

WEEKLY NEWSLETTER

Canadian Retailers and Wholesalers Get 2017 Off to a Strong Start

HIGHLIGHTS

- ▶ United States: New home prices jumped while resale prices retreated.
- ▶ Canada: Wholesale and retail sales surge in January.
- ▶ Canada: The total annual inflation rate stays around the midpoint target.

A LOOK AHEAD

- ▶ February's growth by U.S. real consumption was probably once again affected by the drop in heating demand.
- ▶ Canada: Real GDP by industry should ascend further in January.

FINANCIAL MARKETS

- ▶ Worst performance by the S&P 500 since Donald Trump won.
- ▶ The resurgence of stock market volatility favours bonds.
- ▶ The Canadian dollar is having a hard time capitalizing on the greenback's weakness.

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Key statistics of the week

UNITED STATES

- ▶ Existing home sales fell 3.7% in February after rising 3.3% in January. They are at an annualized 5,480,000 units, the lowest point since September, and down 3.7% from February 2016. The monthly pullback primarily comes from condo resales, which dropped 9.2%. Sales of single-family homes are also down 3.0%.
- ▶ Sales of new single-family homes jumped 6.1% in February after rising 5.3% in January and falling 7.5% in December. On an annualized basis, they went from 558,000 units to 592,000, their highest point since July 2016. Sales growth was especially lively in the Midwest (+14.8%), offsetting a 21.4% plunge in the Northeast.
- ▶ New durable goods orders advanced 2.3% in January, then posted another increase in February, rising 1.7%. As anticipated, civil aviation contributed to the growth, jumping 47.6%, but this was partially offset by a 12.8% pullback in military aviation. Auto orders declined 0.8%. Excluding transportation, a 0.4% increase was recorded following January's 0.2% rise; the increases are smaller than the ISM manufacturing index is suggesting. New capital goods orders excluding defence and aviation ticked down 0.1% following January's modest 0.1% gain.

Francis Généreux, Senior economist

CANADA

- ▶ The total consumer price index (CPI) went up 0.2% in February. After staying below the Bank of Canada's (BoC) midpoint target for quite some time, the total annual inflation rate was around 2% in February for a second straight month. The annual changes in the BoC's three new core indexes show slighter growth, however. This should reassure the monetary authorities about inflation pressure in Canada.
- ▶ As expected, the value of retail sales jumped in January, with a monthly gain of 2.2%. New motor vehicle sales posted substantial growth, as did service station sales. Sales by other retailers also went up 1.9% after dropping 1.5% in December. The growing gift card phenomenon is probably primarily responsible for these highly volatile results. In real terms, sales are up 1.3%.
- ▶ Wholesale sales rose 3.3% in January, much higher than expectations. The increase is primarily focused in auto and auto parts wholesalers (+17.1%) and personal and household item wholesalers (+3.0%). Excluding these two sectors, sales are down 0.3% for the month. In real terms, total wholesale sales increased 3.4%.
- ▶ The federal government tabled its budget on Wednesday. Despite the introduction of several new initiatives, the financial impact of the measures announced in Budget 2017 is fairly limited. Admittedly, the 2016 budget had done a lot of the heavy lifting by reducing the tax burden for certain types of households and introducing a major infrastructure investment plan, leaving the government with little room to manoeuvre. The measures introduced in Budget 2017 emphasize long-term results and primarily aim to strengthen the middle class. The budget projections are similar to those set out in last year's budget. A deficit of \$23.0B is anticipated for 2016–2017, followed by a \$28.5B deficit in 2017–2018. A gradual improvement in the budgetary balance is expected thereafter.

Benoit P. Durocher, Senior economist

Financial markets

Doubt Begins to Emerge About Donald Trump

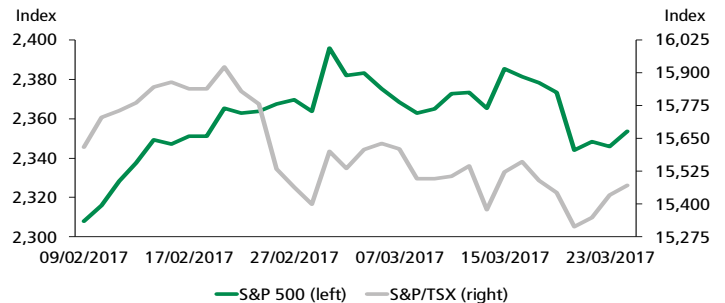
It was a tough week, with the S&P 500 heading for its worst weekly performance since Donald Trump won. Most sectors posted declines, but financial securities stood out; they were poised to record a weekly decline of almost 5% at the time of writing. Investors took a dim view of the dissent within the Republican party over the plan to repeal *Obamacare*. The success or failure of this component of Donald Trump's program is seen as an event that could set the tone for the tax reform plan, a cornerstone in Donald Trump's economic pledges. The securities that got the most out of his win therefore sagged this week. In Canada, the S&P/TSX had its difficulties as well, in tandem with weak commodities.

