

The Bank of Canada no longer seems to consider cutting key interest rates

HIGHLIGHTS

- United States: The ISM non-manufacturing index rises as well.
- Household confidence continued to improve in December, according to the University of Michigan index.
- The Bank of Canada once again opted to maintain the status quo on key interest rates.
- Canada: The trade balance improved in October.
- Canada: The industrial capacity utilization rate increased in Q3.

A LOOK AHEAD

- The Federal Reserve should finally proceed with a second key interest rate hike.
- U.S. retail sales should show more modest growth compared with the results for September and October.
- U.S. industrial output is expected to decline.
- United States: After surging in October, housing starts are expected to retreat.
- Canada: Manufacturing sales could see another slight advance in October.

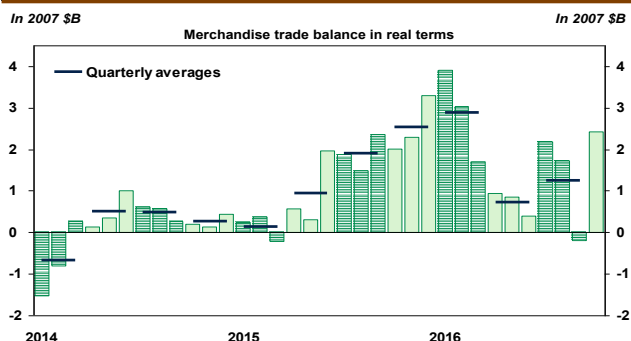
FINANCIAL MARKETS

- Stock markets keep up their pace.
- Announcements by the European Central Bank steepen the slopes of yield curves.
- The euro stumbles after the European Central Bank meeting.

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Graph of the week – The balance of trade in goods rebounded in October 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

- The ISM non-manufacturing index returned to growth in November, rebounding by 2.4 points after shedding 2.3 points in October. At 57.2, this is the highest reading since October 2015. The component tied to current production gained 4.0 points. Employment also performed well, with a 5.1-point rebound. New orders slipped by 0.7 points, however, but this component is still high at 57.0.
- The U.S. trade balance deteriorated in October, shifting from -US\$36.2B in September to -US\$42.6B—the steepest trade deficit since June. Nominal exports declined 1.8%, while imports advanced 1.3%.
- Consumer confidence continued to improve in December according to the preliminary version of the University of Michigan index, shifting from 87.2 in October to 93.8 in November and 98.0 in December—its highest level since January 2015. The index tied to the current situation was up 4.8 points while that tied to household expectations was up 3.7 points.

Francis Généreux
Senior Economist

CANADA

- As expected, the Bank of Canada (BoC) once again opted for the status quo on its key rates. Yet, the monetary authorities had opened the door to a potential rate cut in October's *Monetary Policy Report*, stating that they had actively discussed the possibility of lowering the target for the overnight rate. Wednesday's BoC statement seems to rule out this possibility, however, given the favourable strides made by the economy in recent weeks. Despite these more positive signals, some uncertainties and headwinds are likely to prompt the monetary authorities to extend the status quo on key interest rates until fall 2018.
- The value of merchandise exports rose by 0.5% in October, fuelled largely by significant growth in the energy sector. Imports plunged 6.3% while the effects of the delivery of a module from South Korea for the Hebron oil project reversed. As such, the trade balance climbed to -\$1.1B, compared with -\$4.4B in September. Expressed in real terms, the trade balance also improved during the month, making for a positive start to the fourth quarter.
- Industrial output was up 3.6% in the third quarter, driving up the industrial capacity utilization rate in Canada's economy from 79.7% to 81.9%. With the exception of construction, all the other industrial sectors benefited from this increase.
- The number of housing starts fell from 192,300 units in October to 184,000 in November. Despite this drop, housing starts are still within the same fluctuation band they have been evolving in for several months.

