

April 12, 2019

International	2000–17	2017	2018	2019f	2020f	2000–17	2017	2018	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	3.2	3.3					
Canada	2.1	3.0	1.8	1.6	2.1	1.9	1.8	2.0	1.5	2.0
United States	2.0	2.2	2.9	2.4	1.9	2.2	2.1	2.2	1.9	2.2
Mexico	2.2	2.1	2.0	1.4	1.3	4.4	6.8	4.8	4.0	3.8
United Kingdom	1.9	1.8	1.4	1.1	1.2	2.1	3.0	2.1	1.9	2.0
Eurozone	1.4	2.4	1.8	1.1	1.5	1.8	1.3	1.5	1.2	1.6
Germany	1.4	2.2	1.4	0.9	1.4	1.4	1.4	1.6	1.6	1.7
France	1.4	2.2	1.5	1.3	1.4	1.4	1.2	1.6	1.3	1.6
China	9.3	6.8	6.6	6.2	6.0	2.3	1.8	1.8	2.2	2.3
India	7.1	6.7	7.3	7.0	7.3	6.8	5.2	2.1	5.1	5.0
Japan	0.9	1.9	0.8	0.8	0.7	0.1	1.0	0.3	2.3	1.0
South Korea	4.1	3.1	2.7	2.5	2.5	2.5	1.4	1.3	1.3	1.6
Australia	2.9	2.4	2.8	2.5	2.5	2.7	1.9	1.8	2.0	2.2
Thailand	4.1	4.0	4.1	3.8	3.5	1.9	0.8	0.4	1.5	1.6
Brazil	2.5	1.1	1.1	1.9	2.2	6.5	3.0	3.8	3.9	4.9
Colombia	3.9	1.8	2.6	3.4	3.8	5.1	4.1	3.2	3.2	3.1
Peru	5.0	2.5	4.0	4.0	4.0	2.7	1.4	2.2	2.4	2.5
Chile	3.9	1.5	4.0	3.2	3.2	3.3	2.3	2.6	2.8	3.0
Commodities		(annual average)								
WTI Oil (USD/bbl)	62	51	65	59	61					
Brent Oil (USD/bbl)	65	55	72	67	68					
WCS - WTI Discount* (USD/bbl)	-16	-13	-26	-15	-21					
Nymex Natural Gas (USD/mmbtu)	4.83	3.02	3.07	2.90	2.80					
Copper (USD/lb)	2.38	2.80	2.96	3.00	3.20					
Zinc (USD/lb)	0.84	1.31	1.33	1.25	1.20					
Nickel (USD/lb)	7.12	4.72	5.95	5.75	6.00					
Aluminium (USD/lb)	0.87	0.89	0.96	0.90	0.90					
Iron Ore (USD/tonne)	67	72	70	77	70					
Metallurgical Coal (USD/tonne)	131	187	206	185	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	16.00	17.00					
* 2008-16 average.										
Sources: Scotiabank Economics, Statistics Canada, BEA, BLS, IMF, Bloomberg.										