The renewed volatility of riskier assets played in favour of bonds, and the U.S. 10-year yield fell to 2.37% on Wednesday. It recovered to just above 2.40% after that. Doubts over the U.S. government's plans were in the foreground, but the markets did not go so far as to challenge the assumption of another Federal Reserve rate hike in June. In Canada, the announcements in the federal government budget tabled Wednesday made few waves in the bond market, as the debt issuance program is fairly similar to last year's. Canadian yields therefore followed the U.S. downtrend.

The greenback did not depreciate as much this week. With the downtrend in the stock markets and bond yields, Tuesday was the greenback's toughest session. Helped by lessening political uncertainties in Europe, the euro crossed back above US\$1.08. The pound also advanced over the week, settling close to US\$1.25. The release of higher than anticipated inflation numbers in the United Kingdom provided the pound with its main support. In contrast, the Canadian dollar was hurt by the release of Canada's inflation numbers, which were a little lower than anticipated. Oil remained under pressure, adding to the loonie's struggle to benefit from the weak greenback. The loonie was trading below US\$0.75 on Friday.

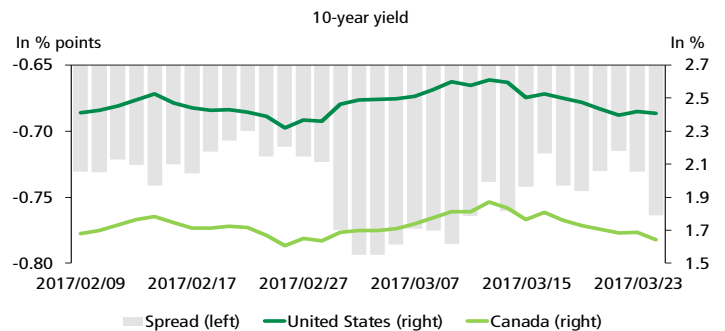
Jimmy Jean, CFA, Senior economist
Hendrix Vachon, Senior economist

GRAPH 1
Stock markets



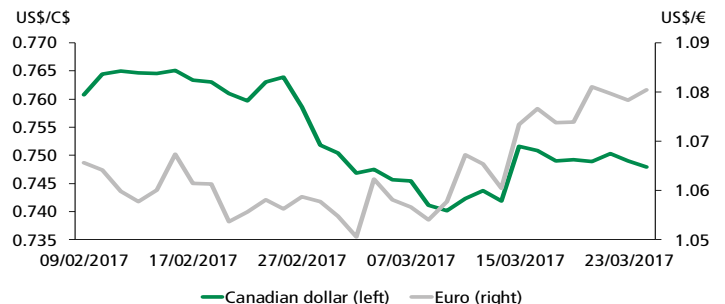
Sources: Datastream and Desjardins, Economic Studies

GRAPH 2
Bond markets



Sources: Datastream and Desjardins, Economic Studies

GRAPH 3
Currency markets



Sources: Datastream and Desjardins, Economic Studies

A look ahead

TUESDAY March 28 - 9:00

January	y/y
Consensus	5.60%
Desjardins	5.60%
December	5.58%

TUESDAY March 28 - 10:00

March	
Consensus	113.7
Desjardins	115.0
February	114.8

FRIDAY March 31 - 8:30

February	m/m
Consensus	0.2%
Desjardins	0.1%
January	0.2%

FRIDAY March 31 - 8:30

January	m/m
Consensus	0.3%
Desjardins	0.3%
December	0.3%

DURING THE WEEK
DURING THE WEEK

UNITED STATES

S&P/Case-Shiller index of existing home prices (January) – In December, home prices posted their strongest growth since March 2016, with a monthly gain of 0.9%, giving the index its six straight monthly increase, for a total gain of 3.4% from the latest low in June. Another solid advance of 0.7% is anticipated for January. The annual change in the S&P/Case-Shiller index should stay at 5.6%.

