July 14, 2023

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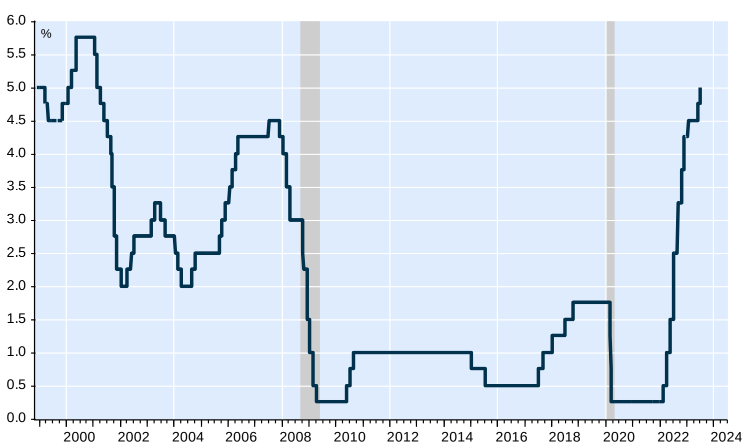
Week in review

CANADA: The **Bank of Canada** raised its overnight rate target 25 basis points to 5.0%. This decision was in line with the consensus forecast and with OIS markets, which had been leaning towards a hike. While there is no real rate guidance to speak of going forward, Governing Council did note that they would "continue to assess the dynamics of core inflation and the outlook for CPI inflation". In particular, policymakers will focus on "whether the evolution of excess demand, inflation expectations, wage growth and corporate pricing behaviour are consistent" with 2% inflation. Of course, the BoC has mentioned these as factors of particular interest before. While there was no clear bias in the policy statement, in his opening statement at the press conference, BoC Governor Tiff Macklem asserted that they were "prepared to increase [their] policy rate further". At the same time, they were trying to balance the risks of over- and under-tightening and "[did not] want to do more than [they had] to". There was a clear hiking bias in the message and the BoC's overall tone made it clear that they are concerned about upside surprises. However, it would not be right to say that additional rate increases are a foregone conclusion. As Macklem specified, each decision will be made "based on the information available at the time". The takeaway for us is that the BoC will be in full-on data-dependence mode from this point on.

Canada: BoC hikes policy rate to highest level since April 2001
Target rate



NBF Economics and Strategy (data via Statistics Canada)

Complementing this restrictive policy stance, the Bank stated that it would continue its Quantitative Tightening (QT) program, which involves passively running off its Government of Canada bond holdings. BoC Deputy Governor Toni Gravelle mentioned in a speech earlier this year that they expected to hold this course through late 2024 or early 2025 and were shooting for a settlements balance in the range of $20 to $60 billion. (It currently stands at $160 billion.) This suggests that there is little scope for QT changes any time soon.

According to the Bank's assessment, Canada's economy has been "stronger than expected" and recent data suggest "more persistent excess demand" supported in part by "an increase in the population due to strong inflows of newcomers". The Bank also highlighted the recent pick-up in housing activity and the fact that supply was unable to keep up with demand. As a result, the Bank's updated projections included an upward revision to the 2023 Canadian economic growth forecast from 1.4% to 1.8%. Through the remainder of 2023 and the first half of 2024, the BoC expects growth to "moderate" as the full effect of higher interest rates brings the economy "into mild excess supply in the beginning of 2024". Further down the forecast horizon, the central bank sees the economy picking back up in the second half of 2024 as "the effect of higher interest rates on economic growth dissipates". In 2024, it sees GDP expanding just 1.2% (down from the 1.3% projected in April's MPR). The Bank sees growth recovering nicely in 2025 to reach 2.4% (down from 2.5% in April's MPR). Relative to our own forecast, this comes across as a very rosy growth scenario.

Regarding the all-important inflation outlook, the statement noted that recent disinflation had come more from lower energy prices and "less from easing underlying inflation". The 3-month rates of core inflation were concerning to the Bank as these were still hovering around 3.5-4.0%. The Bank highlighted Business Outlook Survey data that showed businesses were still planning larger and more frequent price increases than normal. In sum, it concluded: "Underlying price pressures appear to be more persistent than anticipated". Consequently, the BoC expects CPI to come down at a slightly slower pace than it did in April, with headline inflation settling in at 3.6% in the second quarter (instead of 3.3%) and at 3.3% in the third quarter. Over the whole of 2023, the Bank now sees inflation rising to 3.7%, two ticks more than in its previous forecast. Additionally, the Bank pushed off its expected return to the 2% target to "the middle of 2025".

The central bank also revised its global growth projection for 2023 from 2.6% to 2.8% to reflect stronger-than-anticipated growth in the United States and Japan even though growth in the Eurozone and China was revised down. Growth is expected to weaken through the second half of 2023 to the first half of 2024, hampered by restrictive monetary policy in advanced economies. The Bank expects global GDP growth to pick up in the second half of 2024 and, as a result, to clock in at 2.4% for the year as a whole, up from the 2.1% projected in April's MPR.

The level of potential output over the projection horizon was not revised from the April report. It remains in the range of 1.4% to 3.2% for 2023 and 1.0% to 3.2% for 2024.

BoC: Summary of Economic Projections		
	Latest	April MPR
Change in real GDP (%)		
2022	**3.4**	3.4
2023	**1.8**	1.4
2024	**1.2**	1.3
2025	**2.4**	2.5
CPI inflation (y/y % chg.)		
2022	**6.8**	6.8
2023	**3.7**	3.5
2024	**2.5**	2.3
2025	**2.1**	2.1
Range for potential output (%)		
2022	**0.5 - 2.0**	0.5 - 2.0
2023	**1.4 - 3.2**	1.4 - 3.2
2024	**1.0 - 3.2**	1.0 - 3.2
2025	**1.2 - 2.8**	1.2 - 2.8

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At the press conference following the decision, Macklem spent some time discussing the lagged impact of earlier rate increases but stressed the uncertainty about the effect. He admitted that the persistence of excess demand had surprised the Bank and attributed the persistence to three factors: (1) tight labour markets; (2) excess savings; and (3) rapid population growth. Regarding the first, he acknowledged that the unemployment rate had risen of late but stressed that we were still at very low levels historically. Where excess savings are concerned, Macklem pointed to new research in their MPR that showed that 75% of households had significantly higher liquidity buffers today than they did pre-2020. This was helping households manage higher borrowing costs. As for population growth, newcomers to Canada obviously created demand, but they also contributed to ease labour shortages. Consequently, the net impact on inflation was "roughly neutral". However, Macklem underscored: "If you add supply and demand to an economy with excess demand, you're still in excess demand."

