

# What's Normal?

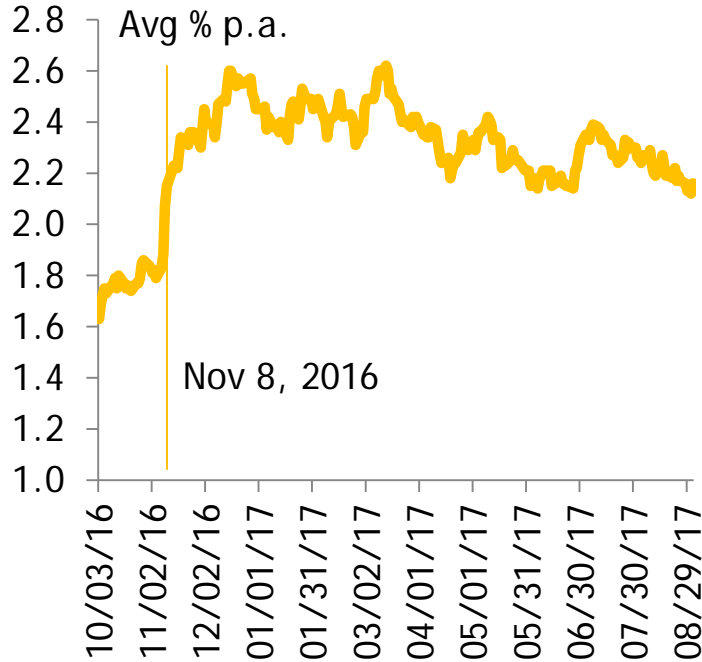


Benjamin Tal

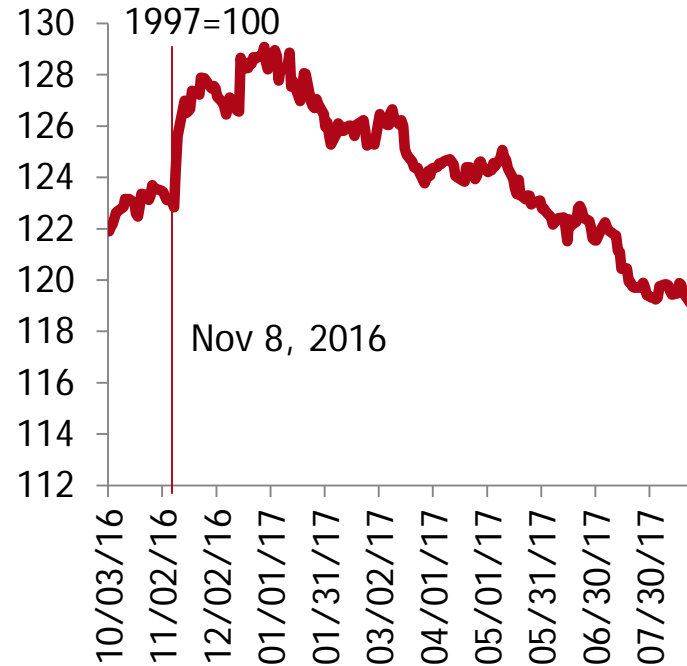
September 2017



### US 10-Year Treasury Note Yield



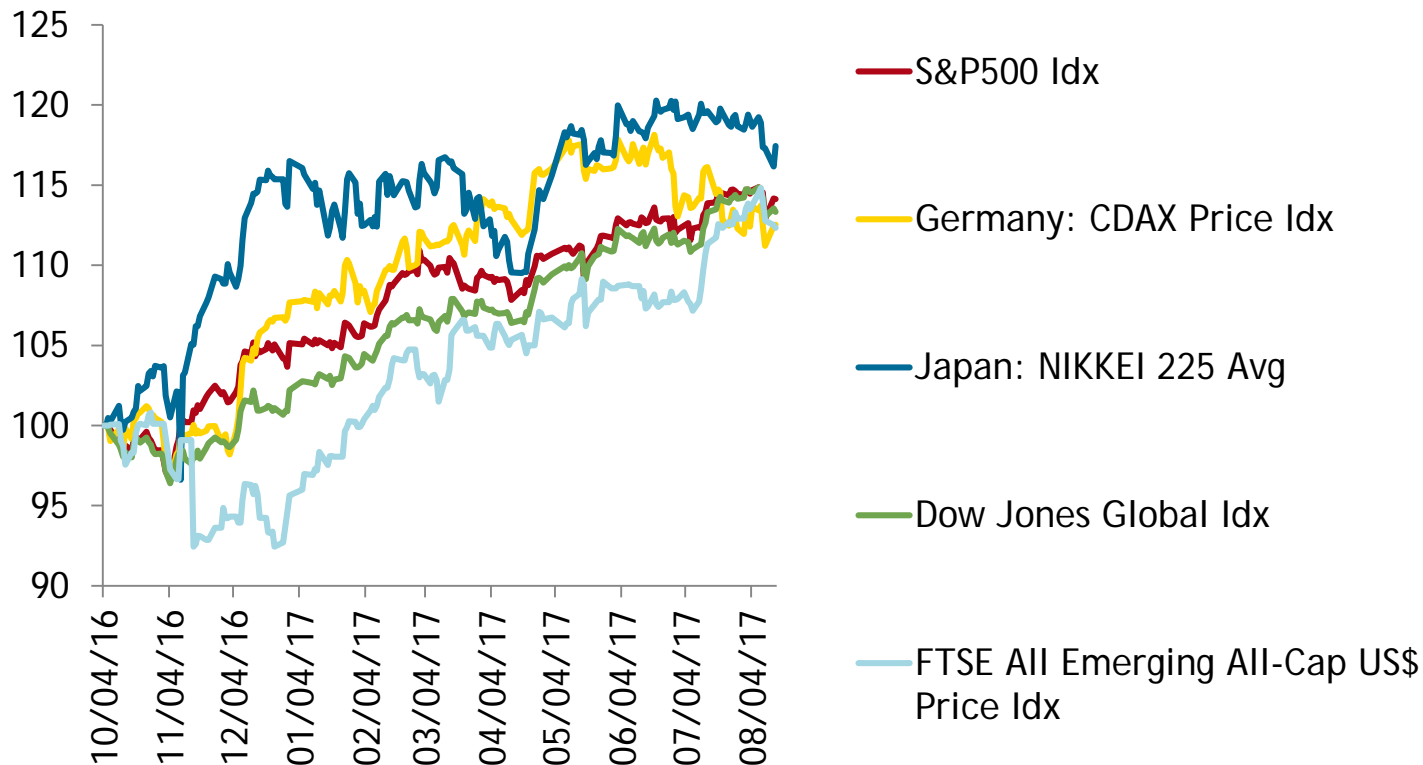
### Nominal Broad Trade-Weighted Exchange Value of the US\$



