

# WEEKLY NEWSLETTER

## Political Uncertainty Hinders Markets

### HIGHLIGHTS

- ▶ United States: Real consumption was up slightly in August.
- ▶ U.S. consumer confidence has recently gone down, according to the Conference Board index.
- ▶ The annual variation in the prices of existing homes is still slowing in the U.S., but sales of new single-family homes have soared.

### A LOOK AHEAD

- ▶ United States: There may be more hires in September than in August.
- ▶ United States: The ISM manufacturing index could head back over 50.
- ▶ Canadian monthly GDP should dip slightly for July.

### FINANCIAL MARKETS

- ▶ Political uncertainty in the United States is hurting the stock markets.
- ▶ Renewed concerns are driving down bond yields.
- ▶ The euro reached a low not seen in more than two years, at close to US\$1.09.

### 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> ..... 7
Financial Markets..... 3	Economic Indicators of the Week ..... 5	<i>Major financial indicators</i> ..... 9

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](mailto:desjardins.economics@desjardins.com) • [desjardins.com/economics](http://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 rose just 0.1% in August, the weakest growth since February. Consumption of durable goods jumped 0.9%, while consumption of non-durable goods gained only 0.1%. Consumption of services stagnated in August, after two 0.1% increases. The total consumption expenditure deflator went up 0.1% in August, as did the core deflator, which does not include food and energy. The total deflator's annual variation stayed at 1.4%, while the core deflator's rose from 1.7% to 1.8%.
- ▶ According to the Conference Board index, consumer confidence deteriorated worse than expected in September, going from 134.2 to 125.1, the lowest it has been since January. That slump reflects the decline in other consumer confidence indicators, like the University of Michigan index. The expectations component lost 10.6 points, while the current situation component lost 7.0 points.
- ▶ Sales of new single-family homes climbed 7.1% in August, mirroring the increase in housing starts, building permits and sales of existing homes for that month. The annualized level of new home sales rose from 666,000 to 713,000 units, just under June's cyclical high of 729,000.
- ▶ The S&P/Case-Shiller index of existing home prices in the 20 largest cities was flat in July after three consecutive 0.1% gains. The annual variation continues to slow, dropping from 2.2% in June to 2.0% in July.
- ▶ New durable goods orders inched up 0.2% in August, after gaining 2.0% in July. A sharp drop in civil aircraft orders (-17.1%) was partially offset by a spike in orders for military aircraft (+30.3%). Excluding transportation, new orders rose 0.5% after an equal decline in July.
- ▶ The final estimate of the national accounts for the second quarter of 2019 leaves annualized real GDP growth unchanged at 2.0%.

**Francis Généreux**, Senior economist

### CANADA

- ▶ Wholesale sales jumped 1.7% in July, way over expectations after a 0.7% gain in June. In real terms, sales increased 1.9%. Inventories rose 0.5%. The wholesale sector should therefore make a positive contribution to the monthly variation in July's real GDP by industry, partially offsetting the more unwelcome news from retail and especially manufacturing.
- ▶ The number of jobs was up 0.4% in July, according to the establishment survey. That result, which follows June's flatline, is the best monthly growth since January. Average weekly earnings edged up 0.5% in July and its annual variation sped up to 2.7% compared to 2.1% in June.