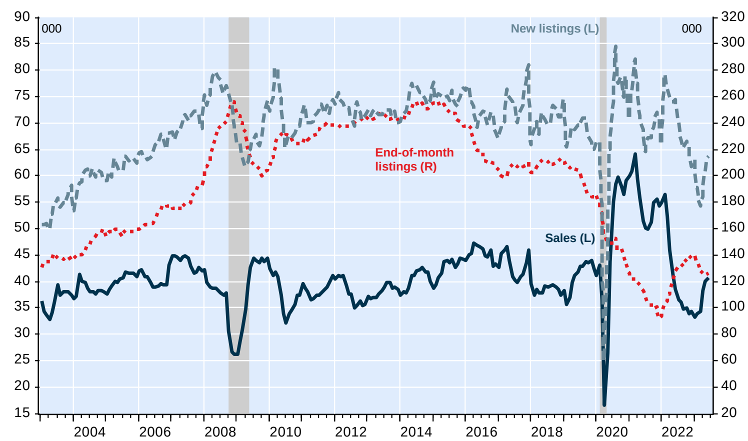
Overall, the key message from the presser was that they were trying to strike the right balance when it came to monetary policy tightening. Clearly, they are seeing considerable excess demand and are far more worried about upside surprises to the economy. At the same time, however, they believe that they are "close" to the end of the cycle and want to avoid any unnecessary economic damage. Following quick back-to-back 25-bp hikes that have hoisted the policy rate to a 22-year high of 5%, a compelling case can be made for the BoC to press pause to assess how tighter policy is impacting the economy. However, the latest increase was not the "dovish hike" that some analysts were anticipating. The BoC has not exactly signaled that the time was ripe for a breather. Instead, policymakers have retained a hiking bias that was implicit in the statement and explicit at the press conference. That said, we do not believe a September hike is already in the bag. Rather, we think that the BoC will be fully data dependent over the next two months. This is the message that Macklem clearly conveyed at the press conference.

To our eyes, there are already signs that further rate increases are no longer needed/appropriate. Most notably, the unemployment rate has risen quickly owing to a swell in labour supply thanks to a surge in immigration/NPR growth. If, as we expect, this translates into core inflation relief over the coming months, the Bank will be able to hold off hiking again on its next decision meeting scheduled September 6. In this regard, we are encouraged by the June U.S. inflation report that showed underlying inflation pressure to be much softer than expected. By October, we think broader weakness will keep the Bank on the sidelines again, which is where they will stay until at least early 2024. While risks may still be skewed to an additional near-term hike, we believe this week's increase will, and probably should, be the Bank's last.

On a seasonally adjusted basis, **home sales** increased 1.5% from May to June, a fifth consecutive monthly increase. However, this was a much smaller rise than the 4.6% in May and 11.1% in April, a slowdown that could have been induced by the additional tightening of the Bank of Canada. While sales growth was observed in every province last month, increases were recorded in 7 of them in June. The biggest increases were seen in Newfoundland (+19.0%), Nova Scotia (+7.5%), and Manitoba (+4.8%), while decreases were seen in P.E.I. (-7.3%), New Brunswick (-1.6%), and Ontario (-1.3%). With the Bank of Canada raising its key rate again in July and our expectation for a slowing labour market, the real estate market could lose speed in the months ahead. However, the record demographic growth we are currently experiencing in the country prevents a significant drop in activity.

On the supply side, new listings jumped 5.9% in June, a third consecutive monthly increase. Overall, active listing increased marginally by 1.5% in Canada, keeping the number of months of inventory (active listings to sales) unchanged at 3.1 in June. This continues to be higher than the trough of 1.7 reached in the pandemic but remains low on a historical basis.

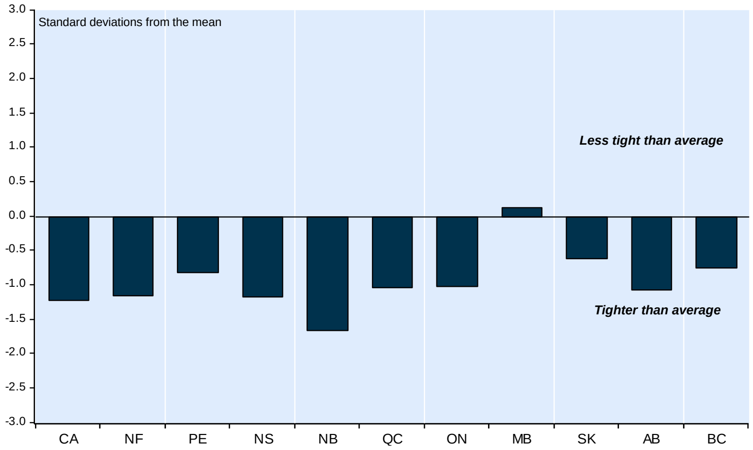
Canada: Home sales and listings
Seasonally adjusted. Last observation: June 2023



NBF Economics and Strategy (data via CREA)

As a result, the active-listings to sales ratio is still tighter than its historical average in the majority of Canadian provinces, with only Manitoba indicating a ratio above average.

Canada: Active-listings-to-sales ratio
Seasonally adjusted data

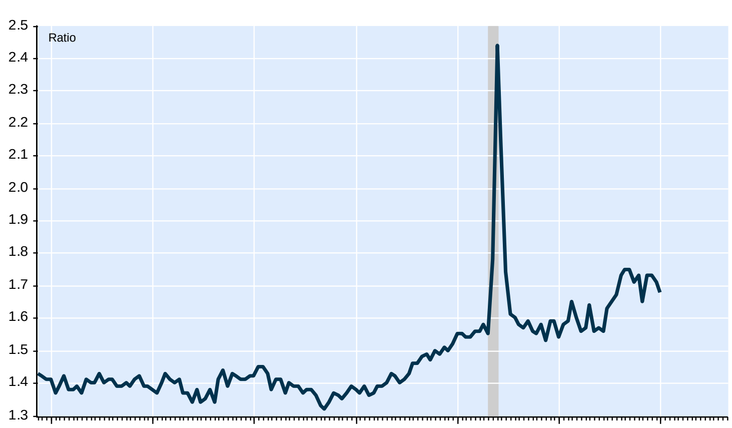


NBF Economics and Strategy (data via CREA)

On a year-over-year basis, home sales were up 4.7% compared to June last year, a second annual increase in a row. However, sales were up in only 4 of the provinces, with the biggest increases in B.C. (+22.4%) and Ontario (+11.8%). For the first half of 2023, cumulative sales were down 20.5% compared to the same period last year.

Manufacturing sales rose 1.2% in May, above consensus expectations calling for a 0.8% monthly progress. Mitigating the upside surprise, the prior month's result was revised down from 0.3% to -0.1%. Higher sales stemmed from both durable (+1.6%) and non-durable (+0.9%) goods. In total, sales were up in 14 of the 21 industries covered. At the provincial level, five provinces recorded a monthly increase with the biggest gains seen in Alberta (+3.9%) and Ontario (+3.2%) while Québec (-2.4%) and British Columbia (-0.6%) posted declines. With the price effect removed, total factory sales were up 2.2% in May while real inventories increased 0.4%. As a result, the real inventory-to-sales ratio decreased from 1.71 to 1.68, which remains elevated.

