

# Quarterly Economic Forecast

## Here Comes The Boom

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This quarter's economic forecast update reflects a common theme of an upgraded outlook. Persistent fiscal supports and a faster rollout of vaccine campaigns are reinvigorating business activity alongside a consumer that is ready and able to spend. There's also no side-stepping another common theme – accelerated inflation. Price growth is expected to remain elevated for the remainder of this year and into next as supply dislocations take longer to resolve relative to the sudden pop in demand. This publication focuses on the numbers, but if you'd like a deeper dive into underlying issues please see our [Quarterly Economic Briefing](#) published June 3. For more on our financial outlook, please see our most recent [Dollars & Sense](#), published on June 9.

### Global

- The outlook for the near-term is getting brighter. The post-holiday surge in COVID-19 cases has subsided and most countries are easing restrictions. Widespread vaccine distribution combined with additional policy support within some advanced economies (AEs) will continue to support economic momentum in the second half of this year.
- Relative to our March forecast, we have marginally revised up global growth to 6.2% (6.0% previously) in 2021, with little change to the 2022 outlook of 4.7% growth.
- The upward revision is powered by advanced economies, led by the U.S. Across the Atlantic, the UK's successful vaccination program has allowed it to reopen faster than most AEs. The Eurozone's slow start to vaccinations has proved temporary. An accelerating rollout should result in a peak in economic growth in the third quarter as reopen strategies broaden and cross-border travel becomes easier. Meanwhile, some of the non-major EMs are benefiting from relatively little restrictions, rising commodity prices, recovering global trade and accelerated vaccinations thanks to the COVAX facility. On the other side of the ledger, growth in some of the major EMs – such as China and India – has been revised down.

### United States

- The U.S. economy has raced ahead faster than we expected in March, resulting in a sizeable upgrade to GDP growth this year to 6.9%, from 5.7% in our March forecast. Part of this upgrade reflects the incorporation of additional pandemic-

relief government measures, and also the lifting of business restrictions roughly one-quarter ahead of our prior expectations. This has positioned the consumer as the main source of outperformance so far in 2021.

- Looking ahead to 2022, more fiscal measures are likely to come down the pipeline. The Biden administration is determined to enact a material infrastructure package, leading us to include \$800 billion in spending over the next ten years in the forecast. The amount is likely to fluctuate as Congress continues to hammer out a deal, but we suspect this amount helps mitigate a baseline forecast with lopsided risks. Other measures in the American Jobs and Family plans have not yet been incorporated, due to less line of sight on timing and scope.
- The combination of stronger growth and more government spending corresponds with lower unemployment and faster inflation in the forecast. The surge in demand in recent months has come faster than supply can adjust in many sectors, leading to hefty price hikes for many goods and services. While many of these dislocations will ultimately ease, it will take time. However, even as this occurs, we still expect inflation pressures to hold above the 2% threshold because the economy will be firmly in excess demand. This has motivated our call for a gradual rate hike cycle to get underway by the end of next year.

## Canada

- We have revised up the Canadian GDP forecast slightly to 6.1% (from 6.0% previously) in 2021, and to 4.4% (from 3.9%) in 2022.
- Despite the third wave of the pandemic weighing on activity in the second quarter, the economy was more resilient in earlier months of the year. The reopening of provincial economies is now well underway and will accelerate the recovery in spending and employment in the latter half of the year.
- Fiscal stimulus introduced in the spring federal and provincial budgets is also now captured within the forecast and offers another source of economic lift over the next two years. This is primarily reflected in higher household and government expenditures.
- Lastly, stronger growth south of the border will lead to healthier gains in Canadian exports through the second half of this year and in 2022.
- As the Canadian economy re-opens, Canada will not likely escape the inflationary pressures that are already evident south of the border. We expect a parallel theme to unfold, with price pressures from temporary demand-supply mismatches giving way to more fundamental demand drivers in 2022. This should position the Bank of Canada to raise interest rates towards the end of that year.

