

October 5, 2017

International	2000–16	2016	2017f	2018f	2019f	2000–16	2016	2017f	2018f	2019f
	<b>Real GDP</b> (annual % change)					<b>Consumer Prices</b> (y/y % change, year-end)				
World (based on purchasing power parity)	3.9	3.2	3.6	3.6	3.5					
Canada	2.1	1.5	3.1	2.0	1.5	1.9	1.4	1.5	2.0	2.1
United States	1.9	1.5	2.2	2.3	1.7	2.2	1.8	1.8	2.2	2.4
Mexico	2.4	2.3	2.4	2.7	3.1	4.4	3.4	6.6	4.3	3.8
United Kingdom	1.8	1.8	1.5	1.2	2.0	2.0	0.7	3.0	1.9	1.9
Euro zone	1.2	1.6	2.3	2.0	1.8	1.7	1.1	1.6	1.5	1.7
Germany	1.3	1.7	2.3	2.6	2.2	1.5	1.7	1.7	1.5	1.9
France	1.3	1.2	1.8	2.0	1.8	1.6	0.6	1.0	1.0	1.4
China	9.4	6.7	6.7	6.4	6.1	2.3	2.1	2.0	2.5	2.6
India	7.0	7.6	6.5	7.4	7.6	6.9	3.4	4.1	5.0	5.7
Japan	0.9	1.0	1.6	1.0	0.8	0.1	0.3	0.6	1.1	2.3
South Korea	4.2	2.8	2.8	2.7	3.0	2.6	1.3	2.0	2.3	2.5
Australia	2.9	2.5	2.4	2.7	2.5	2.8	1.5	2.0	2.1	2.6
Thailand	4.0	3.2	3.3	3.2	3.4	2.0	1.1	0.3	1.5	2.0
Brazil	2.6	-3.6	0.3	2.5	2.7	6.7	6.3	4.0	4.1	4.0
Colombia	4.0	2.0	1.9	2.5	3.1	5.1	5.7	4.2	3.5	3.0
Peru	5.1	4.0	2.5	3.7	4.2	2.8	3.2	2.8	2.8	2.6
Chile	4.1	1.6	1.4	2.8	3.2	3.3	2.7	2.5	2.9	3.0
<b>Commodities</b>	(annual average)									
WTI Oil (USD/bbl)	63	43	50	52	56					
Brent Oil (USD/bbl)	66	45	51	53	57					
Nymex Natural Gas (USD/mmbtu)	4.94	2.55	3.08	2.85	3.00					
Copper (USD/lb)	2.35	2.21	2.72	2.85	3.00					
Zinc (USD/lb)	0.81	0.95	1.29	1.50	1.60					
Nickel (USD/lb)	7.26	4.36	4.65	5.00	5.50					
Aluminium (USD/lb)	0.86	0.73	0.87	0.90	0.90					
Iron Ore (USD/tonne)	67	58	70	60	60					
Metallurgical Coal (USD/tonne)	127	114	206	150	130					
Gold, London PM Fix (USD/oz)	869	1,251	1,265	1,300	1,300					

Sources: Scotiabank Economics, Statistics Canada, BEA, BLS, IMF, Bloomberg.

North America	2000–16	2016	2017f	2018f	2019f	2000–16	2016	2017f	2018f	2019f
	<b>Canada</b>					<b>United States</b>				
	(annual % change, unless noted)					(annual % change, unless noted)				
Real GDP	2.1	1.5	3.1	2.0	1.5	1.9	1.5	2.2	2.3	1.7
Consumer spending	2.9	2.3	3.5	2.0	1.6	2.4	2.7	2.7	2.5	2.1
Residential investment	3.7	3.0	2.7	-1.3	-1.2	-0.4	5.5	1.5	1.5	1.6
Business investment	2.1	-7.8	1.7	3.7	2.7	2.3	-0.6	4.4	3.5	2.3
Government	2.2	1.8	1.9	1.8	0.9	1.0	0.8	0.1	0.7	0.5
Exports	1.3	1.0	3.0	3.8	3.1	3.6	-0.3	3.2	2.7	2.7
Imports	2.8	-0.9	3.9	3.1	2.7	3.4	1.3	3.8	3.3	3.2
Nominal GDP	4.2	2.1	5.6	4.2	3.9	3.9	2.8	3.9	4.0	3.7
GDP deflator	2.1	0.6	2.4	2.2	2.4	2.0	1.3	1.7	1.7	1.9
Consumer price index (CPI)	1.9	1.4	1.5	1.9	2.1	2.2	1.3	2.0	2.1	2.3
CPI ex. food & energy	1.6	1.9	1.6	1.8	1.9	2.0	2.2	1.8	2.0	2.2
Pre-tax corporate profits	3.3	-4.5	22.0	5.0	1.0	5.5	-2.1	4.0	3.4	0.5
Employment	1.3	0.7	1.7	1.0	0.8	0.7	1.8	1.5	1.2	1.1
Unemployment rate (%)	7.1	7.0	6.5	6.3	6.3	6.2	4.9	4.4	4.3	4.2
Current account balance (CAD, USD bn)	-17.0	-67.0	-60.9	-58.2	-52.2	-507	-452	-491	-552	-605
Merchandise trade balance (CAD, USD bn)	25.1	-26.0	-17.1	-17.1	-14.2	-673	-753	-816	-883	-952
Federal budget balance* (FY, CAD, USD bn)	-2.8	-1.0	-17.8	-17.0	-16.0	-532	-585	-650	-660	-700
percent of GDP	-0.2	0.0	-0.9	-0.8	-0.7	-3.7	-3.1	-3.4	-3.3	-3.4
Housing starts (000s, mn)	199	198	212	198	188	1.27	1.18	1.20	1.25	1.30
Motor vehicle sales (000s, mn)	1,657	1,949	2,000	1,980	1,950	15.5	17.5	17.1	17.4	17.3
Industrial production	0.5	-0.3	5.9	2.1	1.0	0.7	-1.2	1.5	1.8	1.0
	<b>Mexico</b>									
	(annual % change)									
Real GDP	2.4	2.3	2.4	2.7	3.1					
Consumer price index (year-end)	4.4	3.4	6.6	4.3	3.8					
Current account balance (USD bn)	-14.8	-27.9	-20.7	-28.1	0.0					
Merchandise trade balance (USD bn)	-7.2	-13.1	-7.8	-10.6	0.0					

