



The Canadian Economic Outlook

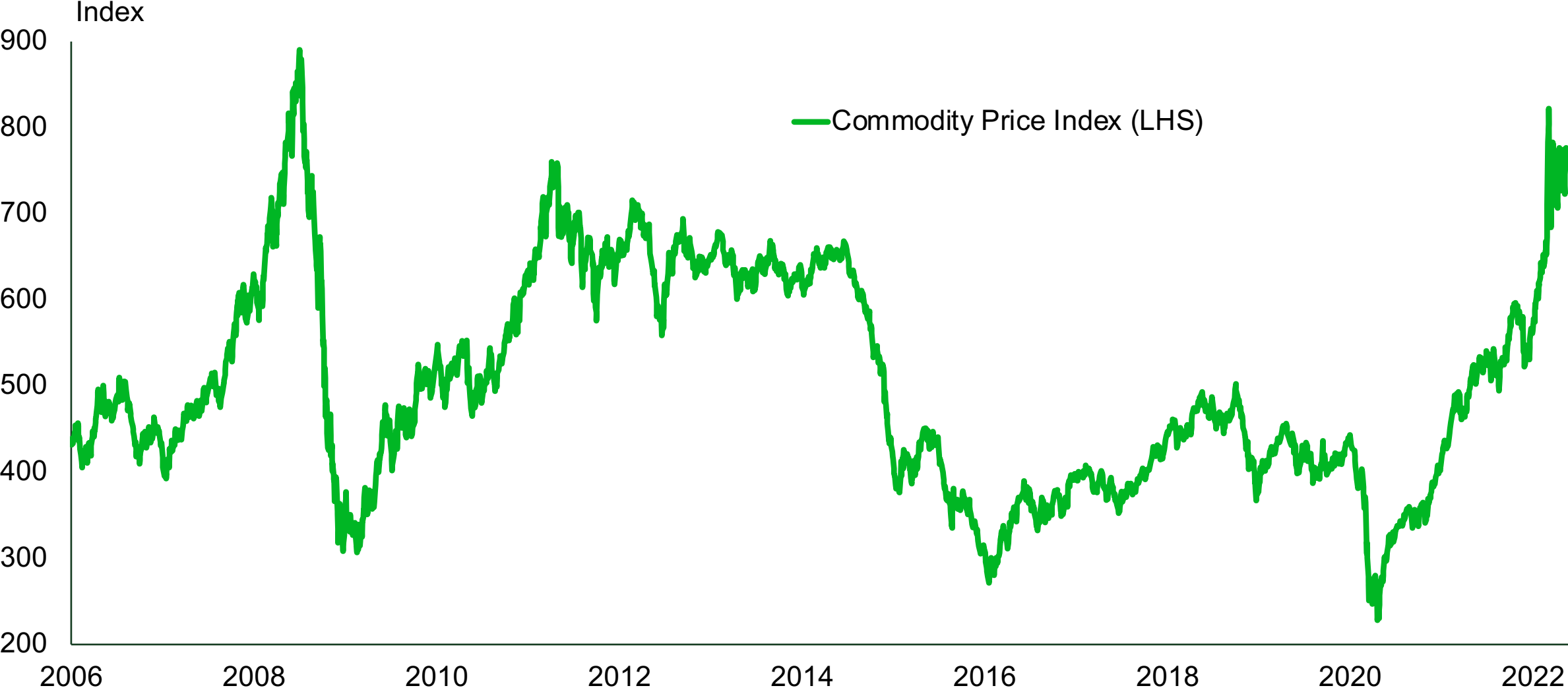
Leslie Preston

Managing Director & Senior Economist

May 27th, 2022



Russia/Ukraine War Latest Setback in Game of Supply-Chain "Whack A Mole"

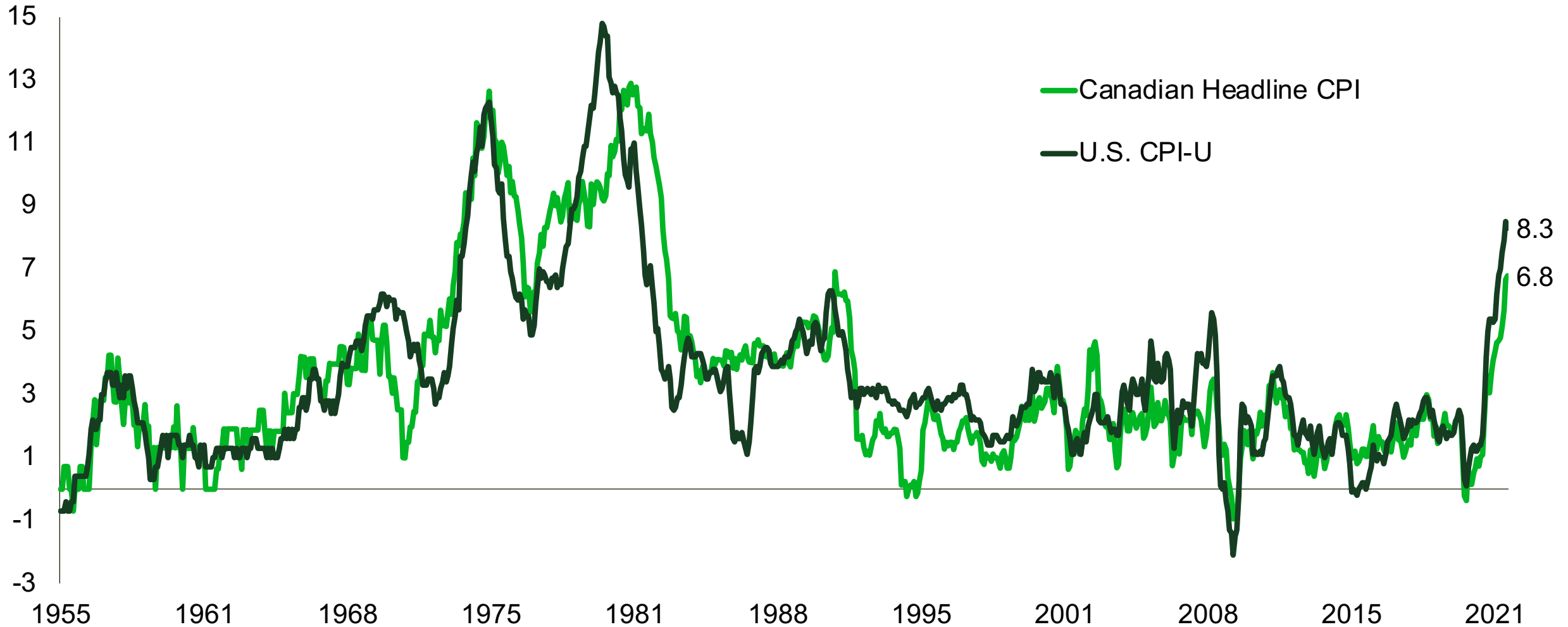


Source: Bloomberg, TD Economics. Last observation: May 24, 2022.

