



# New World Rising

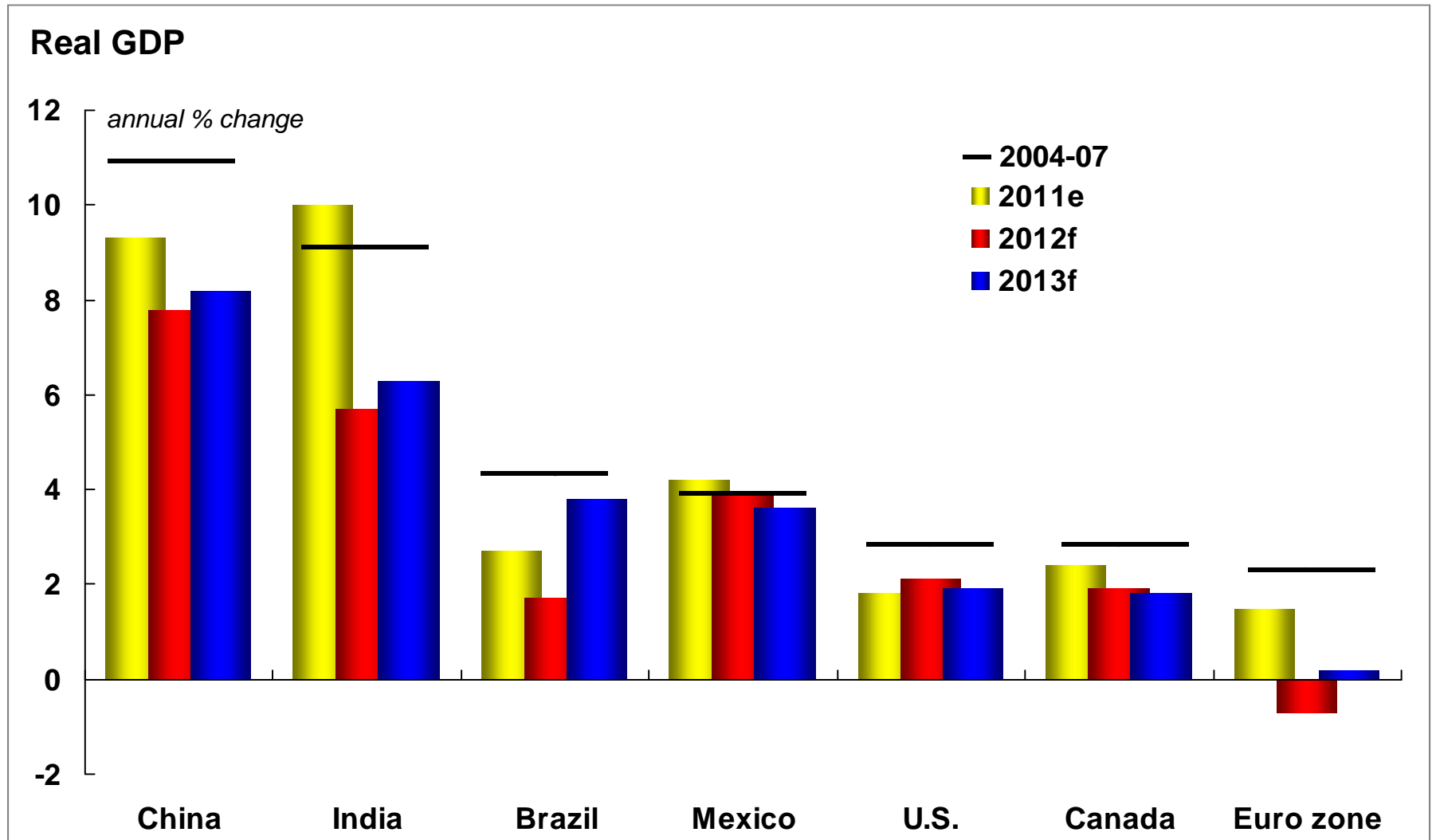
## **Calgary Real Estate Forum**

*October 24, 2012*

**Warren Jestin**

**SVP and Chief Economist**

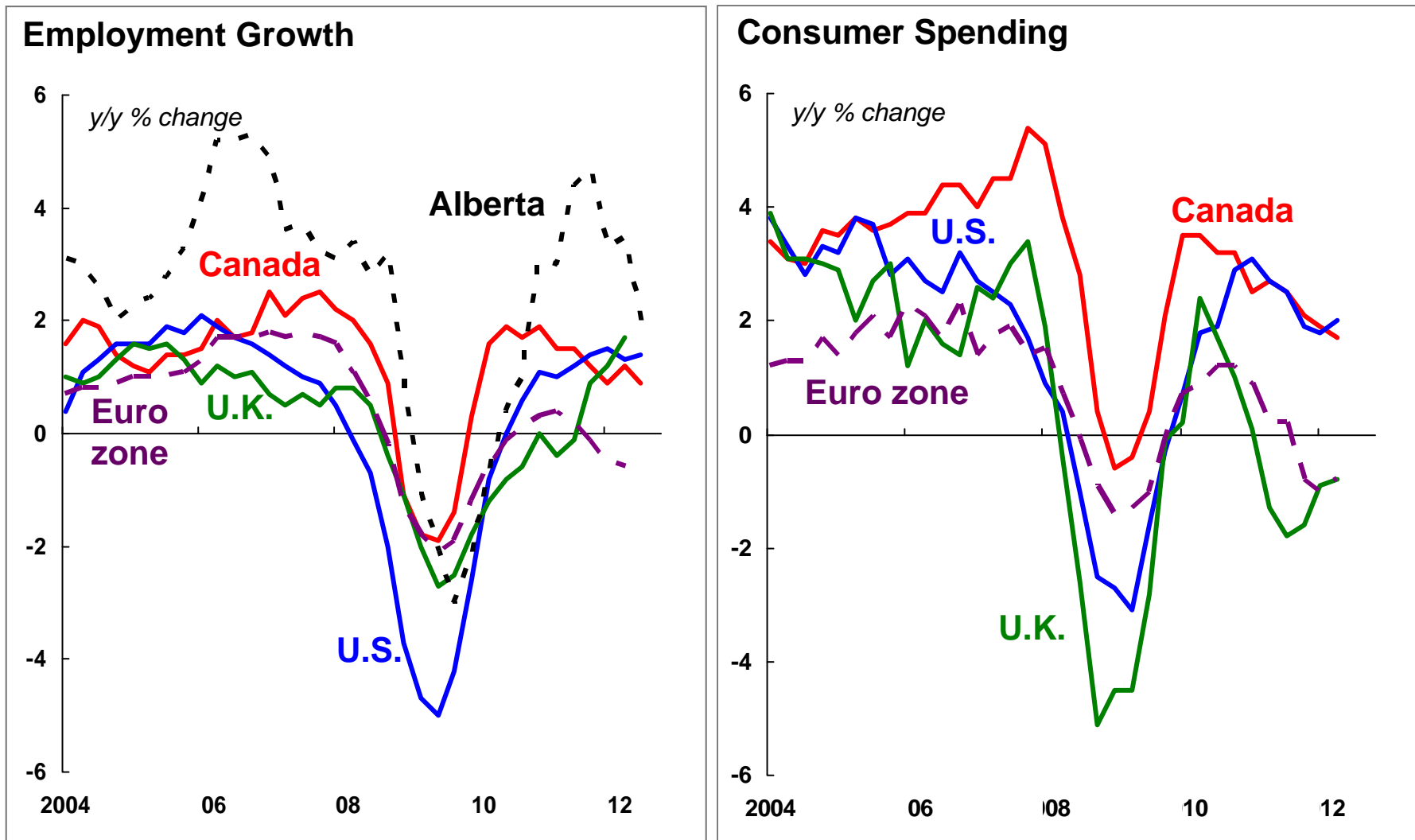
# Global Growth Has Lost Momentum



Source: Bloomberg, BEA, Statistics Canada, Eurostat, Scotia Economics.

