



August 10, 2018

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Week in review

CANADA: Employment rose 54K in July according to the Labour Force survey thanks to an 82K surge in part-time jobs that more than made up for a 28K decline in the full-time segment. Jobs in the public sector jumped by no less than 49.6K while gains in private employment were more subdued (+5K). Meanwhile, self-employment edged down 1K. On a regional basis, employment was up in Ontario (+61K) and British Columbia (+11K) while Quebec (-8K) and Alberta (-4K) experienced declines. The participation rate slid one tick countrywide to 65.4%, a development that contributed in a two-tick decrease of the unemployment rate to 5.8%. Though headline job gains were impressive, the details of the report were less encouraging. Even accounting for July's small improvement, private employment remains down 43K in the first seven months of the year, the worst showing for that time period since 2009. Turning to wages, hourly earnings (seasonally adjusted by NBF) declined 0.3% m/m in July, the biggest drop since 2016, and were up a paltry 3.2% y/y, four ticks less than in the prior month.

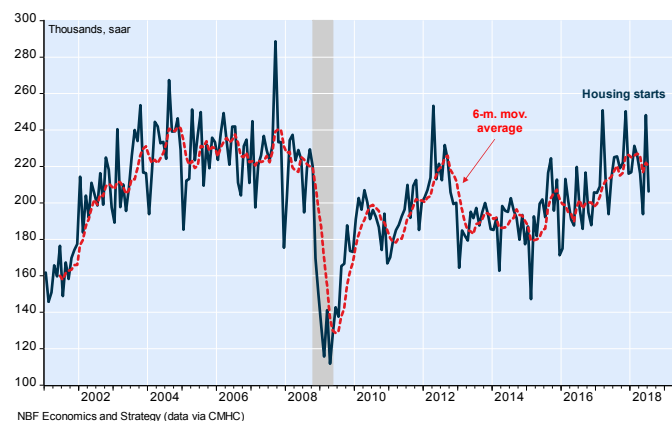
Canada: Employment has stalled in the private sector this year



Housing starts fell to an annualized rate of 206.3K units in July from an unsustainable 246.2K pace in June. Urban starts fell 36.6K to 190.1K, with declines registered in both the singles segment (-2.0K to 53.9K) and the multis category (-34.6K to 136.2K). Rural starts, meanwhile, retreated 3.3K to 16.2K. At the provincial level, urban starts retraced significantly in both Ontario (-35.0K to 65.7K) and Quebec (-15.1K to 33.9K). These drops were only partially compensated for by healthy increases in British Columbia (+8.2K to 42.6K) and the Prairies (+6.3K to 39.4K). Looking at the quarterly picture, starts countrywide are on track to shrink an annualized 21.8% in Q3 after having pulled back already in Q1 and Q2. This performance could translate into a negative contribution to growth from residential construction in the third quarter of 2018.

Canada: 206.3K new dwellings started in July

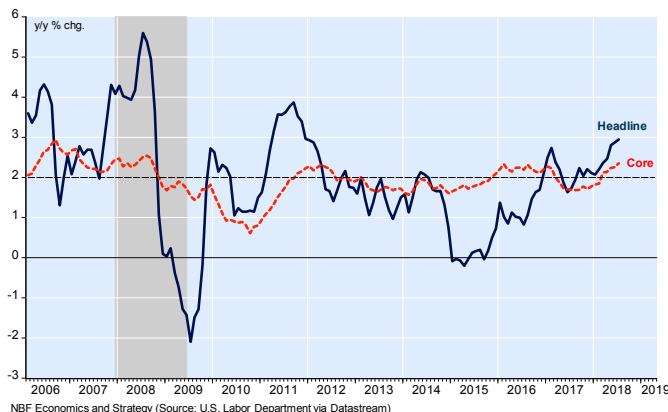
Housing starts



In June, the value of **building permit** applications slid 2.3% m/m to C\$8.1 billion in seasonally adjusted terms. The retreat was caused by a 5.7% drop in construction intentions in the residential segment. Permit applications in the non-residential sector, meanwhile, advanced 4.6%. The value of residential permits receded for both singles (-2.9%) and multis (-8.0%). On a 12-month basis, the value of building permits fell 5.6% in Canada as a whole, its sharpest yearly drop since June 2016.

UNITED STATES: The **consumer price index** rose 0.2% m/m, matching consensus expectations. Energy prices fell 0.5% while food costs edged up 0.1%. Excluding these two categories, core CPI also advanced 0.2% as prices for ex-energy services and ex-energy commodities progressed 0.3% and 0.1% respectively. Within core services, notable increases were registered for shelter (+0.3%), education (+0.4%) and transportation (+0.5%), the latter boosted by a 2.7% spike in the airline fares subsegment. Among core goods, a 1.3% rise in the price of used vehicles was partially offset by a 1.1% drop in the medical care segment. On a year-on-year basis, the headline inflation gauge stayed put at a six-and-a-half-year high of 2.9%, while the core measure increased one tick to 2.4%, the highest print since 2008. Pressure on core prices continues to stem mainly from services; CPI for that category is now up 3.1% y/y, the most since September 2016. Alternatively, prices for core goods are unchanged from a year ago. Considering the recent appreciation of the USD - the latter is up roughly 6% on a trade-weighted basis since mid-April - we don't see goods prices surging anytime soon.

U.S.: Core prices rise at fastest 12-month pace since 2008
Consumer Price Index. Last observation: July 2018



Still in July, the **producer price index (PPI)** for final demand stayed level month on month after rising 0.3% in June. Though a 0.5% drop in energy prices did weigh on the overall figure, prices were still up only 0.1% m/m when this category is excluded, which is less than what had been anticipated by consensus. Prices for goods edged up 0.1% in July and were up 4.5% on an annual basis, their steepest 12-month advance since December 2011. Prices for services, on the other hand, dipped 0.1%, their first monthly drop this year. Year over year, the headline and the core PPI came in at 3.3% and 2.7%, respectively, both down a tick from June.

According to the **Job Openings and Labor Turnover Survey (JOLTS)**, positions waiting to be filled in the United States totaled 6,662K in June, up slightly from 6,659K in May but still short of the all-time high of 6,840K reached in April. Despite the increase, the ratio of job openings to unemployed persons slipped from a record 1.10 to 1.01 (it peaked at only 0.70 before the recession). This was due to a 500K spike in the

number of people looking for a job in the month, a good sign for the labour market as it resulted from a two-tick increase in the participation rate. Also, hiring retreated in the month, from 5,747K to a still-elevated 5,651K. Moreover, the report showed that the quit rate (quits as a percentage of total employment) stayed put at a cyclical high of 2.3%, suggesting that workers were still confident about their job prospects. Given that job switchers tend to see their compensation rise at a faster pace than job stayers do, the trend in quits could translate into faster wage growth.

WORLD: In **Japan**, **real GDP** rose 1.9% in annualized terms in Q2 following a lackluster -0.9% print the previous quarter. The increase was driven primarily by private consumption and business investment, which added 1.5pp and 0.8pp, respectively, to the headline figure. Trade, on the other hand, acted as a drag, chopping 0.5pp from growth as exports advanced at a much slower pace than imports. The second quarter's growth figure came in well above estimates for potential, a fact that should encourage Japan's central bank as it desperately seeks to bring inflation back towards its 2% target.

Contributions to real GDP growth

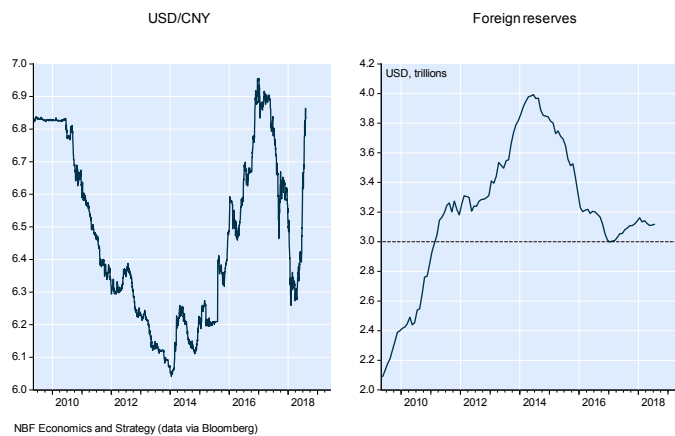
	Q2 2018	Q1 2018
GDP	1.9	-0.9
Consumption	1.5	-0.4
Business Investment	0.8	0.3
Residential Investment	-0.3	-0.3
Government	0.2	-0.1
Final Domestic Demand	2.2	-0.5
Exports	0.2	0.5
Imports	-0.7	-0.1
Trade	-0.5	0.3
Inventories	0.2	-0.8

NBF Economics and Strategy (data via Datastream)

China's **foreign exchange reserves** unexpectedly edged up \$5.82 billion in July to \$3,118 billion. Before the release, there had been speculation that China might have tapped into its reserves in order to support the renminbi, which has lost nearly 8% of its value against the U.S. dollar since early March. Back in 2015-16, China burned through no less than \$1 trillion worth of reserves in order to prop up its currency. This time around, with reserves barely above the psychological mark of \$3 trillion, authorities seem to have opted for alternative measures instead. Last week, China's central bank imposed a 20% reserve requirement on banks that sell U.S. dollars using currency forwards, thereby effectively raising the cost of shorting the Chinese currency. That said, a more direct

intervention on the currency market is always a possibility if the renminbi continues to slide.

