

DAILY POINTS

September 23, 2025 @ 7:10 EST

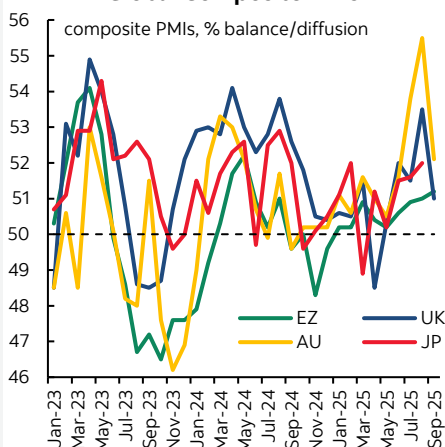
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Chart 1

Global Composite PMIs



On Deck for Tuesday, September 23

Country	Date	Time	Indicator	Period	BNS	Consensus	Latest
US	09-23	08:30	Current Account (US\$ bn)	2Q	--	-256.6	-450.2
US	09-23	09:00	Fed's Bowman Speaks on Economic Outlook				
US	09-23	10:00	Richmond Fed Manufacturing Index	Sep	--	-5.0	-7.0
US	09-23	10:00	Fed's Bostic Participates in Live Podcast Interview				
US	09-23	12:35	Fed's Powell Speaks on Economic Outlook				
CA	09-23	14:30	Speech: Tiff Macklem, Governor				

KEY POINTS:

- Global markets paying little heed to PMIs with Japan out
- Global PMIs signal slowing economies everywhere except Germany
- Miran's embarrassing amateur hour
- Fed's Powell to speak on the outlook
- BoC's Macklem to speak on trade. Again.
- Sweden's Riksbank gives with one hand, takes with the other

Global markets are generally paying little heed to softer PMIs that are signalling a deterioration in global growth. There is a slight bid to US Ts and gilts but little change across EGBs. Currencies are mixed with the post-Riksbank krona outperforming. Equities are mixed with US futures flat but most other European benchmarks a touch higher and with Tokyo out for a holiday. Central bank speak will also factor into markets with Powell and Macklem on tap after Miran's hack talk yesterday.

GLOBAL PMIS SLOW EVERYWHERE EXCEPT FOR GERMANY

With the US and Japan pending, here's the rundown of the latest purchasing managers' readings. Global growth is clearly being damaged as earlier fits and starts on tariffs give way to more binding effects that are just beginning. See charts 1-3.

- The Eurozone composite PMI was roughly unchanged (51.2, 51.0 prior), a mere 0.2 up-tick which for soft data is well within the noise bands. A slight acceleration in services (51.4, 50.5 prior) was offset by manufacturing's dip into sub-50 contraction (49.5, 50.7 prior).
- Within the Eurozone we only get the German and French PMIs now and the rest later. Germany's acceleration offset France's deceleration. Germany's composite PMI was up 1.9 points to 52.4 as services accelerated (52.5, 49.3 prior) but manufacturing

Chart 2

Global Services PMIs

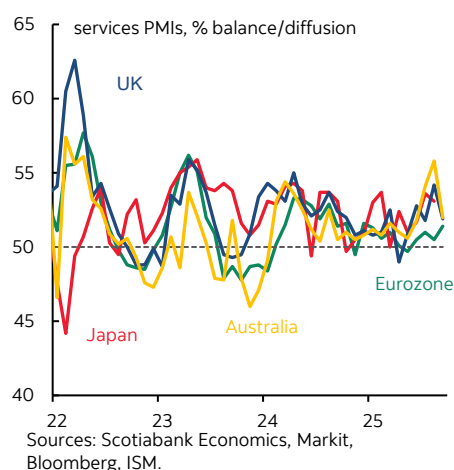
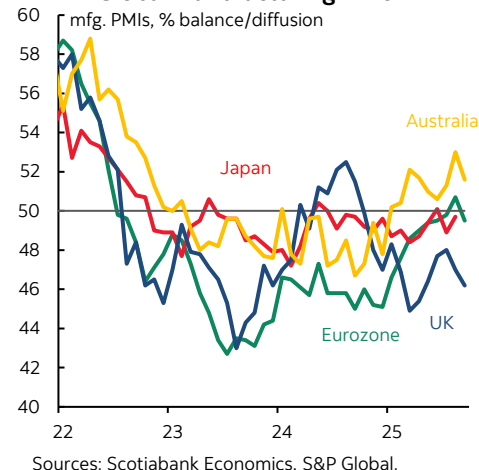


Chart 3

Global Manufacturing PMIs



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slipped into contraction (48.5, 49.8 prior). France's composite PMI pushed further into sub-50 contraction (48.4, 49.8 prior) because both services and manufacturing are in contraction as tariffs and fiscal woes hit confidence.

