

## Scotiabank Nowcast: US/CA Retail Trade Rise Nudges Q1-2019 Nowcast to 1.34%

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](#).

- Canadian retailers reported a small increase in real sales in February (+0.2% m/m in chained 2012 dollars), mainly on the back of expanding sales of motor vehicles.
- South of the border, retail sales expanded by a robust 1.6% in March, a rebound we expected after February sales were hampered by the government shutdown and very cold weather.
- The positive print on US and Canadian consumers nudges the Canadian Q1-2019 nowcast up to 1.34% Q/Q SAAR, with industry-level GDP growth in both February and March slightly higher.

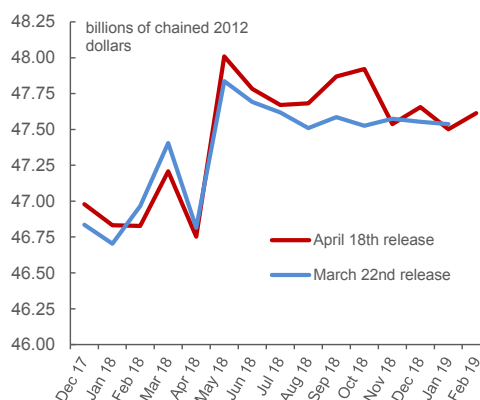
Table 1: Canadian GDP Nowcast, Q1-2019

	Nowcast Date	Q1-2019 GDP Growth, %	GDP by industry, %m/m		
			Jan <sup>actual</sup>	Feb	Mar
Previous nowcast	17-Apr-19	1.30	0.35	-0.13	0.33
<i>Revisions</i>		0.00			
<i>Retail sales, US</i>		+0.03			
<i>Retail sales, Canada</i>		+0.01			
Current Nowcast	18-Apr-19	1.34	0.35	-0.12	0.34

### CONTACTS

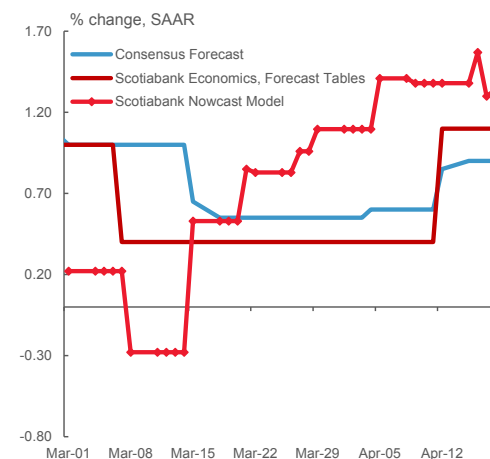
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Chart 1: Retail Sales, Canada



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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