

Is There Logic Behind the Madness?

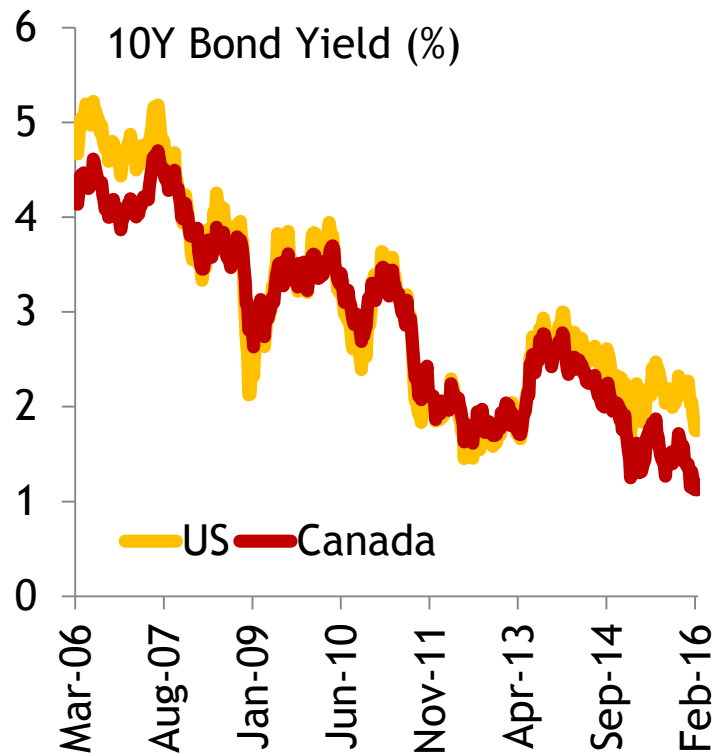
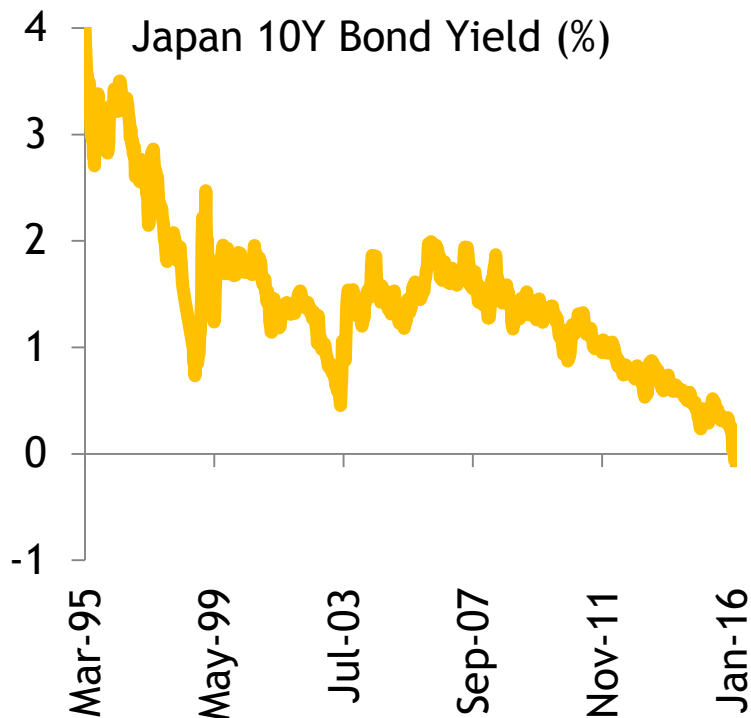


Benjamin Tal

June 2016



North American Bond Yields Following Those of Japan

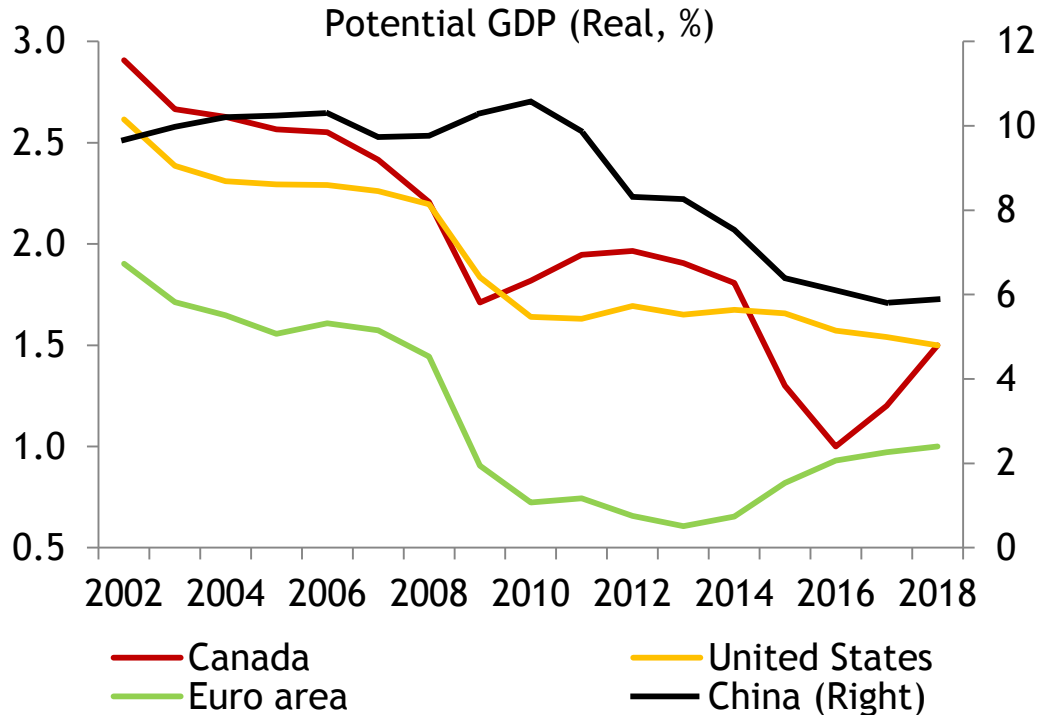


Source: Bloomberg, CIBC

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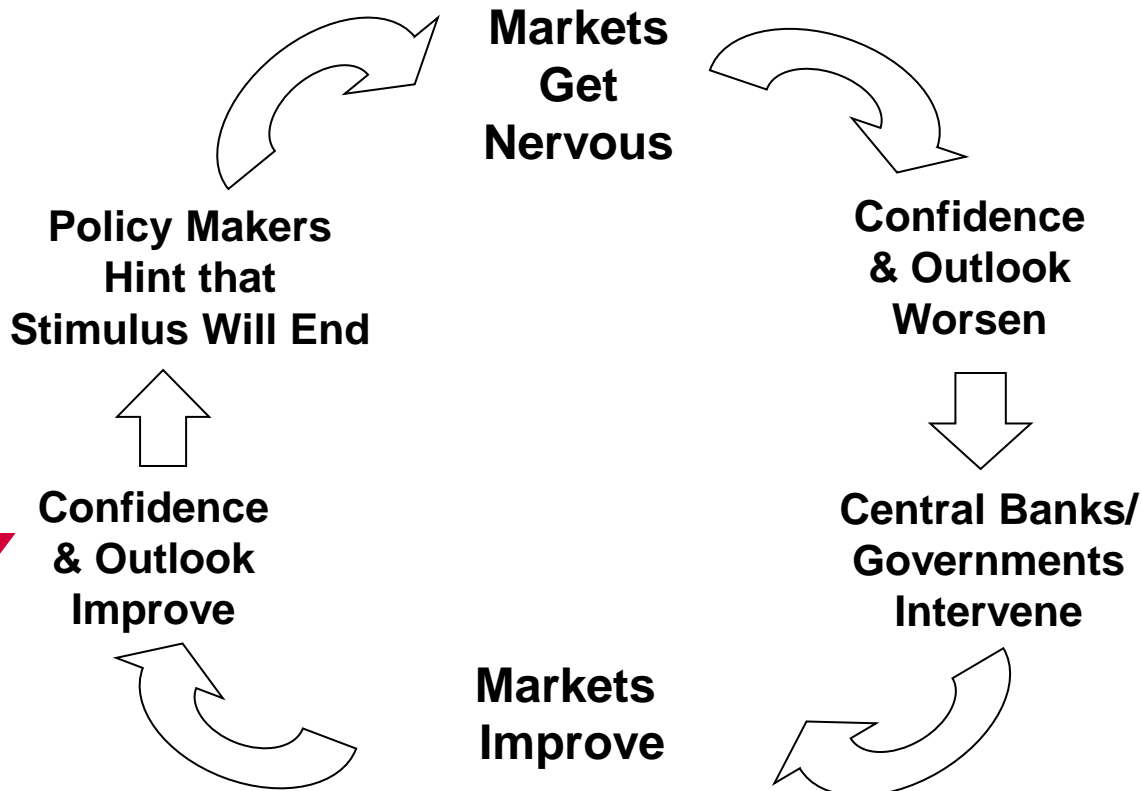


