



## The Economic Outlook MEREDA 2019 Annual Real Estate Forecast Conference

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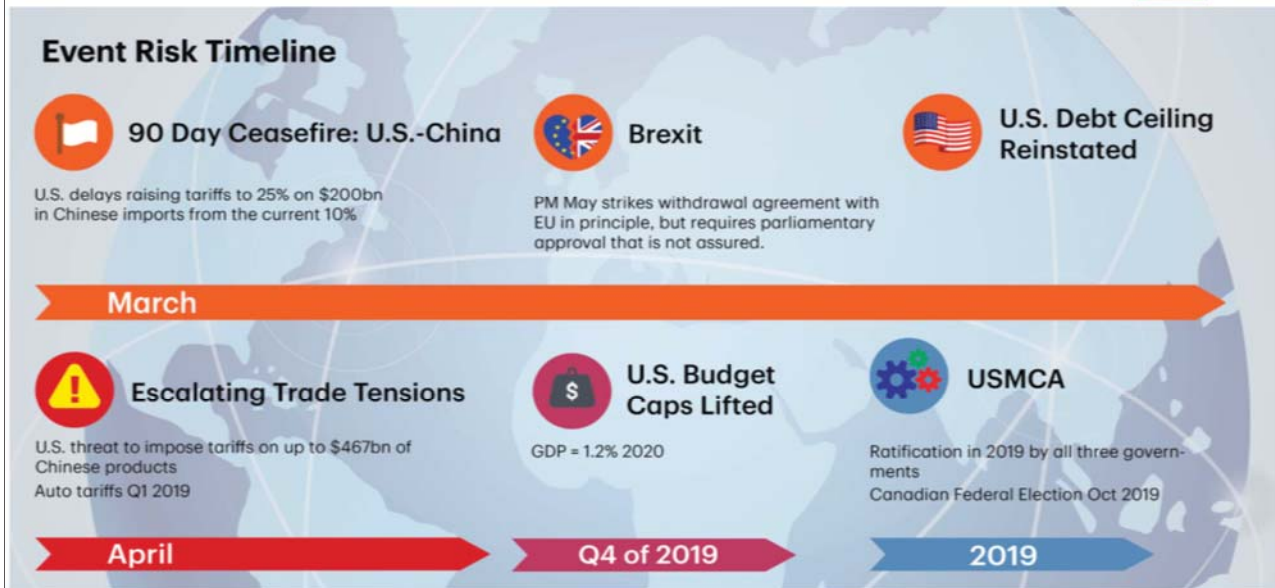


## Economic & Financial Themes for 2019



- Financial market volatility has risen, and global growth has slowed
- Event risks are key in 2019
- American economy to continue to outperform, but growth expected to slow
  - Fiscal risks come to the fore at the end of the year
- Low unemployment rate to continue to put pressure on wage growth
- Inflation to remain around 2%
- Federal Reserve in data dependent mode, we expect two rate hikes in this year

## 2019: The "Year Of The Deal" Crunch-time On A Number Of Risks



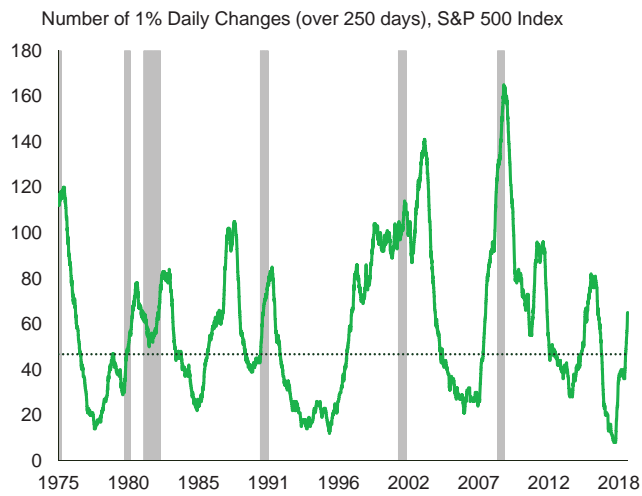
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## Event Risks

