



**NATIONAL
BANK**

FINANCIAL MARKETS

A division of National Bank of Canada

WEEKLY ECONOMIC WATCH

Economics and Strategy

August 19, 2016

- **What we'll be watching** (p. 3)
- **Calendar of upcoming releases** (p. 5)
- **Annex – Economic tables** (A1)

Week in review

Canada — Retail sales fell 0.1% in June. Adding to the bad news were downward revisions to the prior month. In June, sales fell in 7 of the 11 subsectors. Gains for sellers of autos, gasoline, electronics and health stores were dwarfed by losses in other categories. Excluding autos, sales fell 0.8%, also disappointing consensus which had expected an increase. Looking at provinces, on a year-on-year basis, BC leads the way (+5.2%), while Quebec (+3.5%) and Ontario (+3.3%) are also well above the national average of 2.7%. Alberta (-2.5%) remains last. In real terms, Canada's retail sales fell 0.3% in June. The soft retail volumes isn't good news. Real retail sales fell 2.3 % annualized in Q2 the worst performance since early 2015. So, weak consumption coupled with a massive drag from trade, likely caused Canada's real GDP to fall 1.5% annualized or so in Q2. Looking ahead to Q3, we remain of the view Canada's consumption growth (thanks in part to the enhanced Canada Child Benefit), trade (thanks to US inventory rebuilding), and hence overall GDP growth will bounce back sharply.

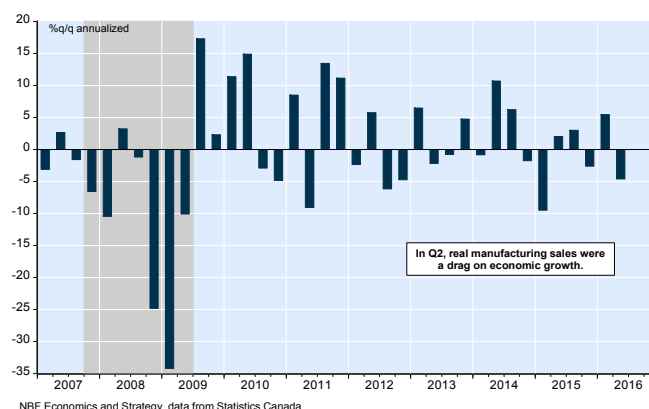
Canada's consumer price index dropped 0.2% in July, with gasoline prices experiencing a significant 5.6% m/m drop. The year-on-year inflation rate edged down one tick to 1.3%. In seasonally adjusted terms, CPI was flat m/m as higher prices for recreation/education (+0.4%), food (+0.3%), shelter (+0.3%), alcohol/tobacco (+0.3%) and household operations (+0.1%) offset declines for clothing (-0.6%) and transportation (-0.9%). Healthcare prices were flat. The core CPI, which excludes eight of the most volatile items, was flat (as expected by consensus), which allowed the year-on-year core inflation rate to remain unchanged at 2.1%.

In June, **manufacturing shipments** rose 0.8%, thus regaining most of the ground lost in May. The increase was rather generalized, as sales were up in 15 of 21 industries, which represented nearly 62% of Canadian manufacturing. However, motor vehicles and parts (+2.5%) and machinery (+5.8%) largely accounted for the rise. Unfilled orders jumped 1.6% for a third monthly gain. The increase was driven mostly by aerospace product and parts manufacturing (+3.5%), which

represented more than half of total orders. Inventories fell 0.2% for a fifth decline in a row. Chemicals (-2.3%), primary metals (-1.8%) and aerospace products and parts (-1.6%) were the largest contributors to the drop. The inventory-to-sales ratio slid from 1.42 to 1.40. In real terms, shipments rose 0.5%, unfilled orders increased 1.5%, and inventories shrank 0.4%. However, the picture is not rosy for Q2. Real factory shipments fell 4.6% annualized and real inventories slumped 4.8%. This was the worst combination of factory sales and inventories since the 2009 recession.

Manufacturing sales in constant dollars

Quarterly growth



All told, the factory data are consistent with an expected GDP contraction in Q2. However, given the recovery from the Fort McMurray wildfire, an expected rebound in U.S. economic growth in Q3 and the volume increase in Canadian manufacturing sales in June, the setback in manufacturing output in Q2 may well prove a temporary phenomenon.

In July, **existing-home sales** fell 1.3% m/m after declining 0.9% the previous month. The number of newly listed homes rose 1.2%. Lower sales combined with higher new listings pulled the ratio of sales to new listings down to 61.6% from 65.3% two months earlier. There were 4.6 months of inventory at the end of July. According to the CREA, the national average price for homes sold in the month was \$480,743. Excluding Greater Vancouver and Greater Toronto, it was \$365,033.

Canada's international transactions in securities data for the month of June showed non-residents accumulated \$9.0 billion of Canadian portfolio assets, which brought the total for the first half of the year to a very healthy \$80 billion. But as is often the case, the headline numbers did not really tell the story. Non-resident holdings of Canadian stocks were \$13.4 billion higher in June—the largest one-month increase in over a decade—driven primarily by cross-border M&A activity (alongside a bit of

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secondary market buying). Meanwhile, non-residents reduced their holdings of Canadian bonds and money-market paper by \$3.4 billion and \$1.0 billion, respectively. On the other side of the ledger, Canadian investors accumulated a net \$4.1 billion of foreign portfolio assets.

United States — The **consumer price index** was flat in July. Energy prices dropped 1.6% while food prices remained unchanged. Excluding food and energy, prices rose 0.1%, one tick below consensus expectations. Commodity prices ex food and energy were down 0.1%, as lower prices for used cars and trucks, alcoholic beverages and tobacco more than offset higher prices for medical care and new vehicles. There were further gains for owners' equivalent rent and medical care services while transportation posted a 0.2% decline. This allowed ex-energy services CPI to climb 0.2%. As a result of the monthly increases and the base effects, both the headline and the core year-on-year inflation rates slipped one tick to 0.8% and 2.2%, respectively.

In August, the **Empire State Manufacturing Survey** slid five points to -4.2. However, the details of situation were not as dire as the headline. Indeed, 44.7% (+5.7 percentage points) of respondents indicated that conditions were the same as the month before, 29.8% (+0.5 points) indicated conditions had worsened, and 25.5% (-5.2 points) indicated conditions had improved. The new-orders sub-index climbed 2.8 points from minus 1.8 to 1.0, suggesting orders were little changed from the previous month. The employment sub-index gained 3.37 points to -1.03. The index for future business conditions stood at 23.7, which indicated for the second month in a row that, while respondents remained optimistic, they were slightly less so than the previous month (29.2 in July and 34.8 in June).

The **Philadelphia Fed's Manufacturing Business Outlook** rose 5 points to 2, which suggests that manufacturing activity remains soft in the region. The current new orders index fell 19 points to -7.2. This deterioration was mostly due to the percentage of firms that reported a decline, which increased 18 points, while the percentage of firms that reported an increase dropped one point. The employment index deteriorated considerably as well, plunging 18 points to -20. However, respondents were more optimistic about the future, with 53.9% expecting activity to improve versus 8.1% expecting activity to soften (index: 45.8).

In July, **industrial production** jumped 0.7%, which was much better than the 0.3% expected by consensus. However, the prior month's figure was revised down from 0.6% to 0.4%. There were gains in manufacturing (+0.5%), utilities (+2.1%) and even mining (+0.7%). Thanks to a strong start to the quarter, manufacturing output growth is now tracking nearly 3% annualized in Q3, its strongest pace since 2014. This may reflect inventory rebuilding after the massive destocking observed in Q2. All told, the results are consistent with a sharp rebound in GDP growth after an awful first half of the year. Our estimate

for Q3 US GDP growth remains 3.6% annualized. The capacity utilization rate, for its part, sprang to 75.9% in July.

In June, the sum of all **net foreign acquisitions** of long-term U.S. securities, short-term securities and banking flows was a net outflow of \$202.8 billion. Bank's own net dollar-denominated liabilities to foreign residents (down \$174.4 billion) were the main contributor to the overall decline. Foreigners were net sellers of Treasury bonds and notes (\$32.9 billion). However, Treasury holdings increased \$14.5 billion and \$13.8 billion, respectively, for Japan and UK residents. Overall, foreigners were also net sellers of \$7.4 billion of T-bills but net buyers of \$17.9 billion of other short-term assets. Foreign residents' holdings of agency and corporate bonds increased \$33.9 and \$13.5 billion, respectively, while their equity holdings fell \$6.8 billion.

In July, **housing starts** rose 2.1% to a 5-month high of 1211K in seasonally adjusted annualized terms. Multiple starts jumped 5.0% and single-family starts were up 0.5%. **Building permits** dropped slightly (-0.1%) to 1152K, as a 6.3% gains for multitis was more than offset by a 3.7% decline for singles. However, **home builder sentiment** edged up 2 points to 60 in August and expectation for the next six months increased one point to 67. The index, which gauges builder perception of the single-family home market, suggests that better days are probably not far off the horizon for construction in the sector.

