

Economic and Financial Outlook

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#1 MEILLEUR PRÉVISIONNISTE GLOBAL – CANADA



#1 BEST OVERALL FORECASTER – CANADA

ECONOMIC AND FINANCIAL OUTLOOK

Summary

- Inflation high globally, central banks raising rates to rein it in
- Housing market cooling quickly, will drive recession in Canada in 2023
- Inflation is cooling, but we likely haven't seen its full effects
- Strong population growth likely to continue in Ontario and Hamilton

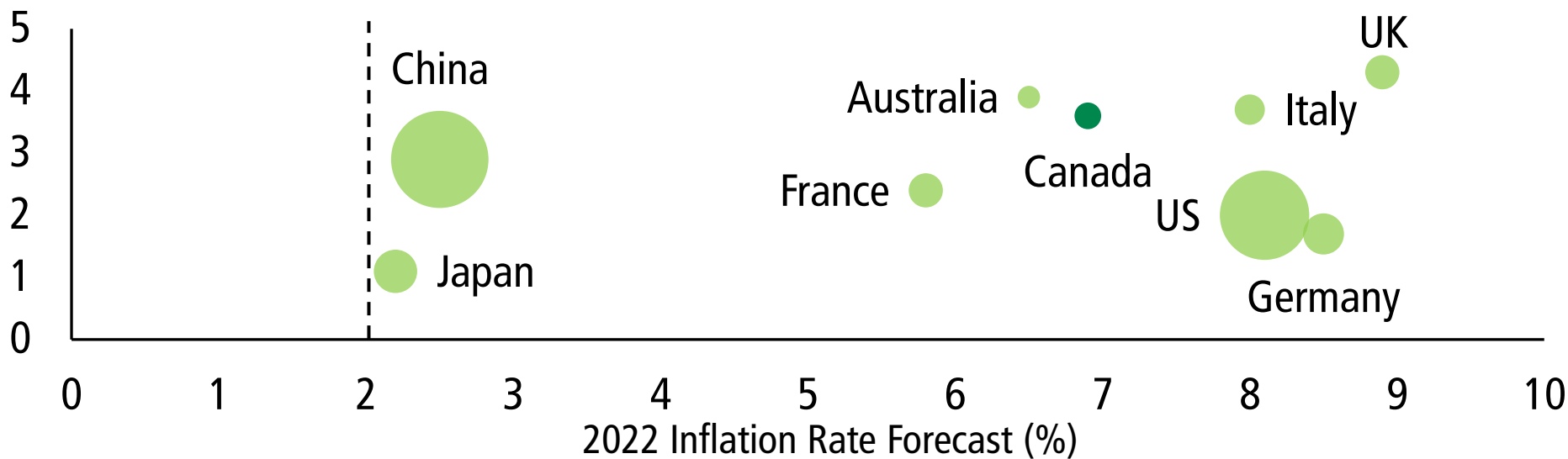
GLOBAL ECONOMY

GLOBAL ECONOMIC OUTLOOK

Inflation Outpacing Growth Across Major Economies

2022 Real GDP Growth vs CPI Inflation Forecasts

2022 Real GDP Growth Forecast (%)

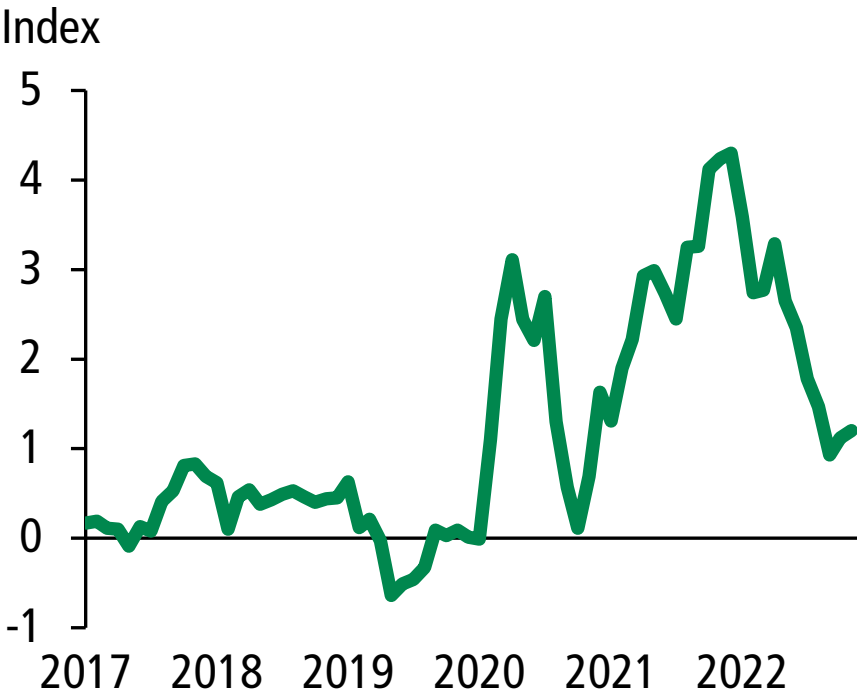


Note: Bubble size is relative share of global GDP
Sources: World Bank, Consensus Forecasts and Desjardins Economic Studies

