

Seventh-Inning Stretch

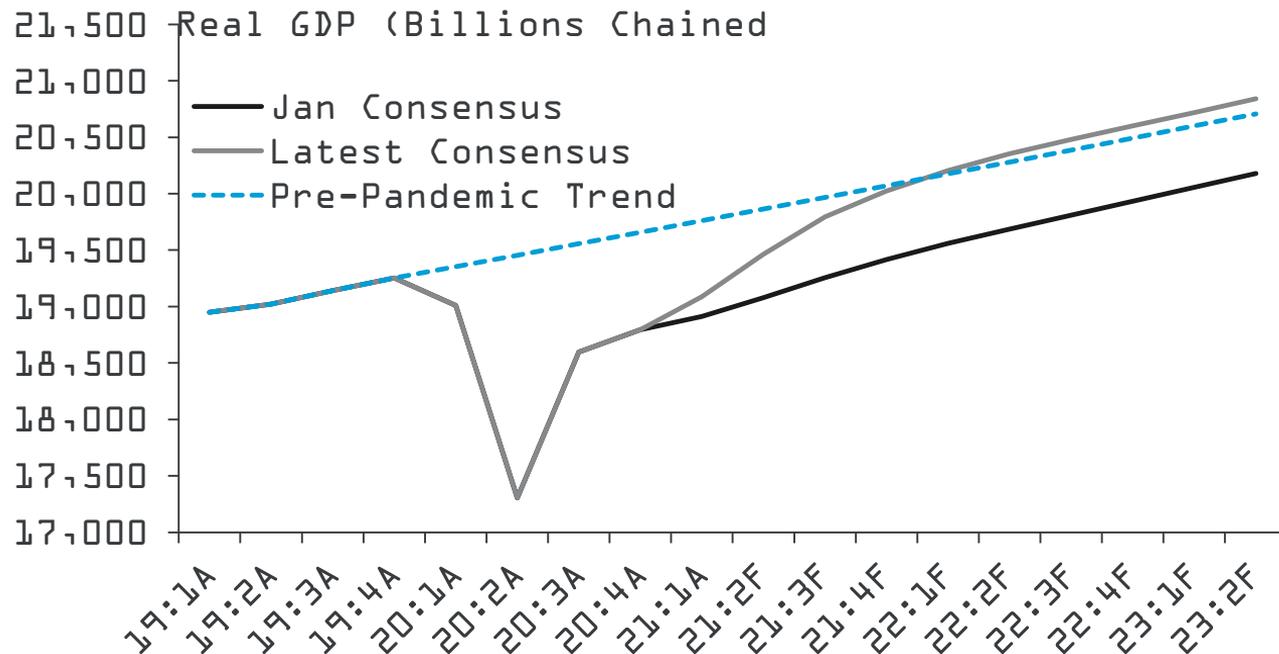


Benjamin Tal

July 2021



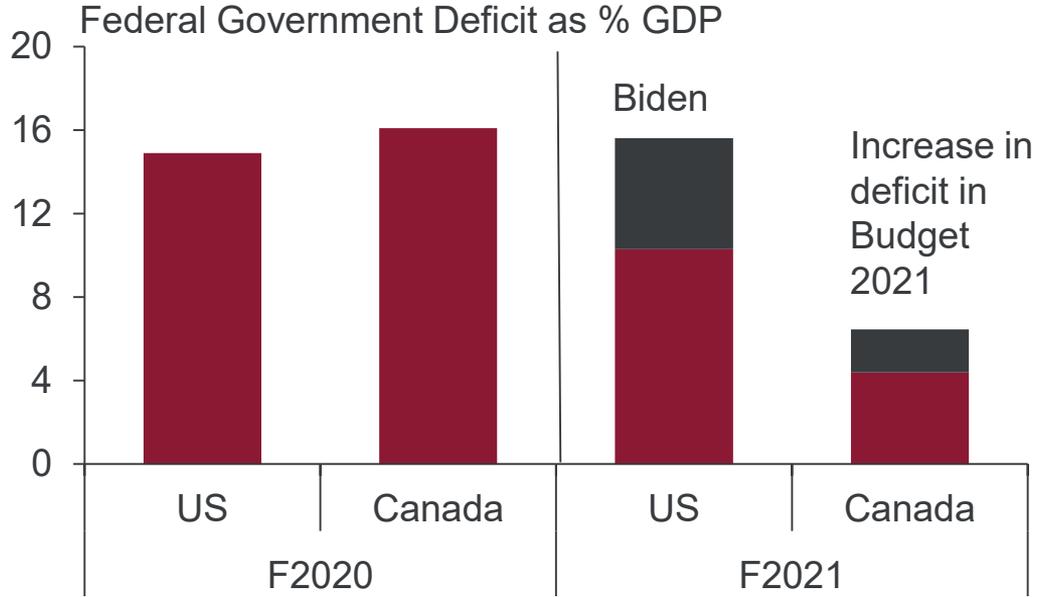
Consensus now forecast US GDP to rise above pre-pandemic trend



