



July 4, 2022

## Upcoming Economic Events - The Week Ahead

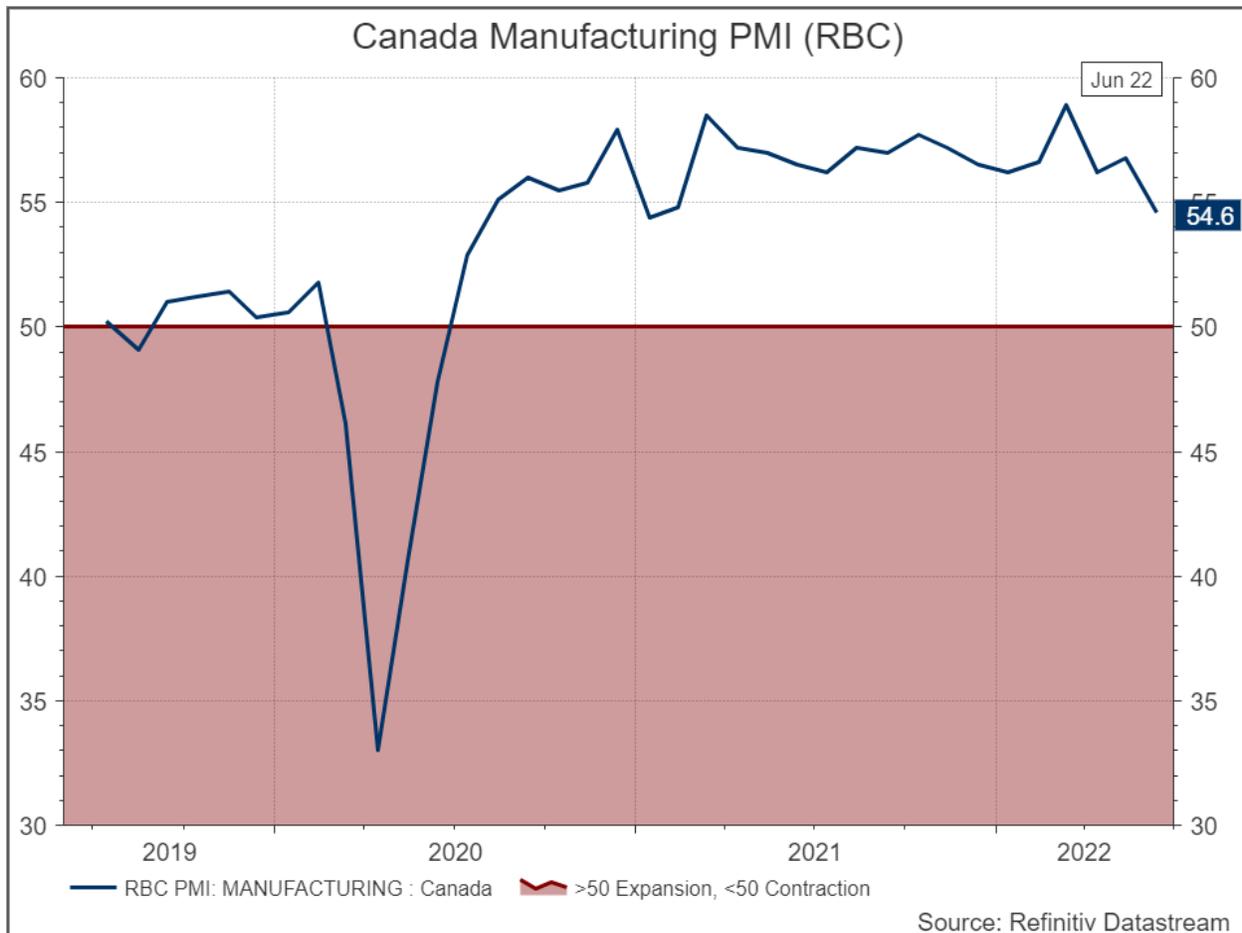
Local Start Date	Country/Region	Indicator Name	Period	Reuters Poll	Prior	Revised
5 Jul 2022	Canada	Building Permits MM.	May	2.4%	-0.6%	
5 Jul 2022	United States	Factory Orders MM	May	0.5%	0.3%	
6 Jul 2022	United States	S&P Global Comp Final PMI	Jun		51.2	
6 Jul 2022	United States	S&P Global Svcs PMI Final	Jun		51.6	
6 Jul 2022	United States	ISM N-Mfg PMI	Jun	54.3	55.9	
6 Jul 2022	United States	JOLTS Job Openings	May	11.000M	11.400M	
7 Jul 2022	United States	ADP National Employment	Jun	200k	128k	
7 Jul 2022	United States	International Trade \$	May	-85.0B	-87.1B	
7 Jul 2022	United States	Initial Jobless Clm	2 Jul, w/e	230k	231k	
7 Jul 2022	United States	Cont Jobless Clm	25 Jun, w/e	1.327M	1.328M	
7 Jul 2022	Canada	Trade Balance C\$	May	2.40B	1.50B	
7 Jul 2022	Canada	Ivey PMI	Jun		66.7	
7 Jul 2022	Canada	Ivey PMI SA	Jun		72.0	
8 Jul 2022	United States	Non-Farm Payrolls	Jun	270k	390k	
8 Jul 2022	United States	Private Payrolls	Jun	240k	333k	
8 Jul 2022	United States	Unemployment Rate	Jun	3.6%	3.6%	
8 Jul 2022	United States	Average Earnings MM	Jun	0.3%	0.3%	
8 Jul 2022	United States	Average Earnings YY	Jun	5.0%	5.2%	
8 Jul 2022	United States	Average Workweek Hrs	Jun	34.6	34.6	
8 Jul 2022	Canada	Employment Change	Jun	23.5k	39.8k	
8 Jul 2022	Canada	Unemployment Rate	Jun	5.1%	5.1%	
8 Jul 2022	United States	Wholesale Invt(y), R MM	May	2.0%	2.0%	
8 Jul 2022	United States	Consumer Credit	May	31.90B	38.07B	