Inflation at Multi-Decade Highs

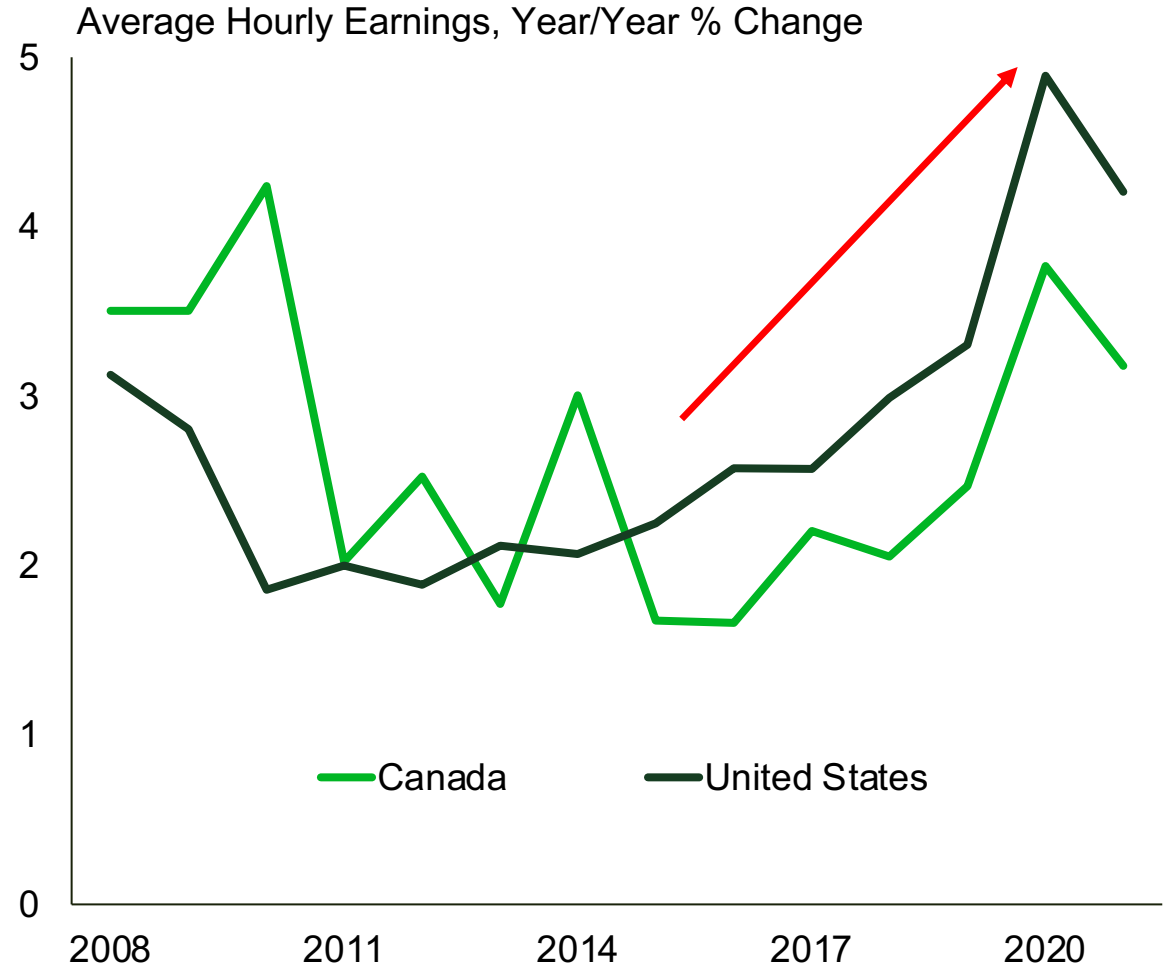
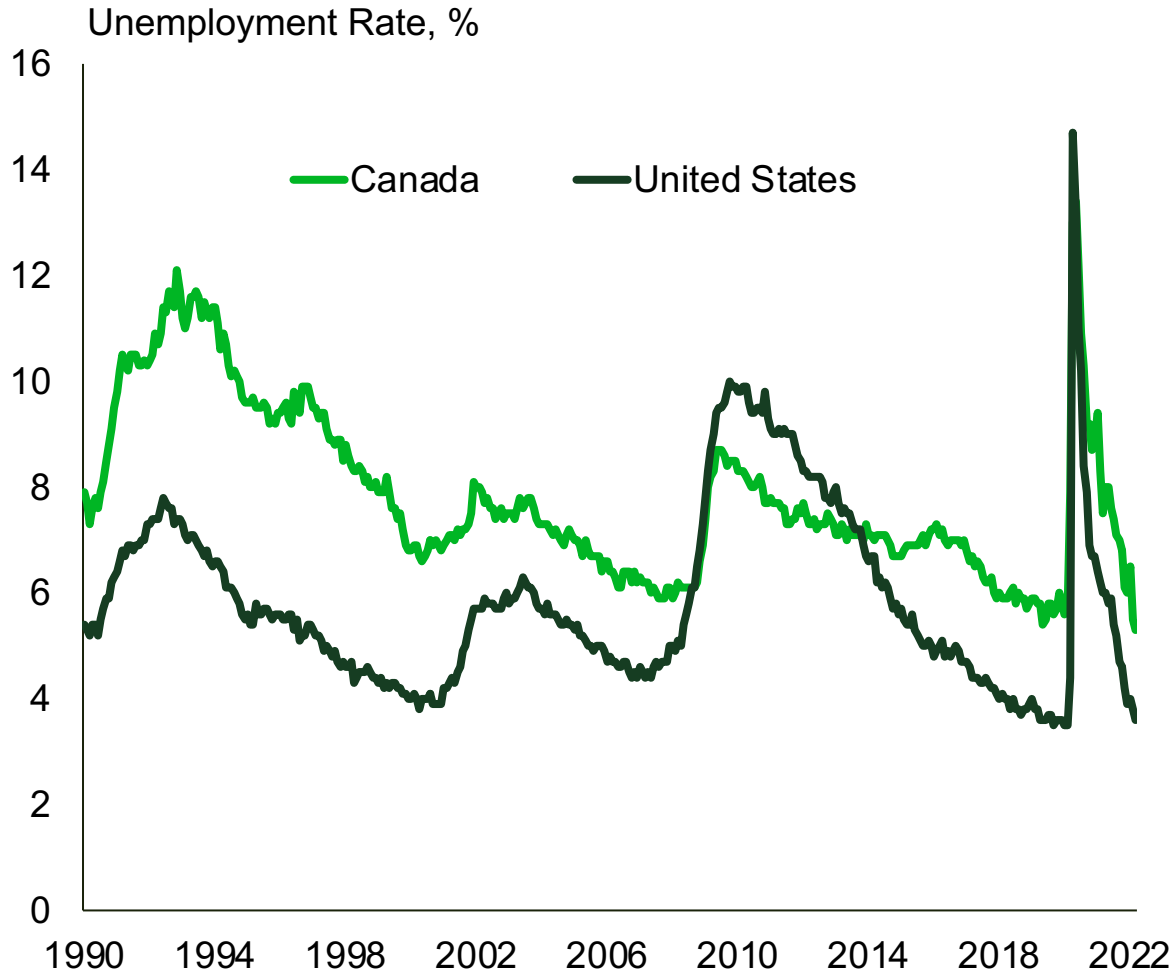


Inflation, Year/Year % Change



Source: StatCan, CD Howe, Bureau of Labor Statistics, TD Economics. Last observation: April 2022.

