

## WEEKLY NEWSLETTER

# First Quarter Looking Robust for Canada, but Was Disappointing in the United States

### HIGHLIGHTS

- ▶ United States: Weak real GDP Growth once again marks the start to a year.
- ▶ U.S. consumer confidence slipped in April, according to the Conference Board index.
- ▶ New home sales in the United States post another increase.
- ▶ Canada: Real GDP remained unchanged in February.

### A LOOK AHEAD

- ▶ United States: Job creation in April expected to beat the disappointing 98,000 new hires in March.
- ▶ After the rate hike in March, the Federal Reserve should opt to maintain the status quo this week.
- ▶ United States: ISM indexes expected to slip slightly.
- ▶ Canada: More modest job advances expected in April.
- ▶ Canada: The trade balance in March should decline somewhat.

### FINANCIAL MARKETS

- ▶ An excellent week for the U.S. stock market.
- ▶ Bond yields rebound.
- ▶ The euro appreciated to over US\$1.09 following the results of the first round of the French elections.

### CONTENTS

Key Statistics of the Week .....	2	A Look Ahead .....	4	Tables
<i>United States, Canada</i> .....		<i>United States, Canada, Overseas</i> .....		<i>Economic indicators</i> .....
Financial Markets.....	3	Economic Indicators of the Week .....	6	<i>Major financial indicators</i> .....
				8
				10

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# Key Statistics of the Week

## UNITED STATES

- ▶ Real GDP increased by an annualized 0.7% in Q1 2017, according to the first estimate of the national accounts. This represents a slowdown from the previous gains of 2.1% and 3.5% in the fall and summer of 2016, respectively. Real consumption increased by 0.3%—the lowest rate of increase since the fall of 2009. Fixed non-residential business investment grew by 9.4%—the best result since the fall of 2013.
- ▶ New single-family home sales jumped 5.8% in March, after ticking up 0.3% in February and soaring 6.2% in January. The total increase of 12.7% since the beginning of the year drove the annualized level of sales to 621,000 units, just shy of the 622,000 sold in July 2016.
- ▶ After gaining 2.3% in February, new durable goods orders were up 0.7% in March. As expected, aviation once again contributed to this monthly gain, with an 11.2% increase. Automobile orders were down 0.8%. Excluding transportation, a 0.2% drop was recorded on the heels of 0.7% growth in February. New capital goods orders, excluding defence and aviation, advanced by 0.2% after a 0.1% uptick in February.
- ▶ The Conference Board consumer confidence index fell 4.6 points in April. This drop occurred when this index was at its highest level since December 2000. The reading is now at 120.3, much higher than before the thrust that occurred in March and February's level of 116.1. The two main components of this index both declined. The present situation component decreased from 143.9 to 140.6, and the expectations component slipped from 112.3 to 106.7.
- ▶ The final version of the University of Michigan consumer confidence index for April shows a slight pullback vs. the preliminary version, falling from 98.0 to 97.0, close to March's 96.9.
- ▶ The S&P/Case-Shiller index of existing home prices in the 20 main cities was up 0.7% in February, a bit less than the 0.9% recorded in the previous three months. The annual change in this index rose from 5.7% to 5.9%.

