

# WEEKLY NEWSLETTER

## New Concerns Slow the Stock Market's Momentum

### HIGHLIGHTS

- ▶ United States: Consumer prices dropped further in May.
- ▶ Consumer confidence is improving slightly in June according to the University of Michigan index.
- ▶ The Federal Reserve will keep key rates at their floor for some time.
- ▶ Canada: Business and government debt rose sharply in the first quarter.
- ▶ Canada: Housing starts rebounded in May.
- ▶ Canada: The industrial capacity utilization rate fell in the first quarter.

### A LOOK AHEAD

- ▶ United States: Retail sales, industrial production and housing starts should all climb in May.
- ▶ Canada: The annual inflation rate should stay around zero in May.
- ▶ Canada: April should see even lower manufacturing and retail sales.

### FINANCIAL MARKETS

- ▶ The U.S. stock markets posted their worst day since March on concern about a spike in COVID-19 cases, among other things.
- ▶ Bond yields wiped out all of last week's increase.
- ▶ The Canadian dollar drops back below US\$0.74.

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# Key Statistics of the Week

## UNITED STATES

- ▶ The Federal Reserve (Fed) has kept the target range for federal funds between 0.00% and 0.25%. The weaknesses anticipated for the economy, the labour market and inflation will likely keep key rates at their current levels for a long time to come. In the most recent forecasts released by the Fed, all 17 participants foresee key rates hovering between 0.00% and 0.25% until the end of 2021.
- ▶ The consumer price index (CPI) dropped 0.1% in May after falling 0.8% in April and 0.4% in March. This is the first time since the plunge in oil prices in late 2014 and early 2015 that the CPI has seen decreases for three months in a row. Energy made another negative contribution, posting a decline of 3.5% in gas prices and a 6.3% drop in fuel oil. Food prices rose sharply again, posting an increase of 0.7%. Excluding food and energy, the core CPI recorded a decrease of 0.1% after falling 0.4% in April and 0.1% in March. This is the first time since this indicator began to be published in 1957 that it has posted three consecutive declines. Clothing, used cars and transportation services were some of the components that were down. The annual variation in the CPI slumped again to just 0.1%. Core inflation, which excludes food and energy, shrank from 1.4% to 1.2%, its lowest level since April 2011.
- ▶ U.S. consumer confidence improved again according to June's preliminary version of the University of Michigan index. This new gain pushed the index up from 72.3 to 78.9. However, this is still a far cry from its 101.1 level posted in February.
- ▶ Among the other price indexes, production climbed 0.4% in May following a 1.3% drop in April. However, excluding food and energy, it dipped 0.1% after a 0.3% decrease the previous month. Import prices (+1.0%) and export prices (+0.5%) also saw gains in May. However, if food and petroleum products are excluded, there were drops of 0.1% in both cases.
- ▶ There were 1,542,000 new jobless claims in the United States during the week ending June 6, down from 1,897,000 claims the previous week. This is the largest weekly drop since early May.

