



Interest Rate Forecast

September 29 2023

Canada Economic Forecast

	2023 Q1a	2023 Q2	2023 Q3	2023 Q4	2024 Q1	2024 Q2	2024 Q3	2024 Q4	2025 Q1	2022a	2023	2024
Real GDP, % ar	2.6	-0.2	0.0	0.3	0.6	1.2	1.5	1.8	1.9	3.4	1.1	0.7
U. Rate, %	5.0	5.2	5.6	5.9	6.2	6.3	6.3	6.0	5.7	5.3	5.4	6.2
CPI, % y/y	5.1	3.5	3.7	3.6	3.4	2.9	2.4	2.4	2.1	6.8	4.0	2.8

Interest Rate Forecast

	2023 Q2a	2023 Q3	2023 Q4	2024 Q1	2024 Q2	2024 Q3	2024 Q4	2025 Q1	2025 Q2
Target Overnight Rate (eop)	4.75	5.00	5.00	5.00	4.50	4.00	3.50	3.00	2.50
Prime Rate (eop)	6.95	7.20	7.20	7.20	6.70	6.20	5.70	5.20	4.70
1-mo. T-Bill	4.46	4.90	4.90	4.90	4.40	3.90	3.40	2.90	2.45
3-mo. T-Bill	4.55	5.05	4.95	4.80	4.30	3.80	3.20	2.70	2.40
6-mo. T-Bill	4.62	5.15	5.03	4.70	4.15	3.60	3.00	2.68	2.53
1-year T-Bill	4.65	5.20	5.10	4.60	4.00	3.40	2.80	2.65	2.65
2-year GoC Bond	4.08	4.75	4.70	4.25	3.60	3.20	2.90	2.65	2.65
3-year GoC Bond	3.80	4.45	4.40	4.03	3.45	3.10	2.93	2.83	2.88
5-year GoC Bond	3.33	4.00	4.10	3.80	3.30	3.00	2.95	3.00	3.10
10-year GoC Bond	3.11	3.60	3.80	3.55	3.30	3.10	3.00	3.10	3.20
USD/CAD	0.74	0.74	0.73	0.73	0.73	0.75	0.77	0.77	0.78
CAD/USD	1.34	1.35	1.37	1.37	1.38	1.33	1.30	1.30	1.28

Source: Bank of Canada, Central 1. Note: Quarterly average based on daily data.

a = actual, all others forecast.