



March 2024

Summary

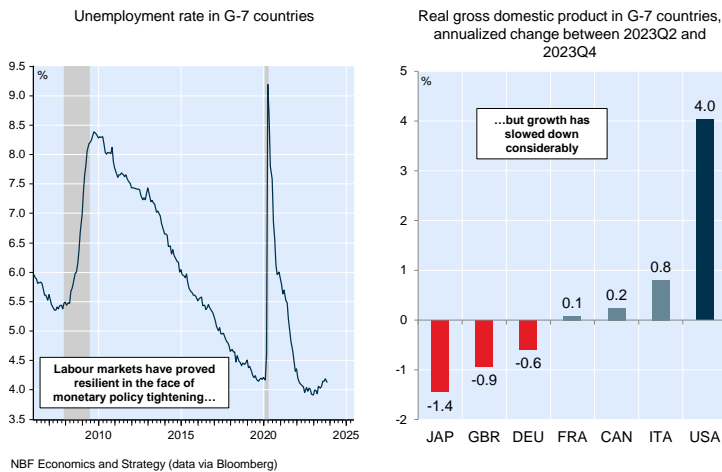
By Matthieu Arseneau, Jocelyn Paquet and Daren King

- Although it's hard to tell by looking at the world's major stock indices, the state of the global economy has been deteriorating of late. But tepid growth rates in China and several advanced economies have not been enough to dampen investor enthusiasm. Not in a context where these headwinds have been more than offset in the eyes of observers by the improved outlook in the United States and the decline in global inflation, which is now allowing several central banks to open the door to rate cuts. And while we recognize that, all other things being equal, lower rates would translate into a better economic outlook, risks to the scenario still remain, notably in the form of more persistent services inflation. Without completely preventing central banks from cutting rates, high services inflation could nonetheless force them to remain restrictive for longer than would otherwise be the case, weighing on hiring and, ultimately, output. Growth is therefore likely to remain below potential in many parts of the world for most of the year, before picking up again in 2025. According to this scenario, global GDP would increase by 2.7% this year and by 2.8% in 2025.
- Growth is proving highly resilient in the U.S., and that despite one of the most aggressive monetary tightening cycles in history. This is due not only to the strength of consumers, but also to a marked deterioration in the structural government budget balance (in other words, to fiscal stimulus). But as the past is no guarantee of the future, what happens next will depend on the Federal Reserve's ability to cut its key rates quickly enough so that the economy doesn't suffer too much, but not too fast so that inflation doesn't pick up again. With the labour market already showing signs of weakness, we remain concerned that the central bank could maintain an overly restrictive monetary policy for too long. Consistent with these fears, we expect growth to slow down significantly between now and the second half of the year and remain below potential for a few quarters. This would translate into real GDP growth of 2.1% in 2024 and 0.8% in 2025. The latter growth figure remains well below consensus expectations.
- In Canada, it is becoming increasingly clear that the rate hikes announced since the start of the recent tightening cycle are taking their toll on the economy. GDP per capita has been falling for six quarters, and private domestic demand for two. As for the labor market, the private sector has generated virtually no new jobs since June 2023. Moreover, business survey data do not point to any improvement in this area over the next few months, with a significant proportion of companies reporting falling sales and a return to normal in the proportion of companies experiencing labour shortages. Despite this, progress on inflation is stalling, mainly due to the shelter component, stimulated by outsized population growth and rising interest rates. As the Bank of Canada's latest communications have focused on inflation resilience rather than signs of weak growth, there is a risk that it will inflict too much damage on the economy by maintaining an overly restrictive monetary policy. All in all, we anticipate a difficult 2024 for economic growth, which should be limited to an increase of 0.3%, while a slight acceleration to 1.2% is expected the following year.

World: Upcoming rate cuts insufficient to completely dispel risks

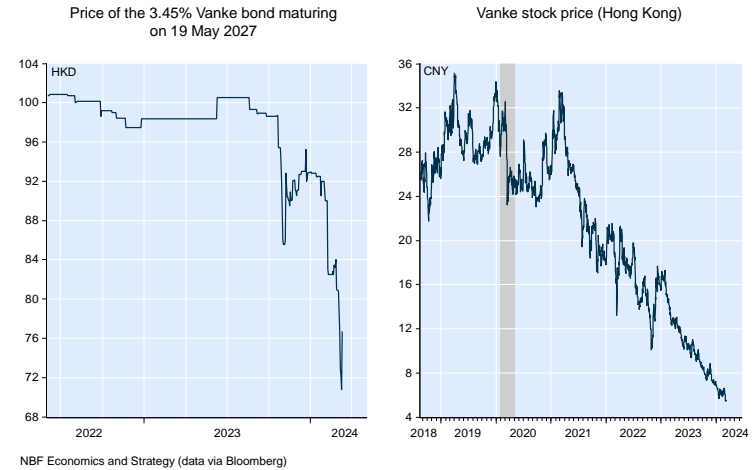
Although it's hard to tell by looking at the world's major stock indices, the state of advanced economies has been deteriorating of late. Nor would one suspect this from reading the financial press, in which the growing impact of monetary policy tightening has been somewhat overshadowed by comments highlighting the resilience of labour markets in the face of rising interest rates. It's true that, outside Germany, the rise in unemployment rates has been relatively modest, but it has nevertheless been accompanied by a marked slowdown in GDP growth. At the time of writing, two G-7 countries were in technical recession, while four others were flirting with stagnation.

World: The economy less resilient than advertised



Advanced economies are unfortunately not the only ones experiencing difficulties; China is also facing its share of problems. With its infrastructure boom now over and exports affected by protectionism and falling foreign demand, the world's second-largest economy is looking for a new engine of growth. And it has few options other than to reorient the economy towards consumption. Easier said than done in a country where social programs remain limited and household confidence remains shaken by a real estate crisis. Two and a half years after Evergrande's setbacks began, the situation on this front remains highly volatile. Housing prices continue to fall, putting pressure on the most indebted developers. Last month, doubts began to surface about the ability of another real estate giant to service its debt. Vanke's shares and bonds collapsed, bringing to the fore the vulnerabilities that remain in this sector.

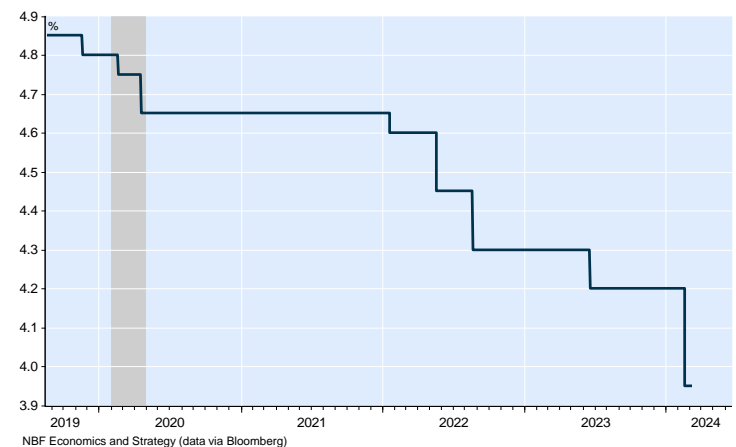
China: Another developer in trouble



Unfortunately, the authorities seem to have run out of ideas to stabilize the situation. They did cut mortgage rates by 25 basis points last month, but this is unlikely to restore the confidence of millions of Chinese who have paid in full for homes that may now never be built.