China: Authorities opt to shore up currency without tapping reserves



Jocelyn Paquet et al.

Weekly Economic Watch

What We'll Be Watching

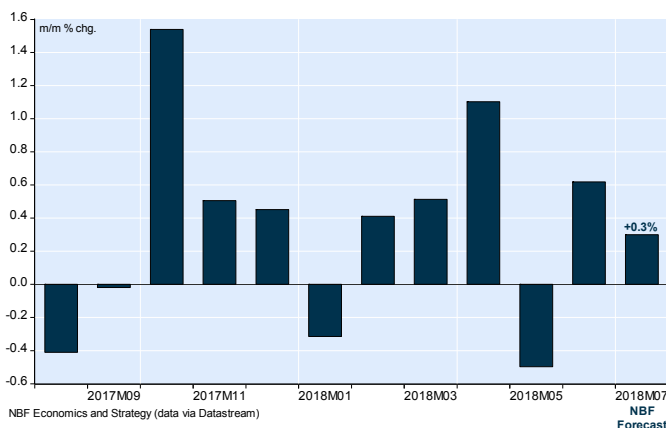


In the U.S., we'll get information about economic activity in Q3 thanks to July data. **Industrial production** may have risen moderately in the month, echoing a slight expansion of output in the manufacturing sector. A positive contribution is also expected from utilities, following two negative prints in a row in May and June. Still in July, **retail sales** likely fell for the first time in sixth months, hampered by weak auto sales during the month. Excluding autos, sales may have fared slightly better, supported by rising gasoline prices which likely boosted gasoline station receipts. The week will also provide important information about the housing market in July. **Housing starts** may have staged a comeback in the month following June's poor result. Building permits may also have followed that trend and post their first increase in four months in July. The first clues on the state of the manufacturing sector in August will be available with the publication of the **Empire State** and **Philly Fed** manufacturing surveys. Finally, Q2's preliminary productivity numbers will be released.

	Previous	NBF forecasts
Industrial production (July, m/m chg.)	0.6%	0.3%
Retail sales (July, m/m chg.)	0.5%	-0.3%
Ex-autos retail sales (July, m/m chg.)	0.4%	-0.1%
Housing starts (July, saar)	1173K	1290K

U.S: Second straight month of expansion for the industrial sector?

Industrial production

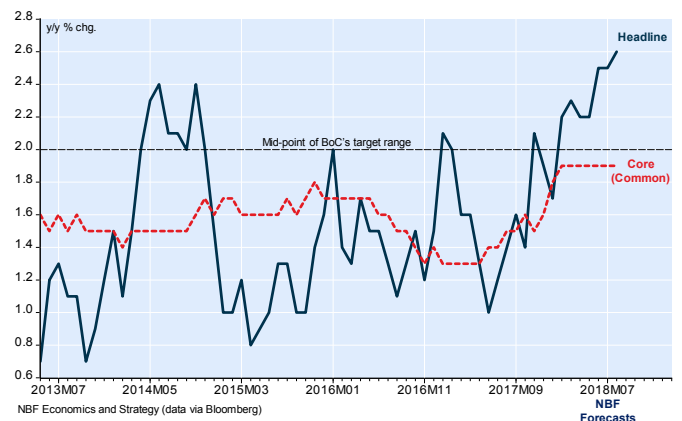


In Canada, a lot of attention will be on July's **consumer price index**. The headline CPI may have increased 0.1% m/m (not seasonally adjusted), supported by an above-average rise in gasoline prices. This would allow the annual inflation rate to increase one tick to 2.6%. The annual rate of CPI-common, for its part, should remain unchanged at 1.9%. In June, **manufacturing shipments** may have posted another decent advance based on a healthy increase in exports of factory goods during the month. Information on the state of the housing market in July will also be available with the release of the the **Teranet-National Bank Composite Home Price Index®** and **existing home sales**.

	Previous	NBF forecasts
CPI (July, y/y chg.)	2.5%	2.6%
Core common CPI (July, y/y chg.)	1.9%	1.9%
Manufacturing sales (June, m/m chg.)	1.4%	0.9%

Canada: Headline inflation may have gained one tick in July

Consumer price index



Elsewhere in the world, the preliminary estimate of **Q2 GDP growth** will be released in the Eurozone. We'll also get July's data on **trade balance** in Japan. Finally July's numbers on **retail sales** and **industrial production** will be available in China.

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 Aug 13								Boardwalk Real Estate Investme	Bef-mkt	Q2 18	0.58
								Badger Daylighting Ltd	Bef-mkt	Q2 18	0.38
								Intertape Polymer Group Inc	Bef-mkt	Q2 18	0.26
								Stars Group Inc/The	Bef-mkt	Q2 18	0.55
								Premium Brands Holdings Corp	Bef-mkt	Q2 18	1.19
								Home Capital Group Inc	Aft-mkt	Q2 18	0.38
								Element Fleet Management Corp	Aft-mkt	Q2 18	0.17
								Innergex Renewable Energy Inc	Aft-mkt	Q2 18	0.12
								First Majestic Silver Corp	Aft-mkt	Q2 18	-0.03
							Sysco Corp	Bef-mkt	Q4 18	0.93	
Tuesday Aug 14	6:00	US	NFIB Small Business Optimism	Jul	107.2	106.8		Birchcliff Energy Ltd	0:00	Q2 18	0.03
	8:30	CA	Teranet/National Bank HPI MoM	Jul	0.90%	--		Hydro One Ltd	Bef-mkt	Q2 18	0.25
	8:30	CA	Teranet/National Bank HPI YoY	Jul	2.90%	--		Enercare Inc	Bef-mkt	Q2 18	0.28
								CAE Inc	Bef-mkt	Q1 19	0.27
								Wheaton Precious Metals Corp	Aft-mkt	Q2 18	0.14
								Canopy Growth Corp	Aft-mkt	Q1 19	-0.16
								Great Canadian Gaming Corp	Aft-mkt	Q2 18	0.67
								Tapestry Inc	Bef-mkt	Q4 18	0.57
								Home Depot Inc/The	Bef-mkt	Q2 19	2.84
							Advance Auto Parts Inc	Bef-mkt	Q2 18	1.85	
							Agilent Technologies Inc	Aft-mkt	Q3 18	0.63	
Wednesday Aug 15	7:00	US	MBA Mortgage Applications	Aug-10	-3.00%	--		ATS Automation Tooling Systems	Bef-mkt	Q1 19	0.21
	8:30	US	Empire Manufacturing	Aug	22.6	20.0		Metro Inc	Bef-mkt	Q3 18	0.79
	8:30	US	Nonfarm Productivity	2Q P	0.40%	2.50%		Macy's Inc	Bef-mkt	Q2 19	0.50
	8:30	US	Retail Sales Advance MoM	Jul	0.50%	0.10%	-0.30%	NetApp Inc	Aft-mkt	Q1 19	0.80
	8:30	US	Retail Sales Ex Auto MoM	Jul	0.40%	0.30%	-0.10%	Cisco Systems Inc	16:05	Q4 18	0.69
	9:00	CA	Existing Home Sales MoM	Jul	4.10%	--					
	9:15	US	Industrial Production MoM	Jul	0.60%	0.30%	0.30%				
	9:15	US	Capacity Utilization	Jul	78.00%	78.20%					
	10:00	US	NAHB Housing Market Index	Aug	68.0	67.0					
16:00	US	Total Net TIC Flows	Jun	\$69.9b	--						
Thursday Aug 16	8:30	CA	Manufacturing Sales MoM	Jun	1.40%	--	0.90%	Gap Inc/The	0:00	Q2 19	0.72
	8:30	US	Initial Jobless Claims	Aug-11	213k	215k		Walmart Inc	06:00	Q2 19	1.22
	8:30	US	Housing Starts	Jul	1173k	1267k	1290k	Applied Materials Inc	Aft-mkt	Q3 18	1.17
	8:30	US	Housing Starts MoM	Jul	-12.30%	7.60%	10.00%	Nordstrom Inc	Aft-mkt	Q2 19	0.85
	8:30	US	Building Permits	Jul	1273k	1310k	1330k	NVIDIA Corp	16:20	Q2 19	1.85
	8:30	US	Building Permits MoM	Jul	-2.20%	1.40%	4.50%				
Friday Aug 17	8:30	CA	Int'l Securities Transactions	Jun	2.18b	--		Deere & Co	Bef-mkt	Q3 18	2.74
	8:30	CA	CPI YoY	Jul	2.50%	--	2.60%				
	8:30	CA	CPI Core- Common YoY%	Jul	1.90%	--	1.90%				
	10:00	US	U. of Mich. Sentiment	Aug P	97.9	98.0					

