

WEEKLY NEWSLETTER

An Eventful Week That Ended Well

HIGHLIGHTS

- ▶ United States: Hiring stronger than anticipated.
- ▶ The Federal Reserve lowers its rates and no longer signals further cuts.
- ▶ United States: Real GDP is maintaining its cruising speed.
- ▶ United States: Manufacturing ISM edges up.
- ▶ The Bank of Canada again left the target for the overnight rate at 1.75%.
- ▶ Canada: Real GDP by industry climbed 0.1% in August.

A LOOK AHEAD

- ▶ United States: The ISM non-manufacturing index should increase.
- ▶ Canada: The trade balance could deteriorate somewhat in September.
- ▶ Canada: Will employment underperform?

FINANCIAL MARKETS

- ▶ Trade fears have resurfaced.
- ▶ Bond yields are down significantly.
- ▶ Hit primarily by the readjusted expectations of monetary easing, the Canadian dollar dropped to US\$0.76.

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

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Key Statistics of the Week

UNITED STATES

- ▶ The Federal Reserve (Fed) decided to lower the target range for the federal funds rate to 1.50% to 1.75%. The phrase that had become the signal for future rate reductions has now been dropped from the statement. Given this fact, it is possible to think that the Fed has just shifted from an accommodative bias to a neutral bias.
- ▶ The establishment survey indicates that there were 128,000 new jobs in October, following gains of 180,000 in September (revised from 136,000) and 219,000 in August (revised from 168,000). Manufacturing lost 36,000 jobs—of which 41,600 were in the automotive sector—as a direct result of the strike at General Motors. The jobless rate ticked up 3.5% to 3.6%.
- ▶ U.S. real GDP rose 1.9% (annualized) in the third quarter of 2019. This result is similar to the 2.0% gain recorded in the spring. Real consumption was up 2.9% in the third quarter, after increasing 4.6% in the spring. Non-residential fixed investment by businesses slumped 3.0%, the biggest drop since fall 2015.
- ▶ The ISM manufacturing index inched up 0.5 points in October from 47.8 in September (the lowest level since June 2009) to 48.3. This is its first upward movement since March. Five of its ten sub-indexes increased. The main gains come from export orders, inventories and new orders.
- ▶ According to the Conference Board index, consumer confidence deteriorated slightly in October. This third decline in a row brought the index down from 126.3 in September to 125.9 in October. The expectations component lost 1.9 points, while the current situation component gained 1.7 points.
- ▶ The S&P/Case-Shiller index of existing home prices in the 20 largest cities dropped 0.2% in August. Its annual variation remained at 2.0%; this is the first time since March 2018 that it did not slow down.
- ▶ Construction spending was up 0.5% in September, following a 0.3% decline in August. Residential construction rose 0.6%, but private non-residential construction retreated 0.3%. Public construction jumped 1.5%.

