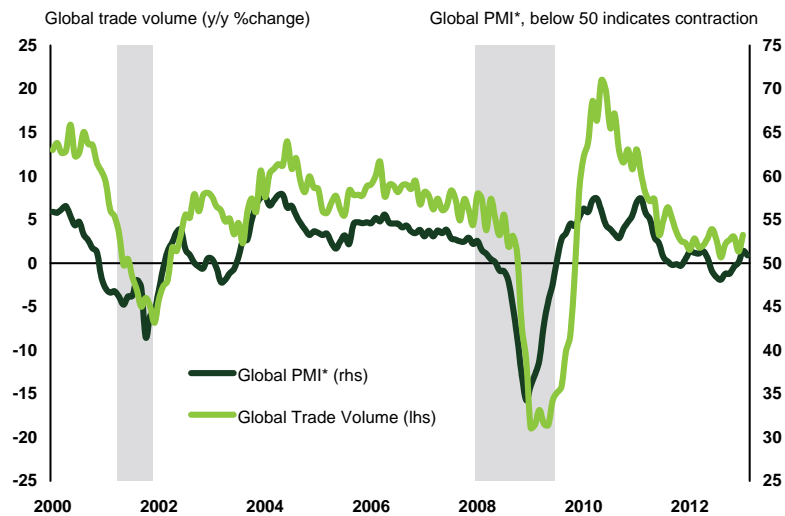




The Economic Outlook

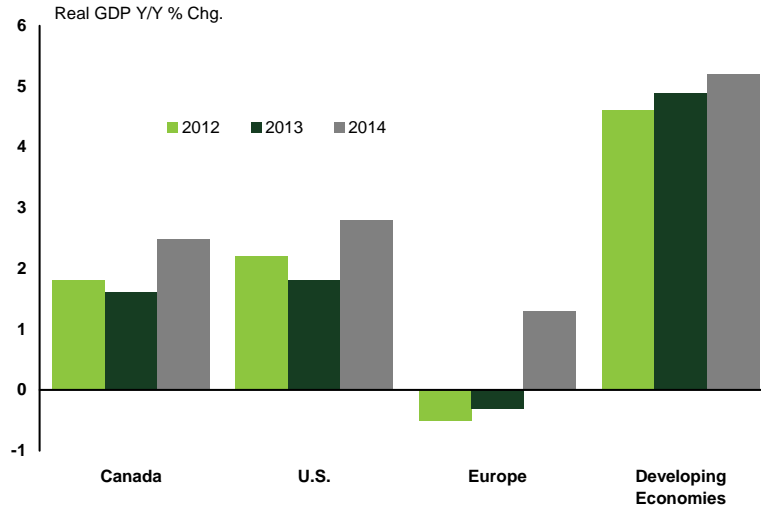
Derek Burleton
Vice President and Deputy Chief Economist
April 2013

GLOBAL SLOWDOWN



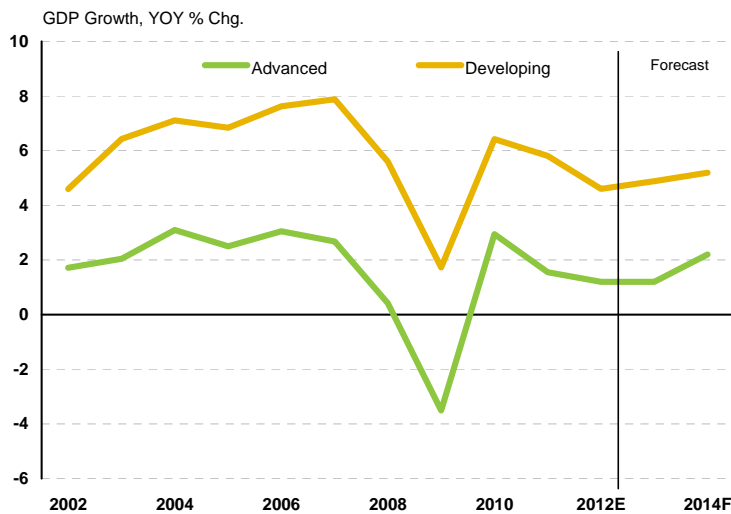
*Purchasing managers index. As of April 2013.
Source: TD Economics, Bloomberg, Haver Analytics. Grey area marks U.S. recession.

