

WEEKLY NEWSLETTER

Disappointing Economic Data in the United States and Canada

MUSINGS OF THE WEEK

- ▶ Canada's GDP decline: a story with many subplots.

KEY STATISTICS OF THE WEEK

- ▶ United States: August's job numbers are disappointing.
- ▶ United States: August brought a slight rise in the manufacturing ISM, but the services ISM dropped.
- ▶ United States: Motor vehicle sales fell further in August.
- ▶ Canada: Real GDP saw a surprising decline in the second quarter.
- ▶ Canada: The merchandise trade balance deteriorated in July.

A LOOK AHEAD

- ▶ Canada: Employment should continue to recover in August.
- ▶ The Bank of Canada is expected to opt for the status quo on key rates and its quantitative easing program.

FINANCIAL MARKETS

- ▶ The stock markets posted slight gains despite disappointing data.
- ▶ Inflation concerns continue to pull U.S. yields up.
- ▶ The Canadian dollar is back up to US\$0.80 amid the U.S. dollar's weakness.

CONTENTS

Musings of the Week.....	2	Financial Markets.....	4	Economic Indicators of the Week	7
Key Statistics of the Week	3	A Look Ahead	5	Tables: <i>Economic indicators</i>	9
<i>United States, Canada</i>		<i>United States, Canada, Overseas</i>		<i>Major financial indicators</i>	11

Musings of the Week

Canada's GDP Decline: A Story with Many Subplots

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

Life is full of surprises. So too are economic reports. The latest reading showed an unexpected drop in Canada's real GDP in the second quarter (-1.1% annualized vs. +2.5% consensus forecast). In normal times, this type of discrepancy in something like the quarterly GDP figure would be highly unusual. After all, forecasters use a whole host of reliable, high-frequency indicators to make their estimates. But the indicators were clearly wrong. Even Statistics Canada's own flash estimate, released just a month prior, was well off target. The average difference between the median consensus forecast and the published figure used to be 0.3 percentage points in absolute terms. But since the start of the pandemic, that difference has been a gaping 2.8 percentage points. Considering the ongoing economic disruptions, this kind of discrepancy may be the new norm for a while.

The second quarter contraction may be the result of the pandemic, but not necessarily pandemic-driven lockdowns. Spending on services—usually hardest hit by public health restrictions—was up 7.3%. Despite the health measures in place, Canadian households travelled more, fuelling a solid 28.8% increase in real spending on passenger air transportation. Spending on alcoholic beverage services also rose sharply this spring, up 22.2%. The Canadiens' playoff run and the Euro Cup probably helped. Case counts were also down, and people were moving around more. In June alone, GDP in the accommodation and food services sector was up nearly 15%.

So, what's behind the drop in GDP? The pandemic's effects on goods-producing industries were the biggest culprit. Transportation equipment manufacturing fell almost 25% annualized in the second quarter. GDP in auto manufacturing was down 43%, which is tied to the nearly 48% tumble of vehicle exports. As a result, overall exports slumped 15%, dragging down GDP more than any other component.

The second biggest culprit: the residential real estate market. Lower second quarter sales led to a 54.2% drop in home ownership transfer costs, wiping out gains in new construction and renovations and slashing investment in residential structures 12.4%.

What do these two things have in common? A supply shortage. Auto manufacturers are dealing with a shortage of chips and other components. Home buyers are facing a housing shortage, driving down sales.

The Bank of Canada (BoC) will be issuing its next press release on Wednesday, and Governor Tiff Macklem will be speaking on Thursday. For a central bank, the consequences of a slowdown driven by weak demand vs. weak supply are completely different. At this point, not many signs are pointing to slowing consumer demand. In fact, the opposite appears to be true. If you believe spending on services was strong in the second quarter, consider that it's still 13% below pre-pandemic levels, and savings grew again in the second quarter. That means there's still a lot of gas in the tank.

