

# WEEKLY NEWSLETTER

## Investors Still Worried about the Coronavirus

### HIGHLIGHTS

- ▶ U.S. housing starts declined in January, but remain very high.
- ▶ United States: The leading indicator rebounds in January.
- ▶ Canada: The total annual inflation rate increased in January.
- ▶ Canada: Retail sales remained virtually unchanged in December.

### A LOOK AHEAD

- ▶ United States: A modest decline in new durable goods orders is expected.
- ▶ Canada: Real GDP is expected to post a very weak advance in the fourth quarter.

### FINANCIAL MARKETS

- ▶ Fears over the coronavirus drive stock markets down.
- ▶ Bonds continue to play their safe haven role.
- ▶ The U.S. dollar remains attractive due to continued heightened concerns about the global economy.

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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

- ▶ After surging 17.7% in December, housing starts declined 3.6% in January. However, this decline is far less steep than what was expected. What's more, the level of housing starts remains very high, at 1,567,000 units compared to the 2019 average of only 1,300,000 units. It seems that the warm weather has once again given new construction a boost. Building permits jumped by 9.2% to 1,551,000 units, their highest level since March 2007.
- ▶ Sales of existing homes fell 1.3% in January after gaining 3.9% in December, down from 5,530,000 to 5,460,000 units. The decrease in January stems from both single-family homes (-1.2%) and condominiums (-1.6%). The declines were recorded in the Western United States, while the other regions saw an increase or stagnation in sales.
- ▶ The Conference Board's U.S. leading indicator rose 0.8% in January after four declines in the last five months of 2019. This is the strongest monthly increase since October 2017. The largest positive contributions stem from the drop in jobless claims, the increase in building permits and the stock market's appreciation. The strength of January's result brought the annualized 3-month and 6-month variations back into positive territory, from -1.4% to +2.5% and from -0.7% to +0.2%, respectively. The annual variation rose from 0.1% to 0.9%.
- ▶ The Philadelphia Federal Reserve's manufacturing index reached 36.7 in February, the highest level since February 2017. The component tied to new orders rose the most. The New York Federal Reserve's Empire manufacturing index also improved in February, rising from 4.8 to 12.9, its highest level since May 2019.

Francis Généreux, Senior economist

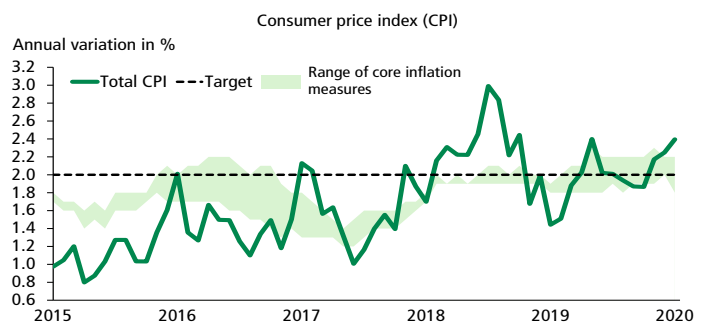
## CANADA

- ▶ Monthly growth by the total consumer price index (CPI) edged above expectations to gain 0.3% in January. The faster-than-anticipated growth by January's total CPI is mainly due to two factors. Air transportation prices were expected to drop more steeply following December's spike. January's pullback trimmed only three quarters of the ground gained. At the same time, prices for motor vehicles and certain foods went up much than usual in January. The total annual inflation rate went from 2.2% to 2.4%.
- ▶ As expected, retail sales were flat in December, with virtually no growth for the month. For the fourth quarter as a whole, the volume of retail sales declined 2.1% (annualized). The decline in retail sales in real terms confirms that consumer spending growth in the fourth quarter will be disappointing. In total, the value of retail sales rose just 1.6% in 2019, the weakest annual increase since 2009.
- ▶ Manufacturing sales fell 0.7% in December, the fourth consecutive monthly decline. In real terms, sales fell 0.4%, while inventories dipped 0.1%. As a result, the weighted change in the volume of sales and inventories was -0.2% for the month, so the negative impact on real GDP growth by industry will not be as steep as it may initially appear.

