

# WEEKLY NEWSLETTER

## Heading towards Another Brexit Delay...

### HIGHLIGHTS

- ▶ United States: Home sales were down in September.
- ▶ Canada: Business confidence is up slightly.
- ▶ Canada: Retail sales and wholesaler sales were down in August.

### A LOOK AHEAD

- ▶ United States: The strike at GM is likely to have a major impact on net job creation in October.
- ▶ The Federal Reserve is expected to opt for a new key rate cut on October 30.
- ▶ United States: Once again, real GDP should grow 2.0%.
- ▶ United States: Was the manufacturing ISM able to halt its fall in October?
- ▶ The Bank of Canada should extend the status quo on its key interest rates.
- ▶ Canada: Real GDP by industry should tick up in August.

### FINANCIAL MARKETS

- ▶ The Canadian stock market was penalized by economic data and corporate earnings.
- ▶ Favorable signs on the trade front between China and the United States are pushing bond yields up.
- ▶ The pound is losing some ground because of the lack of progress on the Brexit issue.

### 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> .....	8
Financial Markets.....	3	Economic Indicators of the Week .....	6	<i>Major financial indicators</i> .....	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](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

- ▶ After rising a total of 4.0% between June and August, existing home sales declined 2.2% in September, sliding from 5,500,000 in August to 5,380,000 in September. Compared with September 2018, this is still a gain of 3.9%. The monthly decline is largely due to single-family homes (-2.6%), while condo sales increased 1.7%.
- ▶ Sales of new single-family homes were fairly stable in September. After soaring 21.9% in June, dropping 8.8% in July, then gaining 6.2% in August, they only dipped 0.7% in September. Annualized new home sales went from 706,000 units in August to 701,000 last month. This represents a 15.5% surge from a year ago.
- ▶ New durable goods orders fell 1.1% in September, after rising 0.3% in August. The biggest declines occurred in the transportation sector, in which civil aviation plunged 11.8% and motor vehicles dropped 1.6%. Excluding transportation, orders fell 0.3% after an equal uptick in August.

**Francis Généreux**, Senior economist

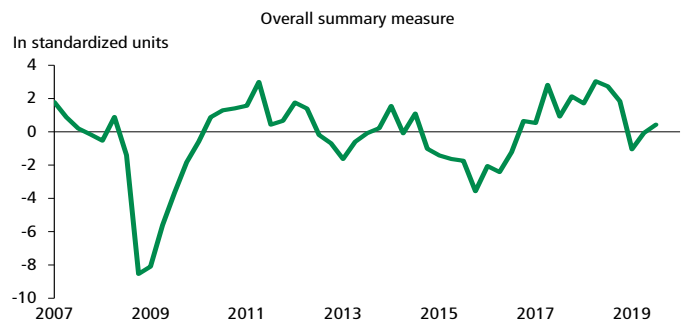
## CANADA

- ▶ The Bank of Canada's *Business Outlook Survey* indicator rose in the third quarter from -0.07 to +0.43. This reflects a slight improvement in business confidence. Still, major regional differences remain. On the one hand, businesses in Quebec and Ontario posted greater confidence. On the other, confidence was down among businesses in the Prairies.
- ▶ The value of retail sales dipped 0.1% in August, which was below expectations. The increase in motor vehicle sales was clearly lower than the preliminary figures had indicated. Still, in real terms, sales were up 0.2%.
- ▶ While most forecasters expected a small rise in wholesaler sales, sales actually fell 1.2% in August. Most of the sectors posted declines. In real terms, sales declined 1.3%, while inventories pulled back 0.3%. Consequently, wholesaling should contribute negatively to the monthly variation in real GDP by industry in August.

