

### DAILY POINTS

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Chart 1

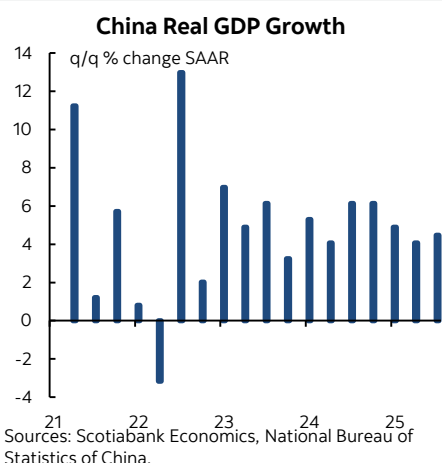


Chart 2



#### On Deck for Monday, October 20

Country	Date	Time	Indicator	Period	BNS	Consensus	Latest
CA	10-20	08:30	IPPI (m/m)	Sep	--	0.2	0.5
CA	10-20	08:30	Raw Materials Price Index (m/m)	Sep	--	-0.3	-0.6
US	10-20	10:00	Leading Indicators (m/m)	Sep	--	-0.3	-0.5
CA	10-20	10:30	BoC Business & Consumer Surveys				

#### KEY POINTS:

- **Stocks mildly higher, sovereign bonds mildly lower**
- **Chinese GDP beats with a minor downward revision...**
- **...but it masked tumbling investment and a weak consumer...**
- **...as some strength in industrial output goes to inventories**
- **French markets nonplussed by S&P's downgrade**
- **Canada to update producer prices before tomorrow's CPI...**
- **...and BoC surveys will focus upon inflation expectations...**
- **...with BoC's Macklem indicating next week's decision hangs in the balance**
- **Colombian markets to react to US tariff threat**
- **Global Week Ahead — Fear the Credit Cycle? (reminder [here](#))**

A fresh trading week is starting off with a mildly constructive tone. Equities are broadly higher—outside of a small dip in France—and sovereign bonds have only a slight cheapening bias overall. The dollar is mixed. China's macro data was soft beneath the hood, French markets are nonplussed by S&P's downgrade and watch CAD and the Colombian peso today.

#### CHINA'S MISLEADING GDP BEAT

China's economy beat consensus expectations, but this masked the fact that investment is tumbling, factory output is significantly going to inventories, and the consumer sector is weak.

GDP grew by 4½% q/q SAAR in Q3 (about 3¼% consensus) but the prior quarter was revised slightly lower to 4.1% from about 4½% (chart 1). So far so good.

The quarter ended mixed, however, as industrial output grew faster than expected (0.6% m/m SA, 6.5% y/y, 5.0% consensus), but retail sales fell again (-0.2% m/m SA, 3% y/y matching consensus). Charts 2 and 3. That's the third drop in four months for retail sales while industrial output has remained buoyant throughout the US-initiated trade wars.

Some of the industrial output continues to go into inventories that have been expanding throughout the trade wars (chart 4).

Further, investment in China's economy continues to hit the skids. Fixed asset investment is down -0.5% ytd and led by property investment (-13.9% ytd). Chart 5. Fixed asset investment has fallen for eight consecutive months in m/m SA terms.

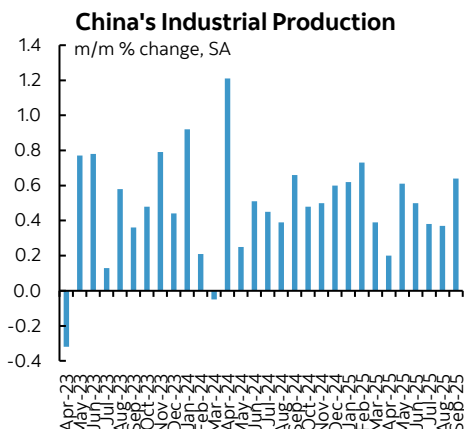
#### MARKETS SHRUG ABOUT FRANCE'S DOWNGRADE

France's downgrade by S&P late Friday is having little effect on French bonds. The 10s spread over German bunds is only about 1bp wider this morning. The CAC40 is underperforming other equity benchmarks.

