

# WEEKLY NEWSLETTER

## Start to the Year Marked by Tensions in the Middle East

### HIGHLIGHTS

- ▶ United States: Job market ends 2019 on a slightly weaker note.
- ▶ United States: The ISM non-manufacturing index saw healthy growth in December.
- ▶ Improvement in the U.S. trade balance in November.
- ▶ Canada: Employment picked up at the end of 2019.
- ▶ Canada: The number of housing starts is holding at around 200,000 units.
- ▶ Canada: The international merchandise trade balance continues to deteriorate in real terms.

### A LOOK AHEAD

- ▶ U.S. inflation should rise further.
- ▶ United States: A gain in retail sales is expected.
- ▶ Has U.S. household confidence been affected by the crisis with Iran?
- ▶ The Bank of Canada will publish the most recent results of its establishment survey.

### FINANCIAL MARKETS

- ▶ The Canadian stock market set a new record.
- ▶ Geopolitical tensions caused bond yields to swing.
- ▶ The U.S. dollar regained some of last year-end's lost ground.

### 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

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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 establishment survey indicates 145,000 new jobs in December, following gains of 256,000 in November and 152,000 in October. Manufacturing lost 12,000 jobs, after a gain of 58,000 due to General Motors (GM) employees returning to work following strike action. Construction gained 20,000 jobs. There were 140,000 net hires in private sector services, a result that is lower than the 191,000 new jobs recorded in November. Retailers gained 41,200 jobs, the strongest growth since January 2017. A total of 2,108,000 jobs were created in 2019 (December to December), a smaller gain than the 2,679,000 hires made in 2018.
- ▶ The unemployment rate remained at its cyclical low in December, at 3.5%. Its annual average is 3.7% compared with 3.9% in 2018.
- ▶ The ISM non-manufacturing index rose 1.1 point in December. This increase follows a 0.8-point decrease in November. At 55.0, this is the highest level since August. Five of the index's ten components went up in December. The biggest gains came from current production (+5.6 points) and imports (+3.0 points). The new orders component fell 2.2 points to 54.9, the lowest it has been since September.
- ▶ The balance of trade in goods and services improved significantly in November, with the deficit going from US\$46.9B in October to US\$43.1B. Nominal exports grew 0.7%, while imports shrank 1.0%. This is the third straight drop in imports (and the fifth in six months). However, it appears that part of this decline stems from temporary effects impacting transport from Canada.

Francis Généreux, Senior economist

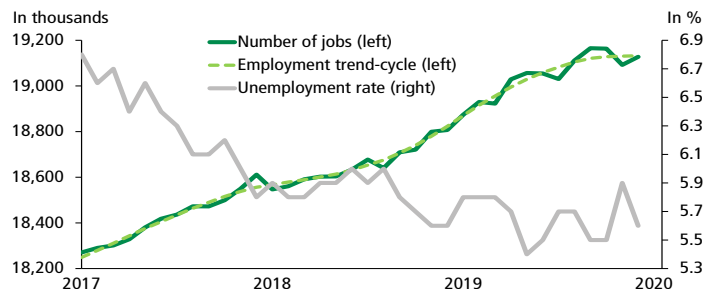
## CANADA

- ▶ After retreating for two months, the labour market recovered in December, adding 35,200 jobs. The unemployment rate dropped from 5.9% to 5.6%. The annual increase in the average hourly wage eased in December, sliding to 3.6% from November's 4.5%. This level remains high, and the situation merits close attention in the coming months.
- ▶ The number of housing starts reached 197,329 units in December 2019 (annualized). This means that, for a third straight month, housing starts hovered around 200,000 units, a decent result. The trend established based on a 6-month moving average continued to lose ground. However, at 212,160 units in December, it was still relatively high.
- ▶ As expected, the international merchandise trade balance improved slightly in November, from -\$1.6B to -\$1.1B. This gain is due to a bigger drop in imports (-2.4%) than exports (-1.4%). This improvement was, however, not observed in real term results. The volume of imports decreased 1.6%, whereas that of exports pulled back 1.9%. The trade balance in real terms therefore continued to deteriorate in November. After two months, the results suggest a considerable worsening of the trade balance in the fourth quarter of 2019 due mainly to a sharp drop in export volumes.