## Financial

- With an upgraded economic outlook pushing the unemployment rate below 4% and core inflation still running around 2.5%, we expect the Federal Reserve to begin lifting the federal funds rate in the final quarter of 2022.
- As we move closer to the first rate hike, market pricing should adjust, lifting government bond yields. The forecast reflects a US Treasury 10-year yield reaching 2% by the end of 2021.
- The Bank of Canada (BoC) is in a similar position, but it has been more willing to preemptively adjust policy. We forecast that the BoC will continue to reduce its weekly asset purchase program in the coming months and start to raise its policy rate in the final quarter of 2022.
- Upside for major currencies against the U.S. dollar is relatively limited. While the euro and the pound are trading below long-term fair value and have some room for appreciation, commodity-producing currencies, such as the Canadian, Australian and New Zealand dollars, have pushed above fair value compared to the USD. Any further advance of these currencies would require another leg up in commodity prices, which we do not anticipate.

Interest Rate Outlook												
Interest Rates	2020				2021				2022			
	Q1	Q2	Q3	Q4	Q1	Q2F	Q3F	Q4F	Q1F	Q2F	Q3F	Q4F
<b>Canada</b>												
Overnight Target Rate	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.50
3-mth T-Bill Rate	0.21	0.20	0.12	0.06	0.09	0.11	0.13	0.15	0.18	0.20	0.35	0.63
2-yr Govt. Bond Yield	0.42	0.28	0.25	0.20	0.22	0.35	0.50	0.70	0.90	1.10	1.30	1.45
5-yr Govt. Bond Yield	0.60	0.36	0.36	0.39	0.99	0.90	1.15	1.35	1.55	1.70	1.80	1.90
10-yr Govt. Bond Yield	0.71	0.52	0.57	0.67	1.55	1.45	1.80	2.00	2.15	2.25	2.25	2.25
30-yr Govt. Bond Yield	1.30	0.99	1.11	1.21	1.98	2.05	2.30	2.45	2.55	2.55	2.55	2.55
10-yr-2-yr Govt Spread	0.29	0.24	0.32	0.47	1.33	1.10	1.30	1.30	1.25	1.15	0.95	0.80
<b>U.S.</b>												
Fed Funds Target Rate	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.50
3-mth T-Bill Rate	0.11	0.16	0.10	0.09	0.03	0.05	0.10	0.10	0.10	0.10	0.25	0.50
2-yr Govt. Bond Yield	0.23	0.16	0.13	0.13	0.16	0.18	0.40	0.60	0.80	1.00	1.20	1.40
5-yr Govt. Bond Yield	0.37	0.29	0.28	0.36	0.92	0.85	1.15	1.40	1.60	1.75	1.85	2.00
10-yr Govt. Bond Yield	0.70	0.66	0.69	0.93	1.74	1.55	1.90	2.00	2.10	2.20	2.30	2.40
30-yr Govt. Bond Yield	1.35	1.41	1.46	1.65	2.41	2.25	2.45	2.55	2.60	2.65	2.70	2.75
10-yr-2-yr Govt Spread	0.47	0.50	0.56	0.80	1.58	1.37	1.50	1.40	1.30	1.20	1.10	1.00
<b>Canada-U.S. Spreads</b>												
Can - U.S. T-Bill Spread	0.10	0.04	0.02	-0.03	0.06	0.06	0.03	0.05	0.08	0.10	0.10	0.13
Can - U.S. 10-Year Bond Spread	0.01	-0.14	-0.12	-0.26	-0.19	-0.10	-0.10	0.00	0.05	0.05	-0.05	-0.15

F: Forecast by TD Economics as at June 2021. All forecasts are end-of-period.  
Source: Bloomberg, Bank of Canada, Federal Reserve, TD Economics.

