

WEEKLY NEWSLETTER

Resurgency Pandemic-Related Fears

MUSINGS OF THE WEEK

- ▶ A boring week it was not.

KEY STATISTICS OF THE WEEK

- ▶ United States: Strong real consumption growth in October, despite the rise in prices.
- ▶ Slight increase in U.S. home sales in October.
- ▶ Sharp drop in initial jobless claims in the United States.

A LOOK AHEAD

- ▶ United States: More strong job creation is expected.
- ▶ United States: Will the Conference Board's consumer confidence index fall in turn?
- ▶ Canada: Real GDP should increase slightly in September, such that the entire third quarter could end with growth of around 2.2% (annualized quarterly).
- ▶ Canada: The labour market should see further job creation, as the unemployment rate continues to fall.
- ▶ Canada: Worker productivity could deteriorate in the third quarter.

FINANCIAL MARKETS

- ▶ The new COVID-19 variant is causing shockwaves on stock exchanges worldwide.
- ▶ The new variant has halted the surge of bond yields.
- ▶ The Canadian dollar is still on a downtrend and is back close to US\$0.78.

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Musings of the Week

A Boring Week It Was Not

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

There was a lot of big news this week, and the biggest of all had to do with the pandemic. COVID-19 has had the global economy and financial markets on tenterhooks for nearly two years now. Unfortunately, the latest news isn't good. Infections are on the rise again in Europe, where Germany is seeing record-high cases. Chancellor Angela Merkel told her party hospitals could soon be overrun and called for tighter public health restrictions. Austria started a new nationwide lockdown on Monday that will last at least 20 days. Even more disheartening is the new variant in South Africa. Its "very unusual constellation of mutations" has some scientists worried it could evade immunity.

While the global economy has enjoyed a robust recovery this year, we have continued to warn about the downside risk if a dangerous new variant emerged. The worst case scenario would be a strain that's resistant to current vaccines. The economy withstood the Delta wave largely because vaccines were effective against it. We need to keep an eye on this new variant, especially as most countries have lifted their most economically damaging public health measures.

Another important development pertains to U.S. monetary policy. In the minutes of the November 3 Federal Reserve (Fed) meeting released on Wednesday, the tone of the deliberations on a faster taper was a bit surprising. Among the key excerpts: "Various participants noted that the Committee should be prepared to adjust the pace of asset purchases and raise the target range for the federal funds rate sooner than participants currently anticipated if inflation continued to run higher than levels consistent with the Committee's objectives." This echoed similar comments made by high-ranking officials such as Richard Clarida and Christopher Waller. Clearly, tensions are rising as inflation continues to beat expectations.

Meanwhile, markets this week interpreted the appointment of Fed Chair Jerome Powell to another four-year term as a hawkish outcome. When it comes to monetary policy, we've always found the perceived differences between Jerome Powell and Fed Governor Lael Brainard to be overstated. Jerome Powell has been anything but hawkish in the last three years. And while Lael Brainard has long expressed her preference for leaning towards the full employment portion of the Fed's dual mandate, neither didn't she oppose the recent decision to begin tapering asset purchases, even though the job market's recovery remains incomplete. Overall, while the risk of a faster taper seems to have increased because of inflation, COVID-19 developments argue

otherwise and as it stands, we keep our assumption for liftoff in June 2022.

Closer to home, the British Columbia floods remained top of mind this week, and we now expect Canadian GDP to contract 0.5% in November. As we discussed last week, we expect recovery, cleanup and rebuilding efforts to help GDP rebound 0.8% in December. That would bring the fourth quarter GDP in at around 2%, close to what we expect for the third quarter as well. A few months ago, the consensus expectation was for a strong second half of 2021 as we emerged from spring lockdowns but instead, Canada has faced obstacle after obstacle, from COVID-19 surges and auto plant shutdowns to wildfires, floods and now the threat of a new COVID-19 wave.

One thing that hasn't changed? High debt levels. Bank of Canada Deputy Governor Paul Beaudry reminded us as much during his November 23 speech. Historically, the BoC would make such warnings while hamstrung by persistently low inflation. That's not the case now. This is not to say that it would be wise for the BoC to tighten aggressively. The high level of debt and elevated house prices will always make normalization a delicate exercise for the BoC. But by beginning the process a bit sooner than previously foreseen, it can help keep housing in soft-landing territory and at the same time make sure that longer-term inflation expectations remain as behaved as they have been.

