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Chart 1

Household Excess Savings

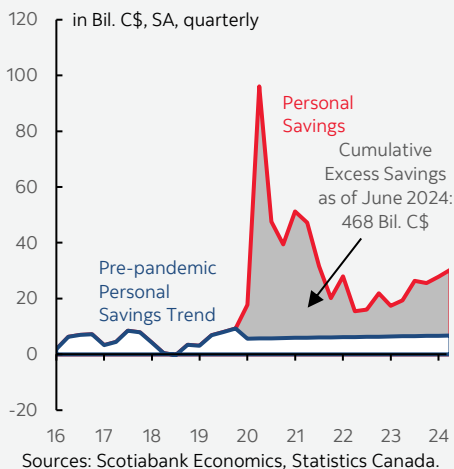
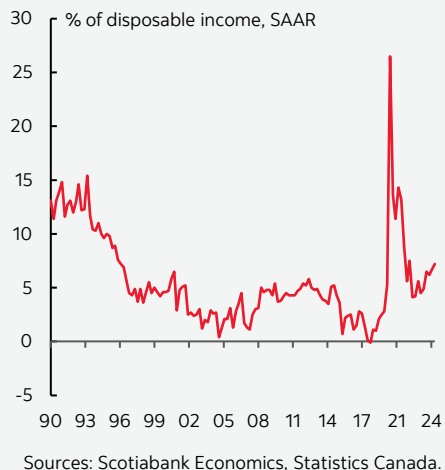


Chart 2

Canadian Household Savings Rate



Rates To Keep Falling (*If Spending Doesn't Rebound*)

- The Bank of Canada and Federal Reserve should cut policy rates at each meeting for the remainder of the year and well into 2025.
- Growth is slowing as the impact of past tightening is felt but we expect a gradual strengthening of economic activity as policy rates come down. North American central bankers seem, at this point, to have achieved a soft landing.
- We remain concerned about potential upside risks to household spending given high savings rates and accumulated savings, solid income growth, the massive gap between supply and demand in the housing market, and historically strong population growth. We assume a gradual improvement in spending but a larger or more rapid rebound in spending could imperil Bank of Canada cuts in mid-2025.
- The usual disclaimer applies: US election outcomes could lead to significant changes to this outlook.

The path forward for interest rates keeps getting clearer. With inflation and growth cooling owing in part to the lagged impacts of monetary policy, central bankers in Canada and the US seem confident in their assessment that interest rates will be cut substantially in coming months. The key questioning surrounding policy rates is the speed at which rates will decline, not whether they will decline from here. Key to that assessment is a view on growth dynamics, inflation, and risks to both. Though growth is weakening in both countries, we believe economies are landing softly and will not require central banks to act in an urgent way to shore up growth. As a result, we expect a gradual pace of cuts in Canada and the US, with two more cuts in Canada this year and three cuts in the US. A multitude of risks exist and while markets and most economists appear to prioritize downside risks to the outlook and interest rates, we continue to believe there are meaningful upside risks to both.

Focusing on Canada first, there are clear signs of softening in the economy. This is a welcome sign for the Bank of Canada as this softness is largely engineered. High policy rates are impacting the economy. The data are tricky to analyze, however. Though second quarter growth was stronger than expected, much of that strength came from the public sector (which includes educational and health services). Households continued to build savings as disposable income growth continued to far outpace spending. Auto sales have picked up as interest rates have fallen, but the housing market has not yet responded to lower borrowing costs in a meaningful way. The labour market has cooled but continues to generate very strong wage gains despite a sizeable increase in the unemployment rate over the last year. That rise in the unemployment rate to a large degree reflects the surge in population we have observed over the last year. That population surge, on the other hand, continues to support consumption, depress productivity in the short-run, and has widened the gap between supply and demand in the housing market.

