The economy is bruised, not broken

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FORECAST DETAIL | JUNE 2026 rbc.com/economics Canada and United States forecast details June 2026 ECONOMIC FORECAST DETAIL — CANADA 2025 2026F 2027F Q1 Q2 Q3 Q4 Q1 Q2 Q3 Q4 Q1 Q2 Q3 Q4 Real gross domestic product 2.9 -1.0 1.9 -1.0 -0.1 1.7 1.8 1.5 1.3 1.3 1.5 1.7 1.9 0.6 1.5 Household consumption 1.2 4.4 -0.8 2.9 1.5 1.8 1.5 1.7 1.5 1.5 1.5 1.6 2.4 1.7 1.6 Durables -4.6 1.4 -4.2 -2.5 -6.4 2.0 1.5 2.0 2.3 2.6 2.9 3.2 0.7 -1.9 2.3 Semidurables 10.4 1.8 2.1 1.1 -2.0 0.0 0.6 1.0 1.1 1.2 1.0 1.1 6.2 0.2 1.0 Nondurables 2.3 2.5 -1.2 0.7 5.5 1.5 0.6 1.0 0.8 0.8 0.7 0.7 1.9 1.9 -2.7 Services 1.1 6.2 -0.2 5.2 2.0 2.0 2.0 2.0 1.7 1.7 1.7 1.6 2.5 2.6 -0.6 Government Spending 1.8 4.1 -2.1 2.3 -1.0 -0.6 3.0 3.0 2.5 2.1 0.5 0.5 2.4 0.6 2.0 Government fixed investment -0.6 10.4 15.5 24.6 -9.6 0.0 5.0 6.0 1.5 1.0 1.2 1.0 7.2 5.0 2.5 Business Fixed Investment -4.2 -0.5 -1.3 -1.7 -3.0 0.2 2.9 2.6 2.7 3.1 3.2 3.3 0.3 -0.7 2.7 Residential -10.2 0.2 4.4 -9.4 -7.9 -2.5 3.0 2.2 2.3 2.5 3.0 3.0 0.5 -3.3 2.2 Nonresidential 0.2 -0.4 -5.9 2.3 -3.2 0.2 2.5 2.5 2.1 2.6 2.2 2.2 0.2 -0.7 2.2 Structures -3.2 10.2 -0.9 -1.1 -10.2 -4.7 1.7 1.7 1.7 1.6 1.6 1.6 1.7 -3.0 1.2 M&E 6.0 -15.9 -14.2 8.7 10.2 9.0 4.0 4.0 3.0 4.2 3.3 3.3 -2.4 3.4 4.0 Intellectual property -0.6 -3.2 -2.0 9.4 13.8 8.0 4.1 4.2 5.5 6.3 7.1 8.0 0.4 6.9 5.8 Final domestic demand 0.2 3.6 -0.5 2.7 -0.4 0.9 2.2 2.3 1.9 1.9 1.6 1.6 2.2 1.1 1.9 Exports 4.5 -23.4 4.1 6.7 -0.5 10.0 3.0 1.8 1.9 2.1 2.2 3.0 -1.4 2.2 2.6 Imports 3.6 1.2 -10.9 2.0 12.0 6.0 4.2 5.0 4.8 4.9 4.5 4.2 -0.3 3.8 4.8 Inventories (change in $b) 1.8 26.9 13.7 -12.6 10.6 8.5 7.9 9.0 10.9 12.9 16.9 19.8 7.4 9.0 15.1 Labour market indicators Unemployment rate (%) 6.7 6.9 7.0 6.8 6.6 6.7 6.5 6.3 6.2 6.0 5.9 5.8 6.9 6.5 6.0 Policy rate and government bond yields Overnight rate 2.75 2.75 2.50 2.25 2.25 2.25 2.25 2.25 2.50 2.75 3.00 3.25 2.25 2.25 3.25 Two-year 2.47 2.59 2.47 2.59 2.83 2.85 3.00 3.10 3.25 3.30 3.35 3.40 2.59 3.10 3.40 10-year 2.97 3.27 3.19 3.44 3.47 3.50 3.55 3.60 3.60 3.60 3.60 3.60 3.44 3.6 3.6 Inflation Headline CPI (y/y%) 2.3 1.8 2.0 2.2 2.2 2.9 2.6 2.4 2.5 2.1 2.1 2.1 2.1 2.5 2.2 CPI ex-food & energy (y/y%) 2.5 2.6 2.5 2.5 2.1 1.6 1.8 1.7 2.2 2.4 2.3 2.3 2.5 1.8 2.3 Other Housing starts (000s) 224 282 273 255 242 251 221 216 208 200 198 198 259 232 201 Motor vehicle sales (mill,saar) 1.96 2.00 1.96 1.91 1.86 1.87 1.88 1.89 1.90 1.91 1.93 1.94 1.96 1.88 1.92 Productivity 2.1 0.9 1.1 0.1 -0.6 0.4 -0.2 0.4 1.2 1.1 1.0 0.9 1.07 -0.01 1.02 Pre-tax corporate profits 10.9 3.1 6.6 4.5 5.3 14.5 9.2 6.3 4.4 -1.1 0.4 1.7 6.20 8.75 1.30 Current account balance ($B) -11.7 -87.2 -20.2 -4.0 -28.7 -2.6 -11.4 -23.8 -32.7 -47.3 -51.6 -53.1 -30.8 -16.6 -46.2 2025 2026 2027 Real growth in the economy (Quarter - over - quarter annualized % change unless otherwise indicated) rbc.com/economics

