

Economic outlook
Trump: Taxes, Trade
& Treasuries

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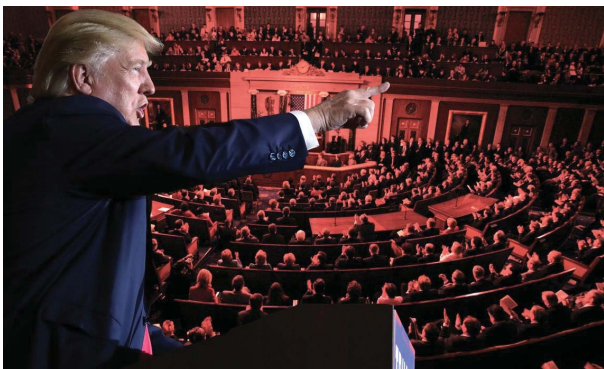
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US Election 2016

Presidential election – United States



Potential economic impact:

- Tax cuts
- Infrastructure spending
- Bigger deficits
- Less regulation
- Protectionism
- Higher interest rates?

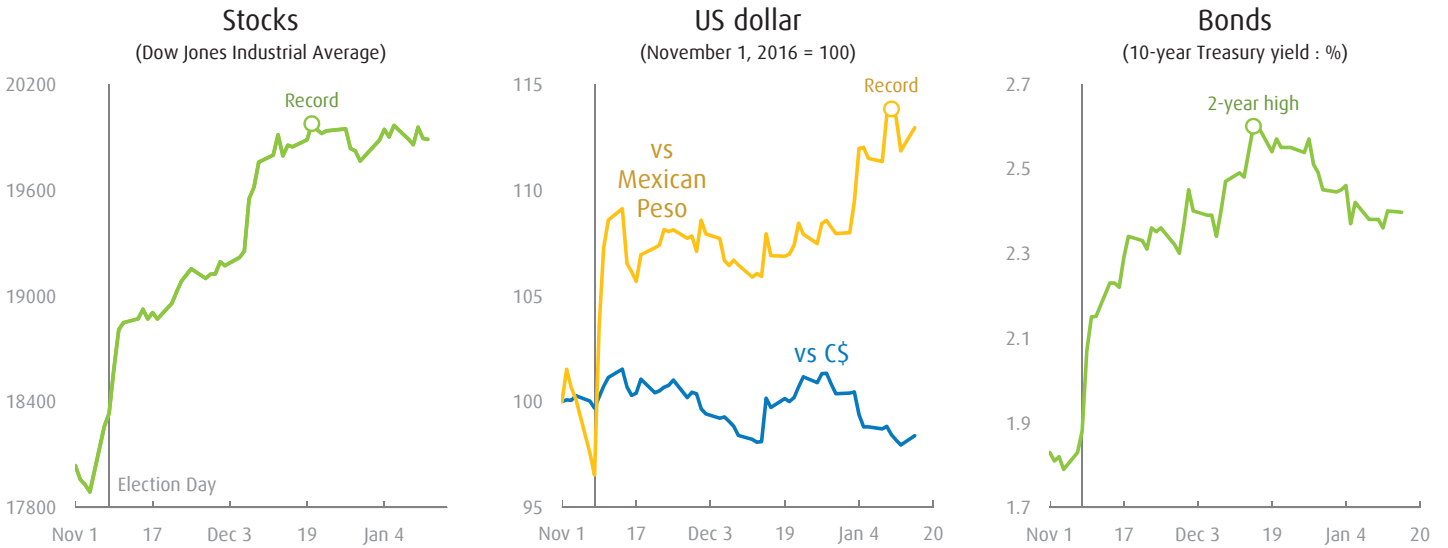
US election: Potential impact on Canada



Good	Mixed	Bad
Fiscal stimulus	Energy	Protectionism
+ Growth boost	+ Keystone XL - Carbon pricing	- Trade hit
	Higher rates	
	Stronger US\$	
	Tax cuts	
	Competitiveness issues	

