



QUEBEC – ONTARIO

January 10, 2014

2013 ends on a sour note in Quebec and Ontario

HIGHLIGHTS

- In December 2013, Quebec lost 10,200 jobs, after three straight months of gains.
- The unemployment rate rose, going from 7.2% in November to 7.7% in December. Labour force growth (+12,100), combined with a drop in the number of jobs, explains this dramatic increase in the unemployment rate.
- In Ontario, the number of jobs plummeted by 39,300, bringing the number of workers down to last July's levels.
- Ontario's unemployment rate went up in December for the same reasons that Quebec's did. However, its 0.7 jump was even more pronounced, taking it to 7.9%.
- From December 2012 to December 2013, employment grew 0.4% in Ontario and 0.1% in Quebec.

COMMENTS

In Quebec, the year wrapped up with gains coming largely from healthcare (+8,000) and the manufacturing sector (+4,800). The greatest losses were posted in education (-5,200), public administration and the primary sector excluding agriculture (both at -4,800), and construction (-4,500). In Ontario last month, professional, scientific and technical services were among the sectors posting growth (+20,100), as was public administration (+11,100). Pullbacks were recorded in business management (-12,400), other services (automobile repair, hairdressing, etc. lost 10,100 jobs) and accommodation and food services (-9,700).

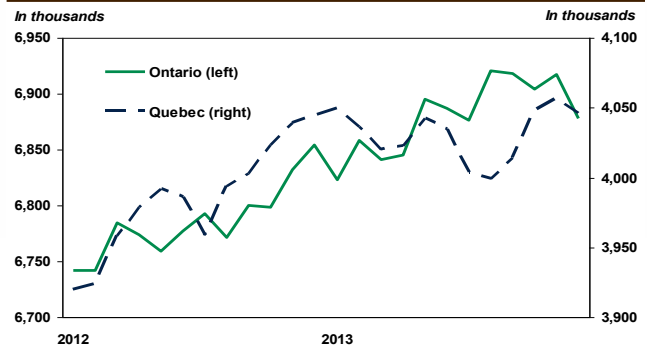
Last month's data brings 2013 to a close. From December 2012 to December 2013, employment rose by 2,100 jobs in Quebec and 24,000 in Ontario: weak progress. Furthermore, employment is following opposite trends in the two

Job creation: Average monthly increase

	Last 3 months	Last 6 months	Last 12 months
Quebec	10,833	2,017	175
Ontario	-13,400	-1,483	2,000

Sources: Statistics Canada and Desjardins, Economic Studies

Employment grew more quickly in Ontario than in Quebec in 2013



Source: Statistics Canada and Desjardins, Economic Studies

provinces. According to average monthly employment growth (see table), some improvement can be observed over time for Quebec, which posted an average of only 175 jobs per month in 2013, standing at 10,833 jobs for the last quarter. In Ontario, the situation deteriorated from October to December. However, annual employment gains paint a much more positive picture. Quebec's gains are at 47,800 (+30,800 in 2012) and Ontario's are at 95,700 (+52,400 in 2012).

Implications: One month does not make a whole year, and we can't make assumptions about 2014 using this morning's results. Many indexes, excluding job market movement in December, suggest 2014 will be a better year for employment in Quebec and Ontario. Improvement has been taking place for several quarters in the United States, despite the anaemic rise by employment last month (+74,000 payrolls). The upswing in activity could benefit exporters on this side of the border. The Canadian economy should also firm up in 2014, which will also boost the two provinces. The loonie's weakness could also give manufacturers a little relief. In short, the year is beginning with better news for the job market than it did last year.

Joëlle Noreau
Senior Economist

François Dupuis
Vice-President and Chief Economist

Yves St-Maurice
Senior Director and Deputy Chief Economist

418-835-2450 or 1 866 835-8444, ext. 2450
E-mail: desjardins.economics@desjardins.com

Hélène Bégin
Senior Economist

Benoit P. Durocher
Senior Economist

Francis Généreux
Senior Economist

Joëlle Noreau
Senior Economist

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

IMPORTANT: This document is based on public information and may under no circumstances be used or construed as a commitment by Desjardins Group. While the information provided has been determined on the basis of data obtained from sources that are deemed to be reliable, Desjardins Group in no way warrants that the information is accurate or complete. The document is provided solely for information purposes and does not constitute an offer or solicitation for purchase or sale. Desjardins Group takes no responsibility for the consequences of any decision whatsoever made on the basis of the data contained herein and does not hereby undertake to provide any advice, notably in the area of investment services. The data on prices or margins are provided for information purposes and may be modified at any time, based on such factors as market conditions. The past performances and projections expressed herein are no guarantee of future performance. The opinions and forecasts contained herein are, unless otherwise indicated, those of the document's authors and do not represent the opinions of any other person or the official position of Desjardins Group. Copyright © 2014, Desjardins Group. All rights reserved.