"The Labor Market Is Very Strong and Extremely Tight"



Source: Bureau of Labor Statistics, Statistics Canada, TD Economics.
Last observation: April 2022.

Source: Bureau of Labor Statistics, Statistics Canada, TD Economics.

Policy Rates: 50 Is The New 25

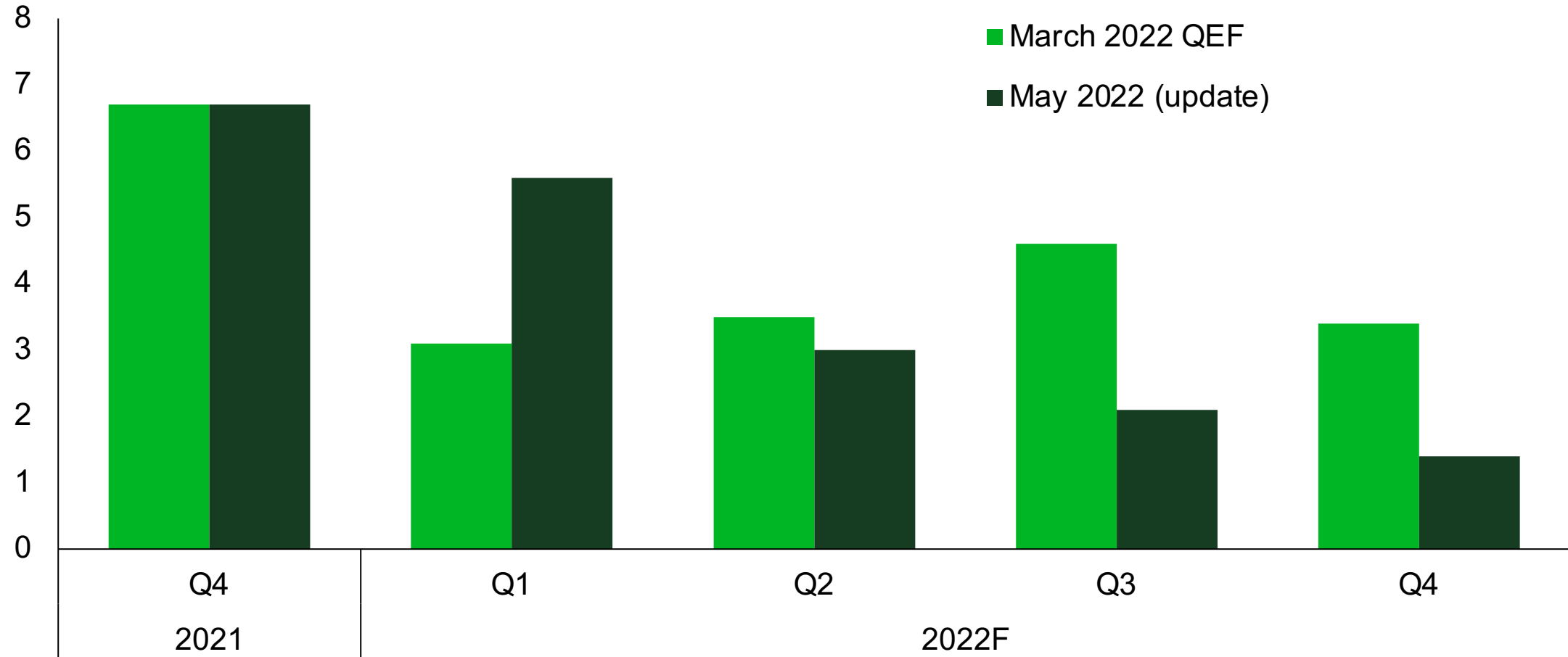


Source: Bloomberg, TD Economics.