Source: Bloomberg

Weekly Economic Watch

Annex - Economic Tables

TABLE 1 - NORTH AMERICAN FINANCIAL INDICATORS

August 10, 2018

Growth Rates Unless Otherwise Indicated	Reference Period	Level	Monthly Growth (%)			Annualized Growth			Year-to-date (3)	
			Past Month	Prev. Month	Month Before	Average of the last		Since	ref.	prec.
						3 Mos.	6 Mos.	12 Mos.		
UNITED STATES										
<u>MONETARY AGGREGATES</u>										
		(\$Billions)								
M1	* June 2018	3658	0.1	-0.2	-0.1	1.7	4.2	4.4	5.9	8.4
M2	* June 2018	14113	0.6	0.5	0.2	4.4	3.4	4.2	4.0	6.1
<u>CREDIT MEASURES</u>										
Consumer Credit	* June 2018	3908	0.3	0.6	0.3	4.2	4.7	4.7	4.8	6.2
Mortgage (Banks)	* June 2018	4347	0.2	-0.1	0.3	2.5	3.8	3.6	4.0	5.4
Business	* June 2018	2210	0.9	0.0	2.1	12.9	5.1	5.4	3.3	3.6
CANADA										
<u>MONETARY AGGREGATES</u>										
M2+ gross	June 2018	2026	0.6	0.2	0.1	3.3	3.6	3.7	4.1	7.7
Personal Deposits (Banks) (2)	June 2018	967						3.3	3.4	6.2
<u>CREDIT MEASURES</u>										
Consumer	June 2018	611	0.2	0.4	0.1	3.1	3.7	4.1	4.7	4.6
Residential Mortgages	June 2018	1519	0.2	0.2	0.3	3.4	4.2	4.1	4.7	6.1
Business	June 2018	2133	0.6	0.6	0.7	8.2	6.4	6.9	7.9	8.0
Private (Consumer+Business)	June 2018	4263	0.4	0.5	0.5	5.7	5.2	5.5	6.3	6.8
Gov. of Canada securities outstanding	* July 2018	716	1.1	-0.1	0.6	4.9	0.7	1.4	1.2	3.5
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	* 9 Aug 18	2.00	2.00	2.00	1.92	1.79	1.56	1.75	1.50	1.25
Prime Rate	* 9 Aug 18	5.00	5.00	5.00	4.92	4.79	4.56	4.75	4.50	4.25
3-month Treasury Bills	* 9 Aug 18	2.02	1.98	1.95	1.92	1.82	1.51	1.86	1.53	1.03
2-year Bonds	* 9 Aug 18	2.64	2.66	2.68	2.56	2.45	2.07	2.53	2.11	1.33
5-year Bonds	* 9 Aug 18	2.81	2.85	2.86	2.79	2.73	2.40	2.83	2.55	1.78
10-year Bonds	* 9 Aug 18	2.94	2.99	2.98	2.92	2.90	2.64	2.98	2.84	2.21
30-year Bonds	* 9 Aug 18	3.08	3.12	3.10	3.06	3.08	2.95	3.12	3.13	2.79
Corp. High-yield (BofA ML Master II)	* 9 Aug 18	6.51	6.57	6.55	6.55	6.52	6.31	6.50	6.45	6.15
Corp. Invest. Grade (BofA ML Corp. BBB)	* 9 Aug 18	4.37	4.40	4.39	4.39	4.27	3.94	4.37	3.91	3.53
<u>Spread</u>										
Corp. High-yield - Treas. 10y.	* 9 Aug 18	3.57	3.58	3.57	3.62	3.62	3.67	3.51	3.61	3.94
Corp. Invest. grade - Treas. 10y.	* 9 Aug 18	1.43	1.42	1.41	1.46	1.37	1.29	1.38	1.07	1.32
Treasuries 30y. - 3-m. T.B.	* 9 Aug 18	1.06	1.14	1.15	1.13	1.26	1.44	1.26	1.60	1.76
<u>EXCHANGE RATE</u>										
FED Broad (Jan 97 = 100)	* 3 Aug 18	124.21	124.39	124.08	123.00	120.47	119.83	119.72	115.24	119.70
CANADA										
<u>INTEREST RATES</u>										
Prime Rate	* 9 Aug 18	3.70	3.70	3.70	3.57	3.51	3.36	3.45	3.45	2.95
Target overnight rate	* 9 Aug 18	1.50	1.50	1.50	1.35	1.30	1.15	1.25	1.25	0.75
30-day commercial paper	* 9 Aug 18	1.82	1.82	1.82	1.72	1.66	1.51	1.64	1.55	1.22
3-month Treasury Bills	* 9 Aug 18	1.46	1.44	1.44	1.33	1.24	1.11	1.21	1.21	0.73
1-year Treasury Bills	* 9 Aug 18	1.93	1.86	1.86	1.76	1.69	1.55	1.71	1.62	1.14
5-year Bonds	* 9 Aug 18	2.24	2.26	2.20	2.14	2.12	1.94	2.20	2.13	1.52
10-year Bonds	* 9 Aug 18	2.33	2.37	2.29	2.27	2.27	2.15	2.39	2.38	1.91
30-year Bonds	* 9 Aug 18	2.35	2.38	2.33	2.30	2.35	2.34	2.44	2.47	2.34
<u>SPREADS</u>										
Prime - 30d. Commercial paper	* 9 Aug 18	1.88	1.88	1.88	1.85	1.85	1.85	1.81	1.90	1.73
Long Term - Short Term	* 9 Aug 18	0.89	0.94	0.89	0.97	1.11	1.23	1.23	1.26	1.61
<u>CANADA UNITED STATES SPREADS</u>										
3-month T-Bills	* 9 Aug 18	-0.56	-0.54	-0.51	-0.60	-0.58	-0.41	-0.65	-0.32	-0.30
Long Term Bonds	* 9 Aug 18	-0.73	-0.74	-0.78	-0.75	-0.73	-0.62	-0.68	-0.66	-0.45
<u>EXCHANGE RATE</u>										
US\$/CDN\$ (GTIS)	* 9 Aug 18	0.7663	0.7679	0.7649	0.7649	0.7734	0.7849	0.7833	0.7935	0.7847
Trade-weighted (1990=100) G-10	* 9 Aug 18				89.5	90.2	91.6	90.9	92.1	91.8
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.)	* 9 Aug 18	25509.2	3.0	-2.1	3.2	3.9	5.4	15.7	4.9	11.6
S&P 500 (U.S.)	* 9 Aug 18	2853.6	2.5	0.2	3.0	5.8	8.9	15.3	7.6	9.5
NASDAQ (U.S.)	* 9 Aug 18	7891.8	1.7	1.4	4.2	7.5	14.8	24.2	15.4	16.7
S&P/TSX (Can.)	* 9 Aug 18	16417.0	-0.2	1.5	1.8	3.2	9.2	7.9	2.0	-0.6

