

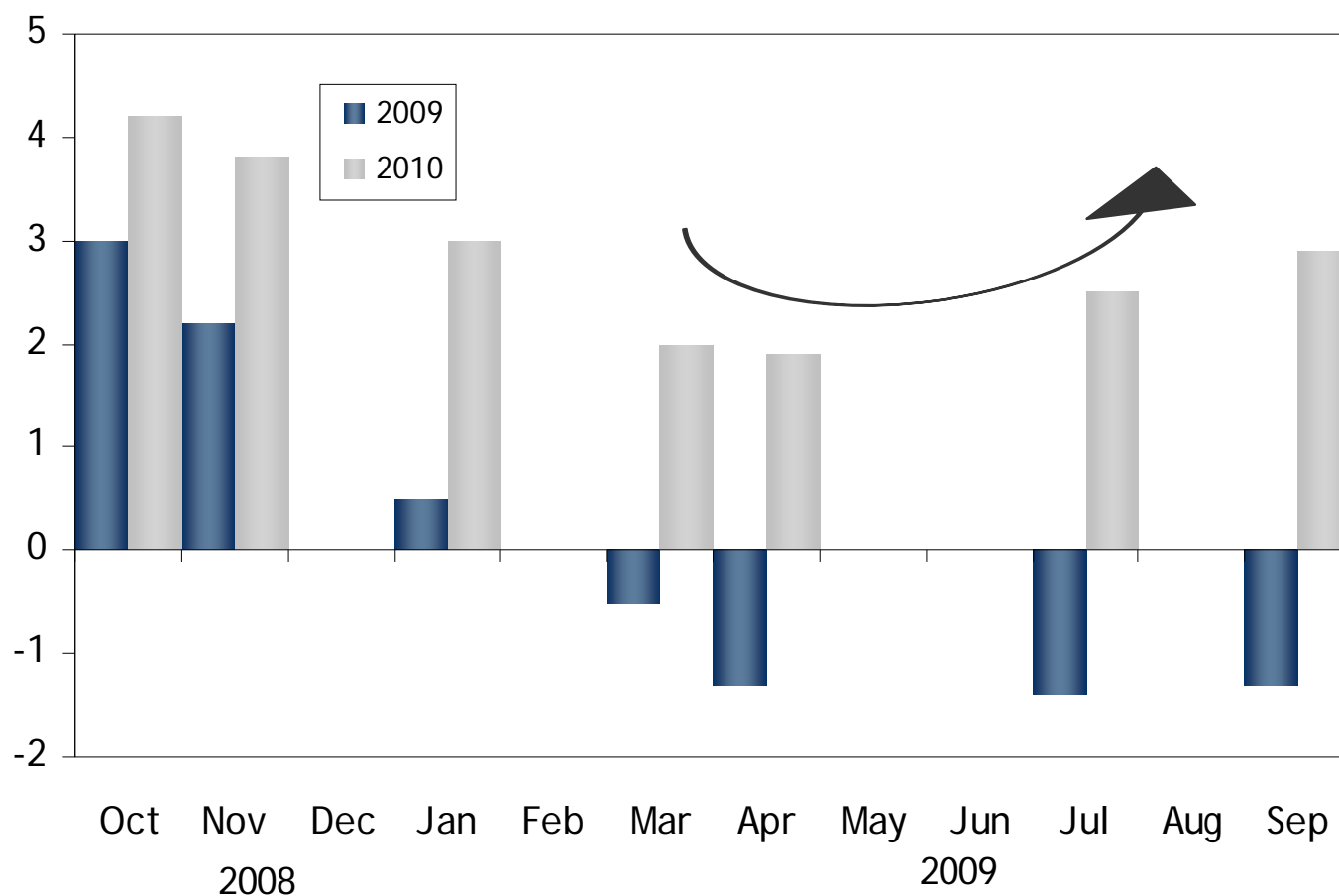
Waiting for a global recoverypatiently

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Recovery in sight for world economy

