

WEEKLY NEWSLETTER

The Trump Era begins

HIGHLIGHTS

- ▶ United States: Housing starts end 2016 on the rise.
- ▶ Colder weather makes industrial production rebound in the United States.
- ▶ Higher energy prices boost U.S. inflation.
- ▶ The Bank of Canada keeps key rates unchanged and stresses the many uncertainties.
- ▶ Canada: The total annual inflation rate stays at 1.5% in December.
- ▶ Canada: Manufacturing and retail sales rose in November.

A LOOK AHEAD

- ▶ United States: Q4 real GDP growth is expected to be slower than last summer's.
- ▶ United States: Home resales are forecast to decline, but new home sales should stay high.
- ▶ Canada: Growth by wholesaler sales should moderate.

FINANCIAL MARKETS

- ▶ Slight weekly gain for North American stock exchanges.
- ▶ Stephen Poloz reiterates that a rate cut is possible.
- ▶ The Canadian dollar slid below US\$0.75.

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Key statistics of the week

UNITED STATES

- ▶ The consumer price index (CPI) rose 0.3% in December after advancing 0.2% in November. Energy prices rose 1.5%. Food prices stagnated for a sixth straight month. The core index, which excludes food and energy, went up 0.2%, as in November. The total CPI's annual change went from 1.7% to 2.1%, while core inflation went from 2.1% to 2.2%. For 2016 as a whole (annual average), total inflation stands at 1.3%. Core inflation is 2.2%, the strongest growth since 2008.
- ▶ Industrial output rose 0.8% in December after dipping 0.7% in November. Manufacturing production gained 0.2% after retreating 0.1% the month before. Mining sector activity was stable. Energy production jumped 6.6%, the strongest monthly growth since December 1989. For 2016 as a whole, industrial production retreated 1.0%, after 2015's 0.3% gain.
- ▶ Housing starts increased 11.3% in December, following a 16.5% tumble in November and a 25.5% gain in October. On an annualized basis, sales went from 1,320,000 units in October to 1,102,000 in November, then to 1,226,000 in December. December's jump comes from multi-unit housing, for which starts rose 53.9% after sliding 38.7% in November. Starts on single-family dwellings retreated 4.0% in December, on the heels of the previous month's 4.6% decline. For 2016 as a whole, housing starts reached the 1,168,000-unit mark, the highest point since 2007. However, the annual change slowed.
- ▶ Building permits were stable, going from an annualized 1,212,000 units in November to 1,210,000 in December, ticking down 0.2%.
- ▶ After increasing at the end of 2016, the regional manufacturing indexes consolidated their gains at the start of the year. The Philadelphia Fed index rose from 19.7 in December to 23.6 in January, its highest point since November 2014. For its part, the New York Fed's Empire index ticked down, dropping from 7.6 to 6.5. Note that it was in negative territory in October.

Francis Généreux, Senior economist

CANADA

- ▶ As expected, the Bank of Canada (BoC) decided to keep the target for its overnight rate at 0.50% at last Wednesday's meeting. As the BoC finds in its *Monetary Policy Report*, economic conditions should improve in 2017 in Canada, the United States, and in most other countries worldwide. That being said, the monetary authorities rightly stress the many uncertainties that continue to surround Canada's economic outlook. Under these conditions, it will be quite some time—likely the fall of 2018—before an increase is ordered to the target for the overnight rate.
- ▶ The total annual inflation rate stands at just 1.4% for 2016 as a whole, below the mid-point target for a second straight year. What will 2017 hold? Will we finally see inflation really come up? Most forecasters are expecting slightly faster price growth. However, the rise cannot be taken for granted. The BoC's three new measures of core inflation are still not showing any acceleration by price growth.
- ▶ The value of retail sales increased 0.2% in November, with drops in several sectors offsetting the increase in sales of motor vehicles, furniture, electronics and home appliances, building materials and gardening equipment and supplies. In real terms, sales increased 0.7%, a result similar to the figures posted in recent months.
- ▶ Manufacturing sales rose 1.5% in November, above expectations. With the exception of transportation equipment, most of the other main sectors posted substantial increases during the month. In real terms, sales are up 1.2%. However, this contribution to economic growth will be largely offset by the 0.7% decrease in the volume of stocks.
- ▶ Sales of existing properties rose 2.2% in December thanks to substantial increases in central Canada and the Prairies. The average price fell 1.9% during the month, however, taking its change over one year from 7.3% to 3.5%. For 2016 as a whole, sales are up an average of 6.3%, while the average price advanced by 10.7%.

