

Weekly Newsletter



Desjardins
Economic Studies

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Cooperation Week – October 16 to 22, 2016

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October 14, 2016

Renewed worries about the Brexit

HIGHLIGHTS

- United States: Retail sales rebound after a disappointing summer.
- Canada: Housing starts bounce back in September.

A LOOK AHEAD

- Industrial output is expected to rise slightly in the United States.
- United States: Gas prices should contribute to strong consumer price growth in September.
- United States: Housing starts are forecast to edge up, while resales could decline again.
- Canada: Consumer prices should return to their uptrend.
- Canada: Manufacturing and retail sales should advance slightly.
- The Bank of Canada should once again keep the target for the overnight rate at 0.50%.

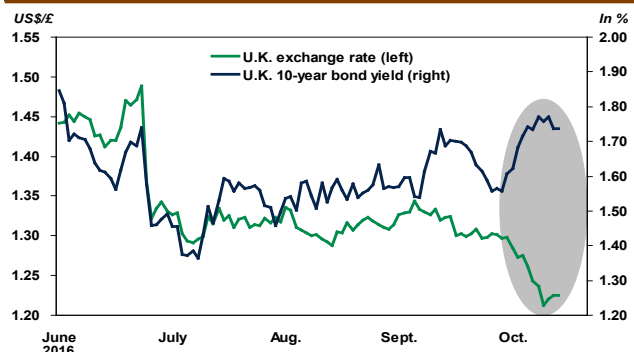
FINANCIAL MARKETS

- The U.S. reporting season starts on a poor note.
- Yields keep rising, especially in the United Kingdom.
- The Canadian dollar ends the week close to US\$0.76 (C\$1.32/US\$).

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Graph of the week – Investors turn their backs on the pound and British bonds



Sources: Datastream and Desjardins, Economic Studies

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KEY STATISTICS OF THE WEEK

UNITED STATES

- Retail sales rose 0.6% in September after dropping 0.2% in August and rising a modest 0.1% in July. Auto sales went up 1.1%. Excluding automobiles, sales advanced 0.5%. Other increases include building centres, recreational goods stores, and furniture retailers. The value of service station sales jumped 2.4%. Excluding autos and gas, sales went up 0.3% after stagnating in August.
- According to the preliminary version of the University of Michigan index, consumer confidence eroded in October, sliding from 91.2 to 87.9.
- Initial jobless claims remained very low last week, staying at the previous week's level of 246,000, their lowest point since November 1973.

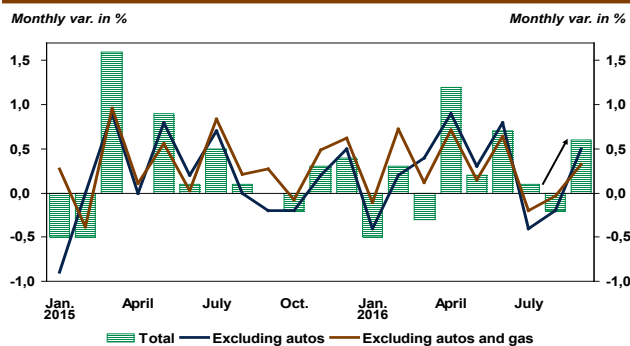
Francis Généreux
Senior Economist

CANADA

- Housing starts rebounded more than anticipated in September, going from 184,200 to 220,600 units. Much of the gain comes in the urban multi-unit housing segment, especially in British Columbia and Quebec. Among other things, at 36,882 units, starts on multi-unit housing seem very high in British Columbia given the recent slowdown in sales of existing properties after the tax on foreign purchases was introduced.