## Canadian factory activity grows at slowest pace in 17 months - Reuters News

By Fergal Smith

TORONTO, July 4 (Reuters) - Canadian manufacturing activity lost some momentum in June as inflation pressures and material shortages held back production and firms became less optimistic about future output, data showed on Monday.

The S&P Global Canada Manufacturing Purchasing Managers' Index (PMI) fell to a seasonally adjusted 54.6 in June, its lowest level since January 2021, from 56.8 in May. A reading above 50 shows growth in the sector.



"There were signs of difficulty in Canada's manufacturing sector in June," Shreeya Patel, an economist at S&P Global, said in a statement. "Global supply issues and steep price pressures were at the heart of the issue, and are expected to continue to disrupt the manufacturing economy this year."

The output index fell to its lowest since June 2020 at 50.9, down from 55.6 in May, weighed by a reduced flow of new work, material delays and higher costs.

Price hikes deterred some clients from placing orders, said manufacturers, adding that a decline in international demand was due to the war in Ukraine and weak demand from Europe and Asia.

Economists have slashed their forecasts for the global economy in recent weeks as the war and lockdowns in China to curb COVID-19 exacerbate supply shortfalls, making it more likely that central banks, including the Bank of Canada, will hike interest rates aggressively to tackle soaring inflation.

