



June 22, 2018

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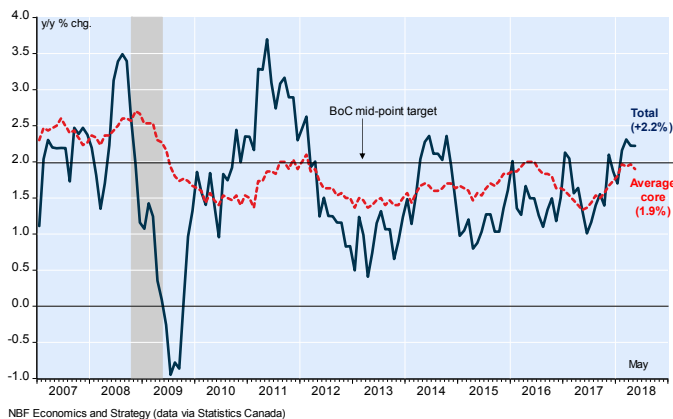
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## Week in review

**CANADA:** Canada's **consumer price index** rose 0.1% (m/m) in May in seasonally adjusted terms causing the year-on-year inflation rate to remain unchanged at 2.2%. On a month-to-month basis, among the eight major categories only three categories were rising: Recreation (+1.7%), transportation (+0.1%) and shelter (+0.1%). Household operations (-1.0%), food (-0.1%), and clothing (-0.2%) posted declines. Healthcare and alcohol/tobacco were flat. CPI excluding food and energy was down 0.1% in seasonally adjusted terms and the year-on-year inflation rate declined one tick to 1.7%. On an annual basis, the CPI-trim stood at 1.9% (down two ticks from 2.1%), CPI-Median at 1.9% (unchanged from a two tenths downwardly revised print) and CPI-Common at 1.9% (unchanged). On a regional basis, total annual CPI was well above the national average in Saskatchewan (+3.0%), British Columbia (2.7%), Manitoba (+2.7%) and Alberta (+2.6%) but trailed in Newfoundland/Labrador (+1.8%) and Quebec (+1.7%). Price hikes in Ontario (+2.3%) were close to the average.

### Canada: Annual core inflation essentially on target

Consumer price index: Total and average of the three core measures preferred by the Bank of Canada



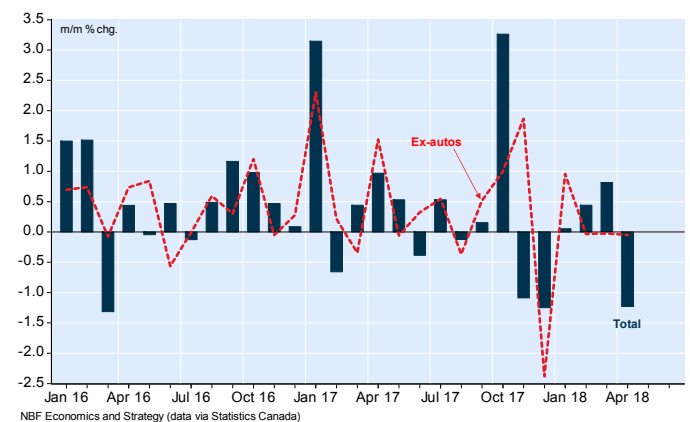
Headline inflation was softer than expected as the rise in gasoline prices was offset by weaknesses elsewhere leaving the CPI excluding food and energy being down in the month, a first since 2012. Not surprisingly, the Bank of Canada's

preferred gauges which filter extreme price movements did not exhibit strength in the month as shown by our in-house replication of CPI-Trim and CPI-median respectively registering a flat and a 0.1% rise. Looking at 3-month annualized changes, we observe inflation running at 0.8% for CPI-trim and 1.4% for CPI-median a deceleration compared to the pace registered earlier this year. All in all, we expect trend inflation to get back to the Bank of Canada target sooner rather than later.

Canadian **retail sales** slumped 1.2% in April. There were upward revisions to the prior month from +0.6% to +0.8%, although that's scant consolation. Sales were down in 8 of the 11 broad categories in April. Autos were largely responsible for the overall sales decline, falling 4.3% during the month. Excluding autos, sales were down just 0.1% as declines for building materials (-3.3%), furniture/home furnishings (-0.9%), health/personal care products (-0.9%), clothing/accessories (-1.3%), sporting goods (-1.1%), general merchandise (-2.2%) and miscellaneous items (-1.6%) more than offset higher sales of gasoline, food/beverage, and electronics. Seven of the 10 provinces saw declining sales in April, with Ontario and Quebec being hit particularly hard. In real terms overall Canadian retail sales sank 1.4%.

### Canada: Retail sales slumped in April

Nominal retail sales



Discretionary sales (i.e. sales excluding gasoline, groceries and health products) sunk at the fastest pace in three years. A colder than normal April also weighed on the results as evidenced by the sharp drop in sales of items such as clothing, sporting goods, and building materials. Central Canada was hit particularly hard by inclement weather in April, and hence the sharp drop in sales in Ontario and Quebec should not be surprising. In fact, excluding those two provinces, Canada's retail spending was actually up in April. While the outlook for Q2 Canadian consumption may not look good right now, we

expect the picture to improve in the coming months starting with a sharp sales rebound in May.

In April, nominal **wholesale sales** rose 0.1% m/m to an all-time high C\$63.1 billion. Sales were up in three of the seven subsectors, led by machinery, equipment and supplies (+2.3%) and food, beverage and tobacco (+1.9%). Alternatively, sales were down in the motor vehicles and parts subsector (-4.0%). In volume terms, total wholesale trade was flat in the month.

**UNITED STATES: Housing starts** jumped 5.0% m/m in May to a new cyclical high of 1,350K in seasonally adjusted and annualized terms. Starts rose 3.9% to 936K in the single-family segment and 7.5% to 414K in the multi-family segment. The gains were concentrated in the Midwest, where groundbreaking soared 62.2% to 266K units. All the other regions registered declines, most notably the Northeast, where groundbreaking fell 15% to 102K units. With one month of data still to come, starts are currently on pace to post a marginal increase in Q2. However, as single-family starts, which contribute more to GDP per unit, are up 13.8% so far, the odds are good that residential construction will make a positive contribution to growth in the quarter.

