



May 18, 2018

## Table of Contents

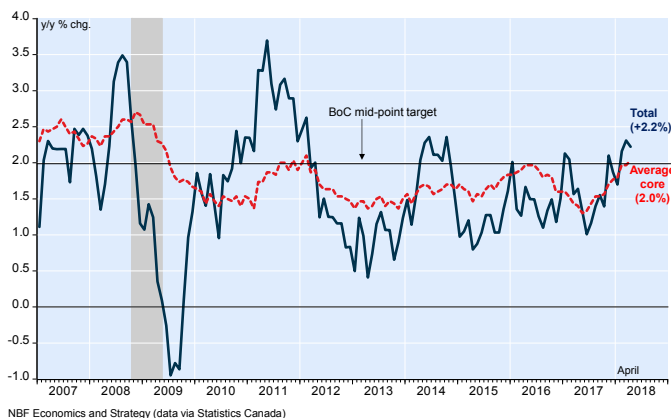
- What we'll be watching .....p. 5
- Calendar of upcoming releases ....p. 6
- Annex - Economic tables.....A1

## Week in review

**CANADA:** Canada's **consumer price index** rose 0.1% (m/m) in April in seasonally adjusted terms causing the year-on-year inflation rate to decline one tick to 2.2%. On a month-to-month basis, in five categories prices were rising with alcohol/tobacco, clothing, and household operations experiencing the strongest increases while recreation, healthcare and transportation posted declines. CPI excluding food and energy was flat in seasonally adjusted terms and the year-on-year inflation rate declined one tick to 1.8%. On an annual basis, the CPI-trim stood at 2.1% (up one tick from 2.0%), CPI-Median at 2.1% (up one tick from 2.0%) and CPI-Common at 1.9% (unchanged). This is essentially the pace we expect this year in a context of full-employment that has already generated the strongest wage inflation since 2012 (3.6%, y/y). All in all, inflation has accelerated since the last Bank of Canada's rate hike in January, meaning that real policy rate has turned more accommodative. We continue to think that a next rate hike will occur in July as we see the economy accelerating in Q2.

### Canada: Underlying inflation running on target

Consumer price index: Total and average of the three core measures preferred by the Bank of Canada

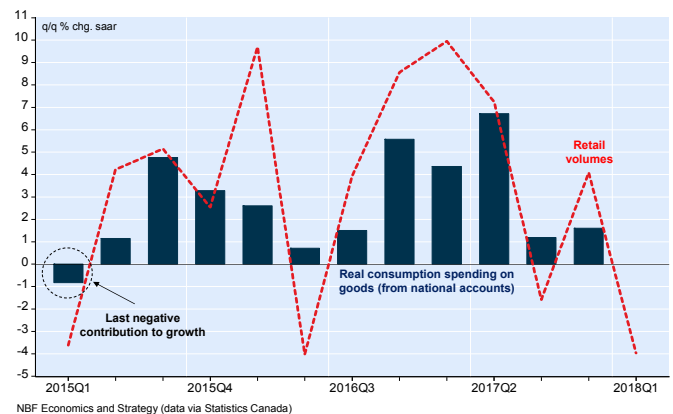


**Retail sales** increased 0.6% m/m in March to C\$50.2 billion. That result came after an upwardly revised +0.5% reading the prior month (initially reported at +0.4%). In March, sales were

up in 6 of the 11 categories surveyed including a 3.0% gain in the motor vehicles/parts segment. Excluding autos sales actually fell 0.2% on a monthly basis as increased outlays on furniture (+3.9%) and clothing (+2.5%) were more than offset by drawbacks for electronics (-2.4%), food (-1.2%) and gasoline stations (-1.9%). Discretionary sales, i.e. sales excluding gasoline, groceries and health products, rose for a third consecutive month, climbing 1.6% m/m. In real term, retail spending countrywide was up a healthy 0.8% in March. The good monthly showing Canada-wide will not be sufficient to salvage Q1's performance. Indeed, real retail sales are on pace to decline 4.0% in annualized terms in the quarter, a result which could translate into the first negative contribution to GDP from consumption spending on goods since 2015Q1. Several elements can explain that poor showing notably the moderation of job creation in the first three months of the year and particularly poor weather early in 2018.

### Canada: Consumption spending could have acted as a drag on growth in Q1

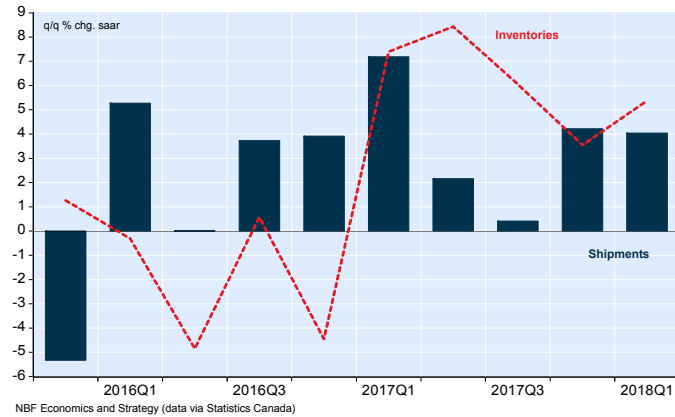
Real consumption spending on goods versus real retail sales



In March, **manufacturing shipments** rose 1.4% m/m to C\$57.1 billion. Sales were up in 13 of the 21 broad industries surveyed, including transportation equipment (+1.5%), primary metal manufacturing (+4.2%), and fabricated metal products (+4.6%). Alternatively, shipments of machinery (-1.7%), chemicals (-0.9%), and petroleum/coal products (-0.3%) declined. If the effect of price changes is removed, total factory sales increased 0.6% on a monthly basis. Although economic growth in Canada probably slowed down in the first quarter, the manufacturing sector likely still provided some lift. In addition to inventories growing, real manufacturing shipments jumped 4.0% annualized in Q1. This followed a +4.2% reading in 2017Q4 and, if confirmed, will represent a ninth consecutive quarterly advance (longest such stretch on record).

## Canada: Factory output will add to growth in Q1

Real manufacturing shipments and inventories



In April, the **Teranet-National Bank Composite National House Price Index™** rose 0.2% m/m. Eight of the 11 constituent metropolitan areas swung upward, led by Quebec City (+1.5%), Hamilton (+0.8%), and Halifax (+0.6%). Alternatively, the index slid 0.1% in Ottawa-Gatineau and 0.8% in Winnipeg. On a y/y basis, the Composite Index climbed 5.6%, its smallest gain since September 2015. Vancouver (+15.9%) and Victoria (+11.0%) lifted the national average, while growth was more subdued in other metropolitan areas: Halifax (+5.3%), Hamilton (+4.5%), Montreal (+3.9%), Ottawa/Gatineau (+3.0%), Quebec City (+2.4%), Toronto (+1.9%), Winnipeg (+1.2%), Edmonton (+0.4%), and Calgary (+0.2%). Moderate increases will likely continue to characterize the Composite Index over the coming months as conditions in the two major constituent home resale markets, Toronto and Vancouver, are now balanced (current active-listings-to-sales ratios close to their long-term average).

## The Composite Index has stabilized in recent months

Teranet-National Bank National Composite House Price Index™

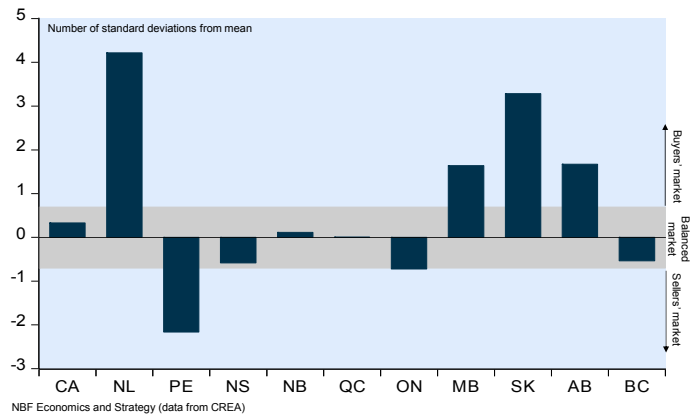


According to the Canadian Real Estate Association (CREA), **existing-home sales** fell 2.9% m/m in April, marking a fourth consecutive monthly decline. Year on year, sales tumbled 19.7%, their steepest fall since October 2010. All of the provinces saw sales drop except for New Brunswick, Prince Edward Island, and Saskatchewan. The active-listings-to-sales

ratio rose two ticks to 5.6, which is slightly above its long-term average but well within the parameters for a balanced market. By our calculations, the resale market is favourable to buyers in Alberta, Saskatchewan, Manitoba, and Newfoundland and Labrador. Alternatively, the PEI and Ontario markets look tight.

## Canada: Active-listings-to-sales ratio, April 2018

Seasonally adjusted data



**International securities transactions** data showed foreign investors increasing their holdings of Canadian securities by C\$18.3 bn in the first quarter of 2018 as inflows in money market instruments (+C\$15.4 bn) and equities (+C\$6.1 bn) dwarfed net divestment from bonds (-C\$3.1 bn). The bond net outflows during Q1 — the first time that happens since 2013Q2 — were largely due to federal government bonds (-C\$27.6 bn) which offset net purchases of corporates (+C\$22.5 bn, including C\$3.2 bn in government enterprise bonds) and provis (+C\$2.4 bn). The bonds from which foreigners divested were largely denominated in Canadian dollars.

**UNITED STATES:** In April, **retail sales** rose 0.3% m/m after springing an upwardly revised 0.8% (from 0.6%) the prior month. Sales of motor vehicles and parts inched up 0.1%. Excluding this category, sales still advanced 0.3% thanks to gains for clothing (+1.4%), furniture (+0.8%), gasoline stations (+0.8%), and miscellaneous items (+0.9%). Sales increased in 9 of the 13 categories surveyed. Core sales, which are used to calculate GDP and exclude food services, auto dealers, building materials, and gasoline stations, jumped 0.4% after increasing an upwardly revised 0.5% the month before. Though still a bit early to make projections for Q2, retail sales certainly look set to rebound after a lacklustre Q1 that saw consumption's contribution to growth sink to just 0.7 point from 2.8 points in 2017Q4. To be sure, the strong handoff from March and April's decent results bode well for an acceleration of household consumption in Q2.

**Housing starts** fell 3.7% m/m in April to 1.287K in annualized terms after reaching their highest level since the recession the previous month (an upwardly revised 1,336K). While single-family starts were generally unchanged (+0.1% to 894K), multi-unit starts fell sharply (-11.3% to 393K).

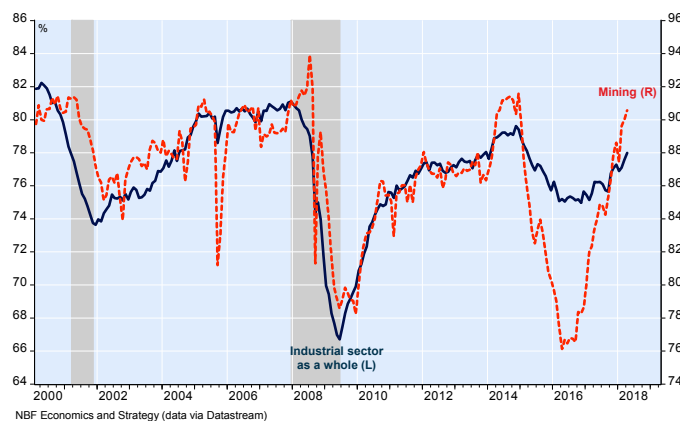
Apartment construction appears to be slowing as the vacancy rate in major markets are leading to increases in leasing concessions. Furthermore, the moderation of residential construction in the first month of Q2 might reflect challenges for builders, who are reportedly struggling to keep costs down in the face of a labour shortage and high lumber costs (in part due to import duties imposed by the U.S. government). Even without these difficulties, a slowdown was foreseeable after starts expanded 31.8% and 21.3% in annualized terms in Q4 and Q1, respectively. These recent increases mean that, despite the lackluster April results, housing starts remained 10.5% above their level 12 months earlier.

