

## WEEKLY NEWSLETTER

# Governments Step Up Measures to Curb the Spread of COVID-19: Surprise Cut of Canadian Key Rates

### HIGHLIGHTS

- ▶ The Bank of Canada ordered a surprise 50 basis point cut in its key interest rates.
- ▶ Canada: The industrial capacity utilization rate declined in the fourth quarter.
- ▶ Canada: The fourth quarter saw a small dip in household debt.
- ▶ U.S. consumer confidence is less shaken than expected.

### A LOOK AHEAD

- ▶ The Federal Reserve is expected to lower its key rates again this week.
- ▶ United States: Retail sales likely stagnated in February.
- ▶ U.S. industrial output should post a rare increase in February.
- ▶ United States: Will we see jobless claims start to go up?
- ▶ Canada: The annual inflation rate is expected to pull back in February.
- ▶ Canada: Retail sales could be up in January, while manufacturing sales could be down.

### FINANCIAL MARKETS

- ▶ Violent swings have officially brought the North American stock exchanges to their knees.
- ▶ After a dramatic fall, bond yields are rising.
- ▶ The U.S. dollar is once again climbing against the major currencies.

### CONTENTS

Key Statistics of the Week ..... 2	A Look Ahead ..... 4	Tables
<i>United States, Canada</i>	<i>United States, Canada, Overseas</i>	<i>Economic indicators</i> ..... 8
Financial Markets ..... 3	Economic Indicators of the Week ..... 6	<i>Major financial indicators</i> ..... 10

François Dupuis, Vice-President and Chief Economist • Mathieu D'Anjou, Deputy Chief Economist  
 Benoit P. Durocher, Senior Economist • Francis Généreux, Senior Economist • Hendrix Vachon, Senior Economist

Desjardins, Economic Studies: 514-281-2336 or 1 866-866-7000, ext. 5552336 • [desjardins.economics@desjardins.com](mailto:desjardins.economics@desjardins.com) • [desjardins.com/economics](https://desjardins.com/economics)

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## Key Statistics of the Week

### UNITED STATES

- ▶ The consumer price index (CPI) rose 0.1% in February, after identical growth in January and three successive 0.2% increases between October and December. Energy prices sank 2.0%, the worst retreat since January 2019. Food prices saw a 0.4% gain, the strongest since May 2014. Excluding energy and food, the core CPI was up 0.2%, just like in January. Although clothing prices continued to rise 0.4%, after increasing 0.7% in January, and used car prices accelerated (+0.4% after four months of decline), medical goods prices decreased 0.6% for a second straight month. Service prices increased 0.2%. The annual variation in the CPI lost steam, falling from 2.5% to 2.2%. Core inflation, which excludes food and energy, continued to hold at 2.3%.
- ▶ The University of Michigan consumer confidence index declined in March, but less than expected, going from 101.0 in February to 95.9 according to the preliminary March version. This is nonetheless the lowest it has been since October 2019. The drop stems a little more from the consumer expectations component (-6.8 points) than the current situation component (-2.3 points). Of the survey respondents, 38% mentioned COVID-19 spontaneously in their response in March, compared to 8% in February. We expect the index to slide further when the final March version is released.

**Francis Généreux**, Senior economist

### CANADA

- ▶ The Bank of Canada today lowered its target for the overnight rate by 50 basis points to 0.75%. This unscheduled rate decision is a proactive measure taken in light of the negative shocks to Canada's economy arising from the COVID-19 pandemic and the recent sharp drop in oil prices.
- ▶ Household indebtedness shrank slightly in the fourth quarter. The seasonally adjusted version of the ratio of credit market debt to disposable income inched down from 176.57% to 176.26%, which is still very high from a historical perspective. This improvement is due to faster growth in disposable income than in debt. Household debt service, that is, the ratio of interest payments and principal repayment on loans to disposable income, reached a new peak of 14.98%.
- ▶ The industrial capacity utilization rate was 81.2% in the fourth quarter, down slightly from 81.5%. This decrease is due to a sharp decline in industrial output, the adverse effects of which were partly offset by a drop in industrial capacity in some sectors.
- ▶ The number of housing starts remained higher than expected in February at 210,069 units. After jumping in January, the number of housing starts retreated in Quebec, returning to a level more in line with their trend of recent months. However, this reduction was offset by increases in other provinces, particularly in Ontario and British Columbia. Clearly, the country's housing market is still quite hot.

