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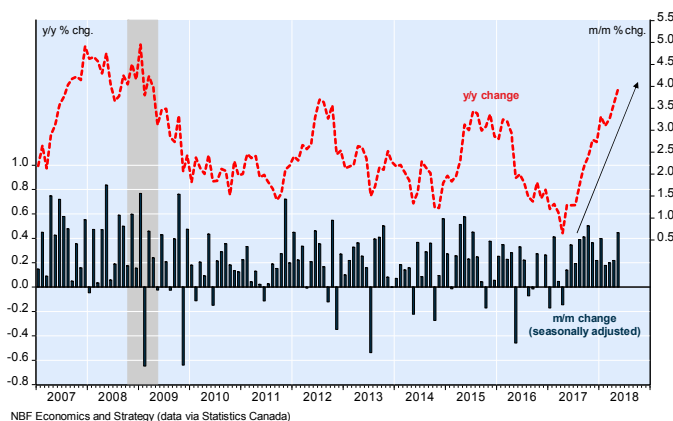
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## Week in review

**CANADA: Employment** fell by 7.5K in May according to the Labour Force Survey, much weaker than consensus which was expecting a 24K gain. However, thanks to a one-tick drop in the participation rate to 65.3%, the unemployment rate stayed put at 5.8%. A retreat in the number of jobs in the private sector (-5K) and for self-employed (-15.6K) overshadowed a rise in the public sector (+12.9K). Full time employment dropped 31K, offsetting a 24K rise for part-timers. The soft report doesn't necessarily mean Canada's labour market is experiencing difficulties. Despite the weakness in the first half of 2018, job gains are still averaging an impressive 20K a month since May of last year. What's more, with the unemployment rate standing at a record low, hourly earnings are now increasing at their fastest pace since 2009 (+3.9% y/y, compared with 3.6% in the prior month). All in all, the LFS report does not change our view that the labour market remains tight and will continue to fuel inflation pressures this year. As such we continue to call for a July interest rate hike from the Bank of Canada.

### Canada: Wage inflation highest since 2009

Average hourly earnings of all employees. Last observation: May 2018

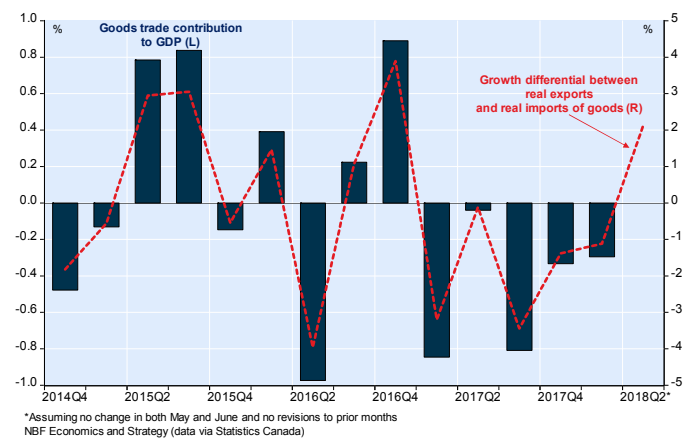


The **merchandise trade deficit** narrowed from C\$3.9 billion in March to a six-month low of C\$1.9 billion in April. The smaller deficit was the result of a 1.6% jump in nominal exports and

a 2.5% retreat in nominal imports. The energy trade surplus stayed roughly unchanged at C\$5.9 billion while the non-energy trade deficit improved the most in 18 months, shrinking C\$2.1 billion to C\$7.8 billion. The goods trade surplus with the United States, meanwhile, rebounded to C\$3.6 billion after sinking to C\$2.0 billion in March, its lowest point in four months. Alternatively, Canada's trade deficit with the European Union deteriorated from C\$1.3 billion to C\$1.5 billion. In real terms, exports rose 1.2% while imports fell 2.4%, which suggests merchandise trade may contribute to quarterly growth in Q2 for the first time since 2016Q4. Looking ahead though, the outlook on international commerce remain quite hazy as uncertainties continue to plague our trade relationship with the U.S.. Up to now, the vagaries of the U.S. administration don't seem to have overly impacted bilateral trade with our southern neighbor. Quite to the contrary, total merchandise trade with the U.S., i.e. exports plus imports, reached an all-time high of C\$68.6bn in April. But the situation could quickly take a turn for the worse, especially following the recent imposition of tariffs on Canadian steel and aluminum exports to the U.S. which do not make things easier for negotiators of a revamped NAFTA.

### Canada: Goods trade likely to contribute to growth in Q2

Real exports and imports of goods vs. goods trade contribution to GDP

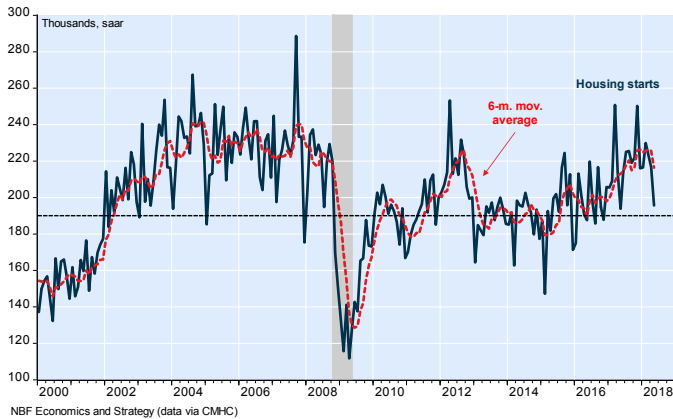


**Housing starts** were down in May, coming in at an annualized 195.6K compared with the 216.8K figure registered in April. Urban starts slipped 22.3K (to 178.2K) as a decline in groundbreakings for multiples (-23.4K to 119.8K) eclipsed a small increase in the single unit category (+1.1K to 58.4K). At the provincial level, starts fell 17.7K in Quebec (to 35.5K) and 14.4K in Ontario (to 52.4K) but rose 6.8K in Alberta (to 34.5K), 2.3K in Saskatchewan (to 4.1K) and 1.2K in British Columbia (to 40.9K). Although starts at the national level disappointed consensus in May, we don't expect that relative weakness to be the beginning of a downward trend. Looking ahead, we can

expect starts for urban multiples to be stimulated by sustained demand for more affordable housing, especially in an environment of stricter mortgage requirements. In the meantime, residential construction may act as a drag on growth in Q2 as housing starts are on pace to drop an annualized 27.2% in the quarter (assuming no change in June).

## Canada: 195.6K dwelling units started in May

Housing starts

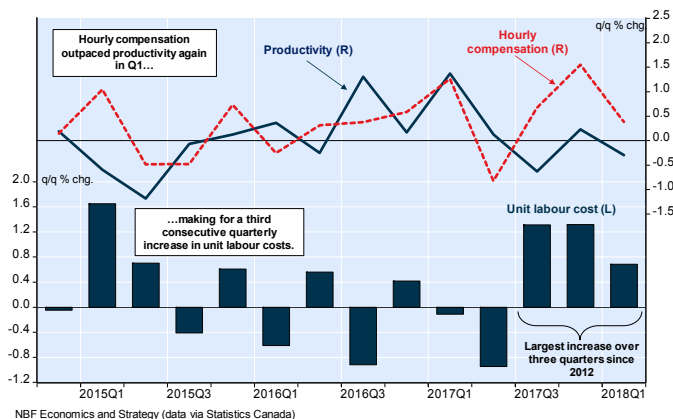


In April, the value of **building permit** applications slid 4.6% m/m to C\$7.8 billion in seasonally adjusted terms. Construction intentions fell in the residential segment (-4.3%) as in the non-residential segment (-5.2%). Within the residential category, the value of permit applications fell for both singles (-3.3%) and mults (-5.2%). On a 12-month basis, the total value of permit applications was up 6.5%.

**Labour productivity** dropped 0.3% in Q1 after rising 0.2% the prior quarter. The decrease was due to the fact that real GDP grew at a slower pace than did hours worked (+0.2% vs. +0.5%). Despite the decline in productivity, compensation per hour continued to trend up, gaining 0.4% q/q. As a result, **unit labour costs** rose 0.7%, capping the indicator's largest increase over three quarters since late 2012.

## Canada: Unit labour costs up again in Q1

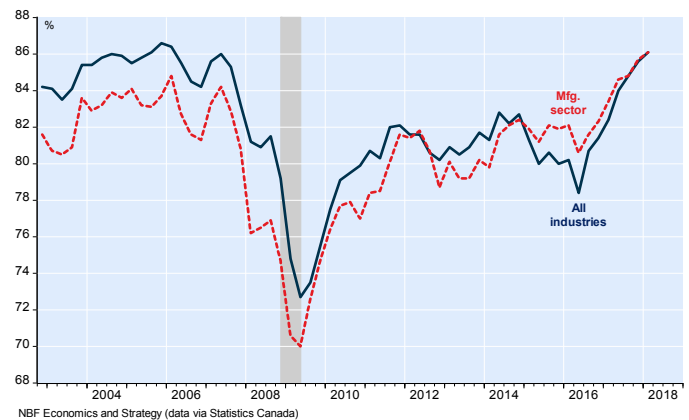
Unit labour costs as a function of productivity and hourly compensation



**Capacity utilization** rose for a seventh consecutive quarter, reaching a 12-year high of 86.1% in Q1. Among non-manufacturing industries, pressure on capacity appeared particularly acute in the construction sector, where utilization reached its highest point since 1990 at 92.4%. Manufacturing industries, for their part, operated at 86.1% of their capacity, an 18-year peak. Utilization rates stood at cyclical highs in several sectors including food (86.9%), plastic and rubber (93.7%) and machinery (90.2%). Such high levels of utilization should continue to stimulate business investment in the country going forward.

