

## Contributors

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## Slight Improvements in the Outlook, for the Time Being

- Incoming data and fiscal policy announcements in the U.S. and Canada suggest growth will be modestly stronger than earlier anticipated.
- Both economies are still expected to grow below potential growth rates this year and next owing to U.S. trade policies and the associated uncertainty, but inflation pressures will limit central bank ability to respond to slower growth.
- We continue to hold to our long-standing view that both the Bank of Canada and Federal Reserve will remain on hold for the remainder of the year.
- Our forecast does not reflect recent trade pronouncements in the U.S. We will wait until policies actually take effect before reflecting those in our forecasts. There is simply too much uncertainty about the way forward on trade to build those into our forecasts at the moment.

There is lots of noise on the trade side that could have meaningful impacts on the global outlook. Time will tell how things settle, but we consider it premature to incorporate recent threats and announcements into our forecasts. As a case in point: some days President Trump says the letters he has sent are the final deals, other days he says they are open to negotiation. We are unlikely to have clarity on the tariff front until early August, and even then, things risk looking opaque. As is our long-standing practice, we will incorporate trade developments as they come into force. At present however, President Trump's more recent trade threats seem like they would result in stronger downward revisions to growth and higher revisions to inflation in the U.S. relative to its trading partners.

For the time being, our forecast update reflects the impact of incoming data and fiscal policy announcements in Canada and the U.S. in particular. The net impact of these developments is an upward revision to the outlooks in both countries.

Growth in Canada appears to be on a better track than we had assumed in our last forecast. We had anticipated a one percent decline in real GDP in Q2, for instance, and our tracking now suggests something slightly above zero. We are seeing quite unexpected signs of a strengthening in the labour market, with 83k jobs created in June, and hours worked rising by 1.3% at annualized rates in the second quarter. Moreover, sales of existing homes have been rising for the last three months, suggesting a recovery in the housing market may be underway after significant weakness post U.S. election. Moreover, informal conversations with clients suggest a more optimistic view of the outlook relative to the last few months. This is not to say the economy is strong, it remains weak across a broad range of indicators, but on balance the economy is less weak than we had earlier assumed. Ongoing trade negotiations could of course affect the outlook, but it bears emphasizing that the most recent tariff threat of 35% tariffs on non-CUSMA eligible exports to the U.S. (from the current 25% rate) would cause reasonably minor additional aggregate economic impacts if enacted.

Against this context, underlying measures of inflation in Canada remain in the three percent range and risks continue to point to stronger, rather than weaker, inflation in coming months. This combination of stronger, but not strong, growth and resilient inflation confirms our long-standing view that the Bank of Canada would remain on hold for the remainder of the year. Indeed, market pricing is coming around to this view even though markets are still pricing in a chance of a cut by year-end.

The U.S. outlook continues to be subject to significant uncertainties. As noted above, we are not reflecting the impact of recent trade letters, but we do incorporate the impact of the One Big Beautiful Bill. This results in a more stimulative fiscal policy at the margin as

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our forecasts had never incorporated the phasing-out of the tax cuts implemented in the first Trump mandate. The fiscal law presents a number of challenges for the outlook: it complicates inflation management, it adds significantly to fiscal sustainability concerns, and it may well raise the sovereign risk premium for the U.S. This, in addition to the increasingly shrill calls for the removal of Federal Reserve Chair Powell point to heightened financial market uncertainty going forward, with virtually all signs pointing to higher borrowing costs. It may be the case that an early Powell dismissal could lead to lower policy rates this year if his replacement follows President Trump's desire for the Federal Funds Rate to be cut by 300 basis points, but this would likely curtail demand for U.S. assets significantly, leading to higher longer-term yield spreads, a lower dollar, and potentially lower equity valuations. Time will tell how this evolves.