Francis Généreux, Senior economist

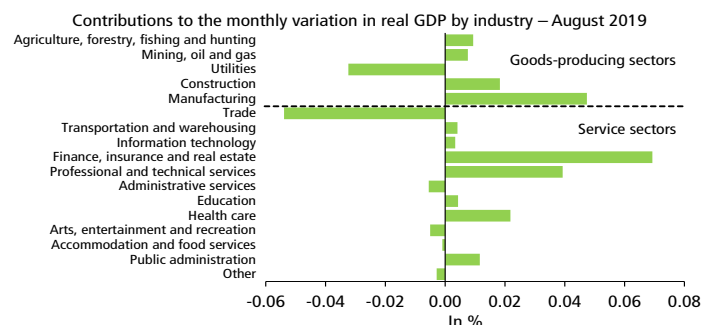
CANADA

- ▶ As expected, the Bank of Canada (BoC) left the target for the overnight rate at 1.75% on Wednesday. While 93% of forecasters consulted by Bloomberg were expecting the status quo, the question in the decision and the *Monetary Policy Report* had more to do with how wide the monetary authorities would open the door to a potential reduction in key interest rates in Canada. What we do know is that the monetary authorities are definitely keeping the door open to this possibility. However, the status quo of Canada’s monetary policy should continue for the next few quarters. The BoC will, however, keep its eye on the Canadian economy’s resilience and will likely not hesitate to order a key interest rate cut if it sees disappointing results coming from the labour market, consumer spending or residential investment. A reduction in key rates could also be announced in the event of deeper troubles in exports and non-residential investment.
- ▶ Real GDP by industry increased 0.1% in August, in line with our expectations. Thus, the carryover after two months is just 1.2%. Assuming that real GDP by industry will rise about 0.1% in September, the entire third quarter could end with a gain of around 1.3% (annualized). This projection is somewhat weaker than our latest forecast, which called for a 1.7% increase.

Benoit P. Durocher, Senior economist

CANADA

Trade and utilities hampered growth in August



Sources: Statistics Canada and Desjardins, Economic Studies

Financial Markets

Good Data Made Up for the Renewed Trade Concerns

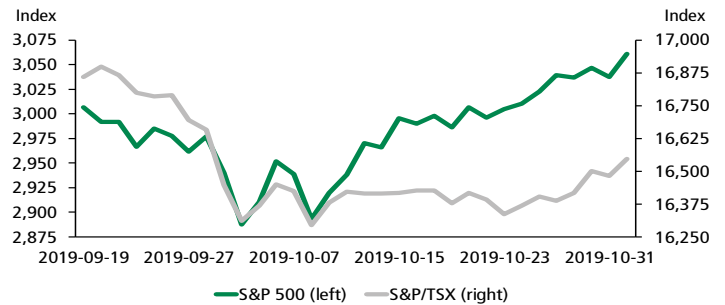
The week was a busy one, what with the release of several major economic figures and the monetary policy decisions made by many of the central banks, including the Bank of Canada (BoC) and the Federal Reserve (Fed). The U.S. stock market started the week on the right foot with satisfactory corporate earnings. The drop in the Fed's key rates, and the remarks by Jerome Powell that were judged as being reassuring, supported stock prices on Wednesday. Thursday's session was the most difficult, as China appears more pessimistic about a trade deal with the United States. Still, the markets resumed their upward trajectory on Friday following better-than-expected job figures in the United States. In the end, the U.S. stock market headed towards a weekly gain of over 1%. A slightly weaker weekly advance occurred in Canada.

The Fed announced a third consecutive cut to its key rates while indicating that it now wanted to prioritize the status quo. Still, U.S. bond yields fell a little on Wednesday, given that additional interest rate cuts may yet be announced if economic figures justify them. The drop in yields was more significant in Canada. The markets adjusted to the possibility that the BoC could lower its key rates. Thursday's session saw bond yields continue to slide, especially in the United States, due to renewed fears surrounding China-U.S. trade relations. Part of the decline in yields was recovered Friday, however.

The U.S. dollar effective exchange rate index declined this week, but this obscures some of the different directions taken by some currencies, including the Canadian dollar. It depreciated on Wednesday due to the market's shift in expectations regarding future BoC decisions. At the time of writing, the loonie was trading at about US\$0.76. Across the Atlantic, the euro and the pound appreciated, especially during Thursday's session, which was marked by the renewed trade concerns and by better-than-expected figures in Europe. The yen also appreciated significantly on Thursday in its role as a safe-haven. The good job figures released on Friday in the United States had a slightly positive, yet temporary, impact on the U.S. dollar.

