

**Sherry
Cooper
Assoc.**

Canada Hit By Oil Crisis

Dr. Sherry Cooper
TMX Industry Professor



DeGroote
SCHOOL OF BUSINESS

March 30, 2016

Global Outlook... 2016

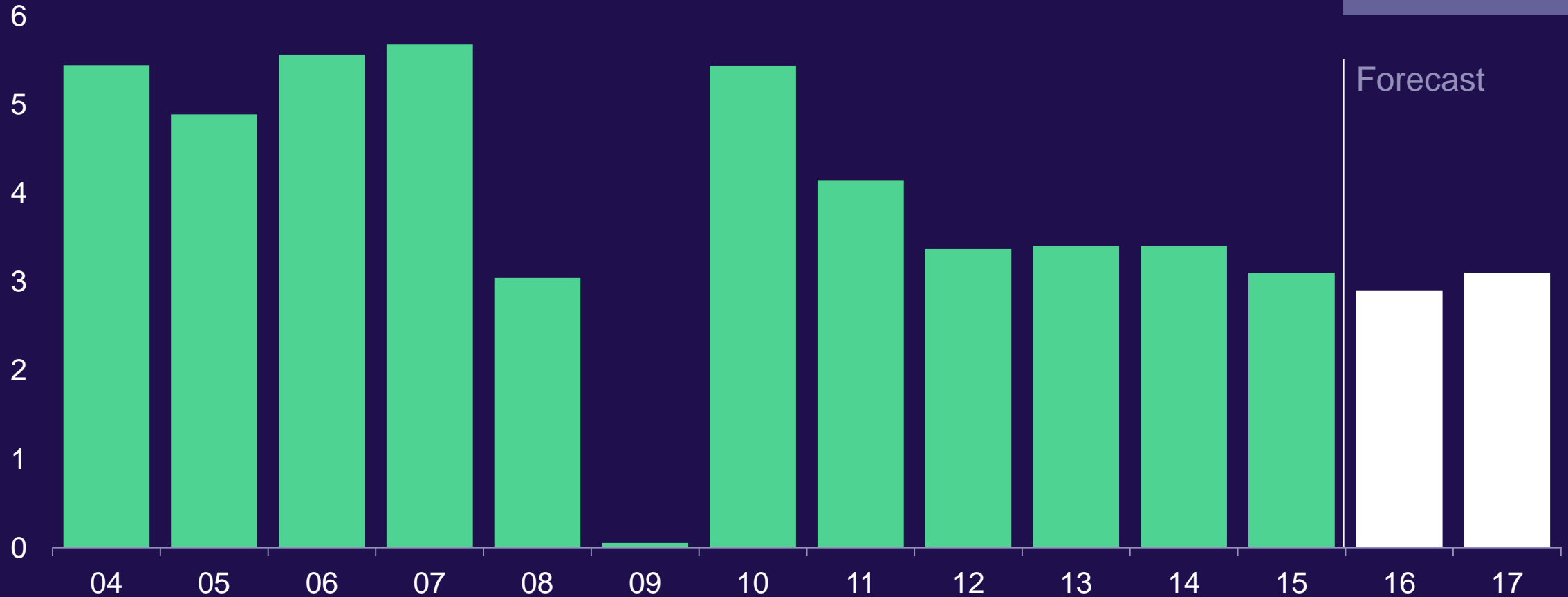


- Canada Hard Hit by Oil Slide
- U.S. Leads Advanced Countries
- China Slowdown
- Europe Flat

Global Growth Edges Downward in 2016

Real GDP
(year/year % change)

