

Global Forecast Update

Mind The Gap

Scotia Economics expects that global growth will be sustained by several factors: sharply reduced borrowing costs in the advanced economies that will facilitate accelerated refinancing, cash-rich businesses that will bolster investments, comparatively robust albeit slightly slower growth in the emerging economies, and lower oil prices that will boost spending power. Nonetheless, the pace of economic activity in the advanced nations will be quite slow and uneven over the next few quarters. Intensifying debt-related strains in the euro zone and the United States are roiling financial markets, undermining consumer and business confidence, and restraining spending.

Our forecasts had already assumed slower growth in the more-indebted advanced economies both this year and next. Households in the United States and other countries with distressed housing markets and high jobless rates would continue to deleverage. Credit conditions would be challenged by financial institutions recapitalizing their balance sheets and facing tighter regulatory guidelines. And the pace of fiscal consolidation would gather momentum.

However, the early-year surge in commodity prices and the disruptions in the global manufacturing supply chain triggered by Japan's mid-March catastrophe compounded the slowdown. And more recently, heightened political uncertainty aggravated the slow pace of reforms critical to reducing the significant deficit and debt problems in the euro zone and the United States. At a time when the growth cushion among the advanced nations is very thin, the broad financial market and confidence shake-out around the world, if sustained, is a threat to the durability of the recovery.

It is incumbent upon policymakers to resolve the euro zone's severe sovereign debt and banking sector problems, and to forge a credible deficit-reduction strategy in the United States. A quick and effective resolution is critical to prevent further contagion, restore financial market stability, rebuild confidence, and enable the two largest economic regions in the world to regain stronger momentum through the second half of 2012.

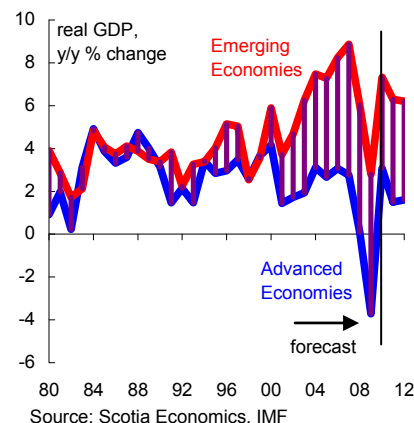
Japan's massive rebuilding efforts and the rebound in auto and electronics manufacturing will lift the economy to the top of the advanced nations' growth ladder through the remainder of this year and most of 2012. But once the temporary stimulus wears off, longer-term structural issues — less favourable demographic trends, high debt and currency strength — should leave Japan on a slower growth trajectory. Australia is also expected to remain a relative outperformer because of its close commodity and trade linkages with the still-strong Asia-Pacific region. Nonetheless, the impact of prior rate hikes, a cooling in its hot housing market, and the loss of global economic momentum will temper the country's comparatively strong pace of domestic activity.

The North American economies have slipped to the middle of the advanced nation growth ladder. Mexico's prospects have been reduced by the sharp slowing in U.S. activity, though the country's strong competitive position and more regionally diversified trade will keep industrial activity and domestic spending at a reasonably high level. Canada also faces stiffer headwinds, with the renewed slumps in the United States and Europe dampening non-resource shipments. Some softening in employment conditions and a more subdued housing market will contribute to the lower growth profile, though the buoyancy in resource-producing regions that is being underpinned by continuing large investments will remain an important contributor to growth.

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The Large Growth Gap Between Emerging and Advanced Economies Should Persist



The U.S. economy continues to be weighed down by significant and lingering problems. The housing slump shows no sign of a quick turnaround. The weak job recovery has stumbled again, putting a further squeeze on household incomes and discretionary spending. Exports remain a relative bright spot, with transportation equipment and technology sales leading the way. Even so, the sharp drop in confidence associated with the budgetary deadlock, and the prospect of intensifying fiscal retrenchment, point to weak and uneven growth for a good part of 2012.

Increasing fiscal retrenchment will dominate European prospects for the foreseeable future. Among the peripheral European nations, intensifying budgetary restraint and increasing unemployment have severely undercut activity. The contagion from the sovereign debt crisis is contributing to a falloff in growth in the larger European economies, most notably in Italy and Spain, but also in Germany and France as increased consumer and business caution sweep the region and regional trade slows. Significant fiscal restraint and the resulting slowdown in domestic demand will keep U.K. growth slightly below 1% this year and next, notwithstanding preparations for the 2012 Summer Olympics.

