

WEEKLY NEWSLETTER

Inflation Falls into Negative Territory in Canada

HIGHLIGHTS

- ▶ April housing starts and home resales fell in the United States.
- ▶ Canada: Inflation continued to decline in April.
- ▶ Canada: March saw a record drop in retail sales.

A LOOK AHEAD

- ▶ The Conference Board's U.S. consumer confidence index could begin to climb back up in May.
- ▶ United States: A deep contraction in real consumption is expected for April.
- ▶ Canada: Real GDP by industry should pull back about 9% in March.
- ▶ Canada: The first quarter as a whole should end with a 10% annualized decrease in real GDP.

FINANCIAL MARKETS

- ▶ Oil and the stock markets continue to rise.
- ▶ Comments from central bankers and the drop in inflation support the bond market.
- ▶ The Canadian dollar temporarily reached US\$0.72.

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 • 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

- ▶ Housing starts plunged 30.2% in March after decreasing 18.6% in February. Annualized sales went from 1,567,000 units in February to 1,276,000 in March, then down to only 891,000 in April. April's retreat was mostly from multi-unit housing, where housing starts plunged 40.3%, after dropping 23.7% in March. Single-family housing starts pulled back 25.4% in April, after sliding 15.8% the previous month. The drop in housing starts was more severe in the Western (-43.4%) and Northeast United States (-43.6%) than in the South (-26.0%) and Mid-West (-14.9%). Building permits contracted 20.8% in April to 1,074,000 units from an annualized 1,356,000 in March.
- ▶ The NAHB homebuilder confidence index started a modest recovery in May. After plummeting from 72 in March to 30 in April (its lowest point since June 2012), it edged up to 37 in May.
- ▶ The 8.5% decline in sales of existing homes in March was followed by a 17.8% tumble in April, a slightly less steep of a drop than expected. The number of units decreased from 5,270,000 to 4,330,000, the lowest level since summer 2011.
- ▶ Like the Federal Reserve Bank of New York's Empire manufacturing index, the Federal Reserve Bank of Philadelphia's manufacturing index posted an uptick in May, going from -56.6 (the lowest it had been since 1980) to -43.1.
- ▶ The Conference Board's U.S. leading indicator retreated 4.4% in April after falling 7.4% (revised from -6.7%) in March, its sharpest monthly decline since it was created in 1959. The main negative contribution came from hours worked, which shaved 1.8 percentage points off the index. The jobless claims component also made a considerable negative contribution of 1.4 points. Building permits and the ISM index are also having a significant draining effect.
- ▶ New jobless claims continue to decline, although they are still extremely high. They are down to 2,438,000 from 2,687,000.

Francis Généreux, Senior economist

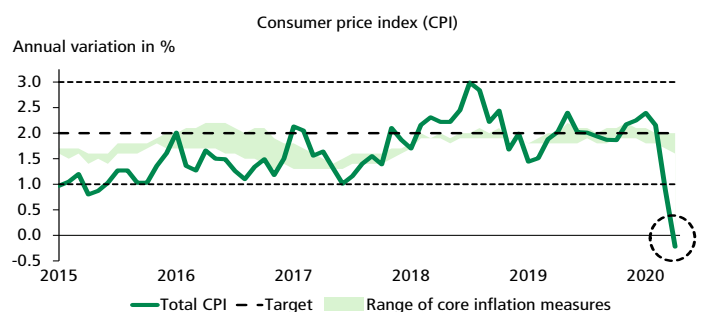
CANADA

- ▶ The total consumer price index (CPI) slipped 0.7% between March and April. The total annual inflation rate fell from +0.9% to -0.2%. As a result, the total annual inflation rate entered negative territory for the first time since the 2008–2009 recession. As was the case in the 2008–2009 recession, the sharp drop in gas prices is mostly behind the disinflation the country is currently experiencing. As for the other CPI components, the measures implemented to stop the spread of COVID-19 have produced different outcomes. For example, clothing and recreation saw prices drop, whereas some food items became more expensive.
- ▶ The value of retail sales slid 10.0% in March. This is the biggest monthly decline since these statistical data were first collected in 1991. As expected, the lockdown measures implemented to combat the spread of COVID-19 have caused a lot of upheaval in retailing. As a result, nearly 40% of retailers had to close their doors in March. Statistics Canada also unveiled the interim results for April, which indicate that the value of total retail sales plunged roughly 15.6%.

