

WEEKLY NEWSLETTER

Federal Reserve Chair's Cautious Tone Welcomed By Markets

MUSINGS OF THE WEEK

- ▶ The Delta wave rages on, but North America's economy has better immunity.

KEY STATISTICS OF THE WEEK

- ▶ United States: Real consumption fell slightly in July, but disposable income rose once again.
- ▶ United States: New home sales rose in July.

A LOOK AHEAD

- ▶ United States: More strong job creation expected in August.
- ▶ United States: The ISM indexes should dip.
- ▶ Canada: Real GDP by industry is expected to rebound in June.
- ▶ Canada: The second quarter as a whole should end with real GDP growth of around 2.3%.
- ▶ Canada: Labour productivity expected to return to positive territory in the second quarter.

FINANCIAL MARKETS

- ▶ Concerns over the Delta variant make way for renewed optimism on the markets.
- ▶ Bond yields rose in anticipation of the Jackson Hole meeting.
- ▶ The U.S. dollar depreciated against several currencies.

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Musings of the Week

The Delta Wave Rages On, but North America's Economy Has Better Immunity

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

Like a Super Bowl of the economic and financial community, the annual Jackson Hole Symposium always generates a lot of hype. This dates back to when Chair of the Federal Reserve (Fed) would sometimes use the platform to make a splash. But under subsequent Fed chairs, Jackson Hole has been little more than a boring meeting of central bankers. This year was no exception, and in his speech today, Fed Chair Jerome Powell more or less repeated the messages from the July meeting minutes released last week, which hinted that the goal of substantial progress toward the Fed's inflation and employment goals will likely be met this year, paving the way for the tapering of asset purchases.

The Fed may seem out of touch given the current state of the pandemic. After all, Florida just reported more deaths than at any point in the pandemic even though 63% of its population has received at least one dose. But despite the raging Delta variant, Jerome Powell has expressed confidence that future waves will be less disruptive to the U.S. economy.

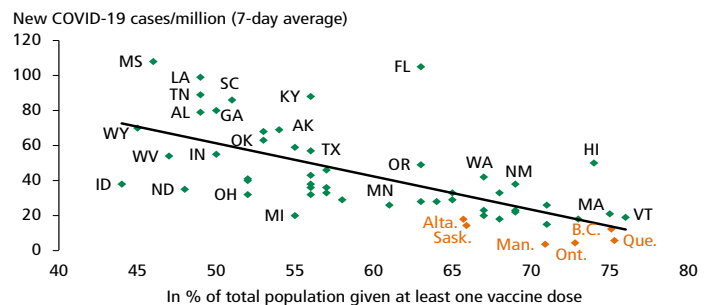
While we did slightly downgrade our U.S. growth [forecast](#) this week, we share Jerome Powell's overall assessment. Behind the troubling headlines, there are early signs that the current Delta variant could be losing steam in some hard-hit states like Arkansas, Missouri and Louisiana. And we continue to see a negative correlation between vaccination rates and case counts at the U.S. state level. While there may be a modest impact on consumer confidence and household mobility, we still don't think Delta variant will trigger a broad-based and persistent economic drag.

More likely is a scenario where the Delta variant exacerbates inflationary pressures. Many emerging countries with low vaccination rates have little choice but to take drastic measures. Rising infection rates in these countries could ripple through global manufacturing output, delivery times and transportation costs. Already very elevated inflationary pressures in manufactured goods could thus ratchet up even more. Recall that all year long, the Fed has been saying it would respond to observable developments, not speculated ones. Inflation well outside the comfort zone is an observable fact. By contrast, a major slowdown in demand resulting from the Delta variant only registers as a risk. If the Fed stays true to its stated approach, it will continue to look beyond current case counts and be ready late this year to start normalizing its monetary policy.

Canada is also being hit by the Delta wave, but it is a more moderate one than in the United States. British Columbia

GRAPH

There is a negative relationship between vaccine coverage and new COVID-19 cases



Sources: *The New York Times*, Covid19Tracker.ca and Desjardins, Economic Studies

just followed Quebec and Manitoba in announcing a vaccine passport, and many major employers are postponing their return to the office and/or mandating vaccines for on-site staff. The goal is to limit both the health and economic impacts of the Delta variant. Given Canada's high vaccination rate, we think this goal is quite realistic. Moreover, the Canadian economy has learned to cope with pandemic disruptions. We expect that on Tuesday, Statistics Canada will report a 2.3% increase in real GDP for the second quarter despite a bruising third wave this spring. As we discussed in an [Economic Viewpoint](#) this week, we expect that resiliency to help return Canada's real GDP to pre-pandemic levels this month. At the same time, the arsenal of pandemic management tools will continue to expand with third doses for vulnerable groups and the likely approval of vaccines for children this fall. This should allow the Canadian economy to ride out the Delta variant with its head above water.

