

October 15, 2018

<b>International</b>	<b>2000–17</b>	<b>2017</b>	<b>2018f</b>	<b>2019f</b>	<b>2020f</b>	<b>2000–17</b>	<b>2017</b>	<b>2018f</b>	<b>2019f</b>	<b>2020f</b>
	<b>Real GDP</b> (annual % change)					<b>Consumer Prices</b> (y/y % change, year-end)				
World (based on purchasing power parity)	3.9	3.8	3.8	3.7	3.5					
Canada	2.2	3.0	2.1	2.2	1.8	1.9	1.8	2.9	2.1	2.0
United States	2.0	2.2	2.9	2.4	1.7	2.2	2.1	2.4	2.2	2.1
Mexico	2.2	2.0	1.8	2.1	2.4	4.4	6.8	5.1	4.1	3.8
United Kingdom	1.9	1.7	1.4	1.5	1.5	2.0	2.7	2.3	2.1	2.0
Eurozone	1.3	2.4	2.0	1.9	1.7	1.8	1.4	1.9	1.7	1.9
Germany	1.4	2.2	1.9	1.9	1.6	1.5	1.7	1.8	1.9	2.2
France	1.4	2.2	1.6	1.6	1.6	1.4	1.2	1.6	2.2	1.5
China	9.3	6.9	6.6	6.2	6.0	2.3	1.8	2.4	2.5	2.3
India	7.0	6.3	7.6	7.5	7.5	6.8	5.2	4.0	5.2	4.8
Japan	1.0	1.7	1.2	1.0	0.9	0.1	1.0	1.0	2.3	1.1
South Korea	4.1	3.1	2.9	2.8	2.6	2.6	1.5	2.2	2.5	2.2
Australia	2.9	2.2	3.1	2.7	2.5	2.7	1.9	2.0	2.5	2.6
Thailand	4.0	3.9	4.3	3.8	3.5	1.9	0.8	1.2	2.0	2.2
Brazil	2.5	1.0	1.3	1.8	2.1	6.5	3.0	4.7	5.1	4.6
Colombia	3.9	1.8	2.5	3.5	3.6	5.1	4.1	3.4	3.6	3.6
Peru	5.0	2.5	3.7	4.0	4.1	2.7	1.4	2.0	2.5	2.5
Chile	3.9	1.5	3.9	3.2	3.2	3.3	2.3	3.2	3.0	3.0
<b>Commodities</b>	(annual average)									
WTI Oil (USD/bbl)	62	51	68	72	69					
Brent Oil (USD/bbl)	65	55	74	80	75					
WCS - WTI Discount* (USD/bbl)	-16	-13	-27	-24	-21					
Nymex Natural Gas (USD/mmbtu)	4.83	3.02	2.93	2.93	3.00					
Copper (USD/lb)	2.38	2.80	2.99	3.00	3.20					
Zinc (USD/lb)	0.84	1.31	1.33	1.30	1.25					
Nickel (USD/lb)	7.12	4.72	6.15	6.50	7.00					
Aluminium (USD/lb)	0.87	0.89	0.95	1.00	1.00					
Iron Ore (USD/tonne)	67	72	65	65	60					
Metallurgical Coal (USD/tonne)	131	187	205	175	160					
Gold, London PM Fix (USD/oz)	890	1,257	1,262	1,300	1,300					
Silver, London PM Fix (USD/oz)	14.80	17.05	15.70	17.00	17.00					
* 2008-16 average.										
Sources: Scotiabank Economics, Statistics Canada, BEA, BLS, IMF, Bloomberg.										

