

The Vancouver real estate market reacted strongly to the new tax

HIGHLIGHTS

- United States: Retail sales and industrial output decline.
- United States: Regional manufacturing indexes head up in September.
- Canada: Sales and prices of existing homes slide in Vancouver.
- Canadian household debt hits a new record high.
- Canada: disappointing manufacturing sales in July.

A LOOK AHEAD

- The Federal Reserve will no doubt opt for the status quo once again.
- A slump in housing starts is expected in the United States, but resales should advance.
- Canada: Wholesale and retail sales should head up in July.
- Canada: The all-items annual inflation rate could edge up slightly in August.

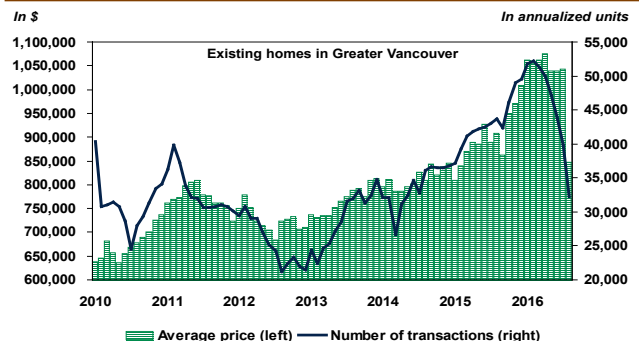
FINANCIAL MARKETS

- The mood does not nearly improve in stock markets.
- Long-term bond yields change direction, heading down.
- The Canadian dollar slips to US\$0.755.

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Graph of the week – Is this the beginning of a downward trend in the Greater Vancouver housing market?



Sources: Canadian Real Estate Association 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

- Retail sales fell 0.3% in August after ticking up 0.1% in July. Auto sales retreated 0.9%. Excluding automobiles, sales contracted 0.1%. Other declines include building centres, department stores, and furniture and nonstore retailers. The value of service station sales dropped 0.8%. Excluding cars and gas, sales fell 0.1%, as in July. Sales increased for grocery stores, clothing boutiques, and food services.
- Industrial production fell 0.4% in August on the heels of July's 0.6% rise. Manufacturing production also contracted by 0.4%. Mining activity went up 1.0%, while energy production pulled back by 1.4%.
- In September, the Philadelphia Fed manufacturing index reached its highest level since February 2015, climbing from -2.9 in July to 2.0 in August to 12.8 in September. Things do not look so rosy for the main components, however. New orders improved, but deliveries lost ground and the jobs component stayed in negative territory (although less so than in August). The New York Fed's Empire index also improved, but less convincingly. It rose from -4.21 in August to -1.99 in September, still languishing below the levels it had reached at the beginning of the summer.
- The Consumer price index (CPI) was up by 0.2% in August after standing still in July. Energy prices were stable, with gasoline prices slipping by just 0.9%. Food prices were flat once again; they have not increased since April. If we exclude food and energy, the core CPI advanced by 0.3%, its largest gain since February. The annual change in the all-items CPI accelerated from 0.8% to 1.1%, while core inflation ticked up from 2.2% to 2.3%.
- Consumer confidence held steady in September, according to the preliminary version of the University of Michigan index; it came in at 89.8, the same as in August. We do note, though, that the household expectations component improved, climbing from 78.7 to 81.1. Meanwhile, the current situation component was down, from 107.0 to 103.5.

