

Canadian Economic Outlook for Nov. 20, 2020

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

	Q1	Q2	Q3	Q4	2019	Q1	Q2	Q3	Q4	2020	Q1	Q2	Q3	Q4	2021	2018	2019	2020	2021	
Production	q/q % chng : a.r.																			
Real GDP (chain-weighted)	1.2	3.2	1.1	0.6		-8.2	-38.7	47.0	2.3		2.5	8.0	7.5	4.0		2.0	1.7	-5.6	5.5	
Final Sales	-0.8	4.5	3.1	0.4		-7.1	-32.7	36.9	3.6		1.5	7.2	6.9	4.0		2.3	1.5	-4.2	4.9	
Final Domestic Demand	3.4	0.1	3.2	0.8		-7.5	-37.4	49.1	4.2		1.5	7.0	6.8	3.9		2.1	1.3	-4.7	5.6	
Consumer Spending	2.4	0.4	2.2	1.8		-12.4	-43.0	67.2	5.4		0.5	9.2	8.7	4.4		2.2	1.6	-6.1	7.1	
Durables	5.1	-3.0	0.8	-1.3		-31.1	-49.8	135.0	9.0		5.0	8.0	6.0	5.0		1.7	0.4	-10.4	11.9	
Non-durables	1.5	-0.4	1.9	1.1		12.2	-13.8	9.0	2.0		3.0	4.0	3.0	2.0		1.8	1.0	1.7	2.5	
Services	2.1	1.4	2.8	3.3		-14.0	-51.8	80.0	5.8		-2.2	12.0	12.0	5.2		2.5	2.2	-8.1	7.2	
Government Spending	3.0	0.4	2.7	1.0		-0.2	-11.6	8.1	0.7		2.0	2.5	2.9	2.5		3.4	1.8	-0.8	1.8	
Business Investment	21.5	-7.8	3.1	-4.8		-2.7	-56.7	56.6	6.9		5.0	7.4	9.4	4.8		1.4	0.4	-10.5	5.5	
Non-residential Construction	6.9	1.6	7.7	0.7		6.9	-51.5	52.0	6.5		5.0	7.0	8.0	3.0		-0.6	0.7	-4.8	5.5	
Machinery and Equipment	46.9	-20.3	-3.7	-13.2		-17.2	-64.6	65.0	7.5		5.0	8.0	12.0	8.0		4.7	-0.1	-19.5	5.4	
Residential Construction	-4.0	7.2	13.8	1.2		-3.0	-47.6	78.0	5.1		3.0	8.0	5.0	5.0		-1.6	-0.6	-2.9	7.2	
Exports	-2.7	9.0	-0.4	-4.5		-8.6	-55.6	77.2	23.3		5.0	2.3	3.2	3.2		3.1	1.3	-8.7	8.2	
Imports	10.0	-4.4	0.2	-3.2		-9.9	-64.1	119.6	24.2		4.8	2.0	3.3	3.2		2.6	0.6	-10.4	9.5	
Inventory Change	2012\$ blns : a.r.	23.8	18.8	8.4	9.4	4.3	-37.9	7.0	0.7		6.2	10.5	13.7	13.9		13.0	15.1	-6.5	11.1	
Contrib. to GDP Growth	ppts : a.r.	1.8	-1.0	-1.9	0.2	-1.0	-7.7	10.0	-1.2		1.1	0.8	0.6	0.0		-0.3	0.1	-1.4	0.5	
Net Exports	2012\$ blns : a.r.	-13.0	8.9	8.0	5.7	7.9	33.6	7.0	6.2		6.6	7.1	7.1	7.2		-2.4	2.4	13.7	7.0	
Contrib. to GDP Growth	ppts : a.r.	-4.3	4.4	-0.2	-0.4	0.5	4.0	-13.2	-0.7		0.0	0.1	-0.1	0.0		0.1	0.2	0.7	-0.5	
Nominal GDP	\$ blns : a.r.	2,262	2,306	2,312	2,336	2,275	1,990	2,235	2,262		2,285	2,340	2,395	2,430		2,224	2,304	2,191	2,362	
