



Perspective

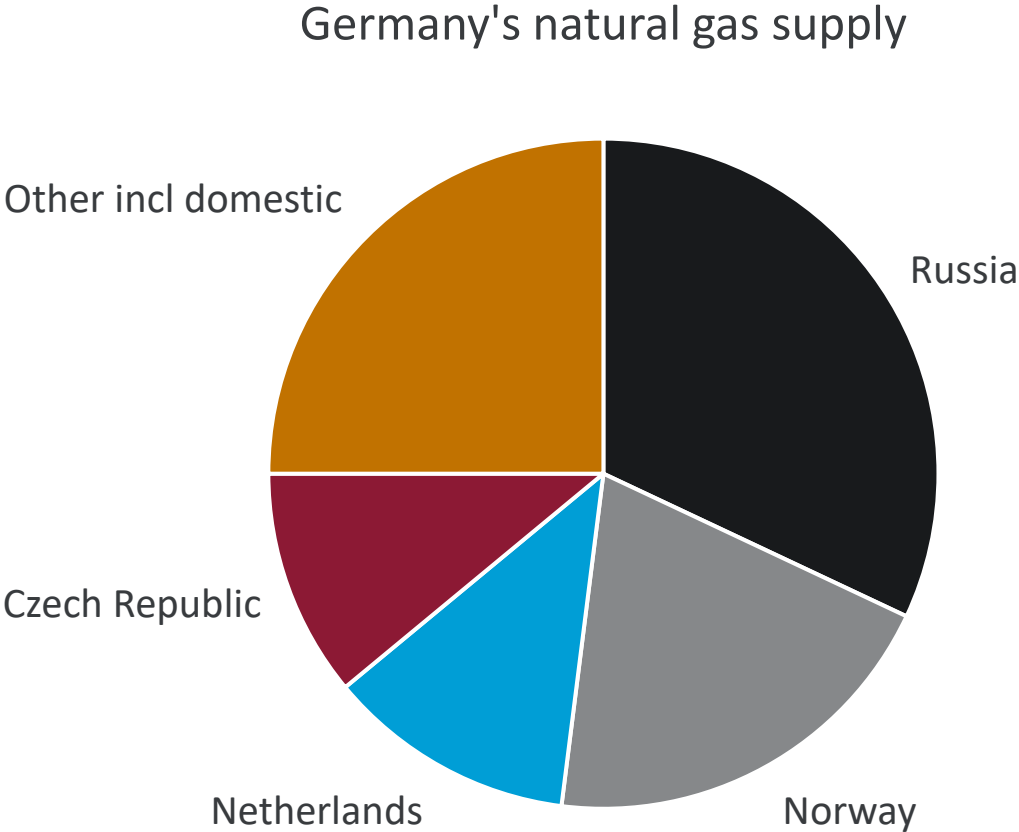
Benjamin Tal

Apr 2022

So, what do we have here...

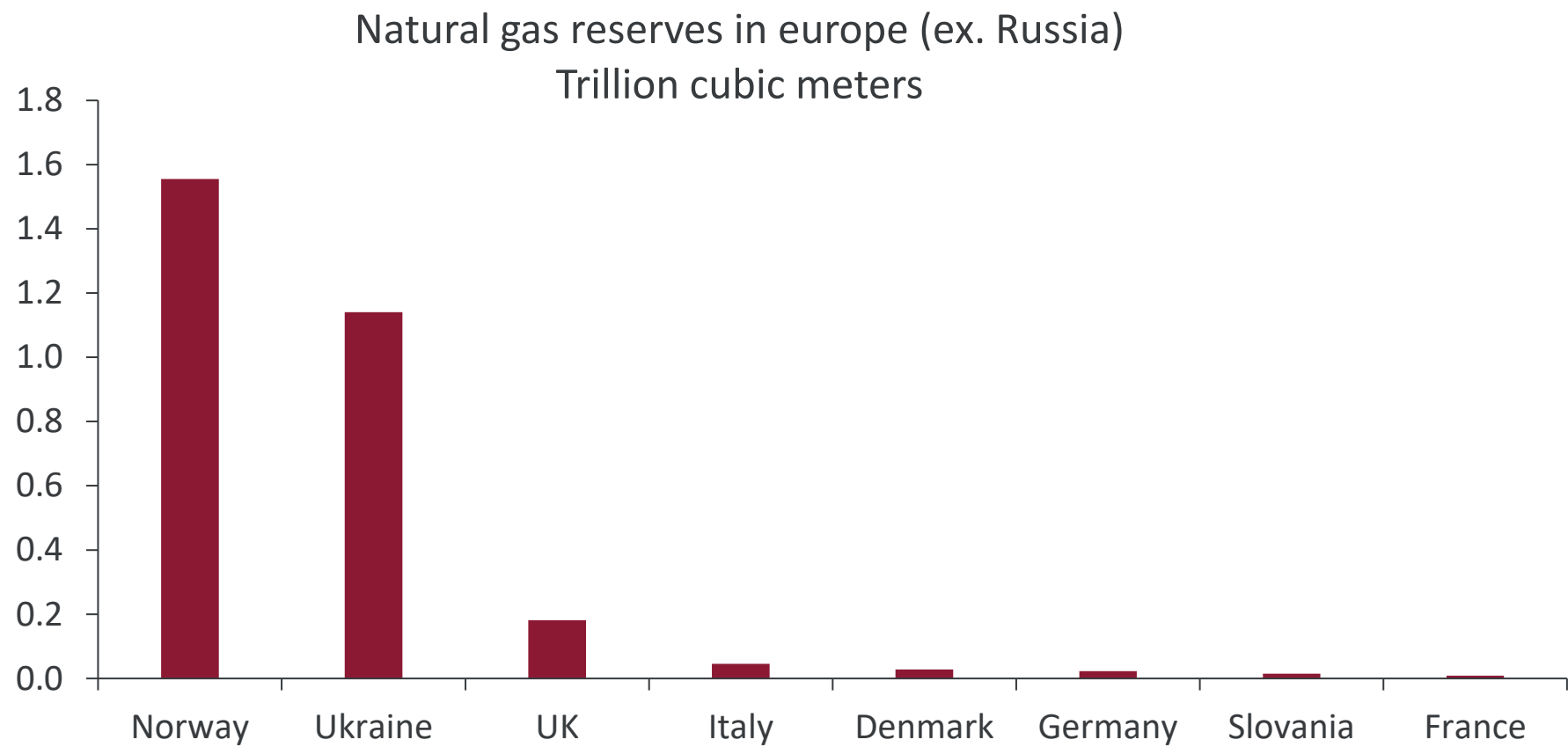
- Putin
- The virus
- Inflation
- Interest rates
- Real Estate

Putin can turn the lights off on Germany – for now



Source: ICIS, CIBC

Ukraine is sitting on a lot of natural gas



Source: ICIS, CIBC



New world order

The end of post-cold war order

Russia — a pariah country

Global arms race

Cyber, Splinternet?

Deglobalization

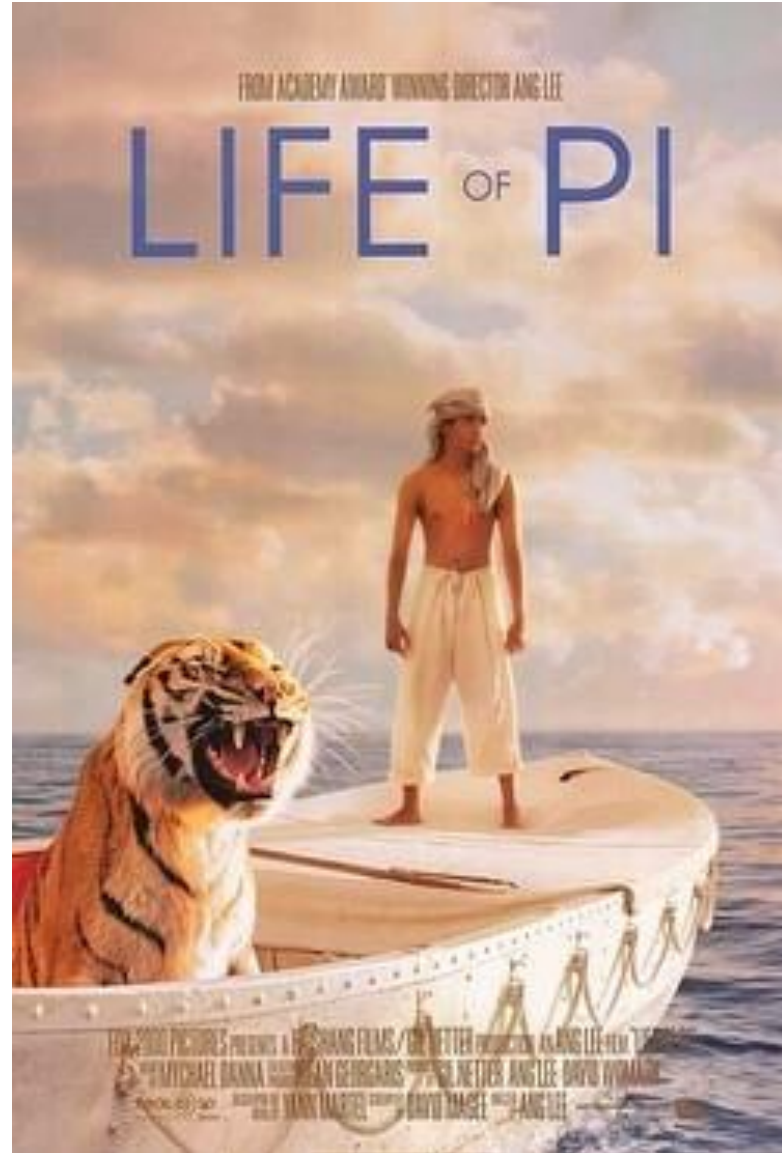
Greener Faster?

