

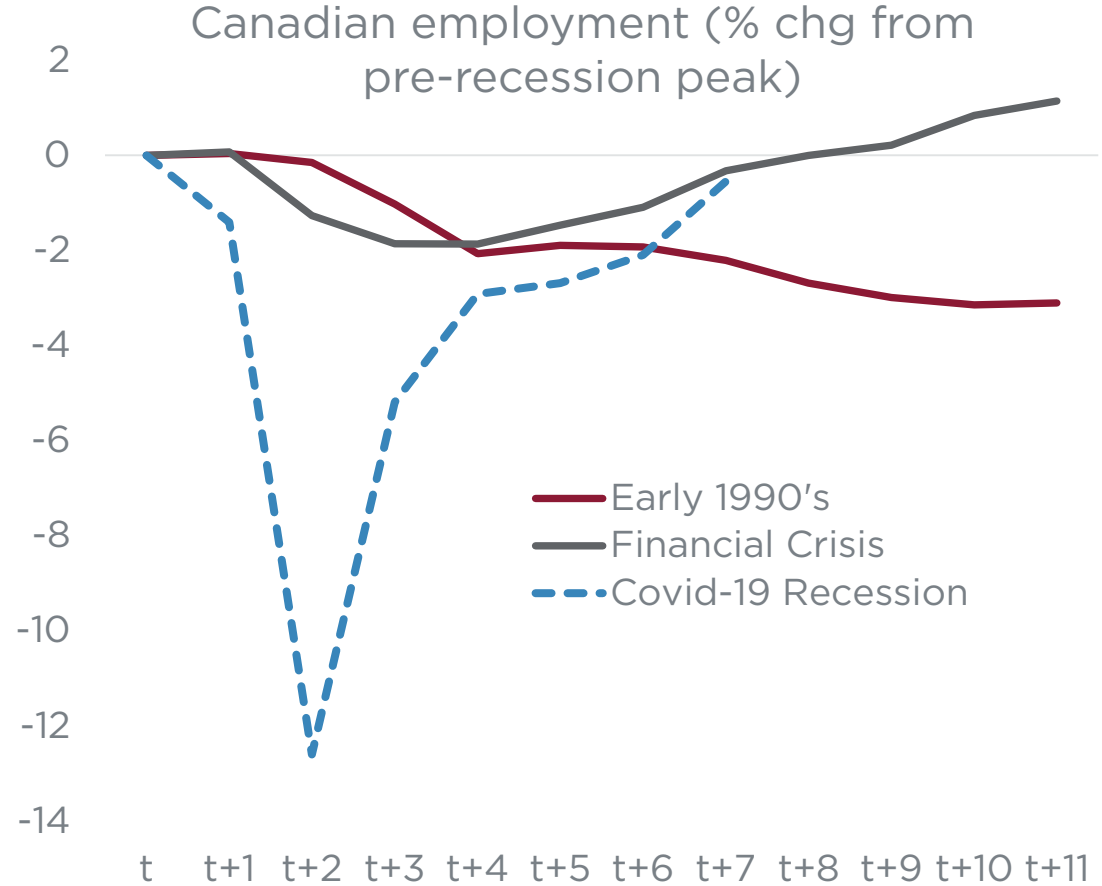
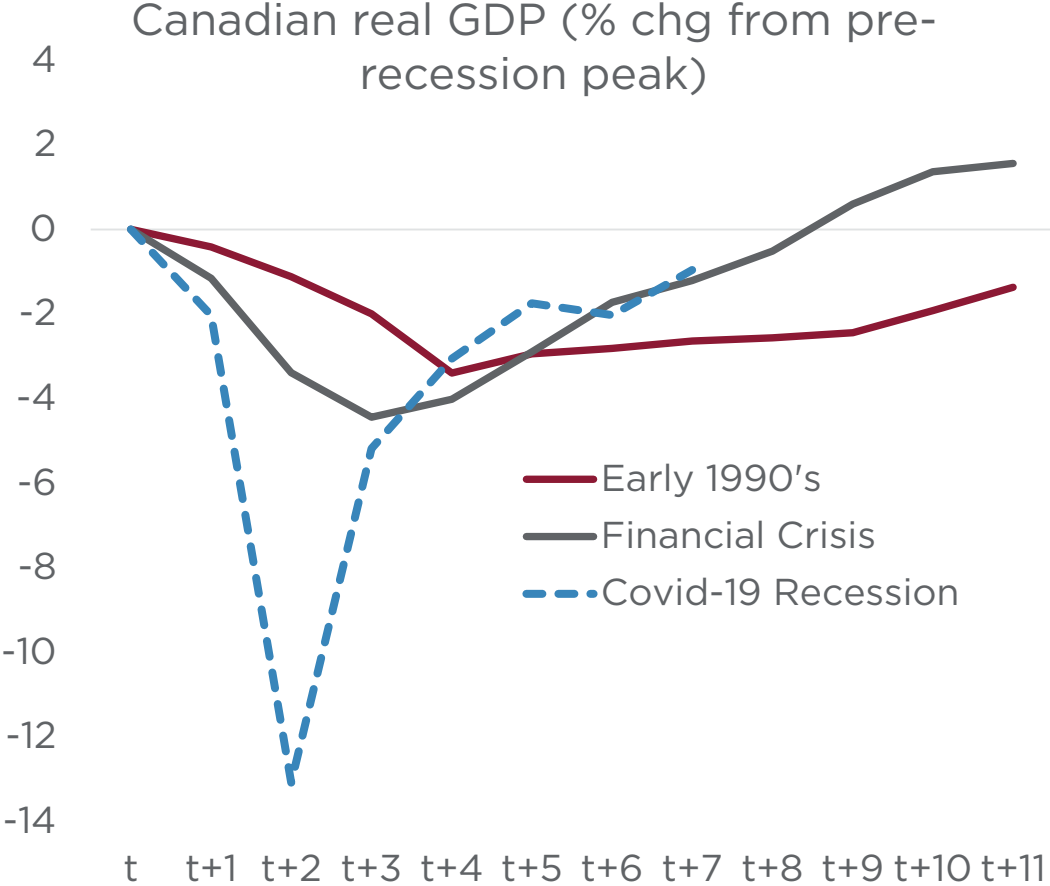


