

# Canadian Economic Outlook for July 15, 2022

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

	2021				2022				2023				2020	2021	2022	2023
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4				
<b>Production</b>	<b>q/q % chng : a.r.</b>															
Real GDP (chain-weighted)	4.4	-3.1	5.3	6.6	3.1	<b>4.0</b>	<b>1.5</b>	<b>0.0</b>	-0.2	<b>1.5</b>	<b>2.0</b>	<b>2.0</b>	-5.2	4.5	<b>3.4</b>	<b>1.0</b>
Final Sales	5.5	-6.5	9.8	3.0	2.6	<b>3.1</b>	<b>1.5</b>	<b>0.0</b>	<b>0.0</b>	<b>1.6</b>	<b>2.1</b>	<b>2.0</b>	-3.5	3.7	<b>2.7</b>	<b>1.1</b>
Final Domestic Demand	6.0	-0.3	7.3	3.7	4.8	<b>5.5</b>	<b>1.9</b>	<b>0.3</b>	-0.1	<b>1.5</b>	<b>2.0</b>	<b>2.0</b>	-4.1	5.6	<b>4.0</b>	<b>1.3</b>
Consumer Spending	0.9	-0.8	20.1	1.8	3.4	<b>9.3</b>	<b>3.2</b>	<b>1.1</b>	<b>0.9</b>	<b>1.5</b>	<b>1.9</b>	<b>1.9</b>	-6.2	5.0	<b>5.7</b>	<b>2.0</b>
Durables	-9.2	-7.9	-1.9	1.2	10.8	<b>2.5</b>	<b>5.0</b>	<b>1.0</b>	<b>1.5</b>	<b>2.0</b>	<b>3.0</b>	<b>2.0</b>	-5.4	7.3	<b>3.2</b>	<b>2.2</b>
Nondurables	1.7	-6.9	2.8	-1.7	2.3	<b>1.0</b>	<b>1.0</b>	<b>0.5</b>	<b>0.5</b>	<b>1.2</b>	<b>1.5</b>	<b>1.8</b>	3.1	1.5	<b>0.5</b>	<b>0.9</b>
Services	2.4	6.4	29.8	3.9	3.0	<b>16.0</b>	<b>4.0</b>	<b>1.5</b>	<b>1.0</b>	<b>1.5</b>	<b>1.8</b>	<b>2.0</b>	-10.2	5.0	<b>8.8</b>	<b>2.6</b>
Government Spending	7.6	1.1	2.7	2.9	2.3	<b>3.7</b>	<b>3.2</b>	<b>3.2</b>	<b>2.8</b>	<b>3.0</b>	<b>3.0</b>	<b>2.2</b>	0.9	5.6	<b>2.8</b>	<b>3.0</b>
Business Investment	-0.6	16.8	2.3	10.2	9.0	<b>9.3</b>	<b>4.7</b>	<b>3.0</b>	<b>0.7</b>	<b>3.2</b>	<b>2.9</b>	<b>2.2</b>	-12.1	2.3	<b>7.9</b>	<b>3.0</b>
Non-residential Construction	15.7	9.4	4.0	13.9	12.0	<b>10.0</b>	<b>5.0</b>	<b>3.0</b>	<b>0.5</b>	<b>3.0</b>	<b>3.0</b>	<b>2.0</b>	-10.0	-0.3	<b>9.3</b>	<b>3.0</b>
Machinery and Equipment	-21.6	30.5	-0.5	3.8	3.8	<b>8.0</b>	<b>4.0</b>	<b>3.0</b>	<b>1.0</b>	<b>3.5</b>	<b>2.8</b>	<b>2.5</b>	-15.4	6.6	<b>5.5</b>	<b>2.9</b>
Residential Construction	43.9	-12.7	-30.3	12.4	18.1	<b>-13.0</b>	<b>-11.0</b>	<b>-15.0</b>	<b>-15.0</b>	<b>-5.0</b>	<b>-2.0</b>	<b>1.5</b>	4.3	15.3	<b>-4.1</b>	<b>-10.1</b>
Exports	2.5	-17.1	6.6	13.6	-9.4	<b>6.5</b>	<b>6.6</b>	<b>6.0</b>	<b>3.0</b>	<b>2.8</b>	<b>2.4</b>	<b>2.0</b>	-9.7	1.4	<b>1.9</b>	<b>4.0</b>
Imports	5.6	2.4	-1.2	16.9	-2.8	<b>14.1</b>	<b>8.1</b>	<b>6.9</b>	<b>3.1</b>	<b>2.4</b>	<b>2.0</b>	<b>2.0</b>	-10.8	7.7	<b>6.3</b>	<b>4.7</b>
Inventory Change	2012\$ blns : a.r.															
Contrib. to GDP Growth	ppts : a.r.															
Net Exports	2012\$ blns : a.r.															
Contrib. to GDP Growth	ppts : a.r.															
Nominal GDP	\$ blns : a.r.															
Growth	q/q % chng : a.r.															
Real GDP	y/y % chng															
<b>Inflation</b>	<b>q/q % chng : a.r.</b>															
GDP Price Index	13.0	9.6	5.2	7.9	12.3	<b>9.7</b>	<b>2.8</b>	<b>3.0</b>	<b>2.8</b>	<b>2.4</b>	<b>1.9</b>	<b>1.8</b>	0.7	8.1	<b>8.1</b>	<b>3.0</b>
CPI All Items	3.2	4.6	5.4	5.7	7.4	<b>12.1</b>	<b>8.2</b>	<b>4.4</b>	<b>4.2</b>	<b>4.2</b>	<b>3.4</b>	<b>2.5</b>	0.7	3.4	<b>7.5</b>	<b>5.0</b>
