

Contributors

Jean-François Perrault

SVP & Chief Economist
Scotiabank Economics
416.866.4214
jean-francois.perrault@scotiabank.com

René Lalonde

Director, Modelling and Forecasting
Scotiabank Economics
416.862.3174
rene.lalonde@scotiabank.com

Farah Omran

Senior Economist
Scotiabank Economics
416.866.4315
farah.omran@scotiabank.com

Slowdown Underway But Risks Mounting

- **We continue to forecast a slowdown in Canadian economic activity. A recession seems unlikely given some fundamental strengths, but that hinges to a significant degree on building risks in the global economy.**
- **The Bank of Canada should be done raising rates but volatile inflation readings, high inflation expectations and very rapid wage growth pose significant upside risk to policy rates in coming months. We continue to expect rate cuts beginning mid-2024.**
- **Key challenges to the outlook centre on the rapid rise in long-term borrowing costs, which we believe are overdone, and the evolution of the Israel-Hamas War.**

While the outlook for the economy and interest rates remains relatively unchanged from our previous forecast, a number of developments cloud the outlook further. First among these is the impact of the significant, and rapid, rise in yields on government debt. A close second is a broadening of the Israel-Hamas War. Finally, Canadian inflation data have been particularly volatile and continue to point to the need for a high degree of vigilance by the Bank of Canada in its quest to return inflation to target. Despite these developments, we continue to believe that the Canadian economy will avoid a recession and that it is likely to land softly as evidence of a slowdown in growth—but not employment—mounts. As a result, we remain hopeful that central banks in Canada and the US are done raising policy rates, but the risks of higher interest rates dominate for the next few policy meetings.

A major development over the last several weeks has been the rapid increase in the yields on US government debt. This rise has spilled over into international capital markets and led to a similarly large increase in yields on Canadian government debt. As of the time of writing, yields on 10-year US Treasuries are flirting with 5%, almost 50bps higher than they were in mid-October. There is a wide-range of possible explanations for this, as well covered by [Derek Holt](#), but there is little question this represents a tightening of financial conditions. Higher financing costs and the potential impact on US bank balance sheets of unrealized losses on Treasury holdings pose a downside risk to the outlook while also potentially acting as a substitute for higher monetary policy rates. Our view is that the surge in longer-term bond yields is out of step with fundamentals and will gradually reverse itself. Nevertheless, the reversal in these yields is expected to be quite gradual with yields above our previous forecast for much of 2024.

The Israel-Hamas War has so far been of limited macroeconomic consequence outside the region but developments there nevertheless have the potential to dramatically impact the global economy if the conflict escalates and involves nearby oil-producing states. This would undoubtedly send global oil prices higher with the only question being how high those prices would rise. Brent prices are up about 6\$ since the conflict began, though a number of other factors have also impacted oil price dynamics over that time. A broadening of the conflict could well see oil prices 10 to 20\$ higher than current levels. A shock of this magnitude given the weakened state of the global economy would represent a significant headwind to economic activity. For oil-importing countries, the shock would be stagflationary—lower growth and higher inflation. For oil-exporting countries like Canada and the US, the shock would definitely raise inflation but also possibly economic activity given the improvement in terms of trade. That being said, in the current environment, with the weight of elevated inflation and price levels felt on households, the positive impact of higher oil prices on our economy may well be diminished relative to history. With inflation expectations still well above the Bank of Canada's target, the inflationary impact of higher oil prices could well force the Bank of Canada to raise rates further.

