

# WEEKLY NEWSLETTER

## Canada's inflation surges above the median target

### HIGHLIGHTS

- ▶ United States: Home resales reach their highest level in 10 years.
- ▶ Canada: Wholesalers' sales were up 0.7% in December, while retailers' sales shrank 0.5%.
- ▶ Canada: The total annual inflation rate soars from 1.5% to 2.1%.

### A LOOK AHEAD

- ▶ United States: Another increase in the ISM manufacturing index is expected for February.
- ▶ U.S. real consumption growth in January was probably negatively impacted by the automobile sector and a drop in demand for heating.
- ▶ Canada: Real GDP could advance by about 0.2% in December, wrapping up Q4 with a gain in the neighbourhood of 2.0%.
- ▶ The Bank of Canada should once again opt for the status quo on key interest rates.

### FINANCIAL MARKETS

- ▶ Lacklustre week for the Canadian stock market.
- ▶ The Trump administration tempers investors' expectations.
- ▶ The greenback's new momentum flattens.

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# Key statistics of the week

## UNITED STATES

- ▶ Existing home sales soared by 3.3% in January after declining 1.6% in December. The annualized level reached 5,690,000 units—the highest level since February 2007, and a 7.1% increase over January 2016. Monthly growth stems from the resale of condos (+8.3%) and single-family homes (+2.6%). Geographically speaking, existing home sales saw their sharpest growth in the western United States.
- ▶ Sales of new single-family homes were up 3.7% in January after declining 7.0% in December. The annualized level rose from 535,000 units to 555,000, failing to reach the level of 575,000 units recorded in November. This is still 5.5% higher than in January 2016. Sales were particularly strong in the Northeast (+15.8%) and in the Midwest (+14.8%).
- ▶ The final version of the University of Michigan consumer confidence index showed a slight increase from the February preliminary version, shifting from 95.7 to 96.3—still low compared with January’s reading of 98.5.

Francis Généreux, Senior economist

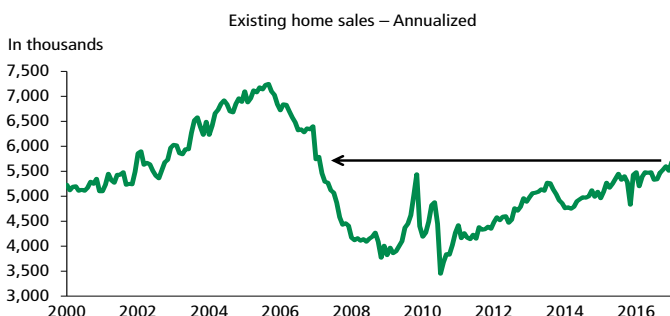
## CANADA

- ▶ The total consumer price index (CPI) was up 0.9% in January, an advance that clearly exceeded expectations. Once seasonally adjusted, the total CPI’s monthly growth reached 0.7% in January, the sharpest increase since June 2008! This sharp growth clashes with the recent trend where the monthly change in the seasonally adjusted CPI was only 0.1% on average in the last six months of 2016. The jump in the total CPI in January had a huge impact on the index’s annual change. As a result, the total annual inflation rate climbed to 2.1%. This is an important outcome for the Bank of Canada, which had expressed concerns in recent months about persistent price weaknesses.
- ▶ The value of retail sales shrank 0.5% in December, coming in below expectations. In real terms, retail sales dropped 1.0% in December. Due to significant growth in the previous months, the fourth quarter nevertheless posted a 4.5% advance (quarterly annualized). There is, therefore, hope that consumer spending will contribute positively to economic growth in fall 2016. For 2016 as a whole, the value of retail sales grew 3.7% in Canada, compared with 1.7% in 2015 and 4.6% in 2014.
- ▶ The value of wholesalers’ sales was up 0.7% in December, thanks to gains recorded in most sectors of activity. Expressed in real terms, sales increased by 0.9% whereas inventories were up 1.2%.
- ▶ Corporate profits rose by 3.6% in the fourth quarter, buoyed by a 2.6% increase in non-financial areas of activity and a 5.7% gain in the financial and insurance fields. Over one year, operating profits are up 13.2%, the highest level since 2011. The oil and gas extraction sector and support activities still show an operating deficit, but at -\$2.2B in the fourth quarter, this number has been steadily decreasing since the record deficit of \$5.1B recorded in the first quarter of 2016. Canadian corporations’ profit margin climbed to 9.07% in Q4, a level far beyond the 7.33% historical average.