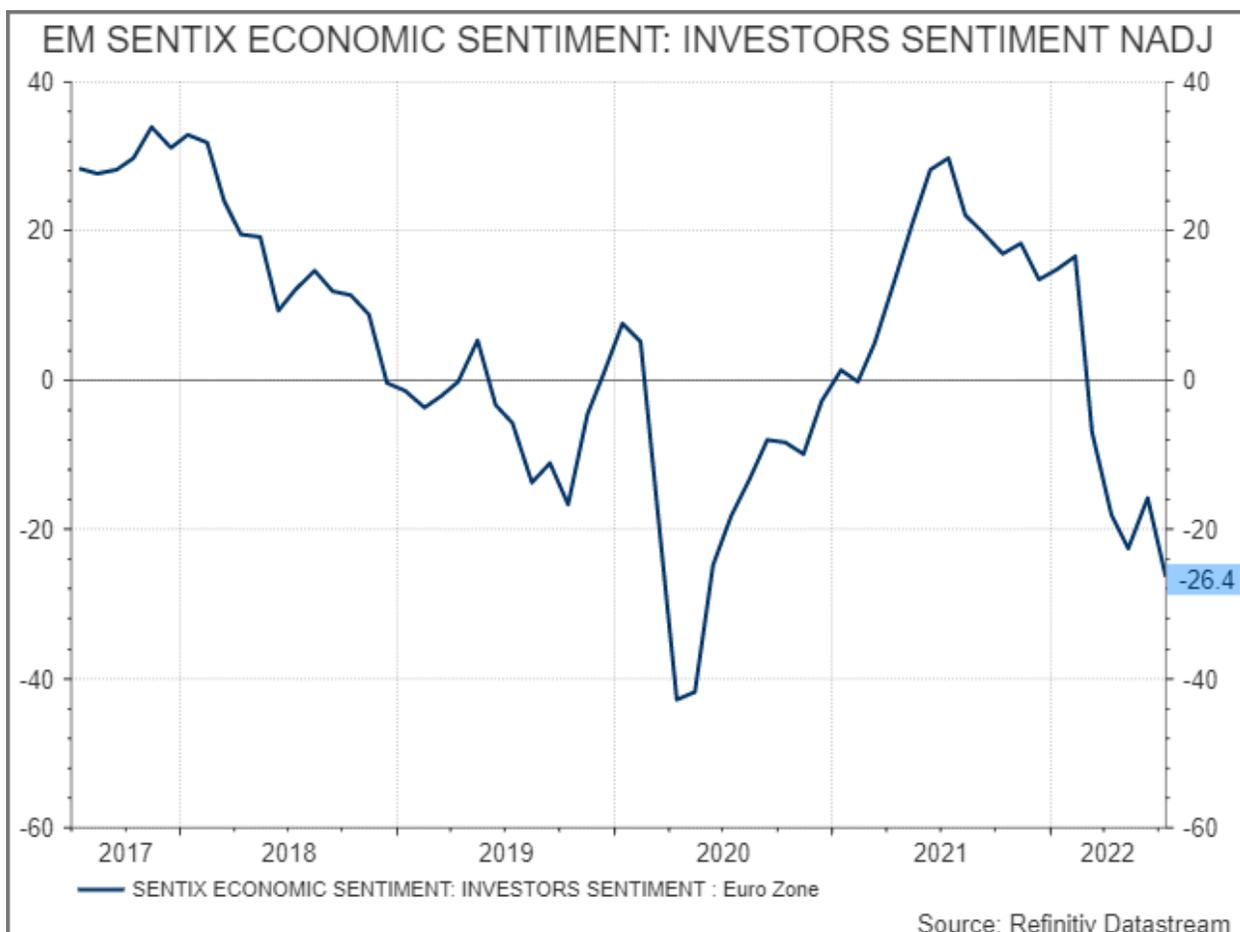
"A dip in confidence indicates firms are aware of the real difficulties that could hit the global economy in the next 12 months. Firms have recovered well from the pandemic and will now have to gear up for further hardship," Patel said.

The measure of future output fell to a 17-month low.

## Euro zone investor morale slumps on grim expectations - Sentix - Reuters News

BERLIN, July 4 (Reuters) - Investor morale in the euro zone fell this month to its lowest level since May 2020, pointing to an "inevitable" recession in the 19-country currency bloc, a survey showed on Monday.

Sentix's index for the euro zone fell to -26.4 from -15.8 in June. A Reuters poll had pointed to a July reading of -19.9.



"The energy crisis ... is leading to considerable economic distortions," Sentix Managing Director Manfred Huebner said in a statement.

"In every respect, the dynamics are reminiscent of the crisis year 2008, and what was then the collapse of the financial system is now the danger of the collapse of the European energy supply," he added.