April 12, 2019

North America	2000–17	2017	2018	2019f	2020f	2000–17	2017	2018	2019f	2020f
	Canada					United States				
	(annual % change, unless noted)					(annual % change, unless noted)				
Real GDP	2.1	3.0	1.8	1.6	2.1	2.0	2.2	2.9	2.4	1.9
Consumer spending	2.9	3.5	2.1	1.5	1.9	2.4	2.5	2.6	2.4	2.1
Residential investment	3.6	2.4	-2.3	-2.9	2.1	-0.3	3.3	-0.3	-1.2	1.2
Business investment*	2.2	2.2	2.0	0.5	6.8	3.0	5.3	6.9	3.6	2.4
Government	2.2	2.7	2.7	1.2	1.7	1.0	-0.1	1.5	1.8	1.7
Exports	1.3	1.1	3.3	2.4	2.3	3.7	3.0	4.0	1.9	2.0
Imports	3.0	4.2	2.9	0.3	3.1	3.7	4.6	4.5	3.2	2.8
Nominal GDP	4.3	5.6	3.6	2.6	4.6	4.0	4.2	5.2	4.3	3.9
GDP deflator	2.1	2.6	1.7	0.9	2.4	1.9	1.9	2.3	1.9	1.9
Consumer price index (CPI)	1.9	1.6	2.3	1.4	2.0	2.2	2.1	2.4	1.7	2.2
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	0.5	-4.7	2.1	5.3	3.2	7.8	3.4	1.9
Employment	1.4	1.9	1.3	1.6	0.7	0.7	1.6	1.7	1.4	1.0
Unemployment rate (%)	7.1	6.3	5.8	5.8	5.9	6.1	4.4	3.9	3.9	4.0
Current account balance (CAD, USD bn)	-18.7	-59.4	-58.7	-60.9	-62.8	-501	-449	-488	-542	-603
Merchandise trade balance (CAD, USD bn)	22.9	-23.9	-21.5	-30.1	-35.5	-680	-807	-891	-949	-1026
Federal budget balance (FY, CAD, USD bn)	-3.6	-17.8	-19.0	-18.1	-19.6	-540	-665	-779	-1,091	-1,101
percent of GDP	-0.2	-0.9	-0.9	-0.8	-0.8	-3.7	-3.4	-3.8	-5.1	-5.0
Housing starts (000s, mn)	200	220	213	202	200	1.26	1.20	1.25	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	2.6	0.6	2.2	0.7	2.3	4.0	2.8	1.8
	Mexico									
	(annual % change)									
Real GDP	2.2	2.1	2.0	1.4	1.3					
Consumer price index (year-end)	4.4	6.8	4.8	4.0	3.8					
Current account balance (USD bn)	-15.0	-19.4	-22.2	-27.4	-26.1					
Merchandise trade balance (USD bn)	-7.2	-11.0	-13.7	-17.5	-19.3					

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

Quarterly Forecasts	2018		2019				2020			
	Q3	Q4	Q1e	Q2f	Q3f	Q4f	Q1f	Q2f	Q3f	Q4f
Canada										
Real GDP (q/q ann. % change)	2.0	0.4	1.1	2.2	2.4	2.4	2.4	1.9	1.5	1.2
Real GDP (y/y % change)	1.9	1.6	1.5	1.5	1.5	2.0	2.3	2.3	2.0	1.7
Consumer prices (y/y % change)	2.7	2.0	1.4	1.4	1.4	1.5	1.8	2.0	2.1	2.0
Avg. of new core CPIs (y/y % change)	2.0	1.9	1.8	1.8	1.8	1.9	1.9	1.9	2.0	2.0
United States										
Real GDP (q/q ann. % change)	3.4	2.2	1.7	2.5	2.1	2.1	1.7	1.7	1.7	1.7
Real GDP (y/y % change)	3.0	3.0	2.8	2.4	2.1	2.1	2.1	1.9	1.8	1.7
Consumer prices (y/y % change)	2.6	2.2	1.7	1.6	1.7	1.9	2.1	2.2	2.2	2.2
CPI ex. food & energy (y/y % change)	2.2	2.2	2.1	2.1	2.2	2.1	2.1	2.1	2.1	2.1
Core PCE deflator (y/y % change)	2.0	1.9	1.8	1.8	1.9	1.9	2.0	2.0	2.0	2.0