FORECAST DETAIL | JUNE 2026 rbc.com/economics ECONOMIC FORECAST DETAIL — UNITED STATES 2 2025 2026F 2027F Q1 Q2 Q3 Q4 Q1 Q2 Q3 Q4 Q1 Q2 Q3 Q4 Real gross domestic product -0.6 3.8 4.4 0.5 1.6 2.4 1.7 1.8 1.8 1.9 1.9 1.8 2.1 2.0 1.9 Consumer Expenditures 0.6 2.5 3.5 1.9 1.4 2.0 1.4 1.5 1.6 1.6 1.6 1.7 2.6 1.9 1.6 Durables -3.4 2.3 1.5 0.1 0.4 2.9 1.1 1.5 1.9 1.8 1.5 1.5 3.6 1.2 1.7 Non-Durables 2.2 2.2 3.9 0.4 0.5 2.2 1.6 1.6 1.2 1.3 1.0 1.0 3.0 1.5 1.4 Services 0.8 2.6 3.6 2.7 1.8 1.8 1.4 1.5 1.6 1.7 1.8 1.9 2.3 2.2 1.6 Government spending -1.0 -0.1 2.2 -5.6 4.4 2.0 1.0 1.6 1.4 1.1 1.0 1.0 1.1 0.8 1.3 Residential Investment -1.0 -5.1 -7.1 -1.7 -6.3 1.1 4.0 3.9 3.8 3.7 3.6 3.5 -2.2 -2.2 3.6 Non-Residential Investment 9.5 7.3 3.2 2.4 10.1 6.5 4.1 4.0 3.0 3.1 3.1 3.0 4.1 5.8 3.6 Non-Res. Structures -3.1 -7.5 -5.0 -6.6 -5.4 -2.8 -1.8 -1.5 -1.2 -0.9 -0.6 -0.3 -5.3 -4.5 -1.2 Non-Res. Equipment 21.3 8.5 5.2 4.3 17.2 12.6 5.7 5.5 3.0 3.1 3.1 3.0 8.3 9.6 4.4 Intellectual Property 6.5 15.0 5.6 5.4 11.6 4.9 5.3 5.2 5.1 4.9 4.8 4.7 5.6 7.4 5.0 Final Domestic Demand 1.4 2.4 2.8 0.6 2.7 2.6 1.8 2.0 1.8 1.8 1.8 1.8 2.4 2.1 1.9 Exports 0.2 -1.8 9.6 -3.2 13.1 5.5 2.3 1.8 2.0 1.5 1.2 1.8 1.6 5.0 2.0 Imports 38.0 -29.3 -4.4 -1.0 21.1 8.0

3.5 2.8 2.5 2.5 2.0 1.5 2.7 3.9 2.9 Inventories (change in $b) 172.0 -18.3 -23.9 -15.6 -25.7 -12.0 -8.0 -7.0 0.0 16.0 29.0 25.0 28.6 -13.2 17.5 Labour market indicators Unemployment rate (%) 4.1 4.2 4.3 4.5 4.3 4.3 4.4 4.4 4.4 4.4 4.4 4.4 4.3 4.4 4.4 Policy rate and government bond yields Fed Funds Rate (%, eop, top of range) 4.50 4.50 4.25 3.75 3.75 3.75 3.75 3.75 3.75 3.75 3.75 3.75 3.75 3.75 3.75 Two-year 3.89 3.72 3.60 3.47 3.79 4.10 4.25 4.15 4.35 4.45 4.35 4.30 3.47 4.15 4.30 10-year 4.23 4.24 4.16 4.18 4.30 4.45 4.50 4.35 4.45 4.50 4.45 4.40 4.18 4.35 4.40 Inflation Headline CPI (y/y%) 2.7 2.4 2.9 2.7 2.7 3.9 3.4 3.1 2.6 1.5 1.7 1.8 2.6 3.3 1.9 CPI ex-food & energy (y/y%) 3.1 2.8 3.1 2.7 2.5 2.8 2.6 2.8 2.8 2.6 2.5 2.4 2.8 2.7 2.6 Other Housing starts (000s) 1396.7 1356.0 1347.3 1323.3 1412.7 1417.8 1436.4 1454.7 1472.8 1490.6 1508.2 1525.5 1355.8 1430.4 1499.2 Motor vehicle sales (mill,saar) 16.4 16.2 16.6 15.7 15.4 15.9 16.0 16.3 16.6 16.9 17.1 17.3 15.5 15.9 17.0 Productivity 2.0 2.1 2.6 2.5 2.8 2.1 1.1 1.1 1.5 1.6 1.6 1.6 2.3 1.8 1.6 Pre-tax corporate profits 6.4 3.6 9.3 9.6 12.0 14.0 9.8 4.2 3.8 2.6 2.5 2.4 7.3 9.8 2.8 2025 2026 2027 Real growth in the economy (Quarter - over - quarter annualized % change unless otherwise indicated)

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