Source: CIBC

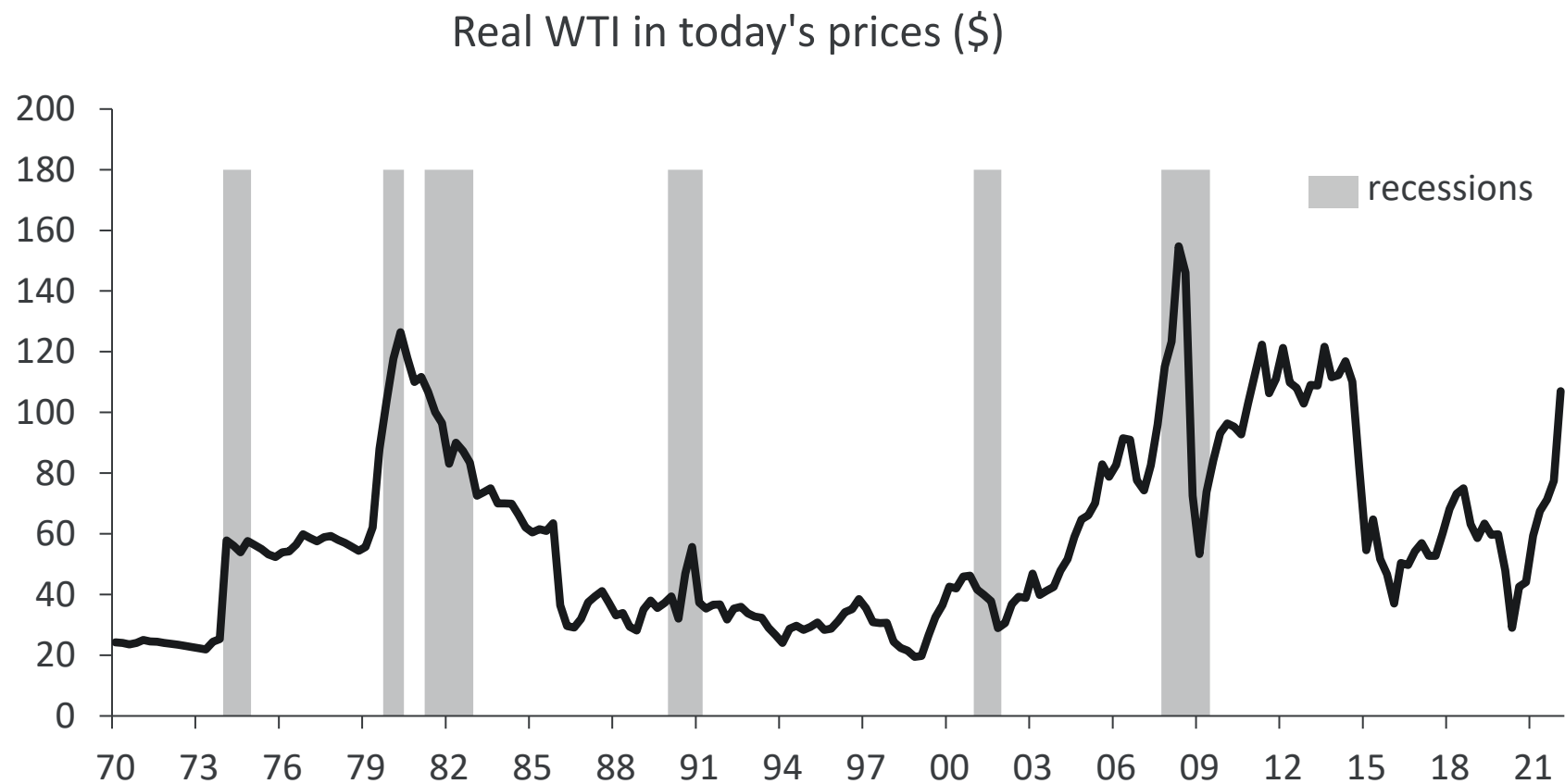
The year of the tiger



3.14159265359....