Francis Généreux, Senior economist

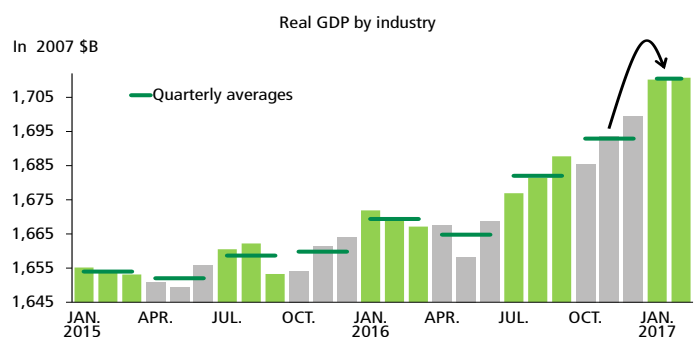
## CANADA

- ▶ Real GDP by industry remained unchanged in February. At first glance, zero growth of real GDP for the month of February is not reassuring. But those results should be looked at in perspective. After the strong rise in real GDP by industry in January (+0.6%), a month ago most analysts expected the pendulum to swing back in February with a slight drop in production. Under the circumstances, the carryover for the first quarter of 2017 is very high, slightly over 4%.
- ▶ The value of retail sales slipped 0.6% in February after a sharp 2.3% increase recorded in January. Gas station sales were negatively affected by the drop in gas prices while new automobile sales were down 1.7%. The other sectors of activity expanded by 0.5%, in line with expectations. Expressed in real terms, sales declined by only 0.1%.
- ▶ The value of wholesale sales was down 0.2% in February, after January's surprising 3.0% advance. The declines recorded in most sectors of activity were largely offset by increases in construction materials and supplies and in machinery, equipment and supplies. Expressed in real terms, sales were down 0.4%, while inventories were almost unchanged.

Benoit P. Durocher, Senior economist

## CANADA

### Growth will likely be very high for the first quarter of 2017



Sources: Statistics Canada and Desjardins, Economic Studies

# Financial Markets

## Optimism returns after the French elections

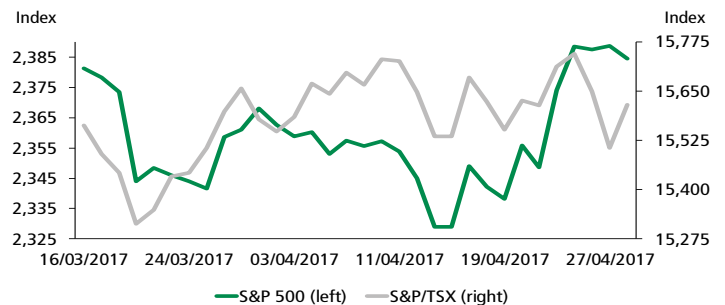
Investors enthusiastically welcomed Emmanuel Macron's victory in the first round of the French presidential election. This candidate appears to be well positioned to win against Marine Le Pen in the second round. The risk premium on European bonds fell sharply at the start of the week and market indexes jumped around the world. Relatively encouraging corporate results allowed U.S. indexes to consolidate their gains, despite some fears a government shutdown. At the time of writing, the S&P 500 posted an excellent weekly gain of 1.5%. The Canadian stock market also started the week strong, but then difficulties with Home Capital, protectionist comments from President Donald Trump and a decrease in commodities prices erased the gains.

Unsurprisingly, the return of optimism in the markets translated into a significant rise in bond yields. Yields on U.S. 10-year bonds, which dropped to around 2.16% at the beginning of the previous week, came back to over 2.30%. One of the reasons for this jump is higher expectations of a new U.S. key rate hike at the June meeting, which would now amount to around 70% according to Bloomberg estimates.

The U.S. dollar recorded gains against several emerging market currencies and some advanced market currencies, such as the Canadian, Australian and New Zealand dollars, as well as the yen. European currencies, however, continued to advance, boosted in particular by the results of the first round of the French elections. The euro jumped to over US\$1.09 at the start of the week. Donald Trump's protectionist comments, as well as the announcement of a tax on lumber and a rumour that the United States could withdraw from the North American Free Trade Agreement (NAFTA), were a drag on the Canadian dollar. Depreciation continued even though the U.S. President indicated a preference to renegotiate rather than abandon NAFTA. The loonie was worth a little over US\$0.73 on Friday.

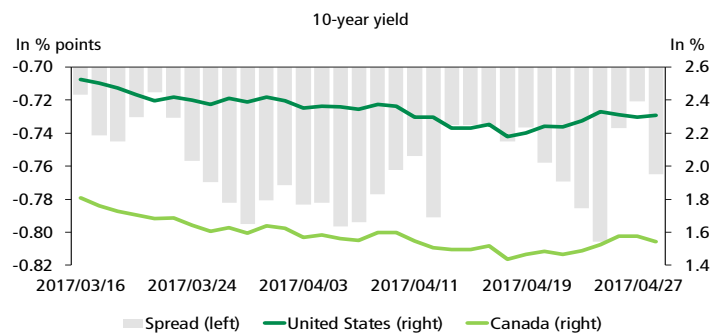
**Mathieu D'Anjou, CFA**, Senior economist  
**Hendrix Vachon**, Senior economist

