

DAILY POINTS

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Contributors

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Chart 1

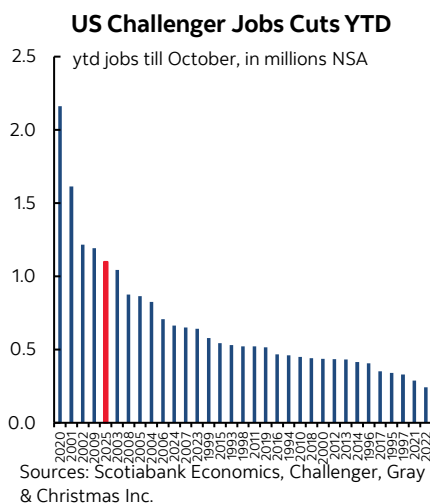
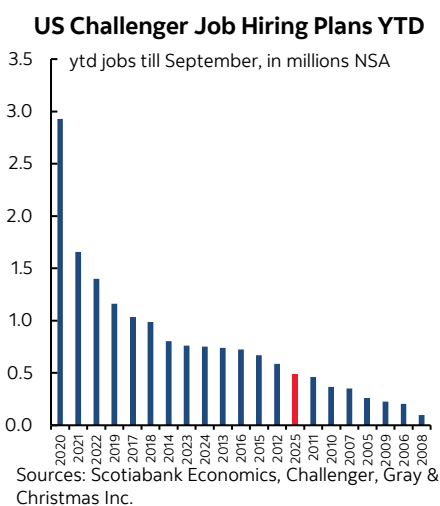


Chart 2



On Deck for Thursday, November 6

Country	Date	Time	Indicator	Period	BNS	Consensus	Latest
US	11-06	07:30	Challenger Job Cuts	Oct	--	--	153074
US	11-06	08:30	Initial Jobless Claims (000s) (suspended due to US government shutdown)	Nov 01	--	225.0	218.0
US	11-06	08:30	Continuing Claims (000s) (suspended due to US government shutdown)	Oct 25	--	1948.0	1926.0
US	11-06	08:30	Productivity (q/q a.r.) (suspended due to US government shutdown)	3Q P	--	3.4	3.3
US	11-06	08:30	Unit Labor Costs (q/q a.r.) (suspended due to US government shutdown)	3Q P	--	0.9	1.0
US	11-06	11:00	Fed's Williams speaks at Goethe University Frankfurt				
US	11-06	11:00	Fed's Barr Participates in Moderated Discussion				
US	11-06	12:00	Fed's Hammack Speaks at the Economic Club of New York				
MX	11-06	14:00	Overnight Rate (%)	Nov 6	7.25	7.25	7.50
US	11-06	15:30	Fed's Waller in Panel on Central Banking and Payments				
US	11-06	16:30	Fed's Paulson speaks on Consumer Finance Institute				
US	11-06	17:30	Fed's Musalem Speaks at a Fireside Chat on Monetary Policy				

KEY POINTS:

- Markets playing light defence
- US job layoffs soar...
- ...and ADP faces revision risk
- BoE, BCB, Negara and Norges all held...
- ...but Banxico is expected to cut
- Ontario's budget coming today
- Light overnight macro readings

Markets are playing light defence this morning. Sovereign yields have a slight downward bias across major benchmarks in the US, Canada and Europe. Key is further evidence that the US labour market's warning signs are flashing red.

US JOB CUTS SOAR, ADP FACES REVISION RISK

US Challenger job cuts soared to 153k in October. That's even higher than I had expected above 100k given announcements toward the end of October from companies like Amazon, UPS and other tech firms. That raises the ytd tally to about 1.1 million which is only exceeded by crisis points like the dot-bomb, GFC and the pandemic. Hiring is also slow. Charts 1 and 2.

It also indicates that ADP's rise of 42k in October may be subject to downward revision. ADP's reference week is the week that includes the 12th of each month. Since the biggest layoffs were at month end this was not yet captured. It still may not be if the pink slips don't show up on payrolls that quickly in which case the next report is likely to be quite weak.

CENTRAL BANKS MOSTLY ON HOLD

The Bank of England held Bank Rate at 4% as widely expected but guided to expect a cut at the next meeting on December 18th. There were four dissenters who voted for a cut at this meeting while nevertheless cautioning that the MPC needs more evidence inflation is going their way.

Each of Bank Negara, Norges and Brazil held their policy rates unchanged as they expected at 2.75%, 4% and 15% respectively.

Round 2 of BoC parliamentary testimony occurs this morning (10:30amET). Round 1 was a yawner. They're coming fresh off last week's updated forecasts and clear guidance they are on an extended hold, but does the Budget affect their thinking at all? There will be repeated written testimony and then scintillating banter with parliamentarians.

Banxico is the only one that is expected to cut again this afternoon (2pmET). See my weekly for more.

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LIGHT OVERNIGHT RELEASES

Japanese real wages are still falling by -1.4% y/y as at September.

German industrial output recorded a more tepid rebound than expected in September. The rise of 1.3% m/m fell well shy of the 3% consensus and followed a -3.7% m/m drop in August (revised from -4.3%).