It doesn't look like the supply issues holding back output will be going away anytime soon. And the ultimate outcome is clear: higher inflation. We're already seeing this in Europe, where inflation hit 3.0%, causing a rift between European Central Bank officials this week. BoC officials may appear cool, calm and collected in public, but behind the scenes, they're likely having their own heated discussions as inflationary pressures spread throughout the CPI basket.

As a result, this week's data isn't likely to rattle the BoC. With today's supply and demand volatility, we shouldn't interpret every slowdown as essentially a demand issue like we used to. We expect the BoC to get it right on Wednesday and stay the course to stabilize its balance sheet over the coming months.

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 235,000 net hires in August, following gains of 1,053,000 in July (revised from 943,000) and 962,000 in June (revised from 938,000). In manufacturing, 37,000 jobs were created, mainly in the automobile sector (24,100). There were 3,000 net layoffs in construction. Private-sector services saw 203,000 jobs created, a sharp deceleration compared with the 734,000 jobs recorded in July. The jobless rate fell from 5.4% in July to 5.2% in August.
- ▶ The ISM manufacturing gained 0.4 of a point last month, moving from 59.5 in July to 59.9 in August. The increase is small, but considering that the consensus expectation was a decrease, this is pretty good news. Seven of the ten components increased, namely inventories, order backlogs and new orders.
- ▶ The ISM services declined last month from 64.1 to 61.7. Nine of the ten components pulled back, including current activity, prices, exports and supplier deliveries. Despite the monthly decline, the ISM services is still relatively high.
- ▶ In August, the Conference Board consumer confidence index suffered its greatest monthly decrease since April 2020. It tumbled from 125.1 in July (revised from 129.1) to 113.9 in August, the lowest level since February.
- ▶ Motor vehicle sales continue the downward momentum that began in the spring. They fell 10.7% in August, for a total loss of 28.7% since April. Annualized sales therefore slumped from 14,617,000 units in July to April to 13,057,000 last month, the lowest since May 2020.
- ▶ Construction spending edged up 0.3% in July, after stagnating in June. Residential construction climbed 0.5%. Private non-residential construction was down again, this time 0.2%. Public construction increased 0.7%.
- ▶ The S&P/Case-Shiller index in the 20 largest cities continued to post very robust monthly growth in June with a 1.8% gain, just like in May. The annual variation went from 17.1% in May to 19.1% in June, the fastest pace since the index's creation in 1987.

CANADA

- ▶ Real GDP by industry rose 0.7% in June, in line with the preliminary result. Increases were noted in 15 of the 20 main industries. Production in goods sectors and in services was up 0.9% and 0.7%, respectively. However, the results for April and May were revised downward as a result of the adverse effects of the third wave of COVID-19. Moreover, preliminary results show that real GDP dropped about 0.4% in July, a fairly disappointing forecast considering the gradual easing of a number of health measures.
- ▶ Real GDP fell an annualized 1.1% between the first and second quarter of 2021, which was significantly lower than expected performance. The consensus forecast was for an annualized gain of 2.5%. The weakness in GDP is due primarily to a sharp decline in goods and services exports as well as a slowdown in residential investment.
- ▶ The value of merchandise exports ticked up 0.6% in July. Significant increases were noted in industrial machinery, equipment and parts, electronic and electric equipment and parts, motor vehicles and auto parts, and aircraft and other transportation equipment and parts. However, these increases were offset by a sharp decline in exports of forestry products and building and packaging materials. Imports were up 4.2% owing to an acceleration in demand in a number of sectors. All in all, the trade balance in goods deteriorated from \$2.56B to \$0.78B.
- ▶ After three contractions in a row, labour productivity climbed 0.6% in the second quarter. This improvement is, however, due to disappointing results, as hours worked fell 1.1% and business output dropped 0.5%. Significant temporary factors have clearly tipped the balance as a result of the third wave of COVID-19. Worker's earnings rose 3.2% during the period, such that unit labour costs progressed 2.7%.