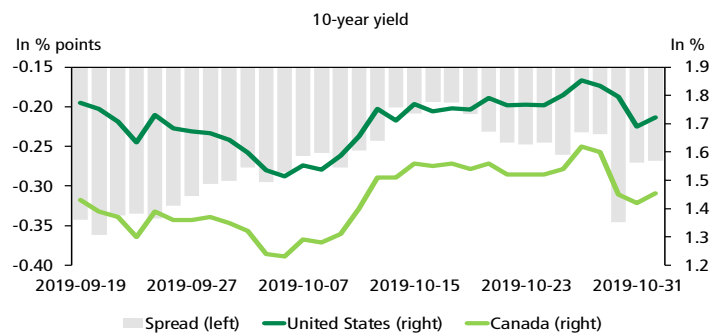
Hendrix Vachon, Senior Economist
Carine Bergevin-Chammah, Economist

GRAPH 1
Stock markets



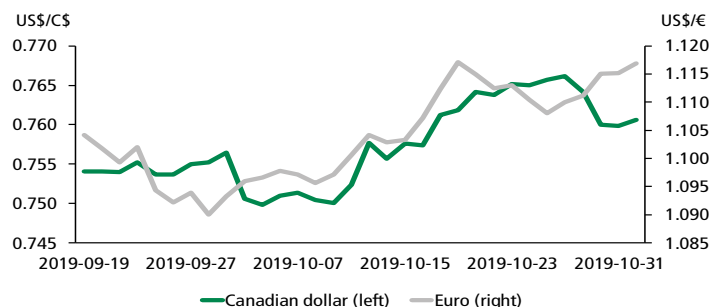
Sources: Datastream and Desjardins, Economic Studies

GRAPH 2
Bond markets



Sources: Datastream and Desjardins, Economic Studies

GRAPH 3
Currency markets



Sources: Datastream and Desjardins, Economic Studies

A Look Ahead

TUESDAY November 5 - 10:00

October	
Consensus	53.5
Desjardins	54.0
September	52.6

FRIDAY November 8 - 10:00

November	
Consensus	95.8
Desjardins	95.0
October	95.5

TUESDAY November 5 - 8:30

September	\$B
Consensus	-0.60
Desjardins	-1.21
August	-0.96

FRIDAY November 8 - 8:15

October	ann. rate
Consensus	222,500
Desjardins	220,000
September	221,200

FRIDAY November 8 - 8:30

October	m/m
Consensus	10,000
Desjardins	-8,000
September	53,700

UNITED STATES

ISM non-manufacturing index (October) – While it did not fall as low as the manufacturing index, the non-manufacturing ISM dropped more than anticipated in September. However, a recovery is expected in October. The reason behind this is that the non-manufacturing ISM has been seesawing significantly for a number of months. Regional manufacturing indexes also continue to be compatible with an ISM index that is much higher than the September result. The non-manufacturing ISM could therefore end up at 54.0, still below August levels.

University of Michigan consumer confidence index (November – preliminary) – After plummeting in August, the University of Michigan confidence index improved in September and October, gaining back much of the ground lost. It is expected to remain fairly steady in November. On the one hand, the stock market went up over the past few weeks and gas prices barely budged. On the other hand, President Donald Trump’s political troubles risk rattling his supporters’ confidence. Other confidence indexes have also deteriorated, particularly the Bloomberg weekly index, which slid last week to its lowest level since May. All in all, we expect the University of Michigan index to settle at 95.0.

CANADA

Merchandise trade (September) – Seasonally adjusted and expressed in Canadian dollars, commodity prices rose roughly 3.0% in September. This should boost the value of exports, especially in terms of energy, metal and mineral products, and forest products. Trade in automotive products, however, is expected to struggle considerably due to disruptions stemming from the U.S. General Motors employee strike. The bottom line is that the total value of exports could remain practically unchanged in September. In imports, a moderate increase is predicted in line with the upward trend in consumer spending. The merchandise trade balance is therefore expected to deteriorate slightly during the month.

Housing starts (October) – For the past few months, the number of housing starts has been hovering around a fairly high 220,000 units and should stay close to that in October. We should add that demand is rather high and conditions are favourable, especially with low mortgage rates.

