

# Seventh-Inning Stretch

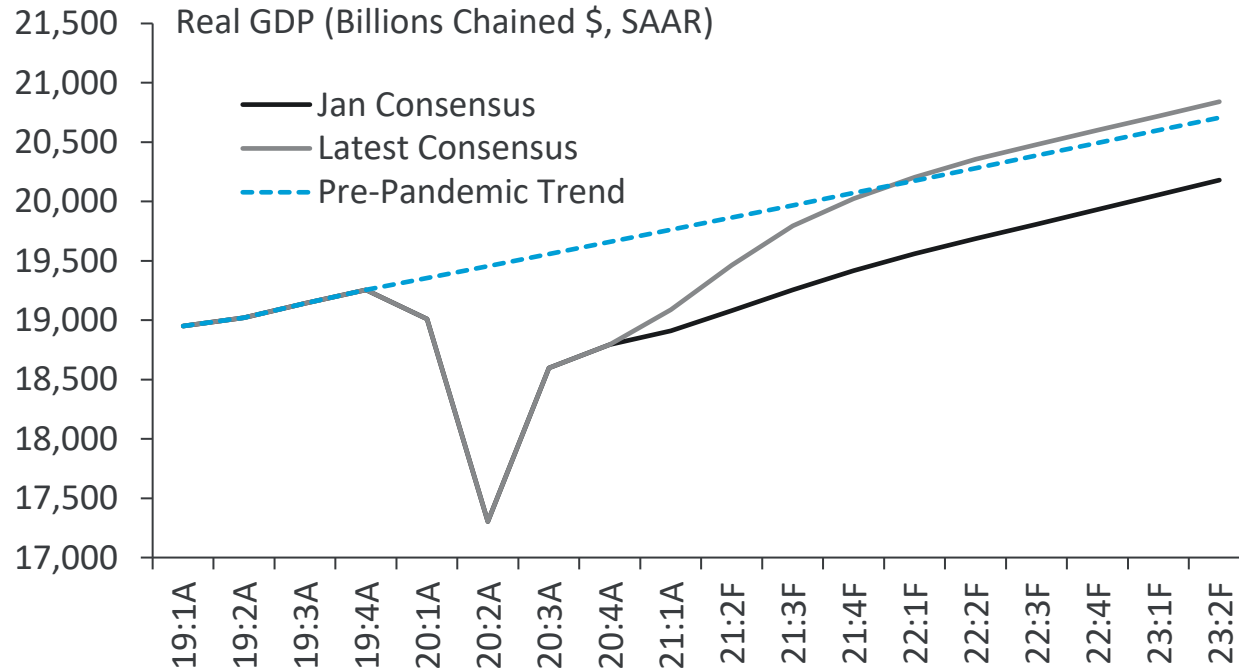


Benjamin Tal

June 2021



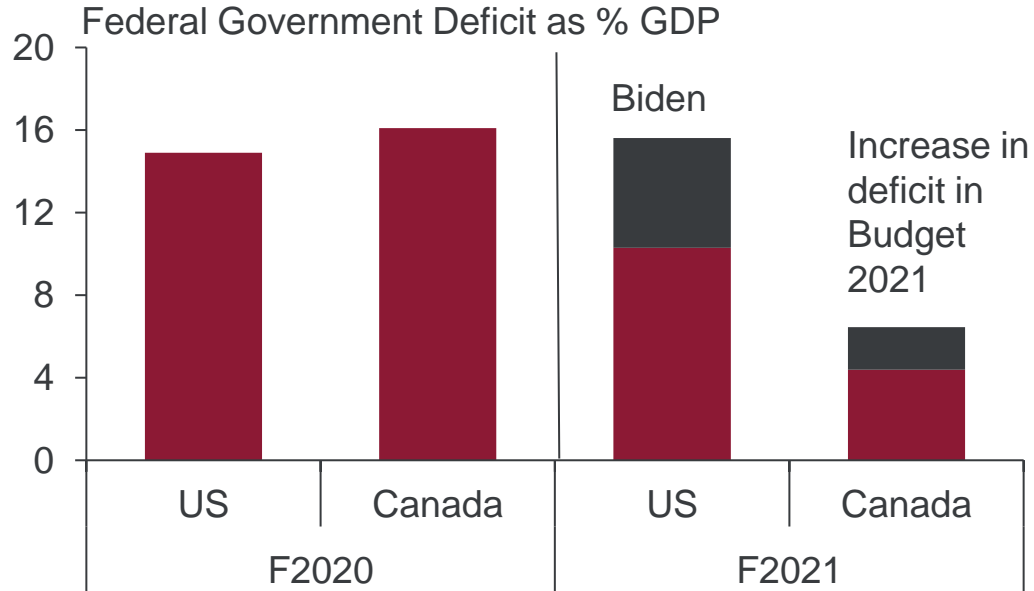
# Consensus now forecast GDP to rise above pre-pandemic trend



