

WEEKLY NEWSLETTER

The Bank of Canada Maintains Its Strong Support to the Economy

HIGHLIGHTS

- ▶ U.S. inflation continues to climb.
- ▶ The Bank of Canada leaves its key rates at their effective lower bound.
- ▶ Canada: Household debt is improving, while public administration loans have risen sharply.
- ▶ Canada: The industrial capacity utilization rate has fallen to a historic low.
- ▶ Canada: Housing starts remain high.

A LOOK AHEAD

- ▶ United States: Monthly increases in retail sales, industrial production and housing starts should be more modest.
- ▶ Canada: Manufacturing and retail sales should continue to climb.
- ▶ Canada: The total annual inflation rate could rise from 0.1% to 0.4%.

FINANCIAL MARKETS

- ▶ The volatility of technology stocks once again caused major fluctuations on U.S. stock markets.
- ▶ Oil ended the week down by almost 10%.
- ▶ The pound sterling was once again penalized by Brexit uncertainty.

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Key Statistics of the Week

UNITED STATES

- ▶ The consumer price index (CPI) rose 0.4% in August after seeing two consecutive increases of 0.6% in June and July. Energy prices helped push the CPI up further, but gas price hikes were more restrained than in the previous two months. Food prices ticked up 0.1% following a 0.4% drop in July. Excluding food and energy, the core CPI was also up 0.4% after gaining 0.6% in July. Used car prices saw a big jump (+5.6%). Clothing prices posted another increase (+0.6%) after strong gains in July (+1.1%) and June (+1.7%). These improvements have made up for some of the significant drops seen during the worst of the COVID-19 crisis. The annual change in total CPI went from 1.0% in July to 1.3% in August. Core inflation, which excludes food and energy, inched up from 1.6% to 1.7%.
- ▶ Among the other price indexes, production prices climbed 0.3% in August following a 0.6% gain in July and 0.2% drop in June. The index excluding food and energy rose 0.3%, as it did the two previous months.
- ▶ New jobless claims in the United States remained stable last week at 884,000, marking an end to three straight weeks of improvements. Moreover, if we take into account the emergency assistance granted by the federal government, new claims are even slightly on the rise.
- ▶ Consumer credit grew by US\$12.2B in July, the second consecutive monthly gain, bringing the total increase to US\$23.6B. This followed a drop of US\$95.8B between February and May.

Francis Généreux, Senior economist

CANADA

- ▶ On Wednesday, the Bank of Canada (BoC) announced that it would keep its target for the overnight rate at its effective lower bound of 0.25%. With the agreement made by monetary authorities in July to keep their key interest rates at their lower bound for several more quarters, Wednesday's decision hadn't generated much suspense. The BoC also reiterated its intention to continue its quantitative easing program.
- ▶ According to the national balance sheet data released by Statistics Canada, household debt slowed sharply right in the middle of the lockdown, that is, in the second quarter. Financial flows from loans on the household credit market totalled just +\$0.9B in the second quarter, compared to the previous quarter's +\$26.0B. This slowdown stems from a \$21.5B decline in consumer credit and other non-mortgage loans. By contrast, mortgage credit rose \$22.3B, a result slightly higher than in the previous quarter (+\$21.7B). Combined with the record increase in disposable income noted in the second quarter, this fostered a considerable drop in household debt. The ratio of credit market debt to disposable income therefore slid to 158.21% from 175.37%. From a national standpoint, however, this improvement was offset by a steep increase in government debt.
- ▶ The industrial capacity utilization rate fell from 79.8% in the first quarter to 70.3% in the second quarter, its lowest level since this historical data began to be collected in 1987. This major decline is obviously due to the lockdown, as many businesses had to temporarily close or slow down their operations.
- ▶ Contrary to all expectations, the number of housing starts continued to grow in August, reaching 262,396 units, compared with 245,425 in July. That figure is very high, historically speaking. Clearly, the housing market is still going strong in Canada as the economy continues to reopen. In addition, the low number of listings for existing properties on the market has likely encouraged some buyers to opt for new construction.