**Benoit P. Durocher**, Senior economist

## CANADA

### Businesses are a little more optimistic



Sources: Bank of Canada and Desjardins, Economic Studies

# Financial Markets

## Mixed Economic Data and Corporate Results

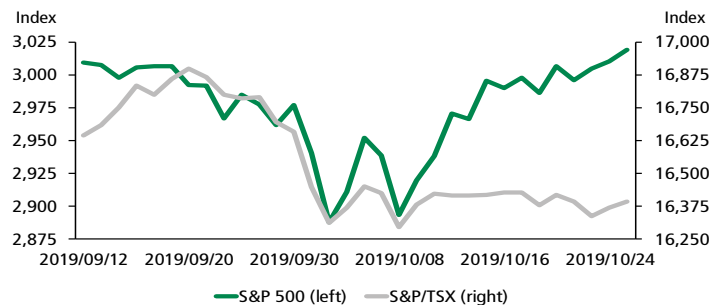
With corporate earnings season in full swing, the U.S. stock market seesawed this week. On Tuesday, the request by the British parliament to postpone the Brexit date again heightened the uncertainty surrounding the issue and penalized stock markets. U.S. stock prices were up again on Wednesday and Thursday, as some corporate earnings pleasantly surprised investors. Still, the S&P 500 index opened down on Friday, this time due to some disappointing results, especially for Amazon. The situation improved during the session, supported by favorable signs regarding the trade negotiations between China and the United States. In the end, the S&P 500 index was heading for a weekly increase over 1%. In Canada, poor economic figures and disappointing corporate earnings caused the stock market to fall sharply on Tuesday and Wednesday. Despite a slight turnaround on Thursday and Friday, the S&P/TSX index only showed slight weekly gains at the time of writing.

After recording a few gains on Monday, U.S. bond yields dropped back by end of day on Tuesday as fears about the health of the global economy continued to weigh on market sentiment. The U.S. 2-year and 10-year yields were hovering around 1.65% and 1.80% respectively at the time of writing. On Friday morning, Canadian bond yields were essentially sitting at last week's level.

The U.S. dollar regained some of the ground lost recently, especially against the European currencies. The pound, which had ended the previous week near US\$1.30, dropped back once again to around US\$1.28. This change seems mostly due to the lack of progress on the Brexit issue. The euro also declined, but not as much. It remained near US\$1.11 at the time of writing. Despite the disappointing data in Canada, the Canadian dollar managed to appreciate. Investors are expecting the Bank of Canada to stay the course and the Federal Reserve to lower its key rates next week.

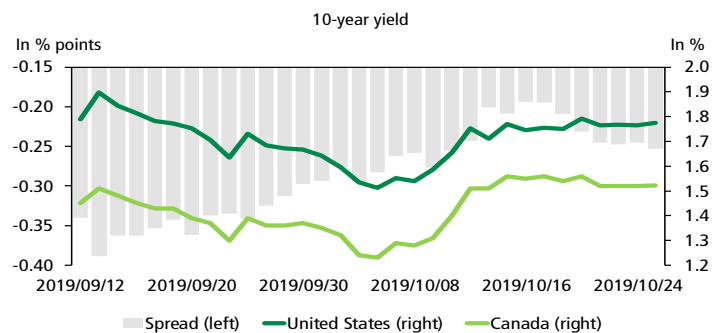
**Hendrix Vachon**, Senior Economist  
**Carine Bergevin-Chammah**, Economist

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



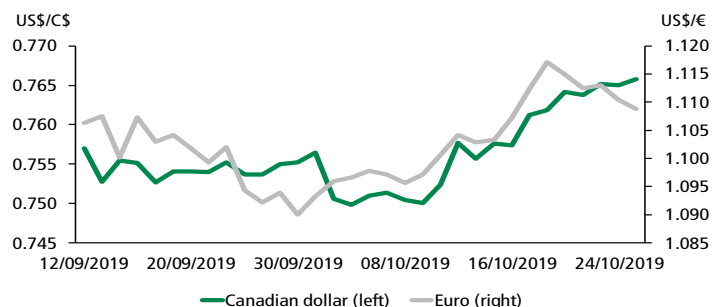
Sources: Datastream and Desjardins, Economic Studies

**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 29 - 9:00**

<b>August</b>	<b>y/y</b>
Consensus	2.0%
Desjardins	2.1%
<b>July</b>	<b>2.0%</b>

**TUESDAY October 29 - 10:00**

<b>October</b>	
Consensus	128.0
Desjardins	127.5
<b>September</b>	<b>125.1</b>

**WEDNESDAY October 30 - 8:30**

<b>Q3 2019 - 1<sup>st</sup> est.</b>	<b>ann. rate</b>
Consensus	1.6%
Desjardins	2.0%
<b>Q2 2019 - 3<sup>rd</sup> est.</b>	<b>2.0%</b>