Key Statistics of the Week

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

UNITED STATES

- ▶ U.S. real household consumption dipped 0.1% in July, following a 0.5% increase in June and a 0.5% decline in May. Real consumption of durable goods fell 2.6%, with a 3.7% decline in the auto sector and a 2.0% decline in other durable goods. Real consumption of non-durable goods contracted 0.9%. Real consumption of services saw a 0.6% gain. Real disposable income increased by 1.1% due to the changes in a tax credit for families.
- ▶ For the first time this year, existing home sales were up for two consecutive months. Following a 1.6% increase in June, resales were up 2.0% in July and the annualized level rose from 5,870,000 to 5,990,000 units. This, however, remains below the recent cyclical peak of 6,730,000 reached in October 2020. The gain in July came solely from existing single-family home sales, which increased by 2.7%, while condo resales fell 2.7%.
- ▶ New single-family home sales rose 1.0% in July, the first increase since March. This gain pushed the annualized number of sales from 701,000 in June to 708,000 in July. This is still 28.0% below last January's peak, however.
- ▶ New durable goods orders fell a modest 0.1% in July, following a 0.8% increase in June. The decline stems from the transportation sector, which posted a 2.2% decline caused by a 48.9% drop in the civil aviation sector. Motor vehicle orders were up 5.8%. Excluding transportation, orders increased by 0.7%, with solid gains in the metallurgy, machinery and IT sectors.
- ▶ The second estimate of the national accounts for the second quarter of 2021 pegged annualized real GDP growth at 6.6%, slightly above the 6.5% posted in the first estimate. Business investment was stronger than previously estimated, but negative contributions from business inventories and net exports were also more pronounced.

CANADA

- ▶ The industrial product price index fell 0.4% between June and July. Most of this decline was due to a significant drop in prices for lumber and other wood products (-23.0%). The shortage situation seen earlier this year for this component is clearly normalizing. Thus, 17 of the 21 main categories saw their prices increase during the month. The raw materials price index rose 2.2% between June and July. Much of this increase was due to higher prices for conventional crude oil (+4.5%) and synthetic crude oil (+4.9%).

Financial Markets

Markets See Renewed Optimism

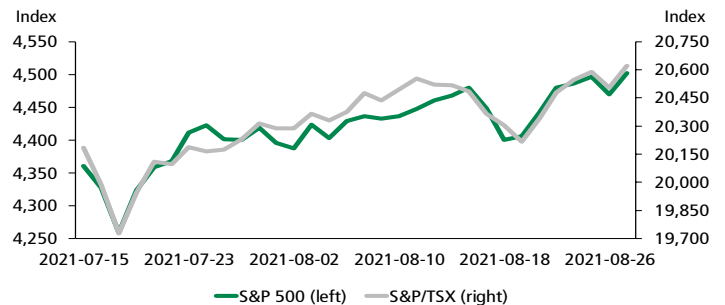
By Hendrix Vachon, Senior Economist, and Lorenzo Tessier-Moreau, Senior Economist

Investors appeared to regain confidence early in the week, boosting North American stock markets. However, the pandemic continues to weigh heavily, and the chaotic situation in Afghanistan following the Taliban's return to power is fuelling already high levels of uncertainty. Many eyes were also on Federal Reserve (Fed) Chair Jerome Powell's speech at the annual Jackson Hole meeting. Shortly after the speech on Friday morning, North American stock market indexes were up, with the Dow Jones, S&P 500 and S&P/TSX posting weekly gains of around 1%. The NASDAQ fared better, climbing more than 2%. The renewed optimism was also seen in oil prices. The price of WTI (West Texas Intermediate) was US\$5 higher than last week, with a tropical storm nearing oil facilities in the Gulf of Mexico driving up the price as well.

