

WEEKLY NEWSLETTER

Job Creation Surprises in Canada, but Still Disappoints in the United States

MUSINGS OF THE WEEK

- ▶ Winter is coming.

KEY STATISTICS OF THE WEEK

- ▶ United States: Job numbers disappoint again in September.
- ▶ U.S. motor vehicle sales continue to fall.
- ▶ Canada: Job creation picked up in September.
- ▶ Canada's trade balance improved in August.

A LOOK AHEAD

- ▶ Further growth in U.S. retail sales is expected.
- ▶ United States: Inflation likely remained high in September.
- ▶ Canada: A slight increase is expected for manufacturing and wholesale sales.

FINANCIAL MARKETS

- ▶ Stock markets reassured by agreement on U.S. debt ceiling.
- ▶ Bond yields continue to climb.
- ▶ The Canadian dollar is back at US\$0.80.

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Musings of the Week

Winter Is Coming

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

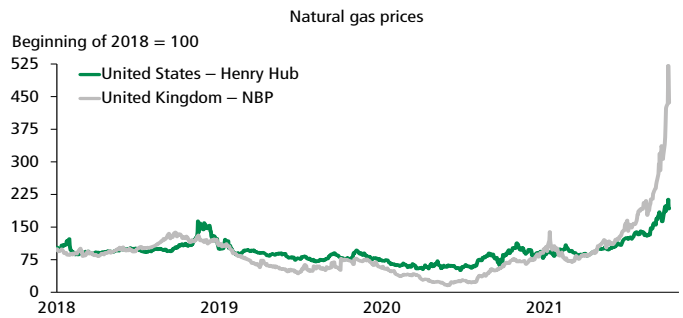
This week, natural gas prices hit new highs in Europe as the continent faces a deep supply crunch heading into winter. The Organization of Petroleum Exporting Countries and its allies (OPEC+) also decided not to ramp up production, driving oil prices to levels not seen since 2014. European and Asian electricity producers are increasingly switching to oil. In recent years, they've taken this temporary measure at the end of harsh winters. The fact that they're doing it now is testament to their level of anxiety as winter season approaches. China recently ordered state-owned energy producers to secure enough fuel before winter, no matter the cost. Europe is in a similar predicament and hoping against all hope that Russia will increase exports. Russian President Vladimir Putin expressed openness to the possibility this week, but tensions remain high between Russia and Europe around the Nord Stream 2 pipeline, which has yet to win German regulatory approval. The pipeline is also a hot-button geopolitical issue.

The energy crunch is yet another example of the pandemic's ripple effects. The combination of lockdowns, monetary and fiscal stimulus has sent demand for goods soaring. In Canada, goods consumption remained about 4% above pre-pandemic levels in the second quarter. Similar dynamics across the developed world have led to a boom in output, with global industrial production surging nearly 18% from an April 2020 low to 3% above pre-pandemic levels today. Demand for goods puts intense pressure on electricity-intensive industries such as manufacturing. This summer, some local governments in China were forced to ration electricity as recent capacity increases weren't enough to keep up with surging demand. On the supply side, major liquefied natural gas producers are operating at or near capacity. Making matters worse, very little additional capacity is expected to come on line this year as COVID-19 has disrupted infrastructure construction in Russia, Indonesia and elsewhere. Rising concerns about climate change are also giving producers second thoughts about expanding capacity, worried that these investments will be wasted amid the growing push to internalize carbon emission costs.

So, unless Russia provides major near-term relief, recent pressures on natural gas prices probably won't abate anytime soon. Skeptics of the transitory inflation thesis will get some vindication, with high energy prices likely to have ripple effects on food prices (which have already jumped 40% during the pandemic. Natural gas is a key input in the production of nitrogen fertilizer, and the supply crunch has driven up prices

GRAPH

Remarkable increase in natural gas prices



Sources: Datastream and Desjardins, Economic Studies

in this space as well. Given the timing of crop cycles, food price inflation could stick well into 2022.

