

# Canadian, US and Financial market forecast tables

March 2024

## Economic forecast detail — Canada

### Real growth in the economy

Quarter-over-quarter annualized % change unless otherwise indicated

	2023				Forecast 2024				Forecast 2025				Forecast			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	2022	2023	2024F	2025F
Household Consumption	4.1	-0.7	0.5	1.0	0.0	0.4	1.8	2.2	2.0	2.2	2.6	2.6	5.1	1.7	0.6	2.1
Durables	3.8	-3.0	4.2	7.0	0.5	1.3	2.0	3.0	2.2	2.5	2.0	2.5	-1.8	2.3	2.4	2.3
Semi-Durables	15.1	-0.9	-12.7	0.5	0.0	0.5	1.0	2.0	2.0	2.2	2.0	2.7	7.5	1.8	-1.3	1.9
Non-durables	-1.4	2.2	-1.7	-0.7	0.0	0.9	1.5	2.0	2.0	2.2	3.2	2.6	-0.3	-0.5	0.3	2.1
Services	5.3	-1.4	2.4	0.4	-0.1	0.0	1.9	2.2	2.0	2.2	2.6	2.7	9.1	2.6	0.6	2.1
NPISH consumption	-2.4	2.7	5.0	3.4	0.0	0.4	1.8	2.2	2.0	2.2	2.6	2.6	5.1	1.7	1.9	2.1
Government expenditures	1.0	0.4	6.7	-1.9	1.5	5.0	2.7	3.3	4.0	2.0	3.6	4.0	3.2	1.5	2.3	3.3
Government fixed investment	18.8	-4.6	2.4	3.2	1.5	2.0	1.0	2.0	2.6	2.6	2.8	2.6	4.2	5.5	1.6	2.3
Residential investment	-14.0	-3.5	8.7	-1.7	2.0	3.0	2.0	3.0	3.9	4.0	4.2	5.0	-12.1	-10.2	2.0	3.6
Non-residential investment	1.8	15.0	-16.3	-9.5	-1.9	2.0	2.5	3.1	4.0	4.3	4.0	4.3	4.0	-0.7	-2.8	3.6
Non-residential structures	3.4	10.6	-14.3	-11.6	-3.0	2.0	3.0	3.2	4.6	5.6	5.0	5.0	6.7	2.6	-3.4	4.2
Machinery & equipment	-0.8	23.3	-19.8	-5.7	0.0	2.0	1.5	3.0	3.0	2.0	2.3	3.0	-0.3	-6.2	-1.8	2.5
Intellectual property	7.9	-8.9	-3.7	-0.6	2.0	0.0	2.1	2.2	2.8	3.2	3.6	4.0	6.0	-0.5	-0.3	2.6
Final domestic demand	2.2	0.4	0.8	-0.7	0.4	1.8	2.0	2.6	2.8	2.5	3.1	3.3	2.8	0.5	0.8	2.6
Exports	14.1	4.3	-1.3	5.6	2.0	1.9	2.0	1.8	3.0	3.0	2.0	2.0	3.2	5.7	2.4	2.4
Imports	3.7	4.6	1.1	-1.7	6.5	2.0	2.5	3.0	2.0	3.0	4.0	2.6	7.6	1.0	2.6	2.7
Inventories (change in \$b)	34.6	35.5	33.3	32.0	39.8	37.5	37.0	37.0	30.0	27.6	28.5	27.5	55.3	33.9	37.8	28.4
<b>Real gross domestic product</b>	<b>2.6</b>	<b>0.6</b>	<b>-0.5</b>	<b>1.0</b>	<b>0.3</b>	<b>1.4</b>	<b>1.8</b>	<b>2.2</b>	<b>2.0</b>	<b>2.1</b>	<b>2.6</b>	<b>2.9</b>	<b>3.8</b>	<b>1.1</b>	<b>0.8</b>	<b>2.1</b>