January 10, 2014

Variation by sector - December 2013						
	GAINING Sectors	Balance		LOSING Sectors	Balance	
		1 month	1 year		1 month	1 year
CANADA	Health care	22,100	30,400	Educational services	-18,500	-44,000
	Prof. and scient. services	12,100	85,500	Accommodation and food services	-16,000	20,000
	Public administration	7,600	-30,000	Others services	-15,000	-15,700
	Manufacturing	7,500	-41,600	Construction	-14,100	24,800
QUEBEC	Health care	8,000	-8,300	Educational services	-5,200	-16,100
	Manufacturing	4,800	-13,300	Public administration	-4,800	-15,200
	Trade	2,300	5,100	Others primaries	-4,800	-6,700
	Others services	1,900	-10,800	Construction	-4,500	1,500
ONTARIO	Prof. and scient. services	20,100	41,100	Bus., build. and other supp. serv.	-12,400	22,500
	Public administration	11,100	-9,300	Others services	-10,100	3,600
	Information, culture and recrea.	2,600	7,200	Accommodation and food services	-9,700	-14,600
	Trade	1,900	-9,900	Fin., insurance and real estate	-7,700	0

Source: LFS, Statistics Canada

Labour Market							
December 2013	NUMBER OF EMPLOYEES	JOB CREATION in numbers					
		December 2013	Last month	Last 3 months	Since december	Last year	Last year in %
Seasonally adjusted data							
TOTAL JOBS	Canada	17,769,600	-45,900	-11,100	102,000	102,000	0.6%
	Quebec	4,046,300	-10,200	32,500	2,100	2,100	0.1%
	Ontario	6,878,200	-39,300	-40,200	24,000	24,000	0.4%
PUBLIC SECTOR EMPLOYEES	Canada	3,620,400	18,200	36,700	-28,100	-28,100	-0.8%
	Quebec	874,700	-9,100	-8,200	6,500	6,500	0.7%
	Ontario	1,340,600	13,300	29,600	-6,600	-6,600	-0.5%
PRIVATE SECTOR EMPLOYEES	Canada	11,480,700	-26,300	-17,000	113,200	113,200	1.0%
	Quebec	2,626,200	-14,300	9,500	2,400	2,400	0.1%
	Ontario	4,507,800	-20,400	-29,500	21,700	21,700	0.5%
SELF-EMPLOYED	Canada	2,668,500	-37,900	-30,800	16,900	16,900	0.6%
	Quebec	545,400	13,200	31,200	-6,900	-6,900	-1.2%
	Ontario	1,029,900	-32,100	-40,200	9,000	9,000	0.9%

