RBC Economics

Interest rate outlook

November 2026

Policy rates and government bond yields, end of period

	Q1-25	Q2-25	Q3-25	Q4-25	Q1-26	Q2-26	Q3-26	Q4-26	Q1-27	Q2-27	Q3-27	Q4-27
Canada												
Overnight rate	2.75	2.75	2.50	2.25	2.25	2.25	2.25	2.75	3.00	3.25	3.25	3.25
3-month	2.62	2.65	2.42	2.15	2.31	2.26	2.39	2.75	2.95	3.25	3.25	3.20
2-year	2.46	2.59	2.47	2.58	2.82	2.74	3.32	3.25	3.30	3.35	3.35	3.35
5-year	2.61	2.83	2.74	2.96	3.09	3.01	3.66	3.45	3.50	3.55	3.50	3.45
10-year	2.97	3.28	3.18	3.42	3.46	3.38	3.97	3.70	3.75	3.75	3.70	3.60
30-year	3.23	3.56	3.64	3.85	3.88	3.77	4.29	4.05	4.05	4.00	3.95	3.85
United States												
Fed funds midpoint	4.38	4.38	4.13	3.63	3.63	3.63	3.88	4.13	4.38	4.38	4.38	4.38
3-month	4.32	4.41	4.02	3.67	3.70	3.87	4.20	4.27	4.47	4.46	4.57	4.60
2-year	3.89	3.72	3.60	3.47	3.79	4.14	4.88	4.75	4.85	4.70	4.80	4.85
5-year	3.96	3.79	3.74	3.73	3.92	4.19	5.09	4.90	4.95	4.80	4.90	5.00
10-year	4.23	4.24	4.16	4.18	4.30	4.44	5.29	5.05	5.10	5.00	5.05	5.15
30-year	4.59	4.78	4.73	4.84	4.88	4.91	5.64	5.40	5.40	5.35	5.40	5.45
United Kingdom												
Bank Rate	4.50	4.25	4.00	3.75	3.75	3.75	3.75	4.00	4.25	4.25	4.25	4.25
2-year	4.20	3.81	3.99	3.71	4.37	4.22	4.90	4.75	4.50	4.25	4.10	4.20
5-year	4.29	3.95	4.14	3.93	4.43	4.31	4.99	4.80	4.60	4.40	4.30	4.40
10-year	4.70	4.48	4.70	4.47	4.88	4.76	5.43	5.25	5.00	4.80	4.90	5.00
30-year	5.29	5.25	5.49	5.21	5.49	5.51	5.96	5.75	5.70	5.80	5.90	6.00
Euro area*												
Deposit rate	2.50	2.00	2.00	2.00	2.00	2.25	2.50	2.75	2.75	2.75	2.75	2.75
2-year	2.05	1.85	2.02	2.12	2.58	2.53	3.20	3.20	3.10	3.00	3.00	3.00
5-year	2.34	2.15	2.31	2.45	2.69	2.60	3.34	3.25	3.15	3.10	3.10	3.10
10-year	2.74	2.59	2.72	2.86	2.98	2.92	3.59	3.30	3.20	3.25	3.30	3.40
30-year	3.09	3.12	3.30	3.48	3.46	3.44	3.95	3.90	4.00	4.10	4.20	4.30
Australia												
Cash rate	4.10	3.85	3.60	3.60	4.10	4.35	4.60	4.85	4.85	4.85	4.85	4.60
2-year	3.68	3.21	3.49	4.06	4.66	4.42	4.95	4.75	4.70	4.65	4.60	4.55
5-year	3.86	3.46	3.75	4.29	4.70	4.40	4.96	4.80	4.75	4.75	4.70	4.70
10-year	4.39	4.16	4.30	4.75	4.98	4.72	5.34	5.10	5.05	5.00	4.95	4.90
30-year	4.97	4.84	4.96	5.22	5.36	5.25	5.78	5.50	5.50	5.45	5.45	5.35
New Zealand												
Cash rate	3.75	3.25	3.00	2.25	2.25	2.25	2.75	3.00	3.00	3.00	3.00	3.00
2-year swap	3.33	3.18	2.60	2.92	3.45	3.31	4.02	3.75	3.70	3.65	3.65	3.65
10-year swap	4.05	4.03	3.66	4.08	4.34	3.99	4.72	4.40	4.40	4.40	4.40	4.40

