

Canadian Economic Outlook for Jan. 12, 2024

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

	2023				2024				2025				2022	2023	2024	2025	
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4					
Production	q/q % chng : a.r.																
Real GDP (chain-weighted)	2.5	1.4	-1.1	0.0	0.0	1.0	1.5	2.0	2.3	2.0	2.0	2.0	3.8	1.0	0.5	2.0	
Final Sales	5.5	1.6	-0.2	1.6	0.8	1.4	1.5	2.0	2.3	2.0	2.0	2.0	1.5	2.3	1.1	2.0	
Final Domestic Demand	2.9	1.2	1.3	0.5	0.5	1.4	1.7	2.0	2.3	2.0	2.0	2.0	2.8	1.0	1.1	2.0	
Consumer Spending	5.3	-0.1	0.1	0.0	-0.2	0.9	1.5	2.1	2.0	1.9	1.8	1.8	5.1	2.0	0.4	1.8	
Durables	6.0	-2.9	4.0	1.5	0.0	1.0	1.5	1.5	2.0	1.5	1.3	1.3	-1.8	2.5	1.1	1.5	
Nondurables	-1.5	1.1	-1.6	-1.0	0.0	1.0	1.5	2.0	1.8	1.5	1.3	1.3	-0.3	-0.7	0.2	1.6	
Services	6.9	-0.1	1.4	0.1	-0.4	0.9	1.5	2.3	2.1	2.2	2.3	2.3	9.1	3.1	0.6	2.0	
Government Spending	1.6	1.1	6.5	2.4	2.1	2.5	2.4	2.4	3.0	2.4	2.4	2.4	3.3	2.2	2.8	2.6	
Business Investment	4.2	13.9	-10.1	-2.4	1.0	1.5	2.1	2.0	2.3	2.0	2.0	2.0	4.0	1.1	-0.1	2.1	
Non-residential Construction	6.3	11.3	-7.7	-2.0	1.0	1.5	2.2	2.0	2.3	2.0	2.0	2.0	6.7	5.1	0.2	2.1	
Machinery and Equipment	0.4	18.8	-14.4	-3.0	1.0	1.5	2.0	2.0	2.5	2.0	2.0	2.0	-0.3	-5.6	-0.6	2.1	
Residential Construction	-12.6	-4.2	8.3	1.5	0.0	0.5	1.0	0.0	2.0	1.5	1.5	1.5	-12.1	-9.8	1.2	1.2	
Exports	12.1	5.1	-5.1	2.0	2.4	2.8	2.8	2.4	2.2	2.0	2.0	2.0	3.2	4.7	1.6	2.3	
Imports	4.0	4.4	-0.6	-1.1	1.6	2.8	3.4	2.4	2.0	2.0	2.0	2.0	7.6	0.9	1.5	2.3	
Inventory Change	2017\$ blns : a.r.	31.8	31.2	25.4	16.3	12.0	10.2	10.3	10.4	10.4	10.5	10.5	55.3	26.2	10.7	10.5	
Contrib. to GDP Growth	ppts : a.r.	-3.1	0.1	-1.0	-1.5	-0.7	-0.3	0.0	0.0	0.0	0.0	0.0	2.3	-1.3	-0.7	0.0	
Net Exports	2017\$ blns : a.r.	-69.3	-68.8	-77.0	-71.2	-70.0	-70.5	-72.1	-72.6	-72.6	-73.0	-73.3	-73.7	-96.8	-71.6	-71.3	-73.2
Contrib. to GDP Growth	ppts : a.r.	2.7	0.2	-1.5	1.0	0.3	0.0	-0.2	0.0	0.0	0.1	0.1	-1.5	1.3	0.1	0.0	
Nominal GDP	\$ blns : a.r.	2,838	2,859	2,904	2,937	2,948	2,968	2,994	3,023	3,054	3,084	3,113	3,143	2,813	2,885	2,983	3,098
Growth	q/q % chng : a.r.	-0.2	3.1	6.4	4.6	1.5	2.6	3.6	4.0	4.2	3.9	3.9	3.9	11.8	2.5	3.4	3.9
Real GDP	y/y % chng	1.8	1.2	0.5	0.7	0.1	0.0	0.7	1.2	1.7	2.0	2.1	2.1				
Inflation	q/q % chng : a.r.																
GDP Price Index	-2.6	1.7	7.4	4.6	1.5	1.6	2.0	2.0	1.8	1.8	1.9	1.9	7.7	1.5	2.9	1.9	
CPI All Items	2.2	3.3	5.0	2.3	2.7	2.3	2.2	2.2	2.0	2.2	2.3	2.1	6.8	3.9	2.8	2.2	
Ex. Food and Energy	3.3	3.3	3.2	4.2	3.3	2.6	2.4	2.4	2.1	2.2	2.3	2.1	5.0	3.9	3.2	2.3	
Food Prices	8.3	5.9	3.7	2.6	2.0	1.8	1.7	2.0	1.9	2.2	1.9	2.1	8.7	7.5	2.5	2.0	
Energy Prices	-16.8	-2.8	19.8	-12.8	-2.0	1.1	0.8	1.3	0.8	2.3	2.4	2.0	24.2	-4.2	-0.6	1.5	
Services	3.1	5.6	5.1	4.4	2.1	2.0	2.3	2.4	2.1	2.2	2.3	2.1	5.0	4.6	3.1	2.2	
CPI All Items	y/y % chng	5.1	3.5	3.7	3.2	3.3	3.1	2.4	2.2	2.2	2.2	2.1					
CPIX8	y/y % chng	4.6	3.6	3.1	2.8	2.9	2.3	2.3	2.3	2.2	1.9	1.9	5.7	3.5	2.5	2.1	