Source: Statistics Canada, Labour Force Survey

Labour Market - Recent trends Seasonally adjusted data

	Employment in numbers	Job creation in last:			Labour Force Numbers	Variation over 1 month	Participation rate	Employment rate	Unemploy- ment rate
		1 month	3 months	12 months					
Canada									
2012.12	17,667,600	31,200	99,300	310,300	19,026,000	25,600	66.8%	62.1%	7.1%
2013.01	17,645,700	-21,900	65,600	286,400	18,968,500	-57,500	66.6%	61.9%	7.0%
2013.02	17,696,400	50,700	60,000	336,200	19,028,900	60,400	66.7%	62.0%	7.0%
2013.03	17,641,900	-54,500	-25,700	203,300	19,016,600	-12,300	66.6%	61.8%	7.2%
2013.04	17,654,400	12,500	8,700	162,500	19,016,100	-500	66.5%	61.8%	7.2%
2013.05	17,749,400	95,000	53,000	250,200	19,097,000	80,900	66.7%	62.0%	7.1%
2013.06	17,749,000	-400	107,100	242,300	19,104,100	7,100	66.7%	61.9%	7.1%
2013.07	17,709,600	-39,400	55,200	225,900	19,089,900	-14,200	66.5%	61.7%	7.2%
2013.08	17,768,800	59,200	19,400	246,100	19,130,800	40,900	66.6%	61.9%	7.1%
2013.09	17,780,700	11,900	31,700	212,400	19,105,700	-25,100	66.4%	61.8%	6.9%
2013.10	17,793,900	13,200	84,300	213,800	19,118,900	13,200	66.4%	61.8%	6.9%
2013.11	17,815,500	21,600	46,700	179,100	19,131,300	12,400	66.4%	61.8%	6.9%
2013.12	17,769,600	-45,900	-11,100	102,000	19,152,300	21,000	66.4%	61.6%	7.2%
Quebec									
2012.12	4,044,200	5,200	41,200	135,400	4,364,500	-4,600	65.5%	60.7%	7.3%
2013.01	4,049,700	5,500	26,300	129,900	4,360,900	-3,600	65.4%	60.7%	7.1%
2013.02	4,036,600	-13,100	-2,400	113,200	4,356,900	-4,000	65.3%	60.5%	7.4%
2013.03	4,019,800	-16,800	-24,400	61,600	4,354,200	-2,700	65.2%	60.2%	7.7%
2013.04	4,022,500	2,700	-27,200	43,600	4,363,400	9,200	65.3%	60.2%	7.8%
2013.05	4,042,600	20,100	6,000	50,500	4,379,300	15,900	65.5%	60.5%	7.7%
2013.06	4,034,200	-8,400	14,400	48,000	4,379,300	0	65.5%	60.3%	7.9%
2013.07	4,003,800	-30,400	-18,700	45,600	4,360,500	-18,800	65.1%	59.8%	8.2%
2013.08	3,998,800	-5,000	-43,800	5,100	4,344,200	-16,300	64.9%	59.7%	7.9%
2013.09	4,013,800	15,000	-20,400	10,800	4,345,000	800	64.8%	59.9%	7.6%
2013.10	4,047,900	34,100	44,100	24,500	4,377,400	32,400	65.3%	60.4%	7.5%
2013.11	4,056,500	8,600	57,700	17,500	4,372,200	-5,200	65.2%	60.5%	7.2%
2013.12	4,046,300	-10,200	32,500	2,100	4,384,300	12,100	65.3%	60.3%	7.7%
Ontario									
2012.12	6,854,200	22,400	54,400	102,800	7,442,000	29,300	66.9%	61.6%	7.9%
2013.01	6,823,000	-31,200	25,000	81,100	7,388,400	-53,600	66.3%	61.2%	7.7%
2013.02	6,858,300	35,300	26,500	116,200	7,431,500	43,100	66.6%	61.5%	7.7%
2013.03	6,840,900	-17,400	-13,300	56,100	7,410,200	-21,300	66.4%	61.3%	7.7%
2013.04	6,844,700	3,800	21,700	70,700	7,414,600	4,400	66.4%	61.3%	7.7%
2013.05	6,895,300	50,600	37,000	136,300	7,437,500	22,900	66.5%	61.7%	7.3%
2013.06	6,887,100	-8,200	46,200	109,800	7,441,800	4,300	66.5%	61.5%	7.5%
2013.07	6,876,500	-10,600	31,800	83,800	7,445,200	3,400	66.4%	61.3%	7.6%
2013.08	6,920,100	43,600	24,800	148,700	7,478,800	33,600	66.6%	61.7%	7.5%
2013.09	6,918,400	-1,700	31,300	118,600	7,461,300	-17,500	66.4%	61.6%	7.3%
2013.10	6,903,700	-14,700	27,200	105,700	7,453,100	-8,200	66.3%	61.4%	7.4%
2013.11	6,917,500	13,800	-2,600	85,700	7,457,300	4,200	66.2%	61.5%	7.2%
2013.12	6,878,200	-39,300	-40,200	24,000	7,466,800	9,500	66.3%	61.0%	7.9%