Slower Speed Limits: GDP Bar is Lower for Full Employment



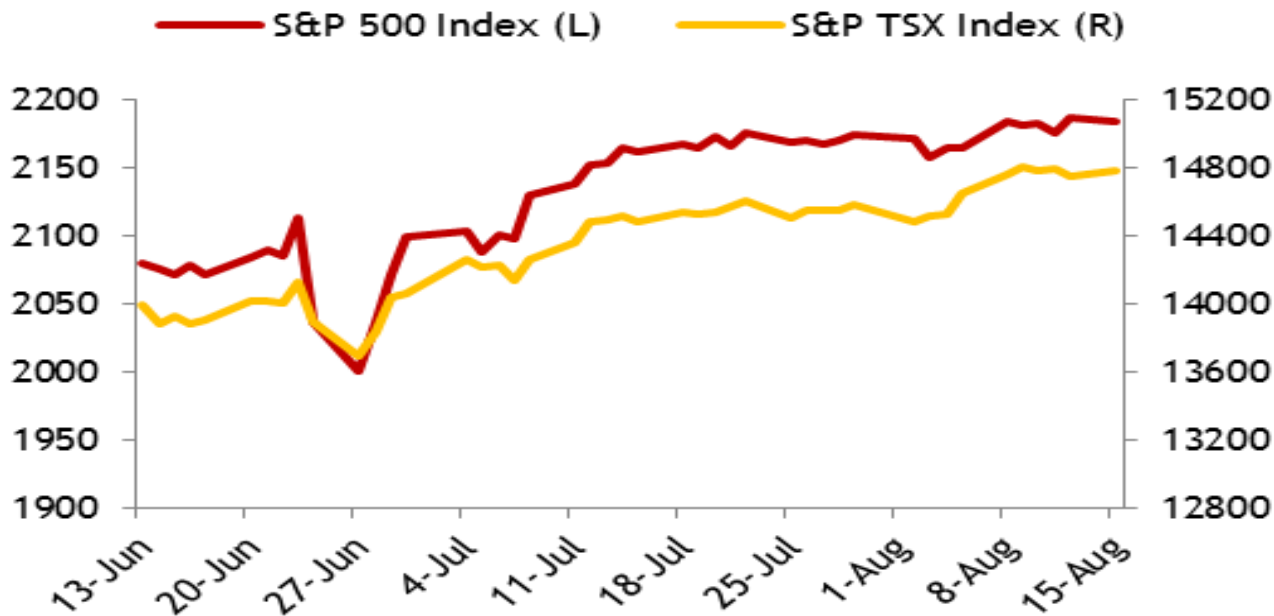
Source:





We are probably here

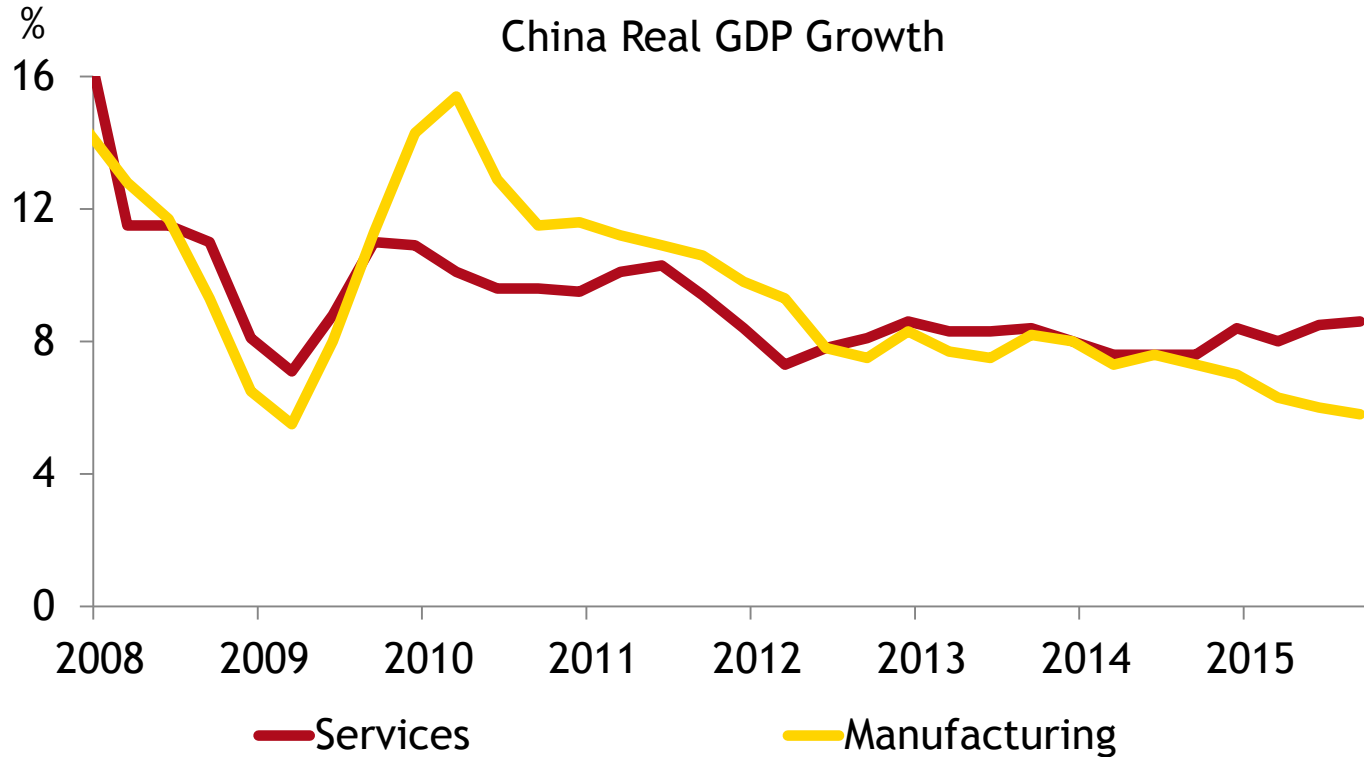




Source: Bloomberg, CIBC

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Source: World Bank, Haver Analytics, Bloomberg, CIBC

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Growth in China's Money Supply - Exploding

