

WEEKLY NEWSLETTER

President Trump's Political Troubles Shake the Markets

HIGHLIGHTS

- ▶ Good growth by U.S. industrial output in April.
- ▶ Disappointing pullback by U.S. housing starts.
- ▶ Canada: Total annual inflation rate stays at 1.6%.
- ▶ Canada: Manufacturer and retail sales rose in March.

A LOOK AHEAD

- ▶ United States: Home sales likely retreated in April.
- ▶ The Bank of Canada should once again opt for a key interest rate status quo.

FINANCIAL MARKETS

- ▶ Scandals in the United States and Brazil disrupt the markets.
- ▶ The move away from risk assets powers bonds.
- ▶ The U.S. dollar retreats against all major currencies.

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Key Statistics of the Week

UNITED STATES

- ▶ Industrial output jumped 1.0% in April after rising 0.5% in March. Particularly noteworthy is manufacturing's return to growth; it also went up 1.0% in April after dropping 0.4% the previous month. The automotive sector did better than expected, jumping 5.0%. After several months of sharp fluctuations caused by weather vagaries, the monthly change in energy production was fairly sober, increasing 0.7%. Mining activity increased 1.2%, after contracting 0.4% in March.
- ▶ The regional manufacturing indexes are sending mixed signals about manufacturing's strength in May. The Philadelphia Fed index went from 22.0 to 38.8, its highest point since February. The New York Fed's Empire index fell instead, even dropping below zero for the first time since October 2016. The index went from 5.2 to -1.0.
- ▶ Housing starts retreated 2.6% in April, following a steeper 6.6% drop in March. Annualized starts went from 1,288,000 units in February to 1,203,000 units in March, then 1,172,000 in April, the lowest point since November. April's drop comes from a 9.6% tumble in multi-unit housing, whereas single-family homes posted a slight 0.4% gain. Geographically, the decline is bigger in the Northeastern United States.
- ▶ The leading indicator rose 0.3% in April, as in March. The gains are slightly smaller than the average increase of 0.6% seen from December to February. In April, the main upside contributions came from the interest rate spread, the drop in jobless claims, and consumer confidence. The leading indicator's six-month change is now at its highest since January 2015, suggesting faster economic growth.

Francis Généreux, Senior economist

CANADA

- ▶ The total consumer price index (CPI) rose 0.4% in April, an advance slightly below expectations. The total annual inflation rate stays at 1.6%. For the Bank of Canada's core indexes, the annual change in trimmed CPI and median CPI fell a tenth of a percentage point, while that of the common CPI held steady. The average of these three indexes therefore went from 1.5% to 1.4%, the lowest level since October 2013.
- ▶ Retail sales were up 0.7% in March, a better-than-expected result. The increase seen in March is basically due to automobile products (+3.7%), as the other sectors posted a 0.2% decrease. In real terms, total sales were up 1.2%.
- ▶ Manufacturing sales rose 1.0% in March, as expected. In all, 16 of the 21 primary sectors, representing 71% of the country's manufacturing, posted increases. In real terms, sales advanced 0.2% while inventories jumped 0.7%. Manufacturing should therefore make a positive contribution to economic growth in March.
- ▶ Existing home sales fell 1.7% in April. A 5.7% drop was recorded in Ontario. However, it is hard to say how much influence the Ontario government's new restrictions, announced on April 20, had over the drop in sales for that month. In contrast, sales continue to grow substantially in British Columbia, up 9.9% in April and 18.4% since January. The average price of existing properties across Canada increased 1.1% in April.

