

WEEKLY NEWSLETTER

Tensions in Hong Kong Jeopardize a Possible Agreement Between China and U.S.

HIGHLIGHTS

- ▶ United States: Rebound in housing starts, but especially in building permits.
- ▶ The leading U.S. indicator declined for the third time in a row.
- ▶ Canada: The total annual inflation rate holds at 1.9%.
- ▶ Canada: September saw a drop in manufacturing and retail sales.

A LOOK AHEAD

- ▶ U.S. real consumption likely stagnated in October.
- ▶ United States: A further drop in new durable goods orders is expected.
- ▶ Canada: Real GDP by industry could remain unchanged for September.
- ▶ Canada: Real GDP growth should slow in the third quarter.

FINANCIAL MARKETS

- ▶ U.S. and Canadian stock markets are down slightly.
- ▶ Canadian bond yields recoup losses from earlier in the week.
- ▶ The loonie hits a six-week low.

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 • 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 falling 7.9% in September, housing starts rose 3.8% in October. Annualized numbers were up to 1,314,000 units from 1,266,000 in September. This is an 8.5% gain from October 2018. Construction of single-family homes rose 2.0%, while multi-unit housing construction jumped 6.8%. The most significant gains came from the South (+17.6%) and the Midwest (+8.7%), while in the Northeast housing starts plunged 21.9%. Building permits gained 5.0% to reach 1,461,000 units, their highest point since May 2007.
- ▶ Sales of existing homes increased 1.9% in October after declining 2.5% in September. Those numbers improved from 5,360,000 in September to 5,460,000 in October. Compared with October 2018, this is growth of 4.6%. The gain comes exclusively from single-family homes (2.1%), as condo sales stood still.
- ▶ For the first time since 2015–2016, the Conference Board's leading indicator has recorded three consecutive monthly drops. A 0.1% pullback in October thus follows two 0.2% decreases in August and September. This time, the negative contributions are coming mainly from the ISM index, hours worked and jobless claims. The annual variation in the leading indicator remained at 0.3%, whereas the 3- and 6-month variations moved into negative territory.
- ▶ The Philadelphia Fed's manufacturing index rose in October for the first time since July, from 5.6 to 10.4. However, this increase in the main index is masking a number of declines in components, especially in terms of new orders, order backlogs, inventories and employment.

Francis Généreux, Senior Economist

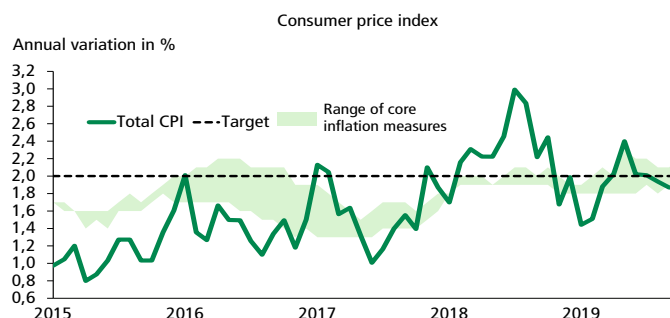
CANADA

- ▶ The consumer price index (CPI) rose 0.3% in October. The total annual inflation rate stayed at 1.9%. The overall picture of inflation remains relatively unchanged and price growth continues to show some stability. In the past five months, the total annual inflation rate has remained at 1.9% or 2.0%. The average annual variation in the three benchmark indexes has also been moving within a fairly narrow range of 1.9% to 2.1% for the past 20 months.
- ▶ The value of retail sales slid 0.1% in September. A particularly notable decline was observed in service station (-2.3%) and new car dealer (-1.9%) sales. Excluding these two sectors, sales were up 0.8%, a fairly decent result. In real terms, sales also dropped 0.1%.
- ▶ Manufacturing sales dropped 0.2% in September, as expected. Major declines were noted in petroleum and coal products and in auto parts. In real terms, sales declined 0.7%, while inventories pulled back 1.2%. Consequently, manufacturing should contribute negatively to the monthly variation in real GDP by industry in September.

