

FINANCIAL MARKET FORECASTS

December 2023

Interest rates (% , end of quarter)

	23Q1	23Q2	23Q3	Forecast								2022	Forecast			
				23Q4	24Q1	24Q2	24Q3	24Q4	25Q1	25Q2	25Q3		25Q4	2023F	2024F	2025F
Canada																
Overnight	4.50	4.75	5.00	5.00	5.00	4.75	4.50	4.00	3.50	3.00	3.00	3.00	4.25	5.00	4.00	3.00
Three-month	4.34	4.90	5.07	5.00	4.95	4.85	4.35	3.85	3.35	3.00	3.00	3.00	4.23	5.00	3.85	3.00
Two-year	3.74	4.58	4.87	4.30	4.20	3.85	3.60	3.40	3.30	3.20	3.10	3.10	4.06	4.30	3.40	3.10
Five-year	3.02	3.68	4.25	3.65	3.60	3.40	3.35	3.30	3.30	3.25	3.20	3.20	3.41	3.65	3.30	3.20
10-year	2.90	3.26	4.03	3.55	3.65	3.50	3.40	3.35	3.35	3.30	3.30	3.30	3.30	3.55	3.35	3.30
30-year	3.02	3.09	3.81	3.40	3.65	3.60	3.60	3.55	3.50	3.45	3.40	3.40	3.28	3.40	3.55	3.40
Yield curve (10s-2s)	-84	-132	-84	-75	-55	-35	-20	-5	5	10	20	20	-76	-75	-5	20.00
United States																
Fed funds*	4.88	5.13	5.38	5.38	5.38	5.13	4.63	4.13	3.88	3.63	3.38	3.38	4.38	5.38	4.13	3.38
Three-month	4.85	5.43	5.55	5.30	5.28	4.98	4.48	3.98	3.75	3.55	3.30	3.30	4.42	5.30	3.98	3.30
Two-year	4.06	4.87	5.03	4.80	4.55	4.05	3.70	3.40	3.20	3.10	3.12	3.16	4.41	4.80	3.40	3.16
Five-year	3.60	4.13	4.60	4.35	4.20	3.85	3.65	3.50	3.40	3.35	3.36	3.39	3.99	4.35	3.50	3.39
10-year	3.48	3.81	4.59	4.30	4.40	4.20	4.05	3.95	3.90	3.85	3.80	3.85	3.88	4.30	3.95	3.85
30-year	3.67	3.85	4.73	4.40	4.50	4.35	4.30	4.25	4.20	4.15	4.10	4.15	3.97	4.40	4.25	4.15
Yield curve (10s-2s)	-58	-106	-44	-50	-15	15	35	55	70	75	68	69	-53	-50	55	69
Yield spreads																
Three-month T-bills	-0.51	-0.53	-0.48	-0.30	-0.33	-0.13	-0.13	-0.13	-0.40	-0.55	-0.30	-0.30	-0.19	-0.30	-0.13	-0.30
Two-year	-0.32	-0.29	-0.16	-0.50	-0.35	-0.20	-0.10	0.00	0.10	0.10	-0.02	-0.06	-0.35	-0.50	0.00	-0.06
Five-year	-0.58	-0.45	-0.35	-0.70	-0.60	-0.45	-0.30	-0.20	-0.10	-0.10	-0.16	-0.19	-0.58	-0.70	-0.20	-0.19
10-year	-0.58	-0.55	-0.56	-0.75	-0.75	-0.70	-0.65	-0.60	-0.55	-0.55	-0.50	-0.55	-0.58	-0.75	-0.60	-0.55
30-year	-0.65	-0.76	-0.92	-1.00	-0.85	-0.75	-0.70	-0.70	-0.70	-0.70	-0.70	-0.75	-0.69	-1.00	-0.70	-0.75

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

Exchange rates (end of quarter)

	23Q1	23Q2	23Q3	Forecast								2022	Forecast		
				23Q4	24Q1	24Q2	24Q3	24Q4	25Q1	25Q2	25Q3		25Q4	2023F	2024F
AUD/USD	0.67	0.67	0.65	0.62	0.61	0.60	0.61	0.62					0.68	0.62	0.62
USD/CAD	1.35	1.32	1.35	1.38	1.39	1.39	1.35	1.31					1.35	1.38	1.31
EUR/USD	1.09	1.09	1.06	1.04	1.03	1.02	1.05	1.08					1.07	1.04	1.08
USD/JPY	133	144	149	150	152	154	150	145					132	150	145
USD/CHF	0.92	0.90	0.89	0.91	0.91	0.92	0.89	0.86					0.92	0.91	0.86
GBP/USD	1.24	1.27	1.22	1.17	1.13	1.11	1.15	1.20					1.21	1.17	1.20

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