

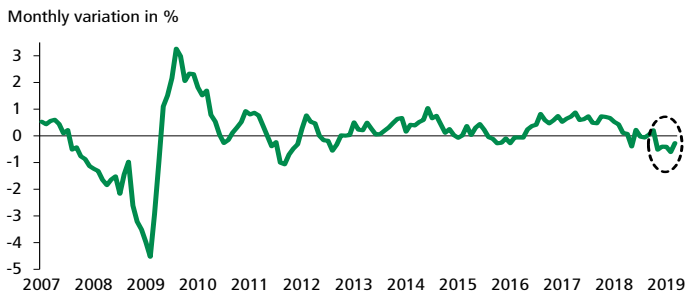
DESJARDINS LEADING INDEX



The DLI Slid 0.3% in March

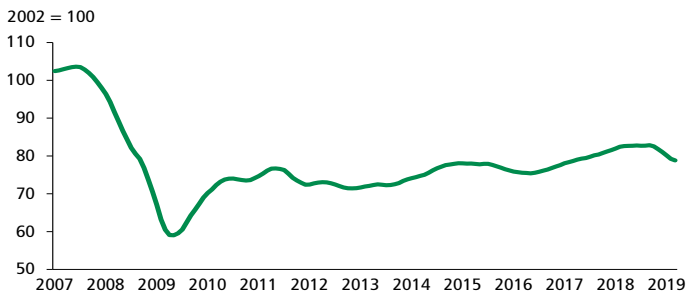
The DLI continued to decline in March, but this proved to be less important than the dips recorded over the previous four months (graph 1). The “business” component continued to fall, but at a slower pace (graph 2) thanks to the rebound in the IQ-30 stock index. The households and housing components also shifted into negative territory in March.

GRAPH 1
The DLI has changed little over the last few months



Source: Desjardins, Economic Studies

GRAPH 2
The drop in the “business” component was moderate in March

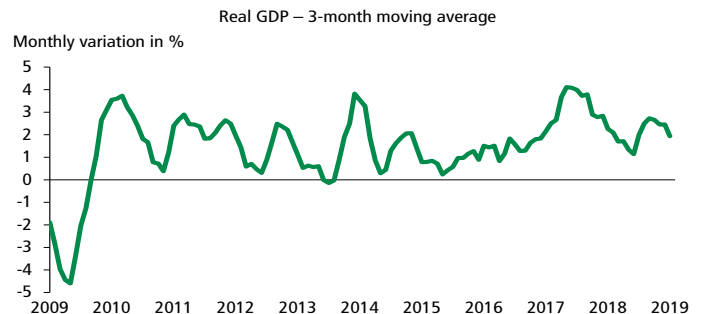


Source: Desjardins, Economic Studies

IMPLICATIONS

This means that changes in the Quebec economy still need to be monitored, although there appears to be less concern as trade tensions between Canada and the United States ease. Nonetheless, the trade war between our neighbours to the south and China along with the political tensions that persist in many other parts of the world remain risk factors that could further weaken Quebec’s economic growth. This growth has slowed compared with 2018 (graph 3) and is expected to remain modest over the next three to six months.

GRAPH 3
The weak DLI reflects the modest growth in Quebec’s real GDP



Sources: Datastream and Desjardins, Economic Studies

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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