

WEEKLY NEWSLETTER

Markets Are Satisfied with the U.S. Economic Data

HIGHLIGHTS

- ▶ United States: A good end to the year for retail sales.
- ▶ United States: Production slips again, but housing starts soar.
- ▶ Canada: Businesses are a little more confident.
- ▶ Canada: A recovery for the housing market in 2019.

A LOOK AHEAD

- ▶ United States: Home resales should increase.
- ▶ The U.S. leading indicator is forecast to fall further.
- ▶ The Bank of Canada should once again leave the target for the overnight rate at 1.75%.
- ▶ Canada: The total annual inflation rate is expected to drop from 2.2% to 1.9%.
- ▶ Canada: Manufacturing sales are expected to lose ground again, but retail sales could return to positive territory.

FINANCIAL MARKETS

- ▶ Stock markets are posting significant gains.
- ▶ Bond yields increases remain constrained.
- ▶ The Canadian dollar is holding at close to US\$0.765.

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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

- ▶ Retail sales rose 0.3% in December after equivalent growth in November. Motor vehicle sales are down 1.3% after November's 1.5% increase. The value of service station sales jumped 2.8%. Excluding cars and gas, sales climbed 0.5% in December after sliding 0.2% in November. Aside from gas, the strongest growth came from clothing stores, renovation centres, and sporting and leisure goods stores.
- ▶ The consumer price index (CPI) rose 0.2% in December after gaining 0.3% in November and 0.4% in October. Part of this increase is due to the 2.8% hike in gas prices. Food prices were up 0.2%. Excluding energy and food, the core CPI only grew 0.1%. Factoring in the second decimals, this marks the weakest growth since May. Goods prices stood still, as in November. Service prices increased 0.2%. The annual variation in the CPI advanced from 2.1% to 2.3%. Core inflation, which excludes food and energy, continued to hold at 2.3%.
- ▶ Housing starts jumped 16.9% in December following a 2.6% increase in November. Annualized, the level rose from 1,375,000 to 1,608,000 units, the highest since December 2006. In terms of annual average, housing starts rose from 1,250,000 units in 2018 to 1,298,000 in 2019, a gain of 3.8%.
- ▶ Industrial production declined 0.3% in December following a gain of 0.8% in November. Manufacturing output rose 0.2% and mining output jumped 1.3%. Energy production fell 5.6%, the worst decline in a year. For 2019 (annual average), industrial production rose 0.8% following a 3.9% increase in 2018.
- ▶ The Philadelphia Fed's manufacturing index rebounded in January, jumping from 2.4 to 17.0, the highest it has been since May. Deliveries and new orders are the components that saw the strongest growth. The New York Fed's Empire manufacturing index, meanwhile, grew at a more modest pace, from 3.3 to 4.8.

Francis Généreux, Senior economist

CANADA

- ▶ The quarterly *Business Outlook Survey* conducted by the Bank of Canada (BoC) between November 13 and December 9, 2019 showed that, in general, businesses are confident. Among other things, the survey's overall indicator rose further in the fourth quarter of 2019, suggesting that business confidence once again edged up. While hardly revolutionary, the results of the BoC's latest *Business Outlook Survey* is another step in the right direction. Clearly, the easing of trade tensions with the agreement between China and the United States and the looming ratification of the Canada–United States–Mexico Agreement (CUSMA) have helped boost business confidence. That being said, the BoC will have to pay close attention to rising pressure on production capacity. The absorption of surplus capacity is accompanied by an increase in business expectations for future input price movements, with most respondents expecting faster growth in the next 12 months.
- ▶ With December's figures in, we can now paint a complete picture of the existing home market in 2019. After the market's struggles in 2017 and 2018 to adjust to tighter mortgage rules and higher interest rates, 2019 was marked by a recovery in most markets. However, demand remained strong due to demographics and the fact that mortgage rates started to drop again. Overall, sales grew 6.5% for 2019 as a whole, following two years of declines. With the exception of Alberta, British Columbia and Prince Edward Island, all the provinces benefited from an increase in sales in 2019, with results varying somewhat from one region to the next.

