

WEEKLY NEWSLETTER

All Eyes on the Elections in Europe

HIGHLIGHTS

- ▶ United States: Energy supported industrial output, while manufacturing dropped.
- ▶ Housing starts in the United States declined in March, but resales reached their highest level since February 2007.
- ▶ Canada: The total annual inflation rate is lower than expected.
- ▶ Ontario: A series of measures is announced to restrict the real estate market.

A LOOK AHEAD

- ▶ The first round of the French presidential election will take place on Sunday 23 April.
- ▶ Weak GDP growth in the United States is expected for the first quarter.
- ▶ United States: Consumer confidence could drop in April.
- ▶ Canada: Wholesale and retail sales could come in almost flat in February.
- ▶ Canada: Real GDP by industry could edge up in February.

FINANCIAL MARKETS

- ▶ The S&P 500 is on its way to recording its first weekly gain in April.
- ▶ Inflation expectations: The markets are collapsing.
- ▶ The announcement of an election in the United Kingdom has pushed the pound up.

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Key Statistics of the Week

UNITED STATES

- ▶ Industrial output was up 0.5% in March after a modest 0.1% increase in February. The return of colder winter temperatures after two warm months triggered an 8.6% jump in energy production, the sharpest monthly increase in the history of this data. Activity in the mining sector was up 0.1%, after 2.9% growth in February. Manufacturing output declined 0.4%, however, the first drop since August 2016. Most of the manufacturing sub-sectors saw a contraction, with the automobile industry suffering the worst (-3.0%).
- ▶ Although still at high levels, the regional manufacturing indexes continued the decline that began in March. As such, the Philadelphia Fed index tumbled from 32.8 to 22.0, while the manufacturing index suffered a steeper drop, from 16.4 to 5.2.
- ▶ Housing starts were down 6.8% in March. This drop comes on the heels of a 5.0% gain one month earlier. As a result, the annualized level fell from 1,303,000 units in February to 1,215,000 in March, the weakest since November. The movement is almost the same for single-family homes (-6.2%) and multi-unit housing (-6.1%). Geographically speaking, the biggest drop occurred in the Midwest and the West.
- ▶ Existing home sales rose 4.4% in March after declining 3.9% in February. Annualized, the level reached 5,710,000 units, a peak not reached since February 2007. This also represents a 5.9% increase compared with March 2016. Sales of existing condos (+5.0%) and single-family homes (+4.3%) contributed to the monthly gain in almost equal measure. That said, sales in the western United States were down 1.6%.
- ▶ After a 0.5% uptick in February and two successive 0.6% increases in December and January, the monthly change in the leading indicator slowed in March, reaching 0.4%. The ISM index, interest rate spread and consumer confidence were the main contributors to the increase in March. However, a drop in the hours worked and an increase in the jobless claims partially offset this support.

Francis Généreux, Senior economist

CANADA

- ▶ The total consumer price index went up by only 0.2% in March. This is lower than expected. The total annual inflation rate went from 2.0% to 1.6%. However, the low inflation rate remind the slack that is still present in the Canadian economy. Despite good news on the economic growth front, we can expect the target for the overnight rate to stay at 0.50% until spring 2018.
- ▶ Sales of existing properties were up 1.1% in March in Canada. Over one year, growth reached 6.6%, mostly due to significant increases in New Brunswick (+10.4%), Quebec (+10.7%), Ontario (+20.8%) and Alberta (+16.8%). In March, a 4.2% increase in the average price was recorded across Canada; this inflated the annual change to 8.2%. Ontario clearly stands out from the pack with an annual change in average price of 29.5%.
- ▶ The booming Greater Toronto Area housing market in fact prompted the Ontario government to introduce on Thursday a series of measures to better oversee the housing market in Southern Ontario. Ontario's plan for equitable housing calls for a 15% speculation tax on property prices in the Greater Golden Horseshoe region for homes purchased by individuals who are not Canadian citizens or permanent residents. Rental increases will be limited to the legal rate for provincial rental increases. This rate has increased on average by 2% a year for the past 10 years—it is also capped to a maximum percentage of 2.5%. Legislative measures that would allow the city of Toronto and other municipalities to impose a tax on vacant properties. Several measures to encourage the construction of new, affordable rental apartment buildings. An analysis of practices that contribute to tax avoidance and excessive speculation in the housing market.

