

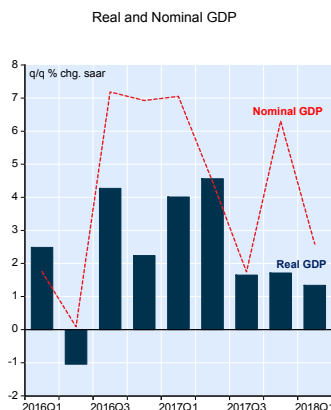
Table of Contents

- What we'll be watchingp. 5
- Calendar of upcoming releasesp. 6
- Annex - Economic tables.....A1

Week in review

CANADA: Real **GDP** expanded at an annualized pace of just 1.3% in the first quarter of 2018, well below the 1.8% expected by consensus. Trade was a drag on the economy as imports grew faster than exports. Inventories, for their part, shaved one-tenth of a percentage point from growth. These negative contributions were more than offset by a decent contribution from domestic demand, where increases in government spending, business investment and consumption far outweighed a decline in residential investment. While consumption spending did add to real GDP, its growth was the weakest in three years. This was likely due to moderation in employment creation, which hammered real disposable income in Q1. Fading housing wealth effects amid softening home prices might have borne down on consumer outlays as well. In nominal terms, GDP grew 2.6% for a ninth consecutive quarterly increase. Looking ahead to Q2 we take solace in the good handoff from March, where real GDP grew 0.3% m/m. For 2018 as a whole, we still anticipate real GDP to grow about 2.2%, assuming employment and consumption spending growth bounce back.

Canada: Growth slackens further in Q1



NBF Economics and Strategy (data via Statistics Canada)

Contributions to real GDP

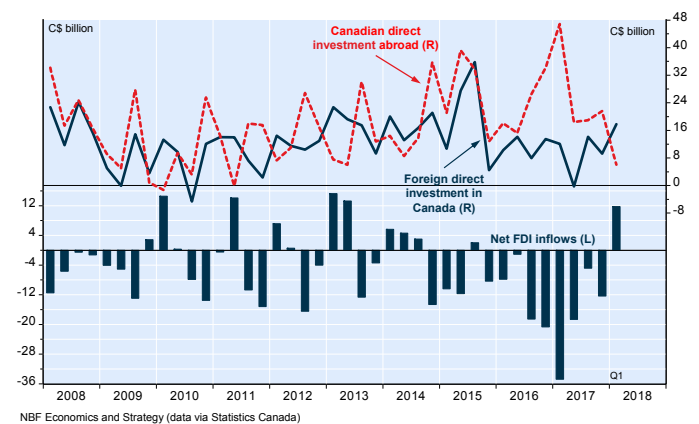
	Q1 2018	Q4 2017
GDP	1.3	1.7
Consumption	0.6	1.2
Business Investment	1.2	0.8
Nonprofit Sector	0.1	0.0
Residential Investment	-0.6	1.0
Government	0.8	1.1
Final Domestic Demand	2.2	4.1
Exports	0.5	1.2
Imports	-1.6	-2.5
Trade	-1.1	-1.3
Inventories	-0.1	-0.6
Statistical discrepancy	0.4	-0.5

Also in Q1, the **current account** deficit increased by C\$3.0 billion to C\$19.5 billion, or roughly 3.5% of GDP. This was due

largely to wider deficits on the goods trade and investment income accounts, which dwarfed an improvement in services trade. For the first time in years, the deficit was financed not by short-term portfolio flows, which turned negative as foreigners ditched Canadian securities, particularly federal government bonds, but by foreign direct investments (FDI), which are more stable and hence more desirable. Net FDI inflows turned positive in the quarter for the first time since 2015 thanks to a combination of lower Canadian investment abroad (dragged down by slower M&A activity) and stronger FDI into Canada.

Canada: FDI net inflows turned positive for first time since 2015

Foreign direct investment



NBF Economics and Strategy (data via Statistics Canada)

In May, **Markit's manufacturing PMI** rose 0.7 point to 56.2, indicating the steepest rate of expansion for Canadian factories since April 2011. New orders, which piled up at the fastest pace in more than a year supported by strong international demand, were a key driver explaining the upswing of the overall index. Factory output also improved, but failed to keep up with new orders. As a result, order books lengthened significantly. The report also evidenced growing capacity constraints as delivery times increased and input prices surged the most since early 2014. May marked the 27th consecutive month of expansion for the Canadian manufacturing sector.

According to the **Survey of Employment, Payrolls and Hours (SEPH)**, average weekly hours worked were up 0.3% m/m and 0.9% y/y in March. Average weekly earnings, for their part, were flat on a monthly basis but up 3.1% y/y.

As widely expected, the **Bank of Canada** left the overnight rate unchanged at 1.25%. The central bank stated that, because of rising gasoline prices, it now anticipated slightly higher inflation in the near term than it had forecast back in April. While acknowledging the uncertainties surrounding

trade policy and housing (amid the ongoing adjustment to new mortgage guidelines), the BoC nonetheless affirmed that “developments since April further reinforce the Governing Council’s view that higher interest rates will be warranted to keep inflation near target.”

The central bank’s statement was conspicuously more upbeat about the economy than prior communications. Among other things, the central bank emphasized expectations that solid labour income growth would support housing activity and consumption going forward. Also noticeable in the statement was the change from a “cautious” to a “gradual” approach to policy adjustments. Moreover, the reminder that “some monetary policy accommodation will still be needed” was removed. In getting rid of several dovish passages in its statement, the Bank of Canada clearly opened the door to a July hike.

UNITED STATES: The establishment survey showed **non-farm payrolls** rising a consensus-topping 223K in May. Adding to the good news were upward revisions to prior months which added a net 15K to payrolls. The private sector added 218K jobs in the month, buoyed by cyclical sectors like construction and manufacturing. Government, meanwhile, added 4K jobs as gains at the state/local levels more than made up for cuts at the federal level. Average hourly earnings rose 0.3% in the month, pushing the year-on-year print to 2.7%.

Released at the same time, the **household survey** suggested 293K new jobs were created in May as solid gains for full time employment (which reached an all-time high in the month and a decade high as a proportion of total employment) dwarfed losses for part-timers. The massive gains in full-time employment more than made up for a one-tick decline in the participation rate (to 62.7%), allowing the jobless rate to fall to just 3.8%, the lowest since April 2000. The two employment reports continued to defy expectations of a moderation in employment creation amidst a reported skills shortage and should give the FOMC the green light to raise interest rates in June.

