

Concerns rise over banks' financial health in Europe

HIGHLIGHTS

- United States: Sharp rise in the Conference Board consumer confidence index.
- Canada: Real GDP by industry grew by 0.5% in July.

A LOOK AHEAD

- United States: After surprising declines in August, the ISM indexes should head up in September.
- Hires probably accelerated in September in the United States.
- Canada: The trade balance could stay practically flat in August.
- Canada: The recovery in the labour market should continue in September.

FINANCIAL MARKETS

- The rally in oil prices helps the S&P/TSX outperform the other stock markets.
- Worries about the banking sector drive bond yields downwards.
- The Canadian dollar regains some ground.

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Graph of the week – An eventful September for the European bank stocks



Sources: Bloomberg 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

- Sales of new, single-family homes declined less than expected in August. They fell from 659,000 to 609,000 homes, a drop of 7.6%. Compared to last year, the gain is 20.6%. The inventory of new homes for sale is still very low.
- The S&P/Case-Shiller index of prices for existing homes in the 20 major cities posted its fourth straight monthly slump in July. The latest drop is quite modest, just 0.01%. The annual change in the index was downwards, from 5.11% to 5.02%. As was the case in previous years, we expect the S&P/Case-Shiller index to head up starting in August.
- New durable goods orders did better than expected in August. They were in stagnation mode, whereas a fairly steep drop had been anticipated. As expected, civil aviation made a strong downward contribution, but that was partly offset by a significant increase in orders for military aircraft. We also note growth in orders for motor vehicles. Excluding transportation, orders fell by 0.6%, but new capital goods orders excluding defense and aviation climbed by 0.6%. This is the first time since July 2009 that they have recorded three significant gains in a row.
- The consumer confidence index compiled by the Conference Board gained ground once again in September, rising from 101.8 to 104.1. This is its highest level since August 2007. The jump comes a bit more from the current situation component (+3.2 points) than from the expectations component (+1.7 points).
- Real consumption dipped by 0.1% in August after gains of 0.3% in July and 0.4% in June. This is the first downturn since January. Spending on durable goods was down by 1.3%, in particular due to a pullback in auto sales. Consumption of non-durable goods dropped by 0.3%, while that of services ticked up by 0.1%.
- The release of the final estimate of national accounts for the second quarter of 2016 led to an upward revision of annualized real GDP growth, from 1.1% according to the preliminary estimate, to 1.4% (the advance estimate was 1.2%). The latest change stems mainly from a less severe slump in business investment in non-residential construction and equipment. We also note a smaller contraction in inventories, and stronger growth in real service exports.

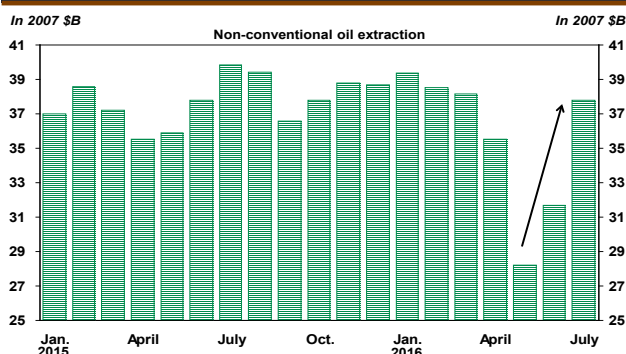
Francis Généreux
Senior Economist

CANADA

- Real GDP by industry expanded by 0.5% in July after a gain of 0.6% in June. As expected, the recovery in the non-conventional oil extraction sector continued in July after the major shutdowns that occurred during the Alberta forest fires in May. The 19.3% surge in that industry by itself boosted real GDP by industry by around 0.4% during the month. The contribution from the rest of the economy to monthly real GDP growth is assessed at just under 0.1%, if we take rounding into account. This is a rather disappointing pace, which reflects some challenges that have been observed in recent months. Even if August and September were to produce zero real GDP growth by industry, the third quarter as a whole could nevertheless end up with a gain of around 2.8%. Keep in mind that our latest scenario calls for growth slightly above 3%.
- The industrial product price index came in below expectations in August, down by 0.5%. The deviation stems mainly from prices for non-energy products, which slid by 0.3%, versus the slight rise that was expected. The raw materials price index dropped by 0.7% during the month.

