WEEKLY NEWSLETTER

Heighted Anxiety after the Russian Invasion

MUSINGS OF THE WEEK

- War erupts.

KEY STATISTICS OF THE WEEK

- U.S. consumer confidence fell again in February, according to the Conference Board index.
- Canada: Greater capital spending expected for 2022.

A LOOK AHEAD

- United States: After January's surprise, job creation should be more moderate in February.
- The Bank of Canada is expected to announce its first key rate increase on Wednesday.
- Canada: Real GDP should remain practically unchanged in December but rise about 6.6% (annualized quarterly) for the fourth quarter as a whole.

FINANCIAL MARKETS

- Global stock markets sink, but North America fares better.
- Bond yields hold despite flight to safety.
- The U.S. dollar benefits again from its safe haven status.

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Musings of the Week

War Erupts

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

Relations between Russia and Ukraine have been deteriorating since Russian President Vladimir Putin annexed Crimea in 2014. This week, those tensions finally boiled over into a full-blown armed conflict. Some believe it's the worst security crisis in Europe since the Second World War. How and when it will end remains unclear.

As we commented in this week's *Economic Viewpoint*, the stakes are highest in Eastern Europe. Russia may have its sights set on a number of former Soviet states, deterring foreign investment there. Meanwhile Western Europe will see soaring energy prices, declining business and consumer confidence, and the fallout from dependence on Russian natural gas. Sanctions and retaliatory measures will further weaken the European outlook.

While the West is unlikely to intervene militarily, it's responding with economic sanctions. These are broader and more punitive than those imposed following the annexation of Crimea. As of writing, they include blacklisting major state banks and cutting off sovereign and corporate access to several foreign capital markets. Huawei-style tech sanctions are also part of the mix. Cutting access to the SWIFT system remains an option, albeit a more contentious one. Of course, Russia may retaliate. It could inflict the most pain by cutting natural gas supplies to Europe. Thursday, we saw European natural gas futures surge on fears it will do just that. But such a move by Russia would be a last resort. It would further damage its economy, which will already be reeling from Western sanctions.

North American economies have fewer direct ties to Russia, so sanctions will take less of a bite out of overall economic activity. Last year, Russia and Ukraine accounted for a paltry 0.3% of Canada's trade. Higher oil prices have traditionally been a net positive for the Canadian economy. However, as we discussed in an *Economic Viewpoint* on Tuesday, the Canadian dollar is no longer rallying on strong oil prices. Energy sector capital expenditures are much less responsive than they used to be. Alberta nonetheless just projected its first budget surplus since 2014, proof that Canada's economic fortunes still rise and fall with oil prices. Moreover, context matters. As observed last week, Canada is loosening more public health restrictions now than at any point since the pandemic began. Barring any unforeseen catastrophe, the beleaguered service sector should enjoy economic tailwinds stronger than any headwind from the Ukraine crisis.

That said, North American inflation has been impacted significantly in at least three ways. First, much of this year's spike in crude oil and gasoline prices has been driven by rising geopolitical tensions. Second, soaring natural gas prices are making fertilizers—and by extension agricultural products—more expensive. Third, the global semiconductor industry is heavily reliant on Russia and Ukraine for neon, palladium and other critical materials. This could mean continued supply disruptions for the semiconductor-dependent automotive and tech industries, weaker-than-expected inventory buildup, and limited price relief for certain goods. As a result, risks to inflation remain tilted to the upside.

What does all this mean for monetary policy? Given the heightened risk of a contraction in euro area economic activity, we believe the European Central Bank will refrain from setting a firm timetable for ending its asset purchase program, despite the high inflation. Chances of seeing rate hikes this year are also slim. The Bank of England will probably raise rates again in March, but use much more cautious language around next steps. And we continue to expect the Federal Reserve and the Bank of Canada to announce initial 25 basis point rate hikes next month. Even though these central banks can be expected to keep a close eye on developments, the reality is that the starting points for inflation and policy rates give them little elbow room to even delay the normalization.