Key Statistics of the Week

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

UNITED STATES

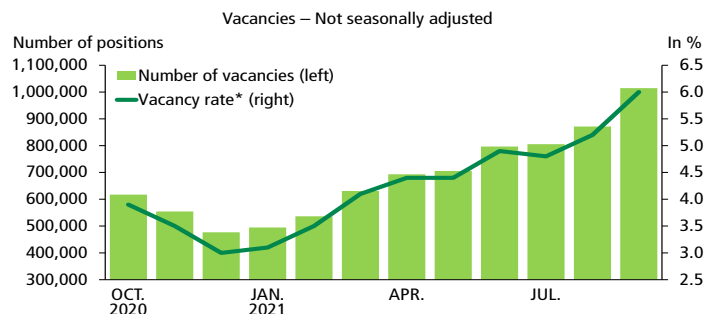
- ▶ Households' real disposable income fell 0.3% in October after decreasing 1.6% in September. Last month's decline comes mainly from the rise in prices, whereas a 0.3% gain is observed in current dollars. Real consumption was nevertheless able to grow 0.7%, while the nominal gain reached 1.3%. The consumption expenditure deflator was up 0.6%, its biggest monthly variation since June 2008. The annual variation of the deflator rose from 4.4% to 5.0%, the sharpest increase since November 1990.
- ▶ Sales of existing homes saw a slight increase of 0.8% in October after jumping 7.0% in September. Annualized sales therefore rose from 6,290,000 to 6,340,000 units, the highest level since January.
- ▶ Sales of new single-family homes were up 0.4% in October after gaining 7.1% in September. Sales increased from 742,000 units (revised from 800,000) to 745,000.
- ▶ For the first time since March and April 2020, new durable goods orders saw two monthly declines in a row, falling 0.5% in October after dropping 0.4% in September. These two declines come from the transportation sector. In October, it was mainly the aviation sector (-17.2%) that pulled orders down, whereas auto sector orders jumped 4.8%. New orders excluding transportation rose 0.5% in October after increasing 0.7% in September.
- ▶ Initial jobless claims plunged spectacularly in the week ending November 20, going from 270,000 to just 199,000, their lowest point since November 1969. However, seasonal adjustments may have thrown the weekly data off ahead of Thanksgiving. Without seasonal adjustments, new claims rose from 240,435 to 258,622.
- ▶ U.S. real GDP was revised slightly upward for the third quarter. The annualized quarterly variation therefore moved from 2.0% to 2.1%.

CANADA

- ▶ The number of employees, as measured by the *Survey of Employment, Payrolls and Hours*, rose by 91,100 positions in September, a monthly gain of 0.5%.
- ▶ In all sectors, the number of vacancies rose to 1,014,600 in September. The vacancy rate, which measures the number of vacancies relative to all (vacant and occupied) positions, was 6.0%. This is the highest rate since comparable monthly data was first published in October 2020. The vacancy rate is particularly high in accommodation and food services (14.4%) and in construction (7.1%).
- ▶ This morning, Statistics Canada released the fourth quarter results of its survey on business conditions. The rising cost of inputs, including labour, capital, energy and raw materials, is the most commonly expected obstacle over the next three months. Close to 42.5% of businesses expect this to be an obstacle, compared to 38.5% of businesses last quarter. Businesses expect to face obstacles related to the workforce. More than a third (35.4%) of all businesses, especially those in the accommodation and food services (53.1%) and manufacturing (48.9%) sectors, predict that recruiting skilled employees will be an obstacle. In addition, close to a third (32.7%) of businesses expect the labour shortage to be an obstacle, with this number climbing to 63.1% in accommodation and food services.

CANADA

The number of vacancies is up



* Corresponds to the number of vacancies relative to all (vacant and occupied) positions. Sources: Statistics Canada and Desjardins, Economic Studies

Financial Markets

A New COVID-19 Variant Is Worrying Investors

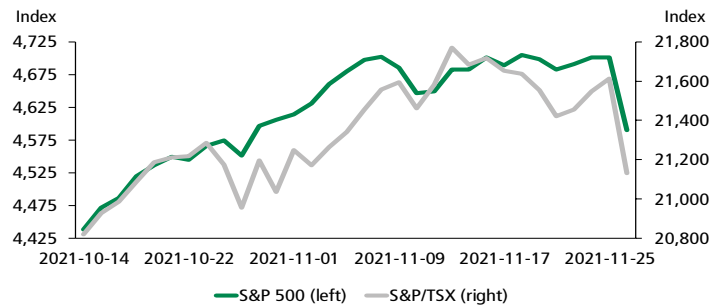
By Hendrix Vachon, Senior Economist, and Lorenzo Tessier-Moreau, Senior Economist

