

The increase in employment does not eliminate the uncertainties hanging over Canada

HIGHLIGHTS

- United States: The ISM non-manufacturing index also pulled back.
- The Bank of Canada left the target for the overnight rate at 0.50%.
- Canada: the rate of use of industrial capacity fell in the spring.
- Canada: employment increased in August.

A LOOK AHEAD

- A slump in auto sales should lead to a dip in U.S. retail sales.
- United States: after two straight months of expansion, industrial production is expected to contract.
- Canada: manufacturing sales should head up again in July.

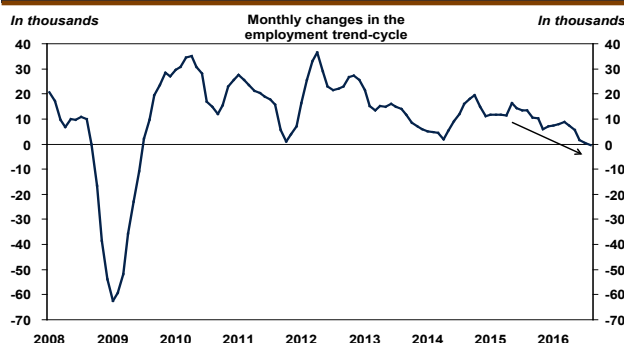
FINANCIAL MARKETS

- The European Central Bank's (ECB) decision to stand pat fuels volatility.
- Bond curves steepen sharply after the ECB's announcement.
- The U.S. dollar is further weakened by disappointing data.

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Graph of the week – The employment trend is losing momentum in Canada



Sources: Statistics Canada and Desjardins, Economic Studies

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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

- After the ISM manufacturing index fell below the 50 mark in the previous week, there was reason to hope that the non-manufacturing ISM would prove more stable. Instead, it posted its largest monthly decline since November 2008. Sliding from 55.5 to 51.4, it reached its lowest level since February 2010. Nearly all the components lost ground, with the most severe pullbacks being found in new orders, current activity and exports. All we can hope for now is that this weakness is temporary. Given the size of the pullback and the fact that it contradicts other indicators, some analysts are perceiving this as a technical problem in the survey, rather than a sign of a true slowdown in the service sector.
- After expanding by US\$14.5B in June (revised from US\$12.3B), consumer credit swelled by US\$17.7B in July. That acceleration comes entirely from term loans, whose monthly increase soared from US\$5.4B to US\$14.9B. Meanwhile, growth in renewable loans (credit cards and lines of credit) slowed.

