

# Rates Scenario for September 18, 2025

A Publication of BMO Capital Markets Economic Research · Douglas Porter, CFA, Chief Economist, BMO Financial Group

## Forecast Summary

(avg.)	Actual	Forecasts									
	2025 Aug	2025				2026			2026		
		Sep	Oct	Nov	Dec	Jan	Feb	Mar	Q2	Q3	Q4
BoC overnight <sup>1</sup>	2.75	2.50 <sup>2</sup>	2.50	2.50	2.25	2.25	2.25	2.00	2.00	2.00	2.00
10-yr Canadas	3.42	3.20	3.20	3.25	3.25	3.25	3.25	3.25	3.25	3.25	3.25
Fed funds <sup>1</sup>	4.38	4.13 <sup>2</sup>	3.88	3.88	3.63	3.63	3.63	3.38	3.13	2.88	2.88
10-yr Treasuries	4.26	4.10	4.10	4.05	4.05	4.05	4.05	4.05	4.05	4.00	4.00
C\$ per US\$	1.38	1.37	1.37	1.36	1.35	1.35	1.35	1.35	1.34	1.34	1.33
US\$/€	1.16	1.17	1.17	1.18	1.18	1.18	1.18	1.19	1.19	1.19	1.20
US\$/£	1.35	1.35	1.35	1.36	1.36	1.36	1.36	1.37	1.37	1.37	1.38
¥/US\$	147	147	146	144	143	143	143	143	142	142	141

<sup>1</sup> end of period; <sup>2</sup> actual value

Sources: BMO Economics, Haver Analytics

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## Canada-U.S. Rates

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### Restarting Rate Cuts

The Federal Reserve and Bank of Canada resumed rate reductions this month, the first move by the former since December and by the latter since March. On both sides of the border, central banks had paused their policy rate parings waiting to see how the tug-of-(trade)-war between weakening growth/labour markets and faster/sticky inflation unfolded. Restarting rate cuts reflects their conclusions that the former side is now pulling harder with the rising risk of it 'winning'. We look for further rate reductions in the months ahead with the Fed acting more aggressively since its policy rate is still in restrictive territory; the BoC's is already in the neutral range. As this pattern develops, we look for Canada-U.S. bond yield spreads to trend less negative and for the loonie to firm against the greenback.

**Federal Reserve:** The FOMC cut policy rates by 25 bps on September 17, with the fed funds target range at 4.00%-to-4.25%. This restarts the rate cut campaign which had been on hold this year (after a total of 100 bps in the final four months of last year). The Fed was waiting to see how the Administration's economic policies evolved (particularly on tariffs) along with their economic impacts (particularly on inflation). Until recently, solid labour market conditions, acknowledged as recently as the July 30 confab, afforded the Fed time to wait. But since then, the labour data have weakened significantly. The statement's past reference to "solid" conditions was dropped.

The press release said, "job gains have slowed, and the unemployment rate has edged up" but also stated that "inflation has moved up and remains somewhat elevated." However, while still "attentive to the risks to both sides of its dual mandate," the Committee "judges that downside risks to employment have risen" and were no longer balanced (which was the case at July-end). Indeed, the weaker labour market conditions (on the ground) along with the "shift in the balance of risks" were the catalysts for the restart.

And more rate cuts are coming. In the Summary of Economic Projections (SEP) and 'dot plot', the median forecast for the fed funds rate has a further 50 bps worth of easing this year (25 bps more than the past SEP), and 25 bps next year (same as before but ending, of course, a quarter-point lower). However, the FOMC's conviction about another

50 bps in cuts this year is not that high. It will take only one at-the-median call switching to turn the median dial to only one more quarter-point move. Elsewhere, the vote to cut 25 bps was 11-to-1, with new governor Stephen Miran dissenting in favour of a 50 bp action.

It's noteworthy that among the other economic projections (and compared to three months ago) the median forecast profile for real GDP growth was boosted a bit (by 0.1-to-0.2 ppts through 2025-2027) and the unemployment rate was lowered a little (by 0.1 ppts in 2026-2027). Meanwhile, the forecast for total and core PCE inflation was lifted by 0.2 ppts for next year. All other figures were the same as before. We reckon the slight upgrade to both growth and inflation will be one factor keeping the resumption of rate cuts on a tentative track.

