

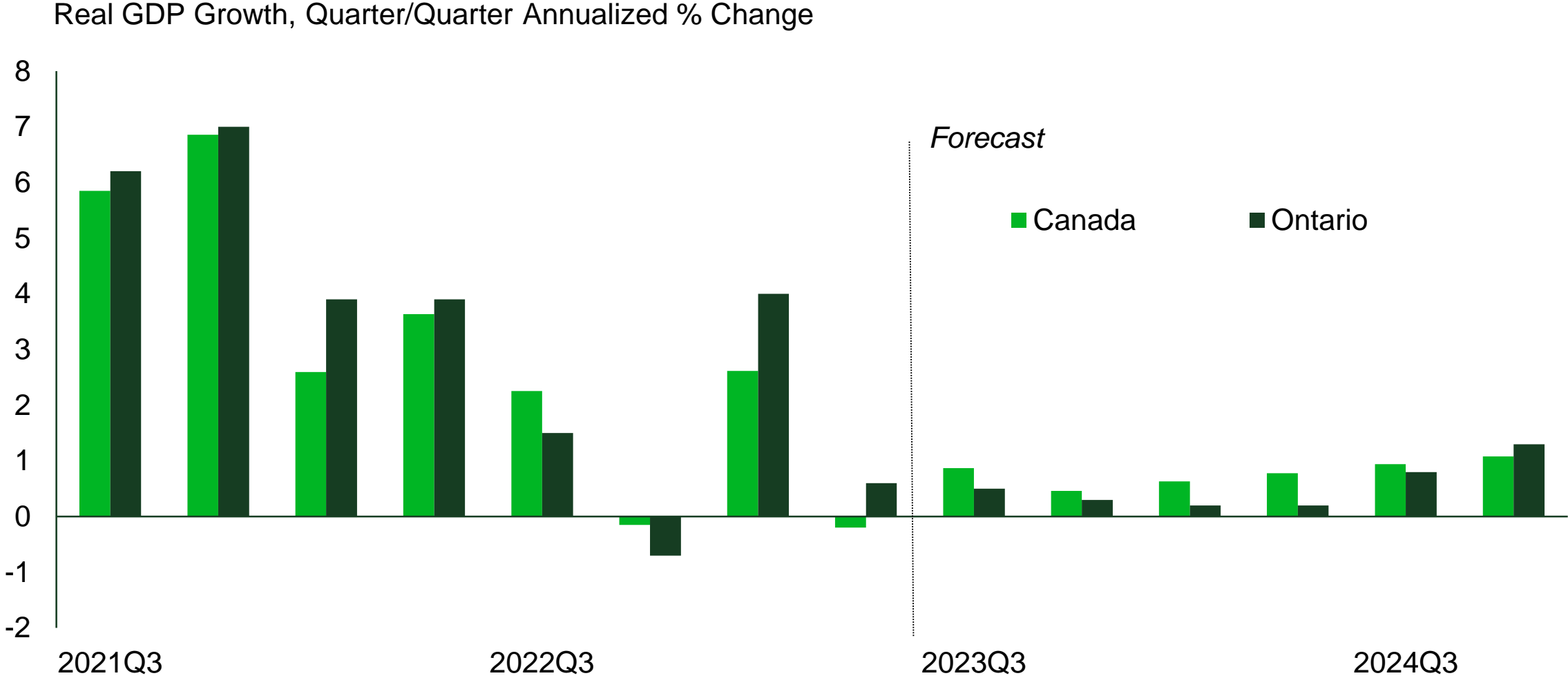


Ontario's Outlook

Rishi Sondhi
Economist - TD Economics
October 2023



Economic Growth Set to Fade

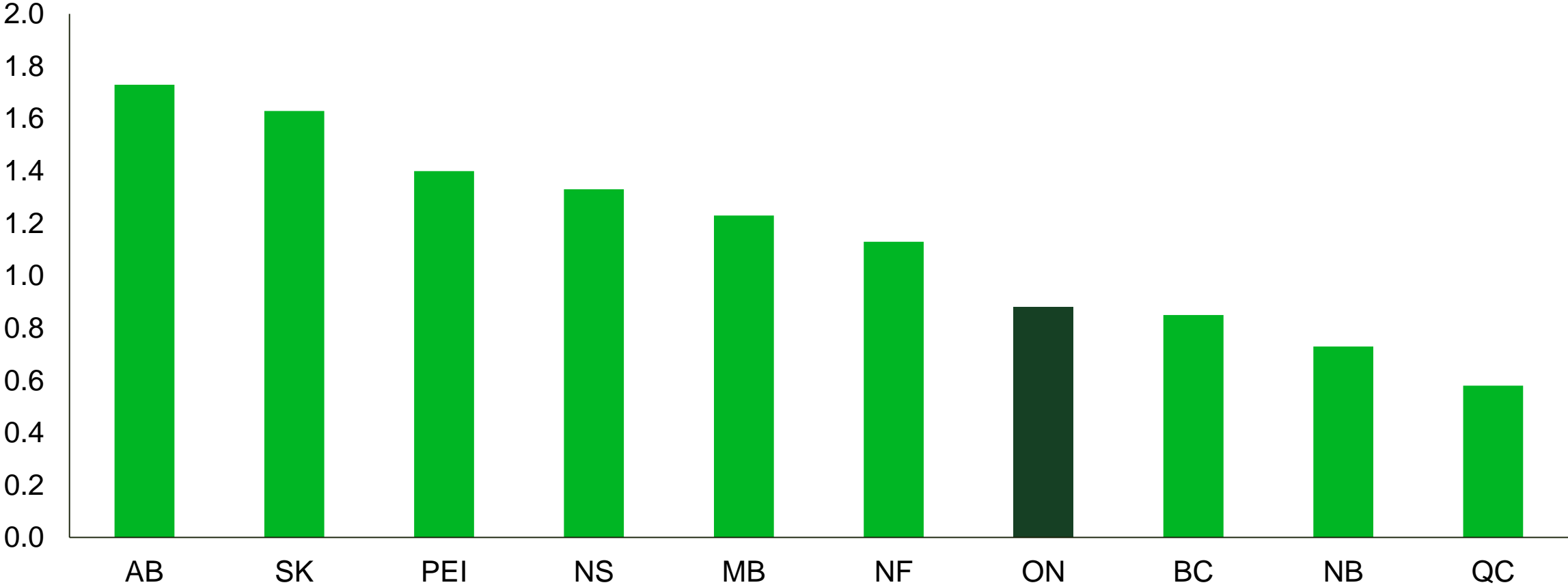


Source: Statistics Canada, Ontario Government, TD Economics.

