



The Economic Outlook

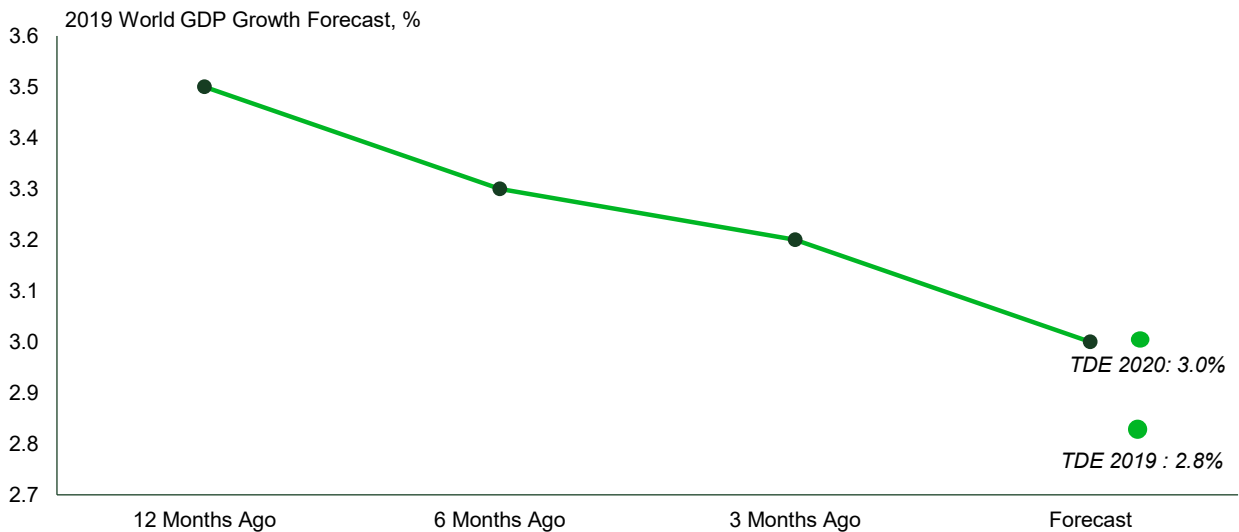
MEREDA 2020 Annual Real Estate Forecast Conference

