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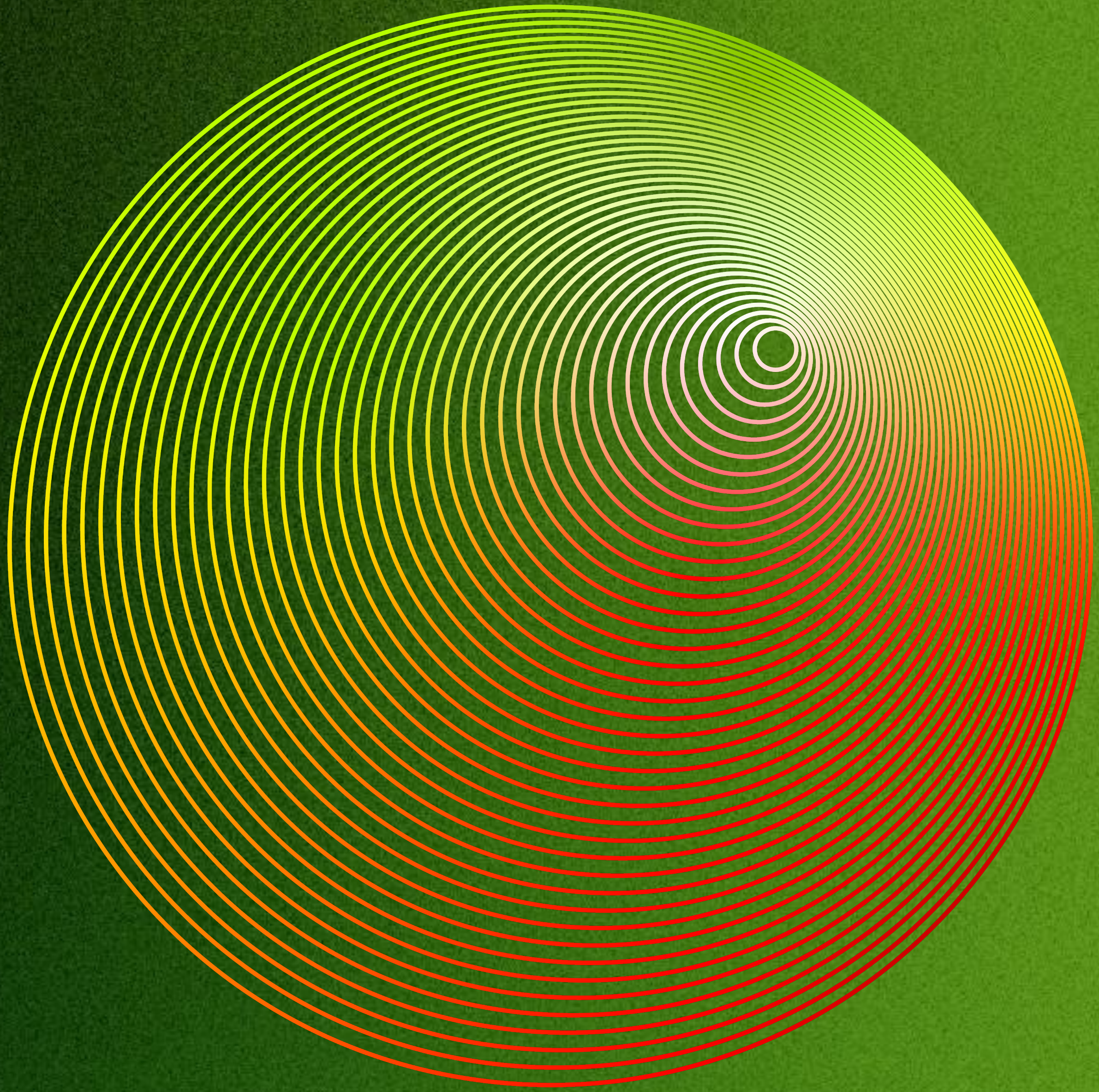

Weathering change:

Canadian businesses navigate renewed uncertainty

Economic outlook | Fall edition

FOREWORD

Canada's economy remains resilient as it continues to navigate changing trade conditions

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The resilience of Canada's economy is being tested once again as the trade tensions between Canada and its largest trading partner, the US, widened in late August. On August 22, the US enacted a new round of tariffs on Canadian exports under Section 338, followed by a reciprocal tranche of tariffs on US exports on September 8. These initial trade actions are incorporated into our forecast. The US subsequently expanded the scope of the Section 338 tariffs, effective September 15, 2026, and will ban certain Canadian goods from entering the US market effective September 29, 2026. These latest trade actions are not reflected in this projection

On net, the direct impact on the economy looks like it could be relatively contained. In fact, the most recent data shows that the Canadian economy has proven more resilient than expected with the initially reported first quarter contraction revised to show growth, meaning that Canada did not enter a technical recession at the start of the year. Further, Canada's economy rebounded sharply in the second quarter, posting a very strong 3.3% annualized GDP gain. The result exceeded expectations in both its pace and breadth. Consumer spending grew strongly, helped by job gains and a government-sponsored increase in the form of a one-time tax credit payment. Business investment posted the strongest increase since mid-2024 as spending on machinery and equipment grew for a third consecutive quarter following three years of declines. Even the housing market, which had been floundering, rallied. Export growth posted its sharpest increase since mid-2022.

Still, not all areas of the economy were on firm footing. Industries that faced high tariffs from the US continued to struggle with steel, aluminum, motor vehicle manufacturing and forestry making up a smaller share of the overall economic pie. Nevertheless, on balance, the second-quarter data supported the narrative that Canada's economy was navigating the turbulence generated by an unstable trading relationship with the US and elevated energy prices. Against this backdrop, we have revised our 2026 forecast up 0.2 percentage points to 0.9%.