The week was already not off to a good start on the markets, but it got worse on Friday with several reports of an emerging COVID-19 variant. This strain, recently detected by South African scientists, has many mutations that could make it more transmissible and more resistant to the antibodies developed by the vaccines. Earlier in the week investors were concerned with anticipated rate hikes, but North American stock indexes really plummeted on Friday morning as the bad news hit. This worldwide downtrend had started earlier in the night, pulling the Asian and European indexes down from 2% to 3%. The S&P 500, S&P/TSX and Dow Jones indexes were down close to 2% for the week at time of writing. The NASDAQ index, which had already declined earlier this week due to bond yields, lost almost 3%. The bad news also dropped the WTI (*West Texas Intermediate*) oil price per barrel by about 10 % for the week.

Bond yields had been way up at the beginning of the week, fuelled by expectations of more rapid rate hikes with the reappointment of Jerome Powell and the release of the Federal Reserve (Fed) meeting minutes. However, the COVID-19 news had wiped out most of the increase by Friday morning, and bonds on 5 years and longer maturities were back down to the previous week's levels in both the United States and Canada at time of writing.

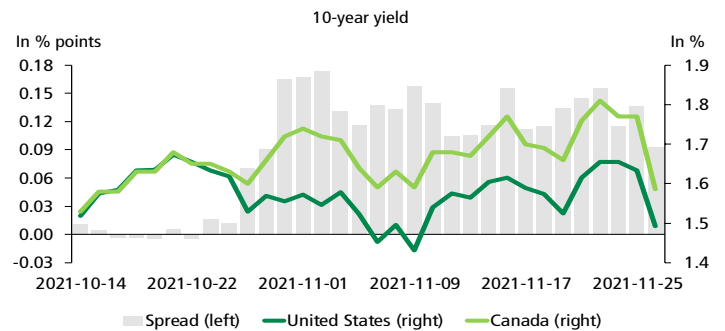
There was also a lot of volatility on the currency markets. The U.S. dollar got a boost from the expected Fed rate hikes, but then lost value again. The yen and the Swiss franc benefited from the safe haven effect on Friday. The euro also gained value, but that was more due to lower interest rate spreads with the United States. The common currency was trading at close to US\$1.13 at time of writing. The Canadian dollar was buffeted by rising worldwide risks and the falling prices of oil and other commodities, trading at close to US\$0.78 on Friday morning.

GRAPH 1
Stock markets



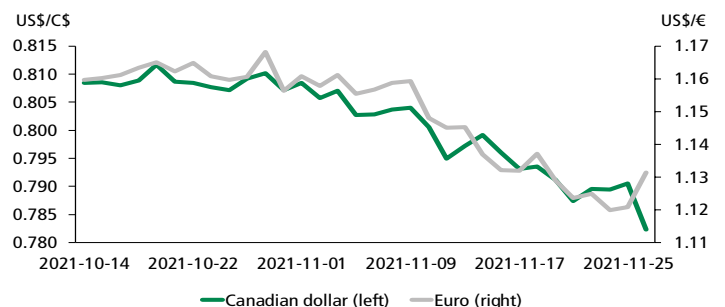
Sources: Datastream and Desjardins, Economic Studies

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 November 30 - 9:00

September	y/y
Consensus	19.30%
Desjardins	19.30%
August	19.66%

TUESDAY November 30 - 10:00

November	
Consensus	110.8
Desjardins	106.0
October	113.8

WEDNESDAY December 1 - 10:00

November	
Consensus	61.0
Desjardins	61.1
October	60.8

FRIDAY December 3 - 8:30

November	
Consensus	550,000
Desjardins	560,000
October	531,000

FRIDAY December 3 - 8:30

November	
Consensus	65.0
Desjardins	66.5
October	66.7

MONDAY November 29 - 8:30

Q3 2021	\$B
Consensus	4.60
Desjardins	6.32
Q2 2021	3.58

UNITED STATES

S&P/Case-Shiller index of existing home prices (September) – The S&P/Case-Shiller index for the top 20 cities continues to rise rapidly although August's 1.2% monthly uptick was the smallest since July 2020. The pace is still expected to ease slightly in September, with a projected gain of 1.1%. As a result, the annual variation stands to slip from 19.7% to 19.3%.

