Weekly Updates Issue # 706

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1. Weekly Markets Changes

[March 22, 2019]

S&P TSX	S&P 500	Dow Jones	NASDAQ	CAD/USD	Gold	WTI Crude
16,089.33 -51.02 -0.32%	2,800.71 -48.16 -1.71%	25,502.32 -346.6 -1.34%	7,642.67 -45.86 -0.60%	$0.7457 -0.38c -0.51%	$1,313.68 +11.28 +0.87%	$59.04 +0.52 +0.89%

2. U.S. 10-year yield curve inverts

[March 22, 2019] One of the most closely watched predictors for recession just yelped even louder.
The signal lies within the bond market, where investors show how confident they are about the economy by how much interest they're demanding from U.S. government bonds. That signal is the yield curve, and a significant part of it flipped Friday for the first time since before the Great Recession.
A Treasury bill maturing in three months yields 2.45%, 0.03 percentage points more than a Treasury maturing in 10 years. Economists call this an inverted yield curve because short-term debt usually yields less than long-term debt.
The rule of thumb is that an inverted curve can signal a recession in about a year, and has preceded each of the last seven recessions, according to the Cleveland Fed.
However, nervous investors can take solace in market performance data analyzed by AGF, which finds that 10-year, as well as two-year, inversion generally occurs without resulting in the worst returns, relative to other spreads.

3. Canada's inflation rate ticked higher to 1.5% in February

[March 22, 2019] The annual pace of inflation edged higher in February as gains in most spending categories offset lower gasoline prices, Statistics Canada said Friday.

Statistics Canada reported the consumer price index (CPI) in February climbed 1.5% compared with a year ago. The move compared with a year-over-over increase of 1.4% in January.

Helping push costs higher was a 8.1% increase in mortgage interest costs and a 14.3% rise compared with a year ago in the cost of fresh vegetables. The cost of passenger vehicle insurance premiums also rose 6.3%.

The cost of gasoline was down 11.9% compared with the same month last year as overall energy prices slipped 5.7%.

However, Statistics Canada said tighter oil supplies and the temporary closure of several refineries for seasonal maintenance helped boost gasoline prices 1.9% compared with January, the first month-over-month increase in gasoline since July 2018.

Excluding gasoline, the annual pace of inflation held steady at 2.1%, the same as January.

The report also said the average of the Bank of Canada's three core inflation readings, which omit more volatile items like gas, edged down to 1.8% compared with a reading of 1.9% in January.

That was in line with estimates compiled by Thomson Reuters Eikon.

The central bank, which aims to keep inflation between 1% and 3%, sets its benchmark interest rate target as a way to manage the pace of inflation. The Bank of Canada held its key rate target at 1.75% at its rate announcement earlier this month when it also raised concerns about the strength of economic growth to start the year.

In a report, James Marple, TD senior economist, said the slight firming in inflation for the month does little to change the broader picture of price growth that is neither too hot nor cold. Inflation's relative stability means no monetary policy action is required. "If anything, the slight move down in the CPI-common measure reinforces the view that the Bank of Canada is likely to remain on hold (perhaps) indefinitely," Marple said.

Retail sales fall

In a separate report, Statistics Canada reported Friday that retail sales fell 0.3% to $50.1 billion in January, the third consecutive move lower as falling sales at motor vehicle and parts dealers weighed on the results.

Analysts had estimated a month-over-month increase of 0.4%, according to Thomson Reuters Eikon.
Sales at motor vehicle and parts dealers fell 1.5% in January due to a 2.4% drop in sales at new car dealers and a 2.7% drop at used car dealers. Excluding the subsector, retail sales increased 0.1%.
Retail sales in volume terms were essentially unchanged in January.
In emailed commentary, CIBC chief economist Avery Shenfeld described the retail sales report as "the first disappointing figure for January GDP."
The weak retail figure is "a bit more dovish than any hawkish tilt from the headline CPI," he said.