With policy rates still 100-to-125 bps above the 3.00% neutral level and the deterioration in labour market conditions expected to persist through at least the turn of the year, we reckon the 'dot plot' is a decent road map for the remainder of this year. We now look for two more quarter point rate cuts this year (October-end and mid-December), compared to only one more move in our previous Rates Scenario (August 7). Afterward, as before, we expect the rate cut cadence to slow (to once per quarter), lowering the fed funds range to 2.75%-to-3.00% (just a tad below neutral). We are just getting there a little more quickly as the Fed looks past still-sticky inflation with a keener eye on the labour market.

**Bank of Canada:** The Bank cut the policy rate by 25 bps to 2.50% on September 17, after holding for the past three confabs. The move reflected three developments since the July 31 meeting. First, *"the labour market has softened further."* Second, *"recent data suggest the upwards pressures on underlying inflation have diminished."* And third, with *"the removal of most retaliatory tariffs... there is less upside risk to future inflation."* With the economy weaker and inflation sporting less upside risk, the Bank judged a rate cut better balanced the risks.

Looking ahead, the BoC said it would proceed carefully, keeping a close eye on the risks and uncertainties, and importantly, *"look over a shorter horizon than usual."* Unlike the prior meeting in which the Bank indicated that *"there may be a need for a reduction in the policy interest rate"* if developments such as those experienced above occurred, there was no such signal this time. On the surface, this suggested a follow-up rate cut on October 29 was less likely, but a move next meeting or during the months ahead is not being ruled out. It will depend on what the data say about *"the impacts of tariffs and uncertainty on economic activity and inflation."* We reckon they will say enough to convince the Bank to reduce rates again by 25 bps in December and March, with the policy rate ending at 2.00%, a notch below the 2¼%-to-3¼% neutral range.

**Bond yields:** Ten-year Treasury yields averaged 4.26% last month and, through September 17, are averaging 4.11%, marking an 11-month low. Amid resumed Fed rate reductions that should exert some gravitational force on yields, there is speculation about 10-year tenors once again averaging in sub-4.00% territory. We reckon a 4.00% monthly mark should hold, short of escalating risks of recession or prospects of hefty (>25 bps) Fed rate cuts.

Supporting this view, the market has maintained average yields above 4.00% for 24 of the past 26 months (including September-to-date), with only August-September 2024 slipping below. At the time, speculation over the FOMC's inaugural rate cut was running rampant, and then the Fed surprised with a 50 bp action. On a daily basis, (constant maturity) yields have closed above the 4.00% mark consistently since October 7 (2024), coming close a couple of times to dipping below. The lowest was 4.01% on April 4, in the wake of reciprocal tariffs being introduced, which fanned fears of U.S. and global recession. A 4.01% print was repeated last week (September 11) before second thoughts about the day's CPI report pointed to sticky inflation pressures and ebbing odds of a 50-bp rate cut anytime soon (yields have drifted modestly higher since including in the wake of the Fed's latest rate cut).

And what's causing the 4.00% 'line in the sand'? We figure it is deteriorating fiscal fundamentals and lingering economic policy uncertainty and risks. And then there's the lurking concern about future Fed independence. Meanwhile, Canada-U.S. 10-year yield spreads averaged -86 bps last month and, through September 17, are averaging just 1 bp less negative. This is a long way from the record -139 bps back in February when BoC rate cuts were being unmatched by the Fed. We reckon spreads will continue to move less negative with future Fed rate cuts expected

to total much more than the BoC's. Part of the pattern also reflects Canada's own fiscal risk, with the federal budget slated for November 4 (and we're penciling in a roughly \$80 billion shortfall).

**U.S. dollar:** The Fed's broad trade-weighted dollar index (TWDI) strengthened 0.4% on average in August, after falling for six straight months (and 6.6%) from January's record high. The Wall Street Journal's index (which correlates well with the Fed's advanced foreign economies TWDI) was also up 0.4% last month after decreasing a cumulative 7.4% since January (which was not a record level). However, the greenback hasn't been able to retain the gain, down 0.5% on average through September 17, as Fed rate cut expectations, and their realization, weighed (so much for tariffs triggering a stronger unit). We reckon Fed easing prospects will continue acting as the big dollar's dominant drag, with policy rates still well shy of neutral (and the market betting they'll get there). By this December, we see the Fed's broad index down a net 7.5% from January's mark (and near 10% against the advanced trade partners), with a further 1%-to-1.5% fall by the end of next year.