Key Statistics of the Week

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

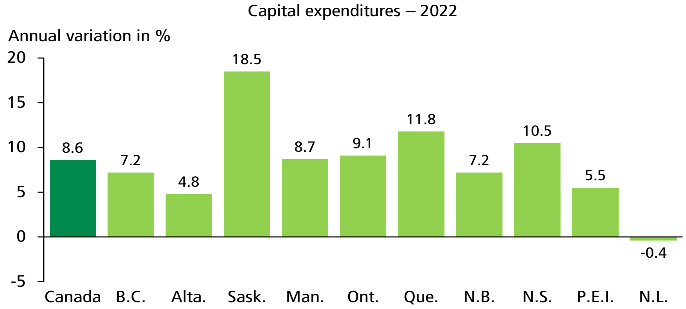
UNITED STATES

- Real disposable household income dropped 0.5% in January, its fourth monthly decline in a row. That is mainly due to the end of the Child Tax Credit introduced in 2021. On the other hand, real consumption jumped 1.5%, its biggest increase since March 2021. The consumer expenditure deflator rose 0.6% in January, and its annual variation went from 5.8% to 6.1%, its highest point since February 1982.
- Real GDP rose 7.0% (annualized) in the fourth quarter of 2021, according to the second estimate for national accounts. That is slightly higher than the previously estimated 6.9% gain.
- The Conference Board's consumer confidence index declined in February, dropping from 111.1 in January (revised from 113.8) to 110.5. That is its lowest level since September. The decline is solely due to household expectations, which fell 1.3 points; the current situation figures actually gained 0.6 point.
- New durable goods orders rose 1.6% in January after increases of 1.2% in December (revised from -0.7%) and 3.2% in November. This gain is mainly due to a 4.7% uptick in aircraft orders. Motor vehicle orders fell 0.4%. Not including transportation, new orders rose 0.7% after a 0.9% uptick in December.
- Sales of new single-family homes plunged 4.5% in January after two consecutive monthly increases of over 12%. The annualized level dipped from 839,000 units in December to 801,000 in January.
- The S&P/Case-Shiller index of existing home prices in the 20 largest cities saw rapid growth in December, posting a monthly variation of 1.5%. This is the strongest monthly growth since July. The annual variation went from 18.3% in November to 18.6% in November.

CANADA

- After rising an estimated 10.4% in 2021, capital expenditures are expected to grow 8.6% in 2022 according to Statistics Canada. The investment outlook for the year 2022 remains greatly affected by the turmoil resulting from the pandemic. Some industries have been putting off major investment since 2020, but this should change as Canada emerges from the pandemic thanks to high vaccination rates. But investment expectations are high. Recent supply chain and transportation disruptions and worsening labour shortages have highlighted the urgent need for investment. The projected increase in investment in the 2022 annual survey is therefore quite disappointing. In all likelihood, gross fixed capital formation will be a positive contributor to economic growth in 2022. Aside from the pandemic, a number of other factors could affect investment. Despite best intentions, supply chain and transportation disruptions could limit capital spending. It also remains to be seen how much interest rates rise in response to inflation.

CANADA
The investment outlook is strong just about everywhere in Canada



Sources: Statistics Canada and Desjardins, Economic Studies

Financial Markets

The Ukraine Invasion Sends a Shock Wave through World Markets

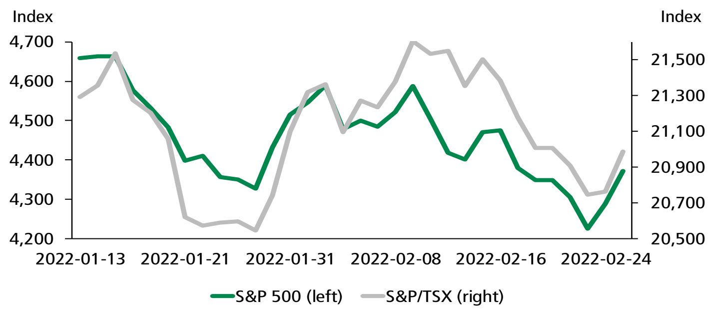
By Hendrix Vachon, Senior Economist, and Lorenzo Tessier-Moreau, Senior Economist

The Ukrainian crisis continued to rattle stock markets early in the week, but took a turn for the worse Thursday when Russian President Vladimir Putin announced military action on Ukrainian territory. European and Asian markets plunged during the day, while oil and natural gas prices soared. The less exposed North American markets faired better. They even posted slight gains after a volatile Thursday. Sanctions imposed on Russia will no doubt have serious repercussions for the global financial system, in addition to exacerbating the already severe supply chains issues and fuelling higher energy prices. After a difficult week, the main indexes were back in the green on Friday morning, limiting the weekly drop on North American stock markets. However, volatility remained high as the situation is still changing by the hour. The price of a barrel of WTI (West Texas Intermediate) briefly surpassed US$100 after the invasion of Ukraine, but stabilized closer to US$92 Friday.

