

## Latest Forecast Tables

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## Interest Rate Outlook

Interest Rates	Spot Rate Jul-06	2022				2023				2024			
		Q1	Q2	Q3	Q4	Q1	Q2	Q3F	Q4F	Q1F	Q2F	Q3F	Q4F
<b>CANADA</b>													
Overnight Target Rate	4.75	0.50	1.50	3.25	4.25	4.50	4.75	5.00	5.00	5.00	4.50	4.00	3.50
3-mth T-Bill Rate	4.94	0.60	2.08	3.58	4.23	4.34	4.90	5.00	5.00	4.75	4.25	3.75	3.25
2-yr Govt. Bond Yield	4.76	2.27	3.10	3.79	4.06	3.74	4.66	4.70	4.40	4.00	3.70	3.40	3.10
5-yr Govt. Bond Yield	3.92	2.39	3.10	3.32	3.41	3.02	3.78	3.80	3.55	3.25	3.00	2.80	2.70
10-yr Govt. Bond Yield	3.50	2.40	3.23	3.16	3.30	2.90	3.36	3.45	3.30	3.10	3.00	2.95	2.90
30-yr Govt. Bond Yield	3.26	2.38	3.13	3.09	3.27	3.00	3.08	3.30	3.25	3.20	3.15	3.15	3.15
10-yr-2-yr Govt Spread	-1.26	0.13	0.13	-0.63	-0.76	-0.84	-1.30	-1.25	-1.10	-0.90	-0.70	-0.45	-0.20
<b>U.S.</b>													
Fed Funds Target Rate	5.25	0.50	1.75	3.25	4.50	5.00	5.25	5.50	5.50	5.50	5.00	4.50	4.00
3-mth T-Bill Rate	5.22	0.51	1.66	3.22	4.30	4.68	5.17	5.40	5.40	5.15	4.65	4.15	3.65
2-yr Govt. Bond Yield	5.00	2.28	2.92	4.22	4.41	4.06	4.87	4.90	4.50	4.10	3.70	3.30	3.00
5-yr Govt. Bond Yield	4.37	2.42	3.01	4.06	3.99	3.60	4.13	4.20	3.90	3.60	3.30	3.05	2.85
10-yr Govt. Bond Yield	4.04	2.32	2.98	3.83	3.88	3.48	3.81	4.00	3.80	3.55	3.35	3.20	3.05
30-yr Govt. Bond Yield	4.00	2.44	3.14	3.79	3.97	3.67	3.85	4.00	3.95	3.85	3.65	3.50	3.35
10-yr-2-yr Govt Spread	-0.96	0.04	0.06	-0.39	-0.53	-0.58	-1.06	-0.90	-0.70	-0.55	-0.35	-0.10	0.05
<b>CANADA - U.S SPREADS</b>													
Can - U.S. T-Bill Spread	-0.28	0.09	0.42	0.36	-0.07	-0.34	-0.27	-0.40	-0.40	-0.40	-0.40	-0.40	-0.40
Can - U.S. 10-Year Bond Spread	-0.54	0.08	0.25	-0.67	-0.58	-0.58	-0.45	-0.55	-0.50	-0.45	-0.35	-0.25	-0.15

F: Forecast by TD Economics, July 2023; Forecasts are end-of-period.

Source: Bloomberg, Bank of Canada, Federal Reserve.

## Foreign Exchange Outlook

Currency	Exchange rate	Spot Price Jul-06	2022				2023				2024			
			Q1	Q2	Q3	Q4	Q1	Q2	Q3F	Q4F	Q1F	Q2F	Q3F	Q4F
<b>Exchange rate to U.S. dollar</b>														
Chinese Yuan	CNY per USD	7.25	6.34	6.70	7.11	6.90	6.87	7.25	7.20	7.15	7.20	7.20	7.15	7.10
Japanese yen	JPY per USD	144	121	136	145	132	133	144	142	141	142	143	142	141
Euro	USD per EUR	1.09	1.11	1.05	0.98	1.07	1.09	1.09	1.09	1.08	1.07	1.06	1.08	1.10
U.K. pound	USD per GBP	1.27	1.32	1.22	1.11	1.21	1.24	1.27	1.27	1.26	1.25	1.23	1.26	1.28
Canadian dollar	CAD per USD	1.34	1.25	1.29	1.38	1.35	1.35	1.32	1.33	1.35	1.36	1.37	1.36	1.33
Australian dollar	USD per AUD	0.66	0.75	0.69	0.64	0.68	0.67	0.67	0.66	0.65	0.65	0.64	0.65	0.66
NZ dollar	USD per NZD	0.62	0.70	0.63	0.56	0.63	0.63	0.61	0.61	0.60	0.60	0.59	0.60	0.61
<b>Exchange rate to Euro</b>														
U.S. dollar	USD per EUR	1.09	1.11	1.05	0.98	1.07	1.09	1.09	1.09	1.08	1.07	1.06	1.08	1.10
Japanese yen	JPY per EUR	157	135	142	142	141	144	158	155	152	152	152	154	155

