

Canadian, US and Financial market forecast tables

December 2024

Economic forecast detail — Canada

Real growth in the economy

Quarter-over-quarter annualized % change unless otherwise indicated

	2023				2024				Forecast				Forecast		
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	2023	2024F	2025F
Household Consumption	3.8	0.8	0.9	1.3	3.1	0.9	3.5	2.6	0.9	1.0	1.2	1.2	1.8	2.0	1.6
Durables	12.4	-1.6	7.5	12.3	-1.1	-8.7	11.8	4.0	0.2	0.2	1.5	1.7	2.8	2.6	1.9
Semi-Durables	12.2	0.3	-14.0	-0.2	9.4	2.0	1.6	3.0	0.1	0.2	0.0	0.0	1.2	1.1	0.9
Non-durables	-0.5	2.6	-2.0	-0.7	-0.9	3.3	1.1	2.0	0.2	0.3	0.0	0.0	-0.5	0.4	0.8
Services	2.8	0.6	2.7	-0.1	5.2	2.2	2.9	2.5	1.4	1.5	1.8	1.7	2.7	2.6	1.9
NPISH consumption	7.1	4.4	0.9	2.2	3.4	1.1	1.2	2.6	0.9	1.0	1.2	1.2	1.8	2.1	1.3
Government G&S spending	0.2	1.1	5.6	-2.0	3.7	3.8	4.5	1.8	2.0	1.5	2.0	2.0	2.2	2.7	2.3
Government fixed investment	19.2	-0.9	3.7	6.6	0.5	9.1	6.5	2.0	1.5	1.0	2.0	2.1	4.8	4.4	2.7
Residential investment	-12.1	0.6	11.4	-3.6	-5.8	-7.4	3.0	4.5	3.0	3.1	4.2	4.0	-8.5	-1.6	2.8
Non-residential investment	5.0	17.1	-16.2	-11.9	2.3	14.1	-11.3	-4.2	-0.3	0.8	1.0	1.3	1.0	-2.3	-1.2
Non-residential structures	4.4	11.9	-13.4	-15.4	4.4	8.6	0.2	1.2	1.3	1.3	1.4	1.4	3.2	-1.5	1.6
Machinery & equipment	6.1	26.5	-20.8	-5.9	-0.9	23.4	-27.7	-13.1	-3.0	0.0	0.2	1.0	-2.7	-3.7	-6.0
Intellectual property	12.5	-6.2	0.0	-4.2	4.3	1.5	5.9	2.2	2.8	3.2	3.6	3.0	4.0	1.0	3.1
Final domestic demand	2.5	2.0	1.0	-0.9	2.4	2.3	2.4	1.9	1.3	1.3	1.7	1.7	1.1	1.5	1.7
Exports	12.9	1.3	-3.5	9.3	1.5	-5.4	-1.1	2.5	2.0	2.5	0.4	0.8	5.0	0.7	1.0
Imports	-2.6	7.0	1.3	2.0	-1.7	-0.8	-0.4	1.4	1.0	1.5	2.0	1.8	0.3	0.4	1.1
Inventories (change in \$b)	23.2	26.5	27.2	25.1	15.0	24.9	17.3	9.6	6.7	4.5	4.3	3.7	25.5	16.7	4.8
Real gross domestic product	3.9	0.8	-0.6	0.7	2.0	2.2	1.0	1.0	1.1	1.2	1.1	1.2	1.5	1.2	1.2

Other indicators

Year-over-year % change unless otherwise indicated

Business and labour

Productivity	-1.7	-1.6	-1.7	-0.6	-0.5	-0.4	-0.4	-1.0	-0.6	-0.5	-0.2	0.0	-1.4	-0.6	-0.3
Pre-tax corporate profits	-11.6	-26.3	-15.8	-3.5	-7.7	1.7	-6.4	-10.5	-1.1	-3.2	0.2	1.2	-14.8	-5.9	-0.8
Unemployment rate (%)*	5.1	5.3	5.5	5.8	5.9	6.2	6.5	6.7	6.9	7.0	7.0	6.9	5.4	6.3	7.0
Inflation															
Headline CPI	5.1	3.5	3.7	3.2	2.8	2.7	2.0	1.9	2.1	1.7	1.6	1.5	3.9	2.4	1.7
CPI ex. food and energy	4.8	4.0	3.4	3.4	2.9	2.8	2.5	2.1	2.1	1.8	1.8	1.6	3.9	2.6	1.8
External trade															
Current account balance (\$b)*	-15.6	-23.7	-32.0	-2.2	-5.9	-18.8	-12.9	-12.0	-15.1	-13.1	-17.7	-18.3	-18.4	-12.4	-16.0
% of GDP*	-0.5	-0.8	-1.1	-0.1	-0.2	-0.6	-0.4	-0.4	-0.5	-0.4	-0.6	-0.6	-0.6	-0.4	-0.5
Housing starts (000s)*	221	246	256	244	245	250	237	251	243	241	237	242	240	246	241
Motor vehicle sales (mill., saar)*	1.66	1.74	1.77	1.87	1.92	1.85	1.90	1.91	1.92	1.92	1.92	1.93	1.76	1.89	1.92