Benoit P. Durocher, Senior economist

## UNITED STATES

### Home resales reach their highest peak since 2007



Sources: National Association of Realtors and Desjardins, Economic Studies

# Financial markets

## The Trump administration quells expectations on economic stimulus

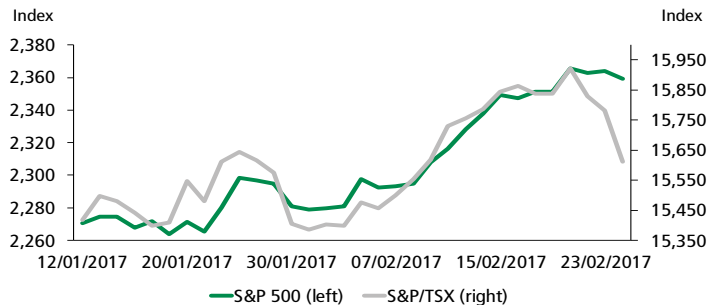
The S&P 500 roared out of the gate of the shortened workweek, with a 0.6% gain on Tuesday. The energy sector responded to the remarks of an Organization of the Petroleum Exporting Countries (OPEC) official, indicating strict discipline in the application of the production limits announced last fall. On Wednesday and Thursday, the S&P 500 oscillated within a range of 2,355 to 2,365 points. The tone was more negative on Friday, however. The optimism that followed Donald Trump's election seems to be fading, as Treasury Secretary Steven Mnuchin indicated that the effects of tax reform might only be felt next year. After rebounding sharply on Tuesday, the S&P/TSX struggled, erasing recent gains and unable to capitalize on rising commodity prices. Energy and materials were in fact the worst performing sectors this week.

The minutes of the Federal Reserve (Fed) meeting corroborated the remarks made a week earlier by Fed Chair Janet Yellen and signalled that a rate increase could be come "fairly soon." Markets barely reacted and bond yields actually ended Wednesday's session lower. Markets do believe that a hike is in the cards, but not before May. Yields continued to trend down, pushing the 10-year yield below 2.35%, the bottom of the range maintained in the last eight weeks. U.S. economic data did not disappoint, but the lag in the budget stimulus measures suggested by Steven Mnuchin seemed to harm risk assets, by implication favouring bonds. Here in Canada, the main highlight was the sharp rise in inflation, which gave an impulse to short-term spreads on Friday.

The greenback's new momentum continued in the first half of the week. However, the lack of specific guidance from the Fed on a rate increase in March and the comments made by the U.S. Treasury Secretary weakened the U.S. dollar on Thursday and Friday. At the time of writing, the euro was trading just below US\$1.06. Europe's currency had fallen to US\$1.05 earlier in the week. The pound proved more resilient than the euro early in the week, rising to more than US\$1.25 on Thursday, although it crossed back below this level on Friday. Canada's loonie was worth less than US\$0.76 on Wednesday, but the struggling U.S. dollar and the increase in Canada's inflation rate helped the loonie climb back to US\$0.763.

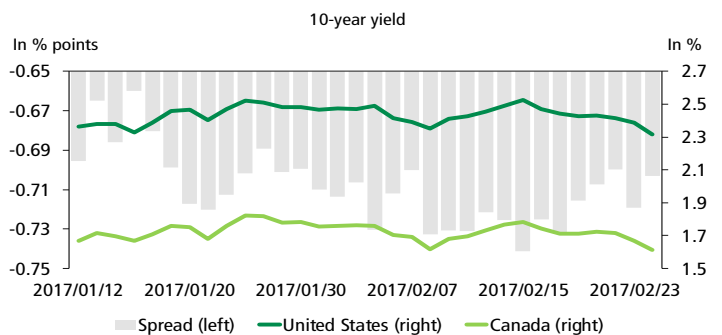
**Jimmy Jean, CFA**, Senior economist  
**Hendrix Vachon**, Senior economist