**Francis Généreux**, Senior economist

# Financial Markets

## Stock Markets Wrestle with Concerns

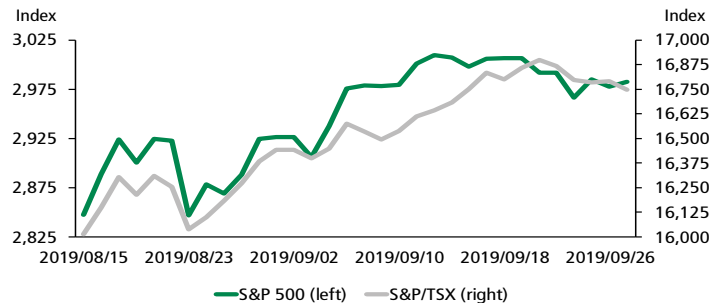
The week began on a slow note as disappointing manufacturing data from Europe highlighted the economic slowdown in the region. Tuesday's stock market session was more tumultuous, as investors worried about falling U.S. consumer confidence and political turmoil in the United States. President Donald Trump faces an impeachment threat, as he may have used his power to force the Ukrainian president to investigate one of his political opponents. This uncertainty is on top of the existing fears about the health of the global economy. The U.S. president's positive comments on the prospects for an agreement with China on Wednesday helped the stock market recoup some of its losses. However, uncertainty continued to weigh on stock markets for the rest of the week, particularly on Friday after the release of new disappointing indicators in China and Europe. On Friday morning, the S&P 500 index was heading for a weekly loss of about 0.5%. The S&P/TSX index was showing greater losses at the time of writing, of about 1%, due to the drop in gold and oil prices.

U.S. bond yields declined amid the political controversy and rising concerns. They recovered slightly from their weekly low on Tuesday but remain weaker than last week. The 2-year and 10-year yields were around 1.65% and 1.70% respectively on Friday morning. In Canada, the 2-year yield remained close to last week's level, closing the gap with its U.S. counterpart. However, the Canadian 10-year yield has weakened, closing in on 1.35% at the time of writing.

Renewed concerns on the markets have favoured the greenback, though some of these same concerns stem from the United States. The euro reached a low not seen in more than two years, at close to US\$1.09. The common currency was hit by disappointing economic data on the manufacturing sector and confidence in Europe. The British pound also lost some ground. It fell from US\$1.25 at the beginning of the week to almost US\$1.23. The Canadian dollar did better, helped by the narrowing of some interest rate spreads between Canada and the United States. At the time of writing, the loonie was trading at around \$0.755.

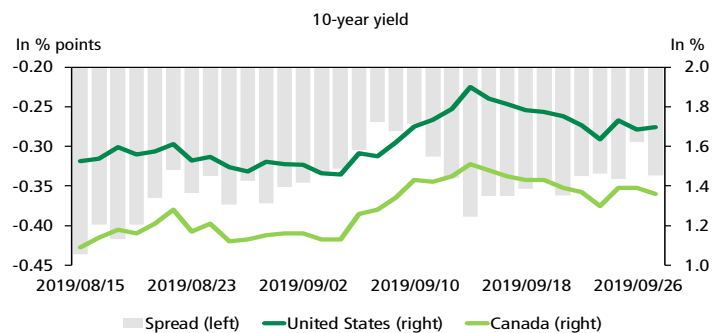
**Hendrix Vachon**, Senior Economist  
**Carine Bergevin-Chammah**, Economist

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



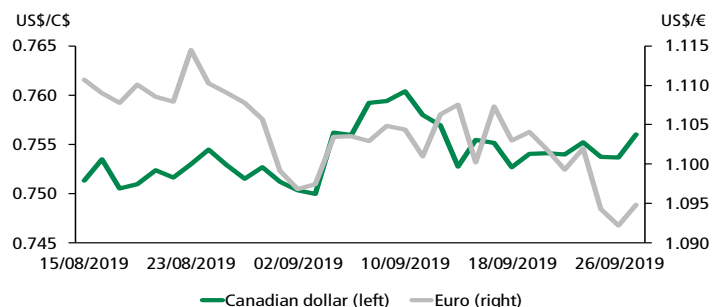
Sources: Datastream and Desjardins, Economic Studies