Periods of high uncertainty usually spur a flight to safety which is favourable for bond markets. Bond prices indeed jumped during the day Thursday, driving yields down, but this movement was short-lived. The invasion of Ukraine is not likely to limit inflationary pressures, on the contrary, and rate hikes will continue to be needed. Yields were up slightly along the entire curve this week in the United States and Canada.

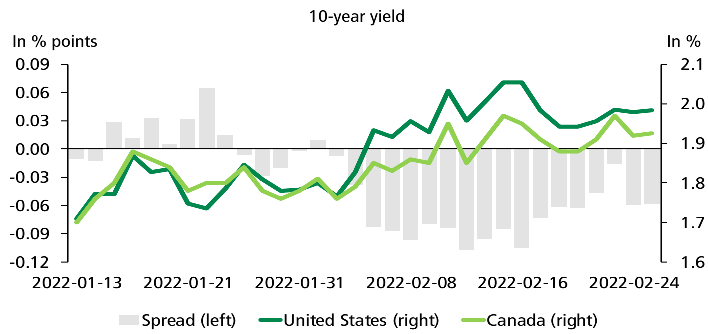
Benefiting from its safe haven status, the U.S. dollar appreciated considerably against most other currencies Wednesday and Thursday, before losing some of its gains. At the time of writing, the euro was trading above US$1.12. It was hovering around US$1.135 before the Russian invasion, falling to close to US$1.110 Thursday. The Russian ruble took a beating on the markets and hit a record at 84 against the U.S. dollar. The Canadian dollar did not capitalize on the increase in the price of oil and many commodities. The appeal of the greenback instead pulled the Canadian exchange rate down to around US$0.78.

GRAPH 1
Stock markets



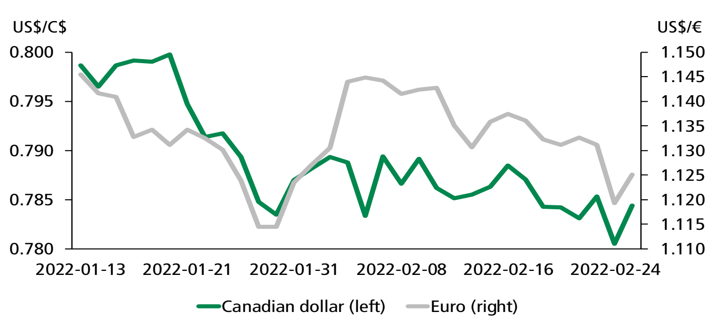
Sources: Datastream and Desjardins, Economic Studies

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

UNITED STATES

TUESDAY March 1 - 10:00	
February	
Consensus	58.0
Desjardins	56.0
January	**57.6**

ISM manufacturing index (February) – The ISM manufacturing index fell for a third time in a row in January. In dropping to 57.6 (which is still fairly high), it hit its lowest point since November 2020. We expect to see a further decline in February. This is the indication from the regional indicators for January published up until now. A close eye will have to be kept on the ISM components associated with supplier deliveries, order backlogs and prices paid to see if there are signs that the supply problems are easing.

TUESDAY March 1	
February	**ann. rate**
Consensus	14,350,000
Desjardins	14,200,000
January	**15,040,000**

New car sales (February) – Sales of new motor vehicles jumped 20.0% in January, the best monthly increase since 2009 if we exclude the upturn at the beginning of the pandemic in spring 2020. Annualized sales, however, remain relatively low at 10.3%, lower than they were a year ago. Motor vehicle sales could decline further in February, as supply problems are still plaguing this industry.

THURSDAY March 3 - 10:00	
February	
Consensus	61.0
Desjardins	60.3
January	**59.9**

ISM services index (February) – The ISM services index posted two significant monthly decreases in December and January. The total drop of 8.5 points pulled it down from a record high of 68.4 in November to 59.9 in January. This figure is nevertheless consistent with solid growth in services, but the decrease reflects problems caused by the COVID-19 wave associated with the Omicron variant. The ISM services index is expected to see an uptick in February. The regional non-manufacturing indicators published thus far for February suggest a modest rise in the index, despite further deterioration in consumer confidence.