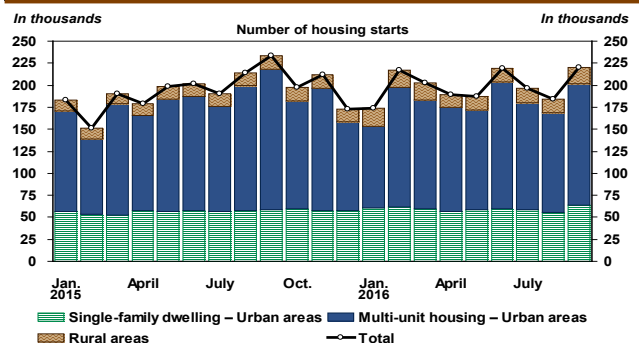
Benoit P. Durocher
Senior Economist

United States – After a disappointing summer, retail sales strengthened in September



Sources: U.S. Census Bureau and Desjardins, Economic Studies

Canada – Construction of multi-unit housing continues to boost housing starts



Sources: Canada Mortgage and Housing Corporation and Desjardins, Economic Studies

FINANCIAL MARKETS

Yields maintain their upward trend

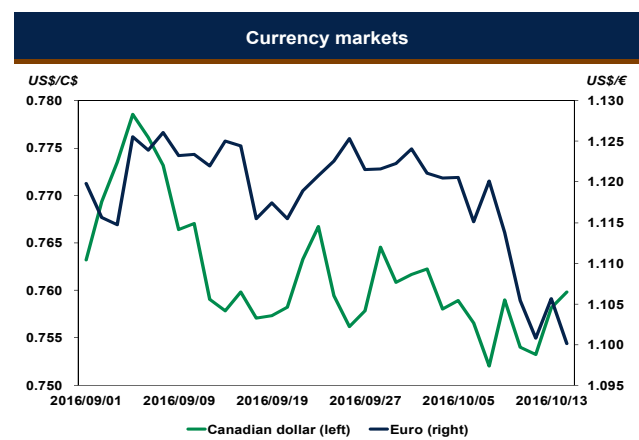
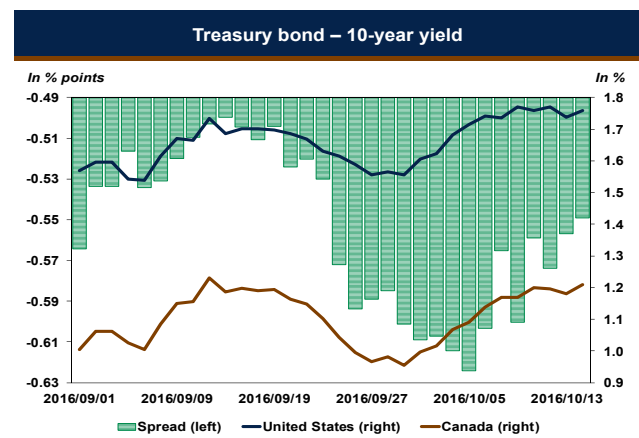
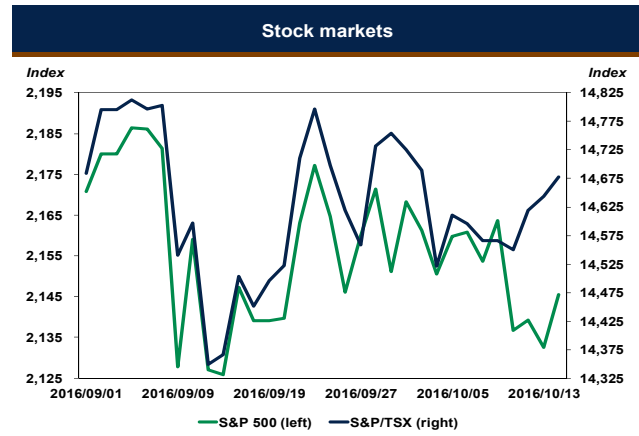
The earning's reporting season started off on the wrong foot in the United States, with Alcoa unveiling profits below expectations for the third quarter. The ongoing rise in bond yields also caused some irritation for the S&P 500. However, the minutes of the last Federal Reserve (Fed) meeting did not generate much surprise. The Fed continued to signal a rate increase in the near future, which the markets are already anticipating. The surprise erosion of China's trade balance prompted a surge in risk aversion on Thursday, but a rebound followed the next day. Canada's stock market did a little better, with energy sector securities capitalizing on the strength in oil prices. Gold prices stabilized, which also helped the S&P/TSX's materials segment recoup some of the previous week's losses.

