Economics and FICC Strategy

FORECAST UPDATE

March 17, 2026

Forecast Details

Table: Canadian interest rates (end of period)

Variable	2026 Mar 16	2026 Jun	2026 Sep	2026 Dec	2027 Jun	2027 Dec
Overnight target rate	2.25	2.25	2.25	2.25	2.50	2.75
98-Day Treasury Bills	2.24	2.20	2.20	2.25	2.55	2.80
2-Year Government Bond	2.73	2.55	2.65	2.80	3.10	3.30
5-Year Government Bond	3.00	2.85	2.90	3.00	3.25	3.40
10-Year Government Bond	3.44	3.30	3.30	3.45	3.65	3.70
30-Year Government Bond	3.89	3.75	3.70	3.75	3.80	3.90
Canada - US T-Bill Spread	-1.45	-1.35	-1.10	-0.85	-0.70	-0.55
Canada - US 10-Year Bond Spread	-0.78	-0.95	-0.80	-0.65	-0.65	-0.70
Canada Yield Curve (10-year — 2-year)	0.71	0.75	0.65	0.65	0.55	0.40

Table: US Interest rates (end of period)

Variable	2026 Mar 16	2026 Jun	2026 Sep	2026 Dec	2027 Jun	2027 Dec
Federal funds rate (midpoint)	3.625	3.625	3.375	3.125	3.125	3.125
91-Day Treasury Bills	3.68	3.55	3.30	3.10	3.25	3.35
2-Year Government Note	3.68	3.50	3.40	3.30	3.65	3.85
5-Year Government Note	3.81	3.60	3.55	3.55	3.80	4.00
10-Year Government Note	4.22	4.25	4.10	4.10	4.30	4.40
30-Year Government Bond	4.86	4.80	4.65	4.75	4.95	5.15
US Yield curve (10-year — 2-year)	0.54	0.75	0.70	0.80	0.65	0.55

Table: Foreign exchange rates

Exchange rate	2026 Mar 16	2026 Jun	2026 Sep	2026 Dec	2027 Jun	2027 Dec
CAD-USD	0.73	0.74	0.74	0.75	0.76	0.75
USD-CAD	1.37	1.36	1.35	1.34	1.32	1.33

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