TMG AnchorPoint Mortgage

Capital Markets Snapshot.

VOL 1 · NO 3 · AUGUST 2026

Banking is a snapshot in time. At Your AnchorPoint. Our monthly read on where Canada's rates sit, what is moving them, and what it means for your file, from brokers who work for you, not a bank.

THE LEAD · AUGUST 2026

Jobs Beat Every Forecast. Yields Followed. The Hike Call Did Not Broaden.

Canada added 75,000 jobs in July, more than triple what most desks expected, and the unemployment rate fell to 6.4 percent, its lowest in two years. That is the hard data confirming the growth turn the Bank of Canada flagged in its July report. Bond yields moved up in response, and CMHC-insured yields moved up faster than government yields, widening the premium insured and multi-unit borrowers carry.

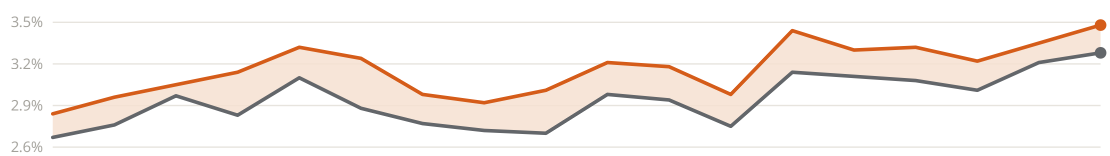
What did not happen: the rest of the Street did not follow Scotiabank's call for a 2026 rate hike. Five of six major desks still expect the Bank to hold at 2.25 percent through year end. Strong jobs and rising yields, but a narrower hike case than the headlines might suggest.

RATE LEDGER · AUG 14, 2026

Bank of Canada	**2.25%**
Prime	**4.45%**
CORRA	**2.27%**
GoC 5-year	**3.28%**
CMB 5-year	**3.48%**
CMB 10-year	**3.97%**

Six benchmarks, three engines: the Bank sets the short end, the bond market sets fixed pricing, the Canada Mortgage Bond sets CMHC-insured pricing.

GoC vs CMB 5-Year Yield · last 18 months



Mar 2025 — Aug 14, 2026 · GoC 3.28% / CMB 3.48%

The shaded gap is the **CMHC-insured spread**: CMB now sits about 0.20 percent over GoC, up from 0.14 in mid-July. Both lines moved higher since the July jobs report, and the insured line moved further, the gap borrowers on CMHC-backed financing carry.

THE DATA BEHIND THE MOVE

What is actually happening

Statistics Canada reported July employment up 75,000, well above what economists were looking for, with the unemployment rate falling a tenth of a point to 6.4 percent, a third straight monthly decline and the lowest reading since July 2024. Gains were broad: wholesale and retail trade, finance and insurance, professional services, and construction all added jobs.

That is the confirmation the Bank of Canada was pointing to in its July Monetary Policy Report, when it said growth had resumed after roughly a year of stalling. The most recent confirmed inflation print, for June, came in at 2.8 percent year over year, down from May's 3.2 percent as gasoline's push faded; stripped of gasoline, inflation held at 2.2 percent. Statistics Canada releases the July CPI figure on August 17, after this issue was prepared; a materially different print could move the picture again before our next update.

Bond markets read the jobs report as confirmation that the cutting cycle is over and the economy has more room to run. The 5-year Government of Canada yield rose to 3.28 percent from 3.21 percent in mid-July, and the Canada Mortgage Bond moved further still, pushing the CMHC-insured spread wider at both the 5- and 10-year points. There was no Bank of Canada decision this month; the next one is September 2.

