

Canadian Economic Outlook

BMO Capital Markets Economics

November 12, 2010

	2010				2011				2012				2009	2010	2011	2012
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4				
PRODUCTION																
	(quarter/quarter % change : a.r.)															
Real GDP (chain-weighted)	5.8	2.0	1.5	2.3	2.5	2.7	3.0	2.8	2.6	2.3	2.6	2.9	-2.5	3.0	2.4	2.7
Final Sales	3.6	0.2	0.0	2.5	2.7	2.6	2.5	2.4	2.7	2.8	2.8	3.1	-1.6	1.8	2.1	2.7
Final Domestic Demand	4.9	3.5	3.6	2.6	2.9	2.4	2.4	2.6	2.7	2.7	2.8	3.1	-1.8	4.1	2.8	2.6
Consumer Spending	4.3	2.6	3.3	2.9	3.1	3.7	3.2	3.0	2.7	2.5	2.5	2.8	0.4	3.5	3.2	2.8
durables	4.1	-5.3	7.0	2.5	4.0	6.0	1.0	2.0	2.4	2.5	2.7	3.0	-1.5	5.4	3.3	2.5
nondurables	3.1	3.9	2.9	3.0	3.0	3.2	3.5	3.0	2.6	2.4	2.5	2.6	0.7	2.2	3.1	2.8
services	2.8	4.8	2.7	2.9	3.0	3.3	3.5	3.3	2.8	2.6	2.5	2.8	1.1	3.5	3.2	2.9
Government Spending	2.1	2.0	2.5	3.2	1.9	-1.6	-1.9	-0.6	-0.0	0.2	0.5	0.9	5.1	4.6	0.9	-0.3
Business Investment	5.0	14.7	14.7	3.6	5.6	5.6	7.1	7.1	7.8	8.0	8.2	8.0	-19.9	2.4	7.1	7.6
non-residential construction	-1.1	1.0	7.0	2.0	3.0	3.0	5.0	6.0	7.0	7.5	8.5	8.0	-19.5	-5.1	3.6	6.7
machinery and equipment	11.3	29.7	22.0	5.0	8.0	8.0	9.0	8.0	8.5	8.5	8.0	8.0	-20.3	10.3	10.4	8.3
Residential Construction	21.6	1.2	-6.0	-3.0	0.0	2.0	4.0	3.0	5.0	4.0	4.0	5.0	-8.2	10.4	-0.2	4.0
Exports	10.7	6.0	-3.5	6.4	5.7	6.7	6.7	5.7	4.8	4.8	4.3	4.3	-14.2	6.2	5.0	5.2
Imports	13.9	16.4	8.4	6.5	5.8	5.8	5.8	5.8	4.8	4.4	4.0	4.0	-13.9	13.4	6.9	5.0
	(billions of chained 2002 dollars : a.r.)															
Inventory Change	5.6	12.7	15.0	14.4	13.7	14.1	15.7	16.9	16.8	15.3	14.7	14.1	-2.9	11.9	15.1	15.2
Contribution to GDP Growth	2.2	1.8	1.5	-0.2	-0.2	0.1	0.4	0.3	-0.0	-0.5	-0.2	-0.2	-0.9	1.2	0.3	-0.0
Net Exports	-103.5	-118.1	-133.5	-135.7	-137.7	-138.7	-139.8	-141.9	-143.5	-144.6	-145.7	-146.8	-81.9	-122.7	-139.5	-145.1
Contribution to GDP Growth	-1.0	-2.9	-3.6	-0.1	-0.1	0.2	0.2	-0.1	-0.0	0.1	0.1	0.1	0.2	-2.2	-0.7	0.0
	(billions of dollars : a.r.)															
Nominal GDP	1,598	1,609	1,618	1,636	1,656	1,673	1,692	1,711	1,730	1,748	1,767	1,788	1,527	1,615	1,683	1,758
(% chng : a.r.)	9.7	2.9	2.3	4.4	4.9	4.3	4.7	4.4	4.5	4.2	4.5	4.8	-4.5	5.8	4.2	4.5
INFLATION																
	(quarter/quarter % change : a.r.)															
GDP Price Index	3.7	1.0	0.7	2.1	2.3	1.6	1.7	1.6	1.8	1.9	1.8	1.9	-2.1	2.7	1.7	1.8
CPI All Items	2.3	-0.9	2.3	2.6	2.4	1.1	1.5	1.4	2.0	2.3	2.3	2.0	0.3	1.6	1.8	1.9
Excl. Food & Energy	1.9	0.6	1.8	1.6	2.5	1.1	1.4	1.2	1.9	2.4	2.4	2.0	1.1	1.3	1.6	1.8
Food Prices	2.2	0.4	3.5	4.5	2.0	0.9	1.4	1.5	1.9	1.9	1.9	1.9	4.9	1.6	2.2	1.7
Energy Prices	6.0	-15.1	4.4	8.5	3.2	1.5	2.8	3.7	2.4	2.4	2.4	2.4	-13.5	4.6	2.8	2.7
Services	1.0	3.1	4.3	1.6	2.2	2.1	2.0	2.4	2.4	2.4	2.4	2.4	2.1	2.0	2.4	2.3
	(year/year % change)															
CPI All Items	1.6	1.4	1.8	1.6	1.7	2.2	2.0	1.6	1.5	1.8	2.0	2.2				
BoC Core	1.9	1.8	1.6	1.5	1.5	1.5	1.8	1.9	1.9	1.8	1.9	1.9	1.8	1.7	1.7	1.9
FINANCIAL																
