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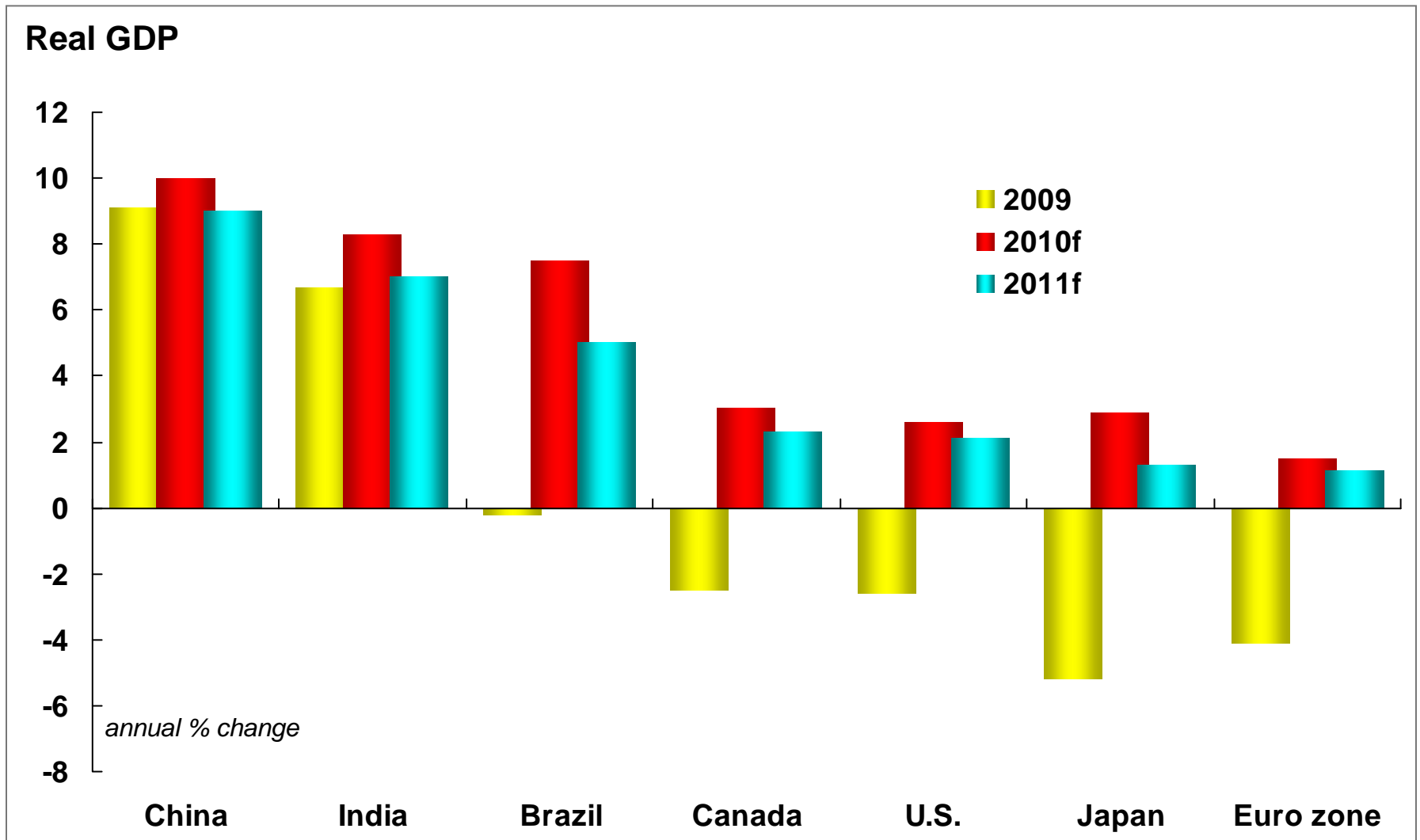
# **New & Old World Realities**

## **-- Implications for Canada**

**Warren Justin**  
**SVP & Chief Economist**

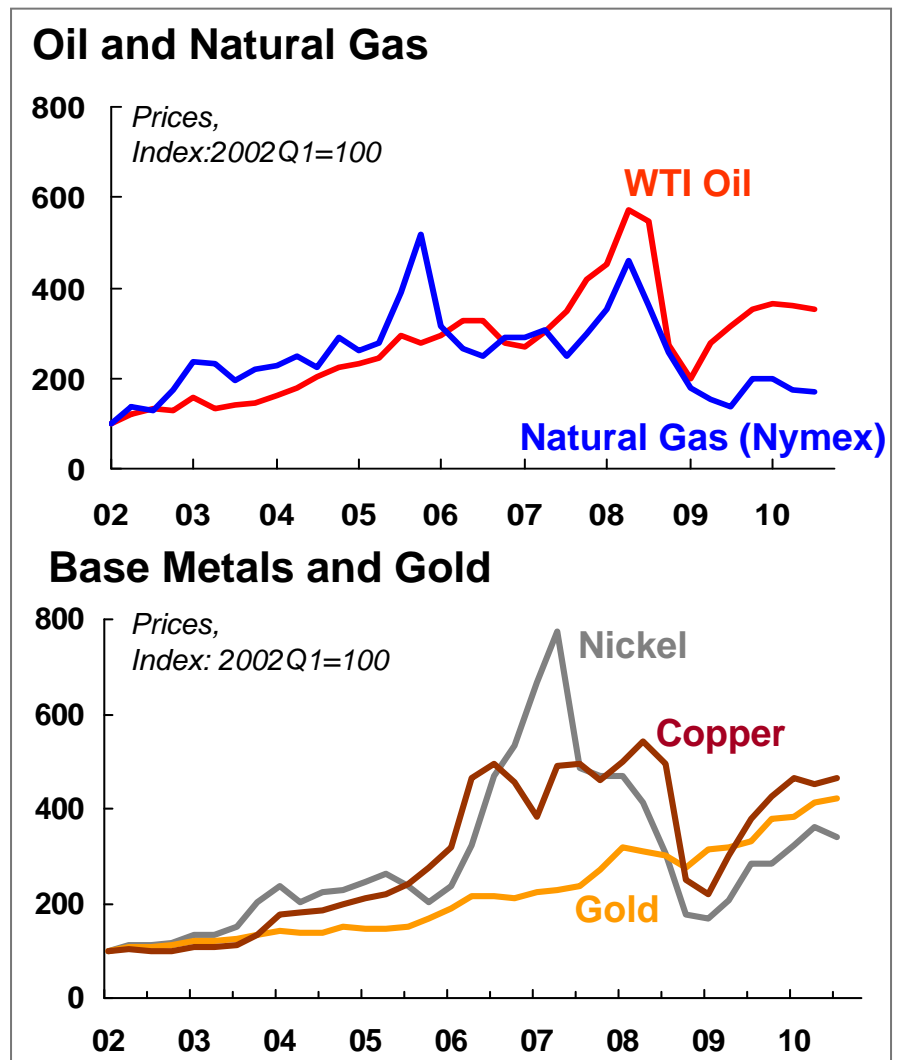
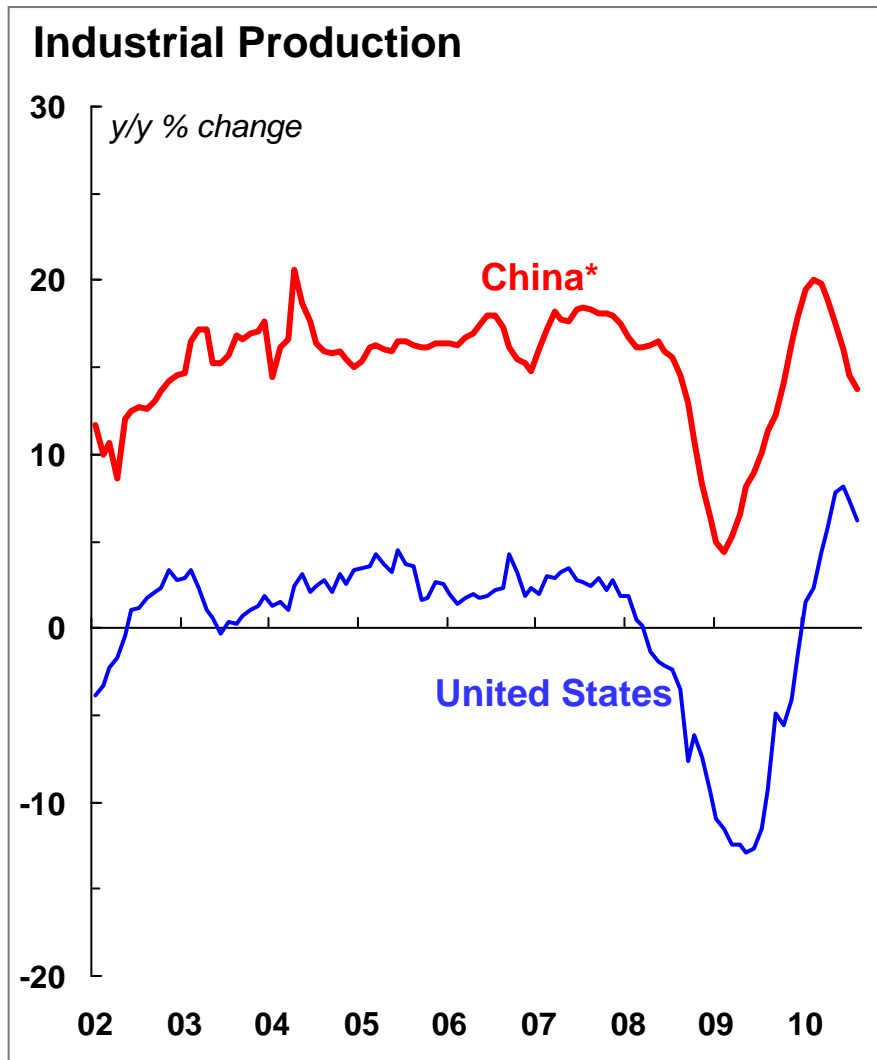
**Calgary Real Estate Forum**  
**October 20, 2010**

