Canadian Economic Outlook for Jan. 10, 2020

A Publication of BMO Capital Markets Economic Research • Douglas Porter, CFA, Chief Economist, BMO Financial Group

	01	Q2	Q3	2019 04	Q1	Q2	Q3	2020 04	Q1	02	03	2021 04	2018	2019	2020	2021
Production		chng : a.		٠,٠	٠,٠	Α-		- 1.	٠,٠	٦-	4-		20.0			
Real GDP (chain-weighted)	0.8	3.5	1.3	0.3	2.5	1.8	1.9	1.8	1.7	1.8	1.7	1.6	2.0	1.6	1.8	1.8
Final Sales	- 0.5	5.5	2.7	0.0	2.1	1.7	1.8	1.8	1.7	1.8	1.7	1.6	2.3	1.7	1.9	1.7
Final Domestic Demand	3.3	0.3	3.2	1.3	1.6	1.8	1.8	1.8	1.7	1.8	1.7	1.6	2.1	1.3	1.7	1.8
Consumer Spending	2.5	0.5	1.6	1.1	1.4	1.7	1.6	1.5	1.5	1.6	1.5	1.5	2.2	1.5	1.4	1.5
Durables	5.0	-1.7	1.8	-0.5	1.0	1.5	1.5	1.5	1.6	1.5	1.2	1.3	1.7	0.8	0.8	1.5
Nondurables	1.2	0.1	1.2	1.0	1.3	1.6	1.6	1.5	1.5	1.4	1.3	1.3	1.8	1.0	1.3	1.5
Services	2.3	0.8	1.6	1.5	1.6	1.7	1.6	1.5	1.5	1.7	1.6	1.6	2.5	1.9	1.5	1.6
Government Spending	3.3	0.9	1.8	1.8	2.1	1.8	2.3	2.4	2.3	2.2	2.1	2.0	3.4	1.8	1.9	2.2
Business Investment	18.0	- 7.0	9.5	1.6	1.7	2.3	2.2	2.0	2.0	2.0	2.0	2.0	1.4	1.0	2.2	2.0
Non-residential Construction	4.2	4.4	11.1	2.0	2.0	2.5	2.3	2.0	2.0	2.0	2.0	2.0	-0.6	1.1	3.4	2.1
Machinery and Equipment	42.1	- 21.8	7.0	1.0	1.3	2.0	2.0	2.0	2.0	2.0	2.0	2.0	4.7	0.9	0.5	2.0
Residential Construction	- 2.7	5.5	13.3	1.0	1.3	2.0	2.0	2.0	1.8	1.9	1.7	1.6	-1.6	- 0.6	3.2	1.9
Exports	- 3.3	12.9	-1.5	-6.6	3.6	2.0	2.0	2.0	2.0	2.0	2.0	2.0	3.1	1.5	0.9	2.0
Imports	8.1	- 3.5	0.1	- 2.4	1.9	2.2	2.0	2.0	2.0	2.0	2.0	2.0	2.6	0.3	0.6	2.0
Inventory Change 2007\$ blns : a.r.	20.6	12.8	4.2	5.6	7.9	8.7	9.3	9.6	9.6	9.7	9.7	9.7	13.0	10.8	8.9	9.7
Contrib. to GDP Growth ppts : a.r.	1.2	- 1.5	-1.6	0.3	0.4	0.2	0.1	0.0	0.0	0.0	0.0	0.0	-0.3	-0.1	-0.1	0.0
Net Exports 2007\$ blns : a.r.	-11.1	15.2	12.4	5.0	7.9	7.5	7.6	7.7	7.7	7.8	7.7	7.8	-2.4	5.4	7.7	7.8
Contrib. to GDP Growth ppts : a.r.	-3.8	5.3	-0.5	-1.3	0.5	-0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.1	0.4	0.1	0.0
Nominal GDP \$ blns : a.r.	2,260	2,304	2,314	2,334	2,360	2,382	2,404	2,427	2,449	2,472	2,494	2,516	2,224	2,303	2,393	2,483
Growth q/q % chng : a.r.	5.6	8.1	1.6	3.5	4.5	3.8	3.9	3.8	3.7	3.7	3.7	3.6	3.9	3.6	3.9	3.7
Real GDP y/y % chng	1.5	1.9	1.7	1.5	1.9	1.5	1.6	2.0	1.8	1.8	1.7	1.7				
Inflation	q/q %	chng : a.	г.													