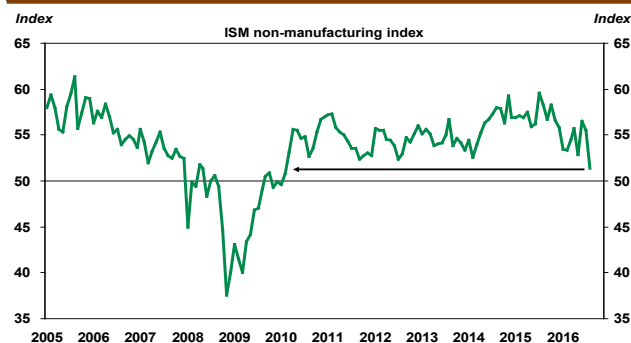
Francis Généreux
Senior Economist

CANADA

- Despite the second-quarter economic rough patch, the monetary authorities did not succumb to the temptation of lowering key interest rates again. This is without a doubt the right decision, as another interest rate cut would have kick-started credit. Yet, as rightfully pointed out by the Bank of Canada (BoC), all signs point to a rebound in Canada's economy as of the third quarter. At first glance, today's decision does not in any way change our forecasts on future changes in the federal funds target rate. Finding some balance between upside and downside risks will help extend the status quo on key interest rates until the spring of 2018. That said, we cannot completely rule out the possibility that the rebound expected in Canada's economy in the second half of 2016 might disappoint in the end. This is no doubt what motivated the monetary authorities to show more caution, by mentioning that inflation risks have somewhat tilted downwards. The BoC is clearly not shutting the door to an additional interest rate cut.
- The labour market created 26,200 new jobs in August, recovering some of the 31,200 jobs lost in July. The unemployment rate ticked upward from 6.9% to 7.0%. These results perfectly illustrate the volatile nature of job data. To obtain a clearer picture, the labour market analysis should focus on trends. Yet the recent developments on this front are not very good. Advances in the trend-cycle metric compiled by Statistics Canada have slowed significantly in recent months and its monthly growth has been almost flat since June.
- The number of housing starts fell from 194,663 units in July to 182,703 units in August. While all the market segments lost ground, the bulk of the decline comes from multiple-unit dwellings in urban areas. British Columbia and Ontario reported pullbacks during the month.
- The rate of use of industrial capacity fell to 80.0% in the second quarter, a 1.4 percentage point reduction from the previous quarter. With the exception of electricity production and distribution, all the other major sectors suffered erosion during the quarter. Obviously, the oil and gas sector is the most severely affected by the slump, due to the problems stemming from the forest fires in Alberta.

Benoit P. Durocher
Senior Economist

United States – The ISM non-manufacturing index fell to its lowest level since the end of the recession



Sources: Institute for Supply Management and Desjardins, Economic Studies

FINANCIAL MARKETS

Bond yields end the week significantly higher

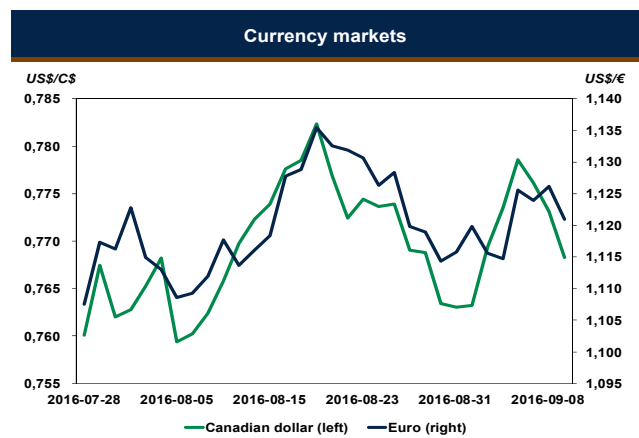
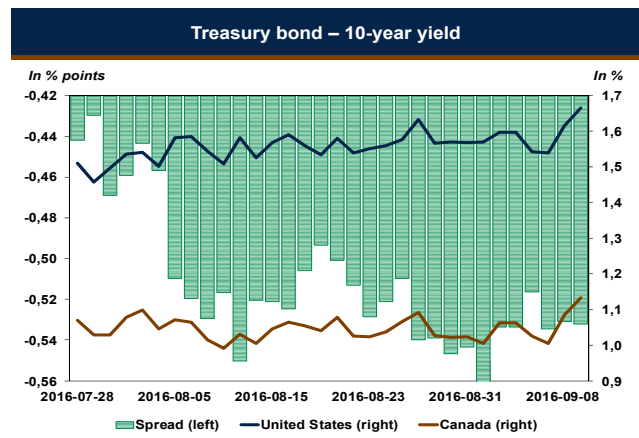
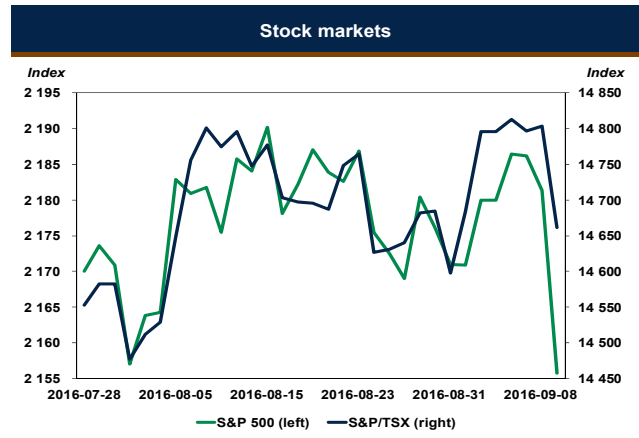
There was some uncertainty up until Thursday about what the European Central Bank (ECB) was going to announce. The majority of forecasters surveyed by Bloomberg were of the opinion that the ECB would order at least an extension of its quantitative easing program. Instead, it announced a complete status quo. The world's stock markets reacted badly. The spike in European bond yields on Friday morning helped intensify stock market volatility, and the markets posted heavier losses. The S&P/TSX recorded more limited declines thanks to the energy sector. The price of oil maintained an upwards trajectory, even surpassing US\$47 briefly, supported by lower inventories in the United States.

