



THE ECONOMIC AND FINANCIAL OUTLOOK

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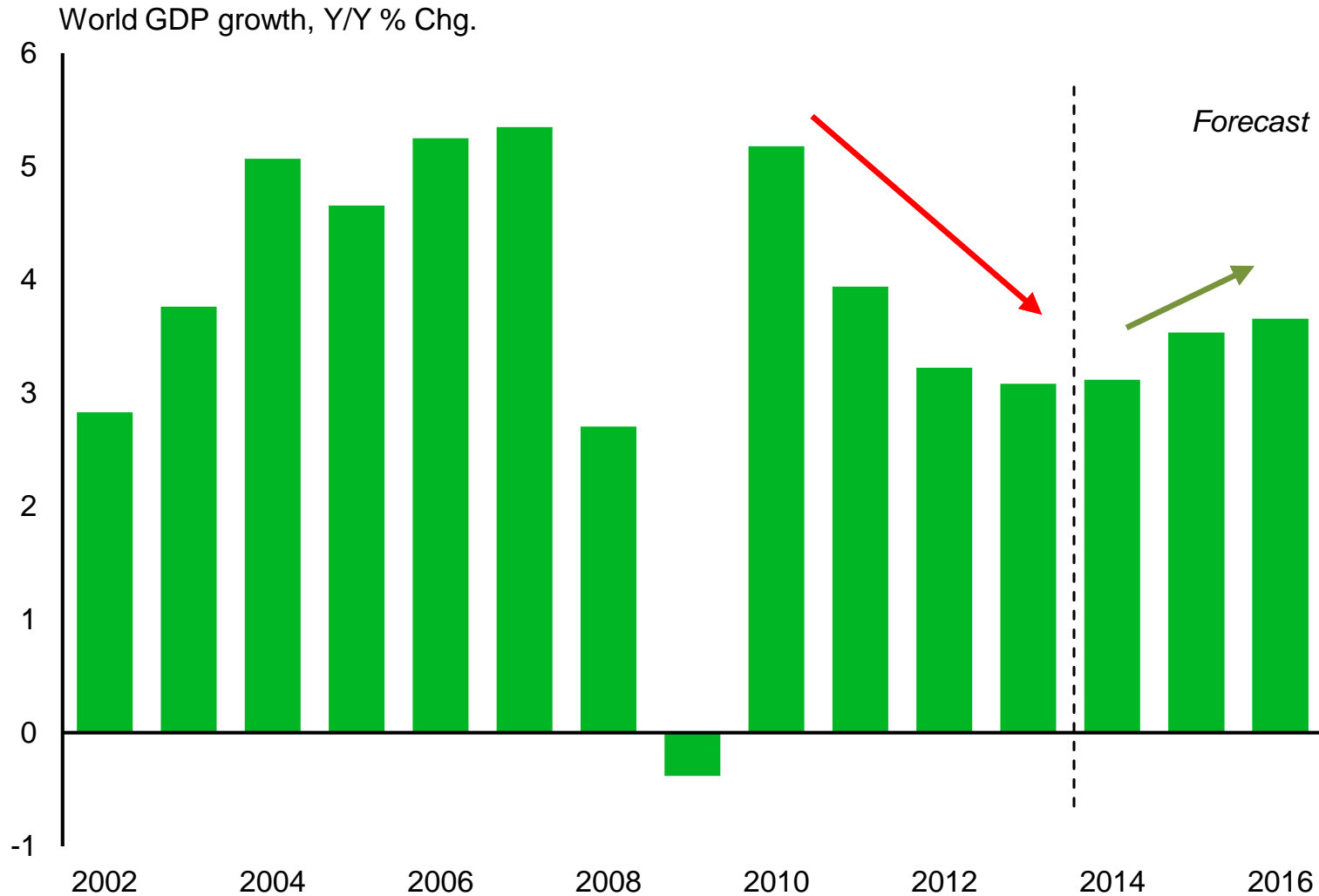




GLOBAL OUTLOOK

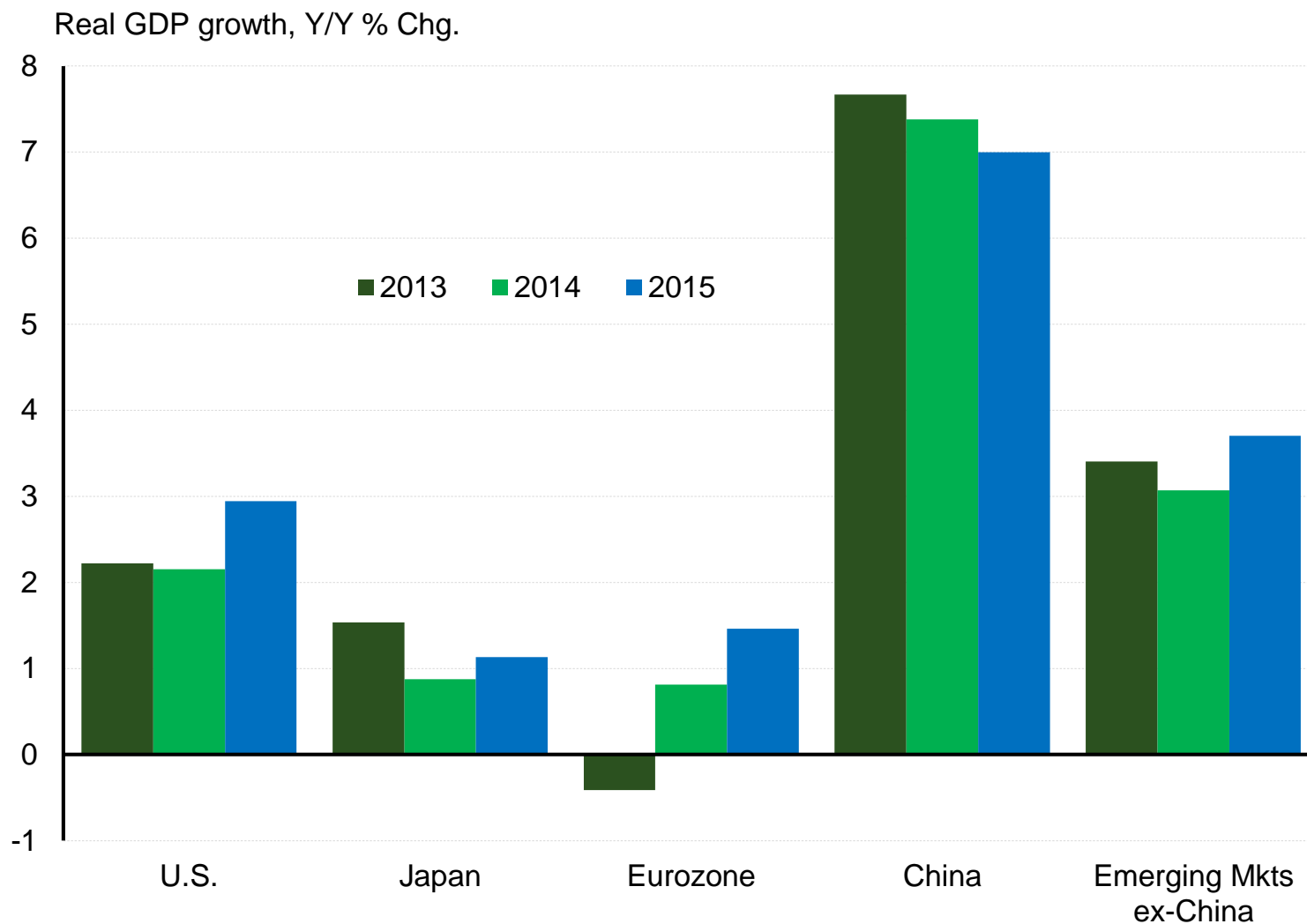
SLOW GRIND AHEAD ON NARROW BASE

GLOBAL ECONOMY STRUGGLING TO ACCELERATE



Source: IMF. Forecast by TD Economics as at September 2014.

DEEPLY VARIED REGIONAL PERFORMANCES



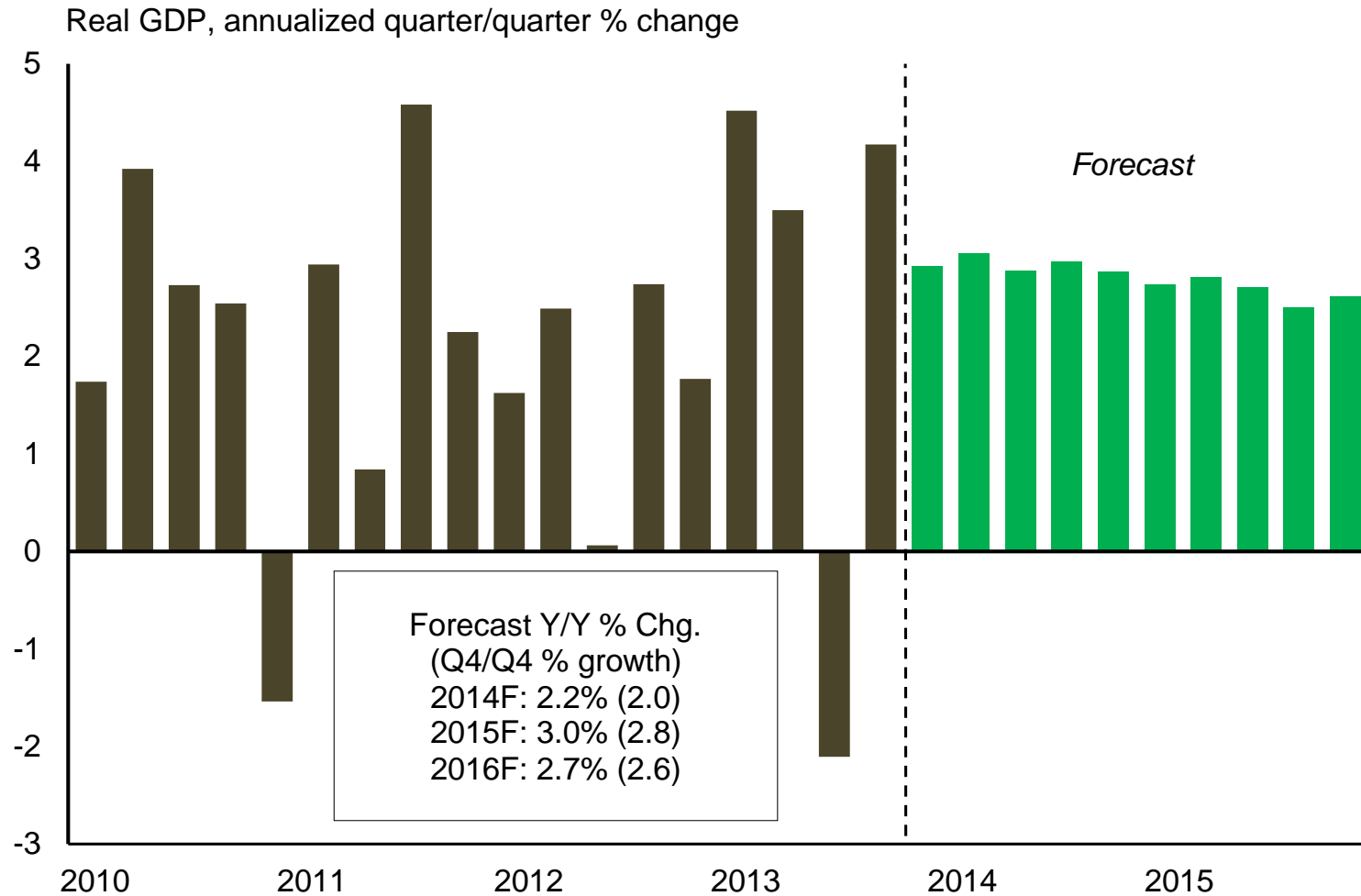
Source: TD Economics.
Forecast by TD Economics as of September 2014.