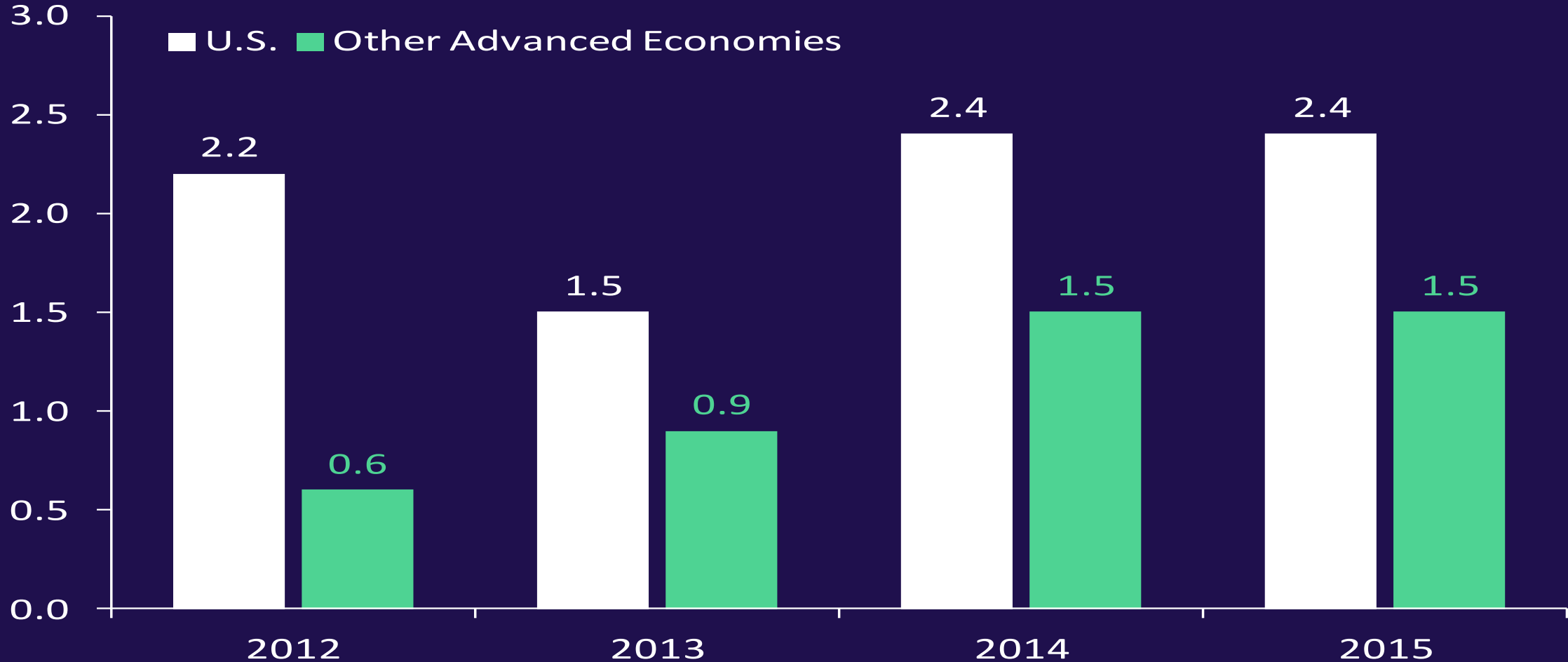
	2015	2016	2017
World	3.1	2.9	3.1



Forecast = BMO Capital Markets
Source: OECD, BMO Capital Markets

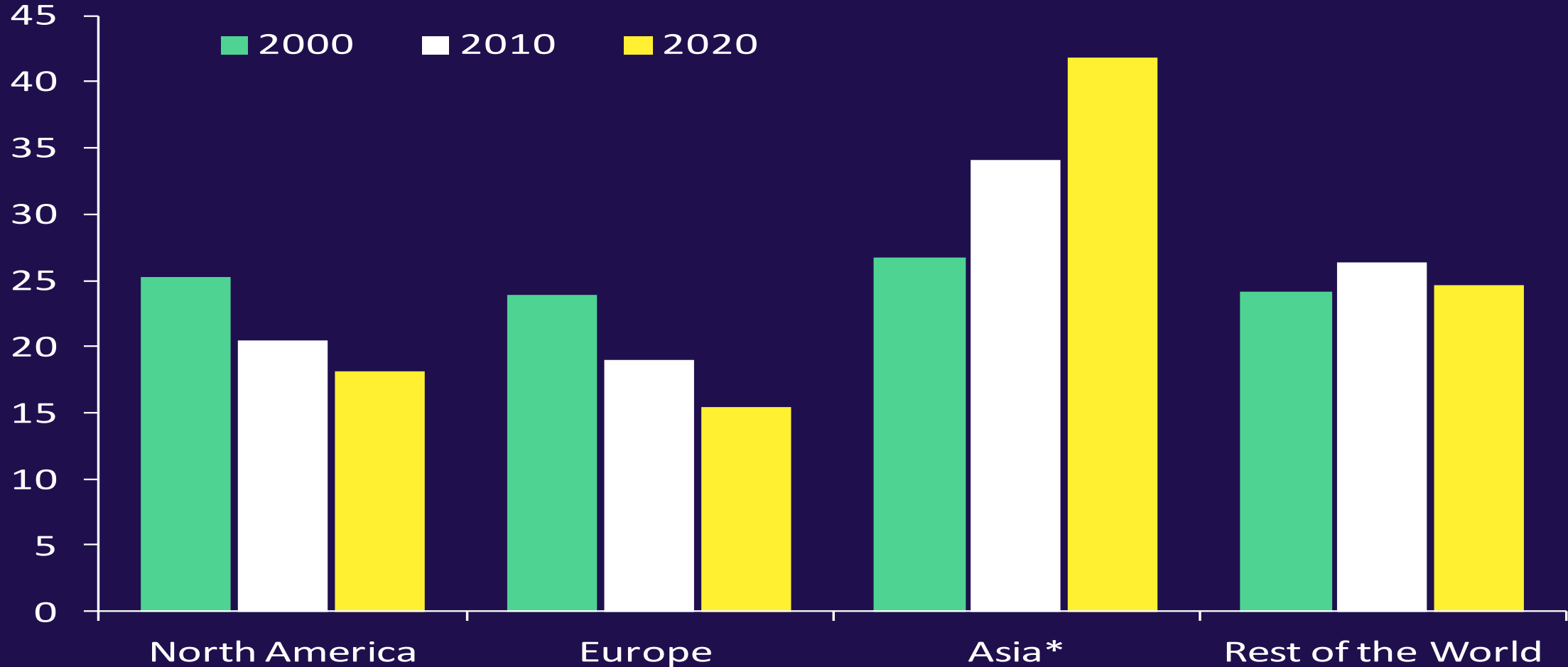
The U.S. Has Been A Bright Spot in the Global Economy