FRIDAY March 4 - 8:30	
February	
Consensus	400,000
Desjardins	310,000
January	**467,000**

Job creation according to the establishment survey (February) – The robust job creation in January and the upward revisions from previous months brought quite a surprise when the survey was published in early February. However, less lively growth is expected in February than the astonishing 467,000 jobs in January. This strong job creation was due, among other things, to favourable seasonal adjustments that might have less of a presence this time around. That said, the waning Omicron wave could nevertheless give the labour market a good boost. The effect should be felt more in higher hours worked. Less unfavourable weather could also play a positive role. All in all, we expect 310,000 new jobs in February. After rising briefly in January due to a rebound in the labour force, the unemployment rate should post a decline for February to 3.8%.

CANADA

MONDAY February 28 - 8:30	
Q4 2021	**$B**
Consensus	2.00
Desjardins	3.38
Q3 2021	**1.37**

Current account (Q4) – The value of merchandise exports increased 7.1% in the fourth quarter, while imports were up 5.9%. That pushed the merchandise trade balance up $2.1B during the quarter. This will have an impact on the current account balance, which should also improve during the quarter.

TUESDAY March 1 - 8:30	
December	**m/m**
Consensus	0.0%
Desjardins	0.0%
November	**0.6%**

Real GDP by industry (December) – According to Statistics Canada's preliminary results, December closed with virtually no change in real GDP by industry. Our estimates confirm this projection. It should be noted that economic indicators posted quite mixed results that month. Manufacturing and wholesale sales rose, but retail sales plunged. Preliminary data suggest that inventories surged. The total number of hours worked during the month is also up 0.6%. However, the number of housing starts dropped in December.

TUESDAY March 1 - 8:30	
Q4 2021	**ann. rate**
Consensus	6.5%
Desjardins	6.6%
Q3 2021	**5.4%**

Real GDP (Q4) – Real GDP should see fairly sustained growth again in the fourth quarter. In October, real GDP by industry rose 0.8%, followed by a 0.6% gain in November. Factoring in the close to zero growth expected for December, the entire fourth quarter could close with real GDP growth of about 6.6% (quarterly annualized). Despite the downtrend in residential investment, domestic demand should once again make a significant contribution to growth. A faster increase in exports than imports should also pave the way for an improvement in the trade balance.

WEDNESDAY March 2 - 10:00	
March	
Consensus	0.50%
Desjardins	0.50%
January 26	**0.25%**

Bank of Canada meeting (March) – The monetary authorities have been laying the groundwork since their last meeting in January. There is therefore no doubt that the first increase of 25 basis points in the target for the overnight rate will be announced next week. With the normalization of the economy and, especially, the sharp rise in inflation, there is no question that key rate hikes are needed. Further hikes will be necessary in the coming quarters to bring the target for the overnight rate back closer to its equilibrium of between 1.75% and 2.75%, as established by the Bank of Canada. However, the monetary authorities will want to keep a gradual and prudent approach in a context where Canadian households are heavily indebted and therefore more sensitive to higher interest rates.

FRIDAY March 4 - 8:30	
Q4 2021	**q/q**
Consensus	n/a
Desjardins	-0.1%
Q3 2021	**-1.5%**

Labour productivity (Q4) – According to preliminary results, business output was up 1.8% in the fourth quarter. However, the total number of hours worked rose 2.0% during the period, suggesting that worker productivity slumped slightly in the fourth quarter. This lower productivity, combined with higher wages, should lead to a further increase in unit labour costs.

OVERSEAS

WEDNESDAY March 2 - 5:00	
February	**y/y**
Consensus	5.4%
January	**5.1%**

Euro zone: Consumer price index (February – preliminary) – Inflation is high in the eurozone, although the 5.1% in January compares favourably against the 7.5% annual growth in the U.S. consumer price index. There is also a sense that the recent growth in the annual variation in Euroland prices is less lively. After rising from 3.0% in August to 4.9% in November, it has climbed just 0.1 percentage point a month since then. A very large share of inflation is also still coming from energy (annual variation of 28.8% in January). However, this situation could be exacerbated by the military escalation in Ukraine.