**WEDNESDAY October 30 - 14:00**

<b>October</b>	
Consensus	1.75%
Desjardins	1.75%
<b>September 18</b>	<b>2.00%</b>

**FRIDAY November 1 - 8:30**

<b>October</b>	
Consensus	90,000
Desjardins	50,000
<b>September</b>	<b>136,000</b>

## UNITED STATES

**S&P/Case-Shiller index of existing home prices (August)** – The slowdown in existing home prices continued in July. The annual variation of the S&P/Case-Shiller index was only 2.0%. In terms of annual variation, prices are expected to fall by 0.3% in August, but this should not significantly affect the annual variation since declines frequently occur in the month of August. As a result, the S&P/Case-Shiller index is expected to post an annual increase of 2.1%.

**Conference Board consumer confidence index (October)** – After showing more resilience for a few months than other similar indicators, the Conference Board's consumer confidence index fell sharply in September, from 134.2 to 125.1, its lowest level since March. However, a partial recovery is expected in October. The relative performance of the stock market and stable gasoline prices point to a better outcome than in September. This was true for the Michigan index, the TIPP index and the Bloomberg weekly index as well. The bottom line is that we can expect the Conference Board index to rise to 127.5.

**Real GDP (Q3 – first estimate)** – Real GDP growth slowed sharply between the first and second quarters of 2019, from 3.1% to 2.0% (annualized). Another 2.0% increase in the second quarter is expected. Real consumption is expected to post another solid advance, 2.9% this time, supported mainly by durable goods, while spending on services probably rose less than 1.5%. However, investment is expected to remain weak, driven down by another contraction in non-residential construction and a slump in investments in equipment. A modest negative contribution from business inventories is also expected. Residential investment is expected to increase for the first time since 2017. The external sector is expected to drag down growth, mainly due to higher imports, but the preliminary September data on international trade will clarify the forecast. Lastly, relatively modest growth in public spending is expected. All in all, another annualized gain in real GDP of 2.0% is expected.

**Federal Reserve meeting (October)** – In September, following their decision to cut key rates by 25 points, as in July, the Federal Reserve (Fed) leaders anticipated only one more rate cut by the end of 2019. Since then, the Fed's communications have shown little willingness from Jerome Powell and his colleagues to order this remaining cut at the October meeting. However, the weakness of some economic indicators (ISM, confidence, retail sales, etc.) convinced the markets that the Fed would decide to cut the target for federal funds at their October 30 meeting. At the time of writing, the futures market pegged the implicit probability of such a cut at more than 90%. It would be surprising if the Fed's leaders, who seem particularly attuned to the markets, were to go against these expectations. What is more, President Donald Trump continues to push for a more expansionist monetary policy. However, after deciding on a further 25 basis point rate cut, Jerome Powell may very well use his press conference to dispel expectations for further easing in the short term.

**Job creation according to establishment (October)** – Job creation was quite weak in September, with only 136,000 hires. The situation could be much worse in October. However, this will not be a sign that the overall economic situation is deteriorating, but a direct and temporary effect of the labour dispute at GM. The strike is affecting close to 50,000 employees of this car manufacturer, but the impact could be wider if suppliers and the broader impacts in some communities are taken into account. We estimate that September's net hires will be temporarily reduced by 100,000 people, compared to a non-strike scenario. As a result, job creation could come in as low as 50,000 in October. This should also have a negative impact on average hourly wage increases, since the workers affected are usually paid a higher-than-average wage. That said, the household survey is not expected to suffer the same fate since striking workers are still counted as employees. The unemployment rate is nevertheless expected to edge up from 3.5% to 3.6% – still below the level for August.

**FRIDAY November 1 - 10:00**
**October**

Consensus	49.0
Desjardins	49.0

**September**
**47.8**
**WEDNESDAY October 30 - 10:00**
**October**

Consensus	1.75%
Desjardins	1.75%

**September 4**
**1.75%**
**THURSDAY October 31 - 8:30**
**August**

Consensus	m/m
Desjardins	0.2%

**July**
**0.0%**
**THURSDAY October 31 - 6:00**
**Q3 2019 - 1<sup>st</sup> est.**

Consensus	m/m
Desjardins	0.1%

**Q2 2019 - 3<sup>rd</sup> est.**
**0.2%**

**ISM manufacturing index (September)** – The ISM manufacturing index has declined for six consecutive months, with two months below 50. A slight increase is expected in October, however. Compared to regional manufacturing indexes, September’s decline already seemed to be too steep and the mixed results for these indexes point to a degree of stability. We expect the ISM to rise to 49.0 in October. Encouraging news about a likely end to the strike at GM could provide a boost, but the overall outlook for the month as a whole is likely to remain negative.

