NATIONAL BANK
FINANCIAL MARKETS
A division of National Bank of Canada

WEEKLY ECONOMIC WATCH

Economics and Strategy

December 9, 2016

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- **Calendar of upcoming releases** (p. 5)
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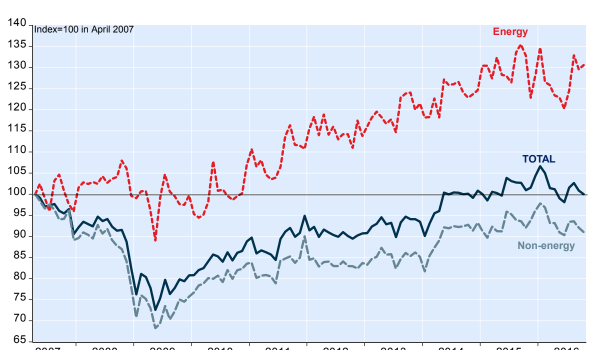
Week in review

Canada –

In October, the **merchandise trade deficit** narrowed to C$1.1 billion (its lowest level since January) after widening to a revised record high of C$4.4 billion the prior month. In nominal terms, exports rose 0.5% while imports sank 6.3% after registering an outsized increase the previous month. The energy trade surplus grew to C$4.6 billion (its highest level since June 2015) as exporters benefited from both higher prices and higher volumes. The non-energy trade deficit improved to C$5.7 billion, a three-month best. In real terms, exports fell 0.9% while imports tumbled 7.4%, more than reversing the prior month's surge. The weakness in two-way trade was disappointing. The slump in imports was attributable primarily to sharply lower imports of industrial machinery (these had surged the prior months thanks to a module destined for the Hebron offshore oil project in Newfoundland and Labrador),and sharp drops in energy products, and metal ores and non-metallic minerals. Exports were up, helped by higher prices, while overall volumes were down – gains for energy were more than offset by declines for non-energy products. The latter are now 9% below their peak of nine and a half years ago (chart). As a result, goods exports are on track to recording a drop of about 7% annualized in real terms in Q4 while imports are headed for an even steeper fall of 18%. In other words, trade may be contributing to GDP growth in the quarter, but not for the right reason.

Canada: Export volumes fell in October
Real goods exports



NBF Economics and Strategy (data via Statistics Canada)

In November, **housing starts** fell 4.3% to 184K, far short of the 191K expected by consensus. The decline was due to a 5% drop in urban starts, which dwarfed a 2.8% increase in rural starts. The decrease in the urban segment was entirely due to a 7.7% contraction in multi-unit starts, given that single-family starts were roughly flat. On a regional basis, lower urban starts in Ontario (-31.9%), Atlantic Canada (-10.1%) and Quebec (-4.2%) more than offset higher urban starts in British Columbia (+72.7%) and the Prairies (+1.6%). We expect starts in 2017 to fall to about 180K (from 196K in 2016) mainly on account of higher mortgage rates, lower affordability and recently adopted measures that make it harder, especially for first-time home buyers, to qualify for an insured mortgage loan. Meanwhile, starts in Q4 are set to pull back from their Q3 level, although the impact of this on GDP is unclear given the higher relative proportion of single-family starts.

Separately, **building permits** jumped 8.7% in dollar terms in October. The value of non-residential permits rose 10.7% on impetus from commercial applications, while the value of residential permits was up 7.7%. In real terms, residential permits rose 7.9% on an 11.8% increase in the single-family segment and a 5.9% increase in the multi-unit category. Though the advance in residential building permits suggests that starts could bounce back in the coming months (particularly in Ontario), we are not particularly upbeat about longer term prospects for residential construction. Mortgage rules implemented by the federal government this year will eventually take some steam out of demand, and supply should respond accordingly.

As was widely expected, the **Bank of Canada** left its overnight rate unchanged at 0.50% in December. On a dovish tone, the Bank noted that business investment and non-energy goods exports continued to disappoint and that a significant amount of economic slack remained in Canada, a state of affairs in sharp contrast with the situation in the United States where the economy was operating at near full capacity. This allusion was meant to remind people that the BoC did not need to move in lockstep with the Fed. Moreover, the BoC chose to exclude from its press release an assessment of the balance of risk related to the inflation outlook. It thus signaled that there was more uncertainty than usual surrounding the economic outlook at a time when it was unclear how things would evolve south of the border. Fiscal expansion could be coming to the United States at a time when the economy is already operating at near full capacity. This rendered the inflation outlook uncertain. In this context, the Bank was in fact leaving its options open after reporting in October that it had actively discussed the possibility of adding more monetary stimulus. In short, the Bank has decided to remain in wait-and-see mode. However, it is doubtful that the situation in the United States will be much clearer by January 18 when the BoC is slated to present its economic update.

United States –

The **trade deficit** widened to US$42.6 billion in October from a revised US$36.2 billion the prior month. The deterioration was attributable to a combination of lower exports (-1.8%) and higher imports (+1.3%). In real terms, exports fell 2.9% while imports rose 1.4%. The trade figures were roughly in line with consensus expectations. Trade was a strong contributor to real economic growth in Q3 as exports registered double-digit annualized growth for the first time since 2013. However, such a strong performance could be followed by a pullback in Q4, as merchandise exports were down an annualized 7% after one month of data. With trade being a drag on growth so far in the quarter, the data support our view that the U.S. economy is set to decelerate closer to 2.0% annualized in Q4.

Factory orders surged 2.7% in October. Durable goods orders jumped 4.6% thanks in large part to the transportation component (+12.0%). Excluding transportation, factory orders rose 0.8%. Consumer durables (+0.2%) and non-durables (+1.3%) were both up in the month. It is worth noting that orders ex-transportation rose in 7 of the last 8 months. This stands in stark contrast with the 8 monthly declines in the prior year. It remains to be seen how the manufacturing sector will deal with the renewed strength of the USD in 2017.

Still in October, **job openings** fell 97K from the previous month to 5.53 million. Layoffs remained essentially unchanged at 1.5 million while quits decreased 66K to 2.99 million. The quit rate held steady at 2.1% for a fifth consecutive month.

Consumer credit rose US$16 billion in October to US$3,727.3 billion. Revolving and non-revolving credit grew by US$2.3 billion and US$13.7 billion, respectively.

The **ISM Non-Manufacturing Index** climbed 2.4 points to 57.2 in November, its highest reading since October 2015 (58.3). Employment rose 5.1 points to 58.2. The price index slid to 56.3 from 56.6 the previous month. All industries with the exception of health care reported increased activity. The business activity index stood at 61.7, up almost 10 points from the year-low mark of 51.8 reached in August.

World –

In November, the Caixin **China** Services PMI rose to 53.1 from 52.4 the previous month. The composite index was unchanged at 52.9. The trade surplus shrank to US$44.6 billion from a revised US$48.7 billion in October. Exports were stronger than expected, progressing 0.1% y/y instead of retreating a projected 5.0%. Imports, too, were stronger than anticipated, growing 6.7% y/y after declining 1.4% the month before. In November, the consumer price index grew 2.3% y/y, compared to 2.1% in the previous month. The producer price index jumped 3.3% y/y, exceeding expectations (2.3%).

In the **Eurozone,** the ECB left its main policy rates unchanged. It also announced that it was continuing *“its purchases under the asset purchase programme (APP) at the current monthly pace of €80 billion until the end of March 2017. From April 2017, the net asset purchases are intended to continue at a monthly pace of €60 billion until the end of December 2017, or beyond, if necessary, and in any case until the Governing Council sees a sustained adjustment in the path of inflation consistent with its inflation aim.”*

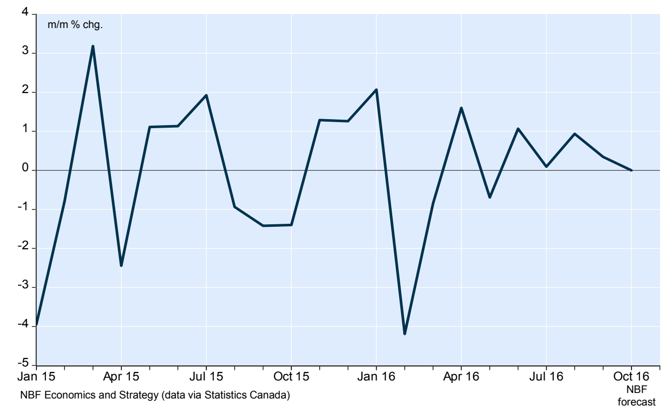
To the extent that tapering means a gradual reduction of the asset purchase programme towards zero, ECB President Mario Draghi argued that the decision to reduce the rate of purchases to €60 billion starting in April 2017 was not a step in that direction. In order to ensure the smooth implementation of its programme, the ECB has decided that, if necessary, it would permit the purchase of bonds yielding less than minus 40 bps. The ECB also extended the maturity range of the bonds it could purchase to include those maturing in one year (previously, the lower limit was two years). The Eurosystem staff projections for GDP growth were left broadly unchanged at 1.7% for 2016 and 2017 and 1.6% for the following two years. Inflation was projected at 1.3% for 2017, 1.5% for 2018, and 1.7% for 2019.

What we'll be watching

In Canada, a light data week will feature **manufacturing shipments** for October. Soft exports of factory goods during the month suggest shipments may have been no better than flat. November data on the housing market will also be available thanks to **existing home sales** and resale home prices as measured by the **Teranet/National Bank house price index**. The **Bank of Canada** presents its Financial System Review on Thursday.

