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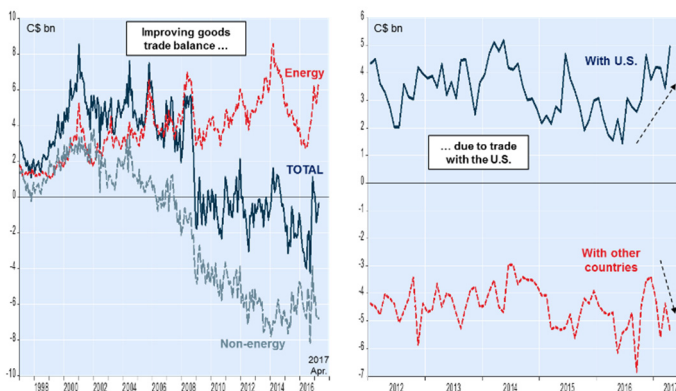
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## Week in review

**CANADA:** In April, the merchandise trade deficit narrowed to just C\$0.4 billion from a revised C\$0.9 billion in March. Exports rose 1.8% to a record high of C\$47.7 billion, led by gains for energy products (+2.5%), motor vehicles and parts (+4.4%), and forestry products (+4.7%). Imports expanded 0.6% to C\$48.1 billion (also an all-time high), buoyed by consumer goods (+3.7%), electronic equipment (+4.6%) and industrial chemicals (+4.9%). In the energy segment, exports swelled 2.5% while imports slumped by 14.0%. That translated into a 10.2% expansion of the energy trade surplus to C\$6.4 billion, its highest level since October 2014. Alternatively, the non-energy trade deficit stayed roughly the same at C\$6.8 billion. Geographically speaking, a widening deficit with China (-C\$1.5 billion compared with -C\$1.2 billion the prior month) was more than compensated by a surging surplus with the U.S. (C\$5.0 billion compared with C\$3.4 billion in March). In real terms, exports rose 0.8% while imports declined 0.8%. Total trade in Canada (nominal exports plus nominal imports), has risen 10.9% since April 2016, hitting its highest level ever at C\$95.7 billion.

### Canada: Trade deficit narrowed in April

Merchandise trade balance



NBF Economics and Strategy (data via Statistics Canada)

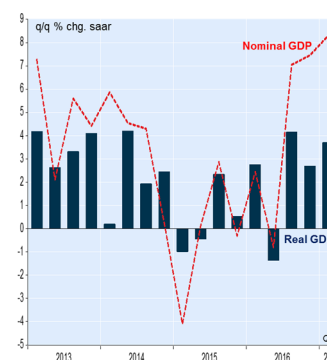
The gross domestic product (GDP) expanded at an annualized pace of 3.7% in the first quarter of 2017. In addition, upward

revisions to the second half of last year lifted 2016 GDP growth one tick to 1.5%. Back to 2017Q1, while trade was a drag on the economy courtesy of surging imports and declining exports, that was more than offset by a solid gain for domestic demand. More specifically, consumption spending, residential investment, government expenditures and even business investment all posted increases. Inventories, too, contributed to growth after the prior quarter's destocking. Nominal GDP grew a massive 8.3% on top of the prior quarter's 7.5% advance, a positive for government finances. Moreover, the handoff to the second quarter was much better than anticipated, as output in March swelled 0.5% month on month. However, another spectacular quarterly growth print is not to be expected in Q2 for various reasons. First, the accumulation of inventories could lead to a ramp down in production. Second, stagnant real household incomes (+0.3% annualized in Q1) could limit consumption. Third, output in the energy sector is likely to moderate owing to production cuts at Syncrude. Finally, residential construction will certainly not be helped by measures implemented by the Ontario government, including a 15% tax on non-resident buyers. All things considered, we expect GDP growth to soften to roughly 1% annualized in Q2. Even then, the better-than-expected handoff from last year (after upward revisions to Q4) as well as Q1's solid start (March growth was surprisingly strong) has prompted us to raise our GDP growth forecast for 2017 to 2.4%.

### Canada: Economic growth surged in Q1

Real and Nominal GDP

Contributions to real GDP



NBF Economics and Strategy (data via Statistics Canada)

|                        | 2017Q1       | 2016Q4       |
|------------------------|--------------|--------------|
| <b>GDP</b>             | <b>3.7%</b>  | <b>2.7%</b>  |
| Consumption            | 2.4%         | 1.7%         |
| Business investm.      | 1.0%         | -2.5%        |
| Nonprofit sector       | 0.0%         | 0.0%         |
| Residential investm.   | 1.1%         | 0.5%         |
| Government             | 0.1%         | 0.5%         |
| <b>Domestic Demand</b> | <b>4.7%</b>  | <b>0.1%</b>  |
| Exports                | -0.1%        | 0.3%         |
| Imports                | -4.2%        | 4.1%         |
| <b>Trade</b>           | <b>-4.3%</b> | <b>4.3%</b>  |
| <b>Inventories</b>     | <b>3.6%</b>  | <b>-1.8%</b> |
| Stat. discrepancy      | -0.2%        | 0.1%         |

In Q1, the current account deficit widened by C\$2.3 billion to C\$14.1 billion (roughly 2.7% of GDP) owing to larger deficits on the goods trade, services trade and investment income accounts. The balance of international trade in goods posted a C\$1.8-billion deficit after recording a C\$0.1-billion surplus the previous quarter. Meanwhile, the services trade deficit increased by C\$0.3 billion to C\$5.7 billion. The overall trade

balance deficit thus expanded by C\$2.5 billion to C\$7.5 billion (rounded figures). Separately, the primary income deficit edged up C\$0.2 billion to C\$5.9 billion as the investment income deficit increased by a similar amount to C\$5.4 billion. Q1 data put Canada firmly on track to registering a current account deficit for a ninth consecutive year in 2017.

**Labour productivity** registered its second biggest quarterly gain in the last 10 years, rising 1.4% in Q1, following a 0.4% print in 2016Q4. While the real GDP of businesses expanded 1.1%, hours worked declined 0.3%. The productivity of services-producing businesses rose 2.0% in Q1 and was the main factor explaining overall productivity growth. In contrast, productivity in goods-producing industry increased 0.9%.

In April, the **industrial product price** index was up for an eight consecutive month, rising 0.6% month on month after climbing 0.8% in March. Prices moved higher in 14 of the 21 commodity groups surveyed, including primary non-ferrous metal products (+1.6% m/m) and energy and petroleum products (+2.9% m/m). Excluding the latter category, the IPP index was up 0.3% month on month. Year on year, the index sprang 6.3%, spurred by a 20.8% increase in the price of energy and petroleum products. Excluding this category, 12-month price inflation was more restrained at 4.4%.

**UNITED STATES:** The establishment survey showed **non-farm payrolls** rising only 138K in May. Adding to the disappointment were downward revisions to prior months that decreased payrolls by 66K. In May, the private sector added 147K jobs with gains in both the goods (+16K) and services (+131K) sectors. Goods sector employment rose in construction and mining, offsetting a small drop in manufacturing. Private services sector employment was up in education/health, leisure/hospitality, financial and business services, but declined in trade/transportation (retail in particular) and information services. Government chopped 9K positions as declines at state/municipal levels more than offset increases at the federal level. Average hourly earnings rose 0.2% in May, or 2.5% on a year-on-year basis (unchanged from the prior month). Hours worked were up 0.1% in the month. In addition, the private sector employment diffusion index fell to just 54.8, the lowest since November last year. This indicates that job gains were concentrated in just a few sectors

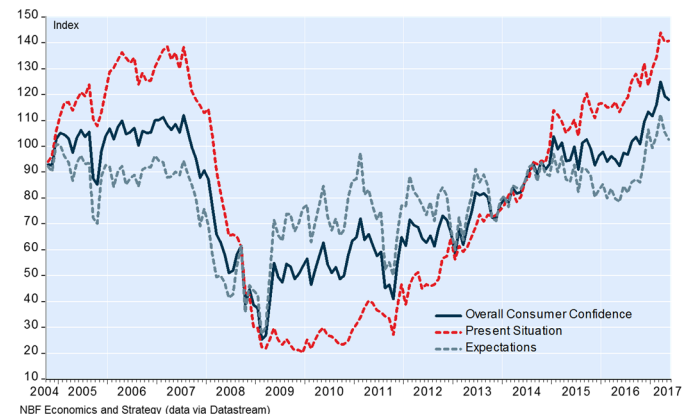
The other employment report, the **household survey** showed employment falling 233K in May (albeit after solid increases in prior months) as declines in full-time employment (-367K) more than offset increases in part-time positions. But the job decline was offset by a two-tick drop in the participation rate to 62.7%, causing the **jobless rate** to fall one tick to 4.3%, the lowest since May 2001.

