

ECONOMICS | RESEARCH

# Economic Outlook: A cooling Canadian economy

April 2018

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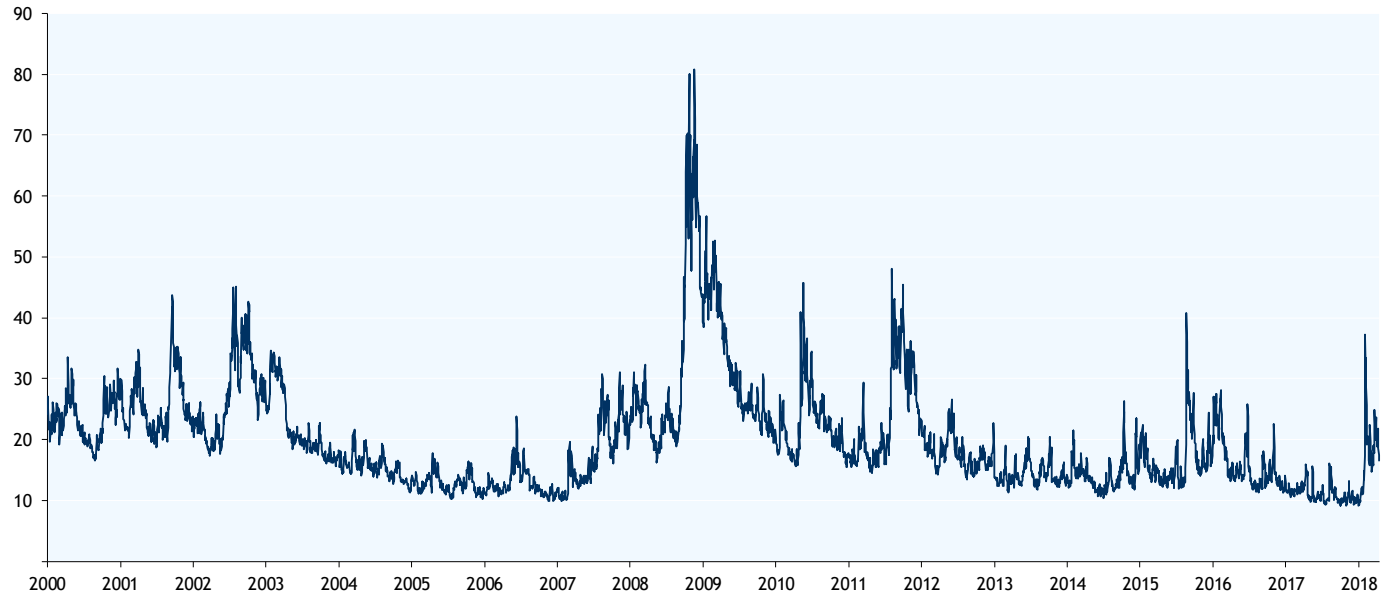
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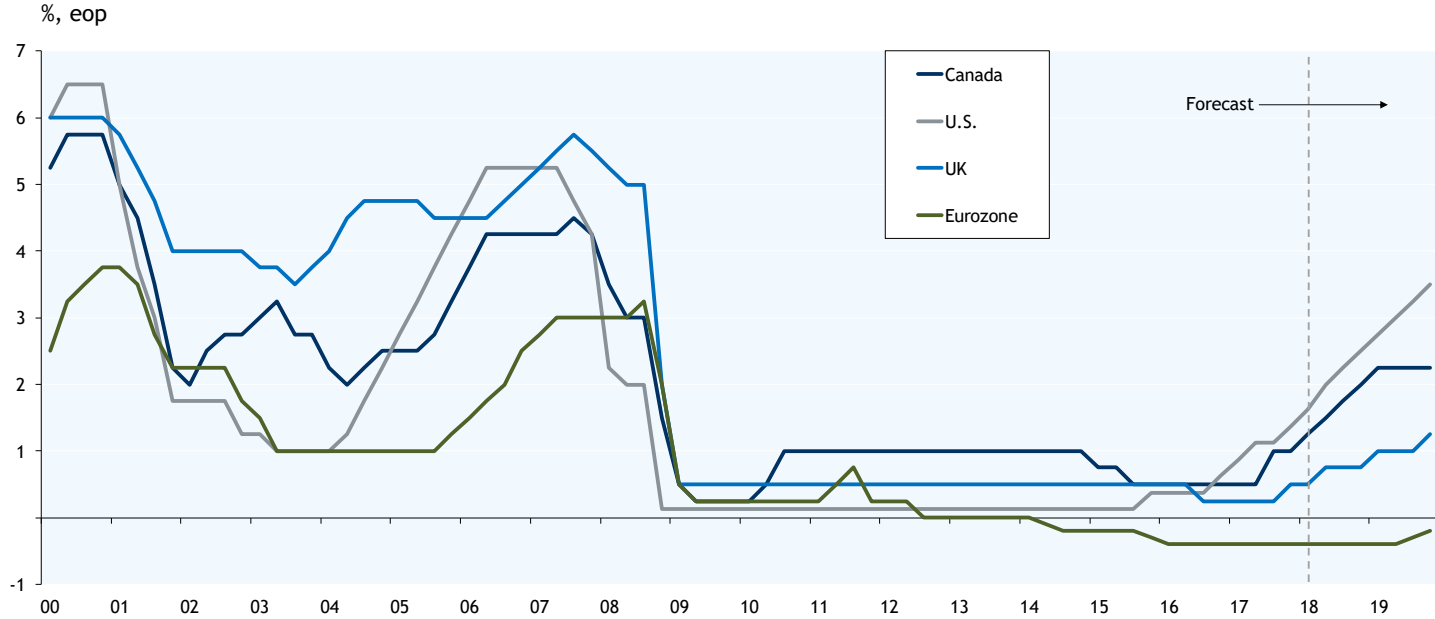
## Volatility index

Market volatility index, (VIX)



