

## WEEKLY NEWSLETTER

# The Bank of Canada Appears More Optimistic and Will Reduce Its Quantitative Purchases

### HIGHLIGHTS

- ▶ United States: New home sales surged in March, but resales declined again.
- ▶ The Bank of Canada (BoC) kept its key rates unchanged but will reduce its quantitative purchases on the financial markets.
- ▶ Canada: Housing starts reached a new all-time high.
- ▶ Canada: Total annual inflation rose sharply in March.

### A LOOK AHEAD

- ▶ United States: The Federal Reserve should continue to be patient.
- ▶ United States: Strong growth in real GDP is expected for the third quarter.
- ▶ Canada: Real GDP by industry should climb 0.5% in February.

### FINANCIAL MARKETS

- ▶ The stock markets are in profit-taking mode after a good start to the year.
- ▶ Bond yields remain close to last week's level despite the BoC's announcements.
- ▶ The Canadian dollar was buoyed by the BoC's optimism.

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# Key Statistics of the Week

## UNITED STATES

- ▶ After falling 16.2% in February, primarily due to bad weather, sales of new single-family homes jumped 20.7% in March. Annualized sales went from 1,010,000 units in January to 846,000 in February, then to 1,021,000 in March, their highest level since August 2006.
- ▶ Existing home sales dropped for the second straight month in March. After falling 6.6% in February, they decreased 3.7% in March. Annualized sales went from 6,600,000 units in January to 6,240,000 in February, then to 6,010,000 in March, their lowest level since last August. The drops seen in February and March were mainly due to the bad weather in February, which had a delayed effect.
- ▶ The Conference Board's leading indicator rose 1.2% in March after slipping 0.1% in February (its first monthly decline since April 2020). Two factors had a major impact on the leading indicator's growth in March: fewer jobless claims (+0.35 percentage points) and an increase in the "new orders" component of the ISM manufacturing index (+0.26 percentage points). However, all components had a positive effect.
- ▶ Initial jobless claims fell again last week, going from 586,000 to 547,000, a new low since the start of the pandemic.

Francis Généreux, Senior economist

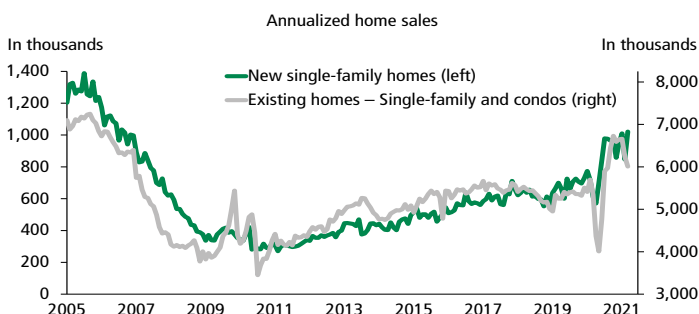
## CANADA

- ▶ The Bank of Canada (BoC) maintained last Wednesday its target for the overnight rate at the effective lower bound of 0.25%. Effective the week of April 26, weekly net purchases of Government of Canada bonds will be adjusted to a target of \$3B (instead of \$4B). This adjustment to the amount of incremental stimulus being added each week reflects the progress made in the economic recovery. If the economic conditions continue to improve as forecast, other gradual reductions in QE purchases will be expected in the coming quarters. Concerning the key rate, the BoC is leaving the door open to the first hike in the second half of 2022, when enough excess capacity will have been used up.
- ▶ Housing starts climbed sharply to 335,200 units, a new all-time high. Clearly, the supply of new homes is still adjusting to the high demand. The bulk of the increase was seen in multi-unit housing in urban areas in Ontario and British Columbia.
- ▶ The consumer price index rose 0.5% in March. The total annual inflation rate climbed from 1.1% to 2.2%. As expected, arithmetic effects played a major role in driving up the total inflation rate. This is due in large part to gasoline prices being compared with those of March 2020, when they plunged because of the first wave of COVID-19.