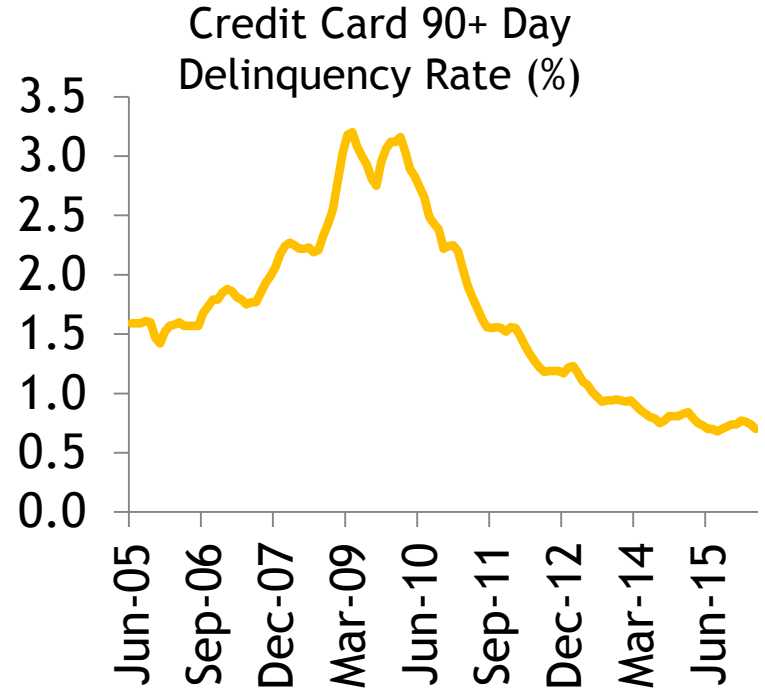
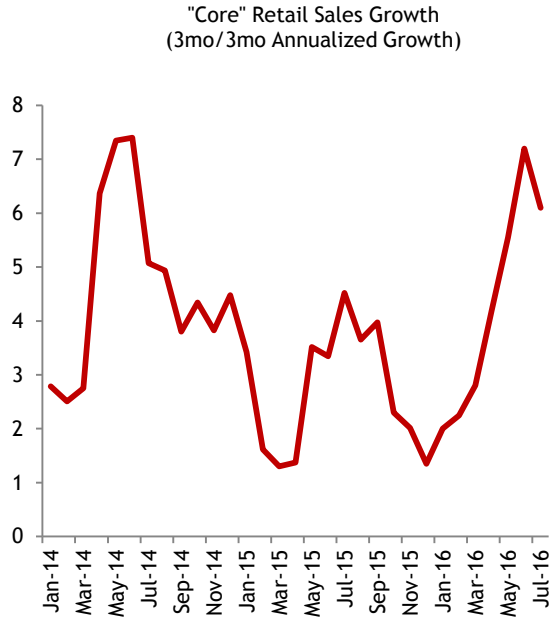


Source: Bloomberg, CIBC

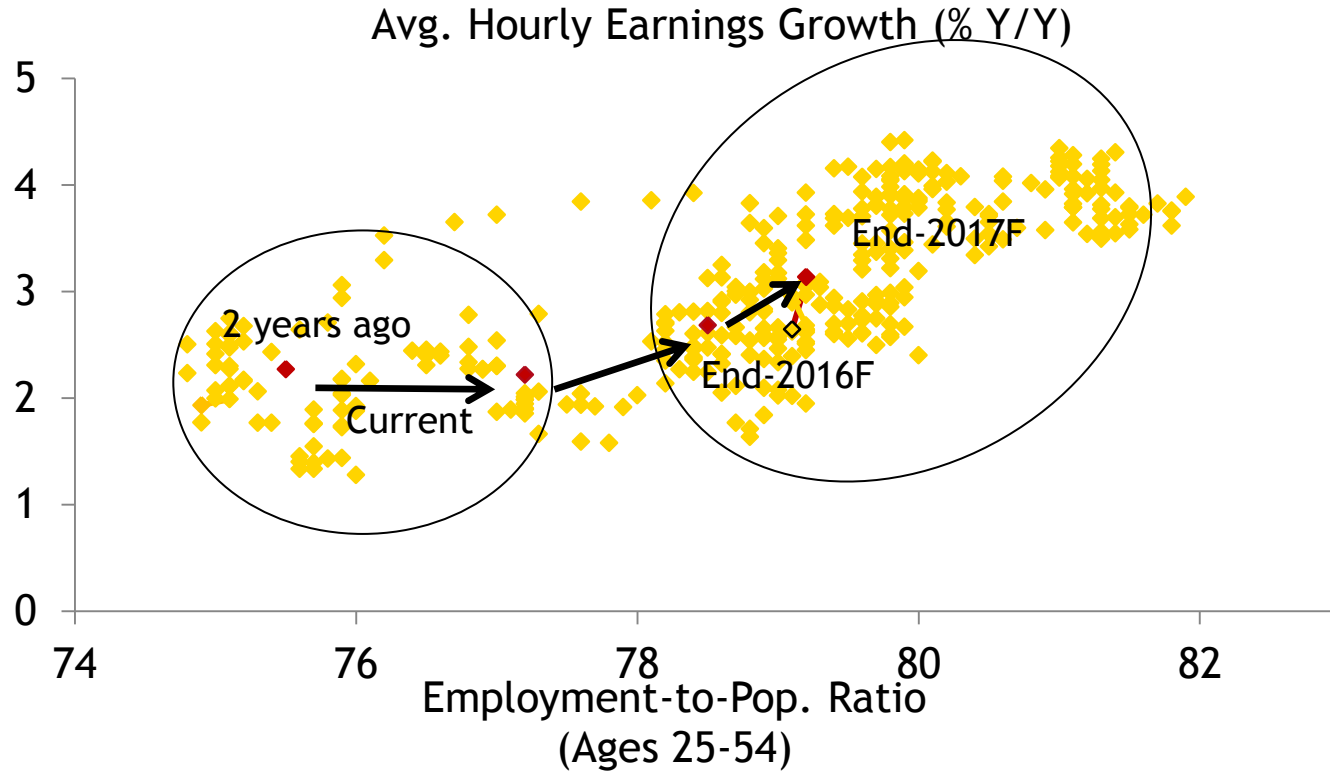
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Underlying Strength in US Retail Sales (L), Credit Conditions Favourable for More Borrowing (R)



Wage Inflation: Why THIS Time We'll Finally See Some

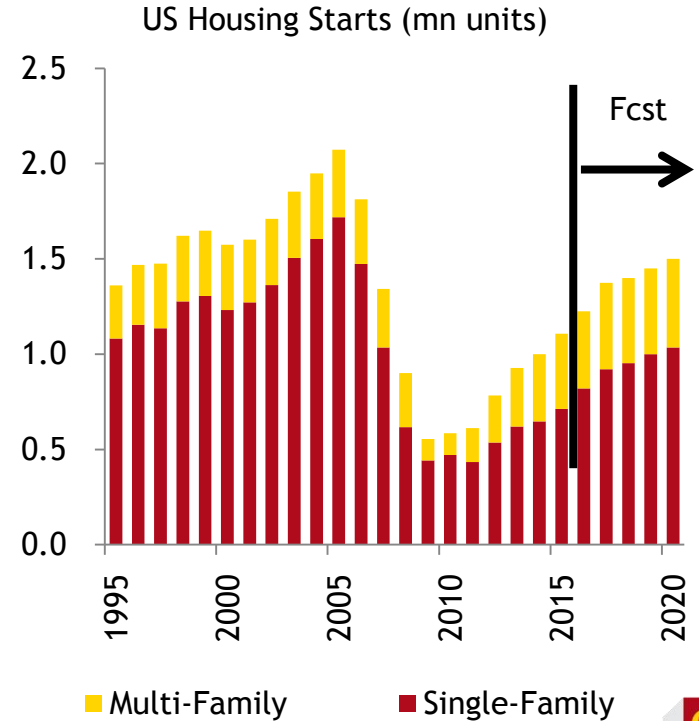
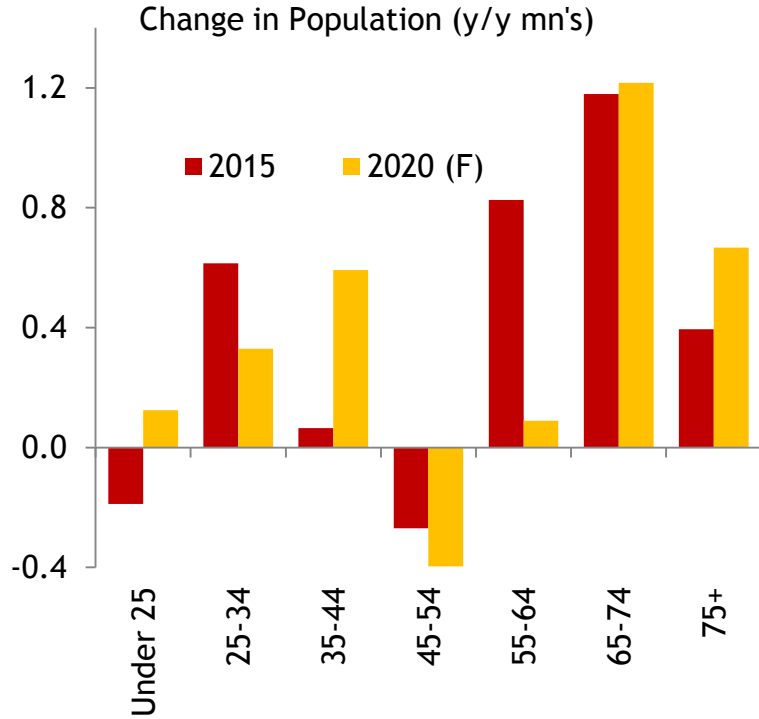