Benoit P. Durocher, Senior economist

Financial markets

A Canadian rate cut remains possible

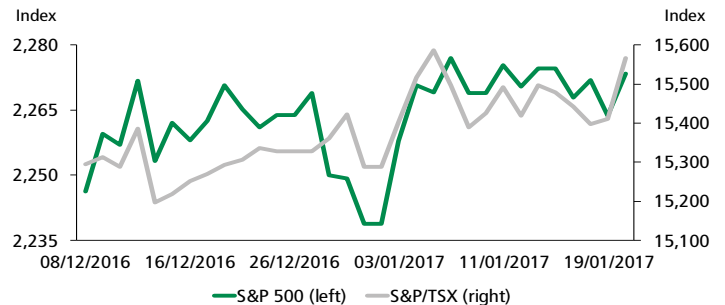
Stock markets seem to have moderated their expectations for the new U.S. administration, becoming aware of the high level of political uncertainty. Many of the people appointed within the administration were questioned by the Senate and some made statements that diverged somewhat from Donald Trump's positions. The good economic figures in the United States still helped the S&P 500 head for a small weekly gain. In Canada, the S&P/TSX had some trouble. Oil prices were an obstacle, dropping from around US\$52.50 at the start of the week to less than US\$51.00 on Wednesday. They recovered Friday, allowing the Canadian index to rebound.

The U.S. 10-year yield fell to 2.30% on Tuesday, then rebounded, driven by inflation going back over 2% and very encouraging manufacturing numbers. The Federal Reserve's Chair, Janet Yellen, took an optimistic view of the job market, which helped. The yield was hovering around 2.50% on Friday morning. In Canada, the key event was the Bank of Canada's (BoC) announcement on Wednesday. Although the BoC argued that movement in Canadian yields and the currency were inconsistent with the country's economic situation, markets did not pay much attention to these concerns. Short-term yields did end up going down when Governor Stephen Poloz intimated that a potential rate cut could not be ruled out, invoking numerous risks, including those related to U.S. protectionism.

The effective U.S. dollar exchange rate stabilized after trending down at the start of the year. Janet Yellen's fairly optimistic remarks helped. It was a tougher week for the loonie, particularly after Stephen Poloz's remarks on the possibility of another rate cut. The loonie was trading at close to US\$0.77 on Tuesday, but was down to just under US\$0.75 on Friday. For its part, the euro oscillated between US\$1.06 and US\$1.07 during the week. The pound sterling did better, climbing over US\$1.23. Investors took note of the British government's plan to hold a parliamentary vote on the Brexit terms to be negotiated with the European Union.

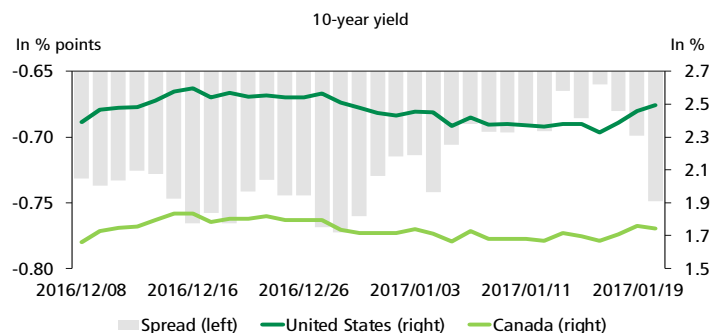
Jimmy Jean, CFA, Senior economist
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GRAPH 1
Stock markets