For the moment, the U.S. economy is weakening less rapidly and equity markets have been stronger than expected, as is the case in Canada. We have revised up our forecasts for growth modestly this year and next, with growth of around 1.5 per cent this year and next now expected. The outlook continues to reflect the negative impacts of tariffs and policy uncertainty, which, as noted above, could lead to downward revisions to growth once there is more clarity about the policy environment. Though this below potential growth will create excess supply in time that should put downward pressure on inflation, we continue to believe that upside risks to U.S. inflation dominate because of the tariff shock. We are starting to see signs of this in inflation data, and these effects will be even more apparent in coming months. While monetary policy should in theory look through one-off impacts on things like tariffs on inflation, the chaotic rollout of the U.S. trade agenda is creating serial tariff shocks that will be hard to distinguish from one-off impacts. Firms and households already have inflation expectations that are inconsistent with the Fed's mandate. That risks rising further if inflation rises. As a result, we remain comfortable with our long-held view that the Federal Reserve will remain on hold for the remainder of the year but cut interest rates next year as the build-up in excess supply starts to put downward pressure on inflation. We would of course revise these views if Chair Powell were to vacate his position.

International												
	2010-19	2022	2023	2024	2025f	2026f	2010-19	2022	2023	2024	2025f	2026f
	Real GDP						Consumer Prices					
	(annual % change)						(annual average % change, unless noted)					
World (based on purchasing power parity)	3.7	3.6	3.5	3.3	2.8	2.7						
Canada	2.2	4.2	1.5	1.6	1.6	1.3	1.6	6.8	3.9	2.4	2.1	2.1
United States	2.4	2.5	2.9	2.8	1.5	1.5	1.8	8.0	4.1	3.0	2.7	2.4
Mexico	2.3	3.7	3.4	1.4	-0.5	0.6	4.0	7.9	5.6	4.7	4.0	3.8
United Kingdom	2.0	4.8	0.4	1.1	0.8	1.1	2.2	9.1	7.3	2.5	3.0	2.2
Eurozone	1.4	3.6	0.6	0.8	0.9	0.9	1.4	8.4	5.4	2.4	2.0	1.8
Germany	2.0	1.4	-0.1	-0.2	0.3	1.0	1.4	8.7	6.0	2.5	2.1	1.9
France	1.4	2.8	1.6	1.1	0.5	0.8	1.3	5.9	5.7	2.3	1.0	1.5
China	7.7	3.1	5.4	5.0	4.6	4.4	2.6	1.9	0.3	0.2	0.6	1.1
India	6.6	7.6	9.2	6.5	6.4	6.5	6.5	6.7	5.7	4.9	4.5	4.3
Japan	1.2	0.9	1.4	0.2	0.9	0.8	0.5	2.5	3.3	2.8	2.7	1.7
South Korea	3.5	2.7	1.6	2.0	0.8	1.9	1.7	5.1	3.6	2.3	2.0	2.0
Australia	2.6	4.1	2.1	1.0	1.7	2.2	2.1	6.7	5.6	3.2	2.7	2.5
Thailand	3.6	2.6	2.0	2.5	2.1	2.1	1.6	6.1	1.2	0.4	0.7	0.9
Brazil	1.4	3.0	3.2	3.4	2.2	1.9	5.8	9.3	4.6	4.4	5.2	4.5
Colombia	3.7	7.3	0.7	1.6	2.6	2.8	3.7	10.2	11.8	6.6	5.1	4.3
Peru	4.5	2.8	-0.4	3.3	3.3	2.7	2.8	7.9	6.3	2.4	1.8	2.2
Chile	3.3	2.2	0.5	2.6	2.5	2.5	2.9	11.6	7.7	4.3	4.2	2.7
Commodities												
	(annual average)											
WTI Oil (USD/bbl)	74	95	78	76	65	60						
Brent Oil (USD/bbl)	82	101	83	81	69	65						
WCS - WTI Discount (USD/bbl)	-18	-21	-19	-15	-11	-12						
Nymex Natural Gas (USD/mmbtu)	3.39	6.61	2.73	2.27	4.03	5.00						
Copper (USD/lb)	3.10	4.00	3.85	4.15	4.25	4.05						
Zinc (USD/lb)	1.02	1.58	1.20	1.26	1.25	1.25						
Nickel (USD/lb)	7.00	11.66	9.75	7.63	7.00	7.00						
Iron Ore (USD/tonne)	101	121	120	110	95	90						
Gold, (USD/oz)	1,342	1,803	1,943	2,386	3,200	3,100						
Silver, (USD/oz)	21.64	21.80	23.38	28.21	31.86	31.00						
Sources: Scotiabank Economics, Statistics Canada, Focus Economics, BEA, BCB, BLS, IMF, Bloomberg.												