China : Have the authorities run out of ideas?

Loan prime rate 5 year

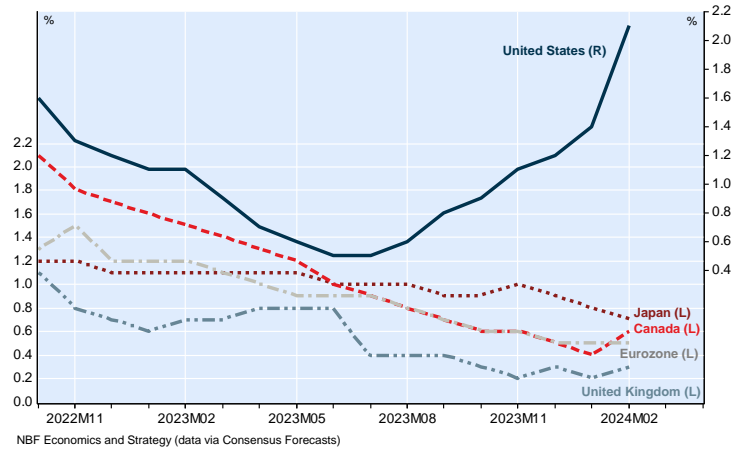


The annual meeting of the National People's Congress, the scene of many important economic announcements in the past, also disappointed analysts. Although the authorities took the opportunity to set an ambitious growth target (5%), they gave few details on how to achieve it, apart from what appeared to be an insufficient increase in the central government's budget deficit.

But be that as it may, the rather tepid growth rates observed in China and several advanced economies were not enough to dampen investor enthusiasm. Not in a context where these headwinds were more than offset in the eyes of observers by the improved outlook in the United States. Growth forecasts for the world's leading economy have been improving steadily in recent months, eclipsing any bad news from other parts of the globe.

World: Negative revisions eclipsed by improvement of U.S. outlook

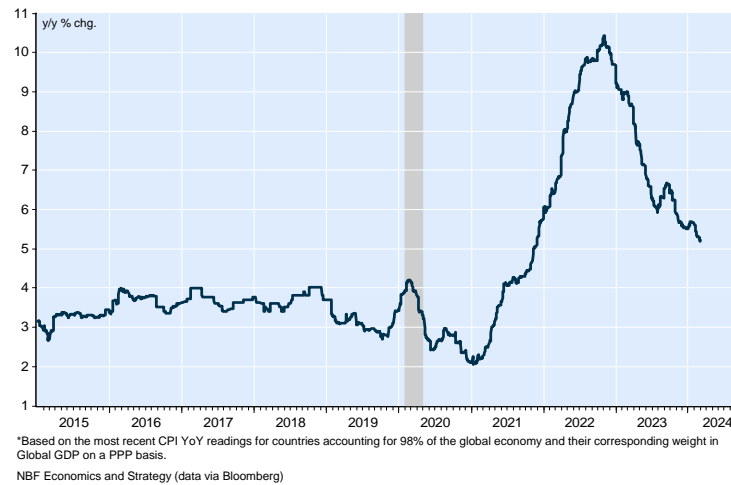
Consensus on real GDP growth for 2024 in the G7 countries



This analysis is somewhat simplistic, however, as the improved growth prospects of our southern neighbours are not the only factor contributing to the prevailing optimism. The decline in global inflation, which now allows several central banks to open the door to rate cuts, has also played an important role. The European Central Bank followed in the Fed's footsteps at its last meeting, confirming that members of the Governing Council had started discussing a gradual easing of monetary policy. According to the markets, June seems the most likely date for a first rate cut in the single currency area.

World: Lower inflation opens the door to rate cuts

Bloomberg World Economy Weighted Consumer Price Index*



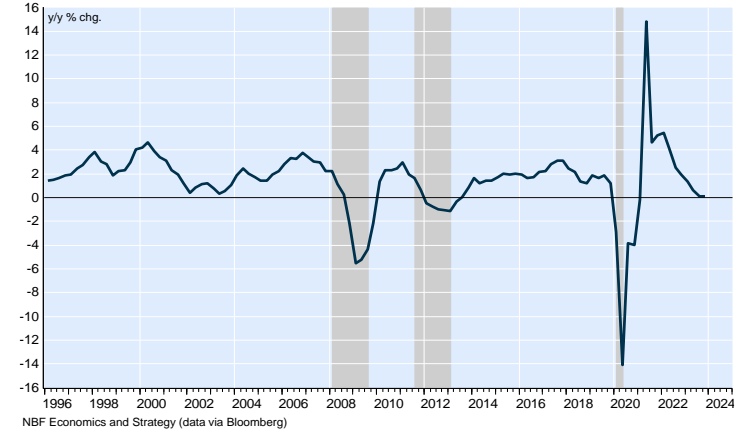
*Based on the most recent CPI YoY readings for countries accounting for 98% of the global economy and their corresponding weight in Global GDP on a PPP basis.

NBF Economics and Strategy (data via Bloomberg)

This easing cannot come too soon, however, because unlike in the U.S., the central bank's struggle to bring inflation back under control in the eurozone has not gone smoothly. Higher interest rates have indeed resulted in stagnant growth...

Eurozone : Progress on the inflation front has come at a cost (1)

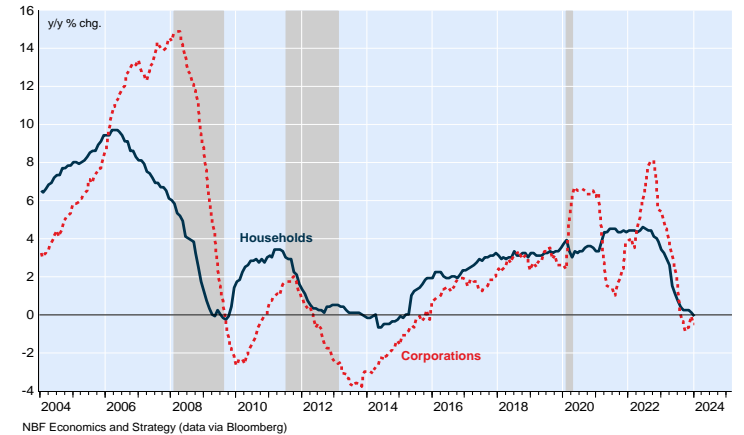
Real gross domestic product



...and flat credit.

