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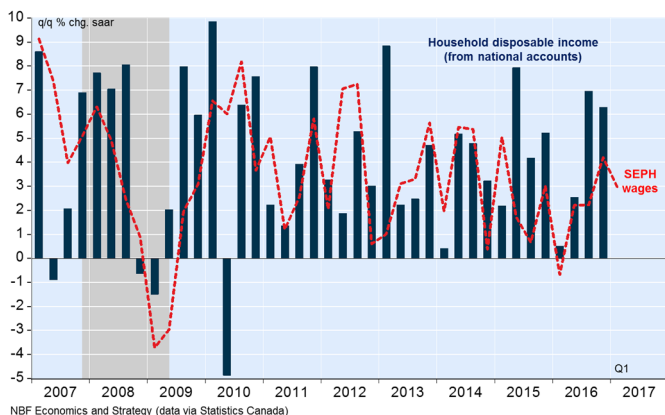
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Week in review

CANADA: In March, **wholesale trade** rose 0.9% month on month (+10.2% y/y) to an all-time high of C\$60.2 billion. Gains were recorded in four of the seven subsectors, including building materials and supplies (+3.9%) and the miscellaneous category (+2.2%), which includes recyclable material and paper products. On the other hand, sales of farm products retreated 1.6%. Nationally, 9 of the 10 provinces registered monthly advances, led by British Columbia (+1.9%) and Alberta (+1.5%). In volume terms, total sales were up 0.6%. For Q1 as a whole, nominal wholesale trade grew 3.6% from 2016Q4, making it the largest quarterly gain since 2008Q2.

The **Survey of Employment, Payrolls and Hours (SEPH)** indicated that average weekly hours worked were flat month over month in March, which translated into a 1.6% drop on a 12 month basis. Average weekly earnings grew 0.2% on a monthly basis but a disappointing 0.9% year over year. More recently, however, wages have been growing at a brisker pace. They jumped 1.4% from 2016Q4 to 2017Q1. This was slightly lower than in the previous quarter (+1.5%) but a healthy print nonetheless.

Canada: Another good quarter for household incomes
Household incomes and SEPH wages



As widely expected, the **Bank of Canada** left its **overnight rate** unchanged at 0.50%. While the central bank acknowledged “robust” consumer spending and a booming housing sector, it bemoaned “subdued” export growth resulting from “ongoing competitiveness challenges”. According to the BoC, the fact that core inflation was still below 2% and that wage growth remained lacklustre was “consistent with ongoing excess capacity in the economy”, though this excess was no longer qualified as “material”. Still, the central bank considered that intense competition in the retail sector was temporarily pushing prices down. Interestingly, the BoC also stated that macro-prudential and other policy measures had yet to have a substantial cooling effect on housing markets. The emphasis on this point suggests that, if the resale market does not slow down, the bank may have to take further action in the form of a rate hike.

Overall, the tone of the statement was much less dovish than anticipated. Indeed the Bank chose to stress the improving global economy and the fact that Canada’s adjustment to the oil shock was largely completed. This change in tone sets the stage for a shift from a neutral stance to a tightening bias before year end. In our opinion, the probability of a rate hike before the end of 2017 is now above 40%.

UNITED STATES: The **durables goods** report showed new orders falling 0.7% month on month in April. There were also upward revisions to the prior month with orders rising 2.3% (revised from +0.9%). In April, orders were down 1.2% in the transportation category (albeit after a 5.3% surge the prior month) as gains for autos were offset by falling orders of civilian aircrafts. Ex-transportation orders were down 0.4% after an upwardly revised +0.8% print the prior month. Total shipments of non-defense capital goods ex-aircraft, a proxy for business investment spending fell only 0.1% after solid gains over the February-March period.

Q1 GDP growth was revised up by the Bureau of Economic Analysis to 1.2% annualized (from the advance estimate of +0.7%). There were upgrades to personal consumption, government spending, and business investment, although these were partially offset by inventories, which proved to be a larger drag than initially estimated. Real final sales grew 2.2% annualized, much better than the 1.6% increase estimated earlier. The GDP report not only suggests Q1 growth was better than first thought, but also points to a potentially stronger rebound. Based on monthly reports to date on manufacturing and the labour market, U.S. economic growth seems to have accelerated sharply in Q2 to above 3.0% annualized.

Contributions to 2017Q1 real GDP growth	Second Est.	Advance est.
GDP	1.2	0.7
Consumption	0.4	0.2
Business Investm. Equip. /Intell.	0.7	0.6
Business Investm. Struct.	0.7	0.6
Residential Investm.	0.5	0.5
Government	-0.2	-0.3
Domestic Demand	2.1	1.6
Exports	0.7	0.7
Imports	-0.6	-0.6
Trade	0.1	0.1
Final Sales	2.2	1.6
Inventories	-1.1	-0.9

NBF Economics and Strategy (data via Datastream)

Sales of newly built homes, which account for approximately 10% of the housing market as a whole, plummeted 11.4% month on month in April to an annualized 569K in seasonally adjusted terms. Though this was the sharpest monthly decline since March 2015, it did come on the heels of a 5.8% jump in March that had taken annualized sales to their highest level in almost a decade (642K). Also reassuring is the fact that the numbers for the previous three months were revised up a combined 55K annualized. Moreover, despite the monthly decrease, sales have averaged 604K in the first four months of 2017, as compared with 536K for the same period in 2016. As a result of the drop in sales, the supply of new homes on the market climbed from 4.9 months of sales in March to 5.7 in April. Finally, the median selling price fell to \$309,200, down 3.8% from 12 months earlier.

Existing-home sales retraced 2.3% on a monthly basis in April to an annualized 5.57 million in seasonally adjusted terms. The prior month, sales had swelled 4.2% to a 10-year peak of 5.70 million. The latest report showed sales sagged in both the single-family (-2.4%) and the multi-unit (-1.6%) segments. Still, the median selling price rose 6.0% year over year to \$244,800, the second highest print ever. The price hike was spurred by tight supply. Indeed, the inventory of available properties fell 9.0% year over year to 1.93 million, the equivalent of only 4.2 months of sales. The lack of dwellings on the market explains why it took 29 days on average to sell an existing home in April, the shortest period recorded since the National Association of Realtors (NAR) began tracking the metric in May 2011.

Freddie Mac, a mortgage agency, announced that **mortgage rates** in the U.S. had fallen to their lowest level in 2017. The average 30-year fixed rate mortgage for the week ending May 25th fell to 3.95%, down from 4.02% the week before. This is still 0.31% above the levels seen at the same period last year, but it should encourage activity in the housing market nonetheless.

In May, the **Markit Flash Composite PMI** climbed 0.7 point to a three-month high of 53.9. The gain was driven by the services sector, which saw its PMI rise 0.9 point to 54.0 on stronger employment growth. Alternatively, the manufacturing component of the index slid from 52.8 to an eight-month low of 52.5 as output and new orders expanded at a slower pace than in the prior month. Interestingly, Markit reported the steepest increase in services sector input prices since June 2015. This came after the April survey showed the manufacturing sector registering the strongest cost inflation in two and a half years.

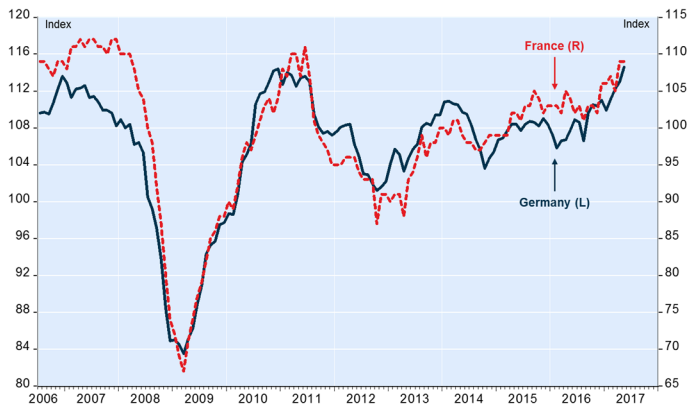
The **minutes of the May 2-3 FOMC meeting** showed participants remained confident about general economic conditions in the United States despite a weak first quarter. A couple of participants even thought that raising the fed funds rate would have been warranted by the economic outlook, but it was generally agreed that it would be prudent to await more evidence that the recent slowdown in economic activity was indeed only transitory. In other words, though further rate hikes are on the table, they will be delivered only if the economy behaves as expected. If so, nearly all policymakers indicated it would be appropriate to begin reducing the size of the Federal Reserve's balance sheet this year. Under a proposed approach, the FOMC would announce a set of limits (caps) on the dollar amounts of Treasuries and agency securities that would be allowed to run off each month. The amount of principal repayments that exceeds these limits would be reinvested. The caps would presumably start at a low level before increasing gradually over time. A vast majority of policymakers expressed a favourable view of this general approach.

WORLD: In the Eurozone, the **Flash Composite PMI** held steady at a six-year high of 56.8 in May. The services index eased marginally from 56.4 to 56.2 while the manufacturing PMI hit a 73-month high of 57.0 as production and exports both expanded at their fastest pace since April 2011. Encouragingly, the composite survey showed firms taking on staff at the second fastest rate since August 2007, driven by the manufacturing sector, which saw payrolls surge at their steepest rate in 20 years. At the national level, the composite PMI increased in Germany (57.3) and France (57.6), where both measures are now hovering at levels unseen since 2011.

