

WEEKLY NEWSLETTER

Market Optimism Boosts Bond Yields

HIGHLIGHTS

- ▶ United States: The ISM non-manufacturing index rose in October.
- ▶ Canada: Employment retreated in October.
- ▶ Canada: October saw housing starts fall slightly.
- ▶ Canada: International trade deteriorated in the third quarter.

A LOOK AHEAD

- ▶ United States: After declining in September, retail sales and industrial production should climb in October.
- ▶ United States: A 0.3% increase in the consumer price index is expected.

FINANCIAL MARKETS

- ▶ Investors are starting to hope for a reduction in trade tariffs.
- ▶ Sharp rise in U.S. bond yields.
- ▶ The Canadian dollar settles below US\$0.76.

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 • 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

- ▶ The ISM non-manufacturing index increased 2.1 points from 52.6 in September (its lowest level since August 2016) to 54.7 in October. This is still below the August level, however, and continues the seesawing trend that has been observed for some time now in the non-manufacturing ISM. Despite the increase in the total index, only four components made gains in October, the biggest ones coming from employment and new orders. The six other components declined, with order backlogs and prices paid posting the most marked downward movements.
- ▶ New car sales slumped in October from 17,190,000 units to 16,540,000, the lowest that annualized sales have been since April.
- ▶ The balance of trade in goods and services improved, with the deficit going from US\$55.0B in August to US\$52.5B in September. While trade as a whole declined, the positive effect on the balance stems from a steeper drop in imports (-1.7%) than in exports (-0.9%). Keep in mind that new tariffs were introduced in early September.
- ▶ The University of Michigan consumer confidence index edged up 0.2 points according to the November preliminary version. After plummeting 8.6 points in August, the index saw three months of increases in a row, gaining a total of 5.9 points. This now puts the index at 95.7. November's improvement stems somewhat more from consumer expectations (+1.7 point), whereas the current situation actually pulled back 2.3 points.

Francis Généreux, Senior economist

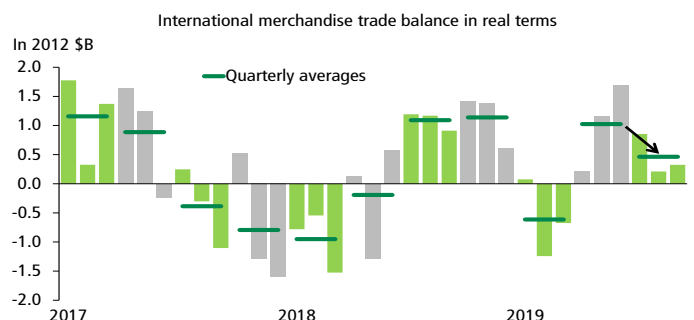
CANADA

- ▶ Employment posted lacklustre numbers in October with the loss of 1,800 jobs. Following a cumulative gain of 134,800 jobs in August and September, it is not surprising that the labour market took a breather in October. Despite the slight drop, the employment trend remains relatively good, while the 6-month moving average was 22,000. Unemployment rate remains at 5.5%.
- ▶ Third-quarter international trade results were mixed, with the value of merchandise exports down 1.3% and imports down 1.7% in September. The trade balance improved slightly in September, up from -\$1.24B to -\$0.98B. The release of September's figures provides us with a clear indication of how international trade shifted over the entire third quarter. In the end, merchandise exports expressed in real terms posted a 1.0% drop (annualized) in the third quarter. On the import side, the third quarter ended with a 4.0% increase (annualized). This suggests that domestic demand regained strength in the third quarter. On the other hand, the rise in imports combined with the fall in exports led to the trade balance plunging \$1.69B (in 2012 dollars) in the third quarter.
- ▶ The number of housing starts dropped from 221,135 units in September to 201,973 in October. The bulk of the decline comes from multi-unit housing starts in urban centres, which fell to their lowest level since March.