- The UK economy slowed in September as the composite PMI fell by 2.5 points to 51.0 because manufacturing remains in contraction (46.2, 47.0 prior) but services slowed (51.9, 54.2 prior).
- India's composite PMI fell by 1.3 points to 61.9 as both manufacturing (58.5, 59.3 prior) and services (61.6, 62.9 prior) slowed.
- Australia's economy slowed with the composite PMI falling by 3.4 points to 52.1 and still in mild expansionary territory. Services cooled (52.0, 55.8 prior) and manufacturing also eased off (51.6, 53.0 prior).

The US updates its PMIs later this morning (9:45amET) and Japan will do so this evening.

BOC'S MACKLEM TO SPEAK ON TRADE—AGAIN

Bank of Canada Governor Macklem speaks today on 'global trade and capital flows.' The speech embargo lifts at 2:15pmET and there will be a press conference at around 3:45pmET following speech delivery and audience Q&A. Major new points are unlikely to be shared in relation to what was shared this past week and other speeches. Trade is front and center in terms of BoC concerns for readily apparent reasons, hence why he has delivered so many speeches on it over about the past year.

RIKSBANK LIGHTS UP THE KRONA

The Riksbank's hawkish cut lit up the krona overnight. The central bank surprised some in consensus by cutting its policy rate by 25bps but took it back on the bias. Thirteen out of 22 expected a hold and the rest a 25bps cut. The bias explicitly stated there were no further planned cuts over the entire policy horizon into 2028 (chart 4). We'll see about that, but for now, the clear signal is not to expect anything from the central bank barring an exceptional shock. The krona is the best performing cross to the USD among the majors and semis this morning. Sweden's rates curve is marginally underperforming other benchmarks in a mild bear steepener.

MIRAN'S UNSERIOUS SPEECH TO GIVE WAY TO POWELL

On that note, we'll get other Fed-speak today after Governor Miran's [unserious](#) exercise in cherry-picking what's changed and what hasn't and the views around the effects in his speech yesterday.

Miran not only did a full about face on his prior argument in March 2024 that the neutral rate had pushed higher—not lower—but also confused neutral rates with nearer term policy considerations which violates anyone's understanding of monetary policy 101. Neutral is a vague, long-run concept that describes an economy in perfect equilibrium absent any shocks. Nobody really ever knows what it is; chart 5 shows the scattered opinions of the FOMC members about the real neutral rate. The conditions under which neutral holds as a concept clearly do not described the US today, and so current monetary policy has to be conducted in line with current and nearer term expectations over how the dual mandate will evolve. Think of neutral as akin to a sailor's north star; it'll generally help, unless clouds and stormy weather blot it out for a long time and you could bust up on a pile of rocks if that's all you're going by. This is amateur hour. There is absolutely nothing about the neutral rate concept that says you must be there now, or by December, versus where you **might** be ages from now in a more stable world that doesn't seem to be coming any time soon! Miran also naturally made no mention of moral hazard—as any Fed official wouldn't—but that doesn't mean we shouldn't. Rapid easing would either embolden the Trump administration to pursue more unwise policies that would cause further damage to the US and global economies, and/or lose market confidence.

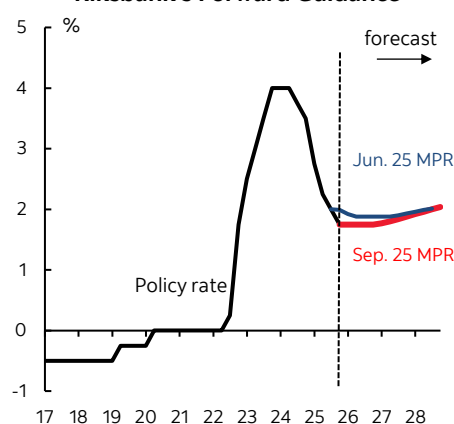
Anyway, outside of the maga base, Miran's -150bps dot this year is to be ignored as the government's view, so moving on.

Back to reality, key will be Chair Powell's speech on the economic outlook early this afternoon (12:35pmET).

Governor Bowman (9amET) and regional Presidents Goolsbee (8:30amET) and Bostic (10amET) also speak.

