NATIONAL BANK OF CANADA
FINANCIAL MARKETS

March 8, 2024

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Week in review

CANADA:

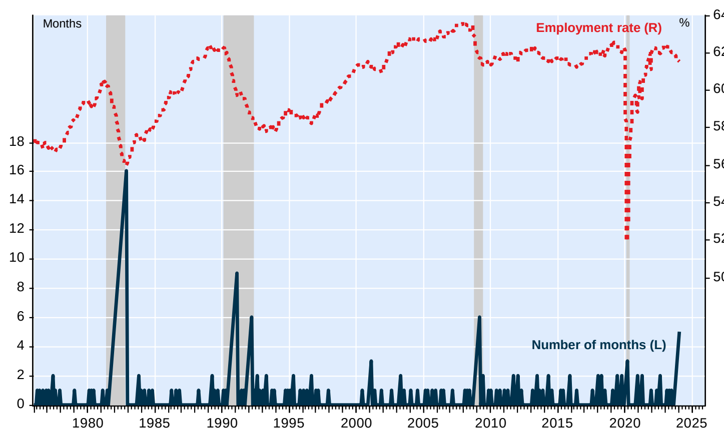
Canadian employment increased 41K in February, above consensus expectations for a 20K increase. Meanwhile, the participation rate remained unchanged at 65.3% while the population grew 83K. As a result, the unemployment rate increased 0.1 percentage points to 5.8%, in line with consensus expectations.

The rise in employment is the result of an increase in full-time jobs (+71K) while the number of part-time positions decreased (-30K). Employment rose in the public sector (+19K), while the private sector registered a decline (-16K). Self-employment, meanwhile, was up (+38K). February's variation in employment was positive in the services sector (+47K), while employment in goods (-6K) was down. On the goods side, decreases were observed in manufacturing (-14K), agriculture (-6K), and, to a lesser extent, utilities (-1K). Meanwhile, employment was up in construction (+11K) and forestry (+4K). On the services side, the largest increases were registered in accommodation/food services (+26K), professional/scientific services (+18K), other services (+11K), information/culture (+9K) and transportation/warehousing (+9K). These increases were partially offset by declines in education (-17K), trade (-17K) and business services (-13K).

Regionally, there were job gains in Alberta (+17K), Québec (+9K), Ontario (+7K) and British Columbia (+6K). Hours worked were up 0.3% in February following a 0.6% increase in January. Wage inflation was 4.9% on a year-over-year basis in February (down from 5.3% in January).

The labour market added a significant number of jobs compared to the historical norm, but this did not prevent the unemployment rate from rising to 5.8%. Although lower than January's record 125K, the increase in population was still a move of 3.6 standard deviations. As a result, the employment rate fell another tenth, the fifth consecutive decline (a total of 5 tenths).

Canada: The labour market loses steam
Employment rate and number of consecutive months with a decrease in the employment rate

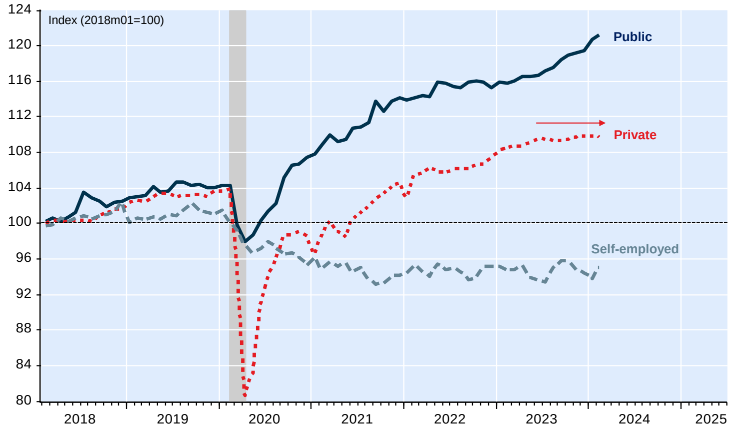


NBF Economics and Strategy (data via Statistics Canada)

Over this 5-month period, we note that it is young people (15-24) who pay the highest price for the moderation in the labour market, with a drop of 1.6 percentage points. Recent immigrants (less than 5 years) also seem to be having more difficulty entering the labour market, with the employment rate falling by 2.2 percentage points over that period (3-month moving average basis). Since the interest rate hikes began impacting this population in 2022, their unemployment rate has risen 2.9 percentage points (vs. 0.4 for population born in Canada). On the one hand, the composition of new jobs is encouraging, with full-time jobs rebounding strongly from last month's decline. However, we are intrigued by the solid rebound in self-employment, since it comes at the same time as the willingness of private companies to hire seems to be rather weak (essentially no jobs added since June 2023).

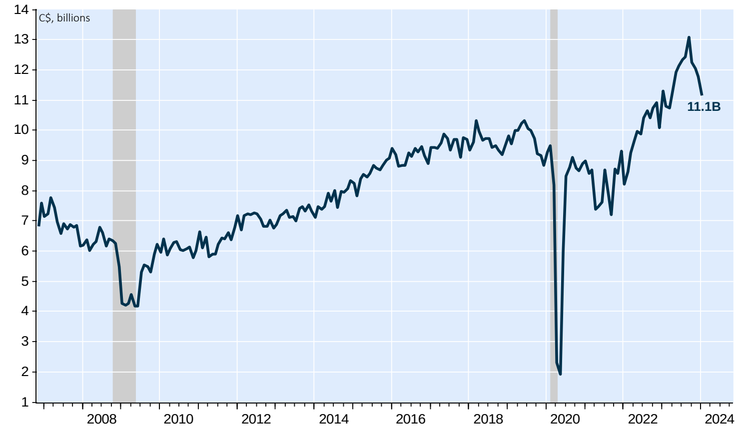
According to the latest business outlook survey published in January, a majority of firms are reporting lower sales, which may explain this cautious approach. The share of firms reporting labor shortages has fallen sharply since the start of monetary policy tightening and may even lead some firms to reduce their workforces in the coming months. The sharp rise in bankruptcies is evidence of a more difficult environment for companies and does not suggest an improvement in hiring. We continue to expect the jobless rate to close 2024 at around 7%.