The **ISM manufacturing index** climbed one tick to 54.9 in May. The increase was due to new-orders and employment

which both expanded at a faster pace than in the prior month, while the production sub-index fell slightly, though it remained well into expansionary territory (>50). So far in Q2, the pace of growth in the manufacturing sector seems to have let up somewhat. Whereas the index averaged 57.0 in Q1, it is averaging only 54.9 over April and May.

In May, the **Conference Board's Consumer Confidence Index** edged down to 117.9 from 119.4 in April. Still, the index remained comfortably above its 12-month moving average of 109.4. The downward monthly movement of the overall index was driven by a 2.8-point drop in the expectations tracker from 105.4 in April to a four-month low of 102.6 in May. Even after this monthly blip, the expectations sub-index was still up a massive 24.1 points on its level a year earlier. The present situation gauge, on the other hand, climbed from 140.3 to 140.7, remaining near the 15-year peak it reached last March (143.9). Furthermore, the labour component of the report showed that the share of respondents noting jobs were hard to get dropped to a cyclical low of 18.2% from 19.4% in April.

**U.S.: Consumer confidence still near its post-recession peak**  
Conference Board consumer confidence indices



According to the May edition of the **Fed's Beige Book**, economic activity continued to expand at a modest to moderate pace in April and May in most of the country's 12 districts. Several districts reported softening consumer spending, especially in the automobile segment. Moreover, moderate growth was observed in the manufacturing, nonfinancial and construction sectors. As for employment, a majority of districts noted labour shortages across a broadening range of occupations and regions. Despite the tightening of the labour market, employment and wage growth continued to be described as modest or moderate across the board. Finally, price increases were deemed modest.

The **trade deficit** widened 5.2% in April to \$47.6 billion as exports declined 0.3% (to \$191.0 billion) and imports rose 0.8% (to \$238.6 billion) in dollar value. Exports were hampered by the automotive and consumer goods sectors. On the other hand, imports expanded thanks to the

food/beverage and consumer goods sectors. The goods deficit increased 3.5% to \$68.4 billion while the services surplus shrank 0.2% to \$20.8 billion. Excluding the petroleum deficit, which was reduced by 17.1%, the overall trade shortfall widened 14.5% to \$42.2 billion. In real terms, exports were down 0.4% while imports jumped 1.3%.

In April, nominal **personal income** advanced 0.4% month on month after increasing 0.2% in March. The wage/salaries component of income swelled 0.7%, while disposable income grew 0.4%. **Personal spending**, too, rose 0.4% on a monthly basis after increasing an upwardly revised 0.3% the previous month (initially estimated at 0.0%). Spending on durable goods expanded a healthy 0.9% after retreating 0.4% the prior month. Similarly, spending on non-durable goods rose a decent 0.6% month on month. Adjusted for inflation, both income and spending progressed at a 0.2% rate, leaving the **saving rate** unchanged at 5.3%, one-tenth below its 12-month moving average.

Also in April, the **PCE deflator** was up only 1.7% year on year, compared with 1.9% in March. Meanwhile, the **core PCE deflator**, which excludes food and energy, undershot the Fed's 2.0% target for a 58<sup>th</sup> consecutive month as it rose only 1.5% on a 12-month basis, its smallest increase since December 2015.

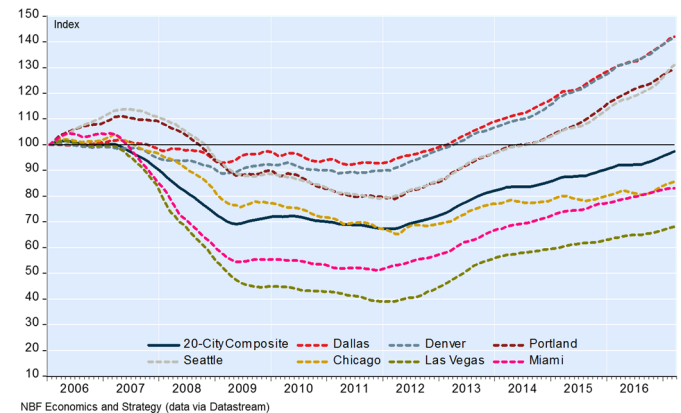
**Construction spending** was down 1.4% month on month in April as both residential (-0.9%) and non-residential construction (-1.7%) pulled back. However, the overall decline came after spending growth for March was revised up sharply from -0.2% to +1.1%. Year on year, total construction spending was up 6.7%, compared with 5.0% in March. If no change is assumed over the next two months, construction spending in Q2 is on pace to decline an annualized 5.4% from Q1.

Still in April, the **pending home sales** index fell 1.3% in seasonally adjusted terms after dropping 0.9% the month before. Year on year, contract signings retraced 5.4%, their steepest decline since August 2014, after advancing 0.5% in March. The sag in sales can be explained in part by the limited amount of houses on the market. To be sure, the inventory of homes available on the resale market sank 8.2% to 1.8 million in the month. Looking ahead, though, supply constraints could be alleviated by the shifting sentiment among potential home sellers. Indeed, according to data compiled by the University of Michigan, the proportion of people who believed conditions were favourable to selling a home reached a post-recession high in May (the index soared to 73 from 59 in December).

According to the **S&P CoreLogic Case-Shiller 20-city index**, home prices in March rose 0.9% month on month in seasonally adjusted terms, their biggest monthly jump since February 2015. Prices were up 5.9% year on year, their sharpest yearly hike since July 2014. On a 12-month basis, prices increased faster on the west coast in cities like Seattle (+12.3%) and

Portland (+9.2%) than on the east coast in cities like New York (+4.1%) and Washington (+4.2%). Prices were supported countrywide by tight supply. More specifically, the supply of existing homes on the market in April was equivalent to only 3.8 months of sales, its third lowest monthly figure in the past ten years. Though prices seem to be on an accelerating upward trend, it is worth noting that, in no fewer than 12 of the 20 cities surveyed, they are still below their pre-crisis level. True, the overall index is just 3.9% lower than its April 2006 summit, but the situation differs widely from one city to another. In Dallas and Denver, for instance, prices are up 39.5% and 41.0%, respectively, from their pre-recession peaks. Alternatively, prices in Las Vegas, Miami, and Chicago are still down 33.0%, 20.3% and 19.7%, respectively, from their all-time highs.

**U.S.: Home prices remain below pre-crisis peaks**  
S&P CoreLogic Case-Shiller home price index, rebased to 100 in January 2006



**WORLD:** In the Eurozone, the flash estimate of the **consumer price index** showed prices rose a meagre 1.4% year on year in May, their smallest 12-month hike in 2017. Core prices, which exclude energy, food, alcohol and tobacco, mustered a disappointing 0.9% print. The soft inflation will surely provide doves with ammunition at next week's monetary policy meeting of the European Central Bank. Prior to the release of these data, some were speculating that the ECB might start discussing further tapering of its €60 billion/month bond-buying program. However, with inflation showing signs of weakening, participants are expected to favour a more prudent approach. ECB President Mario Draghi was certainly leaning in that direction when he suggested on Monday that the single-currency area still needed "an extraordinary amount of monetary support". He added that he was "firmly convinced" that the ECB ought to stick with its quantitative easing program.

Also in the Eurozone, the seasonally adjusted **unemployment rate** slipped one-tenth to 9.3% in April, its lowest level since March 2009. While the jobless rate stayed put in Germany (3.8%) and France (9.5%), it slid 0.3 point in Spain from 18.1% to 17.8% and 0.4 point in Italy from 11.5% to 11.1%. In the latter country, unemployment reached its lowest point since

September 2012. In the Eurozone as a whole, unemployment decreased almost a full percentage point in the 12 months to April. Over the same period, Spain saw its unemployment rate fall by 2.6 points, the largest decrease among the big four economies.

Still in the Eurozone, the European Commission's **economic sentiment index** registered its first monthly decline this year, dipping 0.5 point to 109.2 in May after reaching its highest mark since September 2007 the prior month (109.7). Waning confidence in the services sector, which accounts for 30% of the overall index, was responsible for most of the tumble.