**North America**

	2010–19	2022	2023	2024	2025f	2026f	2010–19	2022	2023	2024	2025f	2026f
	Canada						United States					
	(annual % change, unless noted)						(annual % change, unless noted)					
Real GDP	2.2	4.2	1.5	1.6	1.6	1.3	2.4	2.5	2.9	2.8	1.5	1.5
Consumer spending	2.5	5.5	1.9	2.4	1.8	1.2	2.3	3.0	2.5	2.8	1.2	0.2
Residential investment	2.4	-10.5	-8.4	-0.5	1.1	5.1	4.7	-8.6	-8.3	4.2	-1.8	-1.1
Business investment*	16.4	7.2	1.6	-1.8	0.3	-1.4	5.6	7.0	6.0	3.6	3.4	2.7
Government	1.1	2.6	2.6	4.2	3.0	3.2	0.2	-1.1	3.9	3.4	1.4	1.1
Exports	3.5	4.2	5.0	0.6	0.8	-1.6	3.9	7.5	2.8	3.3	0.8	2.1
Imports	3.7	7.5	0.3	0.7	2.0	1.9	4.3	8.6	-1.2	5.3	3.1	-4.9
Inventories, contribution to annual GDP growth	0.1	1.8	-1.1	-0.5	0.1	0.6	0.1	0.5	-0.4	0.0	0.3	-0.2
Nominal GDP	4.0	12.4	2.9	4.7	4.3	3.5	4.1	9.8	6.6	5.3	4.3	4.1
GDP deflator	1.7	7.9	1.4	3.1	2.6	2.2	1.6	7.1	3.6	2.4	2.7	2.5
Consumer price index (CPI)	1.6	6.8	3.9	2.4	2.1	2.1	1.8	8.0	4.1	3.0	2.7	2.4
Core inflation rate**	1.7	5.0	4.0	3.6	2.8	2.4	1.6	5.4	4.1	2.8	2.8	2.4
Pre-tax corporate profits	6.3	17.9	-14.8	-3.1	7.8	5.3	5.9	7.8	5.8	4.6	4.4	3.8
Employment	1.3	4.1	3.0	1.9	1.0	0.4	1.4	4.3	2.2	1.3	0.8	0.5
Unemployment rate (%)	6.9	5.3	5.4	6.4	6.9	6.8	6.2	3.6	3.6	4.0	4.4	4.7
Current account balance (CAD, USD bn)	-56.9	-8.7	-18.4	-14.1	-42.7	-77.9	-407	-993	-928	-1185	-1542	-1272
Merchandise trade balance (CAD, USD bn)	-13.6	21.2	-0.6	-6.8	-31.1	-58.6	-763	-1175	-1057	-1215	-1654	-1456
Federal budget balance (FY, CAD, USD bn) ***	-18.7	-35.3	-61.9	-50.0	-75.0	-80.0	-829	-1,376	-1,694	-1,915	-1,775	-2,143
percent of GDP	-1.0	-1.2	-2.1	-1.6	-2.3	-2.4	-4.8	-5.3	-6.1	-6.6	-5.8	-6.8
Housing starts (000s, mn)	201	262	240	245	245	252	0.99	1.55	1.42	1.37	1.38	1.36
Motor vehicle sales (000s, mn)	1,816	1,523	1,684	1,819	1,906	1,833	15.7	13.8	15.5	15.9	16.0	15.7
Industrial production	2.4	3.8	-0.1	0.1	1.5	1.1	1.7	3.4	0.2	-0.3	1.6	1.9
	Mexico											
	(annual % change)											
Real GDP	2.3	3.7	3.4	1.4	-0.5	0.6						
Consumer price index	4.0	7.9	5.6	4.7	4.0	3.8						
Unemployment rate (%)	4.4	3.3	2.8	2.7	3.1	3.3						

Sources: Scotiabank Economics, Statistics Canada, CMHC, BEA, BLS, Bloomberg. \*For Canada it includes capital expenditures by businesses and non-profit institutions.