**Benoit P. Durocher**, Senior economist

# Financial Markets

## COVID-19 Has Brought the Longest Bull Run in History to an Abrupt End

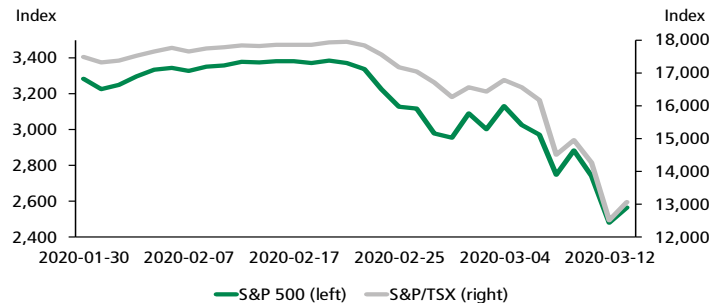
Stock markets had another very difficult week marked once again by the news surrounding COVID-19. The week began on a low note as the dispute between Russia and Saudi Arabia caused oil prices to plunge significantly, adding to the financial markets' struggles. Hope of some action on the part of the authorities to support the economy and the markets caused the stock market indexes to rebound considerably on Tuesday before pessimism regained the upper hand on Wednesday and especially Thursday, which saw the worst trading session since the October 19, 1987 market crash. The S&P 500 index ended Thursday's session down 26% compared to its peak on February 19, 2020, officially putting an end to the bull market that began after the 2008 financial crisis. The Canadian stock market's drop was especially violent, falling more than 12% on Thursday. Despite a slight index rebound on Friday morning, the S&P 500 and S&P/TSX were heading for weekly losses of approximately 14% and 20% respectively.

The waves of panic that washed over the financial markets early in the week caused bond yields to sink dramatically on Monday. U.S. and Canadian 10-year yields temporarily fell below 0.40% as credit spreads saw a marked rise. The numerous measures announced by the central banks, including the Federal Reserve and the European Central Bank, to ensure an adequate level of liquidity and the smooth operation of the markets succeeded in calming the situation and even led to a significant rise in long-term bond yields. The U.S. and Canadian 30-year yields should therefore post an increase this week despite the stock market meltdown.

The sharp drop in bond yields early in the week impacted the U.S. dollar, which fell against some of the other major currencies, including the euro and the yen. This followed on the heels of a reduction in the spread between U.S. interest rates and those of certain countries. Later in the week, the U.S. dollar rose against the euro and the yen at the same time that bond yields rebounded. At the time of writing, the euro had returned to roughly US\$1.11 and the Japanese yen to ¥107/US\$. Monday's session was harder on the loonie after oil prices tumbled. The Canadian dollar then continued its slide before coming to rest at a little under US\$0.72 on Friday morning.

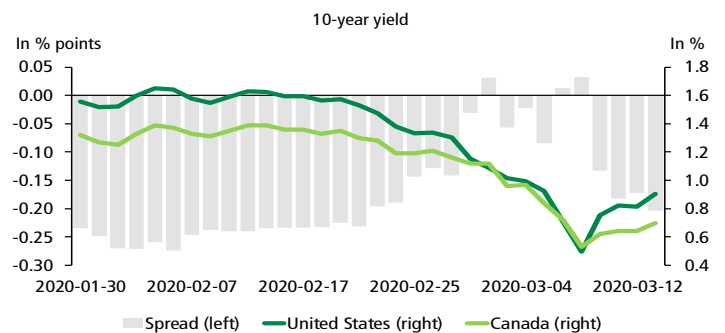
**Mathieu D'Anjou, CFA**, Deputy Chief Economist  
**Hendrix Vachon**, Senior Economist

**GRAPH 1**  
**Stock markets**



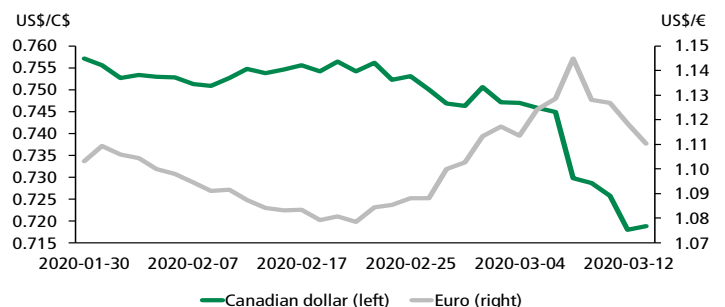
Sources: Datastream and Desjardins, Economic Studies

**GRAPH 2**  
**Bond markets**



Sources: Datastream and Desjardins, Economic Studies

**GRAPH 3**  
**Currency markets**



Sources: Datastream and Desjardins, Economic Studies

# A Look Ahead

## TUESDAY March 17 - 8:30

<b>February</b>	<b>m/m</b>
Consensus	0.1%
Desjardins	0.0%
<b>January</b>	<b>0.3%</b>