Benoit P. Durocher, Senior economist

CANADA

Total inflation drops below zero



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

Financial Markets

A Good Week for the Stock Markets

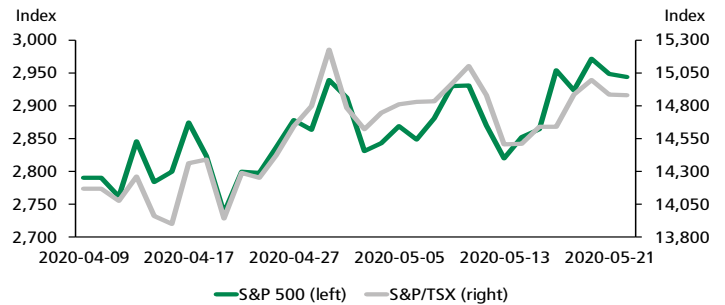
The stock markets continue to rise and fall on a weekly basis. After falling more than 2% during the previous week, the Dow Jones and the S&P 500 index jumped more than 3% during Monday's session, buoyed by encouraging news concerning a possible COVID-19 vaccine. After falling back on Tuesday, the stock markets racked up another major gain on Wednesday, which pushed the S&P 500 index to its highest level in more than two months. The lifting of the lockdown in several countries and the rise in oil prices, with WTI (West Texas Intermediate) closing above US\$33 a barrel for the first time since March 10, have also helped boost the stock markets. Despite a slight dip that followed, against the backdrop of new tensions between China and the United States, the S&P 500 index was heading towards a weekly advance of roughly 3% on Friday morning. The gains in Canada were more limited this week.

Investor optimism on Monday led to a significant increase in U.S. bond yields, especially for longer maturities. However, yields then moved downward to return near levels seen at the end of the previous week. Central bankers in both the United States and Canada continue to signal their intention to support the economic recovery and smooth operation of the markets for a long time. The downward pressure on prices, as inflation in Canada declined into negative territory in April for the first time since 2009, also suggests that interest rates will remain very low.

The optimism on the markets early in the week was reflected in the U.S. dollar's fall against several currencies. Nonetheless, the greenback recovered some of its losses later in the week. The tensions between China and the United States are still tending to push the U.S. currency up. The euro was able to climb back up to the US\$1.10 mark during the week. At the time of writing, however, it was dropping to roughly US\$1.09. The pound sterling rose to nearly US\$1.23 during the week before falling back to below US\$1.22. The Canadian dollar temporarily reached US\$0.72. It remained at more than US\$0.71 on Friday.

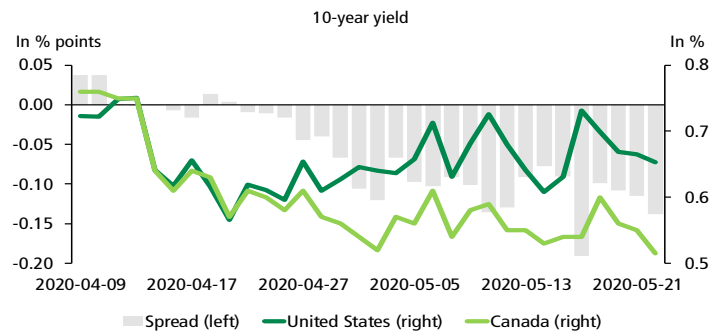
Mathieu D'Anjou, CFA, Deputy Chief Economist
Hendrix Vachon, Senior Economist

GRAPH 1
Stock markets



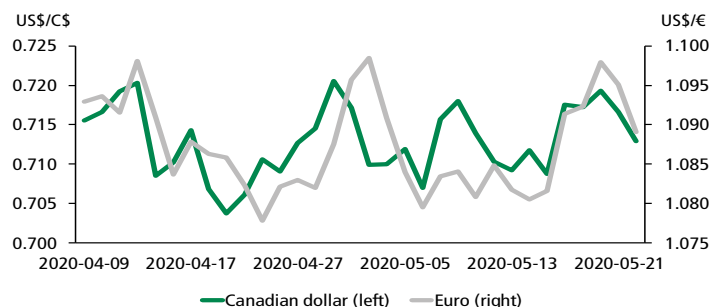
Sources: Datastream and Desjardins, Economic Studies

