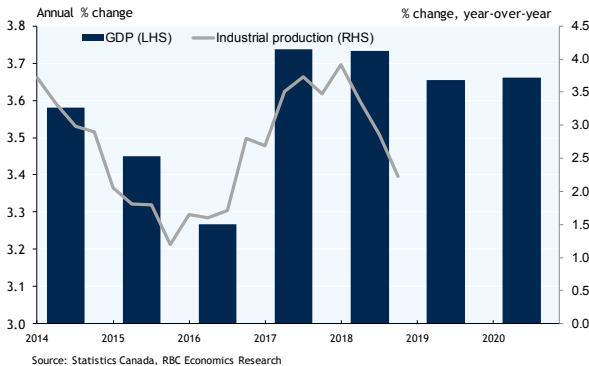


ECONOMIC AND FINANCIAL MARKET OUTLOOK

March 2019

Proceeding with caution

World industrial production and GDP



Source: Statistics Canada, RBC Economics Research

Momentum in the global economy is slowing. Policy uncertainty remains high and while global financial markets may be more settled than in December, investors are skittish and central bankers are sounding more cautious.

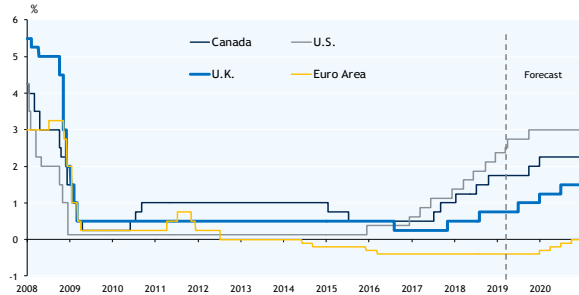
The outlook for the economies we follow closely is modestly softer than we forecasted three months ago. Financial conditions have tightened mildly and concerns about U.S.-China trade and Brexit have sapped confidence. We expect the U.S. economy to be the growth leader this year, although the expansion will not match 2018's strong pace. Canada's economy is also projected to grow more slowly as higher interest rates, a moderate increase in exports and lower oil prices limit activity. And both the U.K. and Euro-area economies are struggling with the lack of progress on Brexit, a mood underscored by the drop in business confidence. On balance, the momentum in this large subset of advanced economies is slipping.

In the emerging world, China's economy is expected to continue to soften in 2019 and the government's official forecast struck a cautious tone, noting that China faces more challenges and risks and that there is a need to brace for a "tough" economic battle. While the tone of trade talks with the U.S. has improved, the prospect that these trade tensions will persist is keeping the risks to a sharper slowdown alive.

The shift in the global economy's momentum and high level of uncertainty saw central banks pivot toward a slower, more cautious approach to returning policy to neutral. After all, the expansion is in its 10th year. As former Fed Chair Ben Bernanke put it earlier this year, sometimes expansions are "murdered" because central banks tighten too aggressively. To ensure this isn't the case, we expect the Fed to only raise the policy rate twice this year, half the pace of 2018. The Bank of Canada will also slow the pace of rate hikes in 2019, with any movement by the BOE and ECB contingent on the completion of a Brexit deal.

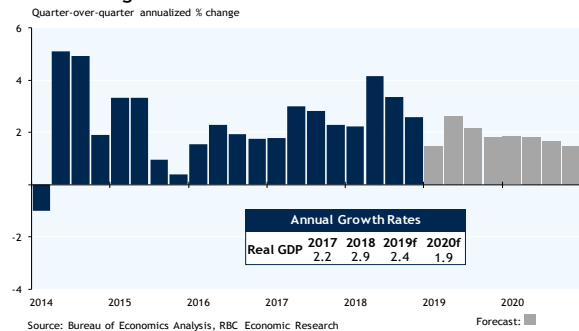
The U.S. economy is forecast to grow at 2.4% pace this year and less than 2% in 2020, slower than 2018's robust almost-3% gain. Once again we expect the U.S. consumer to do the heavy lifting, given very strong labour market conditions and rising wag-

Policy rates: International



Source: ECB, BoE, BoC, Federal Reserve, RBC Economic Research

Real GDP growth: U.S.