The reaction to the ECB's decision was spectacular. Bond curve slopes steepened sharply, and the German ten-year yield made its first move into positive territory since July 22. The thirty-year yield soared by a total of 20 basis points on Thursday and Friday. The trend also spread to North America. The U.S. thirty-year yield verged on 2.40% on Friday, its highest level since the Brexit vote. Its Canadian counterpart climbed to 1.76%. The Canadian yields had lost ground on Wednesday in reaction to the Bank of Canada's (BoC) worried tone, but the global trend that started the next day reversed those slumps.

The U.S. dollar depreciated against most of the other currencies on Tuesday after the ISM non-manufacturing index caused disappointment. The situation subsequently picked up to some degree, especially on Friday when the greenback gained ground against a backdrop of volatility in financial markets. The euro temporarily surpassed US\$1.13 on Thursday when the ECB decided to announce nothing new for its monetary policy. At time of writing, the common currency was once again trading at close to US\$1.12. The Canadian dollar had a tougher week and was trading below US\$0.77 on Friday. The loonie is still being penalized by concerns about the Canadian economy, and the BoC's more worried tone did not go unnoticed.

Jimmy Jean
Senior Economist

Hendrix Vachon
Senior Economist



A LOOK AHEAD



UNITED STATES

Thursday September 15 - 8:30
August m/m
 Consensus -0.1%
 Desjardins -0.1%
July **0.0%**

Retail sales (August) – After fairly strong growth in June, retail sales stagnated in July. We do not expect improvement for the month of August. The data on new vehicle sales are posting a pullback after a surge in the previous month. Sales at service stations were probably flat, because prices barely budged in August. However, we are expecting slight growth of 0.2% in sales excluding motor vehicles and gasoline. Some confidence indexes improved during the month, but other indicators, like the ISM non-manufacturing index and modest job creation among retailers, are not suggesting strong sales growth.

Thursday September 15 - 9:15
August m/m
 Consensus -0.2%
 Desjardins -0.4%
July **0.7%**

Industrial production (August) – In July, industrial output reported its strongest growth since November 2014. A large portion of that increase came from energy producers, who benefited from a greater-than-normal need for air conditioning. With a gain of 0.5%, manufacturing also recorded a strong performance on top of the 0.3% growth posted in June. This is the first time since the spring of 2015 that the manufacturing sector has seen two consecutive months of growth. Things are likely to be quite different in August. The drop in the ISM manufacturing index to below the 50 mark, and the softness in employment and hours worked in the manufacturing sector (especially the auto industry) are suggesting a 0.5% contraction in manufacturing production. We also expect lower output in the mining sector, while energy producers should record slight growth. All told, industrial production should post a contraction of 0.4%, and the rate of use of industrial capacity should drop from 75.9% to 75.6%. The New York Fed’s Empire State index and the Philadelphia Fed’s regional index will also be released on Thursday. They will give us some preliminary information on how manufacturing is doing, and on the possibility of a quick rebound in the ISM manufacturing index in September.