Source: BEA, Bloomberg, CIBC



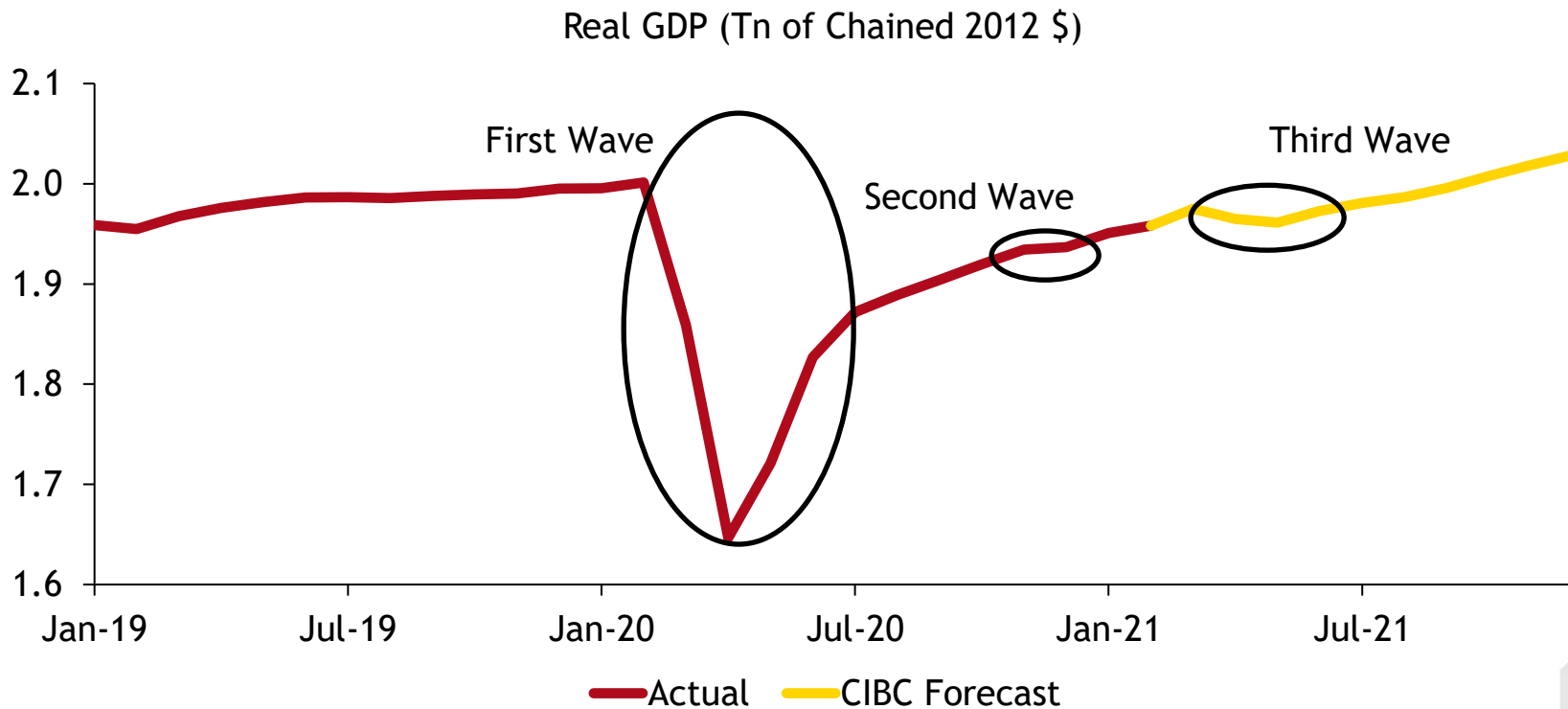
# US tops Canada in 2021 Stimulus - By a wide Margin