Canada: Private-sector employment stagnates since mid-2023
Employment in the public and non-public sectors, monthly data



NBF Economics and Strategy (data via Statistics Canada)

Canada: Auto imports slip further below September's all-time high
Imports of motor vehicles and parts, balance-of-payments basis, current dollars



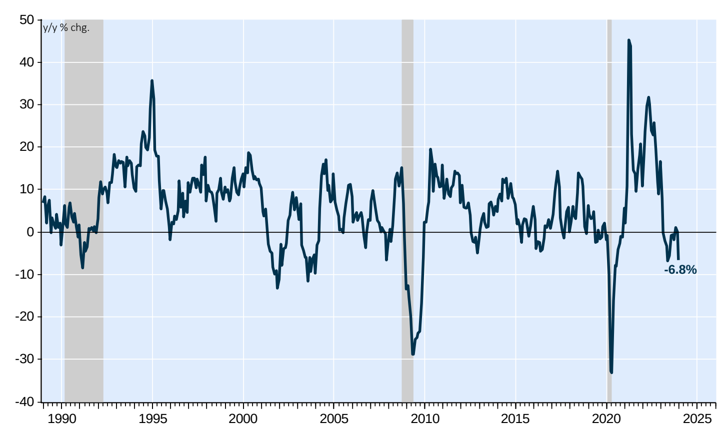
NBF Economics and Strategy (data via Statistics Canada)

The merchandise trade balance swung from a deficit of C$0.86 billion (initially estimated at C$0.31 billion) in December to a surplus of C$0.50 billion in January. Economists expected the balance to break even (C$0.00). Nominal exports retraced 1.7%, while nominal imports fell 3.8%. On the exports side, 8 of the 11 industries saw decreases, led by aircraft/transportation equipment (-13.9%), metal/non-metallic mineral products (-6.2%), farm/fishing/ intermediate food products (-3.2%), and industrial machinery/equipment (-3.0%). These declines were only partially offset by gains for consumer goods (+3.6%) and motor vehicles/parts (+2.6%). On the imports side, 7 of the 11 product sections were down, led by metal ores/non-metallic minerals (-9.9%), metal/non-metallic mineral products (-9.2%), consumer goods (-7.1%), and motor vehicles/parts (-5.2%). Canada's energy surplus with the world narrowed from C$11.7 billion to a six-month low of C$11.4 billion, while the non-energy deficit slid from C$12.5 billion to C$10.9 billion. The trade surplus with the United States swelled from C$8.6 billion to C$8.8 billion. In real terms, exports cooled 1.8%, while imports plunged 4.1%. The services trade deficit widened from C$0.7 billion to a 12-month high of C$1.3 billion.

Canada's merchandise trade balance with the world climbed back into surplus territory in January as imports dropped the most in six months. Inbound shipments of consumer goods contracted a whopping 7.1%, but this came on the heels of record growth the prior month (+9.8%). As was the case in December, this reflected a rather large swing in the volatile pharmaceutical products subcategory (-19.0%). Lower imports of motor vehicles/parts also contributed to the improvement in the overall trade balance. The 5.2% drop recorded in January marked a fourth consecutive monthly decline in this sector and left auto imports 14.8% below the record level reached in September. Statistics Canada attributed this recent slide to "plant retooling, supply issues, strikes, as well as cooling demand".

The trade surplus would have been even in the first month of the year had it not been for exports, which registered their fourth consecutive monthly decline. The drop reflected broad-based decreases in the metal/non-metallic mineral products segment, as well as lower aircraft shipments to the United States. The slump in exchanges observed in January is unfortunately part of a broader trend that has seen imports and exports of goods fall a whopping 6.0% and 7.5%, respectively, over the previous 12 months, resulting in a 6.8% decline in total merchandise trade. Such a drop has rarely been observed outside recessionary periods and bears witness not only to the weakness of the Canadian economy, but also to the slowdown in global demand.

Canada: Drop in goods exchanges testify to the weakness of global demand
Total merchandise trade (imports + exports), balance-of-payments basis, current dollar



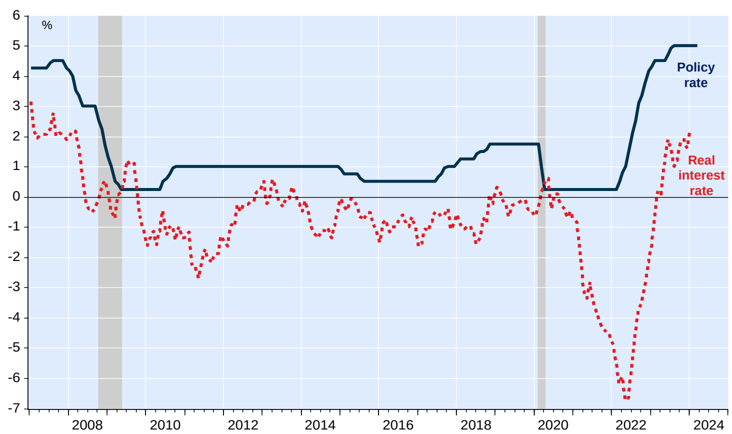
NBF Economics and Strategy (data via Statistics Canada)

For the fifth straight meeting the Bank of Canada left its overnight rate target unchanged at 5.0%, a decision in line with a unanimous consensus. Regarding its balance sheet, "the Bank is continuing its policy of quantitative tightening". Once again, this was the extent of QT discussions, though a Toni Gravelle speech scheduled for March 21 should provide more details on the matter. Here are additional highlights from the rate statement:

- The Governing Council is still concerned about inflation risks, "particularly the persistence in underlying inflation". Again, there was no "threat" to hike further—that line was scratched in the January statement.

- The statement again highlighted the "focus items" most relevant to the rate outlook: balance between demand and supply in the economy, inflation expectations, wage growth, and corporate pricing behaviour. The GC also wants to see "further and sustained easing in core inflation". These items were unchanged from January. In fact, the Bank's emphasis on these indicators extends back even further.
- The statement reiterated January's assertion that the economy is operating in "modest excess supply". Despite stronger-than-expected GDP growth in Q4, the Bank noted that the "pace [of growth] remained weak and below potential".
- On the labour market, the BoC highlighted that employment growth was being outpaced by population growth. In what might be the only modest surprise in the statement, they noted "there are now some signs that wage pressures may be easing".
- As for inflation, there was really no change to their assessment despite a soft January CPI report. Shelter inflation remained elevated and "underlying inflationary pressures persist". The Bank still believed in its inflation forecast, which has prices rising roughly 3% in the first half of the year before "gradually easing".
- In the opening statement to the press conference, BoC Governor Tiff Macklem stressed: "It's still too early to consider lowering the policy interest rate."

