

DAILY POINTS

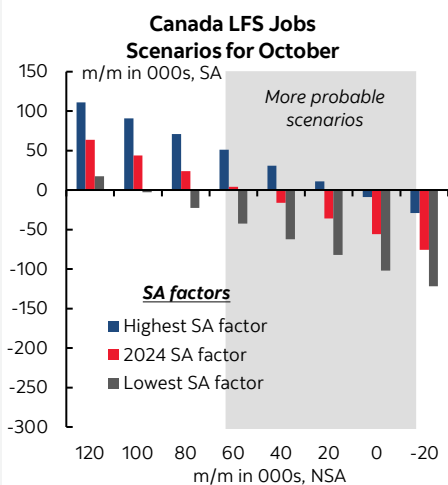
November 7, 2025 @ 7:05 EST

Contributors

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Chart 1



On Deck for Friday, November 7

Country	Date	Time	Indicator	Period	BNS	Consensus	Latest
US	11-07	07:00	Fed's Jefferson Speaks on AI and Economy				
CA	11-07	08:30	Employment (000s m/m)	Oct	-25	-5.0	60.4
CA	11-07	08:30	Unemployment Rate (%)	Oct	7.1	7.1	7.1
US	11-07	08:30	Average Hourly Earnings (m/m) (suspended due to US government shutdown)	Oct	0.3	0.3	0.3
US	11-07	08:30	Average Hourly Earnings (y/y) (suspended due to US government shutdown)	Oct	3.6	3.6	3.7
US	11-07	08:30	Average Weekly Hours (suspended due to US government shutdown)	Oct	--	34.2	34.2
US	11-07	08:30	Nonfarm Employment Report (000s m/m) (suspended due to US government shutdown)	Oct	-90.0	-23.0	22.0
US	11-07	08:30	Unemployment Rate (%) (suspended due to US government shutdown)	Oct	4.4	4.4	4.3
US	11-07	08:30	Household Employment Report (000s m/m) (suspended due to US government shutdown)	Oct	--	--	288.0
US	11-07	10:00	U. of Michigan Consumer Sentiment	Nov P	54.0	53.0	53.6
US	11-07	15:00	Consumer Credit (US\$ bn m/m) (suspended due to US government shutdown)	Sep	--	10.2	0.4
US	11-07	15:00	Fed's Miran Speaks on Stablecoins and Monetary Policy				

KEY POINTS:

- Risk off sentiment continues
- Canadian jobs preview...
- ...and why it matters little to the BoC
- US UofM consumer sentiment and expected misery

Markets continue to play defence this morning. Stocks are gently lower across global benchmarks. Sovereign bonds also have a very slight cheapening bias. Gold is up by about \$30/oz. The dollar is mixed but most crosses are little changed.

Overnight developments were very light including data wise with just a better than expected jump in German exports during September to consider (+1.4% m/m, 0.5% consensus, prior -0.8% revised from -0.5%). Canadian jobs and UMich will close out the week. The absurdity of the US government shutdown appears to be nowhere close to ending which adds to the risk that we might not even get key data in time for the December 10th FOMC meeting.

CANADIAN JOBS PREVIEW

Canada updates job market conditions with the Labour Force Survey for October this morning (8:30amET). Here's a slightly adjusted version of what I wrote in my weekly.

Today's figures are one of two sets of readings before the next Bank of Canada decision on December 10th which dampens some of its significance to markets. So does the fact that the BoC just set a very high bar against returning with further easing in its latest communications.

After a surprise 60k jobs were created in September it's reasonable to expect some payback in the context of present macroeconomic uncertainties. Much of that gain was narrowly focused on Alberta but had otherwise solid details even if the gain in manufacturing jobs was kind of sus.

My guess is a loss of about 25k. Plus or minus a bazillion. The 95% confidence band around whatever number the survey spits out is about +/-57k. The unemployment rate may be stable through offsetting effects on the pool of labour.

Consensus is scattered all over the map between -25k and +25k and absent any clustering with a median of -5k. Most see the unemployment rate unchanged at 7.1% or a tick higher.

One added reason (other than coming off the prior large gain) is that October's seasonal adjustment factor tends to shave unadjusted jobs and when combined with what is likely to be on the low end of seasonally unadjusted figures for like months of October the most probable outcome is a material drop in seasonally adjusted jobs. Chart 1 shows the

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scenarios for the change in jobs using different seasonally unadjusted changes and different SA factors. The odds favour a decline using this approach.

Further, surveys like the Ivey PMI and the CFIB's small business hiring plans measure point toward downside risk to jobs over coming months.

If such expectations are anywhere close to reality, then they would restore a weak pattern for employment markets. Canada lost about 41k jobs in July, then another 66k in August before regaining 60k in September.

Hours worked may also be dented by the teacher's strike in Alberta and Canada Post workers returning to work but at less than seasonally regular hours. That could add to tentative tracking of a -0.5% q/q SAAR drop in Q4 hours worked that is so far based solely on the way Q3 ended and handed off to Q4 from the Q3 average.

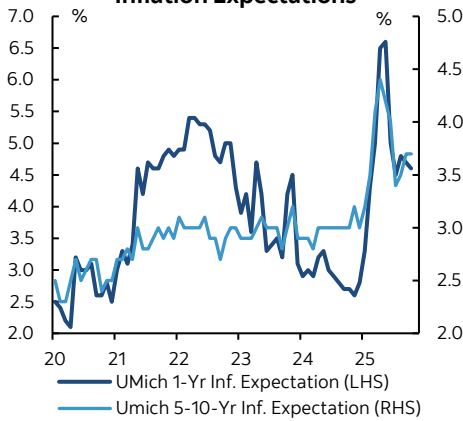
UMICH—MISERY IS ON THE RISE?

