

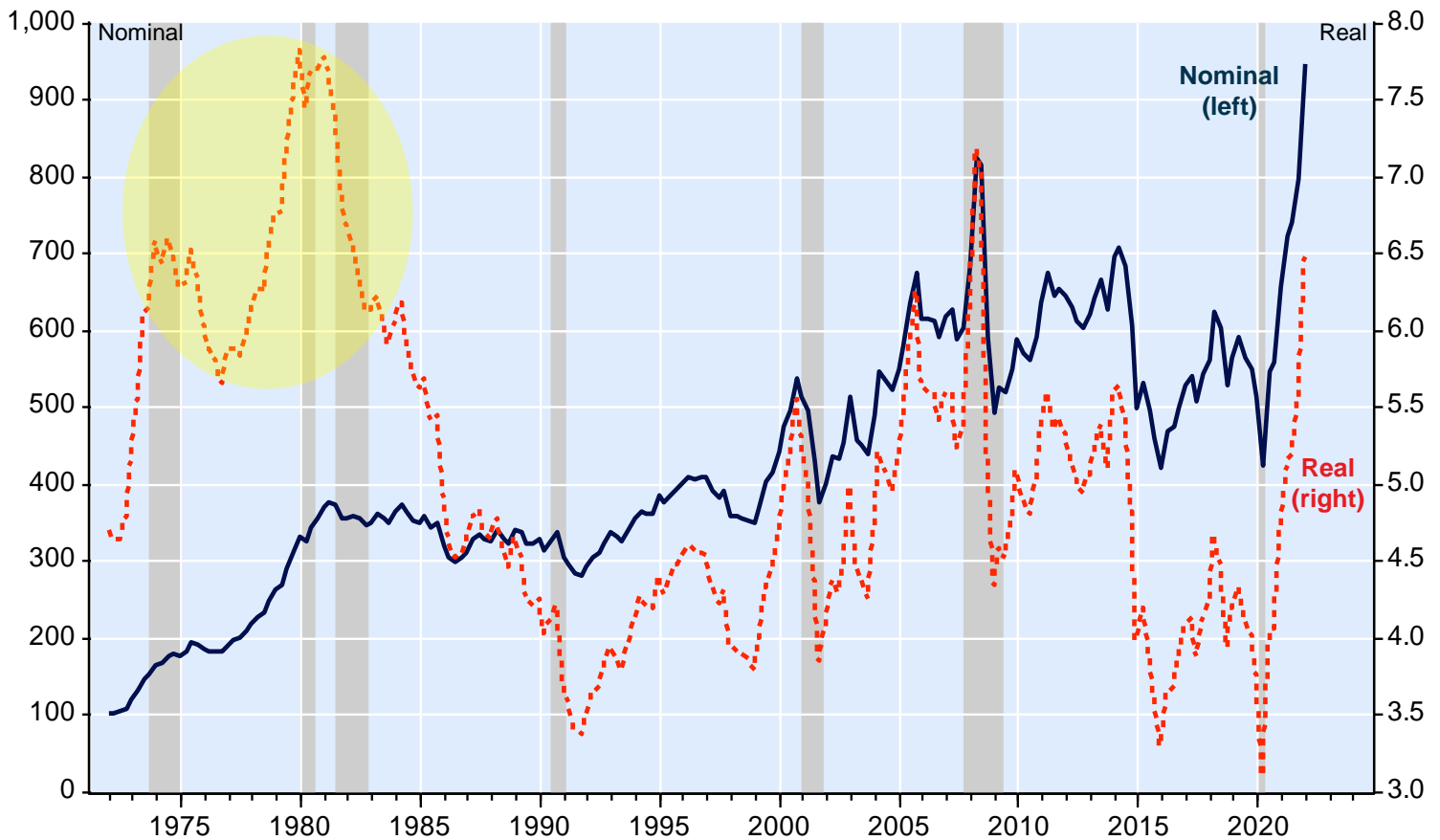
## Canada Watch

By Stefane Marion

The outlook for S&P/TSX profits continues to be revised up on the back of surging commodity prices. In inflation-adjusted terms, the Bank of Canada's commodity price index is at its highest level in 13 years. As today's Hot Chart shows, this level has rarely been maintained for long in the past, except in the 1970s. We believe that the current geopolitical context and the war raging in Ukraine argue for a longer period of bullishness in commodity prices that could boost investment in the sector (see our latest [Equity Monitor](#) for more details).

### Canada: Higher for longer?

BoC commodity price index for commodities produced in Canada expressed in CAD (nominal vs. real\*)



\* Deflated using Canada all-items CPI  
NBF Economics & Strategy (data via Refinitiv)

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