GRAPH 2
Bond markets



Sources: Datastream and Desjardins, Economic Studies

GRAPH 3
Currency markets



Sources: Datastream and Desjardins, Economic Studies

A Look Ahead

TUESDAY May 26 - 9:00

March	y/y
Consensus	3.4%
Desjardins	3.3%
February	3.5%

TUESDAY May 26 - 10:00

May	
Consensus	87.3
Desjardins	88.5
April	86.9

TUESDAY May 26 - 10:00

April	ann. rate
Consensus	493,000
Desjardins	440,000
March	627,000

THURSDAY May 28 - 8:30

April	m/m
Consensus	-18.0%
Desjardins	-8.6%
March	-14.7%

THURSDAY May 28 - 8:30

Q1 2020 - 2nd est.	ann. rate
Consensus	-4.8%
Desjardins	-4.8%
Q1 2020 - 1st est.	-4.8%

UNITED STATES

S&P/Case-Shiller index of existing home prices (March) – The COVID-19 pandemic has already affected many housing sector indicators since March. It now remains to be seen whether existing home prices have also been affected. In January and February, they were on a fairly decent roll with monthly gains higher than those at the beginning of 2019. While the pandemic affected both the supply of and demand for homes, it is difficult to predict what the net effect on prices will be. A moderation is nonetheless anticipated with a monthly gain of 0.1% in March, which would bring the annual variation in the S&P/Case-Shiller index from 3.5% to 3.3%.

Conference Board consumer confidence index (May) – U.S. consumer confidence is obviously suffering as a result of the current crisis. The effect was most noticeable in April with a tumble of 31.9 points, the worst since monthly data began to be published in 1977. The situation is expected to be more stable in May and even see a slight improvement. On the one hand, job losses seem to be continuing according to new jobless claims. The Bloomberg weekly confidence index is also down. On the other hand, containment measures are gradually being eased in many states. The stock market has been up since mid-April, and other confidence indicators are showing early signs of improvement. This is the case for the University of Michigan and TIPP indexes. The Conference Board confidence index is therefore expected to tick up from 86.9 to 88.5. That said, given the situation, the risks of further deterioration are also very high.

New home sales (April) – Sales of new single-family homes fell 15.4% in March after dropping 4.6% in February. Given that this indicator is fairly volatile, it is clear that this decrease did not reflect the magnitude of the effect that the COVID-19 pandemic had on the new home market. We therefore expect a more drastic decline in April. The 24.3% retreat in building permits for single-family homes in the past month clearly points towards a significant pullback. In addition, just like mortgage applications in view of purchase, the homebuilder confidence index also slumped in April. Single-family home sales should hit just 440,000 units.

New durable goods orders (April) – March new durable goods orders saw their worst monthly decline since August 2014. A large share of the drop comes from fewer civil aircraft orders, which even dipped into negative territory in March (more cancellations than new orders). This sector is still expected to be in bad shape in April. Motor vehicle orders should tumble 35.0% after falling 18.8% in March. Excluding transportation, a 6.0% decrease in orders is anticipated, in line with the weakness in the “new orders” component of the ISM manufacturing index and the contraction in manufacturing reported in April. All in all, a retreat of close to 9% in new durable goods orders is anticipated.

Real GDP (Q1 – preliminary estimate) – The real GDP advance estimate for the first quarter posted an annualized contraction of 4.8%, a little less steep than feared. A big change is not expected when the preliminary estimate is released. However, the data volatility caused by the COVID-19 pandemic and the extent of the health and containment measures introduced in March in the United States could nevertheless vary the movement in GDP for early 2020 from the advance estimate.