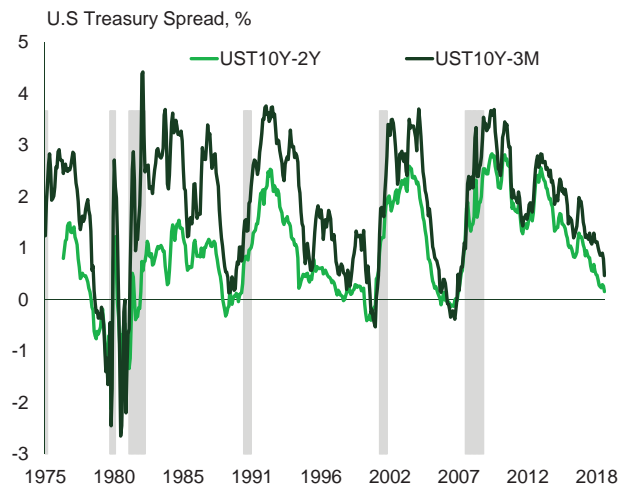


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# Financial Indicators Not Tripping The Recession Alarm, Yet

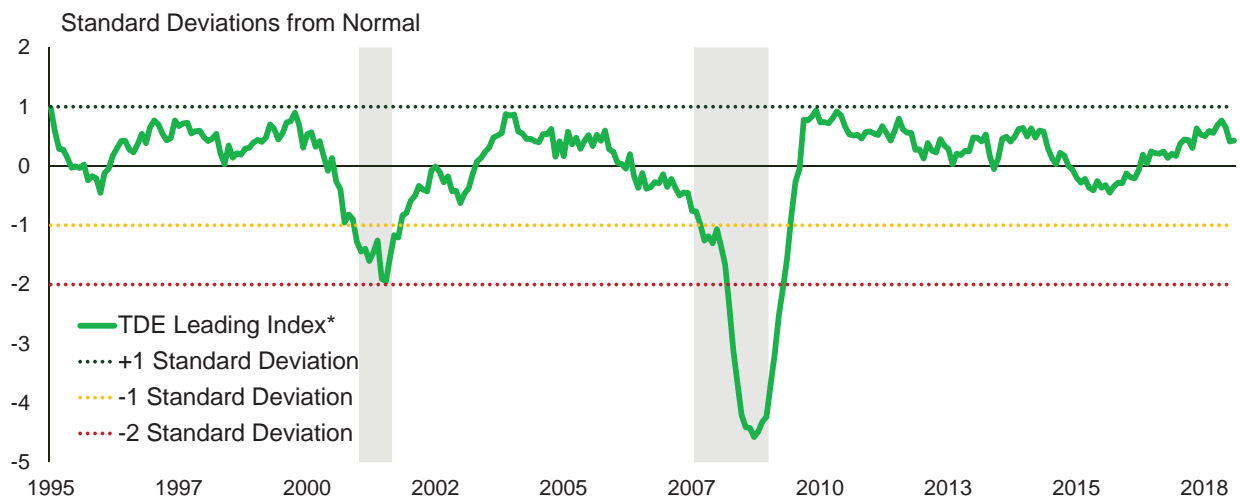


The horizontal line reflects the historical average, NBER grey bars indicate recessions Source: Bloomberg, TD Economics



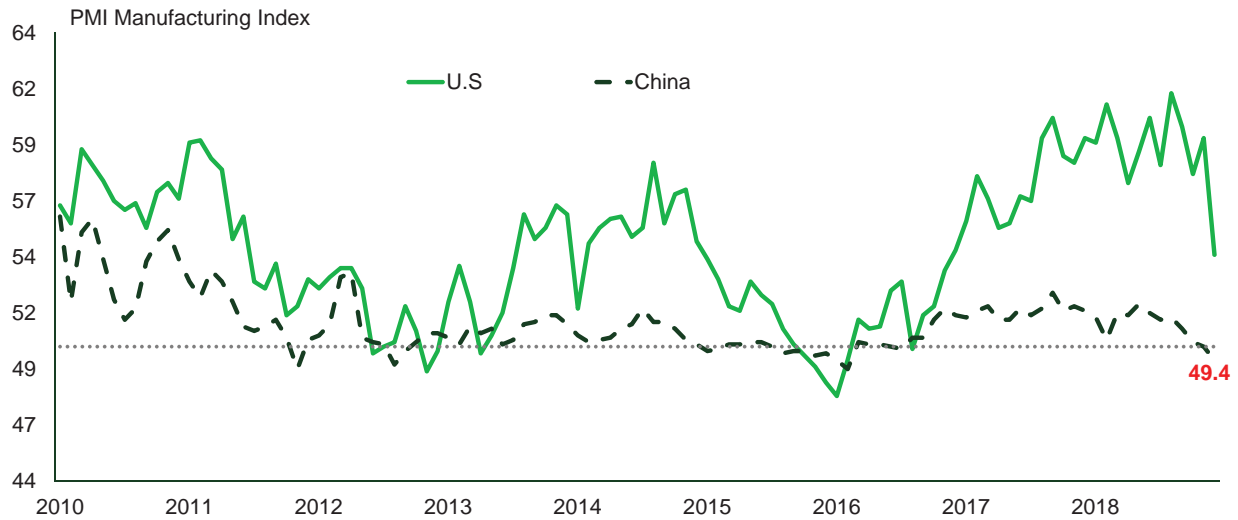
\*NBER grey bars indicate recessions. Source: FRB, TD Economics

