

ECONOMIC INSIGHTS WITH  
**DR. SHERRY COOPER**



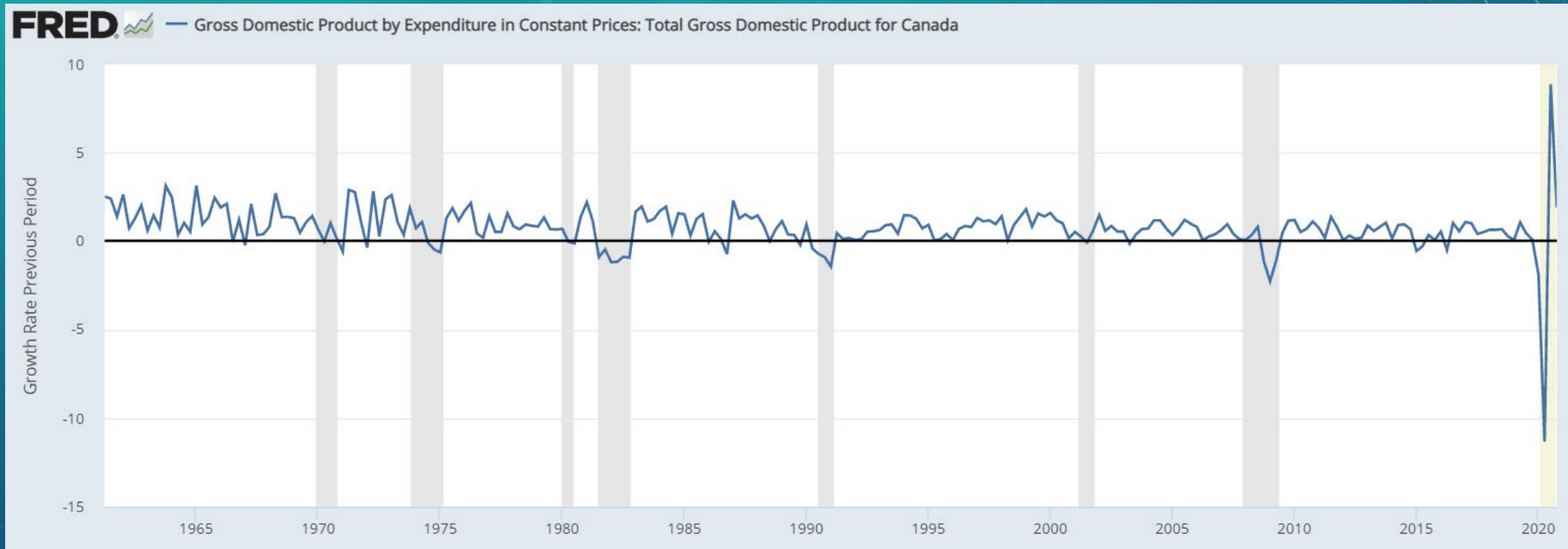
**DOMINION LENDING**  
CENTRES



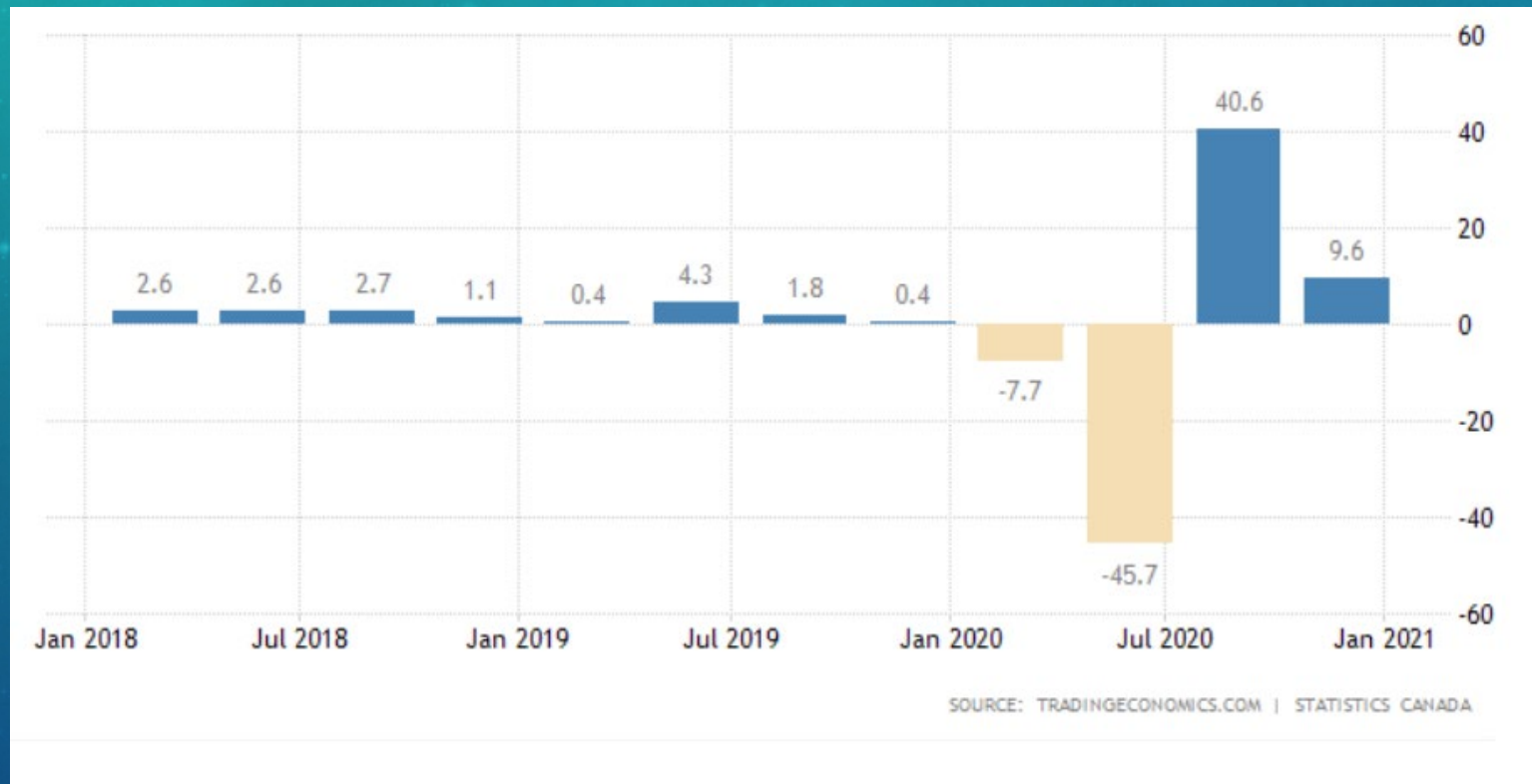
**CANADA'S ECONOMY SET TO TAKE OFF**

MARCH 12, 2021

# NO ORDINARY RECESSION-- PANDEMIC IS A NATURAL DISASTER



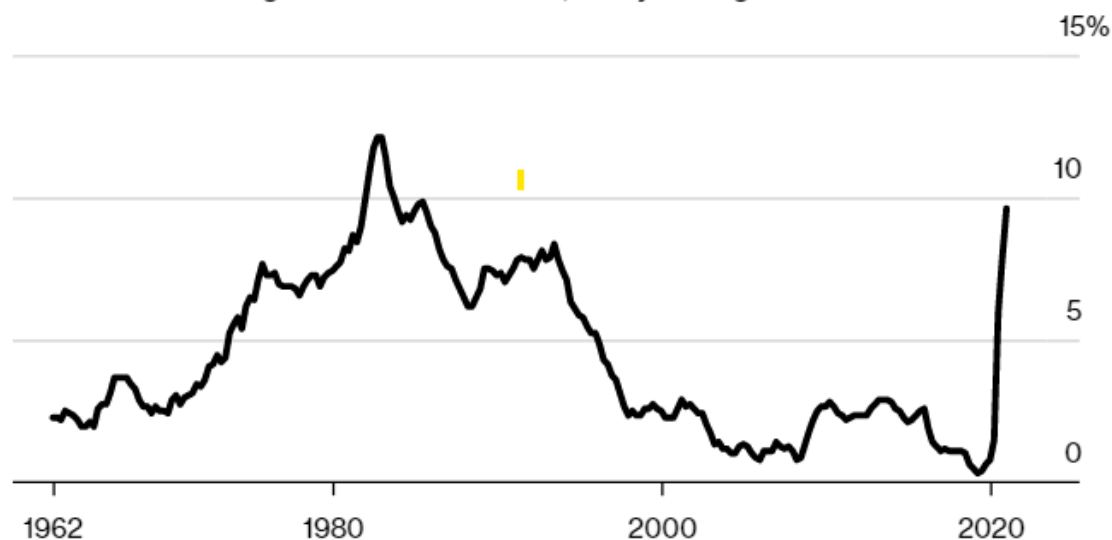
# GROWTH IN Q4 BETTER THAN EXPECTED



### Powder Keg

Canada household savings as percent of the economy highest since 1985

✓ Household Savings as % of Nominal GDP, Yearly Moving Sum



Source: Statistics Canada, Bloomberg calculations

# LOTS OF PENT-UP DEMAND-- \$180+ BILLION OF FORCED AND PRECAUTIONARY SAVINGS

In 2020, For Average Canadian:

- Disposable Income up \$1800
- Spending down \$4,000

# BANK SEES CONTINUED SLACK

Canadian Unemployment Rate at 8.2%



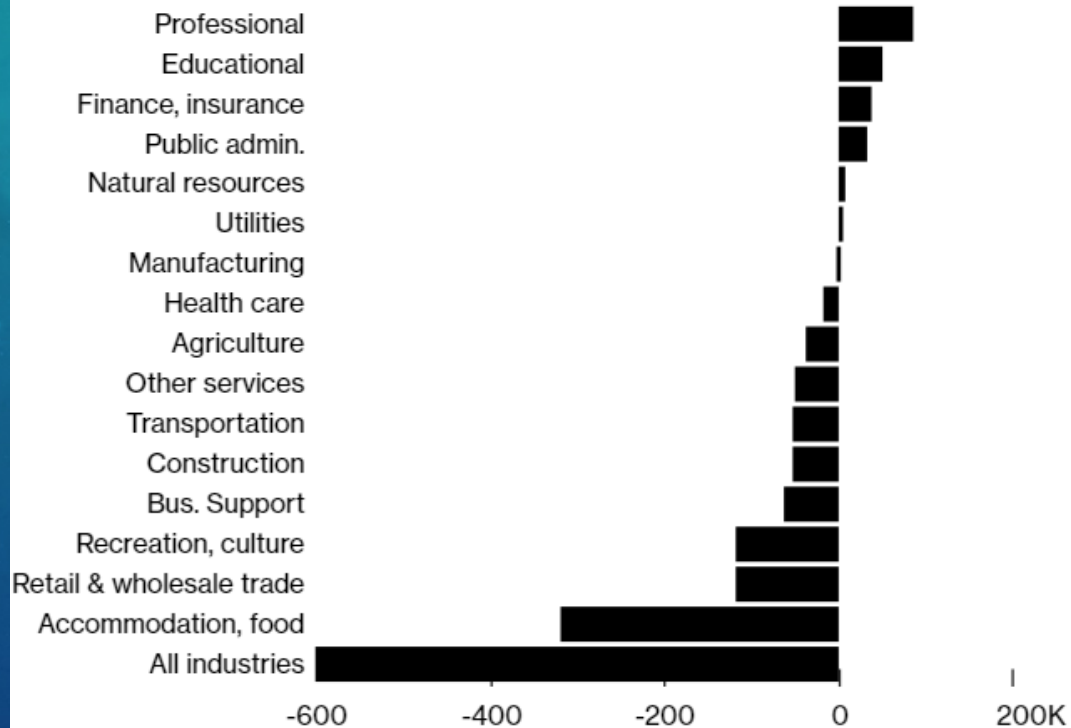
From A Low Of 5.6%

# CLOSE-CONTACT JOBS STILL LANGUISH

## One Year Later

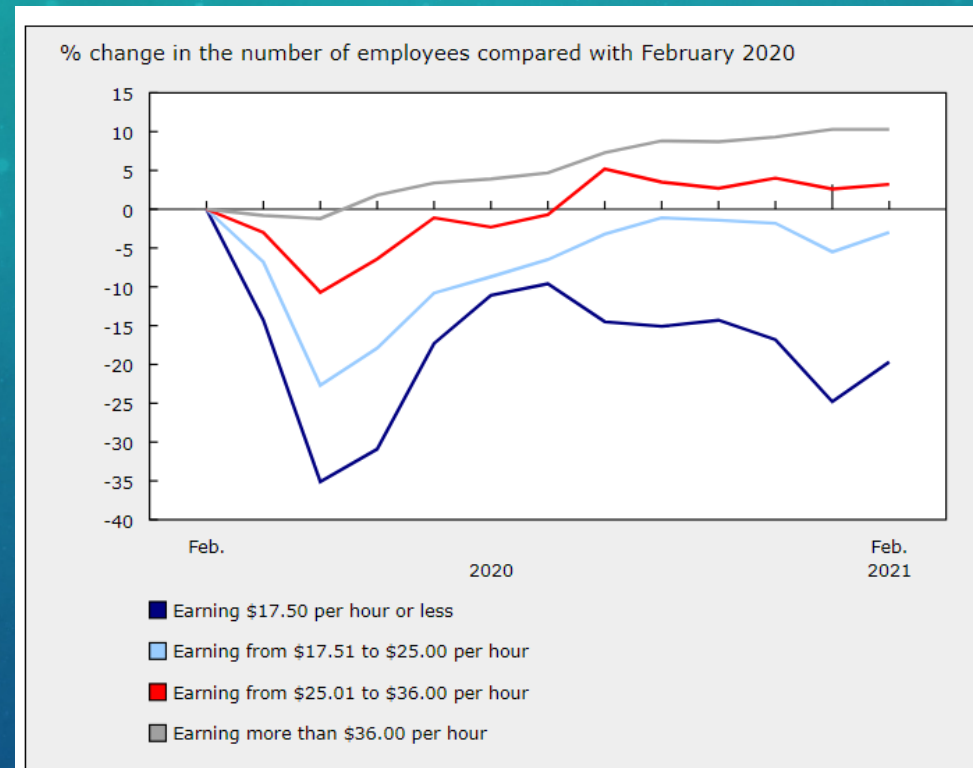
Jobs in Canada's close-contact service industries are still suffering