Benoit P. Durocher, Senior economist

Financial Markets

Easing military tensions, but now all eyes are on France

The U.S. stock market is doing better after a few difficult weeks. Tension with North Korea is still high but, with no further escalations, the concerns have subsided somewhat. European investors are still nervous, especially with the upcoming first round of the French presidential elections on Sunday. The Euro Stoxx 600 index posted a weekly decline of 0.9% at the time of writing. In contrast to its currency, the London Stock Exchange did not react well to the snap election call. In Canada, the S&P/TSX was volatile. The energy sector was affected by the sudden return of oil prices to around US\$50. The tighter housing market measures announced by the Government of Ontario had little impact on the financial sector.

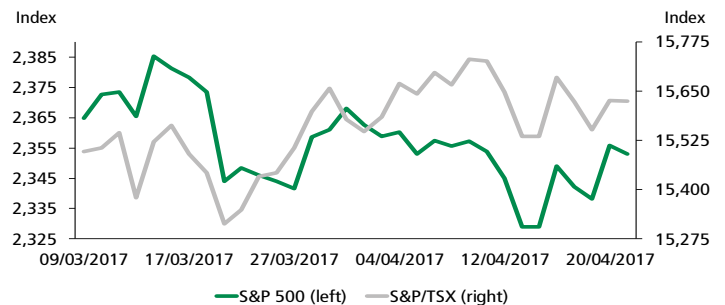
Yields remained low at the start of the week, leading the U.S. 10-year yield to drop to 2.16% on Tuesday. It had slightly climbed back to around 2.22% at the time of writing. The disappointing inflation, coupled with lower expectations for economic stimulus measures in the United States, are pushing down U.S. inflation expectations. We note a similar trend in Canada, boosted by the inflation data published on Friday which were below expectations. The markets are expecting the monetary status quo to prevail in Canada for at least another year.

After a first relatively calm session, European currencies rose sharply on Tuesday after the decision of the British government to call a general election on June 8. The pound jumped more than US\$0.02 after the announcement, then climbed above US\$1.28 for the first time since October 2016. That reaction seems to reflect the view that a strong and lasting Conservative government could make Brexit negotiations easier. The euro also went up this week, based on some surveys that said the worst scenarios could be avoided with the French presidential election. This surge by European currencies, coupled with lower expectations of monetary firming in the United States, pushed the U.S. dollar down. However, the drop in oil prices forced the Canadian dollar down to close to US\$0.74.

Mathieu D'Anjou, CFA, Senior economist

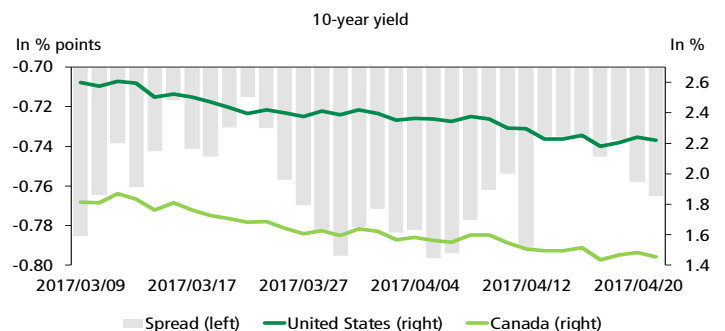
Jimmy Jean, CFA, Senior economist

GRAPH 1
Stock markets



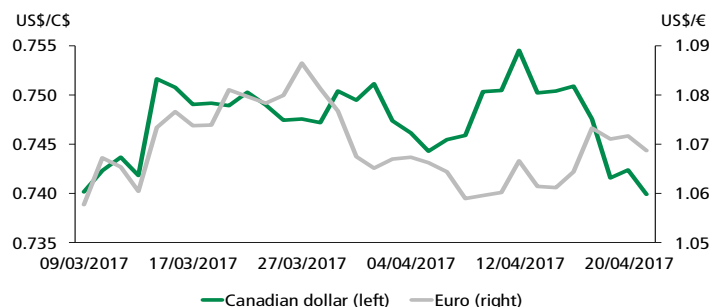
Sources: Datastream and Desjardins, Economic Studies