The **minutes of the July 26-27 FOMC meeting** showed participants still debating when it would be appropriate to proceed with further normalization of monetary policy. Two participants advocated for an increase at the meeting, while some felt a rate hike would soon be warranted. On the other hand, many suggested it was appropriate to wait for further information before proceeding. With no consensus reached, the FOMC remained in wait-and-see mode, leaving its policy options open and standing poised to adjust its policy stance based on incoming data.

World — Japan's GDP grew 0.2% on an annualized basis in Q2, well below the 0.7% expected by consensus. Net exports and a drop in business investments were a drag on growth in the quarter. Private consumption grew 0.6%, down sharply from the 2.8% seasonally adjusted annualized gain recorded the previous quarter. However, the Japanese government recently unveiled a fiscal stimulus package worth 28 trillion yen and the Bank of Japan announced a modest expansion of its monetary easing programme on July 29. The two measures should provide some impetus to growth later this year.

In July, **euro area** inflation was -0.6% m/m. However, annual inflation was 0.2%, unchanged from the flash estimate. On a non-seasonally adjusted basis, exports of goods from the euro area totalled €178.8 billion in June, down 2% from 12 months earlier. Imports stood at €149.5 billion, down 5% from June of last year. As a result, the trade surplus in goods reached €29.2 billion, compared with €25.5 billion in June 2015.

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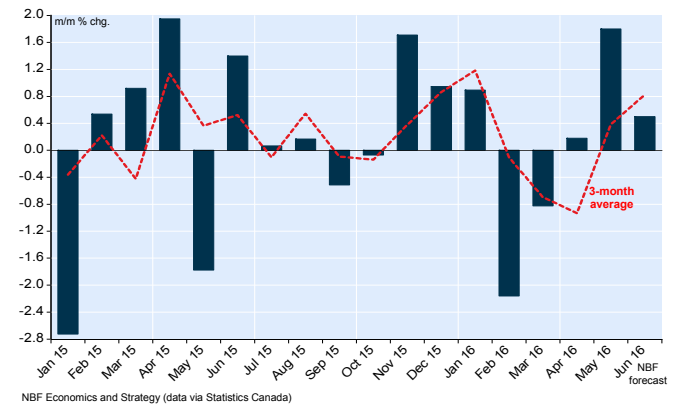
What we'll be watching



In **Canada**, a very light data week will nonetheless give important information about economic activity in late Q2 and early Q3. **Wholesale trade** may have grown again in June, albeit at a slower pace than the prior month. The **CFIB's small business confidence** for the month of August will also be watched for clues about prospects for hiring and investment.

	Previous	NBF forecasts
Wholesale trade (June m/m chg.)	1.8%	0.5%

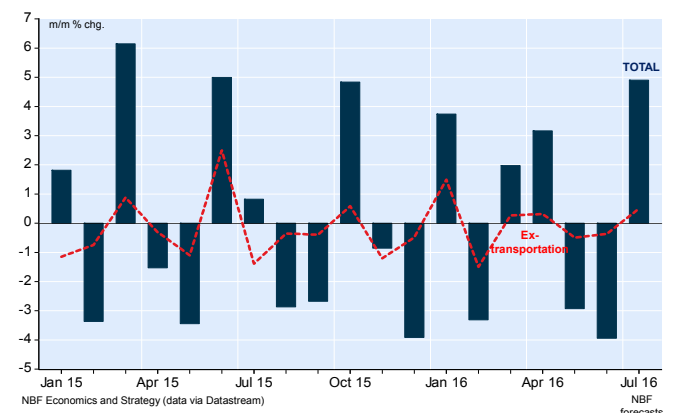
Canada: A moderation in wholesale growth in June
Wholesale sales



In the **U.S.**, we'll get the second estimate of **Q2 GDP growth** this week. A small downward revision is possible in part due to weaker June trade results than were assumed in the advance GDP estimate. We'll also get some idea about the current quarter with July **durable goods orders** which likely bounced back after the prior month's slump thanks largely to the transportation component. Both **existing home sales** and **new home sales** may have fallen a bit in July after outsized gains earlier. **Markit** will release flash purchasing managers indices for August for both the manufacturing and services sectors. The Federal Reserve Bank of Kansas City holds its annual Economic Policy Symposium at Jackson Hole this week. The title of the symposium is "Designing Resilient Monetary Policy Frameworks for the Future", and **Fed Chair Janet Yellen** is scheduled to deliver a speech at the event.

	Previous	NBF forecasts
Durable goods orders (July m/m chg.)	-3.9%	4.9%
ex-transportation (July m/m chg.)	-0.4%	0.5%
GDP (Q2 q/q chg. saar, second est.)	1.2%	1.1%

U.S.: A likely rebound for orders of durable goods in July
Durable goods orders



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What we'll be watching



Elsewhere around the globe, Bank of Japan Governor Kuroda will give a speech this week, followed by the release of Japan's CPI for July, both events being watched for clues about the timing of new stimulus by the central bank. Markit

will release flash manufacturing purchasing managers indices for the month of August in Japan and the Eurozone.

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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 Aug 22	8:30	US	Chicago Fed Nat Activity Index	Jul	16.00%	--					
	8:30	CA	Wholesale Trade Sales MoM	Jun	1.80%	0.10%	0.50%				
Tuesday Aug 23	9:45	US	Markit US Manufacturing PMI	Aug P	52.9	52.6		Bank of Montreal	6:45	Q3 2016	1.81
	10:00	US	New Home Sales	Jul	592k	580k	575k	JM Smucker Co/The	Bef-mkt	Q1 2017	1.75
	10:00	US	New Home Sales MoM	Jul	3.50%	-2.10%	-2.90%	Best Buy Co Inc	7:00	Q2 2017	0.43
								Intuit Inc	Aft-mkt	Q4 2016	-0.02
Wednesday Aug 24	7:00	US	MBA Mortgage Applications	Aug-19	-4.00%	--		Royal Bank of Canada	6:00	Q3 2016	1.71
	10:00	US	Existing Home Sales	Jul	5.57m	5.52m	5.55m	HP Inc	Aft-mkt	Q3 2016	0.44
	10:00	US	Existing Home Sales MoM	Jul	1.10%	-0.90%	-0.40%	PVH Corp	Aft-mkt	Q2 2017	1.28
Thursday Aug 25	8:30	US	Durable Goods Orders	Jul P	-3.90%	3.50%	4.90%	Canadian Imperial Bank of Commerce/C	6:00	Q3 2016	2.34
	8:30	US	Initial Jobless Claims	Aug-20	262k	265k		Toronto-Dominion Bank/The	6:30	Q3 2016	1.21
	8:30	US	Durables Ex Transportation	Jul P	-0.40%	0.40%	0.50%	Tiffany & Co	Bef-mkt	Q2 2017	0.72
	9:45	US	Markit US Services PMI	Aug P	51.4	52.1		Patterson Cos Inc	Bef-mkt	Q1 2017	0.51
								Medtronic PLC	6:45	Q1 2017	1.01
Friday Aug 26	8:30	US	GDP Annualized QoQ	2Q S	1.20%	1.10%	1.10%	Signet Jewelers Ltd	7:00	Q2 2017	1.45
	8:30	US	Personal Consumption	2Q S	4.20%	4.20%		Dollar Tree Inc	7:30	Q2 2017	0.74
	10:00	US	U. of Mich. Sentiment	Aug F	90.4	90.6		Autodesk Inc	16:01	Q2 2017	-0.14
								Ulta Salon Cosmetics & Fragrance Inc	Aft-mkt	Q2 2017	1.39
								Dollar General Corp	0:00	Q2 2017	1.09