■ Change in Employment Since Feb. 2020



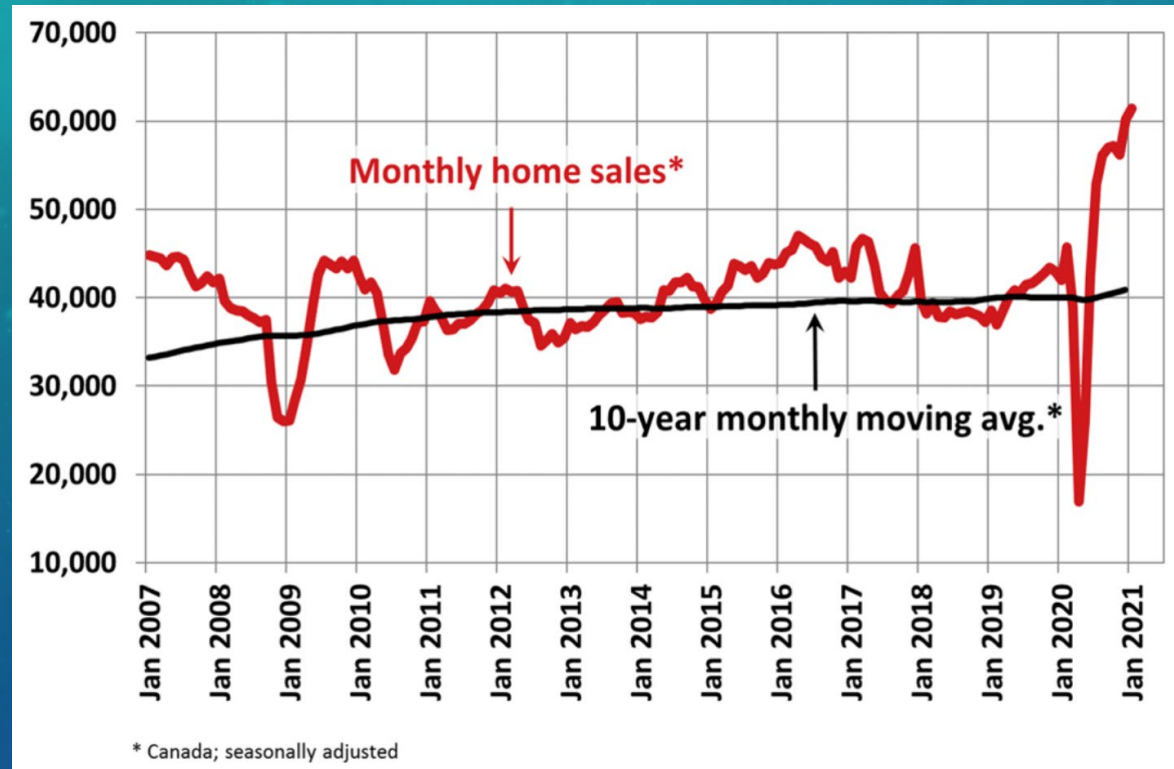
Source: Statistics Canada

# HARDEST HIT ARE LOW-INCOME CANADIANS

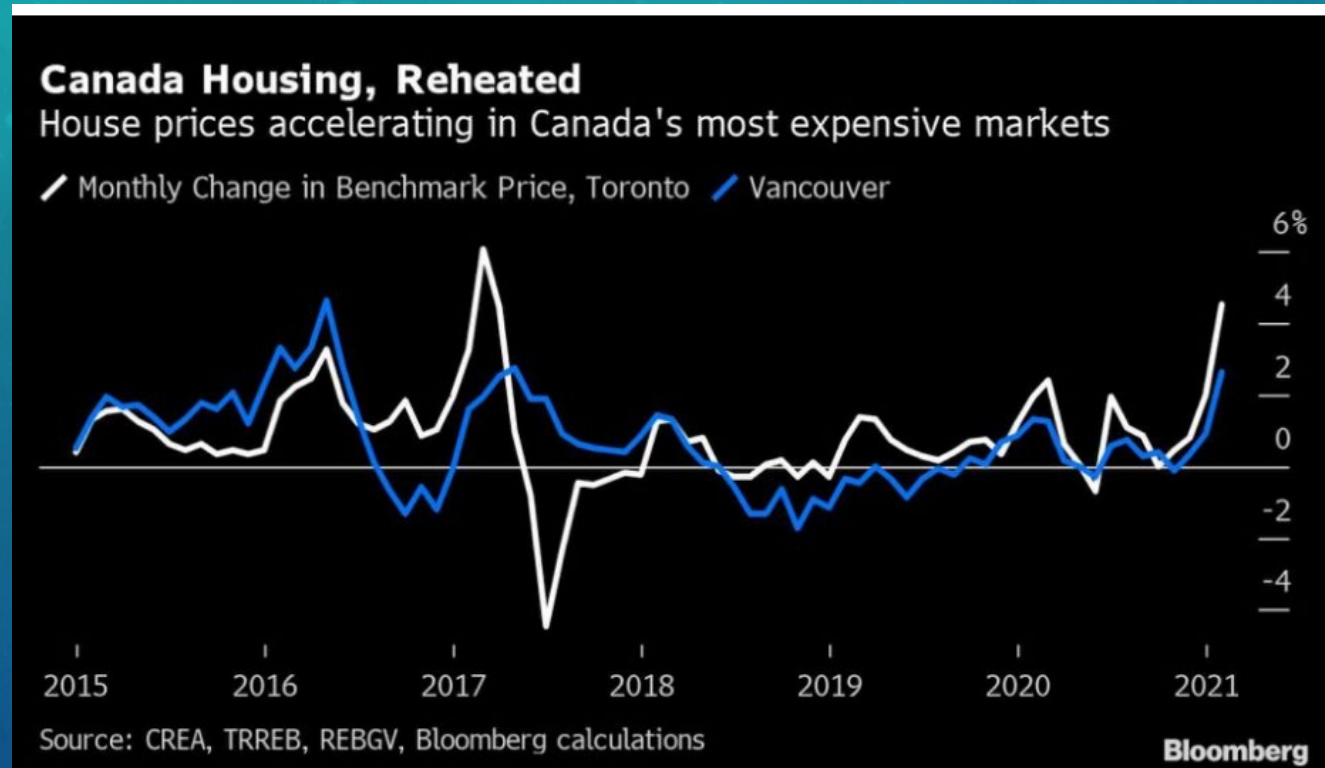


Help Explain Strength in Housing

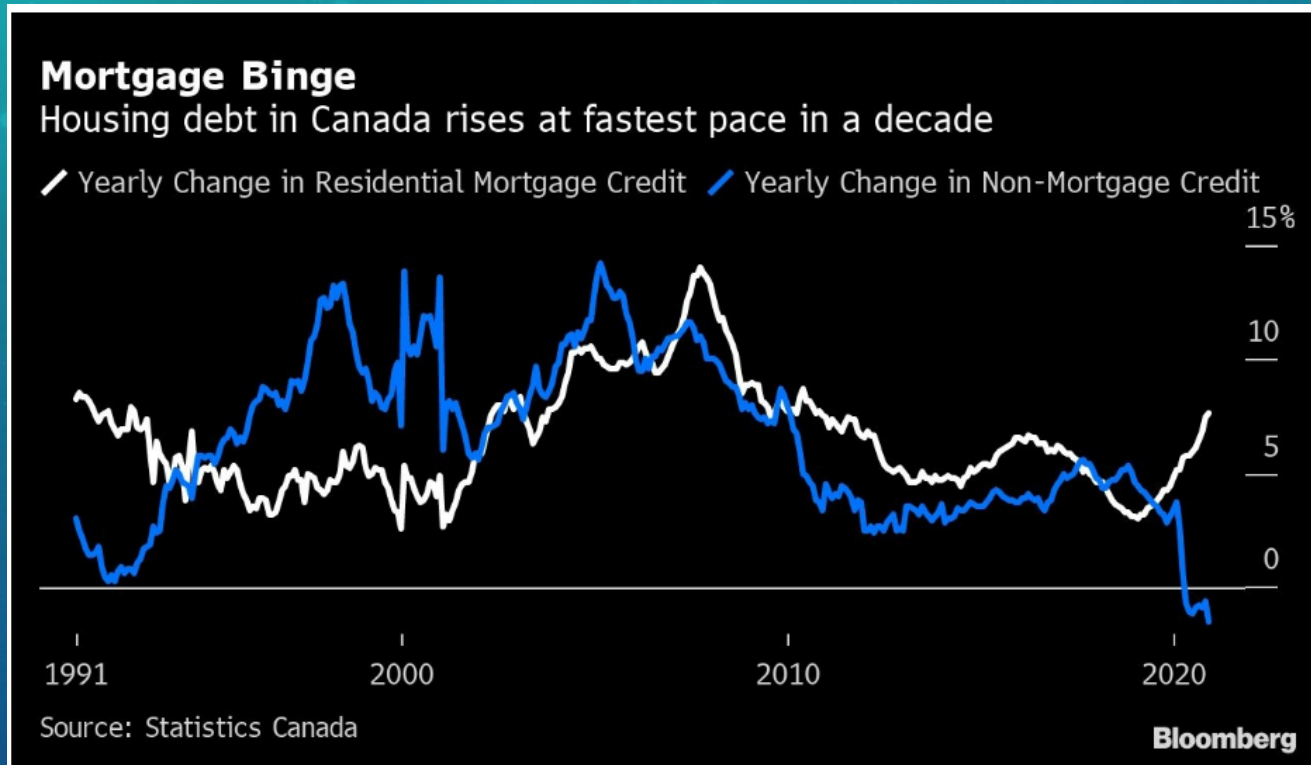
