Scotiabank™

GLOBAL ECONOMICS

SCOTIABANK FORECAST

July 13, 2026

Contributors

Olivier Gervais
Director, Modelling and Forecasting
Scotiabank Economics
416.288.7836
olivier.gervais@scotiabank.com

Patrick Perrier
Director of Forecasting
Scotiabank Economics
416.866.4733
patrick.perrier@scotiabank.com

Farah Omran
Senior Economist
Scotiabank Economics
416.866.4315
farah.omran@scotiabank.com

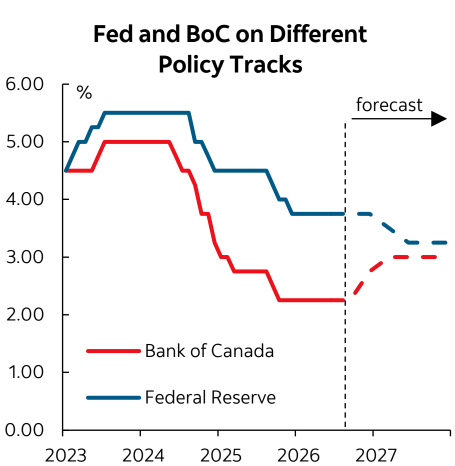
Scotiabank Forecast: Inflation Pressures to Keep Central Banks Cautious

- Our outlook is broadly unchanged from the June forecast, and incoming data have strengthened our confidence in the underlying narrative.
- **Canada:** Recent data have evolved broadly in line with our expectations and continue to support the view that the economy is moving out of the soft patch seen at the start of the year. Despite the volatile situation in the Middle East, oil prices are lower than in our previous forecast, weighing modestly on the near-term outlook, particularly through business investment and total CPI inflation. However, the weaker Canadian dollar broadly offsets that drag by providing support to exports.
- **United States:** The story is similar, near-term activity looks slightly stronger than previously expected, partly reflecting weaker import growth. Inflation has continued to surprise to the upside in both headline and core measures, reinforcing the case for caution from the Fed.

Our outlook remains broadly unchanged from our June forecast, reflecting a series of offsetting developments since our last update. Financial markets have remained volatile, oil prices have declined, and the Canadian dollar has weakened. At the same time, incoming Canadian data have largely reinforced the dynamics outlined in our June note, suggesting that the economy is beginning to emerge from its recent soft patch. Inflation risks remain elevated in our view, which should keep the Bank of Canada cautious and ultimately lead to a gradual normalization of policy rates beginning toward the end of this year (**chart 1**). In the United States, economic activity continues to display resilience despite the expected moderation in household demand as hiring remains modest and real wage growth stalls. Meanwhile, inflation has proven more persistent than expected, prompting the Federal Reserve to take a cautious approach to potential rate movement.

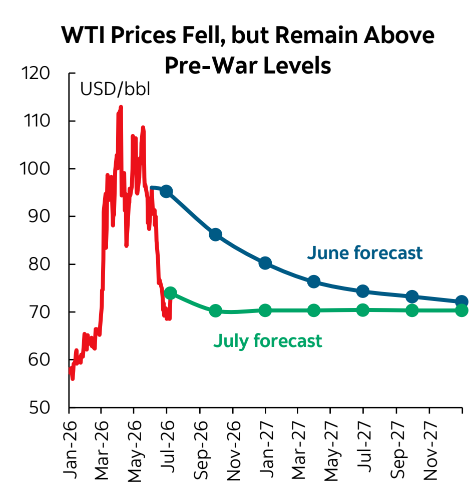
Oil prices fell sharply in June before renewed geopolitical tensions pushed them higher again in July. Even after that rebound, prices remain well below the assumptions embedded in our June forecast, creating a modest drag on the near-term outlook. Spot prices are likely to remain volatile in the near term given the geopolitical backdrop. However, we continue to expect oil prices to settle around US$70 in 2027, broadly in line with our previous forecast (**chart 2**). That level remains above pre-war prices, reflecting a residual geopolitical risk premium.

Chart 1



Sources: Scotiabank Economics, Bank of Canada, Federal Reserve.