Source: BEA, Bloomberg, CIBC



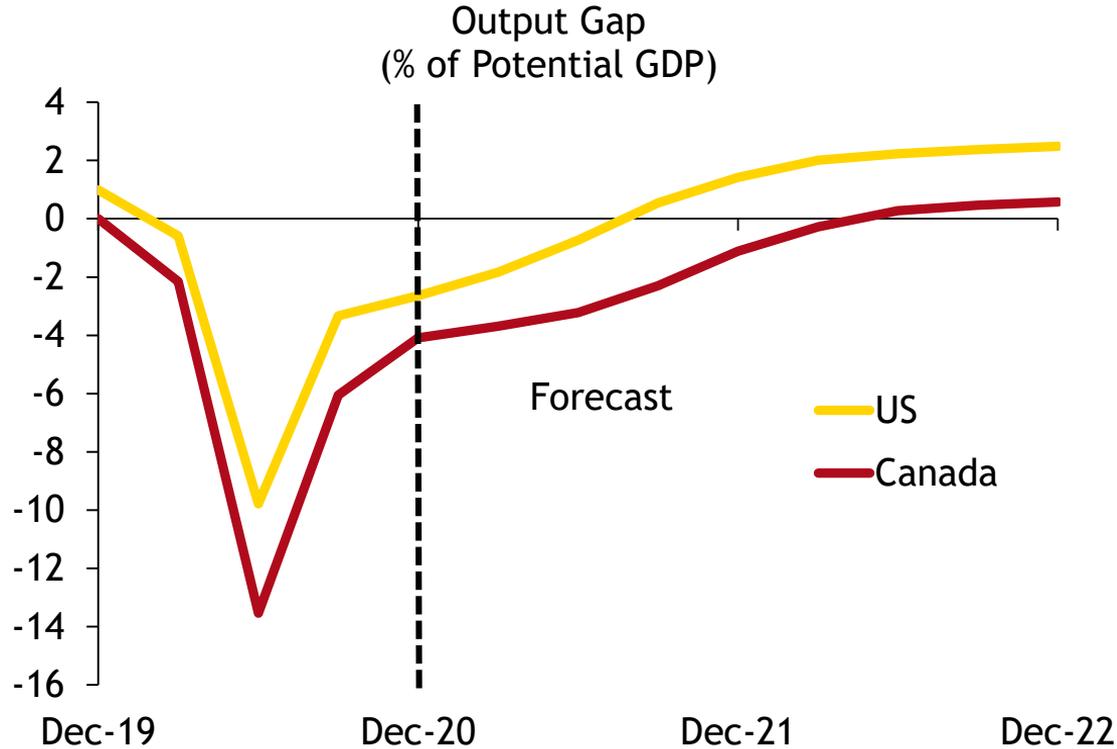
US tops Canada in 2021 Stimulus - By a wide Margin



