

DAILY POINTS

August 28, 2025 @ 6:50 EST

Contributors

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Chart 1

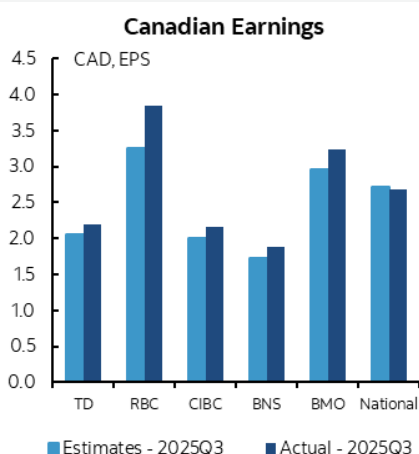
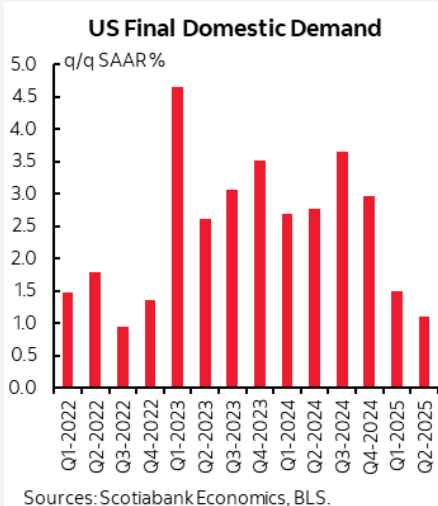


Chart 2



On Deck for Thursday, August 28

Country	Date	Time	Indicator	Period	BNS	Consensus	Latest
CA	08-28	08:30	Current Account (C\$ bn a.r.)	2Q	--	-19.3	-2.1
US	08-28	08:30	GDP (q/q a.r.)	2Q S	3.1	3.1	3.0
US	08-28	08:30	GDP Deflator (q/q a.r.)	2Q S	--	2.0	2.0
US	08-28	08:30	Initial Jobless Claims (000s)	Aug 23	225	230.0	235.0
US	08-28	08:30	Continuing Claims (000s)	Aug 16	1960	1965.5	1972.0
US	08-28	10:00	Pending Home Sales (m/m)	Jul	--	-0.2	-0.8
US	08-28	18:00	Fed's Waller Speaks on Monetary Policy				

KEY POINTS:

- **USD softening into US data**
- **Canada's bank earnings season humbled analysts**
- **US GDP, core PCE may be revised, claims and pending home sales on tap**
- **Why you should just ignore Canadian payrolls whatever the number**
- **A pair of Asian central banks sounded more cautious on the rate bias**

Markets are largely shaking off any broader impact of Nvidia's results that disappointed in terms of the guidance. N.A. equity futures are little changed and European cash markets are mixed. There is very little change in sovereign bond yields and slight softening of the USD. Modest US data risk lies ahead this morning. The 'big six' Canadian bank earnings season concluded with another pair of beats and ignore Canadian payrolls when they arrive this morning.

MORE GUARDED FORWARD GUIDANCE FROM ASIAN CENTRAL BANKS

Asian central banks met expectations overnight. Bangko Sentral ng Pilipinas cut by 25bps as universally expected. The policy rate was described as at a 'goldilocks' level and a "sweet, sweet spot for both inflation and output" according to Governor Remolona with a less dovish stance than previously while not shutting the door on additional data dependent easing.

The Bank of Korea held at 2.5% as expected with only a slim chance at a cut but mixed guidance had markets emphasizing the Governor's caution on additional easing. The won is outperforming all other major crosses. Five out of six board members said they were open to further easing by year-end but only one voted to do so this time. The central bank is pausing because of uncertainty around household debt risks and hence stability concerns, plus the impact of US tariffs. Governor Rhee sounded a little more hawkish, however, by stating that "an additional rapid rate cut could trigger stronger side effects, such as higher housing prices and greater household debt, outweighing the positive impact on growth."

CANADIAN BANKS HUMBLING THE ANALYSTS

Canadian bank earnings continue to beat with five out of six banks beating expectations with only National Bank slightly missing this time (chart 1). CIBC beat with adjusted Q3 EPS of C\$2.16 (\$2.00 consensus) and announced intentions to buyback up to 20 million shares. TD Bank also beat with EPS of C\$2.20 (consensus \$2.05).

US GDP, CORE PCE REVISIONS ON TAP

US Q2 GDP might be revised up (8:30amET) on revisions since the first estimate on July 30th to consumption, industrial output, possibly construction spending given revisions to housing starts etc. Q2 GDP growth of 3% masked a softer underlying domestic economy as consumption added only 1% to the 3% growth rate, while a drop in imports added 5.2 ppts to GDP growth. Growth of final domestic demand—which adds consumption plus

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investment plus government spending and is a key gauge of the domestic economy—has been on a softening trajectory (chart 2). The next and hence third revision on September 25th is often where I often see more uncertainty as the quarterly services spending figures get incorporated. Also possible is a minor upward revision to core PCE inflation in Q2.

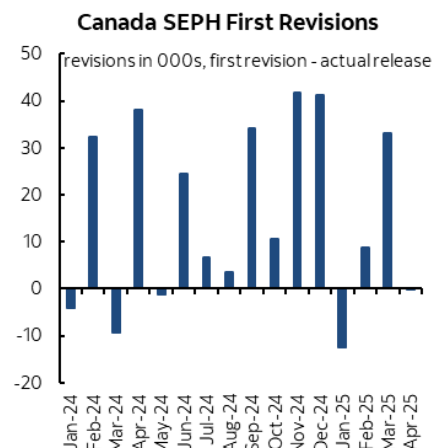
The US also refreshes weekly initial jobless claims (8:30amET). Key is whether a mild rise the prior week may have legs to it. Pending home sales for July arrive at 10amET.