* 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

August 10, 2018										
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	June 2018	0.5	0.0	0.4	4.0	6.8	5.5	5.8	6.1	3.3
Consumer Confidence Index (1985=100)	July 2018	127.4	127.1	128.8	127.8	127.7	125.8	120.0	127.2	118.1
I.S.M. Manufacturing Index (level)	July 2018	58.1	60.2	58.7	59.0	59.1	59.1	56.5	59.1	56.3
- Non-manufacturing (level)	July 2018	56.5	63.9	61.3	60.6	60.7	60.3	56.5	60.6	60.4
DOMESTIC DEMAND										
Sales new autos & light trucks (000,000)	July 2018	16.8	17.2	17.2	17.1	17.1	17.3	16.8	17.1	17.0
Retail Sales	June 2018	0.5	1.3	0.3	7.9	5.2	5.1	6.6	5.2	4.5
- Motor vehicle	June 2018	0.9	0.8	0.2	8.4	2.2	4.0	4.6	3.7	5.4
- Other	June 2018	0.4	1.4	0.4	7.7	6.0	5.4	7.1	5.6	4.6
Consumer Spending: Total (\$ current)	June 2018	0.4	0.5	0.6	-16.8	-1.4	2.9	-13.3	1.5	4.4
Total (\$ constant)	June 2018	0.3	0.3	0.4	4.0	2.2	2.5	2.8	2.5	2.5
Personal Income	June 2018	0.4	0.4	0.3	4.3	4.9	4.5	4.9	4.5	4.2
Personal Savings Rate (3)	June 2018	6.8	6.8	6.9	6.8	7.0	6.8	6.6	7.0	6.9
New Orders	June 2018	0.7	0.4	-0.4	7.7	9.3	6.8	6.1	7.8	1.5
- Non-Defence Capital Goods exc. Aircraft	June 2018	0.2	0.7	2.0	10.2	4.1	7.4	7.8	6.8	0.3
Unfilled Orders	June 2018	0.4	0.5	0.6	7.4	3.9	2.2	3.6	3.4	-1.8
Business Inventories	May 2018	0.4	0.3	-0.1	3.2	4.6	3.6	4.4	4.2	2.3
Inventories / Shipments Businesses	May 2018	1.34	1.35	1.35	1.35	1.35	1.36	1.39	1.35	1.39
Manufacturers' Shipments	June 2018	1.0	0.6	0.1	5.8	8.1	6.2	8.4	7.1	1.0
Manufacturers' Inventories	June 2018	0.1	0.2	0.4	3.1	5.2	4.2	5.1	4.9	2.2
Inventories / Shipments Manuf.	June 2018	1.33	1.35	1.35	1.34	1.35	1.36	1.38	1.35	1.38
Housing Starts (000) (1)	June 2018	1173	1337	1276	1262	1290	1253	1225	1290	1201
New Home Sales, single-family	June 2018	-5.3	3.9	-4.6	-6.0	10.4	7.0	2.4	6.4	12.3
Existing Home Sales, s.f. & condos	June 2018	-0.6	-0.7	-2.7	-6.6	-1.4	-0.8	-2.2	-2.0	3.1
PRODUCTION										
Industrial Production	June 2018	0.6	-0.5	1.1	6.0	4.6	2.8	3.8	3.5	1.0
- Consumer Goods	June 2018	0.7	-1.9	1.6	3.2	3.4	1.5	2.5	2.6	-0.3
- Hitech goods	June 2018	1.4	0.0	1.8	10.2	8.2	4.6	7.4	6.2	4.9
EXTERNAL AND FISCAL BALANCES										
Exports	June 2018	-0.7	1.9	0.3	14.4	11.1	7.6	9.8	9.0	6.0
Imports	June 2018	0.6	0.5	-0.2	0.6	10.5	7.8	8.6	8.6	6.7
Merch. Trade Balance (\$ billions)	June 2018	-46.3	-43.2	-46.1	-45.2	-48.5	-47.7	-44.8	-48.5	-45.3
Real merchandise trade balance	June 2018	-79.3	-75.5	-77.6	-77.5	-79.9	-79.7	-76.1	-79.9	-76.5
Federal budget balance last 12 months (2)	June 2018	-749.7	-765.1	-706.7				-709.7	-382.2	-313.2
INFLATION AND COSTS										
Consumer Prices	* July 2018	0.2	0.1	0.2	1.9	2.6	2.3	2.9	2.5	2.2
- Excluding Food and Energy	* July 2018	0.2	0.2	0.2	2.0	2.4	1.9	2.4	2.1	1.9
PCE Deflator exc. Food and Energy	June 2018	0.1	0.2	0.1	2.0	2.1	1.7	1.9	1.8	1.7
Producer price index for final demand	* July 2018	0.0	0.3	0.5	3.5	3.2	2.8	3.2	2.9	2.1
Average Hourly Earnings (4)	July 2018						2.5	2.7	2.6	2.3
Industrial Capacity Utilization Rate	June 2018	78.0	77.7	78.2	77.9	77.6	77.0	76.2	77.6	75.8
Median Price, Single-Family Homes (5)	June 2018	4.3	3.1	3.3	44.5	4.8	5.5	5.2	5.5	6.5
LABOUR MARKET										
New Jobs (000) (6)	July 2018	157	248	268	224	221	200	2400	1503	1291
- Manufacturing (000)	July 2018	37	33	23	31	29	27	327	193	73
- Services (000)	July 2018	105	196	212	171	164	143	1712	1103	1070
Average weekly hours (6)	July 2018	0.1	0.2	0.3	2.5	2.7	2.2	2.2	2.2	1.9
Civilian Unemployment Rate (7)	July 2018	3.9	4.0	3.8	3.9	4.0	4.1	4.3	4.0	4.5
NATIONAL ACCOUNTS AND OTHER QUARTERLY INDICATORS										
Annualized Growth Rates										
	Q2 2018	Q1 2018	Q4 2017	Q3 2017	Q2 2017	Q1 2017	Q4 2016	2016	2015	2014
Real GDP Chained 2009 dollars	4.1	2.2	2.3	2.8	3.0	1.8	1.5	2.9	2.6	
Consumption	4.0	0.5	3.9	2.2	2.9	1.8	2.5	2.7	3.7	
Residential Construction	-1.1	-3.4	11.1	-0.5	-5.5	11.1	3.3	6.5	10.1	
Business Investment	7.3	11.5	4.8	3.4	7.3	9.6	5.3	0.5	1.8	
Government Spending	2.1	1.5	2.4	-1.0	0.0	-0.8	-0.1	1.4	1.9	
Exports	9.3	3.6	6.6	3.5	3.6	5.0	3.0	-0.1	0.6	
Imports	0.5	3.0	11.8	2.8	2.5	4.8	4.6	1.9	5.5	
Change in Inventories (1) (2)	-27.9	30.3	16.1	64.4	11.9	-2.4	22.5	23.4	129.0	
GDP Deflator	3.2	2.0	2.7	1.9	1.1	2.1	1.9	1.1	1.1	
Personal Disposable Income	2.6	4.4	2.3	2.2	2.2	4.5	2.6	1.7	4.1	
	Q1 2018	Q4 2017	Q3 2017	Q2 2017	Q1 2017	Q4 2016	2016	2015	2014	
Labour Productivity (4)	0.4	0.3	2.6	1.7	0.2	1.2	1.3	0.0	1.3	
Unit Labor Costs (4)	2.9	2.5	1.0	-1.2	4.8	-5.7	0.4	1.1	1.9	
	Q1 2018	Q4 2017	Q3 2017	Q2 2017	Q1 2017	Q4 2016	2016	2015	2014	
Current Account (current \$)	-496.4	-464.6	-413.8	-487.3	-430.8	-434.4	-449.1	-432.9	-407.8	
as a % of GDP	-2.5	-2.3	-2.1	-2.5	-2.2	-2.3	-2.3	-2.3	-2.2	
	Q1 2018	Q4 2017	Q3 2017	Q2 2017	Q1 2017	Q4 2016	2016	2015	2014	
Corporate Profits (8)	5.1	9.8	2.2	6.7	-5.0	7.6	3.2	-1.1	-2.9	
as a % of GDP	10.9	10.8	10.7	10.8	10.7	11.0	10.8	11.2	11.5	
* 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	preceding 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