Benoit P. Durocher
Senior Economist

Canada – The recovery in the oil sector is now complete



Sources: Statistics Canada and Desjardins, Economic Studies

FINANCIAL MARKETS

The Deutsche Bank raises concerns

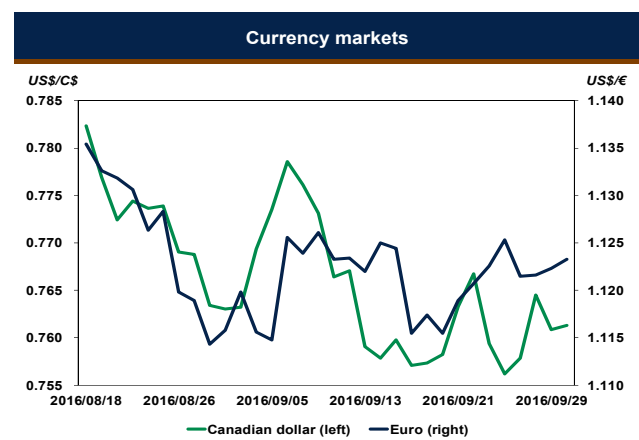
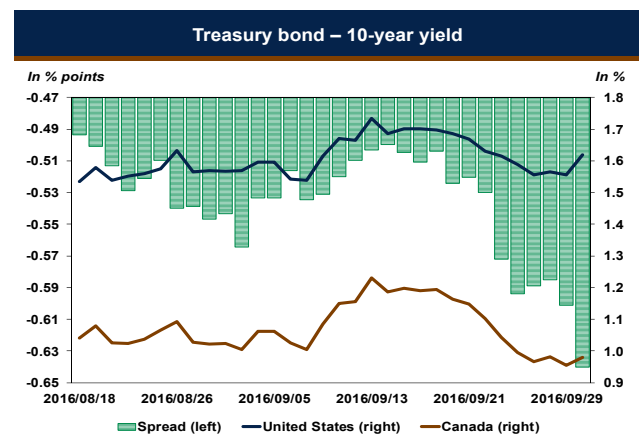
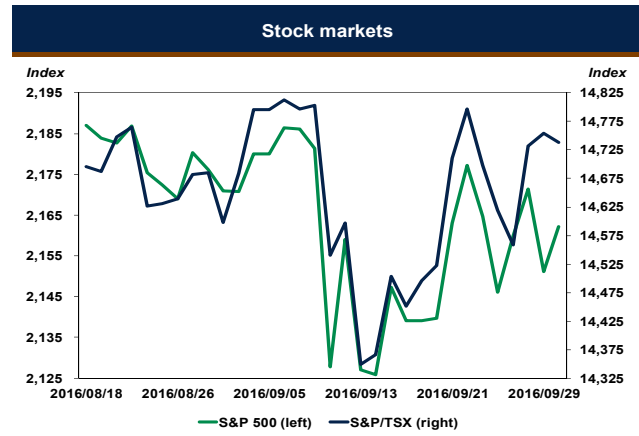
The problems of the Deutsche Bank returned to haunt the markets this week. Shares of this financial institution tumbled to new lows amid doubts on its financial soundness. The German stock market closed with a weekly loss of 1.1%. The damage in the United States was more limited, and the S&P 500 was heading towards a modest gain. The agreement in principle on cuts to oil production that was announced by the Organization of the Petroleum Exporting Countries (OPEC) was the other major highlight. The announcement generated a spike of over US\$3 in the price of oil between Wednesday and Friday, taking it to around US\$48. This situation helped the S&P/TSX show resilience in the face of global worries about the banking sector; it was heading towards a gain of 0.6% on the week.

The tense atmosphere was relatively favourable for bonds. Yields were trending downwards in most countries, although in fairly measured fashion. After falling below 1.53% on Friday morning, the U.S. 10-year yield nevertheless rebounded above 1.60%, helped by easing concerns, in addition to favorable data on consumer confidence and manufacturing in the United States. Canadian yields also responded higher, but less so, despite the encouraging data on Canadian GDP for July. The Canadian 10-year yield remained below 1% at the time of writing.

The U.S. dollar kept showing pockets of weakness at the beginning of the week, but things improved thereafter, especially against the euro. The common currency approached US\$1.13 on Monday, but fell back below US\$1.12 a few times during the week. Worries about the European banking system, in particular the Deutsche Bank, would seem to account for the euro's trajectory to a large extent. The pound sterling proved to be more stable, staying in the neighbourhood of US\$1.30. The Canadian dollar was still under pressure on Monday and Tuesday, then rebounded along with oil prices on Thursday, reaching US\$0.766. Some of those gains were quickly lost, but the trend was back on an appreciation track on Friday morning after the release of the GDP data.

