

### DAILY POINTS

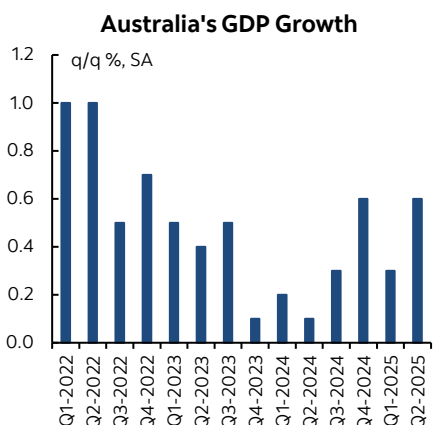
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Chart 1



Sources: Scotiabank Economics, Australian Bureau of Statistics.

Chart 2



Sources: Scotiabank Economics, BLS.

#### On Deck for Wednesday, September 3

Country	Date	Time	Indicator	Period	BNS	Consensus	Latest
US	09-03	07:00	MBA Mortgage Applications (w/w)	Aug 29	--	--	-0.5
CA	09-03	08:30	Productivity (q/q a.r.)	2Q	--	-0.2	0.2
US	09-03	10:00	Factory Orders (m/m)	Jul	-1.5	-1.3	-4.8
US	09-03	10:00	JOLTS Job Openings (000s)	Jul	--	7383.0	7437.0
US	09-03		Total Vehicle Sales (mn a.r.)	Aug	16.1	16.1	16.4

#### KEY POINTS:

- **Idiosyncratic local market developments await Friday's payrolls**
- **Aussie dollar and yields lit up by GDP**
- **Won leads the pack on Korean GDP beat**
- **Turkish yields rocked by CPI**
- **US JOLTS—who cares?!**
- **US and Canadian vehicle sales on tap**
- **More hawkish ECB talk**
- **Oxymoronic Canadian productivity**
- **Carney's retreat faces the unknowable on tariff and trade risks**

Light overnight developments face a similarly light N.A. line-up of calendar-based developments, although there are a few gems worth considering. US Ts have a slight cheapening bias with 10s at about 4¼% but bigger rate and FX moves are occurring in markets like Australia, Korea and beleaguered Turkey. We've hit our year-end forecast for US 10s already but I'm not leaning toward major forecast changes going forward. Equities are broadly higher across US futures and European cash markets with the TSX lagging.

#### AUSTRALIA'S RESILIENT ECONOMY LIFTS A\$ AND RATES

Australian yields spiked overnight led by a 7bps rise toward the front-end. The main culprit was Q2 GDP that surprised a touch higher than expected (0.6% q/q SA, 0.5% consensus), or 2.4% annualized, and with upward revisions (0.3% instead of 0.2% for Q1). Q2 growth tied with 2024Q4 growth for the strongest rates since the final quarter of 2022 (chart 1). Australia, it seems, has been resilient to global trade skirmishes and other considerations—at least so far. More impressive is that final domestic demand contributed a weighted 0.5% q/q SA nonannualized to GDP growth, with consumption adding 0.4 ppts. Exports add 0.5 ppts to GDP growth offset in part by a 0.3 ppts drag from imports. Inventories subtracted -0.1%.

#### EUROPEAN YIELDS STABILIZE FOR NOW

Across the pond, markets are largely shaking off ECB comments and the slow motion train wreck that is the UK government's finances faces at least temporary calm today. Slovenia's acting Governor expressed support for an ECB hold now but that the next move could either be down or up and said there is no reason to push through major forecast revisions at next week's decision that would swing things in either direction. This follows comments by ECB Executive Board member Schnabel when she said yesterday that she does not see a reason for further easing, that policy is already accommodative, and that tariffs "are on net inflationary" while warning about the direction of future rate moves.

#### WON BUOYED BY GDP

South Korea's economy also surprised to the upside with Q2 GDP up 0.7% q/q SA nonannualized (0.6% consensus). The won is the star pupil in FX land this morning.

## TURKEY'S INESCAPABLE WOES

Turkey just can't escape its woes. After yesterday's assault on the opposition, today we have a mild upside surprise to inflation. CPI was up 2% m/m (1.75% consensus) and 33% y/y (32.6% consensus). Turkey's 2-year yield climbed 52bps in a bear flattener move.

## MINOR N.A. DATA RELEASES

US markets will monitor JOLTS job openings (10amET) that have basically been moving sideways along a mildly noisy path for about a year now (chart 2). They've been bouncing between 7–8 million postings throughout that whole period after declining from the early 2022 peak. It's a lousy gauge for purposes of predicting payrolls. JOLTS has its own data issues, like the fact it lags, is prone to big revisions, has data collection issues, dead postings, and duplicate postings (or worse). And postings are a gross measure that speaks little in relation to net nonfarm payrolls.

The US also refreshes factory orders (10amET) that will fall given we already have the -2.8% drop in durable goods orders subject to revision, but in a more moderated sense if nondurable goods hold up better than the airplane effect on durables.