**Building permit applications** retreated 4.6% m/m in May, coming in at 1,301K on an annualized basis. The pullback was due above all to an 8.8% drop to 457K in the multi-family segment. Permits for single-family construction recorded a less pronounced decline (-2.2% to 844K).

Again in May, **sales of existing homes** sagged 0.4% m/m to an annualized 5,430K. Contract closings sank 0.6% in the single-family segment, a drop offset in part by a 1.6% rise in the multi-family category. Relative to a year earlier, resale transactions were down 3.0%, hampered by a shrinking supply of homes on the market. Indeed, in the 12 months to May, the inventory of properties for sale receded 6.1% to 1,850K, its lowest level for a month of May since record-keeping began in 1982. Given the tightness of the market, prices continued to rise at a good clip. The median price for a previously owned home in the United States climbed 4.9% y/y to a record \$264,800 despite the lower sales over the period.

Still in May, the **leading economic index** (LEI) gained 0.2 point to an all-time high of 109.5, thus extending its streak of non-negative prints to 24 months. However, the index growth pace has been softer in recent months compared to the strong growth recorded coming into 2018 (+0.7 in January and +0.8 in December). Moreover, the diffusion index went from 100% in April to 75% in May. The ISM new orders index and the interest rate spread were the main drivers, adding 0.17 and 0.13 percentage point to the LEI, respectively. Alternatively, building permits (-0.14 pp) and the average workweek (-0.13 pp) acted as a drag on the headline index. Although the LEI indicates that economic growth will continue, its recent trend suggests that the pace is unlikely to accelerate.

In June, the **flash composite PMI** fell 0.6 point to 56.0. The monthly decline was driven primarily by the manufacturing index, which went from 56.4 to 54.6 on poor growth in new business and new work. The services tracker edged down as well but to a lesser degree, dipping 0.3 point to 56.5 (still a second highest reading since mid-2015). The output sub-index eased somewhat in the manufacturing sector but remained at levels consistent with a very strong pace of expansion. Conditions remain favourable as signs of capacity constraints were evident, with factory order backlogs accumulating from a lack of stock and supplier delivery times lengthening the most since the inception of the survey in 2007. Price pressures continued to build after 28 consecutive months of expansion for the U.S. private sector as a whole. Indeed, businesses reported input prices hovering around their four-year peak, attributing the latter to higher prices for metals, especially steel and related items.

**WORLD:** In the **euro zone**, the **flash composite PMI** rose in June, gaining 0.7 point to a 2-month high of 54.8. The manufacturing component (55.0 vs. 55.5 the prior month) dropped to a multi-month low on weaker expansion for output and orders. This was more than offset by the services component which rose to a 4-month high (55.0 vs. 53.8 the prior month) on the back of service sector employment which grew at the fastest clip since October 2017. Moreover, the pace of job creation in the private sector as a whole shot up as well, registering one of the steepest increases in over 15 years.

In **Japan**, the **Nikkei flash manufacturing PMI** came in at 53.1 in June, up from 52.8 in May. Both output and employment expanded at a faster pace than in the prior month. Alternatively, the rise in input prices for Japanese factories intensified. June marked the 22<sup>nd</sup> consecutive month of expansion (PMI >50) for Japan's manufacturing sector.

Also in **Japan**, the national headline **consumer price index** (CPI) rose 0.7% in May, up one tick from 0.6% in April. The slight upswing was in part caused by an increase in energy prices (+5.7% y/y vs. +5.3% y/y the prior month) while fresh food continued to detract (-0.8% vs. -1.5%). Excluding the price effects from those two categories, CPI rose just 0.3% in the twelve months to May. CPI excluding fresh food, the core measure preferred by the Bank of Japan, stayed flat at 0.7%, still far below the BoJ target of 2.0%.

Kyle Dahms et al.

# Weekly Economic Watch

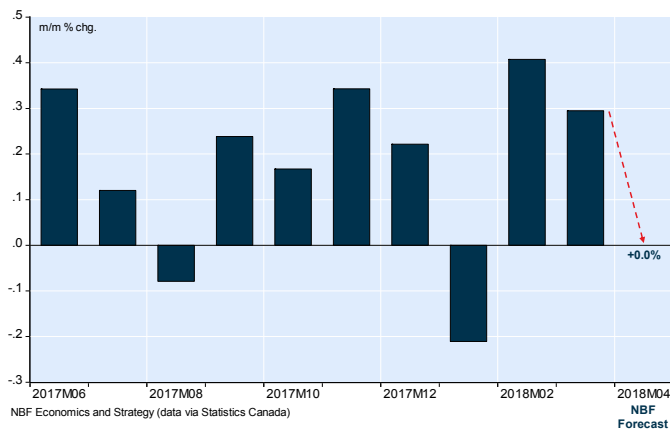
## What We'll Be Watching



**In Canada**, the release of April **GDP** data will attract the most attention. A positive contribution is expected from the mining sector but it should be largely offset by a poor showing in the manufacturing sector (based on shipments). Both residential construction and the finance/real estate sector likely weighed on growth on account of lower starts and decreasing home sales. All told, we're expecting GDP growth to have slowed to a halt in the month following a +0.3% print in March. The summer edition of the Bank of Canada's **Business Outlook Survey** will be released, along with **Senior Loan Officer Survey** for Q2.

	Previous	NBF forecasts
GDP (April, m/m chg.)	0.3%	0.0%

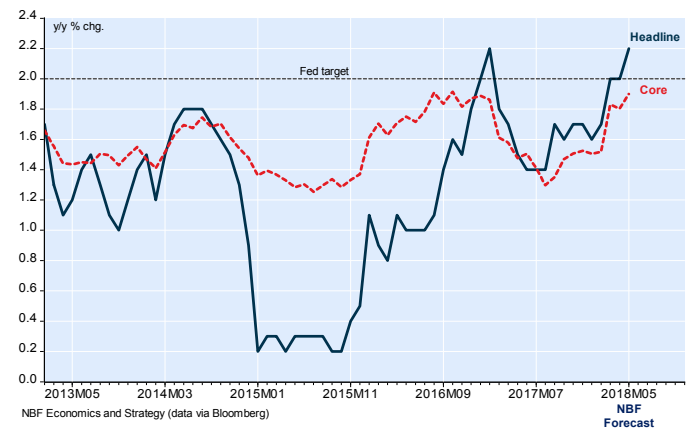
**Canada: Growth may have slowed to a halt in April**  
Real GDP



**In the U.S.**, we'll get a better grasp of Q2 economic activity with the release of several indicators for May. Both **personal income** and **personal spending** likely rose in the month, buoyed by decent earnings growth. Meanwhile, the annual **core PCE deflator** may have gained one tick to 1.9%, just one tenth shy of the Fed's target. Also in May, **durable goods orders** probably retreated for a second month in a row, in line with falling civilian plane orders. **Sales of new homes**, for their part, likely bounced back, erasing April's retreat. In other news, **Q1 GDP growth** could be revised down two ticks, reflecting weaker-than-anticipated personal consumption.