Benoit P. Durocher
Senior Economist

FINANCIAL MARKETS

The European Central Bank remains committed to stimulating growth

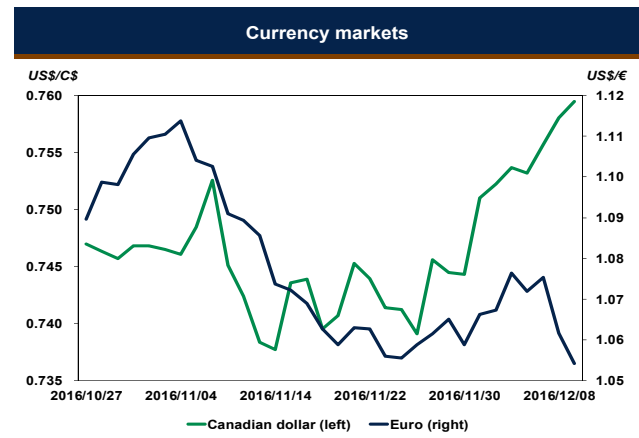
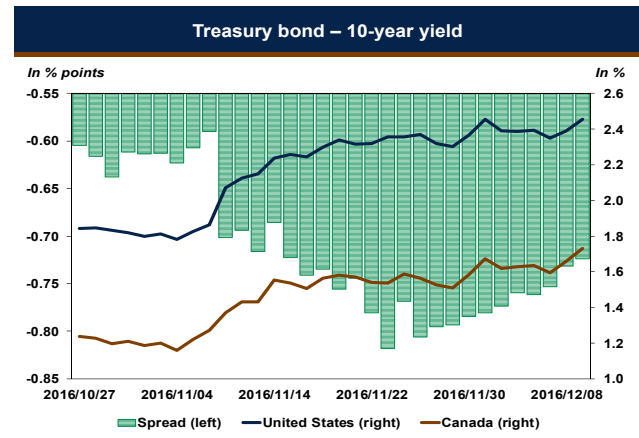
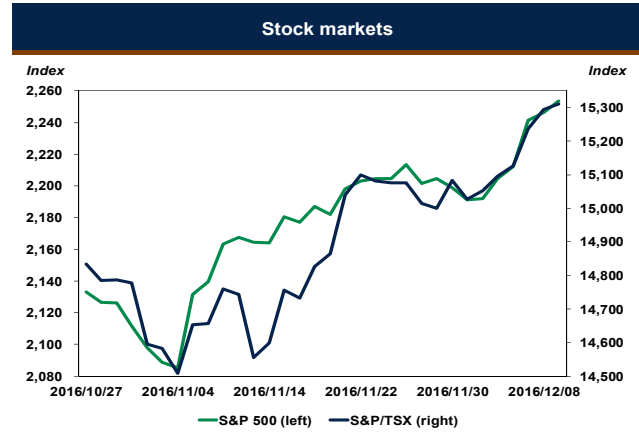
As the week unfolded, investors reacted to the results of the constitutional referendum in Italy and Austria’s presidential election. In Italy, the victory of the “No” side implies a period of political instability, and heightened uncertainties as to the recapitalization of the Monte dei Paschi bank. Bank securities in Italy had a difficult week, but the other sectors still allowed Italy’s stock market to make significant gains this week. In Austria, the populist candidate’s unequivocal defeat somewhat eased concerns about a shift towards governments hostile to the European project, as major elections will be taking place elsewhere on the continent next year. The uptrend in global stock markets managed to keep the pace throughout the week without any blips.

In bond markets, all eyes were on Europe. German yields rose swiftly on Monday on the political results in Austria and Italy. The spread between Italian and German yields also widened considerably. On Thursday, the European Central Bank (ECB) announced that it would extend its asset purchasing program until December 2017 even if it intends to scale back the pace of monthly purchases as of next spring. It also eased a rule, which will allow it to increase its short-term bond purchases. Short-term yields fell and the slope of European yield curves steepened in response to these announcements. In Canada, markets barely reacted to the press release issued by the Bank of Canada, which is keeping its policy unchanged.

