

## Canadian Q3 GDP Nowcast Down to 1.74% on Wholesale Trade

This note is part of a series that will be published after important data releases, documenting mechanical updates of the nowcast for Canadian GDP coming from the Scotiabank nowcasting model. The evolution of this nowcast will inform Scotiabank Economics' official macroeconomic outlook.

The model, which uses a mix of Canadian and US variables at monthly and quarterly frequencies to predict Canadian GDP growth in the current/most recent quarter, is described in the related note [here](#).

- In September the value of Canadian wholesale sales declined to \$63.2 billion compared to \$63.6 billion in August.
- In addition, the level of inventories at wholesalers rose to \$87.3 billion in September from \$86.7 billion in August.
- Together with weak wholesale sales, a rise in inventories suggests weak downstream demand. As a result, Canadian GDP nowcast for Q3-2018 declines to 1.74%.

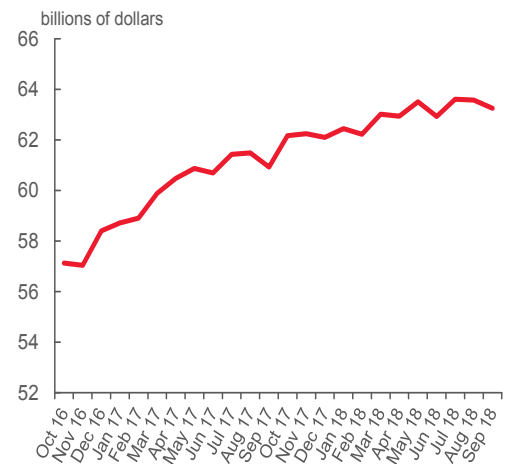
Table 1: Canadian GDP Nowcast, Q3-2018

	Nowcast Date	Q3-2018 GDP Growth, %
Previous Nowcast	16-Nov-18	1.86
<i>Revisions and other data</i>		-0.01
<i>Wholesale trade, Canada, September</i>		-0.02
<i>Wholesale Inventories, Canada, September</i>		-0.09
Current Nowcast	21-Nov-18	1.74

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Chart 1: Wholesale Sales, Canada



Sources: Scotiabank Economics, Haver Analytics.

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