Benoit P. Durocher, Senior Economist

CANADA

Inflation remains close to the median target



Sources: Statistics Canada, Bank of Canada and Desjardins, Economic studies

Financial Markets

Markets Remain Cautious About a Trade Agreement Being Reached

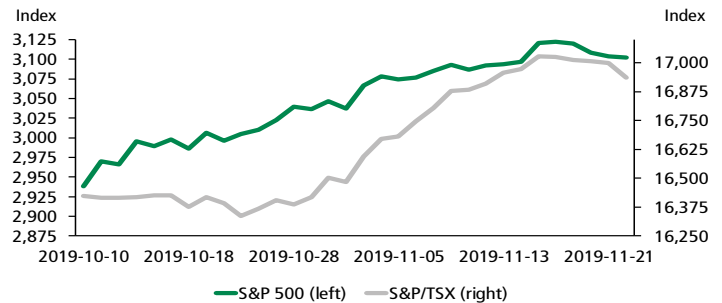
Trade negotiations between China and the United States were once again the focus of attention this week. While the two economic powers seemed to be on the right track to reach an agreement, their relationship fizzled once again Wednesday. China denounced Washington’s support for human rights in Hong Kong, where violent demonstrations have taken place in recent weeks. President Donald Trump also raised doubts about the possibility of reaching a preliminary agreement before a new wave of tariffs takes effect on December 15. The U.S. stock market declined on Wednesday in response to these developments. Friday morning, a degree of optimism returned to the markets following more reassuring comments from the Chinese president. On Friday morning, the S&P 500 was heading for a loss of about 0.4%. In Canada, the surge in oil prices since Wednesday, following the release showing a drop in U.S. crude oil inventories, moderated stock market losses for the week. However, the S&P/TSX was moving in the opposite direction on Friday morning, bringing it closer to the weekly performance of the U.S. stock market.

Renewed uncertainties related to international trade had an adverse effect on U.S. bond yields, which lost a few basis points this week. The 2-year and 10-year yields hovered around 1.60% and 1.80%, respectively, on Friday morning. In Canada, in addition to increased trade tensions, some of Carolyn Wilkins’ comments on Tuesday about the state of the economy were considered more pessimistic, increasing the likelihood of a potential key rate cut in Canada. However, higher oil prices helped Canadian bond yields offset Tuesday’s loss. On Friday morning, the 2-year yield was around 1.60%, while the 10-year yield was close to 1.50%.

Despite the uncertainty in trade negotiations between China and the United States, the currencies considered as safe havens have not made any significant gains. The Canadian dollar ran into more difficulties. The loonie depreciated to almost US\$0.75 following Carolyn Wilkins’ speech. On the other side of the pond, the euro remained comfortably above US\$1.10 for most of the week. Friday’s session was a little tougher for the euro as new data pushed the region’s economic difficulties back into the spotlight. The British pound also declined on Friday due to worrisome economic data, to about US\$1.285 at the time of writing.

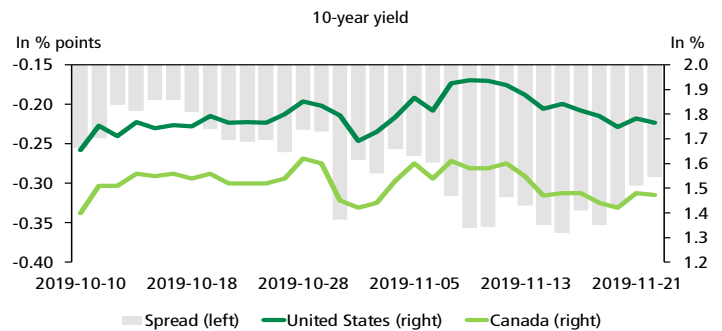
Hendrix Vachon, Senior Economist
Carine Bergevin-Chammah, Economist

GRAPH 1
Stock markets



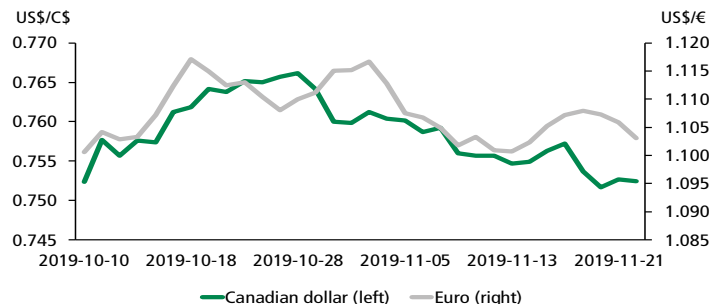
Sources: Datastream and Desjardins, Economic Studies