Canada: The central bank remains restrictive
Bank of Canada policy rate and real interest rate (Policy Rate - Annual Inflation)

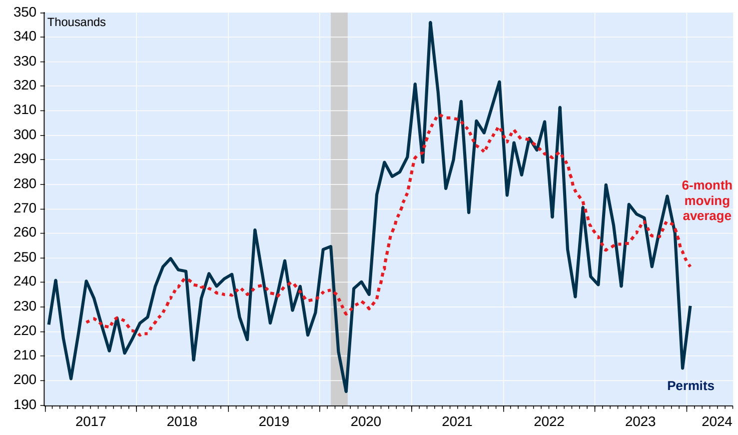


NBF Economics and Strategy (data via Statistics Canada)

The Bank's next decision will take place April 10. The Summary of Deliberations for this week's decision will be released March 20 at 1:30 PM ET.

The number of residential building permits issued rose 12.5% in January to 230.3K (seasonally adjusted and annualized). The monthly increase was due entirely to a 21.7% surge in the multi-family segment to 182.2K. The number of permits issued for the construction of single-family units, meanwhile, fell 12.7% to an eight-month low of 48.0K.

Canada: Despite January rebound, the trend in permits is declining
Building permits and 6-month moving average (Last data: January 2024)

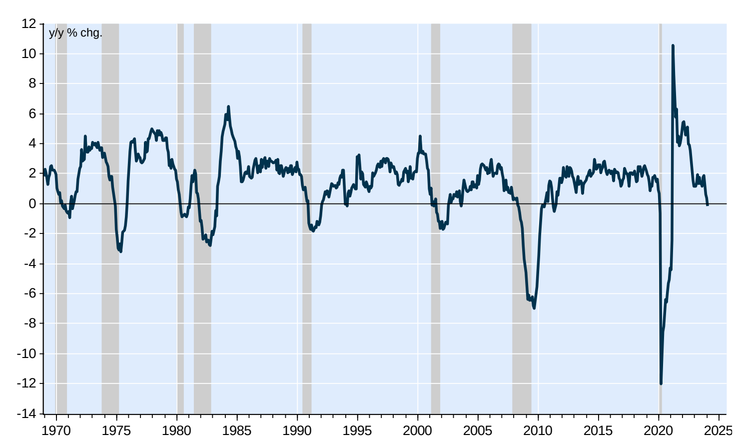


NBF Economics and Strategy (data via Statistics Canada)

UNITED STATES:

In the U.S., nonfarm payrolls rose 275K in February, a lot more than the median economist forecast calling for a +275K. However, this upside surprise was more than compensated by a -167K cumulative revision to the prior months' data. Employment in the goods sector rose 19K as a 23K gain in construction was only partially offset by a 4K decline for manufacturing. Mining/logging employment, meanwhile, remained unchanged. Jobs in services-producing industries, for their part, expanded 204K, with notable increases for health/social assistance (+91K), leisure/hospitality (+58K), transportation/warehousing (+20K) and retail trade (+19K). The temporary help services category, on the other hand, saw payrolls decrease 15K, marking a 23rd consecutive decline in that segment. In total, 223K jobs were created in the private sector, compared with 52K in the public sector, the latter split between federal (+9K) and state/local (+43K) administration. Average hourly earnings rose 4.3% y/y in February, down from 4.4% the prior month and in line with consensus expectations. Month on month, earnings progressed 0.1%, the least in two years.

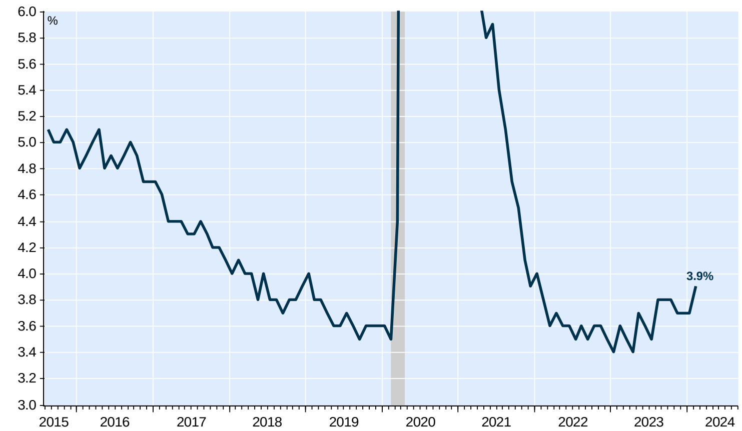
U.S.: Full-time employment in contraction
Full-time employment



NBF Economics and Strategy (data via Bloomberg)

Released at the same time, the household survey (similar in methodology to Canada's LFS) painted a much less upbeat picture of the situation prevailing in the labour market, with a reported 184K drop in employment. This decline, combined with an unchanged participation rate (62.5%) and a 150K expansion in the labour force translated into a two-tick increase in the unemployment rate to a 25-month high of 3.9%. Full-time employment contracted 187K, while the ranks of part-timers swelled 51K.

U.S.: Unemployment rate at a 25-month high
Unemployment rate

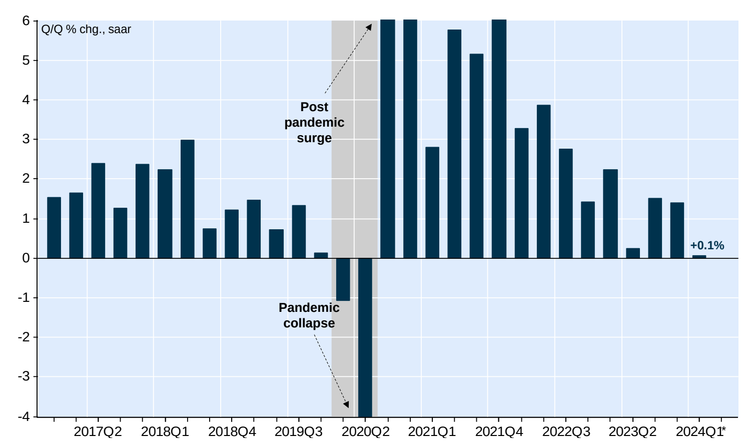


NBF Economics and Strategy (data via Bloomberg)

As has so often been the case in recent months, the two job reports released today sent contradictory messages, with the establishment survey showing strong jobs gains and the household poll reporting a fourth decline in employment in the past five months. While such discrepancies are common given the reports' volatility, month-on-month divergences tend to be smoothed out over the longer term. But this hasn't been the case lately. Instead, both reports have grown further apart over the past six months, with the establishment poll flagging a 1,387K gain in employment and the household survey reporting 532K job losses.

