

Ontario Economic Forecast Update 2018-2020

Highlights:

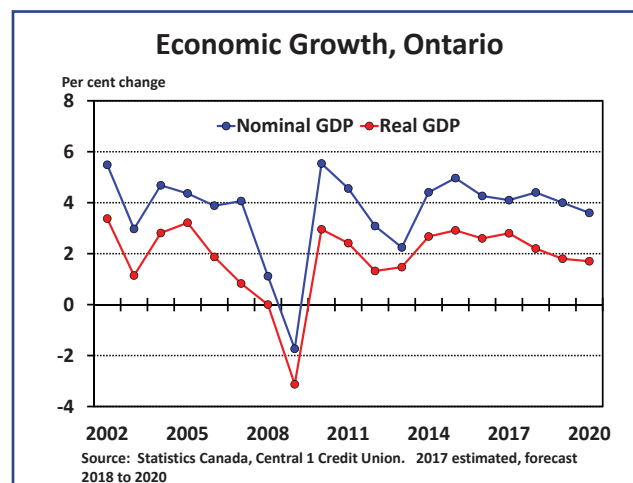
- Economic growth to slow
- Growth slowdown evident in 2018 indicators
- Unemployment rate to edge up

Summary

Ontario's economy is in a slower growth phase, expected to last through to 2020. Less residential investment spending, restrained consumer spending, and a lacklustre trade performance are the main factors. A modest upswing in business investment spending is expected to evolve.

Real Gross Domestic Product (GDP) is forecast to expand at less than two per cent annually in 2019 and 2020 with nominal GDP slowing to less than four per cent growth. Employment growth slows to around one per cent annually, but the unemployment rate edges higher on population growth.

The external economic environment will be less supportive of growth with slower U.S. growth, higher interest rates, and modest appreciation of the Canadian dollar. The new United States-Mexico-Canada Agreement (USMCA) trade deal has a mostly neutral impact on growth, except for dairy and other supply-managed sectors.



Current economic indicators

Most economic indicators this year are weaker than in 2017. Retail sales, housing and other consumer-related activity are expanding at a slower pace or are lower than last year. Business-related activity such as merchandise exports, manufacturing sales, wholesale trade, and others are also increasing at a slower pace or declining. Tourism activity is also slowing.

International merchandise exports through to July 2018 are roughly even with last year, though are down an estimated two per cent after price adjustments. Most of this performance is due to a decline in motor vehicle and parts exports. One bright spot is that industrial machinery, equipment, and parts exports, are building on past gains and reaching new highs.

Forecast Summary: Ontario

Provincial Forecast

	2015	2016	2017	2018	2019	2020
Real GDP, % chg.	2.9	2.6	2.8	2.2	1.8	1.7
Nominal GDP, % chg.	5.0	4.3	4.1	4.2	4.0	3.6
Employment, % chg.	0.7	1.1	1.8	1.4	1.0	1.0
Unemployment Rate (%)	6.8	6.5	6.0	5.6	5.7	5.8
Population, % chg.	0.7	1.2	1.4	1.8	1.6	1.5
Housing starts, units (000s)	70.2	75.0	79.1	75.7	71.5	70.0
Retail sales, % chg.	5.3	6.9	7.7	5.0	3.5	3.5
Personal income, % chg.	5.3	3.6	3.9	4.1	2.9	3.1
Net operating surplus: Corporations, % chg.	7.1	7.3	7.2	3.3	8.9	4.7
Consumer price index, % chg.	1.2	1.8	1.7	2.6	1.9	2.0

Source: Statistics Canada, Central 1 Credit Union. Forecast: 2018-2020

The international goods trade deficit continues to increase and is a drag on overall GDP growth, as imports outpace exports. This 2018 deficit is on track to be the largest on record.

International tourists entering or leaving Ontario are down 2.5 per cent year-to-date compared to the tourist count peak experienced in 2017.

Manufacturing sales are up 2.6 per cent year-to-date, but are estimated to be 0.4 per cent lower after price adjustment. Real or price-adjusted manufacturing sales have languished since 2015. One exception is machinery manufacturing.

Wholesale trade is nearly four per cent higher this year-to-date but will finish the year well off last year's 8.2 per cent gain. Outperforming sectors so far this year are building materials, machinery equipment; and, personal and household goods suppliers.

