

# **2015 Outlook:**

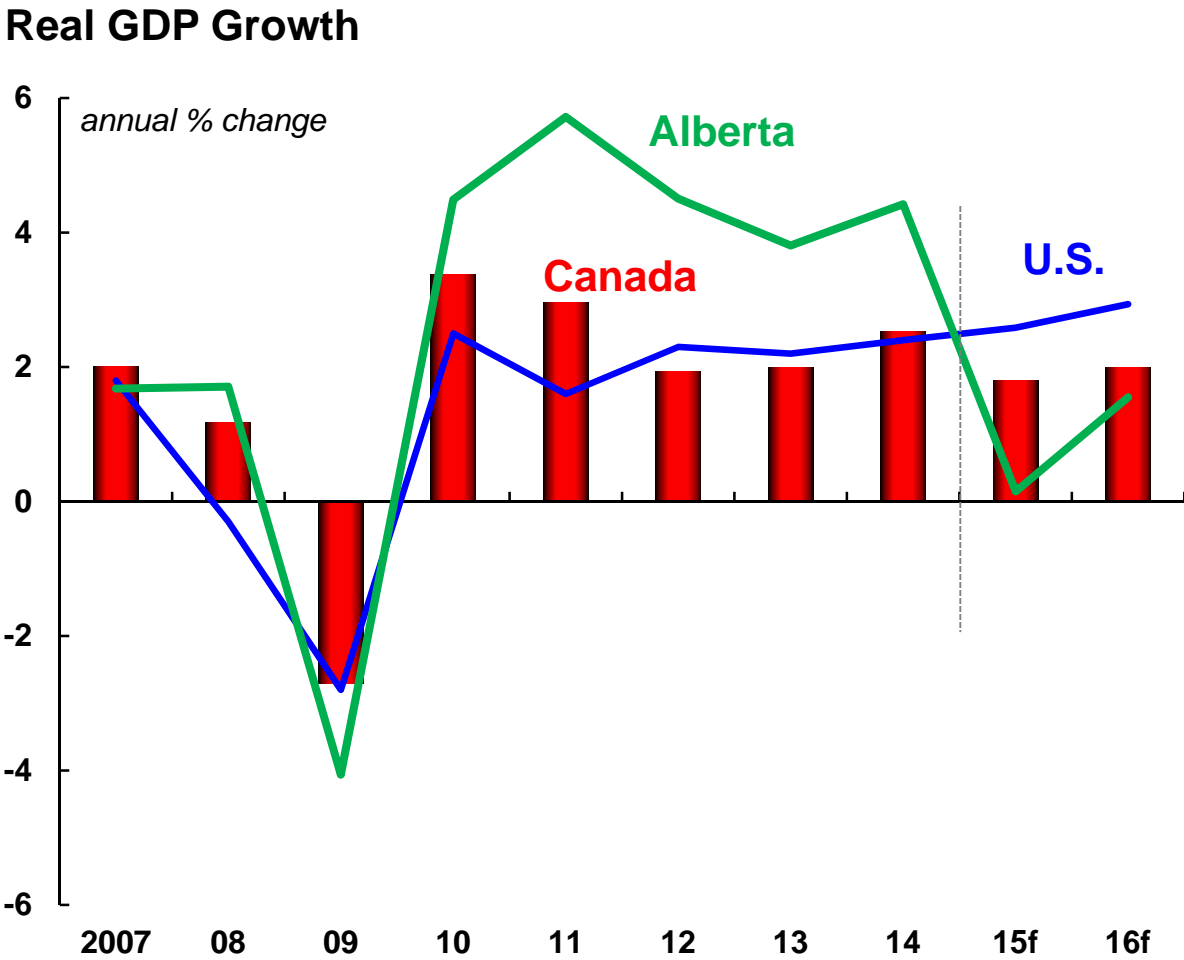
## ***The Economics of Change***

**Warren Jestin**

**SVP & Chief Economist - Scotiabank**

**Edmonton Real Estate Forum**  
*Edmonton – May 14, 2015*

# The U.S. Gears Up

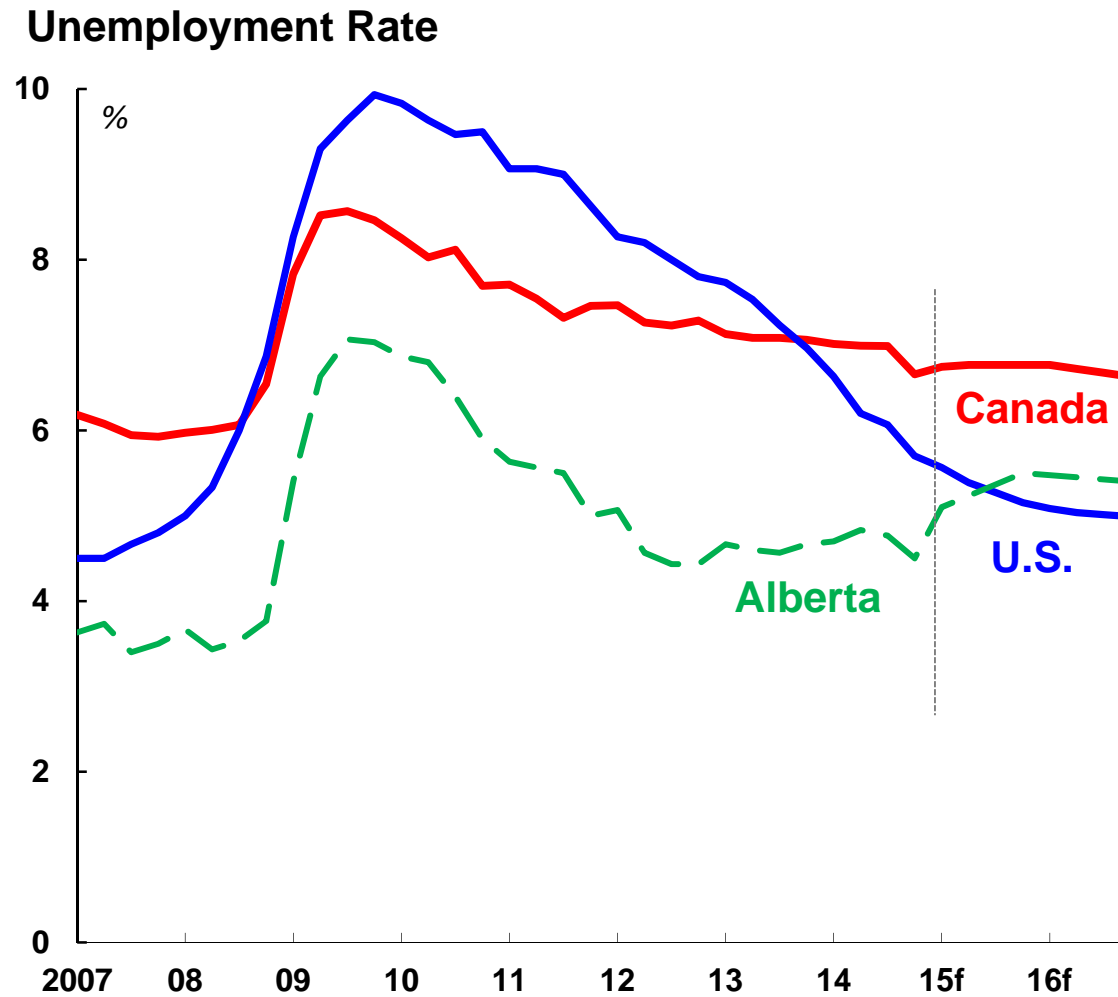


Source: Statistics Canada, BEA, Bloomberg, Scotiabank Economics.