Growth	q/q % chng : a.r.	6.0	8.0	1.1	4.2	-9.9	-41.5	59.2	4.9		4.0	10.1	9.7	6.1		3.9	3.6	-4.9	7.8	
Real GDP	y/y % chng	1.5	2.0	1.6	1.5	-0.9	-13.0	-4.5	-4.1		-1.4	13.6	5.1	5.5						
Inflation	q/q % chng : a.r.																			
GDP Price Index	4.9	4.5	0.0	3.3		-1.8	-4.6	8.4	2.5		1.4	1.9	2.0	2.0		1.8	1.9	0.8	2.3	
CPI All Items	1.7	3.3	1.6	1.7		0.5	-3.3	3.0	2.2		1.5	1.7	1.6	1.6		2.3	1.9	0.7	1.5	
Ex. Food and Energy	1.9	2.7	2.1	1.1		1.4	-0.4	0.6	1.9		1.4	1.5	1.5	1.5		1.9	2.1	1.1	1.3	
Food Prices	3.9	2.7	4.0	2.9		1.2	4.3	-0.7	3.8		1.8	2.1	1.8	2.1		1.8	3.4	2.5	2.1	
Energy Prices	-5.9	20.4	-10.3	3.3		-12.1	-42.4	44.3	3.8		0.9	2.2	2.4	2.0		7.5	-2.9	-7.9	2.8	
Services	1.9	3.8	3.8	-1.3		1.8	2.0	0.7	1.4		1.9	2.4	2.3	1.5		2.5	2.5	1.4	1.8	
CPI All Items	y/y % chng	1.6	2.1	1.9	2.1	1.8	0.0	0.3	0.6		0.8	2.1	1.7	1.6						
CPIX8	y/y % chng	1.6	1.9	1.9	1.8	1.7	1.0	0.8	1.1		1.0	1.9	1.9	1.8		1.4	1.8	1.2	1.7	
New Core CPIs	y/y % chng : avg.	1.9	1.9	1.9	2.0	1.8	1.6	1.7	1.7		1.5	1.6	1.8	1.8		1.9	1.9	1.7	1.7	
Financial	% : quarterly avg.																			
Overnight Rate	1.75	1.75	1.75	1.75		1.25	0.25	0.25	0.25		0.25	0.25	0.25	0.25		1.44	1.75	0.50	0.25	
3-Month T-Bill	1.65	1.67	1.64	1.66		1.29	0.22	0.16	0.10		0.10	0.10	0.10	0.10		1.37	1.65	0.45	0.10	
90-Day BAs	2.14	2.00	1.96	1.99		1.81	0.66	0.52	0.50		0.45	0.45	0.40	0.40		1.89	2.02	0.85	0.45	
10-Year Bond Yield	1.86	1.62	1.36	1.52		1.20	0.59	0.55	0.70		0.85	0.90	1.00	1.05		2.28	1.59	0.75	0.95	
10-Year BBB Corporate Spread	ppts	2.10	1.92	1.86	1.85	2.03	2.72	2.16	2.10		2.15	2.20	2.20	2.20		1.85	1.93	2.25	2.19	
90 Day Canada/U.S. Spread	bps	-79	-68	-38	5	16	8	5	-1		-1	-1	-1	-1		-60	-45	7	-1	
10 Year Canada/U.S. Spread	bps	-80	-72	-43	-28	-18	-10	-10	-20		-20	-18	-17	-16		-63	-56	-14	-18	
Foreign Trade	\$ blns : a.r.																			
Current Account Balance	-69.3	-35.7	-45.9	-37.2		-52.9	-34.5	-40.8	-39.8		-41.5	-41.8	-41.7	-42.9		-55.5	-47.0	-42.0	-42.0	
Share of GDP	-3.1	-1.5	-2.0	-1.6		-2.3	-1.7	-1.8	-1.8		-1.8	-1.8	-1.7	-1.8		-2.5	-2.0	-1.9	-1.8	
Merchandise Balance	-37.2	-8.3	-16.7	-11.6		-34.7	-30.8	-35.5	-34.1		-35.2	-33.8	-31.2	-29.8		-22.1	-18.4	-33.8	-32.5	