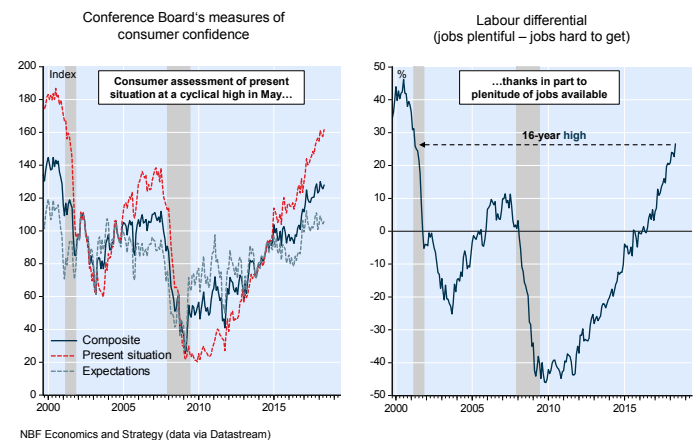
The **ISM Manufacturing Index** rose 1.4 points in May to an elevated 58.7. This was above consensus expectations, which had anticipated a 58.2 print. Several key indicators were up in the month, including production (61.5 from 57.2 the prior month), new orders (63.7 from 61.2), and employment (56.3 from 54.2). Moreover, the price tracker (79.5 vs. 79.3) rose for a sixth consecutive month and reached a level not seen since 2011, a sign of growing price pressure in the manufacturing sector. Capacity pressures also appeared to be building, as suppliers delivery time (62.0 vs. 61.1) expanded considerably in the month. Looking ahead, these capacity constraints may limit growth in factory activity barring more business investment. In the meantime, the uptick in employment should help alleviate some pressure.

Nominal **personal income** increased 0.3% in April. The wage/salary component of income sprang 0.4%, as did disposable income. Nominal **personal spending**, for its part, advanced 0.6% after progressing 0.5% in March. Adjusted for inflation, disposable income grew 0.2% in April while spending rose 0.4%. As a result, the **saving rate** slipped two ticks to 2.8%.

Still in April, the headline **PCE deflator** rose 0.2% m/m and 2.0% y/y (same y/y rate as in March). Concurrently, the core PCE measure advanced 0.2% m/m and 1.8% y/y, which was still slightly below the Fed’s 2.0% target.

In May, the **Conference Board Consumer Confidence Index** climbed 2.4 points to 128.0, just 2.0 points shy of its cyclical high reached in February. The rise was due in large part to the present situation sub-index, which jumped 4.2 points to 161.7, its highest level in more than 17 years. The expectations gauge, which tracks consumer expectations for the next six months, rose as well albeit to a lesser degree, gaining 1.3 points to 105.6. The report also showed households remained upbeat about employment as evidenced by the fact that respondents that deemed jobs plentiful exceeded by 26.6 percentage points those that found jobs hard to come by. This was the widest differential since March 2001. Overall, the report showed consumer confidence remained robust in early Q2, a fact that should underpin consumption in the quarter.

United States: Consumer confidence boosted by tight labour market

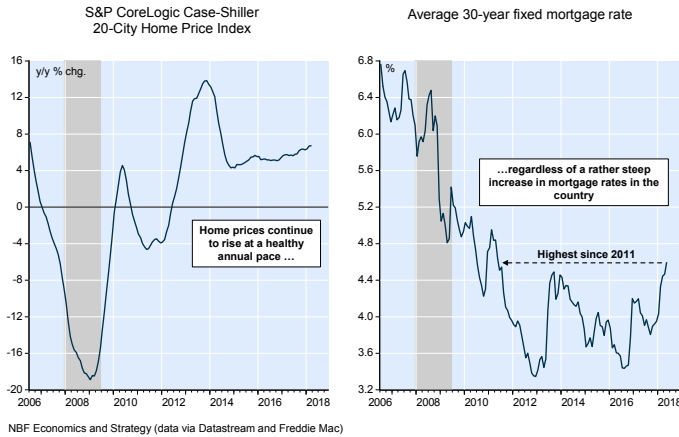


In April, **pending sales of previously owned homes** fell 1.3% m/m in seasonally adjusted terms after increasing 0.6% in March. Year on year, contract signings were up 0.4% on an unadjusted basis.

According to the **S&P CoreLogic Case-Shiller 20-City Index**, home prices rose 0.53% in March in seasonally adjusted terms after climbing 0.84% the previous month. Nineteen of the 20 cities covered by the index recorded higher prices, Cleveland (-0.20%) being the sole exception. The monthly price hike was particularly strong in Minneapolis (+1.35%), Seattle (+1.27%) and Las Vegas (+1.27%). On a 12-month unadjusted basis, the 20-city index was up a healthy 6.8% thanks to strong gains in Seattle (+13.0%), Las Vegas (+12.4%), and San Francisco (+11.3%). House price growth in the United States continues

to outstrip wage growth, supported by the tightness of the resale market. But there is a limit to how high prices can go, especially in an environment of rising interest rates. According to Freddie Mac, the average rate for a 30-year mortgage is now at its highest level since 2011.

United States: Home prices forge ahead despite rising mortgage rates



The second estimate of **Q1 GDP growth** came in at 2.2% in annualized terms, one tick below the advance estimate. There were upgrades to business investment but these were offset by a weaker contribution from inventories. Trade's contribution was also a touch smaller than what had initially been reported. Overall, the quarterly revision does not change our outlook for 2018. We still see GDP accelerating strongly in Q2 to about 3.2% and clocking in at 2.8% for the year as a whole.

Contributions to Q1 real GDP growth		
	2nd est.	Advance est.
GDP	2.2	2.3
Consumption	0.7	0.7
Business Investm. Equip. /Intell.	0.7	0.4
Business Investm. Struct.	0.4	0.3
Residential Investm.	-0.1	0.0
Government	0.2	0.2
Domestic Demand	1.9	1.7
Exports	0.5	0.6
Imports	-0.4	-0.4
Trade	0.1	0.2
Final Sales	2.0	1.9
Inventories	0.1	0.4

NBF Economics and Strategy (data via Datastream)

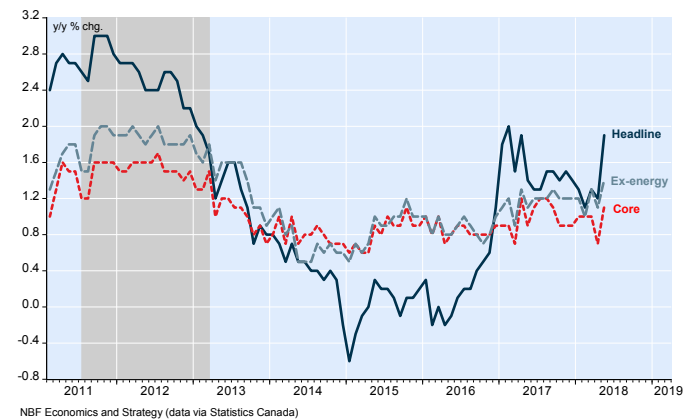
According to the latest edition of the **Fed's Beige Book**, economic activity increased at a "moderate" pace in most of the 12 Federal districts in late April and early May, an upgrade from the "modest to moderate" qualification used in the prior report. In the Dallas district, the pace of activity was even

described as "solid", probably owing to the rebound in energy prices. Manufacturing appeared in particularly good shape with one-third of the districts reporting "strong" activity in the sector. Consumer spending, however, slackened as auto sales stagnated and ex-auto retail sales progressed at a slower pace than in the Beige Book's previous edition. The general outlook of Fed contacts remained favourable, though international trade policy remained a concern for businesses in several sectors. Employment kept growing despite mounting difficulty finding qualified candidates across a broad array of industries and skill levels. To deal with the labour shortage, U.S. businesses said they were enhancing compensation packages. Still, wage increases were characterized as modest in most Districts. As for price inflation, it was deemed moderate in most regions, although there were reports of sharper price hikes for steel, aluminum, and lumber, all of which were hit by tariffs in the past few months. The rapid rise in the price of oil products was noted as well.

