Despite a flurry of global rate cuts, the Bank of Canada holds steady. But how long will this last?

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It's nice when someone does your work for you, isn't it?

The Bank of Canada decided Wednesday to leave its key interest rate unchanged at 1.75 per cent – the ninth straight time, going back a year, that it has held the rate steady. And the statement accompanying the rate decision implies that the bank may now be drifting further away from lowering rates, not closer. It's now entirely possible that rates could still be unchanged a year from now.

This in spite of a flurry of rate cuts at central banks around the world, including the U.S. Federal Reserve, in the face of the U.S.-China trade war and a deteriorating global economy.

Or maybe we should scratch that "in spite of," and pencil in "thanks to."

The bank's statement highlighted a couple of key factors strengthening the argument against a rate cut. Global rate cuts are central to both of them.

One, the bank noted that the global economy and financial markets are stabilizing, as the widespread rate cuts over the past several months start to have their intended effect.

Two, it said that last week's third-quarter gross domestic product report showed strong domestic demand in Canada, driven by consumer spending and a resurgence in housing investment. Lower global interest rates – which worked their way into Canada through the financial markets – have served to suppress Canadian borrowing costs, even without any Bank of Canada action.

Still, free rides don't last forever, and this one is no exception.

The stability provided by the rate cuts internationally has stopped the slide in financial-market interest rates – and that includes rates in Canada's bond market. The yield on five-year government of Canada bonds is up more than 0.3 percentage points in the past three months. That hasn't worked its way into consumer borrowing rates yet, but a move that size inevitably will. Consumers and home buyers can expect that the break on borrowing costs that they have enjoyed is about to change course.

A key question for the Bank of Canada is how strong underlying consumer and housing demand is, if not for the de facto rate cut from outside its borders.

The country's considerable pickup in wage growth will help. Statistics Canada's latest payroll survey showed that wages were up 4 per cent year-over-year in September, the highest in more than eight years. Recent Statscan revisions also indicate that Canadians' savings rate is considerably higher than previously estimated, which suggests consumers might have more capacity to sustain their buying.

The Bank of Canada also believes that Canada's relatively strong population growth, fuelled by high immigration, should help sustain housing activity. Nevertheless, there's little question that lower mortgage rates this year have been pivotal to reigniting residential investment. A reversal of rates would certainly take a bite out of that strong contributor to recent economic growth.

The fall in mortgage rates and resurgence in home buying has had a notable downside that the Bank of Canada would be happy to live without: upward pressure on already sky-high household debts. Indeed, the bank has

identified this as a compelling reason for it to resist rate cuts in recent months: A cut would add more fuel to a mortgage-debt fire that it has spent years trying to control, with only limited success. Some easing of that pressure from global bond markets might be welcome – yet on the other hand, it might also slow a key economic engine and nudge the central bank closer to rate cuts again. It's a dilemma.

The Bank of Canada would certainly feel more comfortable if the Canadian economy wasn't still relying on the consumer sector at this late stage of the business cycle. Perhaps there are signs that business investment will emerge to take over, as the bank has long hoped it would; the recent GDP report showed an eye-opening surge in investment in the third quarter. With the Canadian economy believed to be running at close to its full productive capacity – something the Bank of Canada reiterated in Wednesday's statement – you would expect to see businesses spending on new capacity, providing a catalyst for the next stage of economic expansion.

But that, too, is far from certain; deep uncertainties surrounding trade disputes have been sapping business investment in much of the rest of the world. The Bank of Canada acknowledged the third-quarter investment surge, but is reserving judgment until it sees further evidence.

Maybe policy makers beyond Canada's borders could lend the Bank of Canada a hand on that front, too. A U.S.-China trade pact would certainly make the bank's 2020 rate decisions a lot easier.