

# WEEKLY NEWSLETTER

## The Coronavirus Spreads Unease

### HIGHLIGHTS

- ▶ The Federal Reserve is comfortable with its current policy.
- ▶ United States: Real GDP growth was in line with expectations.
- ▶ New U.S. orders for durable goods were stronger than anticipated.
- ▶ Canada: Real GDP by industry inched up in November.

### A LOOK AHEAD

- ▶ United States: A slight acceleration in job creation is expected for January... but watch out for revisions.
- ▶ United States: The ISM manufacturing index could top the 50 mark.
- ▶ Canada: The international merchandise trade balance should see a slight improvement in December.
- ▶ Canada: Employment could continue its uptrend in January.

### FINANCIAL MARKETS

- ▶ Coronavirus fears drive down stock markets.
- ▶ The 10-year yield in the United States falls more than 12 basis points over the week.
- ▶ The Canadian dollar falls below US\$0.76.

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

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# Key Statistics of the Week

## UNITED STATES

- ▶ To no one's surprise, the Federal Reserve (Fed) did not alter its key interest rate at the meeting that ended Wednesday. The new make-up of the monetary policy committee as a result of the yearly turnover among regional Fed members did nothing to change the Fed's reading of the economic situation. Committee members repeated the December statement almost word for word and unanimously voted not to modify the target for the federal funds rate.
- ▶ U.S. real GDP rose 2.1% (annualized) in the fourth quarter of 2019, according to the preliminary estimate of national accounts. This was identical to the summer's increase and similar to last spring's growth of 2.0%. Final domestic demand advanced 1.6% following a rise of 2.2%. The change in business inventories was a big drag, while the foreign sector made a strong positive contribution. Overall, in 2019, real GDP climbed 2.3%, below the gains made in 2018 (2.9%) and 2017 (2.4%).
- ▶ In January, consumer confidence posted its best growth since August. The 3.4-point gain pushed the index up from 128.2 to 131.6. The current situation component climbed 4.8 points, while the expectations component advanced 2.5 points.
- ▶ New durable goods orders rose 2.4% in December, after falling 3.1% in November. This is the highest increase since August 2018. This gain came mainly from the military aviation sector, with a 168.3% jump that offset a 74.3% fall in civil aviation and a 0.1% slide in orders excluding transportation.
- ▶ New single-family home sales shrank 0.4% in December following a 1.1% drop in November and a 2.8% pullback in October. This is the first time since 2013 that they have contracted for three months in a row. Annualized, sales decreased from 697,000 in November to 694,000 in December, well below the peak of 729,000 reached in June.
- ▶ The S&P/Case-Shiller index of existing home prices in the 20 largest cities rose 0.5% in November, its highest monthly hike since February 2018. The annual variation ticked up from 2.2% to 2.6%.

Francis Généreux, Senior economist

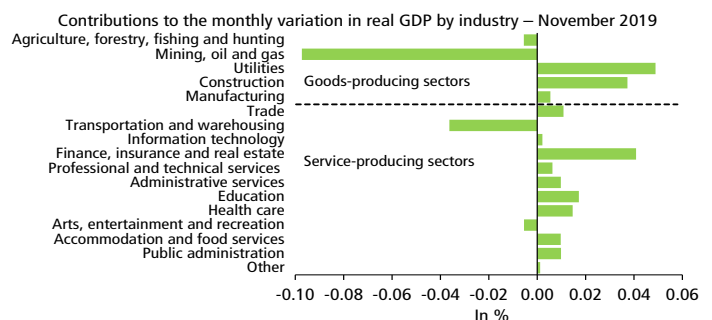
## CANADA

- ▶ Real GDP by industry increased 0.1% in November, slightly higher than predicted (0.0%). Production was higher in 15 of the 20 main industries, but the gains were offset by significant declines in the mining, transportation and warehousing sectors. As expected, several singular events affected November's real GDP growth by industry, and the strike by Canadian National (CN) employees held up the transportation of merchandise for a few days. Transportation and warehousing were down 0.9% in November. Those problems took a toll on mining, which fell 4.0% during the month. Without transportation, warehousing and mining, real GDP by industry would have risen about 0.2% in November, which would have been quite satisfactory. Factoring in the 0.1% drop in October and the 0.1% increase in November, the annualized real GDP carryover is up about 0.1% for the entire fourth quarter.

