Weekly Economic Watch

Economics and Strategy

NATIONAL BANK OF CANADA FINANCIAL MARKETS

March 15, 2024

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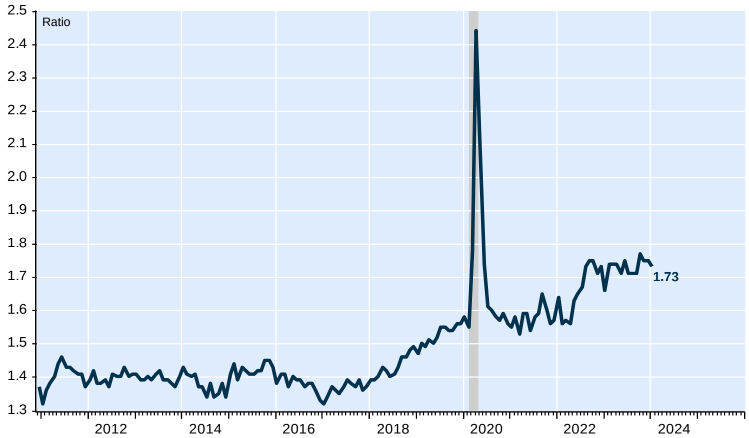
Week in review

CANADA: Manufacturing sales rose 0.2% in January, two ticks short of consensus expectations calling for a 0.4% monthly increase. The prior month's result was revised down four ticks to -1.1%. Higher sales in January were driven exclusively by non-durable (+0.8%) goods-producing industries as durable goods were down in the month (-0.3%).

On the non-durable goods front, the improvement came from higher sales in chemical manufacturing (+3.5%), food manufacturing (+0.9%), and plastics/rubber products (+2.6%) being only partly offset by lower sales for petroleum/coal product (-1.3%) and beverages/tobacco products (-1.9%). On the durable goods side, the decline stemmed from pullbacks in fabricated metal products (-5.8%), primary metal manufacturing (-3.4%), and wood product manufacturing (-3.3%), among others. These retreats were not wholly offset by advances for transportation equipment (+4.3% thanks to the largest increase for motor vehicles in 23 months), miscellaneous (+10.0%), and machinery (+0.4%) manufacturing. Where the transportation equipment industry is concerned, the strength was largely concentrated in autos, as motor vehicles (+19.6%) and motor vehicle parts (+2.0%) posted gains. That said, aerospace offset a sizeable portion of this with a 16.7% drop in the month. In the end, sales were up in 11 of the 21 industries covered.

At the provincial level, seven provinces saw a monthly increase, led by Ontario (+3.8%), New Brunswick (+4.2%), and Saskatchewan (+4.0%), while Quebec (-4.2%), Alberta (-3.4%), and British Columbia (-5.1%) posted decreases. With the price effect removed, total factory sales were up 1.1% in the month while real inventories increased 0.3%. As a result, the real inventory-to-sales ratio fell three ticks to a still elevated 1.73. The capacity utilization rate (not seasonally adjusted) of all manufacturing sectors rose from 75.1% in December to 77.1% in January.

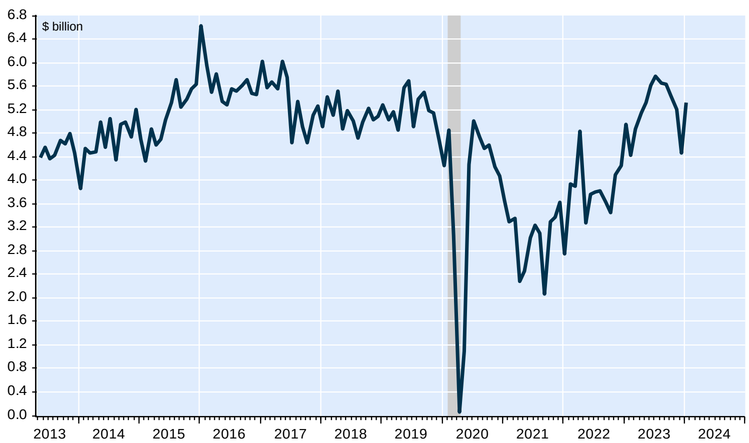
Canada: Ratio of inventory to sales remains high
Real inventory-to-sales ratio of manufacturing sector



NBF Economics and Strategy (data via Statistics Canada)

According to Statistics Canada, the resumption of production following plant retooling in Ontario made for the impressive gains in the motor vehicle products sector. While a rebound is expected, the present high interest rate environment could keep a lid on demand for automobiles in 2024. The transportation equipment sector could have posted a larger increase had it not been for aerospace products/parts, which dropped off steeply from the record level of production reached the prior month. On the chemical manufacturing side, the increase was due to higher sales of pesticides/fertilizers and agricultural chemicals.

Canada: Shipments of motor vehicle rebound in January
Sales in the motor vehicle industry

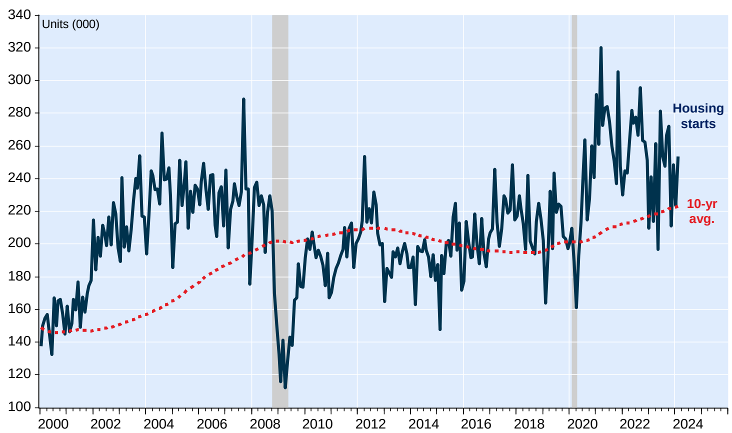


NBF Economics and Strategy (data via Statistics Canada)

Back at the national level, manufacturing sales on a volume basis registered a decent start for the year following a decline in the fourth quarter. That said, the real inventory-to-sales ratio remains elevated and relatively tepid global demand does not bode well for growth in the sector in the coming months. The timelier Canadian manufacturing PMI holds a bit of hope that the situation will stabilize, though it is far from suggesting a major improvement on the horizon.