Financial Markets

Investors Are Ignoring the Gloomy Economic Data

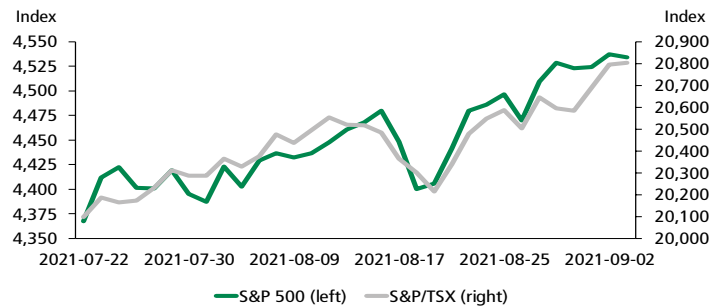
By Hendrix Vachon, Senior Economist, and Lorenzo Tessier-Moreau, Senior Economist

Despite downside surprises in the economic data, the markets had a fairly uneventful week. The Toronto S&P/TSX index did not suffer too much from the decline in Canada's GDP released Tuesday, and posted gains thereafter. The U.S. markets were not heavily penalized by the disappointing job numbers either. Some investors chose to see the weak U.S. job numbers as a sign that the Federal Reserve (Fed) could have to postpone the reduction in its asset purchases. Apart from the Dow Jones, all major indexes were heading toward weekly gains at the time of writing, with the NASDAQ in the lead, posting a 1.5% increase. The S&P 500 and the S&P/TSX were up by just under 1.0%, while the Dow Jones was down 0.5%. The price of WTI (West Texas Intermediate) oil was also up a bit, benefiting from production cuts in the Gulf of Mexico after the passage of Hurricane Ida.

U.S. long-term bond yields rose slightly over the week. Investors shunned the bond markets following the release of job data as a postponed reduction in bond purchases by the Fed could mean more inflationary pressures to come. The numbers on wage growth, released in the same survey, also exposed the risk of a higher inflation rate. In Canada, long-term bond yields dropped slightly.

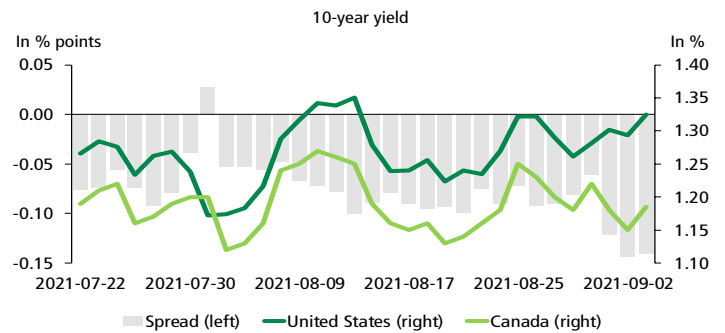
The U.S. dollar still seems to be penalized by weaker demand for safe-haven. The possibility that the Fed will be more cautious is also hurting the greenback. The euro temporarily reached US\$1.19 on Friday. Earlier in the week, a higher-than-forecast inflation rate in the euro zone boosted the common currency. Other European data released on Friday, including retail sales, did not live up to expectations, however. The pound fared less well than the euro in mid-week, but finally appreciated in the same proportions, reaching more than US\$1.385 on Friday. The disappointing Canadian GDP numbers hurt the loonie on Tuesday, but it then capitalized on the greenback's weakness to rise to nearly US\$0.80.

GRAPH 1
Stock markets



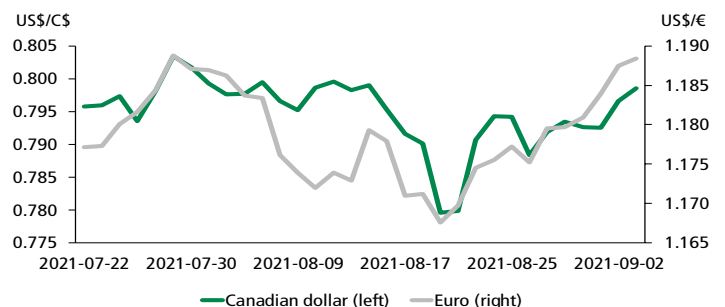
Sources: Datastream and Desjardins, Economic Studies

