

# WEEKLY NEWSLETTER

## Better-than-expected indicators in Canada

### HIGHLIGHTS

- ▶ U.S. consumer confidence drops in February.
- ▶ Canada: The labour market added 48,300 jobs in January.
- ▶ Canada: The trade balance improved in Q4 2016.
- ▶ Canada had the fastest population growth among the G7 from 2011 to 2016.

### A LOOK AHEAD

- ▶ United States: The auto sector probably hurt retail sales in January.
- ▶ United States: The return of warmer weather should trigger a drop by industrial production.
- ▶ Canada: Manufacturing sales should record slower growth in December.

### FINANCIAL MARKETS

- ▶ Stock markets got the week off to a calm start, then started to rise again.
- ▶ Bond yields fluctuate in some European nations.
- ▶ The euro slides to US\$1.06 against a backdrop of political uncertainty.

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## Key statistics of the week

### UNITED STATES

- ▶ The University of Michigan consumer confidence index fell, according to the preliminary version for February, after rising for three straight months. The index went from 98.5 in January to 95.7 in February. The current situation index was fairly stable, going from 111.3 to 111.2. The dip therefore comes from the bigger pullback by the household expectations component, which went from 90.3 to 85.7.
- ▶ Weekly jobless claims fell to just 234,000 in the week ended February 4, down 12,000 from the week before. This is the lowest point since last November's 233,000 claims.
- ▶ U.S. consumer credit slowed in December. It gained a hefty US\$25.2B in November, then grew by only US\$14.2B, the weakest monthly growth since February 2016. Renewable credit (credit cards and lines) only increased US\$2.3B, while term loans advanced US\$11.6B.
- ▶ As suggested by the preliminary numbers on the trade in goods, the U.S. goods and services trade balance improved slightly in December, going from -US\$45.7B in November to -US\$44.3B. Nominal exports jumped 2.7%, while imports advanced 1.5%.

**Francis Généreux**, Senior economist

### CANADA

- ▶ The labour market added 48,300 jobs in January, on the heels of December's 46,100-job gain. Canada's unemployment rate goes from 6.9% to 6.8%. Our forecast for January called for 10,000 jobs to be created—the biggest consensus increase—hoping that job growth would close in on the average of 15,000 jobs per month, which we are expecting for the coming months. With 48,300 jobs created, it goes without saying that employment growth beat our expectations for January hands down. Once again, we can probably chalk up much of the major difference to the Labour Force Survey's highly volatile results.
- ▶ In real terms, exports are up 2.9% (quarterly annualized) in the fourth quarter, largely due to a 30.4% advance by energy products. In contrast, the other sectors pulled back 4.3% for the quarter. Imports, for their part, recorded a 15.3% pullback in the fourth quarter. Under these conditions, we can expect international trade's contribution to Q4's economic growth to be heavily positive. However, the decline in imports signals a major decrease in non-residential investment.
- ▶ Wednesday, Statistics Canada released the first results from the 2016 population census. At the time of the census (May 10, 2016), Canada had 35,151,728 inhabitants. Since the previous census in 2011, Canada's population has thus increased by 1.7 million people, for an average annual gain of 1.0% during the period. According to Statistics Canada, about two thirds of the growth is attributable to the arrival of new immigrants, whereas one third comes from natural population growth. Thus, between 2011 and 2016, Canada's average annual population growth was the highest of G7 nations. Canada therefore looks good in the context of slowing global population growth.
- ▶ Housing starts remained relatively high in January, at 207,400 units compared with December's 206,300 units. Declines in several provinces were offset by a major increase in Ontario, where the number of housing starts rose to nearly 100,000 units.

**Benoit P. Durocher**, Senior economist

# Financial markets

## The prospect of “phenomenal” tax cuts in the United States stimulates markets

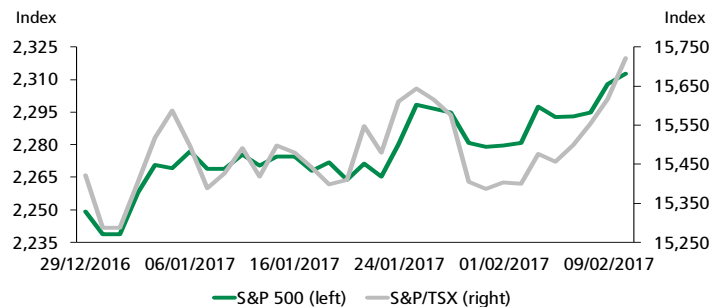
After last Friday’s rebound, the S&P 500 oscillated with no clear direction from Monday to Wednesday, with little economic news on the menu in the United States. It finally started to head up again as of Thursday, in response to a plunge in jobless claims and a Donald Trump tweet suggesting a major announcement about the tax regime would come in the next few weeks. Canada’s stock market also got off to a slow start but capitalized on rebounding oil prices as of Wednesday. Members of the Organization of the Petroleum Exporting Countries (OPEC) are adhering strictly to their production limits, which helped oil prices to close in on US\$54 after sliding to nearly US\$51.

