

WEEKLY NEWSLETTER

Economic Growth in Canada Beats Expectations

HIGHLIGHTS

- ▶ The Conference Board index shows a modest decline in U.S. consumer confidence.
- ▶ The annual variation in home prices in the United States continues to slow.
- ▶ Canada: Real GDP rebounded in the second quarter.

A LOOK AHEAD

- ▶ United States: Employment gains in August should be fairly similar to July's 164,000 new hires.
- ▶ United States: The ISM indexes should be fairly stable.
- ▶ The Bank of Canada should once again leave the target for the overnight rate at 1.75%.
- ▶ Canada: The trade balance could deteriorate somewhat in July.
- ▶ Canada: Employment could tilt back into positive territory in August.

FINANCIAL MARKETS

- ▶ Stock markets are up, bolstered by an easing of trade tensions.
- ▶ Bond yields were more stable this week.
- ▶ The U.S. dollar has resumed its uptrend.

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

François Dupuis, Vice-President and Chief Economist • Mathieu D'Anjou, Deputy Chief Economist • Carine Bergevin-Chammah, Economist
 Benoit P. Durocher, Senior Economist • Francis Généreux, Senior Economist • Hendrix Vachon, Senior Economist

Desjardins, Economic Studies: 514-281-2336 or 1 866-866-7000, ext. 5552336 • desjardins.economics@desjardins.com • desjardins.com/economics

NOTE TO READERS: The letters k, M and B are used in texts and tables to refer to thousands, millions and billions respectively.

IMPORTANT: This document is based on public information and may under no circumstances be used or construed as a commitment by Desjardins Group. While the information provided has been determined on the basis of data obtained from sources that are deemed to be reliable, Desjardins Group in no way warrants that the information is accurate or complete. The document is provided solely for information purposes and does not constitute an offer or solicitation for purchase or sale. Desjardins Group takes no responsibility for the consequences of any decision whatsoever made on the basis of the data contained herein and does not hereby undertake to provide any advice, notably in the area of investment services. The data on prices or margins are provided for information purposes and may be modified at any time, based on such factors as market conditions. The past performances and projections expressed herein are no guarantee of future performance. The opinions and forecasts contained herein are, unless otherwise indicated, those of the document's authors and do not represent the opinions of any other person or the official position of Desjardins Group. Copyright © 2019, Desjardins Group. All rights reserved.

Key Statistics of the Week

UNITED STATES

- ▶ Real consumption advanced 0.4% in July following a 0.2% gain in June. Consumption of durable goods jumped 1.1%, while consumption of non-durable goods gained 0.6%. Consumption of services rose 0.3%. The consumer expenditure deflator increased 0.2% in July following June's 0.1% gain. The annual variation in the deflator went from 1.3% to 1.4%.
- ▶ According to the Conference Board index, consumer confidence deteriorated less than expected in August, slipping from 135.8—its highest level since November 2018—to 135.1. The 0.7-point drop is small compared to the more than 5-point decline forecast by the consensus. The expectations component, however, fell by 5.4 points, but this was offset by a 6.3-point increase in the current situation component.
- ▶ The S&P/Case-Shiller index of existing home prices in the 20 largest cities was flat in June after two consecutive 0.1% gains in April and May. The annual variation continues to slow, dropping from 2.4% in May to only 2.1% in June.
- ▶ New durable goods orders jumped 2.1% in July, after a 1.8% increase in June. As in the previous month, the gain was mainly due to aviation-related orders, which soared 44.2% this time. Excluding transportation, new orders fell 0.4% after a 0.8% uptick in June.
- ▶ The preliminary estimate of the national accounts for the second quarter of 2019 did not result in any significant changes to real GDP growth. On an annualized basis, real GDP growth slipped from 2.1% to 2.0%.