Source: Treasury, FRB, CIBC



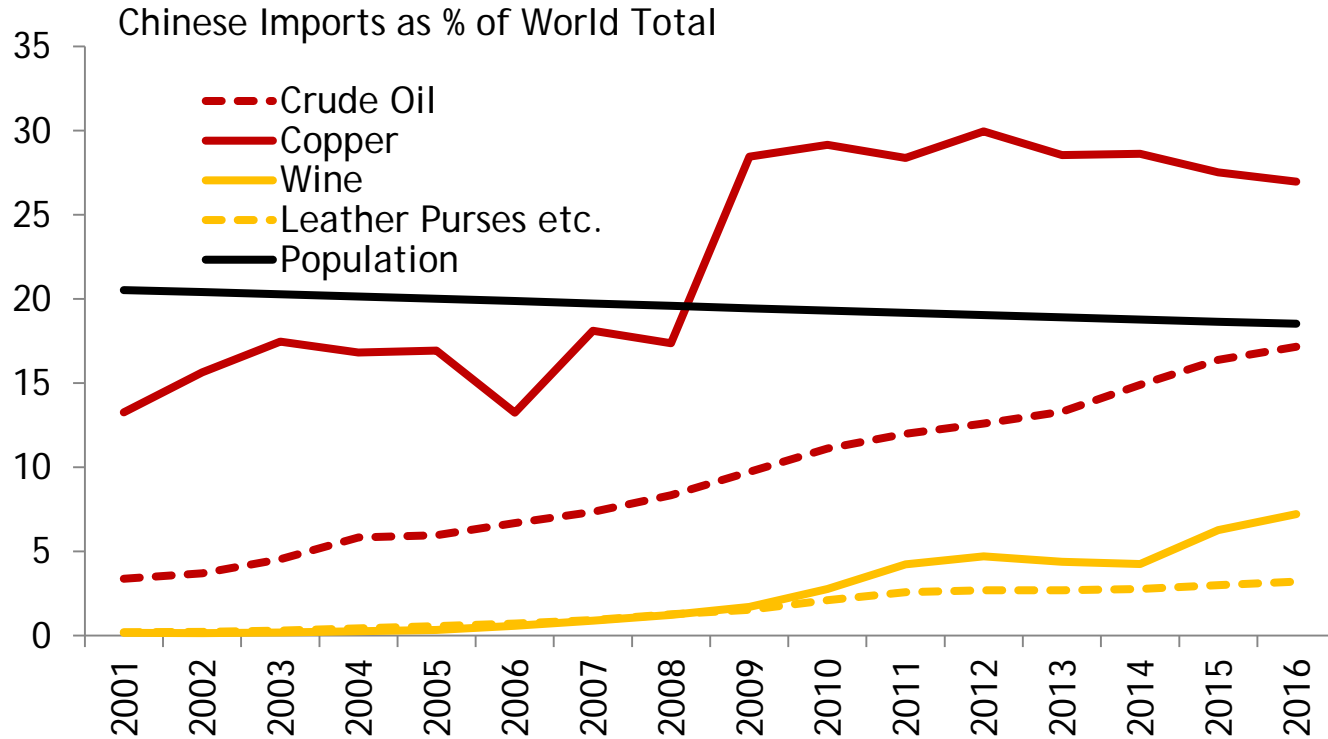
# US Equities Up... Along with All Other Major Equity Markets



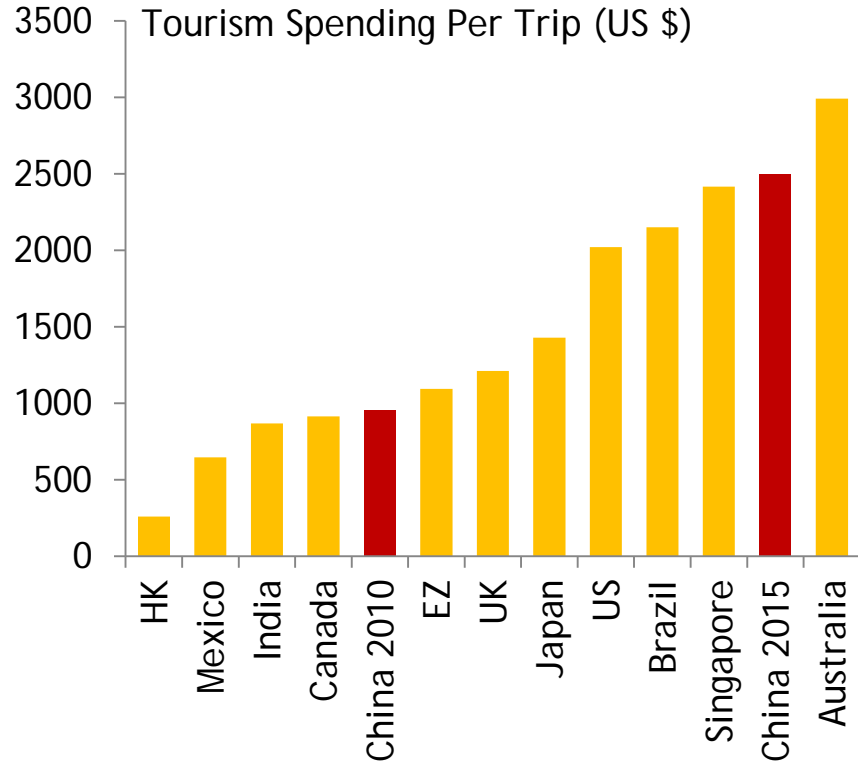
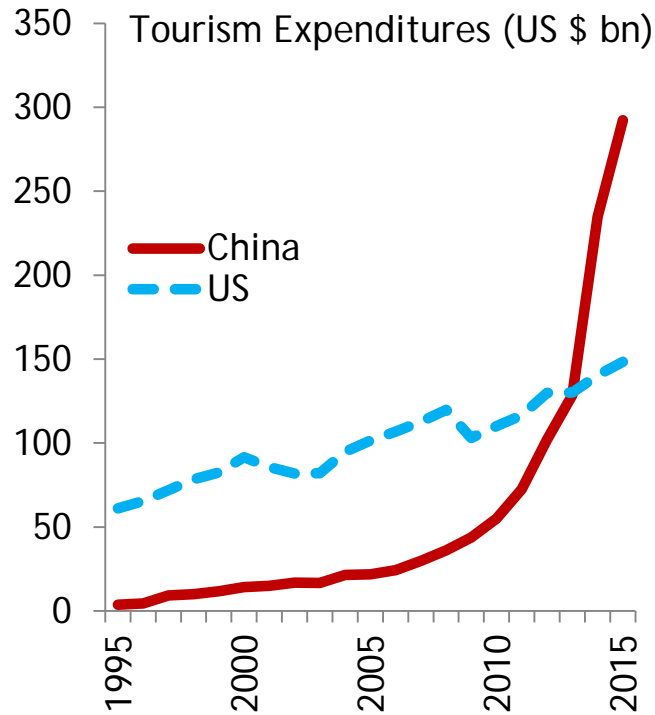
Source: Treasury, FRB, CIBC



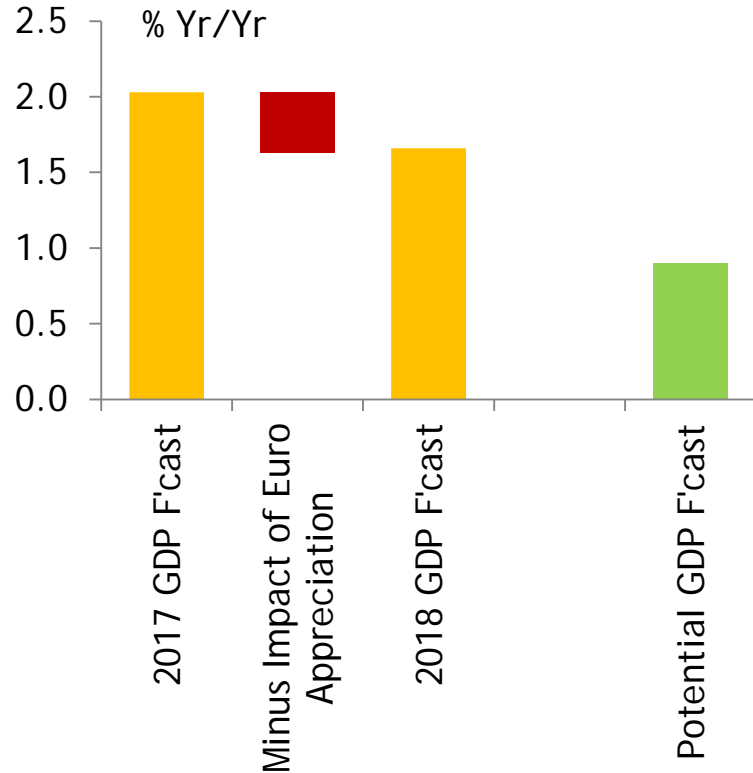
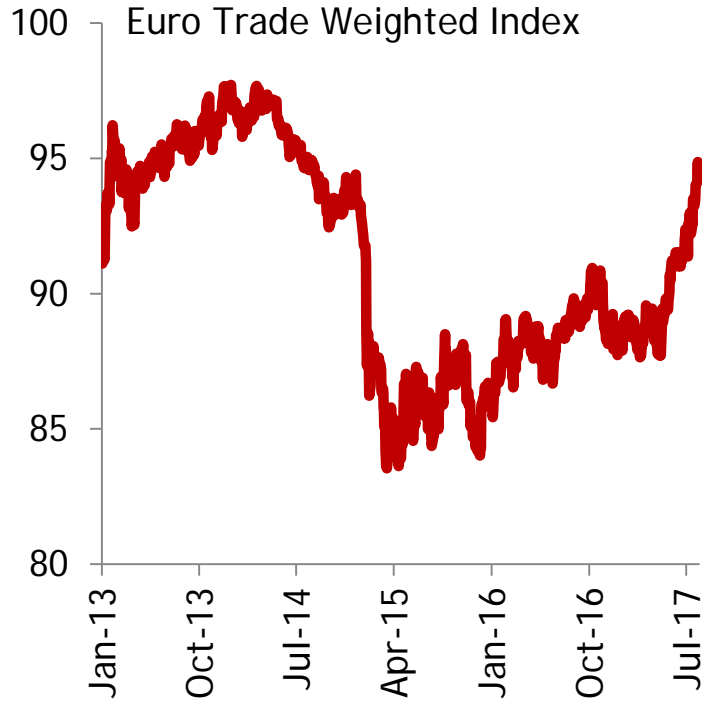
# Is China's Impact on Global Economy Changing?



