

WEEKLY NEWSLETTER

Canada's Economy Was Once Again Strong in Early 2017

HIGHLIGHTS

- ▶ United States: More slow growth in consumption.
- ▶ U.S. consumer confidence at its highest level since 2000, according to the Conference Board index.
- ▶ Canada: Real GDP by industry up sharply in January.

A LOOK AHEAD

- ▶ United States: The ISM indexes for March could show modest increases.
- ▶ More solid job creation in the United States expected for March.
- ▶ Canada: The trade balance set to deteriorate slightly in February.
- ▶ Canada: Job advances could pull back in March.

FINANCIAL MARKETS

- ▶ Stock markets and oil climb higher.
- ▶ The bond market stabilizes.
- ▶ The euro falls back below US\$1.07 amid easing expectations on monetary firming in Europe.

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Key Statistics of the Week

UNITED STATES

- ▶ Real consumption slipped 0.1% in February, following a 0.2% decrease in January (revised from -0.3%) and a 0.4% gain in December. Spending on durable goods fell 0.1%. Non-durable goods consumption was up 0.1%, while consumption of services was down 0.1%. Weak consumer spending in January and February does not bode well for GDP growth for the quarter as a whole. For now, the carryover from real consumption is only 0.3% annualized.
- ▶ The consumer expenditure deflator was up 0.1%. Its annual change went from 1.9% to 2.1%, exceeding the Federal Reserve (Fed) target for the first time since April 2012. Excluding food and energy, the deflator edged up 0.2% and the annual change remained at 1.8%.
- ▶ After rising 4.5 points in February, the Conference Board consumer confidence index soared by 9.5 points in March. The index jumped from 116.1 to 125.6, its highest level since December 2000. The two main components of this index increased, with the component tied to the current situation rising from 134.4 to 143.1, while that tied to expectations climbed to 113.8 from 103.9. The results for consumers' perception of the job market all showed significant improvements.
- ▶ The S&P/Case-Shiller index of existing home prices in 20 main cities was up 0.9% in January, a result that mirrors the previous two months' results. The annual change in this index increased from 5.5% to 5.7%, the highest rate since July 2014.
- ▶ The third estimate of the national accounts for Q4 2016 led to a slight upgrade to the real GDP, with the annualized quarterly growth of this index rising from 1.9% to 2.1%. This gain stems mainly from household consumption, with the rate of expansion upgraded from 3.0% to 3.5%. This was partially offset by somewhat weaker business investment growth, however.
- ▶ The final version of the University of Michigan consumer confidence index in March shows a slight pullback vs. the preliminary version, with the index falling from 97.6 to 96.9. This still represents an increase over the 96.3 reading in February.

Francis Généreux, Senior economist

CANADA

- ▶ Real GDP by industry was up 0.6% in January. The goods industries advanced 1.1% for the month, thanks to major gains in manufacturing (+1.9%), oil and gas extraction and mining (+1.9%). The services industries benefited from a 0.4% boost. That said, it's clear the contribution of some industries to real GDP in January was unusually high. Nevertheless, as is often the case, these industries could underperform in February, with certain activities getting back to normal. This could slash real GDP growth by industry in February. Clearly, Canada's economic growth ramped up significantly in mid-2016 and the momentum seems to have carried over to early 2017. Even if we consider the possibility of a temporary pullback in February, the first quarter could wrap up with more than 3% growth, blasting past initial estimates.
- ▶ The industrial product price index was up 0.1% in February, a result that is in line with expectations. Prices for energy products and oil fell by 0.7% while prices for other products rose by 0.3%. Year over year, prices for industrial products are up 3.5%, a level not seen since April 2014.

