

Alberta In A Global Context

October 2018

Derek Holt

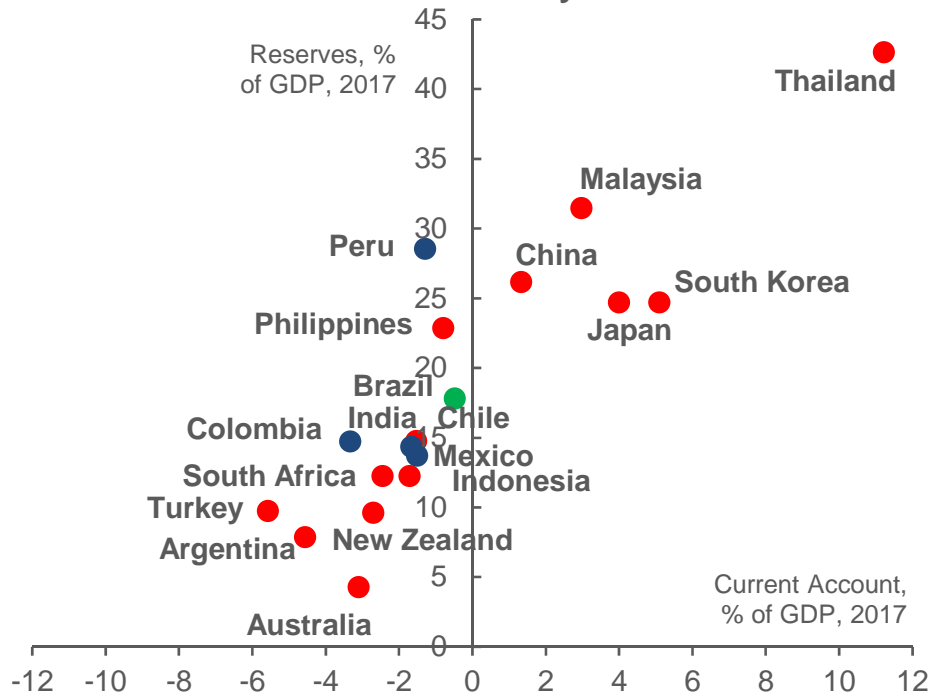
Vice President & Head Of Capital Markets Economics

Scotiabank Economics



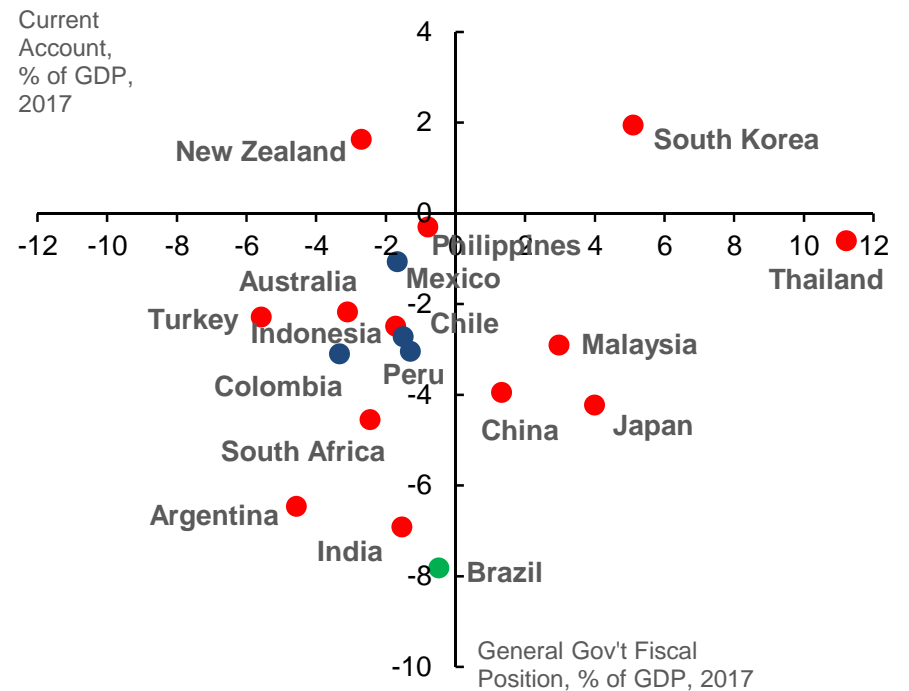
Idiosyncratic Risks Across EMs – Not A Systemic Crisis