Benoit P. Durocher, Senior economist

Financial Markets

Strong U.S. Data Is Boosting Overall Optimism

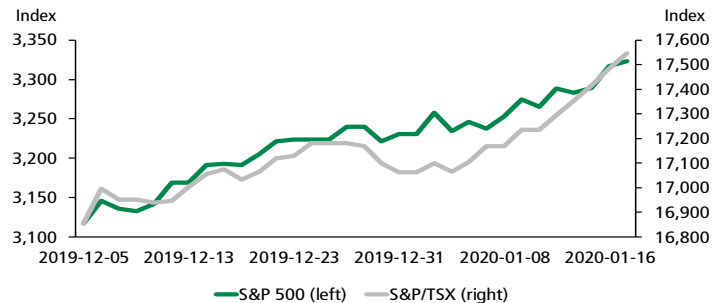
The U.S. stock market had another positive week, fuelled by good news from several sources. The stock market started rising on Monday in anticipation that the China-U.S. trade pact would be signed; which was made official on Wednesday. On Thursday, stronger than expected U.S. retail sales and encouraging corporate earnings added further gains to the stock market. The optimism was maintained on Friday morning as new figures revealed that the residential sector had gained ground in December. All in all, the S&P 500 index was heading for a weekly gain of close to 2% at the time of writing. The Canadian markets also benefited from this positive market sentiment. On Friday morning, the S&P/TSX index was posting a similar performance as the U.S. stock market.

However, the palpable market optimism did not rub off on the bond market. Despite the good economic news and the easing of trade tensions, U.S. bond yields scarcely budged this week. Friday's upturn only served to reverse a slight drop at the beginning of the week. The U.S. 2-year and 10-year yields were around 1.55% and 1.85% respectively on Friday morning. Canadian bond yields hardly changed from where they were last Friday. At the time of writing, the Canadian 2-year and 10-year yields were around 1.65% and 1.60%, respectively, keeping a slight negative yield curve.

The U.S. dollar depreciated slightly on Wednesday due to a low demand for safe haven assets, but the encouraging economic figures released in the United States on Thursday and Friday pushed it back up, especially against the euro. The disparity between the U.S. and European economies seems to be growing, preventing the euro from benefiting from the prevailing market optimism. Investors are still expecting the European Central Bank to ease its monetary policy, but the Federal Reserve should hold steady for some time. The euro was worth US\$1.11 on Friday morning. The Canadian dollar remained fairly stable this week, holding at close to US\$0.765.

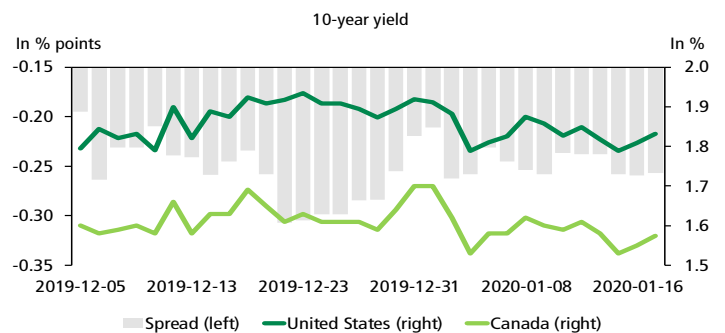
Hendrix Vachon, Senior Economist
Carine Bergevin-Chammah, Economist

GRAPH 1
Stock markets



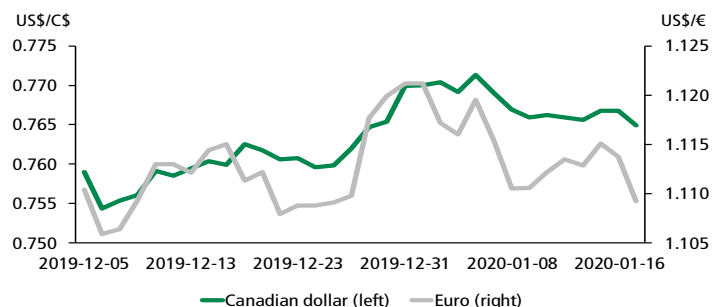
Sources: Datastream and Desjardins, Economic Studies