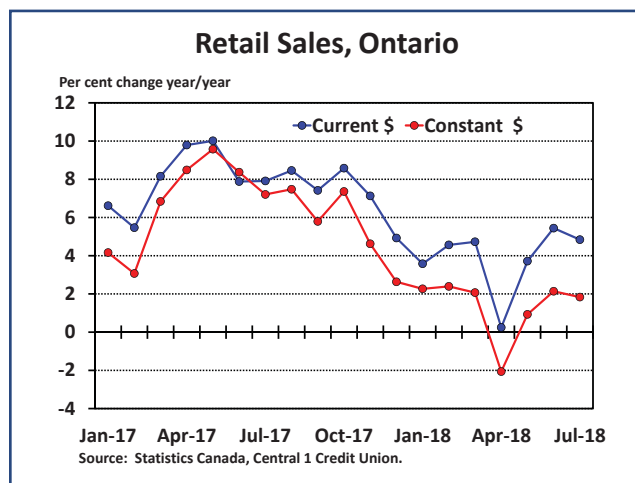
Non-residential building permits are down ten per cent so far this year due to a 44 per cent drop in public permits. Private permits, industrial and commercial, are four and seven per cent higher, respectively.

A key consumer-related indicator is retail sales, which has grown 4.2 per cent this year, down from nearly eight per cent last year and seven per cent in 2016. After adjusting for price changes, real retail sales are estimated to have increased 1.9 per cent so far in 2018, compared to around six per cent in each of the prior two years. Consumer confidence has slipped during 2018, according to the Conference Board of Canada's survey. Toronto retail sales in current dollars are up only 1.6 per cent this year, while in the rest of Ontario, sales are up 6.1 per cent.

Housing activity is another key indicator of consumer activity, and here, MLS® residential unit sales are down 17 per cent through to August compared to the same period last year. Ontario's average sale price is down five per cent. Housing starts in urban centres are down three per cent compared to September. Tougher mortgage rules and higher mortgage rates are making it more difficult for potential home purchasers to qualify for mortgage credit.

New motor vehicle sales are up 2.2 per cent year-to-date, compared to 4.3 per cent in 2017.

The economy continues to generate more jobs. Employment is 1.7 per cent higher year-to-date, while the unemployment rate averages 5.8 per cent, down from 6.3 per cent in the same period last year. Total wages and salaries are increasing at a five per cent pace, with the average weekly wage rate at four per cent.



Population estimates (as of the second quarter 2018) has growth at 1.8 per cent in the province, up from 1.4 per cent at the same time last year. Higher immigration is the primary growth driver.

Economic cycle

Ontario's economy since the 2008-09 recession is in a long expansion phase and growing at a 2.5 per cent trend rate in real GDP since 2014. The latest estimate of real GDP by the Ontario Ministry of Finance is 1.4 per cent of annualized growth during the first quarter of 2018. Second quarter real GDP will likely bounce back to trend growth.

Ontario's economic expansion phase will continue until a global recession occurs. Leading economic indicators are currently not flashing 'recession', but trade policy risks are rising and sit atop the recession risk ladder. The U.S.-China 'trade war' is increasingly troublesome and shows no sign of letting up. Additional tariff and non-tariff measures by both countries are expected to reduce trade, slow economic growth in China and in the region, and increase business uncertainty in general.

Geopolitical events have caused recessions in the past. Tensions have eased on some fronts while they have risen around the U.S.-Iran sanctions causing oil prices to rise. Higher oil prices are a negative for the global economy and will restrain growth. Oil-driven recessions of the past were caused by serious supply disruptions with oil prices doubling or quadrupling. Such a scenario is not expected at this time.

Higher inflation, together with a maturing economic expansion and tighter monetary policy in response, is a frequent cause of recessions. The U.S. economy is the closest to these conditions, but not in danger territory in the next year or two. Slower U.S. growth is widely expected to unfold in 2019 and in 2020 with higher interest rates and the end of fiscal stimulus.

Other recession risks are emerging market debt imbalances and currency movements, some of which include country-specific issues related to Turkey and others. While worrisome, these are not yet at the stage to cause a global recession or financial crisis, according to the International Monetary Fund's latest assessment.

The U.S. economy is projected to grow at a slower pace in 2019 and 2020 at 2.4 per cent and 1.7 per cent, respectively. Canada's economy is seen growing around 2.0 per cent in 2019 and 1.9 per cent in 2020, accompanied by a gradual increase in interest rates. The Canadian dollar looks largely range-bound going forward with only modest appreciation against the U.S. dollar.