GLOBAL GROWTH OUTLOOK



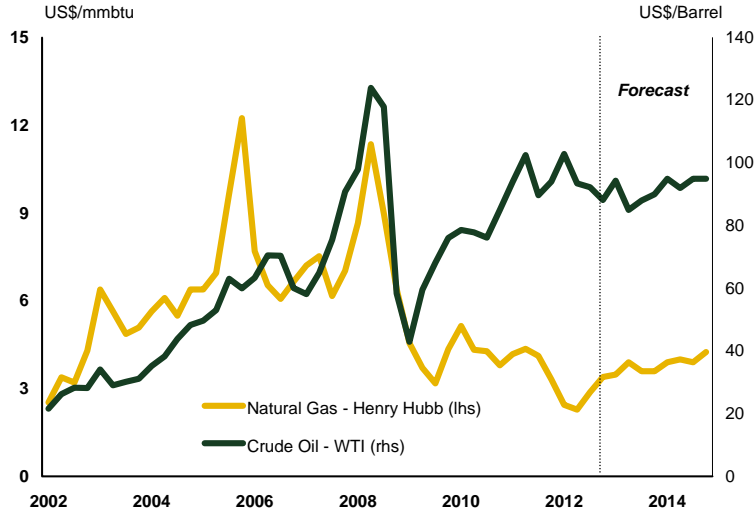
Source: TD Economics.
Forecast by TD Economics as of March 2013.

EMERGING MARKETS STILL IN THE DRIVER'S SEAT



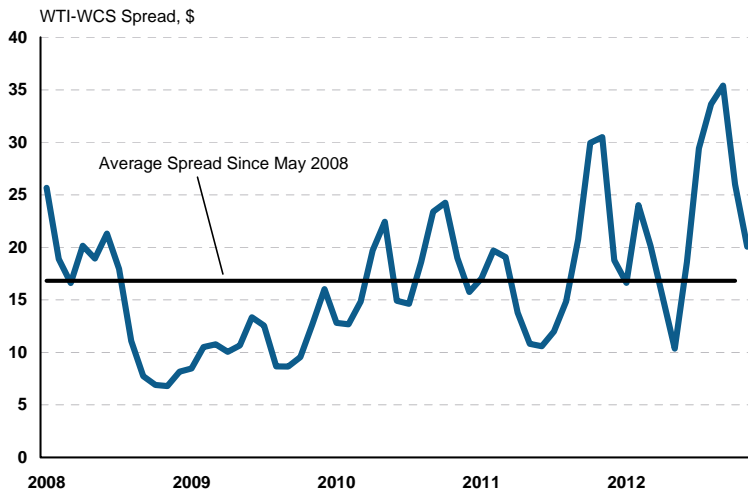
Source: IMF, Forecast by TD Economics as of March 2013.

COMMODITIES TO BE SUPPORTED BY IMPROVING GLOBAL DEMAND**



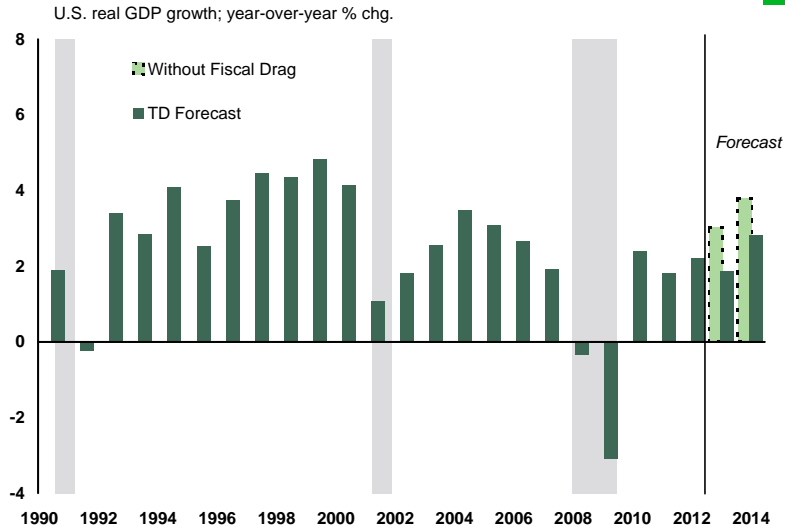
Source: Haver Analytics, TD Economics. As of April 2013.