Prairies to Lead, Ontario to Lag



2023/2024 Average Real GDP Growth, % Change

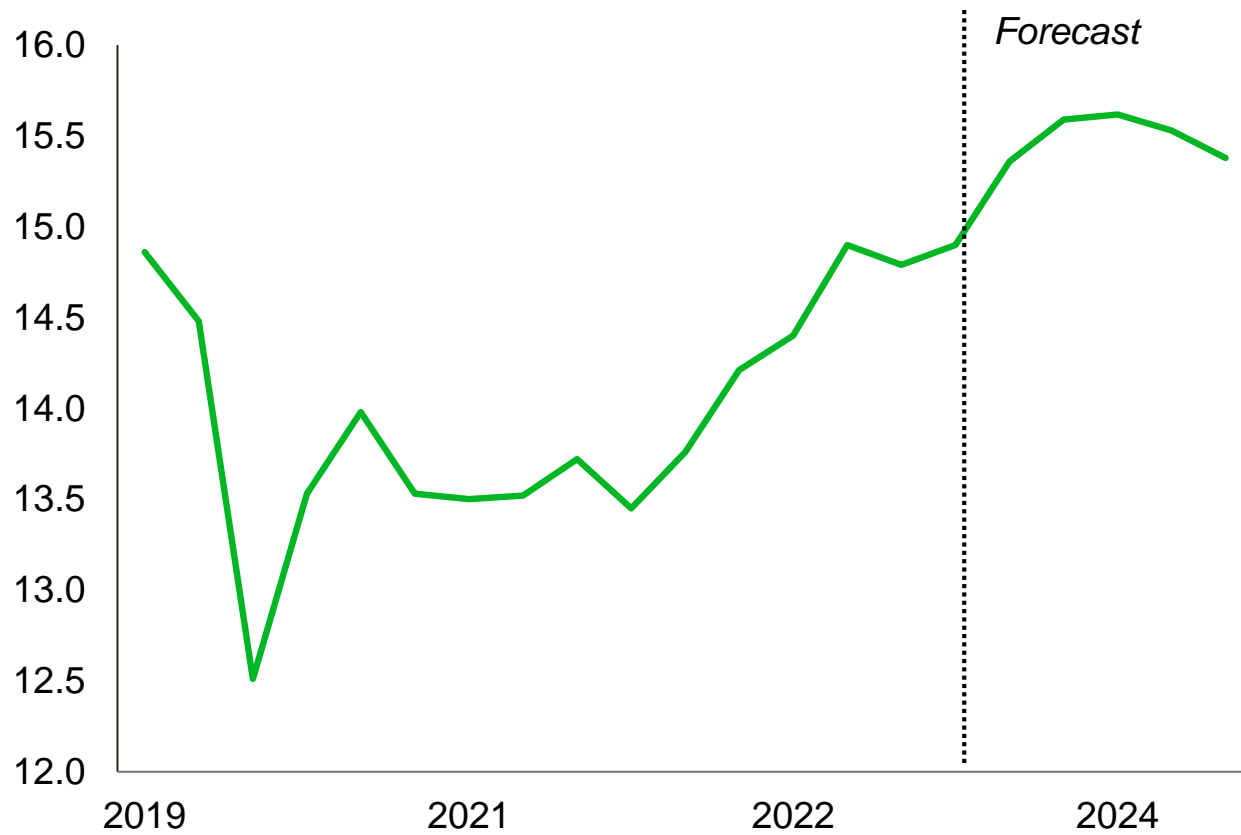


Source: Statistics Canada, TD Economics

Debt Servicing Costs Will Continue To Sap Spending Power

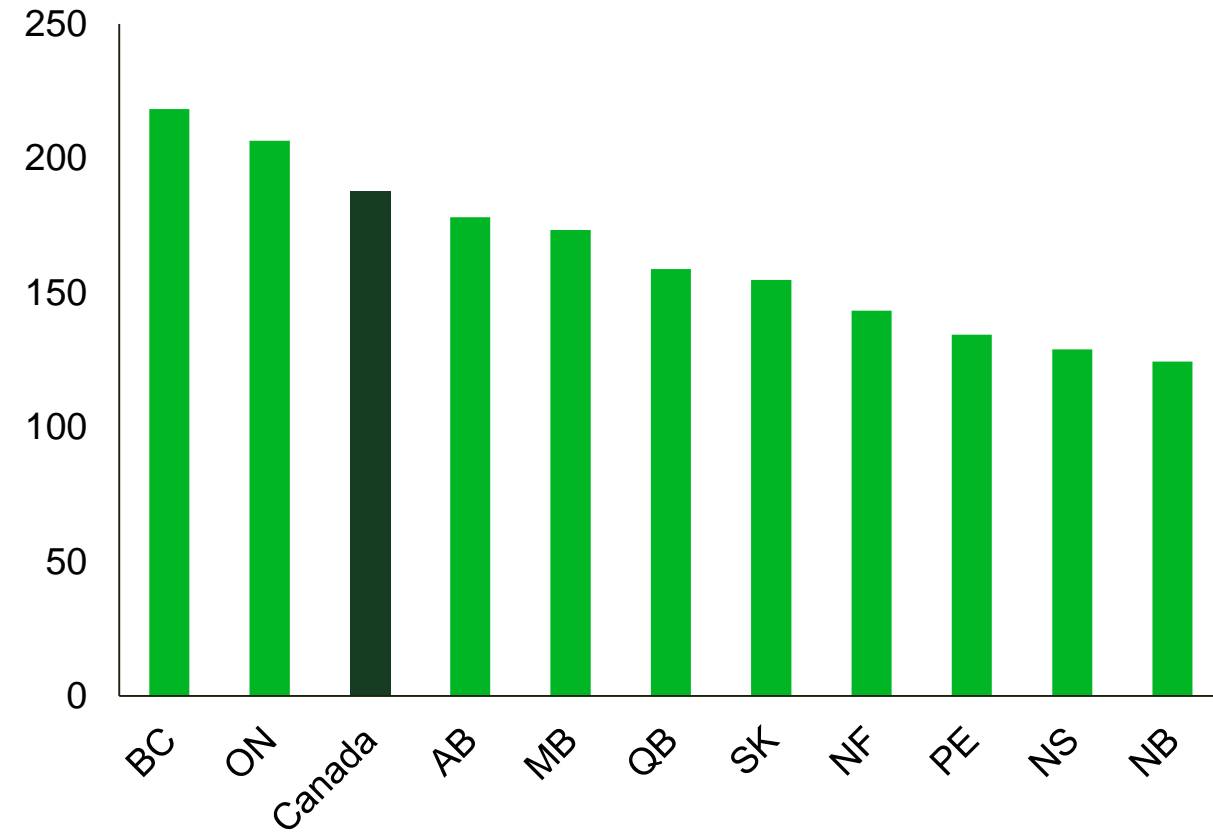


Household Debt Servicing, % of Income



Source: Statistics Canada, TD Economics

Household Debt-to-Disposable Income Ratio, %

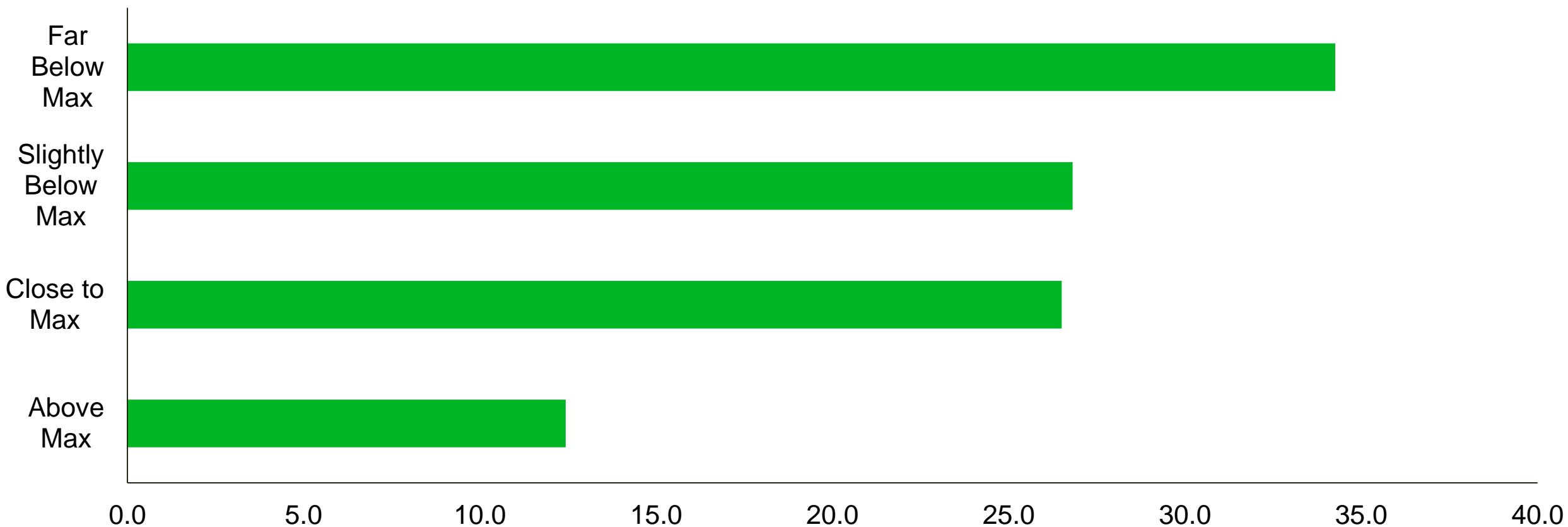


Source: Statistics Canada, TD Economics

Mortgage Renewals Already Hurting Consumers

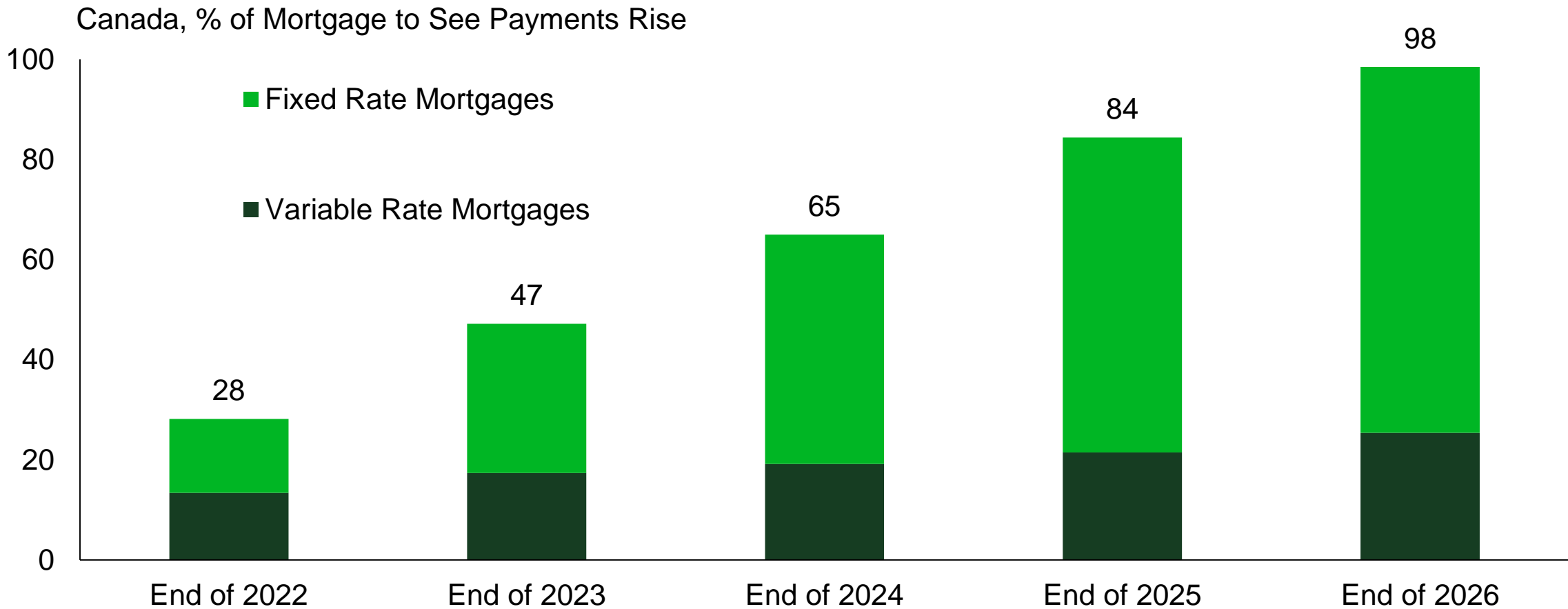


Where is Your Mortgage Payment Relative to What You Consider Maxim Affordable One to Be, % Share of Responses



