

WEEKLY NEWSLETTER

Surprising market reaction to the Federal Reserve decision

HIGHLIGHTS

- ▶ The Federal Reserve (Fed) opted for a third key rate increase.
- ▶ United States: Retail sales slow.
- ▶ United States: The warmer weather curbs industrial output, but manufacturing is doing better.
- ▶ Canada: The household debt rate hits a new historic peak.
- ▶ Canada: Manufacturing sales rose further in January.

A LOOK AHEAD

- ▶ U.S. new home sales are expected to jump again, but resales could slide.
- ▶ Canada: Wholesale and retail sales should advance in January.
- ▶ The federal government will table its budget on March 22.
- ▶ Canada: The total annual inflation rate could stay above the midpoint target.

FINANCIAL MARKETS

- ▶ Stock markets welcome the populist setback in Europe and the Fed's measured approach.
- ▶ End of an upward run: The U.S. 10-year yield abruptly returns to 2.50%.
- ▶ The U.S. dollar weakens following the Fed meeting.

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Key statistics of the week

UNITED STATES

- ▶ The Federal Reserve (Fed) decided to raise the target range for the federal funds rate to 0.75% to 1.00%. The forecast from each Fed leader showed a median that is in line with two additional rate increases before the end of the year.
- ▶ Retail sales rose just 0.1% in February after gaining 0.6% in January (revised from 0.4%). Excluding autos and gas, sales went up 0.2% following an increase of 1.1% in January (revised from 0.7%).
- ▶ The consumer price index (CPI) rose 0.1% in February following January's large, 0.6% surge. Energy prices dropped 1.0%, driven by a 3.0% decline in gas prices. The core index, which excludes food and energy, rose 0.2%. The total CPI's annual change went from 2.5% to 2.7%, while core inflation retreated from 2.3% to 2.2%.
- ▶ Industrial output was stable in February after contracting 0.1% in January. Manufacturing production advanced 0.5% for a second straight month. Mining sector activity increased 2.7%. The warmer than normal weather triggered a 5.7% tumble by energy production.
- ▶ After jumping in February, the regional manufacturing indexes retreated in March, but remain very high. The Philadelphia Fed index went from 43.3 to 32.8. The New York Fed's Empire index fell from 18.7 to 16.4.
- ▶ Housing starts rose 3.0% in February after retreating 1.9% in January. On an annualized basis, they went from 1,251,000 to 1,288,000 units. Building permits pulled back 6.2%.
- ▶ The leading indicator rose 0.6% in February for a third straight month. This time, the main upside contributions came from the ISM index, interest rate spreads and drop in jobless claims.
- ▶ After declining in February, the University of Michigan consumer confidence index has started to rise again, according to the preliminary version for March. The index went from 96.3 in February to 97.6 in March.

Francis Généreux, Senior economist

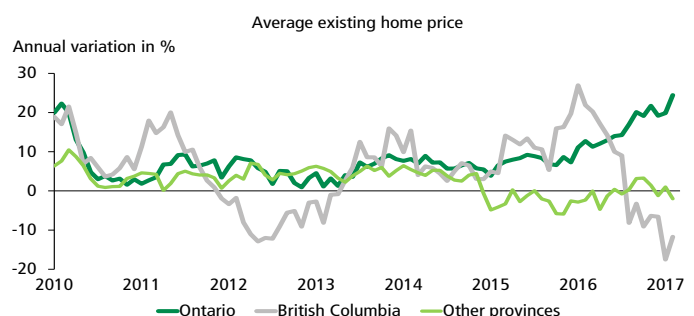
CANADA

- ▶ Canadian household indebtedness hit a new historic peak in the fourth quarter of 2016, when the ratio of debt contracted in the credit market to disposable income stood at 167.25%. The high level is due to loans of \$28.4B during the period, compared with \$18.9B the previous quarter.
- ▶ Manufacturing sales posted a third straight monthly gain in January, rising 0.6%. Since October, they are up a total of 5.3%. In real terms, sales are up 0.7% in January while inventories increased 1.0%. Manufacturing should therefore make a substantial contribution to economic growth in January.
- ▶ Existing home sales increased 5.2% in February. Over a year, sales are down 2.6%, however, primarily due to a major drop in British Columbia (-31.7%). The average price of existing homes went up 3.7% in February, with major increases in Ontario (+6.8%) and British Columbia (+5.1%). The average price is up 7.1% in British Columbia and Ontario over the last year, whereas it is down 2.0% in the other provinces.