Francis Généreux
Senior Economist

CANADA

- On August 2, 2016, the British Columbia government introduced a new 15% tax on home purchases by foreigners in the Vancouver area, with the goal of reining in the region's galloping housing market, which is particularly subject to high demand from foreign investors. At this point, that measure appears to be very effective, to say the least. Sales of existing properties tumbled by 18.8% in the Greater Vancouver area in August. The average price in Greater Vancouver also fell by 18.8% in August, far and away the worst monthly slump since these statistical data were first collected, in 1988.
- According to data released by Statistics Canada, Canadian household debt continued its ascent in the second quarter, spurring by 2.0%. The growth was practically identical in all the main components, i.e. consumer credit, mortgage credit and other forms of credit. Since that growth was once again greater than that of income, the debt ratio (i.e. the ratio of credit market debt to disposable income) surged to a new record high of 167.63%. Debt service, i.e. payments of interest and principal in relation to disposable income, ticked up slightly from 14.06% to 14.15%.
- Manufacturing sales crept up by a mere 0.1% in July, far below what was expected. Moreover, the increase in the automotive products sector was considerably less than anticipated. Expressed in real terms, sales posted a gain of 0.6% and inventories expanded by 1.1%. Taken together, these changes are quite favourable for economic growth in July.

Benoit P. Durocher
Senior Economist

FINANCIAL MARKETS

The steepening of bond curves loses steam

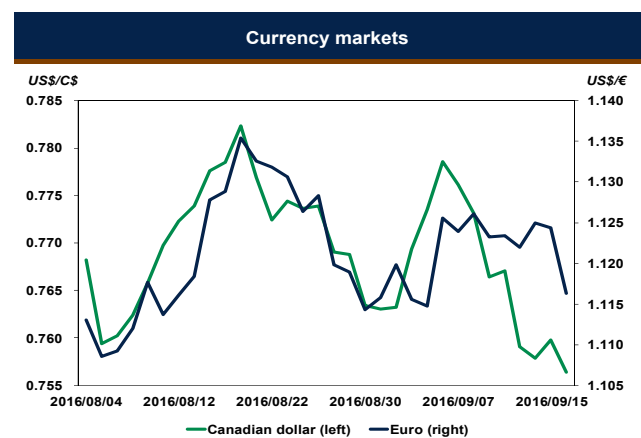
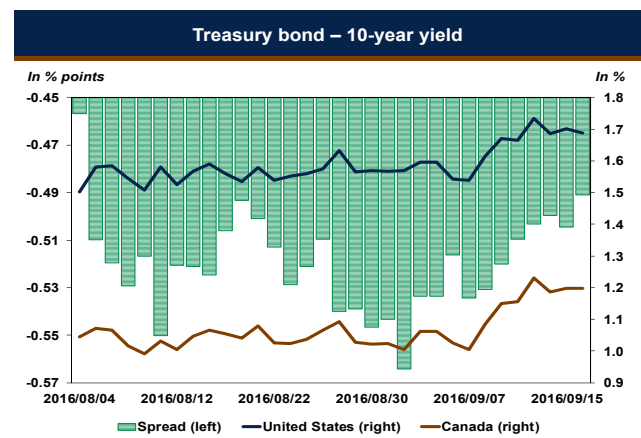
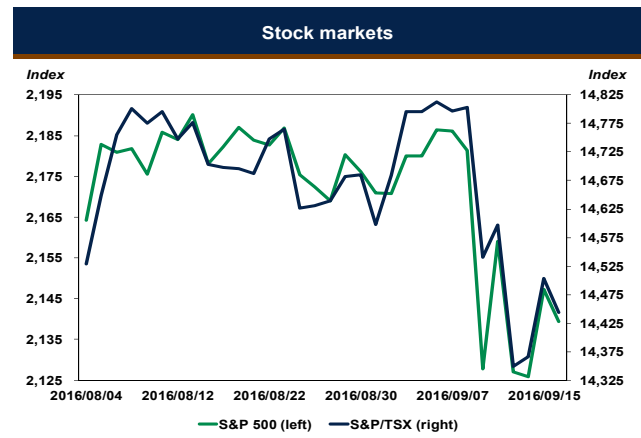
Stock markets had another fairly tough week. After making an attempt at a recovery on Monday, the S&P 500 fell back on Tuesday and Wednesday. Volatility in the bond markets did damage to the stock markets during part of the week. On Thursday, a string of U.S. economic data that came in below expectations bolstered the hypothesis of a status quo decision by the Federal Reserve next week. The S&P 500 took advantage, achieving a 1% gain; but it headed down again on Friday. That movement came on the heels of a claim from the U.S. Justice Department against Deutsche Bank. It asked for a payment of US\$14B to resolve a probe into the practices of that financial institution during the years leading up to the financial crisis of 2008–2009. Bank stocks around the world were affected.