4. Conference Board downgrades 2019 growth forecast

[March 21, 2019] Canada's economy will grow by 1.4% in 2019, according to a new report by the Conference Board of Canada. That number is down from the 1.9% growth the research firm had previously projected.
The think-tank predicts the announcements in Tuesday's federal budget are unlikely to impact the country's economic outlook, and said the weak growth Canada experienced at the end of 2018 will persist through the first half of 2019. But Matthew Stewart, the Conference Board's director of economics, noted there are "reasons to be cautiously optimistic."
"Job gains and wage growth were strong at the beginning of the year," Stewart said in a news release. "In addition, the anticipated impact on investment from the measures contained in the federal government's fall economic statement have yet to materialize."
One of those measures, which will allow businesses to write off the entirety of certain capital expenditures in a single fiscal year, will make business investment more attractive in 2019, the Conference Board predicts. But it also expects investment in the oil and gas sector and the housing market to continue to decline, with oil and gas investment "set to post its fifth consecutive annual decline."
The report also says GDP growth will be supported by exports, which are expected to increase by 2% this year in spite of a reduction in energy exports. Imports will likely remain flat, allowing the trade sector to support real GDP growth of 1.4% in 2019.
Additionally, the Conference Board expects household income to increase "substantially" as the country adds more jobs and wage growth accelerates.

5. Industry reacts to federal budget measures

[March 20, 2019] Industry reaction to Tuesday's federal budget has been mixed.

Tax advisory firm RSM Canada expressed trepidation over the Liberals' plan to limit the current stock option tax regime to start-ups and growth businesses, wondering how it will affect middle-market companies and noting that plan details won't be released until the summer.

"In the interim, until details on any new measures are released by Finance, middle market companies are faced with uncertainty as they plan their affairs," RSM said in a statement.

Other provisions also drew skepticism.

The government's plan to introduce a tax credit of $250 per year to cover up to half the costs of Canadians pursuing occupational skills training was met with tempered expectations by advisory firm Grant Thornton LLP.

"While an investment in skills training can help fill some jobs required for tomorrow's business environment, the question remains if it will move the needle in a meaningful way to close the skills gap currently facing our country," Heath Moore, Grant Thornton's national tax leader, said in a release.

In addition to the tax credit, the government will introduce an EI Training Support Benefit, designed to cover employees' living expenses for up to four weeks while they're on training leave. The government will also launch an EI Small Business Premium Rebate to help offset the costs of the new program to small businesses — although the Canadian Federation of Independent Business (CFIB) expressed concern that the program would end up subsidizing training that doesn't help employers.

"CFIB is pleased government is planning an EI Small Business Premium Rebate to help cover some of the increased costs to fund the new program, but calls on the federal and provincial governments for significant consultation to ensure the needs of employers are considered before launching any EI benefits or job protection requirements," CFIB president Dan Kelly said in a statement.

The Chartered Professional Accountants of Canada (CPA Canada) criticized the budget for failing to provide what it considered adequate tax relief for small businesses, emphasizing its displeasure at the absence of a comprehensive review of Canada's tax system.

"There is a groundswell of support for a full-scale tax review in Canada, and a much-needed assessment would pave the way for an improved system that best positions the country for economic and social growth," Joy Thomas, president and CEO of CPA Canada, said in a release. "We hope the platforms of the government and other political parties signal their respective support for a full-scale tax review in the upcoming federal election campaign."

6. Feds to introduce automatic CPP enrolment, raise GIS ceiling

[March 20, 2019] The federal government is moving to ensure the roughly 40,000 Canadians missing out on Canada Pension Plan (CPP) payments receive their benefits automatically.

In Tuesday's federal budget, the Liberals said they would amend legislation so that CPP contributors over the age of 70 are automatically enrolled. Currently, seniors have to apply to receive their pensions, and some are missing out because they apply late or not at all, according to the budget document.

With the change, the estimated 40,000 people missing out on CPP would begin to receive a monthly pension of $302 in 2020, the budget said. Another 1,500 people turning 70 that year would be automatically enrolled.

For those who don't want to enrol in CPP, the government is proposing to extend the opt-out period from six months to a year.

The $9.6 million to pay for automatic enrolment would come from the CPP account.

Guaranteed income supplement

The government is also raising the guaranteed income supplement (GIS) ceiling from $3,500 to $5,000.

Working seniors can earn up to $3,500 per year in employment income without triggering a reduction in GIS, an amount that hasn't changed since 2008.

"This does not reflect the reality of today's labour market in which many seniors have self-employment income," the budget says.

By 2020, the Liberals said they would increase the full exemption ceiling to $5,000 per year and introduce a partial exemption of 50% that applies to an additional $10,000 of employment income (beyond the initial $5,000).

The proposed changes will also make self-employment income eligible for the exemption.