	Previous	NBF forecasts
Manufacturing sales (October m/m chg.)	0.3%	**0.0%**

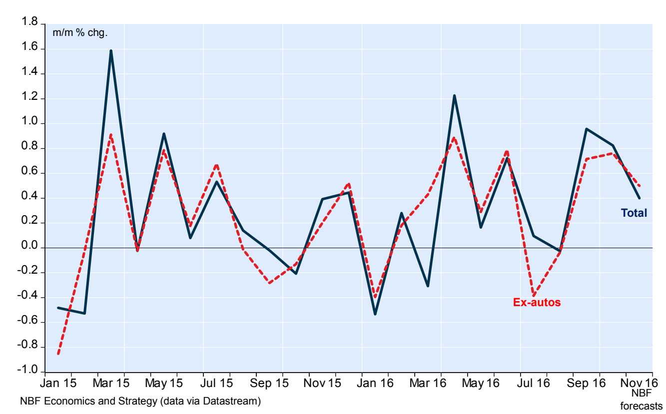
Canada: Factory sales likely softened in October
Manufacturing shipments



In the U.S., all eyes will be on the **Federal Reserve** as it presents updated economic projections and decides on monetary policy. The Fed will likely deliver the 25 basis points rate increase markets are expecting in light of the sharp rebound in economic activity which has allowed the jobless rate to fall to the lowest since mid-2007. The tone of the statement and economic projections will be crucial in gauging the amount of tightening markets should expect next year. The Fed could raise its 2017 and 2018 growth forecasts to reflect the incoming President's plan to lower taxes and increase government spending, although it will refrain from sounding too upbeat for fear of triggering another leg of dollar appreciation. November data released this week will give further clues about how Q4 growth is shaping up. **Retail sales** probably increased further in light of continued resilience in the labour market. Higher pump prices gave a lift to gasoline station receipts offsetting soft auto sales during the month. All in all, sales may have risen about 0.4%. **Housing starts** are expected to fall sharply after October's outsized gains. Inflationary pressures will also be assessed with the release of the **consumer price index**. Rising gasoline prices pushed up the CPI, causing the annual inflation rate to rise to roughly 1.7%. The manufacturing sector seems to have taken a breather, enough to cause an overall decline for **industrial production**. We'll also get very first clues about December manufacturing activity with the release of Markit's flash **purchasing managers index** and regional indices such as the **Empire** and **Philly**.

	Previous	NBF forecasts
Fed funds rate	0.50%	**0.75%**
Retail sales (November m/m chg.)	0.8%	**0.4%**
ex-autos Retail sales (November m/m chg.)	0.8%	**0.5%**
CPI (November y/y chg.)	1.6%	**1.7%**
Core CPI (November y/y chg.)	2.1%	**2.2%**

U.S.: Consumption continued to expand in November
Retail sales



What we'll be watching

Elsewhere around the world, November data in China on credit, industrial production and retail sales will give some clues about Q4 GDP in the world's second largest economy. Japan's Tankan survey for Q4 will be closely watched as usual. In the Eurozone, October data on industrial production and trade will be released this week. Markit will release December flash purchasing managers indices this week for Japan and the Eurozone.

WEEKLY ECONOMIC WATCH

Economic calendar - Canada & U.S.

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Economic releases & events

Day	Time	Country	Release	Period	Previous	Consensus Estimate	NBF Estimate
Monday Dec 12							
Tuesday Dec 13	6:00	US	NFIB Small Business Optimism	Nov	94.9	96.6	
Wednesday Dec 14	7:00	US	MBA Mortgage Applications	Dec-09	-0.70%	--	
	8:30	CA	Teranet/National Bank HPI MoM	Nov	0.30%	--	
	8:30	US	Retail Sales Advance MoM	Nov	0.80%	0.30%	0.40%
	8:30	US	Retail Sales Ex Auto MoM	Nov	0.80%	0.40%	0.50%
	8:30	CA	Teranet/National Bank HPI YoY	Nov	11.80%	--	
	8:30	US	PPI Final Demand MoM	Nov	0.00%	0.10%	
	8:30	US	PPI Ex Food and Energy MoM	Nov	-0.20%	0.20%	
	8:30	US	PPI Final Demand YoY	Nov	0.80%	0.90%	
	8:30	US	PPI Ex Food and Energy YoY	Nov	1.20%	1.30%	
	9:15	US	Industrial Production MoM	Nov	0.00%	-0.30%	-0.30%
	9:15	US	Capacity Utilization	Nov	75.30%	75.10%	75.10%
	14:00	US	FOMC Rate Decision (Upper Bound)	Dec-14	0.50%	0.75%	0.75%
Thursday Dec 15	8:30	CA	Manufacturing Sales MoM	Oct	0.30%	0.70%	0.00%
	8:30	US	Current Account Balance	3Q	-$119.9b	-$111.0b	
	8:30	US	Empire Manufacturing	Dec	1.5	3.0	
	8:30	US	CPI MoM	Nov	0.40%	0.20%	0.20%
	8:30	US	CPI Ex Food and Energy MoM	Nov	0.10%	0.20%	0.20%
	8:30	US	CPI YoY	Nov	1.60%	1.70%	1.70%
	8:30	US	CPI Ex Food and Energy YoY	Nov	2.10%	2.20%	2.20%
	8:30	US	Initial Jobless Claims	Dec-10	258k	256k	
	9:00	CA	Existing Home Sales MoM	Nov	2.40%	--	
	9:45	US	Markit US Manufacturing PMI	Dec P	54.1	54.1	
	10:00	US	NAHB Housing Market Index	Dec	63.0	63.0	
	16:00	US	Total Net TIC Flows	Oct	-$152.9b	--	
Friday Dec 16	8:30	CA	Int'l Securities Transactions	Oct	11.77b	--	
	8:30	US	Housing Starts	Nov	1323k	1230k	1200k
	8:30	US	Housing Starts MoM	Nov	25.50%	-7.00%	-9.30%
	8:30	US	Building Permits	Nov	1229k	1240k	
	8:30	US	Building Permits MoM	Nov	0.30%	-1.60%	

Earnings announcements

Day	Company	Time	Qtr	Cons. EPS
Monday Dec 12				
Tuesday Dec 13	North West Co Inc/The	0:00	Q3 17	0.42
Wednesday Dec 14	Empire Co Ltd	Aft-mkt	Q2 17	0.29
Thursday Dec 15	Enghouse Systems Ltd	Aft-mkt	Q4 16	0.42
	Oracle Corp	Aft-mkt	Q2 17	0.61
	Adobe Systems Inc	16:05	Q4 16	0.86
Friday Dec 16	Carnival Corp	0:00	Q4 16	0.59

Source: Bloomberg

WEEKLY ECONOMIC WATCH

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Annex - Economic tables

TABLE 1 - NORTH AMERICAN FINANCIAL INDICATORS

December 9, 2016

Growth Rates Unless Otherwise Indicated		Reference Period	Level	Monthly Growth (%) Past Month	Prev. Month	Month Before	Annualized Growth Average of the last 3 Mos.	6 Mos.	Since 12 Mos.	Year-to-date (3) ref.	prec.
UNITED STATES											
MONETARY AGGREGATES			($Billions)								
M1		Oct 2016	3341	0.7	0.2	2.7	12.5	10.7	10.2	7.0	7.7
M2		Oct 2016	13138	0.6	0.6	0.8	8.3	7.8	7.9	6.8	5.8
CREDIT MEASURES											
Consumer Credit	*	Oct 2016	3727	0.4	0.6	0.8	7.3	6.6	6.1	6.3	6.9
Mortgage (Banks)	*	Oct 2016	4098	0.7	0.4	0.5	7.2	7.3	7.6	6.9	4.1
Business	*	Oct 2016	2097	1.0	0.8	-0.3	3.8	8.7	9.0	9.7	11.4
CANADA											
MONETARY AGGREGATES											
M2+ gross		Sept 2016	1856	0.8	0.3	1.0	8.5	7.2	6.8	6.4	4.7
Personal Deposits (Banks) (2)		Oct 2016	904						7.4	7.0	3.7
CREDIT MEASURES											
Consumer		Sept 2016	562	0.2	-0.1	0.4	3.4	3.8	3.1	3.0	3.1
Mortgages		Sept 2016	1418	0.6	0.6	0.4	5.9	5.8	6.1	6.2	5.6
Business (S.T. + L.T.)		Oct 2016	1831	0.8	0.3	0.3	6.5	5.5	5.4	5.4	8.4
Private (Consumer+Business)		Sept 2016	3796	0.4	0.3	0.7	6.3	5.0	5.1	5.3	6.6
Gov. of Canada securities outstanding		Oct 2016	687	0.4	-0.1	-0.4	2.0	4.9	3.3	3.8	0.5