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



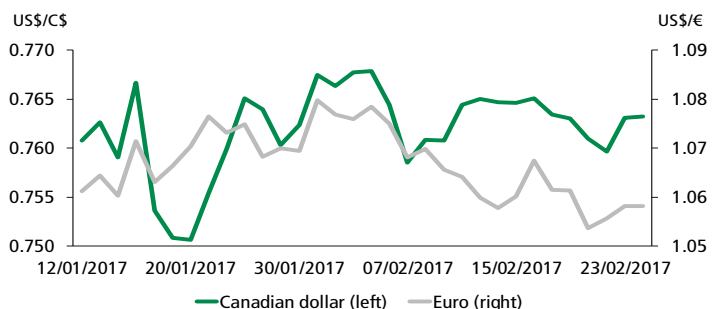
Sources: Datastream and Desjardins, Economic Studies

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



Sources: Datastream and Desjardins, Economic Studies

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



Sources: Datastream and Desjardins, Economic Studies

# A look ahead

## MONDAY February 27 - 8:30

<b>January</b>	<b>m/m</b>
Consensus	1.9%
Desjardins	2.9%
<b>December</b>	<b>-0.5%</b>

## TUESDAY February 28 - 9:00

<b>December</b>	<b>y/y</b>
Consensus	5.40%
Desjardins	5.40%
<b>November</b>	<b>5.27%</b>

## TUESDAY February 28 - 10:00

<b>February</b>	
Consensus	111.0
Desjardins	111.5
<b>January</b>	<b>111.8</b>

## WEDNESDAY March 1 - 8:30

<b>January</b>	<b>m/m</b>
Consensus	0.3%
Desjardins	0.4%
<b>December</b>	<b>0.5%</b>

## WEDNESDAY March 1 - 10:00

<b>February</b>	
Consensus	56.0
Desjardins	57.5
<b>January</b>	<b>56.0</b>

## FRIDAY March 3 - 10:00

<b>February</b>	
Consensus	56.5
Desjardins	56.8
<b>January</b>	<b>56.5</b>

## WEDNESDAY March 1 - 8:30

<b>Q4 2016</b>	<b>\$B</b>
Consensus	n/a
Desjardins	-9.8
<b>Q3 2016</b>	<b>-18.3</b>

## UNITED STATES

**New durable goods orders (January)** – Despite a rebound of 42.4% in orders related to civil aviation, new durable goods orders slipped 0.5% in December, weighed down by drops in military aviation and metallurgy. A notable increase is expected for January, however. Boeing orders dropped during the month, but much less than usual in January, and seasonal adjustments will probably result in civil aviation contributing positively to total new orders. A decline is expected for the automobile sector. Excluding transportation, growth a little stronger than December's 0.5% is expected, compatible with the good performance of the ISM indexes. Overall, we expect an increase of 2.9% in new durable goods orders.

**S&P/Case-Shiller index of existing home prices (December)** – In November, home prices posted their strongest growth since March with a monthly gain of 0.9%. The index has now posted five straight monthly increases. We are expecting another solid increase in December of 0.8%. This would take the S&P/Case-Shiller index's annual change from 5.3% to 5.4%.

**Conference Board consumer confidence index (February)** – After solid growth in November and December, the Conference Board confidence index lost steam in January. It lost 1.5 points, a modest contraction with respect to the 12.5-point gain recorded during the last two months of 2016. We expect it to remain relatively stable in February, despite the slump in the University of Michigan confidence index. The stock markets have posted solid growth since the end of last month, while gas prices stayed close to their late January level.

**Consumer spending (January)** – Real consumption growth of 0.3% in December was helped by the automobile sector and increased demand for heating caused by temperatures closer to normal. These two factors should play negatively in January as the number of new cars sold pulled back and warmer temperatures caused energy production to plummet. Retail sales data nevertheless suggest solid growth for other types of goods and a rebound in food services. All these factors should offset each other, resulting in stagnation of real consumption. We nevertheless expect the forecast increase of 0.4% in the price index to bring monthly growth of 0.4% in nominal consumption. Nominal personal income should increase by 0.6%.

**ISM manufacturing index (February)** – The ISM manufacturing index continued to improve, with a fifth consecutive increase in January, from 49.4 in August to 56.0 in January, its highest level since November 2014. Another increase is expected for February. This is what most regional manufacturing indexes are suggesting, including the Philadelphia Fed's, which reached a 33-year high. We predict that the ISM manufacturing index will go to 57.5.