Ex. Food and Energy	1.4	4.1	4.1	3.3	4.8	<b>8.3</b>	<b>8.5</b>	<b>4.6</b>	<b>4.7</b>	<b>4.8</b>	<b>4.1</b>	<b>3.0</b>	1.2	2.3	<b>5.5</b>	<b>5.2</b>
Food Prices	0.8	3.7	5.5	7.9	10.1	<b>12.5</b>	<b>8.6</b>	<b>6.0</b>	<b>3.7</b>	<b>3.0</b>	<b>2.3</b>	<b>2.1</b>	2.4	2.2	<b>8.7</b>	<b>4.8</b>
Energy Prices	38.1	20.8	15.3	23.7	41.5	<b>52.7</b>	<b>3.3</b>	<b>-0.1</b>	<b>0.0</b>	<b>-0.4</b>	<b>-1.2</b>	<b>-1.2</b>	-7.6	19.1	<b>27.1</b>	<b>2.6</b>
Services	1.7	3.8	4.3	2.8	4.4	<b>9.0</b>	<b>6.7</b>	<b>4.3</b>	<b>4.4</b>	<b>4.8</b>	<b>3.2</b>	<b>3.0</b>	1.4	2.2	<b>5.2</b>	<b>4.8</b>
CPI All Items	y/y % chng															
CPIX8	y/y % chng															
New Core CPIs	y/y % chng : avg.															
<b>Financial</b>	<b>% : quarterly avg.</b>															
Overnight Rate	0.25	0.25	0.25	0.25	0.33	1.17	<b>2.67</b>	<b>3.33</b>	<b>3.50</b>	<b>3.50</b>	<b>3.50</b>	<b>3.50</b>	0.50	0.25	<b>1.88</b>	<b>3.50</b>
3-Month T-Bill	0.08	0.11	0.16	0.10	0.39	1.43	<b>2.65</b>	<b>3.15</b>	<b>3.45</b>	<b>3.45</b>	<b>3.45</b>	<b>3.45</b>	0.44	0.11	<b>1.90</b>	<b>3.45</b>
90-Day BAs	0.44	0.43	0.44	0.48	0.86	1.99	<b>3.40</b>	<b>3.80</b>	<b>4.00</b>	<b>4.00</b>	<b>4.00</b>	<b>4.00</b>	0.87	0.45	<b>2.50</b>	<b>4.00</b>
10-Year Bond Yield	1.13	1.49	1.24	1.58	1.92	2.98	<b>3.20</b>	<b>3.35</b>	<b>3.40</b>	<b>3.35</b>	<b>3.30</b>	<b>3.25</b>	0.75	1.36	<b>2.85</b>	<b>3.30</b>
10-Year BBB Corporate Spread	ppts															
90 Day Canada/U.S. Spread	bps															
10 Year Canada/U.S. Spread	bps															
<b>Foreign Trade</b>	<b>\$ blns : a.r.</b>															
Current Account Balance	1.3	-1.5	5.0	-0.5	20.1	<b>24.5</b>	<b>16.0</b>	<b>11.4</b>	<b>8.0</b>	<b>5.7</b>	<b>3.1</b>	<b>-0.6</b>	-39.4	1.1	<b>18.0</b>	<b>4.0</b>
Share of GDP	0.1	-0.1	0.2	0.0	0.7	<b>0.9</b>	<b>0.6</b>	<b>0.4</b>	<b>0.3</b>	<b>0.2</b>	<b>0.1</b>	<b>0.0</b>	-1.8	0.0	<b>0.6</b>	<b>0.1</b>
Merchandise Balance	2.6	-1.0	6.7	9.8	34.6	<b>46.2</b>	<b>42.4</b>	<b>40.8</b>	<b>37.1</b>	<b>35.4</b>	<b>32.7</b>	<b>28.9</b>	-39.8	4.5	<b>41.0</b>	<b>33.5</b>
Non-Merchandise Balance	-1.4	-0.5	-1.7	-10.3	-14.5	<b>-21.8</b>	<b>-26.3</b>	<b>-29.4</b>	<b>-29.1</b>	<b>-29.7</b>	<b>-29.6</b>	<b>-29.5</b>	0.4	-3.5	<b>-23.0</b>	<b>-29.5</b>
US\$	US\$/C\$: qtr. avg.															
	C\$/US\$: qtr. avg.															
Yen	¥/C\$: qtr. avg.															
Euro	C\$/€ : qtr. avg.															
Corp. Profits Before Tax	y/y % chng															
Corp. Profits After Tax	y/y % chng															
Personal Income	y/y % chng															
Real Disposable Income	y/y % chng															
Savings Rate	% : quarterly avg.															
<b>Other Indicators</b>	<b>quarterly avg.</b>															
Unemployment Rate	percent															
Housing Starts	000s : a.r.															
Existing Home Sales	y/y % chng															
MLS Home Price Index	y/y % chng															
Motor Vehicle Sales	mlns : a.r.															
Employment Growth	q/q % chng : a.r.															
Industrial Production	q/q % chng : a.r.															
Federal Budget Balance	% of FY GDP															

Italicized values represent forecasts

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