Housing starts increased by 30.3K in February to 253.5K (seasonally adjusted and annualized), a result well above the median economist forecast calling for a 227.5K print. Urban starts increased by 31.1K (to 238.6K) on a gain for the multi-family segment (+32.2K to 196.4K), while the single-family segment decreased slightly (-1.0K to 42.2K). Starts increased in Toronto (+7.6K to 56.4K) and Vancouver (+14.5K to 32.8K), while they decreased in Montreal (-4.7K to 10.4K) and Calgary (-3.4K to 21.6K). At the provincial level, total starts went up in B.C. (+15.3 to 46.4K), Alberta (+7.0K to 48.2K), Ontario (+7.0K to 90.0K), Nova Scotia (+6.0K to 12.9K), New Brunswick (+1.4K to 5.3K), and Manitoba (+0.3K to 5.1K). Alternatively, decreases were recorded in Quebec (-4.9K to 40.6K), P.E.I. (-1.1K to 0.4K), Newfoundland (-0.5K to 1.0K), and Saskatchewan (-0.2K to 3.5K).

Canada: Housing starts rebounded in February
Housing starts (seasonally adjusted annual rate) and 10-year moving average



NBF Economics and Strategy (data via CMHC)

After falling sharply in January, the rebound in housing starts in February comes as good news, given the severe housing shortage in the Canadian real estate market exacerbated by the historical demographic growth. This increase comes at a time when this winter's particularly mild weather may have had an upward effect on seasonal trends, despite the impact of high interest rates, which is increasingly being felt on the economy. As a result, housing starts could decline again in the coming months and stabilize at around 235K according to our forecasts in 2024, a much lower level than we've seen over the past 2 years, but above its historical trend. Despite the strong political will to reduce the housing shortage, the current interest rate environment is likely to continue to weigh on homebuilders. As a result, the supply-demand imbalance is unlikely to be resolved anytime soon.

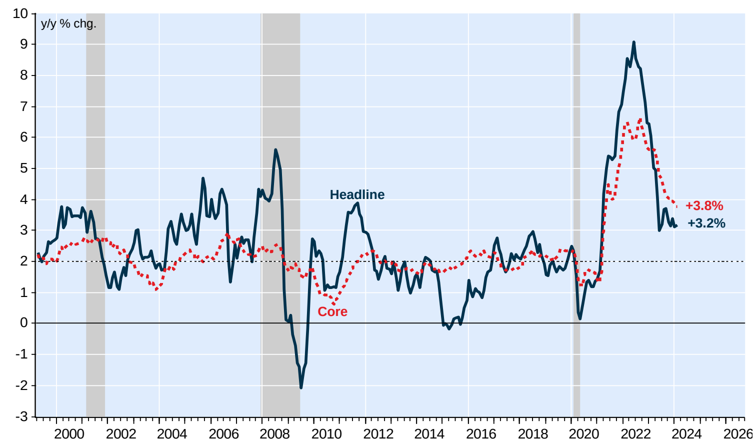
UNITED STATES: The Consumer Price Index rose a consensus-matching 0.4% in February after climbing 0.3% the prior month. Prices in the energy segment rose 2.3%, on gains for gasoline (+3.8%), fuel oil (+1.1%), utility gas services (+2.3%), and electricity (+0.3%). The cost of food was unchanged month on month. The core CPI, which excludes food and energy, came in one tick stronger than expected, as it rose 0.4% for the second month in a row.

The cost of core goods rose for the first time in nine months (+0.1%), as gains for tobacco/smoking products (+0.8%), apparel (+0.6%), and used vehicles (+0.5%) were only partially offset by a 0.1% decline in the new vehicles segment. The price of alcoholic beverages stayed virtually unchanged.

Prices for ex-energy services, for their part, moved up 0.5% after gaining 0.7% the prior month, which had been the sharpest increase in 16 months. The progression in this segment reflected higher prices for shelter (+0.4%), airline fares (+3.6%), motor vehicles insurance (+0.9%), and maintenance (+0.4%). The cost of medical care services unexpectedly dipped 0.1%.

Year on year, headline inflation came in at 3.2%, up from 3.1% the prior month and one tick above consensus expectations (+3.1%). The 12-month core measure, meanwhile, cooled from 3.9% to a 33-month low of 3.8%, but this was still one tenth above the median economist forecast (+3.7%).

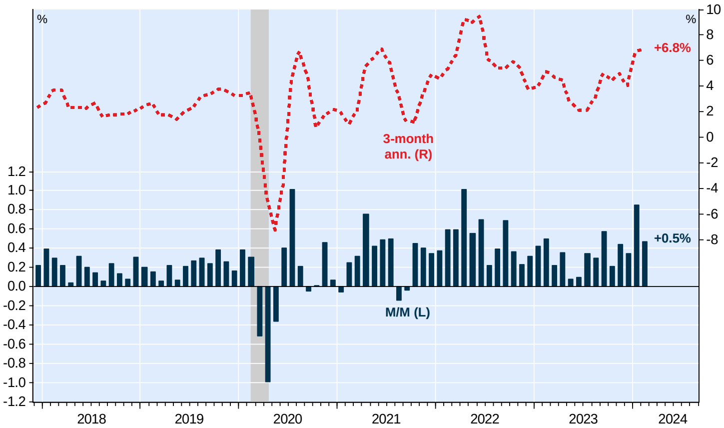
U.S.: Inflation came in stronger than expected in February
Consumer Price Index



NBF Economics and Strategy (data via Bloomberg)

Once again in February, the inflation report was stronger than anticipated, as the core measure came in one tick above the median economist forecast. Headline prices were in line with expectations, but only just, as they rose 0.44% at the second decimal, which translated into a stronger-than-anticipated 12-month read. But what really caught our attention in February is the 0.5% increase in the price of core services ex-shelter, a measure cited by the Fed as a good indicator of underlying price pressures. On a three-month annualized basis, this measure is tracking a 6.8% annualized gain, which of course is incompatible with attaining the central bank's target.