**ISM non-manufacturing index (February)** – While the ISM manufacturing index is clearly on an uptrend, the non-manufacturing index has been fairly stable in recent months. From 56.2 in November, it went up to 56.6 in December and then slipped a little to 56.5 in January. We are not expecting a major change for February, in keeping with the main consumer confidence indexes.

## CANADA

**Current account (Q4)** – In all, the value of goods exports increased 4.7% in fourth quarter of 2016 while that of imports fell 2.3%. This will translate into strong improvement by the balance of trade in goods, paving the way for a significant reduction of the deficit in the current account balance for the fourth quarter.

**WEDNESDAY March 1 - 10:00**
**March**

Consensus	0.50%
Desjardins	0.50%
<b>January 18</b>	<b>0.50%</b>

**THURSDAY March 2 - 8:30**
**December**

	<b>m/m</b>
Consensus	0.3%
Desjardins	0.2%
<b>November</b>	<b>0.4%</b>

**THURSDAY March 2 - 8:30**
**Q4 2016**

	<b>ann. rate</b>
Consensus	2.0%
Desjardins	2.0%
<b>Q3 2016</b>	<b>3.5%</b>

**DURING THE WEEK**
**DURING THE WEEK**

**Bank of Canada meeting (March)** – The monetary authorities should stay the course at their meeting next week, especially since there will be no *Monetary Policy Report*. Also, the recent changes in economic conditions are fairly consistent with the projections set out by the Bank of Canada in January. Despite quite positive results overall, monetary authorities should continue to focus on the many uncertainties surrounding the Canadian economic outlook. This argues in favour of again holding to the status quo for key interest rates.

**Real GDP by industry (December)** – Results for December were quite mixed. Manufacturing and wholesale sales volume rose sharply during the month, but retail sales pulled back 1.0%. The number of hours worked were also down by 0.7% in December, leading to fears of slowing production in some sectors. However, the number of housing starts once again climbed above the 200,000-unit mark during the month. All in all, an increase of about 0.2% in real GDP by industry is expected for December.

**Real GDP (Q4)** – After beginning the fourth quarter on a negative note with a 0.2% drop in real GDP by industry in October, a rebound of 0.4% was observed in November and our projections show an increase of about 0.2% for December. Under these conditions, real GDP growth for the fourth quarter as a whole could be around 2.0% (quarterly annualized). Moreover, consumer spending should contribute positively to economic growth, as should the trade balance, which should benefit from a significant drop in imports. This pullback in imports should be accompanied by a decrease in non-residential investment, due to the return to normal after the third-quarter disruptions resulting from the delivery of a module for the Hebron oil project in Newfoundland and Labrador.


**OVERSEAS**

**Euro zone: Economic indicators** – Among the indicators to be released in the euro zone in the coming week are a number of confidence indexes for February. Early signs are quite contradictory. On one hand, the preliminary version of the confidence index dropped from -4.8 in January to -6.2 in February. For another, the Euroland's composite PMI index improved, according to February's preliminary version. The flash estimate for February's inflation will be released on Tuesday. The annual change in the total consumer price index was 1.8% in January. Euroland's unemployment rate for January comes out on Thursday. It was 10.0% in December. Lastly, January's retail sales figures will be known on Friday. They had dropped 0.3% in December.

**Japan: Economic indicators** – Several monthly indicators for January will be released this week in Japan. Retail sales and industrial production come out Monday night. In the first case, they had posted a sharp decline of 1.7% in December. In the second case, there was instead a 0.7% gain. Housing starts come out on Tuesday. The unemployment rate will be published Thursday. It was only 3.1% in December. That same evening, the consumer price indexes will be released. The annual change in the national index for January should remain stable at 0.3%, but the consensus expects the annual change for the February Tokyo index to drop back into negative territory.