Activity really seems to be picking up in the Eurozone. This, in turn, is boosting business confidence. In Germany, for instance, the **Ifo Business Climate Index**, which tracks businesses' current assessment of general conditions as well as their expectations for the future, reached its highest level ever in May, rising to 114.6 from 113.0 the month before. This led Ifo, the think tank that publishes the index, to describe overall business sentiment in the country as "euphoric". A similar positive sentiment is being echoed in France, where the **Business Confidence Index** for the manufacturing sector struck a post-recession peak of 109 in May.

Eurozone: Business confidence surges to a cyclical high

Germany's Ifo business climate index and France's manufacturing business confidence index



NBF Economics and Strategy (data from Bloomberg).

In Japan, the headline consumer price index (CPI) rose 0.4% year over year in April, accelerating from 0.2% the previous month. Furthermore, core CPI, which excludes fresh food, rose for a fourth consecutive month at 0.3% year over year. Both CPI figures were boosted by a 4.5% increase in the price of energy. Excluding that volatile category, core prices were flat year over year.

Also in Japan, the Nikkei Flash Manufacturing PMI dropped 0.7 point to a six-month low of 52.0 in May. Both the output and the new-orders sub-indices declined in the month, though they remained in expansionary territory. In addition, the employment tracker reported the weakest pace of job creation since last November.

The Organization of the Petroleum Exporting Countries (OPEC) agreed with some non-member countries to extend an existing deal to curb supply in an effort to resolve a three-year supply glut that has depressed oil prices. Taking October 2016 as the baseline month, the two sides decided to maintain the established cut of 1.8 million barrels per day through March 2018. Thus, OPEC members will continue to reduce their daily production by 1.2 million barrels, while non-member countries (chiefly Russia) will go on reducing theirs by 0.6 million barrels.

Weekly Economic Watch

What We'll Be Watching

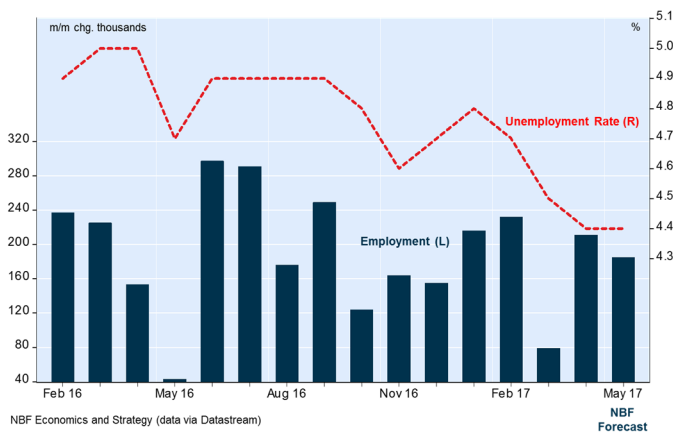
In the U.S., the publication of **non-farm payrolls** for May will attract the most attention. Jobless claims in the month fell to their lowest level since the 1970s, suggesting a decline in layoffs. As for hiring, Markit's composite PMI reported the fastest rate of job creation in three months in May.

Based on these indicators, we expect payrolls to have risen by about 185K, lower than April's increase but still a very good number considering it is becoming increasingly difficult for American firms to find qualified workers. The **household survey**, on the other hand, could have seen the pace of job creation stagnate after three strong monthly results. But that should not have affected the jobless rate, which likely stayed put at 4.4%. Meanwhile, the **ISM manufacturing index** may have retreated slightly in May to 54.5, following the trend set by Markit's manufacturing index. Both **personal income** and **personal spending** should have risen at a healthy clip in April, stimulated by strong wage growth. In the meantime, the annual core inflation rate, as defined by the **core PCE deflator**, likely shed one tick in April to 1.5%, remaining below the Fed's 2% target. We'll also keep an eye on the release of April's pending home sales and trade balance numbers.

	Previous	NBF forecasts
Non farm payrolls (May m/m chg.)	211K	185K
Unemployment rate (May)	4.4%	4.4%
ISM manufacturing (May)	54.8	54.5
PCE deflator (April y/y chg.)	1.8%	1.7%
Core PCE deflator (April y/y chg.)	1.6%	1.5%

U.S.: Non-farm payrolls to expand at a more moderate pace

Change in non-farm payrolls vs. unemployment rate (household survey)



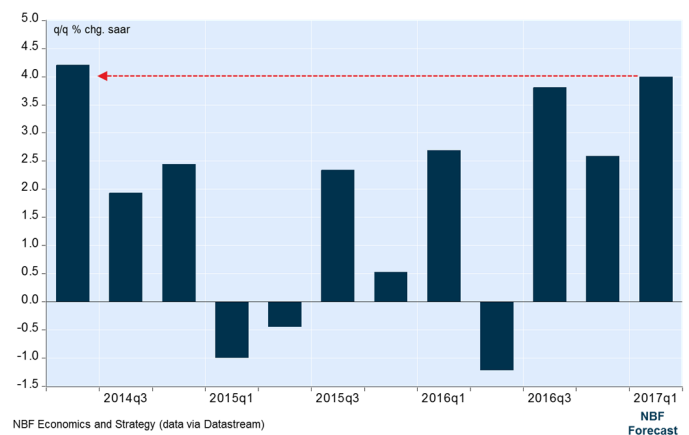
In Canada, a light week will feature **first quarter GDP** results on Wednesday. Monthly readings to date suggest the economy expanded at a brisk pace in Q1. True, trade was likely a drag on the quarter's total output due to surging real imports and weak export volumes. That being said,

trade's negative contribution should have been more than offset by a marked expansion of consumption spending (based on retail data) and surging residential construction (if housing starts are any guide). Rising imports also point to contributions to growth from business investment and inventories. All in all, we're expecting Q1 GDP growth to have registered its largest quarterly expansion in almost three years at 4.0% annualized. The handoff to Q2 was probably good as well with a 0.1% monthly increase for March output courtesy of gains in manufacturing, retailing, and wholesaling. The **merchandise trade balance** for April will also be released. Commodity prices increased in the month while the loonie continued to slide against the U.S. dollar. Both of these developments could have stimulated exports and pushed the trade balance into positive territory.

	Previous	NBF forecasts
GDP (Q1 q/q chg. saar)	2.6%	4.0%
GDP (March m/m chg.)	0.0%	0.1%
Merchandise trade balance (April)	-C\$0.14 B	C\$0.5 B

Canada: Growth likely accelerated in the first quarter

Real GDP



Elsewhere in the world, April's unemployment data for the Eurozone will be released alongside May's CPI report. In Japan, both the jobless rate and industrial production for April will be available. Finally China's manufacturing PMI for May will be disclosed.

Weekly Economic Watch

Economic Calendar - Canada & U.S.

Economic releases & events							Earnings announcements			
Time	Country	Release	Period	Previous	Consensus Estimate	NBF Estimate	Company	Time	Qtr	Cons. EPS
Monday May 29										
Tuesday May 30										
8:30	CA	Current Account Balance	1Q	-\$10.73b	--	-\$12.00b	Bank of Nova Scotia/The	06:00	Q2 17	1.56
8:30	US	Personal Income	Apr	0.20%	0.40%	0.50%	Laurentian Bank of Canada	Bef-mkt	Q2 17	1.37
8:30	US	Personal Spending	Apr	0.00%	0.40%	0.30%				
8:30	CA	Industrial Product Price MoM	Apr	0.80%	--					
8:30	CA	Raw Materials Price Index MoM	Apr	-1.60%	--					
8:30	US	PCE Deflator YoY	Apr	1.80%	1.70%	1.70%				
8:30	US	PCE Core YoY	Apr	1.60%	1.50%	1.50%				
Wednesday May 31										
7:00	US	MBA Mortgage Applications	May-26	4.40%	--		CAE Inc	Bef-mkt	Q4 17	0.30
8:30	CA	Quarterly GDP Annualized	1Q	2.60%	3.70%	4.00%	National Bank of Canada	06:30	Q2 17	1.26
8:30	CA	GDP MoM	Mar	0.00%	0.30%	0.10%	Descartes Systems Group Inc/The	Aft-mkt	Q1 18	0.25
9:45	US	Chicago Purchasing Manager	May	58.3	57.3		Michael Kors Holdings Ltd	Bef-mkt	Q4 17	0.70
10:00	US	Pending Home Sales MoM	Apr	-0.80%	1.00%		Analog Devices Inc	08:00	Q2 17	0.85
							Hewlett Packard Enterprise Co	Aft-mkt	Q2 17	0.35
Thursday Jun 1										
8:15	US	ADP Employment Change	May	177k	180k		BRP Inc/CA	06:00	Q1 18	0.09
8:30	US	Nonfarm Productivity	1Q F	-0.60%	-0.60%		Canadian Western Bank	07:00	Q2 17	0.57
8:30	US	Initial Jobless Claims	May-27	234k	239k		Saputo Inc	0:00	Q4 17	0.48
9:45	US	Markit US Manufacturing PMI	May F	52.5	--		Dollar General Corp	Bef-mkt	Q1 18	1.00
10:00	US	ISM Manufacturing	May	54.8	54.9	54.5	Broadcom Ltd	Aft-mkt	Q2 17	3.50
10:00	US	Construction Spending MoM	Apr	-0.20%	0.50%		Cooper Cos Inc/The	16:15	Q2 17	2.25
Friday Jun 2										
8:30	CA	Labor Productivity QoQ	1Q	0.40%	--					
8:30	CA	Int'l Merchandise Trade	Apr	-0.14b	--	0.50b				
8:30	US	Change in Nonfarm Payrolls	May	211k	180k	185k				
8:30	US	Trade Balance	Apr	-\$43.7b	-\$44.0b					
8:30	US	Unemployment Rate	May	4.40%	4.40%	4.40%				

