

WEEKLY NEWSLETTER

The Bank of Canada Maintains Its Status Quo but Remains Focused on the Trade War

HIGHLIGHTS

- ▶ United States: Job creation down slightly in August.
- ▶ United States: The ISM manufacturing index falls below the 50 mark, while the non-manufacturing index rebounded.
- ▶ The Bank of Canada left the target for the overnight rate at 1.75%.
- ▶ Canada: Employment rebounded in August.

A LOOK AHEAD

- ▶ United States: The consumer price index expected to show slower monthly growth.
- ▶ U.S. retail sales probably posted solid growth in August.
- ▶ Canada: The number of housing starts could fall slightly.
- ▶ Canada: The industrial capacity utilization rates should rise.

FINANCIAL MARKETS

- ▶ The China-U.S. trade negotiations planned for October are bringing back optimism.
- ▶ The renewed optimism on the markets gives bond yields a push.
- ▶ The Canadian dollar has climbed to nearly US\$0.76.

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Key Statistics of the Week

UNITED STATES

- ▶ The establishment survey indicates that there were 130,000 new jobs in August, following gains of 159,000 in July and 178,000 in June. Construction gained 14,000 jobs, and manufacturing 3,000. There were 84,000 net hires in private sector services, i.e., far fewer than the 133,000 recorded in July. The public sector made 34,000 hires, in all likelihood in preparation for the 2020 census. The jobless rate stayed at 3.7%.
- ▶ The ISM manufacturing index fell from 51.2 to 49.1 in August. This is the first time since August 2016 that it has dropped below the 50 mark. This new low is this indicator's fifth consecutive monthly contraction. We have to go back to 2015 to see a series of declines just as long. Seven of the ten sub-indexes contracted. The main components that declined the most were export orders (-4.8 points), employment (-4.3 points) and new orders (-3.6 points).
- ▶ The ISM non-manufacturing index was up 2.7 points in August, its sharpest monthly growth since February. This increase follows two months of declines and brings the index to 56.4, its highest level since May. Only four of the ten components increased, but the advances are substantial: current production was up 8.4 points, new orders were up 6.2 points, inventories increased by 5.0 points and prices paid advanced 1.7 points. Much like the manufacturing index, the import and export components showed sharp declines.
- ▶ While a slight drop was expected, new automobile sales rose in August, from 16,820,000 to 16,970,000 units.
- ▶ Construction spending edged up 0.1% in July after slipping 0.7% in June (upgraded from -1.3%). Residential construction rose 0.6%, but private non-residential construction was down 0.8%. Public construction showed a 0.4% gain. Compared to July 2018, construction spending was down 2.7%.
- ▶ The balance of trade in goods and services improved in July, with the deficit moving from US\$55.5B in June to US\$54.0B. Nominal exports were up 0.6%, while imports fell by 0.1%.

Francis Généreux, Senior economist

CANADA

- ▶ The Bank of Canada (BoC) left the target for the overnight rate at 1.75% at this week's meeting. Although all forecasters expected the target for the overnight rate to remain unchanged, the real issue regarding Wednesday's statement instead was to understand at what point the BoC would open the door to a possible reduction of its key interest rates. As it turns out, monetary authorities have effectively opened the door to this possibility, but not as wide as some investors had expected.
- ▶ The labour market added 81,100 new hires in August, beating expectations by far. Clearly, the employment trend across the country is still very strong. This result seems surprising at first glance, as fears of a global and, by extension, Canadian economic slowdown have risen significantly in recent weeks. Many positions across Canada remain open, which is fuelling the search for new workers in companies, despite the more uncertain outlooks. The unemployment rate stayed put at 5.7%.
- ▶ The value of merchandise exports slipped by 0.9% in July, coming in below expectations. Not only did the energy sector suffer another decline, but pullbacks were noted in a few other sectors as well. Imports were up 1.2% for the month. The trade balance deteriorated as a result, from -\$55M to -\$1,124M.
- ▶ Canadian labour productivity advanced 0.2% in the second quarter. A higher increase in business sector output (+1.0%) than in hours worked (+0.8%) is behind these slight gains. On the other hand, hourly compensation increased by 0.9%, meaning that the unit labour cost increased by 0.7%.