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



Sources: Datastream and Desjardins, Economic Studies

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



Sources: Datastream and Desjardins, Economic Studies

# A Look Ahead

**TUESDAY October 1 - 10:00**
**September**

Consensus	50.3
Desjardins	50.2

**August**
**49.1**
**THURSDAY October 3 - 10:00**
**September**

Consensus	55.0
Desjardins	55.0

**August**
**56.4**
**FRIDAY October 4 - 8:30**
**September**

Consensus	140,000
Desjardins	155,000

**August**
**130,000**
**TUESDAY October 1 - 8:30**
**July**

Consensus	m/m
Desjardins	-0.1%

**June**
**0.2%**
**FRIDAY October 4 - 8:30**
**August**

Consensus	\$B
Desjardins	-1.05

**July**
**-1.12**
**DURING THE WEEK**
**THURSDAY October 3 - 5:00**
**August**

Consensus	m/m
	0.3%

**July**
**-0.6%**

## UNITED STATES

**ISM manufacturing index (September)** – The ISM manufacturing results caused a commotion in August when the index dipped below 50 for the first time since 2016. That was its fifth decline in a row. A slight increase is expected for September, however, as the levels for the leading regional manufacturing indexes suggest. The ISM manufacturing index should head back above 50.

**ISM non-manufacturing index (September)** – While the manufacturing ISM was down in August, the non-manufacturing index shot up 2.7 points, its strongest monthly growth since February. That good showing helped calm the fears sparked by the downturn in the manufacturing ISM. Recent developments in regional indicators and consumer confidence indexes point to declines in September. The ISM non-manufacturing index should go to 55.0.

**Job creation according to the establishment survey (September)** – Fewer jobs were created in August than expected, as the slowdown continued. Not much growth is expected for September, either. On the one hand, initial jobless claims were relatively low, especially at the beginning of the month. On the other hand, household confidence in the job market declined in September. Job creation may also have been affected by extreme weather such as Hurricane Dorian near the coast and the Texas floods. Some indicators suggest that intentions to hire are on the downturn. 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. The strike at GM should not affect the September figures, because it started after the week the survey was conducted. All in all, we are expecting 155,000 new jobs for September. The jobless rate should stay at 3.7%.

## CANADA

**Real GDP by industry (July)** – Generally speaking, the economic indicators for July were rather disappointing. The volume of manufacturing sales was down, while retail sales remained steady. In addition, the total number of hours worked in the Canadian economy dipped 0.7% in July, indicating that production was encountering difficulties. Under the circumstances, real GDP by industry probably slipped in July.

**International merchandise trade (August)** – Exports could edge up in August, due mainly to an increase in energy products taking advantage of seasonally adjusted figures. On the import side, weak business investments could slow things down in August. The overall trade balance should improve slightly for the month.


## OVERSEAS


**Japan: Economic indicators** – Several major indicators for August will be released starting on the evening of Sunday, September 29. Among them will be retail sales (which dropped 2.3% in July), industrial output (which was up 1.3% in July) and housing starts. We will find out the unemployment rate on Monday night, together with the third quarter Tankan survey findings. They will tell us more about the strength of the Japanese economy before consumption taxes go up on October 1.

**Euro zone: Retail sales (August)** – Retail sales in Europe had a monthly drop of 0.6% in July, following a strong 1.2% gain in June. August's figures will tell us more about the strength of consumption in the euro zone, which had slowed down considerably in the second quarter of 2019. In France, consumption was stagnant in August; Germany's retail sales figures, which will be released before those of the euro zone, will help us refine our expectations.