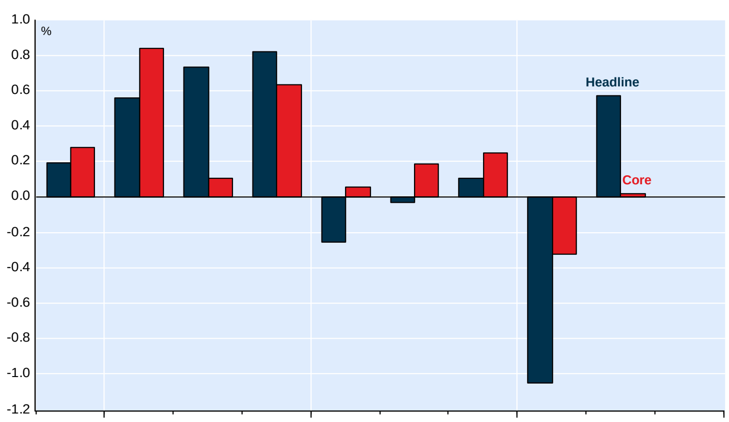
U.S.: Ex-housing services inflation is gathering momentum
Consumer Price Index, core services excluding housing



NBF Economics and Strategy (data via Bloomberg)

Retail sales rose 0.6% in February, a bit less than expected by consensus (+0.8%). Adding to the disappointment, the prior month's result was revised down from -0.8% to -1.1%. Sales of motor vehicles/parts contributed positively to the headline print in the second month of the year, as they bounced back a solid 1.6% after dropping 2.1% the prior month. Without autos, outlays advanced a more subdued 0.3%, as gains for building materials (+2.2%), electronics (+1.5%), gasoline stations (+0.9%), and miscellaneous items (+0.6%) were only partially offset by declines for furniture (-1.1%), clothing (-0.5%), health/personal care items (-0.3%), and non-store retailers (-0.1%). At the end of the month, sales were up in 9 of the 13 categories surveyed. Core sales (i.e., sales excluding food services, auto dealers, building materials, and gasoline stations), which are used to calculate GDP, remained flat in February instead of rising 0.4% as per consensus.

United States: Core retail sales stalled in February
Monthly change in nominal retail sales, headline and core

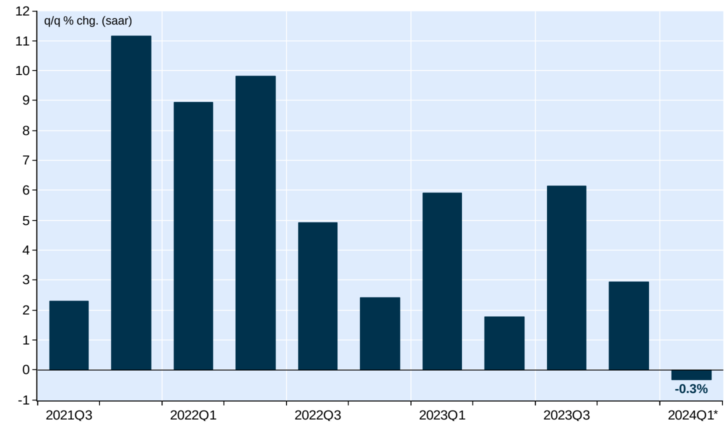


NBF Economics and Strategy (data via Bloomberg)

While retail sales rebounded in February, spending on goods fell well short of consensus expectations after taking revisions into account. The rise in spending at car dealerships was more or less expected given the higher sales reported a few days ago by Ward's. The increase in gasoline station receipts, too, came as no surprise, although the gain could have been stronger given the 3.8% jump in pump prices flagged in Tuesday's CPI report. Outside these two categories, however, retail sales expanded just 0.3% and will likely look even weaker when expressed in real terms given the rise in goods prices recorded in the month (+0.4% according to the CPI report). Not everything was bad in the report, though. For instance, increased spending at restaurants and bars suggests spending on services (which accounts for a bigger portion of GDP than spending on goods) remained healthy in the month.

The February retail sales report perhaps constitutes an early indicator that American consumers are beginning to lose stamina after outperforming for several quarters. However, we will have to wait for more data to confirm this scenario. In the meantime, goods consumption is unlikely to contribute much to GDP growth in Q1, with core sales currently tracking a 0.3% annualized decline in the quarter.

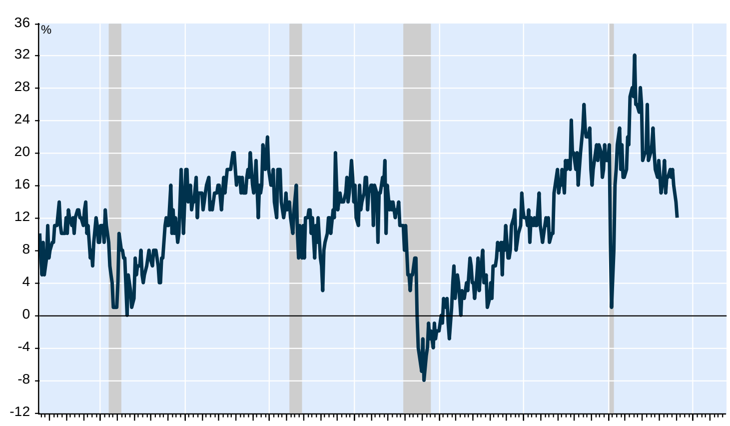
U.S.: Core sales hint at sharp slowdown in goods consumption in Q1
Retail sales excluding food services, auto dealers, building materials, and gasoline stations



*With one month of data still to come
NBF Economics and Strategy (data via Refinitiv)

The NFIB Small Business Optimism Index fell for the sixth time in seven months in February, slipping 0.5 point to a ten-month low of 89.4. Net sales expectations improved from -16% to -10%, but the net percentage of firms that expected the economic situation to improve deteriorated from -38% to -39%. Also noteworthy, 7% of firms cited poor sales as their biggest problem, the highest percentage in 32 months. Consequent with the slowdown, hiring intentions slid from 14% to 12.0%, the lowest level since October 2016 (excluding the pandemic).