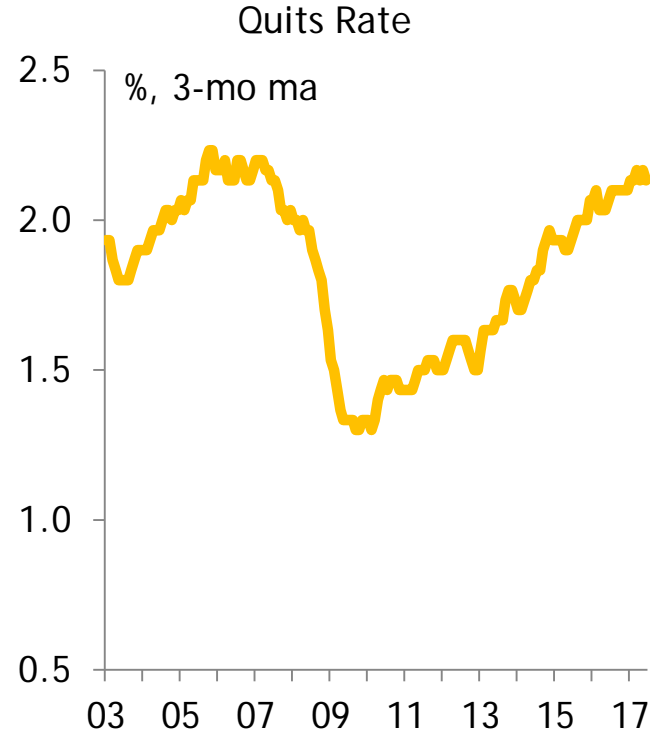
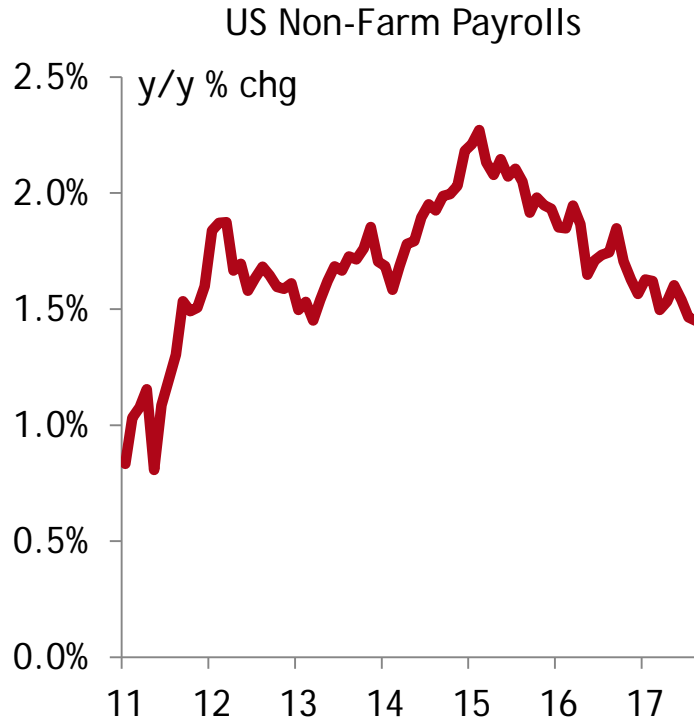
# Surge in China Tourism Spending (L), With Per Trip Outlays Rivalling Big Spenders (R)



