

This month's forecasts are largely unchanged from those published in our January [Global Outlook](#).

CONTACTS

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International	2000–17	2017	2018e	2019f	2020f	2000–17	2017	2018e	2019f	2020f
	Real GDP (annual % change)					Consumer Prices (y/y % change, year-end)				
World (based on purchasing power parity)	3.9	3.8	3.7	3.5	3.4					
Canada	2.1	3.0	2.0	1.8	2.0	1.9	1.8	2.0	1.7	2.2
United States	2.0	2.2	2.9	2.4	1.7	2.2	2.1	2.2	2.0	2.3
Mexico	2.2	2.1	2.0	1.6	2.3	4.4	6.8	4.8	4.3	3.8
United Kingdom	1.9	1.8	1.4	1.5	1.5	2.1	3.0	2.1	2.1	2.0
Eurozone	1.4	2.4	1.9	1.7	1.7	1.8	1.4	1.6	1.6	1.7
Germany	1.4	2.2	1.5	1.6	1.6	1.5	1.7	1.7	1.4	1.8
France	1.4	2.2	1.5	1.5	1.7	1.4	1.2	1.6	1.6	1.7
China	9.3	6.8	6.6	6.2	6.0	2.3	1.8	1.9	2.4	2.3
India	7.0	6.3	7.5	7.3	7.5	6.8	5.2	2.2	5.6	5.0
Japan	0.9	1.9	0.7	1.1	0.8	0.1	1.0	0.3	2.3	1.0
South Korea	4.1	3.1	2.7	2.7	2.6	2.5	1.4	1.3	1.9	2.1
Australia	2.9	2.4	3.0	2.7	2.5	2.7	1.9	1.8	2.2	2.5
Thailand	4.0	3.9	4.1	3.8	3.5	1.9	0.8	0.4	1.6	1.8
Brazil	2.5	1.1	1.1	2.3	2.5	6.5	3.0	3.8	5.2	5.4
Colombia	3.9	1.8	2.6	3.4	3.8	5.1	4.1	3.2	3.3	3.1
Peru	5.0	2.5	3.6	4.0	4.0	2.7	1.4	2.2	2.4	2.5
Chile	3.9	1.5	4.2	3.2	3.2	3.3	2.3	2.6	3.0	3.0
Commodities										
	(annual average)									
WTI Oil (USD/bbl)	62	51	65	58	62					
Brent Oil (USD/bbl)	65	55	72	67	69					
WCS - WTI Discount* (USD/bbl)	-16	-13	-26	-20	-20					
Nymex Natural Gas (USD/mmbtu)	4.83	3.02	3.07	3.25	2.80					
Copper (USD/lb)	2.38	2.80	2.96	3.00	3.20					
Zinc (USD/lb)	0.84	1.31	1.33	1.20	1.20					
Nickel (USD/lb)	7.12	4.72	5.95	5.50	6.00					
Aluminium (USD/lb)	0.87	0.89	0.96	0.90	0.90					
Iron Ore (USD/tonne)	67	72	70	65	63					
Metallurgical Coal (USD/tonne)	131	187	206	175	160					
Gold, London PM Fix (USD/oz)	890	1,257	1,268	1,300	1,300					
Silver, London PM Fix (USD/oz)	14.80	17.05	15.71	16.25	16.50					
* 2008-16 average.										
Sources: Scotiabank Economics, Statistics Canada, BEA, BLS, IMF, Bloomberg.										