The climate remains unfavourable for bonds and, overall, yields continued to head up. In the United Kingdom, the 10-year yield hit 1.11%, its highest post-Brexit point. The U.S. 10-year yield brushed 1.80% on Wednesday, tumbled to 1.72% on Thursday, and climbed back to around 1.77% on Friday morning. The good numbers on consumer prices in China and producer prices in the United States had a hand in the rebound. Canadian yields tracked the global upward movement. The 10-year yield was at 1.21% Friday morning, rising from just 1.00% at the start of the month.

The U.S. dollar made further gains early in the week, with markets still getting into position for a December interest rate increase in the United States. The greenback's gains are also due to the poor performance put in by European currencies, which were once again penalized by Brexit fears, particularly in the first half of the week. The pound sterling fell to around US\$1.22, while the euro dropped to US\$1.10. Japan's exchange rate was more stable, holding at around ¥104/US\$. The Canadian dollar depreciated Tuesday and Wednesday, closing in on US\$0.75. The loonie then rebounded on Thursday and the trend held up Friday, taking the loonie close to US\$0.76.

Jimmy Jean
Senior Economist

Hendrix Vachon
Senior Economist



A LOOK AHEAD



UNITED STATES

Monday Oct. 17 - 9:15

| | |
|------------------|--------------|
| September | m/m |
| Consensus | 0.2% |
| Desjardins | 0.1% |
| August | -0.4% |

Industrial production (September) – After posting two good increases in June and July, industrial production relapsed into negative territory in August. The 0.4% slide was mainly triggered by manufacturing excluding the automotive sector. We expect industrial output to edge up in September. Manufacturing should stand still, as hours worked point to a drop in the automotive sector, but a slight gain in other manufacturing. Note that the manufacturing ISM improved last month. Mining should record another small increase, of 0.5%; hours worked in mining have gone up and we are seeing the start of an uptrend in oil investment. Activity by energy producers likely stagnated after retreating 1.4% in August. Overall, industrial output should show modest 0.1% growth, while the industrial capacity utilization rate should go from 75.5% to 75.6%. The New York (Monday) and Philadelphia Fed (Thursday) regional manufacturing indexes will be released next week, giving us a first glimpse of manufacturing's strength in October.

Tuesday Oct. 18 - 8:30

| | |
|------------------|-------------|
| September | m/m |
| Consensus | 0.3% |
| Desjardins | 0.3% |
| August | 0.2% |

Consumer price index (September) – The consumer price index (CPI) rose 0.2% in August after stagnating in July. Slightly stronger price growth, 0.3%, is anticipated for September. The gain will mainly come from the recent acceleration by gas prices. The national average for prices at the pump rose 2.0% in September. As gas prices usually tend to decline at this time of year, the effect exacerbates the seasonal adjustment and monthly change. We expect food prices, which have not posted a substantial monthly increase since April, to stagnate again. Excluding food and energy, the core CPI probably posted a gain of 0.2% on the heels of August's 0.3% advance. Helped by base effects, total inflation should go from 1.1% to 1.5%. Core inflation should stay at 2.3%.

Wednesday Oct. 19 - 8:30

| | |
|------------------|------------------|
| September | ann. rate |
| Consensus | 1,173,000 |
| Desjardins | 1,150,000 |
| August | 1,142,000 |

Housing starts (September) – Housing starts rose a total of 7.4% in June and July, but fell 5.8% in August. At an annualized 1,142,000 units, this performance was well below expectations. We are not expecting a substantial rebound in September. At 1,152,000, revised building permits are barely higher than housing starts. However, the solid relative performance of new home sales and low inventories argue for a comeback by construction in the coming quarters. Moreover, recent months have seen an improvement to homebuilder confidence. We expect 1,150,000 housing starts in September. Building permits should increase to 1,170,000 units.