\*\* US: core PCE deflator; Canada: average of 2 core measures published by the BoC. \*\*\* In order to align with US reporting, as of the August 2020 issue of Scotiabank's Forecast Tables, Canadian Federal and Provincial Budget Balances for FY2022/23 are noted in calendar year 2022, FY2023/24 in calendar year 2023.

**Quarterly Forecasts**

	2023	2024				2025				2026			
<b>Canada</b>	<b>Q4</b>	<b>Q1</b>	<b>Q2</b>	<b>Q3</b>	<b>Q4</b>	<b>Q1</b>	<b>Q2e</b>	<b>Q3f</b>	<b>Q4f</b>	<b>Q1f</b>	<b>Q2f</b>	<b>Q3f</b>	<b>Q4f</b>
Real GDP (q/q ann. % change)	0.7	2.1	2.5	2.4	2.1	2.2	0.2	1.1	0.9	1.7	1.3	1.6	1.3
Real GDP (y/y % change)	1.2	0.8	1.2	1.9	2.3	2.3	1.7	1.4	1.1	1.0	1.2	1.4	1.5
Consumer prices (y/y % change)	3.2	2.8	2.7	2.0	1.9	2.3	1.8	2.2	2.0	2.0	2.2	2.0	2.1
Average of new core CPIs (y/y % change)*	3.5	3.3	2.9	2.5	2.6	2.8	3.1	2.7	2.6	2.5	2.4	2.4	2.3
CPIXFET (y/y % change)**	3.4	2.9	2.8	2.5	2.2	2.6	2.6	2.6	2.4	2.4	2.3	2.3	2.2
Unemployment Rate (%)	5.7	5.9	6.3	6.6	6.7	6.6	6.9	7.0	7.1	7.1	6.9	6.7	6.5
<b>United States</b>													
Real GDP (q/q ann. % change)	3.2	1.6	3.0	3.1	2.4	-0.5	2.1	1.5	1.2	1.0	1.6	1.8	2.2
Real GDP (y/y % change)	3.2	2.9	3.0	2.7	2.5	2.0	1.8	1.4	1.1	1.5	1.4	1.4	1.7
Consumer prices (y/y % change)	3.2	3.2	3.2	2.7	2.7	2.7	2.5	2.6	2.9	2.6	2.5	2.3	2.3
Total PCE deflator (y/y % change)	2.8	2.7	2.6	2.3	2.5	2.5	2.3	2.5	2.7	2.4	2.3	2.1	2.1
Core PCE deflator (y/y % change)	3.2	3.0	2.7	2.7	2.8	2.8	2.7	2.8	3.0	2.7	2.5	2.3	2.2
Unemployment Rate (%)	3.8	3.8	4.0	4.2	4.1	4.1	4.2	4.5	4.7	4.7	4.7	4.7	4.6

\* Average of 2 core measures published by the BoC. \*\* CPI ex. food, energy and indirect taxes. Sources: Scotiabank Economics, Statistics Canada, BEA, BLS, Bloomberg.