## TUESDAY March 17 - 9:15

<b>February</b>	<b>m/m</b>
Consensus	0.4%
Desjardins	0.6%
<b>January</b>	<b>-0.3%</b>

## WEDNESDAY March 18 - 8:30

<b>February</b>	<b>ann. rate</b>
Consensus	1,500,000
Desjardins	1,500,000
<b>January</b>	<b>1,567,000</b>

## WEDNESDAY March 18 - 14:00

<b>March</b>	
Consensus	0.75%
Desjardins	0.75%
<b>March 3</b>	<b>1.25%</b>

## THURSDAY March 19 - 8:30

<b>March 9 to 13</b>	
Consensus	220,000
Desjardins	240,000
<b>March 2 to 6</b>	<b>211,000</b>

## THURSDAY March 19 - 10:00

<b>February</b>	<b>m/m</b>
Consensus	0.1%
Desjardins	0.2%
<b>January</b>	<b>0.8%</b>

## UNITED STATES

**Retail sales (January)** – Retail sales were up considerably in the first month of the new year. The 0.4% gain in sales excluding motor vehicles and gasoline followed on the heels of a 0.5% increase in December. Still, a slowdown is expected in February. First, new motor vehicle sales fell slightly based on the results released at the beginning of the month. Second, the decrease in gasoline prices likely caused service station sales to dive. Aside from these two components, food services sales are expected to slow somewhat after two months of solid growth. Total sales overall should remain stagnant, but sales excluding motor vehicles and gasoline should rise 0.2%.

**Industrial production (January)** – In January, industrial production fell for the fourth time in five months. However, an increase is expected for February. The manufacturing sector seems to have improved based on the hours worked, which have seen their highest monthly increase since February 2018. Based on the weather in February, energy production probably recorded an increase. A small increase is also forecasted for the mining sector. In all, total industrial production is expected to be up 0.6% and manufacturing 0.4%. Clearly, the effects of COVID-19, especially on shipments out of China, may have already changed the game in February and increased the risks to the forecast.

**Housing starts (January)** – After jumping 17.7% in December, housing starts fell 3.6% in January, yet remained extremely strong. Another decrease is expected for February. As a result, housing starts could hit 1,500,000 units, which is still a significant number.

**Federal Reserve meeting (March)** – The problems linked with COVID-19 have significantly changed the game for the Federal Reserve (Fed). During its meeting in January, the Fed seemed inclined to coast along on stable rates for the better part of the year. Instead, the market situation and fears for the economy forced the Fed to lower its key rates in a surprise move on March 3. After a 50 basis-point drop, it has intervened repeatedly to ensure the financial markets operate smoothly. The logical move now is to lower key rates again at the meeting on March 18. A 50-point decrease is forecast, but the Fed may take a more aggressive stance by immediately lowering rates to their natural 0.25% floor. It could also announce new quantitative purchasing measures regarding bonds.

**Initial jobless claims (week of March 9)** – The number of initial jobless claims remains fairly stable. In all, 211,000 claims were filed last week, or not much more than the recent low of 203,000 reached at the end of January. Still, the economic problems relating to COVID-19 are expected to be reflected soon in the main indicators; the first of these could be the weekly jobless claims. We expect these to begin rising this week.

**Leading indicator (January)** – The Conference Board's leading indicator rose 0.8% in January after posting four declines in five months. Another gain is expected for February, with the main contributors being the growth in hours worked and the improvement in confidence. The leading indicator is expected to rise 0.2%.

**FRIDAY March 20 - 10:00**

<b>February</b>	<b>ann. rate</b>
Consensus	5,540,000
Desjardins	5,600,000
<b>January</b>	<b>5,460,000</b>

**TUESDAY March 17 - 8:30**

<b>January</b>	<b>m/m</b>
Consensus	n/a
Desjardins	-0.5%
<b>December</b>	<b>-0.7%</b>

**WEDNESDAY March 18 - 8:30**

<b>February</b>	<b>m/m</b>
Consensus	n/a
Desjardins	0.4%
<b>January</b>	<b>0.3%</b>

**FRIDAY March 20 - 8:30**

<b>January</b>	<b>m/m</b>
Consensus	n/a
Desjardins	0.8%
<b>December</b>	<b>0.0%</b>

**SUNDAY March 15 - 22:00**
**WEDNESDAY 18**

<b>March</b>	
Consensus	-0.10%
Desjardins	-0.20%
<b>January 20</b>	<b>-0.10%</b>

**Existing home sales (January)** – In January, home resales posted a 1.3% decrease after a 3.9% increase. The level is still very high, and the resale trend remains positive. Moreover, a gain is forecast for February based on pending home sales, which saw their strongest monthly increase since October 2010. Sales of existing homes should reach 5,600,000 units.

