

# WEEKLY NEWSLETTER

## Commodity Prices Rise after a Few Tough Weeks

### HIGHLIGHTS

- ▶ United States: Retail sales and confidence edge up, but manufacturing retreats again.
- ▶ Canada: Housing starts increased in January.
- ▶ Canada: Sales of existing homes fell in January.

### A LOOK AHEAD

- ▶ United States: Housing starts are expected to pull back.
- ▶ The U.S. leading indicator is forecast to increase.
- ▶ Canada: The total annual inflation rate should stay at 2.2%.
- ▶ Canada: December could see higher manufacturing and retail sales.

### FINANCIAL MARKETS

- ▶ Investors remain rather optimistic, as shown by movements on the stock markets and in commodity prices.
- ▶ Bond yields were relatively stable over the week.
- ▶ The euro hit a nearly three-year 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  
 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](mailto:desjardins.economics@desjardins.com) • [desjardins.com/economics](http://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 © 2020, Desjardins Group. All rights reserved.

# Key Statistics of the Week

## UNITED STATES

- ▶ Retail sales advanced 0.3% in January after gaining 0.2% in December. Motor vehicle sales rose 0.2% and service station sales fell 0.5%. Excluding motor vehicles and gasoline, sales were up 0.4% after a 0.5% increase.
- ▶ Industrial production fell 0.3% in January following December's identical decrease. Manufacturing output retreated 0.1%. Mining activity saw a 1.2% increase, while energy production fell 4.0%.
- ▶ The consumer price index (CPI) rose 0.1% in January, after three successive 0.2% increases. For the first time since September, energy prices—including gas prices—fell last month. Food prices were up 0.2%. Excluding energy and food, the core CPI was up 0.2% after gaining 0.1% in December. Goods prices were flat as in December, while declines in used cars and medical goods offset an increase in clothing prices. Service prices rose 0.3%. The annual change in the CPI accelerated from 2.3% to 2.5%. Core inflation, which excludes food and energy, continued to hold at 2.3%.
- ▶ The University of Michigan consumer confidence index improved in February, going from January's 99.8 to 100.9, its highest point since March 2018.

Francis Généreux, Senior economist

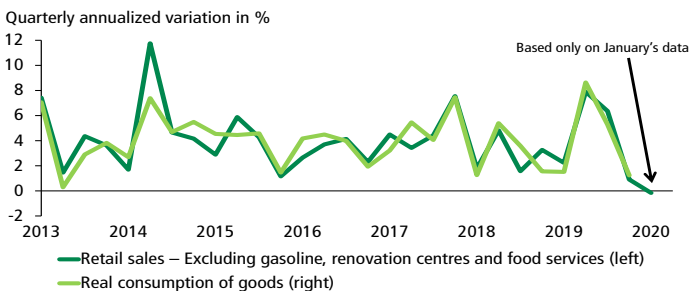
## CANADA

- ▶ Housing starts went up a little more than forecast in January, to 213,224 units. Quebec saw a large increase, with housing starts going from 35,953 units in December to 76,966 units in January, the highest level the province has seen in nearly 30 years.
- ▶ Sales of existing properties fell 2.9% in January. However, they remain well above trend, indicating strong activity in the market. Moreover, the home price index continued to ascend, increasing 0.8% in January and gaining 4.6% over the last year.

Benoit P. Durocher, Senior economist

## UNITED STATES

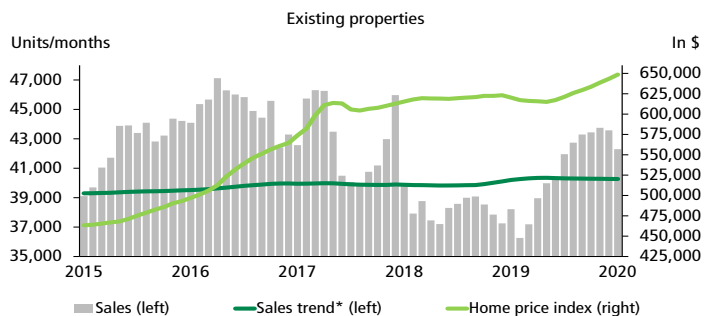
### Real consumption of goods seems to be getting 2020 off to a poor start



Sources: U.S. Census Bureau, Bureau of Economic Analysis and Desjardins, Economic Studies

## CANADA

### The housing market is doing very well



\* Based on a 10-year moving average.