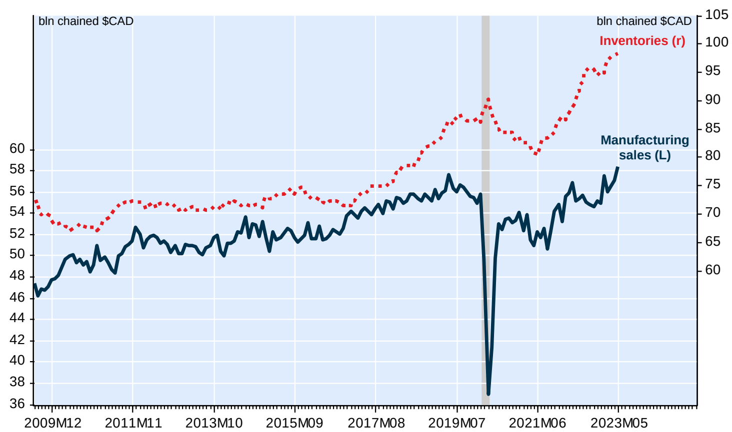
Canada: Manufacturing inventory-to-sale ratio remains elevated
Real inventory-to-sale ratio



NBF Economics and Strategy (data via Statistics Canada)

The main contributor to the increase in manufacturing sales was chemical products (+4.8%), which according to Statistics Canada was driven by both higher prices and volumes, particularly for "pesticide, fertilizer, and other agricultural chemical products in Alberta and pharmaceutical and medicine products in Ontario". This solid monthly increase was complemented by strong shipments of motor vehicles (+4.8%) and parts (+5.7%) as these industries continued to benefit from easier access to semiconductor chips. For motor vehicle parts, May's volume sales were at their highest on record. Similarly, sales of petroleum and coal products also reached an all-time high in volume terms. On the flip side, nominal sales of primary metals (-6.9%) fell to their lowest level since June 2021, held back by a slowdown in global manufacturing activity, especially in China, according to Statistics Canada. Prices, for their part, acted as a drag on the nominal number for the seventh consecutive month. As a result, volume sales increased even more than nominal sales, registering a 2.2% increase in May following a 0.9% gain in April. As such, manufacturing shipments are on track to contribute to growth in the second quarter of the year. It remains to be seen if this momentum will persist in the third quarter in a context of high inventories and weakening consumption in North America.

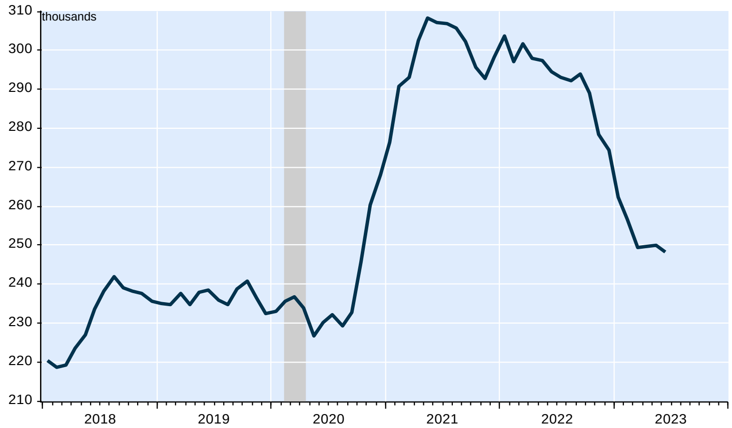
Canada: Can the momentum in real manufacturing sales persist?
Real manufacturing sales and inventories



NBF Economics and Strategy (data via Statistics Canada)

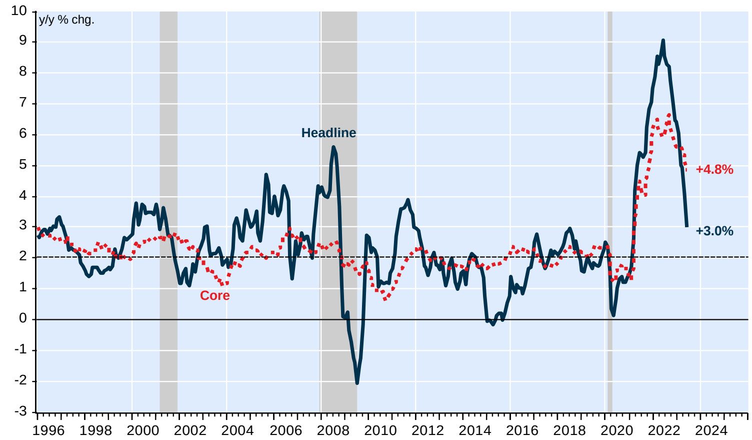
After dipping in April, residential **building permits** shot up 9.8% in May. This marked the first monthly increase for this indicator following two consecutive declines. The turnaround was due exclusively to a 13.5% increase in the multi-family dwellings segment. Meanwhile, permits for single-family dwellings sank 4.5%. However, based on the six-month moving average, permits were essentially unchanged at 248K. In addition, permits remained slightly above their pre-pandemic level but far off the peak reached in the ensuing period. Finally, the new-construction sector should get some support from strong demographic growth in the country.

Canada: Building permits remain slightly above pre-pandemic levels
Building permits, 6-month moving average, annualized (Last data: May 2023)



NBF Economics and Strategy (data via Statistics Canada)

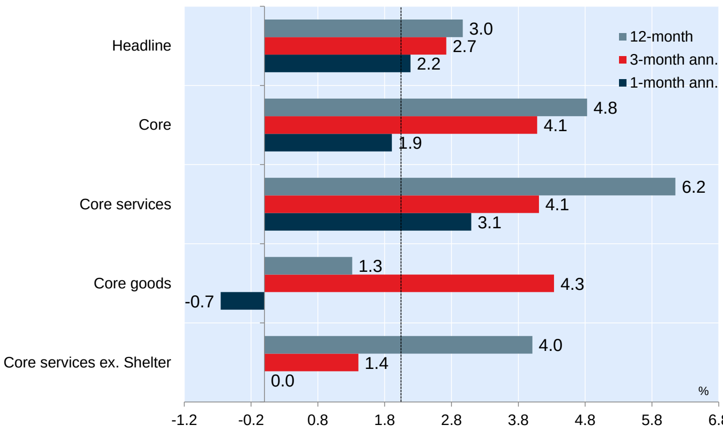
U.S.: Headline inflation falls to 27-month low
Consumer Price Index



NBF Economics and Strategy (data via Bloomberg)

UNITED STATES: After edging up 0.1% in May, the **Consumer Price Index** climbed 0.2% in June, a tick below consensus expectations. Prices in the energy segment jumped 0.6% on increases for gasoline (+1.0%) and electricity (+0.9%), which were more than enough to offset declines in the utility gas services (-1.7%) and fuel oil (-0.4%) categories. The cost of food, meanwhile, advanced 0.1%. The core CPI, which excludes food and energy, rose 0.2%, the lowest in 28 months and a tick below the median economist forecast.