# Economic Indicators

## Week of September 30 to October 4, 2019

Day	Hour	Indicator	Period	Consensus		Previous data
<b>UNITED STATES</b>						
<b>MONDAY 30</b>	---	---				
<b>TUESDAY 1</b>	---	Total vehicle sales (ann. rate)	Sept.	17,000,000	17,000,000	16,970,000
	3:15	Speech of the Chicago Fed President, C. Evans				
	9:30	Speech of a Federal Reserve Governor, M. Bowman				
	10:00	Construction spending (m/m)	Aug.	0.4%	0.5%	0.1%
	10:00	ISM manufacturing index	Sept.	50.3	50.2	49.1
<b>WEDNESDAY 2</b>	8:00	Speech of the Richmond Fed President, T. Barkin				
	9:00	Speech of the Philadelphia Fed President, P. Harker				
	10:50	Speech of the New York Fed President, J. Williams				
<b>THURSDAY 3</b>	2:45	Speech of the Chicago Fed President, C. Evans				
	8:30	Initial unemployment claims	Sept. 23-27	215,000	215,000	213,000
	8:30	Speech of the Boston Fed President, E. Rosengren				
	10:00	ISM non-manufacturing index	Sept.	55.0	55.0	56.4
	10:00	Factory orders (m/m)	Aug.	-0.5%	0.4%	1.4%
	12:10	Speech of the Cleveland Fed President, L. Mester				
<b>FRIDAY 4</b>	8:30	Trade balance – Goods and services (US\$B)	Aug.	-54.6	-54.4	-54.0
	8:30	Change in nonfarm payrolls	Sept.	140,000	155,000	130,000
	8:30	Unemployment rate	Sept.	3.7%	3.7%	3.7%
	8:30	Weekly worked hours	Sept.	34.4	34.4	34.4
	8:30	Average hourly earnings (m/m)	Sept.	0.3%	0.2%	0.4%
	10:25	Speech of the Atlanta Fed President, R. Bostic				
<b>CANADA</b>						
<b>MONDAY 30</b>	8:30	Industrial product price index (m/m)	Aug.	n/a	-0.9%	-0.3%
	8:30	Raw materials price index (m/m)	Aug.	n/a	-1.4%	1.2%
<b>TUESDAY 1</b>	8:30	Real GDP by industry (m/m)	July	-0.1%	-0.1%	0.2%
<b>WEDNESDAY 2</b>	---	---				
<b>THURSDAY 3</b>	---	---				
<b>FRIDAY 4</b>	8:30	International trade (\$B)	Aug.	-1.05	-0.60	-1.12
	10:00	PMI-Ivey index	Sept.	n/a	56.0	60.6

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 30 to October 4, 2019

Country	Hour	Indicator	Period	Consensus		Previous data		
				m/m (q/q)	y/y	m/m (q/q)	y/y	
<b>OVERSEAS</b>								
<b>SUNDAY 29</b>								
Japan	19:50	Industrial production – preliminary	Aug.	-0.5%	-3.9%	1.3%	0.7%	
