

Weekly economic review

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A look at this week's markets

At the close on Thursday

Canadian Bonds (total return)

Year-to-date

FTSE TMX Universe	0.24%	2.54%
FTSE TMX Long	0.44%	1.90%
Corps	0.10%	1.86%

Equities (total return)

S&P/TSX	0.37%	-2.82%
S&P 500	0.97% (2.18% CAD)	1.35% (14.35% CAD)
EAFE	-0.17% (1.02% CAD)	1.41% (14.41% CAD)
MSCI Emerging	-0.82% (0.37% CAD)	-10.26% (1.24% CAD)

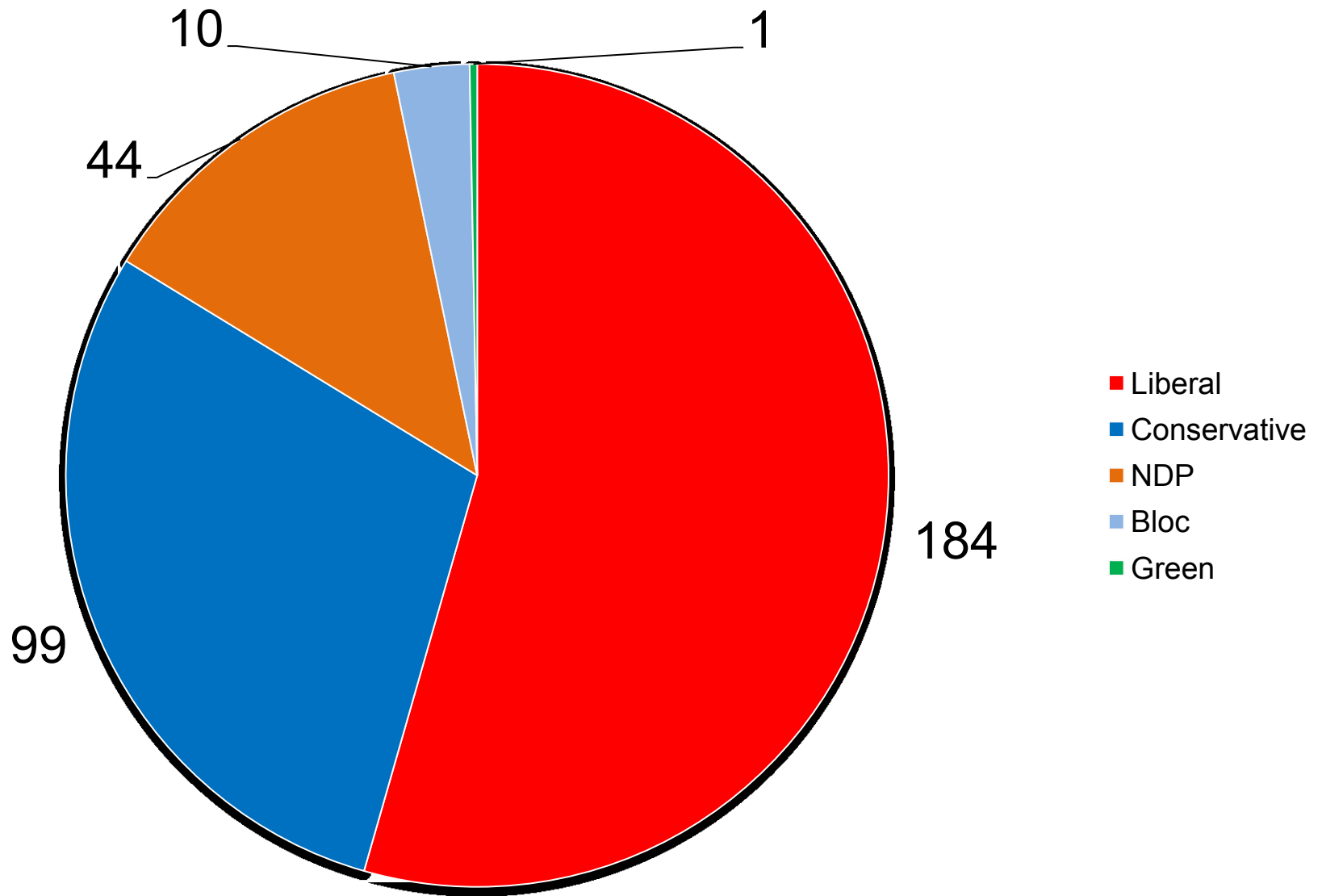
Other (WTD change)

Year-to-date

Oil (WTI)	45.38 \$	-3.98%	-14.81%
USD/CAD	0.7641 \$	-1.18%	-11.36%

- **Canada:**
 - A Liberal majority...
 - ... and a softer outlook from the Bank of Canada