United States: Labour demand easing
Net % of firms planning to increase payrolls in next three months, NFIB Small Business Optimism Survey

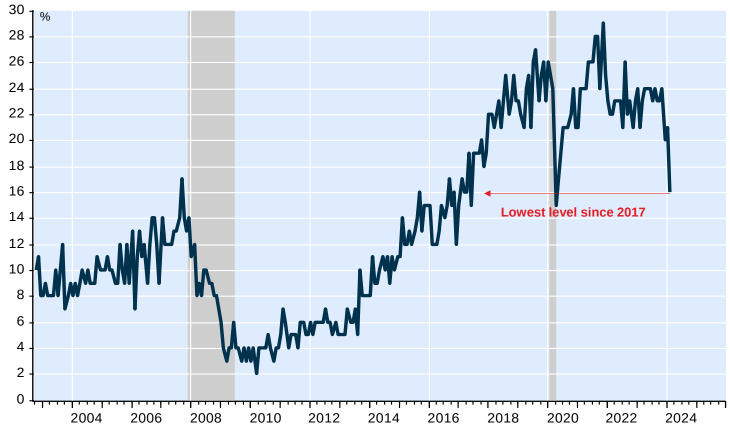


NBF Economics and Strategy (data via Bloomberg)

Consistent with this deterioration in outlook, only 21% of polled businesses planned any capital outlays in the next three months, a percentage well below the long-term average for this indicator.

Although hiring continued to be limited by difficulty finding good candidates, the share of businesses that reported not being able to fill one or more vacant positions still fell to its lowest level since January 2021 (37%). It is not clear to us why companies still sought to fill these job postings given the current sales/earnings backdrop. What's more, only 16% of firms cited quality of available workers as their most important problem, the lowest level since 2017 (excluding the pandemic).

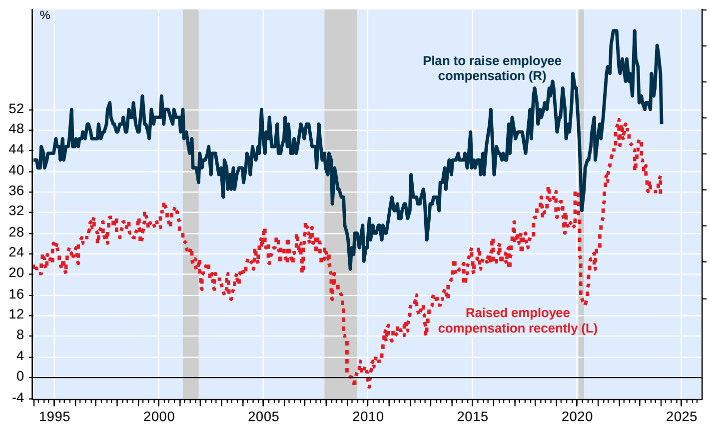
United States: More quality workers available for employers
Share of firms saying that their most important problem is the quality of available workers, NFIB Survey



NBF Economics and Strategy (data via Refinitiv)

What's more, 35% of polled businesses reported sweetening employee compensation in the past three to six months in a bid to attract qualified workers. However, only 19% expected to do so in the coming months, a sharp decline from the 26% share registered the month before.

United States: Employee compensation increases set to moderate
Businesses that raised compensation in past 3-6 months and those planning to do so in coming months

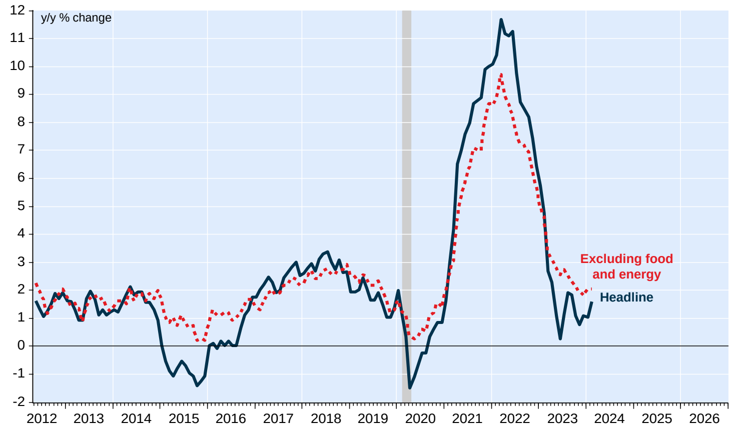


NBF Economics and Strategy (data via Refinitiv)

Inflationary pressures were still palpable in the NFIB data but seemed to be losing some of their edge. Indeed, "only" 21% of businesses indicated they had raised their prices recently, the lowest percentage in three years. Less encouragingly, the share of businesses planning to increase prices in the near future stood at 30%, a decline from January (33%) but still far above this indicator's pre-pandemic level (≈20%).

The Producer Price Index for final demand advanced 0.6% m/m in February, three ticks more than anticipated by economists. Goods prices rose 1.2% on increases for both energy (+4.4%) and food (+1.0%). Prices in the services category, for their part, rose 0.3%, less so than in January, when they increased 0.5%. The core PPI, which excludes food and energy, also rose 0.3% on a monthly basis. Year on year, the headline PPI sprang from 1.0% to 1.6%. Excluding food and energy, it climbed 2.0%, one tick above the median economist forecast.

United States: Producer price index accelerates in February
Annual change in the producer price index



NBF Economics and Strategy (data via Refinitiv)

The Import Price Index (IPI) progressed 0.3% in February, in line with consensus expectations. The headline print was positively affected by a 1.7% jump in the price of petroleum imports. Excluding this category, import prices advanced 0.2%. On a 12-month basis, the headline IPI contracted 0.8%, up from the -1.3% annual decline registered in January. The less volatile ex-petroleum gauge moved from -1.3% to -0.8%.

