

Canada's economy is navigating through choppy waters

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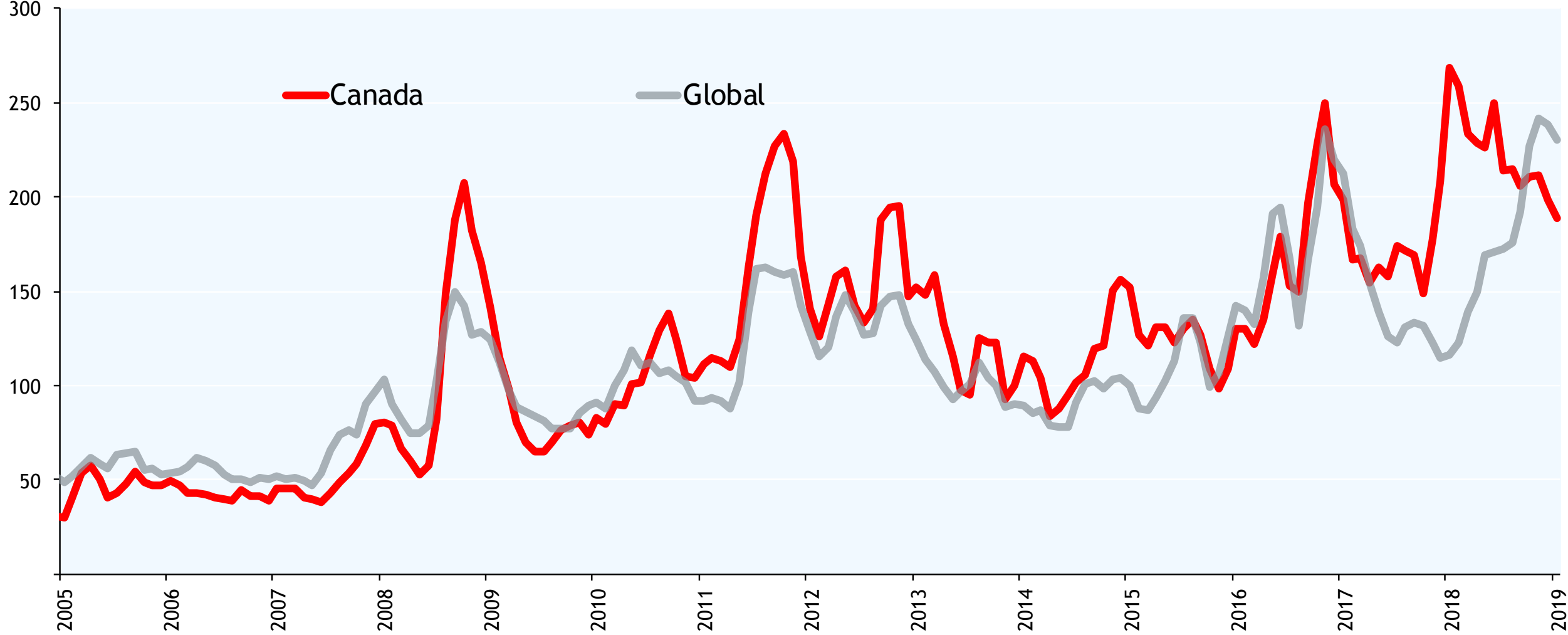
June 2019



Global backdrop is highly uncertain...