Forecasts at April 30, 2015



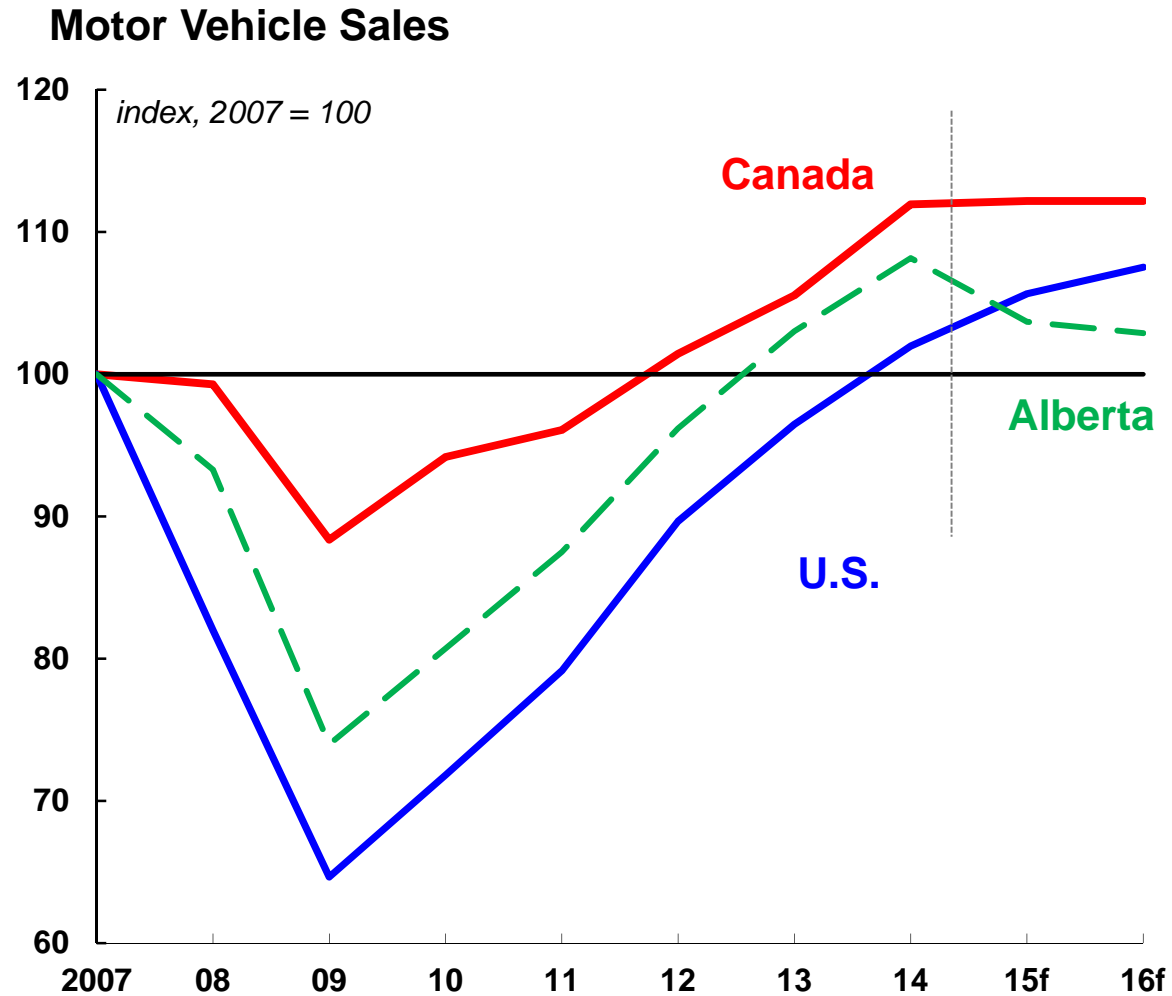
# U.S. Labour Market Moves From Laggard To Leader



Source: Statistics Canada, BLS, Scotiabank Economics.

Forecasts at April 30, 2015

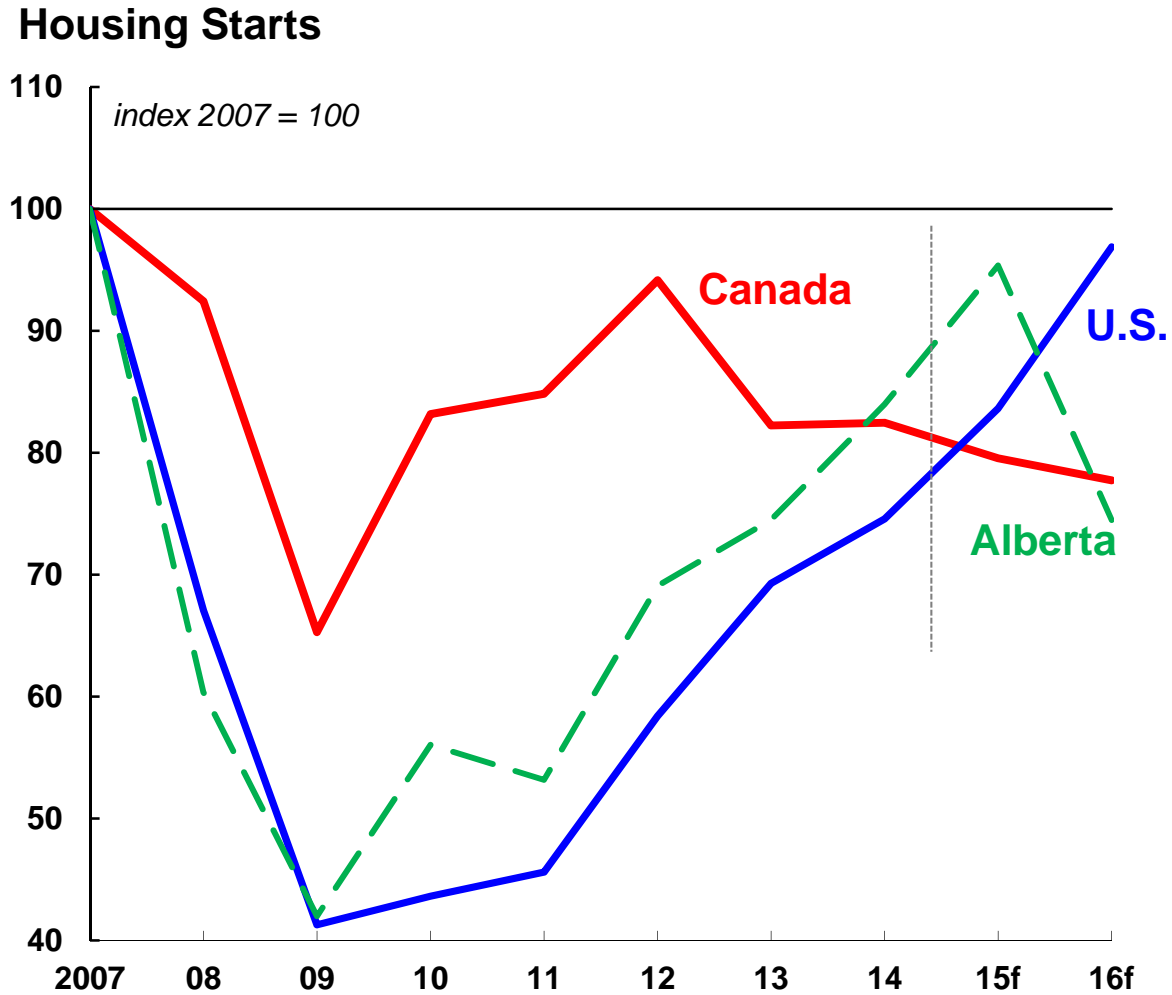
# Pent-Up Demand Puts U.S. Shoppers In A Buying Mood



Source: Statistics Canada, BEA, Scotiabank Economics.

