

Canadian Economic Outlook for Dec. 23, 2021

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

	2020				2021				2022				2020	2021	2022	2023	
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4					
Production	q/q % chng : a.r.																
Real GDP (chain-weighted)	-8.4	-37.4	41.1	9.1	4.9	-3.2	5.4	4.5	0.0	8.0	7.0	4.5	-5.2	4.5	4.0	3.5	
Final Sales	-6.5	-32.4	42.3	1.7	5.7	-6.2	8.5	3.7	-1.1	6.8	5.8	3.9	-3.5	3.7	3.3	3.4	
Final Domestic Demand	-4.8	-39.0	52.8	4.5	5.8	-0.1	5.4	3.6	-1.8	6.5	5.8	3.8	-4.1	5.3	3.0	3.4	
Consumer Spending	-8.7	-45.1	62.2	1.2	2.5	-0.5	17.9	3.5	-3.9	8.6	6.9	4.3	-6.2	5.3	4.4	3.7	
Durables	-35.5	-43.2	249.4	-0.7	1.8	-12.6	-5.4	-4.0	0.0	5.5	10.0	10.0	-5.4	8.5	0.5	5.2	
Nondurables	11.8	-12.9	18.2	5.3	2.4	-5.8	1.3	-1.0	-3.0	5.0	2.0	2.0	3.1	1.8	0.1	2.3	
Services	-6.7	-55.9	45.5	1.6	1.9	7.5	27.8	9.4	-6.4	12.0	9.0	4.3	-10.2	5.3	7.2	4.1	
Government Spending	0.6	-14.8	23.2	7.3	6.2	0.8	0.7	5.8	4.0	4.8	4.2	3.3	0.9	5.1	3.8	3.3	
Business Investment	0.6	-55.2	27.7	4.8	-8.4	15.3	-0.9	7.6	1.6	7.6	11.3	7.5	-12.1	-0.5	5.9	5.0	
Non-residential Construction	4.0	-49.1	-6.3	-8.2	4.1	3.4	-1.1	8.0	2.0	8.0	12.0	9.0	-10.0	-4.9	5.6	5.3	
Machinery and Equipment	-5.1	-64.7	118.1	27.9	-24.9	38.1	-0.7	7.0	1.0	7.0	10.0	5.0	-15.4	6.8	6.4	4.5	
Residential Construction	-4.3	-44.2	180.7	16.0	43.2	-11.3	-31.3	-6.5	-10.0	-2.5	-2.0	-1.0	4.3	14.1	-9.8	0.7	
Exports	-12.7	-51.2	70.5	3.7	2.7	-17.0	8.0	3.2	5.3	6.3	6.7	6.1	-9.7	1.0	4.1	3.9	
Imports	-7.6	-63.9	115.7	11.3	4.6	2.1	-2.3	2.7	3.2	5.1	6.8	6.1	-10.8	6.4	3.3	3.8	
Inventory Change	2012\$ blns : a.r.	1.9	-33.4	-39.9	-3.5	-7.6	6.2	-8.3	-3.8	2.3	8.8	15.5	19.1	-18.7	-3.4	11.4	14.2
Contrib. to GDP Growth	ppts : a.r.	-2.2	-6.1	-1.3	6.8	-0.4	2.6	-2.9	0.8	1.1	1.2	1.2	0.6	-1.7	0.8	0.7	0.1
Net Exports	2012\$ blns : a.r.	3.1	42.1	13.0	2.1	-0.7	-33.0	-17.5	-16.9	-13.8	-12.1	-12.5	-12.6	15.1	-17.0	-12.8	-13.0
Contrib. to GDP Growth	ppts : a.r.	-1.5	6.0	-14.3	-2.5	-0.6	-5.8	3.1	0.1	0.7	0.4	0.0	0.0	0.6	-1.6	0.2	0.0
