



SUMMARY OF THE DISCUSSION

Toronto, March 10, 2026, 4:00 p.m. to 6:00 p.m.

The co-chairs welcome Inderjit Takk, Vice-President, Head of Global Trading, iA to the committee.

1. Recent bond market developments

CFIF was joined by Jason Daw, Head of North American Rates Strategy, RBC Capital Markets and Dominique Toublan, Head of US Credit Strategy, Barclays, for a discussion of rates markets and credit markets conditions.

Mr. Daw commented that movements in most asset classes, except for oil, have been relatively mild since the start of the Iran war. He noted that markets tend to incorporate risk premiums in oil prices in advance of major geopolitical oil events, and historically, bond yields usually rise as markets view inflation risk offsetting growth risk and flight-to-safety bids in such incidents. The impact on the Canadian economy from higher oil prices will depend on both the level and duration of the increase. He pointed out that although Canada's nominal energy trade surplus will increase, it is unclear if real energy trade balance will grow as oil production is already at close to capacity. In his views, the impact of higher oil prices to Canadian GDP may be neutral to small positive. He expects the Bank of Canada to be on hold in 2026 and will start an interest rate hiking cycle in 2027. Similarly, Mr. Daw is not forecasting any additional interest rate cuts in the US until 2027 but noted that the risks are skewed towards earlier and potentially more interest rate cuts rather than hikes.

Mr. Toublan shared his outlook of the US credit markets with CFIF. He expects moderately wider credit spreads in 2026. He noted that despite credit spreads remaining at historically tight levels, demand for US credit continues to be strong, driven by high all-in yields and healthy US corporation balance sheet. The speaker pointed out that although markets are calm at the index level, there is dispersion in the sub sectors. Business Development Companies (BDCs), which represent the majority of the public US private credit market, and the leveraged loans market have the highest exposure to software, at 21.6% and 12.6% respectively. AI disruption fears are weighing more on the performance of these sectors compared to the investment grade (IG) market. According to Mr. Toublan, a shift in risk sentiment as investors seek to redeem their investment, rather than widespread default resulting from AI disruption, is the bigger risk associated with private credit, given that most of the outstanding software loans will not mature until 2028. He also noted that the opacity of the private credit market makes it difficult to clearly identify who is the ultimate owner of the underlying exposure.

2. CIMPA update

CIMPA co-chairs informed CFIF that the Bank of Canada has [announced](#) that it will join the Canadian Collateral Management Service (CCMS) tri-party platform for its domestic repo operations by early 2027.

In addition, the Bank intends to join the Canadian Derivatives Clearing Corporation (CDCC) to centrally clear its repo operations, following the completion of the TMX's investments to [modernize](#) their central clearing services to facilitate broader adoption by a wider range of participants.

The co-chairs also provided updates of work carried out by CIMPA subgroups to CFIF¹.

CIMPA has launched a new subgroup focused on promoting central clearing for dealer to client repos. The subgroup will promote the expansion of central clearing capabilities, including CDCC Repo 2.0 initiatives, by developing proposals for CDCC to operationalize that will enhance benefits for participants and reduce costs, and will do so with broad industry representation across functional areas.

The Standardized baskets subgroup has conducted a small-value live trade using the newly created GoC GC baskets.

The NHA MBS GC basket subgroup continues to work with CCMS to validate product requirements and develop best practices to support NHA MBS GC basket adoption.

The Valuation and haircuts subgroup continues its work on a best practice note on collateral pricing and valuation, and a principles-based guidance note on repo haircuts. Final guidance will be submitted to CFIF for approval and subject to broader industry consultation.

The Fail fee governance subgroup continues to work with CDS to finalize the technical specifications to support the fails reporting infrastructure build and data extracts that will be used for monitoring. An initial trial phase will begin once the work is completed.

CFIF thanked the CIMPA co-chairs for the update and expressed interest to be kept informed on the various infrastructure work carried out by the TMX and tracking of when milestones are achieved. Members agreed that it is important to maintain momentum and to continue working with the TMX to ensure adherence to the project timelines, noting the importance of coordination across competing priorities and resource considerations.

3. Other

A member shared their firm's work on trends in the Canadian IG market. Members discussed the evolution of the corporate index composition, including new foreign issuers and single-rated issuers.

CFIF had a discussion on the impact of prediction markets in the Canadian marketplace. Members agreed there are merits in keeping abreast of new developments and potentially bring in external speakers to CFIF, as appropriate.

Members also discussed bringing in external and Bank of Canada experts to provide updates on tokenization and stablecoins.

¹ See <https://www.bankofcanada.ca/2026/01/cimpa-meeting-january-15-2026/> for minutes and documents presented at CIMPA meetings

Meeting participants:**CFIF members:**

Jim Byrd, RBC Capital Markets, Co-Chair
Brian D'Costa, Algonquin Capital
Nick Chan, BMO Capital Markets
Roger Casgrain, Casgrain & Company Limited
Karl Wildi, CIBC World Markets
Pablo Suarez, Citi Canada
TJ Sutter, Connor, Clark & Lunn Investment Management
Bronwyn Ward, CPP Investment Board
Philippe Ouellette, Fiera Capital
Inderjit Takk, iA
Jason Lewis, Ministry of Finance, Province of British Columbia
Chris Miller, National Bank Financial
Vinayak Seshasayee, PIMCO
Elaine Lindhorst, TD Asset Management

Item 1

Jason Daw, RBC Capital Markets
Dominique Toublan, Barclays

Bank of Canada:

Toni Gravelle, Co-Chair
Wendy Chan, Secretariat
Zahir Antia
Grahame Johnson
Sheryl King
Stéphane Lavoie
Xuezhi Liu
Maksym Padalko
Jabir Sandhu