Source: Wall Street Journal, RBC Economics Research

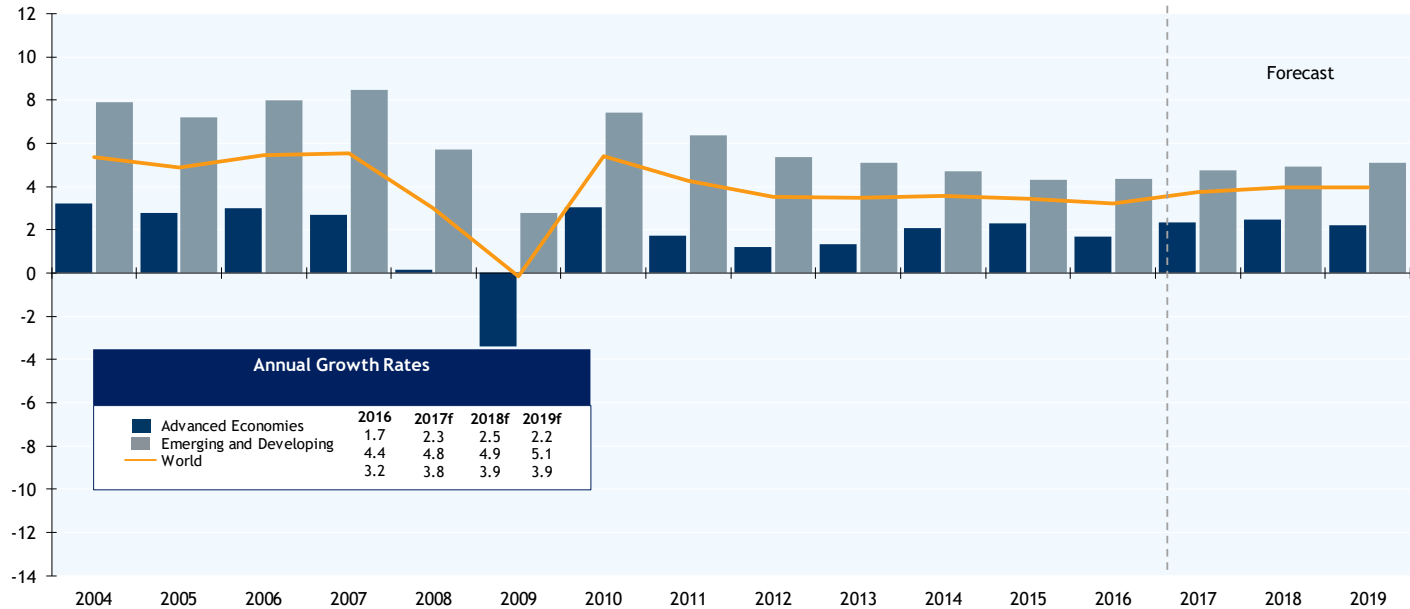
## Central bank policy rates



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

## Advanced versus emerging economies GDP growth

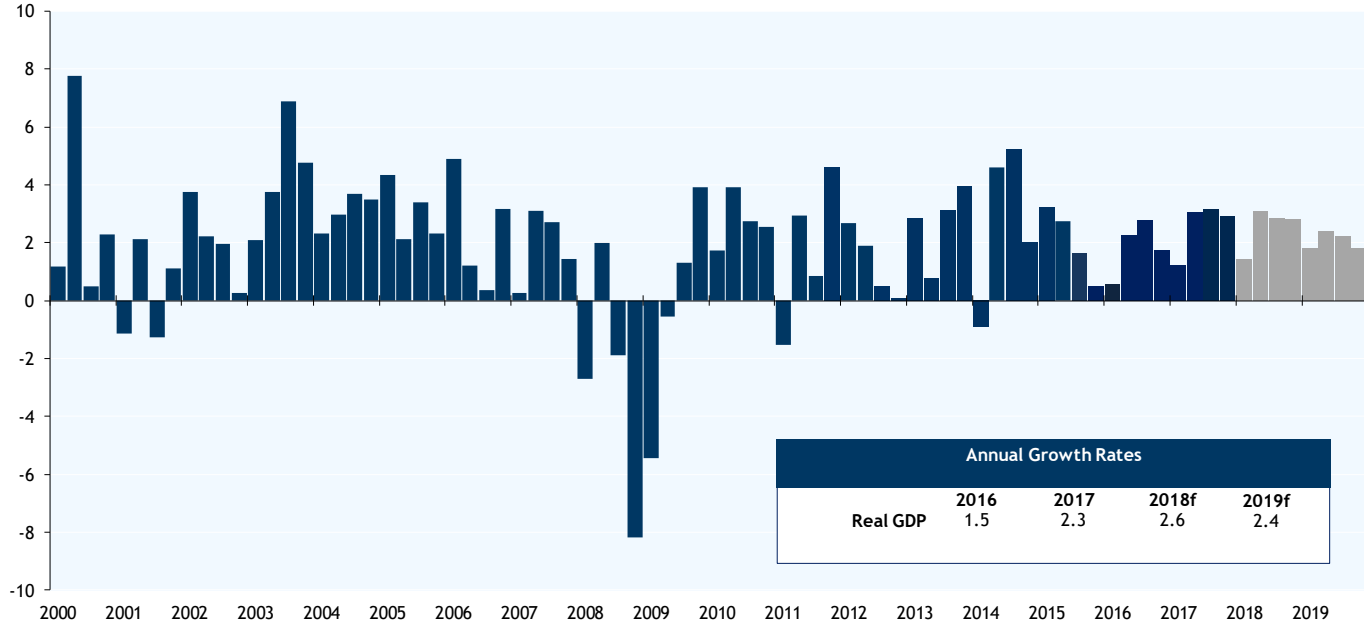
% change, year-over-year



Source: International Monetary Fund, RBC Economics Research Forecasts

# U.S. real GDP

Quarter-over-quarter annualized % change



Source: Bureau of Economic Analysis, RBC Economics Research

Forecast: ■

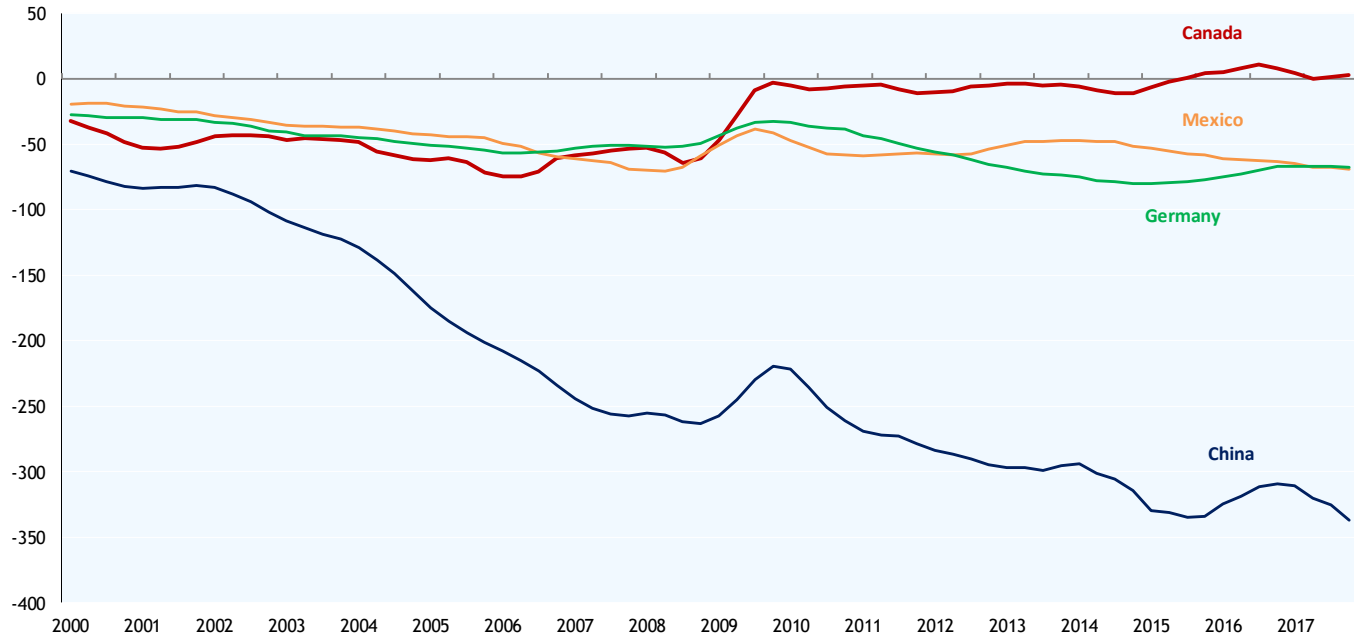
## Interest rates: U.S.