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January 2020



2019 - Global Growth Expectations Tumbled

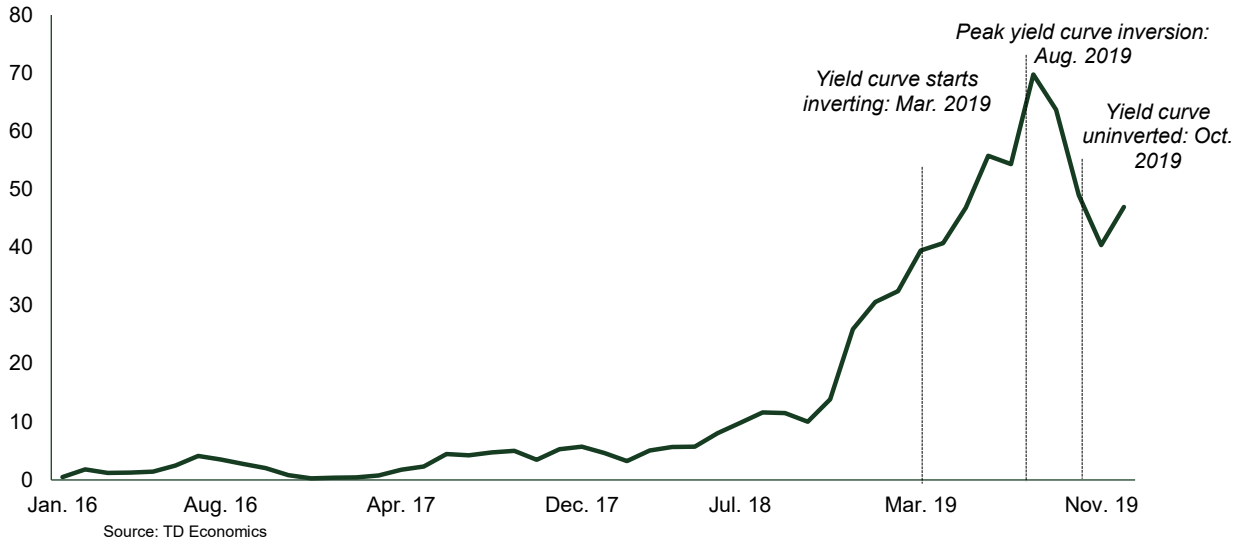


Source: Bloomberg Surveys, Forecast by TD Economics as of December 2019

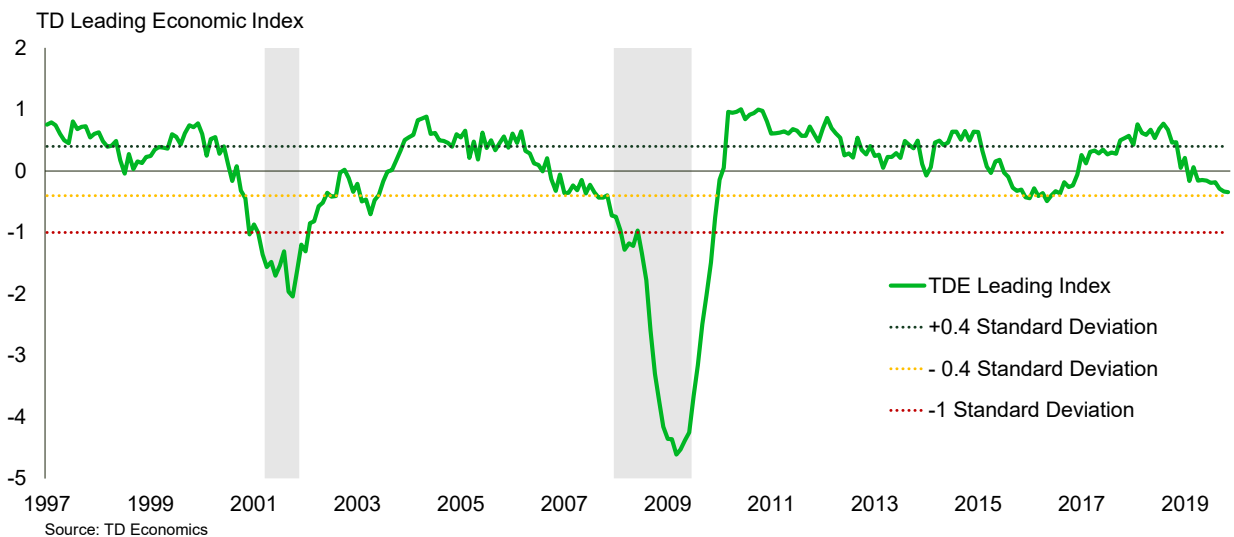
But, Recession Odds Have Receded



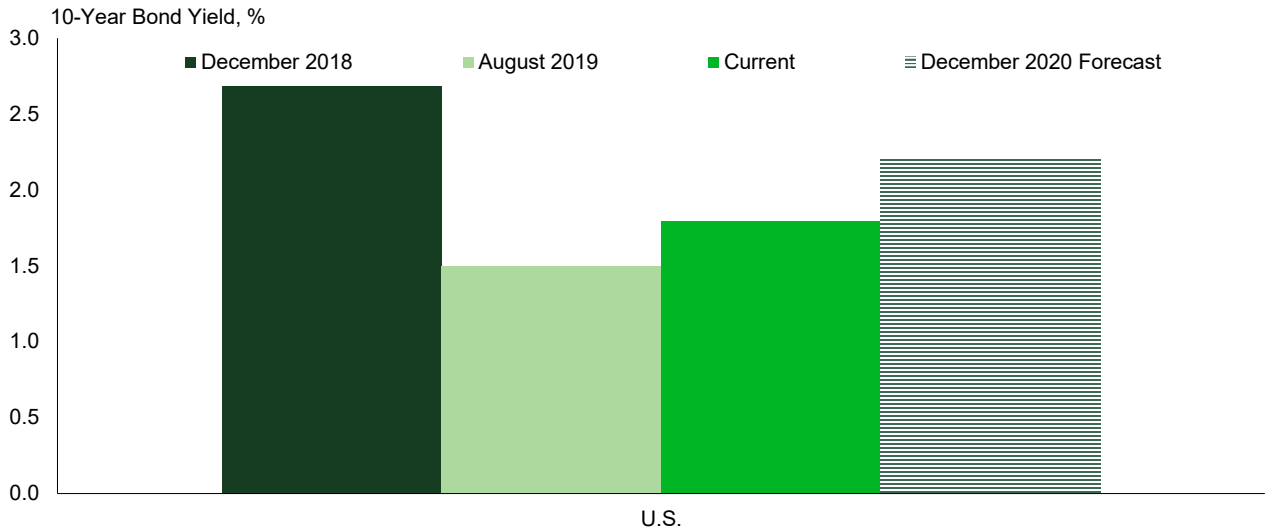