Forecasts at September 27, 2012

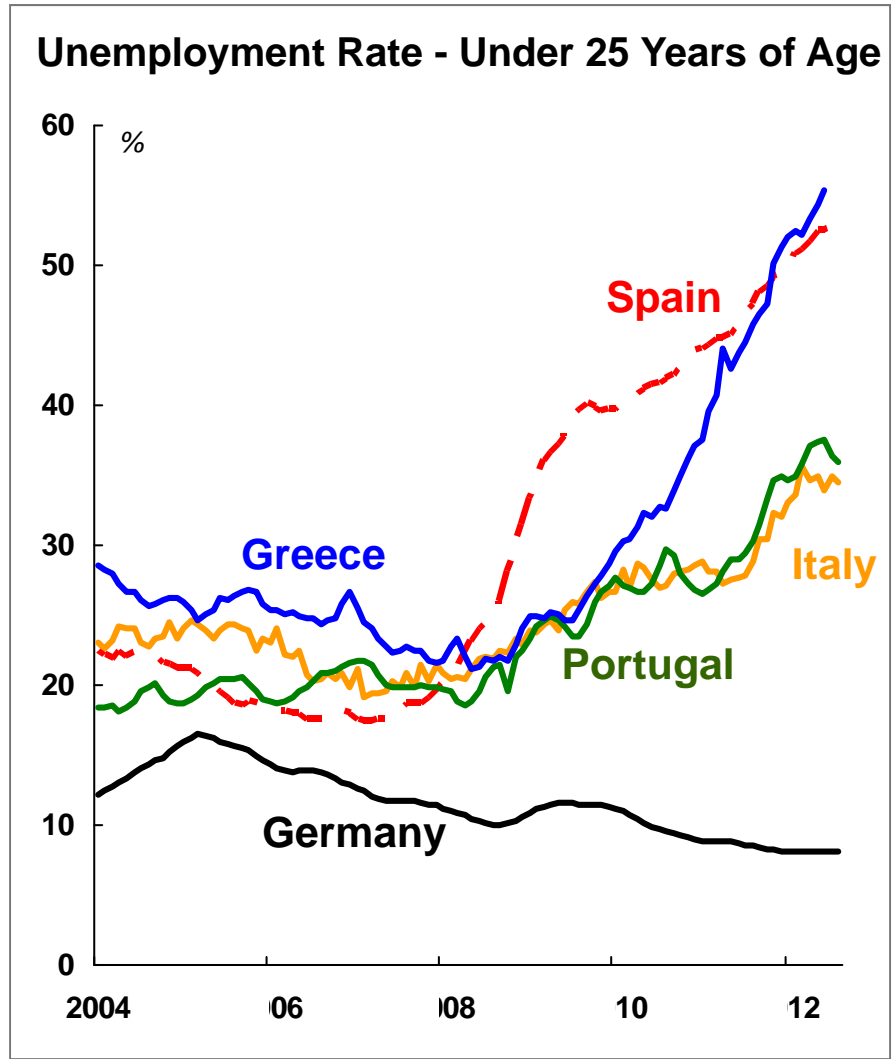
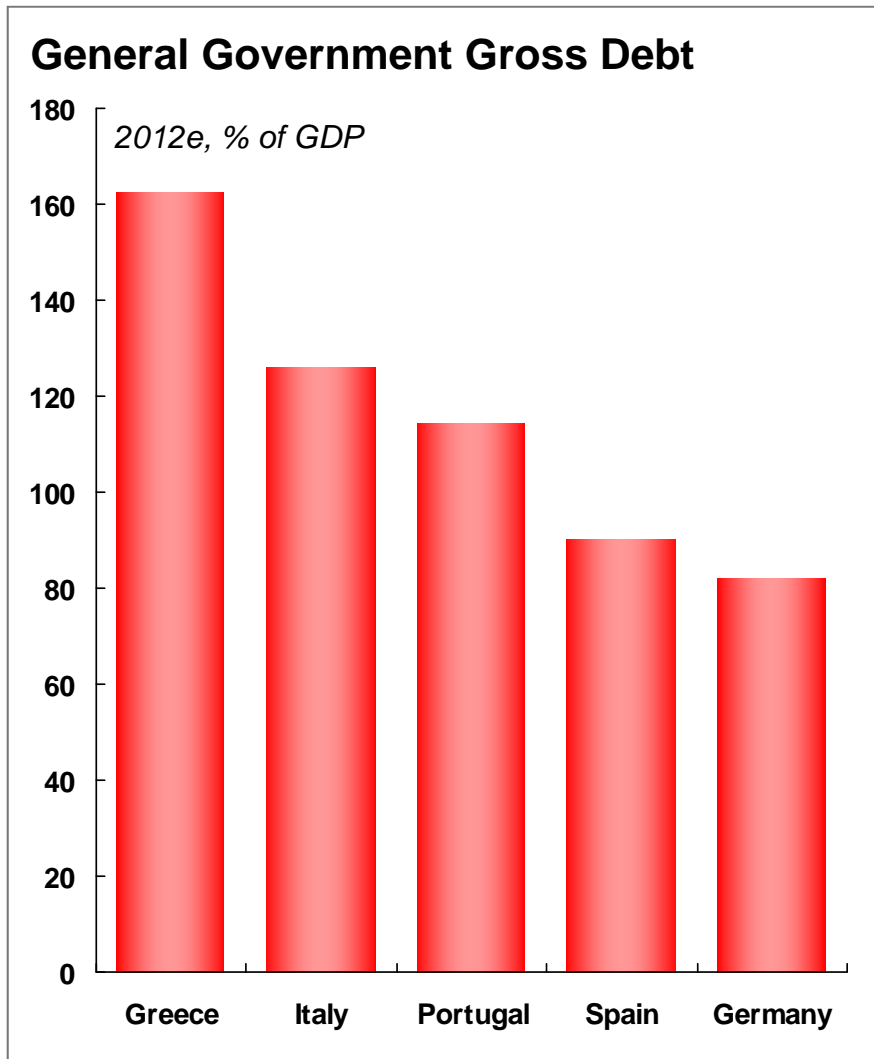
# Developed Nations Hit by Economic, Fiscal & Financial Headwinds



Source: Statistics Canada, BEA, Eurostat, Scotia Economics.

Forecasts at September 27, 2012

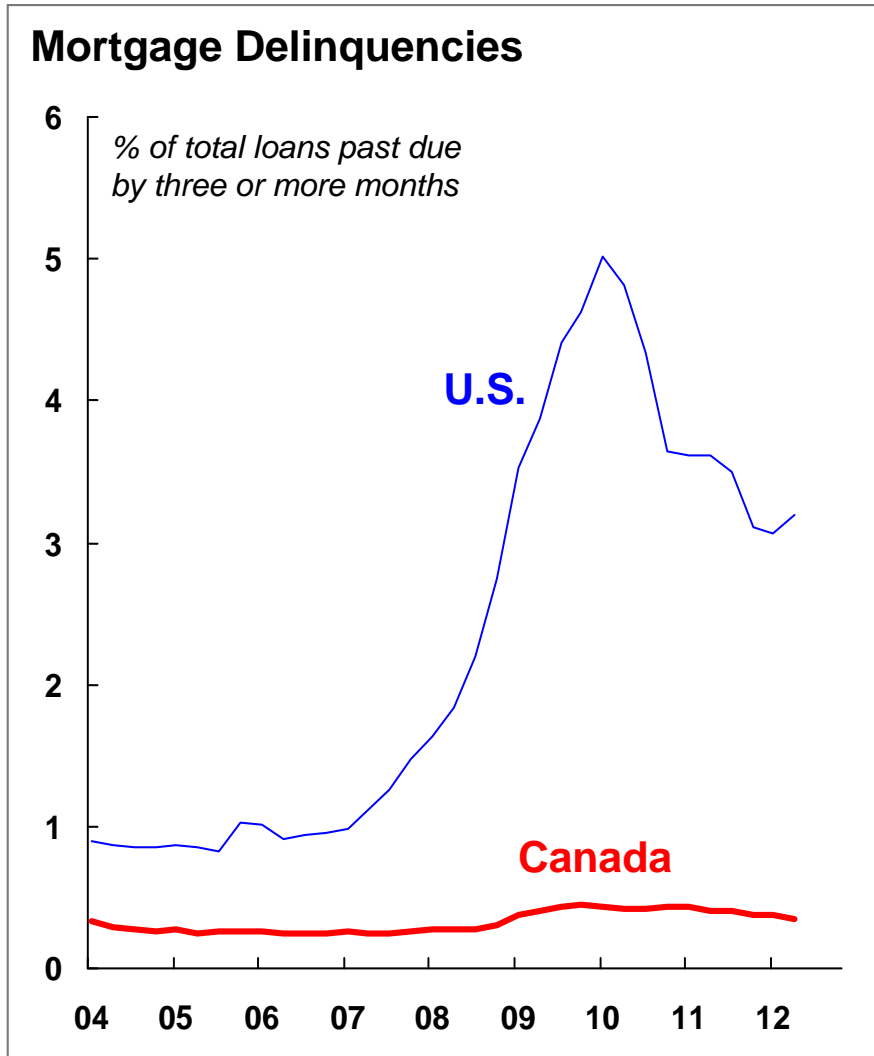
# European Debt Concerns Will Continue to Fuel Market Volatility