The effects of the recent flare-up in trade tensions are expected to become more pronounced in 2027 with growth forecast to slow sharply in the final quarter of this year and into early 2027 as the economy adjusts to the initial Section 338 tariffs and the Canadian government's retaliation. This development has led us to shave 0.4 percentage points off our 2027 forecast, but GDP is still expected to grow by 1.6% next year. Further escalation would exert downward pressure on a growing number of sectors and damage business and consumer confidence.

Key insights

- Canada has avoided a recession as growth was much stronger than expected in the second quarter. Nevertheless, the economy remains vulnerable to renewed trade tensions.
- Trade is the dominant downside risk. The latest round of tariffs will weaken exports materially through late 2026 and into 2027.
- Policy support is offsetting some of the damage. Fiscal supports, investment initiatives, defence spending, and efforts to reduce interprovincial barriers are helping cushion the economy and support longer-term growth prospects.
- Business investment is weak now but positioned to recover. Firms remain cautious due to uncertainty surrounding tariffs and market access, but the forecast anticipates stronger investment growth in 2027 as major projects advance, and final investment decisions are reached.
- Canada's long-term challenge remains productivity and investment.

Trade diversification efforts continue but will take time. Monetary and fiscal support will remain important to navigating near-term trade headwinds.

Even before the latest round of announcements, Canadian firms were looking for opportunities to diversify their supply chains and find new customers in markets outside the US. Domestically, policy changes have been aimed at increasing competitiveness including reducing interprovincial trade barriers and accelerating zoning and permitting timelines. Further, the federal government announced in late August an additional $7.5 billion package of non-repayable grants and changes to employment insurance.

Whether Canada's economy can build on the second quarter's momentum will depend on the success of these policies to restore business confidence and support investment. There are also risks on the household front as the consumer and housing sectors will face challenges if labour markets come under renewed pressure against a backdrop of slowing export demand and rising input costs.

Past research by the Bank of Canada showed that the effect of retaliatory tariffs on consumer prices depends on many factors, including the size and duration of the tariffs and consumers' ability to identify affected goods. It is notable that after tariffs were imposed on Canada in 2025, our inflation rate remained around the 2% target, and it was the sharp rise in energy prices due to the war in the Middle East that pushed headline inflation to 3% this July.

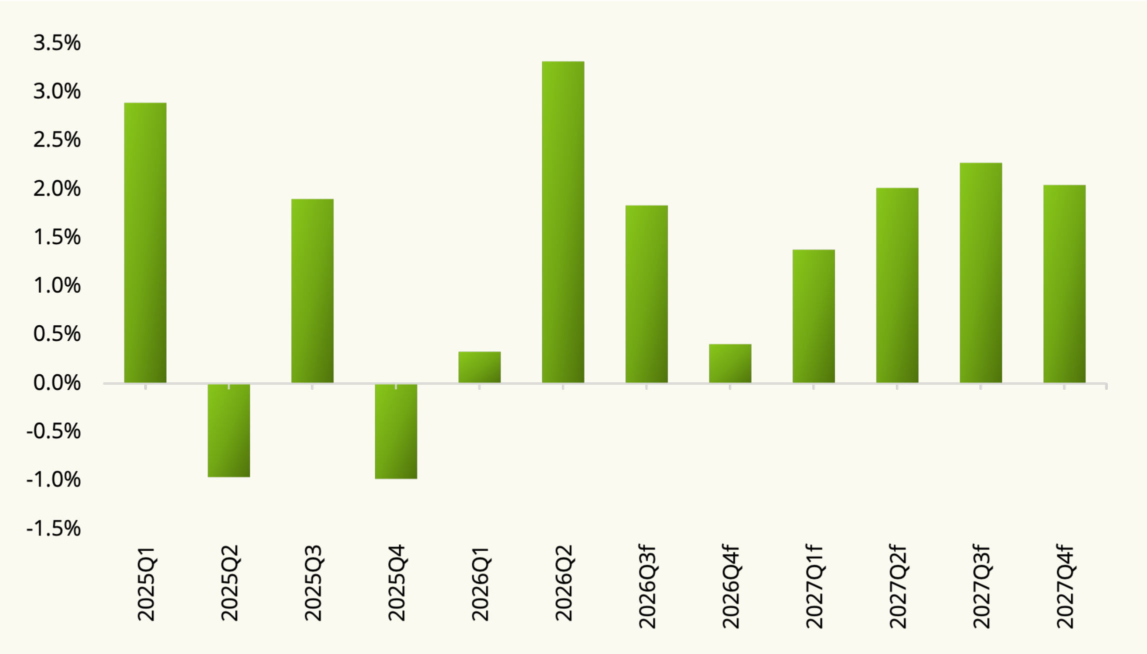
Excluding energy, inflation pressures are currently running at 2.2% with other core measures holding close to the 2% target.

The combination of downside risks to the economy and upside risks to inflation puts the Bank of Canada in a difficult position. The longer energy prices remain elevated, the greater the risk they will flow through to other prices, however this may be largely offset by weakening demand. Our view is that the risks to the economy will dominate over the course of 2026 making the case for the policy rate to remain at 2.25%. Should the downside risks to the economy recede in 2027 as Canadian companies and consumers adapt to the new operating environment, we expect the Bank will be in a position to gradually increase the policy rate.

The powerful combination of fiscal and monetary policy support is expected to go a long distance in offsetting the impact from the latest bout of tariffs. Further escalation, however, is possible which is keeping downside risks to the outlook alive. We remain cautiously optimistic that progress toward establishing new trade and supply chain relationships, growing participation by companies in government-initiated projects, and a renewed commitment to addressing impediments to investment will advance, allowing Canada's economy to weather this latest blow.

