<u>Finance Expense-Debt Levels MFR 3</u>

Copies of all interest forecasts relied upon for preparing interest rate forecasts

Please find attached copies of the source forecasts used for preparing the interest rate forecast.

ECONOMIC FORECAST SUMMARY FOR AUGUST 7, 2015

BMO Capital Markets Economic Research

CANADA	2015 I	2015 II	2015 III	2015 IV	2016 I	2016 II	2016 III	2016 IV	Annual 2014	Annual 2015	Annual 2016
Real GDP (q/q % chng : a.r.)	-0.6	-1.0	3.0	2.2	2.3	2.3	2.1	2.1	2.4	1.2	2.2
Consumer Price Index (y/y % chng)	1.1	0.9	1.3	1.7	2.1	2.1	1.9	2.1	1.9	1.2	2.0
Unemployment Rate (%)	6.7	6.8	6.8 ↓	6.8	6.7	6.7 ↑	6.6	6.5	6.9	6.8	6.6
Housing Starts (000s : a.r.)	175	193	187	182	178	179	181	183	189	184	180
Current Account Balance ($blns : a.r.)	-69.9	-62.0 ↑	-56.5 ↑	-51.5 ↑	-45.0 ↑	-41.3 ↑	-38.1 ↑	-35.5 ↑	-41.5	-60.0 ↑	-40.0 ↑
Interest Rates (average for the quarter : %)											
Overnight Rate	0.75	0.75	0.50	0.50	0.50	0.50	0.75	1.00	1.00	0.65	0.70
3-month Treasury Bill	0.62	0.63	0.41	0.40	0.41	0.41	0.65	0.89	0.91	0.52	0.59
10-year Bond	1.44	1.64	1.60	1.77	1.90	1.98	2.07	2.17	2.23	1.61	2.03
Canada/U.S. Interest Rate Spreads (average for the quarter : bps)											
90-day	60	61	28	1	-22	-46	-46	-46	88	37	-40
10-year	-52	-52	-75	-75	-76	-79	-80	-80	-31	-64	-79
UNITED STATES											
Real GDP (q/q % chng : a.r.)	0.6	2.3	2.8	2.7	2.6	2.5	2.4	2.3	2.4	2.3	2.6
Consumer Price Index (y/y % chng)	-0.1	0.0	0.3	0.9	2.3	2.2	2.3	2.4	1.6	0.3	2.3
Unemployment Rate (%)	5.6	5.4	5.2	5.0	4.8 ↓	4.7 ↓	4.6 ↓	4.6	6.2	5.3	4.7
Housing Starts (mlns : a.r.)	0.98	1.14	1.17	1.26	1.31	1.32	1.31	1.29	1.00	1.14	1.31
Current Account Balance ($blns : a.r.)	-453	-405 ↓	-374 ↑	-366 ↑	-389 ↑	-411 ↑	-432 ↑	-448 ↑	-390	-400 ↑	-420 ↑
Interest Rates (average for the quarter : %)											
Fed Funds Target Rate	0.13	0.13	0.21	0.46	0.71	0.96	1.21	1.46	0.13	0.23	1.08
3-month Treasury Bill	0.02	0.02	0.14	0.39	0.63	0.87	1.11	1.34	0.03	0.14	0.99
10-year Note	1.97	2.17	2.35	2.52	2.67	2.77	2.87	2.97	2.54	2.25	2.82
EXCHANGE RATES (average for the quarter)											
US¢/C$	80.6	81.4	76.9 ↓	75.5	76.5	77.5	78.6	79.6	90.6	78.6	78.1
C$/US$	1.241	1.229	1.301 ↑	1.324	1.307	1.290	1.273	1.256	1.105	1.274 ↑	1.281
¥/US$	119	121	124 ↑	125	126	127	128	130	106	122	128
US$/Euro	1.13	1.11	1.09 ↓	1.08 ↓	1.06 ↓	1.04 ↓	1.02 ↓	1.01	1.33	1.10 ↓	1.03 ↓
US$/£	1.51	1.53	1.55 ↑	1.52	1.50	1.49	1.50	1.51	1.65	1.53	1.50

Note: Blocked areas represent BMO Capital Markets forecasts
Up and down arrows indicate changes to the forecast ↑↓

BMO Capital Markets™

			2015			2016			
END OF PERIOD:			**16-Jul**	**Sep**	**Dec**	**Mar**	**Jun**	**Sep**	**Dec**
CDA	Overnight target rate		0.50	0.50	0.50	0.50	0.50	0.75	1.00
	98-Day Treasury Bills		0.39	0.45	0.45	0.45	0.45	0.70	1.00
	2-Year Gov't Bond		0.40	0.45	0.55	0.80	1.00	1.20	1.50
	10-Year Gov't Bond		1.57	1.65	2.00	1.95	2.05	2.45	2.55
	30-Year Gov't Bond		2.27	2.40	2.50	2.40	2.55	2.75	3.00
U.S.	Federal Funds Rate		0.125	0.375	0.625	0.875	0.875	0.875	1.125
	91-Day Treasury Bills		0.01	0.30	0.55	0.75	0.75	0.80	1.00
	2-Year Gov't Note		0.66	1.00	1.05	1.30	1.40	1.50	1.55
	10-Year Gov't Note		2.35	2.60	2.85	2.70	2.75	2.95	3.10
	30-Year Gov't Bond		3.11	3.25	3.35	3.25	3.40	3.50	3.60
Canada - US T-Bill Spread			0.38	0.15	-0.10	-0.30	-0.30	-0.10	0.00
Canada - US 10-Year Bond Spread			-0.77	-0.95	-0.85	-0.75	-0.70	-0.50	-0.55
Canada Yield Curve (30-Year — 2-Year)			1.87	1.95	1.95	1.60	1.55	1.55	1.50
US Yield Curve (30-Year — 2-Year)			2.45	2.25	2.30	1.95	2.00	2.00	2.05
EXCHANGE RATES		CADUSD	0.77	0.77	0.75	0.76	0.76	0.77	0.78
		USDCAD	1.29	1.30	1.33	1.32	1.31	1.30	1.28
		USDJPY	124	125	125	126	125	124	121
		EURUSD	1.09	1.05	1.08	1.11	1.14	1.17	1.20
		GBPUSD	1.56	1.53	1.59	1.61	1.62	1.61	1.60
		AUDUSD	0.74	0.73	0.72	0.73	0.75	0.77	0.80
		USDCHF	0.96	0.99	0.96	0.95	0.93	0.91	0.90
		USDBRL	3.13	3.05	3.13	3.18	3.22	3.21	3.21
		USDMXN	15.79	15.22	15.65	15.30	15.28	15.28	15.42

LAURENTIAN BANK SECURITIES ECONOMIC RESEARCH AND STRATEGY

Forecast Tables

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August 5, 2015

Canada

	2014Q3	2014Q4	2015Q1	2015Q2	2015Q3	2015Q4	Annual Average 2013	2014	2015	2016	Q4/Q4 2013	2014	2015	2016
Real GDP	3.2	2.2	-0.6	-0.3	2.2	2.4	2.0	2.4	1.2	2.0	2.7	2.5	0.9	2.3
Consumption	2.7	2.1	0.4	2.5	2.5	3.0	2.5	2.7	2.1	2.5	2.8	2.6	2.1	2.3
Business investment	4.5	0.1	-16.2	-14.4	-8.5	-3.6	1.4	-0.2	-7.9	-0.3	0.1	0.2	-10.8	4.7
Non-residential structures	0.9	-1.7	-19.7	-15.0	-7.5	-2.5	5.0	-0.1	-9.3	0.4	1.8	-0.4	-11.4	5.6
Machinery and equipment	10.2	-2.5	-7.4	-20.0	-12.0	-5.0	-1.7	1.0	-6.8	-2.0	-1.9	2.8	-11.3	3.7
Residential construction	11.8	0.3	4.0	5.0	2.5	2.5	-0.4	2.7	4.5	3.4	0.0	4.8	3.5	3.7
Government spending	-0.9	1.7	0.5	0.3	0.8	0.9	0.1	-0.3	0.6	0.6	-0.4	0.3	0.6	0.5
Exports	8.4	-1.7	-1.1	0.7	5.0	5.0	2.0	5.4	2.7	3.5	3.6	6.4	2.4	3.0
Imports	4.2	1.6	-1.5	-1.4	-0.3	2.5	1.3	1.8	0.8	2.2	1.7	2.7	-0.2	3.0
Inflation														
Total CPI (y/y %)	2.1	1.9	1.1	0.9	1.2	2.0	0.9	1.9	1.3	1.9	0.9	1.9	2.0	1.8
Core CPI (y/y %)	2.0	2.2	2.2	2.2	2.2	2.2	1.2	1.8	2.2	1.9	1.2	2.2	2.2	1.9
Unemployment rate (%) *	7.0	6.7	6.7	6.8	6.8	6.8	7.1	6.9	6.8	6.6	-	-	-	-
Employment	0.7	1.6	0.7	2.9	0.4	0.6	1.5	0.6	0.8	0.9	1.0	0.7	0.6	1.1
Housing starts (in 000s) *	199	184	175	193	185	185	188	189	184	188	-	-	-	-
Nominal GDP	4.4	0.4	-2.9	3.8	5.3	4.7	3.4	4.3	1.8	4.3	3.8	3.8	2.7	4.0

*Average rate for the period.
Updated: August 2015

Financial Forecasts

	13Q2	13Q3	13Q4	14Q1	14Q2	14Q3	14Q4	15Q1	15Q2	15Q3	15Q4	16Q1	16Q2	16Q3	16Q4
Canada															
Overnight Rate Target	1.00	1.00	1.00	1.00	1.00	1.00	1.00	0.75	0.75	0.50	0.50	0.50	0.50	0.50	0.50
3-Month Treasury Bills	1.00	0.97	0.91	0.95	0.94	1.00	0.91	0.55	0.58	0.45	0.40	0.45	0.45	0.45	0.50
2-Year Bond	1.22	1.19	1.13	1.01	1.10	1.10	1.01	0.51	0.49	0.45	0.40	0.45	0.60	0.70	0.75
5-Year Bond	1.80	1.86	1.95	1.71	1.53	1.60	1.34	0.77	0.81	0.90	1.10	1.25	1.35	1.50	1.60
10-Year Bond	2.44	2.54	2.77	2.46	2.24	2.10	1.79	1.36	1.68	1.70	2.00	2.15	2.30	2.45	2.60
30-Year Bond	2.90	3.07	3.24	2.97	2.78	2.65	2.30	1.98	2.31	2.35	2.60	2.80	2.90	3.00	3.90
United States															
Federal Funds Rate Target**	0.13	0.13	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.50	0.75	1.25	1.50	1.50	1.75
3-Month Treasury Bills	0.04	0.01	0.07	0.05	0.04	0.02	0.04	0.03	0.01	0.75	0.60	1.25	1.50	1.45	1.70
2-Year Bond	0.36	0.32	0.39	0.44	0.47	0.58	0.67	0.56	0.64	1.75	1.25	1.40	2.00	2.10	1.85
5-Year Bond	1.41	1.42	1.75	1.73	1.62	1.78	1.65	1.37	1.63	1.90	2.00	2.25	2.55	2.70	2.75
10-Year Bond	2.52	2.61	3.04	2.73	2.53	2.52	2.17	1.94	2.35	2.40	2.50	2.70	2.85	3.05	3.25
30-Year Bond	3.68	3.69	3.96	3.56	3.34	3.21	2.75	2.54	3.11	3.10	3.20	3.35	3.50	3.65	3.80
Canadian Dollar (US$/C$)	0.95	0.97	0.94	0.90	0.94	0.89	0.86	0.79	0.80	0.75	0.75	0.75	0.74	0.74	0.77
Euro (US$/Euro)	1.30	1.35	1.37	1.38	1.35	1.26	1.21	1.07	1.11	---	1.00	---	---	---	1.00
S&P 500 Index	1606	1682	1848	1872	1960	1972	2059	2068	2063	---	2200	---	---	---	2300
TSX Index	12129	12787	13622	14335	15146	14961	14632	14902	14553	---	14500	---	---	---	15500
Oil WTI (US$/barrel)	93.5	102.3	98.2	101.6	106.1	91.2	53.3	48	60	47	52.0	---	---	---	75.0

Quarter-end data and annual averages
Updated: August 2015 * upper bound of the target range for the Fed funds