# U.S. Economic Indicators Solid



\* Index is comprised of eight leading economic indicators. Readings of 0 are consistent with historical average (1995-present) points in the business cycle, while readings of -1 or +1 should be interpreted as one standard deviation below/above average, respectively. Source: TD Economics

## But, Manufacturing Activity Now Rolling Over

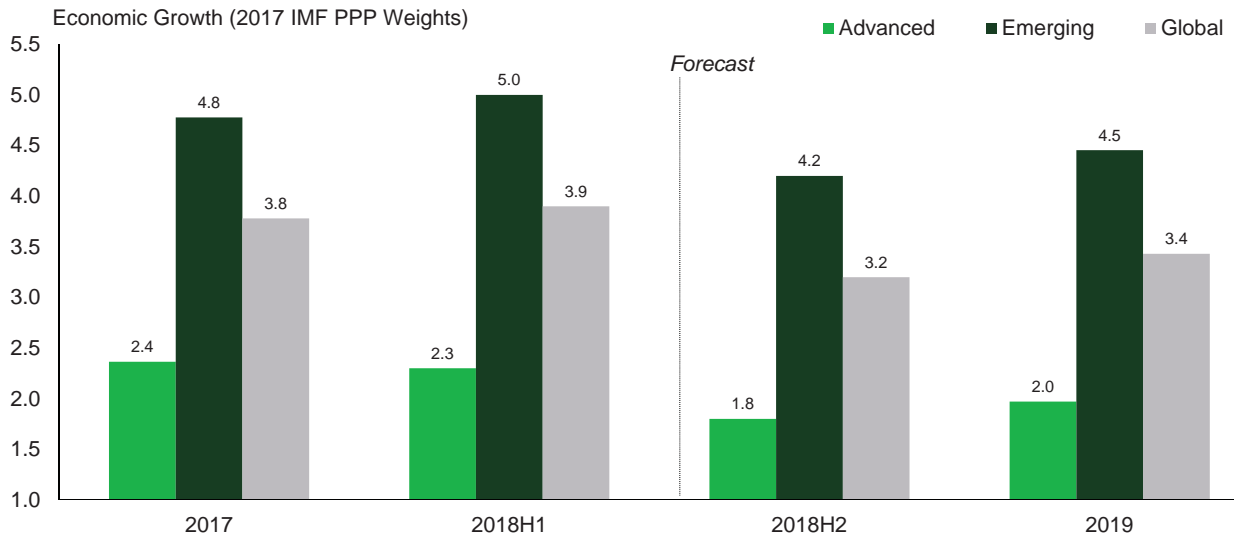


Source: Institute of Supply Management, CFLP, NBS, TD Economics

Confidential

