

## WEEKLY NEWSLETTER

# It Is the Bank of Canada's Turn to Lower Its Rates to Their Floor and to Start QE

### HIGHLIGHTS

- ▶ United States: Initial unemployment insurance claims reach unseen levels.
- ▶ Bank of Canada: Key rates hit all-time lows.
- ▶ Canada: SME confidence took a nosedive in March.
- ▶ Canada: Wholesale sales rose sharply in January.

### A LOOK AHEAD

- ▶ In March, the United States is expected to post its first month of net job losses since September 2010.
- ▶ United States: Both ISM indexes should fall below 50.
- ▶ United States : A sharp drop in the Conference Board consumer confidence index is expected.
- ▶ Canada: Real GDP by industry should advance in January.
- ▶ Canada: The trade balance likely worsened in February.

### FINANCIAL MARKETS

- ▶ Stock markets bounced back spectacularly, but volatility remains extreme.
- ▶ The central banks are continuing their aggressive actions.
- ▶ The U.S. dollar depreciated against several currencies.

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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

- ▶ There were 3,283,000 initial unemployment insurance claims in the United States during the week ending March 21. These claims are on top of the 282,000 and the 211,000 recorded in the two previous weeks. Almost every state cited the effects of COVID-19 as the reason behind the surge in jobless claims. The services sector—especially accommodations and food services—has been hit particularly hard.
- ▶ New durable goods orders rose 1.2% in February after a modest 0.1% uptick in January. The gain was due to the transportation sector (+4.6%), despite a 0.3% dip in the aviation sector. Auto sector orders advanced 1.8%. Orders excluding transportation fell 0.6%. Taking the second decimal into account, this was the worst drop since May 2016. Declines were also seen in metallurgy, machinery, and computer and communications equipment.
- ▶ Sales of new single-family homes tumbled 4.4% in February to 765,000 units (annualized) after reaching 800,000 units in January (revised from 764,000). Sales were up 14.3% compared to February 2019.
- ▶ As it did in December and January, real consumption rose 0.1% in February. Durable goods consumption fell 0.7%, and the auto sector declined by 1.0%. Non-durable goods consumption was up 0.1%, while consumption of services advanced 0.2%. Real personal disposable income grew 0.4% after jumping 0.5% in January. The total consumption expenditure deflator increased 0.1%, while the deflator that excludes food and energy rose 0.2%. The total deflator's annual variation stayed at 1.8%, while that of the core deflator ticked up from 1.7% to 1.8%.

Francis Généreux, Senior economist

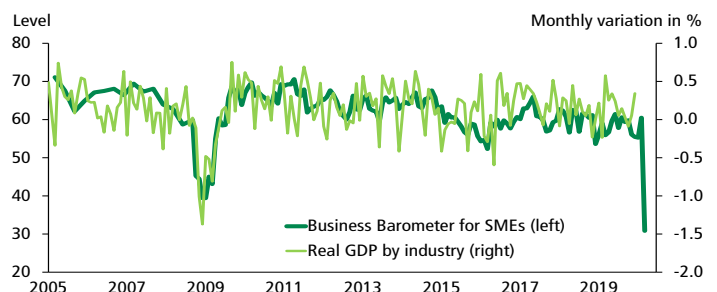
## CANADA

- ▶ The target rate for overnight funds drops from 0.75% to 0.25%. This unscheduled rate decision brings the policy rate to its effective lower bound and is intended to provide support to the Canadian financial system and the economy during the COVID-19 pandemic. Bank of Canada (BoC) launches two new programs today. The Commercial Paper Purchase Program (CPPP) will help to alleviate strains in short-term funding markets and thereby preserve a key source of funding for businesses. The BoC will also begin acquiring Government of Canada securities in the secondary market.
- ▶ The Canadian Federation of Independent Business (CFIB) published the final version of its Business Barometer™ this week. According to the survey, the confidence of Canadian SMEs took a major tumble in March. This suggests a significant drop in real GDP by industry in March. Furthermore, intentions to hire in the short term fell to nearly zero for SMEs, and half plan to institute partial layoffs. All investment projects for SMEs have been suspended, and their orders and client accounts have been depleted.
- ▶ Wholesale sales rose 1.8% in January, well ahead of expectations. In real terms, sales grew 1.7%, while inventories ticked up 0.1%. This brought the combined change in volume of sales and inventories to 0.7%, suggesting that wholesale trade will make a positive contribution to January's real GDP by industry.