GRAPH 2
Bond markets



Sources: Datastream and Desjardins, Economic Studies

GRAPH 3
Currency markets



Sources: Datastream and Desjardins, Economic Studies

A Look Ahead

TUESDAY November 26 - 9:00

September	a/a
Consensus	2.1%
Desjardins	1.9%
August	2.0%

TUESDAY November 26 - 10:00

October	ann. rate
Consensus	708,000
Desjardins	715,000
September	701,000

TUESDAY November 26 - 10:00

November	Index
Consensus	126.8
Desjardins	127.0
October	125.9

WEDNESDAY November 27 - 8:30

October	m/m
Consensus	-0.7%
Desjardins	-0.4%
September	-1.2%

WEDNESDAY November 27 - 10:00

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

TUESDAY November 28 - 8:30

Q3	Balance
Consensus	-10.49G\$
Desjardins	-8.90G\$
Q2	-6.38G\$

UNITED STATES

S&P/Case-Shiller index of existing home prices (September) – Growth in home prices remains slow. Even the S&P/Case-Shiller index dipped 0.2% in August. After this decline, which is mainly due to seasonal effects poorly captured in the statistical adjustments, a rebound is expected. We expect a 0.5% increase. However, given that substantial price increases in the month of September are not unusual, the annual change will continue to slow.

New home sales (October) – Sales of new single-family homes continue to be extremely volatile on a month-to-month basis. After a 6.2% gain in August, sales declined 0.7% in September. We expect an increase for October. The 3.2% increase in building permits for single-family homes, builder confidence levels and the increase in loan applications in view of a purchase in late September and early October point in this direction. Sales of single-family homes should reach 715,000 units.

The Conference Board consumer confidence index (November) – The Conference Board index has now posted its third straight monthly decline. That said, it is still above the lows recorded earlier this year. We expect a modest improvement in November, as suggested by movements in most other confidence indexes, i.e., the University of Michigan, Bloomberg’s weekly index and the TIPP. Gas prices remained relatively stable. The stock markets have performed well since mid-October. The end of the strike at General Motors is also a plus, but trade issues or President Trump’s impeachment could sour the mood in some households. The bottom line is that we can expect the Conference Board index to rise to 127.0.

New durable goods orders (October) – After a modest 0.2% increase in August, new orders for durable goods tumbled 1.2% in September. The transport sector accounted for much of this decline, but if we exclude transport, new orders still declined by 0.4%. We expect another pullback in new orders for durable goods in October. A decline tied to the automobile sector and more disappointing data from Boeing suggest that the “transport” component will remain weak. The level of the ISM manufacturing index suggests that even if we exclude transports, orders could fall by 0.1%. All in all, new durable goods orders should show a 0.4% decline.

Consumer spending (October) – Real consumption is expected to stagnate in October. New automobile sales declined and the remainder of retail sales point to a drop in the consumption of durable goods excluding this sector and very slow growth in the consumption of non-durable goods. For its part, real consumption of services should be curbed by the drop in spending on food services and falling demand for energy. Growth should be 0.2% in current dollars. The consumer expenditure deflator should rise by 0.3%. The deflator’s annual variation should tick up from 1.3% to 1.4% while the core deflator, which excludes food and energy, should remain steady at 1.7%.

CANADA

Current account (Q3) – The value of goods exports fell by 1.0% (annualized) in the third quarter, while imports shot up 4.0%. This deterioration in the balance of trade in goods should drive down the balance of payments current account deficit.

FRIDAY November 29 - 8:30

September	m/m
Consensus	0.1%
Desjardins	0.0%
August	0.1%

FRIDAY November 29 - 8:30

Q3	r/r
Consensus	1.3%
Desjardins	1.3%
Q2	3.7%

DURING THE WEEK
TUESDAY November 28 - 5:00

Real GDP by industry (September) – Overall, the results of the various economic indicators in September were not very good. For example, manufacturers’ and retailers’ sales lost ground during the month. In addition, the number of hours worked fell by 0.3% in September, suggesting that production experienced difficulties in certain sectors, especially in the services sector. All told, real GDP growth in September is expected to be almost flat.

Real GDP (Q3) – After a 3.7% gain (annualized) in the second quarter, economic growth slowed significantly in the third quarter. Real GDP by industry remained steady in July, and ticked up a mere 0.1% in August. What’s more, our projections indicate that September could show another near zero increase in real GDP by industry. In this context, the third quarter as a whole could end with a scant 1.3% increase in real GDP. In addition, external trade is expected to deteriorate due to lower exports and higher imports, resulting in a negative contribution to the change in real GDP. That said, the rise in imports suggests domestic demand might tilt back into positive territory.


