

2020 Vision

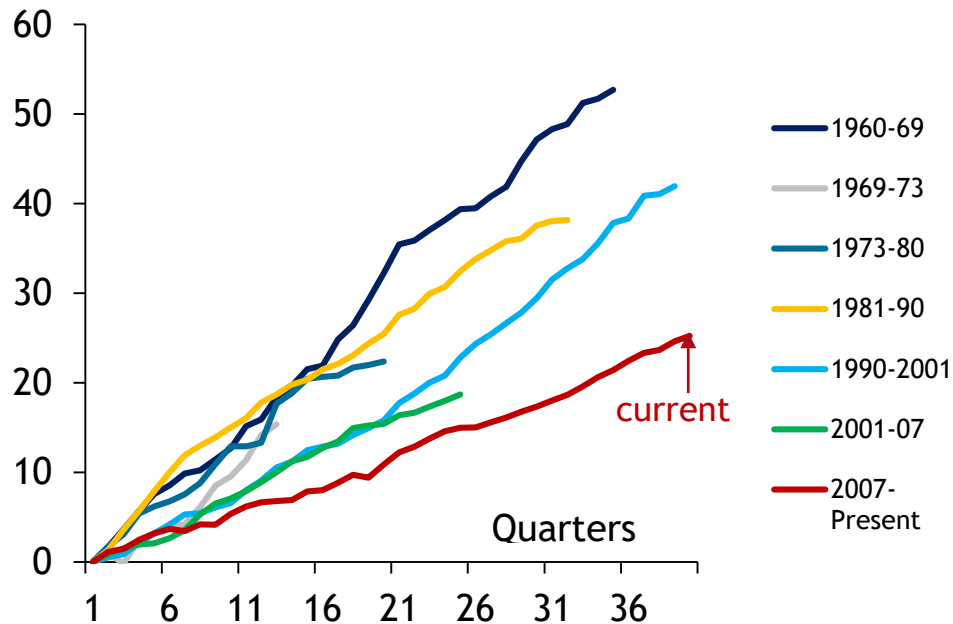
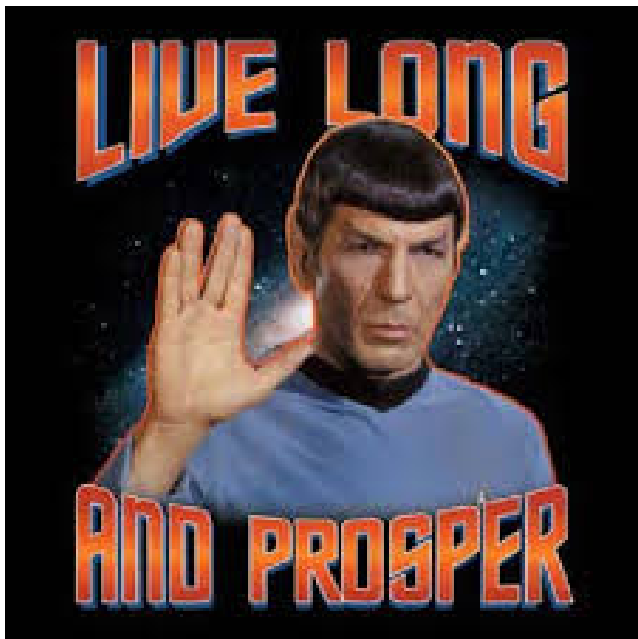