Source: Bloomberg

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Annex - Economic tables

FINANCIAL MARKETS

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TABLE 1 - NORTH AMERICAN FINANCIAL INDICATORS

August 19, 2016

August 18, 2016											
Growth Rates Unless Otherwise Indicated	Reference Period	Level	Monthly Growth (%)			Annualized Growth		Since 12 Mos.	Year-to-date (3)		
			Past Month	Prev. Month	Month Before	Average of the last 3 Mos.	6 Mos.		ref.	prec.	
UNITED STATES											
MONETARY AGGREGATES			(\$Billions)								
M1	* July 2016	3228	-0.1	0.2	1.5	11.5	8.1	6.4	6.0	8.1	
M2	* July 2016	12892	0.6	0.6	0.6	7.9	7.5	7.1	6.5	5.8	
CREDIT MEASURES											
Consumer Credit	June 2016	3634	0.3	0.5	0.5	6.2	5.4	5.8	6.3	6.9	
Mortgage (Banks)	* July 2016	4026	0.7	0.5	0.7	7.1	7.4	7.1	6.6	3.8	
Business	* July 2016	2064	0.4	0.3	0.7	8.9	11.2	9.5	10.0	11.8	
CANADA											
MONETARY AGGREGATES											
M2+ gross	May 2016	1807	0.6	0.6	0.3	6.4	6.2	6.3	6.0	4.4	
Personal Deposits (Banks) (2)	June 2016	886						7.9	6.7	3.3	
CREDIT MEASURES											
Consumer	May 2016	554	0.4	0.4	0.1	2.7	2.2	2.6	2.5	3.1	
Mortgages	May 2016	1389	0.4	0.4	0.4	5.3	6.4	6.2	6.3	5.5	
Short - Term Business Loans	April 2016	499	0.6	1.4	-0.1	9.4	10.3	11.5	11.5	9.1	
Business (S.T. + L.T.)	June 2016	1784	0.6	0.5	0.1	3.4	4.4	4.9	5.4	8.3	
Private (Consumer+Business)	May 2016	3716	0.5	0.3	0.2	3.8	4.9	4.9	5.3	6.4	
Gov. of Canada securities outstanding	June 2016	676	-1.0	1.3	2.0	6.9	2.6	4.8	3.9	-0.6	
INTEREST AND EXCHANGE RATES											
	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.				
UNITED STATES											
INTEREST RATES											
Federal Funds Target Rate	* 18 Aug 16	0.50	0.50	0.50	0.50	0.50	0.42	0.50	0.50	0.25	
Prime Rate	* 18 Aug 16	3.50	3.50	3.50	3.50	3.50	3.42	3.50	3.50	3.25	
3-month Treasury Bills	* 18 Aug 16	0.29	0.28	0.26	0.28	0.27	0.20	0.30	0.30	0.02	
2-year Bonds	* 18 Aug 16	0.70	0.75	0.65	0.72	0.76	0.78	0.89	0.73	0.66	
5-year Bonds	* 18 Aug 16	1.11	1.15	1.03	1.13	1.21	1.35	1.37	1.22	1.47	
10-year Bonds	* 18 Aug 16	1.53	1.58	1.50	1.59	1.70	1.91	1.84	1.76	2.07	
30-year Bonds	* 18 Aug 16	2.26	2.28	2.25	2.36	2.50	2.70	2.64	2.63	2.74	
Treasuries 30y. - 3-m. T.B.	* 18 Aug 16	1.97	2.00	1.99	2.08	2.23	2.50	2.34	2.33	2.72	
EXCHANGE RATE											
FED Broad (Jan 97 = 100)	* 12 Aug 16	120.48	120.48	120.62	121.41	121.27	121.35	119.81	123.39	118.95	
CANADA											
INTEREST RATES											
Prime Rate	* 18 Aug 16	2.70	2.70	2.70	2.70	2.70	2.70	2.70	2.70	2.70	
Target overnight rate	* 18 Aug 16	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	
30-day commercial paper	* 18 Aug 16	0.88	0.89	0.86	0.88	0.88	0.86	0.89	0.85	0.74	
3-month Treasury Bills	* 18 Aug 16	0.50	0.50	0.52	0.50	0.50	0.47	0.53	0.46	0.38	
1-year Treasury Bills	* 18 Aug 16	0.52	0.52	0.57	0.54	0.54	0.51	0.59	0.47	0.41	
5-year Bonds	* 18 Aug 16	0.66	0.61	0.61	0.64	0.68	0.73	0.77	0.65	0.65	
10-year Bonds	* 18 Aug 16	1.04	1.03	1.05	1.13	1.21	1.31	1.36	1.17	1.31	
30-year Bonds	* 18 Aug 16	1.66	1.64	1.64	1.75	1.88	2.03	2.01	1.96	2.05	
SPREADS											
Prime - 30d. Commercial paper	* 18 Aug 16	1.82	1.81	1.84	1.82	1.82	1.84	1.81	1.85	1.96	
Long Term - Short Term	* 18 Aug 16	1.16	1.14	1.12	1.25	1.39	1.57	1.48	1.50	1.67	
CANADA UNITED STATES SPREADS											
3-month T-Bills	* 18 Aug 16	0.21	0.22	0.26	0.22	0.23	0.26	0.23	0.16	0.36	
Long Term Bonds	* 18 Aug 16	-0.60	-0.64	-0.62	-0.61	-0.62	-0.67	-0.63	-0.67	-0.69	
EXCHANGE RATE											
US\$ /CDN\$ (GTIS)	* 18 Aug 16	0.7824	0.7698	0.7682	0.7722	0.7696	0.7551	0.7637	0.7286	0.7639	
Trade-weighted (1990=100) G-10	* 18 Aug 16	91.0	89.5	89.4	90.0	89.8	88.4	88.9	85.6	89.6	
STOCK INDICES											
	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.)	* 18 Aug 16	18597.7	0.3	4.9	0.8	6.1	13.3	6.2	8.6	-1.5	
S&P 500 (U.S.)	* 18 Aug 16	2187.0	0.9	4.6	1.2	6.8	14.0	4.3	9.0	1.7	
NASDAQ (U.S.)	* 18 Aug 16	5240.2	3.6	5.3	1.3	10.6	16.8	3.6	6.4	6.5	
S&P/TSX (Can.)	* 18 Aug 16	14695.7	1.1	4.5	0.5	6.3	13.6	3.5	12.8	-1.1	
* Update (1) Commercial Banks (2) Not seasonally adjusted (3) compared to same period of the preceeding year, unless otherwise stated											
Source: Datastream											

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Annex - Economic tables

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TABLE 2 - UNITED STATES ECONOMIC INDICATORS