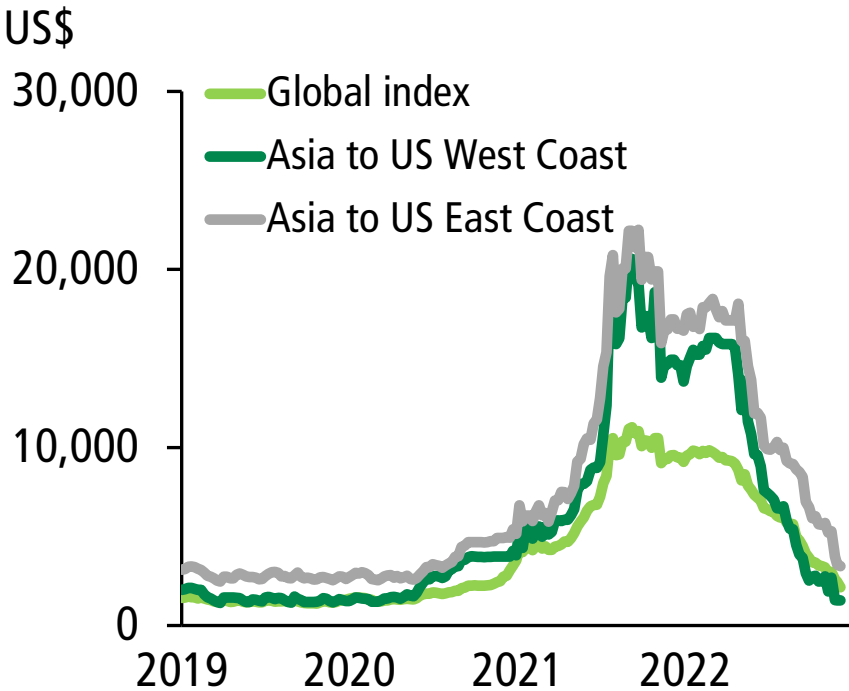
SUPPLY CHAINS

Weaker Global Goods Demand Reducing Supply Chain Pressures

Global Supply Chain Pressure Index



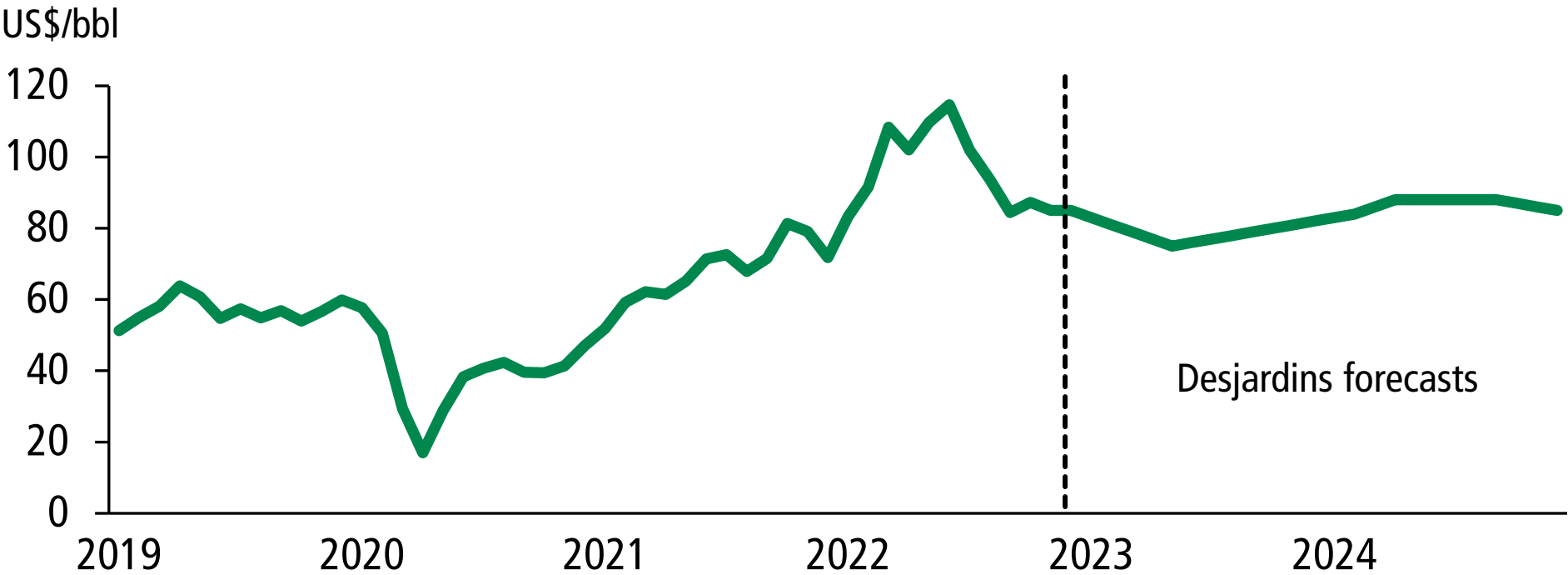
Freightos Container Shipping Cost index



OIL PRICES

Oil Prices Have Fallen, Are Set to Stabilize and Remain Elevated