*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

	2023				2024			Forecast					Forecast		
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	2023	2024F	2025F
Consumer spending	4.9	1.0	2.6	3.5	1.9	2.8	3.5	2.7	1.0	1.1	1.6	1.6	2.5	2.7	1.9
Durables	17.1	-0.3	4.2	2.8	-1.7	5.4	7.6	2.9	1.5	1.6	1.7	1.6	3.9	2.7	2.8
Non-durables	2.5	-0.4	3.1	3.6	-0.8	1.7	4.5	2.5	1.0	1.1	1.6	1.7	0.8	1.9	1.9
Services	3.8	1.6	2.1	3.5	3.4	2.7	2.6	2.8	0.9	1.0	1.6	1.5	2.9	2.9	1.7
Government spending	5.1	2.9	5.7	3.6	1.8	3.0	5.0	5.0	1.8	1.5	1.1	2.0	3.9	3.5	2.7
Residential investment	-4.3	4.5	7.7	2.6	13.7	-2.8	-5.0	0.4	2.0	3.1	3.1	3.2	-8.3	3.8	0.9
Non-residential investment	5.3	9.9	1.1	3.8	4.5	3.9	3.8	0.2	2.0	2.8	2.7	3.0	6.0	3.8	2.3
Non-residential structures	14.9	16.4	1.8	6.5	6.2	0.2	-4.7	-2.0	2.0	2.0	3.2	3.0	10.8	3.2	0.5
Equipment & software	0.9	12.5	-1.0	0.7	0.3	9.9	10.6	0.2	2.0	1.0	2.0	4.2	3.5	3.9	3.1
Intellectual property	4.5	3.9	2.8	5.2	7.5	0.7	2.5	1.5	2.0	4.8	3.0	4.0	5.8	4.0	2.7
Final domestic demand	4.6	2.6	3.1	3.5	2.7	2.8	3.5	2.8	1.3	1.5	1.7	2.0	2.7	3.0	2.1
Exports	2.0	-4.8	4.9	6.2	1.9	1.0	7.5	-2.0	2.0	3.0	1.5	1.3	2.8	2.9	1.9
Imports	-0.8	-3.1	4.7	4.2	6.1	7.6	10.2	-3.2	2.5	1.0	1.3	1.5	-1.2	5.1	2.1
Inventories (change in \$b)	20.6	-0.2	67.2	44.6	17.7	71.7	64.1	50.0	35.0	26.0	30.0	30.0	33.1	50.9	30.3
Real gross domestic product	2.8	2.5	4.4	3.2	1.6	3.0	2.8	2.8	1.0	1.5	1.8	2.0	2.9	2.8	1.9

Other indicators

Year-over-year % change unless otherwise indicated

Business and labour															
Productivity	0.1	1.7	2.7	2.7	2.9	2.5	2.0	1.6	1.4	1.1	1.0	0.9	1.8	2.2	1.1
Pre-tax corporate profits	8.7	3.8	4.8	10.5	8.2	10.8	6.1	2.8	4.7	1.6	2.5	2.1	6.9	6.9	2.7
Unemployment rate (%)*	3.5	3.6	3.7	3.7	3.8	4.0	4.2	4.2	4.3	4.4	4.4	4.4	3.6	4.1	4.4
Inflation															
Headline CPI	5.8	4.0	3.5	3.2	3.2	3.2	2.6	2.6	2.1	1.9	2.3	2.1	4.1	2.9	2.1
CPI ex. food and energy	5.6	5.2	4.4	4.0	3.8	3.4	3.2	3.2	2.7	2.5	2.5	2.2	4.8	3.4	2.5
External trade															
Current account balance (\$b)*	-921.3	-930.4	-882.6	-887.1	-963.9	-1067.1	-1114.0	-1097.2	-1105.0	-1093.8	-1096.1	-1103.6	-905.4	-1060.6	-1099.7
% of GDP*	-3.4	-3.4	-3.2	-3.2	-3.4	-3.7	-3.8	-3.7	-3.7	-3.6	-3.6	-3.6	-3.3	-3.6	-3.6
Housing starts (000s)*	1369	1455	1380	1481	1407	1340	1331	1410	1421	1433	1446	1458	1421	1372	1440
Motor vehicle sales (millions, saar)*	15.1	15.7	15.6	15.6	15.5	15.7	15.6	16.1	14.2	14.4	14.7	14.9	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