Forecasts at April 30, 2015

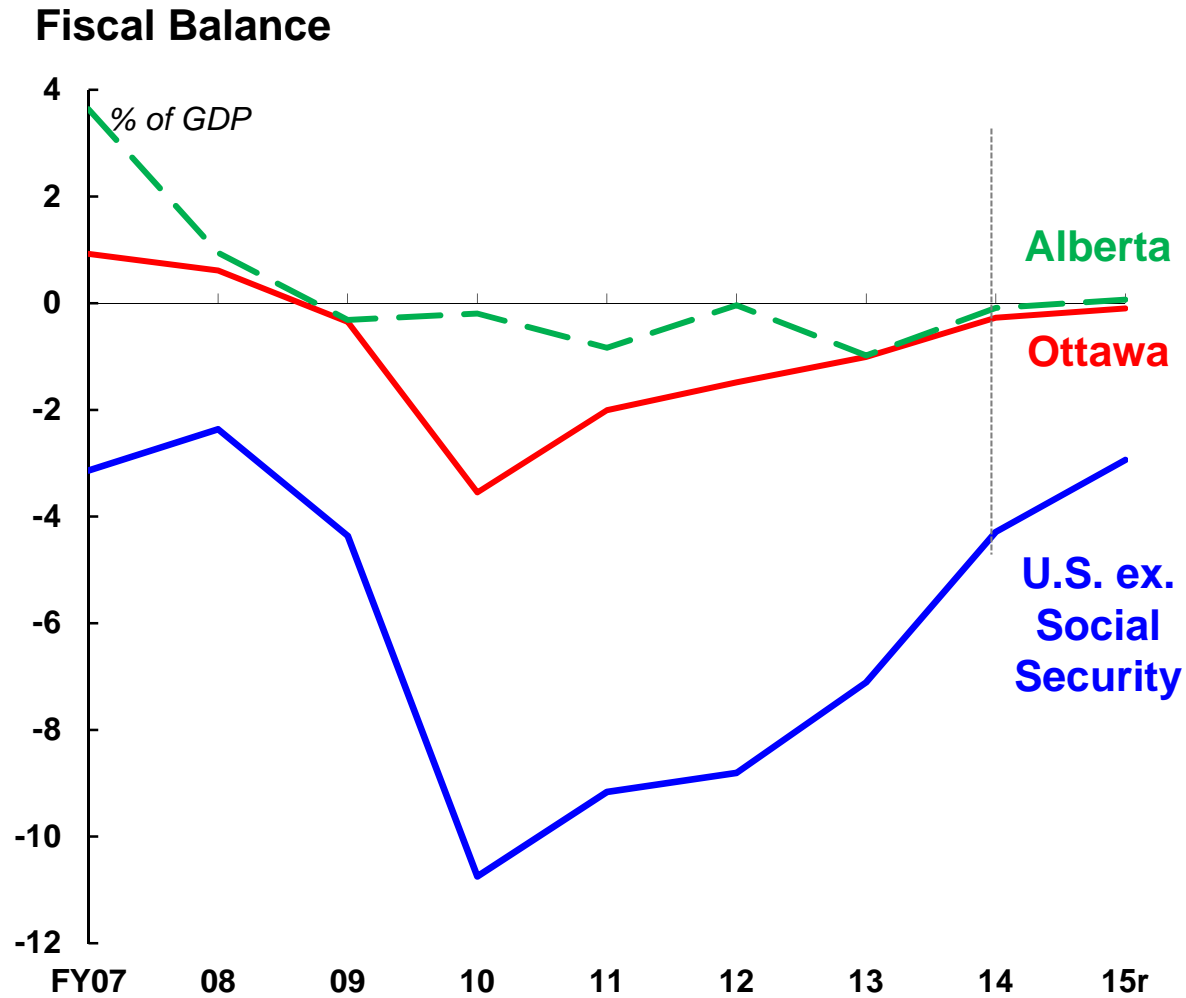
# Housing Activity Will Help Underpin U.S. Outperformance



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

Forecasts at April 30, 2015

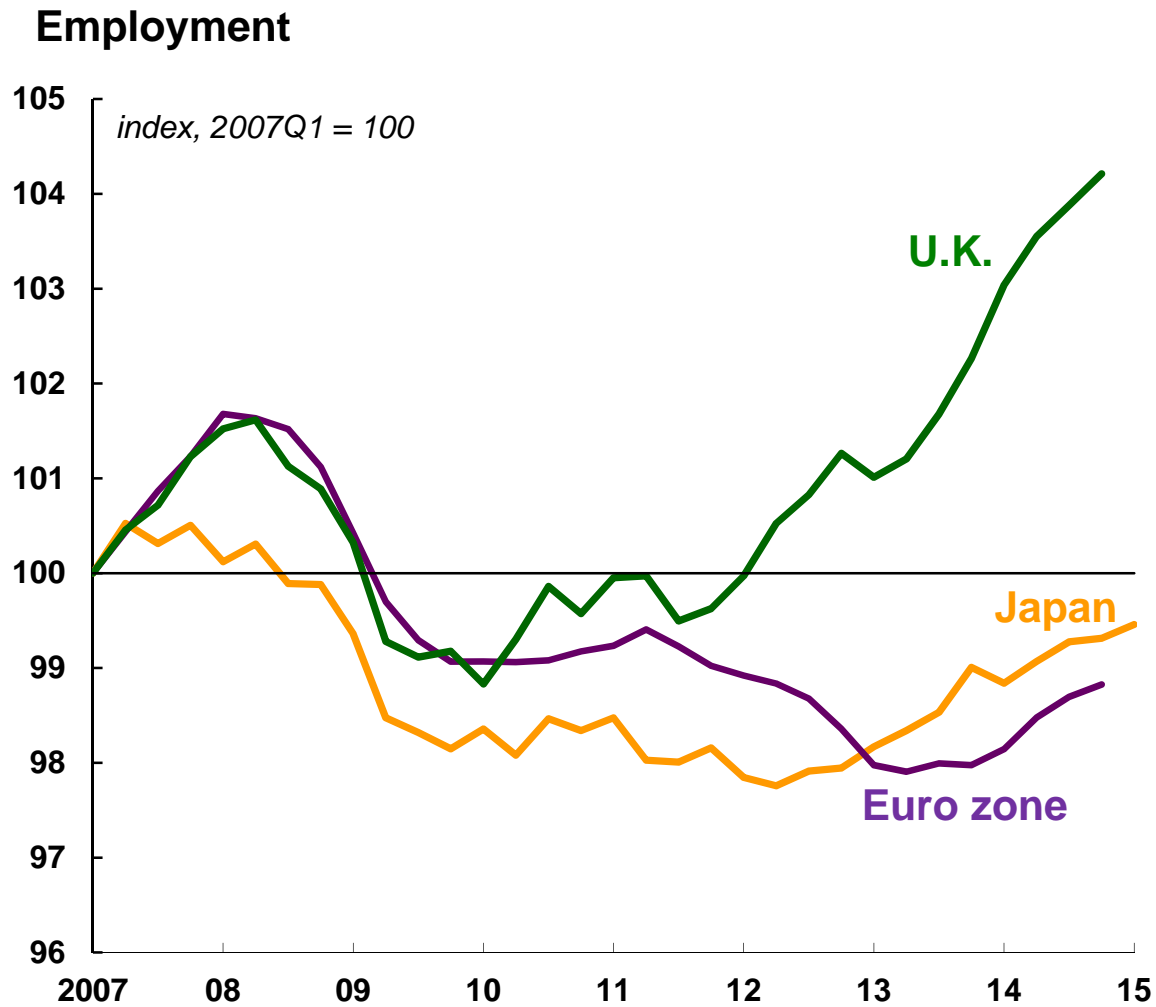
# Improved Fiscal Balances – Big News In U.S.



Source: Finance Canada, U.S. Treasury, Ontario Finance, Federal Forecasts: Scotiabank Economics.

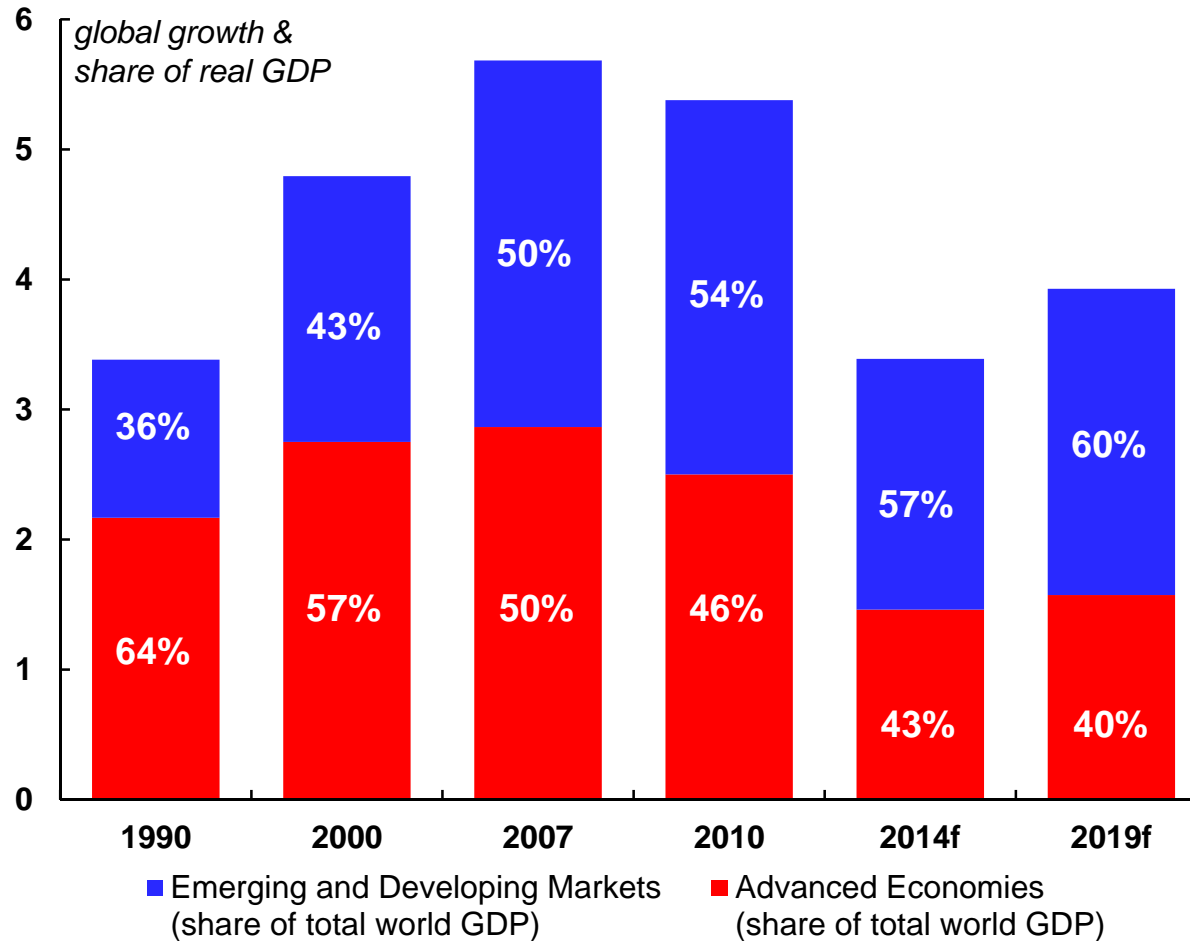
Forecasts at April 30, 2015

# Ongoing Challenges In Euro zone & Japan



Source: Bloomberg, Scotiabank Economics.