Benoit P. Durocher, Senior economist

## CANADA

### Total inflation is holding above the median target



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

# Financial Markets

## Fears over the Coronavirus Regain the Upper Hand

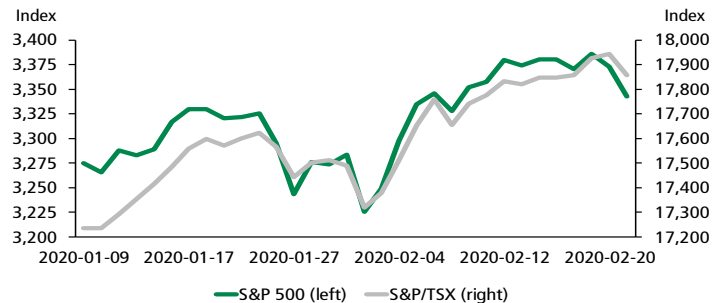
Major stock markets generally lost ground this week. Apple's warning that the coronavirus could prevent it from reaching its targets seemed to draw investors' attention back to this issue. While the status of the epidemic in China is showing some promising signs, the increase in cases in other countries, including Korea and Japan, were a cause for concern for investors, particularly in the last sessions of the week. For much of the week, these concerns were largely offset by fairly encouraging economic data, including a jump in the leading U.S. indicator. However, the decline in stock indexes accelerated Friday morning after the PMI indexes in the United States fell significantly, among other factors.

Until midweek, North American bond yields were rather stable. However, they saw substantial declines Thursday and, especially, Friday morning as investors again fled to safe havens. Gold also took advantage of the situation, jumping close to US\$1,650 an ounce. U.S. and Canadian 10-year federal bond yields therefore slipped back down below 1.50% and 1.30% respectively Friday.

The U.S. dollar had another good week. Fears in many countries, notably due to the consequences associated with the coronavirus, are making the greenback a popular safe haven. The Chinese exchange rate climbed back above 7 yuan/US\$ on the announcement of additional monetary easing measures at the start of the week. The Japanese exchange rate reached ¥112/US\$ in an environment where the Japanese economy is showing signs of weakness and where the Bank of Japan seems more open to easing its monetary policy. The euro stayed mostly below US\$1.08 during the week, but rebounded Friday morning amid encouraging data for the European manufacturing sector. The Canadian dollar held at close to US\$0.755, even though economic data in the country continue to be mixed and the rail blockades are increasing risk.

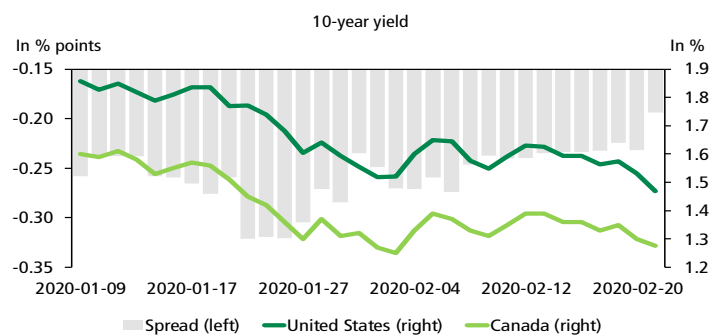
**Mathieu D'Anjou, CFA**, Deputy Chief Economist  
**Hendrix Vachon**, Senior Economist

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



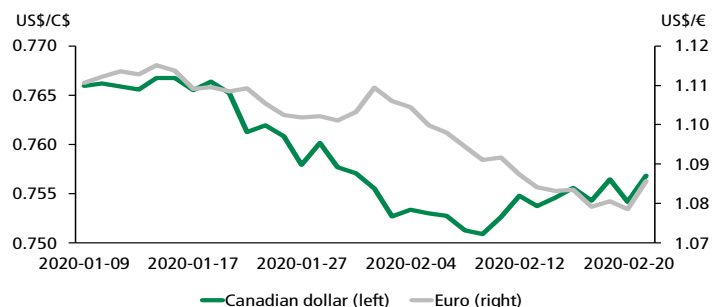
Sources: Datastream and Desjardins, Economic Studies

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



Sources: Datastream and Desjardins, Economic Studies

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



Sources: Datastream and Desjardins, Economic Studies

# A Look Ahead

## TUESDAY February 25 - 9:00

<b>December</b>	<b>y/y</b>
Consensus	2.8%
Desjardins	2.8%
<b>November</b>	<b>2.6%</b>

## TUESDAY February 25 - 10:00

<b>February</b>	
Consensus	132.3
Desjardins	133.0
<b>January</b>	<b>131.6</b>

## WEDNESDAY February 26 - 10:00

<b>January</b>	<b>ann. rate</b>
Consensus	710,000
Desjardins	760,000
<b>December</b>	<b>694,000</b>