The USMCA

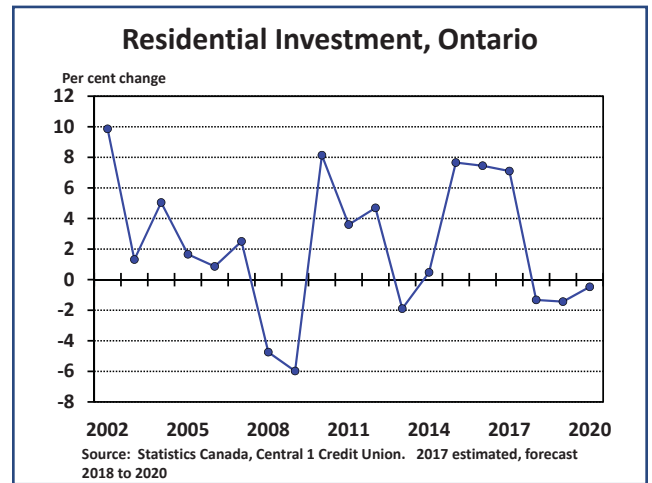
NAFTA's replacement, the USMCA (United States-Mexico-Canada Agreement), will come into effect in 2019. The agreement secured Canada's access to the U.S. market and removed the possibility of auto tariffs imposed by the U.S. under Section 232. It increased the U.S. export quota for dairy and other agricultural products. Rules of origin for autos were increased to 75 per cent content from North American sources and require 40 to 45 per cent of automobile parts to be made by workers who earn at least \$16 US dollars an hour by 2023.

The impact on Ontario's economy looks to be minimal. The auto content and hourly wages provisions are achievable, and the cap of 2.6 million vehicles to the U.S. is not a constraint in the foreseeable future. Dairy producers will be negatively affected by the agreement, with the consolation of the phase-in period to 3.59 per cent market share and federal compensation. Consumers are poised to benefit from more selection of dairy products and likely lower prices. Steel and aluminum tariffs were outside the USMCA and remain in place but may be lifted in the future.

Slower growth ahead

A downshift in Ontario's growth rate is underway and is expected to extend through to 2020. Real GDP growth is expected at 2.2 per cent in 2018, down from an estimated 2.8 per cent in 2017 and the 2.7 per cent average between 2014 and 2016. Growth in 2019 and 2020 is forecast at just below two per cent each year. Nominal GDP growth is forecast to less than four per cent from above four per cent.

The 2018 downshift in growth is centred in residential investment and consumer spending, mostly in durable



and semi-durable goods. Other components of domestic demand are seen growing at roughly the same pace as in 2017. Similarly, the trade sector will post a comparable performance to last year. The housing slowdown and its spinoff impacts on consumer spending is the main factor behind the growth downshift.

This storyline extends into 2019 with only minor variations. Business investment spending is predicted to grow modestly faster and the trade sector posts a larger surplus, mainly from interprovincial services exports. Manufacturing exports will remain subdued.

In 2020, business investment spending picks up and consumer spending growth steadies. However, the trade sector pulls down GDP growth with imports increasing faster than exports due to higher spending on machinery and equipment, which has a large import component.

The policy-engineered 'soft landing' in housing, higher interest rates, U.S. growth slowdown, little to no growth in new vehicle sales and auto exports, and, less fiscal stimulus all combine to generate this slower growth profile.

Unemployment rate edges higher

The slower growth economy will generate jobs at a slower pace as well. Employment growth is predicted to come in at one per cent each year, down from an expected 1.4 per cent in 2018 and 1.8 per cent in 2017. The predicted higher unemployment rate in 2019 and 2020 results from labour force growth outpacing job growth. The forecast has the unemployment rate rising to 5.8 per cent in 2020 from an expected 5.6 per cent this year. In 2017, the unemployment rate averaged 6.0 per cent. Labour force growth is expected to grow above one per cent annually, notwithstanding a declining participation rate due to aging demographics.

Population growth to remain elevated

High levels of immigration into the province will keep population growth above 1.5 per cent annually due to the increase in federal immigration targets. Net inter-provincial migration, however, is expected to decline and turn negative in 2020 when growth in western provinces outperform Ontario.

Income growth slows

The slowdown in job growth translates into slower personal income growth. Labour income is predicted to slow to between 3.0 and 3.5 per cent annually during the next two years, down from an expected 4.8 per cent in 2018.