**Building permit applications**, for their part, retreated 1.8% m/m in April (March was upwardly revised from +2.5% to +4.1%), coming in at 1,352K on an annualized basis. The contraction was due above all to a 6.3% drop in the multifamily segment (to 493K). Permits for single-family dwellings, meanwhile, climbed 0.9% (to 859K).

Still in April, **industrial production** progressed 0.7% m/m for a second month in a row. Manufacturing output, which represents 74.6% of total industrial production, expanded 0.5% on gains for computer/electronics (+1.2%) and machinery (+2.3%). Meanwhile, output in the utilities sector expanded 1.9% after swelling 6.1% in March, which was its strongest push in a year. Finally, mining output grew 1.1% and was up a healthy 10.6% on its level a year earlier, hoisted by higher oil prices. On a quarterly basis, if we assume no change in May and June, industrial production is still on track to grow more than 5% annualized in Q2 (i.e., more than twice the prior quarter's pace).

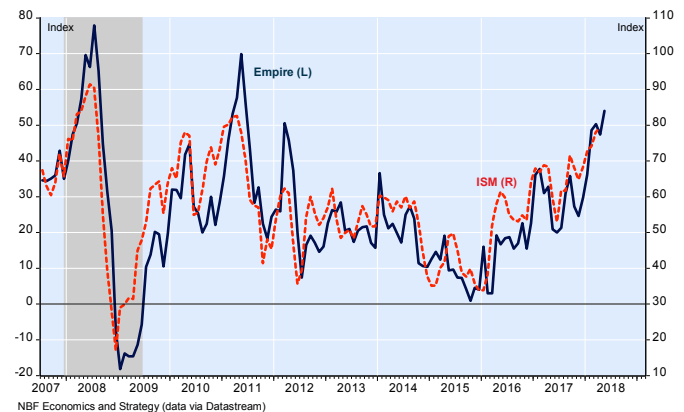
The **capacity utilization rate** in the industrial sector as a whole went from 77.6% in March to a three-year high of 78.0% in April. In the mining sector, utilization reached 90.6%, its highest level since the 2014-15 drop in oil prices. Such levels of capacity utilization should continue to spur business investment in 2018.

**United States: Capacity pressures should spur investment in 2018**  
Capacity utilization. Last observation: April 2018



The **Empire State Manufacturing Index** of general business conditions rebounded 4.3 points to 20.1 in May after dropping 6.7 points in April. Both the *new orders* sub-index (16.0 from 9.0 the prior month) and the *shipments* sub-index (19.1 from 17.5) rose and surpassed their respective six-month moving average. The *number of employees* gauge bounced back as well (from 6.0 to 8.7) but remained far below the levels reached at the end of last year (22.9 in December). As trade war talks abated somewhat, businesses reported a significantly improved outlook on the future, as evidenced by the 12.8-point spike registered by the index tracking firms' expectations of general business conditions over the next six months (though the index did plunge 25.8 points the prior month). Interestingly, the input prices paid by New York manufacturing businesses continued to rise at a vigorous clip, with the *prices paid* tracker climbing 6.6 points to a seven-year high of 54.0. Rising energy prices and the weakness of the U.S. dollar at the beginning of the year are to blame at least in part for that surge in manufacturing prices.

**United States: Manufacturing input prices rising at fastest pace in years**  
Prices paid indices: Empire Manufacturing Survey vs. ISM Manufacturing PMI



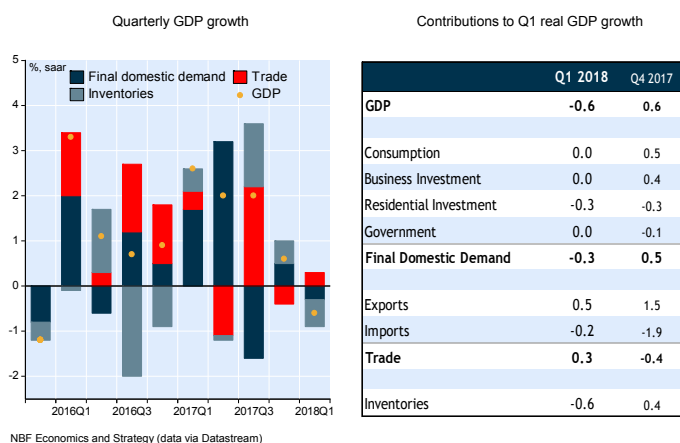
The **Philly Fed Manufacturing Business Outlook Survey** was also up in May, rising 11.2 points to 34.2. The shipments index went from 23.9 to 25.8 while the new orders tracker rocketed from 18.4 to 40.6 points. Employment was running strong with both the average workweek (21.6 to 34.4) and number of employees (27.1 to 30.2) sub-indices making gains.

In April, the **leading economic indicator index (LEI)** extended its streak of non-negative prints to 23 months, as it gained 0.4 point to an all-time high of 109.4. Meanwhile, the diffusion index rose from 60% to 80%, with most of the underlying economic indicators still contributing to lift the overall index. The interest rate spread and average workweek, which added 0.13 percentage point to the LEI respectively, were the principal drivers. Alternatively, stock prices (-0.07 pp) and building permits (-0.05 pp) acted as a drag on the headline index.

**WORLD:** In Japan, **real GDP** shrank 0.6% in annualized terms in Q1, breaking the streak of eight consecutive positive quarterly readings, the longest in 30 years. The decline was

driven primarily by inventory rundown, which shaved 0.6 point from growth. Residential investment also bore down on the headline figure. On the other hand, trade lifted GDP 0.3 percentage point as exports expanded faster than imports did. Meanwhile private consumption, business investment, and government spending were roughly flat. Though Q1 results were certainly not encouraging, they need to be contextualized. As the Japanese economy expanded at a pace well above potential in 2017, a slowdown was to be expected. As far as monetary policy is concerned, the poor showing in the quarter should reinforce the Bank of Japan's current stance in favour of continued stimulus.

## Japan: GDP shrank for first time in more than two years in Q1




Still in **Japan**, the national headline **consumer price index (CPI)** rose 0.6% in April, down five ticks from 1.1% in March. The downswing was in part caused by a slowdown in fresh food (-1.5% vs. +6.3%) and energy prices (+5.3% y/y vs. +5.7% y/y the prior month). Excluding the price effects from those two categories, CPI rose just 0.4% in the twelve months to March. CPI excluding fresh food, the core measure preferred by the Bank of Japan, edged down two ticks to 0.7%, still far below the BoJ target of 2.0%.

Jocelyn Paquet et al.

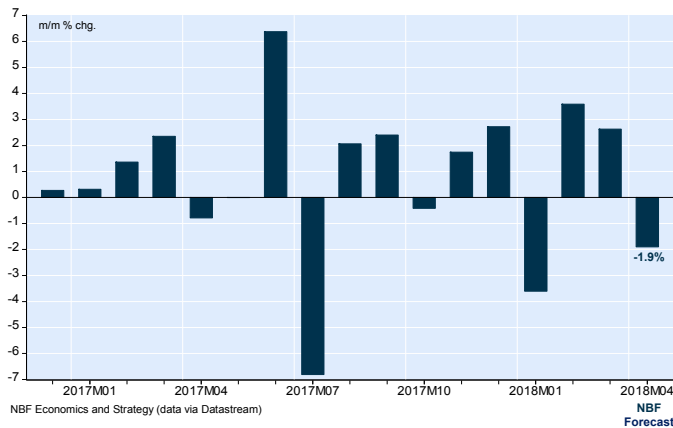
# Weekly Economic Watch

## What We'll Be Watching

 **In the U.S.**, the week will provide important information about the housing market in April. To start with, **existing home sales** may have retreated slightly in April, hampered by extremely low inventory levels. **Sales of new homes** may also have cooled following a healthy 7.8% cumulative increase between January and March. In other news, **durable goods orders** probably retreated in April based on falling civilian plane orders. We'll also keep an eye on the release of **Markit's composite PMI** for May and on the publication of the **minutes of the Fed's meeting** that took place on May 2<sup>nd</sup>.

	Previous	NBF forecasts
Existing home sales (April, saar)	5600K	5500K
Durable goods orders (April, m/m chg.)	2.6%	-1.9%

**U.S.: Orders of durable goods probably weakened in April**  
Durable goods orders



**In Canada**, a relatively light data week will feature **wholesale trade sales** for March.



**Elsewhere in the world**, we'll get preliminary **manufacturing PMIs** readings in both the Eurozone and Japan. Still in Japan, April's **trade balance** numbers will be released.

# Weekly Economic Watch

## Economic Calendar - Canada & U.S.

Economic releases & events							Earnings announcements				
Time	Country	Release	Period	Previous	Consensus Estimate	NBF Estimate	Company	Time	Qtr	Cons. EPS	
Monday May 21	8:30	US	Chicago Fed Nat Activity Index	Apr	10.00%	--					
Tuesday May 22	8:30	CA	Wholesale Trade Sales MoM	Mar	-0.80%	--		AutoZone Inc	Bef-mkt	Q3 18	12.95
							Advance Auto Parts Inc	Bef-mkt	Q1 18	1.97	
							Kohl's Corp	09:00	Q1 19	0.50	
							TJX Cos Inc/The	09:30	Q1 19	1.02	
							Intuit Inc	Aft-mkt	Q3 18	4.66	
							Hewlett Packard Enterprise Co	Aft-mkt	Q2 18	0.31	
Wednesday May 23	7:00	US	MBA Mortgage Applications	May-18	-2.70%	--		Canadian Imperial Bank of Comm	06:00	Q2 18	2.81
	9:45	US	Markit US Manufacturing PMI	May P	56.5	56.1		Tiffany & Co	Bef-mkt	Q1 19	0.83
	9:45	US	Markit US Services PMI	May P	54.6	--		Lowe's Cos Inc	Bef-mkt	Q1 19	1.22
	10:00	US	New Home Sales	Apr	694k	679k	685k	Target Corp	06:30	Q1 19	1.39
	10:00	US	New Home Sales MoM	Apr	4.00%	-2.20%	-1.30%	Ralph Lauren Corp	08:00	Q4 18	0.83
							Synopsis Inc	Aft-mkt	Q2 18	1.08	
							NetApp Inc	Aft-mkt	Q4 18	1.01	
							L Brands Inc	Aft-mkt	Q1 19	0.16	
Thursday May 24	8:30	US	Initial Jobless Claims	May-19	222k	--		Royal Bank of Canada	06:00	Q2 18	2.05
	10:00	US	Existing Home Sales	Apr	5.60m	5.56m	5.50m	Toronto-Dominion Bank/The	06:30	Q2 18	1.50
	10:00	US	Existing Home Sales MoM	Apr	1.10%	-0.70%	-1.80%	McKesson Corp	Bef-mkt	Q4 18	3.56
								Hormel Foods Corp	Bef-mkt	Q2 18	0.45
							Best Buy Co Inc	06:00	Q1 19	0.74	
							Medtronic PLC	06:45	Q4 18	1.38	
							Ross Stores Inc	16:01	Q1 19	1.07	
							Autodesk Inc	16:01	Q1 19	0.03	
							DXC Technology Co	16:15	Q4 18	2.21	
							Gap Inc/The	16:15	Q1 19	0.45	
Friday May 25	8:30	US	Durable Goods Orders	Apr P	2.60%	-1.40%	-1.90%	CAE Inc	Bef-mkt	Q4 18	0.32
	8:30	US	Durables Ex Transportation	Apr P	0.10%	0.50%	0.30%	Foot Locker Inc	06:45	Q1 19	1.25
	10:00	US	U. of Mich. Sentiment	May F	98.8	98.9					

