

# WEEKLY NEWSLETTER

## U.S. Economy Showing Positive Signs Post-lockdown

### HIGHLIGHTS

- ▶ United States: Retail sales growth was stronger than expected.
- ▶ Increases in U.S. industrial production and housing starts were relatively modest.
- ▶ Canada: Inflation is still less than zero.
- ▶ Canada: Manufacturing, wholesale and retail sales fell sharply in April.

### A LOOK AHEAD

- ▶ United States: A rebound in real consumption is expected for May, but income should drop.
- ▶ Home sales probably dropped in May in the United States.

### FINANCIAL MARKETS

- ▶ Good news supported the stock markets at the beginning of the week.
- ▶ Optimism hurt the bond markets.
- ▶ The U.S. dollar kept the bulk of last week's gains.

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# Key Statistics of the Week

## UNITED STATES

- ▶ Retail sales jumped 17.7% in May, after dropping 14.7% in April and 8.2% in March. Motor vehicle sales climbed 44.1%, and the value of service station sales increased 12.8%. Excluding motor vehicles and gas, sales increased 12.4%.
- ▶ Industrial production increased 1.4% in May after sliding 12.5% in April and 4.6% in March. Manufacturing output grew 3.8%. Mining activity decreased 6.8%, while energy production retreated 2.3%.
- ▶ Housing starts grew 4.3% in May, after dropping 26.4% in April and 19.0% in March. As a result, annualized sales went from 934,000 units in April to 974,000 in May. This is still far from the cyclical peak of 1 617,000 reached in January. May's increase is almost exclusively from multi-unit housing (+16.9%), with a meagre 0.1% from single-family homes. The hike in building permits was stronger, at 14.4%, going from an annualized 1,066,000 units in April to 1,220,000 in May.
- ▶ The NAHB homebuilder confidence index continued to rise in June. After dropping from 72 in March to 30 in April, it increased to 37 in May, then 58 in June.
- ▶ The results of the first regional manufacturing indexes released for June exceeded expectations. The Federal Reserve Bank of New York's Empire index increased from -48.5 in May to -0.5 in June. For its part, the Federal Reserve Bank of Philadelphia's manufacturing index leaped from -43.1 to +27.5.
- ▶ After record drops of 7.5% in March and 6.1% in April, the Conference Board's U.S. leading indicator jumped 2.8% in May. This is the sharpest monthly increase since its creation in 1959. The main positive contribution came from the drop in initial jobless claims (although they remain high), which provided 1.9 percentage points. Other significant positive contributions came from hours worked, building permits and the stock market. Despite the monthly increase, the variations for 3, 6 or 12 months are all down sharply.

**Francis Généreux**, Senior economist

## CANADA

- ▶ The consumer price index (CPI) rose 0.3% between April and May. Total CPI growth is less than what forecasters, who were expecting an increase of 0.7% in May, had predicted. The gap is mainly due to the basket excluding gas, whose prices have dropped for a second month in a row. The annual variation in the total CPI excluding gas dropped to 0.7% in May, its lowest level since January 2013. The total annual inflation rate went from -0.2% to -0.4%.
- ▶ Retail sales plunged 26.4% between March and April. This is a much steeper decline than the consensus forecast. The cumulative decline since February is 33.6%. Changes in retail sales have been very uneven in the various market segments, with winners and losers (motor vehicle and auto parts dealers, furniture and home furnishings stores, service stations, clothing and accessories stores, and sporting and leisure goods stores). The winning side includes nonstore retailers, whose share of retail purchases reached a historic peak of 9.5% in April.
- ▶ While the adverse effects of the lockdown measures were at their height, manufacturing sales saw a bigger drop than expected with a historic plunge of 28.5% in April. Note that March had ended with a decrease of 9.8%. Major declines were observed in motor vehicle manufacturers in April (-97.5%), auto parts (-88.1%) and oil and coal products (-46.4%). In real terms, sales plunged 26.0% while inventories increased 2.1%.
- ▶ Wholesale sales declined 21.6% in April, also a much more negative result than anticipated. In real terms, sales dropped 14.2% while inventories increased 1.3%. The net effect of wholesale trade on GDP by industry for April will therefore be a bit less negative than that suggested by looking at sales trends alone.