Japan	19:50	Retail sales	Aug.	2.4%	0.7%	-2.3%	-2.0%	
China	21:00	PMI manufacturing index	Sept.	49.6		49.5		
China	21:00	PMI non-manufacturing index	Sept.	53.9		53.8		
<b>MONDAY 30</b>								
Japan	1:00	Housing starts	Aug.		-6.1%		-4.1%	
Germany	2:00	Retail sales	Aug.	0.5%	2.9%	-2.2%	4.4%	
United Kingdom	4:30	Real GDP – final	Q2	-0.2%	1.2%	-0.2%	1.2%	
Euro zone	5:00	Unemployment rate	Aug.	7.5%		7.5%		
Germany	8:00	Consumer price index – preliminary	Sept.	0.0%	1.3%	-0.2%	1.4%	
Japan	19:30	Unemployment rate	Aug.	2.3%		2.2%		
Japan	19:50	Tankan large manufacturers index	Q3	1		7		
Japan	20:30	PMI manufacturing index – final	Sept.	n/a		48.9		
<b>TUESDAY 1</b>								
Australia	0:30	Reserve Bank of Australia meeting	Oct.	0.75%		1.00%		
United Kingdom	2:00	Nationwide house prices	Sept.	0.1%	0.5%	0.0%	0.6%	
Italy	3:45	PMI manufacturing index	Sept.	48.1		48.7		
France	3:50	PMI manufacturing index – final	Sept.	50.3		50.3		
Germany	3:55	PMI manufacturing index – final	Sept.	41.4		41.4		
Euro zone	4:00	PMI manufacturing index – final	Sept.	45.6		45.6		
United Kingdom	4:30	PMI manufacturing index	Sept.	47.0		47.4		
Euro zone	5:00	Consumer price index – estimate	Sept.		1.0%		1.0%	
<b>WEDNESDAY 2</b>								
Japan	20:30	PMI composite index – final	Sept.	n/a		n/a		
Japan	20:30	PMI services index – final	Sept.	n/a		n/a		
<b>THURSDAY 3</b>								
Italy	3:45	PMI composite index	Sept.	50.0		50.3		
Italy	3:45	PMI services index	Sept.	50.4		50.6		
France	3:50	PMI composite index – final	Sept.	51.3		51.3		
France	3:50	PMI services index – final	Sept.	51.6		51.6		
Germany	3:55	PMI composite index – final	Sept.	49.1		49.1		
Germany	3:55	PMI services index – final	Sept.	52.5		52.5		
Euro zone	4:00	PMI composite index – final	Sept.	50.4		50.4		
Euro zone	4:00	PMI services index – final	Sept.	52.0		52.0		
United Kingdom	4:30	PMI composite index	Sept.	50.0		50.2		
United Kingdom	4:30	PMI services index	Sept.	50.3		50.6		
Euro zone	5:00	Retail sales	Aug.	0.3%	2.0%	-0.6%	2.2%	
<b>FRIDAY 4</b>								
India	2:15	Reserve Bank of India meeting	Oct.	5.15%		5.40%		