### Other indicators

Year-over-year % change unless otherwise indicated

#### Business and labour

Productivity	-1.9	-1.8	-1.8	-0.5	-0.2	-0.1	0.3	0.0	0.3	0.3	0.5	0.6	-0.8	-1.5	0.0	0.4
Pre-tax corporate profits	-13.0	-27.0	-21.5	-9.7	1.2	10.6	6.6	3.4	4.2	3.4	2.7	2.9	14.7	-18.1	5.3	3.3
Unemployment rate (%)*	5.1	5.3	5.5	5.8	5.8	6.2	6.5	6.5	6.4	6.4	6.3	6.2	5.3	5.4	6.3	6.3
Inflation																
Headline CPI	5.1	3.5	3.7	3.2	3.0	2.8	2.2	2.0	2.0	1.9	1.9	1.8	6.8	3.9	2.5	1.9
CPI ex. food and energy	4.8	4.0	3.4	3.4	3.1	2.8	2.6	2.1	2.0	1.9	1.9	1.8	5.0	3.9	2.7	1.9
External trade																
Current account balance (\$b)*	-18.6	-27.0	-19.0	-6.5	-22.0	-16.6	-14.3	-12.7	-14.0	-12.3	-17.7	-14.3	-10.3	-17.8	-16.4	-14.5
% of GDP*	-0.7	-0.9	-0.7	-0.2	-0.7	-0.6	-0.5	-0.4	-0.5	-0.4	-0.6	-0.4	-0.4	-0.6	-0.6	-0.5
Housing starts (000s)*	221	246	256	244	236	245	248	250	261	274	283	288	262	240	244	277
Motor vehicle sales (mill., saar)*	1.67	1.71	1.74	1.84	1.84	1.85	1.86	1.87	1.88	1.90	1.90	1.92	1.56	1.74	1.86	1.90

\*Period average

Source: Statistics Canada, RBC Economics

## Economic forecast detail — United States

### Real growth in the economy

Quarter-over-quarter annualized % change unless otherwise indicated

	Forecast												Forecast			
	2023				2024				2025				2022	2023	2024F	2025F
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4				
Consumer spending	3.8	0.8	3.1	3.0	1.9	0.0	1.4	1.3	1.7	2.1	1.8	2.0	2.5	2.2	1.7	1.6
Durables	14.0	-0.3	6.7	3.2	2.1	0.2	0.8	2.0	1.9	2.0	1.0	2.0	-0.3	4.2	2.2	1.6
Non-durables	0.5	0.9	3.9	3.3	2.0	0.1	1.5	1.2	2.4	2.0	1.6	2.1	0.6	0.9	1.9	1.7
Services	3.1	1.0	2.2	2.8	1.9	0.0	1.5	1.2	1.4	2.2	2.0	1.9	3.7	2.3	1.6	1.5
Government spending	4.8	3.3	5.8	4.2	2.0	1.5	2.0	2.0	1.8	1.5	1.0	2.0	-0.9	4.0	2.9	1.7
Residential investment	-5.3	-2.2	6.7	2.9	2.8	-0.5	1.0	1.1	3.0	3.1	3.2	3.2	-9.0	-10.6	2.0	2.2
Non-residential investment	5.7	7.4	1.5	2.4	-1.3	-0.3	0.9	2.0	2.6	2.8	2.7	3.0	5.2	4.4	0.9	2.2
Non-residential structures	30.3	16.1	11.2	7.6	-0.5	-1.0	1.0	2.5	3.0	2.0	3.2	3.0	-2.1	13.0	3.6	2.2
Equipment & software	-4.1	7.7	-4.4	-1.7	0.0	0.0	1.0	2.0	3.0	1.0	2.0	4.2	5.2	-0.3	-0.2	1.9
Intellectual property	3.8	2.7	1.8	3.3	-3.0	-0.2	0.8	1.5	2.0	4.8	3.0	4.0	9.1	4.4	0.4	2.4
Final domestic demand	3.8	2.0	3.5	3.1	1.6	0.3	1.5	1.5	1.9	2.1	1.8	2.3	1.7	2.2	1.8	1.7
Exports	6.8	-9.3	5.4	6.4	4.6	3.1	2.0	1.0	2.0	1.0	1.5	0.8	7.0	2.7	3.3	1.6
Imports	1.3	-7.6	4.2	2.7	2.2	-1.0	4.0	3.6	2.5	4.0	3.0	4.0	8.6	-1.6	1.6	3.1
Inventories (change in \$b)	27.2	14.9	77.8	66.3	79.0	72.0	60.0	59.0	55.0	55.0	63.0	55.0	128.1	46.6	67.5	57.0
<b>Real gross domestic product</b>	<b>2.2</b>	<b>2.1</b>	<b>4.9</b>	<b>3.2</b>	<b>2.0</b>	<b>0.5</b>	<b>1.0</b>	<b>1.2</b>	<b>1.8</b>	<b>1.8</b>	<b>1.8</b>	<b>1.8</b>	<b>1.9</b>	<b>2.5</b>	<b>2.1</b>	<b>1.5</b>