Sweden's krona is a class leader after stronger than expected CPI. October's reading was 0.3% m/m, tripling consensus and landing at a still modest 0.9% y/y. Underlying inflation ex-energy was 2.8% y/y (2.6% consensus).

ONTARIO TO RELEASE BUDGET

Ontario releases its budget shortly after 1pmET today. Our two provincial economists will be covering and will send a note out by the evening. Here's what John Fanny and Mitch have to say about it.

The province's 2024–2025 Public Accounts show a much smaller deficit of -\$1.1 bn in FY25 (-0.1% of nominal GDP) compared to what was expected in the spring budget (-\$6 bn, -0.5%), providing a stronger hand-off to the current fiscal year. In Ontario's Q1 fiscal update, the deficit for FY26 was unchanged from Budget 2025 at -\$14.6 bn (-1.2% of nominal GDP) but could change in the fall fiscal update. Ontario has already announced that it will include in its mid-year update an expansion of its GST rebate on new homes, to fully refund the 8% provincial portion of the HST for first-time homebuyers. This is a fairly narrowly scoped measure, which should be able to be absorbed with Ontario's considerable forecast buffers that included \$5 bn allocated for contingencies and reserves (2.3% of revenue) in FY26. Meanwhile, the economic backdrop for this year is proving more resilient than feared at the beginning of this year. The 2025 nominal GDP growth forecast in the Q1 fiscal update was 3.2%, marginally higher than 3.1% in the spring budget but below our September outlook of 3.5%.

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			
	3.61	3.63	3.61	3.74	3.76	3.72	4.14	4.16	4.10	4.73	4.74	4.66	Canada - BoC	2.25	
	2.42	2.43	2.43	2.72	2.73	2.72	3.16	3.16	3.13	3.61	3.62	3.58			
	2.01	2.00	1.99	2.27	2.27	2.25	2.68	2.67	2.64	3.26	3.26	3.20	US - Fed	4.00	
	0.94	0.93	0.93	1.25	1.22	1.22	1.69	1.66	1.66	3.10	3.09	3.05			
	3.79	3.80	3.80	3.91	3.93	3.91	4.46	4.46	4.42	5.24	5.25	5.18	England - BoE	4.00	
	Spreads vs. U.S. (bps):														
	-119	-121	-118	-102	-103	-100	-98	-100	-97	-111	-112	-108	Euro zone - ECB	2.15	
	-161	-163	-162	-147	-149	-147	-146	-149	-146	-146	-148	-146			
-267	-270	-268	-250	-254	-250	-245	-250	-244	-163	-165	-161	Japan - BoJ	0.50		
17	17	19	17	17	19	32	30	33	52	51	53				
Equities	Level					% change:							Mexico - Banxico	7.50	
	Last				Change	1 Day	1-wk	1-mo	1-yr						
S&P/TSX	30103				325.7	1.1	-0.1	-1.4	22.2					Australia - RBA	3.60
Dow 30	47311				225.8	0.5	-0.7	1.3	8.2						
S&P 500	6796				24.7	0.4	-1.4	0.8	14.6					New Zealand - RBNZ	2.50
Nasdaq	23500				151.2	0.6	-1.9	2.4	23.8						
DAX	24016				-33.3	-0.1	-0.4	-1.5	26.1					Next Meeting Date	
FTSE	9774				-2.9	-0.0	0.1	3.1	19.7						
Nikkei	50884				671.4	1.3	-0.8	6.1	28.9					Canada - BoC	Dec 10, 2025
Hang Seng	26486				550.5	2.1	0.8	-1.8	29.0					US - Fed	Dec 10, 2025
CAC	8027				-47.7	-0.6	-1.6	0.7	8.9						
Commodities	Level					% change:									
WTI Crude	60.01				0.41	0.7	-0.9	-2.7	-16.3					England - BoE	Nov 06, 2025
Natural Gas	4.30				0.06	1.5	8.6	27.9	56.4						
Gold	4011.67				32.10	0.8	-0.3	1.3	50.9					Euro zone - ECB	Dec 18, 2025
Silver	47.61				-0.15	-0.3	-1.2	0.0	45.8						
CRB Index	302.28				-1.90	-0.6	0.5	0.4	7.4					Japan - BoJ	Dec 19, 2025
Currencies	Level					% change:									
USDCAD	1.4096				-0.0013	-0.1	0.8	1.1	1.1					Mexico - Banxico	Nov 06, 2025
EURUSD	1.1521				0.0029	0.3	-0.4	-1.6	7.4						
USDJPY	153.71				-0.4100	-0.3	-0.3	2.2	-0.6					Australia - RBA	Dec 08, 2025
AUDUSD	0.6510				0.0005	0.1	-0.7	-1.6	-0.9						
GBPUSD	1.3077				0.0027	0.2	-0.6	-3.0	1.5					New Zealand - RBNZ	Nov 25, 2025
USDCHF	0.8086				-0.0016	-0.2	0.8	1.7	-7.8						

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