Benoit P. Durocher, Senior economist

## CANADA

### The significant drop in SME confidence suggests that real GDP fell sharply in March



Sources: Canadian Federation of Independent Business, Statistics Canada and Desjardins, Economic Studies

# Financial Markets

## Have the Stock Markets Reached Their Bottom?

Volatility remains the watchword on financial markets, but this week it benefited the stock markets. Indices had another difficult session on Monday, as U.S. politicians tried to agree on an economic stimulus plan. The S&P 500 index ended Monday's session down about 34% compared to its February 19 peak. However, encouraging developments concerning the U.S. government's support plan and growing confidence that central banks would manage to avoid a liquidity crisis led to a spectacular rebound in the three days that followed. The Dow Jones even finished Thursday's session up more than 20% over its level on Monday, thereby ending, in principle, the bear market for this index. However, as COVID-19 developments continue to be very worrisome, the stock markets dropped again on Friday.

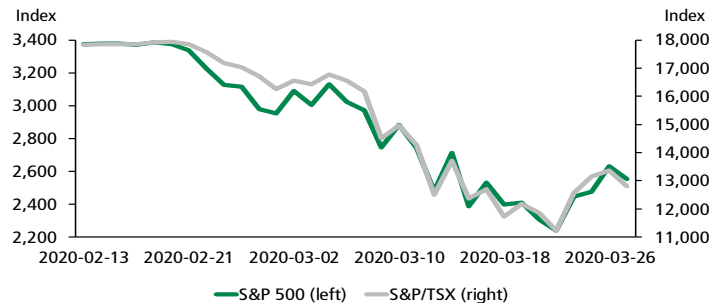
Despite the renewed optimism in the stock markets, bond yields dropped significantly this week. This mainly reflects the unprecedented efforts announced by central banks to support financial markets. The Federal Reserve began the week by announcing a number of measures, including unlimited quantitative easing. For its part, the Bank of Canada (BoC) lowered its key interest rate to 0.25% on Friday, and will begin quantitative easing for the first time. Yields for U.S. 10-year federal bonds fell some 20 basis points this week. Central banks' efforts are also helping reduce credit spreads.

The less tumultuous context on the financial markets resulted in dropping demand for the U.S. dollar, which depreciated against most currencies, including several emerging country currencies. The depreciation was mainly observed during the Wednesday and Thursday sessions. The euro, which was worth about US\$1.07 at the beginning of the week, was trading at over US\$1.10 Friday morning. The European Central Bank's decision to remove restrictions in order to buy more bonds did not penalize the euro. The loonie began the week at around US\$0.69. At the time of writing, it was approximately US\$0.71. The interest rate cut and the securities purchase program announced by the BoC have not had much effect on the loonie, which continues to be influenced mainly by the overall global uncertainty.

