

DAILY POINTS

November 28, 2025 @ 7:10 EST

Contributors

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Chart 1

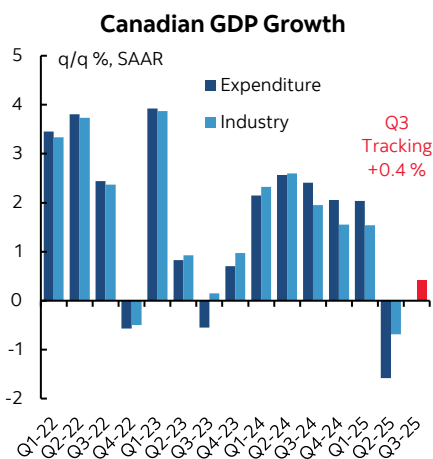
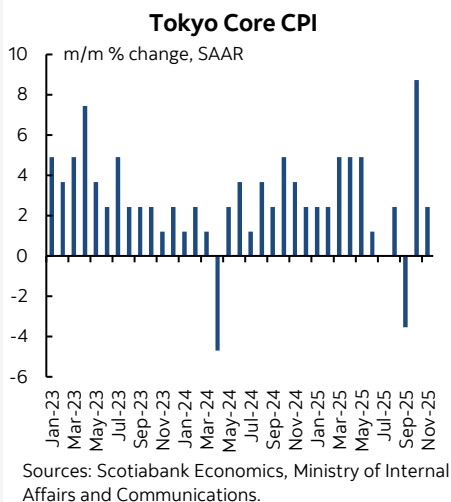


Chart 2



On Deck for Friday, November 28

Country	Date	Time	Indicator	Period	BNS	Consensus	Latest
CA	11-28	08:30	Real GDP (m/m)	Sep	0.2	0.2	-0.3
CA	11-28	08:30	Real GDP (q/q a.r.)	3Q	0.5	0.5	-1.6

KEY POINTS:

- **CAD vulnerable to GDP**
- **Canadian GDP likely to extend softness through Q3/Q4**
- **US markets to shut early today with nothing on tap**
- **Data reinforces a possible BoJ hike next month**
- **Korean factories are reeling**
- **European inflation & GDP data taken in stride**
- **Global Week Ahead—Newly Invigorated (reminder [here](#))**

The week is ending with a dump of data and snow if you live in the northeast US or central Canada. Most of the data had little effect but reinforced a decent chance at a BoJ hike in December. Canada follows up with a dump of GDP data. US market participants return to an empty calendar for roughly half a day ahead of early closes in stocks (2pmET) and bonds (1pmET), for those who didn't take the day off. See my Global Week Ahead including the focus on CAD stablecoin ([here](#)).

Canadian GDP—Scorekeeping Amid Prolonged Pause

Canada will report GDP for Q3, plus detailed figures for the month of September, and the preliminary estimate for October sans details (8:30amET). Expect soft numbers. That may spark market volatility, but the BoC is focused upon complex drivers of inflation that trade off spare capacity and rising cost pressures with a clear signal they are on an extended hold.

Q3 growth is likely to land around ½% q/q SAAR on an expenditure-accounts basis that fully accounts for net trade and inventory effects. That's basically stall speed (chart 1). Our ability to estimate Q3 growth is limited by virtue of the fact that we're still missing trade figures from September due to the US government shutdown and its effects on Statistics Canada. Inventory figures are also incomplete. Therefore, one should treat the estimates with wider brackets than normal and with higher revision risk than normal once Statcan more fully assesses the trade picture.

Still, anything around that reading wouldn't surprise the BoC. It forecast 0.5% Q3 growth in the October MPR.

As for the monthlies, Statcan had previously guided that September would be tracking at about 0.1% m/m SA. I've bumped that up a bit to 0.2% given data since that guidance.

As for October, it *wasn't* just the Blue Jays who were throwing strikes. Hours worked fell in each of September and October by 0.2% m/m SA partly because of the Canada Post strike from about late-September to mid-October, and the Alberta teachers strike. Both of those strikes carried direct and indirect effects. It will be important to assess growth independent of estimated impacts. Other readings appeared weak for the month on balance including preliminary estimates. That could leave us tracking another very soft quarter in Q4 on a highly tentative basis.

Overnight Sweep

Most of the overnight data was largely ignored by markets with few exceptions like South Korea.

The won tumbled overnight because industrial production came in much weaker than expected (-4% m/m SA, +0.3% consensus). Factory output also fell by 1.1% m/m SA in September. The level of output is at the lowest since July 2024.

Japanese markets took updates in stride overnight largely because the pricing for the December BoJ meeting had been ratcheted higher by about 10bps starting on Tuesday to 14bps of a quarter point hike at present when BoJ speak sounded more open to a near-term hike. BoJ Board member Kazuyuki Masu had indicated that a decision to hike was nearing.

The Japanese data generally supported such a stance. Tokyo core CPI ex-food and energy in November remained firm at 2.4% m/m SAAR after it surged by 8.7% in October (chart 2). The year-over-year rate was unchanged at 2.8% y/y as expected. Retail sales grew by 1.6% m/m SA (consensus 0.8%) and industrial production also beat estimates (1.4% m/m SA, -0.6% consensus). So did housing starts (+3.2% y/y, -4.9% consensus).