Benoit P. Durocher, Senior economist

Financial Markets

A Second Weekly Loss in a Row for Stock Markets

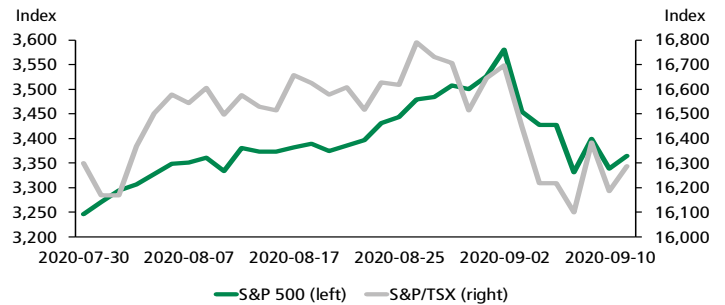
The extraordinary increase in technology stocks this summer seems to have resulted in investors cashing in their profits in the last two weeks. Even though the NASDAQ index plunged almost 10.0% in less than two weeks, it is still 12.0% above its pre-pandemic peak. The trend was especially up and down this week, with rebounds on Wednesday and Friday. The indexes that are sensitive to the information technology sector like the NASDAQ and the S&P 500 index respectively dropped 3.0% and 2.0% over the week. The Canadian S&P/TSX index was up slightly Friday morning. The week was also marked by a major drop in oil prices of 10.0% on the prospect of a more negative outlook for global fuel demand.

The greater pessimism impacted the bond market, as interest rates on long-term North American bonds were down again. Yields on 10-year bonds stood at 0.68% in the United States and 0.56% in Canada, a weekly decrease of 4.6 basis points and 2.9 basis points respectively.

The U.S. dollar continued to appreciate slightly against most other currencies early in the week, trending down thereafter. Despite the European Central Bank's more dovish tone, the euro managed to rise above US\$1.18. The pound sterling suffered more, settling at around US\$1.28 on Friday. The British currency was penalized by the uncertainty surrounding Brexit, in particular the Northern Ireland issue, which has returned to the fore. On Tuesday, the Canadian dollar fell to nearly US\$0.755. Wednesday's session was kinder to it, but it was not enough to make up for ground lost previously. The loonie was more stable the rest of the week and was still trading at less than US\$0.76 at the time of writing.

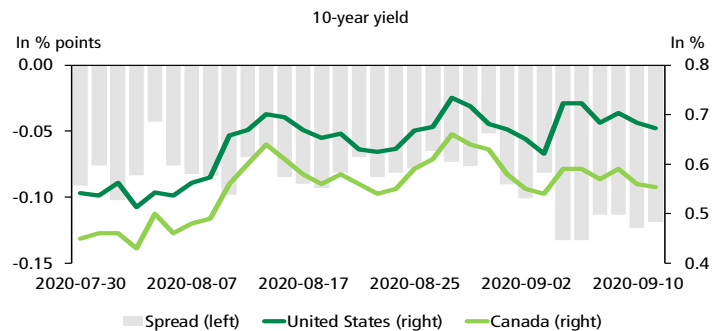
Hendrix Vachon, Senior Economist
Lorenzo Tessier-Moreau, Senior Economist

GRAPH 1
Stock markets



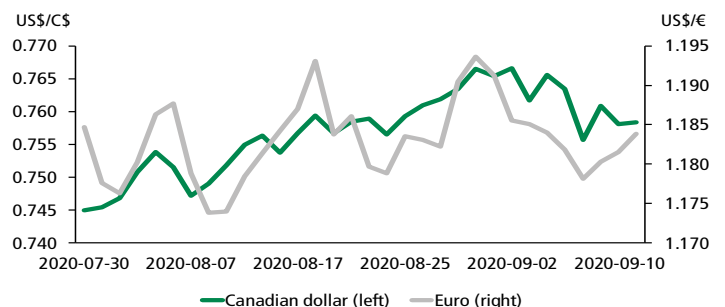
Sources: Datastream and Desjardins, Economic Studies