**CANADA**

**Manufacturing sales (January)** – After four consecutive months of decline, the outlook for manufacturing sales remains negative for January. Furthermore, the value of exports fell 2.0% during the month, with major decreases recorded in most of the sectors. The petroleum product and equipment sectors may be hit especially hard.

**Consumer price index (February)** – According to prices at the pump, gasoline prices were down about 2.4% in February, which is expected to contribute -0.1% to the monthly variation in the total consumer price index (CPI). On the other hand, February is usually the month with the highest seasonal increase in prices, in particular when it comes to clothing. In the end, the total CPI could gain about 0.4% in February. The total annual inflation rate could drop from 2.4% to 2.1%.

**Retail sales (January)** – The preliminary figures show that the number of new motor vehicles sold surged in January. As far as service stations are concerned, gasoline prices remained practically unchanged in January when corrected for seasonal fluctuations, which should mean zero growth in sales. The circumstances regarding the other components remain favourable in general as revenues continue to climb and consumer confidence remains relatively high. Under these circumstances, January should see a hike in total retail sales.


**OVERSEAS**


**China: Economic indicators** – Sunday night will bring a new round of economic indicators for January and February. The data released to date (PMI indexes, international trade) are posting fairly significant declines. The retail sales and industrial output figures are also expected to feel the effects of COVID-19.

**Japan: Bank of Japan meeting (March)** – All the other main central banks announced measures to try to counteract the turmoil associated with COVID-19. Nonetheless, the Bank of Japan (BoJ) has little in the way of wiggle room to intervene. It already has a negative interest rate policy in addition to a massive asset purchase program that it continues to pursue. At the same time, it will struggle to simply stand by and watch, especially since Japan is already one step closer to a recession. We expect the BoJ to reduce its key rate by 10 basis points, which would bring it to -0.20%. The target yield on 10-year government bonds may also fall slightly, but the BoJ will probably want to maintain a positive slope. Asset purchases could be readjusted based on this new target on 10-year bond yields.

# Economic Indicators

## Week of March 16 to 20, 2020

Day	Hour	Indicator	Period	Consensus		Previous data
<b>UNITED STATES</b>						
<b>MONDAY 16</b>	8:30	Empire manufacturing index	March	5.0	5.0	12.9
	16:00	Net foreign security purchases (US\$B)	January	n/a	n/a	85.6
<b>TUESDAY 17</b>	8:30	Retail sales				
		Total (m/m)	February	0.1%	0.0%	0.3%
		Excluding automobiles (m/m)	February	0.1%	0.0%	0.3%
	9:15	Industrial production (m/m)	February	0.4%	0.6%	-0.3%
	9:15	Production capacity utilization rates	February	77.1%	77.2%	76.8%
	10:00	NAHB housing market index	March	74	n/a	74
10:00	Business inventories (m/m)	January	-0.1%	-0.1%	0.1%	
<b>WEDNESDAY 18</b>	8:30	Housing starts (ann. rate)	February	1,500,000	1,500,000	1,567,000
	8:30	Building permits (ann. rate)	February	1,495,000	1,500,000	1,551,000
	14:00	Federal Reserve meeting	March	0.75%	0.75%	1.25%
	14:30	Speech of the Federal Reserve Chair, J. Powell				
<b>THURSDAY 19</b>	8:30	Initial unemployment claims	March 9-13	220,000	240,000	211,000
	8:30	Current account (US\$B)	Q4	-108.9	-112.8	-124.1
	8:30	Philadelphia Fed index	March	10.0	5.0	36.7
	10:00	Leading indicator (m/m)	February	0.1%	0.2%	0.8%
<b>FRIDAY 20</b>	10:00	Existing home sales (ann. rate)	February	5,540,000	5,600,000	5,460,000
<b>CANADA</b>						
<b>MONDAY 16</b>	9:00	Existing home sales	February			
<b>TUESDAY 17</b>	8:30	International transactions in securities (\$B)	January	n/a	-1.00	-9.57
	8:30	Manufacturing sales (m/m)	January	n/a	-0.5%	-0.7%
<b>WEDNESDAY 18</b>	8:30	Consumer price index				
		Total (m/m)	February	n/a	0.4%	0.3%
		Excluding food and energy (m/m)	February	n/a	0.6%	0.2%
		Total (y/y)	February	n/a	2.1%	2.4%
Excluding food and energy (y/y)	February	n/a	1.7%	1.9%		
<b>THURSDAY 19</b>	8:30	New housing price index (m/m)	February	n/a	0.1%	0.0%
<b>FRIDAY 20</b>	8:30	Retail sales				
		Total (m/m)	January	n/a	0.8%	0.0%
		Excluding automobiles (m/m)	January	n/a	0.3%	0.5%