Sources: Canadian Real Estate Association and Desjardins, Economic Studies

# Financial Markets

## The Stock Market Maintains Its Momentum, despite Concerns

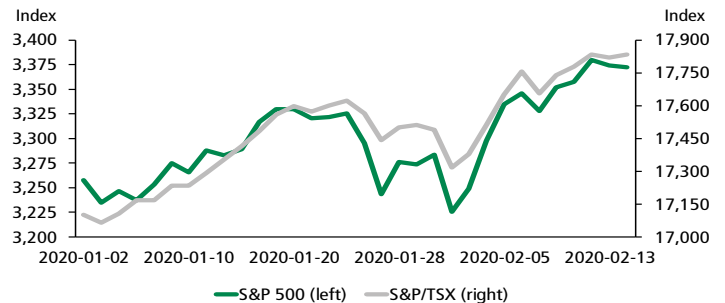
After a little hesitation last Friday, the stock markets started to trend up again as of Monday's session. Fears over the effects of the coronavirus seemed to keep declining, prompting a rise in the securities that were hardest hit by the epidemic's outbreak, as well as in commodity prices. The results released by U.S. corporations also seem to be continuing to support the indexes. A big upside revision to the coronavirus cases identified in China revived concerns somewhat on the markets during the week's final sessions. Nevertheless, at the time of writing, the S&P 500 index was heading for a weekly gain of over 1%. The Canadian stock market also recorded some gains despite major disruptions to the rail network.

Like the stock markets, North American bond yields generally rose until Wednesday, then slid late in the week. Speaking before Congress, Jerome Powell stated that the Federal Reserve (Fed) was keeping a very close watch on the economic consequences of the coronavirus. However, he has continued to state that the Fed's current monetary policy should remain appropriate if the economy evolves as expected. In the end, bond yields were relatively stable over the week.

The U.S. dollar remained buoyed by demand from cautious investors, as well as by a generally more encouraging economic situation in the United States. The greenback's strength was less generalized this week; it was more pronounced against the euro, which neared a three-year low, dropping below US\$1.09. Many uncertainties persist in Europe. However, this did not keep the pound from climbing above US\$1.30. The markets expect Boris Johnson's government to announce major measures to support the British economy in the next budget. The Canadian dollar also rose this week, returning to US\$0.755. The problems in the rail sector did not have a noteworthy impact on the dollar, which primarily benefited from the rise in commodity prices.

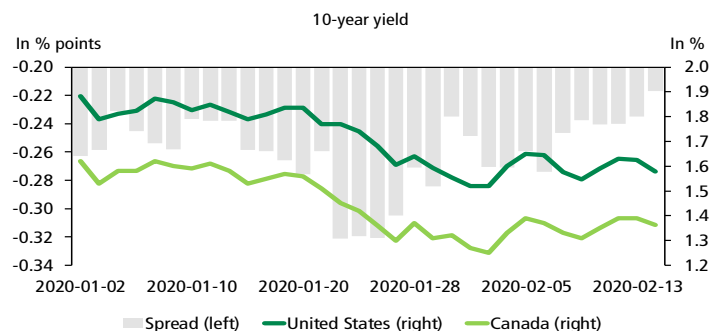
**Mathieu D'Anjou, CFA**, Deputy Chief Economist  
**Hendrix Vachon**, Senior Economist

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



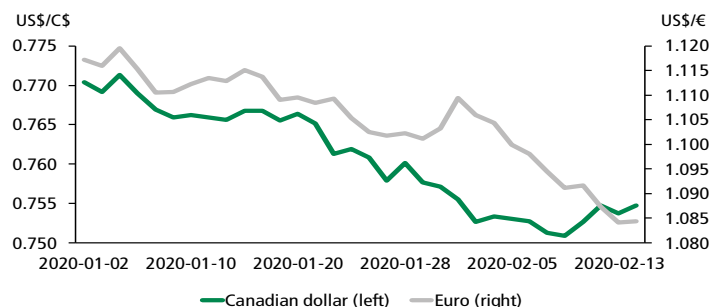
Sources: Datastream and Desjardins, Economic Studies

