MARKET STATISTICS

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BANK OF CANADA
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Today's Bank of Canada Rate: 4.25%
Updated December 30th, 2022

Latest Update: December 7, 2022

The Bank of Canada Delivers The Final Rate Decision for 2022: A +0.50% Rate Hike

The Bank of Canada delivered a 0.50% rate hike on December 7, 2022, to end off an eventful year. This brings the Bank of Canada's policy interest rate to 4.25%, and it is the seventh rate hike this year.

Here's what you should know about the Bank of Canada's December 7, 2022 rate announcement:

- The Target Overnight Rate will increase by 0.50 percentage points to 4.25%.
- This is the highest Bank of Canada overnight rate since early 2008.
- Canada's housing market continues to cool as interest rates rise across the country.
- Quantitative tightening (QT) began on April 25, 2022. This will gradually reduce the Bank of Canada's balance sheet and put upward pressure on bond yields, driving up fixed mortgage rates.

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This year saw the Bank of Canada rapidly increase its policy rate from 0.25% in March 2022 to 4.25% in December 2022, bringing higher prime rates and higher mortgage rates along with it. That was in response to a high inflation rate, 6.7% in March 2022 and last seen at 6.9% in October 2022, that brought about one of the most aggressive rate hikes in Canada's recent history.

As the central bank ends the year with another +0.50% rate hike, there are signs that we may be approaching the tail end of such hikes. The effects of higher borrowing costs are working its way through the Canadian economy, affecting housing prices and mortgages. A looming economic downturn, or possibly even a recession, might be in store next year. All eyes will be on the Bank of Canada for their next interest rate announcement, scheduled to be for January 25, 2023, at 10 a.m. ET.

Bank of Canada Meeting Schedule for 2022

Release Date	Target Overnight Rate	Change
March 2, 2022	0.50%	0.25%
April 13, 2022	1.00%	0.50%
June 1, 2022	1.50%	0.50%
July 13, 2022	2.50%	1.00%
September 7, 2022	3.25%	0.75%
October 26, 2022	3.75%	0.50%
December 7, 2022	4.25%	0.50%

Source: https://wowa.ca/bank-of-canada-interest-rate