The budget estimated the enhanced GIS would cost approximately $1.76 billion over four years.

The moves are among several measures aimed at retirees, including the introduction of deferred annuities.

7. Federal budget introduces annuities deferred to age 85

[March 20, 2019] The federal government is permitting annuities that would allow retirees to move some savings out of their registered retirement funds to an annuity deferred until age 85.

The tax rules generally require an annuity purchased with registered funds to begin after the annuitant turns 71.

The Liberal government is amending the rules to permit seniors to purchase an advanced life deferred annuity (ALDA) under certain registered plans—an annuity whose commencement can be deferred until age 85. The plan was introduced Tuesday in the federal budget.

Doug Carroll, head of tax, estate and financial planning at Meridian Credit Union, said the financial industry has for years asked to push back the age at which RRIFs have to be drawn down.

"This addresses that to a large extent," he said. "It limits the amount that would be subject to the RRIF minimum, and it also pushes off the time period to just short of age 85."

For clients who don't need to take out RRIF minimums but are forced to, "this may provide an avenue for those people to keep more of that money remaining in a tax-sheltered place by making use of these ALDAs," he said.

The ALDAs would reduce the amount retirees are forced to withdraw annually from a registered retirement income fund (RRIF) or other registered plan while preserving savings until later in retirement. The value of the ALDA would not be included in the minimum withdrawal calculation.

The ALDAs, which will apply beginning in the 2020 tax year, will be qualifying annuity purchases under an RRSP, RRIF, deferred profit sharing plan, pooled registered pension plan and defined contribution pension plan, the budget says.

Lifetime limits will be 25% of a specific amount of a qualifying plan, calculated as:

- the value of all property (other than most annuities, including ALDAs) held in the qualifying plan as at the end of the previous year; and
- any amounts from the qualifying plan used to purchase ALDAs in previous years.

If the value of an ALDA purchased in previous years exceeds the 25% limit for a particular year due a decline in qualifying plan assets, the retiree won't be forced to surrender or dispose of the annuity, the budget says.

ALDAs will also have a lifetime limit of $150,000 from all qualifying plans, indexed to inflation for taxation years after 2020, rounded to the nearest $10,000.

To qualify as an ALDA, annuity contracts will need to satisfy the following requirements:

- provide annual or more frequent payments for the annuitant's life (or for the joint lives of the annuitant and annuitant's spouse or common-law partner) beginning at the end of the year the annuitant turns 85;
- when the annuitant under a joint-life contract dies prior to commencement, the annuity will provide payments to the surviving spouse or common-law partner no later than when the payments would have started for the annuitant;
- provide periodic payments that are equal, except: when adjusted annually to inflation or a fixed rate specified in the annuity contract not to exceed 2% per year; or reduced on the death of the annuitant or the annuitant's spouse or common-law partner;
- following the death of the annuitant, any lump-sum death benefit to a beneficiary should not exceed the premium paid for the annuity less the sum of all payments received by the annuitant; or, in the case of a joint-life contract, the sum of all payments received by the annuitant and the annuitant's spouse or common-law partner prior to death;
- permit a refund to the annuitant of any portion of the premium paid for the contract to the extent that the premium paid for the contract exceeded the annuitant's ALDA limit; and
- provide no other payments, such as commutation or cash surrender payments, or payments under a guarantee period.

Tax treatment on death

For tax purposes, annuity payments to the surviving spouse or common-law partner will be included in their income, the budget says.

If the beneficiary of a lump-sum death benefit is a surviving spouse or common-law partner, or a financially dependent child or grandchild, the lump-sum death benefit will be included in the income of the beneficiary for tax purposes.

In the case of a financially dependent child or grandchild, all or a portion of that amount will be permitted to be transferred on a tax-deferred (or rollover) basis to the RRSP, RRIF or other qualifying vehicle of the beneficiary if the beneficiary was dependent on the deceased annuitant by reason of physical or mental infirmity, the budget says.

If the beneficiary of a lump-sum death benefit is neither the deceased annuitant's surviving spouse or common-law partner nor a financially dependent child or grandchild of the deceased annuitant, the lump-sum death benefit paid to a beneficiary will be included in the income of the deceased annuitant for tax purposes in the year of death.

