



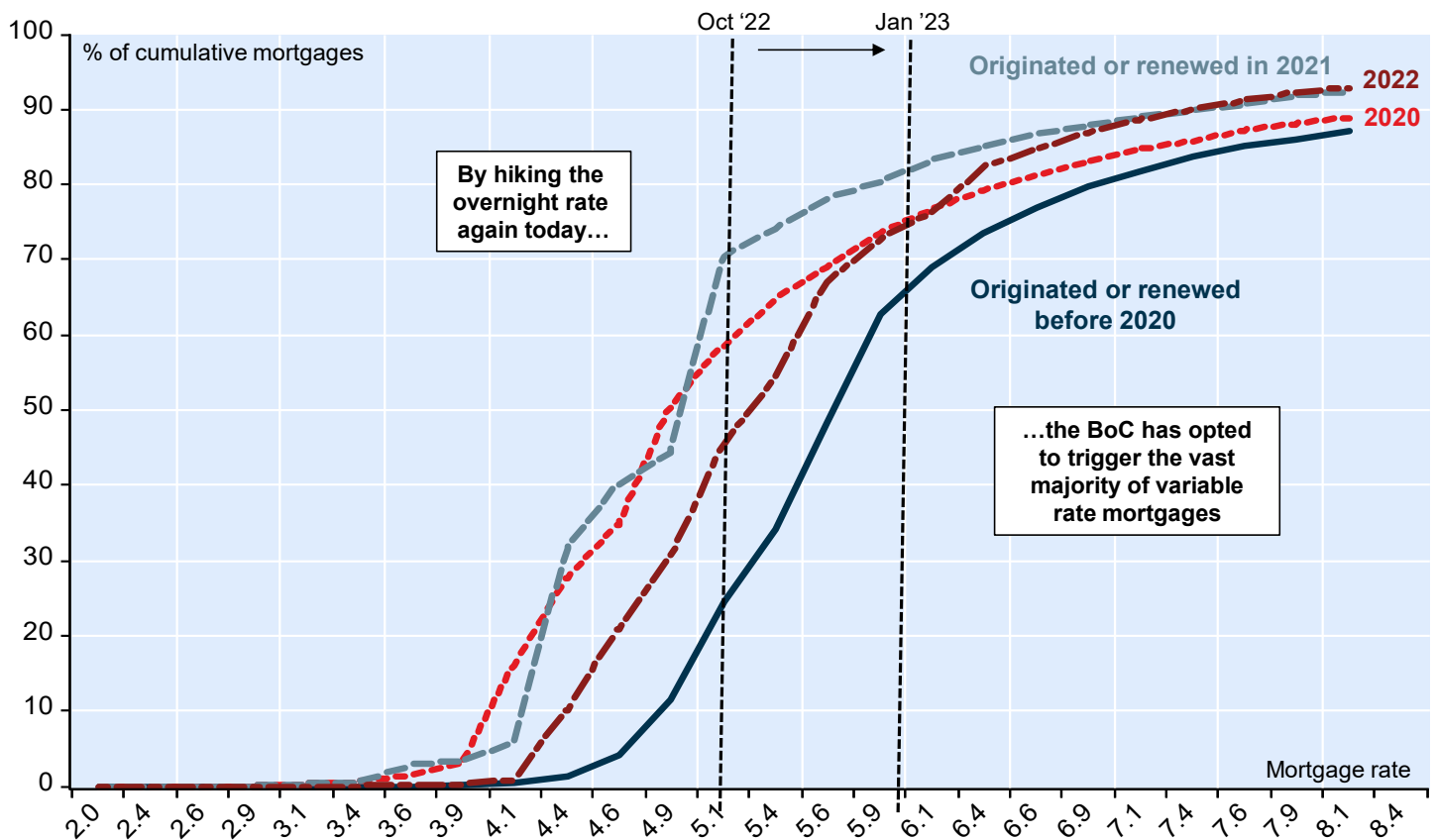
Canada Watch

By Stefane Marion & Daren King

The Bank of Canada's (BoC) latest rate hike will not go unnoticed by the 30% of Canadian mortgage holders who have variable rate mortgages. As today's Hot Chart shows, between 73% to 80% of variable-rate fixed-payment mortgages originated between 2020 and 2022 will have been triggered during the current central bank tightening campaign. For variable rate mortgages taken out before 2020, the proportion will be 63%, compared to only 25% three months ago. This is what we meant when we said recently that the negative impact of marginal rate increases is not linear at this stage of the economic cycle.

Canada: BoC is playing with fire

Cumulative share of variable-rate fixed-payment mortgages hitting trigger rate by year of origination or renewal



NBF Economics and Strategy (data via [Bank of Canada](https://www.bankofcanada.ca))

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