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	19,022	2.0	2.3	2.9	2.4	1.6
Consumption (2009 \$B)	2019 Q2	13,250	4.6	2.6	3.0	2.6	2.7
Government spending (2009 \$B)	2019 Q2	3,297	4.8	2.3	1.7	0.7	1.8
Residential investment (2009 \$B)	2019 Q2	587.0	-3.0	-3.2	-1.5	3.5	6.5
Non-residential investment (2009 \$B)	2019 Q2	2,759	-1.0	2.6	6.4	4.4	0.7
Business inventory change (2009 \$B) <sup>1</sup>	2019 Q2	69.4	---	---	48.1	31.7	23.0
Exports (2009 \$B)	2019 Q2	2,517	-5.7	-1.7	3.0	3.5	0.0
Imports (2009 \$B)	2019 Q2	3,498	0.0	2.6	4.4	4.7	2.0
Final domestic demand (2009 \$B)	2019 Q2	19,879	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) <sup>1</sup>	2019 Q2	-128.2	---	---	-491.0	-439.6	-428.3

<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)	Aug.	112.1	0.0	0.4	0.5	1.1
ISM manufacturing index <sup>1</sup>	Aug.	49.1	51.2	52.1	54.2	60.8
ISM non-manufacturing index <sup>1</sup>	Aug.	56.4	53.7	56.9	59.7	58.8
Cons. confidence Conference Board (1985 = 100) <sup>1</sup>	Sept.*	125.1	134.2	124.3	124.2	135.3
Personal consumption expenditure (2009 \$B)	Aug.*	13,332	0.1	0.6	2.1	2.3
Disposable personal income (2009 \$B)	Aug.*	15,074	0.4	0.7	1.2	3.0
Consumer credit (\$B)	July	4,123	0.6	1.3	2.4	5.2
Retail sales (\$M)	Aug.	526,057	0.4	1.5	4.3	4.1
<i>Excluding automobiles (\$M)</i>	Aug.	419,891	0.0	1.3	3.8	3.5
Industrial production (2007 = 100)	Aug.	109.9	0.6	0.6	0.3	0.4
Production capacity utilization rate (%) <sup>1</sup>	Aug.	77.9	77.5	77.8	78.5	79.3
New machinery orders (\$M)	July	500,278	1.4	0.6	-0.3	0.4
New durable good orders (\$M)	Aug.*	250,670	0.2	4.0	0.4	-3.0
Business inventories (\$B)	July	2,043	0.4	0.6	1.6	4.8
Housing starts (k) <sup>1</sup>	Aug.	1,364	1,215	1,264	1,149	1,279
Building permits (k) <sup>1</sup>	Aug.	1,425	1,317	1,299	1,287	1,267
New home sales (k) <sup>1</sup>	Aug.*	713.0	666.0	598.0	669.0	604.0
Existing home sales (k) <sup>1</sup>	Aug.	5,490	5,420	5,360	5,480	5,350
Commercial surplus (\$M) <sup>1</sup>	July	-53,989	-55,508	-51,979	-53,141	-52,442
Nonfarm employment (k) <sup>2</sup>	Aug.	151,541	130.0	467.0	898.0	2,074
Unemployment rate (%) <sup>1</sup>	Aug.	3.7	3.7	3.6	3.8	3.8
Consumer price (1982-1984 = 100)	Aug.	256.3	0.1	0.4	1.3	1.8
<i>Excluding food and energy</i>	Aug.	264.2	0.3	0.8	1.2	2.4
Personal cons. expenditure deflator (2009 = 100)	Aug.*	110.0	0.0	0.4	1.0	1.4
<i>Excluding food and energy</i>	Aug.*	112.0	0.1	0.6	1.0	1.8
Producer price (2009 = 100)	Aug.	118.6	0.1	0.3	1.2	1.8
Export prices (2000 = 100)	Aug.	125.5	-0.6	-0.9	-0.5	-1.4
Import prices (2000 = 100)	Aug.	125.1	-0.5	-1.5	-0.6	-2.0

<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.

**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) <sup>1</sup>	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) <sup>1</sup>	2019 Q2	-6,384	---	---	-58,522	-60,130	-64,882
Production capacity utilization rate (%) <sup>1</sup>	2019 Q2	83.3	---	---	83.0	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

<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)	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)	July	57,154	-1.3	-1.1	0.7	-1.9
Housing starts (k) <sup>1</sup>	Aug.	226.6	222.5	197.0	166.2	198.3
Building permits (\$M)	July	8,348	3.0	-11.9	0.4	0.7
Retail sales (\$M)	July	51,479	0.4	0.0	2.4	1.2
<i>Excluding automobiles (\$M)</i>	July	37,747	-0.1	0.3	2.9	0.5
Wholesale trade sales (\$M)	July*	65,390	1.7	0.5	3.5	3.4
Commercial surplus (\$M) <sup>1</sup>	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) <sup>2</sup>	Aug.	19,112	81.1	18.2	30.3	39.3
Unemployment rate (%) <sup>1</sup>	Aug.	5.7	5.7	5.4	5.8	6.0
Average weekly earnings (\$)	July*	1,027	0.5	0.7	1.6	2.7
Number of salaried employees (k) <sup>2</sup>	July*	17,015	75.4	35.2	28.8	32.1
Consumer price (2002 = 100)	Aug.	136.8	-0.1	0.1	1.7	1.9
<i>Excluding food and energy</i>	Aug.	131.3	0.0	0.5	1.3	2.2
<i>Excluding 8 volatile items</i>	Aug.	134.4	-0.1	0.2	1.0	1.9
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

