

The Di Rocco Keenan Wealth Advisory Group



The US economy is continuing to eclipse Canada. Over the past year, US economic data has overshadowed Canada. In recent weeks, the divergence has become even more significant. Let's break down some of the largest gaps:

- GDP Growth:** Both the US and Canada's economies are projected to continue to slow in 2024. Real GDP growth in the US is forecasted to come in around 2.3%. Canada's growth rate is expected to be a meager 1.2%. Canada's population growth is holding up our negligible GDP, whereas the US continues to benefit from their multi-decade fixed mortgage rates. Here in Canada, we still have 50% of our mortgages set to renew at higher rates.
- Unemployment Rate:** The unemployment story looks very different in the US than here in Canada. The latest data reveals the US unemployment rate sitting at 3.8% whereas here in Canada we have crossed the 6% threshold. Unemployment is rising but wage growth is at a whopping 5% (2023 was coined the year of the strike for a reason). Wage growth, along with the fear of a resurgence in the Canadian housing market, are the two main reasons the Bank of Canada hasn't started to cut rates despite slower economic growth.
- Stock Markets:** Perhaps the one area where Canada is starting to see more recovery is within stock market performance. After the S&P 500 outperformed the Canadian market in 2023, year-to-date we are only lagging by 4% (until end of March). We could see this gap tighten if AI stocks continue to cool and Canada's commodity/ banking sectors pick up.

For those who viewed the eclipse, we think you would agree the mood was foreboding at its peak. As the minutes passed, the light shone through again. When will a light begin to shine again on Canada's economy? We expect Canada to return to its long-run growth potential in 2025 as interest rate cuts work their way through the economy.

Lianne and Jamie



APRIL 2024

BMO's Special Mortgage offer:

Receive up to **\$4,000 cash back** when you apply for a qualifying Fixed or Variable Rate Closed Term Mortgage or Homeowner's ReadiLine with a term of 3 years or longer - available from **March 1 to June 30, 2024**. Please reach out to us for more information.

BMO for Women Presents:

Your Guide to Grants! Grant funding can be a game changer for small and medium businesses. On **April 25, 2024 at 2 pm EST**, join Stephanie Sang, founder and CEO of Granted Consulting for a virtual workshop as she speaks to grant writing, management, and reporting services. See attached invite for details and to RSVP.

Gateway Reminder:

Have you set up your Gateway access? Gateway is our online portal where you can easily view your account details, account performance, monthly statements and much more. Get in touch with us if you need assistance setting this up or accessing your account!

INDUSTRY TRENDS



It was almost exactly three years to the day after shipping container Ever Green obstructed all traffic in the Suez Canal, that the Dali struck Baltimore's Key Bridge. The result was the total collapse of the bridge, with the rebuild estimated to cost as much as \$4 billion USD. Events like these remind us that even in our globalized world, international trade can be drastically impacted by a localized event. It is estimated 80% of all goods are carried by sea at some point in their journey from seller to buyer. The global shipping container market is expected to more than double in the next 4 years, growing from ~\$7B USD in 2021 to \$16B USD by 2028.

In other news, dedicated readers will remember from [our February newsletter](#) that cocoa prices were almost at a 46-year high. Since then, it has reached an all time high, with the major chocolatiers trying to source as much product as possible in anticipation of shortages. Planning the gift of chocolate for Mother's Day? Run. Don't walk.

[Cocoa price hits US\\$10,000 a tonne, prompting chaos for industry and consumers - BNN Bloomberg](#)



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