

The Daily

Statistics Canada

Monday, January 8, 1990

For release at 10:00 a.m.

MAJOR RELEASE

Composite Leading Indicator, October 1989

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- Continued slow growth in the leading indicator in October

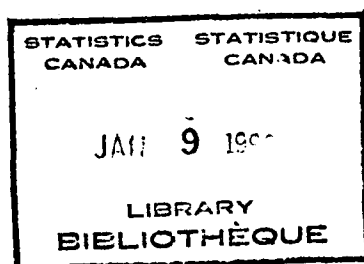
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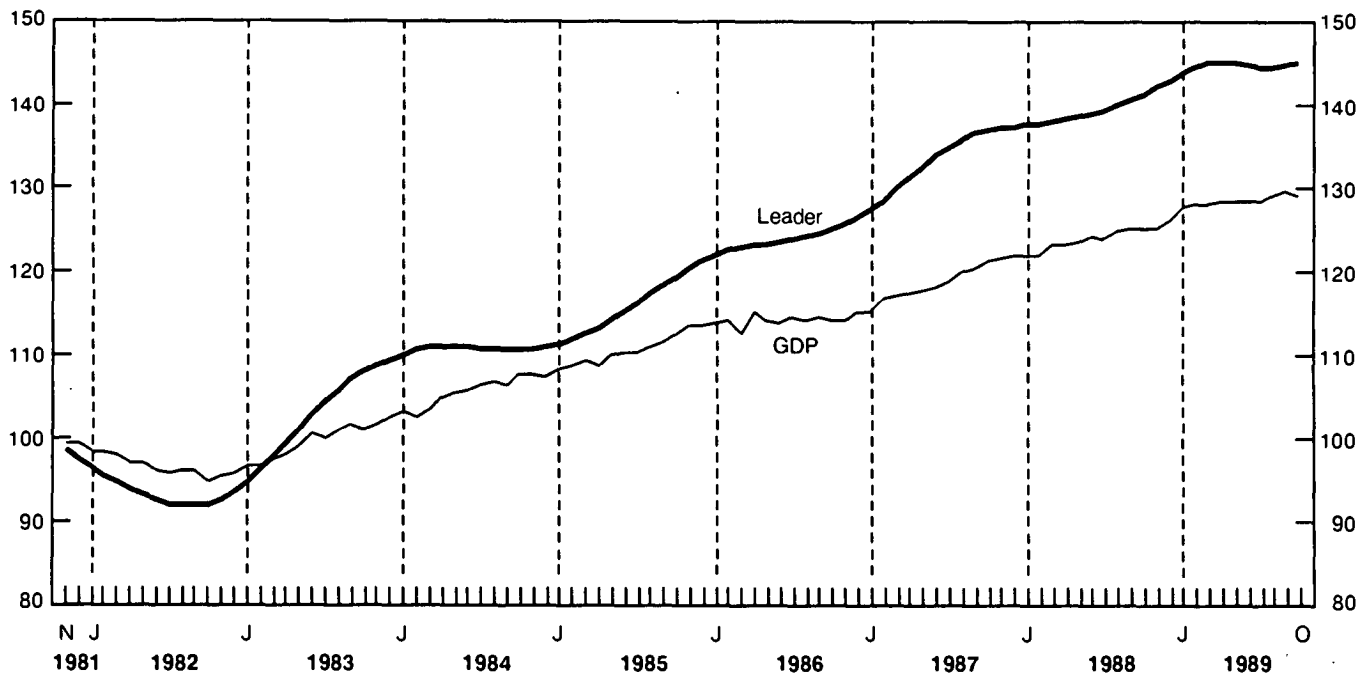
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MAJOR RELEASE

Composite Leading Indicator and GDP

1981 = 100



Composite Leading Indicator

October 1989

The composite leading indicator continued to rise slowly in October, up 0.3%, after a 0.1% gain in September and three decreases in the summer. Seven of the 10 components increased, with auto demand the major source of weakness in both domestic and export demand. In particular, the indicators of manufacturing activity picked up as a result of rising new orders for business investment. Housing demand also continued to be vigorous. These gains are consistent with continued slow growth in the short-term.

Most of the indicators of household demand firmed, with the exception of auto sales. The housing index was particularly strong, up 1.5%, due largely to gains in sales of existing homes in Western Canada. Furniture and appliance sales continued to grow

steadily, while employment in personal services turned up. Sales of durable goods posted an eighth straight decline, as auto sales weakened again.

