

International	2000-14	2015	2016f	2017f	2000-14	2015	2016f	2017f
	<b>Real GDP</b> (annual % change)				<b>Consumer Prices</b> (y/y % change, year-end)			
World (based on purchasing power parity)	3.9	3.3	3.1	3.5				
Canada	2.2	1.1	1.4	2.1	2.0	1.3	2.1	2.2
United States	1.9	2.4	1.9	2.3	2.3	0.4	2.0	2.3
Mexico	2.3	2.5	2.4	2.8	4.6	2.1	3.6	3.9
United Kingdom	1.8	2.3	1.7	1.9	2.2	0.2	1.0	1.6
Euro zone	1.2	1.5	1.5	1.6	1.9	0.2	0.8	1.5
Germany	1.2	1.7	1.4	1.6	1.6	0.3	0.9	1.7
France	1.3	1.2	1.3	1.4	1.7	0.2	0.7	1.4
Russia	4.6	-3.7	-1.0	1.5	11.4	12.9	6.8	6.2
China	9.7	6.9	6.4	6.2	2.4	1.6	2.1	2.3
India	7.0	7.3	7.5	7.5	7.2	5.6	5.7	5.8
Japan	0.9	0.6	0.7	0.8	0.0	0.2	0.5	0.7
South Korea	4.4	2.6	2.7	2.9	2.8	1.3	1.5	2.1
Indonesia	5.6	4.8	5.0	5.3	6.2	3.4	4.1	4.7
Australia	3.0	2.5	2.6	2.6	2.9	1.7	1.8	2.3
Thailand	4.1	2.8	3.0	3.2	2.5	-0.9	1.0	2.0
Brazil	3.4	-3.8	-3.8	0.5	6.5	10.7	7.0	5.5
Colombia	4.3	3.1	2.4	3.0	5.0	6.8	5.5	4.0
Peru	5.4	3.2	3.8	3.6	2.7	4.4	3.4	3.0
Chile	4.3	2.1	1.7	2.2	3.3	4.4	3.3	2.9
<b>Commodities</b>								
	(annual average)							
WTI Oil (US\$/bbl)	65	49	42	53				
Brent Oil (US\$/bbl)	68	54	43	54				
Nymex Natural Gas (US\$/mmbtu)	5.25	2.63	2.25-2.50	2.50-2.75				
Copper (US\$/lb)	2.35	2.50	2.20	2.30				
Zinc (US\$/lb)	0.80	0.88	0.83	1.25				
Nickel (US\$/lb)	7.59	5.37	3.90	4.50				
Gold, London PM Fix (US\$/oz)	824	1,160	1,190	1,250				

### Forecast Changes

- Canadian real GDP has been lowered to an average gain of 1.4% this year. This reflects the broad-based downward revisions to the trajectory of output growth in the latter part of 2015, combined with a slightly weaker performance in the first three months of the year that was partly attributable to a further large drawdown of inventories. Output is expected to contract in the current calendar quarter, in large part due to the fallout from the wildfires in northern Alberta. The increased pace of activity in the second half of the year will reflect the rebound in crude oil shipments, continuing resiliency in household demand, and some improvement in non-energy exports to the U.S.
- We have edged up modestly our forecast for U.S. real GDP to 1.9% for 2016 in response to stronger second-quarter momentum in retail sales, housing activity and industrial production that builds upon a slightly higher advance in Q1. Investment intentions remain quite soft, and net trade is still a drag on the economy's overall performance.
- Japan's decision to delay the next consumption tax increase from 2017 to 2019 has prompted us to boost the outlook for consumer spending and overall growth next year to an average of 0.8% from our prior forecast of only 0.2%, as well as lowering our inflation forecast by roughly half to an average of 0.7%.

