

CanDeal Observations

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Canadian Fixed Income Markets — Data Driven Insights



13 October 2026

4.30%

30Y GoC yield, 29 Sep.
Highest since 2008.

-21.8 bps

Change in the 2-30
basis in September.

+30.7 bps

10Y USD-CAD spread
widening in September.

~30 bps

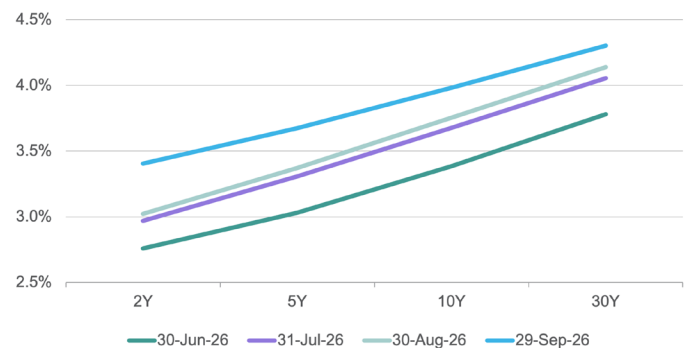
975 MBS spread over
GoC across WAL tenors.

GOVERNMENT OF CANADA CURVE

Canada bond yields are trying to tell us something...

As we pick things up in early October, we see that the GoC curve repriced meaningfully higher over the summer, with yields rising across the maturity spectrum. The move is particularly significant, with the 30Y yields crossing the 4.30% threshold towards the end of September, a level that has not been reached since the 2008 financial crisis.

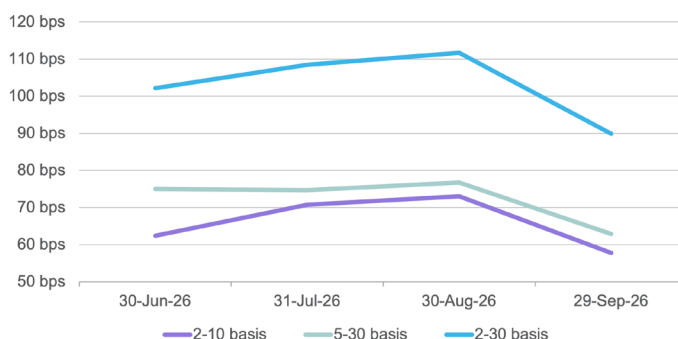
GoC yield curve, month-end snapshots



CURVE SLOPE

Flattening into autumn

GoC curve steepness, month-end (bps)



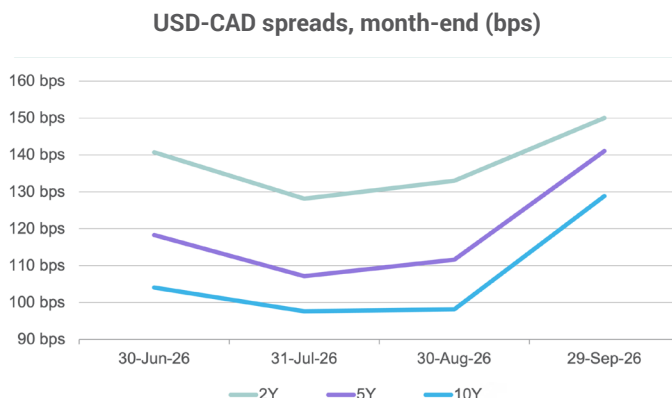
The Canadian Government curve was enjoying a rather quiet summer, steepening slowly and steadily into August, until it experienced a sharp reversal over the last month, with all three measures declining sharply and with the 5-30 basis leading the way with an almost 22 bps decrease in September alone. With the shorter-term part rising faster than the rest of the curve, this seems to hint at higher inflation expectations in the short term, potentially due to the tariffs and counter tariffs imposed by the US and Canada respectively around the end of August.