Benoit P. Durocher, Senior economist

## CANADA

**Employment is back on trend and the unemployment rate is similar to where it has been in recent months**



Sources: Statistics Canada and Desjardins, Economic Studies

# Financial Markets

## The Markets Are Off to a Good Start in 2020

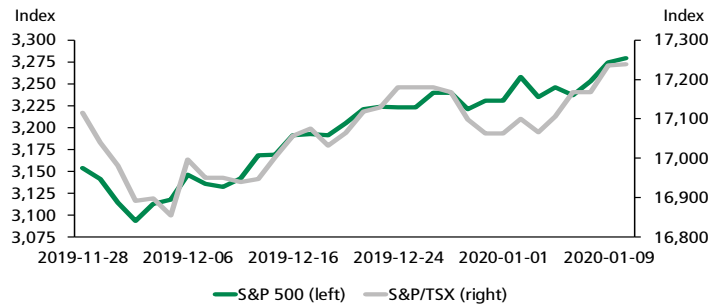
Although China and the United States ironed out their year-long trade dispute at the end of 2019, the new year kicked off with renewed geopolitical tensions in the Middle East. On the second day of the year, U.S. forces killed Qassem Soleimani, an influential Iranian general, in Iraq, following a series of attacks waged between the United States and Iran since December 27. The news immediately caused the U.S. markets to plunge as the chances of a war with Iran increased. However, both countries have since shown a desire to limit further escalation. President Donald Trump’s moderate comments on Wednesday reassured financial markets. The S&P 500 index was heading for a weekly gain of over 1% on Friday morning. The easing of geopolitical tensions and continuing high prices of precious metals propelled Canadian markets to a new record this week. The S&P/TSX index dipped on Friday morning but still managed to maintain a weekly gain of about 1%.

U.S. bond yields started the year on the downswing as geopolitical tensions prompted a return to safe-haven assets. Part of that pullback was wiped out this week following reassuring comments from both Iran and the United States, but not all concerns have been dispelled yet. On Friday morning, U.S. 2-year and 10-year yields were hovering around 1.55% and 1.85%, respectively. Canadian yields fared a little better than their U.S. counterparts. On Friday morning the Canadian 2-year yield was around 1.65%, while the 10-year yield was around 1.60%.

Several currencies did better against the U.S. dollar at the end of 2019 due to increased optimism on markets and fewer transactions, which seems to have enhanced some movements. Trading returned to normal after the holidays, and readjustments were noted, especially since rising geopolitical tensions prompted investors to be cautious. As a result, the U.S. dollar recouped most of its year-end losses, causing the euro and the Canadian dollar to lose ground accordingly. After climbing to US\$1.12, the euro has now returned to about US\$1.11. The loonie ended the year above US\$0.770, but is now back to just over US\$0.765.

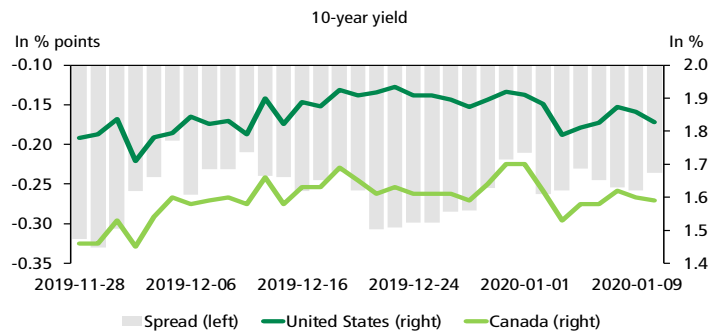
**Hendrix Vachon**, Senior Economist  
**Carine Bergevin-Chammah**, Economist

