Scotiabank Nowcast: 71K Jobs Lost in Canada in November, Q4-2019 Nowcast Falls to 0.59%

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 is described in a related note here. Changes to the model this quarter are detailed in the box on the next page.

- **A day after the Bank of Canada touted Canada's economic resilience, the employment report for November cast that narrative in a sobering light.**
- **The labour market weakness in November was widespread, with 71K jobs lost across a wide range of industries: the goods sector lost 27K, mostly in manufacturing, and services sector lost 44K, of which 25K were in public administration.**
- **The unemployment rate jumped by 0.4 ppts to 5.9% in November, while hours worked declined 0.25% m/m.**
- **For most of 2019 the labour market remained relatively strong even in the face of slow growth in the broader economy. The November report changes this somewhat and moves the nowcast for Q4-2019 to 0.59% Q/Q SAAR, compared to the latest BoC's forecast of 1.3%.**

Table 1: Canadian GDP Nowcast, Q4-2019

	Nowcast Date	Q4-2019 GDP Growth, %	GDP by industry, %m/m *Oct*	*Nov*	*Dec*
Previous nowcast	*05-Dec-19*	0.80	-0.02	0.11	0.10
Revisions, other data		+0.10			
Hours worked, Canada		-0.10			
Employment, Canada		-0.21			
Current Nowcast	*06-Dec-19*	0.59	-0.05	0.11	0.08

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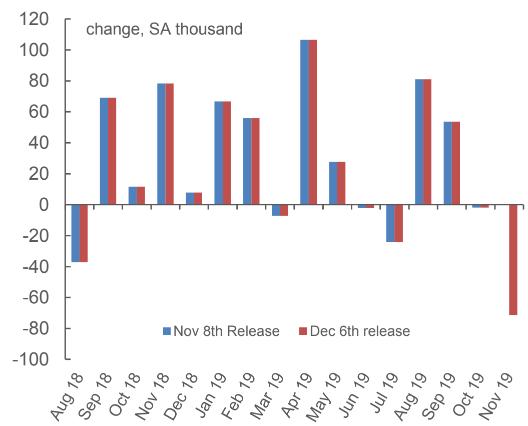
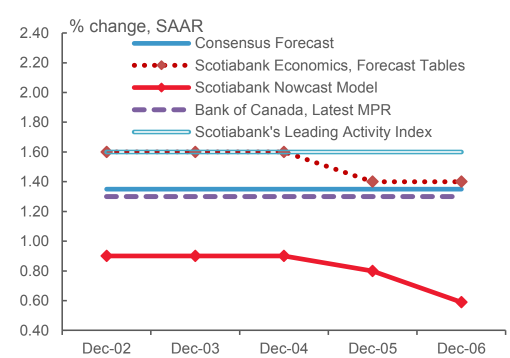
Chart 1: Employment, Canada



Sources: Scotiabank Economics, Haver Analytics, Statistics Canada

Chart 2: The Evolution of the Scotiabank Economics Q4-2019 Nowcast



Sources: Scotiabank Economics, Bloomberg, Haver Analytics.