Source: Budget 2021, CBO, CIBC



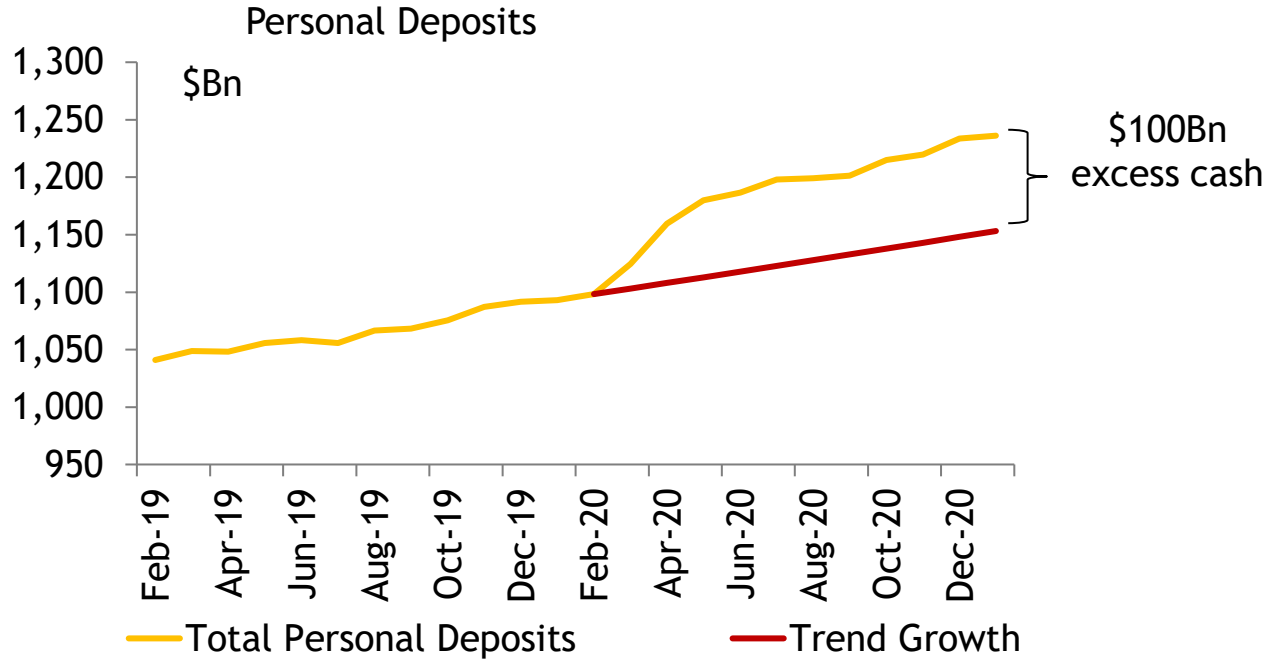
# Subsequent Waves Less Destructive to Canadian Economy