In **Japan**, the **unemployment rate** in April held steady at 2.8%, its lowest level in more than 20 years. In the meantime, the participation rate jumped to 60.3%, up 0.7 point from the month before. There were 1.48 jobs offered for every applicant, the highest ratio since the mid-1970s. However, the extreme tightness of the labour market did not seem to stimulate wage growth. Indeed, **real household disposable income** was down 1.5% year on year in April. **Real household spending** followed the same trend, dropping 1.4% from April 2016. That was the 14<sup>th</sup> consecutive month in which year-on-year spending registered a negative print.

On a more positive note, **retail sales** in Japan were up 1.4% month on month in April after rising 0.2% in March. On a 12-month basis, sales were up 3.2%, their steepest increase since April 2015.

Again in Japan, **industrial production** in April surged 4.0% on a monthly basis in seasonally adjusted terms, bouncing back from a -1.9% print in March. Year on year, output was up a healthy 5.7%. The monthly progression meant that industrial output in Japan exceeded the peak reached before implementation of a sales-tax hike in April 2014. In fact, the level of production was the highest since October 2008. In addition, shipments of capital goods excluding the transportation sector, a very good indicator of capital spending, swelled 7.1% in April after flagging 2.4% quarter on quarter in Q1. The only blemish on the report was a fifth consecutive monthly gain for inventories (+1.5%), which caused the inventory-to-sales ratio to surge 2.9% in April. This should not be cause for concern as long as it reflects businesses' anticipation of a pickup in demand in Q2.

# Weekly Economic Watch

## What We'll Be Watching



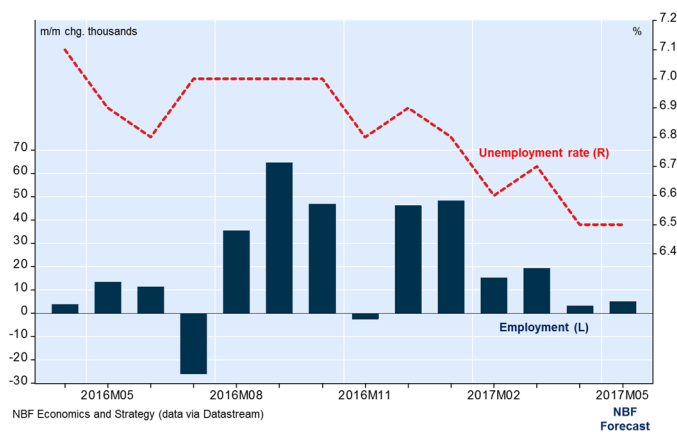
**In Canada**, the highlight of the week will be the **Labour Force Survey** for the month of May. In the latest edition of the CFIB survey, 21.2% of businesses in the country were still expecting their full-time employment levels to increase over the next 3-4 months, as compared with 11.1%

predicting a decrease. That hints at yet another decent month for hiring. That being said, the Canadian economy has added roughly 250K jobs over 2016Q3-2017Q1, the best three-quarter performance since 2010. With the unemployment rate down to 6.5%, such gains are arguably unsustainable. Consequently, we're expecting employment to have increased only 5K in May, leaving the unemployment rate unchanged at 6.5%. We will also get an update on **housing starts** for May. Residential building permit applications took a tumble lately, a development that may restrain the expected rebound in starts after a 15.1% month on month drop in April. Accordingly, we're expecting housing starts to stay roughly put on a monthly basis in May at an annualised 215K, i.e. slightly above the 12-month moving average for that metric (206K). Finally, April's statistics on **building permits** will also be published.

|                               | Previous | NBF forecasts |
|-------------------------------|----------|---------------|
| LFS employment (May m/m chg.) | 3.2K     | 5K            |
| Unemployment rate (May)       | 6.5%     | 6.5%          |
| Housing starts (May, saar)    | 213.1K   | 215K          |

### Canada: Labour market likely stabilized in May

Employment and jobless rate



**In the U.S.**, there will be no major releases this week but it will still be worth watching April's **factory orders** and **Job Opening and Labor Turnover Survey (JOLTS)** for clues on Q2 economic activity.



**Elsewhere in the world**, the European

Central Bank will hold a monetary policy meeting this week. In Japan, we'll get an update on the trade balance for the month of April. Also, several economic indicators for the month of May will be released in China including foreign reserves, trade balance, and the consumer price index. On the political stage, a general election will be held in the United Kingdom on Thursday. It will be interesting to see if Theresa May's Conservatives can maintain their majority in parliament. The latest polls showed that the Conservatives' lead, initially thought to be insurmountable, had narrowed significantly. A failure to secure a more comfortable margin of seats (17 as of now) would weaken May's position going into Brexit talks.

# 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<br/>Jun 5</b>    | 8:30  | US      | Nonfarm Productivity              | 1Q F   | -0.60%    | -0.20%             |                        |                       |         |       |           |
|                            | 9:45  | US      | Markit US Services PMI            | May F  | 54.0      | --                 |                        |                       |         |       |           |
|                            | 10:00 | US      | ISM Non-Manf. Composite           | May    | 57.5      | 57.0               |                        |                       |         |       |           |
|                            | 10:00 | US      | Factory Orders                    | Apr    | 0.20%     | -0.20%             | -0.30%                 |                       |         |       |           |
|                            | 10:00 | US      | Durable Goods Orders              | Apr F  | -0.70%    | --                 |                        |                       |         |       |           |
|                            | 10:00 | US      | Durables Ex Transportation        | Apr F  | -0.40%    | --                 |                        |                       |         |       |           |
| <b>Tuesday<br/>Jun 6</b>   | 10:00 | CA      | Ivey Purchasing Managers Index SA | May    | 62.4      | --                 |                        |                       |         |       |           |
| <b>Wednesday<br/>Jun 7</b> | 7:00  | US      | MBA Mortgage Applications         | Jun-02 | -3.40%    | --                 |                        | Dollarama Inc         | 07:00   | Q1 18 | 0.79      |
|                            | 8:30  | CA      | Building Permits MoM              | Apr    | -5.80%    | --                 |                        | Brown-Forman Corp     | 08:00   | Q4 17 | 0.40      |
|                            | 15:00 | US      | Consumer Credit                   | Apr    | \$16.431b | \$15.000b          |                        |                       |         |       |           |
| <b>Thursday<br/>Jun 8</b>  | 8:15  | CA      | Housing Starts                    | May    | 214.1k    | 205.0k             | 215k                   | North West Co Inc/The | 0:00    | Q1 18 | 0.33      |
|                            | 8:30  | CA      | New Housing Price Index MoM       | Apr    | 0.20%     | --                 |                        | Hudson's Bay Co       | Aft-mkt | Q1 18 | -0.65     |
|                            | 8:30  | CA      | New Housing Price Index YoY       | Apr    | 3.30%     | --                 |                        | Transcontinental Inc  | Aft-mkt | Q2 17 | 0.50      |
|                            | 8:30  | US      | Initial Jobless Claims            | Jun-03 | 248k      | --                 |                        | Enghouse Systems Ltd  | Aft-mkt | Q2 17 | 0.45      |
|                            |       |         |                                   |        |           |                    | JM Smucker Co/The      | 07:00                 | Q4 17   | 1.72  |           |
| <b>Friday<br/>Jun 9</b>    | 8:30  | CA      | Capacity Utilization Rate         | 1Q     | 82.20%    | --                 |                        |                       |         |       |           |
|                            | 8:30  | CA      | Net Change in Employment          | May    | 3.2k      | 11.3k              | 5k                     |                       |         |       |           |
|                            | 8:30  | CA      | Unemployment Rate                 | May    | 6.50%     | 6.60%              | 6.50%                  |                       |         |       |           |
|                            | 10:00 | US      | Wholesale Trade Sales MoM         | Apr    | 0.00%     | --                 |                        |                       |         |       |           |