**CANADA**

**Bank of Canada meeting (October)** – All signs suggest that the Bank of Canada (BoC) will not follow the recent rate cuts ordered by the Fed, but will opt once again for the status quo instead. Despite the global uncertainties largely tied to trade tensions, a number of factors argue in favour of a stable monetary policy in Canada. The labour market is very strong, the housing market has resumed its upward trend and household debt remains high. In addition, the deterioration in business confidence seems to have recently given way to a degree of stabilization. Next week’s decision will be accompanied by the release of the *Monetary Policy Report* (MPR). The monetary authorities could revise upwards their growth projections for Canadian real GDP, at least for 2019, since real GDP growth in the second quarter was well above the BoC’s forecast, reaching 3.7% (annualized) rather than 2.3%. That said, the BoC’s forecasts for subsequent quarters still seem to be in line with recent economic developments, and no significant changes are expected. The most recent version of the MPR is thus not expected to have much impact on expectations about future developments in Canada’s monetary policy.


**Real GDP by industry (August)** – Generally speaking, the economic indicators for August were fairly mixed. The volume of manufacturing sales was up 0.6% for the month, but the volume of retail sales was up by only 0.2%, while that of wholesale sales declined by 1.3%. Conversely, the total number of hours worked increased by 0.7% in August due to major gains in the service sectors. All told, real GDP by industry could grow by 0.1% in August.


**OVERSEAS**

**Euro zone: Real GDP (Q3 – first estimate)** – Growth remains slow in the euro zone, and preliminary data for the third quarter should not change anything. Based on other indicators, such as the PMI indexes, confidence, industrial output or retail sales, there is no reason to think that a rebound in growth took place last summer. The breakdown of GDP components or growth by country will not be released, but we will still be able to see if the problems in Germany and Italy have enough weight to further affect the entire area.

# Economic Indicators

## Week of October 28 to November 1, 2019

Day	Hour	Indicator	Period	Consensus		Previous data
<b>UNITED STATES</b>						
<b>MONDAY 28</b>	8:30	Goods trade balance – preliminary (US\$B)	Sept.	-73.5	-72.2	-72.8
	8:30	Retail inventories – preliminary (m/m)	Sept.	n/a	n/a	-0.1%
	8:30	Wholesale inventories – preliminary (m/m)	Sept.	0.3%	n/a	0.2%
<b>TUESDAY 29</b>	9:00	S&P/Case-Shiller home price index (y/y)	Aug.	2.0%	2.1%	2.0%
	10:00	Consumer confidence	Oct.	128.0	127.5	125.1
	10:00	Pending home sales (m/m)	Sept.	0.5%	n/a	1.6%
<b>WEDNESDAY 30</b>	8:30	Real GDP (ann. rate)	Q3f	1.6%	2.0%	2.0%
	14:00	Federal Reserve meeting	Oct.	1.75%	1.75%	2.00%
<b>THURSDAY 31</b>	8:30	Initial unemployment claims	Oct. 21-25	215,000	215,000	212,000
	8:30	Employment cost index (q/q)	Q3	0.7%	0.3%	0.6%
	8:30	Personal income (m/m)	Sept.	0.3%	0.6%	0.4%
	8:30	Personal consumption expenditures (m/m)	Sept.	0.3%	0.3%	0.1%
	8:30	Personal consumption expenditures deflator				
		Total (m/m)	Sept.	0.0%	0.0%	0.0%
		Excluding food and energy (m/m)	Sept.	0.1%	0.1%	0.1%
		Total (y/y)	Sept.	1.4%	1.4%	1.4%
	Excluding food and energy (y/y)	Sept.	1.7%	1.7%	1.8%	
<b>FRIDAY 1</b>	---	Total vehicle sales (ann. rate)	Oct.	17,000,000	16,900,000	17,190,000
	8:30	Change in nonfarm payrolls	Oct.	90,000	50,000	136,000
	8:30	Unemployment rate	Oct.	3.6%	3.6%	3.5%
	8:30	Weekly worked hours	Oct.	34.4	34.3	34.4
	8:30	Average hourly earnings (m/m)	Oct.	0.3%	0.1%	0.0%
	10:00	ISM manufacturing index	Oct.	49.0	49.0	47.8
	10:00	Construction spending (m/m)	Sept.	0.2%	-0.2%	0.1%
	12:00	Speech of a Federal Reserve Vice Chair, R. Clarida				
<b>CANADA</b>						
<b>MONDAY 28</b>	---	---				
<b>TUESDAY 29</b>	---	---				
<b>WEDNESDAY 30</b>	10:00	Bank of Canada meeting	Oct.	1.75%	1.75%	1.75%
	10:00	Release of the Bank of Canada <i>Monetary Policy Report</i>				
<b>THURSDAY 31</b>	8:30	Industrial product price index (m/m)	Sept.	0.2%	0.1%	0.2%
	8:30	Raw materials price index (m/m)	Sept.	2.5%	2.5%	-1.8%
	8:30	Real GDP by industry (m/m)	Aug.	0.2%	0.1%	0.0%
	8:30	Average weekly earnings (y/y)	Aug.	n/a	2.6%	2.7%
	8:30	Number of salaried employees (m/m)	Aug.	n/a	0.2%	0.4%
<b>FRIDAY 1</b>	---	---				

