



BANK OF CANADA
BANQUE DU CANADA

Bank of Canada keeps target for the overnight rate at 2 1/2 per cent

FOR IMMEDIATE RELEASE

Media Relations

Ottawa, Ontario

March 1, 2005

The Bank of Canada today announced that it is maintaining its target for the overnight rate at 2 1/2 per cent. The operating band for the overnight rate is unchanged, and the Bank Rate remains at 2 3/4 per cent.

Since the release of the January *Monetary Policy Report Update*, the accumulated information on the Canadian and global economies has been broadly consistent with the Bank's expectations. Although the Canadian National Accounts indicated that output growth in the fourth quarter of 2004 was somewhat lower than anticipated in the *Update*, upward revisions to growth earlier in the year imply a level of economic activity at year end that is in line with the Bank's expectations. The outlook for the Canadian economy and inflation, the analysis of the factors at play, and the implications for the pace of reduction in monetary stimulus are essentially unchanged from those that the Bank presented in January's *Update*. Consistent with this assessment, the Bank decided to leave the target for the overnight rate unchanged.

Information note:

The Bank of Canada's next scheduled date for announcing the overnight rate target is 12 April 2005.

The *Monetary Policy Report* will be published on 14 April 2005.

Content Type(s): **Press, Press releases**