Benoit P. Durocher, Senior economist

CANADA

The trade balance deteriorated further in the third quarter of 2019



Sources: Statistics Canada and Desjardins, Economic Studies

Financial Markets

The Markets Remain Optimistic

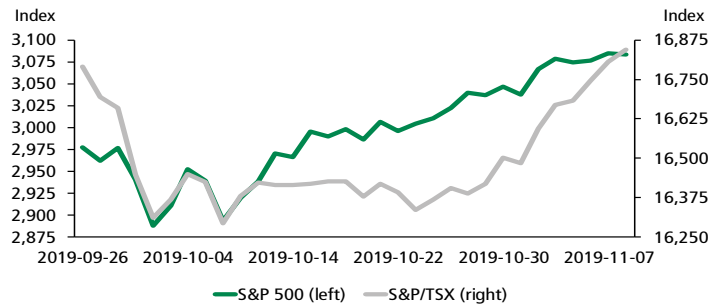
Optimism following the release of U.S. employment figures the previous week has intensified as hopes for a decrease in China–U.S. trade tensions continued to rise. The U.S. stock markets started the week strong on Monday, setting new records. After two less buoyant sessions, rumours about negotiations to phase out the previously imposed tariffs revived the markets on Thursday. While less than spectacular, the gains made on U.S. stock markets this week helped them consolidate the momentum seen in recent weeks. Capitalizing on higher oil prices and encouraging corporate results, the S&P/TSX stood out, advancing about 1.5% for the week at the time of writing.

This renewed optimism is far less favourable for North American bond markets, however. Hopes for lower trade tariffs and a reduced likelihood of additional monetary easing by the Federal Reserve led to an increase of about 20 basis points in the U.S. 10-year yield, pushing it above 1.90% for the first time since July. The increase in the ISM non-manufacturing index added to the encouraging news on the U.S. economy that was just published. Canadian bond yields also rose this week, but less dramatically than in the United States; they declined somewhat on the release of employment figures Friday morning.

The greenback managed to do well despite weaker demand for safe havens. Rising bond yields in the United States helped, as did local factors that punished some currencies. The euro depreciated to about US\$1.10. Uncertainty in Europe remains and the European Commission has lowered its forecasts for economic growth. The pound depreciated to around US\$1.28, affected by the Bank of England’s more dovish tone and fears that the U.K. elections could lead to another minority government. The Canadian dollar settled below US\$0.76. This was mainly due to the mixed economic data in Canada, on the labour front in particular.

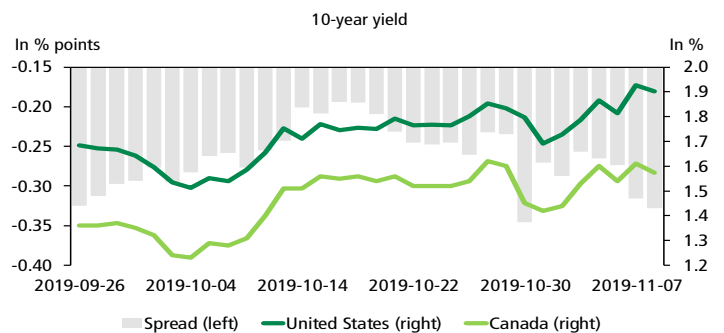
Mathieu D’Anjou, CFA, Deputy Chief Economist
Hendrix Vachon, Senior Economist

GRAPH 1
Stock markets



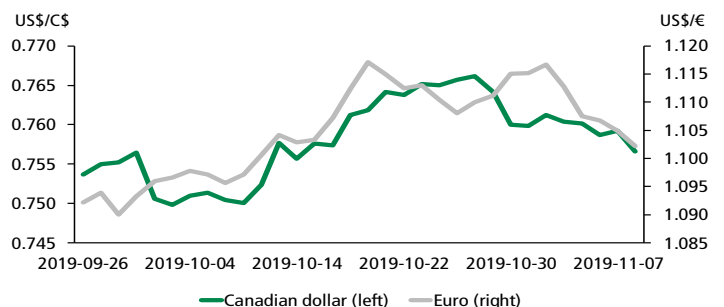
Sources: Datastream and Desjardins, Economic Studies

