

## Scotiabank Nowcast: Wholesale Trade Points to January Growth Rebound, Q1-2019 at 0.85%

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](#).

- A solid expansion in wholesale trade in January (+0.6% m/m) added further evidence of a growth rebound at the start of the year.
- Five out of seven subsectors registered rising sales, and the pace of inventory accumulation slowed, leaving the real GDP growth nowcast at 0.85% Q/Q SAAR.
- The quarterly figure is based on growth of almost 0.3% m/m in industry-level GDP in January, followed by a decline in February on the back of weakness in hours worked, housing market indicators and cargo traffic to the US.

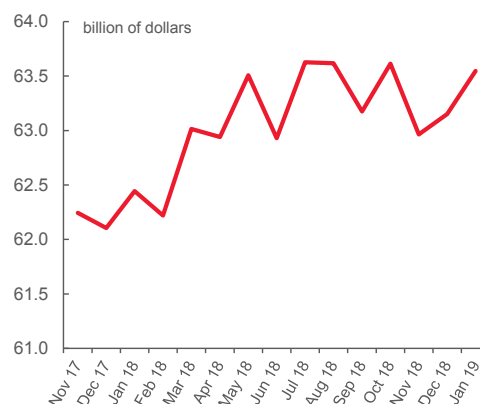
Table 1: Canadian GDP Nowcast, Q1-2019

	Nowcast Date	Q1-2019 GDP Growth, %
Previous nowcast	15-Mar-19	0.53
<i>Revisions and other data</i>		+0.07
<i>Wholesale sales, Canada</i>		+0.04
<i>Wholesale inventories, Canada</i>		+0.21
Current Nowcast	21-Mar-19	0.85

### CONTACTS

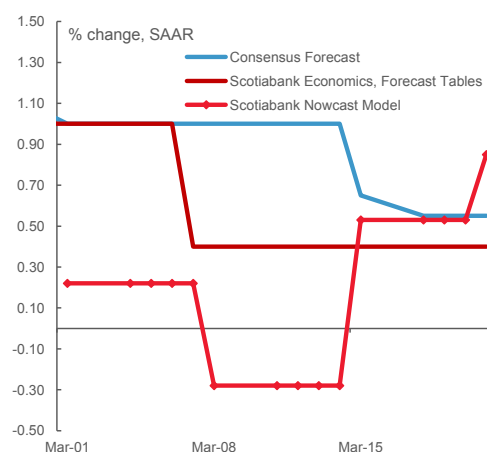
**Nikita Perevalov, Senior Economist**  
 416.866.4205  
 Scotiabank Economics  
[nikita.perevalov@scotiabank.com](mailto:nikita.perevalov@scotiabank.com)

Chart 1: Wholesale Sales, 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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