Source: Statistics Canada, Labour Force Survey

Other Labour Market Indicators

SEASONALLY ADJUSTED DATA	Last publication		-1 MONTH	-3 MONTHS	-6 MONTHS	Same month -1 YEAR
	Month	Level				
CANADA						
Average weekly wages (\$)	October	1,025.98	1,015.94	1,031.64	1,017.56	1,009.59
Average hours worked in the manufacturing sector	October	30.5	30.5	30.5	30.4	30.8
QUEBEC						
Average weekly wages (\$)	October	973.69	945.12	974.50	957.56	944.40
Average hours worked in the manufacturing sector	October	30.6	30.2	30.1	30.0	30.4
ONTARIO						
Average weekly wages (\$)	October	1,054.14	1,032.46	1,056.91	1,051.65	1,036.34
Average hours worked in the manufacturing sector	October	30.2	30.3	30.3	30.2	30.7

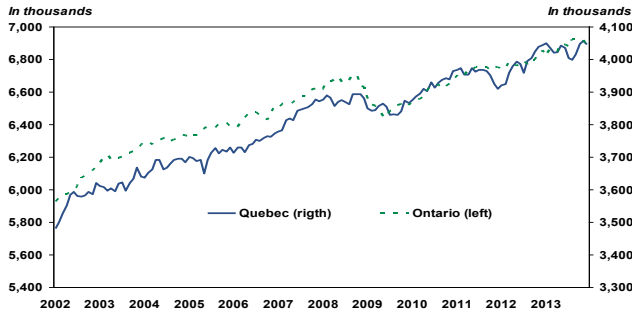
Source: Statistics Canada, Labour Force Survey

Annual Data

Annual average	2008	2009	2010	2011	2012	2013
CANADA TOTAL JOBS	17,087,400	16,813,100	17,041,000	17,306,200	17,507,700	17,731,200
JOB CREATION	281,800	-274,300	227,900	265,200	201,500	223,500
Job growth (%)	1.7%	-1.6%	1.4%	1.6%	1.2%	1.3%
Unemployment rate	6.1%	8.3%	8.0%	7.5%	7.2%	7.1%
QUEBEC TOTAL JOBS	3,880,400	3,848,400	3,915,100	3,953,600	3,984,400	4,032,200
JOB CREATION	46,300	-32,000	66,700	38,500	30,800	47,800
Job growth (%)	1.2%	-0.8%	1.7%	1.0%	0.8%	1.2%
Unemployment rate	7.2%	8.5%	8.0%	7.8%	7.8%	7.6%
ONTARIO TOTAL JOBS	6,666,300	6,502,000	6,610,000	6,731,300	6,783,800	6,879,400
JOB CREATION	102,000	-164,300	108,000	121,300	52,500	95,600
Job growth (%)	1.6%	-2.5%	1.7%	1.8%	0.8%	1.4%
Unemployment rate	6.5%	9.0%	8.7%	7.8%	7.8%	7.5%

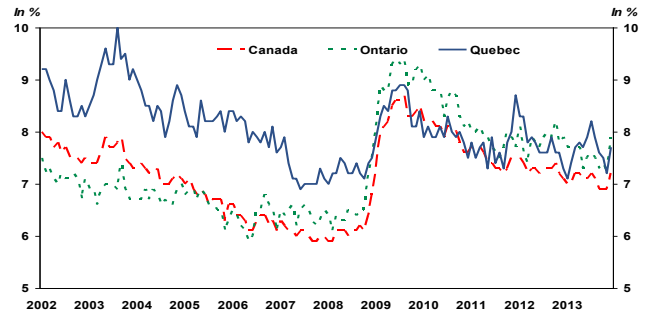
Source: Statistics Canada, Labour Force Survey

QUEBEC / ONTARIO – Level of employment



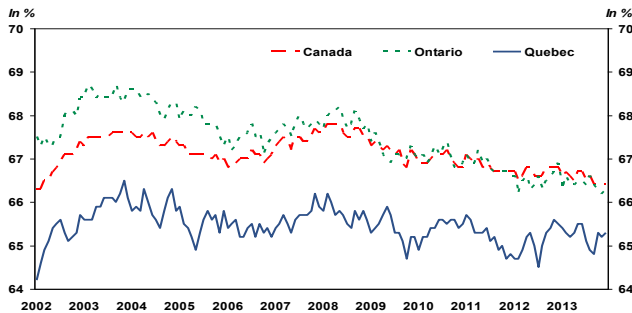
Sources: Statistics Canada and Desjardins, Economic Studies