# Euro Sees Big Appreciation Already (L), But Economy Should be Able to Cope (R)



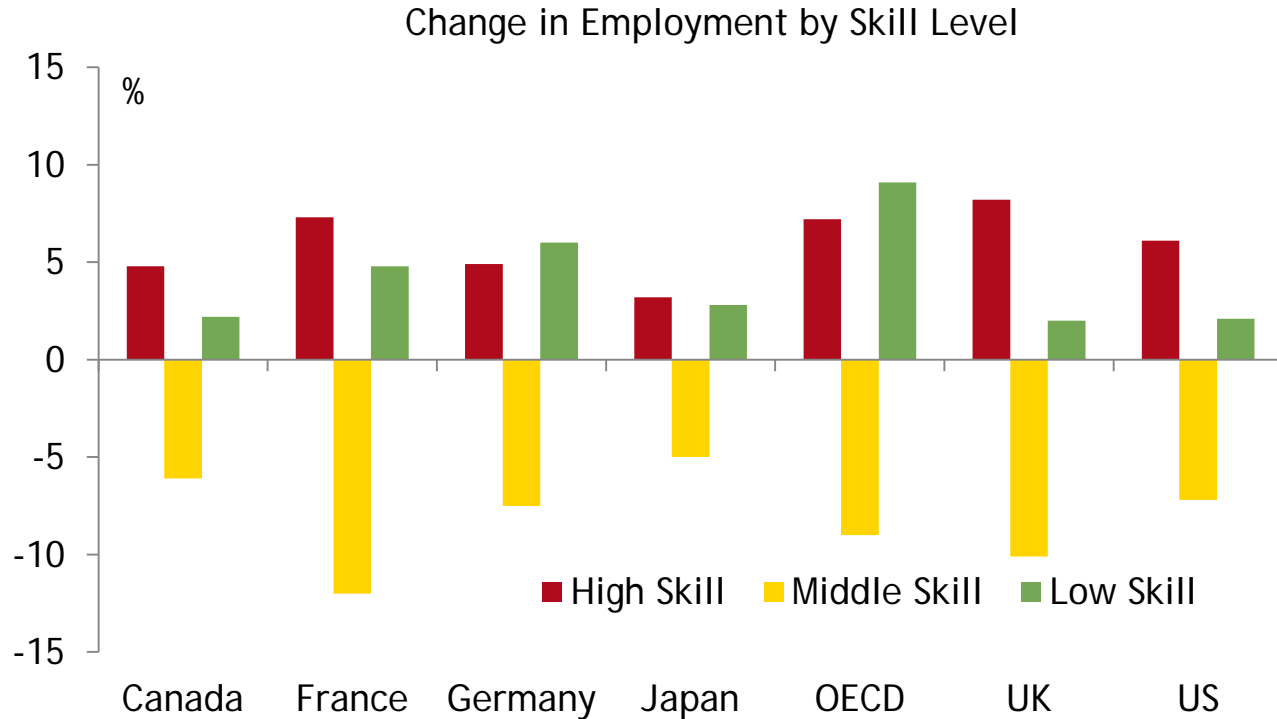
# US Tight Labour Market - Slowing



Source: BLS, CIBC



# The Shrinking Middle Class

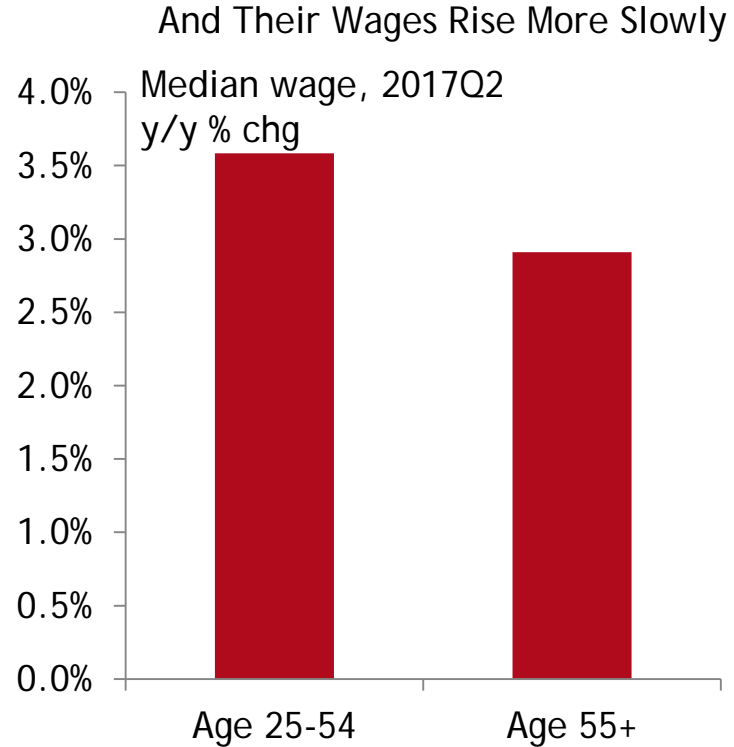
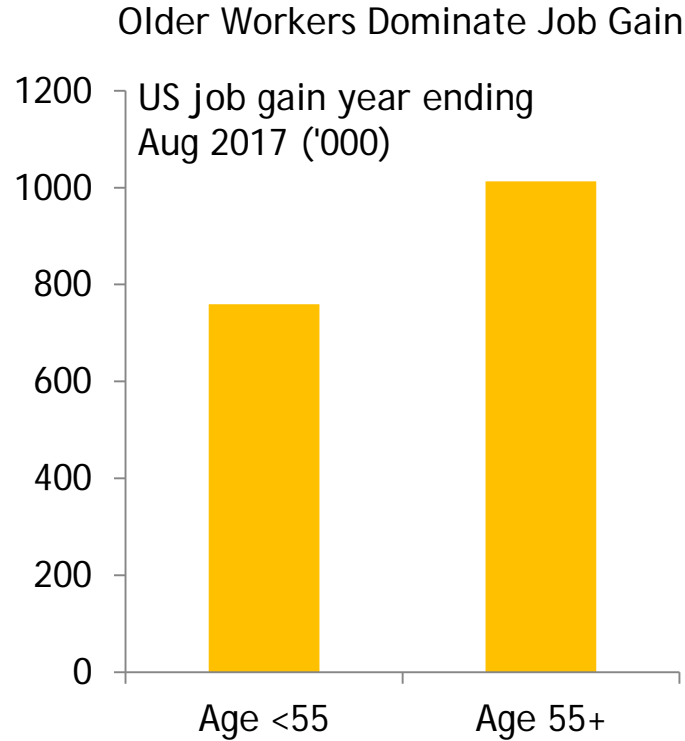


Source: OECD, CIBC





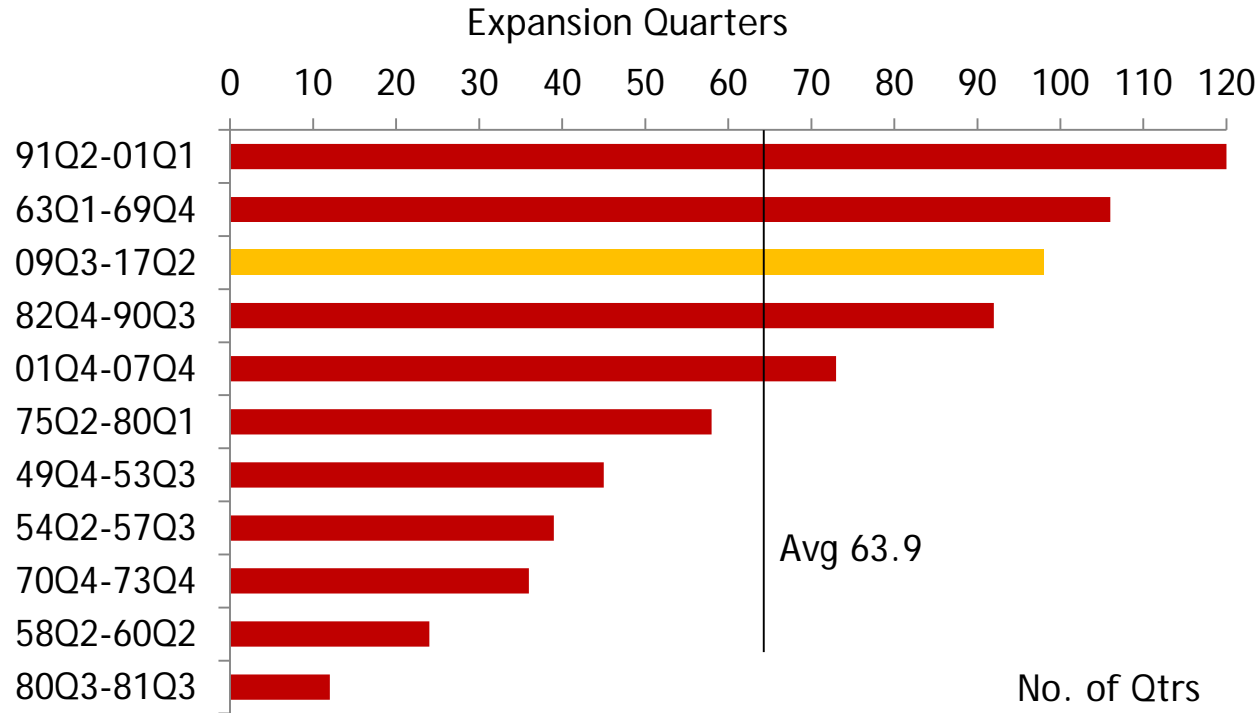
# Changing Labour Market Composition - Less Inflationary



