

WEEKLY NEWSLETTER

The Federal Reserve Wants to See Employment and Inflation Make Concrete Gains before Acting

HIGHLIGHTS

- ▶ The Federal Reserve upgrades its economic forecasts but signals no monetary policy change.
- ▶ United States: Weather sends retail sales, manufacturing and housing starts plunging in February.
- ▶ Canada: The housing market remains lively despite a drop in housing starts in February.
- ▶ Canada: Retail sales slump in January.

A LOOK AHEAD

- ▶ U.S. real consumption is expected to tumble in February.
- ▶ United States: Home sales are expected to decline.

FINANCIAL MARKETS

- ▶ Stock markets take a break after last week's gains.
- ▶ Bond yields continue to rise quickly.
- ▶ The U.S. dollar temporarily depreciated after the Federal Reserve meeting.

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Key Statistics of the Week

UNITED STATES

- ▶ The Federal Reserve decided to keep the target range for the federal funds rate at 0.00% to 0.25%. It will continue to increase its holdings of Treasury securities by at least US\$80B per month and of agency mortgage backed securities by at least US\$40B per month. It is not signalling any changes to its policy, even though, according to its own projections, inflation will be over 2% in the coming years. In fact, it wants to be sure that the improvement in the economic indicators is quite real and observable in published data before it announces policy changes.
- ▶ Retail sales fell 3.0% in February, after a sharp 7.6% increase in January (revised from 5.3%). Motor vehicle sales dropped 4.2%, but the value of service station sales rose 3.6%. Excluding motor vehicles and gasoline, sales declined 3.3%, after rising 8.5% in January (revised from 6.1%). The biggest drops were in department stores (-8.4%), leisure goods stores (-7.5%) and nonstore retailers (-5.4%).
- ▶ Industrial production shrank 2.2% in February, after climbing 1.1% in January. Manufacturing production fell 3.1%. The mining sector pulled back 5.4%, while energy production rose 7.4%.
- ▶ Housing starts fell 10.3% in February after retreating 5.1% in January. Annualized sales stood at 1,421,000 units in February. As for other economic indicators, it is clear that the bad weather that hit much of the United States in mid-February negatively impacted new construction. The biggest decreases were recorded in the Northeastern United States (-39.5%) and in the Midwest (-34.9%). The South saw a pullback of 9.7%, while the West saw new construction gain 17.6%.
- ▶ The Federal Reserve Bank of Philadelphia's manufacturing index jumped in March from 23.1 to 51.8, the highest it has been since April 1973! The Federal Reserve Bank of New York Empire index was also up, but much more moderately, from 12.1 to 17.4.
- ▶ The Conference Board's leading indicator rose just 0.2% in February after gaining 0.5% in January. This marks the weakest monthly growth since April 2020.

Francis Généreux, Senior economist

CANADA

- ▶ The consumer price index (CPI) rose 0.5% in February, slightly below expectations. The total annual inflation rate climbed from 1.0% to 1.1%. Once again, total annual inflation remained close to the Bank of Canada lower target (1%). However, the situation should change next month when the annual variation in total CPI will increase significantly.
- ▶ After hitting an exceptionally high number in January, housing starts edged down in February from 284,372 to 245,922 units. Nevertheless, the trend is still very strong, which is indicative of very high activity in new home construction.
- ▶ Existing home sales continued their sharp rise in February with a 6.6% increase from the month before. Over one year, sales were up 39.2%. New listings totalled 77,772 properties in February, not such a bad result from a historical perspective, but woefully insufficient considering the exceptionally high number of transactions. Under these conditions, upward pressures on prices remain heavy. The existing home price index advanced even further with a monthly gain of 3.3% in February, bringing the average price to \$698,500.
- ▶ The new housing price index climbed 1.9% between January and February 2021. This is the largest monthly increase since February 1989. This gain is attributable to rising construction costs and the vitality of demand for new housing.
- ▶ The value of retail sales fell 1.1% between December 2020 and January 2021, a less steep of a drop than the preliminary estimate (-3.3%). The introduction of new public health restrictions led to sharp decreases in Quebec (-9.8%) and Ontario (-2.6%), but the other provinces saw a 4.6% gain during the month. This is reflective of the resilience of Canada's economy. According to Statistics Canada, the preliminary results indicate an increase of about 4.0% in February for Canada as a whole.
- ▶ The value of manufacturing sales was up 3.1% in January, slightly higher than preliminary data. Sales climbed in 16 of the 21 main industries.