Benoit P. Durocher, Senior economist

## CANADA

### Transportation, warehousing and mining curbed growth in November



Sources: Statistics Canada and Desjardins, Economic Studies

# Financial Markets

## Coronavirus Fuels Market Volatility

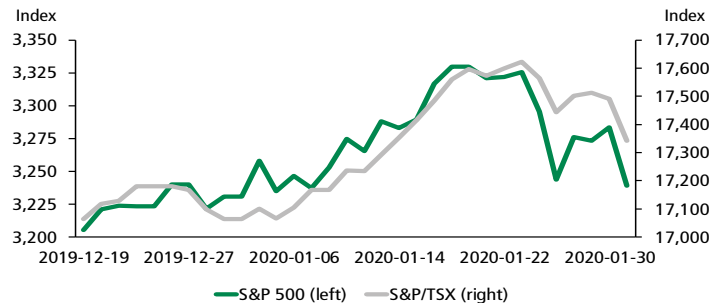
Investors were nervous, as reflected in the VIX volatility index, which jumped to its highest level since last October. The U.S. stock market fell at the start of Monday's trading as more and more people in China became infected with the coronavirus and as it spread to other countries. The stock market regained some momentum on Tuesday and Wednesday as all eyes turned to encouraging corporate earnings. On Thursday, the U.S. stock market followed a U-shaped pattern, starting the session down following the World Health Organization's (WHO) announcement of a state of emergency. It then changed course, erasing its losses as the WHO's subsequent comments reassured investors. On Friday morning, the S&P 500 index fell once again and was heading for a weekly loss close to 2%. The Canadian stock market posted a slightly less negative performance.

Uncertainty over the potential economic impact of the coronavirus created greater risk aversion, which drove down U.S. bond yields. On Friday morning, the 2-year and 10-year yields were around 1.35% and 1.55%, respectively. Canadian bond yields were less affected by market uncertainty, and their decline was not as steep as U.S. yields. The 2-year and 10-year yields were around 1.45% and 1.30%, respectively, at the time of writing.

Fears about the coronavirus also brought its share of volatility to the currency markets. The demand for safe havens temporarily lifted the U.S. dollar, the yen and the Swiss franc. The Chinese yuan was under pressure, but the Chinese monetary authorities managed to limit the damage. Hovering just under US\$1.32 on Friday morning, the pound did quite well this week. This seemed to be mainly related to the Bank of England's decision to postpone easing its monetary policy and implement Brexit, putting an end to several quarters of uncertainty in the United Kingdom. As for the euro, it fell to US\$1.10, but a slight rebound was recorded on Thursday. The Canadian dollar dropped below US\$0.76. It remained weak on Friday despite renewed growth in Canada's GDP in November.

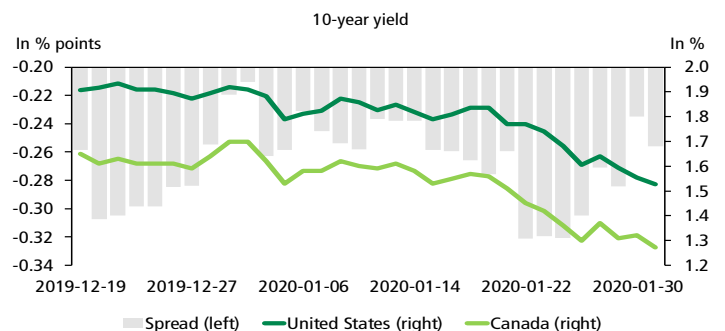
**Hendrix Vachon**, Senior Economist  
**Carine Bergevin-Chammah**, Economist

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



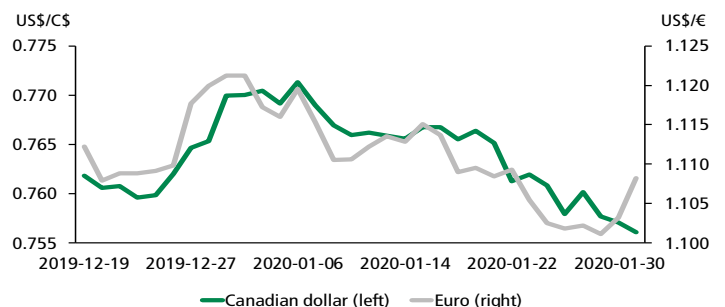
Sources: Datastream and Desjardins, Economic Studies