October 23, 2023

A further challenge is the inflation outlook in Canada. Inflation has been volatile in the last two months. The August reading showed a marked acceleration in inflation which suggested the Bank of Canada may have erred by not raising in September. Thankfully, the September CPI print reversed much of that surprise. Absent additional upside surprises to inflation, the Bank of Canada should be done raising interest rates in this cycle. That being said, underlying measures of inflation have been pretty stable over much of the last year and remain well above the 2% target. We hope to be surprised on the downside on the inflation side, but history over the last year suggests we are more likely to be surprised on the upside. This, in conjunction with high inflation expectations and real wage growth that is wildly outpacing productivity suggests that risks to the policy rate profile in Canada are firmly tilted to the upside for the next few months. As a consequence of these risks and the stronger underlying momentum in inflation, we have reduced the number of rate cuts expected next year. We continue to expect rates to start their descent at the tail-end of the second quarter and for them to end 2024 at 4%. A further 75bps of cuts are expected in 2025, for a year-end rate of 3.25%. A roughly similar path of rates is expected in the US, though given the higher starting point of the Federal Funds Target rate (5.5% vs 5.0% in Canada), the pace of rate cuts should be stronger in the US than in Canada in 2024. This reflects our view that inflation dynamics are more favourable in the US than they are in Canada.

International												
	2010-19	2021	2022	2023f	2024f	2025f	2010-19	2021	2022	2023f	2024f	2025f
	Real GDP (annual % change)						Consumer Prices (annual average % change, unless noted)					
World (based on purchasing power parity)	3.7	6.3	3.2	2.9	2.6	2.8						
Canada	2.3	5.0	3.5	1.2	0.7	2.2	1.6	3.4	6.8	3.9	2.6	2.0
United States	2.4	5.8	1.9	2.2	0.8	1.3	1.8	4.7	8.0	4.3	3.0	2.2
Mexico	2.3	5.8	3.9	3.3	3.1	1.6	4.0	5.7	7.9	5.6	4.6	3.9
United Kingdom	2.0	7.6	4.3	0.5	0.6	1.2	2.2	2.6	9.1	7.5	3.0	2.0
Eurozone	1.4	5.6	3.5	0.4	0.6	1.5	1.4	2.6	8.4	5.6	2.7	2.1
Germany	2.0	2.7	1.9	-0.4	0.5	1.6	1.4	3.2	8.7	6.1	2.7	2.1
France	1.4	7.2	2.5	0.7	0.8	1.4	1.3	2.1	5.9	5.7	2.6	2.0
China	7.7	8.4	3.0	5.0	4.5	4.5	2.6	0.9	2.0	0.5	1.8	2.0
India	6.7	9.1	7.0	6.2	6.4	6.3	6.2	6.7	6.6	5.5	4.6	4.1
Japan	1.2	2.4	1.1	1.8	1.0	1.0	0.5	-0.3	2.5	3.1	1.9	1.4
South Korea	3.3	4.3	2.6	1.2	2.1	2.3	1.7	2.5	5.1	3.5	2.3	2.0
Australia	2.6	5.3	3.7	1.7	1.4	2.2	2.1	2.9	6.6	5.5	3.2	2.6
Thailand	3.6	1.5	2.6	3.0	3.6	3.2	1.6	1.2	6.1	1.8	2.0	1.9
Brazil	1.4	5.0	2.9	2.9	1.5	1.9	5.8	8.3	9.3	4.7	3.9	3.6
Colombia	3.7	11.0	7.3	1.8	2.6	3.0	3.7	3.5	10.2	11.8	6.1	3.2
Peru	4.5	13.4	2.7	-0.2	2.3	2.0	2.8	4.0	7.9	6.5	5.2	2.2
Chile	3.3	11.7	2.4	-0.5	2.3	2.5	3.0	4.5	11.6	7.5	3.0	3.0
Commodities												
	(annual average)											
WTI Oil (USD/bbl)	74	68	95	80	81	81						
Brent Oil (USD/bbl)	82	70	101	85	85	85						
WCS - WTI Discount (USD/bbl)	-18	-14	-21	-18	-17	-17						
Nymex Natural Gas (USD/mmbtu)	3.39	3.85	6.61	2.78	3.50	4.00						
Copper (USD/lb)	3.10	4.23	4.00	3.85	4.00	4.50						
Zinc (USD/lb)	1.02	1.36	1.58	1.20	1.20	1.20						
Nickel (USD/lb)	7.00	8.37	11.66	9.90	9.25	9.00						
Iron Ore (USD/tonne)	101	160	121	112	90	90						
Metallurgical Coal (USD/tonne)	179	204	372	280	200	200						
Gold, (USD/oz)	1,342	1,799	1,803	1,900	1,900	1,700						
Silver, (USD/oz)	21.64	25.15	21.80	23.63	23.75	23.00						