Source: Bloomberg

# Weekly Economic Watch

## Annex - Economic Tables

**TABLE 1 - NORTH AMERICAN FINANCIAL INDICATORS**

May 18, 2018										
Growth Rates Unless Otherwise Indicated	Reference Period	Level	Monthly Growth (%)			Annualized Growth			Year-to-date (3)	
			Past Month	Prev. Month	Month Before	Average of the last		Since	ref.	prec.
			3 Mos.	6 Mos.	12 Mos.					
<b>UNITED STATES</b>										
<u>MONETARY AGGREGATES</u>										
		(\$Billions)								
M1	* April 2018	3659	-0.1	1.4	-0.9	3.3	5.4	6.5	6.8	8.3
M2	* April 2018	13952	0.2	0.5	0.2	2.8	3.5	3.7	4.0	6.3
<u>CREDIT MEASURES</u>										
Consumer Credit	March 2018	3875	0.3	0.4	0.4	5.1	5.4	5.0	5.1	6.6
Mortgage (Banks)	* April 2018	4338	0.2	0.4	0.3	3.9	4.2	4.1	4.1	5.6
Business	* April 2018	2163	1.2	0.8	0.1	4.9	2.2	3.3	2.0	4.4
<b>CANADA</b>										
<u>MONETARY AGGREGATES</u>										
M2+ gross	March 2018	2003	0.5	0.0	-0.1	2.9	4.3	4.6	4.6	7.4
Personal Deposits (Banks) (2)	March 2018	959						3.7	3.6	6.6
<u>CREDIT MEASURES</u>										
Consumer	March 2018	607	0.2	0.4	0.1	3.5	5.1	5.2	5.3	4.4
Residential Mortgages	March 2018	1531	0.3	0.3	0.3	4.2	5.2	5.2	5.5	6.2
Business	March 2018	2070	0.8	0.6	0.3	6.3	7.2	7.7	8.7	6.7
Private (Consumer+Business)	March 2018	4208	0.6	0.5	0.2	5.1	6.2	6.4	7.0	6.2
Gov. of Canada securities outstanding	April 2018	705	1.3	-1.6	0.4	-1.0	-0.6	1.0	1.8	3.4
<b>INTEREST AND EXCHANGE RATES</b>										
	Reference Thursday	Last day	1 week ago	2 w. ago	Average of last Thursdays			13 w. ago	26 w. ago	52 w. ago
					13 w.	26 w.	52 w.			
<b>UNITED STATES</b>										
<u>INTEREST RATES</u>										
Federal Funds Target Rate	* 17 May 18	1.75	1.75	1.75	1.67	1.56	1.39	1.50	1.25	1.00
Prime Rate	* 17 May 18	4.75	4.75	4.75	4.67	4.56	4.39	4.50	4.25	4.00
3-month Treasury Bills	* 17 May 18	1.88	1.86	1.80	1.73	1.56	1.30	1.56	1.25	0.91
2-year Bonds	* 17 May 18	2.58	2.53	2.48	2.36	2.16	1.79	2.19	1.70	1.26
5-year Bonds	* 17 May 18	2.93	2.83	2.78	2.70	2.51	2.18	2.65	2.07	1.77
10-year Bonds	* 17 May 18	3.11	2.98	2.95	2.89	2.72	2.49	2.93	2.38	2.23
30-year Bonds	* 17 May 18	3.21	3.12	3.12	3.11	2.99	2.91	3.16	2.81	2.91
Corp. High-yield (BofA ML Master II)	* 17 May 18	6.52	6.50	6.54	6.50	6.34	6.19	6.49	6.22	6.05
Corp. Invest. Grade (BofA ML Corp. BBB)	* 17 May 18	4.44	4.37	4.34	4.19	3.95	3.75	4.01	3.63	3.58
<u>Spread</u>										
Corp. High-yield - Treas. 10y.	* 17 May 18	3.41	3.51	3.59	3.61	3.62	3.70	3.55	3.84	3.83
Corp. Invest. grade - Treas. 10y.	* 17 May 18	1.33	1.38	1.39	1.30	1.23	1.26	1.08	1.26	1.35
Treasuries 30y. - 3-m. T.B.	* 17 May 18	1.33	1.26	1.32	1.37	1.43	1.61	1.60	1.56	2.00
<u>EXCHANGE RATE</u>										
FED Broad (Jan 97 = 100)	* 14 May 18	120.61	120.62	120.74	118.34	118.57	119.59	115.21	120.65	124.56
<b>CANADA</b>										
<u>INTEREST RATES</u>										
Prime Rate	* 17 May 18	3.45	3.45	3.45	3.45	3.37	3.18	3.45	3.20	2.70
Target overnight rate	* 17 May 18	1.25	1.25	1.25	1.25	1.17	0.98	1.25	1.00	0.50
30-day commercial paper	* 17 May 18	1.64	1.64	1.64	1.61	1.53	1.34	1.55	1.29	0.81
3-month Treasury Bills	* 17 May 18	1.26	1.21	1.21	1.16	1.11	0.95	1.15	0.88	0.50
1-year Treasury Bills	* 17 May 18	1.68	1.68	1.68	1.64	1.57	1.35	1.59	1.31	0.60
5-year Bonds	* 17 May 18	2.34	2.22	2.15	2.11	1.99	1.74	2.10	1.63	0.91
10-year Bonds	* 17 May 18	2.50	2.39	2.32	2.28	2.18	2.02	2.37	1.91	1.45
30-year Bonds	* 17 May 18	2.53	2.43	2.40	2.39	2.35	2.31	2.50	2.24	2.10
<u>SPREADS</u>										
Prime - 30d. Commercial paper	* 17 May 18	1.81	1.81	1.81	1.84	1.84	1.84	1.90	1.91	1.89
Long Term - Short Term	* 17 May 18	1.27	1.22	1.19	1.23	1.24	1.36	1.35	1.36	1.60
<u>CANADA UNITED STATES SPREADS</u>										
3-month T-Bills	* 17 May 18	-0.62	-0.65	-0.59	-0.57	-0.45	-0.35	-0.41	-0.37	-0.41
Long Term Bonds	* 17 May 18	-0.69	-0.69	-0.72	-0.71	-0.64	-0.60	-0.66	-0.57	-0.81
<u>EXCHANGE RATE</u>										
US\$ /CDN\$ (GTIS)	* 17 May 18	0.7808	0.7833	0.7784	0.7803	0.7873	0.7861	0.8014	0.7839	0.7351
Trade-weighted (1990=100) G-10	* 17 May 18	91.2	90.9	90.3	90.4	91.4	91.6	92.3	91.7	86.3
<b>STOCK INDICES</b>										
	Reference Thursday	Level	Monthly Growth (%)			Growth Over (%)			Year-to-date	
			Past Month	Prev. Month	Month Before	3 Months	6 Months	1 Year	ref.	prec.
Dow Jones (U.S.)	* 17 May 18	24714.0	-0.3	-0.6	-1.1	-2.0	5.8	19.9	0.3	3.8
S&P 500 (U.S.)	* 17 May 18	2720.1	0.5	-1.7	0.7	-0.4	5.5	15.4	1.7	4.4
NASDAQ (U.S.)	* 17 May 18	7382.5	1.4	-2.7	3.3	2.0	8.8	22.8	6.4	10.6
S&P/TSX (Can.)	* 17 May 18	16143.6	5.1	-2.3	1.7	4.5	0.9	5.7	0.6	0.1
* Update (1) Commercial Banks (2) Not seasonally adjusted (3) compared to same period of the preceeding year, unless otherwise stated										
Source: Thomson Reuters Datastream										