Eurozone : Progress on the inflation front has come at a cost (2)

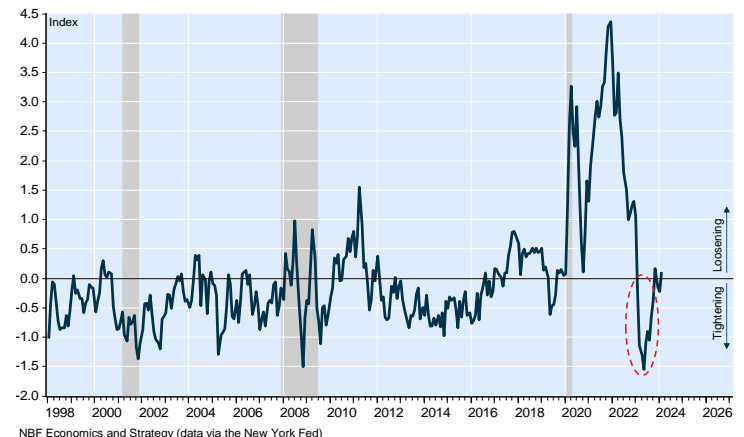
Loans to non-financial corporations and households



And while we recognize that, all other things being equal, lower rates would translate into better economic prospects, risks to the scenario still remain, and not just in the eurozone. Recent disinflation in advanced economies has been highly dependent on the goods sector, which has benefited from a significant easing of supply chain constraints that cannot be repeated in the future.

World: Disinflation has been extremely dependant on the goods sector

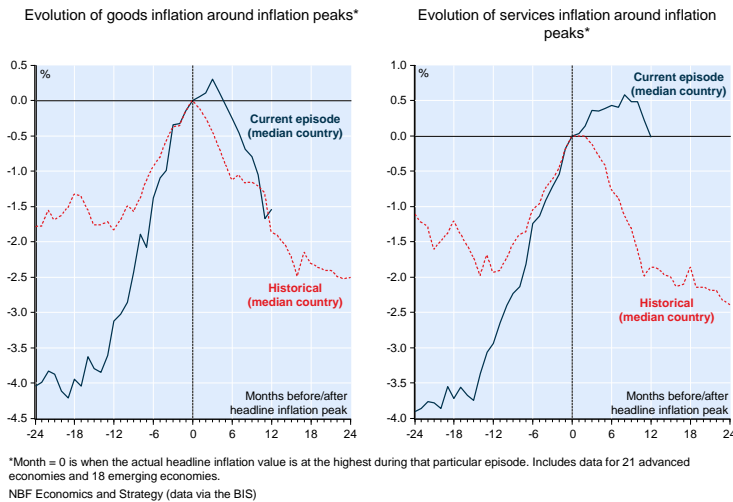
New York Fed's Global Supply Chain Pressure Index



NBF Economics and Strategy (data via the New York Fed)

Further progress on the inflation front therefore depends on services, where price rises are proving harder to eradicate than in past disinflationary episodes.

World: Services inflation falling a lot less quickly than usual



Vigorous wage growth is certainly a factor, which begs the question: will a further slowdown in the labour market be necessary to enable inflation to return to the 2% target in a durable manner? We think so. Without completely preventing central banks from cutting rates, high services inflation should nonetheless force them to remain restrictive for longer than would otherwise be the case, weighing on hiring and, ultimately, output. Growth is therefore likely to remain below potential in many parts of the world for most of the year, before picking up again in 2025. According to this scenario, global GDP would increase by 2.7% this year and by 2.8% in 2025.

World Economic Outlook

	2023	2024	2025
Advanced Economies	1.6	1.1	0.9
United States	2.5	2.1	0.8
Eurozone	0.4	-0.1	0.5
Japan	1.9	0.3	0.7
UK	0.2	-0.2	0.5
Canada	1.1	0.3	1.2
Australia	2.1	1.2	1.7
Korea	1.4	1.8	1.9
Emerging Economies	4.1	3.9	4.1
China	5.2	4.7	4.5
India	6.3	6.0	5.8
Mexico	3.2	1.9	1.5
Brazil	2.9	1.4	1.7
Russia	3.6	1.5	0.8
World	3.0	2.7	2.8

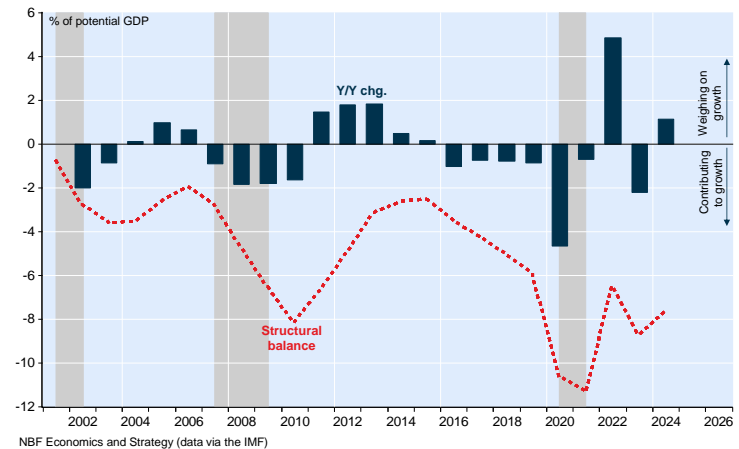
NBF Economics and Strategy (data via NBF and Consensus Economics)

United States: Public spending to cushion the impact of interest rates

Growth is proving highly resilient in the U.S. in the face of one of the most aggressive monetary tightening cycles in history. This is not only due to the resilience of consumers, but also to profligate governments. To be sure, 2023 saw the biggest deterioration of the general government structural budget balance ever recorded in a period of expansion (2.1% of potential GDP).

U.S.: Public spending stimulating growth...

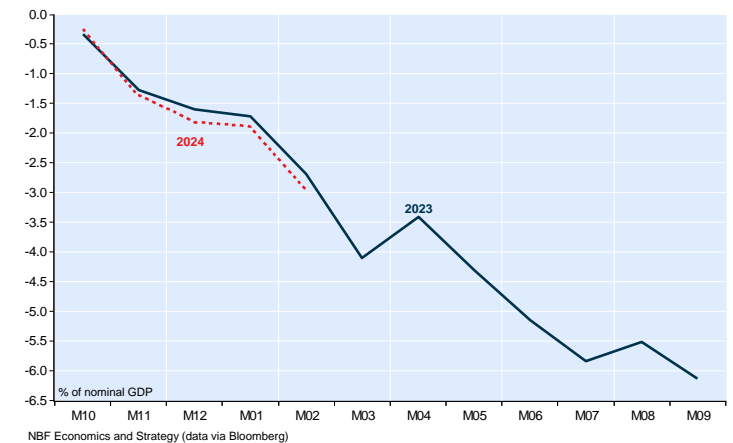
General government structural balance as a share of potential GDP



And contrary to the expectations of many economists - including us - a reversal of this trend does not appear to be in the cards, at least not in Washington. Five months into fiscal 2024, the data show a slight increase in the federal deficit compared with the previous year, which should translate into a small but positive contribution to growth.

