

DAILY POINTS

October 16, 2025 @ 7:35 EST

Contributors

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Chart 1

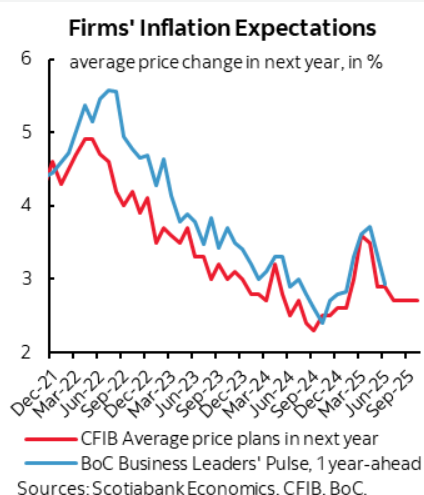


Chart 2



On Deck for Thursday, October 16

Country	Date	Time	Indicator	Period	BNS	Consensus	Latest
CA	10-16	05:00	Existing Home Sales (m/m)	Sep	--	--	1.1
CA	10-16	08:15	Housing Starts (000s a.r.)	Sep	240	257.5	245.8
US	10-16	08:30	Initial Jobless Claims (000s)	Oct 11	235	230.0	218.0
US	10-16	08:30	Continuing Claims (000s)	Oct 04	--	1929.6	1926.0
US	10-16	08:30	Philadelphia Fed Index	Oct	--	10.0	23.2
US	10-16	08:30	PPI (m/m)	Sep	0.3	0.3	-0.1
US	10-16	08:30	PPI ex. Food & Energy (m/m)	Sep	0.3	0.2	-0.1
US	10-16	08:30	Retail Sales (m/m)	Sep	0.5	0.4	0.6
US	10-16	08:30	Retail Sales ex. Autos (m/m)	Sep	0.3	0.3	0.7
US	10-16	09:00	Fed's Waller Speaks at Council on Foreign Relations				
US	10-16	09:00	Fed's Barr Speaks on Stablecoins				
US	10-16	09:00	Fed's Miran in Moderated Conversation				
US	10-16	10:00	Business Inventories (m/m)	Aug	--	0.0	0.2
US	10-16	10:00	NAHB Housing Market Index	Oct	--	33.0	32.0
US	10-16	10:00	Fed's Bowman Speaks at Stress Testing Research Conference				
CA	10-16	13:30	Fireside Chat: Tiff Macklem, Governor				
US	10-16	16:15	Fed Governor Stephen Miran in Moderated Conversation				
US	10-16	18:00	Fed's Kashkari Speaks in Town Hall in South Dakota				

KEY POINTS:

- **Mixed asset classes absent major developments**
- **BoC's Macklem enters the lion's den**
- **Canadian home sales halt gains at least temporarily**
- **Canadian business inflation expectations move lower. So did hiring sentiment.**
- **Aussie bonds outperform after soft jobs...**
- **...as RBA cut pricing doubles**
- **Mixed signals on the health of the UK economy**
- **Bleak signals for Japanese capex**
- **Mounting shutdown toll on US macro data**

Mild risk-on sentiment is driving equities gently higher across N.A. futures and European cash markets except for London. Australian government bonds are outperforming post-jobs in an otherwise dull global sovereign debt space. The dollar is little changed as slight gains by some crosses are offset by slight underperformance by the A\$ and yen.

BoC's Macklem, UK and Aussie macro data, and light data from the US and Canada are the main drivers today as global earnings continue to roll in.

BOC'S MACKLEM TO SPEAK BEFORE BLACKOUT

BoC Governor Macklem takes the fight to Washington—epicenter of misguided trade policies that are damaging the Canadian, global and US economies. He'll speak at the Peterson Institute for International Economics in a moderated session starting at 1:30pmET. No published remarks are expected. No press conference is scheduled. There will be audience Q&A. There will be a webcast available off the PIE website and I think Bloomberg will also run a feed.

