

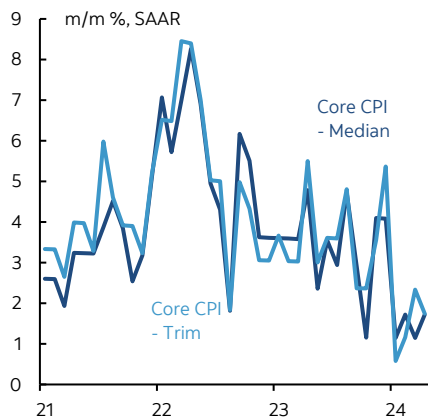
#### Contributors

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Chart 1

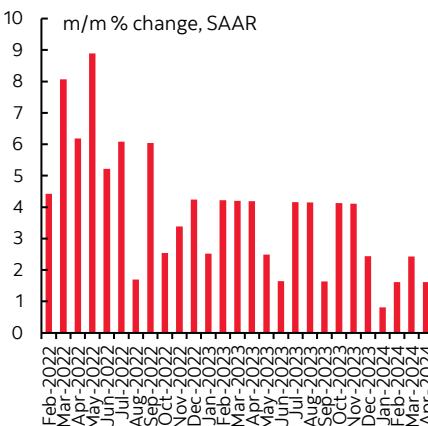
#### BoC's Preferred Core Measures



Sources: Scotiabank Economics, Statistics Canada.

Chart 2

#### Canadian Core Inflation



Sources: Scotiabank Economics, Statistics Canada.

## Post-CPI, the BoC Has a Stronger Case for a July Cut

- The BoC's key core inflation gauges were soft again...
- ...making it four in a row
- More categories are posting improvements
- Markets reacted by driving a mild rally in short-term rates
- The BoC has a stronger case for waiting in July than June

#### CDN CPI, m/m %, April, NSA:

Actual: 0.5 / 2.7

Scotia: 0.4 / 2.6

Consensus: 0.5 / 2.7

Prior: 0.6 / 2.9

Trimmed mean CPI, m/m %, SAAR: 1.75

Weighted median CPI, m/m %, SAAR: 1.7

Make that four soft readings in a row! The key question is whether that's enough to prompt the BoC to cut as soon as two weeks from now on June 5th or whether patience while seeking more data and other arguments to holding off will dominate. There remains a stronger case to cut in Q3/July than June in my opinion and for trading very carefully afterward.

Key is that the BoC's preferred core inflation readings put in another soft month (chart 1). Weighted median CPI was up 1.72% m/m at a seasonally adjusted and annualized rate (SAAR) while trimmed mean CPI was up by 1.75% m/m SAAR. The three-month moving averages dropped to 1.5% and 1.8% m/m SAAR for weighted median and trimmed mean respectively. Traditional core inflation (ex-food and energy) was also soft (chart 2).

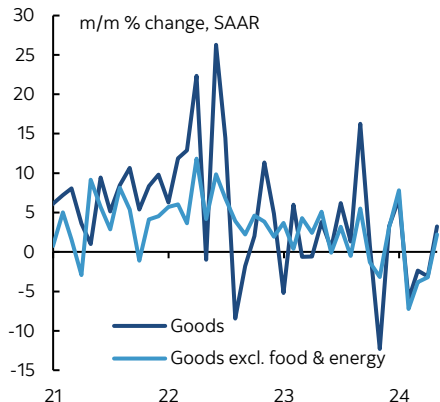
Headline CPI landed at 0.5% m/m NSA which matched the consensus median and mode with 6 forecasters out of 14 expecting this reading, while 3 of us guessed 0.4%, 4 guessed 0.6% and one was at 0.7%.

#### MARKET REACTION

Markets added a few basis points to pricing for a June cut while retaining July as the base case. June cut pricing sits at just over 60% odds with July fully priced for a quarter point an about another 5–6bps beyond that. The Canada 2-year yield rallied by about 7bps. The Canadian dollar depreciated by about a half cent to the USD at first before pulling down to the 1.364 range on a USDCAD basis and after Fed comments.

Chart 3

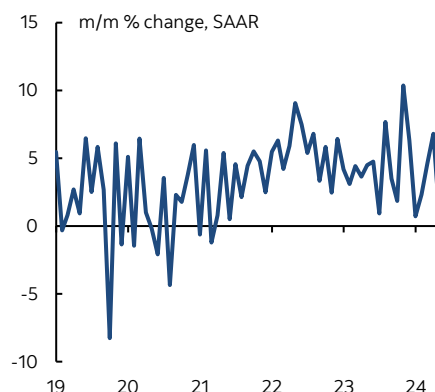
#### Canadian Goods Inflation



Sources: Scotiabank Economics, Statistics Canada, Haver.

Chart 4

#### Canadian Service Inflation



Sources: Scotiabank Economics, Statistics Canada, Haver.

DETAILS

The goods side of the picture picked up which isn't surprising (chart 3), but this time the services side eased off (chart 4). Services ex-shelter inflation was particularly weak but is also very volatile (chart 5). The trend in goods inflation has been pointed higher and services inflation has been very volatile and so a risk is that if the former continues and the volatile latter picks up again then next time they could reinforce one another.

Breadth continues to improve (charts 6–7). The share of the basket that is posting high inflation readings of over 2%, 3% or 4% m/m SAAR is dwindling while the share of the basket that is registered less than 0% is rising.

Charts 8–9 on the following page provide a breakdown of the basket in y/y terms and weighted contributions to y/y inflation. Charts 10–11 on the page after that one do likewise for month-over-month pressures.

Charts 12–22 highlight several CPI components. Clothing and footwear prices remain soft. So did the recreation, education and reading category that captures most leisure activities.

Shelter cost inflation remains high. That is being driven by rent, while homeowners' replacement cost that is driven by builder prices remains soft.

Transportation CPI picked up again and that was driven by higher gasoline prices while vehicle prices and airfare remain soft.

Food prices fell again and in terms of both groceries and at restaurants.

Communications prices that include things like cell phone service and internet service picked up.

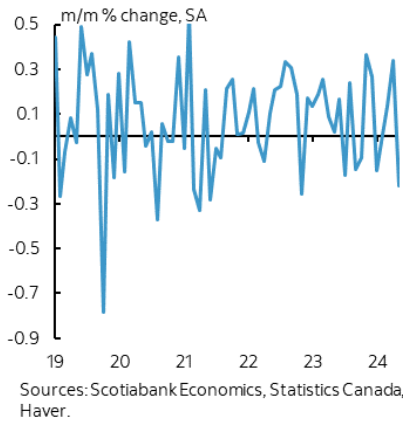
**JUNE, JULY, SEPTEMBER, OR LATER?**

I still think the BoC should wait past June. Our best odds remain on a Q3 cut with July the most probable and 75bps of cuts this year. July pricing is worth paying on the belief that it's unlikely that the BoC would cut back-to-back in both June and July and yet July OIS has about 30bps priced.