## Central Bank Rates

	2023	2024				2025				2026			
	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3f	Q4f	Q1f	Q2f	Q3f	Q4f
<b>Americas</b>						(% end of period)							
Bank of Canada	5.00	5.00	4.75	4.25	3.25	2.75	2.75	2.75	2.75	2.75	2.50	2.50	2.50
US Federal Reserve (upper bound)	5.50	5.50	5.50	5.00	4.50	4.50	4.50	4.50	4.50	4.25	4.00	3.75	3.50
Bank of Mexico	11.25	11.00	11.00	10.50	10.00	9.00	8.00	7.75	7.50	7.25	7.00	7.00	7.00
Central Bank of Brazil	11.75	10.75	10.50	10.75	12.25	14.25	15.00	15.00	15.00	14.50	13.75	13.00	12.50
Bank of the Republic of Colombia	13.00	12.25	11.25	10.25	9.50	9.50	9.25	8.75	8.75	8.50	8.00	7.50	7.50
Central Reserve Bank of Peru	6.75	6.25	5.75	5.25	5.00	4.75	4.50	4.50	4.50	4.50	4.50	4.50	4.50
Central Bank of Chile	8.25	7.25	5.75	5.50	5.00	5.00	5.00	4.50	4.25	4.25	4.25	4.25	4.25
<b>Europe</b>													
European Central Bank MRO Rate	4.50	4.50	4.25	3.65	3.15	2.65	2.15	1.90	1.90	1.90	1.90	1.90	1.90
European Central Bank Deposit Rate	4.00	4.00	3.75	3.50	3.00	2.50	2.00	1.75	1.75	1.75	1.75	1.75	1.75
Bank of England	5.25	5.25	5.25	5.00	4.75	4.50	4.25	4.00	3.75	3.50	3.25	3.00	2.75
<b>Asia/Oceania</b>													
Reserve Bank of Australia	4.35	4.35	4.35	4.35	4.35	4.10	3.85	3.60	3.35	3.35	3.35	3.35	3.35
Bank of Japan	-0.10	0.05	0.05	0.25	0.25	0.50	0.50	0.50	0.75	0.75	0.75	1.00	1.00
People's Bank of China	1.80	1.80	1.80	1.50	1.50	1.50	1.40	1.35	1.30	1.25	1.25	1.25	1.25
Reserve Bank of India	6.50	6.50	6.50	6.50	6.50	6.25	5.50	5.50	5.50	5.50	5.50	5.50	5.50
Bank of Korea	3.50	3.50	3.50	3.50	3.00	2.75	2.50	2.25	2.00	2.00	2.00	2.00	2.00
Bank of Thailand	2.50	2.50	2.50	2.50	2.25	2.00	1.75	1.50	1.25	1.25	1.25	1.25	1.25

