Economics and FICC Strategy

FORECAST UPDATE

November 28, 2025

Forecast Details

Table: Canadian interest rates (end of period)

Variable	2025 28-Nov	2025 Dec	2026 Mar	2026 Jun	2026 Sep	2026 Dec
Overnight target rate	2.25	2.25	2.25	2.25	2.25	2.25
98-Day Treasury Bills	2.17	2.20	2.25	2.20	2.20	2.25
2-Year Government Bond	2.40	2.40	2.45	2.55	2.80	2.95
5-Year Government Bond	2.71	2.70	2.80	2.90	3.05	3.20
10-Year Government Bond	3.13	3.15	3.15	3.20	3.35	3.45
30-Year Government Bond	3.58	3.55	3.50	3.55	3.65	3.75
Canada - US T-Bill Spread	-1.67	-1.40	-1.05	-1.15	-1.20	-1.20
Canada - US 10-Year Bond Spread	-0.87	-0.90	-0.95	-1.05	-1.00	-0.85
Canada Yield Curve (10-year — 2-year)	0.73	0.75	0.70	0.65	0.55	0.50

Table: US Interest rates (end of period)

Variable	2025 28-Nov	2025 Dec	2026 Mar	2026 Jun	2026 Sep	2026 Dec
Federal funds rate (midpoint)	3.875	3.625	3.375	3.375	3.375	3.375
91-Day Treasury Bills	3.84	3.60	3.30	3.35	3.40	3.45
2-Year Government Note	3.48	3.50	3.40	3.60	3.80	3.95
5-Year Government Note	3.57	3.60	3.65	3.80	3.90	3.95
10-Year Government Note	3.99	4.05	4.10	4.25	4.35	4.30
30-Year Government Bond	4.64	4.70	4.70	4.75	4.70	4.70
US Yield curve (10-year — 2-year)	0.52	0.55	0.70	0.65	0.55	0.35

Table: Foreign exchange rates

Exchange rate	2025 28-Nov	2025 Dec	2026 Mar	2026 Jun	2026 Sep	2026 Dec
CAD-USD	0.71	0.72	0.72	0.73	0.74	0.74
USD-CAD	1.40	1.38	1.38	1.37	1.36	1.35
USD-JPY	156	156	155	154	152	150
EUR-USD	1.16	1.18	1.20	1.21	1.20	1.18
GBP-USD	1.32	1.32	1.34	1.36	1.36	1.34
AUD-USD	0.65	0.65	0.65	0.65	0.66	0.66
USD-CNY	7.08	7.10	7.12	7.09	7.07	7.05
USD-BRL	5.35	5.20	5.40	5.80	6.10	5.80
USD-MXN	18.34	18.85	19.00	19.20	19.20	18.80

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