The greater question on our minds is the responsiveness of the economy to lower interest rates. Falling borrowing costs will clearly boost demand but there are doubts about the extent, and perhaps most importantly the speed at which this may happen. Our model suggests sizeable pent-up demand for housing, investment and consumption. It also suggests that this pent-up demand will resolve itself gradually over coming quarters. This is what we have reflected in our forecast and why we expect growth of 1.1% this year and 1.9% next year. There is a risk however, that this pent-up demand is larger and/or closes more rapidly than [history would suggest](#). Two data points in particular are relevant in this respect. The accumulation of excess savings, which now stand around \$470 billion, and the personal savings rate, which is above 7% (charts 1 and 2). The savings rate is at the highest level since the mid-1990s if we exclude the pandemic period. Add to that the clear

September 10, 2024

gap between housing supply and demand and there is a risk that lower rates prompt a more rapid return of household spending and residential investment. That risk would be more acute around the spring housing market. This remains a risk at this point, but a sharper rebound in household spending than currently expected would dampen disinflationary pressures and could force the Bank of Canada to cut less than currently expected in 2025. As it stands, we forecast that Governor Macklem will cut interest rates to 3.0% by mid-2025.

One thing that is important for borrowers to consider is that the prospect for lower longer-term interest rates is slim. The yield on 5-year Government of Canada bonds is around 2.8% at the time of writing. These longer-term interest rates already build in the expected decline in policy rates on both sides of the border. From a potential homebuyer perspective, we would not expect much lower 5-year rates going forward and indeed our forecast is for those rates to drift up as markets price in a proper term premium into the yield curve. The decline in borrowing costs will be much more concentrated in shorter maturities, and in prime lending rates.

In the United States, we now expect the Federal Reserve will cut interest rates by 75bps through the remainder of this year and for the policy rate to fall to 3.5% by mid-2025. We do not believe the US is in recession nor is it likely to be in one. Economic indicators remain generally solid though there are clearly signs of softening. These are most evident in the employment market. Household spending remains reasonably strong as does the service side of the US economy. At this time we think that Chairman Powell and company should pursue a series of gradual cuts.

Our views will be impacted by the US election that remains too close to call. The outcome of that election could be of [significant consequence](#) to the global economy and markets but given how close the polls indicate the election is, we will only reflect the outcomes of the election once the victor is known along with the composition of Congress.

International												
	2010–19	2021	2022	2023	2024f	2025f	2010–19	2021	2022	2023	2024f	2025f
	Real GDP (annual % change)						Consumer Prices (annual average % change, unless noted)					
World (based on purchasing power parity)	3.7	6.5	3.5	3.2	3.1	3.0						
Canada	2.2	5.3	3.8	1.2	1.1	1.9	1.6	3.4	6.8	3.9	2.6	2.1
United States	2.4	5.8	1.9	2.5	2.5	1.6	1.8	4.7	8.0	4.1	2.9	2.3
Mexico	2.3	6.0	3.7	3.2	1.5	1.4	4.0	5.7	7.9	5.5	4.9	3.9
United Kingdom	2.0	8.7	4.3	0.1	1.1	1.3	2.2	2.6	9.1	7.3	2.5	2.2
Eurozone	1.4	6.2	3.4	0.5	0.7	1.4	1.4	2.6	8.4	5.4	2.4	2.1
Germany	2.0	3.6	1.4	-0.1	0.1	1.3	1.4	3.2	8.7	3.0	2.5	2.1
France	1.4	6.8	2.6	1.1	1.2	1.2	1.3	2.1	5.9	5.7	2.5	2.0
China	7.7	8.4	3.0	5.2	4.8	4.6	2.6	0.9	1.9	0.3	0.5	1.3
India	6.6	9.7	7.0	8.2	6.9	6.8	6.5	5.1	6.7	5.7	4.5	4.4
Japan	1.2	2.8	1.1	1.7	0.1	1.3	0.5	-0.3	2.5	3.3	2.4	2.0
South Korea	3.5	4.6	2.7	1.4	2.5	2.1	1.7	2.5	5.1	3.6	2.5	2.1
Australia	2.6	5.5	3.9	2.0	1.2	2.2	2.1	2.8	6.6	5.6	3.4	2.7
Thailand	3.6	1.6	2.5	1.9	2.6	3.1	1.6	1.2	6.1	1.3	0.8	1.6
Brazil	1.4	4.8	3.0	2.9	2.7	1.9	5.8	8.3	9.3	4.5	4.3	3.9
Colombia	3.7	10.8	7.3	0.6	1.5	2.9	3.7	3.5	10.2	11.8	6.8	3.8
Peru	4.5	13.4	2.7	-0.6	3.0	2.5	2.8	4.0	7.9	6.3	2.4	2.3
Chile	3.3	11.3	2.1	0.2	2.7	2.5	3.0	4.5	11.6	7.3	3.9	4.1
Commodities												
	(annual average)											
WTI Oil (USD/bbl)	74	68	95	78	80	75						
Brent Oil (USD/bbl)	82	70	101	83	85	80						
WCS - WTI Discount (USD/bbl)	-18	-14	-21	-19	-16	-14						
Nymex Natural Gas (USD/mmbtu)	3.39	3.85	6.61	2.73	2.57	3.75						
Copper (USD/lb)	3.10	4.23	4.00	3.85	4.50	5.00						
Zinc (USD/lb)	1.02	1.36	1.58	1.20	1.25	1.25						
Nickel (USD/lb)	7.00	8.37	11.66	9.75	8.50	8.50						
Iron Ore (USD/tonne)	101	160	121	120	110	90						
Metallurgical Coal (USD/tonne)	179	204	372	288	263	225						
Gold, (USD/oz)	1,342	1,799	1,803	1,943	2,200	2,200						
Silver, (USD/oz)	21.64	25.15	21.80	23.38	26.00	26.00						