GRAPH 2
Bond markets



Sources: Datastream and Desjardins, Economic Studies

GRAPH 3
Currency markets



Sources: Datastream and Desjardins, Economic Studies

A Look Ahead

TUESDAY September 15 - 9:15

August	m/m
Consensus	1.0%
Desjardins	0.3%
July	3.0%

WEDNESDAY September 16 - 8:30

August	m/m
Consensus	1.0%
Desjardins	0.4%
July	1.2%

WEDNESDAY September 16 - 14:00

September	
Consensus	0.25%
Desjardins	0.25%
July 29	0.25%

THURSDAY September 17 - 8:30

August	ann. rate
Consensus	1,485,000
Desjardins	1,500,000
July	1,496,000

FRIDAY September 18 - 10:00

August	m/m
Consensus	1.3%
Desjardins	1.4%
July	1.4%

UNITED STATES

Industrial production (August) – Industrial production has risen since the 16.6% tumble taken between February and April. July's 3.0% gain followed increases of 5.8% in June and 0.9% in May. This upward trend is expected to have calmed in August. In manufacturing, job growth was fairly subdued last month. Hours worked in the auto sector even decreased after the sharp growth posted in previous months. This sign is offset by the surge by the ISM index; however, manufacturing output likely recorded an increase of just 0.7%. Mining is expected to show a solid gain, while energy production likely pulled back. All in all, industrial production is forecast to gain 0.3%.

Retail sales (August) – Against all expectations, by July, retail sales had already gone higher than they were prior to the declines seen in March and April. In July, total sales were 1.7% higher than they were in February. The rapid comeback is no doubt bolstered by having met some of the demand pent up in previous months. That said, the monthly movement by sales is expected to be more subdued. The decrease in the federal bonification to unemployment insurance and waning of the impact of amounts given to households during the crisis should also have a hand in slowing personal purchases. Autos and food services are expected to tick up about 1%. Service station sales could show faster, 2.0% growth. Excluding these components, growth could be almost flat or slightly negative. Overall, retail sales are expected to gain 0.4%.

Federal Reserve meeting (September) – Following its many announcements at the start of the COVID-19 crisis, the Federal Reserve (Fed) is now surfing with the existing programs. It would be astounding for it to diverge from its current path or make major announcements at Wednesday's meeting. Moreover, at the end of August, it released the conclusions of its reflection on its long-term objectives and the conduct of monetary policy. They showed that the Fed wants to have more wiggle room for its monetary policy decisions. It should therefore not announce anything really specific. Primarily, it should use the meeting to provide a snapshot of the economy and table its growth forecasts.

Housing starts (May) – Housing starts plunged 40.4% from February to April, then bounced back 60.2%. In July, however, they remained lower than they were at the start of the year. Housing starts are still expected to be relatively stable in August. After three months of strong growth, the change in the number of jobs in homebuilding was fairly modest in August. Building permits were also slightly lower than housing starts in July. On the other hand, new home sales shot up in July, while homebuilder confidence continued to improve. All in all, housing starts are expected to go to 1,500,000 units.

Leading indicator (May) – The leading indicator surged by 1.4% in July. This remains slower than the two straight 3.2% increases recorded in May and June. Another 1.4% gain is forecast for August. The main contribution will come from the drop in jobless claims.

FRIDAY September 18 - 10:00
September

Consensus 75.0

Desjardins 75.0

August 74.1
TUESDAY September 15 - 8:30
July m/m

Consensus n/a

Desjardins 8.7%

June 20.7%
WEDNESDAY September 16 - 8:30
August m/m

Consensus n/a

Desjardins 0.1%

July 0.0%
FRIDAY September 18 - 8:30
July m/m

Consensus n/a

Desjardins 0.7%

June 23.7%
MONDAY September 14 - 5:00
July m/m

Consensus 4.0%

June 9.1%
University of Michigan consumer confidence index (September – preliminary) –

U.S. household confidence sent mixed signals this summer. After improving following the pandemic-triggered collapse, the main confidence indexes have stopped gaining in the last few months. The University of Michigan index edged up in August, but remains lower than it was in June. A very slight increase is expected for September. Primarily, COVID-19 cases are no longer accelerating and the job market continues to come back. However, the decrease in federal aid to the unemployed and uncertainty about the adoption of new programs are no doubt eroding confidence. The stock market uptrend also reversed last week, while the TIPP confidence index decreased in September. All in all, the University of Michigan confidence index could go to 75.0, with a major risk of another decrease.