Source: Bloomberg

# Weekly Economic Watch

## Annex - Economic Tables

**TABLE 1 - NORTH AMERICAN FINANCIAL INDICATORS**

| June 2, 2017                               |                       |              |                    |             |                           |                     |          |              |                  |              |
|--|-----------------------|--------------|--------------------|-------------|---------------------------|---------------------|----------|--------------|------------------|--------------|
| Growth Rates Unless<br>Otherwise Indicated | Reference<br>Period   | Level        | Monthly Growth (%) |             |                           | Annualized Growth   |          |              | Year-to-date (3) |              |
|  |                       |              | Past               | Prev.       | Month                     | Average of the last |          |              | ref.             | prec.        |
|  |                       |              | Month              | Month       | Before                    | 3 Mos.              | 6 Mos.   | 12 Mos.      |                  |              |
| <b>UNITED STATES</b>                       |                       |              |                    |             |                           |                     |          |              |                  |              |
| <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         |
| <b>CANADA</b>                              |                       |              |                    |             |                           |                     |          |              |                  |              |
| <u>MONETARY AGGREGATES</u>                 |                       |              |                    |             |                           |                     |          |              |                  |              |
| M2+ gross                                  | * March 2017          | 1917         | 0.8                | -0.2        | 0.8                       | 5.8                 | 7.4      | 7.3          | 7.4              | 5.9          |
| Personal Deposits (Banks) (2)              | * April 2017          | 930          |                    |             |                           |                     |          | 5.7          | 6.2              | 6.3          |
| <u>CREDIT MEASURES</u>                     |                       |              |                    |             |                           |                     |          |              |                  |              |
| Consumer                                   | * March 2017          | 572          | 0.4                | 0.4         | 0.3                       | 3.7                 | 3.3      | 3.7          | 3.6              | 2.5          |
| Mortgages                                  | * March 2017          | 1451         | 0.5                | 0.4         | 0.4                       | 5.4                 | 6.1      | 6.0          | 5.9              | 6.4          |
| Business (S.T. + L.T.)                     | * April 2017          | 1880         | 0.7                | 0.7         | 0.6                       | 5.9                 | 5.6      | 5.9          | 5.4              | 5.7          |
| Private (Consumer+Business)                | * March 2017          | 3889         | 0.5                | 0.5         | 0.2                       | 4.6                 | 5.4      | 5.4          | 5.3              | 5.6          |
| Gov. of Canada securities outstanding      | * April 2017          | 698          | 1.7                | -0.5        | -0.2                      | 1.6                 | 1.8      | 3.5          | 3.4              | 3.6          |
| <b>INTEREST AND EXCHANGE RATES</b>         |                       |              |                    |             |                           |                     |          |              |                  |              |
|  | Reference<br>Thursday | Last<br>day  | 1 week<br>ago      | 2 w.<br>ago | Average of last Thursdays |                     |          | 13 w.<br>ago | 26 w.<br>ago     | 52 w.<br>ago |
|  |                       |              |                    |             | 13 w.                     | 26 w.               | 52 w.    |              |                  |              |
| <b>UNITED STATES</b>                       |                       |              |                    |             |                           |                     |          |              |                  |              |
| <u>INTEREST RATES</u>                      |                       |              |                    |             |                           |                     |          |              |                  |              |
| Federal Funds Target Rate                  | * 1 June 17           | 1.00         | 1.00               | 1.00        | 0.98                      | 0.86                | 0.68     | 0.75         | 0.50             | 0.50         |
| Prime Rate                                 | * 1 June 17           | 4.00         | 4.00               | 4.00        | 3.98                      | 3.86                | 3.68     | 3.75         | 3.50             | 3.50         |
| 3-month Treasury Bills                     | * 1 June 17           | 0.96         | 0.92               | 0.91        | 0.82                      | 0.67                | 0.49     | 0.66         | 0.47             | 0.28         |
| 2-year Bonds                               | * 1 June 17           | 1.30         | 1.28               | 1.26        | 1.28                      | 1.24                | 1.02     | 1.32         | 1.12             | 0.89         |
| 5-year Bonds                               | * 1 June 17           | 1.77         | 1.79               | 1.77        | 1.88                      | 1.91                | 1.58     | 2.03         | 1.93             | 1.36         |
| 10-year Bonds                              | * 1 June 17           | 2.22         | 2.25               | 2.24        | 2.35                      | 2.40                | 2.06     | 2.49         | 2.45             | 1.81         |
| 30-year Bonds                              | * 1 June 17           | 2.87         | 2.92               | 2.91        | 2.99                      | 3.02                | 2.74     | 3.08         | 3.11             | 2.59         |
| Corp. High-yield (BofA ML Master II)       | * 1 June 17           | 5.98         | 5.94               | 6.05        | 6.13                      | 6.21                | 6.56     | 6.00         | 6.83             | 7.67         |
| Corp. Invest. Grade (BofA ML Corp. BBB)    | * 1 June 17           | 3.58         | 3.58               | 3.58        | 3.70                      | 3.75                | 3.60     | 3.79         | 3.92             | 3.73         |
| <u>Spread</u>                              |                       |              |                    |             |                           |                     |          |              |                  |              |
| Corp. High-yield - Treas. 10y.             | * 1 June 17           | 3.76         | 3.68               | 3.81        | 3.78                      | 3.81                | 4.50     | 3.51         | 4.37             | 5.86         |
| Corp. Invest. grade - Treas. 10y.          | * 1 June 17           | 1.37         | 1.32               | 1.34        | 1.35                      | 1.35                | 1.54     | 1.30         | 1.47             | 1.91         |
| Treasuries 30y. - 3-m. T.B.                | * 1 June 17           | 1.91         | 2.00               | 2.00        | 2.17                      | 2.36                | 2.25     | 2.42         | 2.64             | 2.31         |
| <u>EXCHANGE RATE</u>                       |                       |              |                    |             |                           |                     |          |              |                  |              |
| FED Broad (Jan 97 = 100)                   | * 26 May 17           | 123.01       | 122.95             | 123.28      | 124.81                    | 126.09              | 124.04   | 125.62       | 126.67           | 121.94       |
| <b>CANADA</b>                              |                       |              |                    |             |                           |                     |          |              |                  |              |
| <u>INTEREST RATES</u>                      |                       |              |                    |             |                           |                     |          |              |                  |              |
| Prime Rate                                 | * 1 June 17           | 2.70         | 2.70               | 2.70        | 2.70                      | 2.70                | 2.70     | 2.70         | 2.70             | 2.70         |
| Target overnight rate                      | * 1 June 17           | 0.50         | 0.50               | 0.50        | 0.50                      | 0.50                | 0.50     | 0.50         | 0.50             | 0.50         |
| 30-day commercial paper                    | * 1 June 17           | 0.80         | 0.84               | 0.81        | 0.86                      | 0.89                | 0.88     | 0.88         | 0.88             | 0.88         |
| 3-month Treasury Bills                     | * 1 June 17           | 0.46         | 0.46               | 0.46        | 0.48                      | 0.47                | 0.49     | 0.48         | 0.51             | 0.52         |
| 1-year Treasury Bills                      | * 1 June 17           | 0.57         | 0.57               | 0.57        | 0.63                      | 0.62                | 0.59     | 0.60         | 0.59             | 0.60         |
| 5-year Bonds                               | * 1 June 17           | 0.95         | 0.97               | 0.92        | 1.05                      | 1.09                | 0.89     | 1.15         | 1.00             | 0.72         |
| 10-year Bonds                              | * 1 June 17           | 1.43         | 1.46               | 1.45        | 1.56                      | 1.64                | 1.40     | 1.68         | 1.58             | 1.30         |
| 30-year Bonds                              | * 1 June 17           | 2.05         | 2.09               | 2.08        | 2.22                      | 2.29                | 2.04     | 2.39         | 2.16             | 1.95         |
| <u>SPREADS</u>                             |                       |              |                    |             |                           |                     |          |              |                  |              |
| Prime - 30d. Commercial paper              | * 1 June 17           | 1.90         | 1.86               | 1.89        | 1.84                      | 1.81                | 1.82     | 1.82         | 1.82             | 1.82         |
| Long Term - Short Term                     | * 1 June 17           | 1.59         | 1.63               | 1.62        | 1.75                      | 1.82                | 1.55     | 1.91         | 1.65             | 1.43         |
| <u>CANADA UNITED STATES SPREADS</u>        |                       |              |                    |             |                           |                     |          |              |                  |              |
| 3-month T-Bills                            | * 1 June 17           | -0.50        | -0.46              | -0.45       | -0.34                     | -0.19               | 0.00     | -0.18        | 0.04             | 0.24         |
| Long Term Bonds                            | * 1 June 17           | -0.82        | -0.83              | -0.83       | -0.76                     | -0.73               | -0.70    | -0.69        | -0.95            | -0.64        |
| <u>EXCHANGE RATE</u>                       |                       |              |                    |             |                           |                     |          |              |                  |              |
| US\$ /CDN\$ (GTIS)                         | * 1 June 17           | 0.7399       | 0.7416             | 0.7351      | 0.7412                    | 0.7485              | 0.7558   | 0.7468       | 0.7510           | 0.7635       |
| Trade-weighted (1990=100) G-10             | * 1 June 17           | 86.9         | 87.2               | 86.3        | 87.3                      | 88.3                | 88.7     | 88.4         | 88.6             | 89.0         |
| <b>STOCK INDICES</b>                       |                       |              |                    |             |                           |                     |          |              |                  |              |
|  | Reference<br>Thursday | Level        | Monthly Growth (%) |             |                           | Growth Over (%)     |          |              | Year-to-date     |              |
|  |                       |              | Past               | Prev.       | Month                     | Average of the last |          |              | ref.             | prec.        |
|  |                       |              | Month              | Month       | Before                    | 3 Months            | 6 Months | 1 Year       |                  |              |
| Dow Jones (U.S.)                           | * 1 June 17           | 21144.2      | 1.1                | 1.3         | -2.2                      | 0.1                 | 10.2     | 18.9         | 10.2             | -0.6         |
| S&P 500 (U.S.)                             | * 1 June 17           | 2430.1       | 1.7                | 1.3         | -1.5                      | 1.4                 | 10.9     | 15.8         | 10.9             | -0.2         |
| NASDAQ (U.S.)                              | * 1 June 17           | 6246.8       | 2.5                | 3.3         | -0.2                      | 5.8                 | 19.0     | 26.1         | 19.0             | -4.0         |
| S&P/TSX (Can.)                             | * 1 June 17           | 15469.9      | -0.7               | -0.1        | -0.1                      | -0.8                | 2.9      | 10.0         | 2.9              | 3.1          |