# Weekly Economic Watch

## Annex - Economic Tables

**TABLE 2 - UNITED STATES ECONOMIC INDICATORS**

May 18, 2018										
Growth Rates Unless Otherwise Indicated	Reference Period	Monthly Growth (%)			Annualized Growth (%)			Since 12 Mos.	Year-to-date (9)	
		Past	Prev.	Month	Average of the last				ref.	prec.
		Month	Month	Before	3 Mos.	6 Mos.	12 Mos.			
Index of 12 Leading Indicators	* April 2018	0.4	0.4	0.7	7.6	7.2	5.1	6.4	6.2	3.0
Consumer Confidence Index (1985=100)	April 2018	128.7	127.0	130.0	128.6	127.0	123.7	119.4	127.5	118.0
I.S.M. Manufacturing Index (level)	April 2018	57.3	59.3	60.8	59.1	59.0	58.4	55.3	59.1	56.3
- Non-manufacturing (level)	April 2018	59.1	60.6	62.8	60.8	60.2	59.9	61.9	60.6	61.2
<b>DOMESTIC DEMAND</b>										
Sales new autos & light trucks (000,000)	* April 2018	17.2	17.5	17.1	17.2	17.4	17.3	17.0	17.2	17.2
Retail Sales	* April 2018	0.3	0.8	0.0	2.1	6.1	4.4	4.7	4.4	5.0
- Motor vehicle	* April 2018	0.1	2.1	-1.2	-1.9	3.5	4.1	4.3	3.3	5.1
- Other	* April 2018	0.3	0.4	0.4	3.2	6.8	4.5	4.8	4.7	4.9
Consumer Spending: Total (\$ current)	March 2018	0.4	0.0	0.2	-17.7	-0.6	2.9	-13.2	-1.4	4.9
Total (\$ constant)	March 2018	0.4	-0.2	-0.1	1.1	2.8	2.7	2.4	2.6	2.9
Personal Income	March 2018	0.3	0.3	0.4	4.4	4.2	3.3	3.6	3.6	3.1
Personal Savings Rate (3)	March 2018	3.1	3.3	3.0	3.1	2.9	3.2	3.9	3.1	3.9
New Orders	* March 2018	1.6	2.0	-1.6	8.8	8.7	6.6	9.1	8.0	4.6
- Non-Defence Capital Goods exc. Aircraft	* March 2018	-0.9	1.6	-1.2	1.7	5.5	7.7	5.8	6.5	2.7
Unfilled Orders	* March 2018	0.9	0.4	-0.3	2.8	2.9	1.1	3.6	2.7	-1.4
Business Inventories	* March 2018	0.0	0.6	0.6	6.4	4.1	3.3	3.8	3.8	2.8
Inventories / Shipments Businesses	* March 2018	1.34	1.35	1.35	1.35	1.34	1.36	1.38	1.35	1.37
Manufacturers' Shipments	* March 2018	0.6	0.2	0.7	7.4	9.2	5.5	6.9	6.5	4.6
Manufacturers' Inventories	* March 2018	0.1	0.3	0.3	5.2	6.1	3.1	4.8	4.7	0.7
Inventories / Shipments Manuf.	March 2018	1.35	1.36	1.35	1.35	1.36	1.37	1.38	1.35	1.38
Housing Starts (000) (1)	* April 2018	1287	1336	1290	1304	1293	1241	1165	1312	1215
New Home Sales, single-family	March 2018	4.0	3.6	0.0	7.1	23.6	7.8	8.8	8.3	17.4
Existing Home Sales, s.f. & condos	March 2018	1.1	3.0	-3.2	-6.1	2.8	0.1	-1.2	-1.7	4.8
<b>PRODUCTION</b>										
Industrial Production	* April 2018	0.7	0.7	0.4	4.2	4.4	2.5	3.5	3.3	0.6
- Consumer Goods	* April 2018	0.9	1.0	-0.3	4.0	3.5	1.2	3.4	2.9	-0.5
- Hitech goods	* April 2018	0.7	0.5	0.3	4.8	9.3	4.4	6.2	6.3	4.8
<b>EXTERNAL AND FISCAL BALANCES</b>										
Exports	March 2018	2.0	1.7	-1.3	9.9	9.9	5.7	8.8	6.8	6.5
Imports	March 2018	-1.8	1.7	0.0	13.2	13.9	7.4	8.9	9.1	7.1
Merch. Trade Balance (\$ billions)	March 2018	-49.0	-57.7	-56.7	-54.5	-52.9	-49.5	-44.7	-54.5	-45.9
Real merchandise trade balance	March 2018	-62.1	-69.0	-69.9	-67.0	-66.9	-64.5	-60.7	-67.0	-62.2
Federal budget balance last 12 months (2)	April 2018	-706.7	-738.6	-706.1				-577.3	-160.5	-134.6
<b>INFLATION AND COSTS</b>										
Consumer Prices	April 2018	0.2	-0.1	0.2	2.5	3.2	2.1	2.5	2.3	2.5
- Excluding Food and Energy	April 2018	0.1	0.2	0.2	2.6	2.4	1.8	2.1	2.0	2.1
PCE Deflator exc. Food and Energy	April 2018	0.2	0.2	0.3	2.5	1.9	1.5	1.9	1.7	1.8
Producer price index for final demand	April 2018	0.1	0.3	0.2	2.9	3.3	2.6	2.7	2.8	2.1
Average Hourly Earnings (4)	April 2018						2.4	2.6	2.5	2.3
Industrial Capacity Utilization Rate	* April 2018	78.0	77.6	77.1	77.5	77.3	76.7	76.2	77.4	75.6
Median Price, Single-Family Homes (5)	March 2018	3.9	0.3	-2.4	-3.6	-6.5	5.7	5.9	5.8	6.9
<b>LABOUR MARKET</b>										
New Jobs (000) (6)	April 2018	164	135	324	208	198	190	2280	799	707
- Manufacturing (000)	April 2018	24	22	31	26	28	20	245	97	59
- Services (000)	April 2018	115	115	217	149	133	143	1719	568	528
Average weekly hours (6)	April 2018	0.4	-0.2	0.9	2.8	2.3	2.1	2.1	2.1	1.8
Civilian Unemployment Rate (7)	April 2018	3.9	4.1	4.1	4.0	4.1	4.2	4.4	4.1	4.6
<b>NATIONAL ACCOUNTS AND OTHER</b>										
<b>ANNUALIZED GROWTH RATES</b>										
<b>QUARTERLY INDICATORS</b>										
Real GDP Chained 2009 dollars	Q1 2018	2.3	2.9	3.2	3.1	1.2	1.8	1.5	2.9	2.6
Consumption	1.1	4.0	2.2	3.3	1.9	2.9	2.8	2.7	3.6	
Residential Construction	0.0	12.8	-4.7	-7.3	11.1	7.1	1.8	5.5	10.2	
Business Investment	6.1	6.8	4.7	6.7	7.2	0.2	4.7	-0.6	2.3	
Government Spending	1.2	3.0	0.7	-0.2	-0.6	0.2	0.1	0.8	1.4	
Exports	4.8	7.0	2.1	3.5	7.3	-3.8	3.4	-0.3	0.4	
Imports	2.6	14.1	-0.7	1.5	4.3	8.1	4.0	1.3	5.0	
Change in Inventories (1) (2)	33.1	15.6	38.5	5.5	1.2	63.1	15.2	33.4	100.5	
GDP Deflator	2.0	2.3	2.1	1.0	2.0	2.0	1.8	1.3	1.1	
Personal Disposable Income	3.4	1.1	0.7	2.7	2.9	-1.8	1.2	1.4	4.2	
Labour Productivity (4)	0.7	0.3	2.6	1.7	0.2	1.2	1.3	0.0	1.3	
Unit Labor Costs (4)	2.7	2.1	1.0	-1.2	4.8	-5.7	0.3	1.1	1.9	
Current Account (current \$)	Q4 2017	-512.6	-405.9	-495.0	-451.5	-456.0	-441.1	-466.2	-451.7	-434.6
as a % of GDP	-2.6	-2.1	-2.6	-2.4	-2.4	-2.4	-2.4	-2.4	-2.4	-2.4
Corporate Profits (8)	Q4 2017	-0.2	18.1	2.8	-8.3	10.7	22.7	4.4	-2.1	-1.1
as a % of GDP	11.2	11.4	11.0	11.1	11.4	11.2	11.2	11.2	11.6	11.9

\* Update

Source: Thomson-Reuters Datastream

(1) Annual Rate

(5) Existing Homes Sold

(9) Computed to same period of the preceding year, unless otherwise stated

(2) \$ Billions

(6) Non-Farm Payroll Survey

(3) Personal Savings as a % of Personal Disposable Income

(7) Household Survey

(4) Nonfarm Business

(8) Current \$ and before taxes



# Weekly Economic Watch

## Annex - Economic Tables

**TABLE 3 - CANADIAN ECONOMIC INDICATORS**

May 18, 2018										
Growth Rates Unless Otherwise Indicated	Reference Period	Monthly Growth (%)			Annualized Growth (%)			Since 12 Mos.	Year-to-date (6)	
		Past Month	Prev. Month	Month Before	Average of the last				ref.	prec.
					3 Mos.	6 Mos.	12 Mos.			
CFIB Business Barometer®	April 2018	-6.8	-2.6	-0.6	-4.4	0.0	0.0	-12.1	-3.2	13.6
<b>DOMESTIC DEMAND</b>										
Retail Sales (\$ current)	* March 2018	0.6	0.5	0.3	-1.4	4.4	6.3	4.1	3.5	6.5
- Motor vehicle and parts dealers	* March 2018	3.0	2.0	-1.7	-4.5	5.6	8.2	4.9	2.9	8.1
- Other	* March 2018	-0.2	0.0	1.0	-0.3	4.0	5.6	3.7	3.7	6.4
Retail Sales (\$ constant)	* March 2018	0.8	0.5	-0.1	-4.0	0.6	4.8	1.4	1.4	4.5
Manufacturer's Shipments (\$ current)	* March 2018	1.4	2.7	-1.9	6.8	5.9	5.7	6.4	4.5	6.1
New Orders	* March 2018	-0.7	7.4	-1.2	14.6	11.6	5.4	6.9	5.9	10.4
- Durables	* March 2018	-2.0	11.9	-0.5	25.3	14.9	4.8	7.4	7.4	9.5
Unfilled Orders	* March 2018	1.5	3.0	0.0	7.2	-0.6	-1.7	0.6	-0.4	-1.4
Manufacturer's Inventories	* March 2018	0.7	1.5	0.3	8.9	7.0	7.2	7.2	7.6	3.0
Inventories / Shipments Ratio	* March 2018	1.39	1.40	1.41	1.40	1.40	1.39	1.38	1.40	1.36
Manufacturer's Shipments (\$ constant)	* March 2018	0.6	2.2	-1.5	4.0	3.2	3.4	4.5	2.7	3.7
Housing Starts (000) (1)	* April 2018	215.3	225.5	231.5	224.1	225.8	221.1	213.5	222.2	219.7
Number of existing homes sold (MLS)	* March 2018	1.3	-6.3	-13.8	-42.6	-2.8	-7.5	-16.2	-13.0	-1.0
<b>PRODUCTION</b>										
Real Domestic Product	Feb 2018	0.4	-0.1	0.2	2.1	2.4	3.5	3.0	2.9	2.2
- Manufacturing	Feb 2018	1.0	0.5	-0.5	5.7	2.4	3.7	4.9	3.9	1.0
- Construction	Feb 2018	0.7	0.7	-0.4	3.9	5.8	4.8	5.9	5.6	0.4
Services	Feb 2018	0.1	0.0	0.2	1.8	2.0	2.9	2.4	2.5	2.1
<b>EXTERNAL, FISCAL AND EXCHANGE BALANCES</b>										
Exports	March 2018	3.7	0.3	-1.9	4.0	2.8	3.8	1.9	0.4	6.6
Imports	March 2018	6.0	2.2	-4.7	8.6	4.6	5.4	9.2	4.9	2.4
- Capital Goods	March 2018	1.8	2.2	-5.2	-1.4	8.4	5.6	6.9	6.6	0.1
Merch. Trade Balance (\$ millions)	March 2018	-4,140	-2,932	-1,989	-3,020	-2,742	-2,507	-655	-3,020	-893
Change in Official Reserves	April 2018	-1,074	-3,191	-262	-1,509	-194	-207	-2,489	-4,404	-1,415
Level (US\$): \$82.2 billion										
Fed. budget balance last 12 months (\$ billions)	Feb 2018	-15.9	-17.5	-16.4				-21.8	-5.6	-11.5
<b>INFLATION AND COSTS</b>										
Consumer Prices	* April 2018	0.3	0.3	0.6	5.1	2.3	1.7	2.2	2.1	1.8
- Excluding Food and Energy	* April 2018	-0.1	0.4	0.7	4.5	1.6	1.6	1.8	1.8	1.9
- Core inflation (4)	* April 2018	0.1	0.2	0.7	4.2	1.3	1.1	1.5	1.4	1.4
Average Hourly Earnings (2)	April 2018						2.4	3.6	3.3	1.1
Price of New Housing including land	March 2018	0.0	-0.2	0.0	-0.4	1.4	3.4	2.4	2.7	3.2
Avg. Price of Existing Homes Sold (MLS)	* March 2018	-1.9	-3.1	-3.5	-20.4	-2.3	1.6	-10.2	-4.8	4.0
Industrial Prices (1992=100)	March 2018	0.8	0.3	0.6	6.1	3.4	2.8	2.3	2.3	3.8
<b>LABOUR MARKET</b>										
Labour Force	April 2018	0.1	0.2	0.0	-0.1	0.7	1.1	0.9	0.7	1.0
Job creation (000)	April 2018	-1.1	32.3	15.4	15.5	17.4	23.2	278.3	-41.4	107.6
- Manufacturing	April 2018	-0.8	-8.3	-16.5	-8.5	-0.3	3.0	35.6	-24.8	27.9
- Services	April 2018	14.8	10.6	25.9	17.1	14.8	15.9	190.4	-20.6	78.3
- Full Time	April 2018	28.9	68.2	-39.3	19.3	27.6	31.5	378.3	106.8	119.5
- Part Time	April 2018	-30.0	-35.9	54.7	-3.7	-10.2	-8.3	-100.0	-148.2	-11.9
Unemployment Rate	April 2018	5.8	5.8	5.8	5.8	5.8	6.1	6.4	5.8	6.6
<b>NATIONAL ACCOUNTS AND OTHER</b>										
<b>QUARTERLY INDICATORS</b>										
		Q4 2017	Q3 2017	Q2 2017	Q1 2017	Q4 2016	Q3 2016	2017	2016	2015
GDP Chained (2007) \$		1.7	1.5	4.4	4.0	2.2	4.3	3.0	1.4	1.0
Household consumption		2.1	3.7	4.6	3.5	3.5	3.1	3.5	2.4	2.1
Business Investments, non-res., mach. & equip.		8.2	5.4	9.5	12.1	-17.6	7.6	2.6	-9.4	-11.3
-Machinery and Equipment		12.6	2.8	7.7	29.3	-1.5	-20.9	6.0	-6.0	-6.6
Residential Construction		13.4	-0.2	-2.9	9.4	4.4	-2.9	3.1	3.3	3.8
Government Expenditures		2.8	3.6	1.4	3.9	1.2	-0.9	2.2	2.2	1.6
Government Fixed Capital Formation		10.3	11.6	-0.9	-4.9	10.1	8.6	3.9	9.1	0.2
Final Domestic Demand		3.9	3.9	3.6	4.5	0.9	2.0	3.0	1.1	0.3
Exports		3.0	-10.4	6.3	2.7	1.1	8.8	1.0	1.0	3.5
Imports		6.3	0.3	6.2	13.9	-9.0	4.6	3.6	-1.0	0.7
Change in Inventories, chained (2007) \$ (5)		13.8	16.9	14.0	10.2	-2.2	7.0	13.7	1.0	4.7
Real Disposable Income		3.0	6.3	5.7	-1.2	3.2	7.1	3.6	1.3	3.5
Personal savings Rate		4.2	4.0	3.1	3.0	4.2	4.2	3.6	3.5	4.8
GDP Price Deflator		5.0	0.0	-0.3	3.2	4.7	2.5	2.3	0.6	-0.8
Corporate Profits (nominal)		15.0	-3.5	-7.4	37.2	38.9	90.8	20.2	-1.9	-19.8
as a % of GDP		12.8	12.5	12.7	13.1	12.3	11.5	12.8	11.2	11.6
Indust. Capacity Utilization Rate		86.0	85.1	84.4	82.7	81.4	80.7	84.6	80.2	80.5
Labour Productivity, Business Sector		0.8	-2.1	0.6	6.0	0.7	5.3	2.1	0.6	-0.5
Unit Labour Cost, Business Sector		6.3	6.1	-2.9	-1.1	1.7	-3.6	0.3	-0.1	2.3
		Q4 2017	Q3 2017	Q2 2017	Q1 2017	Q4 2016	Q3 2016	2017	2016	2015
Current Account (current \$) (5)		-65.4	-74.4	-61.3	-54.6	-45.1	-68.2	-63.9	-65.4	-71.5
as a % of GDP		-3.0	-3.5	-2.9	-2.6	-2.2	-3.3	-3.0	-3.0	-3.5