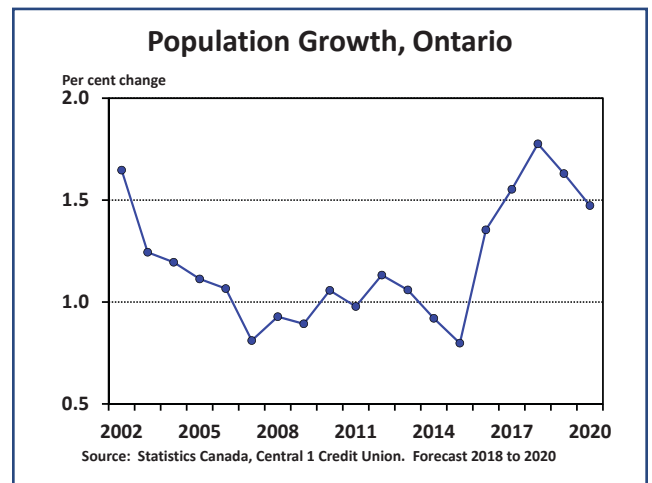
Changes in corporation profits are more volatile than labour income and the forecast has profits fluctuating between five and nine per cent annually during 2019 and 2020. The average annual increase in profits since 2015 has been about seven per cent.

Services drive industry growth

Service-producing industries will be the main source of growth through to 2020. Industry GDP growth for this sector is projected at just above two per cent annually, while goods-producing sector growth will be less than one per cent annually. In the services sector, private industries such as high tech, accommodation and food, culture and entertainment, and trade will also slow but post above the overall growth rate.

Growth in public-sector service industries will be below overall growth.

Goods-producing industry growth will be restrained by a sluggish manufacturing performance and the slowdown in residential construction.



Edgard Navarrete

Regional Economist

Central 1 Credit Union

enavarrete@central1.com / P 905 282 8501

www.central1.com

Gross Domestic Product, Income-based (\$ Millions): Ontario						
Income						
	2015	2016	2017	2018	2019	2020
GDP at market prices	762,029	794,835	827,614	862,697	897,379	930,010
% change	5.0	4.3	4.1	4.2	4.0	3.6
Compensation of employees ¹ .	402,143	415,721	432,064	452,721	466,245	481,949
% change	4.6	3.4	3.9	4.8	3.0	3.4
Net operating surplus: Corporations	100,993	108,355	116,178	119,963	130,700	136,877
% change	7.1	7.3	7.2	3.3	8.9	4.7
Net operating surplus: Mixed income	63,018	65,443	68,321	71,416	73,972	76,525
% change	3.4	3.8	4.4	4.5	3.6	3.5
Fixed capital consumption	106,467	110,124	111,078	114,004	118,143	122,512
% change	5.9	3.4	0.9	2.6	3.6	3.7
Indirect taxes less subsidies	89,789	94,815	99,595	104,214	107,942	111,769
% change	5.2	5.6	5.0	4.6	3.6	3.5
Net domestic income (Factor cost)	565,773	589,896	616,940	644,479	671,294	695,728
% change	4.7	4.3	4.6	4.5	4.2	3.6
Personal Income	621,272	643,574	668,932	696,207	716,741	739,144
% change	5.3	3.6	3.9	4.1	2.9	3.1
Primary household income	512,566	528,419	549,910	572,213	586,878	603,813
% change	4.7	3.1	4.1	4.1	2.6	2.9
Compensation of employees ² .	396,588	409,807	425,918	446,281	459,612	475,093
% change	4.2	3.3	3.9	4.8	3.0	3.4
Net mixed income	63,018	65,443	68,321	71,416	73,972	76,525
% change	3.4	3.8	4.4	4.5	3.6	3.5
Net property income	52,960	53,169	55,672	54,516	53,294	52,196
% change	10.6	0.4	4.7	-2.1	-2.2	-2.1
Transfer payments received	108,706	115,155	119,022	123,994	129,863	135,331
% change	8.0	5.9	3.4	4.2	4.7	4.2
Transfer payments paid	190,875	195,030	203,469	213,296	221,316	228,735
% change	5.3	2.2	4.3	4.8	3.8	3.4
Household disposable income	430,397	448,544	465,463	482,911	495,425	510,409
% change	5.3	4.2	3.8	3.7	2.6	3.0
Household expenditure	433,158	451,392	472,683	496,228	514,220	531,897
% change	4.1	4.2	4.7	5.0	3.6	3.4
Household net saving	11,607	10,953	7,082	1,609	-3,291	-5,490
% change	30.9	-5.6	-35.3	-77.3	-304.6	66.8
Household saving rate	2.7	2.4	1.5	0.3	-0.7	-1.1

Source: Statistics Canada, Central 1 Credit Union. 2017 estimated. Forecast: 2018 -2020.