Benoit P. Durocher, Senior economist

CANADA

The economy has clearly been on an uptrend since mid-2016



Sources: Statistics Canada and Desjardins, Economic Studies

Financial Markets

Confidence gets a boost

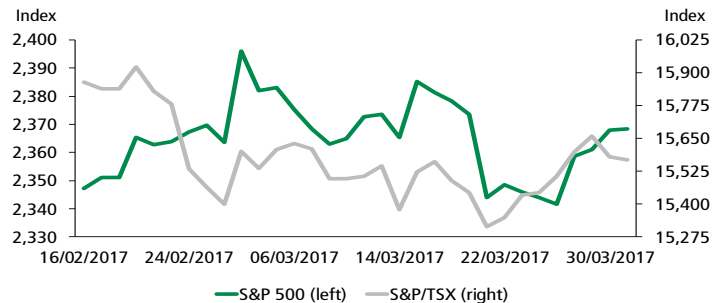
After going through a more difficult period, with declining oil prices and troubles in the Trump administration fuelling investors' doubts about improvements in economic growth outlooks and inflation, the stock markets renewed with their uptrend this week. Upbeat comments from several Federal Reserve (Fed) leaders seemed to reassure investors. Oil prices that edged above US\$50 a barrel, supported by inventory statistics in the United States and signs that OPEC (Organization of Petroleum Exporting Countries) would be ready to extend their agreement beyond mid-2017, also boosted the markets. At the time of writing, the S&P 500 and S&P/TSX were heading toward a weekly advance of about 1.0%, wrapping up a favourable quarter, especially south of the border.

U.S. bond yields continued to decline early in the week, with the 10-year yield even falling below 2.40%. Yields then edged up slightly, buoyed by the impact of comments made by some Fed's leaders and renewed optimism on the markets. Weak consumption in February, however, exerted downside pressures on U.S. yields by Friday morning. In Canada, the very dovish comments made by the Bank of Canada (BoC) governor saw yields roll back by mid-week, but real GDP growth in January that was much stronger than expected drove yields back up by Friday.

The U.S. dollar remained under pressure on Monday, but it changed course as of Tuesday. After reaching US\$1.09, the euro fell back to below US\$1.07. Several dovish comments made by European Central Bank leaders convinced the markets to downgrade their expectations on monetary firming in the euro zone. Inflation in March was also weaker than expected in the region. Along with the euro, the pound slipped from US\$1.26 to US\$1.24, but managed to get back to US\$1.25 on Thursday and Friday. Canada's currency climbed above US\$0.75, supported by rising oil prices and solid data on economic growth released on Friday. The comments made by the BoC's governor earlier in the week clipped the loonie's advances.

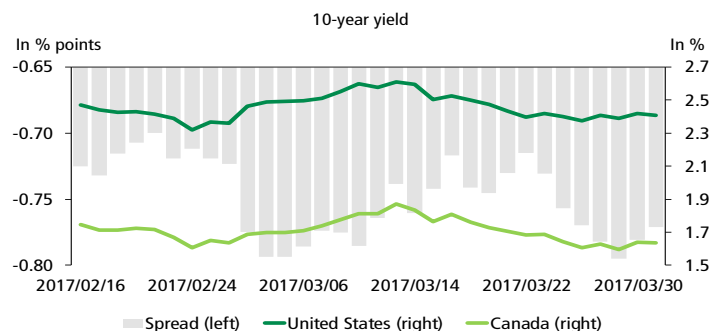
Mathieu D'Anjou, CFA, Senior economist
Hendrix Vachon, Senior economist

GRAPH 1
Stock markets



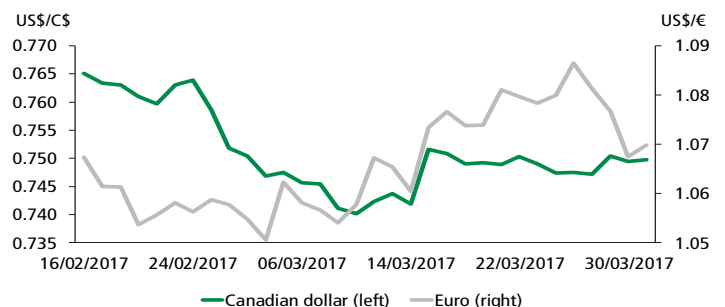
Sources: Datastream and Desjardins, Economic Studies