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North America	2000–17	2017	2018f	2019f	2020f	2000–17	2017	2018f	2019f	2020f
	Canada (annual % change, unless noted)					United States (annual % change, unless noted)				
Real GDP	2.2	3.0	2.1	2.2	1.8	2.0	2.2	2.9	2.4	1.7
Consumer spending	2.9	3.4	2.2	2.1	1.7	2.4	2.5	2.6	2.4	1.8
Residential investment	3.7	2.8	-0.2	0.6	0.9	-0.3	3.3	0.5	1.3	1.9
Business investment	2.2	2.7	6.4	2.7	6.2	3.0	5.3	6.9	3.1	2.3
Government	2.2	2.6	2.6	1.4	1.6	1.0	-0.1	1.8	2.3	1.6
Exports	1.3	1.1	3.1	3.6	2.2	3.7	3.0	4.6	2.3	2.0
Imports	2.9	3.6	4.4	2.5	3.1	3.7	4.6	4.0	3.0	2.7
Nominal GDP	4.3	5.4	4.3	4.6	4.1	4.0	4.2	5.4	5.0	4.1
GDP deflator	2.1	2.3	2.2	2.4	2.2	1.9	1.9	2.5	2.6	2.3
Consumer price index (CPI)	1.9	1.6	2.6	2.4	2.0	2.2	2.1	2.5	2.2	2.1
CPI ex. food & energy	1.6	1.6	1.9	2.2	2.3	2.0	1.8	2.2	2.2	2.2
Pre-tax corporate profits	4.4	19.9	4.4	4.7	2.1	5.3	3.2	6.6	2.8	1.9
Employment	1.4	1.9	1.2	1.0	0.8	0.7	1.6	1.6	1.2	1.0
Unemployment rate (%)	7.1	6.3	5.9	5.8	5.8	6.1	4.4	3.9	3.8	3.8
Current account balance (CAD, USD bn)	-19.7	-63.3	-62.6	-51.5	-54.2	-501	-449	-445	-487	-540
Merchandise trade balance (CAD, USD bn)	22.3	-24.0	-22.6	-12.9	-19.1	-680	-807	-848	-904	-974
Federal budget balance* (FY, CAD, USD bn)	-3.6	-17.8	-20.0	-18.0	-17.0	-540	-665	-805	-1,000	-1,045
percent of GDP	-0.2	-0.9	-0.9	-0.8	-0.7	-3.7	-3.4	-3.9	-4.6	-4.7
Housing starts (000s, mn)	200	220	213	202	201	1.26	1.20	1.27	1.26	1.26
Motor vehicle sales (000s, mn)	1,679	2,041	2,000	1,950	1,900	15.6	17.0	17.0	16.8	16.7
Industrial production	0.8	5.3	3.3	2.3	2.0	0.7	1.6	3.5	2.5	2.1
<b>Mexico</b> (annual % change)										
Real GDP	2.2	2.0	1.8	2.1	2.4					
Consumer price index (year-end)	4.4	6.8	5.1	4.1	3.8					
Current account balance (USD bn)	-14.9	-19.5	-27.4	-24.5	-20.2					
Merchandise trade balance (USD bn)	-7.2	-11.0	-17.1	-16.5	-18.9					

Sources: Scotiabank Economics, Statistics Canada, CMHC, BEA, BLS, Bloomberg. \* Canada federal deficit ex risk adjustment of \$3.0bn for FY19.