	(average for the quarter : %)															
Overnight Rate	0.25	0.33	0.83	1.00	1.00	1.00	1.33	1.83	2.33	2.83	3.33	3.75	0.40	0.60	1.29	3.06
3-Month T-Bill	0.19	0.41	0.70	0.91	0.92	0.93	1.29	1.82	2.35	2.88	3.41	3.85	0.33	0.55	1.24	3.12
90-Day BAs	0.28	0.59	0.92	1.14	1.15	1.16	1.52	2.05	2.58	3.11	3.64	4.08	0.40	0.73	1.47	3.35
10 Year Bond Yield	3.47	3.47	3.01	2.78	2.58	2.59	2.88	3.16	3.38	3.56	3.75	3.94	3.23	3.18	2.80	3.66
Canada/US spread: (bps)																
90 day	8	26	54	78	79	80	116	169	176	179	191	184	18	42	111	183
10 year	-25	-2	22	27	26	22	13	3	-4	-10	-17	-23	-3	5	16	-14
FOREIGN TRADE																
	(billions of dollars : a.r.)															
Current Account Balance	-33.8	-44.1	-67.2	-66.9	-64.8	-64.4	-63.2	-63.6	-64.8	-64.7	-65.3	-65.3	-43.5	-53.0	-64.0	-65.0
Merchandise Balance	4.7	-5.1	-25.2	-24.2	-23.6	-22.5	-20.9	-20.6	-21.0	-20.8	-20.5	-20.3	-4.6	-12.5	-21.9	-20.7
Non-Merchandise Balance	-38.5	-38.9	-42.0	-42.7	-41.2	-42.0	-42.2	-43.0	-43.8	-43.9	-44.8	-45.0	-39.0	-40.5	-42.1	-44.3
	(average for the quarter)															
Exchange Rate (US\$/C\$)	96.0	97.3	96.3	98.6	99.3	99.8	100.7	101.9	102.1	101.5	100.8	100.2	88.0	97.0	100.5	101.2
Exchange Rate (C\$/US\$)	1.041	1.028	1.039	1.015	1.007	1.002	0.993	0.981	0.979	0.985	0.992	0.998	1.141	1.031	0.996	0.989
Exchange Rate (¥/C\$)	87.1	89.7	82.6	79.8	80.3	81.9	83.9	86.2	88.5	90.5	92.4	94.4	82.3	84.8	83.1	91.4
Exchange Rate (C\$/Euro)	1.44	1.31	1.34	1.41	1.42	1.42	1.42	1.42	1.41	1.41	1.40	1.40	1.58	1.38	1.42	1.41
INCOMES																
	(billions of dollars : a.r.)															
Corporate Profits Before Tax	172.6	170.8	171.0	173.0	180.1	183.0	183.7	188.5	190.9	194.4	194.1	199.6	146.9	171.9	183.8	194.8
Corporate Profits After Tax	116.2	121.6	121.4	122.9	130.0	132.9	133.7	138.4	140.8	144.4	144.1	149.6	104.5	120.6	133.7	144.7
	(year/year % change)															
Corporate Profits Before Tax	16.8	27.5	16.4	8.9	4.4	7.1	7.4	8.9	6.0	6.3	5.7	5.9	-32.3	17.0	7.0	6.0
Personal Income	2.2	3.4	3.5	3.3	3.6	3.4	4.3	4.5	4.7	4.8	4.9	5.0	0.3	3.1	3.9	4.8
Real Disposable Income	1.2	4.4	2.7	3.3	3.6	0.6	2.9	3.0	3.2	3.2	3.1	3.2	1.2	2.9	2.5	3.2
	(average for the quarter : %)															
Savings Rate	3.0	5.9	3.6	3.6	3.6	3.4	3.4	3.4	3.6	3.7	3.9	4.0	4.6	4.0	3.5	3.8
OTHER INDICATORS																
	(quarter average or period end : a.r.)															
Unemployment Rate (%)	8.2	8.0	8.0	7.9	8.0	7.9	7.7	7.7	7.6	7.5	7.5	7.4	8.3	8.1	7.8	7.5
Housing Starts (thousands)	198	199	192	171	170	179	182	185	184	181	181	182	149	190	179	182
Motor Vehicle Sales (millions)	1.58	1.55	1.59	1.59	1.61	1.63	1.64	1.67	1.65	1.67	1.68	1.69	1.48	1.58	1.64	1.67
	(quarter/quarter % change : a.r.)															
Employment Growth	1.6	4.2	1.9	0.4	0.7	0.9	1.0	1.1	1.9	1.2	1.2	1.2	-1.6	1.6	1.1	1.3
Industrial Production	11.2	9.2	4.7	3.7	3.9	4.2	3.2	2.2	2.8	3.4	3.2	3.0	-9.4	5.3	4.2	3.0

Note: Outlined areas represent forecast periods

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