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FINANCIAL MARKET FORECASTS

August 7, 2015

Interest rates (%, end of quarter)

	Actual						Forecast						Actual	Forecast	
	14Q1	14Q2	14Q3	14Q4	15Q1	15Q2	15Q3	15Q4	16Q1	16Q2	16Q3	16Q4	2014	2015	2016
Canada															
Overnight	1.00	1.00	1.00	1.00	0.75	0.75	0.50	0.50	0.50	0.50	0.75	1.25	1.00	0.50	1.25
Three-month	0.90	0.94	0.92	0.91	0.55	0.58	0.50	0.50	0.55	0.60	0.85	1.40	0.91	0.50	1.40
Two-year	1.07	1.10	1.13	1.01	0.51	0.49	0.50	0.60	0.75	1.00	1.35	1.75	1.01	0.60	1.75
Five-year	1.71	1.53	1.63	1.34	0.77	0.81	0.90	1.15	1.50	1.70	1.95	2.25	1.34	1.15	2.25
10-year	2.46	2.24	2.15	1.79	1.35	1.68	1.80	2.10	2.30	2.50	2.70	2.90	1.79	2.10	2.90
30-year	2.96	2.78	2.67	2.34	1.98	2.38	2.50	2.75	2.95	3.10	3.20	3.30	2.34	2.75	3.30
Yield curve (10s-2s)	139	114	102	78	84	119	130	150	155	150	135	115	78	150	115
United States															
Fed funds	0.25	0.25	0.25	0.25	0.25	0.25	0.50	0.75	1.00	1.25	1.75	2.25	0.25	0.75	2.25
Three-month	0.05	0.04	0.02	0.04	0.03	0.01	0.35	0.50	0.70	0.90	1.45	1.95	0.04	0.50	1.95
Two-year	0.45	0.47	0.58	0.67	0.56	0.64	1.05	1.30	1.65	1.90	2.25	2.40	0.67	1.30	2.40
Five-year	1.74	1.62	1.78	1.65	1.37	1.63	1.85	2.05	2.20	2.30	2.65	2.75	1.65	2.05	2.75
10-year	2.73	2.53	2.52	2.17	1.94	2.35	2.60	2.80	2.85	3.00	3.40	3.50	2.17	2.80	3.50
30-year	3.55	3.34	3.21	2.75	2.54	3.11	3.30	3.50	3.50	3.70	4.15	4.25	2.75	3.50	4.25
Yield curve (10s-2s)	228	206	194	150	138	171	155	150	120	110	115	110	150	150	110
Yield spreads															
Three-month T-bills	0.85	0.90	0.90	0.87	0.52	0.57	0.15	0.00	-0.15	-0.30	-0.60	-0.55	0.87	0.00	-0.55
Two-year	0.62	0.63	0.55	0.34	-0.05	-0.15	-0.55	-0.70	-0.90	-0.90	-0.90	-0.65	0.34	-0.70	-0.65
Five-year	-0.03	-0.09	-0.15	-0.31	-0.60	-0.82	-0.95	-0.90	-0.70	-0.60	-0.70	-0.50	-0.31	-0.90	-0.50
10-year	-0.27	-0.29	-0.37	-0.38	-0.59	-0.67	-0.80	-0.70	-0.55	-0.50	-0.70	-0.60	-0.38	-0.70	-0.60
30-year	-0.59	-0.56	-0.54	-0.41	-0.56	-0.73	-0.80	-0.75	-0.55	-0.60	-0.95	-0.95	-0.41	-0.75	-0.95

Exchange rates (end of quarter)

	Actual						Forecast						Actual	Forecast	
	14Q1	14Q2	14Q3	14Q4	15Q1	15Q2	15Q3	15Q4	16Q1	16Q2	16Q3	16Q4	2014	2015	2016
AUD/USD	0.93	0.94	0.87	0.82	0.76	0.77	0.72	0.72	0.71	0.71	0.72	0.73	0.82	0.72	0.73
USD/CAD	1.11	1.07	1.12	1.16	1.27	1.25	1.34	1.34	1.33	1.32	1.31	1.30	1.16	1.34	1.30
EUR/USD	1.38	1.37	1.26	1.21	1.07	1.11	1.07	1.11	1.15	1.16	1.16	1.17	1.21	1.11	1.17
USD/JPY	103.2	101.3	109.7	119.7	120.1	122.5	128.0	132.0	129.0	126.0	123.0	120.0	119.7	132.0	120.0
NZD/USD	0.87	0.88	0.78	0.78	0.75	0.68	0.65	0.65	0.63	0.62	0.62	0.62	0.78	0.65	0.62
USD/CHF	0.89	0.89	0.96	0.99	0.97	0.94	1.01	1.01	0.98	0.97	0.98	0.98	0.99	1.01	0.98
GBP/USD	1.67	1.71	1.62	1.56	1.48	1.57	1.53	1.61	1.69	1.71	1.68	1.70	1.56	1.61	1.70

Quarterly Forecasts

Canada	2014 Q3	2014 Q4	2015 Q1	2015 Q2	2015 Q3f	2015 Q4f	2016 Q1f	2016 Q2f	2016 Q3f	2016 Q4f
Real GDP (q/q, ann. % change)	3.2	2.2	-0.6	0.0	2.0	2.0	2.1	2.2	2.2	2.3
Real GDP (y/y, % change)	2.6	2.5	2.1	1.2	0.9	0.8	1.5	2.1	2.1	2.2
Consumer Prices (y/y, % change)	2.1	1.9	1.1	0.9	1.3	1.8	2.2	2.2	2.1	2.2
Core CPI (y/y % change)	2.0	2.2	2.2	2.2	2.3	2.2	2.1	2.1	2.0	2.1
United States										
Real GDP (q/q, ann. % change)	4.3	2.1	0.6	2.3	2.2	3.0	3.2	2.8	2.4	2.4
Real GDP (y/y, % change)	2.9	2.5	2.9	2.3	1.8	2.0	2.7	2.8	2.8	2.7
Consumer Prices (y/y, % change)	1.8	1.2	-0.1	0.0	0.2	1.0	2.1	2.1	2.2	2.2
Core CPI (y/y % change)	1.8	1.7	1.7	1.8	1.8	1.9	2.0	2.0	2.1	2.1

Financial Markets

Central Bank Rates

(%, end of period)

Americas	2014 Q3	2014 Q4	2015 Q1	2015 Q2	2015 Q3f	2015 Q4f	2016 Q1f	2016 Q2f	2016 Q3f	2016 Q4f
Bank of Canada	1.00	1.00	0.75	0.75	0.50	0.50	0.50	0.50	0.50	0.50
U.S. Federal Reserve	0.25	0.25	0.25	0.25	0.50	0.50	0.75	1.00	1.50	1.75
Bank of Mexico	3.00	3.00	3.00	3.00	3.50	3.75	4.00	4.25	4.50	4.75
Central Bank of Brazil	11.00	11.75	12.75	13.75	14.50	14.50	14.00	13.25	12.75	12.25
Bank of the Republic of Colombia	4.50	4.50	4.50	4.50	4.50	4.50	4.50	4.50	4.75	5.00
Central Reserve Bank of Peru	3.50	3.50	3.25	3.25	3.25	3.25	3.25	3.25	3.50	3.50
Central Bank of Chile	3.25	3.00	3.00	3.00	3.00	3.00	3.00	3.25	3.25	3.50
Europe										
European Central Bank	0.05	0.05	0.05	0.05	0.05	0.05	0.05	0.05	0.05	0.05
Bank of England	0.50	0.50	0.50	0.50	0.50	0.50	0.75	0.75	1.00	1.00
Swiss National Bank	0.00	-0.25	-0.75	-0.75	-0.75	-0.75	-0.75	-0.75	-0.75	-0.50
Asia/Oceania										
Reserve Bank of Australia	2.50	2.50	2.25	2.00	2.00	2.00	2.00	2.00	2.25	2.50
People's Bank of China	6.00	5.60	5.35	4.85	4.60	4.60	4.60	4.60	4.60	4.60
Reserve Bank of India	8.00	8.00	7.50	7.25	7.00	7.00	7.00	7.00	7.00	7.00
Bank of Korea	2.25	2.00	1.75	1.50	1.50	1.50	1.50	1.50	1.75	2.00
Bank Indonesia	7.50	7.75	7.50	7.50	7.50	7.50	7.50	7.50	7.50	7.50
Bank of Thailand	2.00	2.00	1.75	1.50	1.50	1.50	1.50	1.50	1.75	2.00
Canada										
3-month T-bill	0.92	0.92	0.55	0.58	0.45	0.50	0.50	0.50	0.55	0.85
2-year Canada	1.12	1.01	0.51	0.48	0.55	0.75	1.00	1.30	1.60	1.80
5-year Canada	1.63	1.34	0.76	0.82	1.00	1.25	1.50	1.85	2.00	2.20
10-year Canada	2.15	1.79	1.36	1.68	1.65	1.95	2.15	2.25	2.35	2.45
30-year Canada	2.67	2.34	1.98	2.30	2.35	2.50	2.60	2.70	2.75	2.85
United States										
3-month T-bill	0.02	0.04	0.02	0.01	0.30	0.80	1.15	1.55	1.80	2.10
2-year Treasury	0.57	0.66	0.56	0.64	0.85	1.30	1.60	1.90	2.30	2.60
5-year Treasury	1.76	1.65	1.37	1.65	1.85	2.00	2.15	2.35	2.50	2.70
10-year Treasury	2.49	2.17	1.92	2.35	2.45	2.60	2.80	2.90	2.90	3.00
30-year Treasury	3.20	2.75	2.54	3.12	3.20	3.25	3.30	3.35	3.40	3.50
Canada-U.S. Spreads										
3-month T-bill	0.90	0.88	0.53	0.57	0.15	-0.30	-0.65	-1.05	-1.25	-1.25
2-year	0.56	0.35	-0.05	-0.16	-0.30	-0.55	-0.60	-0.60	-0.70	-0.80
5-year	-0.13	-0.31	-0.61	-0.83	-0.85	-0.75	-0.65	-0.50	-0.50	-0.50
10-year	-0.34	-0.38	-0.56	-0.67	-0.80	-0.65	-0.65	-0.65	-0.55	-0.55
30-year	-0.53	-0.41	-0.56	-0.82	-0.85	-0.75	-0.70	-0.65	-0.65	-0.65

INTEREST RATE OUTLOOK

	Spot Rate	2014				2015F				2016F			
	Jul-29	Q1	Q2	Q3	Q4	Q1	Q2	Q3F	Q4F	Q1F	Q2F	Q3F	Q4F
CANADA													
Overnight Target Rate	0.50	1.00	1.00	1.00	1.00	0.75	0.75	0.50	0.50	0.50	0.50	0.50	0.50
3-mth T-Bill Rate	0.43	0.90	0.94	0.92	0.91	0.55	0.58	0.45	0.45	0.45	0.45	0.45	0.50
2-yr Govt. Bond Yield	0.47	1.07	1.10	1.13	1.01	0.51	0.49	0.55	0.60	0.65	0.75	0.90	1.00
5-yr Govt. Bond Yield	0.84	1.71	1.53	1.63	1.34	0.77	0.81	0.90	1.05	1.25	1.45	1.60	1.80
10-yr Govt. Bond Yield	1.53	2.46	2.24	2.15	1.79	1.36	1.68	1.70	1.85	2.00	2.15	2.25	2.40
30-yr Govt. Bond Yield	2.21	2.96	2.78	2.67	2.33	1.99	2.31	2.35	2.50	2.60	2.70	2.75	2.85
10-yr-2-yr Govt Spread	1.06	1.39	1.14	1.02	0.78	0.85	1.19	1.15	1.25	1.35	1.40	1.35	1.40
U.S.													
Fed Funds Target Rate	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.50	0.75	1.00	1.00	1.00	1.25
3-mth T-Bill Rate	0.05	0.05	0.04	0.02	0.04	0.03	0.01	0.35	0.65	0.85	0.85	0.95	1.15
2-yr Govt. Bond Yield	0.70	0.44	0.47	0.58	0.67	0.56	0.64	0.90	1.10	1.35	1.60	1.75	2.00
5-yr Govt. Bond Yield	1.61	1.73	1.62	1.78	1.65	1.37	1.63	1.85	2.00	2.15	2.35	2.50	2.70
10-yr Govt. Bond Yield	2.28	2.73	2.53	2.52	2.17	1.94	2.35	2.45	2.50	2.60	2.70	2.80	3.00
30-yr Govt. Bond Yield	2.99	3.56	3.34	3.21	2.75	2.54	3.11	3.10	3.15	3.25	3.35	3.40	3.60
10-yr-2-yr Govt Spread	1.58	2.29	2.06	1.94	1.50	1.38	1.71	1.55	1.40	1.25	1.10	1.05	1.00
CANADA - U.S SPREADS													
Can - U.S. T-Bill Spread	0.38	0.85	0.90	0.90	0.87	0.52	0.57	0.10	-0.20	-0.40	-0.40	-0.50	-0.65
Can - U.S. 10-Year Bond Spread	-0.76	-0.27	-0.29	-0.37	-0.38	-0.58	-0.67	-0.75	-0.65	-0.60	-0.55	-0.55	-0.60

F: Forecast by TD Bank Group as at July 2015; All forecasts are end-of-period; Source: Bloomberg, Bank of Canada, Federal Reserve.