## THURSDAY February 27 - 8:30

<b>January</b>	<b>m/m</b>
Consensus	-1.5%
Desjardins	-0.1%
<b>December</b>	<b>2.4%</b>

## FRIDAY February 28 - 8:30

<b>January</b>	<b>m/m</b>
Consensus	0.3%
Desjardins	0.3%
<b>December</b>	<b>0.3%</b>

## UNITED STATES

**S&P/Case-Shiller index of existing home prices (December)** – In November, home prices posted their strongest growth since February 2018, with a monthly gain of 0.5%. Another solid increase is expected for December, a 0.4% gain. This is twice the monthly advance posted in December 2018. This increase would accelerate this index's annual variation from 2.6% to 2.8%.

**Conference Board consumer confidence index (February)** – The Conference Board index was up 3.4 points in January, its sharpest monthly increase since July 2019. Another gain is expected for February, despite fears associated with the coronavirus from China. Moreover, other confidence indexes do not seem to have been affected by the bad news about this epidemic. The TIPP index, the University of Michigan index and the monthly Bloomberg index of household expectations had better readings in February. The stock market increases in recent weeks and the drop in gas prices should also support household sentiment. The Conference Board confidence index should thus rise to 133.0.

**New home sales (January)** – Sales of new single-family homes suffered three successive declines between October and December 2019. However, at 694,000 units annualized, the level in December is 23% higher than one year earlier. What's more, a fairly strong gain is expected in January, suggested by the 6.4% increase in building permits for single-family homes in the same month. Homebuilder confidence and the upswing in loans in view of a purchase are also sending positive signals. All in all, we expect sales of single-family homes to rise to 760,000 units.

**New durable goods orders (January)** – New durable goods orders were surprisingly strong in December, with a much stronger gain than consensus expectations. The 2.4% growth was supported by the military aviation sector. A more lacklustre result is expected in January. Military aviation is expected to get back to normal. In addition, civil aviation will continue to be affected by Boeing's problems, which did not record any new orders in January. The automotive sector should however see a solid increase, based on the industrial production data. Excluding transportation, a modest decline is expected despite the ISM manufacturing index's recovery in January. All in all, new durable goods orders should post a 0.1% decline.

**Consumer spending (January)** – Real consumption was quite weak in December with an uptick of 0.1%, following a 0.3% gain in November. A slightly stronger advance is expected in January. It will be supported by the increase in automobile sales, and to a lesser extent, other durable goods. However, retail sales in January suggest that sales of non-durable goods should come in flat. Very weak growth is also expected on the services side, which will be affected by lower demand for energy due to warmer-than-normal temperatures. All told, a 0.2% increase in real consumption is expected. Growth is expected to be 0.3% in current dollars. The consumer expenditure deflator is expected to tick up 0.1%. The deflator's annual variation is expected to rise from 1.6% to 1.8%, while the core deflator, which excludes food and energy, should rise from 1.6% to 1.7%.

**MONDAY February 24 - 8:30**

<b>December</b>	<b>m/m</b>
Consensus	0.4%
Desjardins	0.9%
<b>November</b>	<b>-1.2%</b>

**THURSDAY February 27 - 8:30**

<b>Q4 2019</b>	<b>\$B</b>
Consensus	-8.91
Desjardins	-8.91
<b>Q3 2019</b>	<b>-9.86</b>

**FRIDAY February 28 - 8:30**

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

**FRIDAY February 28 - 8:30**

<b>Q4 2019</b>	<b>ann. rate</b>
Consensus	0.3%
Desjardins	0.4%
<b>Q3 2019</b>	<b>1.3%</b>

**THURSDAY February 27 - 5:00**
**February**
**THURSDAY February 27**
**CANADA**

**Wholesale sales (December)** – After two months of sharp declines, wholesale sales are expected to pick up in December. The return to normal rail transportation after the November disruptions (Canadian National [CN] employees' strike) should help boost wholesale sales. The increase in merchandise exports recorded in December is a good sign.

**Current account (Q4)** – International merchandise trade figures show that exports declined by 1.2% in the fourth quarter, while imports fell 1.8%. As a result, the balance of trade in goods improved somewhat for the period. This should pave the way for a slight improvement in the current account balance in the fourth quarter.

