

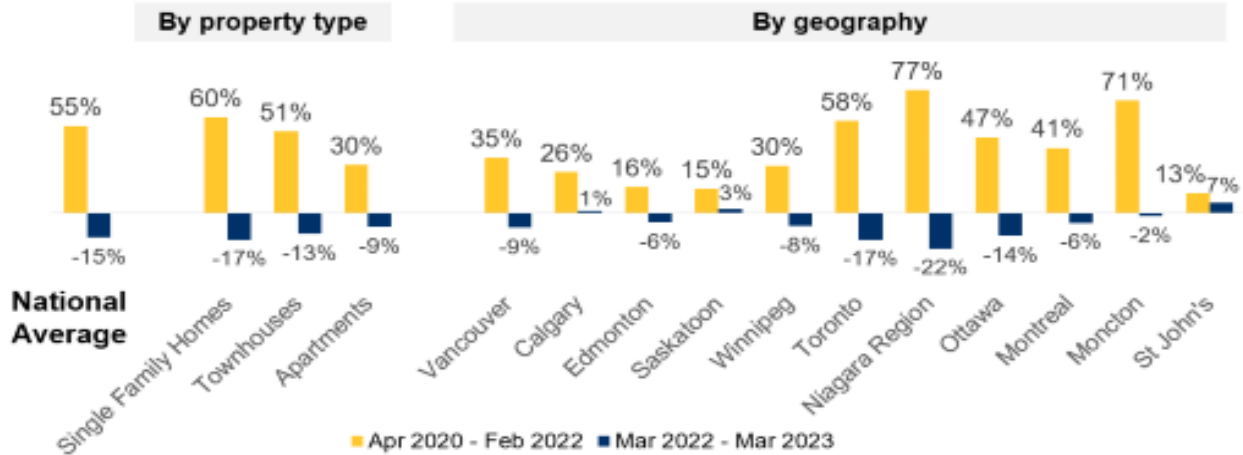
## Here are this week's featured market charts:

Welcome to "Charting with Karim" - a weekly document that showcases a collection of interesting and informative charts. In this weekly report, I aim to provide readers with a collection of charts on the markets and the economy that I hope you will find engaging and informative. Whether you are a seasoned investor, a market enthusiast, or simply interested in staying up to date with the latest data and trends, "Charting with Karim" has something for everyone. So, sit back, relax, and join us on a journey through the week's most fascinating chart. I welcome any suggestions or feedback you have.

### ONE:

Home prices rose by 55% through the pandemic (yellow bars below). This was mostly due to low interest rates and too much time with nothing to do. However, the chart below shows how real estate did in different regions during the Pandemic (April 2020 to Feb 2022) and how they have done since (March 2022 to March 2023)

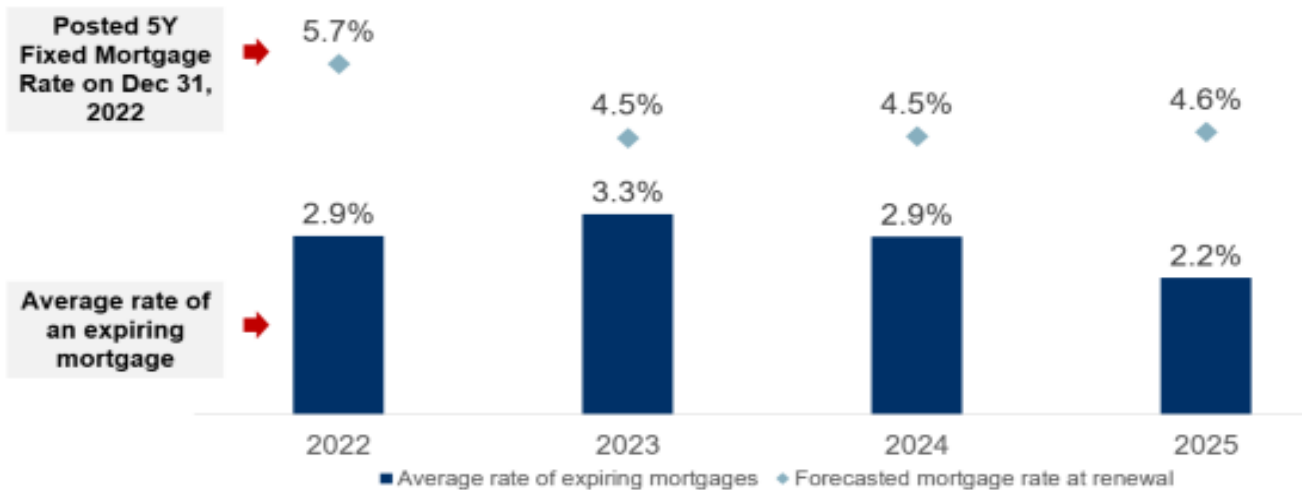
#### Canadian housing has seen declines, but they pale in comparison to pandemic gains



### TWO:

Shown in the chart below Average rate for mortgages expiring that year (Blue bar) and the forecasted mortgage rate at renewal time (green square). As you can tell, rates are forecasted to be much higher upon renewal. In some cases, more than double. Like renewal in 2025.