West Texas Intermediate Price

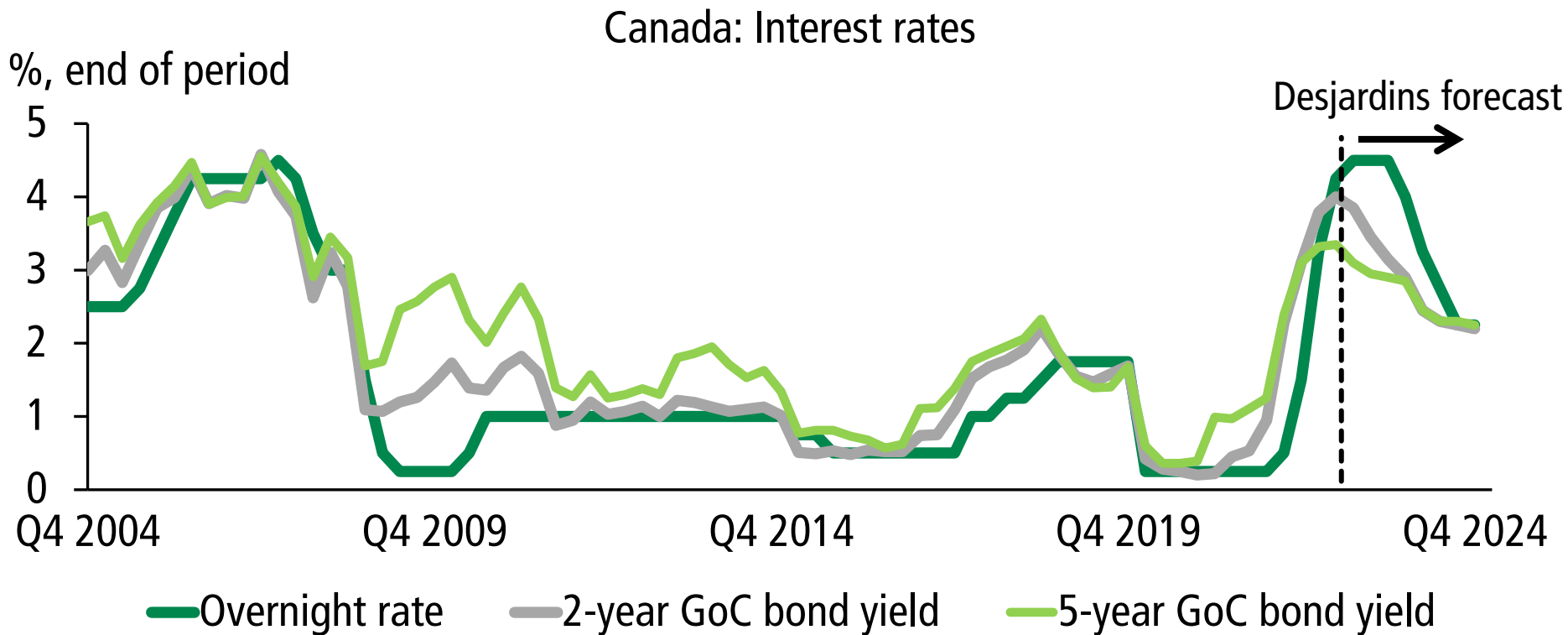


Sources: Statistics Canada and Desjardins Economic Studies

CANADIAN ECONOMY

INTEREST RATES

One More Hike from Bank of Canada, Cuts to Begin in Late 2023

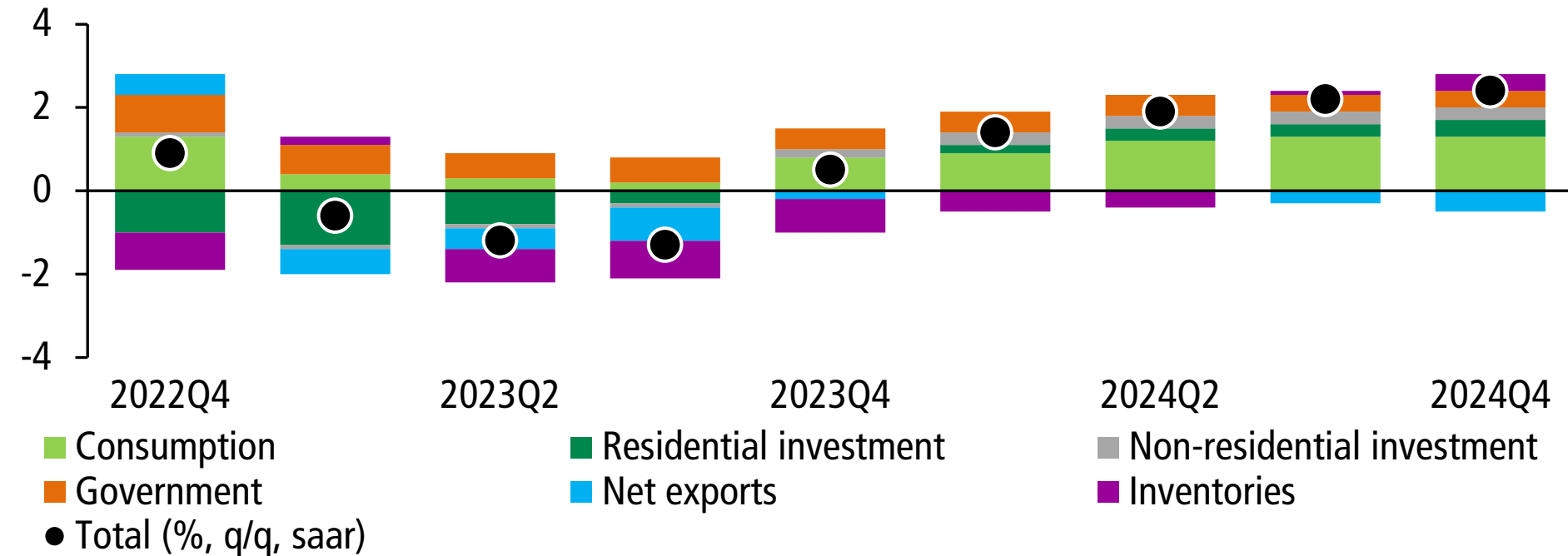


REAL GDP GROWTH