Economic Indicators

Week of February 28 to March 4, 2022

Day	Hour	Indicator	Period	Consensus	Desjardins forecast	Previous data
UNITED STATES						
MONDAY 28	8:30	Goods trade balance – preliminary (US$B)	Jan.	-99.3	-98.7	-100.5
	8:30	Retail inventories (m/m)	Jan.	n/a	n/a	4.4%
	8:30	Wholesale inventories – preliminary (m/m)	Jan.	1.3%	n/a	2.2%
	9:45	Chicago PMI index	Feb.	62.3	63.5	65.2
	10:30	Speech of the Federal Reserve Bank of Atlanta President, R. Bostic				
TUESDAY 1	---	Total vehicle sales (ann. rate)	Feb.	14,350,000	14,200,000	15,040,000
	10:00	Construction spending (m/m)	Jan.	-0.2%	0.7%	0.2%
	10:00	ISM manufacturing index	Feb.	58.0	56.0	57.6
WEDNESDAY 2	9:00	Speech of the Federal Reserve Bank of Chicago President, C. Evans				
	9:30	Speech of the Federal Reserve Bank of St. Louis President, J. Bullard				
	10:00	Testimony of the Federal Reserve Chair, J. Powell, before a House committee				
	14:00	Release of the *Beige Book*				
THURSDAY 3	8:30	Initial unemployment claims	Feb. 21-25	227,000	228,000	232,000
	8:30	Nonfarm productivity – final (ann. rate)	Q4	6.7%	6.6%	6.6%
	8:30	Unit labor costs – final (ann. rate)	Q4	0.3%	0.3%	0.3%
	10:00	ISM services index	Feb.	61.0	60.3	59.9
	10:00	Factory orders (m/m)	Jan.	0.5%	1.2%	-0.4%
	10:00	Testimony of the Federal Reserve Chair, J. Powell, before a Senate Committee				
	18:00	Speech of the Federal Reserve Bank of New York President, J. Williams				
FRIDAY 4	8:30	Change in nonfarm payrolls	Feb.	400,000	310,000	467,000
	8:30	Unemployment rate	Feb.	3.9%	3.8%	4.0%
	8:30	Weekly worked hours	Feb.	34.6	34.7	34.5
	8:30	Average hourly earnings (m/m)	Feb.	0.5%	0.4%	0.7%
CANADA						
MONDAY 28	8:30	Current account balance ($B)	Q4	2.20	3.38	1.37
	8:30	Industrial product price index (m/m)	Jan.	1.0%	1.5%	0.7%
	8:30	Raw materials price index (m/m)	Jan.	5.0%	6.0%	-2.9%
TUESDAY 1	8:30	Real GDP by industry (m/m)	Dec.	0.0%	0.0%	0.6%
	8:30	Real GDP (ann. rate)	Q4	6.5%	6.6%	5.4%
WEDNESDAY 2	10:00	Bank of Canada meeting	March	0.50%	0.50%	0.25%
THURSDAY 3	11:30	Speech of the Bank of Canada Governor, T. Macklem				
FRIDAY 4	8:30	Building permits (m/m)	Jan.	0.0%	-0.3%	-1.9%
	8:30	Labour productivity (q/q)	Q4	n/a	-0.1%	-1.5%
	8:30	Unit labour costs (q/q)	Q4	n/a	1.7%	1.9%
	10:00	PMI-Ivey index	Feb.	n/a	53.0	50.7