... with no reversal in sight, at least not in Washington

Cumulative federal budget deficit

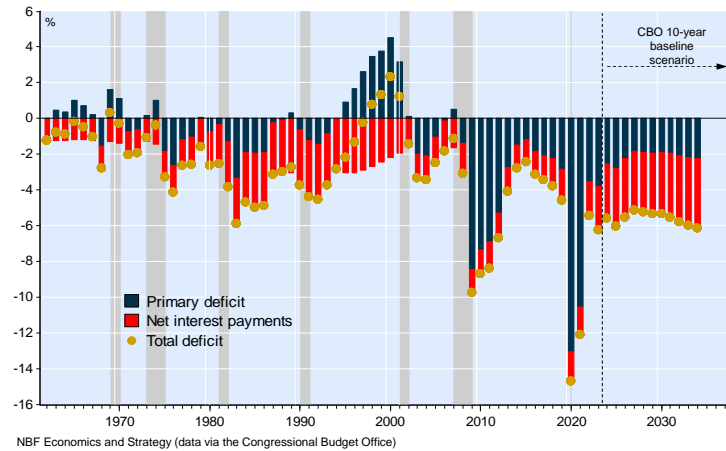


While this surprise led us to revise our growth scenario upwards this month, it certainly didn't reassure us about the sustainability of public finances in the United States. The latest forecasts published by the CBO are in fact rather worrying, pointing to a future increase in net interest payments and forecasting deficits in excess of 5% over the entire horizon. Make no mistake, the

current situation is unsustainable in the long term, and sooner or later public finances will have to be rectified. For the time being, however, government profligacy should help limit the impact of high interest rates on growth.

U.S.: Government finances on an unsustainable path

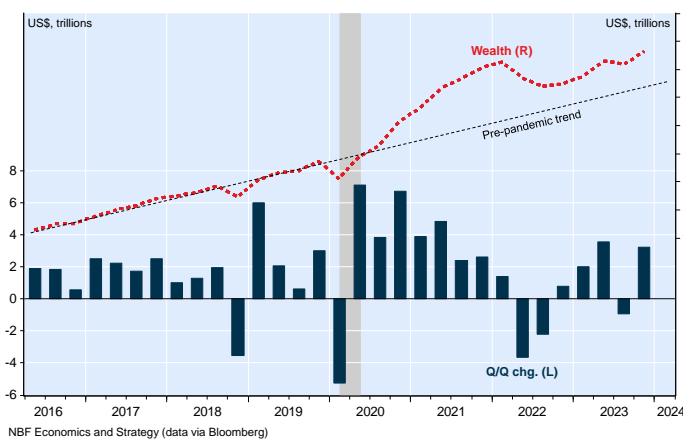
Federal budget deficit as a percentage of GDP



Rising net worth is another bulwark against an economic slowdown, in a context where equities have surged and property prices continue to rise at a steady pace.

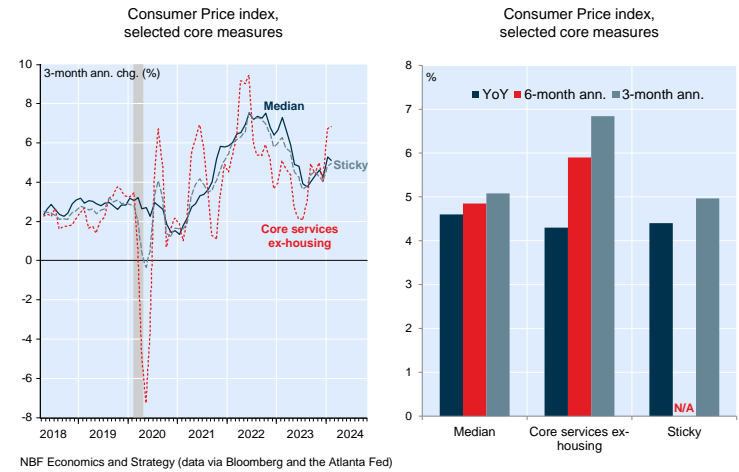
U.S.: Rising net wealth is another bulwark against an economic slowdown

Net worth of households



Despite the improved economic outlook in the U.S., risks to the scenario remain numerous. That of seeing the Federal Reserve keep its key rate at its current level for longer than most economists expect certainly appears to be one of the most significant. While recent Fed communications have laid the groundwork for an easing of monetary policy towards the middle of the year, this course of action remains dependent on the evolution of economic data. Unfortunately, the most recent CPI reports have been rather disappointing, with core inflation exceeding consensus expectations in both January and February. Several reliable indicators of underlying price pressure have also begun to accelerate again, forcing market participants to reduce their rate cut expectations.

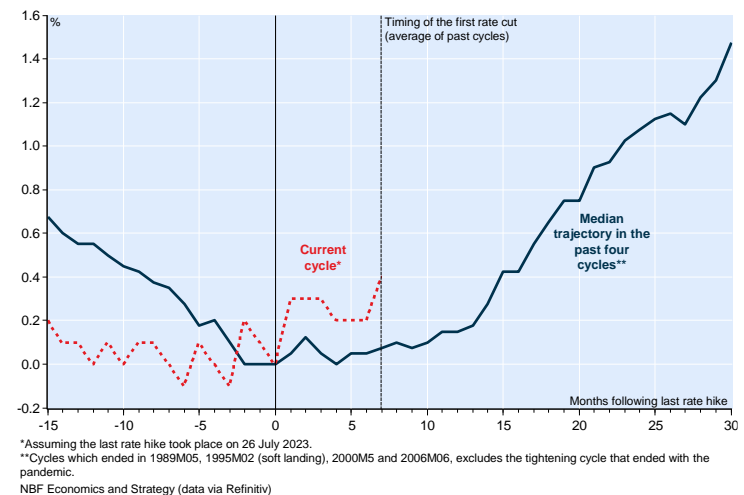
U.S.: Core inflation is gathering momentum



Even if, as we believe, this resurgence was temporary and the Fed was indeed in a position to cut its key rates several times in 2024 (our scenario calls for 3 cuts), we believe that the positive impact of these cuts on growth may be less significant than some claim. Previous episodes of monetary easing suggest that the economy tends to continue to deteriorate after the first rate cuts of a cycle. This is mainly due to the long lag in the transmission of monetary policy, but also to the fact that easing tends to start at a time when rates are very restrictive. The first steps taken by the central bank towards normalizing benchmark rates are therefore often insufficient to bring them back to their neutral level. Monetary policy therefore generally continues to slow growth, but to a lesser extent.

U.S.: Are economists expecting too much out of the first rate cuts?

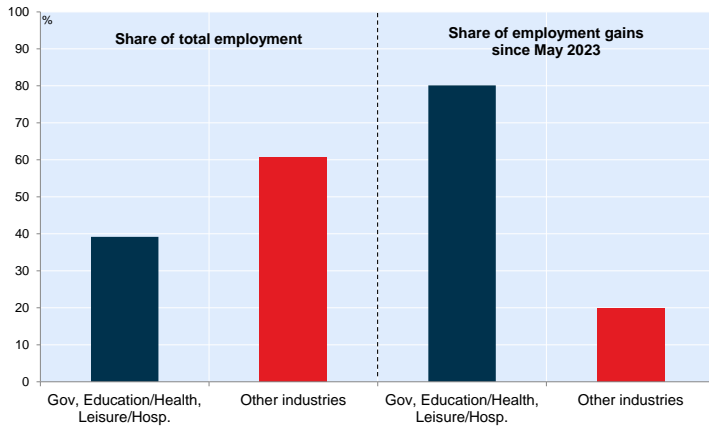
Change in unemployment rate following the last rate hike of a cycle



Everything will depend on the central bank's ability to cut rates quickly enough to prevent the economy from suffering too much, but not so quickly that inflation starts to rise again. For our part, we remain more concerned about the possibility of the Fed keeping monetary policy too restrictive for too long. Even if the labour market remains solid, it would be dangerous to think that it will remain forever impervious to the effects of high interest rates. Especially as signs of weakness have already begun to appear on this side, whether in the form of less diffuse hiring...