Benoit P. Durocher, Senior economist

CANADA

Existing home prices continue to rise sharply, especially in Ontario



Sources: Canadian Real Estate Association and Desjardins, Economic Studies

Financial markets

The U.S. dollar and yields plunge after the Federal Reserve announcement

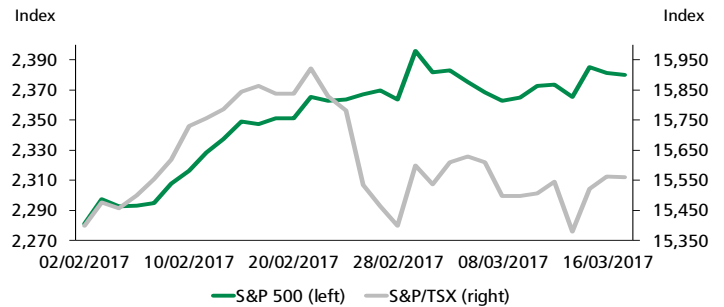
Weak oil prices remained a drag on global stock markets early in the week, especially on energy securities. The U.S. stock market was affected as well, but strengthened somewhat as of mid-week. The defeat of populist candidate Geert Wilders in the Dutch election gave the markets some relief. The Federal Reserve (Fed) then announced a key rate increase, to no one's surprise. The stock markets seemed pleased with the fact that the announcement did not come with a more hawkish signal than previously. At the time of writing, the S&P 500 was heading for a weekly gain of about 0.4%. The Canadian stock market got off to a poor start, but got some help from stabilizing oil prices. It was heading for a weekly gain similar to the U.S. market's.

Bond market investors were focused on what signal the Fed would send at Wednesday's meeting. Some were surprised at the fact that neither the leaders' forecasts nor Janet Yellen's remarks changed the path for firming projected for this year. U.S. yields plunged heavily following the announcement, especially in the shorter maturities, with the result that the slope steepened. The volatility in U.S. yields rippled into Canada-U.S. rate spreads, which, in the end narrowed slightly. Other positive data was released this week in Canada, particularly on housing and manufacturing. The futures markets think the Bank of Canada will be comfortable ordering a rate hike in January 2018.

The perception that the Fed is very prudent was also reflected in the currency markets. The U.S. dollar retreated sharply against all currencies during Wednesday's session, and it has remained weak since then. Also boosted by the solid performance by pro-Europe parties in the election in the Netherlands, the euro crossed back above US\$1.07. In the United Kingdom, it was impatient signals from the Bank of England on inflation that helped the pound climb to around US\$1.235. The yen also posted substantial gains this week. The greenback's weakness allowed the Canadian dollar to edge above US\$0.75, even though oil prices remain fairly low.

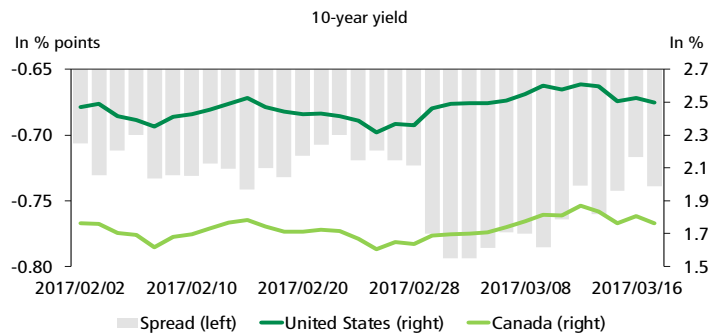
Mathieu D'Anjou, CFA, Senior economist
Jimmy Jean, CFA, Senior economist

GRAPH 1
Stock markets



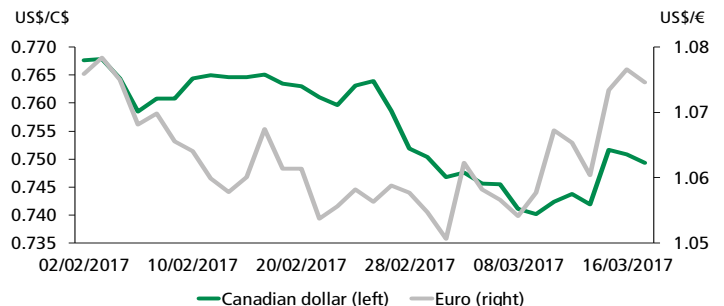
Sources: Datastream and Desjardins, Economic Studies

