



Interest Rate Forecast

November 21 2025

Canada Forecast Summary

Indicator	2025	2025	2025	2026	2026	2026	2026	2027	2024	2025	2026	2027
	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1				
GDP Growth	-1.6	0.2	1.0	1.9	2.2	1.9	1.9	1.8	1.5	1.1	1.3	1.9
Unemployment rate	6.9	7.0	7.1	6.9	6.7	6.7	6.6	6.4	6.4	6.9	6.7	6.3
CPI All items	1.8	2.0	2.0	2.1	2.3	2.0	1.9	2.1	2.4	2.0	2.1	2.0

Source: Statistics Canada, Central 1

Financial forecast

	2025Q3	2025 Q4	2026 Q1	2026 Q2	2026 Q3	2026 Q4	2027 Q1	2027 Q2	2027 Q3
Target Overnight Rate (eop)	2.50	2.25	2.25	2.25	2.50	2.50	2.75	2.75	2.75
Prime Rate (eop)	4.70	4.45	4.45	4.45	4.70	4.70	4.95	4.95	4.95
1-mo. T-Bill	2.61	2.30	2.30	2.35	2.55	2.65	2.80	2.85	2.85
3-mo. T-Bill	2.60	2.20	2.20	2.40	2.60	2.68	2.90	2.95	2.95
6-mo. T-Bill	2.61	2.25	2.30	2.40	2.63	2.74	2.93	2.95	2.95
1-year T-Bill	2.61	2.30	2.40	2.40	2.65	2.80	2.95	2.95	2.95
2-year GoC Bond	2.66	2.45	2.50	2.60	2.80	3.00	3.00	3.00	3.00
3-year GoC Bond	2.66	2.50	2.70	2.80	2.95	3.15	3.20	3.20	3.20
5-year GoC Bond	2.92	2.85	2.90	3.00	3.10	3.30	3.40	3.45	3.45
10-year GoC Bond	3.38	3.15	3.20	3.25	3.40	3.50	3.60	3.60	3.60
CAD/USD	1.38	1.40	1.39	1.38	1.35	1.35	1.33	1.33	1.33
USD/CAD	0.73	0.71	0.72	0.73	0.74	0.74	0.75	0.75	0.75

Average of Daily Rates

Source: Statistics Canada, US FRED