What should we expect from Macklem? Jobs rebounded, but the trend is weak. GDP growth is weak and spare capacity continues to build. Will he opt to hold until he sees the budget? Is he committed to meaningful insurance stimulus which one extra 25bps cut is not? Might he intimate we're at the fine-tuning stage for monetary policy adjustments which can merit insertion of buzz words like 'gradual', or Poloz's line from 2015 that policy adjustments at such a stage don't need to go back-to-back in a straight line while there is

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merit to keeping some powder dry? I'd like to hear from him and then see next week's batch of inflation readings.

Another possible topic may be financial regulations in Canada. As written in my weekly, Ottawa is dragging its feet compared to other jurisdictions when it comes to open banking, real time payments systems, and stablecoin and therefore holding back innovation in Canada especially in fintech. What else is new, Canada waits for the US and other jurisdictions to act on everything from vaccines to finregs before it maybe acts in lagging fashion.

CANADIAN HOME SALES BREAK THE STREAK, SMALL BUSINESSES SEND MIXED SIGNALS

The Bank of Canada's Business Outlook Survey arrives on Monday but we already have solid reason to expect it to show a mild further decline in inflation expectations. The CFIB's measure of inflation expectations in its business confidence survey was updated this morning and serves as a timelier monthly leading indicator for the BoC's quarterly measure. Chart 1 shows the connection. Still, inflation expectations in the short-term remain moderately higher than the 2% inflation target. The BoC's consumer survey will also be watched on Monday for any progress on what are still high inflation expectations among consumers.

Also note that small business plans to downsize employment climbed to their highest since October 2021 (chart 2).

Canada's stretch of four monthly increases in existing home sales came to at least a temporary end in September (chart 3). Sales fell by 1.7% m/m SA. The sales to new listings ratio fell to 50.7% from 51.2% previously which remains in balanced territory. Months supply was unchanged at 4.4. Repeat sale home prices were little changed (-0.1% m/m SA).

Housing starts in September (8:15amET) will inform whether the four-month surge over April through July that stumbled a bit in August are on a new, softer trend.

AUSTRALIA'S JOB MARKET IS PLODDING ALONG

Aussie jobs boosted bets that the RBA may cut at its next decision on November 4th. Those odds doubled to about a two-thirds chance at a 25bps cut. Australian 2s rallied by 9bps overnight in a bull steepener and the A\$ is among the weakest performers this morning.

Australia gained about 15k jobs last month which was around the 20k consensus especially considering the statistical noise factor. However, the gain was marred by a downward revision 12k prior loss. Since April, Australia has only gained about 38k jobs for an average monthly gain of just over 7k. The unemployment rate moved up to 4.5% from an upwardly revised 4.3% the prior month (was 4.2%) and it is 1.1 points higher than the trough in 2022 (chart 4).

CONFLICTING SIGNALS ON THE HEALTH OF THE UK ECONOMY

The UK economy generally met expectations for August's readings. GDP grew 0.1% m/m SA, matching consensus. Industrial output doubled consensus expectations (0.4%) but services were unexpectedly flat and construction shrank -0.3% m/m with downward revisions. Exports fell by 1.2% m/m and imports also slipped (-0.7%) as trade with the EU was the main source of weakness.

FALLING DEMAND FOR JAPANESE MACHINES

Japanese core machinery and tool orders fell -0.9% m/m SA in August against expectations for a mild rebound from the 44.6% prior decline. They've fallen in three of the past four months. Machine tool orders are often treated as a leading indicator for capex.

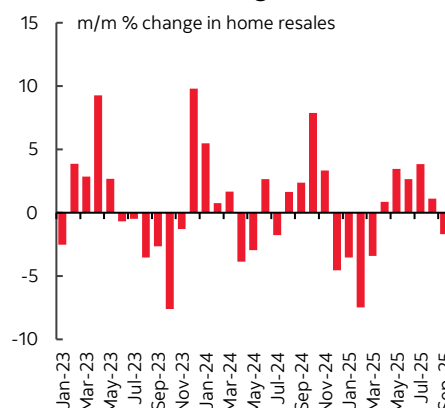
LIST OF SUSPENDED US DATA RELEASES KEEPS GROWING

The list of suspended US data releases will continue to grow today. We should be getting retail sales, PPI and claims, but won't. Only homebuilder confidence in October is due out including model home foot traffic as a leading indicator of new home sales (10amET).