Source: Bloomberg

Weekly Economic Watch

Annex - Economic Tables

TABLE 1 - NORTH AMERICAN FINANCIAL INDICATORS

May 26, 2017										
Growth Rates Unless Otherwise Indicated	Reference Period	Level	Monthly Growth (%)			Annualized Growth			Year-to-date (3)	
			Past	Prev.	Month	Average of the last		Since	Year-to-date (3)	
			Month	Month	Before	3 Mos.	6 Mos.	12 Mos.	ref.	prec.
UNITED STATES										
<u>MONETARY AGGREGATES</u>										
		(\$Billions)								
M1	April 2017	3429	-0.3	2.1	-0.7	7.1	6.0	7.1	8.3	5.4
M2	April 2017	13431	0.4	0.6	0.3	5.4	5.9	6.0	6.3	6.1
<u>CREDIT MEASURES</u>										
Consumer Credit	March 2017	3806	0.4	0.4	0.3	4.6	6.2	6.0	6.2	6.5
Mortgage (Banks)	* April 2017	4160	0.3	0.3	0.1	3.0	4.7	5.1	5.6	6.4
Business	* April 2017	2095	0.5	-0.7	-0.1	-1.6	2.5	2.6	4.4	10.3
CANADA										
<u>MONETARY AGGREGATES</u>										
M2+ gross	Feb 2017	1902	-0.2	0.8	0.4	6.4	7.7	7.0	7.4	5.8
Personal Deposits (Banks) (2)	March 2017	922						5.9	6.3	6.1
<u>CREDIT MEASURES</u>										
Consumer	Feb 2017	570	0.4	0.3	0.3	3.5	3.3	3.6	3.5	2.5
Mortgages	Feb 2017	1444	0.4	0.4	0.5	5.7	6.2	5.9	5.9	6.4
Business (S.T. + L.T.)	March 2017	1866	0.6	0.6	0.1	4.4	5.6	5.5	5.3	6.0
Private (Consumer+Business)	Feb 2017	3869	0.5	0.2	0.4	4.8	5.5	5.2	5.2	5.8
Gov. of Canada securities outstanding	March 2017	686	-0.5	-0.2	0.6	0.8	1.9	3.6	3.4	3.5
INTEREST AND EXCHANGE RATES										
	Reference Thursday	Last day	1 week ago	2 w. ago	Average of last Thursdays			13 w. ago	26 w. ago	52 w. ago
					13 w.	26 w.	52 w.			
UNITED STATES										
<u>INTEREST RATES</u>										
Federal Funds Target Rate	* 25 May 17	1.00	1.00	1.00	0.96	0.84	0.67	0.75	0.50	0.50
Prime Rate	* 25 May 17	4.00	4.00	4.00	3.96	3.84	3.67	3.75	3.50	3.50
3-month Treasury Bills	* 25 May 17	0.92	0.91	0.87	0.79	0.65	0.48	0.51	0.50	0.30
2-year Bonds	* 25 May 17	1.28	1.26	1.33	1.28	1.23	1.01	1.18	1.14	0.85
5-year Bonds	* 25 May 17	1.79	1.77	1.92	1.90	1.91	1.57	1.88	1.85	1.35
10-year Bonds	* 25 May 17	2.25	2.24	2.41	2.37	2.41	2.06	2.39	2.36	1.82
30-year Bonds	* 25 May 17	2.92	2.91	3.04	3.00	3.03	2.74	3.02	3.02	2.63
Corp. High-yield (BofA ML Master II)	* 25 May 17	5.94	6.05	6.07	6.13	6.24	6.59	6.02	6.77	7.75
Corp. Invest. Grade (BofA ML Corp. BBB)	* 25 May 17	3.58	3.58	3.71	3.71	3.76	3.60	3.69	3.88	3.74
<u>Spread</u>										
Corp. High-yield - Treas. 10y.	* 25 May 17	3.68	3.81	3.67	3.76	3.83	4.54	3.64	4.42	5.93
Corp. Invest. grade - Treas. 10y.	* 25 May 17	1.32	1.34	1.30	1.34	1.35	1.55	1.30	1.52	1.91
Treasuries 30y. - 3-m. T.B.	* 25 May 17	2.00	2.00	2.17	2.21	2.38	2.26	2.51	2.52	2.33
<u>EXCHANGE RATE</u>										
FED Broad (Jan 97 = 100)	* 19 May 17	123.30	123.91	123.35	124.94	126.19	124.00	125.98	125.61	120.27
CANADA										
<u>INTEREST RATES</u>										
Prime Rate	* 25 May 17	2.70	2.70	2.70	2.70	2.70	2.70	2.70	2.70	2.70
Target overnight rate	* 25 May 17	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50
30-day commercial paper	* 25 May 17	0.84	0.81	0.84	0.87	0.89	0.88	0.91	0.88	0.90
3-month Treasury Bills	* 25 May 17	0.46	0.46	0.48	0.48	0.48	0.49	0.47	0.51	0.52
1-year Treasury Bills	* 25 May 17	0.57	0.57	0.62	0.63	0.62	0.59	0.60	0.57	0.52
5-year Bonds	* 25 May 17	0.97	0.92	1.03	1.07	1.09	0.89	1.16	0.98	0.79
10-year Bonds	* 25 May 17	1.46	1.45	1.61	1.58	1.65	1.40	1.71	1.55	1.38
30-year Bonds	* 25 May 17	2.09	2.08	2.25	2.25	2.29	2.04	2.42	2.18	2.01
<u>SPREADS</u>										
Prime - 30d. Commercial paper	* 25 May 17	1.86	1.89	1.86	1.83	1.81	1.82	1.79	1.82	1.80
Long Term - Short Term	* 25 May 17	1.63	1.62	1.77	1.77	1.82	1.55	1.95	1.67	1.49
<u>CANADA UNITED STATES SPREADS</u>										
3-month T-Bills	* 25 May 17	-0.46	-0.45	-0.39	-0.32	-0.17	0.01	-0.04	0.01	0.22
Long Term Bonds	* 25 May 17	-0.83	-0.83	-0.79	-0.76	-0.74	-0.70	-0.60	-0.84	-0.62
<u>EXCHANGE RATE</u>										
US\$/CDNS (GTIS)	* 25 May 17	0.7416	0.7351	0.7301	0.7417	0.7489	0.7562	0.7631	0.7412	0.7705
Trade-weighted (1990=100) G-10	* 25 May 17	87.2	86.3	86.0	87.4	88.3	88.8	90.1	87.5	89.9
STOCK INDICES										
	Reference Thursday	Level	Monthly Growth (%)			Growth Over (%)			Year-to-date	
			Past	Prev.	Month	3 Months		6 Months	1 Year	Year-to-date
			Month	Month	Before	3 Months	6 Months	1 Year	ref.	prec.
Dow Jones (U.S.)	* 25 May 17	21083.0	0.4	1.9	-1.1	1.3	10.1	18.1	5.8	1.7
S&P 500 (U.S.)	* 25 May 17	2415.1	1.1	1.9	-1.0	2.0	9.1	15.5	6.7	1.4
NASDAQ (U.S.)	* 25 May 17	6205.3	3.0	3.4	-0.3	6.2	14.9	26.8	13.6	-3.0
S&P/TSX (Can.)	* 25 May 17	15410.7	-2.1	2.0	-0.6	-0.8	2.2	9.7	0.5	5.6
* Update (1) Commercial Banks (2) Not seasonally adjusted (3) compared to same period of the preceding year, unless otherwise stated										
Source: Thomson Reuters Datastream										

