

Weekly economic review

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A look at this week's markets

At the close on Thursday



Canadian Bonds (total return)

		<i>Year-to-date</i>
FTSE TMX Universe	0.45%	0.08%
FTSE TMX Long Corps	1.09%	-0.09%
	0.35%	0.27%

Equities (total return)

S&P/TSX	0.86%	2.08%
S&P 500	0.16% (1.54% CAD)	5.02% (9.48% CAD)
EAFE (in USD)	0.27% (1.64% CAD)	-0.02% (4.22% CAD)
MSCI Emerging (in USD)	-0.85% (0.5% CAD)	-2.83% (1.3% CAD)

Other (WTD change)

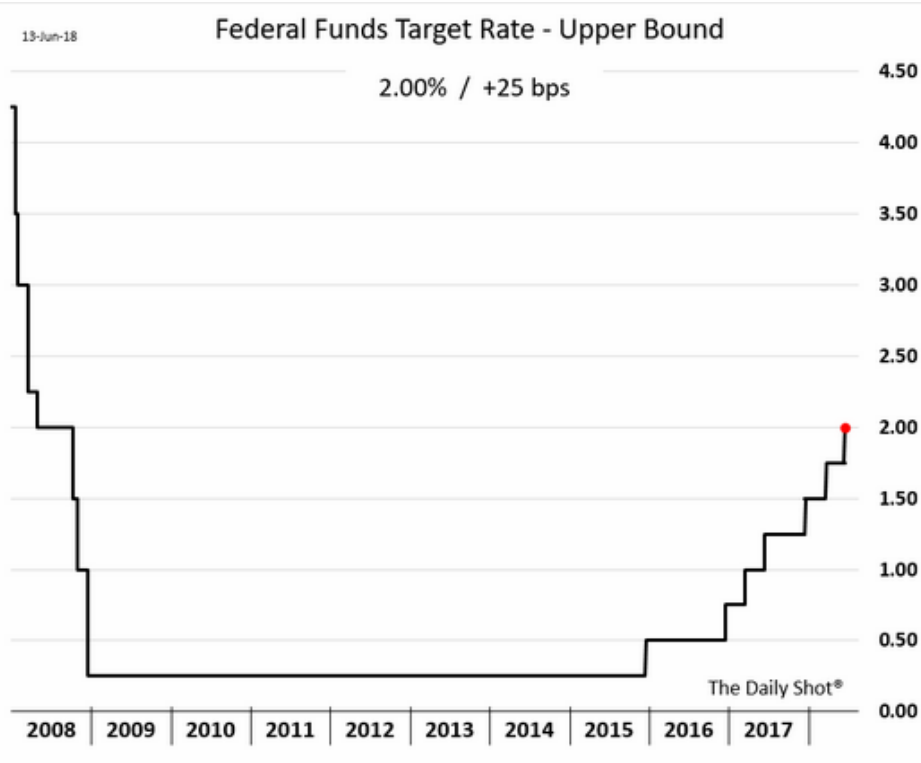
			<i>Year-to-date</i>
Oil (WTI)	66.89 \$	1.75%	10.71%
USD/CAD	0.7631 \$	-1.35%	-4.07%
Gold	1 302.25 \$	0.31%	-0.04%

What caught our eye this week

- ▶ U.S.
 - ▶ Fed hikes its leading rate
 - ▶ Retail sales shattering expectations

U.S.:

Fed hikes its leading rate and gives an update of its economic forecast



Percent

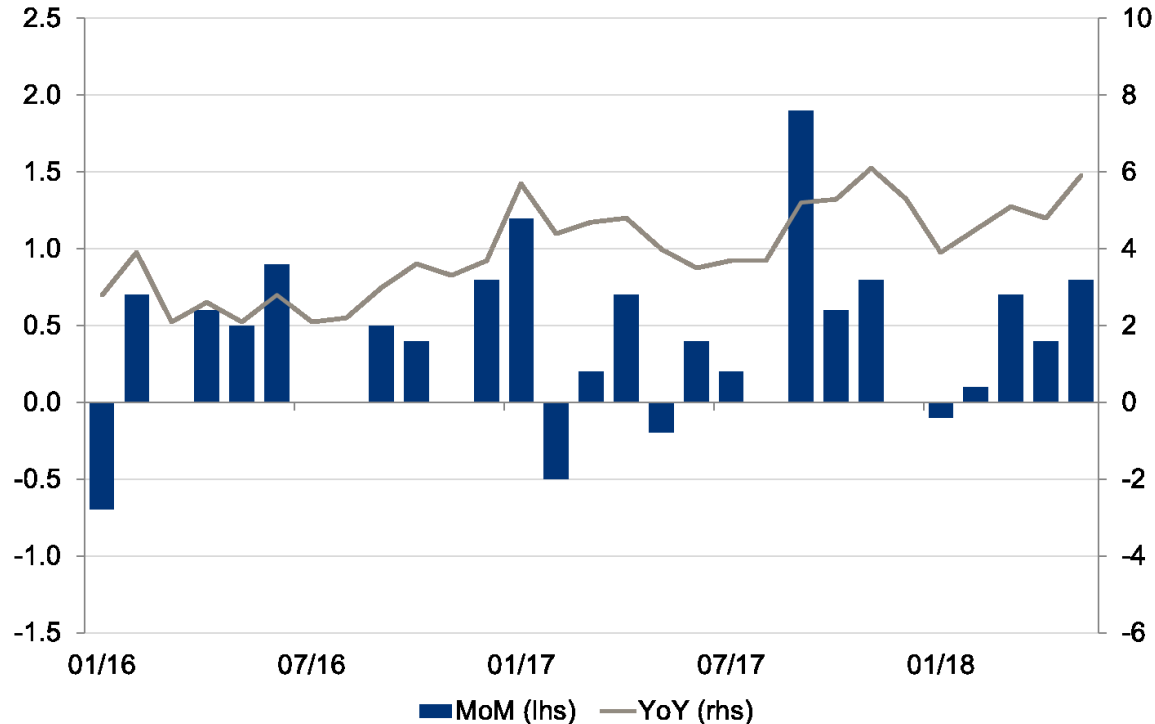
Variable	Median			
	2018	2019	2020	Longer run
Change in real GDP	2.8	2.4	2.0	1.8
March projection	2.7	2.4	2.0	1.8
Unemployment rate	3.6	3.5	3.5	4.5
March projection	3.8	3.6	3.6	4.5
PCE inflation	2.1	2.1	2.1	2.0
March projection	1.9	2.0	2.1	2.0
Core PCE inflation ⁴	2.0	2.1	2.1	
March projection	1.9	2.1	2.1	
Federal funds rate	2.4	3.1	3.4	2.9
March projection	2.1	2.9	3.4	2.9

U.S.:

Retail sales accelerating since the fiscal reform

U.S.: Retail sales

Monthly (lhs) and yearly (rhs) growth rates, %



What we'll be watching next week

- ▶ Canada:
 - ▶ Retail Sales (last month: +0.6% MoM in March)
 - ▶ CPI Inflation (last month: +2.2% MoM in April)
- ▶ U.S.:
 - ▶ NAHB Housing Market Index (consensus: stable at 70 in June)
 - ▶ Housing Starts (consensus: higher at 1309K in May)
 - ▶ Building Permits (consensus: stable at 1350K in May)
 - ▶ Existing Home Sales (consensus: stable at 5.56M in May)



To contact us

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