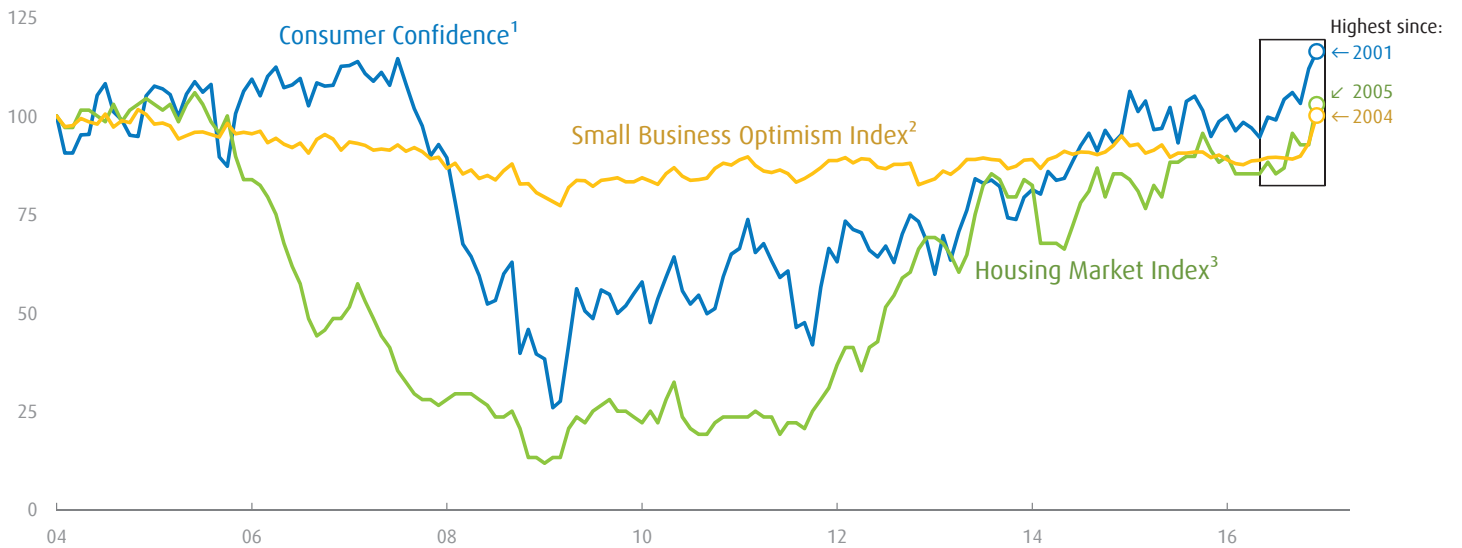
Post-election markets: Trumped up

2016-17 (as of January 13, 2017)



Confidence booster

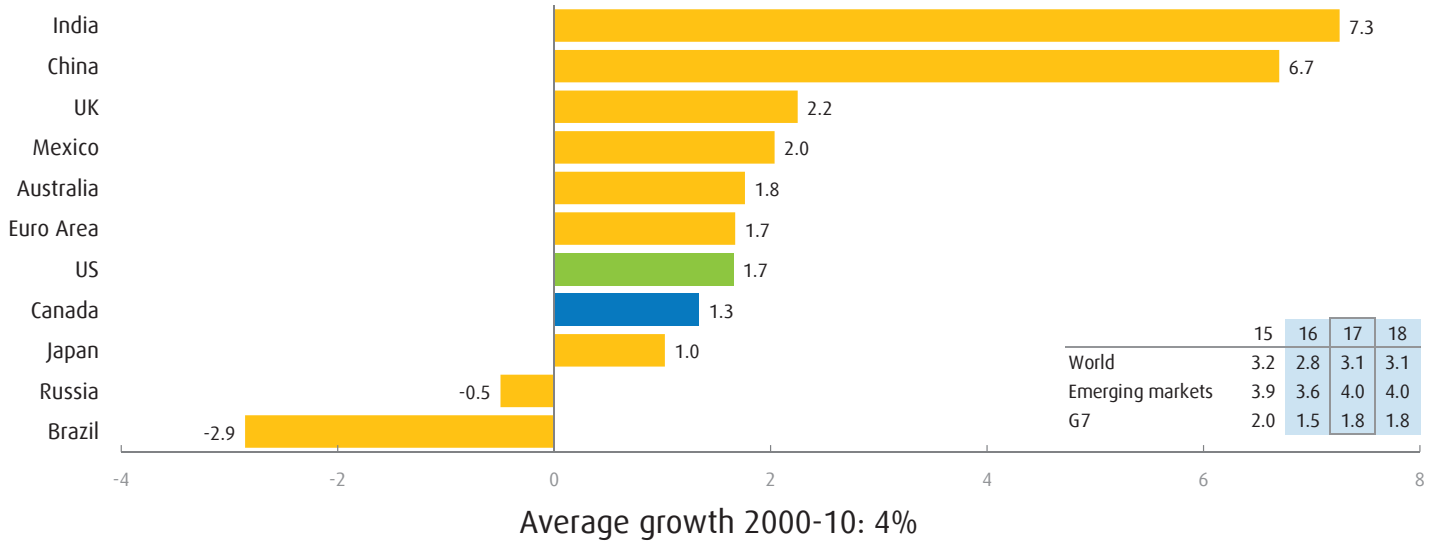
United States (January 2004 = 100)