**Mathieu D'Anjou, CFA**, Deputy Chief Economist

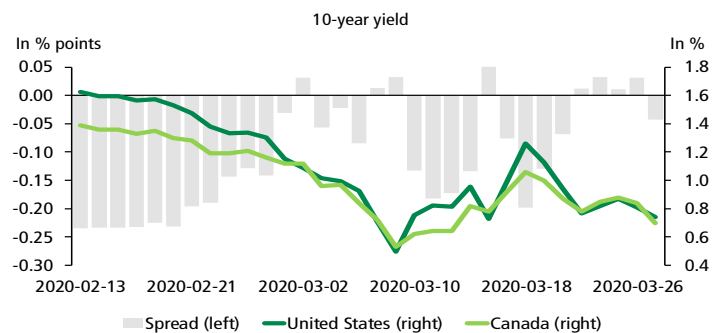
**Hendrix Vachon**, Senior Economist

**GRAPH 1**  
Stock markets



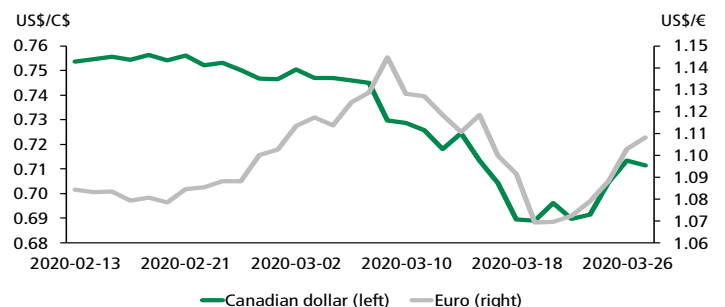
Sources: Datastream and Desjardins, Economic Studies

**GRAPH 2**  
Bond markets



Sources: Datastream and Desjardins, Economic Studies

**GRAPH 3**  
Currency markets



Sources: Datastream and Desjardins, Economic Studies

# A Look Ahead

## TUESDAY March 31 - 10:00

<b>March</b>	
Consensus	110.0
Desjardins	120.0
<b>February</b>	<b>130.7</b>

## WEDNESDAY April 1 - 10:00

<b>March</b>	
Consensus	45.0
Desjardins	46.5
<b>February</b>	<b>50.1</b>

## FRIDAY April 3 - 8:30

<b>March</b>	
Consensus	-100,000
Desjardins	-400,000
<b>February</b>	<b>273,000</b>

## FRIDAY April 3 avril - 10:00

<b>March</b>	
Consensus	45.0
Desjardins	44.0
<b>February</b>	<b>57.3</b>

## UNITED STATES

**Conference Board consumer confidence index (March)** – Last month, the Conference Board confidence index posted its fourth hike in a row after climbing from 126.1 in October to 130.7 in February. However, confidence is expected to be down significantly in March. The COVID-19 crisis and its effects on the financial markets and labour market have without a doubt seriously impacted how households are feeling. That said, the other confidence indicators released to date for March are posting fairly modest variations, whether it's the preliminary version of the University of Michigan index, the TIPP index or the Bloomberg weekly index. Furthermore, the major drop in the price of gasoline is providing a bit of a boost. Nonetheless, the Conference Board confidence index is expected to fall at least 10 points to around 120.0. An even sharper drop is, however, possible; its biggest decline over one month since its release was -23.0 in October 1990.

**ISM manufacturing index (February)** – After five months below the 50 mark between August and December 2019, the ISM manufacturing index has been sitting above the 50 mark since January. Expectations are that it will fall below this threshold in March. The economic impact of COVID-19 is being felt mostly by the services sector, although manufacturing hasn't been completely spared. In fact, several regional manufacturing indicators recorded noteworthy declines in March. The PMI manufacturing index, published by IHS/Markit, declined from 50.7 to 49.2, a rather modest drop. We expect the ISM manufacturing index to go to 46.5.

**Job creation based on business (March)** – The U.S. job market began 2020 on a high note, with 546,000 jobs in total created in the first two months of the year. Moreover, February marks the 113th consecutive month of job growth. However, this positive run has come to an end. Everything indicates that the COVID-19 crisis is painful for the job market, and layoffs have increased significantly in recent weeks. Initial jobless claims first jumped from 212,000 to 282,000 during the week ending March 14, the same one in which the Bureau of Labor Statistics conducted its national employment survey. The record hike from 282,000 to 3,283,000 claims occurred in the week following the survey and will mostly affect April's results. Yet some job losses may have taken effect earlier. Currently, 400,000 net layoffs are expected for March. The jobless rate should go from 3.5% to 4.0%. Hours worked should decline. Still, the monthly variation in wages should accelerate due to averaging, as job losses seem to have mostly occurred in services where the wages are generally lower.

**ISM non-manufacturing index (February)** – The ISM non-manufacturing index rose in February from 55.5 to 57.3. Still, a sharp decline is expected in March. The COVID-19 crisis has hit the services sector particularly hard. Business in several industries, such as food services, hotels and recreational services, suddenly plummeted. Some regional indicators are posting significant declines. Nonetheless, the drop in the household confidence indexes released until now for March is rather modest. The PMI services index published by IHS/Markit fell from 49.4 to 39.1. We expect the ISM non-manufacturing index to slide to 44.0, which would be its lowest level since April 2009.