Conference Board consumer confidence index (November) – The various consumer confidence indexes have been giving mixed messages for the past few months in the United States. In particular, the Conference Board index improved in October, while most other indexes were lower. Both the TIPP and the University of Michigan indexes continued their decline, with sharp drops in November and the latter plunging to a ten-year low. However, the weekly Langer survey has begun logging improvements in the past few weeks. We are still expecting the Conference Board index to drop in November to 106.0.

ISM manufacturing index (November) – The ISM manufacturing index has stayed relatively flat since the spring, hovering fairly close to 60.0, which is still high. This upbeat performance is impressive in an environment in which manufacturers are affected by much costlier materials and deliveries on top of supply and labour issues. This trend is not expected to change considerably in November. The regional manufacturing indexes suggest a very slight rise, which could lift the ISM manufacturing index from 60.8 to 61.1. It will be interesting to keep a close eye on the components related to supplier deliveries and the backlog of orders.

Job creation according to the establishment survey (November) – After two months of disappointing results relative to expectations, job creation data finally came in stronger than anticipated with the October release. The monthly gain of 531,000 (alongside upward revisions for the previous months) is the strongest since July. We expect growth to be decent in November as well, as signalled by the drop in initial jobless claims since mid-October. As a result, we peg job creation for November at 560,000. Unless there is a larger-than-anticipated surge in the labour force, the jobless rate is poised to fall further from 4.6% to 4.4%.

ISM services index (November) – In October the ISM services index hit its highest point since its inception in 1997. This reflects continued rapid economic growth in services, as the goods sector grapples with transportation and supply woes. The regional non-manufacturing indexes and the household confidence indicators published so far for November suggest a modest pullback in the ISM services index, which could slip to 66.5.

CANADA

Current account (Q3) – The value of goods exports was up 5.0% in the third quarter, while imports rose only 3.2%. As a result, the merchandise trade balance logged a \$2.95B improvement for the quarter. The current account balance stands to benefit, with an improvement likely in the third quarter.

TUESDAY November 30 - 8:30

September	m/m
Consensus	0.1%
Desjardins	0.1%
August	0.4%

TUESDAY November 30 - 8:30

Q3 2021	ann. rate
Consensus	3.0%
Desjardins	2.2%
Q2 2021	-1.1%

FRIDAY December 3 - 8:30

November	
Consensus	40,000
Desjardins	50,000
October	31,200

FRIDAY December 3 - 8:30

Q3 2021	q/q
Consensus	-0.3%
Desjardins	-1.4%
Q2 2021	0.6%

DURING THE WEEK
October
TUESDAY November 30 - 5:00

November	y/y
Consensus	4.5%
October	4.1%

Real GDP by industry (September) – According to Statistics Canada’s preliminary results, September ended with real GDP by industry virtually unchanged. However, our estimates point to slight growth of around 0.1%. The contraction in retail sales was milder than suggested by the preliminary result, while wholesale sales were up for the month. The number of hours worked also climbed 1.1% in September on strong gains in the service sectors, particularly in recreation and culture and accommodation and food services.

Real GDP (Q3) – Following a second quarter contraction with the adverse effects of the third wave of the pandemic, real GDP is expected to be back in positive territory in the third quarter. Keep in mind that real GDP by industry fell 0.1% in July, followed by a 0.4% gain in August. Factoring in an expected uptick of 0.1% for September, the third quarter could end with quarterly annualized real GDP growth of about 2.2%. Expansion in domestic demand is expected to accelerate, while the trade balance stands to be a real GDP growth driver.

Labour force survey (November) – With the labour market having recouped all of the jobs lost during the pandemic as of September, employment growth is expected to be more moderate going forward. What’s more, labour shortages in some sectors are definitely holding back hiring. That said, federal government assistance to workers affected by the pandemic is now reaching fewer people, which may prompt some to ramp up efforts to return to the labour market. The employment rate has risen in recent months, advancing from 60.3% in July to 61.0% in October. Note that the pre-pandemic employment rate stood at 61.8%. In the circumstances, a gain of roughly 50,000 jobs is expected for November. The unemployment rate is poised to ease from 6.7% to 6.6%.

