

FINANCIAL MARKET FORECASTS

September 2023

Interest rates (% , end of quarter)

							Forecast				Forecast				
	22Q1	22Q2	22Q3	22Q4	23Q1	23Q2	23Q3	23Q4	24Q1	24Q2	24Q3	24Q4	2022	2023F	2024F
Canada															
Overnight	0.50	1.50	3.25	4.25	4.50	4.75	5.00	5.00	5.00	5.00	4.50	4.00	4.25	5.00	4.00
Three-month	0.60	2.08	3.58	4.23	4.34	4.90	5.10	4.95	4.90	4.85	4.35	3.85	4.23	4.95	3.85
Two-year	2.27	3.10	3.79	4.06	3.74	4.58	4.50	4.25	4.00	3.70	3.50	3.35	4.06	4.25	3.35
Five-year	2.39	3.10	3.32	3.41	3.02	3.68	3.75	3.50	3.30	3.15	3.05	3.00	3.41	3.50	3.00
10-year	2.40	3.23	3.16	3.30	2.90	3.26	3.50	3.25	3.00	2.90	2.85	2.85	3.30	3.25	2.85
30-year	2.37	3.14	3.09	3.28	3.02	3.09	3.35	3.15	3.00	3.00	3.00	3.00	3.28	3.15	3.00
Yield curve (10s-2s)	13	13	-63	-76	-84	-132	-100	-100	-100	-80	-65	-50	-76	-100	-50
United States															
Fed funds*	0.38	1.63	3.13	4.38	4.88	5.13	5.38	5.38	5.38	5.13	4.63	4.13	4.38	5.38	4.13
Three-month	0.52	1.72	3.33	4.42	4.85	5.43	5.35	5.28	5.23	4.93	4.43	3.93	4.42	5.28	3.93
Two-year	2.28	2.92	4.22	4.41	4.06	4.87	4.95	4.70	4.35	3.90	3.50	3.25	4.41	4.70	3.25
Five-year	2.42	3.01	4.06	3.99	3.60	4.13	4.35	4.10	3.85	3.60	3.40	3.30	3.99	4.10	3.30
10-year	2.32	2.98	3.83	3.88	3.48	3.81	4.20	4.00	3.85	3.70	3.55	3.50	3.88	4.00	3.50
30-year	2.44	3.14	3.79	3.97	3.67	3.85	4.30	4.20	4.10	4.05	4.00	4.00	3.97	4.20	4.00
Yield curve (10s-2s)	4	6	-39	-53	-58	-106	-75	-70	-50	-20	5	25	-53	-70	25
Yield spreads															
Three-month T-bills	0.08	0.36	0.25	-0.19	-0.51	-0.53	-0.25	-0.33	-0.33	-0.08	-0.08	-0.08	-0.19	-0.33	-0.08
Two-year	-0.01	0.18	-0.43	-0.35	-0.32	-0.29	-0.45	-0.45	-0.35	-0.20	0.00	0.10	-0.35	-0.45	0.10
Five-year	-0.03	0.09	-0.74	-0.58	-0.58	-0.45	-0.60	-0.60	-0.55	-0.45	-0.35	-0.30	-0.58	-0.60	-0.30
10-year	0.08	0.25	-0.67	-0.58	-0.58	-0.55	-0.70	-0.75	-0.85	-0.80	-0.70	-0.65	-0.58	-0.75	-0.65
30-year	-0.07	0.00	-0.70	-0.69	-0.65	-0.76	-0.95	-1.05	-1.10	-1.05	-1.00	-1.00	-0.69	-1.05	-1.00

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

Exchange rates (end of quarter)

							Forecast				Forecast				
	22Q1	22Q2	22Q3	22Q4	23Q1	23Q2	23Q3	23Q4	24Q1	24Q2	24Q3	24Q4	2022	2023F	2024F
AUD/USD	0.75	0.69	0.64	0.68	0.67	0.67	0.63	0.62	0.61	0.60	0.61	0.62	0.68	0.62	0.62
USD/CAD	1.25	1.29	1.38	1.35	1.35	1.32	1.35	1.38	1.39	1.39	1.35	1.31	1.35	1.38	1.32
EUR/USD	1.11	1.05	0.98	1.07	1.09	1.09	1.07	1.04	1.03	1.02	1.05	1.08	1.07	1.04	1.09
USD/JPY	121	136	145	132	133	144	147	150	152	154	150	145	132	150	144
USD/CHF	0.92	0.96	0.99	0.92	0.92	0.90	0.91	0.92	0.91	0.89	0.86	0.83	0.92	0.92	0.90
GBP/USD	1.32	1.22	1.11	1.21	1.24	1.27	1.23	1.17	1.13	1.11	1.15	1.20	1.21	1.17	1.27

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