The establishment report also signaled a slowdown in growth. Aggregate hours (a good proxy for GDP growth) recovered in February after having been negatively impacted by adverse weather the prior month but were still flagging a meagre 0.1% annualized expansion in the first quarter, down from 1.4% in Q4.

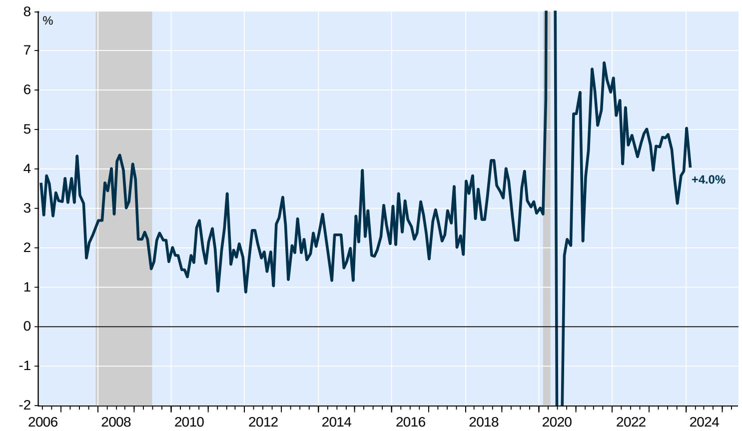
U.S.: Hours worked hint at weaker economic growth in Q1
Aggregate hours worked



*With one months of data still to come
NBF Economics and Strategy (data via Bloomberg)

Fortunately, this data was accompanied by very good news on the wage front. To be sure, average hourly earnings rose just 0.1% in February, which translates into a 4.0% annualized gain over the past three months. While this remains high on a historical basis, it still represented a noticeable improvement from the 5.0% print recorded in January.

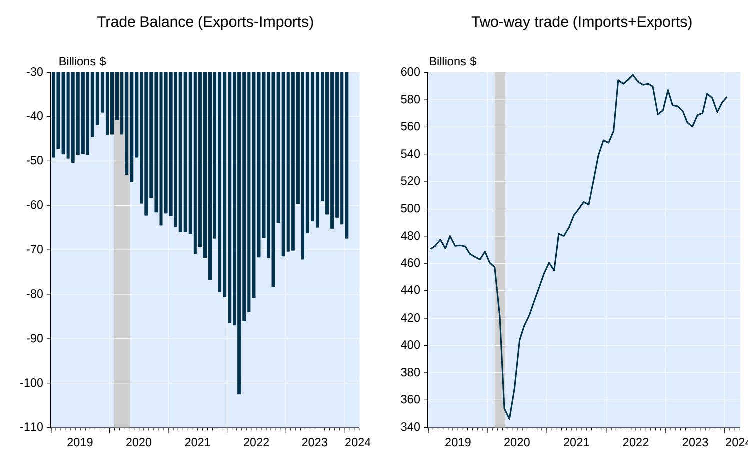
U.S.: Wage growth eases, remains high
Average hourly earnings, three-month annualized gain



NBF Economics and Strategy (data via Bloomberg)

The trade deficit widened in January, moving from $64.2 billion to $67.4 billion. This was due mainly to a $3.1-billion increase in goods imports (to $263.4 billion), led by capital goods (+$3.1 billion) and autos/parts (+$2.0 billion). Goods exports, for their part, grew $0.2 billion (to $171.8 billion) on increases for autos/parts (+$1.4 billion), consumer goods (+$0.6 billion), and capital goods (+$0.6 billion). As imports increased at a faster pace than exports did, the goods trade deficit widened from $88.6 billion to $91.6 billion.

U.S.: The deficit deteriorated while two-way trade improved



NBF Economics and Strategy (data via Datastream)

Country by country, the U.S. goods deficit widened with China (from $22.1 billion to $23.7 billion), Japan (from $5.3 billion to $6.8 billion), and Canada (from $5.6 billion to $7.0 billion) but narrowed with Mexico (from $12.8 billion to $11.6 billion) and the Euro Area (from $15.0 billion to $14.3 billion).

The services surplus, meanwhile, edged down from $24.5 billion in December to $24.2 billion in January, as exports grew $0.2 billion (to $85.4 billion) while imports swelled $0.5 billion (to $61.3 billion). Travel exports continued to recover but remained slightly below their pre-pandemic level. On the flip side, travel imports, which serve as a proxy for the number of Americans travelling abroad, increased by $0.5 billion in the month.

According to the latest edition of the **Fed's Beige Book**, 8 of the 12 Federal Districts reported slight- to-modest growth in economic activity in the run-up to the February 26 survey deadline. Three others signaled no change, and one reported a slight softening of activity. (Three Districts reported a decline in activity in the previous iteration of the survey.) Fed contacts signaled sensitivity to prices for consumption spending with a shift away from discretionary goods. Activity in the leisure and hospitality sectors was mixed while air travel remained strong. Supply bottlenecks in manufacturing normalized although delays in deliveries due to disruptions in the Red Sea were extended. Even though prospects of falling interest rates were fueling optimism in the real estate sector, concerns about the office market remained. The outlook for the economy was positive, with respondents expecting financial conditions to improve and demand to pick up.

Most of the Districts reported a slight-to-modest improvement in overall employment levels. There were signs of a cooling labour market, including larger applicant pools and easing wage pressures.

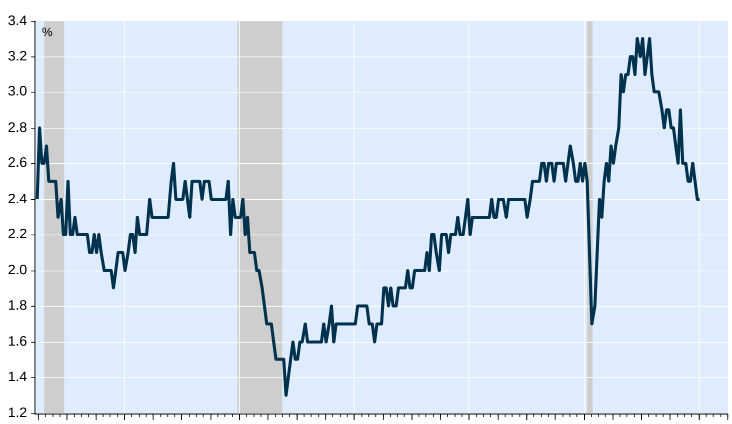
On the inflation front, prices continued to rise but several Districts reported some moderation. Contacts saw freight and insurance costs increase recently. That said, businesses were finding it harder to pass higher costs on to consumers, who remained sensitive to prices.

