

Economic Outlook: fear over fundamentals

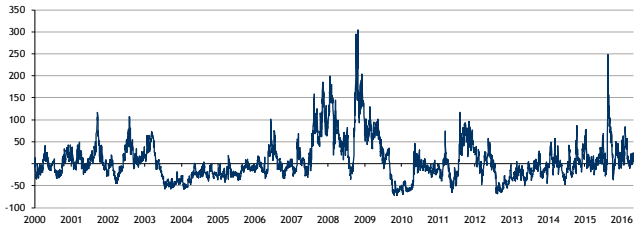
May 2016

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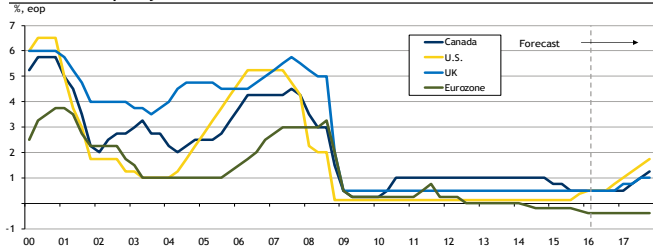
Volatility index

Year-over-year % change, Market volatility index, (VIX)



Source: Wall Street Journal, RBC Economics Research

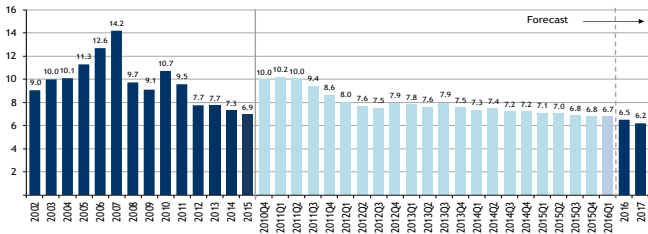
Central bank policy rates



Source: Bank of Canada, Federal Reserve Board, Bank of England, European Central Bank, RBC Economics Research

Real GDP: China

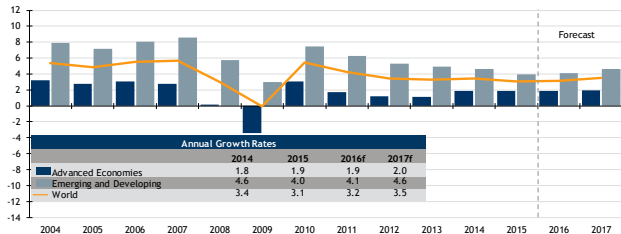
% change, year-over-year



Source: CNBS, Haver Analytics, IMF, RBC Economics Research Forecasts

Advanced versus emerging economies GDP growth

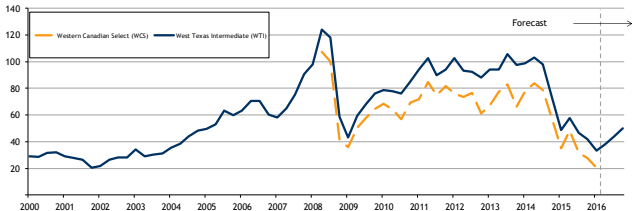
% change, year-over-year



Source: International Monetary Fund, RBC Economics Research Forecasts

Oil prices: WTI and WCS

\$US/bbl

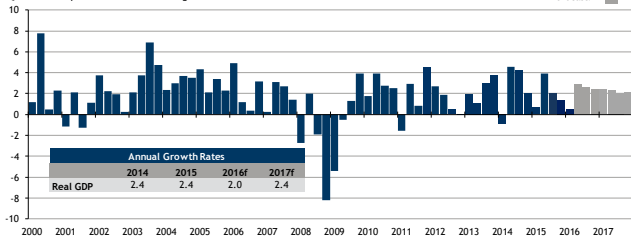


Source: Bloomberg, Wall Street Journal, RBC Economics Research

U.S. real GDP

Quarter-over-quarter annualized % change

Forecast: 