Output growth in the larger and faster-paced emerging economies is forecast to remain comparatively strong. Even so, the pace of domestic activity has moderated alongside prior tightening initiatives to contain inflationary pressures, and the reduced demand associated with the progressive weakening in the advanced economies since the spring. These countries are benefitting from the continuing strength of domestic-led spending and investment, a reflection of the rebalancing underway to reduce dependency on foreign trade. A number of factors — large private and public savings, massive infrastructure developments, and in some nations renewed interest rate cuts as inflation slows — should reinforce the more moderate but still-strong growth trajectories.

China is expected to remain the global growth leader, though the combination of domestic credit restraint and slowing international demand will trim its output growth to around 9% next year. India's strong domestically generated expansion will continue to keep the country's growth rate around 8%. In Brazil, prior policy tightening and a stronger currency — both have reversed somewhat in recent weeks — will contribute to a slower pace of activity, though the country will remain a strong performer because of significant investments in manufacturing and resources. Peru and Chile will continue to post comparatively stronger regional growth on the back of ongoing capital investments in their expanding resource sectors.

The 'growth gap' between the emerging and advanced nations has been progressively widening over the past three decades, from essentially no gap in the 1980s to a gap averaging over 5 percentage points near the end of the 2000s as the intensifying problems in the U.S. housing and financial markets spawned a worldwide credit crisis and recession. For much of this time, this gap reflected the much stronger economic performances of the emerging economies. But in recent years, the differential has continued to widen because of the increasing underperformance of the advanced nations.

Going forward, the 'growth gap' should remain quite large. Most advanced nations have already embarked upon a multi-year period of household deleveraging and/or fiscal consolidation, and more will follow – developments that will keep output growth in the slow lane. At the same time, emerging nations have the fiscal and financial flexibility to underpin solid economic gains in their home markets, a development that remains supportive over the longer term for international trade and commodity markets.

Financial markets can be expected to remain very volatile amid slower global growth and heightened economic and political uncertainty. Interest rates in the advanced nations have declined to historically low levels alongside increased risk aversion and monetary accommodation, though longer-term yields are still vulnerable to the upside later next year as the financial turmoil eases and economic conditions stabilize. Global equity markets have adjusted to lower growth and earnings expectations, though many companies are in good financial shape (i.e. large cash reserves and manageable debt levels) to ride out the current period of instability, even in the most affected countries and regions. Similarly, the 'greenback' has soared alongside the profound shift into highly liquid U.S. assets, though progress in resolving the deficit/debt problems in the euro zone and the United States should allow risk assets and most currencies, including the Canadian dollar, to begin the process of retracing some of their recent losses.

(For a perspective on foreign exchange trends, please refer to our October 2011 *Foreign Exchange Outlook* at http://www.scotiacapital.com/English/bns_econ/fxout.pdf.) ■