Current Account Deficit Countries Are Also Weak Currency Performers



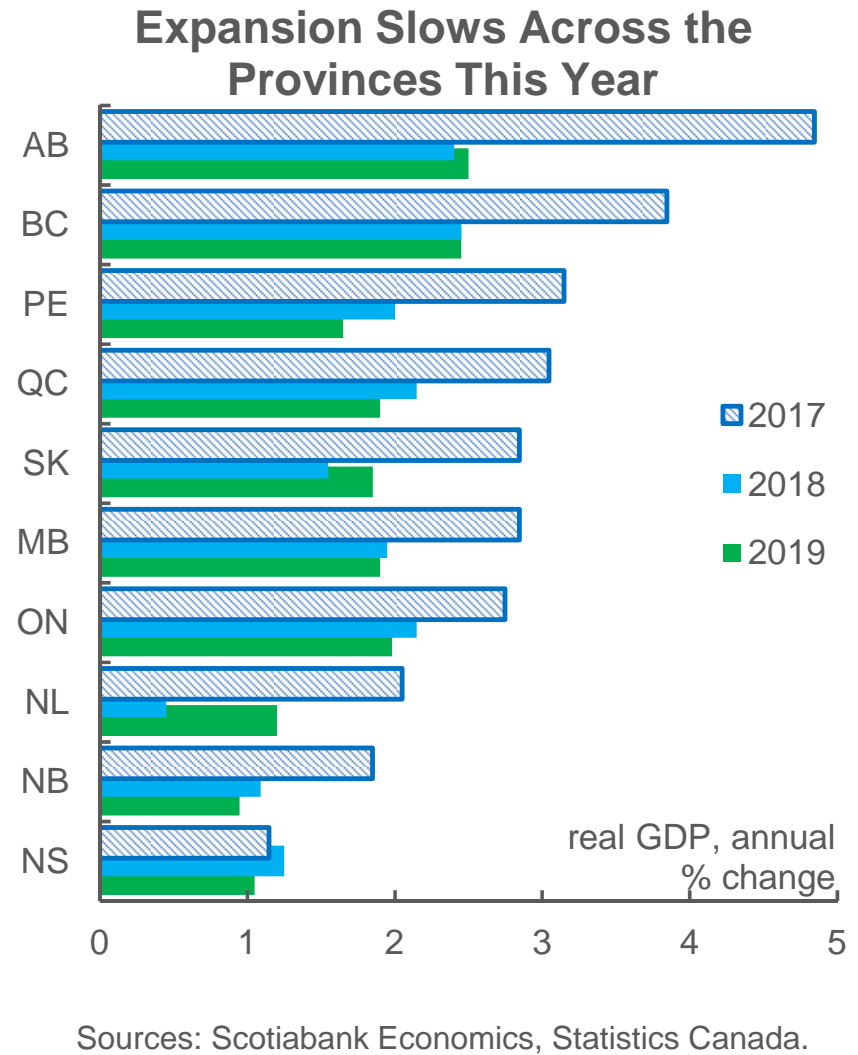
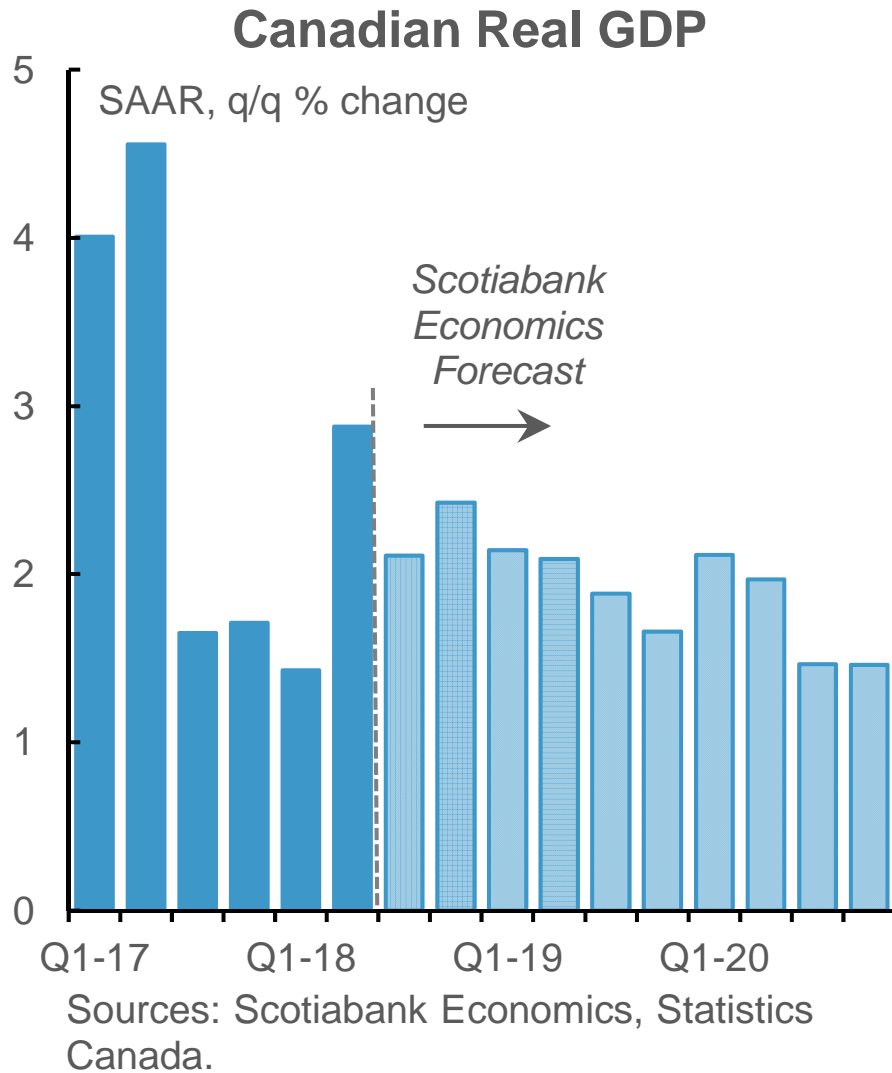
Sources: Scotiabank Economics, IMF, Bloomberg.

Current Account & Government Fiscal Position



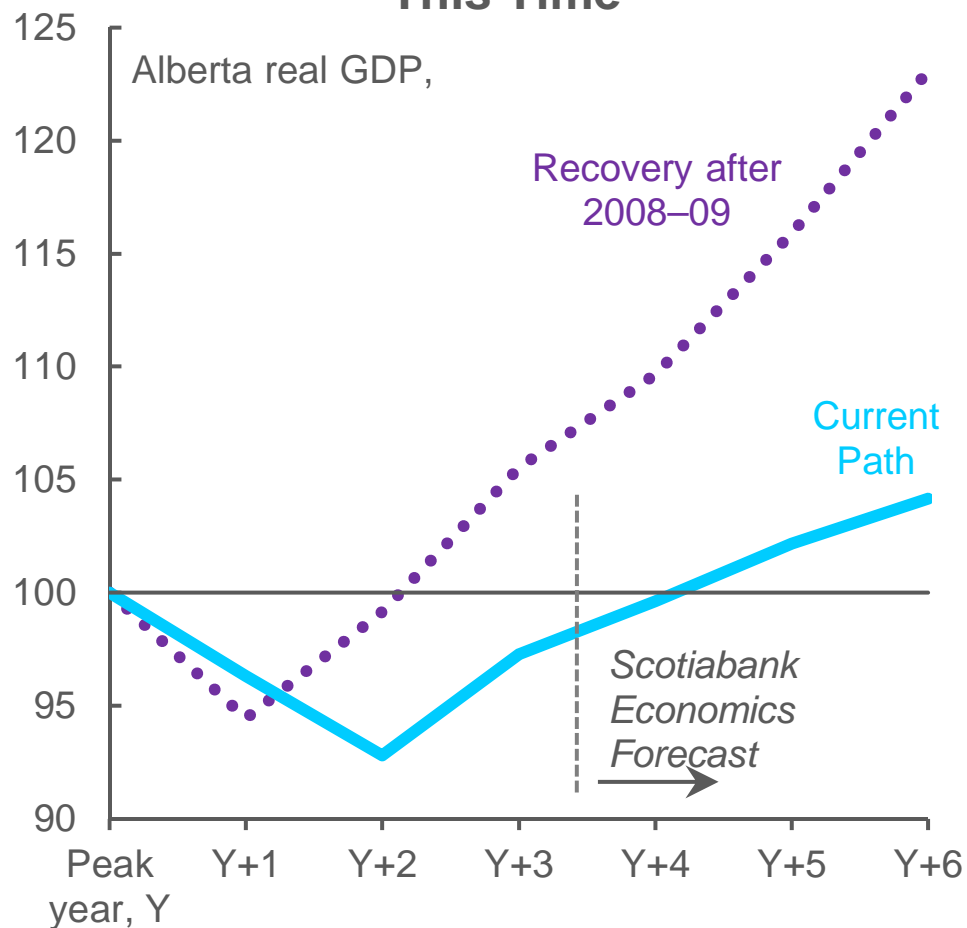
Sources: Scotiabank Economics, IMF.

Alberta To Be A Leader Of A Slower Pack...