HEAVY OIL DIFFERENTIAL HAS IMPROVED



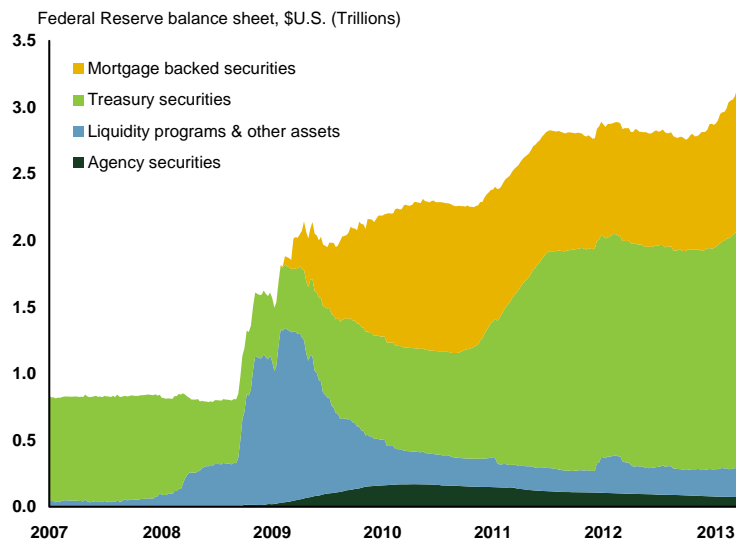
Note: Prices are expressed as monthly averages.
Source: Bloomberg and TD Economics.

FISCAL DRAG TO HOLD BACK US GROWTH



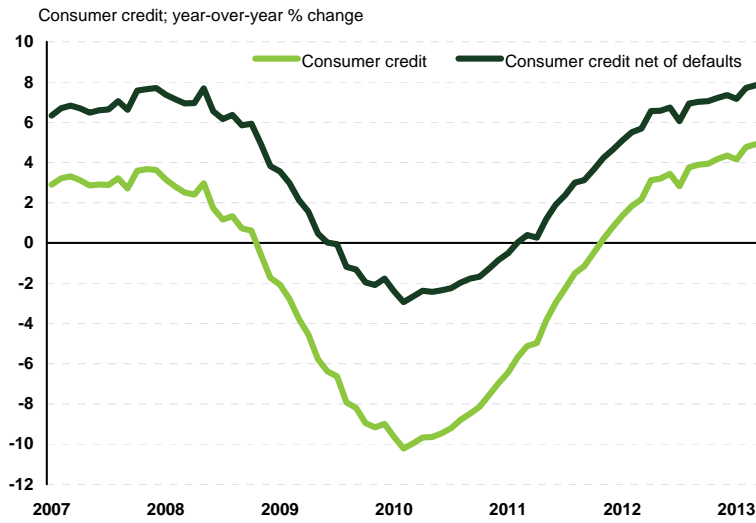
Source: BEA, Forecast by TD Economics. As of March 2013.

FEDERAL RESERVE HAS THE TAPS TURNED ON



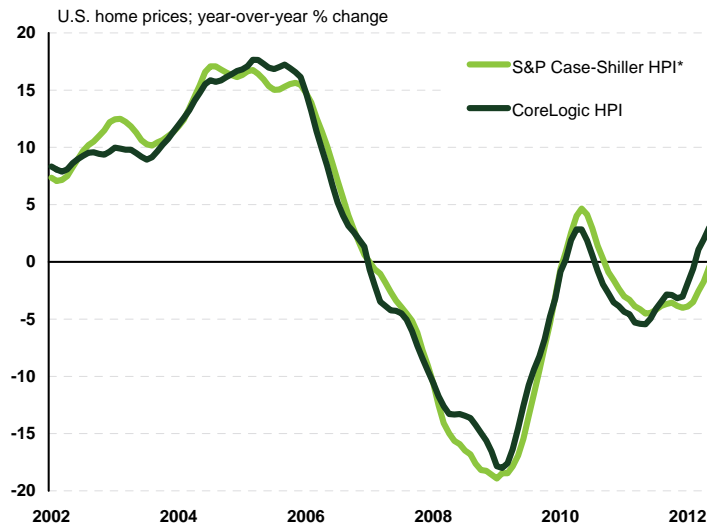
Source: Federal Reserve Board; As of April 2013.

