

WEEKLY NEWSLETTER

Canada's Labour Market Shows Surprising Vitality

MUSINGS OF THE WEEK

- ▶ So far, so good...

KEY STATISTICS OF THE WEEK

- ▶ United States: Disappointing job creation but the unemployment rate declines further.
- ▶ United States: A new historic high for the ISM services.
- ▶ United States: Conference Board confidence index's turn to fall.
- ▶ Canada: Real GDP growth for the third quarter outstrips expectations.
- ▶ Canada: Labour market churns out strong job creation again.

A LOOK AHEAD

- ▶ U.S. inflation poised to hit highest rate since 1982.
- ▶ Bank of Canada expected to leave key rates unchanged.
- ▶ Canada: Potential improvement in October merchandise trade balance.

FINANCIAL MARKETS

- ▶ Stock markets shaken by Omicron variant and Jerome Powell's comments.
- ▶ The bond yield curve flattened on variant fears.
- ▶ Strong employment numbers Friday temporarily lifted the Canadian dollar after another tough week.

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Musings of the Week

So Far, So Good...

By Jimmy Jean, Vice-President, Chief Economist and Strategist

During the pandemic, bank account and investment portfolio balances ballooned all across Quebec but according to the [analysis](#) we released this week, some fortunes have risen more than others. For instance, tenants saw the biggest percentage surge in net worth, but homeowners enjoyed the biggest dollar value increase. Young people also saw a smaller increase in net worth.

Meanwhile, inflation has eaten away at savings, and adjusted for inflation, deposits have barely budged this year. In real terms, savings are still above their pre-pandemic trend. But if we continue to see high inflation next year, they could come back down to that trend. If that happens, it would be more difficult to argue that consumers still have a lot of cash that can be redeployed.

But savings are just part of the story. Soaring investment and real estate values have protected households from the effects of higher inflation. Of course, if you don't have these assets you're out of luck. Young people under 30 saw a smaller increase in net worth during the pandemic largely because fewer of them own a home. They also tend to have less invested in the market, leaving them more vulnerable to high inflation. That can make it hard to save for a first home, especially with today's home prices driving up minimum down payments.

Yet even those with more assets aren't immune to price corrections. How financial markets respond next year if rates rise sooner than expected will be. We've seen big price gains over the past two years, so a sizeable price correction could spell trouble for household finances. If inflation remains high, interest rates creep up and assets lose value, households could really be in a pinch. They would at least need their incomes to keep up with inflation. But historically, central banks bent on fighting inflation have driven up unemployment, spurring a recession. That's why the word on everyone's lips since the 2010s has been gradualism.

It was easy to be a gradualist in the last cycle because inflation wasn't a threat. But now it seems anxiety has taken hold of central banks like the Federal Reserve (Fed), the Bank of England and the Bank of Canada. This week, Jerome Powell made news when he said the Fed is retiring the word transitory. This from the same Fed that went to great lengths all year to defend the thesis of transitory inflation. The timing of this change in rhetoric is especially curious given that oil prices are down sharply. Jerome Powell appears to be growing uneasy about the shallow rate path markets have priced in. It's one of the reasons

inflation-adjusted interest rates remain deep in negative territory, contributing to fuel aggregate demand even as supply struggles to keep up.

So, what does it all mean? For now, it looks like the Fed will pull forward its tapering timeline. It could also raise interest rates before its June meeting and add another rate hike next year. Right now, we're expecting three in 2022, with the first in June. So far, so good. But if the Fed has to kick tightening into high gear, the risk of a shock to asset values like the one laid out above could skyrocket. And make no mistake, we'd feel that shockwave here in Canada too.