Europe’s bond markets were somewhat volatile. The wrangling between the European Union and International Monetary Fund (IMF) over additional Greek debt relief made that country’s yields fluctuate. Yields in France were also subject to some instability, but to a lesser extent. The ethics problems dogging François Fillon, one of the favourites to take on anti-euro candidate Marine Le Pen in the presidential election, made headlines. In North America, yields started the week on a slide; after hitting 2.32% on Wednesday, however, the U.S. 10-year yield rebounded to around 2.45% on Friday. Canadian yields followed the U.S. trend until Thursday. They jumped on Friday in response to the good employment numbers.

The U.S. dollar made gains this week, especially against the euro, which is being hurt by the political uncertainty in Europe. The markets are concerned about a repeat of the Brexit scenario if Marine Le Pen wins the French presidential election. On Thursday, the possibility of a looming tax cut announcement in the United States gave the greenback another boost. The Canadian dollar fell early in the week in tandem with oil prices, fuelled by fears that the oil surplus would not shrink quickly. Although crude prices recouped the ground lost, the loonie did not follow suit, seemingly penalized by the greenback’s strength. On Friday, Canadian job numbers gave the loonie a hand.

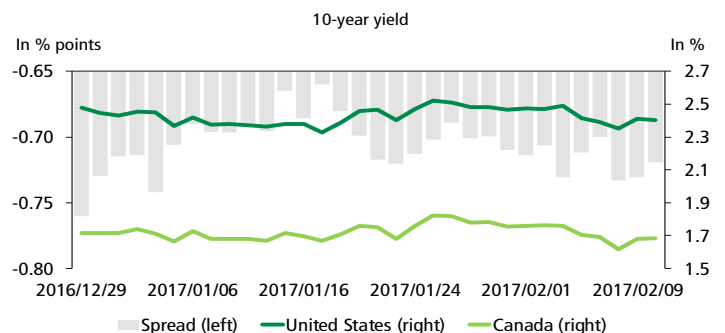
**Jimmy Jean, CFA**, Senior economist  
**Hendrix Vachon**, Senior economist

**GRAPH 1**  
**Stock markets**



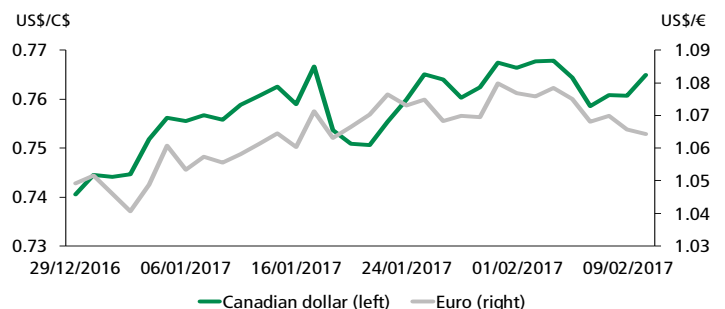
Sources: Datastream and Desjardins, Economic Studies

**GRAPH 2**  
**Bond markets**



Sources: Datastream and Desjardins, Economic Studies

**GRAPH 3**  
**Currency markets**



Sources: Datastream and Desjardins, Economic Studies

# A look ahead

**WEDNESDAY February 15 - 8:30**

| January         | m/m         |
|-----------------|-------------|
| Consensus       | 0.1%        |
| Desjardins      | 0.2%        |
| <b>December</b> | <b>0.6%</b> |

**WEDNESDAY February 15 - 8:30**

| January         | m/m         |
|-----------------|-------------|
| Consensus       | 0.3%        |
| Desjardins      | 0.3%        |
| <b>December</b> | <b>0.3%</b> |

**WEDNESDAY February 15 - 9:15**

| January         | m/m         |
|-----------------|-------------|
| Consensus       | 0.0%        |
| Desjardins      | -0.3%       |
| <b>December</b> | <b>0.8%</b> |

**THURSDAY February 16 - 8:30**

| January         | ann. rate        |
|-----------------|------------------|
| Consensus       | 1,230,000        |
| Desjardins      | 1,220,000        |
| <b>December</b> | <b>1,226,000</b> |

**FRIDAY February 17 - 10:00**

| January         | m/m         |
|-----------------|-------------|
| Consensus       | 0.5%        |
| Desjardins      | 0.6%        |
| <b>December</b> | <b>0.5%</b> |