Gross Domestic Product, Expenditures (\$2007 Millions): Ontario

Real GDE

	2015	2016	2017	2018	2019	2020
GDP, expenditure-based	667,659	685,008	704,097	719,861	732,994	745,289
% change	2.9	2.6	2.8	2.2	1.8	1.7
Household consumption	387,275	398,709	411,456	422,115	429,456	436,068
% change	2.8	3.0	3.2	2.6	1.7	1.5
Durable goods	54,944	59,010	63,262	65,931	66,323	66,822
% change	6.0	7.4	7.2	4.2	0.6	0.8
Semi-durable goods	31,871	32,978	34,623	35,874	36,478	37,270
% change	4.3	3.5	5.0	3.6	1.7	2.2
Non-durable goods	85,457	87,080	88,922	89,809	90,959	91,949
% change	1.8	1.9	2.1	1.0	1.3	1.1
Services	216,129	221,223	226,793	233,012	238,142	242,496
% change	2.3	2.4	2.5	2.7	2.2	1.8
NPISH consumption	10,773	10,777	10,837	10,988	11,130	11,233
% change	5.9	0.0	0.6	1.4	1.3	0.9
Government current	128,592	130,849	133,028	135,549	138,132	140,679
% change	2.4	1.8	1.7	1.9	1.9	1.8
Government capital	22,347	23,252	24,665	26,454	27,764	28,371
% change	-2.3	4.0	6.1	7.3	5.0	2.2
Business gross fixed capital	106,865	105,472	108,758	109,228	109,811	112,425
% change	6.4	-1.3	3.1	0.4	0.5	2.4
Residential structures	45,394	48,776	52,240	51,547	50,804	50,565
% change	7.7	7.5	7.1	-1.3	-1.4	-0.5
Machinery and equipment	26,922	24,832	25,204	25,897	26,576	27,874
% change	7.3	-7.8	1.5	2.7	2.6	4.9
Non-residential structures	22,425	20,149	19,924	20,238	20,943	22,199
% change	7.7	-10.1	-1.1	1.6	3.5	6.0
Intellectual property	12,124	11,715	11,390	11,546	11,488	11,788
% change	-2.3	-3.4	-2.8	1.4	-0.5	2.6
NPISH investment	1,052	1,105	1,137	1,159	1,175	1,188
% change	-7.5	5.0	2.9	1.9	1.3	1.1
Final domestic demand	656,626	670,135	690,088	705,196	716,764	728,954
% change	3.1	2.1	3.0	2.2	1.6	1.7
Exports	350,021	358,878	354,530	356,610	359,703	363,862
% change	3.3	2.5	-1.2	0.6	0.9	1.2
Imports	343,149	343,107	347,522	349,757	351,199	356,045
% change	3.2	0.0	1.3	0.6	0.4	1.4
Net exports	6,872	15,771	7,008	6,853	8,504	7,816
Inventory change	3,503	-1,412	5,521	4,502	2,724	2,058

Source: Statistics Canada, Central 1 Credit Union. 2017 estimated. Forecast: 2018 -2020.