# The Global Economy Is Reviving



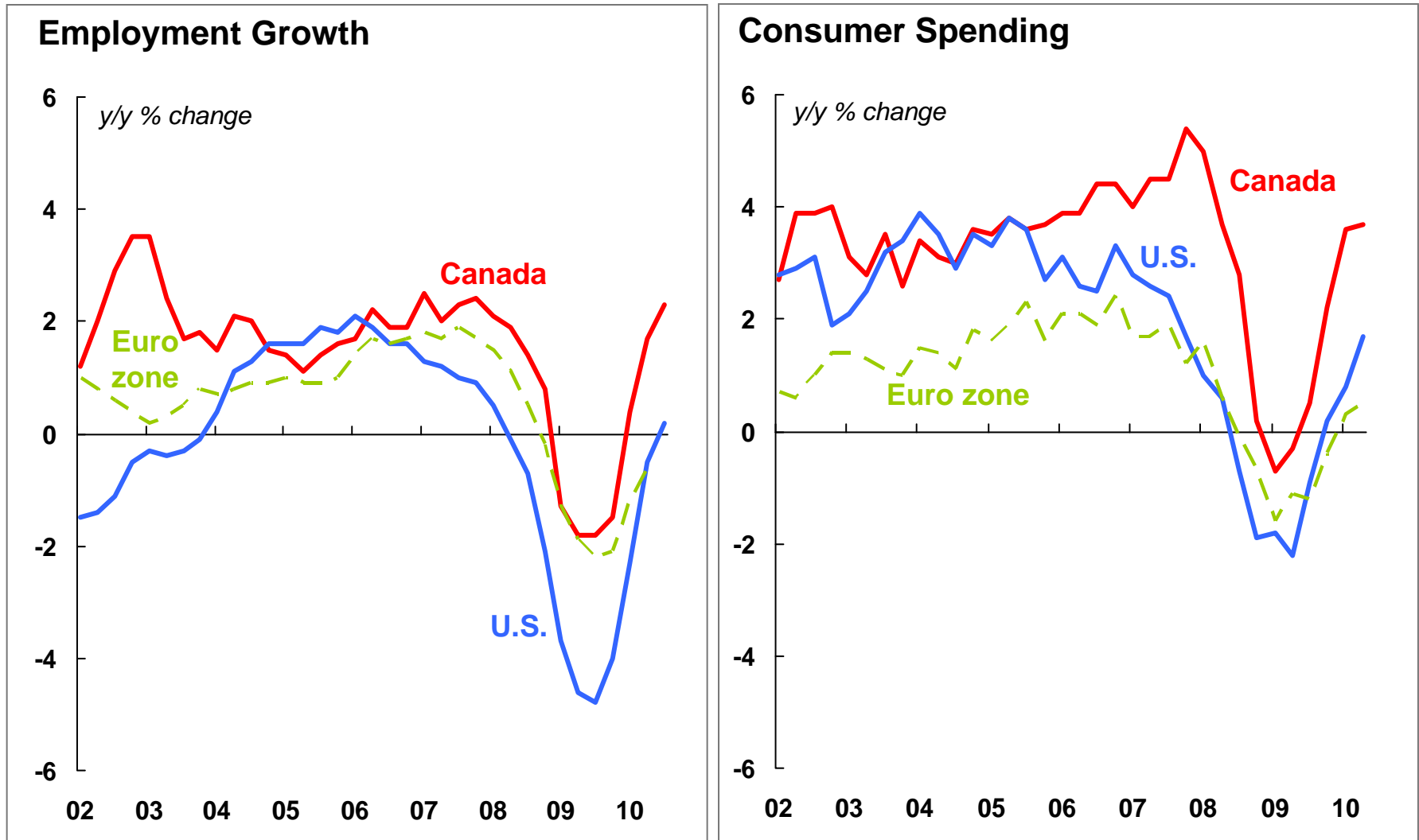
Source: Scotia Economics, Global Insight.

# Output Gains are Underpinning Commodities



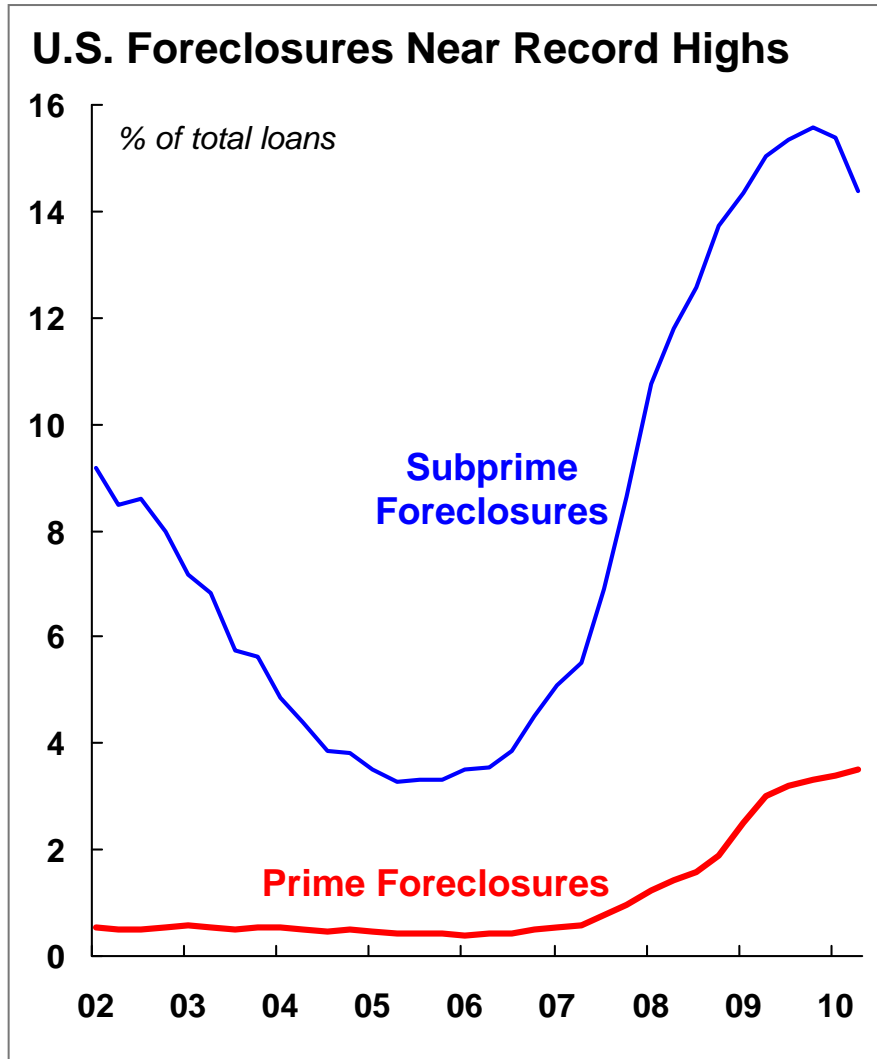
Source: Scotia Economics, Global Insight.  
\*3-month moving average.

# No Double Dip, but still Big Bumps on Road to Recovery

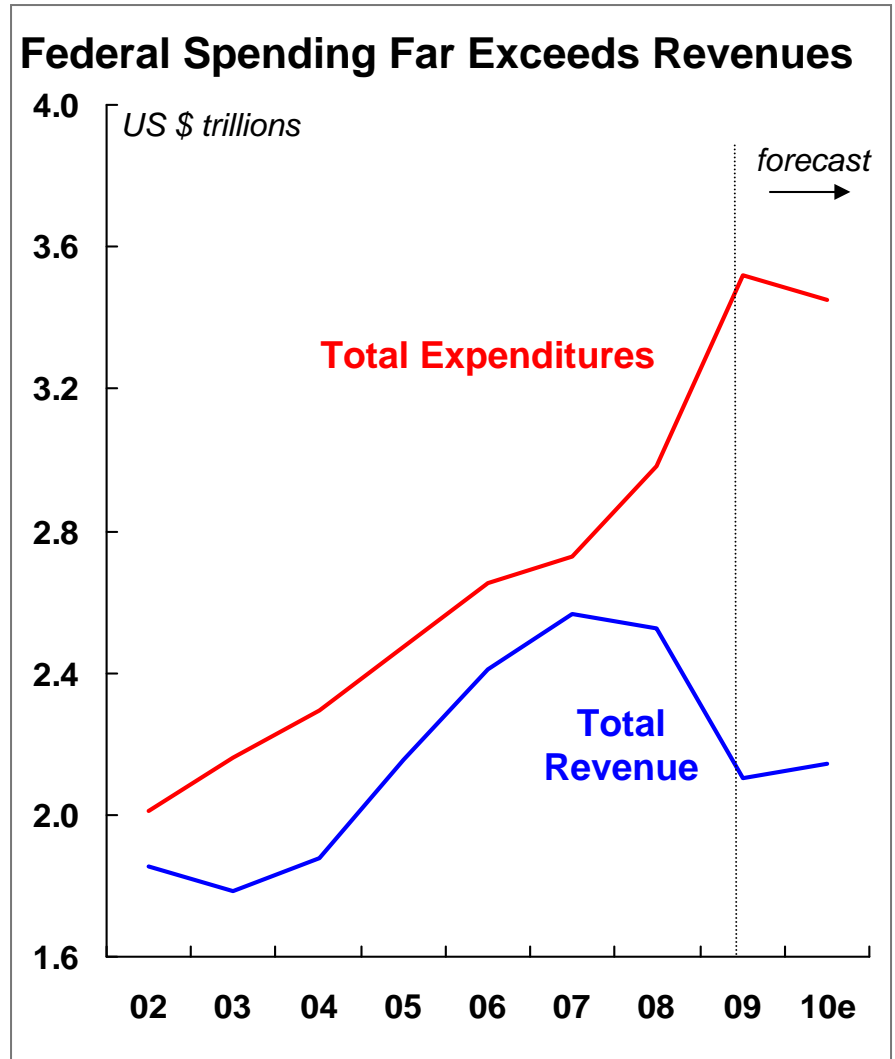


Source: Scotia Economics, Global Insight.