# Economic indicators

## Week of February 27 to March 3, 2017

Day	Hour	Indicator	Period	Consensus		Previous data
<b>UNITED STATES</b>						
<b>MONDAY 27</b>	8:30	Durable goods orders (m/m)	Jan.	1.9%	2.9%	-0.5%
	10:00	Pending home sales (m/m)	Jan.	0.9%	n/a	1.6%
	11:00	Speech of the Dallas Fed President, R. Kaplan				
<b>TUESDAY 28</b>	8:30	Goods trade balance – preliminary (US\$B)	Jan.	-66.0	-66.0	-64.4
	8:30	Real GDP (ann. rate)	Q4s	2.1%	2.0%	1.9%
	9:00	S&P/Case-Shiller home price index (y/y)	Dec.	5.40%	5.40%	5.27%
	9:45	Chicago PMI index	Feb.	53.0	53.0	50.3
	10:00	Consumer confidence	Feb.	111.0	111.5	111.8
	15:30	Speech of the San Francisco Fed President, J. Williams				
	18:50	Speech of the St. Louis Fed President, J. Bullard				
<b>WEDNESDAY 1</b>	---	Total vehicle sales (ann. rate)	Feb.	17,700,000	17,700,000	17,480,000
	8:30	Personal income (m/m)	Jan.	0.3%	0.6%	0.3%
	8:30	Personal consumption expenditures (m/m)	Jan.	0.3%	0.4%	0.5%
	8:30	Personal consumption expenditures deflator				
		Total (m/m)	Jan.	0.5%	0.4%	0.2%
		Excluding food and energy (m/m)	Jan.	0.3%	0.2%	0.1%
		Total (y/y)	Jan.	2.0%	1.9%	1.6%
		Excluding food and energy (y/y)	Jan.	1.8%	1.6%	1.7%
	10:00	Construction spending (m/m)	Jan.	0.6%	0.4%	-0.2%
	10:00	ISM manufacturing index	Feb.	56.0	57.5	56.0
	13:00	Speech of the Dallas Fed President, R. Kaplan				
14:00	Release of the Beige Book					
18:00	Speech of a Federal Reserve Governor, L. Brainard					
<b>THURSDAY 2</b>	8:30	Initial unemployment claims	Feb. 20-24	245,000	246,000	244,000
<b>FRIDAY 3</b>	10:00	ISM non-manufacturing index	Feb.	56.5	56.8	56.5
	10:15	Speeches of the Chicago Fed President, C. Evans and of the Richmond Fed President, J. Lacker				
	12:00	Speech of the Federal Reserve Vice Chairman, S. Fischer				
	13:00	Speech of the Federal Reserve Chairman, J. Yellen				

## CANADA

<b>MONDAY 27</b>	---	---				
<b>TUESDAY 28</b>	8:30	Industrial product price index (m/m)	Jan.	n/a	0.5%	0.4%
	8:30	Raw materials price index (m/m)	Jan.	n/a	1.2%	6.5%
<b>WEDNESDAY 1</b>	8:30	Current account balance (\$B)	Q4	n/a	-9.8	-18.3
	10:00	Bank of Canada meeting	March	0.50%	0.50%	0.50%
<b>THURSDAY 2</b>	8:30	Real GDP by industry (m/m)	Dec.	0.3%	0.2%	0.4%
	8:30	Real GDP (ann. rate)	Q4	2.0%	2.0%	3.5%
<b>FRIDAY 3</b>	---	---				