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



Sources: Datastream and Desjardins, Economic Studies

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



Sources: Datastream and Desjardins, Economic Studies

# A Look Ahead

## MONDAY February 3 - 10:00

<b>January</b>	
Consensus	48.5
Desjardins	50.5
<b>December</b>	<b>47.2</b>

## WEDNESDAY February 5 - 10:00

<b>January</b>	
Consensus	55.0
Desjardins	55.2
<b>December</b>	<b>55.0</b>

## FRIDAY February 7 - 8:30

<b>January</b>	
Consensus	156,000
Desjardins	162,000
<b>December</b>	<b>145,000</b>

## WEDNESDAY February 5 - 8:30

<b>December</b>	<b>\$B</b>
Consensus	n/a
Desjardins	-0.61
<b>November</b>	<b>-1.09</b>

## FRIDAY February 7 - 8:30

<b>January</b>	
Consensus	n/a
Desjardins	21,000
<b>December</b>	<b>27,300</b>

## WEDNESDAY February 5 - 5:00

<b>December</b>	<b>m/m</b>
Consensus	-1.1%
<b>November</b>	<b>1.0%</b>

## UNITED STATES

**ISM manufacturing index (January)** – In December the ISM manufacturing index fell to its lowest point since the crisis low in June 2009, although it could start picking up again in January. Recent improvements in the main regional manufacturing indexes could push the ISM manufacturing index above the 50-point bar for the first time since July. It remains to be seen whether the manufacturers are already being affected by the coronavirus that has China in thrall. The ISM index should hit 50.5, however.

**ISM non-manufacturing index (January)** – The ISM non-manufacturing index continued to seesaw, going from a 0.8-point decline in November to a 1.1-point gain in December 2019. If the trend continues, values should drop again in January. However, the improvement of several regional indicators and household confidence indexes point to further upturns. We expect the ISM non-manufacturing index to reach 55.2, although there is still the risk of a new slump.

**Job creation according to the establishment survey (January)** – Job creation was quite weak in December, with only 145,000 new positions. However, coming as it does on the heels of November's 256,000 surge, that performance is not so bad. We expect somewhat stronger growth in January. Rebounds in some confidence indicators, probably boosted by the easing of the trade war, seem to point that way. The employment component of the Conference Board confidence index adds an encouraging note. We will know more as the ISM indexes are released during the week, but we do expect 162,000 jobs to be created. Keep in mind that January's figures will be released together with the establishment survey annual revision, and that may change things. We expect the jobless rate to stay at 3.5%.

## CANADA

**International merchandise trade (December)** – After November's disruptions in rail transportation due to the strike by Canadian National (CN) workers, the pendulum should swing back and push exports up in December. Energy prices expressed in seasonally adjusted Canadian dollars rose significantly during the month, which should boost the value of exports in that sector. All signals also point to imports rising too after a 2.4% decline in November. Overall, the international merchandise trade balance should improve slightly in December.


**Labour force survey (January)** – With the creation of 27,300 positions in December (according to the revised data), the employment trend returned to a level in line with current Canadian economic growth. The growth rate for jobs should stay around its trend in January, adding about 21,000 positions. The unemployment rate could stay put at 5.6%.


## OVERSEAS

**Euro zone: Retail sales (December)** – In November, retail sales were the highest they had been since June, although the annual average was closer to the average of recent months. We expect things to calm down in December after such a surge, especially since the confidence indexes are still quite weak. A negative result is more than likely, since consumer spending dipped 0.3% in France and retail sales plunged 3.3% in Germany.