The Job Openings and Labor Turnover Survey (JOLTS) showed that the number of positions waiting to be filled decreased from 8,889K in December (initially estimated at 9,026K) to 8,863K in January. With the number of people looking for a job remaining steady, the ratio of job offers to unemployed persons stayed at 1.4, its lowest point since September 2021 but still well above this indicator's pre-pandemic level (≈1.20-1.25).

The monthly decrease in job offers was led by retail (-170K), government (-105K), and construction (-21K). Alternatively, job postings increased in leisure and hospitality (+97K), accommodation and food services (+94K), and professional business services (+54K).

The quit rate (number of voluntary separations as a percentage of total employment) edged down one tick to 2.1%, two ticks below its pre-pandemic level (February 2020). Moreover, the quit rate in the private sector held at 2.4%, which is below its pre-pandemic level.

United States: Quit rate in private sector still below pre-pandemic level
Quit rate in private sector (number of voluntary separations to total employment)



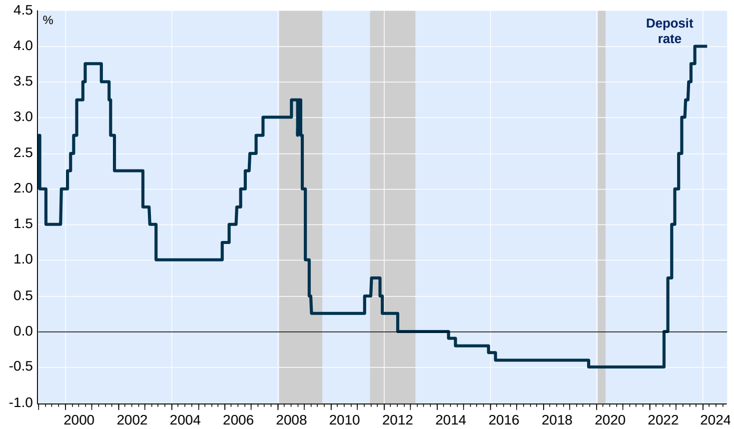
NBF Economics and Strategy (data via Refinitiv)

Initial jobless claims were unchanged from 217K in the week to March 2. Continued claims, for their part, rose slightly from 1,898K to 1,906K.

WORLD:

As widely expected, the European Central Bank kept its policy rates unchanged following Thursday's monetary policy meeting. The ECB's main refinancing rate held steady at an all-time high of 4.50% while the marginal lending facility rate and the deposit facility rate stayed put at 4.75% and 4.00%, respectively.

Eurozone: The ECB keeps rates at their highest level on record
European Central Bank deposit rate



NBF Economics and Strategy (data via Refinitiv)

The statement released jointly with the rate announcement mentioned that, since the last meeting, inflation had moderated further. Inflation forecasts for 2024 were revised down on account of lower energy prices. ECB staff now saw inflation in the current year averaging 2.3% and reaching target in 2025 (2%). That said, staff also expected growth to be tepid in 2024 as restrictive financing conditions and monetary policy would continue to curtail demand. Growth was expected to hover around 0.6% for the year, a paltry showing after essentially no growth in 2023. In this context, the central bank indicated that it would "continue to follow a data-dependent approach".

At the press conference following the announcement, ECB President Christine Lagarde said that while interest rate cuts were off the table at this meeting, they (Governing Council) had started the discussion towards easing policy away from being restrictive. While she did not explicitly mention June, she did hint that, by that meeting, they would have the data points necessary to decide. Lagarde was comforted by the latest trend in inflation but remained cautious and was unwilling to cry victory yet. As for risks to growth prospects, Lagarde said that, given the restrictive level of monetary policy and high global economic uncertainty, the risks were "tilted to the downside".

What we'll be watching

IN THE U.S., the publication of February's CPI report will attract a lot of attention. The energy component is likely to have had a positive impact on the headline index given the rise in gasoline prices during the month. This, combined with a decent gain in shelter costs, should result in a 0.4% increase in headline prices. If we're right, the year-on-year rate could remain unchanged at 3.1%. The advance in core prices could have been slightly more subdued (+0.3% m/m) thanks in part to another weak print in the core goods segment. This monthly gain should allow the annual rate to come down two ticks to 3.7%, its lowest level in nearly three years. February's retail sales data will also be watched closely. Judging from an increase in auto sales, motor vehicles and parts dealers could have contributed positively to the headline figure. Outlays at gasoline stations may also have increased, reflecting higher pump prices. And with the return of milder weather, it would not be surprising to see a number of other sectors rebound from their January declines, underpinning a 1.1% rise in headline sales. Ex-auto outlays could have been a tad weaker, advancing 0.8% month on month. In other news, industrial production could have moved up 0.3% in February, as a rebound in the manufacturing sector may have been only partially offset by a decline in utility output. The first clues on the state of the manufacturing sector in March will be available with the publication of the Empire State Manufacturing Index. The February iteration of the NFIB Small Business Optimism Index will be also published alongside March's Consumer Sentiment Index (University of Michigan). With the FOMC due to meet on March 19-20, Fed officials will refrain from making any public appearances.

		Previous	NBF forecasts
Tues:	CPI (February, y/y/ chg.)	3.1%	**3.1%**
	Core CPI (February, y/y/ chg.)	3.9%	**3.7%**
Thur:	Retail sales (February, m/m chg.)	-0.8%	**1.1%**
	Ex-autos retail sales (February, m/m chg.)	-0.6%	**0.8%**
Fri:	Industrial production (February, m/m chg.)	-0.1%	**0.2%**

IN CANADA, a housing market update will be provided with the release of February's housing starts. If recent data on residential permits is any guide, the latter could have edged up to 225.0K (seasonally adjusted and annualized), as a gain in the multi-family segment was probably partially offset by a decline for single-family units. The week will also feature the release of January's manufacturing sales, which could have expanded 0.4% on gains in the transportation equipment and machinery subsectors. Finally, we'll keep an eye on the release of wholesale trade sales for the month of January.

		Précédent	Prévisions FBN
JEU:	Livraisons manufacturières (janvier, var. m/m)	-0.7%	**0.4%**
VEN:	Mises en chantiers (février, nombre d'unités annualisé)	223.6K	**225.0K**

ELSEWHERE IN THE WORLD, we'll get industrial production data for the month of January in the eurozone. A busy week in China will be highlighted by the publication of new home prices for the month of February.

Economic Calendar – Canada & U.S.