**Benoit P. Durocher**, Senior economist

# Financial Markets

## Good News Is Reviving Market Optimism

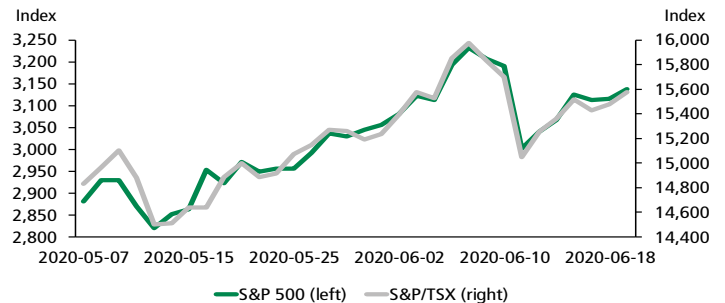
After losing ground last week, the stock markets resumed their uptrend at the beginning of the week. Despite persistent concerns about the evolution of COVID-19, good news—including the major recovery in retail sales in the United States, the announcement by the Federal Reserve that it would make direct corporate bond purchases, and information about a potential U.S. infrastructure investment program of over US\$1,000B—supported the markets. In the United States, the NASDAQ index, which includes mainly technology stocks, performed better than the other indexes, with weekly growth of more than 4.5% on Friday morning, while the S&P 500 and Dow Jones indexes were up about 3.5% and 3.0%, respectively. Canada's S&P/TSX index also underperformed, with weekly growth of 2.2%. The return of optimism on the markets also boosted the price of oil, which is poised to end the week up more than 10%. The production cuts imposed by the expanded Organization of the Petroleum Exporting Countries (OPEC+) seem also to have been observed.

Bond yields will likely end the week a little higher than where they started. The good news early in the week boosted yields on Monday and Tuesday, with the return of an appetite for risk. However, the bond markets won back some of the ground lost in the second half of the week, dragging yields down as a result of concern about the increase in the number of COVID-19 cases in many regions. As expectations linked to the monetary policy status quo appear well anchored, bond yields are quite stable, primarily responding to economic outlooks.

The more pronounced renewed optimism during Monday's session penalized the U.S. dollar against a number of currencies. Thereafter, it resumed a bullish trend, in line with risk appetite that was generally more moderate the rest of the week. Relatively speaking, the fact that good economic news mainly came from the United States likely helped the greenback against the other currencies. At the time of writing, the euro was trading near US\$1.12. The pound was back down to under US\$1.24. In line with the overall trend, the Canadian dollar rose again to US\$0.74 on Monday. It then gave up a bit of its advance and was trading at about US\$0.735 on Friday.

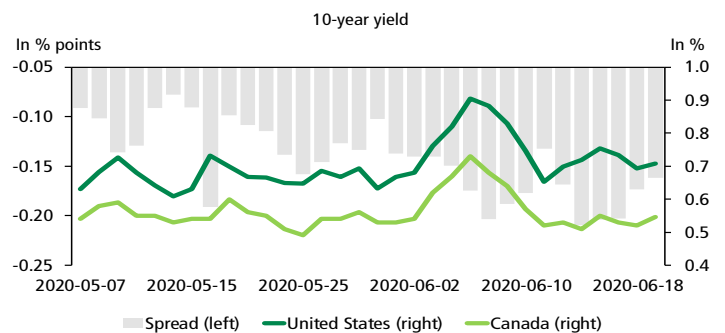
**Hendrix Vachon**, Senior Economist  
**Lorenzo Tessier-Moreau**, Senior Economist

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



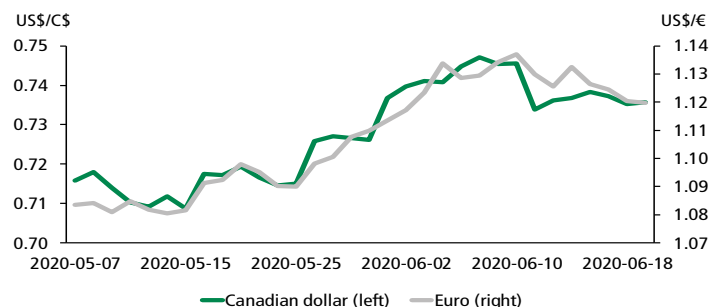
Sources: Datastream and Desjardins, Economic Studies

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



Sources: Datastream and Desjardins, Economic Studies

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



Sources: Datastream and Desjardins, Economic Studies

# A Look Ahead

## MONDAY June 22 - 10:00

May	ann. rate
Consensus	4,120,000
Desjardins	3,800,000
<b>April</b>	<b>4,330,000</b>