The upward trend in long-term bond yields that started last week continued at the beginning of this week, but gradually moderated. On Friday, risk aversion was back at play, even causing the German 10-year yield to slip briefly back into negative territory. As for the U.S. 10-year yield, after venturing as far as 1.75% on Tuesday, it fell back below 1.70% on Friday morning. Spreads between Canadian and U.S. short-term yields widened until Thursday, but some disappointing Canadian manufacturing data reversed that trend on Friday.

The greenback moved upward in parallel with U.S. bond yields on Tuesday and barely flinched when confronted with the generally disappointing economic data that were released this week. The U.S. currency appreciated further on Friday, in the wake of slightly stronger than expected inflation numbers in the United States and turbulence linked to the claim against Deutsche Bank. The euro, which held fairly steady through the week, was falling at time of writing to below US\$1.12. The pound sterling was also dropping on Friday, reaching US\$1.31. Although the Bank of England made no announcement on Thursday, the door was still left open for more interventions. As for the Canadian dollar, disappointing data and falling oil prices pushed it to around US\$0.755.

Jimmy Jean
Senior Economist

Hendrix Vachon
Senior Economist



A LOOK AHEAD



UNITED STATES

Tuesday Sept. 20 - 8:30

August	ann. rate
Consensus	1,190,000
Desjardins	1,150,000
July	1,211,000

Housing starts (August) – Housing starts recorded two strong monthly gains in June (+5.1%) and July (+2.1%), which took them to an annualized volume of 1,211,000 units, the highest number since February. However, a downturn is expected in August. The volume of building permits has been sitting well below that of housing starts for two months now, an anomaly that should correct itself. However, that pullback should prove temporary and the trend will stay on an upward path, since homebuilders' confidence is still good and sales of new homes are accelerating. Meanwhile, a volume of 1,150,000 housing starts is predicted for August. As for building permits, they should head up by more than 2%.

Wednesday Sept. 21 - 14:00 September

Consensus	0.50%
Desjardins	0.50%
July 27	0.50%

Federal Reserve meeting (September) – Up until last week, some comments made by Federal Reserve (Fed) officials and the release of certain indicators were hinting at the possibility of key interest rates being raised at the September meeting. That momentum has now pretty much lost steam under a series of blows: more modest job growth in August, the pullback in the ISM indexes and declines in industrial production and retail sales. It remains to be seen whether the comments made by the Chair Janet Yellen at the press conference where she will explain the decisions of the meeting, the press release that will be issued, or the new forecasts by the Fed officials, will open the door any further to a rate hike before the end of the year.

Thursday Sept. 22 - 10:00

August	m/m
Consensus	0.0%
Desjardins	0.0%
July	0.4%

Leading indicator (August) – For the first time this year, the leading indicator recorded two straight months of significant growth in June and July. The July gain stemmed mainly from the downturn in jobless claims and a rising stock market. But in August, we expect the leading indicator to stagnate. It will be dragged down in part by the pullback in the new orders component of the ISM manufacturing index. The drop in hours worked will also make a negative contribution. Those negative factors will be counterbalanced by other components, such as the interest rate spread and the expected upturn in building permits.

Thursday Sept. 22 - 10:00

August	ann. rate
Consensus	5,450,000
Desjardins	5,490,000
July	5,390,000

Existing home sales (August) – After four straight months of increases, existing home sales pulled back by 3.2% in July, reaching their lowest level since March. Fairly strong growth is predicted for August, however. It is mainly the 1.3% growth in pending home sales, after two months of decline, that is pointing in that direction. We forecast that resales will head up to 5,490,000 units.