CONSUMER DELEVERAGING IS ABATING



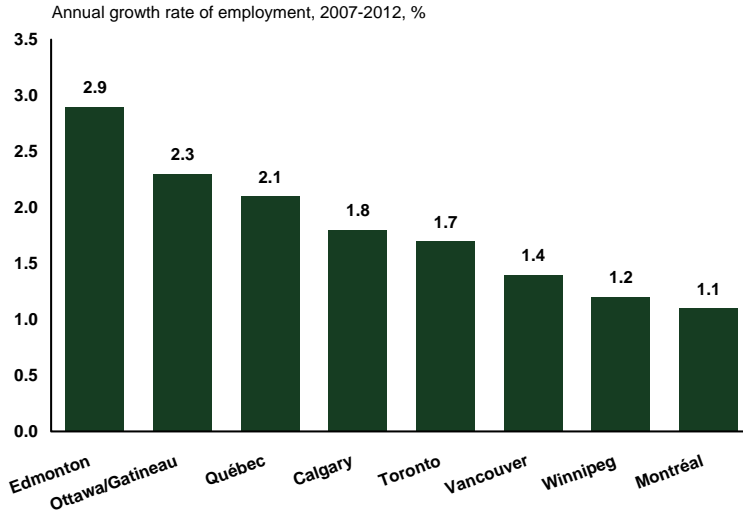
Includes auto loans, bankcard, retail credit
 Source: Equifax, Moody's Analytics, TD Economics. As of April 2013.

HOUSE PRICES FINALLY TURNING A CORNER



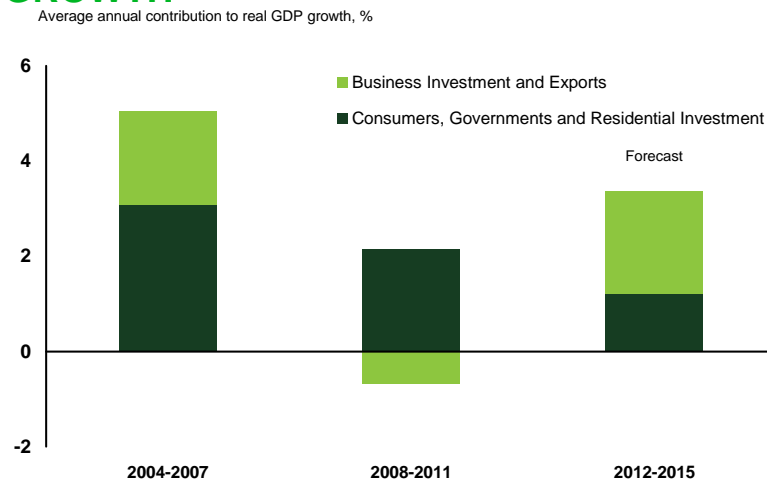
Source: CoreLogic, S&P Case-Shiller, Haver Analytics. As of April 2013.
 *Twenty city composite.

CANADA'S LARGE MARKETS HAVE HELD UP RELATIVELY WELL



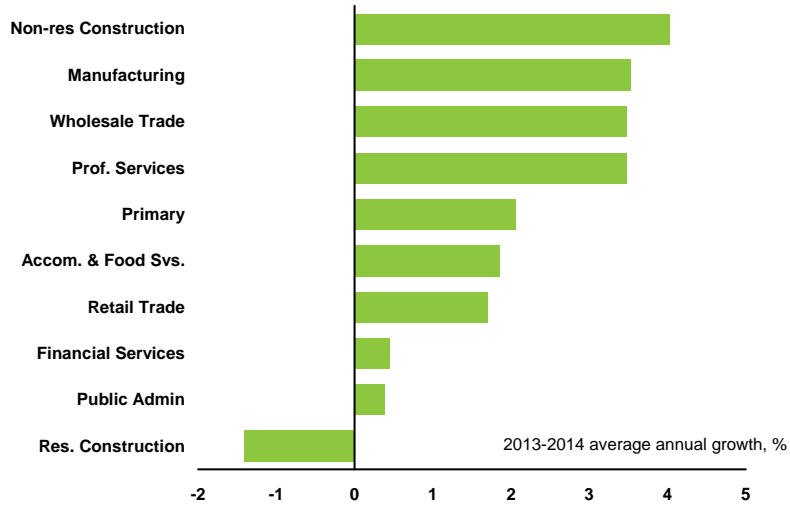
Source: Statistics Canada.