GRAPH 2
Bond markets



Sources: Datastream and Desjardins, Economic Studies

GRAPH 3
Currency markets



Sources: Datastream and Desjardins, Economic Studies

A Look Ahead

WEDNESDAY January 22 - 10:00

December	ann. rate
Consensus	5,430,000
Desjardins	5,450,000
November	5,350,000

THURSDAY January 23 - 10:00

December	m/m
Consensus	-0.2%
Desjardins	-0.3%
November	0.0%

TUESDAY January 21 - 8:30

November	m/m
Consensus	n/a
Desjardins	-0.9%
October	-0.7%

WEDNESDAY January 22 - 8:30

December	m/m
Consensus	n/a
Desjardins	-0.3%
November	-0.1%

WEDNESDAY January 22 - 10:00

January	
Consensus	1.75%
Desjardins	1.75%
December 4	1.75%

FRIDAY January 24 - 8:30

November	m/m
Consensus	n/a
Desjardins	0.4%
October	-1.2%

THURSDAY January 23 - 7:45

January	
Consensus	0.00%
Desjardins	0.00%
December 12	0.00%

UNITED STATES

Sales of existing homes (December) – Resales have been up and down for some months. After falling 2.5% in September and picking up 1.5% in October, they dropped 1.7% in November. This trend is likely to continue in December, with sales of existing homes rising again. Pending home sales were up 1.2% in November and mortgage applications rose slightly last month. All in all, existing home sales are expected to reach 5,450,000 units, a 1.9% gain.

Leading indicator (December) – There have been no hikes in the Conference Board's leading indicator since July. Its 3-month and 6-month variations are now negative, which bodes ill for the U.S. economy. Another downtick is also expected for December, based largely on the ISM index, jobless claims and building permits. Most of the other components should make positive contributions. The monthly decline should be 0.3%.

CANADA

Manufacturing sales (November) – Disturbing events could once again put the brakes on manufacturing sales in November. A strike by Canadian National (CN) workers slowed down rail transportation during that month, affecting manufacturing sales. Now it remains to be seen to what extent inventories will increase as a result of the transportation difficulties. The value of merchandise exports was down 1.4% in November, reflecting a widespread problems across the manufacturing sector.

Consumer price index (December) – Gas prices at the pump remained virtually unchanged in December, dipping only 0.4%. Seasonal price fluctuations are usually around -0.5% in December, mainly due to reduced prices for clothing and recreation. Even factoring in the upward trend of other components, December should close with a 0.3% decline in the total consumer price index. The total annual inflation rate could fall from 2.2% to 1.9%.

Meeting of the Bank of Canada (January) – All the forecasters consulted by Bloomberg expect the Bank of Canada (BoC) to hold the line on its monetary policy when it meets next week. The BoC has plenty of wiggle room with its key interest rates, especially since inflation has remained close to the median target for many months. The BoC will also release its *Monetary Policy Report*, which will include an update to its economic and financial forecasts. Even though the Canadian economy had serious problems in the fall of 2019, the overall BoC projections should not change much.

Retail sales (November) – After some difficulties in October, retail sales should creep back into positive territory in November. After seasonal adjustments, the price of goods rose 0.4% in November, which should boost the value of retail sales. That said, gas prices remained virtually unchanged in November, so there should be no change in service station sales.

OVERSEAS

Euro zone: meeting of the European Central Bank (January) – Europe's monetary policy should remain unchanged. There is no urgent need for further easing, despite some lingering weaknesses on the economic front. Inflation also rose more than expected in December, which must have been reassuring for the European Central Bank leaders. Reduced tension between China and the United States has improved the international situation somewhat.


