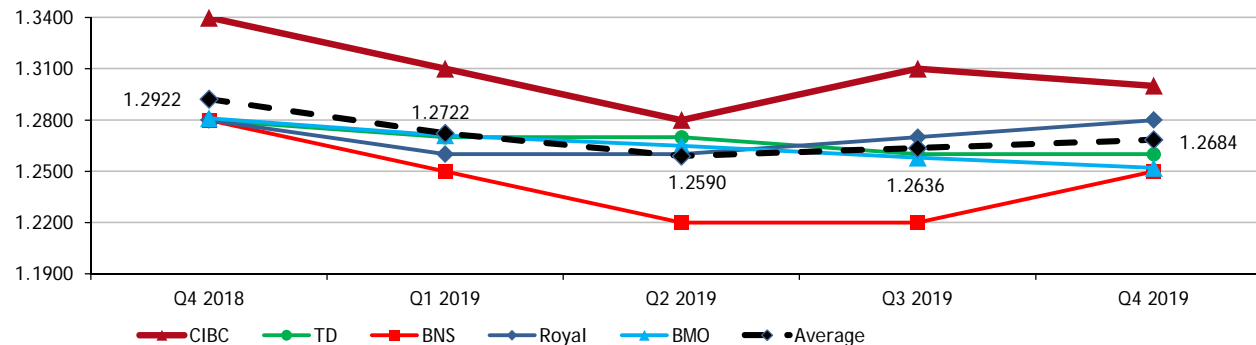




Foreign Exchange 5-Bank C\$ Forecast with Key Drivers July 16, 2018



	Updated	Q4 2018	2018 AVG	Q1 2019	Q2 2019	Q3 2019	Q4 2019	Remaining 2018
CIBC	4-Jul-18	1.3400	1.3350	1.3100	1.2800	1.3100	1.3000	-
WTI		65.000	65.000	68.500	68.500	68.500	68.500	-
BoC Overnight Rate		1.500	1.500	1.750	1.750	2.000	2.000	0
Fed Funds Rate		2.375	2.250	2.375	2.625	2.625	2.875	2
TD	18-Jun-18	1.2800	1.2850	1.2700	1.2700	1.2600	1.2600	-
WTI		67.00	67.500	66.00	65.00	65.00	65.00	-
BoC Overnight Rate		1.50	1.500	1.75	1.75	2.00	2.00	0
Fed Funds Rate		2.50	2.375	2.75	3.00	3.25	3.25	2
BNS	3-Jul-18	1.2800	1.2800	1.2500	1.2200	1.2200	1.2500	-
WTI		68.00	68.000	71.00	71.00	71.00	71.00	-
BoC Overnight Rate		1.75	1.625	2.00	2.25	2.25	2.50	1
Fed Funds Rate		2.50	2.375	2.50	2.75	2.75	3.00	2
Royal	12-Jul-18	1.2800	1.2900	1.2600	1.2600	1.2700	1.2800	-
WTI		63.00	62.000	59.50	58.20	59.50	58.20	-
BoC Overnight Rate		1.75	1.625	2.00	2.25	2.25	2.25	1
Fed Funds Rate		2.50	2.375	2.75	3.00	3.25	3.50	2
BMO	6-Jul-18	1.2810	1.2810	1.2710	1.2650	1.2580	1.2520	-
WTI		66.00	66.800	66.00	65.00	65.00	64.00	-
BoC Overnight Rate		1.75	1.625	1.75	2.00	2.25	2.25	1
Fed Funds Rate		2.21	2.085	2.46	2.71	2.88	2.88	1
AVG USDCAD Rate:		1.2922	1.2942	1.2722	1.2590	1.2636	1.2684	-

CAD per USD Annual Trading Ranges

Year	C\$ Strongest	C\$ Weakest	Range
2018	1.2250	1.3386	0.1136
2017	1.2057	1.3793	0.1736
2016	1.2461	1.4690	0.2229
2015	1.1565	1.4001	0.2436
2014	1.0585	1.1662	0.1077
2013	0.9811	1.0728	0.0917
2012	0.9630	1.0446	0.0816
2011	0.9407	1.0657	0.1250
2010	0.9922	1.0854	0.0932
2009	1.0207	1.3065	0.2858
2008	0.9715	1.3019	0.3304
2007	0.9065	1.1876	0.2811
2006	1.0931	1.1798	0.0867
2005	1.1427	1.2745	0.1318
2004	1.1720	1.4003	0.2283
2003	1.2945	1.5747	0.2802
2002	1.5030	1.6194	0.1164
2001	1.4896	1.6052	0.1156
2000	1.4318	1.5632	0.1314

Average (2000-2017): 0.1737

- The range for 2018 thus far is roughly half the typical annual historical range.
- The BoC increased its overnight rate by 25bps to 1.50% on July 11th. With the domestic growth outlook stronger than expected, we expect higher interest rates ahead to keep inflation near target.
- Federal Reserve officials look to raise rates this year more aggressively than previously envisaged.
- Trade risks have outweighed monetary policy for the C\$ in recent weeks. The potential for US auto tariffs present a risk to the Canadian dollar, and would see an even weaker profile for the loonie if they became a reality. We see the trade tensions escalating more negatively than many of the other Big 5

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