Source: Budget 2021, CBO, CIBC



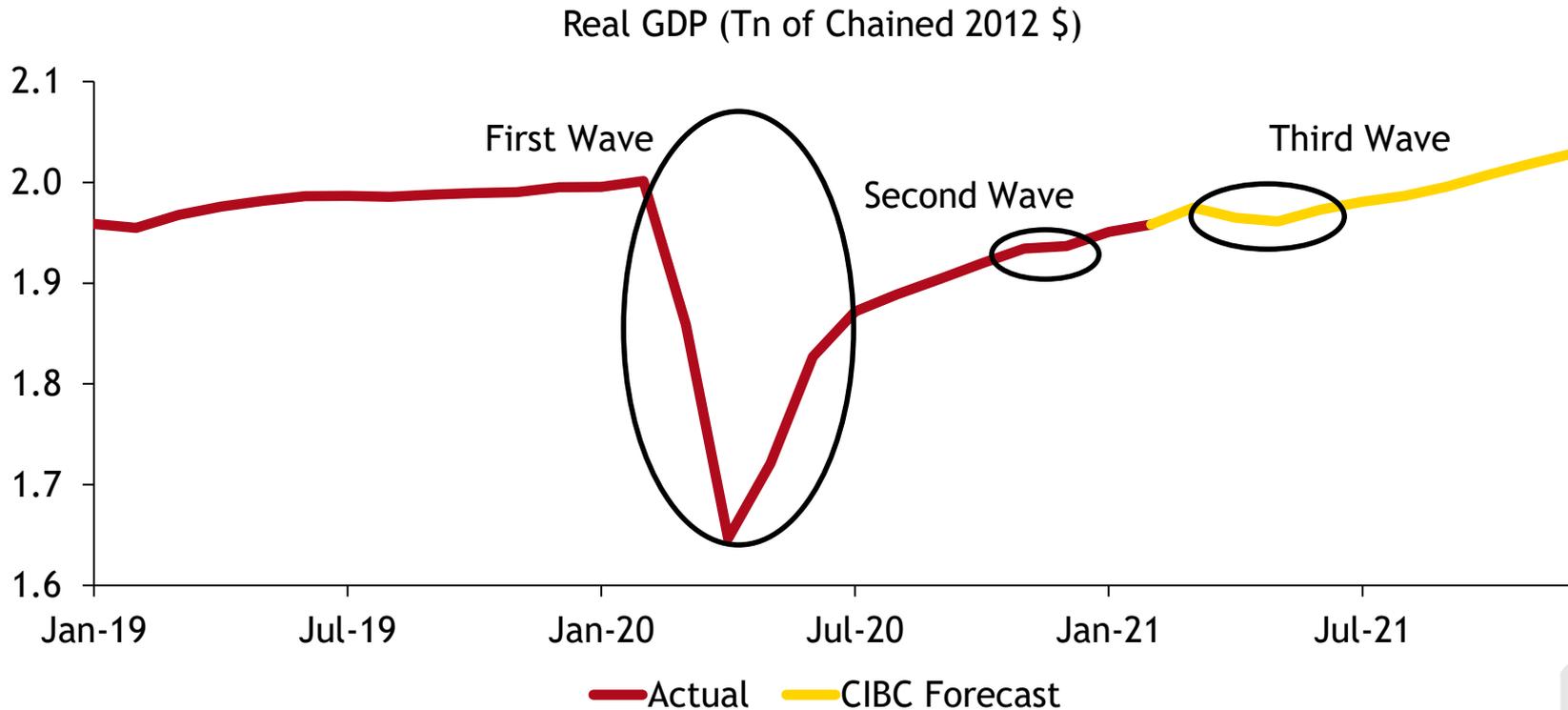
US Will Eliminate Economic Slack Ahead of Canada



