

## Contributors

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## Landing Softly

- **Incoming data reveal that the global economy is more resilient to higher rates and inflation than earlier considered. This is due in part to historically tight labour markets in key countries.**
- **Inflation is moderating in line with central bank ambitions but remains very elevated. Inflation should continue to decline through 2023 and hit targets in 2024 or beyond. Wage growth will moderate the pace at which inflation declines.**
- **Greater resilience and current inflation trends suggest a stall/soft-landing/mild recession is likely now. We expect a very mild contraction in the United States and Canada in 2023Q2–Q3, one quarter later than earlier assumed.**
- **The Bank of Canada is likely done raising rates, though the Federal Reserve is expected to raise its policy rate two more times to 5.25% over the next two meetings. We expect the Bank of Canada to cut the overnight rate by 25bps by year-end and for the Federal Reserve to cut its rate early next year.**

To date, the global economy has managed dramatically higher policy rates and inflation with more resilience than anticipated. Central banks have been trying to engineer a slowdown in economic activity to reduce the gap between demand and supply and in so doing, reduce inflation to target over time. The resulting rate hikes have been substantial, leading to dramatically higher debt payments for some households which should have led to a sizeable retrenchment in consumer spending. There are well documented long and variable lags in the transmission of monetary through the real economy and into inflation, but we should have observed larger impacts on activity than we have to date even accounting for that. Indeed, data received since our last update is leading us to revise growth up in both 2022 and 2023. Moreover, there is accumulating evidence that inflation in some countries has decidedly turned the corner. And while inflation readings are still well above targets, there is increasing confidence that lower commodity prices and transportation costs, largely repaired supply chains, and healthier inventory levels will continue to put downward pressure on inflation going forward despite evident increase in wages. Taken together, inflation and seemingly greater economic resilience suggest that calls for a mild recession, or stall, or soft landing appear increasingly realistic. This is particularly true in Canada and the United States.

One particularly important factor in the resilience to higher rates and inflation is the tightness observed in key labour markets. Despite headline grabbing tech layoffs, job openings remain near historic highs and are about 50 per cent higher than pre-pandemic levels in the United States. In the Euro Area, the job vacancy rate hovered near its highest level since data have been compiled in 2006 and stands around 40% higher than pre-pandemic levels. In Canada, extremely strong employment growth is allowing the number of vacancies to fall from historic highs, but these vacancies are also around 40% higher than they were pre-pandemic. Job growth actually accelerated in the final quarter of 2022 in Canada. There is of course a lag between labour market developments and economic activity, but we believe extremely tight labour markets are impacting the historical relation between employment and economic activity. We further believe that the challenging labour situation for firms will limit the layoffs typically seen in previous cycles and dampen the necessary increase in unemployment going forward. This is of critical importance to the outlook. Greater job stability leads to more financial resilience on the part of households and can serve as a buffer to developments that would otherwise trigger larger adjustments on the part of households.

Against this context, evidence continues to accumulate that inflation has peaked and is firmly on a downtrend even though it remains well above central bank targets. The key

question on inflation dynamics relates to the speed at which inflationary pressures will subside. The factors that had pushed inflation to multi-decade highs across advanced economies have largely reversed and are now working to bring inflation down. This is evident in goods prices. Service sector prices, which had been less impacted by input cost pressures post-pandemic, are more labour intensive and have been under continued upward pressure given rising wages. This is not likely to fade rapidly given the labour situation. In Canada for instance, we expect wage growth of around 5% in 2023. In conjunction with our views on other input prices and supply/demand conditions, we predict Canadian inflation will average about 4% this year before converging to the 2% target in mid-2024.

Improving inflation dynamics suggest we are near the end of the tightening cycle in the United States and likely at the end in Canada. We think the Federal Reserve will raise its policy rate by two more 25 basis point moves over the next couple of meetings and stop then. This critically assumes that inflation continues on the path it is on and that economic activity and employment growth slow meaningfully. A number of indicators suggest growth is slowing but that has yet to translate to any moderation in the US labour market. As we see it, the risk is tilted towards a higher Fed Funds target rate. We also believe pricing a cut in late 2023 is premature given this risk. The Bank of Canada, on the other hand, has indicated that it has paused its tightening as it awaits to see how the inflation situation evolves and observes the impact of increases in the policy rate on the economy. We think the Bank of Canada is done raising rates and that it will cut rates by 25bps late this year. The earlier reversal of policy rates in Canada essentially reflects a flatter Phillips Curve in the United States, which requires a larger change in economic activity in our southern neighbour to achieve the same reduction in inflation.

