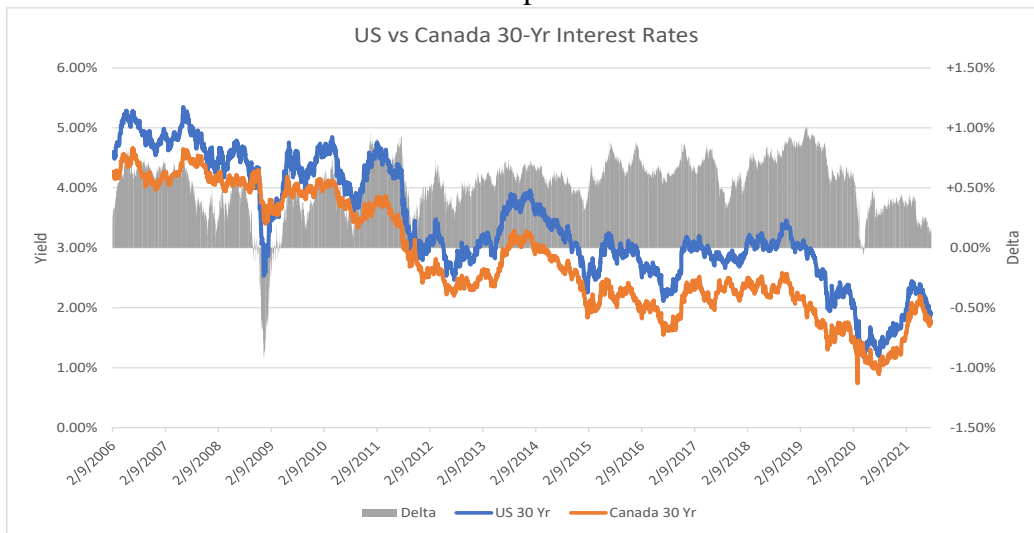


- 1 **Q. In his discussion of interest rates and the integration of US and Canadian capital**  
 2 **markets, Mr. Coyne does not seem to graph US versus Canadian long term interest**  
 3 **rates, can he please provide such a graph and briefly discuss any implications from**  
 4 **that graph for the recent difference between the two.**  
 5  
 6 A. For 30-year bonds, shown in Graph 1, the spread between the U.S. and Canada was  
 7 approximately 70 bps in May 2018 and about 20 bps in May 2021. Yields have been  
 8 highly correlated, as shown on the graph.

Graph 1



- 9 For 10-year bonds, shown in Graph 2, the spread between U.S and Canada was  
 10 approximately 60 bps in May 2018 and about 10 bps in May 2021. Again, the yields  
 11 have tracked very closely in recent months.

Graph 2