Benoit P. Durocher, Senior economist

Financial Markets

The Markets Are Back in Positive Territory

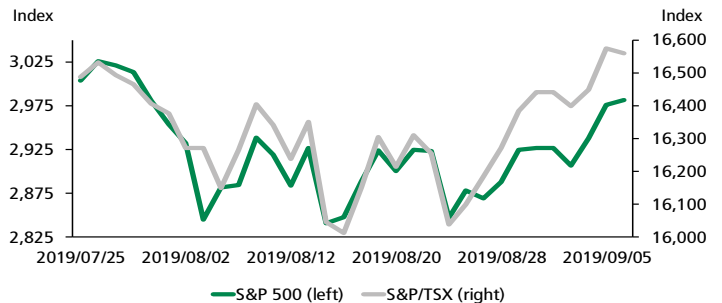
The U.S. stock market saw a poor start to the week on Tuesday when the manufacturing Purchasing Managers' Index (PMI) dropped into contraction territory. On Wednesday, positive developments surrounding Hong Kong and Brexit pushed stock markets up. Most of the gains in the United States came on Thursday, however, with the announcement of trade negotiations in October between the Chinese and U.S. governments. On Friday morning, the U.S. market took a break; the S&P 500 was posting a weekly increase of just under 2%. The Canadian stock market also capitalized on the renewed optimism, albeit to a lesser extent. The strong Canadian employment data released Friday decreased expectations around monetary policy easing, putting a degree of downside pressure on the Canadian stock market. All in all, the S&P/TSX index was up about 0.5% for the week.

The U.S. manufacturing PMI's drop below the 50 mark hurt bond yields on Monday. However, the decline was completely wiped out on Thursday with the prospect of potential easing in the China-U.S. trade dispute. U.S. bond yields edged down on Friday morning on the heels of weaker-than-expected employment numbers. The 2-year and 10-year yields were still up over the week; at the time of writing, they were around 1.55%. Canadian yields posted sharper gains, with employment performing better in August. On Friday morning, the 2-year yield was around 1.50%, while the 10-year yield was just below 1.30%.

The U.S. dollar rose early in the week, as demand for safe haven securities remained strong. The trend then reversed, as some risk factors waned. At the time of writing, the DXY index for the U.S. dollar exchange rate was just below where it was last Friday. The euro ended the week on a rise, above US\$1.10, after hitting a cyclical low of less than US\$1.095 on Tuesday. The pound sterling rebounded substantially around US\$1.23, as the likelihood of a no-deal Brexit decreased given the possibility of a general election in the near future. The Canadian dollar also benefited from the decrease in concern, as well as from the rebound in commodity prices and the reduction in interest rate spreads with the United States. The value of the Canadian dollar was close to US\$0.76 at the time of writing.

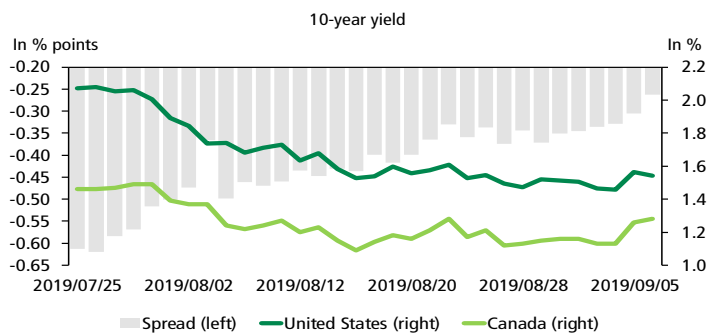
Hendrix Vachon, Senior Economist
Carine Bergevin-Chammah, Economist

GRAPH 1
Stock markets



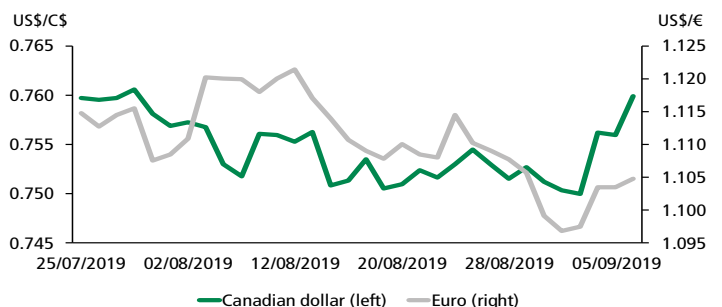
Sources: Datastream and Desjardins, Economic Studies