Global Forecast Update

| North America | 2000-09 | 2010 | 2011f | 2012f |
|--------------------------------------|-------------------|--------|--------|--------|
| | (annual % change) | | | |
| Canada | | | | |
| Real GDP | 2.1 | 3.2 | 2.1 | 1.7 |
| Consumer Spending | 3.2 | 3.3 | 1.9 | 1.8 |
| Residential Investment | 3.8 | 10.2 | 1.7 | 2.2 |
| Business Investment | 2.0 | 7.3 | 13.9 | 6.8 |
| Government | 3.5 | 4.7 | 1.8 | -0.6 |
| Exports | -0.7 | 6.4 | 4.3 | 5.9 |
| Imports | 2.1 | 13.1 | 7.3 | 4.9 |
| Nominal GDP | 4.5 | 6.3 | 4.9 | 2.9 |
| GDP Deflator | 2.4 | 2.9 | 2.8 | 1.2 |
| Consumer Price Index | 2.1 | 1.8 | 2.9 | 2.0 |
| Core CPI | 1.9 | 1.7 | 1.6 | 1.8 |
| Pre-Tax Corporate Profits | 3.0 | 21.2 | 8.5 | 4.0 |
| Employment | 1.6 | 1.4 | 1.6 | 0.9 |
| thousands of jobs | 241 | 231 | 269 | 155 |
| thousands of jobs (Q4/Q4) | 229 | 279 | 253 | 156 |
| Unemployment Rate (%) | 7.0 | 8.0 | 7.5 | 7.4 |
| Current Account Balance (C\$ bn.) | 13.8 | -50.9 | -54.7 | -50.4 |
| per cent of GDP | 1.2 | -3.1 | -3.2 | -2.9 |
| Merchandise Trade Balance (C\$ bn.) | 51.7 | -9.0 | -7.5 | -4.0 |
| Federal Budget Balance (C\$ bn.) | 2.0 | -36 | -30 | -21 |
| per cent of GDP | 0.3 | -2.2 | -1.8 | -1.2 |
| Housing Starts (thousands) | 201 | 190 | 186 | 180 |
| Motor Vehicle Sales (thousands) | 1,591 | 1,557 | 1,590 | 1,605 |
| Motor Vehicle Production (thousands) | 2,481 | 2,100 | 2,250 | 2,400 |
| Industrial Production | -0.6 | 4.6 | 2.7 | 2.4 |
| United States | | | | |
| Real GDP | 1.7 | 3.0 | 1.7 | 1.5 |
| Consumer Spending | 2.2 | 2.0 | 2.1 | 1.1 |
| Residential Investment | -5.0 | -4.3 | -1.9 | 1.5 |
| Business Investment | 0.6 | 4.4 | 7.5 | 4.5 |
| Government | 2.1 | 0.7 | -1.8 | -0.5 |
| Exports | 3.2 | 11.3 | 7.1 | 5.8 |
| Imports | 2.5 | 12.5 | 5.2 | 2.8 |
| Nominal GDP | 4.1 | 4.2 | 3.8 | 3.2 |
| GDP Deflator | 2.4 | 1.1 | 2.0 | 1.7 |
| Consumer Price Index | 2.6 | 1.6 | 2.8 | 1.9 |
| Core CPI | 2.2 | 1.0 | 1.5 | 1.7 |
| Pre-Tax Corporate Profits | 4.8 | 32.2 | 8.1 | 5.5 |
| Employment | 0.1 | -0.7 | 1.0 | 1.1 |
| millions of jobs | 0.18 | -0.97 | 1.30 | 1.50 |
| millions of jobs (Q4/Q4) | -0.09 | 0.70 | 1.52 | 1.64 |
| Unemployment Rate (%) | 5.5 | 9.6 | 9.0 | 8.9 |
| Current Account Balance (US\$ bn.) | -573 | -471 | -489 | -495 |
| per cent of GDP | -4.7 | -3.2 | -3.2 | -3.2 |
| Merchandise Trade Balance (US\$ bn.) | -632 | -646 | -761 | -785 |
| Federal Budget Balance (US\$ bn.) | -318 | -1,294 | -1,300 | -1,240 |
| per cent of GDP | -2.4 | -8.9 | -8.6 | -8.0 |
| Housing Starts (millions) | 1.54 | 0.58 | 0.59 | 0.64 |
| Motor Vehicle Sales (millions) | 15.8 | 11.6 | 12.7 | 13.5 |
| Motor Vehicle Production (millions) | 10.9 | 7.7 | 8.5 | 9.1 |
| Industrial Production | -0.3 | 5.3 | 3.8 | 2.8 |
| Mexico | | | | |
| Real GDP | 1.7 | 5.4 | 3.7 | 2.9 |
| Industrial Production | 1.0 | 6.0 | 3.8 | 3.5 |
| Consumer Price Index (year-end) | 4.9 | 4.4 | 3.4 | 4.0 |
| Current Account Balance (US\$ bn.) | -10.4 | -5.7 | -15.0 | -21.0 |
| per cent of GDP | -1.3 | -0.5 | -1.3 | -1.5 |

