



Bank of Canada Decreases Interest Rates by 0.25%, Bringing Rate to 4.75% due to Economic Slowdown and Decreased Inflation. Quantitative Tightening Still in Effect.

Description

The Bank of Canada made a move to cut policy interest rates by 25 basis points, citing easing underlying inflation. This decision comes as the Bank has already reduced its securities holdings by 64% acquired during the pandemic. The target for the overnight rate was lowered to 4.75%, while the Bank Rate and deposit rate were adjusted to 5.0% and 4.75%, respectively.

BOC Governor Tiff Macklem highlighted that inflation is moving towards the 2% target, with wage pressures gradually moderating. Despite a slowdown in employment growth, the economy faces risks related to inflation outlook and the balance between demand and supply.

Macklem hinted at the possibility of further rate cuts if inflation continues to ease. The effectiveness of rate hikes in Canada compared to the US is attributed to the structure of mortgages, where existing borrowers face adjustments in rates, impacting spending habits.

The move by the Bank of Canada reflects a strategic approach to balance inflation and economic growth, indicating a cautious but proactive stance in steering the economy. The decision to lower rates showcases a response to current economic indicators and a commitment to achieving inflation targets in the long term.

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Vocabulary List:

1. **inflation** // (noun): A general increase in prices and fall in the purchasing value of money.
2. **securities** // (noun): Investments such as stocks or bonds.
3. **acquired** // (adjective): Obtained or gained possession of something.
4. **target** // (noun): A goal or objective that is aimed to be achieved.
5. **moderating** // (verb): Reducing the intensity or extremeness of something.
6. **commitment** // (noun): The state of being dedicated or responsible for something.

Vocabulary quizzes

Multiple Choice (Select the Correct answer for each question.)

1. What is defined as the rate at which the general level of prices for goods and services rises?
Option: A. Stock market
Option: B. Inflation
Option: C. Securities
Option: D. Acquisitions
2. Which term refers to the number of deaths resulting from a particular event or circumstance?
Option: A. Seniors
Option: B. Fatalities
Option: C. Underlying
Option: D. Independence
3. What term describes the action or process of intervening in a situation?
Option: A. Commitment
Option: B. Vicious
Option: C. Intervene
Option: D. Speculation
4. Which term indicates the degree of variation of a trading price series?
Option: A. Prominent
Option: B. Equity Offering
Option: C. Volatility
Option: D. Looming



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5. What term refers to the process of one company taking over another company?
Option: A. Advisory
Option: B. Regulatory
Option: C. Acquisitions
Option: D. Gratitude
6. Which term is used to describe the desired objective or goal to be achieved?
Option: A. Contentious
Option: B. Influencer
Option: C. Target
Option: D. Nullification
7. What term describes the basic cause or source of something?
Option: A. Seniors
Option: B. Underlying
Option: C. Chronic
Option: D. Hospitalizations
8. Which term refers to the process of raising capital by selling shares of a company?
Option: A. Outrage
Option: B. Equity Offering
Option: C. Instrumental
Option: D. Independence
9. What term refers to tradable financial assets such as stocks or bonds?
Option: A. Gratitude
Option: B. Securities
Option: C. Moderating
Option: D. Influencer
10. Which term relates to the enforcement and creation of rules by government or any regulating body?
Option: A. Offering
Option: B. Speculation
Option: C. Regulatory
Option: D. Confrontation

Gap-Fill (Fill in the blanks with the correct word from the vocabulary list.)

11. Excessive consumption of alcohol can lead to severe health issues and frequent

_____ .



12. When disagreements escalate and parties are unable to resolve issues peacefully it can result in _____.
13. The court issued a ruling for the _____ of the contract rendering it legally void.
14. Expressing genuine _____ towards others can strengthen relationships and foster goodwill.
15. Young adults often strive for _____ as they transition into self-sufficiency.
16. The company recently _____ a small tech startup to expand its digital capabilities.
17. The community center organizes regular events and activities for local _____ to foster social engagement.
18. Investors engage in stock _____ in hopes of capitalizing on market fluctuations for profit.
19. The debate became increasingly _____ as opposing views clashed on the complex issue.
20. With the company's financial difficulties the possibility of layoffs is _____ over the employees.

Matching Sentences (Match each definition to the correct word from the vocabulary list.)

21. She demonstrated unwavering dedication and hard work to fulfill her to complete the project on time.
22. The animal shelter rescued a dog with a past but with care and love it became a friendly pet.
23. The event was attended by many figures in the industry showcasing its importance.
24. The teacher had to when the students started arguing to maintain order in the classroom.
25. His innovative ideas were in shaping the company's successful marketing campaign.



26. The controversial decision sparked public and protests across the city.
27. She emerged as a key in the fashion industry setting new trends and styles.
28. The committee plays a crucial role in discussions during the conference to ensure fairness and order.
29. The government appointed an panel to provide recommendations on environmental policies.
30. Economic analysts engage in market to predict future trends and investments.

Answer

Multiple Choice: 1. B. Inflation 2. B. Fatalities 3. C. Intervene 4. C. Volatility 5. C. Acquisitions 6. C. Target
7. B. Underlying 8. B. Equity Offering 9. B. Securities 10. C. Regulatory

Gap-Fill: 11. hospitalizations 12. confrontation 13. nullification 14. gratitude 15. independence 16. acquired
17. seniors 18. speculation 19. contentious 20. looming

Matching sentence: 1. commitment 2. vicious 3. prominent 4. intervene 5. instrumental 6. outrage 7.
influencer 8. moderating 9. advisory 10. speculation

CATEGORY

1. Business - LEVEL5

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