

The Monitor

Indicators | Trends | Forecasts

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What has spurred the rise in part-time work in Canada?

This week, the *Monitor* is looking into the increase in part-time work in Canada. This is a timely subject, since Statistics Canada recently published the *Labour Force Survey* showing a net gain of 60,000 part-time jobs in July.

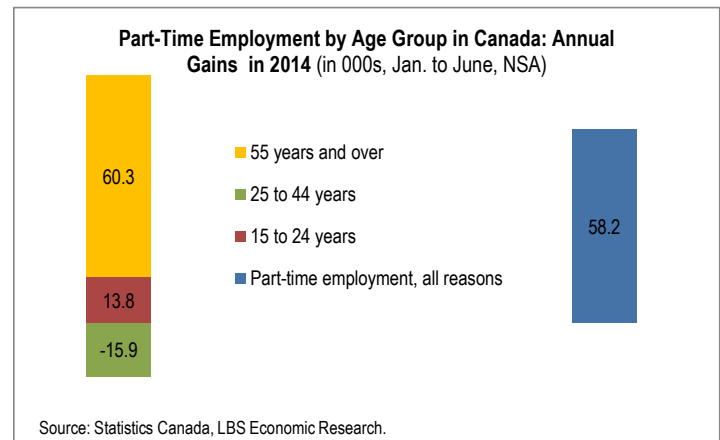
Looking only at the first half of the year, the average level of part-time work climbed by an average of 2% compared with the same period last year, while the number of full-time jobs hardly budged (0.4%). For a more detailed mid-year overview on employment and unemployment in Canada, please visit the following link: http://www.vmbi.ca/Economics/1/CEQ_07082014_e.pdf

There are a number of hypothesis for this jump in part-time work. Governments would voluntarily be reducing working hours to lower costs. The private sector would not be confident enough to hire full-time workers in spite of a bounce in hiring intentions, as indicated in SME surveys and the Bank of Canada's *Business Outlook Survey*. However, our observations show that the rise in part-time work may hardly be related to the economic environment.

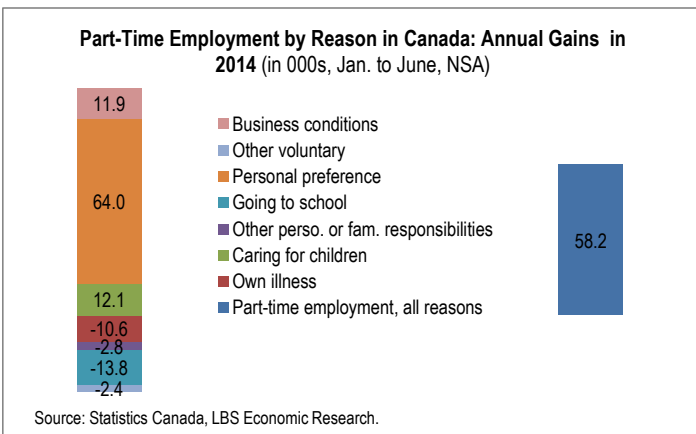
In fact, when looking at the rise in part-time work since the beginning of 2014 compared with the first half of 2013, there is a gain of nearly 2%. For these 58,200 people nationwide, part-time work was a personal preference (see chart). This first finding debunks the myth that a spike in part-time work must necessarily be a sign of a sluggish economy with underutilized labour resources.

What's more, part-time work has increased mostly in the 55 years and over age group, while it fell among those aged 25 to 54, a positive development (see chart). Provincially, the 60,300 part-time workers aged 55 or more are spread almost equally between Ontario and Quebec. More specifically, they chose this type of work for personal and medical reasons (26,100 in Quebec and 16,000 in Ontario).

A number of workers (11,000) in Ontario had their weekly hours involuntarily reduced for economic reasons. In Quebec, however, the number was minimal for those aged 55 or more.



