



Weekly Economic Indicators - U.S. and Canada

For the week of March 19, 2018 (Market calls are as of March 15, 2018)

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Monday, March 19

U.S. Economic Data and Events

Time	Release	RBC Call	Market Call*	Prior Read
11:30	U.S. to Sell 3-Month Bills			
11:30	U.S. to Sell 6-Month Bills			

Canadian Economic Data and Events

Time	Release	RBC Call	Market Call*	Prior Read
10:00	Bloomberg Nanos Confidence	16-Mar		56.7

Tuesday, March 20

U.S. Economic Data and Events

Time	Release	RBC Call	Market Call*	Prior Read
11:30	U.S. to Sell 4-Week Bills			

Canadian Economic Data and Events

Time	Release	RBC Call	Market Call*	Prior Read
8:30	Wholesale Trade Sales MoM	Jan		-0.5%
10:30	Canada to Sell 98-Day Bills			
10:30	Canada to Sell 168-Day Bills			
10:30	Canada to Sell 350-Day Bills			

Wednesday, March 21

U.S. Economic Data and Events

Time	Release	RBC Call	Market Call*	Prior Read
7:00	MBA Mortgage Applications	16-Mar		0.9%
8:30	Current Account Balance	4Q		-\$100.6b
10:00	Existing Home Sales	Feb	5.3m	5.43m
10:00	Existing Home Sales MoM	Feb		0.9%
14:00	FOMC Rate Decision	21-Mar	1.50%-1.75%	1.50%-1.75%
				1.25%-1.50%

The Fed is widely expected to raise the fed funds range by 25 basis points to 1.50% to 1.75% at the March FOMC meeting. The move is already almost fully priced in by markets. With a rate hike in March almost a foregone conclusion, attention will likely be focused on

the Fed's characterization of the economy and the expect pace of additional rate hikes going forward. The data to-date is fully supportive of further interest rate increases. Though GDP growth appears to have slowed in Q1, solid job gains and recent tax cuts are expected to keep growth at an above-potential pace going forward. There is little indication that much if any slack remains in labour markets. The 4.1% unemployment rate is well-below Fed estimates of its long-run 'full-employment' level. Wage growth and inflation have both shown further signs of firming. At the same time, the stance of monetary policy is still highly stimulative with interest rates well-below most estimates of longer-run 'neutral' levels. This is the first policy meeting under Chair Powell but we expect little change in the course of monetary policy from that under Chair Yellen. The March FOMC meeting will also issue a revised economic forecast. We are expecting little change in the Fed's outlook but attention will be focused on revisions to the so-called 'dot plot' which implied that the median voting member expected three more 25 basis point hikes by the end of this year including the expected move in March. Our forecast assumes a total of four such hikes this year including the one we expect at this meeting.

Canadian Economic Data and Events

Time	Release	RBC Call	Market Call*	Prior Read
	No Releases Scheduled			

Thursday, March 22

U.S. Economic Data and Events

Time	Release	RBC Call	Market Call*	Prior Read
8:30	Initial Jobless Claims	17-Mar	220k	226k
8:30	Continuing Claims	10-Mar		1879k
9:00	FHFA House Price Index MoM	Jan		0.3%
9:45	Bloomberg Economic Expectations	Mar		54.5
9:45	Bloomberg Consumer Comfort	18-Mar		56.2
9:45	Markit US Manufacturing PMI	Mar P	55.5	55.3
10:00	Leading Index	Feb	0.4%	1.0%
10:45	Markit US Services PMI	Mar P		55.9
10:45	Markit US Composite PMI	Mar P		55.8
11:00	Kansas City Fed Manf. Activity	Mar		17
13:00	U.S. to Sell 10-Year TIPS Reopening			

Canadian Economic Data and Events

Time	Release	RBC Call	Market Call*	Prior Read
15:00	Bank of Canada Senior Deputy Governor Carolyn Wilkins Speech			

Friday, March 23

U.S. Economic Data and Events

Time	Release	RBC Call	Market Call*	Prior Read	
8:30	Durable Goods Orders	Feb P	1.8%	1.7%	-3.6%
8:30	Durables Ex Transportation	Feb P	1.0%	0.5%	-0.3%
8:30	Cap Goods Orders Nondef Ex Air	Feb P	1.0%		-0.3%
8:30	Cap Goods Ship Nondef Ex Air	Feb P			-0.1%
10:00	New Home Sales	Feb	610k	620k	593k
10:00	New Home Sales MoM	Feb		4.6%	-7.8%
	Revisions: Industrial Production, Capacity Utilization				

Canadian Economic Data and Events

Time	Release	RBC Call	Market Call*	Prior Read
8:30	CPI NSA MoM	Feb	0.4%	0.7%
8:30	CPI YoY	Feb	1.9%	1.7%
8:30	CPI ex-food & energy NSA MoM	Feb	0.5%	0.5%
8:30	CPI ex-food & energy YoY	Feb	1.6%	1.5%
8:30	Consumer Price Index	Feb		131.7
8:30	CPI Core- Common YoY%	Feb		1.8%

8:30	CPI Core- Median YoY%	Feb		1.9%
8:30	CPI Core- Trim YoY%	Feb		1.8%
8:30	Retail Sales MoM	Jan	0.9%	-0.8%
8:30	Retail Sales Ex Auto MoM	Jan	0.8%	-1.8%

We expect Canadian CPI growth edged higher in February. Year-over-year growth in the headline measure is expected to increase to 1.9%, bouncing back after falling to 1.7% in January from 1.9% in December. In part, that's because energy prices were up almost 5% from a year ago by our calculation compared to 2.4% in January. Food price growth has also been drifting higher, though. We expect year-over-year food price growth inched up to 2.5% in February from 2.3% in January and marking a sharp reversal from the 2.3% year-over-year *decline* posted in February a year ago. We also assume there will be more signs of firming in underlying price growth beyond energy and food price volatility. Excluding the food and energy components, we expect price growth inched up to 1.6% from 1.5% in January. The Bank of Canada's closely watched CPI-median and CPI-trim measures are also expected to tick higher owing to softer-than-normal month-over-month readings a year ago that will fall out of the year-over-year calculation in February.

Retail sales likely bounced back in January after falling 0.8% in December. Our monitoring is pointing to a 0.9% January increase. In part, that's price-related. A big jump in gasoline prices in January probably boosted nominal sales at gasoline stations by 3.0%. Unit auto sales were also very solid in January, though – rising almost 6% from what were already record sales for the month in January last year. On a month-over-month basis, we expect sales of motor vehicles and parts increased 1.1%. Excluding the often-volatile motor vehicle and gasoline station components, we expect sales increased a 'trend-like' 0.4% following a big 2.0% drop in December. The December decline reflected in part payback from strong increases over October and November – with shifts in the timing of holiday shopping probably playing a role in volatility over those months. Labour markets remain tight. The unemployment rate matched multi-decade lows in February and wage growth has started to pick up. Job growth, though, has cooled to date in 2018. This is consistent with our expectation that overall consumer spending will continue to grow but at a more moderate pace relative to the outsized 3.5% gain recorded in 2017.

*Market calls refer to Bloomberg consensus forecasts