**Canadian dollar:** The loonie averaged C\$1.380 last month (US\$0.725), weakening 0.8% against the greenback (which gained 0.4%). So far this month, the average is essentially unchanged (with the big dollar backing off 0.5%). Two factors appear to be weighing a bit more on the loonie. First, the August 1 deadline for a trade deal with the U.S. or face higher 35% (vs. 25%) tariffs on USMCA non-compliant goods came and went. Although 90%-plus of goods are compliant, the event emphasized the huge risk the Canadian economy faces from U.S. trade policy. And there are nine new Section 232 'national security' trade investigations underway that could result in tariffs and which matter for Canada (e.g., lumber, heavy-duty trucks, and commercial aircraft). And then there's the upcoming renegotiation of the USMCA.

Second, Bank of Canada rate cut expectations, and their realization, offset any benefit the loonie could garner from the Fed's easing. However, here, it is only a matter of time before the currency benefits. We look for the Canadian dollar to average C\$1.350 (US\$0.741) by December and appreciate further to \$1.333 (US\$0.752) by the end of next year.

## Overseas

Jennifer Lee, Senior Economist

The smoke is clearing over the global economy as trade deals are signed and countries now know what their tariff rate will be. However, with ongoing negotiations to lower the rate, or to make it more (or less) inclusive, there is still uncertainty about how things will ultimately settle. Meantime, central bankers have returned to using the "*data-dependent*", "*meeting-by-meeting*" phrases to describe their plans. But many are nearing the end of their easing cycles, while one is ready to resume policy normalization.

The **BoE** is one that is likely finished. As expected, it **left its Bank Rate at 4.00%** on September 18, with only two doves voting to lower rates further, citing ongoing disinflation and weaker consumer spending and business investment. But of the other 7 members, the common thread for the vote was that there had been "*limited economic news*" since the last meeting and that their own views had not changed "*materially*". It was noteworthy that the Minutes revealed that there was a "*range of views among these members about the balance of risks to inflation*". During the meeting, there was a focus on the labour market and wages—expectations are that wage growth will "*slow significantly*" over the rest of the year, based on pay settlements and pay expectations. The MPC also decided to **slow its pace of balance sheet reduction** from £100 bln per year to £70 bln, starting in October. It plans to sell £21 bln of gilts under the plan, of which 20% would be longer-dated (likely keeping the recent huge gilt sell-off in mind), while 40% would be short- and medium-dated. In any event, the language used was similar to that of the Fed and the BoC ... any rate cuts would need to be made "*gradually and carefully*". And, Governor Bailey warned that they are "*not out of the woods yet*". The acknowledgment that policy is less restrictive and that inflation is likely to not stray too much for the rest of the year ("*CPI inflation is projected to stay around 3¾% over the second half of this year*") supports our view that the BoE is finished easing. Meantime, the focus will be on wage growth.

The **BoJ** is the one bank that is ready to resume rate *hikes* and frankly, I'm **feeling a little lonely on this one**. We've been calling for a **September rate hike** for some time but may, admittedly, be a bit early (consensus looks for a Q4 hike). But at the risk of sounding like a broken record, core inflation has been running above the Bank's 2% target for over three years. It has slowed more recently, but that can be attributed to government subsidies for utilities. Excluding fresh food and energy, core-core CPI is up 3.4% y/y, which is still too high. The broader economy, meantime, grew at a stronger-than-expected 2.2% annualized pace in Q2; households have been spending more for the third consecutive month; and, real cash earnings rose above year-ago levels for the first time since December. The settling of the trade deal with the U.S. takes a major source of uncertainty off the table. The **JPY** remains soft at ¥148, although that is a big improvement from ¥160 earlier this year, the weakest in 38 years. But, a rate hike would help strengthen the currency (and perhaps get a nod of approval from the White House). And, although the selloff in JGBs has been concerning, the well-received 5-year auction (the first since **PM Ishiba** stepped down) came as a relief. There are also reports that the BoJ will continue its **bond purchases**, but a little less at the super-long end. **All of the above supports our call that the BoJ will resume policy normalization; if not at the September 19 meeting, then in October.** The one factor that could weigh against an early hike is the leadership race, as the next PM may push for more fiscal stimulus and put some pressure on the BoJ to stay the course. Still, that may be a reason to hike early, before the next PM is named.