U.K. pound	GBP per EUR	0.85	0.84	0.86	0.88	0.89	0.88	0.86	0.86	0.86	0.86	0.86	0.86	0.86
Canadian dollar	CAD per EUR	1.45	1.39	1.35	1.35	1.45	1.47	1.45	1.45	1.46	1.46	1.45	1.47	1.47
Australian dollar	AUD per EUR	1.64	1.48	1.52	1.52	1.57	1.62	1.64	1.64	1.65	1.65	1.65	1.67	1.67
NZ dollar	NZD per EUR	1.77	1.60	1.68	1.73	1.69	1.73	1.78	1.79	1.80	1.79	1.79	1.81	1.81
<b>Exchange rate to Japanese yen</b>														
U.S. dollar	JPY per USD	144	121	136	145	132	133	144	142	141	142	143	142	141
Euro	JPY per EUR	157	135	142	142	141	144	158	155	152	152	152	154	155
U.K. pound	JPY per GBP	184	160	165	161	159	164	184	180	177	177	176	179	181
Canadian dollar	JPY per CAD	107.9	97.3	105.4	105.2	97.4	98.2	109.2	106.8	104.4	104.4	104.4	104.4	105.8
Australian dollar	JPY per AUD	95.5	91.1	93.7	93.2	89.7	89.0	96.3	94.1	92.1	92.1	92.0	92.1	93.3
NZ dollar	JPY per NZD	88.8	84.4	84.7	81.6	83.6	83.2	88.6	86.6	84.8	84.7	84.7	84.7	85.9
<b>Exchange rate to Canadian dollar</b>														
U.S. dollar	USD per CAD	0.75	0.80	0.78	0.73	0.74	0.74	0.76	0.75	0.74	0.74	0.73	0.74	0.75
Japanese yen	JPY per CAD	107.9	97.3	105.4	105.2	97.4	98.2	109.2	106.8	104.4	104.4	104.4	104.4	105.8
Euro	CAD per EUR	1.45	1.39	1.35	1.35	1.45	1.47	1.45	1.45	1.46	1.46	1.45	1.47	1.47
U.K. pound	CAD per GBP	1.70	1.64	1.57	1.53	1.63	1.67	1.68	1.69	1.70	1.69	1.69	1.71	1.71
Australian dollar	AUD per CAD	1.13	1.07	1.12	1.13	1.09	1.10	1.13	1.13	1.13	1.13	1.13	1.13	1.13
NZ dollar	NZD per CAD	1.22	1.15	1.24	1.29	1.17	1.18	1.23	1.23	1.23	1.23	1.23	1.23	1.23

F: Forecast by TD Economics, July 2023; Forecasts are end-of-period.

Source: Federal Reserve, Bloomberg.

## Global Stock Markets

Major Market Indexes	Price Jul-06	30-Day % Chg.	YTD % Chg.	52-Week High	52-Week Low
S&P 500	4,414	3.3	15.0	4,456	3,577
S&P/TSX Composite	19,799	-0.7	2.1	20,767	18,206
DAX	15,529	-2.7	11.5	16,358	11,976
FTSE 100	7,281	-4.2	-2.3	8,014	6,826
Nikkei	32,773	1.7	25.6	33,753	25,717
MSCI AC World Index*	682	3.0	12.7	685	550

\*Weighted equity index including both developed and emerging markets.

Source: Bloomberg, TD Economics.

## Commodity Price Outlook

Commodity	Price Jul-06	52-Week High	52-Week Low	2022				2023				2024			
				Q1	Q2	Q3	Q4	Q1	Q2	Q3F	Q4F	Q1F	Q2F	Q3F	Q4F
Crude Oil (WTI, \$US/bbl)	72	105	67	94	109	93	83	76	74	78	84	82	80	80	78
Natural Gas (\$US/MMBtu)	2.65	9.84	1.77	4.66	7.48	7.99	5.55	2.65	2.25	2.75	3.00	3.25	3.25	3.50	3.50
Gold (\$US/troy oz.)	1911	2050	1622	1876	1873	1728	1731	1889	1950	2000	2100	2100	2050	1950	1900
Silver (US\$/troy oz.)	22.71	26.05	17.81	24.05	22.66	19.25	21.30	22.56	23.50	24.50	24.75	25.75	24.75	24.00	23.50
Copper (cents/lb)	377	423	325	453	433	352	363	405	395	420	405	390	380	375	375
Nickel (US\$/lb)	9.62	14.26	8.79	12.73	13.20	10.00	11.53	11.81	10.50	10.75	10.50	10.50	10.50	10.00	10.00
Aluminum (Cents/lb)	97	121	96	148	131	107	105	109	105	100	105	110	110	115	115
Wheat (\$US/bu)	10.53	12.49	9.46	8.89	10.75	8.13	7.54	7.32	6.55	7.00	7.10	7.10	7.10	7.20	7.20

F: Forecast by TD Economics, July 2023; Forecast are period averages; E: Estimate.

Source: Bloomberg, USDA (Haver).

## Canadian Economic Outlook

[Period-Over-Period Annualized Per Cent Change Unless Otherwise Indicated]

Economic Indicators	2022				2023				2024				Annual Average			4th Qtr/4th Qtr		
	Q1	Q2	Q3	Q4	Q1	Q2F	Q3F	Q4F	Q1F	Q2F	Q3F	Q4F	22	23F	24F	22	23F	24F
Real GDP	2.6	3.6	2.3	-0.1	3.1	1.1	0.6	0.4	0.2	0.3	0.6	1.1	3.4	1.6	0.5	2.1	1.3	0.6