As a result, central banks will need to remain vigilant. Research shows that everyday consumer goods such as food and energy are most likely to influence inflation perceptions and expectations. But the energy crunch brings broader risks as well. In the worst-case scenario of a cold winter and limited new supply, there's a major risk of widespread power outages in natural gas-dependent countries. This would cause even more disruption and uncertainty in already-strained supply chains.

Yes, winter is coming. And it could be a cold one.

Key Statistics of the Week

By Francis Généreux, Senior Economist

UNITED STATES

- ▶ The establishment survey indicates that there were only 194,000 net hires in September, following gains of 366,000 in August (revised from 235,000) and 1,091,000 in July (revised from 1,053,000). In manufacturing, 26,000 jobs were created, despite the loss of 6,100 workers in the auto industry. There were 22,000 net hires in construction. Private-sector services saw 265,000 jobs created, a deceleration compared with the job gains of 295,000 recorded in August, and particularly the 742,000 jobs added in July.
- ▶ The unemployment rate fell from 5.2% in August to 4.8% in September. The household survey reported a gain of 526,000 jobs. However, the labour force shrank by 183,000 people.
- ▶ The ISM services index rose in September. This time, the gain was quite modest, at 0.2 points. The index went from 61.7 to 61.9, which is still below the 64.0 level reached in July. Five of the ten components rose, with the largest increases coming from sentiment on inventories, current activity and prices paid. Survey respondents still report problems with supplier deliveries, transportation costs, and labour shortages.
- ▶ Motor vehicle sales dropped again in September, posting a 6.4% decline this time. Annualized sales fell from 13,003,000 units in August to 12,176,000 last month. Except for the first few months of the pandemic, such low sales hadn't been seen since spring 2011. The total decline since the recent peak in April 2021 is 33.5%.
- ▶ The U.S. trade balance in goods and services deteriorated in August. The deficit moved from -US\$70.3B in July to -US\$73.3B in August, a new record. Exports rose 0.5%, while imports increased 1.4%.
- ▶ After four consecutive weeks of increases, initial jobless claims started to fall again in the week ending October 2. They dropped to 326,000 from 364,000 the previous week. The number of unemployment claimants continued to decrease following the end of funding for special federal programs.

CANADA

- ▶ Canada gained 157,100 jobs in September. This marks the highest monthly increase since June 2021. The unemployment rate ticked down from 7.1% in August to 6.9% in September, the lowest level since the beginning of the pandemic. Jobs increased in six provinces last month, including Alberta (+19,600), Manitoba (+7,800), New Brunswick (+6,100), Saskatchewan (+5,300), Ontario (+73,600) and Quebec (+31,200). In September, employment in Canada finally reached its pre-pandemic level of February 2020, as did Ontario's. Quebec has almost completely recovered.
- ▶ The value of merchandise exports rose 0.8% in August, following a 1.1% gain in July. Among the largest monthly increases were energy products (+5.1%), metal ores and non-metallic minerals (+6.0%), and aircraft and other transportation equipment and parts (+9.2%). However, these strong gains were offset by significant declines in exports of motor vehicles and vehicle parts (-7.3%) and forestry products and building and packaging materials (-7.9%). Imports recorded a drop of 1.4%. The main negative contributor was imports of motor vehicles and vehicle parts, which fell 11.1%. All in all, the balance of trade in goods improved from \$0.74B to \$1.94B.
- ▶ The value of building permits fell 2.1% in August. This drop came on the heels of a 4.1% decline in July and a 7.1% increase in June. This time, the decline stems exclusively from the residential sector (-8.3%), while the value of non-residential permits increased 12.3%. Quebec posted a 10.6% rise in the value of permits, while significant declines were observed in Ontario (-9.9%) and British Columbia (-7.5%).