Consensus has mostly written off the **ECB** as it looks to be finished easing. We are leaning in that direction as well as it sounds like the bar is high for another rate cut. However, we will leave our December rate cut intact for now. Yes, the most recent Press Statement (September 11) took an upbeat tone, noting the *"resilience of domestic demand"* in the first half of the year, and that *"manufacturing and services continue to grow, signaling some underlying momentum in the economy"*. Yes, President Lagarde said a few times during the Press Conference that they are in a *"good place"* as the job market is solid, growth risks are more balanced than before, and that inflation is where *"we want it to be"*. And yes, it does not sound like the Governing Council is champing at the bit to lower rates much more, at least not now. However, **a lot can happen over the next three months**. Given the issues that the trade deals had in Japan, and now South Korea, and the reported problems manufacturers are having in Europe with the 50% tariff on metals, one wonders if there will be more pushback from the EU on the U.S. trade agreement. At this stage, it sounds like it will take a lot for the Governing Council to cut again; but **for now, we will hang onto a December cut**. Also, the mysterious sources that emerged from the shadows after the Press Conference essentially said that a rate cut is not completely off the table. The October 30 meeting is too early (the Governing Council will not have enough new information), so December 18 is, realistically, the next time that they can have a full discussion. By then, we will have the following on hand: September, October and November CPI; September, October, November and December PMIs; August, September and October jobless rates; and, Q3 real GDP. Yes, that should do it.

The **RBA** unanimously cut its cash rate 25 bps to a 2-year low of 3.60% at its last meeting on August 12. The move was expected; but, the unusually clear, and dovish, forward guidance was not. *"Our forecasts are conditioned on a couple more cuts,"* Governor Bullock stated during the Press Conference. Indeed, the Minutes showed that the goal of *"preserving full employment"* while bringing inflation back to target would *"require some further reduction in the cash rate over the coming year"*. The pace would be *"determined by the incoming data on a meeting-by-meeting basis"*, words used by other central bankers. There are seven weeks between policy meetings and since then, July inflation (headline and the trimmed mean) accelerated to near the top of the 2%-to-3% range, although the Governor is not a fan of the monthly CPI (she sees it as being too volatile). Real GDP grew 0.6% q/q in Q2, beating expectations, and household spending accelerated in July. Employment, meantime, unexpectedly fell in August (all full-time), which may help settle the *"disagreements"* among the RBA's staff about job market tightness. All in, **we will look for the RBA to pause at the September 30 meeting but take another easing step in November**. Keep in mind that on November 26, the ABS will release a new monthly inflation indicator, which will make it comparable to the developed world. It will be out just over a week before its last meeting of 2025.