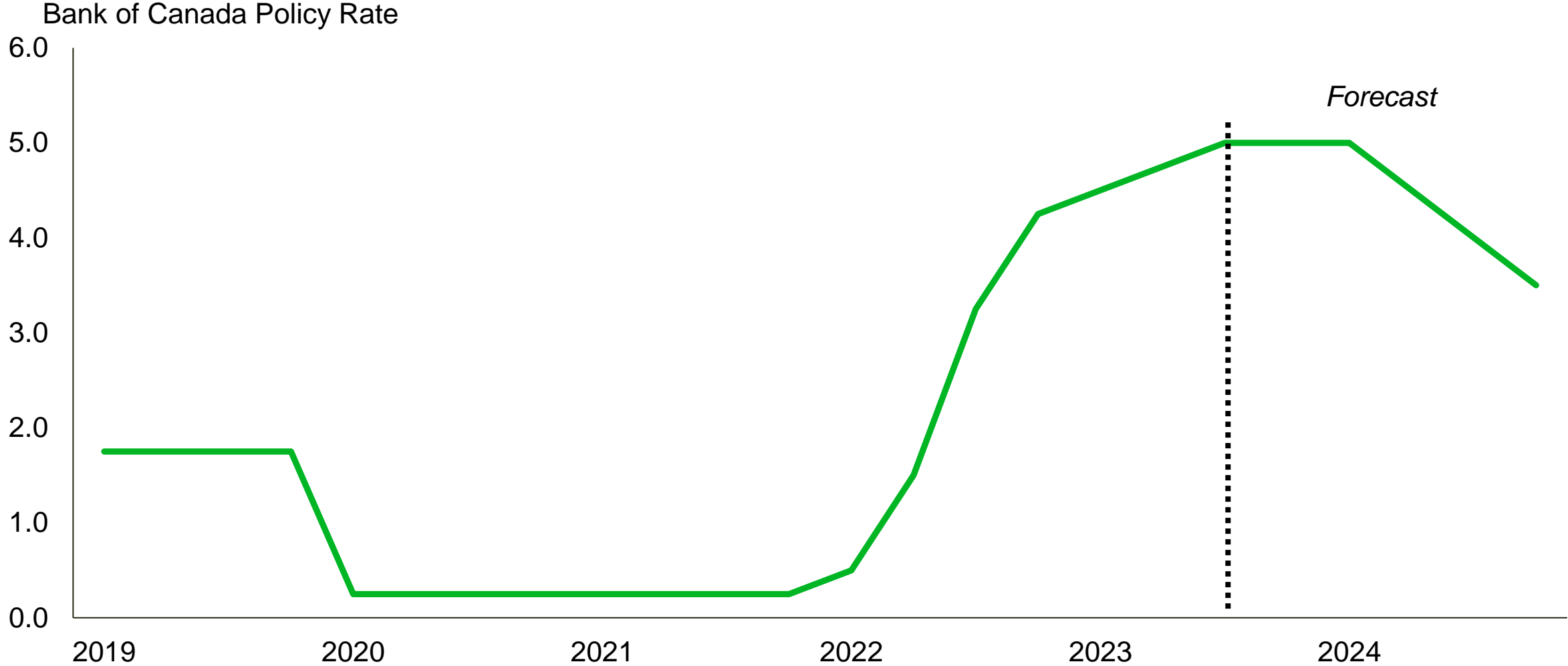
Source: Bank of Canada Survey of Consumer Expectations, TD Economics

Mortgage Renewal Stress a Slow-Moving Train



Source: Bank of Canada, TD Economics.