GRAPH 2
Bond markets



Sources: Datastream and Desjardins, Economic Studies

GRAPH 3
Currency markets



Sources: Datastream and Desjardins, Economic Studies

A Look Ahead

TUESDAY April 25 - 9:00

February	y/y
Consensus	5.70%
Desjardins	5.80%
January	5.73%

TUESDAY April 25 - 10:00

March	ann. rate
Consensus	585,000
Desjardins	590,000
February	592,000

TUESDAY April 25 - 10:00

April	
Consensus	123.3
Desjardins	120.0
March	125.6

THURSDAY April 27 - 8:30

March	m/m
Consensus	1.0%
Desjardins	0.6%
February	1.8%

FRIDAY April 28 - 8:30

Q1 2017—1st est.	ann. rate
Consensus	1.3%
Desjardins	1.1%
Q4 2016—3rd est.	2.1%

UNITED STATES

S&P/Case-Shiller home price index (February) – For the third executive month, the S&P/Case-Shiller index saw a 0.9% gain in January. We anticipate more strong growth in February, with a 0.8% increase. The annual change for the S&P/Case-Shiller index should increase from 5.7% to 5.8%. However, prices are expected to slow down later this spring.

New home sales (March) – Sales of new single-family homes shot up in February, posting a monthly increase of 6.1%. After the recent peak in July 2016, this was the highest level since March 2008. Following this gain, we expect sales to cool off for a bit. Moreover, building permits for single-family homes dipped 1.1% in March, suggesting a slight slowdown. However, the NAHB homebuilders' confidence index posted a considerable jump over the same month. New home sales should remain virtually unchanged at 590,000 units.

Conference Board consumer confidence index (April) – The Conference Board consumer confidence index skyrocketed in March to 125.6, its highest level since December 2000. This gain will likely be followed by a pullback. Rising gas prices, the stock market's poorer performance and weak job creation last month suggest a lull in confidence. Although the University of Michigan consumer confidence index was again on the rise according to its preliminary version, other confidence indicators point to a slight deterioration (Bloomberg weekly index) or even a more significant drop (TIPP index). We expect the Conference Board consumer confidence index to lose just over half of its March gain and fall to 120.0.

New durable goods orders (March) – New durable goods orders benefitted once again from a contribution by the aeronautics sector in February, posting a total gain of 1.8%. This sector should continue to support an increase in orders. We have also observed new growth in orders at Boeing. However, the auto sector's slight decline will likely offset the aviation sector's positive effect. Excluding transportation, monthly growth of new orders is expected to dip below February's figure of 0.5%. Although it remains high, the "new orders" component of the ISM manufacturing index declined in March. Manufacturing production also contracted 0.4% last month. Modest growth of 0.2% is forecast for orders excluding transportation. Overall, we anticipate an increase of just 0.6% for new durable goods orders.

Real GDP (Q1 – advance estimate) – Once again, real GDP had a somewhat sluggish start in the first quarter of 2017, an observable phenomenon in previous years. This time, consumption was one of the factors slowing it down. We anticipate an annualized gain of just 0.8% for household consumption, which is indicated by the drop in auto sales, weak retail sales and low energy consumption due to above-normal temperatures. However, we expect business investment to accelerate due to gains in the oil sector and strong performances of the ISM indexes. The contribution of net exports should be relatively neutral (Thursday's publication of March's preliminary trade balance data will provide more information). A negative contribution by inventory and weak growth in public spending (due to an expected contraction in investment by states and localities) complete the picture. Overall, real GDP should only advance 1.1% to post an increase of 2.1% in the fourth quarter of 2016.

