3%	1.6%	0.3%	1.6%	
Brazil	7:30	Minutes of the Bank of Brazil meeting	Sept.					
<b>WEDNESDAY 7</b>								
Japan	1:00	Leading indicator – preliminary	July	98.6		99.2		
Japan	1:00	Coincident indicator – preliminary	July	111.7		111.1		
Germany	2:00	Industrial production	July	0.1%	0.2%	0.8%	0.5%	
France	2:45	Trade balance (€M)	July	-3,600		-3,440		
France	2:45	Current account (€B)	July	n/a		-0.6		
Sweden	3:30	Bank of Sweden meeting	Sept.	-0.50%		-0.50%		
United Kingdom	4:30	Industrial production	July	-0.2%	1.9%	0.1%	1.6%	
Japan	19:50	Current account (¥B)	July	1,590.3		1,648.4		
Japan	19:50	Real GDP – final	Q2	0.0%		0.0%		
<b>THURSDAY 8</b>								
France	1:30	Non-farm payrolls – final	Q2	0.2%		0.2%		
Euro zone	7:45	European Central Bank meeting	Sept.	0.0%		0.0%		
China	21:30	Consumer price index	August		1.7%		1.8%	
China	21:30	Producer price index	August		-1.0%		-1.7%	
<b>FRIDAY 9</b>								
South Korea	---	Bank of Korea meeting	Sept.	1.25%		1.25%		
Japan	0:30	Tertiary industry activity index	July	0.4%		0.8%		
Germany	2:00	Trade balance (€B)	July	23.7		24.9		
Germany	2:00	Current account (€B)	July	24.5		26.3		
France	2:45	Industrial production	July	0.3%	1.0%	-0.8%	-1.3%	
United Kingdom	4:30	Trade balance (£M)	July		-4,200		-5,084	
United Kingdom	4:30	Construction	July	-0.7%	-3.4%	-0.9%	-2.2%	

NOTE: In contrast to the situation in Canada and the United States, disclosure of overseas economic figures is much more approximate. The day of publication is therefore shown for information purposes only. The abbreviations m/m, q/q and y/y correspond to monthly, quarterly and yearly variation respectively. (SA): Seasonally adjusted, (NSA): Non seasonally adjusted. The times shown are 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	110.1	4.3	2.6	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)	Aug.*	49.4	52.6	51.3	49.5	51.0
ISM non-manufacturing index (1)	July	55.5	56.5	55.7	53.5	59.6
Cons. confidence Conf. Board (1985 = 100) (1)	Aug.*	101.1	96.7	92.4	94.0	101.3
Cons. confidence Michigan (1966 = 100) (1)	Aug.	89.8	90.0	94.7	91.7	91.9
Personal consumption expenditure (2009 \$B)	July*	11,565	0.3	0.9	1.9	3.0
Disposable personal income (2009 \$B)	July*	12,706	0.4	0.8	1.3	2.7
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)	July*	454,759	1.9	-1.1	0.4	-3.5
New durable good orders (\$M)	July	228,621	4.4	-3.0	-1.4	-3.4
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)	July*	1,153	-0.0	0.9	0.7	1.5
Commercial surplus (\$M) (1)	July*	-39,474	-44,655	-38,596	-43,027	-39,900
Nonfarm employment (K) (2)	Aug.*	144,598	151.0	697.0	1,051	2,447
Unemployment rate (%) (1)	Aug.*	4.9	4.9	4.7	4.9	5.1
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)	July*	110.7	0.0	0.3	0.6	0.8
Excluding food and energy	July*	111.4	0.1	0.3	0.8	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 Q2*	1,776,171	-1.6	0.9	1.1	2.5	2.2	1.7
Household consumption (2007 \$M)	2016 Q2*	1,017,654	2.2	2.2	1.9	2.6	2.4	1.9
Government consumption (2007 \$M)	2016 Q2*	352,554	4.2	2.0	1.7	0.3	0.3	0.7
Residential investment (2007 \$M)	2016 Q2*	125,607	1.2	4.2	3.8	2.5	-0.4	5.6
Non-residential investment (2007 \$M)	2016 Q2*	160,090	-1.9	-8.6	-10.6	0.0	2.5	8.6
Business inventory change (2007 \$M) (1)	2016 Q2*	502	---	---	3,907	9,869	15,476	6,159
Exports (2007 \$M)	2016 Q2*	563,045	-16.7	-0.9	3.4	5.3	2.8	2.6
Imports (2007 \$M)	2016 Q2*	567,146	1.1	-1.8	0.3	1.8	1.5	3.6