Francis Généreux, Senior economist

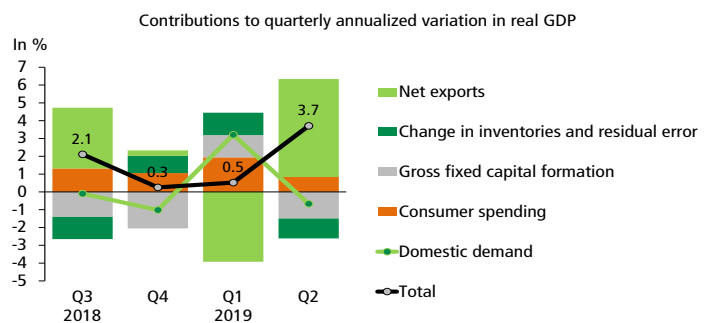
CANADA

- ▶ Real GDP rose 3.7% (quarterly annualized) in the second quarter. It is worth noting that the two previous quarters had ended with much weaker increases, that is, 0.3% in the fourth quarter of 2018 and 0.5% in the first quarter of 2019. The main contributor to growth in the second quarter was international trade owing to a 13.4% increase in exports and a 4.0% decrease in imports. It is nonetheless disappointing to see that domestic demand has returned to negative territory (-0.7%). Consumer spending (+1.1%) and residential investment (+5.5%) were certainly up during the period, but that was insufficient to fully offset the negative effects of the sharp drop in business investment in machinery and equipment and in non-residential structures (-16.2%). The spike in exports was coupled with a slowdown in the variation in inventories. This contributed -1.1% to the quarterly variation in real GDP.

Benoit P. Durocher, Senior economist

CANADA

Second quarter results: a mirror image of the previous quarter



Sources: Statistics Canada and Desjardins, Economic Studies

Financial Markets

The U.S. Stock Market Has Recovered Last Week's Losses

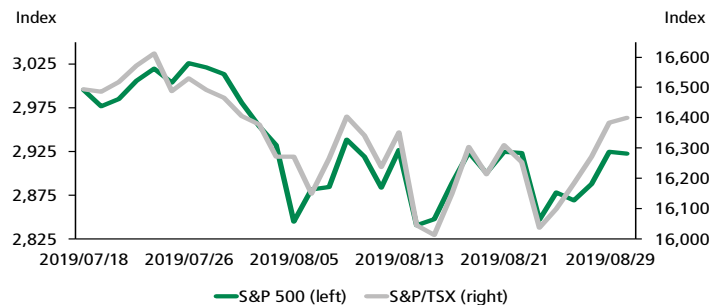
Fears linked to trade tensions tapered off this week. Thursday's was the best session. The uptrend has been continuing on Friday morning, helped by strong U.S. consumer spending. At the time of writing, the S&P 500 index showed a weekly increase of about 3%, which more than offset last week's losses. The Canadian markets also benefited from renewed market confidence and the rise in commodity prices, including oil, which is now over US\$55 a barrel according to the WTI (West Texas Intermediate) benchmark. However, the S&P/TSX index rose slightly less than its U.S. counterpart, which had declined more last week.

Contrary to market indexes, U.S. bond yields did not recover lost ground. Fears of a recession are still strong, and investors are still poised for increased interventions from the central banks, although a slight rise in yields started on Thursday. At the time of writing, the U.S. 10-year and 2-year yields were hovering around 1.53% and 1.52% respectively. That meant the spread between the yields was still slightly negative. In Canada, the gap is even more negative. On Friday, the Canadian 10-year and 2-year yields were around 1.35% and 1.15% respectively.

After last Friday's drop, the U.S. dollar seems to be trending higher again. A larger appreciation was observed on Thursday, despite improved investor confidence and the apparently lower risks of trade tensions escalating. The greenback has also taken advantage of good U.S. figures and the weakness of the European currencies. The pound dipped below US\$1.22 again, while the suspension of the U.K. Parliament at Boris Johnson's request has increased the chances of a hard Brexit in October. The euro dropped to US\$1.10. Disappointing figures from Germany seem to have propelled the European currency downwards. The Canadian dollar did better, though, stabilizing above US\$0.75. The rebound in commodity prices helped, as did the easing of trade tensions. Better-than-expected Canadian GDP figures gave the loonie a temporarily boost on Friday morning.