Sources: Thomson Reuters Datastream and Canadian Real Estate Association

\* Update

(1) Annual Rate

(4) C.P.I. excluding the 8 most volatile components and the effect of indirect taxes

(2) Not Seasonally Adjusted

(5) Annual rate, \$ billions

(3) Current and before taxes

(6) Compared to same period of the preceding year, unless otherwise stated

# Weekly Economic Watch

## Annex - Economic Tables

**TABLE 4 - PROVINCIAL ECONOMIC INDICATORS**

		May 18, 2018								
Growth Rates Unless Otherwise Indicated	Reference Period	Monthly Growth (%)			Annualized Growth (%)			Since 12 Mos.	Year-to-date (3)	
		Past Month	Prev. Month	Month Before	Average of the last				ref.	prec.
					3 Mos.	6 Mos.	12 Mos.			
<b>QUEBEC</b>										
<u>DOMESTIC DEMAND AND REVENUE</u>										
Retail Sales	* March 2018	1.3	0.6	0.0	0.6	7.4	5.1	6.5	4.4	5.8
Manufacturing Shipments	* March 2018	2.9	2.8	-1.0	8.1	6.7	7.9	10.2	6.4	7.5
Housing Starts (000) (2)	April 2018	57.4	53.1	50.2	53.6	51.0	47.8	42.7	51.0	45.8
Number of existing homes sold (MLS)	* March 2018	7.0	-2.2	-4.6	-7.3	4.6	5.7	8.1	4.6	4.6
Wages and Salaries	Dec 2017	-0.2	2.1	-0.1	6.6	6.8	4.6	5.6	4.6	2.6
Value of merchandise exports (1)	March 2018						5.5	2.3	1.5	4.3
CFIB Business Barometer ®	April 2018	-5.3	-1.8	3.6	26.1	4.2	6.3	4.5	7.5	4.6
<u>PRICES</u>										
Consumer Price Index (1)	* April 2018	0.4	0.2	0.5	3.6	2.1	1.2	1.7	1.5	1.0
Average Hourly Earnings (1)	April 2018						2.9	2.7	2.6	2.6
Price of New Housing inc. Land (1)	March 2018	0.0	0.4	0.3	2.4	1.6	1.1	1.6	1.5	0.7
Avg. Price of Existing Homes Sold (MLS)	* March 2018	-0.5	0.6	0.7	3.5	5.7	4.7	3.9	5.0	4.0
<u>LABOR MARKET</u>										
Job creation (000)	April 2018	-13.8	16.0	-2.9	-0.2	3.0	6.1	72.8	-18.1	3.2
Unemployment rate	April 2018	5.4	5.6	5.6	5.5	5.4	5.7	6.4	5.5	6.4
Participation rate	April 2018	64.7	65.1	64.9	64.9	64.9	64.9	64.7	64.9	64.8
<b>ONTARIO</b>										
<u>DOMESTIC DEMAND AND REVENUE</u>										
Retail Sales	* March 2018	0.6	1.1	0.8	0.4	4.2	7.1	4.6	4.4	6.7
Manufacturing Shipments	* March 2018	0.1	4.5	-3.0	12.1	2.8	1.6	3.0	1.1	2.6
Housing Starts (000) (2)	April 2018	70.0	74.9	106.3	83.7	83.3	79.0	74.5	83.9	87.3
Number of existing homes sold (MLS)	* March 2018	6.3	-4.1	-20.2	-52.7	-4.5	-17.4	-26.3	-25.2	8.0
Wages and Salaries	Dec 2017	0.0	1.6	-0.2	7.8	5.0	3.9	4.1	3.9	3.2
Value of merchandise exports (1)	March 2018						-2.5	-4.8	-3.7	-4.4
CFIB Business Barometer ®	April 2018	-0.3	-3.2	0.4	-3.4	-3.2	-7.9	-17.1	-11.7	9.9
<u>PRICES</u>										
Consumer Price Index (1)	* April 2018	0.1	0.4	0.6	5.6	2.3	1.7	2.1	2.1	2.1
Average Hourly Earnings (1)	April 2018						2.2	4.3	3.7	0.3
Price of New Housing inc. Land (1)	March 2018	0.0	-0.3	0.1	-0.3	1.1	5.4	2.9	3.4	6.8
Avg. Price of Existing Homes Sold (MLS)	* March 2018	0.1	-0.9	-3.0	-4.3	-0.3	0.0	-14.4	-9.8	24.5
<u>LABOR MARKET</u>										
Job creation (000)	April 2018	9.3	10.6	15.7	11.9	4.6	11.1	133.4	-15.3	31.1
Unemployment rate	April 2018	5.6	5.5	5.5	5.5	5.5	5.8	5.9	5.5	6.2
Participation rate	April 2018	64.4	64.4	64.4	64.4	64.6	64.7	64.6	64.4	64.9
<b>NEWFOUNDLAND &amp; LABRADOR</b>										
<u>DOMESTIC DEMAND AND REVENUE</u>										
Retail Sales	* March 2018	0.3	0.6	-1.4	-10.5	3.3	1.2	0.5	-2.0	2.5
Manufacturing Shipments	* March 2018	10.0	9.7	-4.4	-17.5	8.5	22.1	30.0	11.4	25.3
Housing Starts (000) (2)	April 2018	1.1	6.2	1.2	2.8	2.3	1.9	0.9	2.6	1.1
Number of existing homes sold (MLS)	* March 2018	-13.9	-10.4	13.2	3.2	8.2	1.2	-6.3	10.2	-11.1
Wages and Salaries	Dec 2017	-0.9	0.4	-0.4	0.3	0.4	1.3	-0.2	1.3	0.7
Value of merchandise exports (1)	March 2018						15.0	11.9	18.4	50.6
CFIB Business Barometer ®	April 2018	-3.6	-6.8	9.2	26.8	7.2	15.4	16.1	20.6	-16.5
<u>PRICES</u>										
Consumer Price Index (1)	* April 2018	0.1	0.1	0.4	2.8	2.0	1.6	1.5	1.5	4.1
Average Hourly Earnings (1)	April 2018						1.0	1.2	-0.1	5.0
Price of New Housing inc. Land (1)	March 2018	0.0	0.0	0.0	0.1	-0.6	-0.8	-0.5	-0.6	-0.7
Avg. Price of Existing Homes Sold (MLS)	* March 2018	1.6	-0.8	-1.4	-7.9	-3.0	-1.2	-1.0	-0.6	-5.1
<u>LABOR MARKET</u>										
Job creation (000)	April 2018	-0.6	-0.4	-1.4	-0.8	-0.3	-0.3	-3.1	-2.2	-1.0
Unemployment	April 2018	14.5	14.2	14.0	14.2	14.3	14.7	14.2	14.2	14.4
Participation rate	April 2018	58.7	58.6	58.5	58.6	58.9	58.8	59.1	58.7	59.3
<b>PRINCE EDWARD ISLAND</b>										
<u>DOMESTIC DEMAND AND REVENUE</u>										
Retail Sales	* March 2018	-0.5	-0.5	1.1	2.8	9.1	5.8	2.1	5.3	7.5
Manufacturing Shipments	* March 2018	-0.4	17.3	-9.3	36.4	3.3	9.0	12.0	11.0	7.2
Housing Starts (000) (2)	April 2018	1.7	0.8	0.9	1.1	1.0	1.0	0.6	1.0	0.9
Number of existing homes sold (MLS)	* March 2018	-9.8	3.0	-5.6	-17.2	-13.7	0.2	-16.6	-6.6	9.9
Wages and Salaries	Dec 2017	1.5	1.0	-1.1	2.5	4.9	4.5	4.1	4.5	3.2
Value of merchandise exports (1)	March 2018						3.0	-7.4	-1.7	6.4
CFIB Business Barometer ®	April 2018	-1.1	1.5	24.1	101.9	-18.0	-4.6	8.2	-0.4	-2.4
<u>PRICES</u>										
Consumer Price Index (1)	* April 2018	0.4	0.1	0.7	4.5	2.2	2.0	2.2	2.3	1.8
Average Hourly Earnings (1)	April 2018						4.1	3.6	4.3	1.3
Price of New Housing inc. Land (1)	March 2018	0.2	0.0	0.0	0.3	0.5	0.2	0.5	0.4	0.1
Avg. Price of Existing Homes Sold (MLS)	* March 2018	3.4	-8.4	9.8	1.7	12.6	9.6	8.8	3.1	20.5
<u>LABOR MARKET</u>										
Job creation (000)	April 2018	-0.2	-0.2	0.5	0.0	0.4	0.1	1.2	0.2	1.6
Unemployment	April 2018	11.2	10.3	10.1	10.5	10.2	10.1	9.9	10.6	10.0
Participation rate	April 2018	67.4	67.1	67.2	67.2	68.8	66.4	66.5	67.3	66.1

Sources: Thomson Reuters Datastream and Canadian Real estate Association

\* Update (1) Not Seasonally Adjusted (2) Annual Rate (3) Compared to same period of the preceding year, unless otherwise stated