Labour productivity (Q3) – As the production figures for the third quarter will not be released until next week, it’s hard to say exactly how productivity changed during the period. However, the preliminary figures appear to indicate that business sector production was up 0.4% in the third quarter. The total number of hours worked climbed 1.8% for the period. Therefore, a drop of around 1.4% in labour productivity is anticipated in the third quarter. We see this lower productivity, coupled with higher wages, pushing up unit labour costs.


OVERSEAS


Japan: Economic indicators (October) – A number of indicators for October will be released in Japan this week. Retail sales will come out on Sunday evening. A lull is expected after the 2.7% monthly upswing in September, which followed a tumble of 4.1% in August. The data on unemployment, industrial output and housing starts is out on Monday evening.

Euro zone: Consumer price index (November – preliminary) – Western Europe is not immune to the inflationary surge seen in a number of economies, although price increases have so far been less severe than in North America. Energy costs are a particularly important factor in the rise in euro zone inflation. This trend stands to continue in November.

Economic Indicators

Week of November 29 to December 3, 2021

Day	Hour	Indicator	Period	Consensus		Previous data
UNITED STATES						
MONDAY 29	10:00	Pending home sales (m/m)	Oct.	0.8%	n/a	-2.3%
	15:05	Speech of the Federal Reserve Chair, J. Powell				
TUESDAY 30	9:00	S&P/Case-Shiller home price index (y/y)	Sept.	19.30%	19.30%	19.66%
	9:45	Chicago PMI index	Nov.	67.0	66.0	68.4
	10:00	Consumer confidence	Nov.	110.8	106.0	113.8
	10:00	Speech of the Federal Reserve Chair, J. Powell				
	13:00	Speech of a Federal Reserve Vice Chair, R. Clarida				
WEDNESDAY 1	---	Total vehicle sales (ann. rate)	Nov.	13,200,000	13,600,000	12,990,000
	10:00	Construction spending (m/m)	Oct.	0.5%	0.4%	-0.5%
	10:00	ISM manufacturing index	Nov.	61.0	61.1	60.8
	10:00	Speech of the Federal Reserve Chair, J. Powell				
	14:00	Release of the <i>Beige Book</i>				
THURSDAY 2	8:30	Initial unemployment claims	Nov. 22-26	250,000	240,000	199,000
	8:30	Speech of the Federal Reserve Bank of Atlanta President, R. Bostic				
	11:30	Speech of the Federal Reserve Bank of San Francisco President, M. Daly				
FRIDAY 3	8:30	Change in nonfarm payrolls	Nov.	550,000	560,000	531,000
	8:30	Unemployment rate	Nov.	4.5%	4.4%	4.6%
	8:30	Weekly worked hours	Nov.	34.7	34.7	34.7
	8:30	Average hourly earnings (m/m)	Nov.	0.4%	0.4%	0.4%
	10:00	ISM services index	Nov.	65.0	66.5	66.7
	10:00	Factory orders (m/m)	Oct.	0.5%	0.2%	0.2%
CANADA						
MONDAY 29	8:30	Current account balance (\$B)	Q3	4.60	6.32	3.58
	8:30	Industrial product price index (m/m)	Oct.	1.3%	1.3%	1.0%
	8:30	Raw materials price index (m/m)	Oct.	3.5%	3.5%	2.5%
TUESDAY 30	8:30	Real GDP by industry (m/m)	Sept.	0.1%	0.1%	0.4%
	8:30	Real GDP (ann. rate)	Q3	3.0%	2.2%	-1.1%
WEDNESDAY 1	8:30	Building permits (m/m)	Oct.	-0.5%	-1.0%	4.3%
THURSDAY 2	---	---				
FRIDAY 3	8:30	Net change in employment	Nov.	40,000	50,000	31,200
	8:30	Unemployment rate	Nov.	6.6%	6.6%	6.7%
	8:30	Labour productivity (q/q)	Q3	-0.3%	-1.4%	0.6%
	8:30	Unit labour costs (q/q)	Q3	n/a	2.5%	2.7%

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 November 29 to December 3, 2021