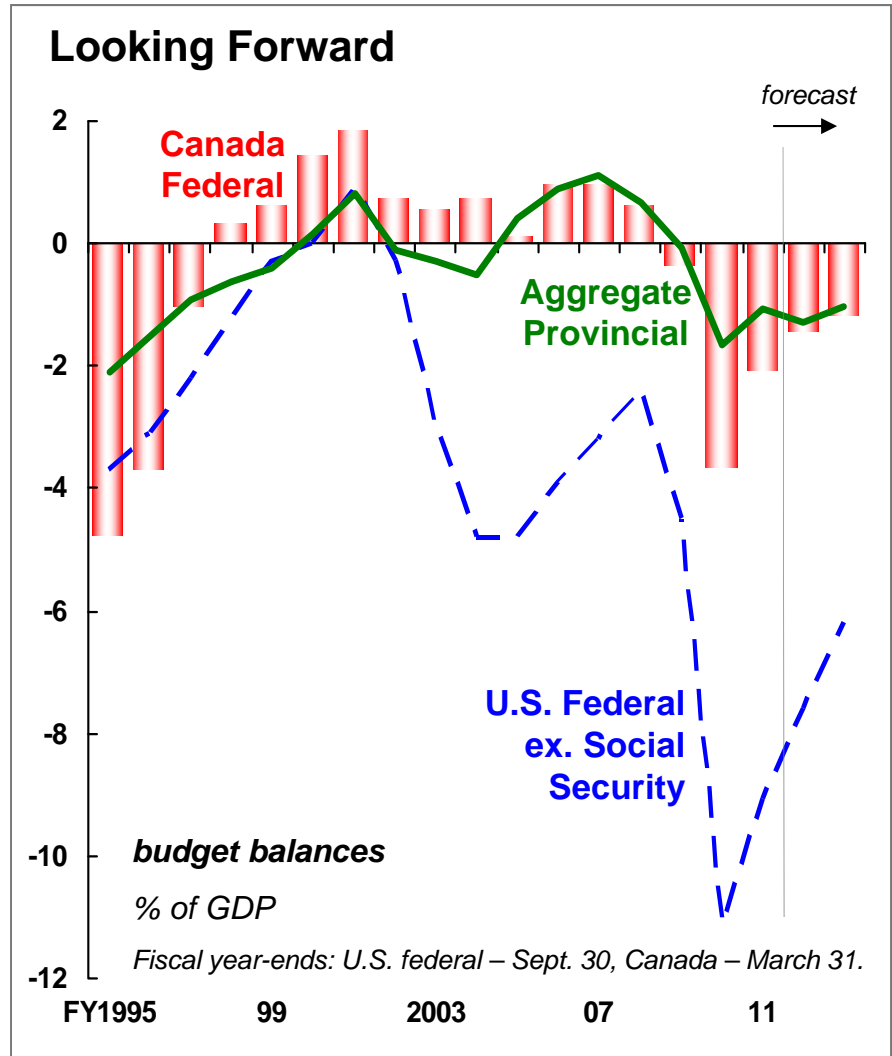
Source: IMF, Eurostat, Scotia Economics.

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# Financial Strains Still Intense in U.S. – Much Less So in Canada



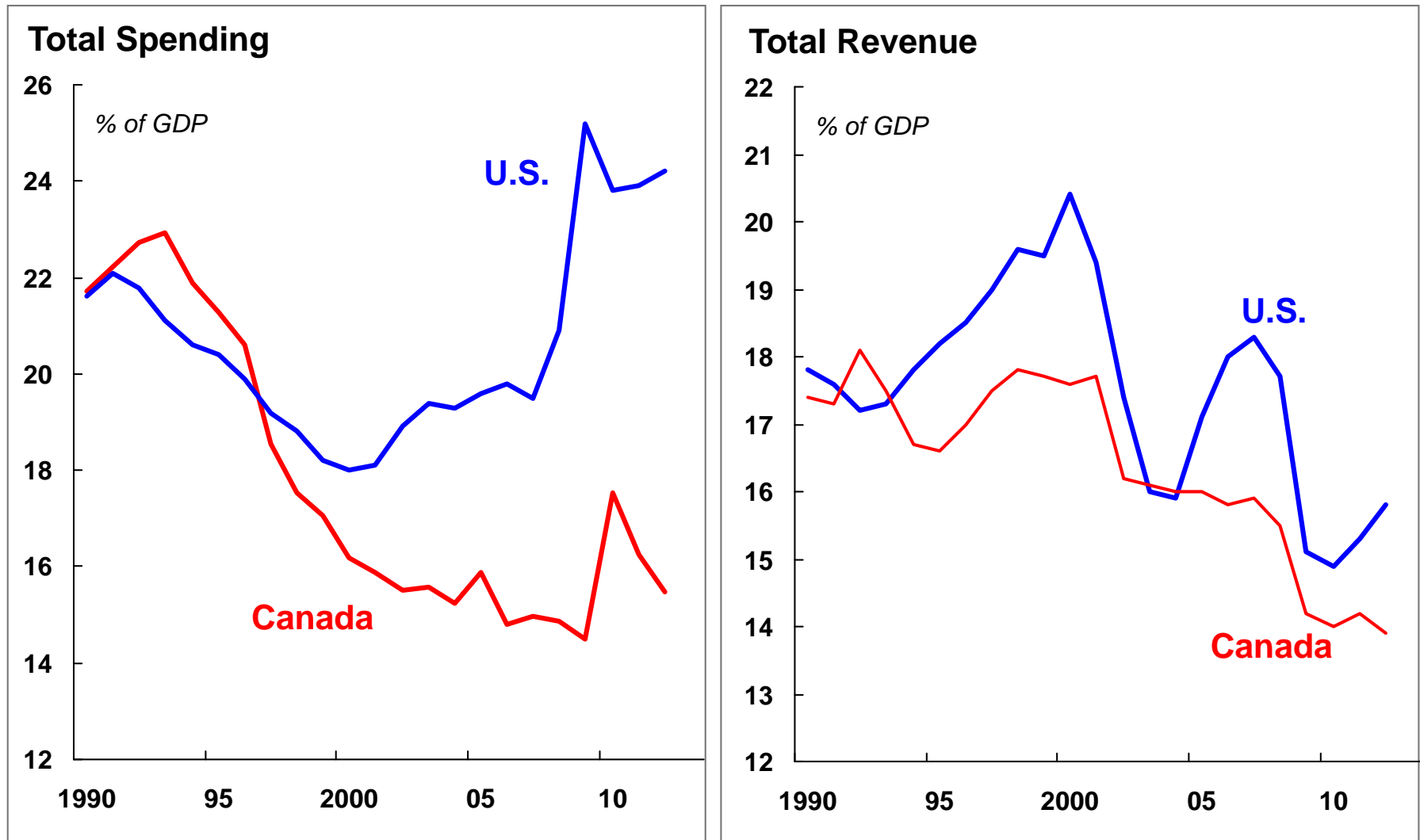
Source: CBA, MBA, CMHC, U.S. Census Bureau, Scotia Economics.



Source: BEA, Statistics Canada, Budget documents; Nominal GDP and federal forecasts: Scotia Economics.

Forecasts at September 27, 2012

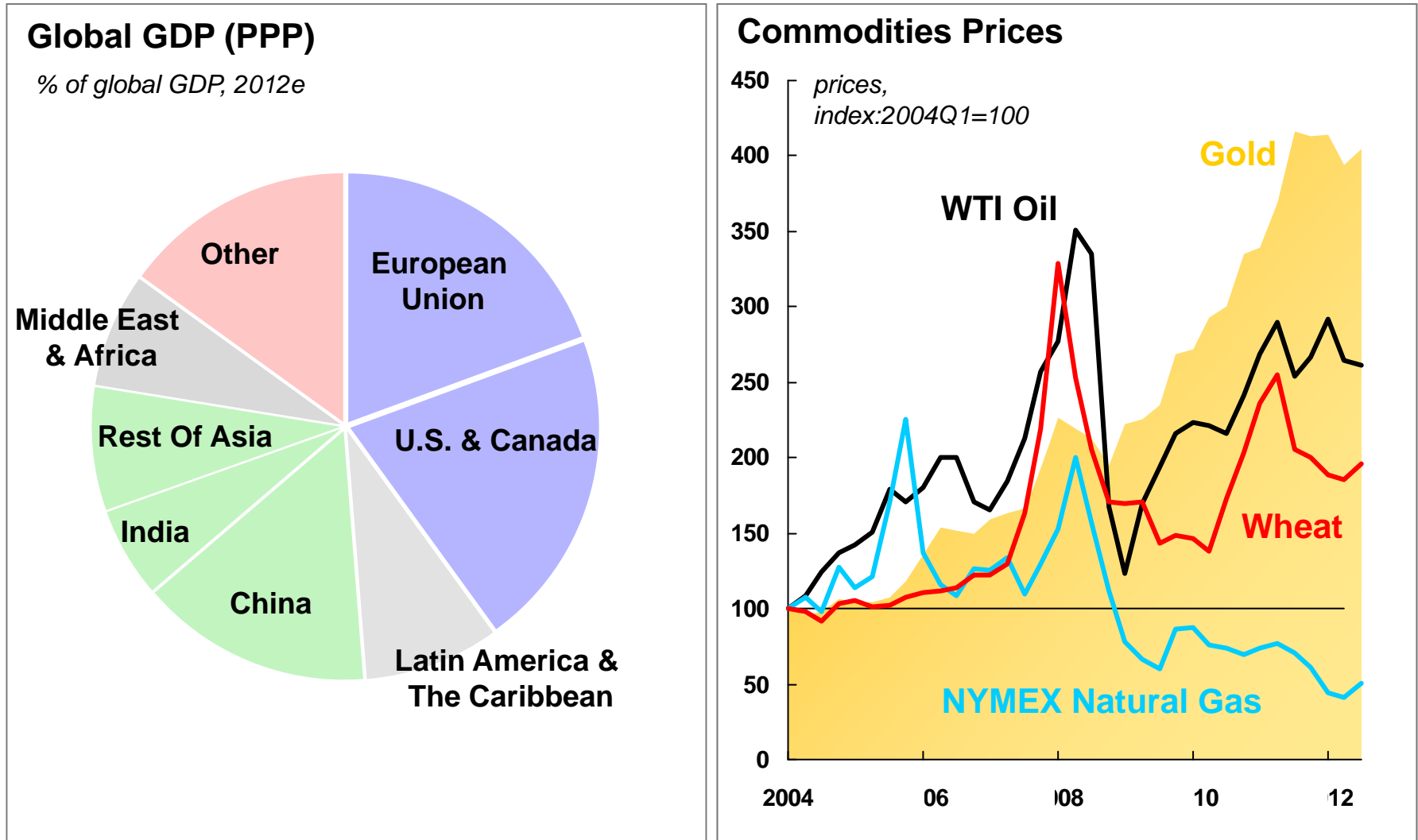
# Our Fiscal Fix Cut Spending & Taxes, Boosting Competitiveness



Source: Department of Finance, OMB, Scotia Economics.