Key Statistics of the Week

By Francis Généreux, Senior Economist, and Benoit P. Durocher, Senior Economist

UNITED STATES

- ▶ The establishment survey indicates that there were only 210,000 net hires in November, following gains of 546,000 jobs in October and 379,000 in September. The consensus was expecting 2.6 times as many hires. This is the weakest job creation since the 306,000-job decline in December 2020.
- ▶ The unemployment rate went from 4.6% in October to 4.2% in November. The household survey recorded a spectacular gain of 1,136,000 jobs.
- ▶ The ISM manufacturing was up a slight 0.3 points in November, perfectly offsetting the decline of the same amount in October. This returned the index to its September level of 61.1. Six of the ten components declined, including order backlogs (-1.7 points), prices paid (-3.3 points) and supplier deliveries (-3.4 points), indicating that supply snags may be starting to ease.
- ▶ The ISM services was also up in November, logging a 2.4 point gain. The index advanced from 66.7 in October to 69.1 in November, a historic high. The uptick occurred despite only three of the ten components having risen in November.
- ▶ The Conference Board's consumer confidence index deteriorated in November, although the 2.1 point drop was not as sharp as expected. The 109.5 level in November is the lowest since last February.
- ▶ November saw a pullback in motor vehicles sold. However, the 0.7% decline followed a surge of 5.5% in October, Annualized sales fell from 12,958,000 units in October to 12,864,000 last month. That is 19.0% short of the November 2020 level.
- ▶ Monthly growth in the S&P/Case-Shiller index in the 20 largest cities stood at 1.0% in September. Despite being high, this marks the weakest monthly increase since July 2020. The annual variation eased from 19.6% in August to 19.1% in September.
- ▶ Construction spending climbed 0.2% in October after retreating 0.1% (revised from -0.5%) in September. Residential construction was down 0.5%. Private non-residential construction gained 0.2%, while public construction jumped 1.8%.

CANADA

- ▶ Real GDP rose 5.4% (quarterly annualized) in the third quarter of 2021, strongly outstripping expectations. On the other hand, the second quarter results were revised down, with the annualized quarterly variation in real GDP slipping from -1.1% to -3.2%. Domestic demand also rose 5.4% (quarterly annualized) in the third quarter. This gain is due to the 12.1% rise in consumer spending and the 8.7% increase in government investments. Clearly, consumers had an even greater impact than initially thought this summer. Spending on services jumped 27.8% as many sectors continued to reopen. A little more than one-third of the increase in household consumer spending came from accommodation and food services. According to Statistics Canada, the preliminary result indicates that real GDP by industry grew roughly 0.8% in October. Based on this, the fourth quarter should begin on a high note.
- ▶ Employment growth largely exceeded expectations in November, with 153,700 jobs created. The unemployment rate went from 6.7% to 6.0%. It is just three tenths of a percentage point short of its pre-pandemic level. The median hourly wage continued to rise, reaching \$26.04 in November. Its variation over one year is 3.2%, not too worrisome for now, but we must keep monitoring its progress in the months to come.
- ▶ As expected, worker productivity fell 1.5% in the third quarter, due to growth in hours worked (+2.9%) outpacing the rise in the production rate (+1.4%). Unit labour costs notched up 1.9%.
- ▶ The current account balance was virtually unchanged in the third quarter at \$1.37B. The trade in goods gain was offset by trade in services and investment income declines.

Financial Markets

Waiting for More Information on Omicron

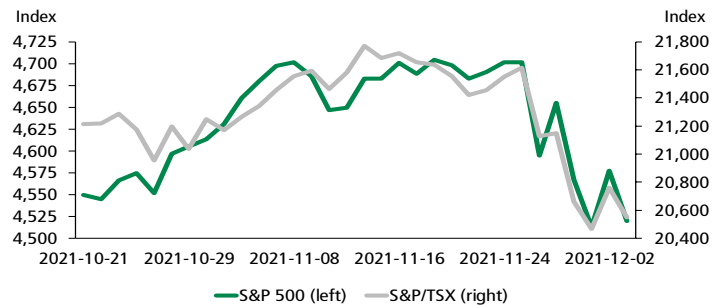
By Hendrix Vachon, Senior Economist, and Lorenzo Tessier-Moreau, Senior Economist

News about the Omicron variant shook markets again this week. North American indexes plunged Tuesday and Wednesday following the announcement of the first cases of the new variant on U.S. soil, but also the comments made by Federal Reserve (Fed) Chair Jerome Powell. Appearing before the Senate Tuesday, Jerome Powell stated that he could consider a faster tapering of asset purchases and that it might be time to stop describing inflation as transitory. These comments were viewed as a signal that the Fed's priority will be to control inflation rather than to support the economy through the next wave of the pandemic. Disappointing job numbers in the United States provided no comfort to investors, and the main indexes were down Friday morning at the time of writing. The S&P 500 and Dow Jones lost around 1% for the week, while the NASDAQ was sinking 2%. The Canadian S&P/TSX was also dragged down by the decline in crude oil prices. It lost about 2%, as a barrel of WTI (West Texas Intermediate) dropped back to around US\$69.

