

Quarterly market update

As of June 30, 2020

Global economic highlights

- < The economic disruption in Q2 was severe, with dramatic reductions in activity in most countries
- < The US experienced a decline in GDP of more than 30% in Q2 due to the near-complete shutdown of the economy, led by lower personal consumption which represents more than two-thirds of activity
- < Progress in controlling the spread of COVID-19 allowed many economies to reopen, with activity steadily recovering from March and April lows
- < Despite the acceleration in economic growth, US employment remains weak and the level of economic activity is expected to remain below that which was observed pre-COVID, until early 2022, given the severity of the downturn
- < There is significant economic uncertainty due to the likelihood of a second wave of COVID-19 infections and the upcoming US election

Source: Scotia Economics Forecast, July, 2020

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