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

Central Bank Rates	2018		2019			2020			
	Q4	Q1	Q2f	Q3f	Q4f	Q1f	Q2f	Q3f	Q4f
Americas	(%, end of period)								
Bank of Canada	1.75	1.75	1.75	1.75	2.00	2.00	2.25	2.25	2.25
US Federal Reserve (upper bound)	2.50	2.50	2.50	2.50	2.50	2.75	2.75	2.75	2.75
Bank of Mexico	8.25	8.25	8.25	8.25	8.25	8.25	8.00	7.75	7.50
Central Bank of Brazil	6.50	6.50	6.50	6.75	7.25	7.75	8.25	8.50	8.50
Bank of the Republic of Colombia	4.25	4.25	4.25	4.50	4.50	4.75	4.75	4.75	4.75
Central Reserve Bank of Peru	2.75	2.75	2.75	2.75	2.75	2.75	2.75	2.75	2.75
Central Bank of Chile	2.75	3.00	3.00	3.25	3.25	3.50	3.75	3.75	3.75
Europe									
European Central Bank	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Bank of England	0.75	0.75	0.75	0.75	0.75	0.75	1.00	1.00	1.00
Asia/Oceania									
Reserve Bank of Australia	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50
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	6.00	6.00	6.00	6.00	6.00	6.00	6.00
Bank of Korea	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75
Bank of Thailand	1.75	1.75	1.75	1.75	1.75	1.75	.	1.75	1.75
Currencies and Interest Rates									
Americas	(end of period)								
Canadian dollar (USDCAD)	1.36	1.33	1.32	1.30	1.28	1.25	1.25	1.23	1.23
Canadian dollar (CADUSD)	0.73	0.75	0.76	0.77	0.78	0.80	0.80	0.81	0.81
Mexican peso (USDMXN)	19.65	19.43	19.90	20.48	21.26	21.40	21.26	21.36	21.71
Brazilian real (USDBRL)	3.88	3.92	3.91	3.97	4.18	4.08	4.11	4.07	4.18
Colombian peso (USDCOP)	3,254	3,189	3,105	3,150	3,120	3,050	3,100	3,182	3,167
Peruvian sol (USDPEN)	3.37	3.32	3.31	3.32	3.30	3.31	3.27	3.28	3.25
Chilean peso (USDCLP)	694	680	650	650	650	640	640	640	640
Europe									
Euro (EURUSD)	1.15	1.12	1.17	1.19	1.20	1.22	1.22	1.24	1.24
UK pound (GBPUSD)	1.28	1.30	1.35	1.37	1.40	1.42	1.42	1.45	1.45
Asia/Oceania									
Japanese yen (USDJPY)	110	111	110	108	108	107	107	105	105
Australian dollar (AUDUSD)	0.70	0.71	0.73	0.75	0.75	0.77	0.77	0.78	0.78
Chinese yuan (USDCNY)	6.88	6.71	6.60	6.70	6.70	6.60	6.60	6.50	6.50
Indian rupee (USDINR)	69.8	69.1	67.0	68.0	68.0	67.0	67.0	66.0	66.0
South Korean won (USDKRW)	1,116	1,135	1,100	1,120	1,120	1,100	1,100	1,080	1,080
Thai baht (USDTHB)	32.5	31.7	31.6	31.8	31.8	31.6	31.6	31.4	31.4
Canada (Yields, %)									
3-month T-bill	1.65	1.67	1.75	1.80	2.00	2.05	2.25	2.25	2.25
2-year Canada	1.86	1.55	1.70	1.80	2.05	2.10	2.30	2.30	2.30
5-year Canada	1.89	1.52	1.75	1.90	2.10	2.20	2.35	2.35	2.35
10-year Canada	1.97	1.62	1.80	2.00	2.20	2.35	2.45	2.45	2.45
30-year Canada	2.18	1.89	2.10	2.20	2.40	2.50	2.75	2.75	2.75
United States (Yields, %)									
3-month T-bill	2.36	2.39	2.40	2.40	2.40	2.65	2.65	2.65	2.65
2-year Treasury	2.49	2.26	2.45	2.50	2.60	2.80	2.80	2.80	2.80
5-year Treasury	2.51	2.23	2.50	2.60	2.70	2.85	2.85	2.85	2.85
10-year Treasury	2.68	2.41	2.65	2.75	2.85	2.95	2.95	2.95	2.95
30-year Treasury	3.01	2.82	3.00	3.10	3.20	3.25	3.25	3.25	3.25

Sources: Scotiabank Economics, Bloomberg.

The Provinces											
	(annual % change except where noted)										
Real GDP	CA	NL	PE	NS	NB	QC	ON	MB	SK	AB	BC
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	1.8	-0.6	2.0	1.2	1.1	2.1	1.8	1.8	1.4	2.1	2.2
2019f	1.6	1.3	1.5	1.0	0.8	1.7	1.7	1.6	1.6	1.2	2.4
2020f	2.1	0.9	1.1	0.9	0.9	1.7	1.7	1.5	1.7	2.5	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	3.6	2.7	3.8	3.0	2.8	4.1	2.8	3.6	3.6	4.5	4.4
2019f	2.6	3.2	3.4	2.7	2.4	2.2	2.3	3.4	3.5	1.8	4.3
2020f	4.6	4.3	3.1	2.9	2.6	3.8	4.0	3.4	4.4	5.3	6.5
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	1.6	1.2	0.9	1.3	0.3	1.2	1.8	1.3	1.2	1.1	2.1
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	12.8	9.3	7.0	8.0	5.3	5.7	5.9	5.9	6.5	4.5
2020f	5.9	12.7	9.5	7.1	8.0	5.5	5.8	5.9	5.9	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	1.3	0.8	3.9	1.8	43	73	6.1	4.2	28	39
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
2018	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
2019e	-14,900	-547	14	28	5	2,500	-13,549	-470	-348	-6,930	374