Gross Domestic Product by Industry (\$2007 Millions): Ontario

Industry GDP

	2015	2016	2017	2018	2019	2020
All industries	618,051	634,258	651,932	667,454	679,631	691,958
Goods-producing industries	141,598	143,744	146,612	148,917	150,067	151,455
% change	1.7	1.5	2.0	1.6	0.8	0.9
Agriculture, forestry, fishing & hunting	5,054	5,023	5,086	4,776	4,798	4,848
% change	4.1	-0.6	1.3	-6.1	0.5	1.1
Mining	7,961	7,797	7,656	8,065	7,741	7,535
% change	-5.5	-2.1	-1.8	5.3	-4.0	-2.7
Utilities	11,728	11,918	11,888	11,985	11,990	11,990
% change	-3.0	1.6	-0.3	0.8	0.0	0.0
Construction	37,466	38,002	39,763	40,665	41,159	41,873
% change	4.5	1.4	4.6	2.3	1.2	1.7
Manufacturing	79,390	81,005	82,218	83,426	84,380	85,210
% change	1.7	2.0	1.5	1.5	1.1	1.0
Service-producing industries	476,055	490,254	505,030	519,240	531,780	542,759
% change	3.1	3.0	3.0	2.8	2.4	2.1
Wholesale trade	42,783	43,976	47,105	48,788	49,718	51,124
% change	4.2	2.8	7.1	3.6	1.9	2.8
Retail trade	32,602	34,024	35,995	37,050	38,061	38,993
% change	5.0	4.4	5.8	2.9	2.7	2.4
Transportation and warehousing	24,697	25,539	26,498	27,455	28,132	28,529
% change	3.7	3.4	3.8	3.6	2.5	1.4
Information and cultural	22,402	22,708	23,334	23,664	24,462	24,891
% change	-0.1	1.4	2.8	1.4	3.4	1.8
Finance, insurance & real estate	91,638	95,909	97,882	100,407	102,554	104,235
% change	5.0	4.7	2.1	2.6	2.1	1.6
Owner-occupied dwellings	51,337	52,855	54,564	56,423	58,235	60,003
% change	2.9	3.0	3.2	3.4	3.2	3.0
Professional, scientific, and technical	39,793	41,207	42,809	44,059	45,391	46,594
% change	5.3	3.6	3.9	2.9	3.0	2.7
Admin., support, management	24,020	24,086	24,072	24,559	24,867	25,062
% change	-0.1	0.3	-0.1	2.0	1.3	0.8
Education	35,673	36,207	36,509	36,908	37,254	37,533
% change	1.5	1.5	0.8	1.1	0.9	0.7
Health care and social assistance	40,451	41,887	42,801	43,923	45,009	46,166
% change	2.3	3.5	2.2	2.6	2.5	2.6
Arts, entertainment and recreation	4,969	5,246	5,420	5,688	5,949	6,145
% change	7.4	5.6	3.3	4.9	4.6	3.3
Accommodation and food	12,509	12,971	13,343	13,876	14,282	14,558
% change	3.2	3.7	2.9	4.0	2.9	1.9
Other services	12,058	11,941	12,041	12,655	12,932	13,154
% change	0.4	-1.0	0.8	5.1	2.2	1.7
Public administration	41,122	41,698	42,654	43,785	44,933	45,773
% change	0.7	1.4	2.3	2.7	2.6	1.9

Source: Statistics Canada, Central 1 Credit Union. Forecast: 2018-2020

Manufacturing Gross Domestic Product (\$2007 Millions): Ontario

Manufacturing GDP

	2015	2016	2017	2018	2019	2020
Manufacturing	79,390	81,005	82,218	83,426	84,380	85,210
% change	1.7	2.0	1.5	1.5	1.1	1.0
Motor vehicles	8,050	8,252	7,690	7,406	7,242	7,236
% change	-4.1	2.5	-6.8	-3.7	-2.2	-0.1
Motor vehicle parts	8,030	8,428	8,143	8,407	8,304	8,367
% change	9.7	5.0	-3.4	3.2	-1.2	0.8
Other transportation equipment	3,296	3,322	3,164	3,101	3,085	3,073
% change	-0.5	0.8	-4.8	-2.0	-0.5	-0.4
Food products	9,505	9,932	10,469	10,570	10,841	11,040
% change	0.3	4.5	5.4	1.0	2.6	1.8
Wood products	1,468	1,597	1,731	1,651	1,592	1,533
% change	12.6	8.7	8.4	-4.6	-3.6	-3.7
Paper products	2,460	2,396	2,458	2,388	2,422	2,416
% change	7.7	-2.6	2.6	-2.9	1.4	-0.2
Petroleum and coal products	1,518	1,427	1,505	1,491	1,517	1,514
% change	-4.3	-6.0	5.4	-0.9	1.7	-0.2
Chemical products	6,585	6,764	6,704	6,701	6,795	6,902
% change	4.2	2.7	-0.9	-0.1	1.4	1.6
Plastic products	4,232	4,578	4,763	4,775	4,866	4,934
% change	4.6	8.2	4.0	0.2	1.9	1.4
Non-metallic mineral products	2,322	2,366	2,631	2,551	2,570	2,594
% change	-3.9	1.9	11.2	-3.0	0.7	0.9
Primary metals	5,608	5,812	5,906	5,739	5,580	5,405
% change	-7.8	3.6	1.6	-2.8	-2.8	-3.1
Fabricated metals	5,639	5,426	5,574	5,776	5,935	6,053
% change	-1.1	-3.8	2.7	3.6	2.7	2.0
Machinery	6,537	6,521	7,475	8,177	8,561	8,850
% change	8.5	-0.3	14.6	9.4	4.7	3.4
Computer and electronic products	3,172	3,171	3,191	3,340	3,477	3,521
% change	0.2	0.0	0.6	4.7	4.1	1.3
Other manufacturing	10,967	11,011	10,813	11,354	11,594	11,771
% change	3.4	0.4	-1.8	5.0	2.1	1.5