Forecast Changes

Canada & United States

- We have revised down our quarterly pattern for U.S. GDP growth, front-loading a weaker performance to the fourth quarter of this year and through the first half of 2012. These adjustments leave output growth at 1.7% for 2011, but lower the 2012 advance from 2.1% to 1.5%. Recent indicators confirm that a gradual recovery remains underway, but with downside risks to the outlook, including concerns over consumer, business and investor sentiment, global growth prospects and fiscal stabilization. Foreign demand, especially from emerging markets, will remain a key driver of growth, supporting exports and business investment.
- We have likewise lowered our expectations for the Canadian economy in 2011-12. GDP growth is now expected to average 2.1% this year and 1.7% in 2012, down 0.1 and 0.4 percentage points, respectively, from our prior forecast. The revision builds in a more cautious consumer and business outlook, as well as a weaker export profile.
- In the U.S., a compromise for some extended stimulus alongside more modest economic growth is expected to result in a federal deficit in fiscal 2012 wider than US\$1.2 trillion. Ottawa, for the first four months of fiscal 2011-12, reports a relatively modest 3.2% advance in revenues with July receipts soft, but the cumulative budget shortfall is still narrower than a year earlier, aided by a constrained 1.4% program spending increase.

Mexico

- In line with the downward revision to U.S. GDP growth, we are adjusting our expectation for Mexican economic growth in 2012 from 3.5% to 2.9%, while the 2011 forecast remains unchanged at 3.7%. Additionally, due to recent Mexican peso (MXN) depreciation, the economic deceleration and lower oil prices, we are adjusting our MXN year-end forecasts from 12.3 to 12.9 for 2011 and from 12.5 to 12.7 for 2012.

Global Forecast Update

| International | 2000-09 | 2010 | 2011f | 2012f |
|---|---------|-------|-------|-------|
| Real GDP (annual % change) | | | | |
| World (based on purchasing power parity) | 3.6 | 5.2 | 3.8 | 3.8 |
| United Kingdom | 1.9 | 1.8 | 0.7 | 0.7 |
| Euro zone | 1.4 | 1.8 | 1.6 | 1.1 |
| Germany | 0.9 | 3.6 | 2.9 | 1.4 |
| France | 1.4 | 1.4 | 1.7 | 1.2 |
| Italy | 0.5 | 1.3 | 0.8 | 0.4 |
| Spain | 2.6 | -0.1 | 0.8 | 0.9 |
| Japan | 0.6 | 4.0 | 0.3 | 3.2 |
| Australia | 3.1 | 2.7 | 2.9 | 3.0 |
| China | 9.4 | 10.4 | 9.1 | 8.9 |
| India | 7.4 | 9.0 | 7.9 | 8.3 |
| Korea | 4.4 | 6.2 | 4.7 | 5.0 |
| Thailand | 4.1 | 7.9 | 4.5 | 4.8 |
| Brazil | 3.3 | 7.5 | 3.5 | 4.0 |
| Chile | 3.7 | 5.2 | 6.5 | 4.8 |
| Peru | 5.2 | 8.8 | 6.2 | 5.6 |
| Consumer Prices (y/y % change, year-end) | | | | |
| United Kingdom | 1.9 | 3.7 | 4.4 | 2.1 |
| Euro zone | 2.0 | 2.2 | 2.6 | 1.5 |
| Germany | 1.7 | 1.9 | 2.5 | 1.5 |
| France | 1.9 | 2.0 | 2.4 | 1.3 |
| Italy | 2.3 | 2.1 | 2.8 | 1.3 |
| Spain | 3.0 | 2.9 | 2.6 | 1.4 |
| Japan | -0.3 | -0.4 | 1.1 | 1.3 |
| Australia | 3.2 | 2.7 | 2.8 | 2.5 |
| China | 2.0 | 4.6 | 5.0 | 4.5 |
| India | 22.5 | 32.2 | 7.5 | 6.0 |
| Korea | 3.1 | 3.5 | 3.7 | 3.3 |
| Thailand | 2.6 | 3.0 | 3.5 | 2.8 |
| Brazil | 6.7 | 5.9 | 6.5 | 6.0 |
| Chile | 3.5 | 1.4 | 3.5 | 3.3 |
| Peru | 2.5 | 2.1 | 3.8 | 2.7 |
| Current Account Balance (% of GDP) | | | | |
| United Kingdom | -2.2 | -3.2 | -2.0 | -1.6 |
| Euro zone | -0.2 | -0.4 | -0.4 | -0.3 |
| Germany | 3.6 | 5.5 | 5.4 | 4.9 |
| France | -0.4 | -2.3 | -2.3 | -2.5 |
| Italy | -1.5 | -3.5 | -3.6 | -3.2 |
| Spain | -5.9 | -4.6 | -3.4 | -3.1 |
| Japan | 3.3 | 3.6 | 2.6 | 2.8 |
| Australia | -4.7 | -2.7 | -2.9 | -3.1 |
| China | 5.4 | 5.2 | 4.3 | 3.5 |
| India | -0.6 | -2.6 | -2.8 | -2.6 |
| Korea | 2.3 | 2.8 | 2.1 | 1.4 |
| Thailand | 3.3 | 4.6 | 3.6 | 3.1 |
| Brazil | -0.7 | -2.2 | -2.4 | -2.8 |
| Chile | 0.9 | 1.9 | -0.5 | -1.0 |
| Peru | -0.7 | -1.5 | -2.5 | -2.7 |
| Commodities (annual average) | | | | |
| WTI Oil (US\$/bbl) | 51 | 79 | 92 | 92 |
| Brent Oil (US\$/bbl) | 50 | 80 | 108 | 104 |
| Nymex Natural Gas (US\$/mmbtu) | 5.95 | 4.40 | 4.25 | 4.50 |
| Copper (US\$/lb) | 1.78 | 3.42 | 4.05 | 4.05 |
| Zinc (US\$/lb) | 0.73 | 0.98 | 1.00 | 1.01 |
| Nickel (US\$/lb) | 7.11 | 9.89 | 10.50 | 9.00 |
| Gold, London PM Fix (US\$/oz) | 522 | 1,225 | 1,565 | 1,675 |
| Pulp (US\$/tonne) | 668 | 960 | 980 | 1,000 |
| Newsprint (US\$/tonne) | 572 | 607 | 643 | 690 |
| Lumber (US\$/mfbm) | 275 | 254 | 255 | 260 |