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

WEDNESDAY September 8 - 15:00

July	US\$B
Consensus	26.50
Desjardins	19.00
June	37.69

WEDNESDAY September 8 - 10:00

September	
Consensus	0.25%
Desjardins	0.25%
July 14	0.25%

FRIDAY September 10 - 8:30

August	
Consensus	60,000
Desjardins	160,000
July	94,000

FRIDAY September 10 - 8:30

Q2 2021	
Consensus	81.3%
Desjardins	81.2%
Q1 2021	81.7%

THURSDAY September 9 - 7:45

September	
Consensus	0.00%
Desjardins	0.00%
July 22	0.00%

UNITED STATES

Consumer credit (July) – Consumer credit accelerated in May and June with monthly annualized increases of over US\$36B. That was mainly due to revolving credit (cards and margins), which posted significant gains in May and June after stagnating for a while. We expect another increase in July, but likely a less strong one. Among other things, that is what the recent weekly bank credit variations are pointing at. We expect a gain of just under US\$20B.

CANADA

Meeting of the Bank of Canada (September) – After again reducing the weekly purchase amounts of its quantitative easing program in July, the Bank of Canada should maintain the status quo on that score at next week's meeting. That said, the monetary authorities could continue preparing the terrain for further gradual purchasing reductions in the coming months. With an annual inflation rate at 3.7%, it is clear that the Canadian economy no longer needs so much monetary stimulus, even though temporary factors have slowed economic growth in the second quarter. The key rates should remain unchanged at this time.

Labour force survey (August) – Although at a high point, the creation of 94,000 jobs in July was much lower than had been expected after the lifting of several health measures allowed room for optimism. Some disturbances affected the Canadian economy in July, however, as could be seen from the provisional real GDP by industry figures indicating an 0.4% slump in output for the month. Those difficulties should be partly resolved in August, and the labour market should recover at a faster pace. The unemployment rate could dip from 7.5% to 7.1%.

Industrial capacity utilization rate (Q2) – Industrial output was down 1.8% (annualized quarterly) in the second quarter, although production capacity increased slightly during the quarter, as can be seen from the 2.9% jump in business investments in non-residential buildings, machines and materials. In the circumstances, the industrial capacity utilization rate should drop slightly in the second quarter of 2021.

OVERSEAS

Euro zone: Meeting of the European Central Bank (September) – The euro zone has not been spared by the rising tide of inflation, and there will be strong pressure on the European Central Bank (ECB) to give more details about how it intends to stop purchasing assets with a few to boosting the economy. That said, the ECB is likely to remain very cautious about its key rates. There is a good chance that it will wait until after 2022 before it starts to raise them. Among the indicators to be released in the euro zone this week, Tuesday will see the final version of the Euroland's second quarter national accounts, with the details of how the real GDP components grew. On Friday we will see April's industrial output in Germany and France.


FRIDAY September 10 - 2:00


July	m/m
Consensus	0.5%
June	1.0%

United Kingdom: Monthly GDP (April) – Real GDP posted non-annualized quarterly growth of 4.8% at the end of the second quarter of 2021. That is mainly due to the progress made in March and April when the economy opened up again after the third wave of COVID-19. The growth remained relatively strong at the end of spring, with a monthly 1.0% gain in GDP in June. However, things may turn out to be a bit more difficult for July and the start of the third quarter. That can already be seen in the 2.5% decline in retail sales.