Francis Généreux, Senior economist

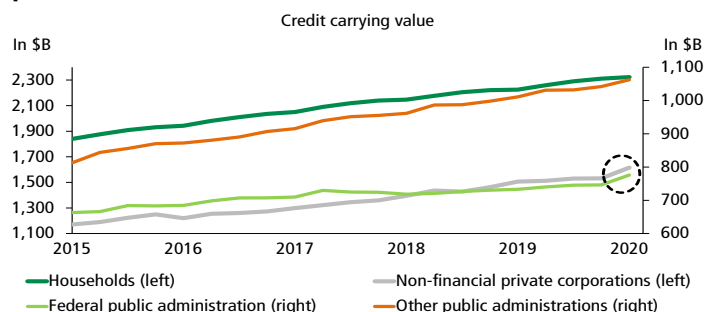
## CANADA

- ▶ The support measures introduced by governments to reduce the adverse effects of COVID-19 upended the snapshot of the country's debt. In the case of households, government measures resulted in their disposable income rising in the first quarter despite the many job losses. This prevented household debt ratio in particular from surging. In the case of businesses, the proposed government aid consisted mostly of loan guarantees. This prompted many businesses to increase their debt in order to access cash and get through the crisis. As a result, non-financial private corporate debt ratio rose significantly in the first quarter of 2020 without hitting the peak noted during the Great Recession of 2008–2009. All of the support measures obviously resulted in public administration debt soaring in the first quarter of 2020.
- ▶ The number of housing starts rebounded in May, jumping from 166,477 to 193,453 units. The bulk of this gain was due to residential construction resuming in Quebec on May 11. Keep in mind that the other provincial governments did not impose lockdown measures on the construction industry, a sector that was deemed essential by many.
- ▶ As forecast, the major slowdown in economic growth seen since March led to a decrease in the industrial capacity utilization rate, which fell from 81.4% in the fourth quarter of 2019 to 79.8% in the first quarter of 2020.

Benoit P. Durocher, Senior economist

## CANADA

### Non-financial corporations and the federal government in particular saw debt rise



Sources: Statistics Canada and Desjardins, Economic Studies

# Financial Markets

## Financial Markets Nervous Again

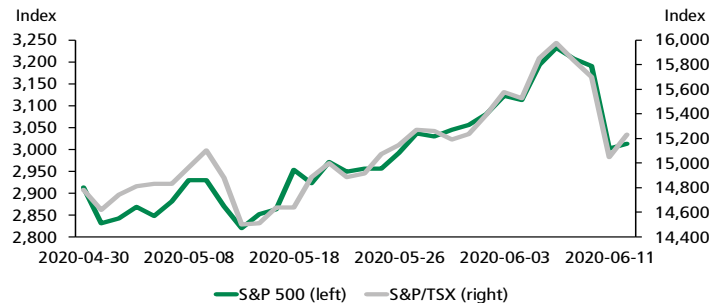
Risk aversion returned after several weeks of solid growth by the stock indexes. The downside movements that started early in the week culminated on Thursday, which posted the worst one-day drop since March's shakeout. The VIX index of market volatility went over 40 points on Thursday and Friday. The more pessimistic outlook for the economy presented at Wednesday's Federal Reserve meeting and a spike in COVID-19 cases in some U.S. states seem to have reminded investors that the current crisis is far from over. Although the markets were on the rise again Friday morning, the movement quickly lost steam. At the time of writing, the Dow Jones and S&P 500 indexes were posting weekly declines of more than 6% and 5% respectively. Canada's S&P/TSX index was not hit as hard, dropping just over 4% for the week, but then it had not risen as much in the last few weeks.

The stronger risk aversion was also reflected in oil prices and the bond markets. The price for a barrel of WTI (West Texas Intermediate) seemed poised to end the week down slightly. For their part, bond yields wiped out all of last week's growth, also signalling expectations for lower interest rates in the years to come. Gold posted a first weekly gain after three weeks of decline.

The drop in risk appetite prompted several currencies to fall against the U.S. dollar, particularly during Thursday's session. Earlier in the week, the trend was still playing against the greenback. At the time of writing, the euro was trading below US\$1.13. It had previously gone above US\$1.14. The pound posted a larger decline of about US\$0.03. It also fell against the euro, with the EUR/GBP pair back at around £0.90 on Friday morning. The Canadian dollar temporarily reached US\$0.75 on Wednesday. It then gave up its advance and was trading below US\$0.74 on Friday.