Interest-Rate Sensitive Sectors to Push Canada into Recession

Contributions to the Annualized Quarterly Real GDP Growth Forecast

Percentage points

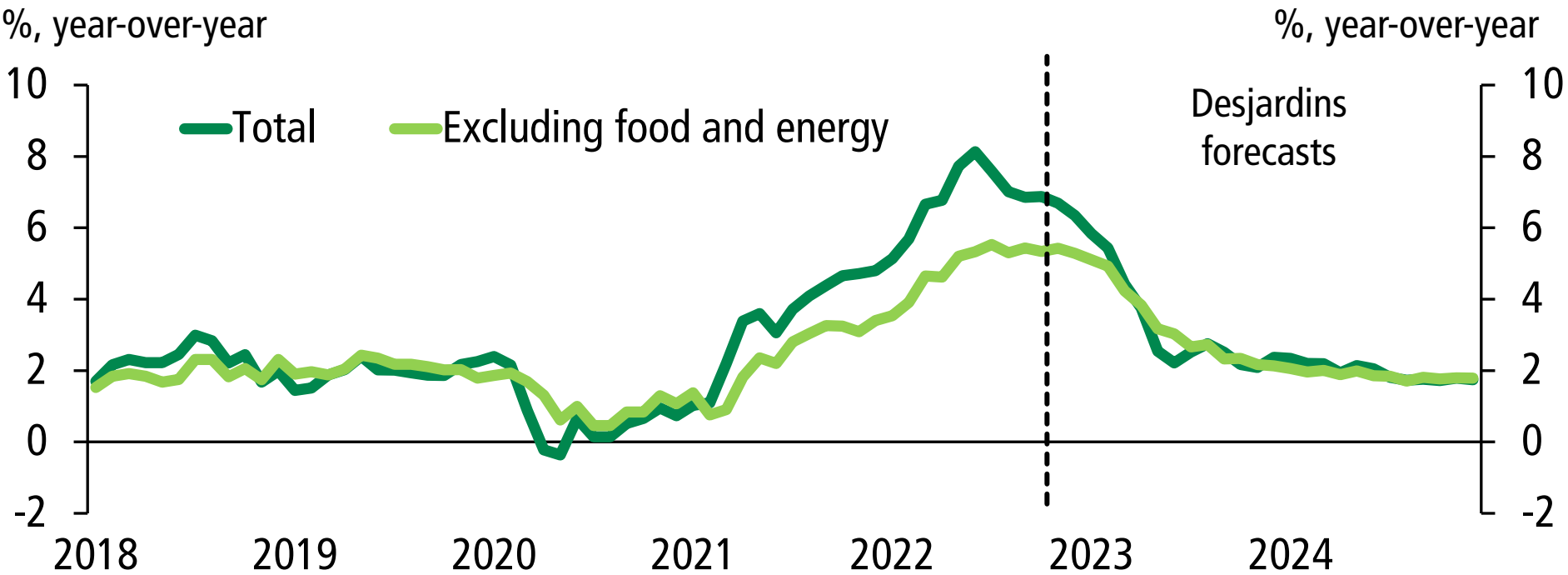


Sources: Statistics Canada and Desjardins Economic Studies

INFLATION

Inflation May Have Peaked in Canada, Should Slow Quickly