	Previous	NBF forecasts
PCE deflator (May, y/y chg.)	2.0%	2.2%
Core PCE deflator (May, y/y chg.)	1.8%	1.9%
Durable goods orders (May, m/m chg.)	-1.6%	-1.4%
GDP (Q1 q/q chg. saar, 3rd est.)	2.2%	2.0%

**U.S.: Core PCE deflator likely moved closer to the Fed's target in May**  
Headline and core PCE deflators



**Elsewhere in the world**, June's **CPI** data will be available in the Eurozone. Several important indicators for May will be released in Japan, including **retail sales**, **industrial production**, **housing starts** and the **jobless rate**. In China, we'll get June's **composite PMI**.

# 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 25</b>	8:30	US	Chicago Fed Nat Activity Index	May	34.00%	--	Carnival Corp	Bef-mkt	Q2 18	0.59
	10:00	US	New Home Sales	May	662k	666k				
	10:00	US	New Home Sales MoM	May	-1.50%	0.60%				
<b>Tuesday Jun 26</b>							Lennar Corp	Bef-mkt	Q2 18	0.44
							IHS Markit Ltd	Bef-mkt	Q2 18	0.57
<b>Wednesday Jun 27</b>	7:00	US	MBA Mortgage Applications	Jun-22	5.10%	--	Canopy Growth Corp	Bef-mkt	Q4 18	-0.06
	8:30	US	Durable Goods Orders	May P	-1.60%	-1.00%	Corus Entertainment Inc	Bef-mkt	Q3 18	0.36
	8:30	US	Durables Ex Transportation	May P	0.90%	0.40%	Novagold Resources Inc	Aft-mkt	Q2 18	-0.02
	10:00	US	Pending Home Sales MoM	May	-1.30%	1.00%	Paychex Inc	Bef-mkt	Q4 18	0.61
							General Mills Inc	Bef-mkt	Q4 18	0.73
<b>Thursday Jun 28</b>	8:30	US	GDP Annualized QoQ	1Q T	2.20%	2.20%	Shaw Communications Inc	Bef-mkt	Q3 18	0.36
	8:30	US	Initial Jobless Claims	Jun-23	218k	220k	Empire Co Ltd	Bef-mkt	Q4 18	0.28
	8:30	US	Personal Consumption	1Q T	1.00%	1.00%	McCormick & Co Inc/MD	Bef-mkt	Q2 18	0.93
							Accenture PLC	06:59	Q3 18	1.72
							Walgreens Boots Alliance Inc	07:00	Q3 18	1.48
							Conagra Brands Inc	07:30	Q4 18	0.44
							NIKE Inc	16:15	Q4 18	0.64
<b>Friday Jun 29</b>	8:30	CA	Industrial Product Price MoM	May	0.50%	--	Constellation Brands Inc	Bef-mkt	Q1 19	2.43
	8:30	CA	Raw Materials Price Index MoM	May	0.70%	--				
	8:30	US	PCE Core YoY	May	1.80%	1.90%				
	8:30	US	Personal Income	May	0.30%	0.40%				
	8:30	CA	GDP MoM	Apr	0.30%	--				
	8:30	US	Personal Spending	May	0.60%	0.40%				
	8:30	US	PCE Deflator YoY	May	2.00%	2.20%				
9:45	US	Chicago Purchasing Manager	Jun	62.7	60.7					
10:00	US	U. of Mich. Sentiment	Jun F	99.3	99.3					

