

## Rate Alert

The Bank of Canada will increase its policy rate 25 basis points to 0.75 per cent at its July 12 rate meeting. The prime lending rate will increase by a similar amount to 2.95 per cent as will variable rates on personal and mortgage loans.

Higher fixed term mortgage loan rates due to the rising cost of funds is very likely. The 30 to 40 basis points increase in bond yields during the past three weeks is sufficient to bump up mortgage rates by about 20 to 30 basis points depending on term.

Administered deposit rates are unlikely to change much on this occasion, though more likely following the next Bank rate increase, currently seen occurring at their September 6 rate announcement.

Helmut Pastrick  
Chief Economist  
Central 1 Credit Union  
[hpastrick@central1.com](mailto:hpastrick@central1.com)  
604 737 5026