BoC to Remain on Hold

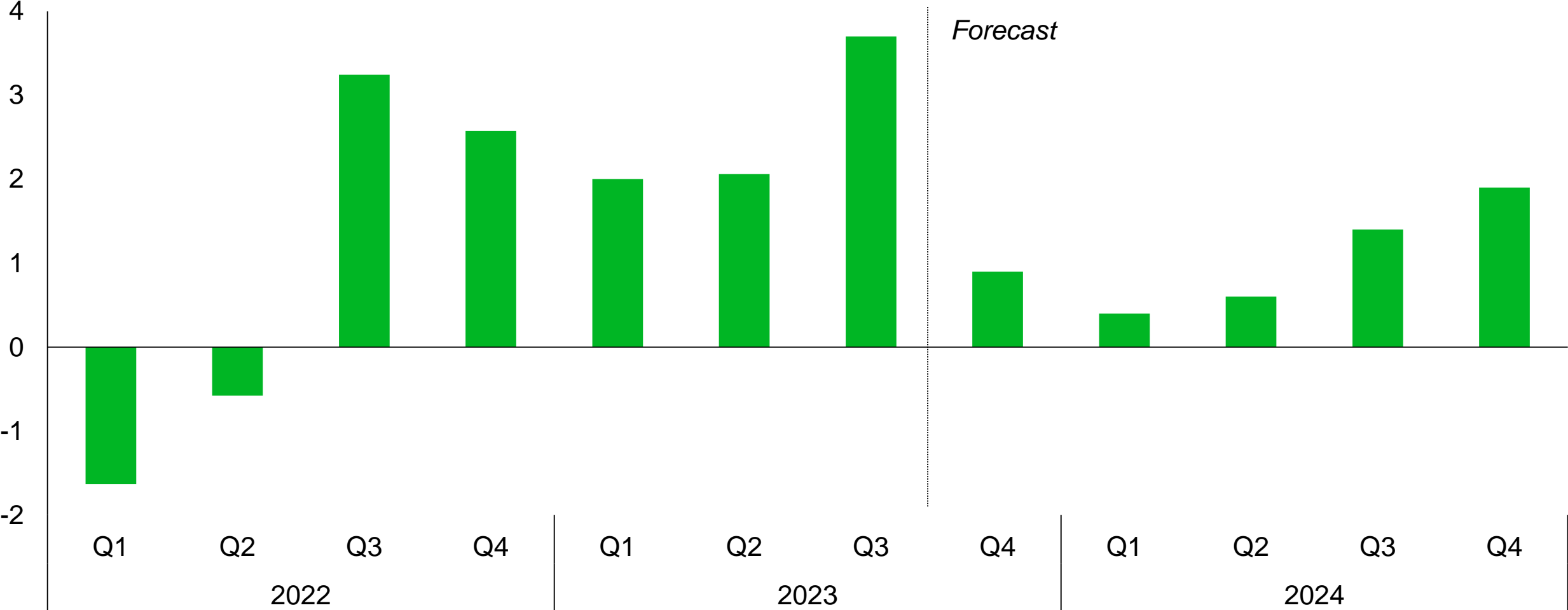


Source: Bank of Canada, TD Economics

U.S. Economy Won't be Spared from Higher Rates

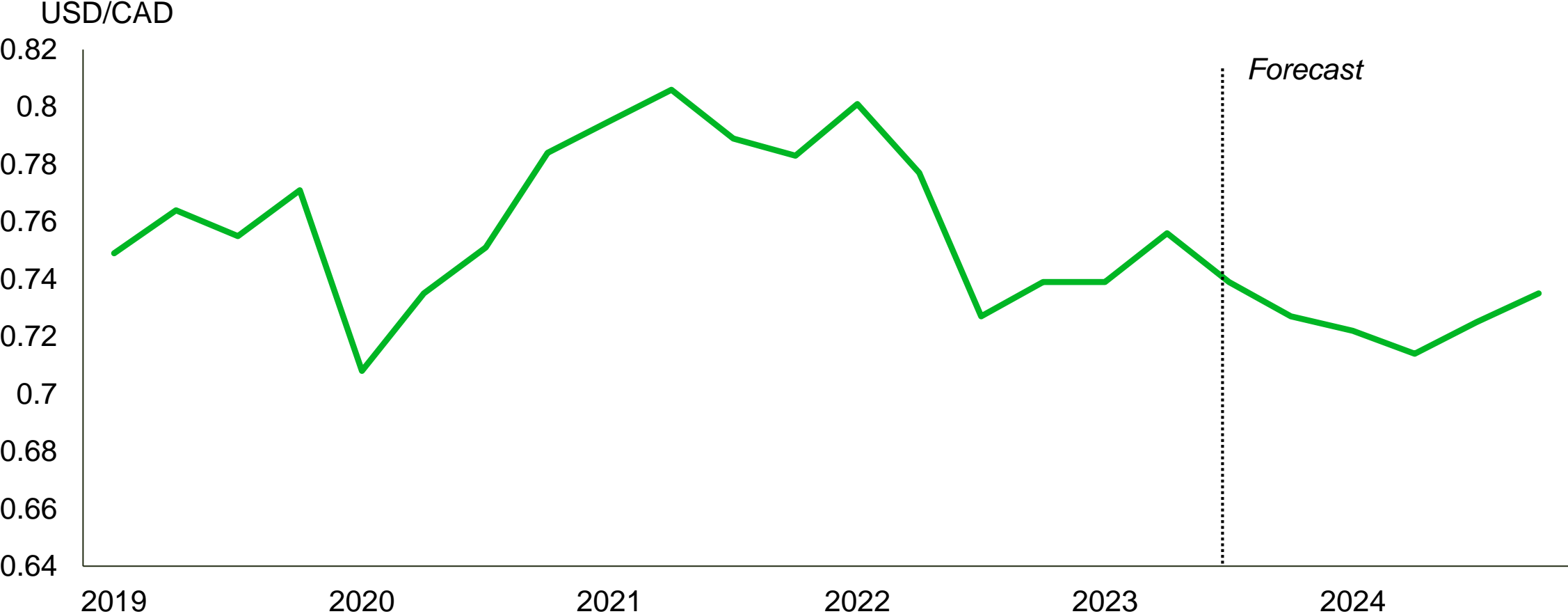


United States, Real GDP Growth, Quarter/Quarter Annualized % Change



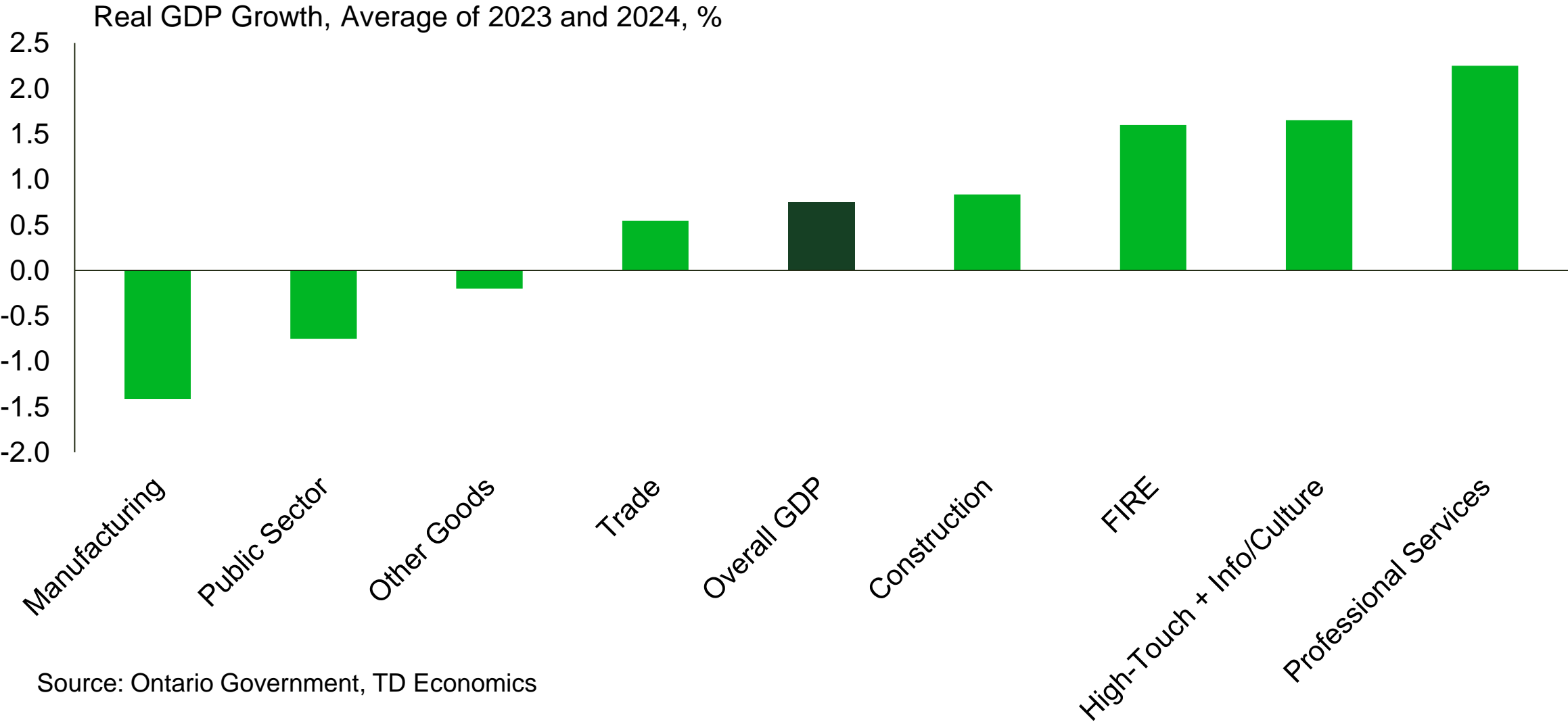
Source: Bureau of Economic Analysis, TD Economics. Forecast as of March 2023.