World GDP growth forecasts

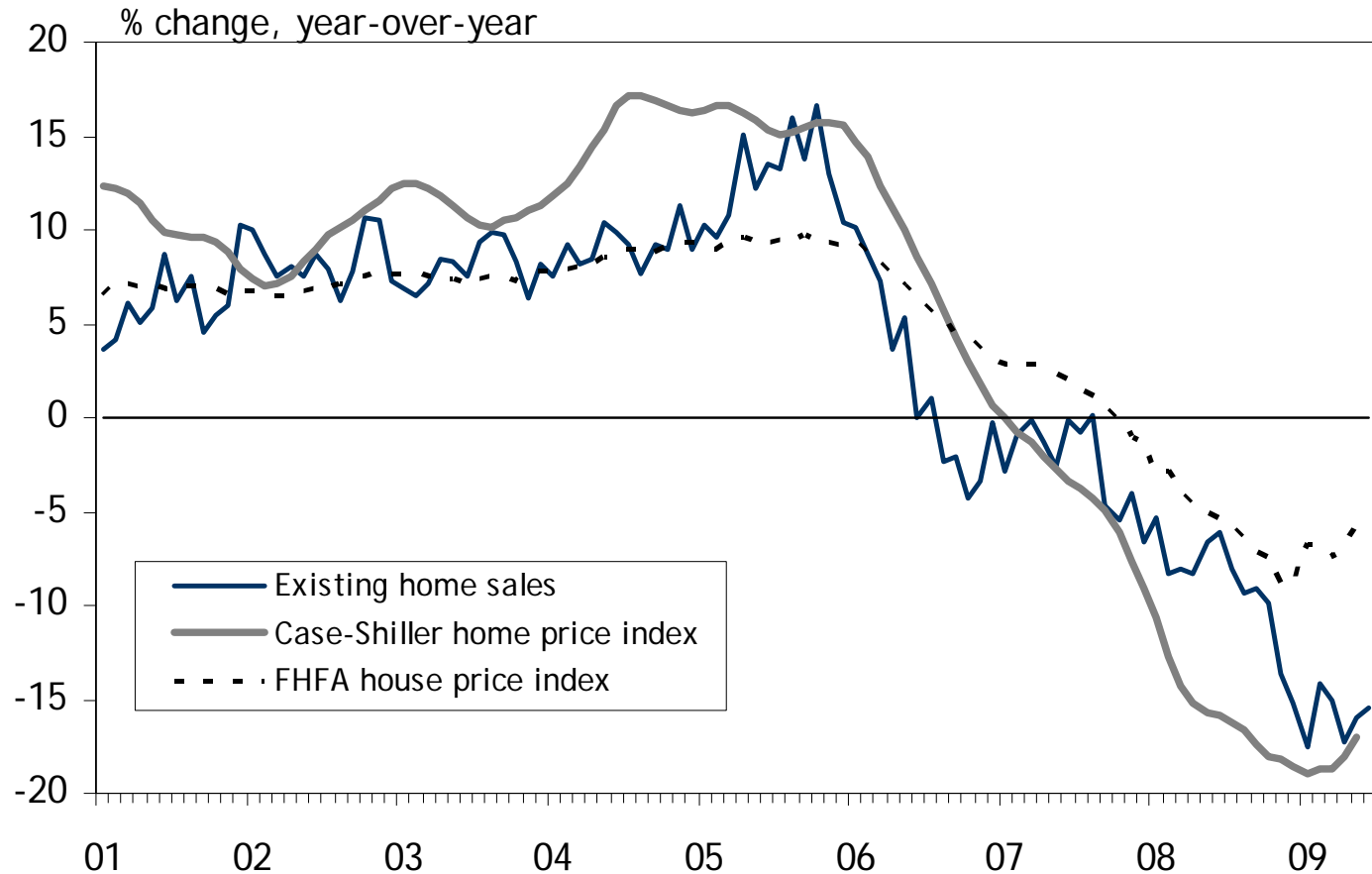


IMF forecasts for '09 and '10 world GDP growth by WEO publication release date.