Conference Board consumer confidence index (March) – After falling in January, the Conference Board confidence index returned to its uptrend in February, posting its highest level since July 2001. It is expected to remain relatively stable in March. The Michigan index's preliminary version went up, as did Bloomberg's weekly index. However, the TIPP index is posting a decline for this month instead. The stock market is down from where it was at the end of February, but much of the decline is very recent, likely after the survey period. For their part, gas prices have not moved much in the last month. Lastly, the Trump administration's political problems—particularly regarding the replacement of the health insurance program and investigations related to Russia—have especially increased in the last week. All in all, the index should go to 115.0, but there is a risk of a larger decline in April.

Consumption spending (February) – February's 0.3% contraction in real consumption is the worst monthly performance since September 2009. The upgrade to January's retail sales numbers suggests, however, that this result will also be revised upwards, probably to -0.1%. For February, we expect real consumption to stagnate. Auto sales should not post strong growth, and last month's weak retail sales suggest a very modest advance by other types of goods, as well as food services. As in January, the unusually warm weather probably triggered a major drop in consumption of heating services. However, we expect the forecast 0.1% increase in the price index to trigger an equivalent rise in nominal consumption. Nominal personal income should go up 0.4%.

CANADA

Real GDP by industry (January) – Most of the economic indicators went up sharply in January. Among other things, the volume of manufacturing sales went up 0.7% during the month, wholesale sales jumped 3.4%, and retail sales rose 1.3%. That being said, some service sectors may have struggled in January, as shown by the 0.7% drop in hours worked in these sectors. All in all, real GDP by industry could rise about 0.3% in January.


OVERSEAS


Euro zone: Economic indicators – Among the indicators to be released in the euro zone in the coming week, Thursday will bring us a number of confidence indexes for March. The early signs are fairly good. For one thing, the flash version of the consumer confidence index improved from -6.2 to -5.0, which is close to the last peak in January. Moreover, the Euroland composite PMI index has also improved according to March's preliminary version. The flash estimate for March's inflation comes out Friday. The annual change in the total consumer price index was 2.0% in February, the strongest it has been since January 2013. The German IFO index of corporate confidence comes out on Monday.

Japan: Economic indicators – A number of monthly indicators for February will be released in the coming week in Japan. Retail sales will be released Tuesday night. They rose 0.5% in January. Thursday evening, we will get the unemployment rate, industrial production and consumer price indexes. For prices, we are expecting the national index's annual change to slow. Industrial production is expected to rebound following January's 0.4% contraction.

Economic indicators

Week of March 27 to 31, 2017

Day	Hour	Indicator	Period	Consensus		Previous data
UNITED STATES						
MONDAY 27	13:15	Speech of the Chicago Fed President, C. Evans				
	18:30	Speech of the Dallas Fed President, R. Kaplan				
TUESDAY 28	8:30	Goods trade balance – preliminary (US\$B)	Feb.	-66.6	-67.6	-68.8
	8:30	Retail inventories – preliminary (m/m)	Feb.	n/a	n/a	0.8%
	8:30	Wholesale inventories – preliminary (m/m)	Feb.	0.2%	n/a	-0.2%
	9:00	S&P/Case-Shiller home price index (y/y)	Janv.	5.60%	5.60%	5.58%
	10:00	Consumer confidence	March	113.7	115.0	114.8
	13:00	Speech of the Dallas Fed President, R. Kaplan				
WEDNESDAY 29	9:20	Speech of the Chicago Fed President, C. Evans				
	10:00	Pending home sales (m/m)	Feb.	2.0%	n/a	-2.8%
	13:15	Speech of the San Francisco Fed President, J. Williams				
THURSDAY 30	8:30	Initial unemployment claims	March 20-24	245,000	245,000	258,000
	8:30	Real GDP (ann. rate)	Q4t	2.0%	2.0%	1.9%
	9:45	Speech of the Cleveland Fed President, L. Mester				
	11:00	Speech of the Dallas Fed President, R. Kaplan				
	11:15	Speech of the San Francisco Fed President, J. Williams				
FRIDAY 31	8:30	Personal income (m/m)	Feb.	0.4%	0.4%	0.4%
	8:30	Personal consumption expenditures (m/m)	Feb.	0.2%	0.1%	0.2%
	8:30	Personal consumption expenditures deflator				
		Total (m/m)	Feb.	0.1%	0.1%	0.4%
		Excluding food and energy (m/m)	Feb.	0.2%	0.2%	0.3%
		Total (y/y)	Feb.	2.1%	2.1%	1.9%
		Excluding food and energy (y/y)	Feb.	1.7%	1.7%	1.7%
	9:45	Chicago PMI index	March	57.0	55.0	57.4
	10:00	Speech of the Minneapolis Fed President, N. Kashkari				
	10:00	Michigan's consumer sentiment index – final	March	97.6	97.6	97.6
CANADA						
MONDAY 27	---	---				
TUESDAY 28	10:05	Speech of the Bank of Canada Governor, S. Poloz				
	16:00	2017 Quebec Budget				
WEDNESDAY 29	---	---				
THURSDAY 30	8:30	Industrial product price index (m/m)	Feb.	n/a	0.0%	0.4%
	8:30	Raw materials price index (m/m)	Feb.	n/a	0.5%	1.7%
FRIDAY 31	8:30	Real GDP by industry (m/m)	Jan.	0.3%	0.3%	0.3%