February 7, 2019

North America	2000–17	2017	2018e	2019f	2020f	2000–17	2017	2018e	2019f	2020f
	Canada (annual % change, unless noted)					United States (annual % change, unless noted)				
Real GDP	2.1	3.0	2.0	1.8	2.0	2.0	2.2	2.9	2.4	1.7
Consumer spending	2.9	3.5	2.2	1.8	1.8	2.4	2.5	2.7	2.6	1.9
Residential investment	3.6	2.4	-1.1	-0.6	0.9	-0.3	3.3	0.0	0.6	1.8
Business investment	2.2	2.2	4.7	0.9	6.2	3.0	5.3	6.8	3.1	2.2
Government	2.2	2.7	3.0	1.5	1.6	1.0	-0.1	1.7	2.1	1.8
Exports	1.3	1.1	3.1	2.4	2.4	3.7	3.0	4.0	1.7	1.9
Imports	3.0	4.2	3.2	1.0	3.1	3.7	4.6	4.7	4.0	3.0
Nominal GDP	4.3	5.6	4.1	3.4	4.3	4.0	4.2	5.2	4.5	3.8
GDP deflator	2.1	2.6	2.0	1.6	2.3	1.9	1.9	2.2	2.1	2.0
Consumer price index (CPI)	1.9	1.6	2.3	1.7	2.1	2.2	2.1	2.4	1.8	2.3
CPI ex. food & energy	1.6	1.6	1.9	1.8	2.0	2.0	1.8	2.1	2.1	2.1
Pre-tax corporate profits	0.0	20.1	5.0	6.1	2.1	5.3	3.2	8.1	4.2	1.9
Employment	1.4	1.9	1.3	1.1	0.7	0.7	1.6	1.7	1.3	1.0
Unemployment rate (%)	7.1	6.3	5.8	5.7	5.9	6.1	4.4	3.9	3.7	3.8
Current account balance (CAD, USD bn)	-19.4	-60.1	-59.0	-57.2	-57.9	-501	-449	-480	-571	-644
Merchandise trade balance (CAD, USD bn)	22.3	-24.6	-22.3	-25.7	-29.9	-680	-807	-884	-985	-1070
Federal budget balance* (FY, CAD, USD bn)	-3.6	-17.8	-19.0	-18.1	-19.6	-540	-665	-805	-1,000	-1,045
percent of GDP	-0.2	-0.9	-0.9	-0.8	-0.8	-3.7	-3.4	-3.9	-4.7	-4.7
Housing starts (000s, mn)	200	220	213	202	200	1.26	1.20	1.26	1.25	1.26
Motor vehicle sales (000s, mn)	1,678	2,034	1,984	1,930	1,900	15.6	17.1	17.2	16.8	16.7
Industrial production	0.0	4.9	2.7	1.0	2.2	0.7	1.6	4.0	2.8	1.7
Mexico (annual % change)										
Real GDP	2.2	2.1	2.0	1.6	2.3					
Consumer price index (year-end)	4.4	6.8	4.8	4.3	3.8					
Current account balance (USD bn)	-14.9	-19.1	-24.7	-28.4	-26.5					
Merchandise trade balance (USD bn)	-7.2	-11.0	-16.4	-20.9	-17.0					

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

Quarterly Forecasts	2018		2019				2020			
	Q3	Q4e	Q1f	Q2f	Q3f	Q4f	Q1f	Q2f	Q3f	Q4f
Canada										
Real GDP (q/q ann. % change)	2.0	1.2	1.0	2.5	2.2	1.9	2.1	1.9	1.5	1.5
Real GDP (y/y % change)	2.1	1.9	1.8	1.7	1.7	1.9	2.2	2.1	1.9	1.8
Consumer prices (y/y % change)	2.7	2.0	1.8	1.5	1.6	1.7	1.9	2.1	2.2	2.2
Avg. of new core CPIs (y/y % change)	2.0	1.9	1.9	1.9	2.0	2.0	2.0	2.0	2.0	2.0
United States										
Real GDP (q/q ann. % change)	3.4	2.7	1.5	2.4	1.9	1.8	1.6	1.6	1.6	1.6
Real GDP (y/y % change)	3.0	3.1	2.9	2.5	2.1	1.9	1.9	1.7	1.7	1.6
Consumer prices (y/y % change)	2.6	2.2	1.8	1.7	1.8	2.0	2.2	2.3	2.3	2.3
CPI ex. food & energy (y/y % change)	2.2	2.2	2.0	2.1	2.1	2.1	2.1	2.1	2.1	2.1
Core PCE deflator (y/y % change)	2.0	1.9	2.0	1.9	2.0	2.0	2.0	2.0	2.0	2.0