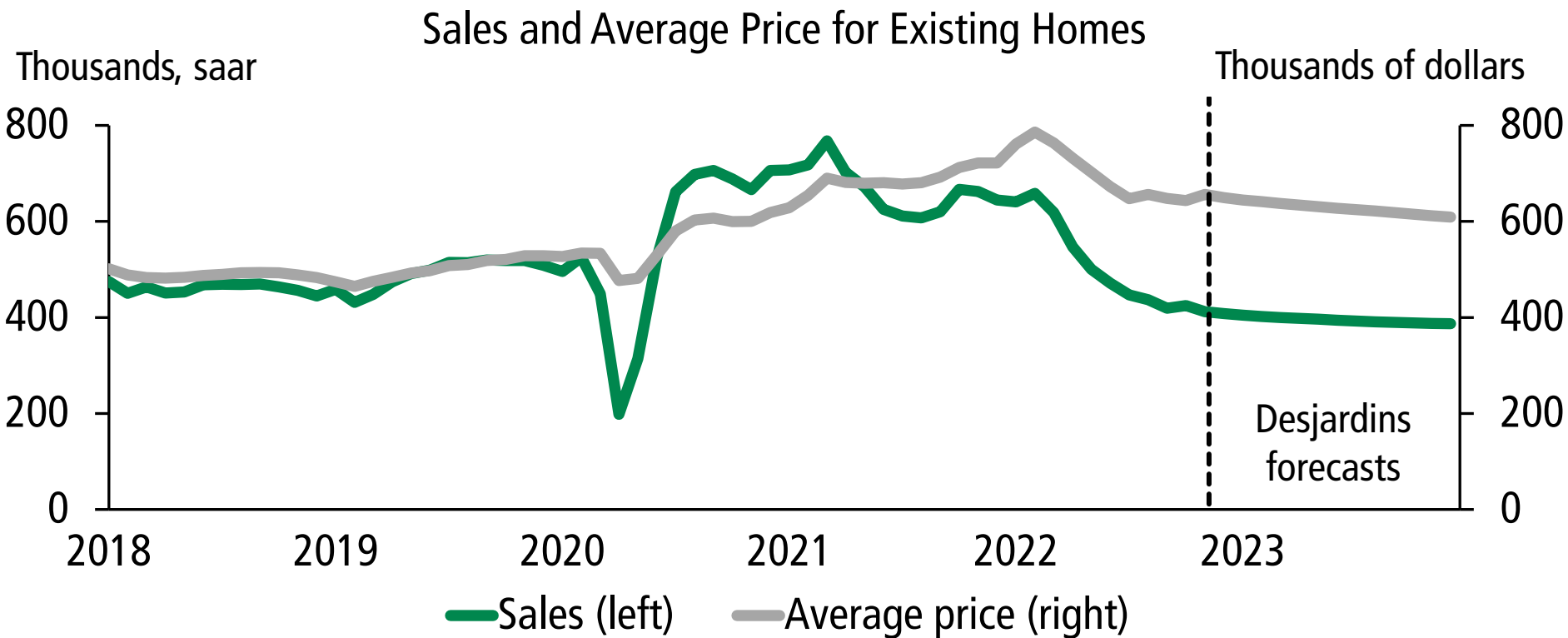
Canada: Consumer Price Index Inflation



Sources: Statistics Canada and Desjardins Economic Studies

RESIDENTIAL REAL ESTATE

Worst of Housing Market Correction Likely Behind Us

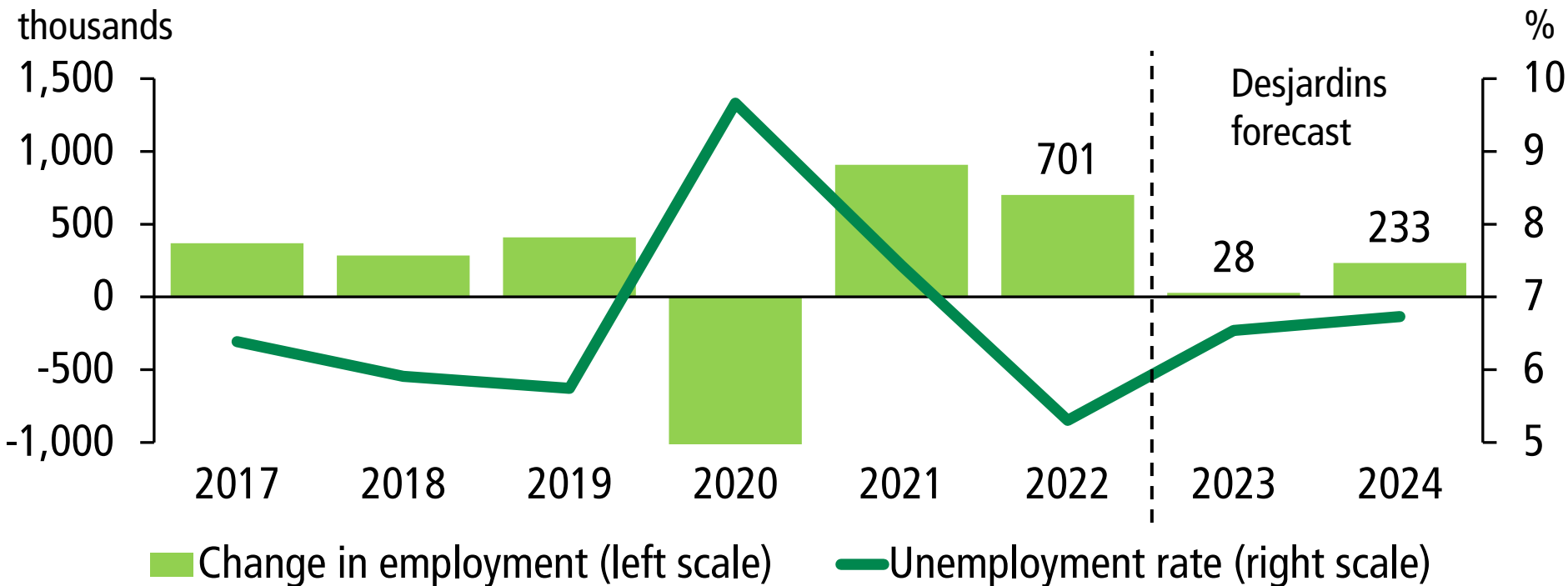


Sources: Canadian Real Estate Association and Desjardins Economic Studies