## Canada: Capacity utilization at a 12-year high

Capacity utilization: all industries vs. manufacturing sector. Last observation: 2018Q1



**UNITED STATES:** Since reaching a cyclical high of \$55.5 billion in February, the **trade deficit** improved for the second consecutive month in April, contracting \$1.0 billion to \$46.2 billion. Exports grew \$0.6 billion to an all-time high of \$211.2 billion while imports receded \$0.4 billion to \$257.4 billion. The goods trade deficit continued to narrow, coming in at \$68.3 billion. Meanwhile, the services surplus was roughly unchanged month on month at \$22.1 billion. In real terms, exports (-0.2%) fell at a slower pace than imports did (-0.4%). The improvement in the trade balance in March and April bodes well for a stronger contribution to growth from trade in Q2 (it added just 0.1 percentage point to growth in Q1). However, we do not see this as the beginning of a positive trend. Indeed, stronger consumer demand and the recent appreciation of the trade-weighted USD should buoy imports in the second half of 2018 and thus impact the overall trade balance negatively.

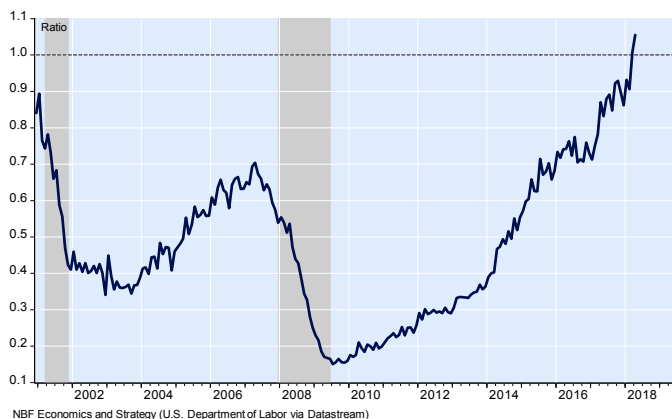
In May, the **ISM Non-Manufacturing Index** heated up 1.8 points to 58.6 on higher readings for business activity (61.3 vs. 59.1 the prior month), new orders (60.5 vs. 60.0), and payrolls (54.1 vs. 53.6). Prices (64.3 vs. 61.8), for their part, saw their most widespread increase since last September, spurred by the imposition of tariffs on various goods and by mounting capacity constraints. As an indication of just how strained capacities have become, the order backlog sub-index (60.5 vs. 52.0) jumped to its highest level in the survey's 21-year history while the gauge tracking suppliers' delivery time (58.5

vs. 54.5) surged up to a 13-year high. Overall, the ISM report for May continued to reflect a very healthy pace of expansion in the U.S. services sector, where no fewer than 14 of the 18 industries surveyed reported growth (PMI>50).

According to the **Job Openings and Labor Turnover Survey (JOLTS)**, positions waiting to be filled in the United States increased 65K in April to an all-time high of 6,698K. As a result, the ratio of job openings to unemployed persons climbed five ticks to 1.06, which means there were more unfilled jobs in the United States in April than there were people looking for work. In response to the high number of vacancies, hires rose 92K to 5,578K, their second highest level in this economic cycle. The report also 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 confident about their job prospects. Given that job switchers tend to see their compensation rise at a faster pace than job stayers do, the uptrend in quits could translate into faster wage growth.

#### United States: Job openings outstripping job seekers

Job openings per unemployed person. Last observation: April 2018



**Factory orders** retreated 0.8% m/m in April after advancing 1.7% the prior month. Orders in the transportation segment fell 6.0% on declines in two main categories: civilian aircraft (-28.9%) and ships and boats (-5.4%). Excluding transportation, orders swelled 0.4% for a tenth consecutive increase, matching the longest streak since 2005. Meanwhile, total shipments were flat in the month but rose a healthy 7.2% over their level a year ago.

**Consumer credit** expanded just \$9.3 billion in April to an annualized \$3,882.5 billion. Non-revolving credit grew \$7.0 billion to \$2,851.8 billion. Meanwhile, revolving credit, which consists mainly of credit card loans, expanded \$2.3 billion to \$1,030.7 billion.

Jocelyn Paquet et al.

# Weekly Economic Watch

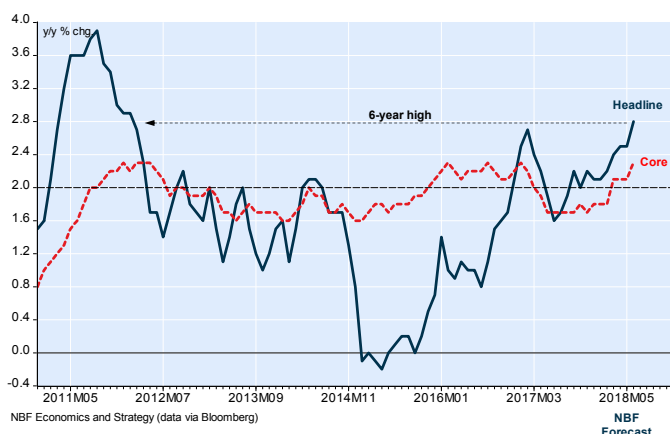
## What We'll Be Watching

**In the U.S.**, the FOMC will decide on **monetary policy** on Wednesday and provide its latest set of economic projections. On the employment front, although wage increases are still modest, labour shortages continue to build as shown by the number of job openings, which surpassed the number of unemployed persons in the country in April. The core PCE deflator has also shown signs of vigour recently, rising at a 2.3% annualized pace over the past three months. Such a positive data backdrop should encourage the FOMC to proceed with a 25 bps rate hike this week. In other news, the **consumer price index** could have risen 0.3% in May as gasoline prices rose more than the historical average for that time of the year. This, combined with a positive base effect, should allow the year-on-year rate to rise three ticks to 2.8%. Core prices, meanwhile, could have increased 0.2%, allowing the annual rate to increase two ticks to 2.3%. **Industrial production** probably rose for a fourth month in a row in May, echoing an expansion of output in the manufacturing sector. A positive contribution is also expected from mining, in line with a jump in the number of rigs operating in the country. Also in May, **retail sales** likely grew for a fourth consecutive month, although the expansion may have been limited by the stagnation of auto sales. Excluding the latter category, sales could have advanced at a slightly faster pace. The first clues on the state of the manufacturing sector in June will be available with the publication of the **Empire State's manufacturing survey**. Finally, May's edition of the **NFIB Small Business Optimism Index** will be released.

	Previous	NBF forecasts
Fed funds rate (upper bound)	1.75%	<b>2.00%</b>
CPI (May y/y chg.)	2.5%	<b>2.8%</b>
Core CPI (May y/y chg.)	2.1%	<b>2.3%</b>
Industrial production (May, m/m chg.)	0.7%	<b>0.5%</b>
Retail sales (May, m/m chg.)	0.3%	<b>0.3%</b>
Ex-autos retail sales (May, m/m chg.)	0.3%	<b>0.4%</b>

### U.S: Headline inflation may have reached a six-year high in May

Consumer price index

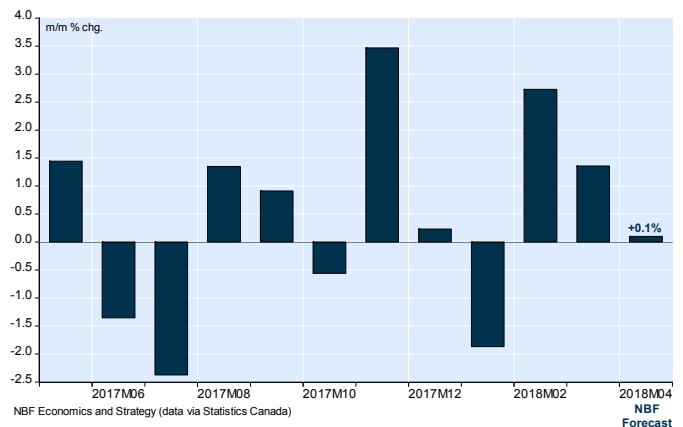


**In Canada**, a light data week will still feature important information about Q2 activity. If the stagnation in exports of factory merchandise in April is any guide, the growth rate of **manufacturing shipments** may have been restrained just 0.1% in the month following two decent prints in February and March (+1.4% and +2.7% respectively). We'll also get some information about the state of the housing market in May with the publication of the **Teranet-National Bank Composite Home Price Index** and the release of numbers on **existing home sales**.

	Previous	NBF forecasts
Manufacturing sales (April, m/m chg.)	1.4%	<b>0.1%</b>

### Canada: Manufacturing sales took a breather in April

Manufacturing sales



**Elsewhere in the world**, both the European Central Bank and the Bank of Japan will hold **monetary policy** meetings this week. In the Eurozone, we'll get April's **industrial production** data. Finally, China's **retail sales** and **industrial production** will be available for May.