Thursday Oct. 20 - 10:00

| | |
|------------------|--------------|
| September | m/m |
| Consensus | 0.2% |
| Desjardins | 0.2% |
| August | -0.2% |

Leading indicator (September) – The leading indicator advanced 0.5% in July, then ticked down 0.2% in August. The pullback is mainly due to the drop in the ISM manufacturing index and decline in hours worked. These two components should make negative contributions in September as well, but not as big. They will also be offset by the decline in jobless claims and the interest rate spread, which recently widened. We expect the leading indicator to rise 0.2% in September.

Thursday Oct. 20 - 10:00

| | |
|------------------|------------------|
| September | ann. rate |
| Consensus | 5,350,000 |
| Desjardins | 5,300,000 |
| August | 5,330,000 |

Existing home sales (September) – Sales of existing homes posted solid increases in the first half of 2016. They have been losing momentum since the summer, however. Resales dropped 3.4% in July, and then 0.9% in August. Another decline is anticipated in September, as pending home sales fell 2.4% the month before. We expect existing home sales to drop to 5,300,000 units.


CANADA

Manufacturing sales (August) – Growth by manufacturing sales could be modest in August, as in July. According to the international merchandise trade data, energy exports rose over the month, as did exports of machinery and equipment. These sectors should therefore make a positive contribution to August's movement by manufacturing sales. However, this contribution will be largely offset by the expected decline in automotive and aeronautical products. If we factor in the slight uptrend in other components, total manufacturing sales should edge up over the month.

Bank of Canada meeting (October) – In all likelihood, the monetary authorities will once again stick with the status quo on key interest rate levels at their meeting next week. As there are still many uncertainties, any increase to the target for the overnight rate is out of the question, at least until 2018. The possibility of a rate cut must also be ruled out, given the Canadian economy's forecast third-quarter rebound, and, in particular, the magnitude of household debt. That being said, the main focus will be on the update to the Bank of Canada's outlook with the release of its *Monetary Policy Report*.

Retail sales (August) – Once seasonally adjusted, auto prices fell 0.4% in August, which should wipe out the bulk of the gains recorded in the number of vehicles sold. Gas prices also ticked down, and the value of service station sales should therefore decline for the month. Prices for other goods, however, edged up over the month, which will favour an ongoing uptrend in sales. All in all, retail sales are expected to tick up in August.

Consumer price index (September) – According to the weekly surveys at the pumps, gas prices only went up 0.7% on average in September, which will have a very slight impact on the monthly change in the total consumer price index (CPI). In terms of seasonal adjustments, the month of September usually sees prices slide very slightly (the seasonal rise by clothing prices is, among other things, offset by a drop in food prices). This means that September's results should essentially be in line with the trend of recent months. Monthly total CPI growth edged down temporarily in August and should go back to around 0.2% in September. The total annual inflation rate could go from 1.1% to 1.4%. The annual change in the core index should stay at 1.8%.


OVERSEAS

China: Real GDP (Q3) – China's economy seems to have ended its slowing trend and real GDP growth stabilized in the first half of 2016. The annual change stood at 6.7% in the first and second quarters of 2016. The annualized quarterly change clearly accelerated, going from 4.9% last winter to 7.4% last spring. Several monthly indicators also improved further over the summer.