<b>Consumer Expenditure</b>	2.0	9.0	0.3	1.1	5.7	0.3	0.9	0.2	-0.3	-0.3	0.0	0.4	4.8	2.4	0.0	3.0	1.8	-0.1
Durable Goods	4.5	-14.6	-0.5	13.6	14.0	-3.0	2.0	-1.0	-3.0	-2.5	-1.5	0.0	-2.3	4.3	-1.5	0.2	2.8	-1.8
<b>Business Investment</b>	7.0	12.0	-1.1	-4.0	5.0	2.8	-1.2	-1.9	-1.1	-0.1	0.5	1.1	6.5	1.3	-0.5	3.3	1.1	0.1
Non-Res. Structures	3.8	9.7	6.5	11.6	8.7	3.0	-2.0	-3.0	-2.0	-1.0	0.0	1.0	8.3	5.8	-1.3	7.9	1.6	-0.5
Equipment & IPP*	10.3	14.8	-8.5	-18.7	0.8	2.6	-0.3	-0.7	-0.2	0.9	1.0	1.3	4.8	-3.5	0.3	-1.5	0.6	0.8
<b>Residential Investment</b>	6.8	-30.3	-18.4	-9.9	-14.6	5.0	0.5	1.0	1.5	2.0	2.5	2.8	-11.2	-9.4	1.8	-14.0	-2.3	2.2
<b>Govt. Expenditure</b>	3.8	-2.5	3.2	3.5	0.6	2.2	2.7	2.4	2.2	2.1	2.0	2.0	2.0	1.9	2.3	2.0	2.0	2.1
<b>Final Domestic Demand</b>	3.4	2.0	-0.9	0.2	2.6	1.3	1.1	0.6	0.4	0.5	0.7	1.0	2.7	1.1	0.7	1.2	1.4	0.7
<b>Exports</b>	-8.2	8.1	11.3	2.2	10.1	1.7	1.6	1.2	1.6	1.7	1.8	1.9	2.8	5.3	1.6	3.1	3.6	1.7
<b>Imports</b>	2.0	29.0	-2.3	-12.6	0.9	-2.3	1.3	1.0	1.6	1.7	1.8	1.9	7.5	-1.2	1.3	3.0	0.2	1.7
<b>Change in Non-farm Inventories (2012 \$Bn)</b>	17.5	52.8	45.5	21.8	21.0	13.0	10.0	9.0	8.2	7.2	6.7	7.2	34.4	13.2	7.3	--	--	--
<b>Final Sales</b>	0.9	-5.3	0.4	5.6	5.1	2.8	1.6	0.8	0.5	0.7	0.8	1.0	0.6	2.8	0.9	0.3	2.6	0.7
<b>International Current Account Balance (\$Bn)</b>	15.7	19.3	-39.3	-32.2	-24.7	-3.8	-1.0	0.9	0.0	-2.7	-6.2	-9.6	-9.1	-7.1	-4.6	--	--	--
% of GDP	0.6	0.7	-1.4	-1.2	-0.9	-0.1	0.0	0.0	0.0	-0.1	-0.2	-0.3	-0.3	-0.2	-0.2	--	--	--
<b>Pre-tax Corp. Profits</b>	19.2	48.3	-28.5	-41.3	-15.4	8.8	6.5	5.2	2.5	2.2	2.3	2.8	8.4	-12.7	3.8	-7.2	0.8	2.5
% of GDP	15.6	16.6	15.3	13.5	12.8	12.9	13.0	13.1	13.1	13.1	13.1	13.1	15.2	13.0	13.1	--	--	--
<b>GDP Deflator (y/y)</b>	8.6	9.5	6.8	4.1	1.3	-0.9	1.2	2.7	3.1	2.7	2.3	1.9	7.2	1.1	2.5	4.1	2.7	1.9
<b>Nominal GDP</b>	15.0	17.0	-2.5	-3.0	4.2	4.4	4.1	3.6	2.5	2.2	2.3	2.8	10.9	2.7	3.0	6.2	4.1	2.5
<b>Labour Force</b>	1.1	1.4	-0.1	2.2	4.3	1.9	2.2	1.5	1.0	0.9	0.8	0.8	1.5	2.3	1.2	1.1	2.5	0.9
<b>Employment</b>	3.3	4.0	-0.1	2.2	4.7	1.5	0.9	0.2	-0.3	0.0	-0.1	0.4	4.0	2.2	0.2	2.3	1.8	0.0
<b>Change in Empl. ('000s)</b>	157	191	-4	109	231	73	46	11	-14	2	-3	21	750	439	41	453	361	6
<b>Unemployment Rate (%)</b>	5.7	5.1	5.1	5.1	5.0	5.1	5.4	5.7	6.0	6.2	6.4	6.5	5.3	5.3	6.3	--	--	--
<b>Personal Disp. Income</b>	18.1	2.8	1.9	10.2	-3.9	4.9	8.6	3.6	2.2	1.4	1.4	1.5	5.3	3.5	3.1	8.1	3.2	1.6
<b>Pers. Savings Rate (%)</b>	8.8	5.1	4.7	5.8	2.9	3.1	4.1	4.2	4.2	4.0	3.7	3.5	6.1	3.6	3.8	--	--	--
<b>Cons. Price Index (y/y)</b>	5.8	7.6	7.1	6.6	5.2	3.6	3.3	3.0	3.1	2.8	2.6	2.4	6.8	3.8	2.7	6.6	3.0	2.4
<b>CPIX (y/y)**</b>	4.9	6.0	5.9	5.7	4.7	3.7	3.4	3.3	3.3	3.0	2.7	2.4	5.6	3.8	2.9	5.7	3.3	2.4
<b>BoC Inflation (y/y)***</b>	2.7	4.1	5.1	5.3	4.8	3.8	3.4	3.4	3.2	2.9	2.6	2.3	4.3	3.8	2.8	5.3	3.4	2.3
<b>Housing Starts ('000s)</b>	243	270	281	259	223	237	226	220	214	212	210	207	263	227	211	--	--	--
<b>Home Prices (y/y)</b>	17.9	2.4	-5.2	-10.7	-17.3	1.5	10.5	10.9	10.7	1.2	0.7	2.4	0.8	0.5	3.6	-10.7	10.9	2.4
<b>Real GDP / worker (y/y)</b>	-1.7	-0.6	0.5	-0.3	-0.5	-0.5	-1.1	-0.5	0.0	0.2	0.4	0.5	-0.5	-0.6	0.3	-0.3	-0.5	0.5

F: Forecast by TD Economics as at June 2023.