								Forecast					Forecast		
	23Q1	23Q2	23Q3	23Q4	24Q1	24Q2	24Q3	24Q4	25Q1	25Q2	25Q3	25Q4	2023	2024F	2025F
Canada															
Overnight	4.50	4.75	5.00	5.00	5.00	4.75	4.25	3.25	2.75	2.25	2.00	2.00	5.00	3.25	2.00
Three-month	4.34	4.90	5.07	5.04	4.99	4.64	3.94	3.05	2.55	2.20	2.00	2.00	5.04	3.05	2.00
Two-year	3.74	4.58	4.87	3.88	4.22	3.99	2.92	2.90	2.60	2.30	2.20	2.10	3.88	2.90	2.10
Five-year	3.02	3.68	4.25	3.17	3.58	3.51	2.74	2.85	2.75	2.65	2.55	2.45	3.17	2.85	2.45
10-year	2.90	3.26	4.03	3.10	3.52	3.50	2.95	3.00	2.95	2.90	2.80	2.80	3.10	3.00	2.80
30-year	3.02	3.09	3.81	3.02	3.41	3.39	3.13	3.15	3.05	3.00	3.00	3.00	3.02	3.15	3.00
Yield curve (10s-2s)	-84	-132	-84	-78	-70	-49	3	10	35	60	60	70	-78	10	70.00
United States															
Fed funds*	4.88	5.13	5.38	5.38	5.38	5.38	4.88	4.38	4.13	4.13	4.13	4.13	5.38	4.38	4.13
Three-month	4.85	5.43	5.55	5.40	5.45	5.48	4.73	4.20	4.03	4.08	4.13	4.22	5.40	4.20	4.22
Two-year	4.06	4.87	5.03	4.23	4.66	4.71	3.66	4.20	4.40	4.50	4.70	4.85	4.23	4.20	4.85
Five-year	3.60	4.13	4.60	3.84	4.28	4.33	3.58	4.10	4.30	4.40	4.55	4.65	3.84	4.10	4.65
10-year	3.48	3.81	4.59	3.88	4.27	4.36	3.81	4.25	4.40	4.45	4.55	4.60	3.88	4.25	4.60
30-year	3.67	3.85	4.73	4.03	4.41	4.51	4.14	4.45	4.55	4.60	4.70	4.75	4.03	4.45	4.75
Yield curve (10s-2s)	-58	-106	-44	-35	-39	-35	15	5	0	-5	-15	-25	-35	5	-25
Yield spreads															
Three-month T-bills	-0.51	-0.53	-0.48	-0.36	-0.46	-0.84	-0.80	-1.15	-1.48	-1.88	-2.13	-2.22	-0.36	-1.15	-2.22
Two-year	-0.32	-0.29	-0.16	-0.35	-0.44	-0.72	-0.74	-1.30	-1.80	-2.20	-2.50	-2.75	-0.35	-1.30	-2.75
Five-year	-0.58	-0.45	-0.35	-0.67	-0.70	-0.82	-0.85	-1.25	-1.55	-1.75	-2.00	-2.20	-0.67	-1.25	-2.20
10-year	-0.58	-0.55	-0.56	-0.78	-0.75	-0.86	-0.87	-1.25	-1.45	-1.55	-1.75	-1.80	-0.78	-1.25	-1.80
30-year	-0.65	-0.76	-0.92	-1.01	-0.99	-1.12	-1.02	-1.30	-1.50	-1.60	-1.70	-1.75	-1.01	-1.30	-1.75