GRAPH 2
Bond markets



Sources: Datastream and Desjardins, Economic Studies

GRAPH 3
Currency markets



Sources: Datastream and Desjardins, Economic Studies

A look ahead

WEDNESDAY March 22 - 10:00

February	ann. rate
Consensus	5,580,000
Desjardins	5,450,000
January	5,690,000

THURSDAY March 23 - 10:00

February	ann. rate
Consensus	565,000
Desjardins	580,000
January	555,000

FRIDAY March 24 - 8:30

February	m/m
Consensus	1.0%
Desjardins	2.9%
January	2.0%

MONDAY March 20 - 8:30

January	m/m
Consensus	0.4%
Desjardins	0.5%
December	0.7%

TUESDAY March 21 - 8:30

January	m/m
Consensus	1.3%
Desjardins	1.5%
December	-0.5%

WEDNESDAY March 23 - 16:00

UNITED STATES

Existing home sales (February) – Resales jumped 3.3% in January after falling 1.6% in December. This took annualized resales to 5,690,000 units, a peak that dates back to February 2007. A retreat is forecast for February, however, primarily because of a 2.8% drop in pending home resales. Last month also saw a steep drop in mortgage applications in view of a purchase. Sales are therefore projected to contract more than 4%. The level should go to 5,450,000 units.

New home sales (February) – Like resales, sales of new single-family homes shot up in January, rising 3.7%. On an annualized basis, they went to 555,000 units. This remains below the average for 2016, so there is still room for another increase. Moreover, building permits for single-family homes increased 3.1% in February, suggesting an improvement. The homebuilder confidence index is also doing well. New home sales should therefore increase to 580,000 units.

New durable goods orders (February) – New durable goods orders advanced 2.0% in January, thanks to the aviation sector, which skyrocketed 67.0%. Excluding transportation, orders were flat. We expect another gain by orders in February. This time, growth should be more general. Based on Boeing's numbers and favourable seasonal factors, aviation should make another positive contribution. The auto sector is also expected to go up. Excluding transportation, growth of 1.0% is forecast, in line with some components of manufacturing output and, in particular, the ISM manufacturing index's recent good performance. In February, the orders sub-component also hit its highest point since August 2009. All in all, new durable goods orders are expected to rise 2.9%.

CANADA

Wholesale sales (January) – Wholesale sales could see a fourth straight month of growth in January. For one thing, the trend for retail trade has been fairly good for several months. For another, the data on merchandise exports points to an increase in several sectors in January.

Retail sales (January) – Everything is in place for retail sales to be back on track for growth in January. Once seasonally adjusted, gas prices are up 9.5% for the month; this should boost the value of service station sales. According to the preliminary figures, the number of new motor vehicles sold went up nearly 5% in January, while auto prices increased 1.8% (seasonally adjusted). The value of new car dealer sales should therefore go up substantially. If we also factor in the possibility of a rebound by sales in most other sectors due to the growing holiday season gift card phenomenon, total retail sales could well rebound significantly in January.

Federal budget – Minister Morneau will table his budget in the House of Commons on Wednesday, March 22. Among other things, the budget deficit for fiscal 2017–2018 is expected to be a little smaller than anticipated in the last budget given some delays in implementing the stimulus plan. It will also be interesting to see what further details the government provides on the change in and impact of public investment in upcoming years. As for new measures, the government does not have much leeway, so expectations are small.

FRIDAY March 24 - 8:30

February	m/m
Consensus	0.2%
Desjardins	0.4%
January	0.9%

Consumer price index (February) – According to the surveys at the pump, gas prices fell about 4.0% in February; this could trigger a 0.1% decrease in the monthly change in the total consumer price index (CPI). Seasonal price fluctuations are usually around +0.4% in February, with a substantial increase in clothing prices, among others. If we also factor in the slight uptrend for other prices, February could wind up with a 0.4% monthly increase in the total CPI. The total annual inflation rate could go from 2.1% to 2.3%.

FRIDAY March 24 - 5:00


March	
Consensus	55.8
February	56.0


OVERSEAS

Euro zone: PMI indexes (March) – The composite PMI index for Euroland was flat at a fairly good 54.4 in January, then rose to 56.0 in February. This is its highest point since data has been available. The gain, which primarily stems from the service sector, is compatible with faster growth by Europe’s economy. We will have to wait and see whether the good performance persists in March. Among the other indicators, March’s flash version of the Euroland consumer confidence index will be released Thursday. In February, it declined from January’s level.

