

FINANCIAL MARKET FORECASTS

September 10, 2020

Interest rates (% , end of quarter)

	Actual						Forecast						Actual		Forecast	
	19Q1	19Q2	19Q3	19Q4	20Q1	20Q2	20Q3	20Q4	21Q1	21Q2	21Q3	21Q4	2018	2019	2020F	2021F
Canada																
Overnight	1.75	1.75	1.75	1.75	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	1.75	1.75	0.25	0.25
Three-month	1.67	1.66	1.65	1.66	0.21	0.20	0.20	0.20	0.25	0.25	0.25	1.64	1.66	0.20	0.25	
Two-year	1.55	1.47	1.58	1.70	0.42	0.29	0.30	0.30	0.30	0.35	0.35	1.86	1.70	0.30	0.35	
Five-year	1.52	1.39	1.40	1.69	0.59	0.37	0.40	0.40	0.45	0.50	0.60	1.89	1.69	0.40	0.65	
10-year	1.62	1.47	1.36	1.70	0.70	0.53	0.55	0.60	0.65	0.70	0.80	1.97	1.70	0.60	0.90	
30-year	1.89	1.69	1.53	1.76	1.31	0.99	1.05	1.15	1.25	1.30	1.35	2.18	1.76	1.15	1.40	
Yield curve (10s-2s)	7	0	-22	0	28	24	25	30	35	40	45	55	11	0	30	55
United States																
Fed funds*	2.50	2.50	2.00	1.75	0.25	0.25	0.25	0.25	0.25	0.25	0.25	2.50	1.75	0.25	0.25	
Three-month	2.40	2.12	1.88	1.55	0.11	0.16	0.15	0.15	0.15	0.15	0.15	2.45	1.55	0.15	0.15	
Two-year	2.27	1.75	1.63	1.58	0.23	0.16	0.20	0.20	0.20	0.25	0.25	2.48	1.58	0.20	0.25	
Five-year	2.23	1.76	1.55	1.69	0.37	0.29	0.30	0.30	0.35	0.40	0.45	2.51	1.69	0.30	0.50	
10-year	2.41	2.00	1.68	1.92	0.70	0.66	0.65	0.75	0.80	0.85	0.95	2.69	1.92	0.75	1.00	
30-year	2.81	2.52	2.12	2.39	1.35	1.41	1.45	1.50	1.55	1.60	1.65	3.02	2.39	1.50	1.70	
Yield curve (10s-2s)	14	25	5	34	47	50	45	55	60	65	70	75	21	34	55	75
Yield spreads																
Three-month T-bills	-0.73	-0.46	-0.23	0.11	0.10	0.04	0.05	0.05	0.05	0.10	0.10	0.10	-0.81	0.11	0.05	0.10
Two-year	-0.72	-0.28	-0.05	0.12	0.19	0.13	0.10	0.10	0.10	0.10	0.10	0.10	-0.62	0.12	0.10	0.10
Five-year	-0.71	-0.37	-0.15	0.00	0.22	0.08	0.10	0.10	0.10	0.10	0.15	0.15	-0.62	0.00	0.10	0.15
10-year	-0.79	-0.53	-0.32	-0.22	0.00	-0.13	-0.10	-0.15	-0.15	-0.15	-0.15	-0.10	-0.72	-0.22	-0.15	-0.10
30-year	-0.92	-0.83	-0.59	-0.63	-0.04	-0.42	-0.40	-0.35	-0.30	-0.30	-0.30	-0.30	-0.84	-0.63	-0.35	-0.30

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

Exchange rates (end of quarter)

	Actual						Forecast						Actual		Forecast	
	19Q1	19Q2	19Q3	19Q4	20Q1	20Q2	20Q3	20Q4	21Q1	21Q2	21Q3	21Q4	2018	2019	2020F	2021F
AUD/USD	0.71	0.70	0.68	0.70	0.61	0.69	0.71	0.70	0.69	0.69	0.69	0.69	0.70	0.70	0.70	0.69
USD/CAD	1.33	1.31	1.32	1.30	1.41	1.36	1.32	1.34	1.35	1.35	1.34	1.33	1.36	1.30	1.34	1.33
EUR/USD	1.12	1.14	1.09	1.12	1.10	1.12	1.19	1.20	1.20	1.20	1.18	1.16	1.15	1.12	1.20	1.16
USD/JPY	110.9	107.9	108.1	108.6	107.5	107.9	102.0	97.0	97.0	99.0	101.0	103.0	109.7	108.6	97.0	103.0
USD/CHF	1.00	0.98	1.00	0.97	0.96	0.95	0.90	0.88	0.88	0.88	0.91	0.93	0.98	0.97	0.88	0.93
GBP/USD	1.30	1.27	1.23	1.33	1.24	1.24	1.29	1.28	1.26	1.25	1.23	1.21	1.28	1.33	1.28	1.21

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