The biggest US banks are out of the way as earnings season continues. KeyCorp—in which Scotiabank holds about a 15% stake—beat expectations with EPS of US\$0.41 (consensus \$0.38).

Chart 3

Canada's Existing Home Sales



Sources: Scotiabank Economics, Canadian Real Estate Association.

Chart 4

Australia's Unemployment Rate



Sources: Scotiabank Economics, Australian Bureau of Statistics.

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			
	3.50	3.50	3.59	3.62	3.62	3.74	4.03	4.03	4.14	4.62	4.63	4.72	Canada - BoC	2.50	
	2.42	2.42	2.47	2.69	2.69	2.76	3.11	3.12	3.20	3.61	3.61	3.72			
	1.92	1.92	2.00	2.17	2.17	2.30	2.58	2.57	2.70	3.17	3.15	3.28	US - Fed	4.25	
	0.93	0.90	0.93	1.22	1.20	1.23	1.67	1.65	1.70	3.14	3.18	3.19			
	3.89	3.90	4.00	4.00	4.00	4.18	4.54	4.54	4.75	5.34	5.34	5.55	England - BoE	4.00	
	Spreads vs. U.S. (bps):														
	-109	-108	-112	-94	-92	-98	-92	-91	-94	-102	-101	-100	Euro zone - ECB	2.15	
	-158	-158	-160	-145	-145	-144	-145	-146	-144	-146	-148	-144			
-258	-260	-266	-240	-242	-251	-237	-238	-244	-148	-145	-154	Japan - BoJ	0.50		
38	40	41	37	38	44	51	51	61	72	72	82				
Equities	Level						% change:						Mexico - Banxico	7.50	
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					
	30637	283.5					0.9	0.9	4.5	24.7	Australia - RBA				3.60
	46253	-17.2					-0.0	-0.7	1.1	7.4					
	6671	26.8					0.4	-1.2	1.0	14.2	New Zealand - RBNZ				2.50
	22670	148.4					0.7	-0.5	1.5	23.4					
	24206	24.2					0.1	-1.6	3.8	24.6					
	9412	-13.1					-0.1	-1.0	2.3	13.0					
	48278	605.1					1.3	1.1	7.5	23.2	Canada - BoC				Oct 29, 2025
	25889	-22.1					-0.1	-3.2	-2.1	27.6					
	8140	62.5					0.8	1.2	4.1	8.6	US - Fed				Oct 29, 2025
Commodities	Level						% change:								
WTI Crude	58.78	0.51					0.9	-4.4	-8.9	-16.5	England - BoE				Nov 06, 2025
Natural Gas	3.03	0.01					0.4	-7.3	-2.4	28.0					
Gold	4244.29	36.81					0.9	6.7	15.0	58.7	Euro zone - ECB				Oct 30, 2025
Silver	52.59	1.07					2.1	7.3	24.6	68.8					
CRB Index	293.61	-0.90					-0.3	-2.5	-4.4	4.2	Japan - BoJ				Oct 30, 2025
Currencies	Level						% change:								
USDCAD	1.4049	0.0006					0.0	0.2	2.3	2.2	Mexico - Banxico				Nov 06, 2025
EURUSD	1.1651	0.0004					0.0	0.8	-1.8	7.3					
USDJPY	151.33	0.2800					0.2	-1.1	3.3	1.1	Australia - RBA				Nov 03, 2025
AUDUSD	0.6506	-0.0007					-0.1	-0.8	-2.7	-2.4					
GBPUSD	1.3425	0.0022					0.2	0.9	-1.6	3.3	New Zealand - RBNZ				Nov 25, 2025
USDCHF	0.7979	0.0012					0.2	-1.0	1.5	-7.8					

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