Gross Domestic Product
(annual percent change)



But Asia Is The Real Growth Region

Gross Domestic Product
(percent)



*Asia includes emerging and developing Asia, advanced economy East Asia, Australia and New Zealand
Source: IMF World Economic Outlook, October 2015, Sherry Cooper Associates

U.S. Economy Close To Full Employment



Jobs Strong

Autos Strong

Housing Picks Up

Manufacturing Improves

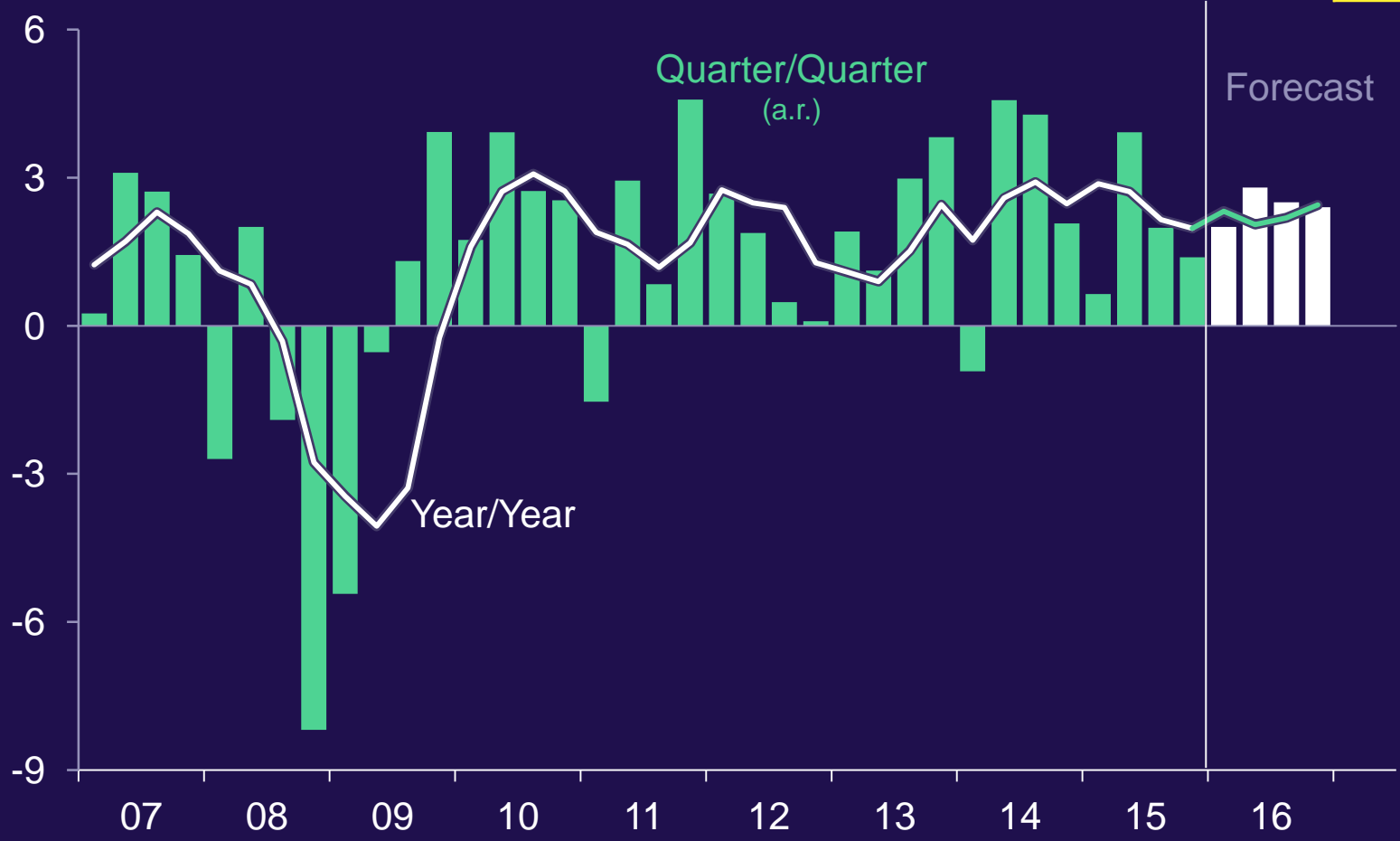
Fed Rate Hike Coming

Trade Down

U.S. Growth Over 2%

Real GDP
(percent change)