Source: BLS, CIBC

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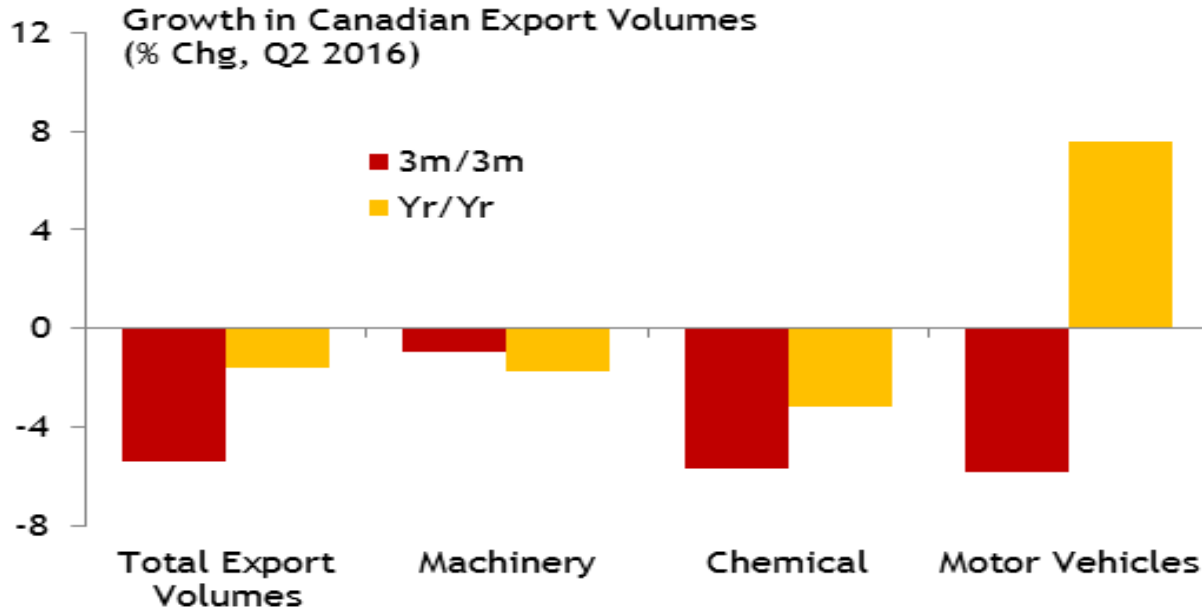
US Housing Needs to Rise as Echo-Boomers Age



Source: BEA, CIBC



Widespread Struggle Recently for Exports

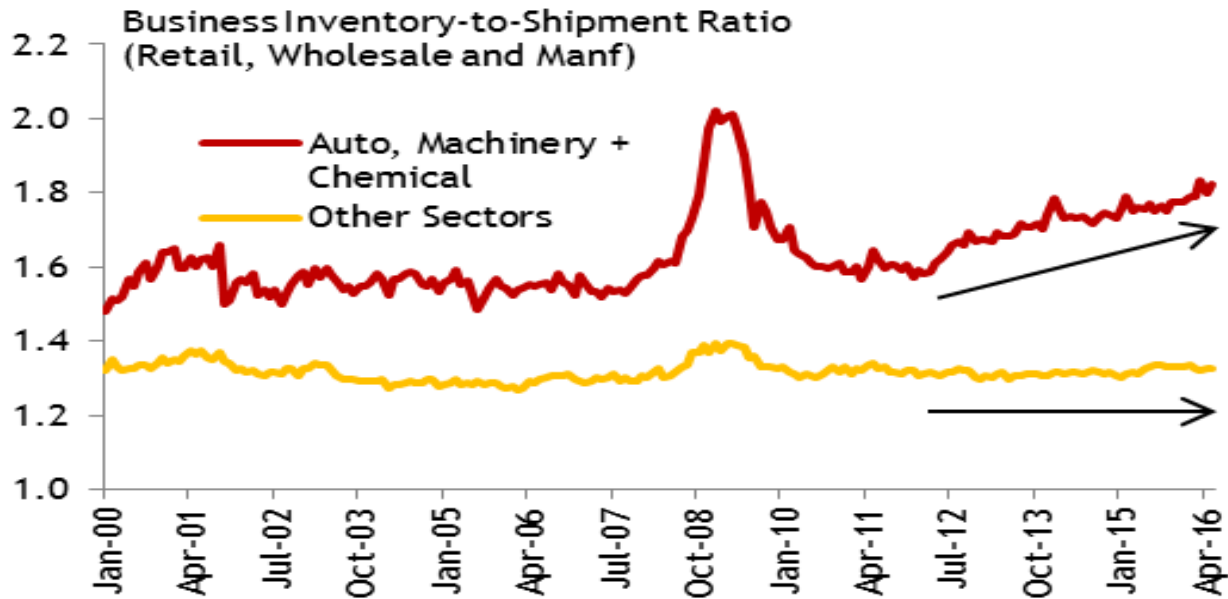


Source: Statistics Canada, CIBC

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US Inventories Trend Higher in Key Areas For Canadian Exporters

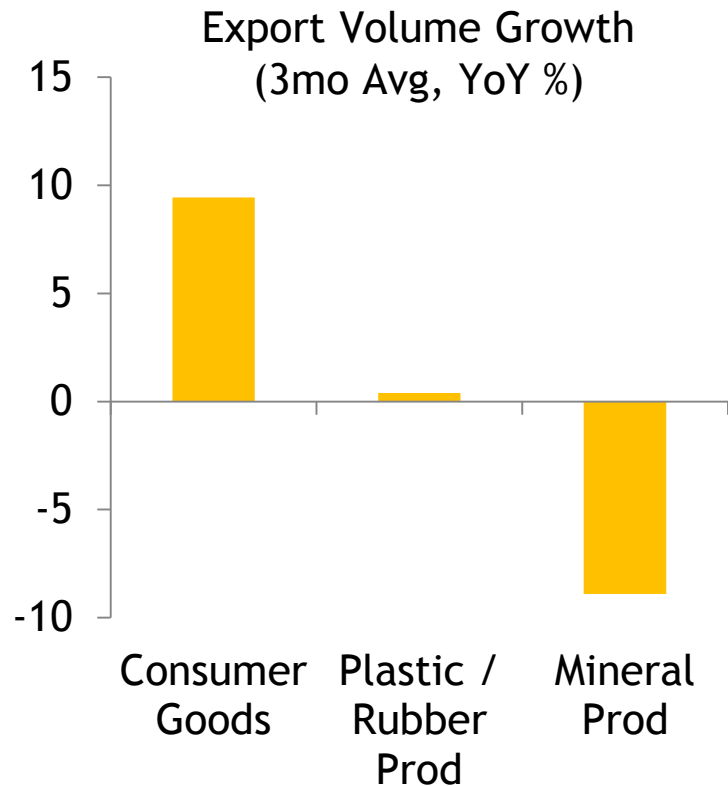
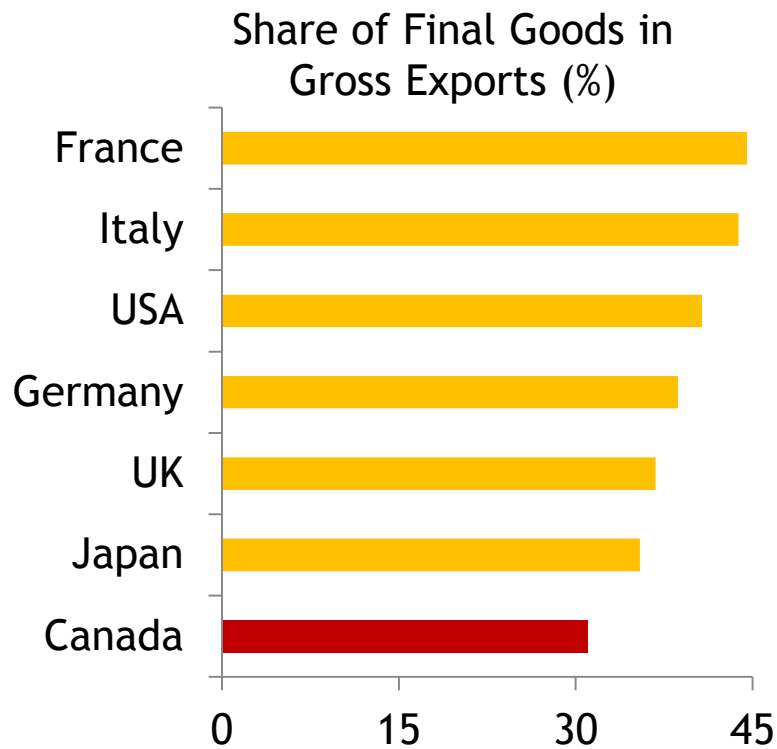