Country	Hour	Indicator	Period	Consensus		Previous data		
				m/m (q/q)	y/y	m/m (q/q)	y/y	
OVERSEAS								
SUNDAY 28								
Japan	18:50	Retail sales	Oct.	1.2%	1.1%	2.7%	-0.6%	
MONDAY 29								
Euro zone	5:00	Consumer confidence – final	Nov.	n/a		-6.8		
Euro zone	5:00	Industrial confidence	Nov.	14.0		14.2		
Euro zone	5:00	Services confidence	Nov.	17.0		18.2		
Euro zone	5:00	Economic confidence	Nov.	117.5		118.6		
Germany	8:00	Consumer price index – preliminary	Nov.	-0.4%	5.0%	0.5%	4.5%	
Japan	18:30	Unemployment rate	Oct.	2.8%		2.8%		
Japan	18:50	Industrial production – preliminary	Oct.	1.9%	-4.4%	-5.4%	-2.3%	
China	20:00	PMI manufacturing index	Nov.	49.8		49.2		
China	20:00	PMI non-manufacturing index	Nov.	51.3		52.4		
TUESDAY 30								
Japan	0:00	Housing starts	Oct.		5.8%		4.3%	
France	2:45	Personal consumption expenditures	Oct.	0.0%	-5.0%	-0.2%	-2.3%	
France	2:45	Consumer price index – preliminary	Nov.	0.2%	2.6%	0.4%	2.6%	
France	2:45	Real GDP – final	Q3	3.0%	3.3%	3.0%	3.3%	
Euro zone	5:00	Consumer price index – preliminary	Nov.	0.0%	4.5%	0.8%	4.1%	
Italy	5:00	Consumer price index – preliminary	Nov.	0.1%	3.2%	0.6%	2.9%	
WEDNESDAY 1								
United Kingdom	2:00	Nationwide house prices	Nov.	0.4%	9.3%	0.7%	9.9%	
Germany	2:00	Retail sales	Oct.	1.0%	-1.7%	-2.5%	-0.7%	
France	3:50	PMI manufacturing index – final	Nov.	54.6		54.6		
Germany	3:55	PMI manufacturing index – final	Nov.	57.6		57.6		
Euro zone	4:00	PMI manufacturing index – final	Nov.	58.6		58.6		
United Kingdom	4:30	PMI manufacturing index – final	Nov.	58.2		58.2		
THURSDAY 2								
Japan	0:00	Consumer confidence	Nov.	n/a		39.2		
Euro zone	5:00	Unemployment rate	Oct.	7.3%		7.4%		
FRIDAY 3								
France	2:45	Industrial production	Oct.	0.5%	-0.4%	-1.3%	0.8%	
France	3:50	PMI composite index – final	Nov.	56.3		56.3		
France	3:50	PMI services index – final	Nov.	58.2		58.2		
Germany	3:55	PMI composite index – final	Nov.	52.8		52.8		
Germany	3:55	PMI services index – final	Nov.	53.4		53.4		
Euro zone	4:00	PMI composite index – final	Nov.	55.8		55.8		
Euro zone	4:00	PMI services index – final	Nov.	56.6		56.6		
United Kingdom	4:30	PMI composite index – final	Nov.	57.7		57.7		
United Kingdom	4:30	PMI services index – final	Nov.	58.6		58.6		
Euro zone	5:00	Retail sales	Oct.	0.3%	1.4%	-0.3%	2.5%	