CANADA

Manufacturing sales (July) – According to Statistics Canada's interim results, manufacturing sales continued to rise in July, increasing 8.7%. Despite the increase, the value of manufacturing sales will still be about 5.5% below where it was in February, before the lockdown.

Consumer price index (August) – According to the weekly surveys, gas prices fell 1.3% in August. This should lead to a fairly trivial -0.04% contribution to the monthly variation in the total consumer price index (CPI). Seasonal fluctuations are usually slightly negative in August. The total CPI could ultimately gain about 0.1% in August. The total annual inflation rate should go from 0.1% to 0.4%.


Retail sales (July) – Retail sales plunged 10% in March and 25% in April, then bounced back rapidly in May and June. All of the ground lost during the lockdown was recouped in just two months, which was much better than expected. Now that the gap has been closed, retail sales growth should return to a more normal pace as of July. According to Statistics Canada's preliminary results, the value of retail sales only rose 0.7% for the month.


OVERSEAS

Euro zone: Industrial production (July) – Euroland's industrial output continued to recover in June. It has increased 22.5% from April's trough after dropping a total of 27.7% from February to April. July's gains of 3.8% in France and 1.2% in Germany suggest the comeback will persist for the whole euro zone.

Economic Indicators

Week of September 14 to 18, 2020

Day	Hour	Indicator	Period	Consensus		Previous data
UNITED STATES						
MONDAY 14 --- ---						
TUESDAY 15						
	8:30	Empire manufacturing index	Sept.	6.0	10.0	3.7
	8:30	Export prices (m/m)	Aug.	0.4%	0.4%	0.8%
	8:30	Import prices (m/m)	Aug.	0.5%	0.4%	0.7%
	9:15	Industrial production (m/m)	Aug.	1.0%	0.3%	3.0%
	9:15	Production capacity utilization rates	Aug.	71.6%	70.8%	70.6%
WEDNESDAY 16						
	8:30	Retail sales				
		Total (m/m)	Aug.	1.0%	0.4%	1.2%
		Excluding automobiles (m/m)	Aug.	1.0%	0.3%	1.9%
	10:00	NAHB housing market index	Sept.	78	n/a	78
	10:00	Business inventories (m/m)	July	0.2%	0.1%	-1.1%
	14:00	Federal Reserve meeting	Sept.	0.25%	0.25%	0.25%
	14:30	Speech of the Federal Reserve Chair, J. Powell				
	16:00	Net foreign security purchases (US\$B)	July	n/a	n/a	113.0
THURSDAY 17						
	8:30	Initial unemployment claims	Sept. 7-11	850,000	800,000	884,000
	8:30	Philadelphia Fed index	Sept.	15.0	10.0	17.2
	8:30	Housing starts (ann. rate)	Aug.	1,485,000	1,500,000	1,496,000
	8:30	Building permits (ann. rate)	Aug.	1,525,000	1,453,000	1,483,000
FRIDAY 18						
	8:30	Current account (US\$B)	Q2	159.0	-145.0	-104.2
	10:00	Leading indicator (m/m)	Aug.	1.3%	1.4%	1.4%
	10:00	Michigan's consumer sentiment index – preliminary	Sept.	75.0	75.0	74.1
	10:00	Speech of the St. Louis Fed President, J. Bullard				
CANADA						
MONDAY 14 --- ---						
TUESDAY 15						
	8:30	Manufacturing sales (m/m)	July	n/a	8.7%	20.7%
	9:00	Existing home sales	Aug.			
WEDNESDAY 16						
	8:30	Consumer price index				
		Total (m/m)	Aug.	n/a	0.1%	0.0%
		Excluding food and energy (m/m)	Aug.	n/a	0.1%	-0.2%
		Total (y/y)	Aug.	n/a	0.4%	0.1%
		Excluding food and energy (y/y)	Aug.	n/a	0.5%	0.5%
	8:30	International transactions in securities (\$B)	July	n/a	15.00	-13.52
THURSDAY 17 --- ---						
FRIDAY 18						
	8:30	Retail sales				
		Total (m/m)	July	n/a	0.7%	23.7%
		Excluding automobiles (m/m)	July	n/a	0.6%	15.7%
	8:30	Wholesale sales (m/m)	July	n/a	3.5%	18.5%
	8:30	Wholesale inventories (m/m)	July	n/a	0.3%	-0.7%