# 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
<b>Monday Jun 11</b>										
<b>Tuesday Jun 12</b>										
6:00	US	NFIB Small Business Optimism	May	104.8	105.0		H&R Block Inc	Aft-mkt	Q4 18	5.33
8:30	US	CPI MoM	May	0.20%	0.20%	0.30%				
8:30	US	CPI Ex Food and Energy MoM	May	0.10%	0.20%	0.20%				
8:30	US	CPI YoY	May	2.50%	2.70%	2.80%				
8:30	US	CPI Ex Food and Energy YoY	May	2.10%	2.20%	2.30%				
<b>Wednesday Jun 13</b>										
7:00	US	MBA Mortgage Applications	Jun-08	4.10%	--		North West Co Inc/The	0:00	Q1 19	0.33
8:30	CA	Teranet/National Bank HPI MoM	May	0.20%	--					
8:30	CA	Teranet/National Bank HPI YoY	May	5.60%	--					
8:30	US	PPI Final Demand MoM	May	0.10%	0.30%					
8:30	US	PPI Ex Food and Energy MoM	May	0.20%	0.20%					
8:30	US	PPI Final Demand YoY	May	2.60%	2.90%					
8:30	US	PPI Ex Food and Energy YoY	May	2.30%	2.30%					
14:00	US	FOMC Rate Decision (Upper Bound)	Jun-13	1.75%	2.00%	2.00%				
14:00	US	FOMC Rate Decision (Lower Bound)	Jun-13	1.50%	1.75%	1.75%				
<b>Thursday Jun 14</b>										
8:30	US	Retail Sales Advance MoM	May	0.30%	0.40%	0.30%	Adobe Systems Inc	16:05	Q2 18	1.54
8:30	CA	New Housing Price Index MoM	Apr	0.00%	--					
8:30	US	Retail Sales Ex Auto MoM	May	0.30%	0.50%	0.40%				
8:30	CA	New Housing Price Index YoY	Apr	2.40%	--					
8:30	US	Initial Jobless Claims	Jun-09	222k	222k					
<b>Friday Jun 15</b>										
8:30	CA	Int'l Securities Transactions	Apr	6.15b	--		Canada Goose Holdings Inc	Bef-mkt	Q4 18	-0.08
8:30	CA	Manufacturing Sales MoM	Apr	1.40%	--	0.10%				
8:30	US	Empire Manufacturing	Jun	20.1	18.0					
9:00	CA	Existing Home Sales MoM	May	-2.90%	--					
9:15	US	Industrial Production MoM	May	0.70%	0.30%	0.50%				
9:15	US	Capacity Utilization	May	78.00%	78.10%					
10:00	US	U. of Mich. Sentiment	Jun P	98.0	98.5					
16:00	US	Total Net TIC Flows	Apr	-\$38.5b	--					

Source: Bloomberg

# Weekly Economic Watch

## Annex - Economic Tables

**TABLE 1 - NORTH AMERICAN FINANCIAL INDICATORS**

June 8, 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 3 Mos.	6 Mos.	12 Mos.	ref.	prec.
<b>UNITED STATES</b>										
<u>MONETARY AGGREGATES</u>										
		(\$Billions)								
M1	* April 2018	3659	-0.1	1.4	-0.9	3.3	5.4	6.5	6.8	8.3
M2	* April 2018	13951	0.2	0.4	0.2	2.8	3.5	3.7	4.0	6.3
<u>CREDIT MEASURES</u>										
Consumer Credit	* April 2018	3883	0.2	0.3	0.4	4.1	5.4	4.8	5.0	6.4
Mortgage (Banks)	* April 2018	4338	0.2	0.4	0.3	3.9	4.2	4.1	4.1	5.6
Business	* April 2018	2163	1.2	0.8	0.1	5.0	2.2	3.4	2.0	4.4
<b>CANADA</b>										
<u>MONETARY AGGREGATES</u>										
M2+ gross	April 2018	2006	0.1	0.5	0.0	2.4	4.1	4.1	4.5	7.5
Personal Deposits (Banks) (2)	April 2018	961						3.1	3.5	6.5
<u>CREDIT MEASURES</u>										
Consumer	April 2018	607	0.0	0.2	0.4	3.1	4.6	4.7	5.2	4.4
Residential Mortgages	April 2018	1535	0.3	0.3	0.3	3.8	5.0	4.9	5.3	6.2
Business	April 2018	2080	0.6	0.8	0.6	6.9	6.9	7.5	8.3	7.1
Private (Consumer+Business)	April 2018	4222	0.4	0.6	0.4	5.2	5.9	6.2	6.7	6.4
Gov. of Canada securities outstanding	* May 2018	709	0.6	1.3	-1.6	-1.3	-0.3	0.3	1.5	3.4
<b>INTEREST AND EXCHANGE RATES</b>										
	Reference Thursday	Last day	1 week ago	2 w. ago	Average of last Thursdays			13 w. ago	26 w. ago	52 w. ago
					13 w.	26 w.	52 w.			
<b>UNITED STATES</b>										
<u>INTEREST RATES</u>										
Federal Funds Target Rate	* 7 June 18	1.75	1.75	1.75	1.73	1.62	1.43	1.50	1.25	1.00
Prime Rate	* 7 June 18	4.75	4.75	4.75	4.73	4.62	4.43	4.50	4.25	4.00
3-month Treasury Bills	* 7 June 18	1.90	1.89	1.87	1.79	1.63	1.36	1.64	1.27	0.99
2-year Bonds	* 7 June 18	2.49	2.43	2.49	2.41	2.24	1.85	2.25	1.81	1.32
5-year Bonds	* 7 June 18	2.77	2.70	2.81	2.73	2.58	2.24	2.63	2.14	1.75
10-year Bonds	* 7 June 18	2.93	2.86	2.98	2.91	2.79	2.53	2.87	2.38	2.19
30-year Bonds	* 7 June 18	3.07	3.02	3.13	3.09	3.03	2.92	3.13	2.78	2.85
Corp. High-yield (BofA ML Master II)	* 7 June 18	6.49	6.57	6.54	6.51	6.39	6.22	6.49	6.19	6.02
Corp. Invest. Grade (BofA ML Corp. BBB)	* 7 June 18	4.39	4.29	4.35	4.26	4.04	3.79	4.09	3.63	3.56
<u>Spread</u>										
Corp. High-yield - Treas. 10y.	* 7 June 18	3.56	3.71	3.56	3.60	3.60	3.69	3.62	3.81	3.83
Corp. Invest. grade - Treas. 10y.	* 7 June 18	1.46	1.43	1.37	1.35	1.25	1.26	1.22	1.25	1.37
Treasuries 30y. - 3-m. T.B.	* 7 June 18	1.17	1.13	1.26	1.30	1.40	1.57	1.49	1.51	1.86
<u>EXCHANGE RATE</u>										
FED Broad (Jan 97 = 100)	* 1 June 18	122.32	122.46	122.15	119.17	118.71	119.45	118.01	119.62	122.95
<b>CANADA</b>										
<u>INTEREST RATES</u>										
Prime Rate	* 7 June 18	3.45	3.45	3.45	3.45	3.40	3.22	3.45	3.20	2.70
Target overnight rate	* 7 June 18	1.25	1.25	1.25	1.25	1.20	1.02	1.25	1.00	0.50
30-day commercial paper	* 7 June 18	1.63	1.64	1.65	1.63	1.57	1.39	1.58	1.33	0.84
3-month Treasury Bills	* 7 June 18	1.28	1.28	1.26	1.19	1.15	0.99	1.12	0.89	0.49
1-year Treasury Bills	* 7 June 18	1.68	1.68	1.68	1.67	1.62	1.42	1.56	1.35	0.65
5-year Bonds	* 7 June 18	2.14	2.12	2.24	2.13	2.05	1.81	2.04	1.65	0.93
10-year Bonds	* 7 June 18	2.28	2.25	2.41	2.29	2.23	2.07	2.23	1.84	1.41
30-year Bonds	* 7 June 18	2.33	2.26	2.42	2.37	2.36	2.32	2.41	2.15	2.02
<u>SPREADS</u>										
Prime - 30d. Commercial paper	* 7 June 18	1.82	1.81	1.80	1.82	1.83	1.83	1.87	1.87	1.86
Long Term - Short Term	* 7 June 18	1.05	0.98	1.16	1.18	1.21	1.33	1.29	1.26	1.53
<u>CANADA UNITED STATES SPREADS</u>										
3-month T-Bills	* 7 June 18	-0.62	-0.61	-0.61	-0.60	-0.47	-0.36	-0.52	-0.38	-0.50
Long Term Bonds	* 7 June 18	-0.74	-0.76	-0.71	-0.72	-0.66	-0.60	-0.72	-0.63	-0.83
<u>EXCHANGE RATE</u>										
US\$/CDN\$ (GTIS)	* 7 June 18	0.7709	0.7717	0.7763	0.7786	0.7865	0.7880	0.7754	0.7782	0.7403
Trade-weighted (1990=100) G-10	* 7 June 18	89.8	89.9	90.4	90.4	91.3	91.7	89.4	90.9	86.8
<b>STOCK INDICES</b>										
	Reference Thursday	Level	Monthly Growth (%)			Growth Over (%)			Year-to-date	
			Past Month	Prev. Month	Month Before	3 Months	6 Months	1 Year	ref.	prec.
Dow Jones (U.S.)	* 7 June 18	25241.4	3.6	1.8	-3.5	1.8	4.3	19.2	4.3	8.3
S&P 500 (U.S.)	* 7 June 18	2770.4	3.7	2.6	-4.5	1.6	5.1	13.9	5.1	8.6
NASDAQ (U.S.)	* 7 June 18	7635.1	5.1	5.1	-6.5	3.2	12.1	21.2	12.1	16.8
S&P/TSX (Can.)	* 7 June 18	16192.8	2.4	4.0	-1.7	4.7	1.1	5.3	1.1	0.9
* Update (1) Commercial Banks (2) Not seasonally adjusted (3) compared to same period of the preceeding year, unless otherwise stated										
Source: Thomson Reuters Datastream										