EGBs showed little interest in CPI updates ahead of the Eurozone add-up next week. Markets get the narrative that the ECB is on hold for an extended period. Here are the readings:

- France's CPI was -0.2% m/m (0% consensus)
- Italian CPI was also weaker than expected (-0.2% m/m, -0.1% consensus)
- Spain's CPI was firmer than expected (0%, -0.2% consensus) but still soft compared to other Septembers given it's seasonally unadjusted data (chart 3).
- German states were soft in line with expectations for the national add-up that gets released at 8amET. Each of the states registered declines of -0.2% or -0.3% m/m NSA.

German retail sales volumes fell -0.3% m/m (+0.2% consensus).

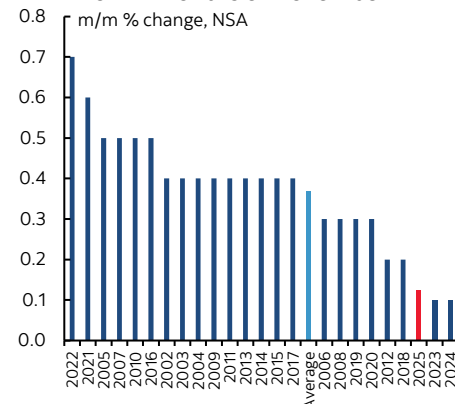
Swedish GDP grew more than expected due to upward revisions. GDP was up 1.1% q/q SA in Q3 which matched expectations but Q2 was revised up (0.8% from 0.5%). If local markets cared, then it came with a lag as Swedish 2s sold off by about 2bps to underperform elsewhere in Europe.

The Swiss economy remains weak. GDP fell -0.5% q/q SA in Q3 (-0.4% consensus) and the prior quarter was revised up by only a tick to 0.2% q/q.

India's economy beat expectations with GDP up 8.2% y/y in Q3 (7.4% consensus).

Chart 3

Comparing Spain Core CPI for All Months of November



Sources: Scotiabank Economics, INE.

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				
	3.48	3.48	3.51	3.58	3.57	3.62	3.99	4.00	4.07	4.64	4.64	4.71	Canada - BoC	2.25		
	2.41	2.40	2.44	2.72	2.70	2.77	3.14	3.12	3.19	3.59	3.57	3.66	US - Fed	4.00		
	2.03	2.03	2.01	2.29	2.28	2.29	2.68	2.68	2.70	3.32	3.32	3.34	England - BoE	4.00		
	0.98	0.98	0.95	1.33	1.33	1.31	1.81	1.80	1.78	3.35	3.34	3.32				
	3.75	3.75	3.78	3.90	3.90	3.96	4.44	4.45	4.55	5.17	5.21	5.37				
Spreads vs. U.S. (bps):																
CANADA	-108	-108	-107	-85	-87	-85	-86	-87	-87	-106	-107	-106	Euro zone - ECB	2.15		
GERMANY	-146	-145	-150	-129	-129	-134	-131	-132	-136	-133	-132	-137	Japan - BoJ	0.50		
JAPAN	-250	-250	-256	-225	-224	-231	-218	-219	-229	-129	-130	-139				
U.K.	26	28	27	32	33	34	45	45	48	53	56	65				
Equities	Level						% change:						Mexico - Banxico		7.25	
	Last					Change	1 Day	1-wk	1-mo	1-yr						
S&P/TSX	31197					16.5	0.1	4.3	2.6	22.1					Australia - RBA	3.60
Dow 30	47427					314.7	0.7	2.8	-0.6	6.0					New Zealand - RBNZ	2.25
S&P 500	6813					46.7	0.7	2.6	-1.1	13.6						
Nasdaq	23215					189.1	0.8	2.9	-2.6	21.8						
DAX	23780					11.6	0.0	3.0	-2.1	22.4						
FTSE	9703					9.1	0.1	1.7	0.1	17.2						
Nikkei	50254					86.8	0.2	0.9	0.1	31.0					Canada - BoC	Dec 10, 2025
Hang Seng	25859					-87.0	-0.3	2.5	-1.8	33.5					US - Fed	Dec 10, 2025
CAC	8111					11.8	0.1	1.6	-1.3	13.0					England - BoE	Dec 18, 2025
Commodities	Level						% change:						Euro zone - ECB		Dec 18, 2025	
WTI Crude	59.08					0.43	0.7	-0.1	-1.8	-14.0					Japan - BoJ	Dec 19, 2025
Natural Gas	4.65					0.09	2.0	3.9	39.0	45.1						
Gold	4171.25					13.64	0.3	2.6	5.5	58.1						
Silver	53.40					0.92	1.8	5.0	12.7	75.1						
CRB Index	297.85					3.46	1.2	-0.5	-0.4	3.9						
Currencies	Level						% change:						New Zealand - RBNZ		Feb 17, 2026	
USDCAD	1.4038					0.0007	0.0	-0.4	0.7	0.2					Mexico - Banxico	Dec 18, 2025
EURUSD	1.1565					-0.0031	-0.3	0.5	-0.7	9.6					Australia - RBA	Dec 08, 2025
USDJPY	156.23					-0.0800	-0.1	-0.1	2.7	3.1						
AUDUSD	0.6524					-0.0010	-0.2	1.1	-0.9	0.4						
GBPUSD	1.3205					-0.0035	-0.3	0.8	-0.5	4.1						
USDCHF	0.8060					0.0012	0.1	-0.3	1.6	-8.7						

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