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



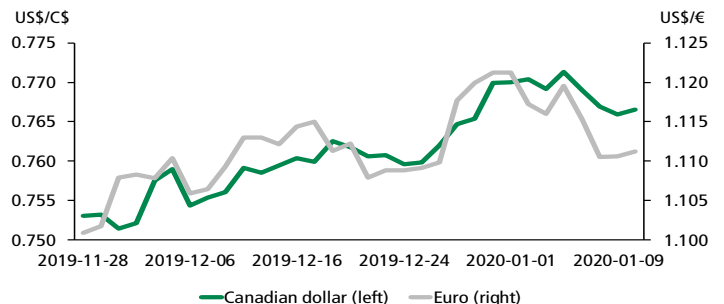
Sources: Datastream and Desjardins, Economic Studies

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



Sources: Datastream and Desjardins, Economic Studies

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



Sources: Datastream and Desjardins, Economic Studies

# A Look Ahead

## TUESDAY January 14 - 8:30

<b>December</b>	<b>m/m</b>
Consensus	0.2%
Desjardins	0.3%
<b>November</b>	<b>0.3%</b>

## THURSDAY January 16 - 8:30

<b>December</b>	<b>m/m</b>
Consensus	0.3%
Desjardins	0.2%
<b>November</b>	<b>0.2%</b>

## FRIDAY January 17 - 8:30

<b>December</b>	<b>ann. rate</b>
Consensus	1,380,000
Desjardins	1,385,000
<b>November</b>	<b>1,365,000</b>

## FRIDAY January 17 - 9:15

<b>December</b>	<b>m/m</b>
Consensus	0.0%
Desjardins	-0.3%
<b>November</b>	<b>1.1%</b>

## FRIDAY January 17 - 10:00

<b>January</b>	
Consensus	99.2
Desjardins	98.8
<b>December</b>	<b>99.3</b>

## MONDAY January 13 - 10:30

### UNITED STATES

**Consumer price index (December)** – The consumer price index (CPI) climbed 0.3% in November after rising 0.4% in October. Part of the increase over these two months stemmed from gas prices, which should make a substantial positive contribution again in December. The total CPI should therefore rise another 0.3%. The index excluding food and energy, however, is expected to lose some steam and edge up just 0.1%. The annual variation in total CPI should ramp up from 2.1% to 2.4%, while core inflation should remain steady at 2.3%.

**Retail sales (December)** – Retail sales were weak in November with 0.2% growth; expectations had been higher. The stagnation in sales excluding motor vehicles and gasoline was particularly disappointing. Similar growth in total sales is expected for December, as the auto sector should see downward momentum given the decline in the new car sales numbers released at the beginning of the month. The other sectors should fare better. Gas prices are expected to provide a nice boost to service station sales. After falling in November, food services should post better growth. A 0.2% gain is expected for total sales, whereas sales excluding motor vehicles and gasoline should see a 0.3% increase.

**Housing starts (December)** – After a 4.5% gain in October, housing starts were up 3.2% in November. At 1,365,000 units (annualized), they are nearing the recent cyclical peak of 1,375,000 they reached in August and are likely to surpass this number in December. The high number of building permits granted in November and the strong performance of the homebuilder confidence index are positive signs. Housing starts should reach 1,385,000 units in December.

**Industrial production (December)** – Affected negatively in September and October by the General Motors (GM) strike, industrial production rebounded in November with a 1.1% increase, the best gain since October 2017. However, a downtick is forecast for December. The manufacturing sector should grow a modest 0.1% if hours worked and the ISM index are any indication. The mining sector, however, is expected to contract further. Energy production likely plunged quite steeply after a 2.9% gain in November. Overall, industrial production is expected to fall 0.3%.

**University of Michigan consumer confidence index (January – preliminary)** – The University of Michigan confidence index posted a fourth consecutive increase in December. The total gain over these four months is 9.5 points, surpassing the steep 8.6-point decline in August. Nonetheless, the index is still slightly below the 100.0 mark reached in May 2019. A modest decrease is expected for January, however. Fears of an escalation in the conflict between Iran and the United States likely affected U.S. household sentiment. Gas prices have also gone up over the past few weeks. However, the Bloomberg weekly confidence index has continued to improve. All in all, we expect the University of Michigan index to settle at 98.8.

