

DAILY POINTS

October 1, 2025 @ 7:30 EST

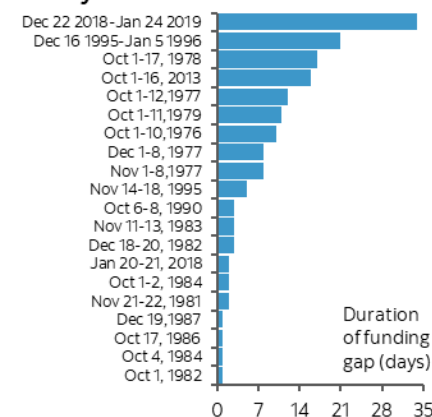
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Chart 1

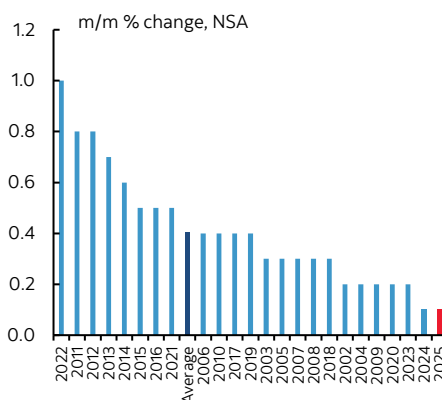
History of US Government Shutdowns



Sources: Scotiabank Economics, Congressional Research Service, US House, US Senate.

Chart 2

Comparing Eurozone Core CPI for All Months of September



Sources: Scotiabank Economics, Eurostat.

On Deck for Wednesday, October 1

Country	Date	Time	Indicator	Period	BNS	Consensus	Latest
US	10-01	07:00	MBA Mortgage Applications (w/w)	Sep 26	--	--	0.6
US	10-01	08:15	ADP Employment Report (000s m/m)	Sep	50	50.5	54.0
CA	10-01	09:30	S&P Global Canada Manufacturing PMI	Sep	--	--	48.3
US	10-01	10:00	Construction Spending (m/m)	Aug	-0.1	-0.1	-0.1
US	10-01	10:00	ISM Manufacturing Index	Sep	48.5	49.0	48.7
US	10-01	12:15	Fed's Barkin Speaks on Economy				
US	10-01	17:00	Fed's Goolsbee Speaks on Marketplace				
US	10-01		Total Vehicle Sales (mn a.r.)	Sep	16.4	16.2	16.1

KEY POINTS:

- **US risk appetite softens as Washington's ineptitude shuts government**
- **The US is clearly unserious about CUSMA negotiations**
- **US nonfarm payrolls are very likely to be suspended**
- **Today's US private data is on track...**
- **...including ADP, ISM-mfrg and vehicle sales**
- **Eurozone core CPI lands on the soft side of history**

Washington's bipartisan ineptitude has brought us yet another US government shutdown. US equity futures are underperforming with losses of about ½% compared to modest gains in Europe. US Ts are mildly outperforming at the front-end.

THE GOOD AND THE BAD OF THE US SHUTDOWN — SO FAR

Among the consequences to the shutdown is that US government data releases will be suspended and that's likely to include Friday's nonfarm payrolls given that neither side is likely to flex in time to strike a deal and reopen. The last time a shutdown was only two days long—which would be today and Thursday—was in 2018 and it's a rarity to be so short (chart 1). In any event, time is needed to restore functions after a shutdown.

The Trump administration used the shutdown as cover to pull the nomination for BLS head by the thoroughly unqualified EJ Antoni, so I guess we can say that some good can come from shutdowns.

TODAY'S US DATA RELEASES WILL BE MOSTLY INTACT

On tap for today will be US ADP private payrolls (8:15amET, 50k expected), ISM-mfrg (10amET, 49.0 consensus, 48.5 Scotia) and US vehicle sales (e.o.d., 16.2 million consensus, 16.4 Scotia) since they are all released by private sources. Construction spending is released by the Census Bureau and so it's suspended.