WORLD: In the **Eurozone**, the flash estimate of the **consumer price index** showed prices rose 1.9% y/y in May, seven ticks higher than in April and the most in over a year. While a good chunk of the increase was due to a 6.1% spike in energy prices, there were hints that underlying prices were also moving up. The CPI excluding energy, for instance, rose the most since September 2013, climbing 1.4% on an annual basis, up from 1.1% the prior month. Meanwhile, core inflation, which excludes energy, food, alcohol and tobacco, picked up four ticks to 1.1%.

Eurozone: Ex-energy CPI at 56-month high

Consumer Price Index

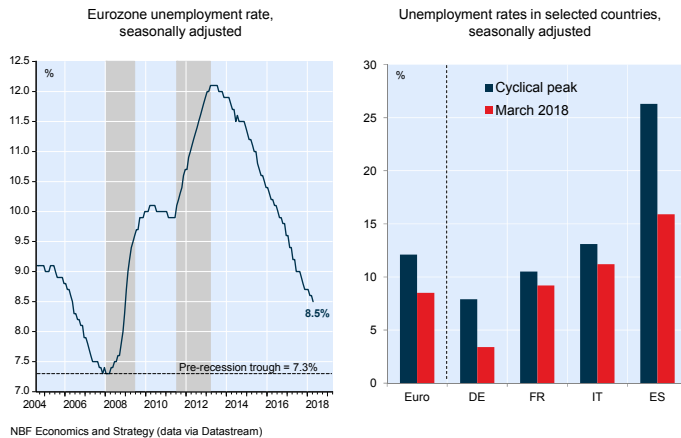


In May, the European Commission's **Index of Economic Confidence** retreated for a fifth straight month since hitting a 17-year high in December. The index slid 0.2 point to a nine-month low of 112.5 but remained high by historical standards (the long-term average of this indicator stands just above 100). Sinking the index was lower confidence in three sectors: manufacturing (6.8 vs. 7.3 the prior month), services (14.3 vs. 14.7) and consumers (0.2 vs. 0.3). Alternatively, confidence improved in two sectors: retail (0.7 vs. -0.7) and construction

(7.0 vs. 4.6). At the national level, economic confidence sagged in France (108.4 vs. 110.2), Italy (108.4 vs. 109.4), and Spain (109.4 vs. 110.6) but stayed roughly even in Germany (112.7 vs. 112.6).

Again in the Eurozone, the seasonally adjusted **unemployment rate** dipped a tick in April to 8.5%, its lowest mark since December 2008. At the national level the jobless rate fell to multi-year lows in Germany (3.4% vs. 3.5% the prior month) and Spain (15.9% vs. 16.1%) but held steady in France (9.2%). In Italy, the rate inched up a tick to 11.2%.

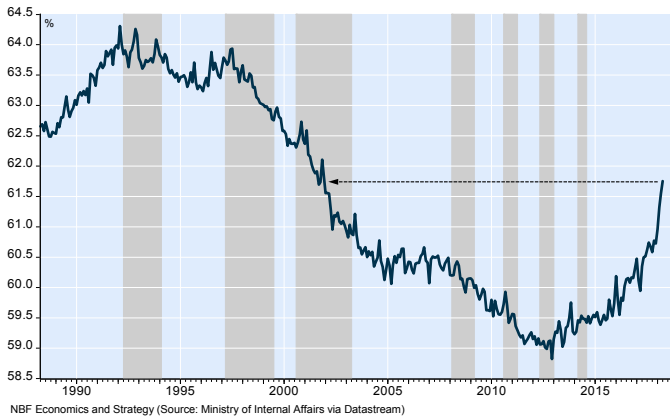
Eurozone: Unemployment rate at its lowest since late 2008



In **Japan**, the **unemployment rate** stayed put at 2.5% in April, a mere tick above the 25-year low struck in January (2.4%). The number of employed persons in the country slid 10K, but this was offset by a 50K contraction in the size of the labour force. The participation rate rose to 61.7% (not seasonally adjusted), its highest mark since 2003. The job-to-applicant ratio was unchanged at a 40-year low of 1.59 as the number of applicants (+0.6%) rose apace of job offers (+0.7%).

Japan: Participation rate surged to multi-year high

Participation rate, seasonally adjusted



Jocelyn Paquet et al.

Weekly Economic Watch

What We'll Be Watching



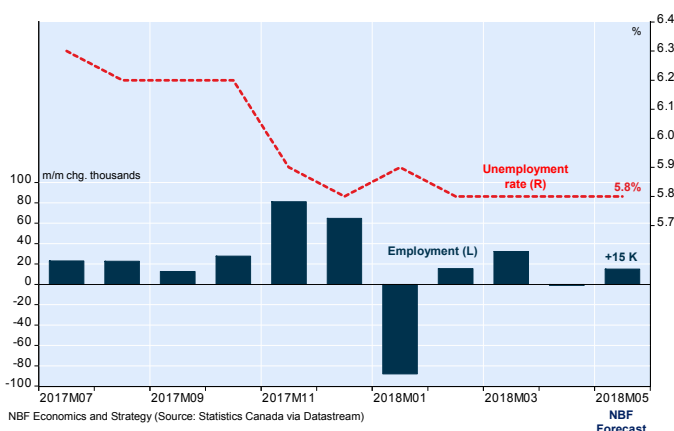
In Canada, May's **labour force survey** will attract the most attention. Hiring intentions remained high among Canadian businesses according to the CFIB, hinting at a rebound in job creation after a weak showing in April. However, the lack of qualified candidates - the unemployment rate stands at a cyclical low of 5.9% - should put a lid on hiring. All in all, we expect a +15K print, in line with the long term average for this indicator. That result should allow the **unemployment rate** to remain unchanged at 5.8%, assuming no major changes to the participation rate. In other news, **housing starts** may have totaled 225K in annualized terms in May, in line with the rise observed in building permit issuance. We'll also get data on April's **merchandise trade balance**. Both energy and non-energy exports may have expanded in the month, boosted by higher prices. The resulting positive impact on the overall trade balance may have been compounded by a slowdown in the growth rate of imports following a rather large increase in March (+6.0% m/m in nominal terms). All told, the trade deficit may have shrunk to -C\$3.3 billion. Finally, both **labour productivity** and **capacity utilization** rate will be available for Q1.