Modelled Probability of a Recession 12 months ahead in the U.S. Based on the Yield Curve, %



TD Leading Economic Index Deteriorates, But No Red Flag



Higher Bond Yields, But Not High Bond Yields



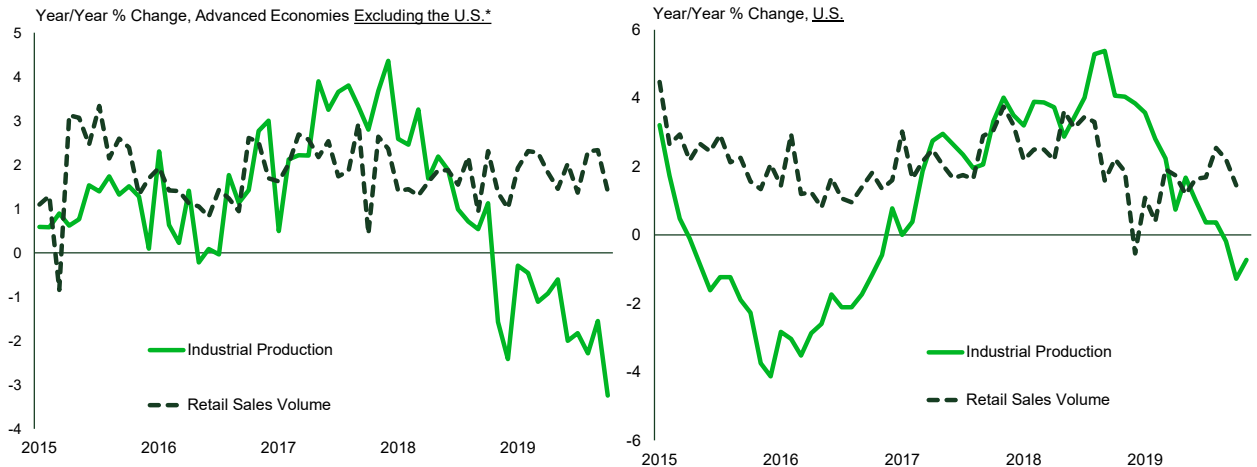
Note: Yields are end-of-period. Source: Bloomberg, Forecast by TD Economics