GRAPH 2
Bond markets



Sources: Datastream and Desjardins, Economic Studies

GRAPH 3
Currency markets



Sources: Datastream and Desjardins, Economic Studies

A Look Ahead

WEDNESDAY November 13 - 8:30

October	m/m
Consensus	0.3%
Desjardins	0.3%
September	0.0%

FRIDAY November 15 - 8:30

October	m/m
Consensus	0.2%
Desjardins	0.1%
September	-0.3%

FRIDAY November 15 - 9:15

October	m/m
Consensus	-0.4%
Desjardins	0.3%
September	-0.4%

DURING THE WEEK
MONDAY November 11 - 4:30

Q3 2019	q/q
Consensus	0.4%
Q2 2019	-0.2%

WEDNESDAY November 13 - 19:50

Q3 2019	q/q
Consensus	0.2%
Q2 2019	0.3%

UNITED STATES

Consumer price index (October) – There was no increase in the consumer price index (CPI) in September for the first time since January. Part of the weakness is due to energy prices. However, a positive contribution from energy prices is expected in October, as prices at the pump were up 0.5% and the effect will be amplified by the seasonal adjustment. The total CPI is therefore expected to climb 0.3%. A 0.2% increase in the core CPI, which excludes food and energy, is expected after a 0.1% gain in September. The first effects of September's higher tariffs may start emerging there. The annual variation in total CPI should hold at 1.7%, while core inflation should dip from 2.4% to 2.3%.

Retail sales (October) – Retail sales surprised in September with their unexpected weakness. The 0.3% slump in total sales was the first decline since February. A modest increase is expected in October. The numbers on new auto sales published earlier in the month suggest a downward movement in this component. The rest, however, should see improved performance. Gas prices suggest an increase in service station sales. Food services are also expected to see growth. Excluding motor vehicles and gas, a 0.4% gain is anticipated. All in all, total sales should edge up 0.1%.

Industrial production (October) – In September, the auto sector was hit hard by the General Motors (GM) strike, the effects of which should still be felt in October. The labour dispute began in mid-September but lasted all of last month. Another decline in the auto sector is therefore expected. For the rest of manufacturing, we foresee a 0.2% rise, reflecting hours worked and the manufacturing ISM. The mining sector should rebound 2.0% after sliding 1.3% in January. Slightly higher energy production is anticipated. Industrial production overall should gain 0.3%.

OVERSEAS


Euro zone: Economic indicators – Several euro zone indicators will be released this week. European industrial production for September will be out on Wednesday. It was up 0.4% in August, but September's 0.6% decline in Germany is not a good omen. The preliminary estimate for the third quarter real GDP will be released on Thursday. The advance estimate revealed a non-annualized gain of 0.2%. This time, there will be more details on per-country growth. The advance estimate of Germany's real GDP will also be released on Thursday, which will give us an indication as to whether the country is in a technical recession, after its real GDP fell 0.1% in the spring. On Friday, we will learn the trade balance for September. The final version of the CPI for October will also be released on Friday.


United Kingdom: Real GDP (Q3) – Britain's real GDP fell 0.2% (non-annualized) in the spring. No further downtick is expected for the third quarter. July and August monthly GDP data are already showing a carryover of 0.5%. Monday will also bring September results for monthly GDP, industrial production, the trade balance and the services index.

Japan: Real GDP (Q3) – Growth has been fairly good over the past few quarters in Japan. The consensus expects non-annualized growth in real GDP of 0.2% in the third quarter, which should be buoyed by a jump in consumption in September. A retreat is, however, expected for the fourth quarter following the recent sales tax hike.