# U.S. Private & Public Financial Strains are Intense

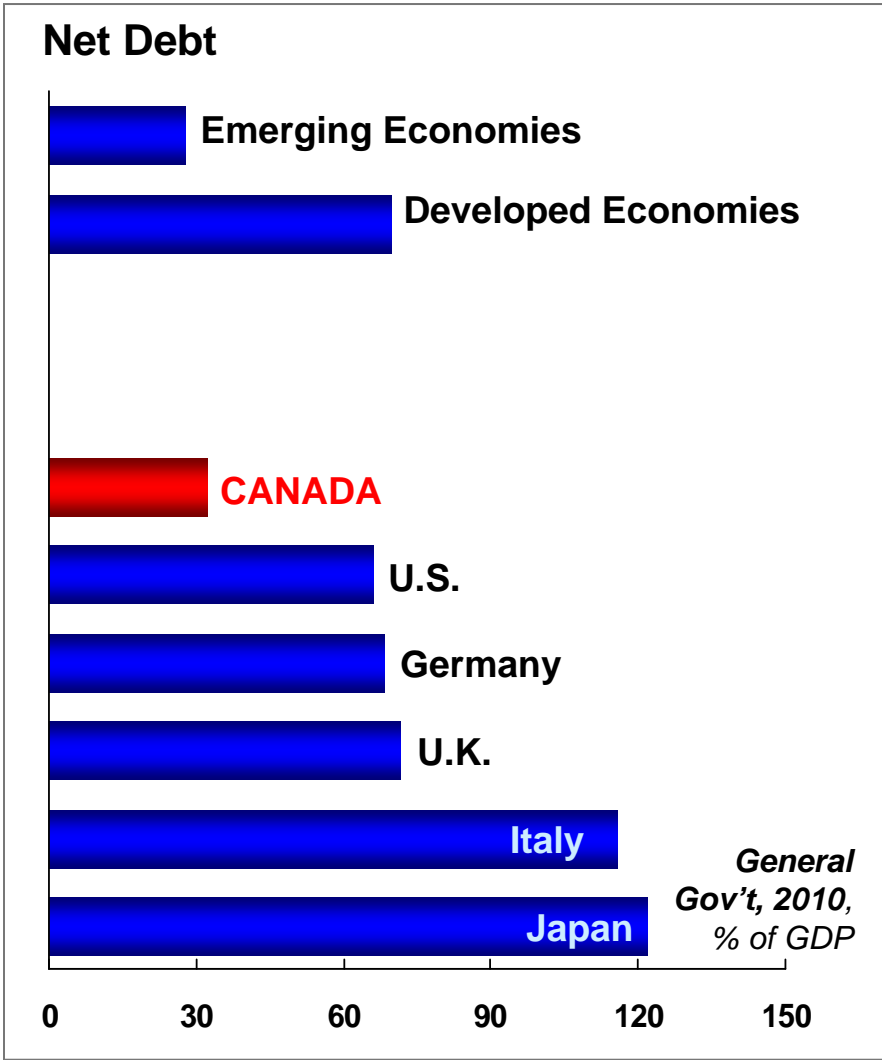
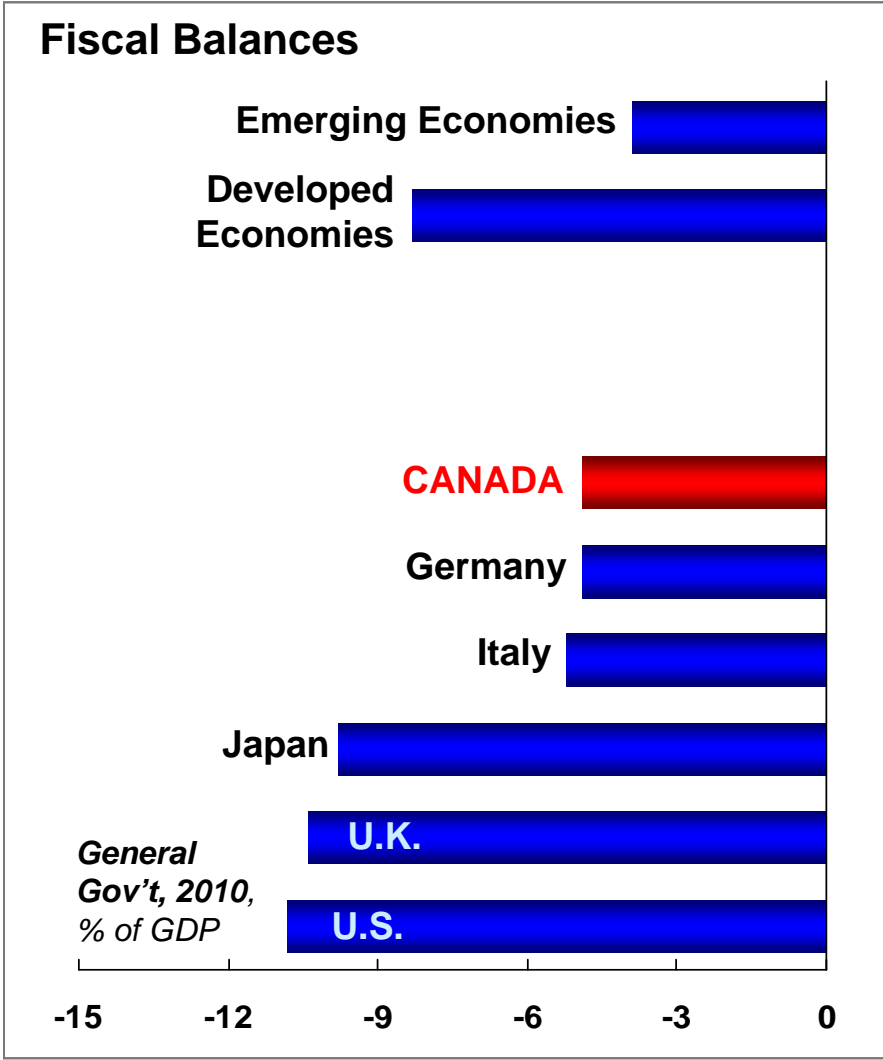


Source: Bloomberg.



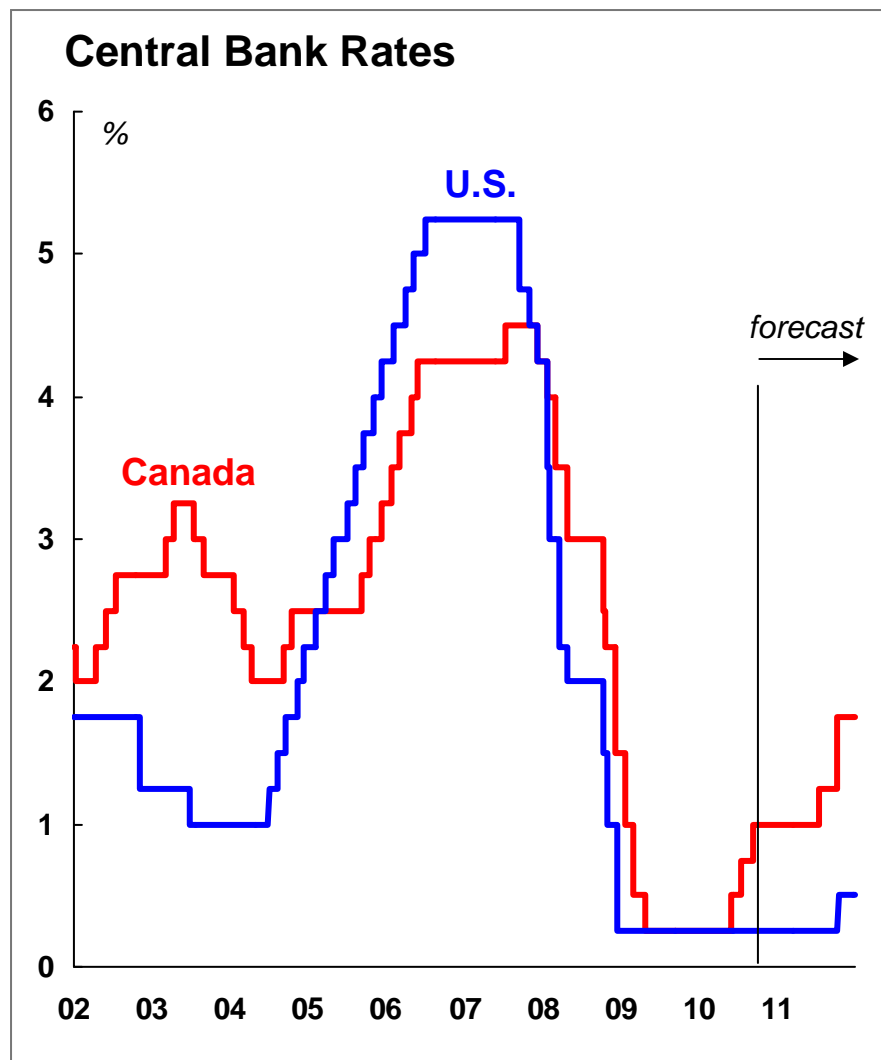
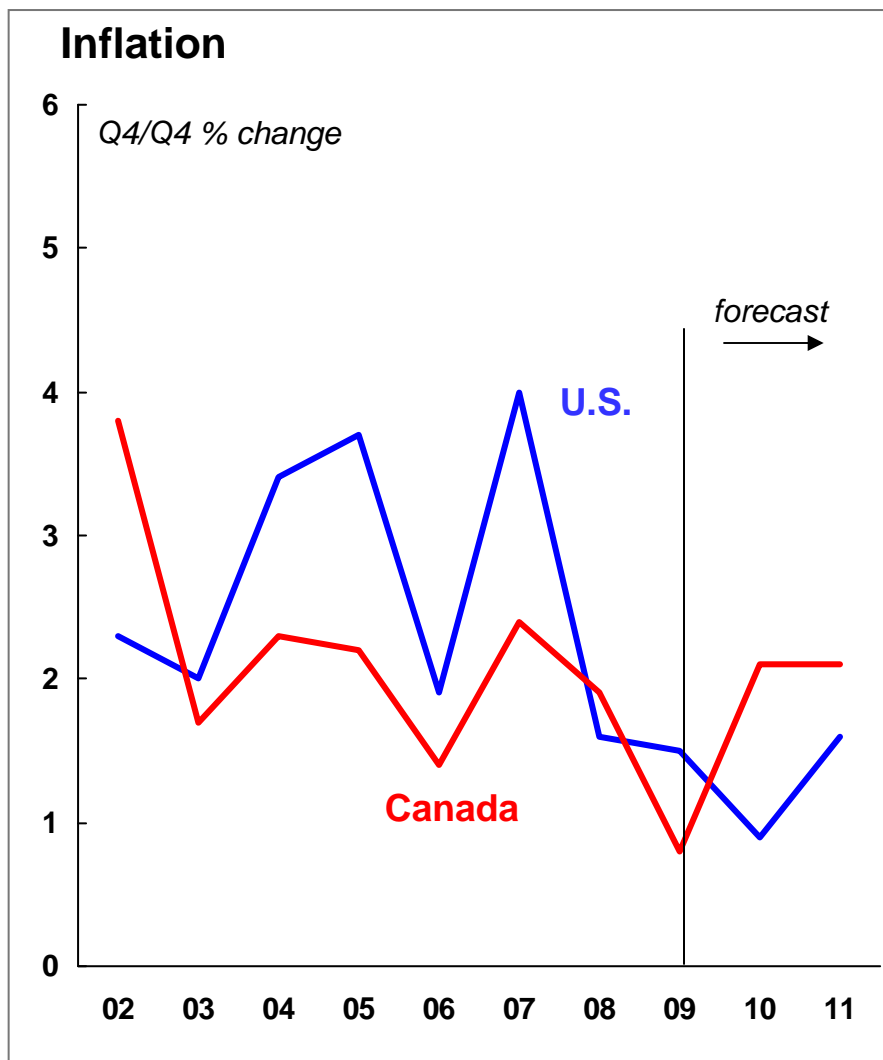
Source: U.S. Treasury, Scotia Economics.