Source: BEA, CIBC

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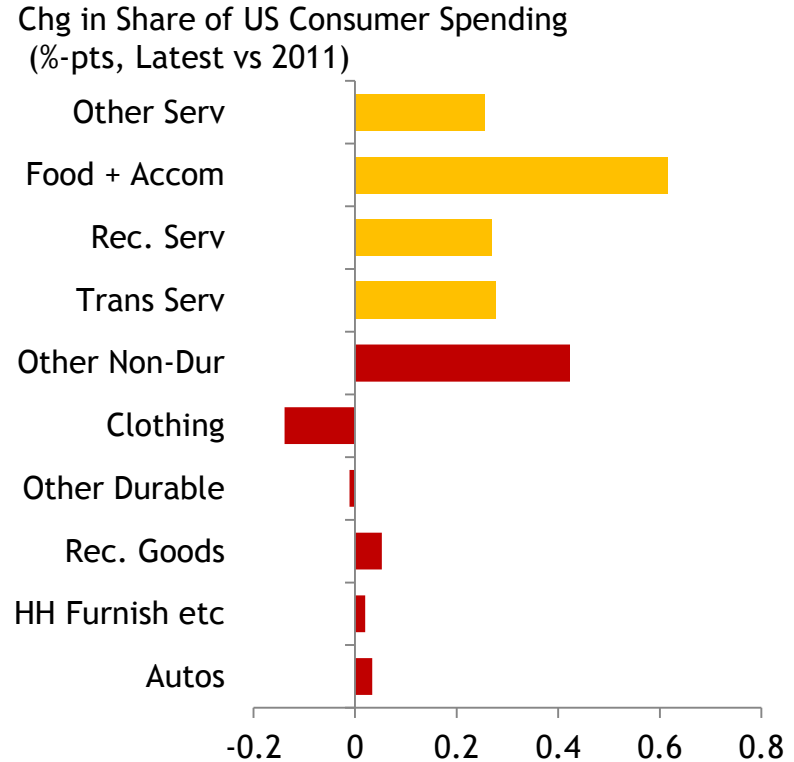
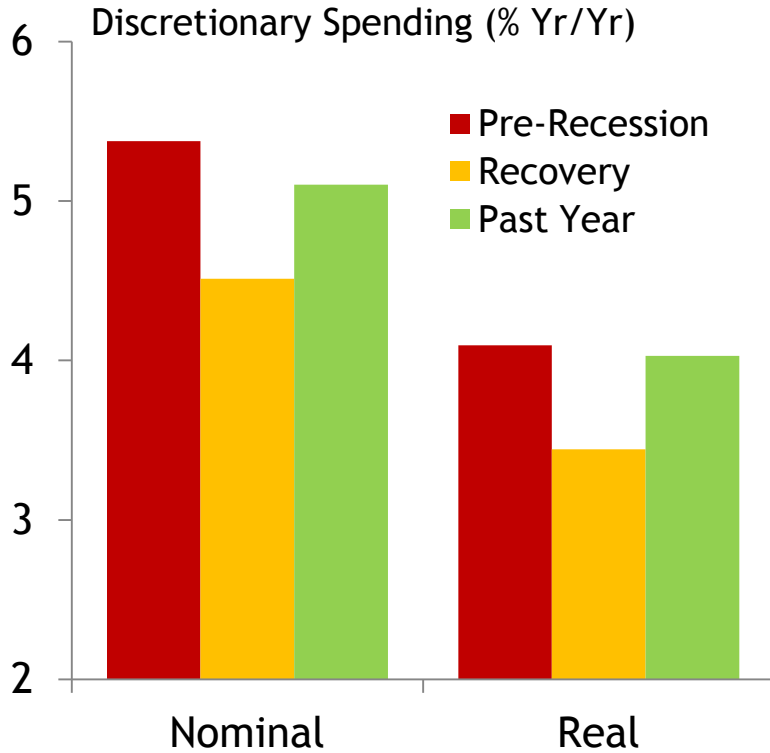
Low Share of Final Goods in Factory Shipments Means Less Sensitivity to C\$ Swings



Source: OECD, Statistics Canada, CIBC

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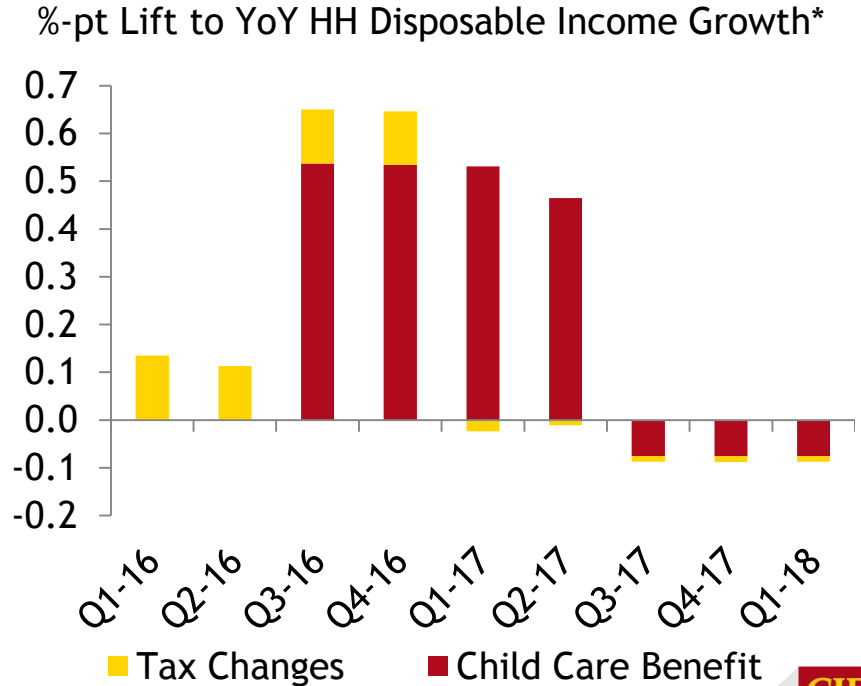
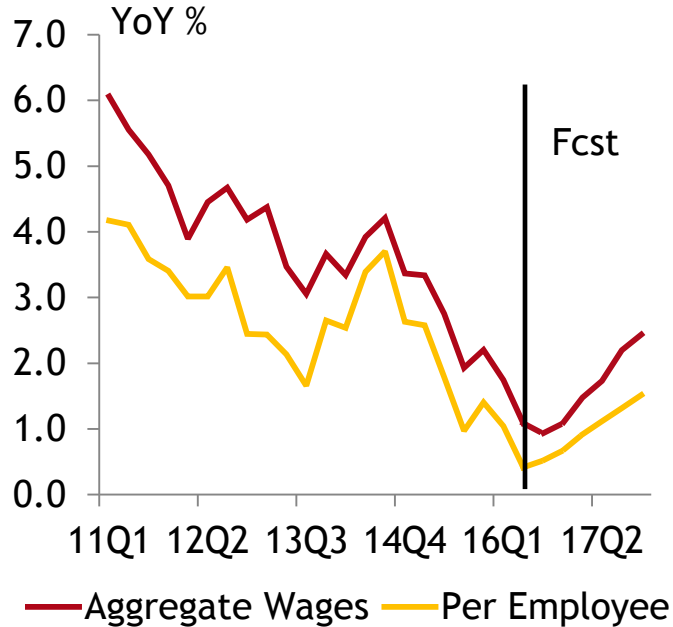