Forecast

Changes

International

- The economic outlook in Europe has deteriorated in response to increasing sovereign debt strains on the continent, ongoing fiscal consolidation in the U.K., and the broader global slowdown. We have revised our growth forecasts lower, to 1.6% and 1.1%, respectively, in 2011 and 2012 for the euro zone, and to 0.7% in both years for the U.K.
- The fallout from the volatile situation in the euro zone and uncertainty about the outlook for the U.S. economy have prompted us to trim our forecasts for Asian growth. We now expect China to expand at an average 9% y/y rate in 2011-12, from our previous 9.4% forecast. India, South Korea, Thailand and Australia are also expected to post more moderate growth. Recent exchange rate weakness has improved the competitiveness profile of countries that count China as a main trading partner. An expected fall in regional price pressure should lead to a switch towards growth-supportive monetary easing.

Commodities

- Bellwether commodities such as oil and copper have recently been pressured by extreme risk aversion, a rush to cash and U.S. Treasury securities by investors and traders, in addition to reduced global growth prospects.
- LME copper prices have dropped from US\$4.36 per pound in July to a still profitable US\$3.22 in early October (yielding profit margins of 54% over average world break-even costs including depreciation). Recent surveys point to soft orders for China's fabricators in 2011Q4, though global supply and demand conditions are expected to remain largely balanced. Copper prices could well rally back as 2012 unfolds alongside measures to bolster China's economy and a fuller resolution to the European debt challenge.