The greenback was trending downwards early in the week against most currencies. The effective U.S. dollar exchange rate (DXY) quickly managed to recoup its losses later in the week, mostly due to the euro’s depreciation. Europe’s currency fell below US\$1.06, hindered by the ECB’s announcements. The slide in Europe’s short-term bond yields contributed to the euro’s depreciation. The loonie remained above US\$0.75, edging even closer to US\$0.76, even though oil failed to make gains for the week.

Jimmy Jean
Senior Economist

Hendrix Vachon
Senior Economist



A LOOK AHEAD



UNITED STATES

Wednesday Dec. 14 - 8:30

November	m/m
Consensus	0.3%
Desjardins	0.3%
October	0.8%

Retail sales (November) – Retail sales posted solid growth in September (+1.0%) and October (+0.8%)—gains that were supported primarily by strong advances in automobile and gas station sales. Both components should make zero contributions for November, however. That said, we expect sales to advance 0.4%, excluding cars and gas, a reflection of improved consumer confidence. Moreover, anecdotal information on post-Thanksgiving purchases are generally positive. However, the abnormally warm weather could put off certain seasonal expenses. Also noted was the new drop in employment at retailers in November. We expect overall retail sales to post 0.3% growth.

Wednesday Dec. 14 - 9:15

November	m/m
Consensus	-0.3%
Desjardins	-0.1%
October	0.0%

Industrial output (November) – After declining in August and September, industrial production saw modest growth of 0.1% in October; that said, a new pullback is expected in November. Hours worked have slipped, especially in the automobile industry. In addition, despite the rise in the ISM manufacturing index, we also expect manufacturing, excluding automobiles, to decline. After two consecutive monthly drops, energy production should be steady, with no real recovery since temperatures were abnormally warm without shifting too far away from normal seasonal weather compared with the previous months. Lastly, we expect mining to post good growth on the strength of the rebound in commodity prices, starting with oil. Industrial output should be trimmed by 0.1% while manufacturing output should fall 0.2%. The industrial capacity utilization rate should remain at 75.3%. The New York Fed and the Philadelphia Fed regional manufacturing indexes will be released on Thursday, providing a glimpse of manufacturing’s strength in December.

Wednesday Dec. 14 - 14:00

December	
Consensus	0.75%
Desjardins	0.75%
November 2	0.50%

Federal Reserve meeting (December) – The door was wide open in September and the uncertainty tied to the presidential election prevented the Federal Reserve (Fed) from taking the plunge in early November. We are confident that the monetary policy committee members will opt to increase key rates on Wednesday. This will come as no surprise as the financial markets have been fully expecting a 0.25% increase in the target range for the federal funds rate. We had to wait a year between the two rate increases in this cycle, and it will be interesting to see if Fed leaders will signal that successive increases will be faster moving forward. The statements to be made by Fed Chair Janet Yellen at her press conference, the press release to follow or the Fed leaders’ new forecasts will provide some clues.

Thursday Dec. 15 - 8:30

November	m/m
Consensus	0.2%
Desjardins	0.2%
October	0.4%

Consumer price index (November) – October’s consumer price index (CPI) posted the best growth since April. Energy was responsible for more than two thirds of this increase, especially gas prices, which surged by 7.0%. This component should make a much smaller contribution in November, but it will still be positive, as the seasonal adjustment process should more than offset the drop in prices at the pump. Food prices have not increased in any significant way since April; as such, some stagnation is expected. The total CPI should record a 0.2% increase. Excluding food and energy, the core CPI probably also edged up 0.2%—more than the 0.1% recorded in October. Total inflation should tick up from 1.6% to 1.7%, while core inflation should stay put at 2.1%.

Housing starts (November) – Housing starts in October soared an impressive 25.5%, the highest monthly growth since July 1982, with the annualized level reaching 1,323,000 units—a peak not seen since August 2007. After this stunning performance, some pullback is indeed normal. At 1,260,000, the level of building permits for the previous month points to a drop in new construction. Home builders’ buoyant confidence suggests the decline will not be so abrupt. As a result, we expect housing starts to remain above 1,200,000 units in November. As for building permits, they should rise to 1,230,000 units.