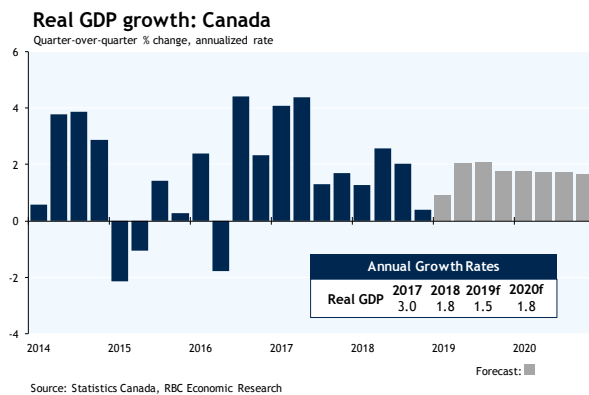


Source: Bureau of Economic Analysis, RBC Economic Research



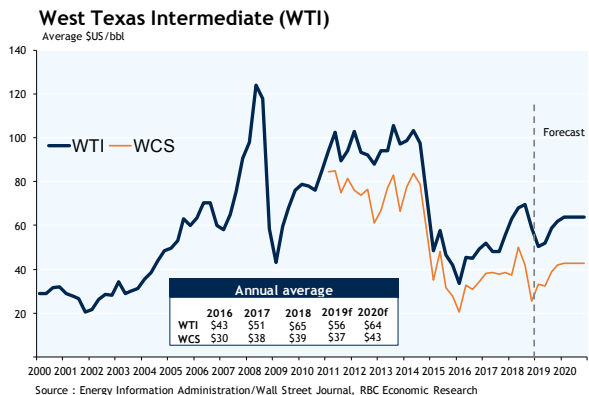
es. Business investment is also likely to provide support as companies take advantage of tax policy changes and increased spending on capital goods to meet demand in capacity-constrained industries. Government stimulus will augment these gains, although the lift will fade over the course of the year.

Even with the economy having reached full employment and core inflation measures close to 2%, the Fed recently softened its tone, motivated by global economic and financial market cross-currents including persistent uncertainty over trade policy and somewhat tighter financial conditions. The removal of an explicit tightening bias points to the Fed waiting until there is progress on the policy front or concern about inflation before raising the policy rate again. We look for the next move to come late in the second quarter with a final hike penciled in for December.



Canada's economy is headed for a slower 2019, reflecting weakness in the energy sector plus slower housing and consumer spending activity. Business investment outside energy is forecast to increase modestly reflecting recent policy changes that will help businesses expand amid strained capacity.

We downgraded our 2019 Canadian forecast to 1.5% in part due to the economy's weaker momentum in late 2018. We still expect the economy to run at a pace that is close to its capacity limits this year and look for the near-term weakness associated with oil production cuts to be short-lived. Oversupply and concerns about global demand weighed on oil prices in the latter part of last year, but conditions have improved on both fronts. Even the pressure on Canadian heavy oil prices due to U.S. refinery shutdowns, limited export capacity and storage issues have lessened. The Alberta government's mandated production cuts resulted in a sharp drop in inventories and U.S. refineries came back online, helping Canadian crude prices recover. Also, the impact of energy-sector weakness on the overall Canadian economy is more limited compared with 2015-2016, as oil and gas extraction currently accounts for a smaller 3% of GDP, down from 6% earlier. Our forecast assumes that oil prices will hold around current levels throughout 2019 and grind higher in 2020. Further, the dramatic pullback in investment that occurred in the previous period of falling oil prices will not be replicated with firms concentrating their investment in maintenance.



Outside of the energy sector, investment activity is expected to remain positive as businesses take advantage of the government's accelerated depreciation allowance and spend to overcome capacity constraints. Reduced trade uncertainty once the USMCA deal is signed could release some pent-up investment activity although global trade uncertainty remains a headwind. Tariffs on steel and aluminum may also weigh on business spending while government spending on infrastructure is forecast to help the economy reach its potential this year.