Jimmy Jean
Senior Economist

Hendrix Vachon
Senior Economist



A LOOK AHEAD



UNITED STATES

Monday Oct. 3 - 10:00

September	
Consensus	50.5
Desjardins	50.6
August	49.4

ISM manufacturing index (September) – The ISM manufacturing index fell abruptly in August, from 52.6 to 49.4, i.e. below the 50 threshold. This is its lowest level since January. We expect it to head back up in September. Most of the regional manufacturing indexes have shown improvement this month, especially the Philadelphia Fed index, which reached its highest point since February 2015. We forecast that the ISM manufacturing index will edge up from 49.4 to 50.6.

Wednesday Oct. 5 - 8:30

August	US\$B
Consensus	-40.5
Desjardins	-39.1
July	-39.5

Trade balance (August) – After deteriorating for three straight months, from April to June, the U.S. trade balance greatly improved in July, climbing from -US\$44.7B to -US\$39.5B. Further improvement, but far more modest, is in the cards for the month of August. The preliminary merchandise trade data show 0.7% growth in exports and a 0.3% upturn in imports; therefore, the deficit should shrink from US\$39.5B to US\$39.1B.

Wednesday Oct. 5 - 10:00

September	
Consensus	53.0
Desjardins	52.7
August	51.4

ISM non-manufacturing index (September) – Just like its manufacturing counterpart, the non-manufacturing index also plunged in August. It slid from 55.5 to 51.4, its lowest point since February 2010. The monthly drop is also the steepest since November 2008, when the financial crisis was raging. We expect this index to pick up a bit in September, since few service sector indicators are showing such a poor performance. Consumer confidence is quite good and sales of new homes are at a satisfactory level. We predict that the ISM non-manufacturing index will come in at 52.7, which is still fairly low.

Friday Oct. 7 - 8:30

September	
Consensus	170,000
Desjardins	202,000
August	151,000

Job creation according to the establishment survey (September) – After strong growth in June (+271,000) and in July (+275,000), the U.S. job market slowed in August with “just” 151,000 hires. A better performance is expected in September. We note that weekly jobless claims are down, recently reaching a low of 251,000 at mid-month. In addition, the Conference Board consumer confidence survey is showing definite improvement in the job-related components in September. The release of the ISM indexes (on Monday and Wednesday), and of their employment components, will give us a bit more information. At this point, we anticipate that 202,000 jobs were created in September. We should also expect the August data to be revised upwards; that is what happened in four out of the five past years. The unemployment rate should hold steady at 4.9%. After an uptick of just 0.1%, the average hourly wage should see somewhat faster monthly growth.


CANADA

International merchandise trade (August) – Once seasonally adjusted and expressed in Canadian dollars, energy prices ticked up by a mere 0.2% in August, while prices of non-energy commodities fell by 0.6%. That means we cannot count on price changes to inflate the value of exports during the month. According to U.S. industrial production data, the auto industry recorded continuing growth, but at a much slower pace than in July. Therefore, even when we take into account the resumption of an upward trend by the other components, the value of merchandise exports should creep up by just a smidgeon in August. That said, imports should also expand in limited fashion, so the trade balance could end up practically unchanged. That would at least preserve the gains recorded in July.

Labour Force Survey (September) – The labour market saw the creation of 26,200 jobs in August, making up for a portion of the 31,200 job losses sustained in July. This catch-up movement should continue in September with a gain of around 18,000 jobs. That would enable the six-month moving average trend to stay in the neighbourhood of 4,000, which is actually quite low. We must keep in mind that the economy has been on a rocky ride in recent months. Assuming that the participation rate stays at 65.5%, the unemployment rate could hold steady at 7.0%.


OVERSEAS

Euro zone: Retail sales (August) – In July, euro zone retail sales reported their strongest monthly growth since August 2014, i.e. a gain of 1.1%. That growth is in contrast with other indicators that were more modest, in particular consumer confidence which, despite recent improvement, is still rather low. Meanwhile, German retail sales dropped by 0.4% in August. But in France, consumer spending rose by 0.7% during that month.