Competitive Dollar to Support Manufacturers

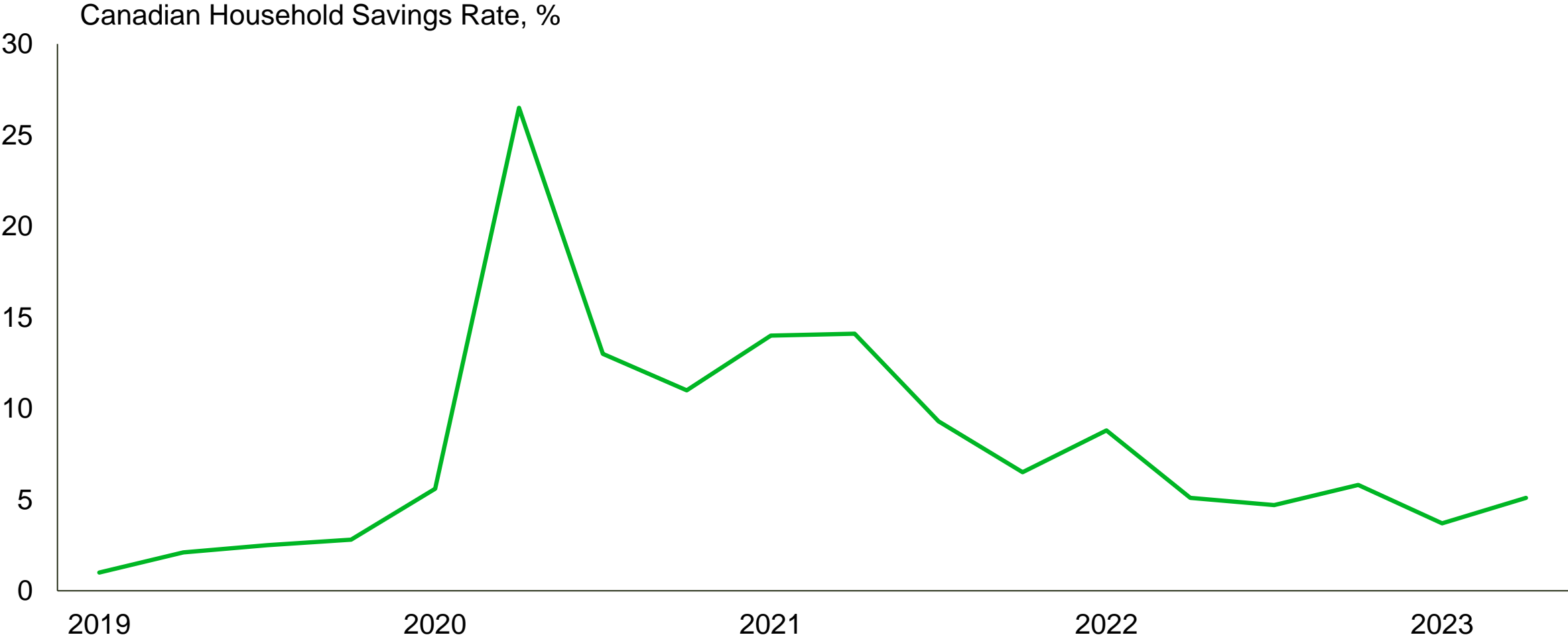


Source: Bank of Canada, TD Economics

Manufacturing to Weigh, Services to Boost

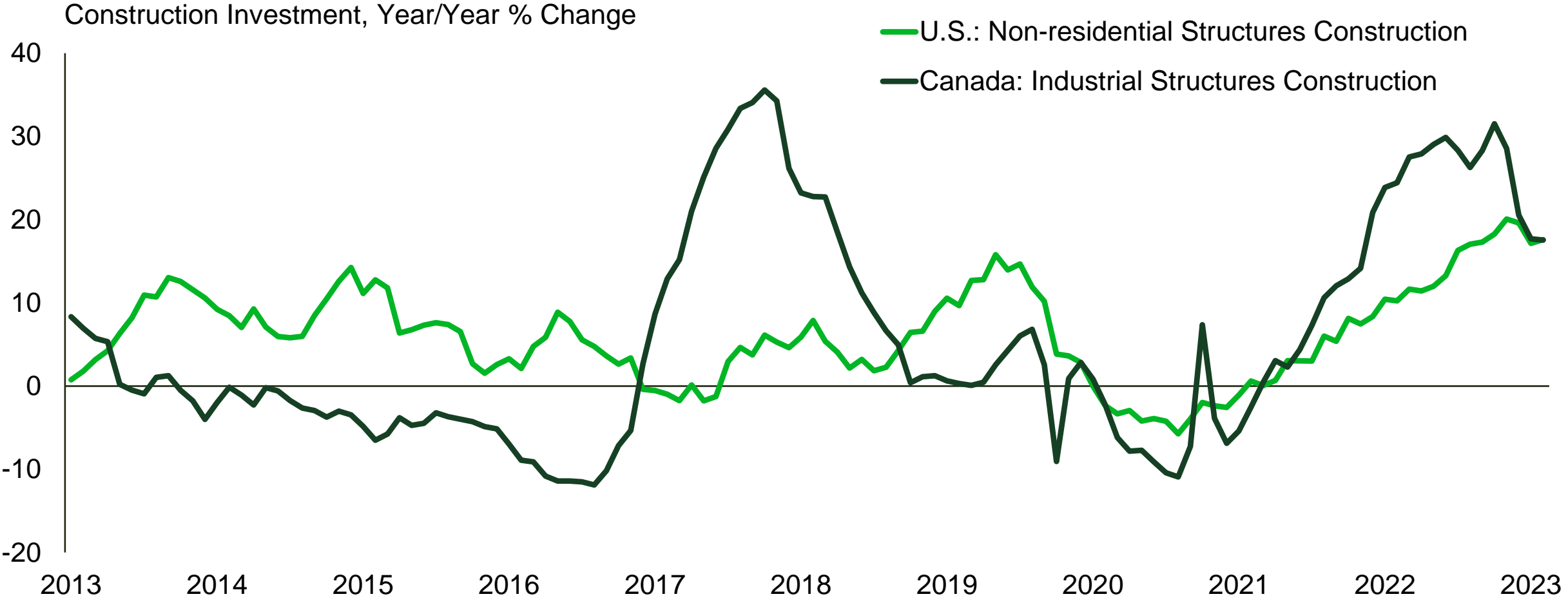


Why No Recession: Households Have Accumulated Savings



Source: Statistics Canada, TD Economics

Why No Recession: Canada Making Headway In New Structures

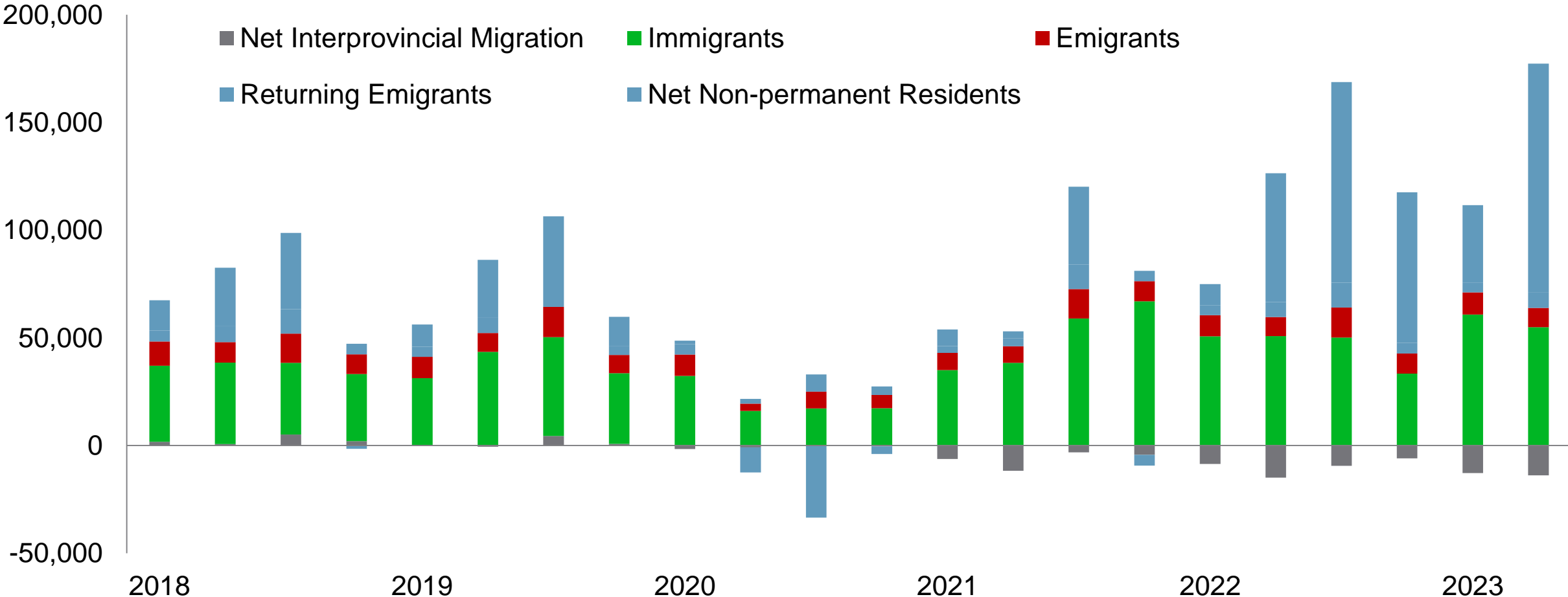


Source: Census Bureau, Statistics Canada, TD Economics.

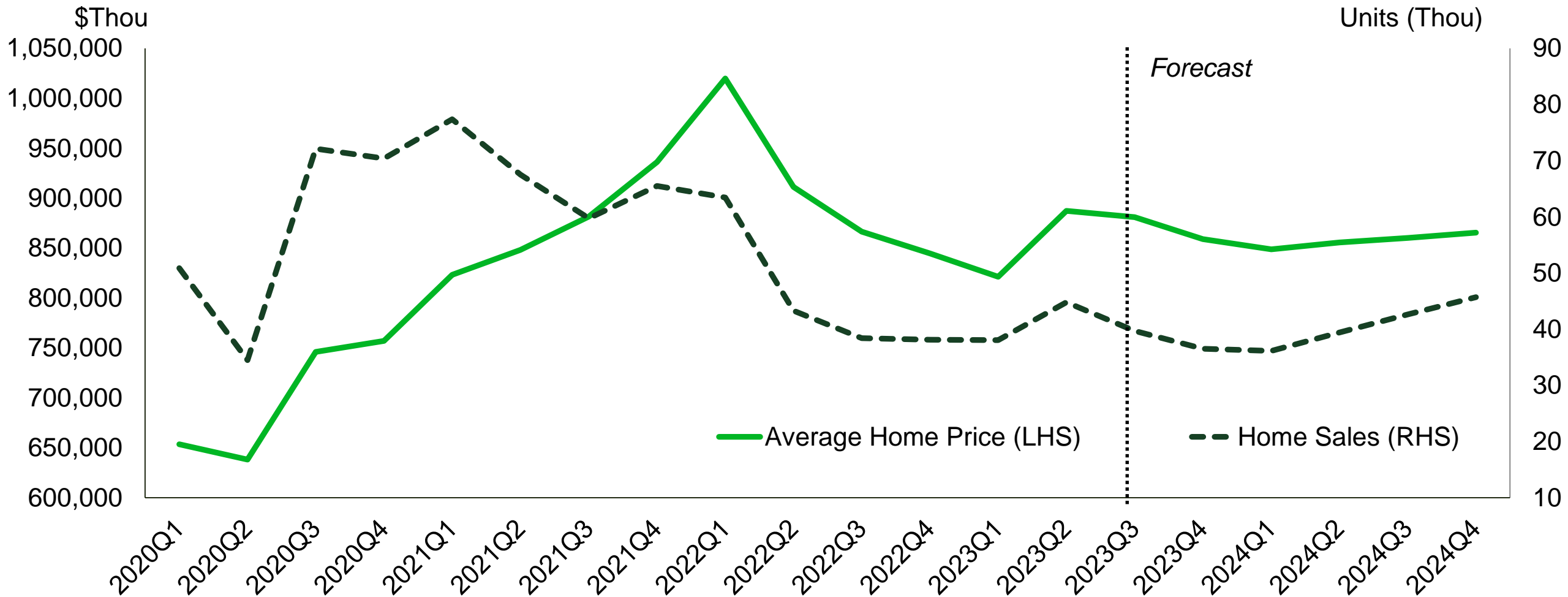
Why No Recession: Surging Population



Ontario, Population Growth (Persons)