Financial Markets

Markets Shake Off September Pessimism

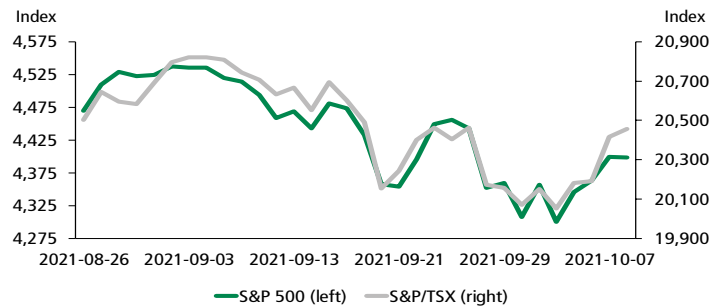
By Hendrix Vachon, Senior Economist, and Lorenzo Tessier-Moreau, Senior Economist

October got off to a better start than September, and optimism seems to have prevailed in the markets this week. North American stock markets were still volatile in the early part of the week, and they plunged on Monday and Wednesday. From Thursday onwards, the agreement on the U.S. debt ceiling seems to have breathed optimism into the markets. Stock markets did not falter with the release of the September employment data, which was found to be disappointing in the United States. At the time of writing on Friday morning, the S&P 500 and Dow Jones indexes were posting weekly gains of approximately 1.0%, while the NASDAQ climbed 0.5%. In Canada, the employment data released Friday was far from disappointing, pulling up the S&P/TSX index by about 1.5% over the week. The Canadian index also benefitted from rising oil prices, which reached almost US\$80 for a barrel of WTI (West Texas Intermediate) for the first time since 2014. Strong anticipated demand and indications that the U.S. government would probably not draw on its reserves account for this increase.

Bond yields continued on the upward trend that began after the Federal Reserve meeting in September. Maturities of 5 years and more were up by over than 10 basis points this week, in both the United States and Canada. The rise in rates accelerated on Friday, despite disappointing U.S. employment data. It seems that accelerating wage growth is being seen as one more sign that inflationary pressures are taking hold.

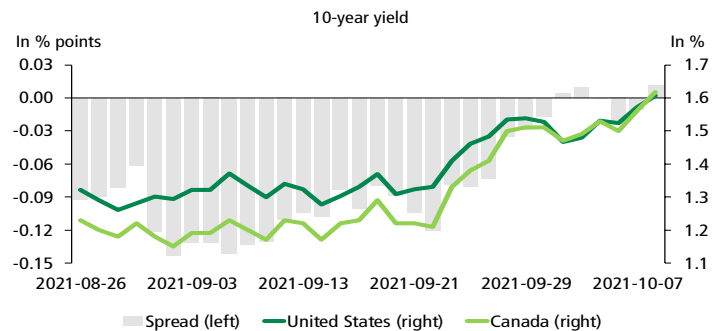
The U.S. dollar remained strong during the first half of the week and then stabilized. The disappointment around the U.S. employment figures had only a temporary impact on it. The euro fell below US\$1.16 this week. The president of the European Central Bank reaffirmed her belief that higher inflation would be temporary, with no signs of any urgency to pull back from support measures. Economic data also disappointed on Wednesday, particularly with regard to retail sales in the euro zone and industrial production in Germany. The Canadian dollar is back at US\$0.80. A number of elements remain favourable to the loonie, including oil prices and higher bond yields. Canada's excellent employment figures also helped on Friday.

GRAPH 1
Stock markets



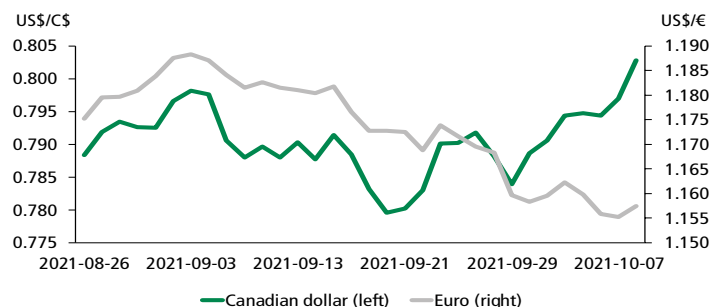
Sources: Datastream and Desjardins, Economic Studies