# Weekly Economic Watch

## Annex - Economic Tables

**TABLE 2 - UNITED STATES ECONOMIC INDICATORS**

June 8, 2018										
Growth Rates Unless Otherwise Indicated	Reference Period	Monthly Growth (%)			Annualized Growth (%)			Since 12 Mos.	Year-to-date (9)	
		Past	Prev.	Month	Average of the last				ref.	prec.
		Month	Month	Before	3 Mos.	6 Mos.	12 Mos.			
Index of 12 Leading Indicators	April 2018	0.4	0.4	0.7	7.6	7.2	5.1	6.4	6.2	3.0
Consumer Confidence Index (1985=100)	May 2018	128.0	125.6	127.0	126.9	126.3	124.3	117.6	127.0	117.9
I.S.M. Manufacturing Index (level)	May 2018	58.7	57.3	59.3	58.4	59.1	58.7	55.5	59.0	56.1
- Non-manufacturing (level)	* May 2018	61.3	59.1	60.6	60.3	60.2	60.0	60.6	60.7	61.1
<b>DOMESTIC DEMAND</b>										
Sales new autos & light trucks (000,000)	* May 2018	16.9	17.2	17.5	17.2	17.3	17.3	16.8	17.2	17.1
Retail Sales	April 2018	0.2	0.7	0.1	2.3	5.8	4.6	4.6	4.5	4.9
- Motor vehicle	April 2018	0.0	2.0	-1.1	-1.5	3.2	4.2	4.0	3.3	5.3
- Other	April 2018	0.3	0.4	0.4	3.3	6.5	4.7	4.8	4.9	4.8
Consumer Spending: Total (\$ current)	April 2018	0.6	0.5	0.0	-18.6	-0.7	2.8	-13.4	-0.1	4.8
Total (\$ constant)	April 2018	0.4	0.5	-0.1	1.3	2.8	2.7	2.7	2.6	2.8
Personal Income	April 2018	0.3	0.2	0.3	3.9	4.4	3.4	3.8	3.7	3.1
Personal Savings Rate (3)	April 2018	2.8	3.0	3.3	3.0	2.9	3.1	3.7	3.1	3.9
New Orders	* April 2018	-0.8	1.7	2.0	9.9	9.8	6.9	7.4	7.8	4.3
- Non-Defence Capital Goods exc. Aircraft	* April 2018	1.0	-1.0	1.6	5.8	3.6	7.7	5.7	6.3	3.2
Unfilled Orders	* April 2018	0.5	0.8	0.4	4.7	3.1	1.5	3.7	3.0	-1.4
Business Inventories	March 2018	0.0	0.6	0.6	6.4	4.1	3.3	3.8	3.8	2.8
Inventories / Shipments Businesses	March 2018	1.34	1.35	1.35	1.35	1.34	1.36	1.38	1.35	1.37
Manufacturers' Shipments	* April 2018	0.0	0.7	0.2	5.2	9.2	5.8	7.2	6.7	4.4
Manufacturers' Inventories	* April 2018	0.3	0.2	0.3	4.3	6.1	3.4	5.0	4.8	0.8
Inventories / Shipments Manuf.	* April 2018	1.35	1.35	1.36	1.35	1.35	1.36	1.38	1.35	1.38
Housing Starts (000) (1)	April 2018	1287	1336	1290	1304	1293	1241	1165	1312	1215
New Home Sales, single-family	April 2018	-1.5	2.0	4.1	2.4	22.6	7.7	11.6	7.2	14.0
Existing Home Sales, s.f. & condos	April 2018	-2.5	1.1	3.0	-1.4	2.8	0.0	-1.4	-1.6	3.8
<b>PRODUCTION</b>										
Industrial Production	April 2018	0.7	0.7	0.4	4.2	4.4	2.5	3.5	3.3	0.6
- Consumer Goods	April 2018	0.9	1.0	-0.3	4.0	3.5	1.2	3.4	2.9	-0.5
- Hitech goods	April 2018	0.7	0.5	0.3	4.8	9.3	4.4	6.2	6.3	4.8
<b>EXTERNAL AND FISCAL BALANCES</b>										
Exports	* April 2018	0.3	2.2	1.8	12.5	10.9	6.7	9.9	8.1	6.3
Imports	* April 2018	-0.2	-1.4	2.4	7.2	13.5	7.4	8.0	8.7	7.2
Merch. Trade Balance (\$ billions)	* April 2018	-46.2	-47.2	-55.5	-49.6	-50.4	-47.8	-46.1	-50.5	-45.3
Real merchandise trade balance	* April 2018	-77.5	-78.2	-85.4	-80.3	-81.7	-79.5	-77.5	-81.2	-76.5
Federal budget balance last 12 months (2)	April 2018	-706.7	-738.6	-706.1				-577.3	-160.5	-134.6
<b>INFLATION AND COSTS</b>										
Consumer Prices	April 2018	0.2	-0.1	0.2	2.5	3.2	2.1	2.5	2.3	2.5
- Excluding Food and Energy	April 2018	0.1	0.2	0.2	2.6	2.4	1.8	2.1	2.0	2.1
PCE Deflator exc. Food and Energy	April 2018	0.2	0.2	0.2	2.3	1.9	1.5	1.8	1.7	1.7
Producer price index for final demand	April 2018	0.1	0.3	0.2	2.9	3.3	2.6	2.7	2.8	2.1
Average Hourly Earnings (4)	May 2018						2.4	2.8	2.6	2.3
Industrial Capacity Utilization Rate	April 2018	78.0	77.6	77.1	77.5	77.3	76.7	76.2	77.4	75.6
Median Price, Single-Family Homes (5)	April 2018	3.3	3.7	0.3	9.0	-5.1	5.6	5.5	5.6	6.7
<b>LABOUR MARKET</b>										
New Jobs (000) (6)	May 2018	223	159	155	179	202	197	2363	1037	862
- Manufacturing (000)	May 2018	18	25	21	21	26	22	259	115	63
- Services (000)	May 2018	176	106	129	137	140	147	1760	749	668
Average weekly hours (6)	May 2018	0.2	0.4	-0.2	2.3	2.3	2.2	2.4	2.1	1.8
Civilian Unemployment Rate (7)	May 2018	3.8	3.9	4.1	3.9	4.0	4.1	4.3	4.0	4.5
<b>NATIONAL ACCOUNTS AND OTHER</b>										
<b>ANNUALIZED GROWTH RATES</b>										
<b>QUARTERLY INDICATORS</b>										
		Q1 2018	Q4 2017	Q3 2017	Q2 2017	Q1 2017	Q1 2017	2016	2015	2014
Real GDP Chained 2009 dollars		2.2	2.9	3.2	3.1	1.2	1.8	1.5	2.9	2.6
Consumption		1.0	4.0	2.2	3.3	1.9	2.9	2.8	2.7	3.6
Residential Construction		-2.0	12.8	-4.7	-7.3	11.1	7.1	1.8	5.5	10.2
Business Investment		9.2	6.8	4.7	6.7	7.2	0.2	4.7	-0.6	2.3
Government Spending		1.1	3.0	0.7	-0.2	-0.6	0.2	0.1	0.8	1.4
Exports		4.2	7.0	2.1	3.5	7.3	-3.8	3.4	-0.3	0.4
Imports		2.8	14.1	-0.7	1.5	4.3	8.1	4.0	1.3	5.0
Change in Inventories (1) (2)		20.2	15.6	38.5	5.5	1.2	63.1	15.2	33.4	100.5
GDP Deflator		1.9	2.3	2.1	1.0	2.0	2.0	1.8	1.3	1.1
Personal Disposable Income		3.3	1.2	0.7	2.7	2.9	-1.8	1.2	1.4	4.2
		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	
		Q4 2017	Q3 2017	Q2 2017	Q1 2017	Q4 2016	Q3 2016	2016	2015	2014
Current Account (current \$)		-512.6	-405.9	-495.0	-451.5	-456.0	-441.1	-466.2	-451.7	-434.6
as a % of GDP		-2.6	-2.1	-2.6	-2.4	-2.4	-2.4	-2.4	-2.4	-2.4
		Q1 2018	Q4 2017	Q3 2017	Q2 2017	Q1 2017	Q4 2016	2016	2015	2014
Corporate Profits (8)		-2.2	-0.2	18.1	2.8	-8.3	10.7	4.4	-2.1	-1.1
as a % of GDP		11.0	11.2	11.4	11.0	11.1	11.4	11.2	11.6	11.9