Quarterly Forecasts	2017		2018			2019				2020			
	Q4	Q1	Q2	Q3f	Q4f	Q1f	Q2f	Q3f	Q4f	Q1f	Q2f	Q3f	Q4f
<b>Canada</b>													
Real GDP (q/q ann. % change)	1.7	1.4	2.9	2.1	2.4	2.1	2.1	1.9	1.7	2.1	2.0	1.5	1.5
Real GDP (y/y % change)	3.0	2.3	1.9	2.0	2.2	2.4	2.2	2.1	1.9	1.9	1.9	1.8	1.8
Consumer prices (y/y % change)	1.8	2.1	2.3	2.9	2.9	2.8	2.6	2.3	2.1	2.1	2.0	2.0	2.0
Avg. of new core CPIs (y/y % change)	1.7	1.9	2.0	2.1	2.2	2.1	2.2	2.2	2.2	2.2	2.2	2.2	2.2
<b>United States</b>													
Real GDP (q/q ann. % change)	2.3	2.2	4.2	3.2	2.5	2.1	2.0	1.9	1.8	1.7	1.7	1.6	1.5
Real GDP (y/y % change)	2.5	2.6	2.9	3.0	3.0	3.0	2.4	2.1	1.9	1.9	1.8	1.7	1.6
Consumer prices (y/y % change)	2.1	2.3	2.6	2.6	2.4	2.2	2.2	2.2	2.2	2.1	2.1	2.0	2.1
CPI ex. food & energy (y/y % change)	1.7	1.9	2.2	2.2	2.3	2.1	2.2	2.2	2.2	2.2	2.2	2.2	2.2
Core PCE deflator (y/y % change)	1.6	1.7	1.9	2.1	2.1	2.2	2.2	2.2	2.1	2.1	2.0	2.0	2.0

Sources: Scotiabank Economics, Statistics Canada, BEA, BLS, Bloomberg.

Central Bank Rates	2018		2019				2020			
	Q3	Q4f	Q1f	Q2f	Q3f	Q4f	Q1f	Q2f	Q3f	Q4f
<b>Americas</b>	(% , end of period)									
Bank of Canada	1.50	1.75	2.00	2.25	2.50	2.75	3.00	3.00	3.00	3.00
US Federal Reserve (upper bound)	2.25	2.50	2.75	3.00	3.25	3.25	3.25	3.25	3.25	3.25
Bank of Mexico	7.75	8.00	8.00	8.00	8.00	8.00	8.00	7.50	7.50	7.50
Central Bank of Brazil	6.50	7.25	8.25	8.75	9.25	9.75	10.00	10.00	10.00	10.00
Bank of the Republic of Colombia	4.25	4.50	4.75	5.00	5.25	5.50	5.50	5.50	5.50	5.50
Central Reserve Bank of Peru	2.75	2.75	3.00	3.00	3.25	3.25	3.50	3.75	4.00	4.00
Central Bank of Chile	2.50	2.75	3.00	3.25	3.50	3.75	3.75	4.00	4.00	4.00
<b>Europe</b>										
European Central Bank	0.00	0.00	0.00	0.00	0.00	0.00	0.25	0.25	0.50	0.50
Bank of England	0.75	0.75	0.75	0.75	0.75	1.00	1.00	1.00	1.00	1.00
<b>Asia/Oceania</b>										
Reserve Bank of Australia	1.50	1.50	1.50	1.75	1.75	2.00	2.00	2.25	2.25	2.50
Bank of Japan	-0.10	-0.10	-0.10	-0.10	-0.10	-0.10	-0.10	-0.10	-0.10	-0.10
People's Bank of China	4.35	4.35	4.35	4.35	4.35	4.35	4.35	4.35	4.35	4.35
Reserve Bank of India	6.50	6.75	6.75	7.00	7.00	7.25	7.25	7.25	7.25	7.25