Bond yield movements largely reflected investor fears this week. Yields with maturities greater than 5 years fell with the increase in demand for safe havens amid the uncertainty caused by the pandemic. Shorter maturities rose sharply due to expectations of more rapid rate hikes in the United States fuelled by the Fed Chair's comments.

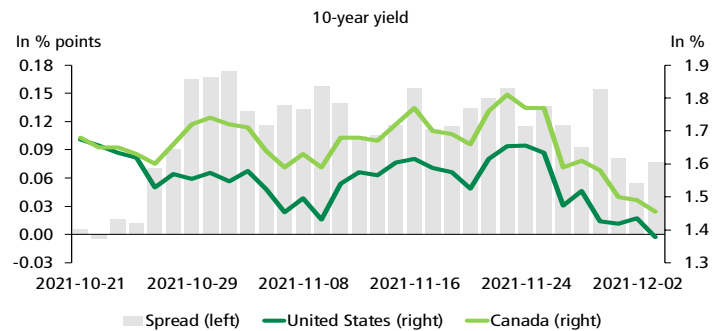
The U.S. dollar maintained a bullish trend against many currencies this week as a result of the uncertainty brought about by the Omicron variant. Disappointing job creation in the United States was not enough to reverse the trend. That said, the U.S. unemployment rate continued to drop in November, and other indicators, such as the ISM services, continue to send positive signals for the U.S. economy. After appreciating temporarily, the euro fell back down below US\$1.13. The pound sterling is struggling a little more because of a lower likelihood that the Bank of England will soon begin its monetary tightening. The Canadian dollar slipped below US\$0.78 during the week. Solid employment numbers in Canada gave the loonie a temporary boost Friday.

GRAPH 1
Stock markets



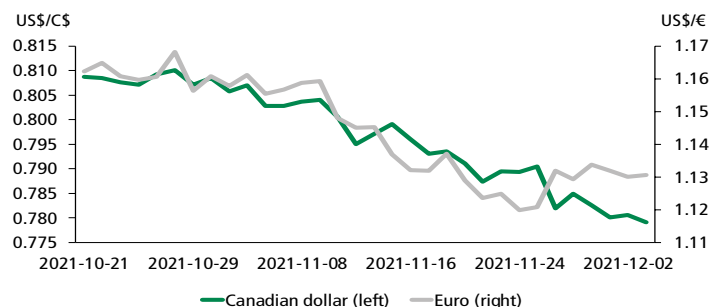
Sources: Datastream and Desjardins, Economic Studies