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



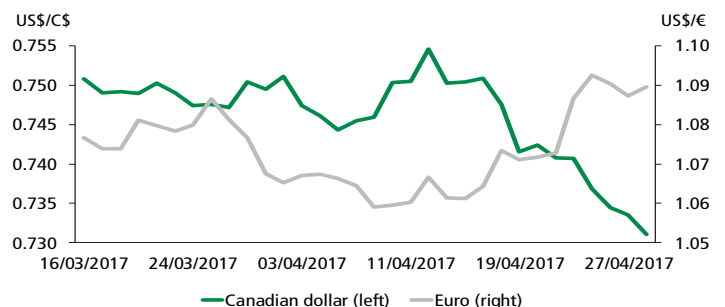
Sources: Datastream and Desjardins, Economic Studies

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



Sources: Datastream and Desjardins, Economic Studies

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



Sources: Datastream and Desjardins, Economic Studies

# A Look Ahead

**MONDAY May 1<sup>st</sup> - 10:00**

<b>April</b>	
Consensus	56.5
Desjardins	56.6
<b>March</b>	<b>57.2</b>

**WEDNESDAY May 3 - 10:00**

<b>April</b>	
Consensus	55.9
Desjardins	54.7
<b>March</b>	<b>55.2</b>

**WEDNESDAY May 3 - 14:00**

<b>May</b>	
Consensus	1.00%
Desjardins	1.00%
<b>March 15</b>	<b>1.00%</b>

**THURSDAY May 4 - 8:30**

<b>March</b>	<b>US\$B</b>
Consensus	-44.9
Desjardins	-44.4
<b>February</b>	<b>-43.6</b>

**FRIDAY May 5 - 8:30**

<b>April</b>	
Consensus	193,000
Desjardins	185,000
<b>March</b>	<b>98,000</b>

**THURSDAY May 4 - 8:30**

<b>March</b>	<b>\$B</b>
Consensus	-1.00
Desjardins	-1.16
<b>February</b>	<b>-0.97</b>

**FRIDAY May 5 - 8:30**

<b>April</b>	
Consensus	10,000
Desjardins	10,000
<b>March</b>	<b>19,400</b>

## UNITED STATES

**ISM manufacturing index (April)** – After several months of improvements, the ISM manufacturing index deteriorated in March, slipping from 57.7 to 57.2—still relatively high. We expect another modest decline in April. Most regional manufacturing indexes declined, often from very high levels. What’s more, the automobile sector, key to the manufacturing industry, is experiencing some difficulties at the moment. We expect this index to slide from 57.2 to 56.6.

**ISM non-manufacturing index (April)** – The ISM non-manufacturing index suffered a surprising drop in March, declining from 57.6 to 55.2, its lowest level since October 2016. The decline in some household confidence indexes, notably that of the Conference Board, points to another decline in April. This index could fall below the 55-mark.

**Federal Reserve meeting (May)** – The leaders of the Federal Reserve (Fed) ordered a third key rate increase in this cycle at their meeting in March. Following this decision and last December’s rate hike, it would be surprising if the Fed were to make any policy changes at its meeting scheduled to end on May 3, especially since Fed Chair Janet Yellen is not expected to hold a press conference and no new economic forecasts will be released. A few adjustments to the statement could be made, however, mainly to reflect the weak real GDP growth in the first quarter and job creation in March. We will see if the Fed’s leaders discuss a new rate increase in June.

**Trade balance (March)** – After recording its worst deficit in January since March 2015, the U.S. trade balance improved in February, returning closer to its recent trend. We expect a new deterioration for the month of March. The preliminary data on trade point to a 1.7% decline in exports coupled with a lighter drop in imports, or 0.7%. The deficit should therefore rise from US\$43.6B to US\$44.4B.

**Job creation according to the establishment (April)** – After a few months of better than expected results, job creation was a huge disappointment in March, with only 98,000 new hires, the worst performance since May 2016. We expect better job advances in April. Problems that may have been rooted in the weather will clearly be brushed aside. The household confidence data on the job market are still at good levels. Jobless claims have remained at relatively low levels. As such, gain of 185,000 jobs is expected. The jobless rate for April should stay the same as in March, at 4.5%.

