

Interest rate outlook | January 2023

Policy rates and government bond yields, end of period

	Q1-22	Q2-22	Q3-22	Q4-22	Q1-23	Q2-23	Q3-23	Q4-23	Q1-24	Q2-24	Q3-24	Q4-24
Canada												
Overnight rate	0.50	1.50	3.25	4.25	4.50	4.50	4.50	4.50	4.00	3.50	3.25	3.00
3-month	0.60	2.08	3.58	4.23	4.40	4.40	4.40	4.30	3.70	3.25	3.00	2.85
2-year	2.27	3.10	3.79	4.06	3.90	3.75	3.60	3.40	3.00	2.90	2.80	2.70
5-year	2.39	3.10	3.32	3.41	3.15	2.95	2.85	2.75	2.70	2.65	2.60	2.55
10-year	2.40	3.23	3.16	3.30	2.95	2.80	2.75	2.70	2.65	2.60	2.60	2.60
30-year	2.37	3.14	3.09	3.28	3.00	2.90	2.85	2.85	2.85	2.85	2.85	2.85
United States												
Fed funds midpoint	0.38	1.63	3.13	4.38	4.88	4.88	4.63	4.38	4.13	3.88	3.63	3.38
3-month	0.52	1.72	3.33	4.42	4.80	4.75	4.50	4.25	4.00	3.75	3.50	3.25
2-year	2.28	2.92	4.22	4.41	4.25	4.10	3.85	3.60	3.30	3.00	2.75	2.50
5-year	2.42	3.01	4.06	3.99	3.65	3.50	3.40	3.30	3.20	3.10	3.05	3.00
10-year	2.32	2.98	3.83	3.88	3.65	3.55	3.45	3.35	3.25	3.20	3.15	3.15
30-year	2.44	3.14	3.79	3.97	3.85	3.80	3.80	3.80	3.75	3.70	3.70	3.70
United Kingdom												
Bank Rate	0.75	1.25	2.25	3.50	3.75	3.75	3.75	3.75	3.75	3.75	3.75	3.75
2-year	1.36	1.85	4.29	3.71	3.10	3.00	2.90	2.80	2.70	2.65	2.60	2.60
5-year	1.40	1.88	4.40	3.62	3.10	3.00	3.00	2.90	2.80	2.75	2.70	2.70
10-year	1.60	2.22	4.08	3.67	3.00	2.90	2.90	2.80	2.70	2.65	2.60	2.60
30-year	1.77	2.59	3.82	3.95	3.40	3.25	3.25	3.10	3.05	3.00	3.00	3.00
Euro area*												
Deposit rate	-0.50	-0.50	0.75	2.00	2.75	3.00	3.00	3.00	3.00	3.00	3.00	3.00
2-year	-0.08	0.64	1.78	2.76	2.25	2.25	2.15	2.10	2.00	1.95	1.90	1.80
5-year	0.37	1.09	1.98	2.58	2.20	2.15	2.10	2.00	1.90	1.85	1.80	1.80
10-year	0.55	1.36	2.12	2.57	2.15	2.05	2.00	1.95	1.90	1.85	1.80	1.80
30-year	0.67	1.63	2.10	2.46	2.10	2.05	2.00	1.95	1.90	1.85	1.80	1.80
Australia												
Cash rate	0.10	0.85	2.35	3.10	3.60	3.60	3.60	3.60	3.60	3.35	3.10	3.10
2-year	1.78	2.73	3.43	3.41	3.00	3.00	2.90	2.75	2.65	2.50	2.50	2.50
10-year	2.84	3.66	3.90	4.05	3.35	3.15	3.25	3.25	3.25	3.30	3.35	3.35
New Zealand												
Cash rate	1.00	2.00	3.00	4.25	5.00	5.25	5.00	4.50	4.25	4.00	3.75	3.50
2-year swap	3.27	4.06	4.76	5.36	5.00	4.50	4.10	3.70	3.60	3.50	3.40	3.30
10-year swap	3.38	4.10	4.50	4.78	4.20	4.15	4.00	3.80	3.75	3.70	3.65	3.60

Sources: Refinitiv, BoC, Fed, BoE, ECB, RBA, RBNZ, RBC Economics, RBC Capital Markets | *German government bond yields