# Reversing Government Deficits will Dampen Growth



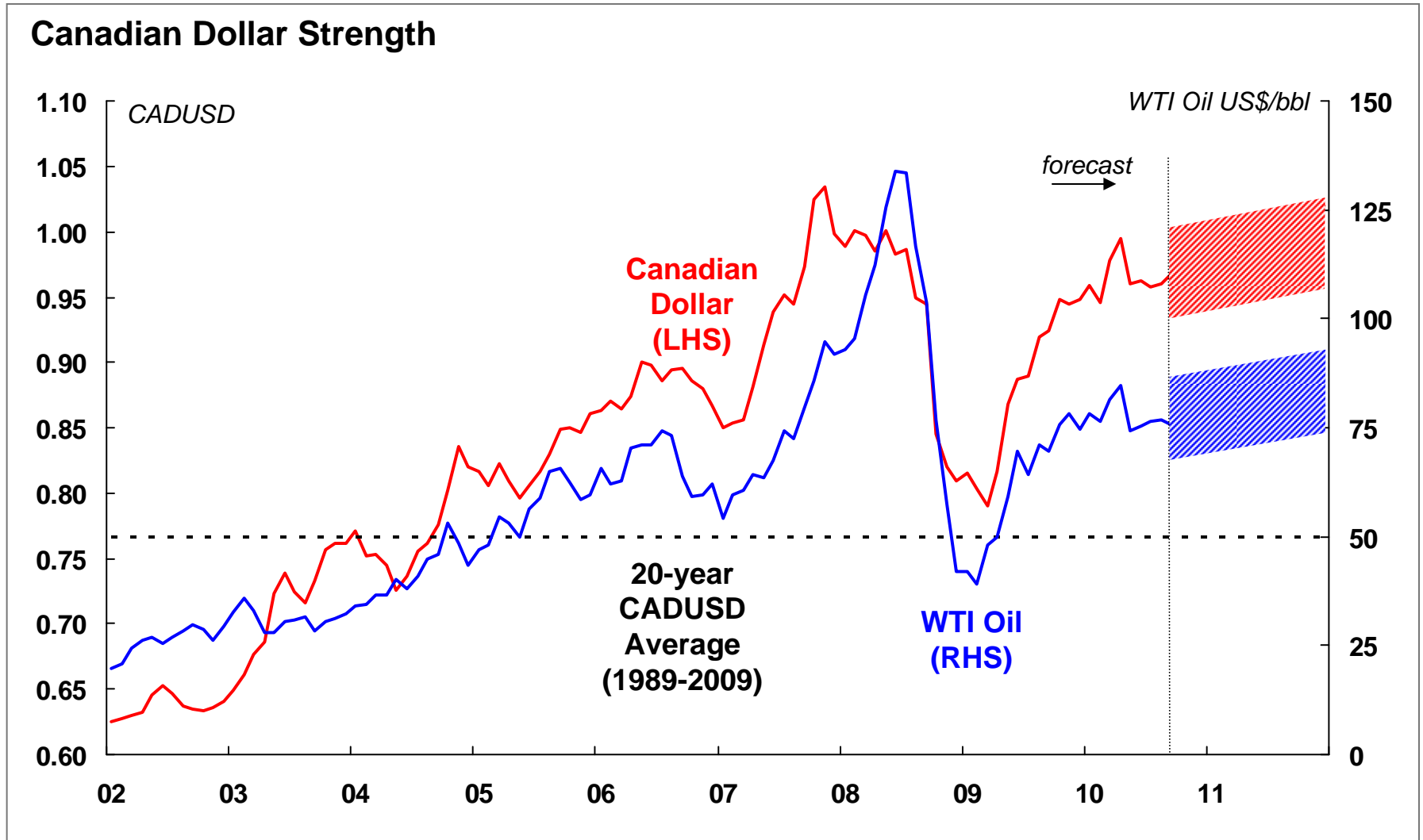
Source: IMF, Scotia Economics.

# Inflation & Interest Rates are Going Nowhere Fast



Source: Scotia Economics, Global Insight.

# The Loonie Will Continue to Fly High

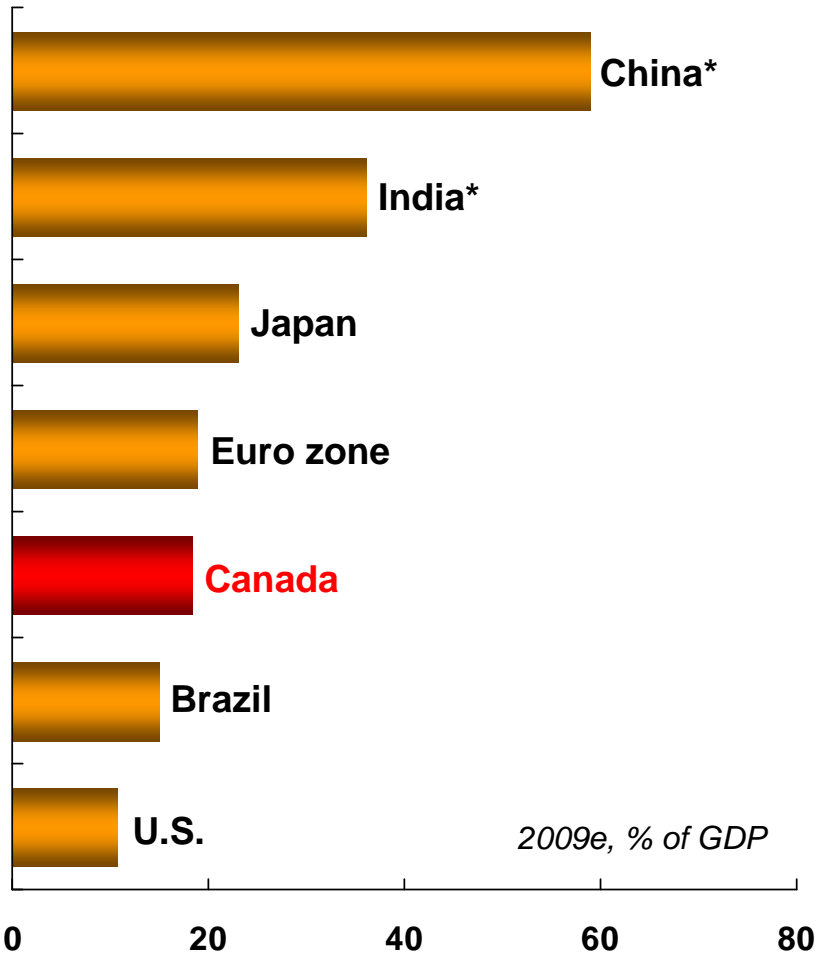


Source: Scotia Economics, Global Insight.



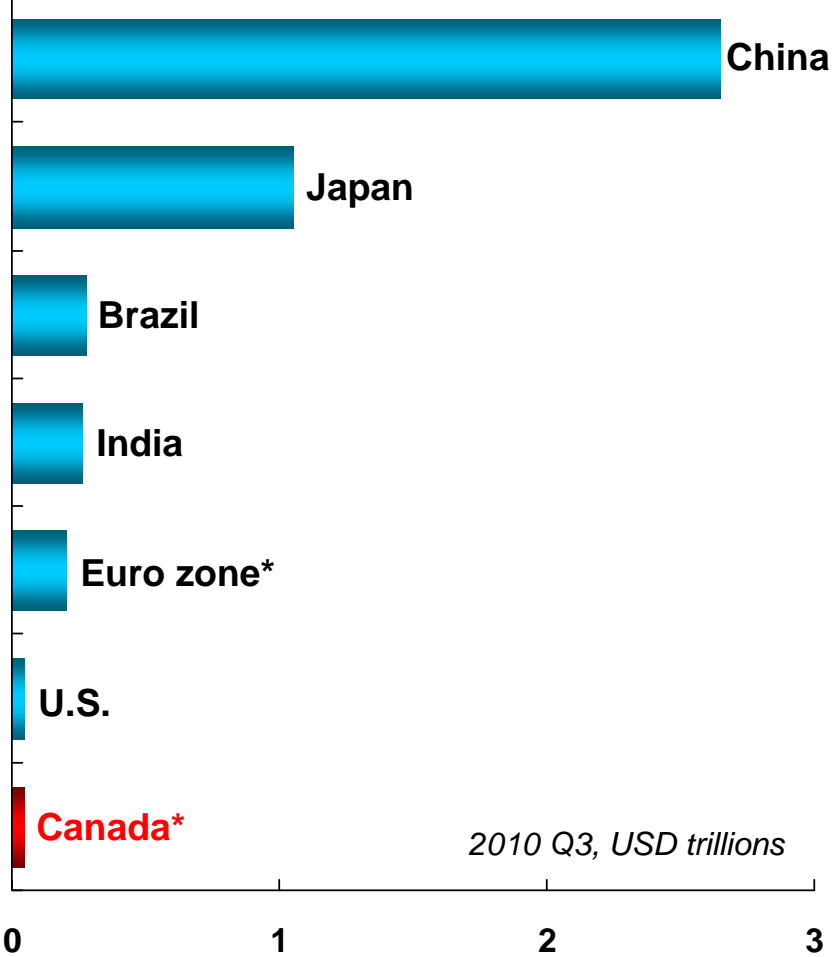
# Global Imbalances Point to Ongoing Market Volatility