CONSUMERS AND GOVERNMENTS CAN NO LONGER BE THE ENGINES OF GROWTH



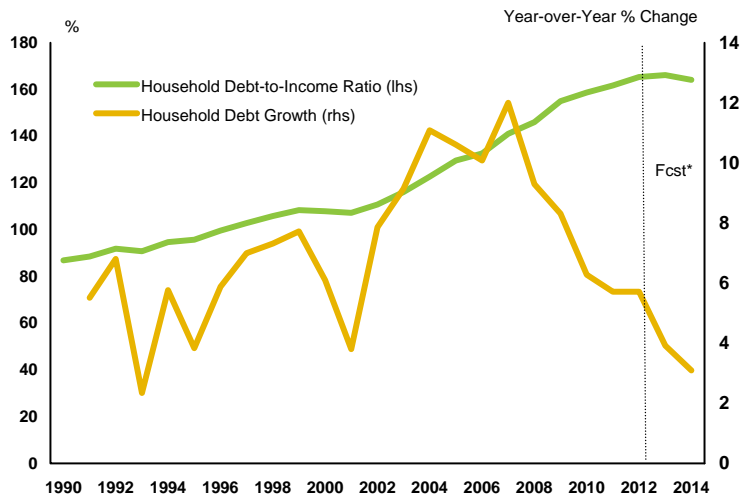
Source: Statistics Canada, Haver Analytics
Forecast by TD Economics as of December 2012

NON-RESIDENTIAL SECTOR AT THE TOP OF THE GROWTH LEADERBOARD



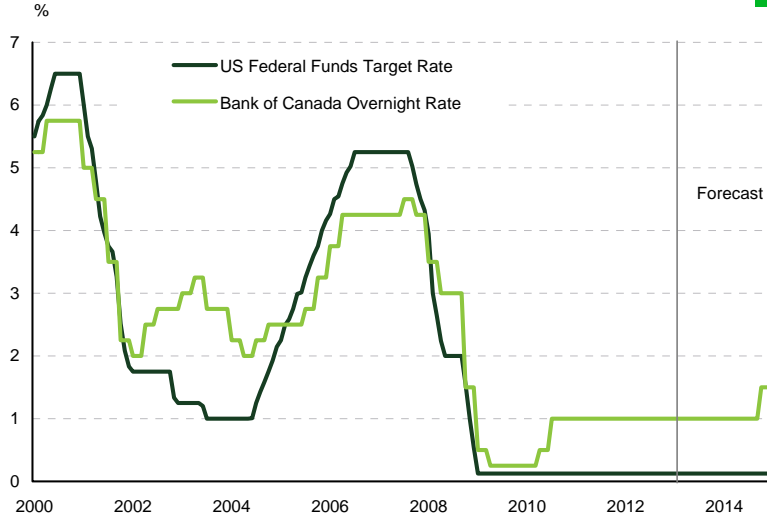
Source: Statistics Canada, TD Economics; Forecast as of December 2012.

HOUSEHOLD DEBT TO GROW MORE IN LINE WITH INCOME



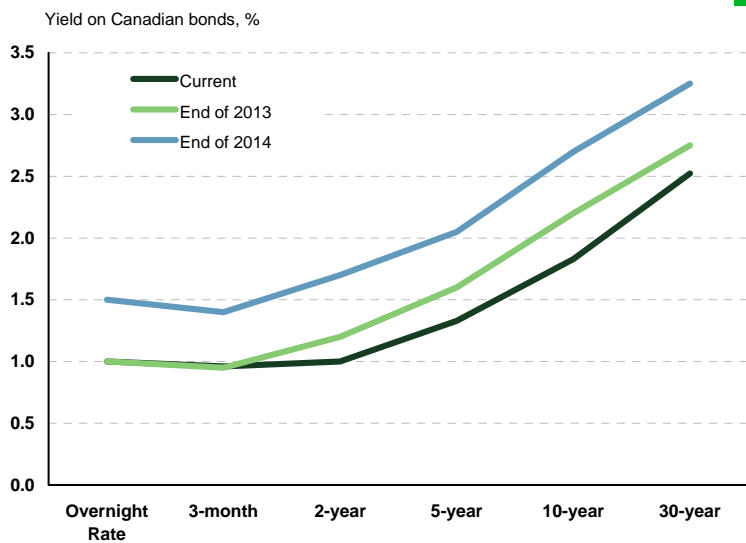
Source: Statistics Canada.
Forecast by TD Economics as of March 2013.

INTEREST RATES TO REMAIN LOWER FOR LONGER



Source: Bank of Canada/Haver Analytics.
Forecast by TD Economics as of March 2013.

