



FINANCIAL MARKET FORECASTS

December 11, 2017

Interest rates (% , end of quarter,)

	Actual			Forecast							Actual	Forecast	
	17Q1	17Q2	17Q3	17Q4	18Q1	18Q2	18Q3	18Q4	19Q1	19Q2	2016	2017	2018
Canada													
Overnight	0.50	0.50	1.00	1.00	1.00	1.25	1.50	1.75	2.00	2.25	0.50	1.00	1.75
Three-month	0.52	0.71	1.00	0.90	1.00	1.20	1.45	1.70	2.05	2.25	0.46	0.90	1.70
Two-year	0.75	1.10	1.52	1.50	1.60	1.75	1.95	2.25	2.40	2.60	0.75	1.50	2.25
Five-year	1.12	1.40	1.75	1.70	1.85	2.05	2.30	2.55	2.75	2.90	1.12	1.70	2.55
10-year	1.62	1.76	2.10	1.90	2.15	2.35	2.60	2.80	2.95	3.10	1.71	1.90	2.80
30-year	2.30	2.14	2.47	2.20	2.50	2.75	2.95	3.10	3.15	3.25	2.31	2.20	3.10
Yield curve (10s-2s)	87	66	58	40	55	60	65	55	55	50	96	40	55
United States													
Fed funds*	1.00	1.25	1.25	1.50	1.75	2.00	2.25	2.50	2.75	3.00	0.75	1.50	2.50
Three-month	0.76	1.03	1.06	1.30	1.55	1.80	2.05	2.30	2.55	2.80	0.51	1.30	2.30
Two-year	1.27	1.38	1.47	1.85	2.10	2.35	2.55	2.75	3.00	3.25	1.20	1.85	2.75
Five-year	1.93	1.89	1.92	2.15	2.50	2.70	2.90	3.05	3.25	3.45	1.93	2.15	3.05
10-year	2.40	2.31	2.33	2.30	2.80	3.00	3.15	3.30	3.45	3.60	2.45	2.30	3.30
30-year	3.02	2.84	2.86	2.65	3.20	3.35	3.50	3.60	3.70	3.75	3.06	2.65	3.60
Yield curve (10s-2s)	113	93	86	45	70	65	60	55	45	35	125	45	55
Yield spreads													
Three-month T-bills	-0.24	-0.32	-0.06	-0.40	-0.55	-0.60	-0.60	-0.60	-0.50	-0.55	-0.05	-0.40	-0.60
Two-year	-0.52	-0.28	0.05	-0.35	-0.50	-0.60	-0.60	-0.50	-0.60	-0.65	-0.45	-0.35	-0.50
Five-year	-0.81	-0.49	-0.17	-0.45	-0.65	-0.65	-0.60	-0.50	-0.50	-0.55	-0.81	-0.45	-0.50
10-year	-0.78	-0.55	-0.23	-0.40	-0.65	-0.65	-0.55	-0.50	-0.50	-0.50	-0.74	-0.40	-0.50
30-year	-0.72	-0.70	-0.39	-0.45	-0.70	-0.60	-0.55	-0.50	-0.55	-0.50	-0.75	-0.45	-0.50

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

Exchange rates (end of quarter,)

	Actual			Forecast					Actual	Forecast	
	17Q1	17Q2	17Q3	17Q4	18Q1	18Q2	18Q3	18Q4	2016	2017	2018
AUD/USD	0.76	0.77	0.78	0.80	0.77	0.74	0.73	0.73	0.72	0.80	0.73
USD/CAD	1.33	1.30	1.25	1.27	1.33	1.30	1.27	1.24	1.34	1.27	1.24
EUR/USD	1.07	1.14	1.18	1.14	1.12	1.10	1.08	1.12	1.05	1.14	1.12
USD/JPY	111.4	112.4	112.5	110.0	107.0	105.0	107.0	109.0	117.0	110.0	109.0
NZD/USD	0.70	0.73	0.72	0.75	0.72	0.70	0.69	0.69	0.69	0.75	0.69
USD/CHF	1.00	0.96	0.97	1.02	1.04	1.07	1.11	1.09	1.02	1.02	1.09
GBP/USD	1.26	1.30	1.34	1.28	1.24	1.21	1.17	1.20	1.24	1.28	1.20

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