# HOME SALES AT RECORD HIGH



# HOUSE PRICES ACCELERATE AS SUPPLY REMAINS LOW



# RECORD-LOW MORTGAGE RATES BEGIN TO RISE

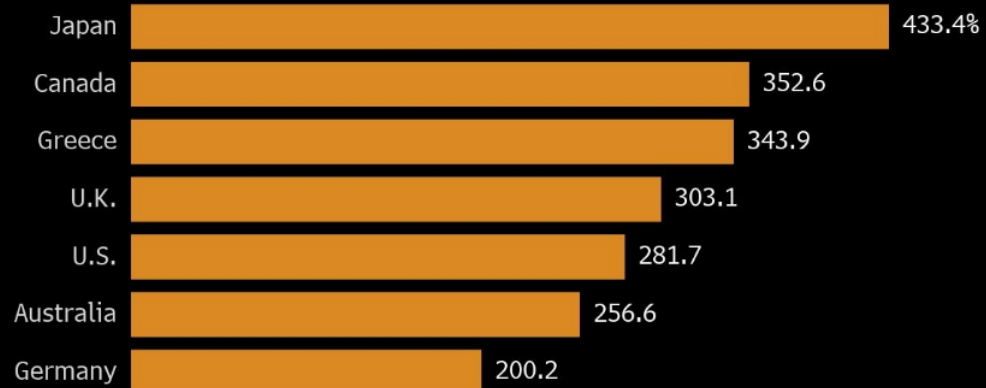


# TOTAL DEBT RATIO HIGH, BUT DELINQUENCY RATES DROP IN MOST MARKETS

## That's a Heavy Load

Canada has one of the largest debt burdens among developed nations

■ Debt as a % of GDP



Source: IIF

Note: Figures include the debt of governments, households and non-financial corporations at the end of 2020 Q3.