2014	2015	2016	2017
2.4	2.4	2.2	2.3



- Consumers
- Businesses
- Government
- Trade

Forecast = BMO Capital Markets
Source: Haver Analytics, Bureau of Economic Analysis

Unemployment Rate

(percent)



Forecast = BMO Capital Markets
Source: Haver Analytics, Statistics Canada, Bureau of Labor Statistics

Canadian Economy Hit Rough Spots



Oil Shock

Jobs Soft

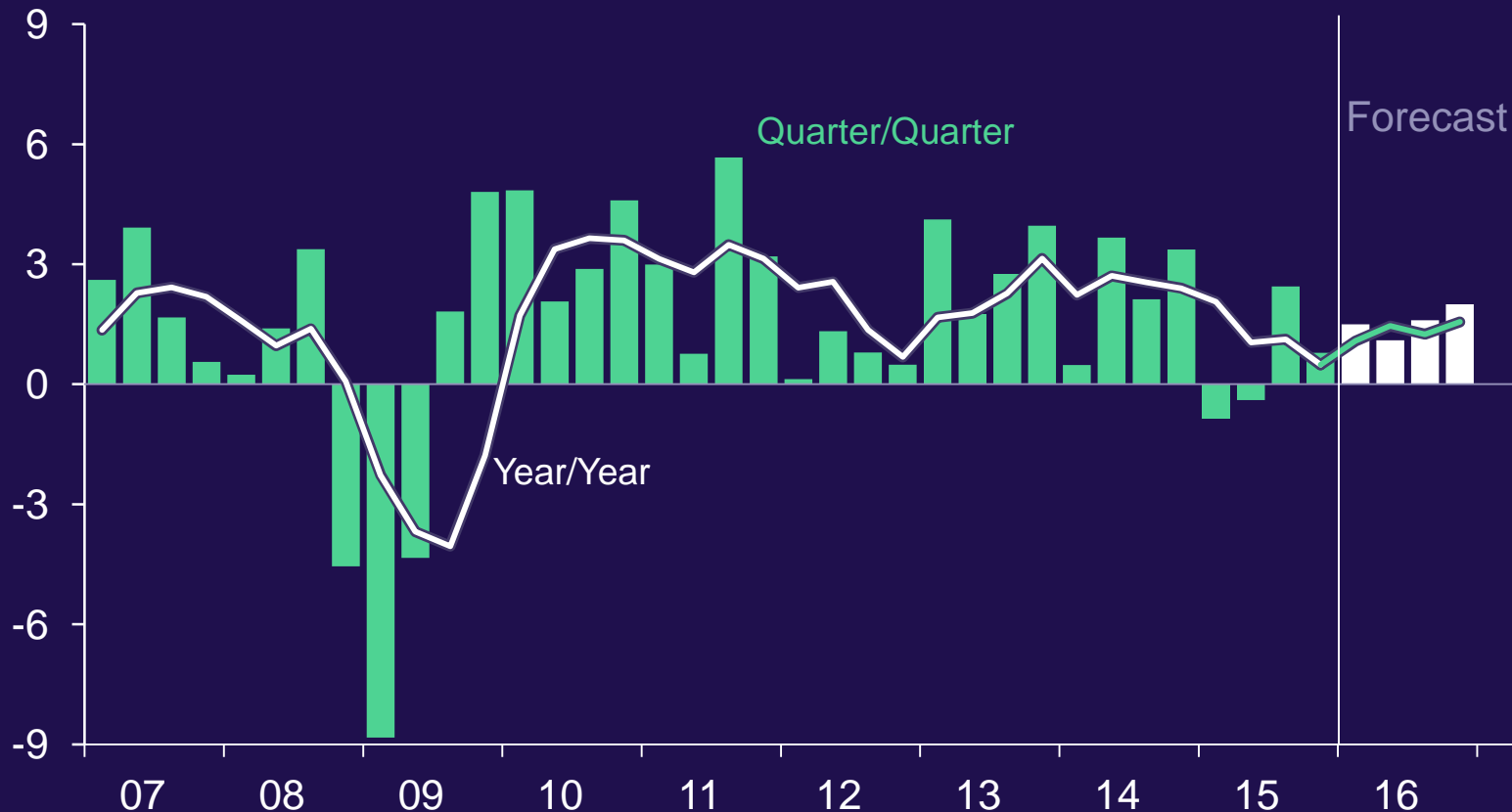
Housing Mixed

Exports Up

Fiscal Stimulus

Canadian Growth Flat in 2016

Real GDP
(percent change)