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 September 14 to 18, 2020

Country	Hour	Indicator	Period	Consensus		Previous data		
				m/m (q/q)	y/y	m/m (q/q)	y/y	
OVERSEAS								
MONDAY 14								
Japan	0:30	Tertiary industry activity index	July	0.5%		7.9%		
Japan	0:30	Industrial production – final	July	n/a	n/a	8.0%	-16.1%	
Euro zone	5:00	Industrial production	July	4.0%	-8.1%	9.1%	-12.3%	
China	22:00	Industrial production	Aug.		5.1%		4.8%	
China	22:00	Retail sales	Aug.		0.0%		-1.1%	
TUESDAY 15								
United Kingdom	2:00	ILO unemployment rate	July	4.1%		3.9%		
France	2:45	Consumer price index – final	Aug.	-0.1%	0.2%	-0.1%	0.2%	
Germany	5:00	ZEW survey – Current situation	Sept.	-72.0		-81.3		
Germany	5:00	ZEW survey – Expectations	Sept.	69.8		71.5		
Japan	19:50	Trade balance (¥B)	Aug.	23.3		-34.8		
WEDNESDAY 16								
Japan	---	Bank of Japan meeting	Sept.	-0.10%		-0.10%		
Brazil	---	Bank of Brazil meeting	Sept.	2.00%		2.00%		
United Kingdom	2:00	Consumer price index	Aug.	-0.6%	0.0%	0.4%	1.0%	
United Kingdom	2:00	Producer price index	Aug.	0.2%	-0.7%	0.3%	-0.9%	
Euro zone	5:00	Trade balance (€B)	July	18.7		17.1		
THURSDAY 17								
Italy	4:00	Trade balance (€M)	July	n/a		6,232		
Euro zone	5:00	Construction	July	n/a	n/a	4.0%	-5.9%	
Euro zone	5:00	Consumer price index – final	Aug.	-0.4%	-0.2%	-0.4%	-0.2%	
United Kingdom	7:00	Bank of England meeting	Sept.	0.10%		0.10%		
Japan	19:30	Consumer price index	Aug.		0.2%		0.3%	
FRIDAY 18								
United Kingdom	2:00	Retail sales	Aug.	0.6%	2.7%	3.6%	1.4%	
Germany	2:00	Producer price index	Aug.	0.0%	-1.3%	0.2%	-1.7%	
France	2:45	Wages – final	Q1	n/a		0.9%		
Euro zone	4:00	Current account (€B)	July	n/a		20.7		
Italy	4:00	Current account (€M)	July	n/a		3,431		
Russia	6:30	Bank of Russia meeting	Sept.	4.25%		4.25%		