\* Update

Source: Thomson-Reuters Datastream

(1) Annual Rate

(2) \$ Billions

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

(4) Nonfarm Business

(5) Existing Homes Sold

(6) Non-Farm Payroll Survey

(7) Household Survey

(8) Current \$ and before taxes

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

# Weekly Economic Watch

## Annex - Economic Tables

**TABLE 3 - CANADIAN ECONOMIC INDICATORS**

June 8, 2018										
Growth Rates Unless Otherwise Indicated	Reference Period	Monthly Growth (%)			Annualized Growth (%)			Since 12 Mos.	Year-to-date (6)	
		Past Month	Prev. Month	Month Before	Average of the last	6 Mos.	12 Mos.		ref.	prec.
CFIB Business Barometer ®	May 2018	10.5	-6.8	-2.6	-10.2	5.7	-1.5	-5.3	-3.6	13.6
<b>DOMESTIC DEMAND</b>										
Retail Sales (\$ current)	March 2018	0.6	0.5	0.3	-1.4	4.4	6.3	4.1	3.5	6.5
- Motor vehicle and parts dealers	March 2018	3.0	2.0	-1.7	-4.5	5.6	8.2	4.9	2.9	8.1
- Other	March 2018	-0.2	0.0	1.0	-0.3	4.0	5.6	3.7	3.7	6.5
Retail Sales (\$ constant)	March 2018	0.8	0.5	-0.1	-4.0	0.6	4.8	1.4	1.4	4.5
Manufacturer's Shipments (\$ current)	March 2018	1.4	2.7	-1.9	6.8	5.9	5.7	6.4	4.5	6.1
New Orders	March 2018	-0.7	7.4	-1.2	14.6	11.6	5.4	6.9	5.9	10.4
- Durables	March 2018	-2.0	11.9	-0.5	25.3	14.9	4.8	7.4	7.4	9.5
Unfilled Orders	March 2018	1.5	3.0	0.0	7.2	-0.6	-1.7	0.6	-0.4	-1.4
Manufacturer's Inventories	March 2018	0.7	1.5	0.3	8.9	7.0	7.2	7.2	7.6	3.0
Inventories / Shipments Ratio	March 2018	1.39	1.40	1.41	1.40	1.40	1.39	1.38	1.40	1.36
Manufacturer's Shipments (\$ constant)	March 2018	0.6	2.2	-1.5	4.0	3.2	3.4	4.5	2.7	3.7
Housing Starts (000) (1)	* May 2018	195.6	216.8	223.3	211.9	216.4	221.1	193.8	216.4	214.5
Number of existing homes sold (MLS)	April 2018	-2.9	-0.2	-6.3	-46.9	-5.6	-9.1	-19.7	-15.0	-1.2
<b>PRODUCTION</b>										
Real Domestic Product	March 2018	0.3	0.4	-0.2	1.7	2.2	3.4	2.9	2.8	2.3
- Manufacturing	March 2018	0.1	0.5	-0.6	1.5	2.1	3.6	2.5	2.8	1.4
- Construction	March 2018	-0.1	0.9	0.9	5.6	5.2	5.0	5.1	5.3	1.1
Services	March 2018	0.2	0.1	0.1	1.4	2.0	2.8	2.1	2.4	2.2
<b>EXTERNAL, FISCAL AND EXCHANGE BALANCES</b>										
Exports	* April 2018	1.6	4.0	0.5	10.6	7.7	3.1	3.1	1.3	8.2
Imports	* April 2018	-2.5	6.2	2.1	11.7	9.2	5.1	4.7	4.8	3.8
- Capital Goods	* April 2018	-3.6	3.5	3.8	2.2	10.8	6.0	5.6	6.5	0.1
Merch. Trade Balance (\$ millions)	* April 2018	-1,902	-3,933	-2,749	-2,861	-2,764	-2,553	-1,107	-2,643	-974
Change in Official Reserves	* May 2018	-1,444	-1,074	-3,191	-1,903	-1,005	-401	-4,812	-5,848	-3,368
Level (US\$): \$80.8 billion										
Fed. budget balance last 12 months (\$ billions)	March 2018	-16.2	-15.9	-17.5				-22.9	-16.2	-21.8
<b>INFLATION AND COSTS</b>										
Consumer Prices	April 2018	0.3	0.3	0.6	5.1	2.3	1.7	2.2	2.1	1.8
- Excluding Food and Energy	April 2018	-0.1	0.4	0.7	4.5	1.6	1.6	1.8	1.8	1.9
- Core inflation (4)	April 2018	0.1	0.2	0.7	4.2	1.3	1.1	1.5	1.4	1.4
Average Hourly Earnings (2)	April 2018						2.4	3.6	3.3	1.1
Price of New Housing including land	March 2018	0.0	-0.2	0.0	-0.4	1.4	3.4	2.4	2.7	3.2
Avg. Price of Existing Homes Sold (MLS)	April 2018	0.0	-1.8	-3.1	-23.0	-3.2	-0.3	-11.5	-6.5	5.5
Industrial Prices (1992=100)	April 2018	0.5	0.9	0.3	5.7	5.1	2.5	2.4	2.3	4.4
<b>LABOUR MARKET</b>										
Labour Force	* April 2018	-0.1	0.1	0.2	0.3	0.5	1.0	0.5	0.7	1.0
Job creation (000)	* April 2018	-7.5	-1.1	32.3	7.9	2.7	19.9	238.2	-48.9	140.2
- Manufacturing	April 2018	-0.8	-8.3	-16.5	-8.5	-0.3	3.0	35.6	-24.8	27.9
- Services	April 2018	14.8	10.6	25.9	17.1	14.8	15.9	190.4	-20.6	78.3
- Full Time	* April 2018	-31.1	28.9	68.2	22.0	16.5	24.1	289.7	75.7	177.0
- Part Time	* April 2018	23.6	-30.0	-35.9	-14.1	-13.8	-4.3	-51.5	-124.6	-36.8
Unemployment Rate	April 2018	5.8	5.8	5.8	5.8	5.8	6.0	6.5	5.8	6.6
<b>NATIONAL ACCOUNTS AND OTHER</b>										
<b>QUARTERLY INDICATORS</b>										
		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	85.1	84.4	82.7	81.4	84.5	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 preceding year, unless otherwise stated



# Weekly Economic Watch

## Annex - Economic Tables

**TABLE 4 - PROVINCIAL ECONOMIC INDICATORS**

June 8, 2018										
Growth Rates Unless Otherwise Indicated	Reference Period	Monthly Growth (%)			Annualized Growth (%)			Since 12 Mos.	Year-to-date (3)	
		Past Month	Prev. Month	Month Before	Average of the last				ref.	prec.
					3 Mos.	6 Mos.	12 Mos.			
<b>QUEBEC</b>										
<u>DOMESTIC DEMAND AND REVENUE</u>										
Retail Sales	March 2018	1.3	0.6	0.0	0.6	7.4	5.1	6.5	4.4	5.8
Manufacturing Shipments	March 2018	2.9	2.8	-1.0	8.1	6.7	7.9	10.2	6.4	7.5
Housing Starts (000) (2)	* May 2018	41.5	58.7	51.0	50.4	49.3	48.3	34.3	48.6	43.5
Number of existing homes sold (MLS)	April 2018	-0.8	6.5	-2.2	-2.4	3.6	6.0	6.9	5.0	4.0
Wages and Salaries	March 2018	0.5	0.9	0.4	5.1	6.2	5.2	5.6	5.6	3.6
Value of merchandise exports (1)	* April 2018							5.4	10.5	3.8
CFIB Business Barometer ®	May 2018	-0.8	-5.3	-1.8	-4.0	5.3	6.1	4.9	7.0	5.2
<u>PRICES</u>										
Consumer Price Index (1)	April 2018	0.4	0.2	0.5	3.6	2.1	1.2	1.7	1.5	1.0
Average Hourly Earnings (1)	April 2018							2.9	2.7	2.6
Price of New Housing inc. Land (1)	March 2018	0.0	0.4	0.3	2.4	1.6	1.1	1.6	1.5	0.7
Avg. Price of Existing Homes Sold (MLS)	April 2018	-0.2	-0.6	0.6	3.1	4.5	4.5	3.3	4.6	4.4
<u>LABOR MARKET</u>										
Job creation (000)	* April 2018	4.7	-13.8	16.0	2.3	1.2	5.4	65.3	-13.4	15.4
Unemployment rate	* April 2018	5.3	5.4	5.6	5.4	5.4	5.6	5.9	5.5	6.3
Participation rate	* April 2018	64.7	64.7	65.1	64.8	64.8	64.9	64.6	64.8	64.7
<b>ONTARIO</b>										
<u>DOMESTIC DEMAND AND REVENUE</u>										
Retail Sales	March 2018	0.6	1.1	0.8	0.4	4.2	7.1	4.6	4.4	6.7
Manufacturing Shipments	March 2018	0.1	4.5	-3.0	12.1	2.8	1.6	3.0	1.1	2.6
Housing Starts (000) (2)	* May 2018	55.5	70.1	74.5	66.7	76.0	79.1	53.5	78.1	80.5
Number of existing homes sold (MLS)	April 2018	-5.3	1.9	-4.1	-53.5	-5.7	-20.5	-30.5	-27.3	7.1
Wages and Salaries	March 2018	0.0	0.5	0.3	4.1	5.8	4.2	4.4	4.5	3.7
Value of merchandise exports (1)	* April 2018							-2.5	-0.8	-3.4
CFIB Business Barometer ®	May 2018	13.8	-0.3	-3.2	8.4	6.3	-8.6	-5.1	-10.3	8.5
<u>PRICES</u>										
Consumer Price Index (1)	April 2018	0.1	0.4	0.6	5.6	2.3	1.7	2.1	2.1	2.1
Average Hourly Earnings (1)	April 2018							2.2	4.3	3.7
Price of New Housing inc. Land (1)	March 2018	0.0	-0.3	0.1	-0.3	1.1	5.4	2.9	3.4	6.8
Avg. Price of Existing Homes Sold (MLS)	April 2018	-0.6	-0.5	-0.9	-8.9	4.2	-3.1	-13.4	-10.9	24.3
<u>LABOR MARKET</u>										
Job creation (000)	* April 2018	1.0	9.3	10.6	7.0	-1.4	10.5	125.7	-14.3	39.8
Unemployment rate	* April 2018	5.7	5.6	5.5	5.6	5.6	5.7	6.4	5.6	6.2
Participation rate	* April 2018	64.4	64.4	64.4	64.4	64.5	64.7	65.0	64.4	64.9
<b>NEWFOUNDLAND &amp; LABRADOR</b>										
<u>DOMESTIC DEMAND AND REVENUE</u>										
Retail Sales	March 2018	0.3	0.6	-1.4	-10.5	3.3	1.2	0.5	-2.0	2.5
Manufacturing Shipments	March 2018	10.0	9.7	-4.4	-17.5	8.5	22.1	30.0	11.4	25.3
Housing Starts (000) (2)	* May 2018	1.0	1.1	6.1	2.7	2.2	1.9	1.1	2.2	1.1
Number of existing homes sold (MLS)	April 2018	-21.2	-12.5	-10.4	-50.5	-5.3	0.5	-26.1	1.3	-11.6
Wages and Salaries	March 2018	0.5	-0.5	-0.4	-3.9	-0.4	0.4	-1.2	-1.0	2.5
Value of merchandise exports (1)	* April 2018							14.5	24.1	20.6
CFIB Business Barometer ®	May 2018	-3.2	-3.6	-6.8	-13.5	4.7	16.0	8.5	18.1	-13.3
<u>PRICES</u>										
Consumer Price Index (1)	April 2018	0.1	0.1	0.4	2.8	2.0	1.6	1.5	1.5	4.1
Average Hourly Earnings (1)	April 2018							1.0	1.2	-0.1
Price of New Housing inc. Land (1)	March 2018	0.0	0.0	0.0	0.1	-0.6	-0.8	-0.5	-0.6	-0.7
Avg. Price of Existing Homes Sold (MLS)	April 2018	-0.9	1.0	-0.8	-5.8	-4.4	-1.6	-3.8	-1.6	-3.8
<u>LABOR MARKET</u>										
Job creation (000)	* April 2018	0.5	-0.6	-0.4	-0.2	-0.2	-0.1	-0.8	-1.7	-2.8
Unemployment	April 2018	14.5	14.5	14.2	14.4	14.3	14.6	14.8	14.2	14.5
Participation rate	* April 2018	58.8	58.7	58.6	58.7	58.8	58.8	59.1	58.7	59.2
<b>PRINCE EDWARD ISLAND</b>										
<u>DOMESTIC DEMAND AND REVENUE</u>										
Retail Sales	March 2018	-0.5	-0.5	1.1	2.8	9.1	5.8	2.1	5.3	7.5
Manufacturing Shipments	March 2018	-0.4	17.3	-9.3	36.4	3.3	9.0	12.0	11.0	7.2
Housing Starts (000) (2)	* May 2018	0.8	1.7	0.8	1.1	0.9	1.0	0.8	0.9	0.9
Number of existing homes sold (MLS)	April 2018	14.7	-5.8	3.0	6.4	-11.1	2.2	10.7	-1.4	4.6
Wages and Salaries	March 2018	0.0	0.6	-0.9	4.2	4.3	4.7	4.3	4.7	4.2
Value of merchandise exports (1)	* April 2018							3.0	6.3	-2.5
CFIB Business Barometer ®	May 2018	7.9	-1.1	1.5	81.2	-5.5	-3.4	3.8	0.5	-4.0
<u>PRICES</u>										
Consumer Price Index (1)	April 2018	0.4	0.1	0.7	4.5	2.2	2.0	2.2	2.3	1.8
Average Hourly Earnings (1)	April 2018							4.1	3.6	4.3
Price of New Housing inc. Land (1)	March 2018	0.2	0.0	0.0	0.3	0.5	0.2	0.5	0.4	0.1
Avg. Price of Existing Homes Sold (MLS)	April 2018	14.3	-1.4	-8.4	2.7	5.7	9.5	18.2	5.5	19.1
<u>LABOR MARKET</u>										
Job creation (000)	* April 2018	0.8	-0.2	-0.2	0.1	0.3	0.1	1.1	1.0	2.5
Unemployment	* April 2018	9.3	11.2	10.3	10.3	10.2	10.0	9.9	10.3	9.9
Participation rate	* April 2018	66.7	67.4	67.1	67.1	67.0	66.4	67.0	67.2	66.3