U.S. OUTLOOK

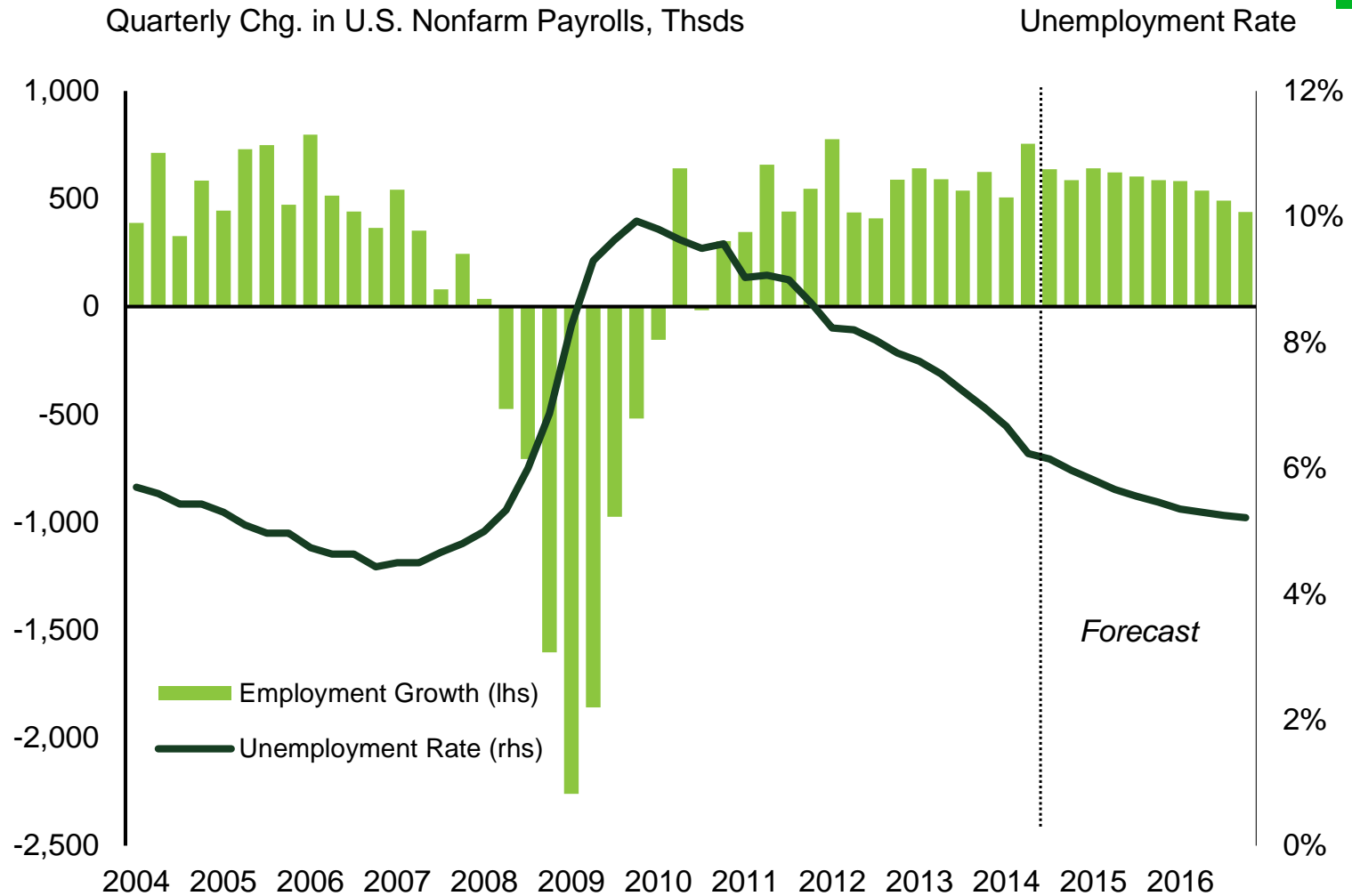
READY FOR TAKE OFF?

U.S. REBOUNDS AFTER FROZEN START



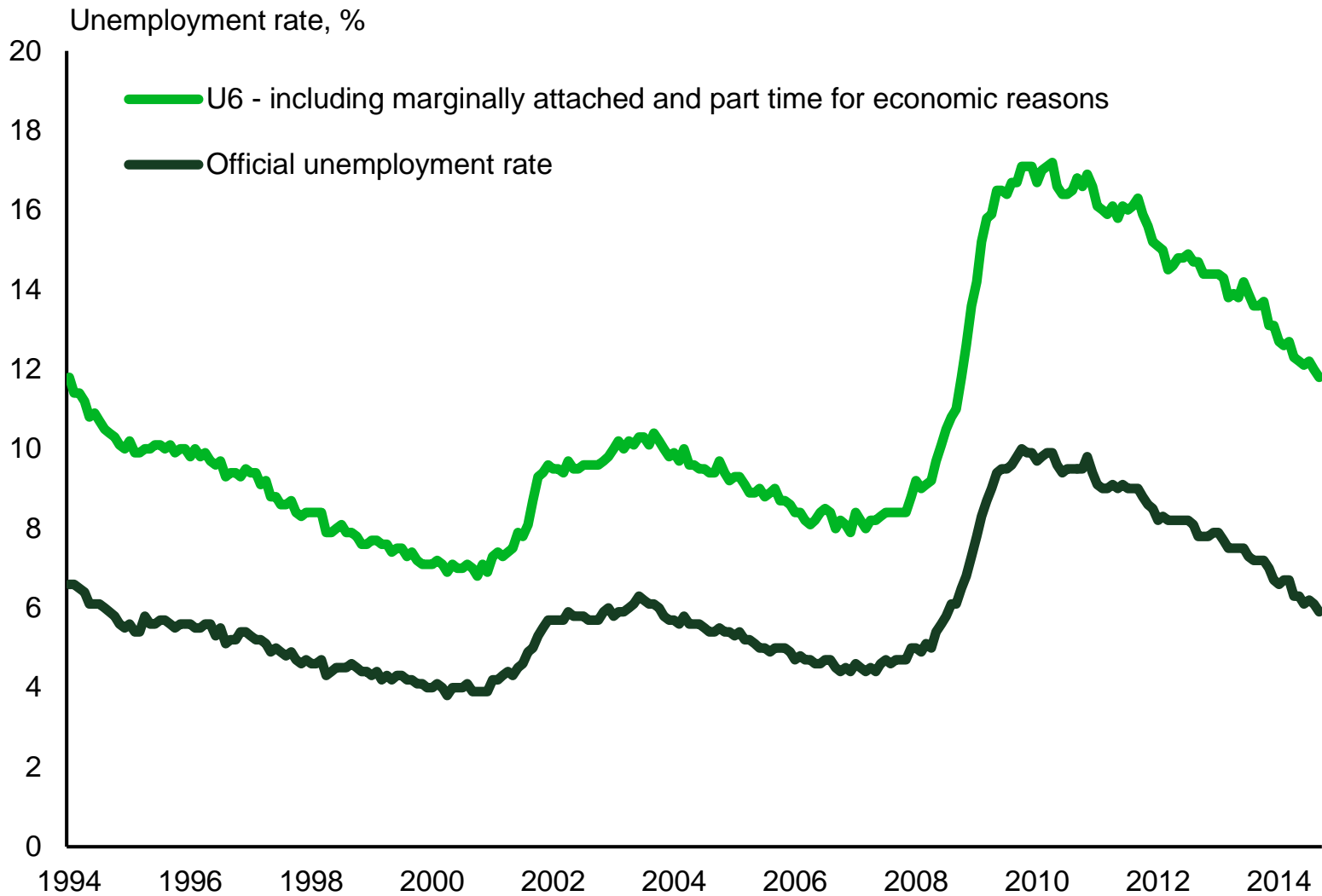
Last data point Q2, 2014. Forecast by TD Economics as of September 2014.
Source: Bureau of Economic Analysis.

OVERALL U.S. EMPLOYMENT PICTURE: POSITIVE



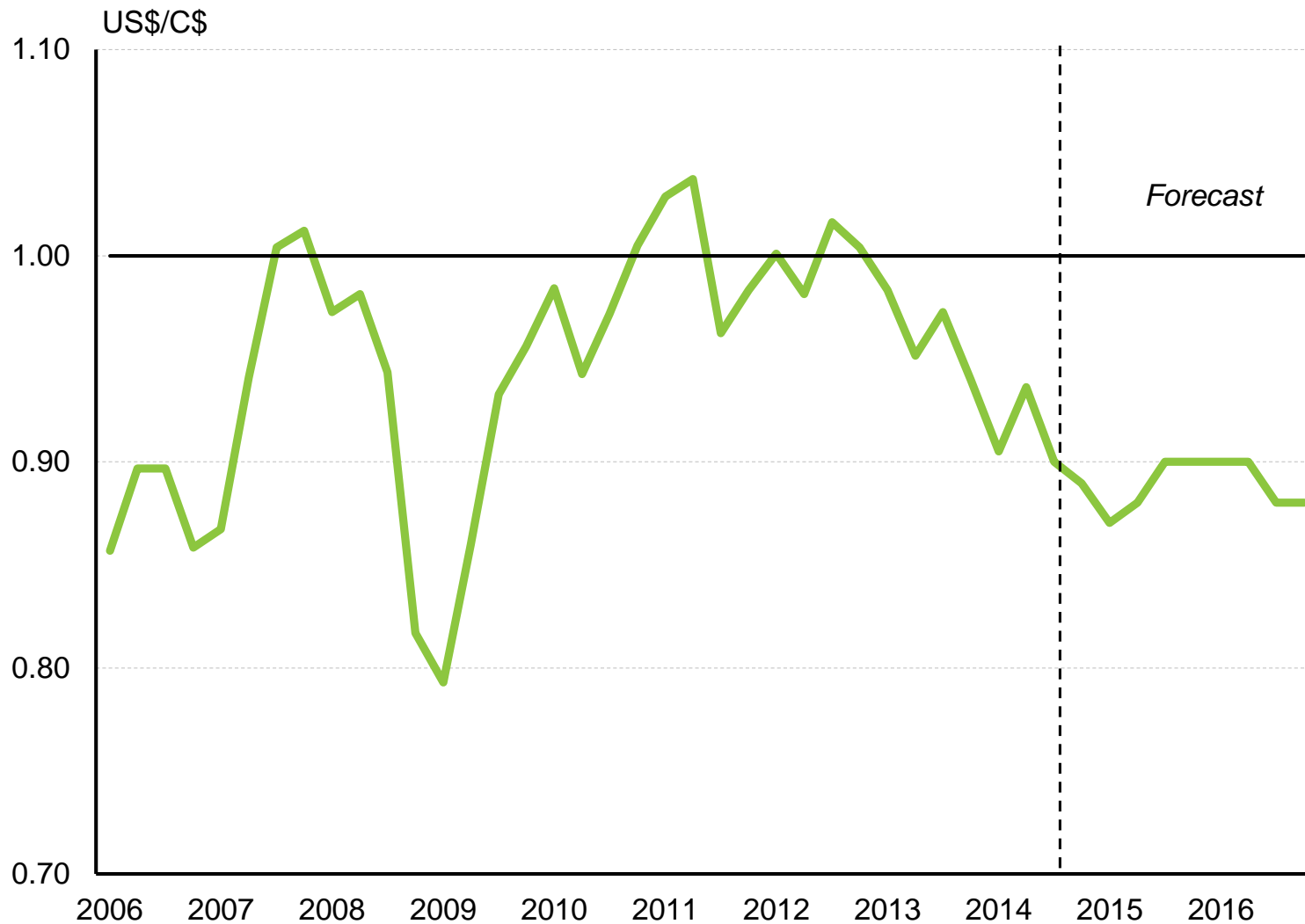
Source: U.S. Bureau of Labor Statistics. Forecast by TD Economics as at September 2014.