GDP Price Index	4.5	4.5	0.4	3.3	1.9	1.9	1.9	1.9	2.0	1.9	2.0	1.9	1.8	1.9	2.1	1.9
CPI All Items	1.6	3.4	1.7	1.5	1.7	2.0	2.4	1.7	2.0	1.9	2.0	2.1	2.3	2.0	1.9	2.0
Ex. Food and Energy	1.9	2.9	2.0	1.6	1.6	2.0	2.7	1.6	2.1	1.9	2.0	2.1	1.9	2.1	1.9	2.0
Food Prices	4.0	2.6	4.0	2.6	1.7	2.1	1.8	2.1	2.0	2.1	1.8	2.1	1.8	3.3	2.3	2.0
Energy Prices	-5.5	17.1	-7.9	0.7	1.1	2.3	1.1	1.7	1.4	2.3	2.4	2.0	7.5	-2.4	1.0	1.8
Services	1.9	3.8	3.8	-1.8	1.1	2.4	2.3	1.5	1.9	2.4	2.3	1.5	2.5	2.3	1.5	2.0
CPI All Items y/y % chnq	1.6	2.1	1.9	2.0	2.1	1.7	1.9	2.0	2.0	2.0	1.9	2.0				
CPIX8 y/y % chng	1.6	1.9	1.9	1.9	1.8	2.1	2.1	2.1	2.0	1.8	1.8	2.1	1.4	1.8	2.0	1.9
New Core CPIs y/y % chng : avg.	2.0	2.1	2.1	2.2	2.0	1.9	2.0	2.0	2.0	1.9	1.8	2.1	1.9	2.1	2.0	1.9
Financial	% : qua	arterly av	/g.													
Overnight Rate	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.44	1.75	1.75	1.75
3-Month T-Bill	1.65	1.67	1.64	1.66	1.65	1.65	1.70	1.70	1.70	1.70	1.70	1.70	1.37	1.65	1.70	1.70
90-Day BAs	2.14	2.00	1.96	1.99	2.00	2.05	2.05	2.05	2.05	2.05	2.05	2.05	1.89	2.02	2.05	2.05
10-Year Bond Yield	1.86	1.62	1.36	1.52	1.65	1.75	1.85	1.95	2.00	2.05	2.10	2.15	2.28	1.59	1.80	2.10
10-Year BBB Corporate Spread ppts	2.20	2.01	1.94	1.92	2.05	2.20	2.30	2.30	2.30	2.30	2.30	2.30	1.85	2.02	2.21	2.30
90 Day Canada/U.S. Spread bps	- 79	-68	- 38	5	8	6	5	3	2	2	2	2	-60	- 45	6	2
10 Year Canada/U.S. Spread bps	-80	-72	-43	- 28	-24	- 23	-21	-19	-18	-16	- 15	-13	-63	-56	-22	-16
Foreign Trade	\$ blns :	a.r.														