Wednesday Oct. 5 - 8:30

August	\$B
Consensus	-2.45
Desjardins	-2.45
July	-2.49

Friday Oct. 7 - 8:30


September	
Consensus	7,500
Desjardins	18,000
August	26,200


Wednesday Oct. 5 - 5:00

August	m/m
Consensus	-0.3%
July	1.1%

ECONOMIC INDICATORS


Week of October 3 to 7, 2016

Day	Hour	Indicator	Period	Consensus		Previous data
UNITED STATES						
MONDAY 3	---	Total vehicle sales (ann. rate)	Sept.	17,400,000	17,500,000	16,910,000
	10:00	Construction spending (m/m)	Aug.	0.3%	-0.3%	0.0%
	10:00	ISM manufacturing index	Sept.	50.5	50.6	49.4
TUESDAY 4	8:05	Speech of the Richmond Fed President, J. Lacker				
	19:50	Speech of the Chicago Fed President, C. Evans				
WEDNESDAY 5	8:30	Trade balance – Goods and services (US\$B)	Aug.	-40.5	-39.1	-39.5
	10:00	ISM non-manufacturing index	Sept.	53.0	52.7	51.4
	10:00	Factory orders (m/m)	Aug.	-0.3%	0.2%	1.9%
	13:00	Speech of the Richmond Fed President, J. Lacker				
THURSDAY 6	8:30	Initial unemployment claims	Sept. 26-30	255,000	260,000	254,000
FRIDAY 7	8:30	Change in nonfarm payrolls	Sept.	170,000	202,000	151,000
	8:30	Unemployment rate	Sept.	4.9%	4.9%	4.9%
	8:30	Weekly worked hours	Sept.	34.4	34.4	34.3
	8:30	Average weekly earnings (m/m)	Sept.	0.3%	0.3%	0.1%
	10:00	Wholesale inventories (m/m)	Aug.	-0.1%	-0.1%	-0.1%
	10:30	Speech of the Federal Reserve Vice Chairman, S. Fischer				
	12:45	Speech of the Cleveland Fed President, L. Mester				
	15:00	Consumer credit (US\$B)	Aug.	17.00	22.00	17.71
	15:00	Speech of the Kansas City Fed President, E. George				
	16:00	Speech of a Federal Reserve Governor, L. Brainard				
CANADA						
MONDAY 3	---					
TUESDAY 4	---					
WEDNESDAY 5	8:30	International trade (\$B)	Aug.	-2.45	-2.45	-2.49
THURSDAY 6	8:30	Building permits (m/m)	Aug.	1.5%	1.0%	0.8%
	11:35	Speech of a Bank of Canada Senior Deputy Governor, C. Wilkins				
FRIDAY 7	8:30	Net change in employment	Sept.	7,500	18,000	26,200
	8:30	Unemployment rate	Sept.	7.0%	7.0%	7.0%
	10:00	PMI-Ivey index	Sept.	n/a	52.7	52.3
	10:30	Release of the Bank of Canada <i>Senior Loan Officer Survey</i>				
	10:30	Release of the Bank of Canada <i>Business Outlook Survey</i>				
	16:00	Speech of a Bank of Canada Senior Deputy Governor, C. Wilkins				