Canada Bucks the Global Trend to Start 2022

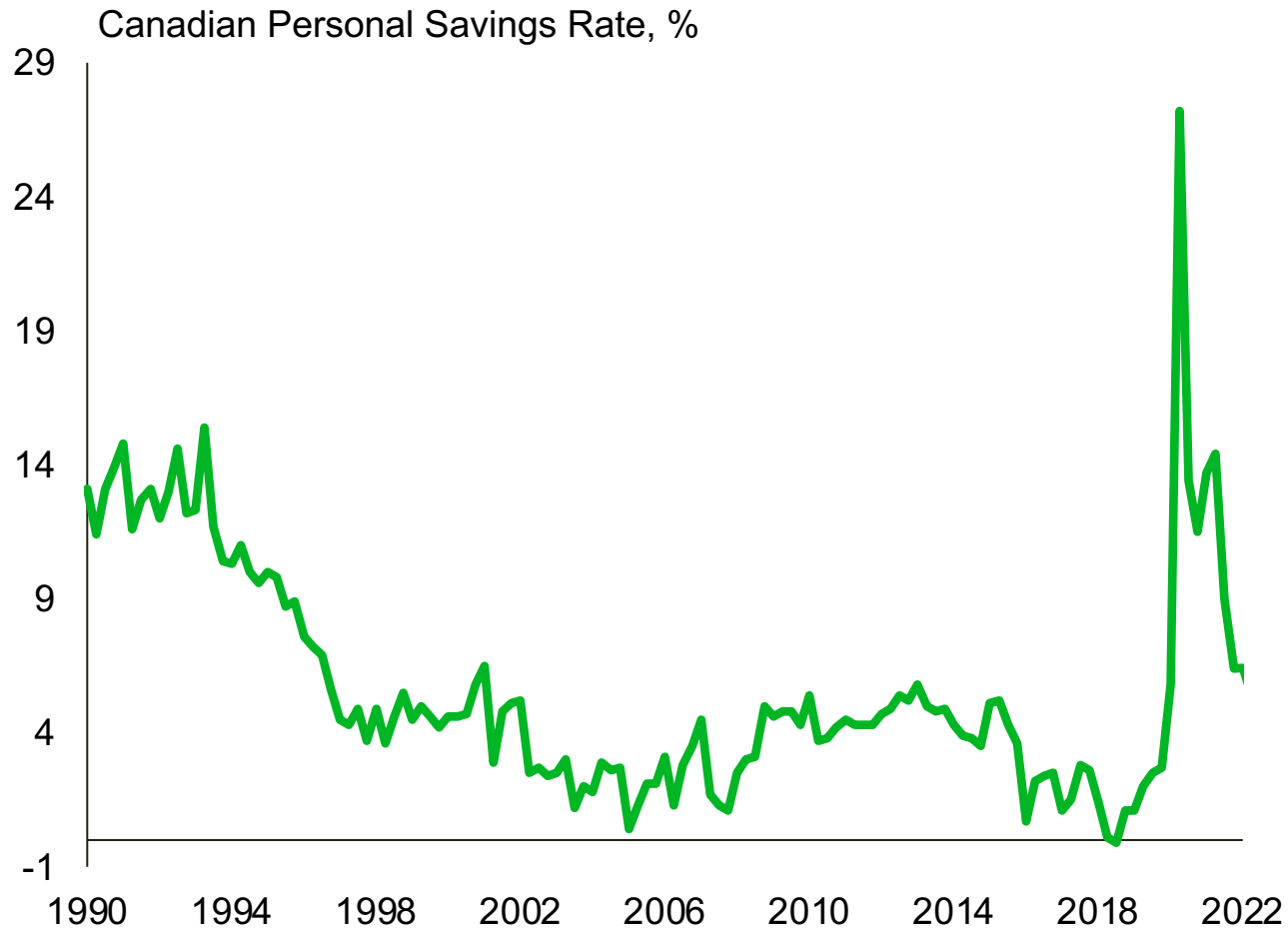


Canada Real GDP, Q/Q% Change (annualized)

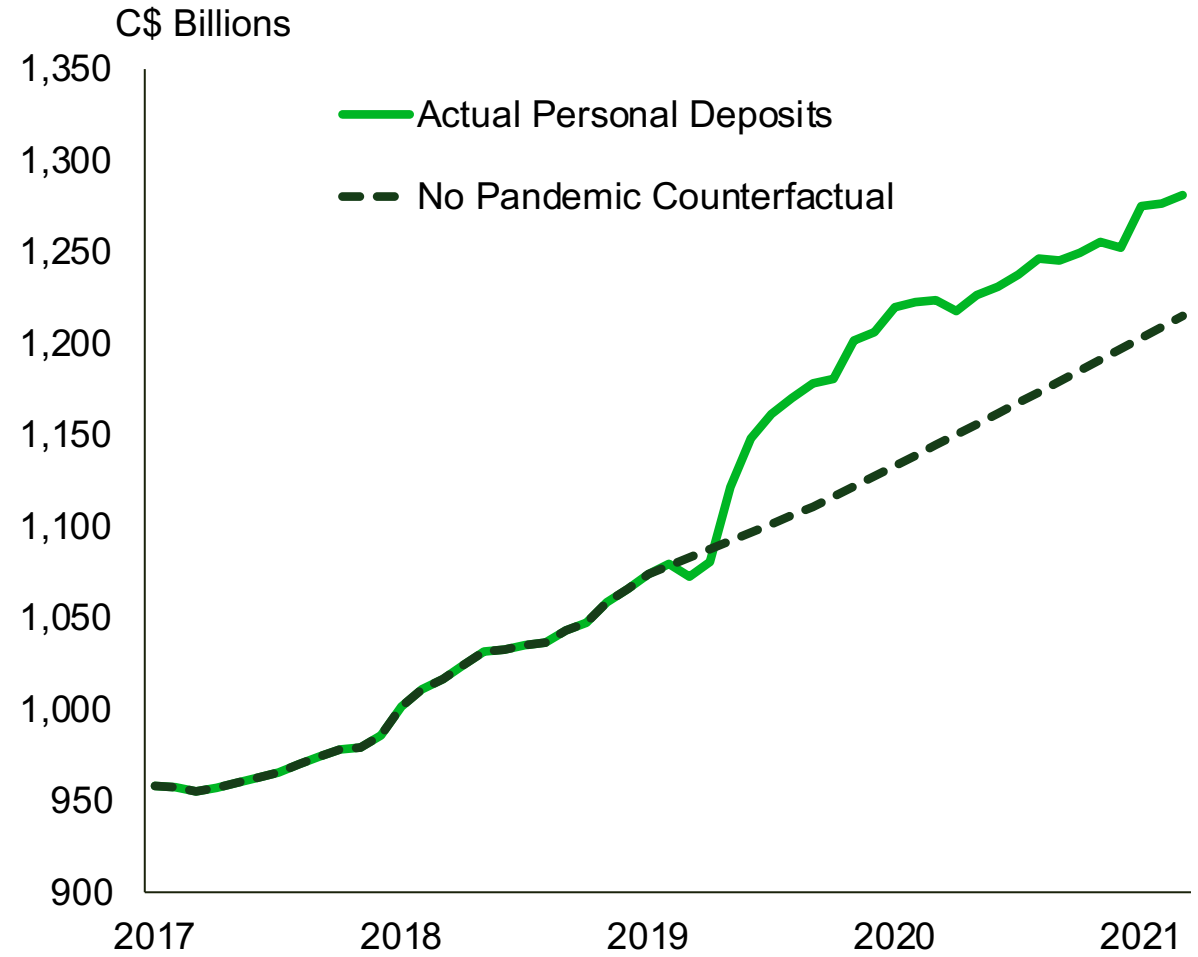


Source: TD Economics Forecast as at May 2022.

And Consumers Have Still Have "Excess Savings"



Source: TD Economics.