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

North America												
	2010-19	2021	2022	2023	2024f	2025f	2010-19	2021	2022	2023	2024f	2025f
	Canada						United States					
	(annual % change, unless noted)						(annual % change, unless noted)					
Real GDP	2.2	5.3	3.8	1.2	1.1	1.9	2.4	5.8	1.9	2.5	2.5	1.6
Consumer spending	2.5	5.1	5.1	1.7	1.7	1.9	2.3	8.4	2.5	2.2	2.4	1.5
Residential investment	2.4	14.6	-12.0	-10.2	-0.2	5.4	4.7	10.7	-9.0	-10.6	2.9	0.5
Business investment*	3.0	9.1	4.3	-0.6	-0.2	4.3	5.6	5.9	5.2	4.5	3.9	1.9
Government	1.1	4.6	3.3	2.1	2.8	2.4	0.2	-0.3	-0.9	4.1	2.6	0.7
Exports	3.5	2.7	3.2	5.4	0.9	0.6	3.9	6.3	7.0	2.6	2.7	3.6
Imports	3.7	8.1	7.6	0.9	0.7	2.2	4.3	14.5	8.6	-1.7	3.6	0.3
Inventories, contribution to annual GDP growth	0.1	0.7	2.3	-0.7	-0.6	-0.1	0.1	0.2	0.5	-0.4	0.0	-0.2
Nominal GDP	4.0	13.4	11.8	2.8	4.5	3.8	4.0	10.7	9.1	6.3	5.1	3.8
GDP deflator	1.7	7.7	7.7	1.5	3.4	1.8	1.6	4.6	7.1	3.6	2.5	2.2
Consumer price index (CPI)	1.6	3.4	6.8	3.9	2.6	2.1	1.8	4.7	8.0	4.1	2.9	2.3
Core inflation rate**	1.7	2.8	5.0	3.9	2.6	2.2	1.6	3.6	5.2	4.1	2.6	2.2
Pre-tax corporate profits	6.3	33.2	14.7	-17.4	-0.6	12.3	5.9	22.6	9.8	0.6	3.4	2.6
Employment	1.3	5.0	4.0	2.4	1.6	1.1	1.4	2.9	4.3	2.3	1.6	1.5
Unemployment rate (%)	6.9	7.5	5.3	5.4	6.4	6.7	6.2	5.4	3.6	3.6	4.1	4.3
Current account balance (CAD, USD bn)	-56.9	0.4	-10.3	-21.0	-36.8	-69.0	-407	-868	-1012	-905	-977	-880
Merchandise trade balance (CAD, USD bn)	-13.6	2.5	19.7	-1.9	-11.7	-37.9	-763	-1083	-1180	-1063	-1143	-1093
Federal budget balance (FY, CAD, USD bn) ***	-18.7	-90.2	-35.3	-40.0	-39.8	-38.9	-829	-2,775	-1,376	-1,695	-1,933	-1,956
percent of GDP	-1.0	-3.6	-1.3	-1.4	-1.3	-1.2	-4.8	-11.8	-5.3	-6.2	-6.7	-6.6
Housing starts (000s, mn)	201	271	262	240	250	254	0.99	1.60	1.55	1.42	1.34	1.33
Motor vehicle sales (000s, mn)	1,816	1,663	1,523	1,684	1,784	1,800	15.7	14.9	13.8	15.5	15.7	16.5
Industrial production	2.4	5.0	3.9	-0.7	0.0	2.3	1.7	4.4	3.4	0.2	0.3	1.6
	Mexico											
	(annual % change)											
Real GDP	2.3	6.0	3.7	3.2	1.5	1.4						
Consumer price index	4.0	5.7	7.9	5.5	4.9	3.9						
Unemployment rate (%)	4.4	4.1	3.3	2.8	2.9	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	Q3	Q4	Q1	Q2	Q3f	Q4f	Q1f	Q2f	Q3f	Q4f
Real GDP (q/q ann. % change)	-0.9	3.4	0.7	-0.3	0.1	1.8	2.1	1.2	1.6	2.0	2.3	2.1	2.1
Real GDP (y/y % change)	2.2	2.0	1.3	0.7	1.0	0.6	0.9	1.3	1.7	1.7	1.8	2.0	2.1
Consumer prices (y/y % change)	6.7	5.1	3.5	3.7	3.2	2.8	2.7	2.4	2.5	2.3	2.1	2.1	2.1
Average of new core CPIs (y/y % change)*	5.4	4.7	3.9	3.7	3.4	3.0	2.7	2.5	2.4	2.3	2.2	2.1	2.1
CPIXFET (y/y % change)**	5.4	4.8	4.0	3.4	3.4	2.9	2.8	2.6	2.4	2.2	2.1	2.0	2.0
Unemployment Rate (%)	5.1	5.1	5.3	5.5	5.8	5.9	6.2	6.6	6.7	6.7	6.7	6.6	6.5
United States													
Real GDP (q/q ann. % change)	2.6	2.2	2.1	4.9	3.4	1.4	3.0	1.5	1.3	1.5	1.5	1.6	1.7
Real GDP (y/y % change)	0.7	1.7	2.4	2.9	3.1	2.9	3.1	2.3	1.8	1.8	1.5	1.5	1.6
Consumer prices (y/y % change)	7.1	5.7	4.0	3.6	3.2	3.2	3.2	2.8	2.4	2.4	2.4	2.3	2.2
Total PCE deflator (y/y % change)	5.9	5.0	3.9	3.3	2.8	2.6	2.6	2.4	2.4	2.4	2.3	2.1	2.2
Core PCE deflator (y/y % change)	5.1	4.8	4.6	3.8	3.2	2.9	2.6	2.5	2.3	2.3	2.3	2.2	2.1
Unemployment Rate (%)	3.6	3.5	3.6	3.7	3.7	3.8	4.0	4.3	4.4	4.3	4.3	4.3	4.2