Bank of Korea	1.50	1.75	1.75	2.00	2.00	2.25	2.25	2.50	2.50	2.50
Bank of Thailand	1.50	1.75	1.75	2.00	2.00	2.25	2.25	2.25	2.25	2.25
<b>Currencies and Interest Rates</b>										
<b>Americas</b>	(end of period)									
Canadian dollar (USDCAD)	1.29	1.28	1.25	1.25	1.22	1.22	1.22	1.22	1.22	1.22
Canadian dollar (CADUSD)	0.77	0.78	0.80	0.80	0.82	0.82	0.82	0.82	0.82	0.82
Mexican peso (USDMXN)	18.72	20.07	20.32	20.15	20.21	20.40	20.50	20.33	20.39	20.69
Brazilian real (USDBRL)	4.05	3.75	4.15	4.34	4.67	4.60	4.21	4.12	4.06	3.89
Colombian peso (USDCOP)	2,966	3,080	3,120	3,100	3,085	3,055	3,050	3,055	3,060	3,065
Peruvian sol (USDPEN)	3.30	3.26	3.27	3.23	3.24	3.22	3.20	3.20	3.20	3.20
Chilean peso (USDCLP)	657	650	650	650	650	650	650	640	640	640
<b>Europe</b>										
Euro (EURUSD)	1.16	1.20	1.22	1.24	1.26	1.30	1.30	1.30	1.32	1.32
UK pound (GBPUSD)	1.30	1.32	1.32	1.35	1.37	1.40	1.42	1.42	1.45	1.45
<b>Asia/Oceania</b>										
Japanese yen (USDJPY)	110	110	110	110	108	108	107	107	105	105
Australian dollar (AUDUSD)	0.73	0.73	0.75	0.77	0.77	0.78	0.78	0.78	0.78	0.78
Chinese yuan (USDCNY)	6.87	6.90	6.80	6.60	6.70	6.70	6.60	6.60	6.50	6.50
Indian rupee (USDINR)	72.5	72.5	72.0	70.0	71.0	71.0	70.0	70.0	69.0	69.0
South Korean won (USDKRW)	1,109	1,100	1,090	1,080	1,085	1,085	1,080	1,080	1,070	1,070
Thai baht (USDTHB)	32.3	32.2	32.0	31.6	31.8	31.8	31.6	31.6	31.4	31.4
<b>Canada (Yields, %)</b>										
3-month T-bill	1.58	1.80	2.05	2.30	2.55	2.80	3.00	3.00	3.00	3.00
2-year Canada	2.21	2.50	2.40	2.55	2.70	2.85	3.05	3.05	3.05	3.05
5-year Canada	2.34	2.55	2.50	2.60	2.75	2.90	3.10	3.10	3.10	3.10
10-year Canada	2.43	2.60	2.60	2.70	2.85	3.00	3.15	3.15	3.15	3.15
30-year Canada	2.42	2.65	2.65	2.75	2.90	3.10	3.30	3.35	3.35	3.35
<b>United States (Yields, %)</b>										
3-month T-bill	2.20	2.45	2.70	2.95	3.20	3.20	3.20	3.20	3.20	3.20
2-year Treasury	2.82	3.00	3.00	3.10	3.30	3.30	3.30	3.30	3.30	3.30
5-year Treasury	2.95	3.15	3.05	3.15	3.35	3.35	3.40	3.40	3.45	3.45
10-year Treasury	3.06	3.25	3.15	3.20	3.40	3.40	3.50	3.50	3.55	3.55
30-year Treasury	3.21	3.40	3.30	3.30	3.50	3.50	3.60	3.60	3.65	3.65