# Emerging Nations Have Become Major Drivers of Global Growth . . .

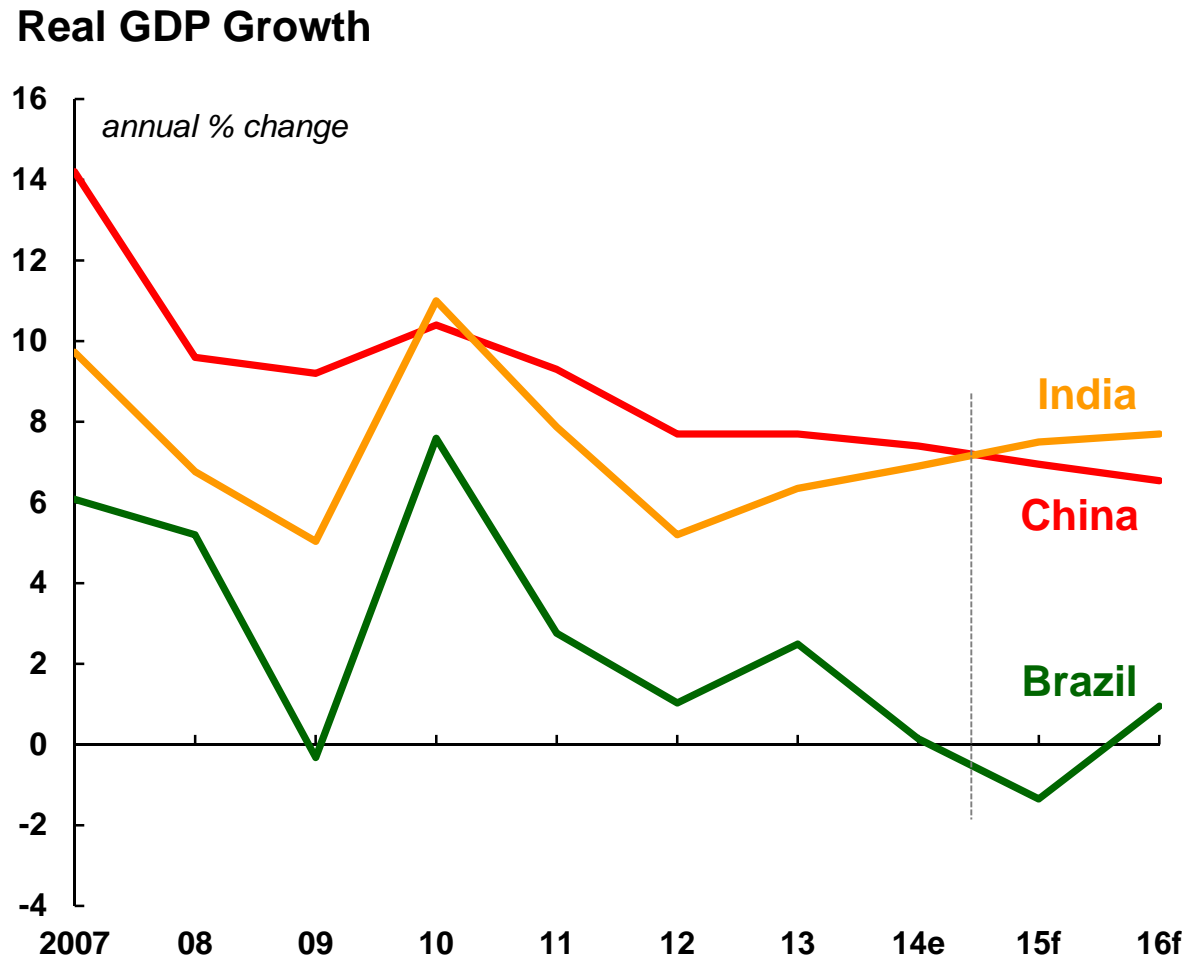


Source: IMF WEO April 2015, Scotiabank Economics.

Forecasts at April 30, 2015



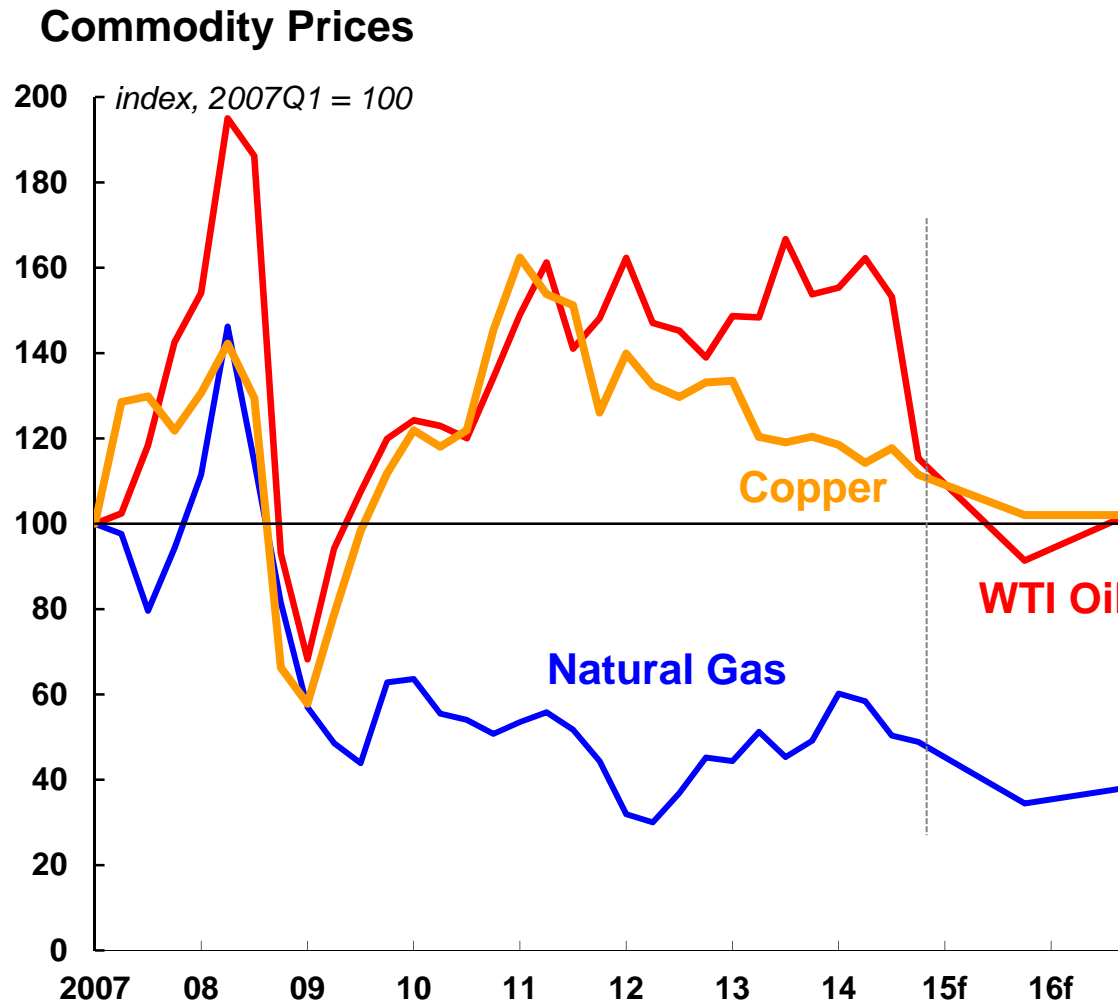
## ... But China Is Gearing Down & EM Performance Is Uneven



Source: Bloomberg, Scotiabank Economics.

