



Interest Rate Forecast

December 2024

Canada Economic Forecast

	2024	2024	2024	2025	2025	2025	2025	2026	2026	2023a	2024	2025	2026
	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2				
Real GDP, % ar	2.2	1.0	1.8	2.1	1.8	2.0	2.1	2.0	1.9	1.5	1.3	1.8	1.9
U. Rate, %	6.2	6.5	6.9	6.6	6.5	6.2	6.1	5.7	5.5	5.4	6.4	6.4	5.8
CPI, % y/y	2.7	2.0	1.7	1.7	2.1	2.0	1.9	2.0	2.1	3.9	2.3	1.9	2.0

Source: Statistics Canada, Central 1.

Interest Rate Forecast

	2024 Q3a	2024 Q4	2025 Q1	2025 Q2	2025 Q3	2025 Q4	2026 Q1	2026 Q2	2026 Q3
Target Overnight Rate (eop)	4.25	3.25	2.75	2.50	2.50	2.50	2.50	2.50	2.50
Prime Rate (eop)	6.45	5.45	4.95	4.70	4.70	4.70	4.70	4.70	4.70
1-mo. T-Bill	4.37	3.60	3.00	2.70	2.60	2.60	2.60	2.70	2.70
3-mo. T-Bill	4.28	3.45	3.05	2.80	2.70	2.70	2.70	2.75	2.75
6-mo. T-Bill	4.13	3.38	3.03	2.88	2.78	2.80	2.85	2.88	2.88
1-year T-Bill	3.87	3.30	3.00	2.95	2.85	2.90	3.00	3.00	3.00
2-year GoC Bond	3.38	3.20	2.95	2.95	2.85	2.85	2.90	3.00	3.00
3-year GoC Bond	3.27	3.20	2.93	2.95	2.95	2.95	3.00	3.05	3.05
5-year GoC Bond	3.05	3.20	2.90	2.95	3.05	3.05	3.10	3.10	3.10
10-year GoC Bond	3.16	3.30	3.10	3.10	3.20	3.20	3.20	3.30	3.40
USD/CAD	0.73	0.71	0.70	0.71	0.71	0.72	0.73	0.73	0.73
CAD/USD	1.36	1.41	1.43	1.41	1.41	1.39	1.37	1.37	1.37

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

a = actual, all others forecast.