BOND YIELD CURVE TO GRADUALLY SHIFT UPWARDS

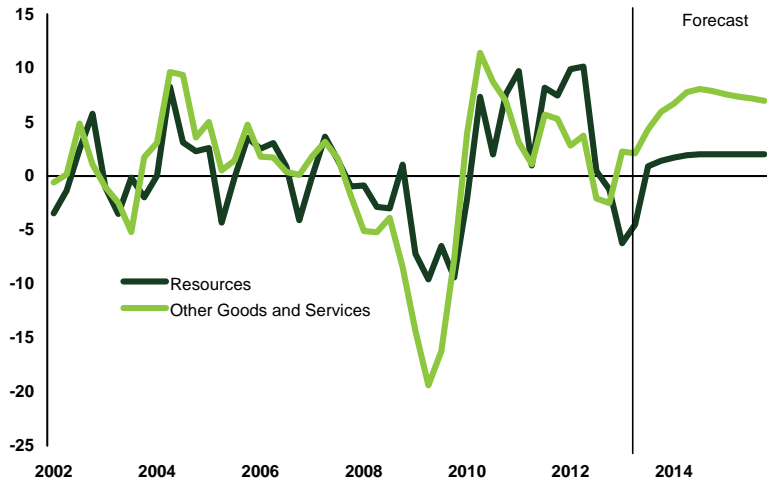


Source: Bloomberg, TD Economics. As of March 2013.

CANADIAN EXPORTS TO PICK UP MODERATELY IN 2013-14

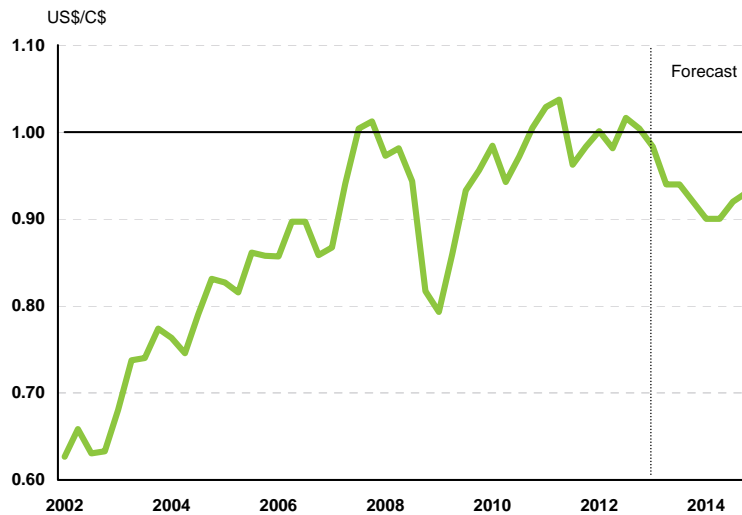


Real exports, Y/Y% change



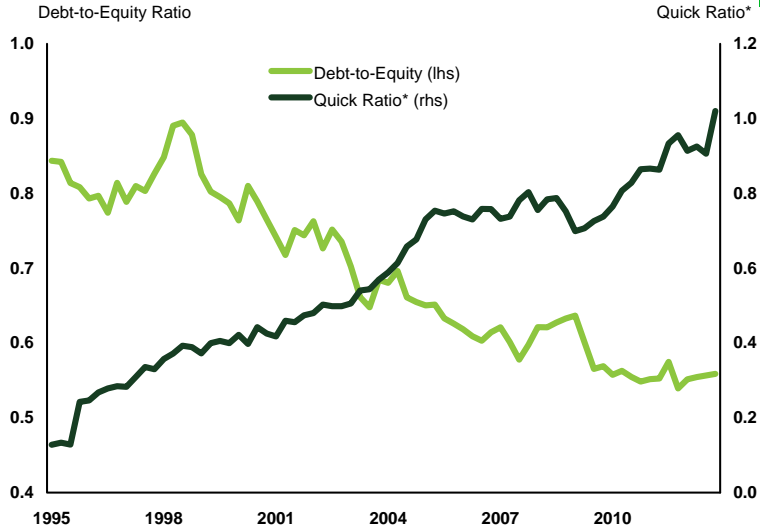
Source: Statistics Canada/Haver Analytics.
Forecast by TD Economics as of April 2013.

