

Canadian Economic Outlook for Sept. 15, 2023

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

| | 2022 | | | | 2023 | | | | 2024 | | | | 2021 | 2022 | 2023 | 2024 |
|------------------------------|---------------------------|-------|-------|-------|-------|-------|--------------|--------------|--------------|--------------|--------------|--------------|-------|-------|--------------|--------------|
| | Q1 | Q2 | Q3 | Q4 | Q1 | Q2 | Q3 | Q4 | Q1 | Q2 | Q3 | Q4 | | | | |
| Production | q/q % chng : a.r. | | | | | | | | | | | | | | | |
| Real GDP (chain-weighted) | 2.6 | 3.6 | 2.3 | -0.1 | 2.6 | -0.2 | 0.3 | -0.3 | 0.0 | 1.5 | 2.0 | 2.0 | 5.0 | 3.4 | 1.1 | 0.6 |
| Final Sales | 0.2 | -3.9 | 3.6 | 5.4 | 4.3 | 0.6 | 0.1 | -0.5 | 0.0 | 1.7 | 2.0 | 2.0 | 4.0 | 1.3 | 2.4 | 0.6 |
| Final Domestic Demand | 3.4 | 2.0 | -0.9 | 0.2 | 1.2 | 1.0 | 1.0 | 0.3 | 0.6 | 1.6 | 2.0 | 1.9 | 5.8 | 2.7 | 0.7 | 1.0 |
| Consumer Spending | 2.0 | 9.0 | 0.3 | 1.1 | 4.7 | 0.2 | 0.3 | -0.4 | -0.4 | 1.0 | 1.8 | 1.8 | 5.1 | 4.8 | 2.0 | 0.4 |
| Durables | 4.5 | -14.6 | -0.5 | 13.6 | 7.5 | -2.0 | 0.5 | -0.5 | 0.0 | 1.0 | 1.5 | 1.5 | 8.5 | -2.3 | 2.8 | 0.3 |
| Nondurables | 3.2 | 2.0 | -2.7 | -1.3 | 0.1 | 1.6 | 0.5 | 0.0 | 0.0 | 1.0 | 1.5 | 1.5 | 1.1 | 0.0 | -0.1 | 0.6 |
| Services | 2.0 | 17.1 | 3.9 | 0.0 | 4.7 | -0.1 | 0.2 | -0.7 | -0.7 | 1.0 | 2.0 | 2.0 | 5.1 | 8.6 | 2.6 | 0.3 |
| Government Spending | 3.8 | -2.5 | 3.2 | 3.5 | -1.7 | 2.0 | 2.3 | 2.4 | 2.5 | 2.8 | 2.4 | 2.4 | 5.5 | 2.0 | 1.3 | 2.5 |
| Business Investment | 4.7 | 13.9 | 1.0 | -5.1 | 5.7 | 10.3 | 2.2 | -0.9 | 1.0 | 2.0 | 2.3 | 2.0 | 4.3 | 8.0 | 3.4 | 1.8 |
| Non-residential Construction | 3.8 | 9.7 | 6.5 | 11.6 | 8.8 | 9.9 | 2.0 | 0.0 | 1.0 | 2.0 | 2.2 | 2.0 | 0.8 | 8.3 | 7.8 | 1.9 |
| Machinery and Equipment | 6.3 | 21.5 | -7.8 | -28.6 | 0.3 | 11.1 | 2.5 | -2.5 | 1.0 | 2.0 | 2.5 | 2.0 | 9.9 | 7.4 | -3.9 | 1.6 |
| Residential Construction | 6.8 | -30.3 | -18.4 | -9.9 | -19.1 | -8.2 | 0.0 | 0.0 | 0.5 | 1.0 | 1.0 | 0.0 | 14.9 | -11.2 | -12.9 | -0.1 |
| Exports | -8.2 | 8.1 | 11.3 | 2.2 | 10.2 | 0.4 | -0.8 | 1.2 | 2.4 | 2.4 | 2.0 | 2.4 | 1.4 | 2.8 | 4.8 | 1.6 |
| Imports | 2.0 | 29.0 | -2.3 | -12.6 | 0.7 | 1.9 | 2.0 | 3.6 | 4.0 | 2.0 | 2.0 | 2.0 | 7.8 | 7.5 | -0.2 | 2.8 |
| 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 | | | | | | | | | | | | | | | |
| Inflation | q/q % chng : a.r. | | | | | | | | | | | | | | | |
| GDP Price Index | 12.3 | 13.0 | -4.8 | -2.8 | 0.6 | 2.9 | 2.3 | 2.4 | 2.2 | 2.1 | 2.0 | 2.0 | 8.2 | 7.2 | 0.7 | 2.3 |
