

# Canadian Economic Outlook for Nov. 24, 2023

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

2023					2024				2025				2022	2023	2024	2025	
Q1 Q2 Q3 Q4					Q1 Q2 Q3 Q4				Q1 Q2 Q3 Q4								
Production		q/q % chng : a.r.															
Real GDP (chain-weighted)		2.6	-0.2	0.2	-1.0	0.0	1.5	2.0	2.0	2.0	2.0	2.0	2.0	3.4	1.0	0.5	2.0
Final Sales		4.3	0.6	1.4	-1.7	-0.3	1.1	1.5	1.9	2.0	2.0	2.0	2.0	1.3	2.5	0.3	1.9
Final Domestic Demand		1.2	1.0	0.8	-0.9	0.4	1.4	1.8	1.9	2.0	2.0	2.0	2.0	2.7	0.6	0.7	1.9
Consumer Spending		4.7	0.2	0.2	-1.8	-0.4	0.8	1.5	1.8	1.8	1.9	1.8	1.8	4.8	1.9	0.1	1.7
Durables		7.5	-2.0	0.0	-1.5	0.0	1.0	1.5	1.5	1.5	1.5	1.3	1.3	-2.3	2.7	0.1	1.4
Nondurables		0.1	1.6	-0.5	-1.5	0.0	1.0	1.5	1.5	1.5	1.5	1.3	1.3	0.0	-0.3	0.2	1.4
Services		4.7	-0.1	0.5	-2.0	-0.8	0.7	1.5	2.0	2.1	2.2	2.3	2.3	8.6	2.5	-0.1	2.0
Government Spending		-1.7	2.0	2.3	2.0	2.1	2.8	2.4	2.4	2.5	2.4	2.4	2.4	2.0	1.2	2.3	2.5
Business Investment		5.7	10.3	1.0	-1.7	1.0	1.5	2.3	2.0	2.0	2.0	2.0	2.0	8.0	3.2	1.4	2.0
Non-residential Construction		8.8	9.9	1.0	-1.0	1.0	1.5	2.2	2.0	2.0	2.0	2.0	2.0	8.3	7.6	1.5	2.0
Machinery and Equipment		0.3	11.1	1.0	-3.0	1.0	1.5	2.5	2.0	2.0	2.0	2.0	2.0	7.4	-4.1	1.2	2.0
Residential Construction		-19.1	-8.2	0.0	-4.0	0.0	0.5	1.0	0.0	1.5	1.5	1.5	1.5	-11.2	-13.1	-1.1	1.1
Exports		10.2	0.4	2.4	1.2	1.6	2.4	2.0	2.4	2.0	2.0	2.0	2.0	2.8	5.2	1.8	2.1
Imports		0.7	1.9	0.3	3.6	3.6	3.2	2.8	2.4	2.0	2.0	2.0	2.0	7.5	-0.4	2.8	2.2
Inventory Change		2012\$ blns : a.r.	16.1	11.1	4.5	8.2	10.0	12.5	15.2	16.2	16.3	16.4	16.5	39.5	10.0	13.5	16.4
Contrib. to GDP Growth		ppts : a.r.	-1.5	-0.8	-1.2	0.7	0.3	0.4	0.5	0.2	0.0	0.0	0.0	2.2	-1.4	0.2	0.1
Net Exports		2012\$ blns : a.r.	-19.4	-22.1	-18.6	-22.8	-26.4	-27.9	-29.5	-29.6	-29.8	-29.9	-30.1	-57.9	-20.7	-28.3	-30.0
Contrib. to GDP Growth		ppts : a.r.	3.2	-0.5	0.7	-0.8	-0.7	-0.3	-0.3	0.0	0.0	0.1	0.1	-1.6	1.9	-0.4	-0.1
Nominal GDP		\$ blns : a.r.	2,807	2,826	2,869	2,878	2,894	2,919	2,947	2,977	3,004	3,033	3,062	2,783	2,845	2,934	3,048
Growth		q/q % chng : a.r.	3.1	2.7	6.3	1.3	2.2	3.5	4.0	4.0	3.8	3.9	3.9	10.9	2.2	3.1	3.9
Real GDP		y/y % chng	2.1	1.1	0.6	0.4	-0.2	0.2	0.6	1.4	1.9	2.0	2.0				
Inflation		q/q % chng : a.r.															
GDP Price Index		0.6	2.9	6.0	2.3	2.2	1.9	1.9	1.9	1.8	1.8	1.9	1.9	7.2	1.2	2.6	1.9
CPI All Items		2.2	3.3	5.0	2.0	2.8	2.3	2.2	2.2	2.0	2.2	2.3	2.1	6.8	3.9	2.8	2.2
Ex. Food and Energy		3.3	3.3	3.2	3.9	3.3	2.6	2.4	2.4	2.1	2.2	2.3	2.1	5.0	3.9	3.1	2.3
Food Prices		8.3	5.9	3.7	2.7	2.1	1.8	1.7	2.0	1.9	2.2	1.9	2.1	8.7	7.5	2.5	2.0
Energy Prices		-16.2	-3.5	20.3	-13.8	-1.0	1.1	0.8	1.3	0.8	2.3	2.4	2.0	24.2	-4.2	-0.6	1.5
Services		3.1	5.6	5.1	4.6	2.2	2.0	2.3	2.4	2.1	2.2	2.3	2.1	5.0	4.6	3.2	2.2
CPI All Items		y/y % chng	5.1	3.5	3.7	3.1	3.3	3.0	2.3	2.2	2.2	2.2	2.1				
CPIX8		y/y % chng	4.6	3.6	3.1	2.8	2.8	2.3	2.2	2.4	2.3	2.2	1.9	5.7	3.5	2.4	2.1
Core CPIs (Trim/Median avg.)		y/y % chng : avg.	4.9	4.1	3.9	3.4	3.1	2.6	2.2	2.2	2.3	2.3	2.0	5.0	4.1	2.5	2.1