#### CANADIAN INFLATION UPDATES START TODAY

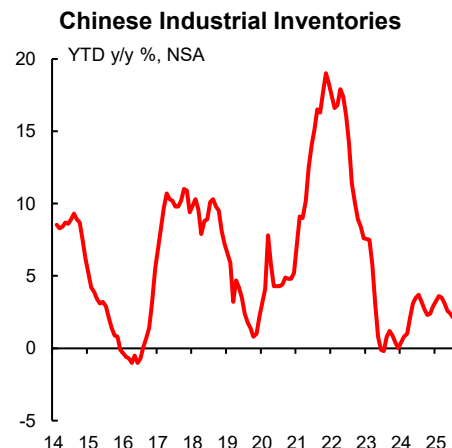
Canada refreshes two out of three inflation gauges that are expected this week but the main one will be tomorrow's CPI. Producer prices—both raw materials and industrial

### Chart 3



Sources: Scotiabank Economics, National Bureau of Statistics of China.

### Chart 4



Source: Scotiabank Economics, National Bureau of Statistics of China

### Chart 5



Source: Scotiabank Economics, National Bureau of Statistics of China.

prices—will be updated this morning with September data and there is no meaningful consensus (8:30amET). Then we'll get the BoC's quarterly lagging business and consumer surveys including measures of inflation expectations and other soft data (10:30amET).

## COLOMBIAN MARKETS TO REACT TO TARIFFS

Trump accused Colombian President Gustavo Petro of being an “illegal drug leader” and said he will impose tariffs upon Colombia today and stop aid to the country.

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		
	3.47	3.46	3.50	3.60	3.59	3.63	4.01	4.01	4.03	4.61	4.61	4.62	Canada - BoC	2.50
	2.38	2.38	2.46	2.66	2.64	2.74	3.09	3.07	3.17	3.59	3.58	3.67		
	1.92	1.91	1.94	2.18	2.17	2.22	2.59	2.58	2.64	3.19	3.18	3.22	US - Fed	4.25
	0.95	0.91	0.92	1.25	1.20	1.22	1.67	1.63	1.69	3.13	3.13	3.20		
	3.87	3.88	3.95	3.97	3.97	4.10	4.53	4.53	4.66	5.33	5.34	5.46	England - BoE	4.00
Spreads vs. U.S. (bps):														
CANADA	-109	-108	-104	-94	-95	-89	-92	-94	-87	-102	-103	-95	Euro zone - ECB	2.15
GERMANY	-155	-155	-156	-142	-142	-141	-142	-143	-140	-142	-143	-140		
JAPAN	-252	-255	-258	-235	-240	-241	-234	-238	-235	-148	-148	-142	Japan - BoJ	0.50
U.K.	40	42	45	37	38	48	51	52	62	73	73	84		
Equities	Level						% change:						Mexico - Banxico	7.50
	Last	Change					1 Day	1-wk	1-mo	1-yr				
S&P/TSX	30108	-350.3					-1.2	-0.5	1.1	21.3	Australia - RBA	3.60		
Dow 30	46191	238.4					0.5	1.6	-0.3	6.7				
S&P 500	6664	34.9					0.5	1.7	-0.0	13.6	New Zealand - RBNZ	2.50		
Nasdaq	22680	117.4					0.5	-1.5	0.2	22.7				
DAX	24132	301.4					1.3	-1.0	2.1	22.8				
FTSE	9391	36.1					0.4	-0.6	1.9	12.4				
Nikkei	49186	1603.4					3.4	2.3	9.2	26.2	Canada - BoC	Oct 29, 2025		
Hang Seng	25859	611.7					2.4	-0.1	-2.6	24.3				
CAC	8172	-2.0					-0.0	3.0	4.1	7.3	US - Fed	Oct 29, 2025		
Commodities	Level						% change:							
WTI Crude	57.34	-0.20					-0.3	-3.6	-8.5	-17.2	England - BoE	Nov 06, 2025		
Natural Gas	3.18	0.18					5.9	2.1	10.2	41.0				
Gold	4256.59	4.77					0.1	3.6	15.5	56.4	Euro zone - ECB	Oct 30, 2025		
Silver	54.10	1.08					2.0	6.6	31.1	70.1				
CRB Index	293.35	-0.50					-0.2	-2.0	-1.9	4.9	Japan - BoJ	Oct 30, 2025		
Currencies	Level						% change:							
USDCAD	1.4032	0.0012					0.1	-0.0	1.5	1.5	Mexico - Banxico	Nov 06, 2025		
EURUSD	1.1655	0.0000					0.0	0.7	-1.3	7.8				
USDJPY	150.76	0.1500					0.1	-1.0	2.1	-0.1	Australia - RBA	Nov 03, 2025		
AUDUSD	0.6491	-0.0008					-0.1	-0.4	-1.6	-2.5				
GBPUSD	1.3417	-0.0010					-0.1	0.6	-0.7	3.3	New Zealand - RBNZ	Nov 25, 2025		
USDCHF	0.7928	-0.0005					-0.1	-1.4	0.0	-8.5				

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