United States: Inflation moderating
Momentum of key inflation measures

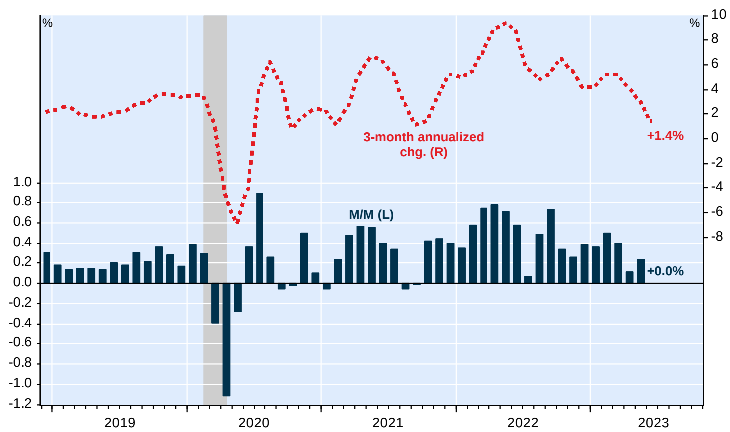


NBF Economics and Strategy (data via Bloomberg)

Year on year, headline inflation clocked in at a 27-month low of 3.0%, down from 4.0% the prior month and one tick below consensus expectations. The 12-month core measure, meanwhile, moved from 5.3% to a 20-month low of 4.8%. This was two ticks lower than expected by consensus.

A moderation in the shelter component (+0.4%), combined with declines in the categories of health insurance (-3.6%) and airline fare (-8.1%), translated into a 0.3% increase for the services ex-energy gauge. We have argued recently that the pace of shelter inflation is bound to slow down given the recent stagnation in house prices and stabilization in rents. Alive to this trend, the Fed is keeping its eyes fixed more closely on prices for core services ex-housing as these afford a better idea of underlying inflation momentum and the risk of wage-push inflation. The news on this front was very encouraging in June: Not only were these prices flat, but this was the weakest print in 21 months for this indicator. On a three-month annualized basis, these prices were up 1.4%, which was not only a 21-month low but also significantly below its pre-pandemic/historical pace.

U.S.: Fed's preferred inflation measure moving in the right direction
Consumer Price Index, core services excluding housing



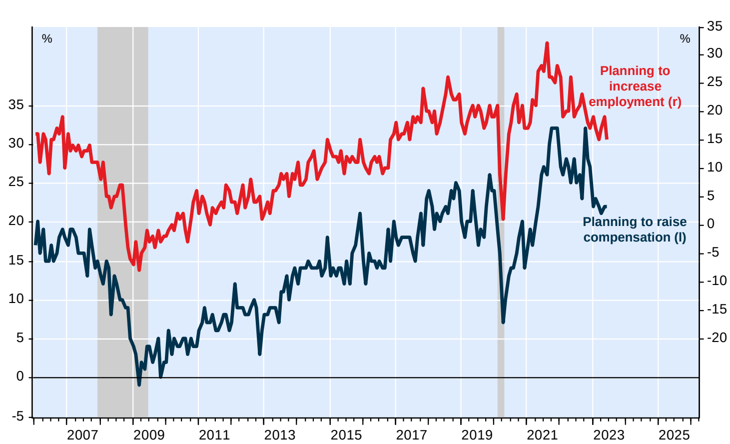
NBF Economics and Strategy (data via Bloomberg)

The news was good also for core goods, which saw prices drop (-0.1%) for the first time in four months thanks in part to a 0.5% decrease for used vehicles. Used car prices should continue to fall if the recent downturn in the Manheim Used Vehicle Value Index is any indication. Moreover, the explosion of financing costs observed in the used vehicle market, together with increased supply, does not seem very inimical to further declines. For other core goods, we believe that prices will remain subdued in the coming months. Several factors support our view, most notably falling international transport costs, the continued loosening of supply chain constraints, and lower production costs globally and particularly in China, which are helping to drive down import prices.

June's U.S. CPI report puts the Federal Reserve in a tight spot. Why raise rates when inflation is slowing considerably and the economy has yet to feel the full effect of the hikes made so far? Because several Fed officials indicated in recent weeks that rates needed to be jacked higher? In our view, there are plenty of indications that inflation will continue to relent and thus allow the Fed to take an extended break after this month's rate hike. Signs of a slowdown are piling up particularly from consumers, who have lost much of their vigour now that the excess savings accumulated during the pandemic have evaporated. We doubt that consumer spending, which accounts for no less than two-thirds of the economy, will regain momentum, all the more so that student debt repayments will affect the economy in the fourth quarter.

In June, the **NFIB Small Business Optimism Index** edged up 1.6 points to 91.0, which remains low on a historical basis. The net percentage of firms that expected the economic situation to improve rose from -50% to -40%. While this is an encouraging development, the figure remains deep in negative territory and is one of the lowest prints ever recorded. What's more, the percentage of firms that expected real sales to rise improved from a net -21% in May to a net -14% in June. However, the percentage of firms planning to create new jobs slipped four points to a net 15%. Consistent with this moderation, 42% of businesses reported not being able to fill one or more vacant positions, which remains historically high but is down from 44% the month before. Similarly, 36% of small firms indicated that they had sweetened employee compensation in the past 3-6 months, marking a return to this indicator's pre-pandemic level. Moreover, with margins squeezed by higher input and financing costs, fewer businesses planned to do the same again in the coming months (22%).

U.S.: Leading labour market indicators continue to cool
Share of firms planning to raise worker compensation and employment



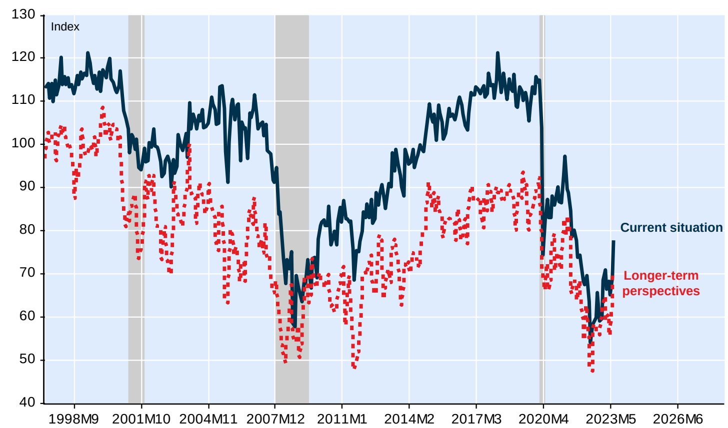
NBF Economics and Strategy (data via Statistics Canada)

Still in June, the investment intentions sub-index held steady at 25%, which remained below its long-term average. The deteriorating economic outlook was certainly not alien to this.

Inflationary pressures were still palpable in the data but continued to lose some of their edge. For example, 24% of businesses reported that their biggest problem was inflation. This was above pre-pandemic levels but significantly down from the 37% peak recorded in July 2022. Moreover, "only" 29% of businesses indicated that they had raised their prices recently, the lowest percentage since March 2021. However, the number of businesses planning to raise prices in the near future increased from 29% to 31%.

