CIBC Economics

THE WEEK AHEAD

July 27 - 31, 2026

Upcoming population growth revisions will bias LFS statistics

by **Benjamin Tal** benjamin.tal@cibc.com

Statistics Canada's quarterly population report released on June 17, 2026 stated that Canada's population fell by 55,025 in the quarter ending March 31, 2026, and by 234,597 since July 1, 2025. This appeared to mark a dramatic reversal after years of rapid population growth at levels not seen since the Baby Boom era.

Although the population decline reported for 2025 was relatively modest, it generated significant headlines because it was linked to concerns about a potentially shrinking economy. Many forecasts have since projected those declines forward.

The major policy shift affecting non-permanent residents (NPRs) began in October 2024. The federal government reduced new visa issuances, curtailed post-graduation work permits, and reintroduced restrictions on off-campus work hours for international students. These measures were a major shock to post-secondary institutions that relied heavily on international students, as well as to the broader visa-dependent economy. At the time, roughly half of NPRs in Canada had either applied or intended to apply for permanent residency (PR). Yet processing times were lengthening, some more complex applications were taking years, and formal visa extensions were becoming harder to obtain.

Statistics Canada's current method of counting NPRs helps explain what appeared in the 2025 and early 2026 data. With new intake restricted and the number of expired visa holders rising sharply, many individuals whose permits had lapsed were counted by Statistics Canada as "outflows" or "exits." As a result, official population estimates showed an overall population decline in calendar year 2025. Immigration and NPR policy announcements further suggested that these departures could lead to zero overall population growth in 2026 as well.

But many NPRs who had not yet obtained PR had not actually left Canada. Hundreds of thousands had received extensions through other temporary resident visas or other forms of legal status granted by IRCC, allowing them to remain in Canada lawfully. These individuals, however, were not fully captured in Statistics Canada's population estimates.

That now appears to be changing. In its June 2026 population release, Statistics Canada notified users that its next release in September would include material revisions to interim population estimates from the past year. These revisions are expected to adjust NPR numbers upward and to be larger than the adjustments typically made in prior years.

The full scope of these revisions is still unknown. However, it is highly likely that a sufficient number of NPRs will be recognized as legally resident in Canada — despite having previously been treated in published data as having exited — to revise Canada's 2025 population change back into positive territory. Recognition of these valid visas will also likely result in overall population growth in 2026.

Our analysis attempts to estimate the size of these upcoming revisions (Table). In this scenario (which assumes only a partial reversal of the missing NPR), the narrative of a declining Canadian population in 2025 disappears. Population growth would instead be notably stronger as we correct for the overcounting of NPR outflows. This implies a difference of approximately 160,000 people in 2025, and about 210,000 people in both 2026 and 2027, compared with the currently published unrevised population estimates.

This matters for several reasons, including the reliability of the Labour Force Survey (LFS). The NPR component of the LFS population is adjusted using a 12-month moving average to smooth seasonal fluctuations, including month-to-month changes in the number of temporary foreign workers. As a result, any substantial upward revision to the NPR population will be incorporated into the LFS only gradually. That lag could introduce measurable bias into official labour market statistics, including the employment rate and unemployment rate.

	NPR Share in population Current estimates/ projections	NPR Share in population After revsion (CIBC projections)	Population growth after revision (CIBC projections)	Gap (revised population growth minus current estimates)
2024	7.6%	7.7%	797,555	
2025	6.4%	6.9%	7,564	160,000
2026	5.5%	6.1%	56,000	210,000
2027	4.8%	5.4%	139,000	210,000
2028	4.8%	5.2%	240,000	110,000

Source: Statistics Canada, Integrated Trade and Economics, CIBC

Week Ahead Calendar And Forecast—Canada

H, M, L = High, Medium or Low Priority

SAAR = Seasonally Adjusted Annual Rate

Consensus Source: Bloomberg

Date	Time	Economic Releases, Auctions and Speakers	Month	Priority	CIBC	Consensus	Prior
Monday, July 27	10:30 AM	Release: Market Participants Survey	-	-	-	-	-
Tuesday, July 28	-	AUCTION: 3-M BILLS $16.4B, 6-M BILLS $5.8B, 1-YR BILLS $5.8B	-	-	-	-	-
Wednesday, July 29	1:30 PM	Publication: Summary of Deliberations	-	-	-	-	-
Thursday, July 30	-	AUCTION: 5-YR CANADAS $5B	-	-	-	-	-
Thursday, July 30	8:30 AM	PAYROLL EMPLOYMENT, EARNINGS & HRS	(May)	-	-	-	22.0K
Friday, July 31	8:30 AM	GDP M/M	(May)	(H)	0.1%	0.1%	0.5%

