

Economics and FICC Strategy

FORECAST UPDATE

February 14, 2023

Forecast Details

Table: Canadian interest rates (end of period)

Variable	2023 14-Feb	2023 Mar	2023 Jun	2023 Sep	2023 Dec	2024 Mar	2024 Jun	2024 Sep	2024 Dec
Overnight target rate	4.50	4.50	4.50	4.50	4.50	4.00	3.50	3.25	3.00
98-Day Treasury Bills	4.52	4.45	4.35	4.25	4.00	3.50	3.25	2.90	2.60
2-Year Government Bond	4.12	4.25	4.25	3.90	3.50	3.10	2.75	2.40	2.30
10-Year Government Bond	3.13	3.40	3.55	3.30	3.20	2.90	2.80	2.65	2.50
30-Year Government Bond	3.12	3.45	3.60	3.50	3.35	3.00	2.90	2.85	2.75
Canada - US T-Bill Spread	-0.25	-0.50	-0.75	-0.85	-0.95	-1.00	-0.65	-0.70	-0.70
Canada - US 10-Year Bond Spread	-0.60	-0.50	-0.45	-0.50	-0.50	-0.60	-0.60	-0.70	-0.50
Canada Yield Curve (10-year — 2-year)	-0.98	-0.85	-0.70	-0.60	-0.30	-0.20	0.05	0.25	0.20

Table: US Interest rates (end of period)

Variable	2023 14-Feb	2023 Mar	2023 Jun	2023 Sep	2023 Dec	2024 Mar	2024 Jun	2024 Sep	2024 Dec
Federal funds rate	4.625	4.875	5.125	5.125	5.125	4.625	4.125	3.875	3.625
91-Day Treasury Bills	4.76	4.95	5.10	5.10	4.95	4.50	3.90	3.60	3.30
2-Year Government Note	4.58	4.65	4.80	4.40	4.00	3.90	3.40	3.20	2.80
10-Year Government Note	3.73	3.90	4.00	3.80	3.70	3.50	3.40	3.35	3.00
30-Year Government Bond	3.76	4.00	4.25	4.10	3.90	4.05	3.90	3.70	3.60
US Yield curve (10-year — 2-year)	-0.86	-0.75	-0.80	-0.60	-0.30	-0.40	0.00	0.15	0.20

Table: Foreign exchange rates

Exchange rate	2023 14-Feb	2023 Mar	2023 Jun	2023 Sep	2023 Dec	2024 Mar	2024 Jun	2024 Sep	2024 Dec
CAD-USD	0.75	0.75	0.76	0.76	0.76	0.76	0.77	0.78	0.78
USD-CAD	1.33	1.34	1.32	1.32	1.31	1.31	1.30	1.29	1.28
USD-JPY	132	130	125	123	121	120	118	116	115
EUR-USD	1.08	1.07	1.10	1.11	1.13	1.14	1.15	1.15	1.16
GBP-USD	1.22	1.21	1.24	1.24	1.26	1.27	1.28	1.28	1.30
AUD-USD	0.70	0.68	0.69	0.70	0.71	0.72	0.74	0.75	0.76
USD-CNY	6.81	6.85	6.85	6.81	6.79	6.75	6.73	6.71	6.69
USD-BRL	5.15	5.20	5.05	5.20	5.40	5.20	5.20	5.40	5.00
USD-MXN	18.5	20.0	21.0	20.5	19.8	20.0	20.5	21.5	21.0

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