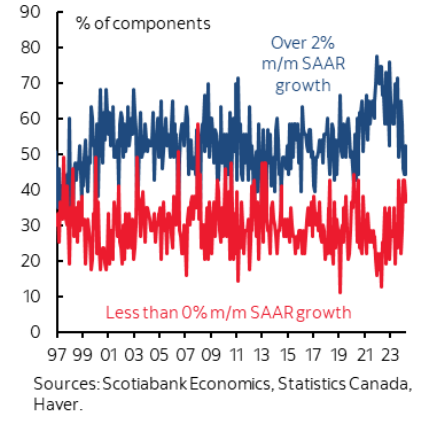
Why wait? For one, Governor Macklem said in carefully developed written testimony just on May 2nd that they would be evaluating developments over coming "months" of additional evidence. Note the plural form of his reference. June 5th was only one month ahead of his comment and one month of additional evidence on inflation and some other metrics like GDP. To cut in June would be a communications misstep that would add to the BoC's hall of fame of communications missteps.

If Macklem cuts on June 5th after saying he wished to wait "months" then the rates complex would probably pile into more cuts for the year as a whole. With the Fed signalling it's in no rush and the BoC already 50bps below with a weaker currency than the Fed is facing, the BoC would risk unmooring CAD and offering

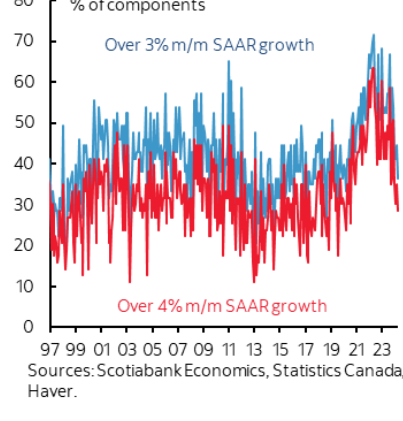
**Chart 5**  
**Canadian Services ex Shelter Inflation**