...BUT LABOUR MARKET STILL HAS SLACK



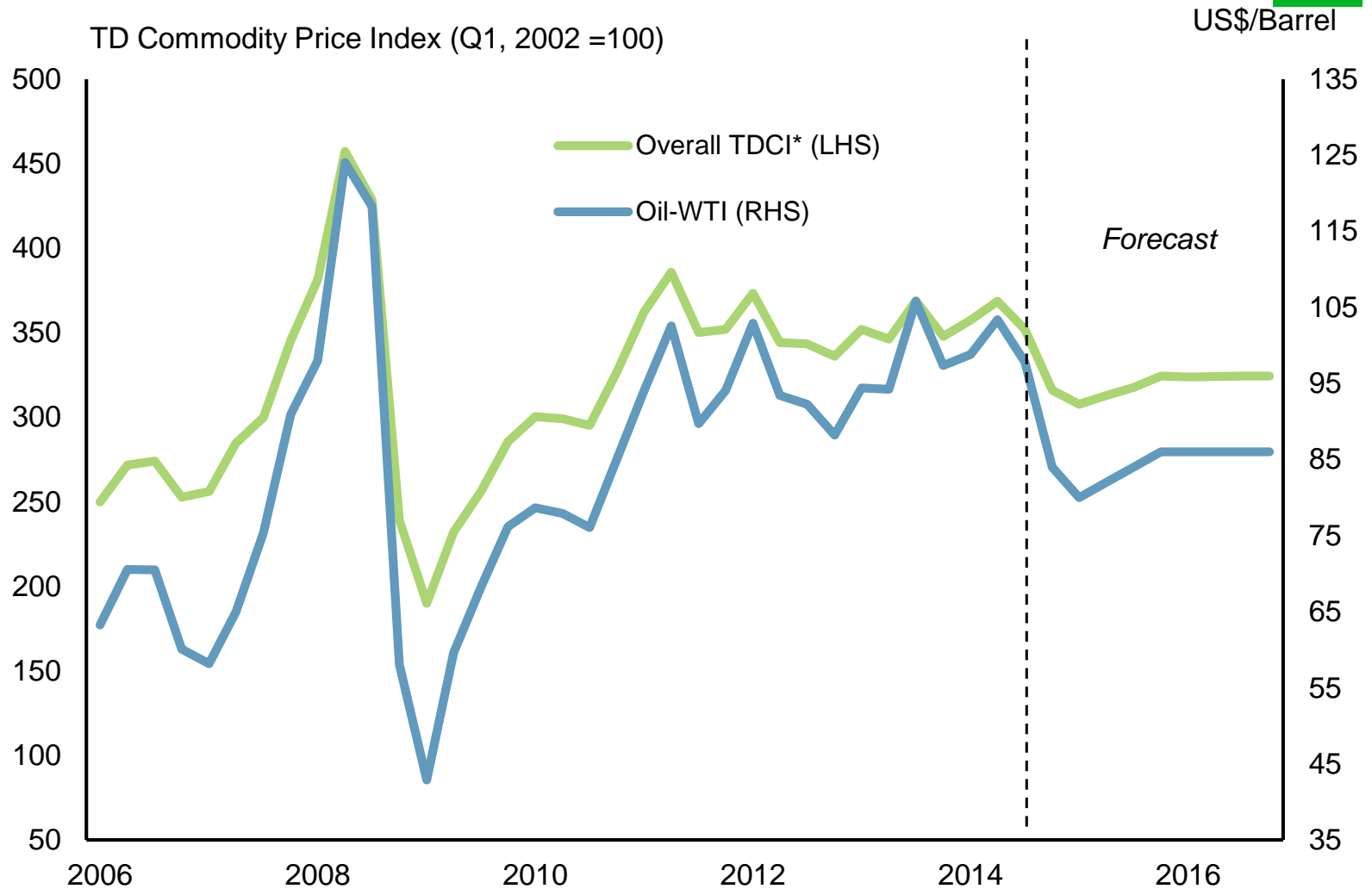
Source: Bureau of Labor Statistics. As at September 2014.

LITTLE UPSIDE FOR THE CANADIAN DOLLAR



Source: Bank of Canada. Forecast by TD Economics as at September 2014.

RELATIVELY FLAT OUTLOOK FOR COMMODITIES



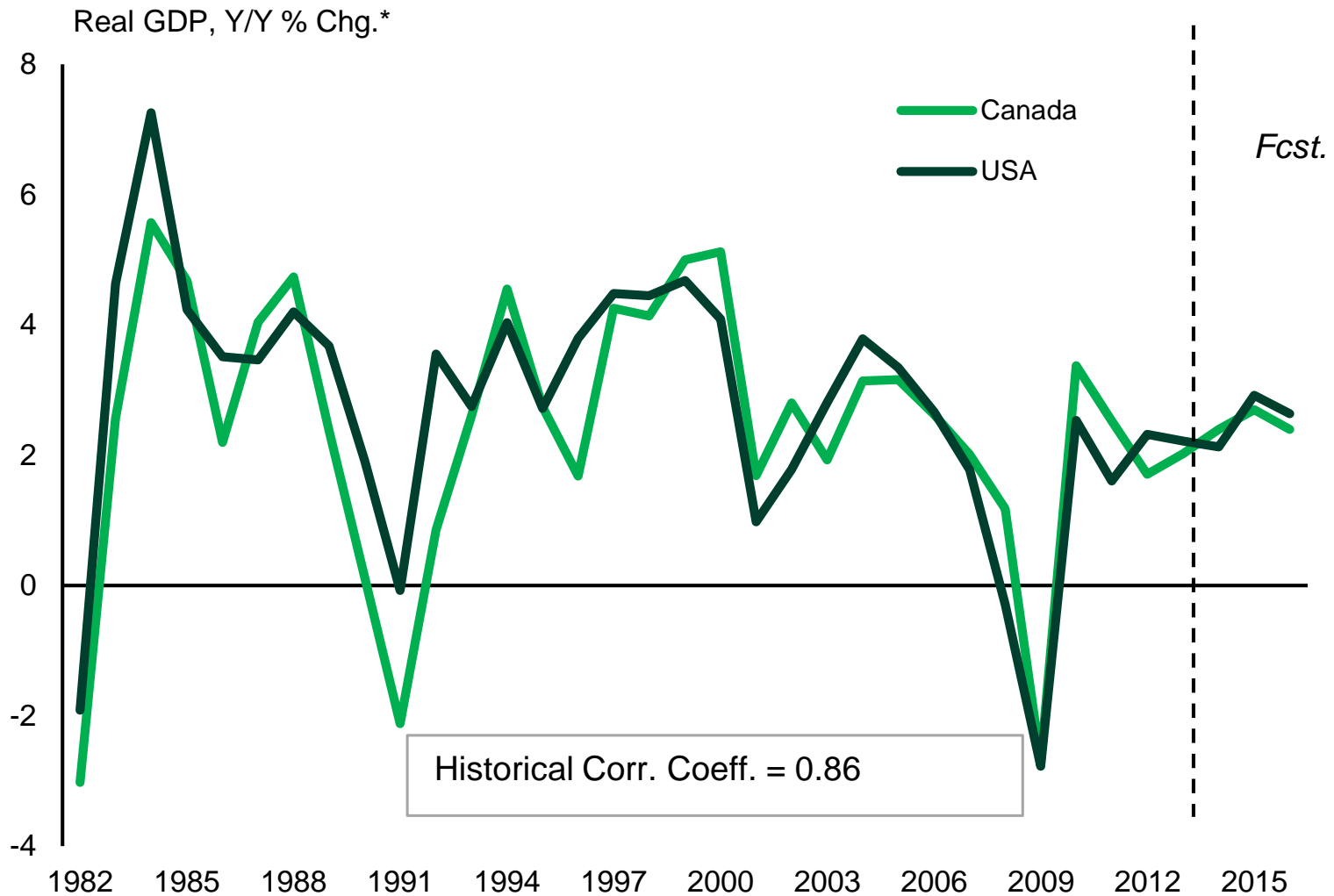
*Index of 18 Canadian resource commodity prices in US\$. Forecast as at October 2014.



CANADIAN OUTLOOK

HEALING, BUT STILL CARRYING LOTS OF BAGGAGE

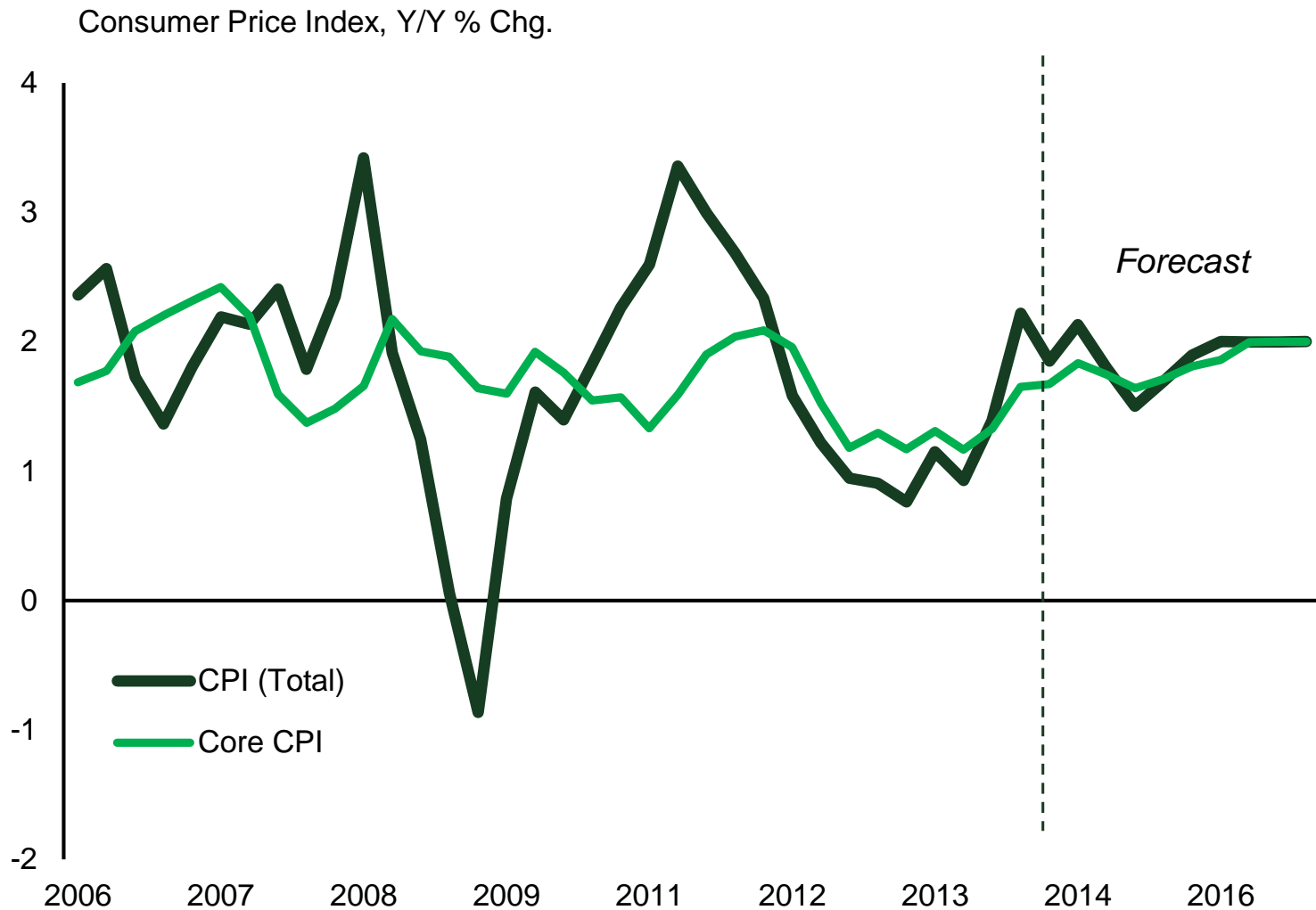
CANADIAN AND U.S. GDP GROWTH RATES TEND TO MOVE TOGETHER



Source: Haver Analytics, Statistics Canada. Forecast by TD Economics as at September 2014.