Euro zone: European Central Bank meeting (October) – At its last meeting, the European Central Bank (ECB) curbed expectations about possible future intervention by saying it first wanted to evaluate whether it could complete the existing measures. At best, it could announce next week that it is extending its asset purchasing program, now slated to end in March 2017. That being said, the ECB could well wait for its December meeting to make the announcement, when it will have the update to its outlook on hand. This would also give it more time to assess how it intends to intervene after that date. Among other things, it could provide some indications regarding an eventual plan to gradually decrease its purchases.

| | |
|-------------------------------|-------------|
| Tuesday Oct. 18 - 8:30 | |
| August | m/m |
| Consensus | 0.2% |
| Desjardins | 0.2% |
| July | 0.1% |

| | |
|----------------------------------|--------------|
| Wednesday Oct. 19 - 10:00 | |
| October | |
| Consensus | 0.50% |
| Desjardins | 0.50% |
| September 7 | 0.50% |

| | |
|------------------------------|--------------|
| Friday Oct. 21 - 8:30 | |
| August | m/m |
| Consensus | 0.3% |
| Desjardins | 0.4% |
| July | -0.1% |




| | |
|------------------------------|--------------|
| Friday Oct. 21 - 8:30 | |
| September | |
| Consensus | 0.2% |
| Desjardins | 0.2% |
| August | -0.2% |


| | |
|--------------------------------|-------------|
| Tuesday Oct. 18 - 22:00 | |
| Q3 2016 | |
| Consensus | y/y 6.7% |
| Q2 2016 | 6.7% |

| | |
|--------------------------------|--------------|
| Thursday Oct. 20 - 7:45 | |
| October | |
| Consensus | 0.00% |
| Desjardins | 0.00% |
| September 8 | 0.00% |

ECONOMIC INDICATORS


Week of October 17 to 21, 2016

| Day | Hour | Indicator | Period | Consensus |  | Previous data |
|---|-------|---|------------|-----------|---|---------------|
|  UNITED STATES | | | | | | |
| MONDAY 17 | 8:30 | Empire manufacturing index | Oct. | 0.75 | 3.00 | -1.99 |
| | 9:15 | Industrial production (m/m) | Sept. | 0.2% | 0.1% | -0.4% |
| | 9:15 | Production capacity utilization rates | Sept. | 75.6% | 75.6% | 75.5% |
| | 12:15 | Speech of the Federal Reserve Vice Chairman, S. Fischer | | | | |
| TUESDAY 18 | 8:30 | Consumer price index | | | | |
| | | Total (m/m) | Sept. | 0.3% | 0.3% | 0.2% |
| | | Excluding food and energy (m/m) | Sept. | 0.2% | 0.2% | 0.3% |
| | | Total (y/y) | Sept. | 1.5% | 1.5% | 1.1% |
| | | Excluding food and energy (y/y) | Sept. | 2.3% | 2.3% | 2.3% |
| | 10:00 | NAHB housing market index | Oct. | 63 | n/a | 65 |
| | 16:00 | Net foreign security purchases (US\$B) | Aug. | n/a | n/a | 103.9 |
| WEDNESDAY 19 | 8:30 | Housing starts (ann. rate) | Sept. | 1,173,000 | 1,150,000 | 1,142,000 |
| | 8:30 | Building permits (ann. rate) | Sept. | 1,165,000 | 1,170,000 | 1,152,000 |
| | 8:45 | Speech of the San Francisco Fed President, J. Williams | | | | |
| | 13:30 | Speech of the Dallas Fed President, R. Kaplan | | | | |
| | 14:00 | Release of the <i>Beige Book</i> | | | | |
| THURSDAY 20 | 8:30 | Initial unemployment claims | Oct. 10-14 | n/a | 255,000 | 246,000 |
| | 8:30 | Philadelphia Fed index | Oct. | 6.0 | 6.0 | 12.8 |
| | 10:00 | Leading indicator (m/m) | Sept. | 0.2% | 0.2% | -0.2% |
| | 10:00 | Existing home sales (ann. rate) | Sept. | 5,350,000 | 5,300,000 | 5,330,000 |
| FRIDAY 21 | 14:30 | Speech of the San Francisco Fed President, J. Williams | | | | |
|  CANADA | | | | | | |
| MONDAY 17 | 8:30 | International transactions in securities (\$B) | Aug. | n/a | 4.00 | 5.23 |
| TUESDAY 18 | 8:30 | Manufacturing sales (m/m) | Aug. | 0.2% | 0.2% | 0.1% |
| WEDNESDAY 19 | 10:00 | Bank of Canada meeting | Oct. | 0.50% | 0.50% | 0.50% |
| | 10:00 | Release of the Bank of Canada <i>Monetary Policy Report</i> | | | | |
| THURSDAY 20 | --- | --- | | | | |
| FRIDAY 21 | 8:30 | Consumer price index | | | | |
| | | Total (m/m) | Sept. | 0.2% | 0.2% | -0.2% |
| | | Excluding 8 most volatile (m/m) | Sept. | 0.2% | 0.3% | 0.0% |
| | | Total (y/y) | Sept. | 1.4% | 1.4% | 1.1% |
| | | Excluding 8 most volatile (y/y) | Sept. | 1.8% | 1.8% | 1.8% |
| | 8:30 | Retail sales | | | | |
| | | Total (m/m) | Aug. | 0.3% | 0.4% | -0.1% |
| | | Excluding automobiles (m/m) | Aug. | 0.2% | 0.5% | -0.1% |