Forecasts at April 30, 2015

# Oil & Other Commodities Weaken As Supply/Demand Balance Shifts

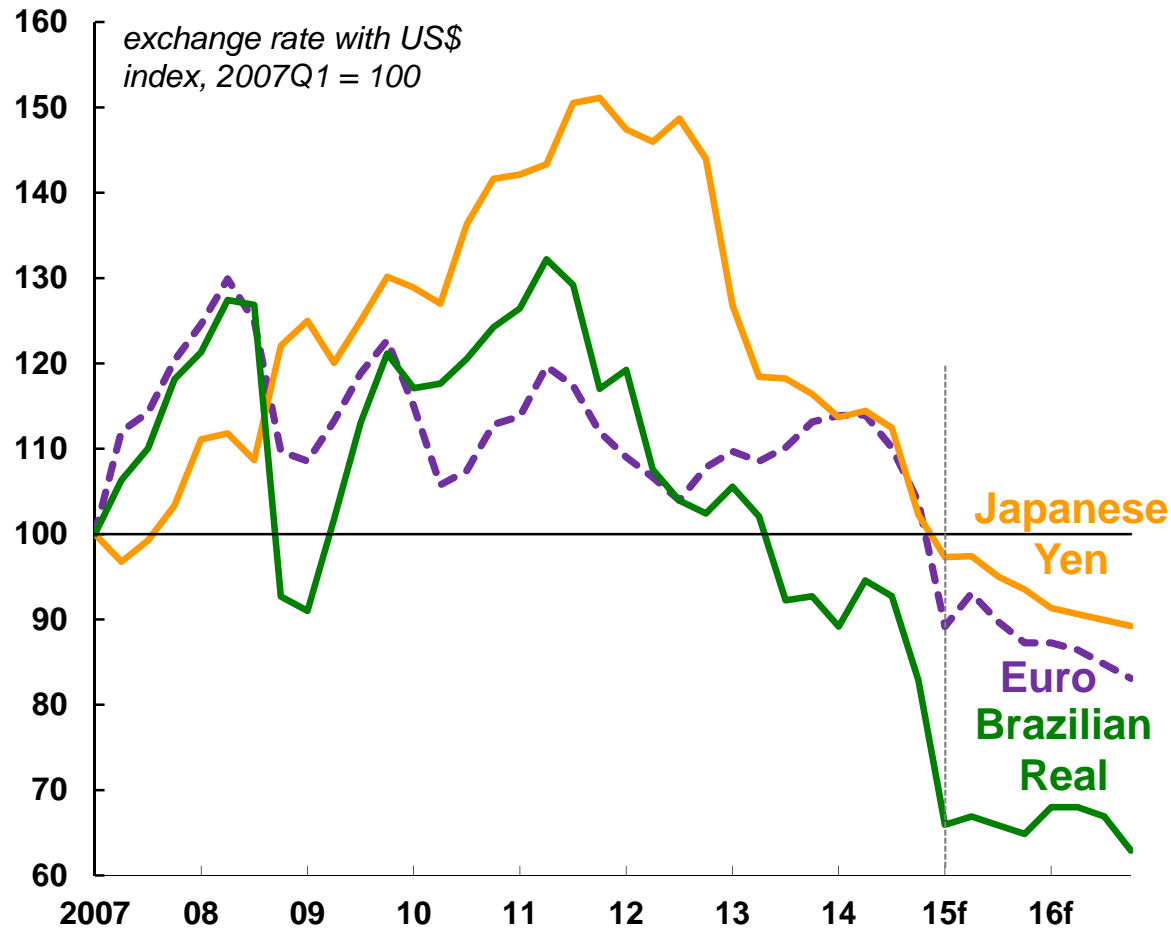


Source: Bloomberg, Scotiabank Economics.

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# U.S. Dollar Underpinned By Domestic Strength & International Risks

## Currencies vs. U.S. Dollar

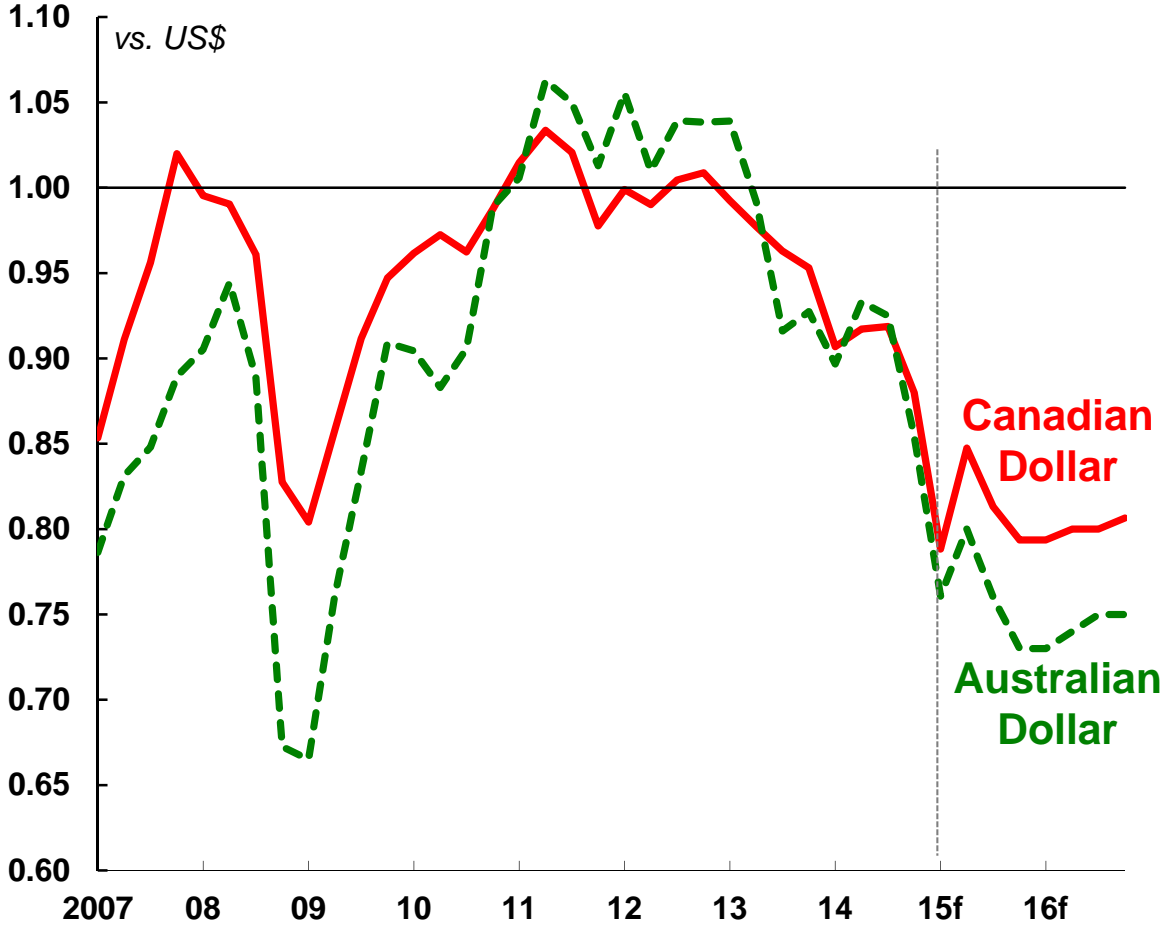


Source: Bloomberg, Scotiabank Economics.

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# The Loonie & Other Commodity Currencies Have Weakened. . .