U.S.: Job gains have been very concentrated lately

Share of employment/employment gains owed to government, education/health and leisure/hospitality

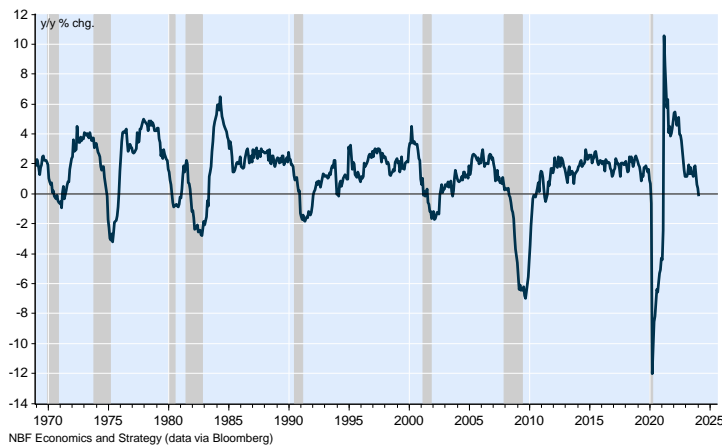


NBF Economics and Strategy (data via Bloomberg)

...a contraction in full-time employment...

U.S.: Full-time employment in contraction

Full-time employment

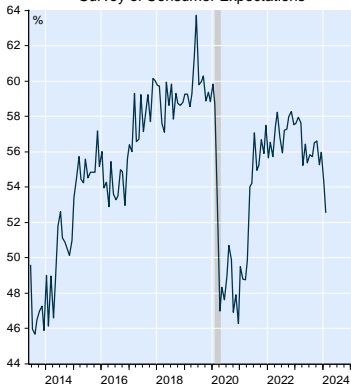


NBF Economics and Strategy (data via Bloomberg)

...or reduced confidence about job prospects on the part of Americans.

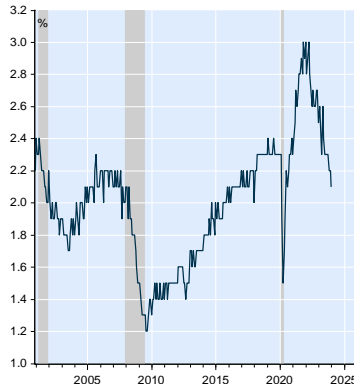
U.S.: Americans growing less confident about employment prospects

Probability of finding a job in the next 3 months in the event of a layoff, New York Fed Survey of Consumer Expectations



NBF Economics and Strategy (data via Bloomberg)

Quits rate (voluntary resignations/employment), Job Openings and Labor Turnover Survey



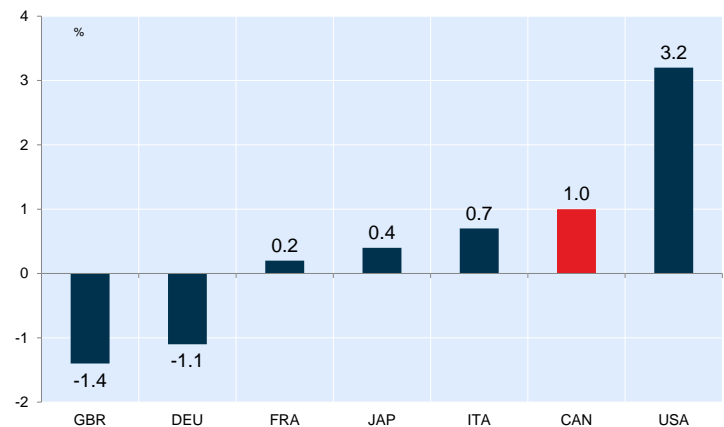
We continue to expect the impact of interest rates to intensify towards the middle of the year. And despite more favorable expectations for public spending, we expect growth to slow down significantly between now and the second half of the year and remain below potential for a few quarters. This would translate into real GDP growth of 2.1% in 2024 and 0.8% in 2025. The latter growth figure remains well below consensus expectations.

Canada: The private sector stalls

With the central bank maintaining a restrictive monetary policy to curb the economy, the 1.0% annualized growth recorded in the fourth quarter may seem ideal at first glance, i.e. growth below potential without leading to a recessionary spiral. Among G-7 countries, this was the second-best performance after that of the United States.

Canada: Enviably growth on a relative basis?

Gross domestic product in real terms in the fourth quarter of 2023, annualized variations

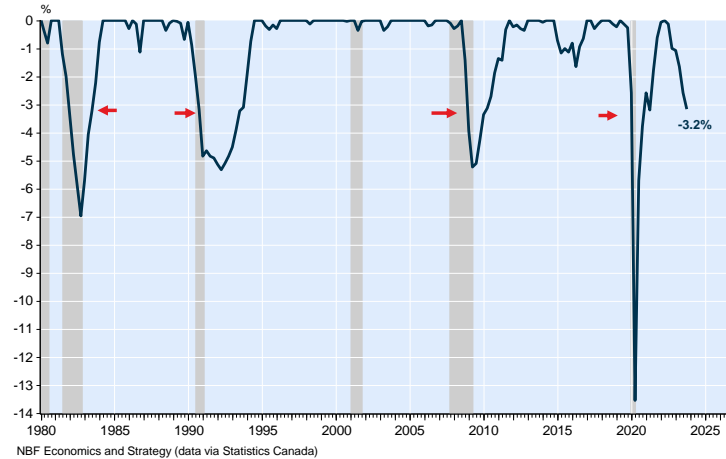


NBF Economy and Strategy (Data via Refinitiv)

However, this represents a significant under-performance if we take into account the country's demographic explosion and if, as we believe, potential GDP is currently evolving around 3% range. This is almost double the 1.6% of the 5 years prior to the pandemic, and at the top of the range suggested by the central bank (1.4% to 3.2%). To illustrate this poor performance relative to the economy's potential, we have for some time been presenting economic data adjusted for population growth. Based on Q4 data, we can see that GDP per capita fell for a sixth consecutive quarter in Q4. Since the start of monetary tightening, the decline has been 3.2%, a drop of a magnitude only seen during a recession.