**WEDNESDAY February 15 - 8:30**

| December        | m/m         |
|-----------------|-------------|
| Consensus       | 0.0%        |
| Desjardins      | 0.4%        |
| <b>November</b> | <b>1.5%</b> |

## UNITED STATES

**Retail sales (January)** – Retail sales ended 2016 on a fairly disappointing note, gaining just 0.2%, primarily due to a jump in auto sales. Auto sales retreated in January and should make a sizable negative contribution to retail sales' monthly performance. However, the increase in the value of service station sales is expected to offset some of that weakness. Excluding motor vehicles and gas, we expect a better performance than the stagnation seen in December. In particular, the milder weather should help food services. The consumer confidence indexes are also doing well; this should be reflected in sales. We expect sales to advance 0.3% excluding autos and gas. Total retail sales should post a 0.2% increase.

**Consumer price index (January)** – Inflation rose in December, going from 1.7% to 2.1%, thanks to higher gas prices and, in particular, favourable base effects. We expect a similar jump for January. Once again, gas prices should support the monthly change in the consumer price index (CPI), as the rise by oil prices triggered a 4.2% increase in gas prices at the pump. As in December, we expect the core CPI, which excludes food and energy, to go up 0.2%. There, the upside pressures come primarily from shelter. The total CPI should go up 0.3%. Total inflation should go from 2.1% to 2.4%. However, core inflation could slow, going from 2.2% to 2.1%.

**Industrial production (January)** – Industrial output jumped in December. That 0.8% gain, the biggest since November 2014, is primarily due to a 6.6% increase in energy production. The weather was milder again in January; this should trigger a pullback in energy production. In the manufacturing sector, December's 0.2% uptick should be followed by stagnation in January. In particular, hours worked are down in the auto sector for the month. The other sectors should do better, however, as suggested by the manufacturing ISM's strong performance. All in all, total industrial production should edge down 0.3%. The industrial capacity utilization rate should go from 75.5% to 75.2%. The New York Fed (Wednesday) and Philadelphia Fed (Thursday) regional manufacturing indexes come out next week, giving us a first glimpse at how strong manufacturing is in February.

**Housing starts (January)** – Housing starts remain highly volatile. They dropped 9.6% in September, jumped 25.5% in October, retreated 16.5% in November, then rebounded 11.3% in December. A pause is plausible after all this seesawing. Moreover, December's revised numbers on building permits are very close to the latest figure on housing starts. In addition, the homebuilder confidence index edged down in January, although it remains quite high. Still, we expect a tiny monthly retreat, which would take housing starts from 1,226,000 to 1,220,000 units in January.

**Leading indicator (January)** – In December, the leading indicator posted its strongest monthly growth since July. Another surge is forecast for January. As in December, consumer confidence, the interest rate spread and ISM index will make good upside contributions. The drop in jobless claims will also contribute. We expect the leading indicator to go up 0.6%.

## CANADA

**Manufacturing sales (December)** – Manufacturing sales should post more modest growth in December on the heels of November's spike. According to the results for international merchandise trade, the energy and aviation sectors should, in particular, contribute to December's growth by manufacturing sales. Declines in the automotive product and machinery sectors should partially offset these contributions, however.

**SUNDAY February 12 - 18:50**

|                |             |
|----------------|-------------|
| <b>Q4 2016</b> | <b>q/q</b>  |
| Consensus      | 0.3%        |
| <b>Q3 2016</b> | <b>0.3%</b> |

**TUESDAY February 14 - 5:00**

|                                      |             |
|--------------------------------------|-------------|
| <b>Q4 2016 – 2<sup>nd</sup> est.</b> | <b>q/q</b>  |
| Consensus                            | 0.5%        |
| <b>Q4 2016 – 1<sup>st</sup> est.</b> | <b>0.5%</b> |


**OVERSEAS**


**Japan: Real GDP (Q4)** – Japan’s economy posted fairly weak growth last summer, with real GDP up 0.3%, less than in the two previous quarters. We are not expecting much better for the last quarter of 2016: the consensus is calling for another 0.3% rise. This would take the annual change for 2016 to 1.0%, compared with 1.2% in 2015.

**Euro zone: Real GDP (Q4 – preliminary estimate)** – Released on January 31, the advance version of the Q4 2016 national accounts for the euro zone showed non-annualized quarterly growth of 0.5%. This advance estimate, which includes no detail on demand components or zone members, is thus showing the best growth since the winter of 2016. The preliminary estimate will provide more information on how the major countries performed, especially Germany and Italy. Also in the euro zone, December’s industrial production will also be out on Tuesday. At 1.5%, November’s monthly change was especially strong, but, as with the German figures (-3.0%), a pullback is now anticipated. The euroland trade balance for December will be released Wednesday.