Figure 1: Escalating trade tensions and high energy prices will weigh on near-term growth

GDP, expenditure based, percent change based on chained $2017

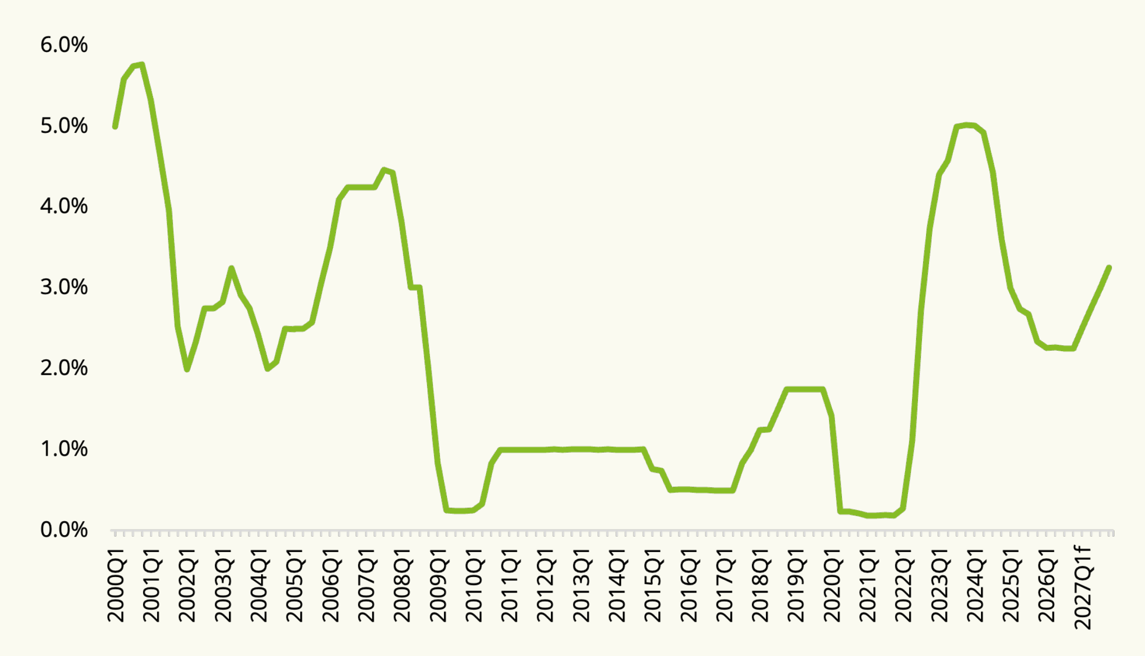


Sources: Statistics Canada; Deloitte. f = forecast

Monetary and fiscal policy

- While the future direction of monetary policy is unclear, the same cannot be said for fiscal policy. Fiscal policy is decisively being designed to support the economy with some policies falling under traditional measures and some innovative approaches not seen in recent memory.
- In response to the imposition of the Section 338 tariffs, the federal government is spending an additional $7.5 billion to support affected businesses. This funding includes an additional $1.5 billion added to the Regional Tariff Response Initiative which offers liquidity support and non-repayable grants, $3.5 billion for changes to Employment Insurance to help workers retain their jobs, $2 billion for a Canada Strong Diversification Fund, and $500 million in liquidity support to provide interest free loans through the Business Development Bank.
- The government is also continuing to ramp up its spending on defence as it works towards hitting the new 5% of GDP spending target. As part of its Defence Industrial Strategy, it aims to direct 70% of acquisitions to domestic firms. Governments across the country also continue to work to address interprovincial trade barriers and pursue trade diversification strategies.
- One of the most unique forms of potential stimulus is through the Canada Investment Summit held September 14th and 15th. Ahead of the summit, the government released a prospectus that identified over 160 projects ranging from critical minerals to energy that are open for investment.[1] While immediate fiscal support will remain an important response to cyclical challenges, one of the potentially most impactful things the federal government can do is to encourage more private sector investment.
- Monetary policy is expected to be more nuanced. Despite an economy under pressure from this new round of tariffs and non-existent population growth, the Bank of Canada's next move is likely to be a hike.
- At its latest decision in early September, Governor Macklem sounded decidedly hawkish, warning about higher inflation risks stemming from persistently high energy prices and the new rounds of tariffs.[2] This forecast expects that the Bank will remain on the sidelines this year as it monitors how the economy responds to the latest trade tensions before beginning a gradual hiking cycle in 2027 when four rate hikes are anticipated.

Figure 2: Gradual rise in interest rates expected to begin next year as the economy improves
(overnight rate)

