

- 1 **Q. Mr. Coyne discusses the impact of covid 19 and central bank policies. Please**
2 **indicate the maximum and current monthly levels of government bond buying**
3 **undertaken by the Bank of Canada and the US Federal Reserve.**
4
- 5 A. When the Bank of Canada (“BOC”) introduced its bond buying program in Canada, the
6 BOC was buying \$5 billion per week in government bonds. That amount was
7 subsequently reduced to \$4 billion in October 2020, to \$3 billion in April 2021, and more
8 recently to \$2 billion per week in July 2021. The U.S. Federal Reserve has been
9 purchasing \$80 billion of Treasury bonds and \$40 billion of mortgage-backed securities
10 per month since March 2020. Considering the relative sizes of the two economies,
11 Canada’s \$5 billion purchase level is equivalent to about \$70 billion in U.S. terms.