Global Forecast Update

| Provincial | 2000-09 | 2010 | 2011f | 2012f | 2000-09 | 2010 | 2011f | 2012f |
|---------------------------|---|------|-------|-------|--|---------|-----------|---------|
| | Real GDP* (annual % change) | | | | Budget Balances*, FY March 31 (\$millions) | | | |
| Canada | 2.1 | 3.2 | 2.1 | 1.7 | 9,024 | -55,598 | -36,000 | -30,000 |
| Newfoundland & Labrador | 3.1 | 6.0 | 3.4 | 2.0 | 103 | -33 | 485 | 59 |
| Prince Edward Island | 1.7 | 2.0 | 1.5 | 1.3 | -26 | -74 | -52 * | -42 |
| Nova Scotia | 1.7 | 2.1 | 1.5 | 1.2 | 52 | -269 | 569 * | -319 |
| New Brunswick | 1.8 | 3.3 | 1.4 | 1.3 | 56 | -722 | -633 * | -449 |
| Quebec | 1.8 | 2.7 | 1.8 | 1.3 | -115 | -3,174 | -4,200 | -3,800 |
| Ontario | 1.7 | 3.4 | 2.0 | 1.5 | -722 | -19,262 | -14,011 * | -15,994 |
| Manitoba | 2.1 | 2.0 | 2.0 | 2.1 | 312 ** | -200 | -298 * | -438 |
| Saskatchewan | 1.6 | 4.4 | 3.1 | 2.9 | 426 | 425 | 48 * | 361 |
| Alberta | 2.7 | 3.8 | 3.2 | 3.0 | 4,268 | 0 | 0 * | 0 |
| British Columbia | 2.5 | 4.0 | 2.3 | 2.0 | 863 | -1,864 | -309 * | -2,778 |
| | Employment (annual % change) | | | | Unemployment Rate (annual average, %) | | | |
| Canada | 1.6 | 1.4 | 1.6 | 0.9 | 7.0 | 8.0 | 7.5 | 7.4 |
| Newfoundland and Labrador | 0.5 | 3.3 | 3.2 | 0.9 | 15.3 | 14.4 | 12.4 | 12.0 |
| Prince Edward Island | 1.3 | 2.9 | 1.2 | 0.5 | 11.3 | 11.2 | 11.5 | 11.4 |
| Nova Scotia | 1.1 | 0.2 | 0.0 | 0.7 | 8.8 | 9.3 | 9.2 | 8.8 |
| New Brunswick | 1.0 | -0.9 | -1.4 | 0.5 | 9.4 | 9.3 | 9.6 | 9.5 |
| Quebec | 1.5 | 1.7 | 1.4 | 0.7 | 8.3 | 8.0 | 7.7 | 7.7 |
| Ontario | 1.4 | 1.7 | 1.8 | 0.8 | 6.8 | 8.7 | 7.9 | 7.9 |
| Manitoba | 1.2 | 1.9 | 0.8 | 0.9 | 4.8 | 5.4 | 5.5 | 5.3 |
| Saskatchewan | 1.0 | 0.9 | 0.3 | 1.1 | 5.0 | 5.2 | 5.1 | 4.7 |
| Alberta | 2.8 | -0.4 | 3.3 | 1.8 | 4.6 | 6.5 | 5.5 | 5.2 |
| British Columbia | 1.6 | 1.7 | 0.8 | 0.8 | 6.6 | 7.6 | 7.7 | 7.6 |
| | Housing Starts (annual, thousands of units) | | | | Motor Vehicle Sales (annual, thousands of units) | | | |
| Canada | 201 | 190 | 186 | 180 | 1,591 | 1,557 | 1,590 | 1,605 |
| Atlantic | 12 | 13 | 12 | 11 | 113 | 122 | 123 | 124 |
| Quebec | 44 | 51 | 47 | 44 | 404 | 414 | 420 | 423 |
| Ontario | 74 | 60 | 66 | 61 | 607 | 576 | 586 | 592 |
| Manitoba | 4 | 6 | 5 | 5 | 44 | 44 | 46 | 46 |
| Saskatchewan | 4 | 6 | 6 | 6 | 40 | 46 | 48 | 49 |
| Alberta | 35 | 27 | 24 | 27 | 205 | 200 | 210 | 212 |
| British Columbia | 27 | 26 | 26 | 26 | 178 | 155 | 157 | 159 |

* For 2010, Statistics Canada's preliminary estimates of GDP at basic prices by industry.

* Final result; other FY11-FY12 data: Provinces' estimates.