**TUESDAY March 31 - 8:30**

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

**THURSDAY April 2 - 8:30**

<b>February</b>	<b>\$B</b>
Consensus	n/a
Desjardins	-2.17
<b>January</b>	<b>-1.47</b>

**MONDAY March 30 - 5:00**
**March**

### CANADA

**Real GDP by industry (January)** – Some indicators struggled in January, while others benefited from relatively high growth. This was especially the case for wholesalers, who saw sales volumes increase 1.7%. Now all that remains to be seen is just how much the mild weather in January slowed down growth. Our estimates indicate that real GDP by industry may have grown roughly 0.3% during the month, which would have helped the Canadian economy begin the first quarter on a high note. That said, the explosion of the coronavirus in March will cause significant hardship for the Canadian economy at the end of the quarter.


**International merchandise trade (February)** – International trade will be hit on two fronts in February. On the one hand, commodity prices tumbled 3.8% when corrected for seasonal fluctuations and expressed in Canadian dollars. This should negatively impact the value of exports. On the other hand, the rail transportation disruptions may have seriously slowed down merchandise trade in February. In the end, the international merchandise trade balance is expected to worsen during the month.


### OVERSEAS

**Euro zone: Confidence indicators (March)** – Most of the confidence indexes for March will be released on Monday. These indicators have generally improved in recent months, suggesting that growth is stabilizing. Still, March is expected to see significant declines. The consumer confidence index has already worsened, dropping from -6.6 in February to -14.2 according to the preliminary version for March. Furthermore, the PMI indexes also plummeted in March. Major declines in confidence may be the latest sign of the extent of the economic difficulties that COVID-19 is causing in Europe.

# Economic Indicators

## Week of March 30 to April 3, 2020

Day	Hour	Indicator	Period	Consensus		Previous data
<b>UNITED STATES</b>						
<b>MONDAY 30</b>						
	10:00	Pending home sales (m/m)	February	-2.3%	n/a	5.2%
<b>TUESDAY 31</b>						
	9:00	S&P/Case-Shiller home price index (y/y)	January	3.40%	3.10%	2.85%
	9:45	Chicago PMI index	March	40.0	40.0	49.0
	10:00	Consumer confidence	March	110.0	120.0	130.7
<b>WEDNESDAY 1</b>						
	---	Total vehicle sales (ann. rate)	March	15,000,000	15,000,000	16,830,000
	10:00	Construction spending (m/m)	February	0.6%	0.3%	1.8%
	10:00	ISM manufacturing index	March	45.0	46.5	50.1
<b>THURSDAY 2</b>						
	8:30	Initial unemployment claims	March 23-27	2,500,000	2,500,000	3,283,000
	8:30	Trade balance – Goods and services (US\$B)	February	-39.7	-39.1	-45.3
	10:00	Factory orders (m/m)	February	0.4%	0.6%	-0.5%
<b>FRIDAY 3</b>						
	8:30	Change in nonfarm payrolls	March	-100,000	-400,000	273,000
	8:30	Unemployment rate	March	3.8%	4.0%	3.5%
	8:30	Weekly worked hours	March	34.3	33.8	34.4
	8:30	Average hourly earnings (m/m)	March	0.2%	0.6%	0.3%
	10:00	ISM non-manufacturing index	March	45.0	44.0	57.3
<b>CANADA</b>						
<b>MONDAY 30</b>						
	---	---				
<b>TUESDAY 31</b>						
	8:30	Industrial product price index (m/m)	February	n/a	-0.2%	-0.3%
	8:30	Raw materials price index (m/m)	February	n/a	-2.9%	-2.2%
	8:30	Real GDP by industry (m/m)	January	n/a	0.3%	0.3%
<b>WEDNESDAY 1</b>						
	---	---				
<b>THURSDAY 2</b>						
	8:30	International trade (\$B)	February	n/a	-2.17	-1.47
<b>FRIDAY 3</b>						
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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 Daylight Saving Time (GMT - 4 hours).  Forecast of Desjardins, Economic Studies of the Desjardins Group.