Germany, Europe's largest economy, moved last month to stage two of its three-tier emergency gas plan after Russia reduced deliveries via the Nord Stream 1 pipeline - a step before the government rations fuel consumption. ([Full Story](#))

A Sentix index on the current situation in the euro zone fell to its lowest since March 2021, and an expectations index dropped to its lowest since December 2008.

"Situation scores like the current one justify the expectation that a recession is inevitable," Huebner added.

## Euro zone May PPI grows 0.7% m/m - Reuters News

July 4 (Reuters) - The European Union's statistics office Eurostat released the following data on producer price growth in the euro zone in May.

Industrial producer prices on the domestic market

% change compared with previous month

	Dec 21	Jan 22	Feb 22	Mar 22	Apr 22	May 22
Euro area						
Total industry	3.1	5.3	1.0	5.3	1.2	0.7
Total industry excluding energy	0.7	2.3	0.9	2.2	2.6	1.3
Intermediate goods	0.8	2.9	1.6	2.9	3.9	1.7
Energy	7.2	11.8	1.1	11.0	-1.3	-0.2
Capital goods	0.4	1.5	0.4	0.8	1.0	0.6
Durable consumer goods	0.2	2.3	0.6	0.8	1.0	0.9
Non-durable consumer goods	0.8	1.7	0.9	2.4	2.7	1.3

EU						
Total industry	3.0	5.1	1.1	5.4	1.3	0.8
Total industry excluding energy	0.7	2.2	1.1	2.3	2.8	1.4
Intermediate goods	0.8	2.8	1.6	2.9	4.0	1.7
Energy	7.2	10.9	1.3	11.5	-1.1	0.1
Capital goods	0.4	1.4	0.4	1.0	1.0	0.6
Durable consumer goods	0.2	2.1	0.8	1.0	1.1	0.8
Non-durable consumer goods	0.8	1.7	1.0	2.6	2.8	1.4

Industrial producer prices on the domestic market

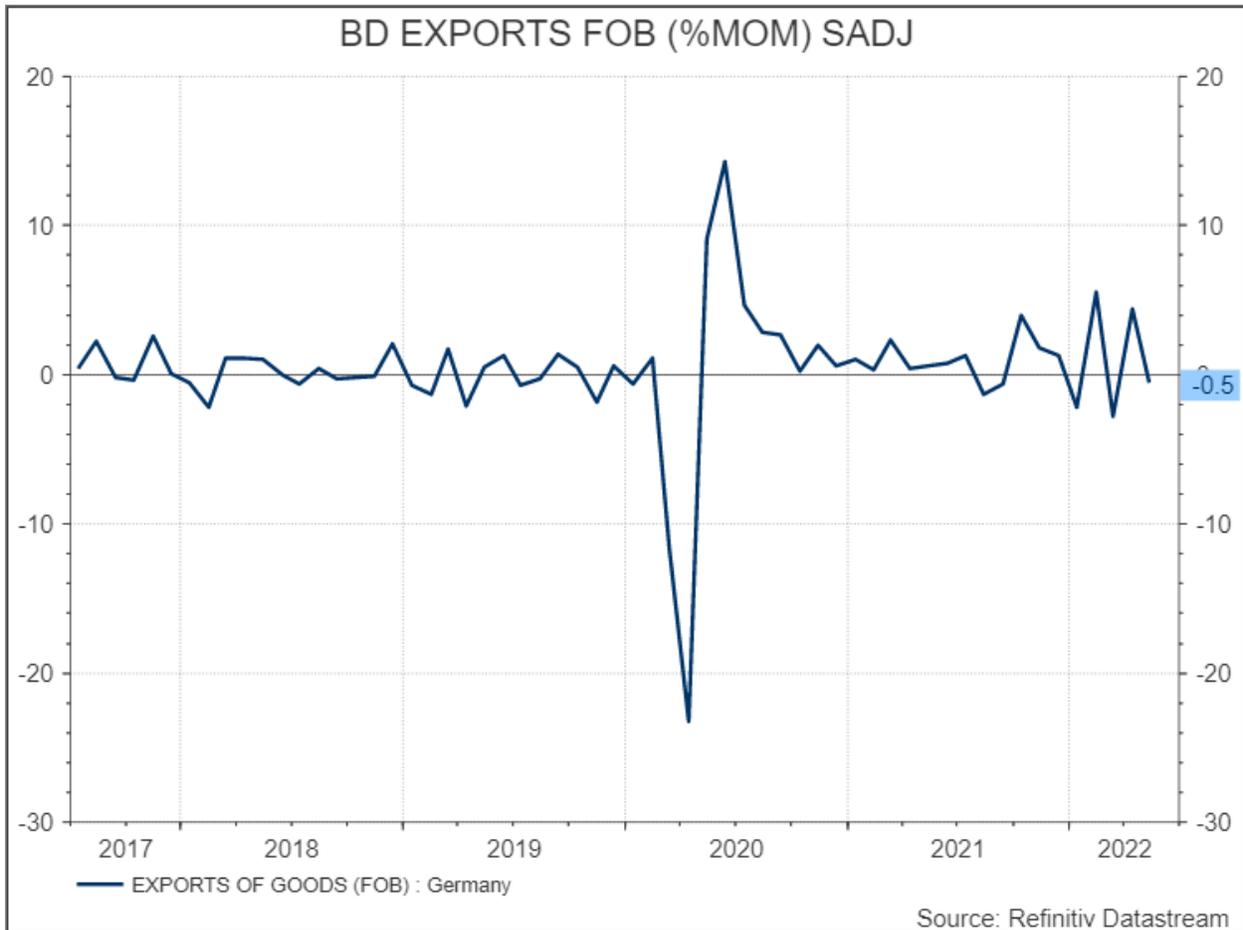
% change compared with same month of the previous year