GLOBAL STOCK MARKETS

	Price	30-Day	YTD	52-Week	52-Week
	Jul-29	% Chg.	% Chg.	High	Low
S&P 500	2,109	0.3	2.4	2,131	1,862
S&P/TSX Composite	14,259	-3.7	-2.5	15,658	13,705
DAX	11,212	-2.4	14.3	12,375	8,572
FTSE 100	6,631	-1.8	1.0	7,104	6,183
Nikkei	20,303	-1.9	16.3	20,868	14,533
MSCI AC World Index*	422	-2.4	1.2	443	392

* Is a weighted equity index including both developed and emerging markets
Source: Bloomberg.

COMMODITY PRICE FORECASTS

	Price	52-Week	52-Week	2014				2015F				2016F				Annual Average		
	Jul-29	High	Low	Q1	Q2	Q3	Q4	Q1	Q2	Q3F	Q4F	Q1F	Q2F	Q3F	Q4F	2014	2015F	2016F
Crude Oil (WTI, $US/bbl)	49	100	43	99	103	98	73	49	59	52	55	60	65	70	75	93	54	68
Natural Gas ($US/MMBtu)	2.90	4.41	2.48	5.17	4.59	3.94	3.75	2.87	2.78	2.80	3.30	3.20	2.95	2.90	3.40	4.36	2.94	3.11
Gold ($US/troy oz.)	1307	1418	1189	1294	1289	1282	1199	1218	1191	1110	1025	1110	1150	1180	1210	1266	1136	1163
Silver (US$/troy oz.)	14.8	20.6	14.6	20.5	19.7	19.71	16.47	16.74	16.44	14.90	13.75	14.90	15.75	16.25	16.75	19.1	15.5	15.91
Copper (cents/lb)	240	325	235	319	308	317	300	264	275	231	245	230	230	240	240	311	254	235
Nickel (US$/lb)	5.14	9.04	4.83	6.64	8.38	8.42	7.15	6.51	5.94	4.99	6.35	6.80	7.50	8.00	9.00	7.65	5.95	7.83
Aluminum (Cents/lb)	75	96	74	77	82	90	89	82	79	73	79	80	82	86	86	85	78	84
Wheat ($US/bu)*	6.65	10.18	6.60	9.32	8.90	8.43	8.10	7.45	7.34	7.00	7.40	7.80	8.10	8.40	8.75	8.69	7.30	8.26

F: Forecast by TD Bank Group as at July 2015; All forecasts are period averages; E: Estimate; Source: Bloomberg, USDA (Haver). *As at July 28, 2015.

INTEREST RATE OUTLOOK										
	Annual Average					End of Period				
	14	15F	16F	17F	18F	14	15F	16F	17F	18F
U.S. FIXED INCOME										
Fed Funds Target Rate (%)	0.25	0.45	1.05	1.80	2.25	0.25	0.75	1.25	2.00	2.25
3-mth T-Bill Rate (%)	0.04	0.35	0.95	1.70	2.15	0.04	0.65	1.15	1.90	2.15
2-yr Govt. Bond Yield (%)	0.54	0.80	1.70	2.45	2.75	0.67	1.10	2.00	2.60	2.80
5-yr Govt. Bond Yield (%)	1.70	1.70	2.45	3.05	3.25	1.65	2.00	2.70	3.15	3.25
10-yr Govt. Bond Yield (%)	2.49	2.30	2.80	3.25	3.50	2.17	2.50	3.00	3.35	3.50
10-yr-2-yr Govt. Spread (%)	1.95	1.50	1.10	0.80	0.75	1.50	1.40	1.00	0.75	0.70
CANADIAN FIXED INCOME										
Overnight Target Rate (%)	1.00	0.75	0.80	1.45	2.25	1.00	0.75	1.00	1.50	2.50
3-mth T-Bill Rate (%)	0.92	0.65	0.80	1.50	2.35	0.91	0.70	0.95	1.75	2.75
2-yr Govt. Bond Yield (%)	1.08	0.65	1.30	2.15	2.80	1.01	0.80	1.65	2.40	2.95
5-yr Govt. Bond Yield (%)	1.55	1.10	1.85	2.45	3.05	1.34	1.35	2.10	2.65	3.25
10-yr Govt. Bond Yield (%)	2.16	1.75	2.25	2.75	3.30	1.79	1.95	2.40	2.95	3.50
10-yr-2-yr Govt. Spread (%)	1.08	1.10	0.95	0.60	0.50	0.78	1.15	0.75	0.55	0.55
F: Forecast by TD Economics, June 2015										
Source: Statistics Canada, Bank of Canada, Bloomberg										

IHS Global Insight - August 10, 2015

Table 1
Selected Economic Indicators

	14Q2	14Q3	14Q4	15Q1	15Q2	15Q3	15Q4	16Q1	16Q2	16Q3	16Q4	17Q1	17Q2	17Q3	17Q4	18Q1	18Q2	18Q3	18Q4
3-Month T-Bill Rate (%)	0.93	0.93	0.90	0.53	0.63	0.41	0.42	0.42	0.43	0.67	0.96	1.30	1.70	2.06	2.51	3.05	3.49	3.50	3.50
US 3-Month T-Bill Rate (%)	0.03	0.03	0.02	0.03	0.02	0.18	0.47	0.75	1.01	1.27	1.50	1.92	2.38	2.90	3.24	3.28	3.28	3.28	3.28
Canada-US Differential (% pts.)	0.89	0.91	0.87	0.50	0.61	0.23	-0.06	-0.33	-0.58	-0.60	-0.54	-0.62	-0.68	-0.84	-0.73	-0.22	0.21	0.22	0.22
Prime Rate (%)	3.00	3.00	3.00	2.85	2.85	2.70	2.70	2.70	2.70	2.95	3.20	3.53	3.95	4.28	4.78	5.28	5.70	5.70	5.70
Overnight Rate (%)	1.00	1.00	1.00	0.76	0.74	0.50	0.50	0.50	0.50	0.75	1.00	1.33	1.75	2.08	2.58	3.08	3.50	3.50	3.50
Bank Rate (%)	1.25	1.25	1.25	1.00	0.99	0.75	0.75	0.75	0.75	1.00	1.25	1.58	2.00	2.33	2.83	3.33	3.75	3.75	3.75
GOC Bond Rate (1-3 yrs.) (%)	1.06	1.10	1.02	0.47	0.63	0.52	0.54	0.55	0.58	0.82	1.10	1.42	1.80	2.15	2.58	3.09	3.50	3.50	3.50
GOC Bond Rate (3-5 yrs.) (%)	1.41	1.43	1.32	0.56	0.79	0.85	0.90	0.97	1.05	1.26	1.51	1.79	2.12	2.42	2.80	3.20	3.51	3.51	3.51
GOC Ten-Year Bond Rate (%)	2.29	2.12	1.92	1.33	1.68	1.86	2.02	2.24	2.46	2.62	2.76	2.92	3.11	3.27	3.48	3.54	3.54	3.54	3.54
US Ten-Year T-Note Rate (%)	2.62	2.50	2.28	1.97	2.17	2.35	2.52	2.62	2.76	2.85	3.01	3.20	3.35	3.53	3.69	3.75	3.75	3.75	3.75
US Real GDP (Bil. 2009 $)	16010.4	16205.6	16294.7	16287.7	16385.7	16498.8	16616.4	16753.8	16887.9	17020.9	17138.2	17250.3	17355.9	17461.8	17567.3	17672.9	17791.3	17909.9	18013.7
Annual % Ch.	4.6	5.0	2.2	-0.2	2.4	2.8	2.9	3.3	3.2	3.2	2.8	2.6	2.5	2.5	2.4	2.4	2.7	2.7	2.3
Household Credit (Billion $)	1757.4	1776.7	1798.7	1821.1	1846.7	1875.0	1905.6	1937.8	1971.4	2006.1	2041.5	2077.1	2112.9	2148.5	2184.0	2219.1	2253.7	2287.8	2321.6
Annual % Ch.	4.3	4.5	5.0	5.1	5.7	6.3	6.7	6.9	7.1	7.2	7.2	7.2	7.1	6.9	6.8	6.6	6.4	6.2	6.0
ExCh. Rate (US-Can.)	91.7	91.8	88.1	80.6	81.3	76.7	74.4	74.1	76.4	79.0	79.8	80.7	81.7	82.5	83.4	84.6	86.0	87.2	88.4

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Table 24 Interest Rates (Percent)	14Q2	14Q3	14Q4	15Q1	15Q2	15Q3	15Q4	16Q1	16Q2	16Q3	16Q4	17Q1	17Q2	17Q3	17Q4	18Q1	18Q2	18Q3	18Q4
Government of Canada																			
Treasury Bills																			
3 Months	0.93	0.93	0.90	0.53	0.63	0.41	0.42	0.42	0.43	0.67	0.96	1.30	1.70	2.06	2.51	3.05	3.49	3.50	3.50
6 Months	0.95	0.96	0.92	0.52	0.65	0.43	0.44	0.44	0.45	0.70	0.99	1.32	1.72	2.08	2.53	3.08	3.51	3.52	3.52
Bonds																			
1-3 Years	1.06	1.10	1.02	0.47	0.63	0.52	0.54	0.55	0.58	0.82	1.10	1.42	1.80	2.15	2.58	3.09	3.50	3.50	3.50
3-5 Years	1.41	1.43	1.32	0.56	0.79	0.85	0.90	0.97	1.05	1.26	1.51	1.79	2.12	2.42	2.80	3.20	3.51	3.51	3.51
5 Years	1.58	1.57	1.45	0.73	0.96	1.07	1.15	1.25	1.36	1.56	1.78	2.04	2.34	2.61	2.95	3.28	3.51	3.52	3.52
5-10 Years	1.91	1.87	1.70	0.97	1.35	1.48	1.59	1.76	1.92	2.10	2.28	2.49	2.73	2.95	3.22	3.41	3.53	3.53	3.53
10 Years	2.29	2.12	1.92	1.33	1.68	1.86	2.02	2.24	2.46	2.62	2.76	2.92	3.11	3.27	3.48	3.54	3.54	3.54	3.54
10+ Years	2.69	2.55	2.35	1.77	2.13	2.31	2.45	2.68	2.90	3.05	3.19	3.35	3.54	3.70	3.91	3.97	3.97	3.97	3.97
30 Years	2.84	2.67	2.47	1.95	2.27	2.45	2.59	2.82	3.03	3.19	3.32	3.48	3.67	3.83	4.04	4.10	4.10	4.10	4.10

Quarterly Medium Term Outlook

BMO Capital Markets *

		2015				2016				Long-Run Assumptions			
	Forecast Date	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Cdn 90 Day T-bill - %	**21-Sep-15**				0.40	0.40	0.40	0.40	0.40	*			
Cdn 10 Yr Bond Yield - %	**21-Sep-15**				1.60	1.70	1.80	1.90	2.00	*			
Cdn 30 Yr Bond Yield - %	**21-Sep-15**				2.30	2.40	2.45	2.55	2.65	*			
US 90 day T-bill - %	**21-Sep-15**				0.10	0.35	0.60	0.85	1.00	*			
US 10 Yr Bond Yield - %	**21-Sep-15**				2.30	2.45	2.55	2.65	2.75	*			
US 30 Yr Bond Yield - %	**21-Sep-15**				3.05	3.15	3.25	3.35	3.45	*			
Exchange Rate**	**21-Sep-15**				1.34	1.33	1.31	1.30	1.28	*			
Cdn CPI*** - % change	**21-Sep-15**			2.40	0.60	1.90	2.10	2.10	2.20	*			
Cdn GDP Price Index - % change	**21-Sep-15**			1.00	2.00	3.30	2.80	2.60	2.70	*			
US CPI*** - % change	**21-Sep-15**			1.70	0.90	2.30	2.80	2.50	2.20	*			
US GDP Price Index - % change	**21-Sep-15**			2.10	1.60	2.10	2.40	2.20	2.00	*			