Source: Bloomberg

# Weekly Economic Watch

## Annex - Economic Tables

**TABLE 1 - NORTH AMERICAN FINANCIAL INDICATORS**

June 22, 2018											
Growth Rates Unless Otherwise Indicated	Reference Period	Level	Monthly Growth (%)			Annualized Growth			Since 12 Mos.	Year-to-date (3)	
			Past Month	Prev. Month	Month Before	Average of the last 3 Mos.	6 Mos.	ref.		prec.	
<b>UNITED STATES</b>											
<u>MONETARY AGGREGATES</u>											
		(\$Billions)									
M1	* May 2018	3653	-0.2	-0.1	1.4	4.4	4.8	4.5	6.3	8.2	
M2	* May 2018	14024	0.5	0.2	0.4	3.5	3.4	3.8	4.0	6.2	
<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)	* May 2018	4332	-0.1	0.2	0.4	3.1	4.0	3.5	4.0	5.5	
Business	* May 2018	2165	0.1	1.2	0.8	7.2	2.8	3.3	2.3	4.0	
<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	* 21 June 18	2.00	2.00	1.75	1.79	1.65	1.46	1.75	1.50	1.25	
Prime Rate	* 21 June 18	5.00	5.00	4.75	4.79	4.65	4.46	4.75	4.50	4.25	
3-month Treasury Bills	* 21 June 18	1.90	1.90	1.90	1.82	1.67	1.39	1.69	1.33	0.94	
2-year Bonds	* 21 June 18	2.54	2.57	2.49	2.46	2.29	1.90	2.29	1.88	1.34	
5-year Bonds	* 21 June 18	2.77	2.81	2.77	2.76	2.63	2.28	2.63	2.24	1.76	
10-year Bonds	* 21 June 18	2.90	2.95	2.93	2.92	2.82	2.56	2.83	2.48	2.15	
30-year Bonds	* 21 June 18	3.04	3.07	3.07	3.09	3.05	2.93	3.07	2.83	2.71	
Corp. High-yield (BofA ML Master II)	* 21 June 18	6.43	6.40	6.49	6.49	6.40	6.24	6.60	6.18	6.09	
Corp. Invest. Grade (BofA ML Corp. BBB)	* 21 June 18	4.43	4.41	4.39	4.31	4.10	3.83	4.15	3.67	3.53	
<u>Spread</u>											
Corp. High-yield - Treas. 10y.	* 21 June 18	3.53	3.45	3.56	3.57	3.58	3.68	3.76	3.70	3.93	
Corp. Invest. grade - Treas. 10y.	* 21 June 18	1.53	1.47	1.46	1.38	1.27	1.26	1.32	1.18	1.37	
Treasuries 30y. - 3-m. T.B.	* 21 June 18	1.14	1.17	1.17	1.27	1.37	1.54	1.38	1.50	1.77	
<u>EXCHANGE RATE</u>											
FED Broad (Jan 97 = 100)	* 15 June 18	123.92	123.36	122.76	119.78	118.91	119.45	118.43	120.13	122.31	
<b>CANADA</b>											
<u>INTEREST RATES</u>											
Prime Rate	* 21 June 18	3.45	3.45	3.45	3.45	3.42	3.25	3.45	3.20	2.70	
Target overnight rate	* 21 June 18	1.25	1.25	1.25	1.25	1.22	1.05	1.25	1.00	0.50	
30-day commercial paper	* 21 June 18	1.64	1.64	1.63	1.64	1.59	1.42	1.60	1.40	0.83	
3-month Treasury Bills	* 21 June 18	1.25	1.25	1.28	1.21	1.18	1.02	1.11	0.98	0.58	
1-year Treasury Bills	* 21 June 18	1.68	1.72	1.68	1.69	1.64	1.45	1.64	1.46	0.86	
5-year Bonds	* 21 June 18	2.00	2.14	2.14	2.14	2.08	1.85	2.10	1.80	1.13	
10-year Bonds	* 21 June 18	2.14	2.27	2.28	2.29	2.26	2.10	2.26	1.98	1.49	
30-year Bonds	* 21 June 18	2.20	2.29	2.33	2.36	2.37	2.33	2.37	2.24	2.00	
<u>SPREADS</u>											
Prime - 30d. Commercial paper	* 21 June 18	1.81	1.81	1.82	1.81	1.83	1.83	1.85	1.80	1.87	
Long Term - Short Term	* 21 June 18	0.95	1.04	1.05	1.15	1.19	1.32	1.26	1.26	1.42	
<u>CANADA UNITED STATES SPREADS</u>											
3-month T-Bills	* 21 June 18	-0.65	-0.65	-0.62	-0.61	-0.50	-0.37	-0.58	-0.35	-0.36	
Long Term Bonds	* 21 June 18	-0.84	-0.78	-0.74	-0.73	-0.68	-0.60	-0.70	-0.59	-0.71	
<u>EXCHANGE RATE</u>											
US\$ /CDNS (GTIS)	* 21 June 18	0.7511	0.7632	0.7709	0.7767	0.7844	0.7881	0.7728	0.7850	0.7556	
Trade-weighted (1990=100) G-10	* 21 June 18	87.8	89.5	89.8	90.3	91.0	91.7	89.5	91.7	88.7	
<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.)	* 21 June 18	24461.7	-2.2	2.2	-0.9	-0.9	-1.3	14.3	-1.3	7.4	
S&P 500 (U.S.)	* 21 June 18	2749.8	0.6	2.4	-1.5	1.4	2.4	12.9	2.4	7.5	
NASDAQ (U.S.)	* 21 June 18	7713.0	4.3	3.5	-2.7	5.0	10.7	23.7	10.7	13.9	
S&P/TSX (Can.)	* 21 June 18	16335.2	1.1	4.4	-1.2	4.2	0.9	7.8	0.9	-1.0	

\* 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 22, 2018									
		Monthly Growth (%)			Annualized Growth (%)					Year-to-date (9)	
Growth Rates Unless Otherwise Indicated	Reference Period	Past	Prev.	Month	Average of the last			Since			
		Month	Month	Before	3 Mos.	6 Mos.	12 Mos.	12 Mos.	ref.	prec.	
Index of 12 Leading Indicators	* May 2018	0.2	0.4	0.4	5.4	7.1	5.3	6.1	6.1	3.1	
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	May 2018	0.8	0.4	0.7	5.2	5.3	4.8	5.9	4.8	4.7	
- Motor vehicle	May 2018	0.5	0.2	1.9	4.9	2.3	4.0	4.0	3.4	5.4	
- Other	May 2018	0.9	0.4	0.4	5.2	6.0	4.9	6.4	5.2	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	April 2018	0.3	-0.1	0.6	4.8	4.6	3.4	4.4	4.1	2.3	
Inventories / Shipments Businesses	April 2018	1.35	1.35	1.36	1.35	1.35	1.37	1.38	1.36	1.39	
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)	* May 2018	1350	1286	1327	1321	1300	1259	1122	1317	1196	
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	* May 2018	-0.4	-2.7	1.1	0.0	0.2	-0.5	-3.0	-1.9	3.6	
<b>PRODUCTION</b>											
Industrial Production	May 2018	-0.1	0.9	0.5	5.2	4.7	2.6	3.5	3.4	0.9	
- Consumer Goods	May 2018	-1.0	1.0	0.4	2.7	3.4	1.2	1.5	2.5	-0.3	
- Hitech goods	May 2018	0.2	1.8	0.7	5.6	8.4	4.3	6.2	5.8	4.9	
<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)	May 2018	-765.1	-706.7	-738.6				-613.2	-307.3	-223.0	
<b>INFLATION AND COSTS</b>											
Consumer Prices	May 2018	0.2	0.2	-0.1	1.7	3.1	2.2	2.8	2.4	2.4	
- Excluding Food and Energy	May 2018	0.2	0.1	0.2	2.2	2.4	1.9	2.2	2.0	2.0	
PCE Deflator exc. Food and Energy	May 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	May 2018	0.5	0.1	0.3	3.2	3.3	2.6	3.1	2.9	2.1	
Average Hourly Earnings (4)	May 2018						2.4	2.8	2.6	2.3	
Industrial Capacity Utilization Rate	May 2018	77.9	78.1	77.5	77.8	77.5	76.9	76.2	77.5	75.7	
Median Price, Single-Family Homes (5)	* May 2018	3.0	3.3	3.7	27.9	-1.8	5.5	5.2	5.5	6.5	
<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	666	
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>QUARTERLY INDICATORS</b>											
		Q1 2018	Q4 2017	Q3 2017	Q2 2017	Q1 2017	Q4 2016	2016	2015	2014	
Real GDP Chained 2009 dollars		2.2	2.9	3.2	3.1	1.2	1.8	1.5	2.9	2.6	
Consumption		1.0	4.0	2.2	3.3	1.9	2.9	2.8	2.7	3.6	
Residential Construction		-2.0	12.8	-4.7	-7.3	11.1	7.1	1.8	5.5	10.2	
Business Investment		9.2	6.8	4.7	6.7	7.2	0.2	4.7	-0.6	2.3	
Government Spending		1.1	3.0	0.7	-0.2	-0.6	0.2	0.1	0.8	1.4	
Exports		4.2	7.0	2.1	3.5	7.3	-3.8	3.4	-0.3	0.4	
Imports		2.8	14.1	-0.7	1.5	4.3	8.1	4.0	1.3	5.0	
Change in Inventories (1) (2)		20.2	15.6	38.5	5.5	1.2	63.1	15.2	33.4	100.5	
GDP Deflator		1.9	2.3	2.1	1.0	2.0	2.0	1.8	1.3	1.1	
Personal Disposable Income		3.3	1.2	0.7	2.7	2.9	-1.8	1.2	1.4	4.2	
		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	
Current Account (current \$)	*	-496.4	-464.6	-413.8	-487.3	-430.8	-434.4	-449.1	-432.9	-407.8	
as a % of GDP	*	-2.5	-2.4	-2.1	-2.5	-2.3	-2.3	-2.3	-2.3	-2.3	
Corporate Profits (8)		Q1 2018	Q4 2017	Q3 2017	Q2 2017	Q1 2017	Q4 2016	2016	2015	2014	
as a % of GDP		-2.2	-0.2	18.1	2.8	-8.3	10.7	4.4	-2.1	-1.1	
		11.0	11.2	11.4	11.0	11.1	11.4	11.2	11.6	11.9	

