

Economics and FICC Strategy

# FORECAST UPDATE

November 20, 2023

## Forecast Details

Table: Canadian interest rates (end of period)

Variable	2023 Nov 20	2023 Dec	2024 Mar	2024 Jun	2024 Sep	2024 Dec	2025 Jun	2025 Dec
Overnight target rate	5.00	5.00	5.00	4.75	4.00	3.50	3.00	2.50
98-Day Treasury Bills	5.03	5.05	5.05	4.60	3.90	3.35	2.85	2.45
2-Year Government Bond	4.42	4.50	4.40	4.00	3.40	3.00	2.70	2.60
10-Year Government Bond	3.67	3.80	3.65	3.50	3.35	3.20	2.90	2.95
30-Year Government Bond	3.48	3.65	3.50	3.60	3.50	3.40	3.10	3.05
Canada - US T-Bill Spread	-0.36	-0.30	-0.25	-0.65	-1.25	-1.40	-1.15	-0.90
Canada - US 10-Year Bond Spread	-0.78	-0.80	-0.90	-0.90	-0.85	-0.65	-0.75	-0.35
Canada Yield Curve (10-year — 2-year)	-0.74	-0.70	-0.75	-0.50	-0.05	0.20	0.20	0.35

Table: US Interest rates (end of period)

Variable	2023 Nov 20	2023 Dec	2024 Mar	2024 Jun	2024 Sep	2024 Dec	2025 Jun	2025 Dec
Federal funds rate (midpoint)	5.375	5.375	5.375	5.375	5.375	4.875	4.125	3.625
91-Day Treasury Bills	5.39	5.35	5.30	5.25	5.15	4.75	4.00	3.35
2-Year Government Note	4.85	4.95	4.80	4.65	4.50	4.10	3.30	3.10
10-Year Government Note	4.46	4.60	4.55	4.40	4.20	3.85	3.65	3.30
30-Year Government Bond	4.62	4.70	4.70	4.55	4.40	4.30	3.90	3.65
US Yield curve (10-year — 2-year)	-0.39	-0.35	-0.25	-0.25	-0.30	-0.25	0.35	0.20

Table: Foreign exchange rates

Exchange rate	2023 Nov 20	2023 Dec	2024 Mar	2024 Jun	2024 Sep	2024 Dec	2025 Jun	2025 Dec
CAD-USD	0.73	0.72	0.70	0.72	0.73	0.74	0.77	0.78
USD-CAD	1.37	1.39	1.42	1.39	1.37	1.35	1.30	1.29
USD-JPY	151	152	154	150	148	145	135	130
EUR-USD	1.08	1.03	1.03	1.05	1.08	1.11	1.15	1.16
GBP-USD	1.25	1.18	1.18	1.20	1.23	1.27	1.32	1.34
AUD-USD	0.65	0.61	0.61	0.62	0.63	0.64	0.66	0.67
USD-CNY	7.25	7.34	7.33	7.32	7.30	7.25	7.20	7.10
USD-BRL	4.87	5.20	5.20	5.20	5.40	5.00	5.20	5.40
USD-MXN	17.39	18.00	18.50	19.00	19.20	19.00	18.75	18.50