Benoit P. Durocher, Senior economist

## UNITED STATES

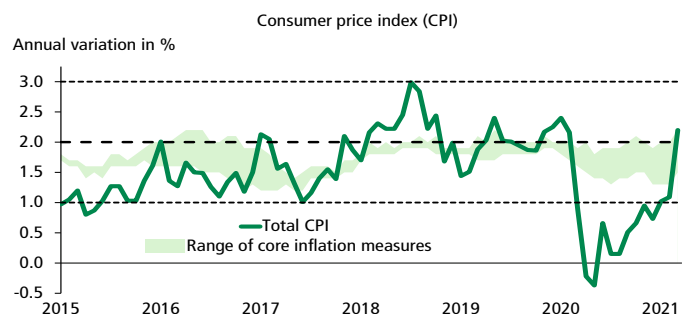
### A new cyclical peak for new home sales



Sources: U.S. Census Bureau, National Association of Realtors and Desjardins, Economic Studies

## CANADA

### Total inflation is climbing faster



Sources: Statistics Canada, Bank of Canada and Desjardins, Economic Studies

# Financial Markets

## Investors React to the Idea of an Increase in the Capital Gains Tax

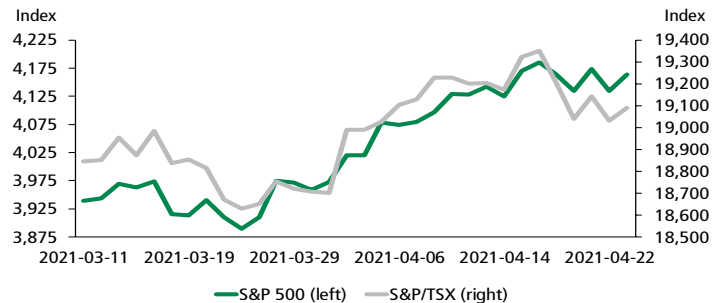
The week was difficult for the bond markets despite the release of good corporate earnings for many publicly listed companies. It appears that these good results were largely expected and that their materialization instead resulted in profit taking. The North American stock markets were also thrown into reverse on Thursday on reports that the Biden administration would propose a hike in the capital gains tax. On the other hand, the news remained positive with the third wave of the pandemic now slowing down in a number of locations worldwide. The North American NASDAQ, S&P 500 and Dow Jones stock market indexes fared a little better, losing about 1% each over the week, while the S&P/TSX was losing almost 1.5% at the time of writing. A barrel of WTI (West Texas Intermediate) oil was at about US\$62 on Friday morning, down 2.5% for the week.

In a sign that the economic outlooks have not changed radically, the bond markets did not benefit much from the falling stock markets. Yields for most U.S. government bond maturities were down less than 2 basis points. Canadian bond yields, in particular the 5-year yield, jumped after the Bank of Canada (BoC) announced a reduction in asset purchases. However, the increase had been wiped out by Friday morning, except for the 30-year yield, which was 7 basis points above last week's level.

The U.S. dollar continued to trend down this week, but not as sharply. The euro benefits from the lull in the third wave of COVID-19 in Europe. It is back up over US\$1.205, a level similar to that observed in early March. The European Central Bank also seemed a little more optimistic. In a press conference, President Christine Lagarde suggested that the total amount allocated to asset purchases might not be fully used. The Canadian dollar experienced difficulties before the BoC meeting, with investors expecting significant caution. Lastly, the announcement of a reduction in asset purchases and clearly more optimistic economic forecasts boosted the loonie to over US\$0.80.

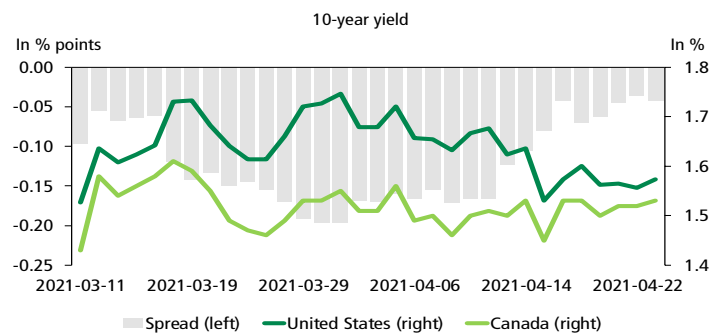
**Hendrix Vachon**, Senior Economist  
**Lorenzo Tessier-Moreau**, Senior Economist