MONDAY April 24 - 8:30

February	m/m
Consensus	-0.9%
Desjardins	0.1%
January	3.3%

WEDNESDAY April 26 - 8:30

February	m/m
Consensus	0.2%
Desjardins	0.0%
January	2.2%

FRIDAY April 28 - 8:30

February	m/m
Consensus	0.1%
Desjardins	0.1%
January	0.6%

DURING THE WEEK
DURING THE WEEK
THURSDAY April 27 - 7:45

April	
Consensus	0.00%
Desjardins	0.00%
March 9	0.00%

FRIDAY April 28 - 4:30

Q1 2017	q/q
Consensus	0.4%
Q4 2016	0.7%

CANADA

Wholesale sales (February) – After strong growth in January, wholesalers should see a much more modest increase in sales in February. The automotive products sector could experience a dip after a significant hike in January. However, the robust residential construction sector is a good omen for wholesalers of building materials and supplies, and the growth in exports of industrial machinery, equipment and parts should be beneficial to wholesalers.

Retail sales (February) – When adjusted for seasonal fluctuations, the price of gas dropped 5.1% in February, which will significantly bring down service station sales and thereby reduce total sales for Canadian retailers. According to preliminary figures, the number of new vehicles sold rose 1.2% in February, while their prices dipped 0.3%. A moderate increase in new vehicle sales is therefore expected. Lastly, if we take into account the upward trend of the other retail components, total sales could be close to zero in February.

Real GDP by industry (February) – As wholesale and retail sales results won't be published for a few more days, it is more difficult to assess real GDP growth by industry in February. That said, the data that has been released thus far is fairly positive, particularly when expressed in real terms. For example, manufacturing sales climbed 0.1% over the month, while inventory jumped 1.6%, pointing to an increase in manufacturing production. February could therefore end with a slight uptick in real GDP by industry.

OVERSEAS

Euro zone: Economic indicators – Among the economic indicators published in the euro zone this week, several confidence indexes for April will be available on Thursday. Initial signs are fairly positive. The preliminary version of the consumer confidence index posted an increase from -5.0% to -3.6%, thereby reaching its peak for the current cycle. According to the preliminary version of April, Euroland's PMI composite index also improved. The advance estimate for inflation in March will be published on Friday. The annual change in the all-items consumer price index was 1.5% for March. An advance estimate of the French GDP for the first quarter will also be available on Friday. The IFO confidence indexes for Germany's leading companies will be released on Monday.


Japan: Economic indicators – Several monthly indicators for March will be published this week in Japan. Retail sales, which rose 0.2% in February, will be available on Thursday night. Results for the unemployment rate, industrial production, consumer price indexes and housing starts will also be made public on Thursday night. Furthermore, the Bank of Japan will hold its monetary policy meeting on April 26 and 27. No change of direction is expected.


Euro zone: European Central Bank meeting (April) – After appearing a bit more optimistic in March, the European Central Bank (ECB) may opt for a slightly more cautious approach in April by refraining from adjusting the key elements in its press release. On the one hand, it likely wishes to prevent the markets from counting on a tighter monetary policy in the euro zone too soon, as was the case in March. On the other hand, inflation growth has been less worrisome recently. Lastly, the ECB will likely take into account the uncertainty surrounding elections in several European countries, where political extremism and anti-euro movements are threatening to make gains. At the time of writing, the results of the first round of the French political election are still unknown. Clearly, a situation in which the extreme left faces off the extreme right would be the least desirable scenario in the eyes of investors and would greatly complicate the work of the ECB.

United Kingdom: Real GDP (Q1) – Thus far, the U.K. economy has shown remarkable resilience. Real GDP growth even accelerated in the fourth quarter of 2016 to post a non-annualized gain of 0.7%. The pace is expected to slow down a bit now that certain indicators are showing signs of weakness. In addition, price hikes could undermine growth in real terms. As a result, the consensus expects non-annualized growth of the U.K.'s real GDP to be 0.4%, which would be its weakest level in a year.

