

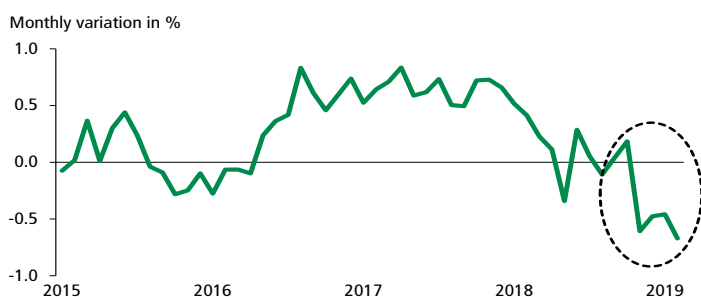
# DESJARDINS LEADING INDEX

## The DLI Dipped 0.7% in February

The DLI declined in February 2019, for the fourth straight month (graph 1). Trade tensions and ongoing political uncertainties in many parts of the world continued to erode entrepreneur confidence (graph 2).

### GRAPH 1

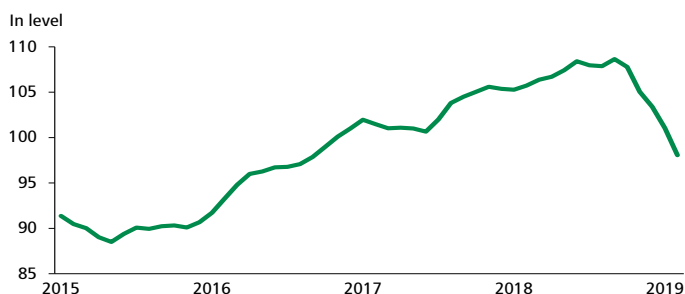
**The change in the Desjardins Leading Index has been negative for four months**



Source: Desjardins, Economic Studies

### GRAPH 2

**Entrepreneurial Confidence Index**

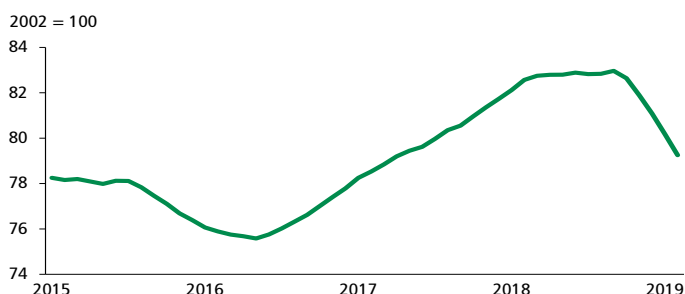


Sources: Canadian Federation of Independent Business and Desjardins, Economic Studies

The "business" component has thus continued its downtrend (graph 3), punctuated as well by the decline in the IQ-30 stock index. We should note however that, if not for the major drop sustained by one of the main stocks in the IQ-30, the downturn at the end of 2018 would not have been nearly as steep. Any conclusions have to be tempered. We have to be careful about jumping to conclusions when a stock index contracts since volatility on the financial markets can sometimes create false signals, as we have seen in the past.

### GRAPH 3

**Business component**



Source: Desjardins, Economic Studies

## IMPLICATIONS

We will have to keep an eye on future developments in Quebec's economy, which is increasingly being affected by global trade and political tensions. Economic growth has slowed recently, and growth is likely to remain modest in the next three to six months.

**Chantal Routhier**, Senior Economist

The Desjardins Leading Index (DLI) is a composite index that allows market players to monitor shifts in Quebec's economy that may indicate an imminent recession or recovery in the next three to six months.

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NOTE TO READERS: The letters k, M and B are used in texts and tables to refer to thousands, millions and billions respectively.

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