Benjamin Tal

March 2020



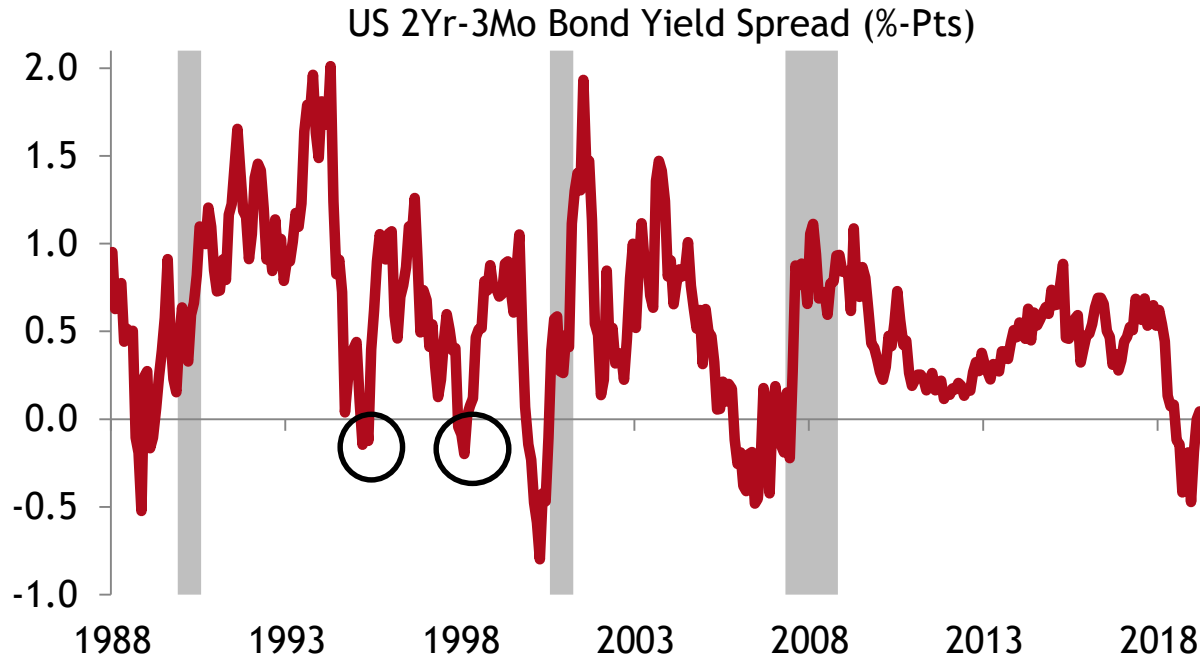
The Longest US Expansion Ever



Source: BEA, CIBC



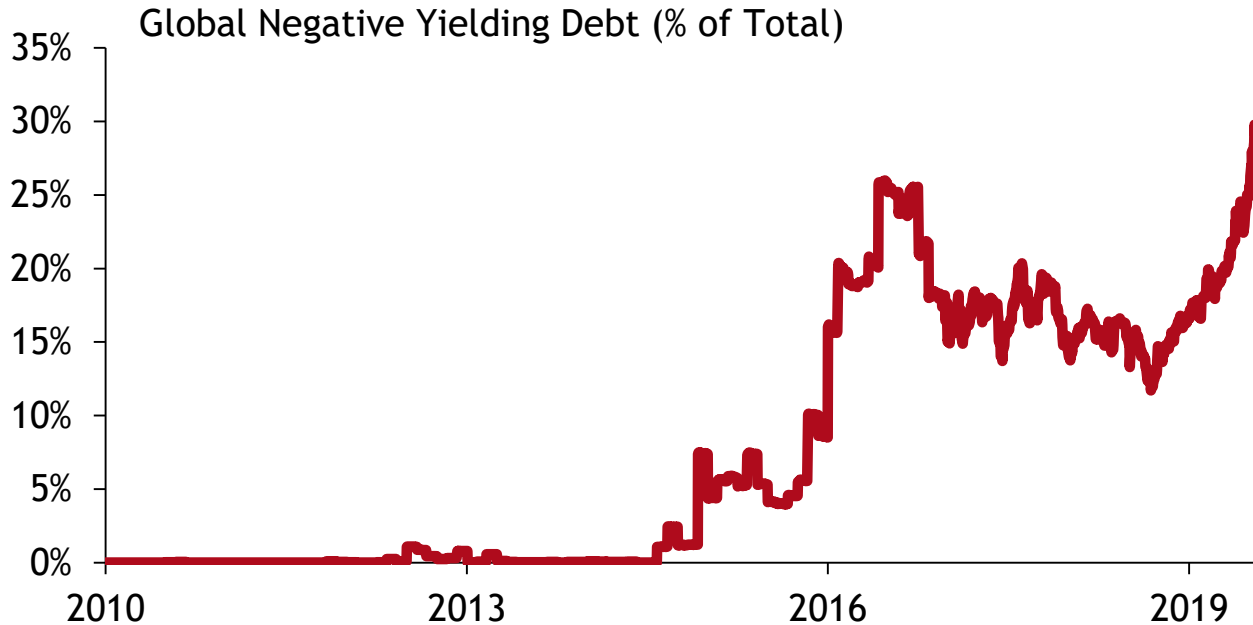
The Yield Curve



Source: Bloomberg, CIBC



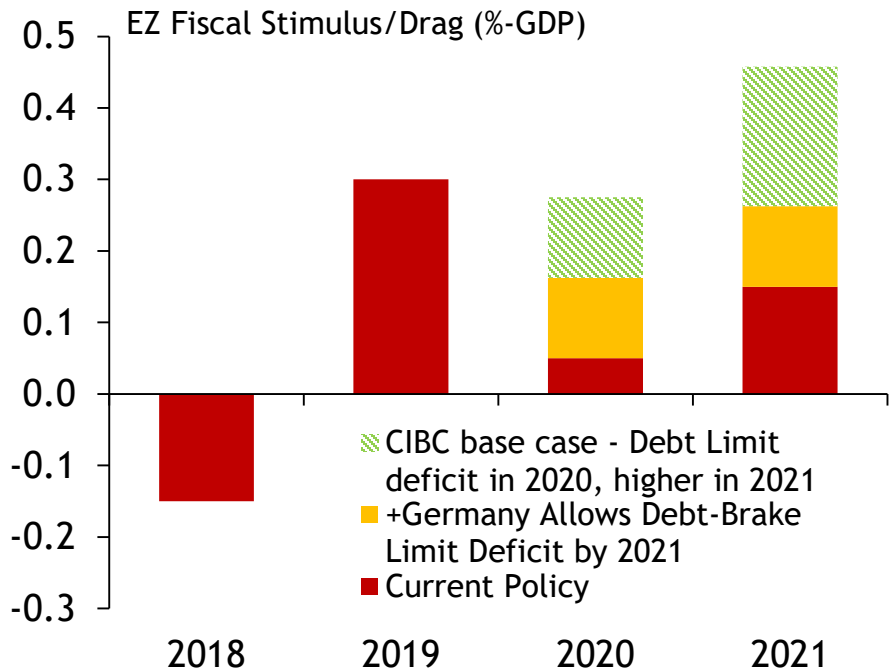
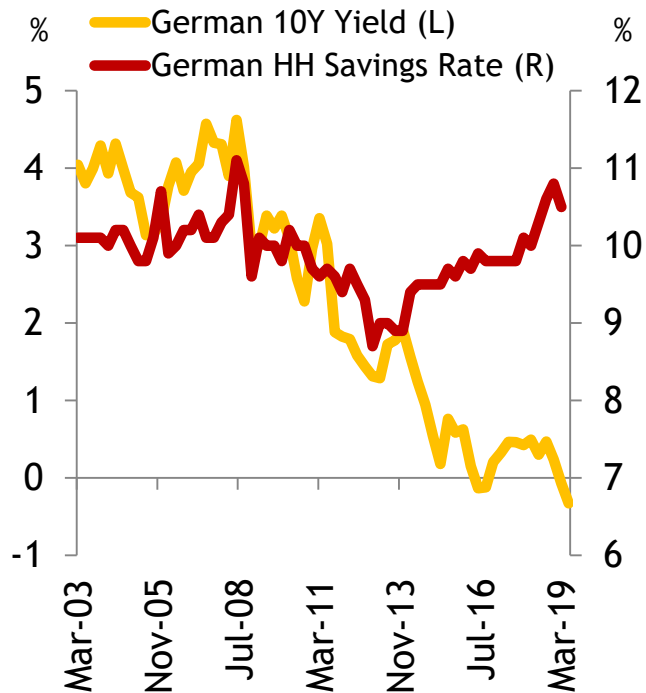
Negative Yield Debt - Record High



