

October 17, 2016

International	2000-15	2016f	2017f	2018f	2000-15	2016f	2017f	2018f
		Real GDP (annual % change)				Consumer Prices (y/y % change, year-end)		
World (based on purchasing power parity)	3.9	3.0	3.3	3.4				
Canada	2.1	1.2	2.0	1.9	1.9	1.6	2.2	2.1
United States	1.9	1.5	2.2	2.2	2.2	1.6	2.4	2.3
Mexico	2.4	2.4	2.5	2.8	4.5	3.7	3.9	3.8
United Kingdom	1.8	2.0	1.0	1.3	2.2	1.4	2.5	2.0
Euro zone	1.2	1.4	1.3	1.5	1.9	0.8	1.4	1.7
Germany	1.2	1.5	1.2	1.6	1.6	0.9	1.5	1.8
France	1.3	1.2	0.9	1.2	1.7	0.9	1.4	1.6
Russia	4.6	-1.0	1.3	1.4	11.4	7.0	6.3	5.8
China	9.8	6.6	6.2	6.0	2.4	2.0	2.1	2.2
India	7.0	7.5	7.6	7.8	7.2	4.5	5.4	5.7
Japan	0.9	0.6	0.6	0.5	0.0	-0.1	0.7	1.0
South Korea	4.4	2.6	2.8	3.0	2.8	1.2	1.8	2.3
Indonesia	5.6	5.0	5.3	5.5	6.2	3.4	4.5	4.7
Australia	3.0	2.8	2.6	2.5	2.9	1.4	1.9	2.3
Thailand	4.1	3.1	3.2	3.1	2.5	0.8	1.7	2.2
Brazil	3.4	-3.1	1.2	1.7	6.5	7.5	5.3	4.5
Colombia	4.3	2.4	2.8	3.5	5.0	6.5	4.5	3.5
Peru	5.4	3.8	4.0	4.2	2.7	3.0	2.8	2.8
Chile	4.3	1.7	2.0	2.6	3.3	3.3	2.9	2.9
Commodities		(annual average)						
WTI Oil (US\$/bbl)	64	44	53	57				
Brent Oil (US\$/bbl)	67	45	54	58				
Nymex Natural Gas (US\$/mmbtu)	5.09	2.40	3.30	3.50				
Copper (US\$/lb)	2.36	2.20	2.20	2.20				
Zinc (US\$/lb)	0.81	0.85	1.25	1.55				
Nickel (US\$/lb)	7.45	4.30	4.75	6.00				
Aluminium (US\$/lb)	0.87	0.72	0.73	0.74				
Iron Ore (US\$/tonne)	68	50	47	45				
Metallurgical Coal (US\$/tonne)	127	125	140	120				
Gold, London PM Fix (US\$/oz)	845	1,260	1,300	1,300				