Chart 2



Sources: Scotiabank Economics, Bloomberg.

UNITED STATES: MODERATING GROWTH

Aggregate activity in the U.S. has proven somewhat stronger than anticipated, with first-quarter GDP revised up from 1.6% to 2.1%, supported in part by volatile trade flows and continued strength in business investment. Beneath the headline, however, household spending continues to cool gradually as labour market conditions soften. We expect this trend to persist over the coming quarters, with consumer spending losing further momentum as labour demand is slowing and excess savings fade. Equity market gains should continue to provide some support to consumption, although less so than last year, while persistent inflation is increasingly weighing on real income growth. At the same time, business investment—supported by AI-related spending, strong corporate balance sheets, and elevated equity valuations—should remain an important counterweight and help cushion the moderation in domestic demand.

The other notable development has been inflation. Price pressures have once again surprised to the upside, reinforcing the view that the Fed cannot afford to become complacent. Policymakers now face a more difficult balance: inflation remains persistent, while household demand is slowing and the labour market is weakening. In our forecast, this pushes rate cuts later, though we still expect the Fed to move policy back toward a more neutral stance next year.

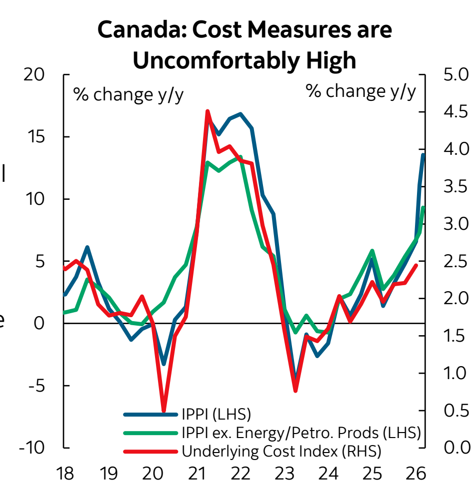
CANADA: EMERGING FROM THE SOFT PATCH

The Canadian economy continues to evolve broadly in line with our expectations. Recent data support the view that activity is beginning to recover from the soft patch experienced at the start of the year. GDP rose a strong 0.5% in April, matching roughly the earlier flash estimate, and recent labour market releases suggest that the anticipated improvement may be arriving somewhat sooner than expected. Although employment gains remain modest, broader labour market conditions appear to be stabilizing after a weak start to the year.

We now expect growth to average 0.9% in 2026, little changed from our previous forecast, although that annual figure masks a meaningful strengthening in momentum through the year. Quarterly growth should firm as the effects of past rate cuts increasingly support domestic demand, particularly in the housing sector and government spending catches up with planned outlays. As a result, we expect GDP growth to strengthen to 2.2% in 2027. The U.S. administration's refusal to renew CUSMA by the July 1st deadline does not alter our baseline forecast. Canada's exports remain protected by the agreement and continue to benefit from very low tariffs. We continue to assume that the free trade framework will ultimately be renewed.

One area we continue to monitor closely is underlying inflation. Momentum has turned somewhat firmer in recent months, with monthly core inflation measures rebounding after a string of softer readings, broadly in line with our expectations. While headline inflation remains relatively well behaved, underlying cost pressures continue to run at levels that are inconsistent with a comfortable return to target. Unit labour costs, IPPI, and our own **underlying cost-pressure measure** continue to point to elevated inflation risks (**chart 3**). The recent decline in oil prices is a welcome development and should provide some relief, but we continue to see meaningful upside risks to the inflation outlook. Against this backdrop, the Bank of Canada is likely to remain cautious and lean against the risk of inflation reaccelerating. In our view, these risks warrant a gradual withdrawal of monetary policy stimulus, with the Bank beginning to raise rates twice toward the end of the year.

Chart 3



Sources: Scotiabank Economics, Statistics Canada.