CANADA

Manufacturing sales (October) – The value of manufacturing sales could rise slightly in October. The increase in energy exports and automobile products suggest that these sectors will make a significant contribution to manufacturing sales. These gains could however be partially offset by weaknesses in the aerospace and machinery industries.


OVERSEAS

United Kingdom: Bank of England meeting (December) – The Bank of England should maintain the status quo at its next monetary policy meeting. Recent developments in Britain’s economy have generally been positive. No new emergency intervention from the monetary authorities seems warranted, despite the Brexit vote. This situation could change later next year however, when the negotiations for Britain’s exit from the European Union are set to begin.

Friday Dec. 16 - 8:30

November	ann. rate
Consensus	1,230,000
Desjardins	1,240,000
October	1,323,000

Thursday Dec. 15 - 8:30



October	m/m
Consensus	0.5%
Desjardins	0.5%
September	0.3%

Thursday Dec. 15 - 7:00

December	
Consensus	0.25%
Desjardins	0.25%
November 3	0.25%


ECONOMIC INDICATORS

Week of December 12 to 16, 2016

Day	Hour	Indicator	Period	Consensus		Previous data
 UNITED STATES						
MONDAY 12	14:00	Federal budget (US\$B)	Nov.	-115.0	-135.0	-44.2
TUESDAY 13	8:30	Export prices (m/m)	Nov.	n/a	-0.3%	0.2%
	8:30	Import prices (m/m)	Nov.	-0.4%	-0.6%	0.5%
WEDNESDAY 14	8:30	Producer price index				
		Total (m/m)	Nov.	0.1%	0.0%	0.0%
		Excluding food and energy (m/m)	Nov.	0.2%	0.1%	-0.2%
	8:30	Retail sales				
		Total (m/m)	Nov.	0.3%	0.3%	0.8%
		Excluding automobiles (m/m)	Nov.	0.4%	0.4%	0.8%
	9:15	Industrial production (m/m)	Nov.	-0.3%	-0.1%	0.0%
	9:15	Production capacity utilization rates	Nov.	75.1%	75.3%	75.3%
	10:00	Business inventories (m/m)	Oct.	-0.1%	-0.2%	0.1%
	14:00	Federal Reserve meeting	Dec.	0.75%	0.75%	0.50%
THURSDAY 15	8:30	Initial unemployment claims	Dec. 5-9	256,000	260,000	258,000
	8:30	Current account (US\$B)	Q3	-111.0	-111.8	-119.9
	8:30	Philadelphia Fed index	Dec.	9.0	7.0	7.6
	8:30	Consumer price index				
		Total (m/m)	Nov.	0.2%	0.2%	0.4%
		Excluding food and energy (m/m)	Nov.	0.2%	0.2%	0.1%
		Total (y/y)	Nov.	1.7%	1.7%	1.6%
		Excluding food and energy (y/y)	Nov.	2.2%	2.1%	2.1%
	8:30	Empire manufacturing index	Dec.	3.0	3.0	1.5
	10:00	NAHB housing market index	Dec.	63	n/a	63
	16:00	Net foreign security purchases (US\$B)	Oct.	n/a	n/a	-26.2
FRIDAY 16	8:30	Housing starts (ann. rate)	Nov.	1,230,000	1,240,000	1,323,000
	8:30	Building permits (ann. rate)	Nov.	1,240,000	1,230,000	1,260,000
	12:30	Speech of the Richmond Fed President, J. Lacker				


 **CANADA**

MONDAY 12	---	---				
TUESDAY 13	---	---				
WEDNESDAY 14	8:30	National balance sheet	Q3			
THURSDAY 15	8:30	Manufacturing sales (m/m)	Oct.	0.5%	0.5%	0.3%
	9:00	Existing home sales	Nov.			
FRIDAY 16	8:30	International transactions in securities (\$B)	Oct.	n/a	12.00	11.77

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 Eastern Standard Time (GMT - 5 hours).  Forecast of Desjardins, Economic Studies of the Desjardins Group.