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

Central Bank Rates	2018		2019				2020			
	Q4	Q1f	Q2f	Q3f	Q4f	Q1f	Q2f	Q3f	Q4f	
Americas	(% , end of period)									
Bank of Canada	1.75	1.75	2.00	2.25	2.50	2.75	2.75	2.75	2.75	
US Federal Reserve (upper bound)	2.50	2.50	2.75	3.00	3.25	3.25	3.25	3.25	3.25	
Bank of Mexico	8.25	8.50	8.50	8.50	8.50	8.50	8.00	7.75	7.50	
Central Bank of Brazil	6.50	6.50	7.00	7.50	8.25	8.75	8.75	8.75	8.75	
Bank of the Republic of Colombia	4.25	4.25	4.25	4.75	5.00	5.00	5.00	5.00	5.00	
Central Reserve Bank of Peru	2.75	2.75	2.75	3.00	3.25	3.50	3.50	3.50	3.50	
Central Bank of Chile	2.75	3.00	3.00	3.25	3.50	3.75	4.00	4.00	4.00	
Europe										
European Central Bank	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	1.00	1.00	1.00	1.00	1.00	
Asia/Oceania										
Reserve Bank of Australia	1.50	1.50	1.50	1.50	1.50	1.75	1.75	2.00	2.00	
Bank of Japan	-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	
Reserve Bank of India	6.50	6.25	6.25	6.25	6.25	6.25	6.25	6.25	6.25	
Bank of Korea	1.75	1.75	1.75	1.75	2.00	2.00	2.00	2.00	2.00	
Bank of Thailand	1.75	1.75	1.75	1.75	2.00	2.00	2.00	2.00	2.00	
Currencies and Interest Rates										
Americas	(end of period)									
Canadian dollar (USDCAD)	1.36	1.32	1.30	1.27	1.27	1.25	1.25	1.23	1.23	
Canadian dollar (CADUSD)	0.73	0.76	0.77	0.79	0.79	0.80	0.80	0.81	0.81	
Mexican peso (USDMXN)	19.65	20.03	20.13	20.60	21.36	21.50	21.36	21.46	21.81	
Brazilian real (USDBRL)	3.88	4.12	4.18	4.24	4.27	4.35	4.41	4.47	4.52	
Colombian peso (USDCOP)	3,254	3,080	3,105	3,150	3,120	3,050	3,100	3,125	3,150	
Peruvian sol (USDPEN)	3.37	3.35	3.31	3.32	3.30	3.31	3.27	3.28	3.25	
Chilean peso (USDCLP)	694	671	664	658	646	643	643	647	639	
Europe										
Euro (EURUSD)	1.15	1.17	1.22	1.26	1.30	1.30	1.30	1.32	1.32	
UK pound (GBPUSD)	1.28	1.32	1.35	1.37	1.40	1.42	1.42	1.45	1.45	
Asia/Oceania										
Japanese yen (USDJPY)	110	110	110	108	108	107	107	105	105	
Australian dollar (AUDUSD)	0.70	0.75	0.77	0.77	0.78	0.78	0.78	0.78	0.78	
Chinese yuan (USDCNY)	6.88	6.80	6.60	6.70	6.70	6.60	6.60	6.50	6.50	
Indian rupee (USDINR)	69.8	69.0	67.0	68.0	68.0	67.0	67.0	66.0	66.0	
South Korean won (USDKRW)	1,116	1,090	1,080	1,085	1,085	1,080	1,080	1,070	1,070	
Thai baht (USDTHB)	32.5	32.0	31.6	31.8	31.8	31.6	31.6	31.4	31.4	
Canada (Yields, %)										
3-month T-bill	1.65	1.80	2.05	2.30	2.55	2.80	2.80	2.80	2.80	
2-year Canada	1.86	2.00	2.20	2.45	2.65	2.85	2.85	2.85	2.85	
5-year Canada	1.89	2.10	2.30	2.55	2.75	2.95	2.95	2.95	2.95	
10-year Canada	1.97	2.20	2.35	2.60	2.80	3.00	3.00	3.00	3.00	
30-year Canada	2.18	2.35	2.50	2.75	2.90	3.10	3.10	3.10	3.10	
United States (Yields, %)										
3-month T-bill	2.36	2.40	2.65	2.90	3.15	3.15	3.15	3.15	3.15	
2-year Treasury	2.49	2.75	2.90	3.10	3.30	3.30	3.30	3.30	3.30	
5-year Treasury	2.51	2.80	3.00	3.20	3.35	3.35	3.35	3.40	3.45	
10-year Treasury	2.68	2.90	3.10	3.30	3.40	3.45	3.45	3.50	3.55	
30-year Treasury	3.01	3.10	3.25	3.50	3.50	3.60	3.60	3.65	3.65	

Sources: Scotiabank Economics, Bloomberg.