Friday September 16 - 8:30
August m/m
 Consensus 0.1%
 Desjardins 0.1%
July **0.0%**

Consumer Price Index (August) – The Consumer Price Index (CPI) was flat in July after two 0.2% upticks in a row. For the first time since February, gasoline prices headed down, contributing to the decline of the all-items index. Meanwhile, food prices held steady after a two-month slump. We expect the all-items CPI to edge up slightly in August. Prices at the gas pump were down, but seasonal adjustments will reverse that effect, because the monthly drop (-1.8%) was smaller than the contractions that are usually recorded in August. If we exclude food and energy, the core CPI will probably post another uptick of 0.1%. All-items inflation should rise, from 0.8% to 1.0%. Core inflation should stand pat, at 2.2%.

Friday September 16 - 10:00
September
 Consensus 91.0
 Desjardins 92.0
July **89.8**

University of Michigan consumer confidence index (September — preliminary) – The consumer confidence index compiled by the University of Michigan dipped slightly last month. The first estimate suggested gains of 90.0 in July and 90.4 in August. However, the final version reduced the August figure to 89.8, its lowest level since April. This is in contrast to the strong improvement shown by the Conference Board confidence index. Given that unemployment insurance claims have remained low in recent weeks, gasoline prices have not fluctuated much and are still low, and the stock market has been doing well, we may see an upturn in the University of Michigan index. Furthermore, the upwards movement in the Bloomberg weekly index during the first week of September, and the level of the TIPP index for September (despite a monthly drop) also herald improvement. The University of Michigan consumer confidence index could therefore climb to 92.0.

 **CANADA**

Manufacturing sales (July) – Exports of automotive products spurred by 6.3% in July, while those of aviation products shot up by 9.6%. Both these sectors should make a significant contribution to the manufacturing sales trend in July. If we take into account the possibility of a rebound in the energy sector as some of the activities that were disrupted during the Alberta forest fires get back to normal, total manufacturing sales could advance by around 1.0% during the month.

 **OVERSEAS**

Euro zone: industrial production (July) – Industrial production in the euro zone posted 0.6% growth in June after a 1.2% contraction in May. Not since the summer of 2015 have we seen two consecutive monthly increases in this indicator. It is likely to head down in July, weighed down by a 1.5% slump recorded in Germany and a 0.6% drop in France. Among other indicators, the trade balance for July and the final version of the Consumer Price Index for August will be released on Thursday.

United Kingdom: Bank of England meeting – In the wake of the Brexit “yes” vote, the Bank of England (BoE) lowered interest rates in August, and reactivated its asset purchase program. Due to the risk that the economic situation might deteriorate, the door was left open for further intervention. That said, the latest data are not pointing to any sharp slowdown in the British economy, and therefore there is little point in announcing further monetary easing measures. In fact, the BoE would be well advised to keep some ammunition in reserve for taking action once the real negotiations for the United Kingdom’s exit from the European Union get underway, as they could revive concerns among consumers and investors.