FRIDAY May 29 - 8:30

April	m/m
Consensus	-12.8%
Desjardins	-15.5%
March	-7.5%

FRIDAY May 29 - 8:30

March	m/m
Consensus	-9.0%
Desjardins	-9.0%
February	0.0%

FRIDAY May 29 - 8:30

Q1 2020	ann. rate
Consensus	-10.0%
Desjardins	-10.0%
Q4 2019	0.3%

DURING THE WEEK

THURSDAY May 28 - 5:00

May

Consumer spending (April) – Real consumption posted its biggest monthly drop in March since this figure began to be published in 2002 (since 1959 for nominal consumption). An even steeper decline is expected for April, as most of the health and containment measures stretched over nearly the entire month, rather than a week or two in March. New car sales, retail sales and job data all point towards a dramatic drop in consumption. The sharpest decrease should be in durable goods, but non-durable goods (particularly clothing) and services will also be very hard hit. We anticipate a 15.0% drop in real consumption. The contraction should be 15.5% in current dollars. The consumer expenditure deflator is expected to tick down 0.5%. The deflator’s annual variation is expected to fall from 1.3% to just 0.5%, while that of the core deflator, which excludes food and energy, should slide from 1.7% to 1.3%.

CANADA

Real GDP by industry (March) – In an exceptional move, Statistics Canada released a preliminary estimate of real GDP by industry for March on April 15. The many containment measures introduced in mid-March to stop the spread of COVID-19 resulted in a drop in real GDP by industry of about 9% during the month. It goes without saying that some industries will be more affected by the decline, particularly food services, housing, air transportation and some sectors of retail trade. That said, the results released for some economic indicators give us hope that the slump in the economy as a whole might be slightly less pronounced than the Statistics Canada preliminary estimate suggests.

Real GDP (Q1) – Although the first quarter began on a positive note with a cumulative gain in real GDP by industry of 0.2% for January and February, the steep drop anticipated in March will have major negative consequences for the quarterly average. According to our estimates, the first quarter should therefore end with a 10.0% annualized quarterly drop in real GDP. This projection is in line with the preliminary estimate released by Statistics Canada on April 15. The main expectation is a major reduction in household consumption spending and business investment. International trade should, however, contribute positively to the variation in real GDP in the first quarter, as imports took a steeper tumble than exports.


OVERSEAS


Japan: Economic indicators – A number of key indicators for April will be released Thursday evening. These include retail sales, industrial production, housing starts and the unemployment rate. They will shed light on just how hard the Japanese economy has been hit over the past month. We should remember that Japan introduced health and containment measures in February and that the acceleration in COVID-19 cases there was fairly subdued.

Euro zone: Confidence indicators (May) – Confidence indicators deteriorated considerably in the euro zone during the COVID-19 pandemic, particularly in April. However, some glimmers of hope are emerging for May. The PMI indexes have begun a modest recovery and the preliminary version of the consumer confidence index ticked up. It remains to be seen if the other confidence indicators will also take this positive direction. The German Ifo business confidence indexes will be released Monday and the French indicators, for May as well, will be known Tuesday. The second estimate of the euro zone’s real GDP in the first quarter of 2020 will be published Friday.