Labour Force Survey (October) – After a cumulative gain of 134,800 jobs in two months, the risk of underperformance in the labour market seems fairly high for October. In addition, economic growth has been less robust in recent months; this should translate into some slowing in the employment trend. Given these conditions, a loss of around 8,000 jobs is expected, with the unemployment rate potentially rising from 5.5% to 5.6%.

WEDNESDAY November 6 - 5:00

September	m/m
Consensus	0.1%
August	0.3%

THURSDAY November 7 - 7:00

November	
Consensus	0.75%
Desjardins	0.75%
September 19	0.75%


OVERSEAS


Euro zone: Retail sales (September) – Euroland retail sales were up 0.3% in August, after falling 0.5% in July. The feeling is that European consumption is experiencing some headwinds, which are not as strong for the time being as those buffeting the industrial sector. The 0.1% gain in retail sales in Germany is a faint good sign for September, but is offset by the 0.4% dip in consumer spending in France. During the week, we will also have the September results for German (Thursday) and French (Friday) industrial production.

United Kingdom: Bank of England meeting (November) – Uncertainty in the United Kingdom is still running high, as Brexit was postponed yet again and a snap election will be held in December to help break the deadlock. It would be surprising, however, for the Bank of England to announce an interest rate cut. The status quo may be preferred until the situation surrounding Brexit becomes more certain. The possible scenarios suggest very different effects on developments in a number of macroeconomic variables, including prices. The economic indicators to be released during the week include the October versions of the PMI indexes.

Economic Indicators

Week of November 4 to 8, 2019

Day	Hour	Indicator	Period	Consensus		Previous data
UNITED STATES						
MONDAY 4	10:00	Factory orders (m/m)	Sept.	-0.5%	-0.4%	-0.1%
	17:00	Speech of the San Francisco Fed President, M. Daly				
TUESDAY 5	8:00	Speech of the Richmond Fed President, T. Barkin				
	8:30	Trade balance – Goods and services (US\$B)	Sept.	-52.5	-52.3	-54.9
	10:00	ISM non-manufacturing index	Oct.	53.5	54.0	52.6
	12:40	Speech of the Dallas Fed President, R. Kaplan				
	18:00	Speech of the Minneapolis Fed President, N. Kashkari				
WEDNESDAY 6	8:00	Speech of the Chicago Fed President, C. Evans				
	8:30	Nonfarm productivity – preliminary (ann. rate)	Q3	0.8%	0.9%	2.3%
	8:30	Unit labor costs – preliminary (ann. rate)	Q3	2.2%	3.5%	2.6%
	9:30	Speech of the New York Fed President, J. Williams				
	15:15	Speech of the Philadelphia Fed President, P. Harker				
THURSDAY 7	8:30	Initial unemployment claims	Oct. 28-Nov. 1	215,000	216,000	218,000
	13:05	Speech of the Dallas Fed President, R. Kaplan				
	15:00	Consumer credit (US\$B)	Sept.	15,000	12,500	17,901
	19:10	Speech of the Atlanta Fed President, R. Bostic				
FRIDAY 8	10:00	Michigan's consumer sentiment index – preliminary	Nov.	95.8	95.0	95.5
	10:00	Wholesale inventories – final (m/m)	Sept.	-0.2%	-0.3%	-0.3%
	11:45	Speech of the San Francisco Fed President, M. Daly				
CANADA						
MONDAY 4	---	---				
TUESDAY 5	8:30	International trade (\$B)	Sept.	-0.60	-1.21	-0.96
WEDNESDAY 6	10:00	PMI-Ivey index	Oct.	n/a	49.5	48.7
THURSDAY 7	---	---				
FRIDAY 8	8:15	Housing starts (ann. rate)	Oct.	222,500	220,000	221,200
	8:30	Building permits (m/m)	Sept.	-1.8%	-1.5%	6.1%
	8:30	Net change in employment	Oct.	10,000	-8,000	53,700
	8:30	Unemployment rate	Oct.	5.5%	5.6%	5.5%
	13:30	Speech of a Bank of Canada Deputy Governor, P. Beaudry				

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 Eastern Standard Time (GMT - 5 hours).  Forecast of Desjardins, Economic Studies of the Desjardins Group.