Price correction still underway

U.S. house prices

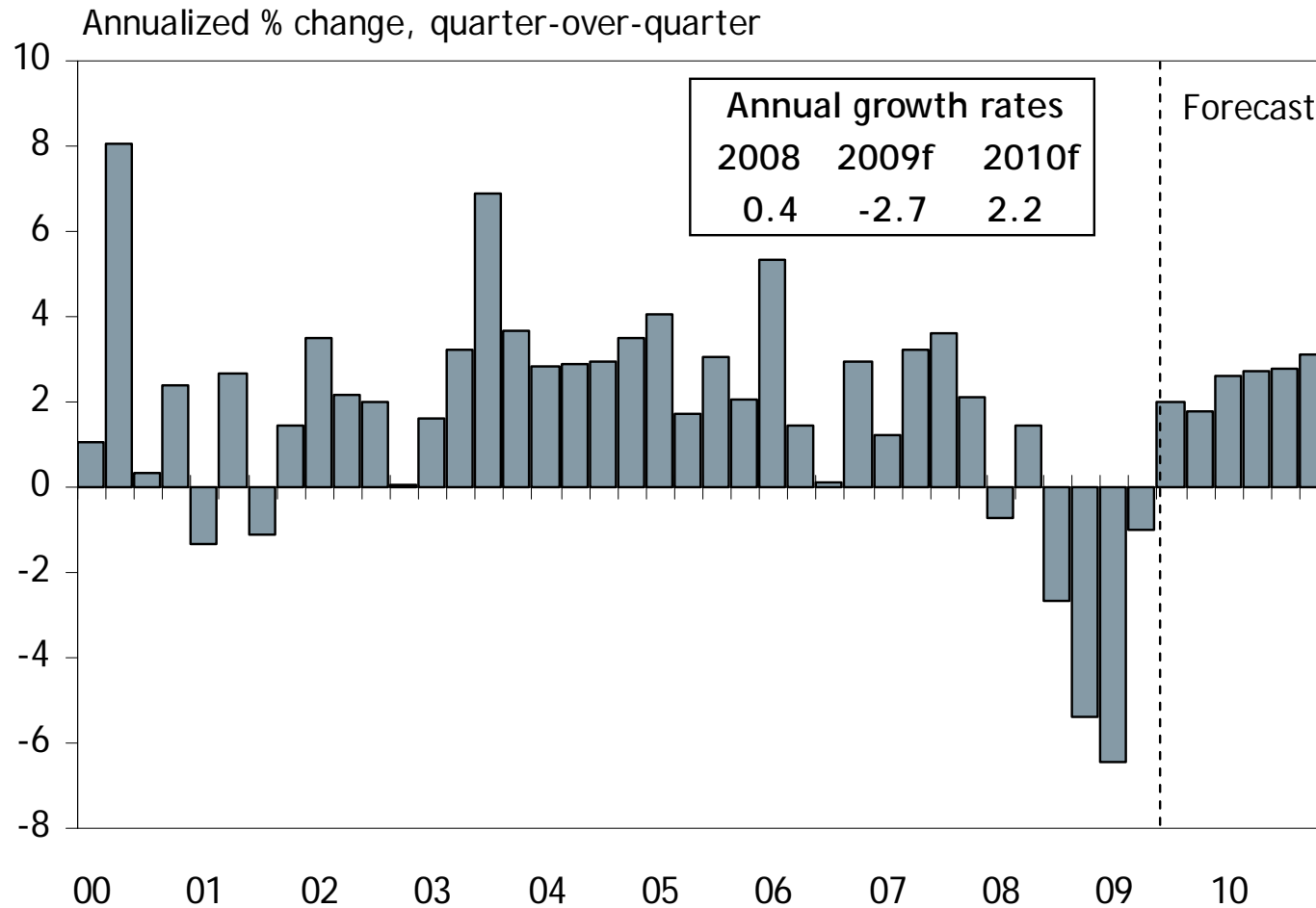


Source: National Association of Realtors, S&P, Fiserv, and MacroMarkets LLC, Federal Housing Finance Administration, RBC Economics Research