Source: Bloomberg, CIBC



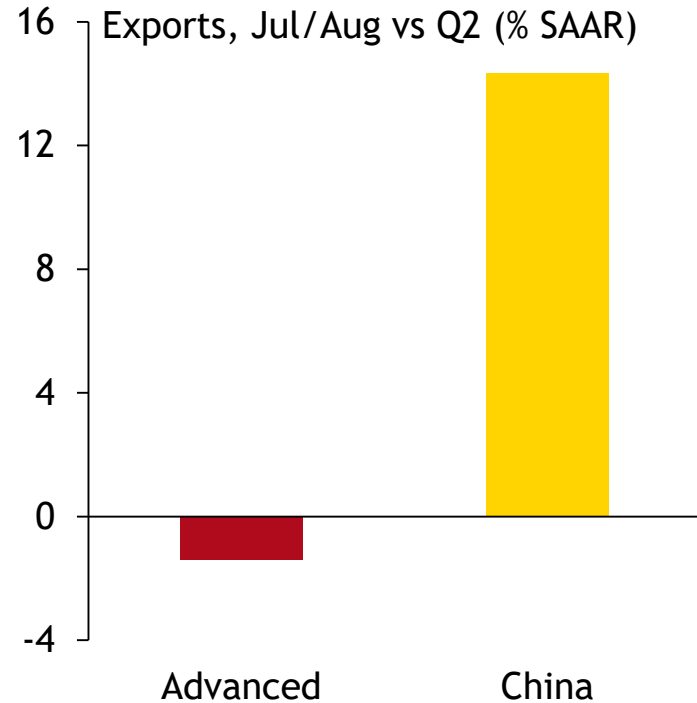
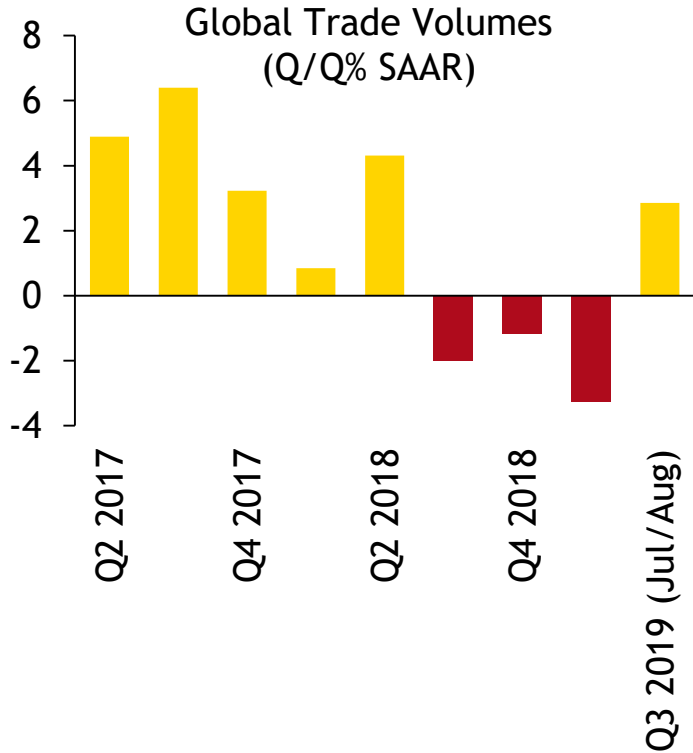
Interest Rate Cuts Haven't Worked (L) Eurozone Needs Germany to Take the Brake Off Debt (R)



Source: Eurostat, European Commission, IMF, CIBC



Global Trade Recession (L) Bump in Q3 Largely Due to China Front Running Tariffs (R)







Source: CBP, CIBC



- Fed Cutting
- Government Spending
- Trump Type Deal with China









 **Donald J. Trump** 
@realDonaldTrump  

...My only question is, who is our bigger enemy, Jay Powell or Chairman Xi?

7:57 AM - 23 Aug 2019

 **Donald J. Trump** 
@realDonaldTrump  

...The USA should always be paying the the lowest rate. No Inflation! It is only the naïveté of Jay Powell and the Federal Reserve that doesn't allow us to do what other countries are already doing. A once in a lifetime opportunity that we are missing because of "Boneheads."

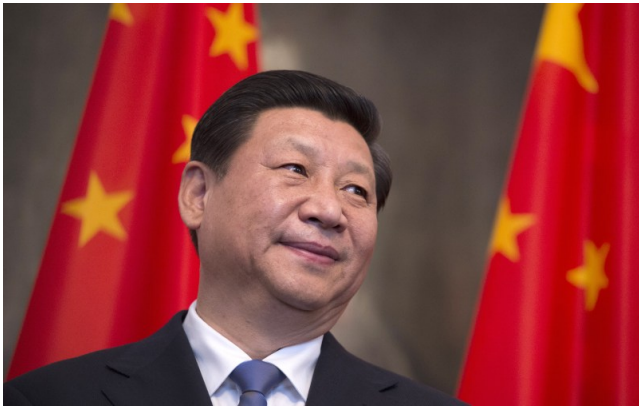
3:42 AM - 11 Sep 2019



He Said, Xi Said



“We cannot continue to allow China to rape our country, and that’s what they’re doing.”



“Jade can be polished by stones from other hills.”

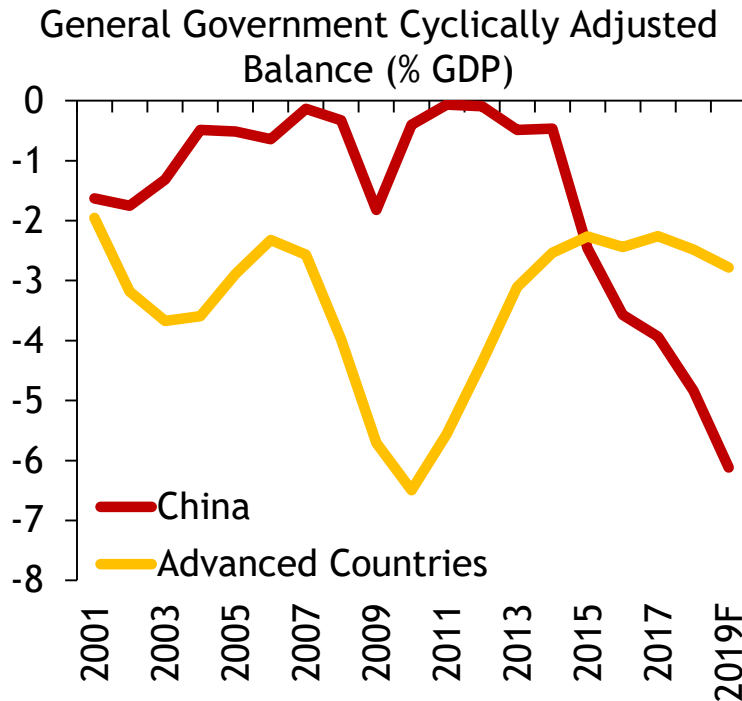
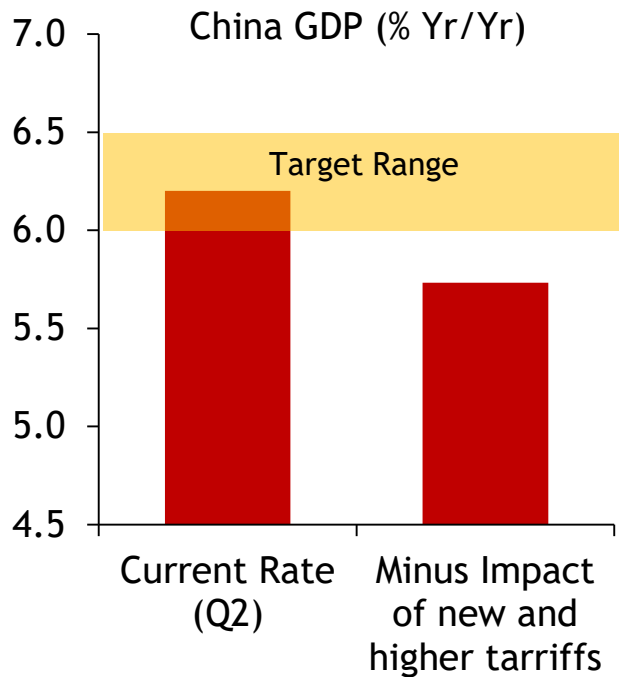
Signing Trade Agreements