The **University of Michigan Consumer Sentiment index** increased from 64.4 in June to 72.6 in July. The improvement of sentiment in July was due to a better assessment of both current (from 70.5 to 77.5) and longer-term perspectives (from 61.5 to 69.4), although both measures remain at low levels. Twelve-month inflation expectations increased from 3.3% to 3.4%, while 5/10-year expectations crawled up a tick to 3.1%.

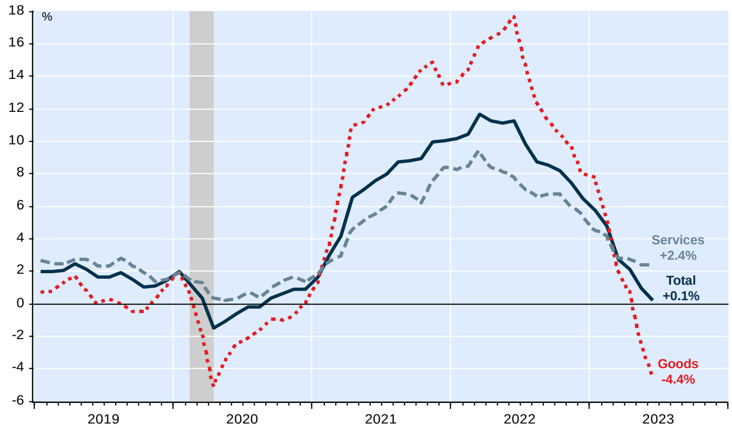
U.S.: Consumer confidence rebounds to still low levels
University of Michigan consumer confidence index, current situation and longer-term perspectives



NBF Economics and Strategy (data via Bloomberg)

The **Producer Price Index** for final demand advanced 0.1% in June. Goods prices were flat as those for energy sprang 0.7% while those for food sagged 0.1%. Prices in the services category, meanwhile, rose 0.2%. The core PPI, which excludes food and energy, increased 0.1% in the month, a tick less than expected by economists. Year on year, the headline PPI went from +1.1% to +0.1%, the second smallest advance since the end of 2020. Excluding food and energy, it sank to a multi-month low of 2.4%.

United States: Producer prices keep coming down
PPI final demand, goods and services, year over year (Last data: June 2023)



NBF Economics and Strategy (data via Refinitiv)

Initial jobless claims fell from 249K to 237K in the week to July 8. **Continued claims**, for their part, increased from 1,718K to 1,729K.

WORLD: In China, the **Consumer Price Index** was unchanged y/y in June (consensus expectations were for an increase of 0.2% y/y) after gaining 0.2% y/y the previous month. This was the lowest increase since February 2021. Food inflation accelerated from 1.0% in May to 2.3% in June, but non-food inflation slid 0.6%. Excluding food and energy, the annual rate of CPI inflation pegged in at 0.4%.

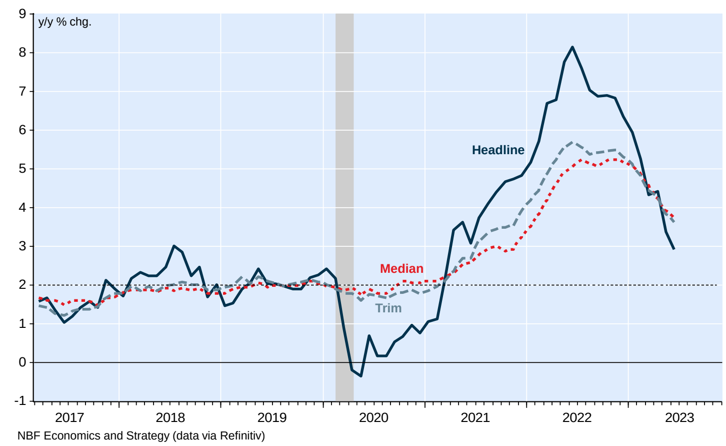
Still in June, the annual rate of change for the **Producer Price Index** (PPI) for China remained in negative territory for a ninth consecutive month. It came in at -5.4%, below the rate expected by consensus.

What we'll be watching

IN CANADA, increases in gasoline and food prices above historical norms could have translated into a 0.2% increase of the **consumer price index** in June (before seasonal adjustment). If we're right, the 12-month rate of inflation should come down from 3.4% to a 27-month low of 2.9%. The core measures preferred by the Bank of Canada should decrease as well. We will also get **retail sales** data for May. Gasoline station receipts should have decreased during the month judging by the drop in pump prices. Total sales may still have advanced 0.5%, buoyed by a surge in spending at car dealers, with some advanced indicators of automobile sales signaling one of the busiest months in almost two years. Spending on items other than vehicles, meanwhile, could have been more subdued, remaining flat on a monthly basis in May. A housing market update will be provided by the release of June's **housing starts**. If recent data on residential permits is any guide, the latter could have increased to 230K (seasonally adjusted and annualized) on gains in Ontario, Quebec and British Columbia. We'll also keep an eye on the publication of May's **wholesale trade sales** and June's **Industrial Product Price Index**.

		Previous	NBF forecasts
Tues:	CPI (June, y/y chg.)	3.4%	**2.9%**
	CPI-trim (June, y/y chg.)	3.8%	**3.6%**
	CPI-median (June, y/y chg.)	3.9%	**3.7%**
	Housing starts (June, saar)	202.5K	**230.0K**
Fri:	Retail sales (May, m/m chg.)	1.1%	**0.5%**
	Ex-autos retail sales (May, m/m chg.)	1.3%	**0.0%**

Canada: Headline inflation could have declined to a 27-month low in June
Consumer Price Index



NBF Economics and Strategy (data via Refinitiv)

IN THE U.S., the release of June **retail sales** will be watched closely. Auto sales progressed in the month, hinting at a positive contribution to the headline number from car dealers. Gasoline station receipts should have increased as well given the rise in pump prices during the month. These gains, combined with advances in housing-related categories, should translate into a 0.4% progression for headline sales. Spending on items other than vehicles, meanwhile, might have advanced at a slightly weaker pace, progressing 0.3%. We'll also get **industrial production** data for June. Manufacturing output could have edged up in the month judging by other indicators of factory activity, but this increase may have been partially offset by lower production in the mining segment. All told, total industrial production could have advanced 0.3%. We'll get an update on the residential sector with the publication of June's **housing starts**. The latter have been running way above permits recently, leading us to expect a significant drop in June. This decline is likely to be caused by a further drop in the single-family category. **Existing home sales** are also likely to have slipped in June judging by a drop in mortgage applications. We'll also get our first clues on the state of the manufacturing sector in July with the publication of the **Empire State Manufacturing Index** and the **Philly Fed Business**. With the FOMC due to meet on July 25-26, Fed officials will not speak to media.

		Previous	NBF forecasts
Tues	Retail sales (June, m/m chg.)	0.3%	**0.4%**
	Ex-autos retail sales (June, m/m chg.)	0.1%	**0.3%**
	Industrial production (June, m/m chg.)	-0.2%	**0.3%**
Wed:	Housing starts (June, saar)	1,631K	**1,475K**
Thurs:	Existing home sales (June, saar)	4,300K	**4,250K**

ELSEWHERE IN THE WORLD, the July iteration of **European Commission**'s **Consumer Confidence Index** will be released a few hours before **Japan**'s **Consumer Price Index** for June. In China, we'll get **Q2 GDP**.