Nominal GDP	\$ blns : a.r.	2,272	2,006	2,235	2,314	2,416	2,452	2,511	2,556	2,574	2,639	2,697	2,740	2,207	2,483	2,662	2,815
Growth	q/q % chng : a.r.	-12.2	-39.2	53.9	15.1	18.7	6.1	10.0	7.3	2.9	10.5	9.0	6.6	-4.5	12.5	7.2	5.7
Real GDP	y/y % chng	-0.6	-12.4	-4.9	-3.1	0.3	11.8	4.0	2.9	1.7	4.5	4.8	4.8				
Inflation	q/q % chng : a.r.																
GDP Price Index	-3.9	-2.9	9.1	5.1	13.4	9.6	3.1	3.8	2.8	2.3	1.9	2.0	0.7	7.7	3.1	2.1	
CPI All Items	0.2	-2.9	2.7	3.2	3.0	4.2	5.5	5.7	2.7	1.8	2.1	3.8	0.7	3.3	3.5	2.5	
Ex. Food and Energy	0.8	0.2	0.8	2.6	1.0	4.1	4.0	2.9	2.6	1.9	2.2	4.2	1.1	2.3	2.8	2.6	
Food Prices	1.8	4.4	-0.7	1.6	1.0	3.0	5.2	7.7	2.5	1.7	2.0	2.6	2.4	2.4	3.6	2.3	
Energy Prices	-10.1	-41.2	39.5	9.0	39.9	18.5	15.2	27.9	3.7	0.9	1.7	2.0	-7.6	18.9	9.1	1.8	
Services	1.8	2.0	0.7	1.3	1.7	3.8	4.3	2.3	1.6	2.4	2.3	1.6	1.4	2.3	2.4	2.2	
CPI All Items	y/y % chng	1.8	0.0	0.3	0.8	1.4	3.3	4.1	4.6	4.5	3.9	3.1	2.6				
CPIX8	y/y % chng	1.7	1.0	0.8	1.3	1.4	2.6	3.5	3.7	4.0	3.6	2.8	2.4	1.2	2.8	3.2	2.1
New Core CPIs	y/y % chng : avg.	1.8	1.6	1.6	1.7	1.8	2.2	2.6	2.8	3.1	3.0	2.9	2.5	1.7	2.3	2.9	2.1
Financial	% : quarterly avg.																
Overnight Rate	1.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.58	1.00	1.25	0.50	0.25	0.77	1.69	
3-Month T-Bill	1.29	0.22	0.16	0.10	0.08	0.11	0.16	0.10	0.10	0.40	0.85	1.10	0.44	0.10	0.60	1.55	
90-Day BAs	1.81	0.66	0.52	0.49	0.44	0.43	0.44	0.50	0.50	0.80	1.20	1.40	0.87	0.45	0.95	1.85	
10-Year Bond Yield	1.20	0.59	0.55	0.67	1.13	1.49	1.24	1.60	1.60	1.75	1.85	1.95	0.75	1.35	1.80	2.15	
10-Year BBB Corporate Spread	ppts	2.03	2.72	2.16	2.01	1.72	1.66	1.59	1.50	1.70	1.90	2.00	2.23	1.62	1.90	1.93	
90 Day Canada/U.S. Spread	bps	16	8	5	1	3	8	11	6	6	31	48	48	7	7	33	31
10 Year Canada/U.S. Spread	bps	-18	-10	-10	-19	-18	-10	-9	8	8	5	3	1	-14	-7	4	-4
Foreign Trade	\$ blns : a.r.																
Current Account Balance	-72.6	-23.0	-44.1	-18.0	6.6	5.5	5.5	4.4	4.1	3.0	-1.7	-5.4	-39.4	5.5	0.0	-6.5	
Share of GDP	-3.2	-1.1	-2.0	-0.8	0.3	0.2	0.2	0.2	0.2	0.1	-0.1	-0.2	-1.8	0.2	0.0	-0.2	
Merchandise Balance	-42.2	-35.7	-42.1	-39.4	3.6	1.0	12.2	12.5	14.3	14.6	11.5	10.3	-39.8	7.3	12.7	11.3	