GDP per capita has fallen sharply since monetary tightening began

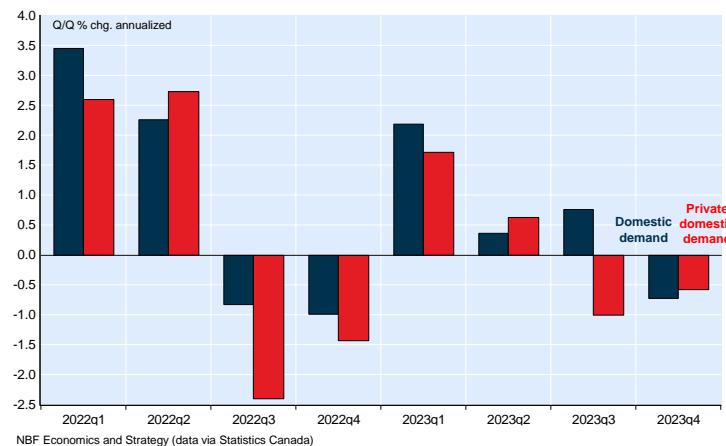
Change since peak in GDP per capita



In addition, it is important to note that the quarter was spared by the contribution of international trade, which benefited from booming exports. Private domestic demand¹ contracted for a second consecutive quarter, and four times in six quarters, over a period coinciding with the tightening of monetary policy. Business investment fell sharply for the second quarter in a row, with spending on structures and machinery and equipment once again postponed due to the high cost of capital.

Canada: Private domestic demand contracted again in Q4

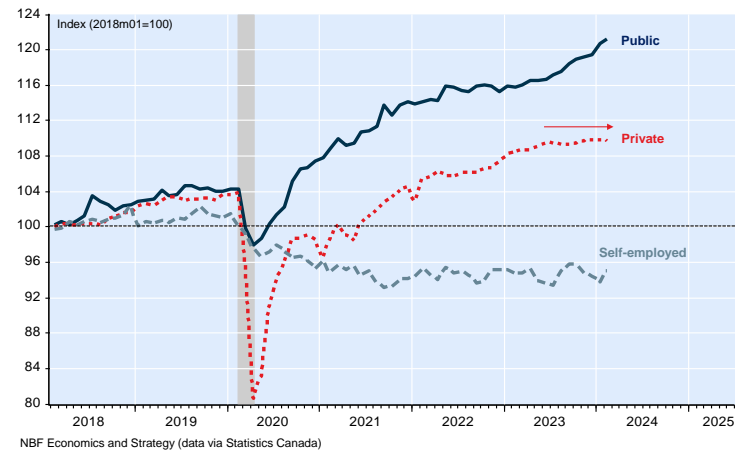
Final domestic demand and private final domestic demand



This illustrates the great prudence of companies in the current environment, which admittedly saw a rebound in profits in the fourth quarter, but which remain well below their 2022 peak. Efforts to restore profitability are also reflected in hiring, which began to stall in the second half of 2023. Since June 2023, private employment has risen by just 18K, representing barely 8% of jobs created in the country (private employment accounts for 65% of jobs).

Canada: Private-sector employment stagnates since mid-2023

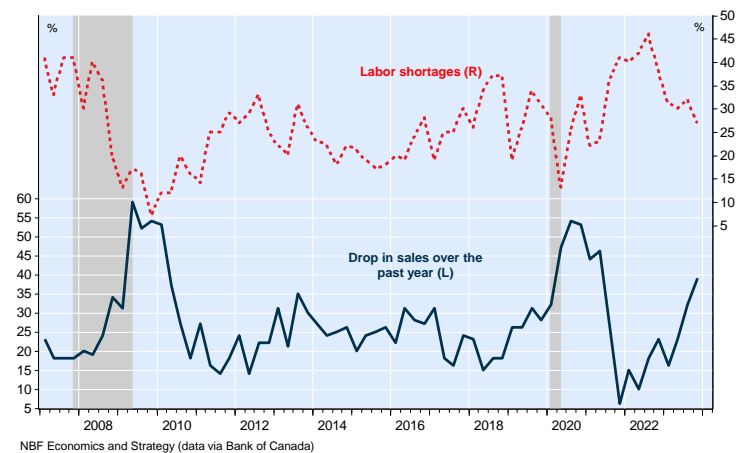
Employment in the public and non-public sectors, monthly data



According to the latest Business Outlook Survey published in January by the Bank of Canada, many companies are reporting a drop in sales, which translates into a low appetite for hiring. The proportion of companies reporting labour shortages has fallen sharply since the start of monetary policy tightening, from 46% to 27%. Such an environment could even lead some companies to reduce their workforce in the months ahead.

Canada: Less appetite for hiring as sales decline

Proportion of companies reporting labor shortages and sales decline

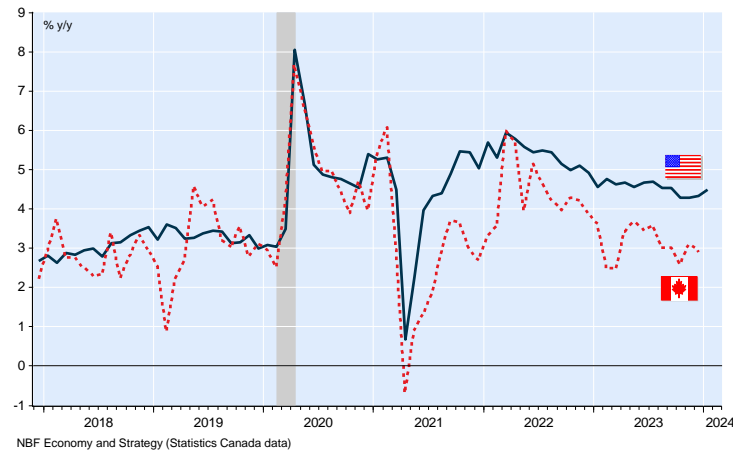


The tightening labor market is also reflected in wage pressures, which are rapidly easing in the private sector. While the average hourly wage in the private sector was rising by over 6% year-on-year in 2022, it is now below 3%, a rate comparable to that seen before the pandemic and well below the 4.5% observed south of the border.

¹ Private domestic demand includes consumption, residential investment and non-residential investment (structures and machinery/equipment).

Canada: Wage pressures ease

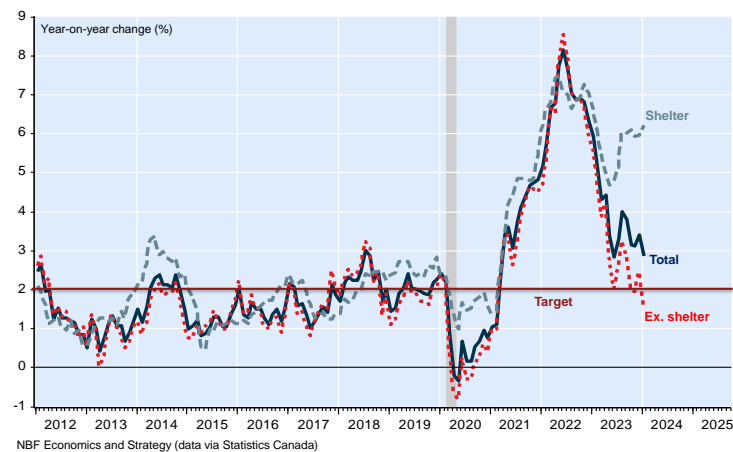
Annual growth in hourly wages in the private sector, business survey



Against this backdrop, inflationary pressures also eased in Canada. Year-on-year inflation has returned to the Bank of Canada's target range of 1-3%, rising to 2.9% year-on-year in January 2024. This may still seem high relative to the faltering economy, but the details show us that this is being reflected in prices. As has been the case in recent months, inflation continued to be driven by the shelter category, which rose by 6.2% year-on-year in January. This increase is due to mortgage interest costs, a rise for which the central bank is mostly responsible, and to the rise in rental prices attributable to the staggering increase in population. With annual non-shelter inflation down to 1.5%, it is clear that monetary policy tightening has cooled the Canadian economy and labor market over the past six quarters.