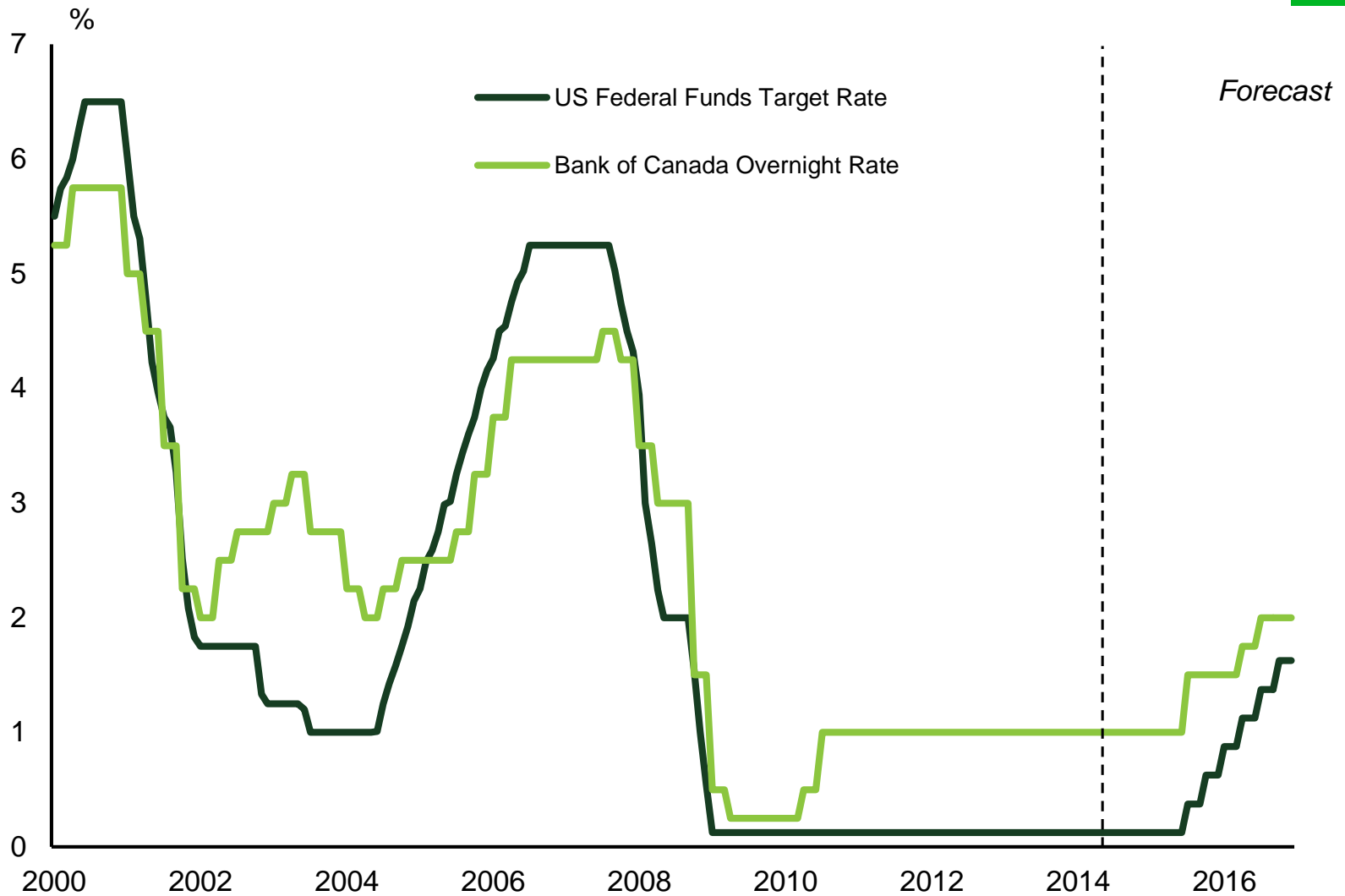
*Canada: 2007 Chained dollars. United States: 2009 Chained dollars.

INFLATION OUTLOOK NON-THREATENING



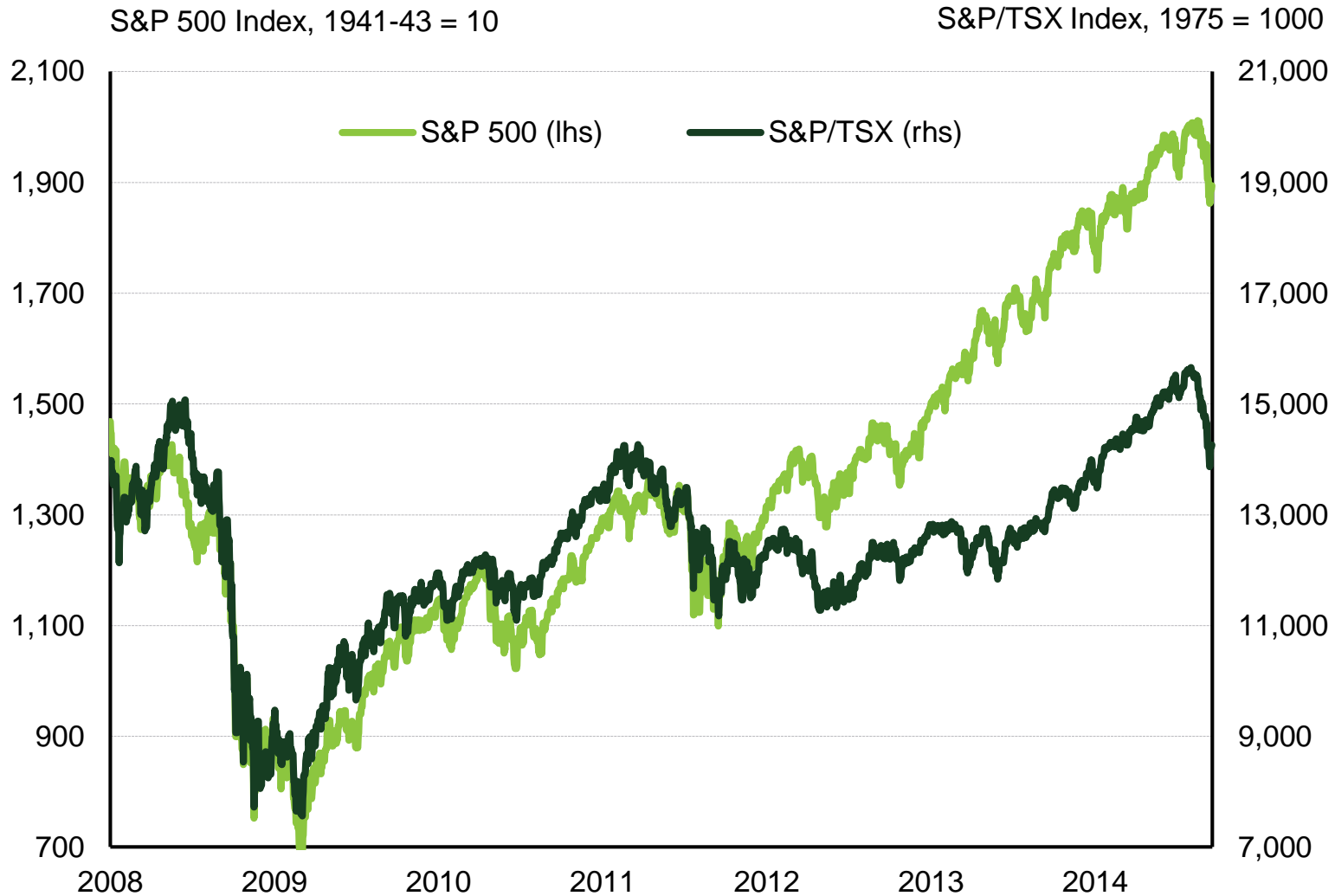
Source: Haver Analytics. Forecast by TD Economics as at September 2014.

INTEREST RATES TO REMAIN LOW



Source: Bank of Canada/Haver Analytics. Forecast by TD Economics as of September 2014.

CORPORATE PROFIT GROWTH AND LOW BOND YIELDS STILL SUPPORTIVE TO EQUITIES



Source: Bloomberg. As at October 20, 2014.



