



# Laurentian Bank Securities ECONOMIC RESEARCH AND STRATEGY

## Forecasts Tables

Canadian Economic Outlook												
	(q/q saar)									annual average		
	2017Q4	2018Q1	2018Q2	2018Q3	2018Q4	2019Q1	2019Q2	2019Q3	2019Q4	2018	2019	2020
<b>Real GDP</b>	1.7	1.7	2.9	2.0	1.6	1.7	1.8	1.9	2.3	2.1	1.9	1.8
Consumer Expenditure	2.4	1.5	2.3	1.2	2.2	1.9	1.9	1.9	1.9	2.3	1.9	1.7
Business Investment	6.3	13.5	0.6	-6.9	7.4	4.2	5.2	5.5	5.5	5.0	3.6	4.6
Non-residential structures	4.9	5.7	0.3	-5.2	7.0	5.0	7.0	7.0	7.0	3.6	4.5	5.7
Machinery and equipment	12.3	25.5	2.0	-9.8	10.0	3.0	3.0	4.0	4.0	8.3	2.7	3.6
Residential Investment	12.5	-7.9	-0.1	-5.9	1.5	-5.0	-3.0	-2.0	0.0	-0.9	-2.6	-0.1
Government Spending	6.1	2.3	1.2	1.9	2.7	2.7	2.2	2.0	2.0	3.1	2.3	2.0
Exports	5.7	2.3	13.1	0.9	2.5	2.6	2.6	2.6	3.2	3.2	3.0	3.0
Imports	7.7	4.8	5.9	-7.8	6.3	2.2	2.6	2.8	2.5	3.6	2.0	2.8
Total CPI Inflation *	1.8	2.1	2.3	2.7	2.3	2.0	2.1	2.1	2.1	2.3	2.1	2.0
Unemployment rate (%)*	6.0	5.8	5.9	5.9	5.7	5.6	5.6	5.6	5.6	5.8	5.6	5.5
Employment	2.6	0.1	4.1	2.0	1.9	1.0	0.9	0.8	0.7	1.3	1.1	0.7
Housing Starts (in 000s)*	229	225	219	197	210	210	205	205	200	213	205	200
Res. Transactions (units, 000s)**	132	115	111	118	--	--	--	--	--	462	490	503
Res. Housing Prices (yoy %)	9.2	7.6	4.3	1.8	--	--	--	--	--	--	--	--
Nominal GDP	6.4	2.9	4.6	5.0	1.1	5.7	4.3	3.6	4.2	4.0	4.1	3.8

\*Average for the period. \*\*total for the period  
Updated: December 2018

Financial Forecasts													
	17Q1	17Q2	17Q3	17Q4	18Q1	18Q2	18Q3	18Q4	19Q1	19Q2	19Q3	19Q4	20Q4
<b>Canada</b>													
<b>Overnight Rate Target</b>	0.50	0.50	1.00	1.00	1.25	1.25	1.50	1.75	1.75	2.00	2.25	2.25	2.50
3-Month Treasury Bills	0.53	0.71	1.00	1.05	1.10	1.26	1.58	1.75	1.75	2.00	2.25	2.25	2.50
2-Year Bond	0.75	1.09	1.50	1.67	1.77	1.92	2.21	1.95	2.00	2.25	2.40	2.50	2.60
5-Year Bond	1.11	1.39	1.75	1.86	1.96	2.06	2.33	1.95	2.00	2.30	2.50	2.60	2.70
10-Year Bond	1.62	1.77	2.09	2.04	2.09	2.17	2.42	2.05	2.10	2.40	2.60	2.70	2.80
30-Year Bond	2.30	2.14	2.47	2.27	2.23	2.20	2.42	2.20	2.25	2.50	2.65	2.80	2.90
<b>United States</b>													
<b>Federal Funds Rate Target*</b>	1.00	1.25	1.25	1.50	1.75	2.00	2.25	2.50	2.50	2.75	3.00	3.00	3.25
3-Month Treasury Bills	0.75	1.01	1.04	1.37	1.70	1.89	2.15	2.45	2.45	2.70	2.95	2.95	3.20
2-Year Bond	149.8	150.0	149.6	147.7	145.3	143.8	142.2	2.70	2.75	3.00	3.20	3.30	3.40
5-Year Bond	149.7	150.3	150.3	149.2	144.6	142.7	139.5	2.70	2.75	3.05	3.30	3.45	3.55
10-Year Bond	161.1	168.7	169.2	173.5	164.6	162.5	154.2	2.85	2.90	3.10	3.35	3.50	3.60
30-Year Bond	3.02	2.84	2.86	2.74	2.97	2.99	3.21	3.10	3.15	3.35	3.55	3.70	3.80
<b>Canadian Dollar (US\$/C\$)</b>	0.75	0.77	0.80	0.80	0.78	0.76	0.77	0.75	0.77	0.79	0.80	0.81	0.82
<b>S&amp;P 500 Index</b>	2363	2423	2519	2674	2641	2718	2914	2700	2750	2800	2900	3000	3150
<b>TSX Index</b>	15548	15182	15635	16209	15367	16278	16073	14700	15800	16500	17600	18500	20000
<b>Oil WTI (US\$/barrel)</b>	50.5	46	52	60	65	74	73	50	60	62	67	67	67

Quarter-end data

Updated: December 2018 \* Upper bound of the target range for the Fed funds rate.



**LAURENTIAN BANK  
SECURITIES**