Economic Indicators

Week of November 11 to 15, 2019

Day	Hour	Indicator	Period	Consensus		Previous data
UNITED STATES						
MONDAY 11	---	Markets closed (Veterans Day)				
TUESDAY 12	12:55	Speech of the Philadelphia Fed President, P. Harker				
WEDNESDAY 13	8:30	Consumer price index				
		Total (m/m)	Oct.	0.3%	0.3%	0.0%
		Excluding food and energy (m/m)	Oct.	0.2%	0.2%	0.1%
		Total (y/y)	Oct.	1.7%	1.7%	1.7%
		Excluding food and energy (y/y)	Oct.	2.4%	2.3%	2.4%
	11:00	Testimony of the Federal Reserve Chair, J. Powell, before a Committee of Congress				
	14:00	Federal budget (US\$B)	Oct.	-129.0	n/a	82.8
THURSDAY 14	8:30	Initial unemployment claims	Nov. 4-8	215,000	214,000	211,000
	8:30	Producer price index				
		Total (m/m)	Oct.	0.3%	0.4%	-0.3%
		Excluding food and energy (m/m)	Oct.	0.2%	0.3%	-0.3%
	9:00	Speech of a Federal Reserve Vice Chair, R. Clarida				
	9:10	Speech of the Chicago Fed President, C. Evans				
	10:00	Testimony of the Federal Reserve Chair, J. Powell, before a House committee				
FRIDAY 15	8:30	Empire manufacturing index	Nov.	6.0	6.0	4.0
	8:30	Export prices (m/m)	Oct.	-0.1%	-0.1%	-0.2%
	8:30	Import prices (m/m)	Oct.	-0.2%	-0.3%	0.2%
	8:30	Retail sales				
		Total (m/m)	Oct.	0.2%	0.1%	-0.3%
		Excluding automobiles (m/m)	Oct.	0.4%	0.4%	-0.1%
	9:15	Industrial production (m/m)	Oct.	-0.4%	0.3%	-0.4%
	9:15	Production capacity utilization rates	Oct.	77.0%	77.5%	77.5%
	10:00	Business inventories (m/m)	Sept.	0.1%	0.1%	0.0%
CANADA						
MONDAY 11	---	Markets closed (Remembrance Day)				
TUESDAY 12	---	---				
WEDNESDAY 13	---	---				
THURSDAY 14	8:30	New housing price index (m/m)	Sept.	0.1%	0.1%	0.1%
	21:45	Speech of the Bank of Canada Governor, S. Poloz				
FRIDAY 15	8:30	International transactions in securities (\$B)	Sept.	n/a	8.00	4.99
	8:30	Speech of a Bank of Canada Deputy Governor, T. Lane				
	9:00	Existing home sales	Oct.			