Source: Bloomberg, CIBC



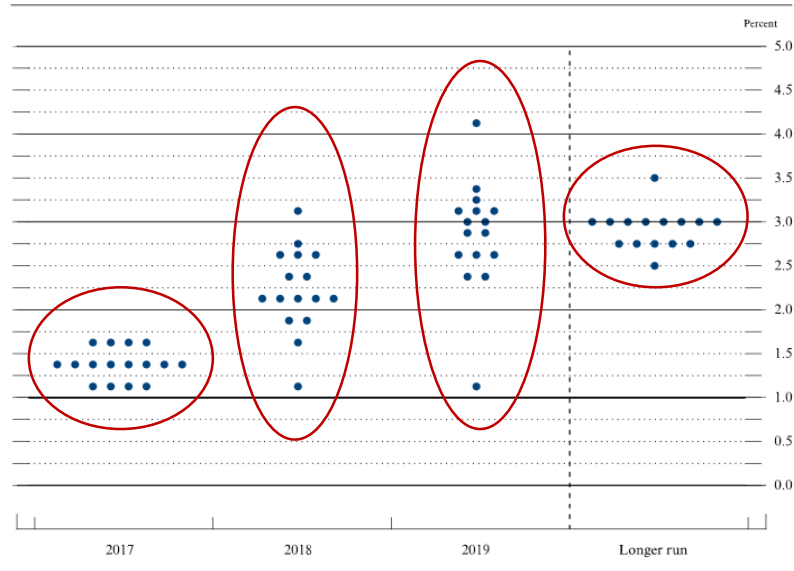
# The Cycle is Old



Source: BEA, CIBC

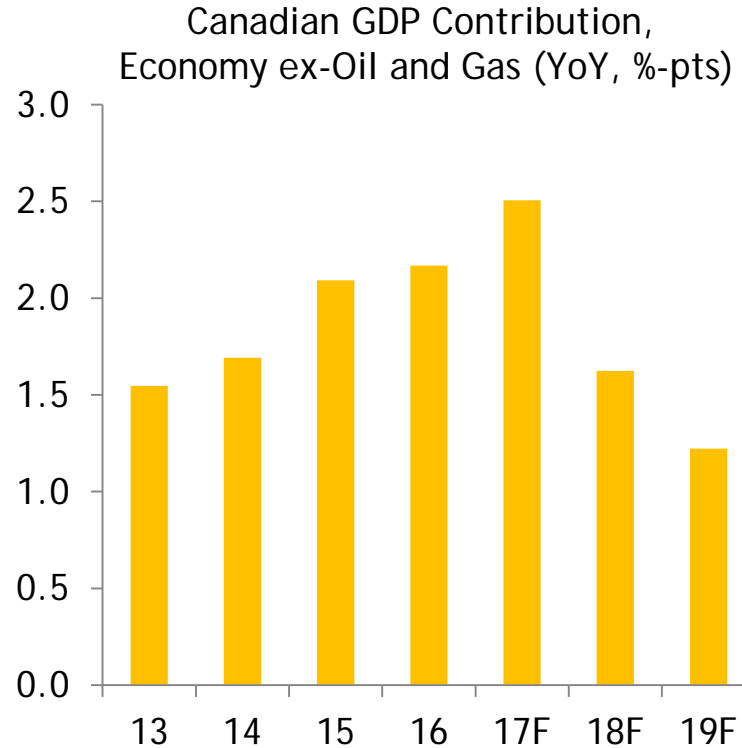
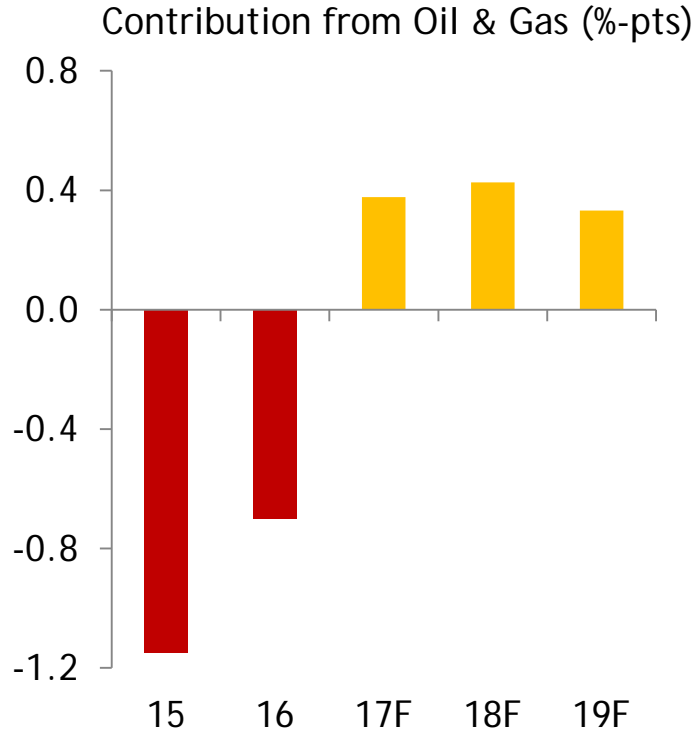


Figure 2. FOMC participants' assessments of appropriate monetary policy: Midpoint of target range or target level for the federal funds rate



Note: Each shaded circle indicates the value (rounded to the nearest 1/8 percentage point) of an individual participant's judgment of the midpoint of the appropriate target range for the federal funds rate or the appropriate target level for the federal funds rate at the end of the specified calendar year or over the longer run. One participant did not submit longer-run projections for the federal funds rate.