## CANADA

**International merchandise trade (March)** – The outlooks for export growth for March are almost flat. The increase in non-energy commodity prices should inflate the value of exports; its impact will be offset by the negative impacts of the 2.7% decrease in energy prices (once corrected for seasonal fluctuations and expressed in Canadian dollars). Furthermore, the automobile industry may have experienced some difficulties in March, as suggested by the 3.0% drop in U.S. production for the month. In contrast, strong consumer spending and residential investment should bump imports up once again. All told, the trade balance could thus deteriorate in March.

**Labour force survey (April)** – Solid job creation has boosted the labour market since last August. The trend set using the 6-month moving average has been steady at around 30,000 jobs since the end of 2016—a level that is too high compared with economic growth, even if this growth has surged lately. Under such conditions, more modest job growth is expected in April, i.e. at around 10,000 jobs. The unemployment rate could stay put at 6.7%.

WEDNESDAY May 3 - 5:00

**Q1 2017**

Consensus

**Q4 2016****q/q**


0.5%


**0.4%****OVERSEAS**

**Euro zone: Real GDP (Q1)** – Economic expansion in the Euroland economy improved slightly at the end of 2016, with non-annualized real GDP growth of 0.3% in the spring, 0.4% last summer and 0.5% last fall. This acceleration could very well extend to the start of 2017. Several confidence indexes and the PMI indexes point to a fairly strong performance.

# Economic Indicators

## Week of May 1 to 5, 2017

Day	Hour	Indicator	Period	Consensus		Previous data
<b>UNITED STATES</b>						
<b>MONDAY 1</b>	8:30	Personal income (m/m)	March	0.3%	0.3%	0.4%
	8:30	Personal consumption expenditures (m/m)	March	0.2%	0.2%	0.1%
	8:30	Personal consumption expenditures deflator				
		Total (m/m)	March	-0.2%	-0.2%	0.1%
		Excluding food and energy (m/m)	March	-0.1%	0.0%	0.2%
		Total (y/y)	March	1.9%	1.9%	2.1%
		Excluding food and energy (y/y)	March	1.6%	1.7%	1.8%
	10:00	Construction spending (m/m)	March	0.4%	0.0%	0.8%
	10:00	ISM manufacturing index	April	56.5	56.6	57.2
<b>TUESDAY 2</b>	---	Total vehicle sales (ann. rate)	April	17,200,000	17,100,000	16,530,000
<b>WEDNESDAY 3</b>	10:00	ISM non-manufacturing index	April	55.9	54.7	55.2
	14:00	Federal Reserve meeting	May	1.00%	1.00%	1.00%
<b>THURSDAY 4</b>	8:30	Initial unemployment claims	April 24-28	246,000	245,000	257,000
	8:30	Trade balance – Goods and services (US\$B)	March	-44.9	-44.4	-43.6
	8:30	Nonfarm productivity – preliminary (ann. rate)	Q1	0.0%	-0.1%	1.3%
	8:30	Unit labor costs – preliminary (ann. rate)	Q1	2.5%	3.0%	1.7%
	10:00	Factory orders (m/m)	March	0.5%	0.6%	1.0%
<b>FRIDAY 5</b>	8:30	Change in nonfarm payrolls	April	193,000	185,000	98,000
	8:30	Unemployment rate	April	4.6%	4.5%	4.5%
	8:30	Weekly worked hours	April	34.4	34.4	34.3
	8:30	Average weekly earnings (m/m)	April	0.3%	0.2%	0.2%
	12:45	Speech of the San Francisco Fed President, J. Williams				
<b>SATURDAY 6</b>	15:00	Consumer credit (US\$B)	March	15.0	6.0	15.2
	15:00	Speech of the San Francisco Fed President, J. Williams				
<b>CANADA</b>						
<b>MONDAY 1</b>	---	---				
<b>TUESDAY 2</b>	---	---				
<b>WEDNESDAY 3</b>	---	---				
<b>THURSDAY 4</b>	8:30	International trade (\$B)	March	-1.00	-1.16	-0.97
	16:10	Speech of the Bank of Canada Governor, S. Poloz				
<b>FRIDAY 5</b>	8:30	Net change in employment	April	10,000	10,000	19,400
	8:30	Unemployment rate	April	6.7%	6.7%	6.7%
	10:00	PMI-Ivey index	April	n/a	60.	61.1