LABOUR MARKET

Job Market to Cool as Economic Activity Slows

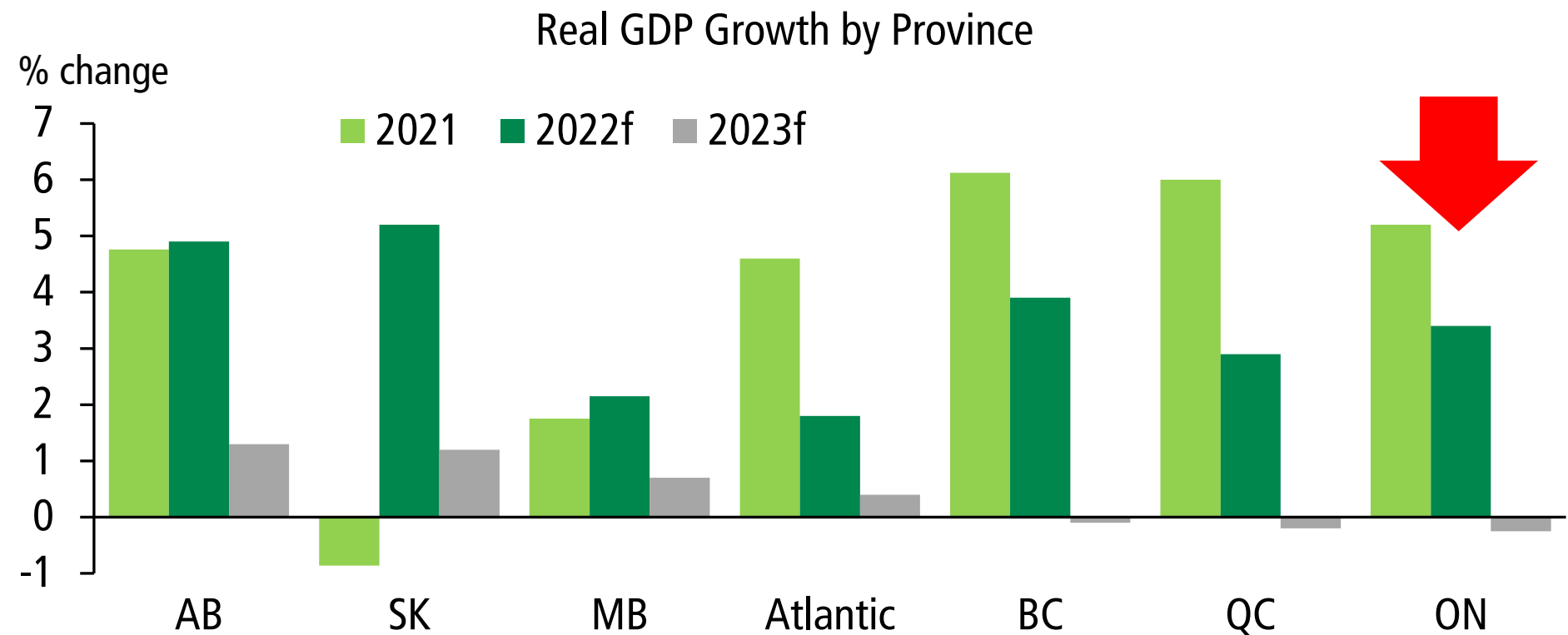
Canada: Change in Employment versus the Unemployment rate



ONTARIO AND HAMILTON

REAL GDP GROWTH

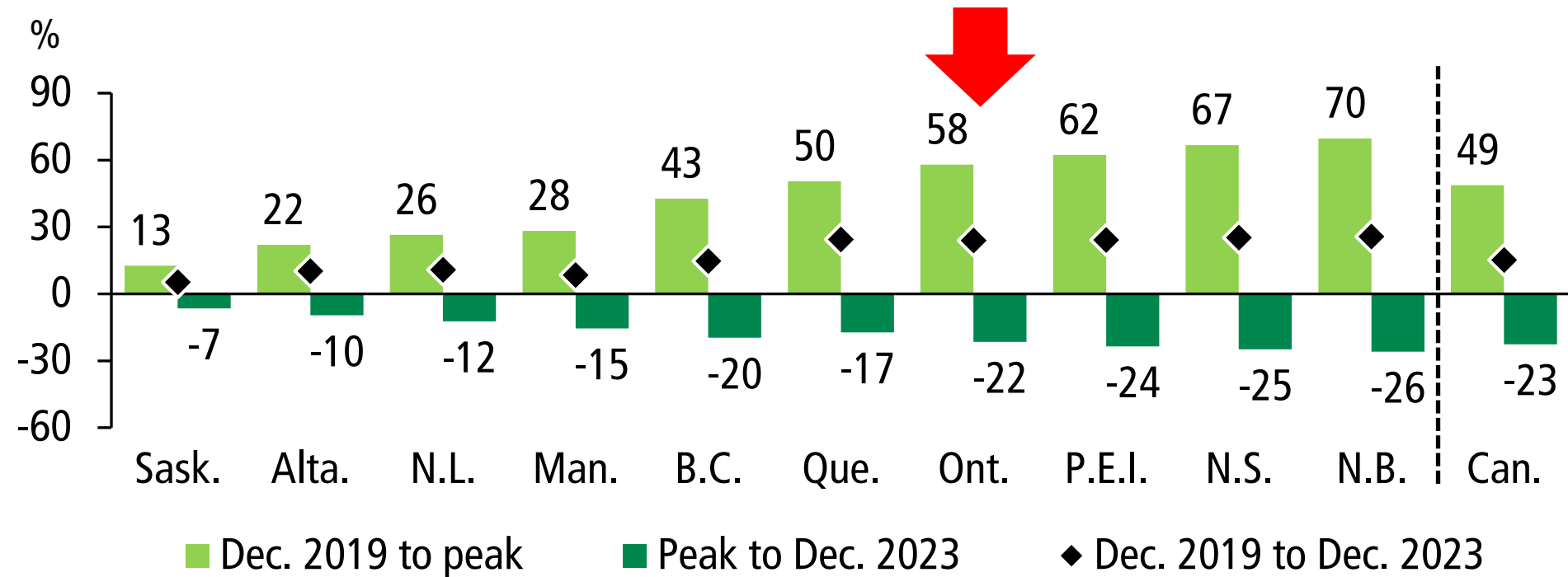
Housing-Exposed Provinces Most Vulnerable in Coming Recession