So near and yet...

Andrew Grantham, Executive Director and Senior Economist

November 2021

We've come a long way in a short space of time



Source: Statistics Canada, CIBC



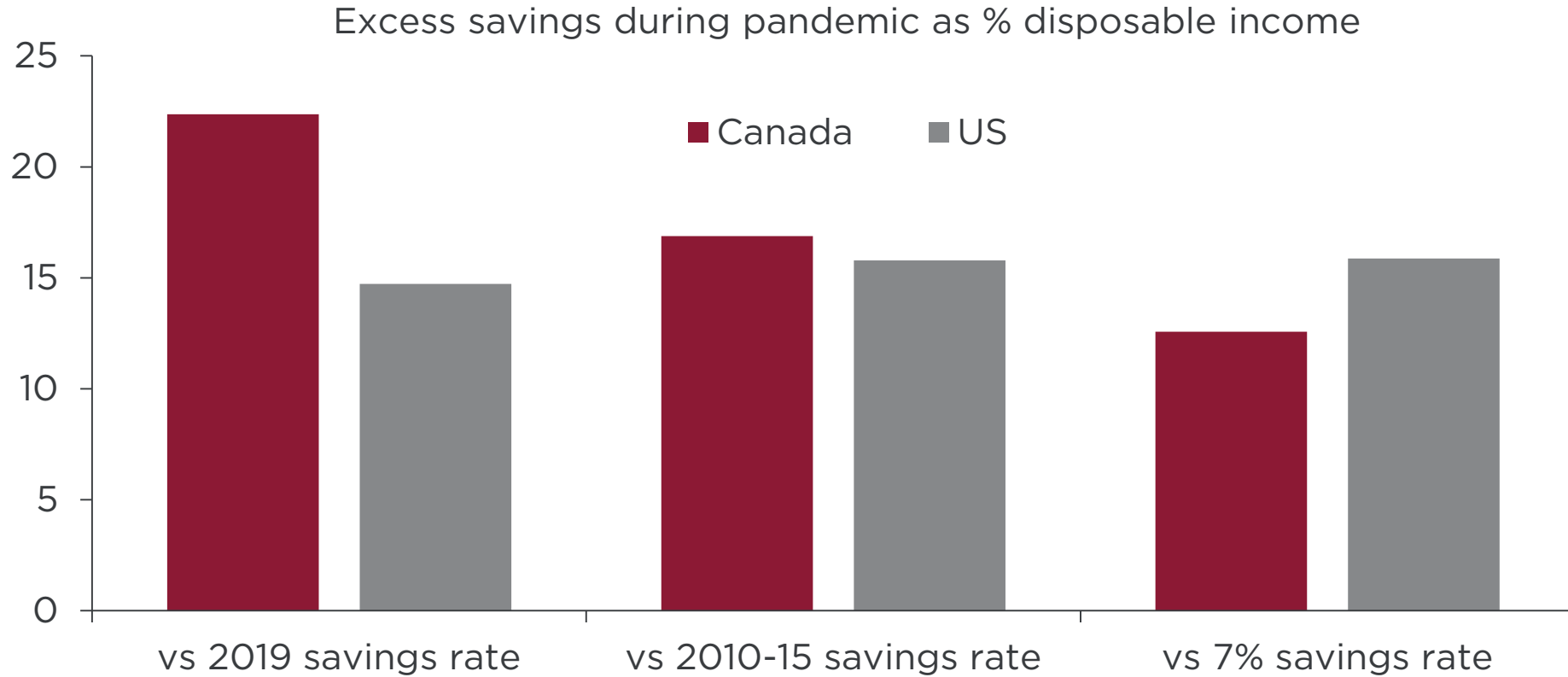
Provincial recovery table – Ontario lagging; BC, NS, Alberta ahead in more areas