Economic Indicators

Week of September 6 to 10, 2021

Day	Hour	Indicator	Period	Consensus		Previous data
UNITED STATES						
MONDAY 6	---	Markets closed (Labor Day)				
TUESDAY 7	---	---				
WEDNESDAY 8	13:10	Speech of the New York Fed President, J. Williams				
	14:00	Release of the <i>Beige Book</i>				
	15:00	Consumer credit (US\$B)	July	26.50	19.00	37.69
	18:00	Speech of the Dallas Fed President, R. Kaplan				
THURSDAY 9	8:30	Initial unemployment claims	Aug. 30-Sept. 3	343,000	345,000	340,000
	11:05	Speech of the San Francisco Fed President, M. Daly				
	11:05	Speech of the Chicago Fed President, C. Evans				
	13:00	Speech of a Federal Reserve Governor, M. Bowman				
	14:00	Speech of the New York Fed President, J. Williams				
FRIDAY 10	8:30	Producer price index				
		Total (m/m)	Aug.	0.6%	0.7%	1.0%
		Excluding food and energy (m/m)	Aug.	0.5%	0.6%	1.0%
	9:00	Speech of the Cleveland Fed President, L. Mester				
	10:00	Wholesale inventories – final (m/m)	July	0.6%	0.6%	0.6%
CANADA						
MONDAY 6	---	Markets closed (Labour Day)				
TUESDAY 7	---	---				
WEDNESDAY 8	10:00	PMI-Ivey index	Aug.	n/a	60.5	56.4
	10:00	Bank of Canada meeting	Sept.	0.25%	0.25%	0.25%
THURSDAY 9	12:00	Speech of the Bank of Canada Governor, T. Macklem				
FRIDAY 10	8:30	National balance sheet	Q2			
	8:30	Net change in employment	Aug.	60,000	160,000	94,000
	8:30	Unemployment rate	Aug.	7.3%	7.1%	7.5%
	8:30	Industrial capacity utilization rate	Q2	81.3%	81.2%	81.7%

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 September 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)	Aug.	51.00		56.58		
MONDAY 6								
Germany	2:00	Factory orders	July	-0.7%	18.9%	4.1%	26.2%	
United Kingdom	4:30	PMI construction index	Aug.	56.0		58.7		
TUESDAY 7								
Australia	0:30	Reserve Bank of Australia meeting	Sept.	0.10%		0.10%		
Japan	1:00	Leading indicator – preliminary	July	103.5		104.1		
Japan	1:00	Coincident indicator – preliminary	July	94.3		94.5		
Germany	2:00	Industrial production	July	0.9%	5.1%	-1.3%	5.1%	
Euro zone	5:00	Net change in employment – final	Q2	n/a	n/a	0.5%	1.8%	
Euro zone	5:00	Real GDP – final	Q2	2.0%	13.6%	2.0%	13.6%	
Germany	5:00	ZEW survey – Current situation	Sept.	34.0		29.3		
Germany	5:00	ZEW survey – Expectations	Sept.	30.5		40.4		
Japan	19:50	Current account (¥B)	July	2,288.2		1,779.1		
Japan	19:50	Real GDP – final	Q2	0.4%		0.3%		
WEDNESDAY 8								
France	2:45	Trade balance (€M)	July	-6,147		5,819		
France	2:45	Current account (€B)	July	n/a		-0.5		
Italy	4:00	Retail sales	July	-0.2%	4.9%	0.7%	7.7%	
China	21:30	Consumer price index	Aug.		1.0%		1.0%	
China	21:30	Producer price index	Aug.		9.0%		9.0%	
THURSDAY 9								
Germany	2:00	Trade balance (€B)	July	14.6		16.3		
Germany	2:00	Current account (€B)	July	18.0		22.5		
Euro zone	7:45	European Central Bank meeting	Sept.	0.00%		0.00%		
FRIDAY 10								
United Kingdom	2:00	Trade balance (€M)	July	-1,600		-2,514		
United Kingdom	2:00	Construction	July	0.5%	10.9%	-1.3%	30.0%	
United Kingdom	2:00	Index of services	July	0.6%		1.5%		
United Kingdom	2:00	Monthly GDP	July	0.5%		1.0%		
United Kingdom	2:00	Industrial production	July	0.4%	3.0%	-0.7%	8.3%	
Germany	2:00	Consumer price index – final	Aug.	0.0%	3.9%	0.0%	3.9%	
France	2:45	Industrial production	July	0.4%	4.0%	0.5%	7.1%	
Italy	4:00	Industrial production	July	0.0%	5.4%	1.0%	13.9%	
Russia	6:30	Bank of Russia meeting	Sept.	7.00%		6.50%		