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 27 to March 3, 2017

Country	Hour	Indicator	Period	Consensus		Previous data	
				m/m (q/q)	y/y	m/m (q/q)	y/y
<b>OVERSEAS</b>							
<b>MONDAY 27</b>							
Euro zone	5:00	Business climate	Feb.	0.79		0.77	
Euro zone	5:00	Consumer confidence – final	Feb.	-6.2		-6.2	
Euro zone	5:00	Industrial confidence	Feb.	1.0		0.8	
Euro zone	5:00	Services confidence	Feb.	13.4		12.9	
Euro zone	5:00	Economic confidence	Feb.	108.0		107.9	
Japan	18:50	Industrial production – preliminary	Jan.	0.4%	4.4%	0.7%	3.2%
Japan	18:50	Retail sales	Jan.	0.3%	1.0%	-1.7%	0.6%
United Kingdom	19:01	Consumer confidence	Feb.	-6		-5	
<b>TUESDAY 28</b>							
Japan	0:00	Small business confidence	Feb.	48.5		48.3	
Japan	0:00	Housing starts	Jan.		3.3%		3.9%
France	2:45	Consumer price index – preliminary	Feb.	0.4%	1.5%	-0.2%	1.3%
France	2:45	Real GDP – preliminary	Q4	0.4%	1.1%	0.4%	1.1%
Euro zone	5:00	Consumer price index – estimate	Feb.		1.9%		1.8%
China	20:00	PMI manufacturing index	Feb.	51.2		51.3	
China	20:00	PMI non-manufacturing index	Feb.	n/a		54.6	
<b>WEDNESDAY 1</b>							
France	3:50	PMI manufacturing index – final	Feb.	52.3		52.3	
Germany	3:55	PMI manufacturing index – final	Feb.	57.0		57.0	
Euro zone	4:00	PMI manufacturing index – final	Feb.	55.5		55.5	
United Kingdom	4:30	PMI manufacturing index	Feb.	55.7		55.9	
Germany	8:00	Consumer price index – preliminary	Feb.	0.6%	2.1%	-0.6%	1.9%
<b>THURSDAY 2</b>							
United Kingdom	4:30	PMI construction index	Feb.	52.0		52.2	
Euro zone	5:00	Unemployment rate	Jan.	9.6%		9.6%	
Japan	18:30	Household spending	Jan.		-0.3%		-0.3%
Japan	18:30	Consumer price index	Jan.		0.4%		0.3%
Japan	18:30	Consumer price index – Tokyo	Feb.		-0.1%		0.1%
Japan	18:30	Unemployment rate	Jan.	3.0%		3.1%	
<b>FRIDAY 3</b>							
Japan	0:00	Consumer confidence	Feb.	43.5		43.2	
Germany	2:00	Retail sales	Jan.	0.2%	0.8%	-0.9%	-1.1%
France	3:50	PMI composite index – final	Feb.	56.2		56.2	
France	3:50	PMI services index – final	Feb.	56.7		56.7	
Germany	3:55	PMI composite index – final	Feb.	56.1		56.1	
Germany	3:55	PMI services index – final	Feb.	54.4		54.4	
Euro zone	4:00	PMI composite index – final	Feb.	56.0		56.0	
Euro zone	4:00	PMI services index – final	Feb.	55.6		55.6	
United Kingdom	4:30	PMI composite index	Feb.	55.6		55.5	
United Kingdom	4:30	PMI services index	Feb.	54.0		54.5	
Euro zone	5:00	Retail sales	Jan.	0.3%	1.5%	-0.3%	1.1%