ECONOMIC INDICATORS

Week of December 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	18:50	Machinery orders	Oct.	1.1%	-4.9%	-3.3%	4.3%	
Japan	18:50	Producer price index	Nov.	0.3%	-2.3%	-0.1%	-2.7%	
Japan	23:30	Tertiary industry activity index	Oct.	0.3%		-0.1%		
MONDAY 12								
China	21:00	Industrial production	Nov.		6.1%		6.1%	
China	21:00	Retail sales	Nov.		10.2%		10.0%	
TUESDAY 13								
Germany	2:00	Consumer price index – final	Nov.	0.1%	0.8%	0.1%	0.8%	
Italy	4:00	Industrial production	Oct.	0.3%	1.5%	-0.8%	1.8%	
United Kingdom	4:30	Consumer price index	Nov.	0.2%	1.1%	0.1%	0.9%	
United Kingdom	4:30	Producer price index	Nov.	0.2%	2.5%	0.6%	2.1%	
Euro zone	5:00	Net change in employment	Q3	n/a	n/a	0.4%	1.4%	
Germany	5:00	ZEW survey – Current situation	Dec.	59.0		58.8		
Germany	5:00	ZEW survey – Expectations	Dec.	14.0		13.8		
Japan	18:50	Tankan large manufacturers index	Q4	10		6		
Japan	23:30	Industrial production – final	Oct.	n/a	n/a	0.1%	-1.3%	
WEDNESDAY 14								
France	2:45	Consumer price index – final	Nov.	0.0%	0.5%	0.0%	0.5%	
United Kingdom	4:30	ILO unemployment rate	Oct.	4.8%		4.8%		
Euro zone	5:00	Industrial production	Oct.	0.1%	0.8%	-0.8%	1.2%	
THURSDAY 15								
South Korea	---	Bank of Korea meeting	Dec.	1.25%		1.25%		
France	3:00	PMI composite index – preliminary	Dec.	51.6		51.4		
France	3:00	PMI manufacturing index – preliminary	Dec.	51.9		51.7		
France	3:00	PMI services index – preliminary	Dec.	51.8		51.6		
Germany	3:30	PMI composite index – preliminary	Dec.	54.9		55.0		
Germany	3:30	PMI manufacturing index – preliminary	Dec.	54.5		54.3		
Germany	3:30	PMI services index – preliminary	Dec.	54.9		55.1		
Switzerland	3:30	Swiss National Bank meeting	Dec.	-0.75%		-0.75%		
Euro zone	4:00	PMI composite index – preliminary	Dec.	53.9		53.9		
Euro zone	4:00	PMI manufacturing index – preliminary	Dec.	53.7		53.7		
Euro zone	4:00	PMI services index – preliminary	Dec.	53.8		53.8		
Norway	4:00	Bank of Norway meeting	Dec.	0.50%		0.50%		
United Kingdom	4:30	Retail sales	Nov.	0.0%	5.9%	1.9%	7.4%	
United Kingdom	7:00	Bank of England meeting	Dec.	0.25%		0.25%		
Mexico	14:00	Bank of Mexico meeting	Dec.	5.50%		5.25%		
FRIDAY 16								
France	2:45	Business confidence	Dec.	102		102		
France	2:45	Production outlook	Dec.	4		3		
France	2:45	Wages – final	Q3	0.2%		0.2%		
Euro zone	5:00	Trade balance (€B)	Oct.	24.5		24.9		
Euro zone	5:00	Labour costs	Q3		n/a		1.0%	
Euro zone	5:00	Consumer price index	Nov.	-0.1%	0.6%	-0.1%	0.6%	
Russia	5:30	Bank of Russia meeting	Dec.	10.00%		10.00%		