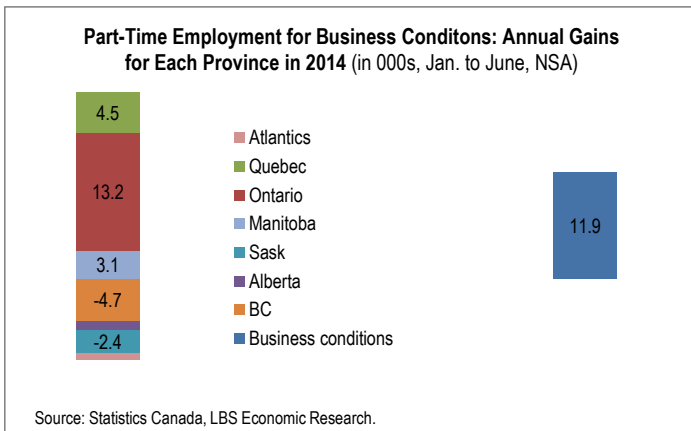
As for the rise in part-time work in the 15 to 24 age group, Alberta, and to a lesser extent, Quebec, saw an upswing in their part-time workforce for educational reasons. It is noteworthy that Alberta's population growth in the 15 to 24 demographic rebounded in the spring of 2012.





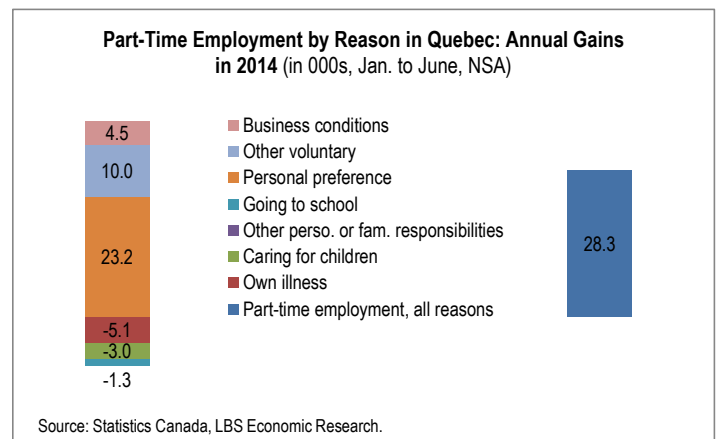
From a different perspective, the surge in voluntary part-time work is mostly concentrated in Alberta, followed by Quebec and British Columbia (see chart above). In the first half of 2014, more Albertans worked part time to go to school, take care of their children or for personal reasons compared with the first half of 2013 (see chart beside). As for Quebecers, more chose to work part time over full time because of their advanced age.

This phenomenon has also been observed in British Columbia, paired with a spike in people working less in 2014 to take care of their children. Additionally, in Alberta, British Columbia and Saskatchewan, provinces with increased economic activity, and therefore better employment conditions and prospects, there was a drop in part-time workers for business conditions (see chart below).

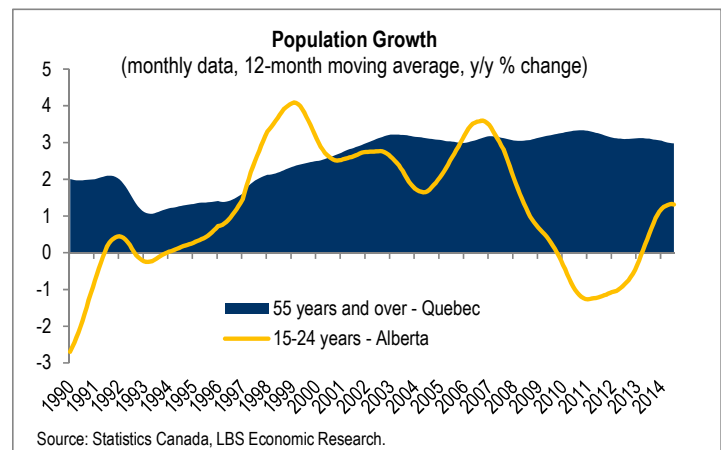


Ultimately, the surge in part-time work is not all that related to weaker economic conditions in Canada, as one may think. According to the data, nearly two-thirds of the rise in part-time work in 2014 is concentrated in Alberta; Quebec has also shown a good portion (nearly half), but Ontario and the Prairies have taken a downturn. Despite the fact more people are working part-time in Alberta and Quebec, they are not doing it for the same reasons, and at least not out of necessity.