### CANADA

**Business outlook survey (Q1)** – On Monday, the Bank of Canada (BoC) will release the results of its winter 2020 business outlook survey. The main expectation is that the survey indicator has continued to climb, which would be consistent with an improvement in global business confidence. We should mention that developments in the ratification of the new free-trade agreement between Canada, the United States and Mexico (CUSMA) were encouraging in recent weeks, which should help reduce uncertainty among businesses. The BoC will also reveal, for the first time, the results of its new Canadian survey of consumer expectations.

**MONDAY January 13 - 4:30**

<b>November</b>	<b>m/m</b>
Consensus	0.0%
<b>October</b>	<b>0.0%</b>

**WEDNESDAY January 15 - 5:00**

<b>November</b>	<b>m/m</b>
Consensus	0.3%
<b>October</b>	<b>-0.5%</b>

**THURSDAY January 16 - 21:00**

<b>Q4 2019</b>	<b>y/y</b>
Consensus	6.0%
<b>Q3 2019</b>	<b>6.0%</b>

**OVERSEAS**


**United Kingdom: Monthly real GDP (November)** – Britain’s monthly GDP stagnated in October after two straight declines in August and September. The carryover for the fourth quarter of 2019 has been negative thus far. Better monthly GDP growth in November and December would therefore be needed to turn the situation around. Further stagnation, as per the consensus forecast, would increase the United Kingdom’s chances of seeing its real GDP contract again in the final quarter of the year.


**Euro zone: Industrial production (November)** – Euroland manufacturing is still struggling. Industrial production saw only three months of increases in 2019, the most recent being recorded in August. September’s decrease was 0.1%, while October’s was 0.5%. However, growth is expected for November. This is what the 1.1% gain in German industrial production and the 0.3% increase in French production suggest. Among the other indicators to be published, a preliminary version of Germany’s annual real GDP for 2019 will be released Wednesday.

**China: Real GDP (Q4)** – Many economic indicators posted weaker growth in China throughout 2019. The annual variation in the real GDP fell from 6.4% in the first quarter to 6.0% in the third, the lowest recorded since publication began in 1992. It remains to be seen if this trend held during the fall.

# Economic Indicators

## Week of January 13 to 17, 2020

Day	Hour	Indicator	Period	Consensus		Previous data
<b>UNITED STATES</b>						
<b>MONDAY 13</b>	14:00	Federal budget (US\$B)	Dec.	0.0	-15.0	-13.5
<b>TUESDAY 14</b>	8:30	Consumer price index				
		Total (m/m)	Dec.	0.2%	0.3%	0.3%
		Excluding food and energy (m/m)	Dec.	0.2%	0.1%	0.2%
		Total (y/y)	Dec.	2.4%	2.4%	2.1%
		Excluding food and energy (y/y)	Dec.	2.3%	2.3%	2.3%
	9:00	Speech of the New York Fed President, J. Williams				
	13:00	Speech of the Kansas City Fed President, E. George				
<b>WEDNESDAY 15</b>	8:30	Producer price index				
		Total (m/m)	Dec.	0.2%	0.2%	0.0%
		Excluding food and energy (m/m)	Dec.	0.2%	0.1%	-0.2%
	8:30	Empire manufacturing index	Jan.	4.0	2.5	3.5
	14:00	Release of the <i>Beige Book</i>				
<b>THURSDAY 16</b>	8:30	Initial unemployment claims	Jan. 6-10	220,000	215,000	214,000
	8:30	Philadelphia Fed index	Jan.	3.8	2.5	2.4
	8:30	Export prices (m/m)	Dec.	0.2%	0.2%	0.2%
	8:30	Import prices (m/m)	Dec.	0.4%	0.2%	0.2%
	8:30	Retail sales				
		Total (m/m)	Dec.	0.3%	0.2%	0.2%
		Excluding automobiles (m/m)	Dec.	0.5%	0.4%	0.1%
	10:00	NAHB housing market index	Jan.	74	n/a	76
	10:00	Business inventories (m/m)	Nov.	-0.1%	-0.2%	0.2%
	16:00	Net foreign security purchases (US\$B)	Nov.	n/a	n/a	32.5
<b>FRIDAY 17</b>	8:30	Housing starts (ann. rate)	Dec.	1,380,000	1,385,000	1,365,000
	8:30	Building permits (ann. rate)	Dec.	1,467,000	1,460,000	1,474,000
	9:15	Industrial production (m/m)	Dec.	0.0%	-0.3%	1.1%
	9:15	Production capacity utilization rates	Dec.	77.2%	76.9%	77.3%
	10:00	Michigan's consumer sentiment index – preliminary	Jan.	99.2	98.8	99.3
<b>CANADA</b>						
<b>MONDAY 13</b>	10:30	Release of the Bank of Canada <i>Senior Loan Officer Survey</i>				
	10:30	Release of the Bank of Canada <i>Business Outlook Survey</i>				
<b>TUESDAY 14</b>	---	---				
<b>WEDNESDAY 15</b>	9:00	Existing home sales	Dec.			
<b>THURSDAY 16</b>	---	---				
<b>FRIDAY 17</b>	8:30	International transactions in securities (\$B)	Nov.	n/a	n/a	11.32