2014	2015	2016	2017
2.5	1.2	1.3	2.1

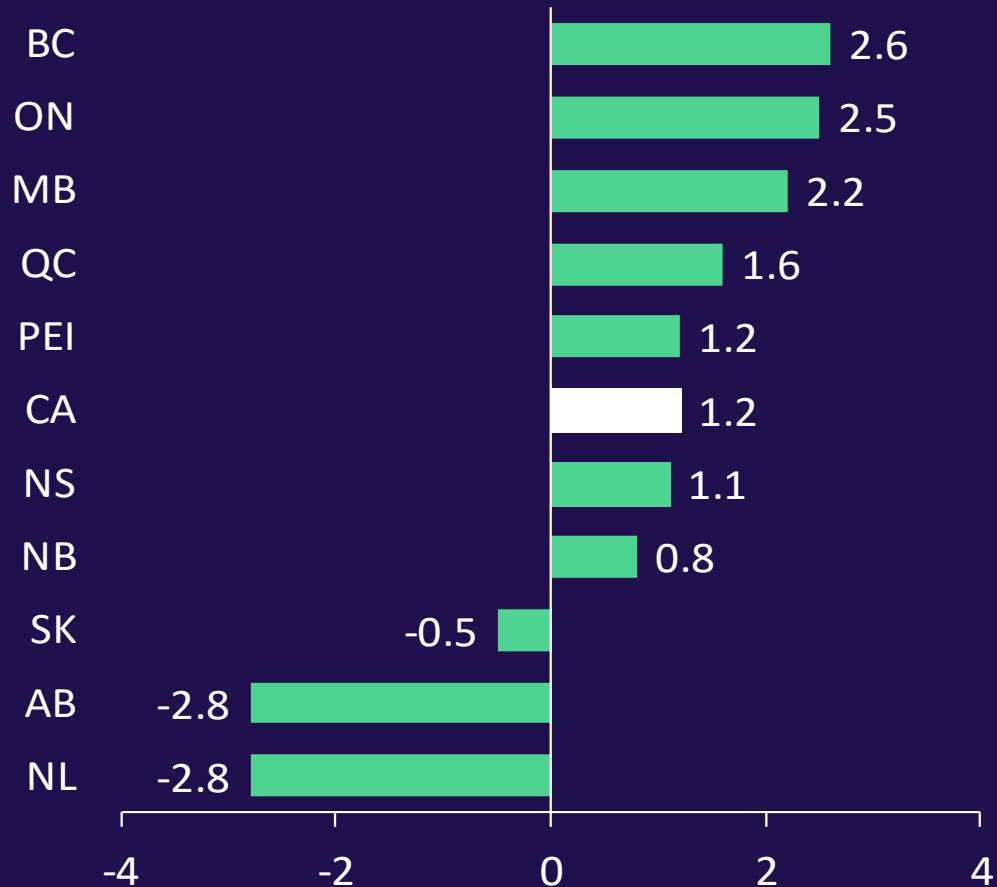
Still Plagued By Oil Rout
Exports Improve
Fiscal Stimulus