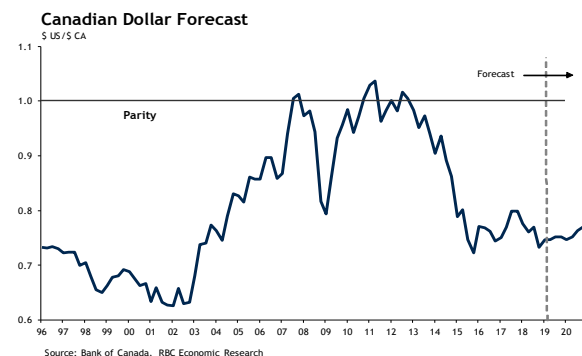
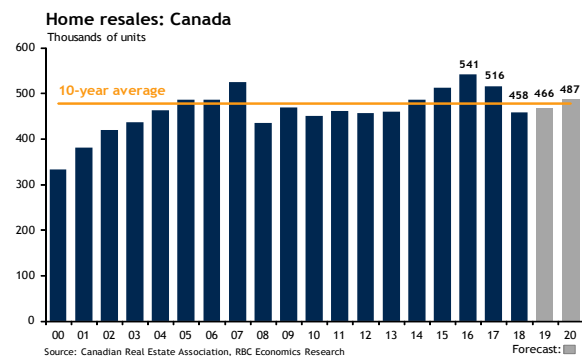
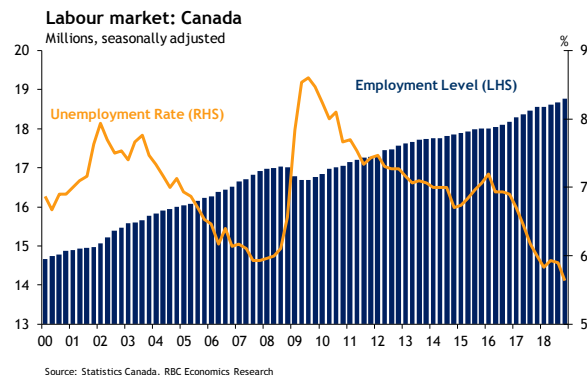


The consumer sector is more sensitive to interest-rate increases than it has been historically due to elevated household debt balances. With interest rates having moved up, the higher debt-service costs will limit consumer spending though the healthy state of the labour market will mitigate some of the downside pressure. Employment continues to rise in Canada and the unemployment rate is holding around 40-year lows. Wage growth to date has been lackluster but with more companies facing labour shortages, and an increasing number of workers switching jobs, faster wages gains are in the pipeline.

Canada's housing market came under pressure in 2018 on the back of tougher stress tests, provincial rule changes and rising interest rates. Home sales fell 11.1% last year and activity levels remained historically low to start 2019. Canada's most expensive markets remain under the most intense pressure with Vancouver and Toronto home sales recording the slowest February resale pace in a decade. On the upside, the decline in sales and weaker market conditions did not unhinge prices, which rose 2.3% in 2018. Prices continue to trend slightly higher in most local markets and where prices are declining, the pace of easing remains measured. We continue to believe that a full-blown housing collapse is unlikely given the strength of the labour market and rising immigration.

The economy ended 2018 on a soft note with real GDP increasing at a tepid 0.4% annualized rate. The softening was led by a pullback in the energy sector but also included broad-based weakness in housing and consumer activity. The prospect of another sub-1% increase in the first quarter of 2019 encouraged the Bank of Canada to move firmly on the sidelines in early March. Our forecast calls for the economy to recover somewhat as the year proceeds as the energy sector improves and the out-sized drop in residential construction activity in the second half of 2018 peters out. A resumption of trend-like growth combined with accelerating wage growth and persistent capacity constraints will begin to exert upward pressure on prices heading into 2020. Against this backdrop, the Bank of Canada is likely to move the policy rate closer to its neutral level with a rate hike expected in the fourth quarter of 2019 and a final increase in 2020.