INTEREST AND EXCHANGE RATES

		Reference Thursday	Last day	1 week ago	2 w. ago	Average of last Thursdays 13 w.	26 w.	52 w.	13 w. ago	26 w. ago	52 w. ago
UNITED STATES											
INTEREST RATES											
Federal Funds Target Rate	*	8 Dec 16	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.25
Prime Rate	*	8 Dec 16	3.50	3.50	3.50	3.50	3.50	3.50	3.50	3.50	3.25
3-month Treasury Bills	*	8 Dec 16	0.50	0.47	0.50	0.36	0.33	0.29	0.34	0.25	0.24
2-year Bonds	*	8 Dec 16	1.11	1.12	1.14	0.91	0.80	0.82	0.78	0.77	0.97
5-year Bonds	*	8 Dec 16	1.82	1.93	1.85	1.44	1.27	1.31	1.19	1.22	1.57
10-year Bonds	*	8 Dec 16	2.39	2.45	2.36	1.95	1.75	1.82	1.62	1.68	2.23
30-year Bonds	*	8 Dec 16	3.09	3.11	3.02	2.68	2.49	2.59	2.32	2.48	2.97
Corp. High-yield (BofA ML Master II)	*	8 Dec 16	6.59	6.83	6.77	6.67	6.88	7.78	6.69	7.44	8.62
Corp. Invest. Grade (BofA ML Corp. BBB)	*	8 Dec 16	3.85	3.92	3.88	3.55	3.46	3.79	3.32	3.59	4.29
Spread											
Corp. High-yield - Treas. 10y.	*	8 Dec 16	4.20	4.37	4.42	4.72	5.12	5.96	5.07	5.76	6.39
Corp. Invest. grade - Treas. 10y.	*	8 Dec 16	1.46	1.47	1.52	1.59	1.71	1.96	1.71	1.90	2.06
Treasuries 30y. - 3-m. T.B.	*	8 Dec 16	2.59	2.64	2.52	2.32	2.16	2.30	1.98	2.23	2.73
EXCHANGE RATE											
FED Broad (Jan 97 = 100)	*	2 Dec 16	127.14	127.49	127.56	123.31	122.24	122.17	120.59	121.59	121.29
CANADA											
INTEREST RATES											
Prime Rate	*	8 Dec 16	2.70	2.70	2.70	2.70	2.70	2.70	2.70	2.70	2.70
Target overnight rate	*	8 Dec 16	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50
30-day commercial paper	*	8 Dec 16	0.88	0.88	0.88	0.87	0.87	0.88	0.86	0.87	0.86
3-month Treasury Bills	*	8 Dec 16	0.48	0.51	0.51	0.50	0.50	0.49	0.51	0.51	0.46
1-year Treasury Bills	*	8 Dec 16	0.60	0.61	0.57	0.56	0.55	0.53	0.56	0.55	0.50
5-year Bonds	*	8 Dec 16	1.03	1.07	1.01	0.79	0.71	0.70	0.62	0.62	0.82
10-year Bonds	*	8 Dec 16	1.66	1.67	1.59	1.29	1.18	1.23	1.00	1.20	1.49
30-year Bonds	*	8 Dec 16	2.28	2.26	2.18	1.93	1.80	1.91	1.61	1.86	2.23
SPREADS											
Prime - 30d. Commercial paper	*	8 Dec 16	1.82	1.82	1.82	1.83	1.83	1.82	1.84	1.83	1.84
Long Term - Short Term	*	8 Dec 16	1.80	1.75	1.67	1.43	1.30	1.42	1.10	1.35	1.77
CANADA UNITED STATES SPREADS											
3-month T-Bills	*	8 Dec 16	-0.02	0.04	0.01	0.14	0.17	0.20	0.17	0.26	0.22
Long Term Bonds	*	8 Dec 16	-0.81	-0.85	-0.84	-0.76	-0.68	-0.68	-0.71	-0.62	-0.74
EXCHANGE RATE											
US$ /CDN$ (GTIS)	*	8 Dec 16	0.7581	0.7510	0.7412	0.7526	0.7620	0.7550	0.7732	0.7861	0.7340
Trade-weighted (1990=100) G-10	*	8 Dec 16	89.3	88.6	87.5	88.3	89.1	88.3	90.3	91.5	86.5

STOCK INDICES

		Reference Thursday	Level	Monthly Growth (%) Past Month	Prev. Month	Month Before	Growth Over (%) 3 Months	6 Months	1 Year	Year-to-date ref.	prec.
Dow Jones (U.S.)	*	8 Dec 16	19614.8	7.0	0.5	-1.3	6.1	8.9	11.7	11.7	-1.6
S&P 500 (U.S.)	*	8 Dec 16	2246.2	5.0	-0.7	-1.3	3.0	6.0	8.8	8.8	0.2
NASDAQ (U.S.)	*	8 Dec 16	5417.4	4.3	-1.9	0.6	3.0	8.9	6.3	6.3	7.5
S&P/TSX (Can.)	*	8 Dec 16	15295.2	4.4	0.6	-1.6	3.3	6.9	18.4	18.4	-8.6

* Update (1) Commercial Banks (2) Not seasonnally adjusted (3) compared to same period of the preceeding year, unless otherwise stated
Source: Thomson Reuthers Datastream

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Annex - Economic tables

TABLE 2 - UNITED STATES ECONOMIC INDICATORS

December 9, 2016

Growth Rates Unless Otherwise Indicated		Reference Period	Monthly Growth (%) Past Month	Prev. Month	Month Before	Annualized Growth (%) Average of the last 3 Mos.	6 Mos.	12 Mos.	Since 12 Mos.	Year-to-date (9) ref.	prec.
Index of 12 Leading Indicators		Oct 2016	0.1	0.2	-0.2	1.7	1.3	1.6	1.1	1.4	4.6
Consumer Confidence Index (1985=100)		Nov 2016	107.1	100.8	103.5	103.8	101.2	98.2	92.6	98.4	98.1
I.S.M. Manufacturing Index (level)		Nov 2016	53.2	51.9	51.5	52.2	52.0	51.0	48.4	51.2	51.6
- Non-manufacturing (level)	*	Nov 2016	61.7	57.7	60.3	59.9	58.4	57.9	59.4	57.8	60.9
DOMESTIC DEMAND											
Sales new autos & light trucks (000,000)		Nov 2016	17.9	18.0	17.8	17.9	17.6	17.5	18.3	17.5	17.4
Retail Sales		Oct 2016	0.8	1.0	0.0	4.9	4.3	2.7	4.3	2.8	2.3
- Motor vehicle		Oct 2016	1.1	1.9	0.0	13.2	4.4	3.7	5.4	3.2	6.7
- Other		Oct 2016	0.8	0.7	0.0	2.8	4.3	2.5	4.0	2.7	13.0
Consumer Spending: Total ($ current)		Oct 2016	0.3	0.7	0.0	-10.5	1.0	2.6	-7.3	2.5	3.6
Total ($ constant)		Oct 2016	0.1	0.5	-0.1	2.2	3.2	2.6	2.8	2.6	3.3
Personal Income		Oct 2016	0.6	0.4	0.3	4.6	4.2	3.6	3.9	3.6	4.5
Personal Savings Rate (3)		Oct 2016	6.0	5.7	6.0	5.9	5.9	6.0	6.1	6.0	5.8
New Orders	*	Oct 2016	2.7	0.6	0.4	8.3	1.2	-2.6	1.3	-2.3	-6.7
- Non-Defence Capital Goods exc. Aircraft	*	Oct 2016	0.2	-1.5	1.2	3.8	-2.2	-4.1	-4.3	-4.2	-3.1
Unfilled Orders	*	Oct 2016	0.7	-0.2	-0.2	-2.1	-1.4	-2.0	-1.1	-1.8	2.4
Business Inventories		Sept 2016	0.1	0.2	0.0	1.3	1.3	1.0	0.6	0.9	2.6
Inventories / Shipments Businesses		Sept 2016	1.38	1.39	1.39	1.39	1.39	1.40	1.39	1.40	1.37
Manufacturers' Shipments	*	Oct 2016	0.4	0.9	0.2	3.6	1.6	-2.9	0.4	-2.6	-4.3
Manufacturers' Inventories	*	Oct 2016	0.0	-0.1	0.1	0.9	-0.9	-2.7	-1.4	-2.7	-0.6
Inventories / Shipments Manuf.	*	Oct 2016	1.34	1.34	1.35	1.34	1.35	1.36	1.36	1.36	1.36
Housing Starts (000) (1)		Oct 2016	1323	1054	1164	1180	1180	1169	1073	1169	1097
New Home Sales, single-family		Oct 2016	-1.9	1.2	-8.8	-9.3	15.9	12.4	17.8	12.6	14.7
Existing Home Sales, s.f. & condos		Oct 2016	2.0	3.6	-1.5	-1.7	7.8	3.0	5.9	3.2	7.2
PRODUCTION											
Industrial Production		Oct 2016	0.1	-0.3	-0.1	0.6	0.2	-1.3	-0.8	-1.2	0.8
- Consumer Goods		Oct 2016	-0.2	-0.1	0.0	0.6	1.6	0.5	0.4	0.6	1.8
- Hitech goods		Oct 2016	1.0	1.0	0.5	13.9	7.7	3.3	6.7	4.0	2.5
EXTERNAL AND FISCAL BALANCES											
Exports	*	Oct 2016	-1.8	0.9	0.9	9.9	5.2	-3.8	0.4	-3.1	-4.3
Imports	*	Oct 2016	1.3	-1.2	1.2	3.8	4.1	-3.5	0.8	-2.9	-3.1
Merch. Trade Balance ($ billions)	*	Oct 2016	-42.6	-36.2	-40.6	-39.8	-40.9	-41.0	-41.6	-40.9	-41.8
Real merchandise trade balance	*	Oct 2016	-60.3	-54.2	-57.4	-57.3	-59.3	-59.6	-61.0	-59.4	-59.0
Federal budget balance last 12 months (2)		Oct 2016	-495.0	-587.3	-529.9				-453.9	-416.0	-399.0
INFLATION AND COSTS											
Consumer Prices		Oct 2016	0.4	0.3	0.2	2.3	1.9	1.1	1.6	1.2	0.0
- Excluding Food and Energy		Oct 2016	0.1	0.1	0.3	2.0	2.1	2.2	2.1	2.2	1.8
PCE Deflator exc. Food and Energy		Oct 2016	0.1	0.1	0.2	1.7	1.8	1.6	1.7	1.6	1.4
Producer price index for final demand		Oct 2016	0.0	0.3	0.0	0.5	1.3	0.0	0.9	0.2	-0.8
Average Hourly Earnings (4)		Nov 2016						2.5	2.4	2.5	2.1
Industrial Capacity Utilization Rate		Oct 2016	75.3	75.4	75.6	75.4	75.4	75.4	76.3	75.4	76.9
Median Price, Single-Family Homes (5)		Oct 2016	-1.4	-2.1	-1.3	-11.8	18.5	5.7	5.9	5.5	6.8
LABOUR MARKET											
New Jobs (000) (6)		Nov 2016	178	142	208	176	205	188	2253	1982	2473
- Manufacturing (000)		Nov 2016	-4	-5	-6	-5	-4	-5	-54	-60	20
- Services (000)		Nov 2016	161	135	187	161	200	187	2241	2014	2331
Average weekly hours (6)		Nov 2016	0.1	0.1	0.2	1.1	1.2	1.7	1.3	1.6	2.2
Civilian Unemployment Rate (7)		Nov 2016	4.6	4.9	5.0	4.8	4.9	4.9	5.0	4.9	5.3