Economic Indicators

Week of May 25 to 29, 2020

Day	Hour	Indicator	Period	Consensus		Previous data
UNITED STATES						
MONDAY 25	---	Markets closed (Memorial Day)				
TUESDAY 26	9:00	S&P/Case-Shiller home price index (y/y)	March	3.4%	3.3%	3.5%
	10:00	Consumer confidence	May	87.3	88.5	86.9
	10:00	New home sales (ann. rate)	April	493,000	440,000	627,000
WEDNESDAY 27	12:30	Speech of the St. Louis Fed President, J. Bullard				
	14:00	Release of the <i>Beige Book</i>				
THURSDAY 28	8:30	Initial unemployment claims	May 18-22	2,000,000	1,950,000	2,438,000
	8:30	Durable goods orders (m/m)	April	-18.0%	-8.6%	-14.7%
	8:30	Real GDP (ann. rate)	Q1s	-4.8%	-4.8%	-4.8%
	10:00	Pending home sales (m/m)	April	-15.0%	n/a	-20.8%
FRIDAY 29	8:30	Goods trade balance – preliminary (US\$B)	April	-64.8	-55.0	-64.4
	8:30	Personal income (m/m)	April	-6.5%	-2.0%	-2.0%
	8:30	Personal consumption expenditures (m/m)	April	-12.8%	-15.5%	-7.5%
	8:30	Personal consumption expenditures deflator				
		Total (m/m)	April	-0.7%	-0.5%	-0.3%
		Excluding food and energy (m/m)	April	-0.3%	-0.2%	-0.1%
		Total (y/y)	April	0.4%	0.5%	1.3%
		Excluding food and energy (y/y)	April	1.1%	1.3%	1.7%
	8:30	Retail inventories – preliminary (m/m)	April	n/a	n/a	0.9%
	8:30	Wholesale inventories – preliminary (m/m)	April	-0.7%	n/a	-0.8%
	9:45	Chicago PMI index	May	40.0	39.0	35.4
	10:00	Michigan's consumer sentiment index – final	May	74.0	73.7	73.7
	11:00	Speech of the Federal Reserve Chair, J. Powell				
CANADA						
MONDAY 25	15:00	Speech of the Bank of Canada Governor, S. Poloz				
TUESDAY 26	17:00	Speech of the Bank of Canada Senior Deputy Governor, C. Wilkins				
WEDNESDAY 27	---	---				
THURSDAY 28	8:30	Current account balance (\$B)	Q1	-10.15	-10.00	-8.76
	8:30	Average weekly earnings (y/y)	March	n/a	0.9%	3.7%
	8:30	Number of salaried employees (m/m)	March	n/a	-5.5%	-0.2%
FRIDAY 29	8:30	Industrial product price index (m/m)	April	n/a	-2.0%	-0.9%
	8:30	Raw materials price index (m/m)	April	n/a	-17.0%	-15.6%
	8:30	Real GDP by industry (m/m)	March	-9.0%	-9.0%	0.0%
	8:30	Real GDP (ann. rate)	Q1	-10.0%	-10.0%	0.3%

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 May 25 to 29, 2020

Country	Hour	Indicator	Period	Consensus		Previous data		
				m/m (q/q)	y/y	m/m (q/q)	y/y	
OVERSEAS								
MONDAY 25								
Germany	2:00	Real GDP – final	Q1	-2.2%	-2.3%	-2.2%	-2.3%	
Germany	4:00	Ifo survey – Business climate	May	78.6		74.3		
Germany	4:00	Ifo survey – Current situation	May	81.0		79.5		
Germany	4:00	Ifo survey – Expectations	May	75.0		69.4		
TUESDAY 26								
Japan	0:30	All industry activity index	March	-3.9%		-0.6%		
Germany	2:00	Consumer confidence	June	-18.0		-23.4		
France	2:45	Business confidence	May	69		62		
France	2:45	Production outlook	May	n/a		-78		
WEDNESDAY 27								
France	2:45	Consumer confidence	May	92		95		
THURSDAY 28								
South Korea	---	Bank of Korea meeting	May	0.50%		0.75%		
Italy	4:00	Consumer confidence	May	90		n/a		
Italy	4:00	Economic confidence	May	n/a		n/a		
Euro zone	5:00	Consumer confidence – final	May	n/a		-18.8		
Euro zone	5:00	Industrial confidence	May	-25.4		-30.4		
Euro zone	5:00	Services confidence	May	-28.7		-35.0		
Euro zone	5:00	Economic confidence	May	70.6		67.0		
Germany	8:00	Consumer price index – preliminary	May	0.0%	0.7%	0.4%	0.9%	
Japan	19:30	Consumer price index – Tokyo	May		0.1%		0.2%	
Japan	19:30	Unemployment rate	April	2.7%		2.5%		
Japan	19:50	Industrial production – preliminary	April	-5.3%	-10.6%	-3.7%	-5.2%	
Japan	19:50	Retail sales	April	-6.8%	-11.2%	-4.5%	-4.6%	
FRIDAY 29								
United Kingdom	---	Nationwide house prices	May	-1.0%	2.7%	0.7%	3.7%	
Japan	1:00	Consumer confidence	May	21.6		21.6		
Japan	1:00	Housing starts	April		-12.1%		-7.6%	
Germany	2:00	Retail sales	April	-10.0%	-13.0%	-5.6%	-2.8%	
France	2:45	Personal consumption expenditures	April	-15.0%	-30.6%	-17.9%	-18.1%	
France	2:45	Consumer price index – preliminary	May	0.1%	0.3%	0.0%	0.3%	
France	2:45	Real GDP – final	Q1	-5.8%	-5.4%	-5.8%	-5.4%	
Euro zone	4:00	Money supply M3	April		8.0%		7.5%	
Italy	4:00	Real GDP – final	Q1	-4.7%	-4.8%	-4.7%	-4.8%	
Euro zone	5:00	Consumer price index – preliminary	May	-0.1%	0.1%	n/a	0.4%	
Italy	5:00	Consumer price index – preliminary	May	-0.1%	-0.1%	0.1%	0.0%	
SATURDAY 30								
China	21:00	PMI manufacturing index	May	51.0		50.8		
China	21:00	PMI non-manufacturing index	May	53.5		53.2		