Economic Calendar – Canada & U.S.

Economic releases & events

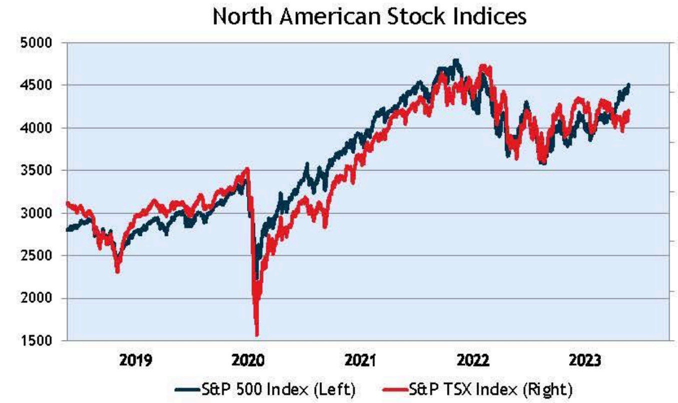
Day	Time	Country	Release	Period	Previous	Consensus Estimate	NBF Estimate
Monday Jul 17	8:30	CA	Int'l Securities Transactions	May	13.52b	--	
	8:30	US	Empire Manufacturing	Jul	6.6	-3.4	
Tuesday Jul 18	8:15	CA	Housing Starts	Jun	202.5k	216.3k	230.0k
	8:30	US	Retail Sales Advance MoM	Jun	0.30%	0.50%	0.40%
	8:30	US	Retail Sales Ex Auto MoM	Jun	0.10%	0.30%	0.30%
	8:30	CA	CPI YoY	Jun	3.40%	3.10%	2.90%
	8:30	CA	Industrial Product Price MoM	Jun	-1.00%	--	
	8:30	CA	Raw Materials Price Index MoM	Jun	-4.90%	--	
	9:15	US	Industrial Production MoM	Jun	-0.20%	0.10%	0.40%
	9:15	US	Capacity Utilization	Jun	79.60%	79.50%	
	10:00	US	NAHB Housing Market Index	Jul	55.0	56.0	
	16:00	US	Total Net TIC Flows	May	$48.4b	--	
Wednesday Jul 19	7:00	US	MBA Mortgage Applications	Jul-14	0.90%	--	
	8:30	US	Housing Starts	Jun	1631k	1473k	1475k
	8:30	US	Building Permits	Jun	1491k	1499k	1480k
	8:30	US	Housing Starts MoM	Jun	21.70%	-9.70%	-9.60%
	8:30	US	Building Permits MoM	Jun	5.20%	0.20%	-1.1%
Thursday Jul 20	8:30	US	Initial Jobless Claims	Jul-15	237k	244k	
	10:00	US	Existing Home Sales	Jun	4.30m	4.22m	4.25m
	10:00	US	Existing Home Sales MoM	Jun	0.20%	-2.00%	-1.20%
Friday Jul 21	8:30	CA	Retail Sales MoM	May	1.10%	0.50%	0.50%
	8:30	CA	Retail Sales Ex Auto MoM	May	1.30%	0.10%	0.00%

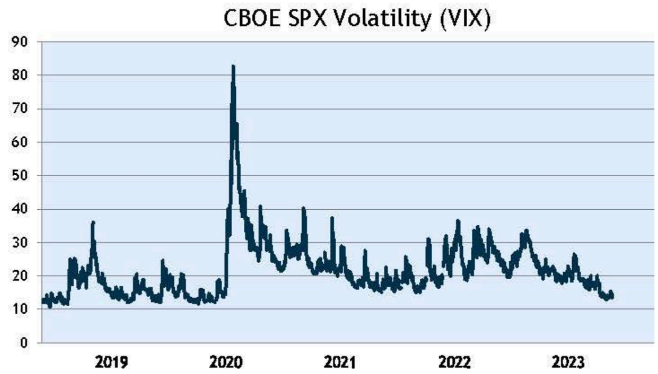
Earnings announcements

Day	Company	Time	Qtr	Cons. EPS
Tuesday Jul 18	Synchrony Financial	06:00	Q2 23	1.23
	Bank of New York Mellon Corp/T	06:30	Q2 23	1.22
	PNC Financial Services Group I	06:30	Q2 23	3.28
	Bank of America Corp	06:45	Q2 23	0.84
	Charles Schwab Corp/The	Bef-mkt	Q2 23	0.71
	Prologis Inc	Bef-mkt	Q2 23	1.66
	Lockheed Martin Corp	Bef-mkt	Q2 23	6.43
	Morgan Stanley	07:30	Q2 23	1.20
	JB Hunt Transport Services Inc	Aft-mkt	Q2 23	1.92
	Omnicom Group Inc	Aft-mkt	Q2 23	1.81
Wednesday Jul 19	Elevance Health Inc	06:00	Q2 23	8.78
	Citizens Financial Group Inc	Bef-mkt	Q2 23	1.01
	Hasbro Inc	0:00	Q2 23	0.56
	Baker Hughes Co	07:00	Q2 23	0.33
	M&T Bank Corp	Bef-mkt	Q2 23	4.04
	Northern Trust Corp	Bef-mkt	Q2 23	1.62
	US Bancorp	Bef-mkt	Q2 23	1.10
	Equifax Inc	Aft-mkt	Q2 23	1.65
	Nasdaq Inc	07:00	Q2 23	0.66
	Goldman Sachs Group Inc/The	07:30	Q2 23	3.94
	Netflix Inc	16:00	Q2 23	2.84
	Tesla Inc	Aft-mkt	Q2 23	0.82
Thursday Jul 20	Fifth Third Bancorp	06:30	Q2 23	0.83
	Johnson & Johnson	06:45	Q2 23	2.62
	KeyCorp	Bef-mkt	Q2 23	0.30
	DR Horton Inc	Bef-mkt	Q3 23	2.81
	Travelers Cos Inc/The	Bef-mkt	Q2 23	2.15
	Truist Financial Corp	Bef-mkt	Q2 23	1.01
	Freeport-McMoRan Inc	Bef-mkt	Q2 23	0.35
	American Airlines Group Inc	Bef-mkt	Q2 23	1.58
	Snap-on Inc	Bef-mkt	Q2 23	4.55
	Abbott Laboratories	Bef-mkt	Q2 23	1.05
	Genuine Parts Co	Bef-mkt	Q2 23	2.31
	Pool Corp	Bef-mkt	Q2 23	6.30
Friday Jul 21	Comerica Inc	Bef-mkt	Q2 23	1.88
	Regions Financial Corp	Bef-mkt	Q2 23	0.59
	Robert Half International Inc	0:00	Q2 23	1.12
	Huntington Bancshares Inc/OH	Bef-mkt	Q2 23	0.33
	Roper Technologies Inc	Bef-mkt	Q2 23	3.99
	American Express Co	07:00	Q2 23	2.81
	Interpublic Group of Cos Inc/T	Bef-mkt	Q2 23	0.61
	Schlumberger NV	07:00	Q2 23	0.71