Source: BEA, CIBC



Only Shallow Turn in Wage Income (L) Cushioned by Benefit Cheques for Families (R)

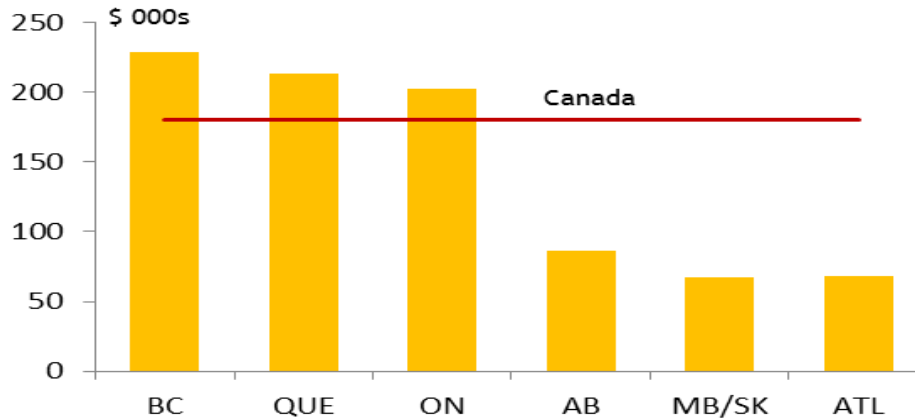


Source: CIBC, Statistics Canada, Finance Canada

*vs prior programs

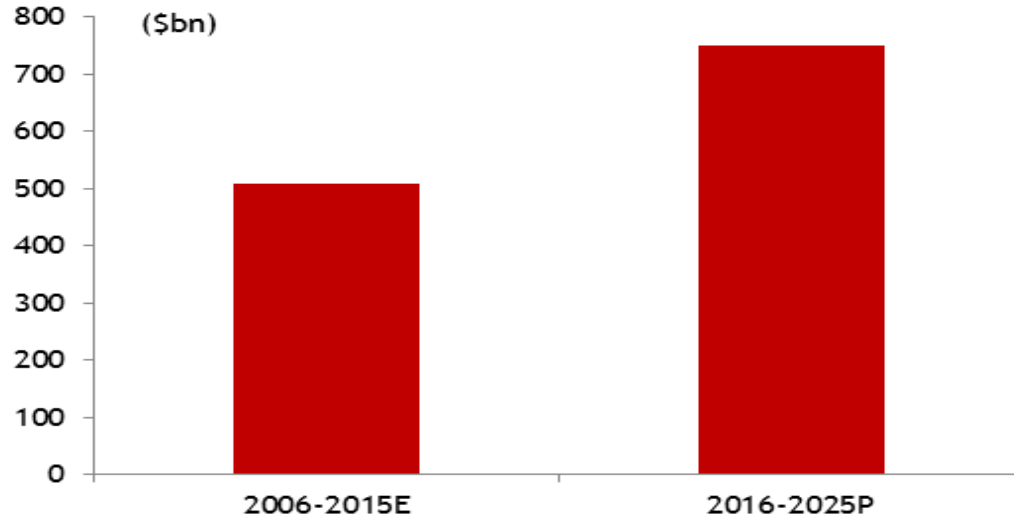


Average Inheritance Received in the Past Decade

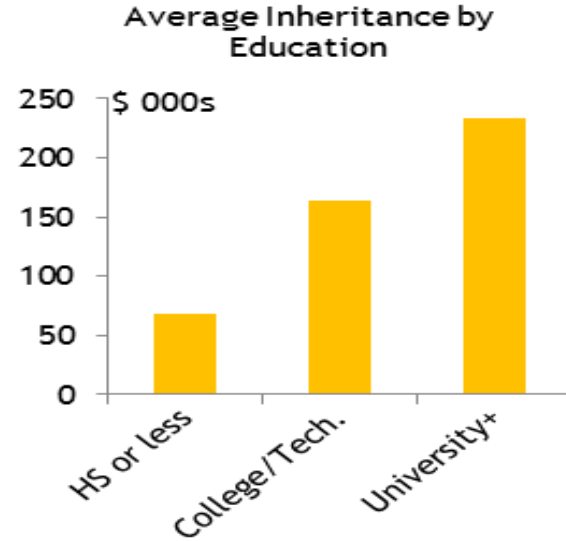
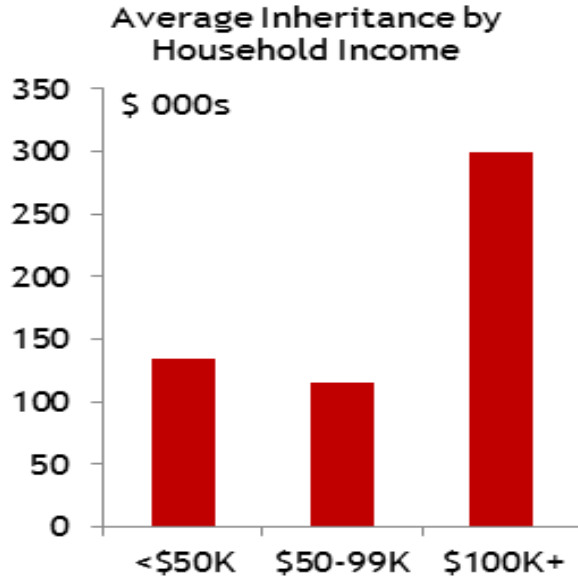


Source: CIBC Inheritance Survey, 2016 (age group 50-75, past 10





Source: Statistics Canada, CIBC, CIBC Inheritance Survey, 2016



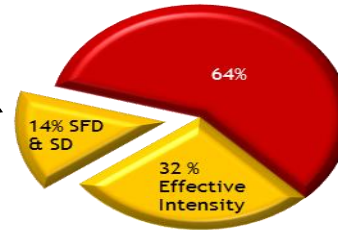
Source: CIBC Inheritance Survey, 2016 (age group 50-75, past 10



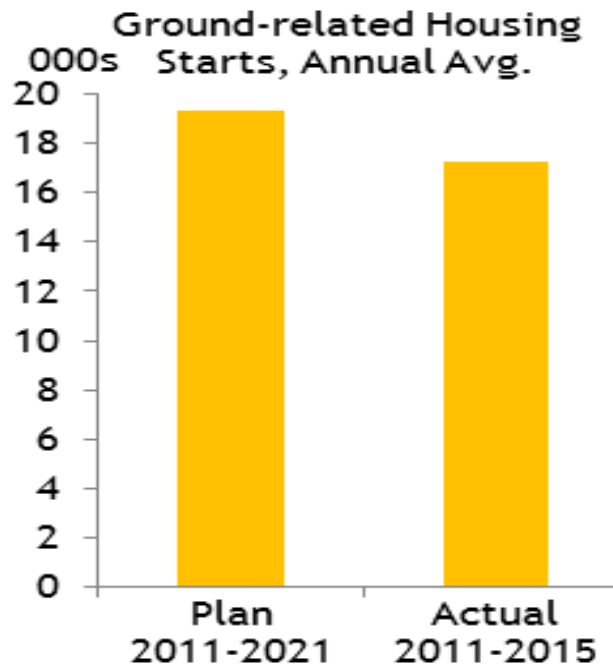
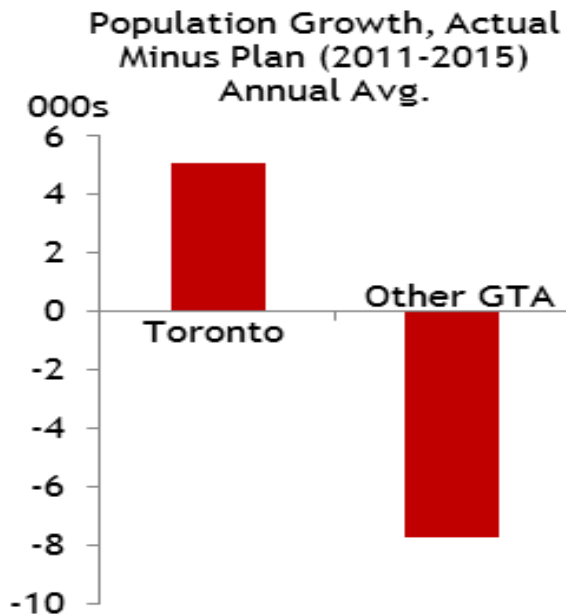
Intensification- Not so Simple