GRAPH 2
Bond markets



Sources: Datastream and Desjardins, Economic Studies

GRAPH 3
Currency markets



Sources: Datastream and Desjardins, Economic Studies

A Look Ahead

THURSDAY September 12 - 8:30

August	m/m
Consensus	0.1%
Desjardins	0.0%
July	0.3%

FRIDAY September 13 - 8:30

August	m/m
Consensus	0.2%
Desjardins	0.3%
July	0.7%

FRIDAY September 13 - 10:00

September	
Consensus	90.5
Desjardins	94.0
August	89.8

TUESDAY September 10 - 8:15

August	ann. rate
Consensus	215,000
Desjardins	205,000
July	222,000

WEDNESDAY September 11 - 8:30

Q2 2019	
Consensus	82.0%
Desjardins	81.4%
Q1 2019	80.9%

UNITED STATES

Consumer price index (August) – The monthly variation in the consumer price index (CPI) sped up in July, gaining 0.3% after two previous monthly increases of 0.1%. A 1.9% spike in energy prices was one of the contributors. That component should affect total CPI growth negatively in August, with prices at the pump dropping 4.5%. Total CPI is expected to stand still. The core CPI, which excludes food and energy, rose 0.3% in July as it did in June. However, after two substantial gains like that, we expect things to slow down in August with growth of only 0.1%. There is, nevertheless, a risk that prices will rise more sharply, fuelled by past increases in tariffs. The annual variation in total CPI should dip from 1.8% to 1.7%, while core inflation should remain steady at 2.2%.

Retail sales (August) – In July, retail sales were the highest they had been since March. Almost all the components contributed, with the notable exception of auto sales. Another sizeable increase is expected for August. Auto sales should boost the growth this time, judging by the better-than-anticipated results of new car sales. However, lower gas prices should be reflected in lower service station sales. Sales excluding gasoline and automobiles should post a 0.4% increase with a boost from food services. All in all, total sales are expected to rise 0.3%.

University of Michigan consumer confidence index (September – preliminary) – The University of Michigan confidence index plummeted in August. The 8.6-point drop is the sharpest since December 2012. This is the lowest point since October 2016. But it should be noted that the other household confidence indicators are not in line, starting with the Conference Board index, which lost only 0.7 points. That index is usually ahead of the University of Michigan. In addition, confidence has been shored up by the stability of weekly jobless claims and a drop in gas prices. The stock market is still volatile, however, and renewed anxieties about a possible recession in the United States are serious. We expect the index to go up to 94.0 in September.

CANADA

Housing starts (August) – Despite a dip from 245,455 to 222,013 units in July, the number of housing starts is still above trend. Given these conditions, we are likely to see a new reduction in August, particularly in Ontario. The reduction should be concentrated in multi-unit housing in urban regions.

Industrial capacity utilization rate (Q2) – Industrial production was up 4.9% (annualized) in the second quarter, largely due to the rebounding energy sector. That should raise the industrial capacity utilization rate, which could move from 80.9% to 81.4%.

MONDAY September 9 - 4:30

July	m/m
Consensus	0.1%
June	0.0%

THURSDAY September 12 - 7:45

September	
Consensus	0.00%
Desjardins	0.00%
July 25	0.00%


OVERSEAS


United Kingdom: Monthly GDP (July) – These past months have been rough on the U.K.'s monthly GDP, which fell 0.5% in April, rose only 0.2% in May and stagnated in June. All that translated into a decline of real GDP for the quarter. The consensus expects a slight increase in July, with Brexit events to hold after the deadline was pushed back to the end of October.

Euro zone: Meeting of the European Central Bank (September) – At its last monetary policy meeting the European Central Bank (ECB) showed openness to intervening in order to support the economy and speed up inflation. Things have continued to go downhill since then, with escalating trade tensions and a higher probability of a no deal Brexit at the end of October, among other things. All that points to the ECB lowering interest rates slightly next Thursday. Interest on deposits could go from -0.40% to -0.50%. The ECB may also announce that it will start purchasing assets again, to the tune of €40B to €60B per month. That could include purchasing corporate bonds or other types of assets, since sovereign bonds are in short supply, especially German ones. Among the indicators to be released in the euro zone this week, industrial output for July will come out on Thursday. It had declined sharply in June, and the PMI manufacturing indexes are not yet pointing to a recovery.