Economic outlook | January 2023

Real GDP, quarter-over-quarter percent change

	Q1-22	Q2-22	Q3-22	Q4-22	Q1-23	Q2-23	Q3-23	Q4-23	Q1-24	Q2-24	Q3-24	Q4-24	2021	2022	2023	2024
Canada*	2.8	3.2	2.9	1.5	-0.5	-1.0	0.2	0.5	1.5	2.0	2.6	2.8	5.0	3.6	0.6	1.3
United States*	-1.6	-0.6	2.9	2.0	0.0	-1.2	-1.5	0.5	1.0	1.5	2.0	2.0	5.9	2.0	0.3	0.7
United Kingdom	0.7	0.2	-0.2	-0.4	-0.4	-0.3	0.0	0.1	0.2	0.2	0.3	0.3	7.5	4.0	-1.0	0.6
Euro area	0.6	0.8	0.3	-0.4	-0.3	0.2	0.4	0.4	0.4	0.5	0.5	0.5	5.3	3.3	0.2	1.7
Australia	0.4	0.9	0.6	0.6	0.2	0.2	0.2	0.3	0.6	0.9	0.9	1.0	5.2	3.6	1.5	1.8

*annualized

Inflation, year-over-year percent change

	Q1-22	Q2-22	Q3-22	Q4-22	Q1-23	Q2-23	Q3-23	Q4-23	Q1-24	Q2-24	Q3-24	Q4-24	2021	2022	2023	2024
Canada	5.8	7.5	7.2	6.7	5.2	3.1	2.4	2.1	2.5	2.5	2.3	2.2	3.4	6.8	3.2	2.4
United States	8.0	8.6	8.3	7.1	4.9	2.9	2.1	2.2	2.5	2.5	2.4	2.2	4.7	8.0	3.0	2.4
United Kingdom	6.2	9.2	10.0	10.7	9.8	8.0	6.7	4.6	4.2	1.6	1.4	1.3	2.6	9.0	7.3	2.1
Euro area	6.1	8.0	9.3	10.3	8.6	7.0	5.7	3.5	2.8	2.6	2.3	2.2	2.6	8.5	6.2	2.5
Australia	5.1	6.1	7.3	7.4	6.6	6.0	5.7	5.4	5.2	5.0	4.7	4.4	2.9	6.5	5.9	4.8

Sources: StatCan, BLS, ONS, EuroStat, ABS, RBC Economics, RBC Capital Markets

Currency outlook | January 2023

US dollar cross rates, end of period

	Q1-22	Q2-22	Q3-22	Q4-22	Q1-23	Q2-23	Q3-23	Q4-23	Q1-24	Q2-24	Q3-24	Q4-24
USD/CAD	1.25	1.29	1.38	1.35	1.37	1.38	1.37	1.36	1.34	1.32	1.30	1.28
EUR/USD	1.11	1.05	0.98	1.07	1.06	1.04	1.02	1.00	1.03	1.07	1.11	1.15
GBP/USD	1.32	1.22	1.11	1.21	1.22	1.18	1.15	1.11	1.14	1.19	1.23	1.28
USD/JPY	121	136	145	132	137	139	141	143	141	139	137	135
AUD/USD	0.75	0.69	0.64	0.68	0.68	0.67	0.66	0.65	0.65	0.64	0.63	0.62

Canadian dollar cross rates

	Q1-22	Q2-22	Q3-22	Q4-22	Q1-23	Q2-23	Q3-23	Q4-23	Q1-24	Q2-24	Q3-24	Q4-24
EUR/CAD	1.39	1.35	1.34	1.45	1.45	1.44	1.40	1.36	1.38	1.41	1.44	1.47
GBP/CAD	1.64	1.57	1.51	1.63	1.67	1.63	1.57	1.51	1.53	1.57	1.60	1.64
CAD/JPY	97	105	105	97	100	101	103	105	105	105	105	105
AUD/CAD	0.94	0.89	0.89	0.92	0.93	0.92	0.90	0.88	0.87	0.84	0.82	0.79

Sources: Federal Reserve Board, Bank of Canada, RBC Economics, RBC Capital Markets

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