

FINANCIAL MARKET FORECASTS

May 6, 2021

Interest rates (% , end of quarter)

	20Q1	20Q2	20Q3	20Q4	21Q1	Forecast							2019	2020F	Forecast	
						21Q2	21Q3	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	0.50	0.75	1.75	0.25	0.25	0.75
Three-month	0.21	0.20	0.12	0.06	0.09	0.15	0.20	0.20	0.25	0.25	0.50	0.80	1.66	0.06	0.20	0.80
Two-year	0.42	0.29	0.25	0.20	0.23	0.30	0.40	0.45	0.60	0.75	1.00	1.20	1.70	0.20	0.45	1.20
Five-year	0.59	0.37	0.36	0.39	0.99	1.00	1.15	1.20	1.30	1.40	1.55	1.65	1.69	0.39	1.20	1.65
10-year	0.70	0.53	0.57	0.68	1.56	1.55	1.65	1.70	1.80	1.90	1.95	2.00	1.70	0.68	1.70	2.00
30-year	1.31	0.99	1.11	1.21	1.99	2.10	2.15	2.20	2.30	2.30	2.30	2.30	1.76	1.21	2.20	2.30
Yield curve (10s-2s)	28	24	32	48	133	125	125	125	120	115	95	80	0	48	125	80
United States																
Fed funds*	0.13	0.13	0.13	0.13	0.13	0.13	0.13	0.13	0.38	0.38	0.63	0.63	1.63	0.13	0.13	0.63
Three-month	0.11	0.16	0.10	0.09	0.03	0.15	0.20	0.25	0.40	0.55	0.70	0.75	1.55	0.09	0.25	0.75
Two-year	0.23	0.16	0.13	0.13	0.16	0.20	0.40	0.60	0.90	1.10	1.30	1.50	1.58	0.13	0.60	1.50
Five-year	0.37	0.29	0.28	0.36	0.92	1.20	1.35	1.45	1.50	1.60	1.70	1.80	1.69	0.36	1.45	1.80
10-year	0.70	0.66	0.69	0.93	1.74	1.80	1.90	2.00	2.05	2.10	2.15	2.20	1.92	0.93	2.00	2.20
30-year	1.35	1.41	1.46	1.65	2.41	2.40	2.45	2.50	2.60	2.60	2.60	2.60	2.39	1.65	2.50	2.60
Yield curve (10s-2s)	47	50	56	80	158	160	150	140	115	100	85	70	34	80	140	70
Yield spreads																
Three-month T-bills	0.10	0.04	0.02	-0.03	0.06	0.00	0.00	-0.05	-0.15	-0.30	-0.20	0.05	0.11	-0.03	-0.05	0.05
Two-year	0.19	0.13	0.12	0.07	0.07	0.10	0.00	-0.15	-0.30	-0.35	-0.30	-0.30	0.12	0.07	-0.15	-0.30
Five-year	0.22	0.08	0.08	0.03	0.07	-0.20	-0.20	-0.25	-0.20	-0.20	-0.15	-0.15	0.00	0.03	-0.25	-0.15
10-year	0.00	-0.13	-0.12	-0.25	-0.18	-0.25	-0.25	-0.30	-0.25	-0.20	-0.20	-0.20	-0.22	-0.25	-0.30	-0.20
30-year	-0.04	-0.42	-0.35	-0.44	-0.42	-0.30	-0.30	-0.30	-0.30	-0.30	-0.30	-0.30	-0.63	-0.44	-0.30	-0.30

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

Exchange rates (end of quarter)

	20Q1	20Q2	20Q3	20Q4	21Q1	Forecast							2019	2020	Forecast	
						21Q2	21Q3	21Q4	22Q1	22Q2	22Q3	22Q4			2021F	2022F
AUD/USD	0.61	0.69	0.72	0.77	0.76	0.77	0.76	0.75	0.74	0.73	0.73	0.73	0.70	0.77	0.75	0.73
USD/CAD	1.41	1.36	1.33	1.27	1.26	1.24	1.26	1.28	1.29	1.30	1.30	1.30	1.30	1.27	1.28	1.30
EUR/USD	1.10	1.12	1.17	1.22	1.17	1.16	1.15	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	107.0	103.0	100.0	102.0	104.0	106.0	108.0	108.6	103.3	100.0	108.00
USD/CHF	0.96	0.95	0.92	0.89	0.94	0.95	0.95	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	1.32	1.29	1.25	1.22	1.19	1.20	1.20	1.33	1.37	1.25	1.20

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