GRAPH 2
Bond markets



Sources: Datastream and Desjardins, Economic Studies

GRAPH 3
Currency markets



Sources: Datastream and Desjardins, Economic Studies

A Look Ahead

By Francis Généreux, Senior Economist, and Benoit P. Durocher, Senior Economist

FRIDAY December 10 - 8:30

November	m/m
Consensus	0.7%
Desjardins	0.6%
October	0.9%

FRIDAY December 10 - 10:00

December	
Consensus	68.0
Desjardins	66.0
November	67.4

TUESDAY December 7 - 8:30

October	\$B
Consensus	n/a
Desjardins	2.96
September	1.86

WEDNESDAY December 8 - 10:00

December	
Consensus	0.25%
Desjardins	0.25%
October 27	0.25%

FRIDAY December 10 - 8:30

Q3 2021	q/q
Consensus	n/a
Desjardins	83.5%
Q2 2021	82.0%

UNITED STATES

Consumer price index (November) – In October, the annual variation in the consumer price index (CPI) hit its highest level since November 1990, at 6.2%. This lofty inflation rate is expected to be outstripped in November. As in the previous month, energy is poised to make a strong upward contribution to the monthly variation in the total CPI. Prices at the pumps were up 2.6%, bucking the downward trend typical for November. That means seasonal adjustments will once again exacerbate energy's positive contribution. We also anticipate growth in food prices to be fairly robust, albeit shy of the 0.8% reading for October. Excluding food and gasoline, core CPI is expected to climb 0.4% in November on the heels of a 0.6% gain in October. However, there is a risk of a new jump in used car prices, which would see stronger growth reflected in the monthly variation in the core CPI. All in all, we peg the monthly variation in total inflation at 0.6%. This would lift the annual variation to 6.7%, which would be the highest inflation rate since June 1982. Core inflation is expected to gather pace from 4.6% to 4.8%, a height not seen since June 1991.

University of Michigan consumer confidence index (December – preliminary) – The University of Michigan confidence index retreated in four of the past five months, tumbling from 85.5 in June to 67.4 in November, a depth not seen since fall 2011. A further decline is likely for December. New uncertainties sparked by the Omicron variant probably soured consumer sentiment. We also note a drop in stock market indices since mid-November. The issue of rising consumer prices remains relevant even though gasoline prices have started to decline. The weekly Langer confidence index fell in the last week of November. All told, we expect the University of Michigan index to ease to 66.0.

CANADA

International merchandise trade (October) – When expressed in Canadian dollars and seasonally adjusted, the commodity price index was up 10.9% in October, driven in particular by sharply higher energy prices. That should boost export values. In addition, motor vehicle production accelerated 11% south of the border during the month, which suggests that trade between Canada and the United States has bounced back in this industry. Ultimately, a sharp rise in total exports is anticipated for October. Even though we see imports advancing as well, the trade balance could improve for the month.

Bank of Canada Meeting (December) – In its latest decision in October, the Bank of Canada announced the end of its net bond purchases in financial markets. The next step is likely a hike in the target overnight rate, which has not budged from its lowest level since the outbreak of the pandemic. Although inflation sits well above the upper bound of the target range, we believe a key rate hike is still premature. Significant uncertainties remain, particularly with an emerging Omicron variant and persistent excess production capacity in some sectors.

Industrial capacity utilization rate (Q3) – Industrial output climbed 5.6% (annualized) in the third quarter. Production capacity eased slightly during the quarter, as reflected in the 0.9% dip in business investment in non-residential structures, and machinery and equipment during the quarter. In the circumstances, industrial capacity utilization rates could rise in the third quarter of 2021.

FRIDAY December 10 - 2:00


October	m/m
Consensus	0.4%
September	0.6%


OVERSEAS

United Kingdom: Monthly GDP (October) – U.K. real GDP expanded at a slower pace in the third quarter, yet annualized quarterly growth of 5.1% remains fairly strong. October’s monthly GDP should give us an idea of the strength of the fourth quarter growth. We already have some encouraging signs, including a 0.8% monthly variation in retail sales. Yet, supply snags and rising costs may weigh on October GDP. The PMI indexes also ended the month lower.

Economic Indicators

Week of December 6 to 10, 2021

Day	Hour	Indicator	Period	Consensus		Previous data
UNITED STATES						
MONDAY 6						
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TUESDAY 7						
	8:30	Trade balance – Goods and services (US\$B)	Oct.	-67.0	-67.5	-80.9
	8:30	Nonfarm productivity – final (ann. rate)	Q3	-4.9%	-4.8%	-5.0%
	8:30	Unit labor costs – final (ann. rate)	Q3	8.3%	8.1%	8.3%
	15:00	Consumer credit (US\$B)	Oct.	25.000	26.000	29.913
WEDNESDAY 8						
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THURSDAY 9						
	8:30	Initial unemployment claims	Nov. 29-Dec. 3	230,000	230,000	222,000
	10:00	Wholesale inventories – final (m/m)	Oct.	n/a	2.2%	2.2%
FRIDAY 10						
	8:30	Consumer price index				
		Total (m/m)	Nov.	0.7%	0.6%	0.9%
		Excluding food and energy (m/m)	Nov.	0.5%	0.4%	0.6%
		Total (y/y)	Nov.	6.7%	6.7%	6.2%
		Excluding food and energy (y/y)	Nov.	4.9%	4.8%	4.6%
	10:00	Michigan's consumer sentiment index – preliminary	Dec.	68.0	66.0	67.4
	14:00	Federal budget (US\$B)	Nov.	n/a	n/a	-165.1
CANADA						
MONDAY 6						
	---	---				
TUESDAY 7						
	8:30	International trade (\$B)	Oct.	n/a	2.96	1.86
	10:00	PMI-Ivey index	Nov.	n/a	58.5	59.3
WEDNESDAY 8						
	10:00	Bank of Canada meeting	Dec.	0.25%	0.25%	0.25%
THURSDAY 9						
	14:00	Speech of a Bank of Canada Deputy Governor, T. Gravelle				
FRIDAY 10						
	8:30	National balance sheet	Q3			
	8:30	Industrial capacity utilization rate	Q3	n/a	83.5%	82.0%