Economic resilience is evident in incoming data, which have generally surprised on the upside. There are plenty of signs that domestic demand is slowing, but it is slowing less rapidly than we had assumed. We remain of the view that the United States and Canada will stall and experience a very mild recession but have pushed that contraction to Q2 and Q3 versus our earlier call of a Q1 start. We now forecast an expansion of 1.2% and 1.1% in 2023 for the United States and Canada. This is about half a percentage point higher than our most recent forecast. The unemployment rate should increase in 2023 as well, by about 0.6% in Canada and 0.3% in the United States. If inflation continues to moderate in line with our forecast and we only see a mild pullback in economic activity and unemployment, the Fed and Bank of Canada will likely have managed to engineer a soft landing. This would be a historic achievement if so.

There are nevertheless material risks and uncertainty affecting the outlook. The improvement in the inflation outlook cannot be taken for granted. There is a risk that the reduction in inflation stalls, particularly if the re-opening of the Chinese economy creates another pandemic-related surge in prices. This would of course require higher policy rates. Another risk relates to the impact of the rapid rise in rates observed so far. Though economies have been more resilient than assumed, it still may be the case that a more dramatic adjustment in economic activity results from past increases. And of course, geopolitical tensions remain exceptionally high and pose an ever-present risk to the global economy. A stall or soft-landing is by no means assured, but it does seem increasingly likely.

International												
	2010-19	2020	2021	2022e	2023f	2024f	2010-19	2020	2021	2022e	2023f	2024f
	<b>Real GDP</b> (annual % change)						<b>Consumer Prices</b> (annual % change, unless noted)					
World (based on purchasing power parity)	3.7	-3.0	6.5	3.1	2.5	2.6						
Canada	2.3	-5.1	5.0	3.6	1.1	1.6	1.6	0.7	3.4	6.8	4.0	2.0
United States	2.3	-2.8	5.9	2.1	1.2	1.1	1.8	1.3	4.7	8.0	4.8	2.8
Mexico	2.7	-8.2	4.8	2.8	0.8	1.9	4.0	3.4	5.7	7.8	6.4	4.3
United Kingdom	2.0	-11.0	7.6	4.1	-0.5	1.1	2.2	0.9	2.6	9.1	6.9	2.0
Eurozone	1.4	-6.3	5.6	3.5	0.1	1.2	1.4	0.3	2.6	8.4	6.4	2.5
Germany	2.0	-4.1	2.7	1.9	-0.4	1.3	1.4	0.4	3.2	8.6	7.1	2.7
France	1.4	-7.9	7.2	2.6	0.4	1.1	1.3	0.5	2.1	5.9	5.1	2.2
China	7.7	2.3	8.4	3.0	5.1	5.0	2.7	0.2	0.9	2.0	2.3	2.2
India	7.0	-7.1	8.7	7.0	6.0	6.8	6.8	4.6	5.5	6.6	5.0	4.4
Japan	1.2	-4.7	2.3	1.3	1.3	1.0	0.6	-1.2	-0.3	2.5	1.9	1.1
South Korea	3.3	-0.9	4.1	2.6	1.6	2.3	1.7	0.5	2.5	5.1	3.3	1.9
Australia	2.6	-2.3	5.3	3.6	1.8	1.6	2.1	0.9	2.9	6.6	5.2	3.0
Thailand	3.6	-6.1	1.5	3.2	3.7	3.6	1.5	-0.3	1.2	6.1	2.8	1.7
Brazil*	1.4	-3.3	5.2	3.2	0.8	1.7	5.8	3.2	8.3	9.3	5.6	4.2
Colombia	3.7	-7.0	11.0	8.1	1.5	2.5	3.7	2.5	3.5	10.2	11.5	6.0
Peru	4.5	-11.0	13.6	2.6	2.1	2.4	2.8	1.8	4.0	7.9	6.8	3.7
Chile	3.3	-6.0	12.0	2.7	-1.7	2.8	3.0	3.1	4.5	11.6	7.3	3.2
Commodities												
	(annual average)											
WTI Oil (USD/bbl)	74	39	68	94	85	76						
Brent Oil (USD/bbl)	82	43	70	99	90	80						
WCS - WTI Discount (USD/bbl)	-18	-12	-13	-19	-21	-18						
Nymex Natural Gas (USD/mmbtu)	3.39	2.02	3.84	6.51	4.00	4.00						
Copper (USD/lb)	3.10	2.80	4.23	4.01	3.65	4.00						
Zinc (USD/lb)	1.02	1.03	1.36	1.59	1.45	1.40						
Nickel (USD/lb)	7.00	6.25	8.37	11.77	10.50	9.50						
Iron Ore (USD/tonne)	101	109	160	122	100	90						
Metallurgical Coal (USD/tonne)	179	127	204	365	225	200						
Gold, (USD/oz)	1,342	1,771	1,799	1,803	1,750	1,750						
Silver, (USD/oz)	21.64	20.48	25.15	21.79	20.75	22.50						

