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Rob Roach, ATB ECONOMICS | March 8, 2023

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After eight consecutive increases, the Bank of Canada announced* this morning it is keeping its trend-setting policy interest rate at 4.5%.

The decision was based on the argument that “the latest data remains in line with the Bank’s expectation that CPI inflation will come down to around 3% in the middle of this year.”

Today’s announcement says that the Bank’s “Governing Council will continue to assess economic developments and the impact of past interest rate increases, and is prepared to increase the policy rate further if needed to return inflation to the 2% target.”

While welcome news for borrowers, concerns have been raised that the

Canadian dollar could lose more ground if the U.S. Federal Reserve continues to increase its benchmark rate due to better-than-expected economic data south of the border.

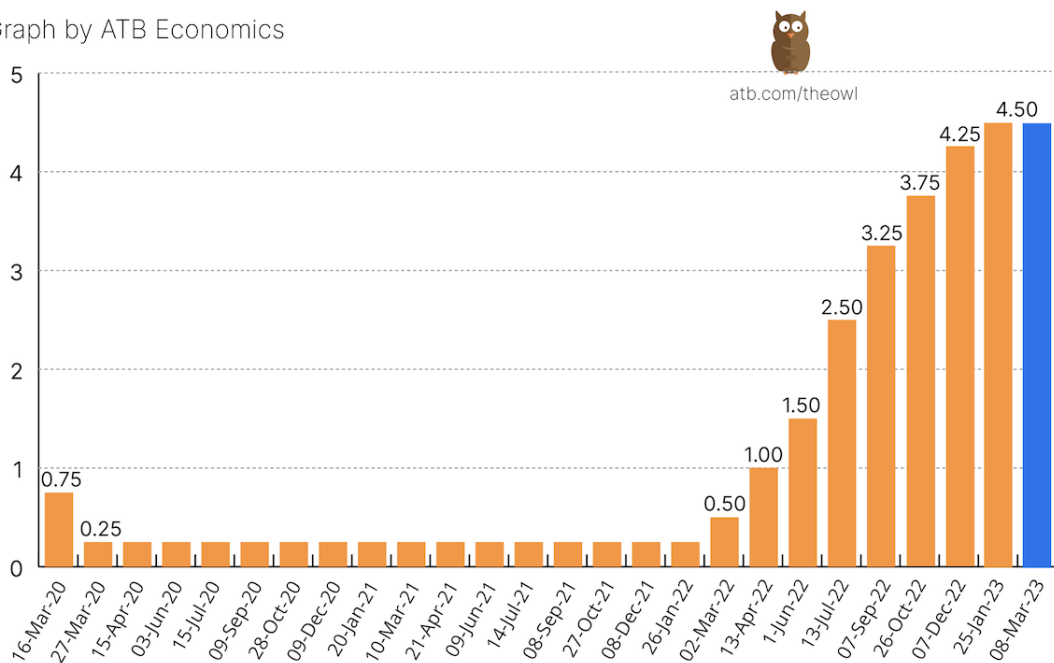
**Each year, the Bank of Canada sets eight fixed dates on which it announces whether or not it will change its policy interest rate. The next announcement is scheduled for April 12, 2023.*

Answer to the previous trivia question: The current authorized storage capacity of the [U.S. Strategic Petroleum Reserve](#) is 714 million barrels.

Today's trivia question: When was the first [International Women's Day](#) held?

Bank of Canada Policy Interest Rate As of announcement dates

Graph by ATB Economics



Source: Bank of Canada



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