The Canadian dollar has traded in a narrow range so far this year and we expect will remain range-bound. The currency is likely to gradually firm in 2020 as oil prices trend higher and the spread between Canada and U.S. short-term interest rates holds steady. Our 2019 range for the currency centers around 75 U.S. cents with a move to 77 U.S. cents by the end of 2020.





Economic forecast detail – Canada

Real growth in the economy

Quarter-over-quarter annualized % change unless otherwise indicated

	Actuals				Forecast								Actual				Forecast	
	2018				2019				2020				year-over-year % change					
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	2017	2018	2019	2020		
Household Consumption	1.5	1.7	1.3	0.7	1.7	1.7	1.5	1.5	1.4	1.4	1.4	1.4	3.6	2.1	1.4	1.4		
Durables	0.7	-1.4	-1.8	-2.0	1.6	1.3	1.0	1.0	0.5	0.5	0.5	0.5	7.1	1.1	0.1	0.7		
Semi-Durables	0.1	2.3	3.7	-1.3	1.5	1.5	1.5	1.5	1.4	1.4	1.4	1.4	3.1	1.4	1.3	1.4		
Non-durables	0.5	0.8	1.9	0.0	1.8	1.7	1.5	1.5	1.4	1.3	1.3	1.3	2.7	1.6	1.3	1.4		
Services	2.4	2.7	1.5	2.0	1.8	1.8	1.7	1.6	1.6	1.6	1.6	1.6	3.3	2.6	1.8	1.6		
NPISH consumption	3.9	7.2	2.2	1.9	1.7	1.7	1.5	1.5	1.4	1.4	1.4	1.4	-0.6	2.8	2.1	1.4		
Government expenditures	2.4	2.4	1.6	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.1	2.5	2.0	2.0		
Government fixed investment	-1.1	-6.5	1.8	-14.1	2.8	2.0	2.0	2.0	1.6	1.4	1.1	0.9	6.3	3.4	-1.6	1.6		
Residential investment	-9.7	0.6	-5.5	-14.7	0.5	-0.4	-0.8	1.1	1.0	1.6	2.4	2.7	2.4	-2.3	-3.6	1.1		
Non-residential investment	7.0	-1.4	-10.8	-10.9	-1.7	5.0	8.3	6.0	4.0	3.0	3.0	3.0	2.5	1.7	-1.8	4.6		
Non-residential structures	-2.2	-3.2	-8.0	-15.0	-5.0	5.0	10.0	6.0	4.0	3.0	3.0	3.0	1.1	-0.9	-3.1	4.8		
Machinery & equipment	22.7	1.3	-14.7	-4.8	3.0	5.0	6.0	6.0	4.0	3.0	3.0	3.0	4.7	5.8	-0.1	4.3		
Intellectual property	16.5	0.2	-7.1	26.6	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	1.2	4.1	4.8	2.0		
Final domestic demand	1.5	1.2	-0.5	-1.5	1.4	1.9	2.1	2.0	1.7	1.7	1.7	1.7	3.1	1.9	0.8	1.8		
Exports	1.0	14.6	3.3	-0.2	0.5	3.0	2.8	3.0	2.5	2.2	2.0	2.0	1.1	3.3	2.4	2.5		
Imports	4.7	5.2	-8.6	-1.1	-1.5	3.0	3.2	3.1	2.3	2.0	2.0	2.3	4.2	2.9	-0.2	2.5		
Inventories (change in \$b)	21.3	15.4	5.4	13.4	7.0	8.0	8.7	7.7	7.5	7.5	7.5	7.5	17.6	13.9	7.9	7.5		
Real gross domestic product	1.3	2.6	2.0	0.4	0.9	2.1	2.1	1.8	1.8	1.7	1.7	1.6	3.0	1.8	1.5	1.8		