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 January 13 to 17, 2020

Country	Hour	Indicator	Period	Consensus		Previous data		
				m/m (q/q)	y/y	m/m (q/q)	y/y	
<b>OVERSEAS</b>								
<b>MONDAY 13</b>								
Italy	4:00	Retail sales	Nov.	n/a	1.2%	-0.2%	1.0%	
United Kingdom	4:30	Balance commerciale (M£)	Nov.	-2 500		-5 188		
United Kingdom	4:30	Construction	Nov.	0.6%	-1.4%	-2.3%	-2.1%	
United Kingdom	4:30	Indice des services	Nov.	0.0%		0.2%		
United Kingdom	4:30	PIB mensuel	Nov.	0.0%		0.0%		
United Kingdom	4:30	Production industrielle	Nov.	-0.1%	-1.2%	0.1%	-1.3%	
Japan	18:50	Current account (¥B)	Nov.	1,786.2		1,732.2		
<b>TUESDAY 14</b>								
China	---	Trade balance (US\$B)	Dec.	45.70		38.73		
<b>WEDNESDAY 15</b>								
France	2:45	Consumer price index – final	Dec.	0.4%	0.4%	0.4%	1.4%	
Germany	4:00	Annual real GDP – preliminary	2019		0.6%		1.5%	
United Kingdom	4:30	Consumer price index	Dec.	0.2%	1.5%	0.2%	1.5%	
United Kingdom	4:30	Producer price index	Dec.	0.1%	1.0%	-0.2%	0.5%	
Euro zone	5:00	Trade balance (€B)	Nov.	22.0		24.5		
Euro zone	5:00	Industrial production	Nov.	0.3%	-1.2%	-0.5%	-2.2%	
Japan	18:50	Producer price index	Dec.	0.1%	0.9%	0.2%	0.1%	
<b>THURSDAY 16</b>								
Germany	2:00	Consumer price index – final	Dec.	0.5%	1.5%	0.5%	1.5%	
China	21:00	Real GDP	Q4	1.4%	6.0%	1.5%	6.0%	
China	21:00	Industrial production	Dec.		5.9%		6.2%	
China	21:00	Retail sales	Dec.		7.9%		8.0%	
Japan	23:30	Tertiary industry activity index	Nov.	1.0%		-4.6%		
<b>FRIDAY 17</b>								
South Korea	---	Bank of Korea meeting	Jan.	1.25%		1.25%		
Euro zone	4:00	Current account (€B)	Nov.	n/a		32.4		
Italy	4:00	Trade balance (€M)	Nov.	n/a		8,057		
Italy	4:00	Current account (€M)	Nov.	n/a		8,600		
United Kingdom	4:30	Retail sales	Dec.	0.8%	2.8%	-0.6%	1.0%	
Euro zone	5:00	Construction	Nov.	n/a	n/a	-1.0%	0.3%	
Euro zone	5:00	Consumer price index	Dec.	0.3%	1.3%	0.3%	1.0%	