Foreign Exchange Outlook													
Currency	Exchange rate	2020				2021				2022			
		Q1	Q2	Q3	Q4	Q1	Q2F	Q3F	Q4F	Q1F	Q2F	Q3F	Q4F
<b>Exchange rate to U.S. dollar</b>													
Euro	USD per EUR	1.10	1.12	1.17	1.22	1.17	1.21	1.22	1.23	1.24	1.25	1.26	1.26
UK pound	USD per GBP	1.25	1.24	1.29	1.37	1.38	1.41	1.41	1.40	1.40	1.40	1.40	1.40
Japanese yen	JPY per USD	108	108	106	103	111	109	106	104	102	102	101	101
Chinese renminbi	CNY per USD	7.08	7.07	6.79	6.53	6.55	6.40	6.45	6.50	6.55	6.60	6.65	6.70
<b>Exchange rate to Canadian dollar</b>													
U.S. dollar	USD per CAD	0.71	0.74	0.75	0.78	0.80	0.83	0.83	0.83	0.82	0.81	0.81	0.80
Euro	CAD per EUR	1.56	1.53	1.56	1.56	1.48	1.46	1.46	1.49	1.51	1.54	1.56	1.58
UK pound	CAD per GBP	1.76	1.68	1.72	1.74	1.73	1.71	1.69	1.69	1.71	1.72	1.74	1.75
Japanese yen	JPY per CAD	76.1	79.2	79.2	80.9	88.0	90.1	88.3	86.0	83.9	82.8	81.8	80.7
Chinese renminbi	CNY per CAD	5.01	5.20	5.10	5.12	5.21	5.29	5.37	5.37	5.37	5.37	5.36	5.36

F: Forecast by TD Economics as at June 2021. All forecasts are end-of-period.  
Source: Bloomberg, Bank of Canada, Federal Reserve, TD Economics.

Commodity Price Outlook												
Commodity	2020				2021				2022			
	Q1	Q2	Q3	Q4	Q1	Q2F	Q3F	Q4F	Q1F	Q2F	Q3F	Q4F
Crude Oil (WTI, \$US/bbl)	46	28	41	42	58	66	72	65	64	64	63	63
Natural Gas (\$US/MMBtu)	1.91	1.71	1.99	2.53	3.56	2.90	2.80	3.00	3.10	2.90	2.80	3.15
Gold (\$US/troy oz.)	1582	1708	1909	1874	1795	1830	1750	1700	1675	1650	1625	1600
Silver (\$US/troy oz.)	16.90	16.38	24.34	24.45	26.25	27.00	26.25	26.00	25.50	25.00	24.50	24.00
Copper (cents/lb)	255	243	296	326	386	444	408	388	373	352	356	356
Nickel (\$US/lb)	5.76	5.53	6.45	7.24	7.97	7.86	7.60	7.37	7.26	7.37	7.14	7.03
Aluminum (cents/lb)	77	68	77	87	95	109	98	90	85	81	82	84
Wheat (\$US/bu)	6.60	6.46	6.36	6.84	7.41	8.50	8.30	8.00	7.75	7.75	7.68	7.60

F: Forecast by TD Economics as at June 2021. All forecasts are period averages.  
Source: Bloomberg, TD Economics, USDA (Haver).