TABLE 2 - UNITED STATES ECONOMIC INDICATORS											
August 19, 2016											
Growth Rates Unless Otherwise Indicated	Reference Period	Monthly Growth (%)			Annualized Growth (%)			Since 12 Mos.	Year-to-date (9)		
		Past Month	Prev. Month	Month Before	Average of the last				ref.	prec.	
					3 Mos.	6 Mos.	12 Mos.				
Index of 12 Leading Indicators	* July 2016	0.4	0.3	-0.2	2.1	0.7	2.2	1.2	1.5	5.1	
Consumer Confidence Index (1985=100)	July 2016	97.3	97.4	92.4	95.7	95.3	96.8	91.0	95.7	97.7	
I.S.M. Manufacturing Index (level)	July 2016	52.6	53.2	51.3	52.4	51.5	50.4	51.9	51.1	52.7	
- Non-manufacturing (level)	July 2016	59.3	59.5	55.1	58.0	58.4	58.9	63.4	57.7	60.9	
DOMESTIC DEMAND											
Sales new autos & light trucks (000,000)	July 2016	17.9	16.7	17.3	17.3	17.3	17.6	17.6	17.4	17.0	
Retail Sales	July 2016	0.0	0.8	0.2	5.8	2.4	2.4	2.3	2.6	2.5	
- Motor vehicle	July 2016	1.1	0.5	-0.3	4.0	-0.9	4.2	2.4	2.7	7.0	
- Other	July 2016	-0.3	0.9	0.3	6.3	3.3	1.9	2.2	2.6	2.6	
Consumer Spending: Total (\$ current)	June 2016	0.4	0.4	1.0	-7.0	-0.2	2.5	-6.4	1.8	3.9	
Total (\$ constant)	June 2016	0.3	0.2	0.7	4.2	2.4	2.7	2.8	2.5	3.5	
Personal Income	June 2016	0.2	0.2	0.4	2.9	2.3	3.7	2.7	3.3	4.7	
Personal Savings Rate (3)	June 2016	5.3	5.5	5.7	5.5	5.8	5.9	5.8	5.8	5.6	
New Orders	June 2016	-1.5	-1.2	1.8	3.8	-3.3	-5.2	-5.6	-3.2	-5.5	
- Non-Defence Capital Goods exc. Aircraft	June 2016	0.4	-0.6	-0.9	-6.6	-7.1	-3.9	-3.6	-4.2	-2.7	
Unfilled Orders	June 2016	-0.8	0.0	0.6	0.7	-1.5	-2.2	-1.9	-1.9	5.9	
Business Inventories	* June 2016	0.2	0.2	0.1	2.1	0.3	1.5	0.5	1.0	2.8	
Inventories / Shipments Businesses	* June 2016	1.39	1.40	1.40	1.40	1.40	1.40	1.37	1.40	1.37	
Manufacturers' Shipments	June 2016	0.7	0.1	0.4	2.9	-3.7	-4.2	-3.5	-3.4	-3.8	
Manufacturers' Inventories	June 2016	-0.1	-0.1	-0.1	-1.7	-3.4	-2.5	-3.7	-3.0	0.0	
Inventories / Shipments Manuf.	June 2016	1.35	1.36	1.36	1.36	1.36	1.36	1.35	1.36	1.36	
Housing Starts (000) (1)	* July 2016	1211	1186	1128	1175	1168	1155	1147	1162	1082	
New Home Sales, single-family	June 2016	3.5	0.0	6.5	42.8	24.1	9.3	25.4	9.3	19.3	
Existing Home Sales, s.f. & condos	June 2016	1.1	1.5	1.3	16.3	3.8	4.9	3.0	4.6	7.4	
PRODUCTION											
Industrial Production	* July 2016	0.7	0.4	-0.2	1.4	-1.5	-1.1	-0.5	-1.2	1.2	
- Consumer Goods	* July 2016	0.6	0.5	-0.4	2.7	0.6	1.0	0.7	0.8	1.5	
- Hitech goods	* July 2016	1.0	0.3	1.0	8.8	5.0	1.9	5.7	3.2	3.6	
EXTERNAL AND FISCAL BALANCES											
Exports	June 2016	0.3	-0.1	1.4	4.7	-4.6	-5.6	-3.8	-4.7	-3.2	
Imports	June 2016	1.9	1.6	2.0	4.4	-4.5	-4.6	-2.4	-4.3	-2.4	
Merch. Trade Balance (\$ billions)	June 2016	-44.5	-41.0	-37.4	-40.9	-40.8	-41.2	-43.0	-40.8	-41.8	
Real merchandise trade balance	June 2016	-64.7	-60.9	-57.3	-61.0	-60.7	-60.3	-60.3	-60.7	-58.7	
Federal budget balance last 12 months (2)	July 2016	-487.2	-523.6	-479.3				-488.4	-298.1	-288.9	
INFLATION AND COSTS											
Consumer Prices	* July 2016	0.0	0.2	0.2	2.6	0.9	0.7	0.8	1.0	0.0	
- Excluding Food and Energy	* July 2016	0.1	0.2	0.2	2.0	2.4	2.1	2.2	2.2	1.7	
PCE Deflator exc. Food and Energy	July 2016	0.1	0.2	0.2	1.7	1.8	1.5	1.6	1.6	1.4	
Producer price index for final demand	July 2016	-0.4	0.5	0.4	2.7	0.3	-0.5	-0.2	0.0	-0.7	
Average Hourly Earnings (4)	July 2016						2.4	2.6	2.5	2.0	
Industrial Capacity Utilization Rate	* July 2016	75.9	75.4	75.1	75.5	75.3	75.7	76.7	75.4	77.1	
Median Price, Single-Family Homes (5)	June 2016	4.0	3.6	4.0	50.9	3.0	5.8	5.0	5.5	7.7	
LABOUR MARKET											
New Jobs (000) (6)	July 2016	255	292	24	190	189	204	2447	1302	1599	
- Manufacturing (000)	July 2016	9	15	-17	2	-6	-3	-31	-15	42	
- Services (000)	July 2016	239	287	69	198	200	199	2393	1341	1506	
Average weekly hours (6)	July 2016	0.4	0.3	0.0	1.3	1.3	1.9	1.9	1.8	2.4	
Civilian Unemployment Rate (7)	July 2016	4.9	4.9	4.7	4.8	4.9	5.0	5.3	4.9	5.5	
NATIONAL ACCOUNTS AND OTHER											
Annualized Growth Rates											
QUARTERLY INDICATORS											
	Q2 2016	Q1 2016	Q4 2015	Q3 2015	Q2 2015	Q1 2015	2014	2013	2012		
Real GDP Chained 2009 dollars	1.2	0.8	0.9	2.0	2.6	2.0	2.4	2.2	2.3		
Consumption	4.2	1.6	2.3	2.7	2.9	2.4	3.2	2.9	1.5		
Residential Construction	-6.1	7.8	11.5	12.6	14.8	13.4	11.7	3.5	11.9		
Business Investment	-2.3	-3.4	-3.3	3.9	1.6	1.3	2.1	6.0	3.5		
Government Spending	-0.9	1.6	1.0	1.9	3.2	2.6	1.8	-0.9	-2.9		
Exports	1.4	-0.7	-2.7	-2.8	2.8	-5.8	0.1	4.3	3.5		
Imports	-0.4	-0.6	0.7	1.1	2.9	5.6	4.6	4.4	1.1		
Change in Inventories (1) (2)	-8.1	40.7	56.9	70.9	93.8	114.4	84.0	57.7	78.7		
GDP Deflator	2.2	0.5	0.9	1.2	2.2	0.0	1.1	1.8	1.6		
Personal Disposable Income	1.2	2.2	3.0	3.3	3.9	2.0	3.5	3.5	-1.4		
	Q2 2016	Q1 2016	Q4 2015	Q3 2015	Q2 2015	Q1 2015	2014	2013	2012		
Labour Productivity (4)	-0.5	-0.6	-2.4	2.0	1.2	1.1	0.9	0.8	0.3		
Unit Labor Costs (4)	2.0	-0.2	5.7	0.8	3.6	0.7	2.0	2.0	1.0		
	Q1 2016	Q4 2015	Q3 2015	Q2 2015	Q1 2015	Q4 2014	2014	2013	2012		
Current Account (current \$)	-498.7	-453.6	-492.4	-447.6	-458.2	-430.9	-463.0	-392.1	-366.4		
as a % of GDP	-2.7	-2.5	-2.7	-2.5	-2.6	-2.4	-2.6	-2.3	-2.2		
	Q1 2016	Q4 2015	Q3 2015	Q2 2015	Q1 2015	Q4 2014	2014	2013	2012		
Corporate Profits (8)	14.1	-22.3	-3.2	-11.4	-6.8	4.1	-3.0	5.9	1.7		
as a % of GDP	11.1	10.8	11.6	11.7	12.2	12.5	11.6	12.0	12.5		
* Update											
Source: Datastream											
(1) Annual Rate											
(2) \$ Billions											
(3) Personal Savings as a % of Personal Disposable Income											
(4) Nonfarm Business											
(5) Existing Homes Sold											
(6) Non-Farm Payroll Survey											
(7) Household Survey											
(8) Current \$ and before taxes											
(9) Computed to same period of the preceding year, unless otherwise stated											

Annex - Economic tables

TABLE 3 - CANADIAN ECONOMIC INDICATORS

August 19, 2016											
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 ®	July 2016	-3.9	3.0	-1.6	25.3	1.0	-9.0	-1.0	-6.3	-6.4	
DOMESTIC DEMAND											
Retail Sales (\$ current)	* June 2016	-0.1	0.0	0.8	1.5	3.4	3.2	2.7	4.5	1.4	
- Motor vehicle and parts dealers	* June 2016	2.0	-2.4	-0.6	-11.3	5.6	8.1	6.0	9.7	4.6	
- Other	* June 2016	-0.8	0.8	1.3	6.3	2.7	1.6	1.6	2.8	1.1	
Retail Sales (\$ constant)	* June 2016	-0.3	-0.2	0.0	-2.3	3.0	1.9	1.7	2.9	1.5	
Manufacturer's Shipments (\$ current)	* June 2016	0.8	-1.0	0.9	-5.8	-2.9	-0.7	-1.9	0.3	-1.4	
New Orders	* June 2016	1.3	0.4	7.6	14.8	-2.4	-2.0	4.4	-0.7	-5.1	
- Durables	* June 2016	2.1	0.7	13.3	22.4	0.4	0.0	12.4	1.3	-3.8	
Unfilled Orders	* June 2016	1.6	1.3	0.6	-2.8	-10.3	-1.9	-3.4	-8.1	11.7	
Manufacturer's Inventories	* June 2016	-0.2	-0.2	-0.6	-5.1	-4.8	1.0	-2.3	-1.0	0.9	
Inventories / Shipments Ratio	* June 2016	1.40	1.42	1.41	1.41	1.41	1.41	1.41	1.41	1.43	
Manufacturer's Shipments (\$ constant)	* June 2016	0.5	-2.4	1.3	-4.6	0.8	-0.4	-1.0	1.1	0.1	
Housing Starts (000) (1)	* July 2016	195.0	218.3	186.4	199.9	201.4	201.0	190.7	197.4	184.8	
Number of existing homes sold (MLS)	* July 2016	-1.3	-1.0	-1.7	-1.7	10.5	7.2	4.6	9.0	6.0	
PRODUCTION											
Real Domestic Product	May 2016	-0.6	0.1	-0.2	-1.2	1.2	1.0	1.0	1.3	1.2	
- Manufacturing	May 2016	-2.4	0.2	-0.4	-5.4	1.1	0.2	-0.8	0.8	1.3	
- Construction	May 2016	-0.7	0.0	0.1	-1.3	-2.7	-5.2	-3.7	-3.9	-1.7	
Services	May 2016	0.3	0.2	0.0	1.9	2.3	2.0	2.5	2.3	2.2	
EXTERNAL, FISCAL AND EXCHANGE BALANCES											
Exports	June 2016	0.6	-0.8	0.4	-17.7	-8.9	-1.1	-7.6	-1.8	-0.9	
Imports	June 2016	0.8	-0.8	1.2	-5.6	-3.5	1.8	-1.2	0.0	5.3	
- Capital Goods	June 2016	-3.6	-5.6	6.9	-0.2	-4.9	3.4	-1.2	-0.4	8.6	
Merch. Trade Balance (\$ millions)	June 2016	-3,632	-3,504	-3,527	-3,554	-2,849	-2,249	-761	-2,849	-2,094	
Change in Official Reserves	July 2016	-617	-777	376	-339	287	494	5,923	3,151	6,540	
Level (US\$): \$82.9 billion											
Fed. budget balance last 12 months (\$ billions)	May 2016	-5.8	-3.8	-2.0				7.5	0.1	3.9	
INFLATION AND COSTS											
Consumer Prices	* July 2016	-0.2	0.2	0.4	3.7	2.1	1.4	1.3	1.5	1.0	
- Excluding Food and Energy	* July 2016	-0.1	0.1	0.4	3.1	2.7	1.8	2.1	1.9	1.9	
- Core inflation (4)	* July 2016	0.0	0.0	0.3	2.6	2.7	2.1	2.1	2.1	2.3	
Average Hourly Earnings (2)	July 2016							2.8	1.8	2.6	
Price of New Housing including land	June 2016	0.1	0.7	0.3	3.8	2.3	1.8	2.5	2.1	1.2	
Avg. Price of Existing Homes Sold (MLS)	* July 2016	-0.6	-0.3	-0.1	-2.6	15.1	11.8	10.6	13.8	7.8	
Industrial Prices (1992=100)	June 2016	0.6	1.2	-0.5	-0.7	-2.6	-0.4	-0.8	-0.8	-1.6	
LABOUR MARKET											
Labour Force	July 2016	-0.1	-0.1	-0.1	-0.8	0.4	1.0	0.5	0.9	0.6	
Job creation (000)	July 2016	-31.2	-0.7	13.8	-6.0	3.0	5.9	71.4	12.4	96.4	
- Manufacturing	July 2016	5.6	-12.9	12.2	1.6	-6.0	-1.6	-18.8	-46.8	9.4	
- Services	July 2016	-26.9	45.5	-5.2	4.5	13.1	10.5	126.1	98.3	144.6	
- Full Time	July 2016	-71.4	-40.1	60.6	-17.0	-11.7	-2.8	-33.1	-64.3	116.2	
- Part Time	July 2016	40.2	39.4	-46.8	10.9	14.7	8.7	104.5	76.7	-19.8	
Unemployment Rate	July 2016	6.9	6.8	6.9	6.9	7.0	7.0	6.8	7.0	6.8	
NATIONAL ACCOUNTS AND OTHER											
QUARTERLY INDICATORS											
		Q1 2016	Q4 2015	Q3 2015	Q2 2015	Q1 2015	Q4 2014	2015	2014	2013	
GDP Chained (2007) \$		2.4	0.5	2.2	-0.5	-1.0	3.4	1.1	2.5	2.2	
Household consumption		2.3	1.8	2.3	2.3	-0.1	2.4	1.9	2.6	2.4	
Business Investments, non-res., mach. & equip.		-9.7	-12.5	-11.4	-15.5	-23.2	0.9	-10.6	0.0	2.5	
- Machinery and Equipment		-2.7	-8.1	-6.7	-15.7	-5.1	7.2	-2.4	1.0	-6.7	
Residential Construction		11.2	1.8	2.6	0.1	6.6	-0.5	3.8	2.5	-0.4	
Government Expenditures		1.5	0.4	0.6	2.8	4.7	-0.3	1.7	0.3	0.3	
Government Fixed Capital Formation		-2.4	-4.0	-1.6	-0.6	1.9	6.1	2.5	4.0	-6.4	
Final Domestic Demand		1.3	-0.3	0.3	-0.1	-2.2	1.7	0.3	1.6	1.3	
Exports		6.9	-1.5	9.0	1.2	0.9	-0.2	3.4	5.3	2.8	
Imports		1.3	-7.0	-2.8	-1.8	0.9	0.3	0.3	1.8	1.5	
Change in Inventories, chained (2007) \$ (5)		-6.9	-5.6	-0.2	6.8	14.6	9.2	3.9	9.9	15.5	
Real Disposable Income		2.1	1.1	-2.6	7.4	0.8	2.5	2.6	1.2	3.4	
Personal savings Rate		3.9	4.2	4.3	5.2	4.8	4.3	4.6	4.2	5.4	
GDP Price Deflator		-1.1	0.0	0.0	1.8	-3.2	-2.4	-0.5	1.7	1.6	
Corporate Profits (nominal)		-8.8	-19.1	-5.1	-2.6	-44.1	-10.1	-15.8	7.0	0.8	
as a % of GDP		10.7	11.0	11.6	11.8	11.9	13.6	11.6	13.8	13.5	
Indust. Capacity Utilization Rate		81.4	80.9	81.2	80.1	81.4	82.5	80.9	82.1	80.8	
Labour Productivity, Business Sector		1.5	-0.1	0.6	-3.9	-2.7	1.6	-0.4	2.5	1.3	
Unit Labour Cost, Business Sector		-1.1	3.5	-1.5	2.2	5.7	-1.5	1.9	1.1	1.6	
		Q1 2016	Q4 2015	Q3 2015	Q2 2015	Q1 2015	Q4 2014	2015	2014	2013	
Current Account (current \$) (5)		-67.1	-62.8	-61.8	-58.0	-67.9	-58.3	-62.6	-44.9	-59.7	
as a % of GDP		-3.4	-3.2	-3.1	-2.9	-3.4	-2.9	-3.2	-2.3	-3.0	