Economic releases & events

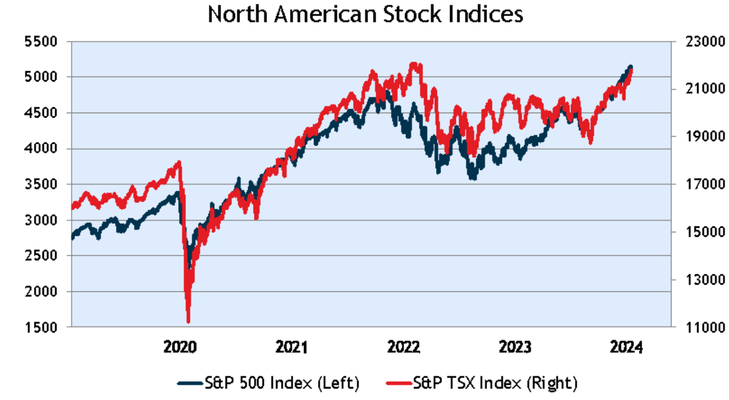
Day	Time	Country	Release	Period	Previous	Consensus Estimate	NBF Estimate
Monday Mar 11							
Tuesday Mar 12	6:00	US	NFIB Small Business Optimism	Feb	89.9	90.6	
	8:30	US	CPI MoM	Feb	0.30%	0.40%	0.40%
	8:30	US	CPI Ex Food and Energy MoM	Feb	0.40%	0.30%	0.30%
	8:30	US	CPI YoY	Feb	3.10%	3.10%	3.10%
	8:30	US	CPI Ex Food and Energy YoY	Feb	3.90%	3.70%	3.70%
Wednesday Mar 13	7:00	US	MBA Mortgage Applications	Mar-08	9.70%	--	
Thursday Mar 14	8:30	CA	Manufacturing Sales MoM	Jan	-0.70%	0.40%	0.40%
	8:30	US	Retail Sales Advance MoM	Feb	-0.80%	0.70%	1.10%
	8:30	US	Retail Sales Ex Auto MoM	Feb	-0.60%	0.50%	0.80%
	8:30	US	PPI Final Demand MoM	Feb	0.30%	0.30%	
	8:30	US	PPI Ex Food and Energy MoM	Feb	0.50%	0.20%	
	8:30	US	PPI Final Demand YoY	Feb	0.90%	--	
	8:30	US	PPI Ex Food and Energy YoY	Feb	2.00%	--	
	8:30	US	Initial Jobless Claims	Mar-09	217k	--	
Friday Mar 15	8:15	CA	Housing Starts	Feb	223.6k	217.5k	225.0k
	8:30	US	Empire Manufacturing	Mar	-2.4	-7.0	
	8:30	CA	Int'l Securities Transactions	Jan	10.44b	--	
	9:15	US	Industrial Production MoM	Feb	-0.10%	0.00%	0.20%
	9:15	US	Capacity Utilization	Feb	78.50%	78.40%	
	10:00	US	U. of Mich. Sentiment	Mar P	76.9	77.0	

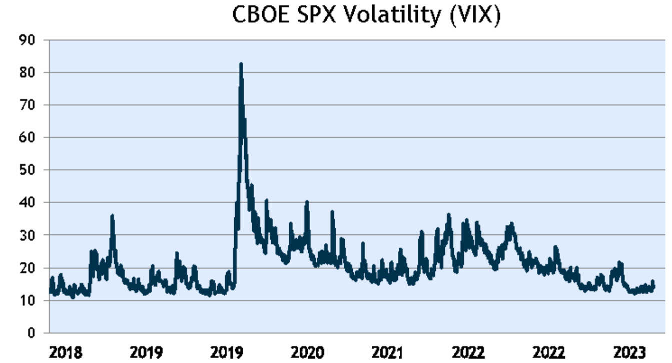
Earnings announcements

Day	Company	Time	Qtr	Cons. EPS
Monday Mar 11	Westshore Terminals Investment	0:00	Q4 23	0.36
	Lithium Americas Corp	0:00	Q3 23	-0.02
	Ballard Power Systems Inc	Bef-mkt	Q4 23	-0.13
	SilverCrest Metals Inc	Bef-mkt	Q4 23	0.13
	Oracle Corp	Aft-mkt	Q3 24	1.38
Tuesday Mar 12	Wesdome Gold Mines Ltd	Aft-mkt	Y 23	0.02
	Labrador Iron Ore Royalty Corp	Aft-mkt	Q4 23	0.86
	Transcontinental Inc	Aft-mkt	Q1 24	0.34
	Archer-Daniels-Midland Co	Bef-mkt	Q4 23	1.42
Wednesday Mar 13	Mattr Corp	Aft-mkt	Q4 23	0.45
	Jamieson Wellness Inc	Aft-mkt	Q4 23	0.77
	Dollar Tree Inc	Bef-mkt	Q4 24	2.65
	Lennar Corp	Aft-mkt	Q1 24	2.21
Thursday Mar 14	Empire Co Ltd	06:30	Q3 24	0.66
	Wheaton Precious Metals Corp	Aft-mkt	Q4 23	0.32
	Dollar General Corp	Bef-mkt	Q4 24	1.73
	Ulta Beauty Inc	Aft-mkt	Q4 24	7.54
	Adobe Inc	Aft-mkt	Q1 24	4.38
Friday Mar 15	Premium Brands Holdings Corp	07:00	Q4 23	1.20
	EQB Inc	0:00	Q3 23	0.00
	Jabil Inc	Bef-mkt	Q2 24	1.66