Canadian Economic Outlook																		
<i>Period-Over-Period Annualized Per Cent Change Unless Otherwise Indicated</i>																		
Economic Indicators	2020				2021				2022				Annual Average			4th Qtr/4th Qtr		
	Q1	Q2	Q3	Q4	Q1	Q2F	Q3F	Q4F	Q1F	Q2F	Q3F	Q4F	20	21F	22F	20	21F	22F
<b>Real GDP</b>	-7.9	-38.0	41.7	9.3	5.6	1.7	8.0	6.1	4.0	3.8	2.8	2.3	-5.3	6.1	4.4	-3.1	5.3	3.2
<b>Consumer Expenditure</b>	-7.5	-45.4	63.9	0.9	2.7	-0.1	9.8	9.7	5.2	4.2	3.6	2.8	-6.0	4.9	5.7	-4.4	5.4	3.9
Durable Goods	-32.0	-42.1	269.2	-1.3	5.9	-3.4	-2.0	0.5	0.4	0.5	1.3	1.1	-3.3	13.1	0.0	9.5	0.2	0.8
<b>Business Investment</b>	-4.5	-50.9	21.1	6.1	0.3	-1.3	14.1	10.1	8.3	7.6	6.8	6.4	-11.9	1.0	8.3	-11.9	5.6	7.3
Non-Res. Structures	1.0	-48.1	-8.4	-6.3	2.5	-1.4	13.6	10.5	9.3	8.9	7.9	7.7	-11.3	-4.1	9.0	-18.1	6.1	8.5
Equipment & IPP*	-10.4	-53.8	63.5	19.7	-1.6	-1.2	14.6	9.6	7.3	6.4	5.7	5.0	-12.6	6.3	7.5	-5.1	5.1	6.1
<b>Residential Investment</b>	-3.9	-45.8	181.9	16.9	43.3	-9.4	-4.7	-3.9	1.7	1.6	1.3	1.2	4.1	19.4	-1.0	14.5	4.4	1.5
<b>Govt. Expenditure</b>	-0.8	-15.1	23.2	6.1	5.8	6.1	5.5	2.5	2.2	2.1	1.8	1.7	0.4	6.2	2.8	2.4	5.0	2.0
<b>Final Domestic Demand</b>	-5.1	-39.2	53.3	4.3	6.4	0.6	7.7	6.6	4.4	3.8	3.3	2.7	-4.3	6.1	4.6	-2.0	5.3	3.5
<b>Exports</b>	-12.0	-53.4	72.3	4.1	6.0	3.1	10.8	10.6	7.8	5.7	4.9	4.2	-10.0	6.7	7.4	-7.4	7.6	5.6
<b>Imports</b>	-8.3	-64.7	117.4	11.6	4.3	2.1	10.2	13.8	10.2	6.9	6.4	6.1	-11.2	8.6	9.0	-5.9	7.5	7.4
<b>Change in Non-farm Inventories (2012 \$Bn)</b>	1.0	-35.8	-31.8	-4.2	-5.1	-3.8	-3.5	-1.5	0.0	2.1	2.5	3.6	-17.7	-3.5	2.1	--	--	--
<b>Final Sales</b>	-3.7	-34.3	53.2	-2.4	7.9	-0.3	7.5	6.2	4.2	3.4	3.2	2.5	-2.6	5.5	4.3	-1.4	5.3	3.3
<b>International Current Account Balance (\$Bn)</b>	-67.8	-31.7	-39.7	-21.1	4.7	19.3	24.0	17.9	13.0	10.5	7.4	3.4	-40.1	16.5	8.6	--	--	--
% of GDP	-3.0	-1.6	-1.8	-0.9	0.2	0.8	1.0	0.7	0.5	0.4	0.3	0.1	-1.8	0.7	0.3	--	--	--
<b>Pre-tax Corp. Profits</b>	-36.7	-38.6	232.6	10.8	95.6	17.5	-5.0	4.7	3.4	2.1	2.0	2.3	-4.0	38.4	2.9	9.4	23.0	2.4
% of GDP	11.4	11.5	13.9	13.8	15.6	16.0	15.4	15.3	15.2	15.0	14.9	14.9	12.7	15.6	15.0	--	--	--
<b>GDP Deflator (y/y)</b>	0.5	-0.8	1.4	1.8	6.0	7.8	6.1	5.2	2.7	2.1	1.9	1.9	0.7	6.2	2.2	1.8	5.2	1.9
<b>Nominal GDP</b>	-11.9	-39.6	54.9	15.4	18.4	5.9	10.9	8.1	6.0	5.8	4.9	4.3	-4.6	12.7	6.7	-1.2	10.7	5.2
<b>Labour Force</b>	-2.9	-16.8	21.0	3.7	-0.9	0.3	2.3	3.3	1.3	1.1	1.1	1.0	-1.1	2.2	1.7	0.3	1.2	1.1
<b>Employment</b>	-5.5	-38.2	38.5	9.9	1.0	2.2	8.2	4.8	2.0	1.8	1.6	1.6	-5.1	4.8	3.2	-2.9	4.0	1.8
<b>Change in Empl. ('000s)</b>	-268	-2133	1412	433	44	102	370	225	95	88	77	79	-975	859	598	-556	741	339
<b>Unemployment Rate (%)</b>	6.4	13.1	10.1	8.8	8.4	7.9	6.6	6.3	6.1	6.0	5.8	5.7	9.6	7.3	5.9	--	--	--
<b>Personal Disp. Income</b>	5.7	64.2	-19.1	-2.6	9.5	1.4	-3.8	-7.7	7.1	7.0	4.1	3.5	10.4	1.4	1.8	8.1	-0.3	5.4
<b>Pers. Savings Rate (%)</b>	5.1	27.4	13.5	11.9	13.1	13.0	9.4	4.6	4.5	4.5	4.1	3.8	14.5	10.0	4.2	--	--	--
<b>Cons. Price Index (y/y)</b>	1.7	0.1	0.4	0.8	1.5	3.4	3.6	3.3	3.0	2.5	2.2	2.3	0.7	2.9	2.5	0.8	3.3	2.3
<b>CPIX (y/y)**</b>	1.7	1.0	0.9	1.3	1.4	2.4	2.7	2.7	2.9	2.6	2.7	2.7	1.2	2.3	2.7	1.3	2.7	2.7
<b>BoC Inflation (y/y)***</b>	1.9	1.7	1.7	1.7	1.8	2.1	2.4	2.5	2.4	2.3	2.4	2.4	1.7	2.2	2.4	1.7	2.5	2.4
<b>Housing Starts ('000s)</b>	207	191	239	240	305	256	242	230	220	215	209	204	219	258	212	--	--	--
<b>Home Prices (y/y)</b>	13.8	2.8	16.6	15.5	26.6	36.2	14.3	10.9	-0.1	-0.7	0.3	1.2	12.3	21.2	0.2	15.5	10.9	1.2
<b>Real GDP / worker (y/y)</b>	-0.1	-0.4	0.0	-0.1	1.6	1.4	0.8	1.3	0.6	1.2	1.6	1.4	-0.2	1.3	1.2	-0.1	1.3	1.4