GRAPH 2
Bond markets



Sources: Datastream and Desjardins, Economic Studies

GRAPH 3
Currency markets



Sources: Datastream and Desjardins, Economic Studies

A Look Ahead

By Francis Généreux, Senior Economist

WEDNESDAY October 13 - 8:30

September	m/m
Consensus	0.3%
Desjardins	0.3%
August	0.3%

FRIDAY October 15 - 8:30

September	m/m
Consensus	-0.3%
Desjardins	0.8%
August	0.7%

FRIDAY October 15 - 10:00

October	
Consensus	73.8
Desjardins	72.5
September	72.8

THURSDAY October 14 - 8:30

August	m/m
Consensus	0.3%
Desjardins	0.5%
July	-1.5%

FRIDAY October 15 - 8:30

August	m/m
Consensus	0.5%
Desjardins	0.5%
July	-2.1%

UNITED STATES

Consumer price index (September) – Inflation continues to be very high in the United States.

However, August data showed somewhat of a lull in the monthly variation of the consumer price index (CPI) with a 0.3% increase, which followed much more substantial gains from March to July. Another 0.3% is expected to be added in September. Growth in energy prices, particularly gas, should be more subdued than in previous months. Food prices are expected to see a monthly increase similar to the 0.4% in August. Excluding food and gas, the September increase in the core CPI is also forecast to be 0.3%, quite a bit more than the mere 0.1% in August. The annual variations should be fairly stable (while remaining high). Total inflation should hold at 5.3%, while core inflation should edge up from 4.0% to 4.1%.

Retail sales (September) – After a very disappointing July, retail sales recovered in August despite another sharp drop in motor vehicle sales. Another monthly gain is anticipated for September. Once again, this gain will be partly diminished by motor vehicle purchases, since we already know that the number of new vehicles sold fell 6.4% (for a total decline of 33.5% since April). Fortunately, some preliminary indications from credit card transactions paint a fairly positive picture of sales in September, particularly for non-durable goods and food services. The income lost by many unemployment claimants and the declines in some consumer confidence indicators, however, temper hope for even stronger consumption growth. All in all, a 0.8% increase in total retail sales and a 1.6% gain in sales excluding motor vehicles and service stations are expected.

University of Michigan consumer confidence index (October – preliminary) – The

University of Michigan consumer confidence index improved slightly in September, but the 2.5 points it gained is far from being able to offset the total loss of 15.2 points in July and August. The situation for October appears rather mixed so far. On the one hand, the final September version showed an improvement (from 71.0 to 72.8), which suggests a small positive trend at the end of last month that may have continued in October. The drop in new cases of COVID-19 is also a positive factor. On the other hand, the TIPP and Langer confidence indexes deteriorated again recently. Turmoil in the stock market, rising oil prices, inflation fears and political uncertainties surrounding the U.S. federal debt ceiling are all factors that risk hindering further improvement in the Michigan index. We therefore expect the index to move to 72.5.

CANADA

Manufacturing sales (August) – The manufacturing sector has been very volatile for some months, with supply problems affecting some sectors, especially motor vehicle products. After dropping 1.5% in July, Statistics Canada's interim figures indicate a 0.5% increase in August. The 0.8% gain in merchandise exports in August also supports this. However, the situation seems less positive for some categories of manufacturers, as declines are noted in exports of "motor vehicles and parts" (-7.3%), "industrial machinery, equipment and parts" (-1.1%) and "electronic and electrical equipment and parts" (-2.6%).

Wholesale sales (August) – According to Statistics Canada's interim figures, wholesale sales were up 0.5% in August. Moreover, the change in wholesale sales of building materials and supplies could stabilize after very significant decreases in recent months.