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 May 1 to 5, 2017

Country	Hour	Indicator	Period	Consensus		Previous data		
				m/m (q/q)	y/y	m/m (q/q)	y/y	
<b>OVERSEAS</b>								
<b>MONDAY 1</b>								
Japan	1:00	Vehicle sales	April		n/a		13.8%	
<b>TUESDAY 2</b>								
Australia	0:30	Reserve Bank of Australia meeting	May	1.50%		1.50%		
Italy	3:45	PMI manufacturing index	April	56.0		55.7		
France	3:50	PMI manufacturing index – final	April	55.1		55.1		
Germany	3:55	PMI manufacturing index – final	April	58.2		58.2		
Euro zone	4:00	PMI manufacturing index – final	April	56.8		56.8		
Italy	4:00	Unemployment rate	March	11.5%		11.5%		
United Kingdom	4:30	PMI manufacturing index	April	54.0		54.2		
Euro zone	5:00	Unemployment rate	March	9.4%		9.5%		
<b>WEDNESDAY 3</b>								
United Kingdom	4:30	PMI construction index	April	52.0		52.2		
Euro zone	5:00	Producer price index	March	-0.1%	4.2%	0.0%	4.5%	
Euro zone	5:00	Real GDP – preliminary	Q1	0.5%	1.7%	0.4%	1.7%	
<b>THURSDAY 4</b>								
Italy	3:45	PMI composite index	April	54.5		54.2		
Italy	3:45	PMI services index	April	53.6		52.9		
France	3:50	PMI composite index – final	April	57.4		57.4		
France	3:50	PMI services index – final	April	57.7		57.7		
Germany	3:55	PMI composite index – final	April	56.3		56.3		
Germany	3:55	PMI services index – final	April	54.7		54.7		
Euro zone	4:00	PMI composite index – final	April	56.7		56.7		
Euro zone	4:00	PMI services index – final	April	56.2		56.2		
Norway	4:00	Bank of Norway meeting	May	0.50%		0.50%		
United Kingdom	4:30	PMI composite index	April	54.5		54.9		
United Kingdom	4:30	PMI services index	April	54.5		55.0		
Euro zone	5:00	Retail sales	March	0.0%	2.0%	0.7%	1.8%	
Australia	21:30	Reserve Bank of Australia Statement on Monetary Policy						
<b>FRIDAY 5</b>								
Germany	3:30	PMI construction index	April	n/a		56.4		

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)	2017 Q1*	16,842	0.7	1.9	1.6	2.6	2.4
Consumption (2009 \$B)	2017 Q1*	11,680	0.3	2.8	2.7	3.2	2.9
Government spending (2009 \$B)	2017 Q1*	2,895	-1.7	-0.6	0.8	1.8	-0.9
Residential investment (2009 \$B)	2017 Q1*	615.4	13.7	2.4	4.9	11.7	3.5
Non-residential investment (2009 \$B)	2017 Q1*	2,247	9.4	3.1	-0.5	2.1	6.0
Business inventory change (2009 \$B) <sup>1</sup>	2017 Q1*	10.3	---	---	22.0	84.0	57.7
Exports (2009 \$B)	2017 Q1*	2,168	5.8	3.1	0.4	0.1	4.3
Imports (2009 \$B)	2017 Q1*	2,770	4.1	3.8	1.2	4.6	4.4
Final domestic demand (2009 \$B)	2017 Q1*	17,417	1.5	2.2	2.1	3.1	2.6
GDP deflator (2009 = 100)	2017 Q1*	112.9	2.3	2.0	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)	2017 Q1*	129.0	3.2	2.4	2.2	2.1	2.0
Current account balance (\$B) <sup>1</sup>	2016 Q4	-112.4	---	---	-481.2	-463.0	-392.1

<sup>1</sup> Statistics representing the level during the period; \* New statistic in comparison with last week.