RISKS

- **Persistent geopolitical tensions and upside oil price risks**. While developments in the Middle East have recently moved in a more constructive direction, geopolitical tensions remain elevated and the risk of renewed disruptions cannot be dismissed. Oil supply continues to be constrained, and inventories are likely to require rebuilding over time, leaving crude prices vulnerable to renewed upside pressure. A sustained rise in energy prices would lift headline inflation directly and raise transportation and production costs more broadly. It could also feed into inflation expectations, amplifying and prolonging price pressures, requiring a stronger monetary policy response (see our previous **note** on this risk).
- **Upside risk from U.S. fiscal policy.** Additional fiscal support—including higher defence spending and potential household transfers—could boost demand, add to inflation pressures, and keep the Federal Reserve on a more hawkish path.
- **CUSMA renegotiation risks.** The U.S. administration's refusal to renew CUSMA by the July 1st deadline was not unexpected but an adverse outcome to the upcoming CUSMA negotiations remains a possibility and would represent a significant downside risk (see **here**).

International

	2010–19	2023	2024	2025	2026f	2027f	2010–19	2023	2024	2025	2026f	2027f
	Real GDP (annual % change)						**Consumer Prices** (annual average % change, unless noted)					
World (based on purchasing power parity)	3.7	3.3	3.4	3.4	3.1	3.1						
Canada	2.3	2.0	2.0	1.9	0.9	2.2	1.6	3.9	2.4	2.1	2.6	2.1
United States	2.4	2.9	2.8	2.1	2.0	1.9	1.8	4.1	3.0	2.7	3.3	2.5
Mexico	2.3	3.1	1.5	0.5	0.7	1.0	4.0	5.5	4.7	3.8	4.0	4.1
United Kingdom	2.0	0.3	1.0	1.3	0.9	1.0	2.2	7.3	2.5	3.4	3.3	2.2
Eurozone	1.4	0.6	0.9	1.5	0.7	1.2	1.4	5.4	2.4	2.1	3.0	2.3
Germany	2.0	-0.7	-0.5	0.3	0.7	1.3	1.4	6.0	2.5	2.3	2.8	2.3
France	1.4	1.9	1.4	0.9	0.6	0.9	1.3	5.7	2.3	0.9	2.3	1.8
China	7.7	5.4	5.0	5.0	4.6	4.3	2.6	0.2	0.2	0.1	1.3	1.2
India	6.9	7.2	7.1	7.7	6.5	6.8	6.6	5.7	5.0	2.2	5.0	4.8
Japan	1.3	0.7	-0.2	1.1	0.6	0.7	0.5	3.3	2.8	3.2	2.2	2.1
South Korea	3.5	1.5	2.2	1.1	2.6	1.9	1.7	3.6	2.3	2.1	2.7	2.2
Australia	2.6	2.1	1.0	2.0	1.9	1.8	2.1	5.6	3.2	2.8	4.2	2.8
Thailand	3.6	2.2	2.9	2.4	2.0	1.9	1.6	1.2	0.4	-0.1	2.8	1.5
Brazil	1.4	3.2	3.4	2.3	1.9	1.8	5.8	4.6	4.4	5.0	5.1	4.3
Peru	4.5	-0.4	3.5	3.4	3.5	3.3	2.8	6.3	2.4	1.5	3.6	2.7
Chile	3.3	0.7	2.8	2.5	1.5	3.0	2.9	7.3	3.9	4.2	3.6	3.6

Commodities

	2010–19	2023	2024	2025	2026f	2027f
	(annual average)					
WTI Oil (USD/bbl)	74	78	76	65	78	70
Brent Oil (USD/bbl)	82	83	81	69	84	75
WCS - WTI Discount (USD/bbl)	-18	-19	-15	-12	-14	-14
Nymex Natural Gas (USD/mmbtu)	3.39	2.73	2.27	3.53	3.72	3.65
Copper (USD/lb)	3.10	3.85	4.15	4.51	6.00	6.00
Zinc (USD/lb)	1.02	1.20	1.26	1.30	1.55	1.40
Gold, (USD/oz)	1,342	1,943	2,386	3,442	4,350	4,200
Silver, (USD/oz)	21.64	23.38	28.21	39.80	65.00	50.00

Sources: Scotiabank Economics, Statistics Canada, Focus Economics, BEA, BCB, BLS, IMF, Bloomberg.