WEDNESDAY October 13 - 2:00

August	m/m
Consensus	0.5%
July	0.1%

WEDNESDAY October 13 - 5:00

August	m/m
Consensus	-1.6%
July	1.5%


OVERSEAS


United Kingdom: Monthly GDP (August) – After a strong rebound in the spring, Britain’s monthly real GDP ran out of steam in July with a mere 0.1% increase, compared to an average of 1.6% between March and June. This slowdown appears to have continued in August, as signalled by the 0.9% drop in retail sales that month. That said, the PMI indexes remain at levels compatible with good growth.

Euro zone: Industrial production (August) – After two consecutive months of declines in May and June, industrial production in the eurozone bounced back in July with a 1.5% gain. This increase led to the highest production level since October 2019. However, the situation could prove less positive in August. German industrial production retreated 4.0% due to a 17.5% plunge in the automotive sector, among other factors. The German decline should be partly offset by a 1.0% increase in French production, but the other countries would have to post extremely strong gains for Euroland production to be up as a whole.

Economic Indicators

Week of October 11 to 15, 2021

Day	Hour	Indicator	Period	Consensus		Previous data
UNITED STATES						
MONDAY 11	---	Bond markets closed (Columbus Day)				
TUESDAY 12	12:30	Speech of the Atlanta Fed President, R. Bostic				
WEDNESDAY 13	8:30	Consumer price index				
		Total (m/m)	Sept.	0.3%	0.3%	0.3%
		Excluding food and energy (m/m)	Sept.	0.3%	0.3%	0.1%
		Total (y/y)	Sept.	5.3%	5.3%	5.3%
		Excluding food and energy (y/y)	Sept.	4.1%	4.1%	4.0%
	14:00	Minutes of the Federal Reserve meeting				
	16:30	Speech of a Federal Reserve Governor, L. Brainard				
	20:00	Speech of a Federal Reserve Governor, M. Bowman				
THURSDAY 14	8:30	Initial unemployment claims	Oct. 4-8	328,000	330,000	326,000
	8:30	Producer price index				
		Total (m/m)	Sept.	0.6%	0.6%	0.7%
		Excluding food and energy (m/m)	Sept.	0.5%	0.6%	0.6%
	13:00	Speech of the Richmond Fed President, T. Barkin				
	18:00	Speech of the Philadelphia Fed President, P. Harker				
FRIDAY 15	8:30	Empire manufacturing index	Oct.	25.0	27.0	34.3
	8:30	Export prices (m/m)	Sept.	0.6%	1.0%	0.4%
	8:30	Import prices (m/m)	Sept.	0.7%	1.0%	-0.3%
	8:30	Retail sales				
		Total (m/m)	Sept.	-0.3%	0.8%	0.7%
		Excluding automobiles (m/m)	Sept.	0.5%	1.6%	1.8%
	10:00	Michigan's consumer sentiment index – preliminary				
	10:00	Business inventories (m/m)				
	12:20	Speech of the New York Fed President, J. Williams				
CANADA						
MONDAY 11	---	Markets closed (Thanksgiving Day)				
TUESDAY 12	---					
WEDNESDAY 13	---					
THURSDAY 14	8:30	Manufacturing sales (m/m)	Aug.	0.3%	0.5%	-1.5%
FRIDAY 15	8:30	Wholesale sales (m/m)	Aug.	0.5%	0.5%	-2.1%
	8:30	Wholesale inventories (m/m)	Aug.	n/a	n/a	0.6%
	9:00	Existing home sales	Sept.			