In the U.S., we'll get a better grasp of Q2 economic activity with the release of April data for **factory orders, trade balance, consumer credit** and the **Job Openings and Labor Turnover Survey (JOLTS)**.

	Previous	NBF forecasts
LFS employment (May m/m chg.)	-1.1K	15.0K
Unemployment rate (May)	5.8%	5.8%
Housing starts (May, saar)	214.4K	225.0K
Merchandise trade balance (April)	-C\$4.14B	-C\$3.3B

Canada: Job creation may have resumed its upward trend in May
Employment and jobless rate



Elsewhere in the world, we'll get the final estimates of **Q1 GDP** for both the Eurozone and Japan. Also in the Eurozone, April's **retail sales** numbers will be published. In China, May's **foreign reserves, CPI, and trade balance** will be available.

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 Jun 4	10:00	US	Factory Orders	Apr	1.60%	-0.50%	-0.70%				
	10:00	US	Durable Goods Orders	Apr F	-1.70%	--					
	10:00	US	Durables Ex Transportation	Apr F	0.90%	--					
Tuesday Jun 5	8:30	CA	Labor Productivity QoQ	1Q	0.20%	--		Hudson's Bay Co	Bef-mkt	Q1 19	-0.86
	9:45	US	Markit US Services PMI	May F	55.7	55.7					
	10:00	US	ISM Non-Manf. Composite	May	56.8	57.8					
Wednesday Jun 6	7:00	US	MBA Mortgage Applications	Jun-01	-2.90%	--	-3.30b	Brown-Forman Corp	08:00	Q4 18	0.24
	8:30	CA	Int'l Merchandise Trade	Apr	-4.14b	--					
	8:30	US	Nonfarm Productivity	1Q F	0.70%	0.70%					
	8:30	CA	Building Permits MoM	Apr	3.10%	--					
	8:30	US	Trade Balance	Apr	-\$49.0b	-\$50.0b					
	10:00	CA	Ivey Purchasing Managers Index SA	May	71.5	--					
Thursday Jun 7	8:30	US	Initial Jobless Claims	Jun-02	221k	225k		Saputo Inc	0:00	Q4 18	0.42
	15:00	US	Consumer Credit	Apr	\$11.622b	\$14.000b		Canadian Western Bank	07:00	Q2 18	0.71
							Dollarama Inc	07:00	Q1 19	0.93	
							Transcontinental Inc	Aft-mkt	Q2 18	0.57	
							Enghouse Systems Ltd	Aft-mkt	Q2 18	0.48	
							JM Smucker Co/The	Bef-mkt	Q4 18	2.19	
							Broadcom Inc	Aft-mkt	Q2 18	4.68	
							Cooper Cos Inc/The	16:15	Q2 18	2.84	
Friday Jun 8	8:15	CA	Housing Starts	May	214.4k	--	225.0k				
	8:30	CA	Capacity Utilization Rate	1Q	86.00%	--					
	8:30	CA	Net Change in Employment	May	-1.1k	--	15.0k				
	8:30	CA	Unemployment Rate	May	5.80%	--	5.80%				
	10:00	US	Wholesale Trade Sales MoM	Apr	0.30%	--					

Source: Bloomberg

Weekly Economic Watch

Annex - Economic Tables

TABLE 1 - NORTH AMERICAN FINANCIAL INDICATORS

June 1, 2018										
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										
<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
CANADA										
<u>MONETARY AGGREGATES</u>										
M2+ gross	* April 2018	2006	0.1	0.5	0.0	2.4	4.1	4.1	4.5	7.5
Personal Deposits (Banks) (2)	* April 2018	961						3.1	3.5	6.5
<u>CREDIT MEASURES</u>										
Consumer	* April 2018	607	0.0	0.2	0.4	3.1	4.6	4.7	5.2	4.4
Residential Mortgages	* April 2018	1535	0.3	0.3	0.3	3.8	5.0	4.9	5.3	6.2
Business	* April 2018	2080	0.6	0.8	0.6	6.9	6.9	7.5	8.3	7.1
Private (Consumer+Business)	* April 2018	4222	0.4	0.6	0.4	5.2	5.9	6.2	6.7	6.4
Gov. of Canada securities outstanding	April 2018	705	1.3	-1.6	0.4	-1.0	-0.6	1.0	1.8	3.4
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										
<u>INTEREST RATES</u>										
Federal Funds Target Rate	* 31 May 18	1.75	1.75	1.75	1.71	1.60	1.42	1.50	1.25	1.00
Prime Rate	* 31 May 18	4.75	4.75	4.75	4.71	4.60	4.42	4.50	4.25	4.00
3-month Treasury Bills	* 31 May 18	1.89	1.87	1.88	1.77	1.60	1.34	1.60	1.25	0.96
2-year Bonds	* 31 May 18	2.43	2.49	2.57	2.40	2.21	1.83	2.20	1.79	1.30
5-year Bonds	* 31 May 18	2.70	2.81	2.93	2.72	2.56	2.22	2.57	2.14	1.77
10-year Bonds	* 31 May 18	2.86	2.98	3.12	2.90	2.76	2.52	2.80	2.42	2.22
30-year Bonds	* 31 May 18	3.02	3.13	3.25	3.10	3.01	2.92	3.09	2.83	2.87
Corp. High-yield (BofA ML Master II)	* 31 May 18	6.57	6.54	6.52	6.51	6.37	6.22	6.47	6.17	5.98
Corp. Invest. Grade (BofA ML Corp. BBB)	* 31 May 18	4.29	4.35	4.44	4.24	4.01	3.78	4.03	3.65	3.58
<u>Spread</u>										
Corp. High-yield - Treas. 10y.	* 31 May 18	3.71	3.56	3.39	3.61	3.61	3.70	3.67	3.76	3.76
Corp. Invest. grade - Treas. 10y.	* 31 May 18	1.43	1.37	1.32	1.34	1.24	1.26	1.22	1.24	1.37
Treasuries 30y. - 3-m. T.B.	* 31 May 18	1.13	1.26	1.37	1.32	1.41	1.58	1.49	1.58	1.91
<u>EXCHANGE RATE</u>										
FED Broad (Jan 97 = 100)	* 25 May 18	122.02	121.91	122.13	118.87	118.62	119.47	117.10	120.38	123.91
CANADA										
<u>INTEREST RATES</u>										
Prime Rate	* 31 May 18	3.45	3.45	3.45	3.45	3.39	3.21	3.45	3.20	2.70
Target overnight rate	* 31 May 18	1.25	1.25	1.25	1.25	1.19	1.01	1.25	1.00	0.50
30-day commercial paper	* 31 May 18	1.64	1.65	1.64	1.63	1.56	1.38	1.57	1.31	0.80
3-month Treasury Bills	* 31 May 18	1.28	1.26	1.26	1.18	1.14	0.98	1.15	0.88	0.53
1-year Treasury Bills	* 31 May 18	1.68	1.68	1.68	1.66	1.60	1.40	1.60	1.31	0.65
5-year Bonds	* 31 May 18	2.12	2.24	2.34	2.12	2.03	1.79	2.04	1.62	0.94
10-year Bonds	* 31 May 18	2.25	2.41	2.52	2.29	2.22	2.05	2.23	1.88	1.41
30-year Bonds	* 31 May 18	2.26	2.42	2.53	2.38	2.36	2.32	2.37	2.23	2.05
<u>SPREADS</u>										
Prime - 30d. Commercial paper	* 31 May 18	1.81	1.80	1.81	1.82	1.84	1.83	1.88	1.89	1.90
Long Term - Short Term	* 31 May 18	0.98	1.16	1.27	1.20	1.22	1.34	1.22	1.35	1.52
<u>CANADA UNITED STATES SPREADS</u>										
3-month T-Bills	* 31 May 18	-0.61	-0.61	-0.62	-0.60	-0.47	-0.36	-0.45	-0.37	-0.43
Long Term Bonds	* 31 May 18	-0.76	-0.71	-0.72	-0.72	-0.66	-0.60	-0.72	-0.60	-0.82
<u>EXCHANGE RATE</u>										
US\$/CDN\$ (GTIS)	* 31 May 18	0.7717	0.7763	0.7808	0.7789	0.7867	0.7874	0.7789	0.7754	0.7399
Trade-weighted (1990=100) G-10	* 31 May 18	89.9	90.4	91.2	90.3	91.3	91.7	90.3	90.5	86.9
STOCK INDICES										
	Reference Thursday	Level	Past Month	Prev. Month	Month Before	Growth Over (%)			Year-to-date	
						3 Months	6 Months	1 Year	ref.	prec.
Dow Jones (U.S.)	* 31 May 18	24415.8	1.0	0.2	-3.7	-2.5	0.6	16.2	-1.2	6.3
S&P 500 (U.S.)	* 31 May 18	2705.3	2.2	0.3	-2.7	-0.3	2.2	12.2	1.2	7.7
NASDAQ (U.S.)	* 31 May 18	7442.1	5.3	0.0	-2.9	2.3	8.3	20.1	7.8	15.1
S&P/TSX (Can.)	* 31 May 18	16061.5	2.9	1.6	-0.5	4.0	0.0	4.6	-0.9	0.4
* 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

