

Economic Commentary

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Bank of Canada Rate Policy Announcement Today: Quarter Point Rate Hike Expected

At its regularly scheduled monetary policy meeting this morning the Bank of Canada is expected to hike its key overnight financing rate by a quarter point to 2.5%. This is the second rate hike this year which will raise the differential with the US fed funds rate (which is still at 1.75%) to 75 basis points. This is the highest positive differential over US rates since 1997 and is a bullish factor as far as the Canadian dollar is concerned.

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