# Economic indicators

## Week of February 13 to 17, 2017

| Day                  | Hour  | Indicator   | Period    | Consensus |  | Previous data |
|----------------------|-------|---|-----------|-----------|---|---------------|
| <b>UNITED STATES</b> |       |   |           |           |   |               |
| <b>MONDAY 13</b>     | ---   | ---   |           |           |   |               |
| <b>TUESDAY 14</b>    | 8:30  | Producer price index                                |           |           |   |               |
|                      |       | Total (m/m)   | Jan.      | 0.3%      | 0.3%  | 0.3%          |
|                      |       | Excluding food and energy (m/m)                     | Jan.      | 0.2%      | 0.2%  | 0.2%          |
|                      | 8:50  | Speech of the Richmond Fed President, J. Lacker     |           |           |   |               |
|                      | 10:00 | Speech of the Federal Reserve Chairman, J. Yellen   |           |           |   |               |
|                      | 13:00 | Speech of the Dallas Fed President, R. Kaplan       |           |           |   |               |
|                      | 13:15 | Speech of the Atlanta Fed President, D. Lockhart    |           |           |   |               |
| <b>WEDNESDAY 15</b>  | 8:30  | Consumer price index                                |           |           |   |               |
|                      |       | Total (m/m)   | Jan.      | 0.3%      | 0.3%  | 0.3%          |
|                      |       | Excluding food and energy (m/m)                     | Jan.      | 0.2%      | 0.2%  | 0.2%          |
|                      |       | Total (y/y)   | Jan.      | 2.4%      | 2.4%  | 2.1%          |
|                      |       | Excluding food and energy (y/y)                     | Jan.      | 2.1%      | 2.1%  | 2.2%          |
|                      | 8:30  | Empire manufacturing index                          | Feb.      | 7.0       | 7.5   | 6.5           |
|                      | 8:30  | Retail sales  |           |           |   |               |
|                      |       | Total (m/m)   | Jan.      | 0.1%      | 0.2%  | 0.6%          |
|                      |       | Excluding automobiles (m/m)                         | Jan.      | 0.4%      | 0.6%  | 0.2%          |
|                      | 9:15  | Industrial production (m/m)                         | Jan.      | 0.0%      | -0.3%   | 0.8%          |
|                      | 9:15  | Production capacity utilization rates               | Jan.      | 75.5%     | 75.2%   | 75.5%         |
|                      | 10:00 | Speech of the Federal Reserve Chairman, J. Yellen   |           |           |   |               |
|                      | 10:00 | Business inventories (m/m)                          | Dec.      | 0.4%      | 0.4%  | 0.7%          |
|                      | 12:00 | Speech of the Boston Fed President, E. Rosengren    |           |           |   |               |
|                      | 12:45 | Speech of the Philadelphia Fed President, P. Harker |           |           |   |               |
| <b>THURSDAY 16</b>   | 8:30  | Initial unemployment claims                         | Feb. 6-10 | 245,000   | 245,000   | 234,000       |
|                      | 8:30  | Philadelphia Fed index                              | Feb.      | 17.5      | 17.0  | 23.6          |
|                      | 8:30  | Housing starts (ann. rate)                          | Jan.      | 1,230,000 | 1,220,000   | 1,226,000     |
|                      | 8:30  | Building permits (ann. rate)                        | Jan.      | 1,232,000 | 1,200,000   | 1,228,000     |
| <b>FRIDAY 17</b>     | 10:00 | Leading indicator (m/m)                             | Jan.      | 0.5%      | 0.6%  | 0.5%          |
| <b>CANADA</b>        |       |   |           |           |   |               |
| <b>MONDAY 13</b>     | ---   | ---   |           |           |   |               |
| <b>TUESDAY 14</b>    | ---   | ---   |           |           |   |               |
| <b>WEDNESDAY 15</b>  | 8:30  | Manufacturing sales (m/m)                           | Dec.      | 0.0%      | 0.4%  | 1.5%          |
|                      | 9:00  | Existing home sales                                 | Jan.      |           |   |               |
| <b>THURSDAY 16</b>   | ---   | ---   |           |           |   |               |
| <b>FRIDAY 17</b>     | 8:30  | International transactions in securities (\$B)      | Dec.      | n/a       | 15.00   | 7.24          |