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



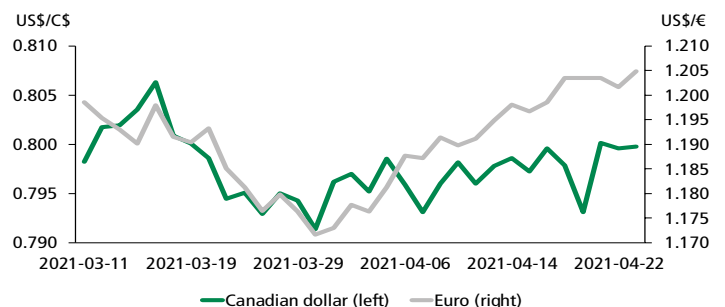
Sources: Datastream and Desjardins, Economic Studies

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



Sources: Datastream and Desjardins, Economic Studies

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



Sources: Datastream and Desjardins, Economic Studies

# A Look Ahead

## MONDAY April 26 - 8:30

<b>March</b>	<b>m/m</b>
Consensus	2.5%
Desjardins	1.7%
<b>February</b>	<b>-1.2%</b>

## TUESDAY April 27 - 9:00

<b>February</b>	<b>y/y</b>
Consensus	11.8%
Desjardins	11.8%
<b>January</b>	<b>11.1%</b>

## TUESDAY April 27 - 10:00

<b>April</b>	
Consensus	112.0
Desjardins	110.0
<b>March</b>	<b>109.7</b>

## WEDNESDAY April 28 - 14:00

<b>April</b>	
Consensus	0.25%
Desjardins	0.25%
<b>March 17</b>	<b>0.25%</b>

## THURSDAY April 29 - 8:30

<b>Q1 2021 - 1<sup>st</sup> est.</b>	<b>ann. rate</b>
Consensus	6.5%
Desjardins	8.4%
<b>Q4 2020</b>	<b>4.3%</b>

## UNITED STATES

**New durable goods orders (March)** – New durable goods orders fell 1.2% in February, reflecting the downturn in several economic indicators due to the bad weather. Motor vehicle orders declined, more than offsetting the over 100% increase in civil aviation orders. We expect motor vehicle related orders to climb back up in March, and the aviation market should calm down. Not including transportation, a gain of 1.7% is anticipated. The ISM manufacturing component associated with new orders reached its highest level since January 2004 in March. The increase in manufacturing output in March is also a positive sign. In all, a 1.7% increase is forecast.

**S&P/Case-Shiller index of existing home prices (February)** – The positive trend for existing homes continued in January with a monthly gain of 1.2%, the sixth monthly increase of over 1% in a row. Prices are expected to rise 1.1% in February, with the number of houses on the market remaining low. Annual growth should go from 11.1% to 11.8%.

**Conference Board consumer confidence index (April)** – In March the Conference Board consumer confidence index soared by 19.3 points, its strongest monthly gain since April 2003. The index now stands at 109.7, which means it has made up just over half the ground it lost during the pandemic. After March's performance, it would be normal for the Conference Board index to calm down in April. Other indicators, like that of the University of Michigan, posted more modest increases. We expect the Conference Board index to hold steady at 110.0.

**Meeting of the Federal Reserve (April)** – The Federal Reserve (Fed) leaders were very cautious at their March meeting, indicating that they wanted to be sure that the improvement in the economic indicators is quite real and observable in published data before announcing policy changes. Of course, with the widespread good news since mid-March and the sped-up vaccination campaign, the Fed should be quite positive in Wednesday's release. That said, since there were 8,403,000 fewer jobs in March than before the pandemic, the Fed will clearly need to exercise some more patience. We do not expect the Fed to make a major announcement this time around.

**Real GDP (Q1 – first estimate)** – After an already quite high annualized gain of 4.3% in the fourth quarter of 2020, real GDP is expected to climb again in the first quarter of 2021. The economy, especially consumer spending, got a boost from the federal government's assistance programs adopted in December and March. Despite a temporary decline in February, the annualized growth of real consumption should rise just over 10.0%. We also expect strong increases in business investments, residential investments and government spending. However, business inventory variations, and especially net exports, should put a damper on growth. Bottom line: an annualized quarterly rise of 8.4% is expected.