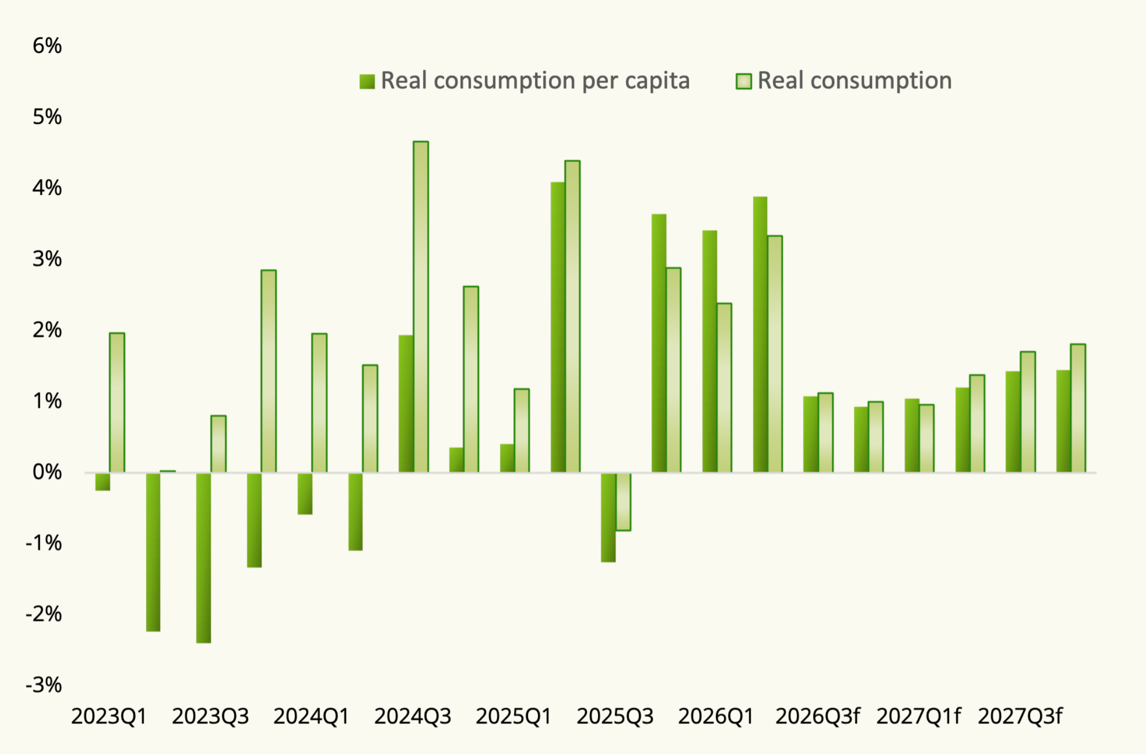


Source: Bank of Canada; forecast by Deloitte.

Labour markets and household spending

- One of the biggest factors shaping the outlook for labour markets and housing spending this year and into next is the lack of population growth. After years where the population expanded rapidly, new immigration targets and a planned exiting of some temporary foreign workers have resulted in three consecutive quarters of population decline in Canada.
- Population swings experienced over the past five years can have a meaningful impact on economic growth. A rapidly expanding population can boost demand for household spending and housing investment even when individuals are not spending more. On the flipside, for households to support growth when population growth is non-existent, individuals need to spend more and that is most likely to occur when labour markets produce strong job and wage growth.
- The labour market has oscillated between periods of strength and weakness this year. The start of the year was a tough one for job seekers with employment down a cumulative 112,000 positions between January and April. The spring and summer months showed strong job gains before falling again in August. Despite that decline, employment is up 217,000 year-over-year and the unemployment rate has fallen to 6.4% as labour force growth has remained weak.
- Continued job gains have helped support household spending with real consumer spending on pace to gain 2.1% this year and an even stronger 2.5% in per capita terms. However, households will not be immune to the economic ramifications of the new rounds of tariffs with job growth expected to slow. This will work to supress household spending into next year with growth of only 1.4% expected.
- Housing investment is following a similar pattern to consumption. After a stellar second quarter, real residential investment is expected to return to being a modest drag on growth by the end of this year.
- There are several factors holding back the housing market. Uncertainty about future economic conditions is weighing on major purchases, rising bond yields are making mortgages more expensive, and a glut of unsold condo inventory is dampening new construction.
- With interest rates increasing next year, conditions in the housing market will remain unfavourable into 2027. Real residential investment is projected to gain just 0.3% next year on the heels of a 2.2% drop this year.

Figure 3: Real per capita consumer spending to weaken after sharp jump in the second quarter
Percent change, based on chained $2017 data



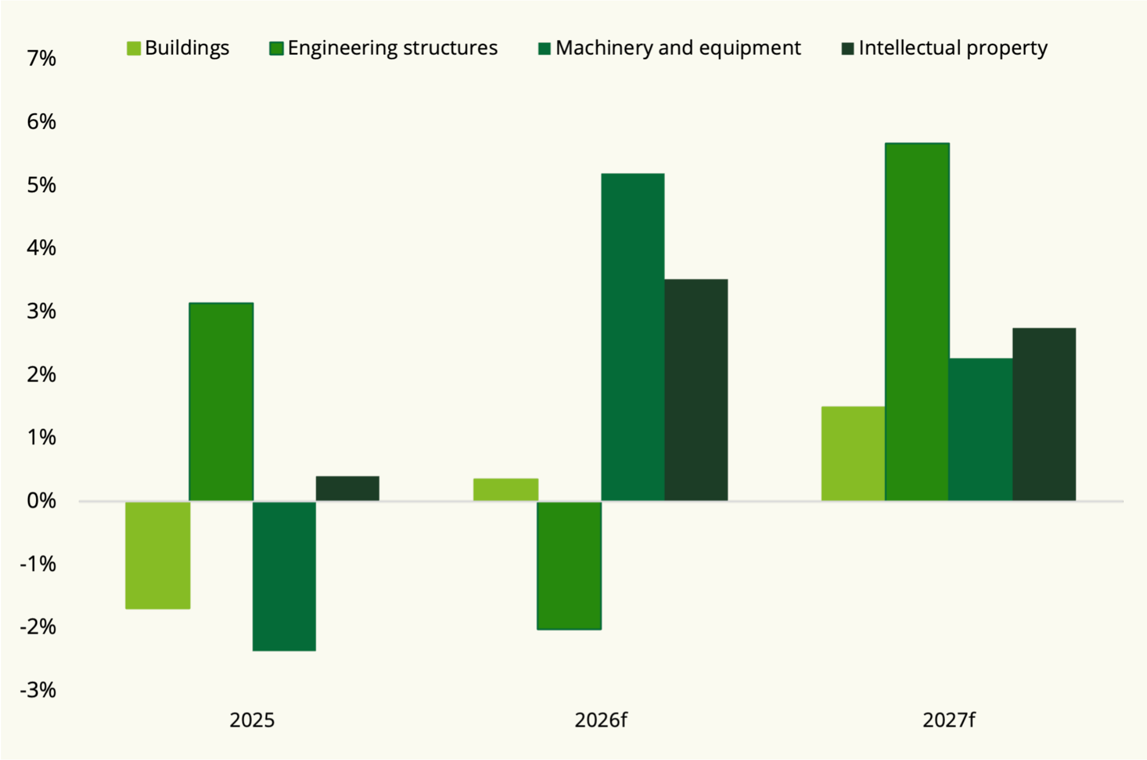
Source: Statistics Canada; forecast by Deloitte.