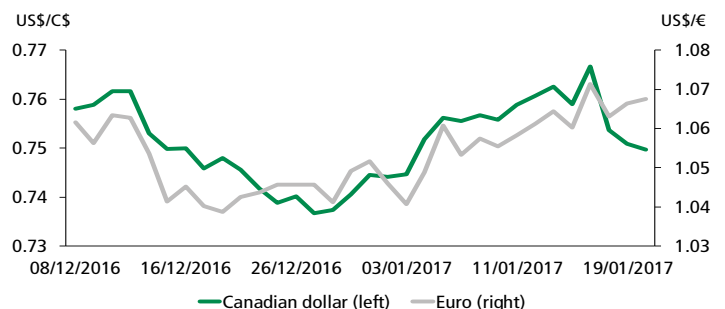
Sources: Datastream and Desjardins, Economic Studies

GRAPH 2
Treasury bond



Sources: Datastream and Desjardins, Economic Studies

GRAPH 3
Currency markets



Sources: Datastream and Desjardins, Economic Studies

A look ahead

TUESDAY January 24 - 10:00

December	ann. rate
Consensus	5,500,000
Desjardins	5,490,000
November	5,610,000

THURSDAY January 26 - 10:00

December	ann. rate
Consensus	585,000
Desjardins	595,000
November	592,000

THURSDAY January 26 - 10:00

December	m/m
Consensus	0.5%
Desjardins	0.5%
November	0.0%

FRIDAY January 27 - 8:30

Q4 2016 – 1 st est.	ann. rate
Consensus	2.2%
Desjardins	2.4%
Q3 2016 – 3rd est.	3.5%

FRIDAY January 27 - 8:30

December	m/m
Consensus	2.6%
Desjardins	2.2%
November	-4.5%

MONDAY January 23 - 8:30

November	m/m
Consensus	0.5%
Desjardins	0.4%
October	1.1%

UNITED STATES

Existing home sales (December) – Resales grew for three straight months from September to November, gaining a total of 5.8%. We expect the momentum to slow in December. The main sign of a drop comes from November's 2.5% pullback by pending home sales. We therefore expect sales of existing homes to decline by about 2%. Existing home sales should drop below the 5,500,000-unit mark. An upside risk comes from December's increase by mortgage applications in view of a purchase despite the rise in interest rates seen since Donald Trump was elected.

New home sales (December) – New single-family home sales pulled back 1.4% in October, then jumped 5.2% in November. 592,000 units seems high, though, and a retreat in December is plausible. However, the forecast is for the gain to consolidate. For one thing, building permits for single-family homes increased 4.7% for the month. Also, mortgage applications in view of a purchase advanced, and the homebuilder confidence index jumped during the month. New home sales could therefore stay close to November's 592,000 units.

Leading indicator (December) – The leading indicator's monthly growth was slight in October and November. We expect a rebound for December. The stock market, interest rate spread, consumer confidence and ISM index will all make solid upside contributions. The only expected bite would come from the rise in jobless claims. We expect the leading indicator to go up 0.5%. Caution is needed, however, as the Conference Board will simultaneously release a historic update to the leading indicator's data that could include methodological changes or changes to the weight of various components.

Real GDP (Q4 – first estimate) – After two revisions, real GDP growth was finally quite strong in the third quarter, showing an annualized gain of 3.5%. Weaker growth is expected in the fourth quarter, however. On one hand, growth by goods consumption remained fairly lively but, on the other, a slowdown is expected for services, due to weaker heating demand and the declines in food services seen in October and December. Business investment should do better based on the ISM indexes stronger performance. We also expect renewed growth by residential investment, and more business restocking. However, foreign trade should have a major downside impact on growth given the steep drop by exports following last summer's 10.0% gain. All in all, real GDP should rise 2.4%. A gain like this would put the annual change for 2016 at 1.6%, slower than 2015's 2.5% growth.

New durable goods orders (December) – Once again, aviation threw a monkey wrench into new durable goods orders in November. Civil aviation orders plunged 73.8%, triggering a 4.5% drop in total new durable goods orders. In December, we should see a contrary effect, though smaller, as Boeing's orders went up somewhat in the year's final month. The auto sector is also expected to make gains. Overall, transportation should make a good positive contribution. In addition, the ISM indexes are doing well, suggesting that non-transportation orders could accelerate by as much as 1.0%. All in all, new durable goods orders are expected to rise 2.2%.