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 11 to 15, 2019

Country	Hour	Indicator	Period	Consensus		Previous data		
				m/m (q/q)	y/y	m/m (q/q)	y/y	
OVERSEAS								
SUNDAY 10								
Japan	18:50	Current account (¥B)	Sept.	1,664.0		1,720.3		
MONDAY 11								
Italy	4:00	Industrial production	Sept.	-0.4%	-2.1%	0.3%	-1.8%	
United Kingdom	4:30	Trade balance (£M)	Sept.	-2,000		-1,546		
United Kingdom	4:30	Construction	Sept.	-0.5%	0.8%	0.2%	2.4%	
United Kingdom	4:30	Index of services	Sept.	0.1%		0.0%		
United Kingdom	4:30	Monthly GDP	Sept.	-0.1%		-0.1%		
United Kingdom	4:30	Real GDP – preliminary	Q3	0.4%	1.1%	-0.2%	1.3%	
United Kingdom	4:30	Industrial production	Sept.	-0.1%	-1.2%	-0.6%	-1.8%	
TUESDAY 12								
United Kingdom	4:30	ILO unemployment rate	Sept.	3.9%		3.9%		
Germany	5:00	ZEW survey – Current situation	Nov.	-22.0		-25.3		
Germany	5:00	ZEW survey – Expectations	Nov.	-13.0		-22.8		
Japan	18:50	Producer price index	Oct.	1.2%	-0.2%	0.0%	-1.1%	
New Zealand	20:00	Reserve Bank of New Zealand meeting	Nov.	0.75%		1.00%		
WEDNESDAY 13								
Germany	2:00	Consumer price index – final	Oct.	0.1%	1.1%	0.1%	1.1%	
United Kingdom	4:30	Consumer price index	Oct.	-0.1%	1.6%	0.1%	1.7%	
United Kingdom	4:30	Producer price index	Oct.	0.0%	0.9%	-0.1%	1.2%	
Euro zone	5:00	Industrial production	Sept.	-0.2%	-2.3%	0.4%	-2.8%	
Japan	18:50	Real GDP – preliminary	Q3	0.2%		0.3%		
China	21:00	Industrial production	Oct.		5.4%		5.8%	
China	21:00	Retail sales	Oct.		7.8%		7.8%	
Japan	23:30	Tertiary industry activity index	Sept.	1.1%		0.4%		
THURSDAY 14								
France	1:30	ILO unemployment rate	Q3	8.4%		8.5%		
Germany	2:00	Real GDP – preliminary	Q3	-0.1%	0.4%	-0.1%	0.4%	
France	2:45	Consumer price index – final	Oct.	-0.1%	0.7%	-0.1%	0.7%	
United Kingdom	4:30	Retail sales	Oct.	0.2%	3.7%	0.0%	3.1%	
Euro zone	5:00	Net change in employment – preliminary	Q3	n/a	n/a	0.2%	1.2%	
Euro zone	5:00	Real GDP – preliminary	Q3	0.2%	1.1%	0.2%	1.1%	
Mexico	14:00	Bank of Mexico meeting	Nov.	7.50%		7.75%		
Japan	23:30	Industrial production – final	Sept.	n/a	n/a	1.4%	1.1%	
FRIDAY 15								
Italy	4:00	Trade balance (€M)	Sept.	n/a		2,585		
Euro zone	5:00	Trade balance (€B)	Sept.	18.7		20.3		
Euro zone	5:00	Consumer price index	Oct.	0.2%	0.7%	0.2%	0.7%	