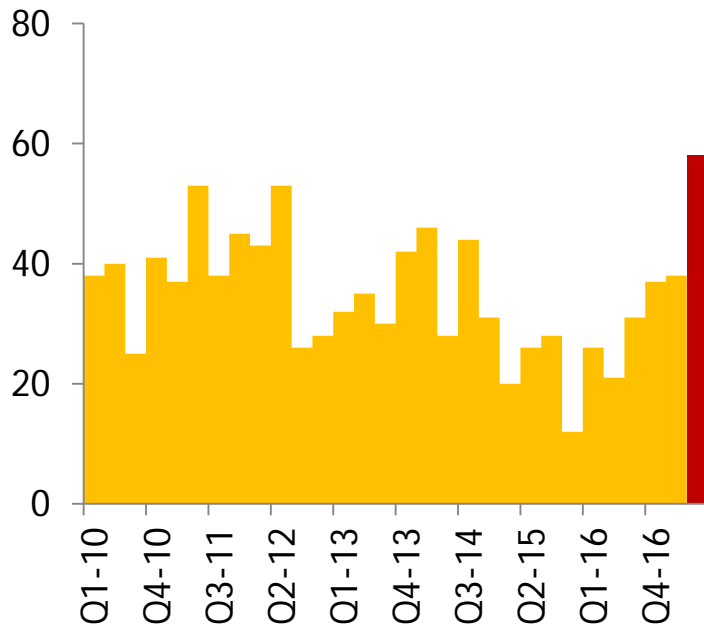


Source: Statistics Canada, CIBC

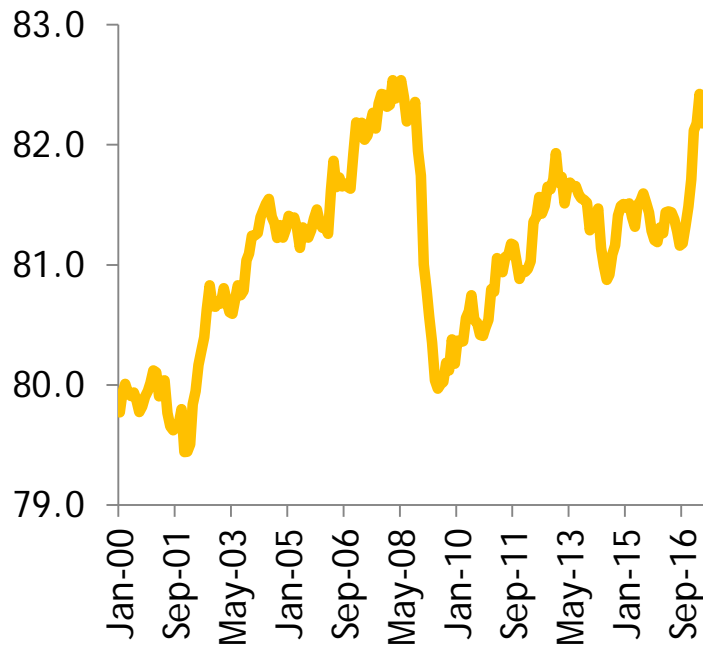


# Canadian Business Plans a Hiring Spree (L) But Canadians are Already Working (R)

### Business Outlook: Future Employment (Balance of Opinion, %)

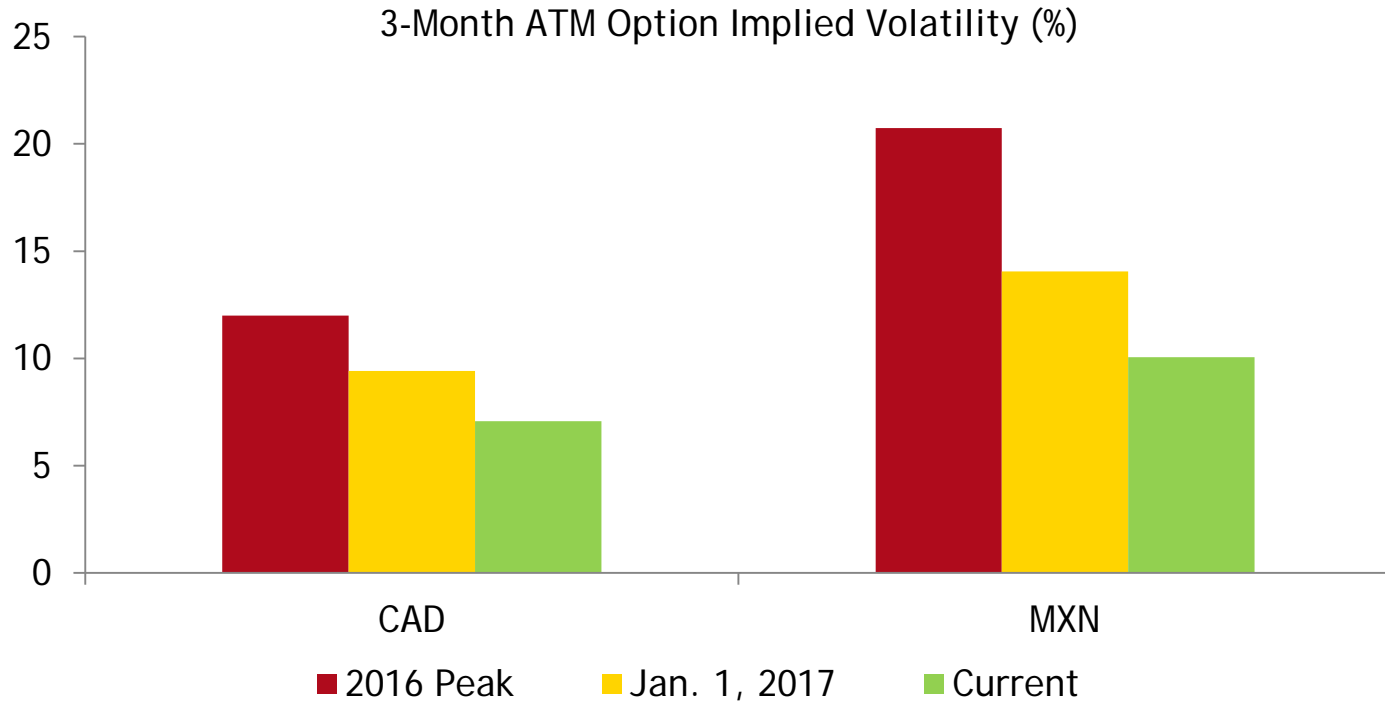


### Prime-Aged Employment to Pop Ratio (%)



Source: Statistics Canada, CIBC

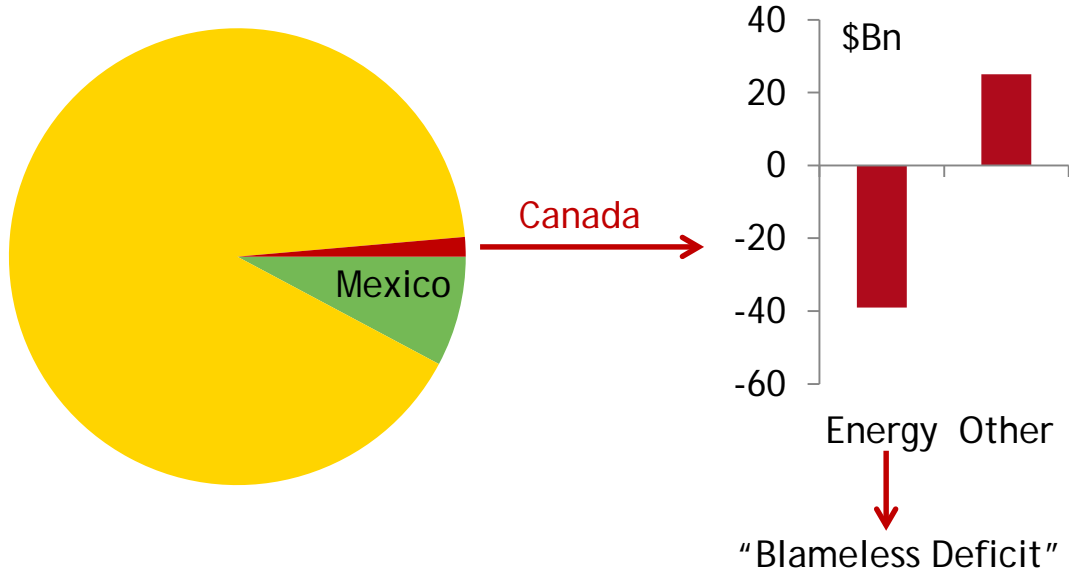




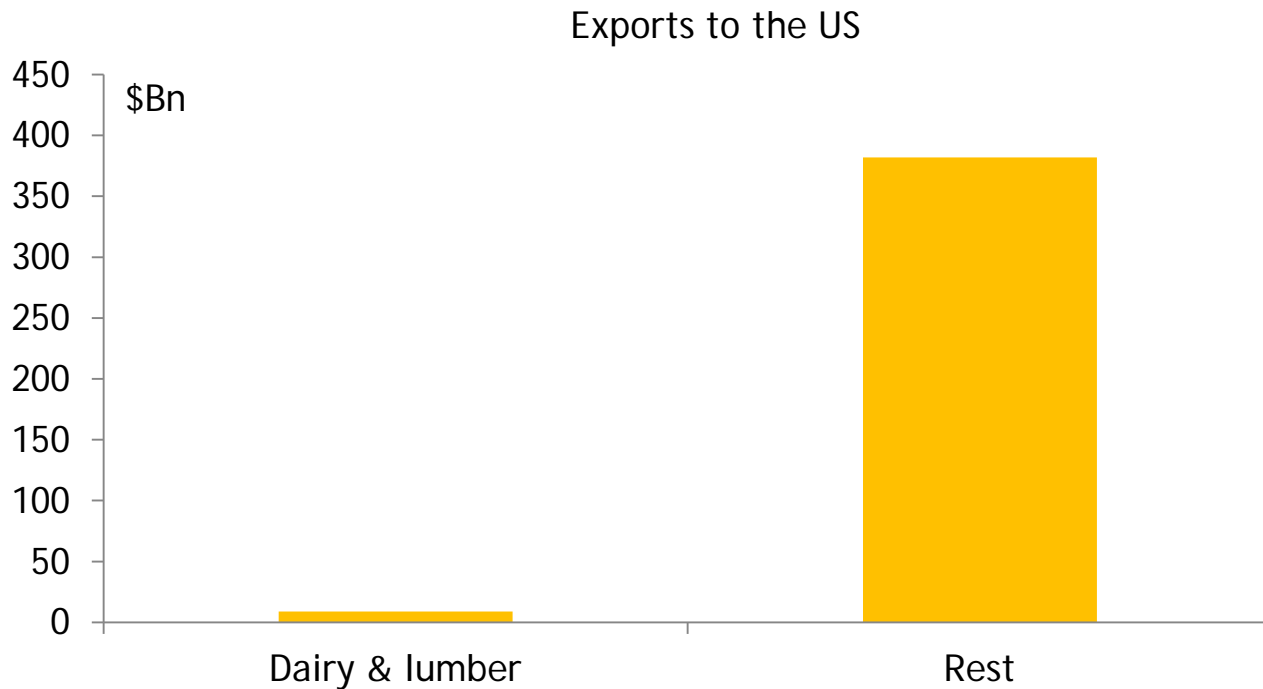
# First Specific Negotiation Objective

“To improve the US trade balance and to reduce the trade deficits with the NAFTA countries”

US Trade Deficit: 2016



# Impact of Duties on Lumber & Dairy Will Cost the Economy <0.1% of GDP

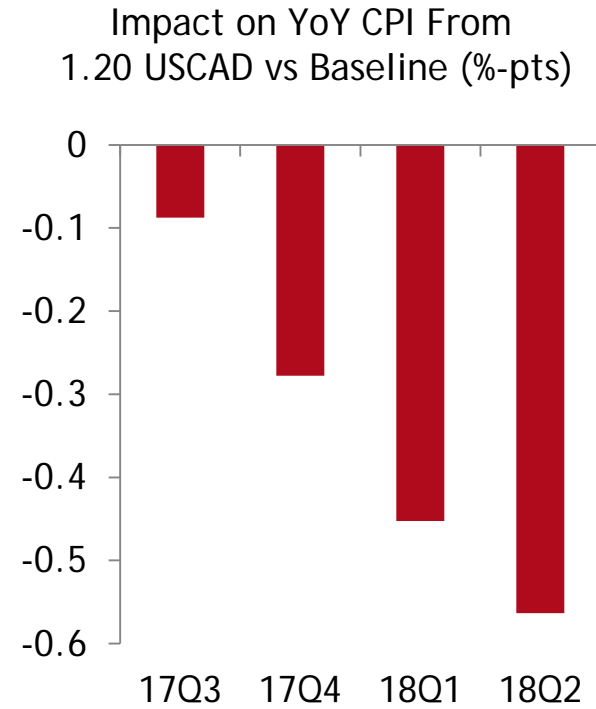
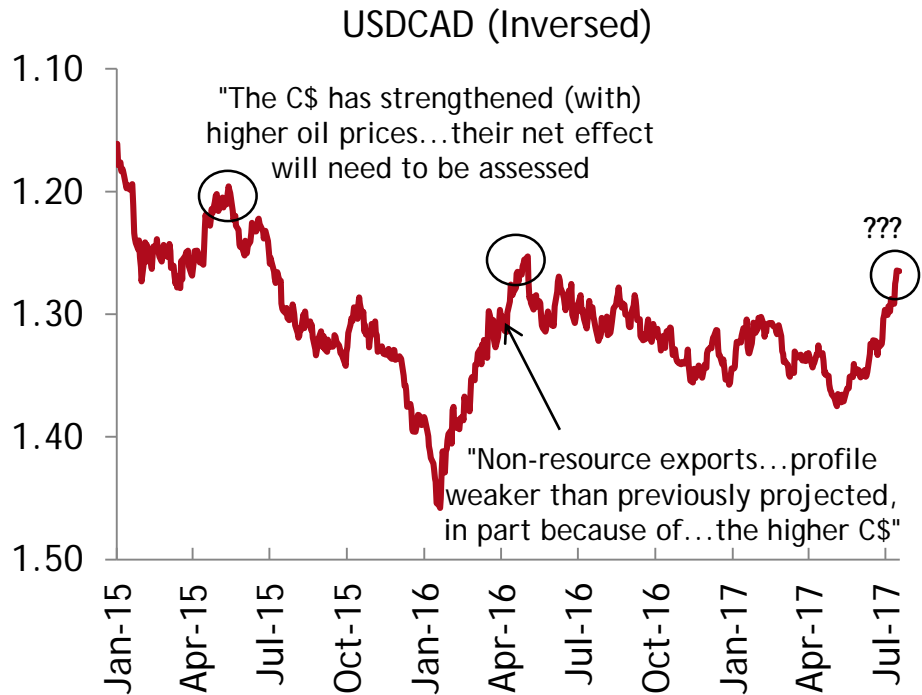