Bond yields also rose over the week in anticipation of a clearer signal of a reduction in asset purchases by the Fed at the Jackson Hole meeting. That signal was clearly given on Friday morning, but Jerome Powell remained very cautious regarding eventual key rate hikes. U.S. government bond yields dipped slightly after the speech, but the 10-year yield was still hovering almost 10 basis points higher than last Friday. Canadian yields moved in a similar fashion.

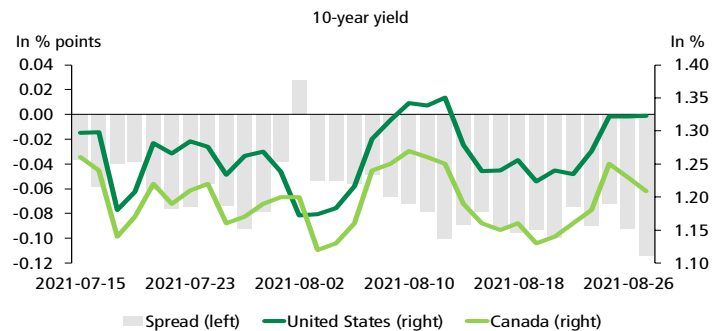
The renewed optimism on the markets caused the U.S. dollar to lose ground against several currencies during the first half of the week. The greenback bounced back on Thursday due to concerns over Afghanistan, among other reasons. However, Jerome Powell's cautious tone on Friday appeared to cause the U.S. dollar to depreciate again. At the time of writing, the euro was at close to US\$1.18, whereas it was at around US\$1.17 early in the week. The pound fared slightly better, going from around US\$1.360 on Monday to over US\$1.375 on Friday. The Canadian dollar also appreciated significantly and was trading at over US\$0.79 on Friday. However, earlier in the week it reached a slightly higher level, at close to US\$0.795.

GRAPH 1
Stock markets



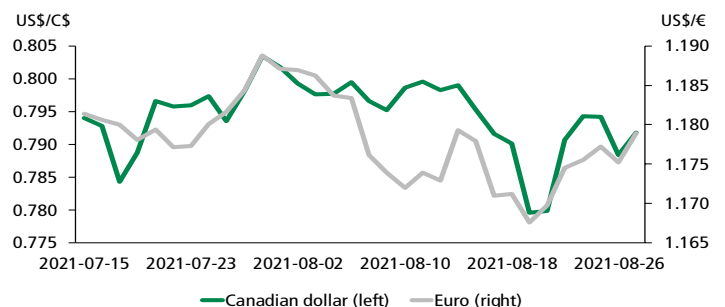
Sources: Datastream and Desjardins, Economic Studies

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

TUESDAY August 31 - 9:00

June	y/y
Consensus	18.60%
Desjardins	18.60%
May	16.99%

TUESDAY August 31 - 10:00

August	
Consensus	123.4
Desjardins	120.0
July	129.1

WEDNESDAY September 1 - 10:00

August	
Consensus	58.5
Desjardins	56.6
July	59.5

FRIDAY September 3 - 8:30

August	
Consensus	750,000
Desjardins	725,000
July	943,000

FRIDAY September 3 - 10:00

August	
Consensus	62.0
Desjardins	62.5
July	64.1

MONDAY August 30 - 8:30

Q2 2021	\$B
Consensus	n/a
Desjardins	2.01
Q1 2021	1.18

UNITED STATES

S&P/Case-Shiller index of existing home prices (June) – Prices in the existing home market kept going up in spring; they rose 1.8% in May, the strongest monthly increase since April 2013. We expect another strong showing in June, around 1.5%. That will push the S&P/Case-Shiller index up from 17.0% to 18.6%, the sharpest increase since the index began in 2000.

Conference Board consumer confidence index (August) – The Conference Board index continued to rise in July, posting its sixth monthly increase in a row. That brought it to its highest level during the pandemic, only 3.5 points below that of February 2020. We would be surprised to see it cross that line in August, however. We expect it to go down. The main negative signal comes from the 11-point drop in the University of Michigan confidence index. The other indexes are more mixed, with the TIPP monthly index down slightly but the Langer weekly index up. The new wave of COVID-19 in several States is of course fuelling the uncertainty. We expect the Conference Board index to drop to 120.0.