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

Interest rates—International

%, end of period

								Forecast					Forecast		
	23Q1	23Q2	23Q3	23Q4	24Q1	24Q2	24Q3	24Q4	25Q1	25Q2	25Q3	25Q4	2023	2024F	2025F
United Kingdom															
Bank Rate	4.25	5.00	5.25	5.25	5.25	5.25	5.00	4.75	4.50	4.25	4.00	3.75	5.25	4.75	3.75
Two-year	3.42	5.27	4.91	3.98	4.17	4.23	3.97	4.00	4.25	4.35	4.50	4.55	3.98	4.00	4.55
Five-year	3.33	4.66	4.53	3.46	3.84	4.03	3.85	3.90	4.20	4.35	4.50	4.60	3.46	3.90	4.60
10-year	3.47	4.39	4.46	3.54	3.95	4.17	4.00	4.10	4.40	4.60	4.70	4.75	3.54	4.10	4.75
30-year	3.82	4.42	4.92	4.14	4.49	4.67	4.54	4.70	4.85	4.95	5.00	5.00	4.14	4.70	5.00
Euro Area															
Deposit rate	3.00	3.50	4.00	4.00	4.00	3.75	3.50	3.00	2.50	2.25	2.25	2.25	4.00	3.00	2.25
Two-year	2.66	3.27	3.20	2.40	2.83	2.82	2.09	2.00	2.10	2.15	2.15	2.15	2.40	2.00	2.15
Five-year	2.30	2.58	2.79	1.94	2.32	2.48	1.97	1.85	1.95	2.10	2.15	2.25	1.94	1.85	2.25
10-year	2.28	2.39	2.85	2.03	2.29	2.50	2.14	2.00	2.10	2.20	2.30	2.40	2.03	2.00	2.40
30-year	2.35	2.38	3.05	2.27	2.46	2.69	2.46	2.35	2.40	2.50	2.60	2.70	2.27	2.35	2.70
Australia															
Cash target rate	3.60	4.10	4.10	4.35	4.35	4.35	4.35	4.35	4.35	4.10	3.85	3.85	4.35	4.35	3.85
Two-year	2.96	4.21	4.09	3.71	3.76	4.17	3.64	4.00	4.10	4.15	4.20	4.25	3.71	4.00	4.25
10-year	3.30	4.02	4.49	3.95	3.97	4.31	3.97	4.45	4.50	4.45	4.45	4.50	3.95	4.45	4.50
New Zealand															
Cash target rate	4.75	5.50	5.50	5.50	5.50	5.50	5.25	4.25	4.00	3.50	3.50	3.50	5.50	4.25	3.50
Two-year	5.01	5.46	5.69	4.63	4.78	4.95	3.56	3.80	3.75	3.50	3.60	3.75	4.63	3.80	3.75
10-year	4.27	4.46	5.13	4.12	4.35	4.48	3.87	4.15	4.30	4.40	4.55	4.60	4.12	4.15	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	2023	2024F	2025F
Canada*	3.9	0.8	-0.6	0.7	2.0	2.2	1.0	1.0	1.1	1.2	1.1	1.2	1.5	1.2	1.2
United States*	2.8	2.5	4.4	3.2	1.6	3.0	2.8	2.8	1.0	1.5	1.8	2.0	2.9	2.8	1.9
United Kingdom	0.1	0.0	-0.1	-0.3	0.7	0.5	0.1	0.2	0.3	0.4	0.4	0.4	0.3	0.9	1.4
Euro Area	0.0	0.1	0.0	0.0	0.3	0.2	0.4	0.1	0.2	0.3	0.3	0.3	0.5	0.7	1.0
Australia	0.5	0.3	0.5	0.2	0.2	0.2	0.3	0.5	0.7	0.6	0.7	0.7	2.1	1.0	2.3

*Seasonally adjusted annualized rates

Inflation outlook

% change, year-over-year

	23Q1	23Q2	23Q3	23Q4	24Q1	24Q2	24Q3	24Q4	25Q1	25Q2	25Q3	25Q4	2023	2024F	2025F
Canada	5.1	3.5	3.7	3.2	2.8	2.7	2.0	1.9	2.1	1.7	1.6	1.5	3.9	2.4	1.7
United States	5.8	4.0	3.5	3.2	3.2	3.2	2.6	2.6	2.1	1.9	2.3	2.1	4.1	2.9	2.1
United Kingdom	10.2	8.4	6.7	4.2	3.5	2.1	2.1	2.6	2.6	2.4	2.5	2.3	7.3	2.6	2.6
Euro Area	8.0	6.2	5.0	2.7	2.6	2.5	2.2	2.4	2.2	2.2	2.2	2.1	5.4	2.4	2.4
Australia	7.0	6.0	5.4	4.1	3.6	3.8	2.8	2.9	2.8	2.5	3.0	3.0	5.6	3.3	2.8

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	0.67	0.69	0.66	0.65	0.64	0.64	0.66	0.68	0.66	0.66
USD/CAD	1.35	1.32	1.35	1.32	1.35	1.37	1.35	1.40	1.42	1.43	1.42	1.41	1.32	1.40	1.41
EUR/USD	1.09	1.09	1.06	1.11	1.08	1.07	1.11	1.06	1.02	1.02	1.03	1.05	1.11	1.06	1.05
USD/JPY	133	144	149	141	151	161	143	155	160	158	155	150	141	155	160
USD/CHF	0.92	0.90	0.92	0.84	0.90	0.90	0.85	0.89	0.91	0.92	0.92	0.91	0.84	0.89	0.91
GBP/USD	1.24	1.27	1.22	1.27	1.26	1.26	1.34	1.29	1.28	1.24	1.23	1.24	1.27	1.29	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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