FRIDAY April 30 - 8:30

<b>February</b>	<b>m/m</b>
Consensus	0.5%
Desjardins	0.5%
<b>January</b>	<b>0.7%</b>

FRIDAY April 30 - 5:00

<b>Q1 2021</b>	<b>q/q</b>
Consensus	-0.8%
<b>Q4 2020</b>	<b>-0.7%</b>

### CANADA


**Real GDP by industry (February)** – According to Statistics Canada’s preliminary results, February should close with a growth of real GDP by industry of around 0.5%. Although some sectors like manufacturing and wholesale trade experienced difficulties in February, the Canadian economy is on a good track. For example, the number of hours worked rose 1.4% in February due to significant hikes in several service sectors.


### OVERSEAS

**Euro zone: Real GDP (Q1 – first estimate)** – The European economy fell 0.7% (non annualized) in the fourth quarter of 2020, due to the effect of the health measures aimed at combatting the second wave of COVID-19. Several of these measures remained in place throughout the winter, and some countries clamped down even further in an attempt to limit the third wave. So, it looks like European real GDP will be down again in the first quarter of 2021.

# Economic Indicators

## Week of April 26 to 30, 2021

Day	Hour	Indicator	Period	Consensus		Previous data
<b>UNITED STATES</b>						
<b>MONDAY 26</b>	8:30	Durable goods orders (m/m)	March	2.5%	1.7%	-1.2%
<b>TUESDAY 27</b>	9:00	S&P/Case-Shiller home price index (y/y)	Feb.	11.8%	11.8%	11.1%
	10:00	Consumer confidence	April	112.0	110.0	109.7
<b>WEDNESDAY 28</b>	8:30	Goods trade balance – preliminary (US\$B)	March	-87.5	-87.2	-86.7
	8:30	Retail inventories – preliminary (m/m)	March	n/a	n/a	0.0%
	8:30	Wholesale inventories – preliminary (m/m)	March	0.6%	n/a	0.6%
	14:00	Federal Reserve meeting	April	0.25%	0.25%	0.25%
	14:30	Speech of the Federal Reserve Chair, J. Powell				
<b>THURSDAY 29</b>	8:30	Initial unemployment claims	April 19-23	550,000	560,000	547,000
	8:30	Real GDP (ann. rate)	Q1f	6.5%	8.4%	4.3%
	10:00	Pending home sales (m/m)	March	4.5%	n/a	-10.6%
	11:00	Speech of a Federal Reserve Vice Chair, R. Quarles				
<b>FRIDAY 30</b>	8:30	Employment cost index (q/q)	Q1	0.7%	0.6%	0.7%
	8:30	Personal income (m/m)	March	20.0%	21.6%	-7.1%
	8:30	Personal consumption expenditures (m/m)	March	4.3%	3.8%	-1.0%
	8:30	Personal consumption expenditures deflator				
		Total (m/m)	March	0.5%	0.5%	0.2%
		Excluding food and energy (m/m)	March	0.3%	0.2%	0.1%
		Total (y/y)	March	2.3%	2.3%	1.6%
		Excluding food and energy (y/y)	March	1.8%	1.7%	1.4%
	9:45	Chicago PMI index	April	65.0	62.0	66.3
	10:00	Michigan's consumer sentiment index – final	April	87.8	86.5	86.5
<b>CANADA</b>						
<b>MONDAY 26</b>	---	---				
<b>TUESDAY 27</b>	---	---				
<b>WEDNESDAY 28</b>	8:30	Retail sales				
		Total (m/m)	Feb.	4.0%	4.0%	-1.1%
		Excluding automobiles (m/m)	Feb.	3.2%	3.4%	-1.2%
<b>THURSDAY 29</b>	8:30	Average weekly earnings (y/y)	Feb.	n/a	8.8%	8.3%
	8:30	Number of salaried employees (m/m)	Feb.	n/a	0.7%	-0.8%
<b>FRIDAY 30</b>	8:30	Industrial product price index (m/m)	March	1.5%	1.6%	2.6%
	8:30	Raw materials price index (m/m)	March	2.0%	1.5%	6.6%
	8:30	Real GDP by industry (m/m)	Feb.	0.5%	0.5%	0.7%