Policy Uncertainty Elevated

Indexed to long-run average = 100

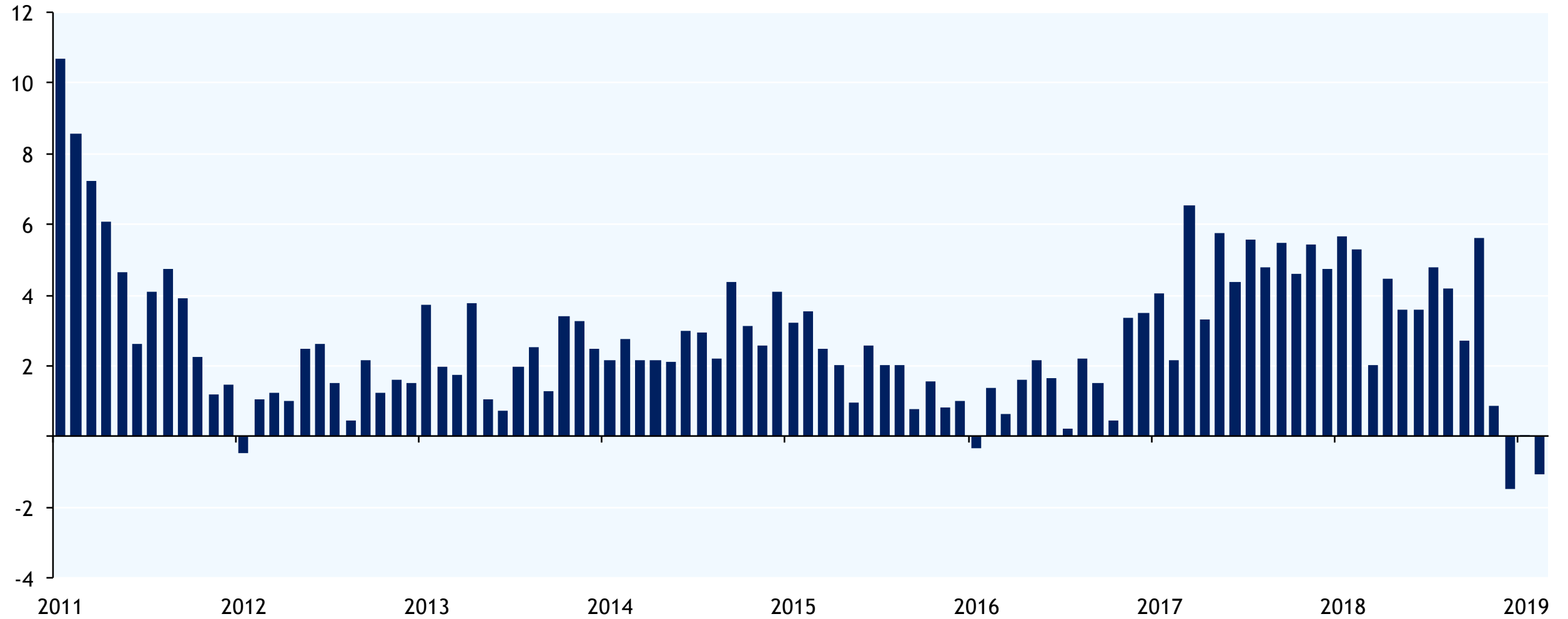


Source: Policyuncertainty.com, RBC Economics Research

...and this is weighing on trade flows and global growth

Global Trade Volume