Source: Statistics Canada, Central 1 Credit Union. Forecast: 2018-2020

Labour Market Indicators: Ontario

Labour

	2015	2016	2017	2018	2019	2020
Source population, 000s	11,386	11,523	11,685	11,895	12,090	12,267
% change	1.0	1.2	1.4	1.8	1.6	1.5
Labour force participation rate %	65.2	65.0	64.9	64.4	64.1	63.8
Labour force, 000s	7,426	7,490	7,580	7,660	7,745	7,827
% change	0.1	0.9	1.2	1.1	1.1	1.1
Employment, 000s	6,923	7,000	7,128	7,230	7,301	7,374
% change	0.7	1.1	1.8	1.4	1.0	1.0
Unemployment, 000s	502.9	489.9	451.8	430.1	444.1	453.6
Unemployment rate, %	6.8	6.5	6.0	5.6	5.7	5.8
Average weekly hours	33.5	33.6	33.6	33.6	33.5	33.5
% change	1.5	0.3	0.1	-0.1	-0.1	-0.1
Average hourly wage rate, \$	33.34	33.99	34.67	35.85	36.61	37.52
% change	2.3	1.9	2.0	3.4	2.1	2.5
Unit labour costs, % change	2.8	2.2	0.8	1.4	1.4	0.7

Source: Statistics Canada, Central 1 Credit Union. Forecast: 2018-2020

Population and Factors of Growth (000s): Ontario

Population

	2015	2016	2017	2018	2019	2020
Population	13,789.6	13,976.3	14,193.4	14,445.4	14,681.0	14,897.2
% change	0.8	1.4	1.6	1.8	1.6	1.5
Births	141.9	143.6	146.7	149.1	153.6	157.6
Deaths	98.4	101.8	105.3	107.7	110.3	112.8
Natural increase	43.5	41.8	41.3	41.4	43.4	44.8
Net migration	65.7	144.9	175.7	210.7	192.1	171.4
Net international	74.4	135.9	150.0	192.7	182.6	176.6
Net interprovincial	-8.7	9.1	25.7	17.9	9.5	-5.3

Source: Statistics Canada, Central 1 Credit Union. As of July 1. Forecast: 2018-2020

Terms

Published by the Economics Department of Central 1 Credit Union, 1441 Creekside Drive, Vancouver, B.C. V6J 4S7 © Central 1 Credit Union, 2011.

This work may not be reproduced in whole or part, by photocopy or other means, without permission of Central 1 Credit Union.

Economic Analysis of British Columbia (the "Analysis") may have forward-looking statements about the future economic growth of the Province of Ontario and its regions. These statements are subject to risk and uncertainty. Actual results may differ due to a variety of factors, including regulatory or legislative developments, competition, technological change, global capital market activity and general economic conditions in Canada, North America or internationally. This list is not exhaustive of the factors that may affect any of the Analysis' forward-looking statements. These and other factors should be considered carefully and readers should not place undue reliance on the Analysis' forward-looking statements.

The Analysis and Central 1 Credit Union disclaims any and all warranties, whether express or implied, including (without limitation) any implied warranties of merchantability or fitness for a particular purpose. The Analysis and Central 1 Credit Union will not accept any responsibility for the reader's use of the data and/or opinions presented in the Analysis, or any loss arising therefrom.

Chief Economist: **Helmut Pastrick** Deputy Chief Economist: **Bryan Yu** Senior Financial Economist: **David Hobden** Regional Economist, Ontario: **Edgard Navarrete**
Production: **Judy Wozencroft**