Source: BoC, StatCan, BEA, CBO, CIBC



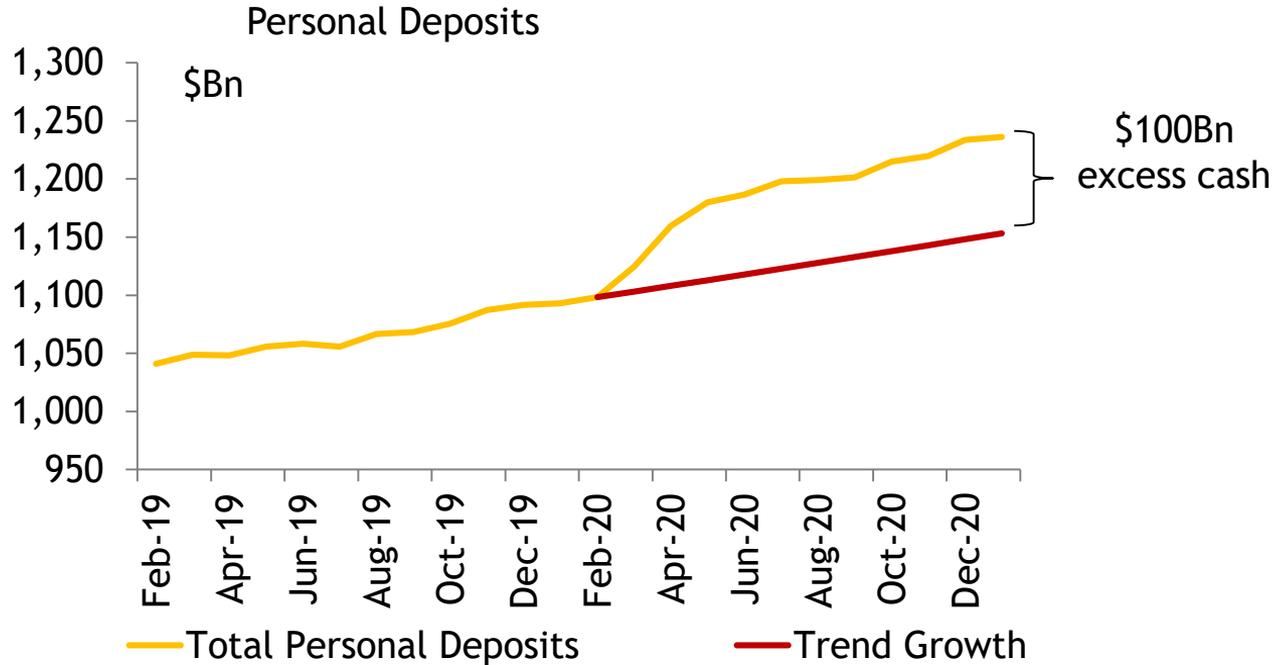
Subsequent Waves Less Destructive to Canadian Economy