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 Eastern Standard Time (GMT - 5 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 Q3	16,713	3.2	1.6	2.6	2.4	1.7	2.2
Consumption (2009 \$B)	2016 Q3	11,564	2.8	2.7	3.2	2.9	1.5	1.5
Government spending (2009 \$B)	2016 Q3	2,903	0.2	0.3	1.8	-0.9	-2.9	-1.9
Residential investment (2009 \$B)	2016 Q3	582.1	-4.4	1.5	11.7	3.5	11.9	13.5
Non-residential investment (2009 \$B)	2016 Q3	2,186	0.1	-1.4	2.1	6.0	3.5	9.0
Business inventory change (2009 \$B) (1)	2016 Q3	7.6	---	---	84.0	57.7	78.7	54.7
Exports (2009 \$B)	2016 Q3	2,163	10.1	2.0	0.1	4.3	3.5	3.4
Imports (2009 \$B)	2016 Q3	2,684	2.1	0.6	4.6	4.4	1.1	2.2
Final domestic demand (2009 \$B)	2016 Q3	17,214	1.7	1.7	3.1	2.6	1.2	1.9
GDP deflator (2009 = 100)	2016 Q3	111.7	1.4	1.3	1.1	1.8	1.6	1.8
Labor productivity (2009 = 100)	2016 Q3	106.9	3.1	-0.1	0.9	0.8	0.4	0.9
Unit labor cost (2009 = 100)	2016 Q3	110.7	0.7	3.0	2.0	2.0	0.9	1.7
Employment cost index (Dec. 2005 = 100)	2016 Q3	127.4	2.2	2.2	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)	Oct.	124.5	0.1	0.2	0.7	1.1
ISM manufacturing index (1)	Nov.	53.2	51.9	49.4	51.3	48.4
ISM non-manufacturing index (1)	Nov.*	57.2	54.8	51.4	52.9	56.6
Cons. confidence Conf. Board (1985 = 100) (1)	Nov.	107.1	100.8	101.8	92.4	92.6
Cons. confidence Michigan (1966 = 100) (1)	Dec.*	98.0	93.8	91.2	93.5	92.6
Personal consumption expenditure (2009 \$B)	Oct.	11,603	0.1	0.4	1.3	2.8
Disposable personal income (2009 \$B)	Oct.	12,794	0.4	0.6	1.4	2.7
Consumer credit (\$B)	Oct.*	3,727	0.4	1.8	3.4	6.1
Retail sales (\$M)	Oct.	465,914	0.8	1.8	2.8	4.3
Excluding automobiles (\$M)	Oct.	369,099	0.8	1.4	2.1	4.0
Industrial production (2007 = 100)	Oct.	104.3	0.1	-0.3	0.4	-0.8
Production capacity utilization rate (%) (1)	Oct.	75.3	75.4	75.7	75.2	76.3
New machinery orders (\$M)	Oct.*	469,419	2.7	3.8	2.1	1.3
New durable good orders (\$M)	Oct.	238,759	4.6	5.2	1.3	1.8
Business inventories (\$B)	Sept.	1,819	0.1	0.3	0.8	0.6
Housing starts (K) (1)	Oct.	1,323	1,054	1,218	1,155	1,073
Building permits (K) (1)	Oct.	1,260	1,225	1,144	1,130	1,175
New home sales (K) (1)	Oct.	563.0	574.0	622.0	570.0	478.0
Existing home sales (K) (1)	Oct.	5,600	5,490	5,380	5,430	5,290
Construction spending (\$B)	Oct.	1,173	0.5	1.1	2.6	3.4
Commercial surplus (\$M) (1)	Oct.*	-42,601	-36,166	-39,626	-38,191	-41,600
Nonfarm employment (K) (2)	Nov.	145,128	178.0	528.0	1,227	2,253
Unemployment rate (%) (1)	Nov.	4.6	4.9	4.9	4.7	5.0
Consumer price (1982-1984 = 100)	Oct.	241.9	0.4	0.9	1.2	1.6
Excluding food and energy	Oct.	249.0	0.1	0.5	1.0	2.2
Personal cons. expenditure deflator (2009 = 100)	Oct.	111.4	0.2	0.6	0.9	1.4
Excluding food and energy	Oct.	111.9	0.1	0.4	0.8	1.7
Producer price (2009 = 100)	Oct.	110.6	0.0	0.3	0.7	0.9
Excluding food and energy	Oct.	110.2	-0.2	0.1	0.3	1.2
Export prices (2000 = 100)	Oct.	120.7	0.2	-0.3	1.7	-1.1
Import prices (2000 = 100)	Oct.	121.3	0.5	0.4	2.4	-0.2