ISM manufacturing index (August) – In July the ISM manufacturing index was down for the third time in four months, dropping from a cyclical high of 64.7 in March to 59.5. That level is still very high, though, and continues to suggest that the U.S. economy is growing nicely, particularly its manufacturing sector. The decline of the past few months seems to be due to the problems caused by supply difficulties, rising costs and the labour shortage. Another downturn is expected for August, based on the recent performances of regional manufacturing indexes. The ISM manufacturing index should go to 56.6.

Job creation according to the establishment survey (August) – After fairly strong results that failed to live up to spring's expectations, however, job creation sped up considerably in the past two months with 938,000 new jobs in June and 943,000 in July. We expect the job market to continue rising nicely in August, with a gain of over 700,000 jobs, and the education sector should pick up steam in August (as well as September). Jobless claims were down again between July's survey and August. The unemployment rate should drop from 5.4% to 5.2%.

ISM services index (August) – Unlike the ISM manufacturing index, the ISM services index did well in July, rising to 64.1, the highest it has been since the index began in 1997. August will likely see a drop off from that all-time high. Most of the regional non-manufacturing indexes declined in August, as did some of the consumer confidence indicators released to date. The ISM services index is expected to reach 62.5.

CANADA

Current account (Q2) – The value of goods exports increased 0.8% in the second quarter, while imports grew a mere 0.3%. That pushed the merchandise trade balance up to \$0.85B during the quarter. This will have an impact on the current account balance, which should also improve in the second quarter.

TUESDAY August 31 - 8:30

June	m/m
Consensus	n/a
Desjardins	0.7%
May	-0.3%

Real GDP by industry (June) – According to Statistics Canada’s preliminary results, June should close with real GDP by industry up about 0.7%. June’s results were quite good for retail and manufacturing. However, wholesale volume shrank 1.4% during the month. The number of hours worked also dropped 0.2% in June. However, hours worked rose 1.3% in July, which suggests that July’s preliminary results for real GDP by industry could be quite good.

TUESDAY August 31 - 8:30

Q2 2021	ann. rate
Consensus	n/a
Desjardins	2.3%
Q1 2021	5.6%

Real GDP (Q2) – The restrictive health measures brought in to combat the third wave of COVID-19 should put a brake on economic growth in the second quarter. Keep in mind that real GDP by industry fell 0.5% in April, followed by a further 0.3% drop in May. Factoring in the 0.7% increase expected for June, the second quarter could close with a quarterly annualized real GDP growth rate of about 2.3%. Domestic demand is expected to slow down due to the obstacles hampering consumer spending as a result of the health measures and the cooling housing market.

THURSDAY September 2 - 8:30

July	\$B
Consensus	n/a
Desjardins	2.90
June	3.20

International merchandise trade (July) – Expressed in Canadian dollars and adjusted for seasonal fluctuations, the commodity price index was down 1.1% in July. In addition, energy prices remained practically unchanged, while forest product prices fell sharply (-26.3%) during the month. The supply problems for motor vehicles may have dissipated in July, if we are to judge by the 11.2% output growth for that industry in the United States. That may indicate that Canadian motor vehicle exports and imports will also increase in July. As for imports in other sectors, rising demand stemming from the easing of health measures should push them down. Overall, the trade balance could erode slightly for July.

FRIDAY September 3 - 8:30

Q2 2021	q/q
Consensus	n/a
Desjardins	1.7%
Q1 2021	-1.7%

Labour productivity (Q2) – Since the output figures for the first quarter will not be released until Tuesday, it is hard to say exactly how productivity changed during the period. However, the preliminary figures seem to indicate that business sector output increased 0.6% in the second quarter. The total number of hours worked fell 1.1% for the period. In those circumstances, labour productivity should climb about 1.7% in the second quarter.

OVERSEAS
DURING THE WEEK

Japan: Economic indicators – A number of major indicators for July will be released in Japan this week. Retail sales will come out on Sunday evening. They had increased sharply in June, and it will be interesting to see whether the uptick continued in July while new health measures were imposed, and the Olympic Games were taking place in Tokyo. The data on unemployment, industrial output and housing starts will be released on Monday evening.

MONDAY August 30 - 5:00
August

Euro zone: Confidence indicators (August) – Most of the European confidence indexes improved up until June. However, consumer confidence was down in July (as well as August, to judge by the preliminary version), although business confidence indexes continued to improve in July. As the PMI indexes have usually dipped in August, we might expect business confidence to wane slightly too.