Source: Statistics Canada, CIBC



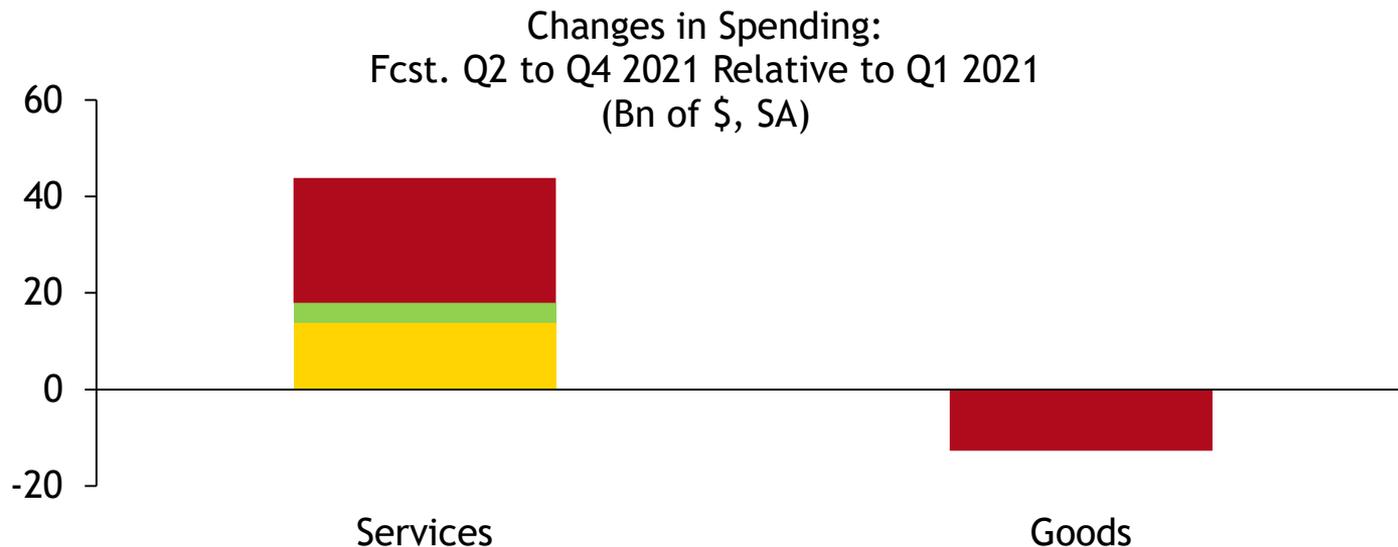
Households are Sitting on Excess Cash



Source: OSFI, Bank of Canada, CIBC



Spending On Services Will Swamp Pullback on Goods Purchases*



- Deferred Essential Services
- Gradual Normalization

- Indulging in Discretionary Services

Source: Statistics Canada, CIBC

* Gradual normalization assumes consumption of services reaches pre-pandemic levels in 2022, while declines in goods spending take it almost back to pre-pandemic levels late in 2021. Indulging in services assumes a faster path back for some discretionary services than gradual normalization. Deferred essential services assumes much of the spending missed is recouped over-and-above normalization.



inflation

noun

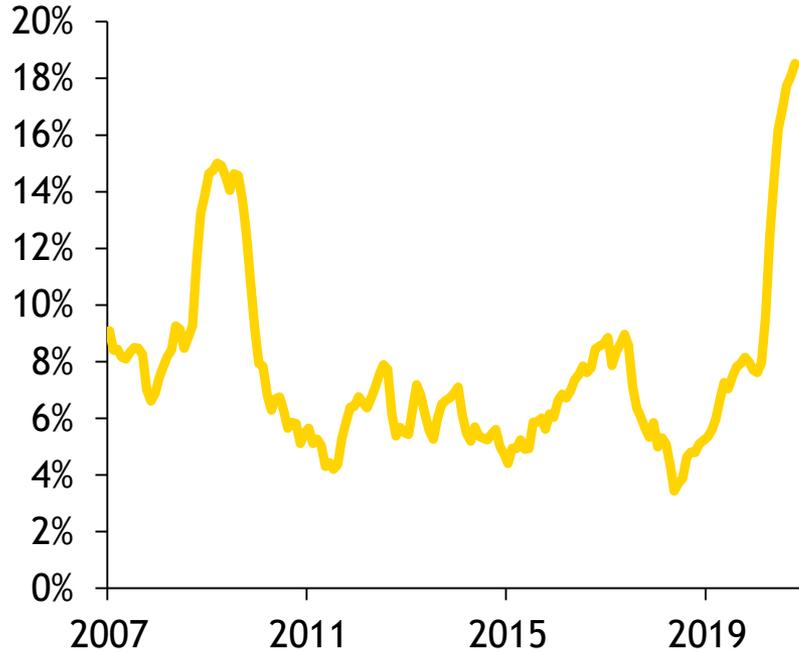
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[uncountable]

a general increase in the prices of services and goods in a particular country, resulting in a fall in the value of money; the rate at which this happens; *the fight against rising inflation; to control/curb inflation; to reduce/bring down inflation; a high/low rate of inflation; an inflation rate of 3%; Salary increases must be in line with inflation; Inflation is currently running at 3%; rapid/runaway/galloping inflation;*

Money Makes the World go Round...

Canada M2 Money Supply (Y/Y% Chg.)



US M2 Money Supply (Y/Y% Chg.)