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 Eastern Standard Time (GMT - 5 hours).  Forecast of Desjardins, Economic Studies of the Desjardins Group.

Economic Indicators

Week of December 6 to 10, 2021

Country	Hour	Indicator	Period	Consensus		Previous data		
				m/m (q/q)	y/y	m/m (q/q)	y/y	
OVERSEAS								
DURING THE WEEK								
China	---	Trade balance (US\$B)	Nov.	82.13		84.54		
MONDAY 6								
Germany	2:00	Factory orders	Oct.	-0.3%	5.5%	1.3%	9.7%	
Italy	4:00	Retail sales	Oct.	0.3%	4.0%	0.8%	5.3%	
United Kingdom	4:30	PMI construction index	Nov.	54.2		54.6		
Australia	22:30	Reserve Bank of Australia meeting	Dec.	0.10%		0.10%		
TUESDAY 7								
Japan	0:00	Leading indicator – preliminary	Oct.	102.8		100.9		
Japan	0:00	Coincident indicator – preliminary	Oct.	89.9		88.7		
Germany	2:00	Industrial production	Oct.	1.0%	-2.9%	-1.1%	-1.0%	
France	2:45	Trade balance (€M)	Oct.	-6,900		-6,777		
France	2:45	Current account (€B)	Oct.	n/a		-2.7		
Euro zone	5:00	Net change in employment – final	Q3	n/a	n/a	0.9%	2.0%	
Euro zone	5:00	Real GDP – final	Q3	2.2%	3.7%	2.2%	3.7%	
Germany	5:00	ZEW survey – Current situation	Dec.	5.0		12.5		
Germany	5:00	ZEW survey – Expectations	Dec.	25.0		31.7		
Japan	18:50	Current account (¥B)	Oct.	977.8		762.7		
Japan	18:50	Real GDP – final	Q3	-0.8%		-0.8%		
India	23:30	Reserve Bank of India meeting	Dec.	4.00%		4.00%		
WEDNESDAY 8								
Brazil	16:30	Bank of Brazil meeting	Dec.	9.25%		7.75%		
China	20:30	Consumer price index	Nov.		2.5%		1.5%	
China	20:30	Producer price index	Nov.		12.0%		13.5%	
THURSDAY 9								
Germany	2:00	Trade balance (€B)	Oct.	14.0		16.2		
Germany	2:00	Current account (€B)	Oct.	17.0		19.6		
Japan	18:50	Producer price index	Nov.	0.4%	8.5%	1.2%	8.0%	
FRIDAY 10								
United Kingdom	2:00	Trade balance (£M)	Oct.	-2,400		-2,777		
United Kingdom	2:00	Construction	Oct.	0.3%	5.4%	1.3%	7.2%	
United Kingdom	2:00	Index of services	Oct.	0.4%		0.7%		
United Kingdom	2:00	Monthly GDP	Oct.	0.4%		0.6%		
United Kingdom	2:00	Industrial production	Oct.	0.1%	2.2%	-0.4%	2.9%	
Germany	2:00	Consumer price index – final	Nov.	-0.2%	5.2%	-0.2%	5.2%	
Italy	4:00	Industrial production	Oct.	0.3%	3.3%	0.1%	4.4%	

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 Eastern Standard Time (GMT - 5 hours).