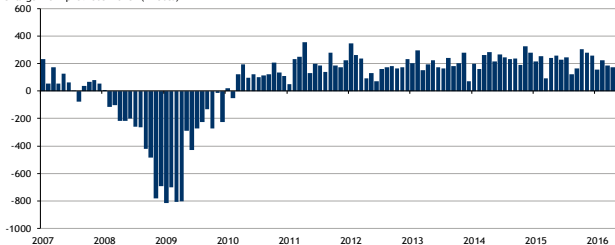
Annual Growth Rates

	2014	2015	2016f	2017f
Real GDP	2.4	2.4	2.0	2.4

Source: Bureau of Economic Analysis, RBC Economics Research

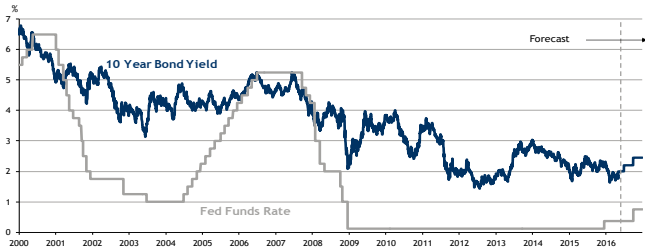
Private sector employment growth: U.S.

Change from previous month (Thous.)



Source: Bureau of Labor Statistics, RBC Economics Research

Interest rates: U.S.