US recovery to build momentum in 2010

U.S. real GDP

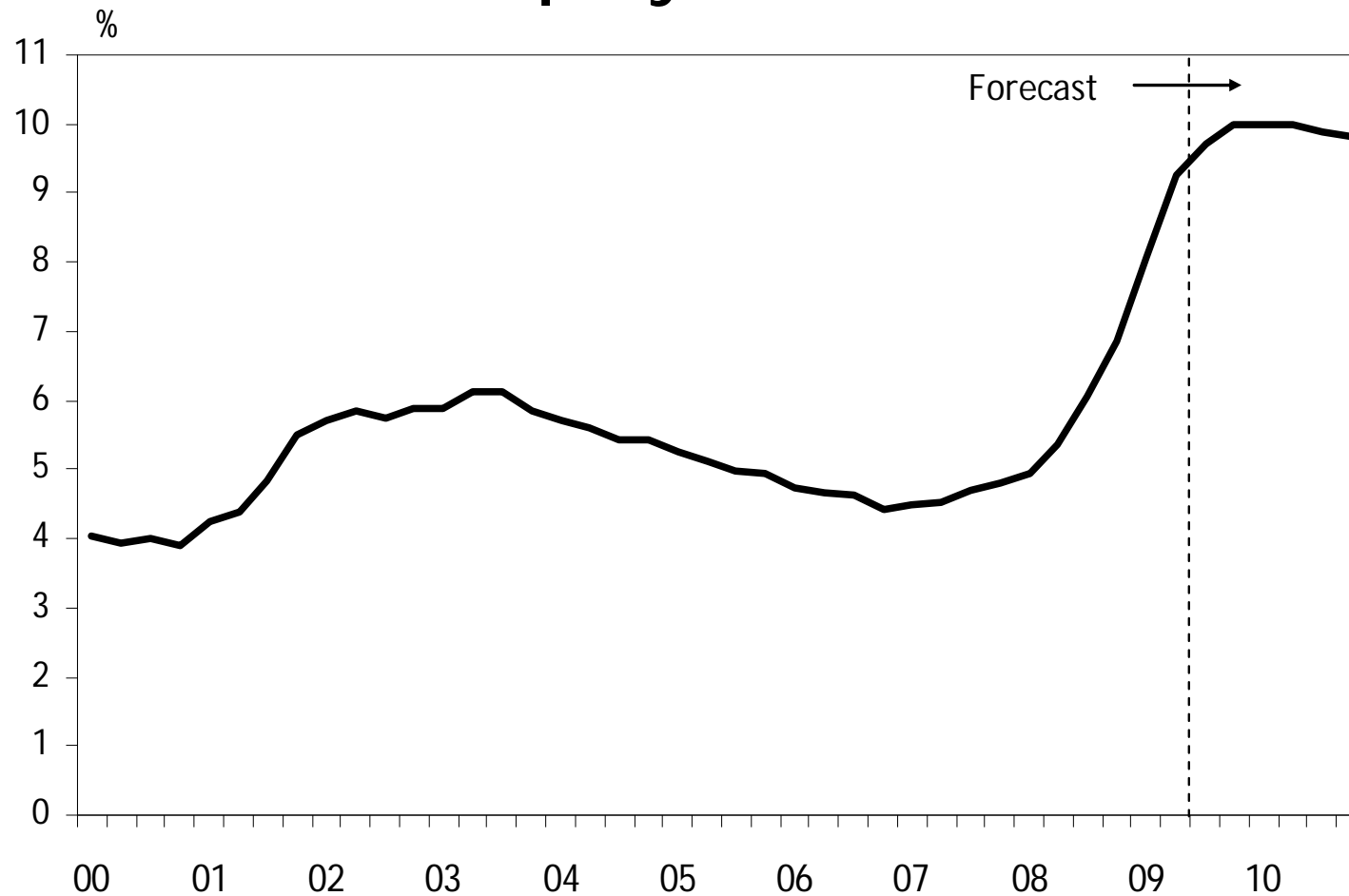


Source: Bureau of Economic Analysis, RBC Economics Research



The modest recovery will keep US unemployment historically high

Unemployment rate

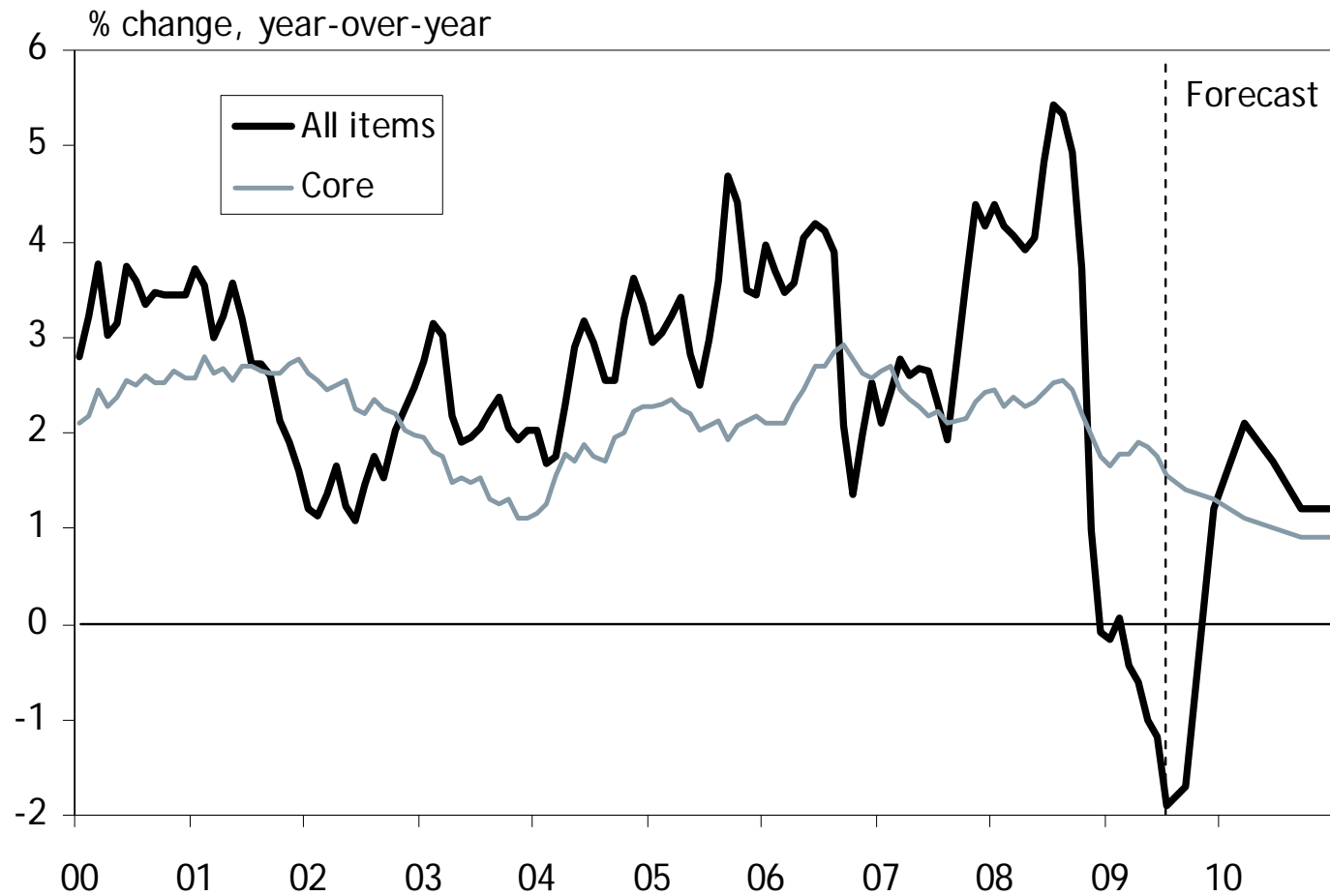