Economic Indicators

Week of April 24 to 28, 2017

Day	Hour	Indicator	Period	Consensus		Previous data
UNITED STATES						
MONDAY 24	11:30	Speech of the Minneapolis Fed President, N. Kashkari				
	15:15	Speech of the Minneapolis Fed President, N. Kashkari				
TUESDAY 25	9:00	S&P/Case-Shiller home price index (y/y)	Feb.	5.70%	5.80%	5.73%
	10:00	Consumer confidence	April	123.3	120.0	125.6
	10:00	New home sales (ann. rate)	March	585,000	590,000	592,000
WEDNESDAY 26	---	---				
THURSDAY 27	8:30	Initial unemployment claims	April 17-21	240,000	242,000	244,000
	8:30	Goods trade balance – preliminary (US\$B)	March	-65.4	-65.5	-63.9
	8:30	Durable goods orders (m/m)	March	1.0%	0.6%	1.8%
	8:30	Retail inventories – preliminary (m/m)	March	n/a	n/a	0.4%
	8:30	Wholesale inventories – preliminary (m/m)	March	0.3%	n/a	0.4%
	10:00	Pending home sales (m/m)	March	-0.8%	n/a	5.5%
FRIDAY 28	8:30	Employment cost index (q/q)	Q1	0.6%	0.6%	0.5%
	8:30	Real GDP (ann. rate)	Q1f	1.3%	1.1%	2.1%
	9:45	Chicago PMI index	April	56.8	55.0	57.7
	10:00	Michigan's consumer sentiment index – final	April	98.0	98.0	98.0
	14:30	Speech of the Philadelphia Fed President, P. Harker				
CANADA						
MONDAY 24	8:30	Wholesale sales (m/m)	Feb.	-0.9%	0.1%	3.3%
	8:30	Wholesale inventories (m/m)	Feb.	n/a	0.2%	-0.3%
TUESDAY 25	---	---				
WEDNESDAY 26	8:30	Retail sales				
		Total (m/m)	Feb.	0.2%	0.0%	2.2%
		Excluding automobiles (m/m)	Feb.	-0.3%	-0.3%	1.7%
THURSDAY 27	8:30	Average weekly earnings (y/y)	Feb.	n/a	1.7%	1.8%
	8:30	Number of salaried employees (m/m)	Feb.	n/a	0.2%	0.0%
	16:00	2017 Ontario Budget				
FRIDAY 28	8:30	Real GDP by industry (m/m)	Feb.	0.1%	0.1%	0.6%
	8:30	Industrial product price index (m/m)	March	n/a	0.3%	0.1%
	8:30	Raw materials price index (m/m)	March	n/a	1.3%	1.2%

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 April 24 to 28, 2017

Country	Hour	Indicator	Period	Consensus		Previous data		
				m/m (q/q)	y/y	m/m (q/q)	y/y	
OVERSEAS								
MONDAY 24								
Germany	4:00	IFO survey – Business climate	April	112.4		112.3		
Germany	4:00	IFO survey – Current situation	April	119.2		119.3		
Germany	4:00	IFO survey – Expectations	April	106.0		105.7		
TUESDAY 25								
France	2:45	Business confidence	April	104		104		
France	2:45	Production outlook	April	3		3		
WEDNESDAY 26								
Japan	---	Bank of Japan meeting	April	-0,10%		-0,10%		
Japan	0:30	All industry activity index	Feb.	0.6%		0.1%		
Japan	1:00	Small business confidence	April	49.4		50.5		
France	2:45	Consumer confidence	April	100		100		
THURSDAY 27								
Germany	2:00	Consumer confidence	May	9.9		9.8		
Sweden	3:30	Bank of Sweden meeting	April	-0,50%		-0,50%		
Euro zone	5:00	Business climate	April	0.82		0.82		
Euro zone	5:00	Consumer confidence – final	April	-3.6		-3.6		
Euro zone	5:00	Industrial confidence	April	1.3		1.2		
Euro zone	5:00	Services confidence	April	12.9		12.7		
Euro zone	5:00	Economic confidence	April	108.1		107.9		
Euro zone	7:45	European Central Bank meeting	April	0,00%		0,00%		
Germany	8:00	Consumer price index – preliminary	April	-0.1%	1.9%	0.2%	1.6%	
United Kingdom	19:01	Consumer confidence	April	-7		-6		
Japan	19:30	Household spending	March		-0.5%		-3.8%	
Japan	19:30	Consumer price index	March		0.3%		0.3%	
Japan	19:30	Consumer price index – Tokyo	April		-0.2%		-0.4%	
Japan	19:30	Unemployment rate	March	2.9%		2.8%		
Japan	19:50	Industrial production – preliminary	March	-0.8%	4.0%	3.2%	4.7%	
Japan	19:50	Retail sales	March	-0.3%	1.5%	0.2%	0.1%	
FRIDAY 28								
Japan	1:00	Housing starts	March		-2.6%		-2.6%	
France	1:30	Real GDP – preliminary	Q1	0.4%	0.9%	0.4%	1.1%	
Germany	2:00	Retail sales	March	0.0%	2.4%	1.8%	-2.1%	
France	2:45	Personal consumption expenditures	March	0.6%	0.6%	-0.8%	0.5%	
France	2:45	Consumer price index – preliminary	April	0.2%	1.2%	0.6%	1.1%	
United Kingdom	4:30	Index of services	Feb.	0.3%		-0.1%		
United Kingdom	4:30	Real GDP – preliminary	Q1	0.4%	2.3%	0.7%	1.9%	
Euro zone	5:00	Consumer price index – estimate	April		1.7%		1.5%	
Italy	5:00	Consumer price index – preliminary	April	0.2%	1.6%	0.0%	1.4%	
Russia	6:30	Bank of Russia meeting	April	9,50%		9,75%		