Economic Indicators

Week of September 9 to 13, 2019

Day	Hour	Indicator	Period	Consensus		Previous data
UNITED STATES						
MONDAY 9	15:00	Consumer credit (US\$B)	July	16.200	20.000	14.596
TUESDAY 10	---	---				
WEDNESDAY 11	8:30	Producer price index				
		Total (m/m)	Aug.	0.0%	0.1%	0.2%
		Excluding food and energy (m/m)	Aug.	0.2%	0.1%	-0.1%
	10:00	Wholesale inventories – final (m/m)	July	0.2%	0.2%	0.2%
THURSDAY 12	8:30	Initial unemployment claims	Sept. 2-6	216,000	215,000	217,000
	8:30	Consumer price index				
		Total (m/m)	Aug.	0.1%	0.0%	0.3%
		Excluding food and energy (m/m)	Aug.	0.2%	0.1%	0.3%
		Total (y/y)	Aug.	1.8%	1.7%	1.8%
		Excluding food and energy (y/y)	Aug.	2.3%	2.2%	2.2%
	14:00	Federal budget (US\$B)	Aug.	n/a	n/a	-119.7
FRIDAY 13	8:30	Export prices (m/m)	Aug.	-0.4%	-0.4%	0.2%
	8:30	Import prices (m/m)	Aug.	-0.4%	-0.4%	0.2%
	8:30	Retail sales				
		Total (m/m)	Aug.	0.2%	0.3%	0.7%
		Excluding automobiles (m/m)	Aug.	0.1%	0.2%	1.0%
	10:00	Michigan's consumer sentiment index – preliminary	Sept.	90.5	94.0	89.8
	10:00	Business inventories (m/m)	July	0.3%	0.4%	0.0%
CANADA						
MONDAY 9	---	---				
TUESDAY 10	8:15	Housing starts (ann. rate)	Aug.	215,000	205,000	222,000
	8:30	Building permits (m/m)	July	2.0%	2.0%	-3.7%
WEDNESDAY 11	8:30	Industrial capacity utilization rate	Q2	82.0%	81.4%	80.9%
THURSDAY 12	8:30	New housing price index (m/m)	July	0.0%	0.0%	-0.1%
FRIDAY 13	8:30	National balance sheet	Q2			

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 9 to 13, 2019

Country	Hour	Indicator	Period	Consensus		Previous data		
				m/m (q/q)	y/y	m/m (q/q)	y/y	
OVERSEAS								
SUNDAY 8								
China	---	Trade balance (US\$B)	Aug.	44.30		45.06		
Japan	19:50	Current account (¥B)	July	1,700.6		1,941.9		
Japan	19:50	Real GDP – final	Q2	0.3%		0.4%		
MONDAY 9								
Germany	2:00	Trade balance (€B)	July	16.0		16.8		
Germany	2:00	Current account (€B)	July	16.2		20.6		
United Kingdom	4:30	Trade balance (€M)	July	1,250		1,779		
United Kingdom	4:30	Construction	July	0.2%	-0.1%	-0.7%	-0.2%	
United Kingdom	4:30	Index of services	July	0.1%		0.0%		
United Kingdom	4:30	Monthly GDP	July	0.1%		0.0%		
United Kingdom	4:30	Industrial production	July	-0.3%		-0.1%	-0.6%	
China	21:30	Consumer price index	Aug.		2.6%		2.8%	
China	21:30	Producer price index	Aug.		-0.9%		-0.3%	
TUESDAY 10								
France	2:45	Industrial production	July	0.5%	0.4%	-2.3%	0.0%	
Italy	4:00	Industrial production	July	-0.1%	0.4%	-0.2%	-1.2%	
United Kingdom	4:30	ILO unemployment rate	July	3.9%		3.9%		
WEDNESDAY 11								
Japan	19:50	Producer price index	Aug.	-0.2%	-0.8%	0.0%	-0.6%	
THURSDAY 12								
Japan	0:30	Tertiary industry activity index	July	-0.3%		-0.1%		
Germany	2:00	Consumer price index – final	Aug.	-0.2%	1.4%	-0.2%	1.4%	
France	2:45	Consumer price index – final	Aug.	0.5%	1.1%	0.5%	1.1%	
Euro zone	5:00	Industrial production	July	-0.1%	-1.3%	-1.6%	-2.6%	
Euro zone	7:45	European Central Bank meeting	Sept.	0.00%		0.00%		
FRIDAY 13								
Japan	0:30	Industrial production – final	July	n/a	n/a	1.3%	0.7%	
Euro zone	5:00	Trade balance (€B)	July	17.4		17.9		