9

US, Mexico, Israel, Chile, Costa Rica, Iceland, Liechtenstein, Norway, Switzerland, Peru, Colombia, Jordan, Panama, Honduras, South Korea, Ukraine, UK, Germany, France, Italy, Sweden, Poland, Romania, Spain, Netherlands, Denmark, Croatia, Bulgaria, Ireland, Greece, Czechia, Belgium, Finland, Hungary, Portugal, Austria, Malta, Luxembourg, Lithuania, Cyprus, Slovenia, Estonia, Latvia, Australia, Brunei, Japan, Malaysia, New Zealand, Singapore, Vietnam.



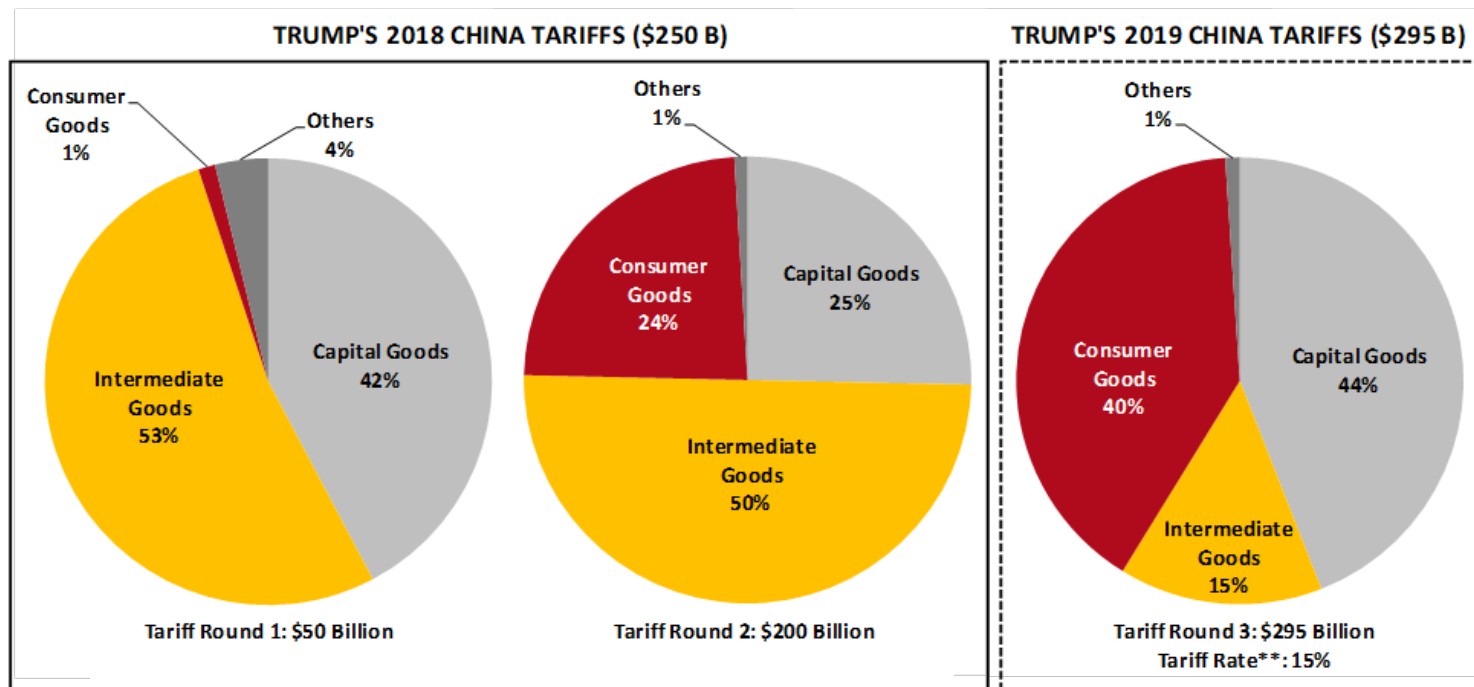
New Tariffs Will Slow China More Than Desired (L) Beijing Can't Keep Up Pace of Fiscal Rescue (R)