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 April 26 to 30, 2021

Country	Hour	Indicator	Period	Consensus		Previous data		
				m/m (q/q)	y/y	m/m (q/q)	y/y	
<b>OVERSEAS</b>								
<b>MONDAY 26</b>								
Germany	4:00	Ifo survey – Business climate	April	98.0		96.6		
Germany	4:00	Ifo survey – Current situation	April	84.5		93.0		
Germany	4:00	Ifo survey – Expectations	April	101.3		100.4		
<b>TUESDAY 27</b>								
Japan	---	Bank of Japan meeting	April	-0.10%		-0.10%		
Sweden	3:30	Bank of Sweden meeting	April	0.00%		0.00%		
Italy	4:00	Consumer confidence	April	101.8		100.9		
Italy	4:00	Economic confidence	April	n/a		93.9		
Japan	19:50	Retail sales	March	0.6%	4.6%	3.1%	-1.5%	
<b>WEDNESDAY 28</b>								
United Kingdom	---	Nationwide house prices	April	0.5%	5.0%	-0.2%	5.7%	
Germany	2:00	Consumer confidence	May	-4.8		-6.2		
France	2:45	Consumer confidence	April	93		94		
<b>THURSDAY 29</b>								
Euro zone	4:00	Money supply M3	March		10.2%		12.3%	
Euro zone	5:00	Consumer confidence – final	April	n/a		-8.1		
Euro zone	5:00	Industrial confidence	April	4.0		2.0		
Euro zone	5:00	Services confidence	April	-8.8		-9.3		
Euro zone	5:00	Economic confidence	April	102.1		101.0		
Germany	8:00	Consumer price index – preliminary	April	0.5%	1.9%	0.5%	1.7%	
Japan	19:30	Consumer price index – Tokyo	April		-0.2%		-0.2%	
Japan	19:30	Unemployment rate	March	2.9%		2.9%		
Japan	19:50	Industrial production – preliminary	March	-2.0%	-0.3%	-1.3%	-2.0%	
China	21:00	PMI manufacturing index	April	51.7		51.9		
China	21:00	PMI non-manufacturing index	April	55.9		56.3		
<b>FRIDAY 30</b>								
Japan	1:00	Consumer confidence	April	34.0		36.1		
Japan	1:00	Housing starts	March		-7.4%		-3.7%	
France	1:30	Personal consumption expenditures	March	0.5%	19.7%	0.0%	-0.1%	
France	1:30	Real GDP – preliminary	Q1	0.0%	1.1%	-1.4%	-4.9%	
France	2:45	Consumer price index – preliminary	April	0.2%	1.3%	0.6%	1.1%	
Italy	3:00	Unemployment rate	March	10.3%		10.2%		
Germany	4:00	Real GDP – preliminary	Q1	-1.5%	-3.2%	0.3%	-3.7%	
Italy	4:00	Real GDP – preliminary	Q1	-0.5%	-1.6%	-1.9%	-6.6%	
Euro zone	5:00	Consumer price index – preliminary	April	0.5%	1.6%	0.9%	1.3%	
Euro zone	5:00	Real GDP – preliminary	Q1	-0.8%	-2.0%	-0.7%	-4.9%	
Euro zone	5:00	Unemployment rate	March	8.3%		8.3%		
Italy	5:00	Consumer price index – preliminary	April	0.3%	1.0%	0.3%	0.8%	