### Other indicators

Year-over-year % change unless otherwise indicated

Business and labour																
Productivity	-0.5	1.2	2.4	2.7	2.9	2.0	0.9	0.2	0.4	0.8	0.9	1.1	-1.9	1.5	1.5	0.8
Pre-tax corporate profits	4.6	-2.7	-0.6	2.3	5.7	5.4	2.1	0.9	0.8	1.3	1.8	2.1	9.8	0.8	3.5	1.5
Unemployment rate (%)*	3.5	3.6	3.7	3.7	3.8	4.1	4.2	4.3	4.3	4.2	4.2	4.2	3.7	3.6	4.1	4.2
Inflation																
Headline CPI	5.8	4.0	3.5	3.2	3.1	3.0	2.8	2.7	2.3	2.2	2.1	2.1	8.0	4.1	2.9	2.2
CPI ex. food and energy	5.6	5.2	4.4	4.0	3.7	3.2	3.0	2.8	2.4	2.3	2.3	2.3	6.2	4.8	3.2	2.3
External trade																
Current account balance (\$b)*	-857.9	-867.2	-801.2	-797.1	-781.6	-757.0	-780.1	-807.1	-813.1	-841.3	-857.3	-889.7	-971.6	-830.9	-781.5	-850.4
% of GDP*	-3.2	-3.2	-2.9	-2.9	-2.8	-2.7	-2.7	-2.8	-2.8	-2.9	-2.9	-3.0	-3.8	-3.0	-2.7	-2.9
Housing starts (000s)*	1385	1450	1371	1483	1373	1383	1395	1410	1421	1433	1446	1458	1551	1422	1390	1440
Motor vehicle sales (millions, saar)*	15.0	15.8	15.7	15.7	15.5	15.5	15.7	16.0	14.2	14.5	14.6	14.9	13.8	15.5	15.7	14.5

\*Period average

Source: Bureau of Economic Analysis, RBC Economics

## Financial market forecast detail

### Interest rates—North America

% , end of period

	23Q1	23Q2	23Q3	23Q4	Forecast				25Q1	25Q2	25Q3	25Q4	2023	Forecast	
					24Q1	24Q2	24Q3	24Q4						2024F	2025F
<b>Canada</b>															
Overnight	4.50	4.75	5.00	5.00	5.00	4.75	4.25	4.00	3.75	3.25	3.00	3.00	5.00	4.00	3.00
Three-month	4.34	4.90	5.07	5.04	4.95	4.65	4.10	3.95	3.60	3.20	3.00	3.00	5.04	3.95	3.00
Two-year	3.74	4.58	4.87	3.88	4.20	3.80	3.50	3.25	2.90	2.75	2.90	3.00	3.88	3.25	3.00
Five-year	3.02	3.68	4.25	3.17	3.45	3.30	3.10	3.00	2.85	2.90	2.90	3.00	3.17	3.00	3.00
10-year	2.90	3.26	4.03	3.10	3.40	3.25	3.10	3.00	2.90	2.95	3.00	3.10	3.10	3.00	3.10
30-year	3.02	3.09	3.81	3.02	3.35	3.25	3.15	3.05	3.00	3.05	3.10	3.15	3.02	3.05	3.15
Yield curve (10s-2s)	-84	-132	-84	-78	-80	-55	-40	-25	0	20	10	10	-78	-25	10.00
<b>United States</b>															
Fed funds*	4.88	5.13	5.38	5.38	5.38	5.13	4.88	4.63	4.63	4.38	4.38	4.13	5.38	4.63	4.13
Three-month	4.85	5.43	5.55	5.40	5.33	5.01	4.78	4.53	4.58	4.33	4.33	4.08	5.40	4.53	4.08
Two-year	4.06	4.87	5.03	4.23	4.60	4.50	4.35	4.30	4.25	4.20	4.20	4.25	4.23	4.30	4.25
Five-year	3.60	4.13	4.60	3.84	4.15	4.05	3.95	3.95	3.95	4.00	4.10	4.20	3.84	3.95	4.20
10-year	3.48	3.81	4.59	3.88	4.15	4.05	3.95	4.00	4.05	4.10	4.20	4.30	3.88	4.00	4.30
30-year	3.67	3.85	4.73	4.03	4.30	4.20	4.15	4.20	4.25	4.30	4.35	4.40	4.03	4.20	4.40
Yield curve (10s-2s)	-58	-106	-44	-35	-45	-45	-40	-30	-20	-10	0	5	-35	-30	5
<b>Yield spreads</b>															
Three-month T-bills	-0.51	-0.53	-0.48	-0.36	-0.38	-0.36	-0.68	-0.58	-0.98	-1.13	-1.33	-1.08	-0.36	-0.58	-1.08
Two-year	-0.32	-0.29	-0.16	-0.35	-0.40	-0.70	-0.85	-1.05	-1.35	-1.45	-1.30	-1.25	-0.35	-1.05	-1.25
Five-year	-0.58	-0.45	-0.35	-0.67	-0.70	-0.75	-0.85	-0.95	-1.10	-1.10	-1.20	-1.20	-0.67	-0.95	-1.20
10-year	-0.58	-0.55	-0.56	-0.78	-0.75	-0.80	-0.85	-1.00	-1.15	-1.15	-1.20	-1.20	-0.78	-1.00	-1.20
30-year	-0.65	-0.76	-0.92	-1.01	-0.95	-0.95	-1.00	-1.15	-1.25	-1.25	-1.25	-1.25	-1.01	-1.15	-1.25