### A Sharp Slide from Parity

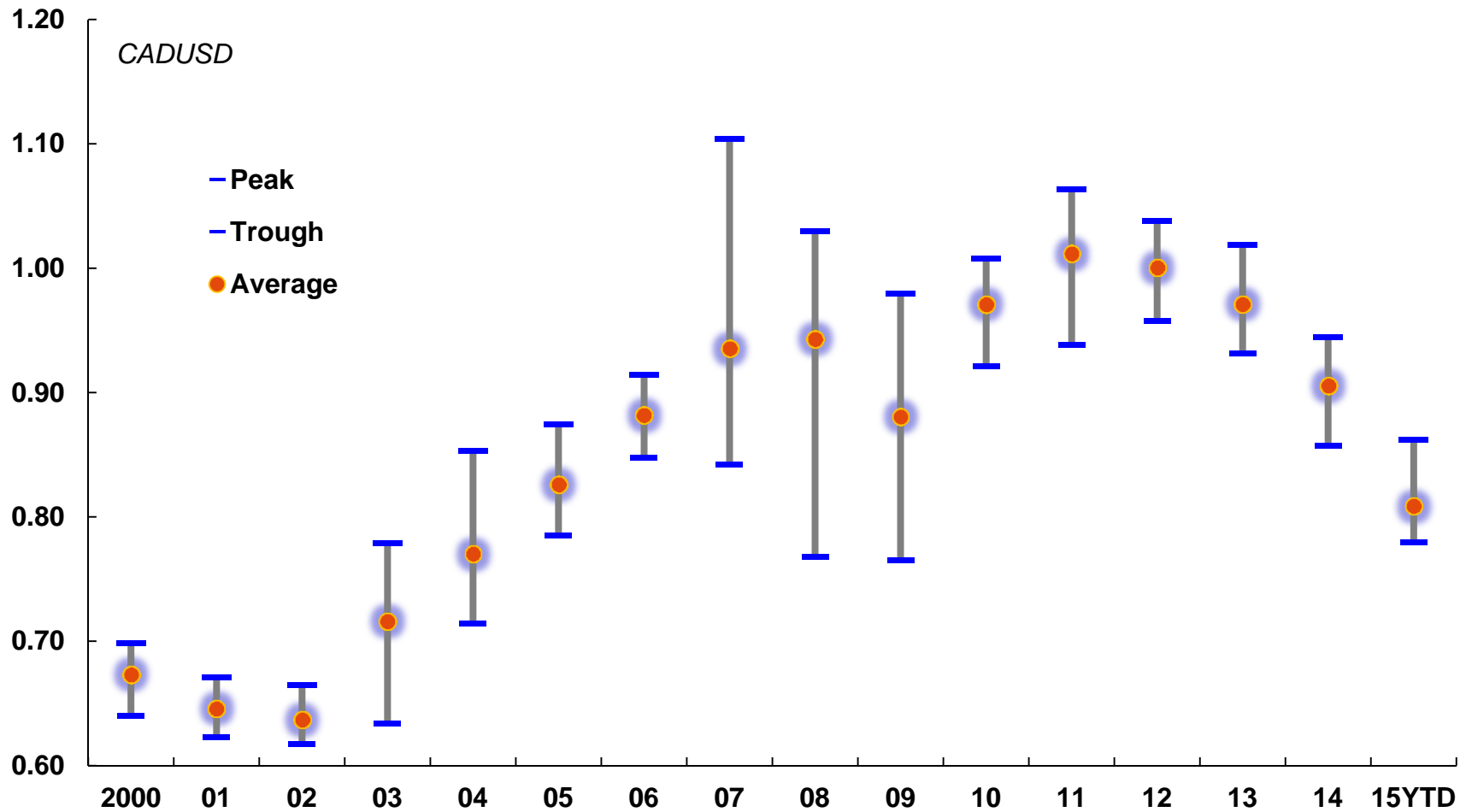


Source: Bloomberg, Scotiabank Economics.

Forecasts at April 30, 2015

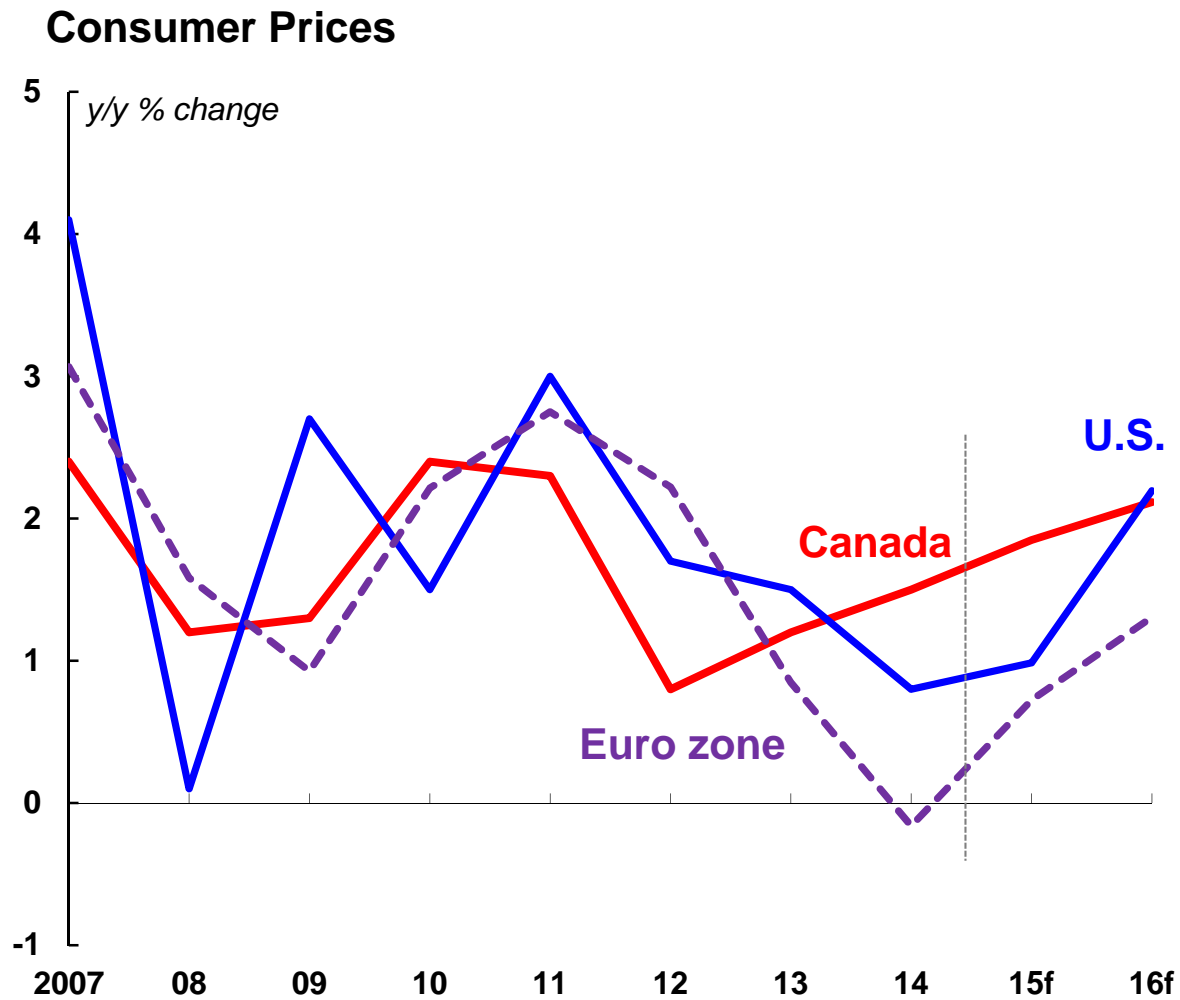


## . . . With More Volatility Likely For The Loonie In The Year Ahead



Source: Bloomberg, Scotiabank Economics.

