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How many scheduled interest rate change announcements by the Bank of Canada will there be before November 30, 2017?

RESPONSE:

The bank of Canada's next two interest rate announcements will be made on October 25 and December 6, 2017.

There are two contextual points that must accompany this response. Firstly, there is almost no relationship between the Bank of Canada overnight rate and the yield on long-term bonds, such as the Government of Canada 10 year bond. In response to CAC (MPI) 1-76(c), MPI explained that long term interest rates are mostly driven by expectations of inflation and real economic growth, and that the link between the overnight rate (set by the Bank of Canada), and the 10 year Government of Canada bond yield (set by market forces) is tentative at best.

Secondly, MPI's proposal to adopt the interest rate forecast for rate setting purposes as at November 30, 2017 would capture the market changes with a closer proximity to the beginning of the 2018 rating year, improving the forecast for determining premium rates.