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

Economic Indicators

Week of February 28 to March 4, 2022

Country	Hour	Indicator	Period	Consensus m/m (q/q)	Consensus y/y	Previous data m/m (q/q)	Previous data y/y
OVERSEAS							
SUNDAY 27							
Japan	18:50	Industrial production – preliminary	Jan.	-0.7%	0.1%	-1.0%	2.7%
Japan	18:50	Retail sales	Jan.	-1.2%	1.4%	-1.0%	1.4%
MONDAY 28							
Japan	0:00	Housing starts	Jan.		2.3%		4.2%
China	20:30	PMI manufacturing index	Feb.	49.8		50.1	
China	20:30	PMI non-manufacturing index	Feb.	50.7		51.1	
Australia	22:30	Reserve Bank of Australia meeting	Feb.	0.10%		0.10%	
TUESDAY 1							
Italy	3:45	PMI manufacturing index	Feb.	58.0		58.3	
France	3:50	PMI manufacturing index – final	Feb.	57.6		57.6	
Germany	3:55	PMI manufacturing index – final	Feb.	58.5		58.5	
Euro zone	4:00	PMI manufacturing index – final	Feb.	58.4		58.4	
United Kingdom	4:30	PMI manufacturing index – final	Feb.	57.3		57.3	
Italy	5:00	Consumer price index – preliminary	Feb.	0.5%	5.3%	1.6%	4.8%
Germany	8:00	Consumer price index – preliminary	Feb.	0.8%	5.0%	0.4%	4.9%
WEDNESDAY 2							
United Kingdom	2:00	Nationwide house prices	Feb.	0.6%	10.8%	0.8%	11.2%
Euro zone	5:00	Consumer price index – preliminary	Feb.	0.6%	5.4%	0.3%	5.1%
THURSDAY 3							
Japon	0:00	Consumer confidence	Feb.	35.0		36.7	
Italy	3:45	PMI composite index	Feb.	54.0		50.1	
Italy	3:45	PMI services index	Feb.	52.5		48.5	
France	3:50	PMI composite index – final	Feb.	57.4		57.4	
France	3:50	PMI services index – final	Feb.	57.9		57.9	
Germany	3:55	PMI composite index – final	Feb.	56.2		56.2	
Germany	3:55	PMI services index – final	Feb.	56.6		56.6	
Euro zone	4:00	PMI composite index – final	Feb.	55.8		55.8	
Euro zone	4:00	PMI services index – final	Feb.	55.8		55.8	
United Kingdom	4:30	PMI composite index – final	Feb.	60.2		60.2	
United Kingdom	4:30	PMI services index – final	Feb.	60.8		60.8	
Euro zone	5:00	Producer price index	Jan.	2.5%	27.0%	2.9%	26.2%
Euro zone	5:00	Unemployment rate	Jan.	6.9%		7.0%	
Japan	18:30	Unemployment rate	Jan.	2.7%		2.7%	
FRIDAY 4							
Germany	2:00	Trade balance (€B)	Jan.	5.5		7.0	
Germany	2:00	Current account (€B)	Jan.	16.5		23.9	
France	2:45	Industrial production	Jan.	0.5%	-3.2%	-0.2%	-0.5%
Italy	4:00	Real GDP – final	Q4	0.6%	6.4%	0.6%	6.4%
Euro zone	5:00	Retail sales	Jan.	1.5%	9.2%	-3.0%	2.0%

NOTE: In contrast to the situation in Canada and the United States, disclosure of overseas economic fi gures 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	2021	2020	2019
Gross domestic product (2012 $B)	2021 Q4	19,811	7.0	5.6	5.7	-3.4	2.3
Consumption (2012 $B)	2021 Q4	13,837	3.1	7.0	7.9	-3.8	2.2
Government spending (2012 $B)	2021 Q4	3,360	-2.6	0.1	0.5	2.5	2.2
Residential investment (2012 $B)	2021 Q4	696.0	1.0	-1.7	9.1	6.8	-0.9
Non-residential investment (2012 $B)	2021 Q4	2,907	3.1	6.6	7.4	-5.3	4.3
Business inventory change (2012 $B)[1]	2021 Q4	171.2	---	---	-38.1	-42.3	75.1
Exports (2012 $B)	2021 Q4	2,397	23.6	5.2	4.6	-13.6	-0.1
Imports (2012 $B)	2021 Q4	3,738	17.6	9.6	14.0	-8.9	1.2
Final domestic demand (2012 $B)	2021 Q4	20,795	2.0	5.4	6.6	-2.5	2.4
GDP deflator (2012 = 100)	2021 Q4	121.3	7.1	5.9	4.2	1.3	1.8
Labor productivity (2012 = 100)	2021 Q4	113.1	6.6	2.0	1.8	2.4	2.0
Unit labor cost (2012 = 100)	2021 Q4	122.7	0.3	3.1	3.2	4.5	1.8
Employment cost index (Dec. 2005 = 100)	2021 Q4	148.1	4.2	4.0	3.3	2.6	2.8
Current account balance ($B)[1]	2021 Q3	-214.8	---	---	-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)	Jan.	119.6	-0.3	1.1	2.6	8.6
ISM manufacturing index[1]	Jan.	57.6	58.8	60.8	59.9	59.4
ISM non-manufacturing index[1]	Jan.	59.9	62.3	66.7	64.1	58.5
Cons. confidence Conference Board (1985 = 100)[1]	Feb.*	110.5	111.1	111.9	115.2	95.2
Personal consumption expenditure (2012 $B)	Jan.*	13,919	1.5	0.1	1.9	5.4
Disposable personal income (2012 $B)	Jan.*	15,310	-0.5	-0.9	-2.7	-9.9
Consumer credit ($B)	Dec.	4,431	0.4	1.7	2.9	5.9
Retail sales ($M)	Jan.	649,776	3.8	1.8	5.6	13.0
Excluding automobiles ($M)	*Jan.*	*517,269*	*3.3*	*1.1*	*5.8*	*13.4*
Industrial production (2012 = 100)	Jan.	103.5	1.4	2.2	2.3	4.1
Production capacity utilization rate (%)[1]	Jan.	77.6	76.6	76.1	76.2	75.0
New machinery orders ($M)	Dec.	530,723	-0.4	2.6	4.9	13.3
New durable good orders ($M)	Jan.*	277,455	1.6	6.0	7.2	14.1
Business inventories ($B)	Dec.	2,207	2.1	4.9	7.2	10.5
Housing starts (k)[1]	Jan.	1,638	1,708	1,552	1,562	1,625
Building permits (k)[1]	Jan.	1,895	1,885	1,653	1,630	1,883
New home sales (k)[1]	Jan.*	801.0	839.0	667.0	704.0	993.0
Existing home sales (k)[1]	Jan.	6,500	6,090	6,190	6,030	6,650
Commercial surplus ($M)[1]	Dec.	-80,731	-79,331	-80,814	-72,314	-65,802
Nonfarm employment (k)[2]	Jan.	149,629	467.0	1,624	3,242	6,612
Unemployment rate (%)[1]	Jan.	4.0	3.9	4.6	5.4	6.4
Consumer price (1982–1984 = 100)	Jan.	281.9	0.6	1.9	3.6	7.5
Excluding food and energy	*Jan.*	*286.4*	*0.6*	*1.7*	*2.7*	*6.0*
Personal cons. expenditure deflator (2012 = 100)	Jan.*	119.4	0.6	1.7	3.1	6.1
Excluding food and energy	*Jan.**	*120.7*	*0.5*	*1.5*	*2.6*	*5.2*
Producer price (2009 = 100)	Jan.	133.0	0.9	2.3	4.3	9.7
Export prices (2000 = 100)	Jan.	148.3	2.9	1.9	4.4	15.1
Import prices (2000 = 100)	Jan.	140.1	2.0	2.3	4.1	10.8