Weekly Economic Watch

Annex - Economic Tables

TABLE 2 - UNITED STATES ECONOMIC INDICATORS

May 26, 2017										
Growth Rates Unless Otherwise Indicated	Reference Period	Monthly Growth (%)			Annualized Growth (%)			Since 12 Mos.	Year-to-date (9)	
		Past Month	Prev. Month	Month Before	Average of the last				ref.	prec.
					3 Mos.	6 Mos.	12 Mos.			
Index of 12 Leading Indicators	April 2017	0.3	0.3	0.5	5.6	3.8	1.7	3.2	3.0	1.6
Consumer Confidence Index (1985=100)	April 2017	120.3	124.9	116.1	120.4	115.9	107.4	94.7	118.2	95.7
I.S.M. Manufacturing Index (level)	April 2017	54.8	57.2	57.7	56.6	55.6	53.6	50.7	56.4	50.2
- Non-manufacturing (level)	April 2017	62.4	58.9	63.6	61.6	61.1	59.2	58.8	61.3	57.8
DOMESTIC DEMAND										
Sales new autos & light trucks (000,000)	April 2017	16.9	16.6	17.6	17.0	17.5	17.5	17.4	17.2	17.4
Retail Sales	April 2017	0.4	0.1	-0.2	2.6	5.0	3.7	4.5	4.9	2.9
- Motor vehicle	April 2017	0.7	-0.5	-1.5	-6.2	5.8	4.0	4.4	4.7	4.4
- Other	April 2017	0.3	0.3	0.1	5.0	4.7	3.6	4.5	5.0	1.6
Consumer Spending: Total (\$ current)	March 2017	0.0	0.0	0.2	-13.1	0.4	3.2	-8.1	0.5	3.3
Total (\$ constant)	March 2017	0.3	-0.1	-0.3	0.3	2.6	2.8	2.8	2.8	2.4
Personal Income	March 2017	0.2	0.3	0.4	4.0	4.1	3.8	4.5	4.4	3.6
Personal Savings Rate (3)	March 2017	5.9	5.7	5.4	5.7	5.6	5.7	6.2	5.7	6.1
New Orders	March 2017	0.5	0.8	0.4	6.0	7.1	0.5	6.3	5.8	-4.5
- Non-Defence Capital Goods exc. Aircraft	* April 2017	0.0	0.0	0.1	3.8	4.9	-2.2	2.9	2.0	-5.4
Unfilled Orders	* March 2017	0.2	0.3	-0.2	-1.0	-1.0	-1.8	-1.4	-1.5	-1.9
Business Inventories	March 2017	0.2	0.2	0.3	4.3	2.7	1.3	2.6	2.6	0.9
Inventories / Shipments Businesses	March 2017	1.35	1.35	1.35	1.35	1.36	1.37	1.40	1.35	1.40
Manufacturers' Shipments	March 2017	-0.2	0.3	0.1	8.0	6.3	0.3	5.1	5.4	-4.1
Manufacturers' Inventories	March 2017	0.0	0.2	0.3	4.2	2.6	-0.1	2.1	2.0	-0.8
Inventories / Shipments Manuf.	March 2017	1.38	1.37	1.38	1.38	1.38	1.39	1.42	1.38	1.42
Housing Starts (000) (1)	April 2017	1172	1203	1288	1221	1219	1200	1164	1225	1156
New Home Sales, single-family	* April 2017	-11.4	5.8	1.3	23.1	4.9	14.4	0.5	12.7	4.4
Existing Home Sales, s.f. & condos	* April 2017	-2.3	4.2	-3.9	-1.4	5.7	3.6	1.6	4.1	5.2
PRODUCTION										
Industrial Production	April 2017	1.0	0.4	0.2	3.5	1.5	-0.2	2.2	1.0	-2.1
- Consumer Goods	April 2017	1.5	1.4	-1.1	0.5	-0.9	0.4	1.4	0.1	0.7
- Hitech goods	April 2017	-0.2	0.7	-0.4	0.0	7.3	5.6	5.9	6.1	1.8
EXTERNAL AND FISCAL BALANCES										
Exports	March 2017	-0.9	0.1	0.8	9.4	5.3	1.0	7.0	7.1	-6.0
Imports	March 2017	-0.7	-1.8	2.3	9.6	8.3	1.2	8.8	7.1	-4.9
Merch. Trade Balance (\$ billions)	March 2017	-43.7	-43.8	-48.2	-45.2	-44.7	-42.5	-37.3	-45.2	-42.1
Real merchandise trade balance	March 2017	-60.0	-59.9	-65.0	-61.7	-61.9	-60.5	-56.4	-61.7	-60.8
Federal budget balance last 12 months (2)	April 2017	-575.5	-651.5	-583.3				-510.9	-134.6	-139.0
INFLATION AND COSTS										
Consumer Prices	April 2017	0.2	-0.3	0.1	1.8	2.7	1.7	2.2	2.5	1.1
- Excluding Food and Energy	April 2017	0.1	-0.1	0.2	1.7	2.1	2.2	1.9	2.1	2.2
PCE Deflator exc. Food and Energy	April 2017	-0.1	0.2	0.3	2.0	1.6	1.7	1.6	1.7	1.6
Producer price index for final demand	April 2017	0.5	-0.1	0.3	3.3	2.5	1.1	2.5	2.2	0.0
Average Hourly Earnings (4)	April 2017							2.5	2.3	2.5
Industrial Capacity Utilization Rate	April 2017	76.7	76.1	75.8	76.2	76.0	75.9	75.6	76.1	75.7
Median Price, Single-Family Homes (5)	* April 2017	3.4	3.6	0.5	8.6	-5.0	5.8	6.1	6.7	5.9
LABOUR MARKET										
New Jobs (000) (6)	April 2017	211	79	232	174	176	186	2237	738	741
- Manufacturing (000)	April 2017	6	13	22	14	12	3	40	53	-3
- Services (000)	April 2017	190	56	144	130	135	167	2003	555	728
Average weekly hours (6)	April 2017	0.4	0.1	0.2	2.4	2.0	1.6	2.1	1.8	1.8
Civilian Unemployment Rate (7)	April 2017	4.4	4.5	4.7	4.5	4.6	4.7	5.0	4.6	5.0
NATIONAL ACCOUNTS AND OTHER										
Annualized Growth Rates										
QUARTERLY INDICATORS										
Real GDP Chained 2009 dollars	* 1.2	2.1	3.5	1.4	0.8	0.9	2.4	2.2	2.3	
Consumption	* 0.6	3.5	3.0	4.3	1.6	2.3	2.7	3.2	2.9	
Residential Construction	* 13.7	9.6	-4.1	-7.8	7.8	11.5	4.9	11.7	3.5	
Business Investment	* 11.4	0.9	1.4	1.0	-3.4	-3.3	-0.5	2.1	6.0	
Government Spending	* -1.1	0.2	0.8	-1.7	1.6	1.0	0.8	1.8	-0.9	
Exports	* 5.9	-4.5	10.0	1.8	-0.7	-2.7	0.4	0.1	4.3	
Imports	* 3.8	8.9	2.2	0.2	-0.6	0.7	1.2	4.6	4.4	
Change in Inventories (1) (2)	* 4.3	49.6	7.1	-9.5	40.7	56.9	22.0	84.0	57.7	
GDP Deflator	* 2.2	2.1	1.4	2.3	0.5	0.9	1.3	1.1	1.8	
Personal Disposable Income	* 1.7	-0.3	2.9	2.9	2.1	3.0	2.6	3.5	3.5	
Labour Productivity (4)	-0.6	1.8	3.3	-0.1	-0.7	-2.0	0.2	0.9	0.8	
Unit Labor Costs (4)	3.0	1.3	0.7	6.2	-0.3	5.7	2.6	2.0	2.1	
Current Account (current \$)	-449.5	-464.0	-479.0	-532.3	-453.6	-492.4	-481.2	-463.0	-392.1	
as a % of GDP	-2.4	-2.5	-2.6	-2.9	-2.5	-2.7	-2.6	-2.6	-2.3	
Corporate Profits (8)	* -7.3	2.1	25.4	-2.4	14.1	-22.3	-0.1	-3.0	5.9	
as a % of GDP	11.1	11.4	11.5	11.0	11.1	10.8	11.2	11.6	12.0	
* 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

