

ECONOMIC UPDATE

CANADA	17Q4A	18Q1F	18Q2F	18Q3F	18Q4F	19Q1F	19Q2F	2017F	2018F	2019F
Real GDP Growth (AR)	1.7	1.7	2.4	1.6	2.0	1.6	1.4	3.0	2.0	1.6
Real Final Domestic Demand (AR)	3.9	2.0	2.6	1.3	2.0	1.7	1.2	3.0	2.7	1.5
Household Consumption (AR)	2.1	1.8	3.1	1.5	2.3	1.9	1.3	3.5	2.5	1.8
All Items CPI Inflation (Y/Y)	1.8	2.1	2.5	2.7	2.5	2.0	1.8	1.6	2.4	2.0
Unemployment Rate (%)	6.0	5.8	5.8	5.8	5.7	5.7	5.7	6.3	5.8	5.7

U.S.	17Q4A	18Q1A	18Q2F	18Q3F	18Q4F	19Q1F	19Q2F	2017A	2018F	2019F
Real GDP Growth (AR)	2.9	2.3	2.8	2.9	2.4	1.3	1.4	2.3	2.7	1.9
Real Final Sales (AR)	3.4	1.9	3.1	2.9	2.3	1.3	1.5	2.4	2.7	1.9
All Items CPI Inflation (Y/Y)	2.1	2.2	2.5	2.7	2.7	2.5	2.5	2.1	2.5	2.4
Core CPI Inflation (Y/Y)	1.8	1.9	2.3	2.5	2.6	2.4	2.4	1.8	2.3	2.4
Unemployment Rate (%)	4.1	4.1	4.0	3.9	3.9	3.8	3.8	4.4	4.0	3.8

CANADA

The housing market and oil industry volumes have weighed on the Q1 outlook somewhat more than we expected, so we're nudging our tracking forecast a couple of ticks to 1.7%. Housing market activity, however, was pulled forward into Q4 to avoid the B20 rules, and thus should rebound as the year progresses. Similarly, oil production and exports were temporarily weaker as a result of earlier than usual shutdowns and acute non-energy transportation issues, both of which should clear up a bit in the months ahead. As a result, we're only downgrading our full-year forecast 0.1%-pt to 2% for the Canadian economy.

UNITED STATES

First-quarter growth was a little stronger than we were expecting, however with much of the surprise coming from inventories we've shaved a little from Q2 and still see 2018 growth as a whole tracking 2.7%. A higher oil price assumption has seen us add a little to our projection for headline CPI this year.

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