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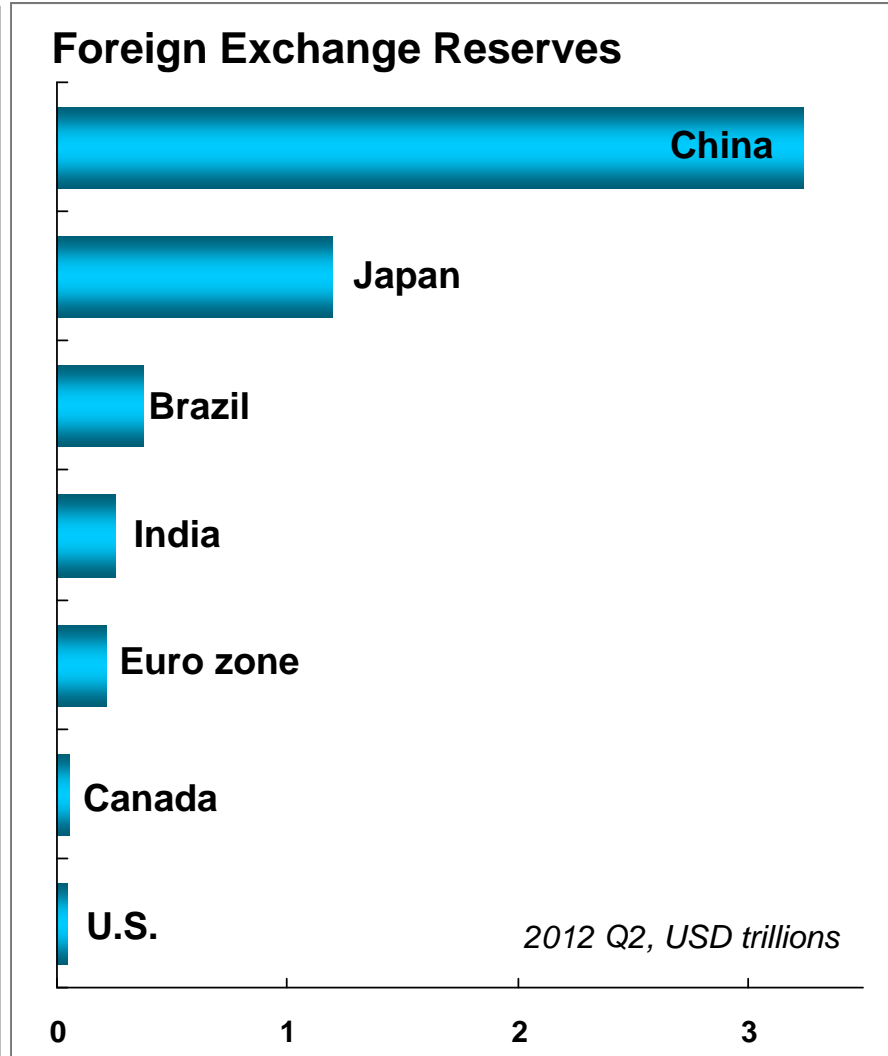
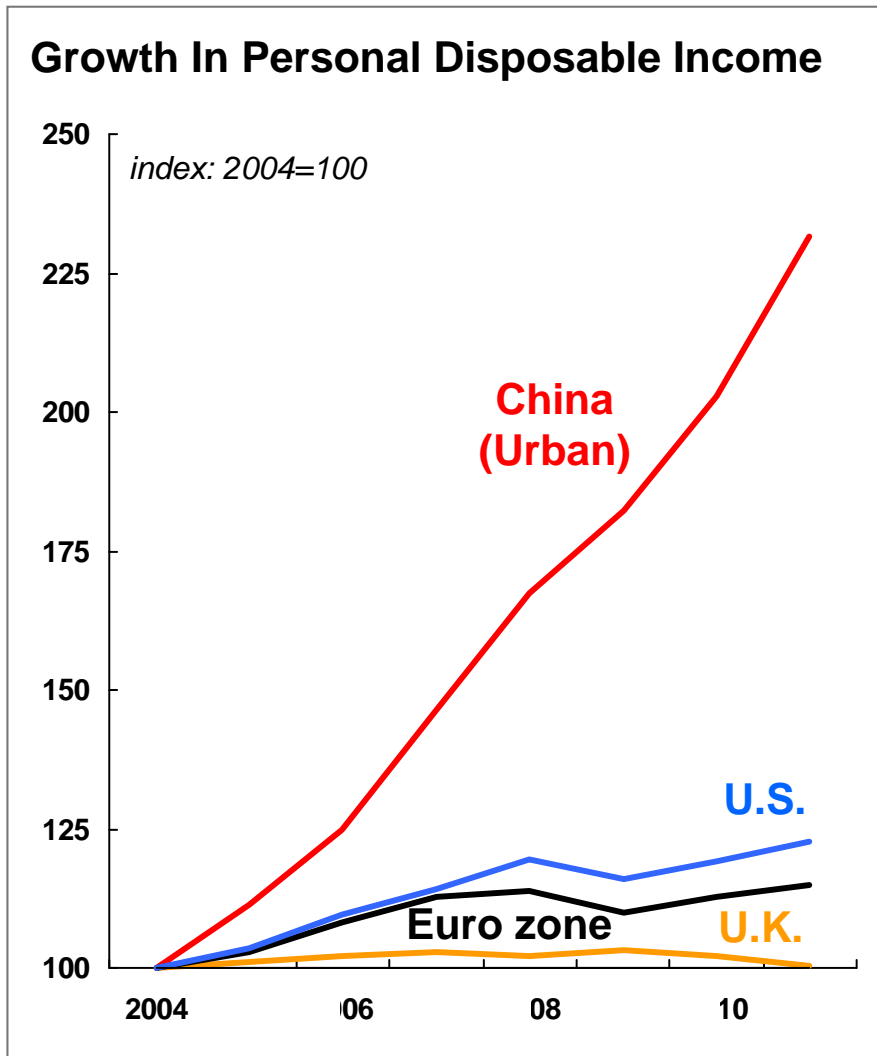
# Emerging Markets are Driving Global Growth ...



\* 2010 IMF forecast. Source: IMF, Bloomberg, Canadian Grain Commission, Scotia Economics.

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# ... Have Significant Financial Resources ...