If ALDAs exceed limits, a tax of 1% per month will apply to the excess portion, unless demonstrated to have been paid as a reasonable error and the excess amount is returned to an RRSP, RRIF or other eligible vehicle by the end of the following year, the budget

8. Workforce getting older, more reliant on immigrants: StatsCan

[March 20, 2019] The demographic makeup of the Canadian labour force is set to evolve in the years ahead, according to a new study from Statistics Canada, which forecasts that the workforce will be getting older, more reliant on immigrants and increasingly prone to shortages in certain sectors.

StatsCan published a study on Wednesday that provides its projections for the Canadian job market of 2036. With the Baby Boomer generation entering their retirement years, the national statistical agency reports that the labour force participation rate had already declined from 68% in 2008 to 66% in 2017 — and it predicts that it will fall to between 61% and 63% by 2036.

In turn, this will have "important consequences for the Canadian economy," the report says. "With more people leaving and fewer people entering the labour market, some sectors face the prospect of labour shortages. A lower overall participation rate will likely put pressure on fiscal revenues, which fund essential social and economic services and programs."

These pressures would likely be even more significant if not for immigration, and people staying employed longer than they did in the past — both factors that are bolstering the workforce.

For instance, StatsCan says the participation rate among men approaching retirement age (aged 60 to 64) rose from 43% in 1995 to 61% in 2017, and for older women, the rate has more than doubled, from 23% to 49% over the same period.

Looking ahead, StatsCan's report suggests that these trends will continue. It notes that immigrants represented about 25% of the Canadian workforce in 2016, and that this could grow to more than 33% by 2036.

Similarly, older workers (aged over 55) accounted for 21% of the workforce in 2017, and this is projected to rise to 25% by 2036. Back in 1976, only 11% of the workforce was over age 55, the report notes.

"There are multiple factors associated with the increase in the labour market participation of seniors, including better health and longer life expectancy, higher levels of education and their financial situation," the report says.

StatsCan also says that there will likely be regional differences to these effects. For instance, it projects that immigrants will make up an even bigger

share of the workforce in major cities, such as Toronto and Vancouver, which are popular destinations for new Canadians. In Toronto, immigrants are forecast to represent 57% of the workforce by 2036.
“In these large urban areas, high immigration as well as the migration of young adults from other regions of Canada would partially offset the effects of population aging,” the report says.

9. Tax tidbits from Budget 2019: Golombek

[March 19, 2019] There are no major tax cuts in this year’s federal budget—the Liberal government’s last before the upcoming October election—but there are notable niche credits and changes, says Jamie Golombek, managing director of tax and estate planning at CIBC Financial Planning and Advice.
During an interview in lock-up in Ottawa, Golombek said there were “a variety of tax goodies, incentives and credits.”
Here are his highlights:
1. First-Time Home Buyers’ Plan (HBP). While this isn’t a new plan, said Golombek, “the limit has been $25,000 for at least a decade.” Starting March 20, that limit has been bumped to $35,000. “For a couple, it’s $70,000,” he said. “This is something that will help you buy a home if you qualify as a first-time home buyer.” According to a Canada Mortgage and Housing Corporation survey from October 2018, many first-time buyers reported maxing out their budgets. Yet one national index found home prices trended down in January, led by some parts of Western Canada.
2. Canada Training Benefit. “This credit is aimed at providing financial support to help cover the cost of tuition associated with retraining,” said Golombek. As of 2019, he added, “you’re going to start to accumulate $250 annually in a notional government account. This can then be accessed in future years to pay for up to 50% of eligible tuition.” The budget document states the benefit was designed to acknowledge that people are changing jobs “many times over the course of their working lives” and that they might need upgraded skills as the economy evolves.
To qualify, Golombek explained, “you have to file a tax return, have to be between the ages of 25 and 65, [must be] a resident of Canada, and have income of at least $10,000 per year.” That income can include parental leave benefits. However, people who make approximately $150,000 per year or more will be ineligible.
Said Golombek: “Each year, your balance is tracked by the CRA in a notional account, [and] you can check it out online. The amount that you can claim is equal to 50% of your tuition and the balance in your account. This starts in

2020, although the room starts in 2019." As the budget document notes, a typical Canadian worker would have a $1,000 balance after four years.

3. Canadian Pension Plan auto-enrolment. While the Canada Pension Plan (CPP) is available to clients as early as age 60, with most people enrolling at age 65, Golombek explained that "some Canadians delay it so much [that] they forget to apply." To mitigate this, "the government is going to auto-enrol you in CPP" at age 70, starting in 2020.