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	2020	2019	2018
Gross domestic product (2012 \$B)	2020 Q4	18,794	4.3	-2.4	-3.5	2.2	3.0
Consumption (2012 \$B)	2020 Q4	12,999	2.3	-2.7	-3.9	2.4	2.7
Government spending (2012 \$B)	2020 Q4	3,320	-0.8	-0.5	1.1	2.3	1.8
Residential investment (2012 \$B)	2020 Q4	697.9	36.6	14.3	6.1	-1.7	-0.6
Non-residential investment (2012 \$B)	2020 Q4	2,742	13.1	-1.4	-4.0	2.9	6.9
Business inventory change (2012 \$B) <sup>1</sup>	2020 Q4	62.1	---	---	-77.4	48.5	53.4
Exports (2012 \$B)	2020 Q4	2,279	22.3	-10.9	-12.9	-0.1	3.0
Imports (2012 \$B)	2020 Q4	3,400	29.8	-0.6	-9.3	1.1	4.1
Final domestic demand (2012 \$B)	2020 Q4	19,775	4.4	-1.5	-2.7	2.3	3.0
GDP deflator (2012 = 100)	2020 Q4	114.4	2.0	1.3	1.2	1.8	2.4
Labor productivity (2012 = 100)	2020 Q4	111.1	-4.2	2.4	2.5	1.8	1.4
Unit labor cost (2012 = 100)	2020 Q4	116.4	6.0	4.2	3.9	1.9	1.9
Employment cost index (Dec. 2005 = 100)	2020 Q4	142.4	2.9	2.5	2.6	2.7	2.8
Current account balance (\$B) <sup>1</sup>	2020 Q4	-188.5	---	---	-647.2	-480.2	-449.7

<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)	March*	111.6	1.3	1.7	3.8	7.9
ISM manufacturing index <sup>1</sup>	March	64.7	60.8	60.5	55.7	49.7
ISM non-manufacturing index <sup>1</sup>	March	63.7	55.3	57.7	57.2	53.6
Cons. confidence Conference Board (1985 = 100) <sup>1</sup>	March	109.7	90.4	87.1	101.3	118.8
Personal consumption expenditure (2012 \$B)	Feb.	13,119	-1.2	0.8	1.6	-2.1
Disposable personal income (2012 \$B)	Feb.	15,681	-8.2	2.2	0.3	3.4
Consumer credit (\$B)	Feb.	4,206	0.7	0.9	1.7	0.0
Retail sales (\$M)	March	619,105	9.8	15.0	12.0	27.7
<i>Excluding automobiles (\$M)</i>	March	484,977	8.4	14.6	10.7	19.4
Industrial production (2012 = 100)	March	105.6	1.4	-0.3	2.7	1.0
Production capacity utilization rate (%) <sup>1</sup>	March	74.4	73.4	74.7	72.5	73.6
New machinery orders (\$M)	Feb.	505,680	-0.8	3.6	7.6	1.9
New durable good orders (\$M)	Feb.	254,082	-1.2	3.6	9.1	3.2
Business inventories (\$B)	Feb.	2,011	0.5	1.7	3.8	-0.7
Housing starts (k) <sup>1</sup>	March	1,739	1,457	1,670	1,437	1,269
Building permits (k) <sup>1</sup>	March	1,759	1,720	1,704	1,545	1,356
New home sales (k) <sup>1</sup>	March*	1,021	846.0	949.0	965.0	612.0
Existing home sales (k) <sup>1</sup>	March*	6,010	6,240	6,650	6,440	5,350
Commercial surplus (\$M) <sup>1</sup>	Feb.	-71,078	-67,823	-69,038	-66,064	-38,008
Nonfarm employment (k) <sup>2</sup>	March	144,120	916.0	1,617	2,255	-6,720
Unemployment rate (%) <sup>1</sup>	March	6.0	6.2	6.7	7.8	4.4
Consumer price (1982-1984 = 100)	March	264.8	0.6	1.2	1.8	2.6
<i>Excluding food and energy</i>	March	271.2	0.3	0.5	0.8	1.6
Personal cons. expenditure deflator (2012 = 100)	Feb.	112.7	0.2	0.9	1.1	1.6
<i>Excluding food and energy</i>	Feb.	114.7	0.1	0.6	0.8	1.4
Producer price (2009 = 100)	March	123.1	1.0	2.8	3.7	4.3
Export prices (2000 = 100)	March	133.7	2.1	6.5	8.9	9.1
Import prices (2000 = 100)	March	129.7	1.2	4.1	5.1	6.9