## TUESDAY June 23 - 10:00

May	ann. rate
Consensus	630,000
Desjardins	575,000
<b>April</b>	<b>623,000</b>

## THURSDAY June 25 - 8:30

May	m/m
Consensus	10.5%
Desjardins	11.5%
<b>April</b>	<b>-17.7%</b>

## FRIDAY June 26 - 8:30

May	m/m
Consensus	8.9%
Desjardins	7.8%
<b>April</b>	<b>-13.6%</b>

## TUESDAY June 23 - 4:00

June	
Consensus	41.0
<b>May</b>	<b>31.9</b>

## UNITED STATES

**Existing home sales (May)** – Home resales fell 17.8% in April after dropping 8.5% in March. This downward trend does not appear to be over, however. Pending home sales were obviously down in April, 21.8% this time. While April's decline in home sales already likely factors in some of that decrease, this nonetheless points to another drop in May. Regional indications for sale trends also suggest this. Resales are expected to slip below the 4,000,000-unit mark. However, strong growth in mortgage applications in view of purchase in May compared to April shows that there is an upside risk for this forecast.

**New home sales (May)** – New home sales rose in April against all expectations, while most other economic indicators posted steep declines. Sales were therefore up from 619,000 units in March to 623,000 in April. However, we expect to see a drop for May. This is because the sales numbers reflect neither changes in building permits (down 25.0% since February) nor developments in the homebuilder confidence index, which deteriorated considerably. Sales of new single-family homes should hit 575,000 units.

**New durable goods orders (May)** – New durable goods orders tumbled sharply in March (-16.7%) and April (-17.7%). These decreases were exacerbated by the aviation sector, which even saw negative net orders (there were more cancellations than new orders) in those two months. However, solid growth in the transportation sector is expected in May. Aircraft orders could increase slightly (if there are not too many cancellations), and a strong rebound in motor vehicle orders in particular is expected. Excluding transportation, a 2.0% decrease in orders is anticipated, in line with the weak "new orders" component of the ISM manufacturing index, which is still well below the 50-mark, the difference between a decrease or increase in orders. All in all, an 11.5% jump in new durable goods orders is anticipated.


**Consumer spending (May)** – Real consumption plummeted in March (-6.7%) and April (-13.2%). May is expected to see an increase, however. The 40.0% leap in new car sales was the first sign of a rebound in household spending in May. The 12.4% rise in retail sales, excluding motor vehicles and gas, also points to consumption growth. The increase should be higher in durable goods than in non-durable goods. The 29.0% gain in sales from food services indicates strong growth in services. Overall, real consumption is expected to be up 7.8%. Since the consumption expenditure deflator was likely flat in May, the nominal consumption increase should also be 7.8%. After an astounding 10.5% gain in April, personal income should fall 11.1% because it will no longer be padded by the lump sum payments from the federal government's assistance plan.


## OVERSEAS

**Euro zone: PMI index (June – preliminary)** – The euro zone's PMI composite index took a nosedive between February and April, going from 51.6 to just 13.6, an all-time low. The index began to climb back up in May, reaching 31.9. Further improvement is expected in June. This would support the strong economic growth projection for Euroland over the summer after the carnage in the second quarter.

# Economic Indicators

## Week of June 22 to 26, 2020

Day	Hour	Indicator	Period	Consensus		Previous data
<b>UNITED STATES</b>						
MONDAY 22	10:00	Existing home sales (ann. rate)	May	4,120,000	3,800,000	4,330,000
TUESDAY 23	10:00	New home sales (ann. rate)	May	630,000	575,000	623,000
WEDNESDAY 24	12:30	Speech of the Chicago Fed President, C. Evans				
	15:00	Speech of the St. Louis Fed President, J. Bullard				
THURSDAY 25	8:30	Initial unemployment claims	June 15-19	1,300,000	1,200,000	1,508,000
	8:30	Real GDP (ann. rate)	Q1t	-5.0%	-5.0%	-5.0%
	8:30	Durable goods orders (m/m)	May	10.5%	11.5%	-17.7%
	8:30	Goods trade balance – preliminary (US\$B)	May	-68.0	-68.3	-69.7
	8:30	Retail inventories – preliminary (m/m)	May	n/a	n/a	-3.6%
	8:30	Wholesale inventories – preliminary (m/m)	May	n/a	n/a	0.3%
	9:30	Speech of the Dallas Fed President, R. Kaplan				
	11:00	Speech of the Atlanta Fed President, R. Bostic				
FRIDAY 26	8:30	Personal income (m/m)	May	-6.0%	-11.1%	10.5%
	8:30	Personal consumption expenditures (m/m)	May	8.9%	7.8%	-13.6%
	8:30	Personal consumption expenditures deflator				
		Total (m/m)	May	0.0%	0.0%	-0.5%
		Excluding food and energy (m/m)	May	0.0%	0.0%	-0.4%
		Total (y/y)	May	0.5%	0.4%	0.5%
		Excluding food and energy (y/y)	May	1.0%	0.9%	1.0%
	10:00	Michigan's consumer sentiment index – final	June	79.0	78.9	78.9
<b>CANADA</b>						
MONDAY 22	11:00	Speech of the Bank of Canada Governor, T. Macklem				
TUESDAY 23	---	---				
WEDNESDAY 24	---	Holiday in Quebec (National Day)				
THURSDAY 25	8:30	Average weekly earnings (y/y)	April	n/a	3.0%	3.7%
	8:30	Number of salaried employees (m/m)	April	n/a	-12.0%	-5.4%
FRIDAY 26	---	---				