FRIDAY September 3 - 5:00


July	m/m
Consensus	0.1%
June	1.5%

Euro zone: Retail sales (July) – European retail sales are responding well to the easing of health measures in the different countries. They rose 1.5% in June after a strong gain of 3.8% in May. It remains to be seen whether that uptrend will continue or whether July saw some reversals (partially due to the new wave of COVID-19). The figures for consumption in France and sales in Germany, which will be released on August 31, will give us a first glimpse of how retail sales are doing throughout the zone.

Economic Indicators

Week of August 30 to September 3, 2021

Day	Hour	Indicator	Period	Consensus		Previous data
UNITED STATES						
MONDAY 30	10:00	Pending home sales (m/m)	July	0.5%	n/a	-1.9%
TUESDAY 31	9:00	S&P/Case-Shiller home price index (y/y)	June	18.60%	18.60%	16.99%
	9:45	Chicago PMI index	Aug.	68.0	68.0	73.4
	10:00	Consumer confidence	Aug.	123.4	120.0	129.1
WEDNESDAY 1	---	Total vehicle sales (ann. rate)	Aug.	14,800,000	14,500,000	14,750,000
	10:00	Construction spending (m/m)	July	0.2%	-0.1%	0.1%
	10:00	ISM manufacturing index	Aug.	58.5	56.6	59.5
	12:00	Speech of the Atlanta Fed President, R. Bostic				
THURSDAY 2	8:30	Initial unemployment claims	Aug. 23-27	346,000	348,000	353,000
	8:30	Trade balance – Goods and services (US\$B)	July	-74.1	-71.2	-75.7
	8:30	Nonfarm productivity – final (ann. rate)	T2	2.4%	2.5%	2.3%
	8:30	Unit labor costs – final (ann. rate)	T2	1.0%	0.7%	1.0%
	10:00	Factory orders (m/m)	July	0.3%	0.1%	1.5%
	13:00	Speech of the Atlanta Fed President, R. Bostic				
FRIDAY 3	8:30	Change in nonfarm payrolls	Aug.	750,000	725,000	943,000
	8:30	Unemployment rate	Aug.	5.2%	5.2%	5.4%
	8:30	Weekly worked hours	Aug.	34.8	34.8	34.8
	8:30	Average hourly earnings (m/m)	Aug.	0.3%	0.3%	0.4%
	10:00	ISM services index	Aug.	62.0	62.5	64.1
CANADA						
MONDAY 30	8:30	Current account balance (\$B)	Q2	n/a	2.01	1.18
TUESDAY 31	8:30	Real GDP by industry (m/m)	June	n/a	0.7%	-0.3%
	8:30	Real GDP (ann. rate)	Q2	n/a	2.3%	5.6%
WEDNESDAY 1	---	---				
THURSDAY 2	8:30	International trade (\$B)	July	n/a	2.90	3.20
	8:30	Building permits (m/m)	July	n/a	2.0%	6.9%
FRIDAY 3	8:30	Labour productivity (q/q)	Q2	n/a	1.7%	-1.7%
	8:30	Unit labour costs (q/q)	Q2	n/a	1.7%	0.1%

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 August 30 to September 3, 2021

