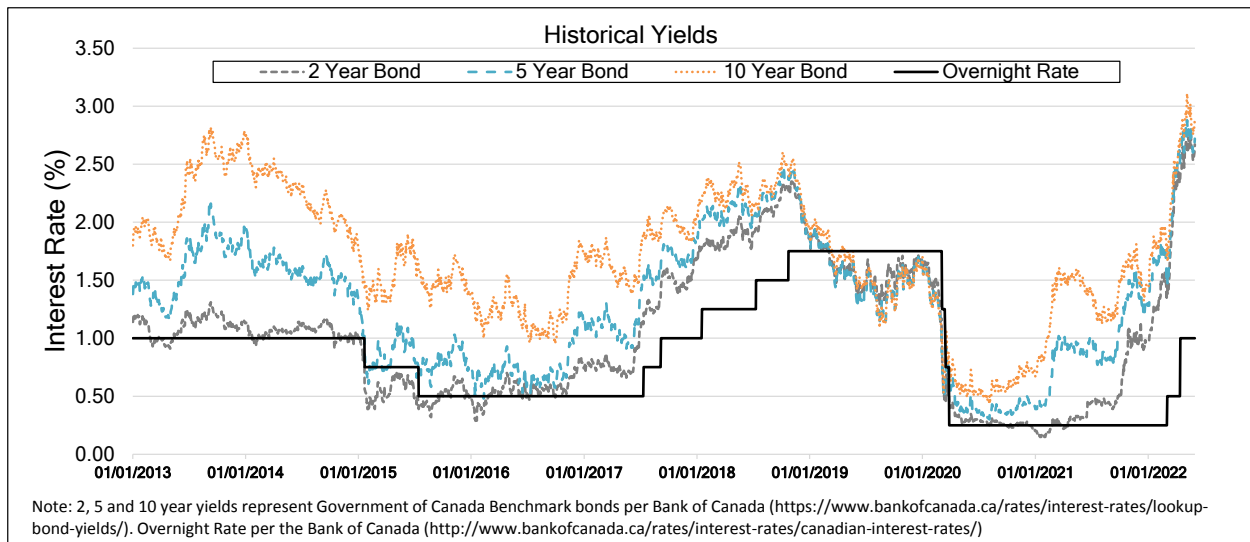


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Interest Rates and Bond Yields

Historical overnight rates and bond yields are illustrated in the graph below. As the economic outlook has started to improve long term bond rates have started to increase over and above what has been seen in the last ten years. Since the end of December 2021 the 10 year Government of Canada bond yield has improved from approximately 1.50% to 2.90% at the end of May 2022. The Bank of Canada Overnight rate has increased from 0.25% at the beginning of the year to 1.00% at the end of May 2022. On June 1st the overnight rate was increased by 50 basis points by the Bank of Canada (not shown on the chart below).



The immediate impact for the Town is that short, medium and long term investments are becoming more attractive as opportunities become available.