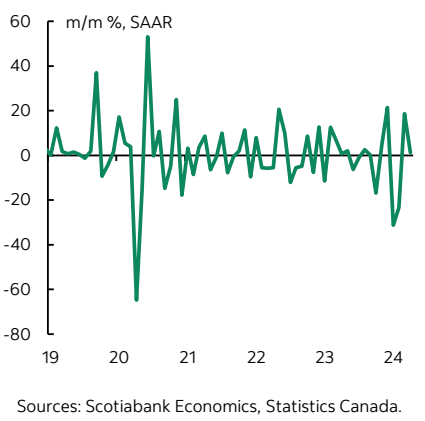
**Chart 6**  
**CA Inflation Breadth**



**Chart 7**  
**CA Inflation Breadth**



**Chart 12**  
**Canada CPI: Clothing**



**Chart 13**  
**Breakdown of Monthly Changes within Recreation Education and Reading CPI Category**

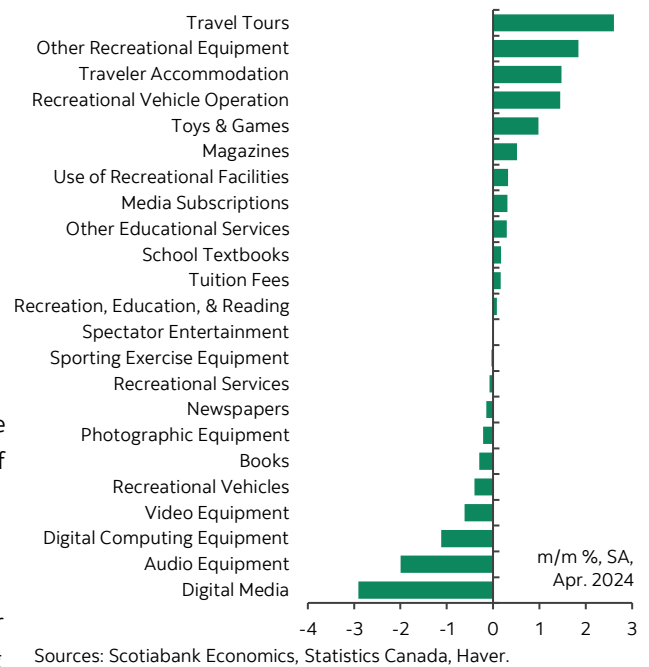


Chart 8