Benoit P. Durocher, Senior economist

Financial Markets

U.S. Stock Market Drops the Most Since Trump's Election

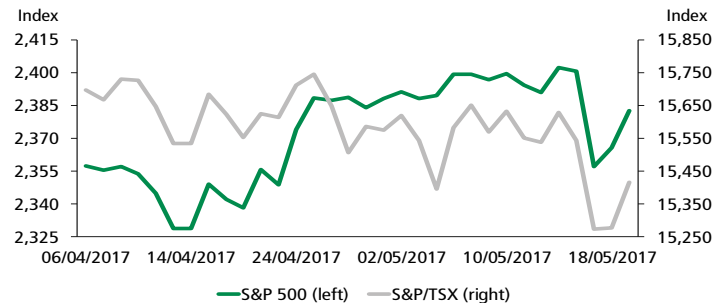
The highlight of the week was allegations from James Comey, former director of the Federal Bureau of Investigation, that Donald Trump attempted to influence the course of an investigation into ties some of his advisors may have had with Russia. Rumours about impeachment ensued, shaking the markets deeply. The S&P 500 lost 1.8% on Wednesday, the biggest one-day drop since Trump was elected. Although it recovered a little on Thursday and Friday, it was heading for a weekly loss of more than 1%. At the same time, rumours of corruption concerning Brazilian President Michel Temer sent a shock wave into the emerging markets. Brazil's stock market is down nearly 9% since the scandal broke out.

The rebound in risk aversion upended the attempted bond yield climb seen at the start of the month. The U.S. 10-year yield dropped more than 10 basis points on Wednesday. It did avoid the mid-April low, and ended up stabilizing at around 2.25% on Friday. Investors are increasingly questioning the Trump administration's ability to make good on the promised reforms, given the roiling political climate in the United States since the election. In Canada, the data on existing home sales, manufacturing sales and inflation was disappointing. However, retail sales beat expectations. Markets think the Bank of Canada will wait until the summer of 2018 before normalizing its policy.

Penalized by Donald Trump's woes and the drop in yields, the U.S. dollar fell against the other major currencies. The euro benefited more, and was close to US\$1.12 on Friday morning. The common currency is still capitalizing on the optimism generated by Emmanuel Macron's win, and now from surveys showing a potential victory by his party at the elections for the legislature. The pound sterling edged up to US\$1.30. Japan's exchange rate came back to around 111 ¥/US\$. Stronger than anticipated economic growth in Japan gave the yen an extra nudge. Helped by the rise in oil prices to nearly US\$50/barrel, the Canadian dollar went above US\$0.735 (CAN\$1.36/US\$).

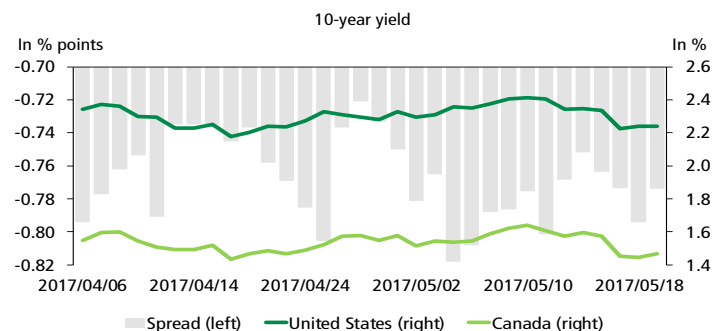
Jimmy Jean, CFA, Senior economist
Hendrix Vachon, Senior economist

GRAPH 1
Stock markets



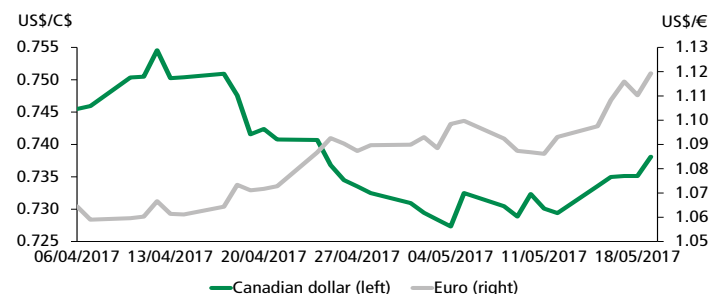
Sources: Datastream and Desjardins, Economic Studies