May 26, 2017											
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 2017	2.6	2.3	0.0	22.8	13.8	7.1	13.5	13.6	-8.7	
DOMESTIC DEMAND											
Retail Sales (\$ current)	March 2017	0.7	-0.4	2.5	10.8	8.1	5.0	6.9	6.3	7.0	
- Motor vehicle and parts dealers	March 2017	3.2	-1.3	3.0	18.1	14.3	6.9	10.2	6.9	17.2	
- Other	March 2017	-0.2	0.0	2.4	8.3	6.0	4.3	5.7	6.1	2.1	
Retail Sales (\$ constant)	March 2017	1.2	0.2	1.6	8.0	6.3	3.7	5.3	4.2	5.2	
Manufacturer's Shipments (\$ current)	March 2017	1.0	-0.6	0.0	9.3	8.6	2.1	8.2	5.5	1.2	
New Orders	March 2017	2.6	0.1	3.7	19.8	8.4	4.7	17.6	10.5	-6.1	
- Durables	March 2017	4.9	0.9	6.9	28.0	5.7	5.8	24.7	10.7	-8.5	
Unfilled Orders	March 2017	1.8	0.8	0.4	0.8	-0.2	-4.5	3.8	-0.4	-9.8	
Manufacturer's Inventories	March 2017	1.2	1.6	1.1	10.2	2.9	-1.0	4.0	1.9	0.3	
Inventories / Shipments Ratio	March 2017	1.35	1.35	1.32	1.34	1.34	1.36	1.40	1.34	1.38	
Manufacturer's Shipments (\$ constant)	March 2017	0.2	-0.3	0.0	7.9	3.7	1.6	3.6	2.5	1.7	
Housing Starts (000) (1)	April 2017	213.1	252.3	212.7	226.1	213.6	206.8	188.6	221.7	196.5	
Number of existing homes sold (MLS)	April 2017	-1.7	1.5	5.2	28.1	0.2	2.4	-1.0	0.5	13.0	
PRODUCTION											
Real Domestic Product	Feb 2017	0.0	0.6	0.3	4.3	3.4	1.5	2.5	2.4	1.0	
- Manufacturing	Feb 2017	-0.6	1.4	0.9	9.7	3.5	0.9	2.6	2.5	0.9	
- Construction	Feb 2017	0.5	0.6	0.9	8.2	1.1	-2.4	0.8	0.5	-4.8	
Services	Feb 2017	0.2	0.5	0.2	3.1	2.3	2.2	2.4	2.3	2.1	
EXTERNAL, FISCAL AND EXCHANGE BALANCES											
Exports	March 2017	3.8	-2.5	0.5	7.1	16.5	0.6	12.9	6.4	1.3	
Imports	March 2017	1.7	0.1	1.0	10.6	1.4	0.1	5.6	2.0	1.3	
- Capital Goods	March 2017	0.4	-1.1	0.7	19.3	-4.4	-1.5	3.2	0.8	-2.4	
Merch. Trade Balance (\$ millions)	March 2017	-135	-1,081	114	-367	-177	-1,701	-3,021	-367	-2,231	
Change in Official Reserves	April 2017	2,156	463	-2,692	-24	221	66	788	1,992	-1,368	
Level (US\$): \$84.7 billion									Fiscal year		
Fed. budget balance last 12 months (\$ billions)	Feb 2017	-20.9	-19.0	-19.2				-2.0	-11.5	7.5	
INFLATION AND COSTS											
Consumer Prices	April 2017	0.4	0.2	0.2	3.7	0.8	1.5	1.6	1.8	1.6	
- Excluding Food and Energy	April 2017	0.0	0.3	0.4	3.7	0.8	1.9	1.5	1.9	1.8	
- Core inflation (4)	April 2017	0.0	0.3	0.4	3.3	0.3	1.7	1.1	1.4	2.0	
Average Hourly Earnings (2)	April 2017						1.5	0.7	1.1	3.0	
Price of New Housing including land	March 2017	0.2	0.4	0.1	2.3	3.0	2.9	3.3	3.2	1.8	
Avg. Price of Existing Homes Sold (MLS)	April 2017	1.1	4.2	4.4	32.2	9.6	7.2	9.1	5.2	15.5	
Industrial Prices (1992=100)	March 2017	0.8	0.3	0.6	5.7	5.2	0.8	5.1	3.7	-0.4	
LABOUR MARKET											
Labour Force	April 2017	-0.2	0.2	-0.1	0.7	1.4	0.8	0.8	1.0	1.1	
Job creation (000)	April 2017	3.2	19.4	15.3	12.6	21.7	23.0	275.7	86.2	39.5	
- Manufacturing	April 2017	-0.6	24.4	-5.2	6.2	1.6	1.1	13.6	18.0	-45.2	
- Services	April 2017	-1.0	-2.4	30.1	8.9	22.8	22.1	265.3	69.3	86.6	
- Full Time	April 2017	-31.1	18.4	105.1	30.8	27.4	15.8	189.6	108.3	-7.9	
- Part Time	April 2017	34.3	1.0	-89.8	-18.2	-5.7	7.2	86.1	-22.1	47.4	
Unemployment Rate	April 2017	6.5	6.7	6.6	6.6	6.7	6.8	7.1	6.7	7.2	
NATIONAL ACCOUNTS AND OTHER											
QUARTERLY INDICATORS											
		Q4 2016	Q3 2016	Q2 2016	Q1 2016	Q4 2015	Q3 2015	2016	2015	2014	
GDP Chained (2007) \$		2.6	3.8	-1.2	2.7	0.5	2.3	1.4	0.9	2.6	
Household consumption		2.6	2.7	2.1	2.3	1.7	2.7	2.2	1.9	2.8	
Business Investments, non-res., mach. & equip.		-17.4	3.0	-3.6	-8.6	-13.7	-9.1	-8.4	-11.5	3.2	
- Machinery and Equipment		-10.3	-12.5	1.5	-2.5	-10.1	2.2	-5.0	-3.3	1.2	
Residential Construction		4.8	-4.7	-0.1	10.3	1.8	2.5	2.9	3.8	2.7	
Government Expenditures		2.1	-1.9	5.9	3.3	0.0	1.5	2.0	1.5	0.8	
Government Fixed Capital Formation		5.2	4.9	-2.3	3.4	-1.1	1.7	2.2	5.8	-3.6	
Final Domestic Demand		0.4	0.9	1.8	1.8	-0.5	0.9	0.9	0.3	1.9	
Exports		1.3	9.4	-14.8	9.3	-2.1	5.7	1.1	3.4	5.8	
Imports		-13.5	4.8	1.1	3.5	-6.3	-4.3	-1.0	0.3	2.2	
Change in Inventories, chained (2007) \$ (5)		-4.4	7.4	0.4	-7.5	-3.1	-0.9	-1.0	3.9	9.4	
Real Disposable Income		4.4	5.8	2.5	-0.2	4.5	2.0	2.8	3.4	1.2	
Personal savings Rate		5.8	5.5	5.0	4.7	5.6	4.8	5.3	5.0	3.7	
GDP Price Deflator		4.3	2.5	0.7	0.0	-1.1	0.7	0.6	-0.8	1.9	
Corporate Profits (nominal)		28.8	82.6	-35.4	3.5	-27.6	6.4	-4.5	-19.5	8.2	
as a % of GDP		11.6	11.1	9.7	10.8	10.7	11.6	10.8	11.5	14.3	
Indust. Capacity Utilization Rate		82.2	81.6	79.4	80.9	80.4	80.9	81.0	80.8	82.4	
Labour Productivity, Business Sector		1.4	4.9	-1.5	1.6	0.7	0.1	0.7	-0.5	2.6	
Unit Labour Cost, Business Sector		2.7	-3.4	3.3	-0.2	3.5	-1.7	0.9	2.2	0.9	
		Q4 2016	Q3 2016	Q2 2016	Q1 2016	Q4 2015	Q3 2015	2016	2015	2014	
Current Account (current \$) (5)		-42.9	-79.0	-77.6	-71.3	-66.4	-65.3	-67.7	-67.6	-48.2	
as a % of GDP		-2.1	-3.9	-3.9	-3.6	-3.3	-3.3	-3.3	-3.3	-2.4	

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

		May 26, 2017								
Growth Rates Unless Otherwise Indicated	Reference Period	Monthly Growth (%)			Annualized Growth (%)			Since 12 Mos.	Year-to-date (3)	
		Past Month	Prev. Month	Month Before	Average of the last				ref.	prec.
		3 Mos.	6 Mos.	12 Mos.						
QUEBEC										
<u>DOMESTIC DEMAND AND REVENUE</u>										
Retail Sales	March 2017	-0.8	-0.5	2.9	8.9	7.6	6.2	5.3	6.5	6.4
Manufacturing Shipments	March 2017	-0.2	1.3	-2.3	10.8	12.4	1.8	11.1	7.9	-1.3
Housing Starts (000) (2)	April 2017	43.4	59.3	45.1	49.3	43.8	41.5	31.9	46.1	37.5
Number of existing homes sold (MLS)	April 2017	-4.8	1.7	4.2	16.4	3.9	4.8	1.7	5.2	7.3
Wages and Salaries	Dec 2016	0.7	1.0	-0.7	4.5	3.3	3.6	5.1	3.6	2.3
Value of merchandise exports (1)	March 2017						-1.2	8.2	3.0	-0.2
CFIB Business Barometer ®	* May 2017	-1.2	0.1	-1.4	-8.8	5.9	8.5	7.5	5.2	9.4
<u>PRICES</u>										
Consumer Price Index (1)	April 2017	0.2	0.1	0.3	3.5	0.7	0.7	0.8	1.0	1.1
Average Hourly Earnings (1)	April 2017						2.7	1.6	2.6	3.2
Price of New Housing inc. Land (1)	March 2017	-0.1	0.2	0.1	0.8	0.8	0.8	0.6	0.7	0.6
Avg. Price of Existing Homes Sold (MLS)	April 2017	0.3	2.2	-1.1	4.0	4.0	3.8	5.5	4.4	2.3
<u>LABOR MARKET</u>										
Job creation (000)	April 2017	-3.8	2.4	-11.1	-4.2	2.3	7.3	88.0	-9.1	-6.3
Unemployment rate	April 2017	6.6	6.4	6.4	6.5	6.4	6.7	7.4	6.4	7.5
Participation rate	April 2017	64.8	64.8	64.8	64.8	64.8	64.7	64.4	64.8	64.5
ONTARIO										
<u>DOMESTIC DEMAND AND REVENUE</u>										
Retail Sales	March 2017	0.9	-0.1	1.9	8.5	9.3	6.1	7.5	6.5	10.5
Manufacturing Shipments	March 2017	1.3	-1.3	0.7	8.2	5.5	2.4	5.5	1.8	8.6
Housing Starts (000) (2)	April 2017	73.7	91.3	87.6	84.2	82.6	80.0	66.3	88.6	74.6
Number of existing homes sold (MLS)	April 2017	-5.7	1.7	7.3	29.1	9.6	9.4	5.5	9.7	10.9
Wages and Salaries	Dec 2016	1.5	1.0	0.5	8.4	3.3	4.2	5.3	4.2	4.2
Value of merchandise exports (1)	March 2017						-0.7	2.5	-4.6	15.9
CFIB Business Barometer ®	* May 2017	-0.7	4.7	1.4	22.9	14.8	3.8	3.6	8.5	-4.5
<u>PRICES</u>										
Consumer Price Index (1)	April 2017	0.5	0.2	0.3	3.7	1.1	1.9	1.9	2.1	1.8
Average Hourly Earnings (1)	April 2017						1.0	0.2	0.3	3.8
Price of New Housing inc. Land (1)	March 2017	0.3	0.8	0.3	4.6	6.5	5.7	7.0	6.8	3.4
Avg. Price of Existing Homes Sold (MLS)	April 2017	-1.7	3.7	6.2	43.5	25.4	19.5	23.8	23.8	11.7
<u>LABOR MARKET</u>										
Job creation (000)	April 2017	-1.6	-11.2	4.6	-2.7	6.5	7.2	86.6	20.6	17.6
Unemployment rate	April 2017	5.8	6.4	6.2	6.1	6.2	6.4	6.9	6.2	6.8
Participation rate	April 2017	64.5	64.9	65.0	64.8	64.9	64.9	65.3	64.9	65.3
NEWFOUNDLAND & LABRADOR										
<u>DOMESTIC DEMAND AND REVENUE</u>										
Retail Sales	March 2017	-0.4	-1.2	3.8	12.9	4.7	0.3	2.6	3.0	2.7
Manufacturing Shipments	March 2017	-5.1	-5.2	2.4	1.7	47.0	-6.1	9.1	24.2	-18.8
Housing Starts (000) (2)	April 2017	0.9	0.8	1.3	1.0	1.1	1.3	1.2	1.1	1.8
Number of existing homes sold (MLS)	April 2017	-2.5	7.5	-5.8	-2.6	-17.6	-9.6	-19.6	-14.8	2.4
Wages and Salaries	Dec 2016	0.1	1.2	0.8	8.2	2.6	0.3	2.1	0.3	3.1
Value of merchandise exports (1)	March 2017						6.8	55.6	48.5	-24.6
CFIB Business Barometer ®	* May 2017	3.6	3.7	-3.3	-16.5	5.6	-22.9	1.5	-13.3	-11.8
<u>PRICES</u>										
Consumer Price Index (1)	April 2017	0.2	0.2	-0.2	2.7	1.8	3.5	3.6	4.1	1.6
Average Hourly Earnings (1)	April 2017						1.4	4.2	5.0	-1.1
Price of New Housing inc. Land (1)	March 2017	-0.1	0.0	-0.4	-1.7	-0.6	-0.2	-0.7	-0.7	0.4
Avg. Price of Existing Homes Sold (MLS)	April 2017	0.6	1.7	1.1	0.9	-5.4	-6.1	-1.0	-3.9	-7.4
<u>LABOR MARKET</u>										
Job creation (000)	April 2017	1.9	0.0	-3.8	-0.6	-0.3	-0.8	-9.8	0.3	3.9
Unemployment	April 2017	14.0	14.9	14.2	14.4	14.5	13.7	12.5	14.2	13.4
Participation rate	April 2017	59.3	59.4	59.0	59.3	59.6	60.1	61.1	59.4	60.7
PRINCE EDWARD ISLAND										
<u>DOMESTIC DEMAND AND REVENUE</u>										
Retail Sales	March 2017	3.2	-1.8	4.2	17.5	10.8	7.5	8.5	8.9	9.7
Manufacturing Shipments	March 2017	14.6	-8.5	15.4	25.1	7.9	6.4	19.8	10.7	4.1
Housing Starts (000) (2)	April 2017	0.6	1.6	0.6	0.9	0.7	0.7	0.5	0.9	0.4
Number of existing homes sold (MLS)	April 2017	-16.7	8.1	7.3	11.6	-18.2	8.8	-17.6	-3.7	37.4
Wages and Salaries	Dec 2016	1.9	1.1	-0.1	9.3	4.2	3.6	4.3	3.6	3.7
Value of merchandise exports (1)	March 2017						0.6	35.4	6.3	8.9
CFIB Business Barometer ®	* May 2017	12.4	2.9	-11.3	-13.7	-13.1	1.5	-9.5	-4.0	-5.6
<u>PRICES</u>										
Consumer Price Index (1)	April 2017	0.6	0.7	-0.6	2.1	1.2	1.4	1.6	1.8	1.2
Average Hourly Earnings (1)	April 2017						1.7	0.7	1.3	0.1
Price of New Housing inc. Land (1)	March 2017	0.0	0.0	0.0	0.0	-0.1	0.3	-0.3	0.1	0.5
Avg. Price of Existing Homes Sold (MLS)	April 2017	-3.4	-12.0	12.5	32.3	11.2	14.0	8.4	17.1	1.2
<u>LABOR MARKET</u>										
Job creation (000)	April 2017	0.8	-0.3	0.3	0.3	0.3	0.2	2.5	1.4	-1.4
Unemployment	April 2017	10.3	10.1	10.0	10.1	10.2	10.6	11.5	10.1	10.8
Participation rate	April 2017	66.4	65.8	66.0	66.1	65.9	65.8	66.0	66.0	66.0