Residential Construction Growth Slows in 2016

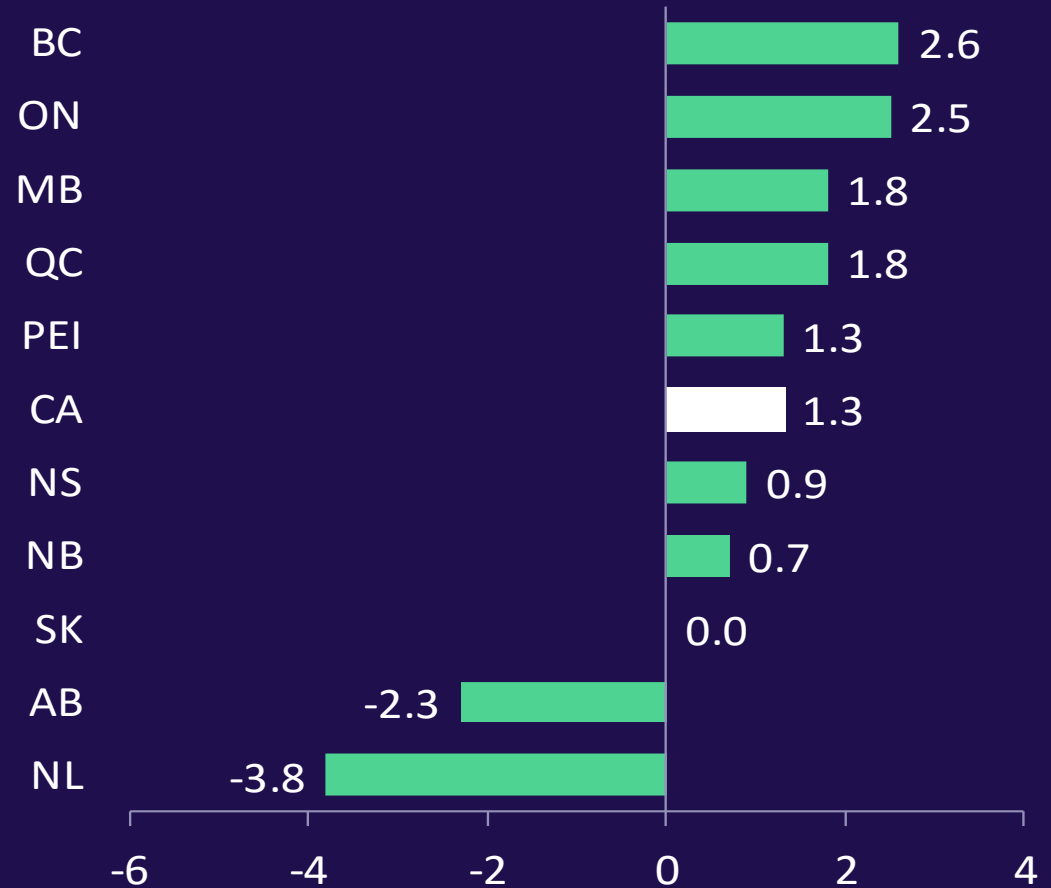
British Columbia Now On Top

Canada: Real GDP
(year/year % change)

2015 (f)



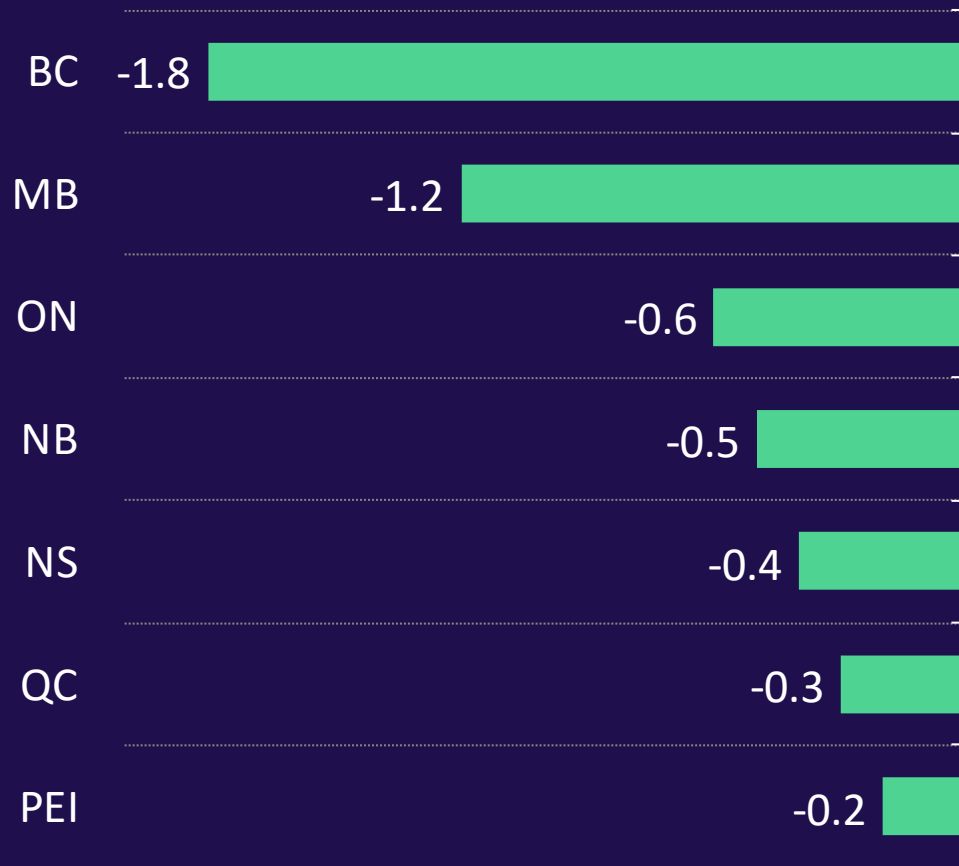
2016 (f)