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 October 28 to November 1, 2019

Country	Hour	Indicator	Period	Consensus		Previous data		
				m/m (q/q)	y/y	m/m (q/q)	y/y	
<b>OVERSEAS</b>								
<b>MONDAY 28</b>								
Euro zone	5:00	Money supply M3	Sept.		5.7%		5.7%	
Japan	19:30	Consumer price index – Tokyo	Oct.	0.7%		0.4%		
<b>TUESDAY 29</b>								
United Kingdom	3:00	Nationwide house prices	Oct.	0.0%	0.2%	-0.2%	0.2%	
France	3:45	Consumer confidence	Oct.	104		104		
Japan	19:50	Retail sales	Sept.	3.6%	6.1%	4.8%	2.0%	
<b>WEDNESDAY 30</b>								
Japan	---	Bank of Japan meeting	Oct.	-0.10%		-0.10%		
France	2:30	Real GDP – preliminary	Q3	0.2%	1.3%	0.3%	1.4%	
France	3:45	Personal consumption expenditures	Sept.	0.0%	0.6%	0.0%	-0.4%	
Italy	5:00	Consumer confidence	Oct.	111.7		112.2		
Italy	5:00	Economic confidence	Oct.	n/a		98.5		
Euro zone	6:00	Business climate	Oct.	-0.24		-0.22		
Euro zone	6:00	Consumer confidence – final	OCT.	-7.6		-7.6		
Euro zone	6:00	Industrial confidence	Oct.	-8.8		-8.8		
Euro zone	6:00	Services confidence	Oct.	9.3		9.5		
Euro zone	6:00	Economic confidence	Oct.	101.1		101.7		
Germany	9:00	Consumer price index – preliminary	Oct.	0.0%	1.1%	0.0%	1.2%	
Brazil	17:00	Bank of Brazil meeting	Oct.	5.00%		5.50%		
Japan	19:50	Industrial production – preliminary	Sept.	0.4%	-0.1%	-1.2%	-4.7%	
United Kingdom	20:01	Consumer confidence	Oct.	-13		-12		
China	21:00	PMI manufacturing index	Oct.	49.8		49.8		
China	21:00	PMI non-manufacturing index	Oct.	53.7		53.7		
<b>THURSDAY 31</b>								
Japan	0:00	Vehicle production	Aug.		n/a		11.8%	
Japan	1:00	Consumer confidence	Oct.	35.2		35.6		
Japan	1:00	Housing starts	Sept.		-6.7%		-7.1%	
Germany	3:00	Retail sales	Sept.	0.3%	3.5%	0.5%	3.2%	
France	3:45	Consumer price index – preliminary	Oct.	0.1%	0.9%	-0.3%	0.9%	
Italy	5:00	Unemployment rate	Sept.	9.6%		9.5%		
Euro zone	6:00	Consumer price index – estimate	Oct.		0.7%		0.9%	
Euro zone	6:00	Real GDP – preliminary	Q3	0.1%	1.1%	0.2%	1.2%	
Euro zone	6:00	Unemployment rate	Sept.	7.4%		7.4%		
Italy	6:00	Consumer price index – preliminary	Oct.	-0.1%	0.3%	-0.5%	0.4%	
Italy	7:00	Real GDP – preliminary	Q3	0.0%	0.2%	0.0%	-0.1%	
Japan	19:30	Unemployment rate	Sept.	2.2%		2.2%		
Japan	20:30	PMI manufacturing index – final	Oct.	n/a		48.5		
<b>FRIDAY 1</b>								
Japan	1:00	Vehicle sales	Oct.		n/a		12.8%	
United Kingdom	5:30	PMI manufacturing index	Oct.	48.2		48.3		