* Average Period Data
** (C$/US$)
*** CPI All Items (year/year % change)
**** shaded area denotes forecast period

Quarterly Medium Term Outlook

CIBC World Markets *

			2015	2016				2017	2018
		Forecast Date	Q4	Q1	Q2	Q3	Q4		
Cdn 98 Day T-bill	quarterly end-of-period - %	**21-Sep-15**	0.45	0.45	0.45	0.55	0.70	1.40	2.10
Cdn 10 Yr Bond Yield	quarterly end-of-period - %	**21-Sep-15**	1.60	1.85	1.90	2.10	2.45	2.75	3.25
Cdn 30 Yr Bond Yield	quarterly end-of-period - %	**21-Sep-15**	2.35	2.30	2.30	2.55	2.75	3.00	3.25
US 90 day T-bill	quarterly end-of-period - %	**21-Sep-15**	0.35	0.55	0.55	0.65	1.00	0.61	1.40
US 10 Yr Bond Yield	quarterly end-of-period - %	**21-Sep-15**	2.40	2.60	2.55	2.75	3.10	2.66	3.25
US 30 Yr Bond Yield	quarterly end-of-period - %	**21-Sep-15**	3.00	3.20	3.15	3.40	3.60	3.26	3.85
Exchange Rate	(C$/US$)	**21-Sep-15**	1.36	1.34	1.31	1.30	1.28	1.30	1.29
Cdn CPI	Y/Y - % change	**21-Sep-15**	1.6	2.5	2.0	1.9	2.0	2.1	2.2
Cdn GDP Price Deflator	Q/Q - % change; annualized rate	**21-Sep-15**	1.5	2.2	2.3	2.5	2.7	1.8	2.7
US CPI	Y/Y - % change	**21-Sep-15**	1.0	2.2	1.8	2.1	2.5	2.2	2.1
US GDP Price Deflator	Q/Q - % change; annualized rate	**21-Sep-15**	1.0	2.4	2.3	2.0	2.0	2.0	2.1

* Financial data up to and including 2016 are quarterly end-of-period forecasts. Economic data up to and including 2016 are quarterly average forecasts. Thereafter, the forecasts are provided in annual granularity, as annual averages.
**If data can only be provided in annual granularity, assume it is the same for each quarter.

GDP price deflator is q/q at annual rates, CPI is y/y

Annual averages begin after Q4 2016

Table 4
United States: fixed income market

End of period in %	2014 Q1	2014 Q2	2014 Q3	2014 Q4	2015 Q1	2015 Q2	2015 Q3f	2015 Q4f	2016 Q1f	2016 Q2f	2016 Q3f	2016 Q4f
Key rate												
Federal funds	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.50	0.75	0.75	1.00	1.25
Treasury bills												
3-month	0.05	0.04	0.02	0.04	0.03	0.01	0.00	0.30	0.55	0.65	0.85	1.10
Federal bonds												
2-year	0.39	0.42	0.56	0.63	0.54	0.58	0.65	0.90	1.10	1.20	1.40	1.55
5-year	1.71	1.60	1.77	1.64	1.37	1.62	1.40	1.70	1.90	2.00	2.15	2.25
10-year	2.73	2.52	2.51	2.17	1.93	2.33	2.10	2.35	2.50	2.55	2.65	2.75
30-year	3.56	3.34	3.21	2.75	2.54	3.10	2.90	3.00	3.10	3.15	3.20	3.30
Yield curve												
5-year - 3-month	1.66	1.56	1.75	1.60	1.34	1.61	1.40	1.40	1.35	1.35	1.30	1.15
10-year - 2-year	2.34	2.09	1.95	1.54	1.39	1.75	1.45	1.45	1.40	1.35	1.25	1.20
30-year - 3-month	3.51	3.30	3.19	2.71	2.51	3.09	2.90	2.70	2.55	2.50	2.35	2.20

f: forecasts
Sources: Datastream and Desjardins, Economic Studies

Table 5
Canada: fixed income market

End of period in %	2014 Q1	2014 Q2	2014 Q3	2014 Q4	2015 Q1	2015 Q2	2015 Q3f	2015 Q4f	2016 Q1f	2016 Q2f	2016 Q3f	2016 Q4f
Key rate												
Federal funds	1.00	1.00	1.00	1.00	0.75	0.75	0.50	0.50	0.50	0.50	0.50	0.50
Treasury bills												
3-month	0.89	0.94	0.92	0.92	0.56	0.58	0.45	0.45	0.45	0.45	0.50	0.50
Federal bonds												
2-year	1.07	1.10	1.12	1.01	0.50	0.48	0.50	0.50	0.55	0.60	0.70	0.80
5-year	1.71	1.53	1.63	1.34	0.76	0.82	0.80	0.90	1.00	1.10	1.15	1.35
10-year	2.46	2.24	2.15	1.79	1.36	1.69	1.45	1.55	1.65	1.65	1.75	1.95
30-year	2.96	2.78	2.67	2.34	1.98	2.31	2.20	2.30	2.35	2.40	2.45	2.55
Yield curve												
5-year - 3-month	0.82	0.59	0.71	0.42	0.20	0.24	0.35	0.45	0.55	0.65	0.65	0.85
10-year - 2-year	1.39	1.14	1.03	0.78	0.86	1.21	0.95	1.05	1.10	1.05	1.05	1.15
30-year - 3-month	2.07	1.84	1.75	1.42	1.42	1.73	1.75	1.85	1.90	1.95	1.95	2.05
Spreads (Canada - U.S.)												
3-month	0.84	0.90	0.90	0.88	0.53	0.57	0.45	0.15	-0.10	-0.20	-0.35	-0.60
2-year	0.68	0.68	0.56	0.38	-0.04	-0.10	-0.15	-0.40	-0.55	-0.60	-0.70	-0.75
5-year	-0.00	-0.07	-0.14	-0.30	-0.61	-0.80	-0.60	-0.80	-0.90	-0.90	-1.00	-0.90
10-year	-0.27	-0.28	-0.36	-0.38	-0.57	-0.64	-0.65	-0.80	-0.85	-0.90	-0.90	-0.80
30-year	-0.60	-0.56	-0.54	-0.41	-0.56	-0.79	-0.70	-0.70	-0.75	-0.75	-0.75	-0.75

f: forecasts
Sources: Datastream and Desjardins, Economic Studies

LAURENTIAN BANK SECURITIES

ECONOMIC RESEARCH AND STRATEGY

Forecast Tables

www.vmbl.ca

September 22nd, 2015

Canada

	2014Q3	2014Q4	2015Q1	2015Q2	2015Q3	2015Q4	Annual Average 2013	2014	2015	2016	2017	Q4/Q4 2013	2014	2015	2016	2017
Real GDP	3.2	2.2	-0.8	-0.5	2.5	2.2	2.0	2.4	1.2	2.0	2.2	2.7	2.5	0.9	2.2	2.3
Consumption	2.7	2.1	0.5	2.3	3.3	2.3	2.5	2.7	2.1	2.4	2.5	2.8	2.6	2.1	2.3	2.5
Business investment	4.5	0.1	-17.7	-12.7	-11.4	2.2	1.4	-0.2	-8.1	0.1	4.2	0.1	0.2	-10.2	3.8	4.7
Non-residential structures	0.9	-1.7	-23.5	-8.8	-15.0	1.0	5.0	-0.1	-10.0	-0.3	5.1	1.8	-0.4	-12.0	4.4	5.6
Machinery and equipment	10.2	-2.5	-6.2	-17.1	-10.0	3.0	-1.7	1.0	-5.2	0.1	3.2	-1.9	2.8	-7.9	3.2	3.7
Residential construction	11.8	0.3	3.5	1.3	5.0	3.0	-0.4	2.7	4.0	0.6	-0.1	0.0	4.8	3.2	-1.8	2.4
Government spending	-0.9	1.7	0.6	1.5	0.0	1.2	0.1	-0.3	0.8	0.7	0.6	-0.4	0.3	0.8	0.6	0.6
Exports	8.4	-1.7	-1.4	0.4	9.2	2.8	2.0	5.4	3.0	3.6	3.0	3.6	6.4	2.7	3.0	3.0
Imports	4.2	1.6	-1.4	-1.5	1.2	2.4	1.3	1.8	1.0	1.8	2.4	1.7	2.7	0.2	2.0	2.7
Inflation																
Total CPI (y/y %)	2.1	1.9	1.1	0.9	1.3	1.8	0.9	1.9	1.3	1.8	1.9	0.9	1.9	1.8	1.8	1.9
Core CPI (y/y %)	2.0	2.2	2.2	2.2	2.2	2.1	1.2	1.8	2.2	1.8	1.9	1.2	2.2	2.1	1.8	1.9
Unemployment rate (%) *	7.0	6.7	6.7	6.8	6.8	6.8	7.1	6.9	6.8	6.6	6.5	-	-	-	-	-
Employment	0.7	1.6	0.7	0.8	0.8	0.8	1.5	0.6	0.8	1.0	1.2	1.0	0.7	0.8	1.1	1.2
Housing starts (in 000s) *	199	184	175	193	200	173	188	189	185	173	179	-	-	-	-	-
Nominal GDP	4.4	0.4	-2.6	0.8	5.3	4.3	3.4	4.3	1.3	4.3	4.3	3.8	3.8	1.9	4.6	4.3

*Average rate for the period.
Updated: September 2015

Financial Forecasts

	13Q2	13Q3	13Q4	14Q1	14Q2	14Q3	14Q4	15Q1	15Q2	15Q3	15Q4	16Q1	16Q2	16Q3	16Q4
Canada															
Overnight Rate Target	**1.00**	**1.00**	**1.00**	**1.00**	**1.00**	**1.00**	**1.00**	**0.75**	**0.75**	**0.50**	**0.50**	**0.50**	**0.50**	**0.50**	**0.50**
3-Month Treasury Bills	1.02	0.98	0.91	0.90	0.94	0.92	0.91	0.55	0.58	0.45	0.45	0.45	0.45	0.45	0.50
2-Year Bond	1.22	1.19	1.13	1.07	1.10	1.13	1.01	0.51	0.49	0.50	0.50	0.60	0.65	0.70	0.75
5-Year Bond	1.80	1.86	1.95	1.71	1.53	1.63	1.34	0.77	0.81	0.85	1.10	1.25	1.35	1.50	1.60
10-Year Bond	2.44	2.54	2.77	2.46	2.24	2.15	1.79	1.36	1.68	1.60	1.90	2.15	2.30	2.45	2.60
30-Year Bond	2.89	3.07	3.24	2.96	2.78	2.67	2.33	1.99	2.31	2.35	2.60	2.80	2.90	3.05	3.20
United States															
Federal Funds Rate Target**	**0.25**	**0.25**	**0.25**	**0.25**	**0.25**	**0.25**	**0.25**	**0.25**	**0.25**	**0.25**	**0.50**	**0.75**	**0.75**	**1.00**	**1.00**
3-Month Treasury Bills	0.04	0.02	0.07	0.05	0.04	0.02	0.04	0.03	0.01	0.01	0.35	0.60	0.65	0.90	0.95
2-Year Bond	0.36	0.33	0.38	0.44	0.47	0.58	0.67	0.56	0.64	0.75	1.00	1.25	1.30	1.40	1.45
5-Year Bond	1.41	1.39	1.75	1.73	1.62	1.78	1.65	1.37	1.63	1.55	1.80	2.15	2.40	2.55	2.65
10-Year Bond	2.52	2.64	3.04	2.73	2.53	2.52	2.17	1.94	2.35	2.35	2.50	2.70	2.85	3.05	3.25
30-Year Bond	3.52	3.69	3.96	3.56	3.34	3.21	2.75	2.54	3.11	3.05	3.25	3.40	3.60	3.75	3.90
Canadian Dollar (US$/C$)	**0.95**	**0.97**	**0.94**	**0.90**	**0.94**	**0.89**	**0.86**	**0.79**	**0.80**	**0.75**	**0.75**	**0.75**	**0.74**	**0.74**	**0.77**
Euro (US$/Euro)	1.30	1.35	1.38	1.38	1.37	1.26	1.21	1.07	1.12	1.09	1.05	---	---	---	1.00
S&P 500 Index	1606	1682	1848	1872	1960	1972	2059	2068	2063	---	2200	---	---	---	2300
TSX Index	12129	12787	13622	14335	15146	14961	14632	14902	14553	---	14500	---	---	---	15500
Oil WTI (US$/barrel)	96.6	102.4	98.2	101.6	106.1	91.2	53.5	47.7	59.5	47.0	52.0	---	---	---	75.0