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	112.0	2.6	2.6	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	Aug.*	49.1	51.2	52.1	54.2	60.8
ISM non-manufacturing index ¹	Aug.*	56.4	53.7	56.9	59.7	58.8
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)	July*	500,278	1.4	0.6	-0.3	0.4
New durable good orders (\$M)	July	250,181	2.0	1.4	-2.3	0.9
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	July*	-53,989	-55,508	-51,979	-53,141	-52,442
Nonfarm employment (k) ²	Aug.*	151,541	130.0	467.0	898.0	2,074
Unemployment rate (%) ¹	Aug.*	3.7	3.7	3.6	3.8	3.8
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 Q2*	106.3	0.8	0.3	-0.3	1.9	0.3
Unit labour cost (2007 = 100)	2019 Q2*	108.8	2.8	2.8	2.3	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	July*	-1,124	-54.7	-1,107	-3,891	9.7
<i>Exports (\$M)</i>	July*	49,764	-0.9	-1.9	3.6	-2.9
<i>Imports (\$M)</i>	July*	50,888	1.2	-1.8	-2.0	-0.7
Employment (k) ²	Aug.*	19,112	81.1	18.2	30.3	39.3
Unemployment rate (%) ¹	Aug.*	5.7	5.7	5.4	5.8	6.0
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		
	Sep. 6	Aug. 30	-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	1.95	1.95	1.96	2.23	2.41	2.10	2.43	2.26	1.83
Treasury bonds – 2 years	1.51	1.53	1.63	1.85	2.46	2.71	2.97	2.35	1.44
– 5 years	1.41	1.40	1.56	1.86	2.42	2.83	3.09	2.35	1.32
– 10 years	1.54	1.51	1.73	2.08	2.63	2.94	3.23	2.53	1.46
– 30 years	2.02	1.97	2.23	2.57	3.01	3.10	3.45	2.89	1.93
S&P 500 index (level)	2,981	2,926	2,919	2,873	2,743	2,872	3,026	2,808	2,351
DJIA index (level)	26,809	26,403	26,287	25,984	25,450	25,917	27,359	25,655	21,792
Gold price (US\$/ounce)	1,523	1,529	1,502	1,346	1,298	1,198	1,549	1,311	1,182
CRB index (level)	172.38	170.36	172.09	174.42	180.67	190.36	201.23	182.02	167.89
WTI oil (US\$/barrel)	56.16	55.10	54.50	53.99	56.07	67.75	76.41	58.27	44.41
Canada									
Overnight – target	1.75	1.75	1.75	1.75	1.75	1.50	1.75	1.72	1.50
Treasury bill – 3 months	1.61	1.62	1.63	1.66	1.64	1.52	1.73	1.65	1.49
Treasury bonds – 2 years	1.48	1.35	1.38	1.40	1.65	2.11	2.36	1.77	1.29
– 5 years	1.32	1.18	1.26	1.34	1.65	2.21	2.48	1.77	1.13
– 10 years	1.28	1.16	1.27	1.46	1.76	2.29	2.60	1.85	1.09
– 30 years	1.50	1.42	1.52	1.72	2.06	2.30	2.58	2.04	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	-0.34	-0.33	-0.33	-0.57	-0.77	-0.58	-0.19	-0.61	-0.80
Treasury bonds – 2 years	-0.03	-0.18	-0.25	-0.45	-0.81	-0.60	-0.03	-0.58	-0.85
– 5 years	-0.09	-0.22	-0.30	-0.52	-0.77	-0.62	-0.09	-0.58	-0.81
– 10 years	-0.26	-0.35	-0.46	-0.62	-0.87	-0.65	-0.26	-0.68	-0.89
– 30 years	-0.52	-0.55	-0.71	-0.85	-0.95	-0.80	-0.52	-0.85	-1.02
S&P/TSX index (level)	16,559	16,442	16,341	16,231	15,996	16,090	16,669	15,840	13,780
Exchange rate (C\$/US\$)	1.3160	1.3312	1.3228	1.3268	1.3415	1.3156	1.3639	1.3259	1.2812
Exchange rate (C\$/€)	1.4539	1.4631	1.4815	1.5036	1.5079	1.5199	1.5643	1.5007	1.4539
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\$/€)	1.1048	1.0991	1.1200	1.1333	1.1241	1.1553	1.1777	1.1319	1.0968
<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	0.51	0.40	0.48	0.81	1.19	1.36	1.72	1.11	0.32
FTSE index (level)	7,282	7,207	7,254	7,332	7,104	7,278	7,687	7,195	6,585
Exchange rate (US\$/£)	1.2305	1.2158	1.2037	1.2736	1.3018	1.2924	1.3339	1.2807	1.2037
<u>Germany</u>									
Bonds – 10 years	-0.64	-0.71	-0.58	-0.26	0.07	0.39	0.56	0.03	-0.72
DAX index (level)	12,192	11,939	11,694	12,045	11,458	11,960	12,630	11,688	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)	21,200	20,704	20,685	20,885	21,026	22,307	24,271	21,498	19,156
Exchange rate (US\$/¥)	106.76	106.31	105.68	108.20	111.17	111.08	114.54	110.33	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.