

April 12, 2018

International	2000–16	2016	2017	2018f	2019f	2000–16	2016	2017	2018f	2019f
		Real GDP (annual % change)					Consumer Prices (y/y % change, year-end)			
World (based on purchasing power parity)	3.9	3.2	3.7	3.8	3.7					
Canada	2.1	1.4	3.0	2.2	2.1	1.9	1.4	1.8	2.3	2.3
United States	1.9	1.5	2.3	2.6	2.4	2.2	1.8	2.1	2.4	2.4
Mexico	2.2	2.9	2.0	2.4	2.8	4.4	3.4	6.8	4.3	3.8
United Kingdom	1.8	1.9	1.8	1.7	1.9	2.0	1.6	3.0	1.9	1.9
Eurozone	1.3	1.8	2.5	2.5	2.3	1.7	1.1	1.4	1.5	1.5
Germany	1.3	1.9	2.6	3.0	3.0	1.5	1.7	1.6	1.6	1.9
France	1.3	1.2	1.9	2.5	2.0	1.6	0.8	1.2	1.5	1.5
China	9.4	6.7	6.9	6.5	6.2	2.3	2.1	1.8	2.3	2.5
India	7.1	7.9	6.4	7.4	7.5	6.9	3.4	5.2	4.6	5.7
Japan	0.9	0.9	1.7	1.3	0.9	0.1	0.3	1.0	1.1	2.3
South Korea	4.2	2.9	3.1	2.8	2.8	2.6	1.3	1.5	2.1	2.5
Australia	3.0	2.6	2.3	2.6	2.5	2.8	1.5	1.9	2.2	2.6
Thailand	4.0	3.3	3.9	3.5	3.4	2.0	1.1	0.8	1.2	2.0
Brazil	2.6	-3.5	1.0	2.5	2.7	6.7	6.3	2.9	4.1	2.6
Colombia	4.1	2.1	1.8	2.5	3.5	5.1	5.7	4.1	3.3	3.1
Peru	5.1	3.9	2.5	3.3	3.7	2.8	3.2	1.4	2.0	2.5
Chile	4.0	1.2	1.5	3.6	3.9	3.4	2.7	2.3	2.8	3.0
Commodities		(annual average)								
WTI Oil (USD/bbl)	63	43	51	65	68					
Brent Oil (USD/bbl)	66	45	55	70	73					
WCS - WTI Discount* (USD/bbl)	-17	-14	-13	-22	-20					
Nymex Natural Gas (USD/mmbtu)	4.94	2.55	3.02	2.80	2.85					
Copper (USD/lb)	2.35	2.21	2.80	3.10	3.25					
Zinc (USD/lb)	0.81	0.95	1.31	1.60	1.60					
Nickel (USD/lb)	7.26	4.36	4.72	6.00	6.50					
Aluminium (USD/lb)	0.86	0.73	0.89	0.95	1.00					
Iron Ore (USD/tonne)	67	58	72	63	60					
Metallurgical Coal (USD/tonne)	127	114	187	182	160					
Gold, London PM Fix (USD/oz)	869	1,251	1,257	1,310	1,300					
* 2008-16 average.										
Sources: Scotiabank Economics, Statistics Canada, BEA, BLS, IMF, Bloomberg.										

