

# Quarterly market update

As of December 31, 2020

## Global economic highlights

- < US economic growth is forecast to be near 5% in 2021 due to continued economic re-openings and fewer COVID restrictions, despite an increase in COVID cases
- < US growth is also supported by fiscal support programs and interest rates, which should remain low for the foreseeable future
- < Economic growth in many other markets has slowed due to a sharp increase in COVID cases and subsequent business restrictions, to contain the spread of the virus
- < US unemployment rates had gradually dropped but are expected to remain above pre-COVID levels for the next several years
- < A strong rebound is expected to start in Q2 due to:
  - < an increase in vaccinations, which would allow the economy to reopen more quickly
  - < considerable pent-up demand for goods and services
  - < strong momentum experienced by several industries prior to the recent surge in COVID
  - < substantial wealth effects from an increase in savings, investments and home prices
  - < an increase in immigration, which results in an increase in spending
  - < an increase in government fiscal support
  - < interest rates that should remain low to assist the recovery

Source: Scotia Global Economics, Global Outlook and Forecast, December 2020

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