Other indicators

Year-over-year % change unless otherwise indicated

Business and labour																
Productivity	-0.3	0.1	0.7	0.1	-0.1	-0.2	0.1	0.8	1.5	1.3	1.1	1.0	1.7	0.1	0.2	1.2
Pre-tax corporate profits	-1.3	2.1	6.9	-5.8	-9.9	-9.7	-11.9	0.3	5.4	3.5	3.3	1.7	20.1	0.5	-8.0	3.5
Unemployment rate (%)*	5.8	5.9	5.9	5.6	5.8	5.8	5.9	5.9	5.9	5.9	6.0	6.0	6.3	5.8	5.9	6.0
Inflation																
Headline CPI	2.1	2.3	2.7	2.0	1.4	1.6	1.4	2.0	2.3	2.5	2.5	2.3	1.6	2.3	1.6	2.4
CPI ex. food and energy	1.8	1.8	2.1	2.0	1.8	2.1	1.9	2.1	2.3	2.4	2.3	2.2	1.6	1.9	2.0	2.3
External trade																
Current account balance (\$b)*	-69.0	-63.4	-40.4	-61.9	-65.6	-61.3	-60.1	-57.2	-57.8	-53.7	-49.9	-50.8	-60.1	-58.7	-61.0	-53.0
% of GDP*	-3.1	-2.9	-1.8	-2.8	-2.9	-2.7	-2.6	-2.5	-2.5	-2.3	-2.1	-2.1	-2.8	-2.6	-2.8	-2.3
Housing starts (000s)*	224	218	197	217	208	199	194	193	191	191	192	192	220	213	199	192
Motor vehicle sales (mill., saar)*	2.11	2.06	2.02	1.95	1.94	1.94	1.94	1.93	1.93	1.92	1.92	1.92	2.08	2.04	1.94	1.92

*Period average



Economic forecast detail – United States

Real growth in the economy

Quarter-over-quarter annualized % change unless otherwise indicated

	Actuals				Forecast								Actual		Forecast	
	2018				2019				2020				year-over-year		% change	
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	2017	2018	2019	2020
Consumer spending	0.5	3.8	3.5	2.8	1.6	2.3	2.3	1.8	1.9	1.9	1.7	1.7	2.5	2.6	2.4	2.4
Durables	-2.0	8.6	3.7	5.9	-1.0	2.3	2.2	1.6	1.6	1.5	1.2	1.4	6.8	5.7	2.6	2.6
Non-durables	0.1	4.0	4.6	2.8	3.0	2.5	2.4	1.8	1.8	1.8	1.5	1.5	2.1	2.8	3.0	3.0
Services	1.0	3.0	3.2	2.4	1.6	2.3	2.3	1.8	2.0	2.0	1.9	1.8	2.0	2.1	2.3	2.3
Government spending	1.5	2.5	2.6	0.4	0.3	3.7	2.4	2.0	1.0	0.5	0.5	0.5	-0.1	1.5	1.7	1.7
Residential investment	-3.4	-1.4	-3.5	-3.5	2.0	5.1	4.1	2.2	1.7	1.2	2.0	1.5	3.3	-0.2	0.9	0.9
Non-residential investment	11.5	8.7	2.5	6.2	4.0	3.6	1.6	1.6	2.1	2.5	2.3	2.0	5.3	7.0	4.0	4.0
Non-residential structures	13.9	14.5	-3.4	-4.2	4.0	4.0	2.0	2.0	2.5	2.5	2.3	2.0	4.6	5.0	1.7	1.7
Equipment & software	8.5	4.6	3.4	6.7	3.5	3.5	0.7	0.7	1.5	2.5	2.3	2.0	6.1	7.5	3.6	3.6
Intellectual property	14.1	10.5	5.6	13.1	4.8	3.6	2.6	2.6	2.5	2.5	2.3	2.0	4.6	7.7	6.1	6.1
Final domestic demand	1.9	4.0	2.9	2.6	1.7	2.8	2.3	1.8	1.8	1.7	1.6	1.5	2.5	2.9	2.5	2.5
Exports	3.6	9.3	-4.9	1.6	4.0	2.8	2.8	2.8	2.8	2.5	2.5	2.5	3.0	3.9	2.3	2.7
Imports	3.0	-0.6	9.3	2.7	0.5	1.5	3.0	3.2	2.3	2.3	2.0	2.0	4.6	4.6	2.6	2.4
Inventories (change in \$b)	30.3	-36.8	89.8	97.1	65.0	47.0	42.0	47.0	48.0	52.0	52.0	48.0	22.5	45.1	50.3	50.0
Real gross domestic product	2.2	4.2	3.4	2.6	1.5	2.7	2.2	1.8	1.8	1.8	1.7	1.5	2.2	2.9	2.4	1.9