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)

		May 26, 2017								
Growth Rates Unless Otherwise Indicated	Reference Period	Monthly Growth (%)			Annualized Growth (%)			Since 12 Mos.	Year-to-date (3)	
		Past Month	Prev. Month	Month Before	Average of the last				ref.	prec.
					3 Mos.	6 Mos.	12 Mos.			
NOVA SCOTIA										
<u>DOMESTIC DEMAND AND REVENUE</u>										
Retail Sales	March 2017	4.8	-5.2	2.7	2.0	6.9	3.2	5.0	3.9	9.8
Manufacturing Shipments	March 2017	6.7	-4.5	-7.1	-18.9	0.0	2.5	2.2	0.2	6.5
Housing Starts (000) (2)	April 2017	6.4	1.8	6.2	4.8	4.5	4.4	1.9	4.6	2.6
Number of existing homes sold (MLS)	April 2017	-0.1	3.6	0.4	5.3	-8.7	1.5	-3.3	-4.0	16.4
Wages and Salaries	Dec 2016	0.6	0.8	-0.7	2.5	1.3	1.7	1.6	1.7	2.2
Value of merchandise exports (1)	March 2017							-3.1	-8.5	-3.1
CFIB Business Barometer ®	* May 2017	-2.8	0.6	1.1	2.5	9.6	-3.7	0.8	-1.0	1.8
<u>PRICES</u>										
Consumer Price Index (1)	April 2017	0.2	0.3	-0.2	2.1	-0.2	1.2	0.8	1.3	1.2
Average Hourly Earnings (1)	April 2017							4.1	2.8	3.7
Price of New Housing inc. Land (1)	March 2017	0.0	0.0	0.2	1.1	1.9	0.7	1.3	1.3	0.2
<u>LABOR MARKET</u>										
Job creation (000)	April 2017	-0.5	4.6	-6.8	-0.9	0.8	0.1	0.9	1.5	3.9
Unemployment	April 2017	8.3	8.6	8.1	8.3	8.2	8.2	8.2	8.2	8.7
Participation rate	April 2017	62.0	62.4	61.4	61.9	61.9	61.7	62.1	62.0	62.1
NEW BRUNSWICK										
<u>DOMESTIC DEMAND AND REVENUE</u>										
Retail Sales	March 2017	1.2	0.5	2.3	13.0	5.8	0.7	4.8	3.0	8.0
Manufacturing Shipments	March 2017	3.0	-1.9	4.5	27.0	6.6	1.8	11.0	9.1	-10.5
Housing Starts (000) (2)	April 2017	1.2	1.6	1.0	1.3	1.6	1.9	1.6	1.5	1.4
Number of existing homes sold (MLS)	April 2017	-1.3	-3.6	15.1	23.2	5.0	9.7	10.9	11.6	4.5
Wages and Salaries	Dec 2016	1.1	0.0	1.5	11.3	5.2	3.9	5.0	3.9	3.0
Value of merchandise exports (1)	March 2017							-3.2	20.0	15.8
CFIB Business Barometer ®	* May 2017	-5.3	-0.4	-1.5	-2.6	5.6	3.3	5.5	8.3	-6.1
<u>PRICES</u>										
Consumer Price Index (1)	April 2017	0.5	0.4	-0.1	4.5	1.4	2.5	2.7	2.9	1.9
Average Hourly Earnings (1)	April 2017							3.7	4.1	4.7
Price of New Housing inc. Land (1)	March 2017	0.0	-0.1	0.2	0.5	3.1	1.1	1.8	1.9	0.4
Avg. Price of Existing Homes Sold (MLS)	April 2017	0.3	-0.2	-0.7	4.4	1.6	3.9	3.3	5.8	-1.5
<u>LABOR MARKET</u>										
Job creation (000)	April 2017	-2.0	1.7	0.0	-0.1	-0.4	0.2	1.9	-3.3	-2.2
Unemployment	April 2017	8.7	8.4	8.9	8.7	8.8	9.2	9.6	8.7	9.7
Participation rate	April 2017	61.7	61.8	61.9	61.8	62.1	62.4	62.1	61.8	61.9
MANITOBA										
<u>DOMESTIC DEMAND AND REVENUE</u>										
Retail Sales	March 2017	0.3	-0.4	1.9	8.9	3.5	2.9	2.2	1.8	7.3
Manufacturing Shipments	March 2017	-1.9	-0.5	1.8	-1.8	7.9	1.2	2.3	2.0	1.6
Housing Starts (000) (2)	April 2017	5.7	8.4	9.1	7.8	7.6	6.7	5.1	8.7	4.6
Number of existing homes sold (MLS)	April 2017	2.1	-1.8	4.0	23.7	-0.8	0.9	-1.6	-1.1	7.4
Wages and Salaries	Dec 2016	0.6	0.7	-0.6	2.5	1.6	1.9	1.1	1.9	3.3
Value of merchandise exports (1)	March 2017							-2.2	-4.2	-1.4
CFIB Business Barometer ®	* May 2017	4.5	-1.6	-3.6	-11.9	32.0	3.5	15.0	12.7	0.8
<u>PRICES</u>										
Consumer Price Index (1)	April 2017	0.2	0.3	-0.1	4.5	-0.2	1.5	1.6	1.9	1.4
Average Hourly Earnings (1)	April 2017							1.5	3.2	2.3
Price of New Housing inc. Land (1)	March 2017	0.0	0.2	0.3	1.9	2.9	2.1	2.4	2.5	1.7
Avg. Price of Existing Homes Sold (MLS)	April 2017	0.5	-1.4	2.1	7.2	6.2	3.7	6.1	4.1	2.0
<u>LABOR MARKET</u>										
Job creation (000)	April 2017	-0.5	2.8	3.4	1.9	1.1	0.6	6.9	7.0	-0.5
Unemployment	April 2017	5.4	5.5	5.8	5.6	5.9	6.0	6.2	5.7	6.1
Participation rate	April 2017	67.0	67.2	67.2	67.1	67.1	67.4	67.7	67.1	67.7
SASKATCHEWAN										
<u>DOMESTIC DEMAND AND REVENUE</u>										
Retail Sales	March 2017	2.7	0.4	2.6	23.3	8.4	2.8	8.7	6.0	3.7
Manufacturing Shipments	March 2017	-1.1	1.0	2.6	30.5	26.3	7.6	19.8	18.5	-6.4
Housing Starts (000) (2)	April 2017	4.3	5.3	5.1	4.9	4.7	4.9	4.8	4.6	4.6
Number of existing homes sold (MLS)	April 2017	-8.6	-6.3	-0.8	-25.2	-7.9	-5.6	-15.1	-5.8	-2.5
Wages and Salaries	Dec 2016	0.9	0.1	0.2	2.7	0.1	-0.2	-0.1	-0.2	1.9
Value of merchandise exports (1)	March 2017							-11.2	20.2	12.1
CFIB Business Barometer ®	* May 2017	-11.0	-2.1	-2.3	-13.9	3.7	-1.1	-4.6	5.8	-1.5
<u>PRICES</u>										
Consumer Price Index (1)	April 2017	0.9	0.1	-0.2	4.0	0.0	1.0	1.4	1.3	1.6
Average Hourly Earnings (1)	April 2017							2.3	0.1	0.4
Price of New Housing inc. Land (1)	March 2017	0.0	0.1	-0.1	0.5	-0.3	-1.4	-0.6	-0.8	-1.4
Avg. Price of Existing Homes Sold (MLS)	April 2017	-0.1	1.3	-0.7	-4.1	-1.1	-0.4	-0.6	-0.5	-1.6
<u>LABOR MARKET</u>										
Job creation (000)	April 2017	-2.2	-5.1	8.0	0.2	0.3	0.1	1.3	0.0	-7.0
Unemployment	April 2017	6.2	6.0	6.0	6.1	6.3	6.4	6.3	6.2	6.0
Participation rate	April 2017	69.2	69.4	70.1	69.6	69.7	69.8	69.8	69.5	69.9