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

North America												
	2010-19	2021	2022	2023f	2024f	2025f	2010-19	2021	2022	2023f	2024f	2025f
	Canada						United States					
	(annual % change, unless noted)						(annual % change, unless noted)					
Real GDP	2.3	5.0	3.5	1.2	0.7	2.2	2.4	5.8	1.9	2.2	0.8	1.3
Consumer spending	2.5	5.0	4.8	2.2	1.1	2.0	2.3	8.4	2.5	2.1	0.8	1.2
Residential investment	2.5	14.9	-11.1	-13.5	2.5	6.6	4.7	10.7	-9.0	-10.6	3.3	2.5
Business investment*	3.0	4.2	6.5	1.0	3.4	15.3	5.6	5.9	5.2	4.3	1.7	3.0
Government	1.1	5.5	2.0	1.0	1.3	1.7	0.2	-0.3	-0.9	3.0	0.5	0.6
Exports	3.6	1.4	2.8	6.2	0.9	0.1	3.9	6.3	7.0	2.6	3.3	5.1
Imports	3.7	7.8	7.5	-1.0	2.1	3.9	4.3	14.5	8.6	-2.1	2.9	4.9
Inventories, contribution to annual GDP growth	0.1	1.0	2.1	-1.5	-0.5	-0.1	0.1	0.2	0.5	-0.5	-0.1	0.0
Nominal GDP	4.0	13.6	10.9	1.6	3.2	4.3	4.0	10.7	9.1	5.7	2.3	2.8
GDP deflator	1.7	8.2	7.2	0.4	2.5	2.1	1.6	4.6	7.1	3.5	1.4	1.5
Consumer price index (CPI)	1.6	3.4	6.8	3.9	2.6	2.0	1.8	4.7	8.0	4.3	3.0	2.2
Core inflation rate**	1.7	2.8	4.9	4.0	2.5	2.0	1.6	3.6	5.2	4.3	2.8	2.1
Pre-tax corporate profits	6.3	35.8	8.4	-18.7	2.1	12.9	5.9	22.6	9.8	-1.0	1.2	2.4
Employment	1.3	5.0	4.0	2.4	1.2	1.7	1.2	2.9	4.3	2.1	0.7	0.2
Unemployment rate (%)	6.9	7.5	5.3	5.3	6.1	6.2	6.2	5.4	3.6	3.7	4.0	4.3
Current account balance (CAD, USD bn)	-56.9	-6.7	-9.1	-10.1	-49.1	-92.3	-407	-831	-972	-828	-837	-870
Merchandise trade balance (CAD, USD bn)	-13.6	4.7	21.9	-4.5	-31.2	-53.2	-763	-1084	-1183	-1078	-1136	-1213
Federal budget balance (FY, CAD, USD bn) ***	-18.7	-90.2	-43.0	-46.5	-33.2	-24.9	-829	-2,775	-1,376	-1,678	-1,571	-1,761
percent of GDP	-1.0	-3.6	-1.5	-1.6	-1.1	-0.8	-4.8	-11.8	-5.3	-6.2	-5.6	-6.2
Housing starts (000s, mn)	201	271	262	238	235	245	1.31	1.61	1.55	1.45	1.51	1.53
Motor vehicle sales (000s, mn)	1,816	1,667	1,528	1,632	1,705	1,790	15.7	14.9	13.8	15.5	16.4	17.0
Industrial production	2.4	4.5	3.8	0.8	0.5	2.0	1.7	4.4	3.4	0.3	0.9	1.4
	Mexico											
	(annual % change)											
Real GDP	2.3	5.8	3.9	3.3	3.1	1.6						
Consumer price index	4.0	5.7	7.9	5.6	4.6	3.9						
Unemployment rate (%)	4.4	4.1	3.3	2.9	3.1	3.4						