\* 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 2, 2017                               |                     |                    |         |         |                       |         |         |                  |                   |        |
|--|---------------------|--------------------|---------|---------|-----------------------|---------|---------|------------------|-------------------|--------|
| Growth Rates Unless<br>Otherwise Indicated | Reference<br>Period | Monthly Growth (%) |         |         | Annualized Growth (%) |         |         | Since<br>12 Mos. | Year-to-date (\$) |        |
|  |                     | Past               | Prev.   | Month   | Average of the last   |         |         |                  | ref.              | prec.  |
|  |                     | Month              | Month   | Before  | 3 Mos.                | 6 Mos.  | 12 Mos. |                  |                   |        |
| Index of 12 Leading Indicators             |                     | 0.3                | 0.3     | 0.5     | 5.6                   | 3.8     | 1.7     | 3.2              | 3.0               | 1.6    |
| Consumer Confidence Index (1985=100)       | * May 2017          | 117.9              | 119.4   | 124.9   | 120.7                 | 117.2   | 109.4   | 92.4             | 118.0             | 95.0   |
| I.S.M. Manufacturing Index (level)         | * May 2017          | 54.9               | 54.8    | 57.2    | 55.6                  | 55.9    | 53.9    | 51.0             | 56.1              | 50.3   |
| - Non-manufacturing (level)                | April 2017          | 62.4               | 58.9    | 63.6    | 61.6                  | 61.1    | 59.2    | 58.8             | 61.3              | 57.8   |
| <b>DOMESTIC DEMAND</b>                     |                     |                    |         |         |                       |         |         |                  |                   |        |
| Sales new autos & light trucks (000,000)   | * May 2017          | 16.7               | 16.9    | 16.6    | 16.7                  | 17.3    | 17.4    | 17.2             | 17.1              | 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               | 2.0    |
| Consumer Spending: Total (\$ current)      | * April 2017        | 0.4                | 0.3     | 0.1     | -13.8                 | 0.0     | 3.2     | -9.1             | 1.4               | 3.4    |
| Total (\$ constant)                        | * April 2017        | 0.2                | 0.5     | -0.1    | 1.1                   | 2.5     | 2.8     | 2.6              | 2.8               | 2.5    |
| Personal Income                            | * April 2017        | 0.4                | 0.2     | 0.5     | 4.7                   | 2.8     | 3.4     | 3.6              | 3.7               | 3.6    |
| Personal Savings Rate (3)                  | * April 2017        | 5.3                | 5.3     | 5.3     | 5.3                   | 5.1     | 5.4     | 5.9              | 5.2               | 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    |
| <b>PRODUCTION</b>                          |                     |                    |         |         |                       |         |         |                  |                   |        |
| 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    |
| <b>EXTERNAL AND FISCAL BALANCES</b>        |                     |                    |         |         |                       |         |         |                  |                   |        |
| Exports                                    | * April 2017        | -0.3               | -0.1    | 0.1     | 6.0                   | 5.0     | 1.5     | 5.0              | 6.1               | -5.8   |
| Imports                                    | * April 2017        | 0.8                | 0.1     | -1.5    | 3.6                   | 8.4     | 2.3     | 8.3              | 7.5               | -5.1   |
| Merch. Trade Balance (\$ billions)         | * April 2017        | -47.6              | -45.3   | -44.9   | -45.9                 | -46.3   | -43.9   | -38.4            | -46.6             | -41.1  |
| Real merchandise trade balance             | * April 2017        | -63.5              | -60.7   | -60.4   | -61.5                 | -62.9   | -61.9   | -58.4            | -62.5             | -60.6  |
| Federal budget balance last 12 months (2)  | April 2017          | -575.5             | -651.5  | -583.3  |                       |         |         | -510.9           | -134.6            | -139.0 |
| <b>INFLATION AND COSTS</b>                 |                     |                    |         |         |                       |         |         |                  |                   |        |
| 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        | 0.2                | -0.1    | 0.2     | 1.6                   | 1.6     | 1.7     | 1.5              | 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)                | * May 2017          |                    |         |         |                       |         | 2.5     | 2.4              | 2.4               | 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    |
| <b>LABOUR MARKET</b>                       |                     |                    |         |         |                       |         |         |                  |                   |        |
| New Jobs (000) (6)                         | * May 2017          | 138                | 174     | 50      | 121                   | 161     | 189     | 2266             | 810               | 784    |
| - Manufacturing (000)                      | * May 2017          | -1                 | 11      | 11      | 7                     | 12      | 5       | 63               | 55                | -24    |
| - Services (000)                           | * May 2017          | 122                | 155     | 33      | 103                   | 124     | 165     | 1980             | 619               | 815    |
| Average weekly hours (6)                   | * May 2017          | -0.2               | 0.4     | 0.1     | 1.8                   | 1.9     | 1.6     | 1.9              | 1.8               | 1.8    |
| Civilian Unemployment Rate (7)             | * May 2017          | 4.3                | 4.4     | 4.5     | 4.4                   | 4.6     | 4.7     | 4.7              | 4.5               | 4.9    |
| <b>NATIONAL ACCOUNTS AND OTHER</b>         |                     |                    |         |         |                       |         |         |                  |                   |        |
| <b>ANNUALIZED GROWTH RATES</b>             |                     |                    |         |         |                       |         |         |                  |                   |        |
| <b>QUARTERLY INDICATORS</b>                |                     |                    |         |         |                       |         |         |                  |                   |        |
|  | Q1 2017             | Q4 2016            | Q3 2016 | Q2 2016 | Q1 2016               | Q4 2015 | 2014    | 2013             | 2012              |        |
| 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               |        |
|  | Q1 2017             | Q4 2016            | Q3 2016 | Q2 2016 | Q1 2016               | Q4 2015 | 2014    | 2013             | 2012              |        |
| 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               |        |
|  | Q4 2016             | Q3 2016            | Q2 2016 | Q1 2016 | Q4 2015               | Q3 2015 | 2014    | 2013             | 2012              |        |
| 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              |        |
|  | Q1 2017             | Q4 2016            | Q3 2016 | Q2 2016 | Q1 2016               | Q4 2015 | 2014    | 2013             | 2012              |        |
| 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**