<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	2020	2019	2018
Gross domestic product (2012 \$M)	2020 Q4	2,045,925	9.6	-3.2	-5.4	1.9	2.4
Household consumption (2012 \$M)	2020 Q4	1,135,859	-0.4	-4.8	-6.1	1.6	2.5
Government consumption (2012 \$M)	2020 Q4	427,753	6.2	0.1	-1.1	2.0	2.9
Residential investment (2012 \$M)	2020 Q4	163,068	18.4	14.4	3.9	-0.2	-1.7
Non-residential investment (2012 \$M)	2020 Q4	158,899	4.2	-13.1	-13.1	1.1	3.1
Business inventory change (2012 \$M) <sup>1</sup>	2020 Q4	1,721	---	---	-15,533	18,766	15,486
Exports (2012 \$M)	2020 Q4	624,807	5.0	-7.1	-9.8	1.3	3.7
Imports (2012 \$M)	2020 Q4	627,163	10.8	-6.0	-11.3	0.4	3.4
Final domestic demand (2012 \$M)	2020 Q4	2,041,230	3.5	-2.5	-4.5	1.4	2.5
GDP deflator (2012 = 100)	2020 Q4	112.8	4.4	1.7	0.8	1.7	1.8
Labour productivity (2012 = 100)	2020 Q4	112.1	-7.7	3.8	8.8	1.0	0.6
Unit labour cost (2012 = 100)	2020 Q4	115.0	0.0	2.7	4.0	2.9	3.1
Current account balance (\$M) <sup>1</sup>	2020 Q4	-7,261	---	---	-42,673	-47,384	-52,224
Production capacity utilization rate (%) <sup>1</sup>	2020 Q4	79.2	---	---	77.2	82.6	83.7
Disposable personal income (\$M)	2020 Q4	1,397,720	-3.8	7.7	10.0	3.8	3.1
Corporate net operating surplus (\$M)	2020 Q4	303,500	-2.7	4.3	-6.1	0.6	3.8

<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)	Jan.	1,949,641	0.7	1.6	4.1	-2.3
Industrial production (2012 \$M)	Jan.	388,473	1.7	4.2	5.3	-1.9
Manufacturing sales (\$M)	Feb.	55,357	-1.6	2.8	5.0	-0.8
Housing starts (k) <sup>1</sup>	March*	335.2	275.6	229.7	209.0	195.1
Building permits (\$M)	Feb.	10,150	2.1	4.8	22.8	20.5
Retail sales (\$M)	Jan.	52,546	-1.1	-3.1	-1.0	1.3
<i>Excluding automobiles (\$M)</i>	Jan.	38,794	-1.2	-2.3	-0.3	2.5
Wholesale trade sales (\$M)	Feb.	68,763	-0.7	2.0	4.7	6.5
Commercial surplus (\$M) <sup>1</sup>	Feb.	1,039	1,206	-3,379	-3,252	-2,362
<i>Exports (\$M)</i>	Feb.	49,856	-2.7	6.6	10.2	4.1
<i>Imports (\$M)</i>	Feb.	48,817	-2.4	-2.7	0.7	-2.8
Employment (k) <sup>2</sup>	March	18,834	303.1	116.5	74.3	58.4
Unemployment rate (%) <sup>1</sup>	March	7.5	8.2	8.8	9.2	7.9
Average weekly earnings (\$)	Jan.	1,135	1.8	2.9	2.0	8.3
Number of salaried employees (k) <sup>2</sup>	Jan.	15,842	-134.5	-52.7	118.4	-103.6
Consumer price (2002 = 100)	March*	139.6	0.5	1.6	2.0	2.2
<i>Excluding food and energy</i>	March*	133.4	0.2	0.9	1.1	0.9
<i>Excluding 8 volatile items</i>	March*	137.5	0.3	1.1	1.3	1.4
Industrial product price (2010 = 100)	Feb.	107.1	2.6	6.7	7.0	7.1
Raw materials price (2010 = 100)	Feb.	112.8	6.6	16.5	15.6	17.1
Money supply M1+ (\$M)	Feb.*	1,444,393	2.4	4.0	8.3	30.9