Bumpy Ride for Ontario's Housing Market

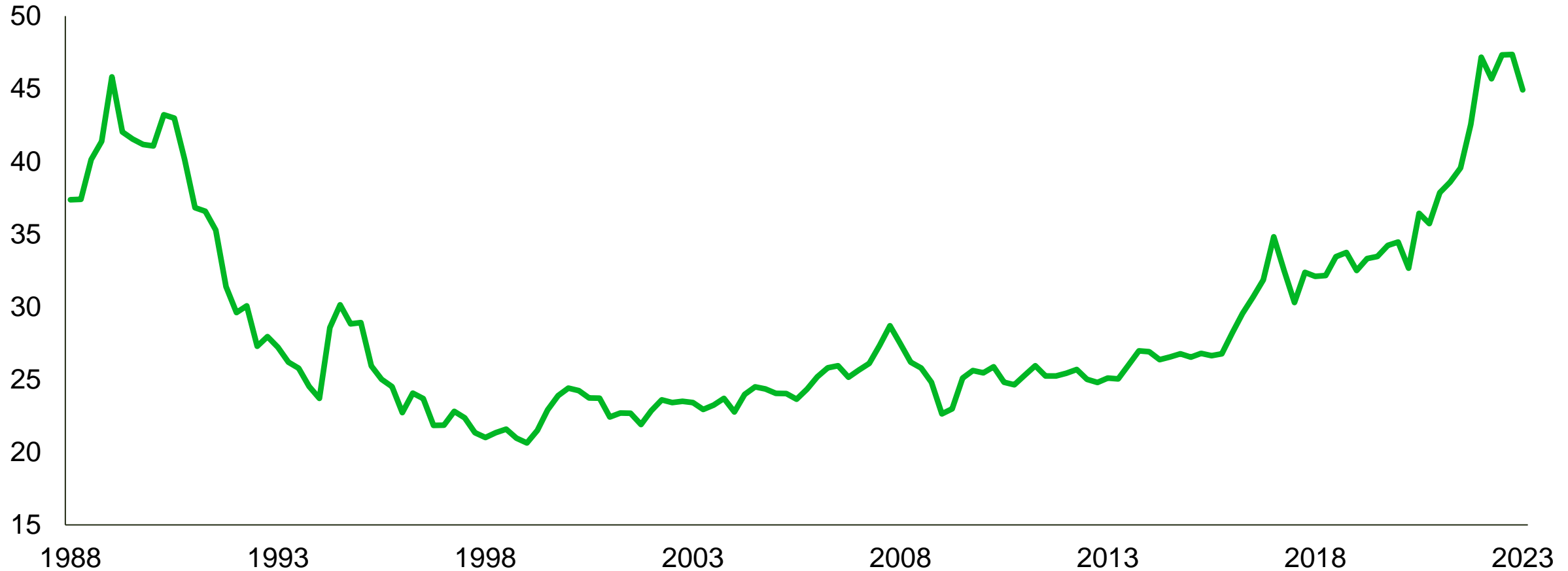


Source: CREA, TD Economics

Amid The Worst Housing Affordability in (at least) 37 Years



Affordability Metric, Ontario, %, Higher = Worse Affordability

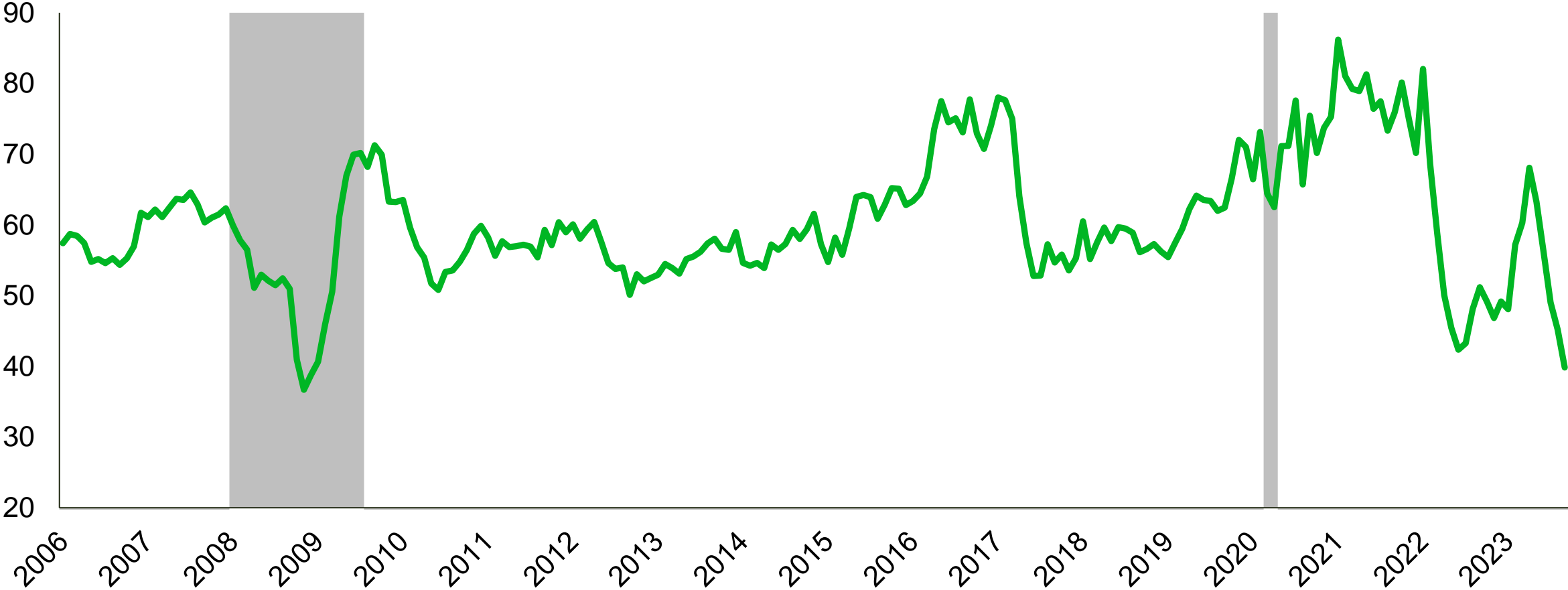


Source: Statistics Canada, Bank of Canada, TD Economics

Surging Resale Supply A Risk to Prices

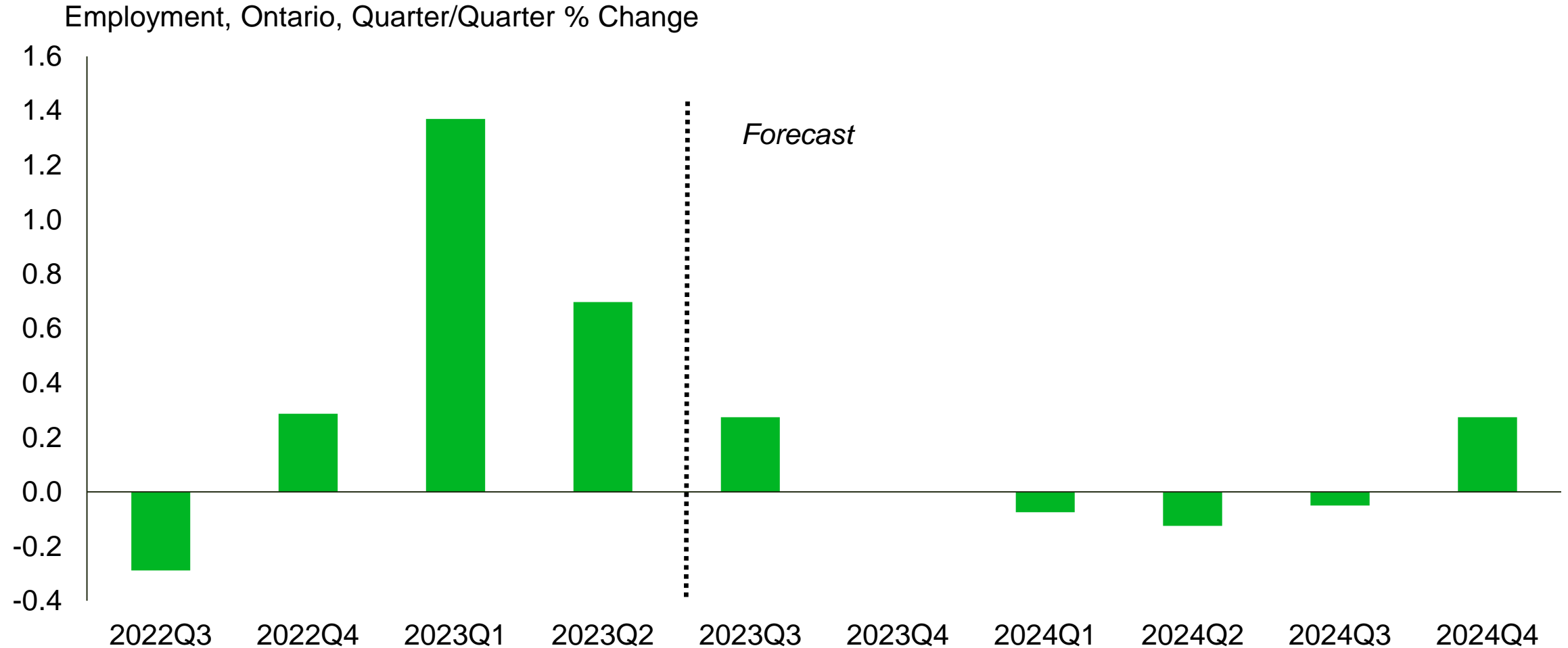


Sales-to-new Listings Ratio, Ontario, %



Source: CREA, TD Economics

Weak Economy to Spill Over into Hiring



Source: Statistics Canada, TD Economics

Workers Want A Piece Of The Pie – Strike Headlines Everywhere



Money
ECONOMY AND POLITICS > LABOR UNIONS
Summer of Strikes: Why So Many Workers Are Walking off the Job
Published: Jul 21, 2023 | 7 min read

UK politics & policy [+ Add to myFT](#)
Senior doctors in England demand higher pay offer to avert August strikes

TORONTO STAR
Home / Business
BUSINESS
‘The big issue is money:’ Pickets remain at 27 Metro stores as 3,700 workers enter Day 3 of strike
Labour studies professor Larry Savage says both sides are ready for a long dispute. "I really just get the sense that people are fed up."
Monday, July 31, 2023 | 3 min to read

The New York Times
Labor Day Looms as Crisis Point in Hollywood Stalemate
Ongoing strikes could disrupt the entertainment industry in fundamental ways, putting the 2024 box office and the fall broadcast lineup in jeopardy.