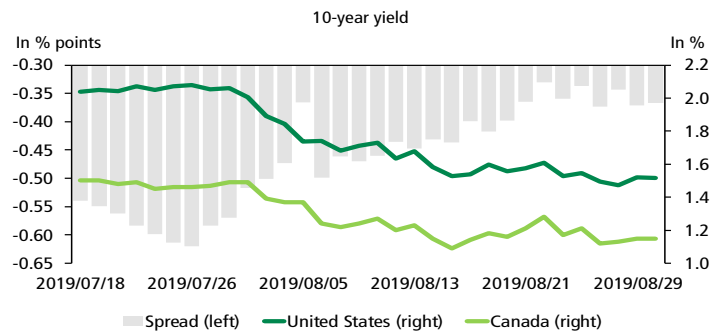
Hendrix Vachon, Senior Economist

GRAPH 1
Stock markets



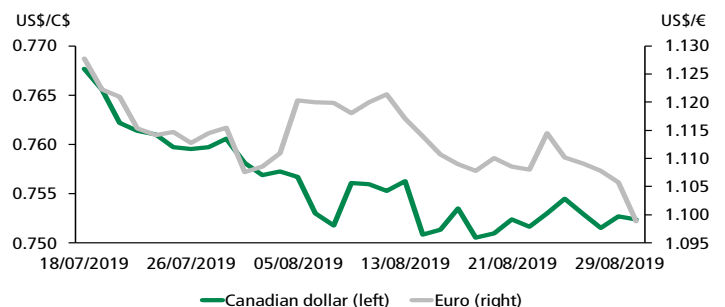
Sources: Datastream and Desjardins, Economic Studies

GRAPH 2
Bond markets



Sources: Datastream and Desjardins, Economic Studies

GRAPH 3
Currency markets



Sources: Datastream and Desjardins, Economic Studies

A Look Ahead

TUESDAY September 3 - 10:00

August	
Consensus	51.2
Desjardins	51.7
July	51.2

WEDNESDAY September 4 - 8:30

July	US\$B
Consensus	-53.4
Desjardins	-53.5
June	-55.2

THURSDAY September 5 - 10:00

August	
Consensus	54.0
Desjardins	53.6
July	53.7

FRIDAY September 6 - 8:30

August	
Consensus	163,000
Desjardins	170,000
July	164,000

WEDNESDAY September 4 - 8:30

July	\$B
Consensus	n/a
Desjardins	0.04
June	0.14

WEDNESDAY September 4 - 8:30

Q2 2019	q/q
Consensus	n/a
Desjardins	0.0%
Q1 2019	0.3%

UNITED STATES

ISM manufacturing index (August) – In July, the ISM manufacturing index continued its decline, which began in April. However, this fourth consecutive pullback should give way to a slight increase in August, as the levels for the leading regional manufacturing indexes suggest. The ISM manufacturing index should rise to 51.7.

Trade balance (July) – After improving in May, the trade balance deteriorated again in June as exports fell more than imports. July is expected to show some improvement, though. The preliminary figures for trade in goods point to a 0.7% rise in exports, while imports were down 0.4%. The balance of trade in goods and services should go from -US\$55.2B to -US\$53.5B.

ISM non-manufacturing index (August) – The ISM non-manufacturing index suffered two noteworthy declines in June and July, for a total loss of 3.2 points, to only 53.7—its lowest level since August 2016. Recent developments in regional indicators and consumer confidence indexes point to some stability. The ISM non-manufacturing index should go to 53.6.

Job creation according to the establishment (August) – Following the disappointing 62,000 new jobs in May, the job market recovered, but without reaching extremely high hiring levels. As such, 193,000 new jobs were created in June and 164,000 in July. We expect a similar result for August. Despite renewed concerns about the U.S. economy, initial jobless claims remained relatively low and, more importantly, households were confident about the job market's situation in August. This sets the stage for strong hiring. However, in recent years, the month of August has often shown a bit of a slump in job creation, at least in the advance estimate (often revised upward afterwards). The release of the employment-related components of the ISM indexes in the coming week will provide greater insight into the changes to the job market. All in all, we are anticipating 170,000 new jobs for August. The jobless rate should stay at 3.7%.