Sources: Scotiabank Economics, Statistics Canada, BEA, BLS, IMF, Bloomberg.  
 \*Consumer Prices: average of quarterly y/y% change

North America												
	2010-19	2020	2021	2022e	2023f	2024f	2010-19	2020	2021	2022e	2023f	2024f
	<b>Canada</b>						<b>United States</b>					
	(annual % change, unless noted)						(annual % change, unless noted)					
Real GDP	2.3	-5.1	5.0	3.6	1.1	1.6	2.3	-2.8	5.9	2.1	1.2	1.1
Consumer spending	2.5	-6.1	5.0	4.8	1.2	1.5	2.2	-3.0	8.3	2.8	1.6	1.4
Residential investment	2.5	5.0	14.9	-10.1	-2.8	12.2	4.5	7.2	10.7	-10.7	-12.5	3.9
Business investment*	3.0	-9.8	4.2	7.4	-4.7	11.3	5.1	-4.9	6.4	3.6	1.2	0.7
Government	1.1	1.9	5.5	1.3	1.6	1.7	0.1	2.6	0.6	-0.6	1.9	0.9
Exports	3.6	-8.9	1.4	2.9	5.4	0.5	3.9	-13.2	6.1	7.2	4.1	4.2
Imports	3.7	-9.3	7.8	7.6	-1.0	3.5	4.3	-9.0	14.1	8.1	-0.3	4.0
Inventories, contribution to annual GDP growth	0.1	-1.8	1.0	2.2	-1.2	-0.7	0.2	-0.7	0.2	0.7	-0.4	0.0
Nominal GDP	4.0	-4.5	13.6	11.5	3.7	3.6	4.0	-1.5	10.7	9.2	5.8	3.0
GDP deflator	1.7	0.6	8.2	7.6	2.6	2.0	1.7	1.3	4.5	7.0	4.6	1.9
Consumer price index (CPI)	1.6	0.7	3.4	6.8	4.0	2.0	1.8	1.3	4.7	8.0	4.8	2.8
Core inflation rate**	1.7	1.9	2.7	4.9	3.6	2.0	1.6	1.3	3.5	5.0	3.5	2.6
Pre-tax corporate profits	6.3	-1.4	35.8	12.7	-0.7	3.7	5.9	-5.9	22.6	7.3	2.9	1.6
Employment	1.3	-5.6	5.0	4.0	1.3	1.3	1.2	-5.8	2.8	4.1	1.5	0.4
Unemployment rate (%)	6.9	9.7	7.5	5.3	5.4	5.8	6.2	8.1	5.4	3.6	3.6	4.2
Current account balance (CAD, USD bn)	-56.9	-47.6	-6.7	-13.3	-17.5	-60.8	-407	-620	-846	-946	-829	-858
Merchandise trade balance (CAD, USD bn)	-13.6	-40.3	4.7	26.3	30.5	2.5	-763	-914	-1090	-1188	-1064	-1118
Federal budget balance (FY, CAD, USD bn) ***	-18.7	-327.7	-90.2	-36.4	-30.6	-25.4	-829	-3,132	-2,775	-1,375	-1,116	-1,159
percent of GDP	-1.0	-14.8	-3.6	-1.3	-1.1	-0.8	-4.8	-14.9	-11.9	-5.4	-4.1	-4.2
Housing starts (000s, mn)	201	218	271	262	227	217	1.31	1.40	1.61	1.56	1.38	1.43
Motor vehicle sales (000s, mn)	1,816	1,567	1,667	1,530	1,650	1,771	15.7	14.5	14.9	13.8	14.8	16.0
Industrial production	2.4	-8.2	4.5	4.0	1.0	1.7	1.7	-7.0	5.0	3.9	1.3	2.0
	<b>Mexico</b>											
	(annual % change)											
Real GDP	2.7	-8.2	4.8	2.8	0.8	1.9						
Consumer price index	4.0	3.4	5.7	7.8	6.4	4.3						
Unemployment rate (%)	4.4	4.4	4.1	3.3	3.9	3.7						