CANADA

Wednesday Sept. 21 - 8:30

July	m/m
Consensus	0.3%
Desjardins	1.2%
June	0.7%

Wholesale trade (July) – The advance seen in wholesale sales since the spring should continue in July. In fact, exports of automotive products, machinery and equipment soared during the month, suggesting that these sectors will make a significant contribution to wholesale sales growth. If we take into account the upward trend recorded in retail trade, the stage is set for wholesale sales to escalate fairly quickly.

Consumer price index (August) – According to weekly surveys of prices at the pump, gasoline prices stayed practically flat, on average, in August. As far as seasonal price fluctuations are concerned, they are generally slightly negative in August (-0.1%). Lower food prices (due to the greater availability of local fruits and vegetables) are largely offset by an increase in clothing prices. If we take into account the upward trend in the seasonally adjusted version of the consumer price index (CPI), August should end up with a 0.1% monthly increase in the all-items CPI. That means that the total annual inflation rate could edge up from 1.3% to 1.4%.

Retail sales (July) – Once seasonally adjusted, gasoline prices fell by 2.9% in July, which should reduce the value of service station sales. As for motor vehicles, prices have barely budged, but preliminary data are indicating a decline in the number of vehicles sold, so a slight dip in the value of sales is predicted. If we take the expected increase in the other components into account, total retail sales could tick up slightly in July.



OVERSEAS

Japan: Bank of Japan meeting (September) – The Bank of Japan (BoJ) made a slight adjustment to its monetary policy in July by increasing its purchases of exchange-traded funds to the tune of around ¥3B. Observers had been expecting interest rates to be lowered slightly. The BoJ could possibly take such action on September 21, or it could announce another increase to its asset purchases. The appreciation of the yen, low inflation and the fact that the Japanese economy is struggling to accelerate sustainably all argue in favour of the BoJ taking action. However, those factors are nothing new, and the BoJ could still bide its time. In reality, the BoJ is already quite interventionist and it probably considers that it is very close to reaching the limits of the tools it is currently using; hence the importance of keeping some ammunition in reserve.

Euro zone: PMI indexes (September) – After sound growth in June, the euro zone PMI indexes lost ground during the summer. In August, the composite index reached its lowest level since January 2015. Another downturn in September would indicate that economic growth—already slowing in the spring—faltered further over the summer. Other data will include, on Thursday, the preliminary version of euro zone consumer confidence. The index has been falling steadily since May.