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)	2021 Q2	19,361	6.6	12.2	-3.4	2.3	2.9
Consumption (2012 \$B)	2021 Q2	13,660	11.9	16.2	-3.8	2.2	2.9
Government spending (2012 \$B)	2021 Q2	3,375	-1.9	-0.1	2.5	2.2	1.4
Residential investment (2012 \$B)	2021 Q2	708.7	-11.5	21.2	6.8	-0.9	-0.6
Non-residential investment (2012 \$B)	2021 Q2	2,873	9.3	13.3	-5.3	4.3	6.4
Business inventory change (2012 \$B) ¹	2021 Q2	-169.4	---	---	-42.3	75.1	65.7
Exports (2012 \$B)	2021 Q2	2,299	6.6	18.3	-13.6	-0.1	2.8
Imports (2012 \$B)	2021 Q2	3,546	6.7	30.5	-8.9	1.2	4.1
Final domestic demand (2012 \$B)	2021 Q2	20,622	7.9	12.9	-2.5	2.4	3.0
GDP deflator (2012 = 100)	2021 Q2	117.5	6.1	4.1	1.3	1.8	2.4
Labor productivity (2012 = 100)	2021 Q2	112.7	2.1	1.8	2.4	2.0	1.5
Unit labor cost (2012 = 100)	2021 Q2	118.6	1.3	0.2	4.5	1.8	1.9
Employment cost index (Dec. 2005 = 100)	2021 Q2	144.7	2.8	2.8	2.6	2.8	2.8
Current account balance (\$B) ¹	2021 Q1	-195.7	---	---	-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)	July	116.0	0.9	2.7	5.4	10.6
ISM manufacturing index ¹	Aug.*	59.9	59.5	61.2	60.8	55.6
ISM non-manufacturing index ¹	Aug.*	61.7	64.1	64.0	55.3	57.2
Cons. confidence Conference Board (1985 = 100) ¹	Aug.*	113.8	125.1	120.0	95.2	86.3
Personal consumption expenditure (2012 \$B)	July	13,667	-0.1	-0.1	3.5	7.6
Disposable personal income (2012 \$B)	July	15,580	0.7	-3.0	-8.3	-3.5
Consumer credit (\$B)	June	4,319	0.9	2.2	3.2	4.2
Retail sales (\$M)	July	617,719	-1.1	-1.8	7.2	15.8
<i>Excluding automobiles (\$M)</i>	July	490,987	-0.4	0.7	7.6	15.8
Industrial production (2012 = 100)	July	101.1	0.9	2.0	1.7	6.6
Production capacity utilization rate (%) ¹	July	76.1	75.4	74.7	75.0	71.5
New machinery orders (\$M)	July*	508,062	0.4	4.2	6.0	15.9
New durable good orders (\$M)	July	257,409	-0.1	3.9	5.9	17.7
Business inventories (\$B)	June	2,057	0.8	1.5	2.9	6.6
Housing starts (k) ¹	July	1,534	1,650	1,514	1,625	1,497
Building permits (k) ¹	July	1,630	1,594	1,733	1,883	1,542
New home sales (k) ¹	July	708.0	701.0	796.0	993.0	972.0
Existing home sales (k) ¹	July	5,990	5,870	5,850	6,660	5,900
Commercial surplus (\$M) ¹	July*	-70,051	-73,230	-66,659	-65,696	-60,743
Nonfarm employment (k) ²	Aug.*	147,190	235.0	2,250	3,918	6,041
Unemployment rate (%) ¹	Aug.*	5.2	5.4	5.8	6.2	8.4
Consumer price (1982-1984 = 100)	July	272.3	0.5	2.0	3.8	5.3
<i>Excluding food and energy</i>	July	279.1	0.3	2.0	3.3	4.2
Personal cons. expenditure deflator (2012 = 100)	July	115.9	0.4	1.5	2.9	4.2
<i>Excluding food and energy</i>	July	117.7	0.3	1.4	2.6	3.6
Producer price (2009 = 100)	July	127.3	1.0	2.8	5.0	7.7
Export prices (2000 = 100)	July	142.4	1.3	4.8	10.5	17.2
Import prices (2000 = 100)	July	134.6	0.3	2.7	6.4	10.2