Business investment and trade

- Canada's trade outlook has deteriorated following the renewed escalation in trade tensions with the United States. Although total exports are forecast to rise by 2.6% in 2026, this annual result masks a sharp weakening over the course of the year. Following a 15.1% annualized increase in the second quarter, exports are expected to decline by 0.9% in the third quarter and a further 5.0% in the fourth. The deterioration is concentrated in goods exports, while service exports are forecast to continue to expand modestly.
- This profile is consistent with the introduction of 50% US Section 338 tariffs on a range of Canadian products on August 22, including selected machinery, furniture, jewellery, sporting goods and other products. After Canada implemented retaliatory tariffs, the US has announced further changes to the Section 338 tariff lists and import prohibitions affecting certain Canadian products. These additional measures have not been included in our forecast as they were not implemented when the projection was completed and therefore, represent downside risk to the forecast.
- Our forecast expects that exports of goods will remain under pressure next year. Steady gains in services will help offset some of the decline but taken together, exports are forecast to increase by just 0.3% next year.
- Business non-residential investment is expected to increase by 1.6% this year as strength in machinery and equipment and intellectual property investment is offset by weakness in building and engineering structures. Many firms are stuck in a wait-and-see mode as tariff exposure and uncertainty over future US market access cause some firms to postpone capacity expansions.
- Investment gains are expected to strengthen to 3.5% in 2027, despite the absence of further interest-rate relief. The improvement is expected to come from projects advancing into construction and as projects referred to the Major Projects Office reach positive final investment decisions. One significant example of in-flight investment is Meta's 1-gigawatt data-centre campus in Sturgeon County, Alberta. Construction began in July 2026, and the project represents an investment of more than $13 billion. More recently, Bell announced an expansion of its Saskatchewan AI data centre which is expected to cost $50 billion and be the largest sovereign AI infrastructure network in Canada.

Figure 4: All major components of business investment expected to grow in 2027

Percent change based on chained $2017 data



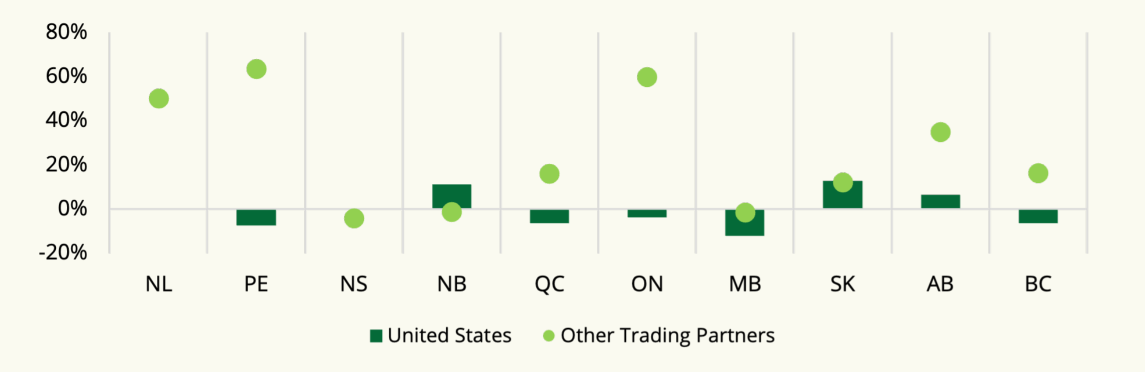
Source: Statistics Canada; forecast by Deloitte.

Provincial outlook

- Newfoundland and Labrador's economy is projected to grow 1.0% in 2026 and 1.3% in 2027. The province's outlook is supported by the redevelopment of the Churchill Falls and Gull Island hydroelectric projects, a historic agreement expected to drive investment and long-term economic activity.[3] Additional support comes from workforce development initiatives and infrastructure investments announced in Budget 2026.[4]
- Prince Edward Island announced a $12.5 million tariff relief package in August 2026 to support businesses and workers affected by US tariffs through financing, grants, and workforce training initiatives.[5] It has also continued advancing infrastructure, housing, and business support investments to strengthen economic resilience amid ongoing uncertainty.[6] As a result, we expect real GDP growth of 1.1% in 2026, followed by 1.4% in 2027.
- Nova Scotia is expected to post economic growth of 1.1% in 2026. Recent policy measures, including enhanced worker protections, expanded immigration priorities, and support for tariff-affected businesses, are expected to strengthen labour market conditions and economic resilience.[7,8,9]
- While New Brunswick's forestry and forestry-related manufacturing sectors are under pressure from tariffs, growth will be supported by a $710 million increase in healthcare spending, a new labour agreement covering 3,500 public sector employees, a review of natural gas development, and tariff relief loans of up to $5 million for businesses. Real GDP is projected to grow 1.0% in 2026 and 1.3% in 2027.[10,11]
- Overall, Québec's economy is expected to grow 0.9% in 2026 and 1.2% in 2027 despite strong headwinds facing its aluminium sector and other manufacturing sectors. Trade-support measures and Hydro-Québec's historic energy investments, including $1.85 billion in first-quarter net income and expanded power generation and transmission projects, are expected to strengthen economic resilience and support long-term growth.[12,13]
- Economic growth in Ontario is forecast to remain subdued at 1.0% in 2026 before accelerating to 1.6% in 2027. Ontario's economy is expected to benefit from the 2026 Budget's focus on protecting jobs, strengthening infrastructure, and improving resilience amid ongoing trade uncertainty. More than $90 million in funding for shipbuilding capacity, expanded tariff relief measures, and funding for 40,000 new postsecondary seats are expected to support business competitiveness, address labour shortages, and strengthen long-term growth prospects.[14,15,16] As primary home to the country's automotive manufacturing industry and a large concentration of steel producers, Ontario is one of the most tariff-exposed economies in the country making continued efforts to diversify its trade essential for its growth prospects.