**Real GDP by industry (December)** – Canada's economy is expected to benefit from a return to normal activity in December, especially in rail transportation, which was impacted by the CN employees' strike in November. However, the results of the various economic indicators are still mixed for the month, suggesting that real GDP growth by industry will remain relatively modest.

**Real GDP (Q4)** – In all likelihood, the monthly variation in real GDP per industry should be in positive territory in December, namely due to the upshot of rail transportation returning to normal following the November disruptions caused by the CN employees' strike. That said, the modest growth in real GDP per industry recorded last fall means that the carryover for the fourth quarter overall is very weak. As such, our most recent scenario calls for real GDP growth of only 0.4% (quarterly annualized) in the fourth quarter. International trade is expected to make a positive contribution to economic growth given that imports declined more sharply than exports for the period. However, the decline in imports does not bode well for domestic demand, which is likely to experience sluggish growth. Not only is consumer spending growth expected to be less robust, but business investment could weaken once again.


**OVERSEAS**


**Euro zone: Confidence indicators (February)** – Most of the confidence indexes for February will be released on Thursday. These indicators have generally improved in recent months, suggesting that growth is stabilizing. The preliminary version of February's consumer confidence index shows an increase after a deterioration in December and stagnation in January. The PMI indexes sent mixed signals in February. Germany's Ifo business climate indexes will be released Monday; they declined in January.

**Japan: Economic indicators** – A number of major indicators for January will be released on Thursday evening. These include retail sales, industrial production, housing starts and the unemployment rate. We will see whether the Japanese economy recovered in early 2020, following the annualized 6.3% drop in real GDP in the last quarter of 2019. That said, the coronavirus outbreak in China is expected to impact Japan's data for February, which will be released in March.

# Economic Indicators

## Week of February 24 to 28, 2020

Day	Hour	Indicator	Period	Consensus		Previous data
<b>UNITED STATES</b>						
<b>MONDAY 24</b>	15:00	Speech of the Cleveland Fed President, L. Mester				
<b>TUESDAY 25</b>	9:00	S&P/Case-Shiller home price index (y/y)	Dec.	2.8%	2.8%	2.6%
	10:00	Consumer confidence	Feb.	132.3	133.0	131.6
	15:15	Speech of a Federal Reserve Vice Chair, R. Clarida				
<b>WEDNESDAY 26</b>	10:00	New home sales (ann. rate)	Jan.	710,000	760,000	694,000
<b>THURSDAY 27</b>	8:30	Initial unemployment claims	Feb. 17-21	212,000	211,000	210,000
	8:30	Durable goods orders (m/m)	Jan.	-1.5%	-0.1%	2.4%
	8:30	Real GDP (ann. rate)	Q4s	2.2%	2.1%	2.1%
	10:00	Pending home sales (m/m)	Jan.	1.9%	n/a	-4.9%
	11:30	Speech of the Chicago Fed President, C. Evans				
<b>FRIDAY 28</b>	8:30	Personal income (m/m)	Jan.	0.3%	0.4%	0.2%
	8:30	Personal consumption expenditures (m/m)	Jan.	0.3%	0.3%	0.3%
	8:30	Personal consumption expenditures deflator				
		Total (m/m)	Jan.	0.1%	0.1%	0.3%
		Excluding food and energy (m/m)	Jan.	0.2%	0.2%	0.2%
		Total (a/a)	Jan.	1.8%	1.8%	1.6%
		Excluding food and energy (y/y)	Jan.	1.7%	1.7%	1.6%
	8:30	Goods trade balance – preliminary (US\$B)	Jan.	-68.4	-68.1	-68.3
	8:30	Retail inventories – preliminary (m/m)	Jan.	n/a	n/a	0.0%
	8:30	Wholesale inventories – preliminary (m/m)	Jan.	n/a	n/a	-0.2%
	9:15	Speech of the St. Louis Fed President, J. Bullard				
10:00	Michigan's consumer sentiment index – final	Feb.	100.8	100.9	100.9	
<b>CANADA</b>						
<b>MONDAY 24</b>	8:30	Wholesale sales (m/m)	Dec.	0.4%	0.9%	-1.2%
	8:30	Wholesale inventories (m/m)	Dec.	n/a	-0.5%	0.4%
<b>TUESDAY 25</b>	12:30	Speech of a Bank of Canada Deputy Governor, T. Lane				
<b>WEDNESDAY 26</b>	---	---				
<b>THURSDAY 27</b>	8:30	Current account balance (\$B)	Q4	-8.91	-8.91	-9.86
	8:30	Capital and Repair Expenditures Survey (2018–2020)				
	8:30	Average weekly earnings (y/y)	Dec.	n/a	3.5%	3.1%
	8:30	Number of salaried employees (m/m)	Dec.	n/a	0.1%	-0.1%
<b>FRIDAY 28</b>	8:30	Real GDP by industry (m/m)	Dec.	0.1%	0.1%	0.1%
	8:30	Real GDP (ann. rate)	Q4	0.3%	0.4%	1.3%
	8:30	Industrial product price index (m/m)	Jan.	n/a	0.1%	0.1%
	8:30	Raw materials price index (m/m)	Jan.	n/a	1.0%	2.8%