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 FY2020/21 are noted in calendar year 2020, FY2021/22 in calendar year 2021.

Quarterly Forecasts													
	2021	2022				2023				2024			
<b>Canada</b>	Q4	Q1	Q2	Q3	Q4e	Q1f	Q2f	Q3f	Q4f	Q1f	Q2f	Q3f	Q4f
Real GDP (q/q ann. % change)	6.9	2.8	3.2	2.9	1.7	0.8	-0.1	-0.5	1.4	1.9	2.9	1.8	2.5
Real GDP (y/y % change)	3.9	3.2	4.7	3.9	2.7	2.2	1.3	0.5	0.4	0.7	1.4	2.0	2.3
Consumer prices (y/y % change)	4.7	5.8	7.5	7.2	6.7	5.3	4.1	3.5	3.0	2.4	2.0	1.9	1.9
Average of new core CPIs (y/y % change)*	3.3	4.1	5.1	5.1	5.2	4.7	3.9	3.1	2.5	2.2	2.0	1.9	1.9
CPIXFET (y/y % change)**	3.2	4.0	5.1	5.4	5.4	4.6	3.8	3.2	2.8	2.5	2.2	2.1	2.0
Unemployment Rate (%)	6.3	5.7	5.1	5.1	5.1	5.1	5.3	5.5	5.7	5.7	5.8	5.8	5.9
<b>United States</b>													
Real GDP (q/q ann. % change)	7.0	-1.6	-0.6	3.2	2.9	1.2	-0.5	-0.1	1.3	1.3	1.5	1.7	1.8
Real GDP (y/y % change)	5.7	3.7	1.8	1.9	1.0	1.7	1.7	0.9	0.5	0.5	1.0	1.4	1.6
Consumer prices (y/y % change)	6.7	8.0	8.6	8.3	7.1	6.0	5.0	4.2	3.8	3.4	2.9	2.5	2.5
Total PCE deflator (y/y % change)	5.7	6.4	6.6	6.3	5.5	4.6	3.9	3.4	3.2	2.9	2.5	2.2	2.2
Core PCE deflator (y/y % change)	4.7	5.3	5.0	4.9	4.7	4.2	3.6	3.2	3.0	2.8	2.7	2.5	2.4
Unemployment Rate (%)	4.2	3.8	3.6	3.6	3.6	3.5	3.5	3.7	3.8	4.0	4.1	4.3	4.4

