



# Laurentian Bank Securities ECONOMIC RESEARCH AND STRATEGY

## Forecasts Tables

Canadian Economic Outlook													
	(q/q % change, at annual rate)						annual average						
	18Q3	18Q4	19Q1	19Q2	19Q3	19Q4	20Q1	20Q2	20Q3	2018	2019	2020	2021
<b>Real GDP</b>	2.5	1.0	0.8	3.5	1.3	0.3	1.8	1.5	1.9	2.0	1.6	1.5	1.7
Consumer Spending	2.9	1.0	2.5	0.5	1.6	0.3	1.6	1.6	1.6	2.2	1.5	1.3	1.5
Business Investment	-12.6	-4.2	10.8	-5.0	9.1	2.7	3.0	3.2	4.2	1.7	0.3	3.4	3.8
Non-residential structures	-7.2	-4.4	4.2	4.4	11.1	2.0	3.0	3.5	4.0	-0.6	1.1	4.2	3.9
Machinery and equipment	-25.4	-5.4	42.1	-21.8	7.0	1.0	2.0	2.0	4.0	4.7	0.9	1.1	3.2
Residential Investment	-4.0	-10.4	-2.7	5.5	13.3	4.0	3.0	2.3	1.5	-1.6	-0.4	4.1	1.4
Government Spending	2.2	0.4	3.3	0.9	1.8	2.0	1.6	1.6	2.5	3.4	1.8	1.8	1.8
Exports	0.6	-0.4	-3.3	12.9	-1.5	-7.1	3.7	2.1	3.0	3.1	1.5	1.0	2.5
Imports	-7.2	-1.3	8.1	-3.5	0.1	-2.9	3.8	2.2	2.6	2.6	0.3	1.1	2.6
Total CPI Inflation *	2.7	2.0	1.6	2.1	1.9	2.2	2.1	1.7	1.7	2.3	2.0	1.9	1.8
Unemployment rate (%)*	5.9	5.7	5.8	5.5	5.6	5.9	5.9	5.8	5.8	5.8	5.7	5.8	5.7
Employment	1.3	2.2	2.9	3.0	1.2	-0.8	0.8	1.0	0.8	1.3	2.0	0.7	0.8
Housing Starts (in 000s)*	197	217	187	224	223	210	215	200	195	187	211	201	193
Res. Transactions (units, 000s)**	117	115	112	118	127	--	--	--	--	458	486	522	535
Res. Housing Prices (yoy %)	1.8	-0.6	-0.7	0.2	1.7	--	--	--	--	7.6	--	--	--
Nominal GDP	4.5	-2.6	5.6	8.1	1.6	3.2	3.3	3.5	3.8	3.9	3.5	3.5	3.5

\*Average for the period. \*\*total for the period

Updated: January 2020

Financial Forecasts										
	18Q4	19Q1	19Q2	19Q3	19Q4	20Q1	20Q2	20Q3	20Q4	21Q4
<b>Canada</b>										
<b>Overnight Rate Target</b>	<b>1.75</b>	<b>1.75</b>	<b>1.75</b>	<b>1.75</b>	<b>1.75</b>	<b>1.75</b>	<b>1.75</b>	<b>1.75</b>	<b>1.75</b>	<b>1.75</b>
3-Month Treasury Bills	1.65	1.66	1.65	1.65	1.65	1.65	1.70	1.70	1.70	1.70
2-Year Bond	1.86	1.54	1.47	1.58	1.70	1.65	1.70	1.75	1.80	1.80
5-Year Bond	1.88	1.51	1.39	1.39	1.68	1.62	1.65	1.75	1.80	1.80
10-Year Bond	1.96	1.61	1.46	1.36	1.70	1.65	1.75	1.85	1.90	1.90
30-Year Bond	2.18	1.89	1.68	1.53	1.76	1.70	1.75	1.85	1.90	1.95
<b>United States</b>										
<b>Federal Funds Rate Target*</b>	<b>2.50</b>	<b>2.50</b>	<b>2.50</b>	<b>2.00</b>	<b>1.75</b>	<b>1.75</b>	<b>1.75</b>	<b>1.75</b>	<b>1.75</b>	<b>1.75</b>
3-Month Treasury Bills	2.40	2.35	2.08	1.84	1.52	1.65	1.65	1.65	1.65	1.65
2-Year Bond	2.51	2.29	1.76	1.66	1.58	1.60	1.65	1.70	1.75	1.80
5-Year Bond	2.50	2.23	1.76	1.54	1.68	1.70	1.75	1.75	1.80	1.90
10-Year Bond	2.69	2.42	2.00	1.67	1.92	1.90	2.00	2.10	2.10	2.10
30-Year Bond	3.02	2.82	2.53	2.11	2.39	2.35	2.45	2.55	2.55	2.55
<b>Canadian Dollar (US\$/C\$)</b>	<b>0.73</b>	<b>0.75</b>	<b>0.76</b>	<b>0.76</b>	<b>0.77</b>	<b>0.77</b>	<b>0.78</b>	<b>0.78</b>	<b>0.78</b>	<b>0.78</b>
<b>S&amp;P 500 Index</b>	2507	2834	2942	2977	3231	3260	3300	3375	3455	3555
<b>TSX Index</b>	14323	16102	16382	16659	17063	17300	17500	17650	17900	18400
<b>Oil WTI (US\$/barrel)</b>	45	60	58	54	61	63	63	62	62	60

Quarter-end data

Updated: January 2020 \* Upper bound of the Fed's target range



LAURENTIAN BANK  
SECURITIES