Final domestic demand (2007 \$M)	2016 Q2*	1,771,861	2.2	1.0	0.3	1.6	1.3	2.4
GDP deflator (2007 = 100)	2016 Q2*	112.4	1.4	0.0	-0.5	1.7	1.6	1.3
Labour productivity (2007 = 100)	2016 Q2*	106.0	-1.3	0.2	-0.4	2.5	1.3	-0.4
Unit labour cost (2007 = 100)	2016 Q2*	116.5	3.0	0.8	1.9	1.1	1.6	3.2
Current account balance (\$M) (1)	2016 Q2*	-19,862	---	---	-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 Q2*	1,150,424	4.6	2.7	3.7	3.0	4.8	4.1
Corporate net operating surplus (2007 \$M)	2016 Q2*	196,272	-33.0	-15.9	-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)	June*	1,665,234	0.6	0.1	0.3	1.1
Industrial production (2007 \$M)	June*	345,814	2.5	-1.2	-2.4	-1.3
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)	July*	-2,488	-3,966	-3,534	-686.3	-478.7
Exports (\$M)	July*	42,703	3.4	2.7	-7.2	-7.0
Imports (\$M)	July*	45,191	-0.1	0.2	-3.2	-2.6
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)	July*	110.2	0.2	2.1	0.0	-1.3
Raw materials price (2002 = 100)	July*	91.4	-2.7	6.2	12.6	-5.7
Money supply M1+ (\$M)	July*	858,868	1.7	2.7	4.3	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 (%)		
	Sep. 2	Aug. 26	-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	0.50	0.25	0.50	0.43	0.25
Treasury bill – 3 months	0.32	0.33	0.27	0.29	0.28	0.02	0.35	0.22	-0.02
Treasury bonds – 2 years	0.80	0.84	0.72	0.79	0.89	0.68	1.08	0.79	0.54
– 5 years	1.22	1.25	1.13	1.23	1.38	1.47	1.75	1.34	0.94
– 10 years	1.62	1.63	1.58	1.70	1.88	2.13	2.35	1.89	1.36
– 30 years	2.28	2.29	2.31	2.52	2.70	2.89	3.11	2.68	2.11
S&P 500 index	2,182	2,169	2,183	2,099	2,000	1,921	2,190	2,045	1,829
DJIA index	18,516	18,395	18,544	17,807	17,007	16,102	18,636	17,436	15,660
Gold price (US\$/ounce)	1,319	1,334	1,340	1,240	1,271	1,121	1,369	1,205	1,052
CRB index	180.13	186.11	181.80	188.67	168.55	196.70	202.69	180.97	155.01
WTI oil (US\$/barrel)	44.15	47.64	41.83	48.69	35.91	46.02	51.23	41.44	26.19
<b>Canada</b>									
Overnight – target	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50
Treasury bill – 3 months	0.51	0.52	0.51	0.53	0.47	0.38	0.56	0.47	0.32
Treasury bonds – 2 years	0.59	0.61	0.52	0.51	0.52	0.44	0.70	0.53	0.29
– 5 years	0.69	0.73	0.61	0.61	0.69	0.75	1.03	0.73	0.48
– 10 years	1.06	1.09	1.07	1.18	1.25	1.44	1.72	1.30	0.97
– 30 years	1.65	1.69	1.68	1.84	2.07	2.20	2.42	2.01	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	0.19	0.19	0.24	0.24	0.19	0.36	0.45	0.25	0.06
Treasury bonds – 2 years	-0.22	-0.23	-0.20	-0.28	-0.37	-0.24	-0.03	-0.25	-0.64
– 5 years	-0.53	-0.52	-0.52	-0.63	-0.69	-0.72	-0.38	-0.61	-1.00
– 10 years	-0.56	-0.54	-0.51	-0.52	-0.63	-0.69	-0.31	-0.59	-0.90
– 30 years	-0.63	-0.60	-0.63	-0.68	-0.64	-0.69	-0.52	-0.66	-0.88
S&P/TSX index	14,795	14,640	14,649	14,227	13,213	13,478	14,801	13,587	11,843
Exchange rate (C\$/US\$)	1.3019	1.3003	1.3168	1.2934	1.3315	1.3284	1.4579	1.3245	0.7681
Exchange rate (C\$/€)	1.4533	1.4561	1.4597	1.4702	1.4652	1.4808	1.5903	1.4713	0.8574
<b>Overseas</b>									
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	0.25	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	-0.03	-0.15	-0.13	0.07	0.24	0.66	0.79	0.27	-0.18
U.K.: Bonds – 10 years	0.73	0.64	0.77	1.41	1.49	1.83	2.05	1.48	0.61
Euro: Exchange rate (US\$/€)	1.1163	1.1198	1.1086	1.1367	1.1004	1.1147	1.1532	1.1113	1.0565
U.K.: Exchange rate (US\$/£)	1.3309	1.3139	1.3073	1.4520	1.4228	1.5171	1.5591	1.4403	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.