| June 2, 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.      | 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   |  |
| <b>DOMESTIC DEMAND</b>                           |                  |                    |             |              |                       |         |         |               |                  |        |  |
| 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              | 3.5    |  |
| 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   |  |
| <b>PRODUCTION</b>                                |                  |                    |             |              |                       |         |         |               |                  |        |  |
| Real Domestic Product                            | * March 2017     | 0.5                | 0.0         | 0.6          | 4.6                   | 3.7     | 1.7     | 3.2           | 2.6              | 0.9    |  |
| - Manufacturing                                  | * March 2017     | 1.6                | -1.0        | 0.8          | 7.5                   | 3.3     | 1.1     | 3.7           | 2.2              | 0.6    |  |
| - Construction                                   | * March 2017     | 0.8                | 0.4         | 0.4          | 6.9                   | 1.7     | -2.0    | 1.5           | 0.4              | -4.5   |  |
| Services   | * March 2017     | 0.3                | 0.2         | 0.4          | 3.8                   | 2.8     | 2.3     | 2.8           | 2.5              | 2.1    |  |
| <b>EXTERNAL, FISCAL AND EXCHANGE BALANCES</b>    |                  |                    |             |              |                       |         |         |               |                  |        |  |
| Exports  | * April 2017     | 1.8                | 3.2         | -2.3         | 2.9                   | 17.7    | 2.0     | 14.7          | 8.4              | 0.2    |  |
| Imports  | * April 2017     | 0.6                | 2.1         | 0.8          | 16.0                  | 4.0     | 1.0     | 7.4           | 4.0              | 0.6    |  |
| - Capital Goods                                  | * April 2017     | -2.9               | 2.9         | 0.7          | 18.1                  | 0.3     | -1.2    | -0.3          | 1.3              | -2.4   |  |
| Merch. Trade Balance (\$ millions)               | * April 2017     | -37.0              | -936        | -1,412       | -906                  | -203    | -1,566  | -3,151        | -667             | -2,469 |  |
| Change in Official Reserves                      | April 2017       | 2,156              | 463         | -2,692       | -24                   | 221     | 66      | 788           | 1,992            | -1,368 |  |
| Level (US\$): \$84.7 billion                     |                  |                    |             |              |                       |         |         |               |                  |        |  |
| Fed. budget balance last 12 months (\$ billions) | * March 2017     | -21.8              | -20.9       | -19.0        |                       |         |         | -3.8          |                  | -2.0   |  |
| <b>INFLATION AND COSTS</b>                       |                  |                    |             |              |                       |         |         |               |                  |        |  |
| 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)                     | * April 2017     | 0.6                | 0.8         | 0.2          | 6.1                   | 5.2     | 1.5     | 6.3           | 4.3              | -0.7   |  |
| <b>LABOUR MARKET</b>                             |                  |                    |             |              |                       |         |         |               |                  |        |  |
| 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    |  |
| <b>NATIONAL ACCOUNTS AND OTHER</b>               |                  |                    |             |              |                       |         |         |               |                  |        |  |
| <b>QUARTERLY INDICATORS</b>                      |                  |                    |             |              |                       |         |         |               |                  |        |  |
|  |                  | Q1 2017            | Q4 2016     | Q3 2016      | Q2 2016               | Q1 2016 | Q4 2015 | 2016          | 2015             | 2014   |  |
| GDP Chained (2007) \$                            | *                | 3.7                | 2.7         | 4.2          | -1.4                  | 2.8     | 0.5     | 1.5           | 0.9              | 2.6    |  |
| Household consumption                            | *                | 4.3                | 3.0         | 3.0          | 2.3                   | 2.4     | 1.7     | 2.4           | 1.9              | 2.8    |  |
| Business Investments, non-res., mach. & equip.   | *                | 10.3               | -22.0       | 9.5          | -4.4                  | -10.3   | -13.7   | -8.6          | -11.5            | 3.2    |  |
| - Machinery and Equipment                        | *                | 25.3               | -3.2        | -15.8        | 1.4                   | -3.6    | -10.1   | -5.3          | -3.3             | 1.2    |  |
| Residential Construction                         | *                | 15.7               | 6.3         | -5.1         | 1.1                   | 9.8     | 1.8     | 3.0           | 3.8              | 2.7    |  |
| Government Expenditures                          | *                | 0.5                | 1.3         | -1.7         | 4.7                   | 3.9     | 0.0     | 2.0           | 1.5              | 0.8    |  |
| Government Fixed Capital Formation               | *                | 0.4                | 6.5         | 4.7          | -2.9                  | 4.2     | -1.1    | 2.5           | 5.8              | -3.6   |  |
| Final Domestic Demand                            | *                | 4.7                | 0.1         | 1.7          | 1.8                   | 1.8     | -0.5    | 1.0           | 0.3              | 1.9    |  |
| Exports  | *                | -0.3               | 0.8         | 9.2          | -13.6                 | 8.4     | -2.1    | 1.0           | 3.4              | 5.8    |  |
| Imports  | *                | 13.7               | -11.3       | 4.3          | 1.4                   | 3.5     | -6.3    | -0.9          | 0.3              | 2.2    |  |
| Change in Inventories, chained (2007) \$ (5)     | *                | 12.3               | -2.5        | 5.4          | 1.3                   | -5.9    | -3.1    | -0.4          | 3.9              | 9.4    |  |
| Real Disposable Income                           | *                | 0.4                | 2.8         | 5.2          | 2.0                   | 0.3     | 4.5     | 2.7           | 3.4              | 1.2    |  |
| Personal savings Rate                            | *                | 4.3                | 5.3         | 5.3          | 4.9                   | 4.8     | 5.6     | 5.1           | 5.0              | 3.7    |  |
| GDP Price Deflator                               | *                | 4.3                | 4.7         | 2.9          | 0.7                   | -0.4    | -1.1    | 0.6           | -0.8             | 1.9    |  |
| Corporate Profits (nominal)                      | *                | 50.6               | 42.5        | 92.5         | -36.9                 | -0.4    | -27.6   | -4.5          | -19.5            | 8.2    |  |
| as a % of GDP                                    | *                | 12.9               | 11.8        | 11.0         | 9.5                   | 10.7    | 10.7    | 10.8          | 11.5             | 14.3   |  |
| Indust. Capacity Utilization Rate                | *                | n.a.               | 82.2        | 81.6         | 79.4                  | 80.9    | 80.4    | 81.0          | 80.8             | 82.4   |  |
| Labour Productivity, Business Sector             | *                | 5.6                | 1.5         | 5.4          | -1.7                  | 1.7     | 0.7     | 0.7           | -0.5             | 2.6    |  |
| Unit Labour Cost, Business Sector                | *                | -1.5               | 1.5         | -3.6         | 3.0                   | -0.2    | 3.5     | 0.8           | 2.2              | 0.9    |  |
|  |                  | Q1 2017            | Q4 2016     | Q3 2016      | Q2 2016               | Q1 2016 | Q4 2015 | 2016          | 2015             | 2014   |  |
| Current Account (current \$) (5)                 | *                | -56.2              | -47.1       | -74.6        | -75.4                 | -70.8   | -66.4   | -67.0         | -67.6            | -48.2  |  |
| as a % of GDP                                    | *                | -2.7               | -2.3        | -3.7         | -3.8                  | -3.5    | -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**

|   |                  | June 2, 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. |               |                  |       |
| <b>QUEBEC</b>                           |                  |                    |             |              |                       |        |         |               |                  |       |
| <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                      | * March 2017     | 0.4                | 0.1         | 0.3          | 4.9                   | 4.3    | 3.4     | 3.0           | 3.5              | 3.3   |
| Value of merchandise exports (1)        | * April 2017     |                    |             |              |                       |        |         | 0.1           | 11.8             | -1.5  |
| 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              | 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  |
| <b>ONTARIO</b>                          |                  |                    |             |              |                       |        |         |               |                  |       |
| <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                      | * March 2017     | 0.3                | 0.2         | -0.3         | 4.1                   | 4.5    | 3.8     | 3.3           | 3.8              | 4.1   |
| Value of merchandise exports (1)        | * April 2017     |                    |             |              |                       |        |         | -1.4          | -0.8             | -3.7  |
| 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              | 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  |
| <b>NEWFOUNDLAND &amp; LABRADOR</b>      |                  |                    |             |              |                       |        |         |               |                  |       |
| <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                      | * March 2017     | 0.4                | 0.9         | -0.1         | 3.1                   | 3.6    | 1.5     | 3.0           | 3.2              | 0.4   |
| Value of merchandise exports (1)        | * April 2017     |                    |             |              |                       |        |         | 12.5          | 37.3             | -26.1 |
| 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              | 1.8   |
| Average Hourly Earnings (1)             | April 2017       |                    |             |              |                       |        |         | 1.4           | 4.2              | -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  |
| <b>PRINCE EDWARD ISLAND</b>             |                  |                    |             |              |                       |        |         |               |                  |       |
| <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                      | * March 2017     | 0.9                | -0.8        | -1.0         | 1.9                   | 5.3    | 3.4     | 4.1           | 4.1              | 5.0   |
| Value of merchandise exports (1)        | * April 2017     |                    |             |              |                       |        |         | 0.1           | -4.8             | 7.3   |
| 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              | 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)**