Economic Indicators

Week of November 4 to 8, 2019

Country	Hour	Indicator	Period	Consensus		Previous data		
				m/m (q/q)	y/y	m/m (q/q)	y/y	
OVERSEAS								
MONDAY 4								
Italy	3:45	PMI manufacturing index – final	Oct.	47.7		47.8		
France	3:50	PMI manufacturing index – final	Oct.	50.5		50.5		
Germany	3:55	PMI manufacturing index – final	Oct.	41.9		41.9		
Euro zone	4:00	PMI manufacturing index – final	Oct.	45.7		45.7		
United Kingdom	4:30	PMI construction index	Oct.	44.1		43.3		
Australia	22:30	Reserve Bank of Australia meeting	Nov.	0.75%		0.75%		
TUESDAY 5								
United Kingdom	4:30	PMI composite index	Oct.	49.4		49.3		
United Kingdom	4:30	PMI services index	Oct.	49.7		49.5		
Euro zone	5:00	Producer price index	Sept.	0.1%	-1.2%	-0.5%	-0.8%	
Japan	19:30	PMI composite index – final	Oct.	n/a		49.8		
Japan	19:30	PMI services index – final	Oct.	n/a		50.3		
WEDNESDAY 6								
Germany	2:00	Factory orders	Sept.	0.1%	-6.3%	-0.6%	-6.7%	
Italy	3:45	PMI composite index – final	Oct.	50.2		50.6		
Italy	3:45	PMI services index – final	Oct.	51.0		51.4		
France	3:50	PMI composite index – final	Oct.	52.6		52.6		
France	3:50	PMI services index – final	Oct.	52.9		52.9		
Germany	3:55	PMI composite index – final	Oct.	48.6		48.6		
Germany	3:55	PMI services index – final	Oct.	51.2		51.2		
Euro zone	4:00	PMI composite index – final	Oct.	50.2		50.2		
Euro zone	4:00	PMI services index – final	Oct.	51.8		51.8		
Euro zone	5:00	Retail sales	Sept.	0.1%	2.4%	0.3%	2.1%	
THURSDAY 7								
China	---	Trade balance (US\$B)	Oct.	40.55		39.65		
Germany	2:00	Industrial production	Sept.	-0.3%	-4.3%	0.3%	-4.0%	
Germany	3:30	PMI construction index	Oct.	n/a		50.1		
Italy	4:00	Retail sales	Sept.	0.2%	n/a	-0.6%	0.7%	
United Kingdom	7:00	Bank of England meeting	Nov.	0.75%		0.75%		
United Kingdom	7:00	Release of the Bank of England <i>Inflation Report</i>						
FRIDAY 8								
Germany	2:00	Trade balance (€B)	Sept.	18.8		16.2		
Germany	2:00	Current account (€B)	Sept.	19.1		16.9		
France	2:45	Trade balance (€M)	Sept.	-4,900		-5,019		
France	2:45	Current account (€B)	Sept.	n/a		-2.5		
France	2:45	Industrial production	Sept.	0.3%	0.3%	-0.9%	-1.4%	
France	2:45	Wages – preliminary	Q3	0.5%		0.5%		
China	20:30	Consumer price index	Oct.		3.2%		3.0%	
China	20:30	Producer price index	Oct.		-1.5%		-1.2%	