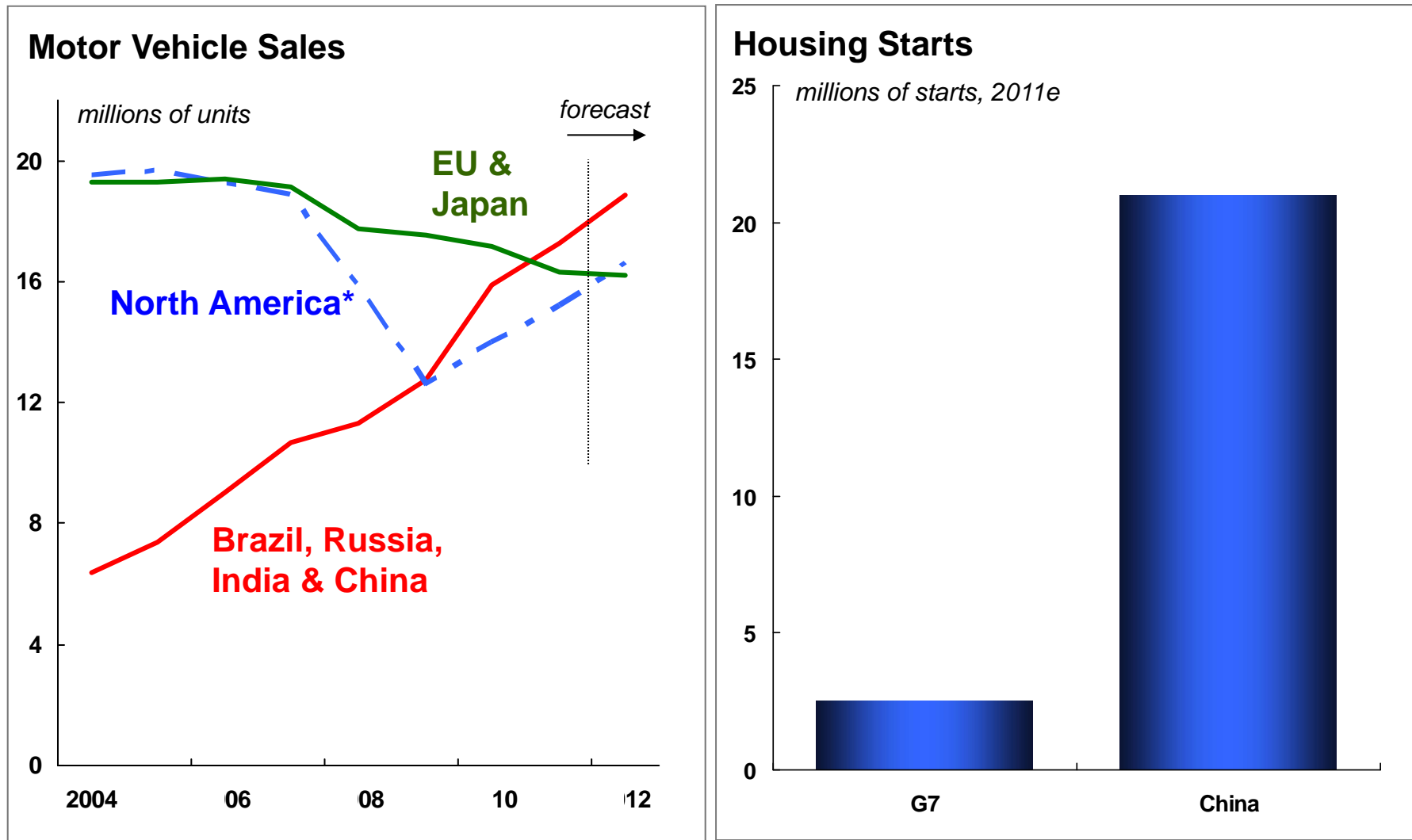


Source: IMF, Bloomberg, Scotia Economics.

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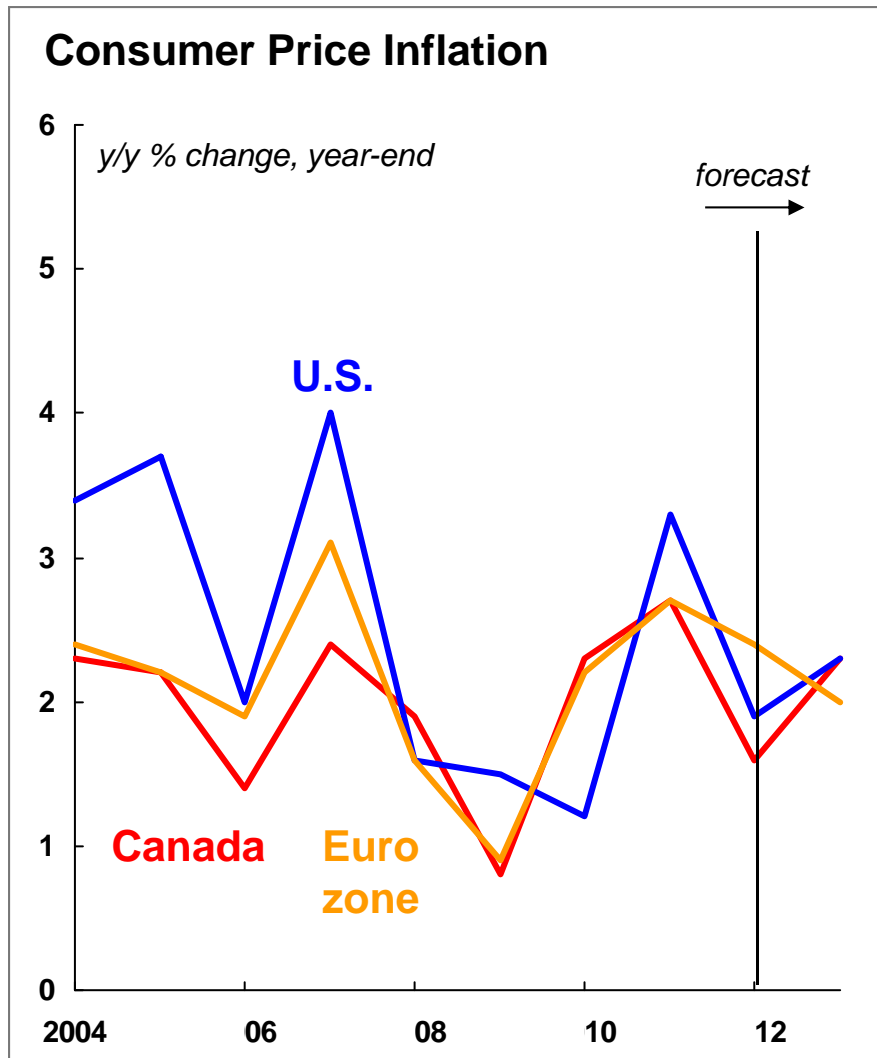
## ... & Are Supported By Strong Domestic Demand



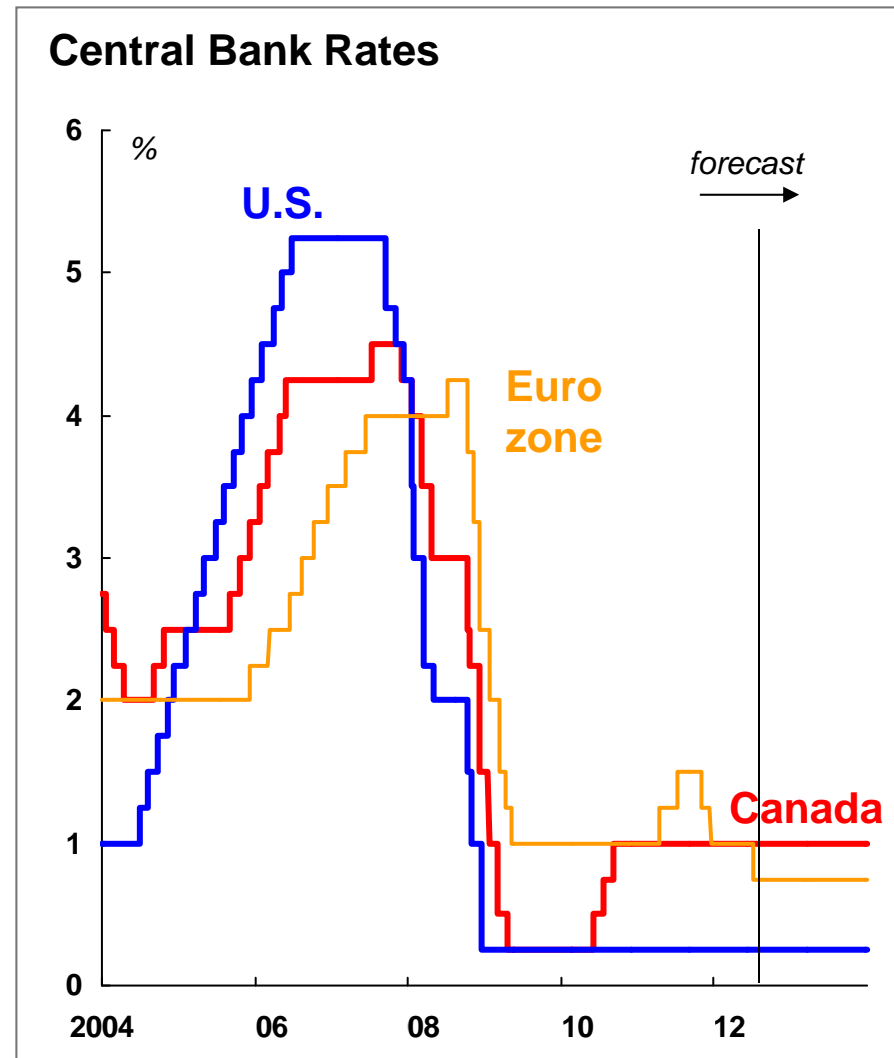
\*Includes light trucks in North America. Source: Ward's Automotive, IMF, Bloomberg, Scotia Economics.