June 1, 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)	* May 2018	128.0	125.6	127.0	126.9	126.3	124.3	117.6	127.0	117.9
I.S.M. Manufacturing Index (level)	* May 2018	58.7	57.3	59.3	58.4	59.1	58.7	55.5	59.0	56.1
- Non-manufacturing (level)	April 2018	59.1	60.6	62.8	60.8	60.2	59.9	61.9	60.6	61.2
DOMESTIC DEMAND										
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	0.2	0.7	0.1	2.3	5.8	4.6	4.6	4.5	4.9
- Motor vehicle	** April 2018	0.0	2.0	-1.1	-1.5	3.2	4.2	4.0	3.3	5.3
- Other	** April 2018	0.3	0.4	0.4	3.3	6.5	4.7	4.8	4.9	4.8
Consumer Spending: Total (\$ current)	** April 2018	0.6	0.5	0.0	-18.6	-0.7	2.8	-13.4	-0.1	4.8
Total (\$ constant)	** April 2018	0.4	0.5	-0.1	1.3	2.8	2.7	2.7	2.6	2.8
Personal Income	** April 2018	0.3	0.2	0.3	3.9	4.4	3.4	3.8	3.7	3.1
Personal Savings Rate (3)	* April 2018	2.8	3.0	3.3	3.0	2.9	3.1	3.7	3.1	3.9
New Orders	March 2018	1.8	2.0	-1.6	8.8	8.7	6.6	9.1	8.0	4.6
- Non-Defence Capital Goods exc. Aircraft	April 2018	1.0	-0.9	1.6	6.3	3.7	7.7	5.9	6.4	3.2
Unfilled Orders	March 2018	0.5	0.8	0.4	4.7	3.1	1.5	3.7	3.0	-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	1267	1336	1290	1304	1293	1241	1165	1312	1215
New Home Sales, single-family	April 2018	-1.5	2.0	4.1	2.4	22.6	7.7	11.6	7.2	14.0
Existing Home Sales, s.f. & condos	April 2018	-2.5	1.1	3.0	-1.4	2.8	0.0	-1.4	-1.6	3.8
PRODUCTION										
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
EXTERNAL AND FISCAL BALANCES										
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
INFLATION AND COSTS										
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	0.2	2.3	1.9	1.5	1.8	1.7	1.7
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)	* May 2018						2.4	2.8	2.6	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)	April 2018	3.3	3.7	0.3	9.0	-5.1	5.6	5.5	5.6	6.7
LABOUR MARKET										
New Jobs (000) (6)	* May 2018	223	159	155	179	202	197	2363	1037	862
- Manufacturing (000)	* May 2018	18	25	21	21	26	22	259	115	63
- Services (000)	* May 2018	176	106	129	137	140	147	1760	749	668
Average weekly hours (6)	* May 2018	0.2	0.4	-0.2	2.3	2.3	2.2	2.4	2.1	1.8
Civilian Unemployment Rate (7)	* May 2018	3.8	3.9	4.1	3.9	4.0	4.1	4.3	4.0	4.5
NATIONAL ACCOUNTS AND OTHER										
QUARTERLY INDICATORS										
		Q1 2018	Q4 2017	Q3 2017	Q2 2017	Q1 2017	Q4 2016	2016	2015	2014
Real GDP Chained 2009 dollars	*	2.2	2.9	3.2	3.1	1.2	1.8	1.5	2.9	2.6
Consumption	**	1.0	4.0	2.2	3.3	1.9	2.9	2.8	2.7	3.6
Residential Construction	**	-2.0	12.8	-4.7	-7.3	11.1	7.1	1.8	5.5	10.2
Business Investment	*	9.2	6.8	4.7	6.7	7.2	0.2	4.7	-0.6	2.3
Government Spending	**	1.1	3.0	0.7	-0.2	-0.6	0.2	0.1	0.8	1.4
Exports	**	4.2	7.0	2.1	3.5	7.3	-3.8	3.4	-0.3	0.4
Imports	**	2.8	14.1	-0.7	1.5	4.3	8.1	4.0	1.3	5.0
Change in Inventories (1) (2)	**	20.2	15.6	38.5	5.5	1.2	63.1	15.2	33.4	100.5
GDP Deflator	**	1.9	2.3	2.1	1.0	2.0	2.0	1.8	1.3	1.1
Personal Disposable Income	*	3.3	1.2	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 \$)		-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
Corporate Profits (8)	*	-2.2	-0.2	18.1	2.8	-8.3	10.7	4.4	-2.1	-1.1
as a % of GDP		11.0	11.2	11.4	11.0	11.1	11.4	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