North America

	2010–19	2023	2024	2025	2026f	2027f	2010–19	2023	2024	2025	2026f	2027f
	Canada (annual % change, unless noted)						**United States** (annual % change, unless noted)					
Real GDP	2.3	2.0	2.0	1.9	0.9	2.2	2.4	2.9	2.8	2.1	2.0	1.9
Consumer spending	2.5	2.3	2.2	2.3	1.6	1.5	2.3	2.6	2.9	2.6	1.6	1.0
Residential investment	2.4	-9.3	0.0	0.6	-2.1	5.4	4.7	-7.8	3.2	-2.2	-4.8	1.1
Business investment*	3.0	3.4	-0.4	0.3	0.5	1.4	5.6	7.3	2.9	4.1	5.4	3.3
Government	1.1	2.9	4.2	3.2	2.2	2.7	0.2	3.5	3.8	1.1	0.9	1.9
Exports	3.5	6.2	0.9	-1.4	2.5	0.7	3.9	2.8	3.6	1.6	3.8	0.4
Imports	3.7	1.2	0.7	-0.3	3.6	1.3	4.3	-0.9	5.8	2.7	0.7	-1.4
Inventories, contribution to annual GDP growth	0.1	-1.2	-0.2	0.0	0.1	0.2	0.1	-0.4	0.0	-0.1	-0.1	0.1
Nominal GDP	4.0	3.5	4.8	4.4	4.7	4.3	4.1	6.7	5.3	5.0	5.5	4.6
GDP deflator	1.7	1.5	2.7	2.5	3.7	2.2	1.6	3.7	2.5	2.8	3.4	2.6
Consumer price index (CPI)	1.6	3.9	2.4	2.1	2.6	2.1	1.8	4.1	3.0	2.7	3.3	2.5
Core inflation rate**	1.7	4.0	2.9	2.9	2.2	2.2	1.6	4.2	2.9	2.8	3.1	2.4
Pre-tax corporate profits	6.3	-11.8	-2.3	6.2	6.7	2.8	5.9	7.6	5.1	7.3	10.1	3.9
Employment	1.3	3.0	1.9	1.4	0.6	1.2	1.4	2.2	1.2	0.5	0.4	1.1
Unemployment rate (%)	6.9	5.4	6.4	6.8	6.5	6.2	6.2	3.6	4.0	4.3	4.3	4.3
Current account balance (CAD, USD bn)	-56.9	-20.4	-15.0	-30.6	-11.5	-29.4	-386	-931	-1199	-1177	-988	-944
Merchandise trade balance (CAD, USD bn)	-13.6	-0.9	-7.2	-31.4	-13.2	-27.6	-763	-1058	-1213	-1260	-1087	-1067
Federal budget balance (FY, CAD, USD bn) ***	-18.7	-61.9	-36.3	-66.9	-65.3	-63.1	-829	-1,694	-1,915	-1,775	-2,076	-2,009
percent of GDP	-1.0	-2.1	-1.2	-2.1	-1.9	-1.8	-4.8	-6.1	-6.5	-5.8	-6.4	-5.9
Housing starts (000s, mn)	201	240	245	259	253	248	0.99	1.42	1.37	1.36	1.40	1.41
Motor vehicle sales (000s, mn)	1,816	1,684	1,819	1,894	1,861	1,897	15.7	15.5	15.9	16.3	15.9	16.1
Industrial production	2.4	0.6	0.6	1.0	0.7	2.5	1.7	-0.2	-0.6	1.1	1.1	2.1
	Mexico (annual % change)											
Real GDP	2.3	3.1	1.5	0.5	0.7	1.0						
Consumer price index	4.0	5.5	4.7	3.8	4.0	4.1						
Unemployment rate (%)	4.4	2.8	2.7	2.6	2.9	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 FY2023/24 are noted in calendar year 2023, FY2024/25 in calendar year 2024.