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 February 13 to 17, 2017

| Country             | Hour  | Indicator                                    | Period | Consensus |      | Previous data |      |  |
|---------------------|-------|--|--------|-----------|------|---------------|------|--|
|                     |       |  |        | m/m (q/q) | y/y  | m/m (q/q)     | y/y  |  |
| <b>OVERSEAS</b>     |       |  |        |           |      |               |      |  |
| <b>SUNDAY 12</b>    |       |  |        |           |      |               |      |  |
| Japan               | 18:50 | Real GDP – preliminary                       | Q4     | 0.3%      |      | 0.3%          |      |  |
| <b>MONDAY 13</b>    |       |  |        |           |      |               |      |  |
| China               | 20:30 | Consumer price index                         | Jan.   |           | 2.4% |               | 2.1% |  |
| China               | 20:30 | Producer price index                         | Jan.   |           | 6.6% |               | 5.5% |  |
| Japan               | 23:30 | Industrial production – final                | Dec.   | n/a       | n/a  | 0.5%          | 3.0% |  |
| <b>TUESDAY 14</b>   |       |  |        |           |      |               |      |  |
| Germany             | 2:00  | Consumer price index – final                 | Jan.   | -0.6%     | 1.9% | -0.6%         | 1.9% |  |
| Germany             | 2:00  | Real GDP – preliminary                       | Q4     | 0.5%      | 1.8% | 0.2%          | 1.7% |  |
| Italy               | 4:00  | Real GDP – preliminary                       | Q4     | 0.3%      | 1.0% | 0.3%          | 1.0% |  |
| United Kingdom      | 4:30  | Consumer price index                         | Jan.   | -0.5%     | 1.9% | 0.5%          | 1.6% |  |
| United Kingdom      | 4:30  | Producer price index                         | Jan.   | 0.3%      | 3.2% | 0.1%          | 2.7% |  |
| Euro zone           | 5:00  | Real GDP – preliminary                       | Q4     | 0.5%      | 1.8% | 0.5%          | 1.8% |  |
| Euro zone           | 5:00  | Industrial production                        | Dec.   | -1.5%     | 1.7% | 1.5%          | 3.2% |  |
| Germany             | 5:00  | ZEW survey – Current situation               | Feb.   | 77.2      |      | 77.3          |      |  |
| Germany             | 5:00  | ZEW survey – Expectations                    | Feb.   | 15.0      |      | 16.6          |      |  |
| <b>WEDNESDAY 15</b> |       |  |        |           |      |               |      |  |
| Sweden              | 3:30  | Bank of Sweden meeting                       | Feb.   | -0.50%    |      | -0.50%        |      |  |
| United Kingdom      | 4:30  | ILO unemployment rate                        | Dec.   | 4.8%      |      | 4.8%          |      |  |
| Euro zone           | 5:00  | Trade balance (€B)                           | Dec.   | 22.0      |      | 22.7          |      |  |
| <b>THURSDAY 16</b>  |       |  |        |           |      |               |      |  |
| France              | 1:30  | ILO unemployment rate                        | Q4     | 9.8%      |      | 10.0%         |      |  |
| Italy               | 4:00  | Trade balance (€M)                           | Dec.   | n/a       |      | 4,203         |      |  |
| Euro zone           | 7:30  | Minutes of the European Central Bank meeting |        |           |      |               |      |  |
| <b>FRIDAY 17</b>    |       |  |        |           |      |               |      |  |
| Euro zone           | 4:00  | Current account (€B)                         | Dec.   | n/a       |      | 36.1          |      |  |
| United Kingdom      | 4:30  | Retail sales                                 | Jan.   | 1.0%      | 3.5% | -1.9%         | 4.3% |  |
| Italy               | 4:30  | Current account (€M)                         | Dec.   | n/a       |      | 4,640         |      |  |
| Euro zone           | 5:00  | Construction                                 | Dec.   | n/a       | n/a  | 0.4%          | 0.0% |  |

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 | 2016                 | 2015   | 2014   |
| Gross domestic product (2009 \$B)                 | 2016 Q4     | 16,805 | 1.9           | 1.9    | 1.6                  | 2.6    | 2.4    |
| Consumption (2009 \$B)                            | 2016 Q4     | 11,640 | 2.5           | 2.8    | 2.7                  | 3.2    | 2.9    |
| Government spending (2009 \$B)                    | 2016 Q4     | 2,915  | 1.2           | 0.5    | 0.9                  | 1.8    | -0.9   |
| Residential investment (2009 \$B)                 | 2016 Q4     | 596.8  | 10.2          | 1.2    | 4.9                  | 11.7   | 3.5    |
| Non-residential investment (2009 \$B)             | 2016 Q4     | 2,206  | 2.4           | 0.3    | -0.4                 | 2.1    | 6.0    |
| Business inventory change (2009 \$B) <sup>1</sup> | 2016 Q4     | 48.7   | ---           | ---    | 21.8                 | 84.0   | 57.7   |
| Exports (2009 \$B)                                | 2016 Q4     | 2,138  | -4.3          | 1.5    | 0.4                  | 0.1    | 4.3    |
| Imports (2009 \$B)                                | 2016 Q4     | 2,738  | 8.2           | 2.5    | 1.1                  | 4.6    | 4.4    |
| Final domestic demand (2009 \$B)                  | 2016 Q4     | 17,338 | 2.5           | 2.1    | 2.1                  | 3.1    | 2.6    |
| GDP deflator (2009 = 100)                         | 2016 Q4     | 112.2  | 2.1           | 1.6    | 1.3                  | 1.1    | 1.8    |
| Labor productivity (2009 = 100)                   | 2016 Q4     | 107.4  | 1.5           | 1.0    | 0.2                  | 0.9    | 0.8    |
| Unit labor cost (2009 = 100)                      | 2016 Q4     | 111.1  | 1.7           | 1.9    | 2.6                  | 2.0    | 2.0    |
| Employment cost index (Dec. 2005 = 100)           | 2016 Q4     | 128.0  | 1.9           | 2.2    | 2.2                  | 2.1    | 2.0    |
| Current account balance (\$B) <sup>1</sup>        | 2016 Q3     | -113.0 | ---           | ---    | -463.0               | -392.1 | -366.4 |