Sources: Scotiabank Economics, Statistics Canada, CMHC, BEA, BLS, Bloomberg. *For Canada it includes capital expenditures by businesses and non-profit institutions.
 ** US: core PCE deflator; Canada: average of 2 core measures published by the BoC. *** In order to align with US reporting, as of the August 2020 issue of Scotiabank's Forecast Tables, Canadian Federal and Provincial Budget Balances for FY2020/21 are noted in calendar year 2020, FY2021/22 in calendar year 2021.

Quarterly Forecasts													
	2022		2023			2024				2025			
Canada	Q4	Q1	Q2	Q3e	Q4f	Q1f	Q2f	Q3f	Q4f	Q1f	Q2f	Q3f	Q4f
Real GDP (q/q ann. % change)	-0.1	2.6	-0.2	0.7	0.6	0.4	0.5	1.2	2.3	2.1	3.0	2.6	2.8
Real GDP (y/y % change)	2.1	2.1	1.1	0.7	0.9	0.4	0.6	0.7	1.1	1.5	2.2	2.5	2.6
Consumer prices (y/y % change)	6.7	5.1	3.5	3.7	3.4	3.0	2.9	2.5	2.0	2.2	2.1	1.7	1.9
Average of new core CPIs (y/y % change)*	5.3	4.8	4.0	3.8	3.4	2.9	2.7	2.4	2.2	2.1	2.0	1.9	1.9
CPIXFET (y/y % change)**	5.4	4.8	4.0	3.4	3.1	2.9	2.7	2.4	2.2	2.1	2.0	1.9	1.9
Unemployment Rate (%)	5.1	5.0	5.2	5.5	5.6	5.8	6.0	6.2	6.3	6.3	6.3	6.2	6.1
United States													
Real GDP (q/q ann. % change)	2.6	2.2	2.1	3.7	0.2	0.0	0.2	0.8	1.2	1.3	1.5	1.7	1.9
Real GDP (y/y % change)	0.7	1.7	2.4	2.7	2.1	1.5	1.0	0.3	0.6	0.9	1.2	1.4	1.6
Consumer prices (y/y % change)	7.1	5.8	4.1	3.7	3.8	3.4	3.2	3.0	2.5	2.5	2.5	2.2	2.2
Total PCE deflator (y/y % change)	5.9	5.0	3.9	3.4	3.5	3.1	2.9	2.7	2.2	2.2	2.2	2.0	1.9
Core PCE deflator (y/y % change)	5.1	4.8	4.6	4.0	3.8	3.2	2.9	2.7	2.4	2.2	2.1	2.0	2.0
Unemployment Rate (%)	3.6	3.5	3.6	3.7	3.9	3.9	4.0	4.1	4.1	4.2	4.3	4.4	4.4

* Average of 2 core measures published by the BoC. ** CPI ex. food, energy and indirect taxes. Sources: Scotiabank Economics, Statistics Canada, BEA, BLS, Bloomberg.