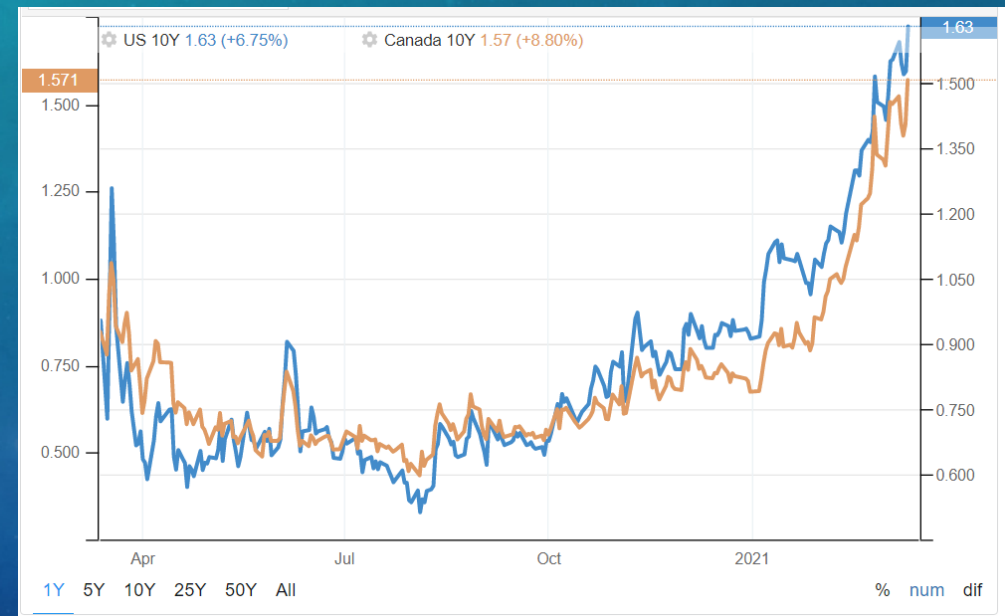
**Bloomberg**

# MARKET RATES RISE SHARPLY

## Canada 5-Year Yield



## US and Canada 10-Year Yield



# COMMODITY PRICES SURGING

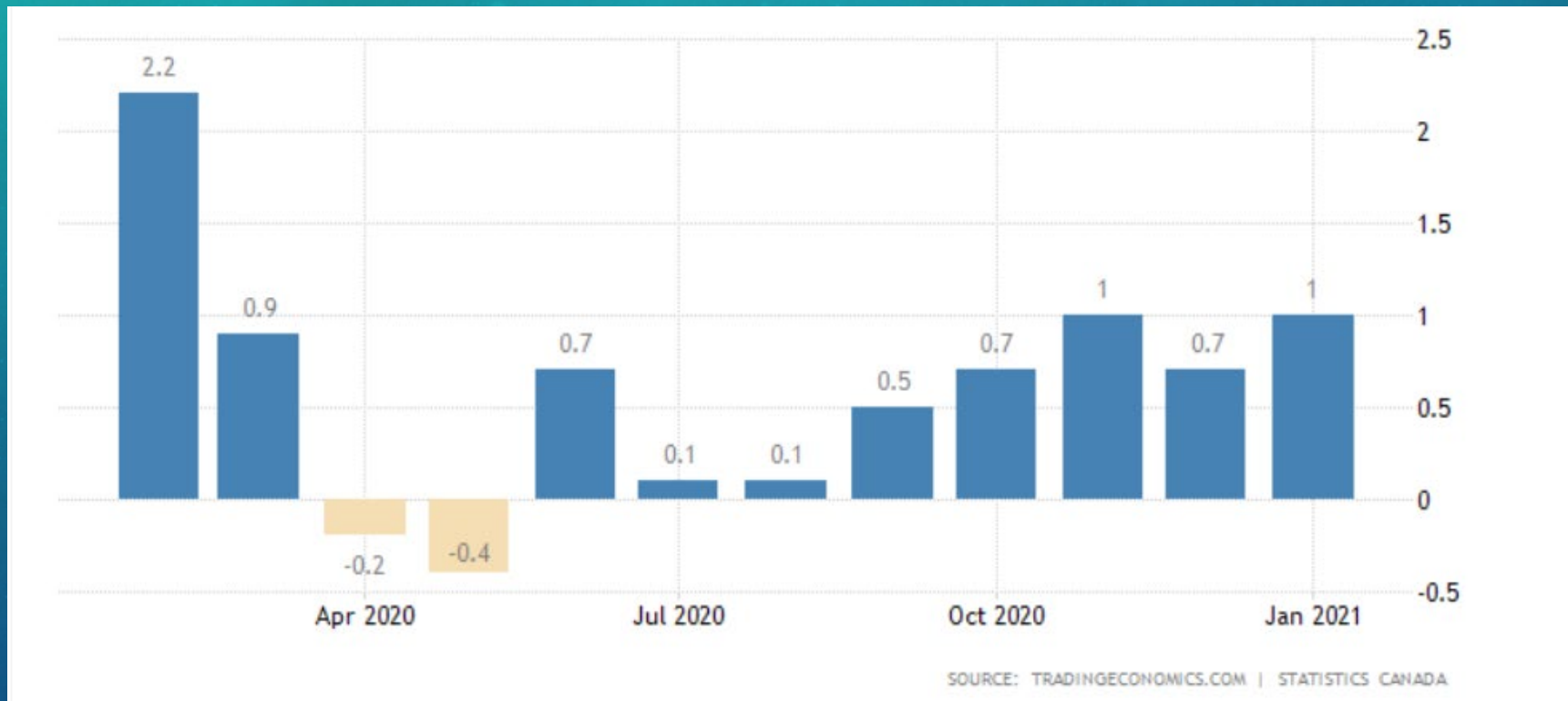
## Oil and Resources



## Lumber, Copper, Agriculture



# INFLATION HAS BOTTOMED, BUT BOC SEES TEMPORARY RISE



# BANK OF CANADA DOVISH

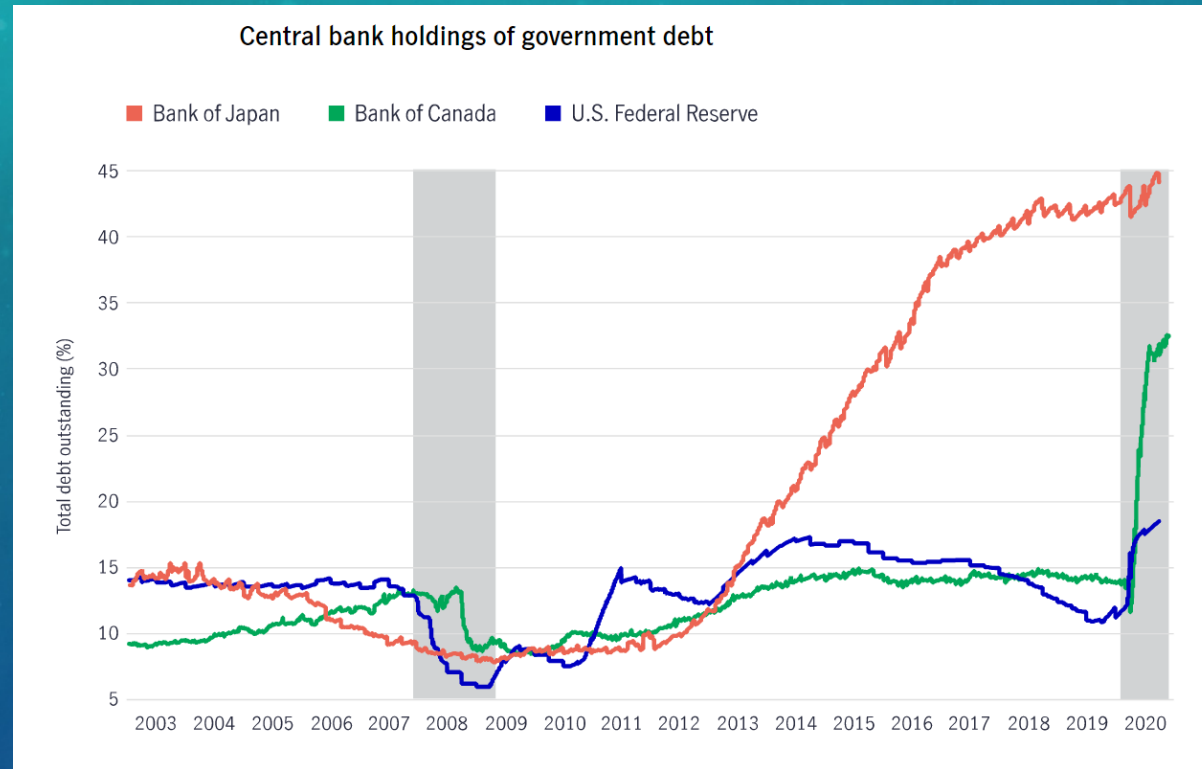
