

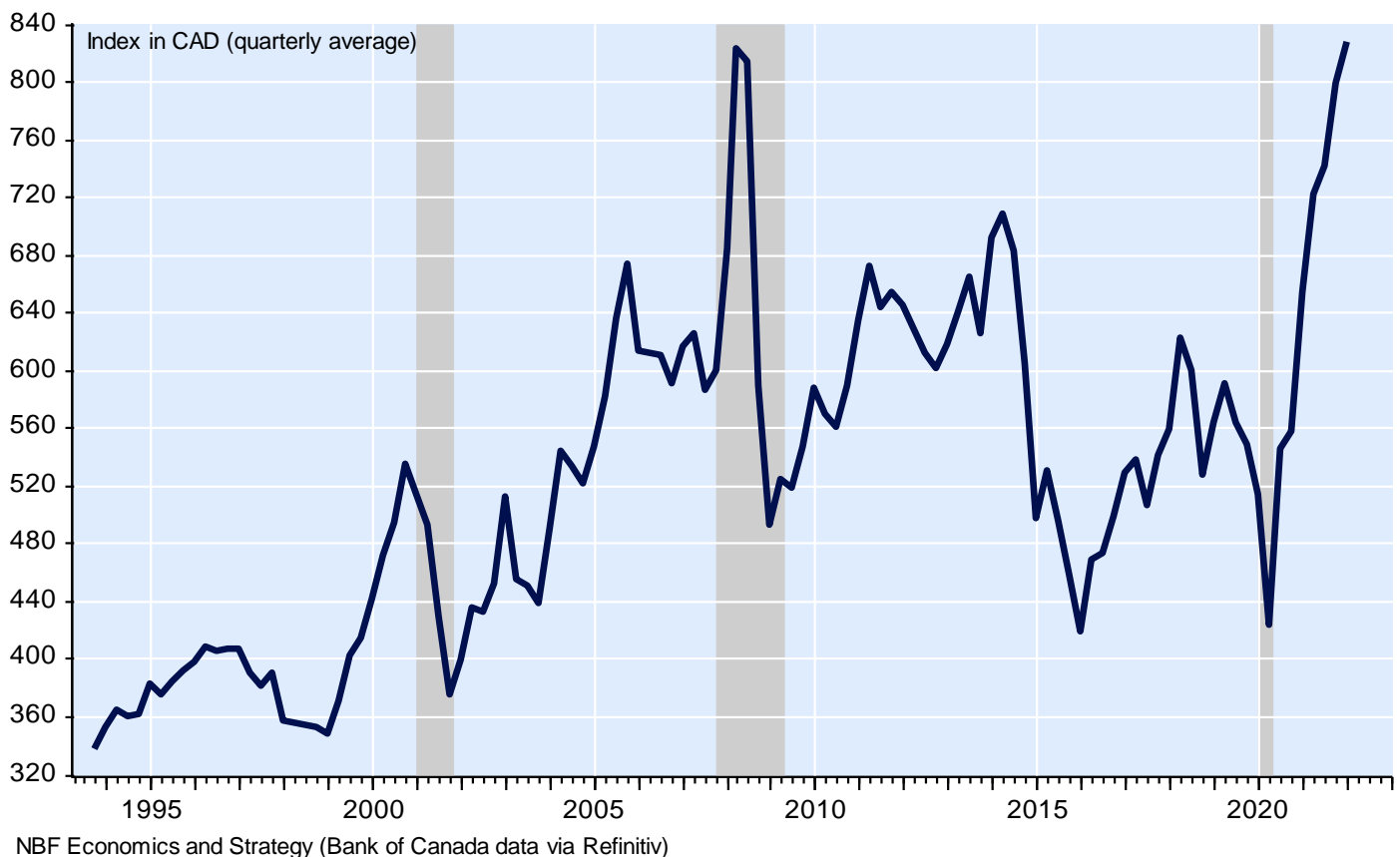
Canada Watch

By Stéfane Marion

Data released last week showed global manufacturing production expanding at a relatively brisk pace in December (see world section or our Weekly [here](#)). Even though we expect a slowdown in production in the coming weeks as countries implement measures to control Omicron, the impact on growth could be relatively short, as this new variant appears to be less virulent than previous ones. We thus expect consumer spending in the OECD economies to remain relatively strong in 2022 and global industrial production to reach new highs. This means that commodity prices are likely to stay high and possibly rise further. This is good news for Canada. As today's Hot Chart shows, the Bank of Canada's commodity price index for 26 commodities produced in our country and sold on world markets stands at a new record high early in Q1 2022 when expressed in Canadian dollars. That's good for the trade balance, profits, job creation, and the Canadian dollar. As explained in our just-released [FOREX](#), we remain comfortable with our current forecast of a C\$1.20 rate for the US dollar in 2022.

Canada: Commodity prices at a record high

Bank of Canada commodity price index for commodities produced in Canada expressed in CAD





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