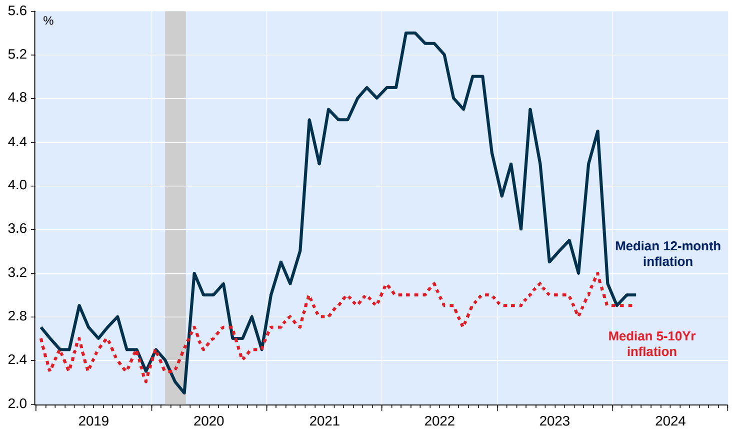
Industrial production edged up 0.1% in February instead of remaining unchanged as per consensus. The prior month's result, however, was revised down from -0.1% to -0.5%. Manufacturing output rose 0.8% following a 1.1% decline in January. This increase was due in part to a 2.4% jump in wood products and to a 1.8% increase in the motor vehicles/parts segment. Excluding autos, manufacturing production still progressed 0.8%, a first decline in four months. Utilities output dipped 7.5% following the 7.4% surge in January when the cold temperatures boosted electricity demand. Finally, production in the mining sector jumped 2.2%, also a normalization from January when adverse weather conditions took a toll on oil and gas extraction.

Capacity utilization in the industrial sector remained unchanged at 78.3% in the month. In the manufacturing sector, it rose from 76.4% to 77.0%. Despite the monthly gain, this is below the pre-pandemic level for this indicator and certainly does not point to an imminent increase in investment in machinery and equipment.

The Empire State Manufacturing Index of general business conditions fell from -2.4 in February to -20.9 in March. This was significantly below the median economist forecast (-7.0) and consistent with a deterioration in factory activity in New York State and surrounding areas. The shipments sub-index (from 2.8 to -6.9) moved back into contraction territory (<0), while the new orders tracker (from -6.3 to -17.2) flagged a more severe contraction. Employment consequently registered a sharper contraction than in February (from -0.2 to -7.1). Supply chain pressures continued to ease, as measured by the delivery times sub-index (from -3.2 to -1.0), which remained below the 0-mark separating expansion from contraction. The input price index continued to expand, albeit at a slower pace than in the prior month (from 33.0 to 28.7). The output price tracker (from 17.0 to 17.8), meanwhile, expanded faster in March. Finally, business expectations for the next six months (from 21.5 to 21.6) continued to improve but remained below their long-term average (36.0).

The University of Michigan Consumer Sentiment index edged down from 76.9 in February to 76.5 in March. The deterioration of sentiment in November was due to a worse assessment of longer-term perspectives (from 75.2 to 74.6) as current conditions were stable (at 79.4). Twelve-month inflation expectations were stable at 3.0%, while 5/10-year expectations were also stable at 2.9%.

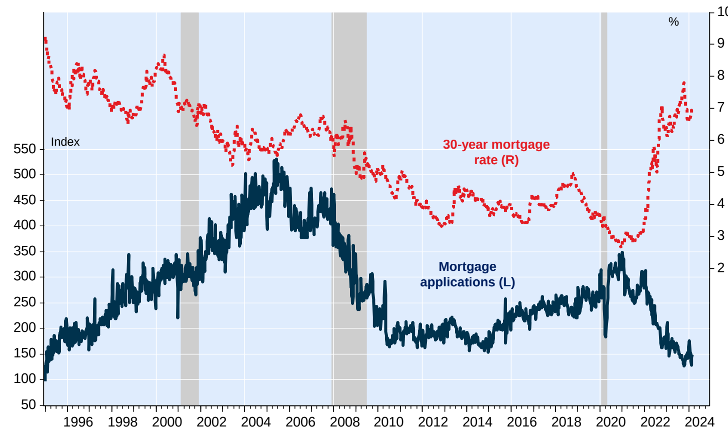
United-States: Inflation expectations have moderated
University of Michigan Consumer Sentiment Survey: Median inflation expectations



NBF Economics and Strategy (data via Refinitiv)

The sub-index tracking whether consumers consider now to be a good time to buy a home rose from 46.0 to 50.0, a decent rebound from the all-time lows reached only a few months prior. This is consistent with the slight improvement in mortgage rates but has yet to be confirmed by mortgage applications which remain very low.

United-States: Mortgage applications have not recovered
Average rate paid on 30-year fixed mortgage vs. mortgage applications excluding refinancing



NBF Economics and Strategy (data via FRED & Refinitiv)

Initial jobless claims fell from 210K to 209K in the week to March 9. Continued claims, for their part, rose from 1,794K to 1,811K.

WORLD: There was no major data release this week.

What we'll be watching

IN THE U.S., the FOMC is widely expected to leave its key policy rates unchanged for the fifth straight meeting. Since January, policymakers have been waiting for "greater confidence that inflation is moving sustainably toward 2 percent" and recent data is unlikely to have provided the FOMC much assurance. As such, don't expect the easing bias in the rate statement to become any more pronounced. The more important matter in next week's meeting pertains to the FOMC's Summary of Economic Projections. Markets will be most closely watching the 'dot plot' to see whether policymakers dial back the amount of expected easing for 2024. In December, 75 basis points of cuts were signaled but the distribution was skewed towards less easing. Given recent inflation developments, there's a reasonable chance some dots could move higher, bringing the median up with it. As usual, Chair Powell will hold a press conference after the statement is released. We'll be most interested in guidance on timing for the first cut and on a related note, the Fed's assessment of recent inflation data. Finally, we're also curious to hear the committee's thoughts on QT as Chair Powell said at the last decision they'd discuss the balance sheet in greater detail in March. We don't expect any urgency on this front, however. In other news, we'll get a housing market update with the release of March's NAHB Index and February's housing starts. After being negatively impacted by bad weather in January, we expect residential construction to have rebounded to 1,475K in the second month of the year (seasonally adjusted and annualized), driven by the multi-family segment. Existing home sales, on the other hand, could have come down to 3,900K in February judging by a decrease in mortgage applications during the month. Some clues on the state of the private sector in March will also be available with the release of S&P Global's composite PMI.

