

# 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	0.53%	0.93%
FTSE TMX Long	1.12%	1.30%
Corps	0.45%	1.48%

## Equities (total return)

S&P/TSX	-0.34%	1.50%
S&P 500	-1.34% (-1.61% CAD)	5.29% (4.55% CAD)
EAFE	-0.31% (-0.58% CAD)	6.96% (6.21% CAD)
MSCI Emerging	0.24% (-0.03% CAD)	12.25% (11.47% CAD)

## Other (WTD change)

## *Year-to-date*

Oil (WTI)	47.70 \$	-2.21%	-11.21%
USD/CAD	0.7500 \$	0.27%	0.71%
Gold	1 245.20 \$	1.30%	8.51%

- **Canada:**
  - Finance Minister Bill Morneau delivers a wait-and-see budget for 2017



# Canada: Reintroducing a 3 billion dollars per year margin of safety

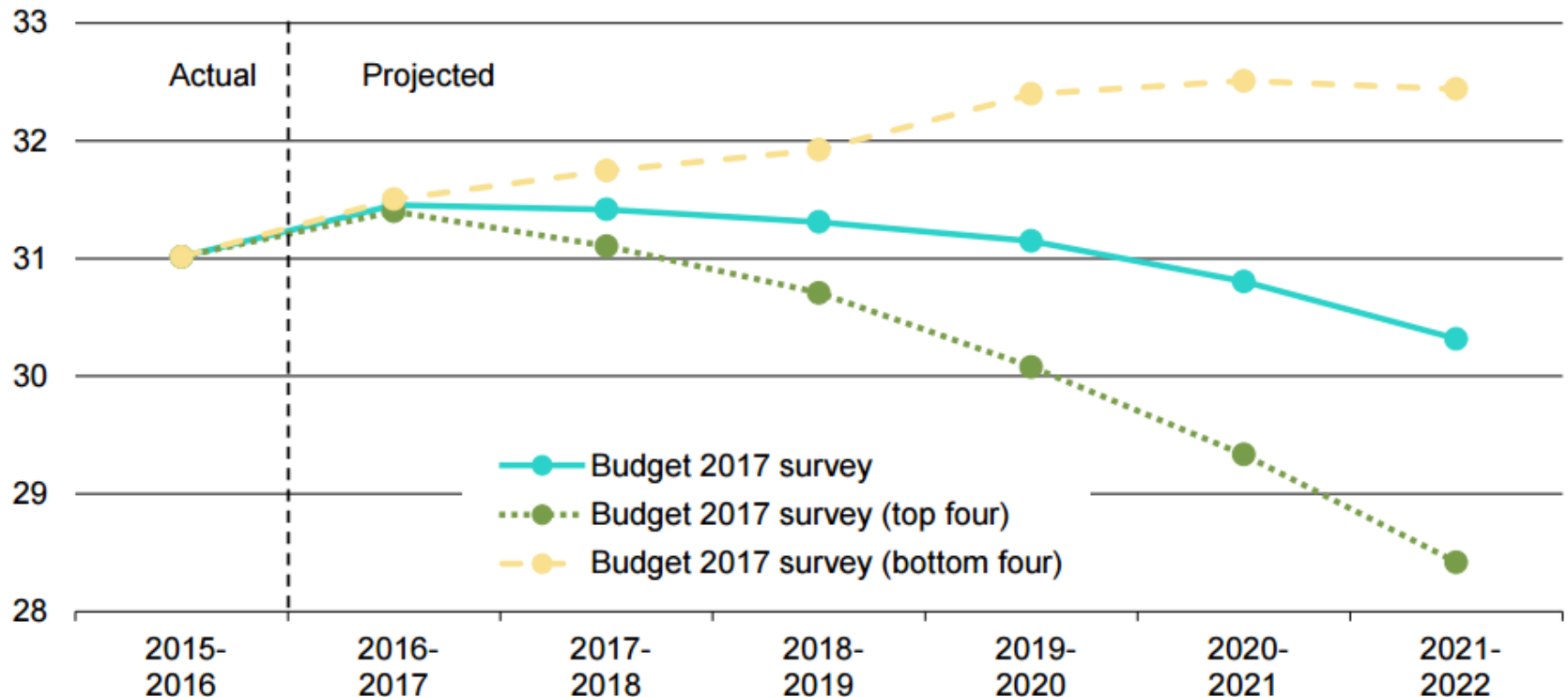
<b>Budgetary balance (without risk adjustment)</b>	<b>-23.0</b>	<b>-25.5</b>	<b>-24.4</b>	<b>-20.4</b>	<b>-18.7</b>	<b>-15.8</b>
Federal debt (per cent of GDP) (without risk adjustment) <sup>3</sup>	31.5	31.4	31.3	31.1	30.8	30.3
Adjustment for risk		-3.0	-3.0	-3.0	-3.0	-3.0
<b>Final budgetary balance</b>	<b>-23.0</b>	<b>-28.5</b>	<b>-27.4</b>	<b>-23.4</b>	<b>-21.7</b>	<b>-18.8</b>
Federal debt (per cent of GDP) <sup>3</sup>	31.5	31.6	31.6	31.5	31.3	30.9

# Canada: Despite the expected deficits, the federal governments debt ratio should remain stable

Chart 10

## Federal Debt-to-GDP Ratio Under Various Economic Growth Scenarios

per cent of GDP



Notes: The Budget 2017 survey scenario is based on the average private sector economists' projection for nominal GDP growth without any forecast adjustment. The top (bottom) four scenarios are based on the average of the most optimistic (pessimistic) projections for nominal GDP among the economists surveyed.

Sources: Department of Finance Canada survey of private sector economists; Department of Finance Canada calculations.

# What we'll be watching next week

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- **Canada:**
  - January GDP growth (consensus: +0.3% MoM)
- **U.S.:**
  - Conference Board consumer confidence index (consensus: lower at 113.4 in March)
  - Revision to 2016 Q4 real GDP growth (consensus: higher at 2.0%)
  - PCE core inflation (consensus: +1.7% YoY in February)



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