Manufacturing Sentiment Stabilizes, But Remains Weak



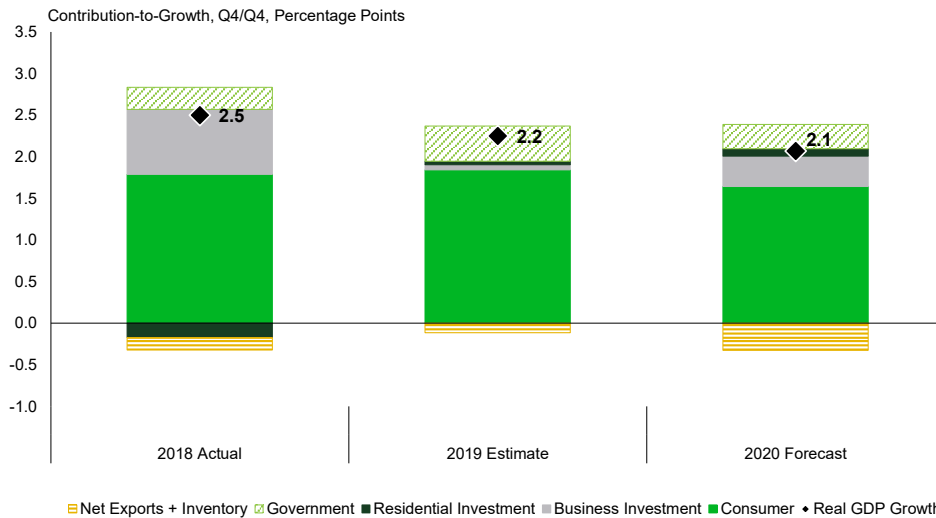
Source: IHS Markit and JP Morgan, TD Economics. Last Obs.: December 2019

Fortunately, Consumer Demand Resilient



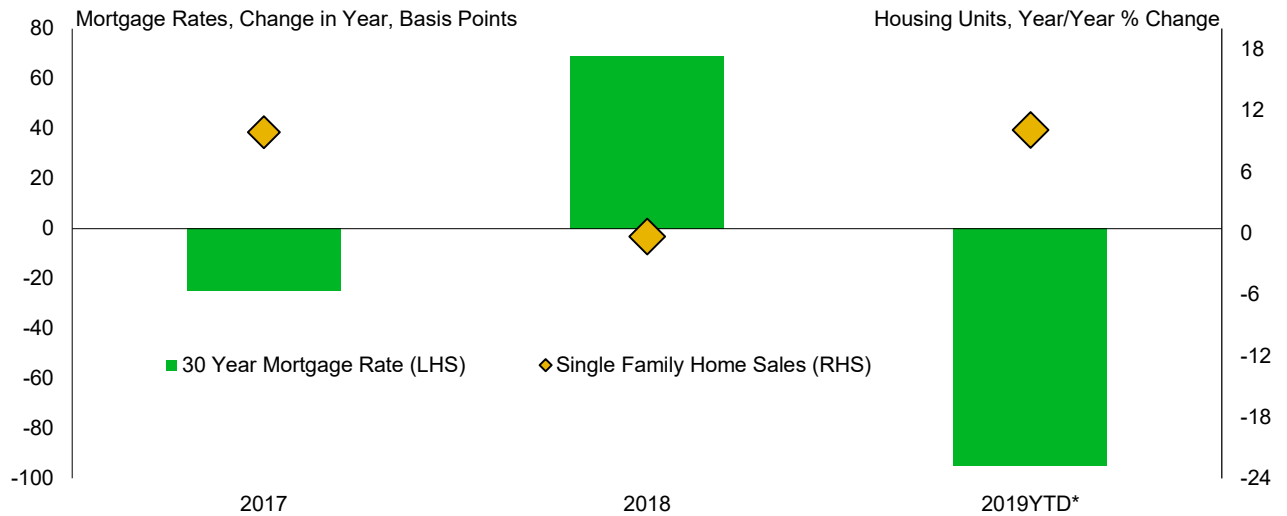
*Canada, Euro Area, United Kingdom and Japan, weighted by their respective relative PPP shares as of 2018.
Source: Bureau of Labor Statistics, Federal Reserve Board, Statistics Canada, Eurostat, TD Economics.