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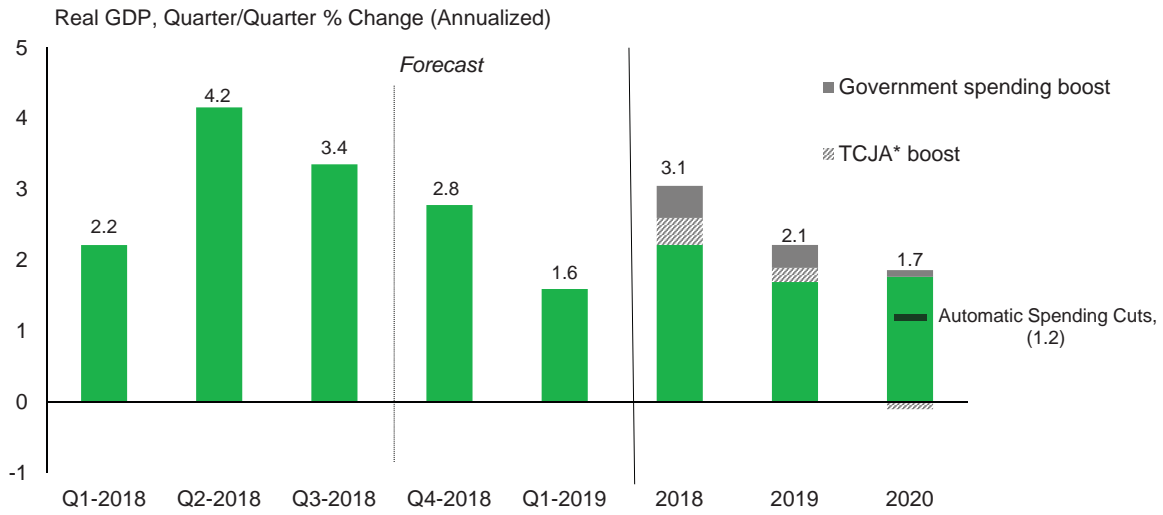
## Global Economy Slowing Towards Trend



Source: TD Economics . Forecast as of December 2018.

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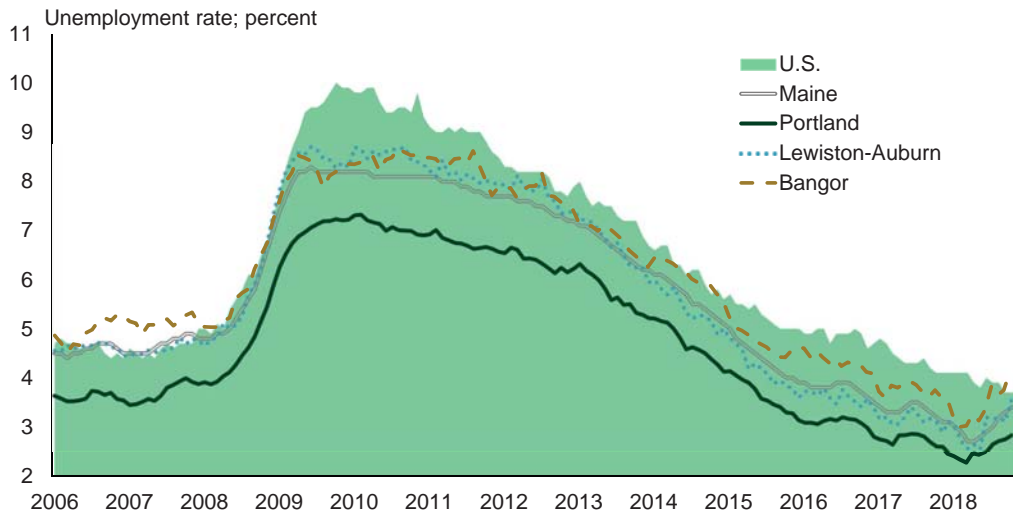
## U.S. Fiscal Stimulus Set to Fade



Source: Bureau of Economic Analysis, TD Economics. \*Tax Cuts & Job Act

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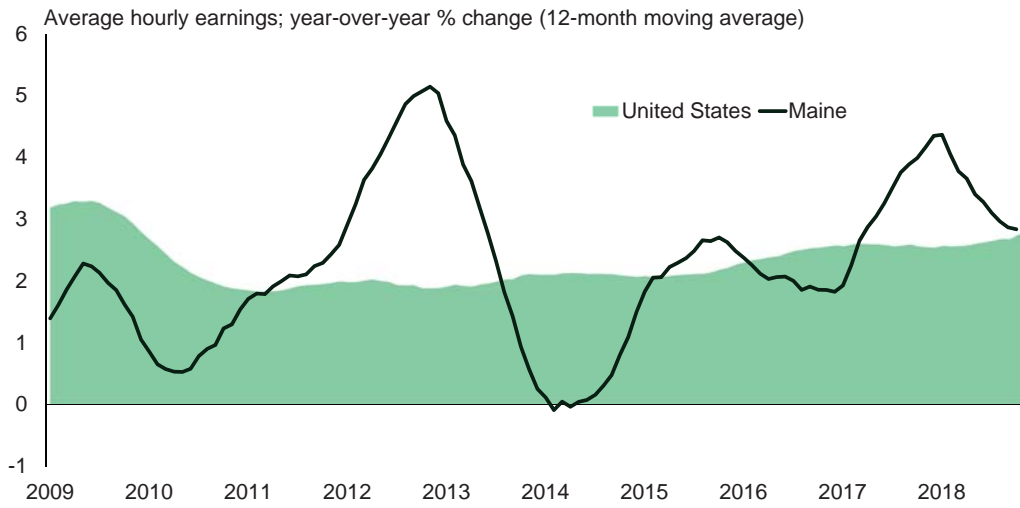
## Unemployment Rate Still Near Generational Low