F: Forecast by TD Economics as at June 2021.  
Home price measure shown is the CREA Composite Sale Price.  
\* Intellectual Property Products. \*\* CPIX: CPI excluding the 8 most volatile components. \*\*\* BoC Inflation: simple average of CPI-trim, CPI-median, and CPI-common.  
Source: Statistics Canada, Bank of Canada, Canada Mortgage and Housing Corporation, Haver Analytics, TD Economics.

U.S. Economic Outlook																		
Period-Over-Period Annualized Per Cent Change Unless Otherwise Indicated																		
Economic Indicators	2020				2021				2022				Annual Average			4th Qtr/4th Qtr		
	Q1	Q2	Q3	Q4	Q1	Q2F	Q3F	Q4F	Q1F	Q2F	Q3F	Q4F	20	21F	22F	20	21F	22F
<b>Real GDP</b>	-5.0	-31.4	33.4	4.3	6.4	10.9	7.3	5.6	3.0	2.8	2.4	2.8	-3.5	6.9	4.3	-2.4	7.5	2.7
<b>Consumer Expenditure</b>	-6.9	-33.2	41.0	2.3	11.3	12.5	4.0	3.3	4.1	3.5	3.3	3.1	-3.9	8.0	4.1	-2.7	7.7	3.5
Durable Goods	-12.5	-1.7	82.7	-1.1	48.7	17.9	-12.8	-1.6	0.5	1.0	0.3	0.5	6.3	19.9	-0.6	11.6	10.7	0.6
<b>Business Investment</b>	-6.7	-27.2	22.9	13.1	10.8	7.0	5.5	5.8	4.8	4.9	4.2	4.9	-4.0	8.0	5.1	-1.4	7.2	4.7
Non-Res. Structures	-3.7	-33.6	-17.4	-6.2	-5.7	1.7	3.7	0.5	0.3	1.1	1.8	4.3	-11.0	-6.8	1.4	-16.1	0.0	1.9
Equipment & IPP*	-7.5	-25.2	36.6	18.3	15.0	8.2	5.9	7.0	5.8	5.8	4.7	5.0	-2.0	11.9	6.0	2.8	8.9	5.3
<b>Residential Investment</b>	19.0	-35.5	63.0	36.6	12.7	-4.0	6.3	-1.7	-3.6	-5.3	-4.0	-3.7	6.1	12.6	-2.5	14.3	3.1	-4.2
<b>Govt. Expenditure</b>	1.3	2.5	-4.8	-0.8	5.7	9.6	-0.4	1.1	0.0	1.7	-0.1	2.0	1.1	2.6	1.2	-0.5	3.9	0.9
<b>Final Domestic Demand</b>	-4.6	-27.1	29.8	4.4	10.3	10.5	3.5	3.0	3.1	3.0	2.5	2.8	-2.7	7.2	3.5	-1.5	6.8	2.9
<b>Exports</b>	-9.5	-64.4	59.6	22.3	-2.9	14.5	7.5	8.6	8.0	7.1	6.6	6.3	-12.9	6.2	8.0	-10.9	6.7	7.0
<b>Imports</b>	-15.0	-54.1	93.0	29.9	6.7	9.3	8.4	6.9	4.9	4.1	3.5	3.0	-9.3	13.4	5.5	-0.5	7.8	3.9
<b>Change in Private Inventories</b>	-80.9	-287.0	-3.7	62.1	-92.9	-99.1	78.0	190.5	172.5	150.7	134.6	117.8	-77.4	19.1	143.9	--	--	--
<b>Final Sales</b>	-3.6	-28.1	25.9	2.9	9.4	11.1	3.2	3.1	3.4	3.3	2.8	3.2	-2.9	6.3	3.7	-2.7	6.6	3.2