Friday Sept. 23 - 8:30

August	m/m
Consensus	0.1%
Desjardins	0.1%
July	-0.2%

Friday Sept. 23 - 8:30

July	m/m
Consensus	0.2%
Desjardins	0.2%
June	-0.1%

Wednesday Sept. 21


September	
Consensus	-0.10%
Desjardins	-0.10%
July 28	-0.10%


Friday Sept. 23 - 4:00

September	
Consensus	52.8
August	52.9

ECONOMIC INDICATORS


Week of September 19 to 23, 2016

Day	Hour	Indicator	Period	Consensus		Previous data
UNITED STATES						
MONDAY 19						
	10:00	NAHB housing market index	Sept.	60	n/a	60
TUESDAY 20						
	8:30	Housing starts (ann. rate)	Aug.	1,190,000	1,150,000	1,211,000
	8:30	Building permits (ann. rate)	Aug.	1,165,000	1,175,000	1,152,000
WEDNESDAY 21						
	14:00	Federal Reserve meeting	Sept.	0.50%	0.50%	0.50%
THURSDAY 22						
	8:30	Initial unemployment claims	Sept. 12-16	260,000	263,000	260,000
	10:00	Leading indicator (m/m)	Aug.	0.0%	0.0%	0.4%
	10:00	Existing home sales (ann. rate)	Aug.	5,450,000	5,490,000	5,390,000
FRIDAY 23						
	---	---				
CANADA						
MONDAY 19						
	---	---				
TUESDAY 20						
	12:30	Speech of the Bank of Canada Governor, S. Poloz				
WEDNESDAY 21						
	8:30	Wholesale sales (m/m)	July	0.3%	1.2%	0.7%
	8:30	Wholesale inventories (m/m)	July	n/a	-0.4%	-0.1%
THURSDAY 22						
	---	---				
FRIDAY 23						
	8:30	Consumer price index				
		Total (m/m)	Aug.	0.1%	0.1%	-0.2%
		Excluding 8 most volatile (m/m)	Aug.	0.2%	0.3%	0.0%
		Total (y/y)	Aug.	1.4%	1.4%	1.3%
		Excluding 8 most volatile (y/y)	Aug.	2.1%	2.1%	2.1%
	8:30	Retail sales				
		Total (m/m)	July	0.2%	0.2%	-0.1%
		Excluding automobiles (m/m)	July	0.5%	0.4%	-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 19 to 23, 2016

Country	Hour	Indicator	Period	Consensus		Previous data		
				m/m (q/q)	y/y	m/m (q/q)	y/y	
 OVERSEAS								
MONDAY 19								
Euro zone	4:00	Current account (€B)	July	n/a		28.2		
Italy	4:30	Current account (€M)	July	n/a		7,185		
Euro zone	5:00	Construction	July	n/a	n/a	0.0%	0.6%	
Australia	21:30	Minutes of the Reserve Bank of Australia September meeting						
TUESDAY 20								
Japan	---	Bank of Japan meeting	Sept.	-0.10%		-0.10%		
Germany	2:00	Producer price index	Aug.	0.0%	-1.6%	0.2%	-2.0%	
Japan	19:50	Trade balance (¥B)	Aug.	500.0		317.6		
WEDNESDAY 21								
New Zealand	17:00	Reserve Bank of New Zealand meeting	Sept.	2.00%		2.00%		
THURSDAY 22								
France	2:45	Business confidence	Sept.	101		101		
France	2:45	Production outlook	Sept.	n/a		0		
Norway	4:00	Bank of Norway meeting	Sept.	0.50%		0.50%		
Euro zone	10:00	Consumer confidence – preliminary	Sept.	-8.3		-8.5		
FRIDAY 23								
Japan	0:30	All industry activity index	July	0.2%		1.0%		
France	2:45	Real GDP – final	Q2	0.0%	1.4%	0.0%	1.4%	
France	3:00	PMI composite index – preliminary	Sept.	51.7		51.9		
France	3:00	PMI manufacturing index – preliminary	Sept.	48.4		48.3		
France	3:00	PMI services index – preliminary	Sept.	52.0		52.3		
Germany	3:30	PMI composite index – preliminary	Sept.	53.5		53.3		
Germany	3:30	PMI manufacturing index – preliminary	Sept.	53.1		53.6		
Germany	3:30	PMI services index – preliminary	Sept.	52.1		51.7		
Euro zone	4:00	PMI composite index – preliminary	Sept.	52.8		52.9		
Euro zone	4:00	PMI manufacturing index – preliminary	Sept.	51.5		51.7		
Euro zone	4:00	PMI services index – preliminary	Sept.	52.8		52.8		

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 Q2*	-119.9	---	---	-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)	Sept.*	89.8	89.8	93.5	91.0	87.2
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)	Aug.*	456,321	-0.3	0.5	1.6	1.9
Excluding automobiles (\$M)	Aug.*	363,459	-0.1	0.3	1.9	2.0
Industrial production (2007 = 100)	Aug.*	104.4	-0.5	0.7	-0.0	-1.1
Production capacity utilization rate (%) (1)	Aug.*	75.5	75.9	75.1	75.6	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)	July*	1,813	-0.0	0.3	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)	Aug.*	240.3	0.2	0.4	1.1	1.1
Excluding food and energy	Aug.*	248.3	0.3	0.5	1.0	2.3
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)	Aug.*	110.3	0.0	0.2	0.5	0.0
Excluding food and energy	Aug.*	110.2	0.1	0.2	0.4	1.0
Export prices (2000 = 100)	Aug.*	120.1	-0.8	0.1	1.6	-2.4
Import prices (2000 = 100)	Aug.*	120.5	-0.2	0.5	2.8	-2.2

* New statistic in comparison with last week.