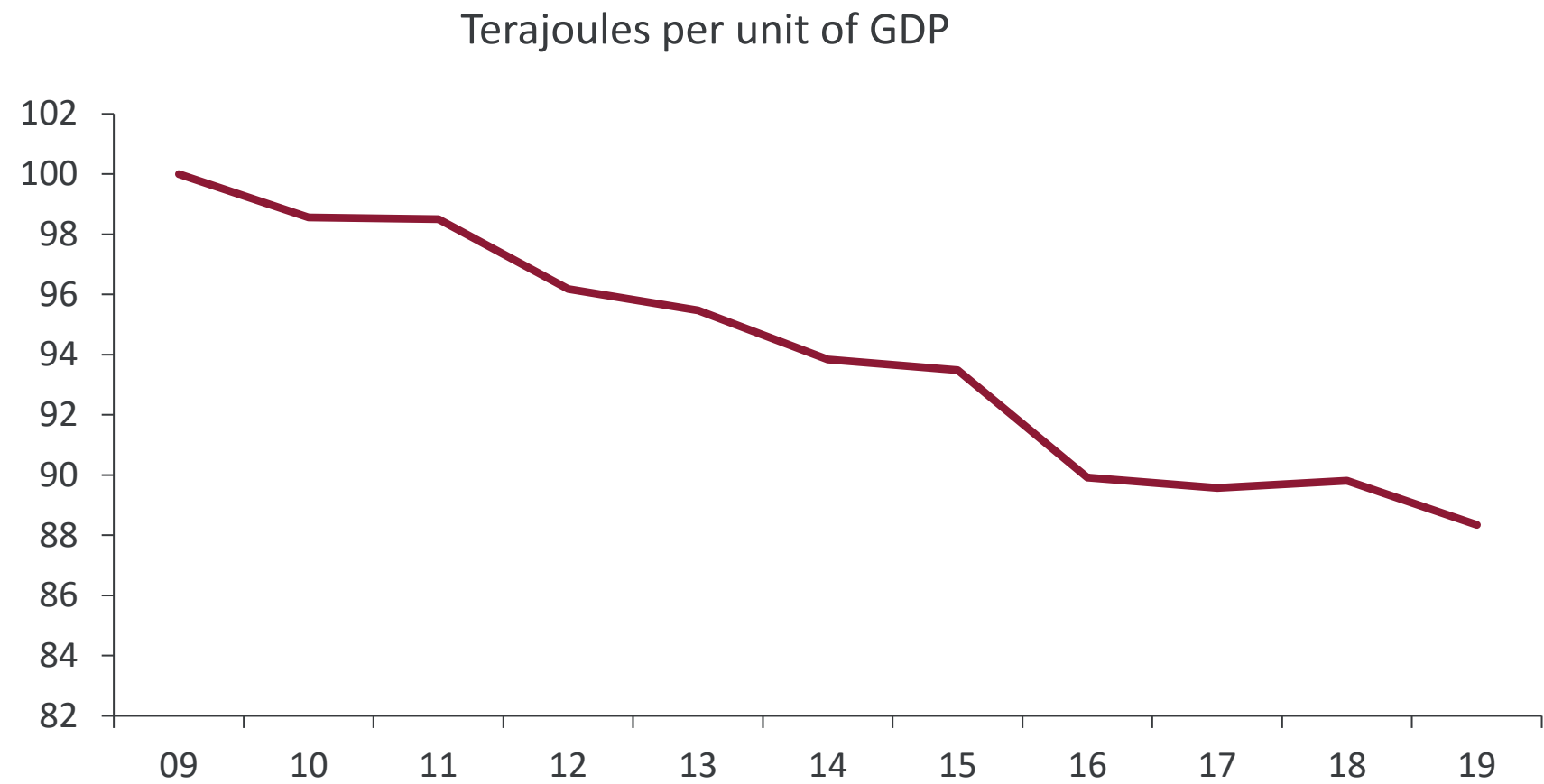
Oil price and recessions



Source: Statistics Canada, EIA/CME, CIBC



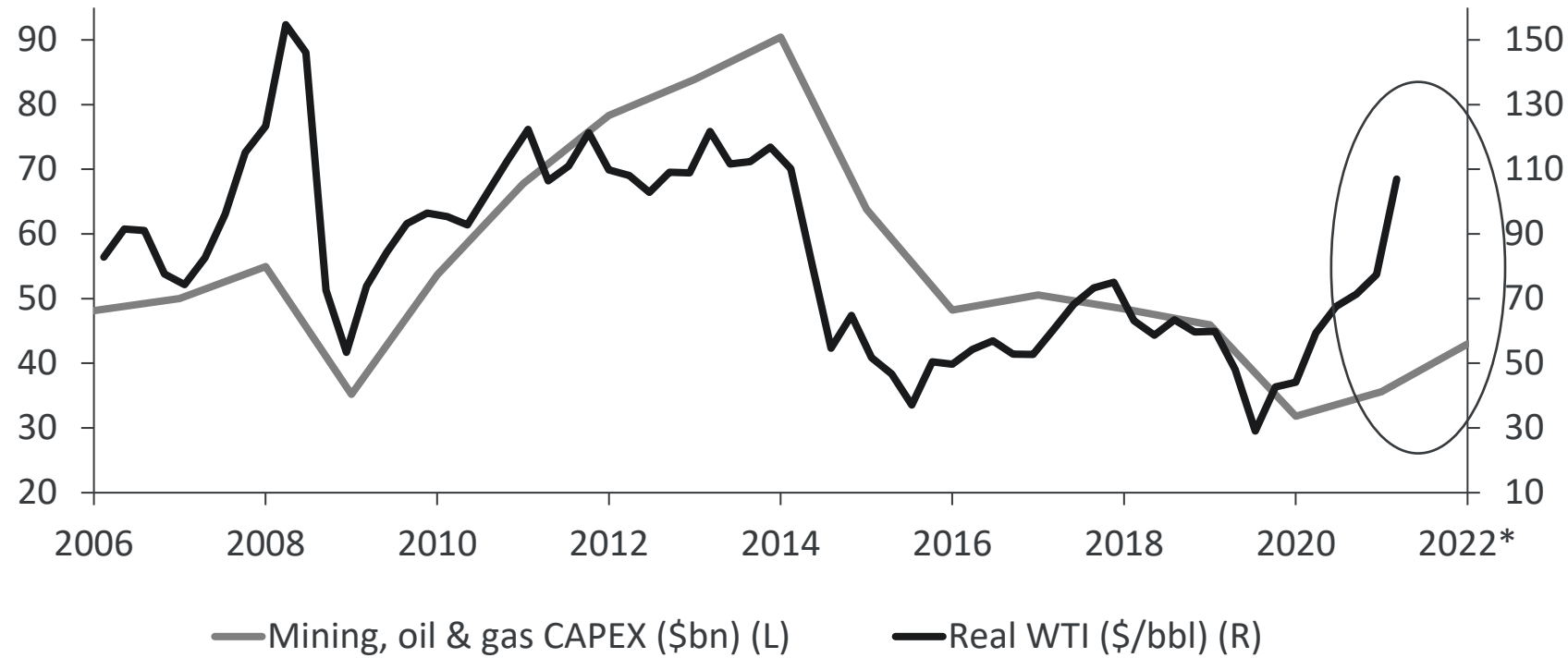
Economy less energy intensive



Source: Statistics Canada, CIBC



Capex in the energy patch unlikely to be as responsive to oil prices as in the past

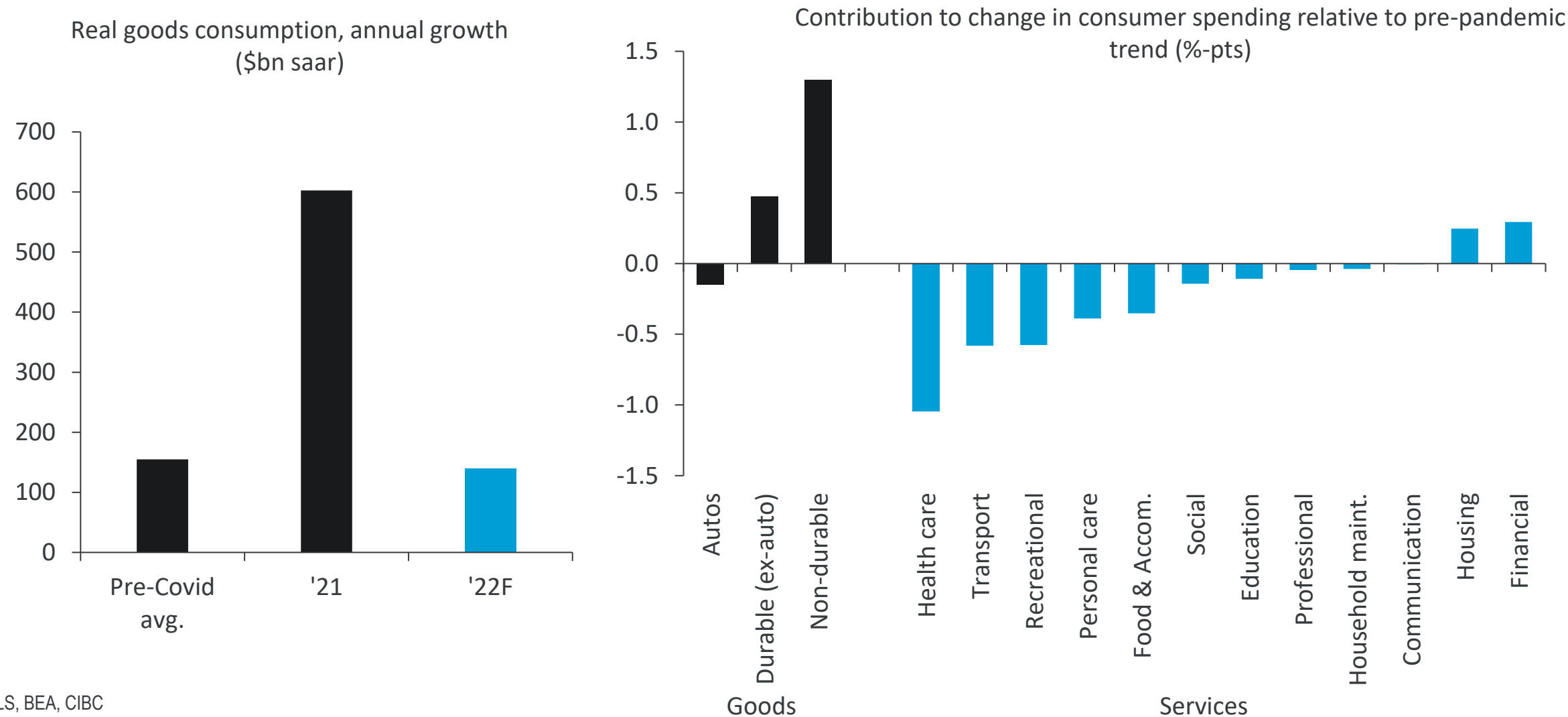


** investment intentions*

Source: Statistics Canada, EIA/CME, CIBC



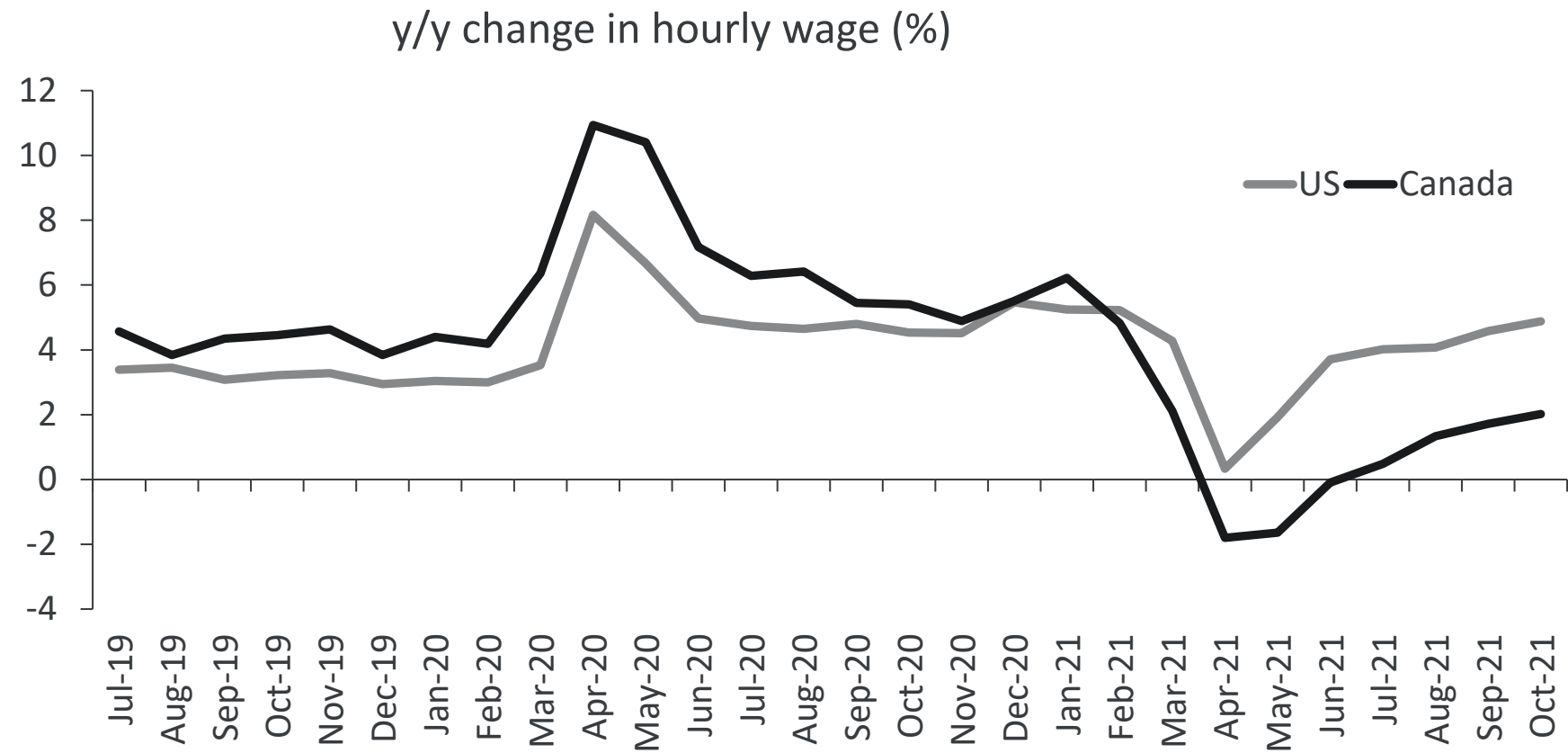
Real goods spending to slow (l), as services set to rebound (r)