Source: Federal Reserve, RBC Economic Research

## US trade balance: goods and services

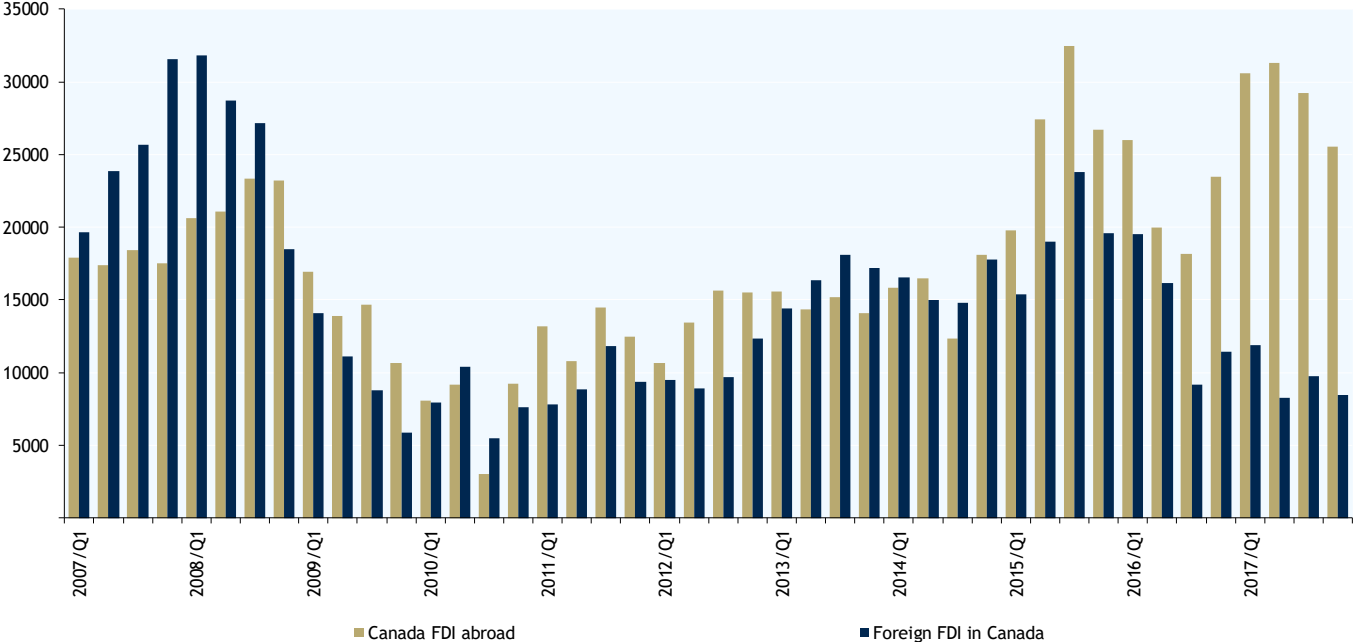
Billions US\$, 4 quarter rolling sum



Source: Census Bureau, RBC Economics Research

# Canada Foreign Direct Investment

\$millions, 4 qtr moving average

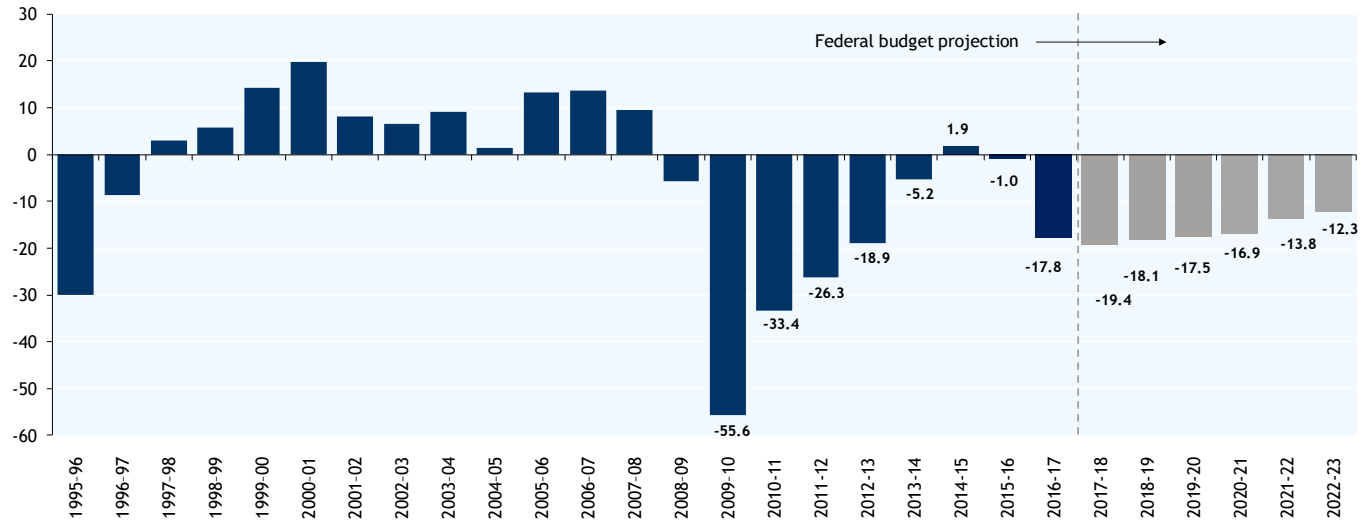


Source: Statistics Canada, RBC Economics Research



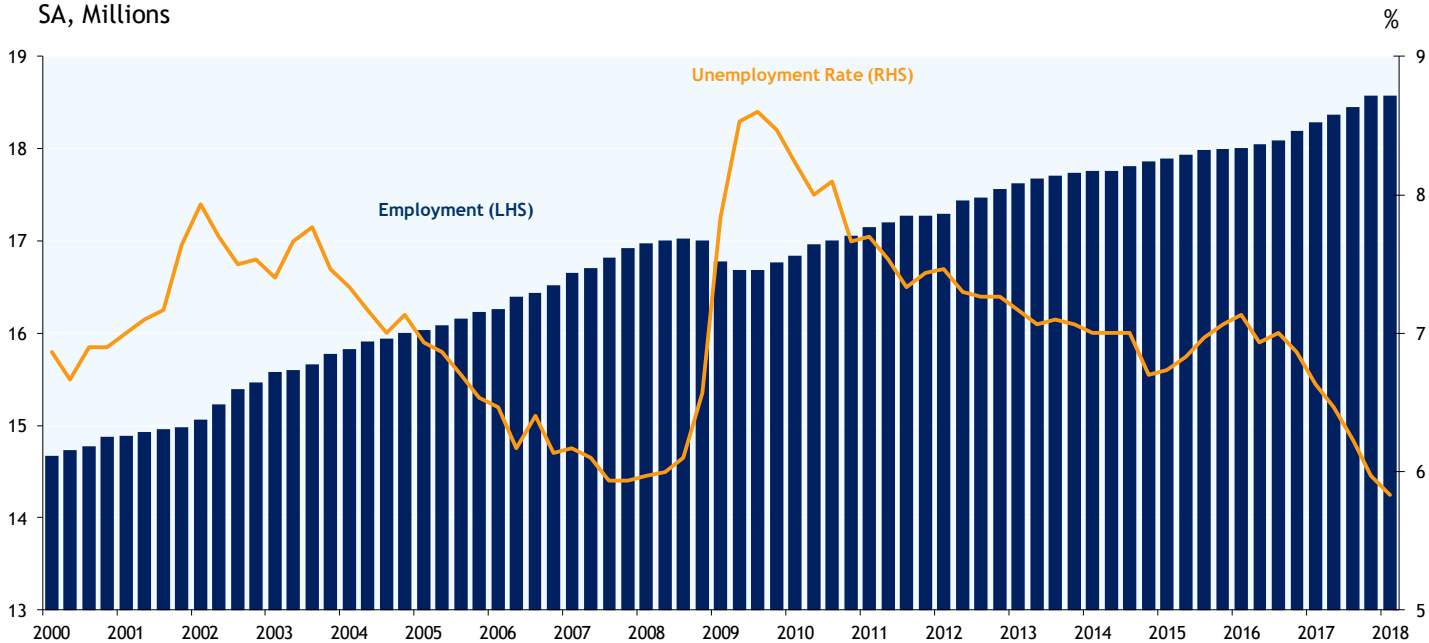
## Federal government budgetary balance

Billions of dollars



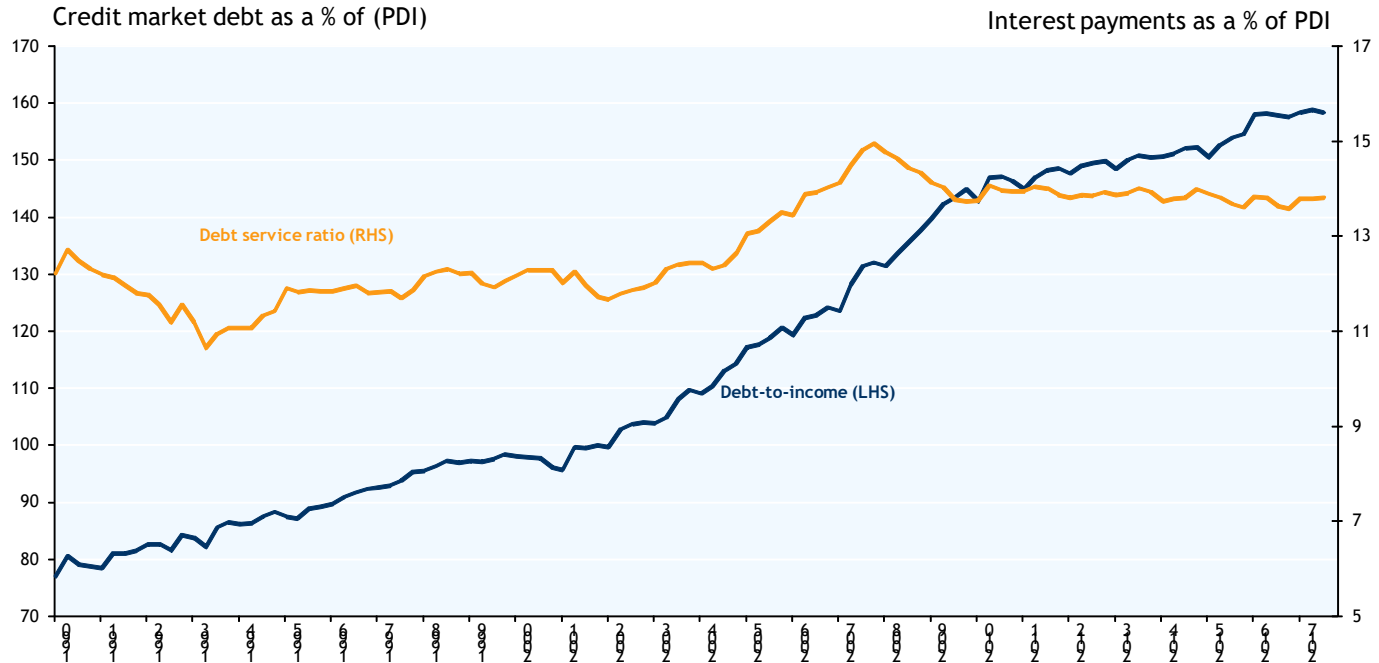
Source: Department of Finance, RBC Economics Research Forecasts

# Labour market: Canada



Source: Statistics Canada, RBC Economics Research

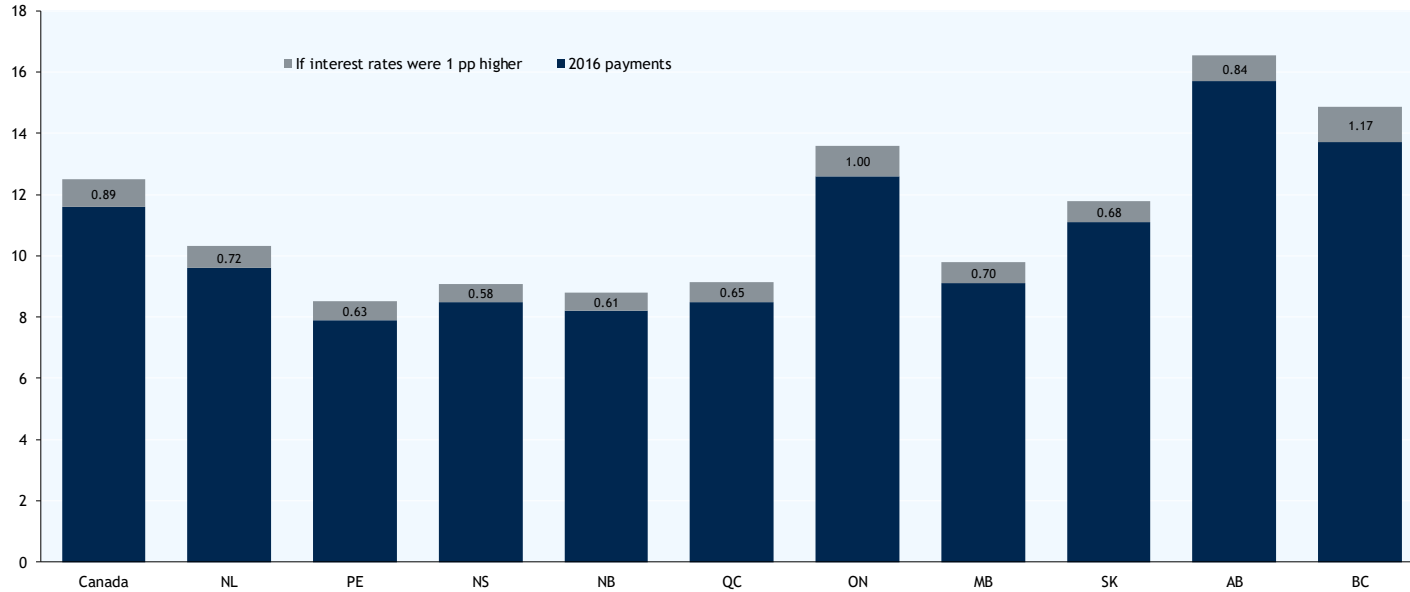
## Household debt-to-income and debt service ratio: Canada



