RBC Economics

ECONOMIC FORECAST DETAIL — CANADA

March 2026

Real growth in the economy (Quarter-over-quarter annualized % change unless otherwise indicated)

	2025				2026				2027				2025F	2026F	2027F
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4			
Real gross domestic product	**2.1**	**-0.9**	**2.4**	**-0.6**	**1.3**	**1.7**	**1.8**	**1.5**	**1.3**	**1.3**	**1.5**	**1.7**	**1.7**	**1.1**	**1.5**
Household consumption	**1.2**	**4.7**	**-0.8**	**1.7**	**1.2**	**1.5**	**1.5**	**1.7**	**1.5**	**1.5**	**1.6**	**1.6**	**2.3**	**1.4**	**1.6**
Durables	-5.1	7.1	-3.7	-2.8	1.0	1.2	1.5	2.0	2.3	2.6	2.9	3.2	1.6	0.2	2.3
Semidurables	11.2	2.6	3.7	1.7	1.0	1.5	0.6	1.0	1.1	1.2	1.0	1.1	6.8	1.6	1.0
Nondurables	4.8	0.4	-1.9	-0.5	1.3	1.8	0.6	1.0	0.8	0.8	0.7	0.7	2.0	0.5	-1.4
Services	0.1	6.2	-0.3	3.6	1.3	1.5	2.0	2.0	1.7	1.7	1.7	1.6	2.1	2.0	0.3
Government Spending	**1.4**	**4.5**	**-2.7**	**3.1**	**2.5**	**3.0**	**3.0**	**3.0**	**2.5**	**2.1**	**0.5**	**0.5**	**2.4**	**2.2**	**2.2**
Government fixed investment	**-1.5**	**9.2**	**16.5**	**20.4**	**5.0**	**6.0**	**5.0**	**6.0**	**1.5**	**1.0**	**1.2**	**1.0**	**6.7**	**9.6**	**2.9**
Business Fixed Investment	**-5.0**	**-0.5**	**-0.9**	**-0.2**	**-2.2**	**2.6**	**3.3**	**3.4**	**3.4**	**3.7**	**3.7**	**3.8**	**0.3**	**0.4**	**3.5**
Residential	-11.1	2.0	5.0	-4.4	-9.0	4.0	4.0	4.2	4.2	4.3	4.3	4.4	1.0	-1.0	4.2
Nonresidential	-0.6	-2.4	-5.3	2.0	2.9	0.9	2.5	2.5	2.1	2.6	2.2	2.2	-0.3	0.9	2.3
Structures	-2.5	9.3	-0.9	-3.2	1.8	1.6	1.7	1.7	1.7	1.6	1.6	1.6	1.6	0.9	1.6
M&E	2.7	-19.4	-12.8	12.3	5.0	-0.2	4.0	4.0	3.0	4.2	3.3	3.3	-3.5	1.0	3.4
Intellectual property	-1.0	-1.4	-2.6	4.9	1.5	4.0	4.1	4.2	5.5	6.3	7.1	8.0	0.3	2.4	5.5
Final domestic demand	**-0.1**	**3.8**	**-0.5**	**2.4**	**1.1**	**2.2**	**2.3**	**2.5**	**2.1**	**2.0**	**1.7**	**1.7**	**2.1**	**1.7**	**2.1**
Exports	**4.0**	**-23.6**	**3.8**	**6.1**	**4.0**	**1.2**	**1.8**	**1.8**	**1.9**	**2.1**	**2.2**	**3.0**	**-1.7**	**1.4**	**2.0**
Imports	**4.0**	**0.4**	**-11.0**	**1.0**	**7.0**	**3.5**	**4.2**	**5.0**	**4.8**	**4.9**	**4.5**	**4.2**	**-0.4**	**1.9**	**4.6**
Inventories (change in $b)	**0.7**	**25.6**	**13.4**	**-10.1**	**-3.0**	**-1.7**	**-0.2**	**0.2**	**1.2**	**2.0**	**5.5**	**7.6**	**7.4**	**-1.2**	**4.1**
Labour market indicators															
Unemployment rate (%)	6.7	6.9	7.0	6.8	6.6	6.5	6.4	6.3	6.2	6.0	5.9	5.8	6.9	6.5	6.0
Policy rate and government bond yields															
Overnight rate	2.75	2.75	2.50	2.25	2.25	2.25	2.25	2.25	2.50	2.75	3.00	3.25	2.25	2.25	3.25
Two-year	2.47	2.59	2.47	2.59	2.65	2.70	2.80	2.90	3.00	3.10	3.20	3.35	2.59	2.90	3.35
10-year	2.97	3.27	3.19	3.44	3.40	3.35	3.30	3.30	3.35	3.40	3.45	3.50	3.44	3.3	3.5
Inflation															
Headline CPI (y/y%)	2.3	1.8	2.0	2.2	2.3	2.8	2.4	2.2	2.0	1.8	1.9	2.0	2.1	2.4	1.9
CPI ex-food & energy (y/y%)	2.5	2.6	2.5	2.5	2.3	2.2	2.2	2.1	2.2	2.1	2.1	2.1	2.5	2.2	2.1
Other															
Housing starts (000s)	224	282	273	255	250	234	221	216	208	200	198	198	258	230	201
Motor vehicle sales (mill,saar)	1.96	2.00	1.96	1.91	1.91	1.92	1.92	1.93	1.94	1.96	1.97	1.99	1.96	1.92	1.96
Productivity	2.0	0.8	1.2	0.3	0.5	1.6	1.0	1.5	1.5	1.3	1.2	1.1	1.06	1.15	1.27
Pre-tax corporate profits	11.1	2.3	6.2	3.4	8.7	13.3	8.1	6.7	-0.3	0.6	1.7	2.7	5.66	9.16	1.17
Current account balance ($B)	-13.6	-84.1	-21.1	-2.8	19.9	7.6	-1.7	-9.9	-20.4	-29.7	-33.4	-32.5	-30.4	4.0	-29.0

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