GRAPH 2
Bond markets



Sources: Datastream and Desjardins, Economic Studies

GRAPH 3
Currency markets



Sources: Datastream and Desjardins, Economic Studies

A Look Ahead

MONDAY April 3 - 10:00

March	
Consensus	57.0
Desjardins	58.0
February	57.7

TUESDAY April 4 - 8:30

February	US\$B
Consensus	-46.7
Desjardins	-44.3
January	-48.5

WEDNESDAY April 5 - 10:00

March	
Consensus	57.0
Desjardins	58.0
February	57.6

FRIDAY April 7 - 8:30

March	
Consensus	175,000
Desjardins	210,000
February	235,000

TUESDAY April 4 - 8:30

February	\$B
Consensus	0.64
Desjardins	0.60
January	0.81

FRIDAY April 7 - 8:30

March	
Consensus	5,700
Desjardins	5,000
February	15,300

UNITED STATES

ISM manufacturing index (March) – The ISM manufacturing index improved once again in February, soaring from 49.4 in August to 56.0 in January, and to 57.7 in February—its highest level since August 2014. After six consecutive monthly increases, the next movement should be modest. Most of the regional manufacturing indexes have slipped slightly, but only when compared to extremely high levels. We expect the ISM manufacturing index to show a modest gain to 58.0.

Trade balance (February) – The trade balance deteriorated in January due to a sharp increase in imports. We expect the trade balance to improve in February. The preliminary data on trade point to a 2.1% pullback in imports while exports fell by only 0.1%. The deficit should therefore fall from US\$48.5B—the worst since March 2012—to US\$44.3B, i.e., the same level as in December.

ISM non-manufacturing index (March) – After shedding 0.1 point in January, the ISM non-manufacturing index rebounded by 1.1 points in February, to 57.6, its highest level since October 2015. After this rebound, we do not expect to see any great changes for the month of March. That said, the uptick in household confidence indexes, especially the Conference Board index, points to an upside risk to our forecast of 58.0.

Job creation according to the establishment (March) – Job creation once again blasted past the consensus forecast in February, with 235,000 new workers added to payrolls. Another round of solid growth is expected in March. Jobless claims were modestly higher on average in March than in February, but their low level is a good sign for hiring. A clear improvement in most of the main household confidence indexes was also noted. Most particularly, consumers' perception of the job market situation in March was the best since September 2001. As a result, another gain in excess of 200,000 jobs is expected. The jobless rate for February should remain at 4.7%. Wage growth is expected to be somewhat stronger.

CANADA

International merchandise trade (February) – Once expressed in Canadian dollars and corrected for seasonal fluctuations, energy prices declined 4.2% in February, which will rein in the value of exports in this sector for the month. However, the prices for other commodities were up 1.6% in February. If we take into account the expected increase in several other industries, exports in February are expected to show a slight increase. Given the acceleration in domestic demand, faster import growth is more likely, which should contribute to reducing the trade balance for the month.

Labour force survey (March) – The labour market has benefited from a total of 254,300 new jobs since August 2016, which is considerable. As such, the six-month moving average, which provides a good snapshot of hiring trends, pointed to a monthly gain of 36,500 new jobs in February, a level that seems much too high despite the recent improvements in economic conditions these past few months. Under these conditions, the likelihood is fairly high that the labour market will underperform in March. The unemployment rate could as a result edge upward, from 6.6% to 6.7%. Worth noting, this rate was 7.2% at the beginning of 2016.