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 Q2*	2,071,190	-1.1	12.7	-5.3	1.9	2.4
Household consumption (2012 \$M)	2021 Q2*	1,148,842	0.2	14.2	-6.0	1.6	2.5
Government consumption (2012 \$M)	2021 Q2*	447,597	6.1	10.0	-0.3	2.0	2.9
Residential investment (2012 \$M)	2021 Q2*	172,288	-12.4	42.3	4.1	-0.2	-1.7
Non-residential investment (2012 \$M)	2021 Q2*	159,670	12.1	7.7	-13.6	1.1	3.1
Business inventory change (2012 \$M) ¹	2021 Q2*	8,308	---	---	-15,937	18,766	15,486
Exports (2012 \$M)	2021 Q2*	602,785	-15.0	12.0	-10.0	1.3	3.7
Imports (2012 \$M)	2021 Q2*	634,610	-0.1	26.1	-11.2	0.4	3.4
Final domestic demand (2012 \$M)	2021 Q2*	2,087,592	0.7	14.4	-4.3	1.4	2.5
GDP deflator (2012 = 100)	2021 Q2*	118.9	9.2	9.2	0.7	1.7	1.8
Labour productivity (2012 = 100)	2021 Q2*	110.7	2.3	-12.6	8.1	1.0	0.6
Unit labour cost (2012 = 100)	2021 Q2*	117.1	11.1	1.1	3.1	2.9	3.1
Current account balance (\$M) ¹	2021 Q2*	3,581	---	---	-40,087	-47,384	-52,224
Production capacity utilization rate (%) ¹	2021 Q1	81.7	---	---	77.6	82.6	83.7
Disposable personal income (\$M)	2021 Q2*	1,463,752	9.2	-1.7	10.4	3.8	3.1
Corporate net operating surplus (\$M)	2021 Q2*	386,256	1.6	68.1	-4.0	0.6	3.8

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)	June*	1,970,194	0.7	-0.7	1.7	8.0
Industrial production (2012 \$M)	June*	387,884	1.7	0.2	1.9	9.3
Manufacturing sales (\$M)	June	59,234	2.1	-0.2	8.0	20.0
Housing starts (k) ¹	July	272.2	281.2	274.9	311.0	245.1
Building permits (\$M)	July*	9,897	-3.9	-10.4	-1.2	21.8
Retail sales (\$M)	June	56,161	4.2	-3.5	6.9	6.2
<i>Excluding automobiles (\$M)</i>	June	41,279	4.7	-4.6	6.3	5.8
Wholesale trade sales (\$M)	June	71,530	-0.8	0.4	6.5	14.7
Commercial surplus (\$M) ¹	July*	778.1	2,562	476.3	1,476	-2,496
<i>Exports (\$M)</i>	July*	53,749	0.6	6.4	4.4	17.0
<i>Imports (\$M)</i>	July*	52,971	4.2	5.8	6.0	9.4
Employment (k) ²	July	18,884	94.0	85.6	102.0	90.1
Unemployment rate (%) ¹	July	7.5	7.8	8.1	9.4	10.9
Average weekly earnings (\$)	June	1,125	-1.0	0.3	0.8	0.7
Number of salaried employees (k) ²	June	16,272	214.8	39.2	49.2	158.5
Consumer price (2002 = 100)	July	142.3	0.6	1.4	3.0	3.7
<i>Excluding food and energy</i>	July	135.6	0.4	1.0	2.1	2.8
<i>Excluding 8 volatile items</i>	July	140.0	0.6	1.3	2.4	3.3
Industrial product price (2010 = 100)	July	114.4	-0.4	2.8	9.7	15.4
Raw materials price (2010 = 100)	July	127.4	2.2	9.5	20.4	37.7
Money supply M1+ (\$M)	June	1,552,301	1.1	6.0	11.6	21.1