### Gross National Savings



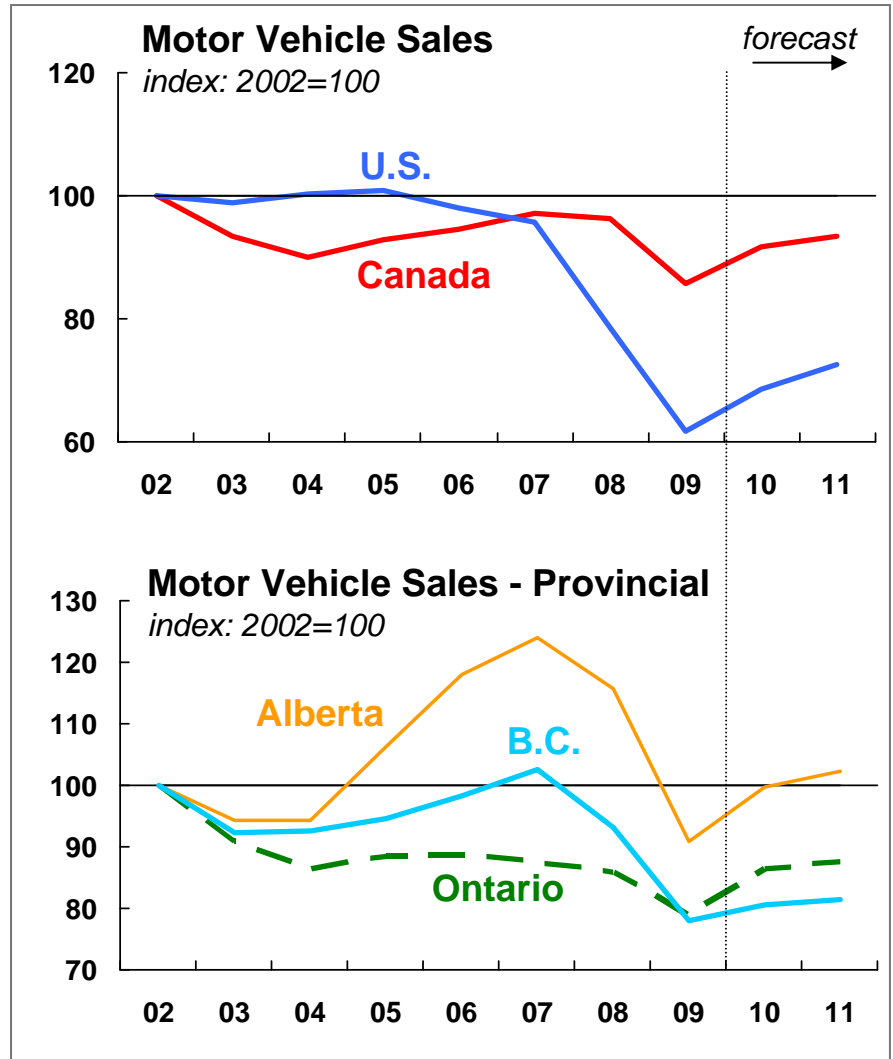
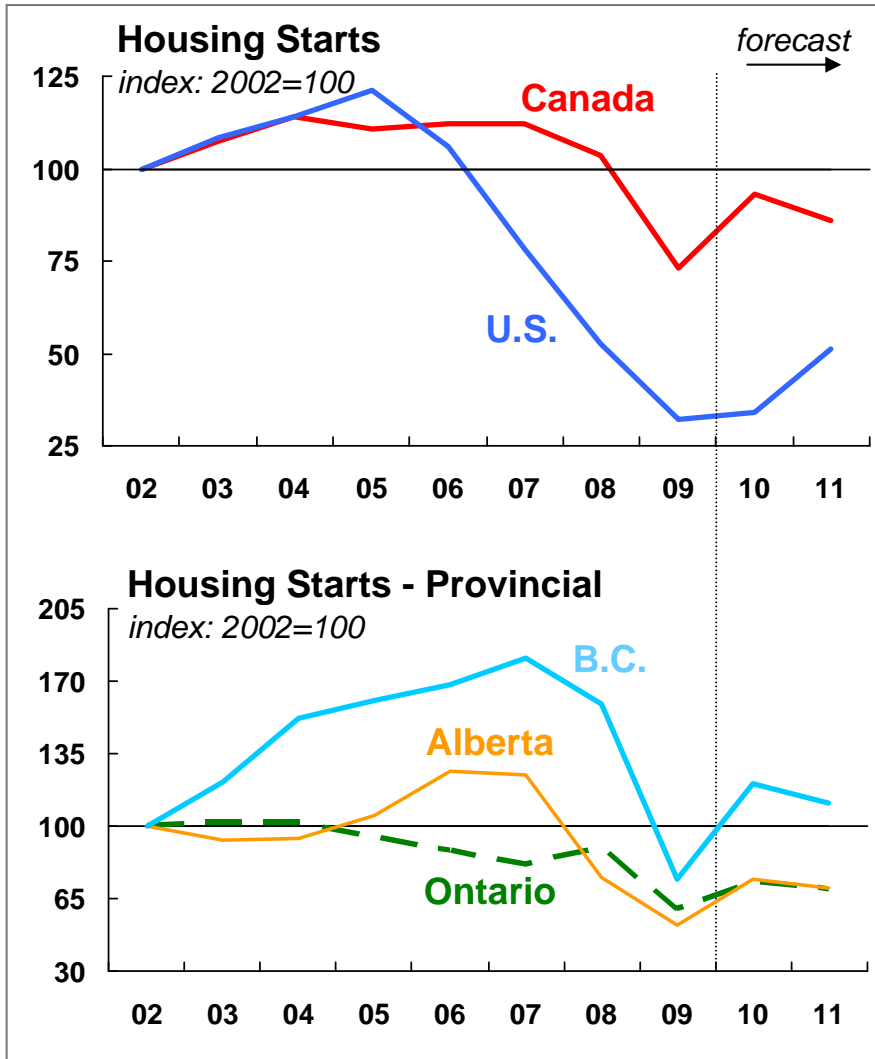
Source: IMF, OECD, Bloomberg & Scotia Economics.  
\*2008 data.

### Foreign Exchange Reserves



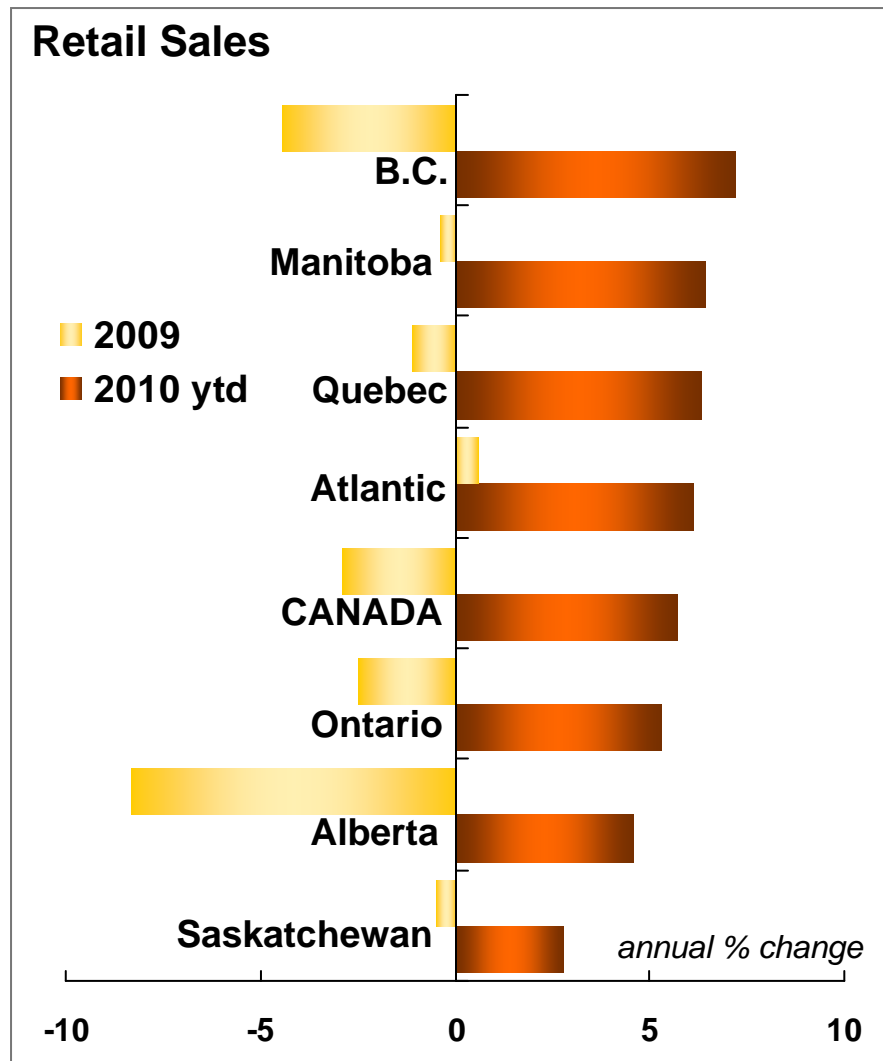
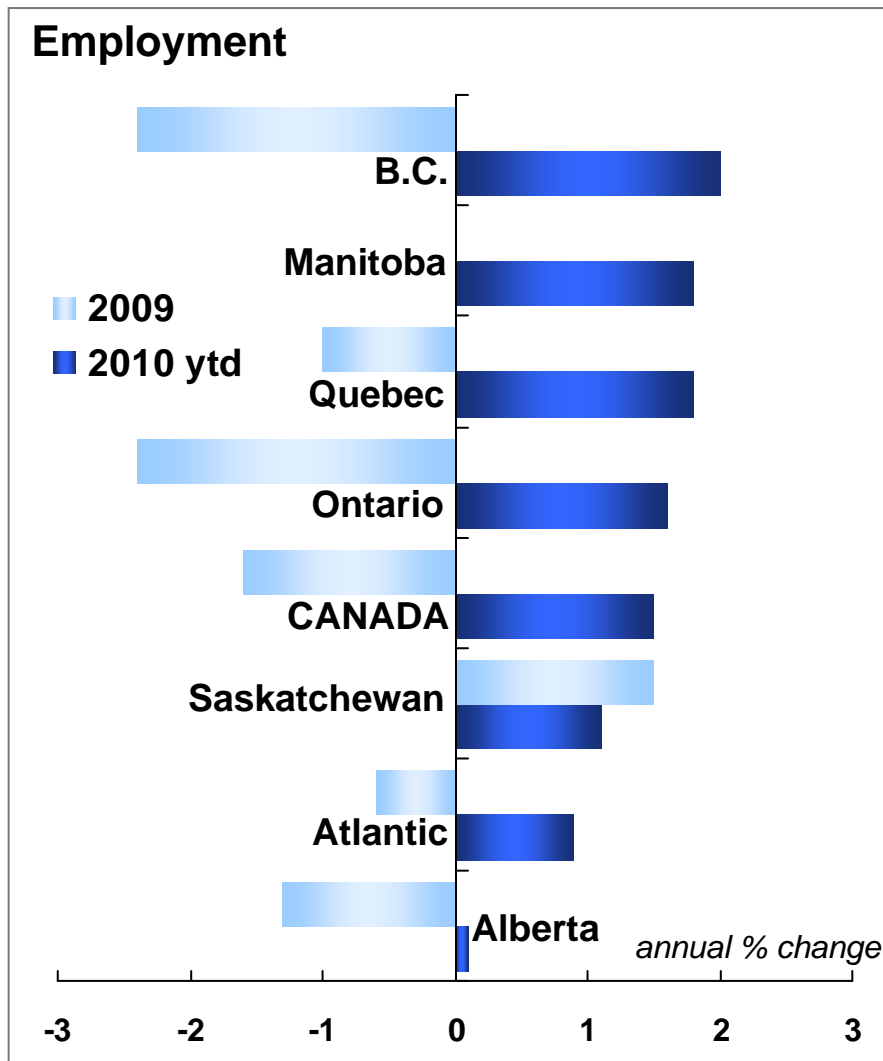
\* Q3 data to date.