Sources: Thomson Reuters Datastream and Canadian Real estate Association

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

# Weekly Economic Watch

## Annex - Economic Tables

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

		June 8, 2018								
Growth Rates Unless Otherwise Indicated	Reference Period	Monthly Growth (%)			Annualized Growth (%)			Since 12 Mos.	Year-to-date (3)	
		Past Month	Prev. Month	Month Before	Average of the last				ref.	prec.
					3 Mos.	6 Mos.	12 Mos.			
<b>NOVA SCOTIA</b>										
<u>DOMESTIC DEMAND AND REVENUE</u>										
Retail Sales	March 2018	-2.6	2.6	-0.9	-4.5	4.5	7.7	2.3	5.3	5.7
Manufacturing Shipments	March 2018	-0.1	4.5	-3.9	6.6	19.7	8.9	17.0	18.4	-0.8
Housing Starts (000) (2)	* May 2018	3.7	3.5	2.8	3.4	4.0	3.9	4.5	4.1	4.5
Number of existing homes sold (MLS)	April 2018	-7.1	10.4	-1.9	4.7	7.3	8.2	3.3	9.4	-0.9
Wages and Salaries	March 2018	-0.1	0.5	-0.4	0.6	1.8	3.5	2.8	3.3	1.0
Value of merchandise exports (1)	* April 2018						7.4	10.8	10.4	-5.2
CFIB Business Barometer ®	May 2018	-6.6	-9.5	4.2	20.9	10.7	2.6	-1.5	4.7	-1.0
<u>PRICES</u>										
Consumer Price Index (1)	April 2018	0.5	0.4	0.7	5.7	2.2	1.5	2.8	2.2	1.3
Average Hourly Earnings (1)	April 2018						1.9	3.1	1.9	3.7
Price of New Housing inc. Land (1)	March 2018	0.5	0.0	0.0	0.4	1.2	1.2	1.3	1.0	1.3
<u>LABOR MARKET</u>										
Job creation (000)	* April 2018	-3.6	2.7	-1.3	-0.7	0.7	0.4	4.5	-0.1	1.9
Unemployment	* April 2018	7.2	6.7	7.4	7.1	7.6	8.1	8.1	7.5	8.2
Participation rate	* April 2018	61.4	61.5	61.7	61.5	61.8	61.8	61.8	61.8	61.9
<b>NEW BRUNSWICK</b>										
<u>DOMESTIC DEMAND AND REVENUE</u>										
Retail Sales	March 2018	2.5	-0.7	-1.4	-7.4	3.2	6.4	3.4	2.5	3.9
Manufacturing Shipments	March 2018	0.1	0.7	-1.1	-24.7	32.4	15.8	13.5	12.7	11.7
Housing Starts (000) (2)	* May 2018	2.4	1.4	1.7	1.9	2.1	2.4	2.4	1.9	1.7
Number of existing homes sold (MLS)	April 2018	4.9	-11.8	2.1	-30.5	-12.2	5.0	-6.1	-3.2	2.2
Wages and Salaries	March 2018	0.1	0.3	0.2	1.6	4.7	3.4	4.0	4.0	3.3
Value of merchandise exports (1)	* April 2018						17.4	3.1	9.3	19.0
CFIB Business Barometer ®	May 2018	-0.5	-2.6	5.8	48.0	-6.8	-3.7	0.7	-5.0	8.3
<u>PRICES</u>										
Consumer Price Index (1)	April 2018	0.2	0.2	0.8	4.5	2.7	2.1	2.2	2.3	2.9
Average Hourly Earnings (1)	April 2018						1.7	2.6	2.6	4.7
Price of New Housing inc. Land (1)	March 2018	0.0	0.0	0.2	1.7	1.4	1.3	1.1	1.1	1.9
Avg. Price of Existing Homes Sold (MLS)	April 2018	9.3	-2.6	-0.7	20.0	5.4	2.5	9.6	4.8	6.4
<u>LABOR MARKET</u>										
Job creation (000)	* April 2018	1.8	1.1	-1.8	0.4	0.7	0.4	4.4	0.4	-1.1
Unemployment	* April 2018	7.3	8.0	8.0	7.8	8.1	7.9	8.2	8.1	8.5
Participation rate	* April 2018	61.4	61.5	61.4	61.5	61.6	61.4	61.5	61.6	61.7
<b>MANITOBA</b>										
<u>DOMESTIC DEMAND AND REVENUE</u>										
Retail Sales	March 2018	3.2	-2.6	-0.8	-9.5	-0.3	5.8	-0.3	-1.1	6.5
Manufacturing Shipments	March 2018	-0.2	0.0	-2.6	-2.4	2.9	7.7	7.4	6.1	2.1
Housing Starts (000) (2)	* May 2018	6.1	6.0	7.6	6.5	6.2	6.3	10.9	5.8	9.0
Number of existing homes sold (MLS)	April 2018	-1.8	2.7	-0.5	-14.9	-3.5	-2.8	-7.6	-6.9	-1.0
Wages and Salaries	March 2018	0.4	0.4	0.1	4.4	3.5	3.9	3.2	3.3	3.4
Value of merchandise exports (1)	* April 2018						8.3	18.0	11.5	-5.0
CFIB Business Barometer ®	May 2018	-1.0	-2.1	-3.3	-4.2	-3.6	-1.0	-10.7	-7.1	12.7
<u>PRICES</u>										
Consumer Price Index (1)	April 2018	0.8	0.3	0.2	3.9	3.1	1.8	2.9	2.4	1.9
Average Hourly Earnings (1)	April 2018						2.2	0.5	0.9	2.3
Price of New Housing inc. Land (1)	March 2018	0.1	0.1	0.0	0.9	2.2	3.2	3.0	3.0	2.5
Avg. Price of Existing Homes Sold (MLS)	April 2018	-0.3	0.4	0.3	1.3	0.9	2.2	0.7	0.6	4.2
<u>LABOR MARKET</u>										
Job creation (000)	* April 2018	-1.1	4.1	0.9	1.3	0.1	0.2	2.9	-0.2	9.0
Unemployment	* April 2018	6.5	6.1	6.2	6.3	6.0	5.6	5.3	6.1	5.6
Participation rate	* April 2018	67.5	67.4	67.1	67.1	67.1	67.2	67.1	67.1	67.1
<b>SASKATCHEWAN</b>										
<u>DOMESTIC DEMAND AND REVENUE</u>										
Retail Sales	March 2018	-1.8	-0.1	-0.6	-7.5	4.0	2.3	-6.4	-1.9	5.3
Manufacturing Shipments	March 2018	5.6	-1.4	4.4	11.6	10.7	9.3	6.2	5.0	20.5
Housing Starts (000) (2)	* May 2018	4.8	2.4	2.1	3.1	3.9	4.6	5.2	3.7	4.6
Number of existing homes sold (MLS)	April 2018	8.7	-11.8	-7.3	-42.4	5.2	-3.7	-2.7	-5.0	-1.4
Wages and Salaries	March 2018	0.1	-0.1	-0.5	1.0	1.5	1.9	1.3	1.6	0.8
Value of merchandise exports (1)	* April 2018						3.1	7.7	-0.4	15.5
CFIB Business Barometer ®	May 2018	-10.3	-12.0	9.2	10.9	10.8	-1.7	-0.2	1.1	5.8
<u>PRICES</u>										
Consumer Price Index (1)	April 2018	0.5	0.1	0.2	2.1	3.3	2.1	2.5	2.7	1.3
Average Hourly Earnings (1)	April 2018						0.6	2.7	2.1	0.4
Price of New Housing inc. Land (1)	March 2018	0.0	-0.5	0.0	-1.9	-1.4	-0.6	-1.4	-1.2	-0.8
Avg. Price of Existing Homes Sold (MLS)	April 2018	0.8	-6.2	2.1	-6.3	-1.4	-2.8	-6.0	-2.7	-0.7
<u>LABOR MARKET</u>										
Job creation (000)	* April 2018	-2.1	-4.9	4.2	-0.9	0.0	-0.5	-5.6	-4.6	1.4
Unemployment	* April 2018	6.8	6.3	5.8	6.3	6.1	6.2	6.4	6.0	6.2
Participation rate	* April 2018	68.4	68.4	68.7	68.5	68.5	68.7	69.4	68.4	69.5