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# Monetary Policies Remain Geared to Reviving Growth



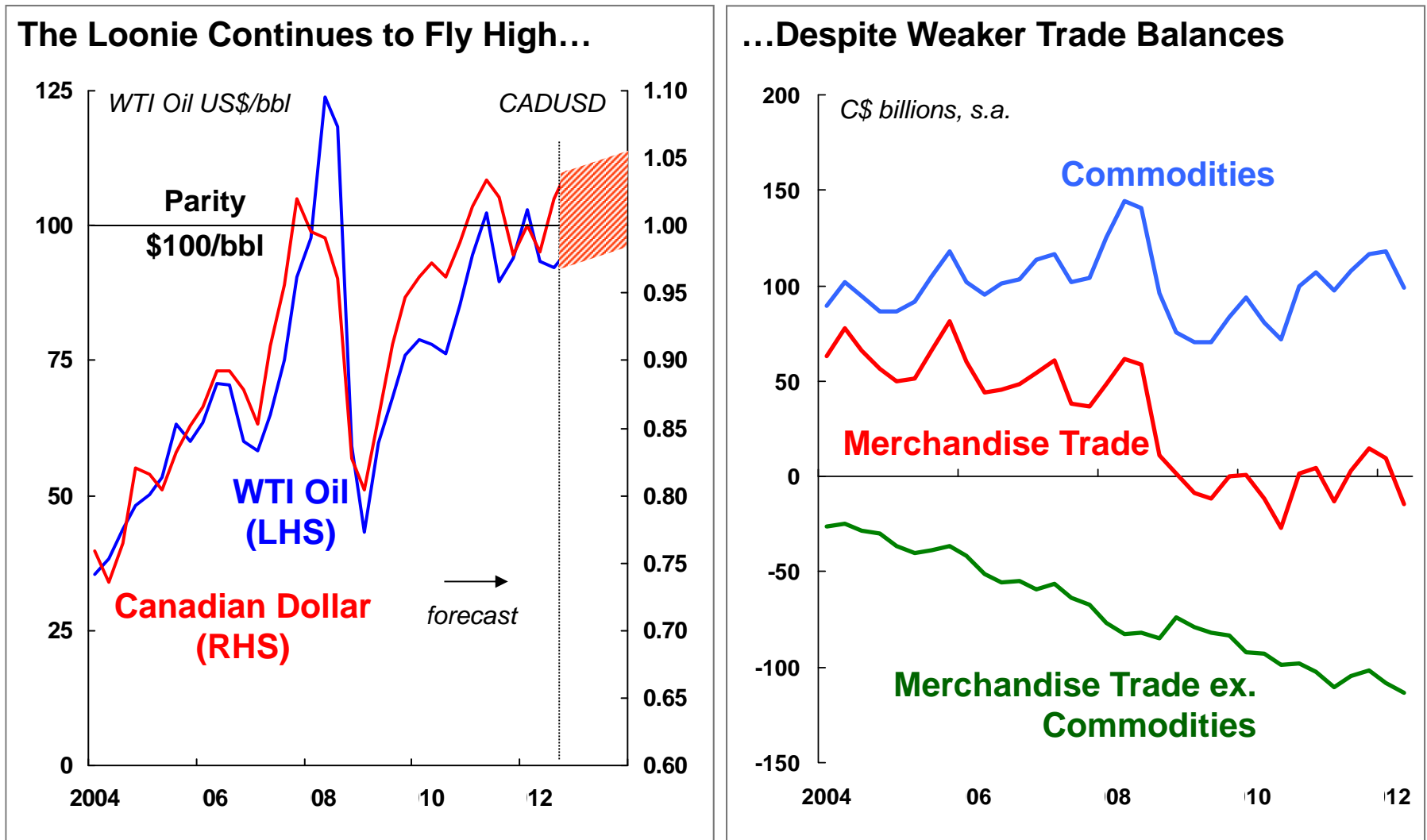
Source: Statistics Canada, BLS, Bloomberg, Scotia Economics.



Source: Bank of Canada, U.S. Federal Reserve, European Central Bank, Bank of England, Scotia Economics.

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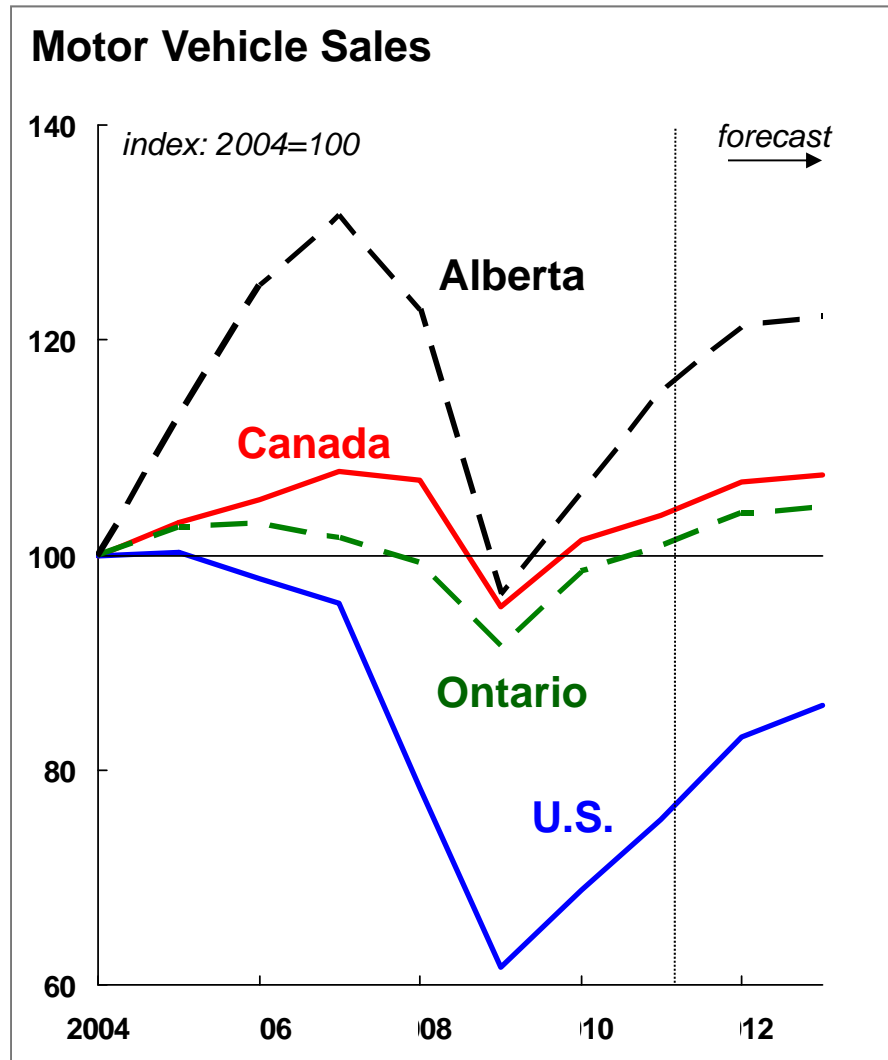
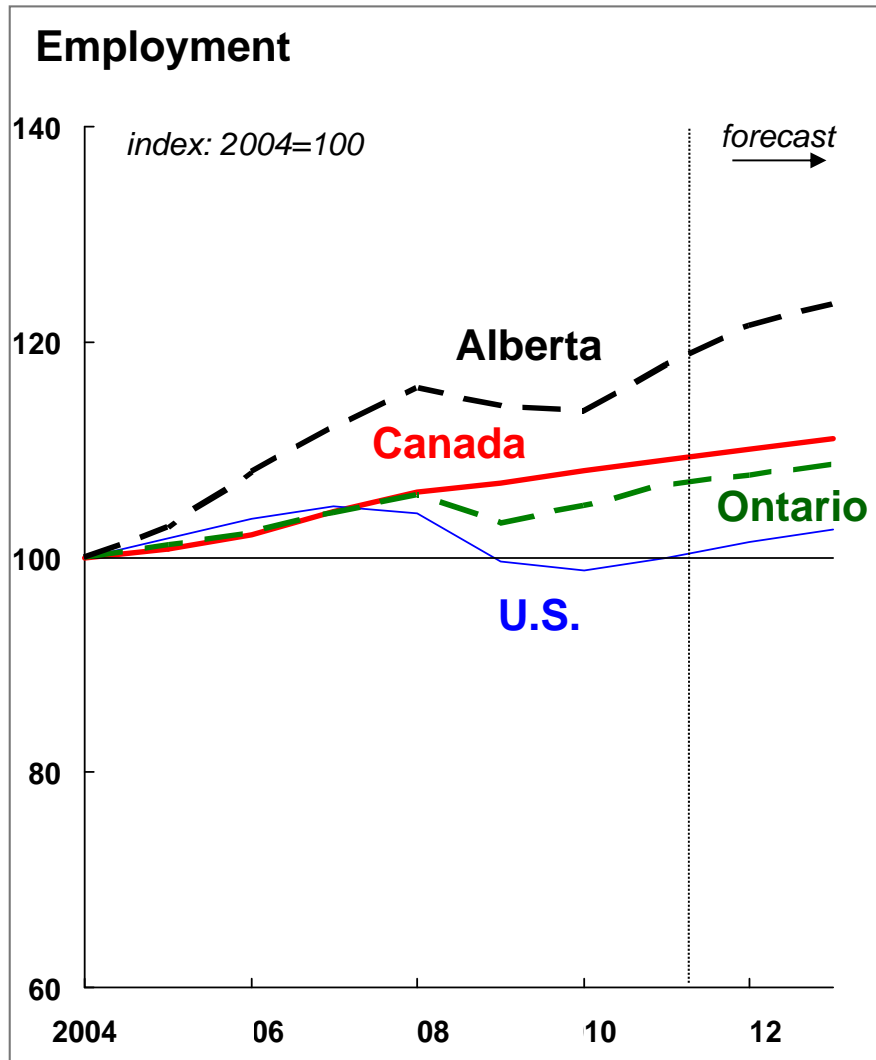
# Loonie Strength, U.S. Weakness Hit Canadian Exports



Source: Scotia Economics, Statistics Canada, Bloomberg.