Quarter-end data and annual averages
Updated: September 2015 * upper bound of the target range for the Fed funds

MONTHLY ECONOMIC MONITOR

United States
Economic Forecast

*(Annual % change)**	*2012*	*2013*	*2014*	*2015*	*2016*	*Q4/Q4 2014*	*2015*	*2016*
Gross domestic product (2009 $)	2.2	1.5	2.4	2.5	2.6	2.5	2.5	2.2
Consumption	1.5	1.7	2.7	3.1	2.5	3.2	2.8	2.2
Residential construction	13.5	9.5	1.8	7.9	6.0	5.1	7.2	6.0
Business investment	9.0	3.0	6.2	2.8	2.4	5.5	2.8	1.6
Government expenditures	(1.9)	(2.9)	(0.6)	0.3	1.2	0.4	0.6	1.5
Exports	3.4	2.8	3.4	2.0	2.2	2.4	1.5	1.2
Imports	2.2	1.1	3.8	5.2	1.6	5.4	3.6	1.2
Change in inventories (bil. $)	54.7	61.4	68.0	105.7	99.5	78.2	100.0	99.0
Domestic demand	1.9	1.2	2.5	2.7	2.4	3.0	2.6	2.1
Real disposable income	3.1	(1.4)	2.7	3.1	2.5	3.6	2.5	2.6
Household employment	1.8	1.0	1.6	1.9	1.6	2.2	1.9	1.5
Unemployment rate	8.1	7.4	6.2	5.3	5.0	5.7	5.1	4.9
Inflation	2.1	1.5	1.6	0.3	2.1	1.2	1.1	2.0
Before-tax profits	10.0	2.0	1.7	(0.8)	5.1	3.4	-1.6	4.5
Federal balance (unified budget, bil. $)	(1,089.2)	(680.2)	(483.3)	(469.0)	(536.0)	...	...	...
Current account (bil. $)	(449.7)	(376.8)	(389.5)	(450.3)	(442.3)	...	...	...

** or as noted*

Financial Forecast**

	Current 8-21-15	*Q3 2015*	*Q4 2015*	*Q1 2016*	*Q2 2016*	*2015*	*2016*
Fed Fund Target Rate	0.25	0.25	0.50	0.75	1.00	0.50	1.50
3 month Treasury bills	0.03	0.11	0.29	0.63	0.93	0.29	1.38
Treasury yield curve							
2-Year	0.64	0.70	1.11	1.30	1.59	1.11	1.88
5-Year	1.44	1.58	1.88	2.00	2.22	1.88	2.44
10-Year	2.05	2.21	2.37	2.43	2.53	2.37	2.71
30-Year	2.74	2.86	3.00	3.03	3.10	3.00	3.23
Exchange rates							
U.S.$/Euro	1.13	1.15	1.12	1.10	1.07	1.12	1.00
YEN/U.S.$	122	118	120	122	126	120	130

National Bank Financial

*** end of period*

MONTHLY ECONOMIC MONITOR

Canada
Economic Forecast

(Annual % change)*	2012	2013	2014	2015	2016	Q4/Q4 2014	Q4/Q4 2015	Q4/Q4 2016
Gross domestic product (2007 $)	1.9	2.0	2.4	1.3	1.6	2.5	0.9	1.6
Consumption	1.9	2.5	2.7	2.1	2.0	2.6	2.3	1.4
Residential construction	5.7	(0.4)	2.7	3.4	0.4	4.8	1.5	0.5
Business investment	9.0	2.6	0.2	(8.2)	(3.2)	0.7	(11.1)	0.7
Government expenditures	0.2	0.1	(0.3)	0.7	0.2	0.3	0.3	0.5
Exports	2.6	2.0	5.4	3.7	5.9	6.4	5.1	5.0
Imports	3.7	1.3	1.8	1.6	3.2	2.7	1.3	3.7
Change in inventories (millions $)	7,437	12,368	7,530	8,445	8,040	8,513	4,769	9,315
Domestic demand	2.5	1.5	1.6	0.7	1.0	1.8	0.4	1.0
Real disposable income	2.8	2.5	1.5	2.9	1.9	1.2	3.1	1.9
Employment	1.3	1.4	0.6	0.8	0.6	0.7	0.6	0.6
Unemployment rate	7.3	7.1	6.9	6.8	6.9	6.7	6.9	6.9
Inflation	1.5	0.9	1.9	1.2	1.7	1.9	1.4	1.7
Before-tax profits	(4.2)	(0.6)	8.8	(11.6)	4.2	6.2	(10.1)	5.0
Current account (bil. $)	(59.9)	(56.3)	(41.5)	(54.5)	(44.5)	....	....	....

** or as noted*

Financial Forecast**

	Current 8-21-15	Q3 2015	Q4 2015	Q1 2016	Q2 2016	2015	2016
Overnight rate	0.50	0.25	0.25	0.25	0.25	0.25	0.25
3 month T-Bills	0.38	0.21	0.21	0.21	0.21	0.21	0.41
Treasury yield curve							
2-Year	0.33	0.29	0.31	0.50	0.64	0.31	1.14
5-Year	0.61	0.69	0.77	1.24	1.39	0.77	1.62
10-Year	1.27	1.40	1.46	1.79	1.87	1.46	2.03
30-Year	2.01	2.13	2.16	2.46	2.52	2.16	2.61
CAD per USD	1.32	1.32	1.33	1.35	1.36	1.33	1.38
Oil price (WTI), U.S.$	40	42	46	50	50	46	54

National Bank Financial

*** end of period*

RBC ECONOMICS | RESEARCH

FINANCIAL MARKET FORECASTS

September 9, 2015

Interest rates (%, end of quarter)

	Actual						Forecast						Actual	Forecast	
	14Q1	14Q2	14Q3	14Q4	15Q1	15Q2	15Q3	15Q4	16Q1	16Q2	16Q3	16Q4	2014	2015	2016
Canada															
Overnight	1.00	1.00	1.00	1.00	0.75	0.75	0.50	0.50	0.50	0.50	0.75	1.25	1.00	0.50	1.25
Three-month	0.90	0.94	0.92	0.91	0.55	0.58	0.50	0.50	0.55	0.60	0.85	1.40	0.91	0.50	1.40
Two-year	1.07	1.10	1.13	1.01	0.51	0.49	0.50	0.60	0.75	1.00	1.35	1.75	1.01	0.60	1.75
Five-year	1.71	1.53	1.63	1.34	0.77	0.81	0.90	1.15	1.50	1.70	1.95	2.25	1.34	1.15	2.25
10-year	2.46	2.24	2.15	1.79	1.35	1.68	1.60	2.10	2.30	2.50	2.70	2.90	1.79	2.10	2.90
30-year	2.96	2.78	2.67	2.34	1.98	2.38	2.40	2.75	2.95	3.10	3.20	3.30	2.34	2.75	3.30
Yield curve (10s-2s)	139	114	102	78	84	119	110	150	155	150	135	115	78	150	115
United States															
Fed funds	0.25	0.25	0.25	0.25	0.25	0.25	0.50	0.75	1.00	1.25	1.75	2.25	0.25	0.75	2.25
Three-month	0.05	0.04	0.02	0.04	0.03	0.01	0.35	0.50	0.70	0.90	1.45	1.95	0.04	0.50	1.95
Two-year	0.45	0.47	0.58	0.67	0.56	0.64	1.05	1.30	1.65	1.90	2.25	2.40	0.67	1.30	2.40
Five-year	1.74	1.62	1.78	1.65	1.37	1.63	1.85	2.05	2.20	2.30	2.65	2.75	1.65	2.05	2.75
10-year	2.73	2.53	2.52	2.17	1.94	2.35	2.60	2.80	2.85	3.00	3.40	3.50	2.17	2.80	3.50
30-year	3.55	3.34	3.21	2.75	2.54	3.11	3.30	3.50	3.50	3.70	4.15	4.25	2.75	3.50	4.25
Yield curve (10s-2s)	228	206	194	150	138	171	155	150	120	110	115	110	150	150	110
Yield spreads															
Three-month T-bills	0.85	0.90	0.90	0.87	0.52	0.57	0.15	0.00	-0.15	-0.30	-0.60	-0.55	0.87	0.00	-0.55
Two-year	0.62	0.63	0.55	0.34	-0.05	-0.15	-0.55	-0.70	-0.90	-0.90	-0.90	-0.65	0.34	-0.70	-0.65
Five-year	-0.03	-0.09	-0.15	-0.31	-0.60	-0.82	-0.95	-0.90	-0.70	-0.60	-0.70	-0.50	-0.31	-0.90	-0.50
10-year	-0.27	-0.29	-0.37	-0.38	-0.59	-0.67	-1.00	-0.70	-0.55	-0.50	-0.70	-0.60	-0.38	-0.70	-0.60
30-year	-0.59	-0.56	-0.54	-0.41	-0.56	-0.73	-0.90	-0.75	-0.55	-0.60	-0.95	-0.95	-0.41	-0.75	-0.95

Exchange rates (end of quarter)

	Actual						Forecast						Actual	Forecast	
	14Q1	14Q2	14Q3	14Q4	15Q1	15Q2	15Q3	15Q4	16Q1	16Q2	16Q3	16Q4	2014	2015	2016
AUD/USD	0.93	0.94	0.87	0.82	0.76	0.77	0.70	0.68	0.68	0.67	0.67	0.67	0.82	0.68	0.67
USD/CAD	1.11	1.07	1.12	1.16	1.27	1.25	1.34	1.36	1.34	1.33	1.31	1.30	1.16	1.36	1.30
EUR/USD	1.38	1.37	1.26	1.21	1.07	1.11	1.07	1.11	1.15	1.16	1.16	1.17	1.21	1.11	1.17
USD/JPY	103.2	101.3	109.7	119.8	120.1	122.5	123.0	128.0	132.0	129.0	126.0	123.0	119.8	128.0	123.0
NZD/USD	0.87	0.88	0.78	0.78	0.75	0.68	0.63	0.61	0.60	0.59	0.58	0.57	0.78	0.61	0.57
USD/CHF	0.89	0.89	0.96	0.99	0.97	0.94	1.01	1.01	0.98	0.97	0.98	0.98	0.99	1.01	0.98
GBP/USD	1.67	1.71	1.62	1.56	1.48	1.57	1.53	1.61	1.69	1.71	1.68	1.70	1.56	1.61	1.70

Quarterly Forecasts	2014		2015				2016			
Canada	Q3	Q4	Q1	Q2	Q3f	Q4f	Q1f	Q2f	Q3f	Q4f
Real GDP (q/q, ann. % change)	3.2	2.2	-0.8	-0.5	1.8	1.6	1.8	2.0	2.2	2.2
Real GDP (y/y, % change)	2.6	2.5	2.0	1.0	0.7	0.5	1.2	1.8	1.9	2.1
Consumer Prices (y/y, % change)	2.1	1.9	1.1	0.9	1.2	1.5	1.8	1.8	1.9	2.1
Core CPI (y/y % change)	2.0	2.2	2.2	2.2	2.3	2.3	2.2	2.1	2.1	2.0
United States										
Real GDP (q/q, ann. % change)	4.3	2.1	0.6	3.7	2.0	2.6	2.8	2.6	2.4	2.4
Real GDP (y/y, % change)	2.9	2.5	2.9	2.7	2.1	2.2	2.8	2.5	2.6	2.6
Consumer Prices (y/y, % change)	1.8	1.2	-0.1	0.0	0.3	0.8	1.7	1.7	1.9	2.2
Core CPI (y/y % change)	1.8	1.7	1.7	1.8	1.8	1.9	2.0	2.0	2.1	2.1