Figure 5: Domestic exports to the United States and other trading partners, by province

Year-to-date growth in nominal merchandise exports as of July 2026, customs basis



Source: Deloitte calculations using data from Statistics Canada

Provincial outlook

- Looking ahead, Manitoba is focused on strengthening economic resilience, affordability, and housing supply and nearly $1 billion in additional healthcare spending.[17] The province has also announced more than $100 million in tariff support and up to $73 million to create 821 new homes.[18,19] Together, these measures are expected to support growth, with real GDP projected to increase 1.2% in 2026 and 1.5% in 2027.
- We forecast Saskatchewan's real GDP to grow by 1.8% in 2026 and 1.9% in 2027. The province is expected to remain one of Canada's faster-growing provincial economies despite ongoing trade uncertainty. Budget 2026-27 includes approximately $2.5 billion in affordability measures, more than 5,300 apprenticeship training seats, and support for over 35,000 small businesses through a permanent 1% small business tax rate reduction.[20] Additional trade-response measures, including $5.3 million in funding for six Saskatchewan businesses, are expected to strengthen competitiveness and support long-term growth.[21,22]
- Alberta's economic growth is expected to reach 2% in 2026 and 1.9% in 2027. Alberta is forecast to remain one of Canada's strongest growth engines, supported by energy investment, housing development, and trade diversification. Budget 2026 includes approximately $8.7 billion in affordability measures, while Alberta continues to advance a proposed West Coast oil pipeline that could add up to one million barrels per day of new export capacity.[23,24] To strengthen resilience against trade disruptions, businesses can access support through the expanded Regional Tariff Response Initiative, which provides up to $3 million in non-repayable funding and up to $20 million in total support for eligible projects. Alberta has also launched a tariff portal to help businesses respond to US trade measures and continues to support housing affordability through new homebuilding initiatives.[25] Overall, these actions are expected to enhance competitiveness and support future economic expansion.
- Economic growth in British Columbia is expected to remain subdued in 2026, with real GDP projected to increase 1.0%. The province is supporting long-term growth through a $400 million strategic investments fund, $283 million over three years for skills training, and a strategy to attract up to $200 billion in private investment over the next decade. Trade diversification measures, major infrastructure projects, and housing initiatives are also expected to strengthen economic resilience and support future growth.[26,27,28]

Figure 6: Real GDP at basic prices by province

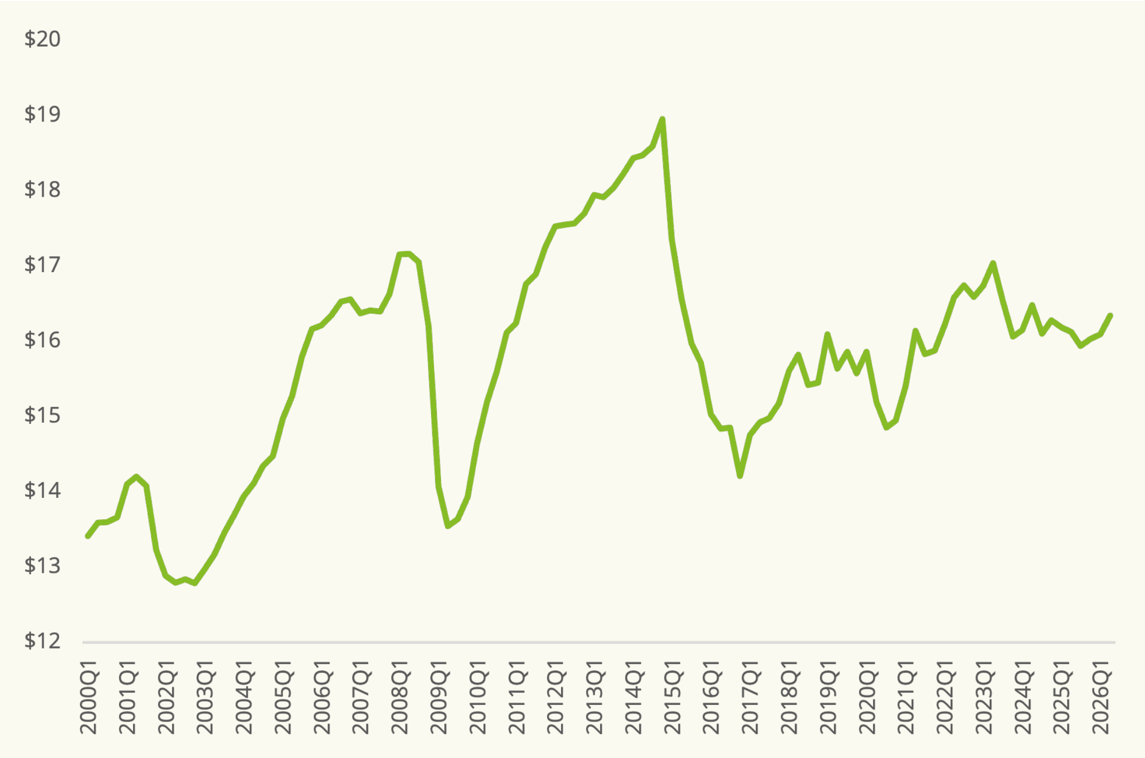
	2025	2026f	2027f
Newfoundland and Labrador	3.5%	1.0%	1.3%
Prince Edward Island	2.8%	1.1%	1.4%
Nova Scotia	2.3%	1.1%	1.3%
New Brunswick	2.0%	1.0%	1.3%
Quebec	0.6%	0.9%	1.2%
Ontario	1.3%	1.0%	1.6%
Manitoba	1.3%	1.2%	1.5%
Saskatchewan	2.2%	1.8%	1.9%
Alberta	2.7%	2.0%	1.9%
British Columbia	2.0%	1.0%	1.7%