Sources: Scotiabank Economics, Statistics Canada, CMHC, BEA, BLS, Bloomberg. \* Canadian federal forecast for FY18 & FY19 excludes risk adjustment.

Quarterly Forecasts	2017		2018				2019			
	Q3f	Q4f	Q1f	Q2f	Q3f	Q4f	Q1f	Q2f	Q3f	Q4f
<b>Canada</b>										
Real GDP (q/q ann. % change)	2.3	2.2	1.7	1.7	1.6	1.6	1.4	1.4	1.3	1.3
Real GDP (y/y % change)	3.3	3.2	2.7	2.0	1.8	1.6	1.6	1.5	1.4	1.4
Consumer prices (y/y % change)	1.4	1.5	1.6	1.8	2.0	2.0	2.0	2.0	2.1	2.1
CPI ex. food & energy (y/y % change)	1.5	1.5	1.6	1.8	1.9	1.9	1.9	1.9	1.9	1.9
Avg. of new core CPIs (y/y % change)	1.5	1.5	1.6	1.8	1.9	1.9	1.9	1.9	1.9	1.9
<b>United States</b>										
Real GDP (q/q ann. % change)	2.3	2.7	2.2	2.0	2.0	1.8	1.6	1.6	1.6	1.6
Real GDP (y/y % change)	2.1	2.3	2.6	2.3	2.2	2.0	1.9	1.8	1.7	1.6
Consumer prices (y/y % change)	1.8	1.8	1.7	2.1	2.2	2.2	2.2	2.3	2.4	2.4
CPI ex. food & energy (y/y % change)	1.7	1.8	1.8	2.1	2.1	2.2	2.2	2.2	2.3	2.3

Sources: Scotiabank Economics, Statistics Canada, BEA, BLS, Bloomberg.