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 (2012 \$B)	2019 Q2	19,022	2.0	2.3	2.9	2.4	1.6
Consumption (2012 \$B)	2019 Q2	13,250	4.6	2.6	3.0	2.6	2.7
Government spending (2012 \$B)	2019 Q2	3,297	4.8	2.3	1.7	0.7	1.8
Residential investment (2012 \$B)	2019 Q2	587.0	-3.0	-3.2	-1.5	3.5	6.5
Non-residential investment (2012 \$B)	2019 Q2	2,759	-1.0	2.6	6.4	4.4	0.7
Business inventory change (2012 \$B) <sup>1</sup>	2019 Q2	69.4	---	---	48.1	31.7	23.0
Exports (2012 \$B)	2019 Q2	2,517	-5.7	-1.7	3.0	3.5	0.0
Imports (2012 \$B)	2019 Q2	3,498	0.0	2.6	4.4	4.7	2.0
Final domestic demand (2012 \$B)	2019 Q2	19,879	3.6	2.4	3.0	2.5	2.4
GDP deflator (2012 = 100)	2019 Q2	112.2	2.4	1.8	2.4	1.9	1.0
Labor productivity (2012 = 100)	2019 Q2	107.5	2.3	1.8	1.3	1.3	0.3
Unit labor cost (2012 = 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 (2016 = 100)	Sept.	111.9	-0.1	0.1	0.2	0.4
ISM manufacturing index <sup>1</sup>	Sept.	47.8	49.1	51.7	55.3	59.5
ISM non-manufacturing index <sup>1</sup>	Sept.	52.6	56.4	55.1	56.1	60.8
Cons. confidence Conference Board (1985 = 100) <sup>1</sup>	Sept.	125.1	134.2	124.3	124.2	135.3
Personal consumption expenditure (2012 \$B)	Aug.	13,332	0.1	0.6	2.1	2.3
Disposable personal income (2012 \$B)	Aug.	15,074	0.4	0.7	1.2	3.0
Consumer credit (\$B)	Aug.	4,141	0.4	1.3	2.4	5.0
Retail sales (\$M)	Sept.	525,560	-0.3	1.1	2.3	4.1
<i>Excluding automobiles (\$M)</i>	Sept.	420,260	-0.1	1.1	2.5	3.7
Industrial production (2012 = 100)	Sept.	109.5	-0.4	0.2	-0.1	-0.1
Production capacity utilization rate (%) <sup>1</sup>	Sept.	77.5	77.9	77.7	78.4	79.3
New machinery orders (\$M)	Aug.	499,765	-0.1	1.8	0.6	-1.9
New durable good orders (\$M)	Sept.*	248,164	-1.1	1.2	-2.2	-5.4
Business inventories (\$B)	Aug.	2,042	0.0	0.3	1.2	4.2
Housing starts (k) <sup>1</sup>	Sept.	1,256	1,386	1,233	1,199	1,236
Building permits (k) <sup>1</sup>	Sept.	1,391	1,425	1,232	1,288	1,288
New home sales (k) <sup>1</sup>	Sept.*	701.0	706.0	729.0	693.0	607.0
Existing home sales (k) <sup>1</sup>	Sept.*	5,380	5,500	5,290	5,210	5,180
Commercial surplus (\$M) <sup>1</sup>	Aug.	-54,896	-54,035	-55,847	-50,707	-54,889
Nonfarm employment (k) <sup>2</sup>	Sept.	151,722	136.0	470.0	926.0	2,147
Unemployment rate (%) <sup>1</sup>	Sept.	3.5	3.7	3.7	3.8	3.7
Consumer price (1982-1984 = 100)	Sept.	256.4	0.0	0.4	0.9	1.7
<i>Excluding food and energy</i>	Sept.	264.6	0.1	0.7	1.2	2.4
Personal cons. expenditure deflator (2012 = 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)	Sept.	118.2	-0.3	-0.1	0.4	1.4
Export prices (2000 = 100)	Sept.	125.2	-0.2	-0.6	-1.4	-1.6
Import prices (2000 = 100)	Sept.	125.6	0.2	0.0	-0.8	-1.6