Central Bank Rates													
	2022	2023				2024				2025			
	Q4	Q1	Q2	Q3	Q4f	Q1f	Q2f	Q3f	Q4f	Q1f	Q2f	Q3f	Q4f
Americas	(% , end of period)												
Bank of Canada	4.25	4.50	4.75	5.00	5.00	5.00	4.75	4.25	4.00	3.50	3.25	3.25	3.25
US Federal Reserve (upper bound)	4.50	5.00	5.25	5.50	5.50	5.50	5.25	4.75	4.00	3.50	3.25	3.25	3.25
Bank of Mexico	10.50	11.25	11.25	11.25	11.25	11.00	10.50	10.00	9.50	9.00	8.50	8.00	7.50
Central Bank of Brazil	13.75	13.75	13.75	12.75	11.75	10.75	9.75	9.25	9.00	9.00	8.75	8.50	8.50
Bank of the Republic of Colombia	12.00	13.00	13.25	13.25	12.75	11.25	9.25	7.75	6.75	5.75	5.50	5.50	5.50
Central Reserve Bank of Peru	7.50	7.75	7.75	7.50	7.00	6.75	6.25	5.50	5.00	4.50	4.50	4.50	4.50
Central Bank of Chile	11.25	11.25	11.25	9.50	7.75	6.75	5.75	4.75	4.25	4.25	4.25	4.25	4.25
Europe													
European Central Bank MRO Rate	2.50	3.50	4.00	4.50	4.50	4.50	4.25	4.00	3.75	3.50	3.25	3.00	2.75
European Central Bank Deposit Rate	2.00	3.00	3.50	4.00	4.00	4.00	3.75	3.50	3.25	3.00	2.75	2.50	2.25
Bank of England	3.50	4.25	5.00	5.25	5.25	5.25	4.75	4.50	4.25	4.00	3.75	3.50	3.25
Asia/Oceania													
Reserve Bank of Australia	3.10	3.60	4.10	4.10	4.10	4.10	4.10	3.85	3.60	3.45	3.10	3.10	3.10
Bank of Japan	-0.10	-0.10	-0.10	-0.10	-0.10	-0.10	-0.10	-0.10	0.00	0.00	0.00	0.00	0.05
People's Bank of China	2.75	2.75	2.65	2.50	2.50	2.40	2.40	2.40	2.38	2.40	2.40	2.40	2.40
Reserve Bank of India	6.25	6.50	6.50	6.50	6.50	6.50	6.25	6.00	6.00	6.00	6.00	6.00	6.00
Bank of Korea	3.25	3.50	3.50	3.50	3.50	3.50	3.25	3.00	2.75	2.50	2.50	2.50	2.50
Bank of Thailand	1.25	1.75	2.00	2.50	2.25	2.25	2.25	2.25	2.25	2.25	2.25	2.25	2.00
Currencies and Interest Rates													
Americas	(end of period)												
Canadian dollar (USDCAD)	1.36	1.35	1.32	1.36	1.35	1.33	1.33	1.28	1.28	1.25	1.25	1.25	1.25
Canadian dollar (CADUSD)	0.74	0.74	0.76	0.74	0.74	0.75	0.75	0.78	0.78	0.80	0.80	0.80	0.80
Mexican peso (USDMXN)	19.50	18.05	17.12	17.42	17.90	17.70	17.80	18.10	18.40	18.71	18.94	19.25	19.46