Watch UMich for both inflation expectations (chart 2) and expected unemployment over the next year (chart 3)—both of which have been high this year (10amET). In fact, expected unemployment is running at GFC levels and higher than the pandemic. I'll take a deeper dive into the mixture of US labour market readings in my weekly in an effort to examine how much it is weakening.

Always treat these measures of expectations with high suspicion, but if the fears of US consumers are proven correct, then the rising misery index—that combines the unemployment rate with actual inflation—could easily return to a multi-year high from what is presently the highest since about mid-2024 (chart 4).

Chart 2

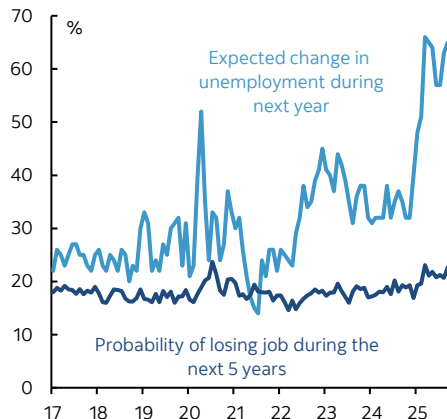
U. Mich. Measures of Inflation Expectations



Sources: Scotiabank Economics, U of Mich.

Chart 3

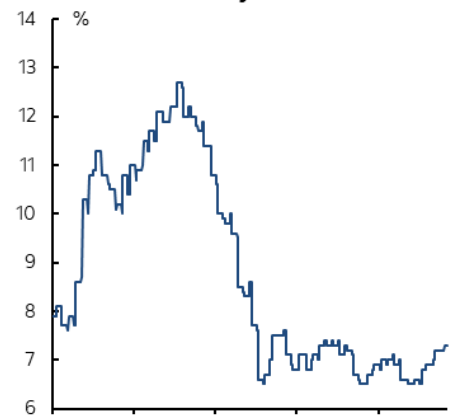
More Anxious Workers



Sources: Scotiabank Economics, University of Michigan.

Chart 4

US Misery Index



Sources: Scotiabank Economics, Bloomberg.

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			
	3.56	3.56	3.57	3.69	3.68	3.69	4.09	4.08	4.08	4.69	4.68	4.65	Canada - BoC	2.25	
	2.39	2.39	2.40	2.68	2.67	2.70	3.11	3.10	3.12	3.57	3.56	3.58	US - Fed	4.00	
	1.99	1.99	1.97	2.26	2.25	2.23	2.66	2.65	2.63	3.26	3.24	3.21			
	0.94	0.94	0.93	1.25	1.25	1.23	1.68	1.69	1.67	3.10	3.10	3.06	England - BoE	4.00	
	3.80	3.79	3.77	3.93	3.90	3.88	4.46	4.43	4.41	5.25	5.22	5.18			
Spreads vs. U.S. (bps):															
CANADA	-117	-117	-117	-100	-101	-99	-98	-98	-96	-112	-112	-107	Euro zone - ECB	2.15	
GERMANY	-157	-157	-161	-143	-143	-146	-143	-143	-145	-143	-144	-144			
JAPAN	-262	-262	-265	-243	-244	-246	-241	-240	-241	-158	-158	-159	Japan - BoJ	0.50	
U.K.	24	23	20	24	22	19	37	35	33	56	54	53			
Equities	Level						% change:						Mexico - Banxico		7.25
	Last	Change				1 Day	1-wk	1-mo	1-yr						
S&P/TSX	29869	-234.9				-0.8	-1.0	-1.6	20.2				Australia - RBA	3.60	
Dow 30	46912	-398.7				-0.8	-1.3	0.7	7.3						
S&P 500	6720	-76.0				-1.1	-1.5	0.1	12.5				New Zealand - RBNZ	2.50	
Nasdaq	23054	-445.8				-1.9	-2.2	1.2	19.6						
DAX	23537	-196.9				-0.8	-1.8	-3.5	21.6						
FTSE	9668	-67.6				-0.7	-0.5	1.9	18.8						
Nikkei	50276	-607.3				-1.2	-2.0	4.8	27.7				Canada - BoC	Dec 10, 2025	
Hang Seng	26242	-244.1				-0.9	1.3	-2.7	25.2						
CAC	7932	-33.2				-0.4	-2.3	-0.5	6.8				US - Fed	Dec 10, 2025	
Commodities	Level						% change:								
WTI Crude	60.00	0.57				1.0	-1.6	-2.8	-17.1				England - BoE	Dec 18, 2025	
Natural Gas	4.33	-0.03				-0.6	5.0	23.8	60.8						
Gold	4008.13	30.93				0.8	0.1	0.6	48.1				Euro zone - ECB	Dec 18, 2025	
Silver	48.69	1.08				2.3	1.0	0.2	53.1						
CRB Index	300.87	-1.41				-0.5	0.0	-0.1	5.1				Japan - BoJ	Dec 19, 2025	
Currencies	Level						% change:								
USDCAD	1.4109	-0.0008				-0.1	0.7	1.1	1.8				Mexico - Banxico	Dec 18, 2025	
EURUSD	1.1559	0.0012				0.1	0.2	-0.8	7.0						
USDJPY	153.13	0.0700				0.0	-0.6	0.8	0.1				Australia - RBA	Dec 08, 2025	
AUDUSD	0.6485	0.0005				0.1	-0.9	-1.5	-2.9						
GBPUSD	1.3123	-0.0014				-0.1	-0.2	-2.3	1.0				New Zealand - RBNZ	Nov 25, 2025	
USDCHF	0.8059	-0.0005				-0.1	0.2	1.0	-7.6						

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