Week Ahead Calendar And Forecast—United States

H, M, L = High, Medium or Low Priority

SAAR = Seasonally Adjusted Annual Rate

Consensus Source: Bloomberg

Date	Time	Economic Releases, Auctions and Speakers	Month	Priority	CIBC	Consensus	Prior
Monday, July 27	-	AUCTION: 2-YR TREASURIES $69B	-	-	-	-	-
Monday, July 27	-	AUCTION: 5-YR TREASURIES $70B	-	-	-	-	-
Monday, July 27	8:30 AM	DURABLE GOODS ORDERS M/M	(Jun P)	(H)	3.0%	1.5%	-4.5%
Monday, July 27	8:30 AM	DURABLE GOODS ORDERS EX-TRANS M/M	(Jun P)	(H)	1.0%	0.9%	1.4%
Tuesday, July 28	-	AUCTION: 7-YR TREASURIES $44B	-	-	-	-	-
Tuesday, July 28	8:30 AM	ADVANCE GOODS TRADE BALANCE	(Jun)	(M)	-$95.0B	-$100.0B	-$105.9B
Tuesday, July 28	8:30 AM	RETAIL INVENTORIES M/M	(Jun)	(H)	-	-	0.6%
Tuesday, July 28	8:30 AM	WHOLESALE INVENTORIES M/M	(Jun P)	(L)	-	-	0.1%
Tuesday, July 28	9:00 AM	HOUSE PRICE INDEX M/M	(May)	(M)	-	-	-0.1%
Tuesday, July 28	9:00 AM	S&P CORELOGIC CS Y/Y	(May)	(H)	-	-	1.1%
Tuesday, July 28	10:00 AM	RICHMOND FED MANUF. INDEX	(Jul)	(M)	-	-	4.0
Tuesday, July 28	10:00 AM	CONF.BOARD CONSUMER CONFIDENCE	(Jul)	(H)	92.3	92.3	91.2
Wednesday, July 29	-	AUCTION: 2-YR FRN $30B	-	-	-	-	-
Wednesday, July 29	7:00 AM	MBA-APPLICATIONS	(Jul 24)	(L)	-	-	1.9%
Wednesday, July 29	2:00 PM	FOMC RATE DECISION (UPPER BOUND)	(Jul 29)	(H)	3.75%	3.75%	3.75%
Wednesday, July 29	2:00 PM	FOMC RATE DECISION (LOWER BOUND)	(Jul 29)	(H)	3.50%	3.50%	3.50%
Thursday, July 30	8:30 AM	INITIAL CLAIMS	(Jul 25)	(M)	-	205K	187K
Thursday, July 30	8:30 AM	CONTINUING CLAIMS	(Jul 18)	(L)	-	-	1796K
Thursday, July 30	8:30 AM	PCE DEFLATOR Y/Y	(Jun)	(H)	3.6%	3.6%	4.1%
Thursday, July 30	8:30 AM	PCE DEFLATOR Y/Y (core)	(Jun)	(H)	3.3%	3.3%	3.4%
Thursday, July 30	8:30 AM	PERSONAL INCOME M/M	(Jun)	(H)	0.3%	0.3%	0.7%
Thursday, July 30	8:30 AM	PERSONAL SPENDING M/M	(Jun)	(H)	0.4%	0.4%	0.7%
Thursday, July 30	8:30 AM	GDP (annualized)	(2Q A)	(H)	2.1%	2.3%	2.1%
Thursday, July 30	8:30 AM	GDP DEFLATOR (annualized)	(2Q A)	(H)	3.7%	3.8%	3.6%
Friday, July 31	8:30 AM	EMPLOYMENT COST INDEX	(2Q)	(M)	-	0.8%	0.9%
Friday, July 31	9:45 AM	CHICAGO PMI	(Jul)	(M)	-	-	56.7
Friday, July 31	10:00 AM	MICHIGAN CONSUMER SENTIMENT	(Jul)	(H)	-	54.2	54.4

Week Ahead's market call

by Helen Lao, Avery Shenfeld and Andrew Grantham

In the **US**, all eyes will be on Wednesday's FOMC decision. A cooler June CPI print likely helps persuade some members to hold but another spike in oil prices and potential new tariffs have revived inflationary worries and market unease. Presiding over it is a Fed Chair who refused to give guidance as to which way he leans. But we think the June CPI report probably bought the Fed some time to kick the debate down the road into September. Although the statement and press conference likely won't reveal much, we will be watching closely the number of dissents. Two dissents are likely but higher than that would strike a hawkish tone and push up the probability of a hike in September. Our current call for the Fed to hold through year end is now dependent on seeing oil traffic normalize by September. A more prolonged Iran conflict would likely see the Fed hike 25 bps in September and October, and we have no clear way to assess the odds of that scenario at this stage.

In **Canada**, industry data will likely show the economy rebounding in Q2 to around a 2.5% SAAR pace. However, with some temporary factors supporting that (oil production rebound, FIFA World Cup, census), the underlying pace of growth is likely more modest and in line with the average for the first half of the year (just under 1.5%). Canada's payrolls survey of employment will be viewed to see if it shows the same impressive hiring that the LFS survey did for the same month.