Financial Markets

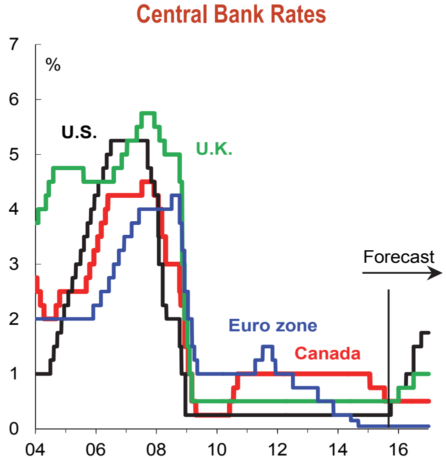
Central Bank Rates

Americas	(%, end of period)									
Bank of Canada	1.00	1.00	0.75	0.75	0.50	0.50	0.50	0.50	0.50	0.50
U.S. Federal Reserve	0.25	0.25	0.25	0.25	0.25	0.50	0.75	1.00	1.25	1.75
Bank of Mexico	3.00	3.00	3.00	3.00	3.50	3.75	4.00	4.25	4.50	4.75
Central Bank of Brazil	11.00	11.75	12.75	13.75	14.25	14.25	14.00	13.25	12.75	12.25
Bank of the Republic of Colombia	4.50	4.50	4.50	4.50	4.50	4.50	4.50	4.50	4.75	5.00
Central Reserve Bank of Peru	3.50	3.50	3.25	3.25	3.25	3.50	3.75	3.75	3.75	3.75
Central Bank of Chile	3.25	3.00	3.00	3.00	3.00	3.00	3.00	3.25	3.25	3.50
Europe										
European Central Bank	0.05	0.05	0.05	0.05	0.05	0.05	0.05	0.05	0.05	0.05
Bank of England	0.00	0.00	0.50	0.50	0.50	0.50	0.75	0.75	1.00	1.00
Swiss National Bank	0.00	-0.25	-0.75	-0.75	-0.75	-0.75	-0.75	-0.75	-0.75	-0.50
Asia/Oceania										
Reserve Bank of Australia	2.50	2.50	2.25	2.00	2.00	2.00	2.00	2.00	2.25	2.50
People's Bank of China	6.00	5.60	5.35	4.85	4.60	4.35	4.35	4.35	4.35	4.35
Reserve Bank of India	8.00	8.00	7.50	7.25	7.00	7.00	7.00	7.00	7.00	7.00
Bank of Korea	2.25	2.00	1.75	1.50	1.50	1.50	1.50	1.50	1.75	2.00
Bank Indonesia	7.50	7.75	7.50	7.50	7.50	7.50	7.25	7.25	7.25	7.25
Bank of Thailand	2.00	2.00	1.75	1.50	1.50	1.25	1.25	1.25	1.50	1.75
Canada										
3-month T-bill	0.92	0.92	0.55	0.40	0.35	0.50	0.50	0.50	0.55	0.85
2-year Canada	1.12	1.01	0.51	0.41	0.50	0.75	1.00	1.30	1.60	1.80
5-year Canada	1.63	1.34	0.76	0.77	0.90	1.15	1.50	1.85	2.00	2.20
10-year Canada	2.15	1.79	1.36	1.44	1.55	1.80	2.05	2.25	2.35	2.45
30-year Canada	2.67	2.34	1.98	2.13	2.30	2.45	2.60	2.70	2.75	2.85
United States										
3-month T-bill	0.02	0.04	0.02	0.07	0.30	0.80	1.15	1.20	1.85	2.10
2-year Treasury	0.57	0.66	0.56	0.66	0.85	1.30	1.60	1.90	2.30	2.60
5-year Treasury	1.76	1.65	1.37	1.53	1.75	1.90	2.15	2.35	2.50	2.70
10-year Treasury	2.49	2.17	1.92	2.18	2.40	2.50	2.80	2.90	2.90	3.00
30-year Treasury	3.20	2.75	2.54	2.91	3.10	3.20	3.30	3.35	3.40	3.50
Canada-U.S. Spreads										
3-month T-bill	0.90	0.88	0.53	0.33	0.05	-0.30	-0.65	-0.70	-1.30	-1.25
2-year	0.56	0.35	-0.05	-0.25	-0.35	-0.55	-0.60	-0.60	-0.70	-0.80
5-year	-0.13	-0.31	-0.61	-0.76	-0.85	-0.75	-0.65	-0.50	-0.50	-0.50
10-year	-0.34	-0.38	-0.56	-0.74	-0.85	-0.70	-0.75	-0.65	-0.55	-0.55
30-year	-0.53	-0.41	-0.56	-0.78	-0.80	-0.75	-0.70	-0.65	-0.65	-0.65

Financial Markets

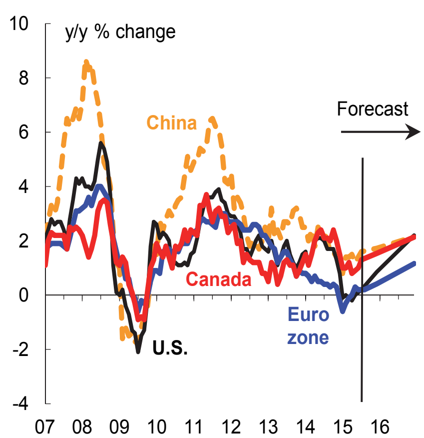
Exchange Rates	2014 Q3	2014 Q4	2015 Q1	2015 Q2	2015 Q3f	2015 Q4f	2016 Q1f	2016 Q2f	2016 Q3f	2016 Q4f
Americas					(end of period)					
Canadian Dollar (USDCAD)	1.12	1.16	1.27	1.25	1.35	1.37	1.36	1.35	1.35	1.34
Canadian Dollar (CADUSD)	0.89	0.86	0.79	0.80	0.74	0.73	0.74	0.74	0.74	0.75
Mexican Peso (USDMXN)	13.43	14.75	15.26	15.74	16.82	16.51	16.28	15.96	15.88	16.07
Brazilian Real (USDBRL)	2.45	2.66	3.20	3.10	3.50	3.55	3.60	3.60	3.65	3.70
Colombian Peso (USDCOP)	2025	2377	2600	2606	2950	2975	3000	3100	3050	3000
Peruvian Nuevo Sol (USDPEN)	2.89	2.98	3.10	3.18	3.25	3.28	3.31	3.34	3.36	3.39
Chilean Peso (USDCLP)	598	606	625	639	675	665	664	661	660	658
Canadian Dollar Cross Rates										
Euro (EURCAD)	1.41	1.41	1.36	1.39	1.46	1.44	1.43	1.40	1.38	1.34
U.K. Pound (GBPCAD)	1.82	1.81	1.88	1.96	2.07	2.07	2.05	2.04	2.05	2.04
Japanese Yen (CADJPY)	98	103	95	98	91	91	94	96	96	98
Australian Dollar (AUDCAD)	0.98	0.95	0.97	0.96	0.97	0.96	0.97	0.97	0.99	0.99
Mexican Peso (CADMXN)	11.99	12.69	12.03	12.60	12.46	12.05	11.97	11.82	11.76	11.99
Europe										
Euro (EURUSD)	1.26	1.21	1.07	1.11	1.08	1.05	1.05	1.04	1.02	1.00
U.K. Pound (GBPUSD)	1.62	1.56	1.48	1.57	1.53	1.51	1.51	1.51	1.52	1.52
Swiss Franc (USDCHF)	0.96	0.99	0.97	0.94	1.00	1.03	1.03	1.05	1.08	1.10
Swedish Krona (USDSEK)	7.21	7.81	8.63	8.28	8.60	8.60	8.60	8.55	8.55	8.50
Norwegian Krone (USDNOK)	6.43	7.45	8.06	7.85	8.40	8.30	8.20	8.10	8.00	7.90
Russian Ruble (USDRUB)	39.6	60.7	58.2	55.3	67.0	69.0	67.0	65.0	60.0	58.0
Turkish Lira (USDTRY)	2.28	2.34	2.60	2.68	2.90	2.95	2.95	2.90	2.85	2.80
Asia/Oceania										
Japanese Yen (USDJPY)	110	120	120	123	123	125	128	129	130	131
Australian Dollar (AUDUSD)	0.87	0.82	0.76	0.77	0.72	0.70	0.71	0.72	0.73	0.74
Chinese Yuan (USDCNY)	6.14	6.21	6.20	6.20	6.45	6.60	6.65	6.70	6.75	6.80
Indian Rupee (USDINR)	61.8	63.0	62.5	63.7	66.8	67.0	67.3	67.5	67.8	68.0
South Korean Won (USDKRW)	1055	1091	1110	1115	1205	1210	1205	1200	1195	1190
Indonesian Rupiah (USDIDR)	12188	12388	13074	13339	14275	14300	14325	14350	14375	14400
Thai Baht (USDTHB)	32.4	32.9	32.5	33.8	36.0	36.5	36.6	36.8	36.9	37.0

Central Bank Rates



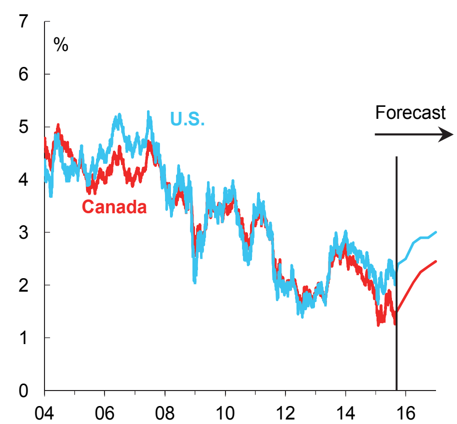
Source: Bloomberg, Scotiabank Economics.

Global Inflation



Source: Bloomberg, Scotiabank Economics.

10-Year Yields



Source: Bloomberg, Scotiabank Economics.

TD Economics | www.td.com/economics

INTEREST RATE OUTLOOK

	2015				2016				2017			
	Q1	Q2	Q3*	Q4F	Q1F	Q2F	Q3F	Q4F	Q1F	Q2F	Q3F	Q4F
CANADA												
Overnight Target Rate	0.75	0.75	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	1.00	1.25
3-mth T-Bill Rate	0.55	0.58	0.41	0.45	0.45	0.45	0.45	0.50	0.55	0.80	1.15	1.20
2-yr Govt. Bond Yield	0.51	0.49	0.47	0.50	0.65	0.75	0.80	0.90	1.05	1.25	1.55	1.80
5-yr Govt. Bond Yield	0.77	0.81	0.78	0.90	1.05	1.30	1.40	1.60	1.80	1.95	2.10	2.35
10-yr Govt. Bond Yield	1.36	1.68	1.48	1.60	1.75	1.90	2.00	2.15	2.30	2.50	2.70	2.90
30-yr Govt. Bond Yield	1.99	2.31	2.24	2.30	2.40	2.50	2.60	2.70	2.80	2.90	3.05	3.20
10-yr-2-yr Govt Spread	0.85	1.19	1.01	1.10	1.10	1.15	1.20	1.25	1.25	1.25	1.15	1.10
U.S.												
Fed Funds Target Rate	0.25	0.25	0.25	0.25	0.50	0.75	1.00	1.00	1.00	1.25	1.50	1.75
3-mth T-Bill Rate	0.03	0.01	0.00	0.20	0.40	0.65	0.80	0.85	0.90	1.10	1.35	1.60
2-yr Govt. Bond Yield	0.56	0.64	0.68	0.85	1.05	1.35	1.50	1.60	1.70	1.85	2.05	2.30
5-yr Govt. Bond Yield	1.37	1.63	1.46	1.60	1.75	2.00	2.15	2.25	2.35	2.45	2.60	2.85
10-yr Govt. Bond Yield	1.94	2.35	2.15	2.30	2.45	2.60	2.70	2.75	2.80	2.85	2.95	3.10
30-yr Govt. Bond Yield	2.54	3.11	2.95	3.15	3.20	3.30	3.40	3.45	3.50	3.55	3.65	3.65
10-yr-2-yr Govt Spread	1.38	1.71	1.47	1.45	1.40	1.25	1.20	1.15	1.10	1.00	0.90	0.80
CANADA - U.S SPREADS												
Can - U.S. T-Bill Spread	0.52	0.57	0.41	0.25	0.05	-0.20	-0.35	-0.35	-0.35	-0.30	-0.20	-0.40
Can - U.S. 10-Year Bond Spread	-0.58	-0.67	-0.67	-0.70	-0.70	-0.70	-0.70	-0.60	-0.50	-0.35	-0.25	-0.20

F: Forecast by TD Bank Group as at September 2015; All forecasts are end-of-period; Source: Bloomberg, Bank of Canada, Federal Reserve.
*Spot rate as at September 18, 2015

FOREIGN EXCHANGE OUTLOOK

Currency	Exchange rate	2015				2016				2017			
		Q1	Q2	Q3*	Q4F	Q1F	Q2F	Q3F	Q4F	Q1F	Q2F	Q3F	Q4F
Exchange rate to U.S. dollar													
Japanese yen	JPY per USD	120	120	120	124	130	132	127	124	122	120	120	120
Euro	USD per EUR	1.07	1.14	1.14	1.10	1.08	1.06	1.10	1.12	1.15	1.15	1.20	1.20
U.K. pound	USD per GBP	1.49	1.56	1.56	1.55	1.57	1.58	1.62	1.65	1.64	1.64	1.67	1.67
Exchange rate to Canadian dollar													
U.S. dollar	USD per CAD	0.79	0.76	0.76	0.75	0.73	0.73	0.74	0.75	0.78	0.80	0.83	0.83
Japanese yen	JPY per CAD	94.6	91.1	91.1	93.2	94.9	96.4	94.1	93.2	95.3	96.0	100.0	100.0
Euro	CAD per EUR	1.36	1.49	1.49	1.46	1.48	1.45	1.49	1.49	1.47	1.44	1.44	1.44
U.K. pound	CAD per GBP	1.88	2.05	2.05	2.06	2.14	2.17	2.18	2.19	2.10	2.05	2.00	2.00

F: Forecast by TD Bank Group as at September 2015. *Spot rate on September 18, 2015.
All forecasts are end-of-period. Source: Federal Reserve, Bloomberg, TDBG.