(2) \$ Billions

(6) Non-Farm Payroll Survey

preceeding year, unless otherwise

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

(7) Household Survey

stated

(4) Nonfarm Business

(8) Current \$ and before taxes

Weekly Economic Watch

Annex - Economic Tables

TABLE 3 - CANADIAN ECONOMIC INDICATORS

June 1, 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	3 Mos.	6 Mos.		12 Mos.	ref.	prec.
CFIB Business Barometer ®	* May 2018	10.5	-6.8	-2.6	-10.2	5.7	-1.5	-5.3	-3.6	13.6	
DOMESTIC DEMAND											
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)	April 2018	-2.9	-0.2	-6.3	-46.9	-5.6	-9.1	-19.7	-15.0	-1.2	
PRODUCTION											
Real Domestic Product	* March 2018	0.3	0.4	-0.2	1.7	2.2	3.4	2.9	2.8	2.3	
- Manufacturing	* March 2018	0.1	0.5	-0.6	1.5	2.1	3.6	2.5	2.8	1.4	
- Construction	* March 2018	-0.1	0.9	0.9	5.6	5.2	5.0	5.1	5.3	1.1	
Services	* March 2018	0.2	0.1	0.1	1.4	2.0	2.8	2.1	2.4	2.2	
EXTERNAL, FISCAL AND EXCHANGE BALANCES											
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)	* March 2018	-16.2	-15.9	-17.5				-22.9	-16.2	-21.8	
INFLATION AND COSTS											
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)	April 2018	0.0	-1.8	-3.1	-23.0	-3.2	-0.3	-11.5	-6.5	5.5	
Industrial Prices (1992=100)	* April 2018	0.5	0.9	0.3	5.7	5.1	2.5	2.4	2.3	4.4	
LABOUR MARKET											
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	
NATIONAL ACCOUNTS AND OTHER											
QUARTERLY INDICATORS											
		Q1 2018	Q4 2017	Q3 2017	Q2 2017	Q1 2017	Q4 2016	2017	2016	2015	
GDP Chained (2007) \$	*	1.3	1.7	1.7	4.6	4.0	2.2	3.0	1.4	1.0	
Household consumption	*	1.1	2.2	3.1	4.3	4.0	3.5	3.5	2.4	2.1	
Business Investments, non-res., mach. & equip.	*	10.9	8.0	5.9	7.5	14.3	-17.6	2.8	-9.4	-11.3	
-Machinery and Equipment	*	18.1	14.5	1.6	8.7	28.5	-1.5	6.0	-6.0	-6.6	
Residential Construction	*	-7.2	13.5	-0.1	-1.3	7.1	4.4	2.9	3.3	3.8	
Government Expenditures	*	2.7	3.8	3.5	0.8	4.8	1.2	2.3	2.2	1.6	
Government Fixed Capital Formation	*	6.4	8.4	11.6	-1.1	-4.2	10.1	4.0	9.1	0.2	
Final Domestic Demand	*	2.1	4.1	3.6	3.2	4.9	0.9	3.0	1.1	0.3	
Exports	*	1.7	3.9	-9.9	6.4	2.6	1.1	1.1	1.0	3.5	
Imports	*	4.9	7.7	1.3	4.1	14.9	-9.0	3.6	-1.0	0.7	
Change in Inventories, chained (2007) \$ (5)	*	15.3	15.8	18.3	12.8	8.9	-2.2	13.9	1.0	4.7	
Real Disposable Income	*	0.8	1.8	6.8	5.9	-1.2	3.2	3.7	1.3	3.5	
Personal savings Rate	*	4.4	4.5	4.3	3.3	3.0	4.2	3.8	3.5	4.8	
GDP Price Deflator	*	1.4	4.2	0.3	0.0	2.8	4.7	2.3	0.6	-0.8	
Corporate Profits (nominal)	*	4.4	9.5	-2.6	-6.6	35.9	38.9	19.9	-1.9	-19.8	
as a % of GDP	*	12.7	12.6	12.5	12.7	13.0	12.3	12.7	11.2	11.6	
Indust. Capacity Utilization Rate	*	n.a.	86.0	85.1	84.4	82.7	81.4	84.6	80.2	80.5	
Labour Productivity, Business Sector	*	n.a.	0.8	-2.1	0.6	6.0	0.7	2.1	0.6	-0.5	
Unit Labour Cost, Business Sector	*	n.a.	6.3	6.1	-2.9	-1.1	1.7	0.3	-0.1	2.3	
		Q1 2018	Q4 2017	Q3 2017	Q2 2017	Q1 2017	Q4 2016	2017	2016	2015	
Current Account (current \$) (5)	*	-78.0	-65.9	-71.7	-59.6	-55.9	-45.1	-63.3	-65.4	-71.5	
as a % of GDP	*	-3.6	-3.0	-3.3	-2.8	-2.6	-2.2	-2.9	-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

June 1, 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.						
QUEBEC										
<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)	April 2018	-0.8	6.5	-2.2	-2.4	3.6	6.0	6.9	5.0	4.0
Wages and Salaries	* March 2018	0.5	0.9	0.4	5.1	6.2	5.2	5.6	5.6	3.6
Value of merchandise exports (1)	March 2018							5.5	2.3	1.5
CFIB Business Barometer ®	* May 2018	-0.8	-5.3	-1.8	-4.0	5.3	6.1	4.9	7.0	5.2
<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
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)	April 2018	-0.2	-0.6	0.6	3.1	4.5	4.5	3.3	4.6	4.4
<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
ONTARIO										
<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)	April 2018	-5.3	1.9	-4.1	-53.5	-5.7	-20.5	-30.5	-27.3	7.1
Wages and Salaries	* March 2018	0.0	0.5	0.3	4.1	5.8	4.2	4.4	4.5	3.7
Value of merchandise exports (1)	March 2018							-2.5	-4.8	-3.7
CFIB Business Barometer ®	* May 2018	13.8	-0.3	-3.2	8.4	6.3	-8.6	-5.1	-10.3	8.5
<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
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)	April 2018	-0.6	-0.5	-0.9	-8.9	4.2	-3.1	-13.4	-10.9	24.3
<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
NEWFOUNDLAND & LABRADOR										
<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)	April 2018	-21.2	-12.5	-10.4	-50.5	-5.3	0.5	-26.1	1.3	-11.6
Wages and Salaries	* March 2018	0.5	-0.5	-0.4	-3.9	-0.4	0.4	-1.2	-1.0	2.5
Value of merchandise exports (1)	March 2018							15.0	11.9	18.4
CFIB Business Barometer ®	* May 2018	-3.2	-3.6	-6.8	-13.5	4.7	16.0	8.5	18.1	-13.3
<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
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)	April 2018	-0.9	1.0	-0.8	-5.8	-4.4	-1.6	-3.8	-1.6	-3.8
<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
PRINCE EDWARD ISLAND										
<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)	April 2018	14.7	-5.8	3.0	6.4	-11.1	2.2	10.7	-1.4	4.6
Wages and Salaries	* March 2018	0.0	0.6	-0.9	4.2	4.3	4.7	4.3	4.7	4.2
Value of merchandise exports (1)	March 2018							3.0	-7.4	-1.7
CFIB Business Barometer ®	* May 2018	7.9	-1.1	1.5	81.2	-5.5	-3.4	3.8	0.5	-4.0
<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
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)	April 2018	14.3	-1.4	-8.4	2.7	5.7	9.5	18.2	5.5	19.1
<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	66.8	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 preceeding year, unless otherwise stated