4. Giving away cultural property. "There are very generous tax incentives" for donating cultural property, Golombek said. "Not only do you get a donation credit, but if it's cultural property and designated as of national importance, then you can pay no capital gains tax on the increase in value" of the property. As of March 19, the rules have changed, thanks to a recent court case involving the Montreal-based Heffel Gallery and a 1892 oil painting by Gustave Caillebotte.

That case tested the interpretation of the cultural and national importance of an item, said Golombek, which led to uncertainty over which kinds of artwork would be eligible for the donation credits. The budget has clarified this uncertainty by removing the requirement for an item to be of national importance, meaning more charitable donations can qualify for the tax incentive.

5. Digital subscriptions. People with online news subscriptions can claim a 15% credit on up to $500 of subscription costs, starting next year. "That's worth [up to] $75," said Golombek.

10. Updated: Highlights from the 2019 federal budget tabled Tuesday

[March 19, 2019] Here are highlights of the federal Liberal budget tabled Tuesday by Finance Minister Bill Morneau:

—$1.7 billion over five years, and $586 million a year after that, for a Canada Training Benefit to help workers to upgrade skills and acquire new ones while keeping their jobs. The benefit includes a $250-a-year tax credit to pay for training programs and access to employment insurance to cover living expenses for up to four weeks away from work.

—$1.18 billion over five years to toughen border security, including hiring more judges to handle judicial reviews of asylum applications.

—$3.9 billion for farmers in supply-managed industries affected by new trade agreements with Europe and a bloc of Pacific Rim countries.

—$2.2 billion for municipalities' and First Nations' infrastructure projects, through a one-time boost to the amount distributed through the federal gas-tax transfer.
—$1.2 billion over three years to enhance social services for Indigenous families and children, the main element in a package of spending aimed at Indigenous Peoples.
—Lowering the interest rate on Canada Student Loans to the prime rate, from the current prime-plus-2.5-percentage-points.
—Creating a new Canadian Drug Agency to centralize the evaluations of the effectiveness and efficiency of new drugs and buy in bulk nationwide, instead of province-by-province.
—$500 million a year, starting in 2022, to subsidize the costs of drugs for rare diseases, whose high costs are distributed among very few patients.
—$300 million over three years for rebates of up to $5,000 on electric or hydrogen-fuel-cell vehicles (with a maximum purchase price of $45,000).
—$950 million for municipal governments to refit their own buildings for energy efficiency and to provide their own subsidy programs for private homeowners to do the same.
—$50 million over five years to devise a new national dementia strategy.

More changes

People with multi-unit residential properties will benefit from a rule update in the budget when they make changes in use of a portion of their properties. They'll now be able to elect that the associated deemed disposition that normally arises doesn't apply.

The change improves consistency in the tax treatment of owners of these properties relative to those of single-unit residential properties, the budget says. The measure applies to changes in property use that occur on of after budget day (Tuesday).

The budget also introduced two new annuities under the tax rules for certain registered plans. The first is an advanced life deferred annuity, which can be deferred until the client turns 85.

The second is a variable payment life annuity (VPLA). Tax rules will be amended to allow pooled registered pension plans and defined contribution registered pension plans to provide VPLAs to plan members directly from the plans.

A VPLA will require at least 10 participating members and will provide varied payments based on the investment performance of an underlying annuities fund and on the mortality experience of the participating members.

VPLAs will be required to comply with existing tax rules applicable for pooled pension plans and defined contribution pension plans.

11. Tax implications of the new first-time homebuyer incentive

[March 19, 2019] The federal budget introduced almost $23 billion over six years in spending initiatives, including the first-time homebuyer incentive. But a lack of detail on the incentive, including its tax implications, leaves questions about its effectiveness to help young homebuyers.

With the incentive, eligible first-time buyers can access what are called shared equity mortgages, which are essentially loans of 5% or 10% (depending on whether the purchase is for an existing or new home, respectively), administered by the Canadian Mortgage and Housing Corporation (CMHC). The government said the loans would have to be repaid, likely at resale.

In commentary, Sherry Cooper, chief economist at Dominion Lending Centres, said that while the loans are interest free, CMHC could potentially share in any capital gain or loss—receiving 5% or 10% of the sale price, not the purchase price.