CANADA

Wholesaler sales (November) – Wholesale trade rebounded 1.1% in October, but sales growth should moderate in November. Among other things, the early data suggests that auto wholesalers could see sales retreat somewhat; this would put the brakes on growth by total sales for the month.

TUESDAY January 24 - 4:00

January	
Consensus	54.5
December	54.4

THURSDAY January 26 - 4:30

Q4 2016	q/q
Consensus	0.5%
Q3 2016	0.6%


OVERSEAS


Euro zone: PMI indexes (January) – In December, Euroland’s composite PMI index hit 54.4, its highest point in this cycle. Further increases as the year begins could start to signal acceleration by Euroland’s economy. Among the other indicators, the consumer confidence index will come out on Monday. This index has been trending up since the end of summer. The German IFO indexes of corporate business confidence will be released Wednesday.

United Kingdom: Real GDP (Q4) – The U.K.’s economy has been showing some resilience since the Brexit referendum. Growth hit 0.6% (non-annualized) last summer and the consensus forecast is for it to only edge back for the fall, to 0.5%. For 2016 as a whole, such quarterly growth would result in an annual change of 2.0%, slightly below 2015’s 2.2% gain. The economy still seems to be benefiting from the pound’s depreciation. However, that is starting to result in price increases, which could eventually hurt real income.

Economic indicators

Week of January 23 to 27, 2017

Day	Hour	Indicator	Period	Consensus		Previous data
UNITED STATES						
MONDAY 23						
	---	---				
TUESDAY 24						
	10:00	Existing home sales (ann. rate)	Dec.	5,500,000	5,490,000	5,610,000
WEDNESDAY 25						
	---	---				
THURSDAY 26						
	8:30	Initial unemployment claims	Jan. 16-20	245,000	245,000	234,000
	8:30	Goods trade balance – preliminary (US\$B)	Dec.	-64.5	-64.1	-66.6
	8:30	Retail inventories – preliminary (m/m)	Dec.	n/a	n/a	1.0%
	8:30	Wholesale inventories – preliminary (m/m)	Dec.	0.1%	n/a	1.0%
	10:00	Leading indicator (m/m)	Dec.	0.5%	0.5%	0.0%
	10:00	New home sales (ann. rate)	Dec.	585,000	595,000	592,000
FRIDAY 27						
	8:30	Durable goods orders (m/m)	Dec.	2.6%	2.2%	-4.5%
	8:30	Real GDP (ann. rate)	Q4f	2.2%	2.4%	3.5%
	10:00	Michigan's consumer sentiment index – final	Jan.	98.1	98.1	98.1
CANADA						
MONDAY 23						
	8:30	Wholesale sales (m/m)	Nov.	0.5%	0.4%	1.1%
	8:30	Wholesale inventories (m/m)	Nov.	n/a	0.5%	0.8%
TUESDAY 24						
	---	---				
WEDNESDAY 25						
	---	---				
THURSDAY 26						
	8:30	Average weekly earnings (y/y)	Nov.	n/a	0.1%	0.0%
	8:30	Number of salaried employees (m/m)	Nov.	n/a	0.3%	-0.2%
FRIDAY 27						
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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. The times shown are Eastern Standard Time (GMT - 5 hours).  Forecast of Desjardins, Economic Studies of the Desjardins Group.