[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 $M)	2021 Q3	2,111,754	5.4	3.9	-4.1	1.2	2.7
GDP deflator (2012 = 100)	2021 Q3	119.6	3.1	7.7	0.7	1.5	1.7
Labour productivity (2012 = 100)	2021 Q3	109.0	-5.9	-5.4	8.3	1.1	1.0
Unit labour cost (2012 = 100)	2021 Q3	120.6	7.7	6.2	3.7	2.5	2.6
Current account balance ($M)[1]	2021 Q3	1,369	---	---	-39,415	-47,041	-53,141
Production capacity utilization rate (%)[1]	2021 Q3	81.4	---	---	77.5	81.9	83.2
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)	Nov.	2,014,598	0.6	1.6	3.5	3.8
Industrial production (2012 $M)	Nov.	393,755	0.0	1.1	3.9	3.6
Manufacturing sales ($M)	Dec.	63,996	0.7	8.7	6.1	16.6
Housing starts (k)[1]	Jan.	230.8	238.4	238.1	274.1	315.5
Building permits ($M)	Dec.	11,156	-1.9	9.1	8.4	19.9
Retail sales ($M)	Dec.	57,047	-1.8	0.5	1.6	8.6
Excluding automobiles ($M)	*Dec.*	*42,058*	*-2.5*	*-0.2*	*1.8*	*8.3*
Wholesale trade sales ($M)	Dec.	76,216	0.6	6.4	6.7	13.5
Commercial surplus ($M)[1]	Dec.	-137.4	2,466	1,123	1,922	-2,088
Exports ($M)	*Dec.*	*57,612*	*-0.9*	*9.0*	*8.0*	*21.7*
Imports ($M)	*Dec.*	*57,749*	*3.7*	*11.6*	*12.3*	*16.8*
Employment (k)[2]	Jan.	19,176	-200.1	11.4	49.4	74.2
Unemployment rate (%)[1]	Jan.	6.5	6.0	6.8	7.4	9.4
Average weekly earnings ($)	Dec.*	1,135	0.4	-0.1	1.1	1.7
Number of salaried employees (k)[2]	Dec.*	17,102	122.2	100.1	135.5	93.8
Consumer price (2002 = 100)	Jan.	145.3	0.9	1.0	2.1	5.1
Excluding food and energy	*Jan.*	*137.5*	*0.6*	*0.5*	*1.4*	*3.5*
Excluding 8 volatile items	*Jan.*	*142.6*	*0.8*	*0.8*	*1.9*	*4.3*
Industrial product price (2010 = 100)	Dec.	118.5	0.7	2.2	3.0	16.1
Raw materials price (2010 = 100)	Dec.	129.4	-2.9	1.4	3.8	29.0
Money supply M1+ ($M)	Dec.*	1,590,219	-0.8	0.6	2.9	14.4

