

DAILY POINTS

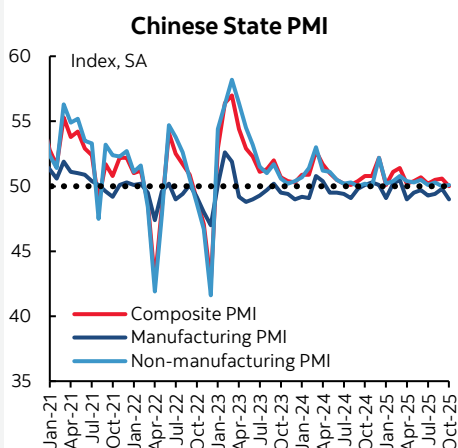
October 31, 2025 @ 6:55 EST

Contributors

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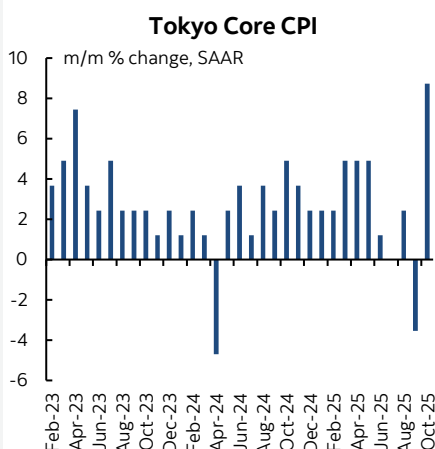
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Chart 1



Sources: Scotiabank Economics, China Federation of Logistics & Purchasing.

Chart 2



Sources: Scotiabank Economics, Ministry of Internal Affairs and Communications.

On Deck for Friday, October 31

Country	Date	Time	Indicator	Period	BNS	Consensus	Latest
CA	10-31	08:30	Real GDP (m/m)	Aug	-0.1	0.0	0.2
US	10-31	08:30	Employment Cost Index (q/q)	3Q	0.9	0.9	0.9
US	10-31	08:30	PCE Deflator (m/m)	Sep	0.3	0.3	0.3
US	10-31	08:30	PCE Deflator (y/y)	Sep	2.8	2.8	2.7
US	10-31	08:30	PCE ex. Food & Energy (m/m)	Sep	0.2	0.2	0.2
US	10-31	08:30	PCE ex. Food & Energy (y/y)	Sep	2.8	2.9	2.9
US	10-31	08:30	Personal Spending (m/m)	Sep	--	0.4	0.6
US	10-31	08:30	Personal Income (m/m)	Sep	--	0.4	0.4
US	10-31	09:30	Fed's Logan Speaks at Bank Funding Conference, Day 2				
US	10-31	09:45	Chicago PMI	Oct	--	42.0	40.6
US	10-31	12:00	Fed's Hammack and Bostic Speak at Bank Funding Conference				

KEY POINTS:

- Tech earnings buoy US equities while other markets stumble
- Canada's economy is fumbling along in Q3
- China's economy weakened, weighing on Chinese equities
- Tokyo core CPI soars, reinforces BoJ hike expectations
- Firm Eurozone core CPI with a pick-up in services
- Cautious German consumers
- BanRep expected to hold

Ghoulish little fiends are causing a bit of mischief across global markets. Risk appetite is soft to end the month with the stand out being a modest gain in US equity futures after solid showings from Apple and Amazon in yesterday's after-market. European cash markets are broadly lower except for Italy. Stocks fell in China with signs the economy is weakening further. Sovereign bonds are little changed. The dollar is mixed. Overnight data focused on China's economy, hot Japanese core inflation, and warmer than usual Eurozone core CPI. On tap are Canadian GDP and BanRep's latest decision.

CHINA'S ECONOMY SOFTENED

China's state PMIs softened (chart 1). The October composite slipped 0.6 points to 50.0 on the button which signals an economy neither growing nor contracting at the margin. Manufacturing shrank at a slightly quicker pace (49.0, 49.8 prior) with non-manufacturing holding firm (50.1, 50.0 prior).

TOKYO CORE CPI POSTS BIGGEST GAIN IN 11 YEARS

Japanese data was generally buoyant. Tokyo core CPI for October registered the strongest m/m gain since 2014. Core CPI was up by 0.7% m/m SA, or 8.7% m/m SAAR (chart 2). Further, activity readings were mixed as industrial output grew by more than expected (2.2% m/m, 1.5% consensus) and retail sales grew by less than expected (0.3% m/m, 0.8% consensus) but partly due to upward revisions.

EUROZONE CORE CPI SLIGHTLY FIRMER THAN TYPICAL

Eurozone CPI matched expectations at 0.2% m/m SA but core CPI was slightly firmer at 2.4% y/y (2.3% consensus). That's because the month-over-month NSA core CPI reading was slightly firmer than a typical month of October at 0.3% m/m compared to the average at 0.2 (chart 3). Services inflation picked up (chart 4).

CAUTIOUS GERMAN CONSUMERS

German consumers were more cautious in September. Sales volumes were up by only 0.2% m/m SA which matched consensus, but the prior month was revised lower (-0.5% m/m instead of -0.2%).

CANADA'S ECONOMY

We'll get a more complete picture of the performance of the Canadian economy when GDP figures arrive this morning (8:30amET). August and September estimates will firm up estimates for overall Q3 GDP.

The August figures will include revisions to the initial guidance from Statcan that the economy was "essentially unchanged" that month. My tracking points toward a mild dip of -0.1% m/m SA. The figures for August will also include sector details. Statcan had said that "Increases in wholesale trade and retail trade were offset by decreases in mining, quarrying, and oil and gas extraction, manufacturing, and transportation and warehousing."