**March Detailed Category Contributions to 12-Month Change in Canadian CPI**

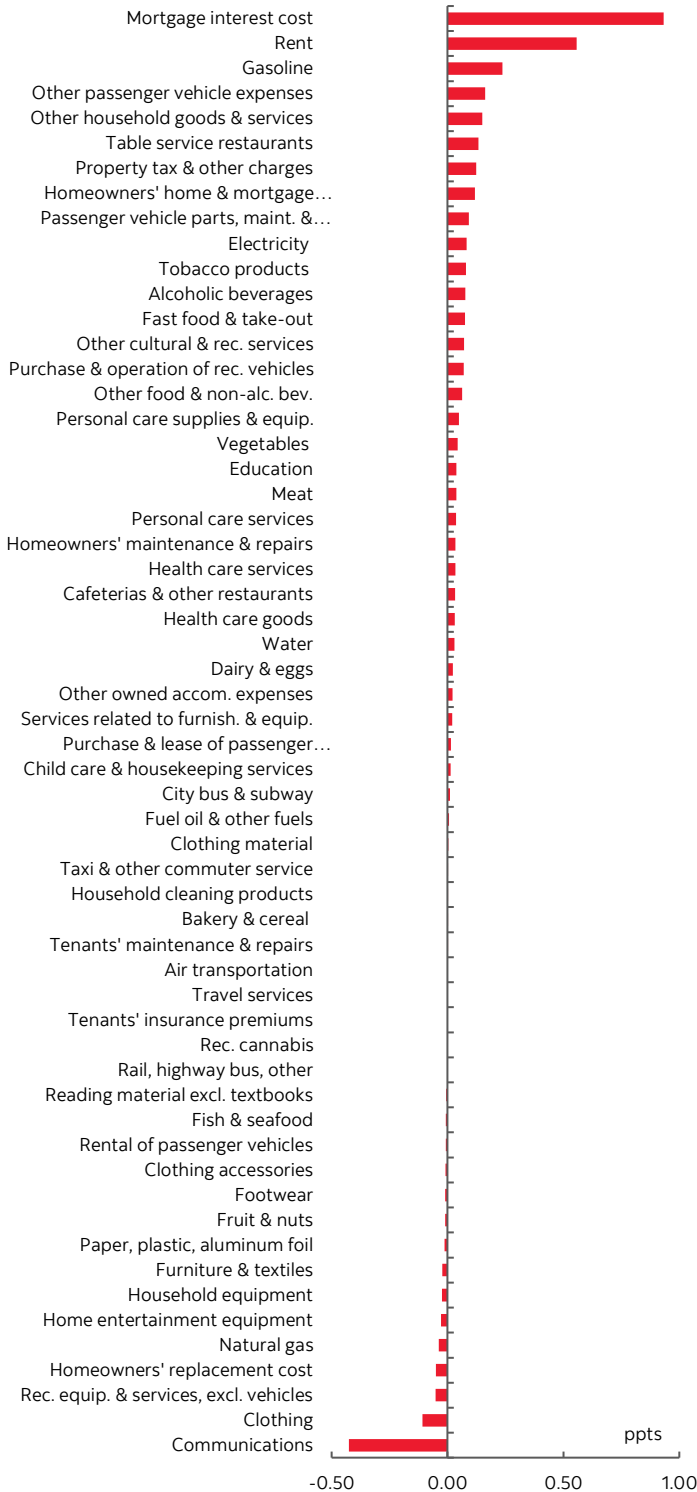
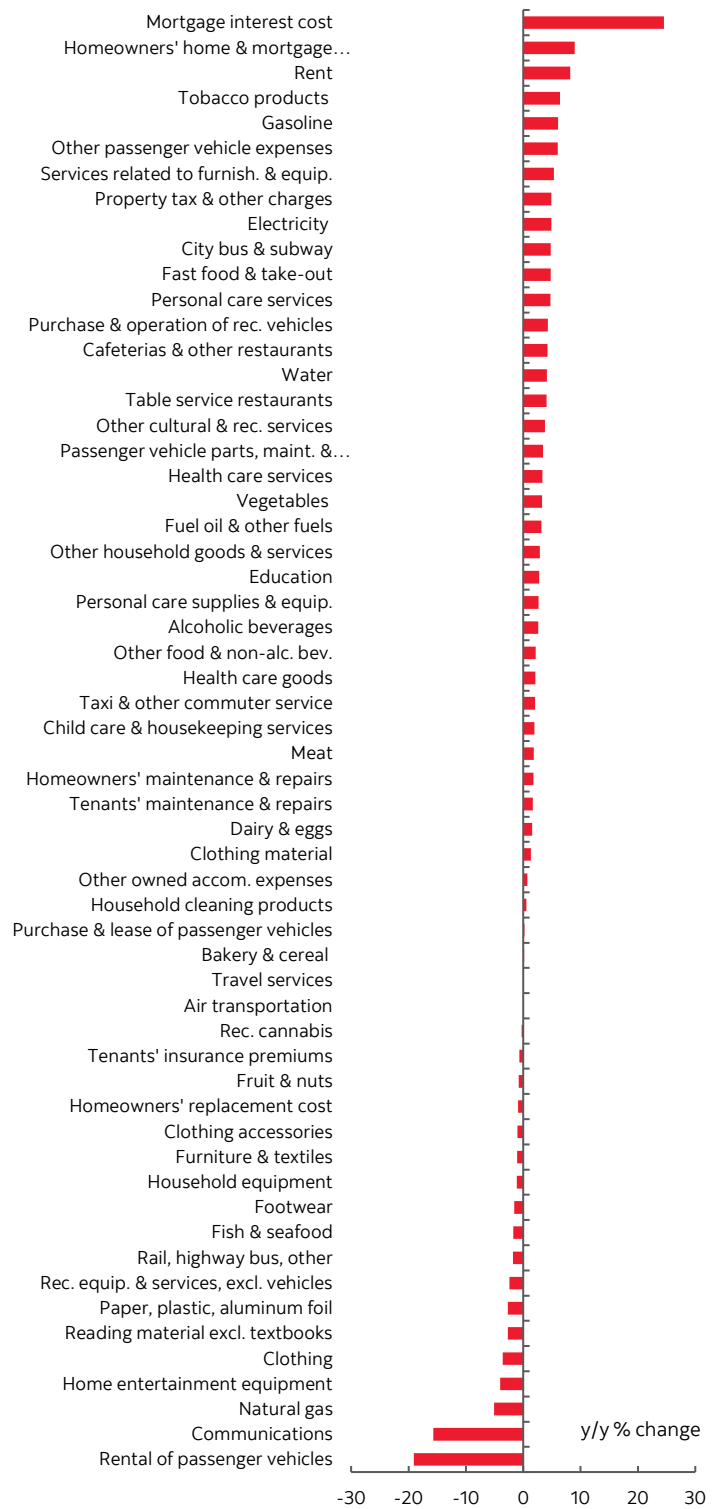


Chart 9

**March Detailed Category 12-Month Change in Canadian CPI**

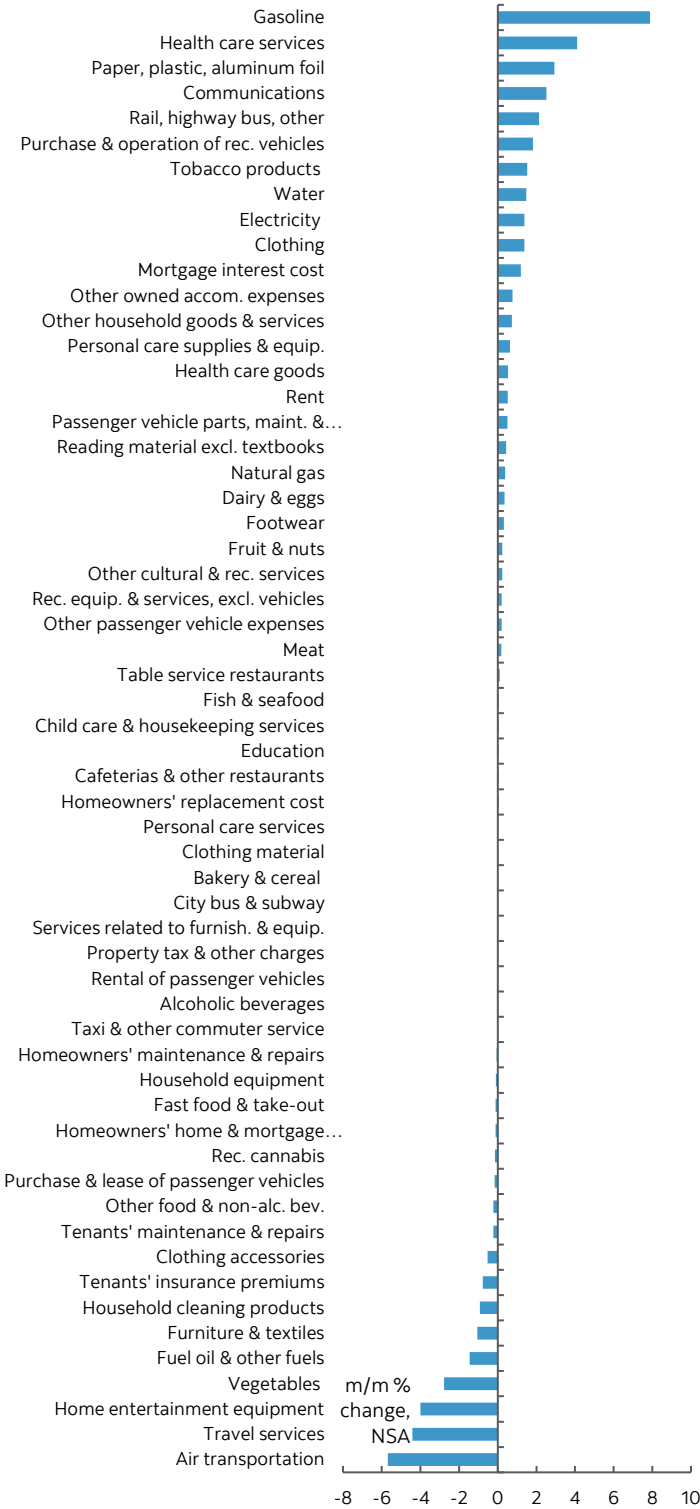


Sources: Scotiabank Economics, Statistics Canada.