\* Update

Source: Thomson-Reuters Datastream

(1) Annual Rate

(5) Existing Homes Sold

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

(2) \$ Billions

(6) Non-Farm Payroll Survey

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

(7) Household Survey

(4) Nonfarm Business

(8) Current \$ and before taxes

# Weekly Economic Watch

## Annex - Economic Tables

**TABLE 3 - CANADIAN ECONOMIC INDICATORS**

June 22, 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				ref.	prec.
					3 Mos.	6 Mos.	12 Mos.			
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)	* April 2018	-1.2	0.8	0.4	0.7	2.0	5.8	1.6	2.9	6.8
- Motor vehicle and parts dealers	* April 2018	-4.3	3.1	1.8	5.5	-1.5	7.1	0.0	1.5	8.8
- Other	* April 2018	-0.1	0.0	0.0	-1.0	3.4	5.3	2.2	3.3	6.6
Retail Sales (\$ constant)	* April 2018	-1.4	1.0	0.4	-0.3	-1.8	4.2	-0.7	0.6	5.0
Manufacturer's Shipments (\$ current)	April 2018	-1.3	1.4	2.7	7.2	7.2	5.2	3.6	4.0	6.6
New Orders	April 2018	-1.6	-1.1	8.2	25.7	12.1	4.7	2.8	4.9	10.4
- Durables	April 2018	-1.0	-3.0	13.6	50.2	16.3	4.1	2.7	6.1	9.9
Unfilled Orders	April 2018	1.3	1.6	3.3	19.6	2.4	-1.9	0.4	-0.1	-0.2
Manufacturer's Inventories	April 2018	2.2	0.5	1.5	13.8	9.0	7.4	8.4	8.1	4.0
Inventories / Shipments Ratio	April 2018	1.44	1.40	-1.41	1.42	1.41	1.40	1.38	1.42	1.36
Manufacturer's Shipments (\$ constant)	April 2018	-1.9	0.6	2.2	2.6	3.1	3.2	1.6	2.1	3.3
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									Fiscal year	
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	* May 2018	0.1	0.3	0.3	4.7	2.6	1.8	2.2	2.1	1.7
- Excluding Food and Energy	* May 2018	0.1	-0.1	0.4	4.1	1.8	1.6	1.7	1.8	1.8
- Core inflation (4)	* May 2018	-0.1	0.1	0.2	3.5	1.4	1.1	1.3	1.4	1.3
Average Hourly Earnings (2)	May 2018							2.6	3.9	3.4
Price of New Housing including land	April 2018	0.0	0.0	-0.2	-0.8	0.8	3.3	1.6	2.4	3.4
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	May 2018	-0.1	0.1	0.2	0.3	0.5	1.0	0.5	0.7	1.0
Job creation (000)	May 2018	-7.5	-1.1	32.3	7.9	2.7	19.9	238.2	-48.9	140.2
- Manufacturing	May 2018	-18.3	-0.8	-8.3	-9.1	-7.2	0.2	2.1	-43.1	43.1
- Services	May 2018	21.5	14.8	10.6	15.6	9.5	15.7	188.7	0.9	101.5
- Full Time	May 2018	-31.1	28.9	68.2	22.0	16.5	24.1	289.7	75.7	177.0
- Part Time	May 2018	23.6	-30.0	-35.9	-14.1	-13.8	-4.3	-51.5	-124.6	-36.8
Unemployment Rate	May 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	84.8	84.0	82.4	81.4	84.2	80.2	80.5
Labour Productivity, Business Sector		-1.2	0.9	-2.5	0.5	5.6	0.7	1.9	0.6	-0.5
Unit Labour Cost, Business Sector		2.8	5.4	5.4	-3.7	-0.4	1.7	0.2	-0.1	2.3
		Q1 2018	Q4 2017	Q3 2017	Q2 2017	Q1 2017	Q4 2016	2017	2016	2015
Current Account (current \$) (5)		-78.0	-65.9	-71.7	-59.6	-55.9	-45.1	-63.3	-65.4	-71.5
as a % of GDP		-3.6	-3.0	-3.3	-2.8	-2.6	-2.2	-2.9	-3.0	-3.5