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 Q2	17,282	-31.7	-9.1	2.2	3.0	2.3
Consumption (2012 \$B)	2020 Q2	11,820	-34.1	-10.5	2.4	2.7	2.6
Government spending (2012 \$B)	2020 Q2	3,371	2.8	2.1	2.3	1.8	0.9
Residential investment (2012 \$B)	2020 Q2	566.1	-37.9	-4.9	-1.7	-0.6	4.0
Non-residential investment (2012 \$B)	2020 Q2	2,536	-26.0	-8.5	2.9	6.9	3.7
Business inventory change (2012 \$B) ¹	2020 Q2	-286.4	---	---	48.5	53.4	15.8
Exports (2012 \$B)	2020 Q2	1,943	-63.2	-23.2	-0.1	3.0	3.9
Imports (2012 \$B)	2020 Q2	2,704	-54.0	-22.4	1.1	4.1	4.7
Final domestic demand (2012 \$B)	2020 Q2	18,296	-27.7	-7.9	2.3	3.0	2.5
GDP deflator (2012 = 100)	2020 Q2	112.8	-2.0	0.6	1.8	2.4	1.9
Labor productivity (2012 = 100)	2020 Q2	110.9	10.1	2.8	1.7	1.4	1.2
Unit labor cost (2012 = 100)	2020 Q2	116.9	9.0	4.9	1.9	1.9	2.2
Employment cost index (Dec. 2005 = 100)	2020 Q2	140.7	2.0	2.7	2.7	2.8	2.4
Current account balance (\$B) ¹	2020 Q1	-104.2	---	---	-480.2	-449.7	-365.3

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)	July	104.4	1.4	7.6	-6.8	-6.8
ISM manufacturing index ¹	Aug.	56.0	54.2	43.1	50.1	48.8
ISM non-manufacturing index ¹	Aug.	56.9	58.1	45.4	57.3	56.0
Cons. confidence Conference Board (1985 = 100) ¹	Aug.	84.8	91.7	85.9	132.6	134.2
Personal consumption expenditure (2012 \$B)	July	12,778	1.6	16.4	-4.8	-3.8
Disposable personal income (2012 \$B)	July	16,092	-0.1	-6.7	6.8	8.4
Consumer credit (\$B)	July*	4,139	0.3	0.2	-1.2	0.7
Retail sales (\$M)	July	535,982	1.2	29.9	1.2	2.7
<i>Excluding automobiles (\$M)</i>	July	426,590	1.9	23.9	0.6	1.9
Industrial production (2012 = 100)	July	100.2	3.0	9.8	-8.3	-8.2
Production capacity utilization rate (%) ¹	July	70.6	68.5	64.2	76.9	77.4
New machinery orders (\$M)	July	466,082	6.4	21.9	-6.0	-6.2
New durable good orders (\$M)	July	231,128	11.4	38.0	-4.3	-4.8
Business inventories (\$B)	June	1,912	-1.1	-4.7	-5.7	-5.8
Housing starts (k) ¹	July	1,496	1,220	934.0	1,617	1,212
Building permits (k) ¹	July	1,483	1,258	1,066	1,536	1,366
New home sales (k) ¹	July	901.0	791.0	570.0	774.0	661.0
Existing home sales (k) ¹	July	5,860	4,700	4,330	5,420	5,390
Commercial surplus (\$M) ¹	July	-63,556	-53,461	-53,582	-43,364	-51,041
Nonfarm employment (k) ²	Aug.	140,914	1,371	7,886	-11,549	-10,246
Unemployment rate (%) ¹	Aug.	8.4	10.2	13.3	3.5	3.7
Consumer price (1982-1984 = 100)	Aug.*	259.7	0.4	1.5	0.2	1.3
<i>Excluding food and energy</i>	Aug.*	268.7	0.4	1.2	0.6	1.7
Personal cons. expenditure deflator (2012 = 100)	July	111.1	0.3	0.9	0.2	1.0
<i>Excluding food and energy</i>	July	113.5	0.3	0.9	0.5	1.3
Producer price (2009 = 100)	Aug.*	118.4	0.3	0.8	-0.2	-0.2
Export prices (2000 = 100)	July	120.6	0.8	2.0	-4.1	-4.4
Import prices (2000 = 100)	July	121.5	0.7	2.8	-3.0	-3.3