Source: Statistics Canada, CIBC



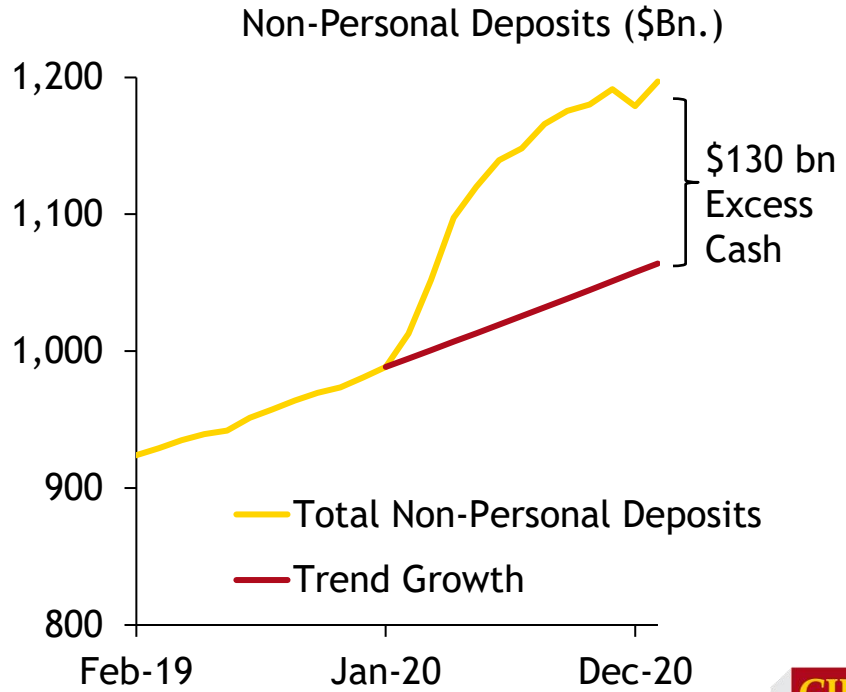
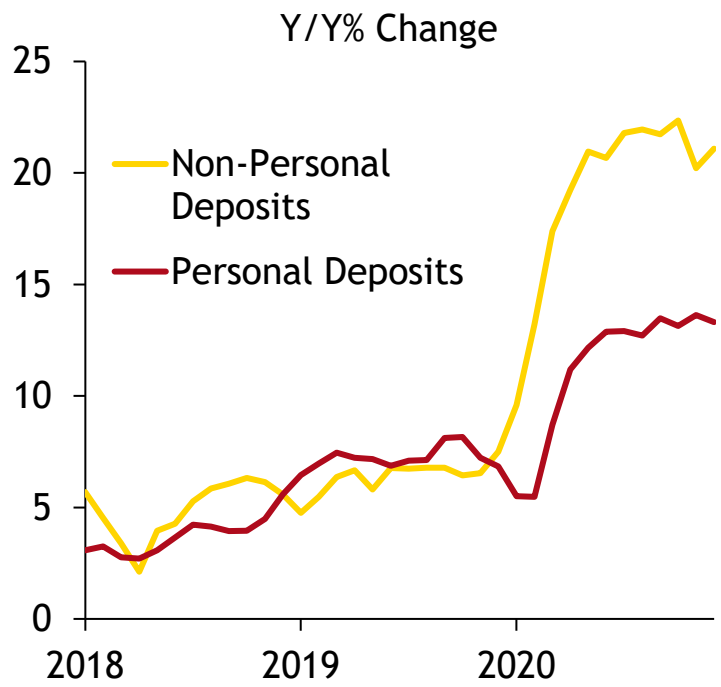
# Households are Sitting on Excess Cash



Source: OSFI, Bank of Canada, CIBC



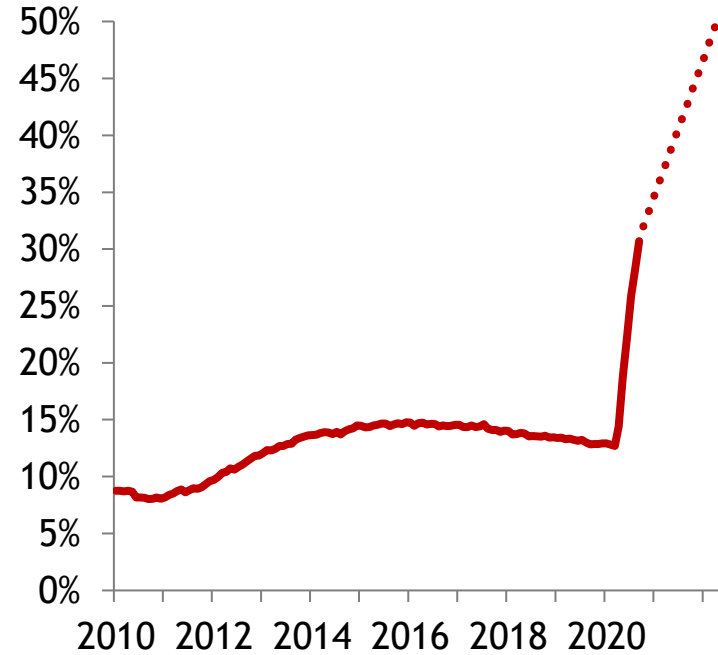
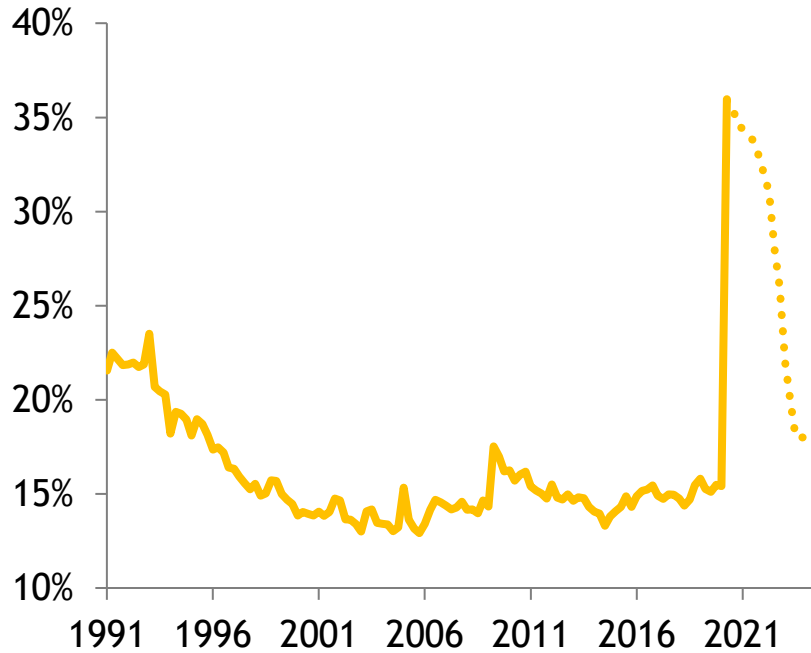
# Growth in Cash Balances: Businesses Ahead (L), Excess Cash Held by Businesses (R)