# Economic Indicators

## Week of March 30 to April 3, 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 30</b>								
Euro zone	5:00	Industrial confidence	March	-12.5		-6.1		
Euro zone	5:00	Services confidence	March	-4.8		11.2		
Euro zone	5:00	Economic confidence	March	92.0		103.5		
United Kingdom	19:01	Consumer confidence	March	-15		-7		
Japan	19:30	Unemployment rate	February	2.4%		2.4%		
Japan	19:50	Industrial production – preliminary	February	0.0%	-4.9%	1.0%	-2.3%	
Japan	19:50	Retail sales	February	-1.5%	-1.5%	0.6%	-0.4%	
China	21:00	PMI manufacturing index	March	45.0		35.7		
China	21:00	PMI non-manufacturing index	March	42.0		29.6		
<b>TUESDAY 31</b>								
United Kingdom	---	Nationwide house prices	March	0.0%	2.1%	0.3%	2.3%	
France	2:45	Personal consumption expenditures	February	0.7%	0.0%	-1.1%	-0.9%	
United Kingdom	4:30	Real GDP – final	Q4	0.0%	1.1%	0.0%	1.1%	
Euro zone	5:00	Consumer price index – preliminary	March	0.6%	0.8%	0.2%	1.2%	
Japan	19:50	Tankan large manufacturers index	Q1	-10		0		
Japan	20:30	PMI manufacturing index – final	March	n/a		44.8		
<b>WEDNESDAY 1</b>								
Germany	2:00	Retail sales	February	0.2%	1.5%	0.9%	1.8%	
Italy	3:45	PMI manufacturing index	March	41.0		48.7		
France	3:50	PMI manufacturing index – final	March	42.9		42.9		
Germany	3:55	PMI manufacturing index – final	March	45.5		45.7		
Euro zone	4:00	PMI manufacturing index – final	March	44.7		44.8		
United Kingdom	4:30	PMI manufacturing index – final	March	47.0		48.0		
Euro zone	5:00	Unemployment rate	February	7.4%		7.4%		
<b>THURSDAY 2</b>								
Japan	20:30	PMI composite index – final	March	n/a		35.8		
Japan	20:30	PMI services index – final	March	n/a		32.7		
<b>FRIDAY 3</b>								
Italy	3:45	PMI composite index	March	25.0		50.7		
Italy	3:45	PMI services index	March	22.3		52.1		
France	3:50	PMI composite index – final	March	30.0		30.2		
France	3:50	PMI services index – final	March	29.0		29.0		
Germany	3:55	PMI composite index – final	March	36.8		37.2		
Germany	3:55	PMI services index – final	March	34.3		34.5		
Euro zone	4:00	PMI composite index – final	March	31.4		31.4		
Euro zone	4:00	PMI services index – final	March	28.3		28.4		
United Kingdom	4:30	PMI composite index – final	March	36.0		37.1		
United Kingdom	4:30	PMI services index – final	March	34.8		35.7		
Euro zone	5:00	Retail sales	February	0.1%	1.7%	0.6%	1.7%	

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 Daylight Saving Time (GMT - 4 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	19,222	2.1	2.3	2.3	2.9	2.4
Consumption (2012 \$B)	2019 Q4	13,414	1.8	2.7	2.6	3.0	2.6
Government spending (2012 \$B)	2019 Q4	3,331	2.5	3.0	2.3	1.7	0.7
Residential investment (2012 \$B)	2019 Q4	603.1	6.5	1.7	-1.5	-1.5	3.5
Non-residential investment (2012 \$B)	2019 Q4	2,726	-2.4	-0.4	2.1	6.4	4.4
Business inventory change (2012 \$B) <sup>1</sup>	2019 Q4	13.1	---	---	67.0	48.1	31.7
Exports (2012 \$B)	2019 Q4	2,536	2.1	0.3	0.0	3.0	3.5
Imports (2012 \$B)	2019 Q4	3,437	-8.4	-2.1	1.0	4.4	4.7
Final domestic demand (2012 \$B)	2019 Q4	20,066	1.5	2.3	2.3	3.0	2.5
GDP deflator (2012 = 100)	2019 Q4	113.0	1.3	1.6	1.8	2.4	1.9
Labor productivity (2012 = 100)	2019 Q4	108.2	1.2	1.8	1.9	1.4	1.3
Unit labor cost (2012 = 100)	2019 Q4	111.6	0.9	1.7	1.7	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 Q4	-109.8	---	---	-498.4	-491.0	-439.6