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 17 to 21, 2016

| Country | Hour | Indicator | Period | Consensus | | Previous data | | |
|--|-------|--|--------|-----------|-------|---------------|-------|--|
| | | | | m/m (q/q) | y/y | m/m (q/q) | y/y | |
|  OVERSEAS | | | | | | | | |
| MONDAY 17 | | | | | | | | |
| Japan | 0:30 | Industrial production – final | Aug. | n/a | n/a | 1.5% | 4.6% | |
| Italy | 4:00 | Trade balance (€M) | Aug. | n/a | | 7,795 | | |
| Euro zone | 5:00 | Consumer price index | Sept. | 0.4% | 0.4% | 0.1% | 0.4% | |
| Australia | 20:30 | Minutes of the Reserve Bank of Australia October meeting | | | | | | |
| TUESDAY 18 | | | | | | | | |
| United Kingdom | 4:30 | Consumer price index | Sept. | 0.2% | 0.9% | 0.3% | 0.6% | |
| United Kingdom | 4:30 | Producer price index | Sept. | 0.2% | 1.1% | 0.1% | 0.8% | |
| China | 22:00 | Real GDP | Q3 | 1.8% | 6.7% | 1.8% | 6.7% | |
| China | 22:00 | Industrial production | Sept. | | 6.4% | | 6.3% | |
| China | 22:00 | Retail sales | Sept. | | 10.7% | | 10.6% | |
| WEDNESDAY 19 | | | | | | | | |
| Brazil | --- | Bank of Brazil meeting | Oct. | 14.00% | | 14.25% | | |
| Japan | 0:30 | All industry activity index | Aug. | 0.2% | | 0.3% | | |
| United Kingdom | 4:30 | ILO unemployment rate | Aug. | 4.9% | | 4.9% | | |
| Euro zone | 5:00 | Construction | Aug. | n/a | n/a | 1.8% | 3.1% | |
| THURSDAY 20 | | | | | | | | |
| Germany | 2:00 | Producer price index | Sept. | 0.2% | -1.2% | -0.1% | -1.6% | |
| Euro zone | 4:00 | Current account (€B) | Aug. | n/a | | 21.0 | | |
| United Kingdom | 4:30 | Retail sales | Sept. | 0.3% | 4.8% | -0.2% | 6.2% | |
| Italy | 4:30 | Current account (€M) | Aug. | n/a | | 9,418 | | |
| Euro zone | 7:45 | European Central Bank meeting | Oct. | 0.00% | | 0.00% | | |
| FRIDAY 21 | | | | | | | | |
| Euro zone | 10:00 | Consumer confidence – preliminary | Oct. | -8.0 | | -8.2 | | |