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 October 11 to 15, 2021

Country	Hour	Indicator	Period	Consensus		Previous data		
				m/m (q/q)	y/y	m/m (q/q)	y/y	
OVERSEAS								
MONDAY 11								
South Korea	---	Bank of Korea meeting	Oct.	0.75%		0.75%		
Italy	4:00	Industrial production	Aug.	-0.2%	-0.5%	0.8%	7.0%	
Japan	19:50	Producer price index	Sept.	0.2%	5.8%	0.0%	5.5%	
TUESDAY 12								
China	---	Trade balance (US\$B)	Sept.	47.22		58.34		
United Kingdom	2:00	ILO unemployment rate	Aug.	4.5%		4.6%		
Germany	5:00	ZEW survey – Current situation	Oct.	28.0		31.9		
Germany	5:00	ZEW survey – Expectations	Oct.	24.0		26.5		
WEDNESDAY 13								
United Kingdom	2:00	Trade balance (€M)	Aug.	-2,800		-3,117		
United Kingdom	2:00	Construction	Aug.	0.5%	5.7%	-1.6%	8.6%	
United Kingdom	2:00	Index of services	Aug.	0.6%		0.0%		
United Kingdom	2:00	Monthly GDP	Aug.	0.5%		0.1%		
United Kingdom	2:00	Industrial production	Aug.	0.2%	3.4%	1.2%	3.8%	
Germany	2:00	Consumer price index – final	Sept.	0.0%	4.1%	0.0%	4.1%	
Euro zone	5:00	Industrial production	Aug.	-1.6%	4.7%	1.5%	7.7%	
China	21:30	Consumer price index	Sept.	0.9%		0.8%		
China	21:30	Producer price index	Sept.	10.6%		9.5%		
THURSDAY 14								
Japan	0:30	Industrial production – final	Aug.	n/a	n/a	-3.2%	9.3%	
FRIDAY 15								
France	2:45	Consumer price index – final	Sept.	-0.2%	2.1%	-0.2%	2.1%	
Euro zone	5:00	Trade balance (€B)	Aug.	n/a		13.4		
Italy	5:00	Trade balance (€M)	Aug.	n/a		8,762		

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	19,368	6.7	12.2	-3.4	2.3	2.9
Consumption (2012 \$B)	2021 Q2	13,666	12.0	16.2	-3.8	2.2	2.9
Government spending (2012 \$B)	2021 Q2	3,374	-2.0	-0.1	2.5	2.2	1.4
Residential investment (2012 \$B)	2021 Q2	708.2	-11.7	21.1	6.8	-0.9	-0.6
Non-residential investment (2012 \$B)	2021 Q2	2,873	9.2	13.3	-5.3	4.3	6.4
Business inventory change (2012 \$B) ¹	2021 Q2	-168.5	---	---	-42.3	75.1	65.7
Exports (2012 \$B)	2021 Q2	2,304	7.6	18.6	-13.6	-0.1	2.8
Imports (2012 \$B)	2021 Q2	3,549	7.1	30.6	-8.9	1.2	4.1
Final domestic demand (2012 \$B)	2021 Q2	20,625	8.0	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 Q2	-190.3	---	---	-616.1	-472.1	-438.2

¹ Statistics representing the level during the period; * New statistic in comparison with last week.