Source: Bloomberg

Data Update – Table 1



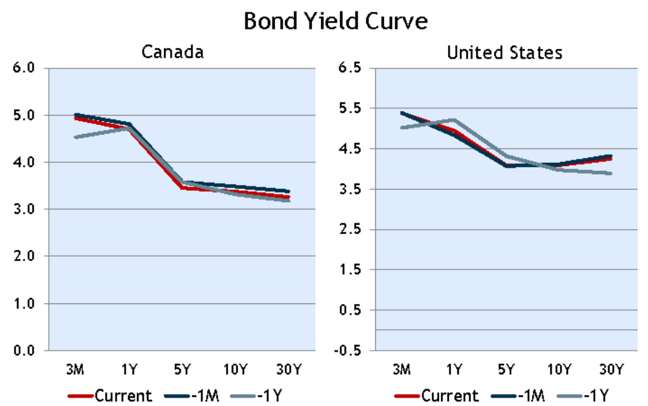


Stock Indices

	Level	Total return performances (in C$ / in local currency) 1 week	1 month	3 months	YTD	1 year	5 years (ann.)	10-year Hi / Low Hi (Date)	Low (Date)
Canada									
S&P/TSX Composite	21794.6	2.1%	4.2%	8.3%	4.5%	11.1%	9.6%	22087.2 (29 Mar 2022)	11228.5 (23 Mar 2020)
U.S.									
S&P 500 Composite	5157.4	0.6% / 1.2%	3.5% / 3.4%	11.9% / 12.9%	10.8% / 8.4%	29.1% / 31.5%	15.4% / 15.3%	5157.4 (7 Mar 2024)	1815.7 (11 Apr 2014)
Dow Jones Industrials	38791.4	-1.1% / -0.5%	0.7% / 0.6%	6.9% / 7.9%	5.7% / 3.4%	18.5% / 20.7%	11.2% / 11.1%	39131.5 (23 Feb 2024)	15660.2 (11 Feb 2016)
Nasdaq Composite	16273.4	0.5% / 1.2%	3.5% / 3.4%	12.7% / 13.7%	11.0% / 8.6%	39.7% / 42.3%	18.1% / 18.0%	16274.9 (1 Mar 2024)	3999.7 (11 Apr 2014)
World									
Euro Stoxx 50	4974.2	2.4% / 2.0%	8.2% / 6.4%	12.0% / 11.5%	11.6% / 10.3%	21.9% / 20.2%	11.3% / 11.9%	4974.2 (7 Mar 2024)	2385.8 (18 Mar 2020)
FTSE100	7692.5	1.7% / 1.2%	3.0% / 1.7%	4.2% / 3.4%	2.9% / 0.4%	7.1% / 1.2%	4.9% / 5.4%	8014.3 (20 Feb 2023)	4993.9 (23 Mar 2020)
TOPIX	2718.5	2.0% / 1.6%	6.6% / 6.7%	11.2% / 15.4%	11.8% / 14.9%	23.6% / 36.3%	7.7% / 13.9%	2730.7 (6 Mar 2024)	1132.8 (14 Apr 2014)
CSI 300	3529.7	-0.3% / 0.4%	5.6% / 5.6%	2.6% / 4.2%	3.6% / 2.9%	-15.5% / -10.6%	-0.7% / 0.7%	5807.7 (10 Feb 2021)	2087.0 (20 Mar 2014)
MSCI World	773.1	1.0% / 1.6%	4.0% / 4.0%	10.5% / 11.5%	9.0% / 6.7%	22.7% / 24.9%	11.7% / 11.6%	773.1 (7 Mar 2024)	353.4 (11 Feb 2016)
MSCI Emerg. Markets	1030.3	0.3% / 0.9%	3.0% / 2.9%	5.7% / 6.7%	3.1% / 0.9%	5.6% / 7.5%	2.7% / 2.6%	1444.9 (17 Feb 2021)	688.5 (21 Jan 2016)
MSCI EAFE	2344.7	2.1% / 2.7%	5.7% / 5.7%	9.1% / 10.1%	7.6% / 5.2%	15.5% / 17.6%	8.1% / 8.0%	2404.8 (6 Sep 2021)	1354.3 (23 Mar 2020)

Canadian Bond Indices

	Total return performances 1 week	1 month	YTD	1 year	5 years (ann.)
Refinitiv Indices					
Overall Universe	0.9%	1.3%	-1.0%	4.4%	0.5%
Long Term Universe	1.6%	2.1%	-2.6%	4.0%	-0.8%
Mid Term Universe	0.9%	1.1%	-0.9%	4.4%	0.6%
Short Term Universe	0.3%	0.7%	0.3%	4.7%	1.4%
Federal Universe	0.8%	1.1%	-1.1%	3.2%	-0.2%
Provincial Universe	1.1%	1.4%	-1.7%	4.0%	0.2%
Corporate Universe	0.7%	1.4%	0.1%	6.7%	2.0%

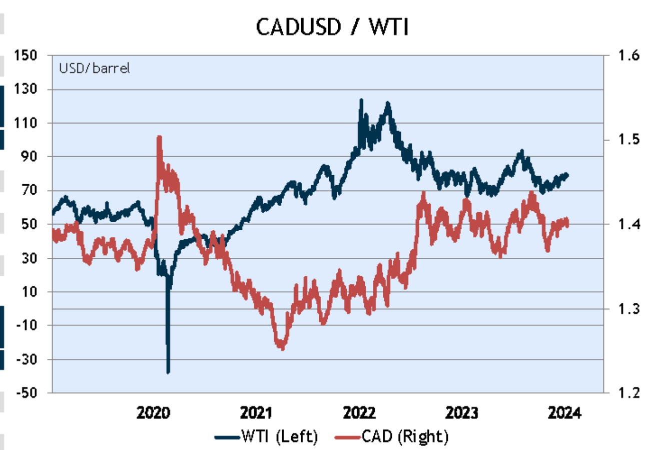


Bond Yield Curve

	3 mths	1 year	5 years	10 years	30 years
Canada	4.93%	4.70%	3.45%	3.37%	3.26%
1 week chg (bps)	-5	-6	-12	-12	-11
1 month chg (bps)	-8	-11	-13	-11	-12
1 year chg (bps)	+40	-2	-13	+6	+8
U.S.	5.38%	4.95%	4.08%	4.09%	4.25%
1 week chg (bps)	+1	-6	-17	-15	-11
1 month chg (bps)	-1	+11	+1	-2	-7
1 year chg (bps)	+37	-27	-24	+12	+36

Currencies

	latest	1 week ago	1 month ago	January 1st	1 year ago
USDCAD	1.348	1.356	1.347	1.319	1.372
US cents per cad	0.742	0.737	0.742	0.758	0.729
EURCAD	1.473	1.468	1.449	1.457	1.453
EURUSD	1.093	1.082	1.076	1.105	1.059
USDJPY	148.1	149.7	148.0	141.0	136.8
GBPUSD	1.279	1.265	1.263	1.275	1.187
USDCNY	7.199	7.193	7.193	7.092	6.928



Commodities

	latest	1 week ago	1 month ago	January 1st	1 year ago
Oil - WTI ($/barrel)	78.93	78.26	73.86	71.65	77.58
Oil - Brent ($/barrel)	86.58	86.27	83.78	80.30	84.15
Gold ($/oz)	2151.75	2045.45	2040.90	2065.45	1819.40
CRB Metals (index)	773.9	773.9	773.9	784.0	784.0

Data Update – Table 2

Jobs

	Unemployment rate		Employment change	
	Latest	12 months ago	Latest	12-month avg
Canada	5.8%	5.1%	40.7K	30.7K
Ontario	6.5%	5.2%	6.7K	6.7K
Quebec	4.7%	4.1%	8.8K	3.4K
British Columbia	5.2%	5.0%	5.9K	5.9K
Alberta	6.2%	5.9%	17.4K	8.3K
United States	3.9%	3.6%	275.0K	229.0K
Eurozone	6.4%	6.6%	---	---
Japan	2.4%	2.5%	-30.0K	20.0K