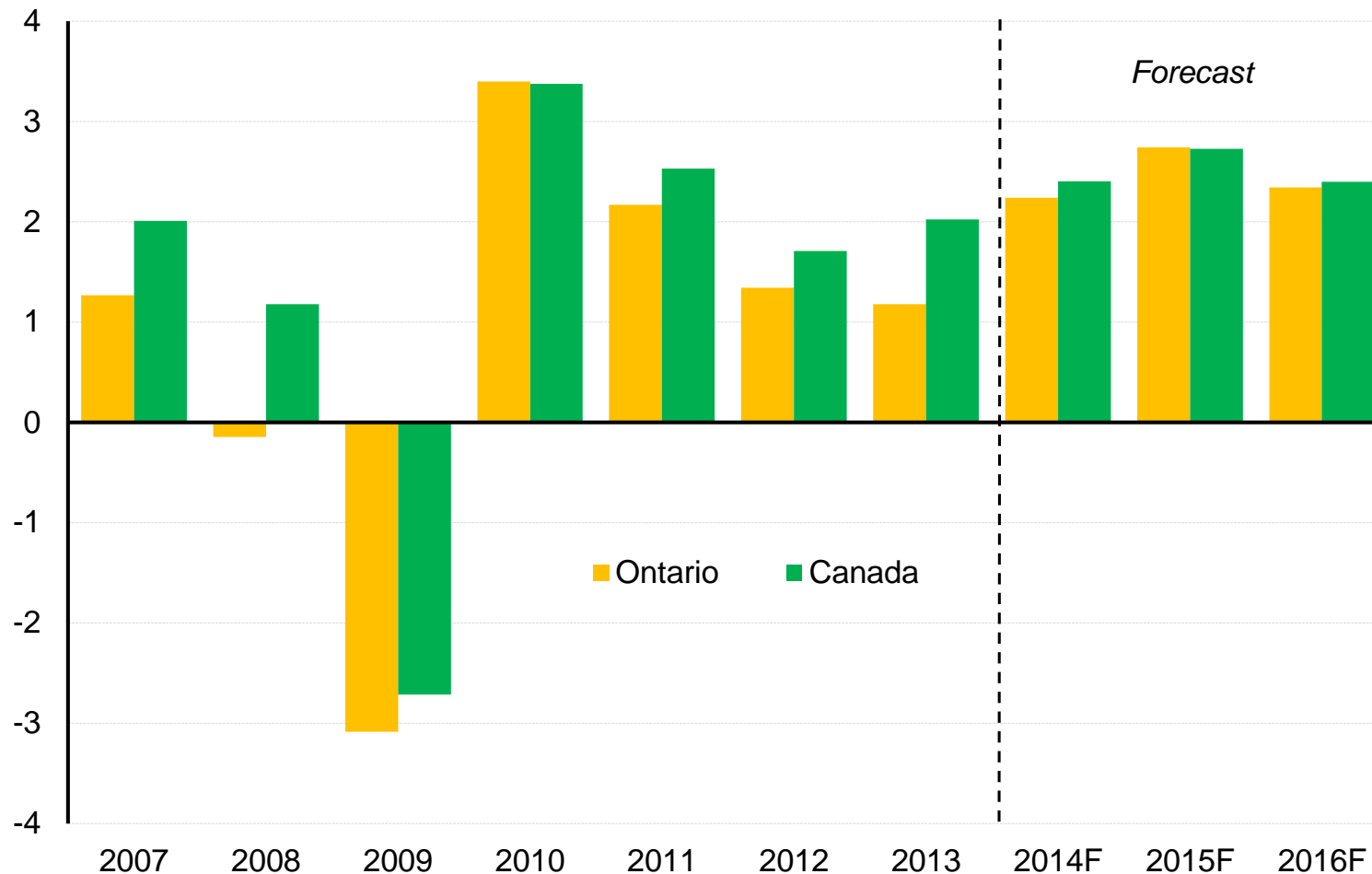
ONTARIO OUTLOOK

**GOOD NEAR-TERM UPSIDE BUT
KEY CHALLENGES REMAIN**

ONTARIO GDP GROWTH TO MOVE IN LINE WITH NATIONAL AVERAGE



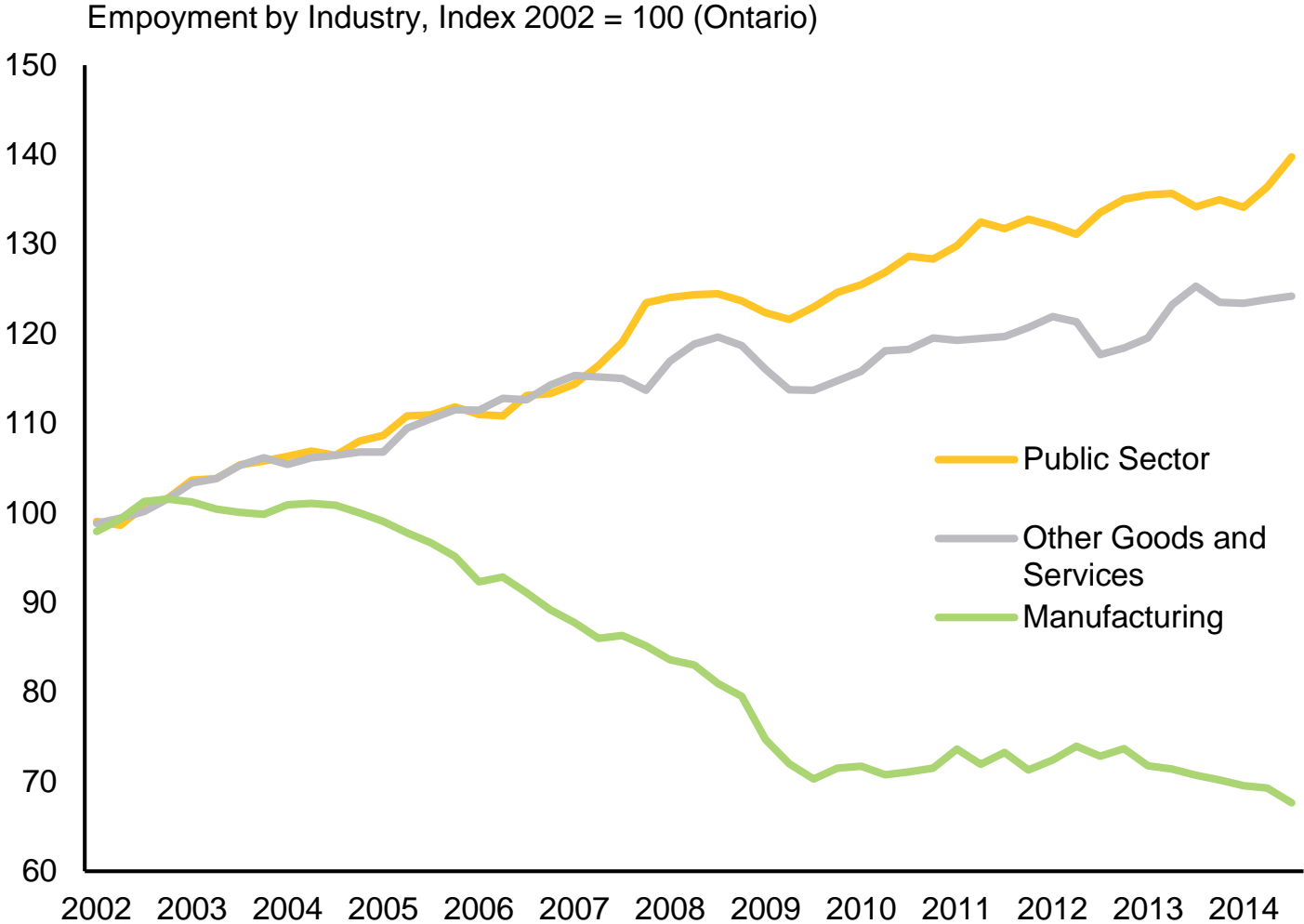
Real GDP, annual % Chg. (Ontario)



Source: Statistics Canada, Haver Analytics. Forecast by TD Economics as at October 2014.

Note: Ontario 2013 GDP growth is expected figure.

ONTARIO'S ECONOMIC MODEL HAS CHANGED

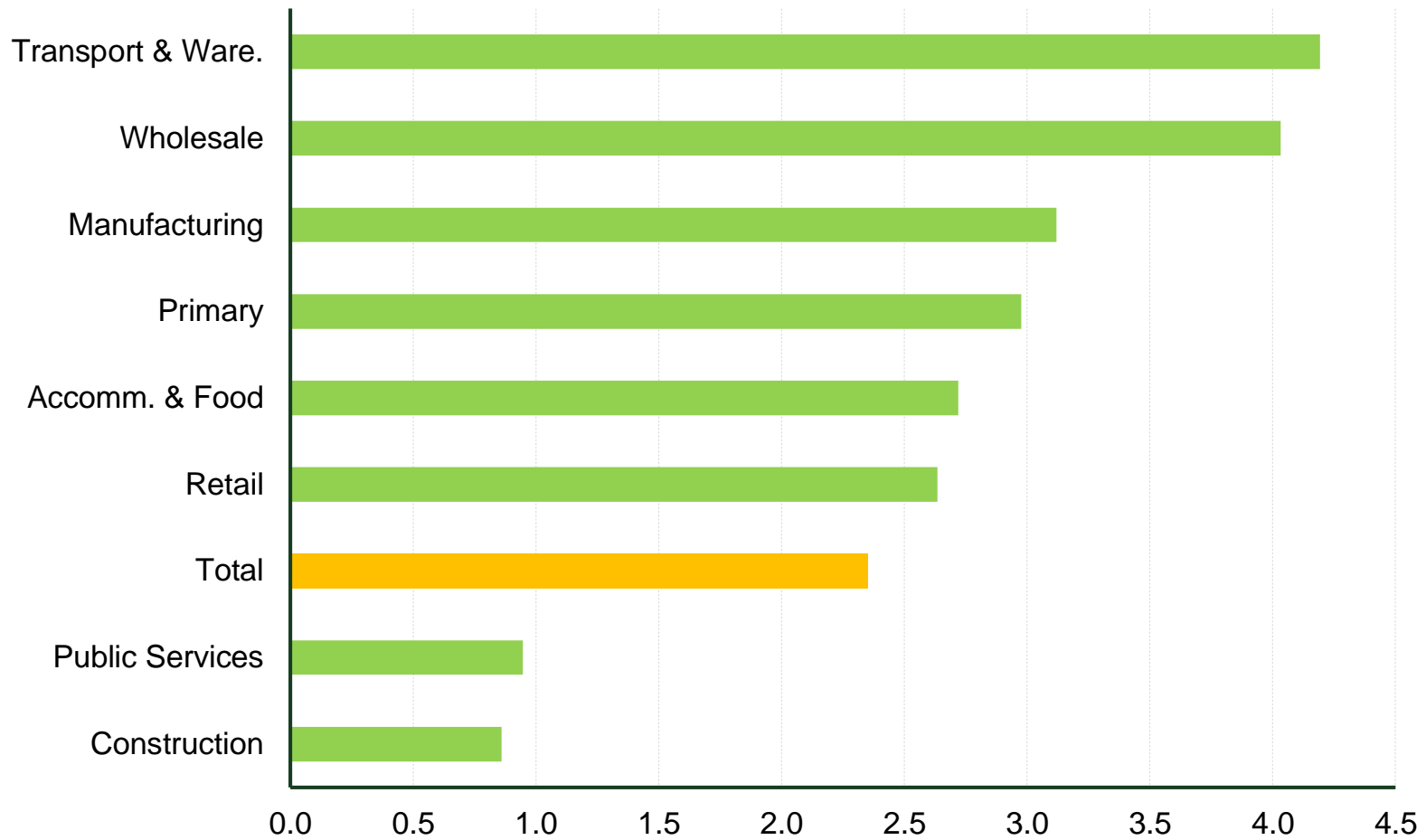


Source: Statistics Canada and Haver Analytics. As at Q3, 2014.

EXPORT ORIENTED INDUSTRIES TO LEAD PACK

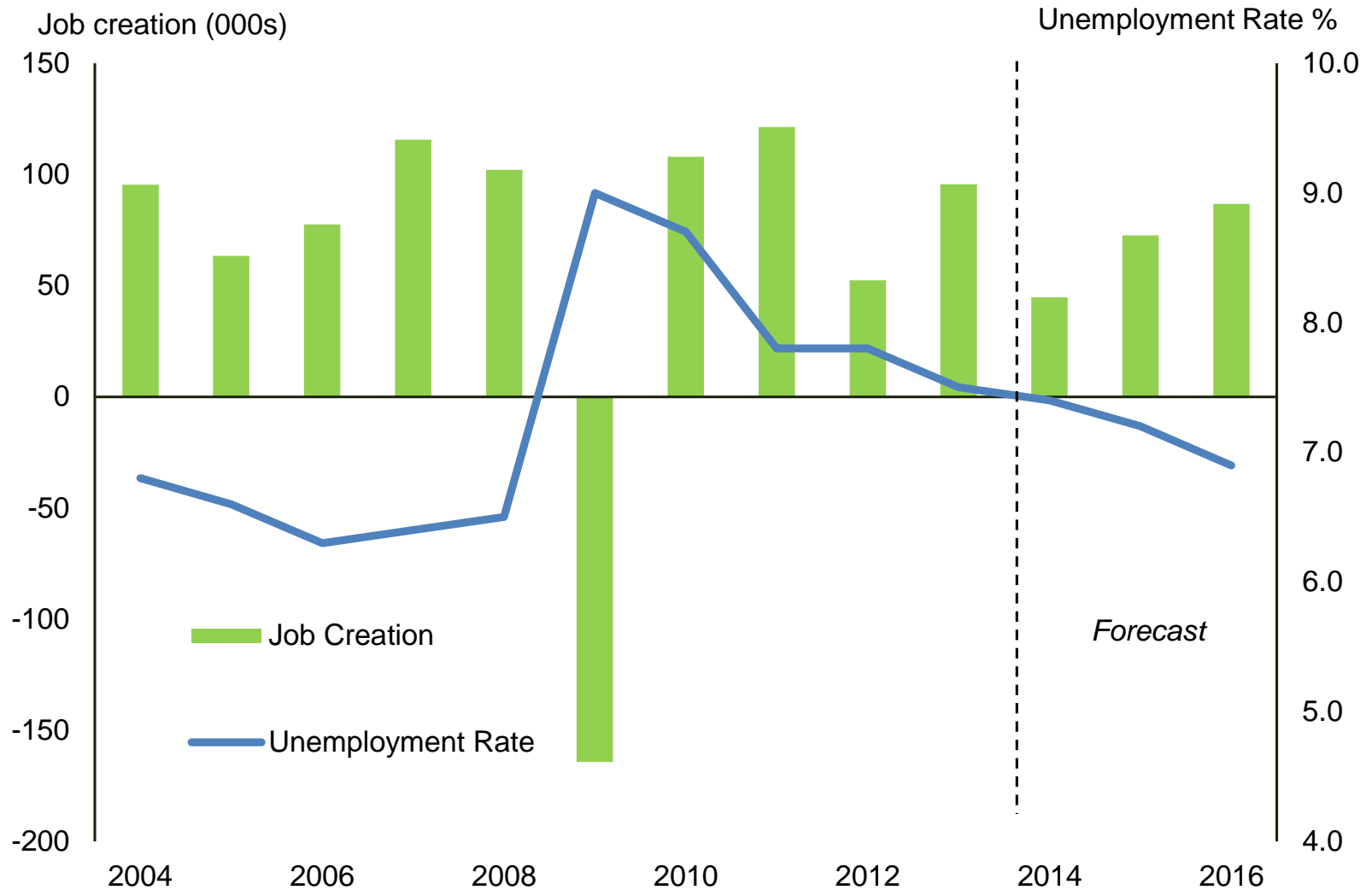


Ontario real GDP growth, Y/Y % Chg., by selected industries, (2014-15 Avg.)



Forecast by TD Economics as at September 2014.