**UNITED STATES**
**Monthly economic indicators**

	REF. MONTH	LEVEL	VARIATION (%)			
			-1 month	-3 months	-6 months	-1 year
Leading indicator (2010 = 100)	March	126.7	0.4	1.5	2.4	3.5
ISM manufacturing index <sup>1</sup>	March	57.2	57.7	54.5	51.7	51.7
ISM non-manufacturing index <sup>1</sup>	March	55.2	57.6	56.6	56.6	54.9
Cons. confidence Conference Board (1985 = 100) <sup>1</sup>	April*	120.3	124.9	111.6	100.8	94.7
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	471,491	-0.2	0.1	1.7	4.6
<i>Excluding automobiles (\$M)</i>	March	375,298	0.0	1.1	2.2	4.6
Industrial production (2007 = 100)	March	104.1	0.5	0.3	1.1	1.5
Production capacity utilization rate (%) <sup>1</sup>	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)	March*	238,713	0.7	5.5	4.6	4.5
Business inventories (\$B)	Feb.	1,840	0.3	1.0	1.7	2.8
Housing starts (k) <sup>1</sup>	March	1,215	1,303	1,275	1,052	1,113
Building permits (k) <sup>1</sup>	March	1,267	1,216	1,228	1,225	1,077
New home sales (k) <sup>1</sup>	March*	621.0	587.0	551.0	568.0	537.0
Existing home sales (k) <sup>1</sup>	March	5,710	5,470	5,510	5,470	5,390
Commercial surplus (\$M) <sup>1</sup>	Feb.	-43,557	-48,173	-45,484	-40,513	-45,588
Nonfarm employment (k) <sup>2</sup>	March	145,858	98.0	533.0	976.0	2,185
Unemployment rate (%) <sup>1</sup>	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

<sup>1</sup> Statistic shows the level of the month of the column; <sup>2</sup> Statistic shows the variation since the reference month; \* New statistic in comparison with last week.



**CANADA**
**Quarterly economic indicators**

	REF. QUART.	LEVEL	VARIATION (%)		ANNUAL VARIATION (%)		
			Quart. ann.	1 year	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) <sup>1</sup>	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) <sup>1</sup>	2016 Q4	-10,726	---	---	-67,695	-67,553	-48,207
Production capacity utilization rate (%) <sup>1</sup>	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

<sup>1</sup> Statistics representing the level during the period; \* New statistic in comparison with last week.

**CANADA**
**Monthly economic indicators**

	REF. MONTH	LEVEL	VARIATION (%)			
			-1 month	-3 months	-6 months	-1 year
Gross domestic product (2007 \$M)	Feb.*	1,710,741	0.0	1.0	1.7	2.5
Industrial production (2007 \$M)	Feb.*	363,135	-0.4	1.6	3.0	3.9
Manufacturing sales (\$M)	Feb.	53,629	-0.2	2.4	4.5	6.8
Housing starts (k) <sup>1</sup>	March	253.2	214.2	207.4	218.8	203.5
Building permits (\$M)	Feb.	7,450	-2.5	-1.5	-0.6	3.9
Retail sales (\$M)	Feb.*	47,763	-0.6	1.6	4.4	4.7
<i>Excluding automobiles (\$M)</i>	Feb.*	35,291	-0.1	1.8	3.7	5.8
Wholesale trade sales (\$M)	Feb.*	58,856	-0.2	3.1	3.6	6.6
Commercial surplus (\$M) <sup>1</sup>	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) <sup>2</sup>	March	18,308	19.4	27.7	28.9	23.0
Unemployment rate (%) <sup>1</sup>	March	6.7	6.6	6.9	7.0	7.1
Average weekly earnings (\$)	Feb.*	967.6	0.1	0.6	1.0	1.5
Number of salaried employees (k) <sup>2</sup>	Feb.*	16,137	64.5	31.8	29.9	25.4
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)	March*	114.0	0.8	1.7	3.2	5.1
Raw materials price (2002 = 100)	March*	99.6	-1.6	1.5	9.8	16.6
Money supply M1+ (\$M)	Feb.	902,086	-0.3	1.6	4.2	9.0

<sup>1</sup> Statistic shows the level of the month of the column; <sup>2</sup> Statistic shows the variation since the reference month; \* New statistic in comparison with last week.