# Weekly Economic Watch

## Annex - Economic Tables

**TABLE 4 - PROVINCIAL ECONOMIC INDICATORS (Continues from page A4)**

May 18, 2018										
Growth Rates Unless Otherwise Indicated	Reference Period	Monthly Growth (%)			Annualized Growth (%)			Since 12 Mos.	Year-to-date (3)	
		Past Month	Prev. Month	Month Before	Average of the last				ref.	prec.
					3 Mos.	6 Mos.	12 Mos.			
<b>NOVA SCOTIA</b>										
<u>DOMESTIC DEMAND AND REVENUE</u>										
Retail Sales	* March 2018	-2.6	2.6	-0.9	-4.5	4.5	7.7	2.3	5.3	5.7
Manufacturing Shipments	* March 2018	-0.1	4.5	-3.9	6.6	19.7	8.9	17.0	18.4	-0.8
Housing Starts (000) (2)	April 2018	3.5	2.9	5.3	3.9	4.0	3.9	6.5	4.2	4.5
Number of existing homes sold (MLS)	* March 2018	3.7	-1.9	-2.4	-1.5	3.8	7.7	8.1	9.1	-2.5
Wages and Salaries	Dec 2017	0.1	1.4	-0.7	2.9	4.3	3.2	4.2	3.2	1.6
Value of merchandise exports (1)	March 2018						7.0	11.5	9.9	-8.5
CFIB Business Barometer ®	April 2018	-9.5	4.2	12.6	83.6	6.3	2.8	2.5	6.2	-1.4
<u>PRICES</u>										
Consumer Price Index (1)	* April 2018	0.5	0.4	0.7	5.7	2.2	1.5	2.8	2.2	1.3
Average Hourly Earnings (1)	April 2018						1.9	3.1	1.9	3.7
Price of New Housing inc. Land (1)	March 2018	0.5	0.0	0.0	0.4	1.2	1.2	1.3	1.0	1.3
<u>LABOR MARKET</u>										
Job creation (000)	April 2018	2.7	-1.3	2.8	1.4	1.6	0.7	8.0	3.5	2.0
Unemployment	April 2018	6.7	7.4	7.9	7.3	7.8	8.2	8.4	7.6	8.2
Participation rate	April 2018	61.5	61.7	62.2	61.8	61.9	61.9	62.1	61.9	61.9
<b>NEW BRUNSWICK</b>										
<u>DOMESTIC DEMAND AND REVENUE</u>										
Retail Sales	* March 2018	2.5	-0.7	-1.4	-7.4	3.2	6.4	3.4	2.5	3.9
Manufacturing Shipments	* March 2018	0.1	0.7	-1.1	-24.7	32.4	15.8	13.5	12.7	11.7
Housing Starts (000) (2)	April 2018	1.5	1.7	1.5	1.6	2.2	2.4	1.2	1.8	1.5
Number of existing homes sold (MLS)	* March 2018	-16.1	2.1	-7.7	-37.0	-6.8	5.1	-15.8	-3.7	3.1
Wages and Salaries	Dec 2017	-0.6	1.1	0.1	6.6	4.7	3.3	2.8	3.3	3.7
Value of merchandise exports (1)	March 2018						19.3	11.6	11.1	16.9
CFIB Business Barometer ®	April 2018	-2.6	5.8	3.8	73.0	-15.8	-3.4	-4.1	-6.3	9.0
<u>PRICES</u>										
Consumer Price Index (1)	* April 2018	0.2	0.2	0.8	4.5	2.7	2.1	2.2	2.3	2.9
Average Hourly Earnings (1)	April 2018						1.7	2.6	2.6	4.7
Price of New Housing inc. Land (1)	March 2018	0.0	0.0	0.2	1.7	1.4	1.3	1.1	1.1	1.9
Avg. Price of Existing Homes Sold (MLS)	* March 2018	-1.8	-0.7	6.0	18.8	2.1	2.0	1.7	3.5	7.6
<u>LABOR MARKET</u>										
Job creation (000)	April 2018	1.1	-1.8	5.1	1.5	0.1	0.3	3.0	-1.4	-1.5
Unemployment	April 2018	8.0	8.0	8.2	8.1	8.3	8.0	8.4	8.3	8.6
Participation rate	April 2018	61.5	61.4	61.9	61.6	61.7	61.4	61.6	61.6	61.8
<b>MANITOBA</b>										
<u>DOMESTIC DEMAND AND REVENUE</u>										
Retail Sales	* March 2018	3.2	-2.6	-0.8	-9.5	-0.3	5.8	-0.3	-1.1	6.5
Manufacturing Shipments	* March 2018	-0.2	0.0	-2.6	-2.4	2.9	7.7	7.4	6.1	2.1
Housing Starts (000) (2)	April 2018	5.9	7.4	4.8	6.1	6.4	6.7	5.7	5.7	8.5
Number of existing homes sold (MLS)	* March 2018	3.6	-0.5	-12.0	-10.6	-7.8	-2.2	-3.4	-6.4	-0.8
Wages and Salaries	Dec 2017	0.5	0.4	-0.5	2.7	3.3	4.1	4.2	4.1	2.0
Value of merchandise exports (1)	March 2018						6.2	14.9	8.6	-5.0
CFIB Business Barometer ®	April 2018	-2.1	-3.3	2.7	25.1	-11.1	1.2	-5.7	-6.2	12.1
<u>PRICES</u>										
Consumer Price Index (1)	* April 2018	0.8	0.3	0.2	3.9	3.1	1.8	2.9	2.4	1.9
Average Hourly Earnings (1)	April 2018						2.2	0.5	0.9	2.3
Price of New Housing inc. Land (1)	March 2018	0.1	0.1	0.0	0.9	2.2	3.2	3.0	3.0	2.5
Avg. Price of Existing Homes Sold (MLS)	* March 2018	0.4	0.3	0.0	-0.3	1.6	2.6	1.3	0.6	3.8
<u>LABOR MARKET</u>										
Job creation (000)	April 2018	4.1	0.9	-0.5	1.5	0.1	0.5	5.9	0.9	7.1
Unemployment	April 2018	6.1	6.2	5.9	6.1	5.8	5.5	5.3	6.0	5.6
Participation rate	April 2018	67.4	67.1	66.9	67.1	67.1	67.1	67.0	67.0	67.2
<b>SASKATCHEWAN</b>										
<u>DOMESTIC DEMAND AND REVENUE</u>										
Retail Sales	* March 2018	-1.8	-0.1	-0.6	-7.5	4.0	2.3	-6.4	-1.9	5.3
Manufacturing Shipments	* March 2018	5.6	-1.4	4.4	11.6	10.7	9.3	6.2	5.0	20.5
Housing Starts (000) (2)	April 2018	2.4	2.1	3.6	2.7	3.8	4.6	3.9	3.5	4.5
Number of existing homes sold (MLS)	* March 2018	-11.8	-7.3	-4.7	-23.4	5.9	-4.1	-14.8	-5.7	0.7
Wages and Salaries	Dec 2017	0.8	0.3	-1.1	0.5	2.1	1.7	2.5	1.7	-1.4
Value of merchandise exports (1)	March 2018						4.5	3.7	-1.0	14.2
CFIB Business Barometer ®	April 2018	-12.0	9.2	5.9	49.3	15.5	-2.0	-1.0	1.3	8.4
<u>PRICES</u>										
Consumer Price Index (1)	* April 2018	0.5	0.1	0.2	2.1	3.3	2.1	2.5	2.7	1.3
Average Hourly Earnings (1)	April 2018						0.6	2.7	2.1	0.4
Price of New Housing inc. Land (1)	March 2018	0.0	-0.5	0.0	-1.9	-1.4	-0.6	-1.4	-1.2	-0.8
Avg. Price of Existing Homes Sold (MLS)	* March 2018	-6.4	2.1	0.5	0.1	-2.4	-2.2	-5.6	-1.6	-1.4
<u>LABOR MARKET</u>										
Job creation (000)	April 2018	-4.9	4.2	-2.9	-1.2	0.3	-0.2	-2.3	-2.5	0.2
Unemployment	April 2018	6.3	5.8	5.6	5.9	6.0	6.1	6.4	5.8	6.2
Participation rate	April 2018	68.4	68.7	68.1	68.4	68.5	68.8	69.3	68.4	69.5

Sources: Thomson Reuters Datastream and Canadian Real estate Association

\* Update (1) Not Seasonally Adjusted (2) Annual Rate (3) Compared to same period of the preceding year, unless otherwise stated

# Weekly Economic Watch

## Annex - Economic Tables

**TABLE 4 - PROVINCIAL ECONOMIC INDICATORS (Continues from page A5)**

		May 18, 2018								
		Monthly Growth (%)			Annualized Growth (%)			Since 12 Mos.	Year-to-date (3)	
<b>Growth Rates Unless Otherwise Indicated</b>	Reference Period	Past Month	Prev. Month	Month Before	Average of the last				ref.	prec.
					3 Mos.	6 Mos.	12 Mos.			
<b>ALBERTA</b>										
<u>DOMESTIC DEMAND AND REVENUE</u>										
Retail Sales	* March 2018	0.3	0.0	0.9	-0.7	1.3	5.9	2.5	1.9	6.5
Manufacturing Shipments	* March 2018	0.9	-1.5	0.0	2.3	8.1	11.3	5.2	7.5	15.5
Housing Starts (000) (2)	April 2018	29.7	27.0	23.7	26.8	27.2	28.8	31.3	26.4	27.8
Number of existing homes sold (MLS)	* March 2018	-5.5	-9.8	-11.9	-27.7	8.7	-0.6	-11.1	-6.2	13.8
Wages and Salaries	Dec 2017	0.6	-0.4	0.2	4.1	5.0	2.9	4.4	2.9	-5.6
Value of merchandise exports (1)	March 2018						17.2	-1.4	4.2	38.3
CFIB Business Barometer ®	April 2018	-2.8	0.0	-5.3	-18.0	-4.9	26.4	-5.6	7.7	90.3
<u>PRICES</u>										
Consumer Price Index (1)	* April 2018	0.5	0.1	0.6	5.2	2.9	1.6	2.3	2.0	1.9
Average Hourly Earnings (1)	April 2018						2.4	2.6	3.1	0.0
Price of New Housing inc. Land (1)	March 2018	-0.2	-0.3	0.0	-1.2	0.1	-0.1	-0.4	-0.2	-0.5
Avg. Price of Existing Homes Sold (MLS)	* March 2018	-2.1	0.4	2.3	2.4	-2.9	-0.8	-3.5	-1.4	2.9
<u>LABOR MARKET</u>										
Job creation (000)	April 2018	-1.8	8.3	2.3	2.9	5.1	3.0	36.5	2.9	21.3
Unemployment	April 2018	6.7	6.3	6.7	6.6	6.8	7.3	7.9	6.7	8.3
Participation rate	April 2018	72.0	71.9	71.9	71.9	72.1	72.2	72.5	72.0	72.7
<b>BRITISH COLUMBIA</b>										
<u>DOMESTIC DEMAND AND REVENUE</u>										
Retail Sales	* March 2018	0.6	0.5	-0.3	-4.0	4.7	8.1	5.1	4.1	8.5
Manufacturing Shipments	* March 2018	4.0	-0.4	-1.2	-1.3	7.1	9.4	10.5	8.6	6.7
Housing Starts (000) (2)	* April 2018	42.0	49.4	33.8	41.8	44.7	45.0	46.2	42.4	38.0
Number of existing homes sold (MLS)	* March 2018	-6.6	-13.4	-12.9	-59.1	-11.3	-1.3	-17.5	-6.1	-26.7
Wages and Salaries	Dec 2017	0.8	0.1	-0.3	5.5	6.2	5.9	5.8	5.9	3.8
Value of merchandise exports	March 2018	4.0	1.8	-6.3	-5.1	-1.1	8.2	-3.6	0.7	18.4
CFIB Business Barometer ®	April 2018	-6.9	-5.2	4.3	11.1	-0.7	-2.3	-8.5	1.0	3.6
<u>PRICES</u>										
Consumer Price Index (1)	* April 2018	0.2	0.3	0.7	5.3	1.7	2.2	2.7	2.5	2.2
Average Hourly Earnings (1)	April 2018						3.1	5.6	5.1	1.2
Price of New Housing inc. Land (1)	March 2018	0.1	0.0	0.0	0.6	5.3	6.7	7.4	7.7	3.3
Avg. Price of Existing Homes Sold (MLS)	* March 2018	-1.4	-2.2	-2.3	-15.9	2.0	9.8	5.7	9.8	-13.4
<u>LABOR MARKET</u>										
Job creation (000)	April 2018	2.9	-3.9	-3.4	-1.5	2.6	1.9	23.0	-9.5	43.5
Unemployment	April 2018	5.0	4.7	4.7	4.8	4.8	4.9	5.4	4.8	5.3
Participation rate	April 2018	65.0	64.9	65.0	65.0	65.1	65.3	65.5	65.0	65.2

