

# GET READY FOR 2018

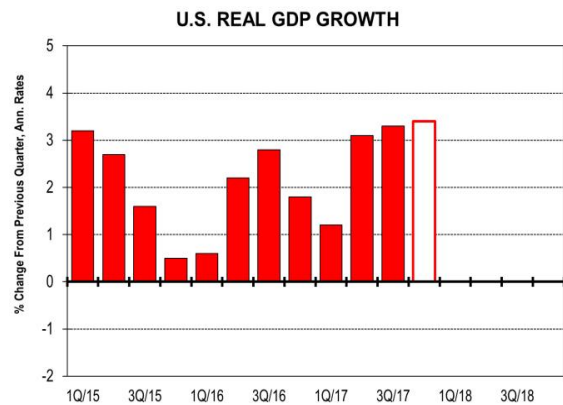
Dr. Peter Andersen, December 6, 2017

## The Business Cycle

- Historical record starts in 1854
- Interest rates, inflation, the Canadian dollar, business conditions
- Possible surprises (oil, housing, wage costs)

## UNITED STATES

- Real growth almost 3.0% next year
- Tax cuts give upside possibility
- More competitive business tax system
- Consumer spending sustained
- Business investment/housing drivers
- modest increase in wage inflation
- CPI inflation below target
- Commodity & materials reflation
- Yield curve will not invert



## CANADA

- The G-7 2017 growth leader
- 2018 growth still above speed limit
- No negative NAFTA impact expected
- Tax competitiveness an issue
- Next BOC rate increase in April
- Stronger world growth good news
- Exports will finally show a recovery
- Turnaround coming in energy
- Job market/capacity pressure
- Shift to full-time jobs from part-time
- Hiring intentions positive
- Commodity prices/rates boost CAD



## GLOBAL

- Synchronized acceleration.
- World strongest since 2011
- Japan is turning the corner
- Copper hit a new 3-year high
- Brent crude highest since 2015

