



FINANCIAL MARKET FORECASTS

October 10, 2018

Interest rates (% , end of quarter,)

	Actual							Forecast					Actual		Forecast	
	17Q1	17Q2	17Q3	17Q4	18Q1	18Q2	18Q3	18Q4	19Q1	19Q2	19Q3	19Q4	2016	2017	2018	2019
Canada																
Overnight	0.50	0.50	1.00	1.00	1.25	1.25	1.50	1.75	2.00	2.25	2.25	2.25	0.50	1.00	1.75	2.25
Three-month	0.52	0.71	1.00	1.06	1.10	1.26	1.59	1.65	1.90	2.15	2.15	2.15	0.46	1.06	1.65	2.15
Two-year	0.75	1.10	1.52	1.69	1.78	1.91	2.21	2.30	2.45	2.45	2.40	2.35	0.75	1.69	2.30	2.35
Five-year	1.12	1.40	1.75	1.87	1.97	2.07	2.34	2.45	2.55	2.65	2.70	2.70	1.12	1.87	2.45	2.70
10-year	1.62	1.76	2.10	2.04	2.09	2.17	2.43	2.60	2.70	2.80	2.90	2.95	1.71	2.04	2.60	2.95
30-year	2.30	2.14	2.47	2.27	2.23	2.20	2.42	2.70	2.80	2.90	3.00	3.00	2.31	2.27	2.70	3.00
Yield curve (10s-2s)	87	66	58	35	31	26	22	30	25	35	50	60	96	35	30	60
United States																
Fed funds*	1.00	1.25	1.25	1.50	1.75	2.00	2.25	2.50	2.75	3.00	3.25	3.50	0.75	1.50	2.50	3.50
Three-month	0.76	1.03	1.06	1.39	1.73	1.93	2.19	2.35	2.65	2.90	3.15	3.35	0.51	1.39	2.35	3.35
Two-year	1.27	1.38	1.47	1.89	2.27	2.52	2.81	2.90	3.00	3.25	3.40	3.55	1.20	1.89	2.90	3.55
Five-year	1.93	1.89	1.92	2.20	2.56	2.73	2.94	3.10	3.25	3.45	3.55	3.65	1.93	2.20	3.10	3.65
10-year	2.40	2.31	2.33	2.40	2.74	2.85	3.05	3.30	3.45	3.60	3.70	3.75	2.45	2.40	3.30	3.75
30-year	3.02	2.84	2.86	2.74	2.97	2.98	3.19	3.50	3.65	3.75	3.80	3.85	3.06	2.74	3.50	3.85
Yield curve (10s-2s)	113	93	86	51	47	33	24	40	45	35	30	20	125	51	40	20
Yield spreads																
Three-month T-bills	-0.24	-0.32	-0.06	-0.33	-0.63	-0.67	-0.60	-0.70	-0.75	-0.75	-1.00	-1.20	-0.05	-0.33	-0.70	-1.20
Two-year	-0.52	-0.28	0.05	-0.20	-0.49	-0.61	-0.60	-0.60	-0.55	-0.80	-1.00	-1.20	-0.45	-0.20	-0.60	-1.20
Five-year	-0.81	-0.49	-0.17	-0.33	-0.59	-0.66	-0.60	-0.65	-0.70	-0.80	-0.85	-0.95	-0.81	-0.33	-0.65	-0.95
10-year	-0.78	-0.55	-0.23	-0.36	-0.65	-0.68	-0.62	-0.70	-0.75	-0.80	-0.80	-0.80	-0.74	-0.36	-0.70	-0.80
30-year	-0.72	-0.70	-0.39	-0.47	-0.74	-0.78	-0.77	-0.80	-0.85	-0.85	-0.80	-0.85	-0.75	-0.47	-0.80	-0.85

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	19Q1	19Q2	19Q3	19Q4	2016	2017	2018	2019
AUD/USD	0.76	0.77	0.78	0.78	0.77	0.74	0.71	0.70	0.71	0.71	0.70	0.70	0.72	0.78	0.70	0.70
USD/CAD	1.33	1.30	1.25	1.26	1.29	1.31	1.30	1.29	1.28	1.27	1.28	1.28	1.34	1.26	1.29	1.28
EUR/USD	1.07	1.14	1.18	1.20	1.23	1.17	1.16	1.12	1.14	1.16	1.18	1.20	1.05	1.20	1.12	1.20
USD/JPY	111.4	112.4	112.5	112.7	106.3	110.8	112.0	115.0	117.0	119.0	122.0	125.0	117.0	112.7	115.0	125.0
NZD/USD	0.70	0.73	0.72	0.71	0.72	0.68	0.67	0.67	0.69	0.70	0.70	0.70	0.69	0.71	0.67	0.70
USD/CHF	1.00	0.96	0.97	0.97	0.95	0.99	0.98	1.02	1.04	1.05	1.04	1.03	1.02	0.97	1.02	1.03
GBP/USD	1.26	1.30	1.34	1.35	1.40	1.32	1.27	1.20	1.23	1.25	1.27	1.29	1.24	1.35	1.20	1.29

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