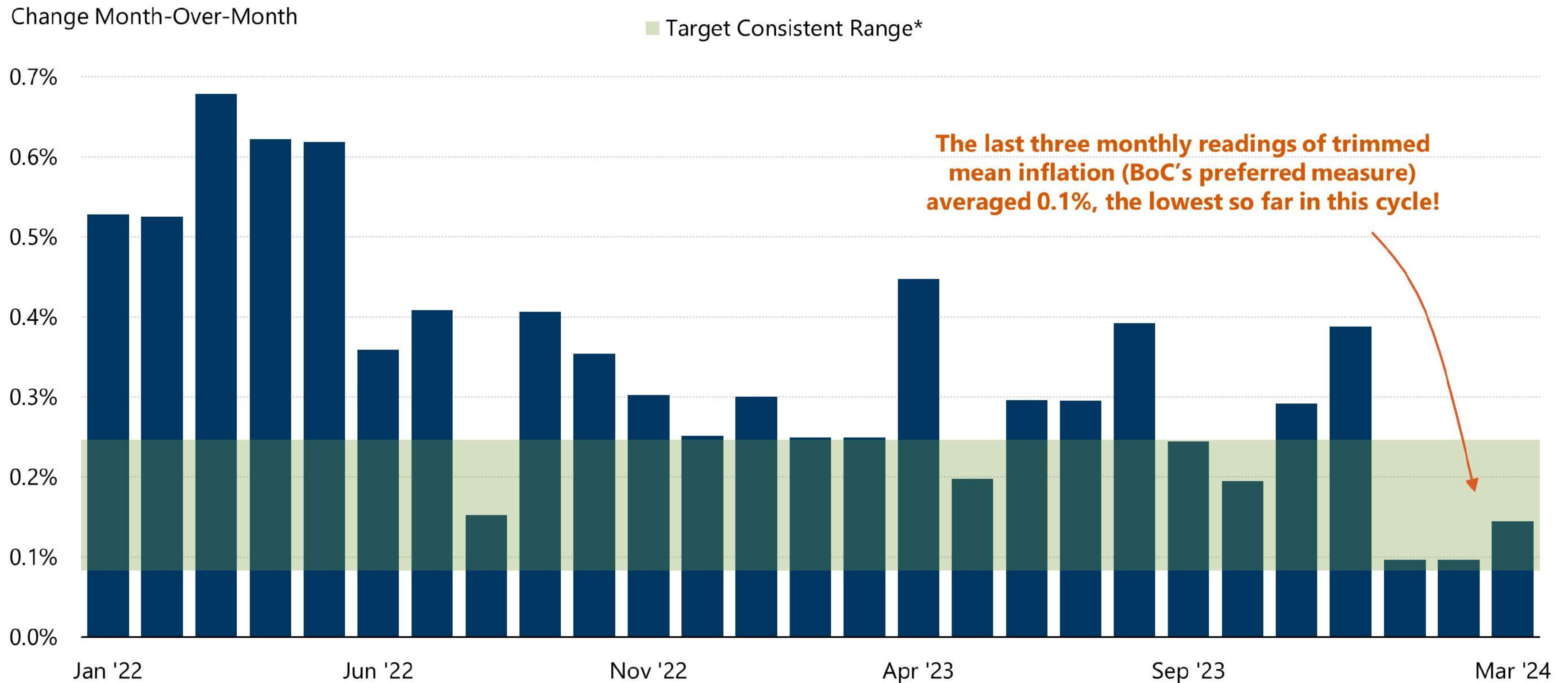


O(.1%) Canada!

Canada Trimmed Mean Consumer Price Index (CPI) Monthly Change

For The Week Ending 04/19/2024



Source: Statistics Canada

*Reflects the average monthly change consistent with BoC's 1%-3% year-over-year inflation target

This week, Federal Reserve Chair Jay Powell joined Bank of Canada (BoC) Governor Tiff Macklem at the Wilson Center in Washington D.C. to discuss the U.S.-Canada relationship and, specifically, the similarities and differences between the two neighboring economies. Governor Macklem highlighted the close ties between the two countries in trade, as the U.S. is the end consumer of 76% of Canadian exports, including Chair Powell's favorite Canadian export—Canadian comedians like Jim Carrey and Martin Short! Moreover, the two central banks undertook similar monetary policies and have been on hold since July 2023. However, recent inflation trends have diverged. In the U.S., three months of above-trend inflation suggests policymakers will likely hold higher rates for longer. Whereas Canada has enjoyed three months of below-trend inflation, with this week's release of March core CPI falling to 2.9%, within the BoC's target range (1-3%). If the "good data" continues, in the words of Macklem, rate cuts in June are "within the realm of possibility." O Canada!