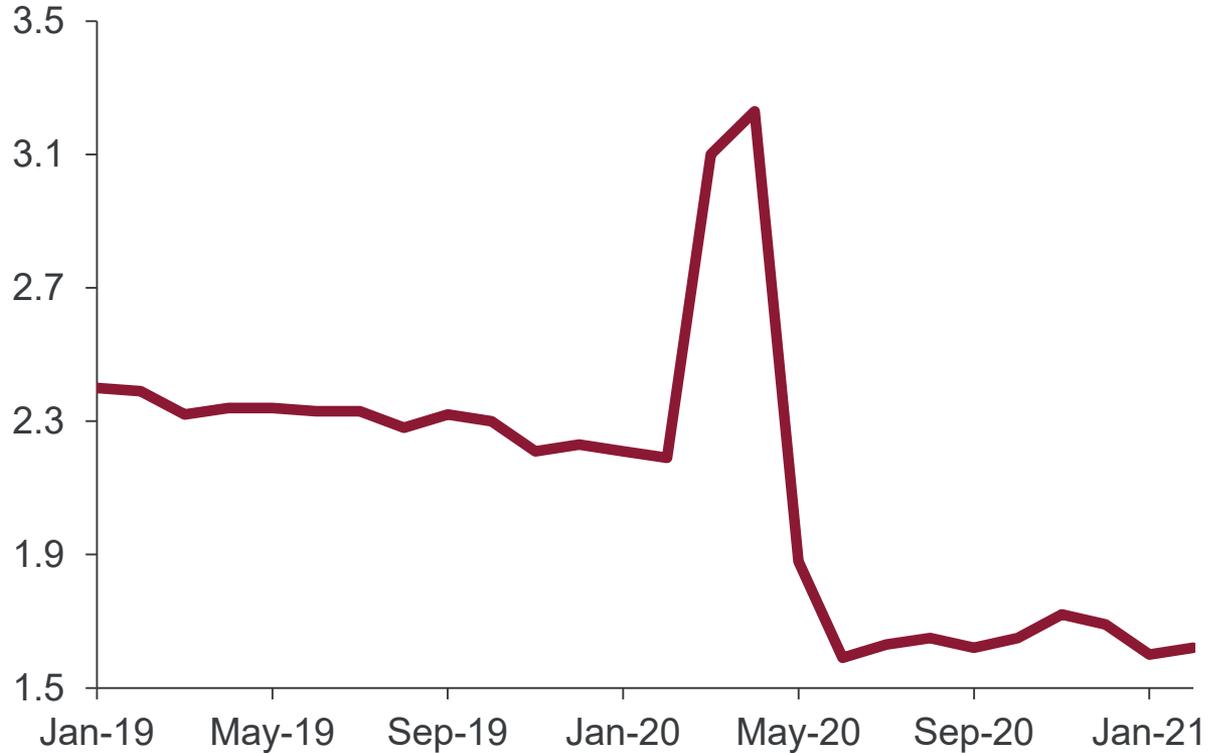


Source: FRB, BoC, CIBC



Supply Constraints Causing Growing Pains for Economies

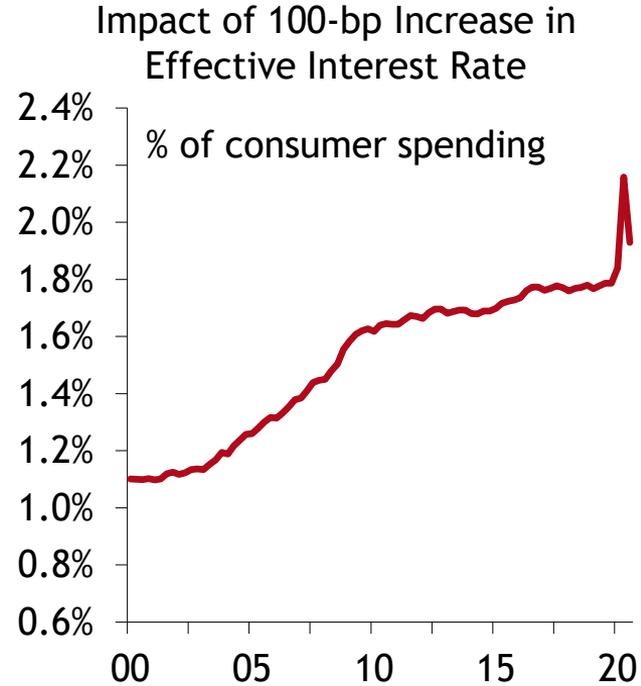
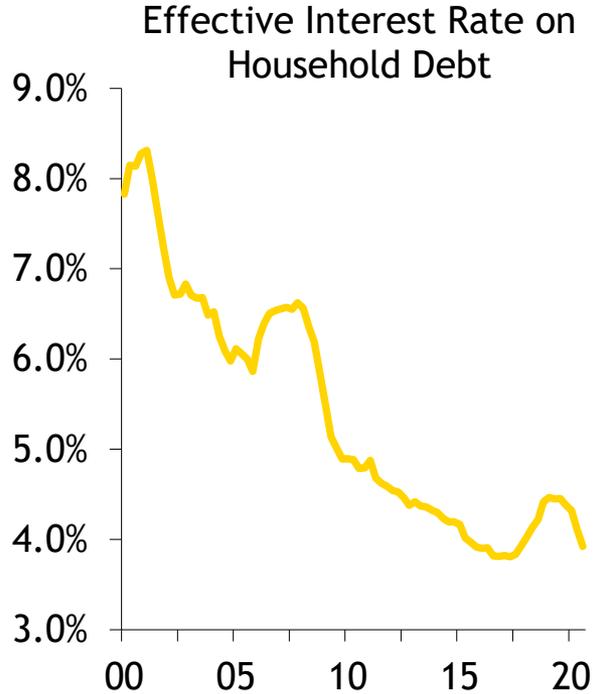
Inventory/Shipment Ratio, US Auto Retailers