Quarterly Forecasts

	2024	2025				2026				2027			
Canada	Q4	Q1	Q2	Q3	Q4	Q1	Q2e	Q3f	Q4f	Q1f	Q2f	Q3f	Q4f
Real GDP (q/q ann. % change)	2.8	2.9	-1.0	1.9	-1.0	-0.1	2.8	2.2	2.7	2.2	1.5	2.0	2.0
Real GDP (y/y % change)	3.1	3.1	2.0	1.7	0.7	-0.1	0.9	1.0	1.9	2.5	2.1	2.1	1.9
Consumer prices (y/y % change)	1.9	2.3	1.8	2.0	2.2	2.2	3.0	2.5	2.9	2.5	1.9	2.0	2.0
Average of new core CPIs (y/y % change)*	2.6	2.8	3.0	3.1	2.8	2.3	2.0	2.1	2.2	2.2	2.2	2.1	2.1
CPIXFET (y/y % change)**	2.2	2.6	2.6	2.5	2.5	1.9	1.6	1.8	1.9	2.0	2.0	2.0	1.9
Unemployment Rate (%)	6.8	6.7	6.9	7.0	6.8	6.6	6.7	6.5	6.3	6.2	6.2	6.2	6.2
United States													
Real GDP (q/q ann. % change)	1.9	-0.6	3.8	4.4	0.5	2.1	1.8	1.7	1.6	2.0	1.9	2.1	2.2
Real GDP (y/y % change)	2.4	2.0	2.1	2.3	2.0	2.7	2.2	1.5	1.8	1.8	1.8	1.9	2.1
Consumer prices (y/y % change)	2.7	2.7	2.5	2.9	2.8	2.7	3.9	3.3	3.2	3.2	2.5	2.2	2.3
Total PCE deflator (y/y % change)	2.6	2.6	2.4	2.7	2.8	3.1	3.9	3.3	3.2	2.8	2.1	2.1	2.1
Core PCE deflator (y/y % change)	3.0	2.8	2.7	2.9	2.9	3.1	3.4	3.0	2.8	2.7	2.4	2.3	2.3
Unemployment Rate (%)	4.1	4.1	4.2	4.3	4.5	4.3	4.3	4.3	4.3	4.3	4.3	4.2	4.2

* 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

	2024	2025				2026				2027			
	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3f	Q4f	Q1f	Q2f	Q3f	Q4f
Americas						(% end of period)							
Bank of Canada	3.25	2.75	2.75	2.50	2.25	2.25	2.25	2.25	2.75	3.00	3.00	3.00	3.00
US Federal Reserve (upper bound)	4.50	4.50	4.50	4.25	3.75	3.75	3.75	3.75	3.75	3.50	3.25	3.25	3.25
Bank of Mexico	10.00	9.00	8.00	7.50	7.00	6.75	6.50	6.50	6.50	6.50	6.50	6.50	6.75
Central Bank of Brazil	12.25	14.25	15.00	15.00	15.00	14.75	14.25	14.00	14.00	13.50	13.00	12.50	12.00
Central Reserve Bank of Peru	5.00	4.75	4.50	4.25	4.25	4.25	4.25	4.25	4.25	4.25	4.25	4.25	4.25
Central Bank of Chile	5.00	5.00	5.00	4.75	4.50	4.50	4.50	4.50	4.50	4.25	4.25	4.25	4.25
Europe													
European Central Bank MRO Rate	3.15	2.65	2.15	2.15	2.15	2.15	2.40	2.65	2.65	2.65	2.65	2.40	2.40
European Central Bank Deposit Rate	3.00	2.50	2.00	2.00	2.00	2.00	2.25	2.50	2.50	2.50	2.50	2.25	2.25
Bank of England	4.75	4.50	4.25	4.00	3.75	3.75	3.75	3.75	3.75	3.75	3.75	3.75	3.75
Asia/Oceania													
Reserve Bank of Australia	4.35	4.10	3.85	3.60	3.60	4.10	4.35	4.35	4.35	4.35	4.35	4.35	4.35
Bank of Japan	0.25	0.50	0.50	0.50	0.75	0.75	1.00	1.00	1.25	1.25	1.50	1.50	1.50
People's Bank of China	1.50	1.50	1.40	1.40	1.40	1.40	1.40	1.40	1.30	1.30	1.20	1.20	1.20
Reserve Bank of India	6.50	6.25	5.50	5.50	5.25	5.25	5.25	5.25	5.50	5.50	5.75	5.75	5.75
Bank of Korea	3.00	2.75	2.50	2.50	2.50	2.50	2.50	2.75	3.00	3.00	3.00	3.00	3.00
Bank of Thailand	2.25	2.00	1.75	1.50	1.25	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00