<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)	Feb.	112.1	0.1	0.5	0.3	0.7
ISM manufacturing index <sup>1</sup>	Feb.	50.1	50.9	48.1	48.8	54.1
ISM non-manufacturing index <sup>1</sup>	Feb.	57.3	55.5	53.9	56.0	58.5
Cons. confidence Conference Board (1985 = 100) <sup>1</sup>	Feb.	130.7	130.4	126.8	134.2	131.4
Personal consumption expenditure (2012 \$B)	Feb.*	13,458	0.1	0.3	0.8	3.0
Disposable personal income (2012 \$B)	Feb.*	15,214	0.4	0.8	1.3	2.2
Consumer credit (\$B)	Jan.	4,203	0.3	1.0	2.1	4.4
Retail sales (\$M)	Feb.	528,113	-0.5	0.1	0.2	4.3
<i>Excluding automobiles (\$M)</i>	Feb.	422,110	-0.4	0.6	0.4	4.2
Industrial production (2012 = 100)	Feb.	109.6	0.6	-0.4	-0.2	0.0
Production capacity utilization rate (%) <sup>1</sup>	Feb.	77.0	76.6	77.6	77.8	78.5
New machinery orders (\$M)	Jan.	497,909	-0.5	0.3	-0.4	-0.8
New durable good orders (\$M)	Feb.*	249,409	1.2	4.0	-0.5	-0.1
Business inventories (\$B)	Jan.	2,035	-0.1	-0.3	-0.3	1.1
Housing starts (k) <sup>1</sup>	Feb.	1,599	1,624	1,381	1,375	1,149
Building permits (k) <sup>1</sup>	Feb.	1,452	1,550	1,474	1,425	1,287
New home sales (k) <sup>1</sup>	Feb.*	765.0	800.0	700.0	708.0	669.0
Existing home sales (k) <sup>1</sup>	Feb.	5,770	5,420	5,320	5,430	5,380
Commercial surplus (\$M) <sup>1</sup>	Jan.	-45,338	-48,613	-47,448	-53,173	-53,817
Nonfarm employment (k) <sup>2</sup>	Feb.	152,544	273.0	730.0	1,384	2,409
Unemployment rate (%) <sup>1</sup>	Feb.	3.5	3.6	3.5	3.7	3.8
Consumer price (1982-1984 = 100)	Feb.	259.1	0.1	0.5	1.1	2.3
<i>Excluding food and energy</i>	Feb.	267.1	0.2	0.6	1.1	2.4
Personal cons. expenditure deflator (2012 = 100)	Feb.*	110.8	0.1	0.5	0.8	1.8
<i>Excluding food and energy</i>	Feb.*	112.9	0.2	0.6	0.8	1.8
Producer price (2009 = 100)	Feb.	118.7	-0.6	0.1	0.1	1.3
Export prices (2000 = 100)	Feb.	124.4	-1.1	-0.6	-0.9	-1.3
Import prices (2000 = 100)	Feb.	124.4	-0.5	-0.2	-0.4	-1.2