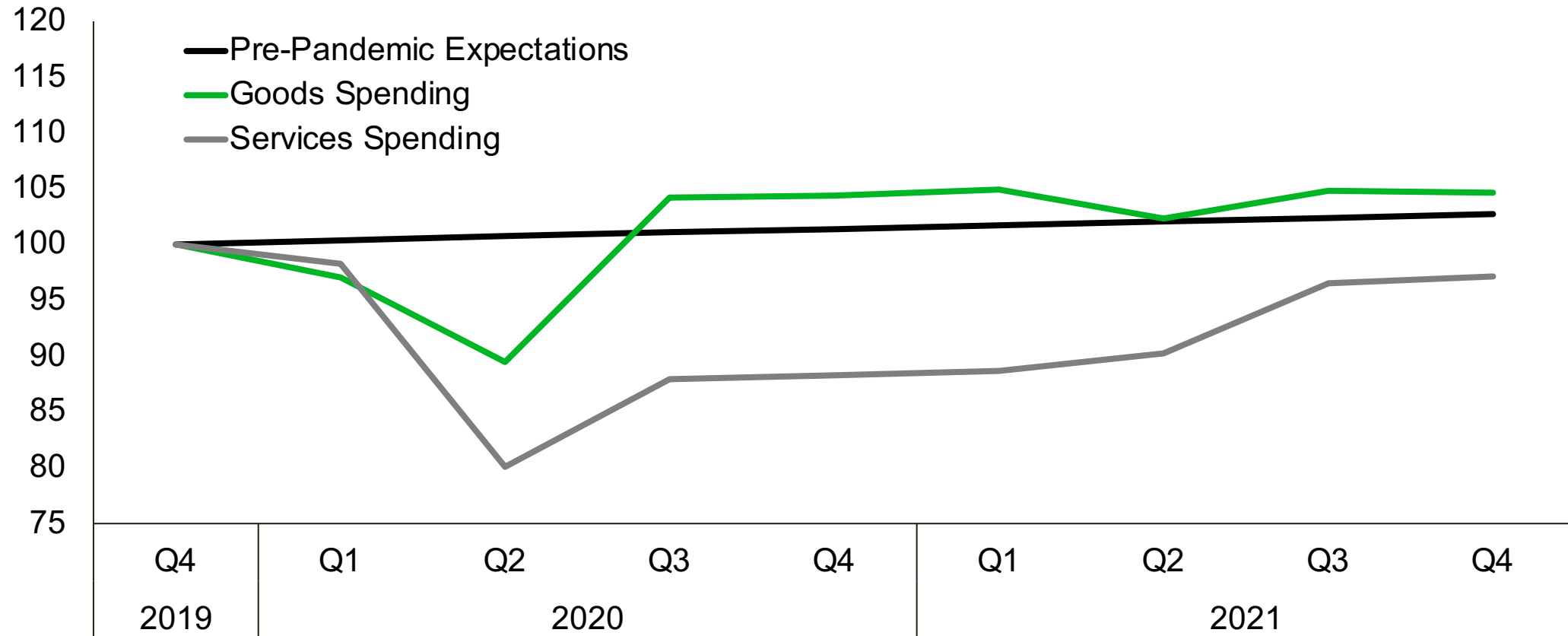


Source: Bank of Canada, TD Economics. Last observation: February

Consumer Spending to Shift to Services

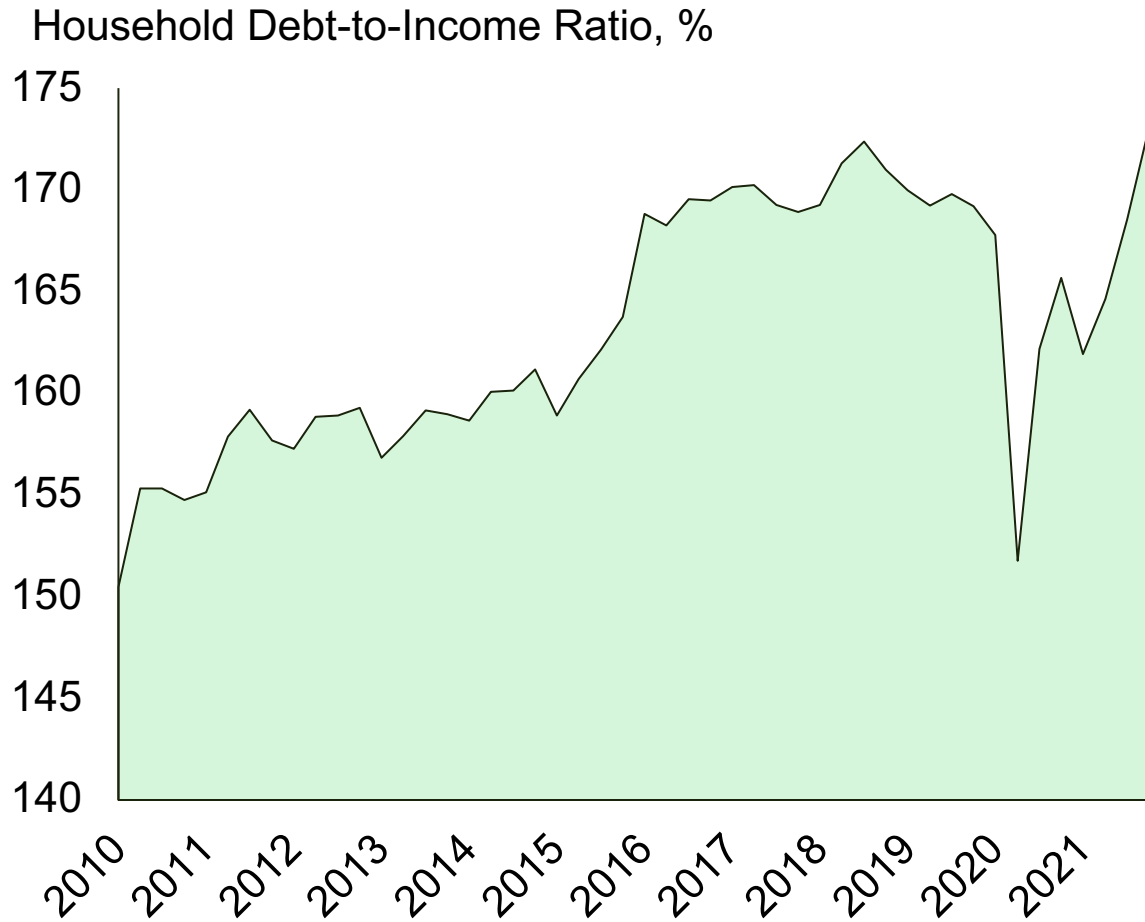


Canada Real Household Spending, Index (Q4-2019=100)