OVERSEAS

WEDNESDAY April 5 - 4:30

March

Consensus


53.8


February**53.8**

United Kingdom: PMI index (March) – The resilience of Britain’s economy in 2016 was a surprise amid concerns that the results of the Brexit referendum would deal a blow to the economic backdrop. We are now starting to see signs of weakness in some indicators. Such is the case with the PMI indexes, which have been declining for the past few months after posting much more upbeat readings last fall. As such, the composite index has fallen from a recent peak of 56.7 in December to 53.8 in February, its lowest level since last August, a decline that was mostly driven by the services sector. The results for the PMI indexes for March will provide better clues on the strength of Britain’s economy. The data on industrial output in February will be released on Friday. A negative monthly change of 0.4% was recorded in January.

Economic Indicators

Week of April 3 to 7, 2017

Day	Hour	Indicator	Period	Consensus		Previous data
UNITED STATES						
MONDAY 3	---	Total vehicle sales (ann. rate)	March	17,300,000	17,200,000	17,470,000
	10:00	Construction spending (m/m)	Feb.	1.0%	1.0%	-1.0%
	10:00	ISM manufacturing index	March	57.0	58.0	57.7
	10:30	Speech of the New York Fed President, W. Dudley				
	15:00	Speech of the Philadelphia Fed President, P. Harker				
	17:00	Speech of the Richmond Fed President, J. Lacker				
TUESDAY 4	8:30	Trade balance – Goods and services (US\$B)	Feb.	-46.7	-44.3	-48.5
	10:00	Factory orders (m/m)	Feb.	0.9%	0.9%	1.2%
	16:30	Speech of a Federal Reserve Governor, D. Tarullo				
WEDNESDAY 5	10:00	ISM non-manufacturing index	March	57.0	58.0	57.6
	14:00	Release of FOMC minutes				
THURSDAY 6	8:30	Initial unemployment claims	March 27-31	250,000	245,000	258,000
	9:30	Speech of the San Francisco Fed President, J. Williams				
FRIDAY 7	8:30	Change in nonfarm payrolls	March	177,000	210,000	235,000
	8:30	Unemployment rate	March	4.7%	4.7%	4.7%
	8:30	Weekly worked hours	March	34.4	34.4	34.4
	8:30	Average weekly earnings (m/m)	March	0.3%	0.3%	0.2%
	10:00	Wholesale inventories – final (m/m)	Feb.	0.4%	0.4%	0.4%
	15:00	Consumer credit (US\$B)	Feb.	12.50	18.50	8.79
CANADA						
MONDAY 3	10:30	Release of the Bank of Canada <i>Business Outlook Survey</i>				
	10:30	Release of the Bank of Canada <i>Senior Loan Officer Survey</i>				
TUESDAY 4	8:30	International trade (\$B)	Feb.	0.64	0.60	0.81
WEDNESDAY 5	---	---				
THURSDAY 6	8:30	Building permits (m/m)	Feb.	n/a	1.5%	5.4%
FRIDAY 7	8:30	Net change in employment	March	5,700	5,000	15,300
	8:30	Unemployment rate	March	6.7%	6.7%	6.6%
	10:00	PMI-Ivey index	March	n/a	57	55