Note: Desjardins, Economic Studies are involved every week in the Bloomberg survey for Canada and the United States. Approximately 15 economists are consulted for the Canadian survey and a hundred or so for the United States. The abbreviations m/m, q/q and y/y correspond to monthly, quarterly and yearly variation respectively. Following the quarter, the abbreviations f, s and t correspond to first estimate, second estimate and third estimate respectively. The times shown are Daylight Saving Time (GMT - 4 hours).  Forecast of Desjardins, Economic Studies of the Desjardins Group.



# Economic Indicators

## Week of March 16 to 20, 2020

Country	Hour	Indicator	Period	Consensus		Previous data		
				m/m (q/q)	y/y	m/m (q/q)	y/y	
<b>OVERSEAS</b>								
<b>SUNDAY 15</b>								
China	22:00	Industrial production	February		-3.0%		5.7%	
China	22:00	Retail sales	February		-4.0%		8.0%	
<b>MONDAY 16</b>								
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<b>TUESDAY 17</b>								
Japan	0:30	Industrial production – final	January	n/a	n/a	0.8%	-2.5%	
United Kingdom	5:30	ILO unemployment rate	January	3.8%		3.8%		
Germany	6:00	ZEW survey – Current situation	March	-30.0		-15.7		
Germany	6:00	ZEW survey – Expectations	March	-27.2		8.7		
Japan	19:50	Trade balance (¥B)	February	543.5		-224.1		
<b>WEDNESDAY 18</b>								
Brazil	---	Bank of Brazil meeting	March	4.00%		4.25%		
Euro zone	6:00	Trade balance (€B)	January	19.2		22.2		
Euro zone	6:00	Consumer price index – final	February	0.2%	1.2%	0.2%	1.2%	
Italy	6:00	Trade balance (€M)	January	n/a		5,013		
Japan	19:30	Consumer price index	February		0.5%		0.7%	
<b>THURSDAY 19</b>								
Japan	---	Bank of Japan meeting	March	-0.10%		-0.10%		
Japan	0:30	All industry activity index	January	0.5%		0.0%		
Switzerland	4:30	Swiss National Bank meeting	March	-0.75%		-0.75%		
Euro zone	6:00	Construction	January	n/a	n/a	-3.1%	-3.7%	
<b>FRIDAY 20</b>								
Germany	3:00	Producer price index	February	-0.2%	0.2%	0.8%	0.2%	
France	3:45	Wages – final	Q4	0.2%		0.2%		
Euro zone	5:00	Current account (€B)	January	n/a		32.6		
Italy	5:00	Current account (€M)	January	n/a		4,833		
Russia	6:30	Bank of Russia meeting	March	6.00%		6.00%		

Note: In contrast to the situation in Canada and the United States, disclosure of overseas economic figures is much more approximate. The day of publication is therefore shown for information purposes only. The abbreviations m/m, q/q and y/y correspond to monthly, quarterly and yearly variation respectively. The times shown are Daylight Saving Time (GMT - 4 hours).

**UNITED STATES**
**Quarterly economic indicators**

	REF. QUART.	LEVEL	VARIATION (%)		ANNUAL VARIATION (%)		
			Quart. ann.	1 year	2019	2018	2017
Gross domestic product (2012 \$B)	2019 Q4	19,220	2.1	2.3	2.3	2.9	2.4
Consumption (2012 \$B)	2019 Q4	13,410	1.7	2.6	2.6	3.0	2.6
Government spending (2012 \$B)	2019 Q4	3,332	2.6	3.0	2.3	1.7	0.7
Residential investment (2012 \$B)	2019 Q4	602.6	6.2	1.6	-1.5	-1.5	3.5
Non-residential investment (2012 \$B)	2019 Q4	2,726	-2.3	-0.3	2.1	6.4	4.4
Business inventory change (2012 \$B) <sup>1</sup>	2019 Q4	13.0	---	---	67.0	48.1	31.7
Exports (2012 \$B)	2019 Q4	2,536	2.0	0.3	0.0	3.0	3.5
Imports (2012 \$B)	2019 Q4	3,436	-8.6	-2.2	1.0	4.4	4.7
Final domestic demand (2012 \$B)	2019 Q4	20,063	1.5	2.3	2.3	3.0	2.5
GDP deflator (2012 = 100)	2019 Q4	113.0	1.3	1.6	1.8	2.4	1.9
Labor productivity (2012 = 100)	2019 Q4	108.2	1.2	1.8	1.9	1.4	1.3
Unit labor cost (2012 = 100)	2019 Q4	111.6	0.9	1.7	1.7	1.8	2.1
Employment cost index (Dec. 2005 = 100)	2019 Q4	138.9	2.6	2.7	2.8	2.8	2.4
Current account balance (\$B) <sup>1</sup>	2019 Q3	-124.1	---	---	-491.0	-439.6	-428.3

<sup>1</sup> Statistics representing the level during the period; \* New statistic in comparison with last week.