Country	Hour	Indicator	Period	Consensus		Previous data		
				m/m (q/q)	y/y	m/m (q/q)	y/y	
OVERSEAS								
SUNDAY 29								
Japan	19:50	Retail sales	July	0.4%	2.1%	3.1%	0.1%	
MONDAY 30								
Euro zone	5:00	Industrial confidence	Aug.	13.5		14.6		
Euro zone	5:00	Services confidence	Aug.	19.0		19.3		
Euro zone	5:00	Economic confidence	Aug.	118.0		119.0		
Germany	8:00	Consumer price index – preliminary	Aug.	0.1%	3.9%	0.9%	3.8%	
Japan	19:30	Unemployment rate	July	2.9%		2.9%		
Japan	19:50	Industrial production – preliminary	July	-2.5%	11.2%	6.5%	23.0%	
China	21:00	PMI manufacturing index	Aug.	50.1		50.4		
China	21:00	PMI non-manufacturing index	Aug.	52.0		53.3		
TUESDAY 31								
Japan	1:00	Housing starts	July		5.3%		7.3%	
France	2:45	Personal consumption expenditures	July	0.8%	-1.4%	0.3%	-2.4%	
France	2:45	Consumer price index – preliminary	Aug.	0.4%	1.7%	0.1%	1.2%	
France	2:45	Real GDP – final	Q2	0.9%	18.7%	0.9%	18.7%	
Italy	4:00	Real GDP – final	Q2	2.7%	17.3%	2.7%	17.3%	
Euro zone	5:00	Consumer price index – preliminary	Aug.	0.2%	2.7%	-0.1%	2.2%	
Italy	5:00	Consumer price index – preliminary	Aug.	0.3%	1.9%	0.3%	1.8%	
WEDNESDAY 1								
United Kingdom	2:00	Nationwide house prices	Aug.	0.0%	8.6%	-0.5%	10.5%	
Germany	2:00	Retail sales	July	-1.0%	3.6%	4.2%	6.2%	
Italy	3:45	PMI manufacturing index	Aug.	60.1		60.3		
France	3:50	PMI manufacturing index – final	Aug.	57.3		57.3		
Germany	3:55	PMI manufacturing index – final	Aug.	62.7		62.7		
Euro zone	4:00	PMI manufacturing index – final	Aug.	61.5		61.5		
United Kingdom	4:30	PMI manufacturing index – final	Aug.	60.1		60.1		
Euro zone	5:00	Unemployment rate	July	7.6%		7.7%		
THURSDAY 2								
Euro zone	5:00	Producer price index	July	1.3%	11.0%	1.4%	10.2%	
FRIDAY 3								
Italy	3:45	PMI composite index	Aug.	n/a		58.6		
France	3:50	PMI composite index – final	Aug.	55.9		55.9		
France	3:50	PMI services index – final	Aug.	56.4		56.4		
Germany	3:55	PMI composite index – final	Aug.	60.6		60.6		
Germany	3:55	PMI services index – final	Aug.	61.5		61.5		
Euro zone	4:00	PMI composite index – final	Aug.	59.5		59.5		
Euro zone	4:00	PMI services index – final	Aug.	59.7		59.7		
United Kingdom	4:30	PMI composite index – final	Aug.	55.3		55.3		
United Kingdom	4:30	PMI services index – final	Aug.	55.5		55.5		
Euro zone	5:00	Retail sales	July	0.1%	4.5%	1.5%	5.0%	