NATIONAL ACCOUNTS AND OTHER QUARTERLY INDICATORS		Annualized Growth Rates							
		Q3 2016	Q2 2016	Q1 2016	Q4 2015	Q3 2015	Q3 2015	2014	2013	2012
Real GDP Chained 2009 dollars		3.2	1.4	0.8	0.9	2.0	2.6	2.4	2.2	2.3
Consumption		2.8	4.3	1.6	2.3	2.7	2.9	3.2	2.9	1.5
Residential Construction		-4.4	-7.8	7.8	11.5	12.6	14.8	11.7	3.5	11.9
Business Investment		0.1	1.0	-3.4	-3.3	3.9	1.6	2.1	6.0	3.5
Government Spending		0.2	-1.7	1.6	1.0	1.9	3.2	1.8	-0.9	-2.9
Exports		10.1	1.8	-0.7	-2.7	-2.8	2.8	0.1	4.3	3.5
Imports		2.1	0.2	-0.6	0.7	1.1	2.9	4.6	4.4	1.1
Change in Inventories (1) (2)		7.6	-9.5	40.7	56.9	70.9	93.8	84.0	57.7	78.7
GDP Deflator		1.4	2.3	0.5	0.9	1.2	2.2	1.1	1.8	1.6
Personal Disposable Income		2.7	2.9	2.1	3.0	3.3	3.9	3.5	3.5	-1.4
		Q3 2016	Q2 2016	Q1 2016	Q4 2015	Q3 2015	Q2 2015	2014	2013	2012
Labour Productivity (4)		3.1	-0.2	-0.6	-2.4	2.0	1.2	0.9	0.8	0.3
Unit Labor Costs (4)	*	0.7	6.2	-0.3	5.7	0.8	3.6	2.0	2.0	1.0
		Q2 2016	Q1 2016	Q4 2015	Q3 2015	Q2 2015	Q1 2015	2014	2013	2012
Current Account (current $)		-479.5	-527.4	-453.6	-492.4	-447.6	-458.2	-463.0	-392.1	-366.4
as a % of GDP		-2.6	-2.9	-2.5	-2.7	-2.5	-2.6	-2.6	-2.3	-2.2
		Q3 2016	Q2 2016	Q1 2016	Q4 2015	Q3 2015	Q2 2015	2014	2013	2012
Corporate Profits (8)		29.2	-2.4	14.1	-22.3	-3.2	-11.4	-3.0	5.9	1.7
as a % of GDP		11.5	11.0	11.1	10.8	11.6	11.7	11.6	12.0	12.5

* Update
Source: Thomson-Reuthers Datastream
(1) Annual Rate
(2) $ Billions
(3) Personal Savings as a % of Personal Disposable Income
(4) Nonfarm Business
(5) Existing Homes Sold
(6) Non-Farm Payroll Survey
(7) Household Survey
(8) Current $ and before taxes
(9) Compated to same period of the preceeding year, unless otherwise stated

Annex - Economic tables

TABLE 3 - CANADIAN ECONOMIC INDICATORS

December 9, 2016

Growth Rates Unless Otherwise Indicated	Reference Period	Monthly Growth (%) Past Month	Prev. Month	Month Before	Annualized Growth (%) Average of the last 3 Mos.	6 Mos.	12 Mos.	Since 12 Mos.	Year-to-date (6) ref.	prec.
CFIB Business Barometer ®	Nov 2016	3.0	-2.2	-1.3	-2.9	11.8	-3.8	1.2	-3.2	-8.8
DOMESTIC DEMAND										
Retail Sales ($ current)	Sept 2016	0.6	0.1	-0.2	0.2	2.1	3.3	2.5	3.7	1.5
- Motor vehicle and parts dealers	Sept 2016	2.4	-0.2	-0.2	2.9	-2.8	7.5	3.6	7.4	4.8
- Other	Sept 2016	0.0	0.2	-0.2	-0.7	3.8	2.0	2.1	2.5	0.8
Retail Sales ($ constant)	Sept 2016	0.6	0.0	0.2	0.7	0.6	2.0	1.4	2.4	1.3
Manufacturer's Shipments ($ current)	Sept 2016	0.3	0.9	0.1	5.4	0.4	-0.3	1.4	0.3	-1.5
New Orders	Sept 2016	2.3	-0.7	-3.9	-7.6	7.2	-2.1	3.3	-1.0	-4.0
- Durables	Sept 2016	4.8	-3.1	-7.2	-18.9	9.5	-1.6	4.9	-0.4	-1.9
Unfilled Orders	Sept 2016	-0.2	-1.3	-0.3	2.1	-4.5	-5.4	-6.5	-7.7	10.2
Manufacturer's Inventories	Sept 2016	0.5	-0.5	1.0	3.2	-2.7	-0.2	-1.2	-1.2	1.4
Inventories / Shipments Ratio	Sept 2016	1.37	1.36	1.38	1.37	1.38	1.39	1.40	1.38	1.40
Manufacturer's Shipments ($ constant)	Sept 2016	-0.2	1.2	0.3	2.5	1.4	0.3	2.4	1.2	-0.8
Housing Starts (000) (1) *	Nov 2016	184.0	192.3	218.8	198.4	199.1	194.7	212.3	196.7	195.6
Number of existing homes sold (MLS)	Oct 2016	2.4	1.5	-2.5	-7.3	1.2	7.6	5.6	7.6	5.0
PRODUCTION										
Real Domestic Product	Sept 2016	0.3	0.2	0.5	4.0	0.7	0.7	1.9	0.9	1.2
- Manufacturing	Sept 2016	0.5	0.0	0.4	4.1	-0.2	0.2	1.4	0.6	0.5
- Construction	Sept 2016	0.7	-0.6	-0.2	-3.0	-2.7	-4.7	-2.6	-3.8	-3.8
Services	Sept 2016	0.1	0.1	0.2	1.8	1.9	1.9	2.0	2.0	2.3
EXTERNAL, FISCAL AND EXCHANGE BALANCES										
Exports *	Oct 2016	0.5	-0.6	1.2	16.0	-2.9	-1.4	1.3	-1.9	-1.0
Imports *	Oct 2016	-6.3	4.4	0.8	6.9	0.2	0.4	-1.3	0.0	4.8
- Capital Goods *	Oct 2016	-20.9	21.8	1.4	31.5	-3.3	0.7	-7.0	-0.8	8.1
Merch. Trade Balance ($ millions) *	Oct 2016	-1,130	-4,375	-2,106	-2,537	-2,949	-2,606	-2,267	-2,828	-2,000
Change in Official Reserves *	Nov 2016	-253	-812	439	-209	-195	410	4,918	3,377	5,171
Level (US$): $83.1 billion									Fiscal year	
Fed. budget balance last 12 months ($ billions)	Sept 2016	-11.3	-10.2	-9.9				7.5	-7.8	1.6
INFLATION AND COSTS										
Consumer Prices	Oct 2016	0.2	0.1	-0.2	-0.2	2.6	1.5	1.5	1.4	1.1
- Excluding Food and Energy	Oct 2016	0.2	0.4	0.0	1.2	2.9	1.9	1.9	1.9	1.8
- Core inflation (4)	Oct 2016	0.2	0.2	0.0	0.8	2.6	2.0	1.7	2.0	2.2
Average Hourly Earnings (2)	Nov 2016						2.2	1.4	2.2	2.8
Price of New Housing icluding land *	Oct 2016	0.4	0.2	0.2	3.0	3.5	2.3	3.0	2.4	1.3
Avg. Price of Existing Homes Sold (MLS)	Oct 2016	-0.1	2.4	-2.7	-7.7	1.1	11.7	6.4	11.8	7.7
Industrial Prices (1992=100)	Oct 2016	0.7	0.4	-0.4	2.3	1.8	-0.5	0.8	-0.7	-1.1
LABOUR MARKET										
Labour Force	Nov 2016	-0.1	0.2	0.4	2.4	0.3	0.9	0.8	0.8	0.8
Job creation (000)	Nov 2016	10.7	43.9	67.2	40.6	19.3	15.3	183.2	160.4	132.6
- Manufacturing	Nov 2016	-11.9	-7.5	6.3	-4.4	-2.9	-4.2	-49.9	-57.0	30.3
- Services	Nov 2016	31.2	23.4	55.5	36.7	24.0	20.6	247.0	223.8	149.2
- Full Time	Nov 2016	-8.7	-23.2	23.1	-2.9	-11.4	-2.5	-30.5	-20.9	157.0
- Part Time	Nov 2016	19.4	67.1	44.1	43.5	30.7	17.8	213.7	181.3	-24.4
Unemployment Rate	Nov 2016	6.8	7.0	7.0	6.9	6.9	7.0	7.0	7.0	6.9