		Previous	NBF forecasts
Tues:	Housing starts (February, saar)	1,331K	**1,475K**
Wed:	Fed funds rate (upper bound)	5.50%	**5.50%**
Thur:	Existing home sales (February, saar)	4,000K	**3,900K**

IN CANADA, all eyes will be on the release of CPI data for the month of February. The increase in gasoline prices during the month may translate into a 0.6% gain for the headline index before seasonal adjustment. If we're right, the 12-month rate could rise from 2.9% to 3.1%. Similarly to the headline print, the core measures preferred by the Bank of Canada could strengthen, with CPI-med likely moving from 3.3% to 3.4%, and CPI-trim from 3.4% to 3.5%. The publication of January's retail sales will also attract a lot of attention. Judging from previously released data on auto sales, motor vehicles and parts dealers could have contributed positively to the headline figure. Outlays at gasoline stations, on the other hand, may have dropped, reflecting lower pump prices. All told, we expect total sales to have retraced 0.4%. Ex-auto outlays could have been even weaker, retreating 0.7% month on month. We'll also keep an eye on the publication of February's existing home sales and on the release of the Industrial Product Price Index for the same month. On Thursday, Bank of Canada Deputy Governor Toni Gravelle will deliver a speech to the CFA institute in which we could learn a little more about the central bank's intentions regarding quantitative tightening.

		Previous	NBF forecasts
Tues:	CPI (February, y/y chg.)	2.9%	**3.1%**
	CPI-median (February, y/y chg.)	3.3%	**3.4%**
	CPI-trim (February, y/y chg.)	3.4%	**3.5%**
Fri:	Retail sales (January, m/m chg.)	0.9%	**-0.4%**
	Ex-autos retail sales (January, m/m chg.)	0.6%	**-0.7%**

ELSEWHERE IN THE WORLD, a monetary policy meeting by the Bank of Japan will be scrutinized for hints that the central bank might be about to alter its ultra-accommodative policy stance. This decision should be based in part on February's inflation data, which is due to come out on Thursday. In China, several February indicators will be available, notably retail sales, industrial production and the jobless rate. The March iteration of S&P Global's composite PMIs will also be released in the eurozone and Japan.

NATIONAL BANK OF CANADA FINANCIAL MARKETS

Economic Calendar – Canada & U.S.

Economic releases & events

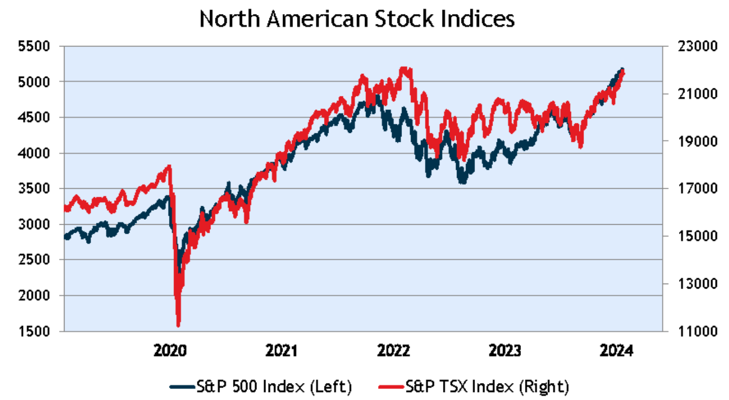
Day	Time	Country	Release	Period	Previous	Consensus Estimate	NBF Estimate
Monday Mar 18	8:30	CA	Industrial Product Price MoM	Feb	-0.10%	--	
	8:30	CA	Raw Materials Price Index MoM	Feb	1.20%	--	
	9:00	CA	Existing Home Sales MoM	Feb	3.70%	--	
	10:00	US	NAHB Housing Market Index	Mar	48.0	48.0	
Tuesday Mar 19	8:30	US	Building Permits MoM	Feb	-1.50%	2.00%	1.40%
	8:30	US	Building Permits	Feb	1470k	1500k	1490k
	8:30	US	Housing Starts	Feb	1331k	1430k	1475k
	8:30	CA	CPI YoY	Feb	2.90%	3.10%	3.10%
	8:30	US	Housing Starts MoM	Feb	-14.80%	7.40%	10.80%
	16:00	US	Total Net TIC Flows	Jan	$139.8b	--	
Wednesday Mar 20	7:00	US	MBA Mortgage Applications	Mar-15	7.10%	--	
	14:00	US	FOMC Rate Decision (Upper Bound)	Mar-20	5.50%	5.50%	5.50%
	14:00	US	FOMC Rate Decision (Lower Bound)	Mar-20	5.25%	5.25%	5.25%
Thursday Mar 21	8:30	US	Current Account Balance	4Q	-$200.3b	-$209.0b	
	8:30	US	Initial Jobless Claims	Mar-16	209k	--	
	10:00	US	Existing Home Sales	Feb	4.00m	3.92m	3.90m
	10:00	US	Existing Home Sales MoM	Feb	3.10%	-2.00%	-2.50%
Friday Mar 22	8:30	CA	Retail Sales MoM	Jan	0.90%	-0.40%	-0.40%
	8:30	CA	Retail Sales Ex Auto MoM	Jan	0.60%	-0.50%	-0.70%