OVERSEAS


Japan: Economic indicators – Several major indicators for October will be released starting Wednesday evening. Retail sales is one of them. The increase in the consumption tax effective October 1st should result in a significant pullback in sales, after the strong 7.1% monthly gain in September. Industrial production (released Thursday evening), which rose 1.7% in September, is also expected to decline. The data on housing starts and the unemployment rate will also be released on Thursday evening.

Euro zone: Confidence indicators (November) – Most of the confidence indexes for November will be released on Wednesday. The trend in the zone’s indexes is still quite negative, though the deteriorations are not as steep now. In fact, the preliminary version of the consumer confidence index for November has improved slightly. In addition, the preliminary version of the manufacturing PMI for November improved slightly, but the services PMI declined.

Economic Indicators

Week of November 25 to 29, 2019

Day	Hour	Indicator	Period	Consensus		Previous data
UNITED STATES						
MONDAY 25	19:00	Speech of the Federal Reserve Chair, J. Powell				
TUESDAY 26	8:30	Goods trade balance – preliminary (US\$B)	Oct.	-71.3	-69.5	-70.4
	8:30	Retail inventories – preliminary (m/m)	Oct.	nd	nd	0.2%
	8:30	Wholesale inventories – preliminary (m/m)	Oct.	nd	nd	-0.4%
	9:00	S&P/Case-Shiller home price index (y/y)	Sept.	2.1%	1.9%	2.0%
	10:00	Consumer confidence	Nov.	126.8	127.0	125.9
	10:00	New home sales (ann. rate)	Oct.	708,000	715,000	701,000
	13:00	Speech of a Federal Reserve Governor, L. Brainard				
WEDNESDAY 27	8:30	Initial unemployment claims	Nov. 18-22	221,000	219,000	227,000
	8:30	Durable goods orders (m/m)	Oct.	-0.7%	-0.4%	-1.2%
	8:30	Real GDP (ann. rate)	Q3s	1.9%	1.9%	1.9%
	10:00	Personal income (m/m)	Oct.	0.3%	0.3%	0.3%
	10:00	Personal consumption expenditures (m/m)	Oct.	0.3%	0.2%	0.2%
	10:00	Personal consumption expenditures deflator				
		Total (m/m)	Oct.	0.3%	0.3%	0.0%
		Excluding food and energy (m/m)	Oct.	0.2%	0.1%	0.0%
		Total (y/y)	Oct.	1.4%	1.4%	1.3%
		Excluding food and energy (y/y)	Oct.	1.7%	1.7%	1.7%
	10:00	Pending home sales (m/m)	Oct.	0.0%	n/a	1.5%
	14:00	Release of the <i>Beige Book</i>				
THURSDAY 28	---	Markets closed (Thanksgiving Day)				
FRIDAY 29	---	---				
CANADA						
MONDAY 25	8:30	Wholesale sales (m/m)	Sept.	0.2%	0.0%	-1.2%
	8:30	Wholesale inventories (m/m)	Sept.	n/a	0.2%	-0.3%
TUESDAY 26	---	---				
WEDNESDAY 27	---	---				
THURSDAY 28	8:30	Current account balance (\$B)	Q3	-10.49	-8.90	-6.38
	8:30	Average weekly earnings (y/y)	Sept.	n/a	3.6%	2.9%
	8:30	Number of salaried employees (m/m)	Sept.	n/a	0.1%	0.0%
FRIDAY 29	8:30	Real GDP by industry (m/m)	Sept.	0.1%	0.0%	0.1%
	8:30	Real GDP (ann. rate)	Q3	1.3%	1.3%	3.7%
	8:30	Industrial product price index (m/m)	Oct.	n/a	0.2%	-0.1%
	8:30	Raw materials price index (m/m)	Oct.	n/a	-2.0%	0.0%

