



Ontario Consumers Help Snap 6-Week Slide in Canada Confidence

by Theophilos Argitis



(Bloomberg) -- A six-week run of declines in Canadian consumer confidence ended last week, led by a pick-up in the sentiment of Ontario households.

The Bloomberg Nanos Canadian Confidence Index rose to 54.2, after falling to the lowest in 21 months the week before. Sentiment in Ontario has advanced for three straight weeks and reached the highest since November.

Ontario's consumers have become Canada's most optimistic in recent months, as the province benefits from cheaper gasoline prices and a weakening dollar even as other regions have suffered from declining oil.

The province is also benefiting from falling interest rates, after Bank of Canada Governor Stephen Poloz lowered borrowing costs in January to offset the negative effects on the nation's economy of the oil-price shock. Detached house prices in Toronto's downtown core jumped 8.9 percent over the past year in February, pushing the average price past C\$1 million for the first time, according to the Toronto Real Estate Board.

The Nanos sentiment gauge for Canada's largest province -- at 59.2 last week -- is in line with the average over the past 12 months. Ontario and Quebec are the only two regions recording gains in 2015. At the same time, index scores for oil-producing provinces have tumbled.

Every week, Nanos Research asks Canadians for their views on personal finances, job security, the outlook for the economy and where real estate prices are headed. This is what the survey data, which is compiled for Bloomberg News, captured for the week through March 6:

*The share of Canadians who are pessimistic about the prospects for the economy fell for a third week to 39.2 percent, after the measure reached the gloomiest levels since the 2008-09 recession in mid-February. The share of optimists dwindled to 13.9 percent last week, the lowest since 2008.

*The percentage of survey respondents predicting lower real estate prices declined for the first time this year. At 19.8 percent, the level is still above a 12-month average of 12.8 percent, though it's down from the post-recession high of 21.4 percent last week.

*Sentiment in the prairie provinces -- Alberta, Saskatchewan and Manitoba -- gained for a second week to 50.7 as oil prices show signs of stabilizing. The index for the region is down from a 2014 high of 68.5 posted in July.

*The share of Canadians who reported feeling better off in terms of personal finances dropped for a fifth week, declining to 18.5 percent, the lowest since August. The share of those who feel worse off was also lower at 22.8 percent. The spread between the two, at 4.3 percentage points, about matches the 12-month average.

*Job security remains elevated and improving. The proportion of Canadians who describe their job as at least somewhat secure rose to 71.5 percent last week. Those reporting job insecurity fell to 10.4 percent. The difference between the two, at 61.1 percentage points, is the widest this year.

*The Nanos index is derived from weekly polling based on phone interviews with 1,000 people, using a four-week rolling average of 250 respondents. The results are accurate to within 3.1 percentage points, 19 times out of 20.

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