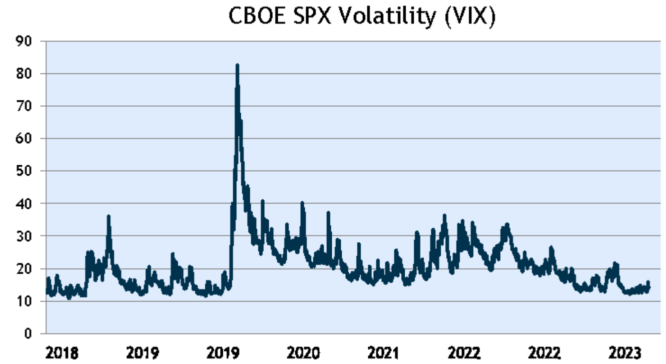
Earnings announcements

Day	Company	Time	Qtr	Cons. EPS
Tuesday Mar 19	Orla Mining Ltd	Aft-mkt	Q4 23	0.04
Wednesday Mar 20	Boyd Group Services Inc	Bef-mkt	Q4 23	1.06
	Filo Corp	Aft-mkt	Q4 23	-0.24
	Power Corp of Canada	Aft-mkt	Q4 23	1.05
	Alimentation Couche-Tard Inc	Aft-mkt	Q3 24	0.84
	General Mills Inc	Bef-mkt	Q3 24	1.05
	Micron Technology Inc	Aft-mkt	Q2 24	-0.26
Thursday Mar 21	Lithium Americas Argentina Cor	Aft-mkt	Q4 23	0.04
	Darden Restaurants Inc	Bef-mkt	Q3 24	2.63
	FactSet Research Systems Inc	Bef-mkt	Q2 24	3.91
	Accenture PLC	Bef-mkt	Q2 24	2.65
	NIKE Inc	16:15	Q3 24	0.74
	FedEx Corp	Aft-mkt	Q3 24	3.50
	Lululemon Athletica Inc	Aft-mkt	Q4 24	5.01

Source: Bloomberg

Data Update – Table 1



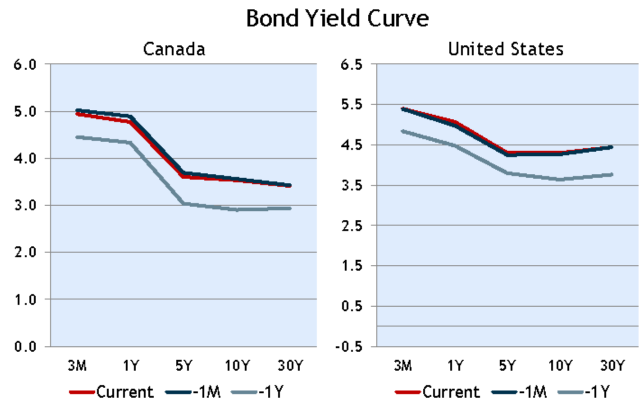


Stock Indices

	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	21829.9	0.3%	4.9%	5.9%	4.8%	14.6%	9.6%	22087.2 (29 Mar 2022)	11228.5 (23 Mar 2020)
U.S.									
S&P 500 Composite	5150.5	0.2% / -0.1%	2.9% / 3.2%	10.3% / 9.5%	11.1% / 8.3%	32.0% / 33.5%	15.2% / 14.8%	5175.3 (12 Mar 2024)	1815.7 (11 Apr 2014)
Dow Jones Industrials	38905.7	0.7% / 0.4%	1.3% / 1.6%	5.7% / 5.0%	6.4% / 3.7%	22.2% / 23.6%	11.3% / 11.0%	39131.5 (23 Feb 2024)	15660.2 (11 Feb 2016)
Nasdaq Composite	16128.5	-0.6% / -0.9%	1.5% / 1.8%	10.3% / 9.5%	10.3% / 7.6%	40.6% / 42.3%	17.5% / 17.1%	16274.9 (1 Mar 2024)	3999.7 (11 Apr 2014)
World									
Euro Stoxx 50	4993.1	0.3% / 0.4%	7.4% / 6.0%	10.1% / 10.3%	11.9% / 10.8%	23.9% / 23.5%	11.2% / 11.7%	5000.5 (13 Mar 2024)	2385.8 (18 Mar 2020)
FTSE100	7743.2	0.7% / 0.7%	4.6% / 3.3%	3.0% / 2.3%	3.7% / 1.1%	9.6% / 5.6%	4.9% / 5.4%	8014.3 (20 Feb 2023)	4993.9 (23 Mar 2020)
TOPIX	2661.6	-1.8% / -2.1%	4.4% / 3.0%	10.6% / 14.9%	9.8% / 12.5%	25.5% / 40.1%	7.7% / 13.6%	2730.7 (6 Mar 2024)	1132.8 (14 Apr 2014)
CSI 300	3562.2	1.3% / 0.9%	5.6% / 5.9%	6.3% / 6.4%	5.0% / 3.8%	-13.4% / -8.4%	0.4% / 1.4%	5807.7 (10 Feb 2021)	2087.0 (20 Mar 2014)
MSCI World	772.7	0.3% / 0.0%	3.7% / 3.9%	9.1% / 8.3%	9.3% / 6.7%	26.1% / 27.6%	11.6% / 11.3%	775.7 (12 Mar 2024)	353.4 (11 Feb 2016)
MSCI Emerg. Markets	1048.7	2.2% / 1.9%	4.9% / 5.2%	6.9% / 6.2%	5.4% / 2.8%	13.1% / 14.4%	3.2% / 2.9%	1444.9 (17 Feb 2021)	688.5 (21 Jan 2016)
MSCI EAFE	2334.2	-0.1% / -0.4%	5.4% / 5.7%	7.5% / 6.8%	7.5% / 4.8%	17.8% / 19.2%	8.1% / 7.7%	2404.8 (6 Sep 2021)	1354.3 (23 Mar 2020)

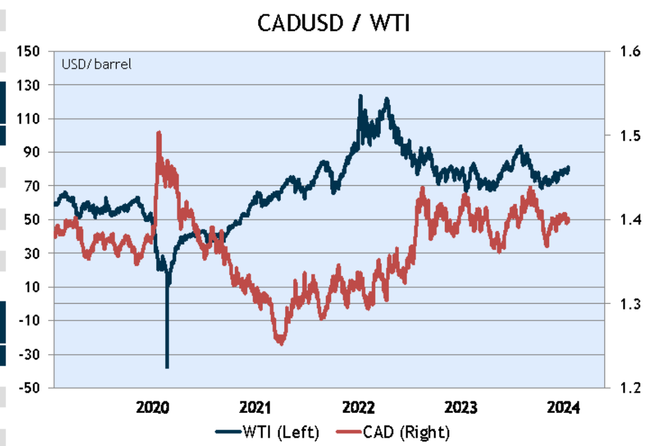
Canadian Bond Indices

	Total return performances 1 week	1 month	YTD	1 year	5 years (ann.)
Refinitiv Indices					
Overall Universe	-1.2%	0.5%	-2.2%	0.6%	0.2%
Long Term Universe	-2.4%	0.2%	-5.0%	-2.0%	-1.4%
Mid Term Universe	-0.9%	0.7%	-1.8%	0.4%	0.4%
Short Term Universe	-0.3%	0.6%	0.0%	3.1%	1.4%
Federal Universe	-0.9%	0.5%	-2.0%	-0.4%	-0.4%
Provincial Universe	-1.6%	0.3%	-3.2%	-0.5%	-0.2%
Corporate Universe	-0.9%	0.7%	-0.9%	3.9%	1.8%