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 Eastern Standard Time (GMT - 5 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 Q3*	19,113	1.9	2.0	2.9	2.4	1.6
Consumption (2012 \$B)	2019 Q3*	13,344	2.9	2.5	3.0	2.6	2.7
Government spending (2012 \$B)	2019 Q3*	3,313	2.0	2.3	1.7	0.7	1.8
Residential investment (2012 \$B)	2019 Q3*	594.3	5.1	-1.0	-1.5	3.5	6.5
Non-residential investment (2012 \$B)	2019 Q3*	2,738	-3.0	1.3	6.4	4.4	0.7
Business inventory change (2012 \$B) ¹	2019 Q3*	69.0	---	---	48.1	31.7	23.0
Exports (2012 \$B)	2019 Q3*	2,522	0.7	0.1	3.0	3.5	0.0
Imports (2012 \$B)	2019 Q3*	3,509	1.2	0.8	4.4	4.7	2.0
Final domestic demand (2012 \$B)	2019 Q3*	19,978	2.0	2.2	3.0	2.5	2.4
GDP deflator (2012 = 100)	2019 Q3*	112.6	1.7	1.7	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 Q3*	138.0	3.0	2.8	2.8	2.4	2.3
Current account balance (\$B) ¹	2019 Q2	-128.2	---	---	-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 (2016 = 100)	Sept.	111.9	-0.1	0.1	0.2	0.4
ISM manufacturing index ¹	Oct.*	48.3	47.8	51.2	52.8	57.5
ISM non-manufacturing index ¹	Sept.	52.6	56.4	55.1	56.1	60.8
Cons. confidence Conference Board (1985 = 100) ¹	Oct.*	125.9	126.3	135.8	129.2	137.9
Personal consumption expenditure (2012 \$B)	Sept.*	13,368	0.2	0.6	1.6	2.6
Disposable personal income (2012 \$B)	Sept.*	15,136	0.3	0.9	1.4	3.5
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 (%) ¹	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) ¹	Sept.	1,256	1,386	1,233	1,199	1,236
Building permits (k) ¹	Sept.	1,391	1,425	1,232	1,288	1,288
New home sales (k) ¹	Sept.	701.0	706.0	729.0	693.0	607.0
Existing home sales (k) ¹	Sept.	5,380	5,500	5,290	5,210	5,180
Commercial surplus (\$M) ¹	Aug.	-54,896	-54,035	-55,847	-50,707	-54,889
Nonfarm employment (k) ²	Oct.*	151,945	128.0	527.0	933.0	2,093
Unemployment rate (%) ¹	Oct.*	3.6	3.5	3.7	3.6	3.8
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)	Sept.*	109.9	0.0	0.3	0.8	1.3
<i>Excluding food and energy</i>	Sept.*	112.1	0.0	0.4	1.0	1.7
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

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 (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) ¹	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) ¹	2019 Q2	-6,384	---	---	-58,522	-60,130	-64,882
Production capacity utilization rate (%) ¹	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

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 (2012 \$M)	Aug.*	1,973,258	0.1	0.3	1.5	1.3
Industrial production (2012 \$M)	Aug.*	402,677	0.1	-1.5	0.6	-1.3
Manufacturing sales (\$M)	Aug.	57,578	0.8	-2.0	1.6	-0.5
Housing starts (k) ¹	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) ¹	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) ²	Sept.	19,165	53.7	36.9	40.4	38.0
Unemployment rate (%) ¹	Sept.	5.5	5.7	5.5	5.8	5.8
Average weekly earnings (\$)	Aug.*	1,035	0.6	0.4	2.6	2.9
Number of salaried employees (k) ²	Aug.*	17,016	-6.1	26.6	26.6	28.8
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)	Sept.*	117.4	-0.1	-0.3	-0.9	-1.3
Raw materials price (2010 = 100)	Sept.*	104.3	0.0	-0.5	-3.6	-5.3
Money supply M1+ (\$M)	Sept.*	1,062,115	1.0	3.5	5.4	7.0