Chart 4

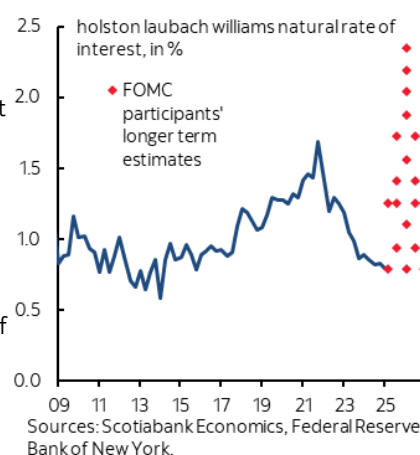
Riksbank's Forward Guidance



Sources: Scotiabank Economics, Riksbank.

Chart 5

Real Neutral Rate of Interest for US



Sources: Scotiabank Economics, Federal Reserve Bank of New York.

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The US also updates the Richmond Fed's manufacturing gauge (10amET) as one other source of input into expectations for the next ISM-manufacturing reading. Other readings have been mixed including a sharp drop in the Empire gauge but a sharp gain in the Philly Fed's measure. All such US data is stale on arrival in my view as frontloading of production faces severe worker shortages and lagging tariff effects.

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			
	3.59	3.60	3.50	3.68	3.70	3.59	4.13	4.15	4.03	4.75	4.76	4.65	Canada - BoC	2.50	
	2.44	2.46	2.46	2.72	2.73	2.71	3.17	3.20	3.15	3.64	3.66	3.58	US - Fed	4.25	
	2.02	2.02	2.00	2.32	2.32	2.29	2.74	2.75	2.69	3.34	3.36	3.28	England - BoE	4.00	
	0.94	0.94	0.88	1.23	1.23	1.15	1.65	1.65	1.60	3.19	3.19	3.25			
	3.96	3.98	3.96	4.11	4.13	4.08	4.68	4.71	4.64	5.50	5.55	5.45			
	Spreads vs. U.S. (bps):														
	-115	-115	-104	-97	-97	-88	-95	-95	-88	-111	-110	-106	Euro zone - ECB	2.15	
	-157	-159	-150	-136	-138	-130	-138	-140	-134	-140	-141	-137	Japan - BoJ	0.50	
-266	-267	-263	-245	-247	-243	-247	-249	-243	-156	-158	-140				
36	38	46	42	43	49	55	56	61	75	78	80				
Equities	Level						% change:						Mexico - Banxico		7.75
	Last			Change			1 Day	1-wk	1-mo	1-yr					
S&P/TSX	29959			190.6			0.6	1.8	5.7	25.4			Australia - RBA	3.60	
Dow 30	46382			66.3			0.1	1.1	1.6	10.1			New Zealand - RBNZ	3.00	
S&P 500	6694			29.4			0.4	1.2	3.5	17.1					
Nasdaq	22789			157.5			0.7	2.0	6.0	26.8					
DAX	23574			47.0			0.2	1.0	-3.2	25.1					
FTSE	9233			6.2			0.1	0.4	-0.9	11.8					
Nikkei	45494			447.9			1.0	1.6	6.7	19.9			Canada - BoC	Oct 29, 2025	
Hang Seng	26159			-185.0			-0.7	-1.1	3.2	43.4			US - Fed	Oct 29, 2025	
CAC	7882			51.9			0.7	0.8	-1.1	5.0			England - BoE	Nov 06, 2025	
Commodities	Level						% change:								
WTI Crude	62.96			0.68			1.1	-2.4	-1.1	-10.5			Euro zone - ECB	Oct 30, 2025	
Natural Gas	2.81			0.00			0.1	-9.4	4.2	7.5			Japan - BoJ	Oct 30, 2025	
Gold	3783.16			36.46			1.0	2.5	12.2	43.9					
Silver	43.74			1.50			3.6	3.6	15.1	39.7					
CRB Index	297.75			-1.24			-0.4	-2.5	-0.8	4.8					
Currencies	Level						% change:								
USDCAD	1.3828			0.0010			0.1	0.6	-0.2	2.1			Mexico - Banxico	Sep 25, 2025	
EURUSD	1.1799			-0.0004			-0.0	-0.6	1.6	6.2			Australia - RBA	Sep 30, 2025	
USDJPY	147.70			-0.0200			-0.0	0.8	-0.1	2.8			New Zealand - RBNZ	Oct 07, 2025	
AUDUSD	0.6610			0.0011			0.2	-1.1	2.0	-3.3					
GBPUSD	1.3519			0.0005			0.0	-0.9	0.5	1.3					
USDCHF	0.7922			-0.0003			-0.0	0.8	-1.7	-6.5					

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