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)	2020 Q2	1,820,369	-38.7	-13.0	1.7	2.0	3.2
Household consumption (2012 \$M)	2020 Q2	998,375	-43.0	-15.1	1.6	2.2	3.7
Government consumption (2012 \$M)	2020 Q2	416,091	-10.4	-2.2	2.1	3.0	2.3
Residential investment (2012 \$M)	2020 Q2	120,299	-47.6	-12.5	-0.6	-1.6	2.2
Non-residential investment (2012 \$M)	2020 Q2	147,549	-56.7	-19.8	0.4	1.4	3.9
Business inventory change (2012 \$M) ¹	2020 Q2	-37,851	---	---	15,077	13,025	17,951
Exports (2012 \$M)	2020 Q2	533,300	-55.6	-21.2	1.3	3.1	1.4
Imports (2012 \$M)	2020 Q2	499,728	-64.1	-25.2	0.6	2.6	4.2
Final domestic demand (2012 \$M)	2020 Q2	1,817,240	-37.4	-11.9	1.3	2.1	3.3
GDP deflator (2012 = 100)	2020 Q2	109.3	-4.6	-0.8	1.9	1.9	2.4
Labour productivity (2012 = 100)	2020 Q2	122.4	45.4	14.9	0.4	-0.1	2.1
Unit labour cost (2012 = 100)	2020 Q2	116.3	17.5	7.1	2.9	2.4	0.5
Current account balance (\$M) ¹	2020 Q2	-8,626	---	---	-47,005	-55,499	-60,193
Production capacity utilization rate (%) ¹	2020 Q2*	70.3	---	---	81.9	83.0	81.5
Disposable personal income (\$M)	2020 Q2	1,474,308	50.9	14.5	4.5	3.8	5.0
Corporate net operating surplus (\$M)	2020 Q2	195,124	-67.8	-35.1	-0.1	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)	June	1,821,142	6.5	-1.4	-8.4	-7.8
Industrial production (2012 \$M)	June	350,280	7.5	-5.7	-11.6	-13.6
Manufacturing sales (\$M)	June	48,744	20.7	-3.3	-13.2	-15.6
Housing starts (k) ¹	Aug.*	262.4	245.4	196.2	211.1	225.8
Building permits (\$M)	July	7,775	-3.0	24.6	-16.5	-9.6
Retail sales (\$M)	June	52,962	23.7	12.6	2.5	3.8
<i>Excluding automobiles (\$M)</i>	June	39,061	15.7	2.6	3.1	3.9
Wholesale trade sales (\$M)	June	62,056	18.5	-1.6	-2.2	-2.4
Commercial surplus (\$M) ¹	July	-2,451	-1,589	-4,899	-2,075	-1,457
<i>Exports (\$M)</i>	July	45,428	11.1	41.6	-4.7	-7.8
<i>Imports (\$M)</i>	July	47,879	12.7	29.5	-3.7	-5.6
Employment (k) ²	Aug.	18,092	245.8	539.1	-183.0	-85.1
Unemployment rate (%) ¹	Aug.	10.2	10.9	13.7	5.6	5.7
Average weekly earnings (\$)	June	1,119	-1.8	6.7	7.1	9.4
Number of salaried employees (k) ²	June	14,368	666.5	-577.7	-448.4	-213.7
Consumer price (2002 = 100)	July	137.2	0.0	1.1	0.3	0.1
<i>Excluding food and energy</i>	July	131.9	-0.2	0.1	0.7	0.5
<i>Excluding 8 volatile items</i>	July	135.5	-0.1	0.3	0.7	0.7
Industrial product price (2010 = 100)	July	114.6	0.7	2.0	-2.4	-2.3
Raw materials price (2010 = 100)	July	93.4	3.0	28.8	-10.3	-12.1
Money supply M1+ (\$M)	July	1,276,987	1.9	7.8	18.2	22.7