* 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	Q4	Q1	Q2	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	3.75	3.25	3.00	3.00	3.00
US Federal Reserve (upper bound)	4.50	5.00	5.25	5.50	5.50	5.50	5.50	5.25	4.75	4.25	3.75	3.50	3.50
Bank of Mexico	10.50	11.25	11.25	11.25	11.25	11.00	11.00	10.50	10.25	9.75	9.25	8.75	8.00
Central Bank of Brazil	13.75	13.75	13.75	12.75	11.75	10.75	10.50	10.75	11.25	11.50	11.25	10.50	10.25
Bank of the Republic of Colombia	12.00	13.00	13.25	13.25	13.00	12.25	11.25	10.00	8.50	7.00	5.50	5.50	5.50
Central Reserve Bank of Peru	7.50	7.75	7.75	7.50	6.75	6.25	5.75	5.50	5.00	4.75	4.50	4.25	4.25
Central Bank of Chile	11.25	11.25	11.25	9.50	8.25	7.25	5.75	5.50	5.25	5.00	4.50	4.25	4.25
Europe													
European Central Bank MRO Rate	2.50	3.50	4.00	4.50	4.50	4.50	4.25	3.65	3.40	3.15	2.90	2.65	2.40
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	5.25	5.00	4.50	4.25	3.75	3.50	3.25
Asia/Oceania													
Reserve Bank of Australia	3.10	3.60	4.10	4.10	4.35	4.35	4.35	4.35	4.35	4.10	3.85	3.75	3.60
Bank of Japan	-0.10	-0.10	-0.10	-0.10	-0.10	0.05	0.05	0.25	0.25	0.50	0.50	0.60	0.60
People's Bank of China	2.75	2.75	2.65	2.50	2.50	2.50	2.50	2.30	2.20	2.20	2.10	2.10	2.10
Reserve Bank of India	6.25	6.50	6.50	6.50	6.50	6.50	6.50	6.50	6.25	6.00	6.00	6.00	5.75
Bank of Korea	3.25	3.50	3.50	3.50	3.50	3.50	3.50	3.50	3.25	3.00	2.75	2.75	2.75
Bank of Thailand	1.25	1.75	2.00	2.50	2.50	2.50	2.50	2.50	2.50	2.25	2.00	2.00	2.00
Currencies and Interest Rates													
Americas	(end of period)												
Canadian dollar (USDCAD)	1.36	1.35	1.32	1.36	1.32	1.35	1.37	1.38	1.36	1.34	1.32	1.32	1.30
Canadian dollar (CADUSD)	0.74	0.74	0.76	0.74	0.76	0.74	0.73	0.72	0.74	0.75	0.76	0.76	0.77
Mexican peso (USDMXN)	19.50	18.05	17.12	17.42	16.97	16.56	18.32	19.80	20.50	20.70	20.80	21.00	21.30
Mexican peso (CADMXN)	14.39	13.34	12.94	12.85	12.80	12.23	13.38	14.35	15.07	15.45	15.76	15.91	16.38