<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		
	April 23	April 16	-1 month	-3 months	-6 months	-1 year	Higher	Average	Lower
<b>United States</b>									
Federal funds – target	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25
Treasury bill – 3 months	0.02	0.02	0.02	0.08	0.10	0.12	0.19	0.09	0.01
Treasury bonds – 2 years	0.15	0.17	0.14	0.13	0.16	0.21	0.23	0.15	0.11
– 5 years	0.82	0.82	0.83	0.43	0.37	0.37	0.92	0.43	0.19
– 10 years	1.57	1.57	1.66	1.09	0.84	0.60	1.75	0.93	0.51
– 30 years	2.26	2.26	2.37	1.86	1.65	1.18	2.48	1.68	1.19
S&P 500 index (level)	4,164	4,185	3,975	3,841	3,465	2,837	4,185	3,509	2,820
DJIA index (level)	34,003	34,201	33,073	30,997	28,336	23,775	34,201	28,824	23,248
Gold price (US\$/ounce)	1,774	1,779	1,733	1,854	1,900	1,719	2,053	1,830	1,681
CRB index (level)	195.52	193.21	187.73	172.85	150.69	112.76	195.52	157.71	108.00
WTI oil (US\$/barrel)	62.06	63.46	58.51	52.25	39.67	16.14	66.09	45.24	12.34
<b>Canada</b>									
Overnight – target	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25
Treasury bill – 3 months	0.09	0.09	0.09	0.06	0.09	0.23	0.27	0.13	0.05
Treasury bonds – 2 years	0.32	0.29	0.23	0.18	0.24	0.33	0.35	0.26	0.15
– 5 years	0.94	0.95	0.93	0.44	0.38	0.43	1.03	0.49	0.30
– 10 years	1.53	1.53	1.49	0.84	0.64	0.58	1.61	0.79	0.43
– 30 years	2.06	1.98	1.95	1.47	1.24	1.18	2.08	1.32	0.89
<u>Spread with the U.S. rate (% points)</u>									
Overnight – target	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Treasury bill – 3 months	0.07	0.07	0.07	-0.02	-0.01	0.11	0.17	0.04	-0.04
Treasury bonds – 2 years	0.17	0.12	0.09	0.05	0.08	0.12	0.17	0.11	0.01
– 5 years	0.12	0.13	0.10	0.01	0.01	0.06	0.21	0.07	-0.04
– 10 years	-0.04	-0.04	-0.17	-0.25	-0.20	-0.02	-0.04	-0.14	-0.30
– 30 years	-0.20	-0.28	-0.42	-0.39	-0.41	0.00	-0.04	-0.36	-0.49
S&P/TSX index (level)	19,089	19,351	18,753	17,846	16,304	14,420	19,351	16,885	14,503
Exchange rate (C\$/US\$)	1.2503	1.2506	1.2578	1.2737	1.3123	1.4104	1.4146	1.3115	1.2402
Exchange rate (C\$/€)	1.5065	1.4988	1.4840	1.5498	1.5565	1.5262	1.5903	1.5386	1.4733
<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\$/€)	1.2049	1.1985	1.1798	1.2168	1.1861	1.0821	1.2327	1.1743	1.0795
<u>United Kingdom</u>									
BoE – Base rate	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10
Bonds – 10 years	0.75	0.80	0.79	0.32	0.33	0.25	0.91	0.34	0.04
FTSE index (level)	6,928	7,020	6,741	6,695	5,860	5,752	7,020	6,304	5,577
Exchange rate (US\$/£)	1.3839	1.3832	1.3789	1.3686	1.3042	1.2369	1.4141	1.3179	1.2106
<u>Germany</u>									
Bonds – 10 years	-0.25	-0.30	-0.39	-0.54	-0.57	-0.47	-0.25	-0.48	-0.64
DAX index (level)	15,252	15,460	14,749	13,874	12,646	10,336	15,460	13,129	10,337
<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)	29,021	29,683	29,177	28,631	23,517	19,262	30,468	25,137	19,619
Exchange rate (US\$/¥)	108.07	108.79	109.66	103.79	104.71	107.52	110.73	106.11	102.74

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.