<sup>1</sup> 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)                              | Dec.       | 124.6   | 0.5           | 0.7       | 1.4       | 1.5     |
| ISM manufacturing index <sup>1</sup>                        | Jan.       | 56.0    | 54.5          | 52.0      | 52.3      | 48.6    |
| ISM non-manufacturing index <sup>1</sup>                    | Jan.       | 56.5    | 56.6          | 54.6      | 54.9      | 54.0    |
| Cons. confidence Conference Board (1985 = 100) <sup>1</sup> | Jan.       | 111.8   | 113.3         | 100.8     | 96.7      | 97.8    |
| Personal consumption expenditure (2009 \$B)                 | Dec.       | 11,672  | 0.3           | 0.6       | 1.3       | 2.8     |
| Disposable personal income (2009 \$B)                       | Dec.       | 12,791  | 0.1           | 0.4       | 0.9       | 2.1     |
| Consumer credit (\$B)                                       | Dec.*      | 3,763   | 0.4           | 1.5       | 3.3       | 6.4     |
| 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 (%) <sup>1</sup>       | Dec.       | 75.5    | 74.9          | 75.3      | 75.4      | 75.4    |
| New machinery orders (\$M)                                  | Dec.       | 464,868 | 1.3           | 1.7       | 4.2       | 3.6     |
| New durable good orders (\$M)                               | Dec.       | 227,108 | -0.5          | -0.5      | 3.7       | 1.7     |
| Business inventories (\$B)                                  | Nov.       | 1,827   | 0.7           | 0.6       | 1.0       | 1.5     |
| Housing starts (k) <sup>1</sup>                             | Dec.       | 1,226   | 1,102         | 1,052     | 1,195     | 1,160   |
| Building permits (k) <sup>1</sup>                           | Dec.       | 1,228   | 1,212         | 1,225     | 1,153     | 1,201   |
| New home sales (k) <sup>1</sup>                             | Dec.       | 536.0   | 598.0         | 568.0     | 558.0     | 538.0   |
| Existing home sales (k) <sup>1</sup>                        | Dec.       | 5,490   | 5,650         | 5,490     | 5,570     | 5,450   |
| Commercial surplus (\$M) <sup>1</sup>                       | Dec.*      | -44,262 | -45,730       | -36,516   | -45,070   | -41,487 |
| Nonfarm employment (k) <sup>2</sup>                         | Jan.       | 145,554 | 227.0         | 548.0     | 1,097     | 2,343   |
| Unemployment rate (%) <sup>1</sup>                          | Jan.       | 4.8     | 4.7           | 4.8       | 4.9       | 4.9     |
| 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)            | Dec.       | 111.7   | 0.2           | 0.5       | 0.9       | 1.6     |
| <i>Excluding food and energy</i>                            | Dec.       | 112.1   | 0.1           | 0.3       | 0.7       | 1.7     |
| Producer price (2009 = 100)                                 | Dec.       | 111.2   | 0.2           | 0.5       | 0.5       | 1.6     |
| Export prices (2000 = 100)                                  | Jan.*      | 121.4   | 0.1           | 0.6       | 0.2       | 2.3     |
| Import prices (2000 = 100)                                  | Jan.*      | 122.2   | 0.4           | 0.8       | 1.2       | 3.7     |

<sup>1</sup> Statistic shows the level of the month of the column; <sup>2</sup> 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) <sup>1</sup>     | 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) <sup>1</sup>            | 2016 Q3     | -18,299   | ---           | ---    | -67,553              | -48,207 | -61,121 |
| Production capacity utilization rate (%) <sup>1</sup> | 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     |