<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	2019	2018	2017
Gross domestic product (2012 \$M)	2019 Q4	2,100,493	0.3	1.5	1.6	2.0	3.2
Household consumption (2012 \$M)	2019 Q4	1,187,371	2.0	1.7	1.6	2.2	3.7
Government consumption (2012 \$M)	2019 Q4	428,371	1.3	1.5	2.1	3.0	2.3
Residential investment (2012 \$M)	2019 Q4	142,288	1.1	4.2	-0.6	-1.6	2.2
Non-residential investment (2012 \$M)	2019 Q4	182,374	-6.3	1.9	0.0	1.4	3.9
Business inventory change (2012 \$M) <sup>1</sup>	2019 Q4	10,498	---	---	14,693	13,025	17,951
Exports (2012 \$M)	2019 Q4	667,046	-5.1	0.0	1.2	3.1	1.4
Imports (2012 \$M)	2019 Q4	661,345	-2.5	0.3	0.3	2.6	4.2
Final domestic demand (2012 \$M)	2019 Q4	2,081,990	0.7	1.8	1.2	2.1	3.3
GDP deflator (2012 = 100)	2019 Q4	111.3	4.1	3.3	1.9	1.9	2.4
Labour productivity (2012 = 100)	2019 Q4	106.8	-0.5	0.5	0.6	-0.1	2.1
Unit labour cost (2012 = 100)	2019 Q4	110.8	3.9	3.6	2.9	2.4	0.5
Current account balance (\$M) <sup>1</sup>	2019 Q4	-8,757	---	---	-45,388	-55,499	-60,193
Production capacity utilization rate (%) <sup>1</sup>	2019 Q4	81.2	---	---	81.7	83.0	81.5
Disposable personal income (\$M)	2019 Q4	1,309,956	5.2	4.7	4.4	3.8	5.0
Corporate net operating surplus (\$M)	2019 Q4	287,128	1.6	5.8	0.3	2.5	19.9

<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)	Dec.	1,985,301	0.3	0.3	0.5	1.9
Industrial production (2012 \$M)	Dec.	396,531	0.5	-0.3	-1.5	-0.8
Manufacturing sales (\$M)	Jan.	56,096	-0.2	-1.9	-1.7	-1.2
Housing starts (k) <sup>1</sup>	Feb.	210.1	214.0	205.5	225.8	165.7
Building permits (\$M)	Jan.	9,246	4.0	10.5	9.5	11.2
Retail sales (\$M)	Jan.	51,974	0.4	1.8	0.9	3.4
<i>Excluding automobiles (\$M)</i>	Jan.	37,915	-0.1	1.1	0.6	3.3
Wholesale trade sales (\$M)	Jan.*	65,178	1.8	1.7	0.1	3.2
Commercial surplus (\$M) <sup>1</sup>	Jan.	-1,473	-731.5	-1,634	-1,462	-3,796
<i>Exports (\$M)</i>	Jan.	48,136	-2.0	-2.3	-2.3	-0.5
<i>Imports (\$M)</i>	Jan.	49,609	-0.5	-2.5	-2.3	-4.9
Employment (k) <sup>2</sup>	Feb.	19,189	30.3	30.7	12.7	20.4
Unemployment rate (%) <sup>1</sup>	Feb.	5.6	5.5	5.9	5.7	5.8
Average weekly earnings (\$)	Jan.*	1,051	0.6	0.5	2.1	4.0
Number of salaried employees (k) <sup>2</sup>	Jan.*	17,123	64.9	27.5	17.7	24.4
Consumer price (2002 = 100)	Feb.	137.4	0.4	0.7	0.4	2.2
<i>Excluding food and energy</i>	Feb.	132.1	0.8	0.8	0.6	1.9
<i>Excluding 8 volatile items</i>	Feb.	135.5	0.7	0.7	0.8	1.8
Industrial product price (2010 = 100)	Jan.	117.3	-0.3	-0.1	0.0	0.5
Raw materials price (2010 = 100)	Jan.	104.0	-2.2	1.9	-2.1	1.7
Money supply M1+ (\$M)	Jan.	1,084,413	0.0	1.6	4.2	8.2