BNN Bloomberg
ECONOMICS | NEWS | VIDEO
ECONOMICS
The Daily Chase: Tentative deal in port strike; Salesforce pressure point
Jul 31, 2023

AUTOS >
White House takes steps to avoid damaging auto strike
JULY 5, 2023 / 11:04 PM / CNN
CBS NEWS DETROIT

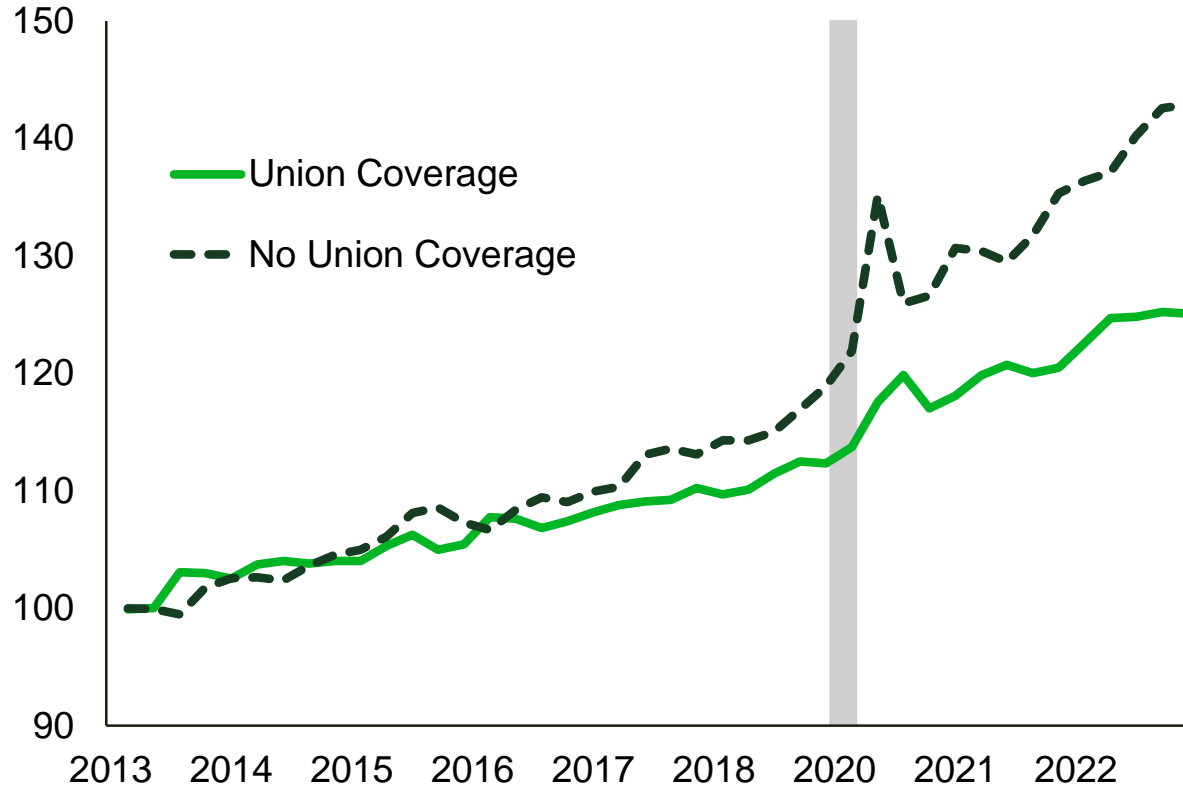
Sources: Toronto Star, New York Times, Money Magazine Bloomberg, CBS.

Union Wages In Catch-up Mode with Non-Union Wage Gains



Canada

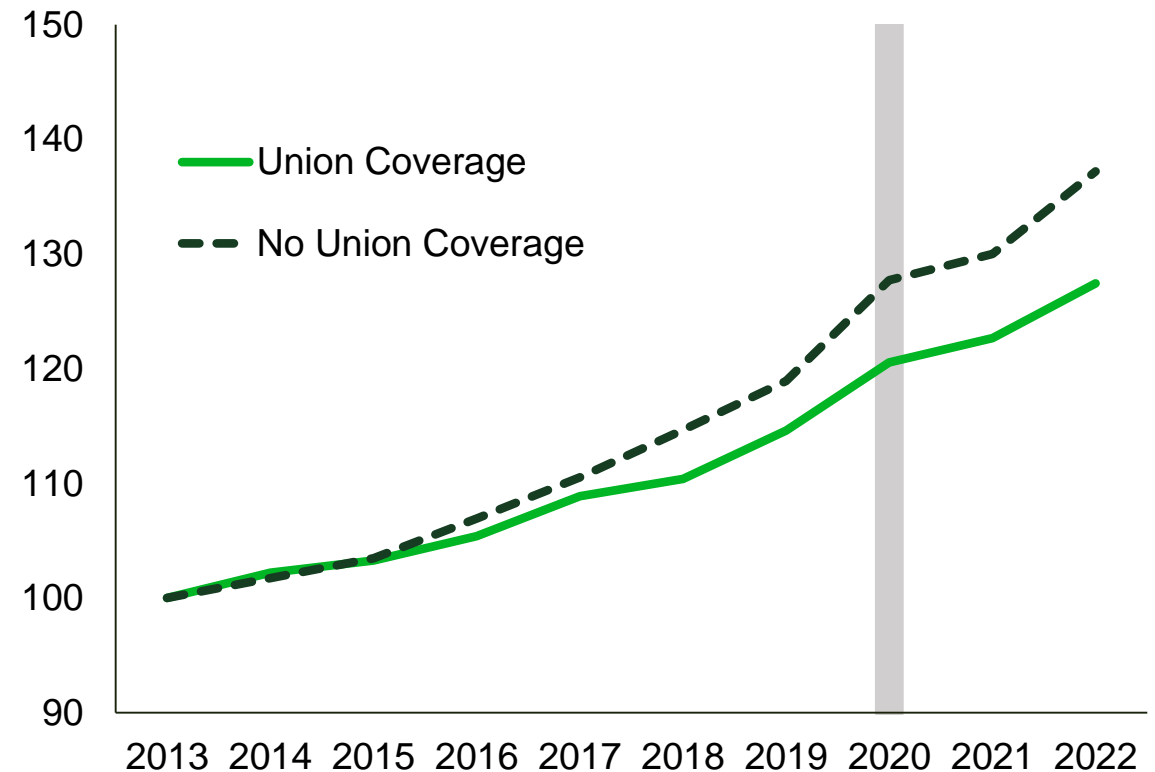
Median Weekly Earnings, Index (2013Q1 = 100)



Note: Shaded area denotes ECRI recessions.
Source: Statistics Canada, TD Economics.

United States

Median Weekly Earnings, Index (2013 = 100)

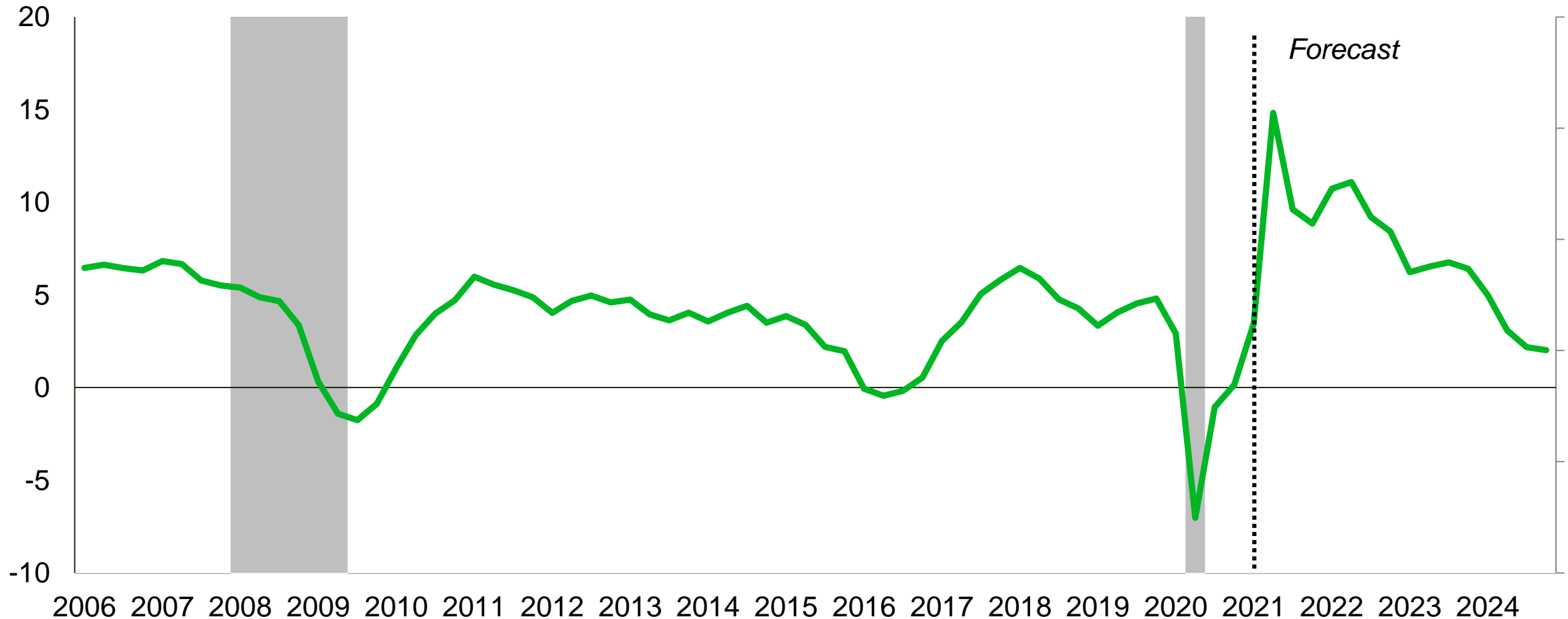


Note: Shaded areas denote NBER recessions.
Source: Bureau of Labor Statistics, TD Economics.