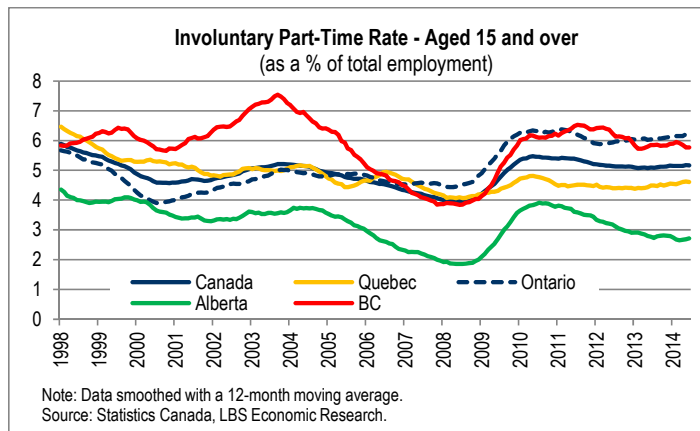
On one hand, a large number of young people chose to work part time while pursuing their studies, while on the other, many ageing Quebecers have voluntarily reduced their working hours below 30 per week.



Bear in mind that this is strongly related to each province's changing demographic makeup. The 15- to 24-year-old population in Alberta has surged, while in Quebec, there are more and more people aged 55 and over, a population segment that has been growing steadily at a rate of 3% since 2002 (see graph).



With economic activity being more dynamic in Alberta, it is not surprising that the rate of involuntary part-time work has been dropping since mid-2010 (see chart beside). Recently in Quebec though, there has been a slight upward trend. This is due to the reduction in total employment, led by a loss of over 50,000 full-time jobs, or nearly 2%, since the end of 2012. This brief analysis was not attempting to explain this slump in full-time jobs in Quebec, undoubtedly a more preoccupying subject than the rise in part-time work. In short, yes, more Canadians have been hired to work part time, but this should not be interpreted negatively. Most workers do so deliberately, and their reasons vary by region, and especially by demographic.



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Market Review : Bonds and Currencies

INTERNATIONAL BONDS Benchmark 2-Year Yield

U.S.	0.48
Canada	1.07
Spread US - Canada	-0.59
Germany	0.00
France	0.08
Portugal	0.75
Spain	0.33
Belgium	0.06
Netherlands	0.04
Italy	0.55
Switzerland	-0.02
UK	0.79
Australia	2.54
Japan	0.07

	Yield (%)					Jan-01-14
	Aug-07-14	-1 week	-4 weeks	-1 quarter	- 1 year	
U.S.	0.48	0.53	0.46	0.40	0.30	0.39
Canada	1.07	1.10	1.12	1.08	1.14	1.11
Spread US - Canada	-0.59	-0.57	-0.66	-0.68	-0.84	-0.72
Germany	0.00	0.03	0.02	0.12	0.18	0.22
France	0.08	0.09	0.07	0.19	0.28	0.30
Portugal	0.75	0.82	1.23	1.12	5.06	2.97
Spain	0.33	0.34	0.49	0.68	1.81	1.17
Belgium	0.06	0.06	0.07	0.21	0.28	0.27
Netherlands	0.04	0.04	0.06	0.19	0.27	0.23
Italy	0.55	0.53	0.66	0.74	1.69	1.21
Switzerland	-0.02	0.01	0.00	-0.01	0.02	-0.05
UK	0.79	0.85	0.87	0.74	0.38	0.56
Australia	2.54	2.60	2.49	2.71	2.35	2.71
Japan	0.07	0.07	0.06	0.09	0.11	0.10