## Macklem Holds Low Bank of Canada keeps overnight rate at 0.25%

■ Bank of Canada Overnight Lending Rate - Last Price



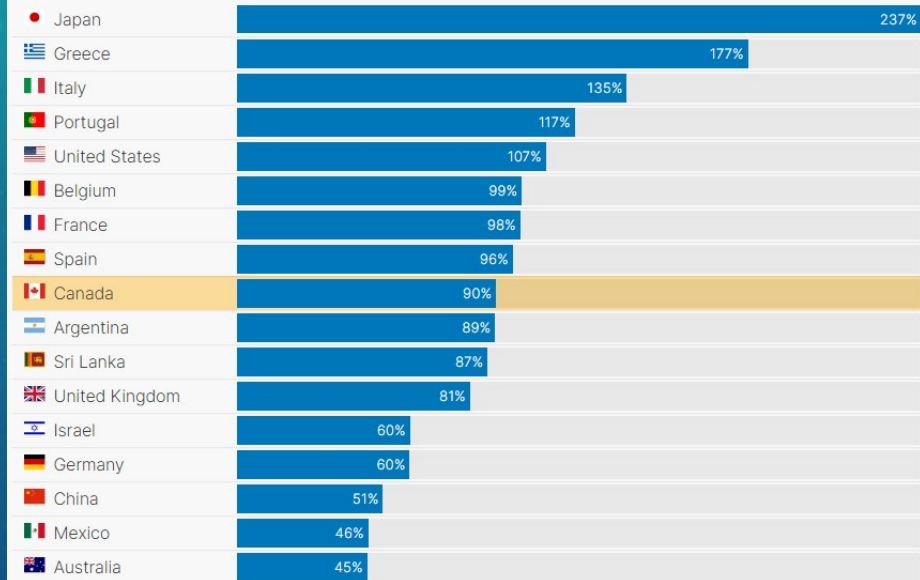
Source: Bank of Canada

# NO TAPER YET IN QUANTITATIVE EASING



# FISCAL STIMULUS COMING IN APRIL BUDGET

Debt to GDP ratio (select countries)



SOURCE: WORLD POPULATION REVIEW

TORONTO STAR