2015 Outlook: 

The Economics of Change

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Edmonton Real Estate Forum
Edmonton – May 14, 2015
The U.S. Gears Up

Real GDP Growth

Source: Statistics Canada, BEA, Bloomberg, Scotiabank Economics.

Forecasts at April 30, 2015
U.S. Labour Market Moves From Laggard To Leader

Unemployment Rate

Source: Statistics Canada, BLS, Scotiabank Economics.

Forecasts at April 30, 2015
Motor Vehicle Sales

index, 2007 = 100

Canada

Alberta

U.S.

Source: Statistics Canada, BEA, Scotiabank Economics.

Forecasts at April 30, 2015
Housing Activity Will Help Underpin U.S. Outperformance

Source: CMHC, U.S. Commerce Department, Scotiabank Economics.

Forecasts at April 30, 2015
Improved Fiscal Balances – Big News In U.S.

Fiscal Balance

% of GDP

Alberta

Ottawa

U.S. ex. Social Security

Ongoing Challenges In Euro zone & Japan

Employment

index, 2007Q1 = 100

Source: Bloomberg, Scotiabank Economics.
Emerging Nations Have Become Major Drivers of Global Growth . . .

Emerging and Developing Markets (share of total world GDP)

Advanced Economies (share of total world GDP)

Source: IMF WEO April 2015, Scotiabank Economics.

Forecasts at April 30, 2015
But China Is Gearing Down & EM Performance Is Uneven

Real GDP Growth

annual % change

2007 08 09 10 11 12 13 14 15f 16f

China

India

Brazil

Source: Bloomberg, Scotiabank Economics.

Forecasts at April 30, 2015
Oil & Other Commodities Weaken As Supply/Demand Balance Shifts

Commodity Prices

index, 2007Q1 = 100

2007 08 09 10 11 12 13 14 15f 16f

WTI Oil
Copper
Natural Gas

Source: Bloomberg, Scotiabank Economics.

Forecasts at April 30, 2015
U.S. Dollar Underpinned By Domestic Strength & International Risks

Currencies vs. U.S. Dollar

Source: Bloomberg, Scotiabank Economics.

Forecasts at April 30, 2015
The Loonie & Other Commodity Currencies Have Weakened. . .

A Sharp Slide from Parity

Source: Bloomberg, Scotiabank Economics.

Forecasts at April 30, 2015
With More Volatility Likely For The Loonie In The Year Ahead

Source: Bloomberg, Scotiabank Economics.
Inflation Interrupted … Again

![Graph showing Consumer Prices for U.S., Canada, and Euro zone from 2007 to 2016. The graph includes y/y % change on the vertical axis and years from 2007 to 2016 on the horizontal axis. The source is Statistics Canada, BLS, Bloomberg, Scotiabank Economics. Forecasts at April 30, 2015.](Image)

Source: Statistics Canada, BLS, Bloomberg, Scotiabank Economics.
Monetary Policy Is On Hold For Now

Central Bank Rates

Energy Is Canada’s Export Leader. . .

Source: Statistics Canada, Scotiabank Economics.
With Canada Gaining Share In A Shrinking U.S. Market

Source: EIA, Scotiabank Economics.

U.S. Crude Oil Imports, millions of barrels per day

- Other
- OPEC
- Mexico
- Canada
Resource Sector Has Driven Canadian Job & Income Gains.

Private-Sector Paid Employment

*Index, Jan 2007=100, SA, 3 month moving average*

Source: Statistics Canada, Scotiabank Economics.
So Alberta’s Changing Economic Fortune Is A National Issue

Source: Statistics Canada, Scotiabank Economics.
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