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		
	Sep. 3	Aug. 27	-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	0.05	0.06	0.02	0.04	0.11	0.13	0.06	0.01
Treasury bonds – 2 years	0.21	0.20	0.19	0.15	0.15	0.15	0.26	0.16	0.11
– 5 years	0.79	0.79	0.75	0.77	0.78	0.30	0.92	0.60	0.24
– 10 years	1.33	1.29	1.29	1.56	1.55	0.72	1.75	1.22	0.64
– 30 years	1.95	1.91	1.93	2.24	2.29	1.47	2.48	1.94	1.40
S&P 500 index (level)	4,534	4,509	4,437	4,230	3,842	3,427	4,537	3,929	3,237
DJIA index (level)	35,346	35,456	35,209	34,756	31,496	28,133	35,625	31,924	26,502
Gold price (US\$/ounce)	1,830	1,808	1,764	1,894	1,696	1,921	1,967	1,830	1,682
CRB index (level)	220.01	219.18	214.49	210.29	193.45	149.69	221.21	184.19	144.12
WTI oil (US\$/barrel)	69.77	68.85	68.25	69.62	66.09	39.77	75.38	56.99	35.61
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	0.15	0.18	0.17	0.12	0.11	0.15	0.19	0.11	0.05
Treasury bonds – 2 years	0.39	0.44	0.48	0.31	0.29	0.27	0.48	0.30	0.15
– 5 years	0.78	0.83	0.88	0.86	0.90	0.38	1.03	0.68	0.34
– 10 years	1.19	1.20	1.24	1.46	1.50	0.59	1.61	1.08	0.54
– 30 years	1.75	1.75	1.75	1.98	1.88	1.10	2.19	1.62	1.06
<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	0.11	0.13	0.11	0.10	0.07	0.04	0.13	0.05	-0.04
Treasury bonds – 2 years	0.19	0.24	0.29	0.16	0.14	0.12	0.29	0.14	0.01
– 5 years	-0.01	0.04	0.13	0.09	0.12	0.08	0.21	0.07	-0.04
– 10 years	-0.14	-0.09	-0.05	-0.10	-0.05	-0.13	0.03	-0.13	-0.30
– 30 years	-0.20	-0.16	-0.18	-0.26	-0.41	-0.37	-0.09	-0.31	-0.46
S&P/TSX index (level)	20,802	20,645	20,475	20,029	18,381	16,218	20,802	18,461	15,581
Exchange rate (C\$/US\$)	1.2523	1.2628	1.2554	1.2080	1.2657	1.3062	1.3389	1.2682	1.2034
Exchange rate (C\$/€)	1.4881	1.4895	1.4765	1.4697	1.5085	1.5465	1.5741	1.5159	1.4619
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\$/€)	1.1884	1.1795	1.1762	1.2167	1.1918	1.1840	1.2327	1.1956	1.1632
<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	0.72	0.68	0.70	0.84	0.78	0.22	0.93	0.55	0.12
FTSE index (level)	7,139	7,148	7,123	7,069	6,631	5,799	7,220	6,661	5,577
Exchange rate (US\$/£)	1.3865	1.3759	1.3873	1.4156	1.3843	1.3284	1.4212	1.3633	1.2724
<u>Germany</u>									
Bonds – 10 years	-0.36	-0.46	-0.50	-0.21	-0.34	-0.48	-0.11	-0.43	-0.64
DAX index (level)	15,781	15,852	15,761	15,693	13,921	12,843	15,977	14,357	11,556
<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)	29,128	27,641	27,820	28,942	28,864	23,205	30,468	27,443	22,977
Exchange rate (US\$/¥)	109.64	109.84	110.27	109.51	108.36	106.25	111.52	107.17	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.