Source: BLS, BEA, CIBC



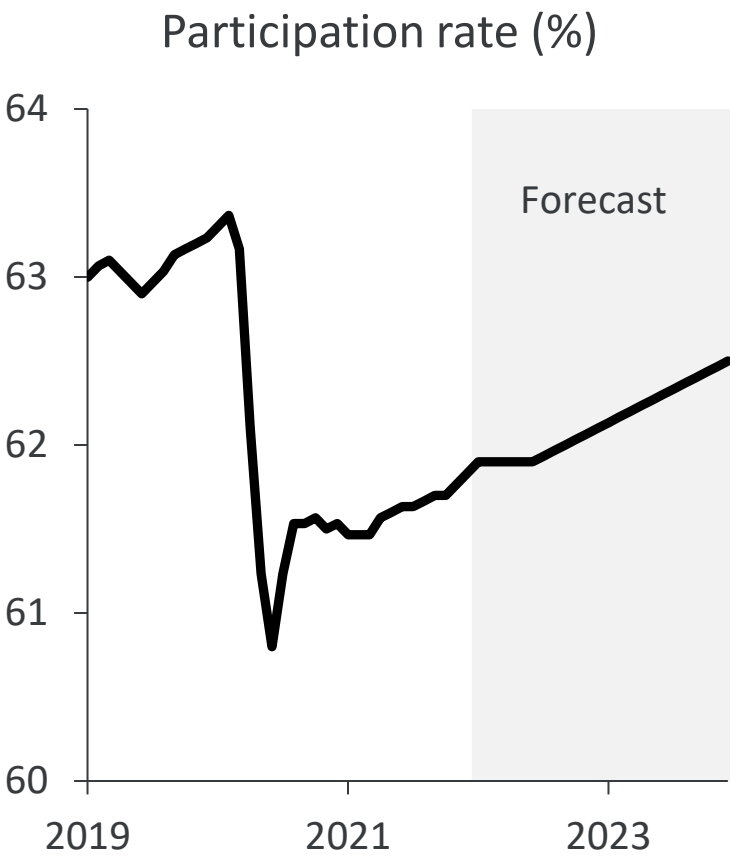
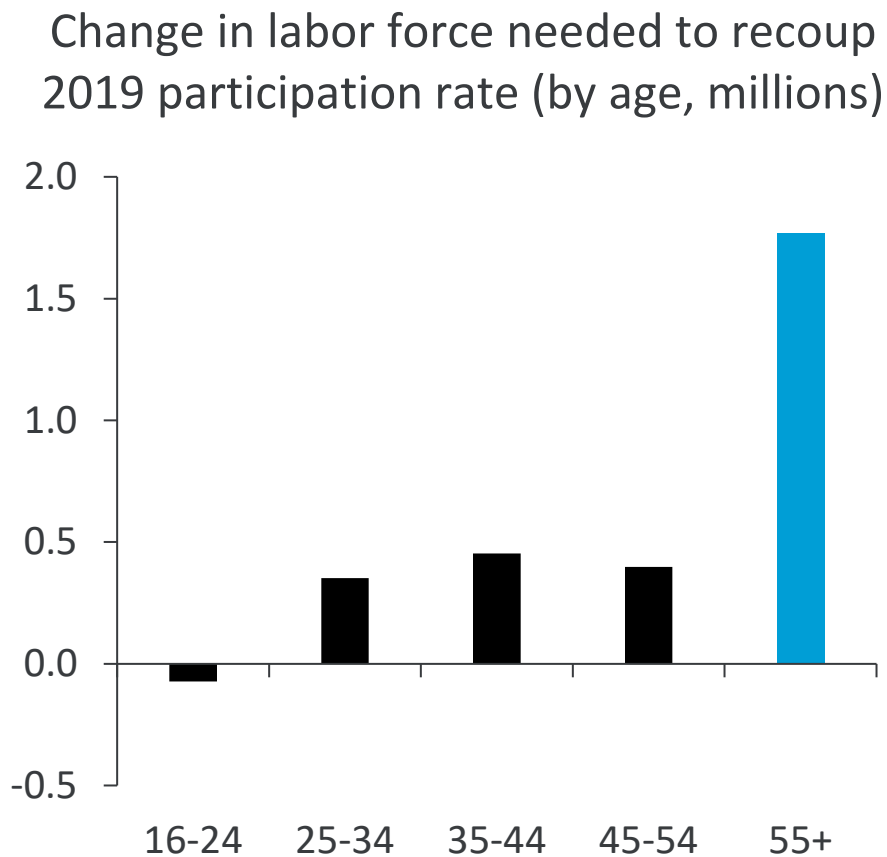
Wages: Rising faster south of the border



Source: BLS, Statistics Canada, CIBC



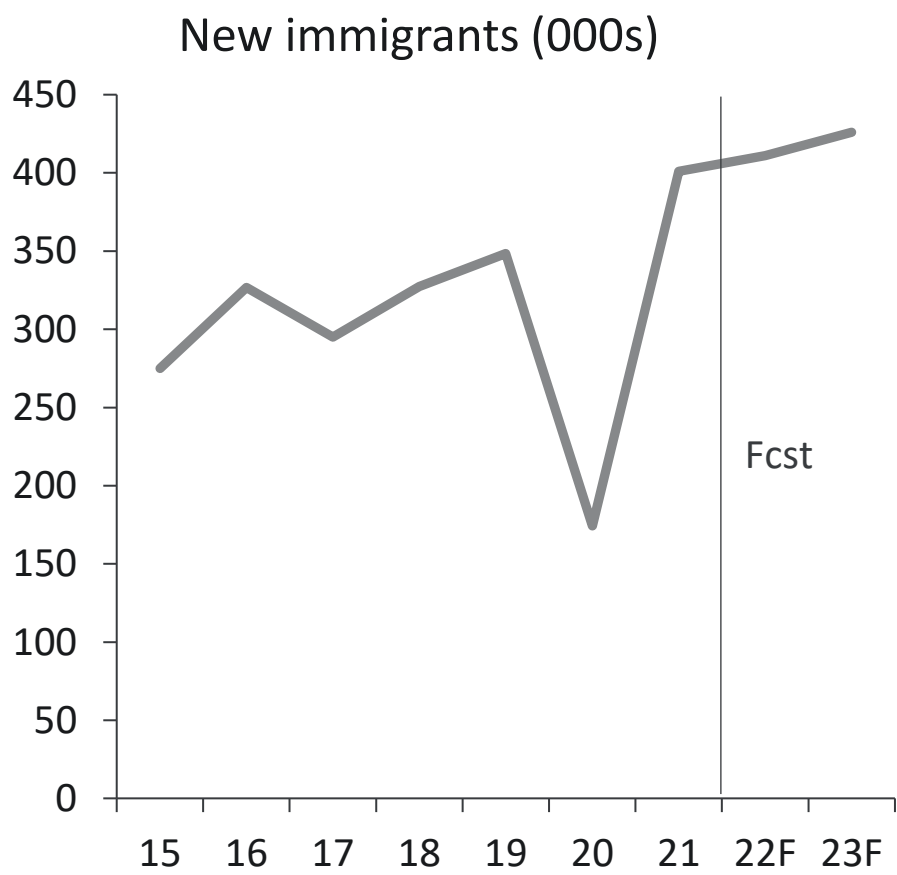
Older American workers exit the labour market and might not return