## Currencies and Interest Rates

<b>Americas</b>	(end of period)												
Canadian dollar (USDCAD)	1.32	1.35	1.37	1.35	1.44	1.44	1.36	1.36	1.34	1.32	1.32	1.28	1.28
Canadian dollar (CADUSD)	0.76	0.74	0.73	0.74	0.70	0.70	0.73	0.74	0.75	0.76	0.76	0.78	0.78
Mexican peso (USDMXN)	16.97	16.56	18.32	19.69	20.83	20.47	18.75	19.55	20.30	20.50	20.70	20.90	21.30
Mexican peso (CADMXN)	12.80	12.23	13.38	14.56	14.48	14.23	13.78	14.38	15.15	15.53	15.68	16.33	16.64
Brazilian real (USDBRL)	4.86	5.01	5.59	5.45	6.18	5.71	5.43	5.55	5.57	5.60	5.63	5.65	5.67
Colombian peso (USDCOP)	3,855	3,852	4,153	4,207	4,406	4,183	4,100	4,114	4,249	4,182	4,182	4,191	4,200
Peruvian sol (USDPEN)	3.70	3.72	3.84	3.70	3.74	3.68	3.54	3.62	3.68	3.77	3.73	3.70	3.70
Chilean peso (USDCLP)	879	979	940	899	995	951	932	910	890	880	870	870	870
<b>Europe</b>													
Euro (EURUSD)	1.10	1.08	1.07	1.11	1.04	1.08	1.18	1.16	1.16	1.18	1.18	1.22	1.22
UK pound (GBPUSD)	1.27	1.26	1.26	1.34	1.25	1.29	1.37	1.40	1.40	1.43	1.43	1.48	1.48
<b>Asia/Oceania</b>													
Japanese yen (USDJPY)	141	151	161	144	157	150	144	140	135	132	132	125	125
Australian dollar (AUDUSD)	0.68	0.65	0.67	0.69	0.62	0.62	0.66	0.64	0.66	0.68	0.68	0.70	0.70
Chinese yuan (USDCNY)	7.10	7.22	7.27	7.02	7.30	7.26	7.16	7.23	7.20	7.15	7.10	7.10	7.10
Indian rupee (USDINR)	83.2	83.4	83.4	83.8	85.6	85.5	85.8	85.0	84.8	84.8	84.8	84.8	84.8
South Korean won (USDKRW)	1,288	1,347	1,377	1,315	1,472	1,473	1,354	1,350	1,340	1,335	1,335	1,335	1,335
Thai baht (USDTHB)	34.1	36.4	36.7	32.2	34.1	33.9	32.5	32.5	32.2	32.0	32.0	32.0	32.0
<b>Canada (Yields, %)</b>													
3-month T-bill	5.03	4.95	4.64	4.20	3.15	2.61	2.65	2.65	2.65	2.55	2.40	2.40	2.40
2-year Canada	3.89	4.18	3.99	2.91	2.93	2.46	2.59	2.70	2.65	2.60	2.55	2.55	2.55
5-year Canada	3.17	3.53	3.51	2.74	2.97	2.61	2.82	2.90	2.80	2.70	2.65	2.65	2.65
10-year Canada	3.11	3.47	3.50	2.96	3.23	2.97	3.27	3.40	3.30	3.20	3.15	3.15	3.15
30-year Canada	3.03	3.35	3.39	3.14	3.33	3.22	3.57	3.70	3.50	3.45	3.45	3.50	3.50
<b>United States (Yields, %)</b>													
3-month T-bill	5.35	5.40	5.20	4.44	4.14	4.19	4.29	4.33	4.25	3.95	3.70	3.50	3.30
2-year Treasury	4.25	4.62	4.75	3.64	4.24	3.88	3.72	3.85	3.65	3.55	3.50	3.45	3.45
5-year Treasury	3.85	4.21	4.37	3.56	4.38	3.95	3.80	3.95	3.80	3.75	3.75	3.75	3.75
10-year Treasury	3.88	4.20	4.40	3.78	4.57	4.21	4.23	4.40	4.30	4.25	4.25	4.25	4.25
30-year Treasury	4.03	4.34	4.56	4.12	4.78	4.57	4.77	4.80	4.75	4.80	4.85	4.85	4.90

Sources: Scotiabank Economics, Bloomberg.

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## The Provinces

(annual % change except where noted)