Economic indicators

Week of January 23 to 27, 2017

Country	Hour	Indicator	Period	Consensus		Previous data		
				m/m (q/q)	y/y	m/m (q/q)	y/y	
OVERSEAS								
DURING THE WEEK								
Germany	---	Retail sales	Dec.	0.6%	0.4%	-1.8%	3.2%	
SUNDAY 22								
Japan	23:30	All industry activity index	Nov.	0.4%		0.2%		
MONDAY 23								
Japan	---	Leading indicator – final	Nov.	n/a		102.7		
Japan	---	Coincident indicator – final	Nov.	n/a		115.1		
Euro zone	10:00	Consumer confidence – preliminary	Jan.	-4.8		-5.1		
TUESDAY 24								
France	3:00	PMI composite index – preliminary	Jan.	53.2		53.1		
France	3:00	PMI manufacturing index – preliminary	Jan.	53.4		53.5		
France	3:00	PMI services index – preliminary	Jan.	53.1		52.9		
Germany	3:30	PMI composite index – preliminary	Jan.	55.4		55.2		
Germany	3:30	PMI manufacturing index – preliminary	Jan.	55.4		55.6		
Germany	3:30	PMI services index – preliminary	Jan.	54.5		54.3		
Euro zone	4:00	PMI composite index – preliminary	Jan.	54.5		54.4		
Euro zone	4:00	PMI manufacturing index – preliminary	Jan.	54.8		54.9		
Euro zone	4:00	PMI services index – preliminary	Jan.	53.9		53.7		
Japan	18:50	Trade balance (¥B)	Dec.	222.5		536.1		
WEDNESDAY 25								
France	2:45	Business confidence	Jan.	105		105		
France	2:45	Production outlook	Jan.	6		6		
Germany	4:00	IFO survey – Business climate	Jan.	111.3		111.0		
Germany	4:00	IFO survey – Current situation	Jan.	116.9		116.6		
Germany	4:00	IFO survey – Expectations	Jan.	105.8		105.6		
Italy	4:00	Factory orders	Nov.	1.0%	n/a	0.9%	-3.2%	
THURSDAY 26								
Germany	2:00	Consumer confidence	Feb.	10.0		9.9		
Italy	4:00	Retail sales	Nov.	0.0%	0.3%	1.2%	-0.2%	
United Kingdom	4:30	Index of services	Nov.	0.2%		0.3%		
United Kingdom	4:30	Real GDP – preliminary	Jan.	0.5%	2.1%	0.6%	2.2%	
Japan	18:30	Consumer price index	Dec.		0.2%		0.5%	
Japan	18:30	Consumer price index – Tokyo	Jan.		0.0%		0.0%	
FRIDAY 27								
France	2:45	Consumer confidence	Jan.	100		99		
Euro zone	4:00	Money supply M3	Dec.		4.9%		4.8%	
Italy	4:00	Consumer confidence	Jan.	110.0		111.1		
Italy	4:00	Economic confidence	Jan.	n/a		100.3		

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. 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
Gross domestic product (2009 \$B)	2016 Q3	16,727	3.5	1.7	2.6	2.4	1.7
Consumption (2009 \$B)	2016 Q3	11,569	3.0	2.8	3.2	2.9	1.5
Government spending (2009 \$B)	2016 Q3	2,906	0.8	0.4	1.8	-0.9	-2.9
Residential investment (2009 \$B)	2016 Q3	582.5	-4.1	1.5	11.7	3.5	11.9
Non-residential investment (2009 \$B)	2016 Q3	2,193	1.4	-1.1	2.1	6.0	3.5
Business inventory change (2009 \$B) ¹	2016 Q3	7.1	---	---	84.0	57.7	78.7
Exports (2009 \$B)	2016 Q3	2,162	10.0	2.0	0.1	4.3	3.5
Imports (2009 \$B)	2016 Q3	2,684	2.2	0.6	4.6	4.4	1.1
Final domestic demand (2009 \$B)	2016 Q3	17,230	2.1	1.8	3.1	2.6	1.2
GDP deflator (2009 = 100)	2016 Q3	111.7	1.4	1.3	1.1	1.8	1.6
Labor productivity (2009 = 100)	2016 Q3	106.9	3.1	-0.1	0.9	0.8	0.4
Unit labor cost (2009 = 100)	2016 Q3	110.7	0.7	3.0	2.0	2.0	0.9
Employment cost index (Dec. 2005 = 100)	2016 Q3	127.4	2.2	2.2	2.1	2.0	1.9
Current account balance (\$B) ¹	2016 Q3	-113.0	---	---	-463.0	-392.1	-366.4

¹ Statistics representing the level during the period; * New statistic in comparison with last week.