# Big-Ticket Sales Held Up Better in Canada than in the U.S.



Source: Scotia Economics, Global Insight.

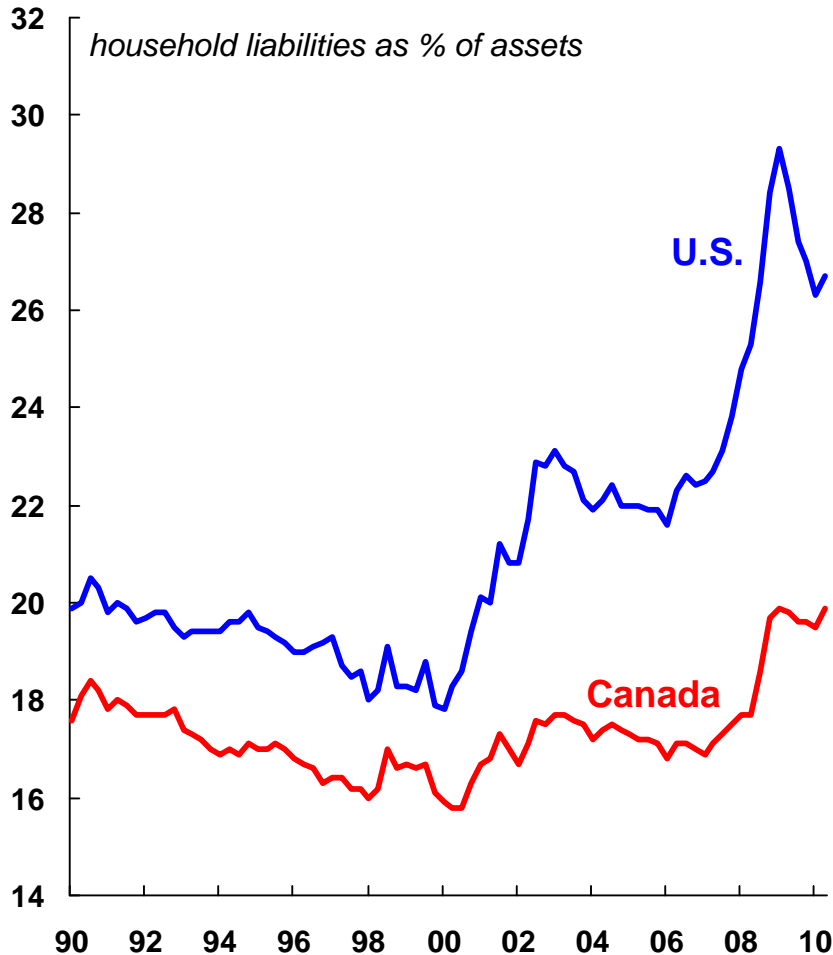
# The Revival of Job Creation has Boosted Retail Sales



Source: Statistics Canada.

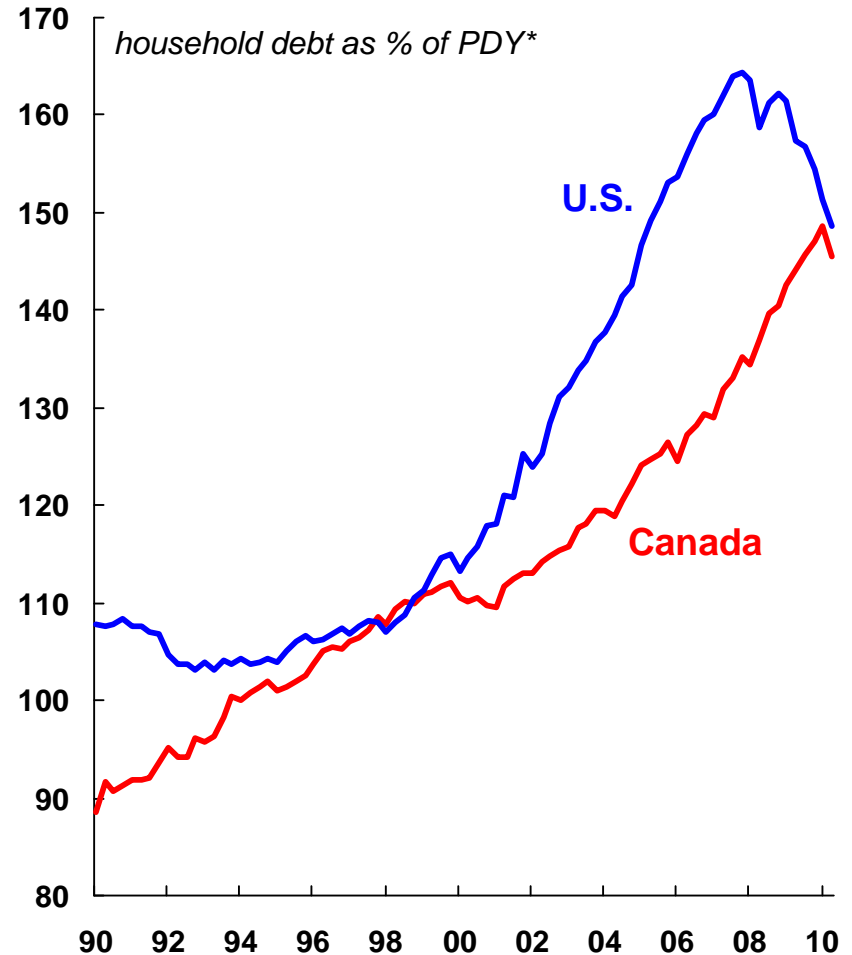
# Despite Rising Debt, Canadian Finances Are in Better Shape

## Canadians Use Less Debt to Buy Assets



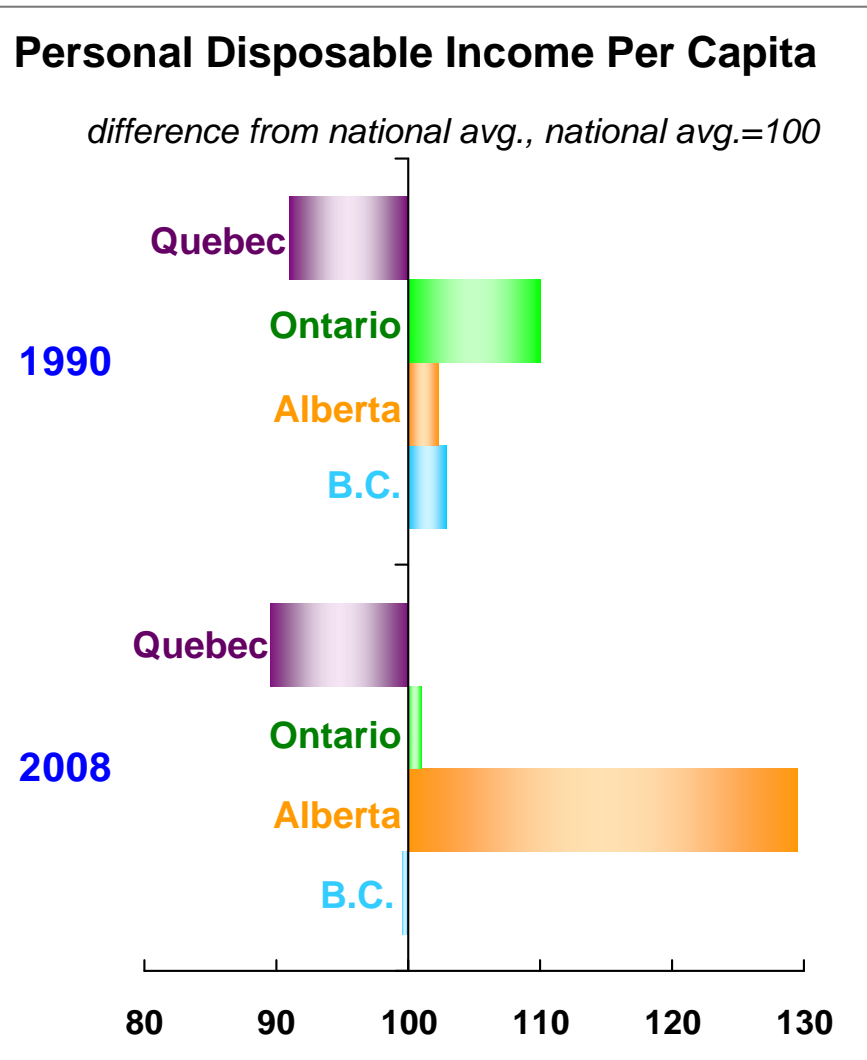
Source: U.S. Federal Reserve, Statistics Canada, Scotia Economics.