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 25 to 29, 2019

Country	Hour	Indicator	Period	Consensus		Previous data		
				m/m (q/q)	y/y	m/m (q/q)	y/y	
OVERSEAS								
MONDAY 25								
Germany	4:00	Ifo survey – Business climate	Nov.	95.0		94.6		
Germany	4:00	Ifo survey – Current situation	Nov.	97.9		97.8		
Germany	4:00	Ifo survey – Expectations	Nov.	92.5		91.5		
TUESDAY 26								
United Kingdom	---	Nationwide house prices	Nov.	0.1%	0.2%	0.2%	0.4%	
Germany	2:00	Consumer confidence	Dec.	9.6		9.6		
WEDNESDAY 27								
France	2:45	Consumer confidence	Nov.	103		104		
Italy	4:00	Consumer confidence	Nov.	111.6		111.7		
Italy	4:00	Economic confidence	Nov.	n/a		99.0		
Japan	18:50	Retail sales	Oct.	-10.4%	-3.8%	7.1%	9.1%	
THURSDAY 28								
Euro zone	4:00	Money supply M3	Oct.					5.5%
Euro zone	5:00	Business climate	Nov.	-0.14		-0.19		
Euro zone	5:00	Consumer confidence – final	Nov.	-7.2		-7.2		
Euro zone	5:00	Industrial confidence	Nov.	-9.1		-9.5		
Euro zone	5:00	Services confidence	Nov.	8.8		9.0		
Euro zone	5:00	Economic confidence	Nov.	101.0		100.8		
Germany	8:00	Consumer price index – preliminary	Nov.	-0.6%	1.2%	0.1%	1.1%	
Japan	18:30	Consumer price index – Tokyo	Nov.		0.6%		0.4%	
Japan	18:30	Unemployment rate	Oct.	2.4%		2.4%		
Japan	18:50	Industrial production – preliminary	Oct.	-2.0%	-5.3%	1.7%	1.3%	
United Kingdom	19:01	Consumer confidence	Nov.	n/a		6		
South Korea	20:00	Bank of Korea meeting	Nov.	1.25%		1.25%		
Japan	23:00	Vehicle production	Sept.		n/a			-2.2%
FRIDAY 29								
Japan	0:00	Consumer confidence	Nov.	37.0		36.2		
Japan	0:00	Housing starts	Oct.		-7.4%			-4.9%
Germany	---	Retail sales	Oct.	0.2%	3.0%	0.1%	3.4%	
France	2:45	Personal consumption expenditures	Oct.	0.3%	-0.4%	-0.4%	0.3%	
France	2:45	Consumer price index – preliminary	Nov.	0.0%	0.9%	0.0%	0.8%	
France	2:45	Real GDP – final	Q3	0.3%	1.3%	0.3%	1.3%	
Italy	4:00	Unemployment rate	Oct.	9.8%		9.9%		
Euro zone	5:00	Unemployment rate	Oct.	7.5%		7.5%		
Euro zone	5:00	Consumer price index – estimate	Nov.	-0.4%	0.9%	0.1%	0.7%	
Euro zone	5:00	Consumer price index – preliminary	Nov.	-0.2%	0.3%	0.1%	0.3%	
Italy	5:00	Real GDP – final	Q3	49.5		49.3		
China	20:00	PMI manufacturing index	Nov.	53.1		52.8		
China	20:00	PMI non-manufacturing index	Nov.					

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)	Oct.*	111.7	-0.1	-0.4	-0.1	0.3
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)	Oct.	526,540	0.3	0.5	2.1	3.1
<i>Excluding automobiles (\$M)</i>	Oct.	420,907	0.2	0.3	2.0	2.8
Industrial production (2012 = 100)	Oct.	108.7	-0.8	-0.4	-0.3	-1.1
Production capacity utilization rate (%) ¹	Oct.	76.7	77.5	77.4	77.8	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)	Sept.	2,042	0.0	0.3	1.1	3.7
Housing starts (k) ¹	Oct.*	1,314	1,266	1,204	1,270	1,211
Building permits (k) ¹	Oct.*	1,461	1,391	1,317	1,290	1,281
New home sales (k) ¹	Sept.	701.0	706.0	729.0	693.0	607.0
Existing home sales (k) ¹	Oct.*	5,460	5,360	5,420	5,210	5,220
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)	Oct.	257.3	0.4	0.4	0.9	1.8
<i>Excluding food and energy</i>	Oct.	265.0	0.2	0.5	1.3	2.3
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)	Oct.	118.7	0.4	0.2	0.3	1.0
Export prices (2000 = 100)	Oct.	125.1	-0.1	-0.9	-1.6	-2.2
Import prices (2000 = 100)	Oct.	124.4	-0.5	-1.0	-1.9	-3.0

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.