| June 2, 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.      |                       |      |      |               |                  |       |
| <b>NOVA SCOTIA</b>                      |                  |                    |             |              |                       |      |      |               |                  |       |
| <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                      | * March 2017     | 1.0                | -0.3        | 0.1          | 3.6                   | 2.2  | 1.4  | 1.6           | 1.5              | 2.4   |
| Value of merchandise exports (1)        | * April 2017     |                    |             |              |                       |      |      | -2.8          | 5.2              | -1.3  |
| 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              | 1.1   |
| 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  |
| <b>NEW BRUNSWICK</b>                    |                  |                    |             |              |                       |      |      |               |                  |       |
| <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                      | * March 2017     | 1.0                | -1.0        | -0.9         | -2.2                  | 5.0  | 3.8  | 3.3           | 3.6              | 3.3   |
| Value of merchandise exports (1)        | * April 2017     |                    |             |              |                       |      | 0.1  | 29.0          | 19.6             | -21.5 |
| 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              | 0.0   |
| 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  |
| <b>MANITOBA</b>                         |                  |                    |             |              |                       |      |      |               |                  |       |
| <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                      | * March 2017     | 0.8                | 1.2         | -0.2         | 6.4                   | 3.6  | 1.9  | 3.6           | 2.8              | 2.8   |
| Value of merchandise exports (1)        | * April 2017     |                    |             |              |                       |      | -2.5 | -0.7          | -1.1             | 1.3   |
| 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              | 3.8   |
| 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  |
| <b>SASKATCHEWAN</b>                     |                  |                    |             |              |                       |      |      |               |                  |       |
| <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                      | * March 2017     | 1.1                | -0.8        | 0.8          | 4.7                   | 2.5  | 0.3  | 2.3           | 1.6              | 0.1   |
| Value of merchandise exports (1)        | * April 2017     |                    |             |              |                       |      | -9.0 | 13.0          | 10.8             | -22.1 |
| 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              | 3.5   |
| 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 preceeding year, unless otherwise stated

# Weekly Economic Watch

## Annex - Economic Tables

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

| Growth Rates Unless<br>Otherwise Indicated  | Reference<br>Period | June 2, 2017       |                |                 |                       |         |       |                  |                  |       |
|---|---------------------|--------------------|----------------|-----------------|-----------------------|---------|-------|------------------|------------------|-------|
|   |                     | Monthly Growth (%) |                |                 | Annualized Growth (%) |         |       | Since<br>12 Mos. | Year-to-date (3) |       |
|   |                     | Past<br>Month      | Prev.<br>Month | Month<br>Before | Average of the last   |         |       |                  | ref.             | prec. |
|   |                     |                    |                | 3 Mos.          | 6 Mos.                | 12 Mos. |       |                  |                  |       |
| <b>ALBERTA</b>  |                     |                    |                |                 |                       |         |       |                  |                  |       |
| <u>DOMESTIC DEMAND AND REVENUE</u>  |                     |                    |                |                 |                       |         |       |                  |                  |       |
| Retail Sales  | March 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  | * March 2017        | 0.2                | 0.3            | -0.3            | 1.9                   | 0.8     | -2.0  | 0.4              | -0.3             | -4.3  |
| Value of merchandise exports (1)  | * April 2017        |                    |                |                 |                       |         |       | 6.6              | 55.6             | 43.8  |
| 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             | 0.0   |
| 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  |
| <b>BRITISH COLUMBIA</b>   |                     |                    |                |                 |                       |         |       |                  |                  |       |
| <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  | * March 2017        | 0.4                | 0.4            | 0.1             | 6.3                   | 5.8     | 4.8   | 5.6              | 5.6              | 3.6   |
| 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   |
| 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**

| June 2, 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           |
| <b>JAPAN</b>                            |                    |                    |                |                |                           |                |                |                         |                  |                |
| Consumer confidence - percentage (1)    | * May 2017         | 43.9               | 43.1           | 44.1           | 43.7                      | 43.2           | 42.6           | 41.5                    | 43.4             | 41.1           |
| Retail Sales (1)                        | ** April 2017      |                    |                |                |                           |                | 0.1            | 3.2                     | 1.7              | -0.5           |
| Industrial Production, Volume Index     | * April 2017       | 4.0                | -1.9           | 3.2            | 8.7                       | 6.6            | 2.3            | 7.2                     | 4.7              | -2.8           |
| 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          | * April 2017       | 1.48               | 1.45           | 1.43           | 1.45                      | 1.44           | 1.41           | 1.33                    | 1.45             | 1.31           |
| Unemployment Rate                       | * April 2017       | 2.8                | 2.8            | 2.8            | 2.8                       | 2.9            | 3.0            | 3.2                     | 2.9              | 3.2            |
|   |                    | <b>Q1 2017</b>     | <b>Q4 2016</b> | <b>Q3 2016</b> | <b>Q2 2016</b>            | <b>Q1 2016</b> | <b>Q4 2015</b> | <b>2016</b>             | <b>2015</b>      | <b>2014</b>    |
| Gross Domestic Product (Constant Yen)   |                    | 2.2                | 1.4            | 1.0            | 1.7                       | 2.6            | -1.0           | 1.0                     | 1.1              | 0.2            |
| <b>Euro-zone</b>                        |                    |                    |                |                |                           |                |                |                         |                  |                |
| 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)                         | * May 2017         | -0.1               | 0.4            | 0.8            | 4.0                       | 1.7            | 1.0            | 1.4                     | 1.7              | 0.0            |
| Unemployment Rate                       | * April 2017       | 9.3                | 9.4            | 9.4            | 9.4                       | 9.5            | 9.7            | 10.2                    | 9.4              | 10.3           |
|   |                    | <b>Q1 2017</b>     | <b>Q4 2016</b> | <b>Q3 2016</b> | <b>Q2 2016</b>            | <b>Q1 2016</b> | <b>Q4 2015</b> | <b>2013</b>             | <b>2012</b>      | <b>#VALUE!</b> |
| Gross Domestic Product (Constant Euro)  |                    | 2.0                | 1.9            | 1.7            | 1.3                       | 2.2            | 1.8            | -0.4                    | 0.0              | #VALUE!        |
| <b>UNITED KINGDOM</b>                   |                    |                    |                |                |                           |                |                |                         |                  |                |
| Consumer Confidence (Diffusion index)   | * May 2017         | -6                 | -5             | -4             | -5                        | -5             | -5             | -2                      | -5               | 1              |
| 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            |
|   |                    | <b>Q1 2017</b>     | <b>Q4 2016</b> | <b>Q3 2016</b> | <b>Q2 2016</b>            | <b>Q1 2016</b> | <b>Q4 2015</b> | <b>2016</b>             | <b>2015</b>      | <b>2014</b>    |
| Gross Domestic Product (Constant £)     |                    | 0.7                | 2.7            | 2.0            | 2.4                       | 0.6            | 2.4            | 1.8                     | 2.2              | 3.1            |
| <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                              | * 1 June 17        | 0.30               | 0.30           | 0.30           | 0.30                      | 0.30           | 0.30           | 0.30                    | 0.30             | 0.30           |
| 3-month Financing Bill Rate             | * 1 June 17        | -0.12              | -0.13          | -0.13          | -0.19                     | -0.26          | -0.28          | -0.41                   | -0.38            | -0.25          |
| - Spread with U.S.                      | * 1 June 17        | -1.08              | -1.05          | -1.04          | -1.01                     | -0.93          | -0.77          | -1.07                   | -0.85            | -0.53          |
| Yield on 10-year Gov't Bonds            | * 1 June 17        | 0.04               | 0.05           | 0.05           | 0.05                      | 0.06           | -0.02          | 0.07                    | 0.03             | -0.11          |
| - Spread with U.S.                      | * 1 June 17        | -2.17              | -2.21          | -2.19          | -2.30                     | -2.34          | -2.09          | -2.42                   | -2.43            | -1.92          |
| Exchange Rate (¥/U.S.\$)                | * 1 June 17        | 111.4              | 111.8          | 111.5          | 111.7                     | 113.2          | 108.6          | 114.4                   | 114.1            | 108.9          |
| <b>Euro Zone</b>                        |                    |                    |                |                |                           |                |                |                         |                  |                |
| 3-month Treasury Bills                  | * 1 June 17        | -0.25              | -0.25          | -0.25          | -0.25                     | -0.25          | -0.25          | -0.25                   | -0.25            | -0.25          |
| - Spread with U.S.                      | * 1 June 17        | -1.21              | -1.17          | -1.16          | -1.06                     | -0.91          | -0.74          | -0.91                   | -0.72            | -0.53          |
| Exchange Rate (U.S.\$/Euro)             | * 1 June 17        | 1.12               | 1.12           | 1.11           | 1.08                      | 1.07           | 1.09           | 1.05                    | 1.07             | 1.12           |
| (Yen/Euro)                              | * 1 June 17        | 124.53             | 125.33         | 123.05         | 121.06                    | 121.35         | 118.50         | 120.24                  | 121.39           | 121.96         |
| (Euro / £)                              | * 1 June 17        | 1.15               | 1.16           | 1.17           | 1.17                      | 1.17           | 1.17           | 1.17                    | 1.19             | 1.29           |
| <b>UNITED KINGDOM</b>                   |                    |                    |                |                |                           |                |                |                         |                  |                |
| 3-month Treasury Bills (tender)         | * 1 June 17        | 0.06               | 0.06           | 0.06           | 0.05                      | 0.08           | 0.17           | 0.03                    | 0.12             | 0.43           |
| - Spread with U.S.                      | ~ 1 June 17        | -0.90              | -0.86          | -0.85          | -0.77                     | -0.59          | -0.33          | -0.63                   | -0.35            | 0.15           |
| Yield on 30-year Gov't Bonds            | * 1 June 17        | 1.73               | 1.68           | 1.72           | 1.76                      | 1.86           | 1.77           | 1.82                    | 2.08             | 2.15           |
| - Spread with U.S.                      | * 1 June 17        | -1.14              | -1.24          | -1.19          | -1.23                     | -1.16          | -0.97          | -1.26                   | -1.03            | -0.43          |
| Exchange Rate (U.S.\$ / £)              | * 1 June 17        | 1.29               | 1.29           | 1.29           | 1.27                      | 1.25           | 1.28           | 1.23                    | 1.26             | 1.44           |
| <b>STOCK INDICES</b>                    |                    |                    |                |                |                           |                |                |                         |                  |                |
|   | Reference          | Monthly Growth (%) |                |                | Growth Over (%)           |                |                | Since beginning of year |                  |                |
|   |                    | Level              | Month          | Month Before   | 3 Months                  | 6 Months       | 1 Year         | ref.                    | prec.            |                |
| MSCI Eafe                               | * June 2017        | 249                | 3.1            | 1.3            | 3.3                       | 7.9            | 16.0           | 15.2                    | 16.0             | -5.3           |