Sources: Thomson Reuters Datastream and Canadian Real estate Association

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

# Weekly Economic Watch

## Annex - Economic Tables

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

		June 8, 2018								
		Monthly Growth (%)			Annualized Growth (%)			Since 12 Mos.	Year-to-date (3)	
<b>Growth Rates Unless Otherwise Indicated</b>	Reference Period	Past Month	Prev. Month	Month Before	Average of the last				ref.	prec.
					3 Mos.	6 Mos.	12 Mos.			
<b>ALBERTA</b>										
<u>DOMESTIC DEMAND AND REVENUE</u>										
Retail Sales	March 2018	0.3	0.0	0.9	-0.7	1.3	5.9	2.5	1.9	6.5
Manufacturing Shipments	March 2018	0.9	-1.5	0.0	2.3	8.1	11.3	5.2	7.5	15.5
Housing Starts (000) (2)	* May 2018	36.5	29.7	27.1	31.1	27.6	29.2	32.6	28.4	28.8
Number of existing homes sold (MLS)	April 2018	-1.7	-5.5	-9.8	-50.2	8.5	-2.0	-12.3	-7.7	11.4
Wages and Salaries	March 2018	-0.1	0.3	0.1	2.6	3.6	3.9	4.1	4.3	-0.2
Value of merchandise exports (1)	* April 2018							14.7	9.4	41.5
CFIB Business Barometer ®	May 2018	-2.7	-2.8	0.0	-23.9	-3.4	19.0	-14.0	2.7	87.5
<u>PRICES</u>										
Consumer Price Index (1)	April 2018	0.5	0.1	0.6	5.2	2.9	1.6	2.3	2.0	1.9
Average Hourly Earnings (1)	April 2018							2.4	2.6	0.0
Price of New Housing inc. Land (1)	March 2018	-0.2	-0.3	0.0	-1.2	0.1	-0.1	-0.4	-0.2	-0.5
Avg. Price of Existing Homes Sold (MLS)	April 2018	-0.9	-2.2	0.4	0.0	-4.1	-1.3	-4.0	-2.1	2.6
<u>LABOR MARKET</u>										
Job creation (000)	* April 2018	2.9	-1.8	8.3	3.1	4.4	3.1	37.3	5.8	23.4
Unemployment	* April 2018	6.2	6.7	6.3	6.4	6.7	7.2	7.8	6.6	8.2
Participation rate	* April 2018	71.6	72.0	71.9	71.8	72.0	72.1	72.5	71.9	72.7
<b>BRITISH COLUMBIA</b>										
<u>DOMESTIC DEMAND AND REVENUE</u>										
Retail Sales	March 2018	0.6	0.5	-0.3	-4.0	4.7	8.1	5.1	4.1	8.5
Manufacturing Shipments	March 2018	4.0	-0.4	-1.2	-1.3	7.1	9.4	10.5	8.6	6.7
Housing Starts (000) (2)	* May 2018	43.4	42.1	49.4	45.0	44.1	44.6	48.4	42.6	40.1
Number of existing homes sold (MLS)	April 2018	-1.8	-6.0	-13.4	-65.6	-20.7	-1.6	-25.9	-11.4	-24.4
Wages and Salaries	March 2018	1.0	0.6	-0.1	5.4	6.2	5.9	6.2	5.9	5.6
Value of merchandise exports	March 2018	4.0	1.8	-6.3	-5.1	-1.1	8.2	-3.6	0.7	18.4
CFIB Business Barometer ®	May 2018	-4.3	-6.9	-5.2	-25.7	2.7	-3.9	-15.3	-2.5	3.6
<u>PRICES</u>										
Consumer Price Index (1)	April 2018	0.2	0.3	0.7	5.3	1.7	2.2	2.7	2.5	2.2
Average Hourly Earnings (1)	April 2018							3.1	5.6	1.2
Price of New Housing inc. Land (1)	March 2018	0.1	0.0	0.0	0.6	5.3	6.7	7.4	7.7	3.3
Avg. Price of Existing Homes Sold (MLS)	April 2018	0.2	-1.4	-2.2	-16.9	-1.8	10.1	0.1	7.3	-10.8
<u>LABOR MARKET</u>										
Job creation (000)	* April 2018	-12.4	2.9	-3.9	-4.5	-3.1	0.3	3.5	-21.9	50.6
Unemployment	* April 2018	4.8	5.0	4.7	4.8	4.8	4.9	5.6	4.8	5.4
Participation rate	* April 2018	64.5	65.0	64.9	64.8	65.0	65.2	65.7	64.9	65.3