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	19,121	2.1	2.1	2.9	2.4	1.6
Consumption (2012 \$B)	2019 Q3	13,353	3.1	2.6	3.0	2.6	2.7
Government spending (2012 \$B)	2019 Q3	3,310	1.7	2.2	1.7	0.7	1.8
Residential investment (2012 \$B)	2019 Q3	593.7	4.6	-1.1	-1.5	3.5	6.5
Non-residential investment (2012 \$B)	2019 Q3	2,743	-2.3	1.4	6.4	4.4	0.7
Business inventory change (2012 \$B) <sup>1</sup>	2019 Q3	69.4	---	---	48.1	31.7	23.0
Exports (2012 \$B)	2019 Q3	2,523	0.9	0.2	3.0	3.5	0.0
Imports (2012 \$B)	2019 Q3	3,514	1.8	0.9	4.4	4.7	2.0
Final domestic demand (2012 \$B)	2019 Q3	19,989	2.2	2.2	3.0	2.5	2.4
GDP deflator (2012 = 100)	2019 Q3	112.7	1.8	1.7	2.4	1.9	1.0
Labor productivity (2012 = 100)	2019 Q3	107.5	-0.2	1.5	1.3	1.3	0.3
Unit labor cost (2012 = 100)	2019 Q3	112.0	2.5	2.2	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) <sup>1</sup>	2019 Q3	-124.1	---	---	-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)	Nov.	111.6	0.0	-0.4	-0.2	0.1
ISM manufacturing index <sup>1</sup>	Dec.*	47.2	48.1	47.8	51.7	54.3
ISM non-manufacturing index <sup>1</sup>	Dec.*	55.0	53.9	52.6	55.1	58.0
Cons. confidence Conference Board (1985 = 100) <sup>1</sup>	Dec.*	126.5	126.8	126.3	124.3	126.6
Personal consumption expenditure (2012 \$B)	Nov.*	13,431	0.3	0.6	1.3	2.4
Disposable personal income (2012 \$B)	Nov.*	15,134	0.4	0.5	1.4	3.1
Consumer credit (\$B)	Nov.*	4,176	0.3	1.0	2.2	4.5
Retail sales (\$M)	Nov.	527,994	0.2	0.2	1.9	3.3
<i>Excluding automobiles (\$M)</i>	Nov.	421,214	0.1	0.2	1.6	3.0
Industrial production (2012 = 100)	Nov.	109.7	1.1	-0.2	0.4	-0.8
Production capacity utilization rate (%) <sup>1</sup>	Nov.	77.3	76.6	77.9	77.8	79.6
New machinery orders (\$M)	Nov.*	493,029	-0.7	-1.3	0.5	-1.5
New durable good orders (\$M)	Nov.*	242,247	-2.1	-3.4	0.5	-3.8
Business inventories (\$B)	Oct.	2,043	0.2	0.1	0.6	3.1
Housing starts (k) <sup>1</sup>	Nov.	1,365	1,323	1,375	1,264	1,202
Building permits (k) <sup>1</sup>	Nov.	1,474	1,461	1,425	1,299	1,334
New home sales (k) <sup>1</sup>	Nov.*	719.0	710.0	708.0	598.0	615.0
Existing home sales (k) <sup>1</sup>	Nov.	5,350	5,440	5,500	5,360	5,210
Commercial surplus (\$M) <sup>1</sup>	Nov.*	-43,086	-46,939	-53,544	-54,394	-53,647
Nonfarm employment (k) <sup>2</sup>	Dec.*	152,383	145.0	553.0	1,131	2,108
Unemployment rate (%) <sup>1</sup>	Dec.*	3.5	3.5	3.5	3.7	3.9
Consumer price (1982-1984 = 100)	Nov.	257.9	0.3	0.6	1.1	2.0
<i>Excluding food and energy</i>	Nov.	265.6	0.2	0.5	1.4	2.3
Personal cons. expenditure deflator (2012 = 100)	Nov.*	110.4	0.2	0.4	0.8	1.5
<i>Excluding food and energy</i>	Nov.*	112.4	0.1	0.3	0.9	1.6
Producer price (2009 = 100)	Nov.	118.7	0.0	0.1	0.2	1.1
Export prices (2000 = 100)	Nov.	125.3	0.2	-0.2	-1.1	-1.3
Import prices (2000 = 100)	Nov.	124.6	0.2	-0.2	-1.9	-1.3