GRAPH 2
Bond markets



Sources: Datastream and Desjardins, Economic Studies

GRAPH 3
Currency markets



Sources: Datastream and Desjardins, Economic Studies

A Look Ahead

TUESDAY May 23 - 10:00

April	ann. rate
Consensus	610,000
Desjardins	590,000
March	621,000

WEDNESDAY May 24 - 10:00

April	ann. rate
Consensus	5,650,000
Desjardins	5,600,000
March	5,710,000

FRIDAY May 26 - 8:30

April	m/m
Consensus	-1.5%
Desjardins	-2.3%
March	0.9%

TUESDAY May 23 - 8:30

March	m/m
Consensus	1.0%
Desjardins	0.3%
February	-0.2%

WEDNESDAY May 24 - 10:00

May	
Consensus	0.50%
Desjardins	0.50%
April	0.50%

TUESDAY May 23 - 4:00

May	
Consensus	56.6
April	56.8

UNITED STATES

New home sales (April) – Sales of new detached homes posted another solid increase in March, gaining 5.8%. Excluding the recent peak in July 2016, March's 621,000 units is the highest level since January 2008. We expect sales to decline in April, however, despite the better weather. Building permits for single-family homes fell 4.5% last month, their worst monthly drop since the winter of 2015. The NAHB index of homebuilder confidence also declined in April, but remains fairly high, suggesting that sales will only tick down. New home sales should drop to 590,000 units.

Existing home sales (April) – Resales rebounded 4.4% in March after dropping 3.9% in February. On an annualized basis, they went to 5,710,000 units, their highest point since February 2007. We expect them to pull back in April, however. Pending home sales fell 0.8% in March, and the level suggests a steeper drop by monthly sales. We expect them to fall to 5,600,000 units, close to the average recorded since last fall.

New durable goods orders (April) – New durable goods orders probably took a hit in April from a tumble by civil aviation orders, as suggested by the abrupt drop in orders at Boeing, where only 15 planes were ordered. However, we expect auto sector orders to be up, in keeping with April's stunning performance by production in this sector. Excluding transportation, monthly growth by new orders should be stronger than the stagnation seen in March. Production in the machinery sector and the level of the manufacturing ISM's new orders component suggest growth of about 0.8%. All in all, new durable goods orders should contract 2.3%, dragged down by aviation.

CANADA

Wholesale trade (March) – March's increase in exports indicates that most wholesalers could see sales grow that month. Exports of automotive products fell 1.8%, however, suggesting that wholesalers in this industry ran into some trouble. This will substantially curb growth by total sales, as automotive product wholesalers account for nearly 20% of all wholesaling.


Bank of Canada meeting (May) – As next week's decision will not be accompanied by a *Monetary Policy Report*, we can expect very little change in the Bank of Canada's statement. Note that the recent movement by economic conditions is relatively consistent with the monetary authorities' latest projections. Therefore, even though real GDP growth promises to be very strong in the first quarter of 2017, the many risks and the surplus capacity will likely prompt the Bank of Canada to keep the target for the overnight rate at 0.50% in next week's decision.


OVERSEAS

Euro zone: PMI indexes (May) – The euro zone's composite PMI index continued to advance in April, going from 56.4 to 56.8, a new peak. The improvement comes from both the service sector and manufacturing. The PMI index's rise augurs well for economic growth in the euro zone, although Euroland's annualized 2.0% real GDP growth in the first quarter does not entirely reflect this improvement. Tuesday will give us May's results for some French confidence indexes and Germany's IFO corporate confidence indexes.