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 24 to 28, 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 24</b>								
Germany	4:00	Ifo survey – Business climate	Feb.	95.3		95.9		
Germany	4:00	Ifo survey – Current situation	Feb.	98.6		99.1		
Germany	4:00	Ifo survey – Expectations	Feb.	92.1		92.9		
<b>TUESDAY 25</b>								
Japan	0:00	Leading indicator – final	Dec.	n/a		91.6		
Japan	0:00	Coincident indicator – final	Dec.	n/a		94.7		
Germany	2:00	Real GDP – final	Q4	0.0%	0.4%	0.0%	0.4%	
France	2:45	Business confidence	Feb.	103		104		
France	2:45	Production outlook	Feb.	n/a		-5		
<b>WEDNESDAY 26</b>								
France	2:45	Consumer confidence	Feb.	103		104		
<b>THURSDAY 27</b>								
South Korea	---	Bank of Korea meeting	Feb.	1.25%		1.25%		
Euro zone	4:00	Money supply M3	Jan.		5.3%		5.0%	
Italy	4:00	Consumer confidence	Feb.	111.3		111.8		
Italy	4:00	Economic confidence	Feb.	n/a		99.2		
Euro zone	5:00	Business climate	Feb.	-0.30		-0.23		
Euro zone	5:00	Consumer confidence – final	Feb.	n/a		-6.6		
Euro zone	5:00	Industrial confidence	Feb.	-7.5		-7.3		
Euro zone	5:00	Services confidence	Feb.	11.0		11.0		
Euro zone	5:00	Economic confidence	Feb.	102.6		102.8		
Japan	18:30	Consumer price index – Tokyo	Feb.		0.5%		0.6%	
Japan	18:30	Unemployment rate	Jan.	2.2%		2.2%		
Japan	18:50	Industrial production – preliminary	Jan.	0.2%	-3.1%	1.2%	-3.1%	
Japan	18:50	Retail sales	Jan.	-0.2%	-1.0%	0.2%	-2.6%	
United Kingdom	19:01	Consumer confidence	Feb.	-8		-9		
Japan	23:00	Vehicle production	Dec.		n/a		-9.3%	
<b>FRIDAY 28</b>								
Japan	0:00	Housing starts	Jan.		-5.3%		-7.9%	
United Kingdom	2:00	Nationwide house prices	Feb.	0.4%	2.3%	0.5%	1.9%	
France	2:45	Personal consumption expenditures	Jan.	0.1%	0.3%	-0.3%	2.0%	
France	2:45	Consumer price index – preliminary	Feb.	0.0%	1.4%	-0.4%	1.5%	
France	2:45	Real GDP – final	Q4	-0.1%	0.8%	-0.1%	0.8%	
Euro zone	5:00	Consumer price index – preliminary	Feb.	n/a	1.2%	-1.0%	1.4%	
Italy	5:00	Consumer price index – preliminary	Feb.	n/a	0.6%	0.2%	0.6%	
Germany	8:00	Consumer price index – preliminary	Feb.	0.3%	1.7%	-0.6%	1.7%	
China	20:00	PMI manufacturing index	Feb.	47.4		50.0		
China	20:00	PMI non-manufacturing index	Feb.	50.0		54.1		