Benoit P. Durocher, Senior economist

Financial Markets

Investors Still See Higher Rates

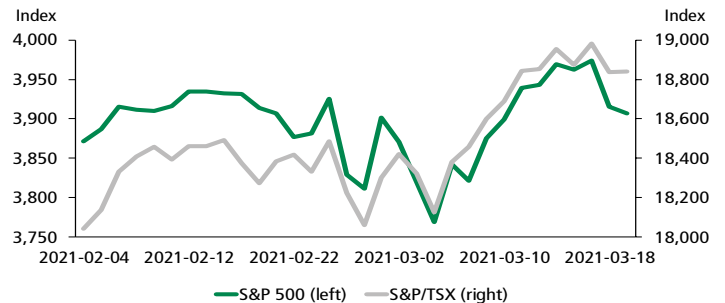
After strong gains last week, the main North American stock indexes were flat, weighed down by new increases in bond yields and a resurgence in COVID-19 cases in many countries. The public health situation in Europe is deteriorating, which forced France to impose a new lockdown. Investors remain focused on the recovery and potential interest rate hikes. At Wednesday's meeting, the Federal Reserve (Fed) temporarily reassured the stock markets by confirming that a change in policy would not be announced until there was a concrete improvement in economic data. Bond market investors, anticipating an ever-increasing inflation rate, were less pleased with the announcement, however. The stock markets were down on Friday morning, leading to weekly losses for the main indexes. The S&P/TSX and Dow Jones were the least affected, with losses under 0.5%, while the S&P 500 and the NASDAQ lost about 1.0% over the week. The price of oil also pulled back close to 9%, reacting to the less favourable outlook for demand and the increase in inventory in the United States.

U.S. bond yields did not react much directly after the Fed's announcement on Wednesday, but jumped on Thursday as investors deemed that inflation would end up forcing the Fed to change direction. Over the week, the increase in the 10-year yield was more pronounced, at over 8 basis points against 3 basis points for the 5-year yield. This new surge in yields did not overly affect Canadian bonds though, which remained relatively stable.

The U.S. dollar appreciated against most currencies during the week, but experienced some weakness on Wednesday after the Fed maintained a very cautious tone. The greenback quickly resumed a bullish trend, buoyed, among other things, by the regulatory change on the holding of government bonds by financial institutions in the United States. The euro had a little bumpier session on Thursday with the announcement of new lockdowns. The common currency was worth close to US\$1.20 on Wednesday, and was trading at less than US\$1.19 on Friday morning. The Canadian dollar spent most of the week above US\$0.80. In line with the overall trend, the loonie was nevertheless down against the U.S. dollar on Friday.

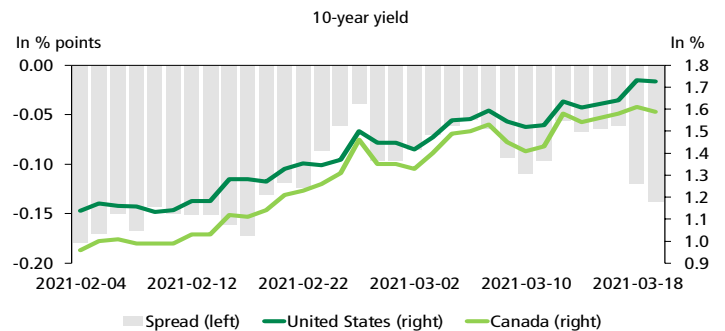
Hendrix Vachon, Senior Economist
Lorenzo Tessier-Moreau, Senior Economist

