It looks like December’s strong GDP reading was simply a flash in the pan, with January’s print back to the lackluster trend in growth seen in prior months. Even before all of the COVID-19 shutdowns, Canada’s economy was only able to eke out a 0.1% advance to open the year. Indeed, there were some soft spots that will likely linger longer than the virus, like the material drop in auto manufacturing which was partially attributable to a large plant closure or the effects of lower oil prices on activity in that sector.

There were some COVID-19 effects during the month, like reduced trade with China and travel advisories for passengers. But Statistics Canada acknowledges that the data for January should be seen as a benchmark for which to compare upcoming releases that will more clearly show the effects of the virus. February will see more of a drag from COVID-19 hitting Canada’s trading partners, and then March will begin to reveal the economic damage from the domestic shutdowns. Next week’s Labour Force Survey could give us an early indication of the extent of that damage, given that the survey week in March did cover some of the shutdowns.