Sources: Datastream and Canadian Real Estate Association

* Update

(1) Annual Rate

(2) Not Seasonally Adjusted

(3) Current and before taxes

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

(5) Annual rate, \$ billions

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

Annex - Economic tables

TABLE 4 - PROVINCIAL ECONOMIC INDICATORS

August 19, 2016										
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 3 Mos. 6 Mos. 12 Mos.				ref.	prec.
QUEBEC										
DOMESTIC DEMAND AND REVENUE										
Retail Sales	* June 2016	-0.8	0.9	0.1	0.7	5.0	2.9	3.5	4.5	-0.1
Manufacturing Shipments	* June 2016	0.2	0.2	1.5	-5.3	-7.3	-2.2	-6.5	-3.0	0.5
Housing Starts (000) (2)	July 2016	32.5	38.2	38.6	36.4	36.6	38.5	42.0	36.5	33.7
Number of existing homes sold (MLS)	* July 2016	1.1	0.0	0.1	6.7	5.3	5.4	6.6	6.2	5.6
Wages and Salaries	March 2016	1.3	0.6	0.8	7.8	2.4	2.3	4.0	3.2	2.3
Value of merchandise exports (1)	June 2016						1.4	-8.6	-2.3	10.7
CFIB Business Barometer ®	July 2016	4.1	1.9	-2.9	-14.7	16.8	4.2	9.5	8.9	-3.2
PRICES										
Consumer Price Index (1)	* July 2016	-0.3	-0.2	0.2	1.2	1.4	0.9	0.2	0.8	1.1
Average Hourly Earnings (1)	July 2016						3.0	2.3	3.0	1.5
Price of New Housing inc. Land (1)	June 2016	0.0	0.0	0.0	0.4	0.8	0.5	0.8	0.7	0.0
Avg. Price of Existing Homes Sold (MLS)	* July 2016	-0.8	0.5	1.1	4.7	1.6	2.2	2.4	2.5	1.2
LABOR MARKET										
Job creation (000)	July 2016	-4.0	-11.2	21.6	2.1	0.1	0.8	10.0	-2.8	35.8
Unemployment rate	July 2016	7.0	7.0	7.1	7.0	7.3	7.5	7.7	7.3	7.6
Participation rate	July 2016	64.1	64.2	64.5	64.2	64.4	64.6	64.8	64.4	64.8
ONTARIO										
DOMESTIC DEMAND AND REVENUE										
Retail Sales	* June 2016	0.0	-0.1	0.3	-0.6	3.8	5.3	3.3	6.0	3.9
Manufacturing Shipments	* June 2016	1.4	-1.6	0.1	-12.3	1.7	4.8	4.0	6.5	0.5
Housing Starts (000) (2)	July 2016	75.4	87.9	69.8	77.7	78.1	78.0	51.3	76.0	60.3
Number of existing homes sold (MLS)	* July 2016	-0.5	0.2	-0.1	9.9	11.6	8.0	7.4	8.3	11.0
Wages and Salaries	March 2016	0.3	0.4	0.0	3.0	4.1	3.8	3.4	3.7	4.0
Value of merchandise exports (1)	June 2016						11.2	-2.1	10.0	9.7
CFIB Business Barometer ®	July 2016	-0.5	-6.6	5.2	19.3	2.2	-5.2	0.8	-3.6	-0.8
PRICES										
Consumer Price Index (1)	* July 2016	-0.1	0.2	0.4	4.2	2.8	1.5	1.5	1.8	1.3
Average Hourly Earnings (1)	July 2016						3.2	1.4	3.0	2.8
Price of New Housing inc. Land (1)	June 2016	0.4	1.4	0.5	7.7	4.0	3.5	4.9	4.0	2.0
Avg. Price of Existing Homes Sold (MLS)	* July 2016	0.7	1.4	1.4	14.7	17.4	10.5	13.6	12.4	7.4
LABOR MARKET										
Job creation (000)	July 2016	-36.1	-4.2	21.6	-6.2	-3.2	2.0	23.9	0.5	61.1
Unemployment rate	July 2016	6.4	6.4	6.6	6.5	6.7	6.7	6.5	6.7	6.7
Participation rate	July 2016	64.6	65.0	65.2	64.9	65.1	65.2	65.2	65.2	65.2
NEWFOUNDLAND & LABRADOR										
DOMESTIC DEMAND AND REVENUE										
Retail Sales	* June 2016	0.6	1.0	0.9	5.5	2.4	1.5	1.6	2.9	0.2
Manufacturing Shipments	* June 2016	-0.1	-7.6	1.3	8.9	-35.7	-11.9	-32.7	-22.2	-9.6
Housing Starts (000) (2)	July 2016	1.4	1.4	1.6	1.5	1.4	1.6	1.8	1.7	1.9
Number of existing homes sold (MLS)	* July 2016	-11.1	7.8	-8.2	-1.8	7.2	2.7	-10.2	1.7	3.6
Wages and Salaries	March 2016	0.8	-0.3	-1.1	-3.7	-1.3	2.1	0.1	-0.2	3.5
Value of merchandise exports (1)	June 2016						-25.2	-18.9	-21.9	-32.1
CFIB Business Barometer ®	July 2016	9.3	2.5	-3.8	-16.8	-40.1	-13.1	-20.8	-15.1	-13.6
PRICES										
Consumer Price Index (1)	* July 2016	0.9	1.1	0.5	8.3	3.4	1.5	3.4	2.1	0.2
Average Hourly Earnings (1)	July 2016						-1.4	-1.6	-1.1	-1.1
Price of New Housing inc. Land (1)	June 2016	0.0	0.1	0.0	-0.1	0.2	0.4	0.5	0.4	0.1
Avg. Price of Existing Homes Sold (MLS)	* July 2016	-5.9	6.3	-2.2	-7.0	-9.4	-4.3	-7.3	-7.1	-4.5
LABOR MARKET										
Job creation (000)	July 2016	-5.0	-1.8	1.6	-1.7	0.3	-0.4	-4.3	-0.8	-1.3
Unemployment	July 2016	12.8	12.0	11.7	12.2	12.7	13.1	11.9	12.9	12.6
Participation rate	July 2016	59.8	60.6	60.9	60.4	60.5	60.9	60.6	60.6	61.0
PRINCE EDWARD ISLAND										
DOMESTIC DEMAND AND REVENUE										
Retail Sales	* June 2016	0.2	0.6	0.9	8.5	6.8	4.6	4.5	6.6	2.1
Manufacturing Shipments	* June 2016	-12.9	1.2	1.4	-22.8	-12.8	-1.5	-16.0	-2.1	3.9
Housing Starts (000) (2)	July 2016	0.4	0.3	1.0	0.6	0.5	0.6	0.5	0.5	0.4
Number of existing homes sold (MLS)	* July 2016	-6.8	-5.9	7.5	29.5	34.6	27.8	13.9	25.7	13.5
Wages and Salaries	March 2016	0.4	0.3	-1.5	-2.1	4.0	4.5	5.7	4.8	1.3
Value of merchandise exports (1)	June 2016						10.1	-18.6	0.7	14.1
CFIB Business Barometer ®	July 2016	1.1	-9.3	5.9	37.8	20.3	-0.7	-0.3	-3.8	19.6
PRICES										
Consumer Price Index (1)	* July 2016	-0.5	0.3	0.2	3.5	2.2	0.6	0.6	1.1	-0.9
Average Hourly Earnings (1)	July 2016						1.2	2.8	0.7	2.6
Price of New Housing inc. Land (1)	June 2016	0.0	-0.4	0.1	0.9	1.3	0.2	-0.1	0.2	0.0
Avg. Price of Existing Homes Sold (MLS)	* July 2016	-6.1	11.3	-2.4	13.7	21.4	2.6	5.4	6.6	1.2
LABOR MARKET										
Job creation (000)	July 2016	0.0	-0.4	0.7	0.1	-0.2	-0.1	-1.0	-1.4	-0.9
Unemployment	July 2016	9.6	11.0	10.4	10.3	10.8	10.3	11.3	10.6	10.8
Participation rate	July 2016	64.7	65.8	65.8	65.4	65.8	66.4	67.4	65.8	67.9
Sources: Datastream and Canadian Real estate Association										
* Update (1) Not Seasonally Adjusted (2) Annual Rate (3) Compared to same period of the preceeding year, unless otherwise stated										