<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		
	March 27	March 20	-1 month	-3 months	-6 months	-1 year	Higher	Average	Lower
<b>United States</b>									
Federal funds – target	0.25	0.25	1.75	1.75	2.00	2.50	2.50	2.03	0.25
Treasury bill – 3 months	-0.04	0.05	1.25	1.54	1.76	2.35	2.41	1.76	-0.05
Treasury bonds – 2 years	0.27	0.36	0.91	1.59	1.67	2.29	2.43	1.65	0.27
– 5 years	0.42	0.52	0.93	1.67	1.55	2.23	2.40	1.64	0.40
– 10 years	0.74	0.94	1.15	1.87	1.67	2.41	2.59	1.84	0.50
– 30 years	1.32	1.56	1.66	2.31	2.12	2.82	3.00	2.31	1.03
S&P 500 index (level)	2,554	2,305	2,954	3,240	2,962	2,834	3,386	3,002	2,237
DJIA index (level)	21,854	19,174	25,409	28,645	26,820	25,929	29,551	26,790	18,592
Gold price (US\$/ounce)	1,627	1,487	1,587	1,513	1,492	1,296	1,674	1,461	1,268
CRB index (level)	123.86	123.89	159.45	187.18	175.72	183.75	189.66	175.30	120.34
WTI oil (US\$/barrel)	21.62	25.91	47.09	61.74	55.91	60.14	66.43	55.10	16.60
<b>Canada</b>									
Overnight – target	0.25	0.75	1.75	1.75	1.75	1.75	1.75	1.69	0.25
Treasury bill – 3 months	0.45	0.42	1.46	1.66	1.65	1.67	1.71	1.58	0.36
Treasury bonds – 2 years	0.43	0.56	1.14	1.66	1.57	1.55	1.73	1.46	0.43
– 5 years	0.58	0.76	1.07	1.62	1.39	1.52	1.70	1.40	0.52
– 10 years	0.70	0.87	1.12	1.59	1.36	1.62	1.80	1.43	0.53
– 30 years	1.28	1.28	1.30	1.66	1.54	1.90	2.09	1.63	0.71
<u>Spread with the U.S. rate (% points)</u>									
Overnight – target	0.00	0.50	0.00	0.00	-0.25	-0.75	0.50	-0.33	-0.75
Treasury bill – 3 months	0.49	0.37	0.21	0.12	-0.11	-0.68	0.53	-0.18	-0.73
Treasury bonds – 2 years	0.16	0.20	0.23	0.07	-0.10	-0.74	0.31	-0.18	-0.83
– 5 years	0.16	0.24	0.14	-0.05	-0.16	-0.71	0.29	-0.25	-0.81
– 10 years	-0.04	-0.07	-0.03	-0.28	-0.31	-0.79	0.05	-0.40	-0.85
– 30 years	-0.04	-0.28	-0.36	-0.65	-0.58	-0.92	-0.04	-0.67	-0.97
S&P/TSX index (level)	12,800	11,852	16,263	17,168	16,694	16,102	17,944	16,485	11,228
Exchange rate (C\$/US\$)	1.4055	1.4365	1.3399	1.3078	1.3246	1.3346	1.4513	1.3297	1.2965
Exchange rate (C\$/€)	1.5572	1.5363	1.4774	1.4617	1.4490	1.4972	1.5832	1.4777	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\$/€)	1.1081	1.0695	1.1027	1.1177	1.0939	1.1218	1.1449	1.1114	1.0692
<u>United Kingdom</u>									
BoE – Base rate	0.10	0.10	0.75	0.75	0.75	0.75	0.75	0.72	0.10
Bonds – 10 years	0.37	0.49	0.42	0.76	0.42	1.00	1.23	0.71	0.17
FTSE index (level)	5,499	5,191	6,581	7,645	7,426	7,279	7,687	7,242	4,994
Exchange rate (US\$/£)	1.2414	1.1643	1.2821	1.3078	1.2289	1.3033	1.3331	1.2715	1.1487
<u>Germany</u>									
Bonds – 10 years	-0.48	-0.34	-0.61	-0.26	-0.58	-0.07	0.08	-0.35	-0.84
DAX index (level)	9,633	8,929	11,890	13,337	12,381	11,526	13,789	12,380	8,442
<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)	19,389	16,553	21,143	23,838	21,879	21,206	24,084	21,949	16,553
Exchange rate (US\$/¥)	108.05	110.82	108.09	109.43	107.94	110.86	112.19	108.76	102.36

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.