Forecasts at September 27, 2012

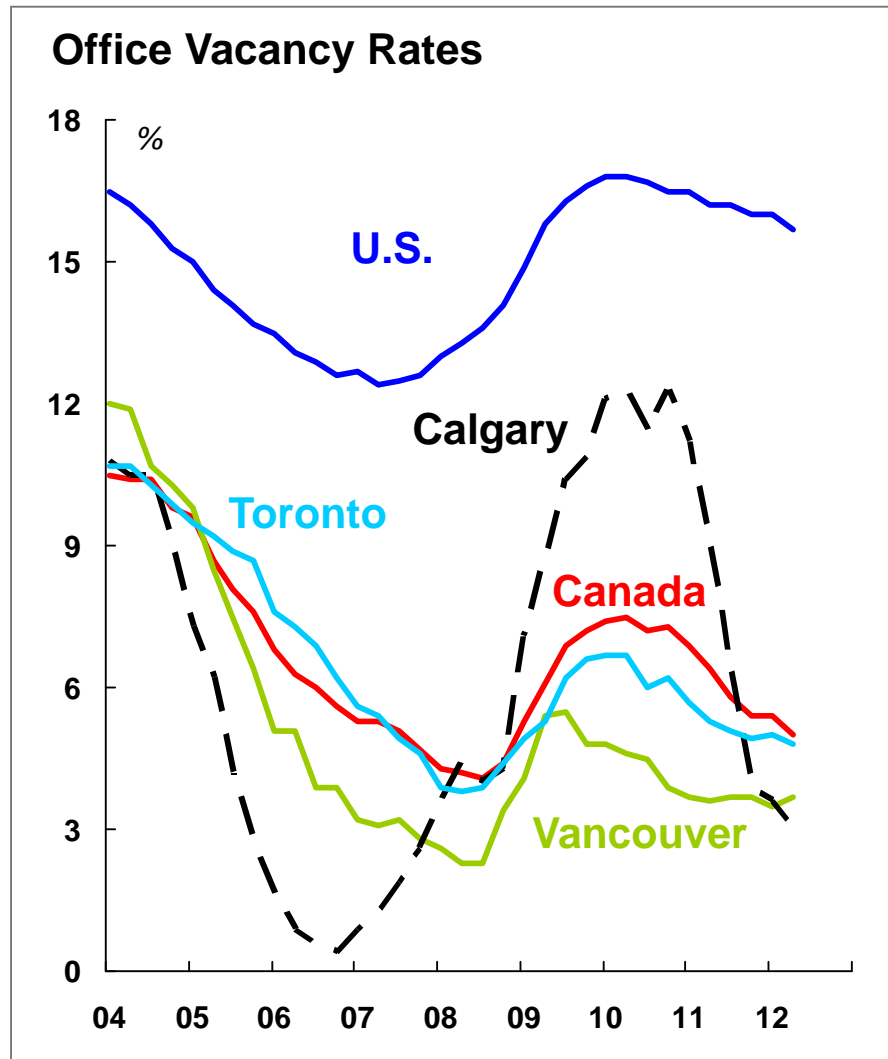
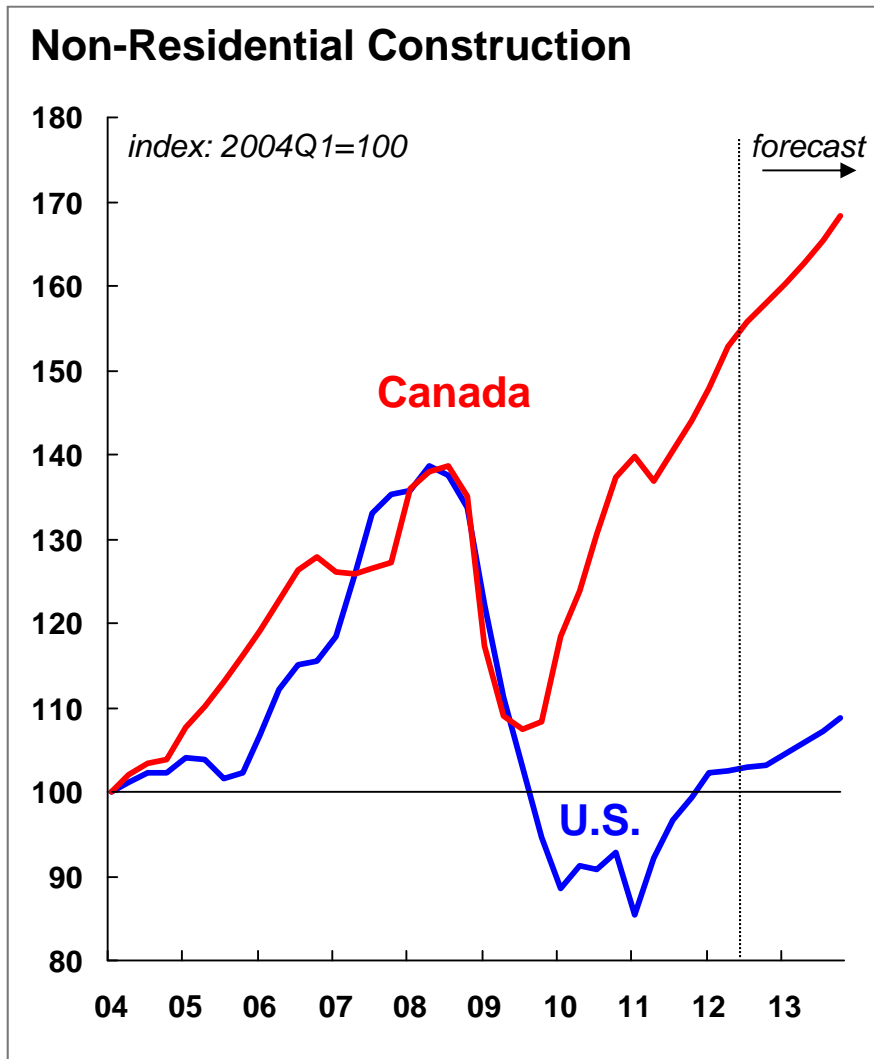
# Better Job Market Supports Canadian Household Spending



Source: Scotia Economics, Statistics Canada, BLS, Global Insight.

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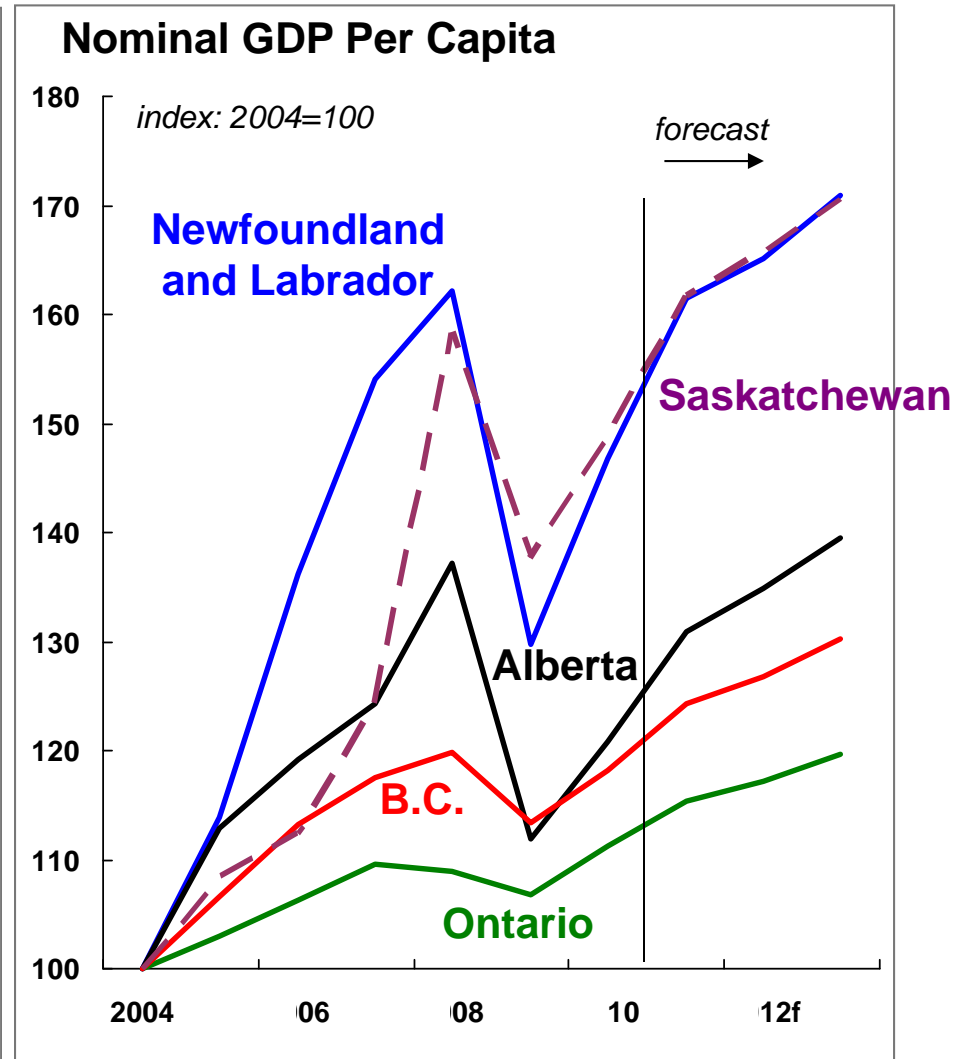
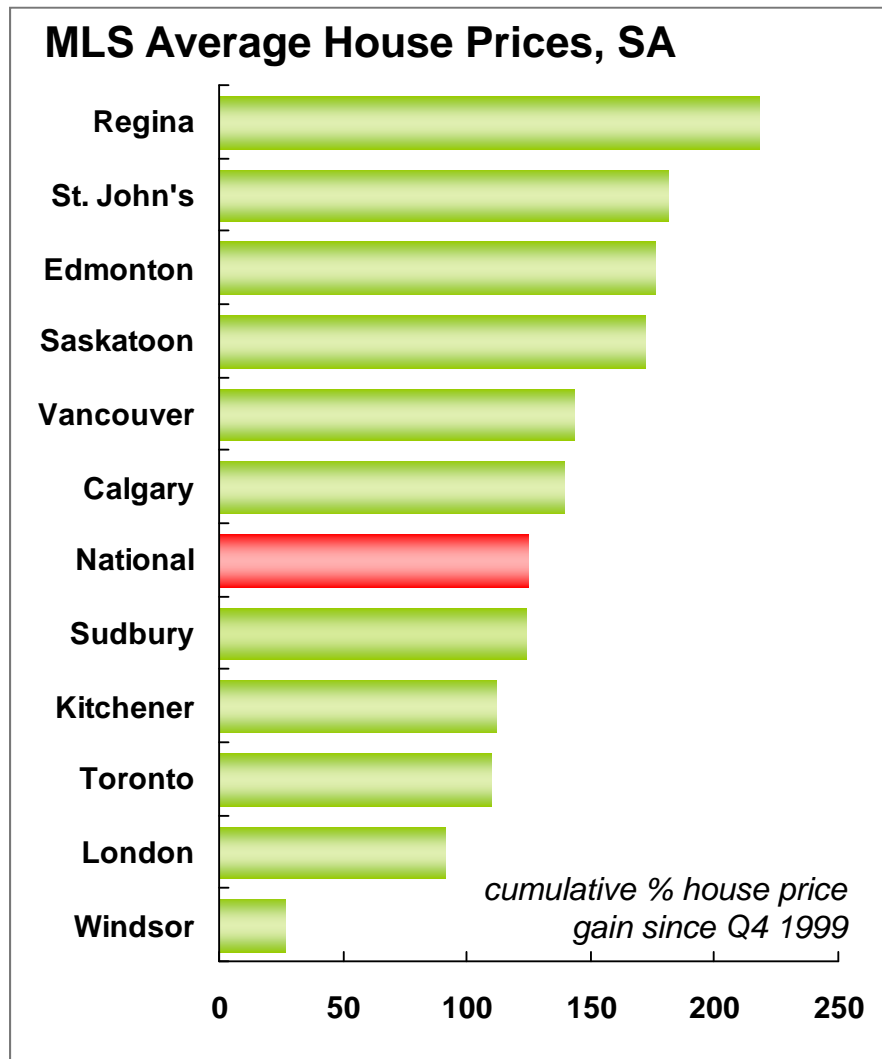
# Non-Residential Construction Has Also Been More Buoyant Here