Economic indicators

Week of March 20 to 24, 2017

Day	Hour	Indicator	Period	Consensus		Previous data
UNITED STATES						
MONDAY 20	13:10	Speech of the Chicago Fed President, C. Evans				
TUESDAY 21	8:30	Current account (US\$B)	Q4	-128.6	-129.7	-113.0
	12:00	Speech of the Kansas City Fed President, E. George				
	18:00	Speech of the Cleveland Fed President, L. Mester				
WEDNESDAY 22	10:00	Existing home sales (ann. rate)	Feb.	5,580,000	5,450,000	5,690,000
THURSDAY 23	8:00	Speech of the Federal Reserve Chairman, J. Yellen				
	8:30	Initial unemployment claims	March	240,000	233,000	241,000
	10:00	New home sales (ann. rate)	Feb.	565,000	580,000	555,000
	14:00	Speech of the Minneapolis Fed President, N. Kashkari				
	19:00	Speech of the Dallas Fed President, R. Kaplan				
FRIDAY 24	8:00	Speech of the Chicago Fed President, C. Evans				
	8:30	Durable goods orders (m/m)	Feb.	1.0%	2.9%	2.0%
	9:05	Speech of the St. Louis Fed President, J. Bullard				
CANADA						
MONDAY 20	8:30	Wholesale sales (m/m)	Jan.	0.4%	0.5%	0.7%
	8:30	Wholesale inventories (m/m)	Jan.	n/a	0.4%	1.1%
TUESDAY 21	8:30	Retail sales				
		Total (m/m)	Jan.	1.3%	1.5%	-0.5%
		Excluding automobiles (m/m)	Jan.	1.3%	1.3%	-0.3%
	15:45	Speech of a Bank of Canada Deputy Governor, L. Schembri				
WEDNESDAY 22	16:00	2016 Federal Budget				
THURSDAY 23	---	---				
FRIDAY 24	8:30	Consumer price index				
		Total (m/m)	Feb.	0.2%	0.4%	0.9%
		Excluding food and energy (m/m)	Feb.	n/a	0.5%	0.6%
		Total (y/y)	Feb.	2.1%	2.3%	2.1%
		Excluding food and energy (y/y)	Feb.	n/a	2.1%	2.2%

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 Daylight Saving Time (GMT - 4 hours).  Forecast of Desjardins, Economic Studies of the Desjardins Group.

Economic indicators

Week of March 20 to 24, 2017

Country	Hour	Indicator	Period	Consensus		Previous data		
				m/m (q/q)	y/y	m/m (q/q)	y/y	
OVERSEAS								
MONDAY 20								
Germany	3:00	Producer price index	Feb.	0.4%	3.2%	0.7%	2.4%	
Euro zone	6:00	Labour costs	Q4		n/a		1.5%	
Australia	20:30	Minutes of the Reserve Bank of Australia March meeting						
TUESDAY 21								
United Kingdom	5:30	Consumer price index	Feb.	0.5%	2.1%	-0.5%	1.8%	
United Kingdom	5:30	Producer price index	Feb.	0.3%	3.7%	0.6%	3.5%	
Japan	19:50	Trade balance (¥B)	Feb.	551.9		155.5		
WEDNESDAY 22								
Japan	0:30	All industry activity index	Jan.	0.0%		-0.3%		
Euro zone	5:00	Current account (€B)	Jan.	n/a		31.0		
Italy	5:30	Current account (€M)	Jan.	n/a		5,535		
New Zealand	16:00	Reserve Bank of New Zealand meeting	March	1.75%		1.75%		
THURSDAY 23								
Germany	3:00	Consumer confidence	April	10.0		10.0		
France	3:45	Business confidence	March	104		104		
France	3:45	Production outlook	March	n/a		5		
United Kingdom	5:30	Retail sales	Feb.	0.4%	2.6%	-0.3%	1.5%	
Euro zone	11:00	Consumer confidence – preliminary	March	-5.9		-6.2		
FRIDAY 24								
Japan	1:00	Leading indicator – final	Jan.	n/a		105.5		
Japan	1:00	Coincident indicator – final	Jan.	n/a		114.9		
France	3:45	Real GDP – final	Q4	0.4%	1.2%	0.4%	1.2%	
France	4:00	PMI composite index – preliminary	March	55.9		55.9		
France	4:00	PMI manufacturing index – preliminary	March	52.4		52.2		
France	4:00	PMI services index – preliminary	March	56.1		56.4		
Germany	4:30	PMI composite index – preliminary	March	56.0		56.1		
Germany	4:30	PMI manufacturing index – preliminary	March	56.5		56.8		
Germany	4:30	PMI services index – preliminary	March	54.5		54.4		
Euro zone	5:00	PMI composite index – preliminary	March	55.8		56.0		
Euro zone	5:00	PMI manufacturing index – preliminary	March	55.3		55.4		
Euro zone	5:00	PMI services index – preliminary	March	55.3		55.5		
Russia	6:30	Bank of Russia meeting	March	10.00%		10.00%		

