

FINANCIAL MARKET FORECASTS

February 2023

Interest rates (% , end of quarter)

	22Q1	22Q2	22Q3	22Q4	Forecast				Forecast				Forecast		
					23Q1	23Q2	23Q3	23Q4	24Q1	24Q2	24Q3	24Q4	2022	2023F	2024F
Canada															
Overnight	0.50	1.50	3.25	4.25	4.50	4.50	4.50	4.50	4.00	3.50	3.25	3.00	4.25	4.50	3.00
Three-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	4.23	4.30	2.85
Two-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	4.06	3.40	2.70
Five-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	3.41	2.75	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	3.30	2.70	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	3.28	2.85	2.85
Yield curve (10s-2s)	13	13	-63	-76	-95	-95	-85	-70	-35	-30	-20	-10	-76	-70	-10
United States															
Fed funds*	0.38	1.63	3.13	4.38	4.88	4.88	4.88	4.38	4.13	3.88	3.63	3.38	4.38	4.38	3.38
Three-month	0.52	1.72	3.33	4.42	5.05	4.75	4.60	4.10	3.90	3.65	3.45	3.25	4.42	4.10	3.25
Two-year	2.28	2.92	4.22	4.41	4.35	4.20	3.90	3.60	3.30	3.00	2.75	2.50	4.41	3.60	2.50
Five-year	2.42	3.01	4.06	3.99	3.70	3.55	3.40	3.30	3.20	3.10	3.05	3.00	3.99	3.30	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	3.88	3.35	3.15
30-year	2.44	3.14	3.79	3.97	3.70	3.65	3.65	3.65	3.65	3.65	3.65	3.65	3.97	3.65	3.65
Yield curve (10s-2s)	4	6	-39	-53	-70	-65	-45	-25	-5	20	40	65	-53	-25	65
Yield spreads															
Three-month T-bills	0.08	0.36	0.25	-0.19	-0.65	-0.35	-0.20	0.20	-0.20	-0.40	-0.45	-0.40	-0.19	0.20	-0.40
Two-year	-0.01	0.18	-0.43	-0.35	-0.45	-0.45	-0.30	-0.20	-0.30	-0.10	0.05	0.20	-0.35	-0.20	0.20
Five-year	-0.03	0.09	-0.74	-0.58	-0.55	-0.60	-0.55	-0.55	-0.50	-0.45	-0.45	-0.45	-0.58	-0.55	-0.45
10-year	0.08	0.25	-0.67	-0.58	-0.70	-0.75	-0.70	-0.65	-0.60	-0.60	-0.55	-0.55	-0.58	-0.65	-0.55
30-year	-0.07	0.00	-0.70	-0.69	-0.70	-0.75	-0.80	-0.80	-0.80	-0.80	-0.80	-0.80	-0.69	-0.80	-0.80

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

Exchange rates (end of quarter)

	22Q1	22Q2	22Q3	22Q4	Forecast				Forecast				Forecast		
					23Q1	23Q2	23Q3	23Q4	24Q1	24Q2	24Q3	24Q4	2022	2023F	2024F
AUD/USD	0.75	0.69	0.64	0.68	0.72	0.71	0.70	0.68	0.66	0.64	0.63	0.62	0.68	0.68	0.71
USD/CAD	1.25	1.29	1.38	1.36	1.33	1.34	1.35	1.36	1.34	1.32	1.30	1.28	1.36	1.36	1.34
EUR/USD	1.11	1.05	0.98	1.07	1.10	1.07	1.05	1.03	1.03	1.07	1.11	1.15	1.07	1.03	1.07
USD/JPY	121.7	135.7	144.7	131.1	125.0	130.0	135.0	140.0	140.0	139.0	137.0	135.0	131.12	140.00	130.00
USD/CHF	0.92	0.96	0.99	0.92	0.91	0.92	0.91	0.92	0.92	0.89	0.86	0.83	0.92	0.92	0.92
GBP/USD	1.31	1.22	1.12	1.21	1.22	1.18	1.14	1.13	1.14	1.19	1.23	1.28	1.21	1.13	1.18

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