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)	2020 Q1	18,988	-4.8	0.3	2.3	2.9	2.4
Consumption (2012 \$B)	2020 Q1	13,153	-7.6	0.4	2.6	3.0	2.6
Government spending (2012 \$B)	2020 Q1	3,337	0.7	2.4	2.3	1.7	0.7
Residential investment (2012 \$B)	2020 Q1	632.6	21.0	7.0	-1.5	-1.5	3.5
Non-residential investment (2012 \$B)	2020 Q1	2,665	-8.6	-3.6	2.1	6.4	4.4
Business inventory change (2012 \$B) ¹	2020 Q1	-16.3	---	---	67.0	48.1	31.7
Exports (2012 \$B)	2020 Q1	2,479	-8.7	-2.9	0.0	3.0	3.5
Imports (2012 \$B)	2020 Q1	3,297	-15.3	-5.8	1.0	4.4	4.7
Final domestic demand (2012 \$B)	2020 Q1	19,791	-5.4	0.4	2.3	3.0	2.5
GDP deflator (2012 = 100)	2020 Q1	113.4	1.3	1.7	1.8	2.4	1.9
Labor productivity (2012 = 100)	2020 Q1	107.6	-2.5	0.3	1.9	1.4	1.3
Unit labor cost (2012 = 100)	2020 Q1	113.0	4.8	1.5	1.7	1.8	2.1
Employment cost index (Dec. 2005 = 100)	2020 Q1	140.0	3.2	2.8	2.7	2.8	2.4
Current account balance (\$B) ¹	2019 Q4	-109.8	---	---	-498.4	-491.0	-439.6

¹ Statistics representing the level during the period; * New statistic in comparison with last week.

UNITED STATES
Monthly economic indicators

	REF. MONTH	LEVEL	VARIATION (%)			
			-1 month	-3 months	-6 months	-1 year
Leading indicator (2016 = 100)	April*	98.8	-4.4	-11.7	-11.3	-11.5
ISM manufacturing index ¹	April	41.5	49.1	50.9	48.5	53.4
ISM non-manufacturing index ¹	April	41.8	52.5	55.5	54.4	55.7
Cons. confidence Conference Board (1985 = 100) ¹	April	86.9	118.8	130.4	126.1	129.2
Personal consumption expenditure (2012 \$B)	March	12,501	-7.3	-6.9	-6.6	-5.0
Disposable personal income (2012 \$B)	March	14,940	-1.7	-0.9	-0.8	0.1
Consumer credit (\$B)	March	4,209	-0.3	0.4	1.4	3.8
Retail sales (\$M)	April*	403,946	-16.4	-23.7	-23.0	-21.6
<i>Excluding automobiles (\$M)</i>	April*	335,414	-17.2	-20.9	-20.1	-18.8
Industrial production (2012 = 100)	April*	92.6	-11.2	-15.2	-15.1	-15.0
Production capacity utilization rate (%) ¹	April*	64.9	73.2	76.7	77.0	77.8
New machinery orders (\$M)	March	444,987	-10.4	-10.6	-10.0	-11.8
New durable good orders (\$M)	March	208,415	-15.3	-13.8	-13.8	-17.3
Business inventories (\$B)	March*	2,013	-0.2	-1.0	-0.9	-0.3
Housing starts (k) ¹	April*	891.0	1,276	1,617	1,340	1,267
Building permits (k) ¹	April*	1,074	1,356	1,536	1,503	1,330
New home sales (k) ¹	March	627.0	741.0	723.0	725.0	693.0
Existing home sales (k) ¹	April*	4,330	5,270	5,420	5,410	5,230
Commercial surplus (\$M) ¹	March	-44,415	-39,810	-48,613	-51,323	-52,689
Nonfarm employment (k) ²	April	131,045	-20,537	-21,167	-20,508	-19,447
Unemployment rate (%) ¹	April	14.7	4.4	3.6	3.6	3.6
Consumer price (1982-1984 = 100)	April	255.9	-0.8	-1.1	-0.5	0.4
<i>Excluding food and energy</i>	April	265.6	-0.4	-0.3	0.2	1.4
Personal cons. expenditure deflator (2012 = 100)	March	110.5	-0.3	0.0	0.5	1.3
<i>Excluding food and energy</i>	March	112.8	-0.1	0.3	0.7	1.7
Producer price (2009 = 100)	April	117.0	-1.3	-2.0	-1.4	-1.0
Export prices (2000 = 100)	April	118.2	-3.3	-6.0	-5.5	-7.0
Import prices (2000 = 100)	April	118.2	-2.6	-5.6	-5.1	-6.8