GRAPH 1
Stock markets



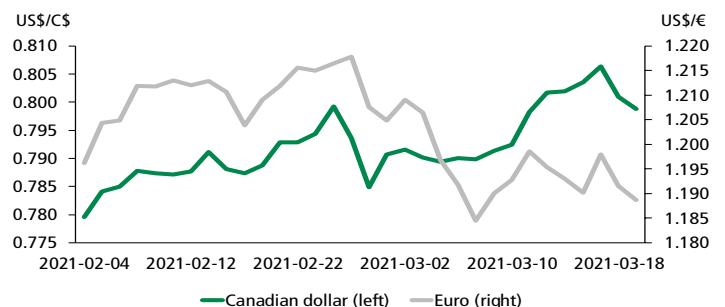
Sources: Datastream and Desjardins, Economic Studies

GRAPH 2
Bond markets



Sources: Datastream and Desjardins, Economic Studies

GRAPH 3
Currency markets



Sources: Datastream and Desjardins, Economic Studies

A Look Ahead

MONDAY March 22 - 10:00

February	ann. rate
Consensus	6,500,000
Desjardins	6,450,000
January	6,690,000

TUESDAY March 23 - 10:00

February	ann. rate
Consensus	879,000
Desjardins	900,000
January	923,000

WEDNESDAY March 24 - 8:30

February	m/m
Consensus	0.9%
Desjardins	4.7%
January	3.4%

FRIDAY March 26 - 8:30

February	m/m
Consensus	-0.8%
Desjardins	-0.8%
January	2.4%

WEDNESDAY March 24 - 5:00

March	m/m
Consensus	49.1
February	48.8

UNITED STATES

Existing home sales (February) – Resales of existing homes continued to climb in January, with a monthly increase of 0.6% that brought the annualized sales level to 6,690,000 units. That is still below the 6,730,000 level reached last October. We do see a downtick for February, however. Like several other economic indicators, existing home sales were hard hit by the bad weather in mid-February. What is more, pending home sales had already dropped 2.5% in January. Mortgage applications in view of a purchase were also down in February. Resales are expected to reach 6,450,000 units.

New home sales (February) – Sales of new single-family homes rose 4.3% in January after gaining 5.5% in December, but at 923,000 units the level is still below the peak of summer 2020. New home sales are expected to decline in February. That would be in line with the 10.0% plunge in building permits for single-family homes in February. However, since new home sales are counted as of the start of the permit and construction process, they should be less affected by the bad weather upsets of mid-February. The builders' confidence index has also remained high, so we expect levels around 900,000 units.

New durable goods orders (February) – New durable goods orders rose 3.4% in January, due mainly to a 147.7% leap in the aviation sector as well as a 1.3% increase in non-transportation orders. Data released by Boeing points to another strong contribution from aviation in February. However, the motor vehicle sector was in trouble in February because parts were in short supply and the weather was bad. Not including transportation, a gain of 1.0% is anticipated. The new orders component of the ISM manufacturing index rose in February after falling in January, but February's low manufacturing output may well limit growth. In all, a 4.7% increase is forecast.


Consumer spending (February) – U.S. consumer spending surged in January after a disappointing end to 2020. That surge was sparked by the 11.0% increase in real personal disposable income due to the federal assistance program adopted at the very end of 2020, which provided US\$600 per person up to a certain income level. Spending should be lower in February. First, because the initial effect of the stimulus has no doubt worn off. Second, the bad weather has probably stifled consumption. The combined effect of those two factors can already be seen in February's 3.3% downtick in sales not including motor vehicles and gas. The spike in the demand for heating caused by the very cold weather should give a small boost to expenditures for services. We therefore expect a 1.1% dip for real consumption and one of 0.8% for nominal consumption. There should also be a substantial decline in personal income.

OVERSEAS

Euro zone: PMI index (March – preliminary) – The euro zone's composite PMI index gained 1.0 point in February after losing 1.3 points in January. At 48.8, it is still below the 50 point bar and much lower than last summer's peaks. That reflects both the improved health situation since the worst of the second wave and the fact that many restrictive measures are still in place. Another improvement is expected in March, due mainly to the ongoing vaccination rollout. Gains may, however, be limited by the rising number of COVID-19 cases in some European countries and even a new confinement for parts of France and Italy. We will find out more when the preliminary version of the March European consumer confidence index comes out on Wednesday. France's business confidence index will be released on Thursday and Germany's on Friday.