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		
	Nov. 1	Oct. 25	-1 month	-3 months	-6 months	-1 year	Higher	Average	Lower
United States									
Federal funds – target	1.75	2.00	2.00	2.25	2.50	2.25	2.50	2.37	1.75
Treasury bill – 3 months	1.52	1.63	1.68	2.02	2.38	2.28	2.43	2.19	1.51
Treasury bonds – 2 years	1.56	1.65	1.39	1.71	2.35	2.92	2.97	2.16	1.39
– 5 years	1.55	1.64	1.33	1.66	2.33	3.04	3.09	2.14	1.32
– 10 years	1.72	1.80	1.51	1.84	2.53	3.21	3.23	2.32	1.46
– 30 years	2.21	2.29	2.01	2.38	2.93	3.45	3.45	2.73	1.93
S&P 500 index (level)	3,061	3,023	2,952	2,932	2,946	2,723	3,061	2,832	2,351
DJIA index (level)	27,307	26,958	26,574	26,485	26,505	25,271	27,359	25,809	21,792
Gold price (US\$/ounce)	1,511	1,509	1,508	1,446	1,281	1,231	1,549	1,355	1,202
CRB index (level)	178.08	178.37	173.50	173.35	181.77	192.30	192.58	179.06	167.89
WTI oil (US\$/barrel)	55.23	56.46	52.81	55.66	61.94	63.14	66.43	55.96	44.41
Canada									
Overnight – target	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75
Treasury bill – 3 months	1.66	1.65	1.63	1.64	1.67	1.72	1.72	1.66	1.60
Treasury bonds – 2 years	1.55	1.66	1.41	1.46	1.64	2.35	2.36	1.67	1.29
– 5 years	1.46	1.57	1.25	1.35	1.62	2.44	2.46	1.63	1.13
– 10 years	1.45	1.54	1.23	1.37	1.77	2.53	2.54	1.69	1.09
– 30 years	1.62	1.66	1.42	1.61	2.01	2.57	2.56	1.91	1.30
<u>Spread with the U.S. rate (% points)</u>									
Overnight – target	0.00	-0.25	-0.25	-0.50	-0.75	-0.50	0.00	-0.62	-0.75
Treasury bill – 3 months	0.14	0.02	-0.05	-0.38	-0.71	-0.56	0.15	-0.53	-0.80
Treasury bonds – 2 years	-0.01	0.01	0.02	-0.25	-0.71	-0.57	0.09	-0.49	-0.85
– 5 years	-0.09	-0.07	-0.08	-0.31	-0.71	-0.60	0.00	-0.51	-0.81
– 10 years	-0.27	-0.26	-0.28	-0.47	-0.76	-0.68	-0.19	-0.62	-0.89
– 30 years	-0.59	-0.63	-0.59	-0.77	-0.92	-0.88	-0.52	-0.82	-1.02
S&P/TSX index (level)	16,548	16,404	16,449	16,272	16,494	15,119	16,900	15,969	13,780
Exchange rate (C\$/US\$)	1.3148	1.3060	1.3316	1.3206	1.3421	1.3109	1.3639	1.3289	1.3027
Exchange rate (C\$/€)	1.4684	1.4470	1.4618	1.4671	1.5034	1.4927	1.5643	1.4938	1.4433
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\$/€)	1.1169	1.1080	1.0978	1.1109	1.1202	1.1387	1.1543	1.1241	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	0.67	0.66	0.44	0.56	1.22	1.49	1.56	0.97	0.32
FTSE index (level)	7,300	7,324	7,155	7,407	7,381	7,094	7,687	7,201	6,585
Exchange rate (US\$/£)	1.2949	1.2823	1.2334	1.2156	1.3174	1.2973	1.3339	1.2733	1.2037
<u>Germany</u>									
Bonds – 10 years	-0.38	-0.37	-0.58	-0.49	0.02	0.44	0.45	-0.12	-0.72
DAX index (level)	12,973	12,895	12,013	11,872	12,413	11,519	12,973	11,779	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)	22,851	22,800	21,410	21,087	22,259	22,244	22,974	21,365	19,156
Exchange rate (US\$/¥)	108.15	108.66	106.95	106.60	111.11	113.21	114.07	109.62	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.