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North America	2000–16	2016	2017	2018f	2019f	2000–16	2016	2017	2018f	2019f
	Canada (annual % change, unless noted)					United States (annual % change, unless noted)				
Real GDP	2.1	1.4	3.0	2.2	2.1	1.9	1.5	2.3	2.6	2.4
Consumer spending	2.9	2.3	3.4	2.6	2.0	2.4	2.7	2.8	2.6	2.4
Residential investment	3.7	3.4	3.0	1.2	0.4	-0.4	5.5	1.8	2.3	2.1
Business investment	2.2	-8.8	2.5	4.1	2.5	2.3	-0.6	4.7	5.1	2.8
Government	2.2	2.7	2.5	2.4	1.5	1.0	0.8	0.1	2.1	2.2
Exports	1.3	1.0	1.0	1.6	3.6	3.6	-0.3	3.4	3.3	2.5
Imports	2.9	-1.0	3.6	3.0	2.5	3.4	1.3	4.0	4.8	3.2
Nominal GDP	4.2	2.0	5.3	4.5	4.5	3.9	2.8	4.1	4.7	4.5
GDP deflator	2.1	0.6	2.3	2.2	2.4	2.0	1.3	1.8	2.0	2.1
Consumer price index (CPI)	1.9	1.4	1.6	2.2	2.3	2.2	1.3	2.1	2.4	2.4
CPI ex. food & energy	1.6	1.9	1.6	2.0	2.2	2.0	2.2	1.8	2.2	2.3
Pre-tax corporate profits	3.6	-1.9	20.2	6.0	1.0	5.5	-2.1	4.4	2.7	0.5
Employment	1.3	0.7	1.9	1.3	1.0	0.7	1.8	1.6	1.4	1.1
Unemployment rate (%)	7.1	7.0	6.3	5.8	5.7	6.2	4.9	4.4	4.0	3.9
Current account balance (CAD, USD bn)	-17.1	-65.4	-63.9	-58.6	-47.6	-507	-452	-466	-554	-612
Merchandise trade balance (CAD, USD bn)	25.1	-25.9	-23.9	-23.8	-16.0	-673	-753	-811	-908	-982
Federal budget balance* (FY, CAD, USD bn)	-2.8	-1.0	-17.8	-19.4	-15.1	-150	-585	-665	-812	-990
percent of GDP	-0.2	0.0	-0.9	-0.9	-0.7	-1.0	-3.1	-3.4	-4.0	-4.7
Housing starts (000s, mn)	199	198	220	208	196	1.27	1.17	1.20	1.26	1.30
Motor vehicle sales (000s, mn)	1,657	1,949	2,041	2,000	1,950	15.5	17.5	17.1	17.4	17.3
Industrial production	0.6	0.1	5.1	2.2	1.0	0.6	-2.0	1.6	2.8	1.1
Mexico (annual % change)										
Real GDP	2.2	2.9	2.0	2.4	2.8					
Consumer price index (year-end)	4.4	3.4	6.8	4.3	3.8					
Current account balance (USD bn)	-14.6	-22.8	-18.8	-27.4	-29.9					
Merchandise trade balance (USD bn)	-7.2	-13.1	-10.9	-13.0	-16.0					

Sources: Scotiabank Economics, Statistics Canada, CMHC, BEA, BLS, Bloomberg. * Canada federal deficit ex risk adjustment of \$3.0bn for FY19.

Quarterly Forecasts	2017		2018				2019			
	Q3	Q4	Q1e	Q2f	Q3f	Q4f	Q1f	Q2f	Q3f	Q4f
Canada										
Real GDP (q/q ann. % change)	1.5	1.7	1.8	2.6	2.4	2.4	2.2	1.9	1.6	1.6
Real GDP (y/y % change)	3.0	2.9	2.4	1.9	2.1	2.3	2.4	2.2	2.0	1.8
Consumer prices (y/y % change)	1.4	1.8	2.0	2.2	2.3	2.3	2.3	2.3	2.3	2.3
Avg. of new core CPIs (y/y % change)	1.5	1.7	1.9	2.0	2.1	2.1	2.2	2.2	2.2	2.2
United States										
Real GDP (q/q ann. % change)	3.2	2.9	2.2	2.6	2.5	2.5	2.4	2.3	2.1	2.1
Real GDP (y/y % change)	2.3	2.6	2.8	2.7	2.6	2.5	2.5	2.4	2.3	2.2
Consumer prices (y/y % change)	2.0	2.1	2.3	2.4	2.4	2.4	2.4	2.4	2.4	2.4
CPI ex. food & energy (y/y % change)	1.7	1.7	1.9	2.2	2.3	2.3	2.3	2.3	2.3	2.3

Sources: Scotiabank Economics, Statistics Canada, BEA, BLS, Bloomberg.