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 October 3 to 7, 2016

Country	Hour	Indicator	Period	Consensus		Previous data		
				m/m (q/q)	y/y	m/m (q/q)	y/y	
 OVERSEAS								
SUNDAY 2								
Japan	19:50	Tankan large manufacturers index	Q3	7		6		
MONDAY 3								
Japan	1:00	Vehicle sales	Sept.		n/a		5.7%	
Italy	3:45	PMI manufacturing index	Sept.	50.3		49.8		
France	3:50	PMI manufacturing index – final	Sept.	49.5		49.5		
Germany	3:55	PMI manufacturing index – final	Sept.	54.3		54.3		
Euro zone	4:00	PMI manufacturing index – final	Sept.	52.6		52.6		
United Kingdom	4:30	PMI manufacturing index	Sept.	52.1		53.3		
Australia	23:30	Reserve Bank of Australia meeting	Oct.	1.50%		1.50%		
TUESDAY 4								
Japan	1:00	Consumer confidence	Sept.	41.8		42.0		
India	1:30	Reserve Bank of India meeting	Oct.	6.50%		6.50%		
United Kingdom	4:30	PMI construction index	Sept.	49.0		49.2		
Euro zone	5:00	Producer price index	Aug.	-0.1%	-2.1%	0.1%	-2.8%	
WEDNESDAY 5								
Italy	3:45	PMI composite index	Sept.	51.6		51.9		
Italy	3:45	PMI services index	Sept.	52.0		52.3		
France	3:50	PMI composite index – final	Sept.	53.3		53.3		
France	3:50	PMI services index – final	Sept.	54.1		54.1		
Germany	3:55	PMI composite index – final	Sept.	52.7		52.7		
Germany	3:55	PMI services index – final	Sept.	50.6		50.6		
Euro zone	4:00	PMI composite index – final	Sept.	52.6		52.6		
Euro zone	4:00	PMI services index – final	Sept.	52.1		52.1		
United Kingdom	4:30	PMI composite index	Sept.	52.3		53.6		
United Kingdom	4:30	PMI services index	Sept.	52.0		52.9		
Euro zone	5:00	Retail sales	Aug.	-0.3%	1.5%	1.1%	2.9%	
THURSDAY 6								
Germany	2:00	Factory orders	Aug.	0.3%	1.7%	0.2%	-0.7%	
Germany	3:30	PMI construction index	Sept.	n/a		51.6		
Euro zone	4:10	PMI retail index	Sept.	n/a		51.0		
Germany	4:10	PMI retail index	Sept.	n/a		54.1		
France	4:10	PMI retail index	Sept.	n/a		53.0		
Italy	4:10	PMI retail index	Sept.	n/a		43.2		
Euro zone	7:30	Minutes of the European Central Bank meeting						
FRIDAY 7								
Japan	1:00	Leading indicator – preliminary	Aug.	101.6		100.0		
Japan	1:00	Coincident indicator – preliminary	Aug.	111.8		112.1		
Germany	2:00	Industrial production	Aug.	1.0%	0.5%	-1.5%	-1.2%	
France	2:45	Trade balance (€M)	Aug.	-4,000		-4,505		
France	2:45	Current account (€B)	Aug.	n/a		-2.6		
France	2:45	Industrial production	Aug.	0.6%	-1.3%	-0.6%	-0.1%	
United Kingdom	4:30	Trade balance (£M)	Aug.	-4,000		-4,502		
United Kingdom	4:30	Industrial production	Aug.	0.2%	1.3%	0.1%	2.1%	