CANADA / QUEBEC / ONTARIO – Unemployment Rate



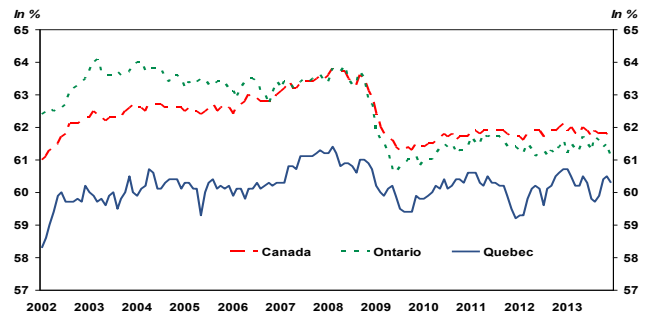
Sources: Statistics Canada and Desjardins, Economic Studies

CANADA / QUEBEC / ONTARIO – Participation Rate



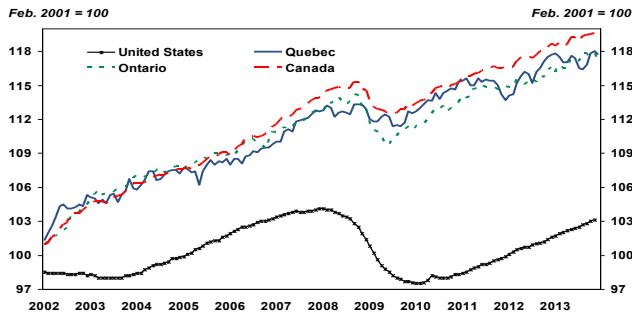
Sources: Statistics Canada and Desjardins, Economic Studies

CANADA / QUEBEC / ONTARIO – Employment Rate



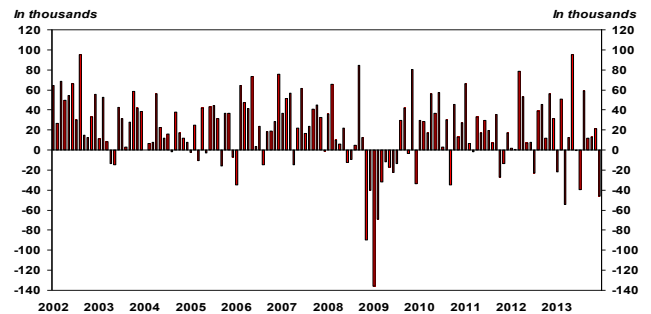
Sources: Statistics Canada and Desjardins, Economic Studies

UNITED STATES / CANADA / QUEBEC / ONTARIO – Employment Index



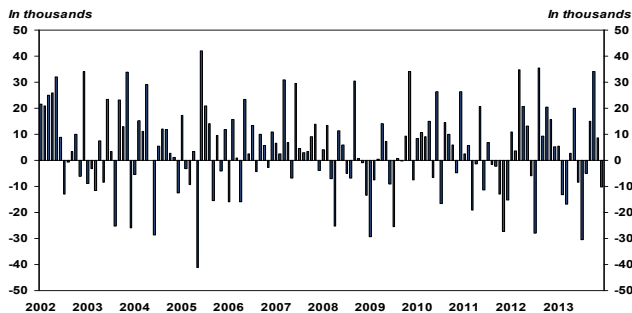
Sources: Statistics Canada and Desjardins, Economic Studies

CANADA – Evolution of employment



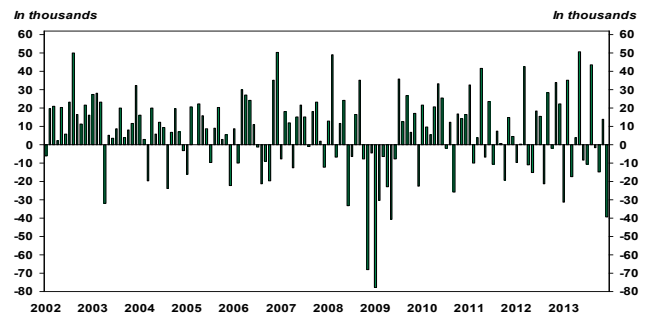
Sources: Statistics Canada and Desjardins, Economic Studies