# Economic Indicators

## Week of February 3 to 7, 2020

Day	Hour	Indicator	Period	Consensus		Previous data
<b>UNITED STATES</b>						
<b>MONDAY 3</b>	---	Total vehicle sales (ann. rate)	Jan.	16,800,000	17,000,000	16,700,000
	10:00	Construction spending (m/m)	Dec.	0.5%	0.5%	0.6%
	10:00	ISM manufacturing index	Jan.	48.5	50.5	47.2
	16:00	Speech of the Atlanta Fed President, R. Bostic				
<b>TUESDAY 4</b>	10:00	Factory orders (m/m)	Dec.	1.0%	1.4%	-0.7%
<b>WEDNESDAY 5</b>	8:30	Trade balance – Goods and services (US\$B)	Dec.	-47.8	-48.6	-43.1
	10:00	ISM non-manufacturing index	Jan.	55.0	55.2	55.0
<b>THURSDAY 6</b>	8:30	Initial unemployment claims	Jan. 27-31	215,000	213,000	216,000
	8:30	Nonfarm productivity – preliminary (ann. rate)	Q4	1.5%	1.7%	-0.2%
	8:30	Unit labor costs – preliminary (ann. rate)	Q4	0.9%	1.3%	2.5%
	9:15	Speech of the Dallas Fed President, R. Kaplan				
<b>FRIDAY 7</b>	8:30	Change in nonfarm payrolls	Jan.	156,000	162,000	145,000
	8:30	Unemployment rate	Jan.	3.5%	3.5%	3.5%
	8:30	Weekly worked hours	Jan.	34.3	34.4	34.3
	8:30	Average hourly earnings (m/m)	Jan.	0.3%	0.3%	0.1%
	10:00	Wholesale inventories – final (m/m)	Dec.	n/a	-0.1%	-0.1%
	15:00	Consumer credit (US\$B)	Dec.	15.000	19.000	12.513
<b>CANADA</b>						
<b>MONDAY 3</b>	---	---				
<b>TUESDAY 4</b>	---	---				
<b>WEDNESDAY 5</b>	8:30	International trade (\$B)	Dec.	n/a	-0.61	-1.09
	12:30	Speech of the Bank of Canada Senior Deputy Governor, C. Wilkins				
<b>THURSDAY 6</b>	---	---				
<b>FRIDAY 7</b>	8:30	Net change in employment	Jan.	n/a	21,000	27,300
	8:30	Unemployment rate	Jan.	n/a	5.6%	5.6%
	10:00	PMI-Ivey index	Jan.	n/a	51.0	51.9

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 February 3 to 7, 2020

Country	Hour	Indicator	Period	Consensus		Previous data		
				m/m (q/q)	y/y	m/m (q/q)	y/y	
<b>OVERSEAS</b>								
<b>SUNDAY 2</b>								
Japan	19:30	PMI manufacturing index – final	Jan.	n/a		49.3		
<b>MONDAY 3</b>								
Italy	3:45	PMI manufacturing index	Jan.	47.3		46.2		
France	3:50	PMI manufacturing index – final	Jan.	51.0		51.0		
Germany	3:55	PMI manufacturing index – final	Jan.	45.2		45.2		
Euro zone	4:00	PMI manufacturing index – final	Jan.	47.8		47.8		
United Kingdom	4:30	PMI manufacturing index – final	Jan.	49.8		49.8		
Australia	22:30	Reserve Bank of Australia meeting	Feb.	0.75%		0.75%		
<b>TUESDAY 4</b>								
Euro zone	5:00	Producer price index	Dec.	0.0%	-0.7%	0.2%	-1.4%	
Italy	5:00	Consumer price index – preliminary	Jan.	-1.7%	0.6%	0.2%	0.5%	
Japan	19:30	PMI composite index – final	Jan.	n/a		51.1		
Japan	19:30	PMI services index – final	Jan.	n/a		52.1		
<b>WEDNESDAY 5</b>								
Brazil	---	Bank of Brazil meeting	Feb.	4.25%		4.50%		
Italy	3:45	PMI composite index	Jan.	49.4		49.3		
Italy	3:45	PMI services index	Jan.	50.5		51.1		
France	3:50	PMI composite index – final	Jan.	51.5		51.5		
France	3:50	PMI services index – final	Jan.	51.7		51.7		
Germany	3:55	PMI composite index – final	Jan.	51.1		51.1		
Germany	3:55	PMI services index – final	Jan.	54.2		54.2		
Euro zone	4:00	PMI composite index – final	Jan.	50.9		50.9		
Euro zone	4:00	PMI services index – final	Jan.	52.2		52.2		
United Kingdom	4:30	PMI composite index – final	Jan.	52.4		52.4		
United Kingdom	4:30	PMI services index – final	Jan.	52.9		52.9		
Euro zone	5:00	Retail sales	Dec.	-1.1%	2.2%	1.0%	2.2%	
<b>THURSDAY 6</b>								
China	---	Trade balance (US\$B)	Jan.	36.75		46.79		
India	1:15	Reserve Bank of India meeting	Feb.	5.15%		5.15%		
Germany	2:00	Factory orders	Dec.	0.7%	-6.6%	-1.3%	-6.5%	
<b>FRIDAY 7</b>								
Germany	2:00	Trade balance (€B)	Dec.	14.5		18.3		
Germany	2:00	Industrial production	Dec.	-0.2%	-3.7%	1.1%	-2.6%	
France	2:45	Trade balance (€M)	Dec.	n/a		-5,584		
France	2:45	Industrial production	Dec.	-0.3%	0.9%	0.3%	1.3%	
France	2:45	Wages – preliminary	Q4	n/a		0.3%		
Italy	4:00	Retail sales	Dec.	n/a	1.4%	-0.2%	0.9%	
Russia	5:30	Bank of Russia meeting	Feb.	6.00%		6.25%		