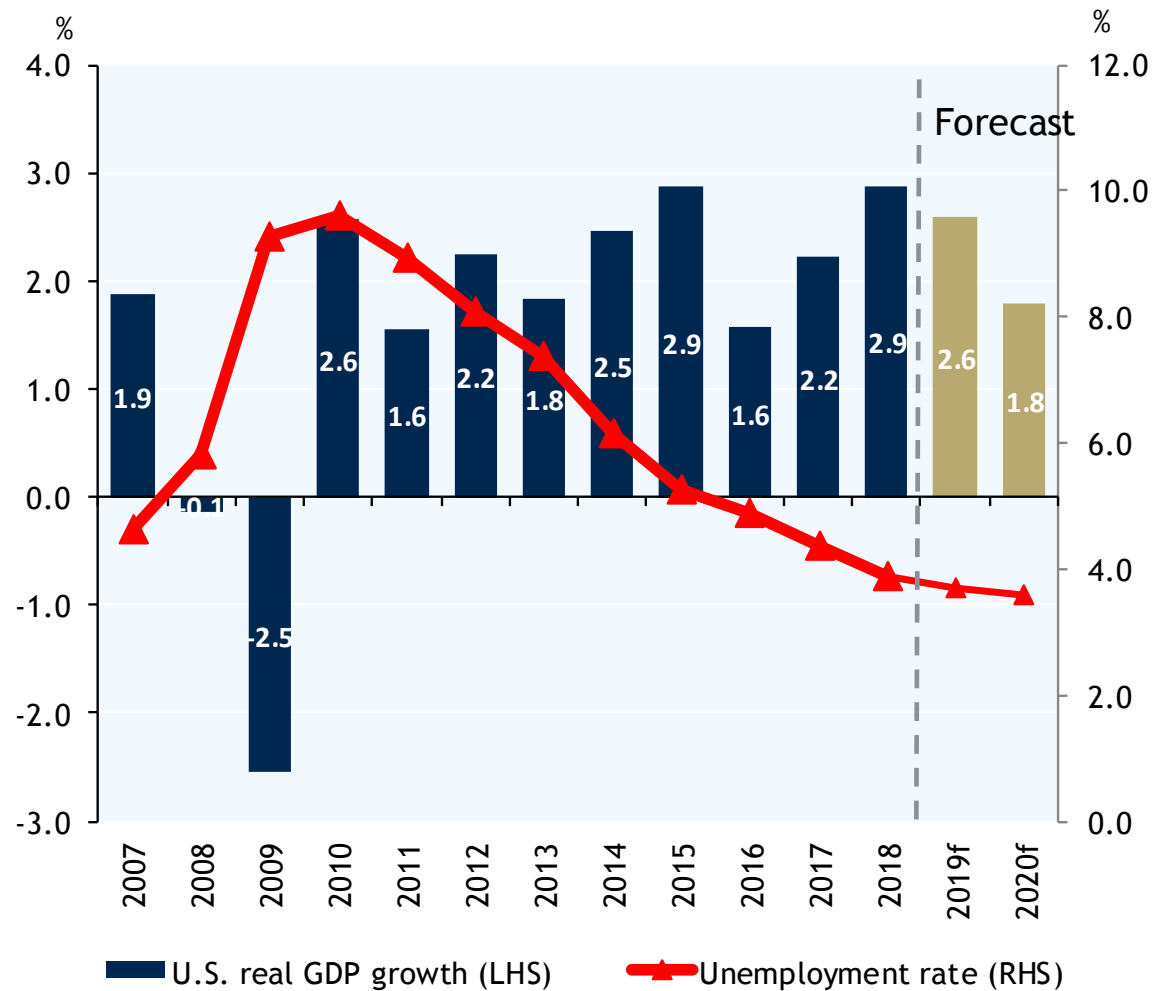
% Change Year over Year, SA, 2010=100



Source: Netherlands Bureau of Economic Policy Analysis, RBC Economics Research

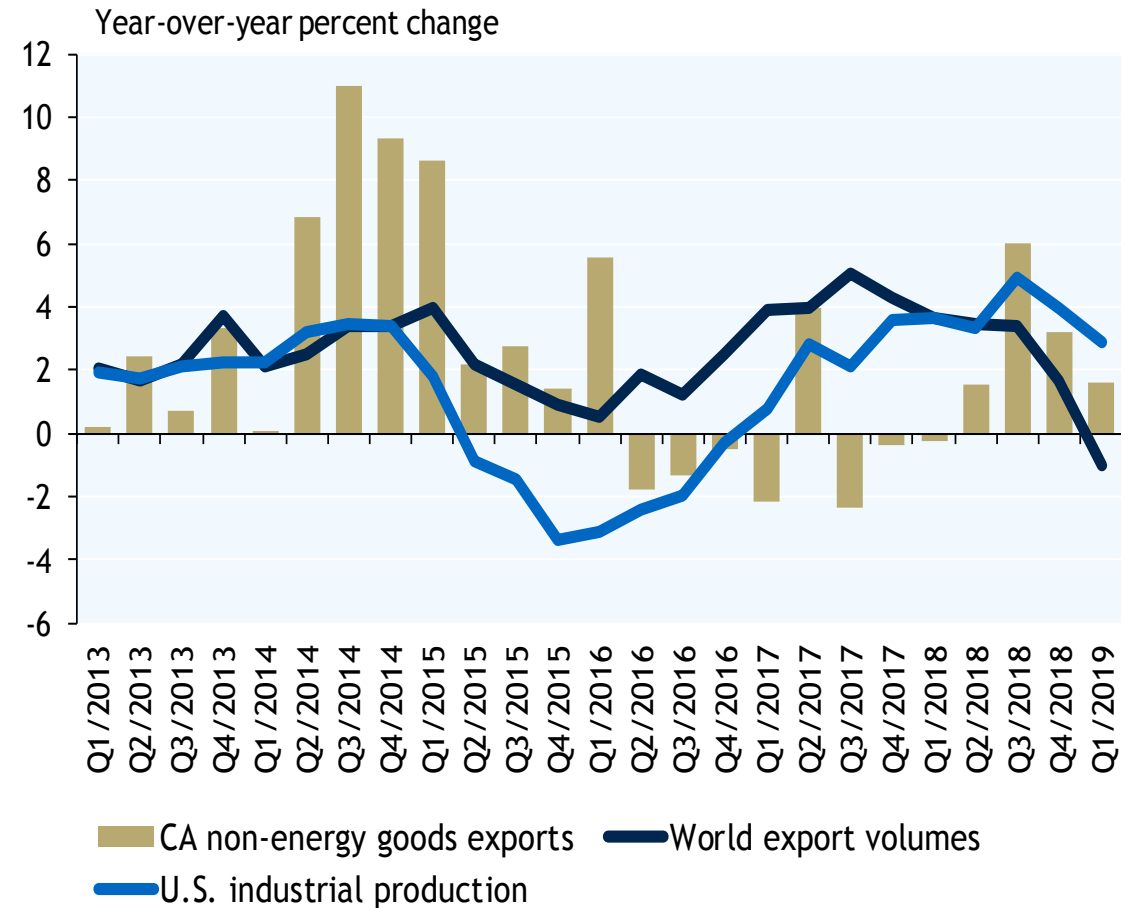
U.S. economy on firm footing but uncertainty rising