Sources: Thomson Reuters Datastream and Canadian Real Estate Association

\* Update

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

# Weekly Economic Watch

## Annex - Economic Tables

**TABLE 4 - PROVINCIAL ECONOMIC INDICATORS**

June 22, 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	* April 2018	-2.7	1.1	0.7	0.1	4.4	4.5	0.8	3.1	6.2
Manufacturing Shipments	April 2018	-3.4	2.7	3.2	11.8	6.7	7.0	2.9	5.4	8.9
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	6.3
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)	* May 2018	0.1	0.4	0.2	3.6	2.3	1.3	1.7	1.6	1.0
Average Hourly Earnings (1)	May 2018						2.8	1.8	2.5	2.8
Price of New Housing inc. Land (1)	April 2018	0.1	0.0	0.4	2.5	1.7	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)	May 2018	4.7	-13.8	16.0	2.3	1.2	5.4	65.3	-13.4	15.4
Unemployment rate	May 2018	5.3	5.4	5.6	5.4	5.4	5.6	5.9	5.5	6.3
Participation rate	May 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	* April 2018	-2.3	0.7	0.9	1.1	1.5	6.2	0.4	3.1	7.5
Manufacturing Shipments	April 2018	0.2	0.5	4.2	11.7	7.4	1.4	3.3	1.4	2.9
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	-2.8	-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)	* May 2018	0.1	0.1	0.4	5.2	2.6	1.8	2.3	2.2	2.0
Average Hourly Earnings (1)	May 2018						2.5	4.7	3.9	0.4
Price of New Housing inc. Land (1)	April 2018	-0.2	0.0	-0.3	-1.1	0.5	4.8	1.1	2.8	7.1
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)	May 2018	1.0	9.3	10.6	7.0	-1.4	10.5	125.7	-14.3	39.8
Unemployment rate	May 2018	5.7	5.6	5.5	5.6	5.6	5.7	6.4	5.6	6.2
Participation rate	May 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	* April 2018	-1.1	0.8	0.4	-2.7	-1.1	1.3	0.5	-1.4	1.8
Manufacturing Shipments	April 2018	-4.8	9.6	9.6	15.4	5.8	19.7	4.2	9.1	26.0
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	47.7
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)	* May 2018	0.1	0.1	0.1	2.7	2.0	1.5	1.8	1.6	3.9
Average Hourly Earnings (1)	May 2018						0.9	2.2	0.3	4.8
Price of New Housing inc. Land (1)	April 2018	0.0	0.0	0.0	0.0	-0.3	-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)	May 2018	0.5	-0.6	-0.4	-0.2	-0.2	-0.1	-0.8	-1.7	-2.8
Unemployment	May 2018	14.5	14.5	14.2	14.4	14.3	14.6	14.8	14.2	14.5
Participation rate	May 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	* April 2018	-1.0	-0.7	-0.7	-3.4	7.2	5.1	1.4	4.0	7.7
Manufacturing Shipments	April 2018	-8.6	-0.6	17.2	27.0	16.2	6.8	-4.3	6.6	10.4
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	3.7
CFIB Business Barometer ®	May 2018	7.9	-1.1	1.5	81.2	-5.5	-3.4	3.8	0.5	-4.0
<u>PRICES</u>										
Consumer Price Index (1)	* May 2018	0.3	0.4	0.1	4.9	2.3	2.0	2.4	2.3	1.7
Average Hourly Earnings (1)	May 2018						4.1	2.4	4.0	1.4
Price of New Housing inc. Land (1)	April 2018	0.0	0.2	0.0	0.5	0.5	0.2	0.5	0.4	0.0
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)	May 2018	0.8	-0.2	-0.2	0.1	0.3	0.1	1.1	1.0	2.5
Unemployment	May 2018	9.3	11.2	10.3	10.3	10.2	10.0	9.9	10.3	9.9
Participation rate	May 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 period of the preceding year, unless otherwise stated