INTERNATIONAL BONDS Benchmark 10-Year Yield

U.S.	2.43
Canada	2.08
Spread US - Canada	0.35
Germany	1.06
France	1.49
Portugal	3.85
Spain	2.61
Belgium	1.49
Netherlands	1.26
Italy	2.86
Switzerland	0.47
UK	2.48
Australia	3.42
Japan	0.53

	Yield (%)					Jan-01-14
	Aug-07-14	-1 week	-4 weeks	-1 quarter	- 1 year	
U.S.	2.43	2.58	2.53	2.61	2.58	3.02
Canada	2.08	2.16	2.22	2.37	2.50	2.77
Spread US - Canada	0.35	0.42	0.31	0.24	0.08	0.25
Germany	1.06	1.16	1.21	1.45	1.69	1.94
France	1.49	1.54	1.54	1.90	2.24	2.43
Portugal	3.85	3.63	3.88	3.46	6.59	5.94
Spain	2.61	2.53	2.78	2.87	4.51	4.06
Belgium	1.49	1.58	1.64	2.02	2.54	2.55
Netherlands	1.26	1.38	1.43	1.77	2.07	2.23
Italy	2.86	2.70	2.89	2.93	4.20	4.09
Switzerland	0.47	0.55	0.60	0.82	0.96	1.08
UK	2.48	2.61	2.60	2.65	2.50	3.04
Australia	3.42	3.51	3.41	3.84	3.67	4.28
Japan	0.53	0.54	0.54	0.61	0.76	0.74

PROVINCIAL BONDS Benchmark 10-Year Yield

Canada	2.12
Alberta	2.76
British Columbia	2.75
Prince Edward Island	3.02
Manitoba	2.87
New Brunswick	2.99
Nova Scotia	2.96
Ontario	2.95
Quebec	2.98
Saskatchewan	2.76
Newfoundland & Labrador	2.96

Current
Aug-01-14

	Spreads (b.p.) against Canada					Jan-01-14
	Aug-01-14	-1 week	-4 weeks	-1 quarter	- 1 year	
Canada						
Alberta	64.0	65.0	65.0	69.0	76.0	68.0
British Columbia	63.0	65.0	65.0	69.0	77.0	76.0
Prince Edward Island	90.0	90.0	90.0	93.0	96.5	100.0
Manitoba	75.0	75.0	74.0	78.0	83.0	83.0
New Brunswick	87.0	87.0	86.0	90.0	94.5	93.0
Nova Scotia	84.0	84.0	84.0	88.0	89.0	89.0
Ontario	83.0	83.0	83.0	86.0	89.0	90.0
Quebec	86.0	86.0	84.0	90.0	92.0	98.0
Saskatchewan	64.0	65.0	65.0	69.0	73.0	72.0
Newfoundland & Labrador	84.0	84.0	84.0	88.0	89.0	90.0