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 Eastern Standard Time (GMT - 5 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 Q3	19,469	2.1	4.9	-3.4	2.3	2.9
Consumption (2012 \$B)	2021 Q3	13,724	1.7	7.0	-3.8	2.2	2.9
Government spending (2012 \$B)	2021 Q3	3,381	0.9	0.6	2.5	2.2	1.4
Residential investment (2012 \$B)	2021 Q3	693.1	-8.3	5.4	6.8	-0.9	-0.6
Non-residential investment (2012 \$B)	2021 Q3	2,884	1.5	9.0	-5.3	4.3	6.4
Business inventory change (2012 \$B) ¹	2021 Q3	-73.2	---	---	-42.3	75.1	65.7
Exports (2012 \$B)	2021 Q3	2,286	-3.0	5.5	-13.6	-0.1	2.8
Imports (2012 \$B)	2021 Q3	3,599	5.8	12.9	-8.9	1.2	4.1
Final domestic demand (2012 \$B)	2021 Q3	20,681	1.1	6.1	-2.5	2.4	3.0
GDP deflator (2012 = 100)	2021 Q3	119.2	5.9	4.6	1.3	1.8	2.4
Labor productivity (2012 = 100)	2021 Q3	111.3	-5.0	-0.5	2.4	2.0	1.5
Unit labor cost (2012 = 100)	2021 Q3	120.9	8.3	4.8	4.5	1.8	1.9
Employment cost index (Dec. 2005 = 100)	2021 Q3	146.6	5.4	3.7	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)	Oct.	118.3	0.9	1.6	4.6	9.3
ISM manufacturing index ¹	Oct.	60.8	61.1	59.5	60.7	58.8
ISM non-manufacturing index ¹	Oct.	66.7	61.9	64.1	62.7	56.2
Cons. confidence Conference Board (1985 = 100) ¹	Oct.	113.8	109.8	125.1	117.5	101.4
Personal consumption expenditure (2012 \$B)	Oct.*	13,877	0.7	1.7	1.4	6.6
Disposable personal income (2012 \$B)	Oct.*	15,425	-0.3	-2.0	-4.5	-0.9
Consumer credit (\$B)	Sept.	4,367	0.7	1.4	3.4	4.9
Retail sales (\$M)	Oct.	638,189	1.7	3.7	1.5	16.3
<i>Excluding automobiles (\$M)</i>	Oct.	511,603	1.7	4.6	5.0	17.6
Industrial production (2012 = 100)	Oct.	101.6	1.6	0.3	2.4	5.1
Production capacity utilization rate (%) ¹	Oct.	76.4	75.2	76.2	74.8	72.9
New machinery orders (\$M)	Sept.	515,892	0.2	1.9	5.7	14.9
New durable good orders (\$M)	Oct.*	260,087	-0.5	0.5	5.0	13.7
Business inventories (\$B)	Sept.	2,102	0.7	2.1	3.7	7.5
Housing starts (k) ¹	Oct.	1,520	1,530	1,562	1,514	1,514
Building permits (k) ¹	Oct.	1,653	1,586	1,630	1,733	1,595
New home sales (k) ¹	Oct.*	745.0	742.0	704.0	796.0	969.0
Existing home sales (k) ¹	Oct.*	6,340	6,290	6,000	5,850	6,730
Commercial surplus (\$M) ¹	Sept.	-80,934	-72,813	-73,230	-72,222	-62,625
Nonfarm employment (k) ²	Oct.	148,319	531.0	1,326	3,993	5,774
Unemployment rate (%) ¹	Oct.	4.6	4.8	5.4	6.1	6.9
Consumer price (1982-1984 = 100)	Oct.	276.7	0.9	1.6	3.7	6.2
<i>Excluding food and energy</i>	Oct.	281.7	0.6	0.9	2.9	4.6
Personal cons. expenditure deflator (2012 = 100)	Oct.*	117.4	0.6	1.4	2.9	5.0
<i>Excluding food and energy</i>	Oct.*	118.8	0.4	1.0	2.4	4.1
Producer price (2009 = 100)	Oct.	129.7	0.6	1.9	4.4	8.6
Export prices (2000 = 100)	Oct.	145.2	1.5	2.2	6.8	18.0
Import prices (2000 = 100)	Oct.	136.5	1.2	1.4	4.1	10.7

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	---	---	77.4	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)	Aug.	1,972,761	0.4	1.0	0.9	4.1
Industrial production (2012 \$M)	Aug.	387,430	0.5	1.6	1.2	5.5
Manufacturing sales (\$M)	Sept.	58,460	-3.0	-3.1	-1.5	8.4
Housing starts (k) ¹	Oct.	236.6	249.9	273.5	274.9	227.3
Building permits (\$M)	Sept.	10,140	4.3	-1.5	-8.6	4.9
Retail sales (\$M)	Sept.	56,643	-0.6	0.9	-2.6	4.8
<i>Excluding automobiles (\$M)</i>	Sept.	42,032	-0.2	1.7	-2.9	6.0
Wholesale trade sales (\$M)	Sept.	71,339	1.0	-0.1	0.1	7.7
Commercial surplus (\$M) ¹	Sept.	1,858	1,509	2,258	-1,322	-3,762
<i>Exports (\$M)</i>	Sept.	53,000	-2.3	-0.7	4.5	15.7
<i>Imports (\$M)</i>	Sept.	51,142	-3.0	0.0	-1.7	3.1
Employment (k) ²	Oct.	19,162	31.2	92.8	89.2	56.6
Unemployment rate (%) ¹	Oct.	6.7	6.9	7.5	8.1	9.0
Average weekly earnings (\$)	Sept.*	1,137	0.2	1.3	1.4	2.6
Number of salaried employees (k) ²	Sept.*	16,792	91.1	167.5	106.2	82.1
Consumer price (2002 = 100)	Oct.	143.9	0.7	1.1	2.6	4.7
<i>Excluding food and energy</i>	Oct.	136.8	0.4	0.9	1.9	3.2
<i>Excluding 8 volatile items</i>	Oct.	141.5	0.6	1.1	2.4	3.8
Industrial product price (2010 = 100)	Sept.	115.8	1.0	0.6	6.0	14.9
Raw materials price (2010 = 100)	Sept.	126.8	2.5	1.6	10.1	31.9
Money supply M1+ (\$M)	Sept.	1,580,057	0.0	2.3	7.9	16.7