# Weekly Economic Watch

## Annex - Economic Tables

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

June 22, 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	* April 2018	2.1	-2.2	2.6	2.9	3.0	7.5	4.7	5.3	6.2
Manufacturing Shipments	April 2018	3.4	-0.2	5.1	18.4	19.5	10.4	20.8	19.2	0.1
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)	* May 2018	-0.4	0.5	0.4	5.3	2.5	1.6	2.3	2.2	1.1
Average Hourly Earnings (1)	May 2018						1.7	2.0	1.9	3.7
Price of New Housing inc. Land (1)	April 2018	0.4	0.5	0.0	1.7	1.1	1.3	1.9	1.2	1.3
<u>LABOR MARKET</u>										
Job creation (000)	May 2018	-3.6	2.7	-1.3	-0.7	0.7	0.4	4.5	-0.1	1.9
Unemployment	May 2018	7.2	6.7	7.4	7.1	7.6	8.1	8.1	7.5	8.2
Participation rate	May 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	* April 2018	-2.5	2.1	-0.9	-6.9	-0.4	5.8	-0.5	1.3	4.2
Manufacturing Shipments	April 2018	-3.5	-0.5	0.7	-22.6	14.0	15.1	5.8	9.1	10.2
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)	* May 2018	-0.1	0.2	0.2	3.8	2.8	2.1	2.1	2.3	2.8
Average Hourly Earnings (1)	May 2018						1.6	2.0	2.5	4.5
Price of New Housing inc. Land (1)	April 2018	-0.1	0.0	0.0	0.7	1.4	1.3	1.0	1.0	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)	May 2018	1.8	1.1	-1.8	0.4	0.7	0.4	4.4	0.4	-1.1
Unemployment	May 2018	7.3	8.0	8.0	7.8	8.1	7.9	8.2	8.1	8.5
Participation rate	May 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	* April 2018	-0.8	3.6	-2.7	-6.6	-1.1	4.7	-2.2	-1.4	7.5
Manufacturing Shipments	April 2018	0.8	0.6	0.0	-0.7	1.9	8.2	6.7	6.3	1.8
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)	* May 2018	-0.2	0.8	0.3	4.4	3.1	2.0	2.7	2.5	1.7
Average Hourly Earnings (1)	May 2018						2.1	1.6	1.1	2.4
Price of New Housing inc. Land (1)	April 2018	0.0	0.1	0.1	0.8	1.8	3.2	2.2	2.8	2.7
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)	May 2018	-1.1	4.1	0.9	1.3	0.1	0.2	2.9	-0.2	9.0
Unemployment	May 2018	6.5	6.1	6.2	6.3	6.0	5.6	5.3	6.1	5.6
Participation rate	May 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	* April 2018	2.2	-1.3	-0.2	-3.1	2.4	2.4	3.0	-0.5	4.4
Manufacturing Shipments	April 2018	6.7	4.3	-1.4	19.2	13.6	9.2	16.2	7.3	19.6
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)	* May 2018	0.3	0.5	0.1	3.2	2.9	2.3	3.0	2.7	1.2
Average Hourly Earnings (1)	May 2018						0.8	2.2	2.1	0.3
Price of New Housing inc. Land (1)	April 2018	0.3	0.0	-0.5	-1.6	-1.4	-0.7	-1.1	-1.2	-0.7
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)	May 2018	-2.1	-4.9	4.2	-0.9	0.0	-0.5	-5.6	-4.6	1.4
Unemployment	May 2018	6.8	6.3	5.8	6.3	6.1	6.2	6.4	6.0	6.2
Participation rate	May 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 22, 2018								
		Monthly Growth (%)			Annualized Growth (%)			Year-to-date (3)		
Growth Rates Unless Otherwise Indicated	Reference Period	Past	Prev.	Month	Average of the last			Since	Year-to-date (3)	
		Month	Month	Before	3 Mos.	6 Mos.	12 Mos.	12 Mos.	ref.	prec.
<b>ALBERTA</b>										
<b>DOMESTIC DEMAND AND REVENUE</b>										
Retail Sales	* April 2018	0.2	0.7	-0.1	2.6	0.3	5.7	2.2	2.0	6.1
Manufacturing Shipments	April 2018	-5.3	0.5	-1.3	-10.7	5.2	9.6	-2.4	4.5	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	6.3
CFIB Business Barometer ®	May 2018	-2.7	-2.8	0.0	-23.9	-3.4	19.0	-14.0	2.7	87.5
<b>PRICES</b>										
Consumer Price Index (1)	* May 2018	0.1	0.5	0.1	4.9	3.2	1.7	2.6	2.1	1.8
Average Hourly Earnings (1)	May 2018							2.8	4.4	-0.1
Price of New Housing inc. Land (1)	April 2018	0.0	-0.2	-0.3	-1.9	-0.1	-0.1	-0.3	-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
<b>LABOR MARKET</b>										
Job creation (000)	May 2018	2.9	-1.8	8.3	3.1	4.4	3.1	37.3	5.8	23.4
Unemployment	May 2018	6.2	6.7	6.3	6.4	6.7	7.2	7.8	6.6	8.2
Participation rate	May 2018	71.6	72.0	71.9	71.8	72.0	72.1	72.5	71.9	72.7
<b>BRITISH COLUMBIA</b>										
<b>DOMESTIC DEMAND AND REVENUE</b>										
Retail Sales	* April 2018	1.1	0.9	0.4	3.3	2.3	8.0	5.9	4.6	8.2
Manufacturing Shipments	April 2018	-0.1	4.0	-0.5	4.4	5.4	9.1	7.6	8.1	7.7
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	April 2018	-2.1	2.3	4.6	5.6	2.8	5.5	-1.3	-0.2	21.8
CFIB Business Barometer ®	May 2018	-4.3	-6.9	-5.2	-25.7	2.7	-3.9	-15.3	-2.5	3.6
<b>PRICES</b>										
Consumer Price Index (1)	* May 2018	0.5	0.2	0.3	5.6	2.1	2.3	2.7	2.6	2.1
Average Hourly Earnings (1)	May 2018							3.7	6.9	0.9
Price of New Housing inc. Land (1)	April 2018	0.0	0.1	0.0	0.5	3.4	6.9	6.3	7.3	3.4
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
<b>LABOR MARKET</b>										
Job creation (000)	May 2018	-12.4	2.9	-3.9	-4.5	-3.1	0.3	3.5	-21.9	50.6
Unemployment	May 2018	4.8	5.0	4.7	4.8	4.8	4.9	5.6	4.8	5.4
Participation rate	May 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 BCStats