Note: In contrast to the situation in Canada and the United States, disclosure of overseas economic figures is much more approximate. The day of publication is therefore shown for information purposes only. The abbreviations m/m, q/q and y/y correspond to monthly, quarterly and yearly variation respectively. 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)	Jan.	125.5	0.6	1.3	1.6	2.5
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)	Jan.	472,142	0.4	1.5	3.1	5.6
<i>Excluding automobiles (\$M)</i>	Jan.	374,207	0.8	1.5	2.8	5.3
Industrial production (2007 = 100)	Jan.	104.6	-0.3	0.1	0.0	0.0
Production capacity utilization rate (%) <sup>1</sup>	Jan.	75.3	75.6	75.5	75.6	75.7
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)	Dec.	1,836	0.4	1.0	1.2	2.0
Housing starts (k) <sup>1</sup>	Jan.	1,246	1,279	1,320	1,218	1,128
Building permits (k) <sup>1</sup>	Jan.	1,285	1,228	1,260	1,144	1,188
New home sales (k) <sup>1</sup>	Jan.*	555.0	535.0	568.0	622.0	526.0
Existing home sales (k) <sup>1</sup>	Jan.*	5,690	5,510	5,530	5,330	5,480
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)	Jan.	244.2	0.6	1.0	1.8	2.5
<i>Excluding food and energy</i>	Jan.	250.8	0.3	0.7	1.2	2.3
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)	Jan.	111.9	0.6	1.3	1.3	1.7
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)	Dec.	53,462	2.3	3.9	5.3	4.1
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)	Dec.*	44,912	-0.5	0.8	1.7	4.3
<i>Excluding automobiles (\$M)</i>	Dec.*	33,554	-0.3	0.9	1.3	4.4
Wholesale trade sales (\$M)	Dec.*	57,343	0.7	2.4	1.9	2.5
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 (\$)	Dec.*	971.0	1.0	1.7	1.5	1.2
Number of salaried employees (k) <sup>2</sup>	Dec.*	16,082	39.2	25.2	17.9	17.2
Consumer price (2002 = 100)	Jan.*	129.5	0.9	0.3	0.5	2.1
<i>Excluding food and energy</i>	Jan.*	124.3	0.6	-0.2	0.4	2.2
<i>Excluding 8 volatile items</i>	Jan.*	128.7	0.5	-0.3	0.1	1.7
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. 24	Feb. 17	-1 month	-3 months	-6 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	0.55	0.50
Treasury bill – 3 months	0.50	0.52	0.51	0.48	0.33	0.32	0.54	0.35	0.18
Treasury bonds – 2 years	1.14	1.20	1.21	1.14	0.84	0.81	1.27	0.89	0.56
– 5 years	1.80	1.91	1.94	1.87	1.25	1.26	2.07	1.42	0.94
– 10 years	2.32	2.44	2.48	2.37	1.63	1.76	2.60	1.91	1.36
– 30 years	2.96	3.04	3.06	3.02	2.29	2.64	3.18	2.64	2.11
S&P 500 index (level)	2,359	2,351	2,295	2,213	2,169	1,948	2,365	2,154	1,932
DJIA index (level)	20,748	20,624	20,094	19,152	18,395	16,640	20,810	18,515	16,517
Gold price (US\$/ounce)	1,257	1,238	1,189	1,185	1,334	1,216	1,369	1,259	1,127
CRB index (level)	190.78	192.12	193.43	185.73	186.11	161.67	195.82	185.21	163.21
WTI oil (US\$/barrel)	54.04	53.41	53.18	46.72	47.64	31.65	54.48	46.70	32.74
<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	0.47	0.48	0.45	0.51	0.52	0.47	0.56	0.49	0.42
Treasury bonds – 2 years	0.75	0.78	0.81	0.67	0.61	0.52	0.83	0.62	0.47
– 5 years	1.10	1.17	1.14	0.99	0.73	0.67	1.23	0.81	0.53
– 10 years	1.61	1.71	1.78	1.56	1.09	1.18	1.83	1.34	0.95
– 30 years	2.34	2.41	2.43	2.14	1.69	1.96	2.46	1.98	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	-0.05	-0.25
Treasury bill – 3 months	-0.03	-0.04	-0.06	0.03	0.19	0.15	0.35	0.14	-0.10
Treasury bonds – 2 years	-0.39	-0.42	-0.40	-0.47	-0.23	-0.29	-0.06	-0.27	-0.48
– 5 years	-0.71	-0.75	-0.80	-0.88	-0.52	-0.58	-0.38	-0.61	-0.89
– 10 years	-0.70	-0.73	-0.70	-0.81	-0.54	-0.58	-0.31	-0.58	-0.82
– 30 years	-0.62	-0.63	-0.63	-0.88	-0.60	-0.67	-0.52	-0.66	-0.88
S&P/TSX index (level)	15,611	15,839	15,576	15,075	14,640	12,798	15,922	14,528	12,860
Exchange rate (C\$/US\$)	1.3103	1.3099	1.3153	1.3530	1.3003	1.3513	1.3575	1.3093	0.7632
Exchange rate (C\$/€)	1.3864	1.3903	1.4072	1.4324	1.4561	1.4775	1.4955	1.4388	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\$/€)	1.0582	1.0614	1.0699	1.0587	1.1198	1.0934	1.1532	1.1016	1.0387
<u>United Kingdom</u>									
BoE – Base rate	0.25	0.25	0.25	0.25	0.25	0.50	0.50	0.36	0.25
Bonds – 10 years	1.07	1.21	1.47	1.42	0.64	1.40	1.66	1.21	0.61
FTSE index (level)	7,242	7,300	7,184	6,841	6,838	6,096	7,338	6,680	5,924
Exchange rate (US\$/£)	1.2496	1.2415	1.2555	1.2477	1.3139	1.3871	1.4879	1.3251	1.2049
<u>Germany</u>									
Bonds – 10 years	0.19	0.30	0.46	0.16	-0.15	0.15	0.49	0.09	-0.22
DAX index (level)	11,791	11,757	11,814	10,699	10,588	9,513	11,999	10,524	9,269
<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)	19,284	19,235	19,467	18,381	16,361	16,188	19,594	17,284	14,952
Exchange rate (US\$/¥)	112.24	112.88	115.08	113.08	101.84	114.00	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.