\* 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													
	2021	2022				2023				2024			
	Q4	Q1	Q2	Q3	Q4	Q1f	Q2f	Q3f	Q4f	Q1f	Q2f	Q3f	Q4f
<b>Americas</b>													
(% , end of period)													
Bank of Canada	0.25	0.50	1.50	3.25	4.25	4.50	4.50	4.50	4.25	3.75	3.25	3.00	3.00
US Federal Reserve (upper bound)	0.25	0.50	1.75	3.25	4.50	5.00	5.25	5.25	5.25	4.75	4.25	3.75	3.50
Bank of Mexico	5.50	6.50	7.75	9.25	10.50	11.00	11.00	11.00	10.50	10.00	9.50	9.00	8.00
Central Bank of Brazil	9.25	11.75	13.25	13.75	13.75	13.50	13.25	12.50	11.75	10.50	9.50	9.00	8.50
Bank of the Republic of Colombia	3.00	5.00	7.50	10.00	12.00	13.00	13.00	13.00	12.00	11.00	8.00	6.50	5.50
Central Reserve Bank of Peru	2.50	4.00	5.50	6.75	7.50	8.00	8.00	8.00	7.25	7.00	6.75	6.25	5.75
Central Bank of Chile	4.00	7.00	9.00	10.75	11.25	11.25	7.50	5.50	4.50	4.25	3.75	3.75	3.75
<b>Europe</b>													
European Central Bank MRO Rate	0.00	0.00	0.00	1.25	2.50	3.50	4.00	4.00	4.00	4.00	3.75	3.50	3.25
European Central Bank Deposit Rate	-0.50	-0.50	-0.50	0.75	2.00	3.00	3.50	3.50	3.50	3.50	3.25	3.00	2.75
Bank of England	0.25	0.75	1.25	2.25	3.50	4.25	4.25	4.25	4.25	4.00	3.75	3.50	3.25
<b>Asia/Oceania</b>													
Reserve Bank of Australia	0.10	0.10	0.85	2.35	3.10	3.60	3.60	3.60	3.60	3.60	3.35	3.10	2.85
Bank of Japan	-0.10	-0.10	-0.10	-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	3.80	3.70	3.70	3.65	3.65	4.35	4.35	4.35	4.35	4.35	4.35	4.35	4.35
Reserve Bank of India	4.00	4.00	4.90	5.90	6.25	6.50	6.50	6.50	6.50	6.38	6.00	6.00	6.00
Bank of Korea	1.00	1.25	1.75	2.50	3.25	3.50	3.50	3.50	3.50	3.25	3.00	2.75	2.50
Bank of Thailand	0.50	0.50	0.50	1.00	1.25	1.50	1.75	1.75	1.75	1.88	1.75	1.75	1.50
Currencies and Interest Rates													
(end of period)													
<b>Americas</b>													
Canadian dollar (USDCAD)	1.26	1.25	1.29	1.38	1.36	1.35	1.35	1.30	1.30	1.27	1.27	1.25	1.25
Canadian dollar (CADUSD)	0.79	0.80	0.78	0.72	0.74	0.74	0.74	0.77	0.77	0.79	0.79	0.80	0.80
Mexican peso (USDMXN)	20.53	19.87	20.12	20.14	19.50	19.18	19.30	19.26	19.43	19.48	19.61	19.73	19.89