CANADA

International merchandise trade (July) – Expressed in Canadian dollars and adjusted for seasonal fluctuations, commodity prices were up about 1% in July. This should boost the value of some exports for the month. However, there are several signs that consumption has continued to rise; this should drive imports higher. Under these circumstances, the international merchandise trade balance could deteriorate slightly for the month.

Labour productivity (Q2) – Business sector output increased 0.8% in the second quarter, similar to the increase in the number of hours worked. In such conditions, worker productivity is expected to remain virtually unchanged for the period. As workers' earnings continued to rise in the second quarter, unit labour costs are also expected to go up.

WEDNESDAY September 4 - 10:00
September

Consensus 1.75%

Desjardins 1.75%

July 10
1.75%
FRIDAY September 6 - 8:30
August

Consensus n/a

Desjardins 15,000

July
-24,200
WEDNESDAY September 4 - 5:00
July
m/m

Consensus -0.6%

June
1.1%

Bank of Canada meeting (September) – While several central banks around the world have recently cut their key interest rates, the Bank of Canada (BoC) should resist the temptation and once again leave the target for the overnight rate at 1.75%. It should be noted that inflation is very stable in Canada and remains close to the median target (2%). In addition, growth is on track and the second quarter ended with a real GDP increase of 3.7% (quarterly annualized). That said, monetary authorities should pay close attention to the increase in uncertainty, including that stemming from the trade war. It remains to be seen to what extent BoC leaders will open the door to a possible easing of Canada's monetary policy.


Labour Force Survey (August) – After catching its breath in June and July, the labour market is expected to gain some momentum in August. We should note that conditions remain favourable, with the uptick in production in the midst of a labour shortage. Thus, the month of August could end with about 15,000 new jobs. The unemployment rate could stay put at 5.7%.


OVERSEAS

Euro zone: Retail sales (July) – After declining 0.6% in May, Euroland retail sales rebounded in June with a monthly gain of 1.1%, the strongest advance since November 2017. Yet, it would be surprising if this result indicated the start of a new positive trend. Most other European indicators remain relatively weak, including consumer confidence and PMI indexes. The 0.4% uptick in consumer spending in France for July is quite positive, but this will be negatively offset by the 2.2% downturn in German sales.

Economic Indicators

Week of September 2 to 6, 2019

Day	Hour	Indicator	Period	Consensus		Previous data
UNITED STATES						
MONDAY 2	---	Markets closed (Labor Day)				
TUESDAY 3	10:00	Construction spending (m/m)	July	0.3%	0.2%	-1.3%
	10:00	ISM manufacturing index	Aug.	51.2	51.7	51.2
	17:00	Speech of the Boston Fed President, E. Rosengren				
WEDNESDAY 4	---	Total vehicle sales (ann. rate)	Aug.	16,800,000	16,500,000	16,820,000
	8:30	Trade balance – Goods and services (US\$B)	July	-53.4	-53.5	-55.2
	9:25	Speech of the New York Fed President, J. Williams				
	13:00	Speech of the Minneapolis Fed President, N. Kashkari				
	14:00	Release of the <i>Beige Book</i>				
	15:15	Speech of the Chicago Fed President, C. Evans				
THURSDAY 5	8:30	Initial unemployment claims	Aug. 26-30	215,000	212,000	215,000
	8:30	Nonfarm productivity – final (ann. rate)	Q2	2.2%	2.3%	2.3%
	8:30	Unit labor costs – final (ann. rate)	Q2	2.5%	2.4%	2.4%
	10:00	ISM non-manufacturing index	Aug.	54.0	53.6	53.7
	10:00	Factory orders (m/m)	July	1.0%	1.3%	0.6%
FRIDAY 6	8:30	Change in nonfarm payrolls	Aug.	163,000	170,000	164,000
	8:30	Unemployment rate	Aug.	3.7%	3.7%	3.7%
	8:30	Weekly worked hours	Aug.	34.4	34.4	34.3
	8:30	Average hourly earnings (m/m)	Aug.	0.3%	0.1%	0.3%
CANADA						
MONDAY 2	---	Markets closed (Labor Day)				
TUESDAY 3	---	---				
WEDNESDAY 4	8:30	International trade (\$B)	July	n/a	0.04	0.14
	8:30	Labour productivity (q/q)	Q2	n/a	0.0%	0.3%
	8:30	Unit labour costs (q/q)	Q2	n/a	-1.4%	1.1%
	10:00	Bank of Canada meeting	Sept.	1.75%	1.75%	1.75%
THURSDAY 5	11:45	Speech of a Bank of Canada Deputy Governor, L. Schembri				
FRIDAY 6	8:30	Net change in employment	Aug.	n/a	15,000	-24,200
	8:30	Unemployment rate	Aug.	n/a	5.7%	5.7%
	10:00	PMI-Ivey index	Aug.	n/a	52.5	54.2