Source: BoC, CIBC



# Twins: Canadian Gov't Spending as % of GDP (L) Bank of Canada Ownership Share of Cdn Govt Bonds (R)



Source: Statistics Canada, Department of Finance, CIBC



## **inflation**

*noun*

/ɪnˈfleɪʃn/

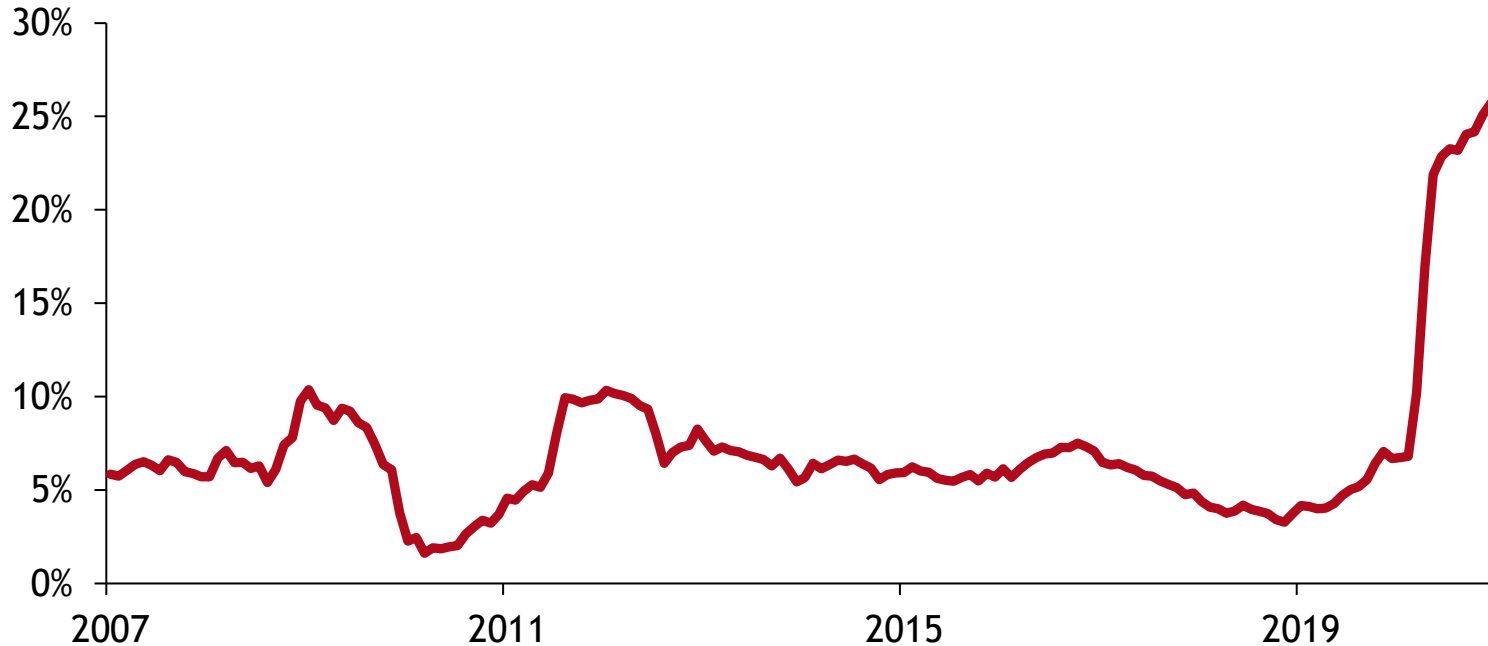
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**a general increase in the prices of services and goods in a particular country, resulting in a fall in the value of money; the rate at which this happens; *the fight against rising inflation; to control/curb inflation; to reduce/bring down inflation; a high/low rate of inflation; an inflation rate of 3%; Salary increases must be in line with inflation; Inflation is currently running at 3%; rapid/runaway/galloping inflation;***