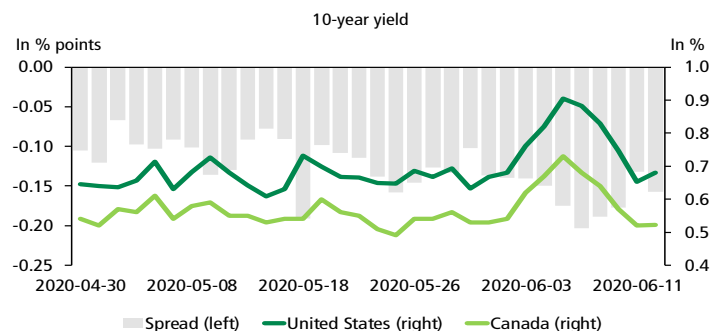
**Hendrix Vachon**, Senior Economist  
**Lorenzo Tessier-Moreau**, Senior Economist

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



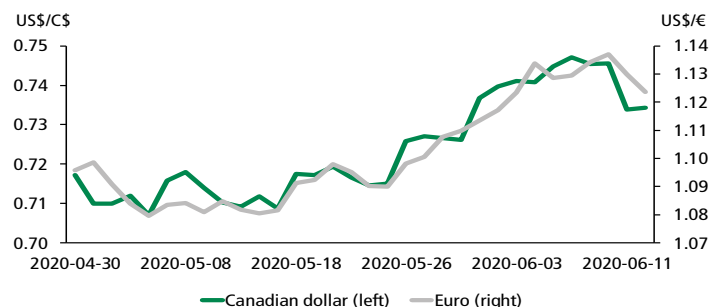
Sources: Datastream and Desjardins, Economic Studies

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



Sources: Datastream and Desjardins, Economic Studies

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



Sources: Datastream and Desjardins, Economic Studies

# A Look Ahead

**TUESDAY June 16 - 8:30**

<b>May</b>	<b>m/m</b>
Consensus	7.7%
Desjardins	9.0%
<b>April</b>	<b>-16.4%</b>

**TUESDAY June 16 - 9:15**

<b>May</b>	<b>m/m</b>
Consensus	2.9%
Desjardins	1.6%
<b>April</b>	<b>-11.2%</b>

**WEDNESDAY June 17 - 8:30**

<b>May</b>	<b>ann. rate</b>
Consensus	1,100,000
Desjardins	1,050,000
<b>April</b>	<b>891,000</b>

**THURSDAY June 18 - 10:00**

<b>May</b>	<b>m/m</b>
Consensus	2.4%
Desjardins	2.3%
<b>April</b>	<b>-4.4%</b>

**MONDAY June 15 - 8:30**

<b>April</b>	<b>m/m</b>
Consensus	-20.0%
Desjardins	-10.5%
<b>March</b>	<b>-9.2%</b>

**WEDNESDAY June 17 - 8:30**

<b>May</b>	<b>m/m</b>
Consensus	0.8%
Desjardins	0.7%
<b>April</b>	<b>-0.7%</b>

## UNITED STATES

**Retail sales (May)** – Following historic declines in March and April, retail sales should finally post an upswing. Firstly, new automobile sales jumped 40.0% in May according to the figures released at the start of the month. Gas station sales are expected to increase as gas prices rose and several states started easing lockdown measures, putting more vehicles on the road than during the low in April. Excluding automobiles and gas, increases are also expected, although perhaps not for retailers that saw surges during the worst of the pandemic, i.e., grocery stores and non-store retailers. Food services are expected to tick up. Other types of businesses probably also saw sales rise, but the gains will be tepid compared with the previous months' weakness. Excluding autos and gas, sales probably increased by nearly 4%. All in all, total retail sales should post an increase of 9.0%.

**Industrial production (May)** – The declines seen in March (-4.5%) and April (-11.2%) were the worst declines ever recorded by this indicator. We expect May to show a start to improvement. As with retail sales, the first push probably came from the automobile sector, where the rebound by hours worked is pointing to a 25% advance by production. The rise will probably be more subdued for other types of manufacturers. There, the increase in hours worked is smaller and, although it is up, the ISM manufacturing index remains well below 50. We expect further declines in mining and energy production. All in all, industrial production is forecast to gain 1.6%.