Source: National Statistics Agencies, Bloomberg, CIBC



Why The US Pushed For A Deal: Consumer Impacts



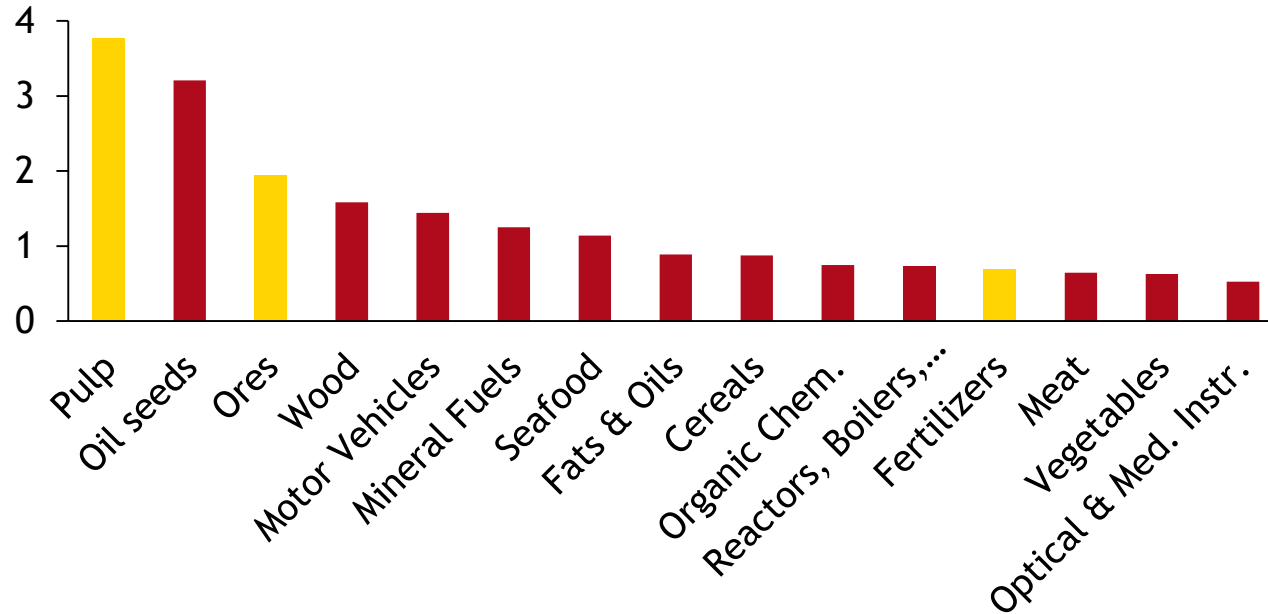
Source: PIIE, CIBC Equity Research



12 of Canada's Top 15 Export Categories to China At Risk From Phase One Deal

12

Avg. 2017-19 Canadian Exports to China (Bn of \$)*

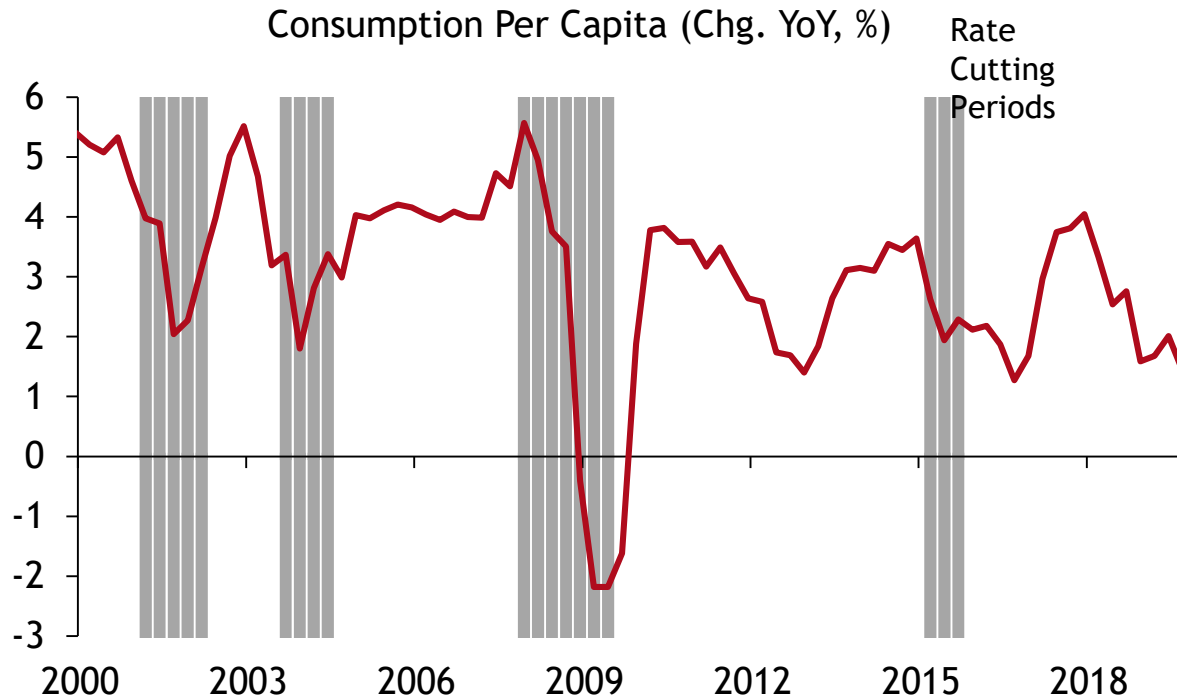


*Red Bars Indicate Inclusion in Phase One Deal

Source: Statistics Canada, CIBC



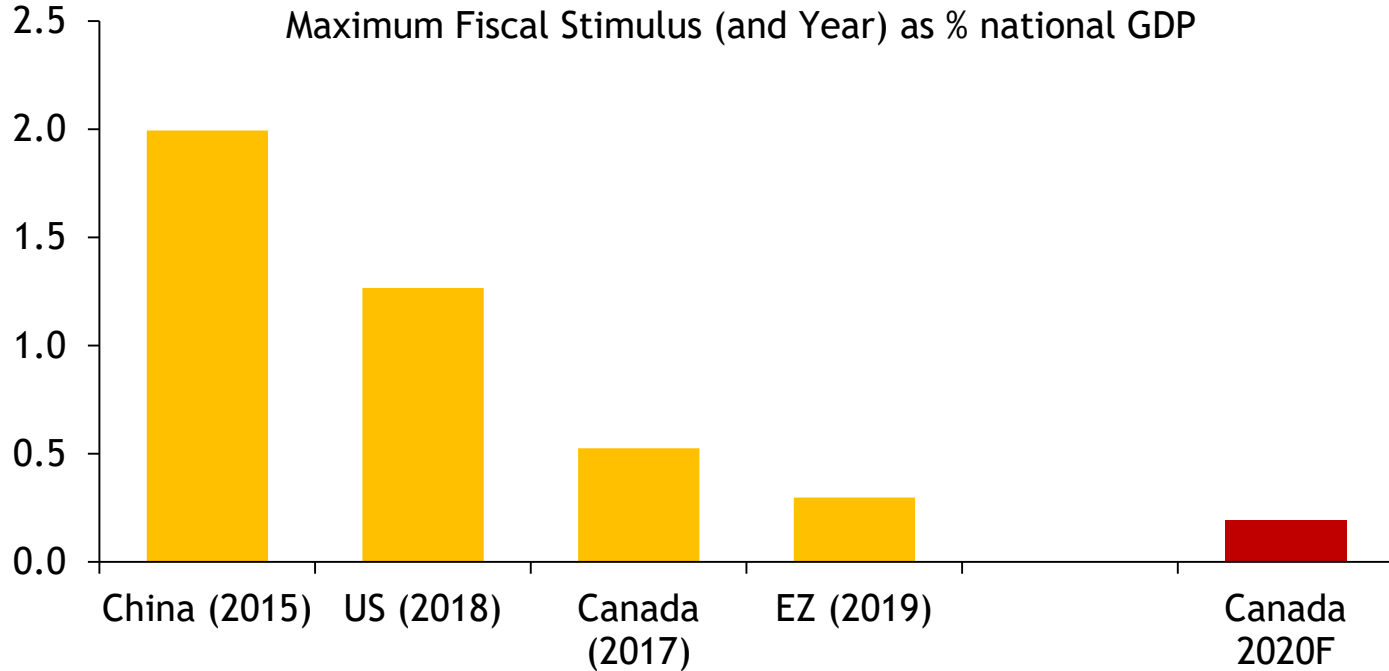
Consumption Has Slowed to Levels That Have Previously Been Associated With Rate Cuts