## But the Gap is Closing on Debt to Income

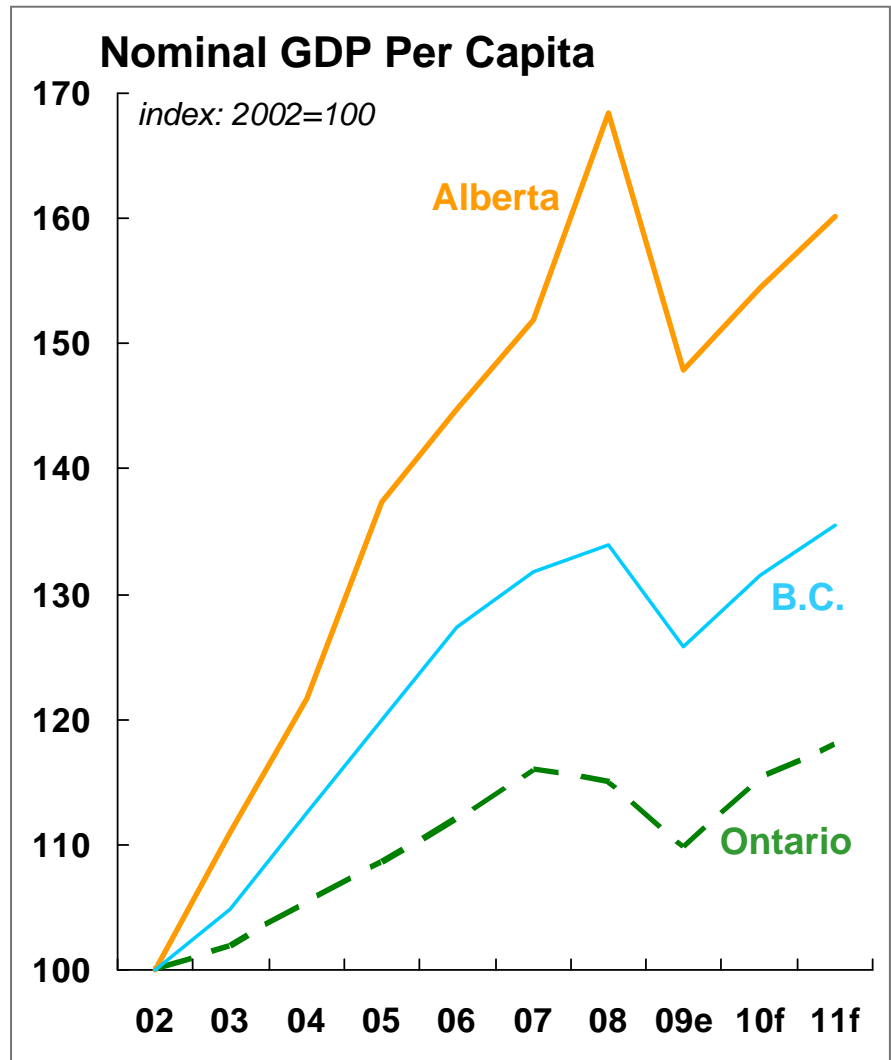


\* Includes household and unincorporated business debt outstanding.  
Source: U.S. Federal Reserve, Statistics Canada, Scotia Economics.

# Resource Regions Lead Gains in Canadian Prosperity

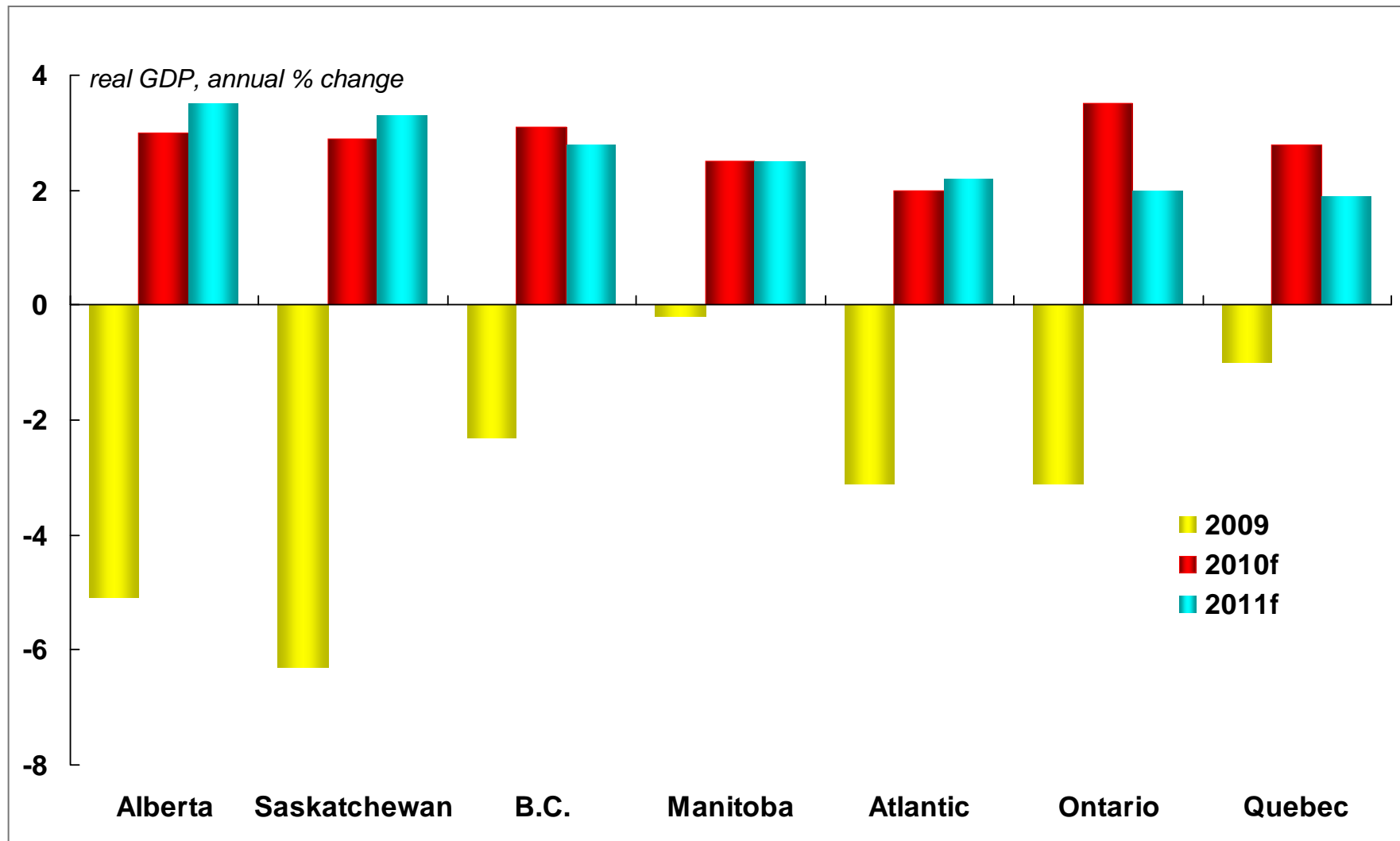


Source: Statistics Canada, Scotia Economics.