Other indicators

Year-over-year % change unless otherwise indicated

Business and labour																
Productivity	1.0	1.4	1.1	1.9	1.7	1.2	1.1	0.9	1.1	0.8	0.8	0.8	1.1	1.4	1.2	0.9
Pre-tax corporate profits	5.9	7.3	10.4	8.9	7.5	5.3	2.6	2.0	2.5	2.1	1.5	1.2	3.2	8.2	4.3	1.8
Unemployment rate (%)*	4.1	3.9	3.8	3.8	3.9	3.8	3.7	3.6	3.6	3.6	3.6	3.7	4.4	3.9	3.8	3.6
Inflation																
Headline CPI	2.2	2.7	2.6	2.2	1.6	1.8	1.8	2.1	2.4	2.4	2.5	2.3	2.1	2.4	1.8	2.4
CPI ex. food and energy	1.9	2.2	2.2	2.2	2.1	2.2	2.3	2.4	2.4	2.5	2.5	2.3	1.8	2.1	2.3	2.4
External trade																
Current account balance (\$b)*	-487	-405	-499	-510	-478	-478	-483	-496	-495	-503	-508	-508	-449	-475	-484	-504
% of GDP*	-2.4	-2.0	-2.4	-2.4	-2.3	-2.2	-2.2	-2.3	-2.3	-2.3	-2.3	-2.3	-2.3	-2.3	-2.3	-2.3
Housing starts (000s)*	1317	1261	1234	1151	1285	1315	1325	1325	1330	1330	1340	1340	1208	1241	1313	1335
Motor vehicle sales (millions, saar)*	17.1	17.2	16.9	17.5	17.0	17.1	17.2	17.2	17.2	17.2	17.1	17.1	17.1	17.2	17.1	17.2