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 27 to 31, 2017

Country	Hour	Indicator	Period	Consensus		Previous data		
				m/m (q/q)	y/y	m/m (q/q)	y/y	
OVERSEAS								
DURING THE WEEK								
Germany	---	Retail sales	Feb.	0.7%	0.4%	-0.8%	2.3%	
MONDAY 27								
Euro zone	4:00	Money supply M3	Feb.		4.9%		4.9%	
Germany	4:00	IFO survey – Business climate	March	111.1		111.0		
Germany	4:00	IFO survey – Current situation	March	118.3		118.4		
Germany	4:00	IFO survey – Expectations	March	104.3		104.0		
TUESDAY 28								
France	2:45	Consumer confidence	March	100		100		
Japan	19:50	Retail sales	Feb.	0.3%	0.7%	0.5%	1.0%	
WEDNESDAY 29								
Japan	1:00	Small business confidence	March	nd		47.7		
THURSDAY 30								
Euro zone	5:00	Business climate	March	0.87		0.82		
Euro zone	5:00	Consumer confidence – final	March	-5.0		-5.0		
Euro zone	5:00	Industrial confidence	March	1.4		1.3		
Euro zone	5:00	Services confidence	March	14.0		13.8		
Euro zone	5:00	Economic confidence	March	108.3		108.0		
Germany	8:00	Consumer price index – preliminary	March	0.4%	1.8%	0.6%	2.2%	
Mexico	15:00	Bank of Mexico meeting	March	6.50%		6.25%		
United Kingdom	19:01	Consumer confidence	March	-7		-6		
Japan	19:30	Household spending	Feb.		-1.7%		-1.2%	
Japan	19:30	Consumer price index	Feb.		0.3%		0.4%	
Japan	19:30	Consumer price index – Tokyo	March		-0.2%		-0.3%	
Japan	19:30	Unemployment rate	Feb.	3.0%		3.0%		
Japan	19:50	Industrial production – preliminary	Feb.	1.2%	3.9%	-0.4%	3.7%	
China	21:00	PMI manufacturing index	March	51.7		51.6		
China	21:00	PMI non-manufacturing index	March	n/a		54.2		
FRIDAY 31								
Japan	0:00	Vehicle production	Feb.		n/a		3.8%	
Japan	1:00	Housing starts	Feb.		-1.2%		12.8%	
France	2:45	Personal consumption expenditures	Feb.	0.1%	1.1%	0.6%	1.4%	
France	2:45	Consumer price index – preliminary	March	0.7%	1.2%	0.1%	1.2%	
United Kingdom	4:30	Current account (£B)	Q4	-16.0		-25.5		
United Kingdom	4:30	Index of services	Jan.	0.2%		0.2%		
United Kingdom	4:30	Real GDP – final	Q4	0.7%	2.0%	0.7%	2.0%	
Euro zone	5:00	Consumer price index – estimate	March		1.8%		2.0%	
Italy	5:00	Consumer price index – preliminary	March	0.1%	1.5%	0.3%	1.5%	

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 Q4*	-112.4	---	---	-481.2	-463.0	-392.1