The Provinces		(annual % change except where noted)										
	CA	NL	PE	NS	NB	QC	ON	MB	SK	AB	BC	
Real GDP												
2000–17	2.1	2.4	1.8	1.3	1.2	1.8	2.0	2.3	2.0	2.8	2.7	
2017	3.0	0.9	3.5	1.5	1.8	2.8	2.8	3.2	2.2	4.4	3.8	
2018e	2.0	-0.5	2.0	1.2	1.1	2.3	2.1	1.8	1.5	2.3	2.4	
2019f	1.8	1.5	1.6	1.0	0.9	1.8	1.9	1.8	1.8	1.5	2.6	
2020f	2.0	0.7	1.1	0.9	0.9	1.6	1.6	1.5	1.8	2.4	3.5	
Nominal GDP												
2000–17	4.3	5.6	4.2	3.3	3.4	3.7	3.9	4.4	5.4	5.9	4.7	
2017	5.6	4.3	4.8	2.9	4.3	5.0	4.1	5.4	4.8	10.0	6.9	
2018e	4.1	2.9	3.9	3.1	2.8	4.4	3.5	3.6	3.9	5.0	4.8	
2019f	3.5	3.8	3.6	2.8	2.6	3.4	3.4	3.7	3.8	2.9	4.8	
2020f	4.2	3.9	3.0	2.8	2.5	3.7	3.7	3.5	4.4	5.2	6.0	
Employment												
2000–17	1.4	0.6	1.1	0.6	0.4	1.3	1.3	1.0	1.1	2.2	1.5	
2017	1.9	-3.7	3.1	0.6	0.4	2.2	1.8	1.7	-0.2	1.0	3.7	
2018	1.3	0.5	3.0	1.5	0.3	0.9	1.6	0.6	0.4	1.9	1.1	
2019f	1.1	0.1	1.1	0.3	0.2	0.9	1.3	0.6	0.8	1.0	1.2	
2020f	0.7	0.0	0.7	0.2	0.2	0.6	0.7	0.6	0.6	1.0	1.0	
Unemployment Rate (%)												
2000–17	7.1	14.3	11.1	8.8	9.5	7.9	7.0	5.1	5.0	5.3	6.5	
2017	6.3	14.8	9.8	8.4	8.1	6.1	6.0	5.4	6.3	7.8	5.1	
2018	5.8	13.8	9.4	7.6	8.0	5.5	5.6	6.0	6.1	6.6	4.7	
2019f	5.7	13.5	9.4	7.6	7.9	5.4	5.4	5.9	6.0	6.6	4.7	
2020f	5.9	13.4	9.5	7.6	7.9	5.6	5.5	5.9	6.0	6.7	4.7	
Housing Starts (units, 000s)												
2000–17	200	2.5	0.8	4.3	3.4	44	72	5.2	5.2	34	29	
2017	220	1.4	0.9	4.0	2.3	46	79	7.5	4.9	29	44	
2018	213	1.1	1.1	4.8	2.3	47	79	7.4	3.6	26	41	
2019f	202	1.4	0.8	3.9	2.0	42	74	6.1	4.6	30	38	
2020f	200	1.4	0.8	3.8	2.0	41	72	6.1	5.0	31	37	
Motor Vehicle Sales (units, 000s)												
2000–17	1,657	29	6	48	38	413	635	47	45	216	180	
2017	2,041	33	9	59	42	453	847	62	56	245	235	
2018e	1,984	28	8	51	38	449	853	67	47	226	217	
2019f	1,930	30	8	48	35	430	826	60	48	220	225	
2020f	1,900	30	8	47	34	420	810	55	48	215	233	
Budget Balances, Fiscal Year Ending March 31 (CAD mn)												
2017	-19,000	-1,148	-1	151	-117	2,361	-991	-764	-1,218	-10,784	2,737	
2018	-19,000	-911	75	230	67	2,622	-3,700	-695	-303	-8,023	301	
2019f	-18,100	-547	4	27	-131	1,650	-14,544	-518	-348	-7,512	1,350	

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

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