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 September 2 to 6, 2019

Country	Hour	Indicator	Period	Consensus		Previous data		
				m/m (q/q)	y/y	m/m (q/q)	y/y	
OVERSEAS								
SUNDAY 1								
Japan	20:30	PMI manufacturing index – final	Aug.	n/a		49.5		
MONDAY 2								
Italy	3:45	PMI manufacturing index	Aug.	48.5		48.5		
France	3:50	PMI manufacturing index – final	Aug.	51.0		51.0		
Germany	3:55	PMI manufacturing index – final	Aug.	43.6		43.6		
Euro zone	4:00	PMI manufacturing index – final	Aug.	47.0		47.0		
United Kingdom	4:30	PMI manufacturing index	Aug.	48.4		48.0		
TUESDAY 3								
Australia	0:30	Reserve Bank of Australia meeting	Sept.	1.00%		1.00%		
United Kingdom	4:30	PMI construction index	Aug.	46.5		45.3		
Euro zone	5:00	Producer price index	July	0.2%	0.2%	-0.6%	0.7%	
Japan	20:30	PMI composite index – final	Aug.	n/a		51.7		
Japan	20:30	PMI services index – final	Aug.	n/a		53.4		
WEDNESDAY 4								
Italy	3:45	PMI composite index	Aug.	50.5		51.0		
Italy	3:45	PMI services index	Aug.	51.5		51.7		
France	3:50	PMI composite index – final	Aug.	52.7		52.7		
France	3:50	PMI services index – final	Aug.	53.3		53.3		
Germany	3:55	PMI composite index – final	Aug.	51.4		51.4		
Germany	3:55	PMI services index – final	Aug.	54.4		54.4		
Euro zone	4:00	PMI composite index – final	Aug.	51.8		51.8		
Euro zone	4:00	PMI services index – final	Aug.	53.4		53.4		
United Kingdom	4:30	PMI composite index	Aug.	50.8		50.7		
United Kingdom	4:30	PMI services index	Aug.	51.0		51.4		
Euro zone	5:00	Retail sales	July	-0.6%	2.0%	1.1%	2.6%	
THURSDAY 5								
Germany	2:00	Factory orders	July	-1.4%	-4.1%	2.5%	-3.6%	
Sweden	3:30	Bank of Sweden meeting	Sept.	-0.25%		-0.25%		
FRIDAY 6								
Germany	2:00	Industrial production	July	0.4%	-3.8%	-1.5%	-5.2%	
France	2:45	Trade balance (€M)	July	-4,407		-5,187		
France	2:45	Current account (€B)	July	n/a		-0.8		
Italy	4:00	Retail sales	July	n/a	n/a	1.9%	1.3%	
Euro zone	5:00	Net change in employment – final	Q2	n/a	n/a	0.2%	1.1%	
Euro zone	5:00	Real GDP – final	Q2	0.2%	1.1%	0.2%	1.1%	
Russia	6:30	Bank of Russia meeting	Sept.	7.00%		7.25%		

