

FINANCIAL MARKET FORECASTS

October 2021

Interest rates (% , end of quarter)

	20Q1	20Q2	20Q3	20Q4	21Q1	21Q2	21Q3	Forecast					2019	2020F	Forecast		
								21Q4	22Q1	22Q2	22Q3	22Q4			2021F	2022F	
Canada																	
Overnight	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.50	0.75	1.75	0.25	0.25	0.75
Three-month	0.21	0.20	0.12	0.06	0.09	0.15	0.12	0.20	0.25	0.30	0.55	0.80	1.66	0.06	0.20	0.80	
Two-year	0.42	0.29	0.25	0.20	0.23	0.45	0.53	0.45	0.70	0.85	1.05	1.20	1.70	0.20	0.45	1.20	
Five-year	0.59	0.37	0.36	0.39	0.99	0.98	1.11	1.10	1.35	1.45	1.55	1.65	1.69	0.39	1.10	1.65	
10-year	0.70	0.53	0.57	0.68	1.56	1.39	1.51	1.60	1.80	1.90	1.95	2.00	1.70	0.68	1.60	2.00	
30-year	1.31	0.99	1.11	1.21	1.99	1.84	1.99	2.10	2.20	2.25	2.30	2.30	1.76	1.21	2.10	2.30	
Yield curve (10s-2s)	28	24	32	48	133	94	98	115	110	105	90	80	0	48	115	80	
United States																	
Fed funds*	0.13	0.13	0.13	0.13	0.13	0.13	0.13	0.13	0.13	0.13	0.13	0.38	1.63	0.13	0.13	0.38	
Three-month	0.11	0.16	0.10	0.09	0.03	0.05	0.04	0.05	0.05	0.10	0.25	0.60	1.55	0.09	0.05	0.60	
Two-year	0.23	0.16	0.13	0.13	0.16	0.25	0.28	0.45	0.60	0.80	1.00	1.20	1.58	0.13	0.45	1.20	
Five-year	0.37	0.29	0.28	0.36	0.92	0.87	0.98	1.20	1.30	1.45	1.60	1.80	1.69	0.36	1.20	1.80	
10-year	0.70	0.66	0.69	0.93	1.74	1.45	1.52	1.75	1.85	2.00	2.10	2.20	1.92	0.93	1.75	2.20	
30-year	1.35	1.41	1.46	1.65	2.41	2.06	2.08	2.30	2.40	2.50	2.55	2.55	2.39	1.65	2.30	2.55	
Yield curve (10s-2s)	47	50	56	80	158	120	124	130	125	120	110	100	34	80	130	100	
Yield spreads																	
Three-month T-bills	0.10	0.04	0.02	-0.03	0.06	0.10	0.08	0.15	0.20	0.20	0.30	0.20	0.11	-0.03	0.15	0.20	
Two-year	0.19	0.13	0.12	0.07	0.07	0.20	0.25	0.00	0.10	0.05	0.05	0.00	0.12	0.07	0.00	0.00	
Five-year	0.22	0.08	0.08	0.03	0.07	0.11	0.13	-0.10	0.05	0.00	-0.05	-0.15	0.00	0.03	-0.10	-0.15	
10-year	0.00	-0.13	-0.12	-0.25	-0.18	-0.06	-0.01	-0.15	-0.05	-0.10	-0.15	-0.20	-0.22	-0.25	-0.15	-0.20	
30-year	-0.04	-0.42	-0.35	-0.44	-0.42	-0.22	-0.09	-0.20	-0.20	-0.25	-0.25	-0.25	-0.63	-0.44	-0.20	-0.25	

Note: Interest Rates are end of period rates. * Midpoint of 25 basis point range

Exchange rates (end of quarter)

	20Q1	20Q2	20Q3	20Q4	21Q1	21Q2	21Q3	Forecast					2019	2020	Forecast	
								21Q4	22Q1	22Q2	22Q3	22Q4			2021F	2022F
AUD/USD	0.61	0.69	0.72	0.77	0.76	0.75	0.72	0.72	0.71	0.70	0.69	0.69	0.70	0.77	0.72	0.69
USD/CAD	1.41	1.36	1.33	1.27	1.26	1.24	1.27	1.25	1.26	1.27	1.27	1.27	1.30	1.27	1.25	1.27
EUR/USD	1.10	1.12	1.17	1.22	1.17	1.19	1.16	1.14	1.13	1.12	1.13	1.14	1.12	1.22	1.14	1.14
USD/JPY	107.5	107.9	105.5	103.3	110.7	111.1	111.3	105.0	107.0	108.0	110.0	112.0	108.6	103.3	105.0	112.00
USD/CHF	0.96	0.95	0.92	0.89	0.94	0.93	0.93	0.95	0.96	0.98	0.98	0.98	0.97	0.89	0.95	0.98
GBP/USD	1.24	1.24	1.29	1.37	1.38	1.38	1.35	1.30	1.26	1.22	1.23	1.23	1.33	1.37	1.30	1.23

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