# Inflation Interrupted ... Again

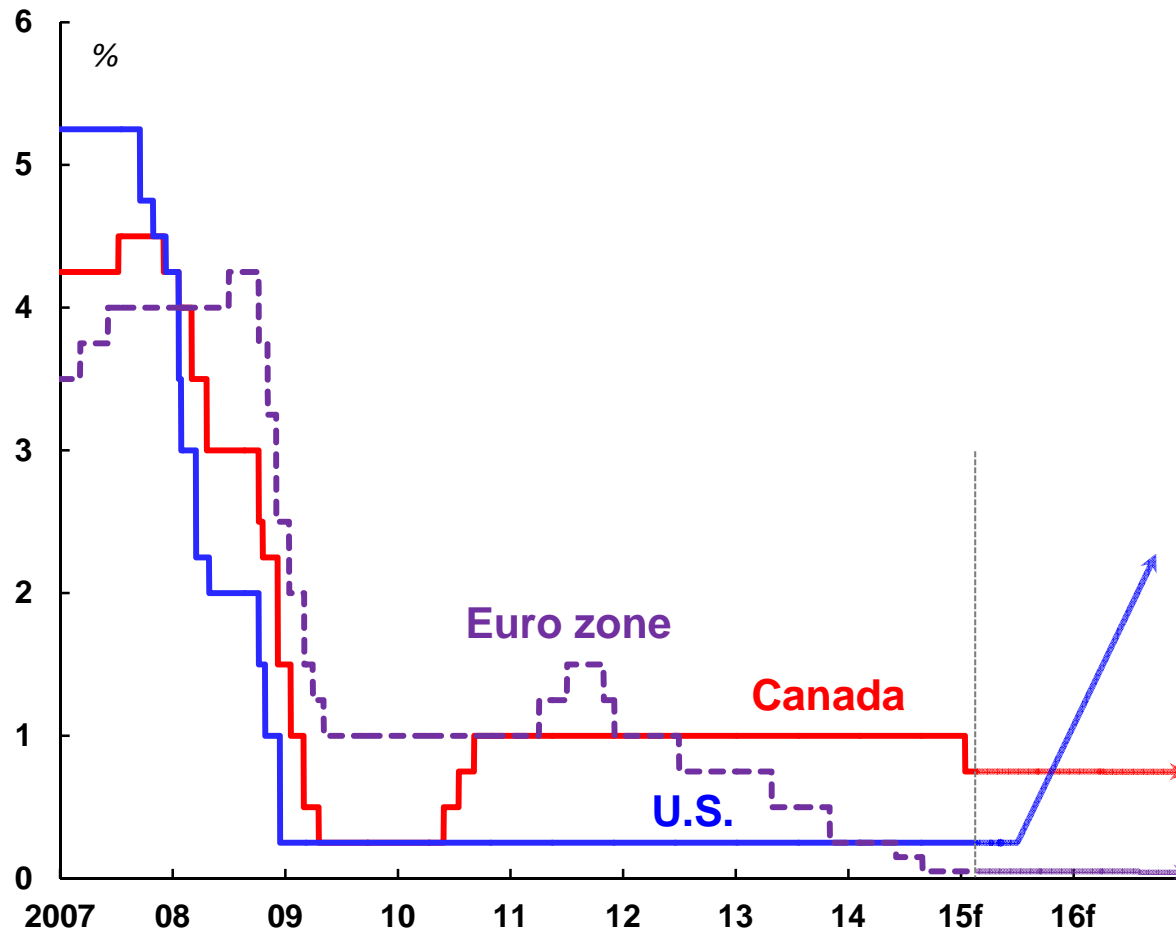


Source: Statistics Canada, BLS, Bloomberg, Scotiabank Economics.

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# Monetary Policy Is On Hold For Now

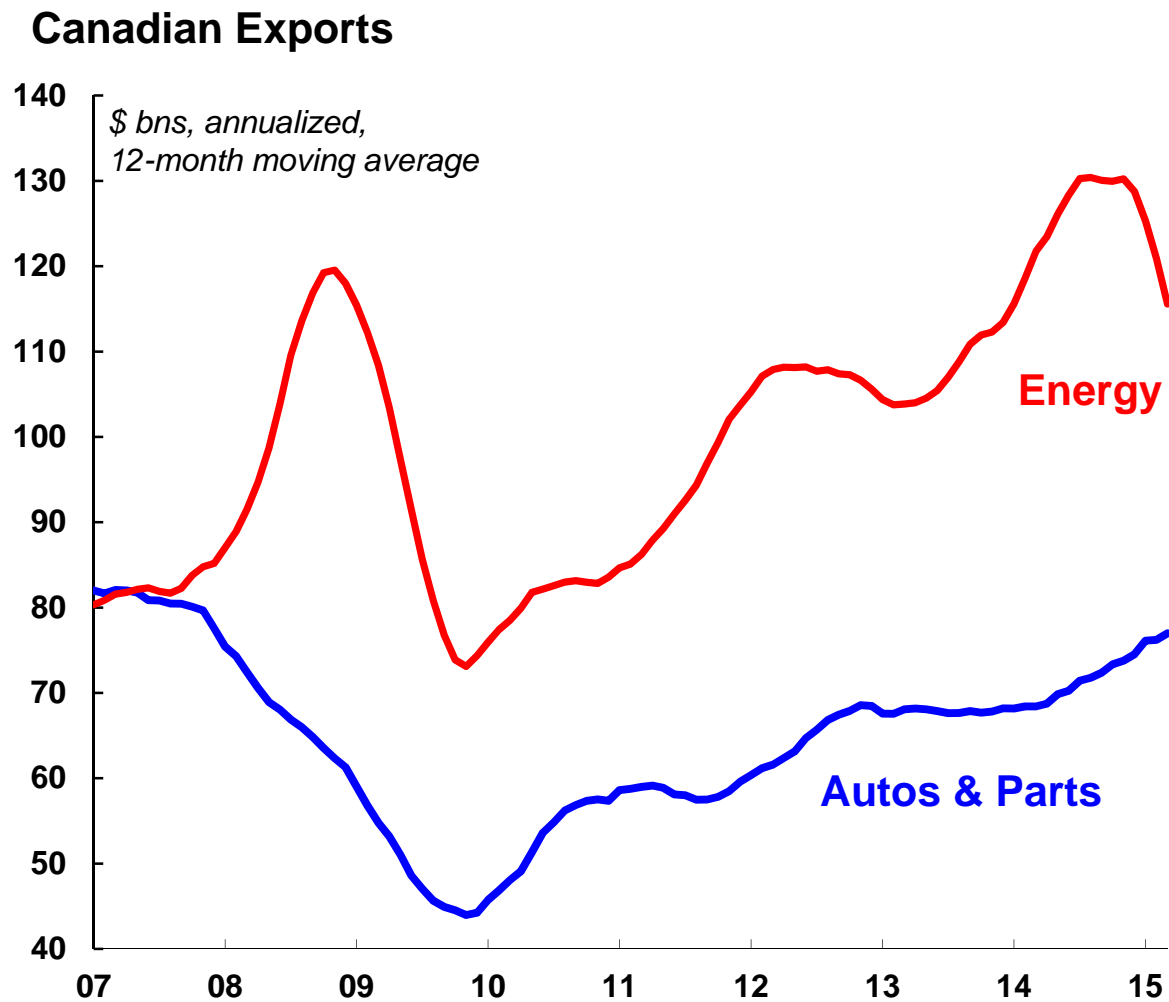
## Central Bank Rates



Source: Bank of Canada, U.S. Federal Reserve, Scotiabank Economics.

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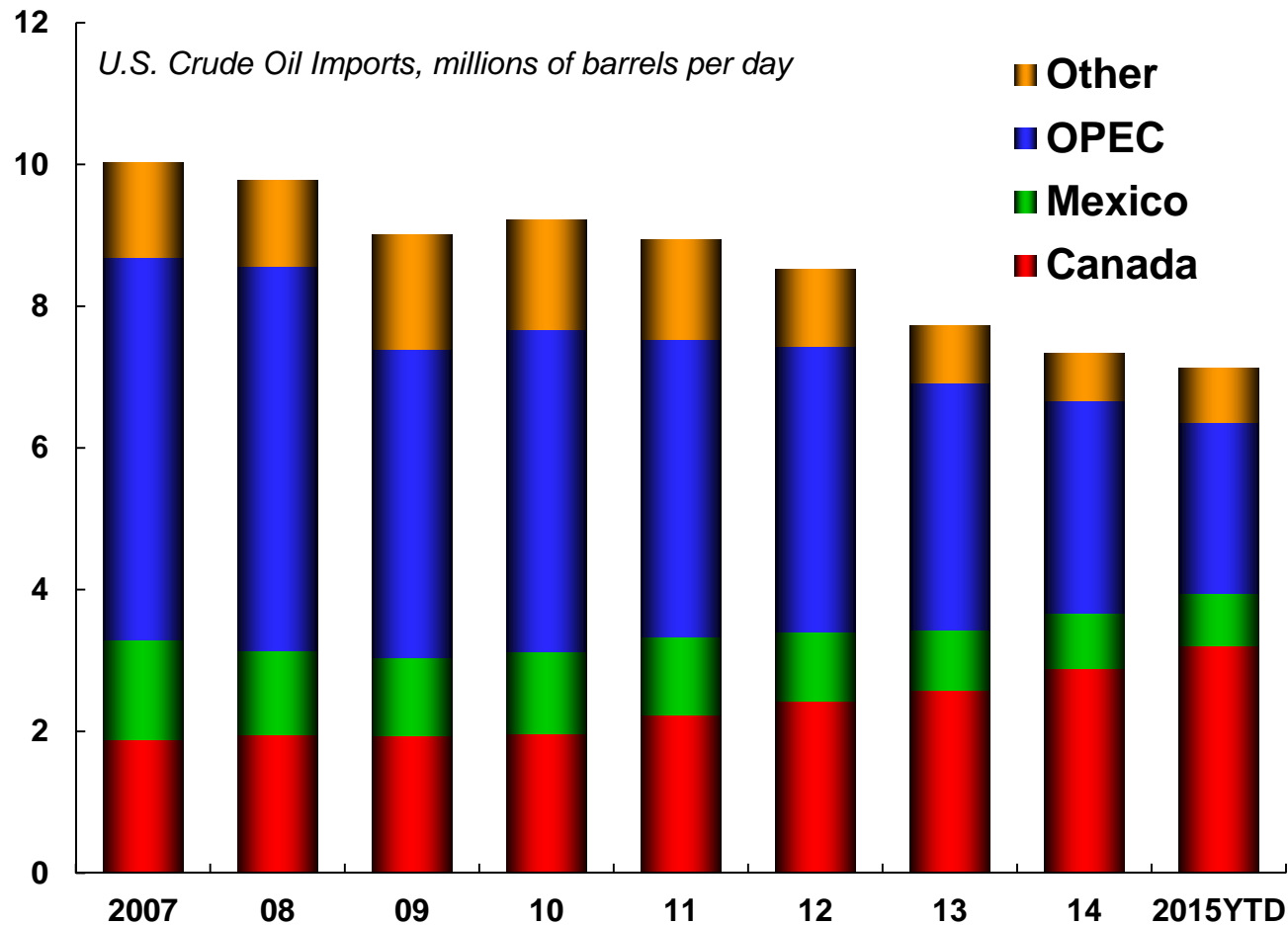
# Energy Is Canada's Export Leader. . .