Note: Interest Rates are end of period rates. \* Midpoint of 25 basis point range

### Interest rates—International

% , end of period

	23Q1	23Q2	23Q3	23Q4	Forecast				25Q1	25Q2	25Q3	25Q4	Forecast		
					24Q1	24Q2	24Q3	24Q4					2023F	2024F	2025F
<b>United Kingdom</b>															
Bank Rate	4.25	5.00	5.25	5.25	5.25	5.25	4.75	4.25	4.00	3.75	3.75	3.75	5.25	4.25	3.75
Two-year	3.42	5.27	4.91	3.98	4.50	4.40	4.30	4.15	4.00	3.90	4.00	4.00	3.98	4.15	4.00
Five-year	3.33	4.66	4.53	3.46	4.00	3.90	3.80	3.60	3.50	3.55	3.60	3.65	3.46	3.60	3.65
10-year	3.47	4.39	4.46	3.54	4.10	4.00	3.90	3.75	3.70	3.75	3.85	3.95	3.54	3.75	3.95
30-year	3.82	4.42	4.92	4.14	4.75	4.70	4.60	4.50	4.50	4.60	4.70	4.85	4.14	4.50	4.85
<b>Euro Area</b>															
Deposit rate	3.00	3.50	4.00	4.00	4.00	3.75	3.50	3.25	3.00	2.75	2.50	2.50	4.00	3.25	2.50
Two-year	2.66	3.27	3.20	2.40	2.75	2.70	2.70	2.60	2.50	2.40	2.30	2.30	2.40	2.60	2.30
Five-year	2.30	2.58	2.79	1.94	2.50	2.40	2.30	2.20	2.15	2.20	2.20	2.25	1.94	2.20	2.25
10-year	2.28	2.39	2.85	2.03	2.55	2.40	2.35	2.20	2.20	2.20	2.25	2.30	2.03	2.20	2.30
30-year	2.35	2.38	3.05	2.27	2.70	2.60	2.50	2.50	2.50	2.50	2.60	2.70	2.27	2.50	2.70
<b>Australia</b>															
Cash target rate	3.60	4.10	4.10	4.35	4.35	4.35	4.35	3.85	3.35	3.35	3.35	3.35	4.35	3.85	3.35
Two-year	2.96	4.21	4.09	3.71	3.70	3.65	3.50	3.40	3.40	3.40	3.60	3.75	3.71	3.40	3.75
10-year	3.30	4.02	4.49	3.95	4.30	4.25	4.10	4.00	3.95	3.95	4.00	4.25	3.95	4.00	4.25
<b>New Zealand</b>															
Cash target rate	4.75	5.50	5.50	5.50	5.50	5.50	5.00	4.50	4.00	4.00	4.00	4.00	5.50	4.50	4.00
Two-year	5.01	5.46	5.69	4.63	5.00	4.75	4.40	4.25	4.25	4.25	4.30	4.35	4.63	4.25	4.35
10-year	4.27	4.46	5.13	4.12	4.50	4.40	4.30	4.25	4.30	4.45	4.50	4.60	4.12	4.25	4.60