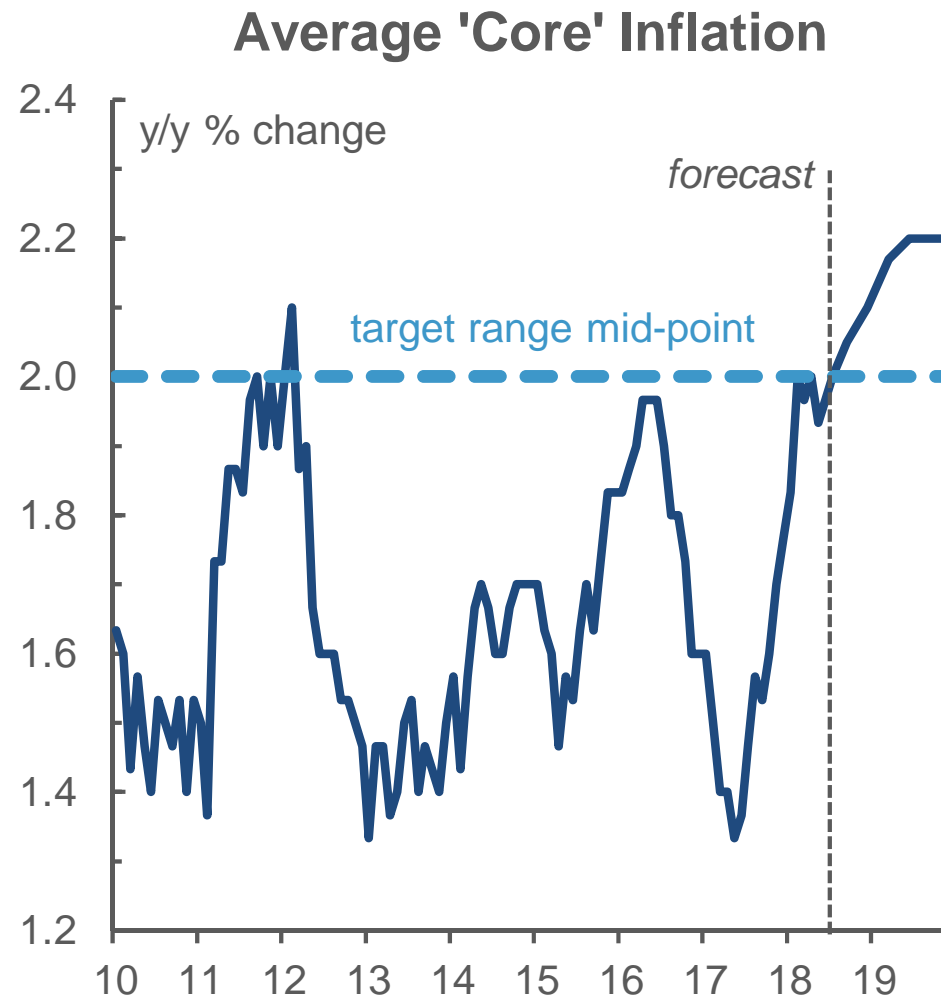
...As Alberta's Expansion Is More Moderate This Time

...But a More Gradual Recovery This Time



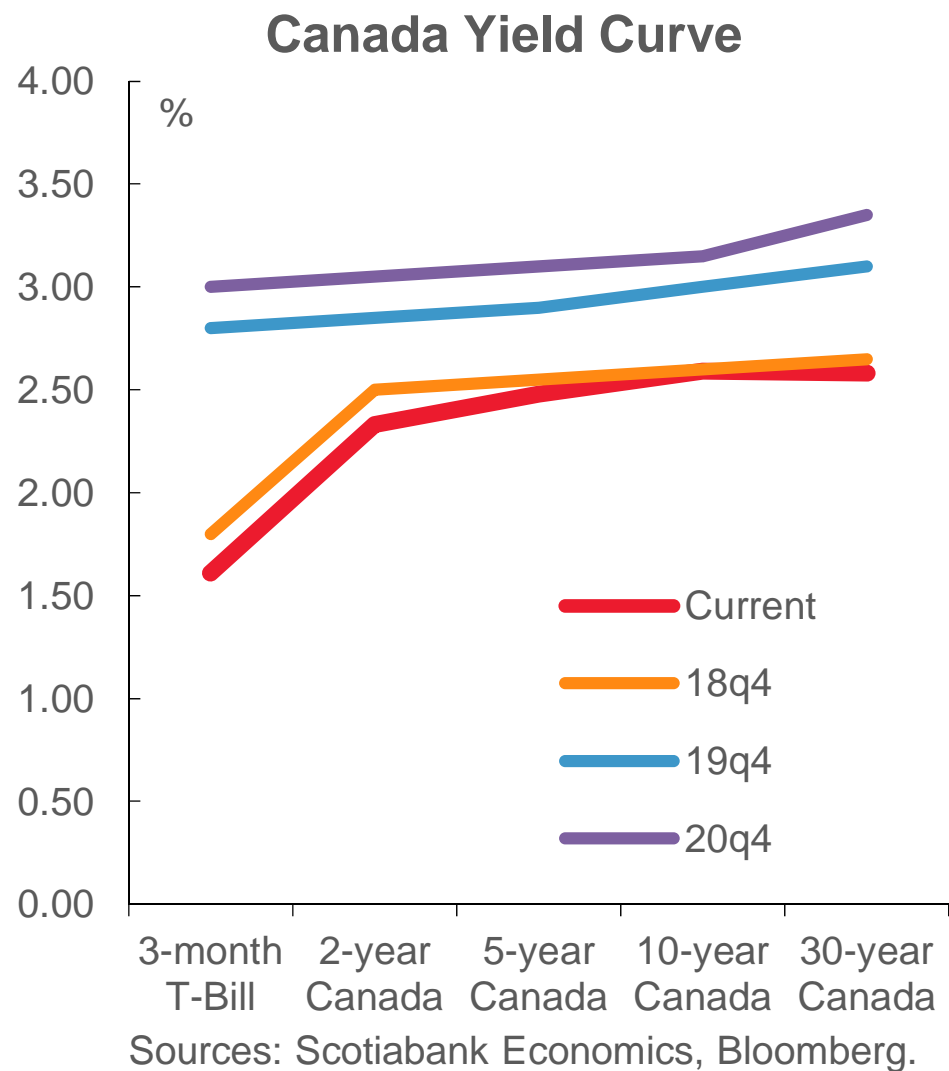
Sources: Scotiabank Economics, Statistics Canada.

Canadian Inflation Has Returned



Sources: Scotiabank Economics, Statistics Canada.