% Change in indicators vs three months to February 2020 (top 3 highlighted)

	Labour Force employment	Payrolls employment	Manufacturing	Retail	Wholesale	Exports	Housing Starts	Housing Resales	Food Services
British Columbia	1.2	-1.8	12.3	13.8	17.4	45.6	16.8	27.4	-0.6
Alberta	-0.2	-3.5	17.0	8.6	10.5	24.6	12.8	43.4	0.0
Saskatchewan	-1.2	-1.7	38.4	8.0	11.8	20.2	34.5	31.8	8.0
Manitoba	-0.5	-1.9	13.4	12.0	6.4	7.5	38.5	16.2	6.4
Ontario	-0.3	-3.6	0.2	5.8	4.6	-1.4	52.7	7.3	-7.7
Quebec	-0.8	-0.9	8.9	12.8	14.1	7.4	10.9	-5.1	-3.6
New Brunswick	-1.5	2.0	9.9	11.4	24.5	17.6	120.4	24.6	2.8
Nova Scotia	0.3	-1.6	9.0	13.4	16.6	22.3	-33.6	50.2	-2.2
Prince Edward Island	-2.8	-2.2	12.5	14.9	40.9	39.8	-5.8	-6.3	-0.4
Newfoundland & Labrador	-1.1	-3.3	-47.1	8.3	10.8	11.7	-13.8	54.1	9.7