Economic Indicators

Week of May 22 to 26, 2017

Day	Hour	Indicator	Period	Consensus		Previous data
UNITED STATES						
MONDAY 22						
	10:00	Speech of the Philadelphia Fed President, P. Harker				
	19:30	Speech of a Federal Reserve Governor, L. Brainard				
TUESDAY 23						
	10:00	New home sales (ann. rate)	April	610,000	590,000	621,000
	15:15	Speech of the Minneapolis Fed President, N. Kashkari				
	17:00	Speech of the Philadelphia Fed President, P. Harker				
WEDNESDAY 24						
	10:00	Existing home sales (ann. rate)	April	5,650,000	5,600,000	5,710,000
	14:00	Minutes of the Federal Reserve meeting				
	18:00	Speech of the Dallas Fed President, R. Kaplan				
THURSDAY 25						
	8:30	Initial unemployment claims	May 15-19	240,000	238,000	232,000
	8:30	Goods trade balance – preliminary (US\$B)	April	-64.5	-65.6	-64.2
	8:30	Retail inventories – preliminary (m/m)	April	n/a	n/a	0,4 %
	8:30	Wholesale inventories – preliminary (m/m)	April	0.2%	n/a	0,2 %
	22:00	Speech of the St. Louis Fed President, J. Bullard				
FRIDAY 26						
	8:30	Real GDP (ann. rate)	Q1s	0.9%	0.9%	0.7%
	8:30	Durable goods orders (m/m)	April	-1.5%	-2.3%	0.9%
	10:00	Michigan's consumer sentiment index – final	May	97.5	97.7	97.7
CANADA						
MONDAY 22						
	---	Markets closed (Victoria Day)				
TUESDAY 23						
	8:30	Wholesale sales (m/m)	March	1.0%	0.3%	-0.2%
	8:30	Wholesale inventories (m/m)	March	n/a	0.1%	0.2%
WEDNESDAY 24						
	10:00	Bank of Canada meeting	May	0.50%	0.50%	0.50%
THURSDAY 25						
	12:00	Speech of a Bank of Canada Deputy Governor, S. Leduc				
FRIDAY 26						
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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 22 to 26, 2017

Country	Hour	Indicator	Period	Consensus		Previous data		
				m/m (q/q)	y/y	m/m (q/q)	y/y	
OVERSEAS								
SUNDAY 21								
Japan	19:50	Trade balance (¥B)	April	259.6		172.2		
MONDAY 22								
Japan	1:00	Leading indicator – final	March	n/a		105.5		
Japan	1:00	Coincident indicator – final	March	n/a		114.6		
TUESDAY 23								
Japan	0:30	All industry activity index	March	-0.5%		0.7%		
Germany	2:00	Real GDP – final	Q1	0.6%	1.7%	0.6%	1.7%	
France	2:45	Business confidence	May	105		104		
France	2:45	Production outlook	May	n/a		1		
France	3:00	PMI composite index – preliminary	May	56.6		56.6		
France	3:00	PMI manufacturing index – preliminary	May	55.2		55.1		
France	3:00	PMI services index – preliminary	May	56.6		56.7		
Germany	3:30	PMI composite index – preliminary	May	56.5		56.7		
Germany	3:30	PMI manufacturing index – preliminary	May	58.0		58.2		
Germany	3:30	PMI services index – preliminary	May	55.4		55.4		
Euro zone	4:00	PMI composite index – preliminary	May	56.6		56.8		
Euro zone	4:00	PMI manufacturing index – preliminary	May	56.5		56.7		
Euro zone	4:00	PMI services index – preliminary	May	56.3		56.4		
Germany	4:00	IFO survey – Business climate	May	113.1		112.9		
Germany	4:00	IFO survey – Current situation	May	121.0		121.1		
Germany	4:00	IFO survey – Expectations	May	105.4		105.2		
WEDNESDAY 24								
Germany	2:00	Consumer confidence	June	10.2		10.2		
THURSDAY 25								
South Korea	---	Bank of Korea meeting	May	1.25%		1.25%		
United Kingdom	4:30	Index of services	March	0.0%		0.2%		
United Kingdom	4:30	Real GDP – preliminary	Q1	0.3%	2.1%	0.3%	2.1%	
Japan	19:30	Consumer price index	April		0.4%		0.2%	
Japan	19:30	Consumer price index – Tokyo	May		0.0%		-0.1%	
FRIDAY 26								
Italy	4:00	Consumer confidence	May	107.2		107.5		
Italy	4:00	Economic confidence	May	n/a		107.4		