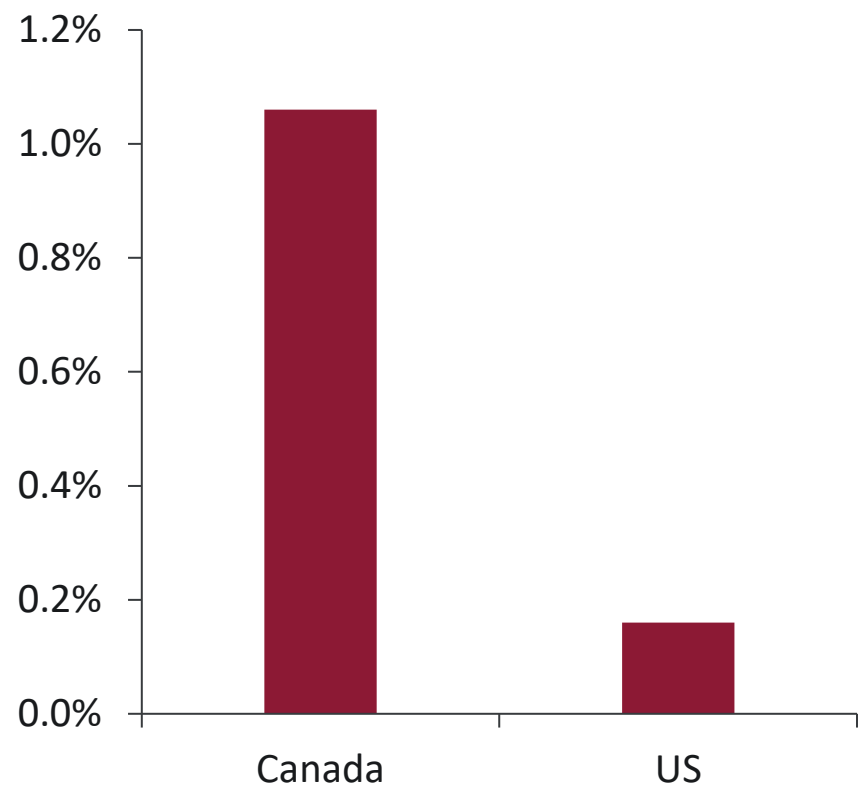
Source: BLS, CIBC



Strong immigration growth

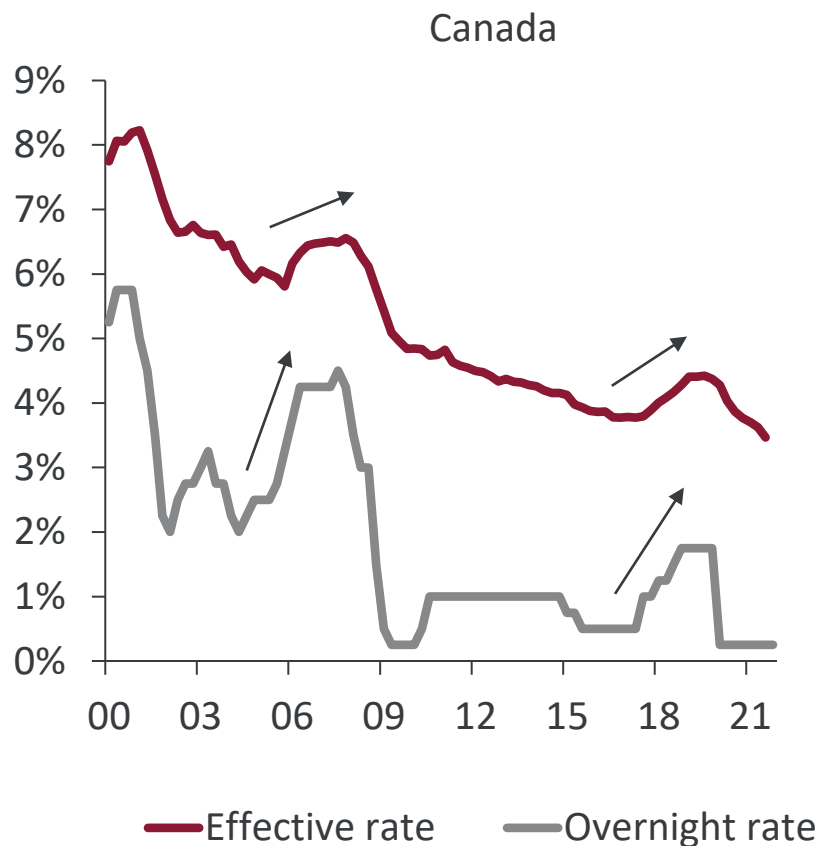
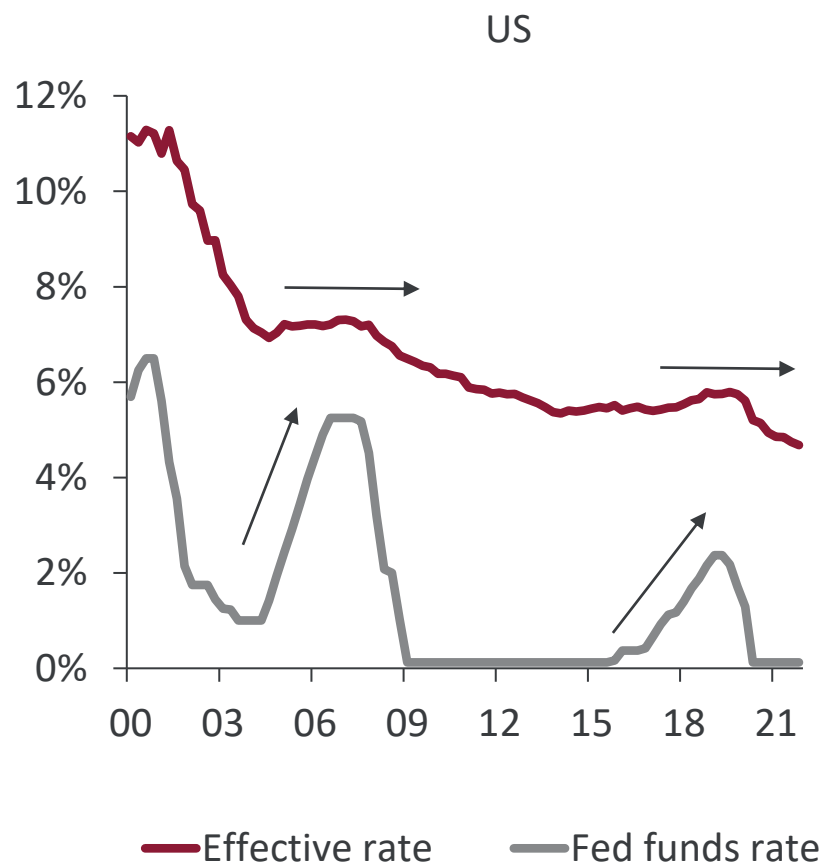


2021 Immigration per capita



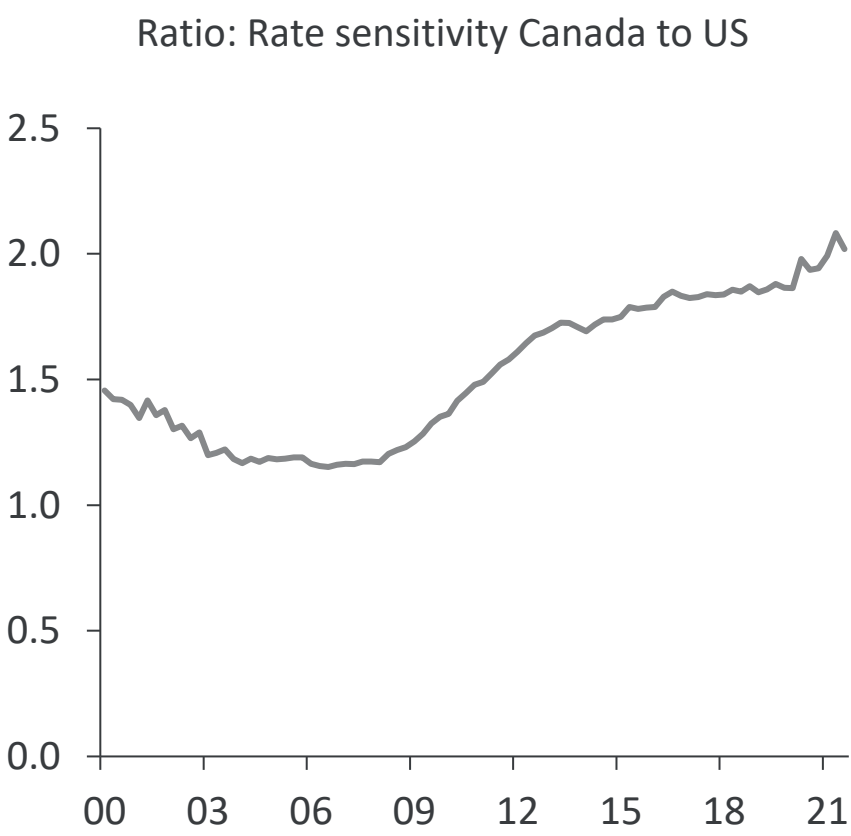
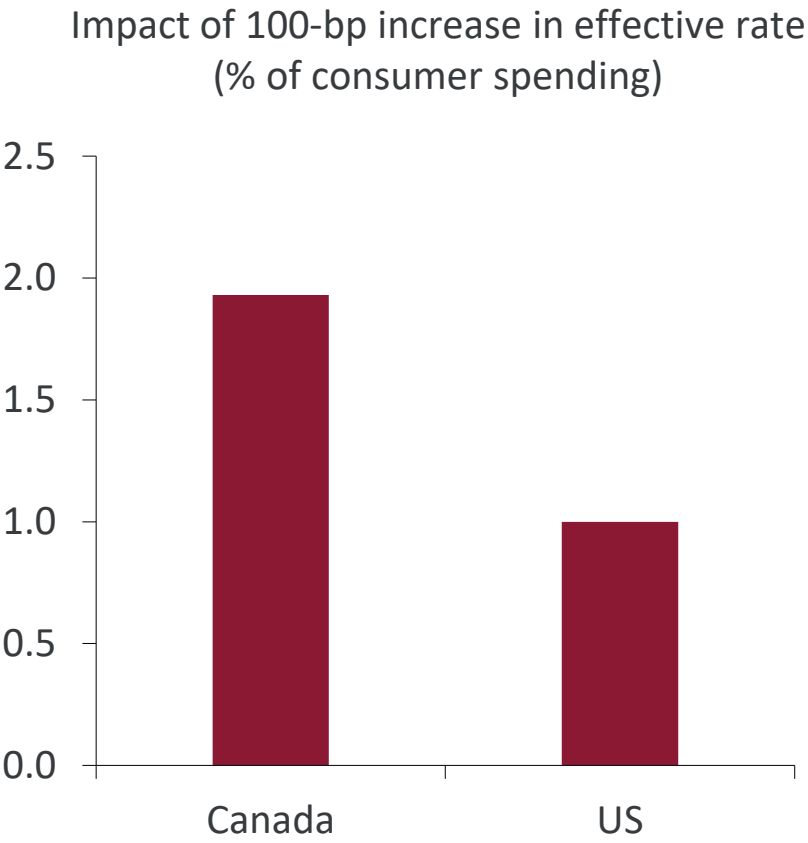
Source: Statistics Canada, CIBC