#### The headwind of rising mortgage costs is expected to continue

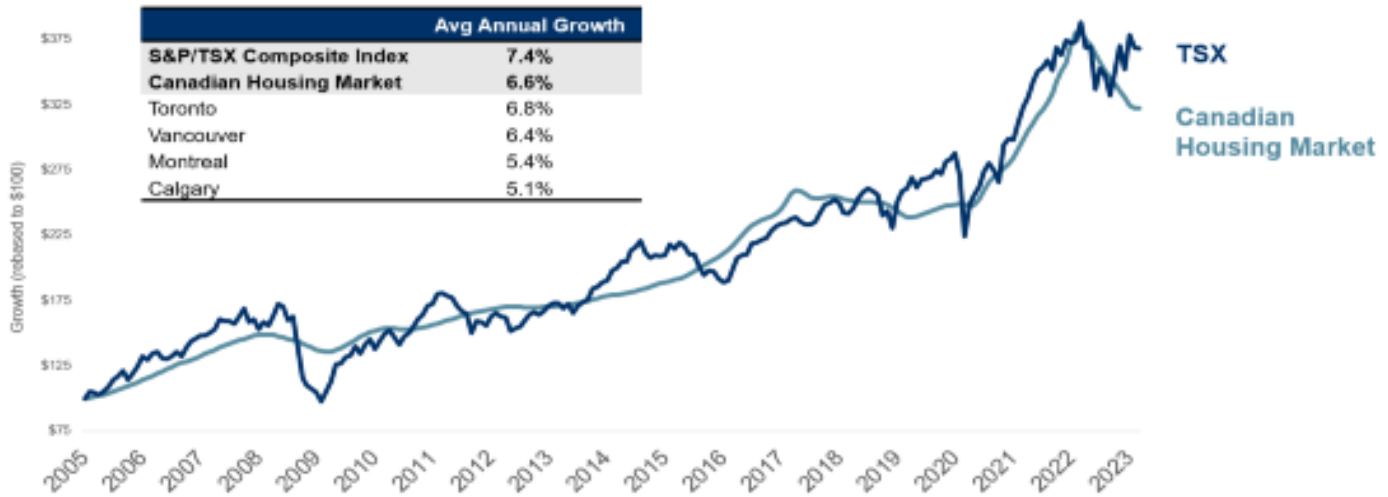


Source: RBC GAM, NBF Economic and Strategy. Mortgage rate forecasts are based on the market implied 5Y GoC (at May 10, 2023) rate plus a hypothetical spread of 2%. Increase in mortgage payment is based on a 25 year amortization.

### THREE:

As I have indicated before and much to everyone surprise, Canadian Equities have done just as well as Real estate over the long term. See my video on this subject here. However, real estate have delivered those gains with lower volatility. That can largely because of the time involved in buying/selling real estate and lower visibility on price. To buy or sell a \$1million property could take months. To buy or sell \$1 million stock portfolio, takes seconds or minutes to do.