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) ¹	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)	2017 Q1	107.3	-0.7	1.0	0.3	0.9	0.8
Unit labor cost (2009 = 100)	2017 Q1	111.9	3.0	2.8	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) 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)	April*	126.9	0.3	1.1	2.4	3.2
ISM manufacturing index ¹	April	54.8	57.2	56.0	52.0	50.7
ISM non-manufacturing index ¹	April	57.5	55.2	56.5	54.6	55.7
Cons. confidence Conference Board (1985 = 100) ¹	April	120.3	124.9	111.6	100.8	94.7
Personal consumption expenditure (2009 \$B)	March	11,696	0.3	-0.1	0.8	2.8
Disposable personal income (2009 \$B)	March	12,882	0.5	0.5	1.0	2.4
Consumer credit (\$B)	March	3,806	0.4	1.1	2.7	6.0
Retail sales (\$M)	April	474,948	0.4	0.3	1.8	4.5
<i>Excluding automobiles (\$M)</i>	April	377,805	0.3	0.7	2.3	4.5
Industrial production (2007 = 100)	April*	105.1	1.0	1.6	1.9	2.2
Production capacity utilization rate (%) ¹	April*	76.7	76.1	75.8	75.7	75.6
New machinery orders (\$M)	March	467,673	0.5	1.7	4.5	6.3
New durable good orders (\$M)	March	231,297	1.7	3.4	5.0	5.8
Business inventories (\$B)	March	1,841	0.2	0.8	1.8	2.6
Housing starts (k) ¹	April*	1,172	1,203	1,236	1,328	1,164
Building permits (k) ¹	April*	1,229	1,260	1,300	1,285	1,163
New home sales (k) ¹	March	621.0	587.0	551.0	568.0	537.0
Existing home sales (k) ¹	March	5,710	5,470	5,510	5,470	5,390
Commercial surplus (\$M) ¹	March	-43,706	-43,760	-44,259	-36,026	-37,259
Nonfarm employment (k) ²	April	146,063	211.0	522.0	1,057	2,237
Unemployment rate (%) ¹	April	4.4	4.5	4.8	4.8	5.0
Consumer price (1982-1984 = 100)	April	244.2	0.2	0.0	1.0	2.2
<i>Excluding food and energy</i>	April	251.2	0.1	0.2	0.9	1.9
Personal cons. expenditure deflator (2009 = 100)	March	112.0	-0.2	0.3	0.8	1.8
<i>Excluding food and energy</i>	March	112.5	-0.1	0.4	0.7	1.6
Producer price (2009 = 100)	April	112.7	0.5	0.7	1.6	2.5
Export prices (2000 = 100)	April	122.3	0.2	0.6	1.3	3.0
Import prices (2000 = 100)	April	123.4	0.5	0.9	1.8	4.1

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)	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)	March*	53,854	1.0	0.5	4.7	8.2
Housing starts (k) ¹	April	213.1	252.3	208.6	195.7	188.6
Building permits (\$M)	March	7,002	-5.8	-3.1	0.0	1.5
Retail sales (\$M)	March*	48,290	0.7	2.9	4.6	6.9
Excluding automobiles (\$M)	March*	35,261	-0.2	2.1	3.4	5.7
Wholesale trade sales (\$M)	Feb.	58,856	-0.2	3.1	3.6	6.6
Commercial surplus (\$M) ¹	March	-134.7	-1,081	319	-4,258	-3,021
Exports (\$M)	March	46,977	3.8	1.7	8.1	12.9
Imports (\$M)	March	47,112	1.7	2.7	-1.2	5.6
Employment (k) ²	April	18,311	3.2	12.6	21.7	23.0
Unemployment rate (%) ¹	April	6.5	6.7	6.8	7.0	7.1
Average weekly earnings (\$)	Feb.	967.6	0.1	0.6	1.0	1.5
Number of salaried employees (k) ²	Feb.	16,137	64.5	31.8	29.9	25.4
Consumer price (2002 = 100)	April*	130.4	0.4	0.7	1.0	1.6
Excluding food and energy	April*	125.2	0.0	0.7	0.6	1.5
Excluding 8 volatile items	April*	129.6	0.0	0.7	0.4	1.1
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)	March	912,147	1.1	2.0	4.4	9.7