Canada: Without shelter, inflation is below target

CPI inflation: Total, shelter and ex-shelter

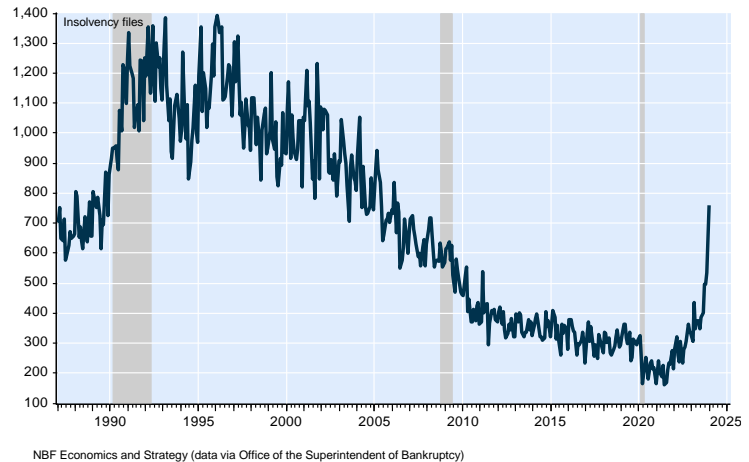


As the Bank of Canada's latest communications have focused on inflation resilience rather than signs of weak growth, there is a risk that it is inflicting too much damage on the economy by maintaining an overly restrictive monetary policy. Already, recently published data indicate that corporate insolvencies reached their highest level in 19 years in January. While the January rise was certainly exacerbated by the start of repayment of COVID-era corporate loans, restrictive monetary policy is certainly also playing a role. The economy has yet to feel the full effects of past rate hikes. Restrictive monetary policy means that successive waves of mortgage borrowers are having to renegotiate their loans at higher interest

rates, further dampening consumption. We anticipate a mid-year contraction in the Canadian economy, which should limit growth in 2024 to 0.3%, while a slight acceleration to 1.2% is expected the following year.

Canada: Business insolvencies surge to a multi-year high in January

Business insolvency files



United States Economic Forecast

<i>(Annual % change)*</i>	2021	2022	2023	2024	2025		Q4/Q4 2023	2025
Gross domestic product (2012 \$)	5.8	1.9	2.5	2.1	0.8		3.1	1.4
Consumption	8.4	2.5	2.2	2.0	0.9		2.7	1.3
Residential construction	10.7	(9.0)	(10.6)	2.4	(0.3)		0.4	0.5
Business investment	5.9	5.2	4.4	1.7	0.3		4.2	1.0
Government expenditures	(0.3)	(0.9)	4.0	3.1	2.0		4.5	2.0
Exports	6.3	7.0	2.7	1.8	0.0		2.1	0.7
Imports	14.5	8.6	(1.6)	1.5	0.6		0.0	1.4
Change in inventories (bil. \$)	12.5	128.1	46.5	33.8	11.3		66.3	30.0
Domestic demand	6.6	1.7	2.2	2.1	1.0		3.1	1.3
Real disposable income	3.2	(6.0)	4.2	1.3	1.1		4.1	1.6
Payroll employment	2.9	4.3	2.3	1.2	(0.5)		1.9	0.4
Unemployment rate	5.4	3.6	3.6	4.0	4.7		3.7	4.6
Inflation	4.7	8.0	4.1	3.2	2.4		3.2	2.3
Before-tax profits	22.6	9.8	0.0	(1.3)	1.7		-1.0	3.8
Current account (bil. \$)	(939.8)	(971.6)	(844.1)	(876.3)	(906.3)	

* or as noted

Financial Forecast**

	Current 3/15/24	Q1 2024	Q2 2024	Q3 2024	Q4 2024		2023	2024	2025
Fed Fund Target Rate	5.50	5.50	5.50	5.25	4.75		5.50	4.75	3.50
3 month Treasury bills	5.25	5.40	5.20	4.90	4.40		5.20	4.40	3.30
Treasury yield curve									
2-Year	4.72	4.70	4.60	4.30	3.95		4.23	3.95	3.25
5-Year	4.33	4.30	4.25	4.05	3.85		3.84	3.85	3.45
10-Year	4.31	4.30	4.25	4.15	3.95		3.88	3.95	3.75
30-Year	4.43	4.45	4.35	4.25	4.15		4.03	4.15	4.00
Exchange rates									
U.S.\$/Euro	1.09	1.08	1.05	1.03	1.02		1.10	1.02	1.08
YEN/U.S.\$	149	146	143	140	138		141	138	129

** end of period

Quarterly pattern

	Q1 2023 actual	Q2 2023 actual	Q3 2023 forecast	Q4 2023 forecast	Q1 2024 forecast	Q2 2024 forecast	Q3 2024 forecast	Q4 2024 forecast
Real GDP growth (q/q % chg. saar)	2.2	2.1	4.9	3.2	2.3	1.0	0.5	(0.1)
CPI (y/y % chg.)	5.8	4.0	3.6	3.2	3.2	3.4	3.2	2.8
CPI ex. food and energy (y/y % chg.)	5.5	5.2	4.4	4.0	3.8	3.4	3.4	2.9
Unemployment rate (%)	3.5	3.6	3.7	3.7	3.8	3.9	4.0	4.4



Canada Economic Forecast

<i>(Annual % change)*</i>	2021	2022	2023	2024	2025	2023	Q4/Q4 2024	2025
Gross domestic product (2012 \$)	5.3	3.8	1.1	0.3	1.2	0.9	0.3	1.8
Consumption	5.2	5.1	1.7	0.3	1.0	1.2	0.1	1.6
Residential construction	14.6	(12.1)	(10.2)	0.2	1.4	(3.0)	(0.5)	2.7
Business investment	8.7	4.0	(0.7)	(4.2)	0.3	(3.0)	(1.7)	1.4
Government expenditures	4.6	3.3	2.1	1.7	1.7	2.0	1.9	1.8
Exports	2.7	3.2	5.7	0.6	1.7	5.5	(0.4)	2.5
Imports	8.1	7.6	1.0	(0.8)	1.6	1.9	(0.9)	2.5
Change in inventories (millions \$)	4,425	55,290	33,855	26,375	26,750	32,025	25,500	27,500
Domestic demand	6.1	2.8	0.5	0.3	1.2	0.6	0.4	1.7
Real disposable income	0.5	(0.1)	1.8	1.5	1.3	1.8	0.7	1.5
Employment	5.0	4.0	2.4	1.0	1.0	2.3	0.4	1.4
Unemployment rate	7.5	5.3	5.4	6.5	6.9	5.8	6.9	6.8
Inflation	3.4	6.8	3.9	2.4	2.3	3.2	2.2	2.2
Before-tax profits	33.2	14.7	(18.1)	(0.3)	4.9	(9.7)	(3.8)	6.8
Current account (bil. \$)	0.4	(10.3)	(17.8)	(24.8)	(19.6)