Effective rate less responsive to higher policy rates in US



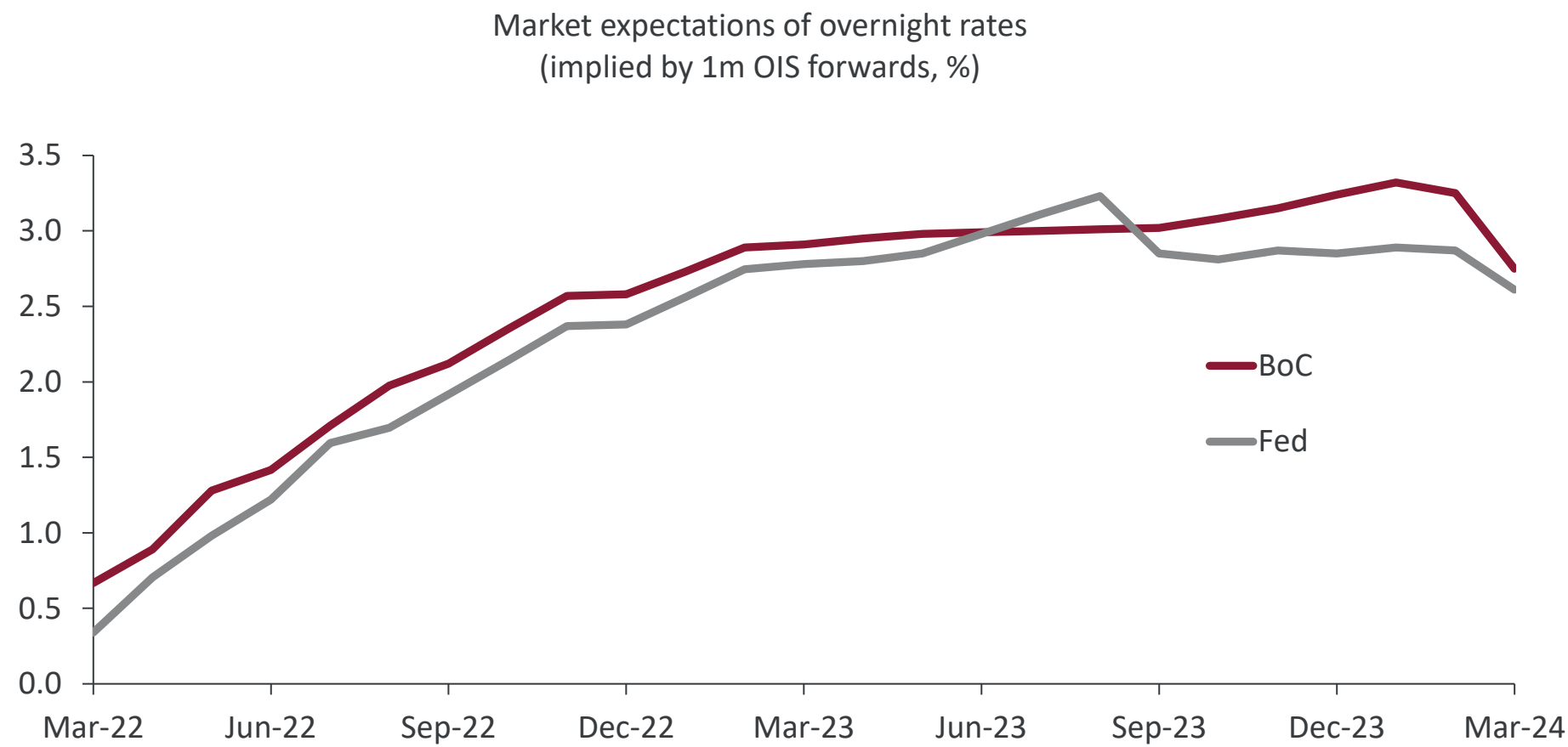
Source: BEA, Federal Reserve, Statistics Canada, Bank of Canada, CIBC

Canada more sensitive to higher interest rates than the US



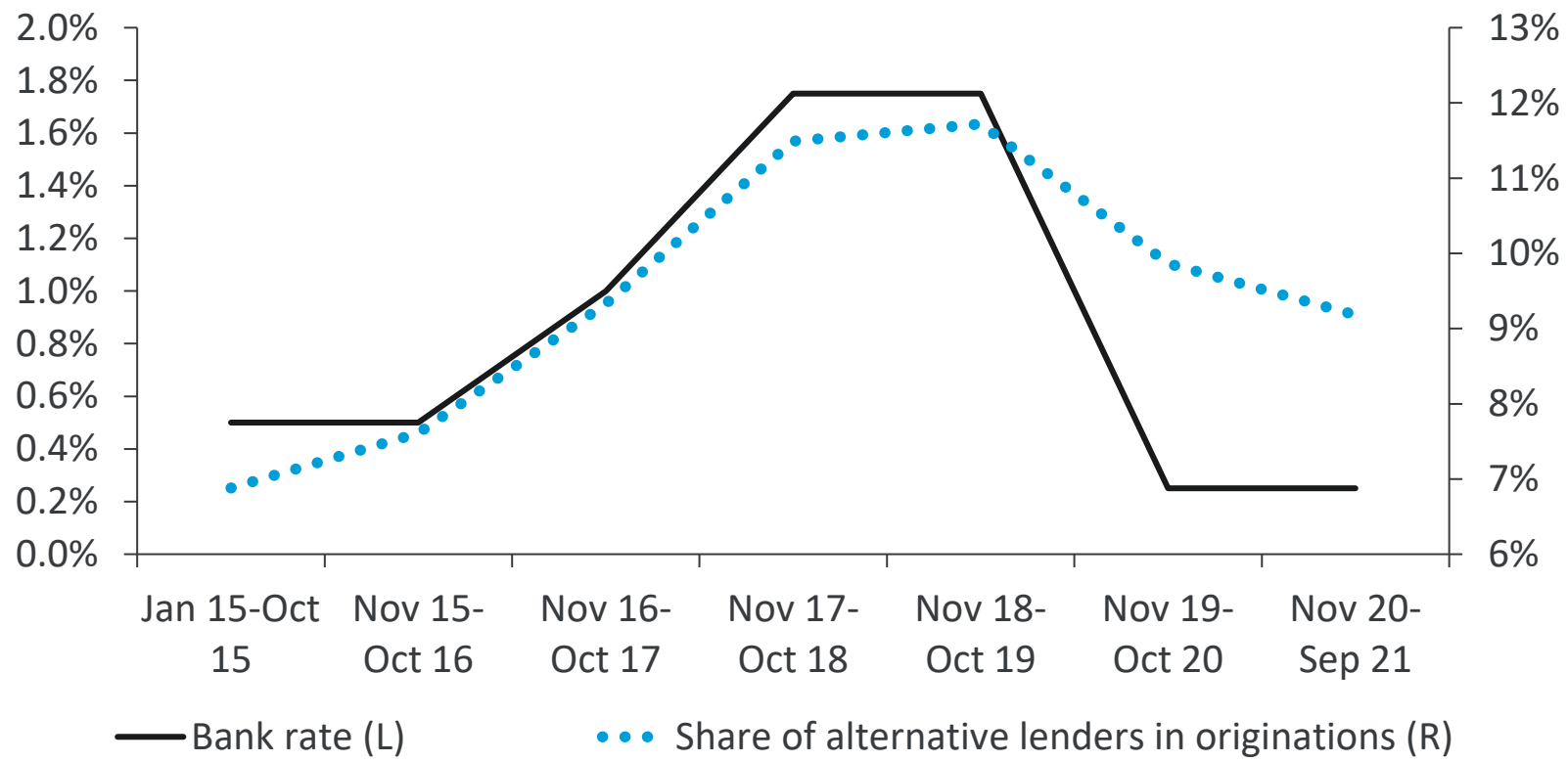
Source: BEA, Statistics Canada, CIBC

The market is pricing in an aggressive tightening trajectory



Source: Bloomberg, CIBC

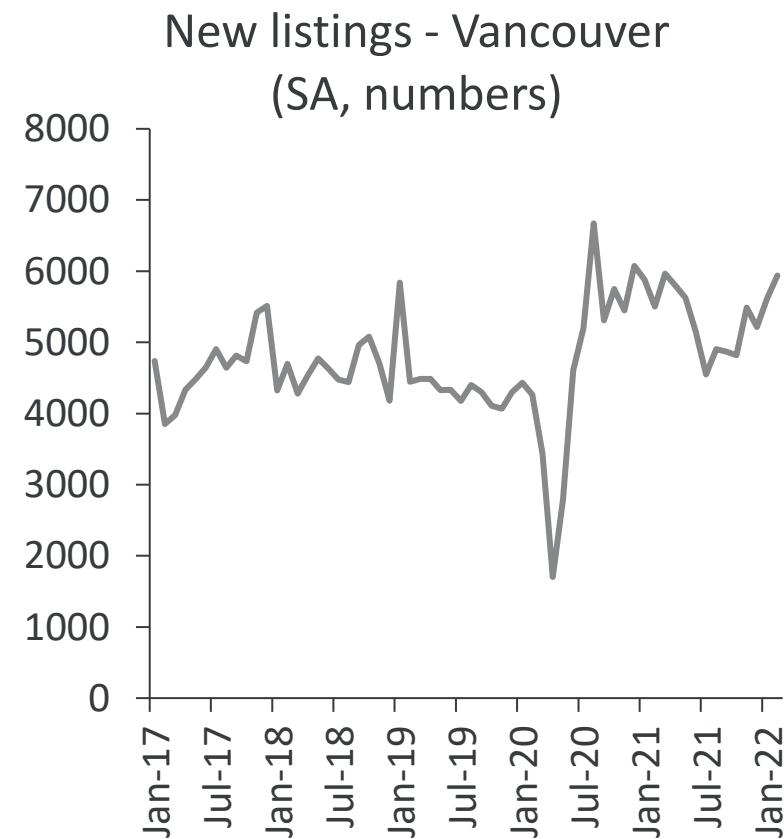
Share of alternative lenders in mortgage originations correlated with interest rates