**UNITED STATES, CANADA, OVERSEAS**
**Major financial indicators**

IN % (EXPECTED IF INDICATED)	ACTUAL	PREVIOUS DATA					LAST 52 WEEKS		
	April 28	April 21	-1 month	-3 months	-6 months	-1 year	Higher	Average	Lower
<b>United States</b>									
Federal funds – target	1.00	1.00	1.00	0.75	0.50	0.50	1.00	0.62	0.50
Treasury bill – 3 months	0.80	0.78	0.75	0.51	0.29	0.22	0.82	0.44	0.18
Treasury bonds – 2 years	1.27	1.18	1.24	1.21	0.87	0.77	1.38	0.97	0.56
– 5 years	1.83	1.76	1.92	1.94	1.33	1.28	2.13	1.52	0.94
– 10 years	2.31	2.24	2.40	2.48	1.84	1.82	2.61	2.01	1.36
– 30 years	2.98	2.89	3.02	3.06	2.62	2.66	3.19	2.70	2.11
S&P 500 index (level)	2,385	2,349	2,363	2,295	2,126	2,065	2,396	2,209	2,001
DJIA index (level)	20,950	20,548	20,663	20,094	18,161	17,774	21,116	19,072	17,140
Gold price (US\$/ounce)	1,268	1,286	1,247	1,189	1,270	1,292	1,369	1,260	1,127
CRB index (level)	181.06	181.87	185.88	193.43	189.21	184.61	195.82	187.31	177.04
WTI oil (US\$/barrel)	49.28	49.64	50.54	53.18	48.72	45.98	54.48	48.63	39.50
<b>Canada</b>									
Overnight – target	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50
Treasury bill – 3 months	0.52	0.54	0.52	0.45	0.48	0.55	0.56	0.50	0.42
Treasury bonds – 2 years	0.72	0.72	0.75	0.81	0.57	0.69	0.88	0.65	0.47
– 5 years	1.00	1.01	1.12	1.14	0.72	0.88	1.32	0.87	0.53
– 10 years	1.54	1.47	1.62	1.78	1.23	1.51	1.87	1.39	0.95
– 30 years	2.16	2.14	2.30	2.43	1.89	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	-0.12	-0.50
Treasury bill – 3 months	-0.28	-0.24	-0.23	-0.06	0.19	0.33	0.35	0.06	-0.32
Treasury bonds – 2 years	-0.55	-0.47	-0.49	-0.40	-0.30	-0.07	-0.06	-0.32	-0.55
– 5 years	-0.83	-0.75	-0.80	-0.80	-0.61	-0.40	-0.38	-0.65	-0.89
– 10 years	-0.77	-0.77	-0.77	-0.70	-0.62	-0.31	-0.33	-0.62	-0.82
– 30 years	-0.81	-0.76	-0.71	-0.63	-0.73	-0.58	-0.52	-0.67	-0.88
S&P/TSX index (level)	15,615	15,614	15,548	15,576	14,785	13,951	15,922	14,886	13,564
Exchange rate (C\$/US\$)	1.3678	1.3500	1.3313	1.3153	1.3399	1.2553	1.3633	1.3153	0.7311
Exchange rate (C\$/€)	1.4903	1.4482	1.4181	1.4072	1.4721	1.4381	1.4929	1.4333	0.0000
<b>Overseas</b>									
<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\$/€)	1.0896	1.0728	1.0652	1.0699	1.0987	1.1456	1.1532	1.0924	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	1.09	0.98	1.07	1.47	1.26	1.60	1.60	1.14	0.61
FTSE index (level)	7,211	7,115	7,323	7,184	6,996	6,242	7,430	6,871	5,924
Exchange rate (US\$/£)	1.2940	1.2813	1.2550	1.2555	1.2185	1.4614	1.4879	1.2940	1.2049
<u>Germany</u>									
Bonds – 10 years	0.32	0.25	0.33	0.46	0.09	0.28	0.49	0.11	-0.22
DAX index (level)	12,442	12,049	12,313	11,814	10,696	10,039	12,473	10,903	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)	19,197	18,621	18,909	19,467	17,446	16,666	19,634	17,691	14,952
Exchange rate (US\$/¥)	111.40	109.09	111.40	115.08	104.71	106.37	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.