* 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 Q3	1,798,011	3.5	1.3	0.9	2.6	2.5	1.7
Household consumption (2007 \$M)	2016 Q3	1,027,663	2.6	2.2	1.9	2.8	2.6	1.9
Government consumption (2007 \$M)	2016 Q3	349,857	-1.2	1.8	1.5	0.8	-0.7	0.7
Residential investment (2007 \$M)	2016 Q3	123,527	-5.5	1.5	3.8	2.7	-0.3	5.6
Non-residential investment (2007 \$M)	2016 Q3	170,138	3.5	-5.2	-11.5	3.2	5.6	8.6
Business inventory change (2007 \$M) (1)	2016 Q3	4,591.0	---	---	3,861	9,392	14,830	6,159
Exports (2007 \$M)	2016 Q3	579,703	8.9	-0.3	3.4	5.8	2.7	2.6
Imports (2007 \$M)	2016 Q3	576,832	3.3	0.1	0.3	2.2	1.6	3.6
Final domestic demand (2007 \$M)	2016 Q3	1,782,710	0.9	1.1	0.3	1.9	1.6	2.4
GDP deflator (2007 = 100)	2016 Q3	113.1	2.5	0.6	-0.8	1.9	1.6	1.3
Labour productivity (2007 = 100)	2016 Q3	107.8	5.0	1.4	-0.6	2.7	1.5	-0.4
Unit labour cost (2007 = 100)	2016 Q3	115.8	-2.7	0.6	2.6	0.8	1.2	3.2
Current account balance (\$M) (1)	2016 Q3	-18,299	---	---	-67,553	-48,207	-61,121	-65,680
Production capacity utilization rate (%) (1)	2016 Q3*	81.9	---	---	81.1	82.4	81.0	81.0
Disposable personal income (\$M)	2016 Q3	1,178,012	8.9	4.3	4.4	3.2	4.5	4.1
Corporate net operating surplus (2007 \$M)	2016 Q3	228,436	93.1	-1.5	-19.5	8.2	4.0	-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)	Sept.	1,683,927	0.3	1.1	1.1	1.9
Industrial production (2007 \$M)	Sept.	355,829	1.2	4.2	2.6	2.7
Manufacturing sales (\$M)	Sept.	51,467	0.3	1.4	3.4	1.4
Housing starts (K) (1)	Nov.*	184.0	192.3	183.6	187.0	212.3
Building permits (\$M)	Oct.*	7,642	8.7	15.0	10.4	2.4
Retail sales (\$M)	Sept.	44,375	0.6	0.5	1.2	2.5
Excluding automobiles (\$M)	Sept.	33,138	-0.0	-0.0	1.5	2.1
Wholesale trade sales (\$M)	Sept.	56,029	-1.2	-0.4	2.2	2.8
Commercial surplus (\$M) (1)	Oct.*	-1,130	-4,375	-2,274	-3,646	-2,267
Exports (\$M)	Oct.*	43,576	0.5	1.1	4.9	1.3
Imports (\$M)	Oct.*	44,706	-6.3	-1.5	-1.1	-1.3
Employment (K) (2)	Nov.	18,171	10.7	40.6	19.3	15.3
Unemployment rate (%) (1)	Nov.	6.8	7.0	7.0	6.9	7.0
Average weekly earnings (\$)	Sept.	957.3	-0.1	0.1	-0.1	0.4
Number of salaried employees (K) (2)	Sept.	16,008	65.2	11.1	23.0	18.1
Consumer price (2002 = 100)	Oct.	129.1	0.2	0.2	0.6	1.5
Excluding food and energy	Oct.	124.5	0.2	0.6	1.0	1.9
Excluding 8 volatile items	Oct.	129.1	0.2	0.4	0.7	1.7
Industrial product price (2002 = 100)	Oct.	111.2	0.7	0.7	3.1	0.8
Raw materials price (2002 = 100)	Oct.	93.8	3.3	2.5	8.9	1.5
Money supply M1+ (\$M)	Oct.	881,110	0.9	2.7	5.3	9.0