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)	Sept.*	57,396	-0.2	-0.7	-1.3	-1.2
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)	Sept.*	51,579	-0.1	0.6	0.3	1.0
<i>Excluding automobiles (\$M)</i>	Sept.*	37,827	0.2	0.2	0.6	0.8
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)	Oct.*	136.6	0.3	-0.3	0.4	1.9
<i>Excluding food and energy</i>	Oct.*	131.4	0.5	0.1	1.0	2.0
<i>Excluding 8 volatile items</i>	Oct.*	134.9	0.4	0.3	1.0	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. 22	Nov. 15	-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	2.34	1.75
Treasury bill – 3 months	1.57	1.54	1.63	1.93	2.30	2.36	2.43	2.14	1.49
Treasury bonds – 2 years	1.61	1.62	1.65	1.52	2.21	2.83	2.85	2.09	1.39
– 5 years	1.62	1.65	1.64	1.41	2.13	2.88	2.90	2.06	1.32
– 10 years	1.77	1.84	1.80	1.53	2.33	3.06	3.08	2.24	1.46
– 30 years	2.22	2.31	2.29	2.02	2.75	3.31	3.33	2.67	1.93
S&P 500 index (level)	3,102	3,120	3,023	2,847	2,826	2,633	3,122	2,854	2,351
DJIA index (level)	27,822	28,005	26,958	25,629	25,586	24,286	28,036	25,953	21,792
Gold price (US\$/ounce)	1,465	1,467	1,509	1,534	1,284	1,223	1,549	1,370	1,213
CRB index (level)	180.14	181.00	178.37	168.61	178.63	179.60	189.66	178.66	167.89
WTI oil (US\$/barrel)	57.74	57.52	56.46	54.10	58.43	50.22	66.43	55.95	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	1.71	1.65	1.63	1.69	1.69	1.72	1.66	1.60
Treasury bonds – 2 years	1.57	1.54	1.66	1.37	1.56	2.23	2.24	1.63	1.29
– 5 years	1.50	1.48	1.57	1.21	1.50	2.29	2.30	1.58	1.13
– 10 years	1.47	1.48	1.54	1.17	1.61	2.34	2.35	1.64	1.09
– 30 years	1.58	1.62	1.66	1.43	1.87	2.39	2.41	1.86	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	-0.59	-0.75
Treasury bill – 3 months	0.09	0.17	0.02	-0.30	-0.61	-0.67	0.19	-0.49	-0.80
Treasury bonds – 2 years	-0.04	-0.08	0.01	-0.15	-0.65	-0.60	0.09	-0.46	-0.85
– 5 years	-0.12	-0.17	-0.07	-0.20	-0.63	-0.59	0.00	-0.48	-0.81
– 10 years	-0.29	-0.36	-0.26	-0.36	-0.72	-0.72	-0.19	-0.60	-0.89
– 30 years	-0.64	-0.69	-0.63	-0.59	-0.88	-0.92	-0.52	-0.81	-1.02
S&P/TSX index (level)	16,936	17,028	16,404	16,038	16,230	15,011	17,028	16,070	13,780
Exchange rate (C\$/US\$)	1.3291	1.3223	1.3060	1.3280	1.3438	1.3237	1.3639	1.3291	1.3027
Exchange rate (C\$/€)	1.4663	1.4614	1.4470	1.4800	1.5057	1.5013	1.5643	1.4916	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\$/€)	1.1031	1.1052	1.1080	1.1145	1.1205	1.1342	1.1543	1.1222	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	0.70	0.73	0.66	0.50	0.95	1.38	1.41	0.93	0.32
FTSE index (level)	7,329	7,303	7,324	7,095	7,278	6,953	7,687	7,218	6,585
Exchange rate (US\$/£)	1.2832	1.2901	1.2823	1.2279	1.2714	1.2814	1.3339	1.2730	1.2037
<u>Germany</u>									
Bonds – 10 years	-0.36	-0.33	-0.37	-0.67	-0.12	0.34	0.36	-0.16	-0.72
DAX index (level)	13,158	13,242	12,895	11,612	12,011	11,193	13,289	11,885	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)	23,113	23,303	22,800	20,711	21,117	21,647	23,520	21,443	19,156
Exchange rate (US\$/¥)	108.66	108.75	108.66	105.41	109.31	112.95	113.78	109.36	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.