*Period average



Financial market forecast detail

Interest rates—North America

%, end of period

	Actual				Forecast								Actual		Forecast	
	18Q1	18Q2	18Q3	18Q4	19Q1	19Q2	19Q3	19Q4	20Q1	20Q2	20Q3	20Q4	2017	2018	2019	2020
Canada																
Overnight	1.25	1.25	1.50	1.75	1.75	1.75	1.75	2.00	2.25	2.25	2.25	2.25	1.00	1.75	2.00	2.25
Three-month	1.10	1.26	1.59	1.64	1.65	1.65	1.65	1.90	2.20	2.20	2.15	2.15	1.06	1.64	1.90	2.15
Two-year	1.78	1.91	2.21	1.86	1.75	1.75	1.90	2.10	2.30	2.25	2.25	2.25	1.69	1.86	2.10	2.25
Five-year	1.97	2.07	2.34	1.89	1.80	1.85	2.00	2.15	2.40	2.35	2.30	2.30	1.87	1.89	2.15	2.30
10-year	2.09	2.17	2.43	1.97	1.95	2.05	2.20	2.35	2.50	2.50	2.45	2.45	2.04	1.97	2.35	2.45
30-year	2.23	2.20	2.42	2.18	2.20	2.25	2.35	2.50	2.60	2.60	2.55	2.55	2.27	2.18	2.50	2.55
Yield curve (10s-2s)	31	26	22	11	20	30	30	25	20	25	20	20	35	11	25	20
United States																
Fed funds*	1.75	2.00	2.25	2.50	2.50	2.75	2.75	3.00	3.00	3.00	3.00	3.00	1.50	2.50	3.00	3.00
Three-month	1.73	1.93	2.19	2.45	2.40	2.65	2.65	2.90	2.90	2.90	2.90	2.90	1.39	2.45	2.90	2.90
Two-year	2.27	2.52	2.81	2.48	2.65	2.85	3.05	3.10	3.10	3.10	3.05	3.05	1.89	2.48	3.10	3.05
Five-year	2.56	2.73	2.94	2.51	2.70	2.90	3.10	3.15	3.15	3.15	3.10	3.10	2.20	2.51	3.15	3.10
10-year	2.74	2.85	3.05	2.69	2.85	3.05	3.25	3.30	3.25	3.25	3.20	3.15	2.40	2.69	3.30	3.15
30-year	2.97	2.98	3.19	3.02	3.20	3.30	3.40	3.45	3.40	3.40	3.35	3.30	2.74	3.02	3.45	3.30
Yield curve (10s-2s)	47	33	24	21	20	20	20	20	15	15	15	10	51	21	20	10
Yield spreads																
Three-month T-bills	-0.63	-0.67	-0.60	-0.81	-0.75	-1.00	-1.00	-1.00	-0.70	-0.70	-0.75	-0.75	-0.33	-0.81	-1.00	-0.75
Two-year	-0.49	-0.61	-0.60	-0.62	-0.90	-1.10	-1.15	-1.00	-0.80	-0.85	-0.80	-0.80	-0.20	-0.62	-1.00	-0.80
Five-year	-0.59	-0.66	-0.60	-0.62	-0.90	-1.05	-1.10	-1.00	-0.75	-0.80	-0.80	-0.80	-0.33	-0.62	-1.00	-0.80
10-year	-0.65	-0.68	-0.62	-0.72	-0.90	-1.00	-1.05	-0.95	-0.75	-0.75	-0.75	-0.70	-0.36	-0.72	-0.95	-0.70
30-year	-0.74	-0.78	-0.77	-0.84	-1.00	-1.05	-1.05	-0.95	-0.80	-0.80	-0.80	-0.75	-0.47	-0.84	-0.95	-0.75

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

Interest rates—International

%, end of period

	Actual				Forecast								Actual		Forecast	
	18Q1	18Q2	18Q3	18Q4	19Q1	19Q2	19Q3	19Q4	20Q1	20Q2	20Q3	20Q4	2017	2018	2019	2020
United Kingdom																
Repo	0.50	0.50	0.75	0.75	0.75	0.75	1.00	1.00	1.25	1.25	1.50	1.50	0.50	0.75	1.00	1.50
Two-year	0.82	0.72	0.82	0.75	0.80	0.85	1.10	1.15	1.30	1.40	1.45	1.55	0.45	0.75	1.15	1.55
10-year	1.34	1.28	1.57	1.27	1.40	1.60	1.85	2.00	2.10	2.15	2.20	2.20	1.19	1.27	2.00	2.20
Euro Area																
Deposit rate	-0.40	-0.40	-0.40	-0.40	-0.40	-0.40	-0.40	-0.40	-0.30	-0.20	-0.10	0.00	-0.40	-0.40	-0.40	0.00
Two-year	-0.59	-0.69	-0.55	-0.59	-0.50	-0.50	-0.50	-0.45	-0.30	-0.20	-0.10	0.00	-0.63	-0.59	-0.45	0.00
10-year	0.50	0.31	0.47	0.25	0.30	0.40	0.50	0.60	0.80	0.90	1.00	1.00	0.43	0.25	0.60	1.00
Australia																
Cash target rate	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50
Two-year swap	2.00	2.00	2.02	1.89	1.75	1.80	1.70	1.65	1.50	1.50	1.60	1.75	2.00	1.89	1.65	1.75
10-year swap	2.60	2.63	2.67	2.32	2.45	2.65	2.65	2.70	2.55	2.65	2.70	2.75	2.63	2.32	2.70	2.75
New Zealand																
Cash target rate	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75
Two-year	2.21	2.14	2.02	1.96	1.85	1.75	1.70	1.60	1.60	1.60	1.70	1.80	2.20	1.96	1.60	1.80
10-year	3.06	3.02	2.89	2.64	2.60	2.70	2.70	2.70	2.70	2.70	2.75	2.80	3.13	2.64	2.70	2.80