Source: Statistics Canada, CIBC



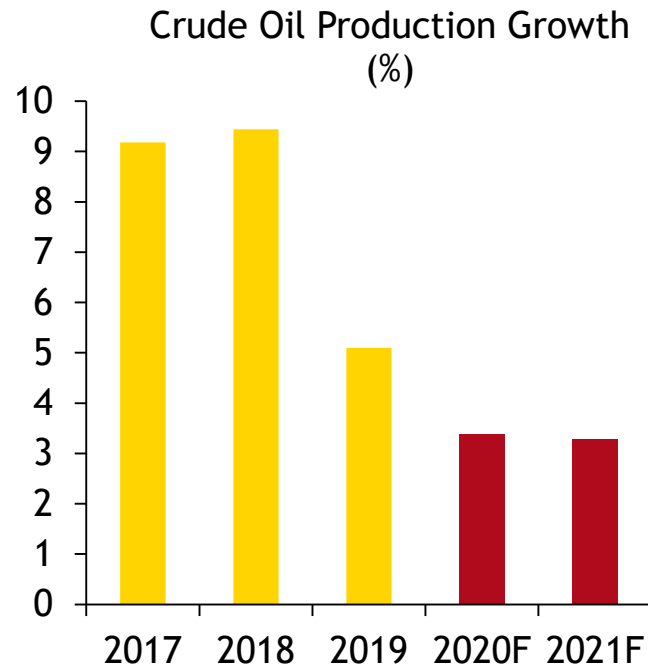
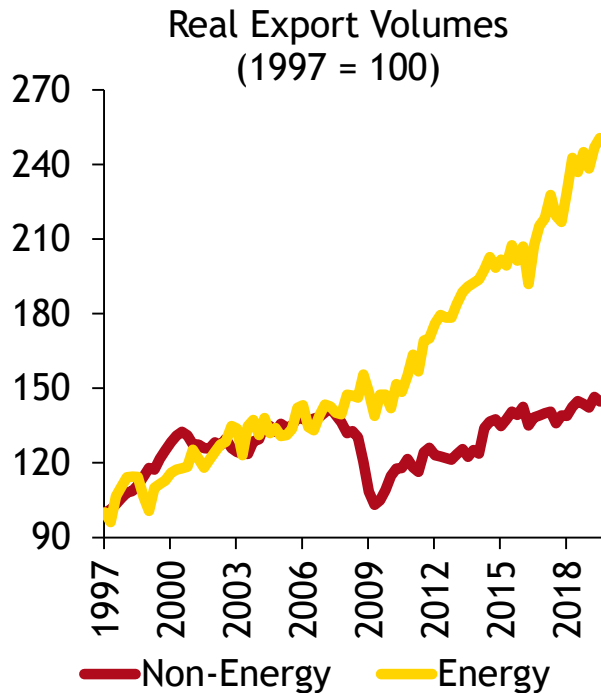
2020 Canadian Fiscal Stimulus in Context



*Historic data based on change in IMF cyclically adjusted general government



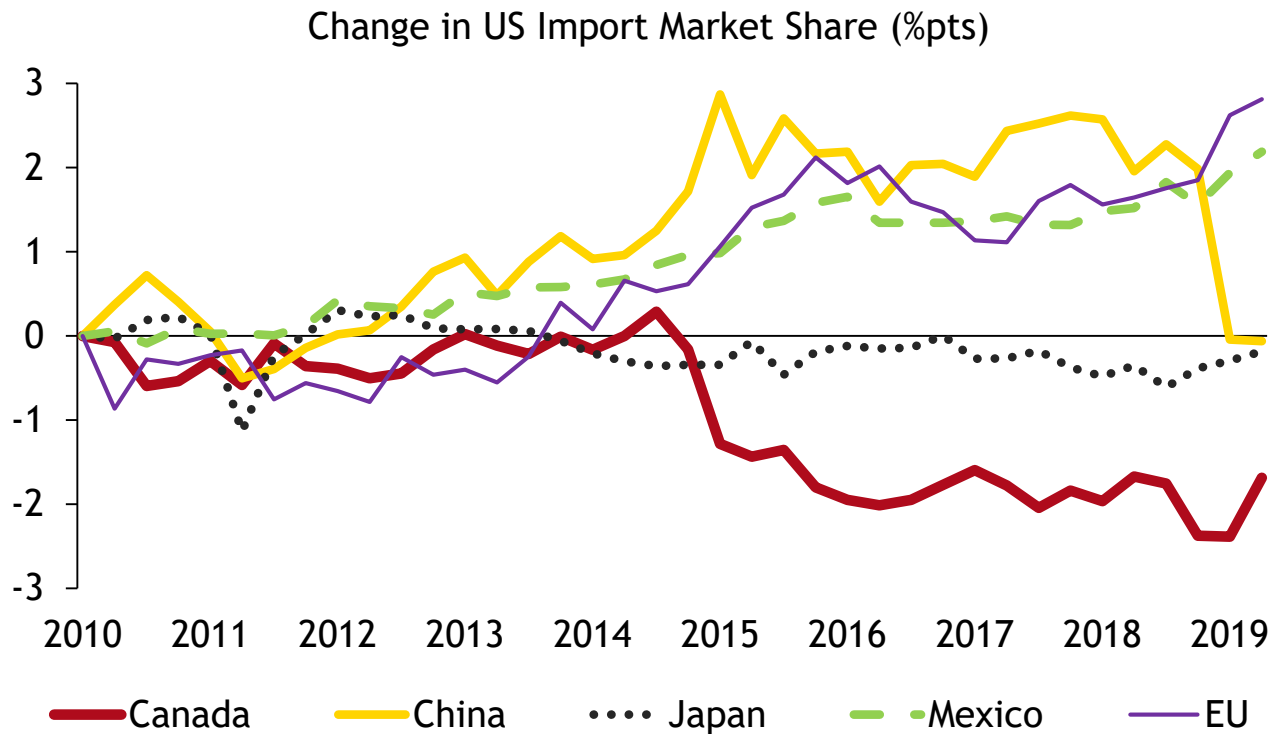
Energy Has Driven Export Growth Since the Crisis (L); But Oil Production Growth is Set to Slow (R)