RESIDENTIAL REAL ESTATE

Rates, Affordability Drive Provincial Housing Market Outlook

Home Price Growth by Province: Before, During and After the Pandemic



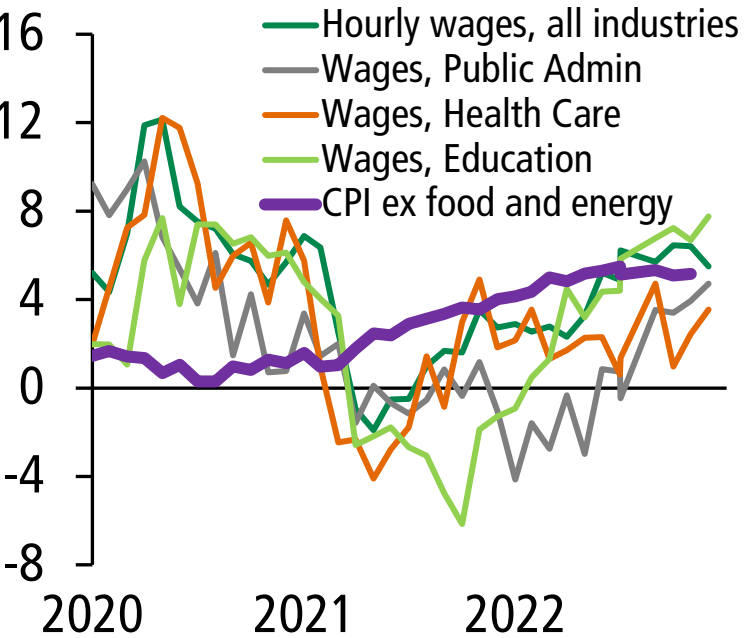
Sources: Canadian Real Estate Association and Desjardins Economic Studies

FISCAL OUTLOOK

Likely Haven't Seen Full Effects of Inflation

Ontario Wages Generally Tracking Prices

y/y % change



Changes to BC Fiscal Projections (billions)

	FY2023	FY2024	FY2025
Budget Balance, Budget 2022	-5,461	-4,182	-3,181
Own-Source Revenue	11,335	3,213	4,351
Fed. Transfers	1,210	336	525
"Affordability Measures"	-1,100	0	0
Other Spending	548	-2,000	-2,000
<i>Shared Recovery Mandate*</i>	-800	-1,200	-1,700
Balance, Most Recent Update	5,732	-3,833	-2,005

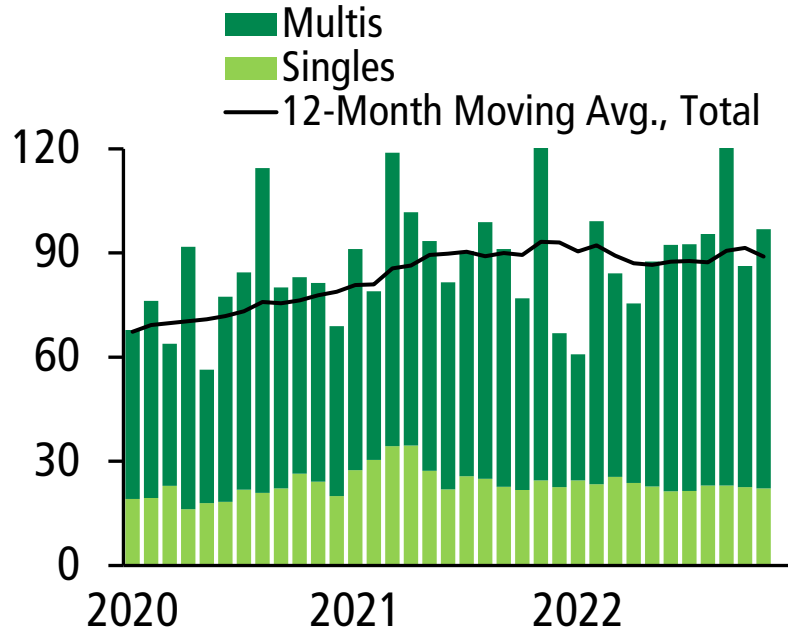
* Reflects labour negotiations with the BC public service