Source: Bloomberg

Data Update



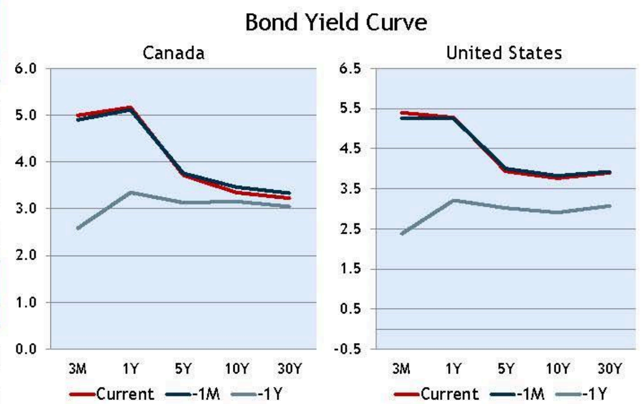


Stock Indices

	Level	1 week	1 month	3 months	YTD	1 year	5 years (ann.)	10-year Hi (Date)	10-year Low (Date)
		Total return performances (in C$ / in local currency)							
Canada									
S&P/TSX Composite	20277.6	2.4%	1.8%	-0.6%	6.5%	12.6%	7.4%	22087.2 (29 Mar 2022)	11228.5 (23 Mar 2020)
U.S.									
S&P 500 Composite	4510.0	0.5% / 2.3%	2.0% / 3.4%	7.1% / 9.2%	14.7% / 18.5%	22.1% / 20.7%	11.8% / 11.9%	4796.6 (3 Jan 2022)	1630.5 (27 Aug 2013)
Dow Jones Industrials	34395.1	-0.4% / 1.4%	-0.7% / 0.7%	-0.4% / 1.6%	1.6% / 5.0%	15.5% / 14.2%	8.8% / 8.9%	36799.7 (4 Jan 2022)	14776.1 (27 Aug 2013)
Nasdaq Composite	14138.6	1.6% / 3.4%	2.8% / 4.2%	14.2% / 16.5%	31.3% / 35.7%	28.3% / 26.8%	13.5% / 13.6%	16057.4 (19 Nov 2021)	3578.5 (27 Aug 2013)
World									
Euro Stoxx 50	4391.8	5.3% / 4.1%	3.4% / 1.2%	2.2% / 2.9%	20.9% / 19.1%	47.2% / 31.4%	7.2% / 8.2%	4408.6 (21 Apr 2023)	2385.8 (18 Mar 2020)
FTSE100	7440.2	3.8% / 2.3%	0.7% / -1.9%	-1.6% / -4.2%	7.7% / 2.1%	19.9% / 8.0%	3.1% / 3.3%	8014.3 (20 Feb 2023)	4993.9 (23 Mar 2020)
TOPIX	2243.0	1.0% / -1.5%	-1.1% / -0.8%	5.1% / 11.9%	11.1% / 20.3%	22.5% / 22.0%	3.5% / 7.9%	2320.8 (3 Jul 2023)	1106.1 (30 Aug 2013)
CSI 300	3898.4	1.2% / 1.8%	0.5% / 2.0%	-8.4% / -2.7%	-3.9% / 2.3%	-12.1% / -7.5%	3.0% / 4.4%	5807.7 (10 Feb 2021)	2087.0 (20 Mar 2014)
MSCI World	696.0	1.5% / 3.3%	1.6% / 3.0%	4.9% / 7.0%	12.8% / 16.6%	21.3% / 19.9%	8.5% / 8.6%	758.9 (16 Nov 2021)	353.4 (11 Feb 2016)
MSCI Emerg. Markets	1020.5	1.9% / 3.7%	0.2% / 1.5%	1.8% / 3.8%	5.3% / 8.8%	10.0% / 8.7%	1.7% / 1.8%	1444.9 (17 Feb 2021)	688.5 (21 Jan 2016)
MSCI EAFE	2185.3	3.4% / 5.2%	1.0% / 2.4%	1.1% / 3.1%	11.3% / 15.0%	25.4% / 24.0%	5.2% / 5.3%	2404.8 (6 Sep 2021)	1354.3 (23 Mar 2020)

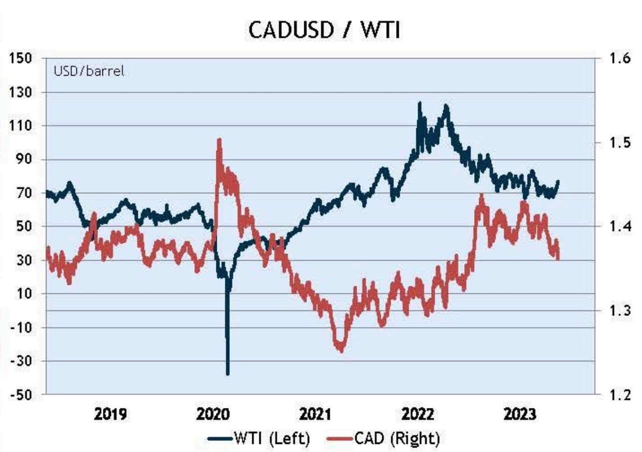
Canadian Bond Indices

	1 week	1 month	YTD	1 year	5 years (ann.)
	Total return performances				
Refinitiv Indices					
Overall Universe	0.7%	1.1%	1.7%	1.8%	0.5%
Long Term Universe	0.5%	2.0%	2.9%	2.3%	-0.7%
Mid Term Universe	1.1%	0.9%	1.3%	1.7%	0.7%
Short Term Universe	0.6%	0.4%	1.0%	1.4%	1.1%
Federal Universe	0.8%	0.9%	0.9%	0.0%	-0.1%
Provincial Universe	0.7%	1.4%	2.0%	2.2%	0.3%
Corporate Universe	0.7%	0.9%	2.4%	4.0%	1.6%



Bond Yield Curve

	3 mths	1 year	5 years	10 years	30 years
Canada	5.00%	5.17%	3.72%	3.35%	3.23%
1 week chg (bps)	+5	-3	-20	-14	-2
1 month chg (bps)	+10	+5	-4	-12	-11
1 year chg (bps)	+242	+182	+59	+19	+18
U.S.	5.39%	5.27%	3.94%	3.76%	3.90%
1 week chg (bps)	+1	-18	-43	-28	-11
1 month chg (bps)	+13	+3	-7	-6	-3
1 year chg (bps)	+302	+206	+92	+86	+83



Currencies

	latest	1 week ago	1 month ago	January 1st	1 year ago
USDCAD	1.311	1.335	1.329	1.355	1.296
US cents per cad	0.763	0.749	0.752	0.738	0.772
EURCAD	1.468	1.450	1.436	1.446	1.310
EURUSD	1.119	1.087	1.080	1.067	1.011
USDJPY	138.2	144.3	139.8	131.9	137.2
GBPUSD	1.311	1.270	1.261	1.203	1.195
USDCNY	7.161	7.247	7.153	6.952	6.723