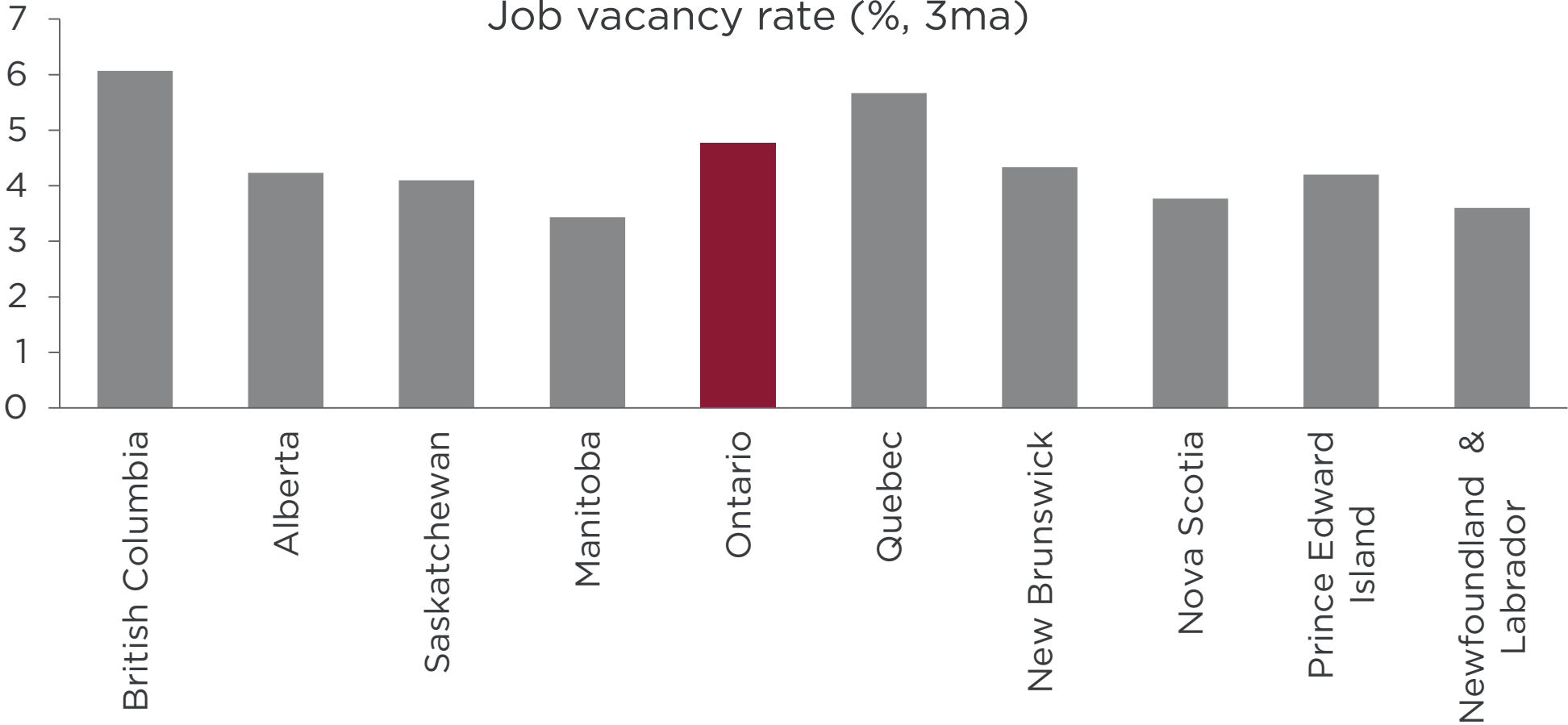
Source: Statistics Canada, CREA, CMHC, CIBC

Level of excess savings in Canada vs US depends on judgement of where savings rate should be



Source: Statistics Canada, BEA, CIBC

Job vacancy rates – rising most in countries that used income support more than wage subsidies