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



Sources: Datastream and Desjardins, Economic Studies

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



Sources: Datastream and Desjardins, Economic Studies

# A Look Ahead

## WEDNESDAY February 19 - 8:30

January	ann. rate
Consensus	1,415,000
Desjardins	1,290,000
<b>December</b>	<b>1,608,000</b>

## THURSDAY February 20 - 10:00

January	m/m
Consensus	0.4%
Desjardins	0.5%
<b>December</b>	<b>-0.3%</b>

## FRIDAY February 21 - 10:00

January	ann. rate
Consensus	5,450,000
Desjardins	5,250,000
<b>December</b>	<b>5,540,000</b>

## TUESDAY February 18 - 8:30

December	m/m
Consensus	0.7%
Desjardins	0.9%
<b>November</b>	<b>-0.6%</b>

## WEDNESDAY February 19 - 8:30

January	m/m
Consensus	0.2%
Desjardins	0.1%
<b>December</b>	<b>0.0%</b>

## FRIDAY February 21 - 8:30

December	m/m
Consensus	0.1%
Desjardins	0.1%
<b>November</b>	<b>0.9%</b>

## UNITED STATES

**Housing starts (January)** – Housing starts jumped 16.9% in December. The increase took them to their highest level since December 2006. We can anticipate a sharp pullback in January after such a big surge. The gain seems too large and abrupt next to most of the other indicators. December's housing starts were 188,000 units higher than building permits and, when there is such a big difference between the two, starts tend to plunge. We expect them to drop below 1,300,000 units temporarily.

**Leading indicator (January)** – In December, the Conference Board's leading indicator posted its fourth decline in five months, and its 3-, 6- and 12-month variations have continued to erode, suggesting the U.S. economy is slowing. Thankfully, the leading indicator is expected to post strong 0.5% growth in January, its biggest gain since September 2018. The main factors in the growth would be the drop in jobless claims and the stock market's rise.

**Existing home sales (January)** – In December, home resales posted their strongest monthly growth since February 2019. However, the gain continues the seesawing movement seen since last summer. After December's 3.6% gain, we can expect a decline in January, as suggested by the sharp 4.9% drop in pending home sales. However, mortgage applications in view of a purchase shot up last month. All in all, sales of existing homes should reach 5,250,000 units.

## CANADA

**Manufacturing sales (December)** – After declining for three straight months, the value of manufacturing sales could rebound into positive territory for December. Among other things, rail transportation got back to normal after November's disruptions, caused by the strike by Canadian National (CN) employees, which should be a positive factor. The value of merchandise exports also went up 1.9% during the month, which augurs well for growth in the manufacturing sector.

**Consumer price index (January)** – Air transportation prices were once again highly volatile in December, rising a monthly 23.4%. The likelihood of a return to normal, with a sharp pullback in air transportation prices, is relatively high for January, which should curb growth in the total consumer price index (CPI). Seasonal fluctuations are usually +0.2% in January due to such things as an increase in food and transportation prices. In terms of gas, prices at the pump point to almost no progression in January, so the monthly variation's impact on the total CPI will be negligible. All in all, the monthly variation in the total CPI could be around 0.1% in January. The total annual inflation rate should stay at 2.2%.

**Retail sales (December)** – According to preliminary data, car sales dropped substantially in December. The other components could be better, however. Among other things, seasonally adjusted gas prices were up 2.6% for the month, which will inflate the value of service station sales. Overall, retail trade should see December's sales edge up.

**SUNDAY February 16 - 18:50**

<b>Q4 2019</b>	<b>q/q</b>
Consensus	-1.0%
<b>Q3 2019</b>	<b>0.4%</b>

**FRIDAY February 21 - 4:00**

<b>February</b>	
Consensus	51.0
<b>January</b>	<b>51.3</b>


**OVERSEAS**


**Japan: Real GDP (Q4)** – In the third quarter, Japan’s economy posted non-annualized real GDP growth of 0.4%. This is not bad, but it is not as strong as could have been hoped, given that spending was expected to be moved up ahead of the October 1 increase in the consumption tax. The tax should, however, have a major negative impact in the fourth quarter, with most indicators, particularly retail sales, posting sharp declines over the quarter. Real GDP is therefore expected to decrease.

**Euro zone: PMI index (February – preliminary)** – Euroland’s composite PMI index improved slightly in January, going from 50.9 to 51.3, its highest point since August. It does remain relatively weak and does not point to accelerating economic growth in the euro zone. Further improvements will be needed, including in February, to expect better growth in the first quarter of 2020.