Note: In contrast to the situation in Canada and the United States, disclosure of overseas economic figures is much more approximate. The day of publication is therefore shown for information purposes only. The abbreviations m/m, q/q and y/y correspond to monthly, quarterly and yearly variation respectively. The times shown are Daylight Saving Time (GMT - 4 hours).

UNITED STATES
Quarterly economic indicators

	REF. QUART.	LEVEL	VARIATION (%)		ANNUAL VARIATION (%)		
			Quart. ann.	1 year	2016	2015	2014
Gross domestic product (2009 \$B)	2016 Q4	16,804	1.9	1.9	1.6	2.6	2.4
Consumption (2009 \$B)	2016 Q4	11,655	3.0	3.0	2.7	3.2	2.9
Government spending (2009 \$B)	2016 Q4	2,909	0.3	0.2	0.8	1.8	-0.9
Residential investment (2009 \$B)	2016 Q4	596.0	9.6	1.1	4.9	11.7	3.5
Non-residential investment (2009 \$B)	2016 Q4	2,200	1.3	0.0	-0.5	2.1	6.0
Business inventory change (2009 \$B) ¹	2016 Q4	46.2	---	---	21.1	84.0	57.7
Exports (2009 \$B)	2016 Q4	2,140	-4.0	1.6	0.4	0.1	4.3
Imports (2009 \$B)	2016 Q4	2,740	8.5	2.5	1.1	4.6	4.4
Final domestic demand (2009 \$B)	2016 Q4	17,340	2.6	2.1	2.1	3.1	2.6
GDP deflator (2009 = 100)	2016 Q4	112.2	2.0	1.6	1.3	1.1	1.8
Labor productivity (2009 = 100)	2016 Q4	107.4	1.5	1.0	0.3	0.9	0.8
Unit labor cost (2009 = 100)	2016 Q4	111.2	1.7	2.0	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) 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)	Feb.*	126.2	0.6	1.8	2.3	3.1
ISM manufacturing index ¹	Feb.	57.7	56.0	53.5	49.4	49.7
ISM non-manufacturing index ¹	Feb.	57.6	56.5	56.2	51.7	54.3
Cons. confidence Conference Board (1985 = 100) ¹	Feb.	114.8	111.6	109.4	101.8	94.0
Personal consumption expenditure (2009 \$B)	Jan.	11,658	-0.3	0.3	0.9	2.8
Disposable personal income (2009 \$B)	Jan.	12,799	-0.2	0.1	0.6	2.0
Consumer credit (\$B)	Jan.	3,773	0.2	1.3	3.1	6.3
Retail sales (\$M)	Feb.*	473,991	0.1	1.7	3.6	5.7
<i>Excluding automobiles (\$M)</i>	Feb.*	376,276	0.2	1.8	3.5	5.7
Industrial production (2007 = 100)	Feb.*	104.7	0.0	0.6	0.3	0.3
Production capacity utilization rate (%) ¹	Feb.*	75.4	75.5	75.2	75.5	75.6
New machinery orders (\$M)	Jan.	470,202	1.2	0.1	3.9	3.8
New durable good orders (\$M)	Jan.	230,702	2.0	-3.7	1.7	-0.5
Business inventories (\$B)	Jan.*	1,841	0.3	1.5	1.6	2.3
Housing starts (k) ¹	Feb.*	1,288	1,251	1,149	1,164	1,213
Building permits (k) ¹	Feb.*	1,213	1,293	1,212	1,152	1,162
New home sales (k) ¹	Jan.	555.0	535.0	568.0	622.0	526.0
Existing home sales (k) ¹	Jan.	5,690	5,510	5,530	5,330	5,480
Commercial surplus (\$M) ¹	Jan.	-48,492	-44,259	-42,577	-39,691	-43,356
Nonfarm employment (k) ²	Feb.	145,798	235.0	628.0	1,165	2,350
Unemployment rate (%) ¹	Feb.	4.7	4.8	4.6	4.9	4.9
Consumer price (1982-1984 = 100)	Feb.*	244.5	0.1	0.9	1.7	2.8
<i>Excluding food and energy</i>	Feb.*	251.3	0.2	0.7	1.2	2.2
Personal cons. expenditure deflator (2009 = 100)	Jan.	112.1	0.4	0.7	1.2	1.9
<i>Excluding food and energy</i>	Jan.	112.4	0.3	0.5	0.9	1.7
Producer price (2009 = 100)	Feb.*	112.2	0.3	1.1	1.7	2.2
Export prices (2000 = 100)	Feb.	121.9	0.3	0.9	1.5	3.1
Import prices (2000 = 100)	Feb.	122.6	0.2	1.2	1.7	4.6