Higher Short Term Interest Rates Ahead



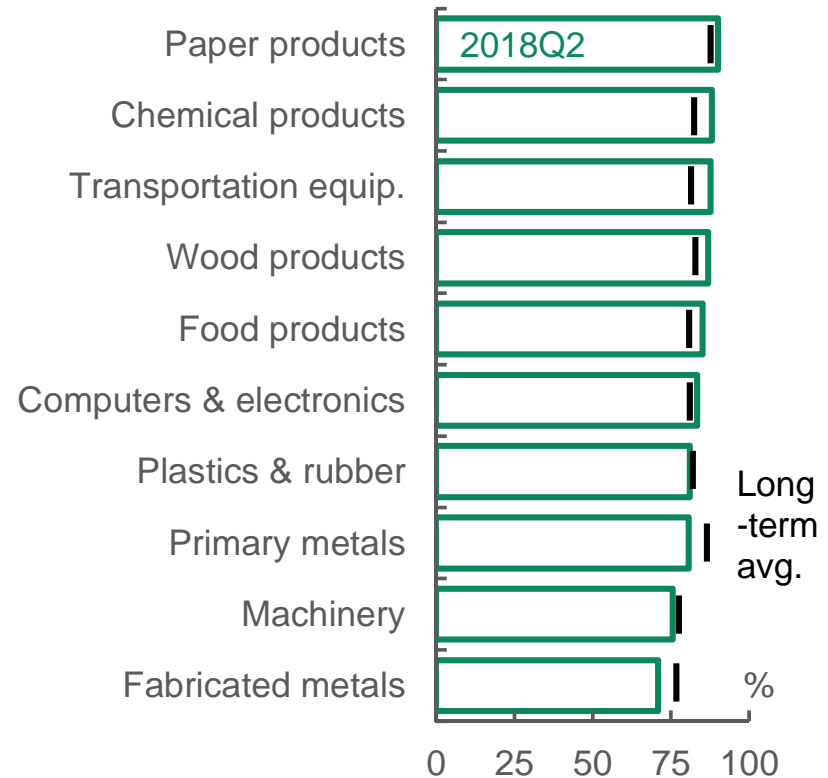
Canadian Capacity Constraints

Strained CDN Capacity Utilization Rate



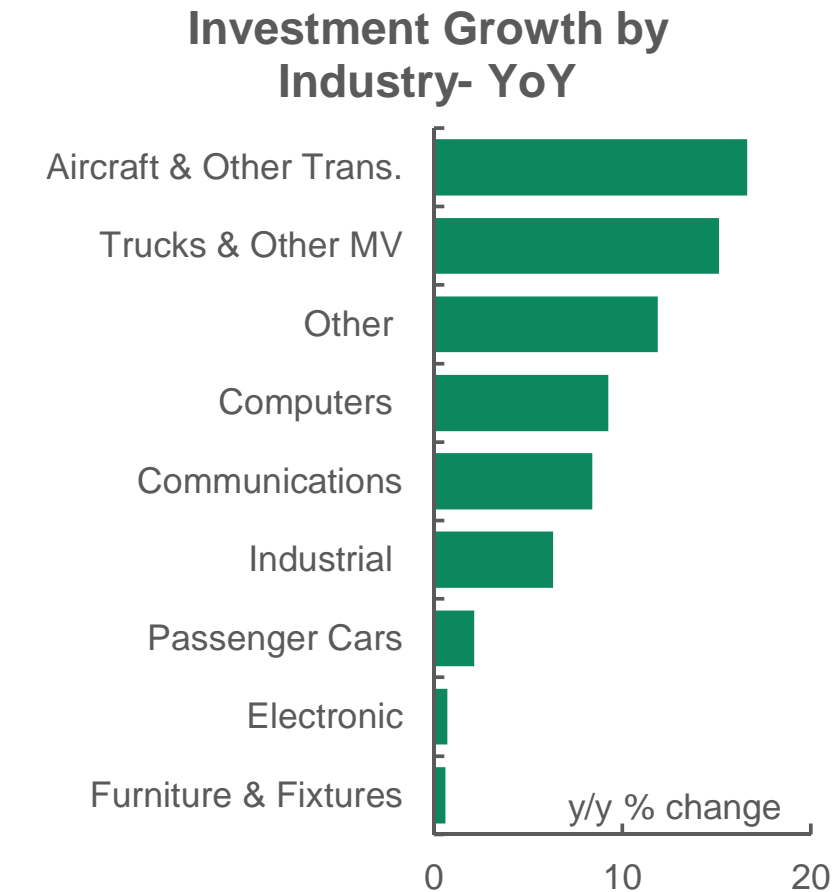
Sources: Scotiabank Economics, Statistics Canada.

Capacity Utilization Rates

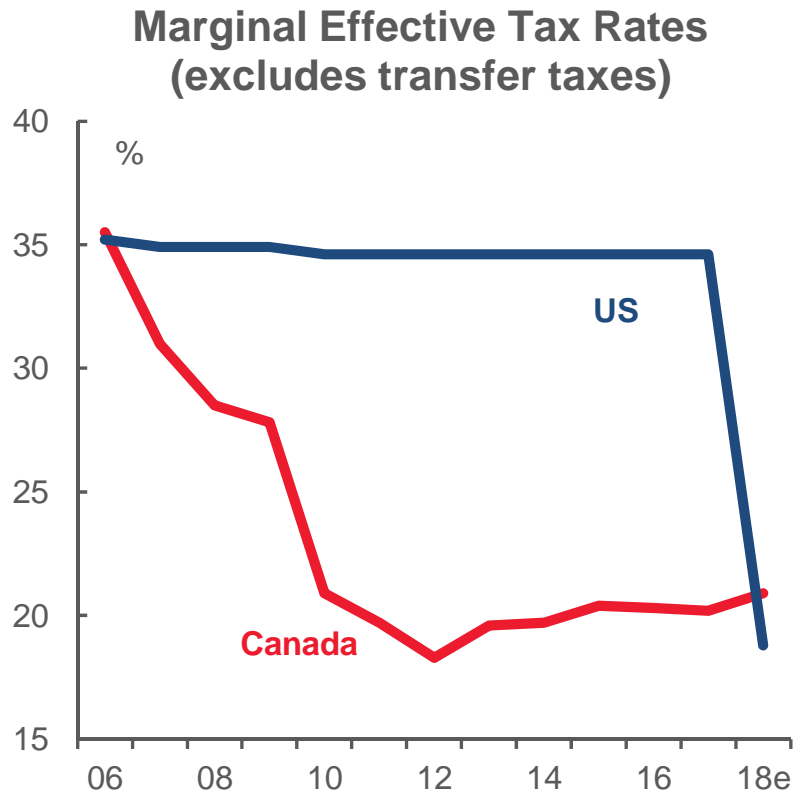


Sources: Scotiabank Economics, Statistics Canada.