Week Ahead's key Canadian number: Gross domestic product—May

(Friday, 8:30 am)

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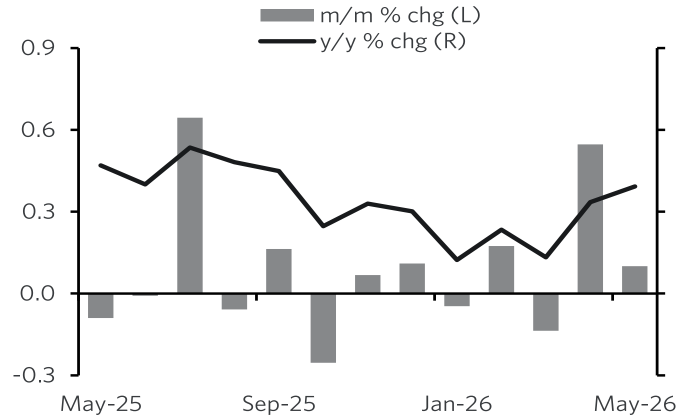
Variable (%)	CIBC	Mkt	Prior
GDP (m/m)	0.1	0.1	0.5

Chart: Canadian GDP at basic prices



Source: Statistics Canada, Haver Analytics, CIBC

Activity within the Canadian economy likely increased further in May, even if growth was much more muted than in the prior month. The 0.1% gain expected is likely to have been driven by further rebound in retailing and real estate, with a decline in wholesaling activity partly offsetting. Looking ahead to June, a further advance in retail sales, combined with temporary positives for some service industries linked to the FIFA World Cup, could bring slightly stronger growth in that month and leave the quarter as a whole tracking slightly above 2.5%.

Forecast implications — The Canadian economy should have posted a healthy rebound in Q2, but with new tariffs threatened and as some of the temporary factors that impacted the second quarter fade, it is likely that growth will slow again in the second half of the year. That, combined with still well-behaved core measures of inflation, is expected to keep the Bank of Canada on hold despite the renewed rise in global oil prices.

Week Ahead's key US number: Gross domestic product—Q2 (Advanced)

(Thursday, 8:30 am)

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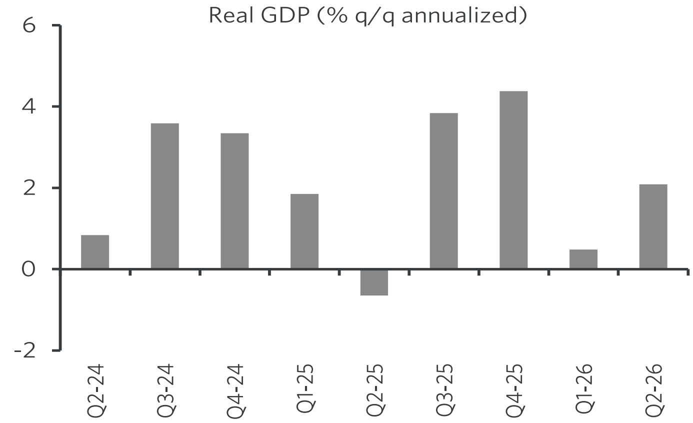
Variable (%)	CIBC	Mkt	Prior
GDP q/q annualized	2.1	2.3	2.1
GDP deflator	3.7	3.8	3.6

Chart: US GDP



Source: BEA, Haver Analytics, CIBC

Q2 GDP likely grew at a similar pace as the last quarter. Despite higher inflation, consumers are still spending, as reflected in recent monthly retail sales and consumption data. Higher tax refunds this year may have provided some buffer to consumers from higher prices. That underpins a rebound in consumer spending from 0.5% in Q1 to around 2% in Q2. Adding to that steady growth will be business investment supported by the continued AI boom. That means domestic demand should expand at a steady pace of around 2% in the quarter. Partly offsetting that strength will be net exports and inventories. Net exports should be a drag to growth in the quarter as the trade deficit widened in the most recent monthly trade data. A drawdown in inventories is also expected as the level of the Strategic Petroleum Reserve (SPR) hit a 40-year low and firms likely opted to draw from inventories in order to avoid higher energy input costs.

Forecast implications — Domestic demand is set to slow in the third quarter as the temporary boost to consumption from higher tax refunds and FIFA World Cup activities fade. Higher energy costs and uncertainty tied to the war should restrain business investment although AI-related investment should continue to show strength. Imports could also increase, providing some drag to growth, as firms pulled forward fall and holiday merchandises in anticipation of a change in tariffs on July 24 when existing but temporary Section 122 tariffs are due to be replaced.

Other US Releases: Durable goods—June

(Monday, 8:30 am)

Higher aircraft orders should drive a healthy 3% monthly increase in June durable goods orders. A large aircraft manufacturer stepped up its delivery in June relative to May, and autos are also likely to make a positive contribution to transportation equipment. Excluding transport, durable goods should still post a steady 1% increase, roughly in line with recent averages.

Personal income & outlays—June

(Thursday, 8:30 am)

With June CPI data that came in weaker than consensus, we expect core PCE prices to increase by a modest 0.1% in June, and headline PCE prices to contract by 0.1% m/m. With total PCE prices contracting in the month, auto sales picked up in June and resilient control group for retail sales, this leaves real consumer spending and personal income at a solid 0.3% monthly growth in June.

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