Weekly Economic Watch

Annex - Economic Tables

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

June 1, 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.						
NOVA SCOTIA										
<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)	April 2018	-7.1	10.4	-1.9	4.7	7.3	8.2	3.3	9.4	-0.9
Wages and Salaries	* March 2018	-0.1	0.5	-0.4	0.6	1.8	3.5	2.8	3.3	1.0
Value of merchandise exports (1)	March 2018						7.0	11.5	9.9	-8.5
CFIB Business Barometer ®	* May 2018	-6.6	-9.5	4.2	20.9	10.7	2.6	-1.5	4.7	-1.0
<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
NEW BRUNSWICK										
<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)	April 2018	4.9	-11.8	2.1	-30.5	-12.2	5.0	-6.1	-3.2	2.2
Wages and Salaries	* March 2018	0.1	0.3	0.2	1.6	4.7	3.4	4.0	4.0	3.3
Value of merchandise exports (1)	March 2018						19.3	11.6	11.1	16.9
CFIB Business Barometer ®	* May 2018	-0.5	-2.6	5.8	48.0	-6.8	-3.7	0.7	-5.0	8.3
<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)	April 2018	9.3	-2.6	-0.7	20.0	5.4	2.5	9.6	4.8	6.4
<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
MANITOBA										
<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)	April 2018	-1.8	2.7	-0.5	-14.9	-3.5	-2.8	-7.6	-6.9	-1.0
Wages and Salaries	* March 2018	0.4	0.4	0.1	4.4	3.5	3.9	3.2	3.3	3.4
Value of merchandise exports (1)	March 2018						6.2	14.9	8.6	-5.0
CFIB Business Barometer ®	* May 2018	-1.0	-2.1	-3.3	-4.2	-3.6	-1.0	-10.7	-7.1	12.7
<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)	April 2018	-0.3	0.4	0.3	1.3	0.9	2.2	0.7	0.6	4.2
<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
SASKATCHEWAN										
<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)	April 2018	8.7	-11.8	-7.3	-42.4	5.2	-3.7	-2.7	-5.0	-1.4
Wages and Salaries	* March 2018	0.1	-0.1	-0.5	1.0	1.5	1.9	1.3	1.6	0.8
Value of merchandise exports (1)	March 2018						4.5	3.7	-1.0	14.2
CFIB Business Barometer ®	* May 2018	-10.3	-12.0	9.2	10.9	10.8	-1.7	-0.2	1.1	5.8
<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)	April 2018	0.8	-6.2	2.1	-6.3	-1.4	-2.8	-6.0	-2.7	-0.7
<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)

		June 1, 2018								
		Monthly Growth (%)			Annualized Growth (%)			Since 12 Mos.	Year-to-date (3)	
Growth Rates Unless Otherwise Indicated	Reference Period	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	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)	April 2018	-1.7	-5.5	-9.8	-50.2	8.5	-2.0	-12.3	-7.7	11.4
Wages and Salaries	* March 2018	-0.1	0.3	0.1	2.6	3.6	3.9	4.1	4.3	-0.2
Value of merchandise exports (1)	March 2018						17.2	-1.4	4.2	38.3
CFIB Business Barometer ®	* May 2018	-2.7	-2.8	0.0	-23.9	-3.4	19.0	-14.0	2.7	87.5
<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)	April 2018	-0.9	-2.2	0.4	0.0	-4.1	-1.3	-4.0	-2.1	2.6
<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
BRITISH COLUMBIA										
<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)	April 2018	-1.8	-6.0	-13.4	-65.6	-20.7	-1.6	-25.9	-11.4	-24.4
Wages and Salaries	* March 2018	1.0	0.6	-0.1	5.4	6.2	5.9	6.2	5.9	5.6
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 ®	* May 2018	-4.3	-6.9	-5.2	-25.7	2.7	-3.9	-15.3	-2.5	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)	April 2018	0.2	-1.4	-2.2	-16.9	-1.8	10.1	0.1	7.3	-10.8
<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