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	2019	2018	2017
Gross domestic product (2012 \$B)	2019 Q4*	19,220	2.1	2.3	2.3	2.9	2.4
Consumption (2012 \$B)	2019 Q4*	13,412	1.8	2.6	2.6	3.0	2.6
Government spending (2012 \$B)	2019 Q4*	3,332	2.7	3.0	2.3	1.7	0.7
Residential investment (2012 \$B)	2019 Q4*	602.1	5.8	1.5	-1.5	-1.5	3.5
Non-residential investment (2012 \$B)	2019 Q4*	2,732	-1.5	-0.1	2.1	6.4	4.4
Business inventory change (2012 \$B) <sup>1</sup>	2019 Q4*	6.5	---	---	65.3	48.1	31.7
Exports (2012 \$B)	2019 Q4*	2,532	1.4	0.2	0.0	3.0	3.5
Imports (2012 \$B)	2019 Q4*	3,434	-8.7	-2.2	1.0	4.4	4.7
Final domestic demand (2012 \$B)	2019 Q4*	20,070	1.6	2.3	2.3	3.0	2.5
GDP deflator (2012 = 100)	2019 Q4*	113.1	1.4	1.7	1.8	2.4	1.9
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 Q4*	138.9	2.6	2.7	2.8	2.8	2.4
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)	Dec.	111.2	-0.3	-0.4	-0.4	0.1
ISM manufacturing index <sup>1</sup>	Dec.	47.8	48.1	48.2	51.6	55.0
ISM non-manufacturing index <sup>1</sup>	Dec.	54.9	53.9	53.5	55.4	58.0
Cons. confidence Conference Board (1985 = 100) <sup>1</sup>	Jan.*	131.6	128.2	126.1	135.8	121.7
Personal consumption expenditure (2012 \$B)	Dec.*	13,432	0.1	0.4	1.1	3.3
Disposable personal income (2012 \$B)	Dec.*	15,108	-0.1	0.0	1.0	2.0
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 (%) <sup>1</sup>	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)	Dec.*	245,484	2.4	-0.6	0.1	-3.7
Business inventories (\$B)	Nov.	2,037	-0.2	-0.2	0.1	2.8
Housing starts (k) <sup>1</sup>	Dec.	1,608	1,375	1,266	1,233	1,142
Building permits (k) <sup>1</sup>	Dec.	1,420	1,474	1,391	1,232	1,339
New home sales (k) <sup>1</sup>	Dec.*	694.0	697.0	725.0	729.0	564.0
Existing home sales (k) <sup>1</sup>	Dec.	5,540	5,350	5,360	5,290	5,000
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)	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)	Dec.*	110.6	0.3	0.6	0.8	1.6
<i>Excluding food and energy</i>	Dec.*	112.6	0.2	0.4	0.8	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

<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)	Nov.*	1,976,154	0.1	0.0	0.4	1.5
Industrial production (2012 \$M)	Nov.*	395,115	0.0	-0.9	-2.5	-2.0
Manufacturing sales (\$M)	Nov.	57,021	-0.6	-0.9	-2.9	-0.1
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)	Nov.	51,479	0.9	-0.1	0.3	1.9
<i>Excluding automobiles (\$M)</i>	Nov.	37,510	0.2	-0.3	0.2	1.3
Wholesale trade sales (\$M)	Nov.	63,229	-1.2	-1.6	-1.0	0.6
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.	19,125	27.3	-10.1	12.2	25.0
Unemployment rate (%) <sup>1</sup>	Dec.	5.6	5.9	5.5	5.6	5.7
Average weekly earnings (\$)	Nov.*	1,042	-0.3	0.9	1.0	3.1
Number of salaried employees (k) <sup>2</sup>	Nov.*	17,030	-12.0	-0.3	15.7	21.5
Consumer price (2002 = 100)	Dec.	136.4	0.0	0.1	0.1	2.2
<i>Excluding food and energy</i>	Dec.	130.8	-0.2	0.0	0.0	1.8
<i>Excluding 8 volatile items</i>	Dec.	134.0	-0.4	-0.3	-0.1	1.7
Industrial product price (2010 = 100)	Dec.*	117.4	0.1	0.0	-0.3	0.3
Raw materials price (2010 = 100)	Dec.*	106.4	2.8	2.1	1.5	7.9
Money supply M1+ (\$M)	Dec.*	1,085,359	0.8	2.2	5.8	7.7