CONSTRUCTION INDUSTRY

Home Price Drop, Labour Shortages Should Weigh on Building

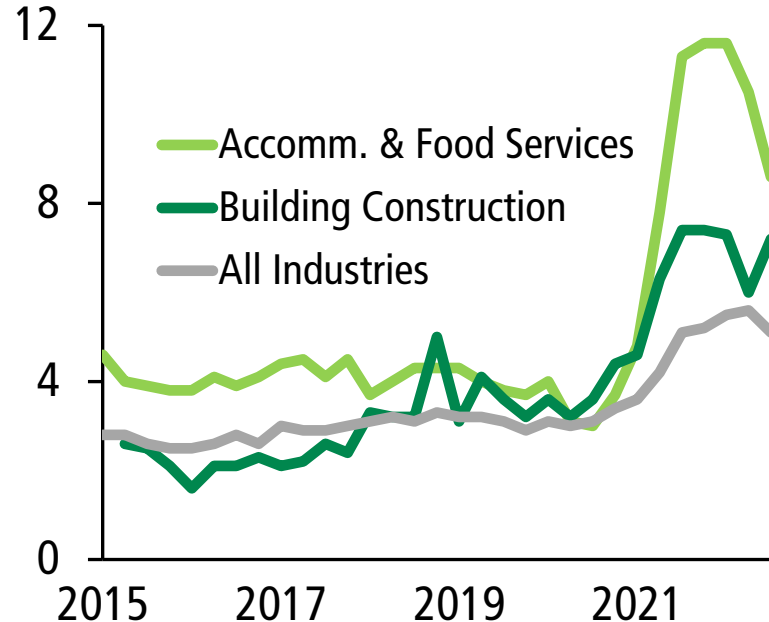
Ontario Housing Starts

saar, 000s



Ontario Job Vacancy Rate by Industry

%, seasonally-adjusted

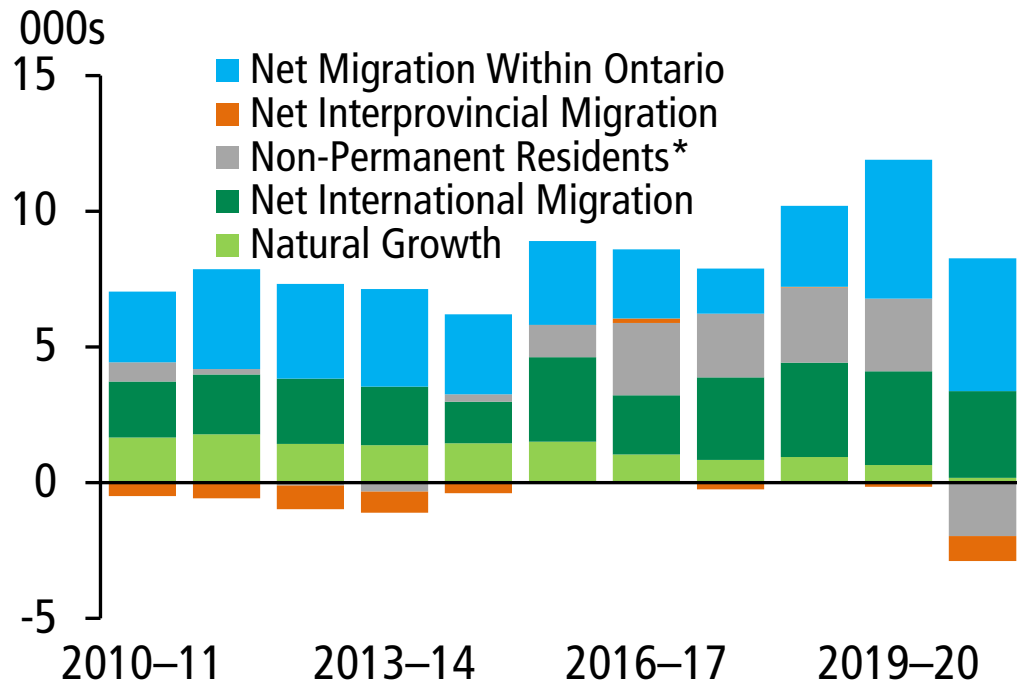


Sources: Statistics Canada, Canada Mortgage and Housing Corporation, and Desjardins Economic Studies

HAMILTON POPULATION GROWTH

Immigration, Non-Permanent Resident Gains Should Persist

Components of Hamilton Population Growth



Outlook:

- Federal target increase boosts immigration
- Net non-perm. resident admissions rebounding strongly post-lockdowns
- More in-person work = easing interprovincial, intraprovincial flows

* Includes temporary foreign workers and international students.

Sources: Statistics Canada and Desjardins Economic Studies

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The background of the slide is a light gray with a subtle, faded pattern of financial data. It includes various types of charts such as bar charts, line graphs, and area charts, along with large, semi-transparent numbers like '2', '5', '7', and '100'. The overall aesthetic is professional and data-oriented.

Thank you!

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