Sources: Scotiabank Economics, Bloomberg.

The Provinces											
	(annual % change except where noted)										
Real GDP	CA	NL	PE	NS	NB	QC	ON	MB	SK	AB	BC
<b>2000–17</b>	2.2	2.4	1.8	1.3	1.3	1.8	2.1	2.4	2.0	2.8	2.8
<b>2017*</b>	3.0	2.1	3.2	1.2	1.9	3.1	2.8	2.9	2.9	4.9	3.9
<b>2018f</b>	2.1	0.5	2.0	1.2	1.1	2.1	2.1	1.9	1.5	2.4	2.4
<b>2019f</b>	2.2	1.2	1.6	1.0	0.9	2.0	2.1	1.9	1.8	2.5	2.7
<b>2020f</b>	1.8	0.8	1.1	0.9	0.9	1.5	1.6	1.5	1.8	2.0	3.6
<b>Nominal GDP</b>											
<b>2000–17</b>	4.3	5.6	4.2	3.3	3.3	3.7	3.9	4.4	5.3	6.0	4.6
<b>2017e</b>	5.4	5.6	4.7	3.1	3.2	4.5	4.8	4.3	5.4	7.9	5.9
<b>2018f</b>	4.3	4.1	3.9	3.2	2.9	3.8	4.1	3.9	4.1	5.5	5.0
<b>2019f</b>	4.6	4.1	3.9	3.1	3.0	4.3	4.6	4.3	4.1	5.5	5.3
<b>2020f</b>	3.7	3.9	2.9	2.8	2.4	3.4	3.7	3.5	4.4	4.8	5.8
<b>Employment</b>											
<b>2000–17</b>	1.4	0.6	1.1	0.6	0.4	1.3	1.3	1.0	1.1	2.2	1.5
<b>2017</b>	1.9	-3.7	3.1	0.6	0.4	2.2	1.8	1.7	-0.2	1.0	3.7
<b>2018f</b>	1.2	0.3	2.5	1.1	0.4	1.1	1.5	0.5	0.0	1.8	0.8
<b>2019f</b>	1.0	0.1	0.9	0.3	0.2	0.9	1.1	0.7	0.5	1.2	1.1
<b>2020f</b>	0.8	-0.1	0.5	0.2	0.2	0.7	0.9	0.6	0.7	1.2	1.1
<b>Unemployment Rate (%)</b>											
<b>2000–17</b>	7.1	14.3	11.1	8.8	9.5	7.9	7.0	5.1	5.0	5.2	6.5
<b>2017</b>	6.3	14.8	9.8	8.4	8.1	6.1	6.0	5.4	6.3	7.8	5.1
<b>2018f</b>	5.9	14.5	9.9	7.9	8.0	5.5	5.6	5.8	6.2	6.6	4.8
<b>2019f</b>	5.8	14.1	10.0	7.8	8.0	5.4	5.5	5.6	6.1	6.5	4.9
<b>2020f</b>	5.8	14.0	10.0	7.7	7.9	5.4	5.5	5.5	6.0	6.4	4.9
<b>Housing Starts (units, 000s)</b>											
<b>2000–17</b>	199	2.6	0.8	4.3	3.5	44	72	5.1	5.2	34	28
<b>2017</b>	220	1.4	1.0	4.0	2.3	46	80	7.6	5.0	29	44
<b>2018f</b>	213	1.5	0.9	4.7	2.1	46	77	6.9	3.7	29	41
<b>2019f</b>	202	1.4	0.8	3.9	2.0	42	72	6.1	4.6	30	39
<b>2020f</b>	201	1.4	0.8	3.8	1.9	41	72	6.1	5.0	31	38
<b>Motor Vehicle Sales (units, 000s)</b>											
<b>2000–17</b>	1,657	29	6	48	38	413	635	47	45	216	180
<b>2017</b>	2,041	33	9	59	42	453	847	62	56	245	235
<b>2018f</b>	2,000	29	9	53	39	450	855	68	48	230	219
<b>2019f</b>	1,950	31	8	50	37	435	825	60	50	225	229
<b>2020f</b>	1,905	30	8	48	35	420	810	55	49	215	235
<b>Budget Balances, Fiscal Year Ending March 31 (CAD mn)</b>											
<b>2000–17**</b>	-3,635	-93	-38	-30	-153	-768	-5,115	-142	307	1,064	454
<b>2017</b>	-17,770	-1,148	-1	151	-117	2,361	-991	-764	-1,218	-10,784	2,737
<b>2018***</b>	-20,000	-911 †	1	230 †	67 †	850	-3,700 †	-695 †	-303 †	-8,023 †	301 †
<b>2019***</b>	-18,000	-683	1	29	-187	0	-15,000	-521	-306	-7,757	669
<b>2020f</b>	-17,000	-507	3	39	-124	0	n/a	-388	6	-7,912	810

Sources: Scotiabank Economics, Statistics Canada, CMHC, Budget documents. \* Real GDP by industry, basic prices. \*\* MB:FY04–FY16; AB:FY05–FY16. \*\*\* Provinces' FY18 & FY19: Budget documents. Federal FY19: ex risk adjustment of \$3.0bn. † FY18 final result.

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