Home price measure shown is the CREA Composite Sale Price.

\* Intellectual Property Products. \*\* CPIX: CPI excluding the 8 most volatile components.

\*\*\* BoC Inflation: simple average of CPI-trim and CPI-median.

Source: Statistics Canada, Bank of Canada, Canada Mortgage and Housing Corporation, Haver Analytics, TD Economics

## U.S. Economic Outlook

[Period-Over-Period Annualized Per Cent Change Unless Otherwise Indicated]

Economic Indicators	2022				2023				2024				Annual Average			4th Qtr/4th Qtr		
	Q1	Q2	Q3	Q4	Q1	Q2F	Q3F	Q4F	Q1F	Q2F	Q3F	Q4F	22	23F	24F	22	23F	24F
<b>Real GDP</b>	-1.6	-0.6	3.2	2.6	1.3	1.4	0.5	0.1	0.4	1.1	1.6	1.8	2.1	1.5	0.8	0.9	0.8	1.2
<b>Consumer Expenditure</b>	1.3	2.0	2.3	1.0	3.8	1.7	0.6	0.2	0.3	0.9	1.4	1.6	2.7	2.0	0.8	1.7	1.6	1.1
Durable Goods	7.7	-2.8	-0.8	-1.3	16.4	-2.9	-4.8	-7.1	-5.7	-2.8	1.2	2.7	-0.4	1.7	-3.8	0.6	0.0	-1.2
<b>Business Investment</b>	7.9	0.1	6.2	4.0	1.4	5.7	2.1	-2.3	-1.3	0.4	1.8	2.5	3.9	3.0	0.3	4.5	1.7	0.8
Non-Res. Structures	-4.4	-12.7	-3.6	15.7	11.0	20.0	10.0	-3.0	-4.0	-2.0	0.0	1.0	-6.6	8.9	0.4	-1.8	9.2	-1.3
Equipment & IPP*	11.1	3.4	8.7	1.3	-0.9	2.3	0.1	-2.1	-0.5	1.0	2.2	3.0	6.6	1.6	0.3	6.0	-0.2	1.4
<b>Residential Investment</b>	-3.1	-17.8	-27.1	-25.1	-5.4	-4.6	-8.7	-6.3	0.6	11.3	16.5	17.8	-10.6	-13.7	2.6	-18.8	-6.2	11.4
<b>Govt. Expenditure</b>	-2.3	-1.6	3.7	3.8	5.2	0.9	2.2	0.6	-0.1	0.0	0.0	0.0	-0.6	2.8	0.4	0.9	2.2	0.0
<b>Final Domestic Demand</b>	1.3	0.2	1.5	0.7	3.3	1.9	0.7	-0.3	0.1	1.0	1.7	2.0	1.7	1.6	0.7	0.9	1.4	1.2
<b>Exports</b>	-4.6	13.8	14.6	-3.7	5.2	-7.5	-2.5	-0.1	1.0	2.0	2.4	2.5	7.1	1.3	0.2	4.6	-1.3	2.0
<b>Imports</b>	18.4	2.3	-7.3	-5.5	4.0	2.2	-2.6	-4.3	-0.2	1.4	3.3	3.9	8.1	-1.1	-0.2	1.5	-0.2	2.1