CANADIAN DOLLAR TO WEAKEN FURTHER



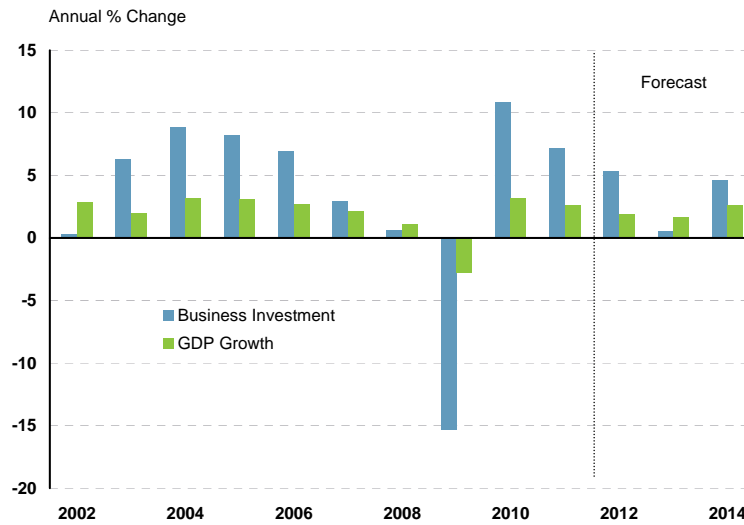
Source : Bank of Canada; Forecast by TD Economics as of April 2013.

CANADIAN CORPORATE BALANCE SHEETS ARE HEALTHY ...



Source: Statistics Canada. Q4 2012. *Quick Ratio = Liquid assets / Current liabilities

... WHICH AUGURS WELL FOR LONGER-TERM CAPITAL SPENDING PLANS



Source: Statistics Canada, Haver Analytics.
Forecast by TD Economics as of March 2013.

BUT ALBERTA BUSINESSES TO HOLD OUT ON CAPITAL OUTLAYS IN 2013



Alberta Private and Public Capital Expenditure Intentions, Y/Y% Change



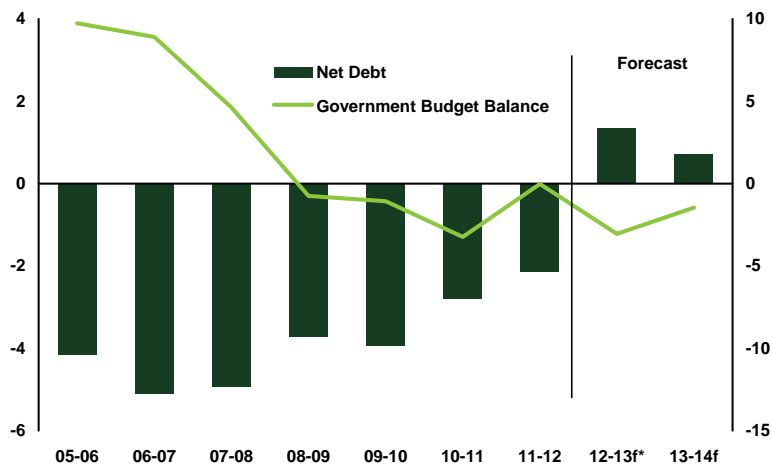
Source: Statistics Canada.

ALBERTA GOVERNMENT TARGETS RETURN TO SURPLUS IN 2014-15



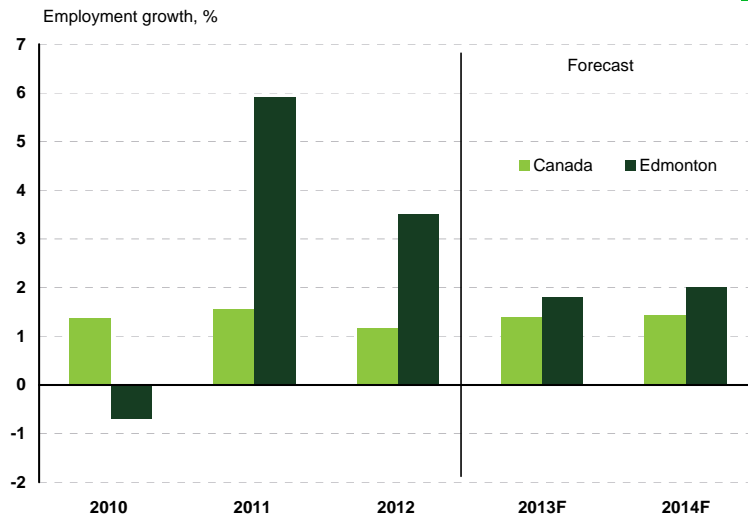
Alberta Government Budget Balance, % of GDP