Source: CIBC





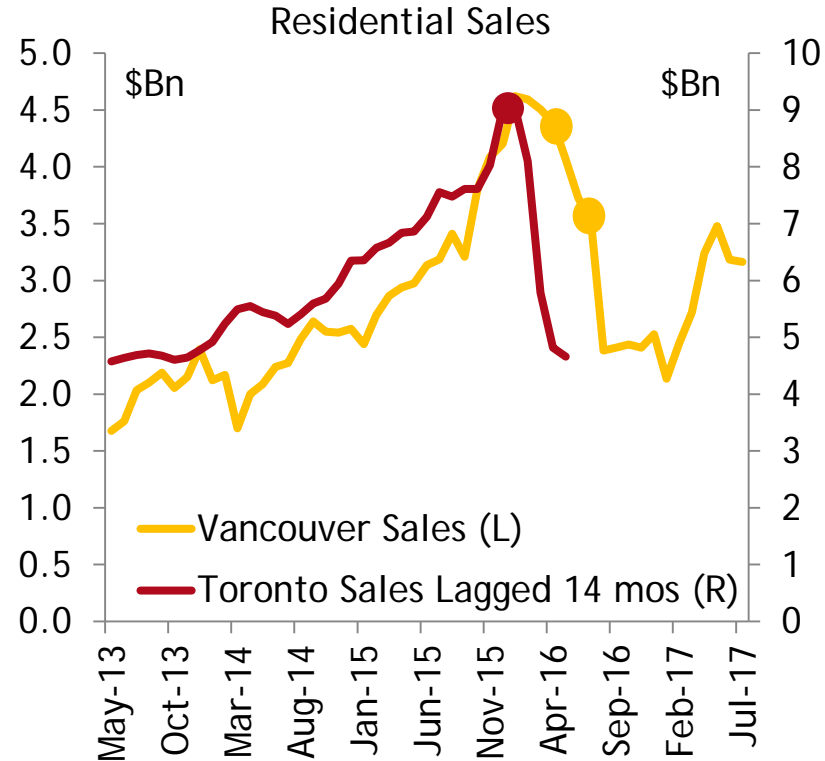
# Limit on BoC Rates: C\$ Soaring to Worrisome Level (L) Stronger C\$ Would Delay Getting to 2% Inflation (R)



Source: Statistics Canada, Bloomberg, BOC, CIBC

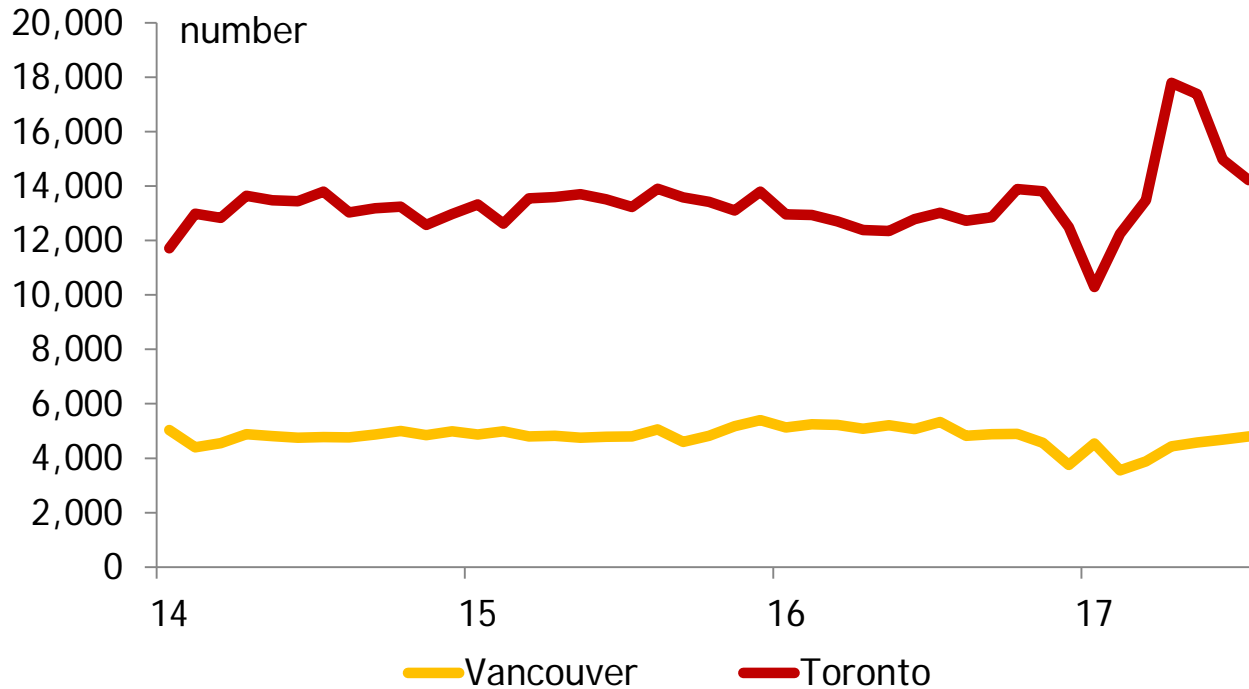


The Best  
View of the  
Toronto  
Real Estate  
Horizon is  
from the  
Vancouver  
Harbour