Sources: Thomson-Reuters Datastream, Canadian Real estate Association and BCStats

\* Update (1) Not Seasonally Adjusted (2) Annual Rate (3) Compared to same period of the preceding year, unless otherwise stated

# Weekly Economic Watch

## Annex - Economic Tables

**TABLE 5 - INTERNATIONAL ECONOMIC INDICATORS**

May 18, 2018											
Growth Rates Unless Otherwise Indicated	Reference Period	Monthly Growth (%)			Annualized Growth (%)			Since 12 Mos.	Year-to-date (2)		
		Past Month	Prev. Month	Month Before	Average of the last				ref.	prec.	
					3 Mos.	6 Mos.	12 Mos.				
OECD leading index	* March 2018	-0.1	0.0	0.0	-0.4	0.1	0.4	0.1	0.2	0.3	
<b>JAPAN</b>											
Consumer confidence - percentage (1)	April 2018	43.4	44.4	44.0	43.9	44.2	44.1	43.1	44.1	43.2	
Retail Sales (1)	* March 2018						1.9	1.0	1.4	1.2	
Industrial Production, Volume Index	* March 2018	1.4	2.0	-4.5	-5.3	2.3	4.1	4.1	2.5	3.9	
Exports	March 2018	-2.2	-1.0	-1.1	-6.3	8.4	10.9	2.8	4.7	9.6	
Imports	March 2018	-6.9	8.4	-6.3	1.2	10.1	14.2	3.2	8.3	8.4	
Merchandise trade bal. (Billions of ¥)	March 2018	4,896	-2,914	5,187	2,390	3,346	3,671	3,658	7,169	12,940	
Current account (Billions of ¥)	March 2018	177	102	188	156	176	178	182	467	536	
Inflation (CPI)	* April 2018	-0.4	-0.4	0.1	0.1	1.8	0.8	0.7	1.1	0.3	
Job offers to applicants ratio	March 2018	1.59	1.58	1.59	1.59	1.58	1.54	1.45	1.59	1.44	
Unemployment Rate	March 2018	2.5	2.5	2.4	2.5	2.6	2.7	2.8	2.5	2.9	
		<b>Q1 2018</b>	<b>Q4 2017</b>	<b>Q3 2017</b>	<b>Q2 2017</b>	<b>Q1 2017</b>	<b>Q4 2016</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>	
Gross Domestic Product (Constant Yen)	*	-0.6	0.6	2.0	2.0	2.6	0.9	1.7	1.0	1.4	
<b>Euro-zone</b>											
Volume Retail Sales	March 2018	0.1	0.3	-0.3	-0.6	1.1	2.1	0.8	1.4	1.9	
Industrial Production exc. Construction	* March 2018	0.5	-0.9	-0.6	-2.4	3.9	3.4	3.0	3.3	1.2	
Exports	* March 2018	0.8	-2.5	-0.9	0.4	5.9	6.4	1.4	3.7	8.0	
Imports	* March 2018	0.7	-3.4	0.9	-0.1	5.3	7.9	1.6	2.4	11.4	
Merch. Trade Bal. (Millions of euros)	* March 2018	21,243	20,934	20,032	20,736	21,432	21,333	20,542	62,209	53,749	
Inflation (CPI)	* April 2018	0.3	1.0	0.2	2.0	1.2	1.4	1.2	1.3	1.8	
Unemployment Rate	March 2018	8.5	8.5	8.6	8.5	8.6	8.8	9.4	8.5	9.5	
		<b>Q1 2018</b>	<b>Q4 2017</b>	<b>Q3 2017</b>	<b>Q2 2017</b>	<b>Q1 2017</b>	<b>Q4 2016</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>	
Gross Domestic Product (Constant Euro)	*	1.6	2.7	2.8	2.9	2.6	2.6	2.4	1.8	2.4	
<b>UNITED KINGDOM</b>											
Consumer Confidence (Diffusion index)	April 2018	-8	-3	-4	-5	-5	-6	-5	-5	-5	
Retail Sales	March 2018	-1.2	0.7	0.0	-2.0	0.8	1.6	1.1	1.5	2.6	
Manufacturing, energy and mining output	March 2018	0.1	0.1	1.2	2.3	2.5	1.7	2.9	2.0	2.8	
Exports (1)	March 2018	4.4	-5.0	1.8	0.1	-2.2	9.3	1.3	2.9	19.2	
Imports (1)	March 2018	8.1	-7.1	1.6	-3.6	2.6	6.0	1.0	2.2	15.6	
Merchandise Trade Bal. (Millions of £)	March 2018	-12,287	-10,414	-11,903	-11,535	-11,363	-12,030	-11,913	-34,604	-34,447	
Inflation (CPI harmonized) (1)	March 2018	0.2	0.6	-0.8	-0.3	1.8	2.5	2.3	2.5	1.8	
Producer price index, manufacturing (1)	March 2018	0.2	0.0	0.1	2.3	2.7	3.1	2.4	2.6	3.7	
House prices	April 2018	-3.1	1.6	0.5	-0.5	2.3	2.7	0.3	2.2	3.6	
Unemployment Rate (3-month mov. av.)	* March 2018	4.2	4.2	4.3	4.2	4.3	4.3	4.6	4.2	4.7	
		<b>Q1 2018</b>	<b>Q4 2017</b>	<b>Q3 2017</b>	<b>Q2 2017</b>	<b>Q1 2017</b>	<b>Q4 2016</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>	
Gross Domestic Product (Constant £)		0.4	1.6	1.9	1.0	1.3	1.0	1.8	1.9	2.3	
<b>INTEREST AND EXCHANGE RATES</b>											
	Reference Thursday	Current Week	Prev. Week	Week Before	Average of last Thursdays			13 w. ago	26 w. ago	52 w. ago	
					13 W.	26 W.	52 W.				
<b>JAPAN</b>											
Prime Rate	* 17 May 18	0.30	0.30	0.30	0.30	0.30	0.30	0.30	0.30	0.30	
3-month Financing Bill Rate	* 17 May 18	-0.14	-0.13	-0.14	-0.16	-0.17	-0.16	-0.17	-0.24	-0.13	
- Spread with U.S.	* 17 May 18	-2.02	-1.99	-1.94	-1.89	-1.72	-1.46	-1.73	-1.49	-1.04	
Yield on 10-year Gov't Bonds	* 17 May 18	0.06	0.05	0.04	0.04	0.05	0.05	0.06	0.05	0.05	
- Spread with U.S.	* 17 May 18	-3.05	-2.93	-2.90	-2.85	-2.67	-2.44	-2.87	-2.33	-2.18	
Exchange Rate (¥/U.S.\$)	* 17 May 18	110.8	109.4	109.2	107.5	109.3	110.4	106.1	113.1	111.5	
<b>Euro Zone</b>											
3-month Treasury Bills	* 17 May 18	-0.25	-0.25	-0.25	-0.25	-0.25	-0.25	-0.25	-0.25	-0.25	
- Spread with U.S.	* 17 May 18	-2.13	-2.11	-2.05	-1.98	-1.80	-1.55	-1.81	-1.50	-1.16	
Exchange Rate (U.S.\$/Euro)	* 17 May 18	1.18	1.19	1.20	1.22	1.21	1.19	1.25	1.18	1.11	
(Yen/Euro)	* 17 May 18	130.66	130.22	131.03	131.23	132.76	131.25	133.11	133.12	123.05	
(Euro / £)	* 17 May 18	1.14	1.14	1.13	1.14	1.14	1.13	1.13	1.12	1.17	
<b>UNITED KINGDOM</b>											
3-month Treasury Bills (tender)	* 17 May 18	0.38	0.37	0.39	0.39	0.35	0.26	0.26	0.36	0.06	
- Spread with U.S.	* 17 May 18	-1.50	-1.49	-1.41	-1.34	-1.21	-1.04	-1.30	-0.89	-0.85	
Yield on 30-year Gov't Bonds	* 17 May 18	1.94	1.85	1.81	1.84	1.85	1.84	2.04	1.87	1.72	
- Spread with U.S.	* 17 May 18	-1.27	-1.27	-1.31	-1.27	-1.14	-1.07	-1.12	-0.94	-1.19	
Exchange Rate (U.S.\$ / £)	* 17 May 18	1.35	1.35	1.36	1.39	1.38	1.34	1.41	1.32	1.29	
<b>STOCK INDICES</b>											
	Reference	Monthly Growth (%)			Growth Over (%)			Since beginning of year			
		Past Level	Prev. Month	Month Before	3 Months	6 Months	1 Year	ref.	prec.		
MSCI Eafe	* May 2018	268	-0.5	-0.5	2.0	1.0	2.5	9.3	0.9	9.6	

\* Update (1) Not Seasonally Adjusted

(2) Compared to same period of the preceeding year, unless otherwise stated

Source: Datastream

# Weekly Economic Watch

## Annex - Economic Tables

**TABLE 6 - COMMODITY PRICES**

May 18, 2018

	Spot Price		Weekly Growth (%)			Annualized Growth (%)			Last Year
	May 17	May 10	Last	Prev.	Week	For the Last			
			Week	Week	Before	13 W.	26 W.	52 W.	
<b>INDICES THOMSON-REUTERS</b>									
Total	433.4	437.7	-1.0	0.4	1.3	7.1	7.2	5.8	409.5
Energy	517.9	509.7	1.6	4.2	-1.6	77.4	27.3	22.2	423.9
Grain	315.3	321.8	-2.0	-3.2	5.5	12.0	22.3	10.1	286.5
Industrials	464.1	463.2	0.2	0.7	-0.5	6.4	21.0	15.3	402.4
Livestock & Meat	325.7	334.2	-2.5	1.3	-0.4	-36.4	-7.6	-9.1	358.5
Precious Metals	770.8	791.1	-2.6	1.7	-0.5	-22.1	-5.1	-1.0	778.3
<b>PRECIOUS METALS</b>									
Gold (\$/ounce) (AM fixing London)	1288.85	1314.80	-2.0	0.1	-0.7	-17.8	1.8	2.2	1261.35
Platinum (\$/ounce) (AM fixing London)	888.0	916.0	-3.1	1.7	-0.9	-39.0	-9.0	-5.1	936.0
Silver (\$/ounce) (Handy & Harman)	0.2	0.2	-1.5	1.8	-0.3	-5.4	-7.0	-1.3	0.2
Palladium (\$/ounce troy)	991.0	991.0	0.0	2.1	-0.4	-9.8	1.6	29.5	765.0
<b>OTHER METALS (LME)</b>									
Aluminum (\$/tonne)	2,303	2,330	-1.2	2.7	-0.3	28.4	22.1	19.9	1,921
Copper (\$/tonne)	6,857	6,884	-0.4	1.4	-2.0	-15.1	4.7	23.3	5,562
Zinc (\$/tonne)	3,093	3,073	0.6	2.8	-4.7	-45.2	-5.6	22.8	2,518
Nickel (\$/tonne)	14,529	13,820	5.1	0.7	-3.2	12.5	65.5	59.0	9,137
Lead (\$/tonne)	2,357	2,293	2.8	1.6	-3.3	-35.5	-2.9	14.6	2,056
Uranium (UxC-Ux U308 Spot \$/pound)	21.75	21.75	0.0	3.6	0.7	4.7	-10.6	1.2	21.50
<b>OTHER COMMODITIES</b>									
Oil WTI (\$/barrel) future (NYMEX)	71.49	71.36	0.2	4.3	0.4	84.5	68.1	44.9	49.35
Corn (¢/bushel) (Illinois #2)	3.7	3.7	-1.9	-1.3	5.3	25.2	39.4	6.7	3.4
Soy beans (¢/bushel) (Illinois #1)	9.6	9.9	-2.6	-2.8	2.1	-12.3	7.0	4.7	9.2
Beef (Cattle feeder index) (CME)	134.8	137.2	-1.7	-0.5	-1.5	-31.4	-27.6	-6.3	143.9
Soft Wood Pulp (HWWI) Index 2010 = 100	159	159	0.0	4.3	0.9	60.0	47.7	44.0	110
Natural Gas (mmbtu) Henry Hub future NYMEX									3.13
Lumber 2X4	639	599	6.7	2.6	3.5	165.3	101.9	73.8	368
Iron ore (\$/metric ton)	68	67	1.5	-1.5	1.5	-42.2	20.3	10.6	62