<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 Q3	2,099,200	1.3	1.7	2.0	3.2	1.0
Household consumption (2012 \$M)	2019 Q3	1,180,781	1.6	1.4	2.2	3.7	1.9
Government consumption (2012 \$M)	2019 Q3	427,558	0.8	2.1	3.0	2.3	1.8
Residential investment (2012 \$M)	2019 Q3	141,794	13.3	1.0	-1.6	2.2	3.9
Non-residential investment (2012 \$M)	2019 Q3	187,315	9.5	3.4	1.4	3.9	-12.3
Business inventory change (2012 \$M) <sup>1</sup>	2019 Q3	4,201	---	---	13,025	17,951	1,186
Exports (2012 \$M)	2019 Q3	679,068	-1.5	1.7	3.1	1.4	1.4
Imports (2012 \$M)	2019 Q3	666,684	0.1	0.8	2.6	4.2	0.1
Final domestic demand (2012 \$M)	2019 Q3	2,080,248	3.2	1.5	2.1	3.3	0.5
GDP deflator (2012 = 100)	2019 Q3	110.2	0.4	1.4	1.9	2.4	0.8
Labour productivity (2012 = 100)	2019 Q3	107.0	0.9	0.6	-0.2	2.2	0.1
Unit labour cost (2012 = 100)	2019 Q3	110.0	4.2	3.8	2.4	0.5	-1.4
Current account balance (\$M) <sup>1</sup>	2019 Q3	-9,855	---	---	-55,499	-60,193	-62,553
Production capacity utilization rate (%) <sup>1</sup>	2019 Q3	81.7	---	---	83.0	81.5	79.1
Disposable personal income (\$M)	2019 Q3	1,298,848	3.8	5.1	3.8	5.0	0.3
Corporate net operating surplus (\$M)	2019 Q3	284,096	-18.9	-5.6	2.5	19.9	6.2

<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)	Oct.*	1,975,404	-0.1	0.1	0.7	1.2
Industrial production (2012 \$M)	Oct.*	394,782	-0.8	-0.7	-2.0	-2.7
Manufacturing sales (\$M)	Oct.	57,058	-0.7	0.0	-1.2	-2.1
Housing starts (k) <sup>1</sup>	Dec.*	197.3	204.3	221.5	243.9	214.8
Building permits (\$M)	Nov.*	8,072	-2.4	-9.6	-3.5	-2.7
Retail sales (\$M)	Oct.*	50,923	-1.2	-1.1	-1.1	-0.6
<i>Excluding automobiles (\$M)</i>	Oct.*	37,424	-0.5	-0.7	-0.5	-0.3
Wholesale trade sales (\$M)	Oct.	64,171	-1.1	-1.5	-1.4	1.2
Commercial surplus (\$M) <sup>1</sup>	Nov.*	-1,089	-1,607	-1,448	299.6	-2,163
<i>Exports (\$M)</i>	Nov.*	48,695	-1.4	-3.1	-7.3	1.9
<i>Imports (\$M)</i>	Nov.*	49,784	-2.4	-3.7	-4.7	-0.3
Employment (k) <sup>2</sup>	Dec.*	19,127	35.2	-12.6	12.1	26.7
Unemployment rate (%) <sup>1</sup>	Dec.*	5.6	5.9	5.5	5.5	5.6
Average weekly earnings (\$)	Oct.	1,042	0.2	1.2	2.2	3.3
Number of salaried employees (k) <sup>2</sup>	Oct.	17,034	13.6	4.1	20.8	23.0
Consumer price (2002 = 100)	Nov.	136.4	-0.1	-0.3	-0.1	2.2
<i>Excluding food and energy</i>	Nov.	131.0	-0.3	-0.2	0.2	2.0
<i>Excluding 8 volatile items</i>	Nov.	134.6	-0.2	0.1	0.4	1.9
Industrial product price (2010 = 100)	Nov.*	117.5	0.1	0.0	-1.6	-0.4
Raw materials price (2010 = 100)	Nov.*	103.7	1.5	-0.6	-7.0	9.3
Money supply M1+ (\$M)	Oct.	1,068,064	0.5	2.8	5.3	7.4

