Capital Markets Snapshot.

VOL 1 · NO 2 · JULY 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 · JULY 2026

Held a Sixth Time. Now the Talk Is Hikes, Not Cuts.

The Bank of Canada held at 2.25 percent on July 15, its sixth hold in a row, and used its July Monetary Policy Report to mark a turn: after roughly a year of stalling, growth has resumed. With inflation back above target and the economy firming, the market's question has quietly moved from when cuts return to whether the next move is a hike.

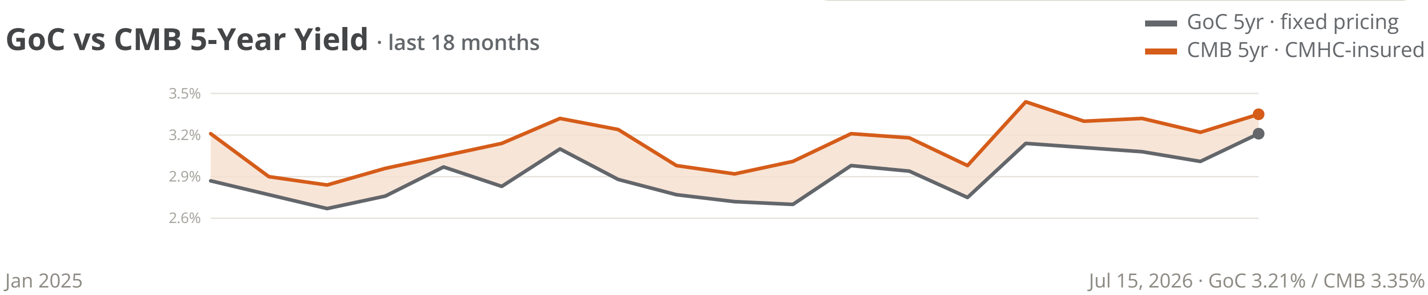
That shift is what should shape your fixed-versus-variable call, your renewal timing, and the cost of CMHC-insured financing. The benchmarks behind your mortgage have drifted higher, not lower.

RATE LEDGER · JUL 15, 2026

Bank of Canada	**2.25%**
Prime	**4.45%**
CORRA	**2.30%**
GoC 5-year	**3.21%**
CMB 5-year	**3.35%**
CMB 10-year	**3.79%**

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



The shaded gap is the **CMHC-insured spread**: CMB sits about 0.14 percent over GoC, the premium insured and multi-unit borrowers carry. Both lines pushed higher through the spring and into the summer as inflation firmed, not lower.

THE DATA BEHIND THE MOVE

What is actually happening

The Bank held at 2.25 percent on July 15, its sixth hold in a row, and used the July Monetary Policy Report to mark a turn in the economy. After roughly a year of stalling, growth has resumed: the Bank now projects GDP growth of 0.7 percent in 2026, rising to 1.8 percent in both 2027 and 2028.

Inflation is the complication. CPI rose to 3.2 percent in May from 2.8 percent in April, the hottest reading since late 2023, led by gasoline tied to the conflict in the Middle East. Stripping out gasoline, inflation was 2.2 percent and the Bank's core measures held near 2.1 percent. The Bank expects inflation to stay elevated in June, then ease toward 2 percent in early 2027 if oil prices come down.

Markets reacted the way they do to firmer growth and hotter inflation: bond yields moved up, and fixed pricing, which tracks them, followed. The 5-year Government of Canada yield rose from about 3.0 percent in June to 3.21 percent by mid-July. The deep-cut phase of this cycle is behind us; the debate now is when, not whether, the next move is a hike.

3.2%	**+18,000**	**275 bps**	**6.61%**	**2.7%**
CPI inflation, May	**Jobs, June**	**Cuts this cycle**	**National cap rate, Q1**	**Halifax vacancy**
Up from 2.8% in April	Unemployment 6.5%	5.00% to 2.25%, then six holds	CBRE, all-property	0.7% for affordable units

INSIDE THIS ISSUE The benchmarks that move your mortgage · where Canada's bank economists agree, and split · the yield curve and the path that got us here · what it all means for your file.

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	**2.30%**	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	**3.21%**	The market yield behind conventional fixed mortgage pricing. A fixed rate is this plus a lender spread.
Canada Mortgage Bond 5yr	**3.35%**	Sets the cost of CMHC-insured and multi-unit financing. Its gap over GoC is the insured premium.
Canada Mortgage Bond 10yr	**3.79%**	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

Nobody expects cuts now. The debate is when hikes start.

