

March 16, 2016

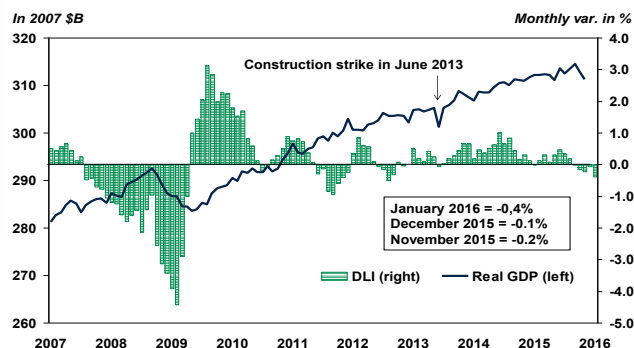
The DLI maintains a downtrend in January 2016

The Desjardins Leading Index (DLI) fell again in January 2016, for its fifth straight month. In this context, the Quebec economy should post modest growth over the next three to six months.

- **Consumers component:** It retreated in January after growing two months in a row. Among other things, the weakness stems from the dismal performance by retail sales. As a result, the “household” block’s contribution to Quebec’s economy will be limited in the months to come.
- **Housing component:** It declined for a fourth straight month. January’s weak housing starts had a hand in the “housing” component’s slide. The residential market is rebalancing and, because of that, its contribution to the province’s economic growth will be fairly slight.
- **Business component:** It declined for a sixth straight month in January. Among other things, this resulted from the important retreat posted by the Quebec IQ-30 stock index in January. The trend for the “business” block therefore suggests another very slight contribution to Quebec’s economy.

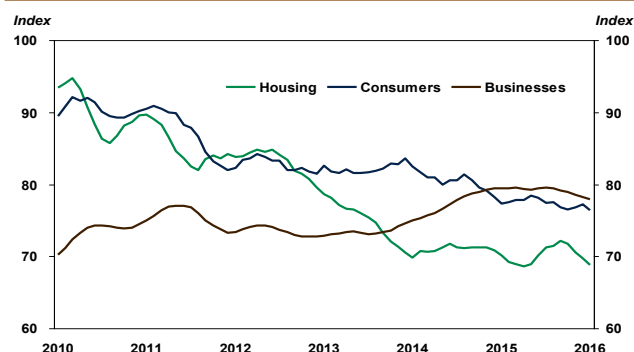
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Growth of the Desjardins Leading Index (DLI)



Sources: Institut de la statistique du Québec and Desjardins, Economic Studies

Growth of the three DLI components



Source: Desjardins, Economic Studies

Trends in the components

Monthly var. in %	November	December	January
DLI	-0.2	-0.1	-0.4
Consumers	0.4	0.6	-1.1
Housing	-1.7	-1.1	-1.4
Businesses	-0.5	-0.4	-0.4

Source: Desjardins, Economic Studies

A composite index that allows market players to monitor shifts in Quebec’s economy that may indicate an imminent recession or recovery.