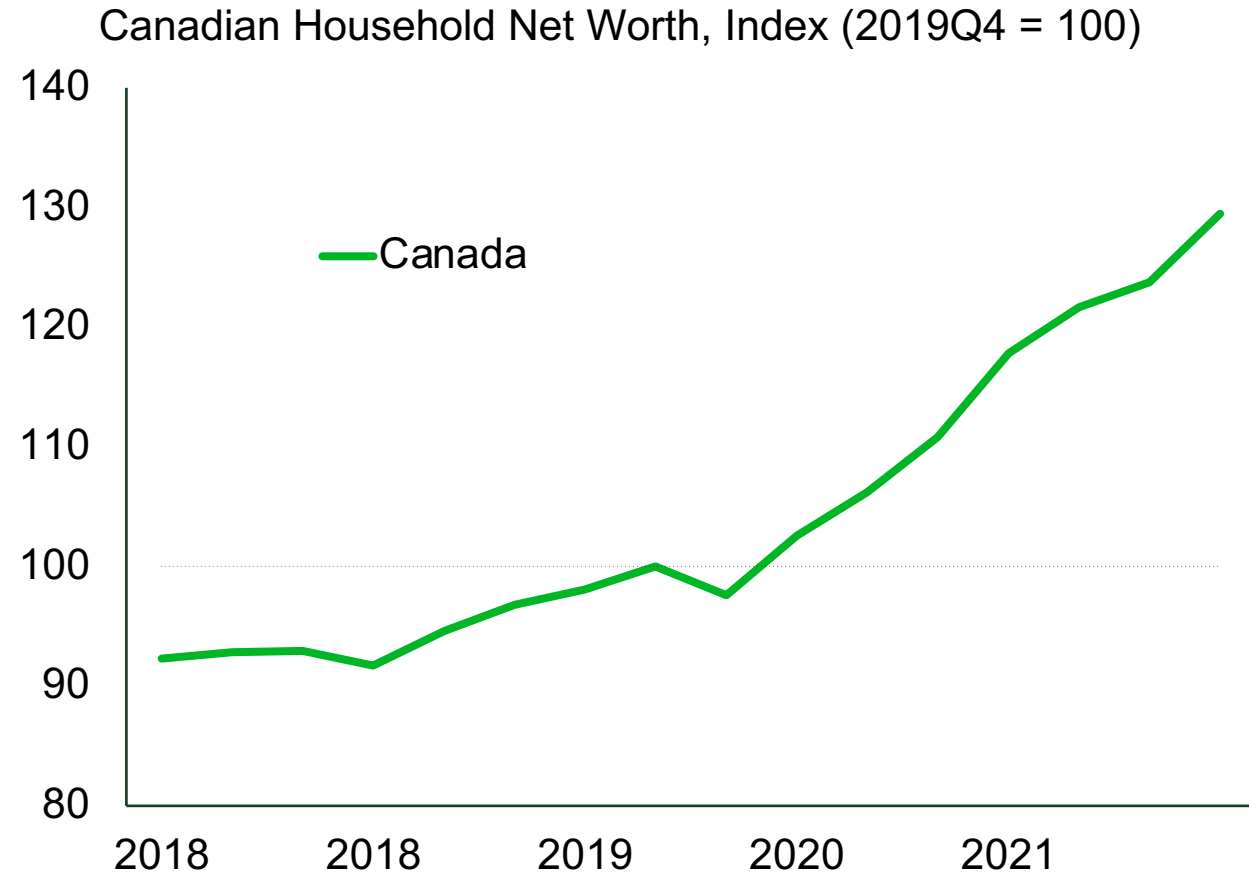


Source: Statsitcs Canada, TD Economics

Household Leverage Up, But So is Net Worth

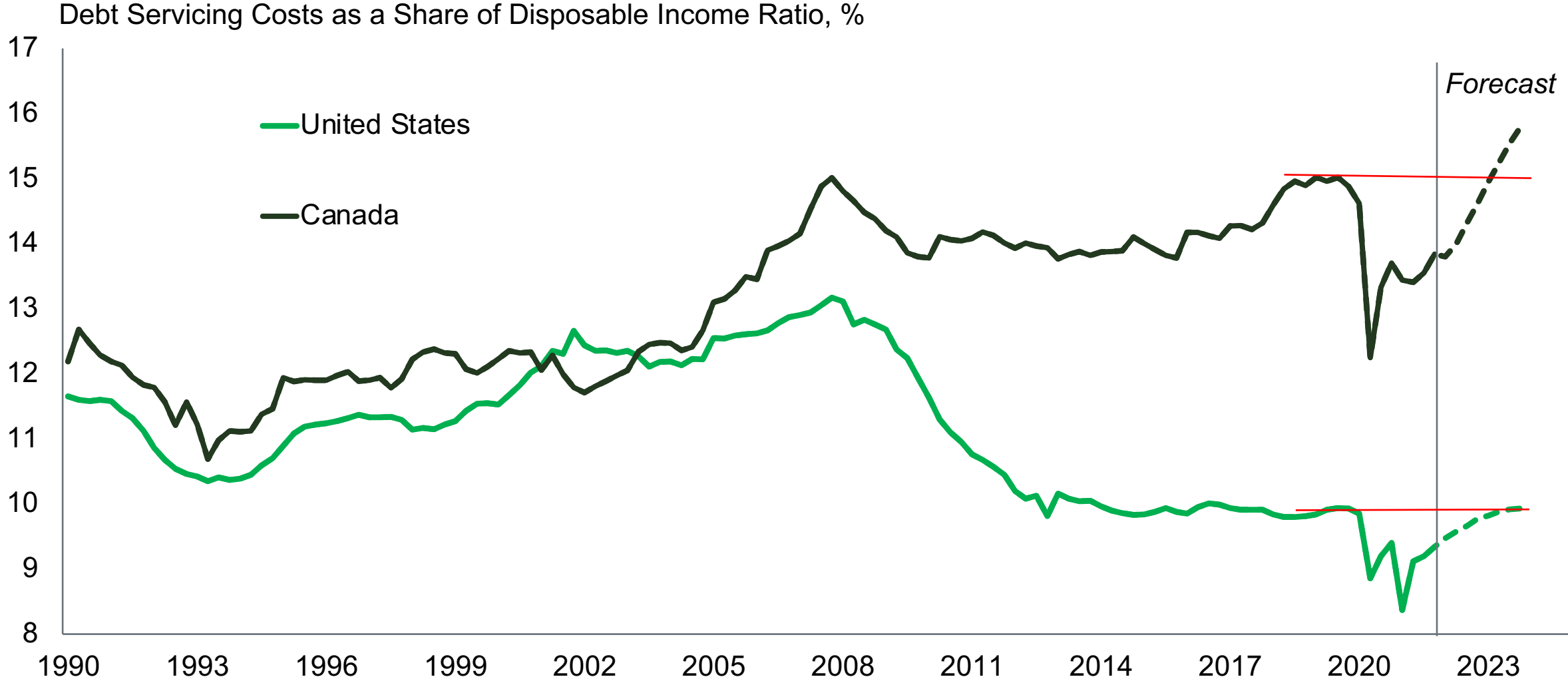


Source: Statistics Canada, TD Economics.



Source: Federal Reserve Board, Statistics Canada, TD Economics.