Source: Statistics Canada, CIBC



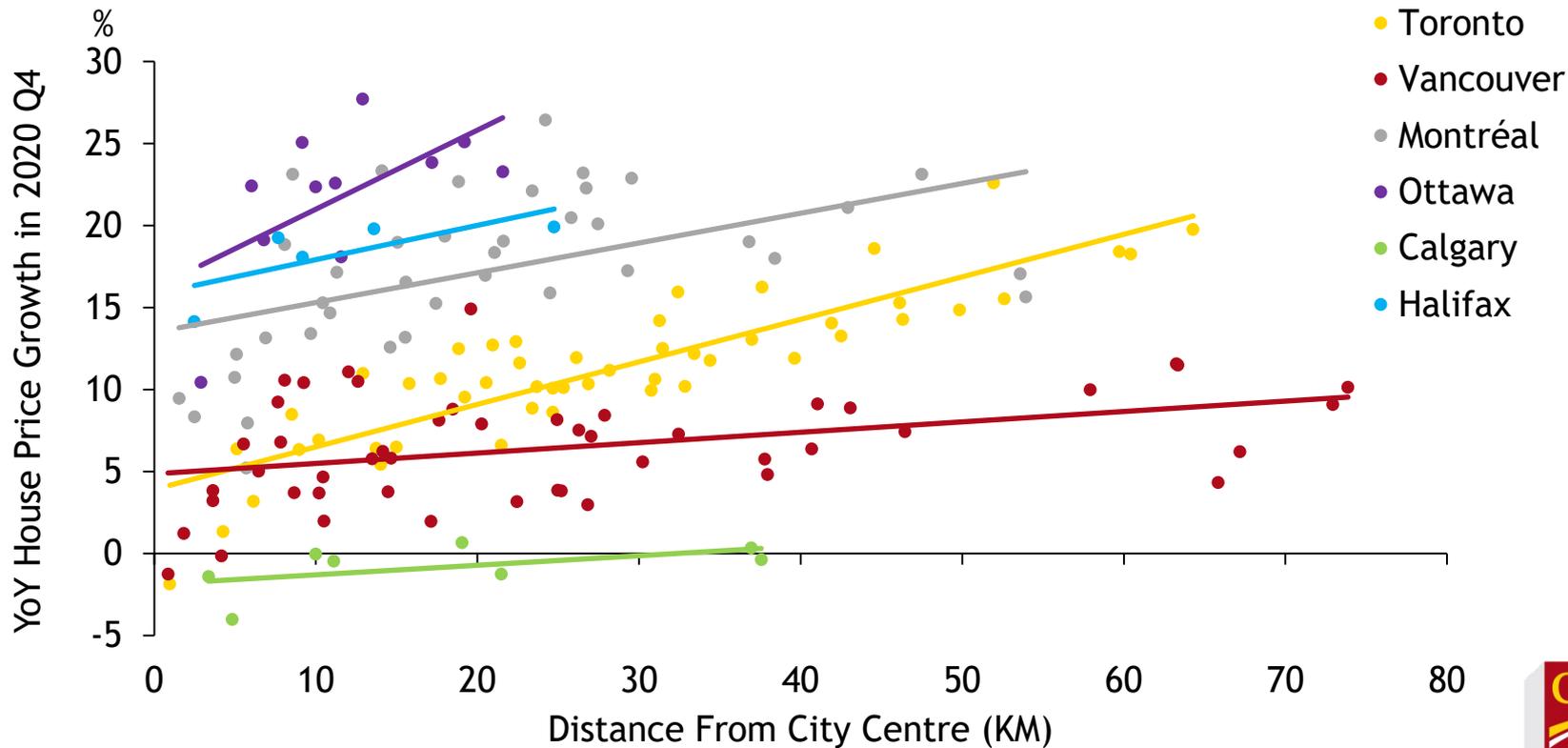
The Rising Effectiveness of Canadian Monetary Policy