Economic Indicators

Week of March 22 to 26, 2021

Day	Hour	Indicator	Period	Consensus		Previous data
UNITED STATES						
MONDAY 22	9:00	Speech of the Federal Reserve Chair, J. Powell				
	10:00	Existing home sales (ann. rate)	Feb.	6,500,000	6,450,000	6,690,000
	19:15	Speech of a Federal Reserve Governor, M. Bowman				
TUESDAY 23	8:30	Current account (US\$B)	Q4	-188.8	-200.0	-178.5
	9:00	Speech of the St. Louis Fed President, J. Bullard				
	10:00	New home sales (ann. rate)	Feb.	879,000	900,000	923,000
	12:00	Testimony of the Federal Reserve Chair, J. Powell, before a House committee				
	14:45	Speech of the New York Fed President, J. Williams				
	15:45	Speech of a Federal Reserve Governor, L. Brainard				
WEDNESDAY 24	8:30	Durable goods orders (m/m)	Feb.	0.9%	4.7%	3.4%
	10:00	Testimony of the Federal Reserve Chair, J. Powell, before a Senate Committee				
	19:00	Speech of the Chicago Fed President, C. Evans				
THURSDAY 25	8:30	Initial unemployment claims	March 15-19	735,000	730,000	770,000
	8:30	Real GDP (ann. rate)	Q4t	4.1%	4.1%	4.1%
	12:00	Speech of the Atlanta Fed President, R. Bostic				
	13:00	Speech of the Chicago Fed President, C. Evans				
	15:45	Speech of a Federal Reserve Vice Chair, R. Clarida				
	19:00	Speech of the San Francisco Fed President, M. Daly				
FRIDAY 26	8:30	Goods trade balance – preliminary (US\$B)	Feb.	-85.5	-86.9	-83.7
	8:30	Personal income (m/m)	Feb.	-7.0%	-7.0%	10.0%
	8:30	Personal consumption expenditures (m/m)	Feb.	-0.8%	-0.8%	2.4%
	8:30	Personal consumption expenditures deflator				
		Total (m/m)	Feb.	0.3%	0.3%	0.3%
		Excluding food and energy (m/m)	Feb.	0.1%	0.2%	0.3%
		Total (y/y)	Feb.	1.6%	1.6%	1.5%
		Excluding food and energy (m/m)	Feb.	1.5%	1.6%	1.5%
	8:30	Retail inventories – preliminary (m/m)	Feb.	n/a	n/a	-0.6%
	8:30	Wholesale inventories – preliminary (m/m)	Feb.	n/a	n/a	1.3%
	10:00	Michigan's consumer sentiment index – final	March	83.6	83.0	83.0

CANADA

MONDAY 22	---	---				
TUESDAY 23	13:15	Speech of a Bank of Canada Deputy Governor, T. Gravelle				
WEDNESDAY 24	---	2021 Ontario Budget				
THURSDAY 25	---	2021 Quebec Budget				
FRIDAY 26	---	---				