U.S. growing beyond capacity



Source: Bureau of Labor Statistics, Bureau of Economics Analysis, RBC Economics Research

Canadian export drivers faltering?

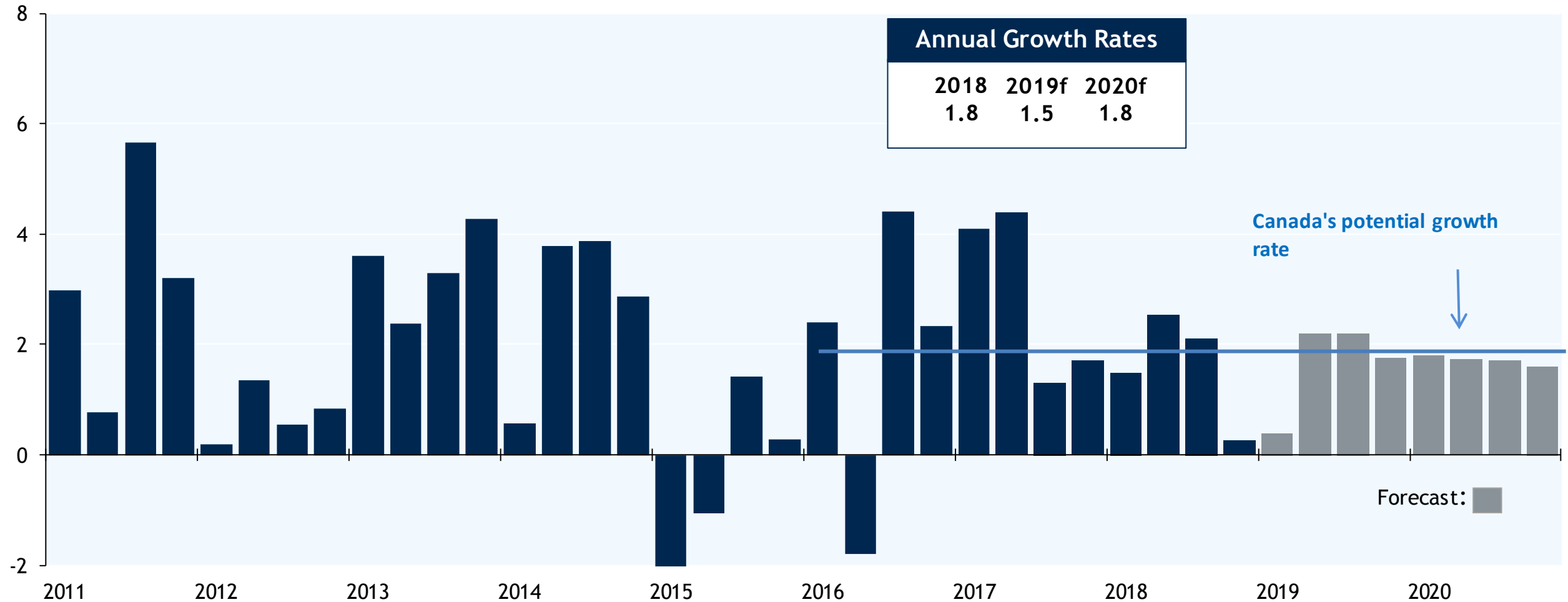


Source: Netherlands Bureau for Economic Policy, U.S. Federal Reserve, RBC Economics Research