Source: Bureau of Labor Statistics, RBC Economics Research



Slack in the economy leads to easing inflation

U.S. inflation

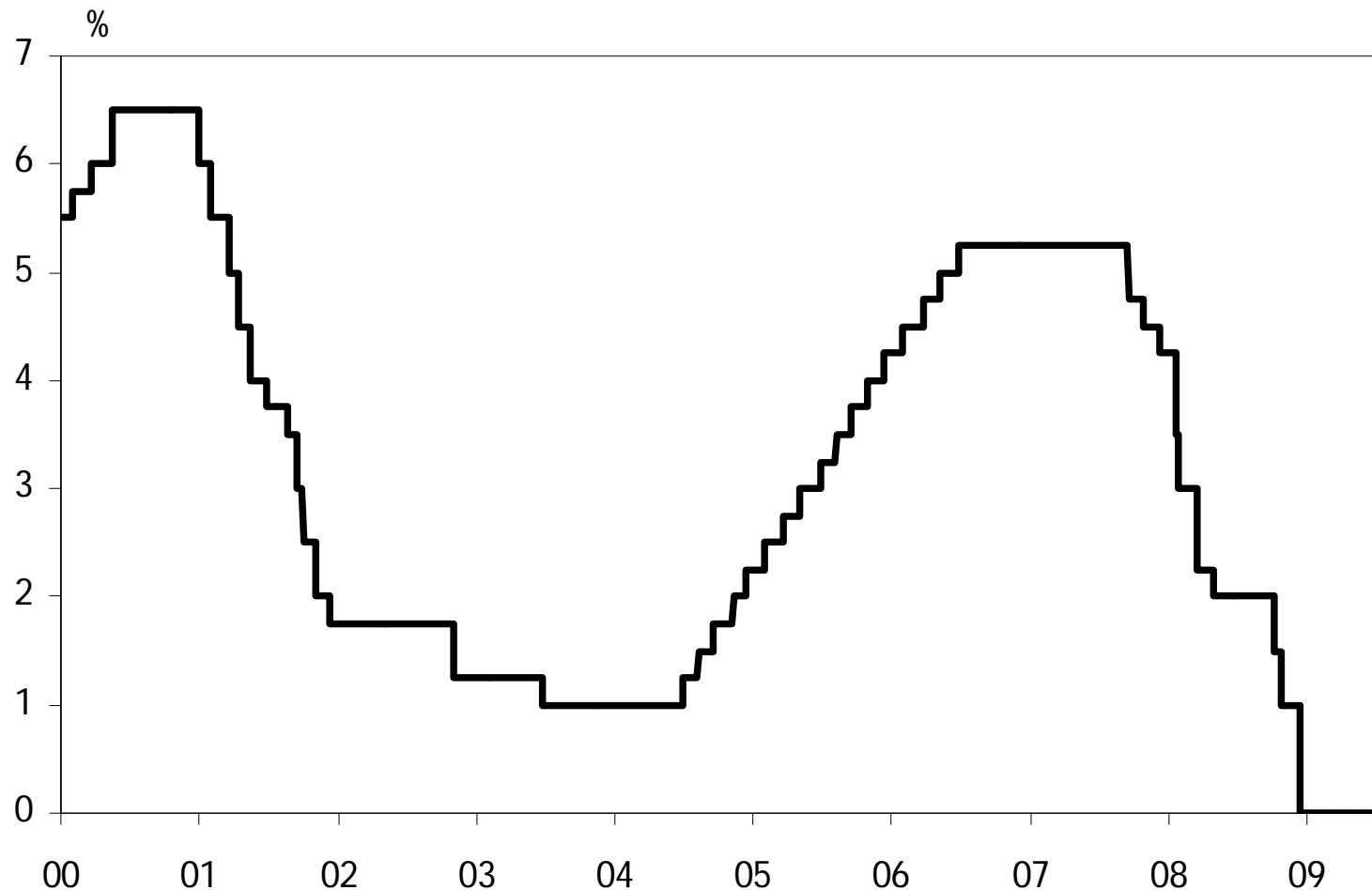


Source: Bureau of Labor Statistics, RBC Economics Research



The Fed forcefully cut interest rates and will keep them low until recovery is entrenched