COMMODITY PRICE FORECASTS

	2015				2016				2017				Annual Average		
	Q1	Q2F	Q3*	Q4F	Q1F	Q2F	Q3F	Q4F	Q1F	Q2F	Q3F	Q4F	2015F	2016F	2017F
Crude Oil (WTI, $US/bbl)	49	59	44	44	48	50	58	63	65	65	65	70	49	55	66
Natural Gas ($US/MMBtu)	2.87	2.78	2.73	3.30	3.50	3.00	3.20	3.50	4.50	5.50	6.50	7.50	2.92	3.30	6.00
Gold ($US/troy oz.)	1218	1191	1120	1075	1050	1125	1175	1210	1200	1175	1125	1075	1151	1140	1144
Silver (US$/troy oz.)	16.7	16.4	15.2	14.8	14.0	15.8	16.3	16.8	16.7	16.3	14.9	14.8	15.8	15.7	15.6
Copper (cents/lb)	264	275	236	238	230	230	240	240	250	250	280	280	253	235	265
Nickel (US$/lb)	6.51	5.94	4.67	6.00	6.80	7.50	8.00	9.00	9.00	9.00	9.50	9.50	5.78	7.83	9.25
Aluminum (Cents/lb)	82	79	72	78	80	82	86	86	88	88	90	90	78	84	89
Wheat ($US/bu)	7.45	7.34	6.03	6.25	6.50	6.75	6.90	7.00	7.10	7.25	7.35	7.50	6.77	6.79	7.30

F: Forecast by TD Bank Group as at September 2015. All forecasts are period averages. Source: Bloomberg, USDA (Haver). *Averages as of September 18, 2015.

INTEREST RATE OUTLOOK

	Annual Average						End of Period					
	14	15F	16F	17F	18F	19F	14	15F	16F	17F	18F	19F
U.S. FIXED INCOME												
Fed Funds Target Rate (%)	0.25	0.25	0.80	1.40	2.15	2.90	0.25	0.25	1.00	1.75	2.50	3.25
3-mth T-Bill Rate (%)	0.04	0.10	0.70	1.25	2.05	2.80	0.04	0.20	0.85	1.60	2.40	3.15
2-yr Govt. Bond Yield (%)	0.54	0.70	1.40	2.00	2.75	3.25	0.67	0.85	1.60	2.30	3.00	3.35
5-yr Govt. Bond Yield (%)	1.70	1.55	2.05	2.55	3.15	3.50	1.65	1.60	2.25	2.85	3.30	3.55
10-yr Govt. Bond Yield (%)	2.49	2.20	2.65	2.95	3.40	3.75	2.17	2.30	2.75	3.10	3.55	3.80
10-yr-2-yr Govt. Spread (%)	1.95	1.50	1.25	0.95	0.65	0.50	1.50	1.45	1.15	0.80	0.55	0.45
CANADIAN FIXED INCOME												
Overnight Target Rate (%)	1.00	0.65	0.50	0.80	1.80	2.65	1.00	0.50	0.50	1.25	2.00	3.00
3-mth T-Bill Rate (%)	0.92	0.50	0.45	0.95	2.00	2.75	0.91	0.45	0.50	1.20	2.15	2.95
2-yr Govt. Bond Yield (%)	1.08	0.45	0.80	1.40	2.35	3.05	1.01	0.50	0.90	1.80	2.55	3.15
5-yr Govt. Bond Yield (%)	1.55	0.80	1.35	2.05	2.65	3.15	1.34	0.90	1.60	2.35	2.85	3.30
10-yr Govt. Bond Yield (%)	2.16	1.55	1.95	2.60	3.30	3.65	1.79	1.60	2.15	2.90	3.50	3.75
10-yr-2-yr Govt. Spread (%)	1.08	1.10	1.15	1.20	0.95	0.60	0.78	1.10	1.25	1.10	0.95	0.60

F: Forecast by TD Economics, September 2015
Source: Statistics Canada, Bank of Canada, Bloomberg

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FINANCIAL OUTLOOK

	2015				2016				2017				2018				Average Annual					End of Period				
U.S.	**Q1**	**Q2**	**Q3F**	**Q4F**	**Q1F**	**Q2F**	**Q3F**	**Q4F**	**Q1F**	**Q2F**	**Q3F**	**Q4F**	**Q1F**	**Q2F**	**Q3F**	**Q4F**	**14**	**15F**	**16F**	**17F**	**18F**	**14**	**15F**	**16F**	**17F**	**18F**
Target for Fed Funds Rate	0.25	0.25	0.25	0.25	0.50	0.75	1.00	1.00	1.00	1.25	1.50	1.75	1.75	1.75	2.00	2.25	0.25	0.25	0.80	1.40	1.95	0.25	0.25	1.00	1.75	2.25
3-mth T-Bill Rate (%)	0.03	0.01	0.10	0.20	0.40	0.65	0.80	0.85	0.90	1.10	1.35	1.60	1.65	1.70	1.90	2.05	0.04	0.10	0.70	1.25	1.85	0.04	0.20	0.85	1.60	2.05
2-yr Govt. Bond Yield (%)	0.56	0.64	0.70	0.85	1.05	1.35	1.50	1.60	1.70	1.85	2.05	2.30	2.40	2.45	2.65	2.80	0.54	0.70	1.40	2.00	2.60	0.67	0.85	1.60	2.30	2.80
5-yr Govt. Bond Yield (%)	1.37	1.63	1.50	1.60	1.75	2.00	2.15	2.25	2.35	2.45	2.60	2.85	2.90	2.95	3.10	3.15	1.70	1.55	2.05	2.55	3.05	1.65	1.60	2.25	2.85	3.15
10-yr Govt. Bond Yield (%)	1.94	2.35	2.20	2.30	2.45	2.60	2.70	2.75	2.80	2.85	2.95	3.10	3.15	3.20	3.25	3.30	2.49	2.20	2.65	2.95	3.25	2.17	2.30	2.75	3.10	3.30
Canada																										
Overnight Target Rate (%)	0.75	0.75	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	1.00	1.25	1.50	1.75	2.00	2.00	1.00	0.65	0.50	0.80	1.80	1.00	0.50	0.50	1.25	2.00
3-mth T-Bill Rate (%)	0.55	0.58	0.45	0.45	0.45	0.45	0.45	0.50	0.55	0.80	1.15	1.20	1.80	1.95	2.05	2.15	0.92	0.50	0.45	0.95	2.00	0.91	0.45	0.50	1.20	2.15
2-yr Govt. Bond Yield (%)	0.51	0.49	0.35	0.50	0.65	0.75	0.80	0.90	1.05	1.25	1.55	1.80	2.05	2.25	2.45	2.55	1.08	0.45	0.80	1.40	2.35	1.01	0.50	0.90	1.80	2.55
5-yr Govt. Bond Yield (%)	0.77	0.81	0.75	0.90	1.05	1.30	1.40	1.60	1.80	1.95	2.10	2.35	2.45	2.55	2.70	2.85	1.55	0.80	1.35	2.05	2.65	1.34	0.90	1.60	2.35	2.85
10-yr Govt. Bond Yield (%)	1.36	1.68	1.50	1.60	1.75	1.90	2.00	2.15	2.30	2.50	2.70	2.90	3.10	3.20	3.35	3.50	2.16	1.55	1.95	2.60	3.30	1.79	1.60	2.15	2.90	3.50
USD per CAD	0.79	0.80	0.76	0.75	0.73	0.73	0.74	0.75	0.78	0.80	0.83	0.83														
CAD per GBP	1.88	1.96	2.01	2.06	2.14	2.17	2.18	2.19	2.10	2.05	2.00	2.00														
USD per GBP	1.49	1.57	1.52	1.55	1.57	1.58	1.62	1.65	1.64	1.64	1.67	1.67														

IHS Global Insight - Sept 9, 2015

Table 1																			
Selected Economic Indicators																			
	14Q2	14Q3	14Q4	15Q1	15Q2	15Q3	15Q4	16Q1	16Q2	16Q3	16Q4	17Q1	17Q2	17Q3	17Q4	18Q1	18Q2	18Q3	18Q4
3-Month T-Bill Rate (%)	0.93	0.93	0.90	0.53	0.63	0.40	0.42	0.42	0.43	0.49	0.67	1.03	1.46	1.80	2.27	2.77	3.31	3.49	3.50
US 3-Month T-Bill Rate (%)	0.03	0.03	0.02	0.03	0.02	0.07	0.19	0.46	0.70	0.95	1.20	1.44	1.66	1.94	2.21	2.42	2.67	2.88	3.00
Canada-US Differential (% pts.)	0.89	0.91	0.87	0.50	0.61	0.33	0.23	-0.04	-0.27	-0.46	-0.53	-0.42	-0.20	-0.14	0.06	0.35	0.64	0.61	0.49
Prime Rate (%)	3.00	3.00	3.00	2.85	2.85	2.70	2.70	2.70	2.70	2.70	2.95	3.28	3.70	4.03	4.53	5.03	5.45	5.70	5.70
Overnight Rate (%)	1.00	1.00	1.00	0.76	0.74	0.50	0.50	0.50	0.50	0.50	0.75	1.08	1.50	1.83	2.33	2.83	3.25	3.50	3.50
Bank Rate (%)	1.25	1.25	1.25	1.00	1.00	0.75	0.75	0.75	0.75	0.75	1.00	1.33	1.75	2.08	2.58	3.08	3.50	3.75	3.75
GOC Bond Rate (1-3 yrs.) (%)	1.06	1.10	1.02	0.47	0.63	0.50	0.54	0.55	0.58	0.65	0.82	1.17	1.54	1.85	2.29	2.77	3.28	3.46	3.48
GOC Bond Rate (3-5 yrs.) (%)	1.41	1.43	1.32	0.56	0.79	0.84	0.90	0.97	1.05	1.13	1.30	1.60	1.76	2.01	2.36	2.76	3.19	3.37	3.41
GOC Ten-Year Bond Rate (%)	2.29	2.12	1.92	1.33	1.68	1.85	2.02	2.24	2.46	2.62	2.76	2.92	2.43	2.49	2.55	2.72	2.93	3.10	3.20
US Ten-Year T-Note Rate (%)	2.62	2.50	2.28	1.97	2.17	2.24	2.35	2.50	2.58	2.64	2.71	2.76	2.82	2.88	2.94	3.12	3.32	3.49	3.60
ExCh. Rate (US-Can.)	91.7	91.8	88.1	80.6	81.3	76.4	74.1	73.7	75.4	77.3	77.7	79.5	80.4	81.5	82.4	82.9	83.6	84.3	85.1