Canada's economy faces challenges, some of which are temporary

Canada's real GDP

Quarter-over-quarter % change, annualized rate

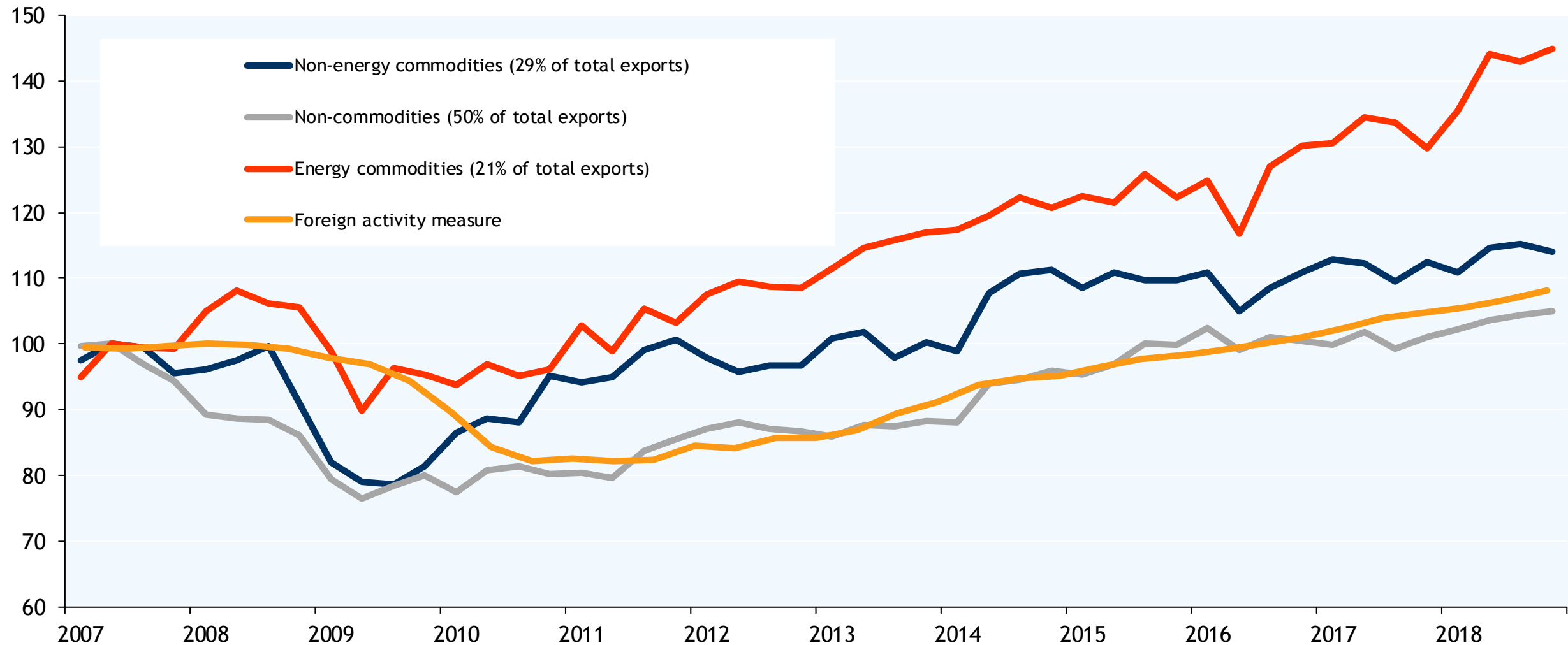


Source: Statistics Canada, RBC Economic Research Forecasts

Export growth will be moderate as long as trade tensions persist

Canadian exports by sector

Index: 2007 Q2 = 100



Source: Statistics Canada, Bank of Canada, RBC Economics Research

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