<b>International Current Account Balance (\$Bn)</b>	-458	-653	-724	-754	-836	-823	-837	-820	-813	-794	-769	-741	-647	-829	-779	--	--	--
% of GDP	-2.1	-3.3	-3.4	-3.5	-3.8	-3.6	-3.5	-3.4	-3.3	-3.2	-3.1	-2.9	-3.1	-3.6	-3.1	--	--	--
<b>Pre-tax Corporate Profits including IVA&amp;CCA</b>	-39.9	-35.2	163.1	-5.3	0.0	47.5	4.1	21.0	1.9	3.1	2.9	2.4	-5.8	18.6	8.2	-0.7	16.7	2.6
% of GDP	9.4	9.4	11.0	10.7	10.4	11.0	10.8	11.1	11.0	11.0	10.9	10.9	10.1	10.8	10.9	--	--	--
<b>GDP Deflator (y/y)</b>	1.7	0.6	1.1	1.3	2.0	4.0	4.0	4.1	3.7	2.7	2.5	2.4	1.2	3.5	2.8	1.3	4.1	2.4
<b>Nominal GDP</b>	-3.4	-32.8	38.4	6.3	11.0	18.0	10.8	8.1	5.6	5.4	4.8	5.1	-2.3	10.7	7.2	-1.2	11.9	5.2
<b>Labor Force</b>	-1.4	-13.2	5.6	0.7	-0.7	1.9	4.7	1.7	1.6	1.1	1.4	1.1	-1.7	0.8	1.9	-2.3	1.9	1.3
<b>Employment</b>	0.3	-40.0	23.3	5.1	2.1	4.4	6.4	5.0	3.6	2.9	2.4	2.0	-5.7	2.7	3.8	-6.0	4.4	2.7
<b>Change in Empl. ('000s)</b>	132	-18201	7195	1759	736	1538	2252	1799	1321	1063	888	758	-8648	3832	5611	-9115	6325	4030
<b>Unemployment Rate (%)</b>	3.8	13.0	8.8	6.7	6.2	5.8	5.5	4.8	4.3	3.9	3.7	3.5	8.1	5.6	3.9	--	--	--
<b>Personal Disp. Income</b>	3.9	46.2	-14.4	-6.2	67.7	-22.7	-7.0	-1.8	6.4	4.9	4.4	3.7	7.2	6.5	0.3	5.1	4.3	4.8
<b>Pers. Savings Rate (%)</b>	9.6	26.0	15.7	13.6	21.4	12.5	9.3	7.5	7.5	7.3	7.1	6.8	16.2	12.7	7.2	--	--	--
<b>Cons. Price Index (y/y)</b>	2.1	0.4	1.3	1.2	1.9	4.6	4.3	4.0	3.7	2.4	2.0	2.2	1.2	3.7	2.6	1.2	4.0	2.2
<b>Core CPI (y/y)</b>	2.2	1.3	1.7	1.6	1.4	3.6	3.5	3.8	4.2	3.0	2.7	2.6	1.7	3.1	3.1	1.6	3.8	2.6
<b>Core PCE Price Index (y/y)</b>	1.8	1.0	1.4	1.4	1.6	3.4	3.3	3.7	3.7	2.8	2.5	2.3	1.4	3.0	2.8	1.4	3.7	2.3
<b>Housing Starts (mns)</b>	1.49	1.09	1.44	1.58	1.60	1.61	1.59	1.57	1.55	1.53	1.52	1.51	1.40	1.59	1.53	--	--	--
<b>Real Output per hour** (y/y)</b>	0.8	3.0	4.0	2.6	4.1	3.0	2.6	4.0	2.6	1.0	0.4	0.3	2.6	3.4	1.0	2.6	4.0	0.3

F: Forecast by TD Economics as at June 2021.  
\* Intellectual Property Products. \*\* Non-farm business sector.  
Source: Bureau of Labor Statistics, Bureau of Economic Analysis, Census Bureau, TD Economics.