** FY04-FY09.

Forecast Changes

Provincial

- We have lowered our growth expectations for most provinces for 2012, relative to our September Update. Weaker global growth prospects have spilled over to commodity markets, further dampening Canada's export performance.
- Central Canada will be the most affected by slowing U.S. growth, with weaker export volumes reinforced by a more cautious consumer. Nonetheless, developments in several industries will support growth, including mining development and non-residential construction in Quebec and increased auto production in Ontario. The auto sector accounts for more than 20% of overall manufacturing activity in Ontario, and a rebound from the supply disruption-induced downturn during the summer will help to support economic activity.
- Resource activity will see Alberta and Saskatchewan continue to outperform, with recent volatility in commodity markets unlikely to derail most long-term investments. In B.C., the Metro Vancouver region has fared well this year. However, sluggish employment conditions elsewhere in the province have limited growth in consumer demand, resulting in a notable softening in retail activity.
- Following elections this fall in five provinces and two territories, and the selection of a new leader for Alberta's governing Conservative party, governments will be challenged to achieve their deficit reduction plans and election commitments in an environment of slower-than-expected economic growth at home and abroad.

Global Forecast Update

| Financial Markets | 10Q4 | 11Q1 | 11Q2 | 11Q3f | 11Q4f | 12Q1f | 12Q2f | 12Q3f | 12Q4f |
|---------------------------------|--------------------|-------|-------|-------|-------|-------|-------|-------|-------|
| | (%, end of period) | | | | | | | | |
| Canada | | | | | | | | | |
| BoC Overnight Target Rate | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.25 | 1.75 |
| 3-month T-bill | 1.05 | 0.96 | 0.90 | 0.82 | 0.85 | 0.95 | 1.10 | 1.35 | 1.95 |
| 2-year Canada | 1.68 | 1.83 | 1.59 | 0.89 | 1.00 | 1.10 | 1.30 | 1.80 | 2.15 |
| 5-year Canada | 2.42 | 2.78 | 2.33 | 1.40 | 1.50 | 1.70 | 1.85 | 2.30 | 2.60 |
| 10-year Canada | 3.12 | 3.35 | 3.11 | 2.16 | 2.10 | 2.20 | 2.45 | 2.65 | 2.90 |
| 30-year Canada | 3.53 | 3.76 | 3.55 | 2.77 | 2.70 | 2.75 | 3.00 | 3.20 | 3.40 |
| Real GDP (q/q, ann. % change) | 3.1 | 3.6 | -0.4 | 1.4 | 1.4 | 1.6 | 2.0 | 2.4 | 2.4 |
| Real GDP (y/y, % change) | 3.3 | 2.9 | 2.2 | 1.9 | 1.5 | 1.0 | 1.6 | 1.9 | 2.1 |
| Consumer Prices (y/y, % change) | 2.3 | 2.6 | 3.4 | 2.9 | 2.6 | 2.2 | 1.8 | 1.9 | 2.1 |
| Core CPI (y/y % change) | 1.6 | 1.3 | 1.6 | 1.8 | 1.8 | 1.8 | 1.8 | 1.8 | 1.8 |
| United States | | | | | | | | | |
| Fed Funds Target Rate | 0.25 | 0.25 | 0.25 | 0.25 | 0.25 | 0.25 | 0.25 | 0.25 | 0.25 |
