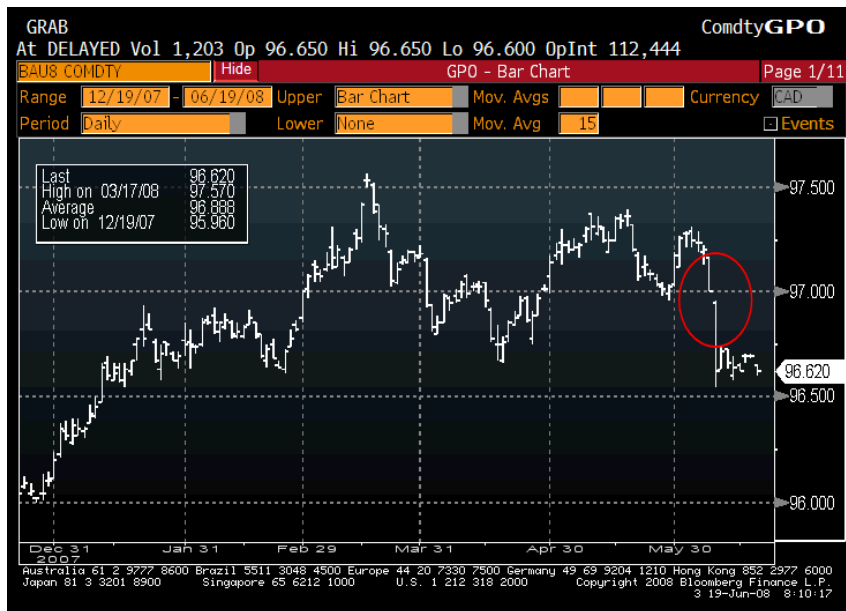




Bank of Canada

MGA call for no change in Canadian rates proves correct as markets anticipate a cut.

SUMMARY Most Canadian economists still expect a 25 bp cut at the next BoC meeting on June 10, but there is a good chance the bank may tactically pause instead. The bank's overall inclination is still to cut, but the Governing Council is not obligated to do so at the next meeting. There are some strong medium-term reasons to be cautious about further moves, including soaring commodities and anxiety about trend growth.



Source: Bloomberg

June 6 (Reuters) - All of Canada's primary securities dealers predicted on Friday that the Bank of Canada would cut its overnight interest rate by 25 basis points next week, and most said the bank would then move to the sidelines through September.

June 10 (Bloomberg) - Bank of Canada Governor Mark Carney will probably lower interest rates again today and signal the cut will be the last for some time, bringing policy into line with counterparts in the U.K. and U.S.

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