\* 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 2, 2017  |                   |               |                          |              |               |                              |              |              |                  |
|---|-------------------|---------------|--------------------------|--------------|---------------|------------------------------|--------------|--------------|------------------|
|   | <u>Spot Price</u> |               | <u>Weekly Growth (%)</u> |              |               | <u>Annualized Growth (%)</u> |              |              | <u>Last Year</u> |
|   | <u>June 1</u>     | <u>May 25</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   | 404.2             | 407.8         | -0.9                     | -0.4         | 0.6           | -18.7                        | -7.9         | -2.9         | 416.2            |
| Energy  | 407.3             | 422.3         | -3.6                     | -0.4         | 0.5           | -14.7                        | -16.8        | 5.0          | 387.8            |
| Grain   | 288.7             | 287.8         | 0.3                      | 0.5          | -1.6          | -22.8                        | 4.7          | -12.6        | 330.4            |
| Industrials   | 405.0             | 404.3         | 0.2                      | 0.5          | 0.9           | -11.6                        | 4.4          | 22.8         | 329.9            |
| Livestock & Meat  | 363.0             | 364.2         | -0.3                     | 1.6          | 1.0           | 30.1                         | 44.4         | 1.1          | 359.1            |
| Precious Metals   | 790.1             | 791.5         | -0.2                     | 1.7          | 2.3           | -7.6                         | 10.6         | 3.1          | 766.4            |
| <b><u>PRECIOUS METALS</u></b>   |                   |               |                          |              |               |                              |              |              |                  |
| Gold (\$/ounce)<br>(AM fixing London)                                     | 1266.15           | 1257.10       | 0.7                      | -0.3         | 3.3           | 7.6                          | 17.4         | 4.2          | 1215.50          |
| Platinum (\$/ounce)<br>(AM fixing London)                                 | 943.0             | 945.0         | -0.2                     | 1.0          | 2.1           | -24.3                        | 9.1          | -3.2         | 974.0            |
| Silver (\$/ounce)<br>(Handy & Harman)                                     | 0.2               | 0.2           | 0.1                      | 2.9          | 2.8           | -17.4                        | 8.4          | 7.1          | 0.2              |
| Palladium (\$/ounce troy)   | 823.0             | 767.0         | 7.3                      | 0.3          | -4.9          | 27.8                         | 15.1         | 53.0         | 538.0            |
| <b><u>OTHER METALS (LME)</u></b>  |                   |               |                          |              |               |                              |              |              |                  |
| Aluminum (\$/tonne)   | 1,924             | 1,958         | -1.7                     | 1.9          | 2.8           | 4.5                          | 25.0         | 25.9         | 1,528            |
| Copper (\$/tonne)   | 5,675             | 5,706         | -0.5                     | 2.6          | 0.7           | -15.4                        | -3.9         | 22.9         | 4,617            |
| Zinc (\$/tonne)   | 2,557             | 2,625         | -2.6                     | 4.2          | -2.6          | -27.6                        | -11.1        | 29.2         | 1,980            |
| Nickel (\$/tonne)   | 8,793             | 9,001         | -2.3                     | -1.5         | -1.7          | -54.8                        | -37.9        | 4.3          | 8,429            |
| Lead (\$/tonne)   | 2,089             | 2,065         | 1.1                      | 0.4          | -5.3          | -25.2                        | -17.5        | 22.0         | 1,712            |
| Uranium (UxC-Ux U308 Spot \$/pound)                                       | 19.25             | 21.50         | -10.5                    | 0.0          | -4.4          | -44.0                        | 11.3         | -29.4        | 27.25            |
| <b><u>OTHER COMMODITIES</u></b>   |                   |               |                          |              |               |                              |              |              |                  |
| Oil WTI (\$/barrel) future<br>(NYMEX)                                     | 48.36             | 48.90         | -1.1                     | -0.9         | 3.2           | -28.6                        | -10.3        | -1.6         | 49.17            |
| Oil (Spead with WTI \$/barrel) 1st future<br>(West Canadian select - CME) | -15.50            | -15.50        | 0.0                      | 0.0          | 0.0           | 0.0                          | -0.6         | 31.4         | -11.80           |
| Corn (¢/bushel)<br>(Illinois #2)  | 3.5               | 3.5           | 0.0                      | 1.2          | -0.3          | -8.7                         | 19.8         | -12.8        | 4.0              |
| Soy beans (¢/bushel)<br>(Illinois #1)                                     | 8.9               | 9.1           | -2.4                     | -0.5         | -1.5          | -36.8                        | -21.8        | -20.4        | 11.2             |
| Pork (¢/lb)   | 144.3             | 152.9         | -5.6                     | 26.1         | -9.1          | 84.1                         | 80.8         | 16.9         | 123.4            |
| Beef (Cattle feeder index)<br>(CME)                                       | 147.1             | 143.9         | 2.2                      | 0.0          | 0.3           | 83.2                         | 26.0         | 1.3          | 145.3            |
| Soft Wood Pulp (HWWI)<br>Index 2010 = 100                                 | 108               | 108           | 0.0                      | -1.6         | -1.3          | 7.3                          | 30.2         | 11.5         | 97               |
| Natural Gas (mmbtu)<br>Henry Hub future NYMEX                             | 2.93              | 3.06          | -4.2                     | -2.2         | -2.2          | 63.8                         | -26.6        | 27.4         | 2.30             |
| Lumber 2X4  | 353               | 353           | 0.1                      | -4.0         | -2.1          | -2.8                         | 13.8         | 19.0         | 297              |
| Iron ore (\$/metric ton)  | 57                | 61            | -6.6                     | -1.6         | 4.2           | -85.8                        | -46.9        | 11.9         | 51               |

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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