**UNITED STATES**
**Monthly economic indicators**

	REF. MONTH	LEVEL	VARIATION (%)			
			-1 month	-3 months	-6 months	-1 year
Leading indicator (2016 = 100)	Jan.	112.1	0.8	0.6	0.1	0.9
ISM manufacturing index <sup>1</sup>	Feb.	50.1	50.9	48.1	48.8	54.1
ISM non-manufacturing index <sup>1</sup>	Feb.	57.3	55.5	53.9	56.0	58.5
Cons. confidence Conference Board (1985 = 100) <sup>1</sup>	Feb.	130.7	130.4	126.8	134.2	131.4
Personal consumption expenditure (2012 \$B)	Jan.	13,444	0.1	0.4	0.9	2.7
Disposable personal income (2012 \$B)	Jan.	15,155	0.5	0.7	1.4	2.2
Consumer credit (\$B)	Jan.*	4,203	0.3	1.0	2.1	4.4
Retail sales (\$M)	Jan.	529,766	0.3	0.6	1.1	4.4
Excluding automobiles (\$M)	Jan.	423,282	0.3	0.8	0.9	4.0
Industrial production (2012 = 100)	Jan.	109.2	-0.3	0.2	0.1	-0.8
Production capacity utilization rate (%) <sup>1</sup>	Jan.	76.8	77.1	77.0	77.4	79.0
New machinery orders (\$M)	Jan.	497,909	-0.5	0.3	-0.4	-0.8
New durable good orders (\$M)	Jan.	245,999	-0.2	-0.6	-1.7	-4.0
Business inventories (\$B)	Dec.	2,040	0.1	0.0	0.2	2.2
Housing starts (k) <sup>1</sup>	Jan.	1,567	1,626	1,340	1,204	1,291
Building permits (k) <sup>1</sup>	Jan.	1,550	1,420	1,461	1,317	1,316
New home sales (k) <sup>1</sup>	Jan.	764.0	708.0	707.0	660.0	644.0
Existing home sales (k) <sup>1</sup>	Jan.	5,460	5,530	5,410	5,390	4,980
Commercial surplus (\$M) <sup>1</sup>	Jan.	-45,338	-48,613	-47,448	-53,173	-53,817
Nonfarm employment (k) <sup>2</sup>	Feb.	152,544	273.0	730.0	1,384	2,409
Unemployment rate (%) <sup>1</sup>	Feb.	3.5	3.6	3.5	3.7	3.8
Consumer price (1982-1984 = 100)	Feb.*	259.1	0.1	0.5	1.1	2.3
Excluding food and energy	Feb.*	267.1	0.2	0.6	1.1	2.4
Personal cons. expenditure deflator (2012 = 100)	Jan.	110.6	0.1	0.4	0.6	1.7
Excluding food and energy	Jan.	112.7	0.1	0.4	0.7	1.6
Producer price (2009 = 100)	Feb.*	118.7	-0.6	0.1	0.1	1.3
Export prices (2000 = 100)	Feb.*	124.4	-1.1	-0.6	-0.9	-1.3
Import prices (2000 = 100)	Feb.*	124.4	-0.5	-0.2	-0.4	-1.2

<sup>1</sup> Statistic shows the level of the month of the column; <sup>2</sup> Statistic shows the variation since the reference month; \* New statistic in comparison with last week.