Brazilian real (USDBRL)	5.58	4.74	5.26	5.42	5.28	5.38	5.41	5.49	5.38	5.47	5.39	5.31	5.23
Colombian peso (USDCOP)	4,080	3,771	4,155	4,609	4,853	4,702	4,743	4,866	4,805	4,805	4,829	4,829	4,941
Peruvian sol (USDPEN)	4.00	3.68	3.83	3.98	3.81	3.90	3.85	3.85	3.85	3.80	3.82	3.85	3.85
Chilean peso (USDCLP)	852	786	918	969	851	800	825	825	825	800	780	770	750
<b>Europe</b>													
Euro (EURUSD)	1.14	1.11	1.05	0.98	1.07	1.05	1.05	1.10	1.10	1.10	1.10	1.12	1.12
UK pound (GBPUSD)	1.35	1.31	1.22	1.12	1.21	1.20	1.20	1.25	1.25	1.25	1.25	1.28	1.28
<b>Asia/Oceania</b>													
Japanese yen (USDJPY)	115	122	136	145	131	135	135	130	130	130	130	125	125
Australian dollar (AUDUSD)	0.73	0.75	0.69	0.64	0.68	0.67	0.67	0.69	0.69	0.70	0.70	0.72	0.72
Chinese yuan (USDCNY)	6.36	6.34	6.70	7.12	6.90	6.80	6.75	6.70	6.65	6.65	6.65	6.65	6.65
Indian rupee (USDINR)	74.3	75.8	79.0	81.3	82.7	82.0	81.6	81.0	80.0	79.0	79.0	78.0	78.0
South Korean won (USDKRW)	1,189	1,212	1,299	1,431	1,260	1,250	1,260	1,240	1,220	1,200	1,166	1,166	1,166
Thai baht (USDTHB)	33.4	33.3	35.3	37.7	34.6	33.3	33.2	32.8	33.1	32.7	32.3	32.0	31.6
<b>Canada (Yields, %)</b>													
3-month T-bill	0.19	0.73	2.31	3.78	4.32	4.45	4.40	4.35	4.05	3.40	3.10	2.90	2.90
2-year Canada	0.95	2.29	3.15	3.79	4.05	3.85	3.45	3.30	3.20	3.10	3.10	3.10	3.10
5-year Canada	1.26	2.41	3.11	3.33	3.41	3.15	3.05	3.25	3.35	3.25	3.25	3.25	3.25
10-year Canada	1.42	2.40	3.22	3.17	3.30	2.95	2.80	3.15	3.45	3.45	3.50	3.50	3.50
30-year Canada	1.68	2.38	3.13	3.09	3.28	3.00	3.15	3.35	3.55	3.60	3.65	3.65	3.70
<b>United States (Yields, %)</b>													
3-month T-bill	0.06	0.55	1.73	3.21	4.40	5.10	5.05	5.05	4.90	4.45	3.90	3.40	3.10
2-year Treasury	0.73	2.33	3.09	4.28	4.43	4.40	4.10	3.80	3.50	3.30	3.20	3.10	3.00
5-year Treasury	1.26	2.46	3.04	4.09	4.00	3.75	3.40	3.30	3.20	3.15	3.15	3.15	3.15
10-year Treasury	1.51	2.34	3.01	3.83	3.88	3.60	3.20	3.40	3.45	3.50	3.50	3.50	3.50
30-year Treasury	1.90	2.45	3.18	3.78	3.97	3.65	3.40	3.55	3.60	3.65	3.70	3.75	3.75