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

\* 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**

June 8, 2018										
Growth Rates Unless Otherwise Indicated	Reference Period	Monthly Growth (%)			Annualized Growth (%)			Since 12 Mos.	Year-to-date (2)	
		Past Month	Prev. Month	Month Before	Average of the last				ref.	prec.
					3 Mos.	6 Mos.	12 Mos.			
OECD leading index	March 2018	-0.1	0.0	0.0	-0.4	0.1	0.4	0.1	0.2	0.3
<b>JAPAN</b>										
Consumer confidence - percentage (1)	May 2018	44.1	43.4	44.4	44.0	44.2	44.1	43.9	44.1	43.4
Retail Sales (1)	April 2018						1.8	1.6	1.5	1.7
Industrial Production, Volume Index	April 2018	0.3	1.4	2.0	2.1	2.8	3.7	1.5	2.2	4.5
Exports	April 2018	4.6	-2.9	-0.6	-6.4	8.7	10.9	9.1	5.9	9.7
Imports	April 2018	-1.2	-6.1	6.9	-1.3	6.7	12.8	1.2	6.3	10.3
Merchandise trade bal. (Billions of ¥)	* April 2018	6,687	4,896	-2,914	2,890	3,568	3,987	2,893	13,856	15,834
Current account (Billions of ¥)	* April 2018	189	177	96	154	168	178	185	650	721
Inflation (CPI)	April 2018	-0.4	-0.4	0.1	0.1	1.8	0.8	0.7	1.1	0.3
Job offers to applicants ratio	April 2018	1.59	1.59	1.58	1.59	1.58	1.55	1.47	1.59	1.45
Unemployment Rate	April 2018	2.5	2.5	2.5	2.5	2.6	2.7	2.8	2.5	2.9
		<b>Q1 2018</b>	<b>Q4 2017</b>	<b>Q3 2017</b>	<b>Q2 2017</b>	<b>Q1 2017</b>	<b>Q4 2016</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>
Gross Domestic Product (Constant Yen)	* April 2018	-0.6	1.0	2.0	2.1	2.7	1.0	1.7	1.0	1.4
<b>Euro-zone</b>										
Volume Retail Sales	* April 2018	0.1	0.4	0.3	-0.1	1.7	2.1	1.7	1.6	2.1
Industrial Production exc. Construction	March 2018	0.5	-0.9	-0.6	-2.4	3.9	3.4	3.0	3.3	1.2
Exports	March 2018	0.8	-2.5	-0.9	0.4	5.9	6.4	1.4	3.7	8.0
Imports	March 2018	0.7	-3.4	0.9	-0.1	5.3	7.9	1.6	2.4	11.4
Merch. Trade Bal. (Millions of euros)	March 2018	21,243	20,934	20,032	20,736	21,432	21,333	20,542	62,209	53,749
Inflation (CPI)	May 2018	0.5	0.3	1.0	4.9	1.6	1.4	1.9	1.4	1.7
Unemployment Rate	April 2018	8.5	8.6	8.6	8.6	8.6	8.8	9.2	8.6	9.4
		<b>Q1 2018</b>	<b>Q4 2017</b>	<b>Q3 2017</b>	<b>Q2 2017</b>	<b>Q1 2017</b>	<b>Q4 2016</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>
Gross Domestic Product (Constant Euro)	* April 2018	1.5	2.8	2.9	3.0	2.7	2.7	2.4	1.8	2.4
<b>UNITED KINGDOM</b>										
Consumer Confidence (Diffusion index)	May 2018	-3	-6	-3	-4	-5	-5	-6	-4	-5
Retail Sales	April 2018	1.6	-1.1	0.8	0.6	1.2	1.4	1.4	1.5	2.9
Manufacturing, energy and mining output	March 2018	0.1	0.1	1.2	2.3	2.5	1.7	2.9	2.0	2.8
Exports (1)	March 2018	4.4	-5.0	1.8	0.1	-2.2	9.3	1.3	2.9	19.2
Imports (1)	March 2018	8.1	-7.1	1.6	-3.6	2.6	6.0	1.0	2.2	15.6
Merchandise Trade Bal. (Millions of £)	March 2018	-12,287	-10,414	-11,903	-11,535	-11,363	-12,030	-11,913	-34,604	-34,447
Inflation (CPI harmonized) (1)	April 2018	0.4	0.2	0.6	1.5	1.7	2.5	2.1	2.4	2.0
Producer price index, manufacturing (1)	April 2018	0.3	0.3	0.0	2.4	3.3	3.2	2.7	2.9	3.6
House prices	* May 2018	1.5	-3.1	1.6	0.7	1.1	2.6	1.6	2.1	3.6
Unemployment Rate (3-month mov. av.)	March 2018	4.2	4.2	4.3	4.2	4.3	4.3	4.6	4.2	4.7
		<b>Q1 2018</b>	<b>Q4 2017</b>	<b>Q3 2017</b>	<b>Q2 2017</b>	<b>Q1 2017</b>	<b>Q4 2016</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>
Gross Domestic Product (Constant £)	April 2018	0.4	1.6	1.9	1.0	1.3	1.0	1.8	1.9	2.3
<b>INTEREST AND EXCHANGE RATES</b>										
	Reference Thursday	Current Week	Prev. Week	Week Before	Average of last Thursdays			13 w. ago	26 w. ago	52 w. ago
					13 W.	26 W.	52 W.			
<b>JAPAN</b>										
Prime Rate	* 7 June 18	0.30	0.30	0.30	0.30	0.30	0.30	0.30	0.30	0.30
3-month Financing Bill Rate	* 7 June 18	-0.13	-0.16	-0.14	-0.15	-0.16	-0.16	-0.19	-0.15	-0.10
- Spread with U.S.	* 7 June 18	-2.03	-2.05	-2.01	-1.94	-1.79	-1.51	-1.83	-1.42	-1.09
Yield on 10-year Gov't Bonds	* 7 June 18	0.05	0.04	0.05	0.04	0.05	0.05	0.04	0.04	0.06
- Spread with U.S.	* 7 June 18	-2.88	-2.82	-2.93	-2.87	-2.73	-2.48	-2.83	-2.34	-2.13
Exchange Rate (¥/U.S.\$)	* 7 June 18	109.7	108.8	109.3	108.2	108.9	110.3	106.2	113.1	110.0
<b>Euro Zone</b>										
3-month Treasury Bills	* 7 June 18	-0.25	-0.25	-0.25	-0.25	-0.25	-0.25	-0.25	-0.25	-0.25
- Spread with U.S.	* 7 June 18	-2.15	-2.14	-2.12	-2.04	-1.88	-1.60	-1.89	-1.52	-1.24
Exchange Rate (U.S.\$/Euro)	* 7 June 18	1.18	1.17	1.17	1.21	1.21	1.19	1.23	1.18	1.12
(Yen/Euro)	* 7 June 18	130.26	126.76	128.46	130.63	132.29	131.48	131.83	132.88	123.77
(Euro / £)	* 7 June 18	1.13	1.14	1.14	1.14	1.14	1.13	1.12	1.14	1.15
<b>UNITED KINGDOM</b>										
3-month Treasury Bills (tender)	* 7 June 18	0.47	0.44	0.43	0.44	0.36	0.29	0.26	0.33	0.04
- Spread with U.S.	* 7 June 18	-1.43	-1.45	-1.44	-1.36	-1.27	-1.07	-1.38	-0.94	-0.95
Yield on 30-year Gov't Bonds	* 7 June 18	1.87	1.69	1.83	1.82	1.84	1.84	1.89	1.83	1.72
- Spread with U.S.	* 7 June 18	-1.20	-1.33	-1.30	-1.28	-1.18	-1.08	-1.25	-0.95	-1.13
Exchange Rate (U.S.\$ / £)	* 7 June 18	1.34	1.33	1.34	1.38	1.38	1.34	1.38	1.35	1.30
<b>STOCK INDICES</b>										
	Reference	Monthly Growth (%)			Growth Over (%)			Since beginning of year		
		Level	Month	Month	Before	3 Months	6 Months	1 Year	ref.	prec.
MSCI Eafe	* June 2018	261	-2.3	1.9	-3.8	-4.3	-1.2	5.2	-1.2	15.4

\* Update (1) Not Seasonally Adjusted

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

Source: Datastream

# Weekly Economic Watch

## Annex - Economic Tables

**TABLE 6 - COMMODITY PRICES**

June 8, 2018

	<u>Spot Price</u>		<u>Weekly Growth (%)</u>			<u>Annualized Growth (%)</u>			<u>Last Year</u>	
	<u>June 7</u>	<u>May 31</u>	<u>Last</u>	<u>Prev.</u>	<u>Week</u>	<u>For the Last</u>				
			<u>Week</u>	<u>Week</u>	<u>Before</u>	<u>13 W.</u>	<u>26 W.</u>	<u>52 W.</u>		
<b><u>INDICES THOMSON-REUTERS</u></b>										
Total	434.0	438.6	-1.1	-0.5	1.8	3.7	13.5	7.2	404.6	
Energy	501.0	505.7	-0.9	-2.7	0.4	47.5	27.5	27.3	393.6	
Grain	318.0	323.8	-1.8	-1.6	4.3	-8.1	22.4	6.2	299.5	
Industrials	506.5	487.1	4.0	2.8	2.1	36.7	38.9	25.2	404.7	
Livestock & Meat	329.7	331.3	-0.5	1.7	0.0	-23.4	-8.6	-8.5	360.4	
Precious Metals	782.4	779.2	0.4	-0.5	1.6	-6.6	7.8	-1.8	796.7	
<b><u>PRECIOUS METALS</u></b>										
Gold (\$/ounce) (AM fixing London)	1298.30	1303.50	-0.4	0.6	0.6	-7.9	6.7	1.1	1284.80	
Platinum (\$/ounce) (AM fixing London)	907.0	912.0	-0.5	0.4	2.3	-16.6	1.6	-4.1	946.0	
Silver (\$/ounce) (Handy & Harman)	0.2	0.2	2.2	-0.8	1.0	9.5	14.7	-3.3	0.2	
Palladium (\$/ounce troy)	1027.0	986.0	4.2	1.4	-1.9	18.2	2.8	20.1	855.0	
<b><u>OTHER METALS (LME)</u></b>										
Aluminum (\$/tonne)	2,303	2,289	0.6	0.4	-1.0	48.6	33.6	21.3	1,899	
Copper (\$/tonne)	7,331	6,845	7.1	-0.2	0.0	35.1	26.0	28.5	5,704	
Zinc (\$/tonne)	3,205	3,098	3.5	2.0	-1.9	-2.6	6.8	30.8	2,450	
Nickel (\$/tonne)	15,456	15,158	2.0	2.1	2.2	87.2	97.9	76.5	8,759	
Lead (\$/tonne)	2,521	2,446	3.1	-1.7	5.6	35.8	7.5	21.7	2,072	
Uranium (UxC-Ux U308 Spot \$/pound)	22.75	22.75	0.0	0.4	4.4	9.3	-26.3	18.2	19.25	
<b><u>OTHER COMMODITIES</u></b>										
Oil WTI (\$/barrel) future (NYMEX)	65.95	67.04	-1.6	-5.2	-1.1	44.8	35.3	44.5	45.64	
Corn (\$/bushel) (Illinois #2)	3.4	3.7	-6.3	-1.9	1.9	-22.9	14.9	-5.0	3.6	
Soy beans (\$/bushel) (Illinois #1)	9.4	9.8	-4.4	-1.8	4.3	-27.9	-3.7	3.0	9.1	
Beef (Cattle feeder index) (CME)	139.7	136.2	2.6	0.1	1.8	-11.9	-18.2	-9.9	154.9	
Soft Wood Pulp (HWWI) Index 2010 = 100	167	167	0.0	0.1	2.5	71.4	65.2	54.8	108	
Natural Gas (mmbtu) Henry Hub future NYMEX									2.94	
Lumber 2X4	600	597	0.4	1.3	-7.8	121.3	98.1	64.9	364	
Iron ore (\$/metric ton)	67	66	2.3	0.8	-4.4	-39.6	-4.3	16.5	58	

All prices are in US dollars

Source: Thomson Reuters Datastream

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