NATIONAL ACCOUNTS AND OTHER QUARTERLY INDICATORS	Annualized Growth Rates Q3 2016	Q2 2016	Q1 2016	Q4 2015	Q3 2015	Q2 2015	2015	2014	2013
GDP Chained (2007) $	3.5	-1.3	2.7	0.5	2.3	-0.4	0.9	2.6	2.5
Household consumption	2.6	1.8	2.5	1.7	2.7	2.0	1.9	2.8	2.6
Business Investments, non-res., mach. & equip.	3.5	-0.9	-8.5	-13.7	-9.1	-15.1	-11.5	3.2	5.6
-Machinery and Equipment	-12.2	4.1	-2.2	-10.1	2.2	-10.8	-3.3	1.2	0.6
Residential Construction	-5.5	0.3	10.2	1.8	2.5	1.2	3.8	2.7	-0.3
Government Expenditures	-1.2	5.3	3.3	0.0	1.5	0.9	1.5	0.8	-0.7
Government Fixed Capital Formation	2.6	-0.9	2.7	-1.1	1.7	-5.5	5.8	-3.6	-7.4
Final Domestic Demand	0.9	2.0	1.8	-0.5	0.9	-0.7	0.3	1.9	1.6
Exports	8.9	-14.8	9.0	-2.1	5.7	5.2	3.4	5.8	2.7
Imports	3.3	1.4	2.3	-6.3	-4.3	-0.4	0.3	2.2	1.6
Change in Inventories, chained (2007) $ (5)	4.6	1.0	-8.2	-3.1	-0.9	6.3	3.9	9.4	14.8
Real Disposible Income	7.4	3.4	-1.0	4.5	2.0	6.0	3.4	1.2	3.2
Personal savings Rate	5.8	4.8	4.5	5.6	4.8	5.3	5.0	3.7	5.0
GDP Price Deflator	2.5	1.1	0.0	-1.1	0.7	0.4	-0.8	1.9	1.6
Corporate Profits (nominal)	93.1	-34.4	2.6	-27.6	6.4	-18.6	-19.5	8.2	4.0
as a % of GDP	11.2	9.7	10.7	10.7	11.6	11.5	11.5	14.3	13.8
Indust. Capacity Utilization Rate *	81.9	79.7	81.2	80.6	81.2	80.6	81.1	82.4	81.0
Labour Productivity, Business Sector	5.0	-0.9	1.7	0.0	0.7	-3.7	-0.6	2.7	1.5
Unit Labour Cost, Business Sector	-2.7	3.1	-0.9	3.0	-1.5	3.0	2.6	0.8	1.2
	Q3 2016	Q2 2016	Q1 2016	Q4 2015	Q3 2015	Q2 2015	2015	2014	2013
Current Account (current $) (5)	-73.2	-76.1	-68.2	-66.4	-65.3	-65.8	-67.6	-48.2	-61.1
as a % of GDP	-3.6	-3.8	-3.4	-3.3	-3.3	-3.3	-3.4	-2.4	-3.1

Sources: Thomson reuthers Datastream and Canadian Real Estate Association

* Update

(1) Annual Rate
(2) Not Seasonally Adjusted
(3) Current and before taxes
(4) C.P.I. excluding the 8 most volatile components and the effect of indirect taxes
(5) Annual rate, $ billions
(6) Compared to same period of the preceeding year, unless otherwise stated

NATIONAL BANK FINANCIAL MARKETS
A division of National Bank of Canada

TABLE 4 - PROVINCIAL ECONOMIC INDICATORS

December 9, 2016

Growth Rates Unless Otherwise Indicated		Reference Period	Monthly Growth (%) Past Month	Prev. Month	Month Before	Annualized Growth (%) Average of the last 3 Mos.	6 Mos.	12 Mos.	Since 12 Mos.	Year-to-date (3) ref.	prec.
QUEBEC											
DOMESTIC DEMAND AND REVENUE											
Retail Sales		Sept 2016	0.9	0.1	-0.1	1.2	3.3	3.7	3.7	4.2	0.1
Manufacturing Shipments		Sept 2016	1.7	-1.6	1.3	6.0	-0.4	-1.9	-0.5	-1.9	-0.7
Housing Starts (000) (2)	*	Nov 2016	35.3	36.4	49.3	40.3	38.4	38.2	34.1	37.8	36.4
Number of existing homes sold (MLS)		Oct 2016	3.1	2.1	-1.3	6.2	4.9	6.2	9.1	6.2	4.9
Wages and Salaries		Sept 2016	0.7	1.3	-1.0	3.4	3.7	2.9	3.9	3.3	2.3
Value of merchandise exports (1)	*	Oct 2016						-1.4	-2.6	-3.2	8.1
CFIB Business Barometer ®		Nov 2016	-1.5	-3.5	3.4	11.2	6.1	9.7	12.8	10.4	-3.3
PRICES											
Consumer Price Index (1)		Oct 2016	0.1	0.4	-0.2	-0.8	1.1	0.8	0.6	0.7	1.1
Average Hourly Earnings (1)		Nov 2016						2.8	2.9	2.8	2.0
Price of New Housing inc. Land (1)	*	Oct 2016	0.0	0.3	0.0	1.1	0.6	0.7	0.9	0.7	0.1
Avg. Price of Existing Homes Sold (MLS)		Oct 2016	-1.0	0.5	2.3	8.3	4.1	2.7	5.3	2.9	1.5
LABOR MARKET											
Job creation (000)		Nov 2016	8.5	3.2	38.3	16.7	9.4	6.7	80.6	69.1	37.1
Unemployment rate		Nov 2016	6.2	6.8	6.9	6.6	6.8	7.2	7.5	7.1	7.6
Participation rate		Nov 2016	64.5	64.8	64.9	64.7	64.5	64.6	64.6	64.5	64.8
ONTARIO											
DOMESTIC DEMAND AND REVENUE											
Retail Sales		Sept 2016	0.4	-0.3	0.6	1.9	1.6	4.9	2.9	4.9	4.0
Manufacturing Shipments		Sept 2016	0.3	0.8	-0.3	3.9	-1.4	4.4	3.3	4.8	1.3
Housing Starts (000) (2)	*	Nov 2016	58.3	84.2	70.5	71.0	75.3	72.9	87.7	74.6	70.1
Number of existing homes sold (MLS)		Oct 2016	1.5	3.4	0.0	11.6	12.1	9.1	12.5	9.0	9.6
Wages and Salaries		Sept 2016	0.2	0.9	-1.0	1.1	3.7	4.3	4.0	4.2	4.1
Value of merchandise exports (1)	*	Oct 2016						7.3	0.8	5.7	10.2
CFIB Business Barometer ®		Nov 2016	3.1	-0.1	-3.5	-4.6	2.2	-2.8	-1.1	-2.4	-3.3
PRICES											
Consumer Price Index (1)		Oct 2016	0.4	0.2	-0.3	-0.2	3.0	1.7	2.1	1.8	1.2
Average Hourly Earnings (1)		Nov 2016						2.4	0.8	2.3	3.1
Price of New Housing inc. Land (1)	*	Oct 2016	1.0	0.3	0.5	6.9	7.5	4.4	6.2	4.6	2.4
Avg. Price of Existing Homes Sold (MLS)		Oct 2016	0.7	2.2	2.4	23.4	18.9	13.2	18.7	14.2	7.3
LABOR MARKET											
Job creation (000)		Nov 2016	18.9	25.4	16.2	20.2	5.1	8.7	104.5	71.5	51.5
Unemployment rate		Nov 2016	6.3	6.4	6.6	6.4	6.5	6.6	6.9	6.6	6.8
Participation rate		Nov 2016	64.8	64.8	64.8	64.8	64.8	65.0	65.1	65.0	65.2
NEWFOUNDLAND & LABRADOR											
DOMESTIC DEMAND AND REVENUE											
Retail Sales		Sept 2016	1.5	1.7	-4.9	-10.3	-0.4	1.4	0.6	1.5	-0.1
Manufacturing Shipments		Sept 2016	4.4	0.4	-3.4	-8.3	-1.5	-18.7	-19.1	-21.1	-6.2
Housing Starts (000) (2)	*	Nov 2016	1.3	1.7	1.4	1.5	1.4	1.6	1.8	1.6	1.8
Number of existing homes sold (MLS)		Oct 2016	4.7	-5.6	3.8	-14.9	1.4	0.7	-5.4	0.2	3.9
Wages and Salaries		Sept 2016	0.9	-1.5	0.5	-0.9	0.2	0.4	0.0	-0.2	3.4
Value of merchandise exports (1)	*	Oct 2016						-15.7	16.7	-14.8	-31.5
CFIB Business Barometer ®		Nov 2016	-4.8	8.1	8.8	-16.0	-33.1	-19.3	-29.2	-21.3	-13.6
PRICES											
Consumer Price Index (1)		Oct 2016	0.3	0.4	-0.2	4.7	6.3	2.3	4.0	2.5	0.3
Average Hourly Earnings (1)		Nov 2016						-0.9	0.2	-0.8	-1.2
Price of New Housing inc. Land (1)	*	Oct 2016	0.0	0.2	-0.1	-0.9	-0.4	0.2	-0.1	0.2	0.2
Avg. Price of Existing Homes Sold (MLS)		Oct 2016	3.7	-1.1	2.3	2.5	-4.5	-6.2	-2.0	-7.2	-3.1
LABOR MARKET											
Job creation (000)		Nov 2016	-0.4	-5.6	-1.2	-2.4	-1.7	-0.5	-6.5	-4.1	-2.4
Unemployment		Nov 2016	14.3	14.9	13.6	14.3	13.3	13.3	13.1	13.2	12.7
Participation rate		Nov 2016	60.0	60.5	61.1	60.6	60.4	60.6	61.1	60.6	61.1
PRINCE EDWARD ISLAND											
DOMESTIC DEMAND AND REVENUE											
Retail Sales		Sept 2016	3.9	-1.5	-0.4	0.7	5.8	5.8	6.4	6.1	1.5
Manufacturing Shipments		Sept 2016	-8.2	1.2	3.8	-0.9	2.3	4.4	0.5	4.0	6.5
Housing Starts (000) (2)	*	Nov 2016	0.5	0.4	1.0	0.6	0.6	0.5	0.5	0.6	0.6
Number of existing homes sold (MLS)		Oct 2016	-14.0	-0.5	12.0	2.3	32.3	25.7	-1.8	23.5	17.4
Wages and Salaries		Sept 2016	1.1	0.7	-1.0	1.6	2.4	4.4	2.7	3.9	3.0
Value of merchandise exports (1)	*	Oct 2016						3.0	10.7	0.6	17.2
CFIB Business Barometer ®		Nov 2016	8.6	3.0	-9.3	-11.3	8.6	-0.2	13.1	0.4	15.3
PRICES											
Consumer Price Index (1)		Oct 2016	1.0	0.0	-0.4	-1.2	2.2	1.0	1.9	1.1	-0.8
Average Hourly Earnings (1)		Nov 2016						1.4	2.0	1.4	2.5
Price of New Housing inc. Land (1)	*	Oct 2016	0.0	0.0	0.0	0.0	0.6	0.3	1.1	0.3	0.1
Avg. Price of Existing Homes Sold (MLS)		Oct 2016	12.3	-13.5	8.4	7.3	13.1	7.8	16.4	10.1	-0.1
LABOR MARKET											
Job creation (000)		Nov 2016	0.3	-0.2	0.2	0.1	0.0	-0.2	-1.8	-1.3	0.0
Unemployment		Nov 2016	10.8	11.7	10.8	11.1	11.0	10.8	10.3	10.9	10.5
Participation rate		Nov 2016	65.6	66.0	65.5	65.7	65.6	65.9	67.5	65.8	67.6