**CANADA**
**Quarterly economic indicators**

	REF. QUART.	LEVEL	VARIATION (%)		ANNUAL VARIATION (%)		
			Quart. ann.	1 year	2019	2018	2017
Gross domestic product (2012 \$M)	2019 Q4	2,100,493	0.3	1.5	1.6	2.0	3.2
Household consumption (2012 \$M)	2019 Q4	1,187,371	2.0	1.7	1.6	2.2	3.7
Government consumption (2012 \$M)	2019 Q4	428,371	1.3	1.5	2.1	3.0	2.3
Residential investment (2012 \$M)	2019 Q4	142,288	1.1	4.2	-0.6	-1.6	2.2
Non-residential investment (2012 \$M)	2019 Q4	182,374	-6.3	1.9	0.0	1.4	3.9
Business inventory change (2012 \$M) <sup>1</sup>	2019 Q4	10,498	---	---	14,693	13,025	17,951
Exports (2012 \$M)	2019 Q4	667,046	-5.1	0.0	1.2	3.1	1.4
Imports (2012 \$M)	2019 Q4	661,345	-2.5	0.3	0.3	2.6	4.2
Final domestic demand (2012 \$M)	2019 Q4	2,081,990	0.7	1.8	1.2	2.1	3.3
GDP deflator (2012 = 100)	2019 Q4	111.3	4.1	3.3	1.9	1.9	2.4
Labour productivity (2012 = 100)	2019 Q4	106.8	-0.5	0.5	0.6	-0.1	2.1
Unit labour cost (2012 = 100)	2019 Q4	110.8	3.9	3.6	2.9	2.4	0.5
Current account balance (\$M) <sup>1</sup>	2019 Q4	-8,757	---	---	-45,388	-55,499	-60,193
Production capacity utilization rate (%) <sup>1</sup>	2019 Q4*	81.2	---	---	81.7	83.0	81.5
Disposable personal income (\$M)	2019 Q4	1,309,956	5.2	4.7	4.4	3.8	5.0
Corporate net operating surplus (\$M)	2019 Q4	287,128	1.6	5.8	0.3	2.5	19.9

<sup>1</sup> Statistics representing the level during the period; \* New statistic in comparison with last week.

**CANADA**
**Monthly economic indicators**

	REF. MONTH	LEVEL	VARIATION (%)			
			-1 month	-3 months	-6 months	-1 year
Gross domestic product (2012 \$M)	Dec.	1,985,301	0.3	0.3	0.5	1.9
Industrial production (2012 \$M)	Dec.	396,531	0.5	-0.3	-1.5	-0.8
Manufacturing sales (\$M)	Dec.	56,412	-0.7	-1.7	-2.4	0.1
Housing starts (k) <sup>1</sup>	Feb.*	210.1	214.0	205.5	225.8	165.7
Building permits (\$M)	Jan.*	9,246	4.0	10.5	9.5	11.2
Retail sales (\$M)	Dec.	51,648	0.0	0.1	0.7	2.4
<i>Excluding automobiles (\$M)</i>	Dec.	37,908	0.5	0.7	0.4	2.9
Wholesale trade sales (\$M)	Dec.	63,885	0.9	-1.5	-0.5	1.5
Commercial surplus (\$M) <sup>1</sup>	Jan.	-1,473	-731.5	-1,634	-1,462	-3,796
<i>Exports (\$M)</i>	Jan.	48,136	-2.0	-2.3	-2.3	-0.5
<i>Imports (\$M)</i>	Jan.	49,609	-0.5	-2.5	-2.3	-4.9
Employment (k) <sup>2</sup>	Feb.	19,189	30.3	30.7	12.7	20.4
Unemployment rate (%) <sup>1</sup>	Feb.	5.6	5.5	5.9	5.7	5.8
Average weekly earnings (\$)	Dec.	1,042	0.2	0.3	2.0	3.4
Number of salaried employees (k) <sup>2</sup>	Dec.	17,042	-0.4	7.0	17.0	23.3
Consumer price (2002 = 100)	Jan.	136.8	0.3	0.1	-0.1	2.4
<i>Excluding food and energy</i>	Jan.	131.0	0.2	-0.3	-0.2	1.9
<i>Excluding 8 volatile items</i>	Jan.	134.6	0.4	-0.2	0.1	1.8
Industrial product price (2010 = 100)	Jan.	117.3	-0.3	-0.1	0.0	0.5
Raw materials price (2010 = 100)	Jan.	104.0	-2.2	1.9	-2.1	1.7
Money supply M1+ (\$M)	Jan.	1,084,413	0.0	1.6	4.2	8.2

<sup>1</sup> Statistic shows the level of the month of the column; <sup>2</sup> Statistic shows the variation since the reference month; \* New statistic in comparison with last week.