<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 (2012 \$M)	2019 Q2	2,085,470	3.7	1.6	1.9	3.0	1.1
Household consumption (2012 \$M)	2019 Q2	1,177,341	0.5	1.4	2.1	3.6	2.1
Government consumption (2012 \$M)	2019 Q2	424,534	2.5	2.1	2.9	2.1	1.8
Residential investment (2012 \$M)	2019 Q2	136,894	5.5	-3.2	-1.5	2.4	3.5
Non-residential investment (2012 \$M)	2019 Q2	178,965	-16.2	-6.5	1.9	2.5	-9.9
Business inventory change (2012 \$M) <sup>1</sup>	2019 Q2	14,022	---	---	12,738	17,582	2,291
Exports (2012 \$M)	2019 Q2	677,396	13.4	2.6	3.2	1.1	1.3
Imports (2012 \$M)	2019 Q2	662,654	-4.0	-1.4	2.9	4.2	0.0
Final domestic demand (2012 \$M)	2019 Q2	2,055,180	-0.7	0.3	2.0	3.1	0.6
GDP deflator (2012 = 100)	2019 Q2	110.2	4.5	1.9	1.7	2.5	0.8
Labour productivity (2012 = 100)	2019 Q2	106.3	0.8	0.3	-0.3	1.9	0.3
Unit labour cost (2012 = 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 (\$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 (2012 \$M)	July	1,970,466	0.0	0.4	1.1	1.3
Industrial production (2012 \$M)	July	401,603	-0.8	-1.1	-0.2	-1.6
Manufacturing sales (\$M)	Aug.	57,578	0.8	-2.0	1.6	-0.5
Housing starts (k) <sup>1</sup>	Sept.	221.1	226.9	244.4	192.9	191.1
Building permits (\$M)	Aug.	8,965	6.1	7.2	13.3	11.1
Retail sales (\$M)	Aug.*	51,543	-0.1	0.4	1.6	1.1
<i>Excluding automobiles (\$M)</i>	Aug.*	37,697	-0.2	0.7	2.1	0.7
Wholesale trade sales (\$M)	Aug.*	64,310	-1.2	0.7	1.7	2.0
Commercial surplus (\$M) <sup>1</sup>	Aug.	-955.3	-1,382	461.1	-2,920	-400.7
<i>Exports (\$M)</i>	Aug.	50,582	1.8	-4.3	5.4	-0.2
<i>Imports (\$M)</i>	Aug.	51,537	1.0	-1.6	1.2	0.9
Employment (k) <sup>2</sup>	Sept.	19,165	53.7	36.9	40.4	38.0
Unemployment rate (%) <sup>1</sup>	Sept.	5.5	5.7	5.5	5.8	5.8
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)	Sept.	136.2	-0.4	-0.1	0.6	1.9
<i>Excluding food and energy</i>	Sept.	130.8	-0.4	0.0	0.6	2.1
<i>Excluding 8 volatile items</i>	Sept.	134.4	0.0	0.2	0.7	1.9
Industrial product price (2010 = 100)	Aug.	117.5	0.2	-1.6	0.3	-1.0
Raw materials price (2010 = 100)	Aug.	104.4	-1.8	-6.5	-0.9	-6.0
Money supply M1+ (\$M)	Aug.	1,051,590	1.2	3.0	4.8	6.5

