

Weekly economic review

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A look at this week's markets

At the close on Thursday

Canadian Bonds (total return)

		<i>Year-to-date</i>
FTSE TMX Universe	0.55%	4.33%
FTSE TMX Long	0.84%	8.37%
Corps	0.53%	5.13%

Equities (total return)

S&P/TSX	1.81%	16.87%
S&P 500	0.42% (0.65% CAD)	6.61% (1.66% CAD)
EAFE	0.93% (1.16% CAD)	0.46% (-4.20% CAD)
MSCI Emerging	1.82% (2.05% CAD)	15.01% (9.68% CAD)

Other (WTD change)

			<i>Year-to-date</i>
Oil (WTI)	50.43 \$	0.16%	36.15%
USD/CAD	0.7577 \$	-0.23%	4.86%
Gold	1 265.76 \$	1.18%	19.29%

- **Canada:**
 - The Bank of Canada shifts to a more cautious tone

Bank of Canada downgrades its outlook

Table 2: Contributions to average annual real GDP growth

Percentage points^{a, b}

	2015	2016	2017	2018
Consumption	1.1 (1.1)	1.3 (1.1)	1.2 (1.1)	1.2 (1.1)
Housing	0.3 (0.3)	0.2 (0.3)	-0.2 (0.1)	0.1 (0.0)
Government	0.4 (0.4)	0.4 (0.4)	0.7 (0.6)	-0.1 (0.0)
Business fixed investment	-1.4 (-1.4)	-0.8 (-0.9)	0.2 (0.2)	0.4 (0.5)
Subtotal: Final domestic demand	0.4 (0.4)	1.1 (0.9)	1.9 (2.0)	1.6 (1.6)
Exports	1.1 (1.1)	0.2 (0.3)	0.8 (1.1)	1.0 (1.3)
Imports	-0.1 (-0.1)	0.4 (0.5)	-0.9 (-1.1)	-0.5 (-0.8)
Subtotal: Net exports	1.0 (1.0)	0.6 (0.8)	-0.1 (0.0)	0.5 (0.5)
Inventories	-0.3 (-0.3)	-0.6 (-0.4)	0.2 (0.2)	0.0 (0.0)
GDP	1.1 (1.1)	1.1 (1.3)	2.0 (2.2)	2.1 (2.1)
Memo items:				
Range for potential output	1.4–1.8 (1.4–1.8)	1.2–1.8 (1.2–1.8)	1.0–2.0 (1.0–2.0)	0.9–2.1 (0.9–2.1)
Real gross domestic income (GDI)	-1.2 (-1.2)	0.3 (0.6)	2.1 (2.9)	2.1 (2.0)
Total CPI (year-over-year percentage change)	1.1 (1.1)	1.5 (1.6)	1.9 (2.1)	1.9 (2.0)

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

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

What we'll be watching next week

- **Canada:**
 - Wholesale trade sales (last month: +0.3% in July)
- **U.S.:**
 - New home sales (consensus: stable at 603K in September)
 - Q3 GDP growth (consensus: 2.5% growth SAAR)



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