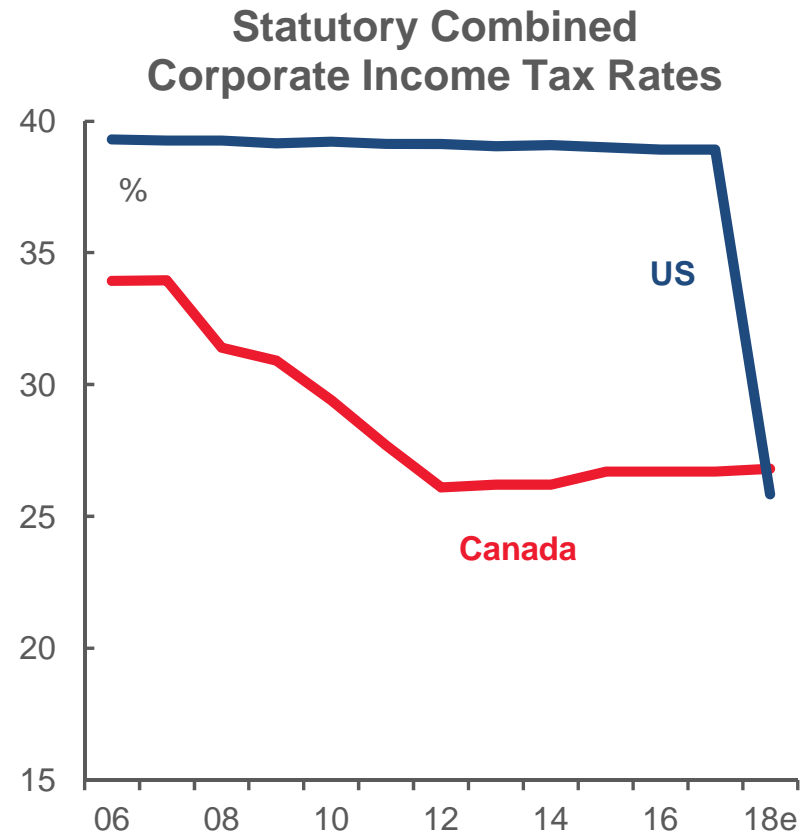
Canadian Investment Has Been On The Mend...



...But We'll Face Stiffer Competition For New Investments...

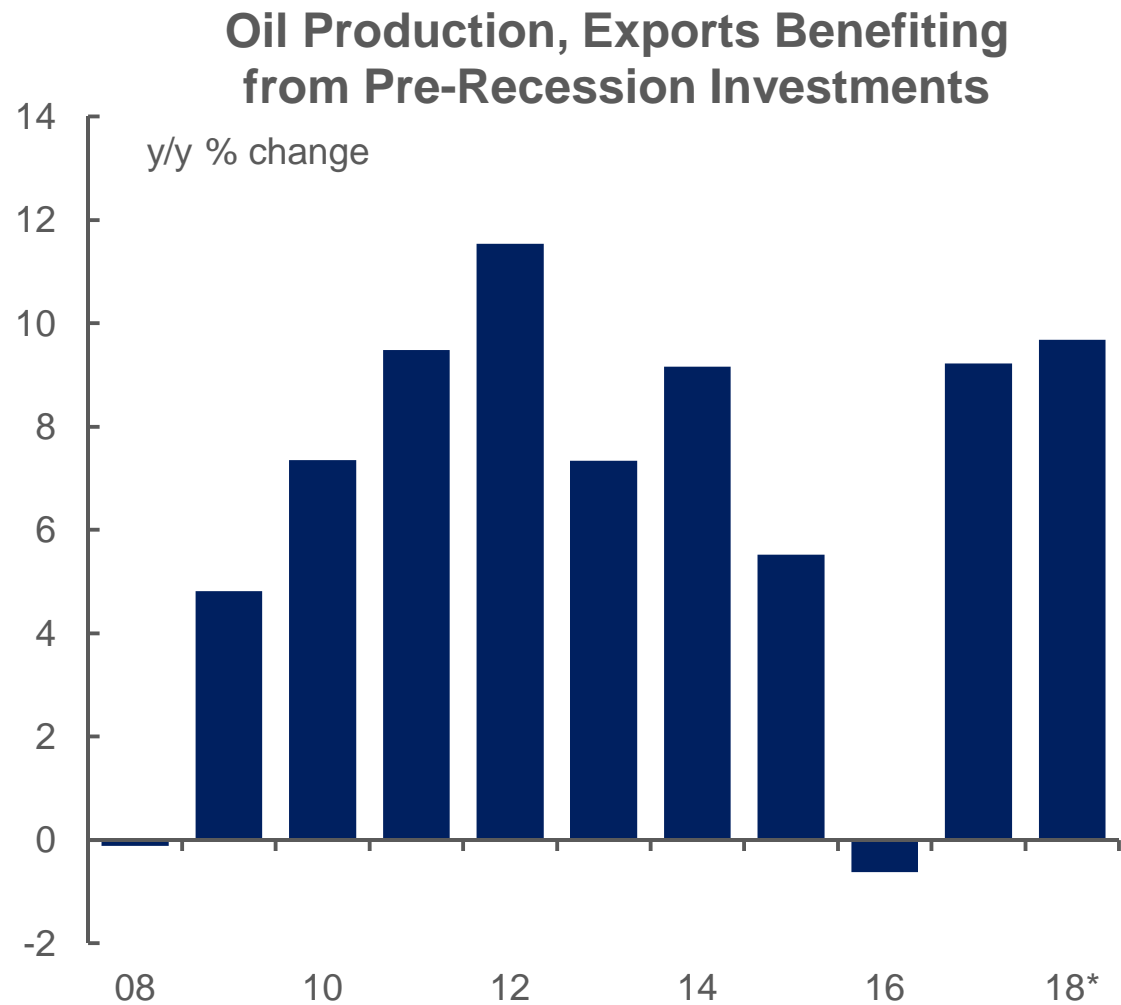


Sources: Scotiabank Economics, University of Calgary School of Public Policy.



Sources: Scotiabank Economics, OECD.

...And Alberta Is Still Working Off Prior Investment Effects



January–July. Sources: Scotiabank Economics, Alberta Energy Regulator, Bloomberg.

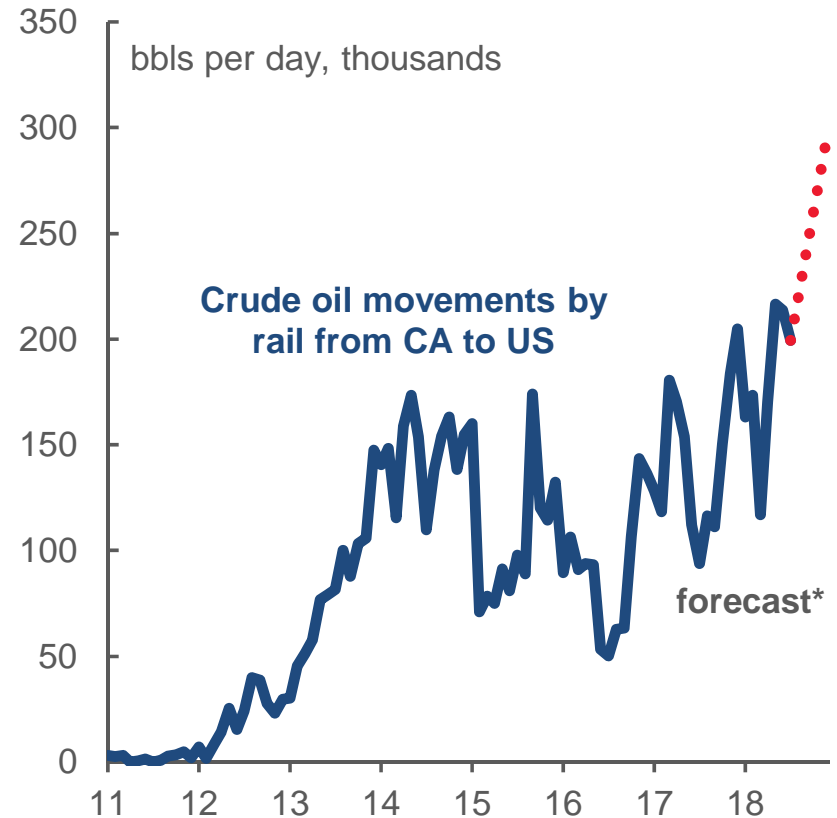
Room For Optimism Toward Alberta's Oil Discount

Oil Discounts Starting to Narrow?



