



FINANCIAL MARKET FORECASTS

February 8, 2019

Interest rates (% , end of quarter, )

	Actual								Forecast								Actual		Forecast	
	17Q1	17Q2	17Q3	17Q4	18Q1	18Q2	18Q3	18Q4	19Q1	19Q2	19Q3	19Q4	20Q1	20Q2	20Q3	20Q4	2017	2018	2019	2020
<b>Canada</b>																				
Overnight	0.50	0.50	1.00	1.00	1.25	1.25	1.50	1.75	1.75	1.75	2.00	2.25	2.25	2.25	2.25	2.25	1.00	1.75	2.25	2.25
Three-month	0.52	0.71	1.00	1.06	1.10	1.26	1.59	1.64	1.65	1.65	1.95	2.20	2.20	2.20	2.20	2.20	1.06	1.64	2.20	2.20
Two-year	0.75	1.10	1.52	1.69	1.78	1.91	2.21	1.86	2.00	2.15	2.30	2.40	2.35	2.30	2.25	2.25	1.69	1.86	2.40	2.25
Five-year	1.12	1.40	1.75	1.87	1.97	2.07	2.34	1.89	2.10	2.30	2.45	2.50	2.45	2.40	2.35	2.30	1.87	1.89	2.50	2.30
10-year	1.62	1.76	2.10	2.04	2.09	2.17	2.43	1.97	2.20	2.40	2.55	2.60	2.60	2.55	2.50	2.45	2.04	1.97	2.60	2.45
30-year	2.30	2.14	2.47	2.27	2.23	2.20	2.42	2.18	2.40	2.55	2.65	2.70	2.70	2.65	2.60	2.55	2.27	2.18	2.70	2.55
Yield curve (10s-2s)	87	66	58	35	31	26	22	11	20	25	25	20	25	25	20		35	11	20	20
<b>United States</b>																				
Fed funds*	1.00	1.25	1.25	1.50	1.75	2.00	2.25	2.50	2.50	2.75	2.75	3.00	3.00	3.00	3.00	3.00	1.50	2.50	3.00	3.00
Three-month	0.76	1.03	1.06	1.39	1.73	1.93	2.19	2.45	2.40	2.65	2.65	2.90	2.90	2.90	2.90	2.90	1.39	2.45	2.90	2.90
Two-year	1.27	1.38	1.47	1.89	2.27	2.52	2.81	2.48	2.75	2.95	3.05	3.10	3.10	3.10	3.05	3.05	1.89	2.48	3.10	3.05
Five-year	1.93	1.89	1.92	2.20	2.56	2.73	2.94	2.51	2.80	3.00	3.10	3.15	3.15	3.15	3.10	3.10	2.20	2.51	3.15	3.10
10-year	2.40	2.31	2.33	2.40	2.74	2.85	3.05	2.69	2.95	3.15	3.25	3.30	3.25	3.25	3.20	3.15	2.40	2.69	3.30	3.15
30-year	3.02	2.84	2.86	2.74	2.97	2.98	3.19	3.02	3.20	3.30	3.40	3.45	3.40	3.40	3.35	3.30	2.74	3.02	3.45	3.30
Yield curve (10s-2s)	113	93	86	51	47	33	24	21	20	20	20	20	15	15	15	10	51	21	20	10
<b>Yield spreads</b>																				
Three-month T-bills	-0.24	-0.32	-0.06	-0.33	-0.63	-0.67	-0.60	-0.81	-0.75	-1.00	-0.70	-0.70	-0.70	-0.70	-0.70	-0.70	-0.33	-0.81	-0.70	-0.70
Two-year	-0.52	-0.28	0.05	-0.20	-0.49	-0.61	-0.60	-0.62	-0.75	-0.80	-0.75	-0.70	-0.75	-0.80	-0.80	-0.80	-0.20	-0.62	-0.70	-0.80
Five-year	-0.81	-0.49	-0.17	-0.33	-0.59	-0.66	-0.60	-0.62	-0.70	-0.70	-0.65	-0.65	-0.70	-0.75	-0.75	-0.80	-0.33	-0.62	-0.65	-0.80
10-year	-0.78	-0.55	-0.23	-0.36	-0.65	-0.68	-0.62	-0.72	-0.75	-0.75	-0.70	-0.70	-0.65	-0.70	-0.70	-0.70	-0.36	-0.72	-0.70	-0.70
30-year	-0.72	-0.70	-0.39	-0.47	-0.74	-0.78	-0.77	-0.84	-0.80	-0.75	-0.75	-0.75	-0.70	-0.75	-0.75	-0.75	-0.47	-0.84	-0.75	-0.75

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

Exchange rates (end of quarter, )

	Actual				Forecast								Actual		Forecast	
	18Q1	18Q2	18Q3	18Q4	19Q1	19Q2	19Q3	19Q4	20Q1	20Q2	20Q3	20Q4	2017	2018	2019	2020
AUD/USD	0.77	0.74	0.72	0.70	0.71	0.69	0.68	0.67	0.67	0.67	0.66	0.66	0.78	0.70	0.67	0.66
USD/CAD	1.29	1.31	1.29	1.36	1.33	1.34	1.33	1.33	1.34	1.33	1.31	1.30	1.26	1.36	1.33	1.30
EUR/USD	1.23	1.17	1.16	1.15	1.13	1.10	1.13	1.16	1.17	1.18	1.20	1.21	1.20	1.15	1.16	1.21
USD/JPY	106.3	110.8	113.7	109.7	111.0	113.0	117.0	120.0	119.0	118.0	117.0	116.0	112.7	109.7	120.0	116.0
USD/CNY	6.28	6.62	6.87	6.88	7.00	7.25	7.40	7.50	7.50	7.60	7.70	7.80	6.51	6.88	7.50	7.80
USD/CHF	0.95	0.99	0.98	0.98	1.01	1.05	1.04	1.03	1.03	1.02	1.00	0.99	0.97	0.98	1.03	0.99
GBP/USD	1.40	1.32	1.30	1.28	1.27	1.22	1.24	1.25	1.26	1.28	1.32	1.34	1.35	1.28	1.25	1.34

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