Sources: Thomson Reuthers Datastream and Canadian Real estate Association

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

Annex - Economic tables

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

December 9, 2016

Growth Rates Unless Otherwise Indicated		Reference Period	Monthly Growth (%) Past Month	Prev. Month	Month Before	Annualized Growth (%) Average of the last 3 Mos.	6 Mos.	12 Mos.	Since 12 Mos.	Year-to-date (3) ref.	prec.
NOVA SCOTIA											
DOMESTIC DEMAND AND REVENUE											
Retail Sales		Sept 2016	0.8	0.7	0.7	4.1	1.9	3.5	2.2	4.1	-1.3
Manufacturing Shipments		Sept 2016	-2.7	3.7	-3.0	-4.9	0.8	5.6	-2.8	4.4	3.9
Housing Starts (000) (2)	*	Nov 2016	4.1	4.1	5.3	4.5	4.1	3.5	2.9	3.6	4.1
Number of existing homes sold (MLS)		Oct 2016	-6.3	4.8	1.9	15.1	4.9	5.7	1.6	6.1	2.7
Wages and Salaries		Sept 2016	0.4	0.2	-0.7	0.0	0.4	2.1	1.6	1.8	1.9
Value of merchandise exports (1)	*	Oct 2016						1.1	2.4	-2.5	-1.5
CFIB Business Barometer ®		Nov 2016	-1.0	6.3	-1.1	23.3	-13.0	-0.4	-4.0	-2.0	10.1
PRICES											
Consumer Price Index (1)		Oct 2016	0.0	0.3	0.0	-0.2	2.8	1.1	1.4	1.2	0.3
Average Hourly Earnings (1)		Nov 2016						2.6	6.6	3.1	0.8
Price of New Housing inc. Land (1)	*	Oct 2016	0.5	0.0	0.0	1.6	0.8	0.2	0.7	0.2	0.8
LABOR MARKET											
Job creation (000)		Nov 2016	3.7	0.9	-1.8	0.9	0.3	0.0	-0.4	2.1	-2.7
Unemployment		Nov 2016	8.0	7.6	8.1	7.9	8.1	8.4	8.6	8.4	8.6
Participation rate		Nov 2016	61.7	60.9	61.1	61.2	61.4	61.7	62.4	61.7	62.4
NEW BRUNSWICK											
DOMESTIC DEMAND AND REVENUE											
Retail Sales		Sept 2016	1.7	3.1	-7.0	-12.8	-1.3	4.4	1.1	4.1	1.5
Manufacturing Shipments		Sept 2016	-6.8	7.5	0.7	-4.5	12.4	-10.5	-4.2	-7.1	-6.5
Housing Starts (000) (2)	*	Nov 2016	1.8	2.1	3.6	2.5	2.0	1.8	2.7	1.8	2.0
Number of existing homes sold (MLS)		Oct 2016	6.1	-4.5	3.3	17.7	14.0	7.3	10.7	6.1	5.2
Wages and Salaries		Sept 2016	1.5	0.3	-0.4	2.2	3.1	4.1	4.6	3.9	2.5
Value of merchandise exports (1)	*	Oct 2016						-15.7	-5.1	-14.3	-3.0
CFIB Business Barometer ®		Nov 2016	5.9	-5.4	-6.0	-30.5	7.3	-2.9	-1.8	-2.6	2.5
PRICES											
Consumer Price Index (1)		Oct 2016	0.0	0.3	-0.3	1.9	4.1	1.9	2.8	2.1	0.4
Average Hourly Earnings (1)		Nov 2016						1.8	5.3	1.9	3.1
Price of New Housing inc. Land (1)	*	Oct 2016	0.4	1.2	0.2	4.5	1.0	0.5	1.8	0.5	-0.3
Avg. Price of Existing Homes Sold (MLS)		Oct 2016	1.9	-3.1	1.9	2.0	8.4	0.5	-0.3	1.0	-0.7
LABOR MARKET											
Job creation (000)		Nov 2016	0.5	-2.2	4.4	0.9	1.0	0.2	1.9	1.5	1.0
Unemployment		Nov 2016	8.7	10.0	9.3	9.3	9.6	9.6	8.6	9.7	9.8
Participation rate		Nov 2016	62.2	63.0	62.9	62.7	62.6	62.3	62.0	62.3	62.8
MANITOBA											
DOMESTIC DEMAND AND REVENUE											
Retail Sales		Sept 2016	-0.8	1.9	-1.2	-0.2	0.7	4.7	2.0	5.3	1.0
Manufacturing Shipments		Sept 2016	-1.0	6.4	-3.2	-3.1	-3.6	0.7	0.0	0.7	-2.2
Housing Starts (000) (2)	*	Nov 2016	6.5	5.1	5.2	5.6	5.8	5.3	3.9	5.3	5.7
Number of existing homes sold (MLS)		Oct 2016	5.4	0.3	-4.2	-6.9	-2.6	5.1	8.9	5.0	1.0
Wages and Salaries		Sept 2016	1.2	0.5	-0.1	1.9	0.5	2.6	2.3	2.2	3.0
Value of merchandise exports (1)	*	Oct 2016						-1.1	-9.9	-3.0	1.0
CFIB Business Barometer ®		Nov 2016	13.7	1.6	-2.4	8.0	-6.6	-1.1	-7.1	-2.2	-7.0
PRICES											
Consumer Price Index (1)		Oct 2016	0.3	-0.2	0.2	-0.3	3.2	1.5	1.1	1.4	1.1
Average Hourly Earnings (1)		Nov 2016						2.2	0.2	2.0	3.4
Price of New Housing inc. Land (1)	*	Oct 2016	0.6	0.3	0.2	3.0	2.3	1.8	2.4	1.8	1.0
Avg. Price of Existing Homes Sold (MLS)		Oct 2016	-1.8	2.1	0.5	7.1	4.3	2.0	4.2	2.5	1.7
LABOR MARKET											
Job creation (000)		Nov 2016	-0.9	0.9	-2.1	-0.7	-0.7	-0.3	-4.0	-2.2	1.0
Unemployment		Nov 2016	6.2	6.4	6.4	6.3	6.2	6.1	6.1	6.1	5.6
Participation rate		Nov 2016	67.1	67.4	67.3	67.5	67.5	67.6	68.3	67.6	68.3
SASKATCHEWAN											
DOMESTIC DEMAND AND REVENUE											
Retail Sales		Sept 2016	-0.3	-0.6	-3.5	-8.7	1.4	0.0	0.2	0.7	-3.8
Manufacturing Shipments		Sept 2016	1.0	7.8	-2.1	18.9	5.9	-3.9	8.2	-1.7	-11.5
Housing Starts (000) (2)	*	Nov 2016	4.1	4.8	5.0	4.6	5.2	4.8	7.5	4.8	5.2
Number of existing homes sold (MLS)		Oct 2016	6.5	-1.7	1.9	20.8	-5.7	-4.8	1.6	-4.8	-11.9
Wages and Salaries		Sept 2016	0.4	0.1	-0.3	-0.6	-1.1	0.3	0.3	-0.1	2.1
Value of merchandise exports (1)	*	Oct 2016						-21.2	-16.5	-23.0	-6.5
CFIB Business Barometer ®		Nov 2016	-6.9	1.8	-1.6	-1.3	4.3	-3.5	-2.8	-3.9	-17.1
PRICES											
Consumer Price Index (1)		Oct 2016	0.2	-0.1	-0.2	-1.2	1.9	1.4	0.8	1.2	1.5
Average Hourly Earnings (1)		Nov 2016						3.6	3.1	3.4	2.2
Price of New Housing inc. Land (1)	*	Oct 2016	0.1	0.0	-0.3	-1.4	-1.7	-1.6	-1.5	-1.7	-0.6
Avg. Price of Existing Homes Sold (MLS)		Oct 2016	-4.5	-1.3	1.4	1.0	1.2	-0.8	-3.7	-0.8	-0.6
LABOR MARKET											
Job creation (000)		Nov 2016	2.4	-2.4	0.3	0.1	0.1	-0.8	-9.8	-5.8	4.4
Unemployment		Nov 2016	6.8	6.9	6.8	6.8	6.5	6.2	5.4	6.3	5.0
Participation rate		Nov 2016	70.1	69.9	70.1	70.0	69.9	69.9	70.8	69.9	70.1