Brazilian real (USDBRL)	5.28	5.06	4.79	5.03	4.98	4.97	4.97	4.98	4.99	5.00	5.02	5.03	5.05
Colombian peso (USDCOP)	4,853	4,623	4,172	4,067	4,250	4,249	4,278	4,302	4,316	4,330	4,340	4,345	4,350
Peruvian sol (USDPEN)	3.81	3.76	3.63	3.78	3.78	3.88	3.80	3.80	3.75	3.75	3.75	3.80	3.75
Chilean peso (USDCLP)	851	795	802	892	870	870	870	870	870	850	850	850	850
Europe													
Euro (EURUSD)	1.07	1.08	1.09	1.06	1.05	1.10	1.10	1.12	1.12	1.18	1.18	1.18	1.18
UK pound (GBPUSD)	1.21	1.23	1.27	1.22	1.20	1.25	1.25	1.30	1.30	1.30	1.30	1.30	1.30
Asia/Oceania													
Japanese yen (USDJPY)	131	133	144	149	150	150	150	140	140	130	130	130	130
Australian dollar (AUDUSD)	0.68	0.67	0.67	0.64	0.64	0.66	0.66	0.68	0.68	0.68	0.68	0.68	0.68
Chinese yuan (USDCNY)	6.90	6.87	7.25	7.30	7.25	7.20	7.15	7.05	6.95	6.93	6.86	6.79	6.77
Indian rupee (USDINR)	82.7	82.2	82.0	83.0	83.0	82.5	82.7	82.1	81.0	82.7	82.9	83.0	82.9
South Korean won (USDKRW)	1,265	1,302	1,318	1,349	1,330	1,300	1,290	1,270	1,240	1,244	1,231	1,218	1,238
Thai baht (USDTHB)	34.6	34.2	35.5	36.4	35.1	35.0	34.5	34.3	33.8	34.3	34.2	34.1	34.3
Canada (Yields, %)													
3-month T-bill	4.32	4.42	4.91	5.11	5.15	4.90	4.50	4.10	3.80	3.40	3.20	3.20	3.20
2-year Canada	4.05	3.73	4.58	4.87	4.90	4.10	3.75	3.65	3.55	3.40	3.30	3.30	3.30
5-year Canada	3.41	3.02	3.68	4.25	4.30	4.00	3.80	3.60	3.50	3.50	3.50	3.50	3.50
10-year Canada	3.30	2.90	3.27	4.02	4.15	3.85	3.75	3.65	3.65	3.65	3.65	3.65	3.65
30-year Canada	3.28	3.00	3.09	3.81	3.85	3.80	3.75	3.75	3.75	3.75	3.75	3.75	3.75
United States (Yields, %)													
3-month T-bill	4.41	4.80	5.31	5.46	5.45	5.35	4.95	4.15	3.70	3.25	3.05	3.05	3.05
2-year Treasury	4.43	4.03	4.90	5.04	5.20	4.40	3.85	3.65	3.50	3.40	3.30	3.30	3.30
5-year Treasury	4.00	3.57	4.16	4.61	4.95	4.20	3.90	3.75	3.60	3.50	3.50	3.50	3.50
10-year Treasury	3.88	3.47	3.84	4.57	4.95	4.50	4.20	4.00	4.00	4.00	4.00	4.00	4.00
30-year Treasury	3.97	3.65	3.86	4.70	5.05	4.55	4.30	4.15	4.15	4.15	4.15	4.15	4.15