But Wage Growth is Still Poised to Slow

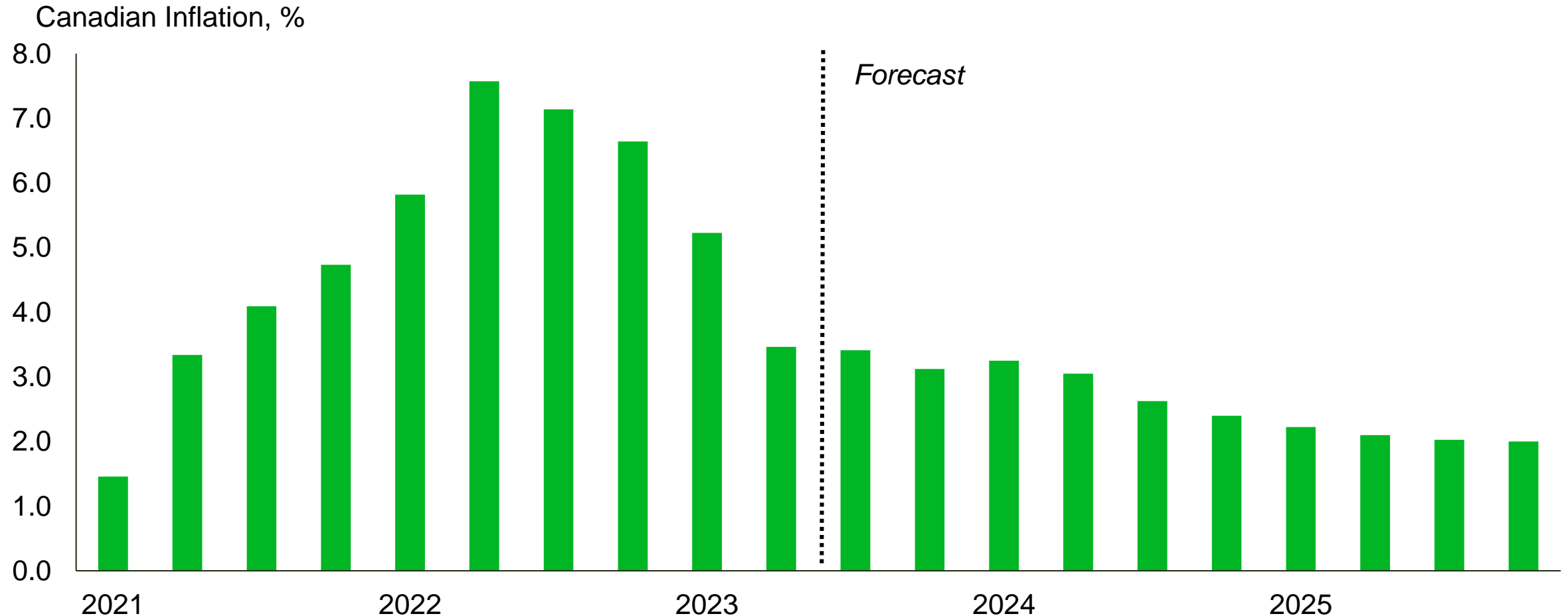


Canada, Employee Compensation, %



Source: Statistics Canada, TD Economics

Inflation Embers to Be Doused by Weak Growth

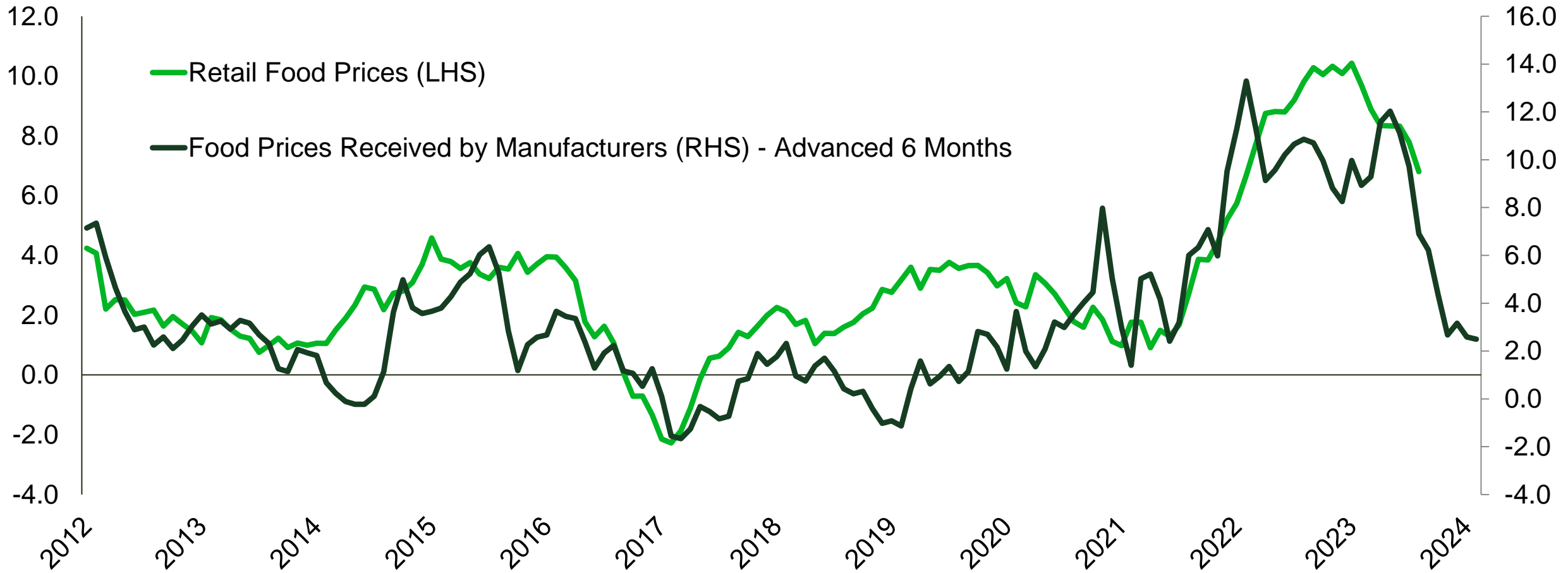


Source: Statistics Canada, TD Economics

Some Good News on Food Prices?

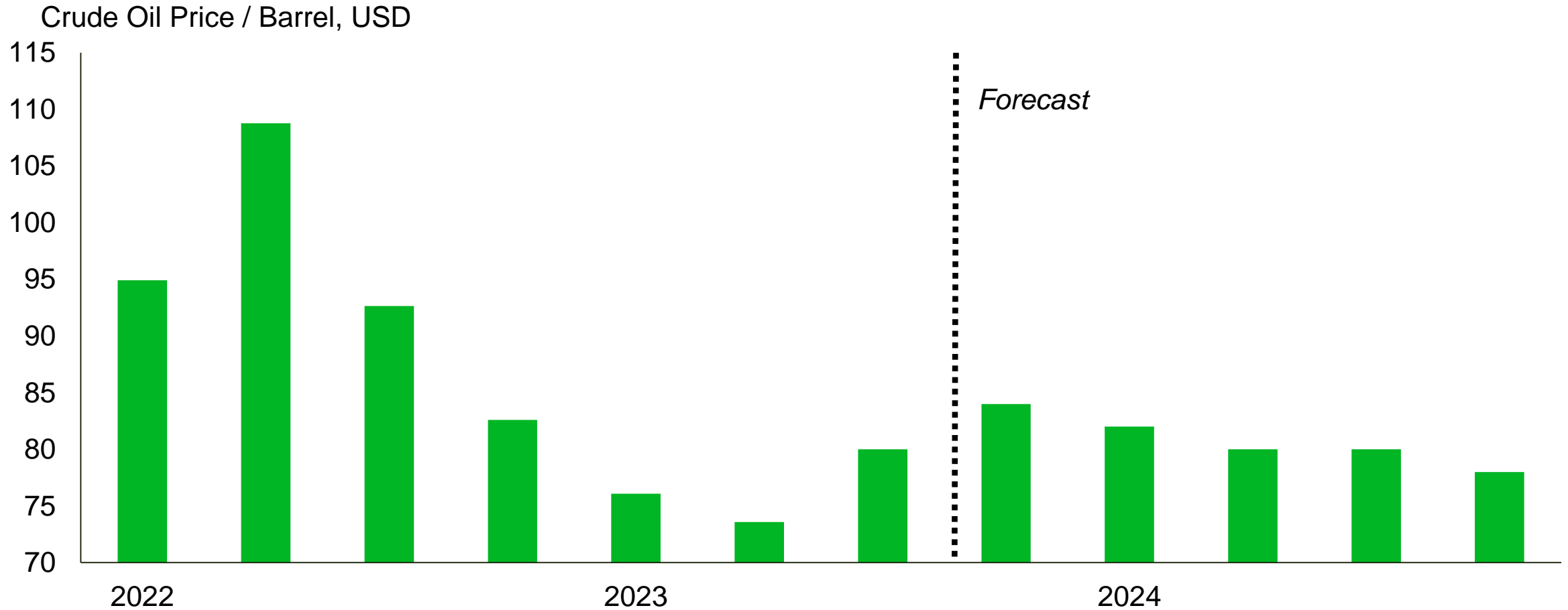


Canadian Food Prices, Year/Year % Change



Source: Statistics Canada, TD Economics

Oil to Come Off the Boil



Source: EIA, TD Economics

Geopolitical Tensions

Weaker-than-expected Chinese Growth

Stubborn Core Inflation Leads to More Tightening

Even with No Further Tightening, Higher Rates Weigh on the Economy by More than Expected

Disorderly Correction in the Housing Market

CEBA Loan Extension

Thank you