Sources: Thomson Reuthers Datastream and Canadian Real estate Association

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

Annex - Economic tables

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

December 9, 2016

Growth Rates Unless Otherwise Indicated		Reference Period	Monthly Growth (%) Past Month	Prev. Month	Month Before	Annualized Growth (%) Average of the last 3 Mos.	6 Mos.	12 Mos.	Since 12 Mos.	Year-to-date (3) ref.	prec.
ALBERTA											
DOMESTIC DEMAND AND REVENUE											
Retail Sales		Sept 2016	0.3	0.2	-0.7	-4.9	-1.6	-3.1	-2.4	-2.1	-4.2
Manufacturing Shipments		Sept 2016	-0.4	2.0	-1.0	6.4	3.3	-13.4	-4.8	-11.7	-12.6
Housing Starts (000) (2)	*	Nov 2016	25.9	26.0	29.1	27.0	25.0	24.6	43.0	24.4	38.6
Number of existing homes sold (MLS)		Oct 2016	6.5	4.1	-3.6	9.3	11.6	-11.4	3.4	-9.1	-21.4
Wages and Salaries		Sept 2016	0.0	-0.8	1.3	1.8	-3.3	-3.8	-2.9	-3.8	0.2
Value of merchandise exports (1)	*	Oct 2016						-21.0	6.2	-19.3	-23.2
CFIB Business Barometer ®		Nov 2016	-10.2	-11.9	3.3	-24.1	113.7	-19.6	-0.2	-15.4	-39.3
PRICES											
Consumer Price Index (1)		Oct 2016	0.4	-0.4	0.2	-0.5	2.2	1.3	0.5	1.2	1.0
Average Hourly Earnings (1)		Nov 2016						2.0	0.1	1.9	3.4
Price of New Housing inc. Land (1)	*	Oct 2016	-0.1	-0.2	-0.1	-1.6	-1.0	-0.5	-1.0	-0.5	0.9
Avg. Price of Existing Homes Sold (MLS)		Oct 2016	-0.9	1.3	-2.1	1.7	4.0	-0.4	1.8	0.1	-1.9
LABOR MARKET											
Job creation (000)		Nov 2016	-12.8	9.0	13.3	3.2	1.5	-2.5	-29.6	-25.7	-15.7
Unemployment		Nov 2016	9.0	8.5	8.5	8.7	8.5	7.9	6.9	8.0	5.9
Participation rate		Nov 2016	72.9	72.9	72.7	72.8	72.4	72.5	72.9	72.5	73.1
BRITISH COLUMBIA											
DOMESTIC DEMAND AND REVENUE											
Retail Sales		Sept 2016	0.9	0.0	0.8	4.8	6.8	6.2	5.7	6.4	6.2
Manufacturing Shipments		Sept 2016	0.6	1.6	2.8	18.7	7.5	2.0	7.8	2.8	3.8
Housing Starts (000) (2)	*	Nov 2016	46.1	27.6	48.4	40.7	41.4	41.6	28.1	42.2	31.2
Number of existing homes sold (MLS)		Oct 2016	2.3	-3.9	-10.0	-52.8	-23.9	18.8	-9.2	16.9	20.4
Wages and Salaries		Sept 2016	0.6	0.7	0.3	3.7	4.9	4.2	4.8	4.2	4.0
Value of merchandise exports	*	Oct 2016	5.2	0.1	-1.7	51.0	10.5	6.1	12.0	5.9	-1.0
CFIB Business Barometer ®		Nov 2016	5.2	3.5	-3.5	-6.7	7.5	-5.3	3.6	-4.9	-4.6
PRICES											
Consumer Price Index (1)		Oct 2016	-0.1	-0.2	0.1	0.7	3.5	1.9	2.1	1.9	0.9
Average Hourly Earnings (1)		Nov 2016						1.3	1.1	1.2	2.9
Price of New Housing inc. Land (1)	*	Oct 2016	0.3	0.3	0.0	3.4	6.0	4.1	5.2	4.5	0.5
Avg. Price of Existing Homes Sold (MLS)		Oct 2016	1.2	3.8	-14.9	-43.8	-17.6	11.5	-7.4	10.3	10.4
LABOR MARKET											
Job creation (000)		Nov 2016	-9.3	14.9	-0.6	1.7	4.4	4.0	48.4	55.4	58.5
Unemployment		Nov 2016	6.1	6.2	5.7	6.0	5.8	6.1	6.2	6.1	6.1
Participation rate		Nov 2016	64.5	64.8	64.1	64.5	64.4	64.3	64.1	64.3	63.4

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

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

NATIONAL BANK FINANCIAL MARKETS
A division of National Bank of Canada

TABLE 5 - INTERNATIONAL ECONOMIC INDICATORS

December 9, 2016

Growth Rates Unless Otherwise Indicated		Reference Period	Monthly Growth (%) Past Month	Prev. Month	Month Before	Annualized Growth (%) Average of the last 3 Mos.	6 Mos.	12 Mos.	Since 12 Mos.	Year-to-date (2) ref.	prec.
OECD leading index	*	Oct 2016	0.0	0.0	0.0	0.3	0.0	-0.5	-0.1	-0.5	-0.2
JAPAN											
Consumer confidence - percenbtage (1)	*	Nov 2016	40.5	42.0	43.0	41.8	42.0	41.6	41.8	41.6	41.3
Retail Sales (1)		Oct 2016						-1.0	-0.1	-0.9	-0.2
Industrial Production, Volume Index		Oct 2016	0.1	0.6	1.3	9.5	1.5	-1.3	0.3	-1.3	-1.2
Exports		Oct 2016	1.6	0.4	0.2	1.6	-7.8	-8.8	-7.1	-9.4	5.6
Imports		Oct 2016	-0.5	0.7	-1.0	-6.1	-13.2	-17.6	-16.1	-18.0	-7.1
Merchandise trade bal. (Billions of ¥)	*	Oct 2016	5,546	5,026	6,625	5,732	4,801	3,717	719	41,757	-8,871
Current account (Billions of ¥)	*	Oct 2016	193	148	198	179	165	164	161	1,644	1,313
Inflation (CPI)		Oct 2016	0.7	0.0	-0.1	0.1	-0.4	-0.1	0.1	-0.2	0.9
Job offers to applicants ratio		Oct 2016	1.40	1.38	1.37	1.38	1.38	1.33	1.24	1.35	1.19
Unemployment Rate		Oct 2016	3.0	3.0	3.1	3.0	3.1	3.2	3.2	3.1	3.4
			Q3 2016	Q2 2016	Q1 2016	Q4 2015	Q3 2015	Q2 2015	2015	2014	2013
Gross Domestic Product (Constant Yen)	*		1.3	1.8	2.8	-1.8	0.8	-0.5	1.2	0.2	2.0
Euro-zone											
Volume Retail Sales	*	Oct 2016	1.1	-0.4	-0.1	1.2	1.6	2.0	2.5	1.9	2.9
Industrial Production exc. Construction		Sept 2016	-0.8	1.8	-0.7	1.5	0.7	1.4	1.3	1.2	2.0
Exports		Sept 2016	-0.5	2.2	-0.8	2.6	-0.6	0.2	2.1	-0.7	5.6
Imports		Sept 2016	-1.6	0.8	1.0	6.4	-3.8	-2.0	-2.4	-3.4	2.2
Merch. Trade Bal. (Millions of euros)		Sept 2016	24,861	23,440	20,821	23,041	22,609	22,759	24,190	206,059	170,814
Inflation (CPI)		Nov 2016	-0.1	0.2	0.4	1.6	1.6	0.2	0.6	0.2	0.0
Unemployment Rate		Oct 2016	9.8	9.9	10.0	9.9	10.0	10.2	10.6	10.1	10.9
			Q3 2016	Q2 2016	Q1 2016	Q4 2015	Q3 2015	Q2 2015	2013	2012	2011
Gross Domestic Product (Constant Euro)	*		1.4	1.2	2.0	2.0	1.3	1.5	-0.4	-0.7	0.0
UNITED KINGDOM											
Consumer Confidence (Diffusion index)		Nov 2016	-7	-3	-2	-4	-5	-2	1	-2	3
Retail Sales		Oct 2016	1.9	0.1	0.2	8.0	6.2	4.7	7.4	5.0	4.6
Manufacturing, energy and mining output	*	Oct 2016	-1.3	-0.3	-0.4	-3.7	2.3	0.6	-1.2	0.7	1.4
Exports (1)	*	Oct 2016	8.7	-1.4	0.5	8.4	10.6	2.4	16.5	3.1	-1.9
Imports (1)	*	Oct 2016	-5.2	0.1	6.0	32.4	15.0	2.2	5.6	4.7	-0.4
Merchandise Trade Bal. (Millions of £)	*	Oct 2016	-9,711	-13,832	-13,456	-12,333	-12,897	-11,923	-10,278	-110,790	-102,176
Inflation (CPI harmonized) (1)		Oct 2016	0.0	0.2	0.4	2.3	1.7	1.3	1.2	1.3	1.0
Producer price index, manufacturing (1)		Oct 2016	0.6	0.3	0.1	3.3	2.9	-0.2	2.1	0.1	-1.7
House prices	*	Nov 2016	0.2	1.5	0.3	3.2	3.8	7.9	6.6	7.7	8.8
Unemployment Rate (3-month mov. av.)		Sept 2016	4.8	4.9	4.9	4.9	4.9	5.0	5.3	5.0	5.5
			Q3 2016	Q2 2016	Q1 2016	Q4 2015	Q3 2015	Q2 2015	2015	2014	2013
Gross Domestic Product (Constant £)			2.0	2.7	1.7	2.7	1.2	2.7	2.2	3.1	1.9