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

RBC Economics

Economics/ currency outlook

November 2026

Real GDP, quarter-over-quarter percent change

	Q1-25	Q2-25	Q3-25	Q4-25	Q1-26	Q2-26	Q3-26	Q4-26	Q1-27	Q2-27	Q3-27	Q4-27	2025	2026	2027
Canada*	2.89	-0.97	1.90	-0.98	0.33	3.32	1.5	1.0	2.0	1.7	1.7	1.9	1.85	0.9	1.7
United States*	0.14	4.02	3.88	0.21	2.49	2.22	3.37	2.2	2.2	2.3	2.3	2.2	2.34	2.4	2.4
United Kingdom	0.60	0.01	0.18	0.01	0.64	0.53	0.74	0.3	0.2	0.3	0.3	0.4	1.21	1.6	1.4
Euro area	0.49	0.03	0.32	0.23	0.00	0.64	0.42	0.0	0.2	0.4	0.3	0.4	1.30	1.0	1.2
Australia	0.39	0.78	0.50	0.91	0.29	0.42	0.4	0.4	0.4	0.3	0.3	0.4	1.98	2.0	1.5

*annualized

Inflation, year-over-year percent change

	Q1-25	Q2-25	Q3-25	Q4-25	Q1-26	Q2-26	Q3-26	Q4-26	Q1-27	Q2-27	Q3-27	Q4-27	2025	2026	2027
Canada	2.29	1.78	1.98	2.25	2.15	2.95	3.05	2.8	3.0	2.5	2.2	2.1	2.07	2.7	2.4
United States	2.74	2.45	2.88	2.69	2.69	3.86	3.50	3.9	3.4	2.4	2.4	1.8	2.63	3.5	2.5
United Kingdom	2.80	3.49	3.80	3.38	3.11	2.77	3.11	3.5	3.7	3.3	2.8	2.6	3.37	3.1	3.1
Euro area	2.34	2.01	2.10	2.07	2.04	2.98	3.32	3.7	3.4	2.8	2.4	1.9	2.13	3.0	2.6
Australia	2.40	2.10	3.22	3.63	4.09	3.94	3.92	4.2	3.8	3.9	3.2	2.9	2.84	4.0	3.4

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

US dollar cross rates, end of period

	Q1-24	Q2-24	Q3-24	Q4-24	Q1-25	Q2-25	Q3-25	Q4-25	Q1-26	Q2-26	Q3-26	Q4-26	Q1-27	Q2-27	Q3-27	Q4-27
USD/CAD	1.35	1.37	1.35	1.44	1.44	1.36	1.39	1.37	1.40	1.42	1.42					
EUR/USD	1.08	1.07	1.11	1.04	1.08	1.18	1.17	1.17	1.15	1.14	1.13					
GBP/USD	1.26	1.26	1.34	1.25	1.29	1.37	1.34	1.34	1.32	1.33	1.33	Under review				
USD/JPY	151	161	143	157	150	144	148	157	159	163	157					
AUD/USD	0.65	0.67	0.69	0.62	0.62	0.66	0.66	0.67	0.69	0.69	0.70					

Canadian dollar cross rates

	Q1-24	Q2-24	Q3-24	Q4-24	Q1-25	Q2-25	Q3-25	Q4-25	Q1-26	Q2-26	Q3-26	Q4-26	Q1-27	Q2-27	Q3-27	Q4-27
EUR/CAD	1.46	1.47	1.50	1.49	1.55	1.60	1.63	1.61	1.61	1.62	1.61					
GBP/CAD	1.71	1.73	1.80	1.80	1.86	1.87	1.88	1.84	1.84	1.88	1.88	Under review				
CAD/JPY	112	117	106	109	104	106	106	114	114	114	111					
AUD/CAD	0.88	0.91	0.93	0.89	0.90	0.89	0.92	0.91	0.96	0.98	0.99					

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

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