Similarly, Moodys Gartner Tax Law highlighted on its website that it’s unclear how loan repayment would affect the calculation of capital gains on disposition. Also, the firm said questions remain about whether shared equity mortgage amounts are inducements under paragraph 12(1)(x) of the Income Tax Act, resulting in unclarity about whether there’s an implied notional interest benefit that should be taxable.

“Hopefully, Finance will consider these tax issues when they roll out the new program,” the firm said.

Details on the first-time homebuyer incentive are expected later this year, with the program in place by September 2019.

Incentive enough for high home prices?

Regional differences are also a factor in the incentive’s effectiveness, with Cooper describing the incentive as “meagre for young people living in our two most expensive regions.”

That’s because, to receive the incentive, eligible first-time buyers must have household incomes under $120,000, and the insured mortgage and incentive amount must not exceed four times annual income. As a result, a buyer’s maximum home price is limited at less than $500,000 with a 5% downpayment. That price likely remains a barrier for many young homebuyers in hot markets.

Last month, the national average sale price of a home was $468,350—a figure “heavily skewed” by sales in the Vancouver and Toronto areas, says a report from the Canadian Real Estate Association (CREA). Excluding those two

markets from calculations cuts close to $100,000 from the national average price, CREA says.
One positive aspect for clients is that the incentive “substantially” lowers the bar for the mortgage stress test implemented last year that ensures clients can keep up their mortgage payments if interest rates rise, Cooper said.
Along with the new incentive, the Canadian Home Builders’ Association would like to see adjustments to the stress test. In a release, it estimates that 147,000 potential homebuyers have been shut out of the market because of the test.
In the budget, the government says it will continue to monitor the effects of the stress test and may adjust them if economic conditions warrant.

12. Federal government’s deficit to grow to $19.8B in 2019-20 fiscal year

[March 19, 2019] The federal Liberal government expects to sink deeper into the red this year, thanks to a federal budget Tuesday that’s laden with election-year spending measures fuelled by a windfall of new revenue.
Tuesday’s federal budget predicted a deficit of $19.8 billion for 2019-20, including Ottawa’s $3-billion risk adjustment, compared with the $19.6-billion deficit predicted in the government’s fall economic update despite billions in new income tax and excise tax revenue.
Offsetting the increased revenue, the budget plan includes new spending on a wide range of new items aimed at skills training, seniors and first-time homebuyers.
“We’re going to work hard to build an economy that works for everyone, where every person has a real and fair chance at success,” Finance Minister Bill Morneau said Tuesday.
“And we’re going to make these investments to grow our economy for the long term—while we bring the books back towards balance.”
The 2015 Liberal campaign platform predicted 2019 would be the year the government books tipped back into the black. The government, however, has long since abandoned any hope of limiting deficits to less than $10 billion a year, as promised four years ago.
“The opposition would like to see us make cuts very rapidly. Their idea is balance the budget at any cost. Well, if we had taken that approach in 2015, we would not be where we are today, with a better outcome for middle-class Canadians,” Morneau said.

The minister has focused instead on the size of the federal debt relative to gross domestic product, which—according to the campaign platform—was supposed to hit 27% this year.
The federal debt as a percentage of GDP is expected to come in at 30.7% in 2019-20, shrinking to 30.5% in 2020-2021 and 30.0% in 2021-22.
Looking into the future, the budget predicts a deficit of $19.7 billion for 2020-21 and $14.8 billion in 2021-22. The fall economic update had forecast a deficit of $19.6 billion for 2019-20, $18.1 billion for 2020-21 and $15.1 billion in 2021-22.
"Coming into the budget we were expecting revenue to overperform and it has overperformed," said Rebekah Young, director of fiscal and provincial economics at Scotiabank.
The new economic outlook in the budget predicts slightly softer economic growth this year, coming in at 1.8% compared with the fall forecast for 1.9%.
Young said the government has made a number of investments to help the economy, but they have yet to translate into business investment.
"There is a risk that there is a pullback in confidence levels and that investment just doesn't happen. So, I think that they are banking on taking a more optimistic tone," she said of the government.
The Canadian economy slowed in the final three months of 2018 to grow at an annual pace of 0.4%, however job growth has remained strong at the start of this year.
Young noted Scotiabank's forecast for economic growth this year is 1.5%.

Have a nice and fruitful week!

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