## Latest Forecast Tables

North America	2000-14	2015	2016f	2017f	2000-14	2015	2016f	2017f		
		<b>Canada</b> (annual % change)					<b>United States</b> (annual % change)			
Real GDP	2.2	1.1	1.4	2.1	1.9	2.4	1.9	2.3		
Consumer Spending	3.0	1.9	2.0	1.7	2.3	3.1	2.7	2.7		
Residential Investment	3.8	3.8	3.3	-0.7	-1.7	8.9	10.2	5.3		
Business Investment	3.4	-10.2	-7.5	2.6	2.4	2.8	-1.2	3.2		
Government	2.3	1.8	1.2	2.2	1.0	0.7	0.9	0.8		
Exports	1.2	3.4	2.2	3.5	4.0	1.1	0.5	3.1		
Imports	3.2	0.3	-0.9	2.8	3.4	4.9	1.4	3.9		
Nominal GDP	4.6	0.5	2.1	4.4	4.0	3.5	3.2	4.4		
GDP Deflator	2.3	-0.6	0.7	2.2	2.1	1.0	1.3	2.0		
Consumer Price Index	2.0	1.1	1.8	2.2	2.4	0.1	1.6	2.4		
Core CPI	1.8	2.2	2.1	2.0	2.0	1.8	2.2	2.3		
Pre-Tax Corporate Profits	5.3	-15.8	-5.5	7.0	6.3	-3.1	-4.5	5.0		
Employment	1.4	0.8	0.6	0.8	0.5	2.1	1.8	1.5		
Unemployment Rate (%)	7.1	6.9	7.2	7.2	6.4	5.3	4.8	4.7		
Current Account Balance (C\$, US\$ bn.)	-10.0	-62.6	-68.9	-58.2	-526	-484	-495	-524		
Merchandise Trade Balance (C\$, US\$ bn.)	31.8	-22.5	-28.2	-20.0	-661	-759	-754	-801		
Federal Budget Balance (C\$, US\$ bn.)	-4.1	-4.0	-26.0	-26.0	-535	-439	-500	-530		
per cent of GDP	-0.3	-0.2	-1.3	-1.2	-3.9	-2.4	-2.7	-2.7		
Housing Starts (thousands, mns)	199	196	188	180	1.29	1.11	1.24	1.38		
Motor Vehicle Sales (thousands, mns)	1,622	1,898	1,955	1,945	15.2	17.3	17.7	18.0		
Industrial Production	0.7	-1.1	1.0	2.2	0.8	0.3	0.0	2.5		
		<b>Mexico</b> (annual % change)								
Real GDP	2.3	2.5	2.4	2.8						
Consumer Price Index (year-end)	4.6	2.1	3.6	3.9						
Current Account Balance (US\$ bn.)	-14.5	-32.4	-31.7	-36.6						
Merchandise Trade Balance (US\$ bn.)	-6.3	-14.5	-17.0	-17.1						

Quarterly Forecasts	2015		2016				2017			
Canada	Q3	Q4	Q1	Q2f	Q3f	Q4f	Q1f	Q2f	Q3f	Q4f
Real GDP (q/q, ann. % change)	2.2	0.5	2.4	-0.5	3.0	2.2	2.3	2.3	2.0	2.0
Real GDP (y/y, % change)	1.0	0.3	1.1	1.1	1.4	1.8	1.8	2.5	2.2	2.1
Consumer Prices (y/y, % change)	1.2	1.3	1.5	1.6	1.9	2.1	2.2	2.1	2.2	2.2
Core CPI (y/y % change)	2.2	2.0	2.0	2.1	2.1	2.1	2.1	2.0	2.0	2.0
<b>United States</b>										
Real GDP (q/q, ann. % change)	2.0	1.4	0.8	2.6	2.4	2.4	2.4	2.3	2.2	2.1
Real GDP (y/y, % change)	2.1	2.0	2.0	1.7	1.8	2.0	2.4	2.4	2.3	2.3
Consumer Prices (y/y, % change)	0.1	0.4	0.8	1.1	1.4	2.0	2.4	2.3	2.3	2.3
Core CPI (y/y % change)	1.8	2.0	2.3	2.2	2.3	2.3	2.3	2.3	2.3	2.3