INTEREST AND EXCHANGE RATES

		Reference Thursday	Current Week	Prev. Week	Week Before	Average of last Thurdays 13 W.	26 W.	52 W.	13 w. ago	26 w. ago	52 w. ago
JAPAN											
Prime Rate	*	8 Dec 16	0.30	0.30	0.30	0.30	0.30	0.30	0.30	0.30	0.30
3-month Financing Bill Rate	*	8 Dec 16	-0.44	-0.38	-0.30	-0.32	-0.30	-0.24	-0.29	-0.27	-0.02
- Spread with U.S.	*	8 Dec 16	-0.94	-0.85	-0.80	-0.69	-0.62	-0.53	-0.63	-0.52	-0.26
Yield on 10-year Gov't Bonds	*	8 Dec 16	0.03	0.03	0.03	-0.03	-0.09	-0.04	-0.05	-0.14	0.29
- Spread with U.S.	*	8 Dec 16	-2.36	-2.43	-2.32	-1.98	-1.85	-1.86	-1.66	-1.82	-1.94
Exchange Rate (¥/U.S.$)	*	8 Dec 16	114.0	114.1	113.3	106.1	104.6	108.6	102.5	107.1	121.6
Euro Zone											
3-month Treasury Bills	*	8 Dec 16	-0.25	-0.25	-0.25	-0.25	-0.25	-0.23	-0.25	-0.25	-0.11
- Spread with U.S.	*	8 Dec 16	-0.75	-0.72	-0.75	-0.61	-0.58	-0.52	-0.59	-0.50	-0.35
Exchange Rate (U.S.$/Euro)	*	8 Dec 16	1.06	1.07	1.06	1.09	1.11	1.11	1.13	1.13	1.09
(Yen/Euro)	*	8 Dec 16	122.61	121.39	119.43	116.30	115.73	120.84	114.80	120.72	132.97
(Euro / £)	*	8 Dec 16	1.18	1.19	1.18	1.15	1.17	1.23	1.18	1.27	1.38
UNITED KINGDOM											
3-month Treasury Bills (tender)	*	8 Dec 16	0.11	0.12	0.13	0.17	0.25	0.35	0.22	0.42	0.47
- Spread with U.S.	ˆ	8 Dec 16	-0.39	-0.35	-0.37	-0.19	-0.08	0.06	-0.12	0.17	0.23
Yield on 30-year Gov't Bonds	*	8 Dec 16	1.99	2.08	2.04	1.79	1.68	2.02	1.39	2.07	2.55
- Spread with U.S.	*	8 Dec 16	-1.10	-1.03	-0.98	-0.90	-0.81	-0.57	-0.93	-0.41	-0.42
Exchange Rate (U.S.$ / £)	*	8 Dec 16	1.26	1.26	1.25	1.26	1.30	1.37	1.33	1.45	1.52

STOCK INDICES

		Reference	Level	Monthly Growth (%) Past Month	Prev. Month	Month Before	Growth Over (%) 3 Months	6 Months	1 Year	Since beginning of year ref.	prec.
MSCI Eafe	*	Dec 2016	215	-2.0	-2.3	-1.4	-5.7	-2.2	-7.0	-7.0	-4.4

* Update (1) Not Seasonally Adjusted (2) Compared to same period of the preceeding year, unless otherwise stated Source: Datastream

Annex - Economic tables

TABLE 6 - COMMODITY PRICES

December 9, 2016

	Spot Price		Weekly Growth (%)			Annualized Growth (%) For the Last			
	Dec 8	Dec 1	Last Week	Prev. Week	Week Before	13 W.	26 W.	52 W.	Last Year
INDICES THOMSON-REUTERS									
Total	424.3	421.3	0.7	0.4	1.4	0.9	-4.5	12.0	378.8
Energy	451.3	446.6	1.0	7.7	6.8	48.6	23.8	42.0	317.8
Grain	287.5	282.2	1.9	-2.8	2.5	12.2	-30.3	-3.0	296.6
Industrials	396.4	396.4	0.0	0.0	1.6	65.9	41.3	18.9	333.4
Livestock & Meat	313.8	302.1	3.9	2.5	2.1	33.8	-25.3	-6.0	334.0
Precious Metals	769.8	751.4	2.4	-1.1	-2.0	-42.4	-9.8	13.6	677.5
PRECIOUS METALS									
Gold ($/ounce) (AM fixing London)	1174.75	1168.75	0.5	-1.6	-3.6	-42.3	-12.8	9.6	1072.00
Platinum ($/ounce) (AM fixing London)	947.0	903.0	4.9	-1.5	-2.7	-43.6	-10.3	10.1	860.0
Silver ($/ounce) (Handy & Harman)	0.2	0.2	3.5	0.9	-3.4	-43.5	-2.3	20.9	0.1
Palladium ($/ounce troy)	725.0	767.0	-5.5	4.6	2.1	19.1	70.0	30.4	556.0
OTHER METALS (LME)									
Aluminum ($/tonne)	1,731	1,721	0.6	-2.9	4.5	46.5	21.5	15.9	1,493
Copper ($/tonne)	5,781	5,788	-0.1	-1.1	6.7	139.7	65.0	26.0	4,590
Zinc ($/tonne)	2,671	2,713	-1.5	0.1	7.7	80.4	67.5	76.4	1,514
Nickel ($/tonne)	11,058	11,157	-0.9	-3.3	3.0	32.9	54.6	30.3	8,487
Lead ($/tonne)	2,272	2,299	-1.2	3.0	3.6	98.1	79.1	33.2	1,705
Uranium (UxC-Ux U308 Spot $/pound)	18.00	18.25	-1.4	-1.4	0.0	-75.2	-59.4	-50.0	36.00
OTHER COMMODITIES									
Oil WTI ($/barrel) future (NYMEX)	50.84	51.06	-0.4	6.5	5.6	29.9	1.1	38.3	36.76
Oil (Spead with WTI $/barrel) 1st future (West Canadian select - CME)	-15.40	-15.55	-1.0	0.3	0.6	44.3	60.7	10.4	-13.95
Corn (¢/bushel) (Illinois #2)	3.3	3.2	5.4	-5.4	3.1	24.8	-32.7	-9.2	3.7
Soy beans (¢/bushel) (Illinois #1)	10.1	10.1	0.0	0.0	4.5	6.6	-23.2	15.3	8.7
Pork (¢/lb)	125.0	107.3	16.5	1.5	-2.4	-9.6	12.1	-23.0	162.3
Beef (Cattle feeder index) (CME)	131.1	131.0	0.0	2.5	0.6	-19.3	-22.3	-17.7	159.4
Soft Wood Pulp (HWWI) Index 2010 = 100	95	95	0.0	0.3	0.4	-1.3	-6.8	-1.3	96
Natural Gas (mmbtu) Henry Hub future NYMEX	3.66	3.42	7.0	24.8	17.1	175.8	151.0	91.6	1.91
Lumber 2X4	323	331	-2.5	2.1	0.4	26.0	13.7	22.4	264
Iron ore ($/metric ton)	82	78	5.8	-0.6	4.0	286.0	139.4	105.0	40

All prices are in US dollars **Source: Thomson Reuthers Datastream**

WEEKLY ECONOMIC WATCH

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