FRIDAY January 24 - 4:00


January	m/m
Consensus	51.2
December	50.9

Euro zone: the PMI index (January – preliminary) – The composite PMI index for Europe is now on a slight upswing since hitting a low of 50.1 in September. Gains are still modest, and December’s level of 50.9 is low; it does not point to any great acceleration of the European economy. The manufacturing index is well below the 50-point bar, and is still being dragged down by Germany. January’s results will show whether there is hope for an improvement in Europe’s economy as 2020 kicks off.

Economic Indicators

Week of January 20 to 24, 2020

Day	Hour	Indicator	Period	Consensus		Previous data
UNITED STATES						
MONDAY 20						
---	---	Markets closed (Martin Luther King, Jr. Day)				
TUESDAY 21						
---	---					
WEDNESDAY 22						
	10:00	Existing home sales (ann. rate)	Dec.	5,430,000	5,450,000	5,350,000
THURSDAY 23						
	8:30	Initial unemployment claims	Janv. 13-17	214,000	211,000	204,000
	10:00	Leading indicator (m/m)	Dec.	-0.2%	-0.3%	0.0%
FRIDAY 24						
---	---					
CANADA						
MONDAY 20						
---	---					
TUESDAY 21						
	8:30	Manufacturing sales (m/m)	Nov.	n/a	-0.9%	-0.7%
WEDNESDAY 22						
	8:30	Consumer price index				
		Total (m/m)	Déc.	n/a	-0.3%	-0.1%
		Excluding food and energy (m/m)	Déc.	n/a	-0.4%	-0.3%
		Total (y/y)	Déc.	n/a	1.9%	2.2%
		Excluding food and energy (y/y)	Déc.	n/a	1.5%	2.0%
	8:30	New housing price index (m/m)	Déc.	n/a	0.0%	-0.1%
	8:30	Wholesale sales (m/m)	Nov.	n/a	-0.5%	-1.1%
	8:30	Wholesale inventories (m/m)	Nov.	n/a	0.6%	-0.5%
	10:00	Bank of Canada meeting	Janv.	1.75%	1.75%	1.75%
	10:00	Release of the Bank of Canada <i>Monetary Policy Report</i>				
	11:15	Speech of the Bank of Canada Governor, S. Poloz				
THURSDAY 23						
---	---					
FRIDAY 24						
	8:30	Retail sales				
		Total (m/m)	Nov.	n/a	0.4%	-1.2%
		Excluding automobiles (m/m)	Nov.	n/a	0.3%	-0.5%