# Economic Indicators

## Week of February 17 to 21, 2020

Day	Hour	Indicator	Period	Consensus		Previous data
<b>UNITED STATES</b>						
<b>MONDAY 17</b>	---	Markets closed (President's Day)				
<b>TUESDAY 18</b>	8:30	Empire manufacturing index	Feb.	5.0	8.0	4.8
	10:00	NAHB housing market index	Feb.	75	n/a	75
	16:00	Net foreign security purchases (US\$B)	Dec.	n/a	n/a	22.9
<b>WEDNESDAY 19</b>	8:10	Speech of the Atlanta Fed President, R. Bostic				
	8:30	Producer price index				
		Total (m/m)	Jan.	0.1%	0.0%	0.1%
		Excluding food and energy (m/m)	Jan.	0.2%	0.0%	0.1%
	8:30	Housing starts (ann. rate)	Jan.	1,415,000	1,290,000	1,608,000
	8:30	Building permits (ann. rate)	Jan.	1,450,000	1,400,000	1,416,000
	11:45	Speech of the Minneapolis Fed President, N. Kashkari				
	13:30	Speech of the Dallas Fed President, R. Kaplan				
	14:00	Minutes of the Federal Reserve meeting				
	16:30	Speech of the Richmond Fed President, T. Barkin				
<b>THURSDAY 20</b>	8:30	Initial unemployment claims	Feb. 10-14	210,000	211,000	205,000
	8:30	Philadelphia Fed index	Feb.	12.0	8.0	17.0
	10:00	Leading indicator (m/m)	Jan.	0.4%	0.5%	-0.3%
<b>FRIDAY 21</b>	9:35	Speech of the Dallas Fed President, R. Kaplan				
	10:00	Existing home sales (ann. rate)	Jan.	5,450,000	5,250,000	5,540,000
	10:15	Speeches of a Federal Reserve Governor, L. Brainard, and of the Atlanta Fed President, R. Bostic				
	13:30	Speech of a Federal Reserve Vice Chair, R. Clarida				
<b>CANADA</b>						
<b>MONDAY 17</b>	---	Markets closed (Family Day except for Quebec)				
	8:30	International transactions in securities (\$B)	Dec.	n/a	5.00	-1.75
<b>TUESDAY 18</b>	8:30	Manufacturing sales (m/m)	Dec.	0.7%	0.9%	-0.6%
<b>WEDNESDAY 19</b>	8:30	Consumer price index				
		Total (m/m)	Jan.	0.2%	0.1%	0.0%
		Excluding food and energy (m/m)	Jan.	n/a	0.3%	-0.2%
		Total (y/y)	Jan.	2.3%	2.2%	2.2%
		Excluding food and energy (y/y)	Jan.	n/a	2.0%	1.8%
<b>THURSDAY 20</b>	8:30	New housing price index (m/m)	Jan.	n/a	0.1%	0.2%
<b>FRIDAY 21</b>	8:30	Retail sales				
		Total (m/m)	Dec.	0.1%	0.1%	0.9%
		Excluding automobiles (m/m)	Dec.	0.4%	0.5%	0.2%