UNITED STATES
Quarterly economic indicators

	REF. QUART.	LEVEL	VARIATION (%)		ANNUAL VARIATION (%)		
			Quart. ann.	1 year	2020	2019	2018
Gross domestic product (2012 \$B)	2021 Q3	19,469	2.1	4.9	-3.4	2.3	2.9
Consumption (2012 \$B)	2021 Q3	13,724	1.7	7.0	-3.8	2.2	2.9
Government spending (2012 \$B)	2021 Q3	3,381	0.9	0.6	2.5	2.2	1.4
Residential investment (2012 \$B)	2021 Q3	693.1	-8.3	5.4	6.8	-0.9	-0.6
Non-residential investment (2012 \$B)	2021 Q3	2,884	1.5	9.0	-5.3	4.3	6.4
Business inventory change (2012 \$B) ¹	2021 Q3	-73.2	---	---	-42.3	75.1	65.7
Exports (2012 \$B)	2021 Q3	2,286	-3.0	5.5	-13.6	-0.1	2.8
Imports (2012 \$B)	2021 Q3	3,599	5.8	12.9	-8.9	1.2	4.1
Final domestic demand (2012 \$B)	2021 Q3	20,681	1.1	6.1	-2.5	2.4	3.0
GDP deflator (2012 = 100)	2021 Q3	119.2	5.9	4.6	1.3	1.8	2.4
Labor productivity (2012 = 100)	2021 Q3	111.3	-5.0	-0.5	2.4	2.0	1.5
Unit labor cost (2012 = 100)	2021 Q3	120.9	8.3	4.8	4.5	1.8	1.9
Employment cost index (Dec. 2005 = 100)	2021 Q3	146.6	5.4	3.7	2.6	2.8	2.8
Current account balance (\$B) ¹	2021 Q2	-190.3	---	---	-616.1	-472.1	-438.2

¹ 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)	Oct.	118.3	0.9	1.6	4.6	9.3
ISM manufacturing index ¹	Nov.*	61.1	60.8	59.9	61.2	57.7
ISM non-manufacturing index ¹	Nov.*	69.1	66.7	61.7	64.0	56.8
Cons. confidence Conference Board (1985 = 100) ¹	Nov.*	109.5	111.6	115.2	120.0	92.9
Personal consumption expenditure (2012 \$B)	Oct.	13,877	0.7	1.7	1.4	6.6
Disposable personal income (2012 \$B)	Oct.	15,425	-0.3	-2.0	-4.5	-0.9
Consumer credit (\$B)	Sept.	4,367	0.7	1.4	3.4	4.9
Retail sales (\$M)	Oct.	638,189	1.7	3.7	1.5	16.3
<i>Excluding automobiles (\$M)</i>	Oct.	511,603	1.7	4.6	5.0	17.6
Industrial production (2012 = 100)	Oct.	101.6	1.6	0.3	2.4	5.1
Production capacity utilization rate (%) ¹	Oct.	76.4	75.2	76.2	74.8	72.9
New machinery orders (\$M)	Oct.*	522,138	1.0	2.5	7.1	15.2
New durable good orders (\$M)	Oct.	260,285	-0.4	0.6	5.1	13.7
Business inventories (\$B)	Sept.	2,102	0.7	2.1	3.7	7.5
Housing starts (k) ¹	Oct.	1,520	1,530	1,562	1,514	1,514
Building permits (k) ¹	Oct.	1,653	1,586	1,630	1,733	1,595
New home sales (k) ¹	Oct.	745.0	742.0	704.0	796.0	969.0
Existing home sales (k) ¹	Oct.	6,340	6,290	6,000	5,850	6,730
Commercial surplus (\$M) ¹	Sept.	-80,934	-72,813	-73,230	-72,222	-62,625
Nonfarm employment (k) ²	Nov.*	148,611	210.0	1,135	3,671	5,802
Unemployment rate (%) ¹	Nov.*	4.2	4.6	5.2	5.8	6.7
Consumer price (1982-1984 = 100)	Oct.	276.7	0.9	1.6	3.7	6.2
<i>Excluding food and energy</i>	Oct.	281.7	0.6	0.9	2.9	4.6
Personal cons. expenditure deflator (2012 = 100)	Oct.	117.4	0.6	1.4	2.9	5.0
<i>Excluding food and energy</i>	Oct.	118.8	0.4	1.0	2.4	4.1
Producer price (2009 = 100)	Oct.	129.7	0.6	1.9	4.4	8.6
Export prices (2000 = 100)	Oct.	145.2	1.5	2.2	6.8	18.0
Import prices (2000 = 100)	Oct.	136.5	1.2	1.4	4.1	10.7