Global GDP: Mixed and still sluggish

2016:Q3 (y/y % chng)

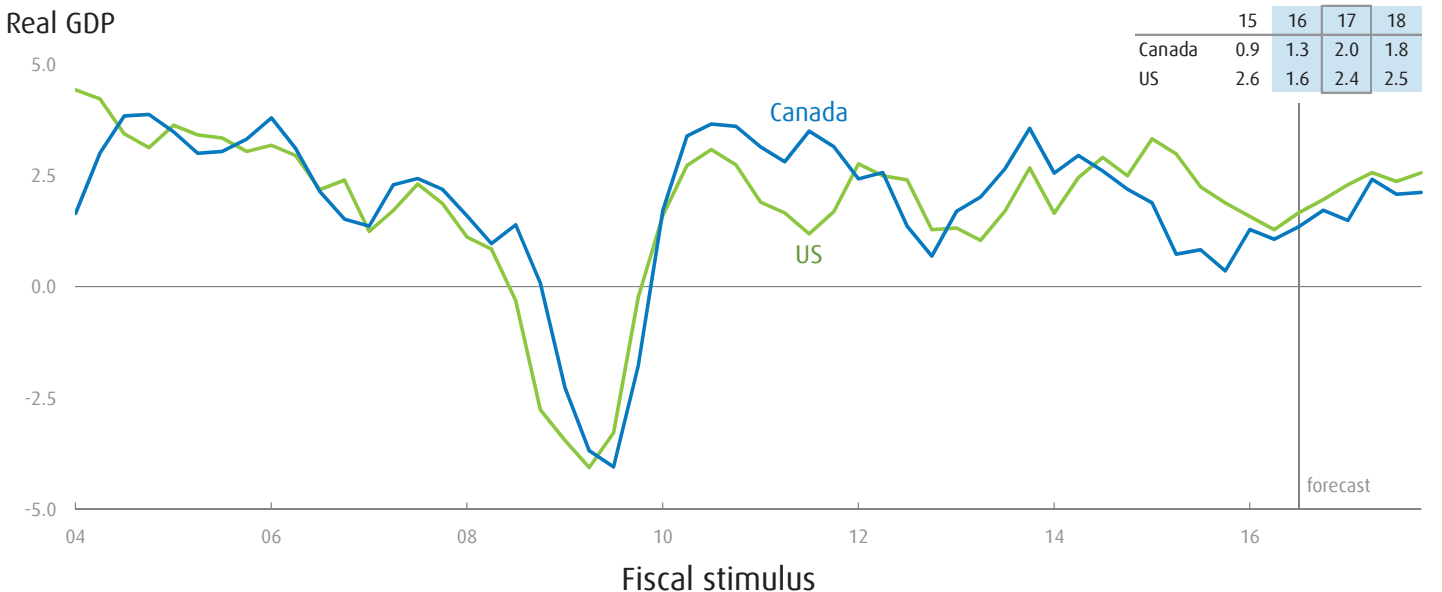
Real GDP



North American growth: A better 2017?

