



Weekly Economic Indicators - U.S. and Canada

For the week of June 26, 2017 (Market calls are as of June 22, 2017)

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Monday, June 26

U.S. Economic Data and Events

Time	Release		RBC Call	Market Call*	Prior Read
8:30	Durable Goods Orders	May P	2.5%	-0.7%	-0.8%
8:30	Durables Ex Transportation	May P	1.0%	0.3%	-0.5%
8:30	Cap Goods Orders Nondef Ex Air	May P	0.5%	0.3%	0.1%
8:30	Cap Goods Ship Nondef Ex Air	May P			0.1%
8:30	Chicago Fed Nat Activity Index	May			0.49
10:30	Dallas Fed Manf. Activity	Jun			17.2
11:30	U.S. to Sell 3-Month Bills				
11:30	U.S. to Sell 6-Month Bills				
13:00	U.S. to Sell 2-Year Notes				

Canadian Economic Data and Events

Time	Release		RBC Call	Market Call*	Prior Read
10:00	Bloomberg Nanos Confidence	23-Jun			

Tuesday, June 27

U.S. Economic Data and Events

Time	Release		RBC Call	Market Call*	Prior Read
3:30	Fed's Williams Speaks in Sydney				
9:00	S&P CL CS 20-City MoM SA	Apr			0.87%
9:00	S&P CL CS 20-City YoY NSA	Apr			5.89%
9:00	S&P CL CS US HPI YoY NSA	Apr			5.75%
10:00	Conf. Board Consumer Confidence	Jun	116.7		117.9
10:00	Richmond Fed Manufact. Index	Jun			1
11:00	Fed's Harker Speaks on Economy in London				
11:30	U.S. to Sell 4-Week Bills				
13:00	U.S. to Sell 5-Year Notes				
17:30	Fed's Kashkari Speaks at Townhall Event in Houghton, Michigan				

Canadian Economic Data and Events

Time	Release		RBC Call	Market Call*	Prior Read
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10:30 Canada to Sell 98-Day Bills
 10:30 Canada to Sell 182-Day Bills
 10:30 Canada to Sell 364-Day Bills

Wednesday, June 28

U.S. Economic Data and Events

Time	Release	RBC Call	Market Call*	Prior Read
3:30	Fed's Williams Speaks in Canberra			
7:00	MBA Mortgage Applications	23-Jun		0.6%
8:30	Advance Goods Trade Balance	May	-65.5	-\$67.1b
8:30	Wholesale Inventories MoM	May P		-0.5%
8:30	Retail Inventories MoM	May		-0.3%
10:00	Pending Home Sales MoM	May	0.6%	-1.3%
10:00	Pending Home Sales NSA YoY	May		-5.4%
11:30	U.S. to Sell 2-Year Floating Rate Notes			
13:00	U.S. to Sell 7-Year Notes			

Canadian Economic Data and Events

Time	Release	RBC Call	Market Call*	Prior Read
9:30	Bank of Canada's Poloz at ECB Panel			
12:00	Canada to Sell 2-Year Bonds			
14:15	Bank of Canada Deputy Governor Lynn Patterson Speaks			

Thursday, June 29

U.S. Economic Data and Events

Time	Release	RBC Call	Market Call*	Prior Read
8:30	GDP Annualized QoQ	1Q T	1.2%	1.2%
8:30	Personal Consumption	1Q T	0.9%	0.6%
8:30	GDP Price Index	1Q T	2.2%	2.2%
8:30	Core PCE QoQ	1Q T		2.1%
8:30	Initial Jobless Claims	24-Jun	242k	241k
8:30	Continuing Claims	17-Jun		1944k
9:45	Bloomberg Consumer Comfort	25-Jun		

The third and final estimate of Q1 GDP growth is expected to be unchanged from the 1.2% second estimate. Consumer spending growth was likely slightly stronger than the 0.6% current estimate but with offset from a larger drag from net trade, reflecting stronger import growth, and a slightly smaller rise in business investment in structures.