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 Q3*	107.5	-0.3	1.4	1.3	1.3	0.3
Unit labor cost (2012 = 100)	2019 Q3*	112.9	3.6	3.1	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	Oct.*	54.7	52.6	53.7	55.5	60.0
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)	Sept.*	4,149	0.2	1.2	2.4	4.9
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)	Sept.*	496,651	-0.6	0.7	-1.3	-3.5
New durable good orders (\$M)	Sept.	247,660	-1.2	1.0	-2.4	-5.5
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	Sept.*	-52,450	-55,036	-55,508	-52,626	-56,094
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	Oct.*	202.0	221.1	221.4	230.0	213.4
Building permits (\$M)	Sept.*	8,340	-6.5	1.9	2.3	2.1
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	Sept.*	-978.0	-1,235	-268.7	-1,975	-810.2
<i>Exports (\$M)</i>	Sept.*	49,783	-1.3	-0.4	-1.2	-0.5
<i>Imports (\$M)</i>	Sept.*	50,761	-1.7	1.0	-3.1	-0.2
Employment (k) ²	Oct.*	19,163	-1.8	44.3	22.4	36.9
Unemployment rate (%) ¹	Oct.*	5.5	5.5	5.7	5.7	5.7
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. 8	Nov. 1	-1 month	-3 months	-6 months	-1 year	Higher	Average	Lower
United States									
Federal funds – target	1.75	1.75	2.00	2.25	2.50	2.25	2.50	2.36	1.75
Treasury bill – 3 months	1.54	1.49	1.65	1.96	2.38	2.31	2.43	2.18	1.49
Treasury bonds – 2 years	1.65	1.57	1.61	1.63	2.28	2.94	2.93	2.14	1.39
– 5 years	1.71	1.56	1.58	1.56	2.25	3.05	3.04	2.11	1.32
– 10 years	1.90	1.73	1.75	1.73	2.46	3.19	3.19	2.29	1.46
– 30 years	2.38	2.21	2.21	2.23	2.87	3.39	3.39	2.71	1.93
S&P 500 index (level)	3,084	3,067	2,970	2,919	2,881	2,781	3,085	2,837	2,351
DJIA index (level)	27,631	27,347	26,817	26,287	25,942	25,989	27,675	25,841	21,792
Gold price (US\$/ounce)	1,467	1,511	1,482	1,502	1,287	1,211	1,549	1,360	1,202
CRB index (level)	180.21	180.27	176.04	172.09	178.95	188.45	189.66	178.88	167.89
WTI oil (US\$/barrel)	56.41	56.00	54.70	54.50	61.66	60.19	66.43	55.86	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	1.68	1.68	1.65	1.63	1.68	1.71	1.72	1.66	1.60
Treasury bonds – 2 years	1.58	1.55	1.65	1.38	1.64	2.33	2.33	1.66	1.29
– 5 years	1.56	1.46	1.52	1.26	1.61	2.43	2.43	1.61	1.13
– 10 years	1.57	1.44	1.51	1.27	1.73	2.50	2.50	1.68	1.09
– 30 years	1.72	1.60	1.64	1.52	1.96	2.53	2.53	1.89	1.30
<u>Spread with the U.S. rate (% points)</u>									
Overnight – target	0.00	0.00	-0.25	-0.50	-0.75	-0.50	0.00	-0.61	-0.75
Treasury bill – 3 months	0.14	0.19	0.00	-0.33	-0.70	-0.60	0.19	-0.52	-0.80
Treasury bonds – 2 years	-0.07	-0.02	0.04	-0.25	-0.64	-0.61	0.09	-0.48	-0.85
– 5 years	-0.16	-0.10	-0.06	-0.30	-0.64	-0.62	0.00	-0.50	-0.81
– 10 years	-0.33	-0.29	-0.24	-0.46	-0.73	-0.69	-0.19	-0.62	-0.89
– 30 years	-0.66	-0.61	-0.57	-0.71	-0.91	-0.86	-0.52	-0.81	-1.02
S&P/TSX index (level)	16,844	16,594	16,415	16,341	16,298	15,274	16,900	15,997	13,780
Exchange rate (C\$/US\$)	1.3217	1.3137	1.3198	1.3228	1.3413	1.3211	1.3639	1.3290	1.3027
Exchange rate (C\$/€)	1.4568	1.4670	1.4573	1.4815	1.5069	1.4976	1.5643	1.4930	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\$/€)	1.1022	1.1167	1.1042	1.1200	1.1235	1.1336	1.1543	1.1234	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	0.79	0.67	0.71	0.48	1.13	1.50	1.52	0.95	0.32
FTSE index (level)	7,365	7,302	7,247	7,254	7,203	7,105	7,687	7,207	6,585
Exchange rate (US\$/£)	1.2797	1.2936	1.2649	1.2037	1.3001	1.2977	1.3339	1.2729	1.2037
<u>Germany</u>									
Bonds – 10 years	-0.26	-0.38	-0.44	-0.58	-0.05	0.41	0.41	-0.13	-0.72
DAX index (level)	13,234	12,961	12,512	11,694	12,060	11,529	13,289	11,811	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)	23,392	22,851	21,799	20,685	21,345	22,250	23,392	21,386	19,156
Exchange rate (US\$/¥)	109.13	108.19	108.42	105.68	109.95	113.83	113.84	109.54	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.