Debt Servicing Costs Set to Surpass Pre-Pandemic Level

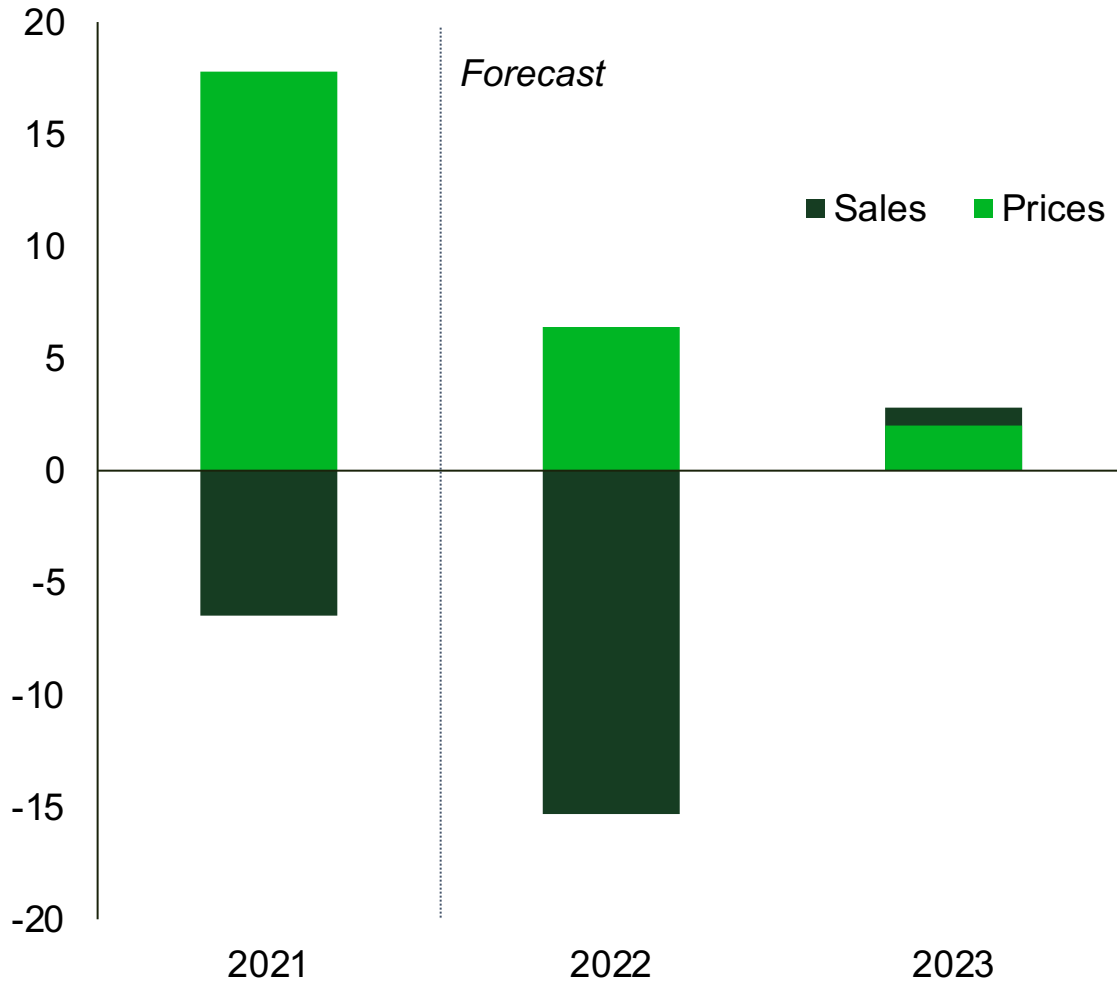


Source: Federal Reserve Board, TD Economics.