U.S. Downshift In 2019 Reflects Miss On Business Investment



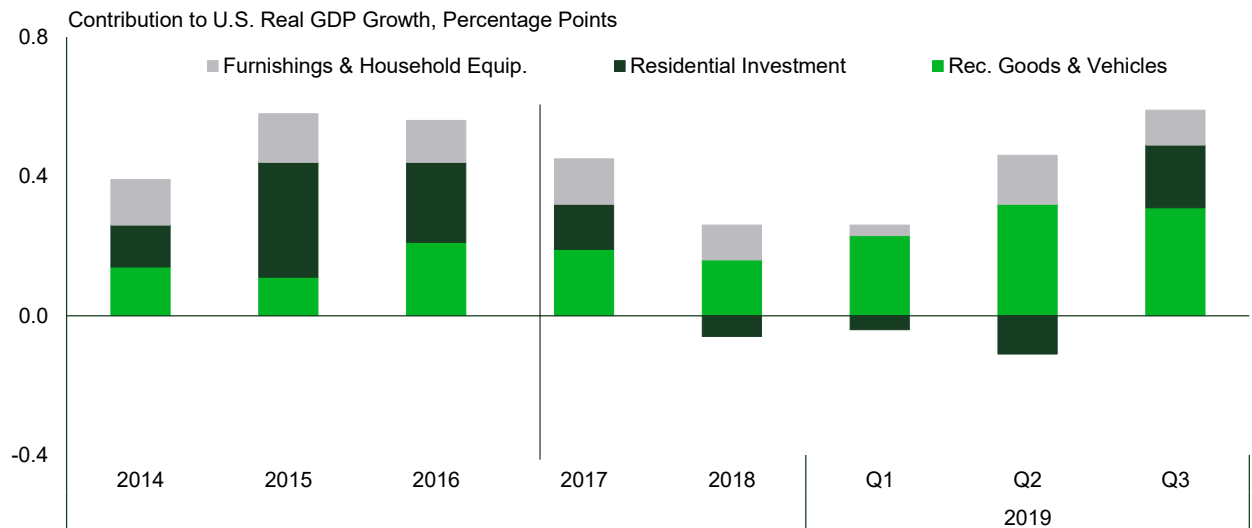
Source: Bureau of Economic Analysis, TD Economics

Lower Mortgage Rates Boost Housing Sales...



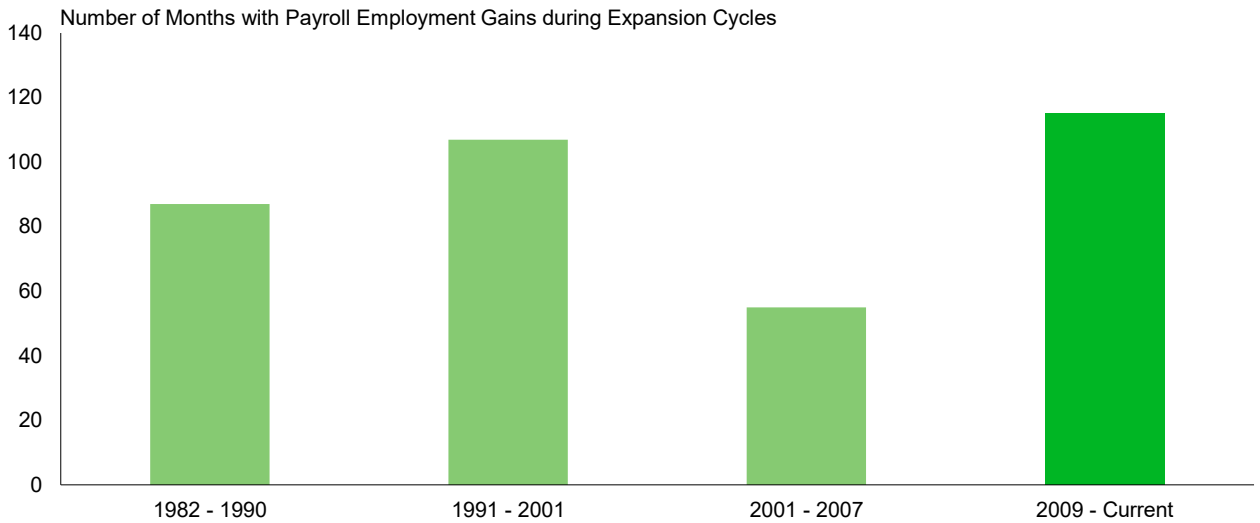
*Shows November/November change for mortgage rates and change to October for housing units.
Source: Census Bureau, FHLMC, TD Economics