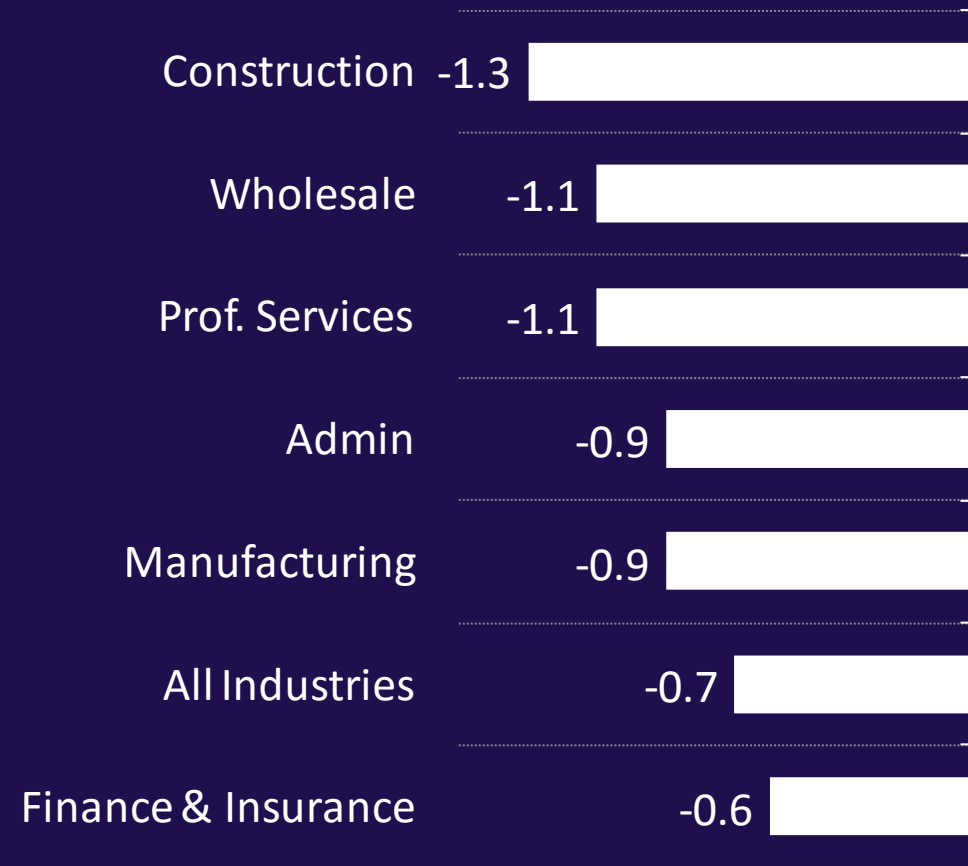
Weak Oil Hits Beyond Alberta, Saskatchewan and Newfoundland

Nominal GDP
(percent)

Provincial Loss



Industry Loss



Loonie Moves Off Recent Bottom



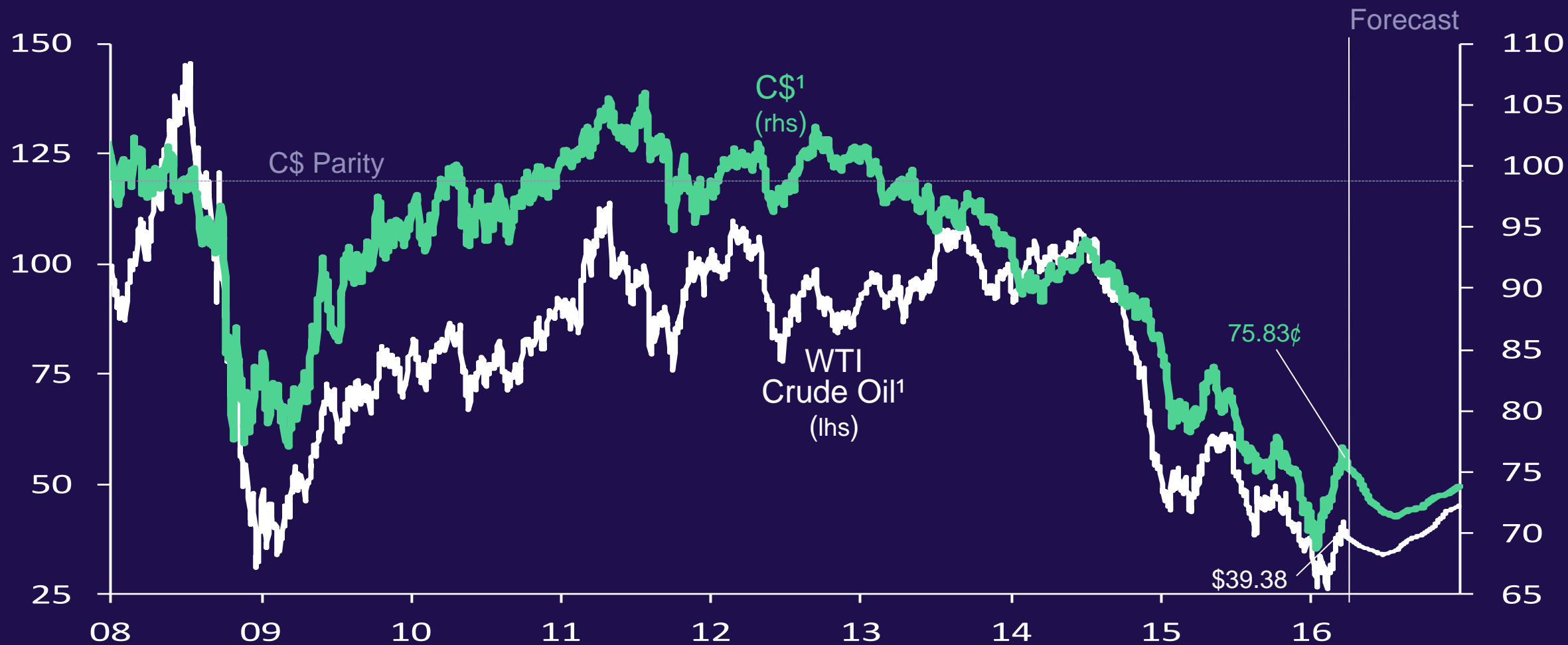
Oil Price Recovers A Bit

Loonie Near 76 cents U.S.