Markets paid little heed to overnight developments. Eurozone CPI offered little surprise given a) individual countries release in advance, and b) core CPI was in line with expectations at 2.3% y/y. Core CPI at 0.1% m/m NSA wasn't much of a stand out compared to prior seasonally unadjusted figures for months of September.

Japan's Tankan report was also in line with expectations.

WASHINGTON'S UNSERIOUS ABOUT CUSMA/USMCA NEGOTIATIONS

Canada updates the S&P manufacturing PMI for September this morning (9:30amET). More important are the signals from Washington that it isn't approaching CUSMA/USMCA trade negotiations with any seriousness. Trump's additional tariff announcements since last week including another levy on softwood lumber combined with his resurrection of 51st state insults to my nation continue to signal amateurish belligerence and American isolationism.

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	3.61	3.61	3.71	3.74	3.72	4.13	4.15	4.15	4.72	4.73	4.75	Canada - BoC	2.50
	2.47	2.47	2.45	2.75	2.75	2.74	3.19	3.18	3.20	3.66	3.63	3.67		
	2.02	2.02	2.02	2.31	2.31	2.33	2.72	2.71	2.75	3.30	3.28	3.34	US - Fed	4.25
	0.96	0.94	0.93	1.24	1.23	1.23	1.65	1.65	1.65	3.16	3.15	3.17		
	3.97	3.99	3.95	4.13	4.14	4.10	4.70	4.70	4.67	5.51	5.51	5.49	England - BoE	4.00
	Spreads vs. U.S. (bps):													
	-112	-114	-115	-97	-100	-98	-95	-97	-95	-107	-110	-108	Euro zone - ECB	2.15
	-157	-159	-158	-140	-143	-139	-142	-144	-140	-143	-145	-141		
-263	-267	-267	-247	-251	-249	-248	-250	-250	-156	-158	-158	Japan - BoJ	0.50	
38	38	35	41	39	38	57	55	52	79	77	74			
Equities	Level						% change:						Mexico - Banxico	7.50
	Last	Change				1 Day	1-wk	1-mo	1-yr					
S&P/TSX	30023	50.9				0.2	0.7	5.1	24.9			Australia - RBA	3.60	
Dow 30	46398	81.8				0.2	0.2	1.9	10.1					
S&P 500	6688	27.3				0.4	0.5	3.5	17.2			New Zealand - RBNZ	3.00	
Nasdaq	22660	68.9				0.3	0.4	5.6	26.5					
DAX	24004	123.5				0.5	1.4	-0.1	24.9			Next Meeting Date		
FTSE	9412	61.7				0.7	1.7	2.3	13.7					
Nikkei	44551	-381.8				-0.8	-2.4	5.6	15.3			Canada - BoC	Oct 29, 2025	
Hang Seng	26856	232.7				0.9	2.7	5.3	19.7					
CAC	7927	30.7				0.4	1.3	2.8	4.7			US - Fed	Oct 29, 2025	
Commodities	Level						% change:							
WTICrude	62.13	-0.24				-0.4	-4.4	-2.9	-11.0			England - BoE	Nov 06, 2025	
Natural Gas	3.38	0.08				2.3	18.3	12.8	16.7					
Gold	3881.30	22.34				0.6	3.9	11.7	45.7			Euro zone - ECB	Oct 30, 2025	
Silver	46.18	-0.78				-1.7	4.2	19.0	48.6					
CRB Index	300.60	0.00				0.0	-0.8	-0.6	5.0			Japan - BoJ	Oct 30, 2025	
Currencies	Level						% change:							
USDCAD	1.3929	0.0009				0.1	0.2	1.3	3.3			Mexico - Banxico	Nov 06, 2025	
EURUSD	1.1736	0.0002				0.0	-0.0	0.2	6.0					
USDJPY	147.05	-0.8500				-0.6	-1.2	-0.1	2.4			Australia - RBA	Nov 03, 2025	
AUDUSD	0.6616	0.0003				0.0	0.5	1.0	-3.9					
GBPUSD	1.3485	0.0039				0.3	0.3	-0.4	1.5			New Zealand - RBNZ	Oct 07, 2025	
USDCHF	0.7978	0.0014				0.2	0.3	-0.3	-5.8					

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