...And Feeding Into Discretionary Spending



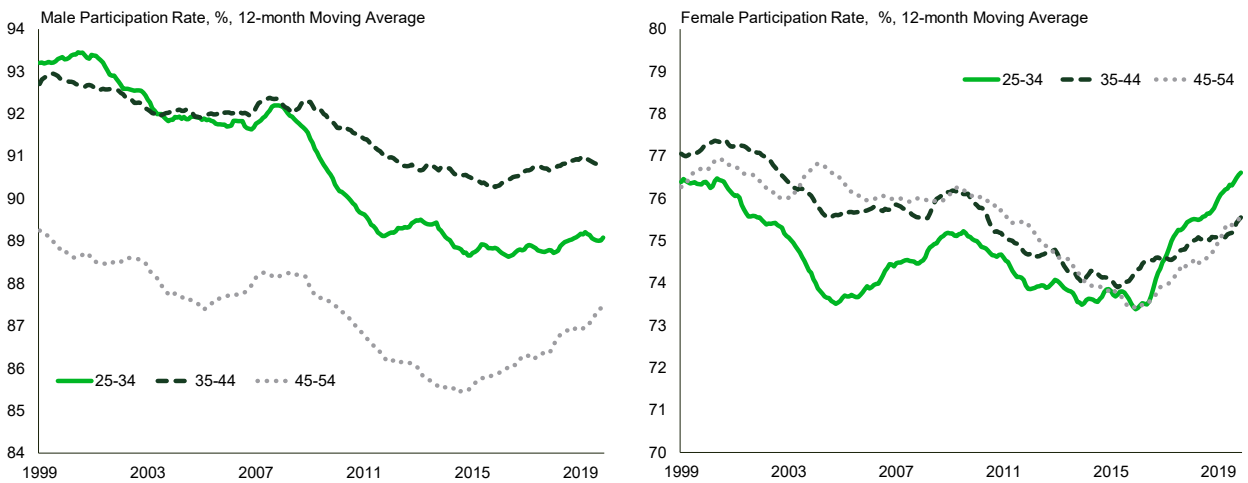
Source: Bureau of Economic Analysis, TD Economics

Job Gains On A Winning Streak



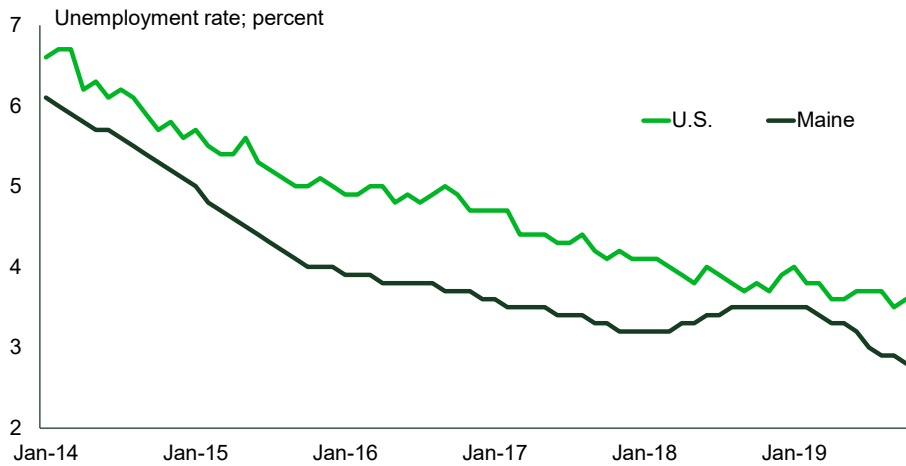
Source: Bureau of Labor Statistics, Bureau of Economic Analysis, NBER, TD Economics