Non-Merchandise Balance	-32.1	-27.4	-29.1	-25.6		-18.2	-3.8	-5.2	-5.6		-6.4	-8.0	-10.5	-13.1		-33.4	-28.6	-8.2	-9.5	
US\$	US\$/C\$: qtr. avg.	75.2	74.8	75.7	75.8	74.4	72.2	75.1	76.3		77.0	77.2	77.3	77.5		77.2	75.4	74.5	77.2	
	C\$/US\$: qtr. avg.	1.329	1.338	1.321	1.320	1.343	1.385	1.332	1.311		1.298	1.296	1.293	1.291		1.296	1.327	1.343	1.295	
Yen	¥/C\$: qtr. avg.	82.9	82.2	81.3	82.4	81.1	77.6	79.7	79.9		81.1	81.7	82.2	82.8		85.2	82.2	79.6	81.9	
Euro	€/C\$: qtr. avg.	1.51	1.50	1.47	1.46	1.48	1.53	1.56	1.54		1.54	1.55	1.56	1.57		1.53	1.49	1.53	1.56	
Corp. Profits Before Tax	y/y % chng	-15.3	-8.9	-19.6	-1.2	-13.8	-51.0	-40.2	-22.5		0.4	65.9	53.0	22.8		4.0	-11.7	-32.5	31.0	
Corp. Profits After Tax	y/y % chng	-1.5	1.5	-6.5	-1.6	-4.1	-42.0	-33.8	-13.9		0.4	65.9	53.0	22.8		6.6	-2.1	-23.8	31.0	
Personal Income	y/y % chng	4.2	5.2	5.0	5.1	4.4	8.2	8.3	5.9		4.5	-0.1	0.0	1.0		4.3	4.9	6.7	1.3	
Real Disposable Income	y/y % chng	2.1	2.9	3.2	3.1	3.2	14.1	15.1	12.5		10.2	-1.1	-1.9	-0.9		2.0	2.8	11.3	1.4	
Savings Rate	% : quarterly avg.	2.3	3.1	3.0	3.6	7.6	28.2	18.7	14.8		12.1	9.5	7.7	6.4		1.8	3.0	17.6	8.9	
Other Indicators	quarterly avg. (000s and mlns are a.r.)																			
Unemployment Rate	percent	5.8	5.6	5.6	5.7	6.3	13.0	10.0	8.7		7.9	7.7	7.4	7.1		5.8	5.7	9.5	7.5	
Housing Starts	000s	187	224	223	201	209	191	238	212		210	206	202	202		214	209	212	205	
Existing Home Sales	y/y % chng	-3.4	6.1	9.2	14.5	12.9	-29.2	30.7	19.8		1.8	51.4	-22.0	-16.7		-10.5	6.5	9.0	-3.0	
MLS Home Price Index	y/y % chng	0.2	0.7	1.9	3.1	6.7	6.2	10.1	11.0		8.6	8.8	4.1	2.5		3.1	1.4	8.0	6.5	
Motor Vehicle Sales	mlns	2.01	1.97	1.95	1.89	1.70	1.03	1.87	1.93		1.96	2.02	2.05	2.08		2.03	1.96	1.63	2.03	
Employment Growth	q/q % chng : a.r.	3.0	2.6	1.1	0.5	-5.8	-38.4	39.2	10.6		4.6	2.8	3.2	3.0		1.3	2.1	-5.2	5.5	
Industrial Production	q/q % chng : a.r.	-2.8	5.9	-5.6	-2.9	-8.2	-47.6	59.5	5.3		4.2	4.4	2.7	1.6		3.1	-0.7	-8.5	5.0	
Federal Budget Balance	% of FY GDP															-0.6	-1.5	-15.9	-7.5	

Shaded values represent forecasts

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