## Foreign Exchange Forecasts

(local currency per US\$ : avg.)	Actual 2025 Aug	Forecasts 2025				2026			2026		
		Sep	Oct	Nov	Dec	Jan	Feb	Mar	Q2	Q3	Q4
<b>Canadian Dollar</b>											
C\$ per US\$	1.38	1.37	1.37	1.36	1.35	1.35	1.35	1.35	1.34	1.34	1.33
US\$ per C\$ <sup>1</sup>	0.725	0.729	0.733	0.737	0.741	0.742	0.742	0.743	0.745	0.747	0.749
Trade-weighted	114.2	114.4	114.8	115.3	115.8	115.9	115.9	116.0	116.1	116.3	116.4
<b>U.S. Dollar</b>											
Trade-weighted <sup>2</sup>	121.0	120.4	120.0	119.6	119.2	119.1	118.9	118.8	118.6	118.2	117.8
<b>European Currencies</b>											
Euro <sup>1</sup>	1.16	1.17	1.17	1.18	1.18	1.18	1.18	1.19	1.19	1.19	1.20
Danish Krone	6.41	6.35	6.35	6.35	6.35	6.30	6.30	6.30	6.30	6.25	6.25
Norwegian Krone	10.19	9.90	9.90	9.85	9.85	9.80	9.80	9.80	9.75	9.70	9.70
Swedish Krona	9.58	9.35	9.30	9.30	9.30	9.30	9.30	9.25	9.25	9.20	9.15
Swiss Franc	0.81	0.80	0.80	0.79	0.79	0.79	0.79	0.79	0.79	0.78	0.78
U.K. Pound <sup>1</sup>	1.35	1.35	1.35	1.36	1.36	1.36	1.36	1.37	1.37	1.37	1.38
<b>Asian Currencies</b>											
Chinese Yuan	7.17	7.13	7.13	7.13	7.13	7.13	7.13	7.12	7.12	7.11	7.10
Japanese Yen	147	147	146	144	143	143	143	143	142	142	141
Korean Won	1,389	1,385	1,385	1,385	1,385	1,385	1,385	1,380	1,380	1,380	1,380
Indian Rupee	87.6	88.0	88.1	88.2	88.3	88.3	88.2	88.2	88.1	88.0	87.9
Singapore Dollar	1.28	1.28	1.28	1.28	1.28	1.28	1.28	1.28	1.28	1.28	1.28
Malaysian Ringgit	4.23	4.20	4.20	4.20	4.20	4.20	4.20	4.20	4.20	4.20	4.20
Thai Baht	32.4	31.9	31.9	31.8	31.8	31.8	31.8	31.8	31.7	31.7	31.7
Philippine Peso	57.1	56.9	56.9	56.9	56.9	56.9	56.9	56.8	56.8	56.7	56.7
Taiwan Dollar	30.2	30.3	30.3	30.2	30.2	30.2	30.2	30.1	30.1	30.1	30.1
Indonesian Rupiah	16,294	16,430	16,450	16,465	16,485	16,480	16,475	16,470	16,455	16,440	16,420
<b>Other Currencies</b>											
Australian Dollar <sup>1</sup>	0.650	0.660	0.660	0.660	0.660	0.661	0.662	0.663	0.664	0.667	0.669
New Zealand Dollar <sup>1</sup>	0.590	0.565	0.577	0.588	0.600	0.601	0.603	0.604	0.606	0.610	0.614
Mexican Peso	18.71	18.45	18.40	18.30	18.25	18.25	18.20	18.20	18.15	18.10	18.00
Brazilian Real	5.45	5.35	5.30	5.30	5.25	5.25	5.20	5.20	5.15	5.10	5.00
South African Rand	17.7	17.5	17.4	17.3	17.3	17.2	17.2	17.2	17.1	17.1	17.0
<b>Cross Rates</b>											
<b>Versus Canadian Dollar</b>											
Euro (C\$/€)	1.61	1.60	1.60	1.60	1.59	1.59	1.59	1.59	1.60	1.60	1.60
U.K. Pound (C\$/£)	1.86	1.85	1.85	1.84	1.84	1.84	1.84	1.84	1.84	1.84	1.84
Japanese Yen (¥/C\$)	107	107	107	106	106	106	106	106	106	106	106
Australian Dollar (C\$/A\$)	0.90	0.91	0.90	0.90	0.89	0.89	0.89	0.89	0.89	0.89	0.89
<b>Versus Euro</b>											
U.K. Pound (£/€)	0.87	0.87	0.87	0.87	0.87	0.87	0.87	0.87	0.87	0.87	0.87
Japanese Yen (¥/€)	172	172	171	170	169	169	169	169	169	169	169

