



FINANCIAL MARKET FORECASTS

October 6, 2017

Interest rates (% , end of quarter,)

	Actual							Forecast					Actual		Forecast	
	16Q1	16Q2	16Q3	16Q4	17Q1	17Q2	17Q3	17Q4	18Q1	18Q2	18Q3	18Q4	2015	2016	2017	2018
Canada																
Overnight	0.50	0.50	0.50	0.50	0.50	0.50	1.00	1.25	1.25	1.50	1.75	2.00	0.50	0.50	1.25	2.00
Three-month	0.45	0.49	0.53	0.46	0.52	0.71	1.00	1.30	1.25	1.55	1.80	2.05	0.51	0.46	1.30	2.05
Two-year	0.54	0.52	0.52	0.75	0.75	1.10	1.52	1.70	1.80	1.90	2.15	2.35	0.48	0.75	1.70	2.35
Five-year	0.67	0.57	0.62	1.12	1.12	1.40	1.75	2.00	2.15	2.40	2.55	2.70	0.73	1.12	2.00	2.70
10-year	1.23	1.06	1.00	1.71	1.62	1.76	2.10	2.40	2.50	2.65	2.85	3.00	1.40	1.71	2.40	3.00
30-year	2.00	1.72	1.66	2.31	2.30	2.14	2.47	2.75	2.85	3.00	3.15	3.30	2.15	2.31	2.75	3.30
Yield curve (10s-2s)	69	54	48	96	87	66	58	70	70	75	70	65	92	96	70	65
United States																
Fed funds*	0.50	0.50	0.50	0.75	1.00	1.25	1.25	1.50	1.75	2.00	2.25	2.50	0.50	0.75	1.50	2.50
Three-month	0.21	0.26	0.29	0.51	0.76	1.03	1.06	1.30	1.55	1.80	2.05	2.30	0.16	0.51	1.30	2.30
Two-year	0.73	0.58	0.77	1.20	1.27	1.38	1.47	1.85	2.05	2.35	2.55	2.70	1.06	1.20	1.85	2.70
Five-year	1.21	1.01	1.14	1.93	1.93	1.89	1.92	2.25	2.45	2.65	2.85	3.00	1.76	1.93	2.25	3.00
10-year	1.78	1.49	1.60	2.45	2.40	2.31	2.33	2.65	2.85	3.00	3.20	3.40	2.27	2.45	2.65	3.40
30-year	2.61	2.30	2.32	3.06	3.02	2.84	2.86	3.15	3.30	3.45	3.60	3.75	3.01	3.06	3.15	3.75
Yield curve (10s-2s)	105	91	83	125	113	93	86	80	80	65	65	70	121	125	80	70
Yield spreads																
Three-month T-bills	0.24	0.23	0.24	-0.05	-0.24	-0.32	-0.06	0.00	-0.30	-0.25	-0.25	-0.25	0.35	-0.05	0.00	-0.25
Two-year	-0.19	-0.06	-0.25	-0.45	-0.52	-0.28	0.05	-0.15	-0.25	-0.45	-0.40	-0.35	-0.58	-0.45	-0.15	-0.35
Five-year	-0.54	-0.44	-0.52	-0.81	-0.81	-0.49	-0.17	-0.25	-0.30	-0.25	-0.30	-0.30	-1.03	-0.81	-0.25	-0.30
10-year	-0.55	-0.43	-0.60	-0.74	-0.78	-0.55	-0.23	-0.25	-0.35	-0.35	-0.35	-0.40	-0.87	-0.74	-0.25	-0.40
30-year	-0.61	-0.58	-0.66	-0.75	-0.72	-0.70	-0.39	-0.40	-0.45	-0.45	-0.45	-0.45	-0.86	-0.75	-0.40	-0.45

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

Exchange rates (end of quarter,)

	Actual							Forecast					Actual		Forecast	
	16Q1	16Q2	16Q3	16Q4	17Q1	17Q2	17Q3	17Q4	18Q1	18Q2	18Q3	18Q4	2015	2016	2017	2018
AUD/USD	0.77	0.75	0.77	0.72	0.76	0.77	0.78	0.80	0.77	0.74	0.73	0.73	0.73	0.72	0.80	0.73
USD/CAD	1.30	1.29	1.31	1.34	1.33	1.30	1.25	1.24	1.27	1.26	1.26	1.26	1.38	1.34	1.24	1.26
EUR/USD	1.14	1.11	1.12	1.05	1.07	1.14	1.18	1.12	1.09	1.06	1.08	1.12	1.09	1.05	1.12	1.12
USD/JPY	112.6	102.7	101.3	117.0	111.4	112.4	112.5	103.0	100.0	102.0	104.0	106.0	120.1	117.0	103.0	106.0
NZD/USD	0.69	0.71	0.73	0.69	0.70	0.73	0.72	0.75	0.72	0.70	0.69	0.69	0.68	0.69	0.75	0.69
USD/CHF	0.96	0.98	0.97	1.02	1.00	0.96	0.97	1.04	1.07	1.11	1.08	1.04	1.00	1.02	1.04	1.04
GBP/USD	1.44	1.33	1.30	1.24	1.26	1.30	1.34	1.20	1.16	1.18	1.24	1.32	1.47	1.24	1.20	1.32

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