Source: Statistics Canada, RBC Economics Research

## Effect of 1 pp rise in interest rates on debt service payments

Average annual debt service payments per household\*, in thousands of \$

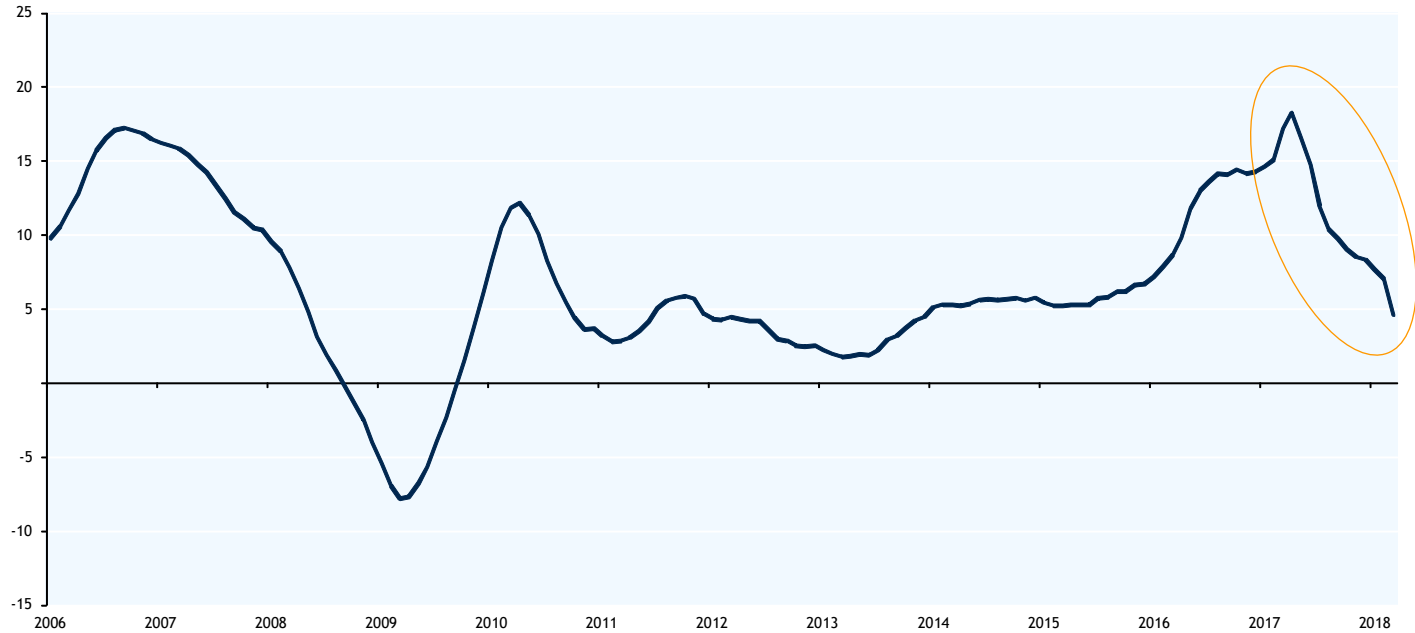


\* Including debt-free households.

Source: Statistics Canada, RBC Economics Research

# MLS Home Price Index - Canada

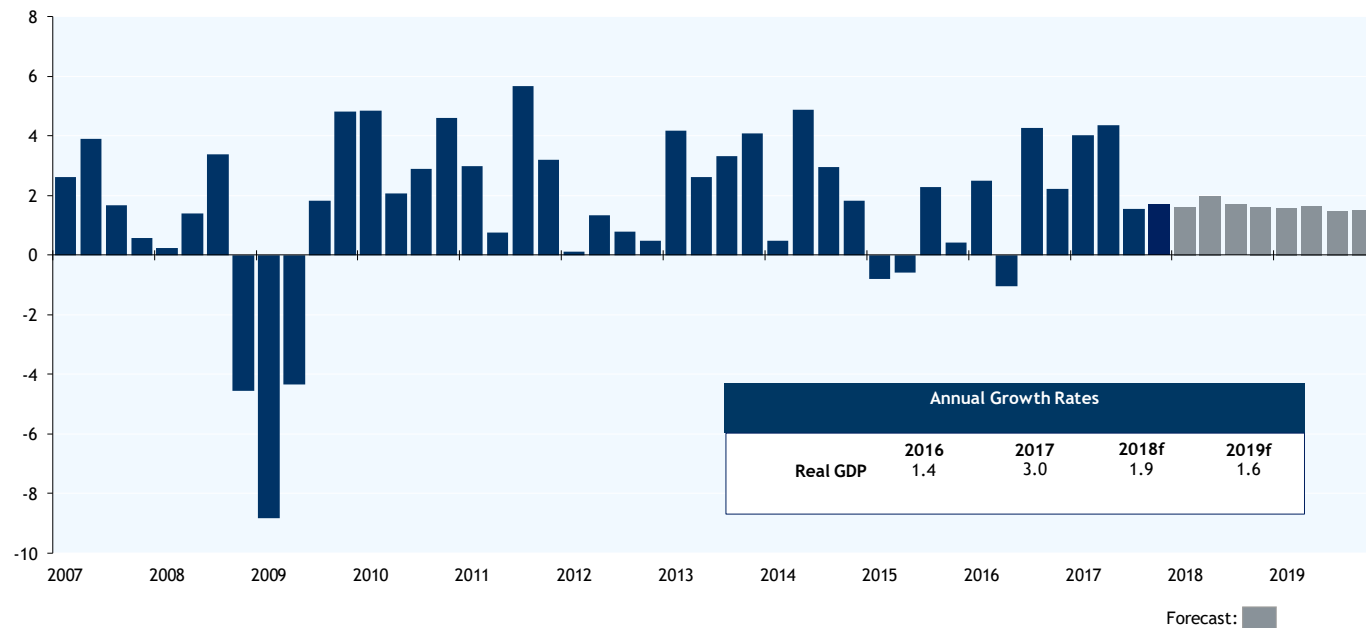
Year-over-year % change in the composite index