Region	Intensity
Toronto	100%
Niagara Region	64%
Northumberland County	60%
Orillia City	55%
Peel Region	50%
Hamilton City	48%
Barrie City	48%
York Region	46%
Haldimand County	46%
Durham Region	46%
Wellington County	45%
Brant County	43%
Simcoe County	41%
Waterloo Region	36%
Kawartha Lakes City	36%
Brantford City	36%
Peterborough City	35%
Halton Region	33%
Guelph City	32%
Dufferin County	30%
Peterborough County	20%

York Region Intensity



Population Growth and Housing Starts Deviated from Plan

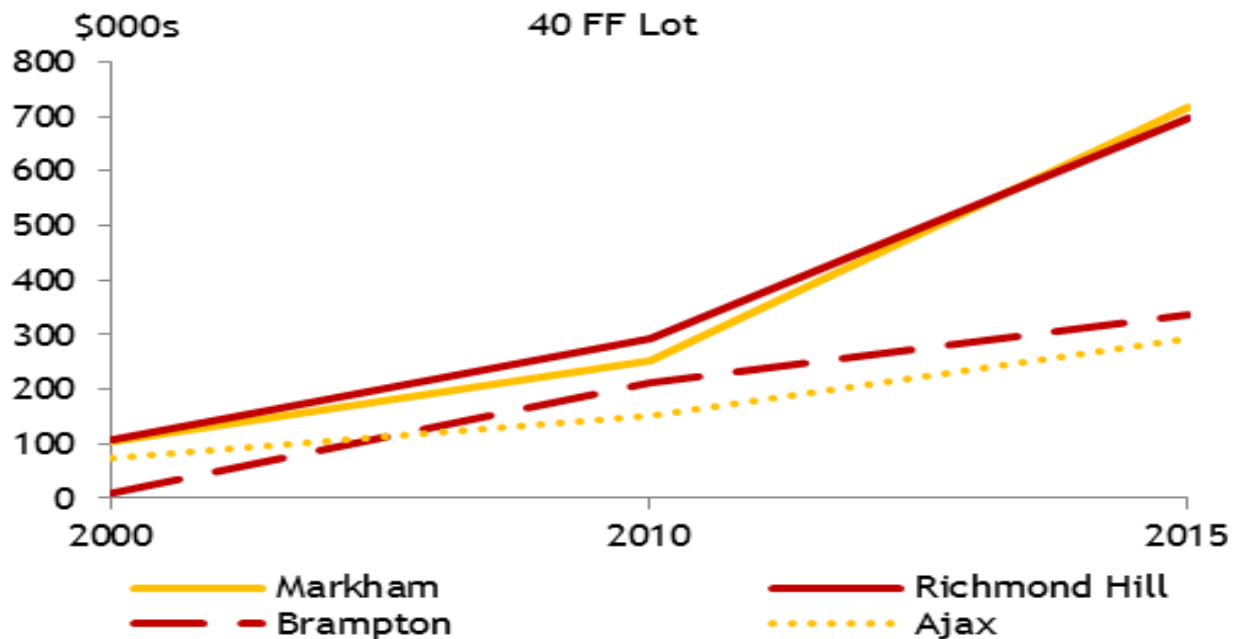


Source: CMHC, Hemson 2013, CIBC

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Cost of Land Rising Fast

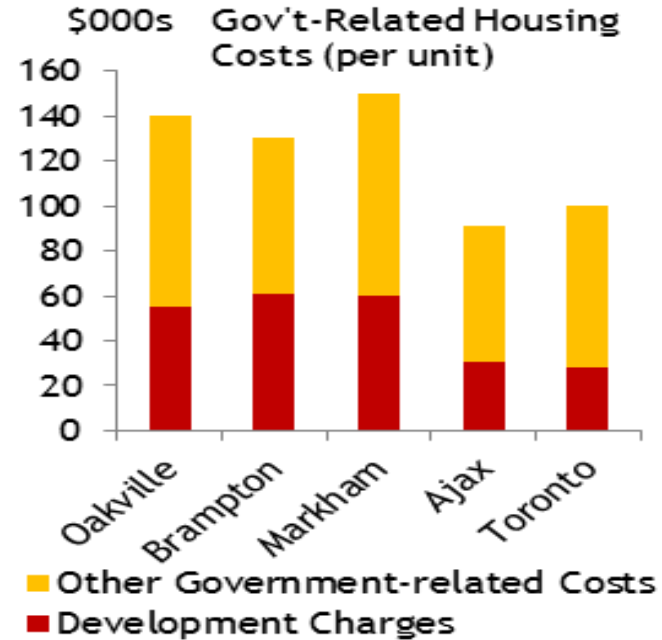
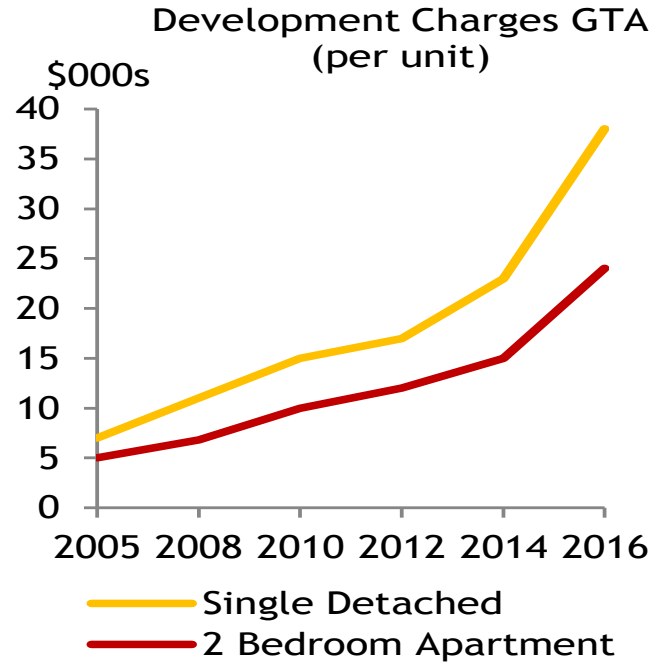


Source: MCAP, CIBC

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Development Charges Rising (L) and They are only a Portion of Government-related Housing Costs (R)