We read the major economics desks so you do not have to. Every desk expects a hold for the rest of 2026, and a Reuters survey of 36 economists was unanimous on the July hold. Where they part ways is 2027, and this month the split moved decisively toward hikes rather than cuts. That disagreement is exactly why we build for your timeline rather than a single forecast.

THE MOST HAWKISH
Scotiabank

Now sees the Bank raising twice before year end as the economy proves resilient and headline inflation runs above target, treating trade and tariff friction as a cost pressure that keeps prices sticky.

Call: about 2.75% by December 2026, near 3.0% shortly after

THE HAWK
CIBC · Benjamin Tal

Has shifted up, now looking for the policy rate to rise about three quarters of a point to 3.0 percent by the end of 2026 and hold there, while still flagging the renewal wall as a real pressure on households.

Call: about 3.0% by end-2026, held through 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 no compelling case yet for a move in either direction, and on this reading it can stay there through the end of 2027. Stability, not drama.

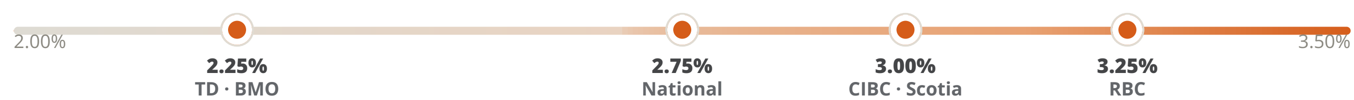
Call: hold at 2.25% into 2027

THE THROUGHLINE
The bottom line

No desk on the Street now expects the deep cuts of the last cycle to return. The floor has become 2.25 percent, and the entire debate is about the size and timing of hikes. The risk that was two-sided a month ago now tilts up.

Call: the next move is a hike, on a debated timeline

WHERE THE DESKS SEE THE POLICY RATE, 2026 TO 2027



The floor is 2.25 percent, held by TD and BMO; no major desk now forecasts a lower rate. The top of the range is about 3.25 percent at RBC. Every marker points sideways to up, which is the shift from a month ago and the reason to price a term on structure, not a forecast.

THE SHAPE OF THE MARKET

How we got here

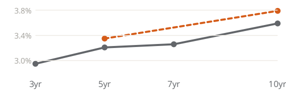
Bank of Canada policy rate, monthly

May 2024 · 5.00% | Jul 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 say the easing phase is over.

The shape of the curve

GoC
CMB · Jul 15



Upward-sloping: longer terms cost more, the market pricing rates to hold or rise, not fall. The **insured premium widens** from about 0.14 percent at 5 years to 0.20 at 10.

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 the debate tilting toward hikes, the case for betting on near-term relief is weaker than it was.

FIXED
Off the GoC 5yr near 3.2 percent, plus a lender spread. You buy payment certainty while the outlook is two-sided.

VARIABLE
Off Prime at 4.45 percent. Flexibility, and it pays off only if the Bank resumes cutting, which fewer economists now expect.

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	**3.35%**	+0.14 over GoC
CMB 10-year	**3.79%**	+0.20 over GoC

Insured deals, high-ratio residential through multi-unit, price off the Canada Mortgage Bond, not the policy rate. That spread over GoC is the premium insured borrowers carry, and it widens at the 10-year. On a commercial deal the financing-cost-to-cap-rate spread governs (CBRE: 6.61 percent national all-property cap rate, Q1), and we size to debt service coverage, not a headline.

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

WHAT WE ARE WATCHING

Jul 20
Inflation (CPI)
June print: is 3.2% a blip or a trend

Aug 7
Jobs report
July Labour Force Survey

Sep 2
Bank of Canada
Next rate decision

Oct 28
Decision + MPR
Next full forecast

Dates per the Bank of Canada and Statistics Canada schedules, and are subject to change. Oil and the Middle East remain the wildcard for both inflation and bond yields.

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 | Do not borrow on a forecast, especially when the debate has flipped from cuts to hikes and the desks still disagree on 2027. As brokers, not bankers, our job is to structure financing that fits your timeline, reviewed early, across many lenders. With the Bank on hold, the risk tilting up, and insured spreads narrow, that is where the win is, and the conversation we are here for.

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

(902) 835-6420
contact@tmganchorpoint.ca

Sources: Bank of Canada interest rate announcement and Monetary Policy Report (July 15, 2026); Statistics Canada Consumer Price Index (May 2026, released June 22) and Labour Force Survey (June 2026, released July 10); Government of Canada and Canada Mortgage Bond yields via our live market feed (as at July 15, 2026); rate views as published by RBC Economics, TD Economics, CIBC Capital Markets and Benjamin Tal, Scotiabank Economics, National Bank, and BMO Capital Markets (2026); CBRE Canadian Cap Rates, Q1 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.