	Dec 21	Jan 22	Feb 22	Mar 22	Apr 22	May 22
Euro area						
Total industry	26.4	30.8	31.5	36.9	37.2	36.3
Total industry excluding energy	10.2	11.9	12.3	13.7	15.6	16.0
Intermediate goods	18.7	20.5	20.9	22.7	25.2	25.0
Energy	73.8	86.0	87.4	104.0	99.0	94.4
Capital goods	4.7	5.7	6.0	6.5	7.2	7.5
Durable consumer goods	4.8	6.9	7.3	8.0	8.6	9.1
Non-durable consumer goods	4.7	6.3	7.0	8.7	11.2	12.3
EU						
Total industry	26.3	30.5	31.2	36.6	37.0	36.4
Total industry excluding energy	10.6	12.2	12.7	14.2	16.2	16.7
Intermediate goods	19.0	20.8	21.2	22.9	25.5	25.4

Energy	72.3	83.0	83.8	101.2	97.1	92.9
Capital goods	4.8	5.9	6.1	6.9	7.5	7.8
Durable consumer goods	5.3	7.1	7.7	8.5	9.2	9.7
Non-durable consumer goods	5.0	6.7	7.5	9.5	11.9	13.2

## German exports dip slightly in May as EU demand weakens - Reuters News

BERLIN, July 4 (Reuters) - German exports fell slightly in May, decreasing by 0.5% on the previous month, while imports beat forecasts, rising by 2.7%, according to Federal Statistical Office data on Monday.



A Reuters poll had predicted a month-on-month rise in exports of 0.9%.