Sources: Scotiabank Economics, Bloomberg, Consensus Economics.

The Provinces											
	(annual % change except where noted)										
Real GDP	CA	NL	PE	NS	NB	QC	ON	MB	SK	AB	BC
2010-19	2.3	1.1	2.1	1.2	0.7	1.9	2.3	2.2	2.3	2.6	2.9
2021	5.0	0.6	7.9	6.2	5.9	6.0	5.2	1.8	-0.9	4.8	6.1
2022e	3.5	-1.7	2.9	2.6	1.8	2.8	3.7	3.9	5.7	4.8	3.6
2023f	1.2	0.8	2.0	1.5	1.7	0.4	1.2	1.2	1.5	2.3	0.9
2024f	0.7	0.6	1.2	0.7	0.6	0.5	0.6	0.5	0.9	1.2	0.7
2025f	2.2	1.8	2.3	1.7	1.6	1.9	2.4	1.7	1.6	2.3	2.5
Nominal GDP											
2010-19	4.0	3.7	4.2	3.0	2.8	3.8	4.1	3.9	3.5	3.7	4.5
2021	13.6	17.7	14.3	10.9	13.8	11.8	10.3	8.4	13.1	26.2	14.2
2022e	10.9	12.0	7.9	9.5	8.4	8.9	9.0	9.8	18.3	20.4	9.4
2023f	1.6	0.3	4.0	3.1	3.2	2.2	3.0	2.7	-1.5	-2.4	2.2
2024f	3.2	3.6	3.9	3.1	3.0	2.8	2.9	2.6	3.8	4.3	3.1
2025f	4.3	3.0	5.0	4.2	4.1	4.3	4.8	3.9	2.9	3.4	4.7
Employment											
2010-19	1.3	0.6	1.5	0.3	0.0	1.2	1.4	1.0	0.9	1.3	2.0
2021	5.0	3.4	4.0	5.6	3.1	4.3	5.2	3.7	2.6	5.4	6.2
2022	4.0	4.4	5.4	3.6	2.8	3.0	4.6	3.2	3.5	5.2	3.2
2023f	2.4	1.9	4.2	2.5	3.4	2.5	2.4	2.3	1.3	3.4	1.4
2024f	1.2	0.9	1.9	1.2	1.3	0.9	1.2	1.0	1.0	1.4	1.3
2025f	1.7	1.2	2.0	1.7	1.8	1.7	1.9	1.6	1.5	1.9	1.8
Unemployment Rate (%)											
2010-19	6.9	13.3	10.6	8.7	9.4	7.1	7.0	5.6	5.3	6.2	6.2
2021	7.5	13.1	9.8	8.6	9.2	6.1	8.1	6.5	6.6	8.6	6.6
2022	5.3	11.3	7.6	6.5	7.2	4.3	5.6	4.6	4.7	5.8	4.6
2023f	5.3	10.2	7.7	6.3	6.7	4.3	5.6	4.9	4.9	5.7	5.2
2024f	6.1	10.9	8.2	7.2	7.5	5.1	6.4	5.6	5.6	6.3	5.9
2025f	6.2	11.2	8.4	7.5	7.7	5.2	6.5	5.7	5.6	6.4	6.0
Total CPI, annual average											
2010-19	1.6	2.0	1.6	1.7	1.8	1.5	1.9	1.8	1.8	1.7	1.6
2021	3.4	3.7	5.1	4.1	3.8	3.8	3.5	3.2	2.6	3.2	2.8
2022	6.8	6.4	8.9	7.5	7.3	6.7	6.8	7.9	6.6	6.5	6.9
2023f	3.9	3.4	3.3	4.1	3.8	4.4	3.7	3.9	4.2	3.4	4.0
2024f	2.6	2.5	2.6	2.4	2.4	2.6	2.6	2.7	2.7	2.5	2.5
2025f	2.0	1.9	2.0	2.0	2.1	1.9	2.0	2.0	1.9	1.9	2.1
Housing Starts (units, 000s)											
2010-19	201	2.2	0.8	4.2	2.7	44	70	6.6	6.0	31	34
2021	271	1.0	1.3	6.0	3.8	68	100	8.0	4.2	32	48
2022	262	1.4	1.3	5.7	4.7	57	96	8.1	4.2	37	47
2023f	238	1.1	0.8	5.7	4.2	42	92	7.2	4.2	33	48
2024f	235	1.6	0.9	5.3	3.7	47	87	7.3	5.2	33	44
2025f	245	2.0	1.0	5.3	3.7	52	88	7.8	5.9	35	44
Motor Vehicle Sales (units, 000s)											
2010-19	1,816	33	7	52	42	441	738	56	54	239	199
2021	1,667	29	8	45	38	413	667	50	43	197	203
2022	1,528	24	7	39	34	369	635	45	41	182	181
2023f	1,632	26	7	40	35	385	690	47	42	186	185
2024f	1,705	27	7	44	36	400	705	50	43	197	194
2025f	1,790	29	8	46	38	420	739	54	46	207	204
Budget Balances, (CAD mn)											
2020	-327,729	-1,492	-6	-342	409	-7,539	-16,404	-2,124	-1,127	-16,962	-5,468
2021	-90,200	-400	-27	339	769	-772	2,000	-750	-1,468	3,944	1,306
2022e	-43,000	784	-66	116	863	-5,021	-6,549	270	1,581	11,641	704
2023f	-46,500	-160	-98	-279	200	-3,998	1,313	-363	1,017	2,444	-6,674
2024f	-33,200	297	-58	-464	27	-2,984	200	-294	208	2,037	-3,147

* NL budget balance in 2019 is net of one-time revenue boost via Atlantic Accord.

Sources: Scotiabank Economics, Statistics Canada, CMHC, Budget documents; Quebec budget balance figures are after Generations Fund and before Stabilization Reserve transfers.

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