

Weekly economic review

Sébastien Mc Mahon, CFA

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A look at this week's markets

At the close on Thursday

Canadian Bonds (total return)

Year-to-date

FTSE TMX Universe	-0.41%	0.50%
FTSE TMX Long	-0.88%	0.27%
Corps	-0.33%	1.09%

Equities (total return)

S&P/TSX	0.08%	2.02%
S&P 500	0.66% (2.81% CAD)	6.79% (6.45% CAD)
EAFE	0.52% (2.66% CAD)	4.75% (4.41% CAD)
MSCI Emerging	-0.76% (1.36% CAD)	8.59% (8.25% CAD)

Other (WTD change)

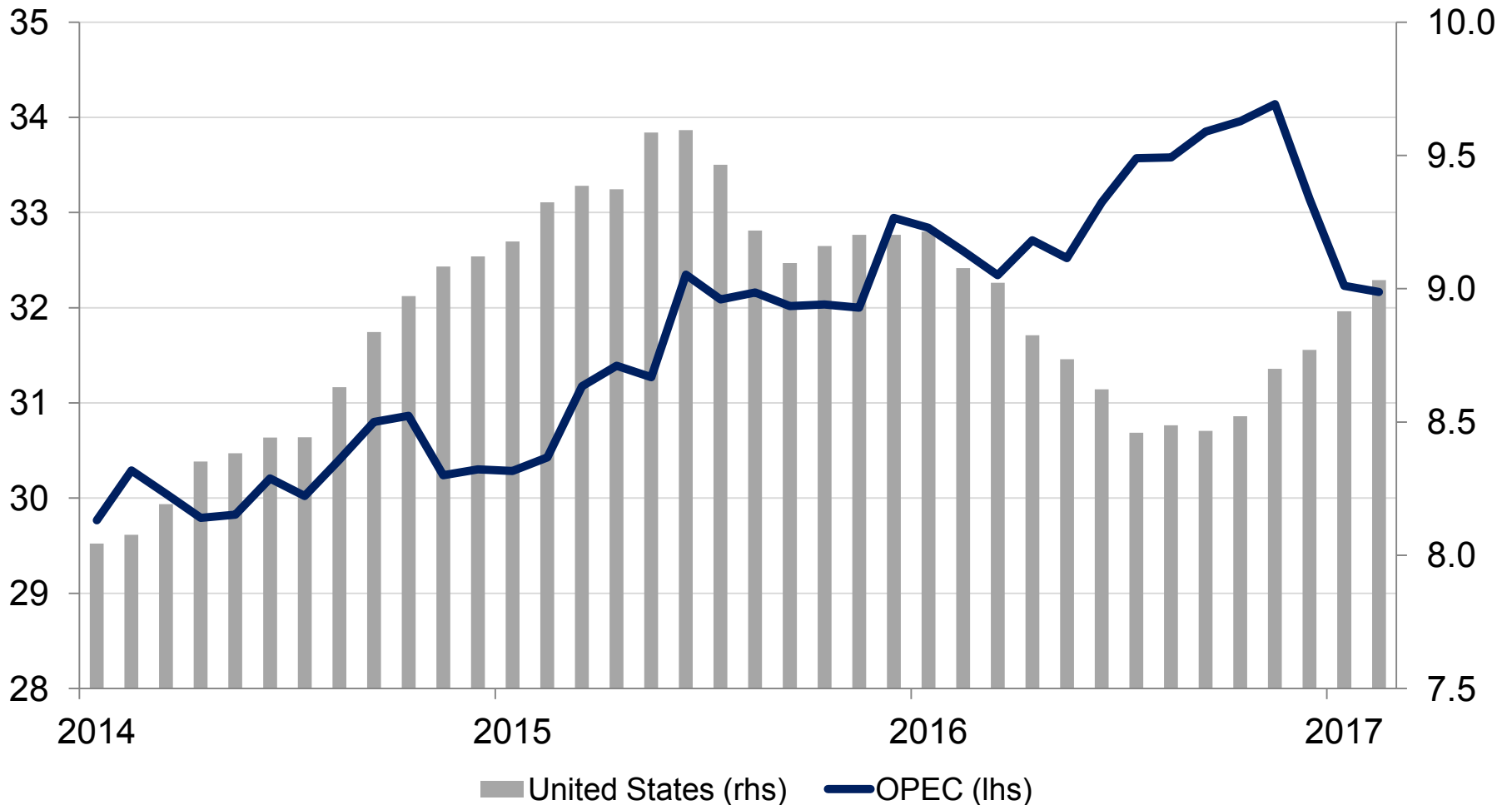
Year-to-date

Oil (WTI)	52.61 \$	-2.56%	-2.07%
USD/CAD	0.7472 \$	-2.09%	0.32%
Gold	1 234.25 \$	-1.82%	7.56%

