



CANADA

Employment edges up across the country Rebound in Quebec

HIGHLIGHTS

- The Canadian labour market saw 6,600 jobs created in July.
- For the second straight month, data for Quebec blurs the national picture due to significant volatility. A gain of 21,700 jobs was recorded in July in the province, after a loss of 33,300 in June.
- Most other provinces lost jobs in July. Excluding Quebec, performance for the month is down 15,100 jobs.
- The number of jobs in Ontario remained unchanged for the month.
- The unemployment rate for Canada as a whole held steady at 6.8%.

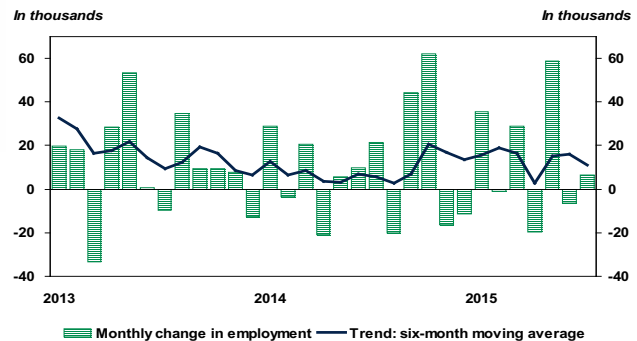
COMMENTS

Overall, the Labour Force Survey results for July are consistent with expectations. The six-month moving average for the monthly change in employment fell to 11,200 jobs in July. This trend still seems too high, though, considering the country's recent economic difficulties.

In Quebec, July's rebound made up for much of June's losses. As such, the province maintains a fairly positive performance since the beginning of the year, with 36,100 new jobs cumulated so far. Ontario has added 60,700 jobs since the start of the year. Comparatively, job losses in Alberta and Saskatchewan were 2,000 and 6,300, respectively. These divergent trends in employment are a fairly good illustration of the disparities in economic conditions. Oil-producing provinces are in the grips of a recession, while the outlook is more favourable for the other regions.

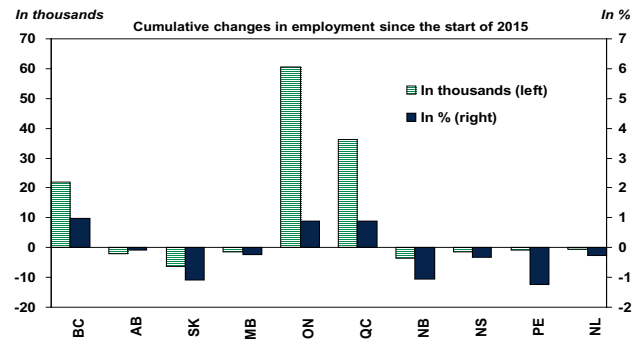
Implications: Since the labour market is a lagging indicator of economic cycles, recent troubles in the Canadian economy will probably continue to curb job growth in the coming months. This is no surprise to monetary authorities, nor will it impact their management of monetary policy. In

The trend in employment still seems a little high



Sources: Statistics Canada and Desjardins, Economic Studies

Movement in employment has been more favourable in Quebec and Ontario since the beginning of the year



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fact, their attention will be more focused in the coming weeks on the progress of international trade and its impact on Canadian production.

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