North America	2000-15	2016f	2017f	2018f	2000-15	2016f	2017f	2018f	
	Canada (annual % change)				United States (annual % change)				
Real GDP	2.1	1.2	2.0	1.9	1.9	1.5	2.2	2.2	
Consumer Spending	2.9	2.1	1.8	1.6	2.3	2.7	2.7	2.3	
Residential Investment	3.8	3.4	-0.9	-1.1	-0.7	5.4	2.9	3.0	
Business Investment	2.5	-6.4	1.9	3.6	2.4	-0.6	2.6	3.6	
Government	2.3	1.7	2.0	1.7	1.0	0.9	0.9	1.1	
Exports	1.3	0.6	2.8	4.0	3.8	0.0	2.8	3.1	
Imports	3.0	-0.9	2.6	3.3	3.5	1.0	3.8	3.7	
Nominal GDP	4.3	1.9	4.3	4.0	4.0	2.9	4.3	4.2	
GDP Deflator	2.2	0.7	2.3	2.0	2.0	1.4	2.0	2.0	
Consumer Price Index	2.0	1.5	2.1	2.1	2.2	1.3	2.2	2.4	
Core CPI	1.8	2.0	2.0	2.0	2.0	2.3	2.3	2.3	
Pre-Tax Corporate Profits	3.9	-9.0	7.0	5.0	5.9	-2.1	5.0	3.0	
Employment	1.4	0.6	0.8	0.8	0.6	1.7	1.4	1.3	
Unemployment Rate (%)	7.1	7.0	6.9	6.8	6.3	4.9	4.8	4.8	
Current Account Balance (C\$, US\$ bn.)	-13.2	-69.3	-58.5	-49.1	-521	-494	-517	-548	
Merchandise Trade Balance (C\$, US\$ bn.)	28.4	-34.0	-27.2	-20.7	-668	-753	-804	-856	
Federal Budget Balance (FY, C\$, US\$ bn.)*	-2.9	-1.0	-30.0	-32.0	-529	-538	-565	-615	
per cent of GDP	-0.2	0.0	-1.5	-1.5	-3.8	-2.9	-2.9	-3.0	
Housing Starts (thousands, mns)	199	195	185	182	1.27	1.17	1.30	1.35	
Motor Vehicle Sales (thousands, mns)	1,639	1,955	1,945	1,930	15.4	17.5	17.8	17.9	
Industrial Production	0.5	-0.6	1.8	1.6	0.8	-0.7	2.5	2.0	
		Mexico (annual % change)							
Real GDP	2.4	2.4	2.5	2.8					
Consumer Price Index (year-end)	4.5	3.7	3.9	3.8					
Current Account Balance (US\$ bn.)	-15.8	-30.5	-27.5	-28.4					
Merchandise Trade Balance (US\$ bn.)	-6.8	-15.1	-6.9	-8.0					

* FY16 & FY17: ex year-end spending timing adjustments.

Quarterly Forecasts	2016				2017				2018			
	Q1	Q2	Q3f	Q4f	Q1f	Q2f	Q3f	Q4f	Q1f	Q2f	Q3f	Q4f
Canada												
Real GDP (q/q, ann. % change)	2.5	-1.6	3.5	1.8	2.0	2.1	2.0	2.0	1.9	1.9	1.8	1.8
Real GDP (y/y, % change)	1.2	0.9	1.2	1.5	1.4	2.4	2.0	2.0	2.0	2.0	1.9	1.9
Consumer Prices (y/y, % change)	1.5	1.6	1.3	1.6	1.9	1.9	2.3	2.2	2.1	2.1	2.1	2.1
Core CPI (y/y % change)	2.0	2.1	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0
United States												
Real GDP (q/q, ann. % change)	0.8	1.4	2.8	2.0	2.2	2.3	2.3	2.2	2.2	2.2	2.1	2.1
Real GDP (y/y, % change)	1.6	1.3	1.5	1.8	2.1	2.3	2.2	2.3	2.2	2.2	2.1	2.1
Consumer Prices (y/y, % change)	1.1	1.1	1.2	1.6	2.0	2.1	2.2	2.4	2.3	2.3	2.3	2.3
Core CPI (y/y % change)	2.3	2.2	2.3	2.3	2.3	2.3	2.3	2.3	2.3	2.3	2.3	2.3