+75,000
Jobs, July
Unemployment 6.4%, lowest since Jul 2024

2.8%
CPI inflation, June
Down from 3.2% in May

275 bps
Cuts this cycle
5.00% to 2.25%, then six holds

6.58%
National cap rate, Q2
CBRE, all-property, down 3 bps

2.7%
Halifax vacancy
0.7% for affordable units

THE BENCHMARKS THAT MOVE YOUR MORTGAGE

BENCHMARK	NOW	WHAT IT IS, AND WHO IT TOUCHES
Bank of Canada policy rate	**2.25%**	The overnight rate. It anchors everything and sets the tone for variable and short-term borrowing.
Prime	**4.45%**	What variable mortgages, HELOCs, and lines of credit price off. It moves step for step with the Bank.
CORRA	**2.27%**	Canada's risk-free overnight benchmark. It drives floating commercial and construction financing and the term pricing built on top of it.
GoC 5-year yield	**3.28%**	The market yield behind conventional fixed mortgage pricing. A fixed rate is this plus a lender spread.
Canada Mortgage Bond 5yr	**3.48%**	Sets the cost of CMHC-insured and multi-unit financing. Its gap over GoC is the insured premium.
Canada Mortgage Bond 10yr	**3.97%**	The benchmark for longer-term CMHC-insured and multi-unit financing, including the longer terms common in MLI Select deals.

WHAT THE STREET IS WATCHING

The hike case has one clear author. The rest are still holding.

We read the major economics desks so you do not have to. After the July jobs surprise, the picture is more split than it looked a month ago: Scotiabank has sharpened its call for hikes starting this year, while CIBC, National Bank, RBC, TD, and BMO all still expect the Bank to hold at 2.25 percent through the end of 2026. That disagreement is exactly why we build for your timeline rather than a single forecast.

THE MOST HAWKISH
Scotiabank

The lone desk calling for a move this year. Points to elevated underlying cost pressures (unit labour costs, producer prices, its own cost index) even as headline inflation looks well behaved, and expects the Bank to start withdrawing stimulus in the back half of 2026.

Call: 2.75% by Q4 2026, 3.00% by Q1 2027

THE MEASURED VIEW
CIBC

Expects the policy rate to hold at 2.25 percent through the end of 2026, with any move higher pushed into 2027, while continuing to flag the renewal wall, the slice of mortgages facing large payment jumps, as a real pressure on households.

Call: hold through 2026, first move in 2027

THE GRADUAL PATH
National Bank

Sees no move for the rest of 2026, then a measured climb: a first step to 2.50 percent early in 2027 and a second to 2.75 percent by mid-year, staying there into the year.

Call: about 2.75% through 2027

THE LATE HIKE
RBC

Argues the Bank is done cutting and the next move is more likely a hike than a cut, with the rate holding through 2026 and then rising toward 3.25 percent by the end of 2027 as demand and trade costs firm.

Call: hold 2026, rising toward about 3.25% by end-2027

FLAT FOR LONGER
TD · BMO

The steady-hand view: the policy rate holds at 2.25 percent, with BMO calling a 2026 hike "a very long shot" given a still-struggling economy, core inflation drifting toward target, and lingering USMCA uncertainty.

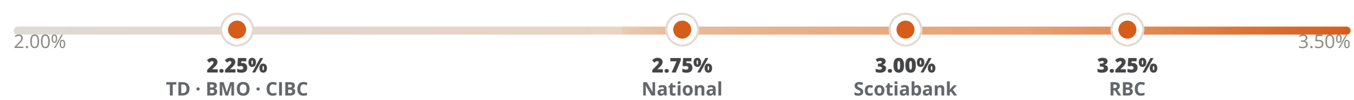
Call: hold at 2.25% into 2027

THE THROUGHLINE
The bottom line

Nobody on the Street expects the deep cuts of the last cycle to return; the floor is 2.25 percent. But the hike case has not broadened since last month, it has concentrated in one forecast. Strong jobs data raised the stakes without moving the consensus.

Call: hold through 2026 remains the majority view

WHERE THE DESKS SEE THE POLICY RATE, 2026 TO 2027

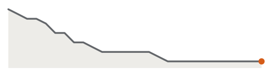


The floor is 2.25 percent, held by TD, BMO, and CIBC through 2026; no major desk now forecasts a lower rate. Scotiabank is the only desk with a hike priced into 2026 itself. The spread between the most dovish and most hawkish 2027 calls is still a full point, which is why we structure to your timeline, not a single house view.

THE SHAPE OF THE MARKET

How we got here

Bank of Canada policy rate, monthly

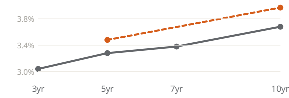


May 2024 · 5.00% — Aug 2026 · 2.25%

The Bank cut **275 basis points**, from 5.00 percent in mid-2024 to 2.25 percent by late 2025, then stopped. Six straight holds, with no decision in August, say the easing phase is over; the next test is September 2.