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

This report has been prepared by Scotiabank Economics as a resource for the clients of Scotiabank. Opinions, estimates and projections contained herein are our own as of the date hereof and are subject to change without notice. The information and opinions contained herein have been compiled or arrived at from sources believed reliable but no representation or warranty, express or implied, is made as to their accuracy or completeness. Neither Scotiabank nor any of its officers, directors, partners, employees or affiliates accepts any liability whatsoever for any direct or consequential loss arising from any use of this report or its contents.

These reports are provided to you for informational purposes only. This report is not, and is not constructed as, an offer to sell or solicitation of any offer to buy any financial instrument, nor shall this report be construed as an opinion as to whether you should enter into any swap or trading strategy involving a swap or any other transaction. The information contained in this report is not intended to be, and does not constitute, a recommendation of a swap or trading strategy involving a swap within the meaning of U.S. Commodity Futures Trading Commission Regulation 23.434 and Appendix A thereto. This material is not intended to be individually tailored to your needs or characteristics and should not be viewed as a "call to action" or suggestion that you enter into a swap or trading strategy involving a swap or any other transaction. Scotiabank may engage in transactions in a manner inconsistent with the views discussed this report and may have positions, or be in the process of acquiring or disposing of positions, referred to in this report.

Scotiabank, its affiliates and any of their respective officers, directors and employees may from time to time take positions in currencies, act as managers, co-managers or underwriters of a public offering or act as principals or agents, deal in, own or act as market makers or advisors, brokers or commercial and/or investment bankers in relation to securities or related derivatives. As a result of these actions, Scotiabank may receive remuneration. All Scotiabank products and services are subject to the terms of applicable agreements and local regulations. Officers, directors and employees of Scotiabank and its affiliates may serve as directors of corporations.

Any securities discussed in this report may not be suitable for all investors. Scotiabank recommends that investors independently evaluate any issuer and security discussed in this report, and consult with any advisors they deem necessary prior to making any investment.

This report and all information, opinions and conclusions contained in it are protected by copyright. This information may not be reproduced without the prior express written consent of Scotiabank.

™ Trademark of The Bank of Nova Scotia. Used under license, where applicable.

Scotiabank, together with "Global Banking and Markets", is a marketing name for the global corporate and investment banking and capital markets businesses of The Bank of Nova Scotia and certain of its affiliates in the countries where they operate, including, Scotiabanc Inc.; Citadel Hill Advisors L.L.C.; The Bank of Nova Scotia Trust Company of New York; Scotiabank Europe plc; Scotiabank (Ireland) Limited; Scotiabank Inverlat S.A., Institución de Banca Múltiple, Scotia Inverlat Casa de Bolsa S.A. de C.V., Scotia Inverlat Derivados S.A. de C.V. – all members of the Scotiabank group and authorized users of the Scotiabank mark. The Bank of Nova Scotia is incorporated in Canada with limited liability and is authorised and regulated by the Office of the Superintendent of Financial Institutions Canada. The Bank of Nova Scotia is authorised by the UK Prudential Regulation Authority and is subject to regulation by the UK Financial Conduct Authority and limited regulation by the UK Prudential Regulation Authority. Details about the extent of The Bank of Nova Scotia's regulation by the UK Prudential Regulation Authority are available from us on request. Scotiabank Europe plc is authorised by the UK Prudential Regulation Authority and regulated by the UK Financial Conduct Authority and the UK Prudential Regulation Authority.

Scotiabank Inverlat, S.A., Scotia Inverlat Casa de Bolsa, S.A. de C.V., and Scotia Derivados, S.A. de C.V., are each authorized and regulated by the Mexican financial authorities.

Not all products and services are offered in all jurisdictions. Services described are available in jurisdictions where permitted by law.