Source: Statistics Canada, BEA, Eurostat, CBRE, Cushman & Wakefield, Scotia Economics.

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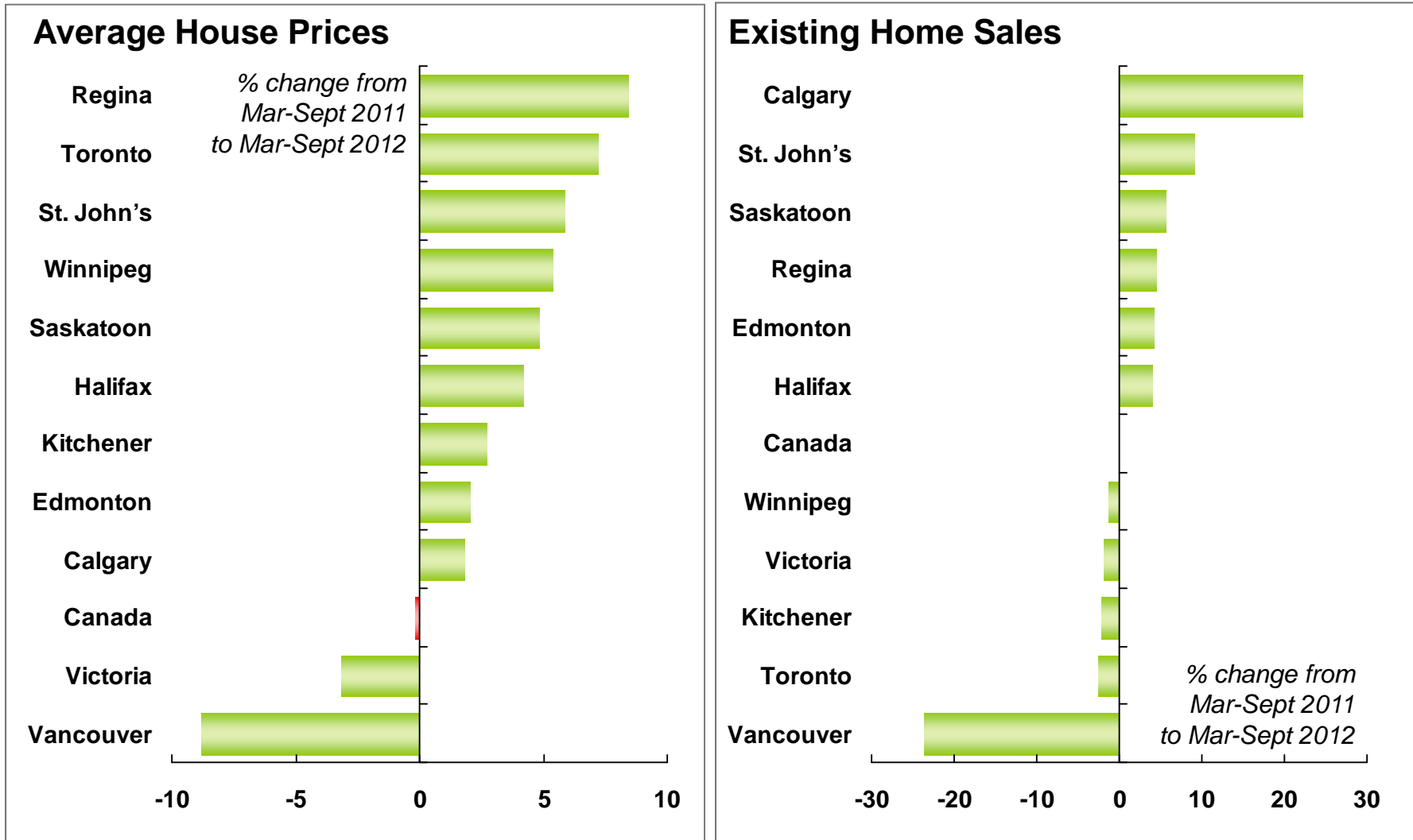
# Our Housing Market Has Been Driven by Strong Regional Fundamentals...



Source: CREA MLS, Statistics Canada, CMHC, Scotia Economics.


























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# ... But A Correction From Record Levels Is Getting Underway



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# 2012-13 Economic & Market Outlook

ECONOMIC OUTLOOK				MARKET OUTLOOK					
		11e	12f	13f		11	12f	13f	
<b>REAL GDP, annual average</b>				<b>CURRENCY, end of period</b>					
U.S.		1.8	2.1	1.9	Canadian Dollar (USDCAD)		1.02	0.96	0.97
Canada		2.4	1.9	1.8	Brazilian Real (USDBRL)		1.87	1.99	1.86
U.K.		0.7	-0.3	1.2	Euro (EURUSD)		1.30	1.26	1.21
Euro zone		1.5	-0.7	0.2	Mexican Peso (USDMXN)		13.9	12.8	13.2
Brazil		2.7	1.7	3.8	Chinese Renminbi (USDCNY)		6.30	6.25	6.10
Mexico		4.2	3.9	3.6	<b>3-MONTH T-BILLS, end of period</b>				
China		9.3	7.8	8.2	Canada		0.86	1.00	1.00
India		10.0	5.7	6.3	U.S.		0.05	0.05	0.10
<b>INFLATION, end of period</b>				<b>10-YEAR BONDS, end of period</b>					
U.S.*		3.3	1.9	2.3	Canada		1.93	1.70	2.45
Canada*		2.7	1.6	2.3	U.S.		1.83	1.50	2.50
U.K.		4.2	2.3	3.0	<b>COMMODITIES, annual average</b>				
Euro zone		2.7	2.4	2.0	WTI Oil (US\$/bbl)		95	95	100
Brazil		6.5	5.0	5.5	NYMEX Natural Gas (US\$/mmbtu)		4.03	2.75	3.00
Mexico		3.8	4.2	4.0	Gold, London PM Fix (US\$/oz)		1,569	1,690	1,800
China		4.1	2.7	3.5					
India		7.7	8.0	7.0					

\* Annual averages. Source: Bloomberg, Scotia Economics.

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# Disclaimer

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