Source: CREA, RBC Economics Research

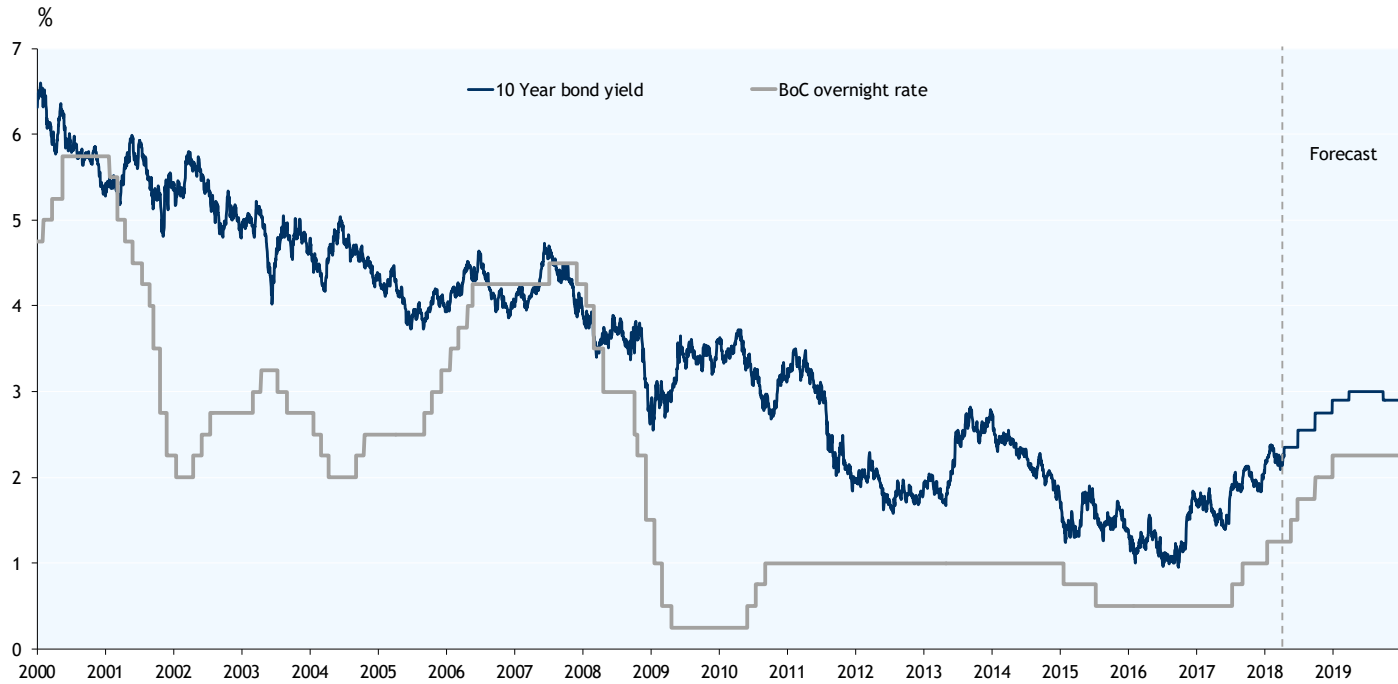
## Canada's real GDP growth

Quarter-over-quarter % change, annualized rate



Source: Statistics Canada, RBC Economics Research

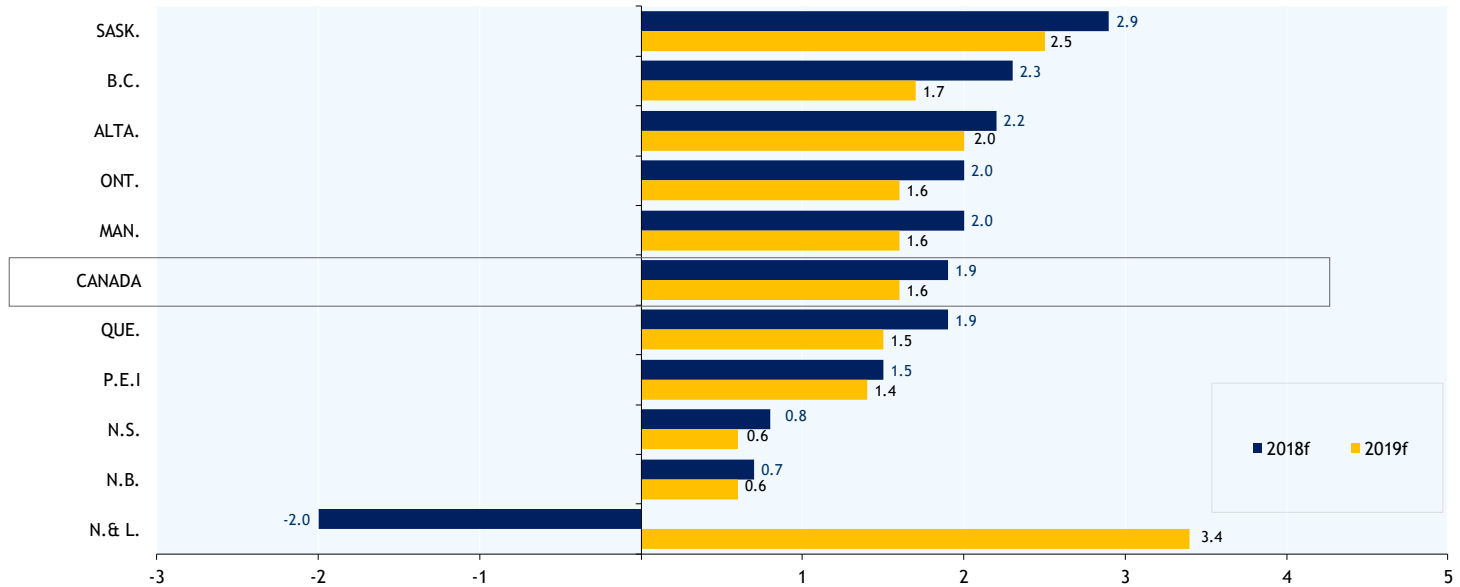
## Interest rates: Canada



Source: Bank of Canada, RBC Economics Research

## Provincial real GDP growth

Annual % change, ranked by 2018 growth

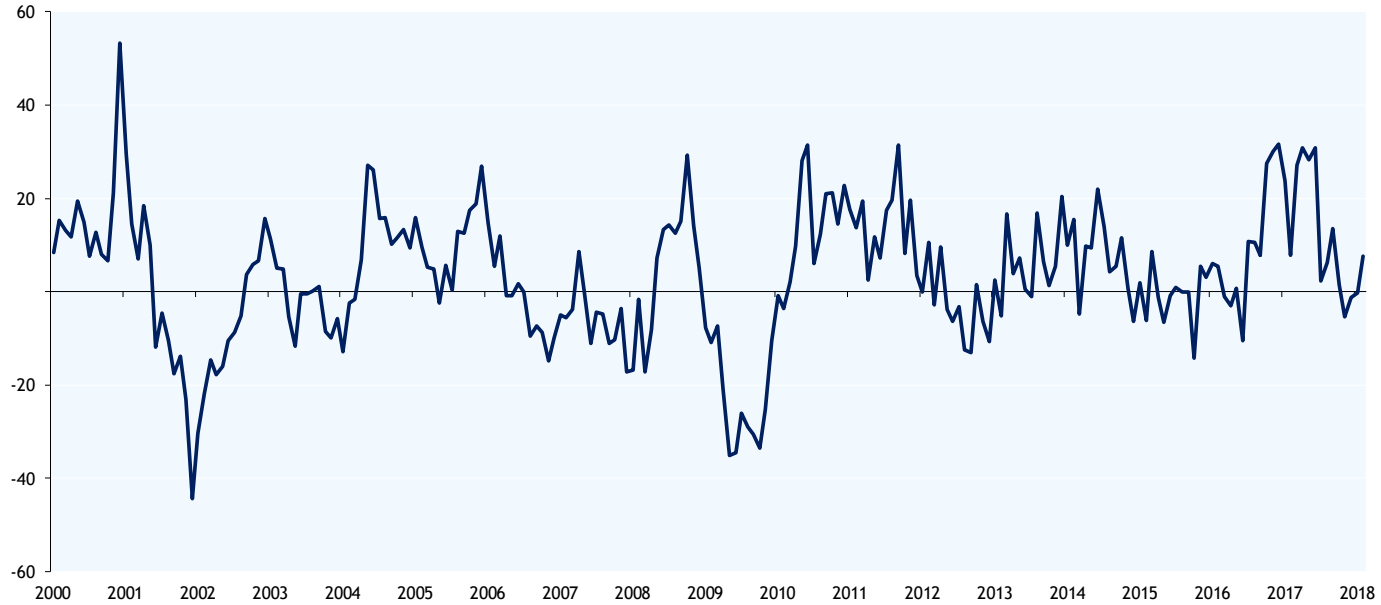


Sources: Statistics Canada, RBC Economics Research



## British Columbia: Exports

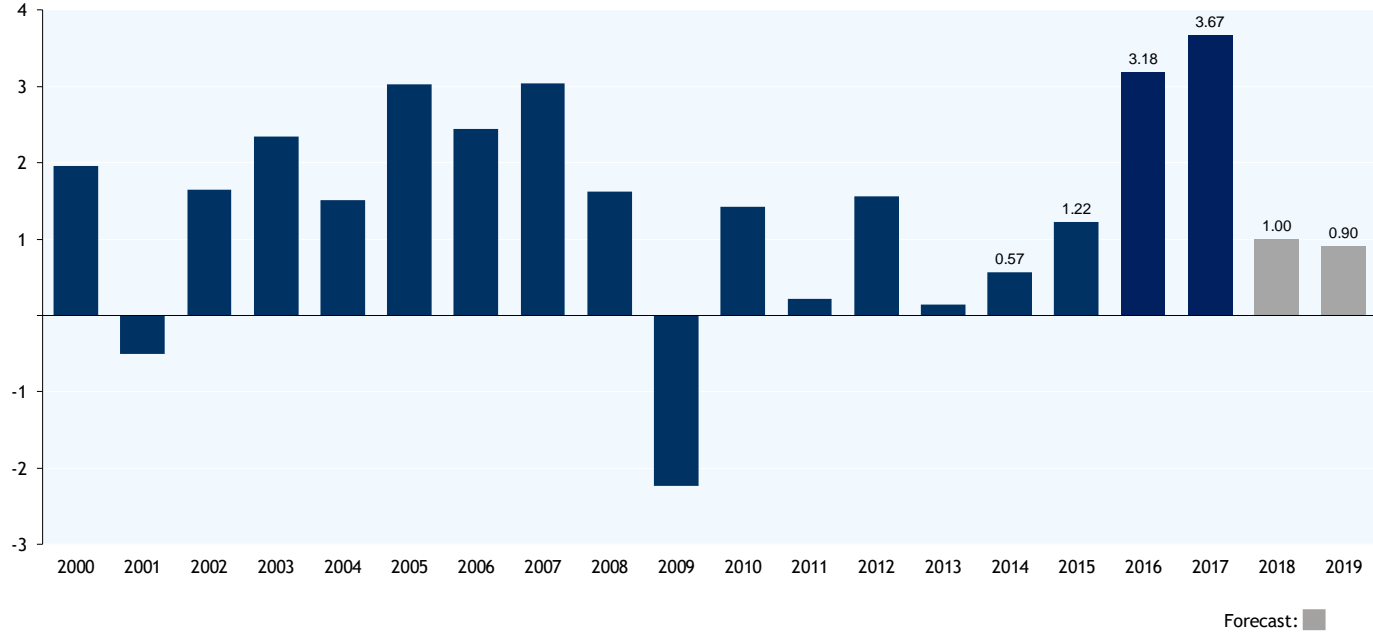
Year-over-year % change