CURRENCIES

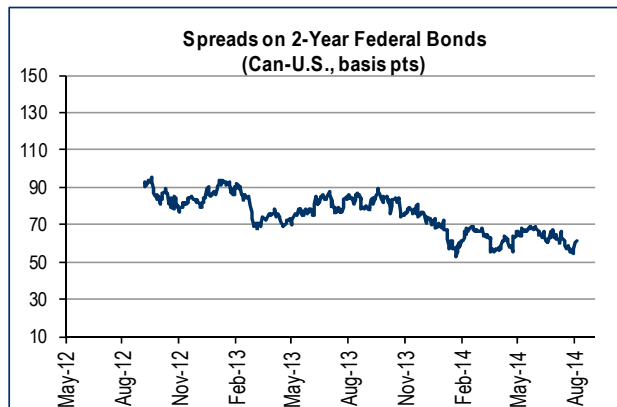
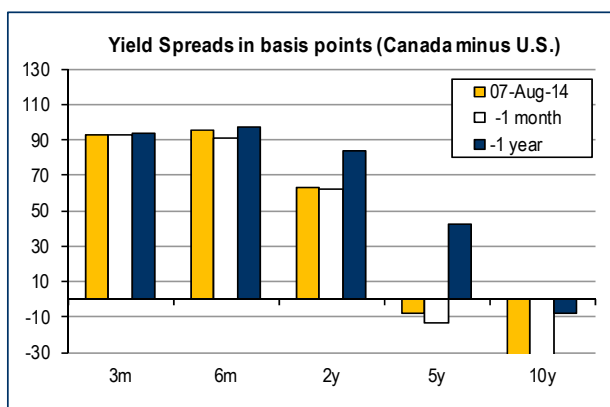
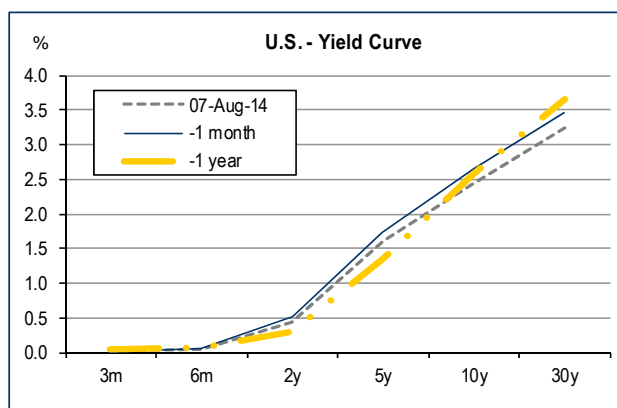
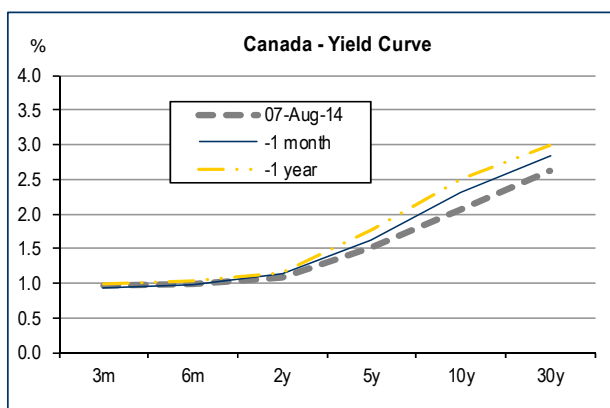
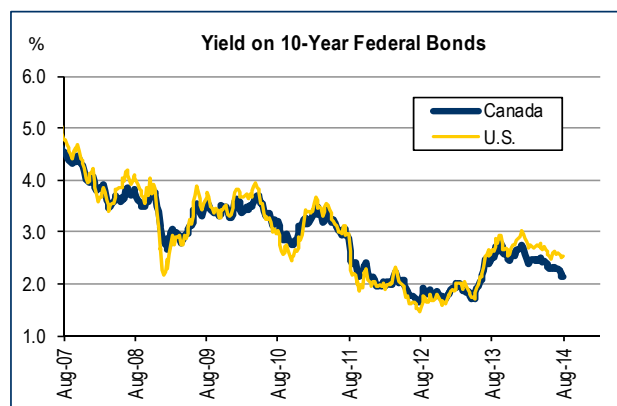
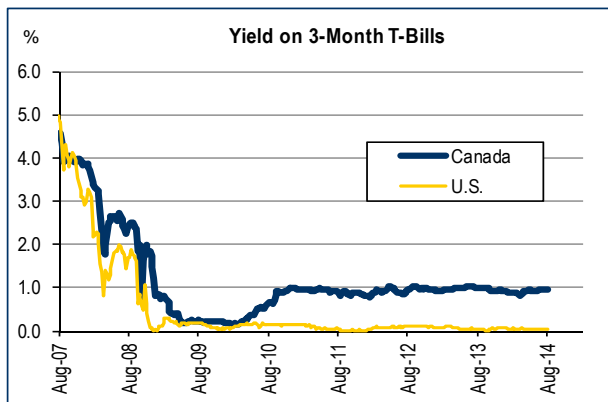
Canada (Canada/US\$)	1.09
Canada (US\$/Canada)	0.92
Australia (Australia/US\$)	0.93
U.K. (US\$/£)	1.68
Japan (US\$/Yen)	102.1
Euro (US\$/Euro)	1.34
Mexican Peso (Peso/US\$)	0.08
Brazilian Real (Real/US\$)	0.44
Chinese Yuan (Yuan/US\$)	0.16