* or as noted

Financial Forecast**

	Current 3/15/24	Q1 2024	Q2 2024	Q3 2024	Q4 2024	2023	2024	2025
Overnight rate	5.00	5.00	5.00	4.75	4.25	5.00	4.25	2.75
Prime rate	7.00	7.00	7.00	6.75	6.25	7.00	6.25	4.75
3 month T-Bills	4.94	5.00	4.80	4.45	3.95	5.05	3.95	2.70
Treasury yield curve								
2-Year	4.27	4.20	4.10	3.75	3.35	3.89	3.35	2.75
5-Year	3.62	3.60	3.50	3.30	3.05	3.17	3.05	2.80
10-Year	3.55	3.50	3.45	3.35	3.15	3.11	3.15	3.00
30-Year	3.42	3.40	3.35	3.25	3.15	3.03	3.15	3.10
CAD per USD	1.35	1.37	1.39	1.41	1.43	1.32	1.43	1.37
Oil price (WTI), U.S.\$	82	72	69	67	65	72	65	79

** end of period

Quarterly pattern

	Q1 2023 actual	Q2 2023 actual	Q3 2023 forecast	Q4 2023 forecast	Q1 2024 forecast	Q2 2024 forecast	Q3 2024 forecast	Q4 2024 forecast
Real GDP growth (q/q % chg. saar)	2.6	0.6	(0.5)	1.0	1.3	(0.8)	(0.9)	1.4
CPI (y/y % chg.)	5.2	3.5	3.7	3.2	3.0	2.5	1.9	2.2
CPI ex. food and energy (y/y % chg.)	4.8	4.0	3.4	3.4	3.1	2.6	2.2	2.2
Unemployment rate (%)	5.1	5.3	5.5	5.8	5.8	6.3	6.8	6.9

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Provincial economic forecast

	2020	2021	2022	2023f	2024f	2025f	2020	2021	2022	2023f	2024f	2025f
	Real GDP (% growth)						Nominal GDP (% growth)					
Newfoundland & Labrador	-4.8	1.0	-1.7	0.7	0.0	0.1	-10.2	18.5	6.8	0.6	1.0	1.5
Prince Edward Island	-3.0	8.4	2.9	2.5	2.0	1.5	0.3	14.9	9.3	5.5	5.0	4.1
Nova Scotia	-4.5	5.9	2.9	1.3	0.6	0.8	-1.4	10.0	7.1	3.0	3.0	2.7
New Brunswick	-3.6	5.3	1.1	0.8	0.4	0.6	-1.8	10.9	7.4	2.4	2.8	2.9
Quebec	-4.7	6.7	2.5	0.2	0.3	0.9	-1.8	11.6	8.4	3.8	3.4	3.1
Ontario	-4.5	5.4	3.9	1.2	0.2	1.3	-2.1	9.8	9.2	4.5	3.2	2.9
Manitoba	-4.1	1.3	3.3	1.3	0.5	1.2	-2.2	9.2	8.6	2.8	3.0	2.8
Saskatchewan	-4.3	-0.7	6.0	1.6	0.6	1.4	-8.0	13.9	29.2	2.4	1.2	2.8
Alberta	-7.8	4.6	5.0	2.0	0.8	1.7	-14.4	24.9	22.0	-0.8	2.6	3.9
British Columbia	-3.1	7.1	3.8	0.9	0.3	1.1	-0.5	15.8	11.0	0.7	2.6	3.4
Canada	-5.3	5.3	3.8	1.1	0.3	1.2	-4.6	13.4	11.8	2.7	2.9	3.2

	Employment (% growth)						Unemployment rate (%)					
Newfoundland & Labrador	-6.4	3.6	4.3	1.7	1.0	0.3	14.5	13.1	11.2	9.9	10.5	10.8
Prince Edward Island	-3.5	4.2	5.3	5.7	3.5	1.5	10.7	9.9	7.5	7.4	8.3	8.5
Nova Scotia	-4.6	5.6	3.6	2.7	3.0	0.9	9.9	8.6	6.6	6.4	6.8	7.3
New Brunswick	-3.0	3.2	2.7	3.4	1.6	1.0	10.3	9.1	7.2	6.6	7.1	7.4
Quebec	-5.4	4.4	3.1	2.3	0.4	0.7	8.9	6.1	4.3	4.4	5.3	5.8
Ontario	-5.4	5.2	4.6	2.4	0.6	1.0	9.8	8.1	5.6	5.7	7.1	7.6
Manitoba	-4.3	3.7	3.2	2.5	2.4	1.2	8.2	6.4	4.5	4.8	5.1	5.2
Saskatchewan	-5.0	2.6	3.5	1.8	1.5	1.3	8.3	6.5	4.7	4.8	5.1	5.4
Alberta	-7.0	5.5	5.2	3.6	2.4	1.4	11.4	8.5	5.8	5.9	6.9	7.0
British Columbia	-6.2	6.2	3.1	1.6	1.4	0.9	9.1	6.5	4.6	5.2	6.1	6.2
Canada	-5.6	5.0	4.0	2.4	1.0	1.0	9.7	7.5	5.3	5.4	6.5	6.9

	Housing starts (000)						Consumer Price Index (% growth)					
Newfoundland & Labrador	0.8	1.1	1.5	1.0	1.1	1.2	0.2	3.7	6.4	3.3	2.1	2.3
Prince Edward Island	1.1	1.2	1.0	0.9	1.0	1.2	0.0	5.1	8.9	2.9	2.0	2.3
Nova Scotia	4.9	6.0	5.6	7.2	7.0	7.2	0.3	4.1	7.5	4.0	2.4	2.3
New Brunswick	3.6	3.9	4.7	4.9	4.5	4.6	0.2	3.8	7.3	3.5	1.9	2.3
Quebec	53.8	69.4	58.2	39.6	43.0	50.5	0.8	3.8	6.7	4.5	2.6	2.3
Ontario	81.2	100.4	96.1	90.0	86.0	94.5	0.6	3.5	6.8	3.8	2.4	2.3
Manitoba	7.3	8.0	8.1	7.1	6.8	8.0	0.5	3.2	7.9	3.6	1.8	2.3
Saskatchewan	3.1	4.3	4.2	4.6	4.5	4.8	0.6	2.6	6.6	3.9	1.7	2.3
Alberta	24.2	31.9	36.4	35.9	38.0	40.0	1.1	3.2	6.5	3.3	2.3	2.3
British Columbia	38.0	47.6	46.7	50.6	48.5	51.5	0.8	2.8	6.9	4.0	2.4	2.3
Canada	218.0	273.8	262.5	241.7	240.4	263.5	0.7	3.4	6.8	3.9	2.4	2.3

e: estimate

f: forecast

Historical data from Statistics Canada and CMHC, National Bank of Canada's forecast.

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Economics and Strategy



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Monthly Economic Monitor

Economics and Strategy



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