<b>Change in Private Inventories</b>	214.5	110.2	38.7	136.5	26.3	56.3	42.4	31.8	42.5	42.7	42.1	41.5	125.0	39.2	42.2	--	--	--
<b>Final Sales</b>	-1.8	1.4	4.5	1.1	3.4	0.7	0.9	0.3	0.2	1.1	1.6	1.8	1.3	2.0	0.8	1.3	1.3	1.2
<b>International Current Account Balance (\$Bn)</b>	-1123	-949	-876	-827	-902	-882	-880	-872	-878	-890	-916	-951	-944	-884	-909	--	--	--
% of GDP	-4.5	-3.8	-3.4	-3.2	-3.4	-3.3	-3.3	-3.2	-3.2	-3.2	-3.3	-3.4	-3.7	-3.3	-3.3	--	--	--
<b>Pre-tax Corporate Profits including IVA&amp;CCA</b>	0.5	19.7	-0.2	-7.8	-19.0	-7.6	6.2	3.2	2.6	6.0	7.3	5.7	6.6	-6.1	3.9	2.6	-4.8	5.4
% of GDP	11.6	11.9	11.7	11.2	10.5	10.2	10.3	10.3	10.3	10.3	10.4	10.5	11.6	10.3	10.4	--	--	--
<b>GDP Deflator (y/y)</b>	6.9	7.6	7.1	6.4	5.3	3.9	3.6	3.3	2.8	2.6	2.4	2.1	7.0	4.0	2.5	6.4	3.3	2.1
<b>Nominal GDP</b>	6.6	8.5	7.7	6.6	5.4	4.4	3.8	2.9	2.7	3.4	3.7	3.8	9.2	5.5	3.3	7.3	4.1	3.4
<b>Labor Force</b>	4.5	0.4	0.9	0.7	3.8	1.5	0.7	0.7	0.5	0.4	0.4	0.4	1.9	1.6	0.6	1.6	1.7	0.4
<b>Employment</b>	4.6	3.2	3.4	2.5	2.5	2.1	0.9	0.1	-0.4	-0.6	-0.5	-0.4	4.3	2.2	0.0	3.4	1.4	-0.5
<b>Change in Empl. ('000s)</b>	1689	1197	1287	948	966	821	355	30	-141	-249	-187	-169	6344	3421	-58	5121	2172	-746
<b>Unemployment Rate (%)</b>	3.8	3.6	3.5	3.6	3.5	3.6	3.6	3.8	4.0	4.3	4.5	4.7	3.6	3.6	4.3	--	--	--
<b>Personal Disp. Income</b>	-3.9	4.8	7.7	6.4	12.3	6.8	5.4	3.6	3.8	3.1	3.4	4.0	-0.3	7.7	4.0	3.6	7.0	3.6
<b>Pers. Savings Rate (%)</b>	4.3	3.2	3.2	3.4	4.2	4.6	4.8	4.7	5.0	5.0	4.9	5.0	3.5	4.6	5.0	--	--	--
<b>Cons. Price Index (y/y)</b>	8.0	8.6	8.3	7.1	5.8	4.1	3.7	3.6	3.2	3.0	2.6	2.1	8.0	4.3	2.7	7.1	3.6	2.1
<b>Core CPI (y/y)</b>	6.3	6.0	6.3	6.0	5.6	5.3	4.7	4.2	3.6	3.0	2.7	2.6	6.1	4.9	3.0	6.0	4.2	2.6
<b>Core PCE Price Index (y/y)</b>	5.3	5.0	4.9	4.8	4.7	4.5	4.2	3.8	3.2	2.7	2.5	2.3	5.0	4.3	2.7	4.8	3.8	2.3
<b>Housing Starts (mns)</b>	1.72	1.64	1.45	1.41	1.38	1.33	1.24	1.20	1.22	1.32	1.37	1.40	1.55	1.29	1.32	--	--	--
<b>Real Output per hour** (y/y)</b>	-1.0	-2.5	-1.5	-1.8	-0.8	0.5	0.1	-0.3	0.4	0.5	1.0	1.5	-1.7	-0.1	0.8	-1.8	-0.3	1.5

F: Forecast by TD Economics as at June 2023.

\* Intellectual Property Products. \*\* Non-farm business sector.

Source: Bureau of Labor Statistics, Bureau of Economic Analysis, Census Bureau, TD Economics.

## Economic Indicators: G7 & Europe

	2021	2022	2023F	2024F
<b>Real GDP (annual per cent change)</b>				
<b>G7 (30.1%)*</b>	5.3	2.3	1.1	0.8
U.S.	5.9	2.1	1.5	0.8
Japan	2.2	1.0	1.3	1.0
Euro Area	5.3	3.5	0.4	0.6
Germany	2.6	1.9	-0.4	0.6
France	6.4	2.5	0.5	0.6
Italy	7.0	3.8	1.2	0.5
United Kingdom	7.6	4.1	0.2	1.0
Canada	5.0	3.4	1.6	0.5
<b>Consumer Price Index (annual per cent change)</b>				
<b>G7</b>	3.3	7.3	4.8	2.1
U.S.	4.7	8.0	4.3	2.7
Japan	-0.2	2.5	3.0	1.5
Euro Area	2.6	8.4	5.6	2.3
Germany	3.2	8.7	6.2	2.4
France	2.1	5.9	5.4	2.5
Italy	1.9	8.7	6.8	2.2
United Kingdom	2.6	9.1	7.1	2.5
Canada	3.4	6.8	3.8	2.7
<b>Unemployment Rate (per cent annual averages)</b>				
U.S.	5.4	3.6	3.6	4.3
Japan	2.8	2.6	2.5	2.4
Euro Area	7.7	6.7	6.8	7.6
Germany	5.7	5.3	5.7	5.9
France	7.8	7.3	7.4	7.8

Italy	9.5	8.1	8.1	8.7
United Kingdom	4.5	3.7	4.2	4.7
Canada	7.5	5.3	5.3	6.3

\*Share of 2019 world gross domestic product (GDP) at PPP.

Forecast as at June 2023.

Source: National statistics agencies, TD Economics.

## Global Economic Outlook

[Annual Per Cent Change Unless Otherwise Indicated]

Real GDP	2021 Share*	Forecast		
	(%)	2022	2023	2024
<b>World</b>	100.0	3.3	2.8	2.6
<b>North America</b>	19.0	2.3	1.6	0.8
United States	15.8	2.1	1.5	0.8
Canada	1.4	3.4	1.6	0.5
Mexico	1.8	3.0	2.4	1.6
<b>European Union (EU-28)</b>	14.8	3.6	0.5	0.8
Euro Area (EU-19)	12.0	3.5	0.4	0.6
Germany	3.3	1.9	-0.4	0.6
France	2.3	2.5	0.5	0.6
Italy	1.9	3.8	1.2	0.5
United Kingdom	2.3	4.1	0.2	1.0
EU accession members	2.8	4.6	1.4	1.6
<b>Asia</b>	44.0	3.5	4.4	4.0
Japan	3.8	1.0	1.3	1.0
Asian NIC's	3.5	2.1	1.5	2.4
Hong Kong	0.3	-3.5	4.4	2.2
Korea	1.7	2.6	1.7	2.5
Singapore	0.4	3.6	1.1	2.6
Taiwan	1.0	2.4	0.4	2.4
Russia	3.1	-1.6	-0.6	1.2
Australia & New Zealand	1.2	3.5	1.6	1.6
Emerging Asia	32.5	4.5	5.6	4.9
ASEAN-5	5.5	6.0	4.8	5.1
China	18.5	3.0	5.9	4.3
India**	7.0	7.3	6.0	6.6
<b>Central/South America</b>	5.5	4.0	1.1	1.6
Brazil	2.4	3.0	1.8	1.5
<b>Other Emerging Markets</b>	13.3	3.4	3.4	2.9
<b>Other Advanced</b>	1.1	3.6	1.7	1.9

\*Share of world GDP on a purchasing-power-parity (PPP) basis.