	Currencies					Jan-01-14
	Aug-07-14	-1 week	-4 weeks	-1 quarter	- 1 year	
Canada (Canada/US\$)	1.09	1.09	1.06	1.08	1.03	(%) 2.6
Canada (US\$/Canada)	0.92	0.92	0.94	0.92	0.97	-2.6
Australia (Australia/US\$)	0.93	0.93	0.94	0.94	0.91	-3.9
U.K. (US\$/£)	1.68	1.69	1.71	1.69	1.55	1.9
Japan (US\$/Yen)	102.1	102.8	101.4	101.7	96.7	-2.8
Euro (US\$/Euro)	1.34	1.34	1.36	1.38	1.34	-2.6
Mexican Peso (Peso/US\$)	0.08	0.08	0.08	0.08	0.08	1.4
Brazilian Real (Real/US\$)	0.44	0.44	0.45	0.45	0.44	-3.3
Chinese Yuan (Yuan/US\$)	0.16	0.16	0.16	0.16	0.16	1.8

Data updated as at: 13/08/2014



Market Review : Fixed Income Charts



Market Review: Stocks Exchange and Commodities

Stock Market Summary	Level			Change (%)				
	Aug-07-14	52w HI	52w LOW	(-1W)	(-4W)	(-13W)	(-52W)	Jan-01-14
Canada								
S&P/TSX	15,118	15,525	12,542	-1.4	0.0	3.9	20.4	11.1
S&P/TSX 60	869	897	718	-1.8	0.2	4.6	20.9	11.0
S&P/TSX Small Cap Index	684	718	561	-1.0	-2.7	2.0	22.0	12.0
United States								
S&P 500	1,910	1,988	1,630	-1.1	-2.8	1.8	12.5	3.8
Dow Jones	16,368	17,138	14,776	-1.2	-3.2	-1.1	5.6	-0.9
Nasdaq	4,335	4,486	3,579	-0.8	-1.4	7.0	18.1	4.2
International								
U.K. - FTSE 100	6,597	6,878	6,338	-2.0	-1.1	-3.5	1.0	-2.0
Germany - DAX	9,039	10,029	8,103	-3.9	-6.4	-5.9	8.7	-4.4
France - CAC 40	4,150	4,595	3,934	-2.3	-3.5	-7.9	2.1	-2.6
Japan - Nikkei 225	15,232	16,291	13,338	-2.5	0.1	7.5	12.0	-5.6
Hong Kong - Hang Seng	24,388	24,757	21,182	-1.5	4.9	11.7	12.6	4.6
Russia - RST	1,191	1,519	1,062	-2.3	-13.9	-3.4	-8.6	-16.2
Australia - ASX All Ordinaries	5,501	5,623	5,039	-2.2	0.8	0.8	9.0	2.6
Brazil - Bovespa	56,188	57,983	44,966	0.6	2.9	5.2	14.8	10.8

S&P/TSX Sector Summary	Level			Change (%)				
	Aug-07-14	52w HI	52w LOW	(-1W)	(-4W)	(-13W)	(-52W)	Jan-01-14
S&P/TSX	15,118	15,525	12,542	-1.4	0.0	3.9	20.4	11.1
Energy	308	337	253	-3.0	-5.0	-0.4	20.8	13.4
Materials	264	269	213	0.5	0.7	8.7	16.0	15.9
Industrials	149	151	122	0.6	1.0	4.2	19.8	10.3
Consumers Discretionary	186	190	135	-0.7	2.5	8.5	33.5	13.4
Consumers Staples	348	353	285	-0.5	5.6	6.3	16.2	15.8
Health Care	90	104	81	-1.9	1.9	2.6	4.9	2.3
Financials	254	260	205	-1.9	1.1	6.0	22.8	9.1
Information Technology	40	41	31	-1.0	0.4	10.1	24.8	14.6
Telecommunication Services	121	127	107	-1.0	1.2	-1.3	12.1	1.9
Utilities	216	223	194	0.1	-0.8	-2.3	4.8	6.1