U.S. Fed funds rate

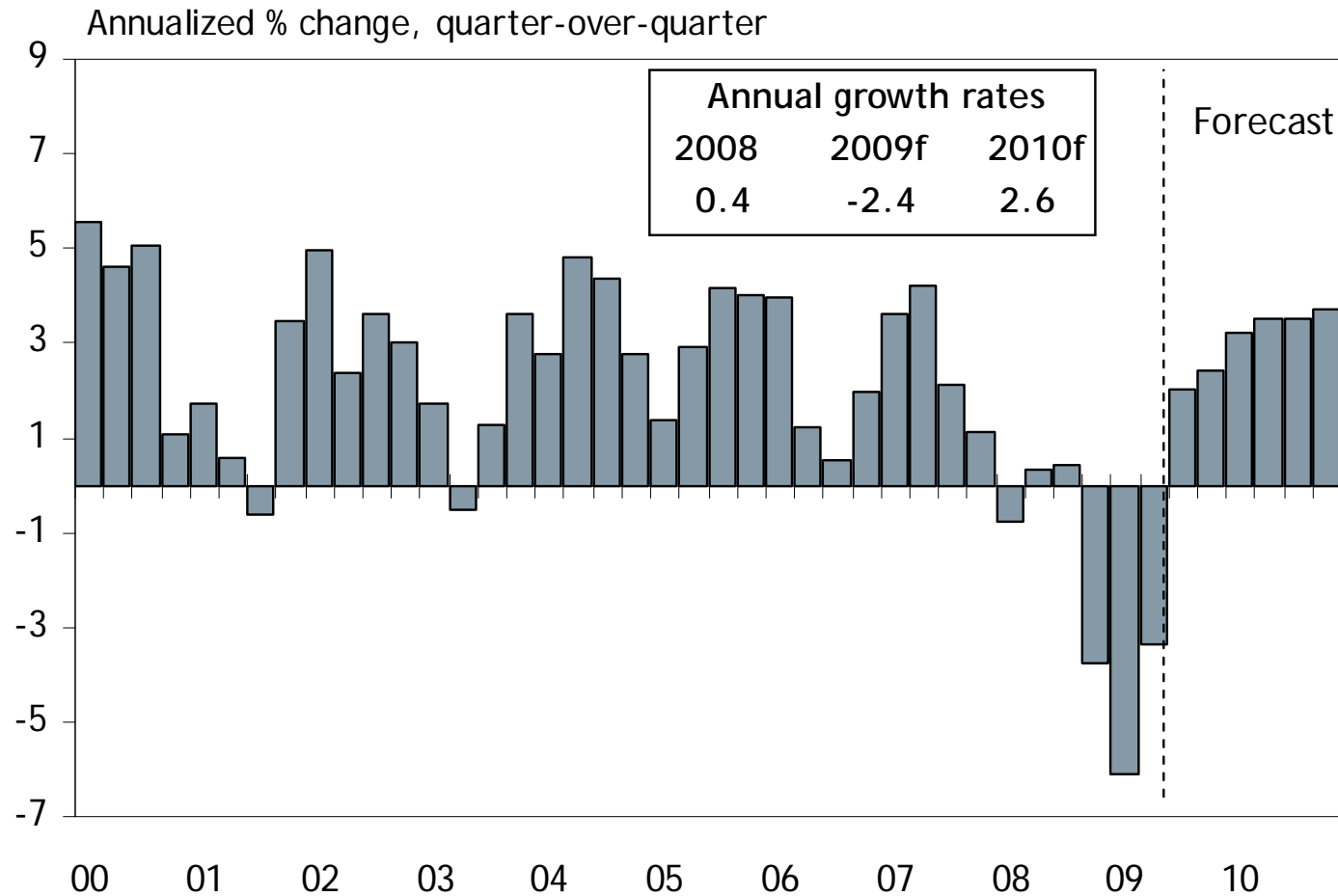


Source: Federal Reserve Board, RBC Economics Research



Worst has passed, moderate growth ahead

Canada's real GDP

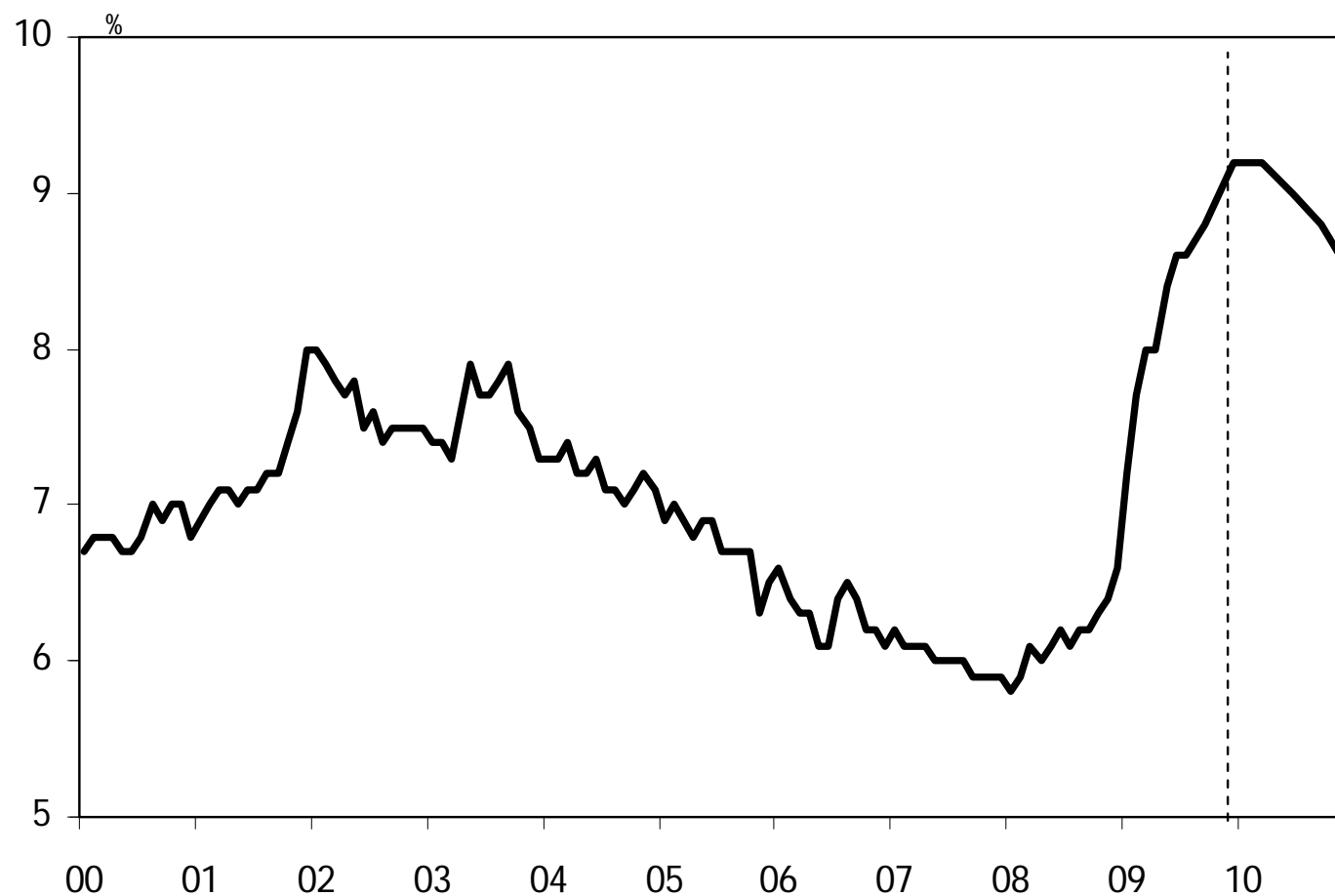


Source: Statistics Canada, RBC Economics Research