| 3-month T-bill | 0.12 | 0.09 | 0.01 | 0.02 | 0.00 | 0.05 | 0.05 | 0.10 | 0.15 |
| 2-year Treasury | 0.59 | 0.82 | 0.46 | 0.24 | 0.30 | 0.40 | 0.70 | 0.90 | 1.10 |
| 5-year Treasury | 2.00 | 2.28 | 1.76 | 0.95 | 1.00 | 1.20 | 1.35 | 1.55 | 1.70 |
| 10-year Treasury | 3.29 | 3.47 | 3.16 | 1.92 | 1.80 | 1.90 | 2.20 | 2.60 | 3.00 |
| 30-year Treasury | 4.33 | 4.51 | 4.37 | 2.91 | 2.80 | 2.85 | 3.15 | 3.60 | 4.00 |
| Real GDP (q/q, ann. % change) | 2.3 | 0.4 | 1.3 | 2.5 | 1.5 | 1.2 | 1.4 | 1.7 | 2.0 |
| Real GDP (y/y, % change) | 3.1 | 2.2 | 1.6 | 1.6 | 1.4 | 1.6 | 1.6 | 1.4 | 1.6 |
| Consumer Prices (y/y, % change) | 1.3 | 2.3 | 3.5 | 3.2 | 2.8 | 2.0 | 1.6 | 2.0 | 2.1 |
| Core CPI (y/y % change) | 0.6 | 1.1 | 1.5 | 1.6 | 1.6 | 1.7 | 1.7 | 1.7 | 1.8 |
| Spreads | | | | | | | | | |
| Target Rate | 0.75 | 0.75 | 0.75 | 0.75 | 0.75 | 0.75 | 0.75 | 1.00 | 1.50 |
| 3-month T-bill | 0.93 | 0.87 | 0.89 | 0.80 | 0.85 | 0.90 | 1.05 | 1.25 | 1.80 |
| 2-year | 1.09 | 1.01 | 1.13 | 0.65 | 0.70 | 0.70 | 0.60 | 0.90 | 1.05 |
| 5-year | 0.42 | 0.50 | 0.57 | 0.45 | 0.50 | 0.50 | 0.50 | 0.75 | 0.90 |
| 10-year | -0.17 | -0.12 | -0.05 | 0.24 | 0.30 | 0.30 | 0.25 | 0.05 | -0.10 |
| 30-year | -0.80 | -0.75 | -0.82 | -0.14 | -0.10 | -0.10 | -0.15 | -0.40 | -0.60 |
| Central Bank Rates | | | | | | | | | |
| European Central Bank | 1.00 | 1.00 | 1.25 | 1.50 | 1.50 | 1.50 | 1.50 | 1.50 | 1.50 |
| Bank of England | 0.50 | 0.50 | 0.50 | 0.50 | 0.50 | 0.50 | 0.50 | 0.50 | 0.50 |
| Swiss National Bank | 0.25 | 0.25 | 0.25 | 0.00 | 0.00 | 0.00 | 0.00 | 0.25 | 0.25 |
| Bank of Japan | 0.10 | 0.10 | 0.10 | 0.10 | 0.10 | 0.10 | 0.10 | 0.10 | 0.10 |
| Reserve Bank of Australia | 4.75 | 4.75 | 4.75 | 4.75 | 4.75 | 4.75 | 5.00 | 5.00 | 5.00 |
| Exchange Rates | | | | | | | | | |
| Canadian Dollar (USDCAD) | 1.00 | 0.97 | 0.96 | 1.05 | 1.02 | 1.00 | 0.99 | 0.98 | 0.98 |
| Canadian Dollar (CADUSD) | 1.00 | 1.03 | 1.04 | 0.95 | 0.99 | 1.00 | 1.01 | 1.02 | 1.02 |
| Euro (EURUSD) | 1.34 | 1.42 | 1.45 | 1.34 | 1.40 | 1.42 | 1.42 | 1.40 | 1.40 |
| Euro (EURGBP) | 0.86 | 0.88 | 0.90 | 0.86 | 0.88 | 0.88 | 0.88 | 0.86 | 0.85 |
| Sterling (GBPUSD) | 1.56 | 1.60 | 1.61 | 1.56 | 1.60 | 1.61 | 1.62 | 1.63 | 1.64 |
| Yen (USDJPY) | 81 | 83 | 81 | 77 | 80 | 82 | 83 | 84 | 85 |
| Australian Dollar (AUDUSD) | 1.02 | 1.03 | 1.07 | 0.97 | 1.00 | 1.02 | 1.04 | 1.06 | 1.08 |
| Chinese Yuan (USDCNY) | 6.6 | 6.5 | 6.5 | 6.4 | 6.3 | 6.2 | 6.1 | 6.0 | 5.9 |
| Mexican Peso (USDMXN) | 12.3 | 11.9 | 11.7 | 13.9 | 12.9 | 12.9 | 12.7 | 12.7 | 12.7 |
| Brazilian Real (USDBRL) | 1.66 | 1.63 | 1.56 | 1.88 | 1.80 | 1.79 | 1.77 | 1.76 | 1.75 |

Scotia Economics

Scotia Plaza 40 King Street West, 63rd Floor
 Toronto, Ontario Canada M5H 1H1
 Tel: (416) 866-6253 Fax: (416) 866-2829
 Email: scotia_economics@scotiacapital.com

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