UNITED STATES
Monthly economic indicators

	REF. MONTH	LEVEL	VARIATION (%)			
			-1 month	-3 months	-6 months	-1 year
Leading indicator (2010 = 100)	Nov.	124.6	0.0	0.4	1.0	0.7
ISM manufacturing index ¹	Dec.	54.7	53.2	51.5	53.2	48.0
ISM non-manufacturing index ¹	Dec.	57.2	57.2	57.1	56.5	55.8
Cons. confidence Conference Board (1985 = 100) ¹	Dec.	113.7	109.4	103.5	97.4	96.3
Personal consumption expenditure (2009 \$B)	Nov.	11,636	0.1	0.8	1.4	2.8
Disposable personal income (2009 \$B)	Nov.	12,762	-0.1	0.3	0.9	2.3
Consumer credit (\$B)	Nov.	3,750	0.7	1.7	3.3	6.3
Retail sales (\$M)	Dec.	469,092	0.6	1.5	2.6	4.1
<i>Excluding automobiles (\$M)</i>	Dec.	370,393	0.2	1.1	1.4	3.4
Industrial production (2007 = 100)	Dec.*	104.6	0.8	0.4	0.3	0.5
Production capacity utilization rate (%) ¹	Dec.*	75.5	74.9	75.3	75.4	75.4
New machinery orders (\$M)	Nov.	458,329	-2.4	0.9	0.9	-0.3
New durable good orders (\$M)	Nov.	228,750	-4.5	0.6	0.0	-1.6
Business inventories (\$B)	Nov.	1,827	0.7	0.6	1.0	1.5
Housing starts (k) ¹	Dec.*	1,226	1,102	1,052	1,195	1,160
Building permits (k) ¹	Dec.*	1,210	1,212	1,225	1,153	1,201
New home sales (k) ¹	Nov.	592.0	563.0	559.0	566.0	508.0
Existing home sales (k) ¹	Nov.	5,610	5,570	5,300	5,510	4,860
Commercial surplus (\$M) ¹	Nov.	-45,240	-42,360	-40,641	-41,835	-41,122
Nonfarm employment (k) ²	Dec.	145,303	156.0	495.0	1,131	2,157
Unemployment rate (%) ¹	Dec.	4.7	4.6	4.9	4.9	5.0
Consumer price (1982-1984 = 100)	Dec.*	243.0	0.3	0.8	1.3	2.1
<i>Excluding food and energy</i>	Dec.*	249.9	0.2	0.5	1.0	2.2
Personal cons. expenditure deflator (2009 = 100)	Nov.	111.5	0.0	0.5	0.8	1.4
<i>Excluding food and energy</i>	Nov.	111.9	0.0	0.2	0.7	1.6
Producer price (2009 = 100)	Dec.	111.3	0.3	0.6	0.5	1.6
Export prices (2000 = 100)	Dec.	121.1	0.3	0.5	0.2	1.1
Import prices (2000 = 100)	Dec.	121.4	0.4	0.7	0.6	1.8

¹ Statistic shows the level of the month of the column; ² Statistic shows the variation since the reference month; * New statistic in comparison with last week.

CANADA
Quarterly economic indicators

	REF. QUART.	LEVEL	VARIATION (%)		ANNUAL VARIATION (%)		
			Quart. ann.	1 year	2015	2014	2013
Gross domestic product (2007 \$M)	2016 Q3	1,798,011	3.5	1.3	0.9	2.6	2.5
Household consumption (2007 \$M)	2016 Q3	1,027,663	2.6	2.2	1.9	2.8	2.6
Government consumption (2007 \$M)	2016 Q3	349,857	-1.2	1.8	1.5	0.8	-0.7
Residential investment (2007 \$M)	2016 Q3	123,527	-5.5	1.5	3.8	2.7	-0.3
Non-residential investment (2007 \$M)	2016 Q3	170,138	3.5	-5.2	-11.5	3.2	5.6
Business inventory change (2007 \$M) ¹	2016 Q3	4,591	---	---	3,861	9,392	14,830
Exports (2007 \$M)	2016 Q3	579,703	8.9	-0.3	3.4	5.8	2.7
Imports (2007 \$M)	2016 Q3	576,832	3.3	0.1	0.3	2.2	1.6
Final domestic demand (2007 \$M)	2016 Q3	1,782,710	0.9	1.1	0.3	1.9	1.6
GDP deflator (2007 = 100)	2016 Q3	113.1	2.5	0.6	-0.8	1.9	1.6
Labour productivity (2007 = 100)	2016 Q3	107.8	5.0	1.4	-0.6	2.7	1.5
Unit labour cost (2007 = 100)	2016 Q3	115.8	-2.7	0.6	2.6	0.8	1.2
Current account balance (\$M) ¹	2016 Q3	-18,299	---	---	-67,553	-48,207	-61,121
Production capacity utilization rate (%) ¹	2016 Q3	81.9	---	---	81.1	82.4	81.0
Disposable personal income (\$M)	2016 Q3	1,178,012	8.9	4.3	4.4	3.2	4.5
Corporate net operating surplus (2007 \$M)	2016 Q3	228,436	93.1	-1.5	-19.5	8.2	4.0