Commodities	Level			Change (%)				
	Aug-07-14	52w HI	52w LOW	(-1W)	(-4W)	(-13W)	(-52W)	Jan-01-14
London -- Gold (US\$/once)	1306.50	1419.50	1195.25	1285.25	1340.25	1287.00	1298.25	1214.75
London -- Silver (US\$/once)	19.99	24.62	18.73	20.51	21.47	19.19	20.23	19.80
Copper (US\$/LB)	3.17	3.47	2.98	3.22	3.26	3.08	3.27	3.44
WTI Crude Oil (US\$/barrel)	97.34	110.53	91.36	98.23	103.61	100.52	103.40	96.66
Natural Gas (Henry Hub) (US\$/MMBTU)	3.76	7.78	3.27	3.84	4.11	4.76	3.27	4.32

Data updated as at:
13/08/2014



North American Economic Indicators

CANADA

Period	Monthly Chg. (% or Level)		Cumulative change		
	Current	Previous	- 3 Month	- 1 Year	
Gross Domestic Product (GDP)	May	0.3%	0.1%	0.7%	2.3%
Manufacturing Shipments	May	1.6%	-0.2%	1.6%	6.0%
Housing Starts (' 000) *	June	198	197	157	187
Retail Sales	May	0.7%	1.3%	2.0%	4.0%
Trade Balance (M\$) *	May	1,220	487	814	-531
Employment (' 000) **	July	0	-9	-13	72
Unemployment Rate *	July	7.0	7.1	6.9	7.1
Wages (avg. hourly earnings)	July	2.1%	1.9%	2.2%	1.5%
Total CPI inflation	June	2.2%	2.3%	1.4%	1.1%
Inflation ex-food & energy	June	1.8%	1.7%	1.2%	1.2%
Industrial Product Price Index (IPPI)	June	-0.1%	-0.5%	-0.8%	3.0%
IPPI ex. energy	June	-0.1%	-0.4%	-0.6%	2.5%

UNITED STATES

Period	Monthly Chg. (% or Level)		Cumulative change		
	Current	Previous	- 3 Month	- 1 Year	
ISM - manufacturing *	June	55.3	55.4	53.7	52.5
ISM - Non-manufacturing *	June	56.0	56.3	53.1	52.5
Industrial Production *	June	103.9	103.7	103.2	99.6
Capacity Utilization Rate *	June	79.1	79.1	79.1	77.8
Consumer Confidence Index *	July	81.8	82.5	84.1	85.1
Retail Sales	June	0.2%	0.5%	1.4%	4.3%
Trade Balance (M\$) *	May	-44,663	-47,037	-42,586	-36,552
Housing Starts (' 000) *	June	893	985	950	831
Existing home sales	June	2.6%	5.4%	9.8%	-2.3%
Median price of ex. home sales	June	5.3%	5.2%	13.5%	4.3%
Non-Farm Payrolls (' 000) **	June	298	229	831	2510
Unemployment Rate *	June	6.1	6.3	6.3	7.3
Wages (avg. hourly earnings)	June	2.2%	2.4%	2.3%	2.0%
Total CPI inflation	June	2.1%	2.1%	1.1%	1.8%
Inflation ex-food & energy	June	1.9%	1.9%	1.6%	1.6%
Producer Price Index	June	0.7%	0.0%	1.4%	2.7%
- Ex-Food & Energy	June	0.2%	0.1%	0.5%	1.9%

* Level, ** Change in level for the last month, 3 months and 1 year, *** Annual % change

Data updated as at:

13/08/2014

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