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		
	May 19	May 12	-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	0.65	0.50
Treasury bill – 3 months	0.91	0.86	0.78	0.52	0.43	0.32	0.91	0.47	0.18
Treasury bonds – 2 years	1.27	1.28	1.18	1.20	1.06	0.89	1.38	1.00	0.56
– 5 years	1.78	1.85	1.76	1.91	1.78	1.37	2.13	1.56	0.94
– 10 years	2.24	2.34	2.24	2.44	2.34	1.85	2.61	2.04	1.36
– 30 years	2.91	3.00	2.89	3.04	3.02	2.64	3.19	2.73	2.11
S&P 500 index (level)	2,383	2,391	2,349	2,351	2,182	2,052	2,402	2,228	2,001
DJIA index (level)	20,780	20,897	20,548	20,624	18,868	17,501	21,116	19,259	17,140
Gold price (US\$/ounce)	1,254	1,230	1,286	1,238	1,208	1,253	1,369	1,258	1,127
CRB index (level)	184.74	181.69	181.87	192.12	183.14	184.21	195.82	187.23	177.01
WTI oil (US\$/barrel)	50.38	47.83	49.64	53.41	45.69	47.67	54.48	48.75	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	0.51	0.51	0.54	0.48	0.50	0.50	0.56	0.50	0.42
Treasury bonds – 2 years	0.68	0.68	0.72	0.78	0.67	0.62	0.88	0.66	0.47
– 5 years	0.94	1.00	1.01	1.17	0.99	0.75	1.32	0.89	0.53
– 10 years	1.47	1.57	1.47	1.71	1.58	1.35	1.87	1.40	0.95
– 30 years	2.10	2.23	2.14	2.41	2.22	1.99	2.53	2.04	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	-0.15	-0.50
Treasury bill – 3 months	-0.40	-0.35	-0.24	-0.04	0.07	0.18	0.35	0.02	-0.45
Treasury bonds – 2 years	-0.60	-0.60	-0.47	-0.42	-0.39	-0.26	-0.06	-0.34	-0.63
– 5 years	-0.84	-0.85	-0.75	-0.75	-0.79	-0.62	-0.38	-0.67	-0.89
– 10 years	-0.77	-0.77	-0.77	-0.73	-0.76	-0.50	-0.35	-0.64	-0.82
– 30 years	-0.81	-0.76	-0.76	-0.63	-0.80	-0.65	-0.52	-0.68	-0.88
S&P/TSX index (level)	15,416	15,538	15,614	15,839	14,864	13,920	15,922	14,986	13,690
Exchange rate (C\$/US\$)	1.3548	1.3710	1.3500	1.3099	1.3501	1.3113	1.3749	1.3198	0.7381
Exchange rate (C\$/€)	1.5163	1.4986	1.4482	1.3903	1.4295	1.4718	1.5180	1.4410	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\$/€)	1.1193	1.0931	1.0728	1.0614	1.0588	1.1224	1.1394	1.0901	1.0387
<u>United Kingdom</u>									
BoE – Base rate	0.25	0.25	0.25	0.25	0.25	0.50	0.50	0.30	0.25
Bonds – 10 years	1.08	1.03	0.98	1.21	1.47	1.46	1.51	1.12	0.61
FTSE index (level)	7,470	7,435	7,115	7,300	6,776	6,156	7,522	6,942	5,924
Exchange rate (US\$/£)	1.3032	1.2891	1.2813	1.2415	1.2346	1.4501	1.4879	1.2851	1.2049
<u>Germany</u>									
Bonds – 10 years	0.37	0.40	0.25	0.30	0.20	0.17	0.49	0.13	-0.22
DAX index (level)	12,648	12,770	12,049	11,757	10,665	9,916	12,807	11,061	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)	19,591	19,884	18,621	19,235	17,967	16,736	19,962	17,880	14,952
Exchange rate (US\$/¥)	111.40	113.35	109.09	112.88	110.95	110.15	118.18	108.65	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.