

November 16, 2015

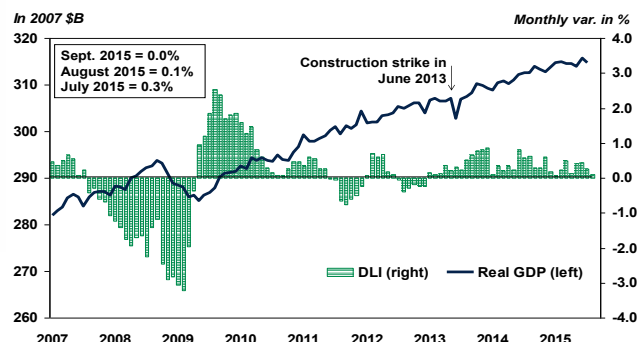
The DLI stabilizes in September

The Desjardins Leading Index (DLI) remained steady in September after posting a weak advance in August. The pace of the index has been flagging for three months, suggesting that Quebec's future economic growth should lose some steam in the next three to six months.

- **Consumers component:** is back into negative territory after a slight uptick in August and a retreat in July. The contribution by Quebec household consumption expenditures should therefore remain modest.
- **Housing component:** continued to advance and the pace even accelerated compared to one month earlier, leaving hope that the housing market could gain strength in the coming months. However, since the surplus situation recently intensified in the resale market, average price growth should remain subdued.
- **Business component:** continued to trend down in September, for the fourth consecutive month. This is mainly attributable to the weak advance by the Canadian leading indicator and the decline in the IQ-30 Quebec stock index in recent months. That said, the loonie's decline to below parity and the strengthening U.S. economy should continue to support exports.

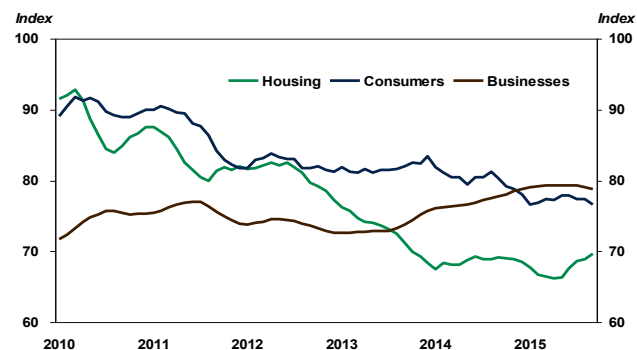
Chantal Routhier
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Growth of the Desjardins Leading Index (DLI)



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 %	July	August	September
DLI	0.27	0.09	0.01
Consumers	-0.81	0.05	-0.95
Housing	1.69	0.23	1.11
Businesses	-0.01	-0.26	-0.25

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.

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