Sources: Datastream and Canadian Real estate Association

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

Annex - Economic tables

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

August 19, 2016											
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.				
NOVA SCOTIA											
<u>DOMESTIC DEMAND AND REVENUE</u>											
Retail Sales	* June 2016	-0.8	0.1	0.4	0.4	1.5	3.1	0.5	5.2	-2.3	
Manufacturing Shipments	* June 2016	-2.3	5.4	-2.1	3.6	-7.6	7.1	0.7	4.5	3.8	
Housing Starts (000) (2)	July 2016	4.3	5.0	4.7	4.6	3.8	3.3	6.0	3.5	4.4	
Number of existing homes sold (MLS)	* July 2016	-3.2	-2.6	-1.0	-13.9	9.6	2.3	1.2	3.8	4.7	
Wages and Salaries	March 2016	0.4	0.3	-0.3	1.8	2.6	2.4	2.8	2.4	1.6	
Value of merchandise exports (1)	June 2016						8.5	-6.5	1.4	-10.0	
CFIB Business Barometer ®	July 2016	-4.9	-3.8	-1.2	-24.7	-11.5	3.7	-8.2	-0.8	11.1	
<u>PRICES</u>											
Consumer Price Index (1)	* July 2016	-0.5	0.2	0.5	4.1	2.2	0.9	0.8	1.1	0.3	
Average Hourly Earnings (1)	July 2016						0.5	3.3	1.7	1.9	
Price of New Housing inc. Land (1)	June 2016	0.0	0.1	0.0	0.2	-0.1	0.4	-0.2	0.1	0.8	
<u>LABOR MARKET</u>											
Job creation (000)	July 2016	-1.4	0.6	-3.6	-1.5	0.3	-0.3	-3.9	-0.6	-1.9	
Unemployment	July 2016	8.4	8.2	8.3	8.3	8.6	8.5	8.2	8.6	8.7	
Participation rate	July 2016	61.6	61.7	61.7	61.7	62.0	62.1	62.2	61.9	62.4	
NEW BRUNSWICK											
<u>DOMESTIC DEMAND AND REVENUE</u>											
Retail Sales	* June 2016	1.8	-1.3	3.3	5.0	2.4	5.2	3.8	6.7	1.0	
Manufacturing Shipments	* June 2016	-4.1	-6.3	7.6	4.7	0.9	-12.9	-16.7	-11.3	-5.0	
Housing Starts (000) (2)	July 2016	1.5	1.6	2.9	2.0	1.6	1.9	2.4	1.6	1.7	
Number of existing homes sold (MLS)	* July 2016	1.2	2.4	4.3	61.5	-10.3	5.4	5.8	5.1	7.1	
Wages and Salaries	March 2016	0.5	0.3	-0.8	-0.3	4.8	3.1	4.0	3.2	2.6	
Value of merchandise exports (1)	June 2016						-17.6	-26.1	-20.4	1.3	
CFIB Business Barometer ®	July 2016	-2.5	13.8	-0.7	35.8	-5.2	-2.9	1.7	-3.1	5.2	
<u>PRICES</u>											
Consumer Price Index (1)	* July 2016	0.7	0.3	0.3	5.4	3.2	1.4	2.5	1.9	0.4	
Average Hourly Earnings (1)	July 2016						0.3	1.1	0.2	4.8	
Price of New Housing inc. Land (1)	June 2016	0.0	0.0	0.0	0.0	-0.1	0.3	0.1	0.4	-0.5	
Avg. Price of Existing Homes Sold (MLS)	* July 2016	0.3	-0.9	2.1	16.9	1.2	0.2	-2.4	0.5	-1.5	
<u>LABOR MARKET</u>											
Job creation (000)	July 2016	5.0	1.2	-0.9	1.8	0.5	0.6	6.7	1.8	-3.5	
Unemployment	July 2016	9.7	10.3	9.9	10.0	9.9	9.5	11.0	9.8	10.3	
Participation rate	July 2016	63.0	62.5	62.0	62.5	62.2	62.2	62.9	62.2	63.0	
MANITOBA											
<u>DOMESTIC DEMAND AND REVENUE</u>											
Retail Sales	* June 2016	-0.2	0.8	-1.0	-3.8	5.7	4.6	4.7	6.7	0.3	
Manufacturing Shipments	* June 2016	-0.2	-4.4	2.0	-12.3	-1.2	-0.3	-2.0	0.9	-1.6	
Housing Starts (000) (2)	July 2016	8.0	5.2	5.7	6.3	5.3	5.4	8.7	5.3	5.6	
Number of existing homes sold (MLS)	* July 2016	1.8	-0.4	-5.1	-9.5	9.2	5.2	4.7	6.4	0.5	
Wages and Salaries	March 2016	0.3	-0.1	-0.6	0.6	3.4	3.2	3.3	2.9	3.5	
Value of merchandise exports (1)	June 2016						1.6	-7.8	0.0	1.2	
CFIB Business Barometer ®	July 2016	-2.4	0.1	6.9	3.9	-11.7	-2.7	-3.1	-1.8	-6.7	
<u>PRICES</u>											
Consumer Price Index (1)	* July 2016	-0.8	0.9	0.6	5.8	1.6	1.6	1.5	1.5	0.9	
Average Hourly Earnings (1)	July 2016						3.7	2.2	3.1	2.7	
Price of New Housing inc. Land (1)	June 2016	0.2	0.2	0.1	2.2	1.5	1.6	1.5	1.7	0.8	
Avg. Price of Existing Homes Sold (MLS)	* July 2016	-0.1	1.6	0.2	0.4	3.7	1.8	0.6	2.3	1.5	
<u>LABOR MARKET</u>											
Job creation (000)	July 2016	0.2	0.0	2.9	1.0	1.3	0.3	4.2	2.3	-2.7	
Unemployment	July 2016	6.2	6.1	5.9	6.1	6.1	5.9	5.6	6.1	5.6	
Participation rate	July 2016	67.8	67.9	67.7	67.8	67.8	67.9	67.8	67.7	68.4	
SASKATCHEWAN											
<u>DOMESTIC DEMAND AND REVENUE</u>											
Retail Sales	* June 2016	2.1	-0.5	1.0	4.8	3.4	-1.1	2.7	1.1	-3.7	
Manufacturing Shipments	* June 2016	4.3	3.1	0.9	11.0	1.7	-7.1	2.9	-2.0	-11.5	
Housing Starts (000) (2)	July 2016	6.0	4.7	3.6	4.8	4.7	4.8	5.4	4.7	5.3	
Number of existing homes sold (MLS)	* July 2016	2.8	-3.0	-2.8	-11.1	-12.7	-7.9	-6.6	-5.9	-11.1	
Wages and Salaries	March 2016	-0.1	-0.5	-0.4	-2.1	0.6	1.1	-0.1	0.1	3.6	
Value of merchandise exports (1)	June 2016						-17.3	-29.2	-25.4	-5.3	
CFIB Business Barometer ®	July 2016	-6.6	6.5	5.5	27.4	-22.8	-5.2	-6.1	-1.6	-20.2	
<u>PRICES</u>											
Consumer Price Index (1)	* July 2016	-0.4	0.5	0.3	3.3	1.7	1.5	1.1	1.4	1.5	
Average Hourly Earnings (1)	July 2016						2.8	2.8	3.1	2.6	
Price of New Housing inc. Land (1)	June 2016	-0.1	-0.1	-0.2	-2.3	-2.0	-1.3	-1.7	-1.6	-0.5	
Avg. Price of Existing Homes Sold (MLS)	* July 2016	1.4	0.9	-0.1	4.8	-1.0	-1.5	-0.8	-1.5	0.1	
<u>LABOR MARKET</u>											
Job creation (000)	July 2016	-0.5	1.0	2.2	0.9	-0.6	0.0	0.1	-5.7	-5.4	
Unemployment	July 2016	6.3	6.1	6.0	6.1	6.1	5.8	5.2	6.1	4.8	
Participation rate	July 2016	69.9	69.9	69.7	69.8	69.8	70.1	69.7	69.8	69.9	
Sources: Datastream and Canadian Real estate Association											
* Update (1) Not Seasonally Adjusted (2) Annual Rate (3) Compared to same period of the preceeding year, unless otherwise stated											