¹ Statistic shows the level of the month of the column; ² 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)	2021 Q3*	2,093,927	5.4	4.0	-5.2	1.9	2.8
Household consumption (2012 \$M)	2021 Q3*	1,189,996	17.9	5.0	-6.2	1.4	2.6
Government consumption (2012 \$M)	2021 Q3*	445,787	-0.7	3.9	0.0	1.7	3.2
Residential investment (2012 \$M)	2021 Q3*	158,802	-31.3	0.3	4.3	-0.2	-1.1
Non-residential investment (2012 \$M)	2021 Q3*	165,988	-0.9	2.3	-12.1	2.5	3.5
Business inventory change (2012 \$M) ¹	2021 Q3*	-8,290	---	---	-18,720	18,377	16,610
Exports (2012 \$M)	2021 Q3*	619,913	8.0	-1.1	-9.7	2.3	3.8
Imports (2012 \$M)	2021 Q3*	637,383	-2.3	3.8	-10.8	0.4	3.3
Final domestic demand (2012 \$M)	2021 Q3*	2,111,754	5.4	3.9	-4.1	1.2	2.7
GDP deflator (2012 = 100)	2021 Q3*	119.6	3.1	7.7	0.7	1.5	1.7
Labour productivity (2012 = 100)	2021 Q3*	109.0	-5.9	-5.4	8.5	1.0	0.6
Unit labour cost (2012 = 100)	2021 Q3*	120.6	7.7	6.2	3.0	2.9	3.1
Current account balance (\$M) ¹	2021 Q3*	1,369	---	---	-39,415	-47,041	-53,141
Production capacity utilization rate (%) ¹	2021 Q2	82.0	---	---	77.4	82.6	83.7
Disposable personal income (\$M)	2021 Q3*	1,471,864	7.2	5.1	8.9	4.8	3.0
Corporate net operating surplus (\$M)	2021 Q3*	356,068	-23.9	12.6	-1.9	-0.6	4.8

¹ 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)	Sept.*	1,982,395	0.1	1.0	0.3	3.4
Industrial production (2012 \$M)	Sept.*	386,163	-0.6	-0.1	0.7	3.9
Manufacturing sales (\$M)	Sept.	58,460	-3.0	-3.1	-1.5	8.4
Housing starts (k) ¹	Oct.	236.6	249.9	273.5	274.9	227.3
Building permits (\$M)	Oct.*	10,291	1.3	3.7	-6.9	17.9
Retail sales (\$M)	Sept.	56,643	-0.6	0.9	-2.6	4.8
<i>Excluding automobiles (\$M)</i>	Sept.	42,032	-0.2	1.7	-2.9	6.0
Wholesale trade sales (\$M)	Sept.	71,339	1.0	-0.1	0.1	7.7
Commercial surplus (\$M) ¹	Sept.	1,858	1,509	2,258	-1,322	-3,762
<i>Exports (\$M)</i>	Sept.	53,000	-2.3	-0.7	4.5	15.7
<i>Imports (\$M)</i>	Sept.	51,142	-3.0	0.0	-1.7	3.1
Employment (k) ²	Nov.*	19,316	153.7	114.0	126.2	64.9
Unemployment rate (%) ¹	Nov.*	6.0	6.7	7.1	8.2	8.6
Average weekly earnings (\$)	Sept.	1,137	0.2	1.3	1.4	2.6
Number of salaried employees (k) ²	Sept.	16,792	91.1	167.5	106.2	82.1
Consumer price (2002 = 100)	Oct.	143.9	0.7	1.1	2.6	4.7
<i>Excluding food and energy</i>	Oct.	136.8	0.4	0.9	1.9	3.2
<i>Excluding 8 volatile items</i>	Oct.	141.5	0.6	1.1	2.4	3.8
Industrial product price (2010 = 100)	Oct.*	117.7	1.3	2.3	5.6	16.7
Raw materials price (2010 = 100)	Oct.*	133.3	4.8	4.1	14.6	38.4
Money supply M1+ (\$M)	Sept.	1,580,057	0.0	2.3	7.9	16.7