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 April 3 to 7, 2017

Country	Hour	Indicator	Period	Consensus		Previous data		
				m/m (q/q)	y/y	m/m (q/q)	y/y	
OVERSEAS								
SUNDAY 2								
Japan	19:50	Tankan large manufacturers index	Q1	14		10		
MONDAY 3								
France	3:50	PMI manufacturing index – final	March	53.4		53.4		
Germany	3:55	PMI manufacturing index – final	March	58.3		58.3		
Euro zone	4:00	PMI manufacturing index – final	March	56.2		56.2		
United Kingdom	4:30	PMI manufacturing index	March	55.0		54.6		
Euro zone	5:00	Unemployment rate	Feb.	9.5%		9.6%		
TUESDAY 4								
Australia	0:30	Reserve Bank of Australia meeting	Apr.	1.50%		1.50%		
United Kingdom	4:30	PMI construction index	March	52.5		52.5		
Euro zone	5:00	Retail sales	Feb.	0.5%	1.0%	-0.1%	1.2%	
WEDNESDAY 5								
France	3:50	PMI composite index – final	March	57.6		57.6		
France	3:50	PMI services index – final	March	58.5		58.5		
Germany	3:55	PMI composite index – final	March	57.0		57.0		
Germany	3:55	PMI services index – final	March	55.6		55.6		
Euro zone	4:00	PMI composite index – final	March	56.7		56.7		
Euro zone	4:00	PMI services index – final	March	56.5		56.5		
United Kingdom	4:30	PMI composite index	March	53.8		53.8		
United Kingdom	4:30	PMI services index	March	53.5		53.3		
THURSDAY 6								
Japan	1:00	Consumer confidence	March	43.4		43.1		
Germany	2:00	Factory orders	Feb.	3.5%	3.6%	-7.4%	-0.8%	
India	5:00	Reserve Bank of India meeting	Apr.	6.25%		6.25%		
Euro zone	7:30	Minutes of the European Central Bank meeting						
FRIDAY 7								
Germany	2:00	Trade balance (€B)	Feb.	17.4		14.8		
Germany	2:00	Current account (€B)	Feb.	19.8		12.8		
Germany	2:00	Industrial production	Feb.	-0.2%	0.6%	2.8%	0.0%	
France	2:45	Trade balance (€M)	Feb.	-4,900		-7,940		
France	2:45	Current account (€B)	Feb.	n/a		-7.0		
France	2:45	Industrial production	Feb.	0.5%	1.4%	-0.3%	-0.4%	
United Kingdom	4:30	Trade balance (£M)	Feb.	-2,200		-1,966		
United Kingdom	4:30	Construction	Feb.	0.0%	1.9%	-0.4%	2.0%	
United Kingdom	4:30	Industrial production	Feb.	0.2%	3.7%	-0.4%	3.2%	

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	16,813	2.1	2.0	1.6	2.6	2.4
Consumption (2009 \$B)	2016 Q4	11,670	3.5	3.1	2.7	3.2	2.9
Government spending (2009 \$B)	2016 Q4	2,908	0.2	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	2,197	0.9	-0.1	-0.5	2.1	6.0
Business inventory change (2009 \$B) ¹	2016 Q4	49.6	---	---	22.0	84.0	57.7
Exports (2009 \$B)	2016 Q4	2,137	-4.5	1.5	0.4	0.1	4.3
Imports (2009 \$B)	2016 Q4	2,742	8.9	2.6	1.2	4.6	4.4
Final domestic demand (2009 \$B)	2016 Q4	17,351	2.8	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	0.3	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	March*	125.6	116.1	113.3	103.5	96.1
Personal consumption expenditure (2009 \$B)	Feb.*	11,676	-0.1	0.1	1.1	2.6
Disposable personal income (2009 \$B)	Feb.*	12,831	0.2	0.2	0.8	2.3
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)	Feb.*	112.2	0.1	0.7	1.2	2.1
<i>Excluding food and energy</i>	Feb.*	112.6	0.2	0.6	0.9	1.8
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)	Jan.*	1,709,738	0.6	1.5	2.0	2.3
Industrial production (2007 \$M)	Jan.*	364,768	1.5	3.3	4.6	3.4
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
<i>Excluding automobiles (\$M)</i>	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
<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 (\$)	Jan.*	967.2	-0.4	1.4	1.5	1.8
Number of salaried employees (k) ²	Jan.*	16,090	-5.4	27.3	18.8	20.5
Consumer price (2002 = 100)	Feb.	129.7	0.2	0.9	0.8	2.0
<i>Excluding food and energy</i>	Feb.	124.8	0.4	0.6	0.8	2.0
<i>Excluding 8 volatile items</i>	Feb.	129.2	0.4	0.5	0.5	1.7
Industrial product price (2002 = 100)	Feb.*	113.0	0.1	1.0	2.7	3.5
Raw materials price (2002 = 100)	Feb.*	101.1	1.2	9.7	11.3	23.7
Money supply M1+ (\$M)	Feb.*	902,086	-0.3	1.6	4.2	9.0