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)	Feb.*	235,386	1.7	3.2	3.5	5.0
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.	1,216	1,293	1,212	1,152	1,162
New home sales (k) ¹	Feb.*	592.0	558.0	573.0	559.0	525.0
Existing home sales (k) ¹	Feb.*	5,480	5,690	5,600	5,340	5,200
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)	Jan.*	45,952	2.2	2.0	4.2	4.5
Excluding automobiles (\$M)	Jan.*	34,098	1.7	1.1	3.0	4.6
Wholesale trade sales (\$M)	Jan.*	59,089	3.3	3.6	4.9	4.7
Commercial surplus (\$M) ¹	Jan.	806.9	447.5	-1,285	-2,226	-1,004
Exports (\$M)	Jan.	46,450	0.5	5.8	7.7	1.8
Imports (\$M)	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)	Feb.*	129.7	0.2	0.9	0.8	2.0
Excluding food and energy	Feb.*	124.8	0.4	0.6	0.8	2.0
Excluding 8 volatile items	Feb.*	129.2	0.4	0.5	0.5	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		
	March 24	March 17	-1 month	-3 months	-6 months	-1 year	Higher	Average	Lower
United States									
Federal funds – target	1.00	1.00	0.75	0.75	0.50	0.50	1.00	0.58	0.50
Treasury bill – 3 months	0.76	0.72	0.51	0.51	0.18	0.29	0.78	0.38	0.18
Treasury bonds – 2 years	1.26	1.32	1.14	1.21	0.75	0.89	1.38	0.92	0.56
– 5 years	1.94	2.02	1.81	2.03	1.16	1.37	2.13	1.47	0.94
– 10 years	2.41	2.50	2.32	2.54	1.61	1.89	2.61	1.96	1.36
– 30 years	3.02	3.11	2.95	3.11	2.34	2.67	3.19	2.67	2.11
S&P 500 index (level)	2,354	2,378	2,367	2,264	2,165	2,036	2,396	2,181	2,001
DJIA index (level)	20,687	20,915	20,822	19,934	18,261	17,516	21,116	18,797	17,140
Gold price (US\$/ounce)	1,248	1,229	1,255	1,134	1,340	1,221	1,369	1,257	1,127
CRB index (level)	183.40	184.48	190.93	190.53	183.10	172.18	195.82	186.32	165.23
WTI oil (US\$/barrel)	47.81	48.34	53.99	52.01	44.36	38.14	54.48	47.66	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	0.52	0.51	0.47	0.47	0.53	0.45	0.56	0.50	0.42
Treasury bonds – 2 years	0.75	0.81	0.75	0.80	0.52	0.57	0.88	0.64	0.47
– 5 years	1.13	1.21	1.09	1.21	0.62	0.73	1.32	0.84	0.53
– 10 years	1.64	1.76	1.61	1.80	1.04	1.27	1.87	1.37	0.95
– 30 years	2.32	2.41	2.33	2.39	1.70	2.05	2.53	2.01	1.55
<u>Spread with the U.S. rate (% points)</u>									
Overnight – target	-0.50	-0.50	-0.25	-0.25	0.00	0.00	0.00	-0.08	-0.50
Treasury bill – 3 months	-0.24	-0.21	-0.04	-0.04	0.35	0.16	0.35	0.11	-0.29
Treasury bonds – 2 years	-0.51	-0.51	-0.39	-0.41	-0.23	-0.32	-0.06	-0.29	-0.55
– 5 years	-0.81	-0.80	-0.72	-0.82	-0.53	-0.64	-0.38	-0.62	-0.89
– 10 years	-0.76	-0.74	-0.71	-0.74	-0.57	-0.62	-0.31	-0.59	-0.82
– 30 years	-0.70	-0.70	-0.63	-0.72	-0.64	-0.61	-0.52	-0.66	-0.88
S&P/TSX index (level)	15,472	15,490	15,533	15,328	14,698	13,358	15,922	14,693	13,266
Exchange rate (C\$/US\$)	1.3371	1.3350	1.3091	1.3536	1.3168	1.3275	1.3575	1.3100	0.7479
Exchange rate (C\$/€)	1.4453	1.4335	1.3828	1.4154	1.4782	1.4823	1.4955	1.4407	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\$/€)	1.0804	1.0738	1.0563	1.0457	1.1226	1.1166	1.1532	1.0982	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	1.21	1.17	1.08	1.34	0.73	1.46	1.66	1.18	0.61
FTSE index (level)	7,339	7,425	7,244	7,068	6,909	6,106	7,430	6,772	5,924
Exchange rate (US\$/£)	1.2487	1.2394	1.2468	1.2293	1.2974	1.4143	1.4879	1.3104	1.2049
<u>Germany</u>									
Bonds – 10 years	0.42	0.43	0.19	0.14	-0.15	0.18	0.49	0.11	-0.22
DAX index (level)	12,077	12,095	11,804	11,450	10,627	9,851	12,095	10,691	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)	19,263	19,522	19,284	19,428	16,754	17,003	19,634	17,481	14,952
Exchange rate (US\$/¥)	111.04	112.72	112.19	117.35	101.00	113.07	118.18	108.39	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.