Source: Statistics Canada, RBC Economics Research

# British Columbia: Employment

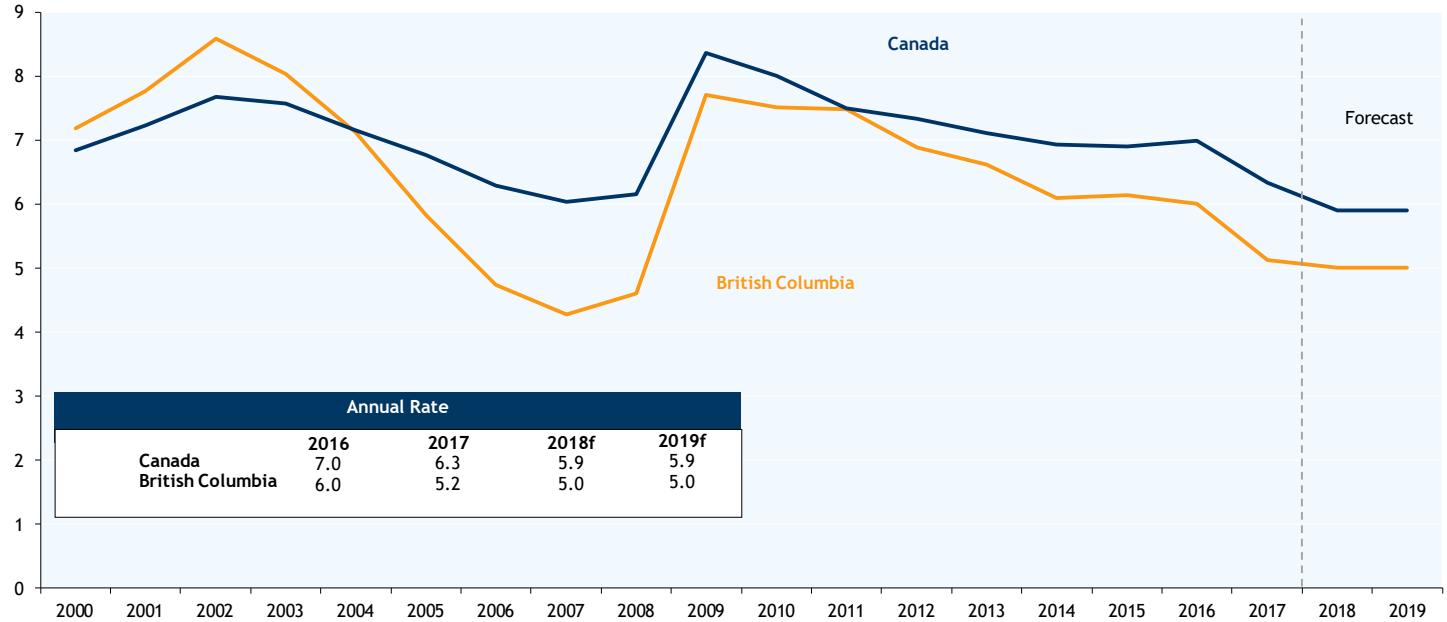
Annual % change



Source: Statistics Canada, RBC Economics Research

## Unemployment rate: British Columbia and Canada

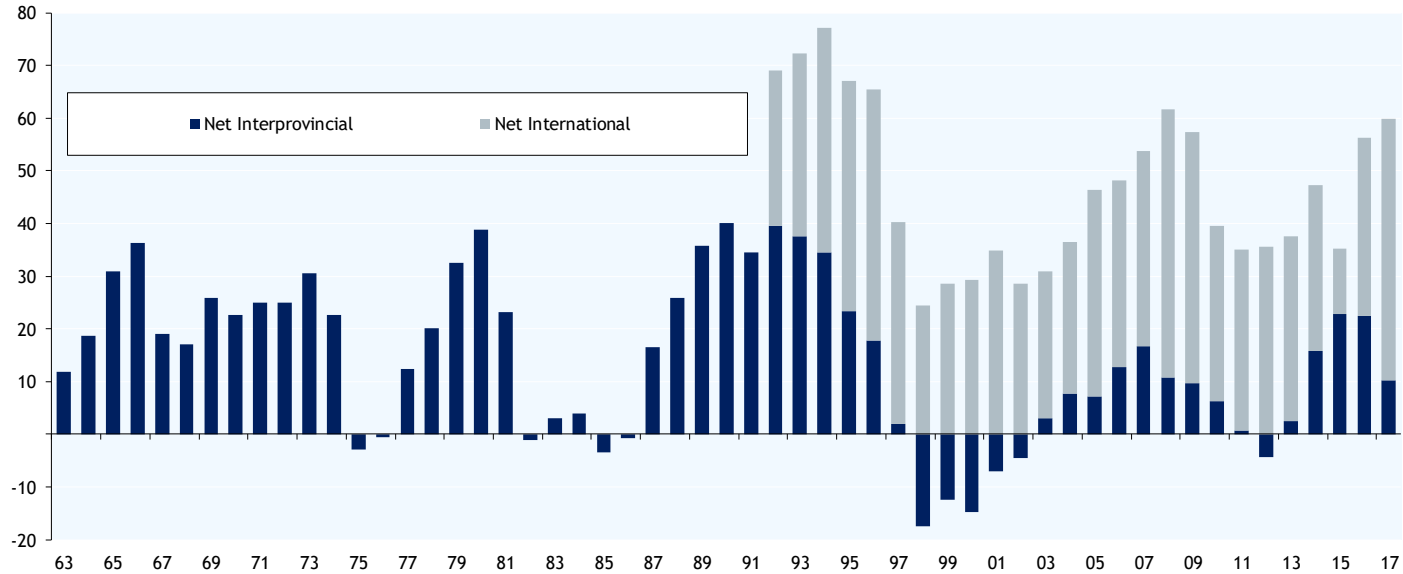
%, SA



Source: Statistics Canada, RBC Economics Research

## British Columbia: net migration

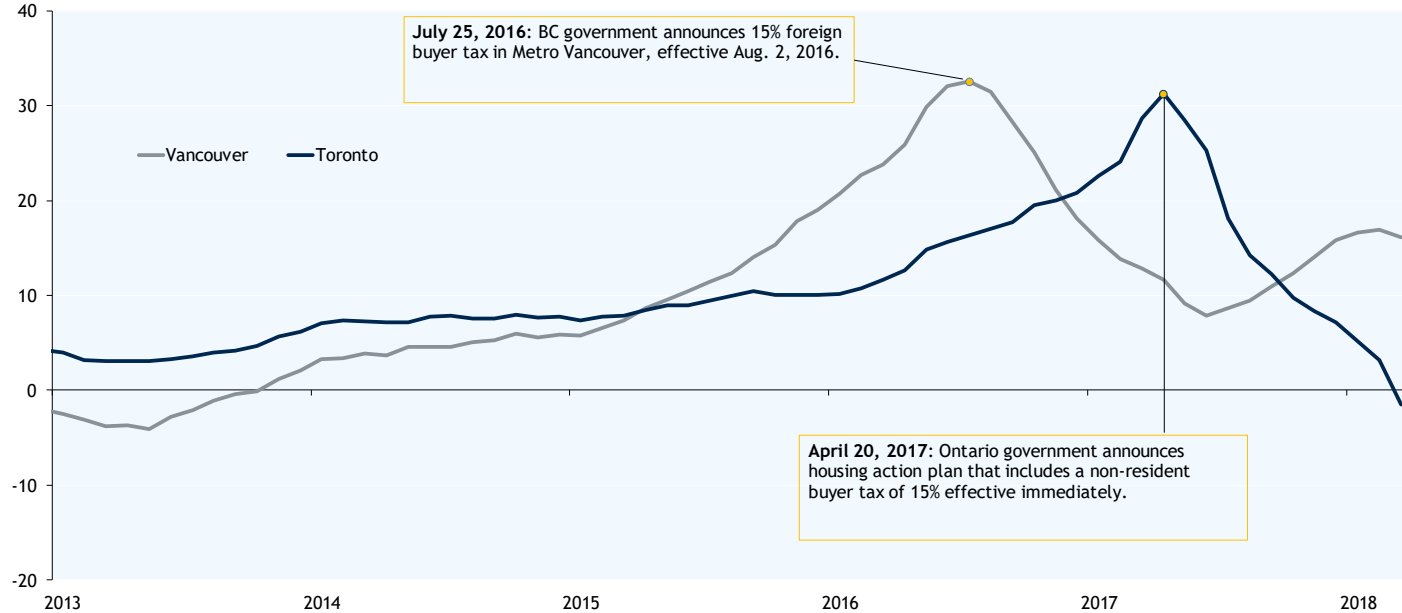
Thousands of persons



\*\* No data available for Net International migration prior to 1992  
Source: Statistics Canada, RBC Economics Research