Forecast as at June 2023. \*\*Forecast for India refers to fiscal year.

Source: IMF, TD Economics.

## Long-Term U.S. Economic Outlook

[Period-Over-Period Annualized Per Cent Change Unless Otherwise Indicated]

Economic Indicator	Annual Average							Fourth Quarter / Fourth Quarter						
	22	23F	24F	25F	26F	27F	28F	22	23F	24F	25F	26F	27F	28F
<b>Real GDP</b>	2.1	1.5	0.8	1.9	2.0	1.9	1.8	0.9	0.8	1.2	2.0	2.0	1.9	1.8
<b>Consumer Expenditure</b>	2.7	2.0	0.8	1.7	2.0	2.0	2.0	1.7	1.6	1.1	1.9	2.1	2.0	2.0
Durable Goods	-0.4	1.7	-3.8	2.7	3.9	3.6	3.6	0.6	0.0	-1.2	3.7	3.9	3.5	3.7
<b>Business Investment</b>	3.9	3.0	0.3	2.7	3.2	3.1	3.1	4.5	1.7	0.8	3.1	3.2	3.1	3.1

Non-Res. Structures	-6.6	8.9	0.4	1.7	3.0	3.0	3.0	-1.8	9.2	-1.3	2.7	3.0	3.0	3.0
Equipment & IPP*	6.6	1.6	0.3	2.9	3.2	3.2	3.1	6.0	-0.2	1.4	3.3	3.2	3.2	3.1
<b>Residential Investment</b>	-10.6	-13.7	2.6	11.8	3.7	1.2	1.1	-18.8	-6.2	11.4	8.0	2.0	1.1	1.1
<b>Govt. Expenditure</b>	-0.6	2.8	0.4	0.1	0.6	0.6	0.1	0.9	2.2	0.0	0.1	0.6	0.6	0.1
<b>Final Domestic Demand</b>	1.7	1.6	0.7	1.9	2.0	1.9	1.8	0.9	1.4	1.2	2.0	2.0	1.9	1.8
<b>Exports</b>	7.1	1.3	0.2	2.8	3.2	3.1	3.0	4.6	-1.3	2.0	3.1	3.2	3.0	3.0
<b>Imports</b>	8.1	-1.1	-0.2	3.0	2.8	2.8	2.8	1.5	-0.2	2.1	2.8	2.8	2.8	2.8
<b>Change in Private Inventories</b>	125.0	39.2	42.2	40.5	39.5	39.2	39.0	---	---	---	---	---	---	---
<b>Final Sales</b>	1.3	2.0	0.8	1.9	2.0	1.9	1.8	1.3	1.3	1.2	2.0	2.0	1.9	1.8
<b>International Current Account Balance (\$Bn)</b>	-944	-884	-909	-970	-990	-998	-972	---	---	---	---	---	---	---
% of GDP	-3.7	-3.3	-3.3	-3.4	-3.3	-3.2	-3.0	---	---	---	---	---	---	---
<b>Pre-tax Corporate Profits including IVA&amp;CCA</b>	6.6	-6.1	3.9	5.2	7.3	5.6	5.4	2.6	-4.8	5.4	5.4	6.9	5.4	6.5
% of GDP	11.6	10.3	10.4	10.5	10.8	11.0	11.1	---	---	---	---	---	---	---
<b>GDP Deflator (y/y)</b>	7.0	4.0	2.5	2.0	2.1	2.3	2.3	6.4	3.3	2.1	2.0	2.2	2.3	2.3
<b>Nominal GDP</b>	9.2	5.5	3.3	3.9	4.2	4.2	4.2	7.3	4.1	3.4	4.0	4.2	4.3	4.1
<b>Labor Force</b>	1.9	1.6	0.6	0.4	0.4	0.4	0.2	1.6	1.7	0.4	0.4	0.4	0.3	0.2
<b>Employment</b>	4.3	2.2	0.0	0.2	0.8	0.5	0.2	3.4	1.4	-0.5	0.7	0.9	0.3	0.2
<b>Change in Empl. ('000s)</b>	6,344	3,421	-58	284	1,308	855	337	5,121	2,172	-746	1,036	1,344	470	353
<b>Unemployment Rate (%)</b>	3.6	3.6	4.3	4.5	4.1	4.0	4.0	---	---	---	---	---	---	---
<b>Personal Disp. Income</b>	-0.3	7.7	4.0	4.3	4.3	4.3	4.1	3.6	7.0	3.6	4.4	4.3	4.2	4.1
<b>Pers. Savings Rate (%)</b>	3.5	4.6	5.0	5.6	5.8	6.0	6.0	---	---	---	---	---	---	---
<b>Cons. Price Index (y/y)</b>	8.0	4.3	2.7	1.9	1.9	2.2	2.2	7.1	3.6	2.1	1.7	2.2	2.2	2.2
<b>Core CPI (y/y)</b>	6.1	4.9	3.0	2.3	2.2	2.3	2.3	6.0	4.2	2.6	2.2	2.2	2.3	2.3
<b>Core PCE Price Index (y/y)</b>	5.0	4.3	2.7	2.1	2.0	2.0	2.1	4.8	3.8	2.3	2.0	2.0	2.0	2.1
<b>Housing Starts (mns)</b>	1.55	1.29	1.32	1.46	1.50	1.50	1.50	---	---	---	---	---	---	---
<b>Real Output per hour** (y/y)</b>	-1.7	-0.1	0.8	1.4	1.1	1.6	1.8	-1.8	-0.3	1.5	1.0	1.1	1.9	1.8