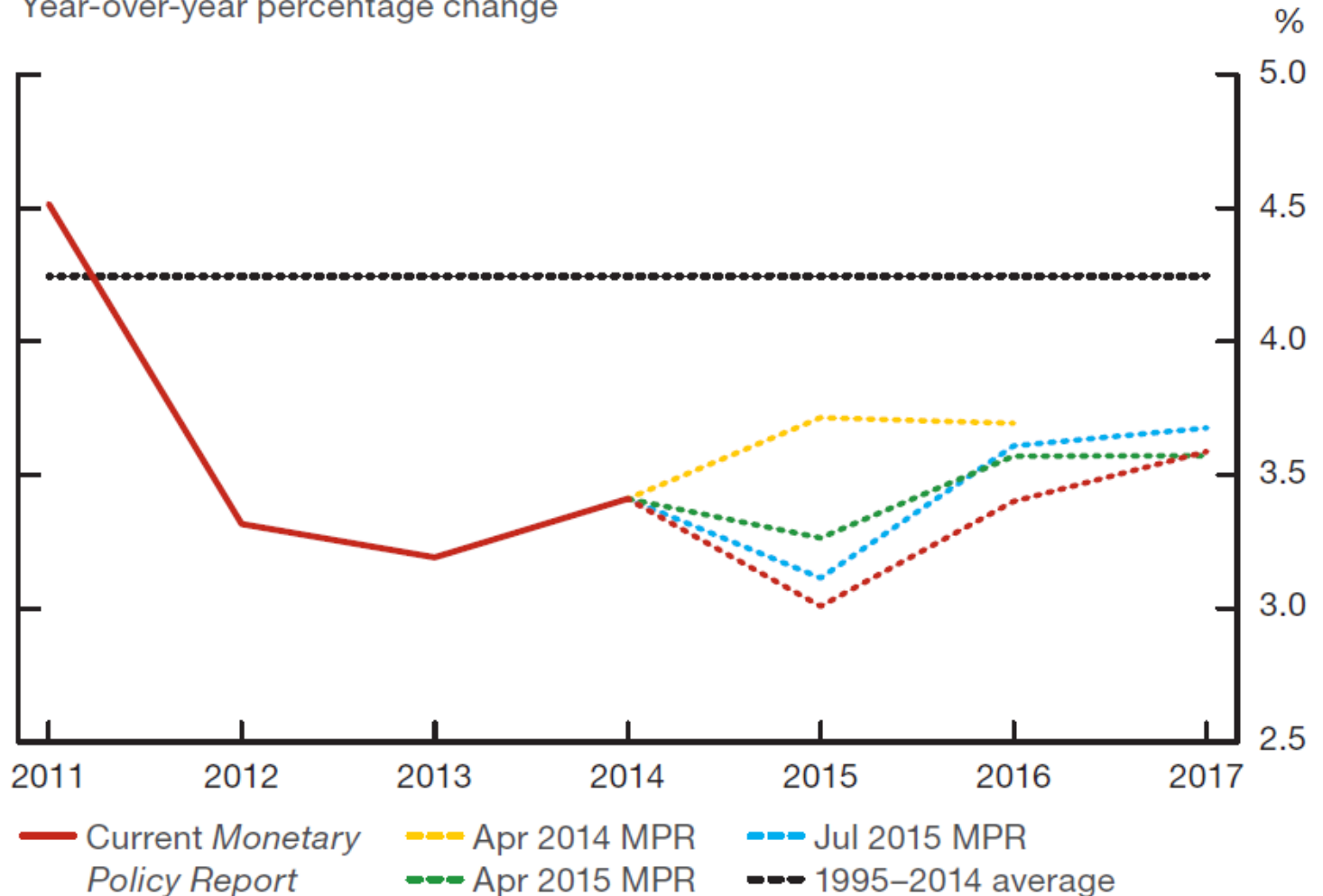
Federal elections: A majority in Ottawa



Bank of Canada: A downward revision to the global outlook...

Chart 1: The near-term outlook for global growth has been revised down

Year-over-year percentage change



Note: Actual data are shown up to 2014. Projections are as published in the MPR.

Source: Bank of Canada calculations and projections

... having a negative impact on the Canadian outlook

Table 2: Contributions to average annual real GDP growth
Percentage points^{a, b}

	2014	2015	2016	2017
Consumption	1.5 (1.5)	1.2 (1.2)	1.1 (1.2)	1.0 (1.1)
Housing	0.2 (0.2)	0.3 (0.2)	0.0 (0.1)	0.0 (0.0)
Government	-0.1 (-0.1)	0.2 (0.1)	0.1 (0.2)	0.2 (0.2)
Business fixed investment	0.0 (0.0)	-0.9 (-0.9)	-0.2 (0.4)	0.7 (0.8)
Subtotal: Final domestic demand	1.6 (1.6)	0.8 (0.6)	1.0 (1.9)	1.9 (2.1)
Exports	1.7 (1.7)	0.9 (0.6)	1.7 (1.6)	1.7 (1.7)
Imports	-0.5 (-0.5)	-0.3 (-0.3)	-0.6 (-0.8)	-1.1 (-1.2)
Subtotal: Net exports	1.1 (1.1)	0.6 (0.3)	1.1 (0.8)	0.6 (0.5)
Inventories	-0.3 (-0.3)	-0.3 (0.2)	-0.1 (-0.4)	0.0 (0.0)
GDP	2.4 (2.4)	1.1 (1.1)	2.0 (2.3)	2.5 (2.6)
Memo items:				
Range for potential output ^c	2.0–2.2	1.6–2.0	1.4–2.2	1.3–2.3
Real gross domestic income (GDI)	2.0 (2.0)	-1.2 (-0.7)	1.2 (2.2)	2.5 (2.6)

a. Numbers in parentheses are from the projection in the previous *Report*.

b. Numbers may not add to total because of rounding.

c. Numbers are from the Appendix of the April 2015 *Monetary Policy Report*.

What we'll be watching next week

- **Canada:**
 - August GDP growth (last month: +0.3% MoM)
- **U.S.:**
 - Advance Q3 GDP growth (consensus: +1.5%)
 - FOMC rate decision (consensus: no change)



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