Source: Statistics Canada, CIBC



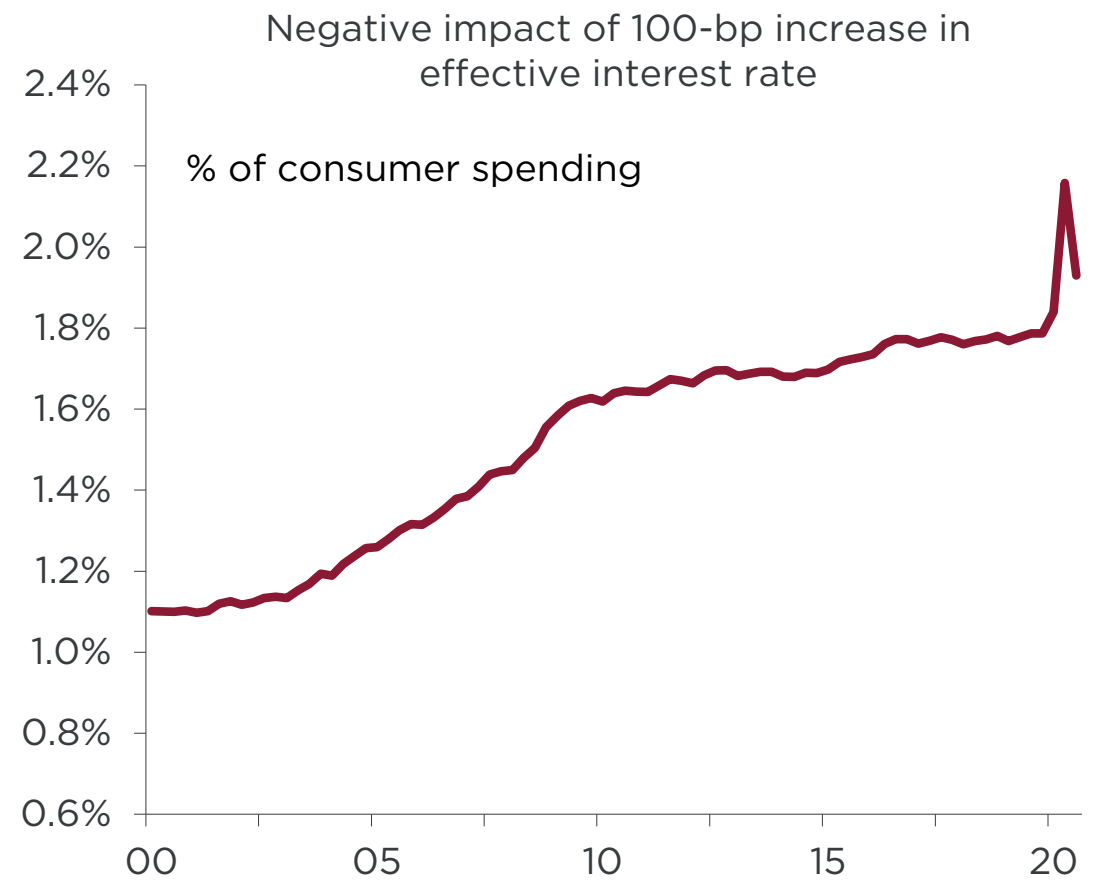
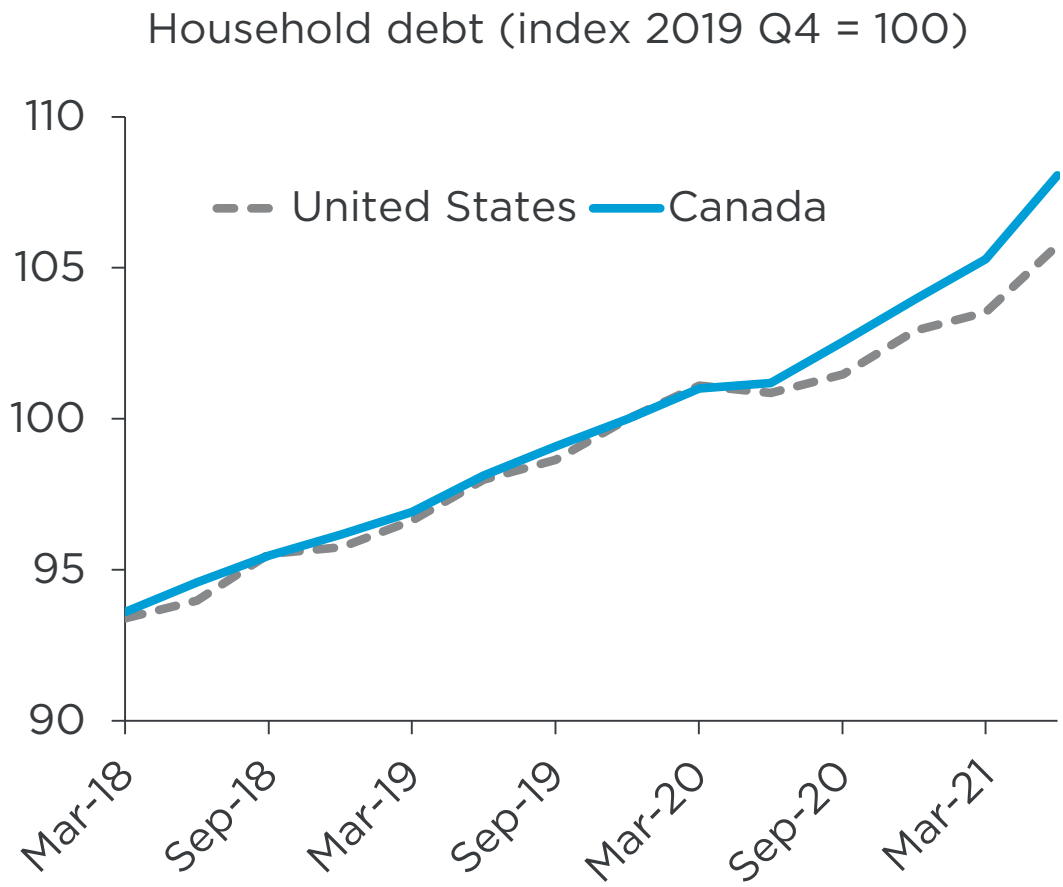
Global stringency weighted by North American imports didn't reach levels seen in winter, has moved lower recently



Source: Bloomberg, CIBC



Canadian household debt accumulation has accelerated during pandemic (L); Increasing susceptibility to interest rate increases (R)