[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 Feb. 25	PREVIOUS DATA Feb. 18	-1 month	-3 months	-6 months	-1 year	LAST 52 WEEKS 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	0.30	0.35	0.19	0.06	0.05	0.04	0.45	0.07	0.01
Treasury bonds – 2 years	1.61	1.48	1.16	0.46	0.20	0.15	1.61	0.42	0.12
– 5 years	1.89	1.83	1.61	1.17	0.79	0.77	1.95	1.03	0.64
– 10 years	1.98	1.94	1.78	1.47	1.29	1.45	2.05	1.54	1.17
– 30 years	2.28	2.27	2.08	1.83	1.91	2.19	2.48	2.09	1.68
S&P 500 index (level)	4,371	4,349	4,432	4,595	4,509	3,811	4,797	4,377	3,768
DJIA index (level)	33,912	34,079	34,725	34,899	35,456	30,932	36,800	34,673	30,924
Gold price (US$/ounce)	1,885	1,895	1,785	1,799	1,808	1,727	1,925	1,799	1,682
CRB index (level)	269.02	263.62	252.85	226.73	219.18	190.43	269.02	220.47	184.08
WTI oil (US$/barrel)	91.38	91.07	88.20	78.39	68.85	63.53	95.46	72.96	57.71
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	0.38	0.34	0.29	0.08	0.18	0.13	0.47	0.15	0.00
Treasury bonds – 2 years	1.55	1.49	1.25	0.93	0.44	0.30	1.57	0.65	0.22
– 5 years	1.76	1.72	1.63	1.39	0.83	0.88	1.82	1.13	0.75
– 10 years	1.93	1.88	1.76	1.59	1.20	1.35	1.97	1.50	1.12
– 30 years	2.19	2.15	2.00	2.01	1.75	1.76	2.23	1.93	1.66
Spread with the U.S. rate (% points)									
Overnight – target	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Treasury bill – 3 months	0.08	-0.01	0.10	0.02	0.13	0.09	0.30	0.08	-0.11
Treasury bonds – 2 years	-0.06	0.01	0.09	0.47	0.24	0.15	0.62	0.23	-0.08
– 5 years	-0.13	-0.11	0.02	0.22	0.04	0.11	0.33	0.09	-0.15
– 10 years	-0.06	-0.06	-0.02	0.12	-0.09	-0.10	0.17	-0.05	-0.21
– 30 years	-0.09	-0.12	-0.08	0.18	-0.16	-0.43	0.18	-0.16	-0.45
S&P/TSX index (level)	20,987	21,008	20,742	21,126	20,645	18,060	21,769	20,312	18,126
Exchange rate (C$/US$)	1.2749	1.2751	1.2764	1.2788	1.2628	1.2741	1.2943	1.2530	1.2034
Exchange rate (C$/€)	1.4346	1.4438	1.4225	1.4475	1.4895	1.5386	1.5275	1.4660	1.4145
Overseas									
Euro zone									
ECB – Refinancing rate	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Exchange rate (US$/€)	1.1251	1.1323	1.1145	1.1319	1.1795	1.2076	1.2252	1.1703	1.1145
United Kingdom									
BoE – Base rate	0.50	0.50	0.25	0.10	0.10	0.10	0.50	0.15	0.10
Bonds – 10 years	1.46	1.38	1.25	0.83	0.68	0.86	1.59	0.90	0.58
FTSE index (level)	7,489	7,514	7,466	7,044	7,148	6,483	7,672	7,139	6,589
Exchange rate (US$/£)	1.3398	1.3592	1.3406	1.3342	1.3759	1.3934	1.4212	1.3726	1.3208
Germany									
Bonds – 10 years	0.23	0.17	-0.08	-0.34	-0.46	-0.29	0.28	-0.25	-0.54
DAX index (level)	14,567	15,043	15,319	15,257	15,852	13,786	16,272	15,457	13,921
Japan									
BoJ – Main policy rate	-0.10	-0.10	-0.10	-0.10	-0.10	-0.10	-0.10	-0.10	-0.10
Nikkei index (level)	26,477	27,122	26,717	28,752	27,641	28,966	30,670	28,646	25,971
Exchange rate (US$/¥)	115.64	115.03	115.26	113.33	109.84	106.60	116.16	111.49	106.69

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 exeption of the current day where they were taken at 11:00 a.m.