¹ Statistic shows the level of the month of the column; ² Statistic shows the variation since the reference month; * New statistic in comparison with last week.

CANADA
Quarterly economic indicators

	REF. QUART.	LEVEL	VARIATION (%)		ANNUAL VARIATION (%)		
			Quart. ann.	1 year	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) ¹	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) ¹	2019 Q4	-8,757	---	---	-45,388	-55,499	-60,193
Production capacity utilization rate (%) ¹	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

¹ Statistics representing the level during the period; * New statistic in comparison with last week.

CANADA
Monthly economic indicators

	REF. MONTH	LEVEL	VARIATION (%)			
			-1 month	-3 months	-6 months	-1 year
Gross domestic product (2012 \$M)	Feb.	1,989,994	0.0	0.5	0.5	2.1
Industrial production (2012 \$M)	Feb.	398,320	0.1	0.6	-0.4	0.1
Manufacturing sales (\$M)	March	50,788	-9.2	-9.6	-11.5	-12.7
Housing starts (k) ¹	April	166.4	195.4	218.5	203.1	231.5
Building permits (\$M)	March	7,400	-13.2	-17.1	-13.4	-11.4
Retail sales (\$M)	March*	47,074	-10.0	-9.1	-8.8	-8.4
<i>Excluding automobiles (\$M)</i>	March*	37,860	-0.4	-0.2	0.6	0.7
Wholesale trade sales (\$M)	March*	63,853	-2.2	-0.2	-1.5	-0.3
Commercial surplus (\$M) ¹	March	-1,411	-893.9	-520.6	-1,295	-2,163
<i>Exports (\$M)</i>	March	46,257	-4.7	-5.9	-6.0	-8.8
<i>Imports (\$M)</i>	March	47,668	-3.5	-4.0	-5.6	-9.9
Employment (k) ²	April	16,185	-1,994	-991.4	-494.5	-238.1
Unemployment rate (%) ¹	April	13.0	7.8	5.5	5.6	5.7
Average weekly earnings (\$)	Feb.	1,046	-0.3	0.4	1.3	3.7
Number of salaried employees (k) ²	Feb.	17,046	-35.0	-0.1	2.7	16.2
Consumer price (2002 = 100)	April*	135.7	-0.7	-0.8	-0.7	-0.2
<i>Excluding food and energy</i>	April*	131.8	-0.3	0.6	0.3	1.3
<i>Excluding 8 volatile items</i>	April*	135.1	-0.4	0.4	0.1	1.2
Industrial product price (2010 = 100)	March	115.6	-0.9	-1.8	-1.5	-2.4
Raw materials price (2010 = 100)	March	83.6	-15.6	-21.4	-19.8	-22.7
Money supply M1+ (\$M)	March	1,139,755	3.5	5.5	7.3	13.1

¹ Statistic shows the level of the month of the column; ² Statistic shows the variation since the reference month; * New statistic in comparison with last week.