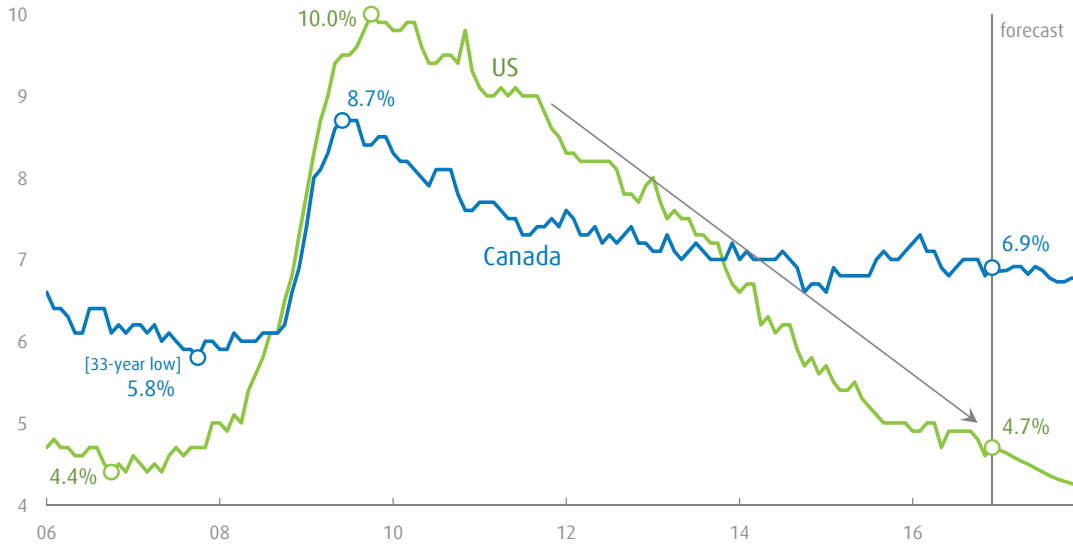
(y/y % chng)

Real GDP



Jobless rates: US still falling... Canada stuck

Unemployment rate (percent)

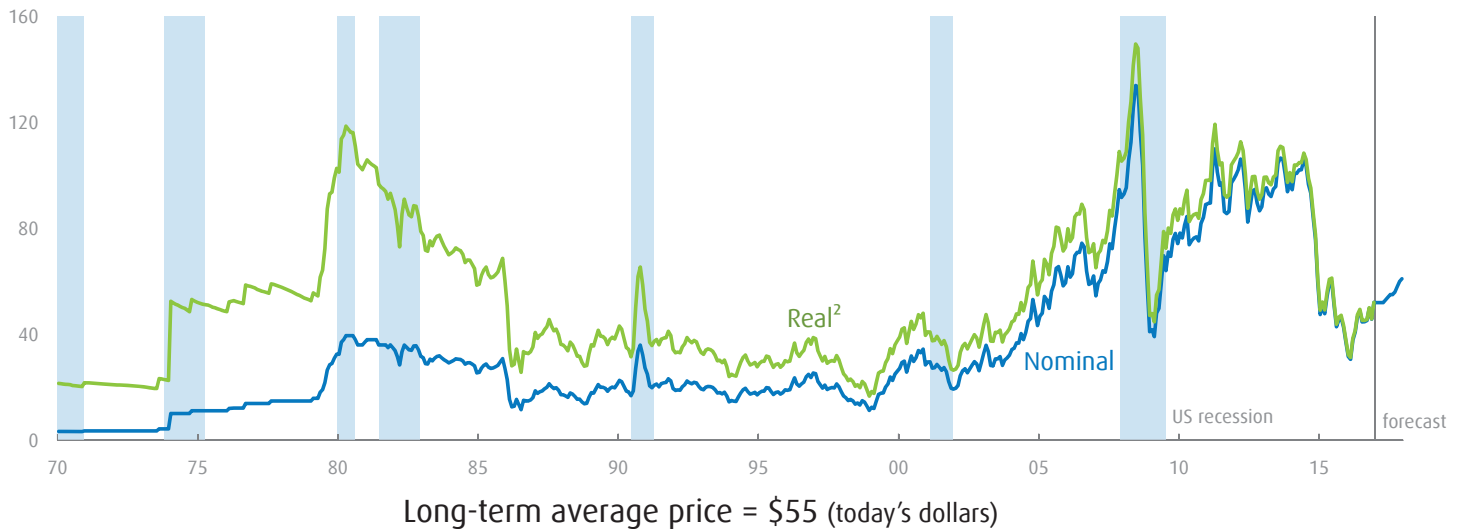


Greece	23.0
Spain	19.2
Italy	11.9
Portugal	10.5
France	9.5
Ireland	7.2
Canada	6.9
Australia	5.7
UK	4.8
US	4.7
Germany	4.1
Japan	3.1
Victoria	5.0
British Columbia	5.8