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	2.3	1.9	2.4	2.0	1.5
Unit labor cost (2012 = 100)	2021 Q2	118.5	1.0	0.1	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	July	59.5	60.6	60.7	58.7	53.7
ISM non-manufacturing index ¹	July	64.1	60.1	62.7	58.7	56.6
Cons. confidence Conference Board (1985 = 100) ¹	July	129.1	128.9	117.5	87.1	91.7
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)	June	505,974	1.5	3.7	8.0	22.3
New durable good orders (\$M)	July*	257,207	-0.1	3.9	5.8	17.6
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	June	-75,749	-70,994	-75,025	-65,802	-50,675
Nonfarm employment (k) ²	July	146,821	943.0	2,495	4,085	7,255
Unemployment rate (%) ¹	July	5.4	5.9	6.1	6.3	10.2
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 Q1	2,077,771	5.6	0.3	-5.3	1.9	2.4
Household consumption (2012 \$M)	2021 Q1	1,148,288	2.7	-1.9	-6.0	1.6	2.5
Government consumption (2012 \$M)	2021 Q1	440,315	6.2	3.7	-0.3	2.0	2.9
Residential investment (2012 \$M)	2021 Q1	178,493	43.3	26.5	4.1	-0.2	-1.7
Non-residential investment (2012 \$M)	2021 Q1	156,424	-2.7	-13.5	-13.6	1.1	3.1
Business inventory change (2012 \$M) ¹	2021 Q1	-8,463	---	---	-15,937	18,766	15,486
Exports (2012 \$M)	2021 Q1	631,947	6.0	-3.0	-10.0	1.3	3.7
Imports (2012 \$M)	2021 Q1	634,951	4.3	-2.8	-11.2	0.4	3.4
Final domestic demand (2012 \$M)	2021 Q1	2,083,799	6.4	0.9	-4.3	1.4	2.5
GDP deflator (2012 = 100)	2021 Q1	116.2	12.2	6.0	0.7	1.7	1.8
Labour productivity (2012 = 100)	2021 Q1	110.0	-6.7	-2.1	8.1	1.0	0.6
Unit labour cost (2012 = 100)	2021 Q1	114.0	0.4	2.0	3.1	2.9	3.1
Current account balance (\$M) ¹	2021 Q1	1,184	---	---	-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 Q1	1,435,000	9.5	9.1	10.4	3.8	3.1
Corporate net operating surplus (\$M)	2021 Q1	376,556	95.6	45.1	-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)	May	1,971,479	-0.3	0.6	1.8	14.6
Industrial production (2012 \$M)	May	389,659	0.2	1.3	2.8	16.4
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)	June	10,288	6.9	-7.2	10.6	24.1
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	June	3,231	-1,576	-1,344	-1,867	-1,585
<i>Exports (\$M)</i>	June	53,762	8.7	6.1	13.1	30.0
<i>Imports (\$M)</i>	June	50,531	-1.0	-2.8	2.3	17.6
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		
	Aug. 27	Aug. 20	-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	0.05	0.05	0.06	0.01	0.04	0.10	0.13	0.06	0.01
Treasury bonds – 2 years	0.22	0.22	0.17	0.14	0.15	0.14	0.26	0.16	0.11
– 5 years	0.81	0.79	0.69	0.78	0.77	0.28	0.92	0.59	0.24
– 10 years	1.32	1.24	1.24	1.59	1.45	0.72	1.75	1.20	0.62
– 30 years	1.93	1.86	1.89	2.29	2.19	1.51	2.48	1.93	1.34
S&P 500 index (level)	4,502	4,442	4,395	4,204	3,811	3,508	4,502	3,909	3,237
DJIA index (level)	35,452	35,120	34,935	34,529	30,932	28,654	35,625	31,792	26,502
Gold price (US\$/ounce)	1,807	1,783	1,823	1,895	1,727	1,966	1,977	1,832	1,682
CRB index (level)	218.51	206.96	218.08	205.70	190.43	153.44	221.21	182.89	144.12
WTI oil (US\$/barrel)	68.66	63.50	73.93	66.32	63.53	42.97	75.38	56.45	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	0.18	0.18	0.17	0.11	0.13	0.15	0.19	0.11	0.05
Treasury bonds – 2 years	0.44	0.44	0.45	0.32	0.30	0.28	0.48	0.29	0.15
– 5 years	0.84	0.81	0.81	0.92	0.88	0.40	1.03	0.67	0.34
– 10 years	1.21	1.14	1.20	1.49	1.35	0.64	1.61	1.07	0.54
– 30 years	1.76	1.72	1.76	2.06	1.76	1.20	2.19	1.61	1.04
<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	0.13	0.13	0.11	0.10	0.09	0.05	0.13	0.05	-0.04
Treasury bonds – 2 years	0.22	0.22	0.28	0.18	0.15	0.14	0.29	0.13	0.01
– 5 years	0.03	0.02	0.12	0.14	0.11	0.12	0.21	0.07	-0.04
– 10 years	-0.11	-0.10	-0.04	-0.10	-0.10	-0.08	0.03	-0.13	-0.30
– 30 years	-0.17	-0.14	-0.13	-0.23	-0.43	-0.31	-0.09	-0.31	-0.46
S&P/TSX index (level)	20,622	20,339	20,288	19,852	18,060	16,706	20,622	18,381	15,581
Exchange rate (C\$/US\$)	1.2629	1.2823	1.2472	1.2071	1.2741	1.3099	1.3389	1.2691	1.2034
Exchange rate (C\$/€)	1.4886	1.4999	1.4806	1.4715	1.5386	1.5594	1.5741	1.5171	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\$/€)	1.1789	1.1697	1.1871	1.2191	1.2076	1.1905	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	0.59	0.62	0.59	0.84	0.86	0.27	0.93	0.54	0.12
FTSE index (level)	7,147	7,088	7,032	7,023	6,483	5,964	7,220	6,637	5,577
Exchange rate (US\$/£)	1.3748	1.3623	1.3903	1.4189	1.3934	1.3352	1.4212	1.3624	1.2724
<u>Germany</u>									
Bonds – 10 years	-0.42	-0.54	-0.50	-0.18	-0.29	-0.44	-0.11	-0.43	-0.64
DAX index (level)	15,837	15,808	15,544	15,520	13,786	13,033	15,977	14,303	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)	27,641	27,013	27,284	29,149	28,966	22,883	30,468	27,344	22,977
Exchange rate (US\$/¥)	109.94	109.82	109.72	109.83	106.60	105.36	111.52	107.10	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.