



November 26, 2015

TD Economics

Data Release: Small business confidence little changed in November

- Confidence among small businesses was little changed in November, with the CFIB Business Barometer Index edging down 0.2 points to 58.7. This follows a sizable jump in October, but still indicates that sentiment is lower than the 63.5 reading seen at the start of the year.
- Confidence was up sharply in the natural resources sector (+7.5), which is somewhat surprising given the hit commodity prices took during the month. However, at 38.9, sentiment remains over 20 points below year ago levels. The hospitality sector also recorded a sizable improvement (+7.0), while the construction sector became much more pessimistic (-9.2).
- Sentiment was mixed among regions, with small businesses in Manitoba (+7.4 to 68) now the most optimistic in the country. Alberta also inched up (+1.2), but remains, by far, the most pessimistic province. Saskatchewan, Newfoundland and Labrador and Quebec were the other provinces where small businesses lost confidence in November.
- Encouragingly, businesses cited lack of demand as less of an issue in November, while concerns over a shortage of skilled labour increased.

Key Implications

- Although it has bounced back from September's low, sentiment among small businesses nevertheless remains below year-ago levels. This is unsurprising given the volatility in financial markets and renewed weakness in commodity markets.
- However, macroeconomic conditions have been improving, with the Canadian economy bouncing back strongly in the third quarter after a weak start to the year. And, the economy is expected to advance at a decent clip in Q4 as well. This, combined with ongoing strength in the U.S. economy – should help to improve confidence of small businesses going forward – particularly those in industries tied to the export sector. For details on our outlook for small businesses, see our recent report [here](#).

Dina Ignjatovic, Economist
416-982-2555

 [@TD_Economics](#)

DISCLAIMER

This report is provided by TD Economics. It is for informational and educational purposes only as of the date of writing, and may not be appropriate for other purposes. The views and opinions expressed may change at any time based on market or other conditions and may not come to pass. This material is not intended to be relied upon as investment advice or recommendations, does not constitute a solicitation to buy or sell securities and should not be considered specific legal, investment or tax advice. The report does not provide material information about the business and affairs of TD Bank Group and the members of TD Economics are not spokespersons for TD Bank Group with respect to its business and affairs. The information contained in this report has been drawn from sources believed to be reliable, but is not guaranteed to be accurate or complete. This report contains economic analysis and views, including about future economic and financial markets performance. These are based on certain assumptions and other factors, and are subject to inherent risks and uncertainties. The actual outcome may be materially different. The Toronto-Dominion Bank and its affiliates and related entities that comprise the TD Bank Group are not liable for any errors or omissions in the information, analysis or views contained in this report, or for any loss or damage suffered.