Real GDP	CA	NL	PE	NS	NB	QC	ON	MB	SK	AB	BC
2010–19	2.2	1.1	2.1	1.2	0.7	1.9	2.3	2.2	2.3	2.6	2.9
2022	4.2	-1.9	4.4	3.5	2.0	3.4	4.1	4.2	7.2	6.0	4.0
2023	1.5	-2.6	2.2	2.0	1.6	0.6	1.7	1.7	2.3	2.3	2.4
2024e	1.6	2.4	3.6	2.7	1.8	1.3	1.2	1.1	3.4	2.7	1.2
2025f	1.6	1.8	2.2	1.8	2.2	1.2	1.1	1.8	2.7	2.6	1.8
2026f	1.3	1.5	1.5	1.4	1.4	1.1	0.9	1.4	2.0	2.2	1.2
Nominal GDP											
2010–19	4.0	3.7	4.2	3.0	2.8	3.8	4.1	3.9	3.5	3.7	4.5
2022	12.4	6.5	10.4	7.4	10.4	8.7	9.4	10.8	30.4	24.4	10.8
2023	2.9	-5.5	4.9	8.0	3.2	5.0	5.4	4.5	-4.8	-4.3	3.6
2024e	4.7	6.0	6.8	5.7	4.9	4.3	4.1	4.1	7.6	6.6	4.3
2025f	4.3	3.4	5.6	4.9	5.2	4.2	4.1	4.6	4.6	4.1	4.6
2026f	3.5	3.6	4.0	3.7	3.8	3.4	3.2	3.6	4.4	4.2	3.5
Employment											
2010–19	1.3	0.7	1.3	0.3	0.0	1.1	1.4	1.0	0.9	1.3	2.0
2022	4.1	4.0	5.2	3.5	3.0	3.1	4.9	3.6	3.5	4.9	3.4
2023	3.0	1.8	6.2	2.7	3.5	3.0	3.1	2.7	1.6	3.7	2.6
2024	1.9	2.8	3.5	3.2	2.9	1.0	1.7	2.5	2.6	3.1	2.3
2025f	1.0	0.4	1.1	0.9	1.0	1.0	0.8	1.2	1.7	1.8	1.0
2026f	0.4	0.3	0.3	0.3	0.3	0.3	0.2	0.3	0.4	0.5	0.3
Unemployment Rate (%)											
2010–19	6.9	13.3	10.6	8.8	9.5	7.1	7.0	5.6	5.3	6.2	6.2
2022	5.3	11.3	7.7	6.5	7.2	4.3	5.6	4.5	4.6	5.8	4.6
2023	5.4	10.0	7.2	6.4	6.6	4.5	5.6	4.9	4.7	5.9	5.2
2024	6.4	10.0	7.9	6.5	7.0	5.3	7.0	5.4	5.4	7.0	5.6
2025f	6.9	9.8	8.2	6.4	6.9	6.2	7.8	6.0	5.0	7.1	6.2
2026f	6.8	9.9	8.2	6.4	6.9	6.2	7.8	6.0	4.9	6.9	6.3
Total CPI, annual average											
2010–19	1.6	2.0	1.6	1.7	1.8	1.5	1.9	1.8	1.8	1.7	1.6
2022	6.8	6.4	8.9	7.5	7.3	6.7	6.8	7.9	6.6	6.5	6.9
2023	3.9	3.3	2.9	4.0	3.5	4.5	3.8	3.6	3.9	3.3	4.0
2024	2.4	1.8	1.9	2.3	2.2	2.3	2.4	1.0	1.4	2.9	2.6
2025f	2.1	1.7	1.9	1.8	1.8	1.8	2.0	2.2	2.1	2.2	2.1
2026f	2.1	1.9	1.8	1.9	1.9	2.0	2.0	2.0	2.0	1.9	2.0
Housing Starts (units, 000s)											
2010–19	201	2.2	0.8	4.2	2.7	44	70	6.6	6.0	31	34
2022	262	1.4	1.3	5.7	4.7	57	96	8.1	4.2	37	47
2023	240	1.0	1.1	7.2	4.5	39	89	7.1	4.6	36	50
2024	245	1.7	1.7	7.4	6.2	49	75	7.2	4.3	48	46
2025f	245	1.6	1.6	8.4	6.2	54	63	7.0	5.2	53	45
2026f	252	1.9	1.4	7.1	6.1	55	71	7.6	5.8	52	45
Motor Vehicle Sales (units, 000s)											
2010–19	1,816	33	7	52	42	441	738	56	54	239	199
2022	1,523	25	7	39	35	372	642	46	42	184	182
2023	1,684	27	8	42	38	411	718	49	45	209	205
2024	1,819	33	9	49	44	473	764	58	51	223	214
2025f	1,906	35	9	52	46	463	775	60	51	229	217
2026f	1,833	30	8	46	41	439	741	54	48	214	211
Budget Balances, (CAD mn)											
2021	-90,200	-277	82	339	767	2,567	2,025	-750	-1,468	3,915	1,262
2022	-35,322	321	14	123	1,002	-3,126	-5,863	373	1,581	11,641	956
2023	-61,876	-459	-15	144	501	-5,994	-647	-1,971	182	4,285	-5,035
2024e	-50,000	-252	-166	82	-399	-8,078	-6,000	-1,239	-661	5,760	-9,135
2025f	-75,000	-372	-184	-898	-549	-11,430	-14,600	-794	12	-5,211	-10,912

Sources: Scotiabank Economics, Statistics Canada, CMHC, Budget documents; Quebec budget balance figures are before Generations Fund and Stabilization Reserve transfers.

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