## Outlook

### Growth outlook

% change, quarter-over-quarter in real GDP

#### Growth outlook

% change, quarter-over-quarter in real GDP

	23Q1	23Q2	23Q3	23Q4	24Q1	24Q2	24Q3	24Q4	25Q1	25Q2	25Q3	25Q4	2022	2023	2024F	2025F
Canada*	2.6	0.6	-0.5	1.0	0.3	1.4	1.8	2.2	2.0	2.1	2.6	2.9	3.8	1.1	0.8	2.1
United States*	2.2	2.1	4.9	3.2	2.0	0.5	1.0	1.2	1.8	1.8	1.8	1.8	1.9	2.5	2.1	1.5
United Kingdom	0.2	0.0	-0.1	-0.3	0.0	0.1	0.2	0.2	0.3	0.3	0.3	0.3	4.3	0.1	0.0	1.1
Euro Area	0.0	0.1	-0.1	0.0	0.0	0.1	0.2	0.3	0.3	0.4	0.4	0.4	3.5	0.5	0.2	1.2
Australia	0.6	0.5	0.3	0.2	0.3	0.6	0.9	0.7	0.8	0.8	0.8	0.7	3.8	2.1	1.6	3.1

\*Seasonally adjusted annualized rates

### Inflation outlook

% change, year-over-year

	23Q1	23Q2	23Q3	23Q4	24Q1	24Q2	24Q3	24Q4	25Q1	25Q2	25Q3	25Q4	2022	2023	2024F	2025F
Canada	5.1	3.5	3.7	3.2	3.0	2.8	2.2	2.0	2.0	1.9	1.9	1.8	6.8	3.9	2.5	1.9
United States	5.8	4.0	3.5	3.2	3.1	3.0	2.8	2.7	2.3	2.2	2.1	2.1	8.0	4.1	2.9	2.2
United Kingdom	10.2	8.4	6.7	4.2	4.3	2.8	2.9	2.7	2.2	1.7	1.9	1.8	9.1	7.3	3.2	1.9
Euro Area	8.0	6.2	5.0	2.7	2.6	2.5	2.1	2.3	2.2	2.1	2.1	2.1	8.4	5.4	2.4	2.1
Australia	7.0	6.0	5.4	4.1	3.5	3.4	2.9	3.1	3.0	2.9	2.9	2.8	6.6	5.6	3.2	2.9

### Exchange rates

End of period

	Forecast												Forecast		
	23Q1	23Q2	23Q3	23Q4	24Q1	24Q2	24Q3	24Q4	25Q1	25Q2	25Q3	25Q4	2023	2024F	2025F
AUD/USD	0.67	0.67	0.65	0.68	0.65	0.64	0.65	0.66	0.68	0.70	0.71	0.73	0.68	0.66	0.68
USD/CAD	1.35	1.32	1.35	1.32	1.34	1.36	1.33	1.31	1.31	1.30	1.30	1.29	1.32	1.31	1.31
EUR/USD	1.09	1.09	1.06	1.11	1.08	1.06	1.06	1.08	1.10	1.12	1.15	1.18	1.11	1.08	1.10
USD/JPY	133	144	149	141	145	145	150	150	146	141	138	135	141	150	146
USD/CHF	0.92	0.90	0.92	0.84	0.89	0.92	0.94	0.94	0.95	0.95	0.94	0.93	0.84	0.94	0.95
GBP/USD	1.24	1.27	1.22	1.27	1.27	1.25	1.23	1.24	1.24	1.23	1.24	1.26	1.27	1.24	1.24

Note: Exchange rates are expressed in units per USD, with the exception of the euro, GBP and AUD which are expressed in USD per local currency unit.

Source: Reuters, RBC Economics forecasts

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