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

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)	July*	50,672	0.1	0.4	-3.5	-2.6
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. 16	Sep. 9	-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	0.28	0.34	0.29	0.26	0.29	-0.01	0.37	0.23	-0.02
Treasury bonds – 2 years	0.76	0.79	0.75	0.70	0.86	0.67	1.08	0.79	0.54
– 5 years	1.19	1.22	1.16	1.12	1.33	1.44	1.75	1.33	0.94
– 10 years	1.69	1.67	1.58	1.62	1.87	2.13	2.35	1.87	1.36
– 30 years	2.44	2.39	2.29	2.43	2.67	2.93	3.11	2.65	2.11
S&P 500 index	2,139	2,128	2,184	2,071	2,050	1,958	2,190	2,053	1,829
DJIA index	18,132	18,085	18,553	17,675	17,602	16,385	18,636	17,507	15,660
Gold price (US\$/ounce)	1,311	1,334	1,345	1,287	1,254	1,137	1,369	1,214	1,052
CRB index	180.69	182.54	188.78	192.38	176.35	194.18	202.69	180.38	155.01
WTI oil (US\$/barrel)	43.39	45.88	48.48	48.00	39.47	44.71	51.23	41.43	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	0.50	0.49	0.51	0.46	0.40	0.56	0.48	0.32
Treasury bonds – 2 years	0.57	0.58	0.57	0.52	0.54	0.46	0.70	0.54	0.29
– 5 years	0.73	0.71	0.68	0.59	0.71	0.76	1.03	0.72	0.48
– 10 years	1.20	1.15	1.08	1.12	1.28	1.46	1.72	1.29	0.97
– 30 years	1.83	1.77	1.69	1.77	2.08	2.23	2.42	1.99	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	0.21	0.16	0.20	0.25	0.17	0.41	0.45	0.24	0.06
Treasury bonds – 2 years	-0.18	-0.21	-0.18	-0.19	-0.32	-0.20	-0.03	-0.25	-0.64
– 5 years	-0.46	-0.51	-0.48	-0.54	-0.62	-0.67	-0.38	-0.60	-1.00
– 10 years	-0.49	-0.52	-0.50	-0.50	-0.59	-0.67	-0.31	-0.58	-0.90
– 30 years	-0.61	-0.62	-0.60	-0.66	-0.60	-0.71	-0.52	-0.66	-0.88
S&P/TSX index	14,444	14,540	14,687	13,902	13,497	13,647	14,813	13,626	11,843
Exchange rate (C\$/US\$)	1.3221	1.3048	1.2872	1.2895	1.3002	1.3227	1.4579	1.3236	0.7564
Exchange rate (C\$/€)	1.4756	1.4656	1.4579	1.4542	1.4653	1.4953	1.5903	1.4700	0.8444
Overseas									
ECB – Refinancing rate	0.00	0.00	0.00	0.00	0.00	0.05	0.05	0.02	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	-0.02	-0.10
Germany: Bonds – 10 years	0.00	-0.05	-0.10	0.02	0.22	0.67	0.70	0.24	-0.19
U.K.: Bonds – 10 years	0.87	0.87	0.72	1.27	1.45	1.84	2.05	1.44	0.61
Euro: Exchange rate (US\$/€)	1.1163	1.1233	1.1326	1.1277	1.1270	1.1306	1.1532	1.1111	1.0565
U.K.: Exchange rate (US\$/£)	1.3083	1.3267	1.3076	1.4358	1.4481	1.5532	1.5508	1.4320	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.