Sources: Thomson Reuters Datastream and Canadian Real estate Association

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

Weekly Economic Watch

Annex - Economic Tables

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

		May 26, 2017								
		Monthly Growth (%)			Annualized Growth (%)			Since 12 Mos.	Year-to-date (3)	
Growth Rates Unless Otherwise Indicated	Reference Period	Past Month	Prev. Month	Month Before	Average of the last				ref.	prec.
					3 Mos.	6 Mos.	12 Mos.			
ALBERTA										
<u>DOMESTIC DEMAND AND REVENUE</u>										
Retail Sales	March 2017	-0.5	0.2	3.4	19.5	8.8	0.9	7.2	7.2	-1.4
Manufacturing Shipments	March 2017	1.6	0.9	1.2	21.0	13.0	-1.0	15.7	14.6	-16.8
Housing Starts (000) (2)	April 2017	31.2	35.1	26.3	30.9	27.2	25.8	28.7	27.8	24.2
Number of existing homes sold (MLS)	April 2017	2.9	-3.7	4.6	44.7	9.5	0.7	12.7	16.6	-10.2
Wages and Salaries	Dec 2016	0.5	0.5	-0.3	0.0	-0.5	-3.4	-1.7	-3.4	-0.9
Value of merchandise exports (1)	March 2017							68.3	39.5	-24.9
CFIB Business Barometer ®	* May 2017	6.8	4.4	11.4	142.8	46.7	39.1	78.7	87.5	-40.4
<u>PRICES</u>										
Consumer Price Index (1)	April 2017	0.4	0.1	-0.2	4.0	0.8	1.2	1.7	1.9	1.6
Average Hourly Earnings (1)	April 2017							0.6	-0.7	3.7
Price of New Housing inc. Land (1)	March 2017	0.0	0.0	0.0	0.7	-0.4	-0.5	-0.4	-0.5	-0.4
Avg. Price of Existing Homes Sold (MLS)	April 2017	-0.3	3.0	-1.1	0.2	1.0	1.7	2.5	2.5	-1.2
<u>LABOR MARKET</u>										
Job creation (000)	April 2017	-0.3	20.4	1.3	7.1	2.5	1.5	17.4	21.6	-10.2
Unemployment	April 2017	7.9	8.4	8.3	8.2	8.5	8.4	7.4	8.4	7.5
Participation rate	April 2017	72.7	73.1	72.5	72.7	72.8	72.6	72.3	72.8	72.6
BRITISH COLUMBIA										
<u>DOMESTIC DEMAND AND REVENUE</u>										
Retail Sales	March 2017	2.3	-0.6	2.7	10.4	7.3	7.1	8.9	7.2	8.3
Manufacturing Shipments	March 2017	2.9	-2.1	-0.8	-5.7	6.1	5.4	4.7	5.7	0.1
Housing Starts (000) (2)	April 2017	45.7	47.1	30.4	41.1	39.8	39.7	46.7	37.8	44.8
Number of existing homes sold (MLS)	April 2017	9.9	5.5	2.1	41.3	-23.3	-11.2	-18.4	-24.3	39.4
Wages and Salaries	Dec 2016	1.1	0.8	0.1	6.8	5.2	4.4	5.8	4.4	4.0
Value of merchandise exports	Feb 2017	-14.8	-6.0	-0.9	-6.8	32.5	9.2	1.9	7.4	3.9
CFIB Business Barometer ®	* May 2017	3.4	3.4	1.8	6.2	0.4	2.0	3.4	3.6	-10.5
<u>PRICES</u>										
Consumer Price Index (1)	April 2017	0.2	0.5	0.1	3.6	0.6	2.0	2.1	2.2	1.8
Average Hourly Earnings (1)	April 2017						1.3	1.0	1.2	0.8
Price of New Housing inc. Land (1)	March 2017	0.5	0.1	-0.1	0.1	1.9	4.4	3.2	3.3	3.6
Avg. Price of Existing Homes Sold (MLS)	April 2017	6.3	1.9	5.3	20.9	-1.0	-4.0	-3.4	-11.2	21.7
<u>LABOR MARKET</u>										
Job creation (000)	April 2017	11.3	4.2	19.4	11.6	8.6	6.7	79.9	46.1	41.7
Unemployment	April 2017	5.5	5.4	5.1	5.3	5.6	5.7	5.8	5.4	6.3
Participation rate	April 2017	65.4	65.2	64.9	65.2	64.9	64.7	64.3	65.1	64.3

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 preceding year, unless otherwise stated