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)	March*	126.7	0.4	1.5	2.4	3.5
ISM manufacturing index ¹	March	57.2	57.7	54.5	51.7	51.7
ISM non-manufacturing index ¹	March	55.2	57.6	56.6	56.6	54.9
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)	Feb.	3,792	0.4	1.1	2.8	6.3
Retail sales (\$M)	March*	470,844	-0.2	0.0	1.9	5.2
<i>Excluding automobiles (\$M)</i>	March*	375,828	0.0	1.2	2.5	5.0
Industrial production (2007 = 100)	March*	104.1	0.5	0.3	1.1	1.5
Production capacity utilization rate (%) ¹	March*	76.1	75.7	76.0	75.6	75.4
New machinery orders (\$M)	Feb.	476,493	1.0	3.9	4.9	7.3
New durable good orders (\$M)	Feb.	235,964	1.8	3.4	3.7	5.3
Business inventories (\$B)	Feb.*	1,840	0.3	1.0	1.7	2.8
Housing starts (k) ¹	March*	1,215	1,303	1,275	1,052	1,113
Building permits (k) ¹	March*	1,260	1,216	1,228	1,225	1,077
New home sales (k) ¹	Feb.	592.0	558.0	573.0	559.0	525.0
Existing home sales (k) ¹	March*	5,710	5,470	5,510	5,470	5,390
Commercial surplus (\$M) ¹	Feb.	-43,557	-48,173	-45,484	-40,513	-45,588
Nonfarm employment (k) ²	March	145,858	98.0	533.0	976.0	2,185
Unemployment rate (%) ¹	March	4.5	4.7	4.7	4.9	5.0
Consumer price (1982-1984 = 100)	March*	243.8	-0.3	0.4	1.1	2.4
<i>Excluding food and energy</i>	March*	251.0	-0.1	0.4	0.9	2.0
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)	March	112.1	-0.1	0.8	1.4	2.3
Export prices (2000 = 100)	March	122.3	0.2	0.8	1.5	3.6
Import prices (2000 = 100)	March	122.6	-0.2	0.8	1.7	4.2

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.