**Housing starts (May)** – In April, housing starts fell to their lowest point since the winter of 2015; the 30.2% plunge is the steepest since monthly data began to be published in 1959. This activity sector is also forecast to start rising. May saw 65,600 jobs created within residential construction. Moreover, building permits remained higher than housing starts in April, at 1,066,000 units. New home sales even increased in April, while homebuilder confidence ticked up in May. We expect starts to go to 1,050,000 units in May, which is well below the cyclical peak of 1,617,000 units, hit in January.

**Leading indicator (May)** – Hard hit by skyrocketing jobless claims and the drop in hours worked and several other components, the leading indicator fell substantially in March and April. We now expect an increase for May. The main upside contribution will come from the drop in jobless claims. The weekly level should remain high, but the trend is clearly downward. This indicator alone will make a 1.9 percentage point contribution to the leading indicator's monthly growth. The broad majority of the index's other components will also make positive contributions, though smaller. All in all, the leading indicator should be up 2.3%.

## CANADA

**Manufacturing sales (April)** – After dropping 9.2% in March, the pullback by manufacturing sales should steepen in April due to the adverse impacts of COVID-19. The value of merchandise exports also fell 29.7% over the month, with major declines in the automotive, aerospace and petroleum product sectors. That being said, sales for manufacturers of certain essential products, like food and beverages, should be relatively lively. All in all, sales are expected to decline by just over 10% for April.

**Consumer price index (May)** – According to prices at the pump, gas went up about 15.7% in May, which should lead to a contribution of +0.5% to the monthly change in the total consumer price index (CPI). Seasonal adjustments are usually fairly small in May, with an average contribution of +0.1%. Under these circumstances, the total CPI could increase about 0.7% in May. The annual inflation rate should stay around zero, however.

FRIDAY June 19 - 8:30

<b>April</b>	<b>m/m</b>
Consensus	-14.0%
Desjardins	-11.0%
<b>March</b>	<b>-10.0%</b>

SUNDAY June 14 - 22:00

**May**


**Retail sales (April)** – Preliminary figures show that new automobile sales fell 52% in April, similar to March's performance. Seasonally adjusted gas prices are showing a decline of about 20% for April, which is also similar to March. In contrast, we can expect some sectors to remain very lively, particularly food. All in all, retail sales' total value could decline about 11% for April.


### OVERSEAS

**China: Economic indicators (May)** – May's numbers on China's industrial production and retail sales come out Sunday evening. Already, the results for March and April suggest solid growth in economic activity after it was stricken by the COVID-19 pandemic. In April, industrial production was even showing a positive annual change of 3.9%. We will have to wait and see if the improvement persists in May.