Weekly Economic Watch

Annex - Economic Tables

TABLE 5 - INTERNATIONAL ECONOMIC INDICATORS

May 26, 2017										
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 2017	0.0	0.0	0.1	0.8	0.6	-0.1	0.5	0.4	-0.8
JAPAN										
Consumer confidence - percentage (1)	April 2017	43.1	44.1	42.7	43.3	42.7	42.4	40.7	43.2	41.0
Retail Sales (1)	March 2017						-0.2	2.1	1.2	-0.3
Industrial Production, Volume Index	March 2017	-1.9	3.2	-2.1	0.8	5.6	1.5	3.5	3.9	-3.1
Exports	* April 2017	-0.2	-4.0	6.4	19.7	20.6	-1.7	10.4	9.8	-9.4
Imports	* April 2017	-0.1	3.5	-1.3	20.4	25.3	-7.2	17.4	10.8	-17.5
Merchandise trade bal. (Billions of ¥)	March 2017	3,424	8,308	1,548	4,427	5,063	4,714	4,831	13,280	9,437
Current account (Billions of ¥)	March 2017	173	229	122	175	173	167	193	524	517
Inflation (CPI)	* April 2017	0.1	-0.1	-0.1	-0.5	1.0	0.0	0.4	0.4	-0.1
Job offers to applicants ratio	March 2017	1.45	1.43	1.43	1.44	1.43	1.39	1.31	1.44	1.30
Unemployment Rate	March 2017	2.8	2.8	3.0	2.9	3.0	3.0	3.2	2.9	3.2
		Q1 2017	Q4 2016	Q3 2016	Q2 2016	Q1 2016	Q4 2015	2016	2015	2014
Gross Domestic Product (Constant Yen)		2.2	1.4	1.0	1.7	2.6	-1.0	1.0	1.1	0.2
Euro-zone										
Volume Retail Sales	March 2017	0.3	0.5	0.1	1.1	2.3	2.0	2.4	1.9	2.7
Industrial Production exc. Construction	March 2017	-0.1	-0.1	0.2	-0.1	2.5	1.4	1.9	1.2	1.5
Exports	March 2017	1.4	0.8	-1.1	9.3	9.9	2.0	8.1	6.8	-0.1
Imports	March 2017	-1.1	-1.2	3.8	18.3	14.9	1.5	9.5	9.5	-1.9
Merch. Trade Bal. (Millions of euros)	March 2017	23,073	18,798	15,433	19,101	19,188	20,346	21,759	57,304	64,947
Inflation (CPI)	April 2017	0.4	0.8	0.4	2.7	1.4	0.8	1.9	1.8	0.0
Unemployment Rate	March 2017	9.5	9.5	9.6	9.5	9.6	9.8	10.2	9.5	10.3
		Q1 2017	Q4 2016	Q3 2016	Q2 2016	Q1 2016	Q4 2015	2013	2012	#VALUE!
Gross Domestic Product (Constant Euro)		2.0	1.9	1.7	1.3	2.2	1.8	-0.4	0.0	#VALUE!
UNITED KINGDOM										
Consumer Confidence (Diffusion index)	April 2017	-5	-4	-4	-5	-5	-5	1	-5	2
Retail Sales	April 2017	2.4	-1.5	1.6	1.3	0.6	4.4	4.0	2.6	4.2
Manufacturing, energy and mining output	March 2017	-0.6	-0.9	-0.5	0.4	0.5	1.7	1.4	2.3	0.0
Exports (1)	March 2017	3.9	-0.5	-2.7	2.4	21.6	9.8	21.7	17.8	-2.3
Imports (1)	March 2017	7.9	-1.7	0.8	21.7	12.9	12.1	18.0	16.6	-3.6
Merchandise Trade Bal. (Millions of £)	March 2017	-13,441	-11,448	-11,986	-12,292	-11,450	-11,403	-10,548	-36,875	-32,319
Inflation (CPI harmonized) (1)	April 2017	0.5	0.4	0.8	3.0	2.0	1.6	2.4	2.0	1.3
Producer price index, manufacturing (1)	April 2017	0.4	0.4	0.2	4.1	3.9	1.9	3.6	3.6	-0.8
House prices	April 2017	-0.1	0.0	0.0	-0.9	4.5	5.7	3.7	3.7	9.3
Unemployment Rate (3-month mov. av.)	March 2017	4.6	4.7	4.7	4.7	4.7	4.8	5.1	4.7	5.1
		Q1 2017	Q4 2016	Q3 2016	Q2 2016	Q1 2016	Q4 2015	2016	2015	2014
Gross Domestic Product (Constant £)	*	0.7	2.7	2.0	2.4	0.6	2.4	1.8	2.2	3.1
INTEREST AND EXCHANGE RATES										
	Reference Thursday	Current Week	Prev. Week	Week Before	Average of last Thursdays			13 w. ago	26 w. ago	52 w. ago
					13 W.	26 W.	52 W.			
JAPAN										
Prime Rate	* 25 May 17	0.30	0.30	0.30	0.30	0.30	0.30	0.30	0.30	0.30
3-month Financing Bill Rate	* 25 May 17	-0.13	-0.13	-0.13	-0.22	-0.27	-0.28	-0.31	-0.30	-0.28
- Spread with U.S.	* 25 May 17	-1.05	-1.04	-1.00	-1.01	-0.92	-0.76	-0.82	-0.80	-0.58
Yield on 10-year Gov't Bonds	* 25 May 17	0.05	0.05	0.05	0.05	0.06	-0.02	0.08	0.03	-0.11
- Spread with U.S.	* 25 May 17	-2.21	-2.19	-2.36	-2.32	-2.35	-2.08	-2.31	-2.32	-1.93
Exchange Rate (¥/U.S.\$)	* 25 May 17	111.8	111.5	113.9	111.9	113.3	108.5	112.6	113.3	109.8
Euro Zone										
3-month Treasury Bills	* 25 May 17	-0.25	-0.25	-0.25	-0.25	-0.25	-0.25	-0.25	-0.25	-0.25
- Spread with U.S.	* 25 May 17	-1.17	-1.16	-1.12	-1.04	-0.90	-0.73	-0.76	-0.75	-0.55
Exchange Rate (U.S.\$/Euro)	* 25 May 17	1.12	1.11	1.09	1.08	1.07	1.09	1.06	1.06	1.12
(Yen/Euro)	* 25 May 17	125.33	123.05	123.69	120.73	121.23	118.45	119.30	119.43	122.93
(Euro / £)	* 25 May 17	1.16	1.17	1.18	1.17	1.17	1.18	1.18	1.18	1.32
UNITED KINGDOM										
3-month Treasury Bills (tender)	* 25 May 17	0.06	0.06	0.06	0.05	0.08	0.17	0.13	0.13	0.43
- Spread with U.S.	^ 25 May 17	-0.86	-0.85	-0.81	-0.74	-0.57	-0.31	-0.38	-0.37	0.13
Yield on 30-year Gov't Bonds	* 25 May 17	1.68	1.72	1.82	1.76	1.87	1.78	1.87	2.04	2.25
- Spread with U.S.	* 25 May 17	-1.24	-1.19	-1.21	-1.24	-1.16	-0.96	-1.15	-0.98	-0.38
Exchange Rate (U.S.\$ / £)	* 25 May 17	1.29	1.29	1.29	1.26	1.25	1.28	1.26	1.25	1.47
STOCK INDICES										
	Reference	Monthly Growth (%)			Growth Over (%)			Since beginning of year	ref.	prec.
		Level	Month	Month	Month	3 Months	6 Months	1 Year		
MSCI Eafe	* May 2017	249	6.5	-1.4	2.6	7.7	16.2	14.9	13.1	-2.7

* 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

May 26, 2017

	<u>Spot Price</u>		<u>Weekly Growth (%)</u>			<u>Annualized Growth (%)</u>			<u>Last Year</u>
	<u>May 25</u>	<u>May 18</u>	<u>Last</u>	<u>Prev.</u>	<u>Week</u>	<u>For the Last</u>			
			<u>Week</u>	<u>Week</u>	<u>Before</u>	<u>13 W.</u>	<u>26 W.</u>	<u>52 W.</u>	
<u>INDICES THOMSON-REUTERS</u>									
Total	407.8	409.5	-0.4	0.6	1.0	-17.6	-5.5	-0.3	409.0
Energy	422.3	423.9	-0.4	0.5	5.3	-2.7	3.7	14.2	369.7
Grain	287.8	286.5	0.5	-1.6	-0.2	-14.6	-1.6	-10.3	321.0
Industrials	404.3	402.4	0.5	0.9	-0.7	-7.3	4.0	20.4	335.8
Livestock & Meat	364.2	358.5	1.6	1.0	-2.1	35.9	52.7	1.9	357.5
Precious Metals	791.5	778.3	1.7	2.3	0.2	-13.8	8.4	1.3	781.6
<u>PRECIOUS METALS</u>									
Gold (\$/ounce) (AM fixing London)	1257.10	1261.35	-0.3	3.3	-1.2	6.5	12.1	2.5	1226.65
Platinum (\$/ounce) (AM fixing London)	945.0	936.0	1.0	2.1	1.4	-18.6	6.2	-5.6	1001.0
Silver (\$/ounce) (Handy & Harman)	0.2	0.2	2.9	2.8	-0.2	-19.4	10.1	4.8	0.2
Palladium (\$/ounce troy)	767.0	765.0	0.3	-4.9	1.0	-6.0	9.5	40.7	545.0
<u>OTHER METALS (LME)</u>									
Aluminum (\$/tonne)	1,958	1,921	1.9	2.8	-1.9	22.7	22.1	26.6	1,547
Copper (\$/tonne)	5,706	5,562	2.6	0.7	0.1	-9.2	-5.0	21.9	4,682
Zinc (\$/tonne)	2,625	2,518	4.2	-2.6	0.7	-21.4	-6.3	39.8	1,877
Nickel (\$/tonne)	9,001	9,137	-1.5	-1.7	3.6	-46.5	-39.1	7.8	8,353
Lead (\$/tonne)	2,065	2,056	0.4	-5.3	-1.0	-26.4	-14.3	23.4	1,674
Uranium (UxC-Ux U308 Spot \$/pound)	21.50	21.50	0.0	-4.4	0.0	-40.7	35.1	-24.6	28.50
<u>OTHER COMMODITIES</u>									
Oil WTI (\$/barrel) future (NYMEX)	48.90	49.35	-0.9	3.2	5.1	-35.0	4.0	-1.2	49.48
Oil (Spead with WTI \$/barrel) 1st future (West Canadian select - CME)	-15.50	-15.50	0.0	0.0	0.0	0.0	0.0	30.8	-11.85
Corn (¢/bushel) (Illinois #2)	3.5	3.4	1.2	-0.3	1.2	0.0	7.3	-11.0	3.9
Soy beans (¢/bushel) (Illinois #1)	9.1	9.2	-0.5	-1.5	-0.7	-25.0	-17.8	-12.7	10.4
Pork (¢/lb)	152.9	121.3	26.1	-9.1	9.2	132.3	109.2	23.9	123.4
Beef (Cattle feeder index) (CME)	143.4	143.9	-0.3	0.3	-1.6	61.5	25.9	-2.8	147.6
Soft Wood Pulp (HWWI) Index 2010 = 100	110	110	0.0	-1.3	0.5	12.1	35.4	13.5	97
Natural Gas (mmbtu) Henry Hub future NYMEX	3.06	3.13	-2.2	-2.2	4.2	91.9	24.7	74.9	1.75
Lumber 2X4	353	368	-4.0	-2.1	-3.3	-10.5	18.4	14.4	309
Iron ore (\$/metric ton)	61	62	-1.6	4.2	-7.1	-83.2	-39.8	21.0	50

All prices are in US dollars

Source: Thomson Reuters Datastream

Weekly Economic Watch

Economics and Strategy

Montreal Office

514-879-2529

Stéfane Marion

Chief Economist and Strategist

stefane.marion@nbc.ca

Paul-André Pinsonnault

Senior Fixed Income Economist

paulandre.pinsonnault@nbc.ca

Krishen Rangasamy

Senior Economist

krishen.rangasamy@nbc.ca

Marc Pinsonneault

Senior Economist

marc.pinsonneault@nbc.ca

Matthieu Arseneau

Senior Economist

matthieu.arseneau@nbc.ca

Angelo Katsoras

Geopolitical Analyst

angelo.katsoras@nbc.ca

Kyle Dahms

Economist

kyle.dahms@nbc.ca

Toronto Office

416-869-8598

Warren Lovely

MD, Public Sector Research and Strategy

warren.lovely@nbc.ca

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