<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		
	Oct. 25	Oct. 18	-1 month	-3 months	-6 months	-1 year	Higher	Average	Lower
<b>United States</b>									
Federal funds – target	2.00	2.00	2.00	2.50	2.50	2.25	2.50	2.38	2.00
Treasury bill – 3 months	1.66	1.63	1.76	2.08	2.37	2.28	2.43	2.20	1.62
Treasury bonds – 2 years	1.60	1.57	1.67	1.88	2.30	2.80	2.97	2.19	1.39
– 5 years	1.60	1.56	1.55	1.86	2.28	2.91	3.09	2.16	1.32
– 10 years	1.78	1.75	1.67	2.08	2.50	3.07	3.23	2.34	1.46
– 30 years	2.26	2.25	2.12	2.60	2.93	3.31	3.45	2.75	1.93
S&P 500 index (level)	3,019	2,986	2,962	3,026	2,940	2,659	3,026	2,825	2,351
DJIA index (level)	26,940	26,770	26,820	27,192	26,543	24,688	27,359	25,768	21,792
Gold price (US\$/ounce)	1,511	1,490	1,492	1,419	1,288	1,242	1,549	1,350	1,202
CRB index (level)	177.89	175.75	175.72	177.16	184.66	195.51	193.42	179.32	167.89
WTI oil (US\$/barrel)	56.27	53.78	55.91	56.20	63.22	67.59	67.04	56.15	44.41
<b>Canada</b>									
Overnight – target	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75
Treasury bill – 3 months	1.65	1.67	1.65	1.65	1.67	1.72	1.73	1.66	1.60
Treasury bonds – 2 years	1.64	1.64	1.57	1.47	1.55	2.26	2.36	1.68	1.29
– 5 years	1.55	1.55	1.39	1.39	1.52	2.34	2.46	1.64	1.13
– 10 years	1.52	1.54	1.36	1.46	1.69	2.39	2.54	1.71	1.09
– 30 years	1.64	1.65	1.54	1.73	1.98	2.43	2.57	1.92	1.30
<u>Spread with the U.S. rate (% points)</u>									
Overnight – target	-0.25	-0.25	-0.25	-0.75	-0.75	-0.50	-0.25	-0.63	-0.75
Treasury bill – 3 months	-0.01	0.04	-0.11	-0.43	-0.70	-0.56	0.07	-0.55	-0.80
Treasury bonds – 2 years	0.04	0.07	-0.10	-0.41	-0.75	-0.54	0.09	-0.50	-0.85
– 5 years	-0.05	-0.01	-0.16	-0.47	-0.76	-0.57	0.00	-0.52	-0.81
– 10 years	-0.25	-0.21	-0.31	-0.62	-0.81	-0.68	-0.19	-0.63	-0.89
– 30 years	-0.63	-0.60	-0.58	-0.87	-0.95	-0.88	-0.52	-0.82	-1.02
S&P/TSX index (level)	16,392	16,377	16,694	16,531	16,613	14,888	16,900	15,941	13,780
Exchange rate (C\$/US\$)	1.3058	1.3126	1.3246	1.3167	1.3455	1.3107	1.3639	1.3289	1.3027
Exchange rate (C\$/€)	1.4478	1.4663	1.4490	1.4650	1.5001	1.4946	1.5643	1.4944	1.4433
<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\$/€)	1.1088	1.1171	1.0939	1.1127	1.1149	1.1403	1.1543	1.1245	1.0900
<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	0.66	0.70	0.42	0.69	1.14	1.38	1.56	0.98	0.32
FTSE index (level)	7,305	7,151	7,426	7,549	7,428	6,940	7,687	7,197	6,585
Exchange rate (US\$/£)	1.2833	1.2973	1.2289	1.2383	1.2920	1.2834	1.3339	1.2732	1.2037
<u>Germany</u>									
Bonds – 10 years	-0.38	-0.39	-0.58	-0.42	-0.02	0.35	0.45	-0.11	-0.72
DAX index (level)	12,880	12,634	12,381	12,420	12,315	11,201	12,880	11,749	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)	22,800	22,493	21,879	21,658	22,259	21,185	22,800	21,342	19,156
Exchange rate (US\$/¥)	108.61	108.43	107.94	108.68	111.60	111.91	114.07	109.71	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.