## MLS Home Price Index

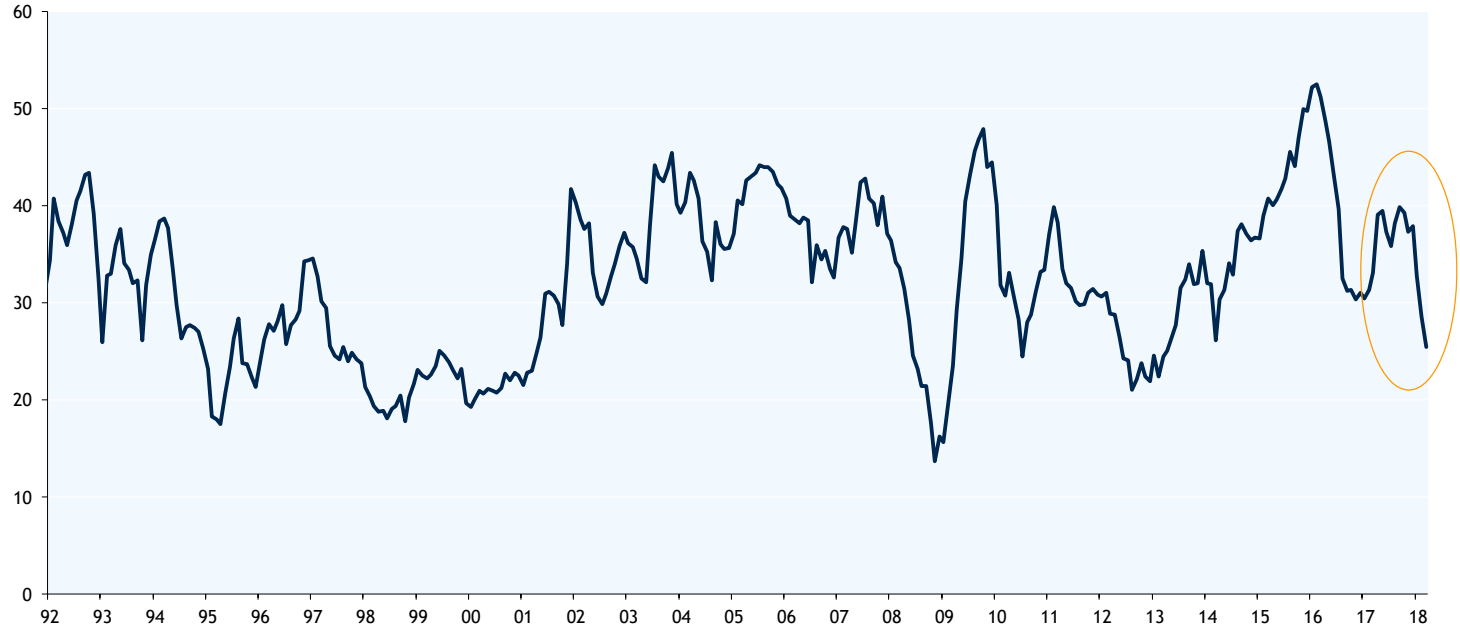
Year-over-year % change



Source: CREA, TREB, REBGV, RBC Economic Research

## Vancouver-area home resales

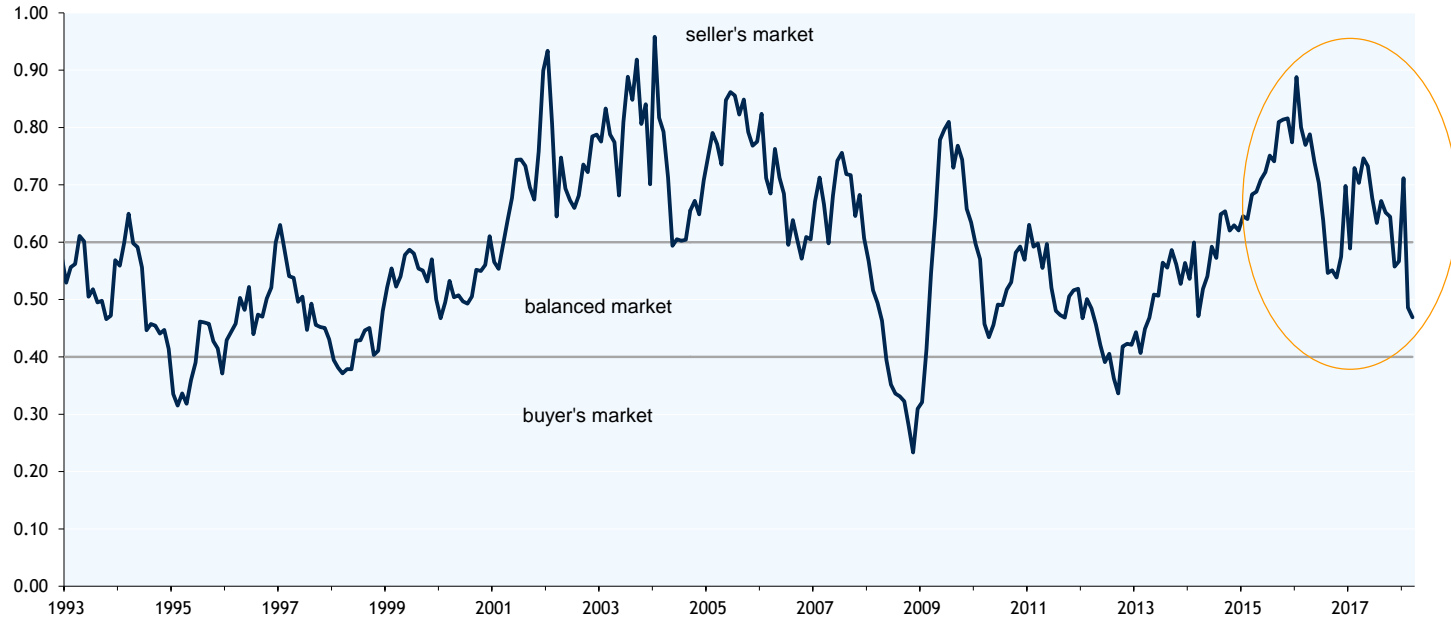
Thousands, SAAR



Source: CREA, RBC Economics Research

## Vancouver-area sales-to-new listings ratio

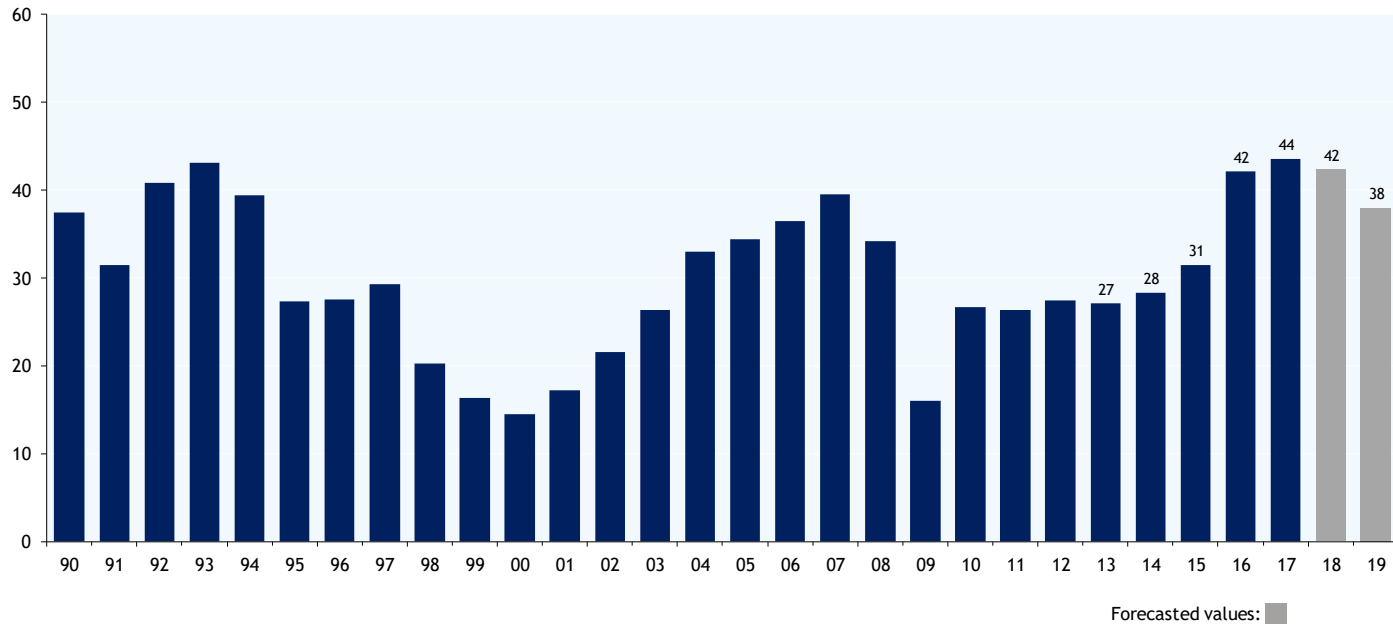
Seasonally adjusted



Source: CREA, RBC Economics Research

## British Columbia housing starts

SAAR, Thousands of units

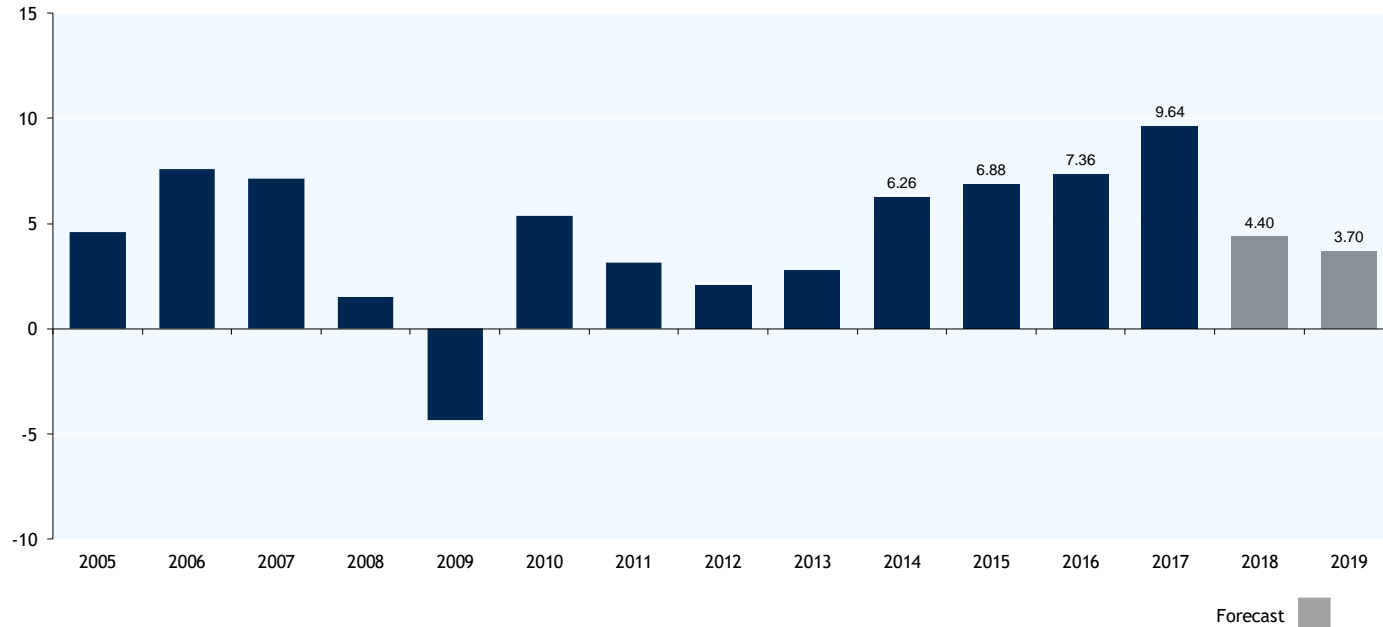