Oil price collapse in perspective

(US\$/bbl)

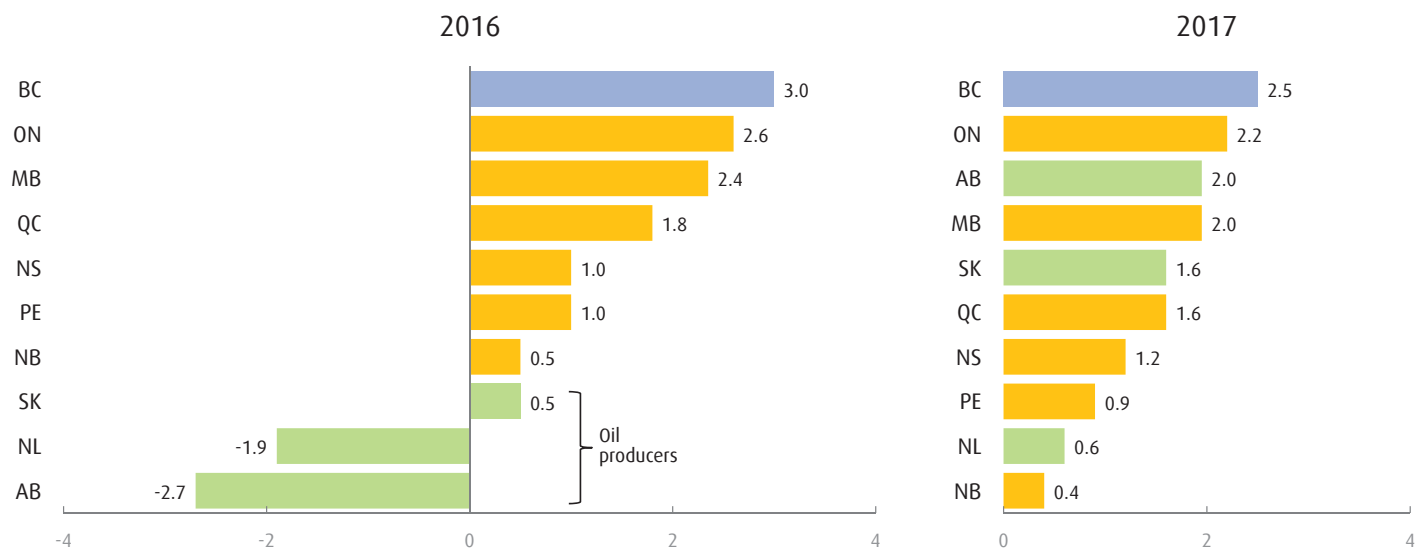
Crude oil price¹



¹ West Texas Intermediate ² December 2016 US dollars

Regional outlook: Ch-Ch-changes

Real GDP – Canada (y/y % chng)



"Everyone told me the housing bubble would burst"

Canada



2016:

"Party will end in the Toronto and Vancouver housing markets this year"

- Canadian bank

2015:

"Canada is in serious trouble"

- Deutsche Bank 2015

2014:

"Why Canada isn't immune to a US-style housing crash"

- Maclean's

2013:

"Inside the great real estate crash of 2013"

- Maclean's

2012:

"Canada's housing crash begins"

- Canadian Business

2011:

"Canada's housing bubble deemed close to bursting"

- CBC News

2010:

"Canada's housing bubble: An accident waiting to happen"

- CCPA

2009:

"Why Canada's housing bubble will burst"

- The Tye

2008:

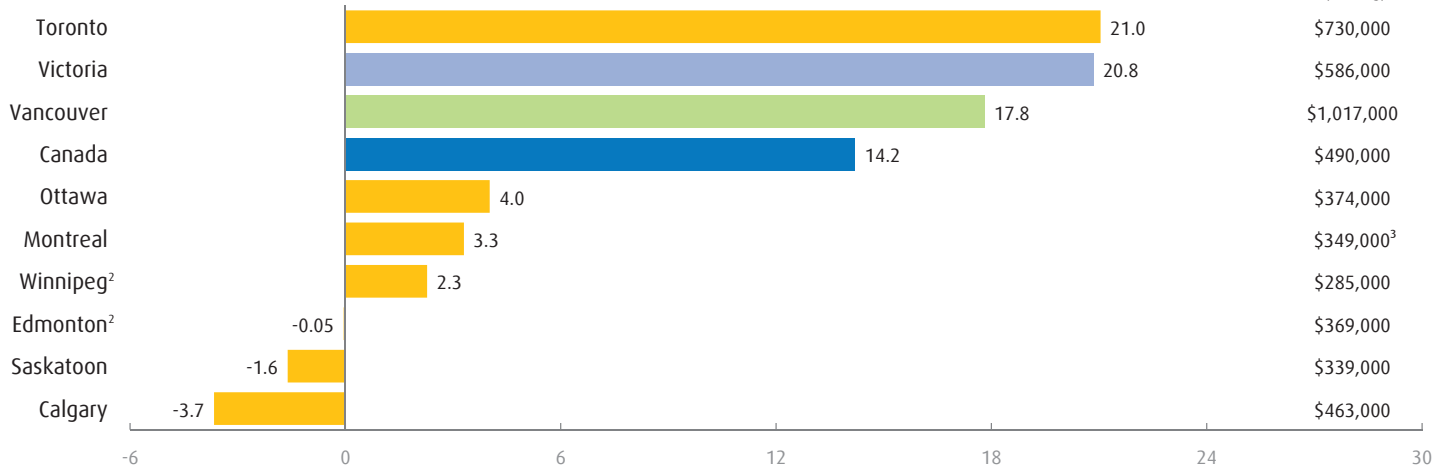
"Canada's housing bubble could soon burst"

- US investment firm

Canadian house prices: Location, location, location

Canada (y/y % chng : nsa : as of December 2016)

Existing home prices¹



Ottawa moves to cool market

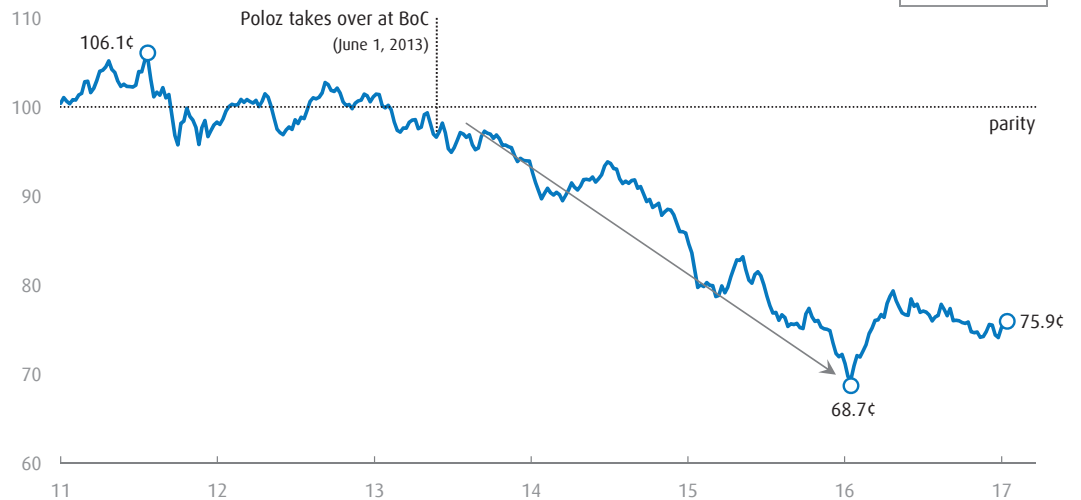
¹ HPI composite benchmark where available ² Average home price ³ November 2016

Canadian dollar: Where next?