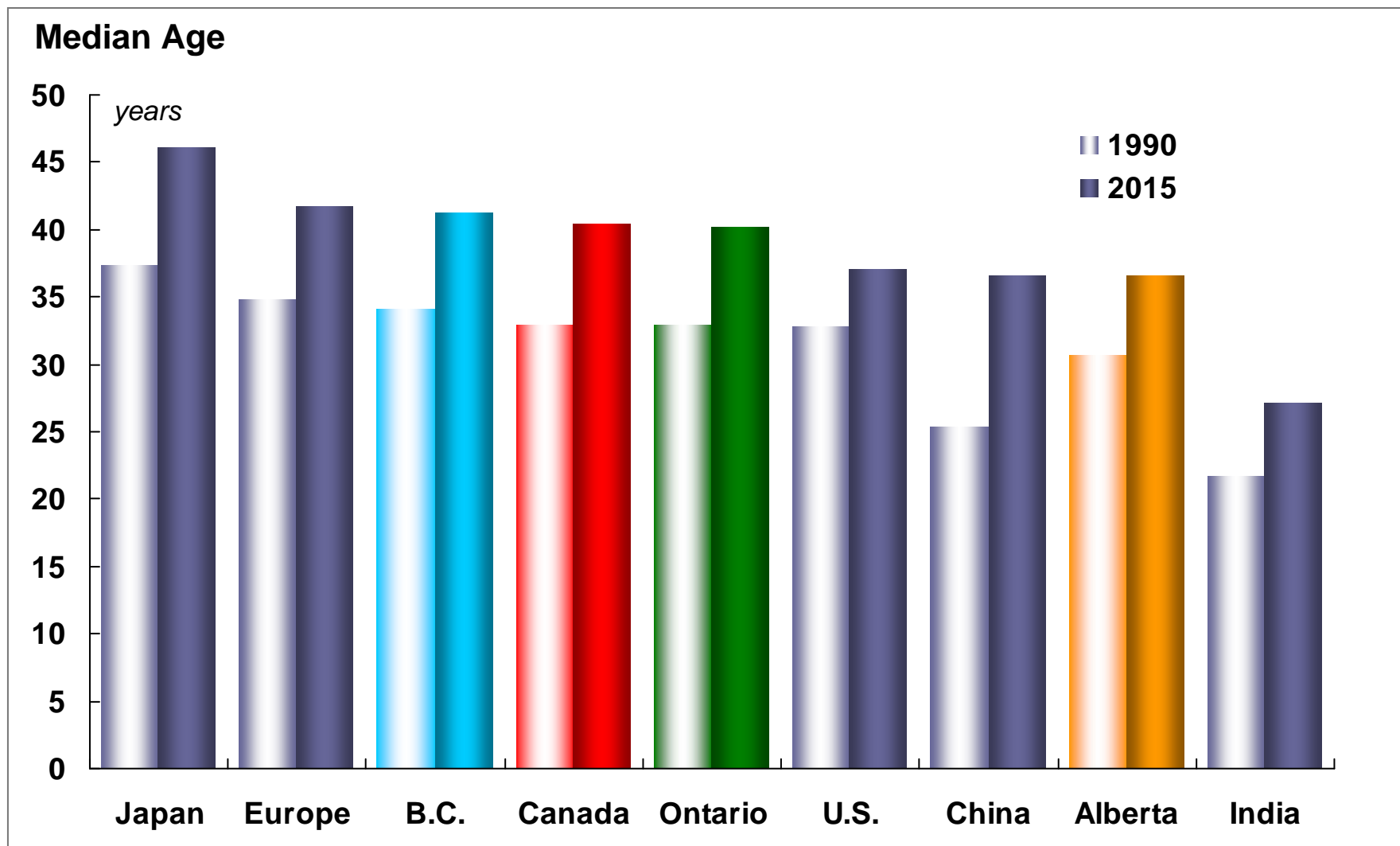
Source: Statistics Canada, Scotia Economics.

# Growth Prospects Still Best in the West



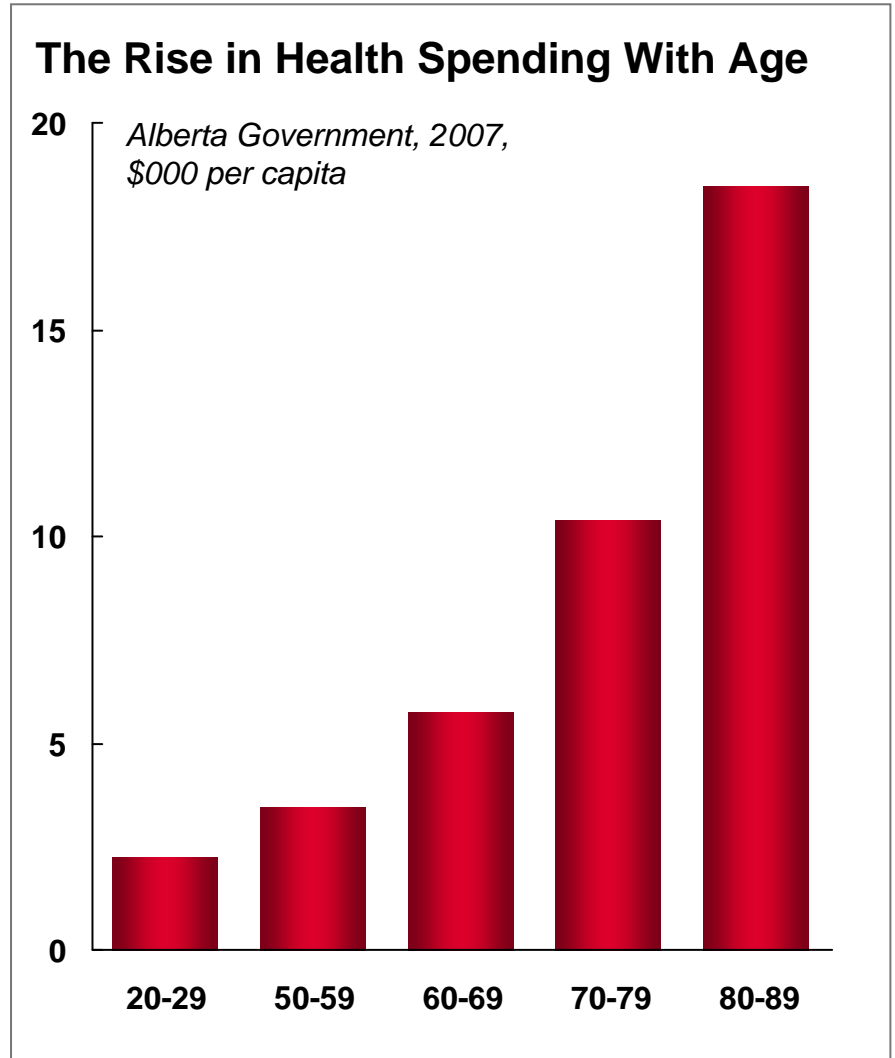
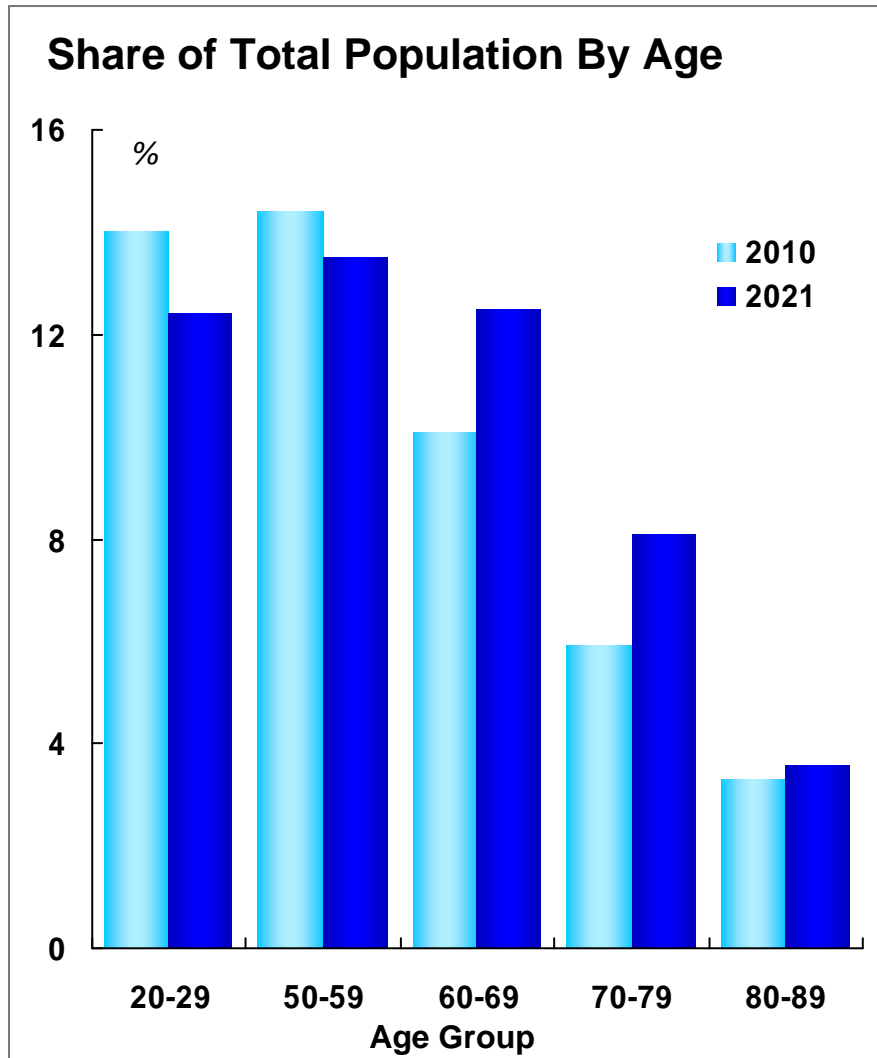
Source: Scotia Economics, Global Insight.

# On the Horizon – The World is About to Get Older



















Source: United Nations, Statistics Canada.










# Getting Older – New Challenges & Opportunities for Business



Source: Canadian Institute for Health Information, Statistics Canada.



		09	10f	11f
<b>REAL GDP, annual average</b>				
U.S.		-2.6	2.6	2.1
Canada		-2.5	3.0	2.3
Mexico		-6.5	4.8	3.5
U.K.		-4.9	1.4	1.2
Euro zone		-4.1	1.5	1.1
Japan		-5.2	2.9	1.3
China		9.1	10.0	9.0
India		6.7	8.3	7.0
<b>INFLATION, end of period</b>				
U.S.		1.5	0.9	1.6
Canada		0.8	2.1	2.1
Mexico		3.6	4.9	4.6
U.K.		2.9	2.7	2.4
Euro zone		0.9	1.4	1.6
Japan		-1.7	0.3	0.5
China		1.9	3.0	2.5
India		9.9	7.0	5.5

		09	10f	11f
<b>CURRENCY, end of period</b>				
USDCAD		1.05	1.05	0.98
CADUSD		0.95	0.95	1.02
EURUSD		1.43	1.40	1.48
USDYEN		93	85	95
USDMXN		13.1	12.9	13.3
USDCNY		6.8	6.5	6.1
<b>3-MONTH T-BILLS, end of period</b>				
Canada		0.31	1.10	1.95
U.S.		0.08	0.15	0.60
<b>10-YEAR BONDS, end of period</b>				
Canada		3.61	2.50	3.15
U.S.		3.84	2.25	3.40
<b>COMMODITIES, annual average</b>				
WTI Oil (US\$/bbl)		61.78	78	80
NYMEX Natural Gas (US\$/mmbtu)		4.15	4.40	4.40
Gold, London PM Fix (US\$/oz)		973	1,225	1,375

Source: Scotia Economics, Global Insight, at October 7, 2010.

# Disclaimer

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