Central Bank Rates	2016		2017				2018			
	Q3	Q4f	Q1f	Q2f	Q3f	Q4f	Q1f	Q2f	Q3f	Q4f
Americas	(% , end of period)									
Bank of Canada	0.50	0.50	0.50	0.50	0.50	0.75	0.75	1.00	1.00	1.25
U.S. Federal Reserve	0.50	0.75	0.75	1.00	1.25	1.50	1.50	1.75	1.75	2.00
Bank of Mexico	4.75	5.00	5.25	5.50	5.75	6.00	6.00	6.00	6.00	6.00
Central Bank of Brazil	14.25	14.00	13.50	13.00	12.50	11.50	11.00	10.50	10.00	9.50
Bank of the Republic of Colombia	7.75	7.75	7.75	7.75	7.50	7.25	6.75	6.50	6.50	6.00
Central Reserve Bank of Peru	4.25	4.25	4.25	4.25	4.25	4.25	4.25	4.25	4.25	4.25
Central Bank of Chile	3.50	3.50	3.50	3.50	3.50	3.50	3.50	3.75	4.00	4.25
Europe										
European Central Bank	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Bank of England	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25
Swiss National Bank	-0.75	-0.75	-0.75	-0.75	-0.75	-0.75	-0.75	-0.75	-0.75	-0.75
Asia/Oceania										
Reserve Bank of Australia	1.50	1.50	1.25	1.25	1.25	1.25	1.25	1.25	1.50	1.75
Bank of Japan	-0.10	-0.15	-0.15	-0.15	-0.15	-0.15	-0.15	-0.15	-0.15	-0.15
People's Bank of China	4.35	4.35	4.35	4.35	4.35	4.35	4.35	4.35	4.35	4.35
Reserve Bank of India	6.50	6.25	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00
Bank of Korea	1.25	1.25	1.00	1.00	1.00	1.00	1.00	1.25	1.25	1.50
Bank Indonesia	5.00	4.75	4.50	4.50	4.50	4.50	4.50	4.75	4.75	5.00
Bank of Thailand	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.75	1.75	2.00
Currencies & Interest Rates										
Americas	(end of period)									
Canadian Dollar (USDCAD)	1.31	1.33	1.30	1.30	1.25	1.25	1.25	1.25	1.22	1.22
Canadian Dollar (CADUSD)	0.76	0.75	0.77	0.77	0.80	0.80	0.80	0.80	0.82	0.82
Mexican Peso (USDMXN)	19.39	19.50	19.44	18.91	18.78	19.04	19.14	18.96	19.01	19.28
Brazilian Real (USDBRL)	3.26	3.30	3.50	3.50	3.55	3.60	3.50	3.50	3.60	3.70
Colombian Peso (USDCOP)	2882	2950	3000	3100	3125	3150	2750	2750	2750	2750
Peruvian Nuevo Sol (USDPEN)	3.38	3.35	3.36	3.32	3.33	3.35	3.23	3.22	3.20	3.19
Chilean Peso (USDCLP)	657	677	676	675	675	674	652	652	652	651
Europe										
Euro (EURUSD)	1.12	1.05	1.05	1.05	1.10	1.12	1.12	1.12	1.15	1.15
U.K. Pound (GBPUSD)	1.30	1.21	1.20	1.20	1.25	1.25	1.30	1.30	1.35	1.35
Swiss Franc (USDCHF)	0.97	1.05	1.06	1.06	1.02	1.00	1.00	1.00	0.97	0.98
Swedish Krona (USDSEK)	8.58	8.80	9.00	8.45	8.20	8.05	8.05	8.05	8.05	7.67
Norwegian Krone (USDNOK)	7.98	8.30	8.20	8.20	8.00	8.00	7.80	7.60	7.40	7.20
Russian Ruble (USDRUB)	62.9	68.5	68.0	67.5	67.0	66.5	68.0	67.5	67.0	66.5
Asia/Oceania										
Japanese Yen (USDJPY)	101	105	110	110	115	115	117	117	120	120
Australian Dollar (AUDUSD)	0.77	0.75	0.73	0.73	0.72	0.72	0.72	0.72	0.75	0.75
Chinese Yuan (USDCNY)	6.67	6.70	6.70	6.75	6.75	6.80	6.80	6.82	6.82	6.85
Indian Rupee (USDINR)	66.6	67.5	66.5	67.0	67.0	67.5	67.0	67.0	66.0	66.0
South Korean Won (USDKRW)	1101	1140	1120	1140	1140	1150	1140	1140	1120	1120
Indonesian Rupiah (USDIDR)	13042	13100	13000	13250	13250	13300	13250	13250	13100	13100
Thai Baht (USDTHB)	34.6	36.0	36.0	36.5	36.5	37.0	36.5	36.5	36.0	36.0
Canada (Yields, %)										
3-month T-bill	0.53	0.50	0.50	0.50	0.55	0.80	0.85	1.05	1.10	1.30
2-year Canada	0.52	0.60	0.65	0.75	0.85	1.05	1.25	1.45	1.60	1.70
5-year Canada	0.62	0.75	0.90	1.05	1.20	1.35	1.50	1.65	1.80	1.85
10-year Canada	1.00	1.15	1.25	1.30	1.45	1.55	1.75	1.90	2.00	2.05
30-year Canada	1.66	1.80	1.85	1.95	2.05	2.20	2.30	2.35	2.40	2.45
United States (Yields, %)										
3-month T-bill	0.27	0.55	0.55	0.80	1.05	1.25	1.30	1.55	1.60	1.80
2-year Treasury	0.76	0.90	1.00	1.15	1.30	1.50	1.65	1.80	1.95	2.05
5-year Treasury	1.15	1.30	1.35	1.45	1.60	1.80	2.00	2.10	2.20	2.30
10-year Treasury	1.59	1.80	1.85	1.90	2.00	2.10	2.30	2.40	2.50	2.55
30-year Treasury	2.31	2.50	2.55	2.60	2.65	2.75	2.80	2.85	2.90	2.95