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Chart 10

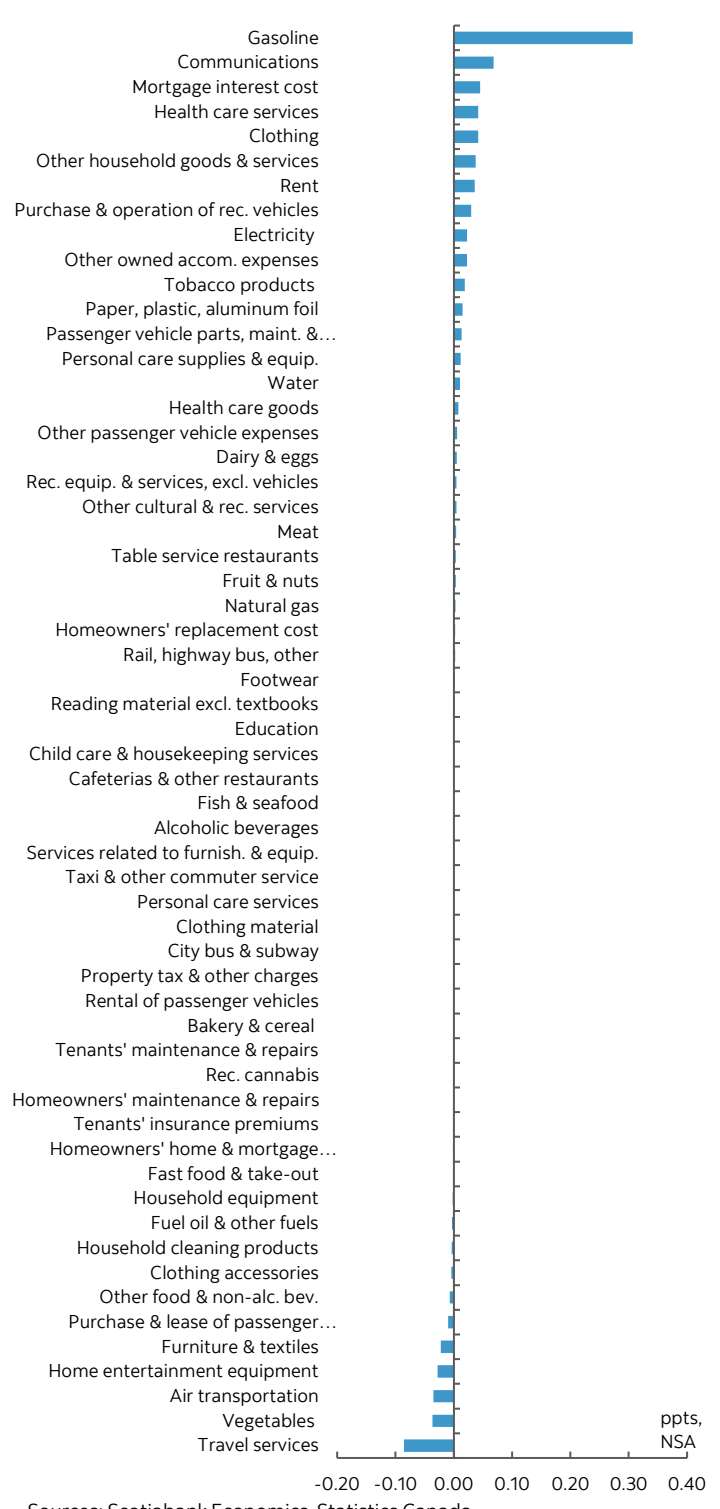
March Detailed Category Monthly Change in Canadian CPI



Sources: Scotiabank Economics, Statistics Canada.

Chart 11

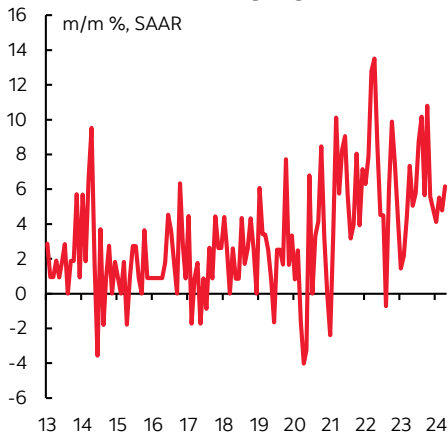
March Detailed Category Contributions to Monthly Change in Canadian CPI



Sources: Scotiabank Economics, Statistics Canada.

Chart 14

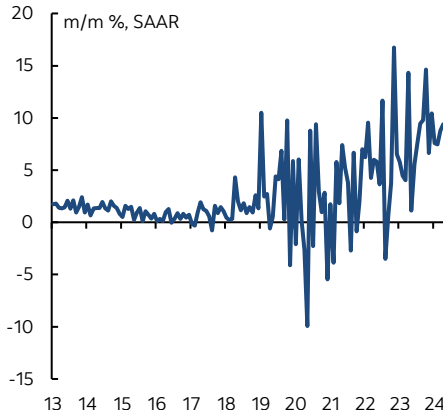
**Shelter Cost Soaring High in Canada**



Sources: Scotiabank Economics, Statistics Canada, Haver.

Chart 15

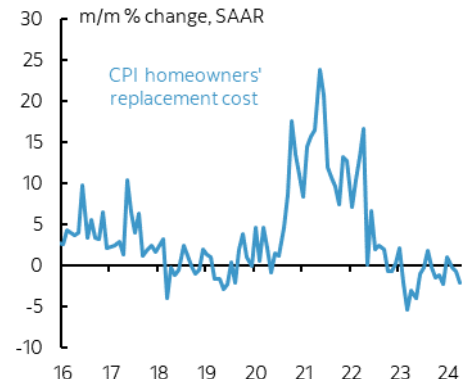
**Rents Soaring in Canada**



Sources: Scotiabank Economics, Statistics Canada, Haver.

Chart 16

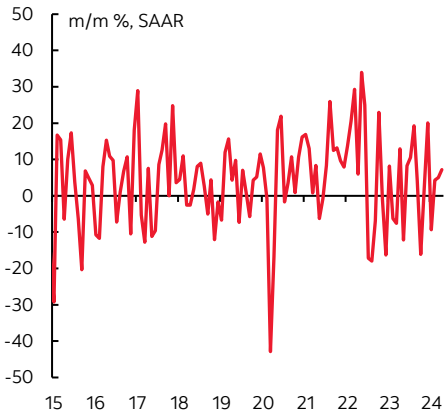
**Canada CPI: Homeowners' Replacement Cost**



Sources: Scotiabank Economics, Statistics Canada, Haver.

Chart 17

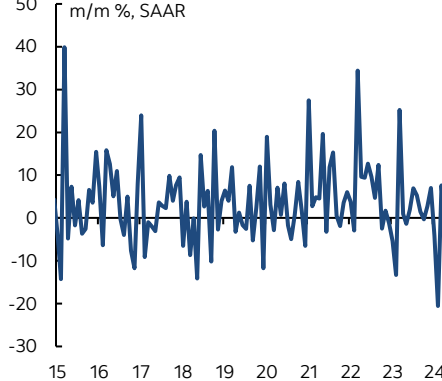
**Canada CPI: Transportation**



Sources: Scotiabank Economics, Statistics Canada.