Growth outlook

% change, quarter-over-quarter in real GDP

	18Q1	18Q2	18Q3	18Q4	19Q1	19Q2	19Q3	19Q4	20Q1	20Q2	20Q3	20Q4	2017	2018	2019F	2020F
Canada*	1.3	2.6	2.0	0.4	0.9	2.1	2.1	1.8	1.8	1.7	1.7	1.6	3.0	1.8	1.5	1.8
United States*	2.2	4.2	3.4	2.6	1.5	2.7	2.2	1.8	1.8	1.8	1.7	1.5	2.2	2.9	2.4	1.9
United Kingdom	0.1	0.4	0.6	0.2	0.2	0.3	0.4	0.4	0.4	0.4	0.4	0.3	1.8	1.4	1.3	1.6
Euro area	0.4	0.4	0.1	0.2	0.2	0.3	0.4	0.4	0.3	0.4	0.3	0.3	2.5	1.8	1.1	1.4

*Seasonally adjusted annualized rates

Inflation outlook

% change, year-over-year

	18Q1	18Q2	18Q3	18Q4	19Q1	19Q2	19Q3	19Q4	20Q1	20Q2	20Q3	20Q4	2017	2018	2019F	2020F
Canada*	2.1	2.3	2.7	2.0	1.4	1.6	1.4	2.0	2.3	2.5	2.5	2.3	1.6	2.3	1.6	2.4
United States*	2.2	2.7	2.6	2.2	1.6	1.8	1.8	2.1	2.4	2.4	2.5	2.3	2.1	2.4	1.8	2.4
United Kingdom	2.7	2.4	2.5	2.3	2.3	2.3	2.0	2.0	2.2	2.1	2.1	2.1	2.7	2.5	2.2	2.1
Euro area	1.3	1.7	2.1	1.9	2.0	1.9	1.7	1.5	1.5	1.5	1.6	1.6	1.5	1.8	1.8	1.6

Exchange rates

End of period

	Actual				Forecast								Actual		Forecast	
	18Q1	18Q2	18Q3	18Q4	19Q1	19Q2	19Q3	19Q4	20Q1	20Q2	20Q3	20Q4	2017	2018	2019	2020
AUD/USD	0.77	0.74	0.72	0.70	0.71	0.69	0.68	0.67	0.67	0.67	0.66	0.66	0.78	0.70	0.67	0.66
USD/CAD	1.29	1.31	1.29	1.36	1.34	1.34	1.33	1.33	1.34	1.33	1.31	1.30	1.26	1.36	1.33	1.30
EUR/USD	1.23	1.17	1.16	1.15	1.12	1.10	1.13	1.16	1.17	1.18	1.20	1.21	1.20	1.15	1.16	1.21
USD/JPY	106.3	110.8	113.7	109.7	111.0	113.0	117.0	120.0	119.0	118.0	117.0	116.0	112.7	109.7	120.0	116.0
USD/CNY	6.28	6.62	6.87	6.88	6.80	7.00	7.25	7.40	7.50	7.50	7.60	7.70	6.51	6.88	7.40	7.70
USD/CHF	0.95	0.99	0.98	0.98	1.02	1.04	1.02	1.00	1.00	1.00	0.99	0.99	0.97	0.98	1.00	0.99
GBP/USD	1.40	1.32	1.30	1.28	1.30	1.26	1.28	1.32	1.33	1.34	1.36	1.38	1.35	1.28	1.32	1.38

Note: Exchange rates are expressed in units per USD, with the exception of the euro, GBP, AUD, and NZD, which are expressed in USD per local currency unit.

Source: Reuters, RBC Economics Research forecasts

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