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 17 to 21, 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 16</b>								
Japan	18:50	Real GDP – preliminary	Q4	-1.0%		0.4%		
Japan	23:30	Industrial production – final	Dec.	n/a	n/a	1.3%	-3.0%	
<b>MONDAY 17</b>								
Euro zone	5:00	Construction	Dec.	n/a	n/a	0.7%	1.4%	
<b>TUESDAY 18</b>								
United Kingdom	4:30	ILO unemployment rate	Dec.	3.8%		3.8%		
Germany	5:00	ZEW survey – Current situation	Feb.	-10.0		-9.5		
Germany	5:00	ZEW survey – Expectations	Feb.	22.0		26.7		
Japan	18:50	Trade balance (¥B)	Jan.	-568.0		-102.5		
<b>WEDNESDAY 19</b>								
Euro zone	4:00	Current account (€B)	Dec.	n/a		33.9		
United Kingdom	4:30	Consumer price index	Jan.	-0.4%	1.6%	0.0%	1.3%	
United Kingdom	4:30	Producer price index	Jan.	0.1%	1.0%	0.0%	0.9%	
<b>THURSDAY 20</b>								
Germany	2:00	Consumer confidence	March	9.8		9.9		
Germany	2:00	Producer price index	Jan.	0.1%	-0.4%	0.1%	-0.2%	
France	2:45	Consumer price index – final	Jan.	-0.4%	1.5%	-0.4%	1.5%	
United Kingdom	4:30	Retail sales	Jan.	0.7%	0.6%	-0.6%	0.9%	
Euro zone	10:00	Consumer confidence – preliminary	Feb.	-8.2		-8.1		
Japan	18:30	Consumer price index	Jan.		0.7%		0.8%	
Japan	19:30	PMI composite index – preliminary	Feb.	n/a		50.1		
Japan	19:30	PMI manufacturing index – preliminary	Feb.	n/a		48.8		
Japan	19:30	PMI services index – preliminary	Feb.	n/a		51.0		
Japan	23:30	All industry activity index	Dec.	0.3%		0.9%		
<b>FRIDAY 21</b>								
France	3:15	PMI composite index – preliminary	Feb.	51.0		51.1		
France	3:15	PMI manufacturing index – preliminary	Feb.	50.8		51.1		
France	3:15	PMI services index – preliminary	Feb.	51.3		51.0		
Germany	3:30	PMI composite index – preliminary	Feb.	50.8		51.2		
Germany	3:30	PMI manufacturing index – preliminary	Feb.	44.8		45.3		
Germany	3:30	PMI services index – preliminary	Feb.	53.9		54.2		
Euro zone	4:00	PMI composite index – preliminary	Feb.	51.0		51.3		
Euro zone	4:00	PMI manufacturing index – preliminary	Feb.	47.5		47.9		
Euro zone	4:00	PMI services index – preliminary	Feb.	52.3		52.5		
United Kingdom	4:30	PMI composite index – preliminary	Feb.	52.8		53.3		
United Kingdom	4:30	PMI manufacturing index – preliminary	Feb.	49.7		50.0		
United Kingdom	4:30	PMI services index – preliminary	Feb.	53.4		53.9		
Euro zone	5:00	Consumer price index – final	Jan.	-1.0%	1.4%	-1.0%	1.4%	

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 Q4	107.9	1.4	1.8	1.7	1.3	1.3
Unit labor cost (2012 = 100)	2019 Q4	112.4	1.4	2.4	2.0	1.8	2.1
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>	Jan.	50.9	47.8	48.5	51.3	55.5
ISM non-manufacturing index <sup>1</sup>	Jan.	55.5	54.9	54.4	54.8	56.0
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)	Dec.	4,197	0.5	1.3	2.5	4.7
Retail sales (\$M)	Jan.*	529,766	0.3	0.6	1.1	4.4
<i>Excluding automobiles (\$M)</i>	Jan.*	423,282	0.3	0.8	0.9	4.0
Industrial production (2012 = 100)	Jan.*	109.2	-0.3	0.2	0.1	-0.8
Production capacity utilization rate (%) <sup>1</sup>	Jan.*	76.8	77.1	77.0	77.4	79.0
New machinery orders (\$M)	Dec.	499,327	1.8	0.8	1.2	-0.4
New durable good orders (\$M)	Dec.	245,574	2.4	-0.6	0.1	-3.6
Business inventories (\$B)	Dec.*	2,040	0.1	0.0	0.2	2.2
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>	Dec.	-48,880	-43,691	-51,531	-54,117	-60,807
Nonfarm employment (k) <sup>2</sup>	Jan.	152,186	225.0	633.0	1,233	2,052
Unemployment rate (%) <sup>1</sup>	Jan.	3.6	3.5	3.6	3.7	4.0
Consumer price (1982-1984 = 100)	Jan.*	258.8	0.1	0.6	1.1	2.5
<i>Excluding food and energy</i>	Jan.*	266.5	0.2	0.6	1.1	2.3
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	0.2	0.4	0.5	1.3
Export prices (2000 = 100)	Jan.*	125.9	0.7	0.6	-0.2	0.5
Import prices (2000 = 100)	Jan.*	125.0	0.0	0.4	-0.5	0.3

