

Economics and FICC Strategy

FORECAST UPDATE

October 18, 2023

Forecast Details

Table 1: Canada forecast detail (real % change, SAAR, unless otherwise noted)

Variable	23Q2A	23Q3F	23Q4F	24Q1F	24Q2F	24Q3F	24Q4F	2023F	2024F	2025F
Real GDP Growth (AR)	-0.2	0.4	1.2	-0.7	1.2	1.8	2.0	1.2	0.7	2.1
Real Final Domestic Demand (AR)	1.0	0.2	1.0	-0.3	1.4	2.2	2.3	0.6	0.9	2.3
Household Consumption (AR)	0.2	0.5	1.1	-0.8	1.2	1.7	2.1	2.1	0.6	2.0
All Items CPI Inflation (Y/Y)	3.5	3.7	3.0	3.0	2.3	1.7	1.8	3.8	2.2	1.9
Unemployment Rate (%)	5.2	5.5	5.7	6.2	6.3	6.1	5.9	5.3	6.1	5.6

Table 2: US forecast detail (real % change, SAAR, unless otherwise noted)

Variable	23Q2A	23Q3F	23Q4F	24Q1F	24Q2F	24Q3F	24Q4F	2023F	2024F	2025F
Real GDP Growth (AR)	2.1	3.9	0.9	-0.1	0.6	0.6	0.5	2.3	1.0	1.4
Real Final Sales (AR)	2.1	3.8	0.7	0.2	0.6	0.5	0.5	2.7	1.0	1.5
All Items CPI Inflation (Y/Y)	4.0	3.5	3.7	3.4	2.9	2.7	2.3	4.2	2.8	2.1
Core CPI Inflation (Y/Y)	5.2	4.4	4.1	3.4	2.8	2.8	2.4	4.8	2.9	2.2
Unemployment Rate (%)	3.6	3.8	3.8	4.1	4.1	4.2	4.3	3.7	4.2	4.1

Table 3: Canadian interest rates (end of period)

Variable	2023 Oct 18	2023 Dec	2024 Mar	2024 Jun	2024 Sep	2024 Dec	2025 Jun	2025 Dec
Overnight target rate	5.00	5.00	5.00	4.50	4.00	3.50	3.00	2.50
98-Day Treasury Bills	5.15	5.05	5.05	4.25	3.90	3.35	2.85	2.45
2-Year Government Bond	4.91	4.65	4.30	3.80	3.30	2.75	2.70	2.60
10-Year Government Bond	4.10	3.75	3.45	3.25	3.05	3.00	2.90	2.95
30-Year Government Bond	3.76	3.70	3.50	3.40	3.20	3.15	3.00	3.05
Canada - US T-Bill Spread	-0.35	-0.55	-0.55	-1.00	-0.85	-1.03	-0.85	-0.55
Canada - US 10-Year Bond Spread	-0.77	-0.45	-0.55	-0.45	-0.40	-0.20	-0.25	-0.30
Canada Yield Curve (10-year — 2-year)	-0.81	-0.90	-0.85	-0.55	-0.25	0.25	0.20	0.35

Table 4: US Interest rates (end of period)

Variable	2023 Oct 18	2023 Dec	2024 Mar	2024 Jun	2024 Sep	2024 Dec	2025 Jun	2025 Dec
Federal funds rate (midpoint)	5.375	5.625	5.625	5.375	4.875	4.375	3.875	3.125
91-Day Treasury Bills	5.50	5.60	5.60	5.25	4.75	4.38	3.70	3.00
2-Year Government Note	5.21	4.80	4.60	4.20	3.50	3.00	2.90	2.95
10-Year Government Note	4.87	4.20	4.00	3.70	3.45	3.20	3.15	3.25
30-Year Government Bond	4.98	4.50	4.25	3.90	3.70	3.60	3.45	3.55
US Yield curve (10-year — 2-year)	-0.34	-0.60	-0.60	-0.50	-0.05	0.20	0.25	0.30

Table 5: Foreign exchange rates

Exchange rate	2023 Oct 18	2023 Dec	2024 Mar	2024 Jun	2024 Sep	2024 Dec	2025 Jun	2025 Dec
CAD-USD	0.73	0.72	0.73	0.75	0.75	0.76	0.77	0.78
USD-CAD	1.37	1.39	1.37	1.34	1.33	1.31	1.30	1.29
USD-JPY	150	145	140	135	130	120	120	118
EUR-USD	1.06	1.03	1.05	1.09	1.12	1.14	1.15	1.16
GBP-USD	1.22	1.19	1.21	1.25	1.29	1.31	1.32	1.34
AUD-USD	0.64	0.62	0.63	0.65	0.66	0.68	0.70	0.72
USD-CNY	7.32	7.35	7.38	7.35	7.30	7.25	7.20	7.10
USD-BRL	5.04	5.20	5.20	5.20	5.40	5.00	5.20	5.40
USD-MXN	18.08	18.00	18.50	19.00	19.20	19.00	18.75	18.50

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