\*Intellectual property products. F: Forecast by TD Economics as at June 2023.

\*\*Non-farm business sector.

Source: Bureau of Labor Statistics, Bureau of Economic Analysis, Census Bureau, TD Economics.

## Long-Term Canadian Economic Outlook

[Period-Over-Period Annualized Per Cent Change Unless Otherwise Indicated]

Economic Indicator	Annual Average							4th Quarter / 4th Quarter						
	22	23F	24F	25F	26F	27F	28F	22	23F	24F	25F	26F	27F	28F
<b>Real GDP</b>	3.4	1.6	0.5	1.3	1.8	1.7	1.7	2.1	1.3	0.6	1.7	1.8	1.7	1.7
<b>Consumer Expenditure</b>	4.8	2.4	0.0	0.6	1.3	1.6	1.7	3.0	1.8	-0.1	1.0	1.4	1.6	1.7
Durable Goods	-2.3	4.3	-1.5	0.1	1.3	1.6	1.7	0.2	2.8	-1.8	0.9	1.5	1.6	1.7
<b>Business Investment</b>	6.5	1.3	-0.5	1.6	2.1	1.8	1.7	3.3	1.1	0.1	2.2	2.0	1.8	1.7
Non-Res. Structures	8.3	5.8	-1.3	1.6	2.3	1.9	1.8	7.9	1.6	-0.5	2.4	2.1	1.8	1.7
Equipment & IPP*	4.8	-3.5	0.3	1.6	2.0	1.8	1.7	-1.5	0.6	0.8	1.9	1.9	1.8	1.7
<b>Residential Investment</b>	-11.2	-9.4	1.8	2.6	2.1	1.8	1.7	-14.0	-2.3	2.2	2.6	2.0	1.8	1.7
<b>Govt. Expenditure</b>	2.0	1.9	2.3	2.0	1.8	1.8	1.8	2.0	2.0	2.1	1.9	1.8	1.8	1.8
<b>Final Domestic Demand</b>	2.7	1.1	0.7	1.2	1.6	1.7	1.7	1.2	1.4	0.7	1.4	1.6	1.7	1.7
<b>Exports</b>	2.8	5.3	1.6	1.8	1.7	1.7	1.7	3.1	3.6	1.7	1.8	1.7	1.7	1.7
<b>Imports</b>	7.5	-1.2	1.3	1.8	1.7	1.7	1.7	3.0	0.2	1.7	1.8	1.7	1.7	1.7
<b>Change in Non-farm Inventories (2012 \$Bn)</b>	34.4	13.2	7.3	9.9	15.1	16.9	17.4	--	--	--	--	--	--	--

<b>Final Sales</b>	0.6	2.8	0.9	1.1	1.3	1.6	1.7	0.3	2.6	0.7	1.2	1.5	1.7	1.7
<b>International Current Account Balance (\$Bn)</b>	-9.1	-7.1	-4.6	-15.1	-19.5	-21.0	-21.3	--	--	--	--	--	--	--
% of GDP	-0.3	-0.2	-0.2	-0.5	-0.6	-0.6	-0.6	--	--	--	--	--	--	--
<b>Pre-tax Corp. Profits</b>	8.4	-12.7	3.8	2.9	3.5	3.6	3.7	-7.2	0.8	2.5	3.3	3.6	3.6	3.7
% of GDP	15.2	13.0	13.1	13.1	13.0	13.0	13.0	--	--	--	--	--	--	--
<b>GDP Deflator (y/y)</b>	7.2	1.1	2.5	1.7	1.8	1.9	2.0	4.1	2.7	1.9	1.7	1.9	1.9	2.0
<b>Nominal GDP</b>	10.9	2.7	3.0	3.0	3.6	3.7	3.7	6.2	4.1	2.5	3.4	3.7	3.7	3.7
<b>Labour Force</b>	1.5	2.3	1.2	0.9	0.9	0.9	0.8	1.1	2.5	0.9	0.9	0.9	0.9	0.8
<b>Employment</b>	4.0	2.2	0.2	0.9	1.2	0.9	0.8	2.3	1.8	0.0	1.3	1.1	0.9	0.8
<b>Change in Empl. ('000s)</b>	750	439	41	183	252	192	173	453	361	6	270	228	179	170
<b>Unemployment Rate (%)</b>	5.3	5.3	6.3	6.2	5.9	5.9	5.9	--	--	--	--	--	--	--
<b>Personal Disp. Income</b>	5.3	3.5	3.1	2.5	3.7	3.7	3.7	8.1	3.2	1.6	3.3	3.7	3.7	3.7
<b>Pers. Savings Rate (%)</b>	6.1	3.6	3.8	3.4	3.7	3.7	3.6	--	--	--	--	--	--	--
<b>Cons. Price Index (y/y)</b>	6.8	3.8	2.7	2.1	2.0	2.0	2.0	6.6	3.0	2.4	2.0	2.0	2.0	2.0
<b>CPIX (y/y) **</b>	5.6	3.8	2.9	2.1	2.0	2.0	2.0	5.7	3.3	2.4	2.0	2.0	2.0	2.0
<b>BoC Inflation (y/y) ***</b>	4.3	3.8	2.8	2.1	2.0	2.0	2.0	5.3	3.4	2.3	2.0	2.0	2.0	2.0
<b>Housing Starts ('000s)</b>	263	227	211	221	233	236	236	--	--	--	--	--	--	--
<b>Home Prices (y/y)</b>	0.8	0.5	3.6	2.9	2.6	2.3	2.3	-10.7	10.9	2.4	2.9	2.4	2.3	2.2
<b>Real GDP / worker (y/y)</b>	-0.5	-0.6	0.3	0.4	0.6	0.8	0.9	-0.3	-0.5	0.5	0.3	0.7	0.9	0.9