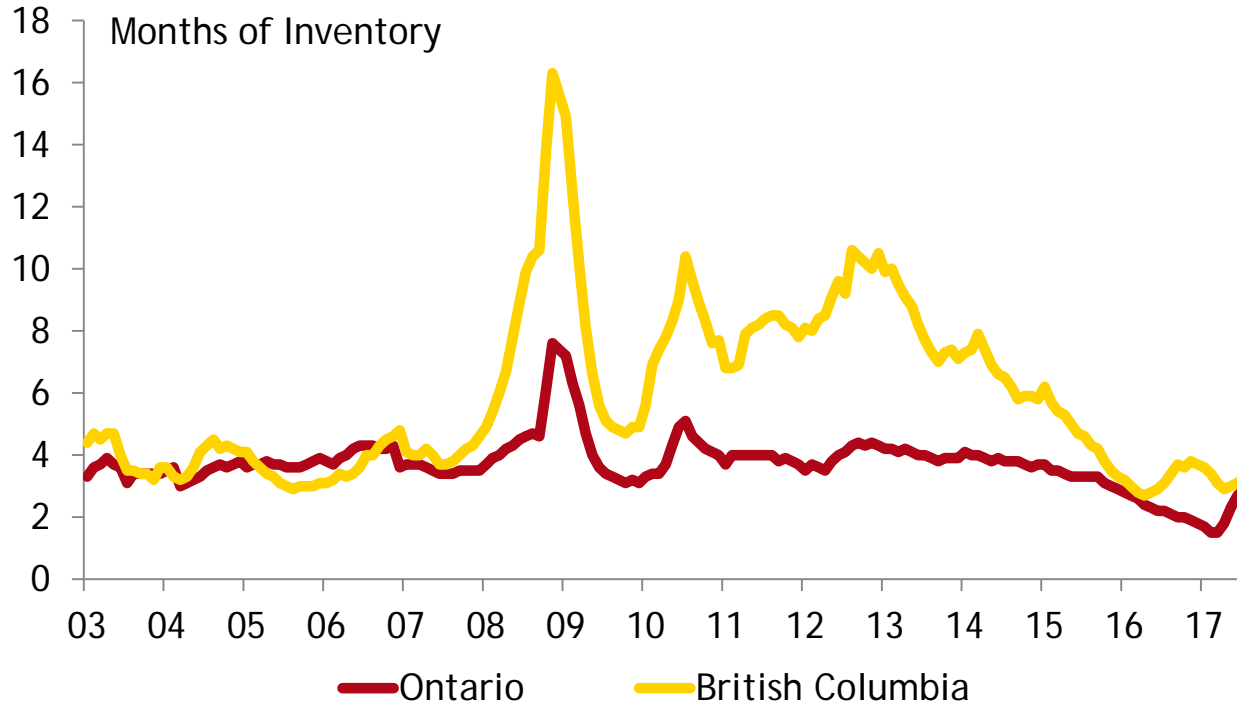
Source: CREA, CIBC





Source: CREA, CIBC

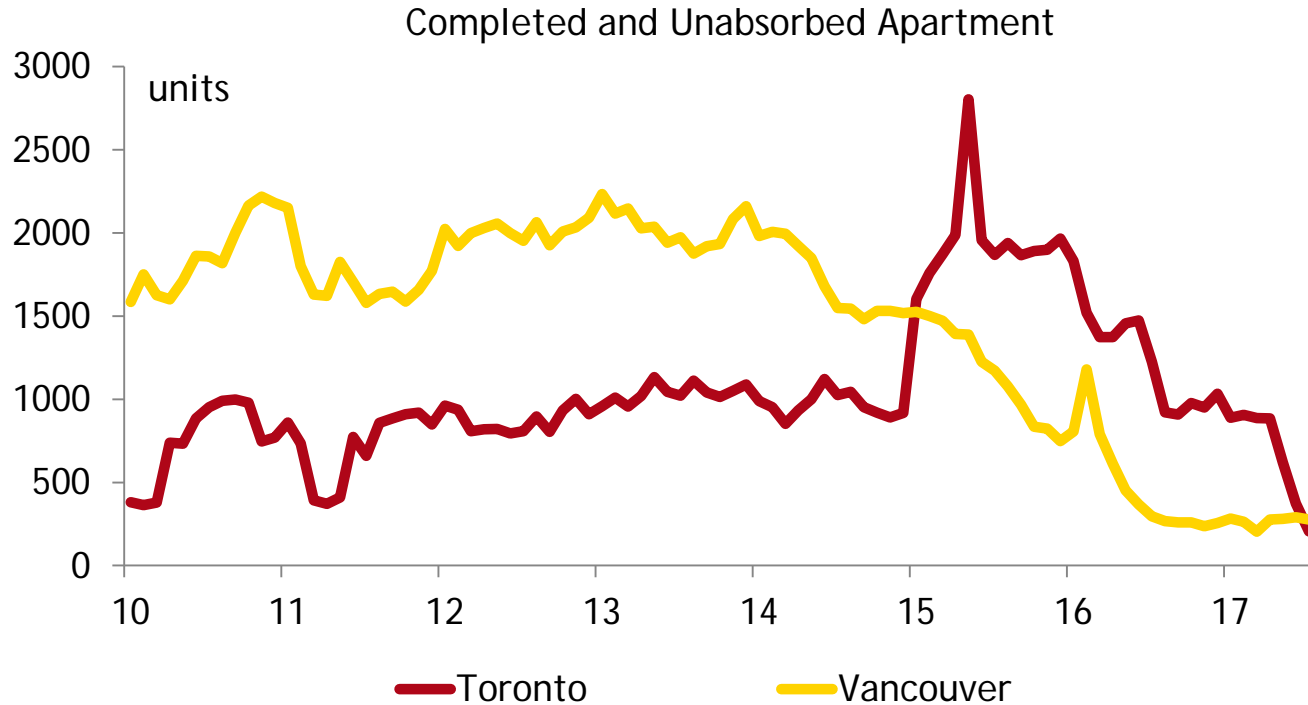




Source: CREA, CIBC

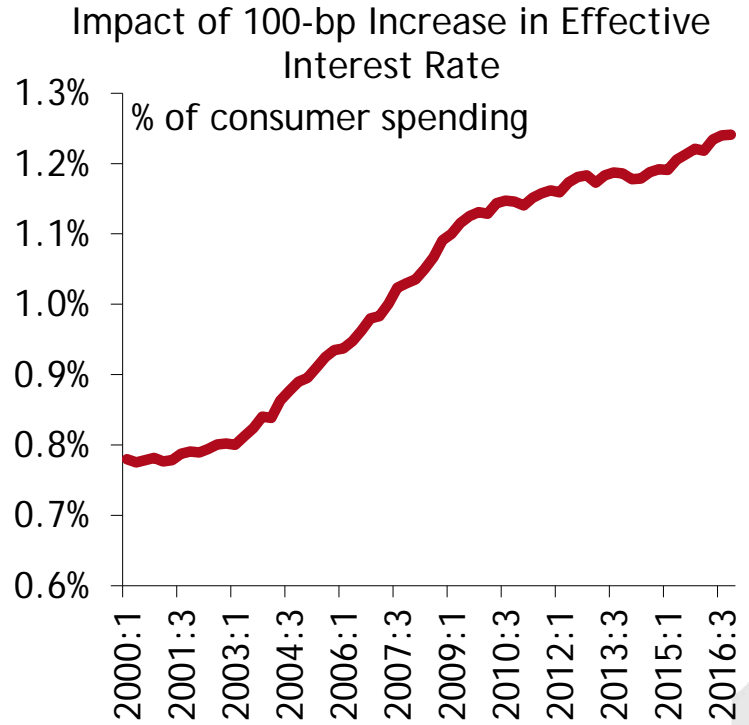
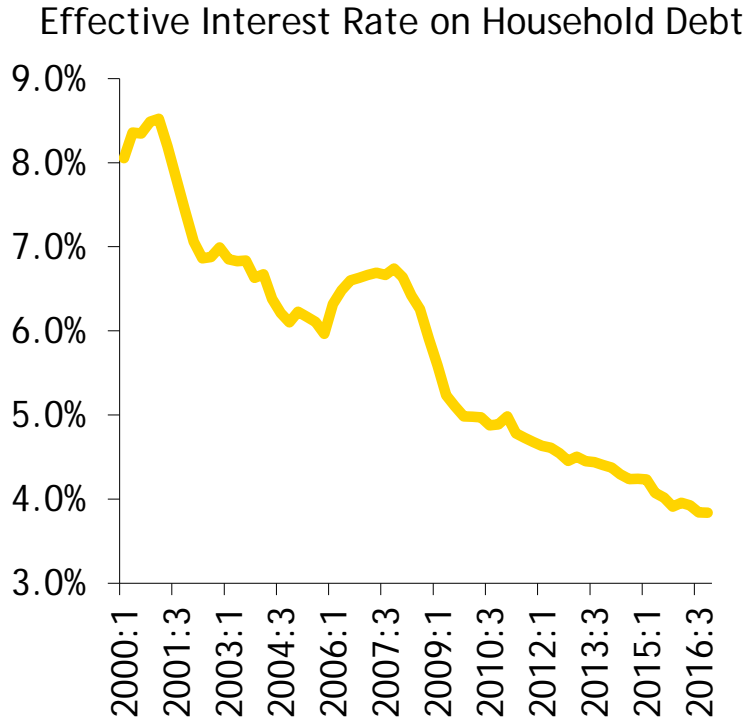


# The Condo Market is Still Tight



Source: CMHC, CIBC





Source: Statistics Canada, CIBC



# Growth in Mortgage Outstanding Could Slow Notably



Source: Bank of Canada, CIBC

