

CANADA: ECONOMIC FORECASTS

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This is our report regarding the economic forecasts for Canada based on the quarterly report from the Bank of Canada (Canada’s central bank): “Monetary Policy Report” for inflation and real GDP growth. The last report was released last July 12th, 2017. The exchange rate and the crude oil price forecasts are based on the latest quotations at the futures market reported by the CME Group on July 13, 2017. The cross references are estimated by Acus Consulting Ltd. Figures in parenthesis are the forecasts from three months ago.

Average annual real GDP growth, inflation CPI average annual rate, exchange rates

	2016 actual	2017	2018	2019
Inflation CPI:				
Canada	1.4%	1.6% (1.9%)	1.8% (2.0%)	2.1% (2.1%)
Real GDP growth:				
Canada	1.5%	2.8% (2.6%)	2.0% (1.9%)	1.6% (1.8%)
US	1.6%	2.2% (2.1%)	2.1% (2.3%)	1.8% (1.9%)
Euro Area	1.7%	1.9% (1.6%)	1.7% (1.6%)	1.5% (1.5%)
Japan	1.0%	1.1% (1.1%)	0.8% (0.8%)	0.8% (0.8%)
China	6.7%	6.6% (6.5%)	6.3% (6.3%)	6.3% (6.3%)
World	3.0%	3.4% (3.3%)	3.4% (3.4%)	3.4% (3.5%)
Exchange rate December:				
USD/CAD	1.333	1.267	1.268	1.266
EUR/USD	1.055	1.155	1.175	1.200
EUR/CAD cross ref	1.417	1.463	1.489	1.519
GBP/USD	1.236	1.315	1.316	1.331
GBP/CAD cross ref	1.648	1.665	1.668	1.685
USD/CNY	6.940	6.845	7.003	7.161
CAD/CNY cross ref	5.206	5.403	5.523	5.655
USD/MXN	20.51	18.17	19.11	19.96
CAD/MXN cross ref	15.37	14.34	15.07	15.76
Crude oil December:				
WTI West Texas Int	51.97	47.31	48.73	50.03

Source: Bank of Canada, “Monetary Policy Report”, July 12, 2017 and Futures Market CME Group, July 13, 2017

CPI = Consumers’ Price Index, GDP = Gross Domestic Product

USD = US Dollar, CAD = Canadian Dollar, GBP = Great British Pound, CNY = Chinese Yuan, MXN = Mexican Peso

About Acus Consulting. This firm supports companies, organizations and government agencies in financial and strategic analysis, investment project evaluations, financial modeling, valuation of ongoing companies, financial planning, risk analysis, profitability and economic value creation analysis, and decision making. Acus Consulting works in consulting projects and offers workshops of finance for executive training. It is based in Toronto. Acus was established in 1990.

About Alberto Calva. His expertise field is finance and economics. He has been a business consultant for more than 20 years. He has given workshops in 8 different countries having trained with this around 10,000 executives and entrepreneurs from 20 different countries. He has a unique mix of academic, practical, entrepreneurial, hands on experience and board member background. He holds a Bachelor of Industrial Engineering, a Master of Economics and an MBA with a major of Finance.

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