<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. 31	Jan. 24	-1 month	-3 months	-6 months	-1 year	Higher	Average	Lower
<b>United States</b>									
Federal funds – target	1.75	1.75	1.75	1.75	2.25	2.50	2.50	2.22	1.75
Treasury bill – 3 months	1.55	1.51	1.49	1.49	2.02	2.35	2.43	1.98	1.49
Treasury bonds – 2 years	1.36	1.49	1.53	1.57	1.71	2.51	2.55	1.89	1.36
– 5 years	1.35	1.50	1.59	1.56	1.66	2.52	2.55	1.87	1.32
– 10 years	1.53	1.68	1.79	1.73	1.84	2.69	2.76	2.05	1.46
– 30 years	2.00	2.13	2.25	2.21	2.38	3.03	3.12	2.51	1.93
S&P 500 index (level)	3,239	3,295	3,235	3,067	2,932	2,707	3,330	2,973	2,706
DJIA index (level)	28,427	28,990	28,635	27,347	26,485	25,064	29,348	26,800	24,815
Gold price (US\$/ounce)	1,586	1,571	1,548	1,511	1,446	1,318	1,586	1,417	1,268
CRB index (level)	170.53	175.75	186.90	180.27	173.35	180.55	189.66	179.43	167.89
WTI oil (US\$/barrel)	51.87	54.12	63.08	56.00	55.66	55.26	66.43	57.53	51.09
<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	1.64	1.65	1.68	1.64	1.66	1.71	1.66	1.61
Treasury bonds – 2 years	1.44	1.49	1.61	1.55	1.46	1.83	1.84	1.57	1.29
– 5 years	1.28	1.39	1.55	1.46	1.35	1.86	1.86	1.50	1.13
– 10 years	1.27	1.36	1.53	1.44	1.37	1.96	1.96	1.55	1.09
– 30 years	1.42	1.49	1.62	1.60	1.61	2.18	2.20	1.75	1.30
<u>Spread with the U.S. rate (% points)</u>									
Overnight – target	0.00	0.00	0.00	0.00	-0.50	-0.75	0.00	-0.47	-0.75
Treasury bill – 3 months	0.09	0.13	0.16	0.19	-0.38	-0.69	0.19	-0.33	-0.78
Treasury bonds – 2 years	0.08	0.00	0.08	-0.02	-0.25	-0.68	0.13	-0.32	-0.85
– 5 years	-0.06	-0.11	-0.04	-0.10	-0.31	-0.66	0.00	-0.37	-0.81
– 10 years	-0.26	-0.32	-0.26	-0.29	-0.47	-0.73	-0.19	-0.51	-0.89
– 30 years	-0.58	-0.64	-0.63	-0.61	-0.77	-0.85	-0.52	-0.75	-1.02
S&P/TSX index (level)	17,342	17,565	17,066	16,594	16,272	15,506	17,622	16,530	15,569
Exchange rate (C\$/US\$)	1.3226	1.3144	1.3001	1.3137	1.3206	1.3100	1.3521	1.3248	1.2965
Exchange rate (C\$/€)	1.4657	1.4491	1.4509	1.4670	1.4671	1.5007	1.5199	1.4793	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\$/€)	1.1082	1.1025	1.1160	1.1167	1.1109	1.1456	1.1438	1.1166	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	0.52	0.56	0.74	0.67	0.56	1.25	1.31	0.82	0.32
FTSE index (level)	7,283	7,586	7,622	7,302	7,407	7,020	7,687	7,341	7,034
Exchange rate (US\$/£)	1.3187	1.3078	1.3088	1.2936	1.2156	1.3086	1.3339	1.2783	1.2037
<u>Germany</u>									
Bonds – 10 years	-0.44	-0.37	-0.29	-0.38	-0.49	0.17	0.19	-0.26	-0.72
DAX index (level)	12,998	13,577	13,219	12,961	11,872	11,181	13,577	12,339	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)	23,205	23,827	23,657	22,851	21,087	20,788	24,084	21,986	20,261
Exchange rate (US\$/¥)	108.43	109.28	108.10	108.19	106.60	109.50	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.