

CANADA: ECONOMIC FORECASTS

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ALBERTO CALVA // ACUS CONSULTING

acalva@acusconsulting.com

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 January 17, 2018. The exchange rate and the crude oil price forecasts are based on the quotations in the futures market reported by the CME Group on January 19, 2018. 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, oil prices

	2016 actual	2017	2018	2019
Inflation CPI:				
Canada	1.4%	1.6% (1.5%)	2.0% (1.7%)	2.1% (2.1%)
Real GDP growth:				
Canada	1.5%	3.0% (3.1%)	2.2% (2.1%)	1.6% (1.5%)
US	1.5%	2.3% (2.2%)	2.6% (2.2%)	2.3% (2.0%)
Euro Area	1.8%	2.5% (2.3%)	2.2% (1.8%)	1.6% (1.6%)
Japan	1.0%	1.8% (1.5%)	1.4% (0.9%)	0.8% (0.8%)
China	6.7%	6.8% (6.8%)	6.4% (6.4%)	6.3% (6.3%)
World	3.0%	3.6% (3.4%)	3.6% (3.4%)	3.5% (3.5%)
Exchange rate December:				
USD/CAD	1.333	1.277 actual (1.282)	1.244 (1.281)	1.240 (1.278)
EUR/USD	1.055	1.201 actual (1.164)	1.250 (1.191)	1.289 (1.222)
EUR/CAD cross ref	1.417	1.511 actual (1.492)	1.526 (1.526)	1.562 (1.562)
GBP/USD	1.236	1.353 actual (1.316)	1.330 (1.330)	1.346 (1.346)
GBP/CAD cross ref	1.648	1.728 actual (1.687)	1.655 (1.704)	1.669 (1.720)
USD/CNY	6.940	6.512 actual (6.665)	6.822 (6.822)	6.971 (6.971)
CAD/CNY cross ref	5.206	5.099 actual (5.200)	5.484 (5.326)	5.622 (5.455)
USD/MXN	20.51	19.06 actual (19.31)	20.45 (20.45)	21.29 (21.29)
CAD/MXN cross ref	15.37	14.93 actual (15.06)	16.44 (15.96)	17.17 (17.11)
Crude oil December:				
WTI West Texas Int	51.97	57.51 actual (53.95)	60.53 (52.86)	56.84 (51.17)

Source: Bank of Canada, “Monetary Policy Report”, January 17, 2018 and Futures Market CME Group, January 19, 2018

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.

| [Alberto Calva](#) | acalva@acusconsulting.com | acalva@acus.ca | [Cell & WhatsApp +1-416-824-1924](#) |

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