The shape of the curve

GoC
CMB · Aug 14



Upward-sloping: longer terms cost more, the market pricing rates to hold or rise, not fall. The **insured premium widens** from about 0.20 percent at 5 years to 0.29 at 10, wider than a month ago at both points.

WHAT IT MEANS FOR YOUR FILE

The borrowing decision

The gap between fixed and variable is narrow, so the question is which risk you would rather hold, not which rate is lower. With yields rising on strong growth data rather than falling, the case for betting on near-term relief has not improved this month.

FIXED
Off the GoC 5yr near 3.3 percent, plus a lender spread. You buy payment certainty while the desks stay split on 2027.

VARIABLE
Off Prime at 4.45 percent. Flexibility, and it pays off only if the Bank resumes cutting, which no major desk currently expects.

Renewing this year? Start four to six months early. The renewal letter is a starting point, not the finish line. An early renewal, a blend and extend, a different term, or moving lenders only help if you act before you sign. As brokers, that review is part of what we do for you.

CMHC corner: insured & multi-unit

CMB 5-year	**3.48%**	+0.20 over GoC
CMB 10-year	**3.97%**	+0.29 over GoC

Insured deals, high-ratio residential through multi-unit, price off the Canada Mortgage Bond, not the policy rate, and that spread over GoC widened again this month. On a commercial deal the financing-cost-to-cap-rate spread governs (CBRE: 6.58 percent national all-property cap rate, Q2, down 3 basis points), and we size to debt service coverage, not a headline.

Circle September 30, 2026: CMHC's MLI Select energy scoring tightens in about six weeks, so a build that qualifies under today's scoring is worth moving on now.

WHAT WE ARE WATCHING

Sep 2
Bank of Canada
Next rate decision, no MPR

Sep 4
Jobs report
August Labour Force Survey

Sep 19
Inflation (CPI)
August print

Oct 28
Decision + MPR
Next full forecast

Dates per the Bank of Canada and Statistics Canada schedules, and are subject to change. The July CPI print (Aug 17) lands after this issue was prepared and will be reflected in our next rate refresh.

PLAIN-LANGUAGE GLOSSARY

CPI. The Consumer Price Index, Statistics Canada's measure of inflation; its year-over-year change is the Bank's key target.

CORRA. Canada's risk-free overnight rate benchmark, the base for floating commercial and term pricing.

Canada Mortgage Bond. Government-backed bonds that fund insured mortgages; their yield sets CMHC-insured pricing.

Cap rate. A property's net operating income divided by its value, the income yield a buyer earns.

Debt service coverage. The cushion between a property's income and its loan payments; lenders size loans to it.

Basis point. One one-hundredth of a percent. 25 basis points is 0.25 percent.

Spread. The gap a lender adds over a benchmark, or the gap between two rates.

THE BROKER'S TAKE | A strong jobs report does not settle the rate debate, it just raises the stakes on both sides of it. Five of six major desks still expect a hold through year end, one does not, and insured spreads widened while everyone argued. As brokers, not bankers, our job is to structure your financing to your timeline across many lenders, not to bet your file on which desk turns out to be right.

You Dream It. We Finance It. At Every AnchorPoint.

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Sources: Statistics Canada Labour Force Survey (July 2026, released August 7) and Consumer Price Index (June 2026, released July 20; July 2026 figure released August 17, after this issue was prepared); Bank of Canada interest rate announcement and Monetary Policy Report (July 15, 2026) and 2026 schedule of fixed announcement dates; Government of Canada and Canada Mortgage Bond yields via our live market feed (as at August 14, 2026); rate views as published by RBC Economics, TD Economics, CIBC Capital Markets, Scotiabank Economics (Global Forecast, July 13, 2026), National Bank, and BMO Capital Markets (2026); CBRE Canadian Cap Rates and Investment Insights, Q2 2026; CMHC 2026 Mid-Year Rental Market Update, Halifax CMA, and MLI Select program updates. Third-party forecasts are the views of those firms, are dated, and change frequently.