Source: Bureau of Labor Statistics

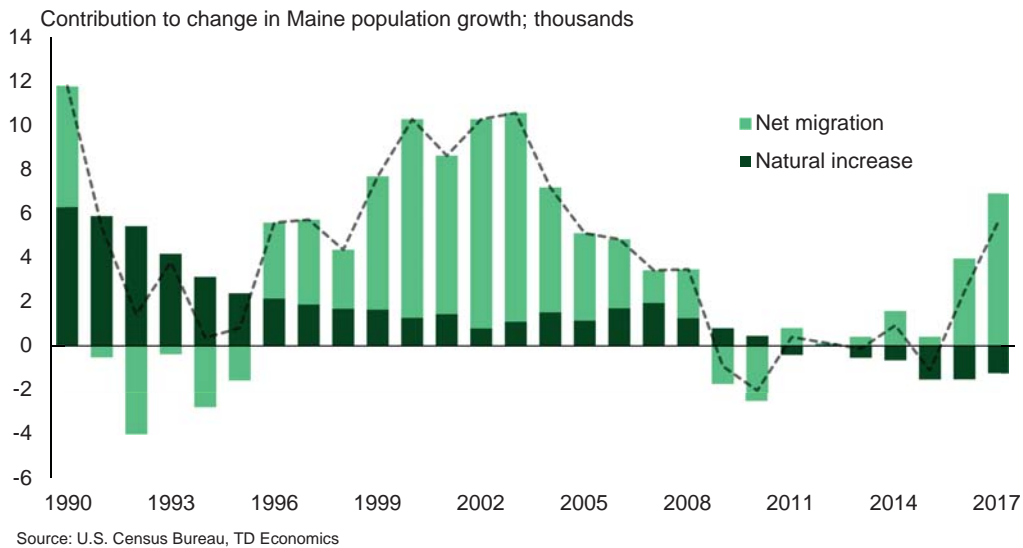
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## Local Wage Pressures Have Come Off the Boil



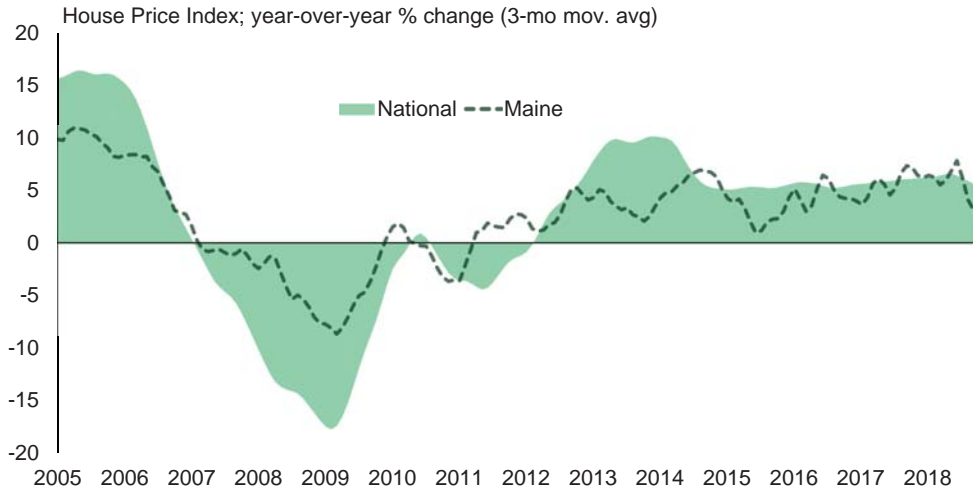
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## Net Migration to Maine Has Been Strong



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## More Modest Growth in Home Prices Expected



Source: CoreLogic

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