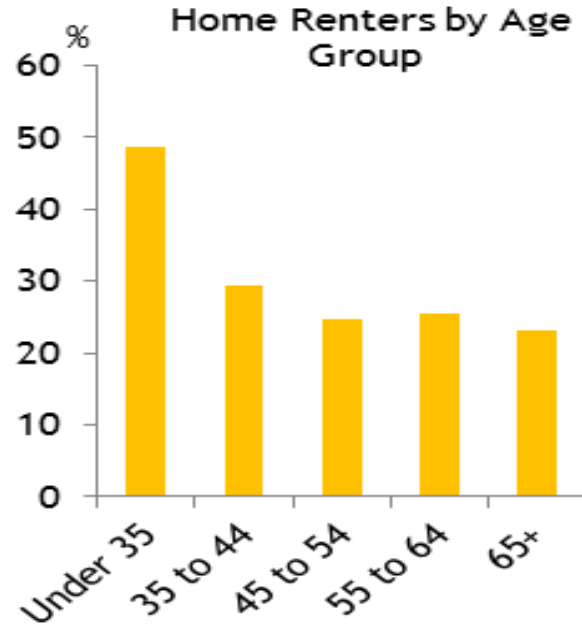
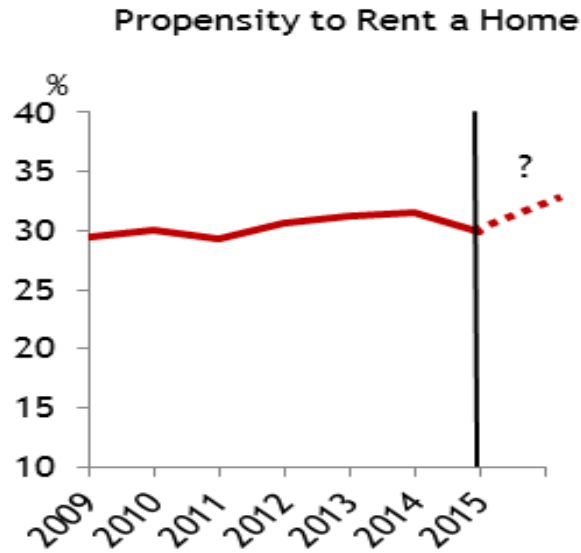


Source: CMHC, Altus Group, CIBC

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Propensity to Rent in the GTA Should Rise Soon

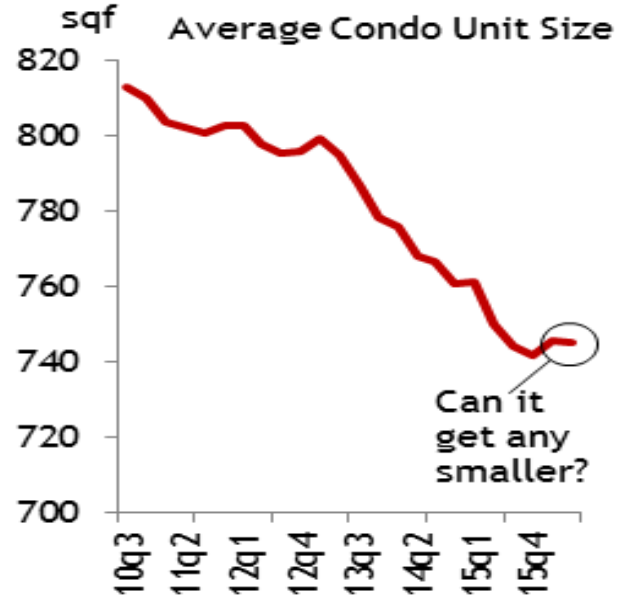
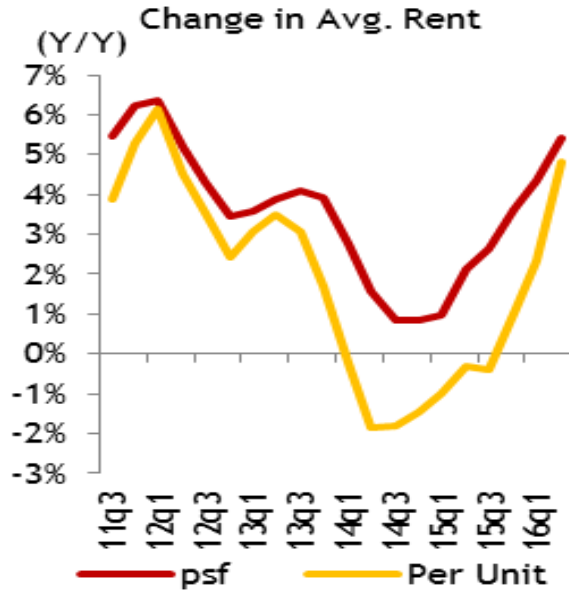


Source: Financial Monitor, CIBC

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Rent Increases per Unit and per Square Ft. Converging

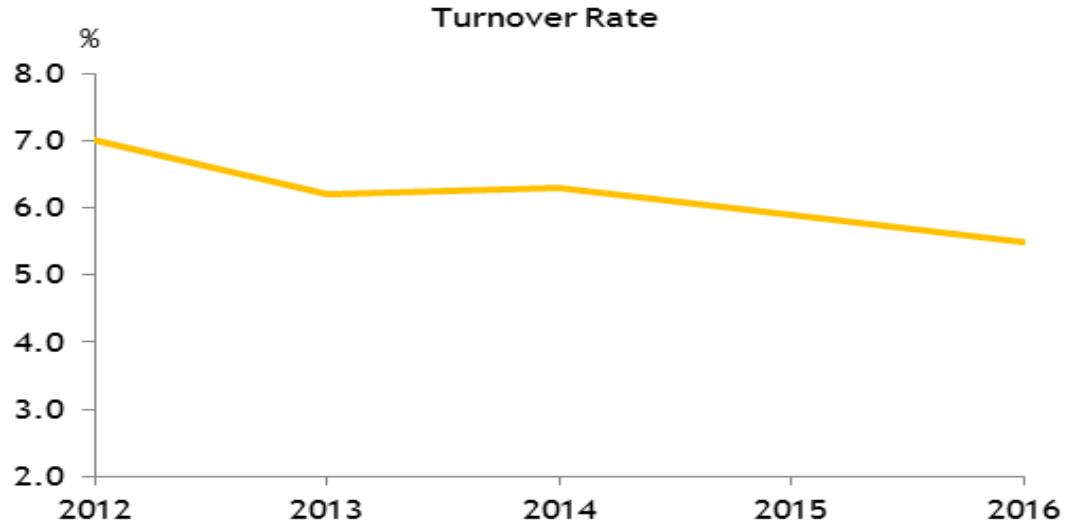


Source: Urbanation, CIBC

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Falling Rental Turnover Rate Suggests Long-term Renting on the Rise

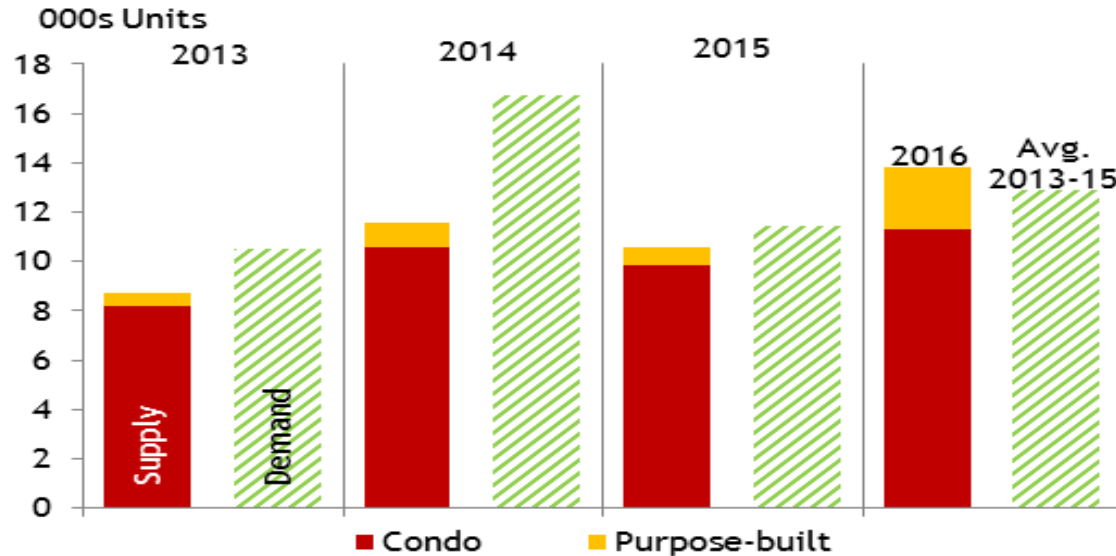


Source: Urbanation, CIBC

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GTA Rental Market: Purpose-built Starting to Close the Gap



Source: Urbanation, CMHC, CIBC

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