Brazilian real (USDBRL)	5.28	5.06	4.79	5.03	4.86	5.01	5.59	5.42	5.33	5.30	5.26	5.25	5.26
Colombian peso (USDCOP)	4,853	4,623	4,172	4,067	3,855	3,852	4,153	4,102	4,116	4,120	4,125	4,140	4,150
Peruvian sol (USDPEN)	3.81	3.76	3.63	3.78	3.70	3.72	3.84	3.80	3.75	3.75	3.75	3.80	3.78
Chilean peso (USDCLP)	851	795	802	892	879	979	940	900	890	870	870	870	870
Europe													
Euro (EURUSD)	1.07	1.08	1.09	1.06	1.10	1.08	1.07	1.07	1.09	1.11	1.11	1.15	1.15
UK pound (GBPUSD)	1.21	1.23	1.27	1.22	1.27	1.26	1.26	1.25	1.27	1.29	1.29	1.31	1.31
Asia/Oceania													
Japanese yen (USDJPY)	131	133	144	149	141	151	161	150	150	145	145	140	140
Australian dollar (AUDUSD)	0.68	0.67	0.67	0.64	0.68	0.65	0.67	0.68	0.68	0.70	0.70	0.72	0.72
Chinese yuan (USDCNY)	6.90	6.87	7.25	7.30	7.10	7.22	7.27	7.24	7.23	7.20	7.16	7.13	7.10
Indian rupee (USDINR)	82.7	82.2	82.0	83.0	83.2	83.4	83.4	83.7	83.6	83.5	83.5	83.5	83.5
South Korean won (USDKRW)	1,265	1,302	1,318	1,349	1,288	1,347	1,377	1,370	1,353	1,345	1,320	1,310	1,300
Thai baht (USDTHB)	34.6	34.2	35.5	36.4	34.1	36.4	36.7	36.3	36.0	36.0	35.5	35.3	35.0
Canada (Yields, %)													
3-month T-bill	4.32	4.42	4.91	5.11	5.03	4.95	4.64	4.05	3.65	3.15	2.95	2.95	2.95
2-year Canada	4.05	3.73	4.58	4.87	3.89	4.18	3.99	3.05	3.10	3.15	3.20	3.30	3.40
5-year Canada	3.41	3.02	3.68	4.25	3.17	3.53	3.51	2.80	2.90	3.15	3.25	3.40	3.55
10-year Canada	3.30	2.90	3.27	4.02	3.11	3.47	3.50	3.00	3.15	3.25	3.45	3.65	3.80
30-year Canada	3.28	3.00	3.09	3.81	3.03	3.35	3.39	3.10	3.25	3.40	3.50	3.75	3.95
United States (Yields, %)													
3-month T-bill	4.41	4.80	5.31	5.46	5.35	5.40	5.20	4.95	4.55	4.00	3.50	3.50	3.50
2-year Treasury	4.43	4.03	4.90	5.04	4.25	4.62	4.75	3.60	3.40	3.45	3.50	3.55	3.60
5-year Treasury	4.00	3.57	4.16	4.61	3.85	4.21	4.37	3.50	3.50	3.55	3.60	3.65	3.75
10-year Treasury	3.88	3.47	3.84	4.57	3.88	4.20	4.40	3.70	3.80	3.90	4.00	4.05	4.10
30-year Treasury	3.97	3.65	3.86	4.70	4.03	4.34	4.56	4.00	4.10	4.20	4.25	4.30	4.40