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 | 16,583 | 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) | Sept. | 51.5 | 49.4 | 53.2 | 51.8 | 50.0 |
| ISM non-manufacturing index (1) | Sept. | 57.1 | 51.4 | 56.5 | 54.5 | 56.7 |
| Cons. confidence Conf. Board (1985 = 100) (1) | Sept. | 104.1 | 101.8 | 97.4 | 96.1 | 102.6 |
| Cons. confidence Michigan (1966 = 100) (1) | Oct.* | 87.9 | 91.2 | 90.0 | 89.0 | 90.0 |
| 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) | Aug.* | 3,687 | 0.7 | 1.6 | 3.5 | 6.3 |
| Retail sales (\$M) | Sept.* | 459,821 | 0.6 | 0.5 | 2.7 | 2.7 |
| Excluding automobiles (\$M) | Sept.* | 365,138 | 0.5 | -0.0 | 1.9 | 2.7 |
| 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) | Aug. | 453,135 | 0.2 | -0.3 | 2.0 | -1.6 |
| New durable good orders (\$M) | Aug. | 227,257 | 0.1 | -0.7 | 1.4 | -1.1 |
| Business inventories (\$B) | Aug.* | 1,817 | 0.2 | 0.4 | 1.0 | 0.7 |
| 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) | Aug. | 1,142 | -0.7 | -0.1 | -1.3 | -0.3 |
| Commercial surplus (\$M) (1) | Aug. | -40,725 | -39,547 | -41,997 | -45,259 | -44,639 |
| Nonfarm employment (K) (2) | Sept. | 144,747 | 156.0 | 575.0 | 1,014 | 2,447 |
| Unemployment rate (%) (1) | Sept. | 5.0 | 4.9 | 4.9 | 5.0 | 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) | Sept.* | 110.6 | 0.3 | -0.1 | 1.0 | 0.7 |
| Excluding food and energy | Sept.* | 110.4 | 0.2 | 0.0 | 0.6 | 1.2 |
| Export prices (2000 = 100) | Sept.* | 120.5 | 0.3 | -0.3 | 2.0 | -1.5 |
| Import prices (2000 = 100) | Sept.* | 120.6 | 0.1 | -0.1 | 2.5 | -1.1 |

* New statistic in comparison with last week.

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

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) | Sept.* | 220.6 | 184.2 | 219.5 | 202.4 | 233.3 |
| Building permits (\$M) | Aug. | 7,331 | 10.4 | 8.2 | -0.6 | -2.2 |
| 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) | Aug. | -1,939 | -2,185 | -3,673 | -2,636 | -2,356 |
| Exports (\$M) | Aug. | 43,409 | 0.6 | 5.3 | 1.3 | -2.5 |
| Imports (\$M) | Aug. | 45,349 | 0.0 | 1.0 | -0.3 | -3.3 |
| Employment (K) (2) | Sept. | 18,117 | 67.2 | 20.7 | 12.2 | 11.6 |
| Unemployment rate (%) (1) | Sept. | 7.0 | 7.0 | 6.8 | 7.1 | 7.1 |
| 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) | Aug. | 861,909 | 0.4 | 2.3 | 4.0 | 7.9 |