<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		
	Sep. 27	Sep. 20	-1 month	-3 months	-6 months	-1 year	Higher	Average	Lower
<b>United States</b>									
Federal funds – target	2.00	2.00	2.25	2.50	2.50	2.25	2.50	2.40	2.00
Treasury bill – 3 months	1.78	1.87	1.95	2.08	2.35	2.15	2.43	2.25	1.78
Treasury bonds – 2 years	1.66	1.72	1.53	1.76	2.29	2.82	2.97	2.29	1.44
– 5 years	1.58	1.63	1.40	1.76	2.23	2.95	3.09	2.28	1.32
– 10 years	1.70	1.75	1.51	2.00	2.41	3.06	3.23	2.46	1.46
– 30 years	2.14	2.20	1.97	2.53	2.82	3.21	3.45	2.84	1.93
S&P 500 index (level)	2,983	2,992	2,926	2,942	2,834	2,914	3,026	2,813	2,351
DJIA index (level)	27,009	26,935	26,403	26,600	25,929	26,458	27,359	25,696	21,792
Gold price (US\$/ounce)	1,493	1,504	1,529	1,412	1,296	1,191	1,549	1,329	1,186
CRB index (level)	175.79	177.34	170.36	181.04	183.75	195.16	201.23	181.10	167.89
WTI oil (US\$/barrel)	56.25	58.09	55.10	58.24	60.14	73.25	76.41	57.51	44.41
<b>Canada</b>									
Overnight – target	1.75	1.75	1.75	1.75	1.75	1.50	1.75	1.73	1.50
Treasury bill – 3 months	1.64	1.63	1.62	1.66	1.67	1.59	1.73	1.66	1.52
Treasury bonds – 2 years	1.58	1.57	1.35	1.47	1.55	2.21	2.36	1.74	1.29
– 5 years	1.40	1.42	1.18	1.39	1.52	2.33	2.48	1.72	1.13
– 10 years	1.36	1.39	1.16	1.46	1.62	2.42	2.60	1.80	1.09
– 30 years	1.55	1.54	1.42	1.68	1.90	2.41	2.58	2.00	1.30
<u>Spread with the U.S. rate (% points)</u>									
Overnight – target	-0.25	-0.25	-0.50	-0.75	-0.75	-0.75	-0.25	-0.66	-0.75
Treasury bill – 3 months	-0.14	-0.24	-0.33	-0.42	-0.68	-0.56	-0.14	-0.59	-0.80
Treasury bonds – 2 years	-0.08	-0.15	-0.18	-0.29	-0.74	-0.61	-0.03	-0.55	-0.85
– 5 years	-0.18	-0.21	-0.22	-0.37	-0.71	-0.62	-0.10	-0.56	-0.81
– 10 years	-0.34	-0.36	-0.35	-0.54	-0.79	-0.64	-0.27	-0.66	-0.89
– 30 years	-0.59	-0.66	-0.55	-0.85	-0.92	-0.80	-0.52	-0.84	-1.02
S&P/TSX index (level)	16,747	16,900	16,442	16,382	16,102	16,073	16,900	15,875	13,780
Exchange rate (C\$/US\$)	1.3228	1.3261	1.3312	1.3092	1.3346	1.2906	1.3639	1.3273	1.2812
Exchange rate (C\$/€)	1.4480	1.4611	1.4631	1.4886	1.4972	1.4983	1.5643	1.4972	1.4480
<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\$/€)	1.0948	1.1018	1.0991	1.1370	1.1218	1.1609	1.1594	1.1281	1.0922
<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	0.55	0.40	0.84	1.00	1.48	1.72	1.06	0.32
FTSE index (level)	7,415	7,345	7,207	7,426	7,279	7,510	7,687	7,192	6,585
Exchange rate (US\$/£)	1.2313	1.2479	1.2158	1.2695	1.3033	1.3031	1.3339	1.2767	1.2037
<u>Germany</u>									
Bonds – 10 years	-0.57	-0.52	-0.71	-0.32	-0.07	0.47	0.56	-0.03	-0.72
DAX index (level)	12,367	12,468	11,939	12,399	11,526	12,247	12,630	11,696	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)	21,879	22,079	20,704	21,276	21,206	24,120	24,271	21,411	19,156
Exchange rate (US\$/¥)	108.13	107.57	106.31	107.90	110.86	113.70	114.54	110.07	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.