<sup>1</sup> 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)             | Nov.       | 1,688,143 | 0.4           | 0.6       | 1.9       | 1.6     |
| Industrial production (2007 \$M)              | Nov.       | 354,550   | 0.9           | 0.7       | 6.3       | 1.4     |
| Manufacturing sales (\$M)                     | Nov.       | 51,770    | 1.5           | 0.9       | 3.1       | 2.1     |
| Housing starts (k) <sup>1</sup>               | Jan.*      | 207.4     | 206.3         | 195.6     | 195.7     | 175.4   |
| Building permits (\$M)                        | Dec.*      | 7,168     | -6.6          | 1.9       | 11.6      | 1.4     |
| 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)                   | Nov.       | 56,852    | 0.2           | 0.0       | 1.5       | 2.6     |
| Commercial surplus (\$M) <sup>1</sup>         | Dec.*      | 922.8     | 1,013         | -4,250    | -4,007    | -918.4  |
| <i>Exports (\$M)</i>                          | Dec.*      | 46,440    | 0.8           | 6.8       | 12.2      | 3.4     |
| <i>Imports (\$M)</i>                          | Dec.*      | 45,518    | 1.0           | -4.6      | 0.3       | -0.7    |
| Employment (k) <sup>2</sup>                   | Jan.*      | 18,273    | 48.3          | 30.7      | 39.8      | 23.0    |
| Unemployment rate (%) <sup>1</sup>            | Jan.*      | 6.8       | 6.9           | 7.0       | 7.0       | 7.2     |
| Average weekly earnings (\$)                  | Nov.       | 960.6     | 0.8           | 0.3       | 0.7       | 0.8     |
| Number of salaried employees (k) <sup>2</sup> | Nov.       | 16,016    | 25.3          | 24.5      | 18.9      | 15.2    |
| 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)         | Dec.       | 112.1     | 0.4           | 1.4       | 1.8       | 2.2     |
| Raw materials price (2002 = 100)              | Dec.       | 98.2      | 6.5           | 8.1       | 4.5       | 17.2    |
| Money supply M1+ (\$M)                        | Dec.       | 893,093   | 0.6           | 2.2       | 5.8       | 9.6     |