Central Bank Rates	2015		2016				2017			
	Q3	Q4	Q1	Q2f	Q3f	Q4f	Q1f	Q2f	Q3f	Q4f
<b>Americas</b>	(% , end of period)									
Bank of Canada	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.75	1.00
U.S. Federal Reserve	0.25	0.50	0.50	0.50	0.75	1.00	1.25	1.50	1.75	2.00
Bank of Mexico	3.00	3.25	3.75	4.00	4.25	4.25	4.50	4.75	5.00	5.25
Central Bank of Brazil	14.25	14.25	14.25	14.25	14.25	14.25	14.00	13.50	13.00	12.50
Bank of the Republic of Colombia	4.75	5.75	6.50	7.00	7.25	7.25	7.25	6.75	6.25	5.75
Central Reserve Bank of Peru	3.50	3.75	4.25	4.25	4.25	4.25	4.25	4.25	4.25	4.25
Central Bank of Chile	3.00	3.50	3.50	3.50	3.50	3.50	3.75	3.75	4.00	4.00
<b>Europe</b>										
European Central Bank	0.05	0.05	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Bank of England	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.75	0.75
Swiss National Bank	-0.75	-0.75	-0.75	-0.75	-0.75	-0.75	-0.75	-0.75	-0.75	-0.75
<b>Asia/Oceania</b>										
Reserve Bank of Australia	2.00	2.00	2.00	1.75	1.75	1.75	1.75	1.75	1.75	1.75
People's Bank of China	4.60	4.35	4.35	4.35	4.10	4.10	4.10	4.10	4.35	4.35
Reserve Bank of India	6.75	6.75	6.75	6.50	6.25	6.25	6.25	6.25	6.25	6.50
Bank of Korea	1.50	1.50	1.50	1.25	1.25	1.25	1.25	1.25	1.50	1.75
Bank Indonesia	7.50	7.50	6.75	6.75	6.50	6.50	6.50	6.50	6.50	6.50
Bank of Thailand	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.75
<b>Currencies &amp; Interest Rates</b>										
<b>Americas</b>	(end of period)									
Canadian Dollar (USDCAD)	1.33	1.38	1.30	1.33	1.30	1.30	1.28	1.28	1.25	1.25
Canadian Dollar (CADUSD)	0.75	0.72	0.77	0.75	0.77	0.77	0.78	0.78	0.80	0.80
Mexican Peso (USDMXN)	16.92	17.21	17.28	18.17	17.99	17.92	17.77	17.52	17.43	17.22
Brazilian Real (USDBRL)	3.95	3.96	3.59	3.70	3.90	3.90	4.20	4.10	4.00	4.00
Colombian Peso (USDCOP)	3087	3175	3002	3100	3200	3275	3250	3200	3200	3200
Peruvian Nuevo Sol (USDPEN)	3.23	3.41	3.31	3.35	3.38	3.35	3.36	3.32	3.33	3.28
Chilean Peso (USDCLP)	696	709	668	701	709	717	712	711	710	708
<b>Europe</b>										
Euro (EURUSD)	1.12	1.09	1.14	1.08	1.05	1.05	1.05	1.07	1.10	1.12
U.K. Pound (GBPUSD)	1.51	1.47	1.44	1.45	1.40	1.40	1.42	1.45	1.50	1.50
Swiss Franc (USDCHF)	0.97	1.00	0.96	1.01	1.05	1.05	1.06	1.04	1.02	1.00
Swedish Krona (USDSEK)	8.37	8.44	8.12	8.25	8.80	8.80	8.70	8.45	8.20	8.05
Norwegian Krone (USDNOK)	8.52	8.84	8.27	8.40	8.30	8.30	8.20	8.20	7.80	7.80
Russian Ruble (USDRUB)	65.4	72.5	66.9	66.5	67.5	68.5	68.0	67.5	67.0	66.5
<b>Asia/Oceania</b>										
Japanese Yen (USDJPY)	120	120	113	112	115	118	118	120	125	125
Australian Dollar (AUDUSD)	0.70	0.73	0.77	0.72	0.70	0.70	0.72	0.72	0.75	0.75
Chinese Yuan (USDCNY)	6.36	6.49	6.45	6.60	6.65	6.70	6.70	6.70	6.65	6.65
Indian Rupee (USDINR)	65.6	66.2	66.2	67.5	67.5	68.5	68.5	68.0	68.0	67.5
South Korean Won (USDKRW)	1185	1175	1143	1230	1240	1250	1240	1240	1230	1220
Indonesian Rupiah (USDIDR)	14653	13788	13239	14000	14000	14500	14500	14480	14480	14460
Thai Baht (USDTHB)	36.4	36.0	35.1	36.0	36.4	36.8	36.8	36.7	36.6	36.6
<b>Canada (Yields, %)</b>										
3-month T-bill	0.44	0.51	0.45	0.50	0.50	0.50	0.50	0.55	0.85	1.15
2-year Canada	0.52	0.48	0.54	0.55	0.60	0.70	1.00	1.20	1.45	1.75
10-year Canada	1.43	1.39	1.23	1.30	1.55	1.65	1.90	2.15	2.30	2.50
<b>United States (Yields, %)</b>										
3-month T-bill	-0.02	0.16	0.20	0.35	0.55	0.80	1.25	1.55	1.80	2.05
2-year Treasury	0.63	1.05	0.72	0.90	1.10	1.55	2.00	2.25	2.50	2.70
10-year Treasury	2.04	2.27	1.77	1.90	2.15	2.25	2.55	2.80	3.00	3.15