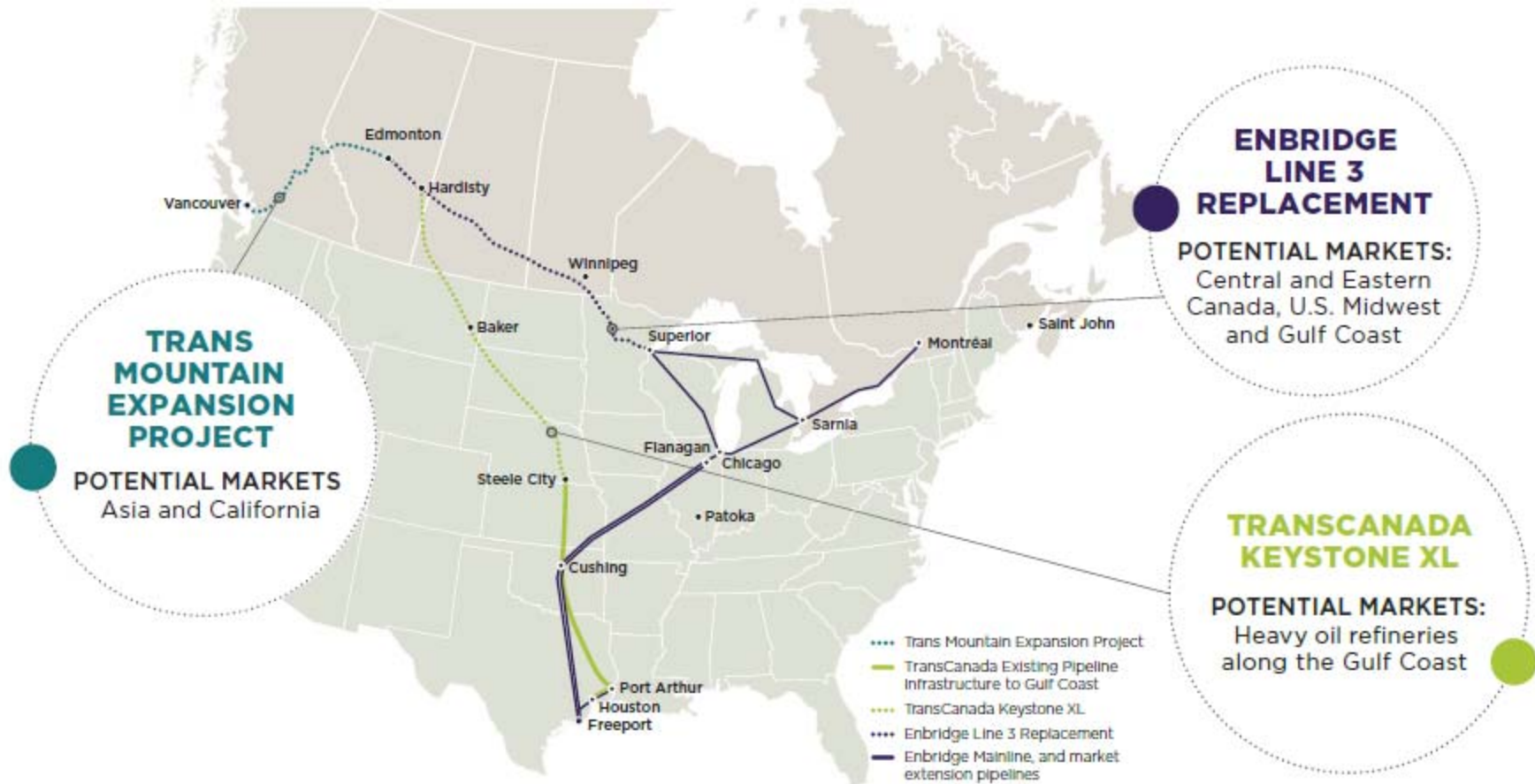
Sources: Scotiabank Economics, Bloomberg.