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		
	Nov. 26	Nov. 19	-1 month	-3 months	-6 months	-1 year	Higher	Average	Lower
United States									
Federal funds – target	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25
Treasury bill – 3 months	0.04	0.05	0.05	0.05	0.01	0.09	0.11	0.05	0.01
Treasury bonds – 2 years	0.50	0.48	0.46	0.20	0.14	0.16	0.57	0.21	0.11
– 5 years	1.18	1.20	1.18	0.79	0.78	0.37	1.33	0.77	0.34
– 10 years	1.49	1.53	1.56	1.29	1.59	0.83	1.75	1.39	0.83
– 30 years	1.84	1.91	1.94	1.91	2.29	1.58	2.48	2.04	1.58
S&P 500 index (level)	4,590	4,698	4,605	4,509	4,204	3,638	4,705	4,180	3,622
DJIA index (level)	34,797	35,602	35,820	35,456	34,529	29,910	36,432	33,530	29,639
Gold price (US\$/ounce)	1,795	1,860	1,777	1,808	1,895	1,785	1,947	1,805	1,682
CRB index (level)	238.37	235.02	237.70	219.18	205.70	160.97	241.18	203.08	158.28
WTI oil (US\$/barrel)	68.98	75.94	83.57	68.85	66.32	45.51	84.66	65.73	44.55
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	0.09	0.11	0.14	0.18	0.11	0.12	0.19	0.12	0.05
Treasury bonds – 2 years	0.92	0.97	1.08	0.44	0.32	0.25	1.08	0.41	0.15
– 5 years	1.39	1.45	1.50	0.83	0.92	0.43	1.58	0.87	0.39
– 10 years	1.59	1.66	1.72	1.20	1.49	0.67	1.81	1.29	0.67
– 30 years	1.96	2.00	2.02	1.75	2.06	1.18	2.19	1.80	1.17
<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	0.05	0.06	0.09	0.13	0.10	0.03	0.13	0.07	-0.04
Treasury bonds – 2 years	0.42	0.49	0.62	0.24	0.18	0.09	0.62	0.20	0.01
– 5 years	0.21	0.25	0.32	0.04	0.14	0.06	0.33	0.10	-0.04
– 10 years	0.09	0.13	0.16	-0.09	-0.10	-0.16	0.17	-0.09	-0.30
– 30 years	0.12	0.09	0.08	-0.16	-0.23	-0.40	0.13	-0.23	-0.46
S&P/TSX index (level)	21,132	21,555	21,037	20,645	19,852	17,397	21,769	19,508	17,190
Exchange rate (C\$/US\$)	1.2783	1.2640	1.2389	1.2628	1.2071	1.2992	1.3002	1.2538	1.2034
Exchange rate (C\$/€)	1.4462	1.4269	1.4325	1.4895	1.4715	1.5543	1.5741	1.4931	1.4179
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\$/€)	1.1313	1.1289	1.1563	1.1795	1.2191	1.1964	1.2327	1.1909	1.1199
<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	0.82	0.88	1.03	0.68	0.84	0.33	1.20	0.71	0.19
FTSE index (level)	7,048	7,224	7,238	7,148	7,023	6,368	7,384	6,930	6,266
Exchange rate (US\$/£)	1.3322	1.3454	1.3693	1.3759	1.4189	1.3316	1.4212	1.3771	1.3225
<u>Germany</u>									
Bonds – 10 years	-0.34	-0.34	-0.10	-0.46	-0.18	-0.59	-0.09	-0.35	-0.64
DAX index (level)	15,277	16,160	15,689	15,852	15,520	13,336	16,251	15,011	13,114
<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)	28,752	29,746	28,893	27,641	29,149	26,645	30,670	28,683	26,434
Exchange rate (US\$/¥)	113.33	114.00	114.02	109.84	109.83	104.12	115.43	108.91	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.