Friday September 16 - 8:30

July	m/m
Consensus	1.0%
Desjardins	1.0%
June	0.8%

Wednesday Sept. 14 - 5:00


July	m/m
Consensus	-1.0%
June	0.6%

Thursday September 15 - 7:00

Consensus	0.25%
August 4	0.25%

ECONOMIC INDICATORS


Week of September 12 to 16, 2016

Day	Hour	Indicator	Period	Consensus		Previous data
UNITED STATES						
MONDAY 12	8:05	Speech of the Atlanta Fed President, D. Lockhart				
	13:00	Speech of the Minneapolis Fed President, N. Kashkari				
	13:15	Speech of a Federal Reserve Governor, L. Brainard				
TUESDAY 13	14:00	Federal budget (US\$B)	August	-101.5	-108.0	-64.4
WEDNESDAY 14	8:30	Export prices (m/m)	August	n/a	0.1%	0.2%
	8:30	Import prices (m/m)	August	-0.1%	0.0%	0.1%
THURSDAY 15	8:30	Initial unemployment claims	Sept. 5-9	265,000	264,000	259,000
	8:30	Current account (US\$B)	Q2	-120.0	-123.7	-124.7
	8:30	Philadelphia Fed index	Sept.	1.3	4.5	2.0
	8:30	Producer price index				
		Total (m/m)	August	0.1%	0.1%	-0.4%
		Excluding food and energy (m/m)	August	0.1%	0.1%	-0.3%
	8:30	Empire manufacturing index	Sept.	-1.00	2.0%	-4.21
	8:30	Retail sales				
		Total (m/m)	August	-0.1%	-0.1%	0.0%
		Excluding automobiles (m/m)	August	0.2%	0.2%	-0.3%
	9:15	Industrial production (m/m)	August	-0.2%	-0.4%	0.7%
	9:15	Production capacity utilization rates	August	75.8%	75.6%	75.9%
	10:00	Business inventories (m/m)	July	0.1%	-0.1%	0.2%
FRIDAY 16	8:30	Consumer price index				
		Total (m/m)	August	0.1%	0.1%	0.0%
		Excluding food and energy (m/m)	August	0.2%	0.1%	0.1%
		Total (y/y)	August	1.0%	1.0%	0.8%
		Excluding food and energy (y/y)	August	2.2%	2.2%	2.2%
	10:00	Michigan's consumer sentiment index – preliminary	Sept.	91.0	92.0	89.8
	16:00	Net foreign security purchases (US\$B)	July	n/a	n/a	-3.6




CANADA

MONDAY 12	---	---				
TUESDAY 13	---	---				
WEDNESDAY 14	---	---				
THURSDAY 15						
	8:30	National balance sheet	Q2			
	9:00	Existing home sales	August			
FRIDAY 16						
	8:30	International transactions in securities (\$B)	July	n/a	-7.0	9.0
	8:30	Manufacturing sales (m/m)	July	1.0%	1.0%	0,8 %

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 12 to 16, 2016

Country	Hour	Indicator	Period	Consensus		Previous data		
				m/m (q/q)	y/y	m/m (q/q)	y/y	
 OVERSEAS								
SUNDAY 11								
Japan	19:50	Machinery orders	July	-2.9%	0.3%	8.3%	-0.9%	
Japan	19:50	Producer price index	August	-0.1%	-3.4%	0.0%	-3.9%	
MONDAY 12								
China	22:00	Industrial production	August		6.2%		6.0%	
China	22:00	Retail sales	August		10.2%		10.2%	
TUESDAY 13								
Germany	2:00	Consumer price index – final	August	0.0%	0.4%	0.0%	0.4%	
Italy	4:00	Industrial production	July	0.2%	-0.9%	-0.4%	-1.0%	
United Kingdom	4:30	Consumer price index	August	0.4%	0.7%	-0.1%	0.6%	
United Kingdom	4:30	Producer price index	August	0.3%	1.0%	0.3%	0.3%	
Euro zone	5:00	Net change in employment	Q2	n/a	n/a	0.3%	1.4%	
Germany	5:00	ZEW survey – Current situation	Sept.	56.0		57.6		
Germany	5:00	ZEW survey – Expectations	Sept.	2.5		0.5		
WEDNESDAY 14								
Japan	0:30	Industrial production – final	July	n/a	n/a	0.0%	-3.8%	
France	2:45	Consumer price index – final	August	0.3%	0.2%	0.3%	0.2%	
United Kingdom	4:30	ILO unemployment rate	July	4.9%		4.9%		
Euro zone	5:00	Industrial production	July	-1.0%	-0.8%	0.6%	0.4%	
THURSDAY 15								
Switzerland	3:30	Swiss National Bank meeting	Sept.	-0.75%		-0.75%		
United Kingdom	4:30	Retail sales	August	-0.4%	5.4%	1.4%	5.9%	
Euro zone	5:00	Trade balance (€B)	July	22.0		23.4		
Euro zone	5:00	Consumer price index	August	0.1%	0.2%	-0.6%	0.2%	
United Kingdom	7:00	Bank of England meeting	Sept.	0.25%		0.25%		
FRIDAY 16								
Italy	4:00	Trade balance (€M)	July	n/a		4,662		
France	2:45	Wages – final	Q2	0.3%		0.3%		
Euro zone	5:00	Labour costs	Q2		n/a		1.7%	
Russia	6:30	Bank of Russia meeting	Sept.	10.00%		10.50%		