Near-Record Crude Rail Shipments



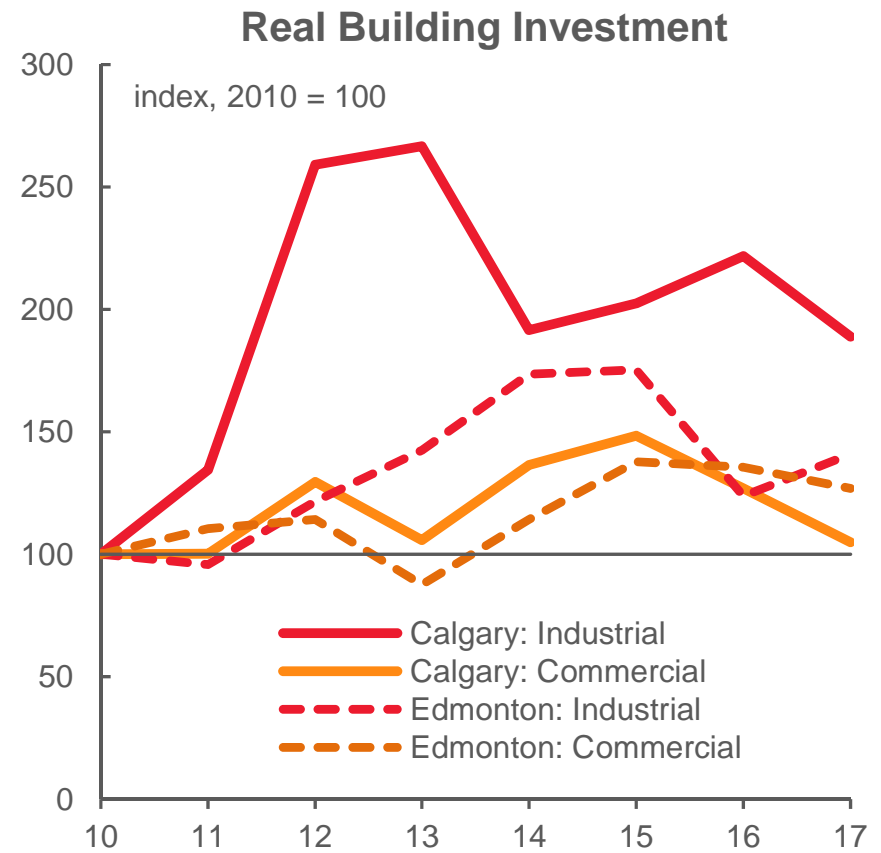
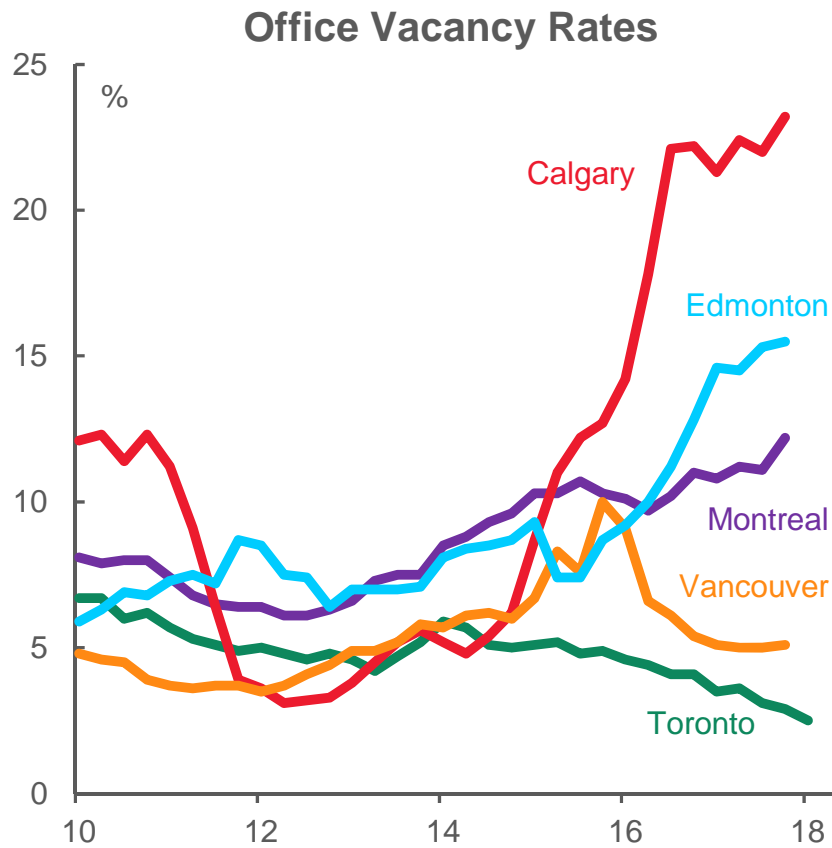
*Forecast is an end of 2018 value. Sources: Scotiabank Economics, Bloomberg.

Pipeline Hopes Pinned On Keystone XL, Line 3



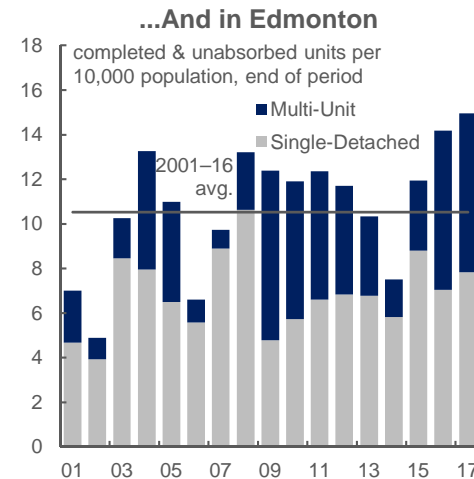
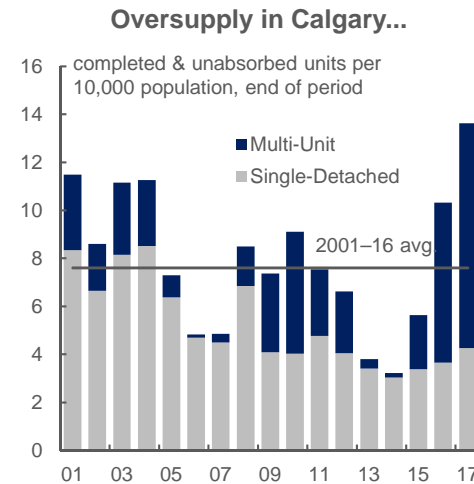
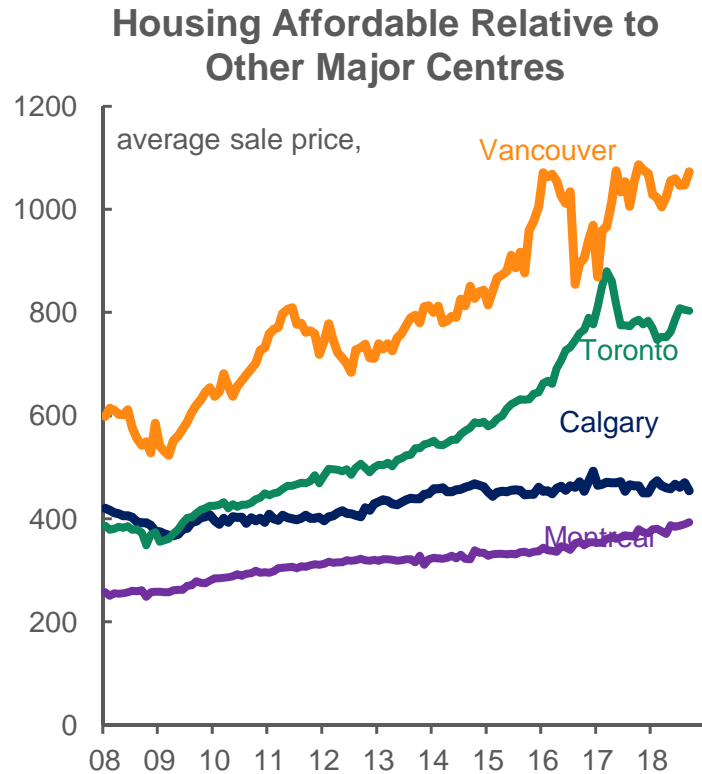
Source: Canadian Association of Petroleum Producers (CAPP).