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 22 to 26, 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 22</b>								
Euro zone	10:00	Consumer confidence – preliminary	June	-15.0		-18.8		
Japan	20:30	PMI composite index – preliminary	June	n/a		27.8		
Japan	20:30	PMI manufacturing index – preliminary	June	n/a		38.4		
Japan	20:30	PMI services index – preliminary	June	n/a		26.5		
<b>TUESDAY 23</b>								
France	3:15	PMI composite index – preliminary	June	47.0		32.1		
France	3:15	PMI manufacturing index – preliminary	June	46.0		40.6		
France	3:15	PMI services index – preliminary	June	44.8		31.1		
Germany	3:30	PMI composite index – preliminary	June	44.3		32.3		
Germany	3:30	PMI manufacturing index – preliminary	June	41.5		36.6		
Germany	3:30	PMI services index – preliminary	June	41.6		32.6		
Euro zone	4:00	PMI composite index – preliminary	June	41.0		31.9		
Euro zone	4:00	PMI manufacturing index – preliminary	June	43.8		39.4		
Euro zone	4:00	PMI services index – preliminary	June	40.5		30.5		
United Kingdom	4:30	PMI composite index – preliminary	June	41.0		30.0		
United Kingdom	4:30	PMI manufacturing index – preliminary	June	45.0		40.7		
United Kingdom	4:30	PMI services index – preliminary	June	39.0		29.0		
New Zealand	22:00	Reserve Bank of New Zealand meeting	June	0.25%		0.25%		
<b>WEDNESDAY 24</b>								
Japan	1:00	Leading indicator – final	April	n/a		76.2		
Japan	1:00	Coincident indicator – final	April	n/a		81.5		
France	2:45	Business confidence	June	73		59		
France	2:45	Production outlook	June	n/a		-49		
Germany	4:00	Ifo survey – Business climate	June	85.0		79.5		
Germany	4:00	Ifo survey – Current situation	June	84.0		78.9		
Germany	4:00	Ifo survey – Expectations	June	86.0		80.1		
<b>THURSDAY 25</b>								
Japan	0:30	All industry activity index	April	-6.6%		-3.8%		
Germany	2:00	Consumer confidence	July	-11.5		-18.9		
Mexico	14:00	Bank of Mexico meeting	June	5.00%		5.50%		
Japan	19:30	Consumer price index – Tokyo	June		0.3%		0.4%	
<b>FRIDAY 26</b>								
France	2:45	Consumer confidence	June	95		93		
Euro zone	4:00	Money supply M3	May		8.6%		8.3%	
Italy	5:00	Consumer confidence	June	96.8		94.3		
Italy	5:00	Economic confidence	June	n/a		51.1		

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 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>	2020 Q1*	-104.2	---	---	-480.2	-449.7	-365.3