ONTARIO JOB MARKET TO SHOW SOME IMPROVEMENT



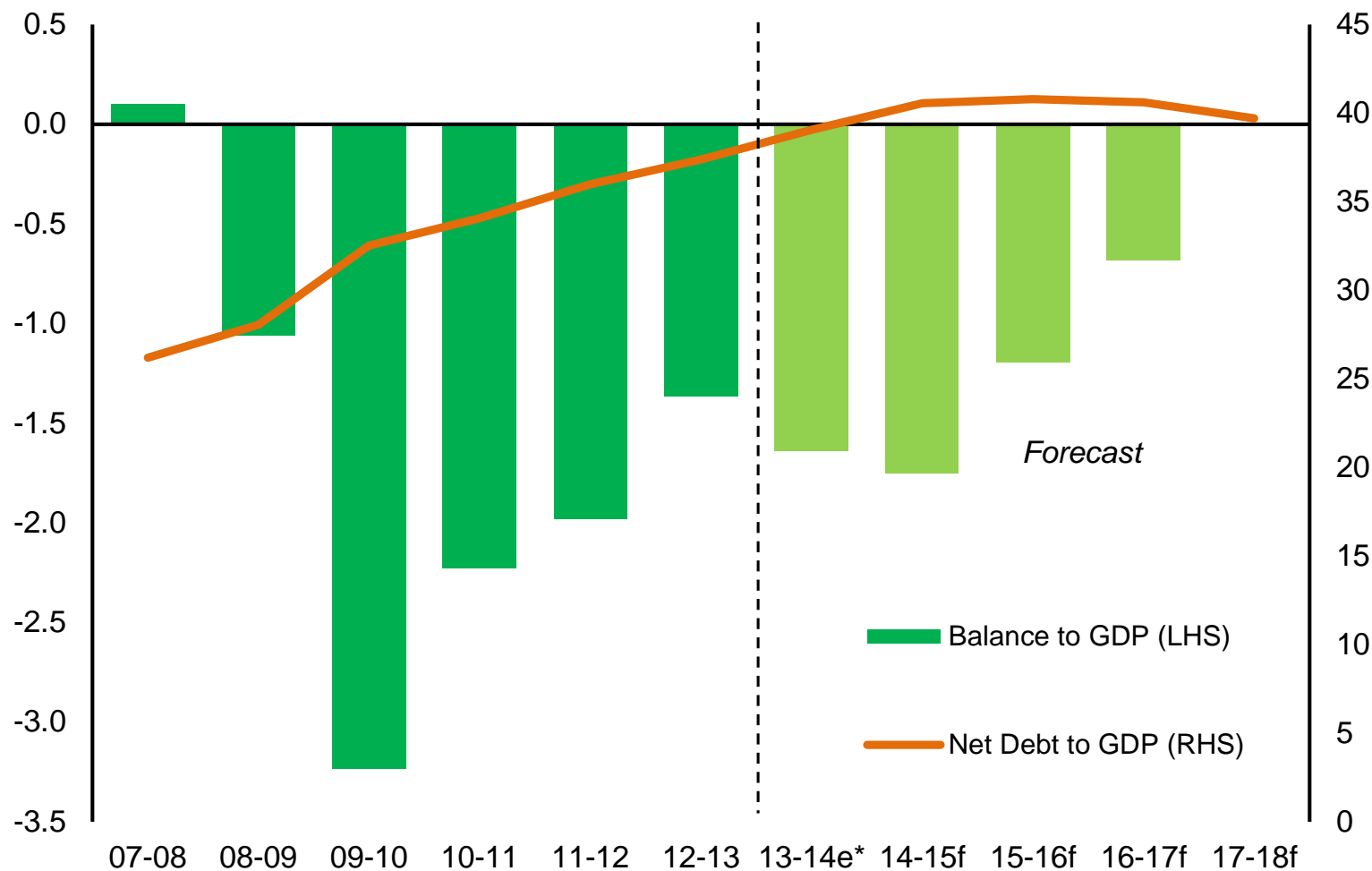
Source: Haver Analytics. Forecast by TD Economics as of October 2014.

ONTARIO GOVERNMENT STILL FACING BIG DEFICITS



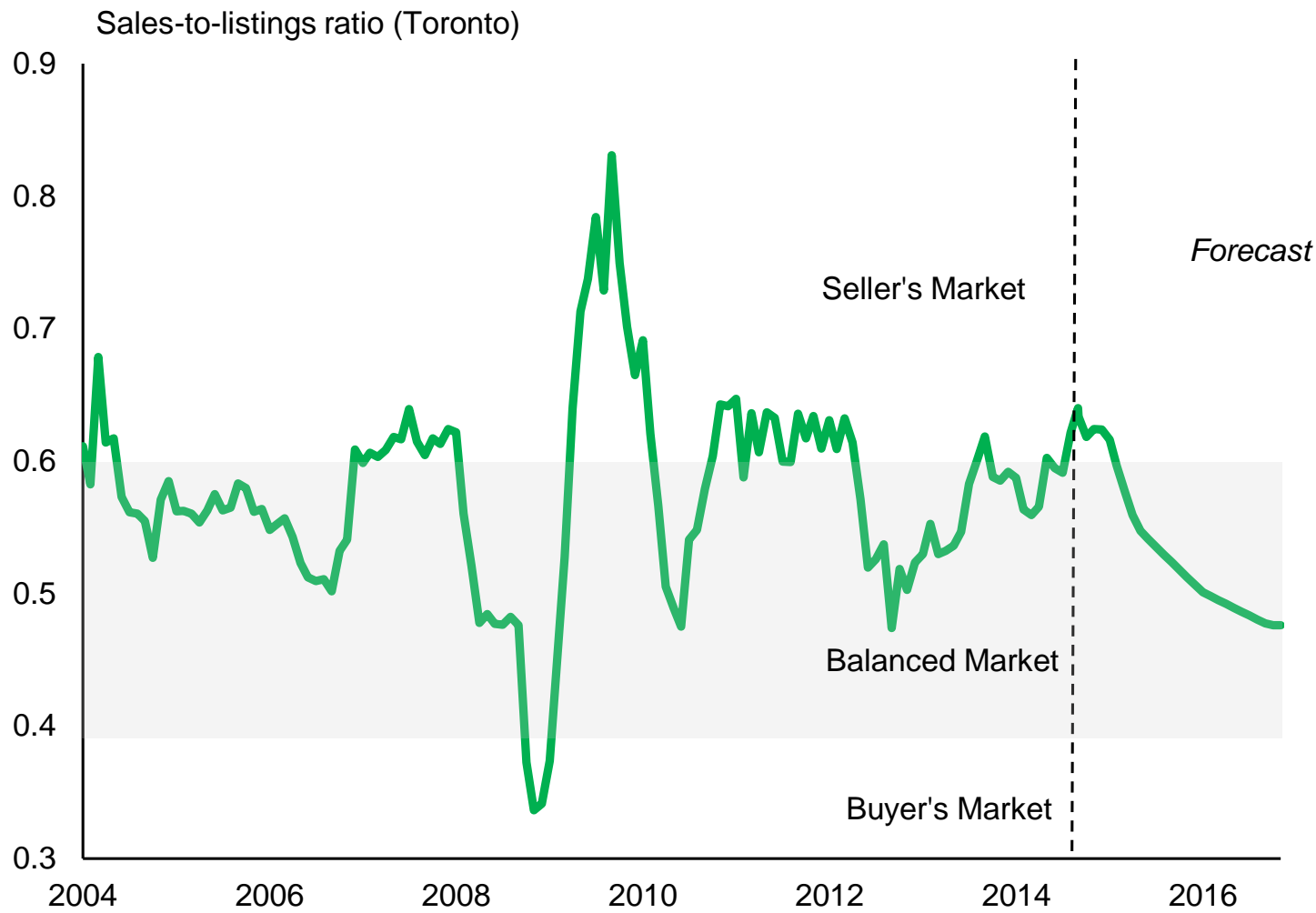
Ontario Budgetary Balance as a % of GDP

Ontario Net Debt to GDP ratio



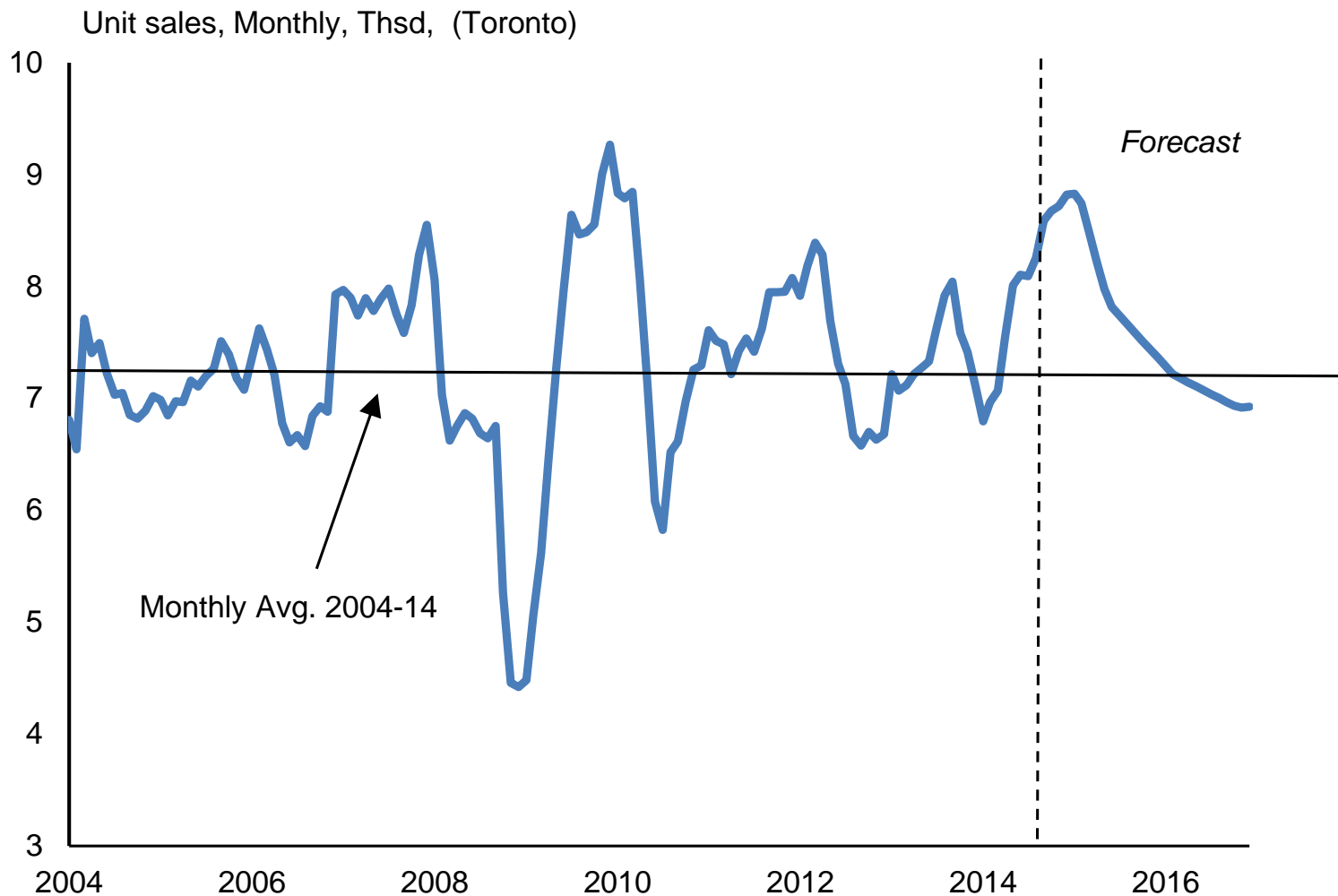
*Expected. Source: Ontario Ministry of Finance, 2014 Budget.