Source: Statistics Canada, Scotiabank Economics.



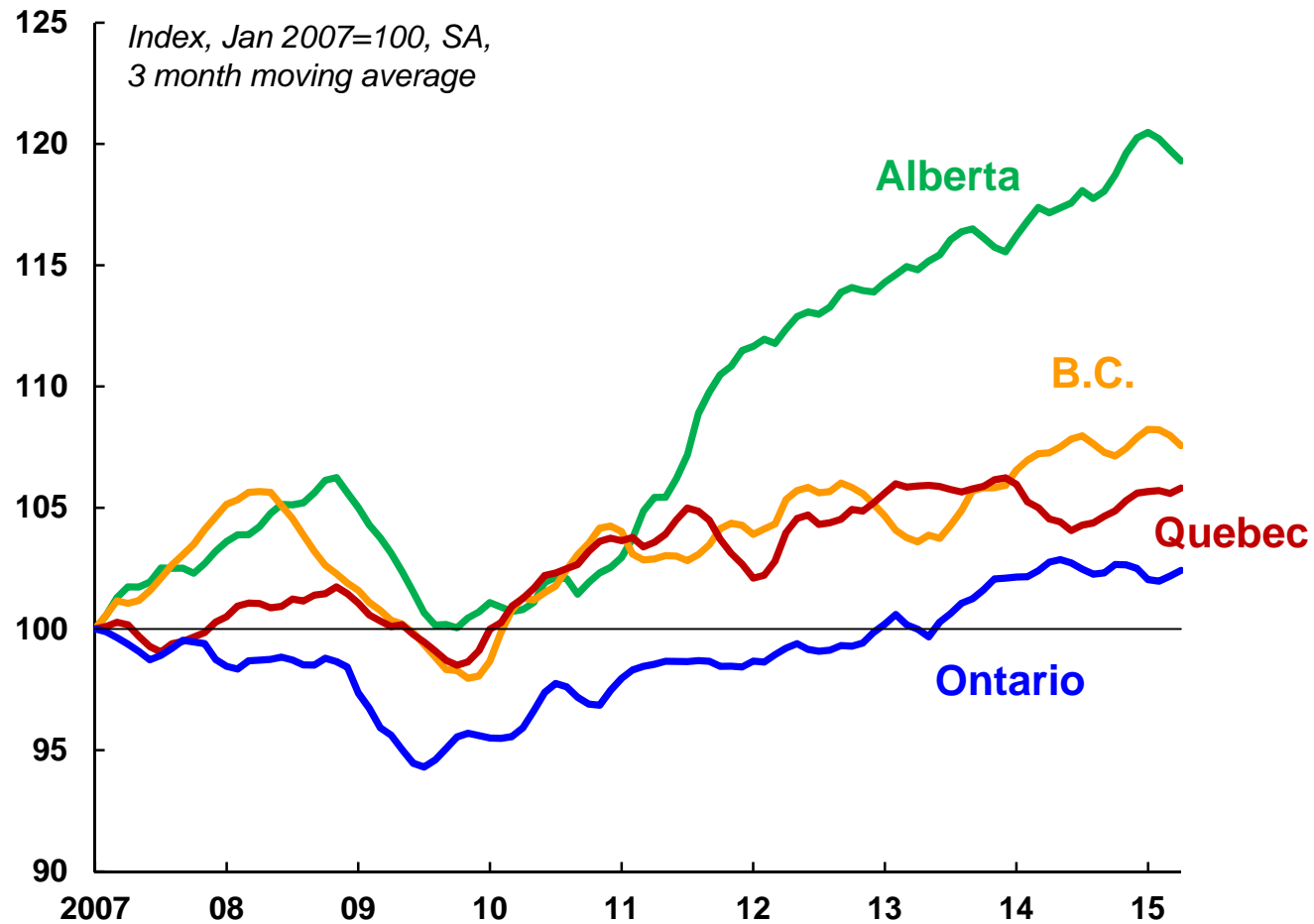
## . . .With Canada Gaining Share In A Shrinking U.S. Market



Source: EIA, Scotiabank Economics.

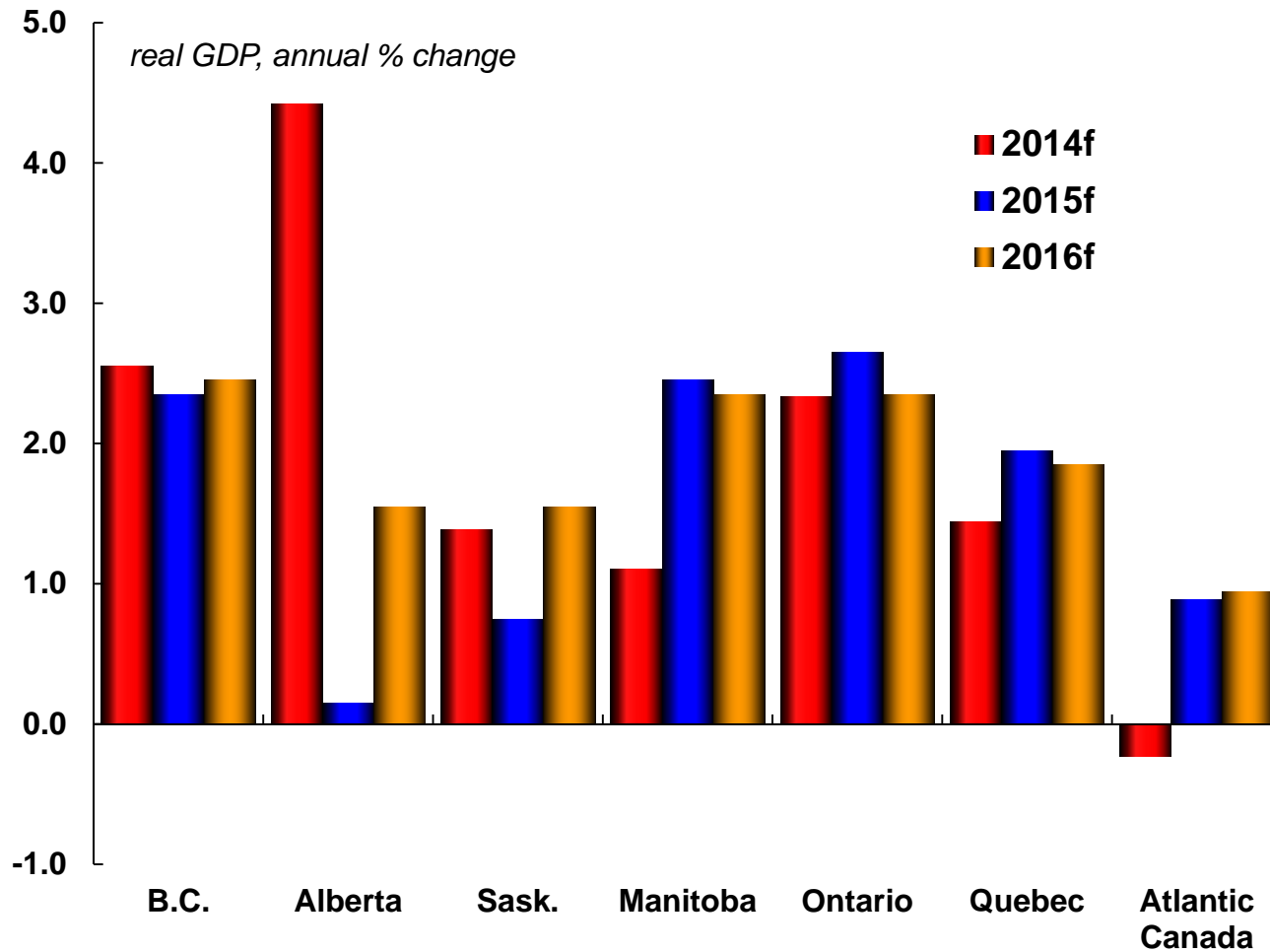
# Resource Sector Has Driven Canadian Job & Income Gains. . .

## Private-Sector Paid Employment



Source: Statistics Canada, Scotiabank Economics.

## . . . So Alberta's Changing Economic Fortune Is A National Issue



Source: Statistics Canada, Scotiabank Economics.

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