Bank of Canada On Hold For Now

Oil Price Decline Hits The Loonie

(as of March 28, 2016)

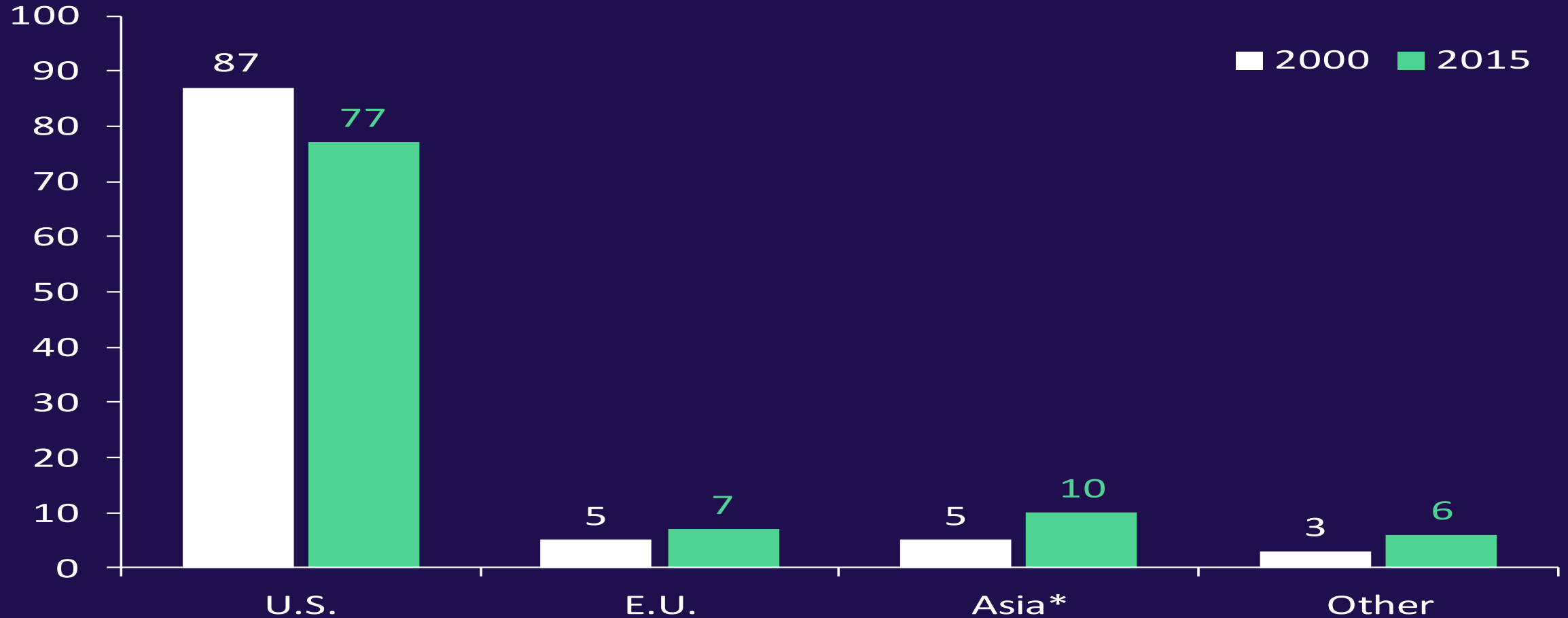


Forecast = BMO Capital Markets ¹ (US\$/bbl) ² (US¢/C\$)
Source: Haver Analytics, Bank of Canada, Bloomberg, U.S. Energy Information Administration

Nearly All of Canadian Exports Go to U.S.

Share of Canadian Exports by Region of Destination

(percent)



*Excludes the Middle East. Note: Totals may not add due to rounding.
Source: Federal Budget 2016 (“Growing the Middle Class”, March 22, 2016)

New Government Budget—Clean and Green



Low Carbon Economy

**Gov't Will Invest in Electric
Vehicle Infrastructure**

Electric Cars Could Wreak Havoc On Oil Markets Within A Decade



Sherry
Cooper
Assoc.

Follow Me On

#DrSherryCooper



SherryCooper.com



twitter.com/**DrSherryCooper**



linkedin.com/in/**drsherrycooper**



facebook.com/**drsherrycooper**