Canada



Canadian dollar (US¢ : as of January 16, 2017)

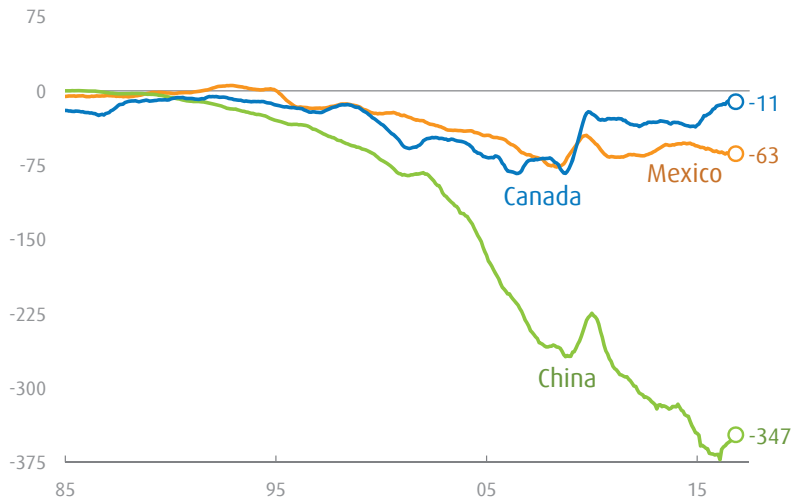


Similar to other commodity currencies

US trade trends

United States

Goods trade balance with... (US\$ blns : 12-mnth ms)

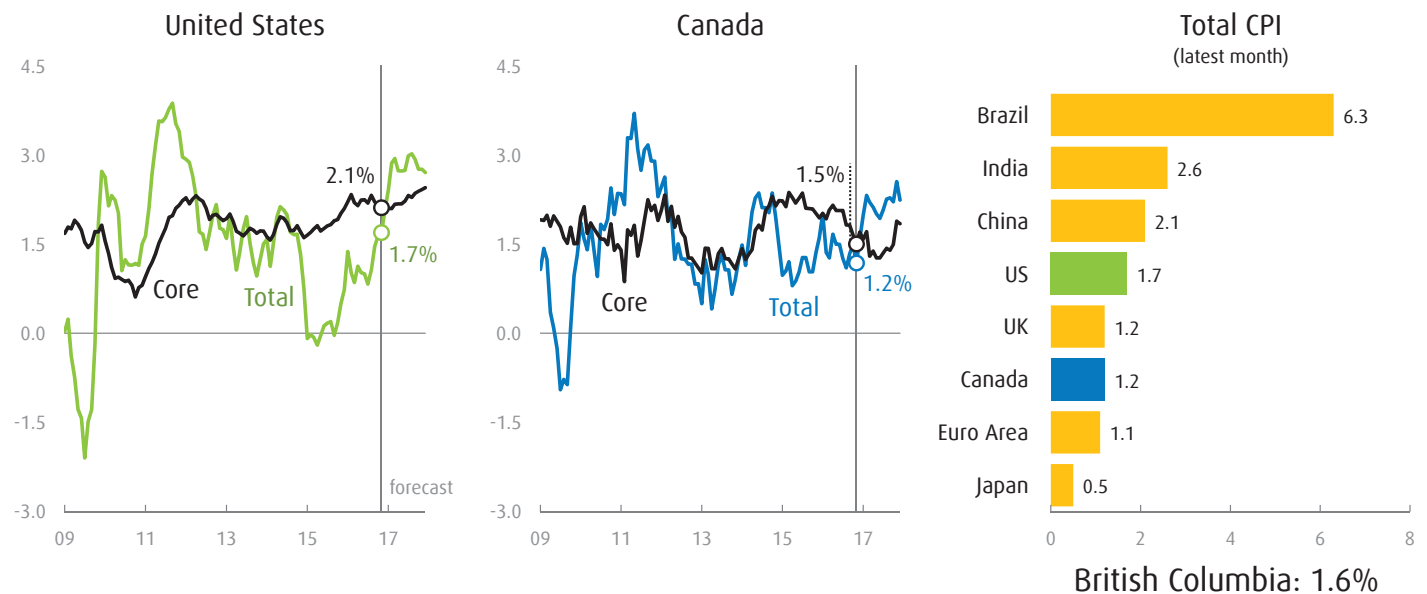


	Exports to:	Imports from:	Total trade
	(US\$ blns : 12-mnth total) ¹		
Canada	267.3	278.4	545.7
Mexico	230.4	293.8	524.2
China	114.3	461.4	575.7