Source: Federal Reserve, RBC Economics Research

Real Broad Trade-Weighted Exchange Value of the US\$

Index: 1990=100

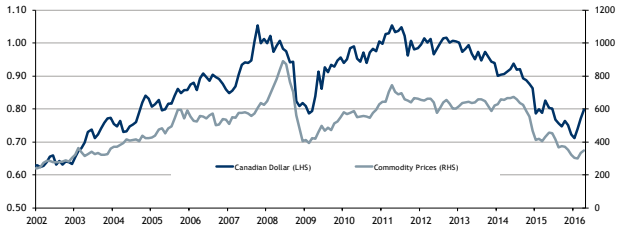


Source: Federal Reserve Board, RBC Economics Research

Canadian dollar and commodity prices

US\$/C\$

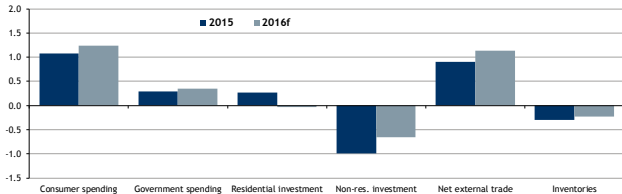
NSA, Jan-1972=100



Source: Bank of Canada, Federal Reserve Board, RBC Economics Research

Canadian real GDP growth composition forecast

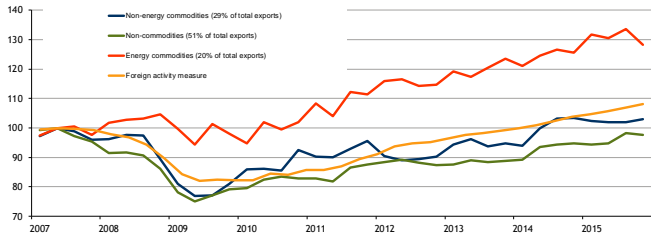
Percentage points



Source: Statistics Canada, RBC Economics Research

Canadian exports by sector

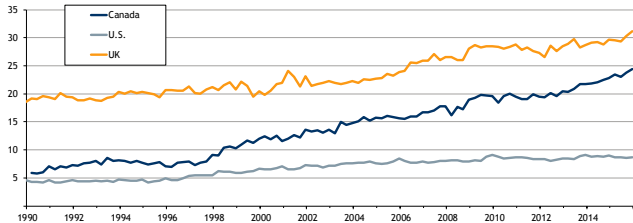
Index: 2007 Q2 = 100



Source: Statistics Canada, Bank of Canada, RBC Economics Research

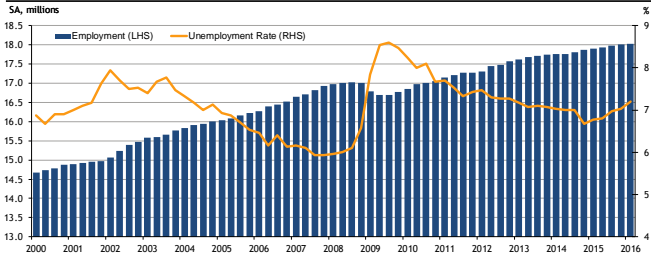
Non-financial corporate liquidity

Cash & deposits as a % of GDP



Source: Statistics Canada, ONS, FRB, RBC Economics Research

Labour market: Canada

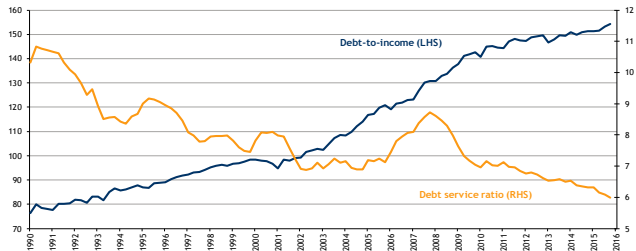


Source: Statistics Canada, RBC Economics Research

Household debt-to-income and debt service ratio: Canada (US Comparable)

Credit market debt as a % of PDI

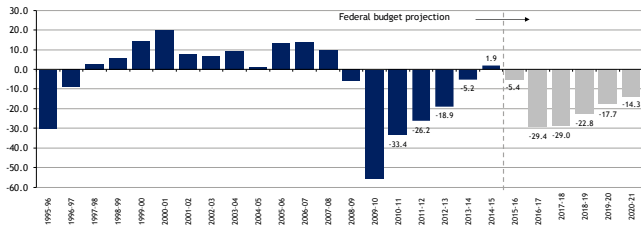
Interest payments as a % of PDI



Source: Statistics Canada, RBC Economics Research

Federal government budgetary balance

Billions of dollars

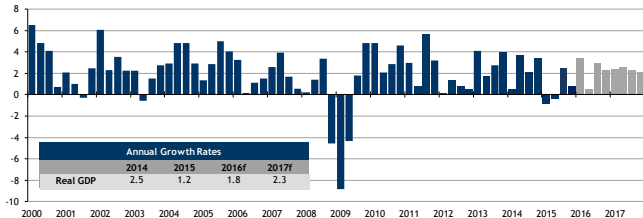


Source: Department of Finance, RBC Economics Research

Canada's real GDP growth

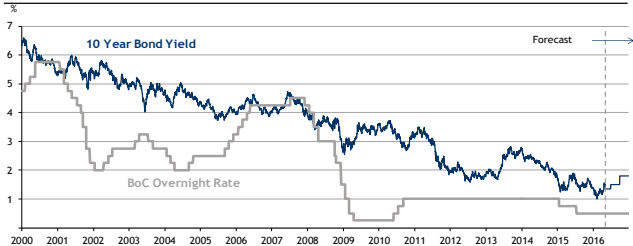
Quarter-over-quarter % change, annualized rate

Forecast: 



Source: Statistics Canada, RBC Economics Research

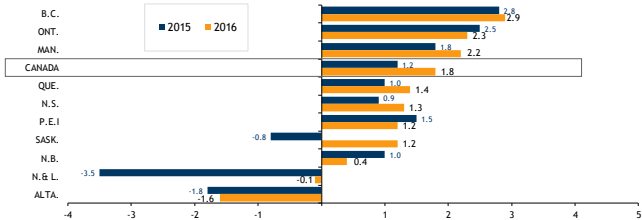
Interest rates: Canada



Source: Bank of Canada, RBC Economics Research Forecasts

Provincial real GDP growth

Annual % change, ranked by 2016 growth



Sources: Statistics Canada, RBC Economics Research

www.rbc.com/economics

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