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

Economic Indicators

Week of March 22 to 26, 2021

Country	Hour	Indicator	Period	Consensus		Previous data		
				m/m (q/q)	y/y	m/m (q/q)	y/y	
OVERSEAS								
MONDAY 22								
Japan	1:00	Leading indicator – final	Jan.	n/a			99.1	
Japan	1:00	Coincident indicator – final	Jan.	n/a			91.7	
Euro zone	5:00	Current account (€B)	Jan.	n/a			36.7	
Italy	5:30	Current account (€M)	Jan.	n/a			6,715	
TUESDAY 23								
United Kingdom	3:00	ILO unemployment rate	Jan.	5.2%			5.1%	
Japan	20:30	PMI composite index – preliminary	March	n/a			48.2	
Japan	20:30	PMI manufacturing index – preliminary	March	n/a			51.4	
Japan	20:30	PMI services index – preliminary	March	n/a			46.3	
WEDNESDAY 24								
United Kingdom	3:00	Consumer price index	Feb.	035%	0.8%	-0.2%		0.7%
United Kingdom	3:00	Producer price index	Feb.	0.3%	0.3%	0.4%		-0.2%
France	4:15	PMI composite index – preliminary	March	47.2			47.0	
France	4:15	PMI manufacturing index – preliminary	March	56.5			56.1	
France	4:15	PMI services index – preliminary	March	45.5			45.6	
Germany	4:30	PMI composite index – preliminary	March	51.6			51.1	
Germany	4:30	PMI manufacturing index – preliminary	March	60.7			60.7	
Germany	4:30	PMI services index – preliminary	March	46.5			45.7	
Euro zone	5:00	PMI composite index – preliminary	March	49.1			48.8	
Euro zone	5:00	PMI manufacturing index – preliminary	March	57.9			57.9	
Euro zone	5:00	PMI services index – preliminary	March	46.0			45.7	
United Kingdom	5:30	PMI composite index – preliminary	March	51.1			49.6	
United Kingdom	5:30	PMI manufacturing index – preliminary	March	55.0			55.1	
United Kingdom	5:30	PMI services index – preliminary	March	50.8			49.5	
Euro zone	11:00	Consumer confidence – preliminary	March	-14.5			-14.8	
THURSDAY 25								
Germany	3:00	Consumer confidence	April	-12.1			-12.9	
France	3:45	Business confidence	March	91			90	
France	3:45	Production outlook	March	n/a			-8	
Switzerland	4:30	Swiss National Bank meeting	March	-0.75%			-0.75%	
Euro zone	5:00	Money supply M3	Feb.		12.5%			12.5%
Mexico	15:00	Bank of Mexico meeting	March	4.00%			4.00%	
Japan	19:30	Consumer price index – Tokyo	March		-0.3%			-0.3%
FRIDAY 26								
United Kingdom	3:00	Retail sales	Feb.	2.1%	-3.6%	-8.2%		-5.9%
Germany	5:00	Ifo survey – Business climate	March	93.2			92.4	
Germany	5:00	Ifo survey – Current situation	March	91.3			90.6	
Germany	5:00	Ifo survey – Expectations	March	95.1			94.2	
Italy	5:00	Consumer confidence	March	100.0			101.4	
Italy	5:00	Economic confidence	March	n/a			93.2	

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	18,784	4.1	-2.4	-3.5	2.2	3.0
Consumption (2012 \$B)	2020 Q4	13,000	2.4	-2.6	-3.9	2.4	2.7
Government spending (2012 \$B)	2020 Q4	3,318	-1.1	-0.6	1.1	2.3	1.8
Residential investment (2012 \$B)	2020 Q4	696.8	35.8	14.1	6.0	-1.7	-0.6
Non-residential investment (2012 \$B)	2020 Q4	2,748	14.0	-1.2	-4.0	2.9	6.9
Business inventory change (2012 \$B) ¹	2020 Q4	48.0	---	---	-80.9	48.5	53.4
Exports (2012 \$B)	2020 Q4	2,276	21.8	-11.0	-13.0	-0.1	3.0
Imports (2012 \$B)	2020 Q4	3,399	29.6	-0.6	-9.3	1.1	4.1
Final domestic demand (2012 \$B)	2020 Q4	19,778	4.4	-1.5	-2.7	2.3	3.0
GDP deflator (2012 = 100)	2020 Q4	114.4	2.1	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) ¹	2020 Q3	-178.5	---	---	-480.2	-449.7	-365.3