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	2016	2015	2014
Gross domestic product (2007 \$M)	2016 Q4	1,811,213	2.6	1.9	1.4	0.9	2.6
Household consumption (2007 \$M)	2016 Q4	1,034,553	2.6	2.4	2.2	1.9	2.8
Government consumption (2007 \$M)	2016 Q4	351,614	2.1	2.3	2.0	1.5	0.8
Residential investment (2007 \$M)	2016 Q4	125,127	4.8	2.4	2.9	3.8	2.7
Non-residential investment (2007 \$M)	2016 Q4	160,851	-17.4	-7.0	-8.4	-11.5	3.2
Business inventory change (2007 \$M) ¹	2016 Q4	-4,365	---	---	-1,038	3,861	9,392
Exports (2007 \$M)	2016 Q4	582,790	1.3	0.8	1.1	3.4	5.8
Imports (2007 \$M)	2016 Q4	559,480	-13.5	-1.3	-1.0	0.3	2.2
Final domestic demand (2007 \$M)	2016 Q4	1,783,789	0.4	1.2	0.9	0.3	1.9
GDP deflator (2007 = 100)	2016 Q4	114.2	4.3	1.9	0.6	-0.8	1.9
Labour productivity (2007 = 100)	2016 Q4	108.0	1.4	1.6	0.7	-0.5	2.6
Unit labour cost (2007 = 100)	2016 Q4	116.4	2.7	0.6	0.9	2.2	0.9
Current account balance (\$M) ¹	2016 Q4	-10,726	---	---	-67,695	-67,553	-48,207
Production capacity utilization rate (%) ¹	2016 Q4	82.2	---	---	81.0	80.8	82.4
Disposable personal income (\$M)	2016 Q4	1,190,700	6.3	4.0	3.8	4.4	3.2
Corporate net operating surplus (2007 \$M)	2016 Q4	239,580	28.8	12.0	-4.5	-19.5	8.2

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)	Dec.	1,697,857	0.3	0.6	1.8	2.0
Industrial production (2007 \$M)	Dec.	358,516	0.4	0.5	4.8	2.5
Manufacturing sales (\$M)	Jan.*	53,816	0.6	5.0	6.0	2.7
Housing starts (k) ¹	Feb.	210.2	208.9	187.5	183.7	218.6
Building permits (\$M)	Jan.	7,616	5.4	-6.4	8.1	17.1
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) ¹	Jan.	806.9	447.5	-1,285	-2,226	-1,004.2
<i>Exports (\$M)</i>	Jan.	46,450	0.5	5.8	7.7	1.8
<i>Imports (\$M)</i>	Jan.	45,644	-0.3	1.0	0.6	-2.1
Employment (k) ²	Feb.	18,289	15.3	36.6	36.5	24.0
Unemployment rate (%) ¹	Feb.	6.6	6.8	6.8	7.0	7.2
Average weekly earnings (\$)	Dec.	971.0	1.0	1.7	1.5	1.2
Number of salaried employees (k) ²	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)	Jan.	112.7	0.4	1.3	2.1	2.3
Raw materials price (2002 = 100)	Jan.	99.9	1.7	6.7	9.2	23.0
Money supply M1+ (\$M)	Jan.	904,578	1.1	2.7	5.2	10.2