¹ (to November 2016)

Inflation edging up

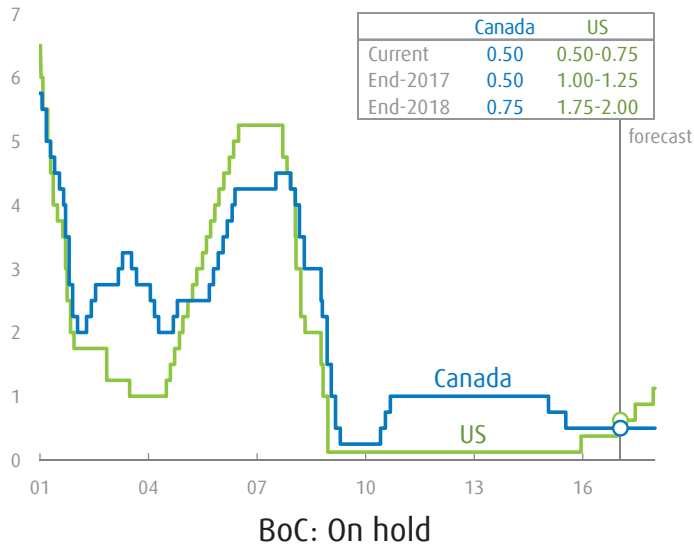
Consumer price index (y/y % chng)



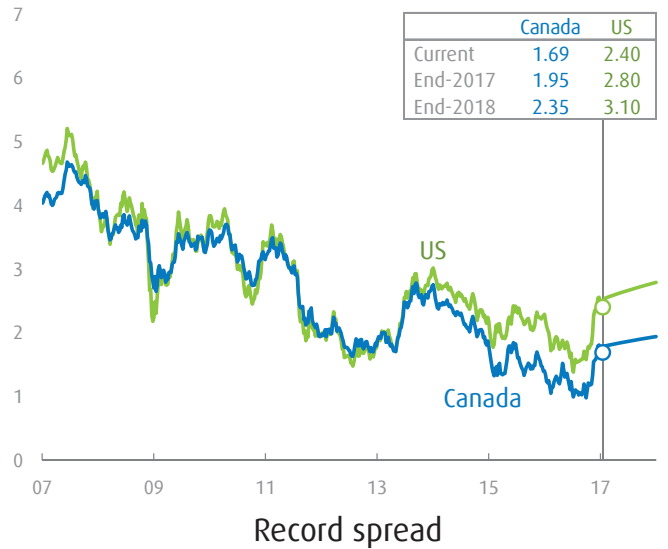
Interest rates: More US rate hikes coming

(% : as of January 16, 2017)

Overnight rate



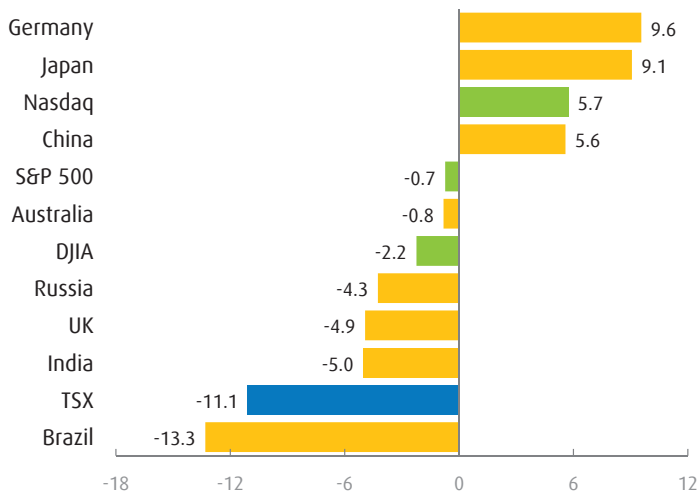
10-year bonds



Global stocks: Tables turn

Equity markets (% chng)

2015



Since January 1, 2016
(as of January 16, 2017)