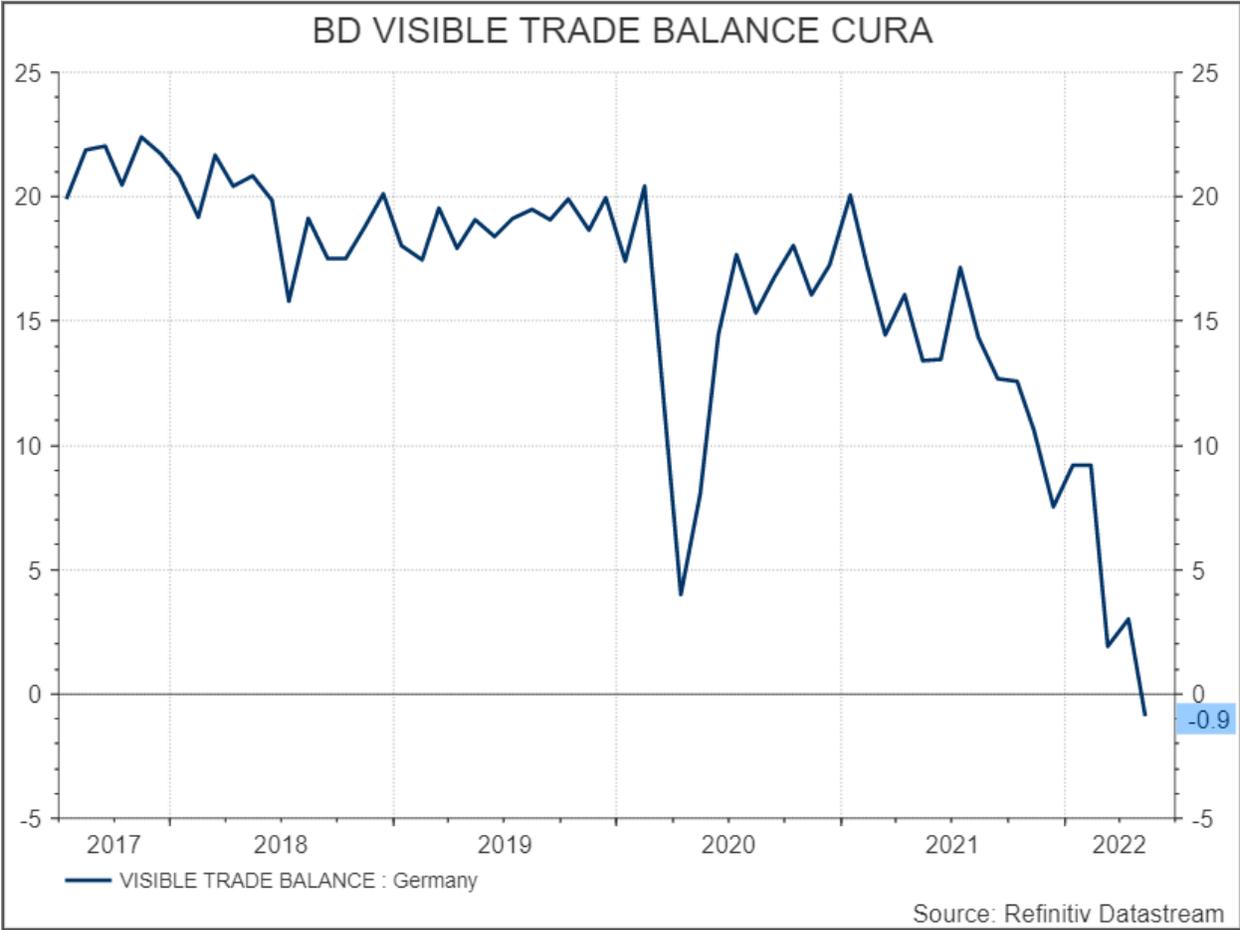
The surprise fall in overall exports was due to weaker demand from European Union countries, which saw a decrease of 2.8% in exports compared with April 2022.

Thomas Gitzel, chief economist at VP Bank, said the fall in exports should not be overemphasised. "But the number of negative reports is growing, which is why a sober view of the figures leaves one with an uneasy feeling," he added.

The most German exports went to the United States in May, with 5.7% more goods exported there compared with the previous month to reach 13.4 billion euros, said the statistics office.

Exports from Germany to Russia grew by 29.4% in May compared with the previous month, to 1.0 billion euros, the office said, after plummeting by 60% in March amid severe Western sanctions on Moscow for its invasion of Ukraine.