Core CPIs (Trim/Median avg.)	y/y % chng : avg.	4.8	4.0	3.8	3.4	3.1	2.7	2.2	2.3	2.3	2.0	2.0	5.0	4.0	2.5	2.1	
Financial	% : quarterly avg.																
Overnight Rate	4.50	4.58	5.00	5.00	5.00	4.92	4.50	4.17	3.92	3.50	3.25	3.00	2.04	4.77	4.65	3.42	
3-Month T-Bill	4.39	4.54	5.02	5.01	5.00	4.95	4.60	4.25	3.90	3.50	3.25	3.05	2.17	4.74	4.70	3.45	
90-Day BAs	5.01	5.11	5.47	5.52	5.45	5.40	5.00	4.65	4.30	3.90	3.60	3.35	2.79	5.28	5.15	3.80	
10-Year Bond Yield	3.04	3.10	3.64	3.67	3.20	3.15	3.05	3.00	3.00	3.00	3.00	3.00	2.77	3.36	3.10	3.00	
10-Year BBB Corporate Spread	ppts	2.18	2.16	2.12	2.25	2.40	2.50	2.30	2.10	2.00	2.00	2.00	2.15	2.18	2.33	2.00	
90 Day Canada/U.S. Spread	bps	-39	-72	-52	-51	-44	-50	-67	-48	-45	-57	-58	-54	9	-53	-52	
10 Year Canada/U.S. Spread	bps	-61	-50	-51	-77	-75	-75	-75	-75	-74	-72	-71	-69	-18	-60	-75	
Foreign Trade	\$ blns : a.r.																
Current Account Balance	-27.1	-29.3	-12.9	1.4	-5.6	-9.8	-12.0	-12.6	-13.4	-14.5	-15.5	-16.5	-10.3	-17.0	-10.0	-15.0	
Share of GDP	-1.0	-1.0	-0.4	0.0	-0.2	-0.3	-0.4	-0.4	-0.4	-0.5	-0.5	-0.5	-0.4	-0.6	-0.3	-0.5	
Merchandise Balance	1.6	-24.7	3.3	19.0	13.2	9.6	8.7	8.8	8.3	7.4	6.4	5.5	19.7	-0.2	10.1	6.9	
Non-Merchandise Balance	-28.7	-4.5	-16.2	-17.5	-18.7	-19.4	-20.7	-21.4	-21.7	-21.9	-21.9	-22.0	-30.0	-16.7	-20.1	-21.8	
US\$	US\$/C\$: qtr. avg.	74.0	74.5	74.6	73.5	74.7	75.0	75.3	75.7	76.1	76.7	77.3	77.9	76.9	74.1	75.2	77.0
	C\$/US\$: qtr. avg.	1.352	1.343	1.341	1.361	1.338	1.333	1.327	1.322	1.313	1.303	1.293	1.283	1.302	1.349	1.330	1.298
Yen	¥/C\$: qtr. avg.	97.9	102.3	107.8	108.5	107.1	106.8	106.5	106.2	106.0	105.8	105.7	105.5	100.9	104.1	106.8	105.7
Euro	C\$/€ : qtr. avg.	1.45	1.46	1.46	1.47	1.47	1.47	1.47	1.48	1.48	1.47	1.47	1.46	1.37	1.46	1.47	1.47
Corp. Profits Before Tax	y/y % chng	-40.3	-59.6	-48.0	-37.1	-9.3	31.0	24.0	28.9	28.9	28.3	22.9	17.4	11.9	-46.9	17.0	24.0
Corp. Profits After Tax	y/y % chng	-12.6	-28.6	-15.9	-9.5	2.1	14.6	3.5	2.8	3.4	4.7	4.6	8.0	15.8	-17.0	5.5	5.2
Personal Income	y/y % chng	7.5	8.2	7.9	6.0	4.6	3.3	2.6	2.8	3.4	3.6	3.6	3.6	6.6	7.4	3.3	3.6
Real Disposable Income	y/y % chng	0.7	1.6	1.5	0.3	0.2	0.4	0.5	0.6	1.3	1.5	1.5	1.5	-0.1	1.0	0.4	1.4
Savings Rate	% : quarterly avg.	4.4	4.7	5.1	5.4	5.4	5.3	5.2	5.1	5.1	4.9	4.8	4.7	5.4	4.9	5.3	4.9
Other Indicators	quarterly avg.																
Unemployment Rate	percent	5.0	5.2	5.5	5.7	6.0	6.3	6.5	6.5	6.3	6.1	5.9	5.8	5.3	5.4	6.3	6.0
Housing Starts	000s : a.r.	223	249	259	250	255	248	235	223	235	247	247	250	263	245	240	245
Existing Home Sales	y/y % chng	-37.3	-4.5	8.8	0.1	2.5	-9.7	-2.8	11.4	13.9	13.2	8.6	4.9	-25.1	-11.5	0.0	10.0
MLS Home Price Index	y/y % chng	-15.1	-4.9	0.9	0.5	-0.8	-6.4	-6.5	-2.6	1.4	3.8	4.7	4.2	12.1	-5.9	-4.0	3.0
Motor Vehicle Sales	mlns : a.r.	1.67	1.74	1.70	1.80	1.76	1.81	1.89	1.93	1.95	1.95	1.95	1.95	1.57			

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