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	2018	2017	2016
Gross domestic product (2009 \$B)	2019 Q2	19,023	2.0	2.3	2.9	2.4	1.6
Consumption (2009 \$B)	2019 Q2	13,253	4.7	2.7	3.0	2.6	2.7
Government spending (2009 \$B)	2019 Q2	3,294	4.5	2.2	1.7	0.7	1.8
Residential investment (2009 \$B)	2019 Q2	587.1	-2.9	-3.2	-1.5	3.5	6.5
Non-residential investment (2009 \$B)	2019 Q2	2,761	-0.6	2.6	6.4	4.4	0.7
Business inventory change (2009 \$B) ¹	2019 Q2	69.0	---	---	48.1	31.7	23.0
Exports (2009 \$B)	2019 Q2	2,516	-5.8	-1.7	3.0	3.5	0.0
Imports (2009 \$B)	2019 Q2	3,499	0.1	2.6	4.4	4.7	2.0
Final domestic demand (2009 \$B)	2019 Q2	19,882	3.6	2.4	3.0	2.5	2.4
GDP deflator (2009 = 100)	2019 Q2	112.2	2.4	1.8	2.4	1.9	1.0
Labor productivity (2009 = 100)	2019 Q2	107.5	2.3	1.8	1.3	1.3	0.3
Unit labor cost (2009 = 100)	2019 Q2	111.9	2.4	2.5	1.8	2.1	0.8
Employment cost index (Dec. 2005 = 100)	2019 Q2	137.0	2.4	2.8	2.8	2.4	2.3
Current account balance (\$B) ¹	2019 Q1	-130.4	---	---	-491.0	-439.6	-428.3

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)	July	112.2	0.5	0.4	0.8	1.6
ISM manufacturing index ¹	July	51.2	51.7	52.8	56.6	58.4
ISM non-manufacturing index ¹	July	53.7	55.1	55.5	56.7	56.7
Cons. confidence Conference Board (1985 = 100) ¹	Aug.*	135.1	135.8	131.3	131.4	134.7
Personal consumption expenditure (2009 \$B)	July*	13,347	0.4	1.0	2.0	2.7
Disposable personal income (2009 \$B)	July*	15,020	0.1	0.6	1.3	3.0
Consumer credit (\$B)	June	4,102	0.4	1.2	2.3	5.3
Retail sales (\$M)	July	523,514	0.7	1.5	3.2	3.4
<i>Excluding automobiles (\$M)</i>	July	420,301	1.0	1.9	3.3	3.7
Industrial production (2007 = 100)	July	109.2	-0.2	0.2	-0.9	0.5
Production capacity utilization rate (%) ¹	July	77.5	77.8	77.7	79.0	78.8
New machinery orders (\$M)	June	493,817	0.6	-1.9	-1.5	-1.2
New durable good orders (\$M)	July*	250,380	2.1	1.5	-2.2	1.0
Business inventories (\$B)	June	2,036	0.0	0.8	2.1	5.2
Housing starts (k) ¹	July	1,191	1,241	1,270	1,291	1,184
Building permits (k) ¹	July	1,317	1,232	1,290	1,316	1,316
New home sales (k) ¹	July	635.0	728.0	656.0	644.0	609.0
Existing home sales (k) ¹	July	5,420	5,290	5,210	4,930	5,390
Commercial surplus (\$M) ¹	June	-55,154	-55,344	-51,906	-60,807	-47,431
Nonfarm employment (k) ²	July	151,431	164.0	419.0	844.0	2,246
Unemployment rate (%) ¹	July	3.7	3.7	3.6	4.0	3.9
Consumer price (1982-1984 = 100)	July	256.2	0.3	0.5	1.4	1.8
<i>Excluding food and energy</i>	July	263.6	0.3	0.7	1.1	2.2
Personal cons. expenditure deflator (2009 = 100)	July*	109.8	0.2	0.4	1.0	1.4
<i>Excluding food and energy</i>	July*	111.8	0.2	0.5	0.9	1.6
Producer price (2009 = 100)	July	118.5	0.2	0.3	1.3	1.7
Export prices (2000 = 100)	July	126.2	0.2	-0.7	0.7	-0.9
Import prices (2000 = 100)	July	125.8	0.2	-0.8	1.0	-1.8