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 31	March 24	-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	0.59	0.50
Treasury bill – 3 months	0.76	0.77	0.70	0.50	0.28	0.23	0.78	0.39	0.18
Treasury bonds – 2 years	1.26	1.26	1.30	1.17	0.76	0.78	1.38	0.93	0.56
– 5 years	1.94	1.93	2.02	1.92	1.15	1.23	2.13	1.48	0.94
– 10 years	2.41	2.40	2.49	2.45	1.61	1.79	2.61	1.97	1.36
– 30 years	3.04	3.00	3.08	3.06	2.33	2.60	3.19	2.68	2.11
S&P 500 index (level)	2,368	2,344	2,383	2,239	2,168	2,073	2,396	2,187	2,001
DJIA index (level)	20,689	20,597	21,006	19,763	18,308	17,793	21,116	18,855	17,140
Gold price (US\$/ounce)	1,247	1,249	1,225	1,157	1,322	1,212	1,369	1,258	1,127
CRB index (level)	185.31	183.47	189.72	192.51	186.32	168.03	195.82	186.59	165.23
WTI oil (US\$/barrel)	50.20	47.30	53.33	53.75	48.11	36.78	54.48	47.86	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	0.51	0.49	0.49	0.46	0.53	0.45	0.56	0.50	0.42
Treasury bonds – 2 years	0.77	0.75	0.76	0.75	0.52	0.54	0.88	0.64	0.47
– 5 years	1.13	1.13	1.17	1.12	0.62	0.70	1.32	0.85	0.53
– 10 years	1.64	1.64	1.70	1.72	1.00	1.24	1.87	1.38	0.95
– 30 years	2.32	2.31	2.41	2.31	1.66	2.01	2.53	2.02	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	-0.09	-0.50
Treasury bill – 3 months	-0.25	-0.28	-0.21	-0.04	0.25	0.22	0.35	0.10	-0.29
Treasury bonds – 2 years	-0.49	-0.51	-0.53	-0.43	-0.24	-0.23	-0.06	-0.29	-0.55
– 5 years	-0.80	-0.80	-0.85	-0.80	-0.53	-0.53	-0.38	-0.63	-0.89
– 10 years	-0.77	-0.76	-0.79	-0.73	-0.61	-0.55	-0.31	-0.59	-0.82
– 30 years	-0.72	-0.69	-0.68	-0.75	-0.67	-0.59	-0.52	-0.66	-0.88
S&P/TSX index (level)	15,568	15,443	15,609	15,288	14,726	13,440	15,922	14,734	13,266
Exchange rate (C\$/US\$)	1.3337	1.3379	1.3377	1.3433	1.3129	1.3012	1.3575	1.3106	0.7498
Exchange rate (C\$/€)	1.4269	1.4448	1.4210	1.4126	1.4758	1.4817	1.4955	1.4399	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\$/€)	1.0698	1.0799	1.0623	1.0516	1.1241	1.1388	1.1532	1.0972	1.0387
<u>United Kingdom</u>									
BoE – Base rate	0.25	0.25	0.25	0.25	0.25	0.50	0.50	0.33	0.25
Bonds – 10 years	1.12	1.13	1.11	1.24	0.76	1.42	1.66	1.18	0.61
FTSE index (level)	7,345	7,337	7,374	7,143	6,899	6,146	7,430	6,795	5,924
Exchange rate (US\$/£)	1.2507	1.2470	1.2295	1.2339	1.2977	1.4227	1.4879	1.3069	1.2049
<u>Germany</u>									
Bonds – 10 years	0.33	0.41	0.36	0.11	-0.19	0.14	0.49	0.11	-0.22
DAX index (level)	12,289	12,064	12,027	11,481	10,511	9,795	12,289	10,734	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)	18,909	19,263	19,469	19,114	16,450	16,164	19,634	17,524	14,952
Exchange rate (US\$/¥)	111.43	111.35	114.02	116.90	101.35	111.67	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.