August 10, 2018										
Growth Rates Unless Otherwise Indicated	Reference Period	Monthly Growth (%)			Annualized Growth (%)				Year-to-date (6)	
		Past Month	Prev. Month	Month Before	Average of the last			Since 12 Mos.	ref.	prec.
		3 Mos.	6 Mos.	12 Mos.	12 Mos.					
CFIB Business Barometer ®	July 2018	-8.7	-0.5	10.5	4.2	3.3	-2.4	-6.4	-3.2	10.6
DOMESTIC DEMAND										
Retail Sales (\$ current)	May 2018	2.0	-0.9	0.8	5.0	1.9	5.4	3.6	3.2	7.1
- Motor vehicle and parts dealers	May 2018	3.7	-3.8	2.8	8.2	0.8	6.0	2.1	1.9	10.2
- Other	May 2018	1.4	0.2	0.0	3.9	2.3	5.2	4.1	3.6	6.4
Retail Sales (\$ constant)	May 2018	2.0	-1.1	0.9	4.3	-1.5	3.7	0.8	0.9	5.5
Manufacturer's Shipments (\$ current)	May 2018	1.4	-1.1	1.5	9.1	7.5	4.7	3.7	3.9	7.4
New Orders	May 2018	4.9	-1.2	-1.3	17.3	14.6	5.2	11.9	6.2	9.4
- Durables	May 2018	7.9	-0.5	-3.3	29.8	22.0	5.3	19.0	8.2	8.3
Unfilled Orders	May 2018	3.5	1.2	1.3	23.9	6.4	-1.7	4.9	0.8	0.0
Manufacturer's Inventories	May 2018	0.4	2.2	0.4	14.1	10.1	7.5	8.6	8.2	4.6
Inventories / Shipments Ratio	May 2018	1.43	1.44	1.39	1.42	1.41	1.40	1.36	1.42	1.36
Manufacturer's Shipments (\$ constant)	May 2018	0.9	-1.7	0.6	1.8	2.5	2.8	1.1	1.8	3.8
Housing Starts (000) (1)	* July 2018	206.3	246.2	195.1	215.9	220.0	222.5	225.1	219.5	215.9
Number of existing homes sold (MLS)	June 2018	4.1	0.6	-2.6	-11.9	-21.5	-9.3	-6.2	-13.5	-3.8
PRODUCTION										
Real Domestic Product	May 2018	0.5	0.1	0.3	2.9	2.3	3.2	2.6	2.7	2.9
- Manufacturing	May 2018	0.1	0.8	-0.1	1.7	2.6	3.4	2.3	2.8	2.3
- Construction	May 2018	0.7	-0.8	-0.1	2.1	4.0	5.2	5.0	4.9	1.9
Services	May 2018	0.5	0.0	0.2	1.8	1.8	2.6	2.0	2.2	2.5
EXTERNAL, FISCAL AND EXCHANGE BALANCES										
Exports	June 2018	4.1	-0.3	1.9	26.0	14.6	1.7	9.2	2.7	10.4
Imports	June 2018	-0.2	2.0	-3.0	13.3	11.7	4.2	4.2	4.7	5.8
- Capital Goods	June 2018	-3.6	4.1	-0.1	22.8	10.2	5.0	1.7	5.8	3.5
Merch. Trade Balance (\$ millions)	June 2018	-626	-2,724	-1,593	-1,647	-2,251	-2,477	-2,824	-2,251	-1,289
Change in Official Reserves	July 2018	52	988	-1,444	-135	-822	-261	-3,131	-4,808	-3,183
Level (US\$): \$81.8 billion									Fiscal year	
Fed. budget balance last 12 months (\$ billions)	May 2018	-13.1	-13.3	-16.2				-20.8	3.2	0.1
INFLATION AND COSTS										
Consumer Prices	June 2018	0.1	0.1	0.3	3.3	3.3	1.9	2.5	2.2	1.6
- Excluding Food and Energy	June 2018	0.2	0.1	-0.1	2.1	2.3	1.6	1.8	1.8	1.7
- Core inflation (4)	June 2018	0.1	-0.1	0.1	1.7	2.0	1.2	1.3	1.4	1.3
Average Hourly Earnings (2)	* July 2018						3.0	3.2	3.4	1.2
Price of New Housing including land	* June 2018	0.1	0.0	0.0	-0.1	0.1	2.7	0.8	1.9	3.5
Avg. Price of Existing Homes Sold (MLS)	June 2018	1.7	0.8	0.1	-4.0	-8.8	-1.3	-1.4	-5.6	4.3
Industrial Prices (1992=100)	June 2018	0.5	1.2	0.5	9.0	7.3	2.5	5.1	3.0	4.3
LABOUR MARKET										
Labour Force	* July 2018	0.1	0.4	-0.1	1.3	0.5	0.9	0.9	0.7	1.2
Job creation (000)	* July 2018	54.1	31.8	-7.5	26.1	20.8	20.5	245.9	37.0	218.4
- Manufacturing	* July 2018	-18.4	11.3	-18.3	-8.5	-8.5	-2.0	-23.7	-50.2	61.8
- Services	* July 2018	90.5	-14.7	21.5	32.4	24.8	18.1	216.9	76.7	149.1
- Full Time	* July 2018	-27.9	9.1	-31.1	-16.6	1.3	17.5	210.5	56.9	237.4
- Part Time	* July 2018	82.0	22.7	23.6	42.8	19.5	3.0	35.4	-19.9	-19.0
Unemployment Rate	* July 2018	5.8	6.0	5.8	5.9	5.8	5.9	6.3	5.8	6.5
NATIONAL ACCOUNTS AND OTHER QUARTERLY INDICATORS										
		Annualized Growth Rates								
		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		86.1	85.6	84.8	84.0	82.4	81.4	84.2	80.2	80.5
Labour Productivity, Business Sector		-1.2	0.9	-2.5	0.5	5.6	0.7	1.9	0.6	-0.5
Unit Labour Cost, Business Sector		2.8	5.4	5.4	-3.7	-0.4	1.7	0.2	-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 preceeding year, unless otherwise stated |

Weekly Economic Watch

Annex - Economic Tables

TABLE 4 - PROVINCIAL ECONOMIC INDICATORS

August 10, 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										
DOMESTIC DEMAND AND REVENUE										
Retail Sales	May 2018	3.0	-2.6	1.4	4.2	4.3	4.5	5.0	3.7	6.0
Manufacturing Shipments	May 2018	1.0	-3.3	2.4	10.5	6.8	6.8	5.5	5.7	8.9
Housing Starts (000) (2)	* July 2018	39.7	58.1	42.9	46.9	50.5	49.6	43.1	49.4	43.5
Number of existing homes sold (MLS)	June 2018	1.6	-0.4	-1.3	9.8	-0.2	5.7	6.7	4.8	4.7
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)	June 2018						3.6	8.8	4.7	9.8
CFIB Business Barometer ®	July 2018	-4.5	6.8	-0.8	-8.6	6.1	5.8	0.9	6.6	5.8
PRICES										
Consumer Price Index (1)	June 2018	-0.1	0.1	0.4	2.8	2.6	1.4	2.0	1.6	0.9
Average Hourly Earnings (1)	* July 2018						2.5	1.4	2.3	3.0
Price of New Housing inc. Land (1)	* June 2018	0.7	0.0	0.1	1.8	2.0	1.3	2.1	1.6	0.8
Avg. Price of Existing Homes Sold (MLS)	June 2018	0.1	2.3	0.1	6.0	5.4	4.7	5.7	5.0	4.4
LABOR MARKET										
Job creation (000)	* July 2018	-8.4	-6.5	4.7	-3.4	-1.8	1.4	16.4	-28.3	49.4
Unemployment rate	* July 2018	5.6	5.4	5.3	5.4	5.5	5.6	5.8	5.5	6.2
Participation rate	* July 2018	64.5	64.6	64.7	64.6	64.7	64.8	64.9	64.7	64.8
ONTARIO										
DOMESTIC DEMAND AND REVENUE										
Retail Sales	May 2018	2.6	-1.9	0.6	4.7	1.5	5.7	3.2	3.4	8.0
Manufacturing Shipments	May 2018	-0.2	0.3	0.5	8.4	8.7	0.6	0.4	1.0	4.1
Housing Starts (000) (2)	* July 2018	69.1	104.3	55.0	76.1	79.9	80.3	80.3	80.5	80.2
Number of existing homes sold (MLS)	June 2018	8.1	2.8	-4.4	-0.3	-24.6	-19.8	-1.2	-22.1	-0.8
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)	June 2018						-4.3	0.6	-2.3	0.3
CFIB Business Barometer ®	July 2018	-9.8	-3.6	13.8	26.5	8.7	-7.9	-5.4	-7.3	4.9
PRICES										
Consumer Price Index (1)	June 2018	0.3	0.1	0.1	3.2	3.5	1.9	2.4	2.2	1.8
Average Hourly Earnings (1)	* July 2018						3.1	4.3	4.0	0.4
Price of New Housing inc. Land (1)	* June 2018	0.1	0.0	-0.2	-1.0	-0.1	3.7	0.3	2.0	7.2
Avg. Price of Existing Homes Sold (MLS)	June 2018	3.2	-1.1	-0.1	-1.5	0.8	-3.7	5.3	-7.3	17.7
LABOR MARKET										
Job creation (000)	* July 2018	60.6	34.9	1.0	32.2	22.0	15.2	182.6	81.2	78.4
Unemployment rate	* July 2018	5.4	5.9	5.7	5.7	5.6	5.6	6.0	5.6	6.2
Participation rate	* July 2018	64.8	64.8	64.4	64.7	64.5	64.7	64.8	64.5	64.9
NEWFOUNDLAND & LABRADOR										
DOMESTIC DEMAND AND REVENUE										
Retail Sales	May 2018	-0.5	-1.1	0.5	-2.9	-3.1	1.3	-0.8	-1.4	1.2
Manufacturing Shipments	May 2018	-29.7	-2.6	12.2	13.3	-9.4	13.8	-28.3	1.6	28.6
Housing Starts (000) (2)	* July 2018	1.2	1.0	0.7	1.0	1.8	1.8	1.8	1.8	1.2
Number of existing homes sold (MLS)	June 2018	-8.3	22.1	-14.6	-51.3	-13.0	3.1	-13.2	0.4	-12.7
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)	June 2018						13.9	22.1	22.0	40.8
CFIB Business Barometer ®	July 2018	5.8	1.7	-3.2	-18.4	4.3	15.6	2.2	13.4	-8.5
PRICES										
Consumer Price Index (1)	June 2018	0.2	0.1	0.1	2.0	2.2	1.5	2.3	1.7	3.5
Average Hourly Earnings (1)	* July 2018						0.9	3.7	1.3	4.5
Price of New Housing inc. Land (1)	* June 2018	-0.2	-0.1	0.0	-0.5	-0.2	-0.8	-0.7	-0.6	-0.7
Avg. Price of Existing Homes Sold (MLS)	June 2018	0.4	0.9	0.0	4.3	-3.5	-1.3	-0.7	-1.5	-3.4
LABOR MARKET										
Job creation (000)	* July 2018	2.4	-0.6	0.5	0.8	0.0	0.4	5.3	0.1	-7.1
Unemployment	* July 2018	15.4	15.5	14.5	15.1	14.7	14.6	15.7	14.6	14.7
Participation rate	* July 2018	60.0	59.5	58.8	59.4	59.0	58.9	58.5	59.0	59.1
PRINCE EDWARD ISLAND										
DOMESTIC DEMAND AND REVENUE										
Retail Sales	May 2018	1.7	-0.7	-0.8	-2.5	6.3	5.1	5.2	4.5	7.4
Manufacturing Shipments	May 2018	8.4	-9.4	-0.6	12.0	16.6	7.0	8.1	6.9	9.3
Housing Starts (000) (2)	* July 2018	0.5	1.0	0.8	0.8	0.9	0.9	0.9	0.9	1.0
Number of existing homes sold (MLS)	June 2018	-3.1	-14.8	16.0	1.6	-11.2	-0.7	-10.9	-6.2	3.3
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)	June 2018						-3.2	-7.3	-5.4	11.7
CFIB Business Barometer ®	July 2018	-1.9	5.8	7.9	52.3	37.0	-3.2	-1.0	1.7	-1.9
PRICES										
Consumer Price Index (1)	June 2018	0.6	0.3	0.4	4.5	3.2	2.2	2.9	2.4	1.6
Average Hourly Earnings (1)	* July 2018						3.9	0.8	3.3	1.8
Price of New Housing inc. Land (1)	* June 2018	-0.1	0.0	0.0	0.4	0.2	0.4	0.7	0.5	-0.1
Avg. Price of Existing Homes Sold (MLS)	June 2018	-7.9	-3.8	14.9	20.7	9.3	9.3	-6.4	5.2	14.0
LABOR MARKET										
Job creation (000)	* July 2018	0.3	0.4	0.8	0.5	0.3	0.2	2.9	1.7	1.4
Unemployment	* July 2018	9.5	8.9	9.3	9.2	9.9	9.8	10.3	10.0	10.0
Participation rate	* July 2018	67.1	66.8	66.7	66.9	67.1	66.5	66.0	67.1	66.4
Sources: Thomson Reuters Datastream and Canadian Real estate Association										
(1) Not Seasonally Adjusted (2) Annual Rate (3) Compared to same period of the preceeding year, unless otherwise stated										