# Economic Indicators

## Week of June 15 to 19, 2020

Day	Hour	Indicator	Period	Consensus		Previous data
<b>UNITED STATES</b>						
<b>MONDAY 15</b>	8:30	Empire manufacturing index	June	-30,0	-25,0	-48.5
	12:30	Speech of the San Francisco Fed President, M. Daly				
	16:00	Net foreign security purchases (US\$B)	April	n/a	n/a	-112.6
<b>TUESDAY 16</b>	8:30	Retail sales				
		Total (m/m)	May	7.7%	9.0%	-16.4%
		Excluding automobiles (m/m)	May	5.4%	4.1%	-17.2%
	9:15	Industrial production (m/m)	May	2.9%	1.6%	-11.2%
	9:15	Production capacity utilization rates	May	66.8%	65.8%	64.9%
	10:00	Business inventories (m/m)	April	-0.8%	-1.3%	-0.2%
	10:00	NAHB housing market index	June	44	n/a	37
	Testimony of the Federal Reserve Chair, J. Powell, before a Senate Committee					
16:00	Speech of a Federal Reserve Vice Chair, R. Clarida					
<b>WEDNESDAY 17</b>	8:30	Housing starts (ann. rate)	May	1,100,000	1,050,000	891,000
	8:30	Building permits (ann. rate)	May	1,125,000	1,150,000	1,066,000
	12:00	Testimony of the Federal Reserve Chair, J. Powell, before a House committee				
<b>THURSDAY 18</b>	8:30	Initial unemployment claims	June 8-12	1,300,000	1,200,000	1,542,000
	8:30	Philadelphia Fed index	June	-25.0	-25.0	-43.1
	10:00	Leading indicator (m/m)	May	2.4%	2.3%	-4.4%
<b>FRIDAY 19</b>	8:30	Current account (US\$B)	Q1	-101.5	-100.5	-109.8
	10:15	Speech of the Boston Fed President, E. Rosengren				
<b>CANADA</b>						
<b>MONDAY 15</b>	8:30	Manufacturing sales (m/m)	April	-20.0%	-10.5%	-9.2%
	9:00	Existing home sales	May			
<b>TUESDAY 16</b>	8:30	International transactions in securities (\$B)	April	n/a	5.00	-9.78
<b>WEDNESDAY 17</b>	8:30	Consumer price index				
		Total (m/m)	May	0.8%	0.7%	-0.7%
		Excluding food and energy (m/m)	May	n/a	0.3%	-0.3%
		Total (y/y)	May	0.1%	0.0%	-0.2%
	Excluding food and energy (y/y)	May	n/a	1.1%	1.3%	
<b>THURSDAY 18</b>	8:30	New housing price index (m/m)	May	n/a	0.0%	0.0%
	8:30	Wholesale sales (m/m)	April	-10.6%	-1.7%	-2.2%
	8:30	Wholesale inventories (m/m)	April	n/a	0.2%	0.1%
<b>FRIDAY 19</b>	8:30	Retail sales				
		Total (m/m)	April	-14.0%	-11.0%	-10.0%
	Excluding automobiles (m/m)	April	-7.3%	-5.9%	-0.4%	

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 June 15 to 19, 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 14</b>								
China	22:00	Industrial production	May		5.0%		3.9%	
China	22:00	Retail sales	May		-2.3%		-7.5%	
<b>MONDAY 15</b>								
Japan	0:30	Tertiary industry activity index	April		-7.5%		-4.2%	
Euro zone	5:00	Trade balance (€B)	April		n/a		23.5	
<b>TUESDAY 16</b>								
Japan	---	Bank of Japan meeting	June		-0.10%		-0.10%	
United Kingdom	2:00	ILO unemployment rate	April		4.7%		3.9%	
Germany	2:00	Consumer price index – final	May		-0.1%	0.6%	-0.1%	
Germany	5:00	ZEW survey – Current situation	June		-82.0		-93.5	
Germany	5:00	ZEW survey – Expectations	June		60.0		51.0	
Japan	19:50	Trade balance (¥B)	May		-675.1		-996.3	
<b>WEDNESDAY 17</b>								
Brazil	---	Bank of Brazil meeting	June		2.25%		3.00%	
United Kingdom	2:00	Consumer price index	May		0.0%	0.5%	-0.2%	
United Kingdom	2:00	Producer price index	May		-0.1%	-1.1%	-0.7%	
Euro zone	5:00	Construction	April		n/a	n/a	-14.1%	
Euro zone	5:00	Consumer price index – final	May		-0.1%	0.1%	-0.1%	
<b>THURSDAY 18</b>								
Switzerland	3:30	Swiss National Bank meeting	June		-0.75%		-0.75%	
Italy	4:00	Trade balance (€M)	April		n/a		5,685	
Norway	4:00	Bank of Norway meeting	June		0.00%		0.00%	
United Kingdom	7:00	Bank of England meeting	June		0.10%		0.10%	
Japan	19:30	Consumer price index	May			0.2%	0.1%	
<b>FRIDAY 19</b>								
United Kingdom	2:00	Retail sales	May		6.3%	-16.9%	-18.1%	
Germany	2:00	Producer price index	May		-0.3%	-2.0%	-0.7%	
Euro zone	4:00	Current account (€B)	April		n/a		27.4	
Russia	6:30	Bank of Russia meeting	June		4.75%		5.50%	