Central Bank Rates	2017		2018				2019			
	Q3	Q4f	Q1f	Q2f	Q3f	Q4f	Q1f	Q2f	Q3f	Q4f
<b>Americas</b>	(% , end of period)									
Bank of Canada	1.00	1.25	1.50	1.50	1.75	1.75	2.00	2.00	2.00	2.00
US Federal Reserve (upper bound)	1.25	1.50	1.50	1.75	1.75	2.00	2.00	2.00	2.25	2.25
Bank of Mexico	7.00	7.25	7.50	7.50	7.50	7.50	7.25	6.75	6.75	6.75
Central Bank of Brazil	8.25	7.75	7.50	7.50	7.50	7.50	7.50	8.00	8.00	8.00
Bank of the Republic of Colombia	5.25	5.00	4.75	4.75	4.75	4.75	4.75	5.00	5.25	5.25
Central Reserve Bank of Peru	3.50	3.50	3.50	3.50	3.50	3.50	3.75	3.75	4.00	4.00
Central Bank of Chile	2.50	2.50	2.50	2.75	3.00	3.25	3.50	3.50	3.75	3.75
<b>Europe</b>										
European Central Bank	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.25	0.25	0.50
Bank of England	0.25	0.50	0.50	0.75	0.75	1.00	1.00	1.25	1.50	1.50
<b>Asia/Oceania</b>										
Reserve Bank of Australia	1.50	1.50	1.50	1.50	1.50	1.75	1.75	2.00	2.00	2.25
Bank of Japan	-0.10	-0.10	-0.10	-0.10	-0.10	-0.10	-0.10	-0.10	-0.10	-0.10
People's Bank of China	4.35	4.35	4.35	4.35	4.35	4.35	4.60	4.60	4.85	4.85
Reserve Bank of India	6.00	6.00	6.00	6.00	6.00	6.00	6.25	6.25	6.50	6.50
Bank of Korea	1.25	1.25	1.25	1.50	1.50	1.75	1.75	2.00	2.00	2.25
Bank of Thailand	1.50	1.50	1.50	1.75	1.75	2.00	2.00	2.00	2.25	2.25
<b>Currencies and Interest Rates</b>										
<b>Americas</b>	(end of period)									
Canadian Dollar (USDCAD)	1.20	1.20	1.18	1.18	1.15	1.15	1.17	1.17	1.20	1.20
Canadian Dollar (CADUSD)	0.83	0.83	0.85	0.85	0.87	0.87	0.85	0.85	0.83	0.83
Mexican Peso (USDMXN)	18.05	18.70	18.90	18.75	18.81	19.07	19.17	18.99	19.04	19.31
Brazilian Real (USDBRL)	3.00	3.35	3.45	3.55	3.60	3.40	3.45	3.45	3.50	3.50
Colombian Peso (USDCOP)	3,015	3,005	3,100	3,100	3,050	3,000	3,000	3,050	3,100	3,100
Peruvian Nuevo Sol (USDPEN)	3.24	3.22	3.20	3.19	3.17	3.18	3.19	3.15	3.16	3.13
Chilean Peso (USDCLP)	633	641	641	640	639	638	635	632	628	625
<b>Europe</b>										
Euro (EURUSD)	1.18	1.18	1.18	1.18	1.20	1.20	1.24	1.24	1.28	1.28
UK Pound (GBPUSD)	1.28	1.33	1.35	1.35	1.37	1.37	1.38	1.38	1.40	1.40
<b>Asia/Oceania</b>										
Japanese Yen (USDJPY)	110	112	114	114	115	115	118	118	120	120
Australian Dollar (AUDUSD)	0.75	0.79	0.79	0.79	0.80	0.80	0.81	0.81	0.82	0.82
Chinese Yuan (USDCNY)	6.50	6.60	6.55	6.55	6.50	6.50	6.45	6.45	6.40	6.40
Indian Rupee (USDINR)	64.5	66.0	65.5	65.5	65.0	65.0	64.5	64.5	64.0	64.0
South Korean Won (USDKRW)	1,140	1,160	1,140	1,140	1,120	1,120	1,100	1,100	1,080	1,080
Thai Baht (USDTHB)	33.4	33.6	33.4	33.4	33.2	33.2	33.0	33.0	32.8	32.8
<b>Canada (Yields, %)</b>										
3-month T-bill	1.00	1.30	1.55	1.60	1.80	1.85	2.05	2.05	2.05	2.05
2-year Canada	1.52	1.75	1.85	1.90	1.95	2.00	2.05	2.05	2.10	2.10
5-year Canada	1.75	2.00	2.05	2.10	2.15	2.20	2.25	2.25	2.30	2.35
10-year Canada	2.10	2.20	2.25	2.35	2.45	2.60	2.70	2.75	2.80	2.80
30-year Canada	2.48	2.50	2.55	2.60	2.75	2.90	2.95	3.00	3.05	3.10
<b>United States (Yields, %)</b>										
3-month T-bill	1.04	1.30	1.40	1.60	1.70	2.00	2.05	2.05	2.30	2.30
2-year Treasury	1.48	1.55	1.75	1.85	1.95	2.10	2.20	2.30	2.35	2.45
5-year Treasury	1.93	2.00	2.10	2.15	2.20	2.30	2.40	2.50	2.55	2.60
10-year Treasury	2.34	2.30	2.35	2.45	2.60	2.70	2.75	2.80	2.90	3.00
30-year Treasury	2.86	2.80	2.80	2.85	3.00	3.10	3.10	3.15	3.20	3.30

Sources: Scotiabank Economics, Bloomberg.