Chart 18

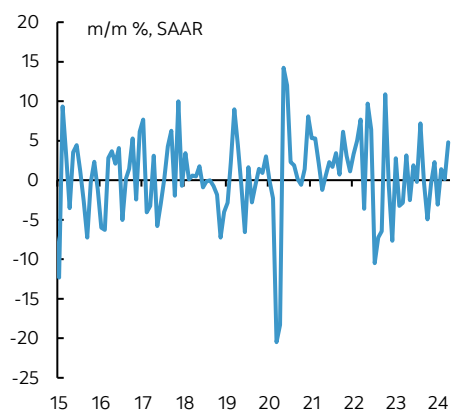
**Canada CPI: Private Purchase of Passenger Vehicles**



Sources: Scotiabank Economics, Statistics Canada, Haver.

Chart 19

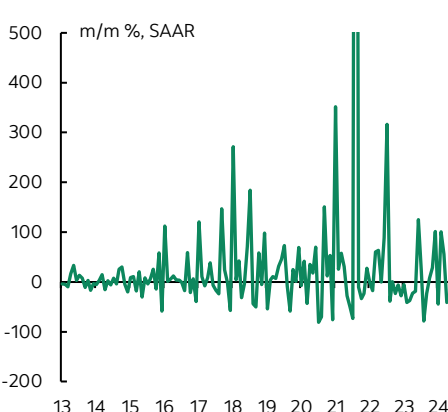
**Canada CPI: Gasoline**



Sources: Scotiabank Economics, Statistics Canada, Haver.

Chart 20

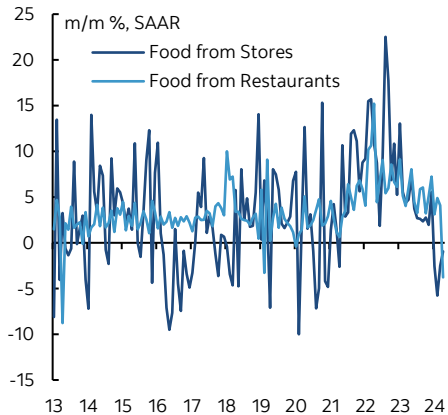
**Canada CPI: Air Transportation**



Sources: Scotiabank Economics, Statistics Canada.

Chart 21

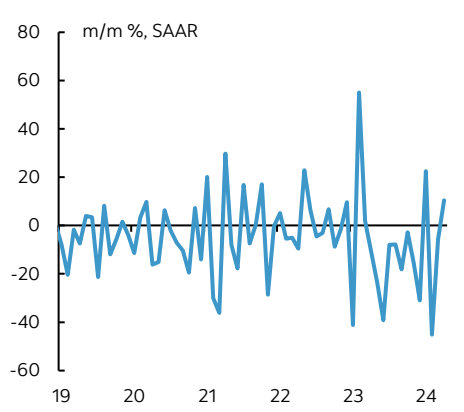
**Canada CPI: Food Prices**



Sources: Scotiabank Economics, Statistics Canada, Haver.

Chart 22

**Canada CPI: Communications**



Sources: Scotiabank Economics, Statistics Canada.

a little more upside to what I view as ongoing arguments for viewing full cycle inflation risk as being higher in Canada than the US.

Furthermore, the BoC will have much more evidence by the July 24th decision and not much more by the June 5th meeting other than GDP. The list of what they'll get by July and not June includes:

- another batch of consumer and business surveys including inflation expectations that Macklem emphasizes as one of the key readings;
- the BoC will have the opportunity to update their forecasts at the July meeting and provide a full suite of communications;
- They'll know what the Fed does on June 12th including its dot plot after the BoC's June meeting but before the July one;
- the BoC will have more evidence on H1 growth including not only the Q1 figures at the end of this month, but more evidence on Q2 amid very tentative indications it's holding up
- They'll have another two rounds of figures for jobs and wages after 90k jobs were created in April;

Overall, however, I'm not budging from my narrative that we need a lot more inflation data to test potentially temporary influences. As argued in meetings last week, there was a chance that April could see firmer TM and WM figures today, but that timing it is impossible and I'd want to see overall Q2 data to have more confidence that what is driving core inflation lower isn't just a confluence of temporary factors. Charts 23–26 continue to highlight how exceptionally unusual some of the price softness is to start 2024 and drivers could well include weather and regulatory pressure on sectors like telecoms and grocers. If so, then these nonfundamental factors could mean revert higher.

What 's the argument for rushing in June, on the other hand? Macklem. Period. He's a dove at heart and communicates in ways that make it dicey to rely too heavily upon what he says. That's been true every step of the way. Take, for instance, speeches when he was SDG under Carney about pushing the frontiers of maximum employment that he then repeated upon becoming Governor while ignoring all of inflation's warning signs and hiking too late. Then playing catch-up at a frantic pace. Or pausing prematurely. Or resuming hikes. Then celebrating a few lousy months of soft inflation readings after one of modern history's worst inflationary episodes. Everyone's confidence in exactly what the BoC will do should be tempered by this consideration.

**WHEN TO START MATTERS MUCH LESS THAN THE PATH THEREAFTER**

Nevertheless, the greater vulnerability in rates pricing remains not around the exact starting point to cutting, but around the path thereafter and how restrictive the BoC wishes to be and for how long. I would tread very, very carefully. The BoC's output gap framework is not performing as they anticipated coming into the start of the year. Aggregate demand and aggregate supply are on the list of things Macklem says he is watching. Q1 growth is reasonably somewhere between 2–3% with high uncertainty in areas like inventories, but considerably stronger than 0.5% in their January MPR forecast before they reset higher in the April MPR. That was after Q4 surprised them a percentage point higher. Very tentative evidence for Q2 is looking like another decent quarter but loosely based on tracking of hours and alt-data with not much hard data yet.

Chart 23

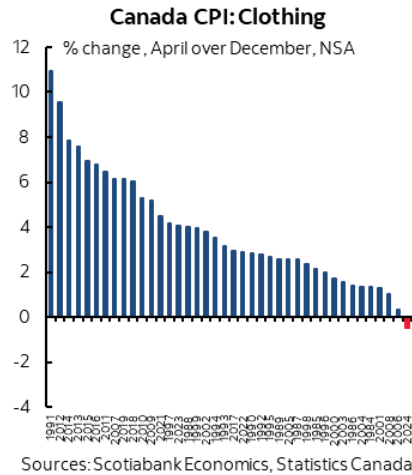


Chart 24

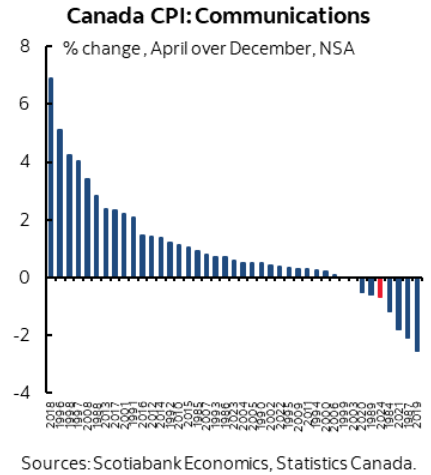


Chart 25

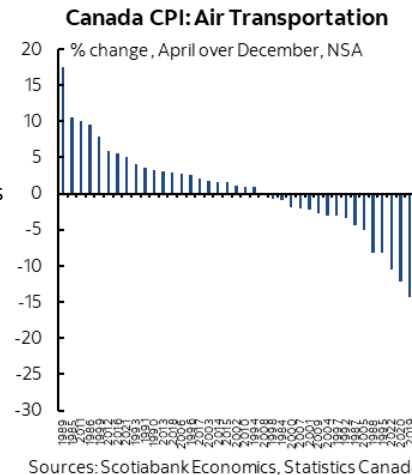
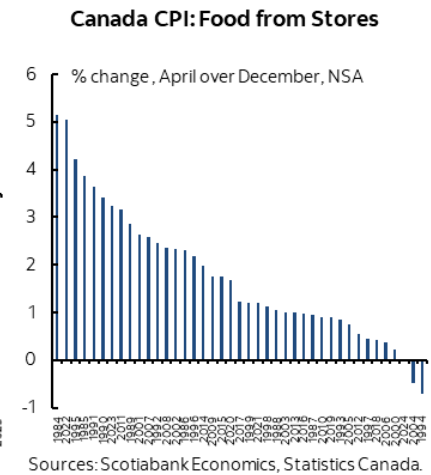