Industrial & Commercial Activity Stabilizing Following Recession



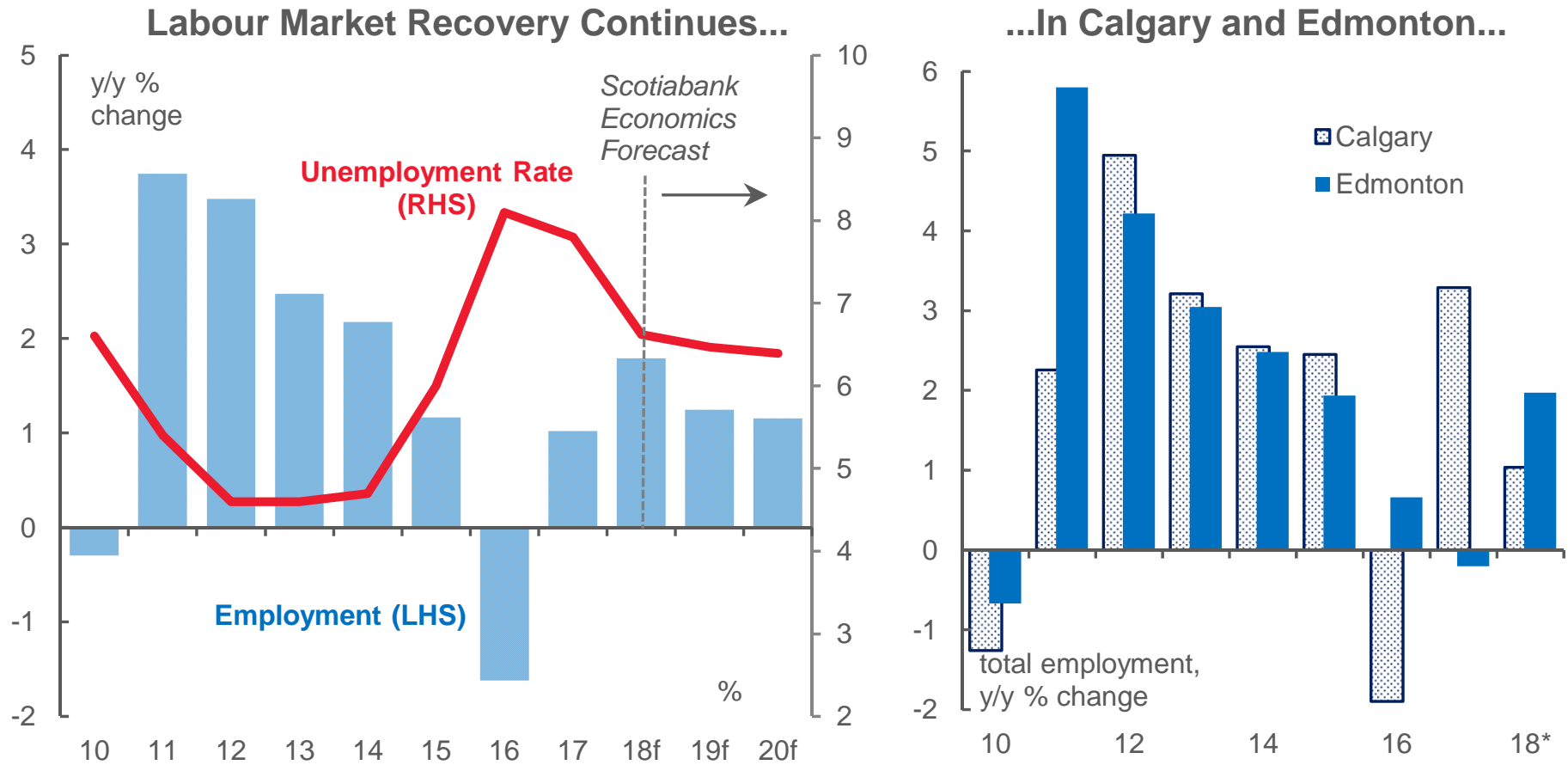
Sources: Scotiabank Economics, Statistics Canada, Cushman & Wakefield.

Alberta Housing Is More Affordable Partly Due To Supply Overhang



Sources: Scotiabank Economics, Statistics Canada, CREA, CHMC.

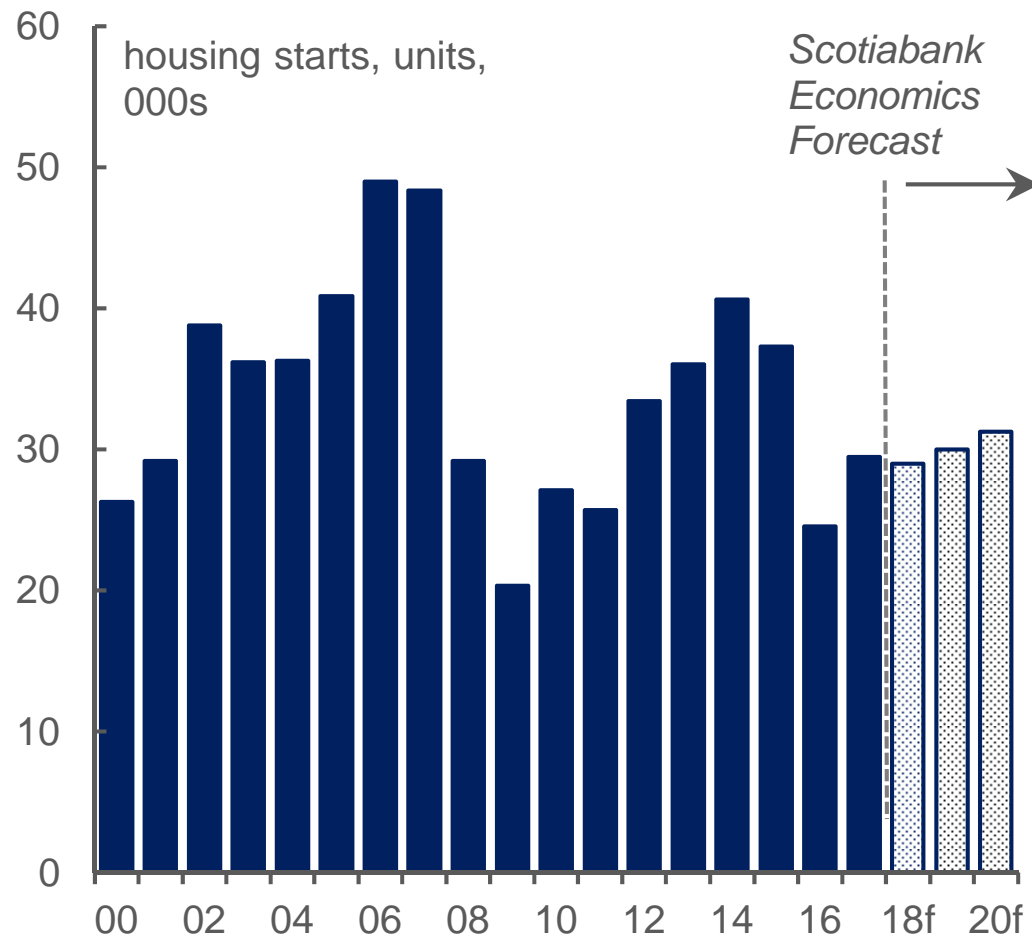
Job Growth Supports Housing And Consumer Spending



* January–September. Sources: Scotiabank Economics, Statistics Canada.

Gradual Improvement In Alberta's Homebuilding Activity

Homebuilding Gains to Remain Modest Given Supply Overhang



Sources: Scotiabank Economics, Statistics Canada, CMHC.

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