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	18,975	-5.0	0.3	2.3	2.9	2.4
Consumption (2012 \$B)	2020 Q1	13,181	-6.8	0.6	2.6	3.0	2.6
Government spending (2012 \$B)	2020 Q1	3,338	0.8	2.4	2.3	1.7	0.7
Residential investment (2012 \$B)	2020 Q1	629.2	18.5	6.4	-1.5	-1.5	3.5
Non-residential investment (2012 \$B)	2020 Q1	2,670	-7.9	-3.4	2.1	6.4	4.4
Business inventory change (2012 \$B) <sup>1</sup>	2020 Q1	-67.2	---	---	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	3,295	-15.5	-5.8	1.0	4.4	4.7
Final domestic demand (2012 \$B)	2020 Q1	19,821	-4.8	0.6	2.3	3.0	2.5
GDP deflator (2012 = 100)	2020 Q1	113.4	1.4	1.7	1.8	2.4	1.9
Labor productivity (2012 = 100)	2020 Q1	108.0	-0.9	0.7	1.9	1.4	1.3
Unit labor cost (2012 = 100)	2020 Q1	113.4	5.1	1.9	1.8	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) <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)	April	98.8	-4.4	-11.7	-11.3	-11.5
ISM manufacturing index <sup>1</sup>	May	43.1	41.5	50.1	48.1	52.3
ISM non-manufacturing index <sup>1</sup>	May	45.4	41.8	57.3	53.9	56.3
Cons. confidence Conference Board (1985 = 100) <sup>1</sup>	May	86.6	85.7	132.6	126.8	131.3
Personal consumption expenditure (2012 \$B)	April	10,923	-13.2	-18.9	-18.4	-17.3
Disposable personal income (2012 \$B)	April	16,967	13.4	11.8	12.7	13.8
Consumer credit (\$B)	April*	4,133	-1.6	-1.3	-0.4	1.8
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 (%) <sup>1</sup>	April	64.9	73.2	76.7	77.0	77.8
New machinery orders (\$M)	April	384,306	-13.0	-22.5	-22.3	-22.3
New durable good orders (\$M)	April	168,723	-17.7	-30.1	-30.2	-29.8
Business inventories (\$B)	March	2,013	-0.2	-1.0	-0.9	-0.3
Housing starts (k) <sup>1</sup>	April	891.0	1,276	1,617	1,340	1,267
Building permits (k) <sup>1</sup>	April	1,066	1,356	1,536	1,503	1,330
New home sales (k) <sup>1</sup>	April	623.0	619.0	774.0	706.0	664.0
Existing home sales (k) <sup>1</sup>	April	4,330	5,270	5,420	5,410	5,230
Commercial surplus (\$M) <sup>1</sup>	April	-49,408	-42,340	-42,042	-43,029	-49,203
Nonfarm employment (k) <sup>2</sup>	May	132,912	2,509	-19,551	-18,902	-17,665
Unemployment rate (%) <sup>1</sup>	May	13.3	14.7	3.5	3.5	3.6
Consumer price (1982-1984 = 100)	May*	255.8	-0.1	-1.3	-0.8	0.2
<i>Excluding food and energy</i>	May*	265.4	-0.1	-0.6	0.0	1.2
Personal cons. expenditure deflator (2012 = 100)	April	110.0	-0.5	-0.6	-0.1	0.5
<i>Excluding food and energy</i>	April	112.4	-0.4	-0.3	0.1	1.0
Producer price (2009 = 100)	May*	117.5	0.4	-1.0	-0.9	-0.8
Export prices (2000 = 100)	May*	119.1	0.5	-4.2	-4.9	-6.0
Import prices (2000 = 100)	May*	119.4	1.0	-3.9	-4.3	-6.0