* 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 (%)		
	Dec. 9	Dec. 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	0.50	0.25
Treasury bill – 3 months	0.53	0.48	0.47	0.34	0.25	0.22	0.54	0.30	0.16
Treasury bonds – 2 years	1.12	1.12	0.92	0.79	0.74	0.97	1.14	0.83	0.56
– 5 years	1.87	1.85	1.55	1.22	1.16	1.45	1.93	1.31	0.94
– 10 years	2.45	2.39	2.15	1.67	1.64	2.13	2.45	1.82	1.36
– 30 years	3.15	3.06	2.94	2.39	2.45	2.88	3.15	2.59	2.11
S&P 500 index	2,254	2,192	2,164	2,128	2,096	2,012	2,254	2,082	1,829
DJIA index	19,678	19,170	18,848	18,085	17,865	17,265	19,678	17,787	15,660
Gold price (US\$/ounce)	1,162	1,175	1,229	1,334	1,274	1,077	1,369	1,245	1,052
CRB index	191.68	191.69	180.74	182.54	192.89	174.86	195.82	179.52	155.01
WTI oil (US\$/barrel)	51.40	51.70	43.39	45.88	49.09	35.65	51.72	42.38	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	0.48	0.48	0.48	0.50	0.51	0.46	0.56	0.49	0.32
Treasury bonds – 2 years	0.74	0.73	0.63	0.58	0.50	0.48	0.76	0.55	0.29
– 5 years	1.08	1.03	0.88	0.71	0.58	0.74	1.08	0.71	0.48
– 10 years	1.73	1.62	1.43	1.15	1.13	1.41	1.73	1.23	0.95
– 30 years	2.34	2.22	2.07	1.77	1.80	2.16	2.34	1.91	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	0.00	0.00
Treasury bill – 3 months	-0.05	0.00	0.01	0.16	0.26	0.24	0.35	0.19	-0.05
Treasury bonds – 2 years	-0.38	-0.38	-0.29	-0.21	-0.24	-0.49	-0.06	-0.28	-0.64
– 5 years	-0.79	-0.83	-0.67	-0.51	-0.58	-0.71	-0.38	-0.60	-1.00
– 10 years	-0.72	-0.77	-0.72	-0.52	-0.51	-0.73	-0.31	-0.59	-0.90
– 30 years	-0.81	-0.84	-0.87	-0.62	-0.65	-0.71	-0.52	-0.68	-0.88
S&P/TSX index	15,312	15,053	14,555	14,540	14,038	12,790	15,312	13,926	11,843
Exchange rate (C\$/US\$)	1.3167	1.3294	1.3544	1.3048	1.2785	1.3756	1.4579	1.3251	0.7595
Exchange rate (C\$/€)	1.3879	1.4188	1.4703	1.4656	1.4384	1.5117	1.5903	1.4698	0.8006
Overseas									
ECB – Refinancing rate	0.00	0.00	0.00	0.00	0.00	0.05	0.05	0.01	0.00
BoE – Base rate	0.25	0.25	0.25	0.25	0.50	0.50	0.50	0.41	0.25
BoJ – Overnight rate	-0.10	-0.10	-0.10	-0.10	-0.10	0.10	0.10	-0.06	-0.10
Germany: Bonds – 10 years	0.36	0.20	0.23	-0.05	0.02	0.54	0.68	0.12	-0.22
U.K.: Bonds – 10 years	1.45	1.38	1.36	0.87	1.36	1.81	1.99	1.28	0.61
Euro: Exchange rate (US\$/€)	1.0541	1.0673	1.0856	1.1233	1.1251	1.0990	1.1532	1.1096	1.0541
U.K.: Exchange rate (US\$/£)	1.2577	1.2729	1.2602	1.3267	1.4258	1.5218	1.5142	1.3693	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.