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

# Weekly Economic Watch

## Annex - Economic Tables

**TABLE 5 - INTERNATIONAL ECONOMIC INDICATORS**

June 22, 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	April 2018	-0.1	-0.1	0.0	-0.6	0.0	0.4	0.0	0.1	0.4
<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	1.5	1.4	1.7
Industrial Production, Volume Index	April 2018	0.5	1.4	2.0	2.3	2.9	3.7	1.7	2.3	4.5
Exports	* May 2018	-1.0	4.7	-2.9	-4.0	5.7	10.3	6.2	5.9	10.3
Imports	* May 2018	10.6	-1.6	-6.6	-2.0	12.8	12.6	13.7	8.1	11.6
Merchandise trade bal. (Billions of ¥)	April 2018	6,687	4,896	-2,914	2,890	3,568	3,987	2,893	13,856	15,833
Current account (Billions of ¥)	April 2018	189	177	96	154	168	178	185	650	721
Inflation (CPI)	* May 2018	0.0	-0.4	-0.4	-1.8	1.5	0.8	0.6	1.0	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)		-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	April 2018	-0.9	0.6	-0.8	-4.8	2.8	3.5	1.8	2.9	1.3
Exports	April 2018	0.3	0.5	-2.5	-8.4	6.6	6.1	3.7	3.6	7.6
Imports	April 2018	1.4	0.9	-3.3	-5.9	6.9	7.3	3.9	3.0	11.7
Merch. Trade Bal. (Millions of euros)	April 2018	18,105	19,787	20,355	19,415	19,880	20,953	20,999	77,743	70,880
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)		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	May 2018	1.2	1.8	-1.1	4.2	1.2	1.6	3.9	1.9	2.6
Manufacturing, energy and mining output	April 2018	-0.9	0.1	0.1	1.0	1.7	1.9	1.8	2.0	1.9
Exports (1)	April 2018	-5.9	2.6	-5.3	-13.8	-3.8	7.4	-7.5	0.3	18.0
Imports (1)	April 2018	0.8	6.7	-6.9	-8.1	0.6	5.9	6.8	2.7	13.0
Merchandise Trade Bal. (Millions of £)	April 2018	-14,035	-12,003	-10,163	-12,067	-11,193	-11,115	-11,867	-47,613	-43,695
Inflation (CPI harmonized) (1)	May 2018	0.3	0.4	0.2	2.7	1.7	2.5	2.1	2.3	2.1
Producer price index, manufacturing (1)	May 2018	0.4	0.4	0.3	3.0	3.0	3.0	2.9	2.7	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.)	April 2018	4.2	4.2	4.2	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 £)		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	* 21 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	* 21 June 18	-0.14	-0.13	-0.13	-0.15	-0.15	-0.16	-0.16	-0.19	-0.10
- Spread with U.S.	* 21 June 18	-2.04	-2.03	-2.03	-1.97	-1.83	-1.55	-1.85	-1.52	-1.04
Yield on 10-year Gov't Bonds	* 21 June 18	0.03	0.04	0.05	0.04	0.05	0.05	0.02	0.06	0.06
- Spread with U.S.	* 21 June 18	-2.86	-2.90	-2.88	-2.88	-2.77	-2.51	-2.81	-2.42	-2.10
Exchange Rate (¥/U.S.\$)	* 21 June 18	110.0	110.6	109.7	108.9	108.7	110.3	105.3	113.3	111.3
<b>Euro Zone</b>										
3-month Treasury Bills	* 21 June 18	-0.25	-0.25	-0.25	-0.25	-0.25	-0.25	-0.25	-0.25	-0.25
- Spread with U.S.	* 21 June 18	-2.15	-2.15	-2.15	-2.07	-1.92	-1.64	-1.94	-1.58	-1.19
Exchange Rate (U.S.\$/Euro)	* 21 June 18	1.16	1.16	1.18	1.20	1.21	1.19	1.23	1.19	1.12
(Yen/Euro)	* 21 June 18	127.59	129.15	130.26	130.33	131.86	131.67	129.75	134.59	124.27
(Euro / £)	* 21 June 18	1.14	1.14	1.13	1.14	1.14	1.13	1.15	1.13	1.13
<b>UNITED KINGDOM</b>										
3-month Treasury Bills (tender)	* 21 June 18	0.55	0.47	0.47	0.46	0.37	0.30	0.34	0.29	0.06
- Spread with U.S.	* 21 June 18	-1.35	-1.43	-1.43	-1.36	-1.30	-1.09	-1.35	-1.04	-0.88
Yield on 30-year Gov't Bonds	* 21 June 18	1.74	1.76	1.87	1.81	1.84	1.84	1.74	1.84	1.68
- Spread with U.S.	* 21 June 18	-1.30	-1.30	-1.20	-1.28	-1.21	-1.09	-1.33	-1.00	-1.03
Exchange Rate (U.S.\$ / £)	* 21 June 18	1.33	1.33	1.34	1.36	1.38	1.35	1.41	1.34	1.27
<b>STOCK INDICES</b>										
	Reference	Monthly Growth (%)			Growth Over (%)			Since		
		Past	Prev.	Month	Average of the last			beginning of year	ref.	prec.
		Month	Month	Before	3 Months	6 Months	1 Year			
MSCI Eafe	* June 2018	266	-1.4	-0.1	-0.2	-1.7	-0.5	6.5	-0.5	11.6

\* Update (1) Not Seasonally Adjusted

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

Source: Datastream

# Weekly Economic Watch

## Annex - Economic Tables

**TABLE 6 - COMMODITY PRICES**

June 22, 2018

	<u>Spot Price</u>		<u>Weekly Growth (%)</u>			<u>Annualized Growth (%)</u>			<u>Last Year</u>	
	<u>June 21</u>	<u>June 14</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	420.2	432.6	-2.9	-0.3	-1.1	-3.6	5.0	8.9	385.8	
Energy	491.0	502.1	-2.2	0.2	-0.9	20.7	23.6	31.1	374.5	
Grain	295.5	304.5	-3.0	-4.2	-1.8	-15.2	8.1	1.0	292.7	
Industrials	461.4	502.4	-8.2	-0.8	4.0	4.0	1.4	19.0	387.7	
Livestock & Meat	325.2	329.5	-1.3	0.0	-0.5	-13.7	-14.8	-5.5	344.1	
Precious Metals	757.4	793.4	-4.5	1.4	0.4	-17.4	-3.5	-2.0	773.0	
<b><u>PRECIOUS METALS</u></b>										
Gold (\$/ounce) (AM fixing London)	1263.70	1305.30	-3.2	0.5	-0.4	-18.2	-0.3	1.0	1251.40	
Platinum (\$/ounce) (AM fixing London)	864.0	905.0	-4.5	-0.2	-0.5	-33.3	-10.6	-7.0	929.0	
Silver (\$/ounce) (Handy & Harman)	0.2	0.2	-5.2	2.1	2.2	-1.9	1.5	-1.5	0.2	
Palladium (\$/ounce troy)	962.0	1010.0	-4.8	-1.7	4.2	-8.6	-13.3	8.2	889.0	
<b><u>OTHER METALS (LME)</u></b>										
Aluminum (\$/tonne)	2,181	2,262	-3.6	-1.7	0.6	27.3	4.4	17.2	1,861	
Copper (\$/tonne)	6,789	7,173	-5.4	-2.1	7.1	8.4	-7.1	18.6	5,724	
Zinc (\$/tonne)	2,971	3,221	-7.8	0.5	3.5	-25.8	-15.7	10.1	2,697	
Nickel (\$/tonne)	14,905	15,211	-2.0	-1.6	2.0	65.3	54.0	66.2	8,968	
Lead (\$/tonne)	2,363	2,439	-3.1	-3.3	3.1	-0.2	-10.4	8.1	2,186	
Uranium (UxC-Ux U308 Spot \$/pound)	23.10	23.35	-1.1	0.0	2.6	24.9	-8.5	15.5	20.00	
<b><u>OTHER COMMODITIES</u></b>										
Oil WTI (\$/barrel) future (NYMEX)	65.54	66.89	-2.0	1.4	-1.6	7.9	26.1	53.3	42.74	
Corn (¢/bushel) (Illinois #2)	3.3	3.3	-0.3	-2.9	-6.3	-10.1	6.3	-2.6	3.4	
Soy beans (¢/bushel) (Illinois #1)	8.5	8.9	-4.7	-5.0	-4.4	-43.2	-13.7	-3.2	8.8	
Beef (Cattle feeder index) (CME)	142.2	140.7	1.1	0.2	3.2	12.8	-10.0	-3.3	147.1	
Soft Wood Pulp (HWWI) Index 2010 = 100	168	168	0.0	-0.2	1.3	89.7	77.0	54.5	109	
Lumber 2X4	547	566	-3.4	-5.5	0.4	62.1	54.1	50.7	363	
Iron ore (\$/metric ton)	67	68	-1.5	0.7	2.3	-11.2	-18.1	16.7	57	

All prices are in US dollars

Source: Thomson Reuters Datastream

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