June 1, 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	
JAPAN											
Consumer confidence - percentage (1)	* May 2018	44.1	43.4	44.4	44.0	44.2	44.1	43.9	44.1	43.4	
Retail Sales (1)	** April 2018						1.8	1.6	1.5	1.7	
Industrial Production, Volume Index	** April 2018	0.3	1.4	2.0	2.1	2.8	3.7	1.5	2.2	4.5	
Exports	April 2018	4.6	-2.9	-0.6	-6.4	8.7	10.9	9.1	5.9	9.7	
Imports	April 2018	-1.2	-6.1	6.9	-1.3	6.7	12.8	1.2	6.3	10.3	
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	* April 2018	1.59	1.59	1.58	1.59	1.58	1.55	1.47	1.59	1.45	
Unemployment Rate	* April 2018	2.5	2.5	2.5	2.5	2.6	2.7	2.8	2.5	2.9	
		Q1 2018	Q4 2017	Q3 2017	Q2 2017	Q1 2017	Q4 2016	2017	2016	2015	
Gross Domestic Product (Constant Yen)		-0.6	0.6	2.0	2.0	2.6	0.9	1.7	1.0	1.4	
Euro-zone											
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)	* May 2018	0.5	0.3	1.0	4.9	1.6	1.4	1.9	1.4	1.7	
Unemployment Rate	* April 2018	8.5	8.6	8.6	8.6	8.6	8.8	9.2	8.6	9.4	
		Q1 2018	Q4 2017	Q3 2017	Q2 2017	Q1 2017	Q4 2016	2017	2016	2015	
Gross Domestic Product (Constant Euro)		1.6	2.7	2.8	2.9	2.6	2.6	2.4	1.8	2.4	
UNITED KINGDOM											
Consumer Confidence (Diffusion index)	* May 2018	-3	-6	-3	-4	-5	-5	-6	-4	-5	
Retail Sales	April 2018	1.6	-1.1	0.8	0.6	1.2	1.4	1.4	1.5	2.9	
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)	April 2018	0.4	0.2	0.6	1.5	1.7	2.5	2.1	2.4	2.0	
Producer price index, manufacturing (1)	April 2018	0.3	0.3	0.0	2.4	3.3	3.2	2.7	2.9	3.6	
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	
		Q1 2018	Q4 2017	Q3 2017	Q2 2017	Q1 2017	Q4 2016	2017	2016	2015	
Gross Domestic Product (Constant £)		0.4	1.6	1.9	1.0	1.3	1.0	1.8	1.9	2.3	
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	* 31 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	** 31 May 18	-0.16	-0.14	-0.14	-0.15	-0.16	-0.16	-0.20	-0.18	-0.12	
- Spread with U.S.	* 31 May 18	-2.05	-2.01	-2.02	-1.93	-1.76	-1.50	-1.80	-1.43	-1.08	
Yield on 10-year Gov't Bonds	* 31 May 18	0.04	0.05	0.06	0.04	0.05	0.05	0.04	0.04	0.04	
- Spread with U.S.	** 31 May 18	-2.82	-2.93	-3.07	-2.86	-2.71	-2.47	-2.76	-2.38	-2.17	
Exchange Rate (¥/U.S.\$)	* 31 May 18	108.8	109.3	110.8	107.9	109.0	110.3	106.2	112.5	111.4	
Euro Zone											
3-month Treasury Bills	* 31 May 18	-0.25	-0.25	-0.25	-0.25	-0.25	-0.25	-0.25	-0.25	-0.25	
- Spread with U.S.	* 31 May 18	-2.14	-2.12	-2.13	-2.02	-1.85	-1.59	-1.85	-1.50	-1.21	
Exchange Rate (U.S.\$/Euro)	* 31 May 18	1.17	1.17	1.18	1.21	1.21	1.19	1.23	1.19	1.12	
(Yen/Euro)	* 31 May 18	126.76	128.46	130.66	130.75	132.39	131.36	129.98	133.08	124.53	
(Euro / £)	* 31 May 18	1.14	1.14	1.14	1.14	1.14	1.13	1.13	1.14	1.15	
UNITED KINGDOM											
3-month Treasury Bills (tender)	* 31 May 18	0.44	0.43	0.38	0.42	0.35	0.28	0.25	0.35	0.06	
- Spread with U.S.	~ 31 May 18	-1.45	-1.44	-1.50	-1.35	-1.25	-1.06	-1.35	-0.90	-0.90	
Yield on 30-year Gov't Bonds	** 31 May 18	1.69	1.83	1.94	1.82	1.84	1.84	1.87	1.88	1.73	
- Spread with U.S.	** 31 May 18	-1.33	-1.30	-1.31	-1.28	-1.17	-1.08	-1.22	-0.96	-1.14	
Exchange Rate (U.S.\$ / £)	* 31 May 18	1.33	1.34	1.35	1.38	1.38	1.34	1.38	1.35	1.29	
STOCK INDICES											
	Reference	Monthly Growth (%)			Growth Over (%)			Since beginning of year			
		Level	Month	Month Before	3 Months	6 Months	1 Year	ref.	prec.		
MSCI Eafe	* May 2018	270	0.3	1.8	-2.6	-0.6	1.9	8.5	0.9	13.2	

* 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

June 1, 2018

	<u>Spot Price</u>		<u>Weekly Growth (%)</u>			<u>Annualized Growth (%)</u>			<u>Last Year</u>	
	<u>May 31</u>	<u>May 24</u>	<u>Last</u>	<u>Prev.</u>	<u>Week</u>	<u>For the Last</u>				
			<u>Week</u>	<u>Week</u>	<u>Before</u>	<u>13 W.</u>	<u>26 W.</u>	<u>52 W.</u>		
<u>INDICES THOMSON-REUTERS</u>										
Total	438.6	441.0	-0.5	1.8	-1.0	8.5	9.5	8.5	404.2	
Energy	505.7	519.7	-2.7	0.4	1.6	53.7	22.3	24.1	407.3	
Grain	323.8	329.0	-1.6	4.3	-2.0	-2.5	24.4	12.1	288.7	
Industrials	487.1	473.7	2.8	2.1	0.2	21.8	26.5	20.3	405.0	
Livestock & Meat	331.3	325.6	1.7	0.0	-2.5	-26.7	-9.3	-8.7	363.0	
Precious Metals	779.2	782.8	-0.5	1.6	-2.6	-5.6	-0.7	-1.4	790.1	
<u>PRECIOUS METALS</u>										
Gold (\$/ounce) (AM fixing London)	1303.50	1296.35	0.6	0.6	-2.0	-2.3	3.4	2.9	1266.15	
Platinum (\$/ounce) (AM fixing London)	912.0	908.0	0.4	2.3	-3.1	-22.5	-6.1	-3.3	943.0	
Silver (\$/ounce) (Handy & Harman)	0.2	0.2	-0.8	1.0	-1.5	4.7	2.2	-4.0	0.2	
Palladium (\$/ounce troy)	986.0	972.0	1.4	-1.9	0.0	-9.5	-4.7	19.8	823.0	
<u>OTHER METALS (LME)</u>										
Aluminum (\$/tonne)	2,289	2,280	0.4	-1.0	-1.2	28.0	26.7	19.0	1,924	
Copper (\$/tonne)	6,845	6,858	-0.2	0.0	-0.4	-2.4	3.3	20.6	5,675	
Zinc (\$/tonne)	3,098	3,036	2.0	-1.9	0.6	-32.3	-5.0	21.1	2,557	
Nickel (\$/tonne)	15,158	14,843	2.1	2.2	5.1	63.1	88.2	72.4	8,793	
Lead (\$/tonne)	2,446	2,488	-1.7	5.6	2.8	1.3	-2.0	17.1	2,089	
Uranium (UxC-Ux U308 Spot \$/pound)	22.65	22.65	0.0	4.4	-0.2	29.1	6.0	17.7	19.25	
<u>OTHER COMMODITIES</u>										
Oil WTI (\$/barrel) future (NYMEX)	67.04	70.71	-5.2	-1.1	0.2	46.0	36.4	38.6	48.36	
Corn (¢/bushel) (Illinois #2)	3.7	3.7	-1.9	1.9	-1.9	8.0	35.9	5.5	3.5	
Soy beans (¢/bushel) (Illinois #1)	9.8	10.0	-1.8	4.3	-2.6	-15.8	7.5	10.5	8.9	
Beef (Cattle feeder index) (CME)	134.8	136.0	-0.9	1.8	-2.6	-27.3	-26.4	-10.0	149.8	
Soft Wood Pulp (HWWI) Index 2010 = 100	167	167	0.0	2.5	2.3	75.3	62.8	54.5	108	
Natural Gas (mmbtu) Henry Hub future NYMEX									2.93	
Lumber 2X4	597	589	1.3	-7.8	6.7	83.5	94.9	69.1	353	
Iron ore (\$/metric ton)	66	65	0.8	-4.4	1.5	-55.1	-8.6	15.9	57	

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.