

Economic Commentary

October 15, 2002

Bank of Canada Rate Decision Tomorrow

Tomorrow, October 16th the Bank of Canada policy committee is slated to announce its position on the overnight rate.

The street expectation is that it will stand pat on rates again this time as it balances a strong domestic economy against an uncertain global environment.

Notwithstanding the "street" view, it is unlikely that the BOC might surprise markets by raising the rate by a quarter point tomorrow. Inflation so far has surprised markets on the up-side while the domestic economy continues to go strong with a GDP growth well above expectations for July and continued job creation in September (40,700 new jobs).

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