Source: Statistics Canada, Deloitte. f = forecast

Risks and key takeaways

- Canada's economy will face challenges in maintaining its recent upward momentum.
- Amid the persistent threat and implementation of tariffs by Canada's largest trading partner, household and business confidence remain subdued. Further erosion could stamp out the expected increases in investment spending that are forecast to underpin next year's recovery. For consumers, concerns about job security and the prospect of higher prices may further dampen spending.
- With confidence already faltering, the risks of additional tariffs have risen. The US has mused about increasing the level of tariffs on Canadian cars and trucks, auto parts, and steel to 50% on January 1, 2027. An increase of this magnitude would exert even more pressure on these sectors and could result in the Canadian government levying or increasing tariffs on US goods coming into Canada.
- While this does not signal the end of CUSMA, further escalation could make that inevitable. Our modelling showed that if the US exited CUSMA, this could cost Canada's economy $402 billion, equivalent to a real GDP loss of 1.6% compared to the baseline forecast.
- Further complicating the outlook is elevated inflation risks. The longer energy prices stay high and tariffs remain in place, the greater the risk of pass-through to other goods. If consumer expectations for price pressures start to rise, we could see an earlier and a more aggressive tightening cycle than currently expected.
- The past monetary tightening cycle and successive rounds of trade tensions have taken a toll on the Canadian economy. The most prominent weak spot in our economy continues to be business non-residential investment. In real terms, companies are investing 14% less per worker than they did in 2014, dragging down our productivity performance. At the same time, infrastructure investment has lagged. Overreliance on road networks for US trade has resulted in underinvestment in other trade enabling infrastructure such as ports, railways, and airports.[29]
- However, opportunities often spring from challenging conditions and herein lies the upside risk. The growing list of government investments in defence, energy, resources, transportation and AI, opens the door to a quicker and deeper increase in private sector spending. Steps to improve the country's competitiveness including the reduction of interprovincial trade barriers, removing duplicative regulatory reviews, and the new Productivity Mega Deduction will also help.

Figure 7: Real investment per employee*
$000's of chained $2017



*Real investment includes non-residential structures, machinery and equipment and intellectual property.
Source: Statistics Canada

Forecast tables

GDP by expenditure

	2025Q1	2025Q2	2025Q3	2025Q4	2026Q1	2026Q2	2026Q3f	2026Q4f	2027Q1f	2027Q2f3	2027Q3f	2027Q4f	2025	2026f	2027f
Canadian GDP	2.9	-1.0	1.9	-1.0	0.3	3.3	1.8	0.4	1.4	2.0	2.3	2.0	1.9	0.9	1.6
Household consumption	1.2	4.4	-0.8	2.9	2.4	3.3	1.1	1.0	1.0	1.4	1.7	1.8	2.4	2.1	1.4
Non-profit consumption	0.4	1.6	2.2	0.5	0.9	1.4	1.0	1.0	1.1	1.2	1.2	1.3	1.3	1.2	1.2
Government consumption	1.8	4.1	-2.1	2.3	-0.1	3.9	2.2	1.2	1.0	1.0	1.1	1.1	2.4	1.5	1.4
Total investment	-3.7	1.5	1.6	2.8	-6.0	5.3	1.7	1.2	1.7	2.6	2.7	2.8	1.6	0.5	2.2
Government investment	-0.6	10.4	15.5	24.6	-9.8	-11.0	4.0	2.5	2.1	2.1	2.1	2.2	7.2	2.3	1.5
Business investment	-4.2	-0.5	-1.3	-1.7	-5.0	9.5	1.2	0.9	1.6	2.7	2.9	3.0	0.3	0.1	2.3
Residential investment	-10.2	0.2	4.4	-9.4	-10.6	10.4	0.7	-0.9	-0.9	-0.1	-0.1	-0.2	0.5	-2.2	0.3
• Residential – renovations	1.0	-8.6	4.8	-6.2	-2.0	11.4	-4.1	1.3	2.0	2.2	2.2	2.5	0.3	-0.1	1.7
• Residential – ownership transfer costs	-47.5	-1.7	29.9	-11.2	-32.9	30.0	4.1	3.6	1.7	1.6	1.6	1.1	-3.4	-3.3	3.8
• Residential – new housing	3.6	7.6	-4.2	-10.8	-6.6	3.2	2.9	-4.0	-3.7	-2.2	-2.4	-2.5	2.3	-3.2	-2.0
Non-residential investment	0.1	-0.7	-5.1	3.8	-1.3	9.1	1.4	1.9	3.0	4.3	4.5	4.6	0.3	1.6	3.5
• Engineering structures	-3.3	21.2	1.0	-3.1	-17.6	9.6	1.9	2.5	7.1	7.0	6.9	6.8	3.1	-2.0	5.7
• Non-residential buildings	-2.8	-12.7	-5.5	4.2	4.1	-0.6	1.4	1.4	1.7	1.9	1.8	1.7	-1.7	0.4	1.5
• Machinery and equipment	6.0	-15.9	-14.2	8.7	11.5	22.6	-0.5	0.5	-1.2	2.9	3.7	4.4	-2.4	5.2	2.3
• Intellectual property	-0.6	-3.2	-2.0	9.4	8.8	-2.3	3.1	2.9	3.1	3.2	3.2	3.2	0.4	3.5	2.7
Total exports	4.5	-23.4	4.1	6.7	1.3	15.1	-0.9	-5.0	-0.6	1.7	1.9	2.0	-1.4	2.6	0.3
• Exports – goods	7.0	-29.0	4.9	9.5	2.1	20.9	-1.5	-7.3	-2.1	1.0	1.7	2.1	-1.8	3.6	-0.4
• Exports – services	-3.8	-1.8	1.5	-2.0	-1.3	-3.2	1.2	2.9	4.3	3.8	2.6	1.9	-0.4	-0.9	2.7
Imports	3.6	1.2	-10.9	2.0	13.1	1.1	-0.4	-2.2	-0.7	1.1	1.4	2.5	-0.3	2.1	0.0
• Imports – goods	6.4	-3.0	-11.2	0.5	16.2	2.3	-0.1	-2.6	-1.1	0.5	0.9	2.3	-0.2	2.4	-0.3
• Imports – services	-5.6	17.5	-9.8	7.2	3.4	-2.9	-1.4	-0.5	0.9	3.2	3.1	3.1	-0.7	1.1	1.0
Inventories	13,161	25,120	(13,127)	(26,373)	22,664	(26,166)	1,246	869	1,160	1,644	2,047	2,132	901	(16,183)	(1,317)
US GDP	-0.6	3.8	4.4	0.5	2.1	1.5	2.5	3.0	2.9	2.8	2.8	2.7	2.1	2.2	2.7