Canadian Economic Data and Events

Time	Release	RBC Call	Market Call*	Prior Read
8:30	Employment, Earnings and Hours			
	CFIB Business Barometer	Jun		66

Friday, June 30

U.S. Economic Data and Events

Time	Release	RBC Call	Market Call*	Prior Read
8:30	Personal Income	May	0.3%	0.4%
8:30	Personal Spending	May	0.0%	0.4%
8:30	Real Personal Spending	May		0.2%
8:30	PCE Deflator MoM	May	-0.1%	0.2%
8:30	PCE Deflator YoY	May		1.7%
8:30	PCE Core MoM	May		0.2%

8:30	PCE Core YoY	May			1.5%
9:45	Chicago Purchasing Manager	Jun	60.0	58.0	59.4
10:00	U. of Mich. Sentiment	Jun F	95.7	94.5	94.5

Canadian Economic Data and Events

Time	Release		RBC Call	Market Call*	Prior Read
8:30	GDP MoM	Apr	0.2%		0.5%
8:30	GDP YoY	Apr			3.2%
8:30	Raw Materials Price Index MoM	May			1.6%
8:30	Industrial Product Price MoM	May			0.6%
10:30	Business Outlook Future Sales	2Q			21
10:30	BoC Senior Loan Officer Survey	2Q			-1.9

April GDP is expected to rise 0.2% following the outsized 0.5% surge in March. The previous month's increase reflected generally broad-based and sizeable gains among a number of components. The more trend-like gain in April is despite an assumed 5% pull-back in non-conventional oil extraction due to the unexpected fire-related shutdown of a major oil sands producer. The details of the April manufacturing sales report are also pointing to a flat GDP reading for the sector despite a 1.1% monthly sales gain. That would be down from a 1.6% increase in March. An expected flat reading for utilities would also be down sharply from the 1.6% jump recorded in March which reflected the return to more seasonal temperatures in that month after warmer-than-usual winter temperatures in February and January. A 0.3% increase in the volume of retail sales, however, should be reflected in a similar increase in the corresponding GDP component following a 1.0% jump in March. We also expect higher wholesale sale volumes in the month to be reflected in a 1.1% increase in that component of the GDP. That would build further onto the 0.7% gain in March and would represent the seventh consecutive monthly increase in the wholesale trade sector of GDP. Marginal additional support will likely come from higher output in the arts and entertainment GDP component with 5 of 7 Canadian NHL teams making the playoffs this year and we expect modest trend increases in most of the other service-producing sectors.

The Summer (Q2) 2017 Business Outlook Survey will be monitored closely for indications of additional improvement relative to the assessment in the Q1 report that there were signs of "further strengthening of domestic demand following overall subdued activity over the past two years." Most encouraging was the jump in the diffusion measure for investment spending on machinery and equipment to 35 which represented the highest level of optimism since Q3 2010 and matched the second highest level on record. The increase reportedly reflected firming domestic demand although export prospects also remained supportive. The caveat in the Bank of Canada's commentary on the numbers, which often reflect detailed underlying data not included in the standard release, was that amounts of planned capital expenditures appeared to be small with some firms suggesting expenditures were mostly limited to maintenance items. Recent comments from bank officials, including Governor Poloz, since the Q2 survey was conducted have been more upbeat and Statistics Canada's estimate of the industrial capacity utilization rate hit a cycle high in Q1. Signs of shrinking excess capacity would imply that businesses will increasingly have to expand to meet new demand. That could be reflected in a more optimistic tone from the Bank of Canada in the Q2 commentary. With oil prices dropping below \$45 over the Q2 survey period after averaging above \$50 the previous survey, attention will also be paid to signs that early signs of a recovery in energy sector investment have waned.

*Market calls refer to Bloomberg consensus forecasts