Source: Teranet, CIBC



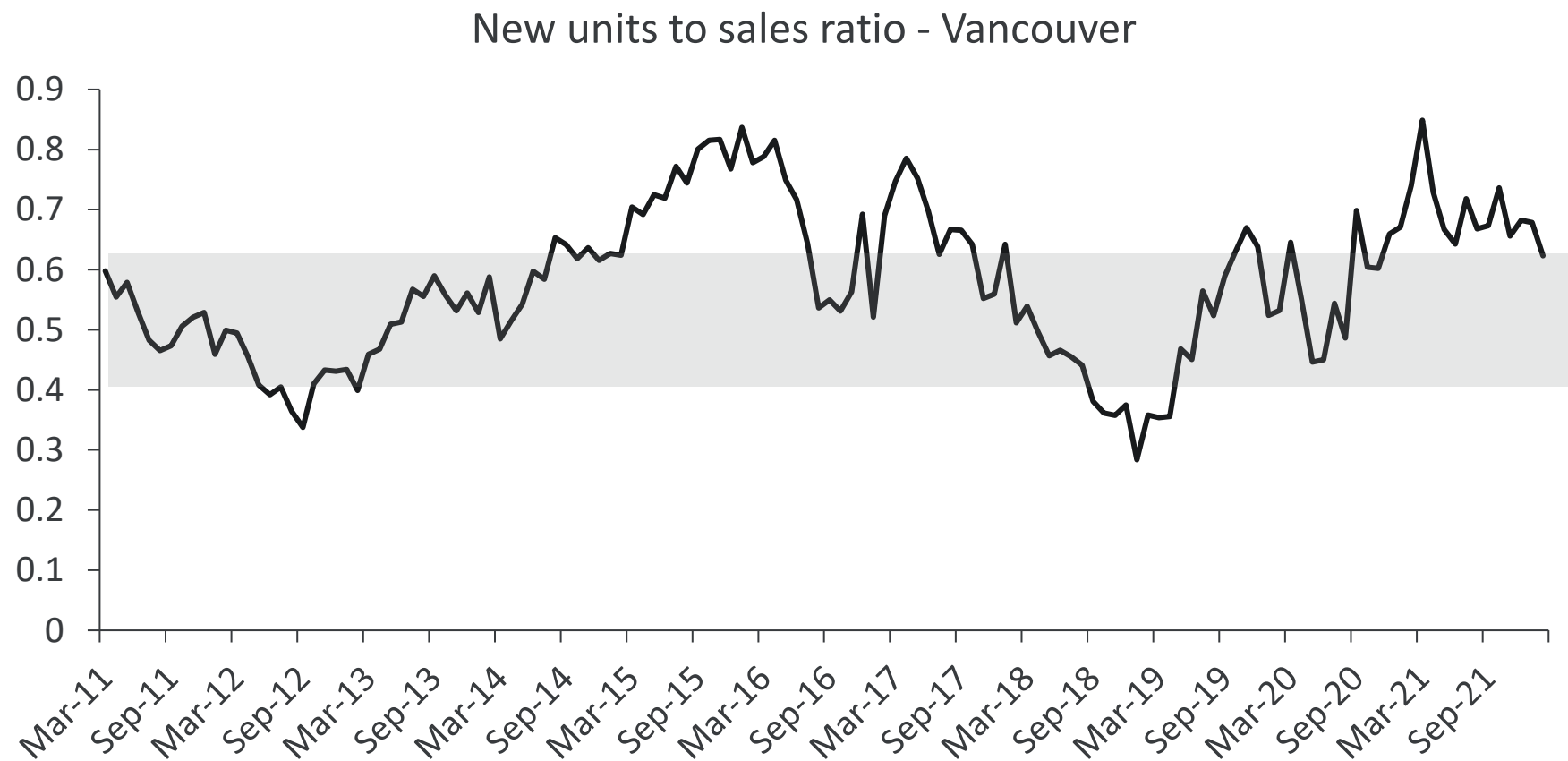
Both demand and supply above pre-covid levels



Source: CREA, CIBC



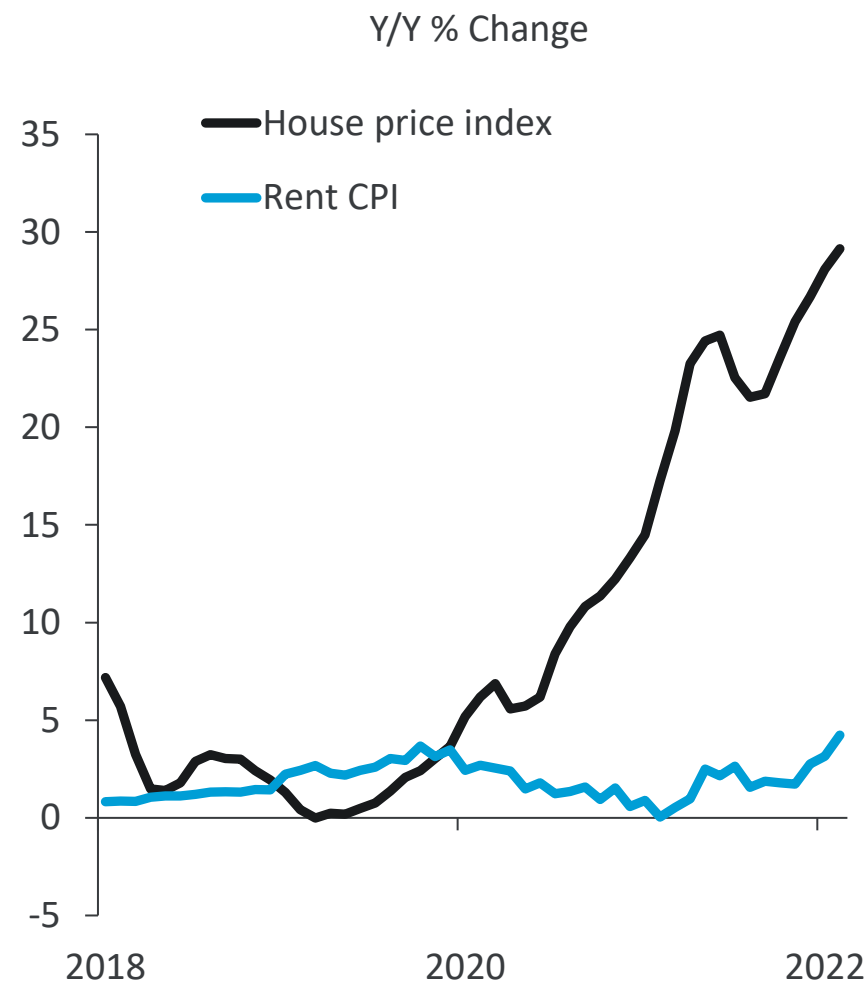
Getting there...