| CPI All Items | 7.8 | 10.5 | 4.2 | 4.2 | 2.2 | 3.3 | 4.7 | 3.4 | 2.4 | 2.3 | 2.0 | 2.1 | 3.4 | 6.8 | 3.9 | 2.8 |
| Ex. Food and Energy | 5.5 | 6.9 | 5.2 | 3.9 | 3.3 | 3.3 | 3.4 | 3.6 | 2.7 | 2.5 | 2.2 | 2.3 | 2.3 | 5.0 | 3.9 | 2.9 |
| Food Prices | 9.8 | 11.4 | 9.5 | 9.7 | 8.3 | 5.9 | 4.4 | 2.6 | 1.6 | 1.8 | 1.5 | 1.9 | 2.2 | 8.7 | 7.6 | 2.4 |
| Energy Prices | 38.3 | 46.8 | -19.8 | -1.3 | -17.0 | -2.9 | 12.9 | 2.7 | 0.5 | 1.1 | 0.8 | 1.3 | 19.0 | 24.1 | -4.1 | 2.4 |
| Services | 4.4 | 8.7 | 6.6 | 2.8 | 3.1 | 5.6 | 6.5 | 3.3 | 2.7 | 2.4 | 2.1 | 2.3 | 2.2 | 5.0 | 4.7 | 3.3 |
| CPI All Items | y/y % chng | | | | | | | | | | | | | | | |
| CPIX8 | y/y % chng | | | | | | | | | | | | | | | |
| Core CPIs (Trim/Median avg.) | y/y % chng : avg. | | | | | | | | | | | | | | | |
| Financial | % : quarterly avg. | | | | | | | | | | | | | | | |
| Overnight Rate | 0.33 | 1.17 | 2.75 | 3.92 | 4.50 | 4.58 | 5.00 | 5.00 | 5.00 | 4.75 | 4.50 | 4.25 | 0.25 | 2.04 | 4.77 | 4.63 |
| 3-Month T-Bill | 0.39 | 1.43 | 2.91 | 3.96 | 4.39 | 4.54 | 5.05 | 5.10 | 5.10 | 4.85 | 4.65 | 4.35 | 0.11 | 2.17 | 4.75 | 4.75 |
| 90-Day BAs | 0.86 | 1.99 | 3.65 | 4.66 | 5.01 | 5.11 | 5.50 | 5.50 | 5.50 | 5.30 | 5.05 | 4.75 | 0.45 | 2.79 | 5.30 | 5.15 |
| 10-Year Bond Yield | 1.92 | 2.98 | 3.01 | 3.16 | 3.04 | 3.10 | 3.60 | 3.55 | 3.45 | 3.35 | 3.25 | 3.15 | 1.36 | 2.77 | 3.30 | 3.30 |
| 10-Year BBB Corporate Spread | ppts | | | | | | | | | | | | | | | |
| 90 Day Canada/U.S. Spread | bps | | | | | | | | | | | | | | | |
| 10 Year Canada/U.S. Spread | bps | | | | | | | | | | | | | | | |
| Foreign Trade | \$ blns : a.r. | | | | | | | | | | | | | | | |
| Current Account Balance | 15.7 | 19.3 | -39.3 | -32.2 | -12.7 | -26.5 | -32.9 | -37.8 | -40.1 | -39.2 | -40.2 | -40.4 | -6.7 | -9.1 | -27.5 | -40.0 |
| Share of GDP | 0.6 | 0.7 | -1.4 | -1.2 | -0.5 | -0.9 | -1.2 | -1.3 | -1.4 | -1.4 | -1.4 | -1.4 | -0.3 | -0.3 | -1.0 | -1.4 |
| Merchandise Balance | 32.1 | 37.5 | 9.7 | 8.3 | 3.3 | -24.5 | -30.0 | -33.2 | -35.5 | -35.0 | -35.3 | -34.7 | 4.7 | 21.9 | -21.1 | -35.1 |
| Non-Merchandise Balance | -16.3 | -18.2 | -48.9 | -40.5 | -16.0 | -2.0 | -2.9 | -4.6 | -4.5 | -4.3 | -4.9 | -5.7 | -11.4 | -31.0 | -6.4 | -4.8 |
| 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. | | | | | | | | | | | | | | | |
| Other Indicators | quarterly avg. | | | | | | | | | | | | | | | |
| 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 | | | | | | | | | | | | | | | |

Bolded values represent forecasts

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