UNITED STATES, CANADA, OVERSEAS
Major financial indicators

IN % (EXPECTED IF INDICATED)	ACTUAL	PREVIOUS DATA					LAST 52 WEEKS		
	May 22	May 15	-1 month	-3 months	-6 months	-1 year	Higher	Average	Lower
United States									
Federal funds – target	0.25	0.25	0.25	1.75	1.75	2.50	2.50	1.68	0.25
Treasury bill – 3 months	0.11	0.12	0.12	1.53	1.55	2.30	2.33	1.41	-0.05
Treasury bonds – 2 years	0.16	0.15	0.21	1.35	1.63	2.21	2.20	1.32	0.13
– 5 years	0.33	0.31	0.37	1.32	1.63	2.13	2.13	1.35	0.29
– 10 years	0.65	0.63	0.60	1.48	1.78	2.33	2.33	1.55	0.50
– 30 years	1.37	1.31	1.18	1.92	2.23	2.75	2.75	2.06	1.03
S&P 500 index (level)	2,944	2,864	2,837	3,338	3,110	2,826	3,386	2,989	2,237
DJIA index (level)	24,328	23,685	23,775	28,992	27,876	25,586	29,551	26,382	18,592
Gold price (US\$/ounce)	1,736	1,744	1,719	1,642	1,466	1,284	1,746	1,524	1,279
CRB index (level)	128.41	124.75	112.76	174.65	180.37	178.63	187.39	165.76	106.29
WTI oil (US\$/barrel)	32.55	27.56	15.70	53.81	57.57	58.43	63.29	48.63	-37.63
Canada									
Overnight – target	0.25	0.25	0.25	1.75	1.75	1.75	1.75	1.46	0.25
Treasury bill – 3 months	0.24	0.25	0.23	1.63	1.66	1.69	1.71	1.35	0.18
Treasury bonds – 2 years	0.29	0.28	0.33	1.42	1.58	1.56	1.73	1.27	0.27
– 5 years	0.39	0.37	0.43	1.29	1.50	1.50	1.70	1.23	0.36
– 10 years	0.52	0.54	0.58	1.28	1.47	1.61	1.70	1.27	0.52
– 30 years	1.07	1.08	1.18	1.38	1.58	1.87	1.85	1.52	0.71
<u>Spread with the U.S. rate (% points)</u>									
Overnight – target	0.00	0.00	0.00	0.00	0.00	-0.75	0.50	-0.22	-0.75
Treasury bill – 3 months	0.13	0.13	0.11	0.10	0.11	-0.61	0.53	-0.06	-0.66
Treasury bonds – 2 years	0.13	0.13	0.12	0.07	-0.05	-0.65	0.31	-0.05	-0.65
– 5 years	0.06	0.06	0.06	-0.03	-0.13	-0.63	0.29	-0.12	-0.65
– 10 years	-0.14	-0.09	-0.02	-0.20	-0.31	-0.72	0.09	-0.29	-0.74
– 30 years	-0.29	-0.23	0.00	-0.54	-0.65	-0.88	0.06	-0.55	-0.90
S&P/TSX index (level)	14,881	14,639	14,420	17,844	16,955	16,230	17,944	16,160	11,228
Exchange rate (C\$/US\$)	1.4027	1.4110	1.4104	1.3224	1.3302	1.3438	1.4513	1.3394	1.2965
Exchange rate (C\$/€)	1.5278	1.5261	1.5262	1.4341	1.4664	1.5057	1.5832	1.4814	1.4286
Overseas									
<u>Euro zone</u>									
ECB – Refinancing rate	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Exchange rate (US\$/€)	1.0891	1.0816	1.0821	1.0845	1.1024	1.1205	1.1449	1.1063	1.0692
<u>United Kingdom</u>									
BoE – Base rate	0.10	0.10	0.10	0.75	0.75	0.75	0.75	0.62	0.10
Bonds – 10 years	0.17	0.20	0.25	0.57	0.70	0.95	0.95	0.58	0.13
FTSE index (level)	6,002	5,800	5,752	7,404	7,327	7,278	7,687	7,000	4,994
Exchange rate (US\$/£)	1.2189	1.2106	1.2369	1.2971	1.2832	1.2714	1.3331	1.2623	1.1487
<u>Germany</u>									
Bonds – 10 years	-0.49	-0.52	-0.47	-0.43	-0.36	-0.12	-0.14	-0.42	-0.84
DAX index (level)	11,103	10,465	10,336	13,579	13,164	12,011	13,789	12,138	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)	20,388	20,037	19,262	23,387	23,113	21,117	24,084	21,609	16,553
Exchange rate (US\$/¥)	107.50	107.04	107.52	111.59	108.66	109.31	112.13	108.22	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.