TORONTO HOUSING MARKET TO MOVE INTO BALANCED TERRITORY



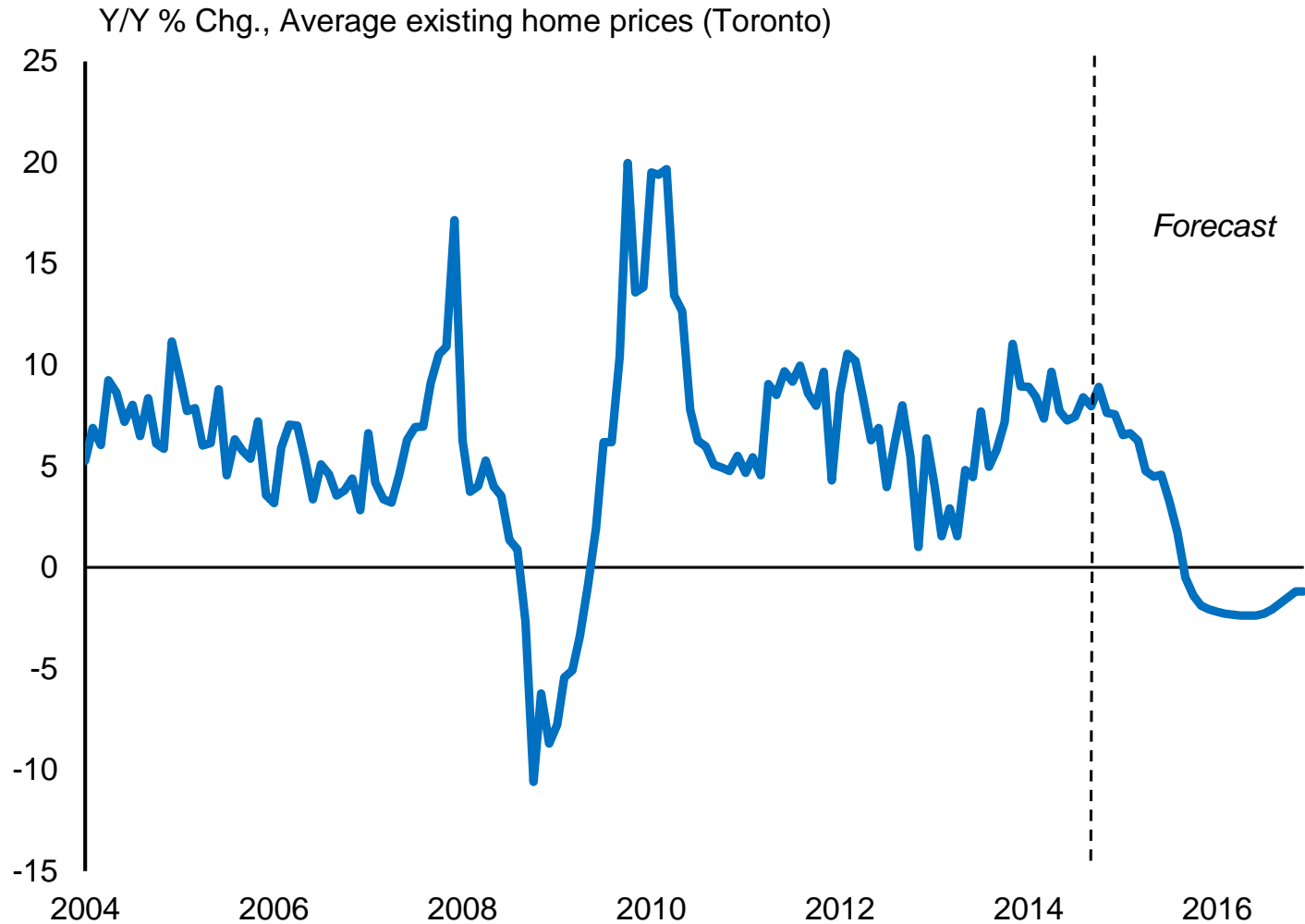
Source: Canadian Real Estate Association. Forecast by TD Economics as at October 2014.

TORONTO HOME SALES TO MOVE TOWARDS LONGER-TERM AVERAGE



Source: Canadian Real Estate Association. Forecast by TD Economics as at October 2014.

A SOFT LANDING IN REAL ESTATE SEEMS MOST LIKELY



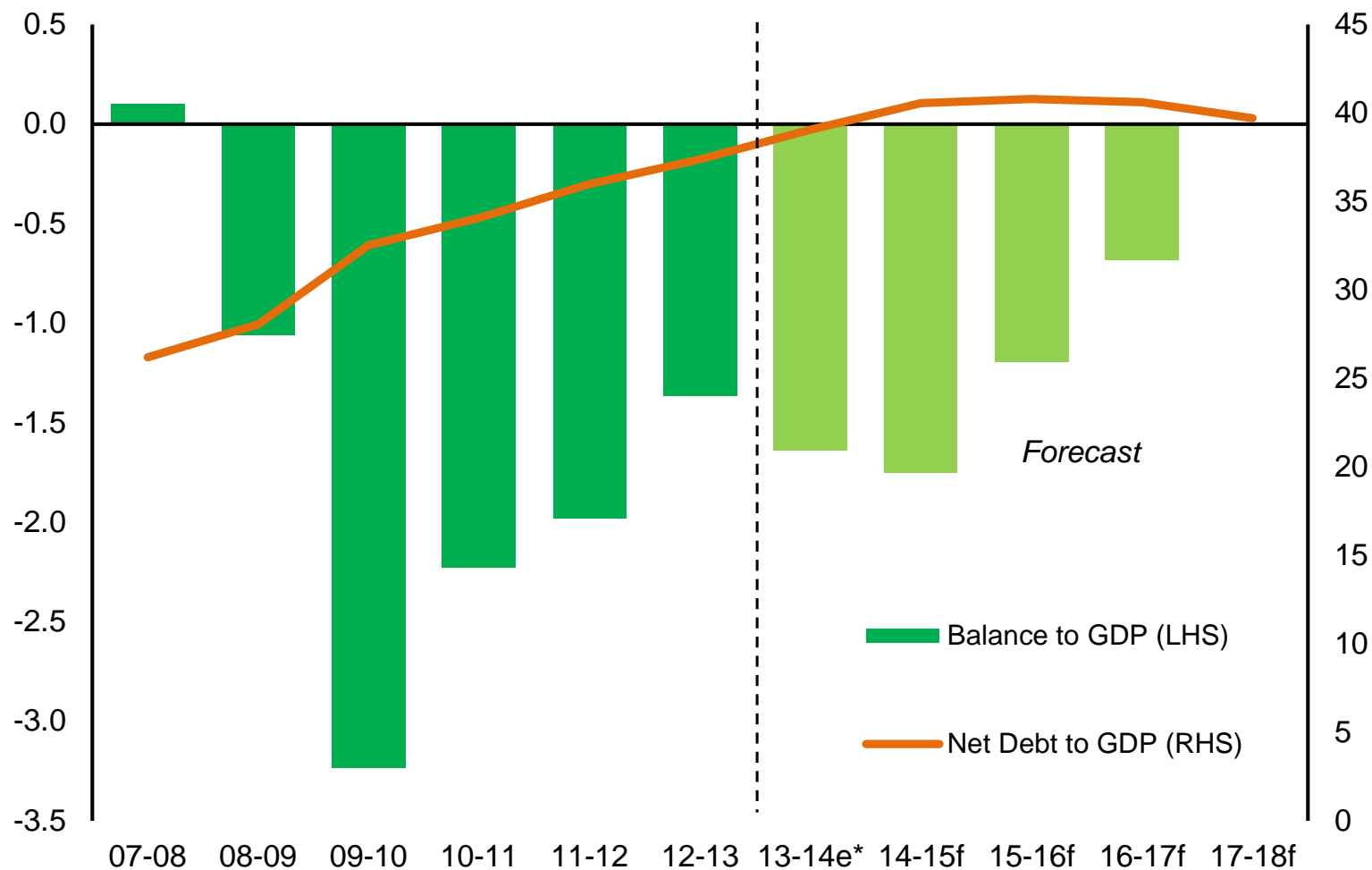
Source: Canadian Real Estate Association. Forecast by TD Economics as at October 2014.

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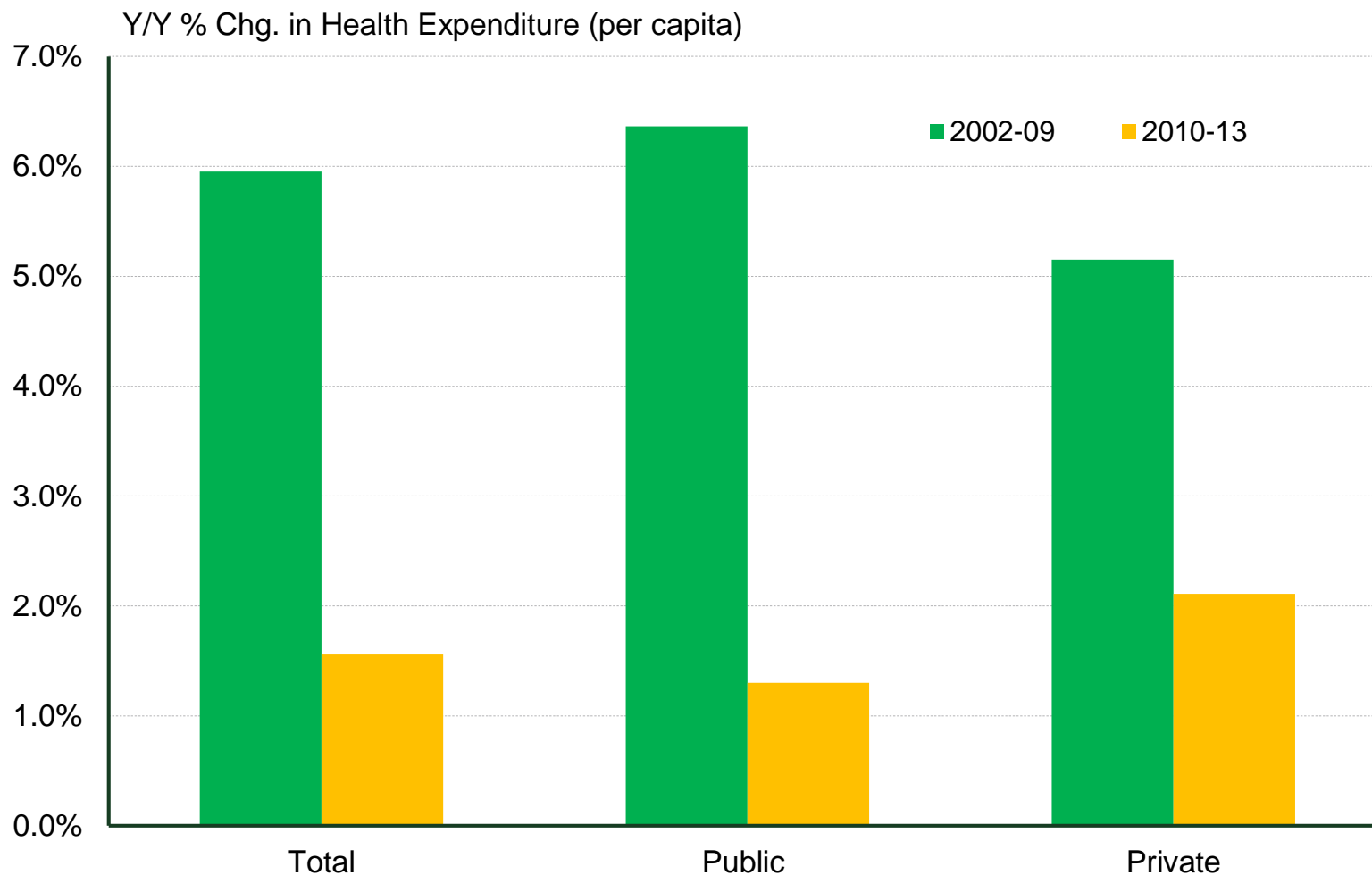
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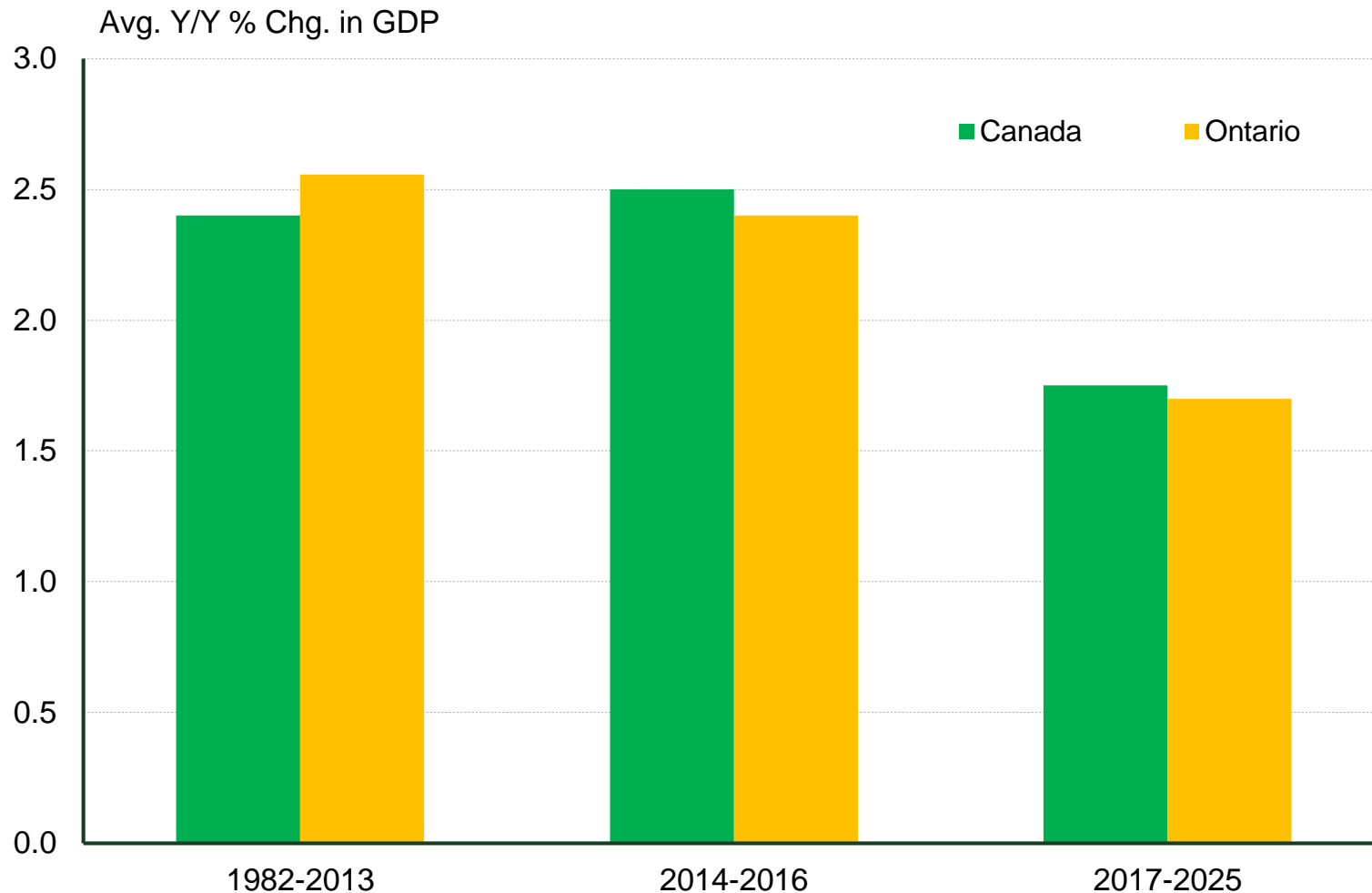
*Expected. Source: Ontario Ministry of Finance, 2014 Budget.