Bond Yield Curve

	3 mths	1 year	5 years	10 years	30 years
Canada	4.94%	4.77%	3.60%	3.53%	3.41%
1 week chg (bps)	+1	+7	+15	+16	+15
1 month chg (bps)	-8	-12	-9	-3	-1
1 year chg (bps)	+49	+44	+57	+63	+48
U.S.	5.39%	5.07%	4.30%	4.30%	4.44%
1 week chg (bps)	+1	+12	+22	+20	+19
1 month chg (bps)	+0	+9	+5	+3	+0
1 year chg (bps)	+56	+59	+50	+66	+68



Currencies

	latest	1 week ago	1 month ago	January 1st	1 year ago
USDCAD	1.352	1.348	1.356	1.319	1.368
US cents per cad	0.740	0.742	0.738	0.758	0.731
EURCAD	1.472	1.473	1.453	1.457	1.467
EURUSD	1.089	1.093	1.072	1.105	1.072
USDJPY	148.2	148.1	150.6	141.0	134.3
GBPUSD	1.275	1.279	1.255	1.275	1.215
USDCNY	7.191	7.199	7.194	7.092	6.873

Commodities

	latest	1 week ago	1 month ago	January 1st	1 year ago
Oil - WTI ($/barrel)	81.26	78.93	76.64	71.65	71.33
Oil - Brent ($/barrel)	87.16	86.58	87.00	80.30	79.07
Gold ($/oz)	2158.40	2151.75	1989.30	2065.45	1904.15
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	▲	-4.8%	-6.0%
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%	▲	4/10/2024
Fed Reserve (upper bound)	5.50%	4.75%	▲	3/20/2024

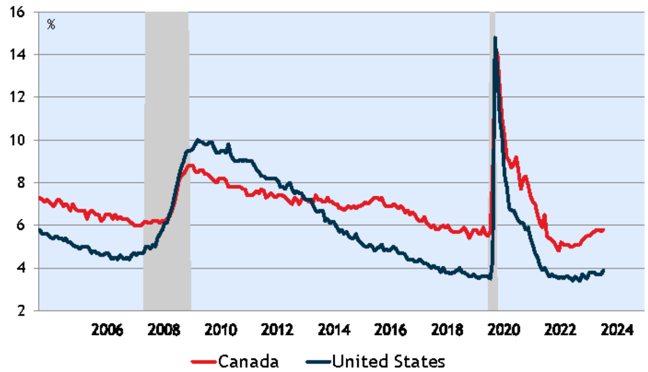
GDP Growth

	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)	-3.2% (Q3)	1.3%	1.6%

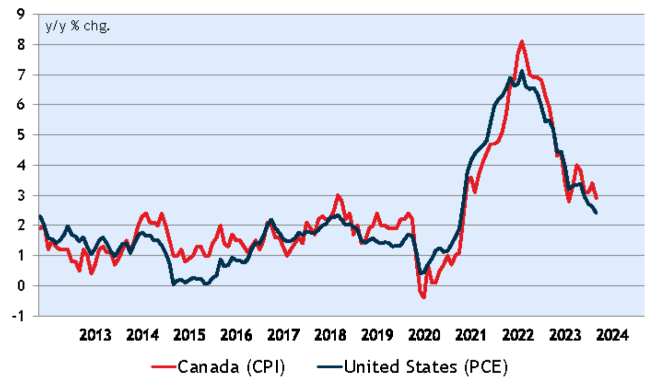
Contributions to real GDP growth - Canada

	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

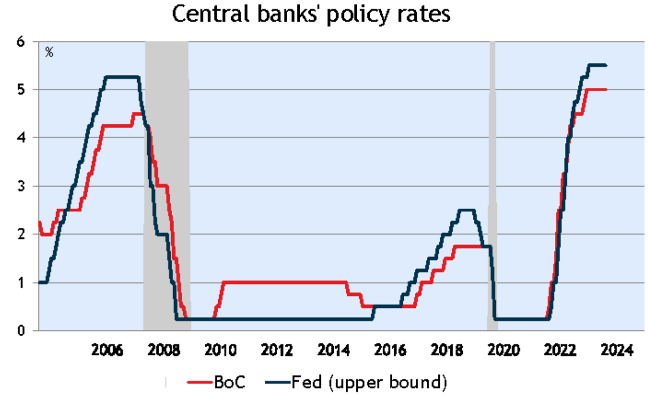
Unemployment rate



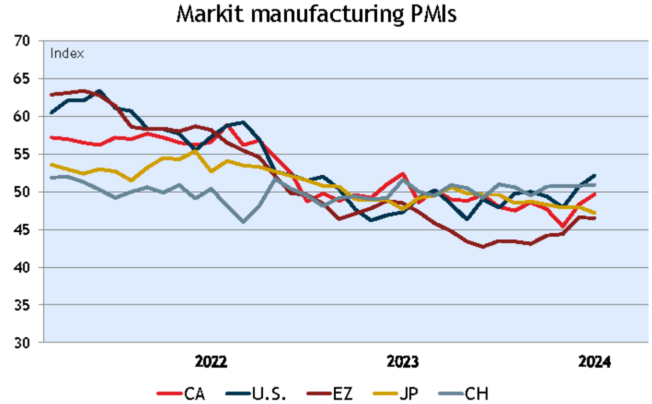
Headline inflation



Central banks' policy rates



Markit manufacturing PMIs



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