

Economics and FICC Strategy

# FORECAST UPDATE

March 28, 2022

## Forecast Details

Table: Canadian interest rates (end of period)

Variable	2022 28-Mar	2022 Jun	2022 Sep	2022 Dec	2023 Mar	2023 Jun	2023 Sep	2023 Dec
Overnight target rate	0.50	1.00	1.50	1.50	1.75	2.00	2.25	2.25
98-Day Treasury Bills	0.58	1.05	1.55	1.55	1.80	2.05	2.30	2.30
2-Year Government Bond	2.36	2.25	2.50	2.50	2.60	2.65	2.75	2.50
10-Year Government Bond	2.49	2.40	2.60	2.70	2.75	2.60	2.60	2.40
30-Year Government Bond	2.50	2.45	2.55	2.60	2.65	2.50	2.45	2.45
Canada - US T-Bill Spread	0.05	-0.08	-0.10	-0.15	-0.05	-0.05	0.00	-0.10
Canada - US 10-Year Bond Spread	0.04	0.00	0.00	0.10	0.10	-0.10	-0.05	0.00
Canada Yield Curve (10-year — 2-year)	0.14	0.15	0.10	0.20	0.15	-0.05	-0.15	-0.10

Table: US Interest rates (end of period)

Variable	2022 28-Mar	2022 Jun	2022 Sep	2022 Dec	2023 Mar	2023 Jun	2023 Sep	2023 Dec
Federal funds rate	0.375	1.125	1.625	1.625	1.875	2.125	2.375	2.375
91-Day Treasury Bills	0.54	1.13	1.65	1.70	1.85	2.10	2.30	2.40
2-Year Government Note	2.34	2.20	2.40	2.40	2.50	2.70	2.70	2.50
10-Year Government Note	2.45	2.40	2.60	2.60	2.65	2.70	2.65	2.40
30-Year Government Bond	2.56	2.50	2.55	2.60	2.60	2.65	2.70	2.70
US Yield curve (10-year — 2-year)	0.12	0.20	0.20	0.20	0.15	0.00	-0.05	-0.10

Table: Foreign exchange rates

Exchange rate	2022 28-Mar	2022 Jun	2022 Sep	2022 Dec	2023 Mar	2023 Jun	2023 Sep	2023 Dec
CAD-USD	0.80	0.79	0.79	0.78	0.78	0.78	0.78	0.78
USD-CAD	1.26	1.26	1.27	1.28	1.28	1.29	1.29	1.29
USD-JPY	123	118	118	116	115	114	112	110
EUR-USD	1.10	1.10	1.11	1.12	1.13	1.14	1.15	1.16
GBP-USD	1.31	1.30	1.31	1.31	1.33	1.34	1.35	1.36
AUD-USD	0.75	0.75	0.77	0.79	0.80	0.81	0.81	0.81
USD-CNY	6.37	6.25	6.20	6.15	6.10	6.05	6.00	5.95
USD-BRL	4.80	5.70	6.00	5.70	5.90	5.70	5.50	5.30
USD-MXN	20.1	22.0	22.0	21.5	21.0	21.5	21.3	21.5

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