¹ Statistics representing the level during the period; * New statistic in comparison with last week.

CANADA
Monthly economic indicators

	REF. MONTH	LEVEL	VARIATION (%)			
			-1 month	-3 months	-6 months	-1 year
Gross domestic product (2007 \$M)	Oct.	1,679,363	-0.3	0.4	0.8	1.5
Industrial production (2007 \$M)	Oct.	350,268	-1.6	0.8	1.8	1.5
Manufacturing sales (\$M)	Nov.*	51,770	1.5	0.9	3.1	2.1
Housing starts (k) ¹	Dec.	207.0	187.3	218.8	219.4	170.9
Building permits (\$M)	Nov.	7,765	-0.1	5.3	14.6	18.3
Retail sales (\$M)	Nov.*	45,227	0.2	2.3	2.4	3.0
<i>Excluding automobiles (\$M)</i>	Nov.*	33,811	0.1	1.8	1.5	3.4
Wholesale trade sales (\$M)	Oct.	56,625	1.1	0.5	3.0	3.9
Commercial surplus (\$M) ¹	Nov.	526.5	-1,024	-2,107	-3,726	-2,081
<i>Exports (\$M)</i>	Nov.	45,614	4.3	4.4	10.3	5.2
<i>Imports (\$M)</i>	Nov.	45,088	0.7	-1.6	0.1	-0.8
Employment (k) ²	Dec.	18,225	53.7	36.1	28.4	17.8
Unemployment rate (%) ¹	Dec.	6.9	6.8	7.0	6.8	7.1
Average weekly earnings (\$)	Oct.	953.9	-0.1	0.1	0.1	0.0
Number of salaried employees (k) ²	Oct.	15,973	-33.6	5.8	12.7	11.5
Consumer price (2002 = 100)	Dec.*	128.4	-0.2	-0.3	-0.5	1.5
<i>Excluding food and energy</i>	Dec.*	123.5	-0.4	-0.6	-0.3	1.8
<i>Excluding 8 volatile items</i>	Dec.*	128.1	-0.3	-0.6	-0.4	1.6
Industrial product price (2002 = 100)	Nov.	111.5	0.3	1.4	2.1	1.4
Raw materials price (2002 = 100)	Nov.	91.9	-2.0	1.2	-0.2	4.1
Money supply M1+ (\$M)	Nov.	887,462	0.6	2.8	5.3	9.2

¹ Statistic shows the level of the month of the column; ² Statistic shows the variation since the reference month; * New statistic in comparison with last week.