Source: Canada Mortgage and Housing Corporation, RBC Economics Research



## Retail sales: British Columbia

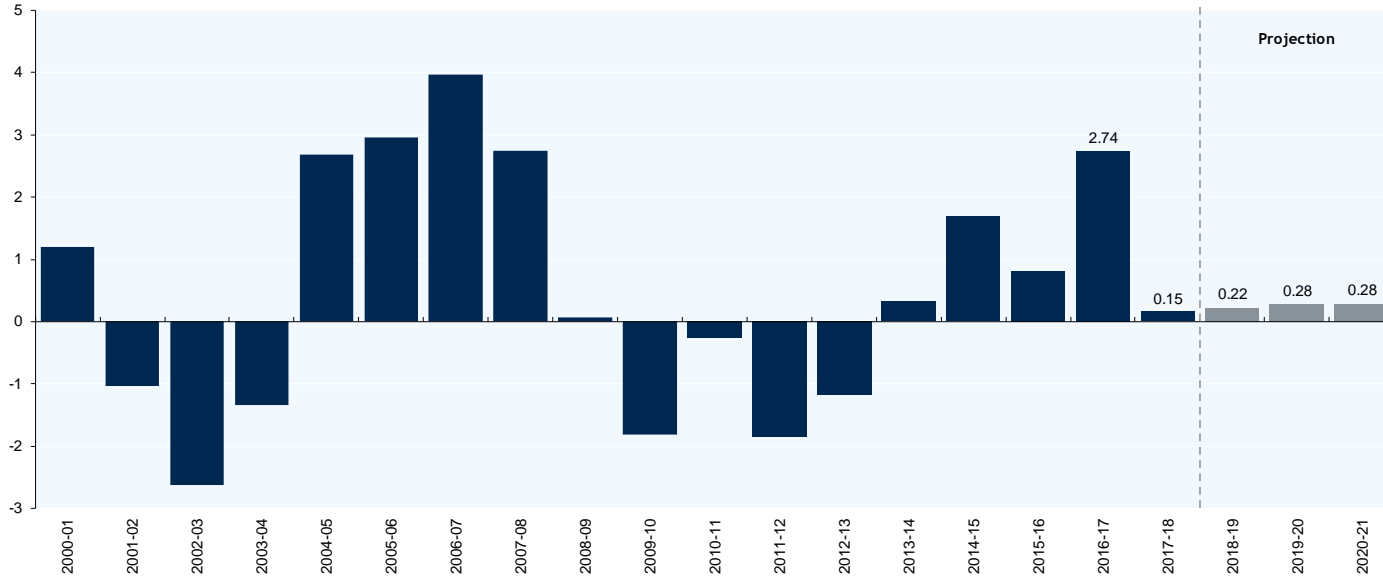
Year-over-year % change



Source: Statistics Canada, RBC Economics Research

## B.C. government fiscal balance

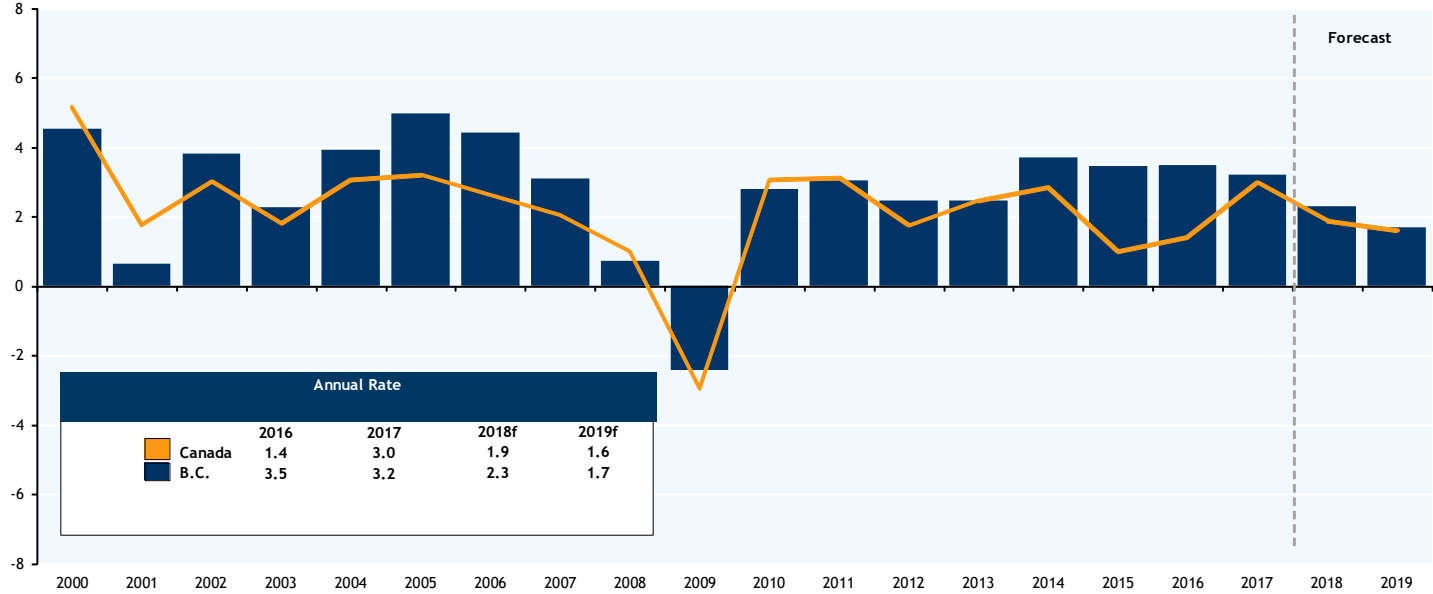
Billion \$



Source: British Columbia Ministry of Finance, RBC Economics Research

# Real GDP: British Columbia and Canada

% change, year-over-year



\*2017 B.C. GDP is an estimate  
Source: Statistics Canada, RBC Economics Research

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