F: Forecast by TD Economics as at June 2023.

\* Intellectual Property Products. \*\* CPIX: CPI ex. 8 most volatile components. \*\*\* BoC Inflation: avg. of CPI-trim and CPI-median.

Home price measure shown is the CREA Composite Sale Price.

Sources: Statistics Canada, Bank of Canada, CMHC, CREA, TD Economics.

## Long-Term Interest Rates

[Period-Over-Period Annualized Per Cent Change Unless Otherwise Indicated]

Interest Rates	Annual Average							End of Period						
	22	23F	24F	25F	26F	27F	28F	22	23F	24F	25F	26F	27F	28F
<b>U.S. FIXED INCOME</b>														
Fed Funds Target Rate (%)*	2.50	5.30	4.75	2.90	2.50	2.50	2.50	4.50	5.50	4.00	2.50	2.50	2.50	2.50
3-mth T-Bill Rate (%)	2.40	5.20	4.40	2.65	2.40	2.40	2.40	4.30	5.40	3.65	2.40	2.40	2.40	2.40
2-yr Govt. Bond Yield (%)	3.45	4.35	3.45	2.55	2.50	2.50	2.50	4.41	4.20	3.00	2.50	2.50	2.50	2.50
5-yr Govt. Bond Yield (%)	3.35	3.80	3.10	2.75	2.70	2.70	2.70	3.99	3.65	2.85	2.70	2.70	2.70	2.70
10-yr Govt. Bond Yield (%)	3.25	3.65	3.20	2.95	2.95	2.95	2.95	3.88	3.60	3.05	2.95	2.95	2.95	2.95
10-yr-2-yr Govt. Spread (%)	-0.20	-0.70	-0.25	0.40	0.45	0.45	0.45	-0.53	-0.60	0.05	0.45	0.45	0.45	0.45
<b>CANADIAN FIXED INCOME</b>														
Overnight Target Rate (%)	2.40	4.80	4.25	2.50	2.25	2.25	2.25	4.25	5.00	3.50	2.25	2.25	2.25	2.25
3-mth T-Bill Rate (%)	2.60	4.85	4.00	2.40	2.25	2.25	2.25	4.23	5.00	3.25	2.25	2.25	2.25	2.25
2-yr Govt. Bond Yield (%)	3.30	4.25	3.50	2.50	2.35	2.35	2.35	4.06	4.25	3.05	2.35	2.35	2.35	2.35
5-yr Govt. Bond Yield (%)	3.05	3.50	2.95	2.60	2.60	2.60	2.60	3.41	3.45	2.70	2.60	2.60	2.60	2.60
10-yr Govt. Bond Yield (%)	3.00	3.25	3.00	2.85	2.85	2.85	2.85	3.30	3.30	2.90	2.85	2.85	2.85	2.85
10-yr-2-yr Govt. Spread (%)	-0.30	-1.00	-0.50	0.35	0.50	0.50	0.50	-0.76	-0.95	-0.15	0.50	0.50	0.50	0.50

\*Upper bound of target range. F: Forecast by TD Economics as at June 2023.

Annual averages are the average of the four quarterly end-of-period forecasts.

Source: Bank of Canada, Bloomberg, Statistics Canada, TD Economics.

## Home Sales and Price Outlook

[Annual Average Growth, %]

Provinces	Home Sales			Average Home Prices		
	2022	2023F	2024F	2022	2023F	2024F
<b>National</b>	<b>-25.2</b>	<b>-9.2</b>	<b>8.8</b>	<b>0.8</b>	<b>0.5</b>	<b>3.6</b>
Newfoundland & Labrador	-7.1	-14.1	10.7	7.1	2.3	2.0
Prince Edward Island	-18.1	-12.6	13.2	13.9	-1.8	0.1
Nova Scotia	-21.7	-20.5	7.3	13.6	0.9	2.3
New Brunswick	-20.4	-14.4	5.5	16.8	1.2	3.3
Québec	-20.4	-14.4	5.9	9.3	-0.7	1.7
Ontario	-32.3	-3.2	11.9	4.5	-3.5	2.9
Manitoba	-20.1	-14.6	8.4	6.9	-4.5	2.1
Saskatchewan	-11.7	-13.9	3.8	0.1	-0.4	3.0
Alberta	-1.9	-17.9	3.8	4.8	2.9	4.3
British Columbia	-35.2	-3.3	10.1	5.3	-2.3	2.6

Source: CREA, CMHC, TD Economics. Forecasts by TD Economics as of June 2023.

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