<sup>1</sup> (US\$ per local currency); <sup>2</sup> Federal Reserve Broad Index

Sources: BMO Economics, Haver Analytics

Interest Rate Forecasts

(% : avg.)	Actual	Forecasts					2026			2026		
	2025 Aug	2025 Sep	Oct	Nov	Dec	Jan	Feb	Mar	Q2	Q3	Q4	
<b>Canada</b>												
Overnight target (period end)	2.75	2.50 <sup>6</sup>	2.50	2.50	2.25	2.25	2.25	2.00	2.00	2.00	2.00	
Overnight target	2.75	2.65 <sup>6</sup>	2.50	2.50	2.34	2.25	2.25	2.03	2.00	2.00	2.00	
CORRA <sup>2</sup>	2.76	2.69	2.53	2.53	2.36	2.27	2.27	2.04	2.00	2.00	2.00	
3-month bills	2.65	2.40	2.25	2.25	2.15	2.10	2.10	1.95	1.95	1.95	1.95	
6-month	2.66	2.45	2.30	2.30	2.20	2.15	2.15	2.05	2.05	2.05	2.05	
1-year	2.66	2.50	2.35	2.35	2.25	2.15	2.10	2.00	2.05	2.10	2.15	
2-year bonds	2.69	2.50	2.45	2.35	2.25	2.15	2.10	2.00	2.05	2.15	2.25	
3-year	2.70	2.55	2.50	2.45	2.40	2.40	2.35	2.30	2.35	2.40	2.50	
5-year	2.95	2.80	2.75	2.70	2.70	2.65	2.65	2.60	2.65	2.70	2.75	
7-year	3.14	2.95	2.95	2.95	2.90	2.90	2.90	2.90	2.95	2.95	3.00	
10-year	3.42	3.20	3.20	3.25	3.25	3.25	3.25	3.25	3.25	3.25	3.25	
30-year	3.81	3.65	3.65	3.65	3.65	3.65	3.65	3.65	3.65	3.65	3.65	
Prime rate	4.95	4.85 <sup>6</sup>	4.70	4.70	4.54	4.45	4.45	4.23	4.20	4.20	4.20	
<b>United States</b>												
Fed funds target (period end)	4.38	4.13 <sup>6</sup>	3.88	3.88	3.63	3.63	3.63	3.38	3.13	2.88	2.88	
Fed funds target	4.38	4.27 <sup>6</sup>	4.10	3.88	3.71	3.63	3.63	3.52	3.34	3.09	2.88	
EFFR <sup>3</sup>	4.33	4.23	4.07	3.85	3.69	3.60	3.60	3.50	3.33	3.08	2.88	
SOFR <sup>4</sup>	4.34	4.29	4.11	3.88	3.71	3.62	3.62	3.52	3.34	3.08	2.87	
3-month bills	4.30	4.00	3.80	3.60	3.50	3.40	3.40	3.35	3.20	3.00	2.80	
6-month	4.11	3.80	3.65	3.50	3.40	3.35	3.35	3.30	3.15	3.00	2.90	
1-year	3.89	3.65	3.55	3.45	3.40	3.35	3.30	3.25	3.15	2.95	2.90	
2-year notes	3.70	3.55	3.50	3.45	3.35	3.30	3.25	3.20	3.10	2.95	2.90	
3-year	3.67	3.50	3.50	3.45	3.45	3.40	3.35	3.35	3.30	3.20	3.15	
5-year	3.79	3.65	3.60	3.60	3.60	3.55	3.55	3.55	3.50	3.45	3.45	
7-year	4.00	3.80	3.80	3.80	3.80	3.80	3.80	3.75	3.75	3.75	3.70	
10-year	4.26	4.10	4.10	4.05	4.05	4.05	4.05	4.05	4.05	4.00	4.00	
30-year bonds	4.87	4.70	4.70	4.70	4.70	4.70	4.70	4.65	4.65	4.65	4.65	
Prime rate	7.50	7.40 <sup>6</sup>	7.23	7.00	6.84	6.75	6.75	6.65	6.47	6.21	6.00	
<b>Other G7</b>												
ECB Deposit Rate <sup>1</sup>	2.00	2.00 <sup>6</sup>	2.00	2.00	1.75	1.75	1.75	1.75	1.75	1.75	1.75	
10yr Bund	2.70	2.70	2.70	2.65	2.65	2.60	2.60	2.55	2.50	2.40	2.30	
BoE Bank Rate <sup>1</sup>	4.00	4.00 <sup>6</sup>	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	
SONIA <sup>5</sup>	4.02	3.97	3.97	3.97	3.97	3.97	3.97	3.97	3.97	3.97	3.97	
10yr Gilt	4.64	4.65	4.60	4.60	4.60	4.60	4.55	4.50	4.45	4.35	4.30	
BoJ O/N <sup>1</sup>	0.50	0.75	0.75	0.75	0.75	0.75	0.75	0.75	0.75	0.75	0.75	
10yr JGB	1.56	1.54	1.53	1.51	1.50	1.49	1.48	1.48	1.46	1.43	1.41	

<sup>1</sup> end of period; <sup>2</sup> Canadian Overnight Repo Rate Average; <sup>3</sup> Effective Fed Funds Rate; <sup>4</sup> Secured Overnight Financing Rate;

<sup>5</sup> Sterling Overnight Index Average; <sup>6</sup> actual value

Sources: BMO Economics, Haver Analytics

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