Unemployment rate to peak late this year

Unemployment rate

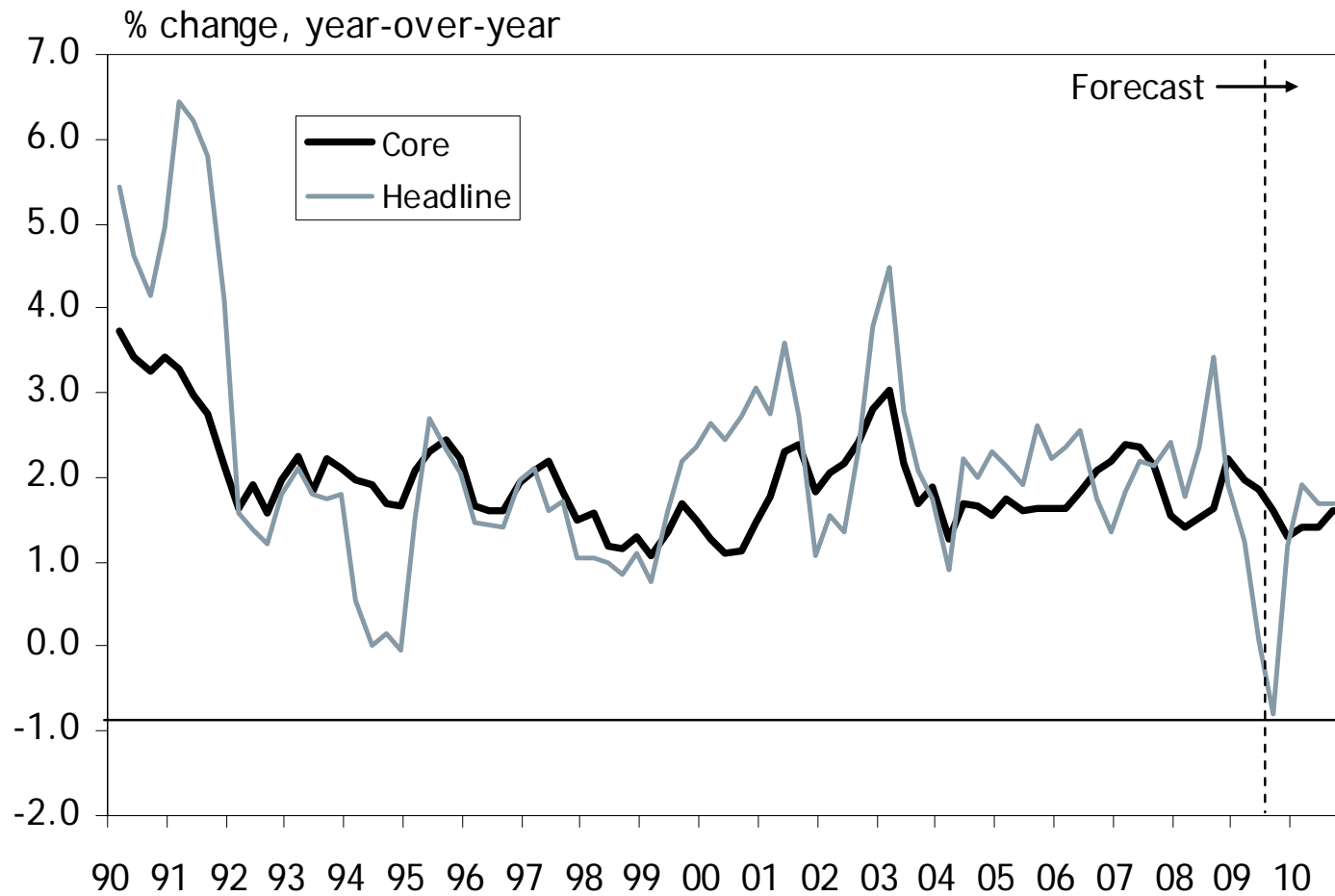


Source: Statistics Canada, RBC Economics Research



Inflation's path will be bumpy

Canadian inflation

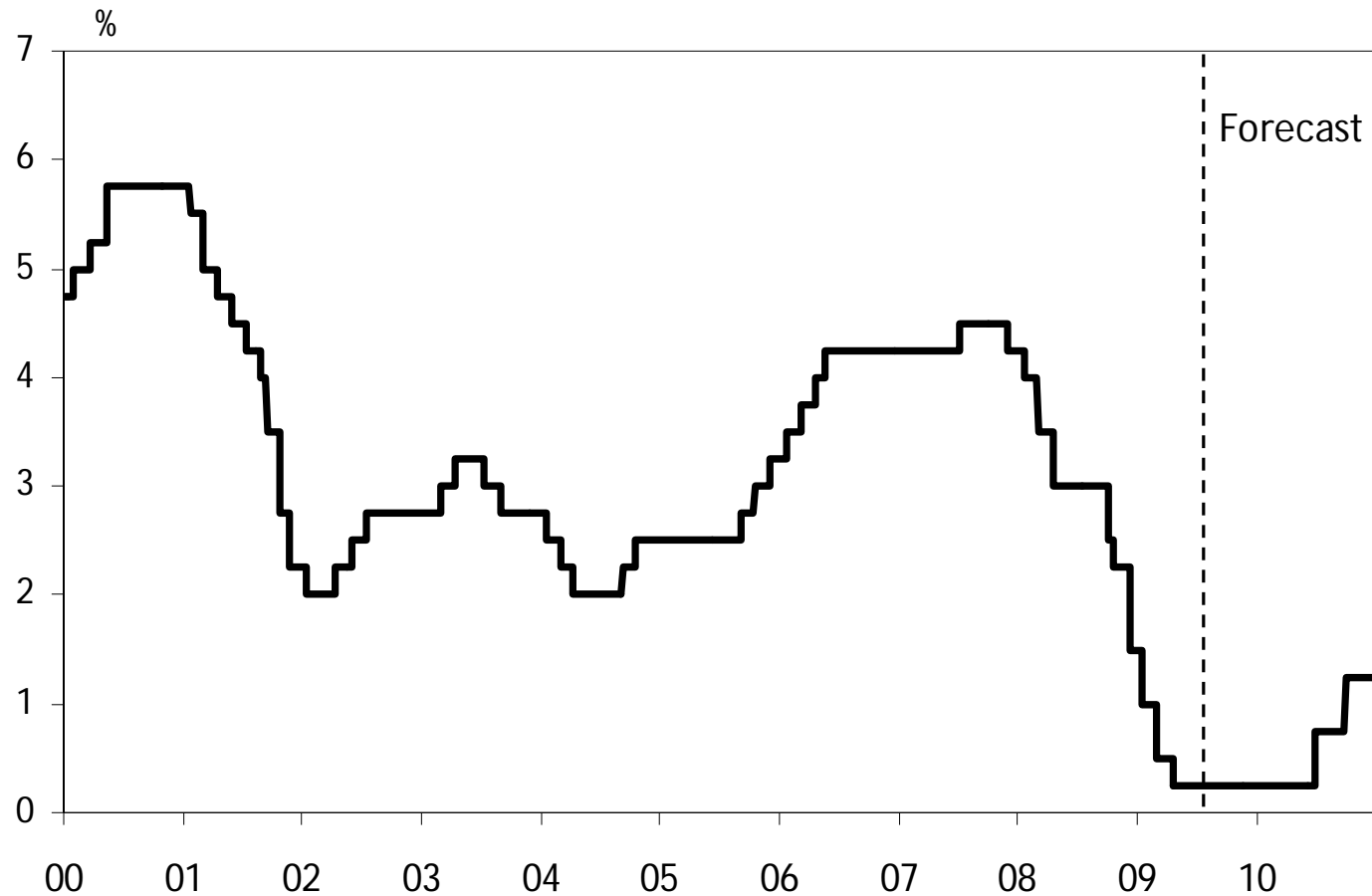


Source: Statistics Canada, RBC Economics Research