Annex - Economic tables

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

August 19, 2016											
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.				
ALBERTA											
<u>DOMESTIC DEMAND AND REVENUE</u>											
Retail Sales	* June 2016	-0.4	-1.0	1.9	3.2	-3.3	-3.5	-2.5	-1.5	-3.8	
Manufacturing Shipments	* June 2016	1.8	-1.0	3.7	19.7	-15.6	-14.8	-12.1	-13.2	-11.3	
Housing Starts (000) (2)	July 2016	25.8	24.1	22.0	24.0	24.2	28.4	34.7	24.1	39.7	
Number of existing homes sold (MLS)	* July 2016	0.8	3.3	-1.9	29.9	-9.5	-16.5	-11.3	-11.1	-20.4	
Wages and Salaries	March 2016	-0.6	0.2	-1.7	-6.7	-3.9	-2.7	-4.9	-5.0	3.6	
Value of merchandise exports (1)	June 2016						-24.4	-15.4	-23.1	-22.4	
CFIB Business Barometer ®	July 2016	9.9	22.8	20.9	426.8	-3.9	-39.9	6.5	-29.4	-33.3	
<u>PRICES</u>											
Consumer Price Index (1)	* July 2016	-0.5	0.5	0.4	3.6	1.2	1.5	0.7	1.4	0.8	
Average Hourly Earnings (1)	July 2016						3.3	1.7	2.8	3.0	
Price of New Housing Inc. Land (1)	June 2016	-0.4	0.1	0.0	-0.7	-0.4	-0.3	-0.5	-0.4	1.6	
Avg. Price of Existing Homes Sold (MLS)	* July 2016	3.5	-0.7	0.5	8.4	1.1	-1.8	1.9	-0.8	-1.2	
<u>LABOR MARKET</u>											
Job creation (000)	July 2016	-1.4	-1.9	-24.1	-9.1	-4.7	-4.1	-49.1	-37.9	-8.4	
Unemployment	July 2016	8.6	7.9	7.8	8.1	7.8	7.3	6.2	7.7	5.6	
Participation rate	July 2016	72.3	71.8	71.9	72.0	72.4	72.7	72.9	72.4	73.1	
BRITISH COLUMBIA											
<u>DOMESTIC DEMAND AND REVENUE</u>											
Retail Sales	* June 2016	0.2	-0.1	2.1	6.8	6.9	6.2	5.2	6.7	6.4	
Manufacturing Shipments	* June 2016	-0.4	1.1	-2.0	-0.1	3.1	0.3	1.5	1.2	4.4	
Housing Starts (000) (2)	* July 2016	39.6	49.9	36.5	42.0	45.1	38.4	37.7	43.6	31.7	
Number of existing homes sold (MLS)	* July 2016	-5.6	-5.8	-5.4	-33.0	26.8	25.4	8.6	27.6	21.9	
Wages and Salaries	March 2016	-0.1	1.0	-0.2	3.0	3.7	3.6	3.2	3.1	2.8	
Value of merchandise exports	June 2016	-1.5	0.7	-1.9	-14.4	-0.1	-0.1	-5.1	-0.7	0.6	
CFIB Business Barometer ®	July 2016	-4.1	3.1	2.7	32.5	2.0	-8.8	-1.6	-8.3	-1.9	
<u>PRICES</u>											
Consumer Price Index (1)	* July 2016	0.2	0.3	0.7	5.3	2.5	1.7	2.1	1.9	0.8	
Average Hourly Earnings (1)	July 2016						1.9	2.7	1.1	2.8	
Price of New Housing Inc. Land (1)	June 2016	0.4	1.0	0.3	6.6	5.3	2.8	5.0	4.0	0.0	
Avg. Price of Existing Homes Sold (MLS)	* July 2016	-0.9	-1.8	-1.8	-16.4	13.1	15.8	10.2	17.3	10.4	
<u>LABOR MARKET</u>											
Job creation (000)	July 2016	12.1	16.0	-8.4	6.6	9.3	7.1	84.7	57.0	23.8	
Unemployment	July 2016	5.6	5.9	6.1	5.9	6.1	6.3	6.0	6.2	6.0	
Participation rate	July 2016	64.4	64.4	64.2	64.3	64.4	64.2	63.3	64.3	63.0	
Sources: Datastream, Canadian Real estate Association and BCStats											
* Update (1) Not Seasonally Adjusted (2) Annual Rate (3) Compared to same period of the preceeding year, unless otherwise stated											