Alberta Net Debt, % of GDP



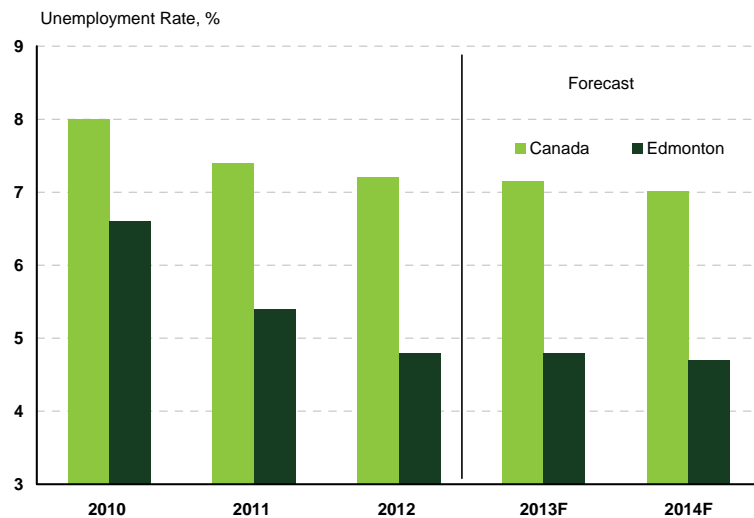
Source: 2012 and 2013 Government Budgets and Fiscal Updates, TD Economics.

MODEST JOB CREATION AHEAD IN EDMONTON



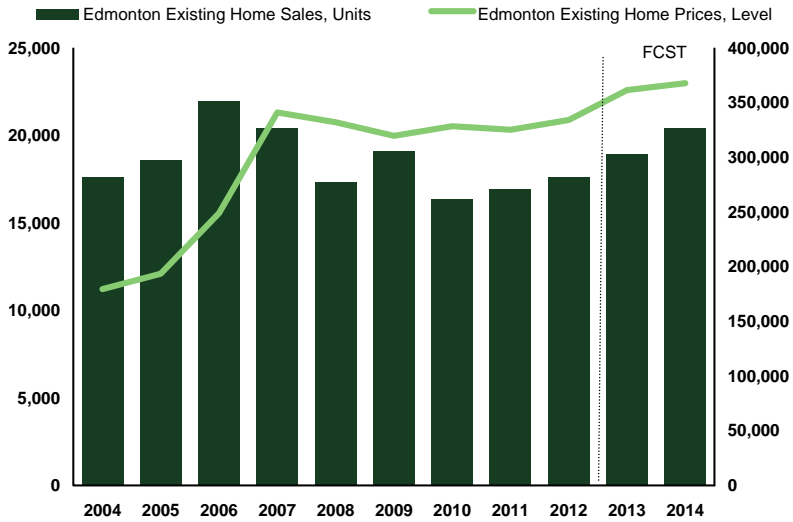
Source: Statistics Canada, Forecast by TD Economics.

JOBLESS RATE TO HOLD FAIRLY STEADY



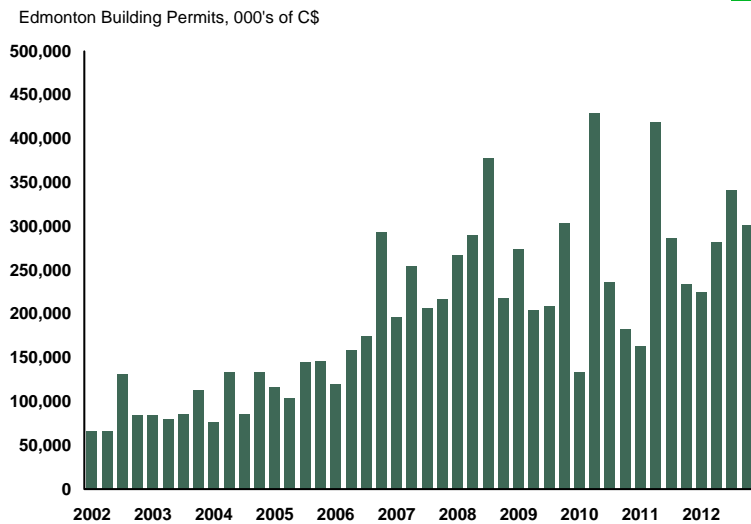
Source: Statistics Canada, Forecast by TD Economics.

ROOM FOR HOUSING MARKET TO GROW



Source: CREA, Forecast by TD Economics as of April 2013.

ACTIVE DEVELOPMENT CYCLE IN THE REGION



Source: CMHC, Statistics Canada



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