Commodities

	latest	1 week ago	1 month ago	January 1st	1 year ago
Oil - WTI ($/barrel)	76.89	71.80	69.42	80.26	96.30
Oil - Brent ($/barrel)	80.79	75.69	77.82	83.33	112.49
Gold ($/oz)	1959.90	1909.92	1950.90	1815.64	1744.90
CRB Metals (index)	0.0	0.0	0.0	0.0	0.0

Jobs

	Unemployment rate		Employment change	
	Latest	12 months ago	Latest	12-month avg
Canada	5.4%	4.9%	59.9K	39.2K
Ontario	5.7%	5.2%	55.8K	17.8K
Quebec	4.4%	4.4%	-8.4K	9.8K
British Columbia	5.6%	4.7%	-2.6K	2.5K
Alberta	5.7%	5.2%	10.6K	5.6K
United States	3.6%	3.6%	209.0K	316.0K
Eurozone	6.5%	6.7%	---	---
Japan	2.6%	2.6%	-80.0K	12.5K

Inflation

	Y/Y Latest	3-mth ann.	Y/Y 6 months ago	Y/Y 1 year ago
Canada				
Headline CPI	3.4%	3.4%	6.8%	7.7%
Average core	4.3%	---	5.8%	5.4%
United States				
Headline PCE	3.8%	2.5%	5.7%	6.5%
Core PCE	4.6%	4.1%	4.8%	4.9%
Eurozone				
Headline CPI	5.5%	---	9.2%	8.6%
Core CPI	5.4%	---	5.2%	3.7%
Japan				
Headline CPI	3.2%	3.9%	3.8%	2.4%
Core CPI	3.1%	3.1%	3.7%	2.1%

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	$801,423	67.3% / 46.3%	-7.7%	225.8K / 218.5K
Toronto	$1,254,833	93.1% / 63.5%	-11.6%	47.0K / 38.6K
Vancouver	$1,377,514	102.1% / 71.5%	-7.1%	37.7K / 24.6K
Montreal	$545,788	49.2% / 33.4%	-2.4%	11.2K / 22.9K
Calgary	$501,009	37.2% / 25.1%	7.6%	17.3K / 13.0K
United States	---	---	-0.2%	1450.3K / 1271.8K

Manufacturing Sector

	Markit manufacturing PMI		Industrial production	
	Latest	6-month trend	3 mth ann chg	12-month chg
Canada	48.8	▼	4.9%	0.1%
United States	46.3	▲	2.0%	0.2%
Eurozone	43.4	▼	-12.5%	-2.1%
Japan	49.8	▲	-4.9%	2.5%
China	50.5	▲	---	---

Central Banks

	Policy rate	12 months ago	Trend	Next announce
Bank of Canada	5.00%	2.50%	▲	9/6/2023
Fed Reserve (upper bound)	5.25%	1.75%	▲	7/26/2023

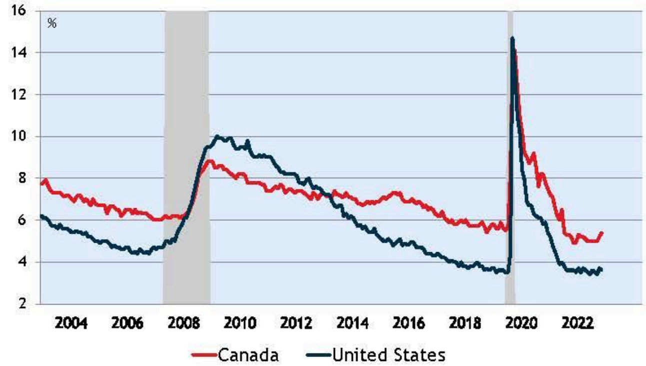
GDP Growth

	Q/Q ann Latest	Q/Q ann Previous	Y/Y Latest	Y/Y 6 months ago
Canada	3.1% (Q1)	-0.1% (Q4)	2.2%	2.1%
United States	2.0% (Q1)	2.6% (Q4)	1.8%	0.9%
Eurozone	-0.4% (Q1)	-0.5% (Q4)	1.0%	1.8%
Japan	2.7% (Q1)	0.4% (Q4)	1.8%	0.4%

Contributions to real GDP growth - Canada

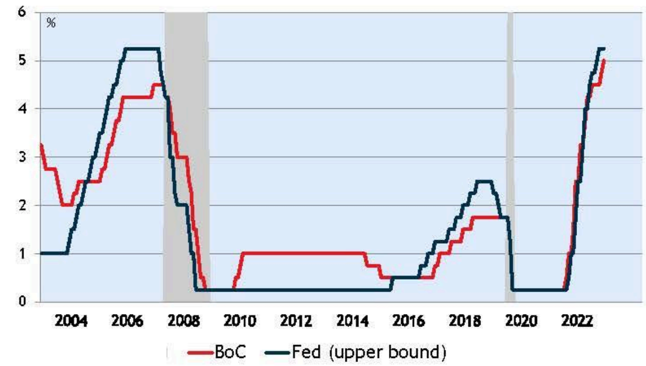
	Q1 2023	Q4 2022	Q3 2022	Q2 2022
GDP	**3.1**	**-0.1**	**2.3**	**3.6**
Consumption	3.1	0.6	0.2	4.6
Business Investment	0.5	-0.4	-0.1	1.2
Nonprofit Sector	0.1	0.0	0.0	0.1
Residential Investment	-1.2	-0.8	-1.7	-3.3
Government	0.2	0.9	0.8	-0.6
Final Domestic Demand	**2.7**	**0.2**	**-0.8**	**2.0**
Exports	3.3	0.7	3.7	2.6
Imports	-0.3	4.5	0.8	-8.7
Trade	**3.0**	**5.3**	**4.5**	**-6.0**
Inventories	-2.3	-5.5	-1.4	7.6
Statistical discrepancy	-0.1	0.0	0.1	0.1

Unemployment rate

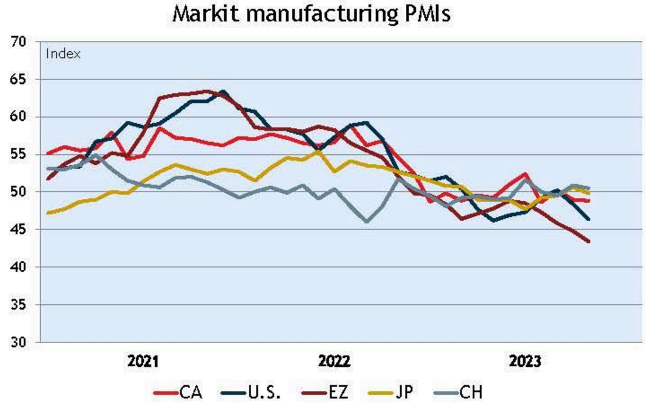


Headline inflation

Central banks' policy rates



Markit manufacturing PMIs



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