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		
	Mar. 17	Mar. 10	-1 month	-3 months	-6 months	-1 year	Higher	Average	Lower
United States									
Federal funds – target	1.00	0.75	0.75	0.75	0.50	0.50	1.00	0.57	0.50
Treasury bill – 3 months	0.73	0.73	0.52	0.50	0.29	0.29	0.78	0.38	0.18
Treasury bonds – 2 years	1.31	1.35	1.20	1.26	0.78	0.86	1.38	0.92	0.56
– 5 years	2.01	2.10	1.91	2.06	1.21	1.33	2.13	1.45	0.94
– 10 years	2.50	2.58	2.44	2.60	1.70	1.87	2.61	1.95	1.36
– 30 years	3.11	3.16	3.04	3.18	2.45	2.67	3.19	2.67	2.11
S&P 500 index (level)	2,380	2,373	2,351	2,258	2,139	2,050	2,396	2,175	2,001
DJIA index (level)	20,924	20,903	20,624	19,843	18,124	17,602	21,116	18,736	17,140
Gold price (US\$/ounce)	1,230	1,200	1,238	1,132	1,311	1,254	1,369	1,257	1,127
CRB index (level)	184.06	182.65	192.12	191.43	180.78	176.35	195.82	186.13	165.23
WTI oil (US\$/barrel)	48.80	48.05	53.41	51.93	43.04	39.47	54.48	47.50	35.72
Canada									
Overnight – target	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50
Treasury bill – 3 months	0.50	0.49	0.48	0.48	0.51	0.46	0.56	0.49	0.42
Treasury bonds – 2 years	0.80	0.84	0.78	0.82	0.58	0.54	0.88	0.63	0.47
– 5 years	1.22	1.27	1.17	1.22	0.74	0.71	1.32	0.84	0.53
– 10 years	1.76	1.81	1.71	1.83	1.19	1.28	1.87	1.36	0.95
– 30 years	2.42	2.48	2.41	2.42	1.82	2.08	2.53	2.01	1.55
<u>Spread with the U.S. rate (% points)</u>									
Overnight – target	-0.50	-0.25	-0.25	-0.25	0.00	0.00	0.00	-0.07	-0.50
Treasury bill – 3 months	-0.23	-0.24	-0.04	-0.02	0.22	0.17	0.35	0.12	-0.29
Treasury bonds – 2 years	-0.51	-0.51	-0.42	-0.44	-0.19	-0.32	-0.06	-0.28	-0.55
– 5 years	-0.80	-0.83	-0.75	-0.85	-0.47	-0.62	-0.38	-0.62	-0.89
– 10 years	-0.74	-0.76	-0.73	-0.77	-0.51	-0.59	-0.31	-0.59	-0.82
– 30 years	-0.69	-0.68	-0.63	-0.76	-0.63	-0.60	-0.52	-0.66	-0.88
S&P/TSX index (level)	15,560	15,507	15,839	15,252	14,451	13,497	15,922	14,655	13,266
Exchange rate (C\$/US\$)	1.3346	1.3471	1.3099	1.3336	1.3209	1.3002	1.3575	1.3097	0.7493
Exchange rate (C\$/€)	1.4341	1.4376	1.3903	1.3937	1.4735	1.4653	1.4955	1.4414	1.3828
Overseas									
<u>Euro zone</u>									
ECB – Refinancing rate	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Exchange rate (US\$/€)	1.0746	1.0672	1.0614	1.0451	1.1155	1.1270	1.1532	1.0990	1.0387
<u>United Kingdom</u>									
BoE – Base rate	0.25	0.25	0.25	0.25	0.25	0.50	0.50	0.34	0.25
Bonds – 10 years	1.23	1.16	1.21	1.44	0.87	1.45	1.66	1.19	0.61
FTSE index (level)	7,420	7,343	7,300	7,012	6,710	6,190	7,420	6,749	5,924
Exchange rate (US\$/£)	1.2369	1.2172	1.2415	1.2497	1.3002	1.4481	1.4879	1.3138	1.2049
<u>Germany</u>									
Bonds – 10 years	0.44	0.49	0.30	0.22	-0.06	0.22	0.49	0.10	-0.22
DAX index (level)	12,073	11,963	11,757	11,404	10,276	9,951	12,083	10,651	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)	19,522	19,605	19,235	19,401	16,519	16,725	19,634	17,436	14,952
Exchange rate (US\$/¥)	112.77	114.75	112.88	117.99	102.30	111.57	118.18	108.41	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.