Currencies and Interest Rates

	2024	2025				2026				2027			
	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3f	Q4f	Q1f	Q2f	Q3f	Q4f
Americas						(end of period)							
Canadian dollar (USDCAD)	1.44	1.44	1.36	1.39	1.37	1.39	1.42	1.39	1.37	1.36	1.35	1.34	1.33
Canadian dollar (CADUSD)	0.70	0.70	0.73	0.72	0.73	0.72	0.70	0.72	0.73	0.74	0.74	0.75	0.75
Mexican peso (USDMXN)	20.83	20.47	18.75	18.31	18.01	17.94	17.49	17.77	17.90	18.03	18.17	18.33	18.50
Mexican peso (CADMXN)	14.48	14.23	13.78	13.15	13.12	12.90	12.32	12.78	13.07	13.26	13.46	13.68	13.91
Brazilian real (USDBRL)	6.18	5.71	5.43	5.32	5.47	5.18	5.16	5.18	5.20	5.21	5.23	5.23	5.25
Peruvian sol (USDPEN)	3.74	3.68	3.54	3.47	3.36	3.48	3.41	3.38	3.35	3.40	3.36	3.40	3.40
Chilean peso (USDCLP)	995	951	932	963	901	926	922	870	870	870	870	870	870
Europe													
Euro (EURUSD)	1.04	1.08	1.18	1.17	1.17	1.16	1.14	1.18	1.20	1.20	1.21	1.21	1.22
UK pound (GBPUSD)	1.25	1.29	1.37	1.34	1.35	1.32	1.33	1.36	1.37	1.38	1.38	1.39	1.39
Asia/Oceania													
Japanese yen (USDJPY)	157	150	144	148	157	159	163	157	155	153	150	148	145
Australian dollar (AUDUSD)	0.62	0.62	0.66	0.66	0.67	0.69	0.69	0.72	0.73	0.73	0.74	0.74	0.75
Chinese yuan (USDCNY)	7.30	7.26	7.16	7.12	6.99	6.89	6.79	6.78	6.78	6.77	6.76	6.73	6.70
Indian rupee (USDINR)	85.6	85.5	85.8	88.8	89.9	94.8	94.7	95.1	95.2	95.1	95.0	95.0	95.0
South Korean won (USDKRW)	1472	1473	1354	1404	1440	1519	1549	1503	1468	1451	1434	1417	1400
Thai baht (USDTHB)	34.1	33.9	32.5	32.4	31.5	33.0	33.2	33.0	32.9	32.7	32.5	32.3	32.1
Canada (Yields, %)													
3-month T-bill	3.15	2.61	2.65	2.42	2.19	2.34	2.26	2.40	2.80	3.05	3.05	3.05	3.05
2-year Canada	2.93	2.46	2.59	2.47	2.59	2.82	2.75	2.90	3.05	3.15	3.15	3.15	3.15
5-year Canada	2.97	2.61	2.82	2.75	2.97	3.09	3.01	3.15	3.25	3.35	3.35	3.35	3.35
10-year Canada	3.23	2.97	3.27	3.18	3.43	3.47	3.38	3.50	3.60	3.65	3.70	3.70	3.70
30-year Canada	3.33	3.22	3.57	3.63	3.86	3.90	3.77	3.85	3.90	4.00	4.00	4.00	4.00
United States (Yields, %)													
3-month T-bill	4.14	4.19	4.29	3.85	3.52	3.69	3.71	3.65	3.55	3.30	3.15	3.15	3.15
2-year Treasury	4.24	3.88	3.72	3.61	3.48	3.80	4.17	4.10	3.75	3.50	3.40	3.40	3.40
5-year Treasury	4.38	3.95	3.80	3.74	3.73	3.94	4.23	4.20	3.95	3.75	3.65	3.65	3.65
10-year Treasury	4.57	4.21	4.23	4.15	4.17	4.32	4.47	4.50	4.35	4.25	4.20	4.15	4.10
30-year Treasury	4.78	4.57	4.77	4.73	4.85	4.91	4.95	5.00	4.90	4.85	4.85	4.85	4.85

Sources: Scotiabank Economics, Bloomberg.