<sup>1</sup> Statistic shows the level of the month of the column; <sup>2</sup> 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 |         |        |
|---|---------|---------------|----------|----------|----------|---------|---------------|---------|--------|
|   | Feb. 10 | Feb. 3        | -1 month | 3 months | 5 months | -1 year | Higher        | Average | Lower  |
| <b>United States</b>                        |         |               |          |          |          |         |               |         |        |
| Federal funds – target                      | 0.75    | 0.75          | 0.75     | 0.50     | 0.50     | 0.50    | 0.75          | 0.54    | 0.50   |
| Treasury bill – 3 months                    | 0.53    | 0.50          | 0.52     | 0.47     | 0.28     | 0.29    | 0.54          | 0.35    | 0.18   |
| Treasury bonds – 2 years                    | 1.19    | 1.22          | 1.20     | 0.92     | 0.71     | 0.70    | 1.27          | 0.88    | 0.56   |
| – 5 years                                   | 1.88    | 1.94          | 1.89     | 1.55     | 1.10     | 1.20    | 2.07          | 1.39    | 0.94   |
| – 10 years                                  | 2.40    | 2.49          | 2.38     | 2.15     | 1.53     | 1.75    | 2.60          | 1.89    | 1.36   |
| – 30 years                                  | 3.01    | 3.11          | 2.98     | 2.94     | 2.23     | 2.59    | 3.18          | 2.63    | 2.11   |
| S&P 500 index (level)                       | 2,313   | 2,297         | 2,275    | 2,164    | 2,184    | 1,865   | 2,313         | 2,137   | 1,865  |
| DJIA index (level)                          | 20,242  | 20,071        | 19,886   | 18,848   | 18,576   | 15,974  | 20,242        | 18,353  | 15,974 |
| Gold price (US\$/ounce)                     | 1,234   | 1,218         | 1,195    | 1,229    | 1,353    | 1,234   | 1,369         | 1,258   | 1,127  |
| CRB index (level)                           | 194.07  | 193.20        | 194.54   | 180.74   | 182.68   | 160.36  | 195.82        | 184.02  | 158.87 |
| WTI oil (US\$/barrel)                       | 54.00   | 53.81         | 52.36    | 43.39    | 44.47    | 29.32   | 54.01         | 45.82   | 29.05  |
| <b>Canada</b>                               |         |               |          |          |          |         |               |         |        |
| Overnight – target                          | 0.50    | 0.50          | 0.50     | 0.50     | 0.50     | 0.50    | 0.50          | 0.50    | 0.50   |
| Treasury bill – 3 months                    | 0.45    | 0.47          | 0.45     | 0.48     | 0.50     | 0.45    | 0.56          | 0.49    | 0.42   |
| Treasury bonds – 2 years                    | 0.77    | 0.77          | 0.80     | 0.63     | 0.53     | 0.44    | 0.83          | 0.61    | 0.43   |
| – 5 years                                   | 1.08    | 1.11          | 1.14     | 0.88     | 0.60     | 0.59    | 1.23          | 0.79    | 0.53   |
| – 10 years                                  | 1.68    | 1.76          | 1.72     | 1.43     | 1.01     | 1.13    | 1.83          | 1.31    | 0.95   |
| – 30 years                                  | 2.36    | 2.42          | 2.32     | 2.07     | 1.62     | 1.93    | 2.46          | 1.97    | 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          | -0.04   | -0.25  |
| Treasury bill – 3 months                    | -0.08   | -0.03         | -0.07    | 0.01     | 0.22     | 0.16    | 0.35          | 0.15    | -0.10  |
| Treasury bonds – 2 years                    | -0.42   | -0.44         | -0.40    | -0.29    | -0.18    | -0.26   | -0.06         | -0.27   | -0.48  |
| – 5 years                                   | -0.80   | -0.82         | -0.75    | -0.67    | -0.50    | -0.60   | -0.38         | -0.60   | -0.89  |
| – 10 years                                  | -0.72   | -0.73         | -0.66    | -0.72    | -0.52    | -0.61   | -0.31         | -0.57   | -0.82  |
| – 30 years                                  | -0.66   | -0.69         | -0.66    | -0.87    | -0.61    | -0.66   | -0.52         | -0.66   | -0.88  |
| S&P/TSX index (level)                       | 15,721  | 15,476        | 15,497   | 14,555   | 14,747   | 12,381  | 15,721        | 14,410  | 12,381 |
| Exchange rate (C\$/US\$)                    | 1.3074  | 1.3023        | 1.3113   | 1.3544   | 1.2948   | 1.3847  | 1.3861        | 1.3116  | 0.7649 |
| Exchange rate (C\$/€)                       | 1.3913  | 1.4044        | 1.3957   | 1.4703   | 1.4451   | 1.5592  | 1.5447        | 1.4438  | 0.0000 |
| <b>Overseas</b>                             |         |               |          |          |          |         |               |         |        |
| <u>Euro zone</u>                            |         |               |          |          |          |         |               |         |        |
| ECB – Refinancing rate                      | 0.00    | 0.00          | 0.00     | 0.00     | 0.00     | 0.05    | 0.05          | 0.00    | 0.00   |
| Exchange rate (US\$/€)                      | 1.0642  | 1.0784        | 1.0644   | 1.0856   | 1.1161   | 1.1261  | 1.1532        | 1.1034  | 1.0387 |
| <u>United Kingdom</u>                       |         |               |          |          |          |         |               |         |        |
| BoE – Base rate                             | 0.25    | 0.25          | 0.25     | 0.25     | 0.25     | 0.50    | 0.50          | 0.37    | 0.25   |
| Bonds – 10 years                            | 1.25    | 1.35          | 1.37     | 1.36     | 0.61     | 1.42    | 1.66          | 1.21    | 0.61   |
| FTSE index (level)                          | 7,255   | 7,188         | 7,338    | 6,730    | 6,916    | 5,708   | 7,338         | 6,629   | 5,824  |
| Exchange rate (US\$/£)                      | 1.2500  | 1.2488        | 1.2179   | 1.2602   | 1.2923   | 1.4508  | 1.4879        | 1.3316  | 1.2049 |
| <u>Germany</u>                              |         |               |          |          |          |         |               |         |        |
| Bonds – 10 years                            | 0.32    | 0.41          | 0.18     | 0.23     | -0.17    | 0.26    | 0.49          | 0.09    | -0.22  |
| DAX index (level)                           | 11,665  | 11,651        | 11,629   | 10,668   | 10,713   | 8,968   | 11,849        | 10,428  | 9,135  |
| <u>Japan</u>                                |         |               |          |          |          |         |               |         |        |
| BoJ – Overnight rate                        | -0.10   | -0.10         | -0.10    | -0.10    | -0.10    | 0.10    | 0.10          | -0.10   | -0.10  |
| Nikkei index (level)                        | 19,379  | 18,918        | 19,287   | 17,375   | 16,920   | 14,953  | 19,594        | 17,157  | 14,952 |
| Exchange rate (US\$/¥)                      | 113.20  | 112.71        | 114.53   | 106.68   | 101.31   | 113.23  | 118.18        | 108.36  | 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.