New orders for durable goods registered their largest gain in over a year, despite the slowdown in the auto industry which had led growth in August and September. Other transportation equipment rebounded strongly, while non-automotive consumer goods industries also posted increases. The ratio of shipments to finished goods stocks remained at high levels, as lower stocks accompanied stable shipments. The average workweek was unchanged.

The leading indicator for the United States was little changed for the second straight month, after four consecutive monthly declines. This levelling-off originated in financial markets and domestic demand. Preliminary data for November show that weak industrial prices remain the principal break in growth in the overall index.

The Toronto Stock market continued to post modest gains in October, while the real money supply was stable after six months of decline.

For further information on this release, or about the next release dates, contact F. Roy-Mayrand (613-951-3627), International and Financial Economics Division. □

Available on CANSIM: matrix 191.

For more information on the economy, order the January issue of *Canadian Economic Observer* (11-010, \$21/\$210), available the week of January 22. See "How to Order Publications".

Canadian Leading Indicators

	Percentage Change			Level	
	August	September	October	September	October
Composite Leading Indicator (1981 = 100)					
Smoothed	0.0	0.1	0.3	144.7	145.1
Unsmoothed	0.7	0.7	0.6	146.1	146.9
Retail Trade					
Furniture and appliance sales	0.2	0.3	0.3	1,091 ⁴	1,094 ⁴
Other durable goods sales	-1.0	-0.3	-0.2	3,802 ⁴	3,793 ⁴
House Spending Index ¹	-1.0	0.6	1.5	137.5	139.5
Manufacturing					
New orders - durable	0.1	0.2	1.2	10,220 ⁴	10,345 ⁴
Shipment-to-inventory ratio - (finished goods ²)	-0.01	-0.01	0.00	1.46	1.46
Average workweek(hours)	0.0	0.0	0.0	38.6	38.6
Business and personal service employment (thousands)	0.0	0.1	0.1	1,716	1,717
United States Composite Leading Index (1967 = 100)	-0.1	0.0	0.0	193.5	193.4
TSE300 stock price index (1975 = 1000)	2.3	1.8	1.2	3,867	3,914
Money supply (M1) (\$1981) ³	-0.4	-0.4	0.0	25,965 ⁴	25,954 ⁴

¹ Composite index of housing starts (units) and house sales (MLS).

² Difference from previous month.

³ Deflated by the consumer price index for all items.

⁴ Millions of 1981 dollars.



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DATA AVAILABILITY ANNOUNCEMENTS

Housing Starts

November 1989

Highlights

Total (All Areas)

Seasonally adjusted at an annual rate, 210,000 dwelling units were started in November, a 5.0% decrease from the 221,000 units reported in October.

Urban Centres of 10,000 Population and Over

Starts in urban centres declined 5.9% in November to a level of 175,000 units.

On a regional basis, gains were registered in Ontario and the Prairies while the Atlantic region, Quebec and British Columbia reported decreases.

Available on CANSIM: matrices 25, 29, 4091, 4092.

Order the November 1989 issue of *Housing Starts and Completions* (64-002, \$13.70/\$137), scheduled

for release the last week of January. See "How to Order Publications".

For further information on this release, contact P. Fichette (613-951-2585), Science, Technology and Capital Stock Division. ■

Campus Bookstores

1988-89

Retail sales of 298 Canadian campus bookstores reached a total of \$368 million during the 1988-89 academic year, an increase of 10% from the previous year.

Textbooks accounted for 61% of total sales, other books 8%, stationery and supplies 11%, and miscellaneous items accounted for 20%.

The 1989 issue of *Campus Bookstores* (63-219, \$21) will be available in February. See "How to Order Publications".

For further information on this release, contact David Roeske, Retail Trade Section, Industry Division (613-951-9236). ■

How to Order Publications

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Publications may also be ordered through Statistics Canada's offices in St. John's, Halifax, Montreal, Ottawa, Toronto, Winnipeg, Regina, Edmonton, Calgary and Vancouver, or from authorized bookstore agents or other booksellers.

A national toll-free telephone order service is now in operation at Statistics Canada. The toll-free line (1-800-267-6677) can be used by Canadian customers for the ordering of Statistics Canada products and services.