- **Oil:**
 - Why prices remain steady
- **Monetary policy:**
 - The Fed is expected to go in March, while the Bank of Canada should stay put for a while
- **Canada:**
 - Despite appearances, the Canadian economy showed signs of vulnerability in the fourth quarter of 2016

Daily crude oil production

Millions of barrels/day





Fed: A hike is expected in March

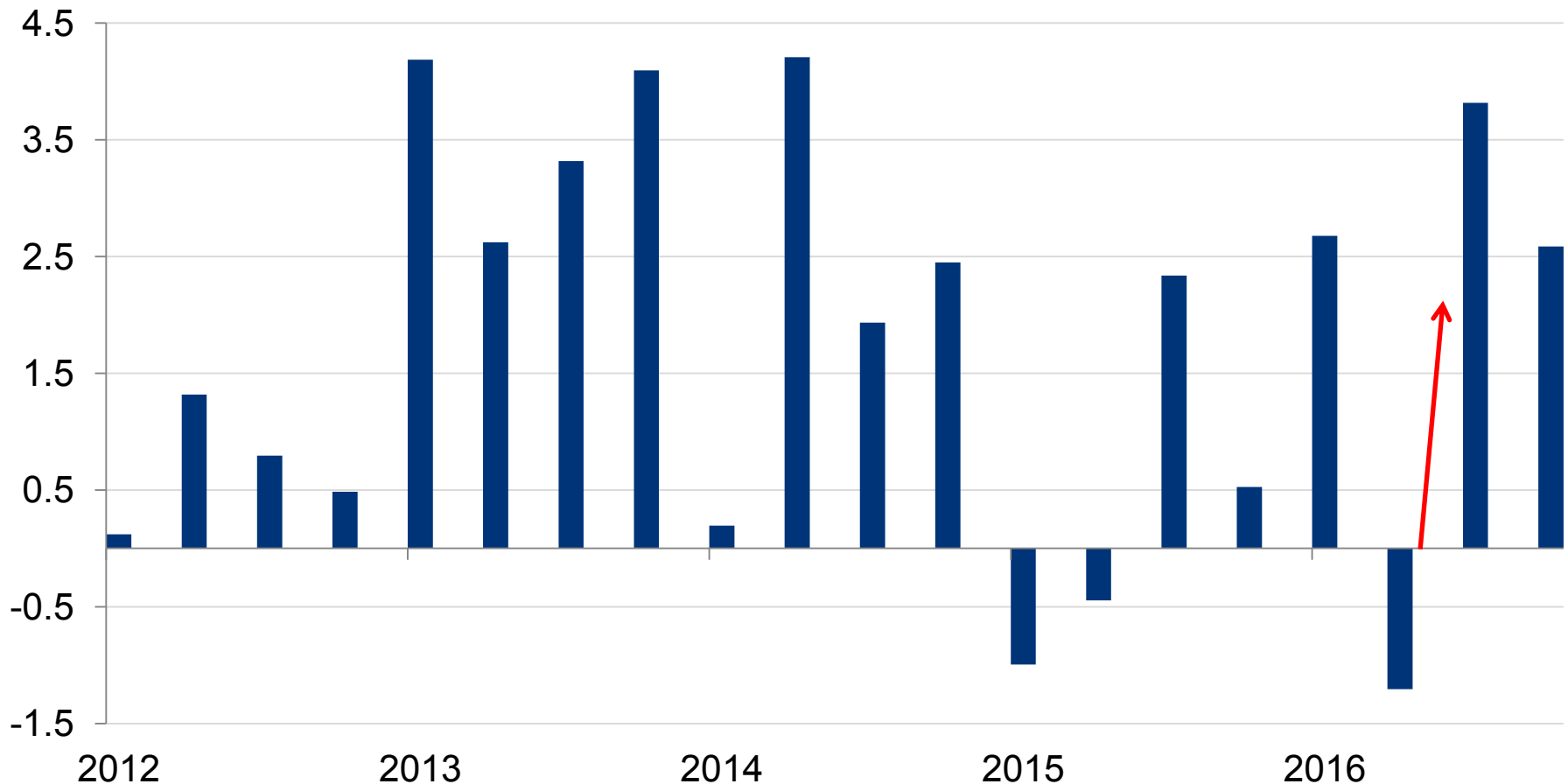
The market expects to see a Fed rate hike in March

Implied probability by fed funds futures market



Canada: Strong growth in Q4, but the devil is in the details

Quarterly GDP growth, SAAR, %



What we'll be watching next week

- **Canada:**
 - Housing starts (last month: 207.4K in January)
 - Building permits (last month: -6.6% in December)
 - Net change in employment (last month: +48.3K in January)
 - Unemployment rate (last month: 6.8% in January)
- **U.S.:**
 - Nonfarm productivity growth (consensus: stable at 1.5% in Q4)
 - Change in non-farm payrolls (consensus: lower at 183K in February)
 - Unemployment rate (consensus: lower at 4.7% in February)



To contact us

economics@ia.ca

www.ia.ca/economy