Sources: Scotiabank Economics, Bloomberg.

The Provinces											
	(annual % change except where noted)										
Real GDP	CA	NL	PE	NS	NB	QC	ON	MB	SK	AB	BC
2010-19	2.2	1.1	2.1	1.2	0.7	1.9	2.3	2.2	2.3	2.6	2.9
2021	5.3	1.0	8.4	5.9	5.3	6.7	5.4	1.3	-0.7	4.6	7.1
2022	3.8	-1.7	2.9	2.9	1.1	2.5	3.9	3.3	6.0	5.0	3.8
2023e	1.2	-2.5	2.2	1.3	1.3	0.2	1.4	1.3	1.6	2.2	1.6
2024f	1.1	1.5	1.6	1.0	0.8	0.9	1.1	1.0	1.3	1.7	1.1
2025f	1.9	2.0	2.1	1.6	1.4	1.7	1.9	1.8	2.0	2.3	2.0
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	13.4	18.5	14.9	10.0	10.9	11.6	9.8	9.2	13.9	24.9	15.8
2022	11.8	6.8	9.3	7.1	7.4	8.4	9.2	8.6	29.1	22.0	11.0
2023e	2.8	-3.7	5.1	4.3	4.0	3.7	4.3	4.1	-1.2	-2.3	4.6
2024f	4.5	5.6	4.9	3.9	3.9	3.9	4.1	4.0	6.2	6.1	4.4
2025f	3.8	2.9	4.4	3.5	3.5	3.7	4.0	3.7	3.6	3.5	4.0
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
2023	2.4	1.8	5.7	2.6	3.5	2.3	2.4	2.5	1.8	3.6	1.6
2024f	1.6	2.2	4.2	2.7	2.3	0.9	1.5	2.0	2.2	2.7	1.9
2025f	1.1	1.2	1.5	1.1	1.0	0.9	1.1	1.1	1.3	1.4	1.2
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
2023	5.4	10.0	7.3	6.3	6.6	4.5	5.7	4.8	4.8	5.9	5.2
2024f	6.4	10.4	7.7	7.2	7.1	5.3	6.8	5.5	5.5	6.8	5.8
2025f	6.7	10.3	8.3	7.7	7.6	5.3	7.1	5.8	5.9	7.3	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
2023	3.9	3.3	2.9	4.0	3.5	4.5	3.8	3.6	3.9	3.3	4.0
2024f	2.6	2.4	2.4	2.8	2.6	2.7	2.6	1.5	1.7	2.9	2.7
2025f	2.1	2.0	2.0	2.1	2.1	2.2	2.2	2.0	2.0	2.2	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	2.7	1.2	5.2	3.7	41	87	3.5	2.6	41	24
2023	240	1.0	1.1	7.2	4.5	39	89	7.1	4.6	36	50
2024f	250	1.5	1.2	7.8	4.8	47	85	7.2	4.7	42	49
2025f	254	1.9	1.2	6.6	4.2	53	88	7.7	5.7	40	47
Motor Vehicle Sales (units, 000s)											
2010-19	1,816	33	7	52	42	441	738	56	54	239	199
2021	1,663	29	8	45	38	413	667	50	43	197	203
2022	1,523	25	7	39	35	372	642	46	42	184	182
2023	1,684	27	8	42	38	412	720	50	45	210	205
2024f	1,784	29	8	45	39	422	732	52	46	207	205
2025f	1,800	29	8	46	39	426	739	52	46	209	207
Budget Balances, (CAD mn)											
2020	-327,729	-1,492	-6	-342	409	-7,539	-16,404	-2,124	-1,127	-16,962	-5,507
2021	-90,200	-272	84	339	769	-772	2,025	-704	-1,468	3,915	1,265
2022	-35,322	784	-66	116	1,013	-6,150	-5,863	-378	1,581	11,641	704
2023e	-40,003	-433	-86	40	247	-6,302	-3,000	-1,997	-483	4,285	-5,914
2024f	-39,800	-152	-85	-467	-28	-10,998	-9,806	-796	-354	2,928	-7,911

* 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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