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 20 to 24, 2020

Country	Hour	Indicator	Period	Consensus		Previous data		
				m/m (q/q)	y/y	m/m (q/q)	y/y	
OVERSEAS								
SUNDAY 19								
Japan	23:30	Industrial production – final	Nov.	n/a	n/a	-0.9%	-8.1%	
MONDAY 20								
Germany	2:00	Producer price index	Dec.	0.1%	-0.3%	0.0%	-0.7%	
TUESDAY 21								
Japan	---	Bank of Japan meeting	Jan.	-0.10%		-0.10%		
United Kingdom	4:30	ILO unemployment rate	Nov.	3.8%		3.8%		
Germany	5:00	ZEW survey – Current situation	Jan.	-13.5		-19.9		
Germany	5:00	ZEW survey – Expectations	Jan.	15.0		10.7		
WEDNESDAY 22								
France	2:45	Business confidence	Jan.	105		106		
France	2:45	Production outlook	Jan.	-5		-6		
Japan	18:50	Trade balance (¥B)	Dec.	-236.0		-60.8		
Japan	23:30	All industry activity index	Nov.	0.4%		-4.3%		
THURSDAY 23								
Japan	0:00	Leading indicator – final	Nov.	n/a		90.9		
Japan	0:00	Coincident indicator – final	Nov.	n/a		95.1		
Norway	4:00	Bank of Norway meeting	Jan.	1.50%		1.50%		
Euro zone	7:45	European Central Bank meeting	Jan.	0.00%		0.00%		
Euro zone	10:00	Consumer confidence – preliminary	Jan.	-7.8		-8.1		
Japan	18:30	Consumer price index	Dec.		0.7%		0.5%	
Japan	19:30	PMI composite index – preliminary	Jan.	n/a		48.6		
Japan	19:30	PMI manufacturing index – preliminary	Jan.	n/a		48.4		
Japan	19:30	PMI services index – preliminary	Jan.	n/a		49.4		
FRIDAY 24								
France	3:15	PMI composite index – preliminary	Jan.	52.0		52.0		
France	3:15	PMI manufacturing index – preliminary	Jan.	50.6		50.4		
France	3:15	PMI services index – preliminary	Jan.	52.2		52.4		
Germany	3:30	PMI composite index – preliminary	Jan.	50.5		50.2		
Germany	3:30	PMI manufacturing index – preliminary	Jan.	44.5		43.7		
Germany	3:30	PMI services index – preliminary	Jan.	53.0		52.9		
Euro zone	4:00	PMI composite index – preliminary	Jan.	51.2		50.9		
Euro zone	4:00	PMI manufacturing index – preliminary	Jan.	46.8		46.3		
Euro zone	4:00	PMI services index – preliminary	Jan.	52.8		52.8		
United Kingdom	4:30	PMI composite index – preliminary	Jan.	50.7		49.3		
United Kingdom	4:30	PMI manufacturing index – preliminary	Jan.	48.7		47.5		
United Kingdom	4:30	PMI services index – preliminary	Jan.	51.0		50.0		

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) ¹	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) ¹	2019 Q3	-124.1	---	---	-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)	Nov.	111.6	0.0	-0.4	-0.2	0.1
ISM manufacturing index ¹	Dec.	47.2	48.1	47.8	51.7	54.3
ISM non-manufacturing index ¹	Dec.	55.0	53.9	52.6	55.1	58.0
Cons. confidence Conference Board (1985 = 100) ¹	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)	Dec.*	529,606	0.3	0.9	1.8	5.8
<i>Excluding automobiles (\$M)</i>	Dec.*	422,967	0.7	0.8	1.7	6.3
Industrial production (2012 = 100)	Dec.*	109.4	-0.3	0.0	0.1	-1.0
Production capacity utilization rate (%) ¹	Dec.*	77.0	77.4	77.4	77.7	79.5
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)	Nov.*	2,037	-0.2	-0.2	0.1	2.8
Housing starts (k) ¹	Dec.*	1,608	1,375	1,266	1,233	1,142
Building permits (k) ¹	Dec.*	1,416	1,474	1,391	1,232	1,339
New home sales (k) ¹	Nov.	719.0	710.0	708.0	598.0	615.0
Existing home sales (k) ¹	Nov.	5,350	5,440	5,500	5,360	5,210
Commercial surplus (\$M) ¹	Nov.	-43,086	-46,939	-53,544	-54,394	-53,647
Nonfarm employment (k) ²	Dec.	152,383	145.0	553.0	1,131	2,108
Unemployment rate (%) ¹	Dec.	3.5	3.5	3.5	3.7	3.9
Consumer price (1982-1984 = 100)	Dec.*	258.5	0.2	0.8	1.3	2.3
<i>Excluding food and energy</i>	Dec.*	265.9	0.1	0.5	1.2	2.2
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)	Dec.*	118.8	0.1	0.5	0.5	1.3
Export prices (2000 = 100)	Dec.*	125.2	-0.2	0.1	-0.6	-0.7
Import prices (2000 = 100)	Dec.*	125.0	0.3	0.0	-0.5	0.5

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 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) ¹	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) ¹	2019 Q3	-9,855	---	---	-55,499	-60,193	-62,553
Production capacity utilization rate (%) ¹	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

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)	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) ¹	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) ¹	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) ²	Dec.	19,127	35.2	-12.6	12.1	26.7
Unemployment rate (%) ¹	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) ²	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)	Nov.*	1,075,046	0.7	2.3	5.3	7.3