In May, Germany had a seasonally adjusted trade deficit of 1 billion euros (\$1.04 billion), the office reported, versus a forecast 2.7 billion euros.



# Oil rises as tight supply trumps recession fears - Reuters

- Brent and U.S. crude both gain
- OPEC's June output missed target -survey
- Strike in Norway could cut output

By Noah Browning

LONDON, July 4 (Reuters) - Oil rose on Monday as supply concerns driven by lower OPEC output, unrest in Libya and sanctions on Russia outweighed fears of demand-sapping global recession.

Euro zone inflation hit yet another record high in June, strengthening the case for rapid European Central Bank rate increases, while U.S. consumer sentiment hit a record low. ([Full Story](#)) ([Full Story](#))

Brent crude [LCOc1](#) rose \$1.55, or 1.4%, to \$113.18 a barrel by 1318 GMT after falling more than \$1 in early trade. U.S. West Texas Intermediate (WTI) crude [CLc1](#) rose \$1.34, or 1.2%, to \$109.77.

The Organization of the Petroleum Exporting Countries (OPEC) missed a target to boost output in June, a Reuters survey found. [OPEC/O](#)

In OPEC member Libya, authorities declared force majeure at Es Sidr and Ras Lanuf ports as well as the El Feel oilfield on Thursday, saying oil output was down by 865,000 barrels per day (bpd). ([Full Story](#))

Meanwhile, Ecuador's production has been hit by more than two weeks of unrest that has caused the country to lose nearly 2 million barrels of output, state-run oil company Petroecuador said. ([Full Story](#))

Adding to potential supply woes, a strike this week in Norway could cut supply from Western Europe's largest oil producer and cut overall petroleum output by about 8%. ([Full Story](#))

"This backdrop of mounting supply outages is colliding with a possible shortage in spare production capacity among Middle Eastern oil producers," said Stephen Brennock of oil broker PVM, referring to the limited ability of producers to pump more oil.

"And without new oil production hitting markets soon, prices will be forced higher."

Brent came close this year to the 2008 record high of \$147 a barrel after Russia's invasion of Ukraine added to supply concerns.

Soaring energy prices on the back of bans on Russian oil and reduced gas supply has driven inflation to multi-decade highs in some countries and stoked recession fears.

© 2018-2022 Refinitiv. All rights reserved. Republication or redistribution of Refinitiv content, including by framing or similar means, is prohibited without the prior written consent of Refinitiv. Refinitiv and the Refinitiv logo are trademarks of Refinitiv and its affiliated companies.

**PI Financial Corp.** [www.pifinancial.com](http://www.pifinancial.com)

**Head Office**

Suite 1900, 666 Burrard Street  
Vancouver, BC, V6C 3N1  
Ph: 604-664-2900 | Fax: 604-664-2666

**For a complete list of branch offices and contact information, please visit our website**

Participants of all Canadian Marketplaces. Members: Investment Industry Regulatory Organization of Canada, Canadian Investor Protection Fund and AdvantageBC International Business Centre - Vancouver. Estimates and projections contained herein are our own and are based on assumptions which we believe to be reasonable. Information presented herein, while obtained from sources we believe to be reliable, is not guaranteed either as to accuracy or completeness, nor in providing it does PI Financial Corp. assume any responsibility or liability. This information is given as of the date appearing on this report, and PI Financial Corp. assumes no obligation to update the information or advise on further developments relating to securities. PI Financial Corp. and its affiliates, as well as their respective partners, directors, shareholders, and employees may have a position in the securities mentioned herein and may make purchases and/or sales from time to time. PI Financial Corp. may act, or may have acted in the past, as a financial advisor, fiscal agent or underwriter for certain of the companies mentioned herein and may receive, or may have received, a remuneration for their services from those companies. This report is not to be construed as an offer to sell, or the solicitation of an offer to buy, securities and is intended for distribution only in those jurisdictions where PI Financial Corp. is registered as an advisor or a dealer in securities. Any distribution or dissemination of this report in any other jurisdiction is strictly prohibited.

**For further disclosure information, reader is referred to the disclosure section of our website.**