UNITED STATES, CANADA, OVERSEAS
Major financial indicators

IN % (EXPECTED IF INDICATED)	ACTUAL	PREVIOUS DATA					LAST 52 WEEKS		
	Jan. 20	Jan. 13	-1 month	3 months	5 months	-1 year	Higher	Average	Lower
United States									
Federal funds – target	0.75	0.75	0.75	0.50	0.50	0.50	0.75	0.53	0.50
Treasury bill – 3 months	0.49	0.52	0.51	0.33	0.32	0.30	0.54	0.33	0.18
Treasury bonds – 2 years	1.21	1.20	1.21	0.83	0.71	0.88	1.27	0.85	0.56
– 5 years	1.97	1.89	2.03	1.24	1.12	1.48	2.07	1.36	0.94
– 10 years	2.49	2.38	2.54	1.74	1.57	2.06	2.60	1.85	1.36
– 30 years	3.07	2.98	3.11	2.49	2.29	2.83	3.18	2.61	2.11
S&P 500 index (level)	2,273	2,275	2,264	2,141	2,175	1,907	2,277	2,114	1,829
DJIA index (level)	19,833	19,886	19,934	18,146	18,571	16,094	19,975	18,128	15,660
Gold price (US\$/ounce)	1,203	1,195	1,134	1,266	1,321	1,100	1,369	1,255	1,106
CRB index (level)	194.56	194.54	190.53	189.40	182.90	163.80	195.82	182.19	155.01
WTI oil (US\$/barrel)	52.75	52.36	52.01	50.61	43.41	32.07	54.01	44.52	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	0.44	0.45	0.47	0.49	0.50	0.46	0.56	0.49	0.42
Treasury bonds – 2 years	0.77	0.80	0.80	0.52	0.56	0.46	0.83	0.59	0.35
– 5 years	1.14	1.14	1.21	0.65	0.64	0.76	1.23	0.76	0.48
– 10 years	1.75	1.72	1.80	1.13	1.10	1.32	1.83	1.28	0.95
– 30 years	2.38	2.32	2.39	1.80	1.73	2.10	2.42	1.94	1.55
<u>Spread with the U.S. rate (% points)</u>									
Overnight – target	-0.25	-0.25	-0.25	0.00	0.00	0.00	0.00	-0.03	-0.25
Treasury bill – 3 months	-0.05	-0.07	-0.04	0.16	0.18	0.16	0.35	0.16	-0.10
Treasury bonds – 2 years	-0.45	-0.40	-0.41	-0.31	-0.14	-0.42	-0.06	-0.27	-0.48
– 5 years	-0.83	-0.75	-0.82	-0.59	-0.47	-0.72	-0.38	-0.60	-0.89
– 10 years	-0.75	-0.66	-0.74	-0.61	-0.47	-0.74	-0.31	-0.57	-0.82
– 30 years	-0.68	-0.66	-0.72	-0.70	-0.56	-0.73	-0.52	-0.66	-0.88
S&P/TSX index (level)	15,566	15,497	15,328	14,939	14,601	12,390	15,587	14,233	12,087
Exchange rate (C\$/US\$)	1.3339	1.3113	1.3536	1.3333	1.3126	1.4117	1.4292	1.3164	0.7497
Exchange rate (C\$/€)	1.4240	1.3957	1.4154	1.4512	1.4406	1.5242	1.5780	1.4517	0.0000
Overseas									
<u>Euro zone</u>									
ECB – Refinancing rate	0.00	0.00	0.00	0.00	0.00	0.05	0.05	0.01	0.00
Exchange rate (US\$/€)	1.0675	1.0644	1.0457	1.0884	1.0976	1.0797	1.1532	1.1054	1.0387
<u>United Kingdom</u>									
BoE – Base rate	0.25	0.25	0.25	0.25	0.50	0.50	0.50	0.38	0.25
Bonds – 10 years	1.43	1.37	1.34	1.08	0.92	1.72	1.70	1.22	0.61
FTSE index (level)	7,203	7,338	7,068	7,020	6,730	5,900	7,338	6,552	5,537
Exchange rate (US\$/£)	1.2334	1.2179	1.2293	1.2235	1.3111	1.4266	1.4879	1.3424	1.2049
<u>Germany</u>									
Bonds – 10 years	0.34	0.18	0.14	-0.07	-0.08	0.41	0.40	0.08	-0.22
DAX index (level)	11,612	11,629	11,450	10,711	10,147	9,765	11,646	10,299	8,753
<u>Japan</u>									
BoJ – Overnight rate	-0.10	-0.10	-0.10	-0.10	-0.10	0.10	0.10	-0.09	-0.10
Nikkei index (level)	19,138	19,287	19,428	17,185	16,627	16,959	19,594	17,024	14,952
Exchange rate (US\$/¥)	115.11	114.53	117.35	103.84	106.08	118.79	121.06	108.60	99.89

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.