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	16,583	1.4	1.3	2.6	2.4	1.7	2.2
Consumption (2009 \$B)	2016 Q2	11,485	4.3	2.7	3.2	2.9	1.5	1.5
Government spending (2009 \$B)	2016 Q2	2,901	-1.7	0.7	1.8	-0.9	-2.9	-1.9
Residential investment (2009 \$B)	2016 Q2	588.7	-7.8	5.7	11.7	3.5	11.9	13.5
Non-residential investment (2009 \$B)	2016 Q2	2,185	1.0	-0.5	2.1	6.0	3.5	9.0
Business inventory change (2009 \$B) (1)	2016 Q2	-9.5	---	---	84.0	57.7	78.7	54.7
Exports (2009 \$B)	2016 Q2	2,111	1.8	-1.1	0.1	4.3	3.5	3.4
Imports (2009 \$B)	2016 Q2	2,670	0.2	0.3	4.6	4.4	1.1	2.2
Final domestic demand (2009 \$B)	2016 Q2	17,140	2.4	2.1	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)	Aug.	124.1	-0.2	0.6	0.9	1.1
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)	Sept.*	104.1	101.8	97.4	96.1	102.6
Cons. confidence Michigan (1966 = 100) (1)	Sept.	91.2	89.8	93.5	91.0	87.2
Personal consumption expenditure (2009 \$B)	Aug.*	11,549	-0.1	0.6	1.5	2.6
Disposable personal income (2009 \$B)	Aug.*	12,697	0.1	0.6	1.2	2.4
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)	Aug.*	226,937	-0.0	-0.8	1.3	-1.3
Business inventories (\$B)	July	1,813	-0.0	0.3	0.7	0.5
Housing starts (K) (1)	Aug.	1,142	1,212	1,128	1,213	1,132
Building permits (K) (1)	Aug.	1,152	1,144	1,136	1,162	1,166
New home sales (K) (1)	Aug.*	609.0	659.0	566.0	525.0	505.0
Existing home sales (K) (1)	Aug.	5,330	5,380	5,510	5,070	5,290
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)	Aug.*	110.9	0.1	0.3	0.9	1.0
Excluding food and energy	Aug.*	111.6	0.2	0.4	0.8	1.7
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	502.0	---	---	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)	July*	1,674,354	0.5	0.5	0.3	1.3
Industrial production (2007 \$M)	July*	352,811	1.6	0.7	-1.5	-0.7
Manufacturing sales (\$M)	July	50,672	0.1	0.4	-3.5	-2.6
Housing starts (K) (1)	Aug.	182.4	194.6	186.6	217.1	214.0
Building permits (\$M)	July	6,470	0.8	-6.5	1.1	-10.0
Retail sales (\$M)	July	44,139	-0.1	-0.1	0.4	2.3
Excluding automobiles (\$M)	July	33,125	-0.1	0.1	1.6	1.7
Wholesale trade sales (\$M)	July	56,533	0.3	2.9	0.2	3.3
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 (\$)	July*	954.6	-0.2	0.1	0.4	0.1
Number of salaried employees (K) (2)	July*	15,973	-1.6	25.5	21.4	15.0
Consumer price (2002 = 100)	Aug.	128.7	-0.2	-0.1	1.3	1.1
Excluding food and energy	Aug.	123.8	0.0	0.0	1.2	1.9
Excluding 8 volatile items	Aug.	128.6	0.0	0.0	1.2	1.8
Industrial product price (2002 = 100)	Aug.*	109.8	-0.5	0.5	0.5	-1.3
Raw materials price (2002 = 100)	Aug.*	90.9	-0.7	-1.3	11.3	0.6
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. 30	Sep. 23	-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	0.45	0.25
Treasury bill – 3 months	0.26	0.18	0.32	0.27	0.23	0.00	0.37	0.24	-0.01
Treasury bonds – 2 years	0.76	0.75	0.80	0.59	0.78	0.54	1.08	0.80	0.56
– 5 years	1.17	1.16	1.19	1.01	1.23	1.29	1.75	1.32	0.94
– 10 years	1.62	1.61	1.60	1.46	1.79	1.99	2.35	1.85	1.36
– 30 years	2.32	2.34	2.27	2.25	2.60	2.82	3.11	2.63	2.11
S&P 500 index	2,162	2,165	2,180	2,103	2,073	1,951	2,190	2,062	1,829
DJIA index	18,300	18,261	18,492	17,949	17,793	16,472	18,636	17,582	15,660
Gold price (US\$/ounce)	1,321	1,340	1,319	1,336	1,212	1,139	1,369	1,221	1,052
CRB index	185.98	183.10	179.99	194.26	168.03	194.11	202.69	180.01	155.01
WTI oil (US\$/barrel)	45.03	44.36	44.39	49.02	36.78	45.54	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	0.53	0.53	0.51	0.49	0.45	0.44	0.56	0.48	0.32
Treasury bonds – 2 years	0.53	0.52	0.59	0.52	0.54	0.51	0.70	0.54	0.29
– 5 years	0.59	0.62	0.69	0.57	0.70	0.78	1.03	0.72	0.48
– 10 years	0.98	1.04	1.06	1.06	1.24	1.40	1.72	1.27	0.95
– 30 years	1.64	1.70	1.66	1.71	2.01	2.19	2.42	1.97	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	0.05	0.00
Treasury bill – 3 months	0.27	0.35	0.19	0.22	0.22	0.44	0.43	0.24	0.06
Treasury bonds – 2 years	-0.22	-0.23	-0.21	-0.08	-0.23	-0.03	-0.04	-0.26	-0.64
– 5 years	-0.58	-0.53	-0.50	-0.44	-0.53	-0.51	-0.38	-0.60	-1.00
– 10 years	-0.64	-0.57	-0.53	-0.40	-0.55	-0.59	-0.31	-0.58	-0.90
– 30 years	-0.68	-0.64	-0.61	-0.53	-0.59	-0.63	-0.52	-0.66	-0.88
S&P/TSX index	14,738	14,698	14,796	14,065	13,440	13,340	14,813	13,678	11,843
Exchange rate (C\$/US\$)	1.3135	1.3168	1.2998	1.2917	1.3012	1.3149	1.4579	1.3230	0.7613
Exchange rate (C\$/€)	1.4758	1.4782	1.4501	1.4384	1.4817	1.4741	1.5903	1.4694	0.8552
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	0.46	0.25
BoJ – Overnight rate	-0.10	-0.10	-0.10	-0.10	-0.10	0.10	0.10	-0.03	-0.10
Germany: Bonds – 10 years	-0.12	-0.15	-0.10	-0.13	0.14	0.51	0.70	0.21	-0.22
U.K.: Bonds – 10 years	0.77	0.73	0.73	0.99	1.42	1.70	2.05	1.40	0.61
Euro: Exchange rate (US\$/€)	1.1233	1.1226	1.1156	1.1136	1.1388	1.1211	1.1532	1.1111	1.0565
U.K.: Exchange rate (US\$/£)	1.2996	1.2974	1.3293	1.3262	1.4227	1.5182	1.5478	1.4235	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.