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		
	Sep. 11	Sep. 4	-1 month	-3 months	-6 months	-1 year	Higher	Average	Lower
United States									
Federal funds – target	0.25	0.25	0.25	0.25	1.25	2.25	2.25	1.02	0.25
Treasury bill – 3 months	0.11	0.11	0.10	0.16	0.27	1.92	1.95	0.81	-0.05
Treasury bonds – 2 years	0.14	0.15	0.15	0.19	0.49	1.81	1.76	0.83	0.11
– 5 years	0.26	0.30	0.30	0.33	0.78	1.76	1.76	0.91	0.19
– 10 years	0.67	0.72	0.69	0.70	0.95	1.90	1.94	1.17	0.50
– 30 years	1.42	1.47	1.44	1.45	1.57	2.38	2.42	1.76	1.03
S&P 500 index (level)	3,365	3,427	3,373	3,041	2,711	3,007	3,581	3,085	2,237
DJIA index (level)	27,751	28,133	27,931	25,606	23,186	27,220	29,551	26,497	18,592
Gold price (US\$/ounce)	1,949	1,921	1,948	1,734	1,531	1,493	2,053	1,653	1,451
CRB index (level)	146.85	149.69	149.21	134.32	140.84	174.79	187.39	155.59	106.29
WTI oil (US\$/barrel)	37.67	41.37	42.24	36.34	31.50	54.85	63.29	43.75	-37.63
Canada									
Overnight – target	0.25	0.25	0.25	0.25	1.25	1.75	1.75	1.00	0.25
Treasury bill – 3 months	0.15	0.15	0.16	0.18	0.61	1.62	1.71	0.90	0.14
Treasury bonds – 2 years	0.26	0.27	0.30	0.28	0.49	1.64	1.73	0.91	0.25
– 5 years	0.36	0.38	0.42	0.37	0.65	1.50	1.70	0.93	0.30
– 10 years	0.55	0.59	0.61	0.53	0.82	1.51	1.70	1.00	0.43
– 30 years	1.06	1.10	1.13	1.06	1.33	1.71	1.76	1.34	0.71
<u>Spread with the U.S. rate (% points)</u>									
Overnight – target	0.00	0.00	0.00	0.00	0.00	-0.50	0.50	-0.02	-0.50
Treasury bill – 3 months	0.04	0.04	0.06	0.02	0.34	-0.30	0.53	0.08	-0.33
Treasury bonds – 2 years	0.13	0.12	0.15	0.09	0.00	-0.17	0.31	0.08	-0.15
– 5 years	0.10	0.08	0.12	0.04	-0.13	-0.26	0.29	0.01	-0.21
– 10 years	-0.12	-0.13	-0.08	-0.17	-0.13	-0.39	0.09	-0.17	-0.36
– 30 years	-0.36	-0.37	-0.31	-0.39	-0.24	-0.67	0.06	-0.42	-0.69
S&P/TSX index (level)	16,288	16,218	16,515	15,257	13,716	16,682	17,944	16,038	11,228
Exchange rate (C\$/US\$)	1.3186	1.3062	1.3268	1.3586	1.3805	1.3285	1.4513	1.3451	1.2965
Exchange rate (C\$/€)	1.5608	1.5465	1.5712	1.5292	1.5332	1.4713	1.5903	1.5016	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\$/€)	1.1838	1.1840	1.1843	1.1256	1.1107	1.1075	1.1937	1.1166	1.0692
<u>United Kingdom</u>									
BoE – Base rate	0.10	0.10	0.10	0.10	0.25	0.75	0.75	0.42	0.10
Bonds – 10 years	0.18	0.22	0.20	0.15	0.38	0.68	0.86	0.42	0.04
FTSE index (level)	6,046	5,799	6,090	6,105	5,366	7,367	7,675	6,624	4,994
Exchange rate (US\$/£)	1.2784	1.3284	1.3086	1.2542	1.2278	1.2502	1.3383	1.2735	1.1487
<u>Germany</u>									
Bonds – 10 years	-0.48	-0.48	-0.45	-0.44	-0.58	-0.45	-0.17	-0.43	-0.84
DAX index (level)	13,227	12,843	12,901	11,949	9,232	12,469	13,789	12,298	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)	23,406	23,205	23,289	22,305	17,431	21,988	24,084	22,074	16,553
Exchange rate (US\$/¥)	106.19	106.25	106.61	107.36	107.93	108.09	112.13	107.97	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.