<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		
	Jan. 10	Jan. 3	-1 month	-3 months	-6 months	-1 year	Higher	Average	Lower
<b>United States</b>									
Federal funds – target	1.75	1.75	1.75	2.00	2.50	2.50	2.50	2.26	1.75
Treasury bill – 3 months	1.53	1.49	1.54	1.65	2.10	2.38	2.43	2.03	1.49
Treasury bonds – 2 years	1.57	1.53	1.63	1.61	1.83	2.55	2.62	1.95	1.39
– 5 years	1.63	1.59	1.66	1.58	1.86	2.53	2.62	1.93	1.32
– 10 years	1.83	1.79	1.82	1.75	2.11	2.70	2.78	2.11	1.46
– 30 years	2.29	2.25	2.25	2.21	2.63	3.04	3.12	2.56	1.93
S&P 500 index (level)	3,279	3,235	3,169	2,970	3,014	2,596	3,279	2,936	2,583
DJIA index (level)	28,962	28,635	28,135	26,817	27,332	23,996	28,962	26,545	23,910
Gold price (US\$/ounce)	1,558	1,548	1,472	1,482	1,408	1,290	1,570	1,402	1,268
CRB index (level)	183.71	186.90	183.81	176.04	184.36	178.08	189.66	179.51	167.89
WTI oil (US\$/barrel)	59.02	63.08	60.07	54.70	59.99	51.39	66.43	57.36	50.31
<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	1.64	1.65	1.66	1.65	1.66	1.62	1.71	1.66	1.60
Treasury bonds – 2 years	1.65	1.61	1.66	1.65	1.58	1.89	1.94	1.59	1.29
– 5 years	1.61	1.55	1.59	1.52	1.54	1.89	1.96	1.53	1.13
– 10 years	1.59	1.53	1.58	1.51	1.60	1.95	2.03	1.58	1.09
– 30 years	1.70	1.62	1.68	1.64	1.79	2.16	2.25	1.79	1.30
<u>Spread with the U.S. rate (% points)</u>									
Overnight – target	0.00	0.00	0.00	-0.25	-0.75	-0.75	0.00	-0.51	-0.75
Treasury bill – 3 months	0.11	0.16	0.12	0.00	-0.44	-0.76	0.19	-0.38	-0.80
Treasury bonds – 2 years	0.08	0.08	0.03	0.04	-0.25	-0.66	0.13	-0.36	-0.85
– 5 years	-0.03	-0.04	-0.07	-0.06	-0.32	-0.64	0.00	-0.40	-0.81
– 10 years	-0.24	-0.26	-0.24	-0.24	-0.51	-0.75	-0.19	-0.53	-0.89
– 30 years	-0.59	-0.63	-0.57	-0.57	-0.84	-0.88	-0.52	-0.77	-1.02
S&P/TSX index (level)	17,239	17,066	17,003	16,415	16,488	14,939	17,239	16,403	14,976
Exchange rate (C\$/US\$)	1.3046	1.3001	1.3168	1.3198	1.3031	1.3266	1.3521	1.3256	1.2965
Exchange rate (C\$/€)	1.4498	1.4509	1.4644	1.4573	1.4687	1.5215	1.5248	1.4827	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\$/€)	1.1112	1.1160	1.1121	1.1042	1.1271	1.1469	1.1479	1.1185	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	0.77	0.74	0.79	0.71	0.84	1.29	1.35	0.86	0.32
FTSE index (level)	7,606	7,622	7,353	7,247	7,506	6,918	7,687	7,303	6,747
Exchange rate (US\$/£)	1.3048	1.3088	1.3327	1.2649	1.2575	1.2843	1.3339	1.2781	1.2037
<u>Germany</u>									
Bonds – 10 years	-0.20	-0.29	-0.30	-0.44	-0.25	0.18	0.21	-0.23	-0.72
DAX index (level)	13,517	13,219	13,283	12,512	12,323	10,887	13,517	12,207	10,856
<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)	23,851	23,657	24,023	21,799	21,686	20,360	24,066	21,808	20,261
Exchange rate (US\$/¥)	109.55	108.10	109.38	108.42	107.91	108.55	112.19	109.04	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.