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	2018	2017	2016
Gross domestic product (2007 \$M)	2019 Q2*	2,085,470	3.7	1.6	1.9	3.0	1.1
Household consumption (2007 \$M)	2019 Q2*	1,177,341	0.5	1.4	2.1	3.6	2.1
Government consumption (2007 \$M)	2019 Q2*	424,534	2.5	2.1	2.9	2.1	1.8
Residential investment (2007 \$M)	2019 Q2*	136,894	5.5	-3.2	-1.5	2.4	3.5
Non-residential investment (2007 \$M)	2019 Q2*	178,965	-16.2	-6.5	1.9	2.5	-9.9
Business inventory change (2007 \$M) ¹	2019 Q2*	14,022	---	---	12,738	17,582	2,291
Exports (2007 \$M)	2019 Q2*	677,396	13.4	2.6	3.2	1.1	1.3
Imports (2007 \$M)	2019 Q2*	662,654	-4.0	-1.4	2.9	4.2	0.0
Final domestic demand (2007 \$M)	2019 Q2*	2,055,180	-0.7	0.3	2.0	3.1	0.6
GDP deflator (2007 = 100)	2019 Q2*	110.2	4.5	1.9	1.7	2.5	0.8
Labour productivity (2007 = 100)	2019 Q1	106.0	1.1	0.4	-0.3	1.9	0.3
Unit labour cost (2007 = 100)	2019 Q1	108.5	4.4	1.7	2.6	0.8	-1.6
Current account balance (\$M) ¹	2019 Q2*	-6,384	---	---	-58,522	-60,130	-64,882
Production capacity utilization rate (%) ¹	2019 Q1	80.9	---	---	82.9	81.6	79.2
Disposable personal income (\$M)	2019 Q2*	1,271,464	5.1	3.6	3.8	4.5	0.3
Corporate net operating surplus (2007 \$M)	2019 Q2*	290,264	28.7	1.0	0.5	20.1	6.4

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)	June*	1,969,135	0.2	0.8	1.3	1.5
Industrial production (2007 \$M)	June*	404,569	-0.7	0.5	0.7	0.1
Manufacturing sales (\$M)	June	58,016	-1.2	-0.3	2.9	0.1
Housing starts (k) ¹	July	222.0	245.5	230.4	202.8	202.2
Building permits (\$M)	June	8,012	-3.7	-1.8	-9.3	-5.7
Retail sales (\$M)	June	51,345	0.0	-0.1	1.8	1.0
<i>Excluding automobiles (\$M)</i>	June	37,795	0.9	0.5	2.5	1.3
Wholesale trade sales (\$M)	June	64,146	0.6	0.2	2.0	2.3
Commercial surplus (\$M) ¹	June	135.8	555.5	-1,991	-4,962	-777.7
<i>Exports (\$M)</i>	June	50,307	-5.1	-0.3	9.0	-0.9
<i>Imports (\$M)</i>	June	50,172	-4.3	-4.3	-1.9	-2.7
Employment (k) ²	July	19,030	-24.2	0.4	26.1	29.4
Unemployment rate (%) ¹	July	5.7	5.5	5.7	5.8	5.9
Average weekly earnings (\$)	June*	1,026	-0.5	1.1	1.7	2.5
Number of salaried employees (k) ²	June*	16,926	-10.7	12.2	27.3	25.2
Consumer price (2002 = 100)	July	137.0	0.5	0.7	2.5	2.0
<i>Excluding food and energy</i>	July	131.3	0.4	0.9	2.1	2.2
<i>Excluding 8 volatile items</i>	July	134.5	0.3	0.7	1.7	2.0
Industrial product price (2002 = 100)	July*	117.3	-0.3	-1.8	0.5	-1.7
Raw materials price (2002 = 100)	July*	106.2	1.2	-7.2	3.8	-9.0
Money supply M1+ (\$M)	July*	1,039,508	1.3	2.4	3.6	6.0