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)	Jan.*	112.1	0.8	0.6	0.1	0.9
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>	Jan.*	1,567	1,626	1,340	1,204	1,291
Building permits (k) <sup>1</sup>	Jan.*	1,551	1,420	1,461	1,317	1,316
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>	Jan.*	5,460	5,530	5,410	5,390	4,980
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)	Jan.*	119.4	0.5	0.6	0.8	2.1
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)	Dec.*	56,412	-0.7	-1.7	-2.4	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)	Dec.*	51,648	0.0	0.1	0.7	2.4
<i>Excluding automobiles (\$M)</i>	Dec.*	37,908	0.5	0.7	0.4	2.9
Wholesale trade sales (\$M)	Nov.	63,229	-1.2	-1.6	-1.0	0.6
Commercial surplus (\$M) <sup>1</sup>	Dec.	-369.5	-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)	Jan.*	136.8	0.3	0.1	-0.1	2.4
<i>Excluding food and energy</i>	Jan.*	131.0	0.2	-0.3	-0.2	1.9
<i>Excluding 8 volatile items</i>	Jan.*	134.6	0.4	-0.2	0.1	1.8
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. 21	Feb. 14	-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	2.17	1.75
Treasury bill – 3 months	1.55	1.55	1.51	1.55	1.93	2.41	2.43	1.94	1.49
Treasury bonds – 2 years	1.35	1.42	1.49	1.63	1.52	2.50	2.55	1.82	1.34
– 5 years	1.32	1.41	1.50	1.63	1.41	2.47	2.55	1.80	1.32
– 10 years	1.47	1.59	1.68	1.78	1.53	2.66	2.76	1.99	1.46
– 30 years	1.91	2.04	2.13	2.23	2.02	3.01	3.12	2.45	1.91
S&P 500 index (level)	3,343	3,380	3,295	3,110	2,847	2,793	3,386	3,007	2,743
DJIA index (level)	29,008	29,398	28,990	27,876	25,629	26,032	29,551	27,010	24,815
Gold price (US\$/ounce)	1,642	1,582	1,571	1,466	1,534	1,330	1,642	1,432	1,268
CRB index (level)	174.26	172.96	175.75	180.37	168.61	184.06	189.66	178.92	167.89
WTI oil (US\$/barrel)	52.79	52.05	54.12	57.57	54.10	57.08	66.43	57.34	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	1.63	1.64	1.64	1.66	1.63	1.67	1.71	1.65	1.61
Treasury bonds – 2 years	1.42	1.49	1.49	1.58	1.37	1.78	1.78	1.55	1.29
– 5 years	1.29	1.37	1.39	1.50	1.21	1.79	1.82	1.47	1.13
– 10 years	1.28	1.36	1.36	1.47	1.17	1.89	1.94	1.52	1.09
– 30 years	1.38	1.49	1.49	1.58	1.43	2.14	2.20	1.71	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	-0.42	-0.75
Treasury bill – 3 months	0.08	0.09	0.13	0.11	-0.30	-0.74	0.19	-0.28	-0.78
Treasury bonds – 2 years	0.07	0.07	0.00	-0.05	-0.15	-0.72	0.13	-0.27	-0.85
– 5 years	-0.03	-0.04	-0.11	-0.13	-0.20	-0.68	0.00	-0.33	-0.81
– 10 years	-0.19	-0.23	-0.32	-0.31	-0.36	-0.77	-0.19	-0.48	-0.89
– 30 years	-0.53	-0.55	-0.64	-0.65	-0.59	-0.87	-0.52	-0.74	-1.02
S&P/TSX index (level)	17,857	17,848	17,565	16,955	16,038	16,013	17,944	16,645	15,996
Exchange rate (C\$/US\$)	1.3214	1.3253	1.3144	1.3302	1.3280	1.3137	1.3521	1.3251	1.2965
Exchange rate (C\$/€)	1.4346	1.4355	1.4491	1.4664	1.4800	1.4902	1.5199	1.4762	1.4286
<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\$/€)	1.0857	1.0832	1.1025	1.1024	1.1145	1.1344	1.1414	1.1141	1.0785
<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	0.57	0.63	0.56	0.70	0.50	1.16	1.31	0.78	0.32
FTSE index (level)	7,389	7,409	7,586	7,327	7,095	7,179	7,687	7,358	7,067
Exchange rate (US\$/£)	1.2969	1.3047	1.3078	1.2832	1.2279	1.3054	1.3339	1.2785	1.2037
<u>Germany</u>									
Bonds – 10 years	-0.44	-0.40	-0.37	-0.36	-0.67	0.10	0.19	-0.29	-0.72
DAX index (level)	13,545	13,744	13,577	13,164	11,612	11,458	13,789	12,475	11,347
<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)	23,387	23,688	23,827	23,113	20,711	21,426	24,084	22,131	20,261
Exchange rate (US\$/¥)	111.68	109.76	109.28	108.66	105.41	110.70	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.