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)

August 10, 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										
DOMESTIC DEMAND AND REVENUE										
Retail Sales	May 2018	-2.0	2.3	-2.4	-0.7	1.0	6.8	1.6	4.5	6.7
Manufacturing Shipments	May 2018	-0.4	4.0	0.2	19.4	20.2	11.5	14.4	18.3	0.6
Housing Starts (000) (2)	* July 2018	6.1	6.1	3.8	5.3	4.7	4.3	4.4	4.7	4.2
Number of existing homes sold (MLS)	June 2018	4.8	-3.2	-5.2	-0.1	8.5	6.0	-1.1	6.2	3.7
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)	June 2018						6.8	7.7	9.3	0.5
CFIB Business Barometer ®	July 2018	4.0	-1.4	-6.6	-37.7	15.7	0.8	-2.9	2.7	1.6
PRICES										
Consumer Price Index (1)	June 2018	0.1	-0.4	0.5	3.3	3.0	1.7	2.2	2.2	1.0
Average Hourly Earnings (1)	* July 2018						1.8	1.8	1.8	3.0
Price of New Housing inc. Land (1)	* June 2018	0.0	-0.1	0.4	2.7	1.2	1.3	1.4	1.3	1.3
LABOR MARKET										
Job creation (000)	* July 2018	1.0	-1.7	-3.6	-1.4	0.0	0.3	4.1	-0.8	1.6
Unemployment	* July 2018	8.0	7.9	7.2	7.7	7.5	8.1	8.0	7.6	8.3
Participation rate	* July 2018	61.7	61.5	61.4	61.5	61.7	61.8	61.7	61.7	61.9
NEW BRUNSWICK										
DOMESTIC DEMAND AND REVENUE										
Retail Sales	May 2018	1.8	-2.5	1.9	-0.8	-1.3	4.9	-1.3	0.8	5.1
Manufacturing Shipments	May 2018	4.2	-3.7	-0.4	-7.5	1.5	15.1	9.8	9.4	10.1
Housing Starts (000) (2)	* July 2018	2.6	3.1	2.1	2.6	2.1	2.5	2.0	2.1	1.7
Number of existing homes sold (MLS)	June 2018	2.9	9.5	16.3	78.1	-3.1	4.8	10.0	2.5	6.5
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)	June 2018						16.0	18.1	9.4	17.8
CFIB Business Barometer ®	July 2018	-6.2	-2.7	-0.5	-15.7	8.1	-5.4	-13.4	-6.5	5.6
PRICES										
Consumer Price Index (1)	June 2018	0.1	-0.1	0.2	2.2	3.0	2.1	2.2	2.3	2.7
Average Hourly Earnings (1)	* July 2018						1.8	3.6	2.6	3.7
Price of New Housing inc. Land (1)	* June 2018	0.0	0.0	-0.1	-0.4	1.0	1.1	1.0	1.0	1.8
Avg. Price of Existing Homes Sold (MLS)	June 2018	2.3	-2.7	7.8	19.2	12.7	3.0	5.9	5.1	5.1
LABOR MARKET										
Job creation (000)	* July 2018	-1.7	-1.1	1.8	-0.3	0.6	0.2	2.3	-2.4	-1.8
Unemployment	* July 2018	7.5	7.5	7.3	7.4	7.8	8.0	6.5	7.9	8.1
Participation rate	* July 2018	61.0	61.3	61.4	61.3	61.4	61.5	60.2	61.5	61.4
MANITOBA										
DOMESTIC DEMAND AND REVENUE										
Retail Sales	May 2018	1.1	-0.2	3.5	7.0	-1.1	3.8	-0.5	-1.1	8.0
Manufacturing Shipments	May 2018	7.5	1.3	1.4	16.5	5.1	9.1	15.2	8.6	2.7
Housing Starts (000) (2)	* July 2018	9.1	6.6	6.3	7.3	6.8	6.7	5.0	6.5	8.1
Number of existing homes sold (MLS)	June 2018	8.5	-2.9	-3.1	-3.2	-8.7	-4.0	-1.4	-6.8	-0.6
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)	June 2018						9.0	20.8	12.2	-0.4
CFIB Business Barometer ®	July 2018	1.3	0.1	-1.0	-11.6	6.2	-6.0	-12.8	-8.6	14.5
PRICES										
Consumer Price Index (1)	June 2018	0.0	-0.2	0.8	3.6	3.3	2.2	2.7	2.5	1.5
Average Hourly Earnings (1)	* July 2018						1.9	1.4	1.2	2.4
Price of New Housing inc. Land (1)	* June 2018	0.2	0.2	0.0	1.2	1.3	2.9	1.7	2.4	2.9
Avg. Price of Existing Homes Sold (MLS)	June 2018	0.9	0.8	-0.3	3.6	1.1	2.1	3.1	1.3	4.0
LABOR MARKET										
Job creation (000)	* July 2018	-3.6	4.1	-1.1	-0.2	0.6	-0.2	-2.5	0.3	14.9
Unemployment	* July 2018	6.0	6.1	6.5	6.2	6.1	5.8	5.0	6.1	5.5
Participation rate	* July 2018	67.0	67.6	67.5	67.3	67.3	67.2	67.3	67.2	67.2
SASKATCHEWAN										
DOMESTIC DEMAND AND REVENUE										
Retail Sales	May 2018	-0.2	1.7	-1.6	-3.4	0.7	2.1	1.1	-0.4	4.3
Manufacturing Shipments	May 2018	5.5	6.5	4.8	56.5	16.3	10.1	22.9	10.6	18.5
Housing Starts (000) (2)	* July 2018	3.0	3.0	4.4	3.4	3.0	4.1	5.6	3.4	4.8
Number of existing homes sold (MLS)	June 2018	3.0	-4.1	7.5	-20.4	-11.4	-4.7	-3.2	-6.2	-1.9
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)	June 2018						1.8	18.6	4.0	15.4
CFIB Business Barometer ®	July 2018	11.6	-8.5	-10.3	-52.7	2.4	-2.1	0.0	-1.1	3.0
PRICES										
Consumer Price Index (1)	June 2018	-0.3	0.3	0.5	3.0	2.8	2.5	2.7	2.7	1.1
Average Hourly Earnings (1)	* July 2018						1.5	3.5	2.6	0.1
Price of New Housing inc. Land (1)	* June 2018	-0.2	-0.2	0.3	-0.3	-1.4	-0.8	-1.1	-1.2	-0.6
Avg. Price of Existing Homes Sold (MLS)	June 2018	0.2	2.1	1.0	-4.3	-1.1	-2.9	-0.6	-2.3	-1.0
LABOR MARKET										
Job creation (000)	* July 2018	-4.2	8.3	-2.1	0.7	-0.3	-0.1	-0.7	-0.5	0.6
Unemployment	* July 2018	6.6	6.3	6.8	6.6	6.2	6.2	6.6	6.1	6.3
Participation rate	* July 2018	68.7	69.0	68.4	68.7	68.5	68.6	69.3	68.5	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 preceeding year, unless otherwise stated										

