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Weekly Economic Review



This week's markets

At the close, on Thursday



- ▶ Canadian bonds
 - ▶ FTSE TMX Universe: +0.69%
 - ▶ FTSE TMX Long: +1.40%
 - ▶ Corps: +0.53%
- ▶ Equities (total return)
 - ▶ S&P/TSX: -3.79%
 - ▶ S&P 500: -1.88% (-0.92% in CAD)
 - ▶ EAFE: -2.43% (-1.48% in CAD)
 - ▶ MSCI-Emerging: -4.02% (-3.08% in CAD)

What caught our eye this week

- ▶ Jobs:
 - ▶ Canada & U.S. moving in opposite directions
- ▶ Bank of Canada:
 - ▶ Spotlight is back on housing and debt

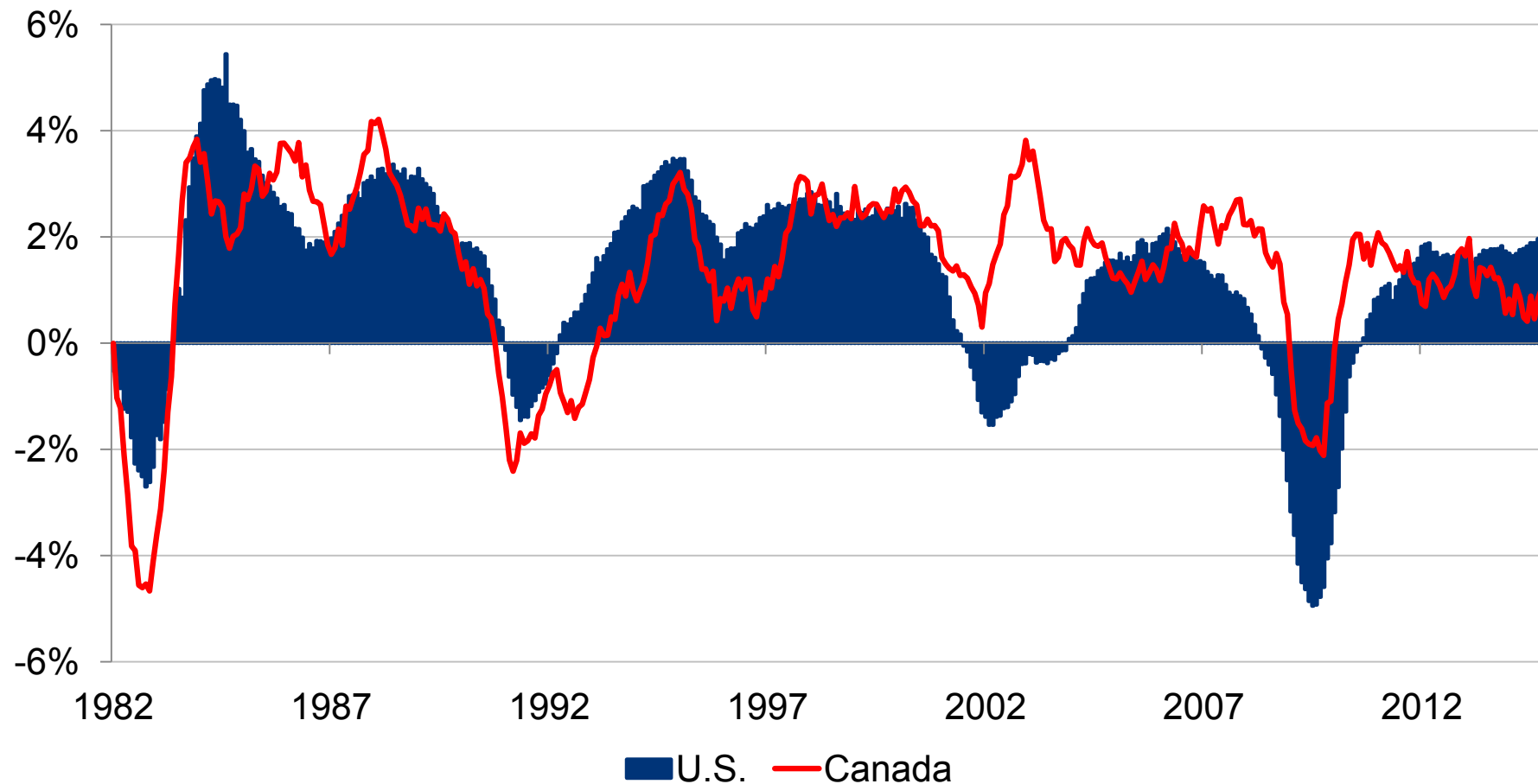


Jobs: Canada & U.S. Moving in opposite directions



Canada & U.S.: Annual jobs creation

Jobs added to the labour market in last 12 months, %



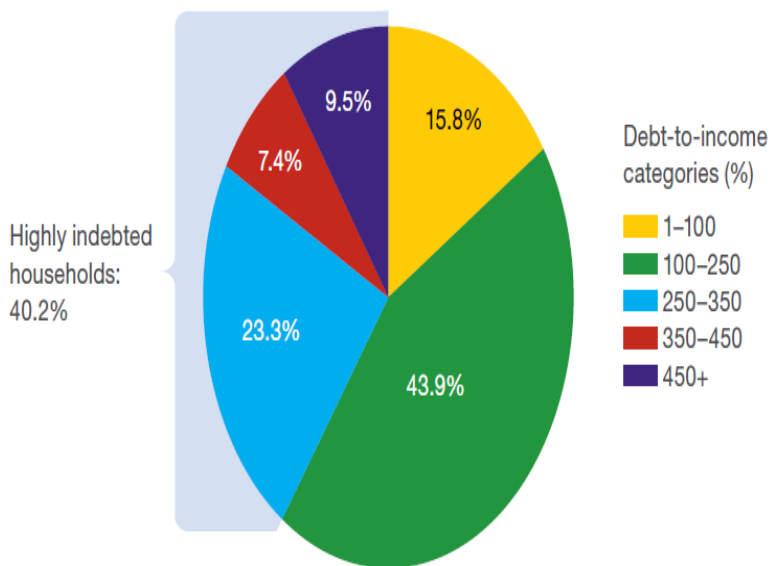