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)	Feb.*	110.5	0.2	1.1	3.8	-1.2
ISM manufacturing index ¹	Feb.	60.8	58.7	57.7	55.6	50.3
ISM non-manufacturing index ¹	Feb.	55.3	58.7	56.8	57.2	56.7
Cons. confidence Conference Board (1985 = 100) ¹	Feb.	91.3	88.9	92.9	86.3	132.6
Personal consumption expenditure (2012 \$B)	Jan.	13,167	2.0	0.6	2.9	-1.9
Disposable personal income (2012 \$B)	Jan.	17,079	11.0	9.7	5.4	13.3
Consumer credit (\$B)	Jan.	4,177	0.0	0.5	0.7	-0.2
Retail sales (\$M)	Feb.*	561,685	-3.0	3.0	3.4	6.3
<i>Excluding automobiles (\$M)</i>	Feb.*	446,019	-2.7	3.2	3.2	5.5
Industrial production (2012 = 100)	Feb.*	104.7	-2.2	-0.1	1.7	-4.2
Production capacity utilization rate (%) ¹	Feb.*	73.8	75.5	73.9	72.5	76.9
New machinery orders (\$M)	Jan.	509,373	2.6	5.6	9.1	2.8
New durable good orders (\$M)	Jan.	256,698	3.4	6.0	10.7	6.3
Business inventories (\$B)	Jan.*	1,982	0.3	1.6	3.6	-1.8
Housing starts (k) ¹	Feb.*	1,421	1,584	1,553	1,373	1,567
Building permits (k) ¹	Feb.*	1,682	1,886	1,635	1,476	1,438
New home sales (k) ¹	Jan.	923.0	885.0	965.0	979.0	774.0
Existing home sales (k) ¹	Jan.	6,690	6,650	6,730	5,900	5,410
Commercial surplus (\$M) ¹	Jan.	-68,213	-66,969	-63,978	-62,110	-44,379
Nonfarm employment (k) ²	Feb.	143,048	379.0	239.0	1,899	-9,475
Unemployment rate (%) ¹	Feb.	6.2	6.3	6.7	8.4	3.5
Consumer price (1982-1984 = 100)	Feb.	263.2	0.4	0.9	1.4	1.7
<i>Excluding food and energy</i>	Feb.	270.3	0.1	0.2	0.6	1.3
Personal cons. expenditure deflator (2012 = 100)	Jan.	112.5	0.3	0.7	1.2	1.5
<i>Excluding food and energy</i>	Jan.	114.7	0.3	0.6	1.1	1.5
Producer price (2009 = 100)	Feb.	121.9	0.5	2.1	3.0	2.8
Export prices (2000 = 100)	Feb.*	130.8	1.6	5.5	7.1	5.2
Import prices (2000 = 100)	Feb.*	128.0	1.3	3.7	3.9	3.0

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)	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) ¹	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) ¹	2020 Q4	-7,261	---	---	-42,673	-47,384	-52,224
Production capacity utilization rate (%) ¹	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

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)	Dec.	1,936,243	0.1	1.7	6.0	-3.0
Industrial production (2012 \$M)	Dec.	379,295	0.2	2.2	6.9	-4.7
Manufacturing sales (\$M)	Jan.*	56,245	3.1	4.2	4.9	1.1
Housing starts (k) ¹	Feb.*	245.9	284.4	261.6	261.5	210.0
Building permits (\$M)	Jan.	9,904	8.2	17.7	24.4	6.4
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)	Jan.	69,202	4.0	3.5	5.7	8.1
Commercial surplus (\$M) ¹	Jan.	1,405	-1,983	-3,897	-2,544	-2,799
<i>Exports (\$M)</i>	Jan.	51,185	8.1	9.8	11.5	8.6
<i>Imports (\$M)</i>	Jan.	49,779	0.9	-1.5	2.8	-0.3
Employment (k) ²	Feb.	18,531	259.2	-2.1	85.8	-49.9
Unemployment rate (%) ¹	Feb.	8.2	9.4	8.6	10.2	5.7
Average weekly earnings (\$)	Dec.	1,112	0.2	0.3	-0.5	6.4
Number of salaried employees (k) ²	Dec.	15,981	44.2	56.6	269.0	-89.8
Consumer price (2002 = 100)	Feb.*	138.9	0.5	0.9	1.4	1.1
<i>Excluding food and energy</i>	Feb.*	133.1	0.2	0.3	0.9	0.8
<i>Excluding 8 volatile items</i>	Feb.*	137.1	0.3	0.4	1.2	1.2
Industrial product price (2010 = 100)	Jan.	104.0	2.0	3.2	4.9	4.0
Raw materials price (2010 = 100)	Jan.	106.2	5.7	10.1	14.8	6.2
Money supply M1+ (\$M)	Dec.	1,392,808	-0.2	2.5	9.2	28.9