UNITED STATES
Monthly economic indicators

	REF. MONTH	LEVEL	VARIATION (%)			
			-1 month	-3 months	-6 months	-1 year
Leading indicator (2016 = 100)	Aug.	117.1	0.9	2.4	6.4	10.0
ISM manufacturing index ¹	Sept.	61.1	59.9	60.6	64.7	55.7
ISM non-manufacturing index ¹	Sept.*	61.9	61.7	60.1	63.7	57.2
Cons. confidence Conference Board (1985 = 100) ¹	Sept.	109.3	115.2	128.9	114.9	101.3
Personal consumption expenditure (2012 \$B)	Aug.	13,691	0.4	0.5	5.1	7.0
Disposable personal income (2012 \$B)	Aug.	15,584	-0.3	-0.1	0.2	0.2
Consumer credit (\$B)	Aug.*	4,347	0.3	1.6	3.4	4.8
Retail sales (\$M)	Aug.	618,676	0.7	-0.2	10.5	15.1
<i>Excluding automobiles (\$M)</i>	Aug.	497,178	1.8	2.5	11.9	16.2
Industrial production (2012 = 100)	Aug.	101.6	0.4	1.7	5.4	5.9
Production capacity utilization rate (%) ¹	Aug.	76.4	76.2	75.2	72.7	72.3
New machinery orders (\$M)	Aug.*	515,721	1.2	3.4	7.2	16.0
New durable good orders (\$M)	Aug.	263,576	1.8	3.1	7.0	18.2
Business inventories (\$B)	July	2,069	0.5	2.0	3.0	7.2
Housing starts (k) ¹	Aug.	1,615	1,554	1,594	1,447	1,376
Building permits (k) ¹	Aug.	1,721	1,630	1,683	1,726	1,522
New home sales (k) ¹	Aug.	740.0	729.0	733.0	823.0	977.0
Existing home sales (k) ¹	Aug.	5,880	6,000	5,780	6,240	5,970
Commercial surplus (\$M) ¹	Aug.*	-73,252	-70,303	-68,538	-68,180	-63,733
Nonfarm employment (k) ²	Sept.*	147,553	194.0	1,651	3,496	5,688
Unemployment rate (%) ¹	Sept.*	4.8	5.2	5.9	6.0	7.8
Consumer price (1982-1984 = 100)	Aug.	273.0	0.3	1.7	3.7	5.2
<i>Excluding food and energy</i>	Aug.	279.3	0.1	1.3	3.3	4.0
Personal cons. expenditure deflator (2012 = 100)	Aug.	116.3	0.4	1.3	3.0	4.3
<i>Excluding food and energy</i>	Aug.	118.1	0.3	1.1	2.8	3.6
Producer price (2009 = 100)	Aug.	128.2	0.7	2.7	5.1	8.3
Export prices (2000 = 100)	Aug.	142.6	0.4	2.6	8.9	16.8
Import prices (2000 = 100)	Aug.	134.3	-0.3	1.1	4.9	9.0

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)	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 Q2	82.0	---	---	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)	July	1,962,988	-0.1	0.0	0.7	4.7
Industrial production (2012 \$M)	July	384,479	-1.1	0.2	-1.2	4.5
Manufacturing sales (\$M)	July	59,551	-1.5	1.9	4.3	12.2
Housing starts (k) ¹	Aug.	260.2	270.7	284.6	272.9	261.5
Building permits (\$M)	Aug.*	9,664	-2.1	0.6	-6.9	16.9
Retail sales (\$M)	July	55,798	-0.6	1.5	6.0	5.3
<i>Excluding automobiles (\$M)</i>	July	40,870	-1.0	1.9	5.0	5.2
Wholesale trade sales (\$M)	July	70,069	-2.1	-2.3	0.6	8.0
Commercial surplus (\$M) ¹	Aug.*	1,939	735.8	-1,561	1,396	-3,377
<i>Exports (\$M)</i>	Aug.*	54,445	0.8	9.5	8.4	20.6
<i>Imports (\$M)</i>	Aug.*	52,506	-1.4	2.4	7.5	8.2
Employment (k) ²	Sept.*	19,131	157.1	113.8	49.5	61.9
Unemployment rate (%) ¹	Sept.*	6.9	7.1	7.8	7.5	9.2
Average weekly earnings (\$)	July	1,133	1.0	0.5	0.1	1.8
Number of salaried employees (k) ²	July	16,614	324.8	102.0	128.8	123.5
Consumer price (2002 = 100)	Aug.	142.6	0.2	1.1	2.7	4.1
<i>Excluding food and energy</i>	Aug.	135.9	0.2	1.0	2.1	3.0
<i>Excluding 8 volatile items</i>	Aug.	140.3	0.2	1.1	2.3	3.5
Industrial product price (2010 = 100)	Aug.	114.4	-0.3	-0.3	6.5	14.3
Raw materials price (2010 = 100)	Aug.	124.6	-2.4	3.7	10.5	27.7
Money supply M1+ (\$M)	July	1,565,089	1.3	4.5	10.8	19.8

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.