Source: Haver, CIBC



Provincial forecast

	Real GDP Y/Y % Chg				Unemployment Rate %				Consumer Price Index Y/Y % Chg			
	2020E	2021F	2022F	2023F	2020A	2021F	2022F	2023F	2020A	2021F	2022F	2022F
BC	-3.8	4.9	3.9	2.9	8.9	6.5	5.2	4.6	0.8	2.9	2.6	2.2
Alta	-8.2	6.4	4.9	3.3	11.3	8.5	6.9	6.2	1.1	3.3	2.8	2.0
Sask	-5.2	4.5	3.2	2.7	8.3	6.9	5.9	5.2	0.6	2.7	2.4	2.0
Man	-4.8	4.2	3.7	2.6	7.9	6.5	5.6	5.4	0.5	3.3	2.9	2.0
Ont	-5.0	4.4	4.3	2.9	9.5	8.3	6.0	5.5	0.6	3.4	2.7	2.0
Qué	-5.3	5.2	3.3	2.3	8.8	6.3	5.5	5.1	0.8	3.8	2.8	1.9
NB	-3.7	3.3	2.7	2.4	9.8	9.0	8.1	8.2	0.2	3.8	2.9	1.9
NS	-3.2	3.4	3.0	2.8	9.6	8.2	7.7	7.4	0.3	4.0	2.3	1.9
PEI	-3.0	3.1	3.6	3.5	10.6	8.8	8.5	8.7	0.0	5.1	2.9	2.0
N&L	-5.3	3.4	2.8	2.2	13.7	12.8	12.3	11.9	0.2	3.7	2.4	2.0
Canada	-5.2	4.8	4.0	2.8	9.5	7.6	6.0	5.5	0.7	3.4	2.7	2.0

Sources: CIBC, Statistics Canada, CMHC

Yields Rise in 2022 But Still Low By Historic Standards; C\$ a Bit Weaker

		2021		2022			2023				
END OF PERIOD:		1-Nov	Dec	Mar	Jun	Sep	Dec	Mar	Jun	Sep	Dec
CDA	Overnight target rate	0.25	0.25	0.25	0.25	0.50	0.75	1.00	1.25	1.25	1.50
	98-Day Treasury Bills	0.15	0.15	0.20	0.25	0.50	0.70	0.95	1.20	1.20	1.45
	2-Year Gov't Bond	1.10	1.00	0.90	1.15	1.20	1.35	1.50	1.70	1.80	2.00
	10-Year Gov't Bond	1.75	1.70	1.75	1.95	1.90	2.00	2.15	2.20	2.25	2.40
	30-Year Gov't Bond	2.02	2.00	2.15	2.25	2.30	2.30	2.40	2.45	2.40	2.45
U.S.	Federal Funds Rate	0.125	0.125	0.125	0.125	0.375	0.625	0.875	1.125	1.375	1.625
	91-Day Treasury Bills	0.05	0.10	0.10	0.15	0.40	0.65	0.90	1.15	1.35	1.60
	2-Year Gov't Note	0.52	0.50	0.65	0.80	1.00	1.40	1.65	1.80	2.00	2.10
	10-Year Gov't Note	1.59	1.70	1.80	2.00	1.90	2.10	2.15	2.20	2.35	2.40
	30-Year Gov't Bond	1.98	2.00	2.10	2.25	2.35	2.40	2.45	2.50	2.60	2.65
EXCHANGE RATES	CADUSD	0.81	0.81	0.78	0.78	0.77	0.77	0.76	0.76	0.76	0.76
	USDCAD	1.24	1.24	1.28	1.29	1.30	1.30	1.31	1.31	1.32	1.32
	USDJPY	114	112	114	115	114	112	112	111	111	110
	EURUSD	1.16	1.15	1.14	1.13	1.12	1.11	1.11	1.12	1.14	1.16
	GBPUSD	1.37	1.38	1.37	1.36	1.36	1.35	1.34	1.34	1.36	1.37
	AUDUSD	0.75	0.73	0.74	0.74	0.75	0.75	0.76	0.77	0.78	0.79
	USDCNY	6.40	6.40	6.35	6.30	6.25	6.20	6.15	6.05	6.00	5.95
	USDMXN	20.7	20.0	19.8	19.5	20.0	20.5	21.0	21.5	21.3	21.5

Source: CIBC



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