Inflation

	Y/Y Latest	3-mth ann.	Y/Y 6 months ago	Y/Y 1 year ago
Canada				
Headline CPI	2.9%	1.8%	3.3%	5.9%
Average core	3.4%	---	4.1%	4.2%
United States				
Headline PCE	2.4%	1.8%	3.3%	5.5%
Core PCE	2.8%	2.6%	4.2%	4.9%
Eurozone				
Headline CPI	2.6%	---	5.2%	8.5%
Core CPI	3.1%	---	5.3%	5.6%
Japan				
Headline CPI	2.1%	0.4%	3.3%	4.4%
Core CPI	2.0%	1.9%	3.1%	4.2%

Housing Market

	Median home price	Mort. payment share of income / 12 months ago	House prices Y/Y chg.	Housing starts 3-month avg. / 10yr avg
Canada	$780,258	63.4% / 66.1%	3.8%	227.8K / 222.2K
Toronto	$1,187,646	86.8% / 91.3%	2.2%	31.1K / 39.5K
Vancouver	$1,252,361	99.7% / 102.5%	6.0%	26.7K / 25.3K
Montreal	$509,957	43.9% / 46.2%	4.0%	16.4K / 23.0K
Calgary	$574,734	43.0% / 40.3%	7.8%	21.7K / 13.6K
United States	---	---	5.5%	1468.3K / 1304.0K

Manufacturing Sector

	Markit manufacturing PMI		Industrial production	
	Latest	6-month trend	3 mth ann chg	12-month chg
Canada	49.7	▲	2.8%	0.6%
United States	52.2	▲	0.8%	0.0%
Eurozone	46.5	▲	9.6%	1.0%
Japan	47.2	▼	-25.1%	-3.2%
China	50.9	▼	---	---

Central Banks

	Policy rate	12 months ago	Trend	Next announce
Bank of Canada	5.00%	4.50%	▲	4/10/24
Fed Reserve (upper bound)	5.50%	4.75%	▲	3/20/24

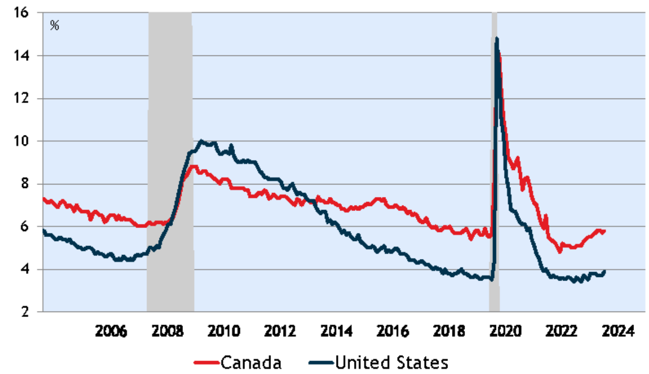
GDP Growth

	Q/Q ann Latest	Q/Q ann Previous	Y/Y Latest	Y/Y 6 months ago
Canada	1.0% (Q4)	-0.5% (Q3)	0.9%	0.5%
United States	3.2% (Q4)	4.9% (Q3)	3.1%	2.9%
Eurozone	-0.2% (Q4)	-0.2% (Q3)	0.1%	0.1%
Japan	-0.4% (Q4)	-3.3% (Q3)	1.1%	1.6%

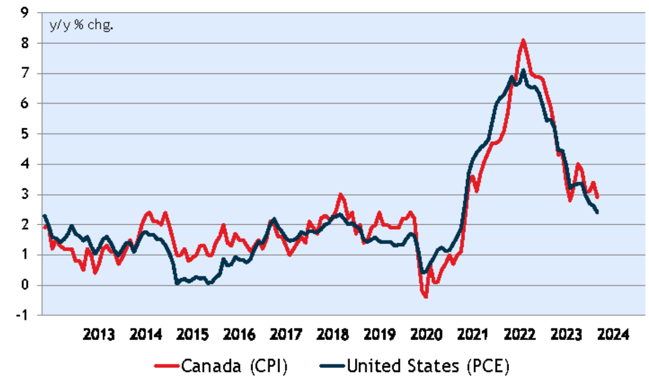
Contributions to real GDP growth - Canada

	Q4 2023	Q3 2023	Q2 2023	Q1 2023
GDP	**1.0**	**-0.5**	**0.6**	**2.6**
Consumption	0.5	0.3	-0.4	2.2
Business Investment	-0.9	-1.7	1.1	0.3
Nonprofit Sector	0.0	0.1	0.0	0.0
Residential Investment	-0.1	0.6	-0.3	-1.2
Government	-0.3	1.5	-0.1	0.9
Final Domestic Demand	**-0.7**	**0.8**	**0.4**	**2.2**
Exports	1.8	-0.4	1.4	4.6
Imports	0.6	-0.4	-1.6	-1.3
Trade	**2.4**	**-0.8**	**-0.1**	**3.3**
Inventories	-0.5	-0.4	0.4	-2.9
Statistical discrepancy	-0.2	-0.1	0.0	0.1

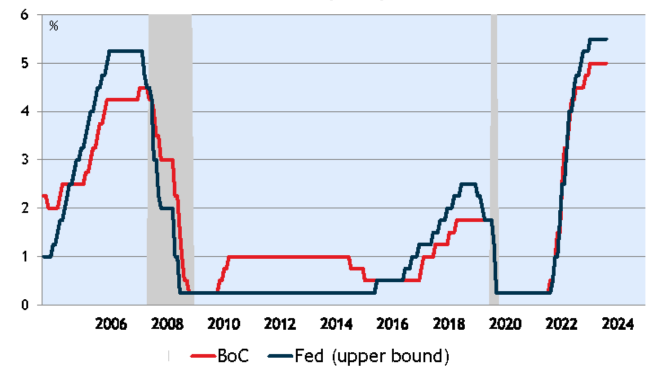
Unemployment rate



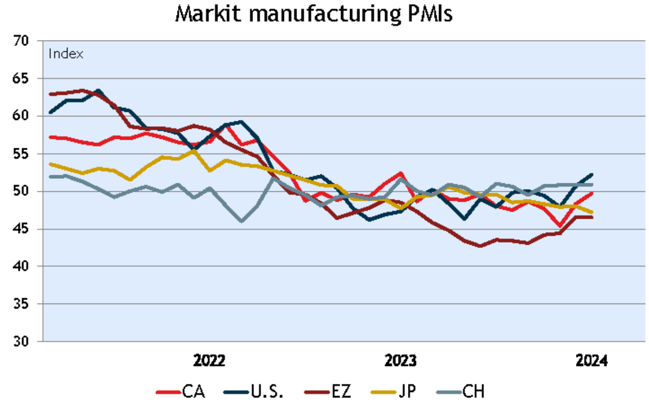
Headline inflation



Central banks' policy rates



Markit manufacturing PMIs



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