* 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 (%) | | |
|--------------------------------------|-------------------|--------|----------|-----------|-----------|---------|-------------------|---------|--------|
| | Oct. 14 | Oct. 7 | -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 | 0.46 | 0.25 |
| Treasury bill – 3 months | 0.28 | 0.32 | 0.29 | 0.31 | 0.22 | 0.01 | 0.37 | 0.25 | 0.00 |
| Treasury bonds – 2 years | 0.86 | 0.85 | 0.78 | 0.70 | 0.74 | 0.64 | 1.08 | 0.81 | 0.56 |
| – 5 years | 1.27 | 1.27 | 1.21 | 1.14 | 1.21 | 1.35 | 1.75 | 1.31 | 0.94 |
| – 10 years | 1.76 | 1.73 | 1.70 | 1.59 | 1.75 | 2.03 | 2.35 | 1.84 | 1.36 |
| – 30 years | 2.52 | 2.47 | 2.45 | 2.30 | 2.56 | 2.88 | 3.11 | 2.61 | 2.11 |
| S&P 500 index | 2,146 | 2,154 | 2,139 | 2,162 | 2,081 | 2,033 | 2,190 | 2,067 | 1,829 |
| DJIA index | 18,206 | 18,240 | 18,124 | 18,517 | 17,897 | 17,216 | 18,636 | 17,629 | 15,660 |
| Gold price (US\$/ounce) | 1,254 | 1,253 | 1,311 | 1,328 | 1,230 | 1,182 | 1,369 | 1,225 | 1,052 |
| CRB index | 189.63 | 188.32 | 180.78 | 188.86 | 173.64 | 199.45 | 197.56 | 179.58 | 155.01 |
| WTI oil (US\$/barrel) | 50.15 | 49.76 | 43.04 | 45.93 | 40.40 | 47.30 | 51.23 | 41.53 | 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 | 0.50 | 0.50 | 0.51 | 0.48 | 0.51 | 0.40 | 0.56 | 0.48 | 0.32 |
| Treasury bonds – 2 years | 0.61 | 0.59 | 0.58 | 0.57 | 0.59 | 0.54 | 0.70 | 0.54 | 0.29 |
| – 5 years | 0.76 | 0.73 | 0.74 | 0.65 | 0.76 | 0.84 | 1.03 | 0.71 | 0.48 |
| – 10 years | 1.21 | 1.17 | 1.19 | 1.08 | 1.27 | 1.47 | 1.72 | 1.26 | 0.95 |
| – 30 years | 1.83 | 1.82 | 1.82 | 1.71 | 1.97 | 2.27 | 2.42 | 1.96 | 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 | 0.04 | 0.00 |
| Treasury bill – 3 months | 0.22 | 0.18 | 0.22 | 0.17 | 0.29 | 0.39 | 0.40 | 0.23 | 0.06 |
| Treasury bonds – 2 years | -0.25 | -0.25 | -0.19 | -0.14 | -0.15 | -0.11 | -0.06 | -0.26 | -0.64 |
| – 5 years | -0.51 | -0.54 | -0.47 | -0.49 | -0.45 | -0.52 | -0.38 | -0.60 | -1.00 |
| – 10 years | -0.55 | -0.57 | -0.51 | -0.51 | -0.48 | -0.57 | -0.31 | -0.58 | -0.90 |
| – 30 years | -0.69 | -0.65 | -0.63 | -0.59 | -0.59 | -0.62 | -0.52 | -0.66 | -0.88 |
| S&P/TSX index | 14,677 | 14,566 | 14,451 | 14,482 | 13,637 | 13,838 | 14,813 | 13,707 | 11,843 |
| Exchange rate (C\$/US\$) | 1.3161 | 1.3298 | 1.3209 | 1.2971 | 1.2823 | 1.2911 | 1.4579 | 1.3239 | 0.7598 |
| Exchange rate (C\$/€) | 1.4480 | 1.4895 | 1.4735 | 1.4314 | 1.4468 | 1.4649 | 1.5903 | 1.4694 | 0.8359 |
| 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 | 0.45 | 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 | 0.06 | -0.05 | -0.06 | -0.06 | 0.13 | 0.55 | 0.70 | 0.19 | -0.22 |
| U.K.: Bonds – 10 years | 1.10 | 0.97 | 0.87 | 0.96 | 1.42 | 1.80 | 2.05 | 1.37 | 0.61 |
| Euro: Exchange rate (US\$/€) | 1.1001 | 1.1201 | 1.1155 | 1.1036 | 1.1283 | 1.1347 | 1.1532 | 1.1103 | 1.0565 |
| U.K.: Exchange rate (US\$/£) | 1.2194 | 1.2434 | 1.3002 | 1.3193 | 1.4195 | 1.5436 | 1.5466 | 1.4124 | 1.2123 |

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.