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		
	Mar. 19	Mar. 12	-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	-0.01	0.04	0.04	0.08	0.10	0.05	0.26	0.10	-0.05
Treasury bonds – 2 years	0.15	0.16	0.11	0.13	0.14	0.36	0.39	0.16	0.11
– 5 years	0.88	0.84	0.58	0.38	0.28	0.52	0.88	0.38	0.19
– 10 years	1.73	1.64	1.33	0.95	0.69	0.94	1.73	0.84	0.51
– 30 years	2.46	2.40	2.15	1.70	1.45	1.56	2.48	1.58	1.16
S&P 500 index (level)	3,907	3,943	3,907	3,709	3,319	2,305	3,974	3,375	2,237
DJIA index (level)	32,675	32,779	31,494	30,179	27,657	19,174	33,015	27,781	18,592
Gold price (US\$/ounce)	1,736	1,711	1,785	1,884	1,955	1,487	2,053	1,822	1,544
CRB index (level)	187.08	193.79	188.63	166.45	151.54	123.89	195.13	151.37	106.29
WTI oil (US\$/barrel)	60.42	65.61	60.49	49.10	41.11	22.43	66.09	41.13	-37.63
Canada									
Overnight – target	0.25	0.25	0.25	0.25	0.25	0.75	0.75	0.26	0.25
Treasury bill – 3 months	0.09	0.11	0.09	0.10	0.15	0.42	0.49	0.15	0.05
Treasury bonds – 2 years	0.26	0.31	0.23	0.24	0.26	0.56	0.62	0.27	0.15
– 5 years	1.00	1.03	0.64	0.45	0.37	0.76	1.03	0.46	0.30
– 10 years	1.59	1.58	1.21	0.74	0.58	0.87	1.61	0.71	0.43
– 30 years	2.05	2.02	1.80	1.29	1.10	1.28	2.08	1.26	0.89
<u>Spread with the U.S. rate (% points)</u>									
Overnight – target	0.00	0.00	0.00	0.00	0.00	0.50	0.50	0.01	0.00
Treasury bill – 3 months	0.10	0.07	0.05	0.02	0.05	0.37	0.53	0.05	-0.04
Treasury bonds – 2 years	0.11	0.15	0.12	0.11	0.12	0.20	0.31	0.11	0.01
– 5 years	0.13	0.19	0.06	0.07	0.09	0.24	0.29	0.07	-0.04
– 10 years	-0.14	-0.06	-0.12	-0.21	-0.11	-0.07	0.09	-0.13	-0.30
– 30 years	-0.41	-0.38	-0.35	-0.41	-0.35	-0.28	0.06	-0.32	-0.49
S&P/TSX index (level)	18,839	18,851	18,384	17,535	16,199	11,852	18,983	16,363	11,228
Exchange rate (C\$/US\$)	1.2519	1.2473	1.2612	1.2785	1.3206	1.4365	1.4498	1.3264	1.2402
Exchange rate (C\$/€)	1.4882	1.4910	1.5284	1.5671	1.5634	1.5363	1.5903	1.5428	1.4812
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\$/€)	1.1887	1.1954	1.2119	1.2257	1.1839	1.0695	1.2327	1.1648	1.0723
<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	0.85	0.86	0.73	0.26	0.14	0.49	0.91	0.29	0.04
FTSE index (level)	6,717	6,761	6,624	6,529	6,007	5,191	6,873	6,190	4,994
Exchange rate (US\$/£)	1.3856	1.3925	1.4016	1.3522	1.2917	1.1643	1.4141	1.3036	1.1550
<u>Germany</u>									
Bonds – 10 years	-0.29	-0.33	-0.35	-0.57	-0.48	-0.34	-0.26	-0.49	-0.64
DAX index (level)	14,636	14,502	13,993	13,631	13,116	8,929	14,776	12,652	8,741
<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)	29,792	29,718	30,018	26,763	23,360	16,553	30,468	24,136	16,888
Exchange rate (US\$/¥)	108.89	109.02	105.45	103.33	104.57	110.82	111.23	106.02	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.