The Provinces

(annual % change except where noted)

Real GDP	CA	NL	PE	NS	NB	QC	ON	MB	SK	AB	BC
2010–19	2.3	1.1	2.1	1.2	0.7	1.9	2.3	2.2	2.3	2.6	2.9
2023	2.0	-3.0	2.9	2.4	2.0	0.7	2.4	2.8	3.1	2.5	2.8
2024	2.0	2.7	3.8	3.1	2.7	1.7	1.6	1.7	3.0	3.0	1.1
2025	1.9	3.5	2.8	2.3	2.0	0.6	1.3	1.3	2.2	2.7	2.0
2026f	0.9	2.7	1.3	1.0	1.3	0.4	0.5	1.5	1.8	2.5	0.4
2027f	2.2	2.0	2.2	2.0	2.1	1.8	2.0	2.1	2.5	2.9	2.1
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
2023	3.5	-4.0	6.7	7.6	3.5	4.7	6.9	5.4	-3.7	-4.0	3.6
2024	4.8	4.6	7.5	8.0	4.0	5.9	5.1	3.3	0.0	5.1	3.5
2025	4.4	4.5	6.0	5.2	4.8	3.5	4.1	4.0	4.0	4.1	4.7
2026f	4.7	10.2	4.3	3.8	4.2	3.1	3.1	4.2	8.5	10.9	3.1
2027f	4.3	1.0	5.7	5.3	5.5	5.1	5.2	5.3	3.7	0.3	5.4
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
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
2025	1.4	-0.1	1.2	0.4	1.3	1.7	1.0	1.6	2.5	2.8	1.1
2026f	0.6	0.6	2.8	0.8	1.2	-0.2	0.4	1.8	0.7	3.2	-0.4
2027f	1.2	1.0	2.0	1.2	1.5	0.6	0.9	1.5	1.3	3.0	0.6
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
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
2025	6.8	10.1	8.0	6.6	7.1	5.6	7.7	5.9	5.2	7.2	6.2
2026f	6.5	9.3	7.3	6.8	7.0	5.5	7.2	5.5	5.5	6.5	6.4
2027f	6.2	9.0	6.7	6.6	7.0	5.5	6.8	5.3	5.6	6.1	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
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
2025	2.1	1.4	1.4	2.0	1.7	2.5	1.9	2.7	2.1	1.9	2.1
2026f	2.6	2.7	2.5	2.8	3.0	2.9	2.2	3.3	3.0	2.7	2.6
2027f	2.1	2.2	2.1	2.1	2.3	2.2	2.0	2.5	2.3	2.2	2.1
Housing Starts (units, 000s)											
2010–19	201	2.2	0.8	4.2	2.7	44	70	6.6	6.0	31	34
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
2025	259	1.6	1.8	9.8	7.6	60	65	7.9	6.2	55	44
2026f	253	1.8	1.9	7.2	7.1	60	69	8.2	5.9	48	44
2027f	248	1.8	1.6	7.3	6.0	57	73	7.8	5.9	45	43
Motor Vehicle Sales (units, 000s)											
2010–19	1,816	33	7	52	42	441	738	56	54	239	199
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
2025	1,894	36	9	55	47	457	787	63	55	234	215
2026f	1,861	34	8	50	43	447	749	58	52	224	204
2027f	1,897	31	8	50	42	446	770	58	52	227	215
Budget Balances, (CAD mn)											
2022	-35,322	321	14	123	1,002	-3,126	-5,863	373	1,581	11,641	956
2023	-61,876	-459	-15	142	500	-5,994	-693	-1,971	182	4,285	-5,035
2024	-36,300	-297	-164	82	-104	-5,175	-1,090	-1,149	-249	8,320	-7,347
2025f	-66,900	-729	-450	-1,249	-1,328	-7,655	-12,300	-1,661	-1,211	-4,134	-9,614

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