The Provinces

annual % change except where noted

Real GDP	CA	NL	PE	NS	NB	QC	ON	MB	SK	AB	BC
2000-15*	2.1	2.5	1.8	1.3	1.2	1.7	2.0	2.4	2.0	3.0	2.6
2016f	1.2	0.2	1.2	1.3	0.4	1.4	2.6	2.0	-0.5	-2.5	2.8
2017f	2.0	-1.2	1.3	1.2	0.5	1.7	2.3	2.1	1.7	2.1	2.5
2018f	1.9	-0.9	1.1	1.0	0.5	1.7	2.2	2.0	1.9	2.2	2.3
Nominal GDP											
2000-15*	4.3	5.8	4.3	3.3	3.3	3.6	3.7	4.5	6.0	6.7	4.4
2016f	1.9	-1.8	2.5	2.8	1.4	2.8	4.1	3.2	-2.8	-4.3	4.2
2017f	4.3	2.0	2.8	2.8	2.1	3.5	4.3	3.9	4.3	5.6	4.4
2018f	4.0	2.3	2.7	2.6	2.1	3.4	4.1	3.8	4.1	5.2	4.2
Employment											
2000-15	1.4	1.0	1.2	0.7	0.5	1.3	1.3	1.0	1.3	2.5	1.2
2016f	0.6	-1.0	-2.1	-0.5	-0.1	0.6	1.1	-0.2	-0.6	-1.6	3.0
2017f	0.8	-0.7	0.3	0.3	0.1	0.7	1.1	0.5	0.3	0.6	1.2
2018f	0.8	-0.5	0.2	0.3	0.2	0.7	1.0	0.6	0.5	0.8	1.2
Unemployment Rate (%)											
2000-15	7.1	14.3	11.2	8.9	9.6	8.1	7.2	5.1	4.9	4.9	6.6
2016f	7.0	13.0	10.8	8.5	9.7	7.2	6.6	6.1	6.2	7.9	6.0
2017f	6.9	13.3	10.7	8.4	9.6	7.2	6.5	6.0	6.2	7.7	6.0
2018f	6.8	13.5	10.6	8.2	9.4	7.0	6.4	6.0	6.1	7.6	5.9
Housing Starts (units, 000s)											
2000-15	199	2.7	0.8	4.3	3.6	44	71	5.1	5.2	35	28
2016f	195	1.6	0.5	3.3	1.6	37	75	5.3	4.5	23	43
2017f	185	1.5	0.5	3.1	1.6	38	70	5.4	4.4	23	37
2018f	182	1.4	0.5	3.1	1.7	37	68	5.5	4.5	24	36
Motor Vehicle Sales (units, 000s)											
2000-15	1,639	28	6	48	37	410	624	47	45	216	178
2016f	1,955	34	8	55	43	470	801	56	53	220	215
2017f	1,945	32	7	55	43	467	795	56	54	222	214
2018f	1,930	32	6	54	42	463	787	55	55	225	211
Budget Balances, Fiscal Year Ending March 31 (\$ millions)											
2000-15	-2,917	60	-39	-31	-146	-953	-5,216	-84	425	1,746	291
2016f**	-987 [†]	-2,200	-28	-11 [†]	-261 [†]	0	-5,029 [†]	-846 [†]	-675 [†]	-6,442 [†]	730 [†]
2017f**	-30,000	-1,830	-10	129	-342	0	-4,306	-911	-434	-10,889	1,941
2018f	-32,000	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.