Source: Statistics Canada, Bank of Canada, CIBC



Not Commuting? Need Space? Buying in the 'Burbs

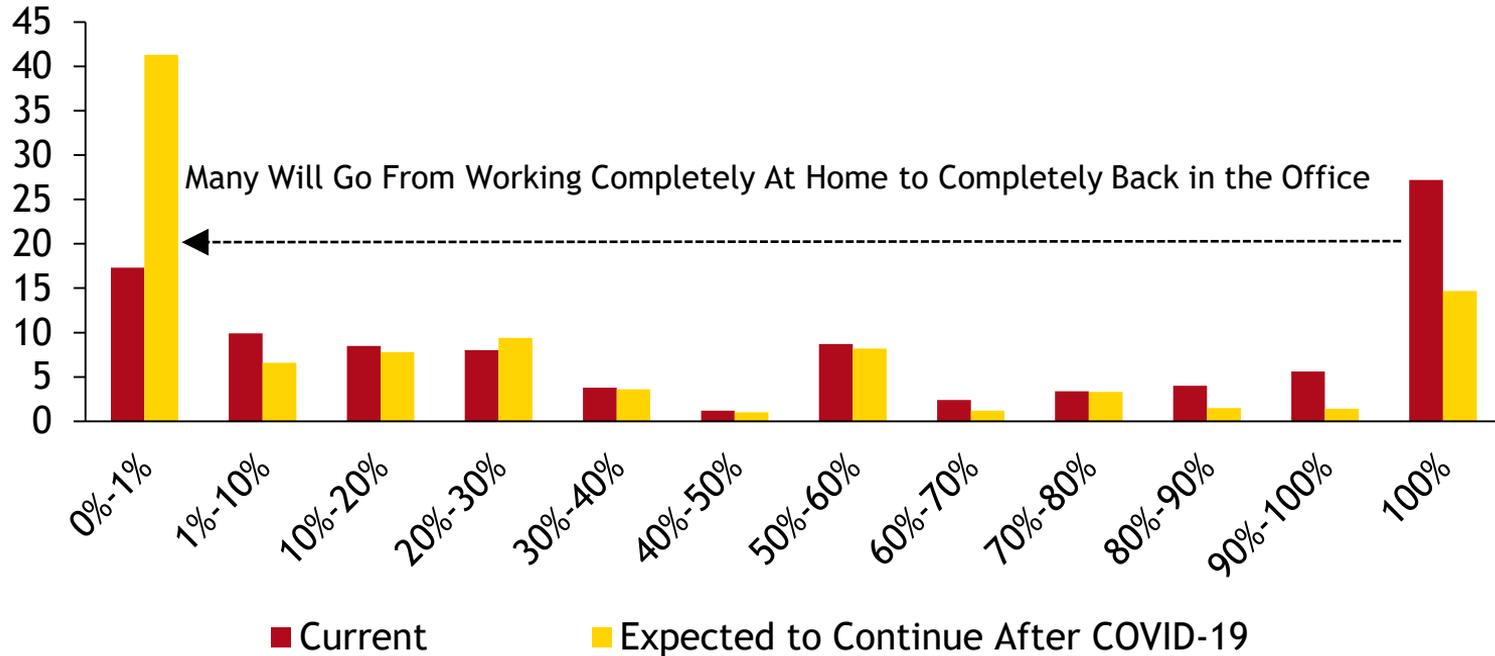


Source: Bank of Canada



Many Employees Should Expect To Head Back to Office

Percentage of Workforce
By Amount of Work Done at Home (%)



Source: Statistics Canada, CIBC