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		
	Aug. 30	Aug. 23	-1 month	-3 months	-6 months	-1 year	Higher	Average	Lower
United States									
Federal funds – target	2.25	2.25	2.25	2.50	2.50	2.00	2.50	2.39	2.00
Treasury bill – 3 months	1.98	1.93	2.02	2.30	2.39	2.07	2.43	2.27	1.83
Treasury bonds – 2 years	1.53	1.52	1.71	2.00	2.55	2.63	2.97	2.37	1.48
– 5 years	1.41	1.41	1.66	1.94	2.55	2.74	3.09	2.38	1.37
– 10 years	1.52	1.53	1.84	2.14	2.76	2.86	3.23	2.56	1.47
– 30 years	1.98	2.02	2.38	2.58	3.12	3.01	3.45	2.91	1.93
S&P 500 index (level)	2,923	2,847	2,932	2,752	2,804	2,902	3,026	2,806	2,351
DJIA index (level)	26,375	25,629	26,485	24,815	26,026	25,965	27,359	25,645	21,792
Gold price (US\$/ounce)	1,527	1,534	1,446	1,300	1,304	1,203	1,539	1,304	1,182
CRB index (level)	170.39	168.61	173.35	175.36	181.50	192.96	201.23	182.40	167.89
WTI oil (US\$/barrel)	55.06	54.10	55.66	53.50	55.80	69.80	76.41	58.52	44.41
Canada									
Overnight – target	1.75	1.75	1.75	1.75	1.75	1.50	1.75	1.71	1.50
Treasury bill – 3 months	1.62	1.63	1.64	1.68	1.67	1.53	1.73	1.65	1.49
Treasury bonds – 2 years	1.35	1.37	1.46	1.43	1.77	2.06	2.36	1.79	1.29
– 5 years	1.18	1.21	1.35	1.36	1.81	2.16	2.48	1.79	1.13
– 10 years	1.15	1.17	1.37	1.49	1.94	2.22	2.60	1.87	1.09
– 30 years	1.42	1.43	1.61	1.77	2.20	2.25	2.58	2.06	1.30
<u>Spread with the U.S. rate (% points)</u>									
Overnight – target	-0.50	-0.50	-0.50	-0.75	-0.75	-0.50	-0.50	-0.67	-0.75
Treasury bill – 3 months	-0.36	-0.30	-0.38	-0.62	-0.72	-0.54	-0.19	-0.62	-0.80
Treasury bonds – 2 years	-0.18	-0.15	-0.25	-0.57	-0.78	-0.57	-0.12	-0.59	-0.85
– 5 years	-0.23	-0.20	-0.31	-0.58	-0.74	-0.58	-0.17	-0.59	-0.81
– 10 years	-0.37	-0.36	-0.47	-0.65	-0.82	-0.64	-0.33	-0.69	-0.89
– 30 years	-0.57	-0.59	-0.77	-0.81	-0.92	-0.76	-0.56	-0.86	-1.02
S&P/TSX index (level)	16,400	16,038	16,272	16,037	16,068	16,263	16,669	15,833	13,780
Exchange rate (C\$/US\$)	1.3291	1.3280	1.3206	1.3514	1.3296	1.3039	1.3639	1.3257	1.2812
Exchange rate (C\$/€)	1.4604	1.4800	1.4671	1.5094	1.5126	1.5127	1.5643	1.5019	1.4604
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\$/€)	1.0988	1.1145	1.1109	1.1169	1.1377	1.1601	1.1777	1.1331	1.0988
<u>United Kingdom</u>									
BoE – Base rate	0.75	0.75	0.75	0.75	0.75	0.75	0.75	0.75	0.75
Bonds – 10 years	0.48	0.50	0.56	0.89	1.30	1.34	1.72	1.13	0.36
FTSE index (level)	7,207	7,095	7,407	7,162	7,107	7,432	7,687	7,197	6,585
Exchange rate (US\$/£)	1.2166	1.2279	1.2156	1.2633	1.3204	1.2964	1.3339	1.2820	1.2037
<u>Germany</u>									
Bonds – 10 years	-0.70	-0.67	-0.49	-0.20	0.19	0.33	0.56	0.05	-0.72
DAX index (level)	11,939	11,612	11,872	11,727	11,602	12,364	12,630	11,689	10,382
<u>Japan</u>									
BoJ – Main policy rate	-0.10	-0.10	-0.10	-0.10	-0.10	-0.10	-0.10	-0.10	-0.10
Nikkei index (level)	20,704	20,711	21,087	20,601	21,603	22,865	24,271	21,531	19,156
Exchange rate (US\$/¥)	106.30	105.41	106.60	108.28	111.92	111.04	114.54	110.42	105.31

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.