Financial		% : quarterly avg.															
Overnight Rate		4.50	4.58	5.00	5.00	5.00	5.00	4.75	4.50	4.25	4.00	3.67	3.17	2.04	4.77	4.81	3.77
3-Month T-Bill		4.39	4.54	5.02	5.00	5.00	5.00	4.80	4.55	4.30	4.00	3.70	3.20	2.17	4.75	4.85	3.80
90-Day BAs		5.01	5.11	5.47	5.55	5.50	5.50	5.30	5.00	4.70	4.40	4.10	3.55	2.79	5.30	5.35	4.20
10-Year Bond Yield		3.04	3.10	3.64	3.85	3.65	3.60	3.55	3.55	3.55	3.55	3.55	3.55	2.77	3.40	3.60	3.55
10-Year BBB Corporate Spread		ppts	2.18	2.16	2.12	2.25	2.40	2.50	2.30	2.10	2.00	2.00	2.00	2.15	2.18	2.33	2.00
90 Day Canada/U.S. Spread		bps	-39	-72	-52	-54	-55	-55	-70	-69	-68	-65	-52	9	-54	-62	-58
10 Year Canada/U.S. Spread		bps	-61	-50	-51	-77	-74	-70	-65	-60	-55	-51	-46	-18	-60	-67	-48
Foreign Trade		\$ blns : a.r.															
Current Account Balance		-12.7	-26.5	2.0	-2.7	-6.7	-9.4	-12.5	-13.3	-14.8	-15.9	-17.0	-18.1	-9.1	-10.0	-10.5	-16.5
Share of GDP		-0.5	-0.9	0.1	-0.1	-0.2	-0.3	-0.4	-0.4	-0.5	-0.5	-0.6	-0.6	-0.3	-0.4	-0.4	-0.5
Merchandise Balance		3.3	-24.5	10.0	7.3	4.5	2.6	0.7	0.7	-0.3	-1.3	-2.4	-3.4	21.9	-1.0	2.1	-1.9
Non-Merchandise Balance		-16.0	-2.0	-7.9	-9.9	-11.2	-12.0	-13.2	-14.0	-14.5	-14.6	-14.6	-14.7	-31.0	-9.0	-12.6	-14.6
US\$		US\$/C\$ : qtr. avg.	74.0	74.5	74.6	73.5	74.8	75.8	76.9	78.1	78.5	78.6	78.6	76.9	74.1	76.4	78.6
		C\$/US\$ : qtr. avg.	1.352	1.343	1.341	1.361	1.337	1.319	1.300	1.281	1.274	1.273	1.272	1.302	1.349	1.309	1.272
Yen		¥/C\$ : qtr. avg.	97.9	102.3	107.8	110.1	110.9	110.6	110.3	109.9	109.2	108.3	107.5	100.9	104.5	110.6	107.9
Euro		C\$/€ : qtr. avg.	1.45	1.46	1.46	1.47	1.48	1.46	1.45	1.43	1.43	1.44	1.44	1.37	1.46	1.45	1.44
Corp. Profits Before Tax		y/y % chng	-54.5	-69.7	-63.1	-48.2	-20.4	20.8	38.4	44.6	42.9	40.7	31.3	0.6	-59.9	17.2	33.5
Corp. Profits After Tax		y/y % chng	-17.7	-28.9	-22.7	-9.5	2.9	14.1	23.0	9.8	5.9	1.7	-1.7	8.8	-20.2	12.2	2.5
Personal Income		y/y % chng	6.6	8.0	8.0	5.5	4.8	3.0	2.3	3.2	3.6	3.6	3.6	6.8	7.0	3.3	3.6
Real Disposable Income		y/y % chng	-1.5	1.4	2.5	0.9	2.1	0.8	0.3	1.0	1.4	1.5	1.4	-0.4	0.8	1.1	1.4
Savings Rate		% : quarterly avg.	3.7	5.1	6.0	6.2	6.4	6.5	6.5	6.4	6.4	6.3	6.2	6.1	5.3	6.5	6.2
Other Indicators		quarterly avg.															
Unemployment Rate		percent	5.0	5.2	5.5	5.8	6.2	6.4	6.5	6.5	6.3	6.1	5.9	5.3	5.4	6.4	6.0
Housing Starts		000s : a.r.	223	249	259	270	255	248	235	223	225	225	225	225	263	250	240
Existing Home Sales		y/y % chng	-37.4	-4.6	8.7	0.3	2.7	-9.7	-2.8	11.3	13.9	13.2	8.6	-25.1	-11.5	0.0	10.0
MLS Home Price Index		y/y % chng	-15.1	-4.8	0.9	1.0	0.0	-5.8	-6.1	-2.6	1.4	3.8	4.7	4.2	12.1	-5.8	-3.5
Motor Vehicle Sales		mlns : a.r.	1.67	1.74	1.70	1.78	1.85	1.96	2.08	2.13	2.09	2.06	2.03	1.57	1.72	2.00	2.05
Employment Growth		q/q % chng : a.r.	4.7	1.6	1.5	1.7	0.6	1.2	1.6	1.5	1.9	2.0	1.8	4.0	2.4	1.3	1.7
Industrial Production		q/q % chng : a.r.	2.0	1.6	-1.2	0.3	1.3	1.7	1.9	1.8	1.3	1.3	1.3	1.2	3.8	0.4	1.0
Federal Budget Balance		% of FY GDP												-1.3	-1.4	-1.3	-1.2

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