Central Bank Rates	2017		2018			2019			
	Q4	Q1	Q2f	Q3f	Q4f	Q1f	Q2f	Q3f	Q4f
Americas	(%, end of period)								
Bank of Canada	1.00	1.25	1.25	1.50	1.75	2.00	2.25	2.25	2.50
US Federal Reserve (upper bound)	1.50	1.75	1.75	2.00	2.25	2.25	2.50	2.50	2.75
Bank of Mexico	7.25	7.50	7.50	7.50	7.75	7.75	7.50	7.25	7.00
Central Bank of Brazil	7.00	6.75	6.50	6.50	6.75	7.00	7.50	8.00	8.50
Bank of the Republic of Colombia	4.75	4.50	4.25	4.25	4.25	4.50	4.75	5.00	5.00
Central Reserve Bank of Peru	3.25	2.75	2.75	2.75	2.75	3.00	3.00	3.25	3.25
Central Bank of Chile	2.50	2.50	2.50	2.75	3.00	3.25	3.25	3.50	3.50
Europe									
European Central Bank	0.00	0.00	0.00	0.00	0.00	0.00	0.25	0.25	0.50
Bank of England	0.50	0.50	0.75	0.75	1.00	1.00	1.25	1.50	1.50
Asia/Oceania									
Reserve Bank of Australia	1.50	1.50	1.50	1.50	1.75	1.75	2.00	2.00	2.25
Bank of Japan	-0.10	-0.10	-0.10	-0.10	-0.10	-0.10	-0.10	-0.10	-0.10
People's Bank of China	4.35	4.35	4.35	4.35	4.35	4.60	4.60	4.85	4.85
Reserve Bank of India	6.00	6.00	6.00	6.00	6.00	6.25	6.25	6.50	6.50
Bank of Korea	1.50	1.50	1.50	1.75	2.00	2.00	2.25	2.25	2.25
Bank of Thailand	1.50	1.50	1.50	1.50	1.75	1.75	2.00	2.00	2.25
Currencies and Interest Rates									
Americas	(end of period)								
Canadian dollar (USDCAD)	1.26	1.29	1.27	1.26	1.25	1.25	1.22	1.22	1.25
Canadian dollar (CADUSD)	0.80	0.78	0.79	0.79	0.80	0.80	0.82	0.82	0.80
Mexican peso (USDMXN)	19.66	18.18	19.11	19.18	19.46	19.56	19.38	19.43	19.71
Brazilian real (USDBRL)	3.31	3.31	3.15	3.25	3.25	3.30	3.30	3.35	3.35
Colombian peso (USDCOP)	2,986	2,794	2,900	2,900	2,900	2,950	2,950	3,000	3,050
Peruvian sol (USDPEN)	3.24	3.23	3.19	3.20	3.18	3.18	3.14	3.15	3.12
Chilean peso (USDCLP)	615	604	608	602	595	592	589	587	584
Europe									
Euro (EURUSD)	1.20	1.23	1.25	1.28	1.30	1.30	1.33	1.35	1.35
UK pound (GBPUSD)	1.35	1.40	1.40	1.42	1.47	1.48	1.48	1.50	1.50
Asia/Oceania									
Japanese yen (USDJPY)	113	106	108	110	110	110	110	108	105
Australian dollar (AUDUSD)	0.78	0.77	0.79	0.80	0.80	0.81	0.81	0.82	0.82
Chinese yuan (USDCNY)	6.51	6.28	6.30	6.30	6.30	6.20	6.20	6.10	6.10
Indian rupee (USDINR)	63.9	65.2	64.5	64.0	64.0	63.5	63.5	63.0	63.0
South Korean won (USDKRW)	1,067	1,064	1,060	1,040	1,040	1,030	1,030	1,020	1,020
Thai baht (USDTHB)	32.6	31.2	31.0	31.0	31.0	30.5	30.5	30.0	30.0
Canada (Yields, %)									
3-month T-bill	1.06	1.15	1.25	1.55	1.80	2.05	2.30	2.30	2.50
2-year Canada	1.69	1.78	1.90	2.10	2.30	2.40	2.50	2.55	2.60
5-year Canada	1.87	1.97	2.10	2.25	2.45	2.55	2.60	2.65	2.70
10-year Canada	2.05	2.09	2.25	2.40	2.50	2.60	2.65	2.70	2.75
30-year Canada	2.27	2.23	2.40	2.60	2.70	2.80	2.85	2.90	2.95
United States (Yields, %)									
3-month T-bill	1.38	1.70	1.85	2.05	2.30	2.30	2.55	2.60	2.80
2-year Treasury	1.88	2.27	2.40	2.55	2.70	2.80	2.95	3.00	3.05
5-year Treasury	2.21	2.56	2.65	2.75	2.90	2.95	3.00	3.10	3.15
10-year Treasury	2.40	2.74	2.85	2.95	3.00	3.05	3.10	3.15	3.25
30-year Treasury	2.74	2.97	3.00	3.15	3.20	3.25	3.30	3.35	3.40

Sources: Scotiabank Economics, Bloomberg.