#### Canadian house prices have performed similarly to Canadian stock prices



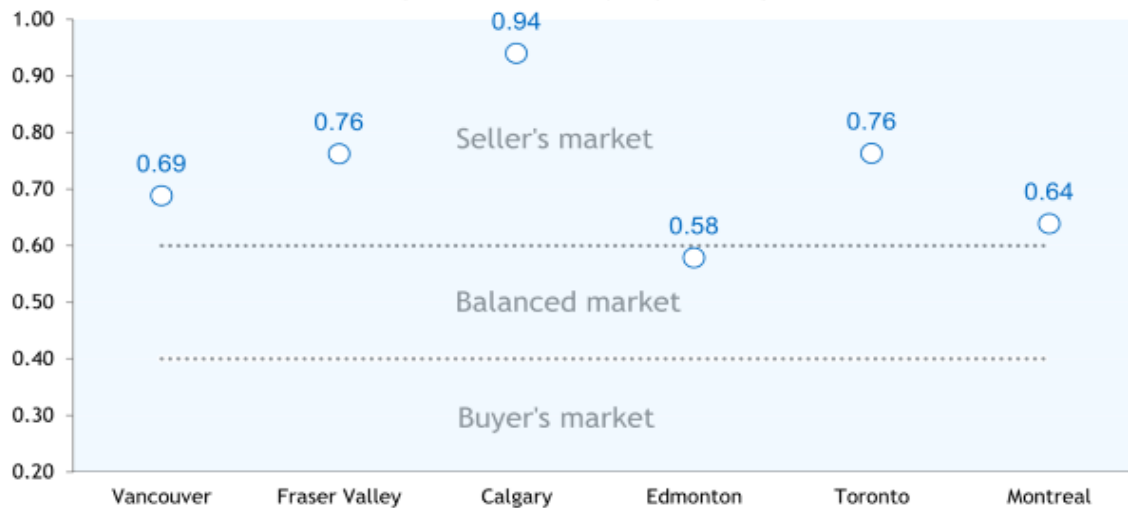
Source: RBC GAM, Morningstar, CREA. MLS Home Price Index (seasonally adjusted). As of Mar 31, 2023

### FOUR:

Canada's housing markets still remains a sellers market . (see chart below from RBC Economics): " The only city in Canada which is close to a balanced market is Edmonton.

#### Demand-supply conditions

Estimated sales-to-new listings ratio, seasonally-adjusted, April 2023



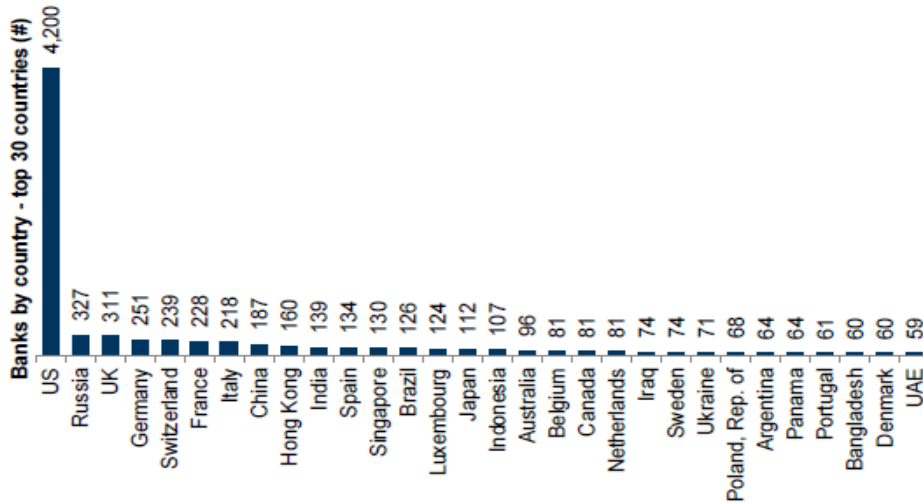
Source: REBGV, FVREB, CREB, RAE, TRREB, QPAREB, RBC Economics

The \$1,000 auto loan payment is becoming more common

## FIVE:

The number of U.S. banks has fallen by ~75% over the past 40 years but still there are way too many banks in the US. See chart below. Is that a good thing or not?

### Exhibit 28: There are multiples of the number of commercial banks in the US than any other country...



Note: includes commercial banks, data are as of 2021, ex. Russia, which is as of 2023.

Source: IMF, Goldman Sachs Global Investment Research

## QUOTE OF THE WEEK:

### WHO SAID THE FOLLOWING:

"You only live once, but if you do it right, once is enough"

- Mae West
- Jack Nicholson
- Elon Musk
- Betty White

**SUBMIT**

Thanks, and take care.

Karim

**Karim F. Visram CFA; CPA; CFP; FMA | Portfolio Manager,**  
**KARIM VISRAM PRIVATE WEALTH MANAGEMENT GROUP**  
**RBC Wealth Management, RBC Dominion Securities Inc.**  
**T. 416-956-8888 | T.1-800-561-6431 | F.416-956-8803**  
[www.karimvisram.com](http://www.karimvisram.com)

### DISCLAIMER

This daily newsfeed offers general information only and is not intended as legal, financial or other professional advice. While information presented is believed to be factual and current, its accuracy is not guaranteed and it should not be regarded as a complete analysis of the subjects discussed. This communication is not an offer or solicitation for the purchase or sale of any security, and is not to be relied on for investment purposes. No endorsement of any third parties or their advice, opinions, information, products or services is expressly given or implied by Royal Bank of Canada. This communication is not intended to be shared outside of the Royal Bank of Canada without prior consent.