All prices are in US dollars

Source: Thomson Reuters Datastream

## Economics and Strategy

### Montreal Office

514-879-2529

**Stéfane Marion**

*Chief Economist and Strategist*  
stefane.marion@nbc.ca

**Paul-André Pinsonnault**

*Senior Fixed Income Economist*  
paulandre.pinsonnault@nbc.ca

**Krishen Rangasamy**

*Senior Economist*  
krishen.rangasamy@nbc.ca

**Marc Pinsonneault**

*Senior Economist*  
marc.pinsonneault@nbc.ca

**Matthieu Arseneau**

*Senior Economist*  
matthieu.arseneau@nbc.ca

**Angelo Katsoras**

*Geopolitical Analyst*  
angelo.katsoras@nbc.ca

**Kyle Dahms**

*Economist*  
kyle.dahms@nbc.ca

**Jocelyn Paquet**

*Economist*  
jocelyn.paquet@nbc.ca

### Toronto Office

416-869-8598

**Warren Lovely**

*MD & Head of Public Sector Strategy*  
warren.lovely@nbc.ca

### General

This Report was prepared by National Bank Financial, Inc. (NBF), (a Canadian investment dealer, member of IIROC), an indirect wholly owned subsidiary of National Bank of Canada. National Bank of Canada is a public company listed on the Toronto Stock Exchange.

The particulars contained herein were obtained from sources which we believe to be reliable but are not guaranteed by us and may be incomplete and may be subject to change without notice. The information is current as of the date of this document. Neither the author nor NBF assumes any obligation to update the information or advise on further developments relating to the topics or securities discussed. The opinions expressed are based upon the author(s) analysis and interpretation of these particulars and are not to be construed as a solicitation or offer to buy or sell the securities mentioned herein, and nothing in this Report constitutes a representation that any investment strategy or recommendation contained herein is suitable or appropriate to a recipient's individual circumstances. In all cases, investors should conduct their own investigation and analysis of such information before taking or omitting to take any action in relation to securities or markets that are analyzed in this Report. The Report alone is not intended to form the basis for an investment decision, or to replace any due diligence or analytical work required by you in making an investment decision.

This Report is for distribution only under such circumstances as may be permitted by applicable law. This Report is not directed at you if NBF or any affiliate distributing this Report is prohibited or restricted by any legislation or regulation in any jurisdiction from making it available to you. You should satisfy yourself before reading it that NBF is permitted to provide this Report to you under relevant legislation and regulations.

***National Bank of Canada Financial Markets is a trade name used by National Bank Financial and National Bank of Canada Financial Inc.***

***National Bank Financial Inc. or an affiliate thereof, owns or controls an equity interest in TMX Group Limited ("TMX Group") and has a nominee director serving on the TMX Group's board of directors. As such, each such investment dealer may be considered to have an economic interest in the listing of securities on any exchange owned or operated by TMX Group, including the Toronto Stock Exchange, the TSX Venture Exchange and the Alpha Exchange. No person or company is required to obtain products or services from TMX Group or its affiliates as a condition of any such dealer supplying or continuing to supply a product or service.***

### Canadian Residents

NBF or its affiliates may engage in any trading strategies described herein for their own account or on a discretionary basis on behalf of certain clients and as market conditions change, may amend or change investment strategy including full and complete divestment. The trading interests of NBF and its affiliates may also be contrary to any opinions expressed in this Report.

NBF or its affiliates often act as financial advisor, agent or underwriter for certain issuers mentioned herein and may receive remuneration for its services. As well NBF and its affiliates and/or their officers, directors, representatives, associates, may have a position in the securities mentioned herein and may make purchases and/or sales of these securities from time to time in the open market or otherwise. NBF and its affiliates may make a market in securities mentioned in this Report. This Report may not be independent of the proprietary interests of NBF and its affiliates.

This Report is not considered a research product under Canadian law and regulation, and consequently is not governed by Canadian rules applicable to the publication and distribution of research Reports, including relevant restrictions or disclosures required to be included in research Reports.

## UK Residents

This Report is a marketing document. This Report has not been prepared in accordance with EU legal requirements designed to promote the independence of investment research and it is not subject to any prohibition on dealing ahead of the dissemination of investment research. In respect of the distribution of this Report to UK residents, NBF has approved the contents (including, where necessary, for the purposes of Section 21(1) of the Financial Services and Markets Act 2000). This Report is for information purposes only and does not constitute a personal recommendation, or investment, legal or tax advice. NBF and/or its parent and/or any companies within or affiliates of the National Bank of Canada group and/or any of their directors, officers and employees may have or may have had interests or long or short positions in, and may at any time make purchases and/or sales as principal or agent, or may act or may have acted as market maker in the relevant investments or related investments discussed in this Report, or may act or have acted as investment and/or commercial banker with respect hereto. The value of investments, and the income derived from them, can go down as well as up and you may not get back the amount invested. Past performance is not a guide to future performance. If an investment is denominated in a foreign currency, rates of exchange may have an adverse effect on the value of the investment. Investments which are illiquid may be difficult to sell or realise; it may also be difficult to obtain reliable information about their value or the extent of the risks to which they are exposed. Certain transactions, including those involving futures, swaps, and other derivatives, give rise to substantial risk and are not suitable for all investors. The investments contained in this Report are not available to retail customers and this Report is not for distribution to retail clients (within the meaning of the rules of the Financial Conduct Authority). Persons who are retail clients should not act or rely upon the information in this Report. This Report does not constitute or form part of any offer for sale or subscription of or solicitation of any offer to buy or subscribe for the securities described herein nor shall it or any part of it form the basis of or be relied on in connection with any contract or commitment whatsoever.

This information is only for distribution to Eligible Counterparties and Professional Clients in the United Kingdom within the meaning of the rules of the Financial Conduct Authority. NBF is authorised and regulated by the Financial Conduct Authority and has its registered office at 71 Fenchurch Street, London, EC3M 4HD.

NBF is not authorised by the Prudential Regulation Authority and the Financial Conduct Authority to accept deposits in the United Kingdom.

## U.S. Residents

National Bank of Canada Financial Inc. (NBCFI), a broker-dealer registered with the U.S. Securities and Exchange Commission and a member of the Financial Industry Regulatory Authority (FINRA), and a member of the Securities Investor Protection Corporation (SIPC), is distributing this Report in the United States. NBCFI operates pursuant to a 15 a-6 Agreement with its Canadian affiliate, NBF Inc.

This Report has been prepared in whole or in part by personnel employed by non-US affiliates of NBCFI that are not registered as broker/dealers in the US. These non-US personnel are not registered as associated persons of NBCFI and are not licensed or qualified as research analysts with FINRA or any other US regulatory authority and, accordingly, may not be subject (among other things) to FINRA restrictions regarding communications by a research analyst with the subject company, public appearances by research analysts and trading securities held in a research analyst account.

The author(s) who prepared these Reports certify that this Report accurately reflects his or her personal opinions and views about the subject company or companies and its or their securities, and that no part of his/her compensation was, is, or will be directly or indirectly related to the specific recommendations or views expressed in this Report as to the securities or companies.

NBF compensates the authors of this Report from a variety of sources, and such compensation is funded by the business activities of NBF including, Institutional Equity and Fixed Income Sales and Trading, Retail Sales, the correspondent clearing business and Corporate and Investment Banking.

Because the views of its personnel may differ, members of the National Bank Financial Group may have or may in the future issue Reports that are inconsistent with this Report, or that reach conclusions different from those in this Report. To make further inquiry related to this Report, United States residents should contact their NBCFI registered representative.

**This document is intended for institutional investors and is not subject to all of the independence and disclosure standards under FINRA rules applicable to debt research Reports prepared for retail investors. This Report may not be independent of the proprietary interests of NBF, NBCFI, or their affiliates. NBF, NBCFI, or their affiliates may trade the securities covered in this Report for their own account and on a discretionary basis on behalf of certain clients. Such trading interests may be contrary to the recommendation(s) offered in this Report.**

## HK Residents

With respect to the distribution of this report in Hong Kong by NBC Financial Markets Asia Limited ("NBCFMA") which is licensed by the Securities and Futures Commission ("SFC") to conduct Type 1 (dealing in securities) and Type 3 (leveraged foreign exchange trading) regulated activities, the contents of this report are solely for informational purposes. It has not been approved by, reviewed by, verified by or filed with any regulator in Hong Kong. Nothing herein is a recommendation, advice, offer or solicitation to buy or sell a product or service, nor an official confirmation of any transaction. None of the products issuers, NBCFMA or its affiliates or other persons or entities named herein are obliged to notify you of changes to any information and none of the foregoing assume any loss suffered by you in reliance of such information.

The content of this report may contain information about investment products which are not authorized by SFC for offering to the public in Hong Kong and such information will only be available to, those persons who are Professional Investors (as defined in the Securities and Futures Ordinance of Hong Kong ("SFO")). If you are in any doubt as to your status you should consult a financial adviser or contact us. This material is not meant to be marketing materials and is not intended for public distribution. Please note that neither this material nor the product referred to is authorized for sale by SFC. Please refer to product prospectus for full details.

There may be conflicts of interest relating to NBCFMA or its affiliates' businesses. These activities and interests include potential multiple advisory, transactional and financial and other interests in securities and instruments that may be purchased or sold by NBCFMA or its affiliates, or in other investment vehicles which are managed by NBCFMA or its affiliates that may purchase or sell such securities and instruments.

No other entity within the National Bank of Canada group, including National Bank of Canada and National Bank Financial Inc, is licensed or registered with the SFC. Accordingly, such entities and their employees are not permitted and do not intend to: (i) carry on a business in any regulated activity in Hong Kong; (ii) hold themselves out as carrying on a business in any regulated activity in Hong Kong; or (iii) actively market their services to the Hong Kong public.

## Copyright

This Report may not be reproduced in whole or in part, or further distributed or published or referred to in any manner whatsoever, nor may the information, opinions or conclusions contained in it be referred to without in each case the prior express written consent of NBF.