WEEKLY ECONOMIC WATCH

Annex - Economic tables

A division of National Bank of Canada

TABLE 5 - INTERNATIONAL ECONOMIC INDICATORS										
August 19, 2016										
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	3 Mos.	6 Mos.	12 Mos.	ref.	prec.
OECD leading index	April 2016	0.0	0.0	0.0	-0.4	-0.7	-0.5	-0.7	-0.7	-0.1
JAPAN										
Consumer confidence - percentage (1)	July 2016	41.6	42.5	41.5	41.9	41.3	41.5	41.0	41.4	41.2
Retail Sales (1)	* June 2016	2.3	-2.6	0.5	0.8	-1.8	-1.6	-1.3	-0.9	-1.1
Industrial Production, Volume Index	* June 2016	2.3	-2.6	0.5	0.8	-1.8	-1.6	-1.4	-2.5	-1.7
Exports	* July 2016	-1.8	1.6	-1.5	-7.5	-13.6	-6.6	-11.6	-9.6	8.0
Imports	* July 2016	-1.6	0.5	1.0	-9.7	-23.9	-15.2	-20.5	-18.0	-6.5
Merchandise trade bal. (Billions of ¥)	June 2016	4,658	3,286	4,089	4,011	3,498	1,732	-517	20,988	-5,829
Current account (Billions of ¥)	June 2016	165	141	163	156	161	154	133	966	754
Inflation (CPI)	June 2016	0.1	-0.1	-0.1	-0.5	-0.4	0.0	-0.3	-0.2	1.5
Job offers to applicants ratio	June 2016	1.37	1.36	1.34	1.36	1.32	1.28	1.19	1.32	1.17
Unemployment Rate	June 2016	3.1	3.2	3.2	3.2	3.2	3.3	3.4	3.2	3.4
		Q2 2016	Q1 2016	Q4 2015	Q3 2015	Q2 2015	Q1 2015	2015	2014	2013
Gross Domestic Product (Constant Yen)	*	0.2	2.0	-1.7	2.0	-1.7	4.9	0.6	-0.1	1.4
Euro-zone										
Volume Retail Sales	June 2016	0.0	0.4	0.2	0.5	1.6	2.4	1.6	1.8	2.7
Industrial Production exc. Construction	June 2016	0.6	-1.1	1.3	-1.6	1.3	1.7	0.4	1.1	1.9
Exports	* June 2016	0.5	-1.7	0.4	-0.9	-1.6	0.9	-2.3	-1.5	6.5
Imports	* June 2016	1.5	-1.5	0.0	-8.3	-5.0	-1.6	-5.1	-4.1	2.8
Merch. Trade Bal. (Millions of euros)	* June 2016	23,415	24,598	25,293	24,435	24,855	23,316	21,692	138,382	117,168
Inflation (CPI)	* July 2016	-0.6	0.2	0.4	2.9	0.3	0.0	0.2	0.0	0.0
Unemployment Rate	June 2016	10.1	10.1	10.2	10.1	10.2	10.4	11.0	10.2	11.1
		Q2 2016	Q1 2016	Q4 2015	Q3 2015	Q2 2015	Q1 2015	2015	2012	2011
Gross Domestic Product (Constant Euro)		1.1	2.2	1.7	1.3	1.5	2.2	-0.4	-0.7	0.0
UNITED KINGDOM										
Consumer Confidence (Diffusion index)	July 2016	-9	-1	-2	-4	-2	0	3	-1	4
Retail Sales	* July 2016	1.4	-0.9	1.0	7.5	4.9	4.4	5.9	4.7	4.5
Manufacturing, energy and mining output	June 2016	0.0	-0.6	2.2	8.7	1.5	1.1	1.6	1.0	1.4
Exports (1)	June 2016	4.0	-8.2	8.1	25.3	7.0	-3.1	-1.7	-1.2	-0.6
Imports (1)	June 2016	5.2	-2.9	3.0	16.8	7.2	0.4	8.2	3.3	0.4
Merchandise Trade Bal. (Millions of £)	June 2016	-12,409	-11,526	-10,447	-11,461	-11,099	-11,132	-11,435	-68,687	-60,082
Inflation (CPI harmonized) (1)	* July 2016	-0.1	0.2	0.2	1.7	1.0	1.2	1.3	1.3	1.1
Producer price index, manufacturing (1)	* July 2016	0.3	0.3	0.1	3.2	1.0	-1.0	0.3	-0.5	-1.7
House prices	July 2016	-0.9	1.2	0.9	6.5	6.9	9.2	7.8	9.0	8.4
Unemployment Rate (3-month mov. av.)	* June 2016	4.9	4.9	5.0	4.9	5.0	5.1	5.6	5.0	5.6
		Q2 2016	Q1 2016	Q4 2015	Q3 2015	Q2 2015	Q1 2015	2015	2014	2013
Gross Domestic Product (Constant £)		2.4	1.8	2.8	1.8	1.7	1.8	2.2	3.1	1.9
INTEREST AND EXCHANGE RATES										
	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.			
JAPAN										
Prime Rate	* 18 Aug 16	0.30	0.30	0.30	0.30	0.30	0.30	0.30	0.30	0.30
3-month Financing Bill Rate	* 18 Aug 16	-0.24	-0.23	-0.23	-0.27	-0.26	-0.15	-0.26	-0.11	-0.02
- Spread with U.S.	* 18 Aug 16	-0.53	-0.51	-0.49	-0.55	-0.53	-0.35	-0.56	-0.41	-0.04
Yield on 10-year Gov't Bonds	* 18 Aug 16	-0.08	-0.10	-0.07	-0.17	-0.12	0.07	-0.07	0.03	0.36
- Spread with U.S.	* 18 Aug 16	-1.61	-1.68	-1.58	-1.76	-1.83	-1.84	-1.92	-1.74	-1.71
Exchange Rate (¥/U.S.\$)	* 18 Aug 16	99.9	102.0	101.2	104.5	107.5	113.3	110.0	113.2	123.4
Euro Zone										
3-month Treasury Bills	* 18 Aug 16	-0.25	-0.25	-0.25	-0.25	-0.24	-0.17	-0.25	-0.21	-0.03
- Spread with U.S.	* 18 Aug 16	-0.54	-0.53	-0.51	-0.53	-0.51	-0.38	-0.55	-0.51	-0.05
Exchange Rate (U.S.\$ / Euro)	* 18 Aug 16	1.14	1.11	1.11	1.12	1.12	1.11	1.12	1.11	1.12
(Yen / Euro)	* 18 Aug 16	113.60	113.05	112.66	116.84	120.56	126.30	123.17	126.17	138.50
(Euro / £)	* 18 Aug 16	1.16	1.16	1.18	1.22	1.25	1.30	1.31	1.30	1.40
UNITED KINGDOM										
3-month Treasury Bills (tender)	* 18 Aug 16	0.23	0.24	0.34	0.37	0.41	0.44	0.44	0.47	0.48
- Spread with U.S.	* 18 Aug 16	-0.06	-0.04	0.08	0.09	0.14	0.24	0.14	0.17	0.46
Yield on 30-year Gov't Bonds	* 18 Aug 16	1.30	1.22	1.49	1.76	2.04	2.29	2.31	2.33	2.47
- Spread with U.S.	* 18 Aug 16	-0.96	-1.06	-0.77	-0.59	-0.46	-0.41	-0.33	-0.30	-0.27
Exchange Rate (U.S.\$ / £)	* 18 Aug 16	1.32	1.30	1.31	1.36	1.40	1.45	1.46	1.43	1.57
STOCK INDICES										
	Reference	Level	Monthly Growth (%)			Growth Over (%)			Since beginning of year	
			Past Month	Prev. Month	Month Before	3 Months	6 Months	1 Year	ref.	prec.
MSCI Eafe	* Aug 2016	223	3.5	3.8	-4.7	2.4	10.1	-9.1	1.2	6.4
* 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

August 19, 2016

	Spot Price		Weekly Growth (%)			Annualized Growth (%)			Last Year
	Aug 18	Aug 11	Last	Prev.	Week	For the Last			
			Week	Week	Before	13 W.	26 W.	52 W.	
INDICES THOMSON-REUTERS									
Total	425.4	420.3	1.2	-0.1	0.7	20.4	32.7	6.8	398.5
Energy	406.5	378.0	7.5	-0.2	1.5	52.2	106.4	6.4	382.2
Grain	285.0	277.1	2.8	1.8	-2.5	-31.5	-1.9	-5.1	300.3
Industrials	354.7	363.7	-2.5	-2.2	1.1	43.3	21.3	-1.3	359.1
Livestock & Meat	306.0	311.1	-1.6	-0.4	0.2	-48.9	-32.1	-16.3	365.6
Precious Metals	901.2	910.0	-1.0	-1.3	2.0	64.3	42.5	18.1	763.4
PRECIOUS METALS									
Gold (\$/ounce) (AM fixing London)	1347.10	1344.55	0.2	-0.5	0.7	33.3	25.1	18.4	1137.95
Platinum (\$/ounce) (AM fixing London)	1124.0	1175.0	-4.3	1.7	0.5	48.0	42.4	10.6	1016.0
Silver (\$/ounce) (Handy & Harman)	0.2	0.2	-1.8	-1.7	1.1	103.7	64.0	27.3	0.2
Palladium (\$/ounce troy)	701.0	709.0	-1.1	-0.3	1.3	137.0	91.2	13.6	617.0
OTHER METALS (LME)									
Aluminum (\$/tonne)	1,670	1,643	1.7	1.9	0.8	40.8	19.4	7.7	1,550
Copper (\$/tonne)	4,793	4,840	-1.0	0.5	-1.4	18.5	9.7	-6.5	5,125
Zinc (\$/tonne)	2,294	2,271	1.0	0.8	2.3	135.8	82.2	26.7	1,811
Nickel (\$/tonne)	10,301	10,691	-3.6	1.2	-0.8	114.6	53.0	-0.7	10,370
Lead (\$/tonne)	1,884	1,824	3.3	2.3	-0.5	58.0	20.8	10.4	1,707
Uranium (UxC-Ux U308 Spot \$/pound)	26.00	26.00	0.0	-1.0	5.0	-30.7	-41.5	-28.3	36.25
OTHER COMMODITIES									
Oil WTI (\$/barrel) future (NYMEX)	48.22	43.49	10.9	3.7	1.9	0.5	145.6	17.2	41.14
Oil (Spend with WTI \$/barrel) 1st future (West Canadian select - CME)	-14.55	-14.35	1.4	-3.7	1.7	112.6	32.3	-2.3	-14.90
Corn (¢/bushel) (Illinois #2)	3.2	3.1	2.3	0.0	-3.7	-48.5	-22.1	-10.7	3.5
Soy beans (¢/bushel) (Illinois #1)	10.3	10.0	2.9	3.3	-2.0	-3.0	39.2	9.7	9.4
Pork (¢/lb)	130.3	101.5	28.4	-28.3	3.2	118.8	-16.8	-28.5	182.2
Beef (Cattle feeder index) (CME)	148.3	147.8	0.3	1.5	3.3	0.1	-11.6	-31.3	216.0
Soft Wood Pulp (HWWI) Index 2010 = 100	98	98	0.0	0.1	0.1	3.3	2.7	-0.5	99
Natural Gas (mmbtu) Henry Hub future NYMEX	2.71	2.67	1.5	-7.6	4.7	380.9	110.0	0.0	2.71
Lumber 2X4	320	323	-0.7	1.7	-2.6	14.9	48.2	25.4	255
Iron ore (\$/metric ton)	61	60	1.7	-0.8	2.5	35.9	69.9	6.1	58
All prices are in US dollars					Source: Datastream				

WEEKLY ECONOMIC WATCH

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