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)

TABLE 4 - PROVINCIAL ECONOMIC INDICATORS (Continues from page A5)										
August 10, 2018										
Growth Rates Unless Otherwise Indicated	Reference Period	Monthly Growth (%)			Annualized Growth (%)			Since 12 Mos.	Year-to-date (3)	
		Past	Prev.	Month	Average of the last				ref.	prec.
		Month	Month	Before	3 Mos.	6 Mos.	12 Mos.			
ALBERTA										
DOMESTIC DEMAND AND REVENUE										
Retail Sales	May 2018	2.0	0.7	0.7	9.1	1.7	5.4	3.7	2.6	6.6
Manufacturing Shipments	May 2018	7.9	-5.0	0.7	-5.0	6.0	8.3	3.3	4.4	16.3
Housing Starts (000) (2)	* July 2018	30.1	26.2	35.8	30.7	28.7	28.3	33.9	28.2	29.9
Number of existing homes sold (MLS)	June 2018	2.8	2.6	-1.3	-21.6	-12.6	-2.2	-3.2	-6.3	6.8
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)	June 2018						12.1	27.6	10.9	43.0
CFIB Business Barometer ®	July 2018	-1.3	6.2	-2.7	-3.8	-7.7	12.0	-2.7	0.2	66.9
PRICES										
Consumer Price Index (1)	June 2018	0.0	0.1	0.5	3.4	3.8	1.9	2.8	2.3	1.5
Average Hourly Earnings (1)	* July 2018						3.1	1.7	3.1	0.0
Price of New Housing Inc. Land (1)	* June 2018	0.2	0.0	0.0	-0.7	-0.7	0.1	0.2	-0.1	-0.5
Avg. Price of Existing Homes Sold (MLS)	June 2018	1.3	0.3	-0.8	-6.0	-1.4	-2.2	-2.7	-2.5	2.5
LABOR MARKET										
Job creation (000)	* July 2018	-3.6	2.0	2.9	0.4	1.7	3.3	39.6	4.2	19.5
Unemployment	* July 2018	6.7	6.5	6.2	6.5	6.5	7.0	7.8	6.6	8.0
Participation rate	* July 2018	71.7	71.8	71.6	71.7	71.8	72.0	72.2	71.9	72.6
BRITISH COLUMBIA										
DOMESTIC DEMAND AND REVENUE										
Retail Sales	May 2018	0.8	1.2	0.7	8.4	1.8	7.7	5.3	4.7	8.4
Manufacturing Shipments	May 2018	3.2	0.1	4.1	18.6	5.7	9.0	9.7	8.5	8.3
Housing Starts (000) (2)	* July 2018	44.9	36.9	43.4	41.7	41.7	43.9	48.1	42.0	41.3
Number of existing homes sold (MLS)	June 2018	-1.7	-4.0	-2.9	-46.4	-41.7	-4.5	-29.6	-18.1	-20.6
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	June 2018	8.2	-2.3	-2.4	19.6	12.4	3.2	17.6	4.4	23.5
CFIB Business Barometer ®	July 2018	-4.5	0.0	-4.3	-39.5	-3.4	-6.4	-14.8	-6.1	2.4
PRICES										
Consumer Price Index (1)	June 2018	0.2	0.5	0.2	4.5	3.0	2.3	2.7	2.6	2.1
Average Hourly Earnings (1)	* July 2018						4.5	5.0	5.5	0.9
Price of New Housing Inc. Land (1)	* June 2018	0.1	0.0	0.0	0.4	1.2	6.7	3.2	6.1	4.0
Avg. Price of Existing Homes Sold (MLS)	June 2018	0.1	1.2	0.5	-1.6	-6.0	9.1	-1.1	4.0	-6.1
LABOR MARKET										
Job creation (000)	* July 2018	11.2	-8.0	-12.4	-3.1	-2.3	-0.4	-4.2	-18.7	61.5
Unemployment	* July 2018	5.0	5.2	4.8	5.0	4.9	4.9	5.2	4.9	5.3
Participation rate	* July 2018	64.5	64.5	64.5	64.5	64.7	65.0	65.6	64.8	65.4
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 preceeding year, unless otherwise stated										