**UNITED STATES, CANADA, OVERSEAS**
**Major financial indicators**

IN % (EXPECTED IF INDICATED)	ACTUAL	PREVIOUS DATA					LAST 52 WEEKS		
	March 13	March 6	-1 month	-3 months	-6 months	-1 year	Higher	Average	Lower
<b>United States</b>									
Federal funds – target	1.25	1.25	1.75	1.75	2.25	2.50	2.50	2.11	1.25
Treasury bill – 3 months	0.27	0.45	1.55	1.54	1.92	2.40	2.43	1.85	0.27
Treasury bonds – 2 years	0.49	0.48	1.42	1.63	1.81	2.44	2.46	1.72	0.34
– 5 years	0.69	0.58	1.41	1.66	1.76	2.40	2.42	1.71	0.47
– 10 years	0.90	0.71	1.59	1.82	1.90	2.59	2.61	1.90	0.50
– 30 years	1.49	1.21	2.04	2.25	2.38	3.02	3.03	2.36	1.03
S&P 500 index (level)	2,565	2,972	3,380	3,169	3,007	2,822	3,386	3,016	2,481
DJIA index (level)	21,805	25,865	29,398	28,135	27,220	25,849	29,551	26,985	21,201
Gold price (US\$/ounce)	1,564	1,668	1,582	1,472	1,493	1,302	1,674	1,452	1,268
CRB index (level)	142.71	155.85	172.96	183.81	174.79	183.87	189.66	177.53	141.94
WTI oil (US\$/barrel)	32.37	45.90	52.05	60.07	54.85	58.52	66.43	56.52	31.13
<b>Canada</b>									
Overnight – target	1.25	1.25	1.75	1.75	1.75	1.75	1.75	1.73	1.25
Treasury bill – 3 months	0.58	0.76	1.64	1.66	1.62	1.64	1.71	1.62	0.58
Treasury bonds – 2 years	0.49	0.70	1.49	1.66	1.64	1.62	1.73	1.50	0.47
– 5 years	0.56	0.66	1.37	1.59	1.50	1.60	1.70	1.43	0.52
– 10 years	0.70	0.72	1.36	1.58	1.51	1.71	1.80	1.46	0.53
– 30 years	1.14	0.96	1.49	1.68	1.71	2.02	2.09	1.66	0.71
<u>Spread with the U.S. rate (% points)</u>									
Overnight – target	0.00	0.00	0.00	0.00	-0.50	-0.75	0.00	-0.38	-0.75
Treasury bill – 3 months	0.31	0.31	0.09	0.12	-0.30	-0.76	0.43	-0.22	-0.78
Treasury bonds – 2 years	0.00	0.22	0.07	0.03	-0.17	-0.82	0.31	-0.22	-0.83
– 5 years	-0.14	0.08	-0.04	-0.07	-0.26	-0.80	0.20	-0.28	-0.81
– 10 years	-0.20	0.01	-0.23	-0.24	-0.39	-0.88	0.03	-0.43	-0.89
– 30 years	-0.35	-0.25	-0.55	-0.57	-0.67	-1.00	-0.25	-0.71	-1.02
S&P/TSX index (level)	13,063	16,175	17,848	17,003	16,682	16,140	17,944	16,627	12,508
Exchange rate (C\$/US\$)	1.3912	1.3425	1.3253	1.3168	1.3285	1.3336	1.3928	1.3262	1.2965
Exchange rate (C\$/€)	1.5445	1.5151	1.4355	1.4644	1.4713	1.5104	1.5689	1.4761	1.4286
<b>Overseas</b>									
<u>Euro zone</u>									
ECB – Refinancing rate	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Exchange rate (US\$/€)	1.1103	1.1286	1.0832	1.1121	1.1075	1.1326	1.1449	1.1130	1.0785
<u>United Kingdom</u>									
BoE – Base rate	0.25	0.75	0.75	0.75	0.75	0.75	0.75	0.74	0.25
Bonds – 10 years	0.37	0.21	0.63	0.79	0.68	1.22	1.23	0.73	0.17
FTSE index (level)	5,434	6,463	7,409	7,353	7,367	7,228	7,687	7,316	5,237
Exchange rate (US\$/£)	1.2514	1.3050	1.3047	1.3327	1.2502	1.3291	1.3331	1.2766	1.2037
<u>Germany</u>									
Bonds – 10 years	-0.58	-0.73	-0.40	-0.30	-0.45	0.09	0.10	-0.33	-0.84
DAX index (level)	9,467	11,542	13,744	13,283	12,469	11,686	13,789	12,472	9,161
<u>Japan</u>									
BoJ – Main policy rate	-0.10	-0.10	-0.10	-0.10	-0.10	-0.10	-0.10	-0.10	-0.10
Nikkei index (level)	17,431	20,750	23,688	24,023	21,988	21,451	24,084	22,094	17,431
Exchange rate (US\$/¥)	107.05	105.32	109.76	109.38	108.09	111.47	112.19	108.80	102.36

CRB: Commodity Research Bureau; WTI: West Texas Intermediate; ECB: European Central Bank; BoE: Bank of England; BoJ: Bank of Japan

Note: Data taken at markets closing, with the exception of the current day where they were taken at 11:00 a.m.