Source: Statistics Canada, Canada Energy Regulator, CIBC



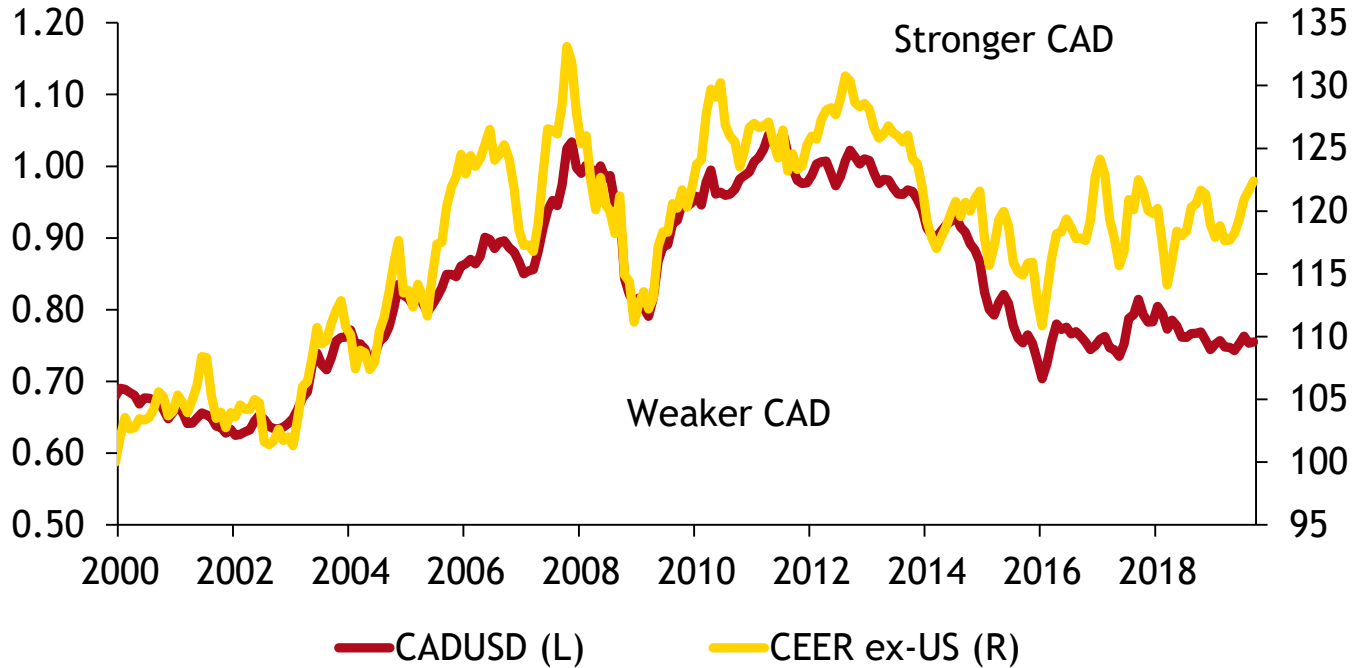
Canada Lost Share When Oil Prices Fell, But Leakage Continues



Source: BEA, Census Bureau, CIBC



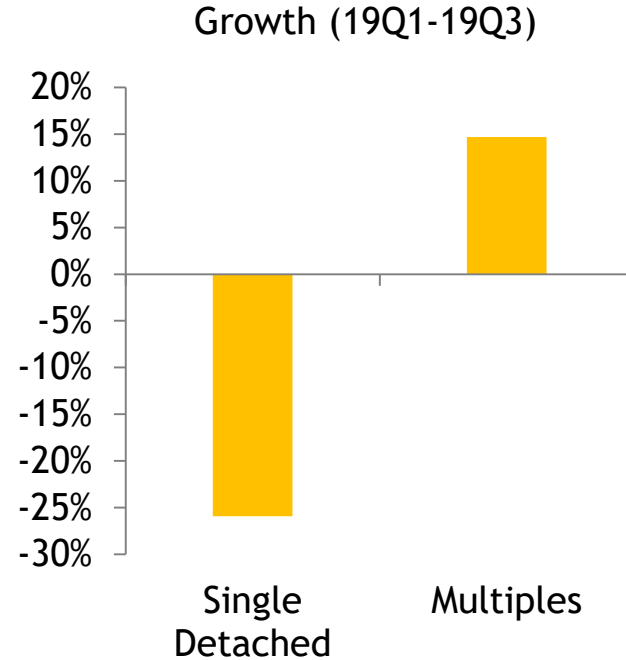
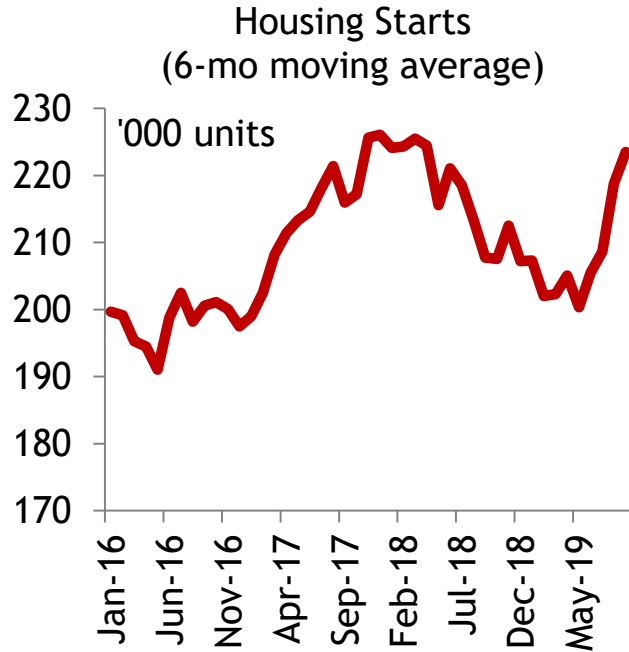
Canadian Dollar: Not Weak Against Other Competitors