Weekly Economic Watch

Annex - Economic Tables

TABLE 5 - INTERNATIONAL ECONOMIC INDICATORS

August 10, 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	* June 2018	-0.1	-0.1	-0.1	-1.0	-0.4	0.2	-0.3	0.0	0.5	
JAPAN											
Consumer confidence - percentage (1)	July 2018	43.6	44.1	44.1	43.9	43.9	44.1	43.9	44.0	43.5	
Retail Sales (1)	June 2018						1.7	1.8	1.3	1.8	
Industrial Production, Volume Index	June 2018	-2.1	-0.2	0.5	4.9	0.1	3.2	0.3	2.2	4.7	
Exports	June 2018	-0.1	-0.8	4.4	6.0	2.0	10.1	7.3	6.1	10.2	
Imports	June 2018	-5.3	10.5	-1.6	8.2	8.8	11.9	7.0	7.9	12.3	
Merchandise trade bal. (Billions of ¥)	* June 2018	2,451	789	6,687	3,309	2,871	3,826	2,092	17,226	21,131	
Current account (Billions of ¥)	* June 2018	176	185	189	183	170	182	155	1,018	1,035	
Inflation (CPI)	June 2018	0.1	0.0	-0.4	-2.3	1.1	0.8	0.7	1.0	0.4	
Job offers to applicants ratio	June 2018	1.62	1.60	1.59	1.60	1.60	1.57	1.50	1.60	1.46	
Unemployment Rate	June 2018	2.4	2.2	2.5	2.4	2.4	2.6	2.8	2.4	2.9	
		Q2 2018	Q1 2018	Q4 2017	Q3 2017	Q2 2017	Q1 2017	2017	2016	2015	
Gross Domestic Product (Constant Yen)	* June 2018	1.9	-0.9	0.8	2.3	2.1	2.7	1.7	1.0	1.4	
Euro-zone											
Volume Retail Sales	June 2018	0.3	0.3	-0.2	2.3	1.0	1.9	1.3	1.6	2.3	
Industrial Production exc. Construction	May 2018	1.3	-0.8	0.5	-1.6	1.5	3.4	2.3	2.8	1.8	
Exports	May 2018	0.2	0.6	0.6	-4.1	5.6	5.4	1.6	3.2	8.0	
Imports	May 2018	0.9	1.5	0.8	1.3	7.0	6.3	3.1	3.1	12.4	
Merch. Trade Bal. (Millions of euros)	May 2018	16,885	18,037	19,493	18,138	19,060	19,532	20,622	93,517	89,923	
Inflation (CPI)	July 2018	-0.3	0.1	0.5	4.1	2.2	1.5	2.1	1.6	1.6	
Unemployment Rate	June 2018	8.3	8.3	8.4	8.3	8.5	8.7	9.0	8.5	9.3	
		Q2 2018	Q1 2018	Q4 2017	Q3 2017	Q2 2017	Q1 2017	2017	2016	2015	
Gross Domestic Product (Constant Euro)	June 2018	1.4	1.5	2.8	2.9	2.9	2.4	2.4	1.8	2.4	
UNITED KINGDOM											
Consumer Confidence (Diffusion index)	July 2018	-3	-7	-3	-4	-4	-5	-7	-4	-6	
Retail Sales	June 2018	-0.6	1.3	1.9	8.5	1.9	1.7	2.9	2.1	2.6	
Manufacturing, energy and mining output	* June 2018	0.5	-0.3	-0.7	-3.2	0.7	2.1	1.2	1.9	1.5	
Exports (1)	* June 2018	4.3	3.6	-5.6	-13.6	-0.8	6.3	6.5	2.2	16.0	
Imports (1)	* June 2018	0.1	1.9	-0.9	8.2	-1.4	3.8	0.0	1.3	14.6	
Merchandise Trade Bal. (Millions of £)	* June 2018	-11,383	-12,526	-12,755	-12,221	-12,260	-11,051	-10,403	-67,874	-68,593	
Inflation (CPI harmonized) (1)	June 2018	-0.2	0.4	0.4	3.6	1.3	2.4	1.8	2.2	2.1	
Producer price index, manufacturing (1)	June 2018	0.1	0.5	0.4	3.7	3.0	3.0	3.1	2.8	3.6	
House prices	* July 2018	1.4	0.9	1.7	5.1	1.1	3.1	4.5	2.7	3.0	
Unemployment Rate (3-month mov. av.)	May 2018	4.2	4.2	4.2	4.2	4.3	4.3	4.5	4.2	4.6	
		Q2 2018	Q1 2018	Q4 2017	Q3 2017	Q2 2017	Q1 2017	2017	2016	2015	
Gross Domestic Product (Constant £)	* June 2018	1.5	0.9	1.4	1.4	0.9	1.4	1.7	1.8	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	* 9 Aug 18	0.30	0.30	0.30	0.30	0.30	0.30	0.30	0.30	0.30	
3-month Financing Bill Rate	* 9 Aug 18	-0.15	-0.17	-0.16	-0.15	-0.15	-0.17	-0.13	-0.16	-0.12	
- Spread with U.S.	* 9 Aug 18	-2.17	-2.15	-2.11	-2.07	-1.97	-1.68	-1.99	-1.69	-1.15	
Yield on 10-year Gov't Bonds	* 9 Aug 18	0.12	0.12	0.09	0.06	0.05	0.05	0.05	0.08	0.06	
- Spread with U.S.	* 9 Aug 18	-2.83	-2.87	-2.89	-2.87	-2.85	-2.60	-2.93	-2.76	-2.15	
Exchange Rate (¥/U.S.\$)	* 9 Aug 18	111.1	111.7	111.2	110.7	108.9	110.3	109.4	108.7	109.2	
Euro Zone											
3-month Treasury Bills	* 9 Aug 18	-0.25	-0.25	-0.25	-0.25	-0.25	-0.25	-0.25	-0.25	-0.25	
- Spread with U.S.	* 9 Aug 18	-2.27	-2.23	-2.20	-2.17	-2.06	-1.76	-2.11	-1.78	-1.28	
Exchange Rate (U.S.\$/Euro)	* 9 Aug 18	1.15	1.16	1.16	1.17	1.20	1.19	1.19	1.22	1.18	
(Yen/Euro)	* 9 Aug 18	128.84	129.43	129.91	129.26	130.34	131.70	130.22	134.31	128.76	
(Euro / £)	* 9 Aug 18	1.11	1.12	1.13	1.13	1.14	1.13	1.14	1.14	1.11	
UNITED KINGDOM											
3-month Treasury Bills (tender)	* 9 Aug 18	0.70	0.67	0.65	0.54	0.46	0.37	0.39	0.27	0.14	
- Spread with U.S.	* 9 Aug 18	-1.32	-1.31	-1.30	-1.39	-1.35	-1.14	-1.47	-1.26	-0.89	
Yield on 30-year Gov't Bonds	* 9 Aug 18	1.75	1.80	1.73	1.76	1.81	1.82	1.85	1.99	1.73	
- Spread with U.S.	* 9 Aug 18	-1.33	-1.32	-1.38	-1.29	-1.27	-1.13	-1.27	-1.14	-1.06	
Exchange Rate (U.S.\$ / £)	* 9 Aug 18	1.28	1.30	1.31	1.32	1.36	1.35	1.35	1.39	1.30	
STOCK INDICES											
	Reference	Monthly Growth (%)			Growth Over (%)			Since beginning of year			
		Level	Past Month	Prev. Month	Month Before	3 Months	6 Months	1 Year	ref.	prec.	
MSCI Eafe	* Aug 2018	264	3.1	-2.7	-1.4	-1.2	-0.7	2.7	0.0	18.2	
* 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

August 10, 2018

	Spot Price		Weekly Growth (%)			Annualized Growth (%)			Last Year
	Aug 9	Aug 2	Last Week	Prev. Week	Week Before	For the Last			
						13 W.	26 W.	52 W.	
INDICES THOMSON-REUTERS									
Total	408.9	407.2	0.4	-0.9	1.5	-23.8	-5.6	1.2	403.9
Energy	501.3	499.4	0.4	-0.2	2.2	-6.4	21.8	19.2	420.5
Grain	312.8	310.7	0.6	3.1	3.7	-10.8	8.0	8.0	289.7
Industrials	450.3	451.4	-0.3	-1.1	2.6	-10.7	1.0	10.7	406.7
Livestock & Meat	288.2	286.2	0.7	-2.1	-1.0	-44.7	-34.7	-12.4	329.0
Precious Metals	724.4	721.5	0.4	-0.7	1.4	-29.7	-17.9	-10.1	805.7
PRECIOUS METALS									
Gold (\$/ounce) (AM fixing London)	1215.50	1217.60	-0.2	-0.9	0.9	-27.0	-14.0	-5.0	1278.90
Platinum (\$/ounce) (AM fixing London)	828.0	817.0	1.3	-2.5	4.2	-33.2	-27.7	-15.0	974.0
Silver (\$/ounce) (Handy & Harman)	0.2	0.2	0.3	-0.5	1.2	-27.3	-10.7	-9.5	0.2
Palladium (\$/ounce troy)	898.0	921.0	-2.5	-1.1	5.1	-32.6	-16.9	-0.7	904.0
OTHER METALS (LME)									
Aluminum (\$/tonne)	2,061	2,011	2.5	-1.9	0.4	-38.8	-10.2	1.4	2,032
Copper (\$/tonne)	6,199	6,111	1.4	-2.5	3.8	-34.3	-17.0	-3.1	6,394
Zinc (\$/tonne)	2,632	2,622	0.4	-0.2	1.4	-46.2	-42.3	-10.0	2,926
Nickel (\$/tonne)	13,804	13,237	4.3	-3.2	3.2	-0.4	11.0	26.2	10,938
Lead (\$/tonne)	2,091	2,103	-0.6	-2.0	2.4	-30.8	-31.9	-10.8	2,345
Uranium (UxC-Ux U308 Spot \$/pound)	25.70	25.70	0.0	8.0	1.9	94.9	33.4	25.4	20.50
OTHER COMMODITIES									
Oil WTI (\$/barrel) future (NYMEX)	66.81	68.96	-3.1	-0.9	0.2	-23.2	19.4	37.5	48.59
Corn (\$/bushel) (Illinois #2)	3.3	3.3	0.0	0.3	3.7	-36.5	-6.3	0.9	3.3
Soy beans (\$/bushel) (Illinois #1)	8.6	8.5	0.7	2.8	1.8	-42.4	-18.8	-6.0	9.1
Beef (Cattle feeder index) (CME)	150.5	148.9	1.0	-0.4	1.0	44.6	3.9	3.1	146.0
Soft Wood Pulp (HWWI) Index 2010 = 100	152	152	0.0	-2.8	-2.9	-15.4	19.6	32.0	115
Lumber 2X4	411	425	-3.5	-11.1	-1.4	-77.9	-30.3	12.4	366
Iron ore (\$/metric ton)	70	68	3.0	0.0	0.7	15.8	-20.6	-7.9	76

All prices are in US dollars

Source: Thomson Reuters Datastream

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Weekly Economic Watch

Economics and Strategy

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