Notes: Unless otherwise noted, all figures are expressed as annualized % changes; data is based on seasonally adjusted real 2017 chained dollars; f = forecast.

Sources: Statistics Canada; Bank of Canada. Forecast by Deloitte Economic Advisory, as of September 9, 2026.

Key macroeconomic indicators

	2025Q1	2025Q2	2025Q3	2025Q4	2026Q1	2026Q2	2026Q3f	2026Q4f	2027Q1f	2027Q2f3	2027Q3f	2027Q4f	2025	2026f	2027f
Labour force participation rate (%)	65.4	65.3	65.2	65.3	64.9	65.0	65.0	65.0	65.0	65.0	65.0	65.0	65.3	65.0	65.0
Change in employment (000s)	118.4	15.0	1.0	126.9	-51.9	28.3	79.9	-5.2	17.5	47.9	56.3	53.6	295.7	107.5	138.1
Unemployment rate (%)	6.7	6.9	7.0	6.8	6.6	6.7	6.4	6.4	6.4	6.2	6.1	5.9	6.9	6.5	6.1
Household savings rate (%)	5.3	4.3	4.4	3.7	3.3	3.7	5.5	5.4	5.4	5.4	5.4	5.4	4.4	4.5	5.4
Housing starts (000s, SAAR)	230.0	276.0	272.6	256.1	244.5	245.9	242.3	237.0	232.7	229.9	226.9	223.9	258.7	242.4	228.4
Consumer price index (year-over-year %)	2.3	1.8	2.0	2.2	2.1	3.0	3.0	2.7	2.5	2.0	2.1	2.0	2.1	2.7	2.2

Key financial market indicators

	2025Q1	2025Q2	2025Q3	2025Q4	2026Q1	2026Q2	2026Q3f	2026Q4f	2027Q1f	2027Q2f3	2027Q3f	2027Q4f	2025	2026f	2027f
Overnight rate	3.00	2.74	2.68	2.34	2.25	2.25	2.25	2.25	2.50	2.75	3.00	3.25	2.34	2.25	3.25
90-day t-bill	2.79	2.65	2.59	2.18	2.22	2.28	2.27	2.29	2.55	2.81	2.87	3.11	2.18	2.29	3.11
1 year t-bill	2.75	2.59	2.61	2.33	2.43	2.60	2.61	2.58	2.61	2.98	3.07	3.21	2.33	2.58	3.21
Government 2-year bond	2.68	2.58	2.64	2.47	2.64	2.87	2.89	3.05	3.25	3.40	3.55	3.65	2.47	3.05	3.65
Government 3-year bond	2.67	2.60	2.65	2.47	2.61	2.96	3.00	3.15	3.30	3.45	3.60	3.70	2.47	3.15	3.70
Government 5-year bond	2.78	2.81	2.91	2.80	2.93	3.13	3.21	3.30	3.40	3.55	3.65	3.75	2.80	3.30	3.75
Government 10-year bond	3.09	3.21	3.38	3.23	3.36	3.48	3.60	3.70	3.75	3.80	3.85	3.90	3.23	3.70	3.90
90-day 10 year spread	-0.30	-0.56	-0.79	-1.05	-1.15	-1.20	-1.33	-1.41	-1.20	-0.99	-0.98	-0.79	-1.05	-1.41	-0.79
2-year 10 year spread	-0.41	-0.63	-0.73	-0.76	-0.72	-0.60	-0.71	-0.65	-0.50	-0.40	-0.30	-0.25	-0.76	-0.65	-0.25
Exchange rate CAD/USD	0.697	0.723	0.726	0.717	0.729	0.723	0.716	0.720	0.728	0.733	0.736	0.738	0.716	0.722	0.734

Notes: f = forecast. The overnight rate represents the end of the period. All other indicators quarterly values are quarter averages. Annual figures reflect the end of the period as measured by Q4.

Sources: Statistics Canada; Bank of Canada. Forecast by Deloitte Economic Advisory, as of September 9, 2026

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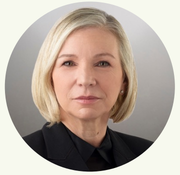

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