Source: BoC, Haver Analytics, CIBC



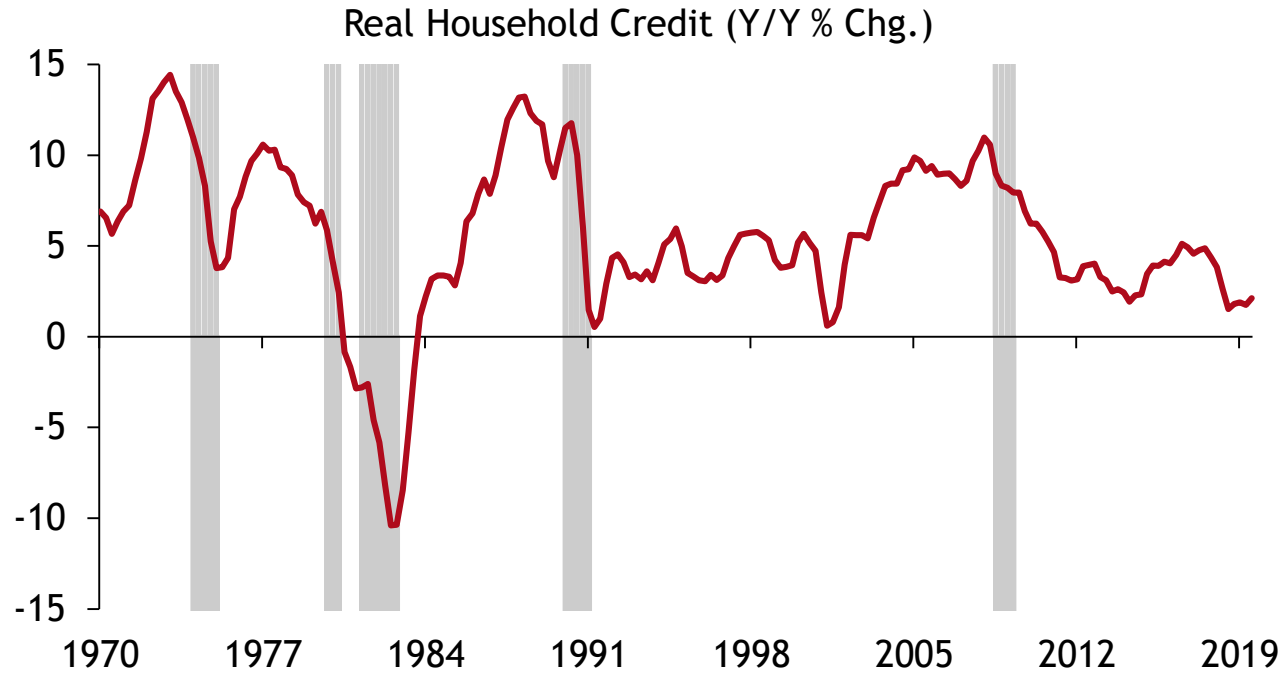
Housing Starts Recovered All Lost Ground



Source: CMHC, CIBC



Household Credit - Not Exactly Booming



Source: Statistics Canada, CIBC



CIBC World Markets Inc., CIBC World Markets Corp., CIBC World Markets Plc., CIBC Australia Limited and certain other corporate banking and capital markets activities of Canadian Imperial Bank of Commerce operate under the brand name CIBC Capital Markets.

This report is issued and approved for distribution by (a) in Canada, CIBC World Markets Inc., a member of the Investment Industry Regulatory Organization of Canada, the Toronto Stock Exchange, the TSX Venture Exchange and a Member of the Canadian Investor Protection Fund, (b) in the United Kingdom, CIBC World Markets plc, which is regulated by the Financial Services Authority, and (c) in Australia, CIBC Australia Limited, a member of the Australian Stock Exchange and regulated by the ASIC (collectively, “CIBC”) and (d) in the United States either by (i) CIBC World Markets Inc. for distribution only to U.S. Major Institutional Investors (“MII”) (as such term is defined in SEC Rule 15a-6) or (ii) CIBC World Markets Corp., a member of the Financial Industry Regulatory Authority. U.S. MIIs receiving this report from CIBC World Markets Inc. (the Canadian broker-dealer) are required to effect transactions (other than negotiating their terms) in securities discussed in the report through CIBC World Markets Corp. (the U.S. broker-dealer).

This report is provided, for informational purposes only, to institutional investor and retail clients of CIBC World Markets Inc. in Canada, and does not constitute an offer or solicitation to buy or sell any securities discussed herein in any jurisdiction where such offer or solicitation would be prohibited. This document and any of the products and information contained herein are not intended for the use of private investors in the United Kingdom. Such investors will not be able to enter into agreements or purchase products mentioned herein from CIBC World Markets plc. The comments and views expressed in this document are meant for the general interests of wholesale clients of CIBC Australia Limited.

This report does not take into account the investment objectives, financial situation or specific needs of any particular client of CIBC. Before making an investment decision on the basis of any information contained in this report, the recipient should consider whether such information is appropriate given the recipient’s particular investment needs, objectives and financial circumstances. CIBC suggests that, prior to acting on any information contained herein, you contact one of our client advisers in your jurisdiction to discuss your particular circumstances. Since the levels and bases of taxation can change, any reference in this report to the impact of taxation should not be construed as offering tax advice; as with any transaction having potential tax implications, clients should consult with their own tax advisors. Past performance is not a guarantee of future results.

The information and any statistical data contained herein were obtained from sources that we believe to be reliable, but we do not represent that they are accurate or complete, and they should not be relied upon as such. All estimates and opinions expressed herein constitute judgments as of the date of this report and are subject to change without notice.

This report may provide addresses of, or contain hyperlinks to, Internet web sites. CIBC has not reviewed the linked Internet web site of any third party and takes no responsibility for the contents thereof. Each such address or hyperlink is provided solely for the recipient’s convenience and information, and the content of linked third-party web sites is not in any way incorporated into this document. Recipients who choose to access such third-party web sites or follow such hyperlinks do so at their own risk.

© 2020 CIBC World Markets Inc. All rights reserved. Unauthorized use, distribution, duplication or disclosure without the prior written permission of CIBC World Markets Inc. is prohibited by law and may result in prosecution.