Chart 26



This is key because the BoC had been saying at the start of the year that 2024H1 would be the worst period for the economy and it's certainly not looking like that given tracking of growth and employment conditions. With the Fed in no rush and the economy outperforming their earlier expectations, the risk of reigniting inflationary pressures by cutting too soon and too fast is very high. As argued in publications and umpteen client meetings, I still think inflation *risk* is higher in Canada than the US going forward.

Please also see chart 27 for a breakdown of what was in and out of the trimmed mean basket this time. The appendix includes a more detailed table including subcomponents and micro charts.

Chart 27

**April Single-Month Components Included and Excluded from Bank of Canada Trim Core CPI Measure**



Sources: Scotiabank Economics, Statistics Canada.

May 21, 2024

Apr 2024					Weighted Contributions (ppts)*			5-Year Pre-Pandemic			10-Year Pre-Pandemic			
CA INFLATION COMPONENT BREAKDOWN	y/y % change	10-year trend	Pandemic trend (Jan 2019–Present)	m/m % change, NSA	m/m % change, SA**	Weights (%)	y/y	m/m	2015–2019 avg. y/y	Std. Dev.	Z-Score	2011–2019 avg. y/y	Std. Dev.	Z-Score
<b>Food</b>	<b>2.3</b>			<b>-0.2</b>	<b>-0.2</b>	<b>16.65</b>	<b>0.39</b>	<b>-0.04</b>	<b>2.1</b>	<b>1.7</b>	<b>0.1</b>	<b>2.2</b>	<b>1.5</b>	<b>0.1</b>
<b>Food, stores</b>	<b>1.4</b>			<b>-0.3</b>		<b>11.04</b>	<b>0.15</b>	<b>-0.04</b>	<b>1.7</b>	<b>2.4</b>	<b>-0.1</b>	<b>2.0</b>	<b>2.0</b>	<b>-0.3</b>
Meat	1.8			0.2	-0.6	2.07	0.04	0.00	2.5	3.6	-0.2	3.4	3.6	-0.4
Fish & seafood	-1.8			0.1	-0.4	0.39	-0.01	0.00	2.9	1.4	<b>-3.3</b>	2.8	2.5	<b>-1.8</b>
Dairy products & eggs	1.5			0.4	0.3	1.47	0.02	0.01	0.2	1.5	0.8	0.6	1.5	0.6
Bakery & cereal products	0.2			0.0	0.1	1.52	0.00	0.00	0.5	2.1	-0.2	1.2	2.3	-0.5
Fruit, fruit prep. & nuts	-0.8			0.2	0.3	1.33	-0.01	0.00	1.8	4.4	-0.6	2.0	3.5	-0.8
Vegetables & vegetable prep.	3.3			-2.8	-0.5	1.32	0.04	-0.04	4.9	6.4	-0.3	3.6	5.8	-0.1
Other food & non-alcoholic beverages	2.1			-0.2	-0.4	2.95	0.06	-0.01	1.0	1.5	0.7	1.3	1.7	0.5
<b>Food, restaurants</b>	<b>4.3</b>			<b>0.0</b>		<b>5.61</b>	<b>0.24</b>	<b>0.00</b>	<b>3.0</b>	<b>0.7</b>	<b>1.9</b>	<b>2.6</b>	<b>0.7</b>	<b>2.3</b>
Table service restaurants	4.0			0.1		3.29	0.13	0.00	2.9	0.6	2.1	2.6	0.6	2.3
Fast food & take-out	4.8			-0.1		1.57	0.07	0.00	3.2	1.2	1.3	2.6	1.2	1.8
Cafeterias & other restaurants	4.3			0.1		0.76	0.03	0.00	3.0	0.6	2.0	2.6	0.7	2.3
<b>Shelter</b>	<b>6.4</b>			<b>0.5</b>	<b>0.5</b>	<b>28.34</b>	<b>1.82</b>	<b>0.14</b>	<b>1.8</b>	<b>0.6</b>	<b>7.9</b>	<b>1.7</b>	<b>0.8</b>	<b>6.0</b>
<b>Rented accommodation</b>	<b>7.9</b>			<b>0.5</b>	<b>0.5</b>	<b>7.03</b>	<b>0.56</b>	<b>0.03</b>	<b>1.3</b>	<b>0.8</b>	<b>8.2</b>	<b>1.3</b>	<b>0.6</b>	<b>11.2</b>
Rent	8.2			0.5		6.79	0.56	0.04	1.3	0.8	8.4	1.3	0.6	11.5
Tenants' insurance premiums	-0.7			-0.8		0.15	0.00	0.00	1.1	1.6	-1.1	0.3	1.6	-0.6
Tenants' maintenance & repairs	1.7			-0.2		0.09	0.00	0.00	2.2	1.0	-0.5	2.6	2.2	-0.4
<b>Owned accommodation</b>	<b>6.6</b>			<b>0.4</b>		<b>17.96</b>	<b>1.18</b>	<b>0.08</b>	<b>2.3</b>	<b>0.4</b>	<b>10.1</b>	<b>1.7</b>	<b>0.8</b>	<b>5.9</b>
Mortgage interest cost	24.5			1.2	1.2	3.80	0.93	0.05	2.1	3.6	6.2	-0.1	3.6	6.9
Homeowners' replacement cost	-0.9			0.0	0.0	5.47	-0.05	0.00	1.9	1.7	-1.7	2.1	1.5	-2.1
Property tax & other charges	4.9			0.0	0.2	2.51	0.12	0.00	2.4	0.6	4.4	2.8	0.7	3.1
Homeowners' home & mortgage insurance	9.0			-0.1	-0.1	1.31	0.12	0.00	5.2	2.3	1.6	4.5	2.6	1.7
Homeowners' maintenance & repairs	1.8			-0.1	-0.1	1.93	0.03	0.00	2.0	1.1	-0.2	2.0	1.4	-0.2
Other owned accommodation expenses	0.7			0.8	-0.2	2.93	0.02	0.02	2.0	1.2	-1.0	2.4	2.0	-0.9
<b>Water, fuel, &amp; elec.</b>	<b>2.4</b>			<b>1.0</b>		<b>3.35</b>	<b>0.08</b>	<b>0.03</b>	<b>0.8</b>	<b>2.1</b>	<b>0.8</b>	<b>2.5</b>	<b>3.4</b>	<b>0.0</b>
Electricity	4.9			1.4	1.4	1.67	0.08	0.02	1.2	4.4	0.8	2.5	3.8	0.6
Water	4.1			1.5	0.4	0.73	0.03	0.01	3.7	0.9	0.4	4.9	1.4	-0.6
Natural gas	-5.1			0.4	-4.3	0.74	-0.04	0.00	-1.3	9.0	-0.4	0.4	10.6	-0.5
Fuel oil & other fuels	3.2			-1.4	-1.4	0.21	0.01	0.00	-0.1	15.5	0.2	5.1	14.2	-0.1
<b>Household operations, furniture &amp; equipment</b>	<b>-2.1</b>			<b>0.5</b>	<b>0.2</b>	<b>14.36</b>	<b>-0.30</b>	<b>0.08</b>	<b>1.2</b>	<b>1.0</b>	<b>-3.1</b>	<b>1.4</b>	<b>0.9</b>	<b>-4.0</b>
<b>Household ops.</b>	<b>-2.9</b>			<b>1.2</b>		<b>9.48</b>	<b>-0.27</b>	<b>0.11</b>	<b>1.3</b>	<b>1.1</b>	<b>-3.8</b>	<b>2.1</b>	<b>1.3</b>	<b>-4.0</b>
Communications	-15.7			2.5	2.6	2.71	-0.43	0.07	0.0	2.8	-5.6	1.5	2.9	-6.0
Child care & housekeeping services	1.9			0.1	0.9	0.71	0.01	0.00	3.4	1.4	-1.1	3.3	1.3	-1.0
Household cleaning products	0.6			-0.9	-0.4	0.42	0.00	0.00	1.3	1.9	-0.4	0.8	1.9	-0.1
Paper, plastic, aluminum foil	-2.7			2.9	2.4	0.51	-0.01	0.01	2.2	2.2	-2.2	2.0	2.0	-2.4
Other household goods & services	2.9			0.7	0.2	5.13	0.15	0.04	1.8	0.5	2.4	2.4	1.1	0.5
<b>Household furnishings &amp; equip.</b>	<b>-0.5</b>			<b>-0.5</b>		<b>4.88</b>	<b>-0.03</b>	<b>-0.03</b>	<b>0.8</b>	<b>1.7</b>	<b>-0.8</b>	<b>0.1</b>	<b>1.6</b>	<b>-0.4</b>
Furniture & textiles	-1.0			-1.0		2.12	-0.02	-0.02	0.4	2.1	-0.7	-0.3	2.1	-0.3
Household equipment	-1.1			-0.1	-0.2	2.25	-0.02	0.00	0.9	1.7	-1.2	0.0	1.8	-0.6
Services related to furnishings & equipment	5.4			0.0	0.2	0.38	0.02	0.00	2.4	1.8	1.6	2.7	2.9	0.9
<b>Clothing &amp; footwear</b>	<b>-2.6</b>			<b>0.8</b>	<b>0.0</b>	<b>4.7</b>	<b>-0.12</b>	<b>0.04</b>	<b>0.6</b>	<b>1.2</b>	<b>-2.6</b>	<b>0.3</b>	<b>1.4</b>	<b>-2.0</b>
<b>Clothing</b>	<b>-3.6</b>			<b>1.4</b>	<b>0.1</b>	<b>3.05</b>	<b>-0.11</b>	<b>0.04</b>	<b>0.5</b>	<b>1.6</b>	<b>-2.5</b>	<b>-0.3</b>	<b>2.1</b>	<b>-1.5</b>
<b>Footwear</b>	<b>-1.6</b>			<b>0.3</b>	<b>0.4</b>	<b>0.64</b>	<b>-0.01</b>	<b>0.00</b>	<b>0.4</b>	<b>1.2</b>	<b>-1.7</b>	<b>0.1</b>	<b>1.4</b>	<b>-1.2</b>
<b>Clothing accessories</b>	<b>-1.0</b>			<b>-0.5</b>		<b>0.83</b>	<b>-0.01</b>	<b>0.00</b>	<b>1.0</b>	<b>1.8</b>	<b>-1.1</b>	<b>2.3</b>	<b>2.6</b>	<b>-1.3</b>
<b>Clothing material</b>	<b>1.3</b>			<b>0.0</b>		<b>0.22</b>	<b>0.00</b>	<b>0.00</b>	<b>2.2</b>	<b>0.7</b>	<b>-1.3</b>	<b>2.7</b>	<b>1.2</b>	<b>-1.2</b>