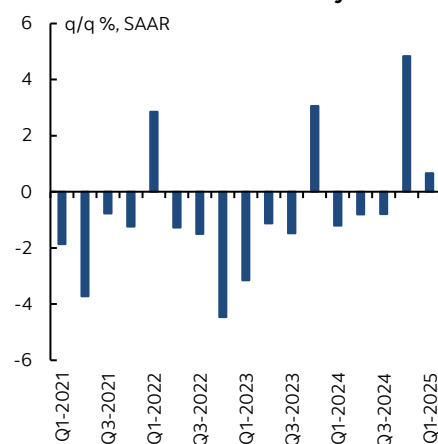
Also watch for auto sales in the US and Canada toward the end of the day. Industry guidance points to a decline in the US but to a still robust print of over 16 million SAAR. Canadian sales have held up well and had increased in July. There has been less tariff front-running in Canada because—unlike the US—tariffs don't apply across the board which affords room for substitution effects.

'Canadian productivity' is about as oxymoronic as things get. We'll get another reminder of this when Q2 labour productivity readings arrive this morning in the wake of last Friday's GDP figures (8:30amET). Hint: not good. In the past five years, productivity has only been on the plus side in six quarters out of 21 quarters and soon to be six in 22 (chart 3).

And lastly, Canadian PM Carney's two-day cabinet retreat starts today but don't look for much if anything by way of headlines with media barred this time ([here](#)). JF is among the presenters. It's all on the path to a Fall budget and a major projects list before then—along with whatever tariff and trade assumptions one wishes to make with the mess that the Trump administration has created. My macro view remains on the more optimistic side while warning of ongoing inflation risk and caution against expecting easier monetary policy.

Chart 3

### Canadian Labour Productivity Growth



Sources: Scotiabank Economics, Statistics Canada.

Fixed Income	Government Yield Curves (%):												Central Banks	
U.S. 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
	3.66	3.64	3.61	3.75	3.72	3.70	4.28	4.26	4.24	4.97	4.96	4.92		
	2.67	2.66	2.70	2.94	2.92	2.95	3.46	3.44	3.45	3.92	3.89	3.88	US - Fed	4.50
	1.97	1.97	1.92	2.30	2.31	2.24	2.77	2.79	2.70	3.39	3.41	3.31		
	0.87	0.87	0.87	1.16	1.16	1.16	1.63	1.62	1.63	3.30	3.23	3.24	England - BoE	4.00
	3.96	3.98	3.96	4.15	4.17	4.13	4.78	4.80	4.74	5.67	5.69	5.60		
Spreads vs. U.S. (bps):													Euro zone - ECB	2.15
CANADA	-98	-98	-91	-81	-80	-75	-82	-82	-79	-106	-107	-104		
GERMANY	-169	-167	-170	-144	-141	-146	-151	-148	-154	-158	-156	-161		
JAPAN	-279	-277	-274	-259	-256	-253	-265	-264	-261	-167	-173	-169		
U.K.	30	34	35	41	45	44	50	54	50	70	73	68	Japan - BoJ	0.50
Equities	Level						% change:						Mexico - Banxico	7.75
S&P/TSX Dow 30 S&P 500 Nasdaq DAX FTSE Nikkei Hang Seng CAC	Last	Change					1 Day	1-wk	1-mo	1-yr	Australia - RBA	3.60		
	28616	51.2					0.2	1.6	5.9	24.2				
	45296	-249.1					-0.5	0.0	3.9	10.6	New Zealand - RBNZ	3.00		
	6416	-44.7					-0.7	-0.4	2.8	16.0				
	21280	-175.9					-0.8	-0.8	3.0	24.2	Next Meeting Date			
	23676	188.3					0.8	-1.5	1.1	26.3	Canada - BoC	Sep 17, 2025		
	9168	51.1					0.6	-0.9	1.1	10.5				
	41939	-371.6					-0.9	-1.4	2.8	8.4	US - Fed	Sep 17, 2025		
	25343	-153.1					-0.6	0.6	3.4	43.6				
	7728	73.7					1.0	-0.2	2.4	2.0	England - BoE	Sep 18, 2025		
Commodities	Level						% change:						Euro zone - ECB	Sep 11, 2025
WTI Crude	64.05	-1.54					-2.3	1.3	-4.9	-8.9	Japan - BoJ	Sep 19, 2025		
Natural Gas	2.99	-0.02					-0.6	10.1	-3.0	35.8				
Gold	3541.79	8.63					0.2	4.3	5.3	42.1	Mexico - Banxico	Sep 25, 2025		
Silver	40.52	-0.06					-0.1	5.5	11.0	41.6				
CRB Index	304.38	2.03					0.7	0.9	3.1	11.6	Australia - RBA	Sep 30, 2025		
Currencies	Level						% change:						New Zealand - RBNZ	Oct 07, 2025
USDCAD	1.3798	0.0016					0.1	0.1	0.1	1.8				
EURUSD	1.1645	0.0005					0.0	0.1	0.6	5.5	Canada - BoC	Sep 17, 2025		
USDJPY	148.68	0.3200					0.2	0.9	1.1	2.2				
AUDUSD	0.6531	0.0011					0.2	0.4	1.0	-2.7	US - Fed	Sep 17, 2025		
GBPUSD	1.3403	0.0009					0.1	-0.7	0.9	2.2				
USDCHF	0.8045	-0.0001					-0.0	0.3	-0.4	-5.4				

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