Easy policy stance maintained

Bank of Canada overnight rate

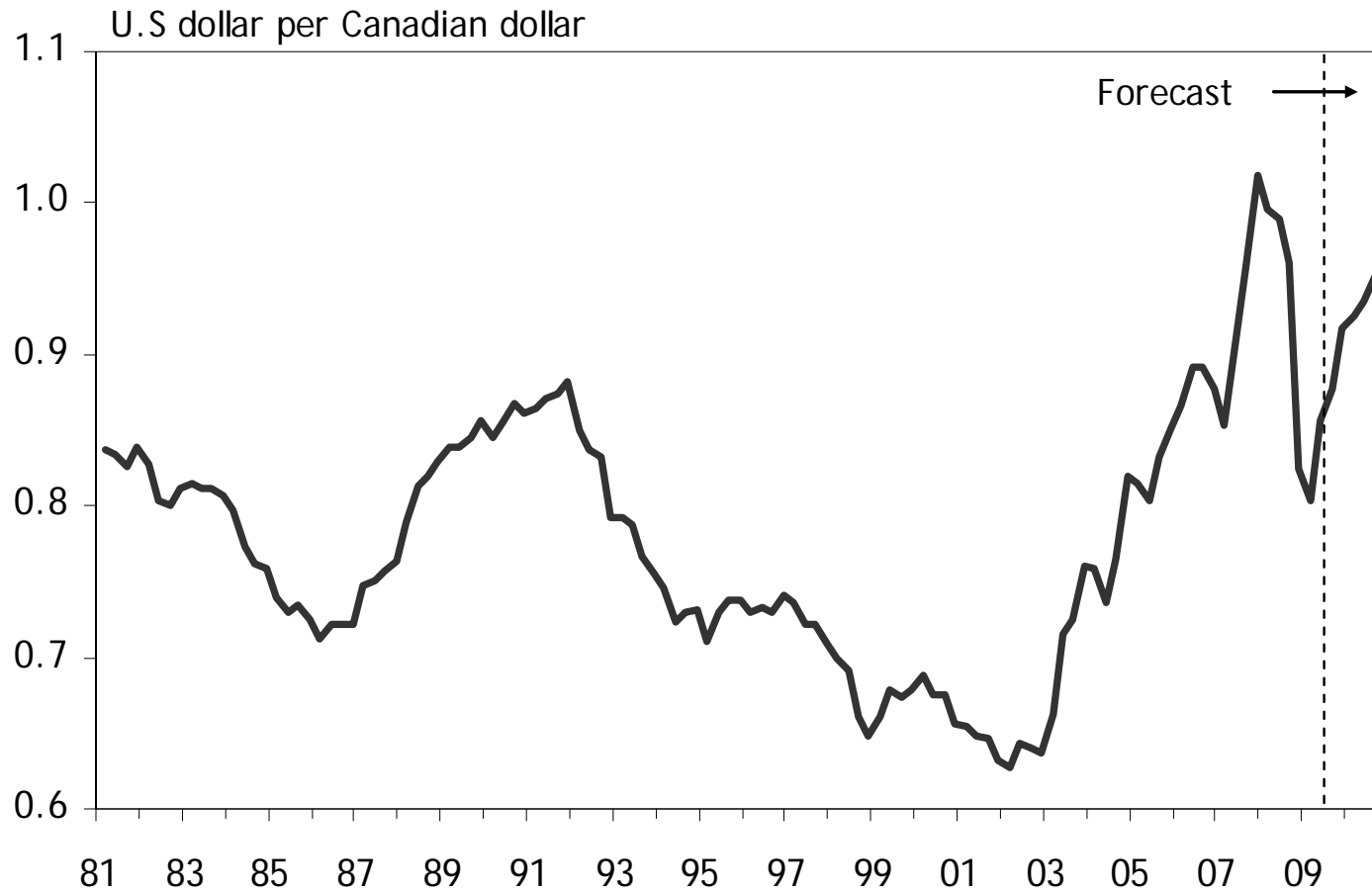


Source: Bank of Canada, RBC Economics Research



C\$ rallies as risk appetite/commodity prices pick up

Canadian dollar forecast



Source: Bank of Canada, RBC Economics Research