The Bank of Canada puts the spotlight back on household debt & housing



Highly indebted households carry a large share of overall household debt

Share of aggregate household debt held by various debt-to-income categories

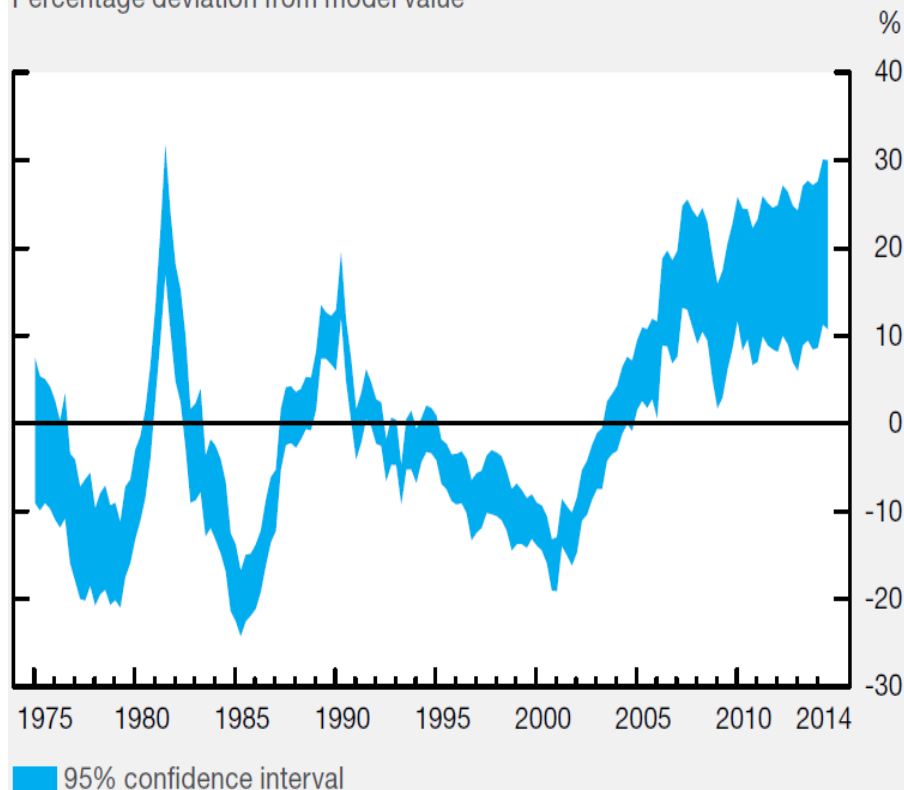


Source: Ipsos Reid

Last observation: 2014Q2

Bank of Canada staff estimate of house price overvaluation

Percentage deviation from model value



Source: Bank of Canada calculations

Last observation: 2014Q3

What we'll be watching next week

- ▶ Canada:
 - ▶ Inflation (last month: 2.4%)
 - ▶ Retail sales (last month: +0.8%)
- ▶ U.S.:
 - ▶ Housing starts (consensus: higher to 1,030K)
 - ▶ Building permits (consensus: down to 1,050K)
 - ▶ Inflation (consensus: down to 1.5%)
 - ▶ FOMC meeting

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