CROSS-BORDER SPREADS

The “Canada discount” widens

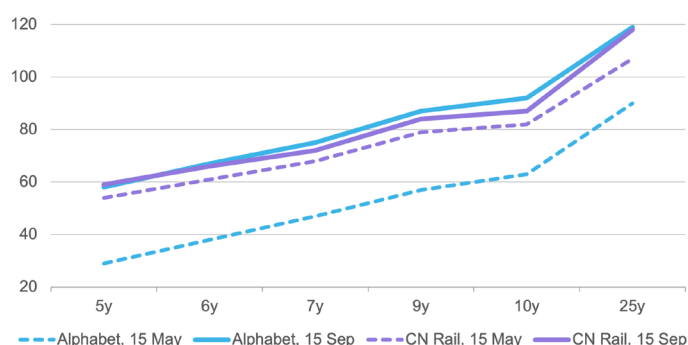
Looking at USD-CAD spreads, they also seem to have reacted strongly to the new tariffs and counter tariffs announcements, as evidenced by a significant widening of the USD-CAD spreads across the curve in September, with the longer-term USD-CAD spreads (5Y and 10Y) experiencing a dramatic +30 bps rise in only one month.



CORPORATE CREDIT

Hyperscaler indigestion

G-spreads, Alphabet and CN Rail, 15 May vs 15 Sep 2026 (bps)



Back in June of this year, we marveled at how the newly issued Alphabet bonds were trading at very low spreads. Four months later, it seems that fixed income investors have lost some of their appetite for hyperscaler debt as spreads shot higher by approximately 30 bps across the entire curve over the last 4 months. To give a point of reference, CN Rail bonds traded with a 20-25 bps **premium** (in spread) back in May while the 107-year old, (very) Canadian issuer is now trading at a small **discount** to the US technology giant.

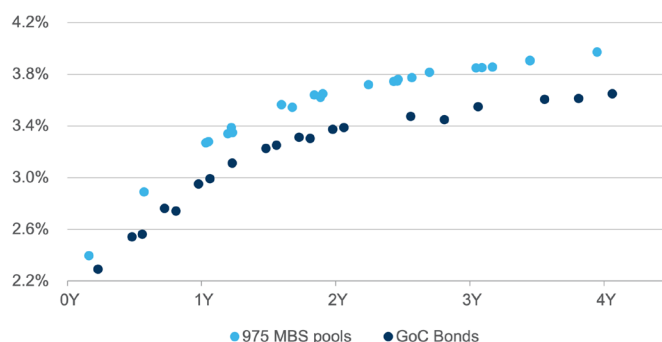
MBS

Shining a light on MBS curves: Pick up extra yield on an agency-guaranteed investment

The chart shows the yield-to-maturity (YTM) for 975 syndicated fixed-rate MBS pools 975 and Government of Canada bonds across different weighted-average-life (WAL) tenors.

The 975 syndicated fixed-rate MBS pools present an opportunity to pick up 30+ additional basis points for a liquid and secure fixed income instrument whose underlying assets are insured, with peaks of 32 and 34 bps around 3-year and 4-year WAL, respectively. Additionally, in a rising rate environment, the prepayment risk may present an opportunity to re-invest those principal cashflows at higher yields.

975 MBS vs GoC bonds, YTM by WAL





CanDeal News

Bank of Canada Selects CanDeal DNA Reference Pricing

In September, we announced a multi-year agreement with the Bank of Canada for the CanDeal DNA Reference Pricing service for use in its operational activities, market analysis, research, policy development, risk management and to support the Bank's monetary policy, financial system and funds management functions. See details in the full [announcement](#).

Introducing CanDeal VeriFI TPR: RegTech innovation made in Canada



CanDeal is pleased to introduce its third-party risk initiative, **VeriFI TPR**. In collaboration with the Canadian banks and key suppliers, VeriFI TPR standardizes supplier due diligence into a single, mutualized question set that can be used by many Financial Institutions and is built on a simple principle: completed once, used by many.

Suppliers register with CanDeal VeriFI TPR, complete a consolidated and holistic set of due diligence questions covering all risk domains as prescribed by OFSI and tailored to each Financial Institution's TPR risk controls.

Suppliers benefit from avoiding repetitive due diligence questionnaires from each Financial Institution. Financial Institutions also gain efficiencies: centralized due diligence questions and supplier credentials mean less time spent administering paperwork and more time for supplier evaluation and commercial engagement. Each Financial Institution retains full control over how it interprets responses against its own risk appetite and policies. As more Financial Institutions join the platform, a supplier's completed profile can be permissioned to each participating institution, creating a path to new engagements without a fresh due diligence cycle each time.

Supplier registration is live now, with production launch targeted for Q1 2027. [Learn more](#).



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