IGNORE CANADIAN PAYROLLS

Canada updates payrolls for....wait for it....June (8:30amET)! Whipplee. The SEPH report is

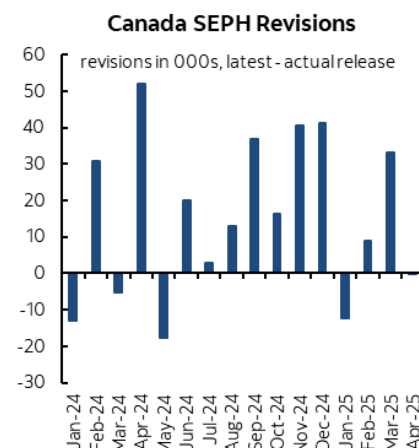
inexcusably lagging (we get LFS for August next Friday), is only focused on payrolls whereas LFS also includes off-payroll workers, and SEPH is subject to massive monthly revisions that make it unreliable. Chart 3 shows revisions to payroll changes on the first pass at them one month later, and chart 4 shows cumulative revisions to initially reported changes in payrolls using fully revised data as it currently stands. Overall, the payrolls report isn't terribly useful.

Chart 3



Sources: Scotiabank Economics, Statistics Canada.

Chart 4



Sources: Scotiabank Economics, Statistics Canada.

Fixed Income	Government Yield Curves (%):												Central Banks			
U.S. CANADA GERMANY JAPAN U.K. CANADA GERMANY JAPAN U.K.	2-YEAR			5-YEAR			10-YEAR			30-YEAR			Current Rate			
	Last	1-day	1-wk	Last	1-day	1-wk	Last	1-day	1-wk	Last	1-day	1-wk	Canada - BoC	2.75		
	3.62	3.61	3.79	3.70	3.70	3.86	4.23	4.24	4.33	4.91	4.92	4.92				
	2.70	2.70	2.70	2.95	2.96	2.96	3.45	3.46	3.44	3.89	3.88	3.85			US - Fed	4.50
	1.93	1.92	1.97	2.25	2.24	2.32	2.71	2.70	2.76	3.33	3.31	3.33				
	0.86	0.87	0.86	1.16	1.16	1.15	1.62	1.63	1.61	3.22	3.24	3.19			England - BoE	4.00
	3.96	3.96	3.97	4.12	4.13	4.12	4.73	4.74	4.73	5.60	5.60	5.58				
Spreads vs. U.S. (bps):													Euro zone - ECB	2.15		
CANADA	-92	-91	-110	-75	-74	-90	-78	-78	-88	-102	-104	-107				
GERMANY	-169	-170	-182	-145	-146	-154	-152	-154	-157	-158	-161	-159			Japan - BoJ	0.50
JAPAN	-276	-274	-293	-254	-253	-270	-261	-261	-272	-168	-169	-173				
U.K.	34	35	18	42	44	27	50	50	40	69	68	66	Mexico - Banxico	7.75		
Equities	Level						% change:									
	Last				Change		1 Day	1-wk	1-mo	1-yr						
S&P/TSX	28433				93.1		0.3	2.0	3.7	22.9	Australia - RBA	3.60	New Zealand - RBNZ	3.00		
Dow 30	45565				147.2		0.3	1.4	1.6	10.9						
S&P 500	6481				15.5		0.2	1.3	1.4	15.9						
Nasdaq	21590				45.9		0.2	2.0	1.9	23.0						
DAX	24013				-33.4		-0.1	-1.2	0.2	27.8	Next Meeting Date					
FTSE	9210				-45.8		-0.5	-0.8	1.4	10.4	Canada - BoC	Sep 17, 2025	US - Fed	Sep 17, 2025		
Nikkei	42829				308.5		0.7	0.5	4.5	11.6						
Hang Seng	24999				-202.9		-0.8	-0.4	-2.2	41.3	England - BoE	Sep 18, 2025				
CAC	7754				9.9		0.1	-2.3	-0.6	2.3						
Commodities	Level						% change:						Euro zone - ECB	Sep 11, 2025		
	Last				Change		1 Day	1-wk	1-mo	1-yr	Japan - BoJ	Sep 19, 2025				
WTI Crude	63.88				-0.27		-0.4	0.6	-4.2	-14.3						
Natural Gas	2.89				0.00		0.2	2.3	-3.2	49.8						
Gold	3396.86				-0.51		-0.0	1.7	2.5	35.6						
Silver	38.22				-0.21		-0.5	3.1	-1.3	27.8						
CRB Index	300.74				2.28		0.8	1.6	-0.9	8.3						
Currencies	Level						% change:						Mexico - Banxico	Sep 25, 2025		
	Last				Change		1 Day	1-wk	1-mo	1-yr	Australia - RBA	Sep 30, 2025				
USDCAD	1.3763				-0.0028		-0.2	-1.1	0.2	2.1						
EURUSD	1.1672				0.0033		0.3	0.6	0.7	5.0						
USDJPY	146.94				-0.4800		-0.3	-1.0	-1.1	1.6						
AUDUSD	0.6527				0.0021		0.3	1.7	0.1	-3.8						
GBPUSD	1.3525				0.0027		0.2	0.8	1.3	2.5						
USDCHF	0.7995				-0.0028		-0.3	-1.1	-0.5	-5.1	New Zealand - RBNZ	Oct 07, 2025				

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