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>2010-19</b>	2.3	1.1	2.1	1.2	0.7	1.9	2.3	2.2	2.3	2.6	2.9
<b>2020</b>	-5.1	-4.6	-1.6	-3.5	-2.7	-5.0	-4.7	-4.4	-4.8	-8.0	-3.0
<b>2021</b>	5.0	0.6	7.9	6.2	5.9	6.0	5.2	1.8	-0.9	4.8	6.1
<b>2022e</b>	3.6	0.7	2.8	2.6	2.3	2.7	3.8	2.8	5.1	5.4	2.8
<b>2023f</b>	1.1	0.9	1.8	1.2	1.3	0.5	0.9	1.4	2.0	2.5	0.6
<b>2024f</b>	1.6	1.3	1.9	1.4	1.6	1.4	1.9	1.6	1.0	1.2	1.9
<b>Nominal GDP</b>											
<b>2010-19</b>	4.0	3.7	4.2	3.0	2.8	3.9	3.6	3.9	3.5	3.7	4.5
<b>2020</b>	-4.5	-10.0	1.4	0.0	-1.6	-1.9	-2.9	-1.3	-7.6	-15.7	-0.7
<b>2021</b>	13.6	17.7	14.3	10.9	13.8	11.8	10.3	8.4	13.1	26.2	14.2
<b>2022e</b>	11.5	15.6	7.9	6.8	8.6	9.4	9.5	8.8	18.6	21.8	8.6
<b>2023f</b>	3.7	3.4	5.3	4.4	4.6	3.8	4.1	4.4	3.0	3.7	3.5
<b>2024f</b>	3.6	0.8	5.0	4.0	4.3	4.1	4.7	4.0	0.9	1.0	4.2
<b>Employment</b>											
<b>2010-19</b>	1.3	0.6	1.5	0.3	0.0	1.2	1.4	0.7	0.8	1.2	2.0
<b>2020</b>	-5.6	-6.2	-3.4	-4.6	-3.1	-5.4	-5.4	-4.4	-5.1	-7.1	-6.3
<b>2021</b>	5.0	3.4	4.0	5.6	3.1	4.3	5.2	3.7	2.6	5.4	6.2
<b>2022</b>	4.0	4.4	5.4	3.6	2.8	3.0	4.6	3.2	3.5	5.2	3.2
<b>2023f</b>	1.3	1.4	1.5	1.4	1.4	1.1	1.2	1.2	1.4	1.6	1.1
<b>2024f</b>	1.3	1.2	1.3	1.2	1.3	1.2	1.5	1.1	1.1	1.5	1.3
<b>Unemployment Rate (%)</b>											
<b>2010-19</b>	6.9	13.3	10.6	8.7	9.3	7.1	7.0	5.5	6.4	6.2	6.1
<b>2020</b>	9.7	14.3	10.5	9.9	10.3	8.9	9.8	8.1	8.4	11.3	9.1
<b>2021</b>	7.5	13.1	9.8	8.6	9.2	6.1	8.1	6.5	6.6	8.6	6.6
<b>2022</b>	5.3	11.3	7.6	6.5	7.2	4.3	5.6	4.6	4.7	5.8	4.6
<b>2023f</b>	5.4	11.3	7.6	6.5	7.2	4.5	5.8	4.7	4.6	5.7	4.9
<b>2024f</b>	5.8	11.7	8.0	7.0	7.7	5.0	6.0	5.3	5.3	5.9	5.3
<b>Total CPI, annual average</b>											
<b>2010-19</b>	1.6	2.0	1.6	1.7	1.8	1.5	1.9	1.8	1.8	1.7	1.6
<b>2020</b>	0.6	0.2	0.0	0.3	0.2	0.8	0.6	0.5	0.6	1.1	0.8
<b>2021</b>	3.4	3.7	5.1	4.1	3.8	3.8	3.5	3.2	2.6	3.2	2.8
<b>2022</b>	6.8	6.4	8.9	7.5	7.3	6.7	6.8	7.9	6.6	6.5	6.9
<b>2023f</b>	4.0	4.2	4.9	4.4	4.3	4.1	4.1	4.0	3.8	3.7	3.7
<b>2024f</b>	2.0	2.0	2.1	2.0	2.0	1.9	2.1	2.2	2.2	2.1	1.9
<b>Housing Starts (units, 000s)</b>											
<b>2010-19</b>	201	2.2	0.8	4.2	2.7	44	70	6.6	6.0	31	34
<b>2020</b>	218	0.8	1.2	4.9	3.5	54	81	7.3	3.1	24	38
<b>2021</b>	271	1.0	1.3	6.0	3.8	68	100	8.0	4.2	32	48
<b>2022e</b>	262	1.4	1.3	5.7	4.7	57	96	8.1	4.2	37	47
<b>2023f</b>	227	1.0	1.1	5.0	3.6	53	83	6.9	3.6	29	40
<b>2024f</b>	217	0.9	1.2	5.0	3.6	55	84	7.2	3.4	27	40
<b>Motor Vehicle Sales (units, 000s)</b>											
<b>2010-19</b>	1,816	33	7	52	42	441	738	56	54	239	199
<b>2020</b>	1,567	27	7	40	35	378	653	47	42	184	179
<b>2021</b>	1,667	29	8	45	38	404	665	49	43	196	199
<b>2022e</b>	1,530	25	7	35	34	366	628	42	40	182	178
<b>2023f</b>	1,650	27	7	39	37	392	679	45	43	197	190
<b>2024f</b>	1,771	28	8	42	39	419	734	48	46	210	203
<b>Budget Balances, (CAD mn)</b>											
<b>2019*</b>	-39,392	1,117	22	2	49	32	-8,672	5	-319	-12,152	-322
<b>2020</b>	-327,729	-1,492	-6	-342	409	-7,539	-16,404	-2,124	-1,127	-16,962	-5,468
<b>2021</b>	-90,200	-400	-27	351	488	-772	2,051	-704	-1,468	3,944	1,306
<b>2022f</b>	-36,400	479	-93	-143	774	-5,225	-12,900	-193	1,094	12,294	5,732
<b>2023f</b>	-30,600	-309	-52	-419	21	-2,267	-8,100	-440	-384	5,615	-4,128

\* NL budget balance in 2019 is net of one-time revenue boost via Atlantic Accord.

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

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