## Latest Forecast Tables

Provincial	2000-14	2015	2016f	2017f	2000-14	2015	2016f	2017f
	<u>Real GDP*</u> (annual % change)				<u>Nominal GDP*</u> (annual % change)			
<b>Canada</b>	2.2	1.1	1.4	2.1	4.6	0.5	2.1	4.4
Newfoundland & Labrador	2.8	-2.2	0.1	-1.2	6.9	-8.9	-1.9	2.2
Prince Edward Island	1.8	1.5	1.4	1.4	4.4	2.9	2.7	2.9
Nova Scotia	1.4	0.8	1.3	1.3	3.4	2.2	2.5	2.9
New Brunswick	1.2	1.9	0.6	0.7	3.3	3.2	1.7	2.1
Quebec	1.8	1.1	1.5	1.7	3.7	2.6	2.9	3.6
Ontario	1.9	2.5	2.5	2.4	3.7	4.1	4.0	4.4
Manitoba	2.4	2.3	2.2	2.2	4.6	3.6	3.6	4.1
Saskatchewan	2.3	-1.4	0.2	2.0	6.7	-5.3	-1.4	4.9
Alberta	3.5	-4.0	-1.7	2.2	8.0	-11.0	-3.9	5.7
British Columbia	2.6	3.0	2.7	2.5	4.4	4.6	4.3	4.7
*Real GDP for 2016 by industry, basic prices.								
	<u>Employment</u> (annual % change)				<u>Unemployment Rate</u> (annual average, %)			
	2000-14	2015	2016f	2017f	2000-14	2015	2016f	2017f
<b>Canada</b>	1.4	0.8	0.6	0.8	7.1	6.9	7.2	7.2
Newfoundland & Labrador	1.1	-1.0	-0.8	-0.7	14.4	12.8	13.6	14.3
Prince Edward Island	1.4	-1.1	-0.6	0.5	11.2	10.4	10.7	10.5
Nova Scotia	0.7	0.1	0.2	0.3	8.9	8.6	8.7	8.6
New Brunswick	0.6	-0.6	-0.7	0.2	9.6	9.8	9.9	9.9
Quebec	1.3	0.9	0.7	0.7	8.1	7.6	7.6	7.5
Ontario	1.3	0.7	1.1	1.1	7.2	6.8	6.8	6.8
Manitoba	1.0	1.5	0.4	0.9	5.0	5.6	5.8	5.7
Saskatchewan	1.3	0.5	-0.3	0.5	4.9	5.0	6.2	5.9
Alberta	2.6	1.2	-1.5	0.6	4.8	6.0	7.8	7.6
British Columbia	1.2	1.2	1.6	1.1	6.7	6.2	6.5	6.4
	<u>Housing Starts</u> (annual, thousands of units)				<u>Budget Balances*, FY March 31</u> (\$ millions)			
	2000-14	2015	2016f	2017f	2000-14	2015	2016f	2017f
<b>Canada</b>	199	196	188	180	-3,238	1,911	-4,000	-26,000
Newfoundland & Labrador	2.7	1.7	1.6	1.6	130	-986	-2,200	-1,830
Prince Edward Island	0.8	0.6	0.5	0.5	-40	-20	-28	-10
Nova Scotia	4.4	3.8	2.7	3.2	-24	-144	-71	127
New Brunswick	3.7	2.0	1.6	1.9	-130	-389	-466	-347
Quebec	44	38	38	38	-968	-725	0	0
Ontario	71	70	72	68	-4,876	-10,314	-5,686	-4,306
Manitoba	5.1	5.5	5.0	5.5	-53 **	-452	-1,011	-911
Saskatchewan	5.2	5.1	4.4	4.2	450 **	62	-427	-434
Alberta	35	37	23	23	1,809 **	1,115	-6,393	-10,421
British Columbia	27	31	40	34	195	1,683	377	264
* FY16 & FY17: Provinces' estimates. ** MB: FY04-FY14; AB: FY05-FY14; SK: FY16 & FY17 ex pension accrual adjustment.								

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