<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)	2020 Q1	2,057,160	-8.2	-0.9	1.7	2.0	3.2
Household consumption (2012 \$M)	2020 Q1	1,159,845	-9.0	-1.3	1.6	2.2	3.7
Government consumption (2012 \$M)	2020 Q1	424,726	-3.8	0.3	2.1	3.0	2.3
Residential investment (2012 \$M)	2020 Q1	142,323	-0.4	5.3	-0.6	-1.6	2.2
Non-residential investment (2012 \$M)	2020 Q1	181,873	-2.7	-3.2	0.4	1.4	3.9
Business inventory change (2012 \$M) <sup>1</sup>	2020 Q1	-1,994	---	---	15,077	13,025	17,951
Exports (2012 \$M)	2020 Q1	648,615	-11.3	-2.1	1.3	3.1	1.4
Imports (2012 \$M)	2020 Q1	644,158	-10.7	-4.6	0.6	2.6	4.2
Final domestic demand (2012 \$M)	2020 Q1	2,051,942	-6.0	-0.5	1.3	2.1	3.3
GDP deflator (2012 = 100)	2020 Q1	111.7	2.2	2.5	1.9	1.9	2.4
Labour productivity (2012 = 100)	2020 Q1	110.5	14.3	3.6	0.6	-0.1	2.1
Unit labour cost (2012 = 100)	2020 Q1	112.1	4.3	3.8	2.9	2.4	0.5
Current account balance (\$M) <sup>1</sup>	2020 Q1	-11,093	---	---	-47,005	-55,499	-60,193
Production capacity utilization rate (%) <sup>1</sup>	2020 Q1*	79.8	---	---	81.8	83.0	81.5
Disposable personal income (\$M)	2020 Q1	1,319,436	1.7	4.3	4.5	3.8	5.0
Corporate net operating surplus (\$M)	2020 Q1	267,476	-23.7	-3.1	-0.1	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)	March	1,846,869	-7.2	-7.1	-6.8	-5.8
Industrial production (2012 \$M)	March	376,978	-5.2	-5.0	-5.4	-6.1
Manufacturing sales (\$M)	March	50,788	-9.2	-9.6	-11.5	-12.7
Housing starts (k) <sup>1</sup>	May*	193.5	166.5	210.7	204.8	195.9
Building permits (\$M)	April	6,046	-17.1	-35.0	-28.5	-37.0
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) <sup>1</sup>	April	-3,251	-1,526	-1,799	-1,557	-1,332
<i>Exports (\$M)</i>	April	32,658	-29.7	-31.8	-33.6	-35.2
<i>Imports (\$M)</i>	April	35,909	-25.1	-27.7	-29.3	-30.5
Employment (k) <sup>2</sup>	May	16,475	289.6	-905.0	-437.1	-214.7
Unemployment rate (%) <sup>1</sup>	May	13.7	13.0	5.6	5.9	5.4
Average weekly earnings (\$)	March	1,053	0.6	0.8	1.3	3.7
Number of salaried employees (k) <sup>2</sup>	March	16,126	-914.5	-310.8	-148.5	-63.4
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)	April	112.3	-2.3	-4.3	-4.3	-6.0
Raw materials price (2010 = 100)	April	72.4	-13.4	-30.5	-29.1	-36.7
Money supply M1+ (\$M)	April	1,186,022	4.1	9.7	11.1	16.9