Non-Merchandise Balance	-30.4	12.6	-1.9	21.4	2.9	4.5	-6.8	-8.1	-10.2	-11.6	-13.1	-15.7	0.4	-1.9	-12.6	-17.8	
US\$	US\$/C\$: qtr. avg.	74.4	72.2	75.1	76.7	79.0	81.4	79.4	79.5	78.8	79.5	80.1	80.8	74.6	79.8	79.8	80.4
	C\$/US\$: qtr. avg.	1.343	1.385	1.332	1.303	1.266	1.228	1.260	1.258	1.268	1.258	1.248	1.238	1.341	1.253	1.253	1.243
Yen	¥/C\$: qtr. avg.	81.1	77.6	79.7	80.2	83.7	89.1	87.4	90.2	89.4	90.0	90.7	91.3	79.6	87.6	90.3	90.5
Euro	C\$/€ : qtr. avg.	1.48	1.53	1.56	1.55	1.53	1.48	1.48	1.44	1.43	1.41	1.39	1.37	1.53	1.48	1.40	1.36
Corp. Profits Before Tax	y/y % chng	-19.7	-32.7	41.4	46.3	136.1	159.2	15.7	2.2	-28.3	-27.0	-14.0	-6.9	7.9	57.0	-20.0	0.2
Corp. Profits After Tax	y/y % chng	-7.0	-16.3	12.2	14.7	43.1	55.2	10.3	0.9	-15.6	-13.4	-3.3	1.5	0.9	24.5	-8.0	2.0
Personal Income	y/y % chng	4.6	8.5	5.6	3.5	5.2	1.4	4.8	6.1	4.3	3.9	4.0	4.9	5.6	4.3	4.3	4.5
Real Disposable Income	y/y % chng	3.9	15.6	8.0	5.5	6.5	-4.8	2.0	3.1	0.6	0.4	0.5	1.5	8.2	1.5	0.8	1.8
Savings Rate	% : quarterly avg.	5.8	27.2	13.4	11.5	13.1	14.0	11.0	9.7	10.1	7.3	6.2	5.7	14.8	11.9	7.3	4.6
Other Indicators	quarterly avg.																
Unemployment Rate	percent	6.4	13.1	10.1	8.8	8.4	8.0	7.1	6.2	5.9	5.7	5.6	5.5	9.6	7.4	5.7	5.5
Housing Starts	000s : a.r.	207	191	239	240	306	280	262	272	227	233	228	230	219	280	230	210
Existing Home Sales	y/y % chng	9.3	-28.8	35.7	32.3	54.5	91.5	-13.9	-5.5	-19.3	-11.7	-2.6	-12.3	12.7	20.5	-12.0	-3.0
MLS Home Price Index	y/y % chng	7.0	6.2	10.8	13.1	19.9	24.8	21.6	24.7	17.2	12.7	9.4	3.6	8.5	22.0	12.0	3.0
Motor Vehicle Sales	mlns : a.r.	1.70	1.15	1.85	1.78	1.84	1.74	1.60	1.50	1.58	1.84	2.10	2.15	1.62	1.67	1.92	2.12
Employment Growth	q/q % chng : a.r.	-5.5	-38.2	38.5	9.9	1.0	2.5	7.4	6.0	2.4	1.9	1.9	2.3	-5.1	5.1	3.5	2.0
Industrial Production	q/q % chng : a.r.	-8.3	-43.2	40.1	11.6	6.2	-2.4	6.4	8.2	5.2	5.5	4.8	3.0	-8.1	5.0	5.3	2.5
Federal Budget Balance	% of FY GDP													-14.8	-6.0	-2.3	-1.7

Italicized values represent forecasts

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