Current Account Balance	- 67.4	-27.0	-39.4	-42.1	-38.5	- 38.3	- 38.0	-37.1	-36.9	- 36.9	- 37.0	-37.1	-55.5	-44.0	-38.0	-37.0
Share of GDP	-3.0	- 1.2	- 1.7	-1.8	-1.6	-1.6	-1.6	-1.5	-1.5	-1.5	-1.5	-1.5	- 2.5	- 1.9	-1.6	-1.5
Merchandise Balance	-34.5	- 4.2	-15.5	-14.9	-12.2	-12.7	-12.9	-13.0	-13.1	-13.2	-13.4	-13.6	-22.1	-17.3	-12.7	-13.3
Non-Merchandise Balance	- 32.9	-22.8	-23.9	-27.2	-26.4	- 25.6	- 25.2	-24.2	-23.8	- 23.6	- 23.6	-23.5	-33.4	-26.7	-25.3	-23.6
US\$ US¢/C\$: qtr. avq.	75.2	74.8	75.7	75.8	76.1	76.3	76.6	76.8	77.0	77.2	77.3	77.5	77.2	75.4	76.5	77.2
C\$/US\$: qtr. avg.	1.329	1.338	1.321	1.320	1.314	1.310	1.306	1.301	1.298	1.296	1.293	1.291	1.296	1.327	1.308	1.295
Yen $\frac{\text{Y/C}}{\text{c}}$: qtr. avg.	82.9	82.2	81.3	82.4	82.3	81.9	81.4	80.9	81.0	81.4	81.7	82.1	85.2	82.2	81.7	81.5
Euro C\$/€ : qtr. avg.	1.51	1.50	1.47	1.46	1.45	1.42	1.42	1.44	1.45	1.45	1.46	1.47	1.53	1.49	1.43	1.46
Corp. Profits Before Tax y/y % chnq		-9.2	-17.2	6.9	9.4	1.0	9.3	7.4	5.9	4.6	4.0	3.9	4.0	-9.0	6.7	4.6
Corp. Profits After Tax y/y % chng	-0.3	2.2	-6.2	4.7	8.4	4.7	9.6	7.4	5.9	4.6	4.0	3.9	6.6	0.0	7.5	4.6
Personal Income y/y % chnq	4.2	5.2	5.2	4.7	4.6	3.7	3.8	3.9	3.6	3.7	3.7	3.7	4.3	4.8	4.0	3.7
Real Disposable Income y/y % chng	2.0	2.9	3.5	2.8	2.7	2.0	1.8	1.8	1.6	1.7	1.7	1.7	2.0	2.8	2.1	1.7
Savings Rate % : quarterly avq.	2.1	3.0	3.2	4.2	4.8	4.7	4.7	4.8	4.8	5.0	5.1	5.3	1.8	3.1	4.8	5.0
Other Indicators	quarte		000s an					5		3.0		5.5	5		5	2.3
Unemployment Rate percent	5.8	5.5	5.6	5.7	5.7	5.6	5.6	5.6	5.5	5.6	5.7	5.7	5.8	5.7	5.6	5.7
Housing Starts 000s	187	224	223	202	203	205	206	204	205	205	205	205	214	209	205	205
Existing Home Sales y/y % chng	-2.5	6.5	8.6	13.3	13.0	8.0	1.0	-0.7	2.4	1.5	1.9	2.1	-10.9	6.5	5.0	2.0
MLS Home Price Index y/y % ching	-0.5	- 0.3	1.3	3.2	3.3	2.8	2.9	2.6	2.6	2.4	2.4	2.4	2.7	0.7	3.0	2.5
Motor Vehicle Sales mlns	2.01	1.93	1.98	1.95	1.94	1.93	1.92	1.92	1.92	1.92	1.92	1.92	2.04	1.97	1.93	1.92
Employment Growth q/q % chnq : a.r.	2.01	3.0	1.20	0.5	1.94	1.3	1.32	1.32	1.92	0.7	1.92	1.92	1.3	2.1	1.23	1.92
	4.7	5.0	1.7	0.5	1.0	1.5	1.4	۱.٦	1.0	0.7	1.0	1.0	ر.۱	۷.۱		
1 / 2		11		-77	7 Q	15	1.6	1.6	1 /	1.6	1.6	1.6	2.1	-1 1	0.5	1.5
Industrial Production q/q % chng : a.r. Federal Budget Balance % of FY GDP	-3.6	4.1	- 5.1	- 2.2	2.8	1.5	1.6	1.6	1.4	1.6	1.6	1.6	3.1 -0.6	-1.1 -1.2	0.5 -1.2	1.5 -1.0



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