Higher Interest Rates to Cool Housing

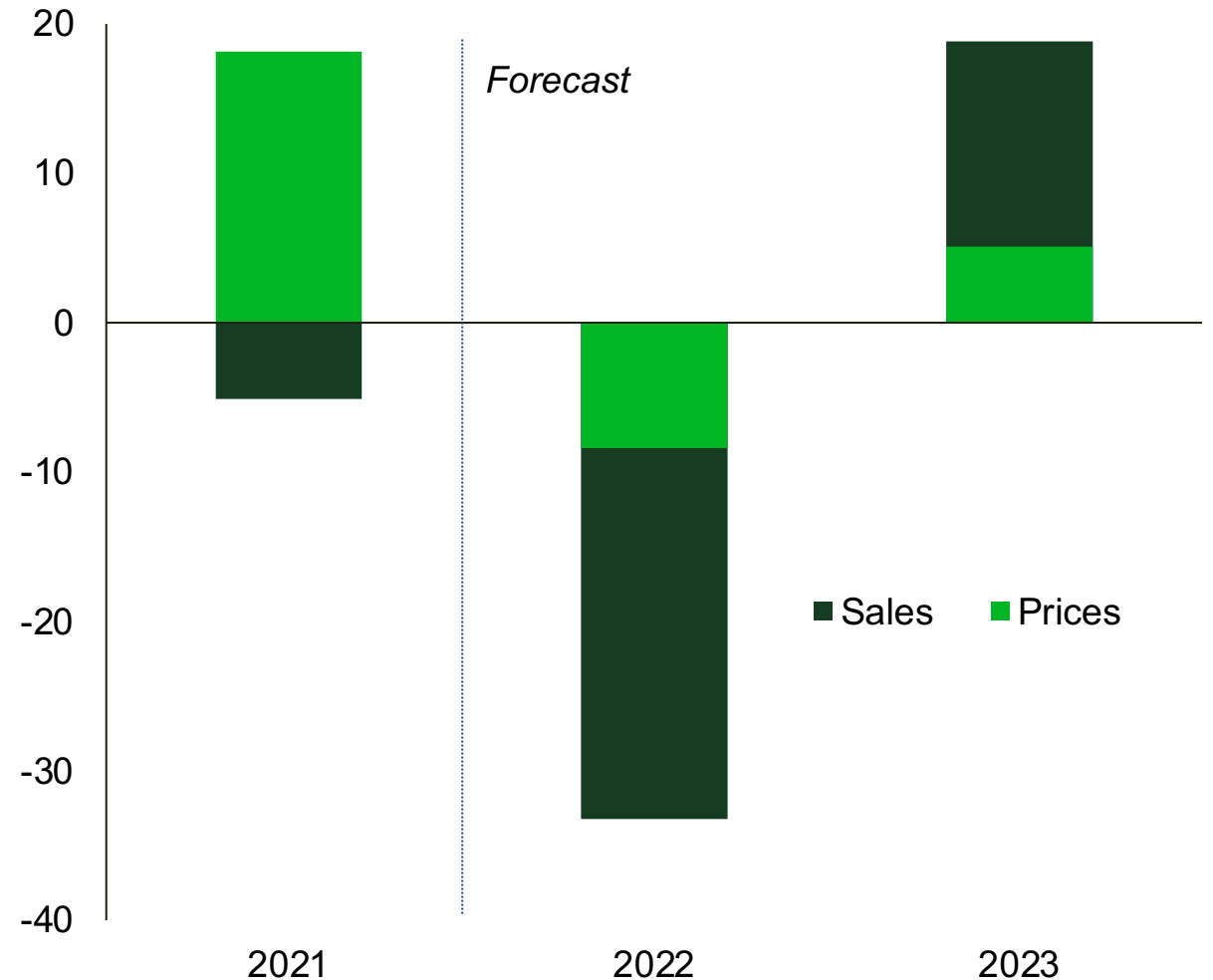


U.S. Home Price and Sales Growth, Q4/Q4 % Change



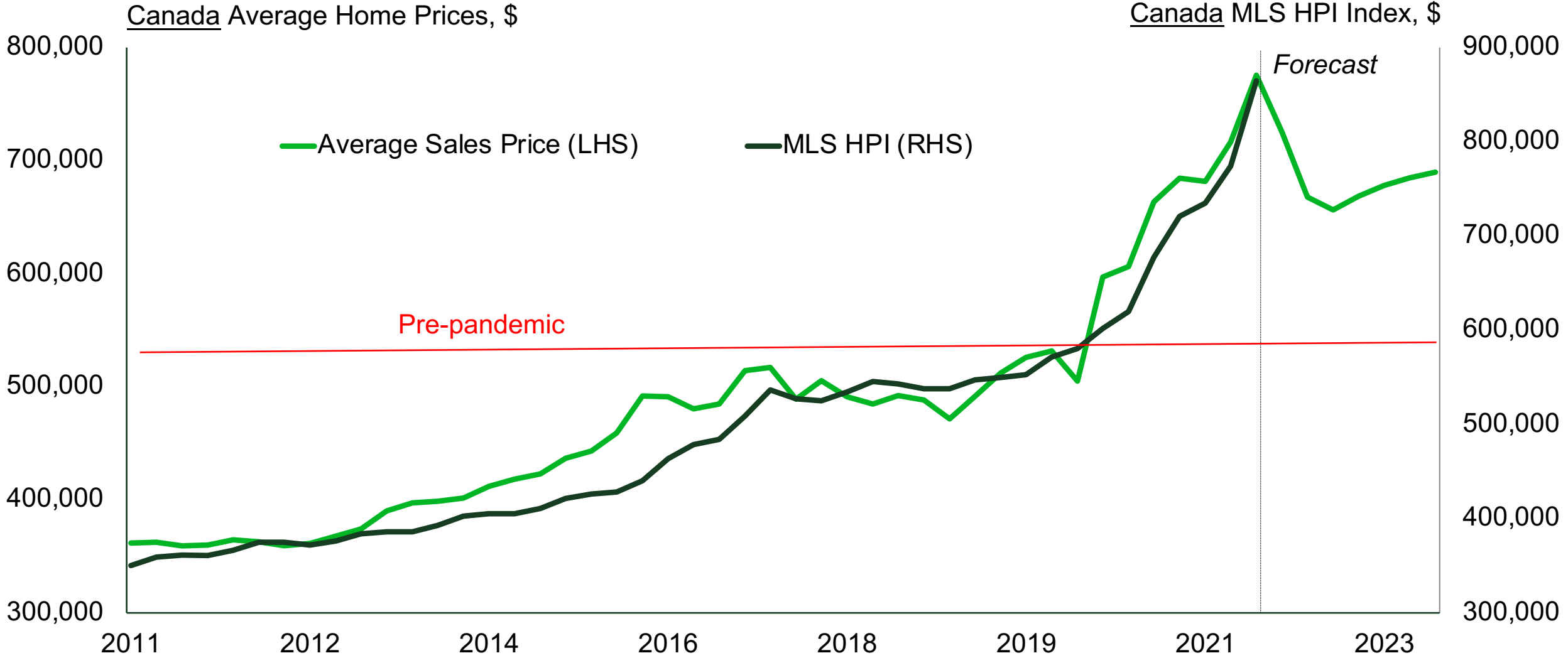
Source: CoreLogic, NAR, Census Bureau, TD Economics.

Canada Home Price and Sales Growth, Q4/Q4 % Change



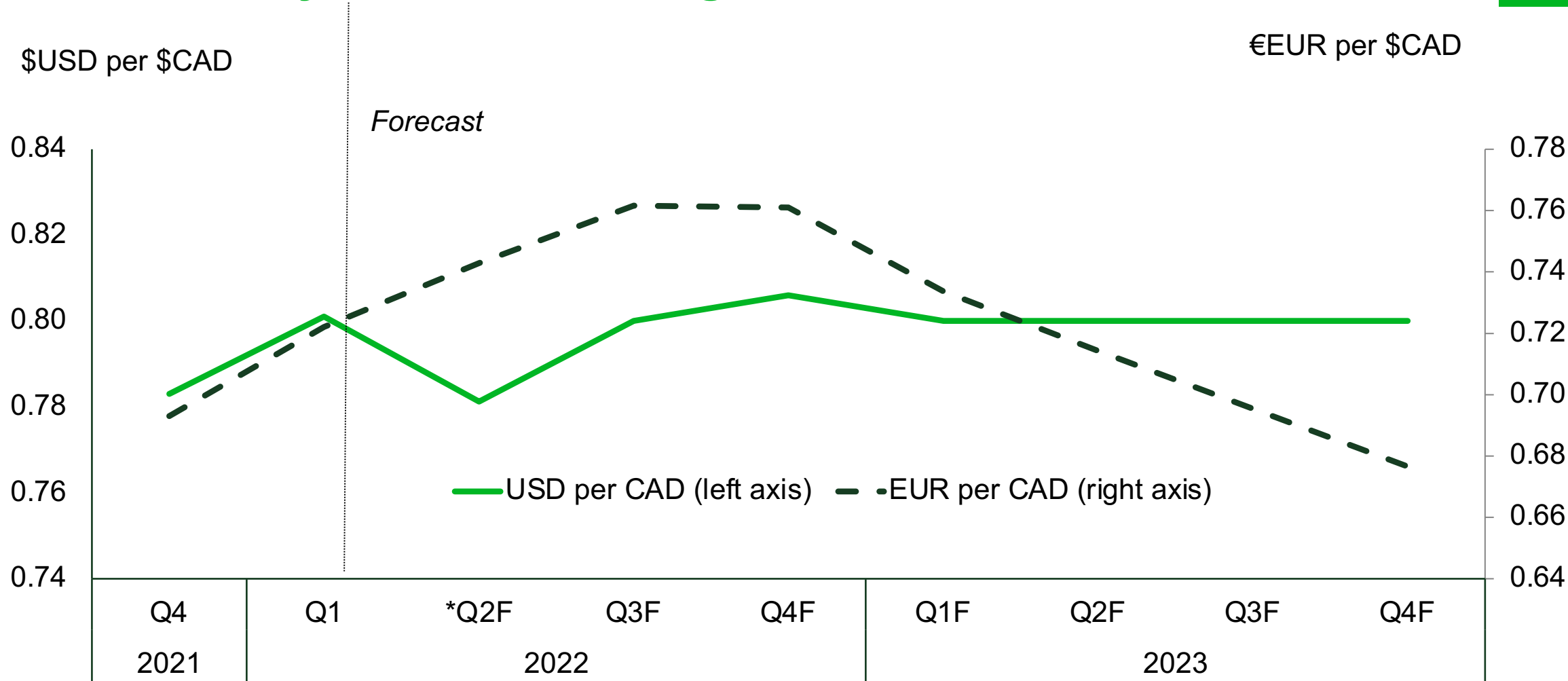
Source: CREA, TD Economics.

Canadian Home Price "Recalibration"



Source: The Canadian Real Estate Association, TD Economics. Forecast as of May 2022.

Loonie Likely to Remain Range Bound



Source: Federal Reserve, TD Economics.
 Note: *22'Q2 is spot price as of May 20th, 2022.

economics.td.com



[@TD Economics](https://twitter.com/TDEconomics)

This report is provided by TD Economics for customers of TD Bank Group. It is for information purposes only and may not be appropriate for other purposes. The report does not provide material information about the business and affairs of TD Bank Group and the members of TD Economics are not spokespersons for TD Bank Group with respect to its business and affairs. The information contained in this report has been drawn from sources believed to be reliable but is not guaranteed to be accurate or complete. The report contains economic analysis and views, including about future economic and financial markets performance. These are based on certain assumptions and other factors and are subject to inherent risks and uncertainties. The actual outcome may be materially different. The Toronto-Dominion Bank and its affiliates and related entities that comprise TD Bank Group are not liable for any errors or omissions in the information, analysis or views contained in this report, or for any loss or damage suffered.