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)	Feb.	53,629	-0.2	2.4	4.5	6.8
Housing starts (k) ¹	March	253.7	214.3	207.4	218.8	203.5
Building permits (\$M)	Feb.	7,450	-2.5	-1.5	-0.6	3.9
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	Feb.	-972.1	421.4	1,088	-1,952	-2,259
<i>Exports (\$M)</i>	Feb.	45,340	-2.4	-1.8	3.7	4.4
<i>Imports (\$M)</i>	Feb.	46,312	0.6	2.7	1.4	1.4
Employment (k) ²	March	18,308	19.4	27.7	28.9	23.0
Unemployment rate (%) ¹	March	6.7	6.6	6.9	7.0	7.1
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)	March*	129.9	0.2	1.2	0.9	1.6
<i>Excluding food and energy</i>	March*	125.2	0.3	1.4	0.7	1.7
<i>Excluding 8 volatile items</i>	March*	129.6	0.3	1.2	0.5	1.3
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		
	April 21	April 14	-1 month	-3 months	-6 months	-1 year	Higher	Average	Lower
United States									
Federal funds – target	1.00	1.00	1.00	0.75	0.50	0.50	1.00	0.61	0.50
Treasury bill – 3 months	0.78	0.80	0.77	0.49	0.33	0.23	0.82	0.43	0.18
Treasury bonds – 2 years	1.17	1.20	1.26	1.20	0.83	0.83	1.38	0.96	0.56
– 5 years	1.75	1.76	1.93	1.94	1.24	1.36	2.13	1.51	0.94
– 10 years	2.22	2.23	2.40	2.47	1.74	1.89	2.61	2.00	1.36
– 30 years	2.88	2.88	3.00	3.05	2.49	2.70	3.19	2.70	2.11
S&P 500 index (level)	2,353	2,329	2,344	2,271	2,141	2,092	2,396	2,203	2,001
DJIA index (level)	20,567	20,453	20,597	19,827	18,146	18,004	21,116	19,014	17,140
Gold price (US\$/ounce)	1,284	1,286	1,249	1,202	1,266	1,242	1,369	1,260	1,127
CRB index (level)	182.40	187.77	183.47	194.02	189.40	179.65	195.82	187.33	177.04
WTI oil (US\$/barrel)	50.09	53.19	47.30	52.33	50.61	42.76	54.48	48.54	39.50
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	0.54	0.48	0.49	0.44	0.49	0.56	0.56	0.50	0.42
Treasury bonds – 2 years	0.71	0.73	0.75	0.77	0.52	0.68	0.88	0.65	0.47
– 5 years	1.00	1.04	1.13	1.13	0.65	0.89	1.32	0.87	0.53
– 10 years	1.46	1.49	1.64	1.75	1.13	1.52	1.87	1.39	0.95
– 30 years	2.13	2.16	2.31	2.38	1.80	2.08	2.53	2.03	1.55
<u>Spread with the U.S. rate (% points)</u>									
Overnight – target	-0.50	-0.50	-0.50	-0.25	0.00	0.00	0.00	-0.11	-0.50
Treasury bill – 3 months	-0.24	-0.32	-0.28	-0.05	0.16	0.33	0.35	0.07	-0.32
Treasury bonds – 2 years	-0.47	-0.47	-0.51	-0.43	-0.31	-0.15	-0.06	-0.31	-0.55
– 5 years	-0.75	-0.72	-0.80	-0.81	-0.59	-0.46	-0.38	-0.64	-0.89
– 10 years	-0.77	-0.74	-0.76	-0.72	-0.61	-0.37	-0.31	-0.61	-0.82
– 30 years	-0.75	-0.72	-0.69	-0.67	-0.70	-0.62	-0.52	-0.67	-0.88
S&P/TSX index (level)	15,625	15,535	15,443	15,548	14,939	13,874	15,922	14,851	13,564
Exchange rate (C\$/US\$)	1.3515	1.3327	1.3379	1.3322	1.3333	1.2670	1.3575	1.3134	0.7399
Exchange rate (C\$/€)	1.4445	1.4141	1.4448	1.4259	1.4512	1.4233	1.4929	1.4324	0.0000
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\$/€)	1.0687	1.0612	1.0799	1.0703	1.0884	1.1234	1.1532	1.0932	1.0387
<u>United Kingdom</u>									
BoE – Base rate	0.25	0.25	0.25	0.25	0.25	0.50	0.50	0.32	0.25
Bonds – 10 years	1.04	0.98	1.13	1.43	1.08	1.60	1.66	1.15	0.61
FTSE index (level)	7,123	7,328	7,337	7,198	7,020	6,310	7,430	6,853	5,924
Exchange rate (US\$/£)	1.2777	1.2524	1.2470	1.2375	1.2235	1.4403	1.4879	1.2973	1.2049
<u>Germany</u>									
Bonds – 10 years	0.25	0.19	0.41	0.42	-0.07	0.23	0.49	0.11	-0.22
DAX index (level)	12,065	12,109	12,064	11,630	10,711	10,373	12,313	10,860	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)	18,621	18,336	19,263	19,138	17,185	17,572	19,634	17,652	14,952
Exchange rate (US\$/¥)	109.10	108.64	111.35	114.63	103.84	111.79	118.18	108.38	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.