QUEBEC – Evolution of employment



Sources: Statistics Canada and Desjardins, Economic Studies

ONTARIO – Evolution of employment



Sources: Statistics Canada and Desjardins, Economic Studies

LABOUR MARKET BY PROVINCE

SEASONALLY ADJUSTED DATA		December 2013	PREVIOUS MONTHS				Monthly averages			Employment In the last year
			2013.11	2013.10	2013.09	2013.08	3 months	6 months	12 months	
CANADA	JOB	17,769,600	17,815,500	17,793,900	17,780,700	17,768,800	17,793,000	17,773,017	17,731,242	17,667,600
	CREATION	-45,900	21,600	13,200	11,900	59,200	-3,700	3,433	8,500	102,000
	Unemployment rate	7.2%	6.9%	6.9%	6.9%	7.1%	7.0%	7.0%	7.1%	0.6%*
Newfoundland	JOB	234,000	232,100	234,700	230,700	232,000	233,600	232,467	233,242	235,700
	CREATION	1,900	-2,600	4,000	-1,300	700	1,100	-50	-142	-1,700
	Unemployment rate	10.8%	12.3%	11.0%	10.4%	10.7%	11.4%	11.1%	11.4%	-0.7%*
Prince Edward Island	JOB	73,600	73,900	74,300	73,400	73,900	73,933	73,817	74,183	74,500
	CREATION	-300	-400	900	-500	100	67	33	-75	-900
	Unemployment rate	11.5%	11.4%	10.7%	11.0%	10.6%	11.2%	11.2%	11.4%	-1.2%*
Nova Scotia	JOB	449,600	451,500	452,800	456,100	456,400	451,300	453,367	454,075	449,800
	CREATION	-1,900	-1,300	-3,300	-300	2,600	-2,167	-1,383	-17	-200
	Unemployment rate	9.2%	8.8%	9.1%	8.6%	8.7%	9.0%	8.9%	9.1%	0.0%*
New Brunswick	JOB	354,100	352,300	350,100	352,600	349,800	352,167	351,567	350,875	347,700
	CREATION	1,800	2,200	-2,500	2,800	-700	500	1,267	533	6,400
	Unemployment rate	9.7%	9.7%	10.1%	10.7%	10.7%	9.8%	10.2%	10.5%	1.8%*
Quebec	JOB	4,046,300	4,056,500	4,047,900	4,013,800	3,998,800	4,050,233	4,027,850	4,031,042	4,044,200
	CREATION	-10,200	8,600	34,100	15,000	-5,000	10,833	2,017	175	2,100
	Unemployment rate	7.7%	7.2%	7.5%	7.6%	7.9%	7.5%	7.7%	7.6%	0.1%*
Ontario	JOB	6,878,200	6,917,500	6,903,700	6,918,400	6,920,100	6,899,800	6,902,400	6,880,308	6,854,200
	CREATION	-39,300	13,800	-14,700	-1,700	43,600	-13,400	-1,483	2,000	24,000
	Unemployment rate	7.9%	7.2%	7.4%	7.3%	7.5%	7.5%	7.5%	7.5%	0.4%*
Manitoba	JOB	630,600	631,600	631,000	634,000	631,500	631,067	632,217	633,775	638,400
	CREATION	-1,000	600	-3,000	2,500	-3,100	-1,133	-1,233	-650	-7,800
	Unemployment rate	5.5%	5.6%	5.5%	5.5%	5.2%	5.5%	5.5%	5.4%	-1.2%*
Saskatchewan	JOB	558,100	556,200	557,800	555,500	558,700	557,367	557,600	555,475	544,300
	CREATION	1,900	-1,600	2,300	-3,200	-600	867	300	1,150	13,800
	Unemployment rate	3.9%	4.1%	3.6%	4.3%	4.2%	3.9%	4.0%	4.0%	2.5%*
Alberta	JOB	2,236,000	2,247,700	2,237,100	2,236,400	2,232,400	2,240,267	2,234,467	2,209,458	2,165,300
	CREATION	-11,700	10,600	700	4,000	15,200	-133	5,900	5,892	70,700
	Unemployment rate	4.8%	4.7%	4.4%	4.3%	4.8%	4.6%	4.6%	4.6%	3.3%*
British Columbia	JOB	2,309,100	2,296,300	2,304,500	2,309,800	2,315,200	2,303,300	2,307,317	2,308,842	2,313,500
	CREATION	12,800	-8,200	-5,300	-5,400	6,200	-233	-1,933	-367	-4,400
	Unemployment rate	6.6%	6.7%	6.5%	6.7%	6.6%	6.6%	6.6%	6.6%	-0.2%*

Source: Statistics Canada, Labour force Survey * Change in employment in the last year