UNITED STATES, CANADA, OVERSEAS
Major financial indicators

IN % (EXPECTED IF INDICATED)	ACTUAL	PREVIOUS DATA					LAST 52 WEEKS		
	Oct. 8	Oct. 1	-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	0.04	0.05	0.06	0.02	0.10	0.12	0.05	0.01
Treasury bonds – 2 years	0.32	0.27	0.20	0.22	0.16	0.16	0.32	0.17	0.11
– 5 years	1.05	0.92	0.81	0.79	0.85	0.33	1.05	0.66	0.30
– 10 years	1.61	1.47	1.34	1.36	1.67	0.78	1.75	1.29	0.72
– 30 years	2.17	2.04	1.93	1.98	2.34	1.57	2.48	1.99	1.50
S&P 500 index (level)	4,399	4,357	4,459	4,370	4,129	3,477	4,537	4,031	3,270
DJIA index (level)	34,773	34,326	34,608	34,870	33,801	28,587	35,625	32,582	26,502
Gold price (US\$/ounce)	1,758	1,756	1,794	1,808	1,743	1,926	1,952	1,816	1,682
CRB index (level)	234.34	230.38	220.43	211.80	186.74	151.74	235.79	191.60	144.73
WTI oil (US\$/barrel)	79.69	76.03	69.80	74.54	59.60	40.45	79.69	60.26	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	0.11	0.12	0.14	0.14	0.09	0.09	0.19	0.11	0.05
Treasury bonds – 2 years	0.68	0.51	0.41	0.48	0.24	0.26	0.68	0.32	0.15
– 5 years	1.19	1.07	0.83	0.94	0.95	0.38	1.19	0.73	0.34
– 10 years	1.62	1.47	1.23	1.32	1.50	0.63	1.62	1.16	0.57
– 30 years	2.08	1.96	1.80	1.82	1.92	1.23	2.19	1.70	1.15
<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	0.06	0.08	0.09	0.08	0.07	-0.01	0.13	0.06	-0.04
Treasury bonds – 2 years	0.37	0.24	0.21	0.26	0.08	0.10	0.37	0.15	0.01
– 5 years	0.15	0.15	0.02	0.15	0.10	0.05	0.21	0.07	-0.04
– 10 years	0.01	0.00	-0.11	-0.04	-0.17	-0.15	0.03	-0.13	-0.30
– 30 years	-0.09	-0.08	-0.13	-0.16	-0.42	-0.34	-0.08	-0.29	-0.46
S&P/TSX index (level)	20,458	20,151	20,633	20,258	19,228	16,563	20,821	18,865	15,581
Exchange rate (C\$/US\$)	1.2456	1.2649	1.2691	1.2448	1.2529	1.3120	1.3325	1.2625	1.2034
Exchange rate (C\$/€)	1.4418	1.4668	1.4994	1.4782	1.4907	1.5516	1.5741	1.5085	1.4418
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\$/€)	1.1575	1.1596	1.1815	1.1875	1.1898	1.1826	1.2327	1.1950	1.1552
<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	1.15	1.00	0.76	0.69	0.81	0.31	1.15	0.62	0.19
FTSE index (level)	7,097	7,027	7,029	7,122	6,916	6,017	7,220	6,768	5,577
Exchange rate (US\$/£)	1.3638	1.3547	1.3841	1.3901	1.3710	1.3048	1.4212	1.3710	1.2914
<u>Germany</u>									
Bonds – 10 years	-0.15	-0.22	-0.33	-0.34	-0.34	-0.53	-0.11	-0.40	-0.64
DAX index (level)	15,211	15,156	15,610	15,688	15,234	13,051	15,977	14,600	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)	28,049	28,771	30,382	27,940	29,768	23,620	30,670	28,046	22,977
Exchange rate (US\$/¥)	112.05	111.07	109.94	110.16	109.67	105.61	112.05	107.65	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.