<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		
	June 12	June 5	-1 month	-3 months	-6 months	-1 year	Higher	Average	Lower
<b>United States</b>									
Federal funds – target	0.25	0.25	0.25	1.25	1.75	2.50	2.50	1.55	0.25
Treasury bill – 3 months	0.15	0.15	0.12	0.27	1.54	2.15	2.21	1.29	-0.05
Treasury bonds – 2 years	0.19	0.22	0.15	0.49	1.63	1.85	1.90	1.22	0.13
– 5 years	0.32	0.48	0.31	0.78	1.66	1.85	1.88	1.26	0.29
– 10 years	0.68	0.90	0.63	0.95	1.82	2.09	2.12	1.47	0.50
– 30 years	1.42	1.68	1.31	1.57	2.25	2.59	2.64	2.00	1.03
S&P 500 index (level)	3,013	3,194	2,864	2,711	3,169	2,887	3,386	3,004	2,237
DJIA index (level)	25,251	27,111	23,685	23,186	28,135	26,090	29,551	26,403	18,592
Gold price (US\$/ounce)	1,732	1,681	1,744	1,531	1,472	1,350	1,746	1,547	1,339
CRB index (level)	134.08	138.98	124.75	140.84	183.81	174.81	187.39	163.37	106.29
WTI oil (US\$/barrel)	35.88	37.41	27.56	31.50	60.07	52.51	63.29	47.59	-37.63
<b>Canada</b>									
Overnight – target	0.25	0.25	0.25	1.25	1.75	1.75	1.75	1.38	0.25
Treasury bill – 3 months	0.18	0.18	0.25	0.61	1.66	1.67	1.71	1.27	0.17
Treasury bonds – 2 years	0.29	0.35	0.28	0.49	1.66	1.39	1.73	1.21	0.27
– 5 years	0.37	0.52	0.37	0.65	1.59	1.33	1.70	1.17	0.36
– 10 years	0.52	0.73	0.54	0.82	1.58	1.44	1.70	1.21	0.49
– 30 years	1.07	1.31	1.08	1.33	1.68	1.70	1.79	1.48	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	-0.17	-0.75
Treasury bill – 3 months	0.03	0.03	0.13	0.34	0.12	-0.48	0.53	-0.02	-0.55
Treasury bonds – 2 years	0.10	0.13	0.13	0.00	0.03	-0.46	0.31	-0.01	-0.46
– 5 years	0.05	0.04	0.06	-0.13	-0.07	-0.52	0.29	-0.09	-0.52
– 10 years	-0.16	-0.17	-0.09	-0.13	-0.24	-0.65	0.09	-0.26	-0.64
– 30 years	-0.36	-0.37	-0.23	-0.24	-0.57	-0.89	0.06	-0.52	-0.89
S&P/TSX index (level)	15,229	15,854	14,639	13,716	17,003	16,302	17,944	16,116	11,228
Exchange rate (C\$/US\$)	1.3618	1.3426	1.4110	1.3805	1.3168	1.3413	1.4513	1.3406	1.2965
Exchange rate (C\$/€)	1.5302	1.5153	1.5261	1.5332	1.4644	1.5035	1.5832	1.4823	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\$/€)	1.1236	1.1286	1.0816	1.1107	1.1121	1.1209	1.1449	1.1060	1.0692
<u>United Kingdom</u>									
BoE – Base rate	0.10	0.10	0.10	0.25	0.75	0.75	0.75	0.58	0.10
Bonds – 10 years	0.20	0.30	0.20	0.38	0.79	0.85	0.86	0.54	0.12
FTSE index (level)	6,090	6,484	5,800	5,366	7,353	7,346	7,687	6,939	4,994
Exchange rate (US\$/£)	1.2529	1.2665	1.2106	1.2278	1.3327	1.2592	1.3331	1.2614	1.1487
<u>Germany</u>									
Bonds – 10 years	-0.45	-0.27	-0.52	-0.58	-0.30	-0.26	-0.17	-0.43	-0.84
DAX index (level)	11,917	12,848	10,465	9,232	13,283	12,096	13,789	12,142	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)	22,305	22,864	20,037	17,431	24,023	21,117	24,084	21,686	16,553
Exchange rate (US\$/¥)	107.34	109.59	107.04	107.93	109.38	108.57	112.13	108.18	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.