<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)	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>	Jan.*	213.2	195.9	203.8	221.0	202.0
Building permits (\$M)	Dec.*	8,673	7.4	3.3	5.9	-1.8
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>	Dec.	-370	-1,195	-1,235	-870.5	-4,953
<i>Exports (\$M)</i>	Dec.	49,321	1.9	-0.1	-0.5	6.4
<i>Imports (\$M)</i>	Dec.	49,690	0.2	-1.8	-1.5	-3.2
Employment (k) <sup>2</sup>	Jan.	19,159	34.5	2.5	20.2	22.3
Unemployment rate (%) <sup>1</sup>	Jan.	5.5	5.6	5.6	5.7	5.8
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		
	Feb. 14	Feb. 7	-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	2.19	1.75
Treasury bill – 3 months	1.57	1.53	1.53	1.54	1.83	2.38	2.43	1.95	1.49
Treasury bonds – 2 years	1.42	1.40	1.57	1.62	1.48	2.52	2.55	1.84	1.34
– 5 years	1.41	1.40	1.63	1.65	1.41	2.50	2.55	1.83	1.32
– 10 years	1.58	1.58	1.84	1.84	1.54	2.67	2.76	2.01	1.46
– 30 years	2.04	2.04	2.30	2.31	1.99	2.99	3.12	2.47	1.93
S&P 500 index (level)	3,372	3,328	3,330	3,120	2,889	2,776	3,379	2,996	2,743
DJIA index (level)	29,358	29,103	29,348	28,005	25,886	25,883	29,551	26,946	24,815
Gold price (US\$/ounce)	1,583	1,567	1,557	1,467	1,508	1,315	1,587	1,427	1,268
CRB index (level)	172.62	170.12	182.89	181.00	170.41	181.33	189.66	179.08	167.89
WTI oil (US\$/barrel)	51.66	50.32	58.54	57.52	54.87	55.59	66.43	57.41	49.57
<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	1.65	1.64	1.64	1.71	1.64	1.68	1.71	1.66	1.61
Treasury bonds – 2 years	1.49	1.47	1.64	1.54	1.33	1.78	1.79	1.55	1.29
– 5 years	1.37	1.34	1.58	1.48	1.19	1.80	1.82	1.48	1.13
– 10 years	1.36	1.33	1.57	1.48	1.14	1.89	1.94	1.53	1.09
– 30 years	1.49	1.44	1.68	1.62	1.34	2.15	2.20	1.72	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	-0.44	-0.75
Treasury bill – 3 months	0.08	0.11	0.11	0.17	-0.19	-0.70	0.19	-0.30	-0.78
Treasury bonds – 2 years	0.07	0.07	0.07	-0.08	-0.15	-0.74	0.13	-0.29	-0.85
– 5 years	-0.04	-0.06	-0.05	-0.17	-0.22	-0.70	0.00	-0.34	-0.81
– 10 years	-0.22	-0.25	-0.27	-0.36	-0.40	-0.78	-0.19	-0.49	-0.89
– 30 years	-0.55	-0.60	-0.62	-0.69	-0.65	-0.84	-0.52	-0.75	-1.02
S&P/TSX index (level)	17,833	17,655	17,559	17,028	16,150	15,838	17,833	16,608	15,838
Exchange rate (C\$/US\$)	1.3250	1.3312	1.3064	1.3223	1.3272	1.3245	1.3521	1.3250	1.2965
Exchange rate (C\$/€)	1.4367	1.4569	1.4487	1.4614	1.4719	1.4960	1.5199	1.4775	1.4367
<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\$/€)	1.0844	1.0945	1.1090	1.1052	1.1090	1.1295	1.1414	1.1151	1.0842
<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	0.58	0.63	0.73	0.46	1.16	1.31	0.80	0.32
FTSE index (level)	7,409	7,467	7,675	7,303	7,117	7,237	7,687	7,353	7,067
Exchange rate (US\$/£)	1.3044	1.2893	1.3010	1.2901	1.2151	1.2891	1.3339	1.2786	1.2037
<u>Germany</u>									
Bonds – 10 years	-0.40	-0.38	-0.25	-0.33	-0.68	0.10	0.19	-0.28	-0.72
DAX index (level)	13,744	13,514	13,526	13,242	11,563	11,300	13,750	12,430	11,299
<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)	23,688	23,828	24,041	23,303	20,419	20,901	24,084	22,093	20,261
Exchange rate (US\$/¥)	109.75	109.74	110.16	108.75	106.38	110.50	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.