Key, however, may be the first estimate for September sans details. There is very little information available for the month. We know that hours worked dipped by -0.2% m/m SA and since GDP is hours times labour productivity this points to downside risk. Retail sales also reversed August's gain while existing home sales also dipped but vehicle sales accelerated.

The overall picture is one of an economy that may be posting very little growth in Q3. Based on monthly GDP estimates, growth could be around ¾% q/q SAAR after GDP contracted in Q2 despite strong consumption and strong final domestic demand.

As a consequence, Canada's economy continues to open up a modest amount of slack but don't get carried away with that argument. As the BoC has emphasized, developments are destroying productive capacity.

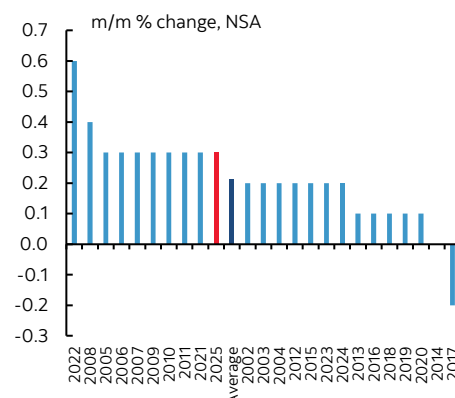
BANREP TO HOLD

Colombia's central bank is widely expected to remain on hold at an overnight lending rate of 9¼% this afternoon (2pmET). It has been on hold since its last rate reduction in April. Inflation remains too high to contemplate further easing at this juncture. CPI is running at 5.2% y/y with core inflation just a hair beneath 5%. Inflation expectations also remain elevated.

And let's not forget Game 6 tonight. Sorry kids, trick or treating is over now, it's game time!

Chart 3

Comparing Eurozone Core CPI for All Months of October



Sources: Scotiabank Economics, Eurostat.

Chart 4

Eurozone Services Inflation



Sources: Scotiabank Economics, Eurostat.

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	2.25
	3.61	3.61	3.48	3.73	3.72	3.61	4.11	4.10	4.00	4.67	4.66	4.59		
	2.43	2.43	2.38	2.73	2.72	2.65	3.15	3.13	3.08	3.59	3.58	3.58		
	1.99	1.99	1.97	2.26	2.25	2.23	2.65	2.64	2.63	3.22	3.20	3.21		
	0.93	0.93	0.93	1.23	1.22	1.22	1.67	1.66	1.66	3.06	3.05	3.06		
3.79	3.80	3.80	3.91	3.91	3.90	4.43	4.42	4.43	5.20	5.18	5.22	England - BoE	4.00	
CANADA GERMANY JAPAN U.K.	Spreads vs. U.S. (bps):												Euro zone - ECB	2.15
	-118	-118	-110	-100	-100	-95	-96	-97	-92	-107	-108	-102		
	-162	-162	-152	-147	-147	-138	-145	-146	-138	-145	-146	-139		
	-269	-268	-255	-250	-250	-238	-244	-244	-234	-160	-161	-153		
18	19	32	18	19	30	33	33	43	53	53	63	Japan - BoJ	0.50	
Equities	Level						% change:						Mexico - Banxico	7.50
	Last	Change				1 Day	1-wk	1-mo	1-yr					
S&P/TSX	30179	34.2				0.1	-0.0	0.5	24.9	Australia - RBA	3.60			
Dow 30	47522	-109.9				-0.2	1.7	2.4	13.8					
S&P 500	6822	-68.3				-1.0	1.2	2.0	19.6	New Zealand - RBNZ	2.50			
Nasdaq	23581	-377.3				-1.6	2.8	4.1	30.3					
DAX	24035	-84.0				-0.3	-0.8	0.6	26.0	Next Meeting Date				
FTSE	9710	-50.5				-0.5	0.7	3.8	19.7					
Nikkei	52411	1085.7				2.1	6.3	16.6	34.1	Canada - BoC	Dec 10, 2025			
Hang Seng	25907	-376.0				-1.4	-0.2	-3.5	27.5	US - Fed	Dec 10, 2025			
CAC	8140	-17.3				-0.2	-1.0	3.1	10.7					
Commodities	Level						% change:						England - BoE	Nov 06, 2025
	60.32	-0.25				-0.4	-1.9	-3.3	-12.9					
WTI Crude										Euro zone - ECB	Dec 18, 2025			
Natural Gas	4.07	0.11				2.9	23.2	23.2	50.3					
Gold	4008.40	-16.14				-0.4	-2.5	3.9	46.1	Japan - BoJ	Dec 19, 2025			
Silver	48.18	0.01				0.0	-1.9	4.3	41.6					
CRB Index	300.77	-0.09				-0.0	-1.4	0.1	7.5					
Currencies	Level						% change:						Mexico - Banxico	Nov 06, 2025
	1.4009	0.0023				0.2	0.1	0.6	0.5					
USDCAD										Australia - RBA	Nov 03, 2025			
EURUSD	1.1573	0.0008				0.1	-0.5	-1.4	6.3					
USDJPY	154.10	-0.0300				-0.0	0.8	4.2	1.4	New Zealand - RBNZ	Nov 25, 2025			
AUDUSD	0.6543	-0.0012				-0.2	0.5	-1.1	-0.6					
GBPUSD	1.3133	-0.0018				-0.1	-1.3	-2.3	1.8					
USDCHF	0.8022	0.0002				0.0	0.8	0.7	-7.2					

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