

## Scotiabank Nowcast: Strong Expansion in Mfg Sales Pushes Q1-2019 Nowcast to 0.53%

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](#).

- Real manufacturing shipments started the year on a strong footing in Canada, rising 1.4% m/m in January. More than half of all industries posted increases, but makers of electrical components and appliances, as well as food manufacturers, were the main contributors.
- With both sales and inventories rising, manufacturing is on track to provide strong support for GDP growth in January, and in Q1-2019 as a whole.
- Consistent with an expansion of real GDP by industry of 0.2% m/m in January, the current nowcast for expenditure-based real GDP is at 0.5% Q/Q SAAR in Q1-2019.

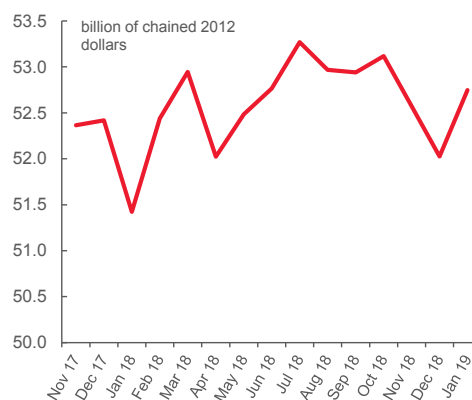
Table 1: Canadian GDP Nowcast, Q1-2019

	Nowcast Date	Q1-2019 GDP Growth, %
Previous nowcast	8-Mar-19	-0.28
<i>Revisions</i>		-0.05
Motor vehicle sales, Canada		-0.10
Manufacturing shipments, Canada		+0.80
Manufacturing inventories, Canada		+0.16
Current Nowcast	15-Mar-19	0.53

### CONTACTS

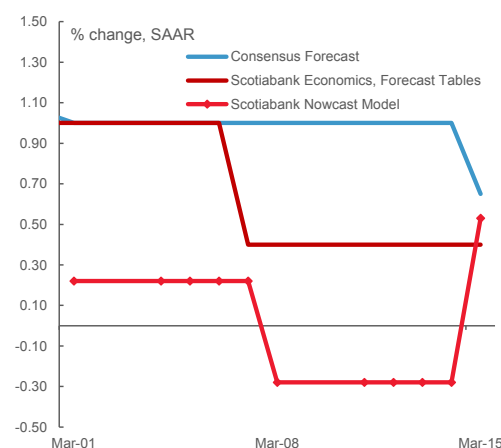
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Chart 1: Manufacturing Shipments Canada



Sources: Scotiabank Economics, Haver Analytics.

Chart 2: The Evolution of the Scotiabank Economics Q1-2019 Nowcast



Sources: Scotiabank Economics, Bloomberg, Haver Analytics.

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