* For 2015, real GDP by industry at basic prices and nominal GDP is a forecast. ** FY16 & FY17: Provinces' estimates, SK ex pension accrual adjustment; history: MB:FY04-FY14 and AB:FY05-FY14. [†] Final for FY16.

This report has been prepared by Scotiabank Economics as a resource for the clients of Scotiabank. Opinions, estimates and projections contained herein are our own as of the date hereof and are subject to change without notice. The information and opinions contained herein have been compiled or arrived at from sources believed reliable but no representation or warranty, express or implied, is made as to their accuracy or completeness. Neither Scotiabank nor any of its officers, directors, partners, employees or affiliates accepts any liability whatsoever for any direct or consequential loss arising from any use of this report or its contents.

These reports are provided to you for informational purposes only. This report is not, and is not constructed as, an offer to sell or solicitation of any offer to buy any financial instrument, nor shall this report be construed as an opinion as to whether you should enter into any swap or trading strategy involving a swap or any other transaction. The information contained in this report is not intended to be, and does not constitute, a recommendation of a swap or trading strategy involving a swap within the meaning of U.S. Commodity Futures Trading Commission Regulation 23.434 and Appendix A thereto. This material is not intended to be individually tailored to your needs or characteristics and should not be viewed as a "call to action" or suggestion that you enter into a swap or trading strategy involving a swap or any other transaction. Scotiabank may engage in transactions in a manner inconsistent with the views discussed this report and may have positions, or be in the process of acquiring or disposing of positions, referred to in this report.

Scotiabank, its affiliates and any of their respective officers, directors and employees may from time to time take positions in currencies, act as managers, co-managers or underwriters of a public offering or act as principals or agents, deal in, own or act as market makers or advisors, brokers or commercial and/or investment bankers in relation to securities or related derivatives. As a result of these actions, Scotiabank may receive remuneration. All Scotiabank products and services are subject to the terms of applicable agreements and local regulations. Officers, directors and employees of Scotiabank and its affiliates may serve as directors of corporations.

Any securities discussed in this report may not be suitable for all investors. Scotiabank recommends that investors independently evaluate any issuer and security discussed in this report, and consult with any advisors they deem necessary prior to making any investment.

This report and all information, opinions and conclusions contained in it are protected by copyright. This information may not be reproduced without the prior express written consent of Scotiabank.

™ Trademark of The Bank of Nova Scotia. Used under license, where applicable.

Scotiabank, together with "Global Banking and Markets", is a marketing name for the global corporate and investment banking and capital markets businesses of The Bank of Nova Scotia and certain of its affiliates in the countries where they operate, including, Scotiabanc Inc.; Citadel Hill Advisors L.L.C.; The Bank of Nova Scotia Trust Company of New York; Scotiabank Europe plc; Scotiabank (Ireland) Limited; Scotiabank Inverlat S.A., Institución de Banca Múltiple, Scotia Inverlat Casa de Bolsa S.A. de C.V., Scotia Inverlat Derivados S.A. de C.V. – all members of the Scotiabank group and authorized users of the Scotiabank mark. The Bank of Nova Scotia is incorporated in Canada with limited liability and is authorised and regulated by the Office of the Superintendent of Financial Institutions Canada. The Bank of Nova Scotia is authorised by the UK Prudential Regulation Authority and is subject to regulation by the UK Financial Conduct Authority and limited regulation by the UK Prudential Regulation Authority. Details about the extent of The Bank of Nova Scotia's regulation by the UK Prudential Regulation Authority are available from us on request. Scotiabank Europe plc is authorised by the UK Prudential Regulation Authority and regulated by the UK Financial Conduct Authority and the UK Prudential Regulation Authority.

Scotiabank Inverlat, S.A., Scotia Inverlat Casa de Bolsa, S.A. de C.V., and Scotia Derivados, S.A. de C.V., are each authorized and regulated by the Mexican financial authorities.

Not all products and services are offered in all jurisdictions. Services described are available in jurisdictions where permitted by law.