# Money Makes the World go Round...

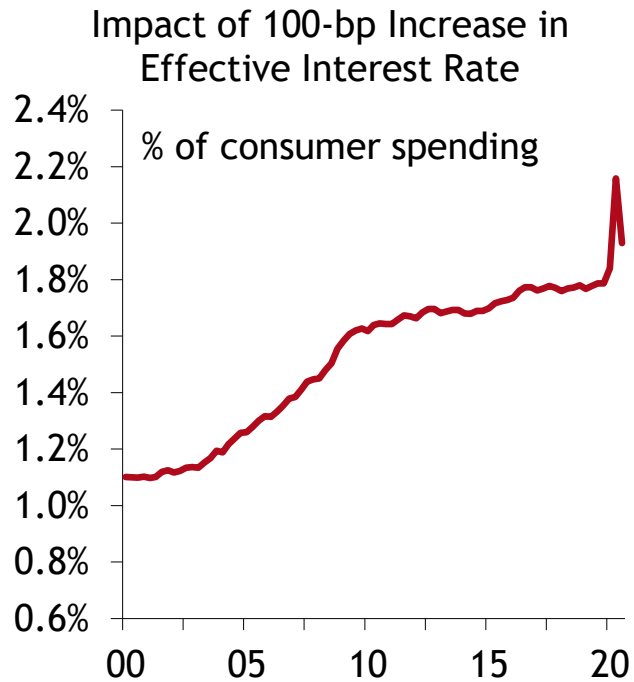
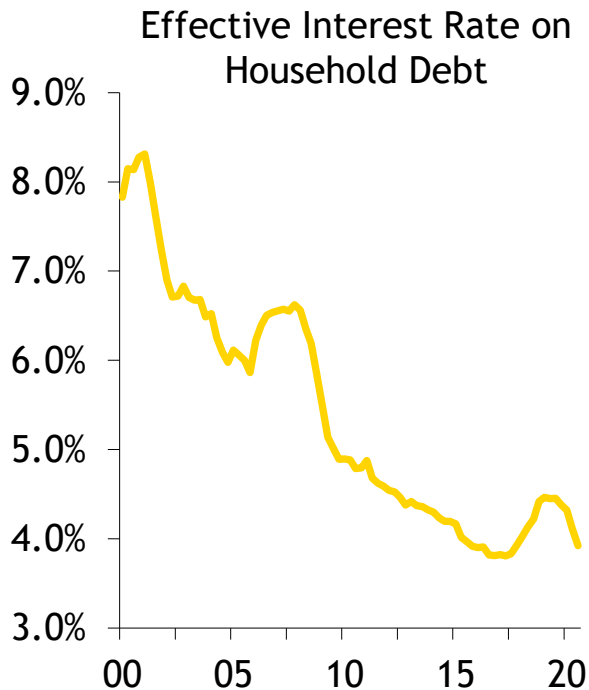
US M2 Money Supply (Y/Y% Chg.)



Source: FRB, BoC, CIBC



# The Rising Effectiveness of Canadian Monetary Policy



Source: Statistics Canada, Bank of Canada, CIBC