Economic Indicators: G7 & Europe				
	Forecast			
	2019	2020	2021	2022
<b>Real GDP (annual per cent change)</b>				
<b>G7 (30.1%)*</b>	1.6	-5.1	5.8	4.2
U.S.	2.2	-3.5	6.9	4.3
Japan	0.0	-4.7	2.8	1.9
Euro Area	1.3	-6.7	4.6	4.2
Germany	0.6	-5.1	4.0	3.9
France	1.8	-8.0	5.7	3.6
Italy	0.3	-8.9	5.0	4.0
United Kingdom	1.4	-9.8	6.2	6.1
Canada	1.9	-5.3	6.1	4.4
<b>Consumer Price Index (annual per cent change)</b>				
<b>G7</b>	1.5	0.6	2.4	1.7
U.S.	1.8	1.2	3.7	2.6
Japan	0.5	0.0	0.1	0.4
Euro Area	1.2	0.3	1.6	1.3
Germany	1.3	0.4	2.4	1.4
France	1.3	0.5	1.4	1.2
Italy	0.6	-0.1	1.3	0.9
United Kingdom	1.8	0.9	1.6	2.0
Canada	2.0	0.7	2.9	2.5
<b>Unemployment Rate (per cent annual averages)</b>				
U.S.	3.7	8.1	5.6	3.9
Japan	2.4	2.8	3.0	3.0
Euro Area	7.6	7.9	8.3	8.2
Germany	5.0	5.9	5.9	5.5
France	8.5	8.0	8.4	8.6
Italy	10.0	9.2	10.1	9.7
United Kingdom	3.7	4.4	5.4	5.2
Canada	5.7	9.6	7.3	5.9

\*Share of 2018 world gross domestic product (GDP) at PPP.  
Forecast as at June 2021.  
Source: National statistics agencies, TD Economics.

Global Economic Outlook				
<i>Annual Per Cent Change Unless Otherwise Indicated</i>				
	2018 Share*	Forecast		
		2020	2021	2022
<b>Real GDP</b>	(%)	2020	2021	2022
<b>World</b>	100.0	-3.1	6.2	4.7
<b>North America</b>	18.5	-4.1	6.7	4.2
United States	15.2	-3.5	6.9	4.3
Canada	1.4	-5.3	6.1	4.4
Mexico	1.9	-8.5	5.3	2.9
<b>European Union (EU-28)</b>	16.3	-6.3	4.8	4.5
Euro Area (EU-19)	11.4	-6.7	4.6	4.2
Germany	3.2	-5.1	4.0	3.9
France	2.2	-8.0	5.7	3.6
Italy	1.8	-8.9	5.0	4.0
United Kingdom	2.2	-9.8	6.2	6.1
EU accession members	2.6	-2.8	4.2	4.3
<b>Asia</b>	45.0	-1.5	7.2	4.9
Japan	4.1	-4.7	2.8	1.9
Asian NIC's	3.4	-0.9	5.3	3.2
Hong Kong	0.4	-6.1	8.1	4.6
Korea	1.7	-0.9	3.8	2.9
Singapore	0.4	-5.4	7.2	4.1
Taiwan	0.9	3.1	6.3	3.1
Russia	3.1	-2.6	2.5	3.1
Australia & New Zealand	1.1	-2.2	4.5	3.1
<b>Emerging Asia</b>	33.2	-1.1	8.4	5.7
ASEAN-5	5.5	-3.7	5.2	5.5
China	18.7	2.0	8.7	5.3
India**	7.7	-7.4	10.2	7.0
<b>Central/South America</b>	5.6	-7.0	5.9	2.9
Brazil	2.5	-4.4	4.7	2.6
<b>Other Emerging Markets</b>	13.6	-1.8	4.7	5.7
<b>Other Advanced</b>	1.1	-2.2	3.7	4.0

\*Share of world GDP on a purchasing-power-parity (PPP) basis.  
Forecast as at June 2021. \*\*Forecast for India refers to fiscal year.  
Source: IMF, TD Economics.

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