Apr 2024					Weighted Contributions (ppts)*			5-Year Pre-Pandemic			10-Year Pre-Pandemic			
CA INFLATION COMPONENT BREAKDOWN	y/y % change	10-year trend	Pandemic trend (Jan 2019–Present)	m/m % change, NSA	m/m % change, SA**	Weights (%)	y/y	m/m	2015–2019 avg. y/y	Std. Dev.	Z-Score	2011–2019 avg. y/y	Std. Dev.	Z-Score
<b>Transportation</b>	<b>3.1</b>			<b>1.6</b>	<b>0.6</b>	<b>16.4</b>	<b>0.52</b>	<b>0.27</b>	<b>1.7</b>	<b>3.1</b>	<b>0.5</b>	<b>2.3</b>	<b>3.0</b>	<b>0.3</b>
<b>Private trans.</b>	<b>3.3</b>			<b>2.0</b>		<b>15.2</b>	<b>0.50</b>	<b>0.31</b>	<b>1.3</b>	<b>3.2</b>	<b>0.6</b>	<b>2.2</b>	<b>3.2</b>	<b>0.3</b>
Purchase, lease, rental of passenger vehicles	0.2			-0.2		5.98	0.01	-0.01	2.3	1.5	-1.4	1.9	1.6	-1.1
<u>Purchase &amp; lease of passenger vehicles</u>	<u>0.2</u>			<u>-0.2</u>		<u>5.95</u>	<u>0.01</u>	<u>-0.01</u>	<u>2.3</u>	<u>1.5</u>	<u>-1.4</u>	<u>1.9</u>	<u>1.6</u>	<u>-1.0</u>
Rental of passenger vehicles	-19.1			0.0	-0.9	0.04	-0.01	0.00	1.4	5.2	-3.9	1.2	4.1	-5.0
Operation of passenger vehicles	5.3			3.4		9.25	0.49	0.32	0.7	5.7	0.8	2.4	5.4	0.5
<u>Gasoline</u>	<u>6.1</u>			<u>7.9</u>	<u>1.7</u>	<u>3.89</u>	<u>0.24</u>	<u>0.31</u>	<u>-0.6</u>	<u>13.5</u>	<u>0.5</u>	<u>3.0</u>	<u>12.2</u>	<u>0.3</u>
<u>Passenger vehicle parts, maintenance &amp; repairs</u>	<u>3.5</u>			<u>0.5</u>	<u>0.1</u>	<u>2.66</u>	<u>0.09</u>	<u>0.01</u>	<u>1.9</u>	<u>0.3</u>	<u>4.4</u>	<u>1.6</u>	<u>0.8</u>	<u>2.4</u>
<u>Other passenger vehicle expenses</u>	<u>6.0</u>			<u>0.2</u>	<u>0.2</u>	<u>2.70</u>	<u>0.16</u>	<u>0.01</u>	<u>2.4</u>	<u>2.2</u>	<u>1.6</u>	<u>2.6</u>	<u>2.0</u>	<u>1.7</u>
<b>Public trans.</b>	<b>1.0</b>			<b>-3.2</b>		<b>1.21</b>	<b>0.01</b>	<b>-0.04</b>	<b>4.8</b>	<b>3.9</b>	<b>-1.0</b>	<b>3.4</b>	<b>3.7</b>	<b>-0.6</b>
Local & commuter transportation	3.9			0.0	0.2	0.35	0.01	0.00	1.5	0.5	4.9	2.2	1.2	1.4
<u>City bus &amp; subway</u>	<u>4.8</u>			<u>0.0</u>		<u>0.23</u>	<u>0.01</u>	<u>0.00</u>	<u>2.1</u>	<u>0.7</u>	<u>3.6</u>	<u>2.8</u>	<u>1.4</u>	<u>1.4</u>
<u>Taxi &amp; other commuter service</u>	<u>2.1</u>			<u>0.0</u>		<u>0.12</u>	<u>0.00</u>	<u>0.00</u>	<u>0.1</u>	<u>0.8</u>	<u>2.4</u>	<u>0.9</u>	<u>1.2</u>	<u>1.0</u>
Inter-city transportation	-0.3			-4.7	-2.4	0.72	0.00	-0.03	6.2	5.7	-1.1	3.9	5.8	-0.7
<u>Air transportation</u>	<u>0.0</u>			<u>-5.7</u>		<u>0.62</u>	<u>0.00</u>	<u>-0.04</u>	<u>6.5</u>	<u>6.2</u>	<u>-1.0</u>	<u>4.0</u>	<u>6.4</u>	<u>-0.6</u>
<u>Rail, highway bus, other</u>	<u>-1.8</u>			<u>2.1</u>		<u>0.10</u>	<u>0.00</u>	<u>0.00</u>	<u>2.7</u>	<u>1.8</u>	<u>-2.6</u>	<u>2.0</u>	<u>4.2</u>	<u>-0.9</u>
<b>Health &amp; personal care</b>	<b>3.0</b>			<b>1.1</b>	<b>0.2</b>	<b>5.03</b>	<b>0.1</b>	<b>0.06</b>	<b>1.4</b>	<b>0.4</b>	<b>3.9</b>	<b>1.3</b>	<b>0.9</b>	<b>2.0</b>
<b>Health care</b>	<b>2.6</b>			<b>2.0</b>		<b>2.46</b>	<b>0.1</b>	<b>0.05</b>	<b>1.3</b>	<b>0.6</b>	<b>2.3</b>	<b>1.1</b>	<b>0.8</b>	<b>1.9</b>
Health care goods	2.1			0.5	0.6	1.44	0.0	0.01	0.5	0.7	2.3	-0.1	1.1	2.1
Health care services	3.3			4.1	0.5	1.02	0.0	0.04	2.5	0.6	1.5	2.9	0.8	0.6
<b>Personal Care</b>	<b>3.3</b>			<b>0.5</b>		<b>2.58</b>	<b>0.1</b>	<b>0.01</b>	<b>1.5</b>	<b>0.5</b>	<b>3.3</b>	<b>1.5</b>	<b>1.2</b>	<b>1.5</b>
Personal care supplies & equipment	2.7			0.6	0.2	1.81	0.0	0.01	0.4	0.9	2.4	0.5	1.6	1.3
Personal care services	4.7			0.0	0.4	0.76	0.0	0.00	2.9	0.7	2.5	2.7	1.4	1.4
<b>Recreation, education &amp; reading</b>	<b>1.0</b>			<b>-0.7</b>	<b>-0.2</b>	<b>9.92</b>	<b>0.1</b>	<b>-0.07</b>	<b>1.7</b>	<b>0.8</b>	<b>-0.9</b>	<b>1.3</b>	<b>0.9</b>	<b>-0.4</b>
<b>Recreation</b>	<b>0.7</b>			<b>-0.98</b>		<b>8.29</b>	<b>0.06</b>	<b>-0.08</b>	<b>1.4</b>	<b>1.0</b>	<b>-0.6</b>	<b>0.6</b>	<b>1.2</b>	<b>0.1</b>
Recreational equipment & services, excl. vehicles	-2.4			0.2	0.2	2.16	-0.1	0.00	-0.8	1.6	-1.0	-2.2	2.0	-0.1
Purchase & operation of recreational vehicles	4.3			1.8	-0.8	1.64	0.1	0.03	2.6	1.8	0.9	1.9	2.0	1.2
Home entertainment equipment	-4.0			-4.0	-2.4	0.69	0.0	-0.03	-3.8	2.0	-0.1	-4.9	2.2	0.4
Travel services	0.0			-4.4	0.3	1.94	0.0	-0.09	0.8	2.9	-0.3	0.4	2.8	-0.1
Other cultural & rec. services	3.8			0.2	0.4	1.87	0.1	0.00	3.5	1.1	0.3	3.4	1.4	0.3
<b>Educ. &amp; reading</b>	<b>1.9</b>			<b>0.11</b>		<b>1.63</b>	<b>0.03</b>	<b>0.00</b>	<b>2.5</b>	<b>1.4</b>	<b>-0.5</b>	<b>3.0</b>	<b>1.1</b>	<b>-1.0</b>
Education	2.8			0.1	0.2	1.38	0.0	0.00	2.4	1.4	0.3	3.0	1.2	-0.2
Reading material excl. textbooks	-2.7			0.4	0.5	0.25	0.0	0.00	3.8	2.8	-2.3	3.2	2.9	-2.0
<b>Alcoholic beverages, tobacco &amp; rec. cannabis</b>	<b>3.4</b>			<b>0.5</b>	<b>0.4</b>	<b>4.53</b>	<b>0.2</b>	<b>0.02</b>	<b>3.2</b>	<b>1.2</b>	<b>0.2</b>	<b>2.7</b>	<b>1.3</b>	<b>0.5</b>
<b>Alcoholic beverages</b>	<b>2.6</b>			<b>0.00</b>		<b>2.94</b>	<b>0.08</b>	<b>0.00</b>	<b>1.7</b>	<b>0.5</b>	<b>1.7</b>	<b>1.4</b>	<b>0.7</b>	<b>1.7</b>
Alc. beverages served in licensed establishments	4.1			0.0	0.3	0.86	0.0	0.00	1.8	0.6	3.8	2.0	0.7	3.1
Alc. beverages purchased from stores	1.9			0.0	0.1	2.08	0.0	0.00	1.7	0.7	0.4	1.1	1.1	0.8
<b>Tobacco products</b>	<b>6.4</b>			<b>1.53</b>		<b>1.23</b>	<b>0.08</b>	<b>0.02</b>	<b>5.6</b>	<b>2.1</b>	<b>0.4</b>	<b>4.8</b>	<b>2.8</b>	<b>0.6</b>
Cigarettes	7.0			1.7		1.12	0.1	0.02	5.6	2.1	0.7	4.8	2.8	0.8
Other tobacco products & supplies	0.6			0.0		0.11	0.0	0.00	5.6	2.0	-2.5	4.9	2.6	-1.7
<b>Rec. cannabis</b>	<b>-0.3</b>			<b>-0.14</b>		<b>0.50</b>	<b>0.00</b>	<b>0.00</b>						

\*Number may not add due to rounding

\*\* Only available for components that are tracked on a seasonally adjusted basis.

Sources: Scotiabank Economics, Statistics Canada.

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