¹ Statistic shows the level of the month of the column; ² 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		
	Dec. 3	Nov. 26	-1 month	-3 months	-6 months	-1 year	Higher	Average	Lower
United States									
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	0.04	0.06	0.05	0.05	0.02	0.09	0.11	0.05	0.01
Treasury bonds – 2 years	0.59	0.46	0.37	0.19	0.15	0.16	0.59	0.22	0.11
– 5 years	1.14	1.17	1.04	0.77	0.77	0.42	1.33	0.79	0.34
– 10 years	1.38	1.47	1.45	1.32	1.56	0.97	1.75	1.40	0.89
– 30 years	1.71	1.83	1.89	1.94	2.24	1.73	2.48	2.04	1.63
S&P 500 index (level)	4,520	4,595	4,698	4,535	4,230	3,699	4,705	4,197	3,647
DJIA index (level)	34,392	34,899	36,328	35,369	34,756	30,218	36,432	33,619	29,862
Gold price (US\$/ounce)	1,781	1,799	1,810	1,834	1,894	1,834	1,947	1,805	1,682
CRB index (level)	219.55	226.73	235.00	220.11	210.29	159.89	241.18	204.21	158.28
WTI oil (US\$/barrel)	67.24	78.39	81.27	69.37	69.62	46.26	84.66	66.18	45.52
Canada									
Overnight – target	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25
Treasury bill – 3 months	0.04	0.08	0.14	0.15	0.12	0.12	0.19	0.11	0.04
Treasury bonds – 2 years	1.01	0.93	0.92	0.39	0.31	0.28	1.08	0.42	0.15
– 5 years	1.34	1.39	1.36	0.78	0.86	0.50	1.58	0.89	0.39
– 10 years	1.46	1.59	1.59	1.19	1.46	0.80	1.81	1.31	0.67
– 30 years	1.77	2.01	1.96	1.75	1.98	1.34	2.19	1.82	1.21
<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	0.00	0.02	0.09	0.10	0.10	0.03	0.13	0.07	-0.04
Treasury bonds – 2 years	0.41	0.47	0.55	0.20	0.16	0.12	0.62	0.21	0.01
– 5 years	0.20	0.22	0.32	0.01	0.09	0.08	0.33	0.10	-0.04
– 10 years	0.08	0.12	0.14	-0.13	-0.10	-0.17	0.17	-0.09	-0.30
– 30 years	0.06	0.18	0.07	-0.19	-0.26	-0.39	0.18	-0.22	-0.46
S&P/TSX index (level)	20,550	21,126	21,456	20,821	20,029	17,521	21,769	19,573	17,337
Exchange rate (C\$/US\$)	1.2835	1.2788	1.2456	1.2528	1.2080	1.2783	1.2908	1.2536	1.2034
Exchange rate (C\$/€)	1.4512	1.4475	1.4408	1.4887	1.4697	1.5495	1.5741	1.4910	1.4179
Overseas									
<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\$/€)	1.1307	1.1319	1.1568	1.1883	1.2167	1.2122	1.2327	1.1894	1.1199
<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	0.83	0.85	0.72	0.84	0.37	1.20	0.72	0.19
FTSE index (level)	7,122	7,044	7,304	7,138	7,069	6,550	7,384	6,943	6,407
Exchange rate (US\$/£)	1.3229	1.3342	1.3497	1.3867	1.4156	1.3440	1.4212	1.3769	1.3225
<u>Germany</u>									
Bonds – 10 years	-0.39	-0.34	-0.28	-0.36	-0.21	-0.54	-0.09	-0.35	-0.64
DAX index (level)	15,170	15,257	16,054	15,781	15,693	13,299	16,251	15,048	13,114
<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)	28,030	28,752	29,612	29,128	28,942	26,751	30,670	28,707	26,436
Exchange rate (US\$/¥)	112.90	113.33	113.42	109.75	109.51	104.16	115.43	109.08	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.