More Room For Progress On Labor Force Engagement



Source: Bureau of Labor Statistics, TD Economics

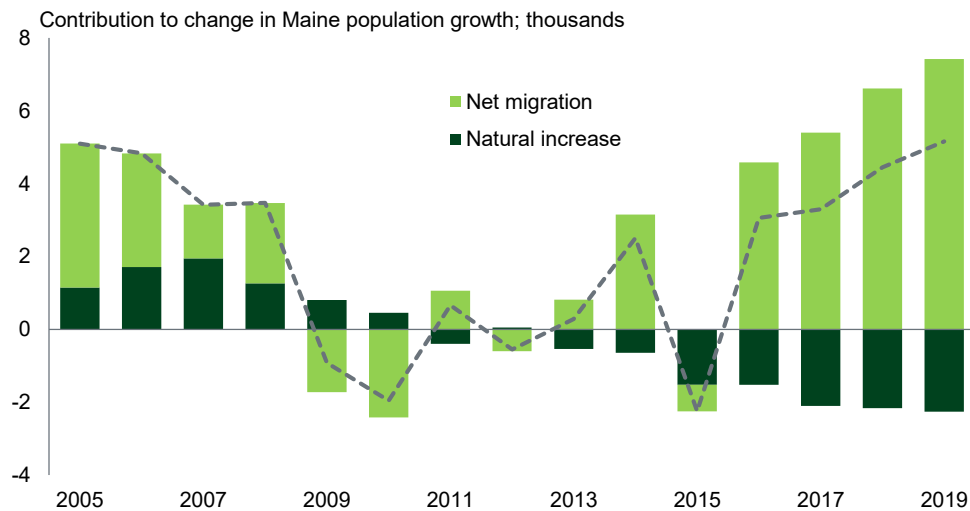
Maine Labor Market Tightness Continues



Source: Bureau of Labor Statistics

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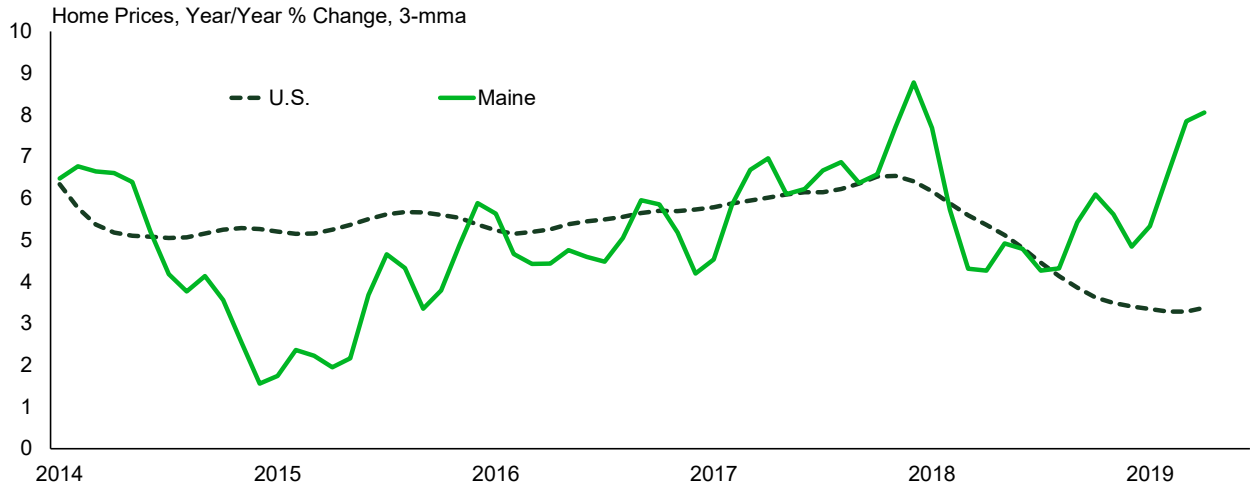
Fortunately, In-Migration Has Been Strong



Source: U.S. Census Bureau, TD Economics

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Maine Home Price Growth Picks Up Steam



Source: CoreLogic, TD Economics

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