PER CAPITA HEALTH EXPENDITURE HAS SEEN A SHARP DECLINE



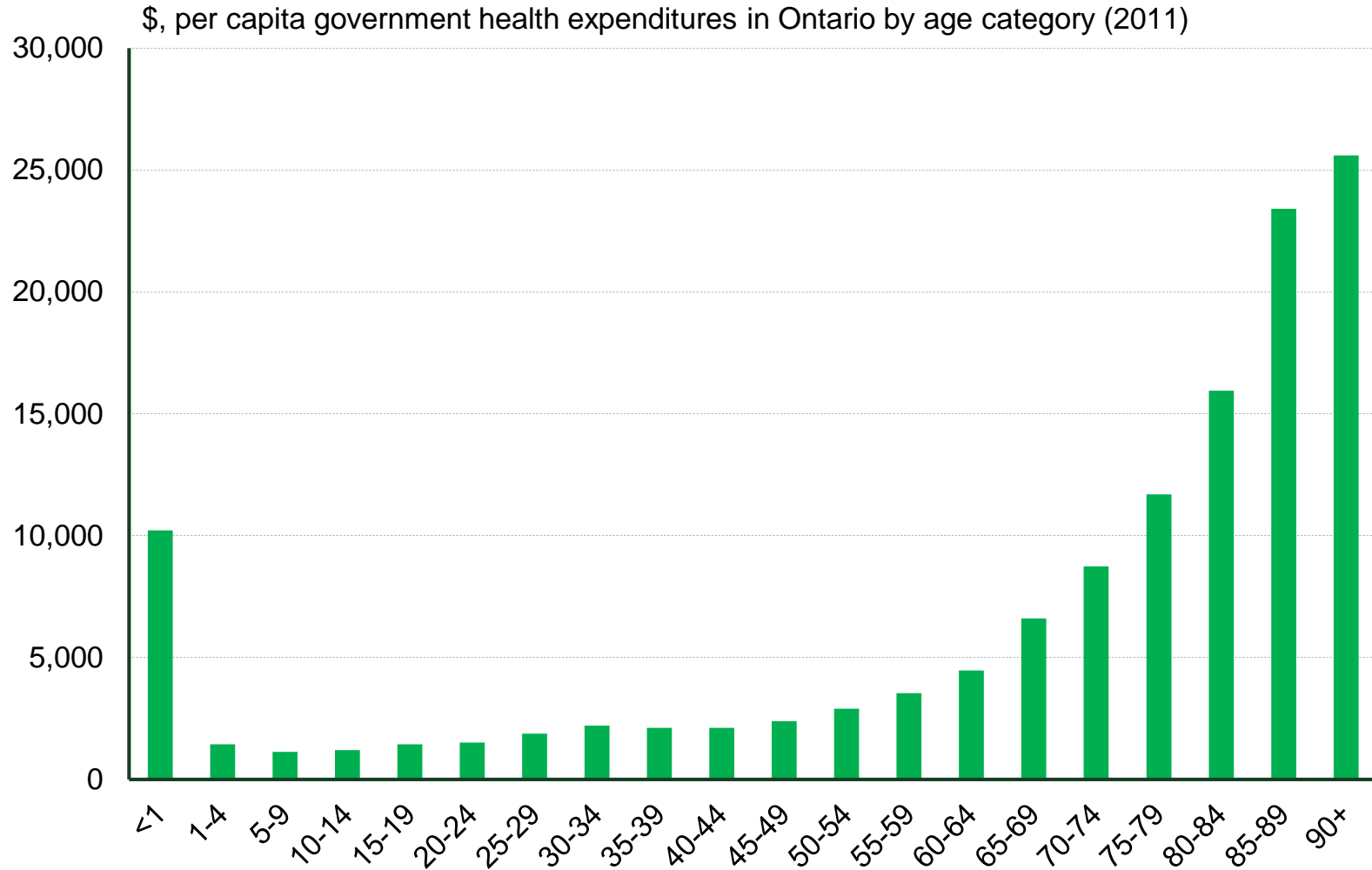
Source: Canadian Institute for Health Information.
* 2012 and 2013 are expected figures.

SUBDUED BUT SIMILAR GROWTH FOR ONTARIO AND CANADA GOING FORWARD



Source: Statistics Canada. Forecast by TD Economics as at October 2014.

HEALTH EXPENDITURES BALLOON FOR OLDER AGE CATEGORIES



Source: Canadian Institute for Health Information.

“STATUS QUO” PROJECTED SPENDING GROWTH ABOUT 7% PER YEAR

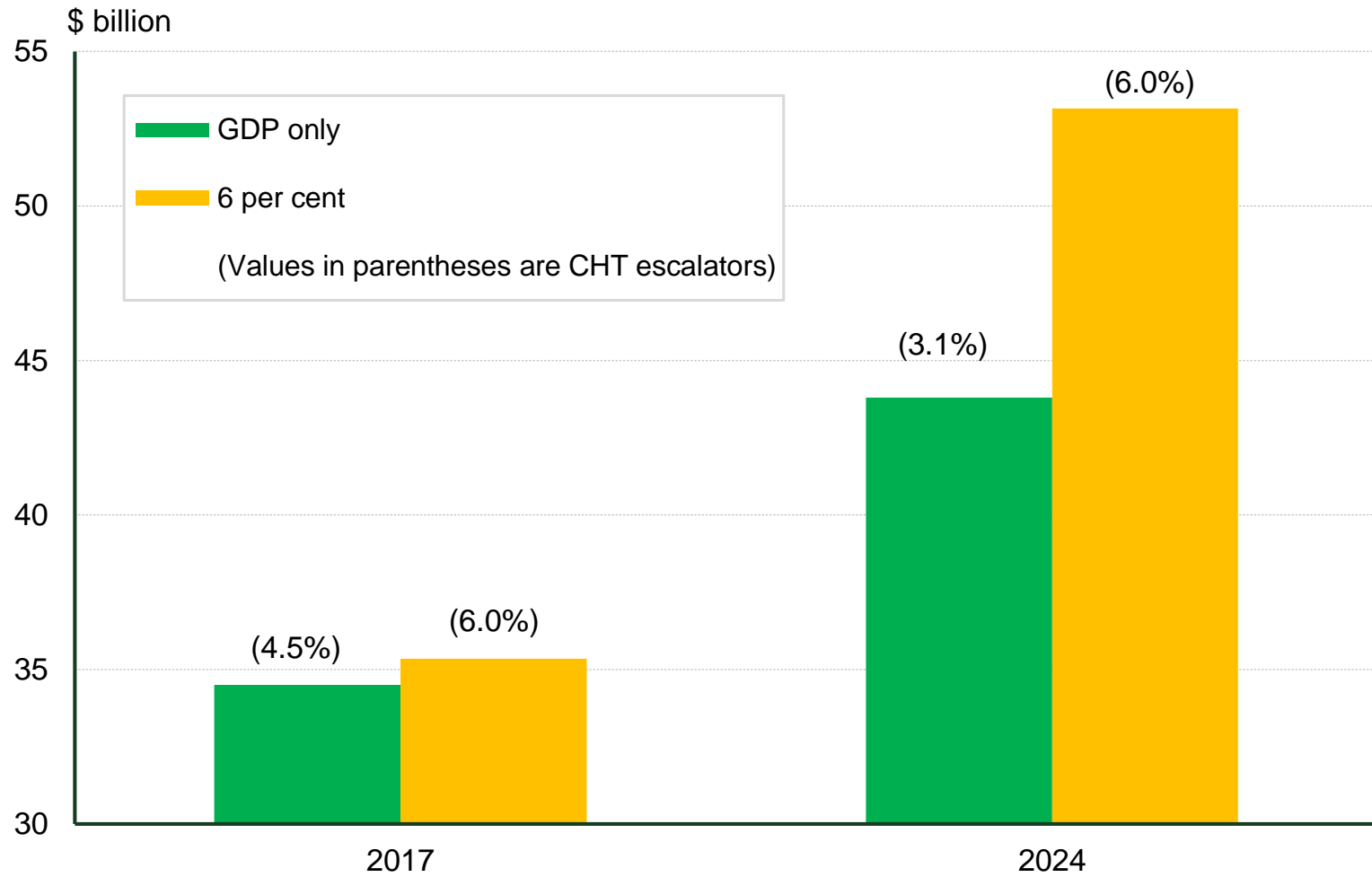


CONTRIBUTIONS OF 5 KEY DRIVERS TO CANADA HEALTH SPENDING GROWTH (PERCENTAGE POINTS - AVERAGE PERIOD)

Period	Total Health Spending Growth	Demographics		Inflation		Utilization
		Population Growth	Aging	General	Health Premium*	
1980-1989	12.6	1.6	0.8	6.8	0.3	3.1
1990-1999	4.9	1.3	0.6	2.1	0.0	1.0
2000-2013	6.0	1.2	1.0	2.1	0.5	1.2
<i>Forecast</i>						
2014-2030	6.5	0.9	1.1	2.0	0.5	2.0

Source: Statistics Canada, CIHI. Forecast by TD Economics as at October 2014. * Health premium is calculated as the difference between reported total inflation for health services and core consumer price inflation in Canada

LOWER HEALTH TRANSFERS TO PROVINCES WILL STRAIN PROVINCIAL COFFERS



Sources: Office of the Parliamentary Budget Officer, TD Economics.



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