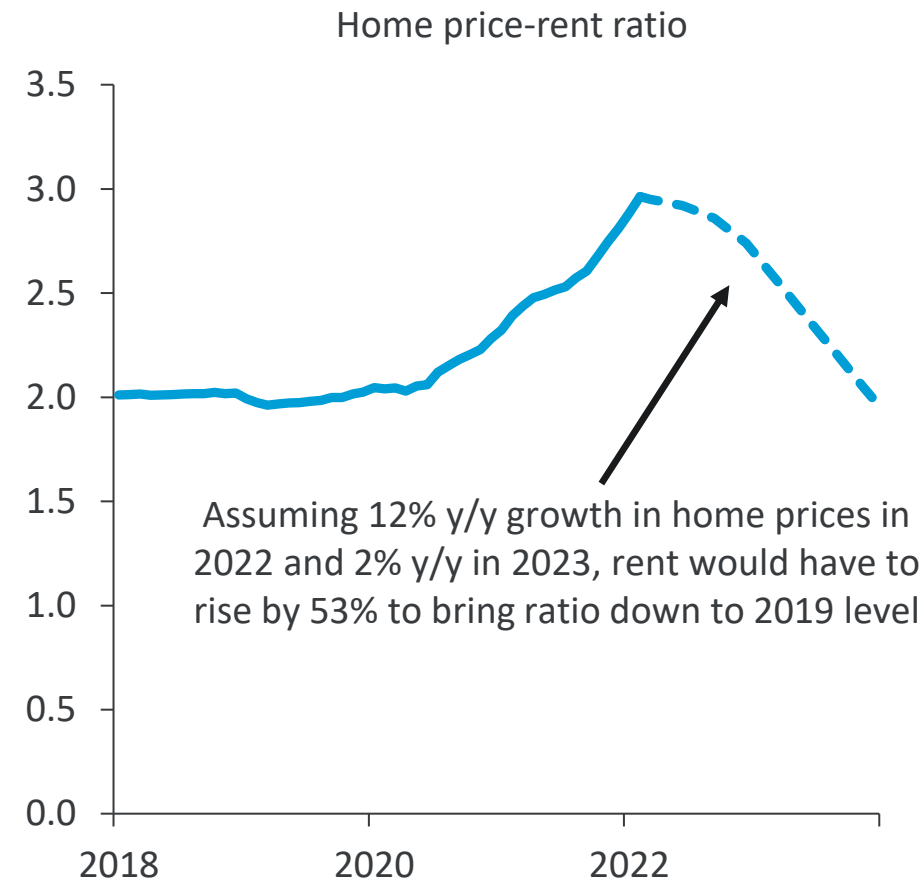
Source: CREA, CIBC



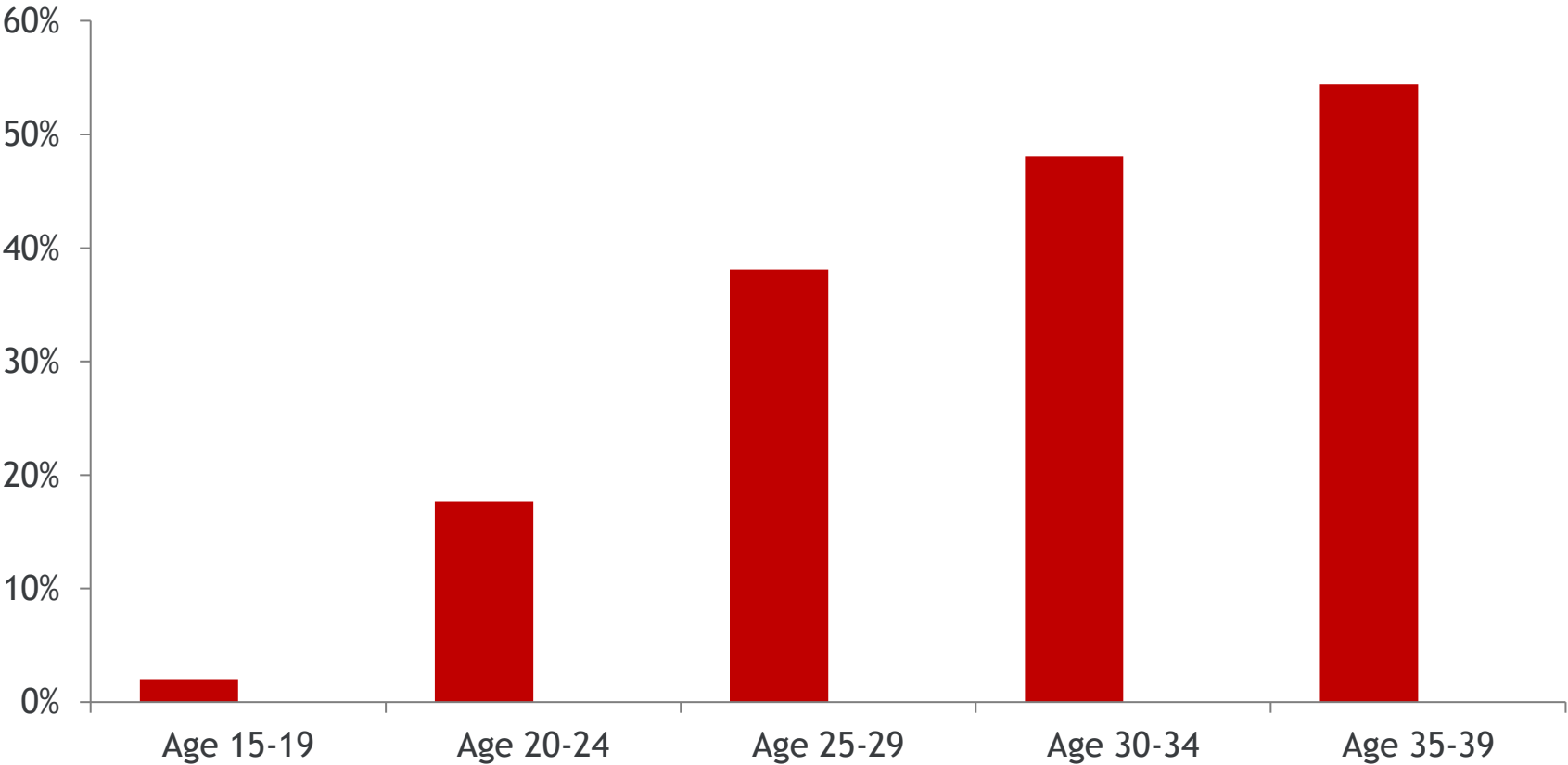
Rent inflation to accelerate in the coming years



Source: CREA, StatCan, CIBC



Canadian Headship Rate

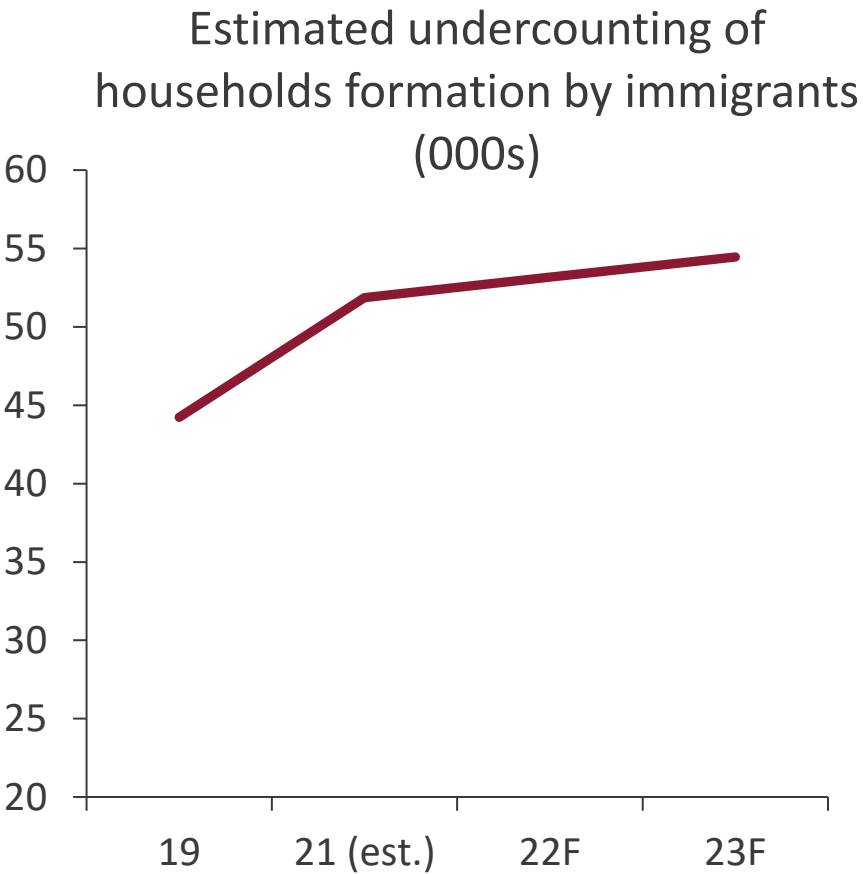
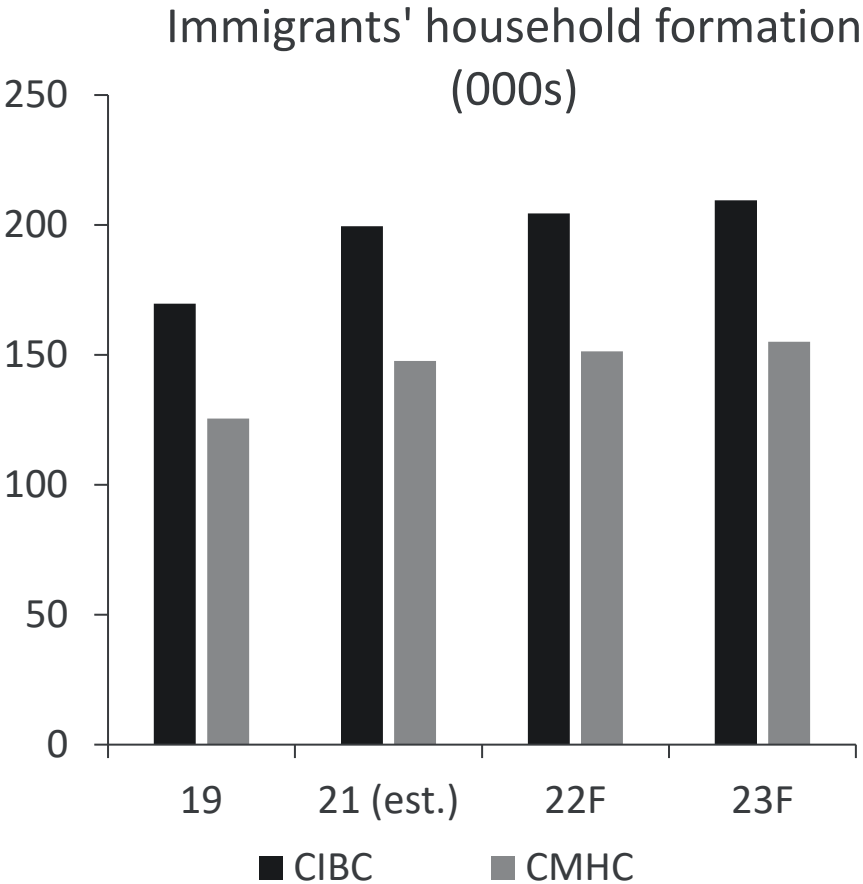


Instructions to census officials:

“students who return to live with their parents during the year should be included at their parents’ address, even if they live elsewhere while attending school or working at a summer job”

Source: CIBC

Official estimates undercount household formation by immigrants



Source: Statistics Canada, IRCC, CIBC



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