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		
	Jan. 17	Jan. 10	-1 month	-3 months	-6 months	-1 year	Higher	Average	Lower
United States									
Federal funds – target	1.75	1.75	1.75	2.00	2.50	2.50	2.50	2.24	1.75
Treasury bill – 3 months	1.55	1.51	1.55	1.63	2.02	2.36	2.43	2.02	1.49
Treasury bonds – 2 years	1.57	1.57	1.63	1.57	1.81	2.62	2.62	1.93	1.39
– 5 years	1.63	1.64	1.73	1.56	1.81	2.62	2.62	1.91	1.32
– 10 years	1.83	1.83	1.92	1.75	2.05	2.78	2.78	2.09	1.46
– 30 years	2.29	2.29	2.35	2.25	2.58	3.10	3.12	2.54	1.93
S&P 500 index (level)	3,323	3,265	3,221	2,986	2,977	2,671	3,323	2,949	2,633
DJIA index (level)	29,294	28,824	28,455	26,770	27,154	24,706	29,298	26,638	24,404
Gold price (US\$/ounce)	1,557	1,560	1,477	1,490	1,429	1,284	1,570	1,407	1,268
CRB index (level)	182.70	184.13	185.04	175.75	178.59	182.21	189.66	179.57	167.89
WTI oil (US\$/barrel)	58.67	59.06	60.44	53.78	55.40	53.60	66.43	57.48	51.09
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	1.65	1.64	1.66	1.67	1.65	1.62	1.71	1.66	1.61
Treasury bonds – 2 years	1.65	1.65	1.65	1.64	1.46	1.94	1.93	1.58	1.29
– 5 years	1.58	1.60	1.63	1.55	1.41	1.96	1.95	1.52	1.13
– 10 years	1.57	1.59	1.61	1.54	1.50	2.03	2.02	1.57	1.09
– 30 years	1.69	1.70	1.66	1.65	1.73	2.25	2.23	1.78	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	-0.49	-0.75
Treasury bill – 3 months	0.10	0.13	0.11	0.04	-0.37	-0.74	0.19	-0.36	-0.78
Treasury bonds – 2 years	0.08	0.08	0.02	0.07	-0.35	-0.68	0.13	-0.35	-0.85
– 5 years	-0.04	-0.04	-0.10	-0.01	-0.40	-0.66	0.00	-0.39	-0.81
– 10 years	-0.26	-0.24	-0.31	-0.21	-0.55	-0.75	-0.19	-0.53	-0.89
– 30 years	-0.60	-0.59	-0.69	-0.60	-0.85	-0.85	-0.52	-0.76	-1.02
S&P/TSX index (level)	17,547	17,234	17,118	16,377	16,486	15,304	17,547	16,447	15,208
Exchange rate (C\$/US\$)	1.3074	1.3052	1.3148	1.3126	1.3062	1.3259	1.3521	1.3252	1.2965
Exchange rate (C\$/€)	1.4500	1.4516	1.4567	1.4663	1.4658	1.5066	1.5199	1.4815	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\$/€)	1.1092	1.1122	1.1079	1.1171	1.1222	1.1363	1.1479	1.1179	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	0.63	0.77	0.79	0.70	0.74	1.35	1.33	0.85	0.32
FTSE index (level)	7,677	7,588	7,582	7,151	7,509	6,968	7,687	7,318	6,747
Exchange rate (US\$/£)	1.3028	1.3061	1.3004	1.2973	1.2502	1.2875	1.3339	1.2783	1.2037
<u>Germany</u>									
Bonds – 10 years	-0.22	-0.23	-0.25	-0.39	-0.37	0.21	0.21	-0.24	-0.72
DAX index (level)	13,520	13,483	13,319	12,634	12,260	11,206	13,520	12,254	10,907
<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)	24,041	23,851	23,817	22,493	21,467	20,666	24,066	21,874	20,261
Exchange rate (US\$/¥)	110.16	109.48	109.45	108.43	107.72	109.78	112.19	109.06	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.