The Provinces	(annual % change except where noted)											
Real GDP	CA	NL	PE	NS	NB	QC	ON	MB	SK	AB	BC	
2000–16	2.1	2.5	1.7	1.3	1.2	1.7	2.0	2.3	2.0	2.7	2.8	
2016	1.4	1.9	2.3	0.8	1.2	1.4	2.6	2.2	-0.5	-3.7	3.5	
2017e	3.0	-1.5	2.2	1.6	1.4	2.8	2.9	2.3	1.9	4.3	3.5	
2018f	2.2	0.5	1.8	1.4	1.0	2.1	2.1	2.0	1.8	2.5	2.6	
2019f	2.1	1.2	1.6	1.0	0.7	1.9	2.0	1.8	2.0	2.3	2.4	
Nominal GDP												
2000–16	4.2	5.6	4.2	3.4	3.3	3.6	3.8	4.4	5.3	5.9	4.5	
2016	2.0	2.6	4.0	2.8	3.6	2.7	4.3	2.3	-4.0	-4.9	4.8	
2017e	5.3	3.1	4.0	3.2	3.0	4.2	5.1	4.0	4.8	7.6	5.6	
2018f	4.5	3.6	3.6	3.1	2.7	4.0	4.5	3.9	3.8	5.3	4.8	
2019f	4.5	4.5	3.6	2.9	2.4	4.1	4.4	3.6	4.3	5.3	4.8	
Employment												
2000–16	1.3	0.8	1.0	0.6	0.4	1.3	1.3	0.9	1.1	2.3	1.4	
2016	0.7	-1.5	-2.3	-0.4	-0.1	0.9	1.1	-0.4	-0.9	-1.6	3.2	
2017	1.9	-3.7	3.1	0.6	0.4	2.2	1.8	1.7	-0.2	1.0	3.7	
2018f	1.3	-0.8	1.5	0.5	0.3	1.5	1.5	0.6	0.4	1.5	1.6	
2019f	1.0	-0.5	0.8	0.2	0.1	0.8	1.0	0.6	0.6	1.1	1.2	
Unemployment Rate (%)												
2000–16	7.1	14.3	11.2	8.8	9.6	8.0	7.1	5.1	5.0	5.1	6.6	
2016	7.0	13.4	10.7	8.3	9.5	7.1	6.5	6.1	6.3	8.1	6.0	
2017	6.3	14.8	9.8	8.4	8.1	6.1	6.0	5.4	6.3	7.8	5.1	
2018f	5.8	14.9	9.9	8.2	8.0	5.5	5.5	5.3	5.8	7.0	4.8	
2019f	5.7	15.0	10.0	8.0	8.0	5.4	5.4	5.2	5.7	6.9	4.8	
Housing Starts (units, 000s)												
2000–16	199	2.6	0.7	4.3	3.5	44	71	5.1	5.2	34	28	
2016	198	1.4	0.6	3.8	1.8	39	75	5.3	4.8	25	42	
2017	220	1.4	0.9	4.0	2.3	46	79	7.5	4.9	29	44	
2018f	208	1.3	0.9	3.8	2.1	42	77	6.3	5.0	28	42	
2019f	196	1.3	0.8	3.8	2.1	38	71	6.3	5.0	30	38	
Motor Vehicle Sales (units, 000s)												
2000–16	1,657	29	6	48	38	413	635	47	45	216	180	
2016	1,949	33	9	54	44	458	807	55	51	220	218	
2017	2,041	33	9	59	42	453	847	62	56	245	235	
2018f	2,000	32	8	58	40	445	821	61	56	248	231	
2019f	1,950	30	8	56	39	434	791	60	56	250	226	
Budget Balances, Fiscal Year Ending March 31 (CAD mn)												
2000–16*	-2,803	-93	-38	-30	-153	-768	-5,115	-142	307	1,064	319	
2016	-987	-2,206	-13	-13	-261	2,191	-3,515	-839	-1,520	-6,442	811	
2017	-17,770	-1,148	-1	150	-119	2,361	-991	-764	-1,218	-10,784	2,737	
2018f**	-19,400	-812	1	134	-115	850	642	-726	-595	-9,066	151	
2019f**	-15,100	-683	1	29	-189	0	-6,704	-521	-365	-8,802	219	

Sources: Scotiabank Economics, Statistics Canada, CMHC, Budget documents. * MB:FY04–FY16; AB:FY05–FY16. ** Federal & Provinces' FY18 & FY19: Budget documents. Federal FY19: ex risk adjustment of \$3.0bn.

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