<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)	May*	99.8	2.8	-10.7	-10.6	-10.6
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)	May*	485,545	17.7	-7.9	-7.5	-6.1
<i>Excluding automobiles (\$M)</i>	May*	386,924	12.4	-8.3	-7.5	-6.6
Industrial production (2012 = 100)	May*	92.6	1.4	-15.4	-15.9	-15.3
Production capacity utilization rate (%) <sup>1</sup>	May*	64.8	64.0	76.8	77.6	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)	April*	1,981	-1.3	-2.1	-2.4	-2.2
Housing starts (k) <sup>1</sup>	May*	974.0	934.0	1,567	1,371	1,268
Building permits (k) <sup>1</sup>	May*	1,220	1,066	1,438	1,510	1,338
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)	April*	36,365	-28.5	-34.8	-36.4	-37.1
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)	April*	34,724	-26.4	-33.4	-32.0	-32.5
<i>Excluding automobiles (\$M)</i>	April*	29,614	-22.0	-22.1	-21.0	-21.3
Wholesale trade sales (\$M)	April*	49,817	-21.6	-23.4	-22.3	-23.4
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)	May*	136.1	0.3	-0.9	-0.2	-0.4
<i>Excluding food and energy</i>	May*	131.5	-0.2	-0.5	0.4	0.6
<i>Excluding 8 volatile items</i>	May*	135.0	-0.1	-0.4	0.3	0.7
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 19	June 12	-1 month	-3 months	-6 months	-1 year	Higher	Average	Lower
<b>United States</b>									
Federal funds – target	0.25	0.25	0.25	0.25	1.75	2.50	2.50	1.51	0.25
Treasury bill – 3 months	0.15	0.16	0.12	0.05	1.55	2.07	2.21	1.25	-0.05
Treasury bonds – 2 years	0.19	0.19	0.17	0.36	1.63	1.78	1.90	1.19	0.13
– 5 years	0.33	0.33	0.33	0.52	1.73	1.81	1.88	1.23	0.29
– 10 years	0.71	0.70	0.65	0.94	1.92	2.07	2.12	1.45	0.50
– 30 years	1.48	1.45	1.36	1.56	2.35	2.59	2.64	1.98	1.03
S&P 500 index (level)	3,138	3,041	2,955	2,305	3,221	2,950	3,386	3,007	2,237
DJIA index (level)	26,182	25,606	24,465	19,174	28,455	26,719	29,551	26,396	18,592
Gold price (US\$/ounce)	1,744	1,734	1,736	1,487	1,477	1,393	1,748	1,554	1,393
CRB index (level)	138.82	134.32	129.53	123.89	185.04	178.52	187.39	162.60	106.29
WTI oil (US\$/barrel)	40.04	36.34	34.22	25.91	60.44	57.28	63.29	47.28	-37.63
<b>Canada</b>									
Overnight – target	0.25	0.25	0.25	0.75	1.75	1.75	1.75	1.35	0.25
Treasury bill – 3 months	0.19	0.18	0.25	0.42	1.66	1.67	1.71	1.24	0.17
Treasury bonds – 2 years	0.30	0.28	0.29	0.56	1.65	1.43	1.73	1.18	0.27
– 5 years	0.38	0.37	0.37	0.76	1.63	1.37	1.70	1.15	0.36
– 10 years	0.55	0.53	0.51	0.87	1.61	1.48	1.70	1.20	0.49
– 30 years	1.03	1.06	1.06	1.28	1.66	1.72	1.79	1.47	0.71
<u>Spread with the U.S. rate (% points)</u>									
Overnight – target	0.00	0.00	0.00	0.50	0.00	-0.75	0.50	-0.16	-0.75
Treasury bill – 3 months	0.04	0.02	0.13	0.37	0.11	-0.40	0.53	-0.01	-0.55
Treasury bonds – 2 years	0.11	0.09	0.12	0.20	0.02	-0.35	0.31	-0.01	-0.42
– 5 years	0.06	0.04	0.04	0.24	-0.10	-0.44	0.29	-0.08	-0.48
– 10 years	-0.16	-0.17	-0.14	-0.07	-0.31	-0.59	0.09	-0.25	-0.62
– 30 years	-0.46	-0.39	-0.30	-0.28	-0.69	-0.87	0.06	-0.51	-0.88
S&P/TSX index (level)	15,574	15,257	14,914	11,852	17,118	16,525	17,944	16,096	11,228
Exchange rate (C\$/US\$)	1.3592	1.3586	1.3996	1.4365	1.3148	1.3223	1.4513	1.3411	1.2965
Exchange rate (C\$/€)	1.5220	1.5292	1.5258	1.5363	1.4567	1.5032	1.5832	1.4829	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\$/€)	1.1197	1.1256	1.0902	1.0695	1.1079	1.1368	1.1449	1.1060	1.0692
<u>United Kingdom</u>									
BoE – Base rate	0.10	0.10	0.10	0.10	0.75	0.75	0.75	0.57	0.10
Bonds – 10 years	0.24	0.15	0.13	0.49	0.79	0.85	0.86	0.52	0.12
FTSE index (level)	6,293	6,105	5,993	5,191	7,582	7,408	7,687	6,917	4,994
Exchange rate (US\$/£)	1.2369	1.2542	1.2166	1.1643	1.3004	1.2742	1.3331	1.2611	1.1487
<u>Germany</u>									
Bonds – 10 years	-0.42	-0.44	-0.49	-0.34	-0.25	-0.29	-0.17	-0.43	-0.84
DAX index (level)	12,356	11,949	11,074	8,929	13,319	12,340	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)	22,479	22,305	20,388	16,553	23,817	21,259	24,084	21,707	16,553
Exchange rate (US\$/¥)	106.87	107.36	107.63	110.82	109.45	107.32	112.13	108.16	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.