	19Q1	19Q2	19Q3	19Q4	20Q1	20Q2	20Q3	20Q4	21Q1	21Q2	21Q3	21Q4	22Q1	22Q2	22Q3	22Q4	23Q1	23Q2	23Q3	23Q4	24Q1	24Q2	24Q3	24Q4	25Q1	25Q2	25Q3	25Q4
3-Month T-Bill Rate (%)	3.50	3.50	3.50	3.50	3.50	3.50	3.50	3.50	3.50	3.50	3.50	3.50	3.50	3.50	3.50	3.50	3.50	3.50	3.50	3.50	3.50	3.50	3.50	3.50	3.50	3.50	3.50	3.50
US 3-Month T-Bill Rate (%)	3.05	3.05	3.05	3.05	3.05	3.05	3.05	3.05	3.05	3.05	3.05	3.05	3.05	3.05	3.05	3.05	3.05	3.05	3.05	3.05	3.05	3.05	3.05	3.05	3.05	3.05	3.05	3.05
Canada-US Differential (% pts.)	0.45	0.45	0.45	0.45	0.45	0.45	0.45	0.45	0.45	0.45	0.45	0.45	0.45	0.45	0.45	0.45	0.45	0.45	0.45	0.45	0.45	0.45	0.45	0.45	0.45	0.45	0.45	0.45
Prime Rate (%)	5.70	5.70	5.70	5.70	5.70	5.70	5.70	5.70	5.70	5.70	5.70	5.70	5.70	5.70	5.70	5.70	5.70	5.70	5.70	5.70	5.70	5.70	5.70	5.70	5.70	5.70	5.70	5.70
Overnight Rate (%)	3.50	3.50	3.50	3.50	3.50	3.50	3.50	3.50	3.50	3.50	3.50	3.50	3.50	3.50	3.50	3.50	3.50	3.50	3.50	3.50	3.50	3.50	3.50	3.50	3.50	3.50	3.50	3.50
Bank Rate (%)	3.75	3.75	3.75	3.75	3.75	3.75	3.75	3.75	3.75	3.75	3.75	3.75	3.75	3.75	3.75	3.75	3.75	3.75	3.75	3.75	3.75	3.75	3.75	3.75	3.75	3.75	3.75	3.75
GOC Bond Rate (1-3 yrs.) (%)	3.48	3.48	3.48	3.48	3.48	3.48	3.48	3.48	3.48	3.48	3.48	3.48	3.48	3.48	3.48	3.48	3.48	3.48	3.48	3.48	3.48	3.48	3.48	3.48	3.48	3.48	3.48	3.48
GOC Bond Rate (3-5 yrs.) (%)	3.42	3.42	3.42	3.42	3.42	3.42	3.42	3.42	3.42	3.42	3.42	3.42	3.42	3.42	3.42	3.42	3.42	3.42	3.42	3.42	3.42	3.42	3.42	3.42	3.42	3.42	3.42	3.42
GOC Ten-Year Bond Rate (%)	3.24	3.24	3.24	3.24	3.24	3.24	3.24	3.24	3.24	3.24	3.24	3.24	3.24	3.24	3.24	3.24	3.24	3.24	3.24	3.24	3.24	3.24	3.24	3.24	3.24	3.24	3.24	3.24
US Ten-Year T-Note Rate (%)	3.63	3.63	3.63	3.63	3.63	3.63	3.63	3.63	3.63	3.63	3.63	3.63	3.63	3.63	3.63	3.63	3.63	3.63	3.63	3.63	3.63	3.63	3.63	3.63	3.63	3.63	3.63	3.63
ExCh. Rate (US-Can.)	86.0	86.8	87.5	88.5	89.5	90.1	90.1	90.3	90.6	90.9	91.0	91.1	91.3	91.4	91.4	91.4	91.4	91.3	91.2	91.0	91.0	90.8	90.8	90.8	90.8	90.7	90.6	90.5

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Table 24																							
Interest Rates																							
(Percent)																							
	14Q2	14Q3	14Q4	15Q1	15Q2	15Q3	15Q4	16Q1	16Q2	16Q3	16Q4	17Q1	17Q2	17Q3	17Q4	18Q1	18Q2	18Q3	18Q4	19Q1	19Q2	19Q3	19Q4
Overnight Money	1.00	1.00	1.00	0.76	0.74	0.50	0.50	0.50	0.50	0.50	0.75	1.08	1.50	1.83	2.33	2.83	3.25	3.50	3.50	3.50	3.50	3.50	3.50
Bank Rate	1.25	1.25	1.25	1.00	1.00	0.75	0.75	0.75	0.75	0.75	1.00	1.33	1.75	2.08	2.58	3.08	3.50	3.75	3.75	3.75	3.75	3.75	3.75
Government of Canada																							
Treasury Bills																							
3 Months	0.93	0.93	0.90	0.53	0.63	0.40	0.42	0.42	0.43	0.49	0.67	1.03	1.46	1.80	2.27	2.77	3.31	3.49	3.50	3.50	3.50	3.50	3.50
6 Months	0.95	0.96	0.92	0.52	0.65	0.42	0.44	0.44	0.45	0.51	0.69	1.05	1.49	1.82	2.29	2.79	3.33	3.51	3.52	3.52	3.52	3.52	3.52
Bonds																							
1-3 Years	1.06	1.10	1.02	0.47	0.63	0.50	0.54	0.55	0.58	0.65	0.82	1.17	1.54	1.85	2.29	2.77	3.28	3.46	3.48	3.48	3.48	3.48	3.48
3-5 Years	1.41	1.43	1.32	0.56	0.79	0.84	0.90	0.97	1.05	1.13	1.30	1.60	1.76	2.01	2.36	2.76	3.19	3.37	3.41	3.42	3.42	3.42	3.42
5 Years	1.58	1.57	1.45	0.73	0.96	1.06	1.15	1.25	1.36	1.46	1.62	1.89	1.91	2.12	2.40	2.75	3.14	3.31	3.36	3.38	3.38	3.38	3.38
5-10 Years	1.91	1.87	1.70	0.97	1.35	1.46	1.59	1.76	1.92	2.05	2.20	2.41	2.17	2.31	2.48	2.74	3.03	3.20	3.28	3.31	3.31	3.31	3.31
10 Years	2.29	2.12	1.92	1.33	1.68	1.85	2.02	2.24	2.46	2.62	2.76	2.92	2.43	2.49	2.55	2.72	2.93	3.10	3.20	3.24	3.24	3.24	3.24
10+ Years	2.69	2.55	2.35	1.77	2.13	2.29	2.45	2.68	2.90	3.05	3.19	3.35	2.86	2.92	2.98	3.15	3.36	3.53	3.63	3.66	3.66	3.66	3.66
30 Years	2.84	2.67	2.47	1.95	2.27	2.43	2.59	2.82	3.03	3.19	3.32	3.48	2.99	3.05	3.11	3.28	3.49	3.66	3.76	3.80	3.80	3.80	3.80

	20Q1	20Q2	20Q3	20Q4	21Q1	21Q2	21Q3	21Q4	22Q1	22Q2	22Q3	22Q4	23Q1	23Q2	23Q3	23Q4	24Q1	24Q2	24Q3	24Q4	25Q1	25Q2	25Q3	25Q4
Overnight Money	3.50	3.50	3.50	3.50	3.50	3.50	3.50	3.50	3.50	3.50	3.50	3.50	3.50	3.50	3.50	3.50	3.50	3.50	3.50	3.50	3.50	3.50	3.50	3.50
Bank Rate	3.75	3.75	3.75	3.75	3.75	3.75	3.75	3.75	3.75	3.75	3.75	3.75	3.75	3.75	3.75	3.75	3.75	3.75	3.75	3.75	3.75	3.75	3.75	3.75
3 Months	3.50	3.50	3.50	3.50	3.50	3.50	3.50	3.50	3.50	3.50	3.50	3.50	3.50	3.50	3.50	3.50	3.50	3.50	3.50	3.50	3.50	3.50	3.50	3.50
6 Months	3.52	3.52	3.52	3.52	3.52	3.52	3.52	3.52	3.52	3.52	3.52	3.52	3.52	3.52	3.52	3.52	3.52	3.52	3.52	3.52	3.52	3.52	3.52	3.52
1-3 Years	3.48	3.48	3.48	3.48	3.48	3.48	3.48	3.48	3.48	3.48	3.48	3.48	3.48	3.48	3.48	3.48	3.48	3.48	3.48	3.48	3.48	3.48	3.48	3.48
3-5 Years	3.42	3.42	3.42	3.42	3.42	3.42	3.42	3.42	3.42	3.42	3.42	3.42	3.42	3.42	3.42	3.42	3.42	3.42	3.42	3.42	3.42	3.42	3.42	3.42
5 Years	3.38	3.38	3.38	3.38	3.38	3.38	3.38	3.38	3.38	3.38	3.38	3.38	3.38	3.38	3.38	3.38	3.38	3.38	3.38	3.38	3.38	3.38	3.38	3.38
5-10 Years	3.31	3.31	3.31	3.31	3.31	3.31	3.31	3.31	3.31	3.31	3.31	3.31	3.31	3.31	3.31	3.31	3.31	3.31	3.31	3.31	3.31	3.31	3.31	3.31
10 Years	3.24	3.24	3.24	3.24	3.24	3.24	3.24	3.24	3.24	3.24	3.24	3.24	3.24	3.24	3.24	3.24	3.24	3.24	3.24	3.24	3.24	3.24	3.24	3.24
10+ Years	3.66	3.66	3.66	3.66	3.66	3.66	3.66	3.66	3.66	3.66	3.66	3.66	3.66	3.66	3.66	3.66	3.66	3.66	3.66	3.66	3.66	3.66	3.66	3.66
30 Years	3.80	3.80	3.80	3.80	3.80	3.80	3.80	3.80	3.80	3.80	3.80	3.80	3.80	3.80	3.80	3.80	3.80	3.80	3.80	3.80	3.80	3.80	3.80	3.80

Conference Board - Sept 21, 2015

Description:	Canada - 3 Month Treasury Bill ()	Exchange Rate (Canada/U.S.)	United States - 3 Month Treasury Bill ()	Canada, Federal Bonds: Long-Term ()	30 Year T-Bill Rate ()	Canada, Federal Bonds: 10 Years ()
Mnemonic:	RTB90	PFX	USRTB90	RGOCL	USRLONGT	RGOC10
2014.01	0.88	1.10	0.05	2.95	3.68	2.42
2014.02	0.93	1.09	0.03	2.84	3.44	2.29
2014.03	0.93	1.09	0.03	2.67	3.26	2.12
2014.04	0.90	1.14	0.02	2.47	2.97	1.92
2015.01	0.53	1.24	0.03	1.95	2.55	1.33
2015.02	0.63	1.23	0.02	2.27	2.89	1.68
2015.03	0.39	1.31	0.05	2.15	2.94	1.43
2015.04	0.37	1.33	0.14	2.05	3.02	1.31
2016.01	0.38	1.35	0.36	2.06	3.17	1.42
2016.02	0.38	1.35	0.51	2.06	3.33	1.51
2016.03	0.38	1.33	0.76	2.19	3.49	1.79
2016.04	0.46	1.31	1.08	2.32	3.58	2.13
2017.01	0.59	1.28	1.53	2.91	3.78	2.72
2017.02	0.71	1.27	2.01	3.30	3.88	3.11
2017.03	0.98	1.27	2.31	3.57	4.06	3.38
2017.04	1.17	1.26	2.56	3.83	4.18	3.64
2018.01	1.42	1.25	2.81	4.14	4.31	3.95
2018.02	1.67	1.24	3.16	4.34	4.46	4.15
2018.03	1.92	1.23	3.39	4.53	4.59	4.34
2018.04	2.17	1.22	3.47	4.69	4.59	4.49
2019.01	2.42	1.21	3.47	4.72	4.59	4.53
2019.02	2.67	1.21	3.47	4.75	4.59	4.55
2019.03	2.92	1.21	3.47	4.77	4.59	4.57
2019.04	3.17	1.20	3.47	4.78	4.59	4.59
2020.01	3.38	1.20	3.47	4.79	4.59	4.59
2020.02	3.46	1.20	3.47	4.79	4.59	4.60
2020.03	3.46	1.19	3.47	4.79	4.59	4.60
2020.04	3.46	1.19	3.47	4.79	4.59	4.60