The Provinces	(annual % change except where noted)											
Real GDP	CA	NL	PE	NS	NB	QC	ON	MB	SK	AB	BC	
<b>2000–16</b>	2.1	2.5	1.8	1.3	1.2	1.7	2.0	2.4	1.9	2.6	2.7	
<b>2016p*</b>	1.5	1.9	2.4	0.9	1.4	1.7	2.6	2.4	-1.0	-3.8	3.7	
<b>2017f</b>	3.1	-1.6	1.6	1.5	1.2	2.8	3.1	2.6	2.0	3.8	3.5	
<b>2018f</b>	2.0	-0.4	1.4	1.2	0.9	1.9	2.2	2.0	1.8	2.1	2.3	
<b>2019f</b>	1.5	0.7	1.1	0.8	0.5	1.5	1.7	1.5	1.6	1.7	1.7	
<b>Nominal GDP</b>												
<b>2000–16</b>	4.2	5.4	4.3	3.3	3.2	3.6	3.9	4.4	5.4	5.7	4.5	
<b>2016e</b>	2.1	-0.1	3.7	2.4	2.5	3.0	4.2	3.7	-3.5	-6.0	5.4	
<b>2017f</b>	5.6	2.8	3.6	3.5	3.2	4.8	5.4	4.7	5.2	7.5	5.9	
<b>2018f</b>	4.2	2.8	3.3	2.9	2.7	3.8	4.4	3.9	4.1	4.5	4.5	
<b>2019f</b>	3.9	3.7	2.9	2.6	2.3	3.5	3.9	3.5	4.1	4.6	3.9	
<b>Employment</b>												
<b>2000–16</b>	1.3	0.8	1.0	0.6	0.4	1.3	1.3	0.9	1.1	2.3	1.4	
<b>2016</b>	0.7	-1.5	-2.3	-0.4	-0.1	0.9	1.1	-0.4	-0.9	-1.6	3.2	
<b>2017f</b>	1.7	-3.7	3.0	0.6	0.4	2.1	1.4	1.3	0.2	1.1	3.6	
<b>2018f</b>	1.0	-1.0	0.2	0.2	0.2	0.9	1.1	0.7	0.6	0.9	1.2	
<b>2019f</b>	0.8	-0.5	0.4	0.2	0.2	0.8	0.9	0.5	0.6	0.9	1.0	
<b>Unemployment Rate (%)</b>												
<b>2000–16</b>	7.1	14.3	11.2	8.8	9.6	8.0	7.1	5.1	5.0	5.1	6.6	
<b>2016</b>	7.0	13.4	10.7	8.3	9.5	7.1	6.5	6.1	6.3	8.1	6.0	
<b>2017f</b>	6.5	14.8	10.0	8.2	8.3	6.2	6.2	5.5	6.2	8.1	5.4	
<b>2018f</b>	6.3	15.1	10.0	8.0	8.1	6.0	6.0	5.4	6.0	7.8	5.2	
<b>2019f</b>	6.3	15.2	9.9	7.9	8.1	5.9	6.0	5.2	5.9	7.6	5.1	
<b>Housing Starts (units, 000s)</b>												
<b>2000–16</b>	199	2.6	0.7	4.3	3.5	44	71	5.1	5.2	34	28	
<b>2016</b>	198	1.4	0.6	3.8	1.8	39	75	5.3	4.8	25	42	
<b>2017f</b>	212	1.2	0.9	4.1	1.7	42	81	7.2	4.8	29	40	
<b>2018f</b>	198	1.1	0.7	3.8	1.8	39	75	6.0	4.7	28	38	
<b>2019f</b>	188	1.2	0.7	3.7	1.7	36	71	5.9	4.6	27	36	
<b>Motor Vehicle Sales (units, 000s)</b>												
<b>2000–16</b>	1,657	29	6	48	38	413	635	47	45	216	180	
<b>2016</b>	1,949	33	9	54	44	458	807	55	51	220	218	
<b>2017f</b>	2,000	31	8	54	42	456	822	59	59	245	224	
<b>2018f</b>	1,980	29	7	54	41	450	812	58	60	248	221	
<b>2019f</b>	1,950	28	7	53	40	444	788	58	61	253	218	
<b>Budget Balances, Fiscal Year Ending March 31 (CAD mn)</b>												
<b>2000–16**</b>	-2,803	-75	-38	-30	-153	-821	-5,115	-142	360	1,064	319	
<b>2016</b>	-987	-2,207	-13	-13	-261	2,191	-3,515	-839	-675	-6,442	811	
<b>2017f</b>	-17,770	-1,080	-18	150 <sup>†</sup>	-119 <sup>†</sup>	250	-991 <sup>†</sup>	-764 <sup>†</sup>	-1,354 <sup>†</sup>	-10,784 <sup>†</sup>	2,737 <sup>†</sup>	
<b>2018f***</b>	-17,000	-778	1	132	-156	0	0	-840	-685	-10,288	246	
<b>2019f***</b>	-16,000	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	

Sources: Scotiabank Economics, Statistics Canada, CMHC, Budget documents. \* Real GDP by industry at basic prices. \*\* MB: FY04–FY15; AB: FY05–FY15; SK: FY15–FY18f: ex. accrual adjustment for pension expense. \*\*\* Canadian federal forecast for FY18 & FY19 excludes risk adjustment. <sup>†</sup> Final FY17; other FY17 & FY18: Provinces' estimates.

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