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)	Aug.*	51.4	55.5	52.9	53.4	58.3
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)	July*	3,661	0.5	1.5	3.2	6.0
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 Q2*	80.0	---	---	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)	Aug.*	182.7	194.7	186.6	217.1	214.0
Building permits (\$M)	July*	6,470	0.8	-6.5	1.1	-10.0
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)	Aug.*	18,050	26.2	-1.9	7.8	6.4
Unemployment rate (%) (1)	Aug.*	7.0	6.9	6.9	7.3	7.0
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. 9	Sep. 2	-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	0.44	0.25
Treasury bill – 3 months	0.34	0.32	0.28	0.25	0.32	0.04	0.35	0.23	-0.02
Treasury bonds – 2 years	0.79	0.80	0.71	0.74	0.97	0.68	1.08	0.79	0.54
– 5 years	1.22	1.19	1.10	1.16	1.48	1.51	1.75	1.33	0.94
– 10 years	1.67	1.60	1.53	1.64	1.98	2.19	2.35	1.88	1.36
– 30 years	2.39	2.27	2.23	2.45	2.75	2.95	3.11	2.66	2.11
S&P 500 index	2,156	2,180	2,184	2,096	2,022	1,961	2,190	2,050	1,829
DJIA index	18,295	18,492	18,576	17,865	17,213	16,433	18,636	17,477	15,660
Gold price (US\$/ounce)	1,333	1,319	1,353	1,274	1,258	1,100	1,369	1,210	1,052
CRB index	183.05	179.99	182.68	192.89	173.53	196.72	202.69	180.68	155.01
WTI oil (US\$/barrel)	46.30	44.39	44.47	49.09	38.51	44.75	51.23	41.45	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	0.49	0.51	0.50	0.51	0.47	0.38	0.56	0.47	0.32
Treasury bonds – 2 years	0.58	0.59	0.53	0.50	0.59	0.46	0.70	0.54	0.29
– 5 years	0.71	0.69	0.60	0.58	0.81	0.77	1.03	0.73	0.48
– 10 years	1.13	1.06	1.01	1.13	1.36	1.47	1.72	1.29	0.97
– 30 years	1.75	1.66	1.62	1.80	2.12	2.24	2.42	2.00	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	0.06	0.00
Treasury bill – 3 months	0.15	0.19	0.22	0.26	0.15	0.34	0.45	0.25	0.06
Treasury bonds – 2 years	-0.22	-0.21	-0.18	-0.24	-0.38	-0.22	-0.03	-0.25	-0.64
– 5 years	-0.51	-0.50	-0.50	-0.58	-0.67	-0.74	-0.38	-0.61	-1.00
– 10 years	-0.53	-0.53	-0.52	-0.51	-0.61	-0.71	-0.31	-0.59	-0.90
– 30 years	-0.64	-0.61	-0.61	-0.65	-0.63	-0.71	-0.52	-0.66	-0.88
S&P/TSX index	14,662	14,796	14,747	14,038	13,522	13,461	14,813	13,611	11,843
Exchange rate (C\$/US\$)	1.3016	1.2998	1.2948	1.2785	1.3210	1.3262	1.4579	1.3238	0.7683
Exchange rate (C\$/€)	1.4590	1.4501	1.4451	1.4384	1.4733	1.5038	1.5903	1.4705	0.8613
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	0.25	0.50	0.50	0.50	0.50	0.47	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	0.00	-0.10	-0.17	0.02	0.28	0.66	0.79	0.26	-0.19
U.K.: Bonds – 10 years	0.86	0.73	0.61	1.36	1.58	1.83	2.05	1.46	0.61
Euro: Exchange rate (US\$/€)	1.1210	1.1156	1.1161	1.1251	1.1153	1.1340	1.1532	1.1112	1.0565
U.K.: Exchange rate (US\$/£)	1.3259	1.3293	1.2923	1.4258	1.4388	1.5430	1.5591	1.4364	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.